

Consumer buying behavior in **Automobile Industry**

Table of Contents

Chapter 1- Introduction.....	3
1.1 Executive Summary.....	4
1.2 Overview of the Auto segment.....	6
1.3 Industry Size.....	7
1.4 Indian Automobile Industry.....	8
1.5 Domestic & Foreign vehicle manufacturer.....	9
 Chapter 2- Review of Literature.....	 11
2.1 Brand Personality.....	15
2.2 Objective of the research.....	16
2.3 Significance of Study.....	17
 Chapter 3- Research Methodology.....	 18
3.1 Introduction.....	18
3.2 Research Design.....	18
3.3 Exploratory Research.....	19
3.4 Data Collection.....	21
3.4 Sample Size	23
3.5 Sampling Techniques	23
 Chapter 4- Data Analysis & Interpretation.....	 25
4.1 Cross Tabulation.....	26
4.2 Limitation of Study.....	32
4.3 Car's Profile.....	32
 Chapter 5- Conclusion & Suggestion.....	 44
5.1 Conclusion.....	44
5.2 Scope of future Study.....	45
 Chapter 6- Appendices.....	 46
6.1 Questionnaire	46
6.2 References.....	50

CHAPTER-1

Introduction

The automobile industry today is the most lucrative industry. Due to the increase in disposable income in both rural and urban sector and easy finance being provided by all the financial institutes, the passenger car sales have increased at the rate of 38% per annum over the corresponding period in the previous years. Further competition is heating up in the sector with a host of new players coming in and other like Audi, BMW, Jaguar and Porsche all set to venture in the Indian markets. One factor that could help the companies in the marketing of their product is by knowing and creating a personality for their brands.

This report attempts to answer some of the questions regarding brand personality of selected cars in India by conducting the market research. This report is categorized into parts, deals with introduction to brand personality, companies selected, product and the industry.

1.1 Executive Summary

It is true fact that if you are satisfied you recommended to others. Word of mouth and customer satisfaction play a very important role in determining market perception about an automobile. It is the market perception that determines the success of a company and so it is very important for the car manufacturers to measure the “willingness of existing users of a product to recommend it to others”. The same is a lot of interest to customers as well for it helps them make the purchase decision.

A car is one of the most significant purchases that an Indian household makes and this project addresses the most important question that perplexes car manufacturers:

“What makes the perfect car that influence will willfully purchase?”

The project highlights the factors that influence the buying decision of a consumer.

The factor under consideration would be:

- Price
- Income of the consumer
- Features in the car
- Safety standard
- Warranty scheme
- Finance facility

Is an Indian consumer ready for more? Which is the driving motive behind

the effective demand of the car? How the coming of new models like swift does is going to effect the buying decision of consumer and especially the Tata 1 lakh car.

In other words, from the spread of choices offered by various manufacturers under various segments, of which one the customer will finally turn the ignition on and drive.

Customer satisfaction index: some of the most advance thinking in the business world recognizes that customer relationships are best treated as assets, and that methodical analysis of these relationships can provide a road map for improving them.

Customer expectations are the customer-defined attributes of your product or service. We cannot create satisfaction just by meeting customer's requirements fully because these have to be met in any case. However falling short is certain to create dissatisfaction.

Major attributes of customer satisfaction can be summarized as:

- Product quality
- Product packaging
- Keeping delivery commitments
- Price
- Responsiveness and ability to resolve complaints and reject reports
- Overall communication, accessibility and attitudes

1.2 Overview Of The Auto Segment

Indians have emerged as avid car enthusiasts sporting their prized possessions as status symbols and speed machines. Foreign car companies have discovered the Indian consumer as well as the R & D potential in the Indian technical fraternity and are setting up manufacturing plants right and left across the country at lower costs. The Indian automobile industry is currently experiencing an unprecedented boom in demand for all types of vehicles. This boom has been triggered primarily by two factors:

(1) increase in disposable incomes and standards of living of middle class Indian families estimated to be as many as four million in number.

(2) The Indian government's liberalization measures such as relaxation of the foreign exchange and equity regulations, reduction of tariffs on imports, and banking liberalization that has fueled financing-driven purchases.

Industry observers predict that passenger vehicle sales will triple in five years to about one million, and as the market grows and customer's purchasing abilities rise, there will be greater demand for higher-end models which currently constitute only a tiny fraction of the market. These trends have encouraged many multinational automakers from Japan, U. S. A., and Europe to enter the Indian market mainly through joint ventures with Indian firms.

India is increasingly becoming a global automotive hub both for the vehicles and component industry. India is fast integrating itself into the world economy and open to international automotive companies, who are increasingly investing in India.

1.3 Industry Size

- The domestic Indian passenger car market (including utility vehicles) totaled

900,000 units (with a CAGR of 10 per cent over the past 4 years) while the exports were 130,000 million units (with a registered CAGR of 68 per cent over the past 4 years) during financial year 2004

- The Indian two-wheeler Industry is one of the largest in the world, and is expected to maintain robust growth in the future

- At the back of this phenomenal automotive growth is the success of the

Indian auto component industry. Presently a US\$ 6.7 billion industry, it is expected to almost treble in less than eight years time to US\$ 17 billion by 2012

- India offers a distinct technological and cost-competitive advantage, which global Original Equipment Manufacturers (OEMs) and automotive suppliers are leveraging for both manufacturing and research facilities. The passenger car market is projected to grow at a CAGR of 12.3 per cent over the next few years. Growth in the mid-size and premium car segments is expected to outpace the overall market growth.

1.4 Indian Automobile Industry

Automobile Industry in India is still in its infancy but growing rapidly. The opportunities in the automobile industry in India are attracting big names with the big purse and they are investing vigorously in infrastructure, design and development, and marketing. Automobile industry in India is today poised for the big leap.

- India is the 2nd largest two wheeler manufacturer in the world
- Second largest tractor manufacturer in the world
- 5th largest commercial manufacturer in the world
- 3rd largest car market in Asia, surpassing China in the process

Automobile industry Contributes 17% of the total indirect taxes collected by the exchequer & is a driver of product and process technologies, and has become an excellent manufacturing base for global players, because of its

- high machine tool capabilities
- Extremely capable component industry
- Most of the raw material locally produced
- Low cost manufacturing base
- Highly skilled manpower
- Special capability in supplying large volumes

1.5 Domestic and Foreign Vehicle Manufacturers:

Passenger Vehicles

The main domestic manufacturers of passenger vehicles are as follows:

- Maruti Udyog
- Tata / Telco
- Mahindra / Mahindra
- Hindustan Motors

Foreign competitors manufacturing locally including **Hyundai, Ford, General**

Motors, Honda, and Toyota.

Car demand has seen a turnaround since mid 2001 thanks to heavy discounts and cheaper finance. A large number of new models, both locally assembled and imported, have also revitalized the market.

In terms of volumes:

The A/B segments are where India's strength and future lies. The A/B segment accounts for over 65% of the total passenger vehicles produced. Competition in this segment is stiff with Maruti the market leader with around 55% market share. New models from Telco (Indica), Hyundai (Santro) and Fiat (Palio) however are eroding Maruti's long standing dominance in this segment.

The mid / luxury range is developing with the introduction of Ford (Ikon), Hyundai (Accent/Sonata) and Skoda (Octavia), although the volumes are not significant.

