

Marketing Strategies of Pre-owned Goods

(A study on Second-hand Automobile Sector)

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“A pre-owned vehicle or a used good is one that is being purchased by or otherwise transferred to a second or later end user”.

1. INTRODUCTION

Personal transportation was often considered as the most luxurious needs to the human kind, and was available only to select people in the past, Now it has become a daily activity in everyone’s life with the ever changing lifestyles, occupation, thus commuting by the large has brought in major changes in each individual’s life to sole personal transportation. From the traditional bullock carts, cycles, motor cycles, cars, autos, busses and now into the luxurious personal vehicles. Each and every individual strives to own the same depending on one’s choices and preferences along with his earning and spending pattern.

From the singsong tempo of the bullock cart to the aircrafts, Indian pre-owned goods or second’s vehicle market has travelled tremendously a long way. The first motor car rode down on India’s roads in the late 18th Century, and until the First World War, over 3500 cars were directly imported to India from foreign countries (mainly Western countries) by the then rulers of the dynasties and western visitors for various reasons and during continued through the British rule. The Hindustan Motors was set up in the pre-independence days in 1942, exclusively to manufacture automobiles in India. The new inclination of pre-owned car market has evolved a long back but recently with the prologue of the branded showrooms in the country has increased the demand for pre-owned vehicles in India. The marketing strategies opted are the main source to attract the prospective customers or the end users. This research studies the pre-owned automobile sector with an emphasis on the marketing strategies involved, the

problems and the depth of the segment of such makers in pre-owned vehicle segment. The Pre-sales and post-sales services along with the certified guarantees and warranties, focussing on the overall status of the vehicles are the main purpose of such firms through which they make customers loyal to them. It will also project some reasons why this sector is competing with the newer vehicle segment in the contemporary world.

The goods and products available in the secondary market are anything and everything right from a safety pin to few spare parts that are used in the assembling of the planes. “The subject on second-hand markets has received inadequate attention from economists view, either in the theory of consumer’s demand or as a specialized form of capital market. The aim of this study is to observe the nature of second-hand activity in the field of automobile sector in the Indian market with an emphasis on the growing demand in the city of Hyderabad and the marketing strategies opted by involved dealers, showrooms and buyers and sellers”.

Pre-Owned/Used Vehicles are vehicles which have been already owned by a previous owner and then sold through either organized or unorganized sector, or individually by using different media like internet, mechanic or through middlemen.

New vehicles normally are subject to physical use which results in definite process of deterioration (wear and tear) and thus wear them out over a period of

time. Thus, the constant availability of used or pre-owned vehicles requires an orderly stream of a new production feeding in the market at the top.

the present study is expected to fulfil the gap by considering the factors like behavioural aspects, life style changes, tastes, services rendered or as expected by the customers, the change in attitude towards the sector from unorganised to transforming into organised segment of its own. With the rise in income levels of the individuals across the income levels (Lower, Middle, Upper Middle and Higher Income people), the purchasing power parity spending pattern has taken a strong leap through the technological advancements, other specification details photographs, validity certificates, virtual reality sensors etc. Price of the vehicles is a major reason on the various models and brands that are available in the market. The OEM's entrant in the sector has increased the share of the organised sector in the segment and needs more such players along with finance options in all the three types of the market.

Analysing the growth and development of pre-owned auto sector:

The growth and development of the second-hand automobile sector is analysed based on the ever increasing demand, especially with the technological advancements and reach through e-commerce and digital era.

Price and promotion of the second-hand automobile sector:

Price plays significant role in the buying behaviour of the potential customers in opting for the said sector based on the models and preferences. Promotional activities such as pictorial representations and specifications of the product such as the status of the vehicle help in acquiring customers and meeting the consumer expectations.

Objectives of the Study

- To study the profile and trends of second-hand automobile market in Hyderabad.
- To study marketing strategies of pre-owned automobile sector.
- To analyse the behavioural aspects of buyers and Sellers with reference to pre-owned automobiles.
- To identify the marketing problems of pre-owned automobiles.

METHODOLOGY:

The data collected from the sellers and the consumers were separated according to their category and were screened for any possible errors or incompleteness. All the percentage tables were prepared first in order to know the trends.

CHAPTERISATION:

- Introduction – A brief introduction on the market and previous readings
- An overview of Pre-owned automobile sector – Overview of the total new and used markets in the automobile sector.
- Marketing strategies of Automobile sector – Strategies implemented in both the new and used vehicle markets.
- Analysis of behavioural aspects of buyers and sellers - behavioural aspects of buyers and sellers are analysed and explained in detail based on the sample respondents.

- Marketing problems of Pre-owned automobile sector – Problems and other strategically decision making things considered.

Findings, Summary, Suggestions and conclusions – Findings along with suggestions to the buyers and the sellers are concluded.

Conclusion:

Used Vehicles:

Pre-owned Vehicles with variable quality and price are preferable. This has been increasing recently with the majority of buyers preferring old vehicles rather than the new ones for varied reasons. Many stores like the physical stores in the Koti and other places in the vicinity of Hyderabad, other individual to individual, unorganised and organised segments in the two-wheeler, three-wheeler and the four-wheeler sectors have come up in the recent past over the last decade. The four-wheeler segment OEMs have set up their own second's showrooms like Maruti True Value, Dr. Mahindra First Choice, TATA Motors Assured to name some, along with other unorganised physical outlets and individuals.

These channels include used car showrooms both belonging to major brands such as Maruti, Mahindra, TATA and Toyota and those belonging to the regional and local showrooms as well. Further, these channels include the virtual or online car portals such as CarWale.com, CarDekho.com and Gaadi.com. These are also done on C2C basis on online platforms like Olx.com, quikr.com, carz.com and several other e-commerce websites offering the second hand vehicles.

The overall promoting strategies involved in the new vehicle market and the used vehicle market in the two, three and four wheeler market are analysed and concluded and this study is limited to the Hyderabad and Rangareddy districts of the Telangana region..