

Consumer Behavior in Automotive Industry in Turkey: Research on Shopping Practices and Buying Behaviors of B and C Segment Automotive Consumers

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Abstract

This dissertation hereby is aimed to analyze the buying behavior of automotive consumers in Turkey. There are 8 hypotheses but the main idea is to see whether B and C segment consumers see buying a vehicle as an investment or not. The thesis contains three main parts; conceptual framework, research, and results. What these parts include is explained below.

The conceptual framework contains three parts. The Concept of Consumer and Consumer Behavior part explains consumer behavior, types of buying behavior, consumer buying (decision process), and the factors affecting buying behavior. The Automotive Sector part explains the segments in the Renault-Nissan (Europe) automobile classification, campaigns and target audience of segments' brands, and the effects of the changing conditions in the automotive industry on the consumer. Consumer Behavior in Automotive Sector part combines the information presented in the first two parts and explains the expectations of consumers, considerations when buying an automobile and SEC classification, consumer decision styles, and its result in automotive.

The research includes the research topic and the problem, which is the consumers' buying behavior considering the segments in the automotive industry. Questions and hypotheses mainly focus on two of the best selling segments in Turkey; which are B and C segments. The methodology includes a survey that is done by consumers. The results include the analysis and inferences of the survey answers and their correlation with the automotive sector and consumer behavior. As a result, B and C segment automotive consumers consider buying their vehicles as an investment.

Keywords: Automotive consumer behavior; automotive consumer; b segment, c segment; consumer behavior; turkey automotive industry

INTRODUCTION

This dissertation is about the consumer behavior in automotive industry in Turkey. Consumer behavior is a significant part of marketing. Studies about consumer behavior help marketing employees and managers to create better advantages and solutions for customers. Learning the consumer behavior about a certain product makes it easier to improve that product and its selling techniques. That is why this study is aimed at consumer behavior in automotive industry. This study can help automotive marketers in Turkey to understand the consumer and offer them better solutions throughout their buying process.

Automotive is a major industry in Turkey. It is possible to find all kinds of vehicle classifications in large numbers. That is why automotive marketing is something to be considered significant by marketers in Turkey. The main reason for this consideration is that buying a vehicle in Turkey is more than just buying something new. It is an investment. This is what this dissertation concentrates on. Turkey is going through a rather unstable economic situation. However, even before the unstable times in the economy of Turkey, buying and selling vehicles have been quite important. There is a consideration that people go through a buying decision thinking about selling the vehicle they are buying. This dissertation will prove that this consideration is real by focusing on the consumers of best-selling automotive segments (B and C) with research. If automotive marketers in Turkey could focus on this consideration and its effects on the buying process, it would be easier for them to reach out to the customers that they are willing to reach and offer them better campaigns and solutions. The main hypotheses are for proving the "consideration of buying a vehicle as an investment." These hypotheses will be studied among the two best-selling automotive segments in Turkey, which are the B and C segments. The research part will include a survey on vehicle owners and will ask the participants questions which can support or disprove the hypotheses. The survey will have at least 384 participants and will be done online in Istanbul, Turkey. Here is the list of all hypotheses:

- H1: B segment consumers see their automobiles as investments and buy their automobiles considering the resale value.
- H2: Also, B segment consumers buy their vehicles focusing mostly on the practicality (less expensive, cheap to run, easy to transport.) The main reason behind this hypothesis

is that B segment vehicles are considered the supermini (economical vehicles) in the market.

