

Navigating The Digital Highway: The Influence Of Social Media On Pre-Owned Car Marketing And Customer Perception

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ABSTRACT

The social media platforms (SMPs) around us have literally revolutionised the way we think, feel, behave and communicate. Marketing is an ever-evolving activity and the marketing think tanks and experts are always exploring new and innovative ways to identify, influence and follow their target audience, the customers. No wonder why the marketers across the globe are increasingly involving social media platforms in their marketing efforts. This trend is quite evident in the Indian new and pre-owned car market where social media platforms are finding a prominent place in the arsenal of key market players. This study, as the title indicates, concentrates on exploring the importance of social media and social media platforms on the marketing of pre-owned cars and the perception of buyers of pre-owned cars towards these platforms. For this purpose, primary data has been collected from 260 pre-owned car owners in Kerala, India through a well structured questionnaire and then analysed using the SPSS software. Descriptive analysis, simple and weighted average analysis, correlation matrix and regression analysis are the main statistical tools used for analysis. The study showcases the influence of social media platforms and social media influencers in generating interest, information search and purchase evaluation by the customers and their post purchase behaviour. YouTube and Facebook are two key sources of information to the customers. SMPs have profound influence on generating purchase intentions and also act as a trusted source for evaluation. Social media influencers and experts display a moderating role in final purchase decisions. Social media platforms can also act as a rich medium for expressing post purchase experiences and the customer reviews in SMPs exhibit high strength at the time of purchase evaluation and consequent purchase decisions...

Keywords: Social Media Platforms, Social Media influencers, Pre-owned cars, Purchase intentions, Post-Purchase Behaviour.

INTRODUCTION:

In the year 2023, India surpassed the UK to become the fifth-largest economy in the world in terms of GDP (Gross Domestic Product). Indian GDP is valued at 4.112 billion US Dollars and as per the Reserve Bank of India estimates, it is likely to grow at 7.3% in the coming years. The GDP growth rate of the country is the fastest among all developing nations. As per the report published by the Press Information Bureau of India, the Net National Income(NII) of the country stands at Rs 98374/-. Valued at USD 39.82 Billion, India adorns third rank in the world car market. It is expected to grow at a CAGR of 5.9% in the 2024-2029 period. We can see the same growth trend in the Indian pre-owned (used) car market. The pre-owned car market is valued at 4.4 million units in the year 2022 and is growing at a healthy CAGR of 19.5%. the pre-owned to new car ratio is expected to be 1.9 by the year 2027. Increase in personal disposable income, improved standard of living, favorable loan interest rate, reduction in new car average holding period, etc. have provided the

impetus to the growth in the Indian pre-owned car market, which is highly dominated by the unorganized sector consisting of private used car dealerships, traditional brokers and commission agents. However, Original Equipment manufacturers(OEMs) and online car trading platforms operating in the organised sector are also accelerating their efforts to offer certified, quality pre-owned cars at an affordable rate. However, both these sectors are predominantly making use of social media platforms like Twitter, Facebook, WhatsApp communities, Instagram, and YouTube to support their marketing efforts. These social media platforms appear to be highly effective in catching the attention of prospective buyers, especially of youngsters. They have been predominantly successful in exerting positive influence on the customer buying behavior process, right from need recognition to post-purchase behavior. These social media platforms have become an authentic and rich source of information about pre-owned cars available across the country. Moreover, social media influencers have emerged as a new class who have a telling influence on

