RESEARCH ARTICLE

Consumer's Automobile Purchase: A Concept

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Abstract: *Acquiring a vehicle involves a multifaceted decision-making process encompassing individual preferences, financial considerations, lifestyle choices, and brand perceptions. Also, the income level plays a pivotal role in shaping consumers' ultimate intentions regarding car purchases. Hence, the need is to delve into such determinants which are foreseen to influence consumer purchasing decisions for automobiles, especially in Pakistan, where the automobile industry is on the verge of life due to peoples' shift of intentions towards the basic needs of life rather than the purchase of a car. For better results, the study on this topic can rely upon the survey analyses based on quantitative questionnaire-based interrogation of the interfering variable, which causes to finalize the car purchasing decision. This view of research holds significance for policymakers in Pakistan's auto sector, offering a comprehensive understanding of the intricate relationship between product attributes, pricing, after-sales service, product quality, brand loyalty, and consumer purchase intentions.*

Introduction

In today's world, nations are striving to boost the sectors which significantly contribute to their economic growth. In this regard, it is worth noticing that the automobile industry is a key contributor in this category. For instance, it is noticed that the number of automobiles, particularly motor vehicles, has crossed the mark of billion by 2023. Despite a global pandemic, the number of vehicles has witnessed a skyrocketing growth. About a decade earlier, the number of vehicles was in the millions, which will now stretch to 1.47 billion by 2023 at the latest.

It is amazing to note that China is the largest automobile market and producer, not the USA, with 415 million registered vehicles moving on the roads. On the other hand, Asia alone owes a statistic of 543 million.

The automakers, according to the European Automobile Manufacturers' Association, are broken down as follows: Asia has 543 million automobile makers, whereas Europe and North America are indebted with 413 and 358 million. A composite of 84 million and 50 million of those are found in South America and the Middle East alone. However, automobile makers in Africa number 26 million.

The present global population stands at around 8.1 billion, decoding approximately one car for every 5.75 individuals. This infers that only 17 per cent of the world's population owns a car. However, this statistic does not precisely represent individual car ownership, as this does not account for those who own multiple vehicles, children, the elderly, and others who abstain from driving for various reasons.

Due to a large number of automobile brands and consumers who are groomed by cheap sources of

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information about the best car to buy, the automobile industry feels that the preferences of the customers towards car purchase have changed, especially in the passenger cars. Some of the influencing factors are pricing, after-sale service, quality of the automobile, and brand loyalty, which are the key ingredients that affect the nature of final demand for a car.

The CEIC report indicates that during November 2023, motor vehicle sales in Pakistan experienced a significant decline of 65.6 per cent compared to a 55.4 per cent decrease in the preceding month. The growth rate of the automobile industry from July 2006 to November 2023 witnessed an average growth rate of 4.5 per cent. Such trends are not the same every year. Rather, they are about to change with the economic upswings and toppling. Thus, the statistics show that April 2021 witnessed 22,420.5 per cent growth whilst -99.6 per cent growth emerged in the same month of last year, i.e., 2020.

Apart from the overall industry's growth figures, it is worth noticing that 6 499.0 units of automobiles were in November 2023, which is quite significant to mould the intention of research to locate the ingredients that consolidate the purchasing decision of the primary consumer.

Insight on the Literature

Rich literature is found on the topic of consumer purchase intentions. However, there is still a scope to locate a gap relevant to the region of a conducted study. Insight into the literature helps to recall that vehicle purchase-related research content is significant since lots of vehicles are found moving on the road, and the automobile companies which offer prompt quality and services coupled with consumers' satisfaction at the time of purchase and afterwards because a consumer of today is available with plenty of options than those in the past. (Bhumi & Shah, 2023; Sadiq & Gokhan, 2010; Tulipa et al., 2014; Chang et al., 2017; Le & Liaw, 2017).

The key variables which are in-focus of the researchers are particularly the price, after-sales service, brand loyalty, brand quality, reputation, and the income of the purchaser (Madani et al., 2023; Ekasari et al., 2023; Chen & Hung, 2016; Altaf et al., 2016). In supplication, Khan (2019), Khan (2019), Lee and Govindan (2014) were found busy locating fuel economy and environmental issues, brand's market credibility, horsepower, appearance, comfort, interior design and cost of maintenance as the core determinants of car purchase decision. The conclusion is that the inclination of consumers to purchase a car is impacted by a variety of dynamic factors, which vary among individuals and groups, especially across different income brackets. An examination of existing literature highlights that consumer intent is moulded by an array of factors, encompassing social, psychological, cultural, economic, and demographic variables.

