



# International Journal of Multidisciplinary Research in Science, Engineering and Technology

*(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)*



**Impact Factor: 8.206**

**Volume 9, Issue 4, April 2026**



## International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

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# Drivers of used Car Purchase Decisions Among Young Consumers

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**ABSTRACT:**The focus of this study is on analyzing young consumer's decisions to purchase used cars focusing on various influencing factors. With the rapid expansion of India's used car market and the trends moving in an upward direction, understanding the behaviors of consumers is very important. This research main focuses on key factors of price, dealer trust, EMI or financing, warranty, and perceived risk.

Data that is considered usable for this study will consist of primary data gathered using a structured questionnaire from 62 participants that fall into the category of young working-age adults. Data analysis was conducted with descriptive statistics and correlation analysis using Jamovi. Data analysis finds price, trust, and EMI as important to the participants, however, based on correlation analysis, these factors do not have a strong independent influence on purchase intention.

A unique finding from this study is that there is a negative correlation between EMI and purchase intention. Participants who have a high reliance on financing options have a greater degree of caution when purchasing used vehicles. Risk-related considerations like the fear of hidden mechanical defects, a vehicle's overall condition, and whether there is a complete service history of the vehicle greatly impact the decision-making process.

Research has shown that multiple types of factors such as financial, functional, and psychological are influencing someone's decision to buy a used vehicle as opposed to just one primary factor being affected, therefore, these results also provide valuable information for automotive dealerships and other online sources regarding ways to enhance transparency/trust with their consumers, thereby leading to enhanced customer satisfaction through improved customer experience.

**KEYWORDS:** Used cars, Consumer behaviour, Purchase intention, EMI, Risk perception.

## I. INTRODUCTION

The Indian automobile industry has witnessed rapid growth in recent years, with the used car segment emerging as a significant contributor. Increasing affordability, availability of financing options, and the rise of digital platforms have made used cars more accessible to young consumers. This shift has changed the perception of used cars from being a secondary option to a practical and value-driven choice.

Young consumers, particularly in the age group of 20-35 years, play a major role in this market. They are more informed, digitally active, and tend to compare multiple options before making a purchase decision. Unlike traditional buyers, they focus not only on price but also on factors such as trust in the dealer, warranty, vehicle condition, and ease of financing.

Despite the growth of the market, consumers still face several challenges. Concerns related to hidden defects, lack of transparency, and reliability continue to affect purchase decisions. These uncertainties make it important to understand the key factors that influence consumer behaviour in the used car market.

### Objectives

The study is conducted with the objective of understanding consumer behaviour in the used car market. The focus is on identifying the factors that influence purchase decisions and analysing their impact.



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### Objectives of the Study

- To identify the key factors influencing used car purchase decisions
- To analyze the importance of price, trust, and EMI options
- To examine the role of risk perception in decision-making
- To study the relationship between selected variables and purchase intention
- To understand consumer preferences in the used car market

## II. LITERATURE REVIEW

### India Used Car Market Surges Past 5.9 million, Set to Double by 2030 (2026)

This report highlights the rapid growth of the used car market in India, especially in urban and semi-urban areas. It shows that the demand for used cars is increasing significantly among young consumers. This study supports the current research by indicating that used car purchasing has become an important and growing trend in the Indian market.

### High Purchase Intent Indicates Boost in Vehicle Sales and Consumer Confidence (2026)

This study reveals that consumers show high purchase intent in the automobile sector, reflecting increased confidence in buying vehicles. It suggests that purchase decisions are not based only on price but also on other factors such as trust and convenience.

### 50 Gen Z Statistics on Auto Purchase Behaviour (2026)

This article explains that Gen Z consumers rely heavily on digital platforms, online reviews, and comparisons before making a purchase decision. It shows that younger consumers prefer convenience and transparency.

### Consumer Behaviour within India's Pre-Owned Car Market: The Importance of Trust, Transparency and Convenience (2025)

This study emphasizes the importance of trust and transparency in the used car market. It explains that consumers prefer reliable sellers and clear information before making a purchase.

## III. RESEARCH METHODOLOGY

This study is based on primary data collected through a structured questionnaire distributed to 62 respondents belonging to the young consumer segment. The target group includes individuals aged between 20 and 35 years. The study considers key independent variables such as price, trust, EMI options, warranty, brand reputation, peer influence, and risk perception. The dependent variable is purchase intention.

Descriptive statistics and correlation analysis were used to analyse the data. Jamovi software was used to calculate correlation coefficients. The study adopts a quantitative research approach to identify patterns and relationships among variables influencing purchase decisions.