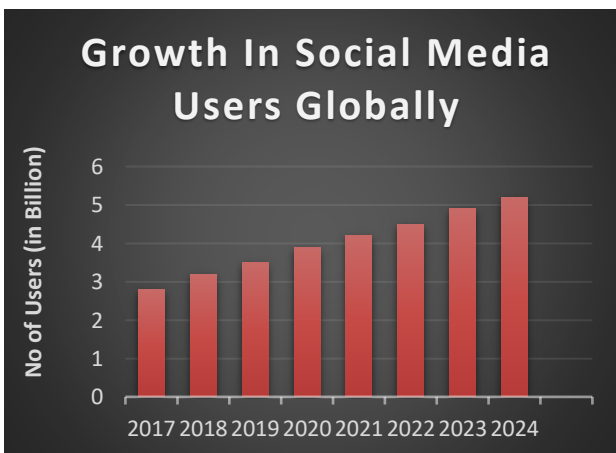
the buying decisions of prospective customers. The present study purports to measure the role of social media platforms in the pre-owned car trading ecosystem and the perception of buyers of pre-owned cars towards social media platforms and social media influencers.

Table 1 Social Media Platform Users in India

Platform	Users (in Million)
Facebook	366.9
Instagram	362.9
Telegram	250
WhatsApp	535.8
YouTube	462
ShareChat	340

(Source: www.statista.com)

Figure 1 Growth in the Number of Social Media Users



(Source: www.statista.com)

REVIEW OF LITERATURE

Voramontri & Klieb(2019) conducted an empirical research on the role of social media on the behaviour of consumers while purchasing expensive goods, brought infrequently, having high involvement and brand references. The study covers all aspects of the buying process, right from information search to final decision making. It was evident that social media influences consumer satisfaction at various stages of the complex buying process including post-purchase evaluation. The research was based on classical EBM model and was conducted among internet savvy customers in South East Asia. **Dahiya& Gayatri (2018)** explored the effectiveness of digital marketing efforts in the buying process and found that every stage of the buying decision process, right from need recognition to post-purchase behaviour was affected. However, evaluation was the most crucial stage where digital communication strategies were found most influential. It is observed that digital

communication is capable of generating a need even in high involvement product categories like a car. Consumers easily develop a positive attitude towards digital communication and are affected by the reviews, comments and opinions of other customers, shared over digital platforms. **Grover& Mandan (2017)** studied how online media motivates prospective consumers to buy online. Authenticity, accuracy and the quality of information provided online have a prominent role on buying decisions, followed by ease of navigation. Online advertising generates interest and motivates customers to visit the social media pages of auto companies. Young people especially have inclination towards social media platforms while seeking authentic information about various product brands. **Kiran & Vasantha (2016)** after reviewing various kinds of literature, concluded that electronic word of mouth (eWOM) made by anonymous, family and friends on social media via various social networking sites like Facebook, Twitter and more influences the purchase intentions of users. The eWOMs are shared by unpaid users and they become organic promoters for products/services. Social media users trust other users' reviews and referrals as the information is communicated by prior purchasers. User-generated content shares the information electronically in social media. The shared information is conveyed through electronic word of mouth. The eWOM influences people to buy the products/services from the various referrals shared on social media. Brand awareness and trust are associated with eWOM. Social media electronic word of mouth influence purchase intention among social media users.

RESEARCH PROBLEM

The Indian pre-owned car market is surging ahead at an accelerated pace. Marketers of pre-owned cars are fast adopting vivid marketing strategies to attract new customers as well as retain existing ones. One such strategy, increasingly being adopted by the sellers of pre-owned cars is the social media platforms like Facebook, Instagram, YouTube etc. With the advancement in technology, faster internet connections and affordable smart phones, number of people involved in social media is having an exponential growth. This research study focuses on the influence of social media platforms on the buying behaviour of pre-owned car buyers and the relevance of social media platforms and social media influencers in the pre-owned car marketing ecosystem. It analyses how important the social media platforms are, in the buying process of pre-owned cars.

RESEARCH OBJECTIVES

- (1) To study the role of social media platforms in the pre-owned car marketing ecosystem.
- (2) To understand the perception of buyers of pre-owned cars towards social media platforms and social media influencers

DATA ANALYSIS AND DISCUSSION

Objective1 : Role of social media platforms in the pre-owned cars' marketing ecosystem.

