

Challenges of Car Industry in Dealing with Social Media Marketing Tools

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ABSTRACT

With the introduction of social media platforms, marketing methods in the car industry have undergone a fundamental shift. This study explores the difficulties the auto sector has in using social media marketing tools to improve brand visibility, interact with customers, and traverse the ever-changing digital landscape. Given the continued influence of social media on customer preferences, it is critical to comprehend the difficulties faced by the automotive industry to maintain competitiveness and long-term growth. The study takes a multipronged approach, combining qualitative and quantitative analysis to investigate the intricacies involved in the incorporation of social media into automakers' marketing campaigns. Additionally, issues related to privacy concerns, data security, and the management of customer feedback on various platforms poses substantial hurdles for the industry. Furthermore, the study investigates the impact of social media on consumer behavior and decision-making processes within the automotive purchase journey. By examining case studies and industry practices, this research aims to provide valuable insights and recommendations for car manufacturers to overcome these challenges, optimize their social media marketing efforts, and leverage the potential of these platforms to foster brand loyalty and customer satisfaction. Ultimately, the findings of this research contribute to the evolving discourse on the intersection of the automotive industry and social media marketing, offering practical solutions and strategic recommendations to empower car manufacturers in navigating the intricacies of the digital age.

Keywords-- Marketing, Car Industry, Social Media Marketing

I. INTRODUCTION

1991 embarked a new journey for the Indian car mobile industry. Since then, almost all the global players have made India their hub and set up facilities that has taken the production of vehicles to next level from 2 million in 1991 to more than 500 million today in 2017. In general the car mobile sector in India is bifurcated into four segments. Two wheelers that include mopeds, scooters, motorcycles, electric two wheelers, passenger vehicles that include passenger cars, utility vehicles,

multi0-purpose vehicles, commercial vehicles that consists of light and medium –heavy vehicles and finally three wheelers that incorporates passenger carriers and goods carriers.

As per the OMVM (Organization of Motor Vehicle Manufacturer) 2015 statistics prove that India is sixth largest motor vehicle/car manufacturer in the world. A total of 23.4 million motor vehicles were manufactured by 2014-15(Apr-Mar) that includes 3.22 million passenger cars. The total business revenue of the car manufacturers amounted to USD 67 billion in 2012-13. The total number of registered motor vehicles reached approx. 210 million in March 2015. Established car manufacturers and new entrants in the Indian car market have expanded their production capacities on a large scale. Such companies include Maruti-Suzuki, GM, Tata Motors, Nissan-Renault, VW Group, Toyota, Honda, and Hyundai. Passenger car and utility vehicles form the major segment in the Indian passenger vehicle segment amounting to 80 percentage of the total volume manufactured. Dissecting further the mini segment and compact segment together constitute 80 percentage of total volume within the passenger segment. Since this is the largest segment if volume is considered, the segment is highly competitive and is controlled by seven major players offering more 20 variants and many launches still in pipeline.

Owing to the growing demand even luxury segment has paved its way into the compact segment to cater to the ever growing demand of the consumers. Offerings from Mercedes, BMW and AUDI are an example for the popularity of this segment and needs of the consumers. Looking at the long term perspective constant rising income, stable economy, improved technology, affordability and easy finance option and untapped market provide promising opportunities for car manufactures in India.

II. PURPOSE AND OBJECTIVE OF RESEARCH

Indian car sector is one among the top ten automotive markets globally and it is bound to expand further as income levels of the people continues to increase

and finance facilities are readily available. India is the vibrant market with the potential to grow at a faster pace due to low car penetration as compared to other countries. Word of mouth remains the prime source of information used by almost 96percentage of the consumers, recent advances in internet related technology has been on a constant rise. Study has also revealed that almost half of the consumers prefer to follow research online, purchase offline (ROPO) method and 48 percentage of consumers prefer to search information online before visiting or checking about any offline medium.

As discussed earlier, car shoppers involve in conversations and discussions with their family members and friends who actually are now connected via various social networking sites and are the major influencers. “Technical specifications” is most searched topic followed by “car comparison” and finally the “expert reviews” were found to be the significant details sought by the car buyers. Consumers have the option of comparing various cars and simultaneously read related expert reviews to form a car purchase intention. Further it was reported that 43 percentages of consumers make their final car purchase decision on their own whereas 33 percentages have stated that decision is taken only after consultation with their friends and family.