## IV. DATA ANALYSIS AND INTERPRETATION

### Descriptive Analysis

The descriptive analysis of the study provides a comprehensive understanding of respondent characteristics and their perceptions toward used car purchase decisions. The data collected from 62 respondents reflects important patterns in terms of ownership, preferences, and influencing factors that shape consumer behaviour in the used car market.

The analysis begins with car ownership, where the majority of respondents indicated that they already own a car. This suggests that the sample consists largely of individuals who have prior experience with vehicles and are familiar with aspects such as maintenance, cost, and performance. Such respondents are likely to provide more practical and realistic insights, as their responses are based on experience rather than assumptions. This also indicates that many respondents may be considering either upgrading or replacing their existing vehicle, making their purchase intention relevant to the study.



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When asked about considering used cars, most respondents selected “Maybe,” followed by those who selected “Yes.” This clearly indicates a level of hesitation among consumers. While there is noticeable interest in used cars, uncertainty still exists due to factors such as reliability, trust in sellers, and fear of hidden defects. The dominance of the “Maybe” response reflects that consumers are open to the idea but require more assurance and information before making a final decision.

Price is rated as an important factor by the majority of respondents, indicating that affordability remains a key consideration in the decision-making process. However, it is not rated as extremely important, which suggests that price alone does not determine the final purchase decision. Consumers appear to balance price with other important factors such as quality, trust, and risk before making a choice. Similarly, trust in the dealer or seller is also rated as important. This highlights the significance of transparency and reliability in the used car market. Buyers want to ensure that they are dealing with genuine sellers who provide accurate information about the vehicle.

The availability of warranty is preferred by most respondents, showing that consumers seek assurance and protection against potential issues after purchase. Warranty plays an important role in reducing perceived risk and increasing confidence in buying a used car. In addition to this, factors such as service history documentation and car condition are also rated as important. These factors help consumers assess the overall reliability and performance of the vehicle. Access to proper service records and inspection reports allows buyers to make more informed decisions and reduces uncertainty associated with used cars.

One of the most significant observations from the analysis is related to EMI or financing options, which are rated as extremely important by respondents. This indicates that financial flexibility is a major requirement for consumers when purchasing cars. Many individuals depend on installment options to make purchases more affordable and manageable. However, despite being highly important, the reliance on EMI may also reflect financial caution, as consumers might hesitate to commit to long-term financial obligations without complete confidence in their decision.

Brand reputation is considered important but not highly influential. This suggests that while consumers do take brand image into account, it is not a primary deciding factor in the used car market. Buyers are more focused on the actual condition and reliability of the car rather than just the brand name. Similarly, recommendations from friends and family are rated as neutral, indicating that social influence is limited. Consumers today prefer to rely on their own research and analysis rather than depending entirely on others’ opinions.

Risk perception emerges as a major influencing factor in the study. Respondents have shown a high level of concern regarding hidden defects, indicating that uncertainty and fear of unexpected problems play a crucial role in decision-making.

This is further supported by the finding that “low risk of problems” is the most preferred factor when choosing between used cars. It clearly highlights that consumers prioritize safety, reliability, and assurance over other aspects. Purchase intention among respondents is mostly neutral, which reflects a lack of strong commitment toward buying a used car in the near future. This neutrality indicates hesitation and suggests that consumers require more confidence, clarity, and assurance before making a final decision. Factors such as financial concerns, risk perception, and lack of trust may contribute to this uncertainty.

In terms of budget preference, a majority of respondents fall under the higher range, particularly above ₹15 lakh, followed by the ₹5-10 lakh category. This indicates that respondents are financially capable and are willing to invest in better quality vehicles. It also shows that the used car market is not limited to low-income groups but also attracts consumers who seek value for money.

Finally, the majority of respondents rely on online platforms such as Cars24 and OLX for information. This highlights the increasing role of digital platforms in influencing purchase decisions. Consumers prefer to compare options, read reviews, and gather detailed information online before making a choice. This shift toward digital decision-making reflects a more informed and independent consumer behaviour.



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Overall, the descriptive analysis clearly indicates that used car purchase decisions are influenced by a combination of financial, functional, and psychological factors. Consumers are cautious, informed, and focused on minimizing risk while ensuring value and reliability in their purchase decisions.

