CHAPTER – 2
CONSUMER ATTITUDES

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2.1 Introduction to attitudes

"It is difficult to imagine a psychological world without attitudes. [...] Our environment would make little sense to us; the world would be a cacophony of meaningless blessings and curses. Existence would be truly chaotic and probably quite short" (Fazio & Olson, 2003, p. 139) Using dramatic words, the authors paint the picture of how the world would look if mankind were spared of its attitudes towards everything. This makes it easy to see the importance of understanding how and why people feel and act in a certain manner to a situation, object or anything that surrounds them.

Attitude research has been popular beginning in the 1900s. One of the main reasons for this, as described by Wicker (1969), is that theorists have believed and have seen a real connection between attitudes and behavior. The idea is strengthened also by recent authors (Jansson, 2010) who affirm that attitude explains consumer behavior, even better than other factors (e.g. age, income, etc.).

The interest of this chapter is to try to understand the concept of attitudes and see the underlying connection between attitudes and behavior. As Fishbein & Ajzen (1975) put it, attitude is a concept that is believed to guide or influence behavior. So, first of all, it is important to understand what attitudes are.

2.2 Definition of attitudes

Early conceptions of attitude were largely restricted to specific predispositions or mental sets. (Fishbein & Ajzen, 1975) Today, attitude occupies a central role in the theories and research regarding consumer behavior. (Ajzen, 2008) As some researchers would put it - it is not only important, it is essential. (Faris, 1928) "In fact, the term 'attitude ' was introduced in social psychology as an explanatory device in an attempt to understand human behavior." (Fishbein & Ajzen, 1975, p. 336)

A fairly easy to understand definition is that attitudes represent what one likes and dislikes (Blackwell et. al, 2001), or the amount of positive and negative feelings one has towards an object. (Schlenker, 1978) A consistent number of authors (Schlenker, 1978; Fishbein & Ajzen, 1975; Insko & Schopler, 1967; Peabody, 1967) expand and define attitudes as learned tendencies when responding to an object in a
consistently favorable or unfavorable manner. Ajzen & Fishbein (1977), Peter & Olson (1999) add to the main idea behind attitudes by defining the notion as a person's overall evaluation of a concept. Recent studies of Ajzen (2008) place the evaluation at the core of a person's attitude.

In a more scientific manner, Thurstone (1928) affirms that attitude denotes "the total sum of a man's inclinations and feelings, prejudice or bias, pre-conceived notions, ideas, fears, threats, and convictions about any specified topic." (p. 531) One of the most extensive researches made on the specific concept of attitude is done by Doob (1947), who takes defining attitude seriously, especially for the fact that so few do in their papers - as he acknowledges. He defines attitude in a more complex way, "as an implicit, drive-producing response considered socially significant in the individual's society." (p. 136)

Not surprisingly, with so many understandings of the same concept, it can become a confusing process to clearly see a straightforward definition of what an attitude really is. Fishbein & Ajzen (1975) discuss in their work that it becomes an ambiguous concept, even more when analyzing the individual terms in the definition.

Besides the meaning of the concept, there is also a very interesting psychological implication that has to be explained, and useful to acknowledge in the context of attitude definition. "Attitude expressions communicate aspects of the person's social identity and world view." (p. 352) Attitudes carry a diagnostic value and reflect the image of the person holding them. Since they can and will associate a person to specific groups of people, attitudes will reveal one's personality, will show the person's positive or negative orientation, and also can be used to gain approval or avoid disapproval. (Schlenker, 1978)

It can be seen that the attitude is not a stand-alone concept, as it is directly connected and dependant on other concepts. The following chapter offers the reader a better understanding of the main aspects that interconnect with attitudes to create a clear view of the process that an individual goes through until he/she reaches a specific behavior regarding a product, situation, etc.
2.3 Belief formation

"In trying to understand attitudes, beliefs play a crucial role, because it has been shown that attitudes are measured by assessing a person's beliefs." (Fishbein & Ajzen, 1975, p. 131)

2.3.1 Definition and concept

"By the means of direct observation or information received from outside sources, or by various inference processes, a person learns or forms beliefs about an object by associating attributes to the given object. (p. 14) Beliefs relate to the subjective judgment of a person of himself and his environment." (p. 131) As opposed to attitudes, a person's favorable or unfavorable evaluation of an object, beliefs represent the information he/she has about the object. (Fishbein & Ajzen, 1975) The relationship can be very easily understood (See Figure 1). It shows that the consumer gets information about something (e.g. an object) and he/she automatically transforms it into a belief.

Figure 2.1: Formation of beliefs

In the above figure, another element can be added, and that is the strength of beliefs. Beliefs that have a high degree of strength about a given object are called salient beliefs, and they are directly connected to attitude formation. (See Figure 2) This figure gives a wider understanding of the whole process that an individual takes from the information stage all the way to attitude formation. The difference in comparison to figure 1 is that it shows that only the salient beliefs are those that are significant in the process of developing a certain attitude. It also claims that not all beliefs are correlated to attitude formation.
2.3.2 Salient beliefs

Several authors (Blythe, 1997; Peter & Olson, 1999), when talking about salient beliefs, start with the consideration that the cognitive capacity of people is limited, and because of this, only a few of the beliefs can be considered at once. The activated beliefs are in fact the salient beliefs, and they will be the ones that the consumer holds as most important, but they can also be the ones that have been most recently acknowledged. Fishbein & Ajzen (1975) add to this understanding by saying that only a small number of beliefs are considered toward an attitude at a given moment. Because only the salient beliefs about an object create a person's attitude, it can be argued that it is important to identify and understand these beliefs.

Ajzen & Fishbein (2000) define the belief saliency as the "subjective probability of a link between the attitude object and an attribute." (p. 4) Thus, if the subjective probability is relevant, the stronger the belief will be. The causality relationship defined by the authors is that if the beliefs are accessible in the memory, then they will constitute the foundation for attitudes to be created.

2.3.3 Processes of belief formation

Beliefs are formed by establishing a link between direct observation and inference processes by which the individual creates beliefs about a given object. There are three ways to form a belief (Fishbein & Ajzen, 1975):

a. Observational. By observation, a person will perceive attributes of a product, which will then be translated into descriptive beliefs.
b. Inferential. These beliefs are, at their core, observational. After the observation process, the individual uses his/her observations to make certain inferences about a given object.

c. Informational. The person is being provided with the information from an external source such as someone else.