- The UV segment remains sluggish with growth at just over 1%. The clear market leader, Mahindra (44% market share) posted increased sales of 9% in the first 3 quarters of 2002/03. Toyota and Telco domestic UV business remains flat.

Commercial Vehicles

The main Indian companies in the Commercial Vehicle segment are:

- TATA Engineering and Locomotive Company (TELCO)
- Ashok Leyland
- Bajaj Tempo Ltd
- Eicher Motors Ltd
- Swaraj Mazda

There is only one international company currently manufacturing CVs in India,

Volvo but again volumes are not large. Other global players are active, although in partnership with one of the domestic manufacturers E.g.:- IVECO (manufacturing their range of trucks in association with Ashok Leyland).

There has been a significant turn around in this segment over the last 18 months with over 30% growth being seen in terms of both production and sales.

This sector has received a huge boost with India's massive demand from the infrastructure sector (particularly roads), cyclical fleet replacement by fleet owners and an upturn in the cement and steel sectors.

Chapter-2

Review of Literature

2.1 Brand Personality

A brand is “a set of expectation and association evoked from a company or product. A brand is how your key constituents- customers, employees, shareholders etc. experience what you do.” Some brands are of such great importance to people, that we speak of them as a part of one’s life and identity, being used to express one. Some would say that these brands have their own personality, the brand personality, which can be defined as “the set of human characteristics associated with a given brand”. Thus, it includes such characteristics as gender, age and socioeconomic class, as well as such classic human personality is both distinctive enduring.

Based on the premise that brand can have the personalities in much the same way as humans, brand personality describe brands in terms of human characteristics. Brand personality is seen as valuable factor in increasing brand engagement and brand attachment, in much the same way as people relate and bid to other people. Much of the work in the area of brand personality is based on translated theories of human personality and similar measures of personality attributes and factors. Brand personality refers to the set of human characteristics we associated with the brand. A common way of determining this is to reply on the metaphor: “If the brand was a person, what would he/she be like?” we then list and group the traits to describe the brand as, for example: caring, approachable and trustworthy

These two companies are actually competitors in a service industry. If you were asked of these two companies you would like to be your friends, you would probably choose company B, as did 95% of other respondents. It is not surprising that the service level of company B can be better experience for customers than

that of company A. it is also easy to conclude that if customers consistently experience these differences between the two companies, then the brand image of company B will be much better than company A.

A further point of interest arising out of this research is that people tend to prefer brands that fit their self-concept. Everyone has views about themselves and how they would like to be seen by others. And they tend to like personalities that are similar to theirs, or to those whom they admire. Thus, creating brands with personalities similar to those of a certain group of consumers will be an effective strategy. The closer the brand personality is to the consumer personality (or one which they admire or aspire to), the greater will be the willingness to buy the brand and deeper the brand loyalty.

The Creation of Brand Personality

Brand personality traits are formed and influenced by any direct or indirect contact that the consumer has with a brand. A brand, unlike a person, cannot think, feel or act. A brand has no objective existence at all; it is simply a collection of perception on the mind of the consumer. Consumers accept the marketing actions to humanize brands. One explanation for this can be found in the theories of animism, which suggest that there exists need by people to anthropomorphize objects in order to facilitate interaction with the nonmaterial world. Anthropomorphize occurs when human qualities are attributed to non human objects, e.g. brands. Consumers easily assign personality quality to inanimate objects like brands in thinking about the brands as if they are human characters.

The brand-person associations can also have a more personal nature. Brands can be associated with person who use or used that particular brand, for example a close friend or a family member. Also, brands received as gifts can also be associated with the person from whom the gift was received. These person associations serve to animate the brand as a vital in the minds of the consumers. Obviously, this aspect is much less under the control of the marketers.

Indirectly, the brand personality is created by all the elements of the

marketing mix. Betra, Lehman and Singh suggest that the personality of a brand is created over time, by the entire marketing mix of the brand - “its price (high or low, odd or even), retail store location (imaginary associations), product formulation (ingredients, benefits), and product form (solid/liquid. Etc.), packaging details (color, size, material, shape), symbol; used in all phases of the brand communication, sales promotion, and media advertising”.

The process will be

- Define the target audience
- Find out what they need, want and like
- Build a consumer personality profile
- Create the product personality to match that profile

Non product related brand personalities drivers

- **User imaginary** – user imaginary can be based on either typical users (people you see using the brand) or idealized users (as portrayed in advertising and elsewhere). User imaginary can be a powerful driver of brand personality, in part because the user is already a person and thus the difficulty of conceptualizing the brand personality is reduced. For example, Chanel has a feminine, strongly independent brand personality driven by its user imaginary. The upscale personality of Mercedes and the sexy, sophisticated personality of Calvin Klein are similarly influenced by user imaginary.
- **Sponsorship** – activities such as events sponsored by the brand will influence its personality. Swatch, for example, reinforces its offbeat, youthful

personality will targeted sponsorships that have included the Freestyle Ski World Cup in Breckenridge, the first International

- **Age** – how long a brand has been on the market can affect its personality. Thus new entrants such as Apple, MCI, and Saturn tend to have younger brand personalities than brand such as IBM, AT&T, and Chevrolets, and it as all too common for a major dominate brand to see as strongly and old fashioned, a brand for older people.

- **Symbol** – a symbol can be powerful influence on brand personality because it can be controlled and can have extremely strong associations. Apples bitten apple, the Marlboro cowboy, the Michelin mans all helps to create and reinforce a personality for their brands.

Why use brand personality

The brand personality construct can help brand strategies by enhancing their understandings of people's perceptions of and attitude towards the brand, contributing to a differentiating brand identity guiding the communication effort and creating brand equality.

- **Enriching understanding**

The brand personality metaphor can help a manager gain an in-depth understanding of consumer perceptions and attitudes towards the brand.

By asking people to describe a brand personality, feelings and relationship can be identified that often provide more insight than is gained by asking about attribute perceptions.

- **Contributing to a differentiating identity**

Strategically, a brand personality, as a part of a core or extended identity, can serve as the foundation for meaningful differentiations. Advertising

agencies such as Young & Rubicam and Ogilvy & Mather routinely include a brand personality statement as a part of their brand positioning strategy.

- **Guiding the communication effort**

Tactically the brand personality concept and vocabulary communication the brand identity which richness and texture to those who must implement the identity building effort. Practical decisions need to be made about not only advertising but packaging, promotions.

2.1 Brand personality

Are you what you drive? That is what are companies seem to be asking and in the same breath trying to convince you about. In other words, are you the Hyundai accent owner who commands immediate respect wherever she goes (including from the potential father-in-law) or are you the suave executive from the Chevrolet ad who is ever ready to share a moment with loved one? With a plethora of new models in the market, and generic benefits (such as space or fuel efficiency) of a particular car segment hardly a distinguishing factor between car models, marketer are increasingly differentiating on the emotional pay-off a particular car model/brand provides to the customer. This, of course, varies from the segment to segment and also on how long a particular model has been in the market.

For instance, while advertising for entry level or smaller cars tends to focus more on the rational or functional benefits of the vehicles, the differentiations is increasingly on the emotional benefits when it comes to high end cars.

“Generally, it has been seen as one move up the value chain, the differentiation is more on the emotional pay-off. People buy car as an extension of their personality rather than just features. A car, in India, helps build up show off, social esteem value. The advertising would also vary according to the segment

2.2 Objectives of the Research

The research objectives for the project undertaken can be defined as follows:

- To determine the demographic variables of the customers of different brands of cars.
- Examine the customer perception about the cars.
- To judge the satisfaction level of car owners of different brands.
- The research tracks responses at following two layers
 1. Product related parameters
 2. Dealer related parameters
- To analyze the psychographic variables of the customers of different brand of the cars.

