

## **Influence of Social Media on the Indian Automotive Consumers: Primary Study in National Capital Region**

Ketan Kamra <sup>[1]</sup>

<sup>[1]</sup> Research Scholar Delhi Technological University, New Delhi-110042

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**Abstract :** With reasons like increase in paying capacity and higher living standards leading to substantial growth in the automotive sector each year, the automotive OEM's cannot afford to lag behind in social media marketing. The objective of this paper is to identify and investigate the extent of influence of social media in the Indian Automotive Consumers by conducting a thorough primary research. The study looks towards social media's influence on consumers at multiple stages involved during the buying process as well as the impact of consumer activism through social networks on brand loyalty. The need of the hour is for the automotive OEM's to recognize the importance through social networks marketing phenomenon. A simple random sampling technique is adopted in the paper to select the sample respondents. The primary data is collected from the NCR region from 131 respondents. Analytics is used as a statistical tool to infer the results and come to a conclusion. The results reveal a strong influence of social media in influencing the consumer over multiple buying processes parameters. Influence of Social Media on vehicular research, suggestions, connected vehicle technologies, finance calculator and Facebook page marketing showed a significant share in impacting a consumer before buying an automobile.

**Keywords:** Analytics as Tool, Automotive consumers, OEM's focus, Primary Research and Social Media Parameters

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### **I. Introduction**

The Indian automotive industry has witnessed a lot of national as well as many-national manufacturers post liberalization of 1991. Today, with so many options available at one's disposal, the market is predominantly consumer driven accelerating primarily on need-based platforms. Social Media has started impacting several industries including the automotive industry. The market today is driven as well as governed by consumers. Consumer has the ultimate choice to opt for a preferred brand. Social media has started leaving its footprint on all the sectors, including the ones that have nothing to do with the same. Automotive sector has started feeling the impact and influence of social media up to a significant amount. Understanding the need and use of consumers, marketers can help improve the existing products, identify potential products and learn the consumer behavior. Social media influences the customers at different stages during the buying procedure along with impacting customer activism through social networks on brand perception. OEM's (Original Equipment Manufacturers) have to recognize the significance of this new person-to-person promoting phenomenon. Social media has today penetrated among our lives up to such an extent that its influence will only grow on the consumer's end towards various industries and the sectors need to manage up with the same.

The automotive industry in India is one of the largest and is experiencing a significant growth each year. With increase in paying capacity and improved lifestyles, the industry is set to grow. According to Society of Indian Automobile Manufacturers, the country is home to the largest two-wheeler productions with domestic market share of 81% in 2014-2015. The country produced over 23 million vehicles in 2014-2015 and is expected to be the global leader by 2020.

When talk about market share in passenger car sales, Maruti Suzuki has the highest market share in the passenger vehicle market across India of around 45 per cent followed by Korean OEM, Hyundai Motors with a market share of 20 per cent according to the latest figures by Indian Brand Equity Foundation.

A lot of work is being done to study the impact of social media in the sector and various management consultancies are set to lead their trail in the same. The purpose of this paper is to identify the impact social media is leaving on the Indian automotive consumers and how the industry needs to acknowledge the changing consumer trends in order to modify their market strategies. A questionnaire was asked to fill up by the respondents referring to which results were inferred. The paper therefore tries to study the perception of consumers towards the automotive sector.

## **II. Literature Review**

Earlier, factors like word of mouth, dealer's assurance, advertisements and recommendations played a key role in influencing consumer towards buying an automobile. But now social media has penetrated the industry into every possible way it could. With the emergence of social media, also known as consumer generated media, the tools and strategies for communicating with customers have changed significantly [1].

The focus of the consumers is now shifting from the traditional sources of advertisements and has started demanding immediate and instantaneous access to information at consumer's own convenience [2].

Today the customer is frequently using the social media to conduct the information search and help make purchase related decisions [3].

The impact of social media is also such that the customers perceive it as a trustworthy source for the information as compared to other corporate sponsored communication and this trust has only increased over the advent of time [4]. The recent IDC survey conducted in western part of Europe discovered that the primary reason for using social media was towards increasing awareness about the companies and its products in the market [5]. Also another study concluded that the internet has now become a major source towards consumer sponsored communication programs and it represents the first media choice for consumers at work and second of media epitome [6]. The study by White (2008) [7] discussed the factors those plays a vital role in the choice of car buyers and observed that consumers negotiate with dealers over price and pursue them to every extent to avail incentives as well as low-interest payments. Social media can help consumers get a quote online and help process their buying decision.

## **III. Objectives Of The Research**

1. To recognize the source(s) of information and recommendation(s) from social media on the consumers.
2. To find out the scope of connected vehicle technology and its penetration.
3. To find out the financing applications on social media platforms used by the consumers before financing an automobile.
4. To study the effect of following up of social media posts by the consumers by OEM's.
5. To summarize the above results into a successive conclusion on the influence of social media in automotive consumers.

## **IV. Research Methodology**

The research methodology followed in this research was descriptive research. A simple random sampling technique is adopted in the paper to select the sample respondents. The source of data is the primary research done by conducting survey of the targeted individuals. The respondents filled up the data using online forms. For this purpose, a survey was made using Google Forms as an application and an excel file was maintained for the same. The file was analyzed using in-depth analysis and insights were drawn which are shared in this paper. The targeted sample size was 150 respondents, but due to incomplete information, 19 surveys were not considered to avoid any type of ambiguity in the research. Thus a total of 131 respondents filled the survey. All the respondents belonged to the National Capital Region.