2.4 Attitude formation

The totality of a person's beliefs serves as the informational base that ultimately determines his/her attitudes, intentions and behaviors. "An attitude represents a person's general feeling of favorableness or unfavorableness toward some stimulus object, and [...] as a person forms beliefs about an object, he automatically and simultaneously acquires an attitude toward that object." (Fishbein & Ajzen, 1975, p. 216) Attitudes are learnt and not instinctive, which means that a customer develops his/her attitudes from experience. Blythe (1997) writes that the formation of attitude can be based either on direct experience with the product (e.g. driving a car), or indirect experience - where the consumer forms his/her attitudes from other's recommendations and communicated experiences.

Beliefs may be present for a long time. Some may be forgotten and leave room for others to be formed. However, the beliefs that are the most critical in relation to attitude formation toward behavior are the salient ones. In the course of a person's life, his/her experiences lead to the formation of many different beliefs about various objects, actions, and events. "Some beliefs may persist over time, others may be forgotten, and new beliefs may be formed. At any point in time, however, a person's attitude toward an object may be viewed as determined by his salient set of beliefs about the object." (Fishbein & Ajzen, 1975, p. 218)

2.5 Formation of intentions

A person's attitude toward an object can be measured by considering his/her intentions with respect to that object. The more favorable a person's attitude is, the higher the chances he/she will have intentions to perform positive behaviors. Intentions involve four different elements: the behavior, the target object at which the behavior is directed, the situation in which the behavior is to be performed, and the time at which the behavior is to be performed. (Fishbein & Ajzen, 1975) For example,
a person may intend to buy (behavior) a car (target) in a dealership (situation) after work (time).

Literature has agreed that attitudes determine the favorability of a person's intentions but not a given intention. (Fishbein & Ajzen, 1975) For example, two people may hold the same attitude towards a product, but they may hold different intentions concerning their behaviors towards it. Later, Fishbein & Ajzen (1975) add to their idea and state that they see no relationship, or one that is low and insignificant between attitudes and intentions, because there is no empirical evidence to prove otherwise. As in the case of the relationship between attitudes and behavior or attitudes and beliefs earlier discussed in the paper, it also can be said that there is a relationship between attitudes and intentions. However, it will not necessarily determine a causal connection. Thus, a favorable attitude will not necessarily mean a person will hold a buying intention.

**2.5.1 Fishbein's model for the prediction of intentions**

According to this theory, there are two major factors that determine behavioral intentions: a personal or "attitudinal" factor, which is the person's attitude toward performing the behavior (Ab), and a social or "normative" factor, which is the person's subjective norm (SN). According to Fishbein's theory, the intentions are developed from these variables. The author admits there are also other variables that can indirectly influence the model. (Fishbein & Ajzen, 1975) This model can be better understood and visualized in the context of attitude-behavior relationship, which is detailed in figure 5.
2.6 Prediction of behaviour

Research has stressed that a person's behavior is, to a great extent, determined by a person's attitude toward an object. Studies have shown this by the fact that people who differed in their behavior also differed in their attitudes. (Fishbein & Ajzen, 1975)

In the following part, the relationship between attitude and behavior is analyzed and arguments are raised in order to shed some light on this phenomenon which, in the last decade or so, has not raised so much interest as before 2000.

2.6.1 Relationship of Attitude and Behavior

Attitudes have been of interest to researchers mainly because it creates a connection to behavior. (Schlenker, 1978) Needed to be mentioned is that, while connected, the two variables are distinctly different as attitudes are held and behavior is performed. (Ajzen & Fishbein, 1977)

"Attitudes are expected to predict and explain human behavior" (p. 12), because positive attitudes will have stronger chances of elicitation as compared to negative attitudes. Research has placed increased stress on evaluation as the primary element of attitude (Ajzen, 2008). For that reason, attitudes predict behavior in a more consistent manner when both attitude and behavior refer to the same 'evaluative dispositions'. (Ajzen & Fishbein, 2000)

In 1975, Fishbein & Ajzen wrote a comprehensive study on understanding the complex process that a person goes through from his/her initial beliefs until he/she reaches a certain behavior toward an object. In their first chapters, the authors develop a very clear and easy to understand framework (See Figure 4) that takes the reader on a journey from beliefs, through attitudes, then intentions, and finally to behaviors.
**Figure 2.4:** Schematic presentation of conceptual framework relating beliefs, attitudes, intentions and behaviors with respect to a given object. (Fishbein & Ajzen, 1975)

In comparison to the understanding of this paper's authors (See Figure 3), Fishbein & Ajzen (1975) promote a more simplistic perspective about behavior formation. They state that a belief about an object creates an attitude toward that object, which then transforms into an intention regarding that object. Finally, the intention can transform into a behavior towards that object. Their model adds the feedback connections that get created in this process. Besides the influence beliefs have on attitudes, there is also a feedback relationship between the two. Another feedback connection is created between behavior and beliefs. While there is no direct explanation by the authors of these feedback relationships, one can assume that once the attitude/behavior are formed, they contribute to the initial knowledge that the individual has, because in this stage the beliefs are tested and thus it might be that the individual changes or upholds his/her initial beliefs.

Because the purpose of the authors is to understand and predict behavior from various variables (e.g. beliefs, intentions), they further developed the initial figure...
(See Figure 4) by adding some components that ease the understanding of the process of predicting behavior.

**Figure 2.5:** Schematic presentation of conceptual framework for the prediction of specific intentions and behaviors (Fishbein & Ajzen, 1975)

The difference, in comparison to figure 4, is that Fishbein & Ajzen (1975) have transformed the initial picture into a more specific understanding, including Fishbein's intention prediction model. Besides this, the behavior is found as an influence coming from intention. Fishbein & Ajzen (1975) have argued that "a person's behavior is determined by the intention he has toward performing that behavior." (p. 381) In the attitude-behavior relationship, the intention variable appears to gain consistent attention, mainly because it is the intention that translates into a behavior, while the attitude first translates into an intention, as shown in figure 5. If intentions do affect a given behavior, this can be found by analyzing, for example, the level of specificity correspondence or the stability of an intention. In the case where intention is measured at the same level of specificity as the behavior, this will generally mean that there will be a higher correlation between the two. (Fishbein & Ajzen, 1975)

Because intentions may change over time, this will of course influence behavior. Thus, "the longer the time between the measurement of an intention and the
observation of the behavior, the greater are the chances that the person will reach new information and he might change his original intention." (Fishbein & Ajzen, 1975, p. 370) It can be assumed that the stability of the intention is highly dependent on the time variable.