2.3 Significance of the study

A brand is a set of expectations and associations evoked from company or product. A brand is how key constituents- customers, employees etc. experiences what you do. Some brands are of such great importance to people, that we speak of them as a part of one's life and identity, being used to express one. Some would say that these brands have their own personality, the brand perception, which can be defined as the set of human characteristics associated with a given brand.

Because many people interact with brand as though they were other people, it is important to understand what a brand perception consists of, and how its characteristics can be used to affect the relationship between the brands and its users. Knowing and understanding the brand perception gives a good insight into this relationship, and into peoples' attitudes towards the brand, and is also an important guide to communicating the brand.

Like apparel and lifestyles brands, a car is extension of one's perception. People buy cars which either matches their personalities or those which provide them opportunities of being perceived as somebody they aspire to be. This becomes significant as consumers move up the value chain from small compact cars to midsize and upwards.

Chapter 3

Research Methodology

A research process consists of stages or steps that guide the project from its conception through the final analysis, recommendations and ultimate actions. The research process provides a systematic, planned approach to the research project and ensures that all aspects of the research project are consistent with each other

3.1 INTRODUCTION

This chapter aims to understand the research methodology establishing a framework of evaluation and revaluation of primary and secondary research. The techniques and concepts used during primary research in order to arrive at findings; which are also dealt with and lead to a logical deduction towards the analysis and results.

3.2 RESEARCH DESIGN

I propose to first conduct a intensive secondary research to understand the full impact and implication of the industry, to review and critique the industry norms and reports, on which certain issues shall be selected, which I feel remain unanswered or liable to change, this shall be further taken up in the next stage of exploratory research. This stage shall help me to restrict and select only the important question and issue, which inhabit growth and segmentation in the industry.

The various tasks that I have undertaken in the research design process are :

- ❑ Defining the information need
- ❑ Design the exploratory, descriptive and causal research.

RESEARCH PROCESS

The research process has four distinct yet interrelated steps for research analysis

It has a logical and hierarchical ordering:

- ✓ Determination of information research problem.
- ✓ Development of appropriate research design.
- ✓ Execution of research design.
- ✓ Communication of results.

Each step is viewed as a separate process that includes a combination of task , step and specific procedure. The steps undertake are logical, objective, systematic, reliable, valid, impersonal and ongoing.

3.3 EXPLORATORY RESEARCH

The method I used for exploratory research was

- Primary Data
- Secondary data

PRIMARY DATA

New data gathered to help solve the problem at hand. As compared to secondary data which is previously gathered data. An example is information gathered by a questionnaire. Qualitative or quantitative data that are newly collected in the course of research, Consists of original information that comes from people and includes information gathered from surveys, focus groups, independent

observations and test results. Data gathered by the researcher in the act of conducting research. This is contrasted to secondary data which entails the use of data gathered by someone other than the researcher information that is obtained directly from first-hand sources by means of surveys, observation or experimentation.

Primary data is basically collected by getting questionnaire filled by the respondents.

SECONDARY DATA

Information that already exists somewhere, having been collected for another purpose. Sources include census reports, trade publications, and subscription services. Data that have already been collected and published for another research project (other than the one at hand). There are two types of secondary data: internal and external secondary data. Information compiled inside or outside the organization for some purpose other than the current investigation.

Data that have already been collected for some purpose other than the current study. Researching information which has already been published. Market information compiled for purposes other than the current research effort; it can be internal data, such as existing sales-tracking information, or it can be research conducted by someone else, such as a market research company or the U.S. government. Published, already available data that comes from pre-existing sets of information, like medical records, vital statistics, prior research studies and archival data.

Secondary source of data used consists of books and websites

My proposal is to first conduct a intensive secondary research to understand the full impact and implication of the industry, to review and critique the industry norms and reports, on which certain issues shall be selected, which I feel remain

DESCRIPTIVE RESEARCH

STEPS in the descriptive research:

- ✓ Statement of the problem
- ✓ Identification of information needed to solve the problem
- ✓ Selection or development of instruments for gathering the information
- ✓ Identification of target population and determination of sampling Plan.
- ✓ Design of procedure for information collection
- ✓ Collection of information
- ✓ Analysis of information
- ✓ Generalizations and/or predictions

3.4 DATA COLLECTION

Data collection took place with the help of filling of questionnaires. The questionnaire method has come to the more widely used and economical means of data collection. The common factor in all varieties of the questionnaire method is this reliance on verbal responses to questions, written or oral. I found it essential to make sure the questionnaire was easy to read and understand to all spectrums of people in the sample. It was also important as researcher to respect the samples time and energy hence the questionnaire was designed in such a way, that its administration would not exceed 4-5 mins. These questionnaires were personally administered.

The first hand information was collected by making the people fill the questionnaires. The primary data collected by directly interacting with the people. The respondents were contacted at shopping malls, markets, places that were near to showrooms of the consumer durable products etc. The data was collected by interacting with 100 respondents who filled the questionnaires and gave me the required necessary information. The respondents consisted of house wives, students, business men, professionals etc. the required information was collected by directly interacting with these respondents.

DETERMINATION THE SAMPLE PLAN AND SAMPLE SIZE

TARGET POPULATION

It is a description of the characteristics of that group of people from whom a course is intended. It attempts to describe them as they are rather than as the describer would like them to be. Also called the audience the audience to be served by our project includes key demographic information (i.e.; age, sex etc.). The specific population intended as beneficiaries of a program. This will be either all or a subset of potential users, such as adolescents, women, rural residents, or the residents of a particular geographic area. Topic areas:

Governance, Accountability and Evaluation, Operations Management and Leadership. A population to be reached through some action or intervention; may refer to groups with specific demographic or geographic characteristics. The group of people you are trying to reach with a particular strategy or activity. The target population is the population I want to make conclusions about. In an ideal situation, the sampling frames to matches the target population. A specific resource set that is the object or target of investigation. The audience defined in age, background, ability, and preferences, among other things, for which a given course of instruction is intended.

I have selected the sample through Simple random Sampling

3.4 SAMPLE SIZE:

This involves figuring out how many samples one need. We have taken the sample size of 100, which cannot determine the buying behavior of the total population. The sample has been drawn from only National Capital Region.

The numbers of samples you need are affected by the following factors:

- Project goals
- How you plan to analyze your data
- How variable your data are or are likely to be
- How precisely you want to measure change or trend
- The number of years over which you want to detect a trend
- How many times a year you will sample each point
- How much money and manpower you have

3.5 SAMPLING TECHNIQUE

Simple random sampling technique has been used to select the sample

A **simple random sample** is a group of subjects (a sample) chosen from a larger group (a population). Each subject from the population is chosen randomly and entirely by chance, such that each subject has the same probability of being chosen at any stage during the sampling process. This process and technique is known as **Simple Random Sampling**, and should not be confused with Random Sampling.

ERRORS IN THE STUDY

Interviewer error

There is interviewer bias in the questionnaire method. Open-ended questions can be biased by the interviewer's views or probing, as interviewers are guiding the respondent while the questionnaire is being filled out. The attitudes the interviewer reveals to the respondent during the interview can greatly affect their level of interest and willingness to answer openly. As interviewers probing and clarifications maximize respondent understanding and yield complete answers, these advantages are offset by the problems of prestige seeking, social desirability and courtesy biases.