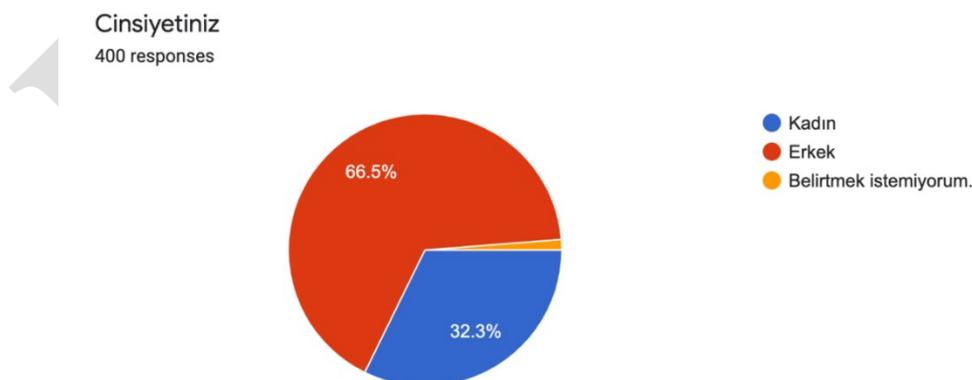
- H3: B segment consumers are mostly under 40 years old.
- H4: B segment is the segment that happens to be the first automobile people buy most of the time.
- H5: C segment consumers also see their automobiles as investments and buy their automobiles considering the resale value.
- H6: However, in addition to the practicality factor of the B segment consumers, they are also focusing on higher aspects such as comfort, space, and performance.
- H7: The owners of C segment vehicles consist of all age groups.
- H8: C segment vehicles are usually not the vehicles people buy for the first time.

RESULTS

In this part, the answers to the survey questions will be discussed through the hypotheses.

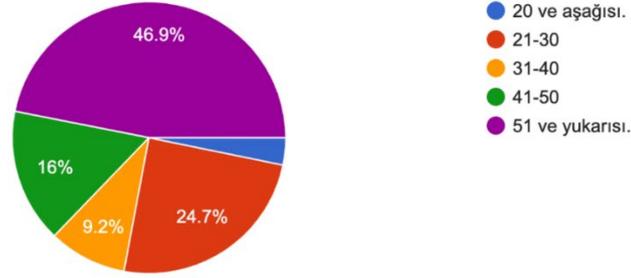
401 people have participated in the survey.

66.5% of the participants are male, 32.3% of the participants are female, and 1.2% of the participants don't want to share their sexuality.



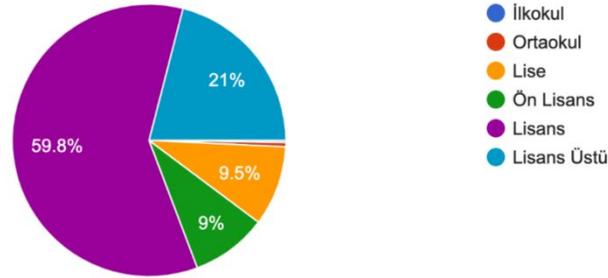
The majority of the participants (46.9%) are older than 51 years old. The following majority is the people aged between 41 and 50.

Yaşınız
401 responses



The majority of the participants have a license degree.

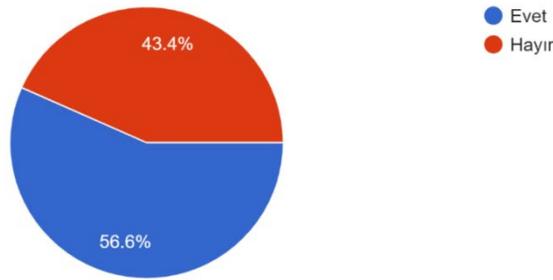
Eğitim düzeyiniz nedir?
400 responses



When looked at the survey answers, it is clear to see the majority see buying an automobile as an investment and they act regarding to this result. Interestingly, the resale ratio is not that significant for the participants, at least it is not a part of their main motivation when buying an automobile. The best motive seems to be safety and fuel economy. Considering the fuel prices in Turkey which are 14.04 for 95 octane gasoline, and 14.25 for diesel fuel (Opet, 21.01.2022), safety coming up as the first motivation is quite surprising. So, H1 is confirmed. Although the main motivation differs, automotive consumers including B segment owners see their automobiles as an investment.

Yeni bir otomobil satın almayı gelecek için yaptığınız bir yatırım sayabilir misiniz?

399 responses



Taking a look at the answers to the downgrading a segment question, majority of the participants would not want to downgrade in segment when buying a new automobile. However, the participants that would downgrade in segment have pointed out that practicality is their main motivation; including practicality that is discussed in H2. Answers to this question do not directly target the B segment, yet accepting the hypothesis as true is plausible.