Men were found to making decisions independently more as compared women (53 percentage vs 25 percentage), women were more likely to consult their spouse and family often as compared to men on purchase decision on cars. There was however increase in the number of women car buyers and study conducted my Mercedes has noted the fact that women car buyers has increased by 5 percentage probably owing to growing population of working women and changes in the lifestyles of urban population. This gives a clear indication that women car buyers is an emerging segment that needs to be given more focus too and marketers need to understand the specific gender base needs in more detail. Fuel type is not the sole attribute that needs to be given preference to but it has been proved that 44 percentage consumers modify their preferences based on car models too (even those not considered initially).

III. RESEARCH METHOD

The study is based on network statistics, for which the data collected is secondary. Thus, the extent of reliability and validity of the findings of this study depends on the reliability and validity of these data.

IV. SECONDARY DATA

Secondary data will be collected through literature review from various web sites, government reports, books,

journals, newspapers, and various professional organizations. Though the researcher will try to review all relevant literatures, but he will be able to review those documents only, which will be practically accessible to him. Some of the current data / information may not be available.

V. LITERATURE REVIEW

The car business is in the midst of a time of showcasing interruption. Conventional promoting models and spending plans are wilting. Buyers' chance and consideration have immediately transitioned to social and advanced stages. Mixed among those stages are developing positions of brand supporters and depreciators who share their buy and possession encounters through content, photograph and video postings on their own systems. That procedure alone is having critical impact on buy choices. The rate of individuals who respire to share their buy and possession encounters utilizing social and computerized stages is developing essentially. An era of promoting practices in the car business is as a rule quietly and proficiently destroyed. A portion of the change operators are Apple, Amazon, Facebook, Twitter and Google delegate organizations that are:

Molding the advanced scene and reclassifying finding data interface with individuals and purchase items and networking's. As indicated by a study expanding number of Indian organizations are utilizing web-based social networking as a compelling business apparatus. The review detailed that 83 for each penny firms in the nation concurring that without web-based social networking movement showcasing systems can't be effective.

Jawhar Sircar, CEO, Prasar Bharati, (2013) in a meeting has stated on the way that the eventual fate of media is marching towards advanced technology. Print, movies, radio are all heading inflexibly towards digitization of their substance and transmission. They would now need to pursue their watchers, who are always progressing, as opposed to anticipate that them will watch a settled TV or sit at a PC work area.

Westlake Village, Calif, April 10, (2014) PRNewswire, has expressed that Social media gives purchasers the chance to draw in with organizations to assemble data and address client issues. He has underlined on the way that web-based social networking assumes a basic part in driving shopper buy and networking choices over every single generational gathering in the car commercial center, (J.D. Control 2014 Social Media Benchmark Study).

As indicated by Arianne Walker, Director, Automotive Media and Marketing –JD Power vehicle producers ought to utilize online networking for achieving millennials as well as all eras of buyers similarly. He

worried on the need an inside and out comprehension of customer's collaborations via web-based networking media stage crosswise over eras, and not simply among purchasers who are profoundly occupied with online networking, additionally the individuals who are all the more coolly drawn in with a brand through this channel. It is vital to give a delightful online networking knowledge for all shoppers since it drives present and future business.

The JD control think about, measured the general purchaser involvement in connecting with organizations through their online networking stages for both promoting and overhauling needs crosswise over 30 U.S. car brands. Advertising engagements incorporate associating with buyers to fabricate mark mindfulness and liking and in addition conveying about items and advancements. Overhauling engagements incorporate noting particular customer inquiries or settling issues. The review builds up quantitative execution benchmarks and industry best practices that furnish carmakers and merchants with experiences to enable them to augment their online networking endeavors.

VI. KEY FINDINGS OF THE REVIEW

Consumers who are pleased with their overhauling and advertising encounters (fulfillment scores of 901-1,000 on a 1,000-point scale) have a positive impression of the car mark and an improved probability to repurchase from a similar brand later on.