Questionnaire error

The questionnaire designing has to be careful so that only required data is concisely revealed and there is no redundant data generated. The questions have to be worded carefully so that the questions are not loaded and does not lead to a bias in the respondents mind

Respondent error

The respondents selected to be interviewed were not always available and willing to co operate also in most cases the respondents were found to not have the knowledge, opinion, attitudes or facts required additionally uninformed response errors and response styles also led to survey error.

Research Design Process

Research design is a conceptual structure within which research is conducted. A research design is the detailed blueprint used to guide a research study towards its objective. It is a series of advanced decision taken together comprising a master plan or a model for conducting the research in consonance with the research objectives. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible yielding maximum information with the minimum effort, time and money.

Chapter-4

Data Analysis and Data Interpretation

4.1 Cross Tabulation

Q.1 why you bought your first car, please rank from the highest order of preferences?

1. Increase in disposable income
2. Better safety at roads
3. Family needs
4. Increase in family size
5. Suits your lifestyle and personality

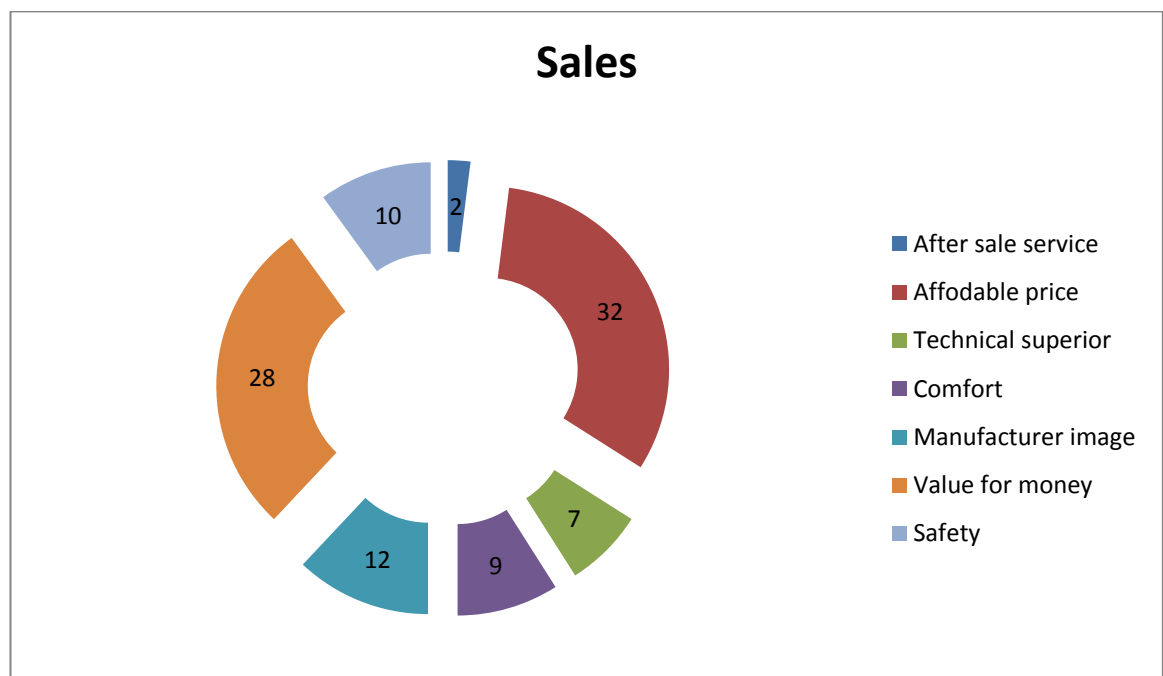


Interpretation:

As per the analysis shows, increase in disposable income seems to be the most important reason for buying a car. This trend is reflected in the growth of the per capita disposable income and consequently the growth of the Indian Automobile Industry. Similarly the growing family needs like working partners, increasing family size, status, etc.

Q2. You decided to buy a car brand because of (rate best 3 factors from 1 to 3 in order of your preferences)

1. Affordable price
2. Technical superiority over completion
3. Comfort
4. Manufacturing's image
5. Value for Money
6. Safety
7. After sale service

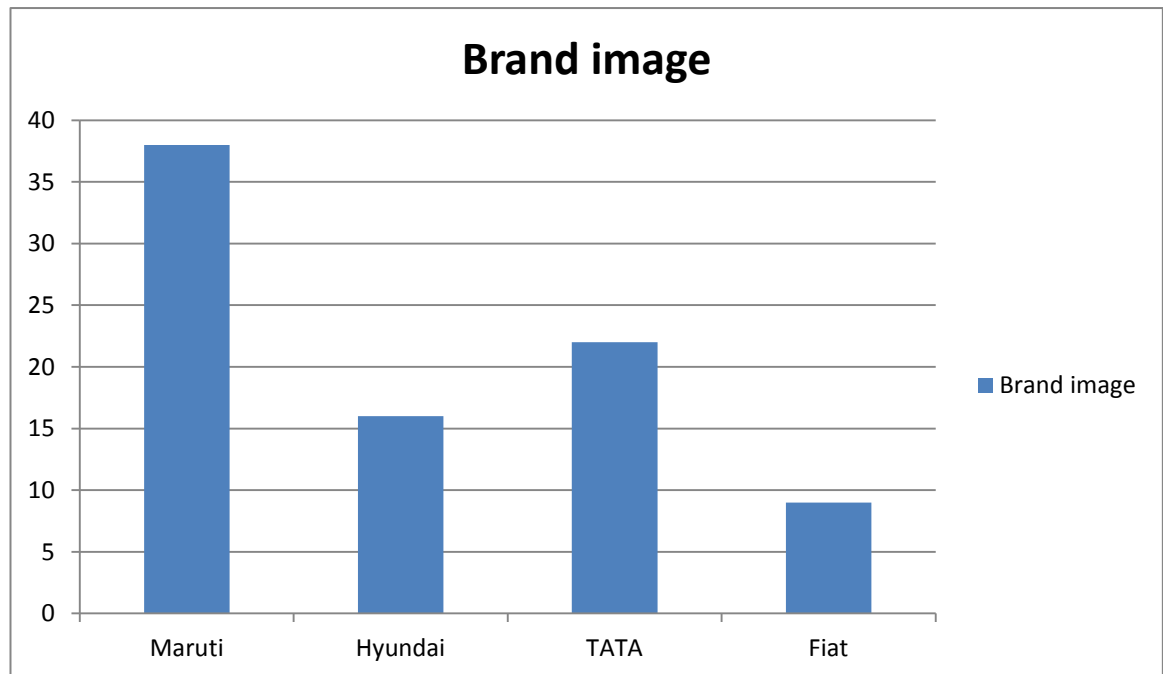


Interpretation:

Indian market is still the hard nut to crack for most of the Automobile manufacturers. Though the Indian car industry is among the fastest growing car markets of the world still the Indian psyche is too complex for the manufacturers to understand. The most important reason for buying a car when it comes to B and C segment cars seems to be value for money. 32% of the respondents suggested that affordable prices are the most important factor while purchasing a car. This is the reason for sticking to a particular segment till the next substantial rise in the personal disposable income. This reason is followed by value for money where the customer look for the best product, best services and best reputes all bundled in one with the best deal they can strive.