Fishbein & Ajzen have shown that many times that when there is an intention, an individual may fail to have a behavior because of some external influences that are outside the reach of the person. (Fishbein & Ajzen, 1975, p. 370) A simple case is that a person may intend to buy a car, but he/she may not have the money to purchase one. The subjective norm has also been shown to be one of the factors, besides attitudes, that determine behavior. The subjective norm is seen by the authors as a measurement of the influence of social environment on behavior.

Intervening factors that may lead to changes in intentions will therefore need to be taken into consideration. Another example is that if a person intends to buy a car in the near future, any change in price or budget may influence his/her intention.

"If behavioral prediction is the primary objective, the simplest and probably most efficient way to accomplish this is to obtain an appropriate measure of the person's intention. If understanding his behavior is the primary objective, the factors determining his intentions must be specified." (Fishbein & Ajzen, 1975, p. 382)

Having these aspects in mind, one can see the interconnections of factors that influence an individual in performing a behavior toward a given object.

Faris (1928) was maybe one of the first authors to define attitude in the context of a behavior. He said that attitude is a predisposition toward an activity, and he clearly mentioned later in the article that attitudes are "essential to the adequate interpretation of behavior." (p. 275)

Investigations have shown that knowing the attitudes of a person will permit a prediction of one or more specific behaviors. (Fishbein & Ajzen, 1975) The most conclusive statement of this relationship has been made by Doob (1947), who said that behavior can be predicted only by knowing the attitude. Research in this field has proven that whether a product will be bought or not depends to a large extent on the consumer's attitude toward it. (Blythe, 1997)

Nevertheless, the relationship between the two concepts has failed to be acknowledged as a clear science. Tittle & Hill (1967) say that the relationship is
problematic because of the constant debate in attitude research regarding the relevance of attitudes to behavior.

Likert (1932) has a very simple understanding of the attitude-behavior relationship as he argues that the probability of acceptance is extremely dependent on the type of attitude. The more favorable it is, the more the person will be inclined to have a favorable behavior.

It is argued that there is a connection between attitudes and behavior, and it depends largely on the degree of correspondence between attitudinal and behavioral entities. (Fishbein & Ajzen, 1977) If the correspondence is lacking, it can be seen that the relationship between attitude and behavior is low and insignificant. At the other end of the pole, it has been shown that there is a significant relationship between attitude and behavior as long as there is a high correspondence. In a total of 14 studied researches, Ajzen and Fishbein (1977) found, without exception, strong and significant attitude-behavior relationships. And the correlation between the two increased with the rise of correspondence degree. Another aspect that has been shown to improve the relationship between attitudes and behavior is the level of consistency. (Insko & Schopler, 1967; Peabody, 1967; Ajzen & Fishbein, 1977) Peabody (1967) argues that the consistency of the relationship is mainly dependant on whether the attitudes are favourable or not.

Nevertheless, there are several studies that go against this claim. It is believed and has been showed that there cannot be any evident connection between the attitudes and the behavior of a given consumer. These studies consider that attitude is only a mere factor, one of many that determine behavior. The conceptual framework of Fishbein & Ajzen (1975) suggests that performance or non-performance of a specific behavior cannot be predicted from the knowledge of a person's attitudes. For example, when a consumer considers the purchase of an automobile, in order for the person to buy it, a favorable attitude will not be enough to do so. Thus, one can see that the attitude plays only one role in regards to behavior, and that holding a favorable attitude toward an object will not necessarily lead to behavior. To complete this understanding, the authors argue that a specific behavior depends on the person's intention.

Snyder & Kendzierski (1982) clearly state that there may be no relationship whatsoever between attitudes and behavior, but they leave space for interpretation as
they mention that knowing a person's attitudes may be used as a "potential guide to action." (p. 166) The authors put under question the validity of such a relationship, as it might be that some individuals may have an increased connection, while others not at all, and that some situations will have a higher degree of predicting behavior from attitudes, while others will not.

When speaking about the limitations that raise the skepticism toward the attitude-behavior relationship, several authors name relevance, accessibility and correspondence as main determinants. As such, Tittle & Hill (1967) talk about the relevance of the situations in which the individual finds himself. If one is in a situation that is unfamiliar, he/she is likely not to have organized attitudes that would be relevant for a behavior in that given situation. Also the issue of accessibility can be discussed, as the individual may not access the appropriate attitude in a given context. With this is mind, it can be assumed that a higher relevance and accessibility of attitudes will happen in a familiar situation, which will increase the correspondence between attitudes and behavior. Fazio et. al (1986) add to the accessibility concern by writing that attitudes that have strong object-evaluation relationship will make the attitudes more accessible. Furthermore, the strength of an attitude at a given moment will determine to a greater extent the relationship between attitude and a behavior. Snyder & Kendzierski (1982) also consider availability and relevance of attitudes as "necessary requirements for generating correspondence between attitude and behavior," and their findings are consistent with this statement. (p. 167) They see that relevance alone can make individuals adopt a "believing means doing' orientation," which provides an 'action structure' that will lead to "enacting specific behaviors that accurately reflect general attitudes" (p. 181). To strengthen the above statements, Tittle & Hill (1967) found that three out of four studies show attitude as highly related to behavior.

To sum up, one can consider that there is a relationship between attitudes and behavior. This relationship can have a high degree of impact, but at the same time, it can be said that having favorable attitudes will not always translate into a favorable behavior. This only shows that attitudes are important but are only one factor that can influence the behavior of a consumer. While this being true, authors have shown that there is a real connection that is created as long as there is a high degree of inter-dependency between the two factors - attitude and behavior.
2.7 Attitude theory and measurement

In 1947, Doob was stating that attitude measurement has been discussed and demonstrated for more than 25 years, and the general concept of attitude measurement is still one of intense debate and discussion. This clearly shows that it is of interest to many stakeholders (e.g. marketers, companies) to know what the consumers' attitude is toward a product. (Blythe, 1997) In the previous part, it has been shown that attitudes play a major role in regard to consumer behavior. Thus one may consider that measuring consumer attitudes can be a good way of making a connection between the consumer (and his/her attitudes) and the product (and a specific behavior) with the purpose of having a better understanding of this relationship.