- ❖ Consumers charmed with their online networking adjusting background and those pleased with their advertising knowledge show they will probably buy from the same car mark later on.
- ❖ Consumers pleased with their online networking adjusting knowledge demonstrate they will probably come back to the car mark merchant for networking.
- ❖ One-fifth (20 percentage) of buyers utilize web-based social networking as their essential wellspring of data about car brands.
- ❖ Nearly 33 percentages (29 percentages) of web-based social networking clients get proposals about an item or networking from loved ones solely through web-based social networking.
- ❖ The most habitually utilized online networking promoting channel is Facebook (29 percentage), trailed by YouTube (19 percentage) and Twitter (11 percentage). The most much of the time utilized web-based social networking overhauling channel is Facebook (84 percentage), trailed by Twitter (34 percentage) and YouTube (25 percentage).

As indicated by the most recent review by JD control (2016) New Cars hopper Study, considering reactions from 17,349 buyers and renters of new 2014 to 2016, finds that consumers who utilize the web amid their new-vehicle shopping procedure are progressively swinging to web-based social networking sites as a wellspring of data.

Among automotive internet shoppers, 22 percentages use a social media site as a source while shopping for their new vehicle—up from 16 percentage in 2015. The most popular social media sites used by car internet shoppers during the shopping process are YouTube (13 percentage), Dealer Rater (7 percentage), and Facebook (5 percentage). The study also examines the various types of content new-vehicle buyer's access during their shopping process and identifies the content they find most useful. Social media plays a large role in many consumers' lives, so it's not surprising that it's one of the tools they're using during the vehicle-shopping process. According to the study, 34 percentages of new-vehicle buyers who use social media for automotive information post a picture of their new vehicle on a social site. Facebook is by far the most popular site for posting vehicle photos—it gets 88 percentages of the posts. Instagram runs a distant second, garnering 21 percentage of vehicle photo posts. (Some consumers post to multiple sites.)

VII. CONSUMERS PATH TO CAR PURCHASE IN MODERN ERA

The way toward purchasing a car has changed significantly in the previous decade. Ten years back, it used to include a little while of visits to dealerships and test-driving different cars. As per CRM magazine consider (2016), shoppers visit under two dealerships before making a last buy. The client travel has been consolidated and buyers are utilizing diverse pathways to their new vehicle buy. Today's purchaser is more arranged than any other time in recent memory. As a rule, it is not expected that a potential customer would to stroll into the dealership with general inquiries concerning car styles, trim bundles and different details. When consumers realize that they need to purchase another car, they go on the web and do their own exploration. They'll take a gander at the car maker's site, which enables them to "construct" their fantasy car. The greater part of the details are accessible for each trim level. Therefore, purchasers are probably going to be completely educated when they at last enter dealership in the matter of what elements are most essential to them. They're most likely not going to respond well to a salesman posting trim bundles that they're as of now very much aware of.

Rather, they are intrigued if there are any inquiries that weren't replied by their online ventures. The information of the car merchant may very well be the scaffold between their online research and ultimate choice. Since buyers will as of now have a smart thought of their favored vehicle in the wake of going to the maker's site, and they ordinarily line up this conduct with a decent take a gander at online networking for individual suggestions from their loved ones.

They may visit a nearby dealership's online networking record to check whether that model is a prevalent one in the range. Shoppers likewise look for surveys about their planned vehicle. Web-based social networking is overflowing with feelings in regards to practically every item or networking. On the off chance that there's a boundless issue with an car demonstrate, shoppers will likely definitely think about it before they go to the parcel. In the wake of going by the producer's site and taking after a jump into online networking, a present day purchaser's next goal is the merchant's site. Preferably, this site ought to be refreshed with simple route and useful pursuit. Shoppers need prompt data about the model that they need to purchase and you need to make this scan as simple as feasible for them to finish. They'll scan for the model, make, shading and trim level to perceive what's on the part. The inquiry ought to fly up a few decisions with clear valuing and highlight postings. A careful site flaunts a dealership's demonstrable skill and ingrains trust. On the off chance that valuing is ambiguous or missing inside and out, purchasers will more often than not move onto another site that offers a clearer picture.