Q3. How do you rate the brand image of your car?

1 (very low) 2 3 4 5 (very high)



Interpretation:

As per the analysis, Maruti is the car whose brand image is most preferred in the market. This is because its known for its overall image. On the other side TATA is playing second role for the brand image of the car because of reason people consider TATA as reliable and trustworthy which created a good platform for TATA. This can be attributed to the fact that both these cars are relatively new on the block and market takes time to imbibe and give the brand an image. This is established by the Maruti's Wagon R and Swift exactly the same as far as the image is concerned.

Q4. Will you recommend your car to your friends?

YES OR NO

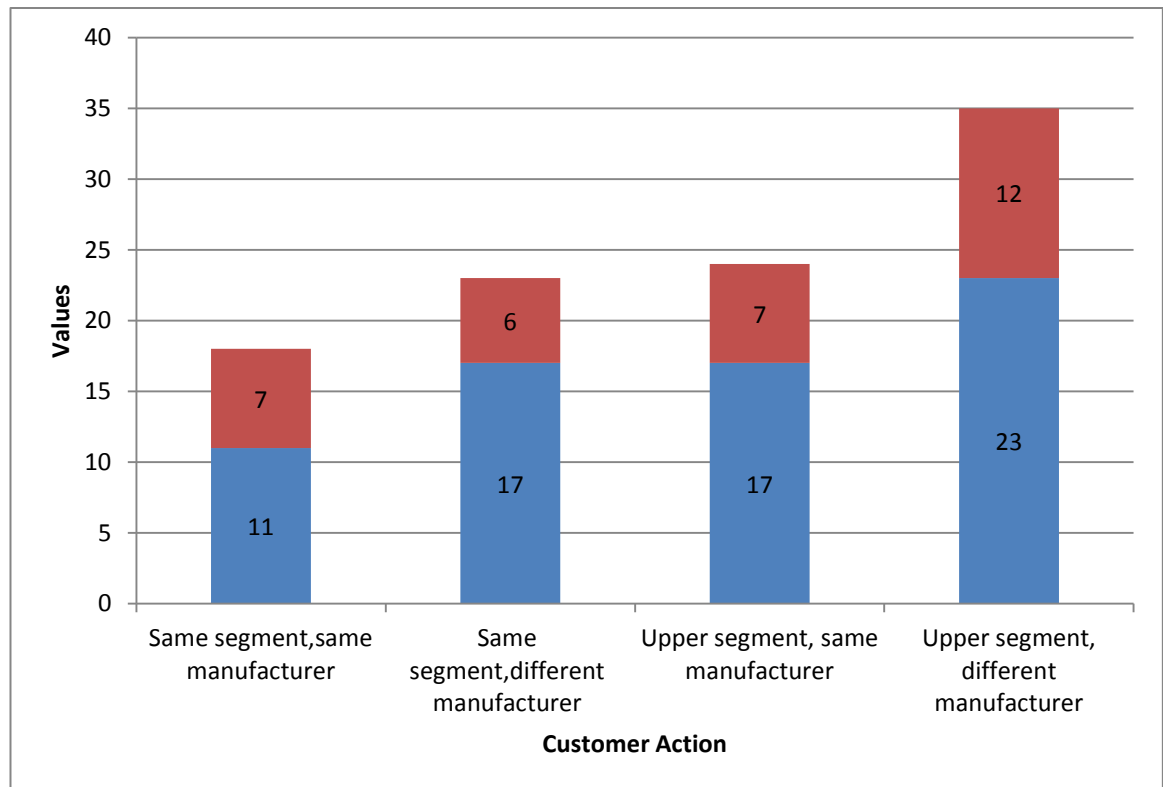


Interpretation:

It seems logical that satisfied customers will someday become loyal customers. In other words there is a positive correlation between customer satisfaction scores and customer buying behaviour. If the customer rates the car very high in satisfying his or her needs, the car manufacturer should expect more referrals and this is reflected in the analysis that 73% customers says that they will refer their friends even if they move to other segment or other brand.

Q5. Will you buy your new car in the

1. Same segment, same manufacturer
2. Same segment, different manufacturer
3. Upper segment, same manufacturer
4. Upper segment, different manufacturer



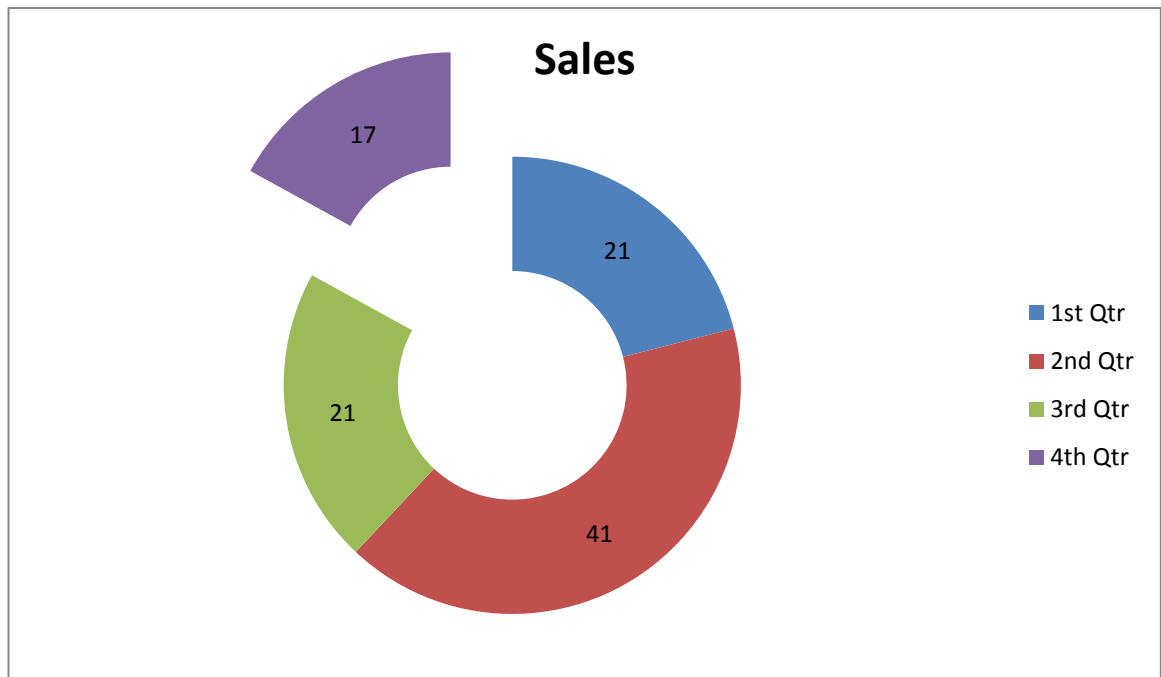
Interpretation:

The analysis shows that most people when moving to upper segment will prefer a different manufacturer, and the next striking finding is that the customer will prefer both same and different manufacturer. This behaviour is complex to understand as this are the customer who have given whopping response for recommending their car to their friend. It's the reason why brand perception is so difficult to understand.