"Attitude has to be inferred from statements or behavior; it is intangible and not directly observable. [...] although we can observe and measure behavior, we have to ask people about their attitudes to various things." (Blythe, 1997, p. 70)

Attitude measurement is related to an evaluative dimension in most of the cases. Fishbein & Ajzen (1975) discuss that two of the main attitude measurements are a person's preference for a given object (e.g., like-dislike) or his/her favorability with respect to the object (e.g., favorable-unfavorable, approve-disapprove). Attitudes will always be measured toward different entities that may be objects, persons, institutions, etc.

There are several ways of measuring attitudes: measuring one's beliefs, opinions, or the actual behavior.

2.7.1 Beliefs as indicants of attitude

"Beliefs are a matter of associating an object and an attribute, so the key to measuring a belief is to identify the attribute that is linked to the object. Thus any judgement linking an object to an attribute category or to a position on an attribute dimension constitutes a measure of belief content. [Furthermore], it can be viewed that a person's attitudes can be assessed by considering beliefs about the attitude object and evaluations of attributes associated with the object. It can be concluded that attitudes are a function of an individual's beliefs." (Fishbein & Ajzen, 1975, pp. 57, 86, 88)

The above authors consider beliefs as the only way to measure attitudes, but there is research that adds other ways as alternative or complementary measures.
2.7.2 Opinions as indicants of attitude

The relevance of opinions as measures of attitudes has been discussed by several authors. Thurstone (1928) & Doob (1947) say that the opinion symbolizes/expresses the attitude. In his study, Thurstone (1928) specifically uses opinions as a measurement method of attitudes. However, he acknowledges that the use of opinions is a considerable limitation to this measurement type due to the possibility that a person can intentionally or unintentionally avoid presenting his/her real attitude.

2.7.3 Behavior as indicant of attitude

Another possibility that has been discussed is whether attitudes can be measured by analyzing one's behavior. One would assume that a behavior will show what the attitudes of the person were before the actual behavior. Thurstone (1928) says that this method is actually invalid because a person may hide his/her real attitude for various reasons and perform a behavior that is in contradiction with the attitude. Thus it makes no real connection or proof that behavior will be guided by attitudes.

One of the most conclusive studies that used behavior as attitude measurement was LaPiere (1934), who travelled with two Chinese nationals in the US. During that period, they were accepted at all hotels and restaurants, with 2 minor exceptions. However, 6 months later, LaPiere sent out a survey to the visited establishments and surprisingly the results showed that 98% of respondents would not accept Chinese clients in their hotels or restaurants. This shows that having a certain attitude toward something will not mean that the person will act congruently with the attitude.

2.7.4 Measurement scales

Fishbein & Ajzen (1975) have agreed that there are unlimited measurement procedures that have been used and are still used in the attitude domain. The major attitude scaling methods as found by the authors are as follows: (pp. 68-76)

a. Guttman Scalogram Analysis - This method gives an attitude score through the consideration of a person's beliefs or intentions and their associated evaluations. The procedure of measuring attitudes, accepted and used by Guttman, is characterized by a number of questions that are arranged on a scale. (Doob, 1947)
b. Thurstone's Equal-Appearing Interval Scale - This method involves the collection of a large pool of beliefs or intentions related to an attitude object. In his paper, Thurstone (1928) describes that the scale consists of statements of opinions, and that each will appear on a base line. Then it is only about counting the number of statements chosen on the continuum.

c. Likert's Method of Summated Ratings - This method consists of collecting a large pool of items, and respondents are asked to answer on a five point scale (e.g. agree strongly, agree, undecided, disagree and disagree strongly).

d. Osgood's Semantic Differential Technique - This method states that a person's attitude toward a given object can be measured by asking that person to rate the object on a set of scales.

"All measures relate the attitude concept to a person's beliefs or intentions and their associated evaluations. " (Fishbein & Ajzen, 1975, p. 87)

It can be agreed that all these methods address the same concept and can be used individually or together. Fishbein & Ajzen (1975) write that while the scales seem similar or very close related, studies have shown that different results will be obtained when using one or another. The underlying complexities are not of use in the current study, but they can be developed in another more contemporary research, since these studies date back to as much as 40-50 years ago. Seeing this, companies are in the process of deciding what new methods of measuring consumer attitudes can be adopted (Court et. al, 2009), so that the results will be congruent with reality.

All the existing scales in use, as well as the ones described above, can be unipolar or bipolar. "Thus a scale ranging from favorable to unfavorable is a bipolar or bidirectional scale, whereas scales ranging from not at all favorable to favorable are unipolar or unidirectional. " (Fishbein & Ajzen, 1975, p. 55)

In the above chapter it could have been seen that attitudes can be had towards many entities. Thus a person may have attitudes in regards to products, institutions, situations and many more, as an individual is entitled to having attitudes towards everything that surrounds him. In the past decades, consumer attitudes have had grown interest, both from researchers as well as marketers. This is consistent with the continuous need to understand and better address the consumer.
For the purposes of this paper, the authors will go further with attitudes in the automotive industry, and find the certain particularities that attitudes have in this specific industry. Because attitudes are different depending on the entity they are towards to, it is expected that in the context of automotive industry consumers to have specific attitudes, that are applicable only to this market.

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CHAPTER - 3

CONSUMER ATTITUDE INFLUENCING FACTORS

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3.3 Changes in the automotive industry

3.4 References
3. Introduction

Consumer attitudes have been and still are a key factor for companies. As one of the key concepts in psychology, it provides an understanding of the 'pre-stage' of one's behavior. From a business perspective, consumer attitudes are responsible for an evaluation of a product or service and consequently the purchase or not of this product or service. (Fishbein, Ajzen; 1975)

The purpose of this chapter is to describe, discuss and analyze consumer attitudes in the automotive industry. Factors and dimensions that influence attitudes in the automotive industry are also analyzed.