## **V. Scope Of The Study**

It is a well-known fact that with the advent of increasing purchasing power and changing life style towards luxury, now car has become a commodity of necessity and has become one of the most important elements of life even to the middle class people. With the advent of social media penetrating into every other industry, automotive industry too can sense its footprint. Many manufacturers and dealers have to adopt new business strategies to adapt themselves with the going flow of social media marketing. The paper aims at studying the scope of the social media and its influence in the Indian automotive sector and the mood of today's consumer. The research can find its usefulness in equating the impact social media leaves on the end consumers.

## VI. Data Analysis And Interpretation

Table 1 represents the demographic characteristics of our respondents.

TABLE 1: Basic Demographics		
Demographic Characteristic	Number of Respondents	Percentage
<b>Gender</b>		
Male	85	64.9
Female	46	35.1
<b>No. of Children</b>		
None (Or Unmarried)	74	56.4
One	32	24.4
Two	21	16
More than Two	4	3.2
<b>Occupation</b>		
Student/Scholar	26	19.8
Private Service	33	25.2
Government Service	22	16.8
Entrepreneur	39	29.8
Retired/Home Maker	11	8.4

The data in TABLE 1 shows the presence of males (64.9%) as majority of our respondents with more respondents having no children (56.4%) at the time of conducting of the survey. The occupation of all our respondents was diversified with a major chunk being Entrepreneurs followed by private service people. The researcher had tried to target a mix chunk of respondents so as to avoid any ambiguity and as the size of the universe is restricted, all the respondents belong to the NCR region in India.

TABLE 2: Primary (First) Knowledge towards searching a particular vehicle		
Factor	Number of Respondents	Percentage
Dealer/OEM	58	44.27
Print Media	13	9.99
TV Advertisements	16	12.2
Social Media (Including websites like gaadi.com, teambhp.com)	42	32
Other	2	1.52

During the survey, a question was asked to the respondents on finding out about where did they first research about a particular vehicle they were interested in buying. While majority of the respondents completed their research by visiting the Dealers, around 32% of the respondents admitting of using multiple social media platforms to complete their search regarding the same. This shows that a major chunk of respondents used social media platforms so they can't be neglected.

TABLE 3: Mobile Connecting Technology		
Factor	Respondents	Percentage
<b>Look forward towards a car to connect with your mobile</b>		
Yes	46	35.1
No	85	64.9
<b>Heard of Technologies like Android Auto &amp; Apple Car Play</b>		
Yes	27	20.6
No	108	80.4

Bluetooth technology is a common feature today in almost all mid-sized sedans and many other vehicles. Many people look forward towards connecting their mobile phones with their cars for better experience of features like calling, navigation and infotainment. In our survey also, more than one third of the respondents (35.1%) expressed their willingness towards mobile connecting technology and around 20% have heard of technologies like Android Auto and Apple Car Play. From a recent study by IHS, it is expected that by 2020, around 40 million vehicles would be using Android Auto and around 37.1 million vehicles using Apple Car play. This is a further leap towards connected car technology.

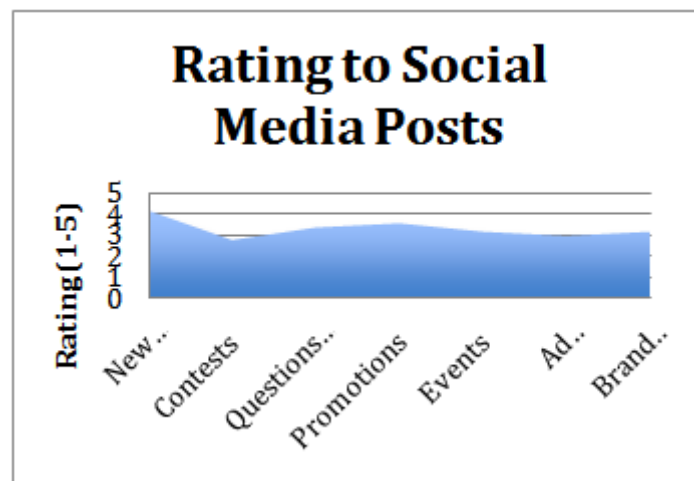
Factor	Respondents	Percentage
<b>If Financed, did website or social media help in evaluating the financier?</b>		
Yes	41	46.06
No	47	53.94

Table 4 examines the tools available these days such as finance calculators, financing comparators etc., which are used to a great extent before making a buying decision. Out of 131 respondents, 89 respondents had financed their vehicles (around 68%) and out of those 89, 46% respondents used social media tools to help evaluate and compare finance options available.

Factors	Respondents	Percentage
<b>Do you regularly follow up social media posts of your aspirational/owned brands?</b>		
Yes	62	47.32
No	69	52.68

These days almost every OEM is active on social media platforms like Facebook and Twitter. The Internet has now become a major source for consumer sponsored communication and represents the first media choice for consumers at work. With the advent of social media, the trends and strategies are more social media driven for communicating with the consumer base. 62 respondents admitted of regularly following up of posts of their aspirational or owned brands on these platforms compared to 69 who didn't.

When asked to rate on a scale of 1-5, 1 being the least and 5 the highest to prioritize the social media posts they would like to follow, the following area chart was obtained given. Majority of people rated New Vehicle Launches as the highest with a rating of 4.2 and Contests lowest with a rating of 2.8.



**VII. Conclusion**

The data obtained in the research depicted quite principal results and it can be inferred that a lot of research is expected to fully utilize the social media influences in the automotive consumers. The number of people searching information relating to their next purchase vehicle was significantly dependent on Social Media platforms and reviews formed a good part in influencing the buying decision of the same. It can also be inferred that many people look forward toward connected vehicle technology. Most of the people today are present on some or the other social media platforms and new vehicle launches related posts followed by promotions attracted most of the response. It can be concluded that social media marketing is one of the key areas the manufacturers need to focus on in this modern era for the promotions of new advancements and activities.

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