Demographics

I surveyed around 100 people who belonged to various age. The survey of 4 age group was done. The four age groups were:

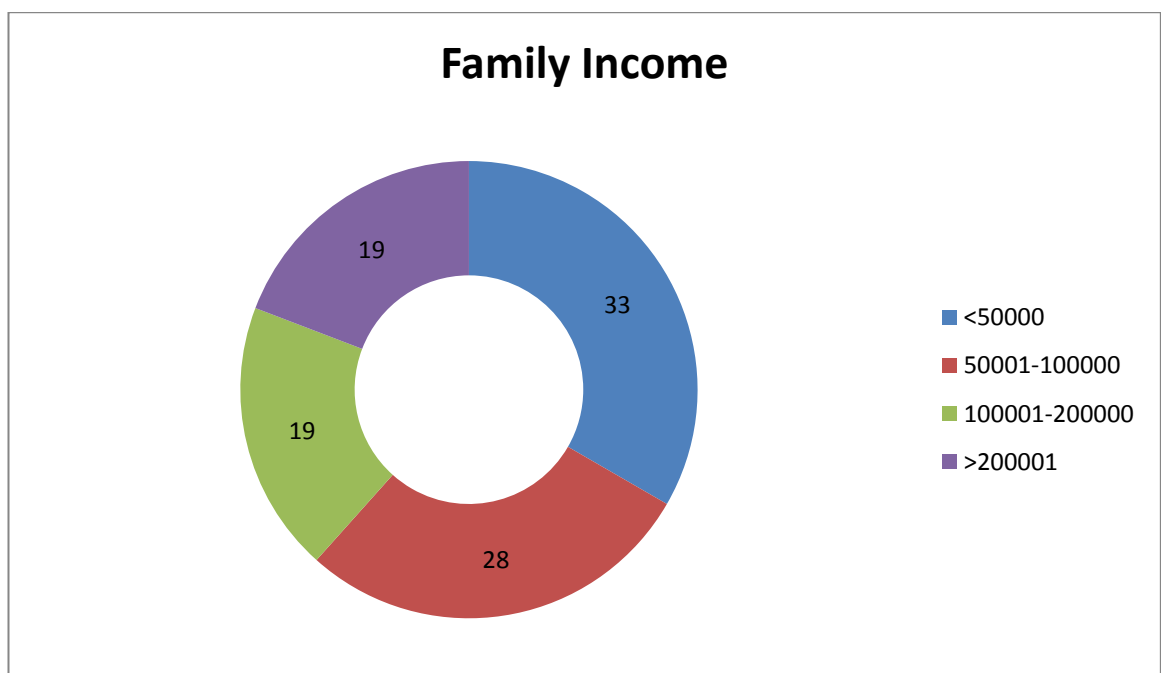
- Less than 21 year
- 21-35 years
- 36-54 years
- More than 55 years



Monthly family income

We surveyed around 100 people who belonged to various monthly family income groups. The survey of 4 income group was done. The four income groups were:

- Less than 50000
- 50000-100000
- 100001-200000
- More than 200001



4.2 Limitations of the study

- All the research projects are hindered in their smooth flow by some unforeseen problems. The problems arise in the form of constraints by budget, time and scope of the study. The current project was also faced by certain problem. Some of the problems faced in the course of the research are as follows:
- A strong unwillingness on the part of the owners of various cars, to participate and aid the research.
- The boredom and wavering concentration that set in among the respondents while answering the long questionnaire: thus in turn led to the difficulty of preventing incomplete questionnaires.
- Sampling error: the research include a sample size of 100 customers which is not enough to determine the brand perception of the consumers for buying the cars. Since its not a census survey there is always a chance of error while extrapolating the results of a sample study over the population especially in those researches where the qualitative aspects are concerned. So it's always doubtful to map the qualitative aspects using a quantitative measure.

4.3 Car's Profile

Maruti Udyog Limited

Maruti Udyog Limited is the premier car company in India. Maruti Udyog Limited (MUL) was established in Feb 1981. The company entered into collaboration with Suzuki Motor Corporation of Japan to manufacture cars. Maruti is the highest volume car manufacturer in Asia, outside Japan and Korea.

Maruti Udyog Limited, the largest Car selling company in India, has many unique Service advantages for the customers. It has bagged the First

Position in JD Power Customer Satisfaction Index for the consecutive two years. The company has also ranked highest in the India Sales Satisfaction Study.

1. Estilo

Maruti launched all new Estilo. If you are wondering why I dropped Zen from this car's name then let me explain. Estilo has got Wagon R's engine and chassis and Suzuki MR Wagon's shape. Whatever remains is taken from Zen, well does anything remains actually? Yes, Name! Name is taken from Zen, 'Zen Estilo'. In essence it's stylish Wagon R, Japan's MR Wagon, combination of the two or anything but Zen. It seems Maruti wants to exploit Zen brand-image hence named this car after Zen.

Zen Estilo has the same engine (1061cc, 64.8ps, 84Nm, 4-cylinder, 16-valve, MPFI F10D Petrol) under the hood that is found in Maruti Wagon R. Absolutely nothing has been changed except for the fact that this engine is much refined and is slightly better at responsiveness and fuel economy. This simply translate into 'Zen Estilo is a bit faster and more fuel economic than Wagon R'. Due to highly good drivability, driving in city would be more fun with Zen Estilo. Electronic Power Steering (not available in LX version) really helps in crowded traffic. Owning and maintaining Zen Estilo won't be a problem, engine is proven reliable and virtually maintenance-proof.

2. Wagon R Duo

At first glance the Maruti WagonR Duo looks quite normal. Well, that is if you think the WagonR's boxy looks are normal to start to start with. Frankly, for a car that has to get around a city, I really don't care, because the Duo is all about LPG, and the fact that it is first factory fitted LPG car in India. Factory-fitted means one major plus, your warranties don't get voided because of the gas fitment.

There is no denying the cars cost advantage, this is the cheapest Maruti vehicle to run, and that in itself is a massive statement. The redesign of the car hasn't just meant a fresh exterior look; it has also meant new interior - rotary controls on the panel and a very neat looking display with an all new Speedo.

The problem is that despite the not insignificant cost savings, you save a rupee a kilometer on LPG over Petrol, which even makes the extra Rs 24000 you have to pay for the car seem worth it, the Duo just wheezes at times. And this is despite two important facts, first LPG has more energy than CNG (that other gas) and because this is a company designed car, Maruti engineers have really played around with the engines tuning.

3. Swift

Competing with the other cars of Maruti, Maruti Swift is gradually making its position in the world of mid-sized family car. Maruti Swift has come up with the special technical specifications of 16 valve 4-cylinder, 1300 cc engine generating power. Maruti swift is equipped with various safety features and well advanced equipments. 3 assist grips, 3 spoke urethane steering wheel, antenna, cabin light (3 position), console box (lower), cup holders (front 2, rear1), front door trim pockets, green tinted glass window, halogen headlamps, headlamp leveling device, heater and manual Air conditioning, OVRM (internally adjusted), rear fog lamps, wind screen wiper 2 speed plus 1 speed intermittent, tailgate opener key type, trip meter (digital display), sun visors (both sides), brake assist , child lock (rear door), high mounted stop lamp, power steering, rear seat belts etc. are the features available in this model. Apart from the features found in other model, striking features of this model are black colored A & B pillars, 12v accessory socket in center console, day and night rear view mirror, door ajar warning lamp, driver's seatbelt warning lamp, tachometer, driver's seat belt warning lamp, vanity mirrors (sun visor co-driver side), rear seat head restraints, fabric accented door trims, central door locking (4 door), front and rear electronic windows, front fog lamps, light off/ key

reminder, manual air-conditioning, key not removed warning buzzer, etc

4. Maruti Esteem

Sophisticated big structured Maruti Suzuki esteem is one of the old car of the Maruti Udyog group. To run this huge car its engine is made of lightweight all-aluminum. This contemporary engine has capacity of 65 bhp at 6000 rpm.

