Buying and non-buying motives for Citroen cars: an approach from the perspective of the Romanian dealerships

by
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Abstract. The paper is focused on uncovering buying and non-buying motives for Citroen cars. As a research instrument, in-depth interviews were used to collect data from the sales managers of all 17 Citroen car dealerships in Romania. The findings offer some ideas of what individuals look for when purchasing a car and what the perceptions, attitudes and motives about Citroen are amongst the actual clients and prospects. According to the conclusions, Citroen is a popular car among people with previous experiences with the brand, its strengths being the technologies used and the fine touches. The main downsides are the high price and maintenance cost, the perception that the French cars are less reliable and the low interest of the prospects in second hand cars from Citroen. Considering the identified strengths, Citroen should consider building a brand position in Romania based on technology and product specifications.

Key words: buying and non-buying motives, in-depth interview, Citroen, Romania
JEL classification: M31

1 Introduction

1.1 The Romanian automotive market- main considerations

The Romanian automotive market has been marked by a considerable slump in sales due to the worldwide economic recession which hit Romania in 2009 and the slow recovery that is still a reality at present. According to the Romanian Automotive Manufacturers and Importers Association- APIA (2012), the sales of new passenger cars increased steadily in Romania from 2001 to 2007, followed by a small decrease in 2008 and a slump in 2009 from 300,335 units to 212,836 units. Since 2009 the decrease of the new passenger car sales was steady until the end of 2012. In the first six months of 2013, the same automotive market contracted with 18.6% (Business24, 2013).

The Romanian automotive market has followed in the past years the same trend as the European one regarding the volumes (Stan, 2013). Even so, Romania recorded the lowest number of new car registrations in 2012 per 100 inhabitants (ACEA, 2013) and the lowest density of motor vehicles in the European Union (Eurostat, 2013).

In 2012, the two Romanian manufacturing plants recorded an output of 337,765 units (Dacia- 307,152 and Ford- 30,591), representing an increase of 0.8% in comparison with 2011, while the export of these two brands increased with 8.5%. The number of units of motor vehicles sold in 2012 was of 87,505 (a 20.9% decrease as of 2011), with 72,179 passenger cars (a 23.7% decrease as of 2011) and 15,326 (a 4.5% decrease as of 2011) commercial vehicles (APIA, 2013).

Regarding the market share of the most important passenger car brands sold in Romania, the situation for 2012 was the following: Dacia- 27.6%, Volkswagen- 11.1%, Skoda- 8.7%, Renault 6.6%, Ford- 6.5%, Hyundai- 4.6%, Opel- 3.4%, Toyota- 3.2%, BMW- 3.0% and Peugeot- 2.6% (APIA, 2013).

In 2012 regarding new cars, the Romanians preferred medium cars (44%), followed by SUVs (20.5%), small cars (20.1%), large cars (7.2%), mini cars (3.4%), multi-purpose
vehicles (3.0%), executive cars (1.4%) and luxury and sport cars (0.2%) (APIA, 2013).

An important peculiarity of the Romanian automobile market for 2012 was the 85% soaring of the second hand passenger car imports and 40% increase of the second hand commercial vehicle imports (Business 24, 2013).

2 Why do individuals buy a car?

Individuals take into consideration facts and emotions when weighing car options. Technical specifications, size, purchase price, maintenance costs, aesthetics, image, social influences and environmental reasons (Griskevicius et al., 2010; Chua, Lee and Sadeque, 2010) are factors which undergo serious scrutiny in the buying-decision process. de Mooij (2011) points out that individuals weigh factors such as safety, design, joy to drive, car interior, environment considerations, engine performance, price and technology when they want to acquire a car. The luxury brands substantiate the fact that there is a segment which would buy a car especially for image and social influences. Actually luxury brands such as Rolls-Royce, Jaguar, Land Rover and Bentley recorded significant increases of over 24% in their sales in 2012 (The Economist, 2013). According to the KPMG Global Automotive Executive Survey 2013, at present most individuals are pragmatic paying attention to efficiency and durability with the exception of those from the BRIC countries who aspire to acquire more expensive cars (KPMG, 2013) revealing a different perspective especially between North America and Europe, where individuals are concerned about costs and environment and the developing countries where conspicuous buying surpasses other buying criteria.

3 In-depth interviews - a very important tool to uncover buying motives

While statistics are widely available about the motor vehicle market, insights about why people choose a particular type of car or brand are very seldom. Uncovering buying motives is very important to understand what individuals want, what they value and expect to gain by purchasing an offer. In order to discover buying motives, someone must use qualitative research techniques which enable through discussions the provision of answers to questions of why and how a particular product or service would be acquired. Probably, the most important motivation research techniques are the in-depth interview and the focus group discussion. In this paper, our focus is on the in-depth interview. This technique refers to a one-to-one discussion between the researcher and the interviewee to discover underlying motives, beliefs, attitudes and feelings on a topic (Malhotra, Birks and Wills, 2013). In-depth interviews are appropriate when the researcher wants to gather detailed insight about a person’s perspective and the topic is not suitable for discussion within a group (Boyece and Neale, 2006). They can be unstructured, semi-structured and structured (Haydam and Mostert, 2013) based on the existence and type of an interview guide. The interview guide comprises open-ended questions and it is very useful in providing a thorough coverage of the topics, in maintaining consistency across interviews and leading the discussion where the interviewer desires (Guion, Diehl and McDonald, 2011). The discussions are recorded with the approval of the interviewees and they are transcribed for analysis. The most important analysis technique is the content analysis (Catoiu et al., 2009) which helps pointing out occurrences of various terms and the connections with other terms and topics.