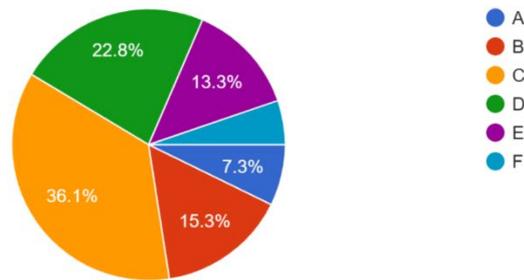
9.2% of the survey participants are between the age of 31 and 40. The percentage of B segment consumers in the survey is 15.3%. Considering the largest majority of the participants' age is more than 51, H3 might be true but there is no exact data to prove so.

When looked at the answers to the secondary car question (question number 14), it's possible to see that 20.3% of the survey participants would buy a B segment vehicle as secondary. Considering this percentage is the second largest majority on this answer, B segment appears to be the second most preferred segment as a secondary automobile rather than being the first automobile the participants buy. However, there is no exact data to confirm this issue with the H4.

The largest majority of participants would buy a C segment vehicle, which makes them C segment consumers. When looked at the ODD data for the best selling segments in Turkey, we can see that the C segment is the top seller. Since the majority of the participants see buying an automobile as an investment, this can relate to C segment consumers seeing buying an automobile as an investment. Considering this data, it is possible to confirm the H5.

Eğer bir otomobil satın alacak olsaydınız hangi segmentte olurdu?

399 responses



Taking a look at the answers to the 15th question, higher aspects such as comfort, space, and performance are not the main motivation of the participants when buying a new automobile. Yet, it is not one of the inessential motivations. So, the H6 can be both true and false.

Since the C segment is the best selling segment in Turkey, it is most likely that C segment consumers consist of all age groups. In case the survey done in this dissertation, the largest majority of the survey participants are aged more than 51, and the percentage of C segment consumers is the highest. Yet the study consists of all age groups. The results of the segment question in terms of the C segment are compatible with the ODD data. So H7 is plausible.

C segment is the best selling segment in Turkey. However, there is no exact data that can confirm H8. Considering the sales numbers of the C segment, the H8 can be true and false.

DISCUSSION

In this part of the study, the discussion of the hypotheses and the survey results will be brought out. The survey includes questions that directly targeted consumers in the automotive industry in Turkey. The results will be discussed through the hypotheses, starting the hypothesis 1 (H1).

H1: According to survey answers, B segment consumers are the third largest community. (2nd largest in the 14th question.) Security and fuel efficiency are the main buying motivations of the participants. So the H1 is proved to be affirmative.

H2: The second main motivation of the participants when buying a new vehicle is fuel efficiency. Considering the factors of participants who would downgrade in segment this hypothesis is true.

H3: Most of the participants are over 51 years old and the second largest community in the survey is D segment consumers. It is possible to consider the D segment consumers are mostly aged 51 and more. The total percentage of participants under the age of 40 is 37.1. We can assume the B segment consumers are mostly under the age of 40 but since it is not a fact, this hypothesis is false.

H4: In the question of the second vehicle of the house, the B segment is in the second majority. This answer raises the possibility that segment B is the segment that people use for the first time, but the hypothesis is not correct due to insufficient data.

H5: Most survey participants consider buying a car as an investment. In both the survey and ODD data, segment C is the most preferred segment in Turkey. Based on this, C segment consumers see their cars as an investment. But they don't buy it considering its second-hand value. (Safety and fuel consumption)

H6: Design, performance and comfort are the third main motivations of the participants. One of the factors of the segmented participants is that the vehicles in the lower segment gradually increase their quality and features. Therefore, although they downgrade in segment, the participants still consider comfort, space, and performance. This hypothesis is true, but not only for C-segment consumers.

H7: The survey study includes all age groups. C segment consumers are the majority in Turkey. This is equivalent to both the survey and TUIK data. Therefore, we can say that this hypothesis is correct.

H8: There is no definite data for this hypothesis in TUIK data. But in the question of the second vehicle of the house, the C segment is the first segment. Therefore, the C segment vehicle, which is bought as the second vehicle of the house, can be used by someone who will drive for the first time, but the hypothesis is not correct due to insufficient data.

CONCLUSION

Similarities were found between the hypotheses and the data made in the literature review. The researched information about B and C segments and the information obtained in the survey

study are mostly equivalent. (TUIK data) The main motivation of the Turkish automotive consumer is not second-hand sales, but safety and fuel savings. The Turkish consumer sees buying a car as an investment. The fact that 51 years and over is the majority in the survey and the second majority of the D segment consumers are unexpected values.

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