According to *Mileage (Auto India, Nov 2005), Esteem holds the topmost position on mileage among the other category of cars including the small cars.

There are three models of Maruti Suzuki Esteem:

- **Maruti Esteem (Lx)**
- **Maruti Esteem (Lxi)**
- **Maruti Esteem (Vxi)**

The basic model of Maruti Suzuki Esteem includes various safety features and unique configuration in it. Air conditioned Maruti Suzuki Esteem for the comfort of the owner provides the facilities of cabin heater, front seat back pockets (both sides), front door pockets (both sides), air flow controls, remote operated fuel tank lid and trunk lid, coat hanger hook on grip assistance etc..

Instrument panel of this model includes tachometer and speedometer with sporty dial. Security measurement of this model has headlamp leveling device, collapsible steering column, lockable glove box, child proof rear door locks, halogen headlamps, prismatic day-night inside rear view mirror etc.

This model is more upgraded version of Maruti Suzuki (Lx). Apart from the features that are already in Maruti Suzuki (Lx), there are other few more added features existing in Maruti Suzuki (Lxi). For comfort these models specially have rear view mirror on the left side, power steering and power window (front).

Hyundai Motor

Hyundai Motor India Limited (HMIL) was established in 1996 and is a wholly owned subsidiary of South Korean multi national, Hyundai Motor Company. HMIL is the fastest growing and the second largest car manufacturer in India and presently selling 30 variants of passenger cars in six segments. The Company

has set up more than 70 dealer workshops that are equipped with the latest technology, machinery, and international quality press, body and paint shops, across the country, thereby providing a one-stop shop for a Hyundai customer. Hyundai also has a fleet of 78 emergency road service cars that can provide emergency service to all its customers anytime, anywhere.

5. Hyundai Santro

In the field of mid size car, Santro Xing is capturing the market very rapidly. Its design, style, space and other special features has made it one of the highest purchasable cars among any economy class.

It has five variants:

- **Santro XK**
- **Santro XK (Non AC)**

- **Santro XL**
- **Santro XO**
- **Santro AT**

Along with the other features that are present in Santro XK (Non AC), other features present in this model are air conditioner, day and night inside rear view mirror, chrome1 radiator grille etc. Along with the features available in Santro XK, added features in this model are 4 doors CLS, passenger side OVRM, tinted glass, map pocket front door driver side, front door full size arm rest, door trim with fabric insert, hydraulic power steering, power windows (front) etc

6. Getz

Hyundai Motors launched small family car Getz at August 2004. Euro III emission norms fulfilled Car, Getz powered by 1300 cc. engine. Only the petrol version of this car was launched initially.

There are four variants found in this car:

- **Hyundai Getz GLS**
- **Hyundai Getz GLX**
- **Hyundai Getz GVS**

This model has highly advanced features like AC with 4 speed blower, ash tray w/o illumination, center console w/ pen and jug holder, 60:40 rear seat split, vanity mirror passenger side, rear defogger, height adjustable seat belts (front), waist line molding, tilt steering, map pockets, front and rear

power windows, rear seat back inclination(4 position), digital clock, rear wiper and washer, front fog lamp, body color radiator grille, rear bumper reflectors, rear mud guard etc. Few features to view comfort and safety in mind, this model is being specially equipped with rear wiper and washer, rear defogger, alloy wheels etc. This model has few important features like height adjustable front seat belts, body colored radiator grille, rear bumper reflectors etc.

7. Hyundai Accent

Hyundai Accent was ceremonially launched at Frankfurt International Motors

Show on 15 September, 1999. It came in two versions, i.e. Petrol and Diesel

Versions in India initially, while in Europe it was introduced only with the Petrol version. Initially Accent came up with the manual transmission which in turn started getting available in automatic transmission. To know about the models of this car, please see this following text:

- **Hyundai Accent GLE**
- **Hyundai Accent GLS**
- **Hyundai Accent Viva**
- **Hyundai Accent Viva CRDi**
- **Hyundai Accent CRDi**

This model has many distinctive features like 60:40 split folding rear seats, automatic trunk lamps, body colored door handles, bumper with or without

molding, door trims and consoles, high mounted stop lamps (HMSL), Mist (one stroke wiper blades), semi cloth upholstery, trip odometer, rear license garnish, waistline molding, wiper (3 no. of speed), cross bar under dashboard, crumple zone, dual horn, engine sub frame etc. Features that are striking in this models are tinted glass, remote boot release, split rear seats, tachometer, remote fuel cap release, sun visors with vanity mirror, power telescopic antenna, luxury full cloth upholstery, energy absorbing collapsible steering column, full size wheel cover etc.

8. Verna

The most awaited Verna finally launched in India. Verna can be considered as one of the most shock wave-creating cars in India; within first five days of its launch over 2000 Verna cars had been sold. Competition seems to be in shock.

Comfort levels are quite good, I wasn't expecting them to be like this, and there is marginal refinement over Accent. Suspensions give you a feel, 'yes this car is meant for India', no bumpy rides. Car handles very well too. Interiors are not class, as expected, though they don't give a cheap feeling at all. City is way ahead of Verna in interiors and room. Driving position is good and to make it even better, height-adjustable driver-seat is provided in higher versions. AC is quite effective, cools the cabin quickly. Due to enough power, switching on AC doesn't make any difference in performance.

Exterior design is satisfactory. Its neither great to boast about nor is bad to complaint about. Like all other Hyundai car designs, people have started to criticize Hyundai for design of Verna. After having first glance of Verna, one of Carwale.com colleagues called out, 'Hey, it looks like Baleno from front and Fiesta from behind!'. You can't help it, it's inevitable with Hyundai. ABS is available as optional across the range. It's a bit disappointing that Airbags are not provided even as optional. Central Locking is available as standard feature in all the versions and keyless entry in petrol versions except the lowest-end Verna i.

Finally Indian automotive industry is taking good shape. We have enough

options in every segment available. From Maruti to Tata to Honda to Volkswagen to

BMW to Porsche, every major world car player is interested to sell its cars to Indian people. Everyday we have news about some new launch. Verna is just launched and Ford has just announced launch of 1.6 TDCi (diesel) in two months time, Maruti has confirmed discontinuation of Baleno and arrival of new Baleno early next year and last but not the least Chevrolet is planning diesel Aveo soon.

Tata Motors Limited

Tata Motors Limited is India's largest automobile company, with revenues of Rs. 24,000 crores in 2005-06. Its name comes first in the category of commercial vehicles and the second largest in the passenger vehicles, mid size car and utility vehicle segments. The company is the world's fifth largest medium and heavy commercial vehicle manufacturer.

Over 3.5 million Tata vehicles is moving on Indian roads, since 1954. Its manufacturing plant is located at Jamshedpur, Pune and Luck now

9. Tata Indica V2

Having attributes of three popular cars, Tata Indica is ruling the market. Making of Tata Indica with the concept of main distinguishing features of three popular cars i.e., with the overall structure of Maruti Zen, interior space like ambassador and cost nearly like Maruti 800 was a challenging venture of Tata Motors.

Its fully foldable rear seat has made this car more accommodating for extra luggage. For safe and secure driving and to give proper comfort, side-impact beams, rigid monochrome frame and child safety locks are attached to this car.