4 Formulation of the research problem

As a general rule, Citroen Romania collects data from its clients just through quantitative research using an after-sale telephone interview with closed questions. Due to this approach, it is practically impossible to obtain insight about satisfaction or dissatisfaction during the buying process.
5 The importance of this research

This paper is focused on uncovering buying and non-buying motives of Citroen passenger cars through in-depth interviews of sales managers from all 17 Citroen car dealerships in Romania. The conclusions of this research shed some light on what individuals seek when buying a car and what the perceptions, attitudes and motives about Citroen are amongst the actual clients and the prospects.

5.1 Research purpose

The research purpose is centred on the identification of the buying and non-buying motives for the Citroen cars. In order to create a real and relevant image of the consumer behaviour related to the Citroen brand we have focused on the Citroen dealerships as they have direct contact with the customer. Sales representatives are an important element in conveying relevant information about the brand, giving details which could be important in the decision making process. Also, they offer a general outlook of the final user from the perspective of the importer’s intermediaries, displaying opportunities suitable to meet effectively the final user’s requests and desires.

5.2 Research objectives

The research objectives were centred on the:
- identification of the most important motives for purchasing Citroen cars, as they are understood by the intermediaries in relation with the final customers,
- identification of the most important motives for non-purchasing Citroen cars, based on the selling process monitoring and interaction with potential customers,
- interpretation of the Romanian automotive market and competition in Romania.

5.3 Research hypotheses

The hypotheses which support the above-mentioned objectives were established based on our experience and discussions held in the last two years with area managers, (company employees), sales managers and sales assistants from Citroen dealerships:

a. In Romania, the lowest price and a long-term warranty outrank car fitting, quality of materials and technology, actually the advantages promoted by Citroen.

b. The German cars are perceived being the best in Romania, linked with the idea of quality; the top quality is also attached to cars that benefited subsequently from the German technology (Skoda, part of Volkswagen group),

c. The decrease or standstill of people’s income and the economic recession which led to the short-term bank loan blocking, have determined a hike in second-hand car selling for personal use. In this case, the direct competition has the advantage of high residual rate on re-selling, as a result of awareness and good image.

5.4 Research variables

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Conceptual definition</th>
<th>Operational definition</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Sales promotion</td>
<td>The set of instruments that stimulates the consumer on a short term in order to accelerate the decision making process. E.g. Discounts (Smedescu et al., 2008)</td>
<td>What method would you use to determine a prospect to buy a Citroen car?</td>
</tr>
<tr>
<td>2.</td>
<td>Price</td>
<td>The exchange value of the marketed products, including production costs, sales costs plus the profit (Smedescu et al., 2008)</td>
<td>What are the reasons for which a prospect purchases a Citroen car?</td>
</tr>
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3. Brand

Product identity, the key element of the product strategy (Smedescu et al., 2008)

Do you think Citroen as a brand is known in Romania?
Which are Citroen’s competitors in Romania?
Can you make a ranking?

Source: the authors

5.5 Investigated group

The investigated group is made up of all Citroen dealerships in Romania. We investigated 17 Citroen dealerships located in the most important cities, covering all major geographic regions.
The interviews were conducted during 1 February – 30 March 2013.

5.6 Observation unit and data collection unit

The observation unit was represented by the Citroen dealership and the data were collected from the sales managers of each dealership.

5.7 Data collection method

The data were obtained by means of a semi-structured interview, conducted for each sales manager individually at the branch office. Appointments were made for each meeting, lasting between 50 and 60 minutes.

5.8 Interview guide

The interview questions addressed to the sales managers were grouped on three topics: competitors; buying motives for Citroen cars; non-buying motives for Citroen.
The interview guide had the following layout:
a. Introduction and presentation of the investigation purpose (5 minutes)
   Good morning! Thank you for accepting this meeting. The purpose of this interview is the identification of the consumer behaviour dimensions as to purchase and use of cars. There are no correct or wrong responses, as we are interested in your sincere opinion on the issue.

b. First topic refers to the general opinion on the Romanian car market competition, for which we used the associated words method (15 minutes)
   Which are Citroen’s competitors in Romania?
   Can you make a ranking?
   What terms/words would you associate with the following brands:
   - Renault
   - Volkswagen
   - Opel
   - Ford
   - Peugeot
   - Citroen
   Do you think Citroen as a brand is known in Romania?

c. Second topic refers to the buying motives for Citroen (15 minutes)
   Why do you think a prospect would chose to visit a Citroen showroom? Please detail the answer.
   What would be the reasons for which someone would purchase a Citroen car? Please detail the answer.
   What method would you use to determine a prospect to buy a Citroen car?
   What does the Citroen customer appreciate about the purchased car?
   How do you obtain information from customers?

d. Third topic directly refers to the motives for non-purchasing a Citroen car (15 minutes)
   What would be the reasons for which a prospect would refuse to buy a Citroen car?
   Can you rank the reasons?