3.1 Car attributes

In order to understand consumer attitudes in the automotive industry, it is necessary to define the object to which the consumer addresses his/her attitude. In the case of this research, the object is a car. The car, as a product, consists of different attributes which affect consumers' attitudes. These different attributes cannot all be known by each consumer, so consumer knowledge about car attributes is limited or varies. Because car attributes can affect consumer attitudes, they need to be analyzed by marketers, as this might raise consumers’ attraction toward a specific car. Attributes can be classified into two categories: tangible and intangible. Tangible are those which consumers have contact with (e.g. the material the steering wheel is made of, how many gadgets this particular car has and what is their usefulness), while the intangible attributes are those which provoke consumer senses and create an impression based on abstract observations (e.g. design or stylishness of interior). (Olson & Peter; 1999) Therefore consumers are judging a car for both its physical and abstract characteristics.

Even though attributes have an effect on attitudes, not all attributes of a product are important to consumers. That is why defining the important attributes should be considered from perspective of consumers. It can be hardly proven that, for example, the relationship between the car's horse power and its weight is important knowledge for the vast majority of consumers. Gupta and Lord (1995) addressed the issue of defining decisive attributes of a car for consumers. Their study revealed that consumers are evaluating cars regarding their 'price, reliability, gas mileage, rear leg room, ride, front seating, acceleration, routine handling, and luggage capacity.' (Gupta
and Lord; 1995) Car attributes are thus defined and evaluated based on the subjectivity of the individual consumer which is consequently shaping his/her attitude. These subjective evaluations can be dependent on more factors, and as the following section discusses, these factors significantly affect individuals' attitudes and their actions.

3.2 Factors affecting consumer attitudes in the automotive industry

3.2.1 Consumer experience

Attitudes of consumers are built around the specifics of a particular product. In the case of a car, these specifics could be car attributes like fuel economy, safety, reliability, acceleration, styling, and workmanship. These attributes are perceived by consumers differently. One of the ways to perceive car attributes is by regarding the country of origin where certain car manufacturers are operating. Brown et al. (2007) analyzed consumer attitudes in the U.S. towards foreign importers from Japan and Europe. Already mentioned attributes were matched to the car manufacturers in respect to the country they came from, and consequently these manufacturers (countries) were ranked. According to this study, the highest overall ranking, while taking into consideration all mentioned attributes, was received by Japanese and German (West Germany at that time) car manufacturers. They were considered as manufacturers producing the most reliable, stylish cars with solid fuel economy and workmanship. (Brown et al., 2007)

The study of Brown et al. (2007) can be questioned as it might be viewed out-of-date. The opposite is true because consumer attitudes are rarely being changed. As Blythe (1997) argues, the attitudes can hardly be changed with new circumstances, objects, or in this case, cars. Consumers will simply consider and prefer one product from another because they have 'first' or 'second-hand' experience. (Blythe; 1997) In other words, consumers in the U.S. would buy rather Japanese or German cars, or at least have a higher inclination towards them than to the others because of their own experience or from other people's experience. Therefore experience from the past is one of the determinants of consumer attitudes.

3.2.2 Gender

One of the criteria of understanding the consumers' attitude is gender, more specifically the difference between genders. For marketers, it is very important to
understand this distinction since men and women have different attitudes toward different product attributes. On a very general level, women are characterized by literature as generous, nurturing, and more cooperative. Men, on the other hand, are more dominant, competitive, and more likely willing to take risks. In the past, marketers were more oriented on the male population as they were considered to be the main purchasing class. This homogeneous view is not valid anymore, and the female population is equally of interest to marketers. In the other words, both male and female attitudes are pursued with the same importance. (Peter & Olson, 1999)

From the purchase perspective, the difference in male and female attitudes is also significant. According to literature, besides being attracted to a particular product attribute(s), males and females have different ways of evaluating of a product. Females tend to examine and analyze a product in detail before they make a purchasing decision. Males tend to think in simpler ways and evaluate the overall characteristics of a product. Males are also more open-minded to trends, while females tend to be more skeptical to new products and even scared of them. Distinction between consumer attitudes based on whether they are female or male is not sufficient, though. It seems, according to literature, that masculine and feminine traits have to be taken into account. In other words, some females' and some males' consumer attitudes can be positive, more or less, to the features of the product that are perceived to be attractive for the other gender (e.g. females can be inclined toward male products). (Hoyer & MacInnis; 2007)

Male and female consumer attitudes depend also on the characteristics of the product and their involvement in it. An important facet in this case is their product overview. According to Creusen (2010), females respond to products differently as they appreciate the more symbolic facets of the product. In their mind, beauty, prestige, or any other emotional aspect is of high importance for them. Men, on the other hand, evaluate products from their functional perspective and practicality. (Creusen; 2010) Involvement is also important as products tend to have gender as well. Douglas et al. (2010) argue that based on perception in society, products and services have their feminine and masculine identities, and consumers tend to identify themselves with them. Thus, the gender of products and services has an effect on consumer attitudes. (Douglas et al., 2010)
Coming back to Hoyer & MacInnnis (2007), the gender of products does not seem to be strictly set. Nowadays, there are many products on the market which are less sex-typed and more oriented to satisfy the shifting needs of consumers. For example, females are starting to have a more positive attitude towards motorbikes and cars which have been considered a male domain for a long time, or men are using more skin-care products. (Hoyer & MacInnnis; 2007)

3.2.3 Age

Consumer attitudes can vary depending on the age of the consumer. They express different attitudes towards products during their lives. Consumer attitudes at a particular age also reflect the lifestyle consumers prefer. Thus, their attitudes are changing with respect to their age. Consumers are usually divided into several age groups. Most commonly used are youth (under 18), 'generation X' (ages 18-29), 'baby boomers' (ages 30-mid 50s), and seniors (age 50+). (Hoyer & MacInnnis; 2007) For the purpose of this paper, the 'generation X' is the most important. However, there is also a need to explain the following two because 'generation X' will be there in a few years.