Gupta (2013) investigated A Study of Buying Decision Influencers for Passenger Car Segment in New Delhi. Indian Car mobile traveler car market is seen by the nearness of numerous national and multi-national produces post advancement 1991. The accessibility of numerous choices inside the city gives a chance to the consumers to settle on a sound choice in the wake of considering every one of the alternatives. Today is a period which is portrayed by a shopper's market where the producers and advertisers not just mulls over the buyer introduction to make them fulfilled yet ventures out in front of accomplishing customer enchant.

Lankton et al. (2012); Jin (2013), in their review have discovered that putting stock in convictions, propensity, state of mind, subjective standard and innovation availability could prompt continuation appropriation conduct). Under reviews on the exchanging conduct, fulfillment, sunk expenses, and alluring choices are overwhelming variables which influence exchanging conduct, and directing impacts are found in gender(Zhang et al. 2009).Under reviews on the paying conduct, a few scientists utilize social trade hypothesis as a guide, recognized social and financial components, investigated

the likelihood that a purchaser's value he or she will pay and the cost really paid for an advanced item on the iTunes marketplace(Marett et al. 2012).In sharing conduct thinks about, trust, social ties, correspondence and clients' feelings are the elements influencing clients' sharing (Chai et al. 2011; Stieglitz and Xuan2013).

VIII. SOCIAL MEDIA AND CONSUMERS LIVES

Data innovation is changing how we convey, get and prepare data for individual and work choices. Online networking is the term regularly utilized for the new IT applications that make dynamic, intuitive data trades (cf. Power, 2011). Online networking is expanding its infiltration in our lives. So far, the proof recommends that in a few circumstances the effect on individual and authoritative basic decision making is broad.

The Society for New Communications Research has supported various examinations identified with the effect of online networking. For instance, Bulmer and DiMauro in an examination report titled "The New Symbiosis of Professional Networks: Social Media's Impact on Business and Decision-Making," state in the prelude "The meeting of the Internet, Web 2.0, and versatile advancements has made a troublesome move in business. The time of Business-to-Person (B2P) correspondences driven by all things social (online networking, informal organizations, and social impact) has risen as another model for engagement, and Social Media Peer Groups (SMPG) have advanced to take vital and powerful shape in another business and financial condition."

Internet has transformed the lives of people when it comes to decision to purchase. The purchase decision in past was physical process and followed a set path. With the exponential growth of social media the consumers as well as organizations have got a chance to be a part of conversations with each other around the globe every day. The advent of internet based social media has initiated a novel mode of conversation between consumers and companies, it has challenged the traditional concepts about marketing and managing a brand, created new opportunities for organizations who can understand their consumers and connect with them instantaneously.

Social media channels have the capacity to proliferate in various dynamic ways. Type Pad and Word Press are the publishing tools that allow anybody to write a blog. Micro blogging site like Twitter allows users to create a real time commentary, complaints and recommendations. Social networking sites like Facebook and professional site like LinkedIn collectively bring friends, fans and critics together; sites like wikis and social news related sites Digg and Delicious make the flow of

information across web very fast and easy. Another aspect of social media's dynamic nature can be understood by the way consumer's reliance on review sites for planning a major purchase. Websites like cardekho.com, teambhp.com allow consumers to search the relevant information and develop purchase intentions based on the requirements.

Social media has enabled people to express their thoughts, share ideas and opinions along with other users. Traditionally people connected with others and social media has enhanced the connectivity by removing the spatial and time limits. It has also made possible for users to use online tools and facilitate sharing of multimedia content. Social media has provided an easy to use interface that is very convenient even to a non-technical specialists to use and proliferate the information. The present study hence aims at studying the influence of social media communication on purchase intention of passenger cars. Since car is a product that is technically complex and involves consumers to undergo various stages in the decision making starting from identifying the need and requirement leading to analyse the available brands in the market, visit various social media portals and gather information regarding the car under consideration, discuss with experts and existing users before deciding to purchase the vehicle.