### Correlation Analysis

Correlation Matrix						
		7. Price of the used car	8. Trust in the dealer/seller	10. EMI/Financing options	17. How likely are you to buy a used car in the next 12 months?	
7. Price of the used car	Pearson's r	—				
	df	—				
	p-value	—				
8. Trust in the dealer/seller	Pearson's r	0.419	—			
	df	60	—			
	p-value	< .001	—			
10. EMI/Financing options	Pearson's r	0.228	0.043	—		
	df	60	60	—		
	p-value	0.075	0.738	—		
17. How likely are you to buy a used car in the next 12 months?	Pearson's r	0.039	0.015	-0.245	—	
	df	60	60	60	—	
	p-value	0.762	0.908	0.055	—	

### Correlation Summary Table

Variables Compared	Correlation (r)	Relationship Strength	Interpretation
Price & Purchase Intention	0.039	Very Weak	No strong influence
Trust & Purchase Intention	0.015	Very Weak	No strong influence
EMI & Purchase Intention	-0.245	Weak Negative	Slight inverse relation
Price & Trust	0.419	Moderate Positive	Related factors

Correlation analysis was conducted in this study to examine the relationship between key independent variables and the dependent variable, which is purchase intention. The purpose of this analysis is to understand how strongly different factors are associated with the likelihood of a consumer purchasing a used car.

Pearson's correlation method was used through Jamovi software to measure the strength and direction of the relationship between selected variables. The variables considered for this analysis include price, trust, EMI/financing options, and purchase intention. These variables were selected based on their importance in influencing consumer decisions as identified through descriptive analysis.



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The results of the correlation analysis indicate that the relationship between price and purchase intention is very weak ( $r = 0.039$ ). This suggests that although price is considered an important factor by respondents, it does not independently determine the likelihood of purchasing a used car. This may be because consumers consider multiple factors simultaneously rather than relying solely on price.

Similarly, the relationship between trust and purchase intention is also very weak ( $r = 0.015$ ). This indicates that while trust is perceived as important, it alone does not significantly influence purchase intention. It can be understood that trust works in combination with other factors such as warranty, condition, and documentation rather than acting independently.

The analysis also reveals that EMI or financing options have a weak negative relationship with purchase intention ( $r = -0.245$ ). This suggests that respondents who place higher importance on EMI options may not necessarily be more likely to purchase a used car. One possible explanation is that individuals who are highly dependent on financing may also be more cautious or uncertain about making a purchase decision.

An important finding from the correlation analysis is the moderate positive relationship between price and trust ( $r = 0.419$ ). This indicates that respondents who consider price important also tend to value trust in the dealer or seller. This relationship highlights the interconnected nature of decision-making factors, where consumers evaluate multiple aspects together before making a purchase.

Overall, the correlation results indicate that no single factor has a strong direct influence on purchase intention. Instead, consumer decisions are shaped by a combination of factors working together. This supports the exploratory nature of the study, where the objective is to understand patterns and relationships rather than establish direct cause-and-effect conclusions.

The findings of the correlation analysis provide valuable insights for businesses and marketers in the used car industry. It suggests that focusing only on price or any single factor may not be sufficient to influence purchase decisions. Instead, a holistic approach that combines affordability, trust, transparency, and quality assurance is more effective in attracting customers.

Thus, correlation analysis in this study helps in understanding the complexity of consumer behaviour and reinforces the idea that purchasing decisions are influenced by multiple interrelated factors.

### V. FINDINGS & DISCUSSION

The study finds that young consumers consider several factors while purchasing used cars, including price, trust, EMI options, and perceived risk. However, none of these factors independently determine the purchase decision.

Price is perceived as important but does not strongly influence purchase intention. Trust in the seller is also important but works as a supporting factor rather than a deciding one.

The negative relationship between EMI and purchase intention reflects cautious financial behaviour among consumers. Those who rely on financing tend to delay decisions due to uncertainty. Risk-related factors such as hidden defects and vehicle condition play a dominant role, indicating that consumers prioritize reliability over other factors.

The findings also show that consumers rely heavily on online platforms and digital information while making decisions.

### VI. CONCLUSION

The study concludes that used car purchase decisions among young consumers are influenced by multiple interrelated factors. While price, trust, and EMI are important, they do not independently determine purchase intention. Consumers focus on reducing risk by evaluating factors such as vehicle condition, service history, and warranty. The presence of uncertainty makes decision-making more cautious and complex.



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The findings highlight the importance of transparency, trust, and quality assurance in influencing consumer decisions. Businesses must adopt a holistic approach rather than focusing on a single factor. Overall, the study provides valuable insights into consumer behaviour and offers practical implications for improving customer experience in the used car market.

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