'Generation X' consumers are characterized a highly potential group of consumers for marketers in the long-term perspective. These consumers are creating their own attitudes towards particular products in this stage of life. Consumers in this age category usually have a free spirit and are open-minded. Usually they do not have a materialistic attitude and do not respond to brand names. They respond positively if marketers communicate in a language understandable for them, usually reflecting their lifestyle. These consumers treat products in the same way, too. (Schiffman & Kanuk; 2000) 'Baby boomers,' on the other hand, are a group of people who are the most attractive to marketers since they hold high purchasing power and are starting to spend money on more expensive products like cars, for instance. They also have a positive attitude towards consumerism since they usually have families. This obliges them also to care more about the future, and life stability. They also tend to be involved and identify themselves with their favorite products. (Schiffman & Kanuk; 2000)

The seniors group is the most overlooked group of consumers. According to Bartos (1980), 76% of all seniors are promising consumers. They also have variable
attitudes, and what cannot be forgotten is the fact that they have fewer expenses than the previous two groups. Seniors tend to enjoy their lives since their children are already self-supporting. An interesting fact is that for most of the seniors, their age is not so important, and they do not like being marked as old. This group of people usually has enough wealth and is less concerned about spending it. Seniors have already developed attitudes toward some products and can have problems modifying these attitudes. (Bartos, 1980) The research by Bartos is supported by Myers and Lumbers (2008), who also discussed complexity of senior group of consumers. In their study, senior consumers are marked as group affected by different historical events which shaped their attitudes. Myers and Lumbers (2008) argued that senior consumers’ behavior express certain chronological variability, even though they are being analyzed within the same age group. The main finding in this study was that current seniors express 'younger' attitudes than their parents, which is in line with Bartos' finding regarding seniors' resistance of being marked as old.

If a car is taken as an example of a product, for car companies, 'baby boomers' and seniors are the most attractive groups. In those stages, consumers are having a kind of self-identification with a particular model of car. The car reflects their status but also serves a functional side, depending on the consumer's preferences (safety, family orientation, leisure, enjoyment, etc.). (B&T Weekly; 2006)

These age groups are not the ultimate distinction of consumers. Demographics, age included, is changing overtime and is dependent on many variables causing changes in society (technology, aging the population, etc.). (Pol, 1986) The classifications above served as an illustration of the effects they could have on the formation of attitudes. One can conclude that consumer attitudes are changing and dependent on the current stage of life one is in. These changes can be considered an evolution of attitudes rather than an ultimate shift to different attitudes.

3.2.4 Social class

Another important facet defining consumer attitudes is the social class to which the consumer belongs. Based on people's identification with a particular social class, they express certain attitudes towards particular products, not only consumption by itself. (Williams; 2002)
Products have their specific attributes which are evaluated by consumers. Cars are a complex product consisting of many attributes. Thus they are subjected to consumers' evaluation, which is based on their belonging to a certain social class.

Therefore, social class is of interest to researchers and marketers as well. From the marketers' perspective, the proper analysis of social class, or segmenting consumers into social classes, has immense significance for their product development and marketing strategies. They usually analyze social classes using these variables: education, occupational requirements, and economic power. (Blythe; 1997)

Consumers can be put into social categories. In these categories, the consumers act differently, but individuals within the same social class mostly share similar kinds of attitudes and consequently, purchasing behavior. Belonging to some social group, however, does not mean permanent status. Individuals can eventually move to higher or lower social class. This act is called social mobility. One can expect that attitudes and behavior can be changed due to social mobility. But most of the researchers argue that attitudes and behavior cannot be different within a same social class. (Kanuk & Shiffman; 2000)

Consumers within a same social class also share lifestyle which is considered an external reflection of their attitudes and behavior. Particular social classes can have different lifestyles which can be changed, to some extent, with migration to another social class. For an illustration, the lower classes worry about day-to-day living expenses, whereas the upper classes tend to enjoy the conspicuous spending of their wealth. (Kanuk & Shiffman; 2000) This is a very simplified distinction since characteristics of different lifestyles are rather complex. The point of mentioning the lifestyle concept is that it is closely interrelated to consumer attitudes. When measuring lifestyles, for instance, consumers are approached with questions regarding their activities, opinions, and interests. (Blackwell et al., 2001) On the other side, when measuring attitudes one has to take into account different lifestyles and social class.

Social class is defined by level of education, occupational requirements, and economic power. According to Williams (2002), occupation refers to the status the individual or the family has. This status is defined by owning some property but mostly with labor class, which means the kind of job position the individual has. Economic power refers to the level of income and wealth. Education is defined by
Williams (2002) as an important facet characterizing social class. It has a high correlation with occupation and economic power. Williams (2002) argues that highly educated people put more emphasis on getting more knowledge about products; and they base their evaluation on already acquired knowledge and the 'investigation' they executed before making a decision. (Williams; 2002)

The relationship between social status and products can be found in the work of O'Cass & McEwen who examined how consumers tend to choose certain products which correlate with their social status. O'Cass & McEwen argue that individuals tend to express their social status through material possession. Moreover, they identify themselves with those products. Thus, cars, as other products, reflect one's social status. Consequently, having a certain social status defines attitudes and leads to the ownership of a specific car. (O'Cass & McEwen; 2004)

3.2.5 Consumer awareness of product

Awareness of a certain product is a crucial facet for consumers in order to create the sort of attitudes which will consequentially lead to the evaluation of a product and purchasing decision. To reach a good understanding of consumer awareness of a product, which is also purpose of this paper, this concept will be broken down on sub-concepts: product knowledge and product involvement. Lastly, young consumers will be mentioned and their learning of consumption and products.

a) Product knowledge

Consumers have or can acquire certain attitudes toward products while they are evaluating product's attributes and using their experience. In order to understand the concept of product knowledge, it is necessary to extend this finding.

Product knowledge can be defined as stored information about a particular product. (Long-Yi & Chun-Shuo; 2006) Based on this premise, consumer attitudes are influenced by the knowledge these consumers have. Moreover, Long-Yi & Chun-Shuo (2006) proved in their study that there is a strong positive link between product knowledge and purchasing decision. Consumer attitudes have an effect on purchasing behavior; therefore what consumers know about products can create positive or negative attitudes toward these products.

Product knowledge is also examined by Brucks (1985), who maintains that consumers rely on two kinds of knowledge, subjective and objective, which they use
to make a purchase decision. Subjective knowledge is defined as the confidence of the consumer in his/her knowledge, and objective knowledge is defined as the actual knowledge consumers have. (Brucks, 1985). As Brucks (1985) maintains, objective knowledge is used by consumers to evaluate attributes of products. The more knowledgeable the consumers are, the more they try to get information about the products. Coming back to Long-Yi & Chun-Shuo (2006), they also proved in their study that the more knowledgeable consumers got more information about the product.