Table 2: Relative Impact of social Media Platforms

Social Media Platform	Weighted Average value	Rank
Facebook	35.047	2
Instagram	30.380	3
Twitter	19.142	6
LinkedIn	28.666	4
TikTok	23.333	5
YouTube	36.238	1

(Source: Primary Data)

The above table displays the weighted average values and ranks of various social media platforms, indicating their relative effectiveness. YouTube emerges as the top-performing platform with the highest weighted average value of 36.238, securing the first rank, suggesting its stunning popularity. Facebook closely follows it with a weighted average value of 35.047, ranking second, while Instagram with a value of 30.380 takes the third position. LinkedIn (28.666) and TikTok (23.333) rank fourth and fifth respectively, performing moderately well. Twitter occupies last position with a weighted average value of 19.142, indicating comparatively lower effectiveness among the listed platforms. Overall, the interpretation highlights YouTube and Facebook as strong platforms for social media marketing.

Table 3: Descriptive Statistics of perception Towards Pre-owned Cars, Social Media platform and Social Media Influencers.

Particulars	Mean	Standard Deviation
Pre-owned cars offer good value for money	4.4231	0.80677
Pre-owned cars are reliable and trustworthy	4.6205	0.83287
I feel confident in purchasing a pre-owned car	4.4615	0.79672
There is a stigma attached to pre-owned cars	4.5718	0.92868
Pre-owned cars are always inferior to new cars	4.5345	0.57210
Perception Towards Pre-Owned Cars	23.0769	2.15531
Social media platforms provide accurate	4.5013	0.84759

information about pre-owned cars		
Information available in social media about pre-owned cars are trustworthy	4.7205	0.84922
Social media platforms create a positive perception in my mind.	4.7231	0.78889
Social media platforms are convenient sources for research on pre-owned cars	4.3484	0.85956
Social media platforms are not always reliable sources of information about pre-owned cars.	3.4154	0.67821
Perception Towards Social Media Platforms	24.4385	2.84836
Social media influencers have knowledge about pre-owned cars	4.2205	0.9418
Social media influencers are trustworthy	3.8949	0.9944
Social media influencers create a positive perception in my mind about pre-owned cars	4.5154	0.8860
My purchase decision of pre-owned cars is influenced by social media influencers	4.5333	0.9740
Perception Towards Social Media Influencers	17.1641	2.8263

(Source: Primary Data)

The above table reveals that there is a positive perception towards pre-owned cars. Respondents believe that they are reliable, offer good value for money and they feel confident while buying a pre-owned car. However there exists a lingering stigma in the minds of buyers of pre-owned cars, despite the belief that they are not inferior to new cars. SMPs are considered as influencing and convenient, but lack trust as a source of information. There is an element of distrust attached to them. As far as social media influencers are concerned, they are perceived resourceful, impactful and knowledgeable. Still some respondents are skeptical about the reliability of information and comments made by them as they doubt an element of bias and prejudice in their approach. Despite this, they still hold some sway over people’s perceptions about purchase decisions regarding pre-owned cars. Overall, while pre-owned cars are viewed very positively, there is a cautious approach towards the information shared across social media platforms and towards social media influencers.

Table 4: Correlation Between role of Social Media Platforms in the Marketing of Pre-owned Cars and Customer Perception

Si No	Perception	R Value	Sig	N
1	Perception towards pre-owned cars	0.794	0.000	260
2	Perception towards social media platforms	0.881	0.000	260
3	Perception towards social media influencers	0.814	0.000	260

(Source: Primary Data)

Table 4 presents the correlation between perception towards pre-owned cars, social media platforms and social media influencers along with their significance values and sample sizes. Each perception demonstrates strong positive correlation with R values 0.794, 0.881 and 0.814 respectively. This indicates that as perception towards pre-owned cars, social media platforms and social media influencers become more positive, overall role of social media platforms in pre-owned car marketing improve significantly. Since the p value is less than 0.05, it can be concluded that there is a significant relationship between role of social media platforms in the marketing of pre-owned cars.

