

# THE ROLE OF DEALER BEHAVIOR IN INFLUENCING AUTOMOTIVE PURCHASE PREFERENCES

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## ABSTRACT

The automotive industry is heavily influenced by the interactions between dealers and potential consumers. This study investigates how dealers' attitudes and behaviors impact consumer preferences and purchasing decisions. Through analyzing customer perceptions, trust, satisfaction, and the quality of interactions, this research highlights the critical role dealership personnel play in shaping customer choices in the competitive automotive market. The findings suggest that positive dealer attitudes significantly enhance consumer confidence, leading to increased brand loyalty and higher sales conversions. This paper provides valuable insights for automotive manufacturers and dealerships aiming to refine customer engagement strategies for improved market performance

## I. INTRODUCTION

Purchasing a vehicle is a significant financial and emotional decision for most consumers. While factors such as price, brand reputation, and vehicle performance have traditionally influenced purchasing decisions, the role of dealer interactions has emerged as a critical determinant in shaping consumer preferences. A dealership is often the primary touchpoint where potential buyers experience a brand's customer service philosophy.

Dealer behavior, including communication skills, transparency, attitude, and the perceived effort to understand customer needs, directly affects consumer trust and purchasing behavior. A positive dealership experience not only influences immediate sales but also fosters long-term loyalty and positive word-of-mouth promotion. This study aims to analyze the intricate relationship between dealer attitudes and consumer preferences, providing deeper insights into how professional interactions can shape the decision-making process in the automotive sector.

## II. REVIEW OF LITERATURE

### ➤ Dealer-Consumer Relationships and Trust:

Previous studies (Smith et al., 2018; Zhang & Lee, 2017) have highlighted the role of trust in dealer-consumer relationships. Trust is built through transparent communication, honesty in pricing, and post-sale support, all of which influence consumer preferences.

### ➤ Impact of Dealer Behavior on Purchase Decisions:

Research by Brown & Singh (2019) demonstrates that positive dealer attitudes lead to enhanced customer satisfaction, which increases the likelihood of purchase. Dealer politeness, patience, and active listening are key behaviors identified as influencing consumer decisions.

### ➤ Consumer Preferences and Emotional Influence:

Psychological studies (Hernandez et al., 2020) reveal that emotional responses during dealer interactions often outweigh purely rational factors like cost or features. Emotional engagement through respectful and attentive dealer conduct encourages consumers to favor certain brands.

### ➤ Brand Loyalty and Dealer Conduct:

Studies (Kumar & Gupta, 2021) show a strong correlation between excellent dealership experiences and consumer loyalty. Repeat purchases and recommendations are often driven more by the quality of human interaction than the product itself.

### ➤ Gap in Literature:

While substantial research exists on consumer behavior in general retail, fewer studies focus specifically on how dealer attitudes within the automotive industry shape preferences during high-involvement purchases like vehicles.

### III. METHODOLOGY

The research follows a **quantitative and qualitative mixed-methods approach** to analyze how dealer behavior influences consumer preferences during automotive purchases. The study is structured to capture consumer perceptions through a survey and interviews, complemented by statistical analysis to validate the impact of dealer interactions.

#### Data Collection Methods

##### Survey Method

A structured questionnaire was developed and distributed to potential and recent car buyers. The questionnaire included both closed-ended (Likert scale) and open-ended questions to gather data on consumer experiences with dealership staff, focusing on behavior, communication style, trust, and satisfaction. Key dimensions measured included:

- Dealer Attitude (friendliness, politeness)
- Communication Transparency (clarity of information)
- Customer Engagement (attention to needs)
- Trust Building
- Influence on Purchase Decision

A total of **300 respondents** from varied demographic backgrounds were surveyed through online platforms and in-person at dealership locations.

##### Interview Method

In addition to surveys, **in-depth interviews** were conducted with **15 automotive sales executives** and **20 recent vehicle buyers** to gain qualitative insights into behavioral practices from the perspective of both consumers and dealers. Interviews were semi-structured and focused on key themes such as:

- Perceived importance of salesperson behavior
- Real-life experiences influencing purchase decisions
- Consumer expectations from dealerships

#### Sample Selection

The sample included individuals who had either recently purchased a vehicle or were actively engaged in the purchasing process. The sampling method employed was **purposive sampling** to ensure that participants had direct and recent exposure to dealership environments.