One can see that consumers have certain knowledge about certain products. Baker et al. (2002) reach the conclusion that consumers' knowledge about a new product is based on knowledge about already existing products. This finding is based on two preconditions: products have to be within the same product class, and application of existing knowledge on the new product is based on the consumer level of knowledge (low or high). What Baker et al. (2002) proved is that high knowledgeable consumers are less affected by specifics of a new product and tend to evaluate this product with using the knowledge they already have. Low knowledgeable consumers are more easily affected by information about the new product and are more easily convinced. (Baker et al., 2002)

b) Product involvement

Another characteristic of consumers' awareness, worth mentioning, is product involvement. It is defined as the reflection of the individual's lifestyle, identity and, in this case, attitudes. In other words, consumers tend to lean toward sorts of products because they identify themselves with them. (Traylor; 1981) In the literature about consumer behavior, it is possible to find two kinds of involvement: cognitive and affective. Cognitive involvement is recognition of potential usefulness of the product. Affective involvement is mostly connected with the evaluation of the products by individuals. It also can express high emotional responses towards products. Depending also on intensity of consumers' involvement with products, these consumers express higher interest for getting more knowledge about products; and it positively affects their purchasing decision. (Peter & Olson; 1999, Long-Yi & Chun-Shuo; 2006)

The consumers also express high or low involvement with products. The level of involvement is decided by consumers based on their evaluation for one product's
ability to positively correspond to consumers' values, beliefs and norms. (Peter & Olson; 1999) Traylor (1981) is using the term 'ego-involvement' in his study to address why consumers tend to spend more time on choosing a product. He used example of automobiles, which is, according to him, a highly ego-centered product because consumers who are purchasing a car are matching this product with their personalities. (Traylor; 1981)

c) Young consumers

The choice of this social group is not random because young consumers acquire knowledge about products, they learn how to consume, and they evaluate what products are worthy to purchase. This knowledge is being acquired, according to theory, in age from 15 to 20. (Martin & Bush; 2000)

The reason why young consumers are mentioned is that at this age they go through a learning process of how to purchase. They are influenced by several factors. As Martin & Bush (2000) stated, younger consumers learn from their environment through observation. First factor influencing their learning are parents or other relatives. Other factors are peers, professors or media. Martin & Bush (2000) call these factors role models. By observation of these factors, young consumers create their attitudes and beliefs.

Keillor et al. (1996) call this process socialization. In their research, young consumers are proved to be firstly influenced by parents. The authors also maintain that as young consumers grow, they start to rely more on their peers or on their own judgments. Nevertheless, they are still influenced by external factors (media etc.). This argument is partly supported by Te'eni-Harari & Hornik (2010) who are discussing product involvement of young consumers. They prove that with growing age, young consumers' product involvement decreases.

3.2.6 Role of Internet Marketing in Consumer Decision Process

As Internet is rapidly growing and providing the platform for e-commerce marketing, many customers use Internet partly or even fully, for all the buying process stages. Just about one in seventeen people may have access to internet in India, but every third car buyer in the country’s top cities start their search on the world-wide web. As per Sharma (2010), four out of every ten new car buyers and three in every ten used car buyers, use internet to do initial research, before making the purchase.
3.2.7 Consumer Politeness and Complaining Behaviour

Research suggests that in many cases, companies make good-faith efforts to address the complaints from their disgruntled customers. Many managers, in certain cases, are often prepared to exceed consumer expectations beyond-the-contract or above their proscribed job specification, aimed at striving to address consumer complaints, as notified by Resnik and Harmon (1983).

3.2.8 Family Influence in Consumer Behaviour

White (2004) discussed the factors that affect car-buyers' choices and comments that people expect to haggle with dealers over price and to receive substantial rebates or incentives as well as low-interest payment plans. He pointed out that with an increase in multi-car households, car dealers and advertisers needed to target the right audience, taking into account the pester power of children and the importance of life stage. Despite the fact that women are the primary buyers of most new cars, he admits that the motor trade has traditionally been contemptuous of women's role in the car-buying process.

3.2.9 Virtual Brand Community Effect

The importance of virtual brand communities is growing day by day as a result of consumers increasingly using online tools to contact fellow consumers in order to get information on which to base their decisions. Luis at al. (2007) proposed the positive effects of participation in a virtual community on both consumer trust and loyalty to the product, brand or organization around which the community is developed.

3.2.10 Relationship, Service Package and Price

In the car industry, which is predominantly driven by the product characterization, classification and orientation, establishing a long-term relationship is being considered to be essential marketing strategy at all distribution levels. Thus, customer knowledge and relationship building, through constantly addressing their needs, are considered to be vitally important selling ingredients to contribute to a car dealer’s competitive advantage, as ascertained by Chojkacki (2000). Sharma and Patterson (1999) stated that car dealers were implementing a strategy to position themselves, more effectively in the market place than before, by means of continuous improvement of quality maintenance through services delivery packages, as car
dealers are increasingly being confronted by demanding and technologically knowledgeable consumers, shortened product model lifecycles, intensified competition and fragmented market segments.

3.2.11 Customer Satisfaction and Loyalty

Customer satisfaction is often used as a predictive measurement of future consumer purchases as hypothesized by Newman and Werbel (1973). Satisfied customers are more likely to resort to repeating purchases in the time of actual instance, as reported by Zeithaml, Berry and Parasuraman (1996) in their studies. Moreover, highly satisfied customers will convey their success stories of satisfaction and directly recommend that others try the source of satisfaction, as stated in the studies conducted by Reynolds and Arnold (2000). Fitzell (1998) suggested that such satisfied customers shall become less receptive to the competitor’s offerings. A quick observation of customer loyalty is demonstrated by repeated purchase as in the studies by Ball, at al. (2004). In practical terms, firms want repeated purchases mainly because such behavior in consumers can apparently show the customer preference for a brand or product, as stated by Bowen and Shoemaker (1998).