Table 5: Perception and Role of Social Media Platforms: Regression Analysis

Independent Variable	Unstandardised Coefficient		Standardised Coefficient	t	Sig
	B	Std. Error			
Perception	0.246	0.006	0.824	32.150*	0.000
Adjusted R ² = 0.756					

(Source: Primary data) ** Statistically significant at 1% level

From the above table that depicts the regression analysis, it is very clear that role of social media platforms in the marketing of pre-owned cars is highly influenced by the perception towards cars, social media platforms and social media influencers (at 1% level of significance). The standardised regression coefficient of perception is 0.824 and adjusted R2 is 0.756. Therefore, it can be concluded

that there exists a positive relation between role of social media platforms and perception towards pre-owned cars.

Multiple Regression for Perception on Role of Social Media Platforms in the Marketing of Pre-owned Cars

From the analysis performed, it can be inferred that the role of social media platforms is related with perception towards car, social media platforms and social media influencers. To measure the most contributing element and its influence on the role of social media platforms, multiple regression was done by taking the role of social media platforms as dependent variable and perception as independent variable. Table given below exhibits the results of multiple regression analysis

Table 6: Relationship Between Role of Social Media Platforms and Perception- Results of Multiple Regression Analysis

Independent Variable	Unstandardised Coefficient		Standardised Coefficient	t	Sig
	B	Std. Error			
Perception towards cars	0.199	.042	0.156	12.592*	0.000
Perception towards social media platforms	0.624	0.033	0.520	6.113**	0.000
Perception towards social media influencers	0.487	0.026	0.352	7.529**	0.000
Adjusted R ² = 0.763					

(Source: Primary Data) ** statistically significant at 1% level.

Hence, the final statistical model with standardised regression coefficient of the significant variables is given below

$$\text{Role} = 0.156 \text{ car} + 0.532 \text{ smi}$$

Where role = Standardised value of role of social media platforms.

car = Perception towards car.

smi = Social media influencers.

The most influencing dimension of role of social media platforms in marketing of pre-owned cars, as per the equation, by virtue of the coefficient value and also the significance which is revealed by the analysis is the perception towards social media platforms followed by social media influencers.

It is clearly evident from the table that correlation coefficients corresponding to perception towards cars,

social media platforms and social media influencers are highly significant at 1% level of significance.

SUMMARY AND CONCLUSION

From the above analysis and discussion, it is quite evident that there exists a positive perception towards pre-owned cars in terms of value for money, reliability, and trust worthiness. Even though there is a stigma towards pre-owned cars, majority of the respondents do not treat pre-owned cars as an inferior choice. Social media platforms are perceived as a reliable and rich source of information. Yet it is not considered as a fool proof mechanism on account being biased and unreliable. Social media influencers do have an impact on choice of the customers, but there is lack of trust as some are involved in paid promotion programmes. Information shared on these platforms have a bearing on the buyers right from generating an interest through to post purchase behavior. Respondents are of the view that content shared over the social media platform catch their attention instantly and generate purchase interest and initiates the purchase

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process. This is more so among the youngsters as they spend more time in the cyber space and digital platforms Majority of the respondents follow a cautious approach towards social media platforms and social media influencers. Results of correlation analysis indicate that social media platforms influence customer perception in a positive manner. Regression analysis performed taking perception an independent factor, reveals that there exists a positive relation between role of social media platforms and perception towards cars, and social media influencers. Social media platforms and social media influencers do help in the complex purchase evaluation process. Reviews of experts and other customers shared in the platforms act as a guide to intelligent choices and buyers of pre-owned cars do take active interest in sharing their own purchase experiences through digital platforms. Marketers of pre-owned cars, devising their marketing mix, should therefore weigh high on digital marketing and social media marketing to keep in pace with the ever-evolving modern technology..

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