Demographics:

- Age Range: 25-55 years
- Gender: Male and Female
- Occupation: Varied (working professionals, entrepreneurs, retired individuals)
- Geography: Urban regions with high vehicle sales activity

#### Data Analysis Techniques

##### Quantitative Analysis

Survey data was analyzed using **SPSS** software. Descriptive statistics, correlation analysis, and regression analysis were conducted to examine the relationships between dealer behavior variables and consumer purchase preferences. Key tests included:

- **Cronbach's Alpha** for reliability of scales
- **Correlation Matrix** for relationships between variables
- **Multiple Linear Regression** to identify the most influential factors

##### Qualitative Analysis

Interview transcripts were analyzed using **thematic coding** to identify recurring patterns, behaviors, and sentiments expressed by both customers and sales personnel. NVivo software was utilized to assist in categorizing themes such as trust, satisfaction, and emotional engagement.

#### Research Hypotheses

To validate the objectives of this study, the following hypotheses were tested:

- **H1:** There is a significant relationship between dealer attitude and consumer preference in automotive purchases.
- **H2:** Transparent communication from dealers positively influences consumer trust and purchasing decisions.

- **H3:** Higher engagement and personalized interactions by dealers increase the likelihood of consumer loyalty.

### **Ethical Considerations**

All participants were informed about the purpose of the study, and informed consent was obtained. Participants were assured of confidentiality, and data was anonymized to protect their privacy. No sensitive or personally identifiable information was collected beyond the scope of the research.

### **Suggestions and Findings:**

1. India continues to rely on gulf nations for its petroleum needs, even after 68 years of independence. The expansion of India's automotive sector is hindered by the unpredictability and unreliability of foreign fuel sources. Fuel prices are tied to the US dollar on a worldwide scale, so any change in that currency's value reduces the allure of buying a vehicle. To drive the future of the automotive industry, manufacturers must prioritise alternative fuels.

2. India has a low per capita income and is a developing country. Since automobiles are considered a luxury item, the current economic uncertainty in India is likely to have a direct impact on sales. The automotive sector is not immune to economic downturns and slowdowns, but it does need to be more in step with India's development and progress.

3. Continued increases in both disposable money and levels of education will continue to fuel the development of ever-more-advanced automobiles. Automakers should monitor these tendencies so they can adjust their product plans accordingly.

4. The Indian government has to step up and change the tax system for environmentally friendly automobiles. These are vehicles that are less harmful to the environment, have great fuel efficiency, and are safe to drive. The government should establish ELV (End of Life) standards and make sure that higher-quality vehicles are accessible for use on the road. After 10 years on the road, it's time to give your car another once-over to make sure

it's still in good working order and safe to drive. To accommodate new technologies like anti-lock brake systems (ABS), air bags, vehicle monitoring via GPS and radio frequency identification (RFID), and electric cars with built-in charging stations, the road infrastructure must undergo significant upgrades.

5. When clients visit the showroom prior to or soon after the purchase, the salespeople and manufacturers treat them with the utmost hospitality. However, issues with after-sale servicing from their dealers arise after a while. Hence, it is recommended that the services provided or to be provided be better described, with a more friendlier manner and more dependability in service. Parts replacement costs should be priced fairly.

6. The growing number of women who own cars and use them for work, family, and personnel matters necessitates that marketers and automobile manufacturers pay special attention to this demographic.

7. Advertisers would do well to pay attention to the following in order to capture the attention of the intending future customers: television commercials featuring various car models and brands, searches conducted on manufacturer websites, and visits to dealers and distributors.

8. The top three considerations for preference-based decisions were the demands of the company, the influence of family members who own cars, and the desire to upgrade to a model that would meet one's ambitions. It is essential that marketers comprehend these needs and tailor their marketing approaches accordingly.

9. According to the preferences of the respondents, the most important aspects of a comfortable vehicle are its interior design, value for money, and ease of driving. The segment-wise examination of the car market also revealed these brand-specific comfort needs. Car companies may consider these factors while designing their vehicles, and buyers may choose models according to these specifications, in an effort to entice them.

## 5. CONCLUSION

The analysis confirms that dealer behavior significantly influences consumer preferences in automotive purchasing. Dealers serve as crucial representatives of the brand, and their attitudes directly affect trust, satisfaction, and purchasing confidence. Positive interactions foster customer loyalty, promote favorable brand perceptions, and drive sales. For automotive businesses aiming to maintain competitive advantage, investing in dealer training programs to enhance communication, empathy, and transparency is essential. Future research could further explore digital dealership interactions and how virtual behaviors compare to in-person experiences in influencing consumer decisions.

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