3.2.12 Brand and Retail Loyalty

Customer satisfaction can be considered the central determinant in all phases of the contact chain. Multi-dimensional recording of customer loyalty reveals clear differences in the interactions, first, with brand loyalty and, second, with dealer loyalty. In contrast to the opinion widely held in practice, customers in the automotive sector definitely do not perceive the brand and the dealer as one unit. Since similar studies in different countries come to almost the same conclusions, it can be argued that the results are valid in several cultural settings. The results obtained by Huber and Herrmann (2001) are so fundamental that they can be translated into implications even by internationally operating companies.

In these days, car owners desire to upgrade their models and brands to avail of the new features and environmental changes and comforts of competing brands. On that account, whether to remain loyal to their existing brand / product or to switch over to a new brand / product is a million dollar question that bother many car owners. There lie the fortunes of many automobile manufacturers and retailers. In this confusing scenario, some of the car buyers switch from one brand to another at trade-in time, whereas some other car owners display consistent choice of sticking to their
brand / product from purchase to purchase, as hypothesized by Sambanandam and Lord (1995). When it comes to the product evaluation stage, quality products, positive showroom acoustics, ambience, positive showroom experience and a consistent and formidable after-sales-service, are all essential and central to the loyalty formula, and manufacturers have been concentrating on these considerable efforts in these directions, as illustrated by Illingworth (1991).

As the customer satisfaction level increases, in due course of the time, as more interaction takes place between the customer and the retailer, it results in a better customer relationship between the dealer and the customer. An increased level of customer satisfaction leads to customer delight. At this point of time, customer delight slowly culminates into customer loyalty towards the brand and the satisfied customer at this level will have no difficulty in recommending the brand to his friends, relatives and peers at office. This will definitely influence the customer’s post purchase behaviour. On the other side, if the post purchase scenario does not lead to higher satisfaction level, customer may not be willing to recommend the brand to other; Moreover, dissatisfied customers tend to spread negative news on the brand to his associates. This behavioural aspect influences his future upgrade of the car model, whenever the customer decides to go for a replacement of his car brand / model, in future course of time.

Ewing (2000) investigated brand loyalty by examining actual past behaviour and its impact on future behavioral intentions, as well as willingness to recommend the brand to another customer known to him. Findings indicated that purchase expectation / intention remain a valid research metric. It would appear that the brand / consumer interface offers greater predictive ability than the retailer / consumer interface. Willingness to recommend a brand to another consumer does not seem to be influenced by past behavior, but the higher the respondent’s expectation to purchase the brand, the higher will be their willingness to recommend the brand.

Menon (Feb 2012) and Jacob & Khan (2010).reported in their studies that there was considerable proportion of modern women car buyers, which has increased three fold in the recent years. Companies have started to dig deep into the Indian women’s psyche and attention for details. Marketers may need to look at the needs of women customers, who are increasingly growing in the segment. There is also a substantial influence of women in the car purchase decision of the family. The trend has replicated in the State of Kerala as well, where we can see many women driving
the car in the city and towns. Menon (Feb 2012) also observed that car makers have woken up to the new reality of internet providing a key role in their marketing and communication strategies. Internet has witnessed increased brand building efforts by car companies over the past few years.

### 3.3 Changes in the automotive industry

Due to the complexity of consumer characteristics and the fast changes in consumer demands, automotive industry is facing various challenges with same intensity of change. Schwarz (2008) developed a framework with global trends that the automotive industry is going through. According to Schwarz's framework, the automotive industry will face and is already facing challenges from fast growing automobile companies, especially from China. More important, consumer attitudes toward cars, as a product, are shifting. The main reason behind this is the growth of oil prices and environmental pressure. These factors caused dramatic shift in consumers’ demand and forced car manufacturers to become more adaptable, flexible and invest more in product development.

**Figure 3.1:** Global trends and challenges in the automotive industry (Schwarz, 2008)

<table>
<thead>
<tr>
<th>External</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Legislation (environment, safety, others)</td>
<td>- Stagnating demand and price pressure in established market</td>
</tr>
<tr>
<td>- Raw material and energy costs</td>
<td>- Segmentation and polarization (low cost vs. premium)</td>
</tr>
<tr>
<td>- Exchange and interest rates</td>
<td>- Decreasing loyalty</td>
</tr>
<tr>
<td><strong>Competition</strong></td>
<td></td>
</tr>
<tr>
<td>- Quickly entering every segment</td>
<td>- Global over capacity</td>
</tr>
<tr>
<td>- Moving targets - everyone optimising or restructuring</td>
<td>- Complex alliance, partnerships, M&amp;As</td>
</tr>
<tr>
<td>- Global game (for example, aggressive Asian companies, new entrants)</td>
<td>- Consolidating ecosystem (supplier, dealer groups)</td>
</tr>
</tbody>
</table>
Winterhoff et al. (2009) in their study named other global trends like 'individualization', which basically means shift from conservative and strongly mass kind of demand to more fragmented demand based on different lifestyles consumers have. What is more, Winterhoff et al. (2009) pay attention also on 'social trends' which can be considered as determinant of consumers’ attitudes. One of the things they noticed is ageing population which is not necessarily a problem because, as they maintained, new old generation has its specifics like living active life and high purchase power. Consumers are also less oriented on luxurious cars and they are searching for products which would reflect their daily needs and requirements. Moreover, they are switching their purchasing habits as they are not anymore oriented only on one class of products but looking for variety of products depending on their actual needs. Consumers also tend to be more interested in new technology but with appreciation of simplicity. What is considered to be a biggest trend affecting consumers’ attitude, is environmental responsibility. This factor, which is becoming more to be a moral obligation, forced consumers to think in so called 'green' way. They tend to fit environmental responsibility to their lifestyles and that affects their attitudes and consequently products requirements. (Winterhoff et al., 2009)

As consumers are becoming more diversified in their needs, this distinction cannot be made from general point of view. One has to take into account also circumstances of particular country or world region. While consumers in developed country are diversified based on their lifestyle specifics, consumers in emerging markets (example China) are more practical regards cars. Their condition of living does not allow for most them to avoid new/used car and if so they pay precise attention on factors like price. Even in big urban areas, where a precondition of high purchasing power could appear, people adapt the purchasing of a car to practical requirements like price, gas consumption, impact on the environment. Consumers in urban areas also incline more to environmentally friendly cars, as the pollution in big Asian cities crossed bearable levels. (Winterhoff et al., 2009)
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