5.9 Analysis of data obtained from interviewing the authorised Citroen representatives

We chose to interview the sales managers of the Citroen dealerships because they have an overview of the car market, some of them
manage also competitive brands, and they constantly keep in contact with the sales assistants, who are involved in the customer relation.

The three topics proposed in the interview guide have produced detailed descriptions of purchase and non-purchase motives, as they are perceived by the respondents.

The sales managers consider that the major advantages of the brand and reasons for which a customer would choose to visit a Citroen showroom are the following:

- Wide range of cars (Citroen offers various options, meeting a large variety of customer preferences: from small cars - C1 or C3, adequate for singles or young families, to DS cars for people with higher income, caring about image and quality);
- Technological elements included in the final product – pneumatic suspension for C5, hybrid engine for DS5, fixed hub steering wheel for C5 and C4 Picasso, diesel engines. In general, these are models well known by customers, including the C4 car and their success is due to a specific technology. A relevant example is the pneumatic suspension, identified with Citroen by over 90% of customers;
- Elegance of finishing details- (panoramic windscreen for C3 and C4 Picasso, floral and geometric exterior design for DS3, high quality materials and friendly interior design). The German cars, which are much appreciated in Romania, have a simple interior design, that many customers consider to be too Spartan;
- Previous contact with the brand- the potential customer had a previous contact with the brand; he/she likes the car and wants to test the new models;
- Special offers- A proper marketing communication of very attractive prices to draw prospects to the showrooms;
- The customer seeks for low price cars, he/she is not exclusively interested in German cars, but he is not sure of the brand he wants.

Referring to the question “What would be the reasons for which a prospect would refuse to buy a Citroen car?”, the main reasons identified by the respondents are the following:

- Low popularity due to the fact that the French car is considered less reliable than others;
- Generalisation of unhappy incidents (heard or experienced): “the car is not soundproofed”, “rainwater gets inside”;
- The prospect is not informed about the brand history and distinctive elements, as opposed to the aggressive promotion of the competitors in this respect;
- High price and high maintenance costs, as perceived by customers;
- Family and friends do not recommend the Citroen brand;
- Low demand on the second hand car market.

Referring to the 3rd topic, the motives were grouped in:

- The Citroen customers belong to two categories: the ones who already have a Citroen car and are satisfied and the customers who, during the purchase process, negotiated a very good price for a well fitted car;
- The “Special price” campaigns which offer high discounts for the lot cars attracting the promotions’ hunters;
- The prospects impressed with the new DS range shown in various public spaces for promotion chose to visit the Citroen showroom in order to check the entire range (70% of the interviewed sales representatives said they managed to sell common range models as a result of showing the DS models in malls and hypermarkets).

Regarding the method they would use to determine a customer to buy, the majority of the respondents referred to the sale steps implemented by the branch at network level:

- Request handling within 48 hours
- Maximum 3 minute delay in assisting the customer
- Clear identification of the customer’s needs and desires
- Drive-test proposal
 A formal customised commercial proposal
 A reasonable delivery time
 Car delivery in perfect condition and in accordance with the order
 Customer contact after delivery

It is worth mentioning that none of the sales representatives answered this question from the creative promotion perspective, as they limited themselves to the simple steps of the selling process. The precarious image shown to customers is considered by them the major non-purchase reason, the customers stating that the Romanian car market is dominated by German cars and second hand sales. The same idea was emphasised when the respondents were asked to associate a term with the car brands; thus, Volkswagen was associated with “zero compromise” from the customer’s point of view.

6 Conclusions

The main findings display that Citroen is a popular car among individuals with previous experiences with the brand. The brand is popular for its technology and fine touches and its DS category is the tip of the spear drawing prospects to the showrooms. On the other hand, the downsides are the high purchase price and maintenance costs, the perception that the French cars are less reliable and, probably connected to that, the low interest in Citroen second hand cars.

Based on these findings, Citroen should consider building a brand position in Romania based on technology and product specifications, these two aspects being well understood and highly appreciated by the buyers. Secondly, Citroen should increase its preoccupation for finding suitable ways for attracting people to the showrooms, especially to test the vehicles. Thirdly, Citroen should try to lower the maintenance costs as nowadays these are as important as the purchase price. A higher purchase price could be used in association with technology and specific product features. Fourthly, Citroen should try to change the perception of “less reliable” cars emphasising that the current users are happy with this brand.

Finally, but not least important, Citroen should support the dealerships in promoting second hand cars, because, based on the technology used in manufacturing, these cars are long lasting and Citroen can be a strong competitor of the other manufacturers which are highly appreciated for their second hand cars.

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