Social Media Power for Car Purchase

Car sales are mostly initiated with the face-to-face interaction with a sales person but role of technology in influencing the decision cannot be forgone. A recent study by J.D Power 2016, New Car shopper has published its findings regarding the use of internet during a new vehicle shopping process. The study has emphasized on the fact that consumers are increasingly relying on social media websites as a strong source of information. Study has highlighted that among the internet shoppers, 22 percentage shoppers use one of the social media site as initial source of information provider which is more as compared to last year study where the Figure was 16 percentages. You tube was found to be the most popular one with 13 percentage followed by Dealer Rater 7 percentage and Facebook 5 percentages. The study has examined the use of digital devices by the consumers that are used during the course of information gathering phase that precedes intention to purchase and finally ends with a purchase.

The study identified the websites and apps used by the consumers during the purchase process along with the various contents they are interested in are getting influenced most while new vehicle purchase. Another recent study by Crowd tap shows that social media plays a large role in purchasing decisions of modern car shoppers. A survey of 500 respondents was conducted on consumers who planned to buy cars in the near future to understand

behavior of consumers as they planned to purchase a new vehicle and identify and factors that influenced their decisions. The results were very clear and directed towards the depth of social media presence of an car sales industry in each part of the landscape. The study highlighted that consumers used social networks to research cars they might want, get advice from friends on what car to buy, and even find specific cars to buy through their social media accounts. According to the study social media has empowered consumers and they are increasingly relying on the opinions of their peer to inform their buying decisions. Automotive advertising models have found a new dimension with the advent of social media as it enables marketers to steer the power of endorsement and social sharing.

Car buyer's reliance on social media is inevitable as they use it to inform their purchase decisions through it. The survey has identified that two out of every three consumers eventually purchased a car that they found on social media. 87 percentages of the consumers have stated that prior to making a decision they research about the potential car on social media platform. Study also revealed that 34 percentage of new car buyer use the information available on social media and also will post the picture of their new car purchased on their social media profiles. Facebook is the most popular social media site for posts as it receives 88 percentages of the total posts done by consumers followed by Instagram with 21 percentage of the posts. Studies have also revealed following aspects of purchase decision process. 90 percentage of car buyers visit at least one carmaker's site during the purchase process, 84 percentage visit dealer site and 79 percentage visit the third-party site Car shoppers visit 10 automotive websites on an average for searching car related information. Data frequently viewed are model information (89 percentage), vehicle pricing (88 percentage) and photo gallery (81 percentage).

Inputs from friends (even the stranger's comments in the comment section) are heavily trusted and valued by the consumers when they consider online platform for purchase. Crowd tap (2016) study confirms the same sentiment holds good even for car buying experience. The study points out that among the five car buyers questioned four have stated that they are likely to move towards their social network for an advice rather than approaching a car sales person. Consumers have also stated that recommendations from friends and family members are more valuable than any other source. Interestingly one third of the respondents have cited recommendations from a friend or family member are the most influential one specially in case of car purchase followed by online reviews and social media sites. It has also been confirmed that the car buyers will definitely discuss their purchase about the car on social media

platforms and have overwhelmingly accepted that they would post about their purchase on their profiles. Hence it becomes very evident that social media plays a major role in influencing the consumers towards an important purchase decision and needs to be studied in detail in order to understand the “communication” aspect in detail.

IX. RESULT

The challenges outlined in this study underscore the critical importance of adeptly navigating the complex landscape of social media marketing for the automotive industry. Tailoring content, ensuring real-time engagement, and addressing privacy concerns are pivotal in enhancing brand visibility and sustaining competitiveness. As social media continues to influence consumer behavior, the insights and recommendations provided offer practical solutions for car manufacturers to optimize their marketing strategies, foster brand loyalty, and successfully traverse the digital age. By acknowledging and overcoming these challenges, the automotive industry can position itself strategically to leverage the full potential of social media and stay at the forefront of consumer engagement in the ever-evolving digital era.

In addition to addressing immediate challenges, future success in the automotive industry will hinge on the industry's ability to adapt to the evolving dynamics of social media. The insights gained from this study pave the way for proactive strategies that go beyond overcoming current obstacles. As technological advancements and consumer behaviors continue to transform, car manufacturers must remain agile and innovative in their approach to social media marketing. This calls for ongoing research, continuous monitoring of industry trends, and a commitment to staying ahead of the curve. By embracing these principles, the automotive sector can not only navigate the complexities of the digital landscape but also position itself as a dynamic and influential presence in the social media realm, ensuring sustained growth and lasting competitiveness.

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