In recent years, Nguyen et al. (2020) indicated similar factors such as quality, price and brand's market image. However, one development is pointed out in the empirics of Nguyen et al. (2020) that the findings were based on different income groups. In complement to that, Khan (2022) is found to go with speculate societal influences such as opinions, behaviour, and attitude of the consumer towards deciding on the car. Earlier on, Mou et al. (2020) and Khan & Karim (2021) also emphasized societal and psychological factors such as groups of people whom a consumer lives around, attitudes and perceptions, and motives towards the purchase of a car were the factors in consideration of the purchaser.

Recently, Hanif et al. (2023) explored the relationship between the vehicle's value, the trust of consumers, and the purchase intentions of consumers prevailing in varied groups. Significant results are found on purchase intentions, however, among the high-income category.

The factors that contribute to car purchases are classified as consumer behaviour (Marina et al., 2023). Aini et al. (2019) and Purnomo et al. (2019) defined consumer behaviour as the process of consuming a product. Similarly, Sutisna and Handra (2022) and Hendriyati et al. (2022) explained consumer behaviour as a motivation that leads towards the consumption process encompassed by the feelings and thoughts of the consumer and the actions taken during the time of purchase.

Kato et al. (2023), Kirby et al. (2006), Apple (2020), and Baptista et al. (2021) emphasized material, colour, and finish are essential for the competitiveness of industrial products. Locating the significant impact of cars' external finishing on the final purchase intention of a consumer, Kato et al. (2023)

suggested that industries change their mindset, especially those who believe less in the quality of product having either of the repercussions on the consumer's intentions towards the car purchase.

Nevertheless, researchers have also put in a trance that the religious factor affects the consumers' car purchase intentions. Ratnasari et al. (2022) showed that association with the brand is significant and positive in influencing Muslim consumer's attitudes, especially in the case of luxury vehicles. Importantly, those who have more religious knowledge are found to be significantly affected by their attitude towards luxury car purchases and negative. According to Ratnasari et al. (2022), enriching religious bonding helps keep consumers away from purchasing luxury cars, which is more of a show-off rather than a fulfilment of the dire need for Similar trends of thoughts also instituted by Tjahjono (2014), De Run et al. (2010), Naseri and Tamam (2012), and Wilson and Grant (2013).

Methodological Up Fronts

Much of the literature is equipped with questionnaire-based analyses. Questionnaire-based studies have several advantages because they are efficient, cost-effective, private, and render quantifiable data, which has wide acceptability in the field of primary research. The analytics are queued into varied options such as:

Randomized Controlled Trial (RCT)

RCT is a scientific experimentation used in research of the social science domain (Kato et al., 2023; Garrott et al., 2023; Hsiang-Han et al., 2024). The control groups and experimental groups are amicably assigned through RCT, which enables the researcher to dig out different outcomes among each group. RCT uses predefined and standard outcome estimates, which are quantitative in nature. However, much of the applicability is in clinical research.

Statistical Package for the Social Science (SPSS)

An SPSS is a tool that is widely followed by researchers of various fields, mainly social sciences and business studies (Marina et al., 2022; Madani et al., 2023; Bhumi & Shah, 2023). As a comprehensive analytical tool, SPPS allows the researchers to enter, manage, and organize the data in a well-organized way since the transformation, manipulation, and cleaning of the data is quite easy. Descriptive statistics, cluster analysis and inferential statistics (including ANOVA, regression analyses, and t-tests) are doable via SPSS.

Structural Equation Modeling (SEM)

SEM is incorporated by the researchers to get a multivariate estimation of the variables (Mao et al., 2023; Dwithama & Rizky, 2023; Ekasari et al., 2023). SEM is embedded with factor and multiple regression analyses, thus allowing the researchers to examine the complex relationships among the variables. Much of the applicability of SEM is found in the field of social sciences and economics.

Conclusion

The consumer's decision for a car purchase is not an individual choice. There are far-reaching implications of consumer behaviour on the industry, economy, and in the fetch-up of the technological state of the country together with environmental sustainability. Nonetheless, understanding such consumers' decisions is indeed crucial for policymakers, researchers, and automakers alike.

The purpose of this conceptual paper is to highlight areas of possible research on consumers' purchase intentions, considering key determinants such as finance, lifestyle, brand perception, income, price, quality, finishing, design, and after-sale service with respect to cars. Though sufficient literature is evident, the region of study can possibly delve into pointing out different answers to the same questions because of the varied nature of income and lifestyle. The choice of the latest methodology is also significant, but it is important to locate the region to fill the literature gap since many car users are seen moving on the road with numerous brand tags.

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