Different Tata Indica models are:

· Tata Indica V2

- DLX
- DLG
- DLS
- DLE

With its market catching looks and few striking features have set a trend for the choosy buyers. Its power steering, central locking system, four power windows have not only made this comfort driving car but also give assurance for the safety. To mention more about convenience of driving, HVAC system provides good cooling effect even in a sultry summer days. Door handles, body colored bumpers, ORVM and wheel arch flair are few more advantages that the owner of this car can easily avail.

To assure safer driving along with the elegance and appeal of the car, this model is equipped with body colored bumpers, the wheel arch flairs, internally adjustable OVRM and central locking system. To avoid any inconvenience in operating the window, front windows are power windows. To avoid the scorching heat in a summer days, HVAC system of cooling can soothe anybody inside the car

10. Tata Indigo

Indigo with its market catching features like leather upholstery, beige interiors, LCD screen etc has made its position in the automobile industry.

Indigo is available in Petrol and Diesel models.

Petrol Variants

- Indigo GLE
- Indigo GLS
- Indigo GLX

It is equipped with various features like manual power steering, manual front and rear windows, grey bumpers, half wheel covers, partial fabric lining on seat, molded roof lining, high mounted stop lamp etc. To mention few of the features present in this model along with the features of rest of the two models, there are available power steering and power windows, rear fog lamps, rub rails on door, full wheel covers, both sides outer rear view mirrors, rear defogger, central locking, audio warning signal for driver seat belt and many more.

11. Indigo Marina

Fully equipped with 32 bit micro processor and 1405 cc MPFI Petrol engine, this variant delivers maximum power of 85 PS @ 5500 rpm and maximum torque of 11kgm @ 3000 rpm.

It has various features like AC system, 2 spoke wheel, grey bumpers, chrome-plated grill lip, black door handles, roof rails, partial wheel covers, digital clock, internal antenna, partial fabric seats, anti-submarine type front seats, child safety locks on rear doors, collapsible steering column, side impact beams etc

This model along with the features of Indigo Marina GLE comes with various other features like HVAC system, aluminum gear shift knob, 4 spoke wheel, power steering, body colored bumpers, rub rails on door, full wheel covers, stylish grip and cover for hand brake lever etc.

Chevrolet

Its king like entry happened in India in 1928 with its National Series AB

touring. Reliability of this car was proved by its 171 cubic inches, 24.7hp four cylinder engines.

General Motors, parent company of Chevrolet, was the first in setting up assembly plant in India. First office of Chevrolet was located at Mumbai and its assembly plant was in Sewree.

12. Chevrolet Aveo

With the assurance of safety and technologically advanced equipments, Chevrolet Aveo provides complete statement of reliability and efficiency. Safety features like tailor welded blanks, high- strength steel structure, B-pillar, height adjustable safety belt anchors, rear child safety door locks, front safety belt pretension etc really confirm the security of the passenger.

It has four variants:-

- **Aveo 1.4 E***
- **Aveo 1.4**
- **Aveo 1.4 LS**
- **Aveo 1.6 LT**

It is well equipped with 1.4L DOHC 94 PS, 5 Speed MT, chrome radiator grille, wide 185/60 R14 tyres, pullout type door handle, two tone beige interiors, power steering and power window, central locking, rear defogger with timer, remote trunk lid opener, engine service soon indicator etc. It is well equipped with 1.4L DOHC 94 PS, 5 Speed MT, chrome radiator grille, wide 185/60 R14 tyres, pullout type door handle, two tone beige interiors, power steering and power window, central locking, rear defogger with timer, remote trunk lid opener, engine service soon indicator etc. Its main mentionable features along with the other features which are associated with the rest of the models, are 1.6L DOHC 102 PS, 5 speed MT; double DIN MP3 system with 6 speakers; rear spoiler with CHMSL; chrome coated exterior handles and trunk lid garnish; 14" alloy wheels; electrically adjustable OVRM; wood finish on IP and door trim; car alarm and key less entry system.

Conclusion

To conclude, the results show that the companies are playing on the peripheral cues to maintain their Total Relationship Management and connect to the customers both present and potential. The companies are operating in a highly aggressive and competitive global market place and this climate has led to the emphasis on quality in all aspects. TQM focuses on integration and coordination as well as the continuous improvement of all activities and processes. Total Relationship Management (TRM) is a very recent marketing strategy and philosophy. It focuses on and is concerned with all integrated internal and external activities within and between the organizations. These two terms are integrated by the manufacturers by building good quality products and building good relationship with dealers and enhancing service levels.

So, it becomes necessary automatically to study dealer as a part of customers' satisfaction journey with the product called car! Their proximity to the customers, the service provided by them and the relationship maintained by them with the customers helps the car companies to establish and reinstate the brand personality communicated by them to the customers.

Finally the major point that emerges out of this detailed study is a caution for the car companies. It says that there is no doubt that Indian car market may be growing with a double digit figure still the car companies have a long way to travel to convince their customers about the brand personality of their cars and how it suits the prospective buyers. Simply because it simply is not a guarantee that how so ever good the customer might be holding the brand perception and how so ever good the brand image may be it is not a guarantee that it will convert into sale. Cars just like clothes and accessories suit the style and persona of a person and since all cars will become commodity someday the key to sell and excel in the market will lie with a person who knows how to use the perceptions of the customers to its use and sell the cars 'coz ultimately only that car survives which sells.

Scope of future study

As the report mentions there are clue in the market that the cars are on a path of becoming commodities just like the fate awaits for any other consumer goods. So what can be the role and scope of brands and their personality in the changes scenario to establish the brand perception of any car in the mind set of a customer present or potential can be one area of study?

On the close lines, another area of study can be the importance of advertisements and promotion schemes on the brand image of any car brand? Are the brands which advertise more have a positively high brand perception or it's the sales promotion schemes which create the ripples in the mindset of the customers.

It is aimed to study the car market and buying behavior of the customer. The project is analyzed the demographic, psychographic and buying characteristics of the customers in buying the car. It includes the detailed study of customers focusing on the various parameters that lead to identifying and understanding the perception of the customer in buying the car brands.

Chapter-6

Appendices

6.1 Questionnaire

Q1 Age?

Q2 Area District/City ?

Q3 Occupation?

- ☐ Student
- ☐ Self-employed
- ☐ Government Servant
- ☐ Employee
- ☐ Other:

Q4 Family income (Rs. per annum)

Q5 email-id

Q6 Do you own a car?

Q7 Which brand do you own?

- ☐ Maruti Suzuki
- ☐ Hyundai
- ☐ TATA
- ☐ Fiat
- ☐ Nissan
- ☐ Chevrolet

- ☐ Mahindra & Mahindra
- ☐ Honda
- ☐ Toyota
- ☐ Skoda
- ☐ Mercedes
- ☐ BMW
- ☐ Audi
- ☐ Other:

Q8 Would you like to switch to another brand with other features?
YES OR NO

Q9 If yes what is your level of switching?
Extremely high
High
Moderate
Low

Q10 Do you think you would be buying a car in the near future?

Q11 Scale the factor which would influence your purchasing decision.

	1	2	3	4	5
Price	☐	☐	☐	☐	☐
Financing	☐	☐	☐	☐	☐
Company's past financial record	☐	☐	☐	☐	☐
Brand name	☐	☐	☐	☐	☐
Word of mouth	☐	☐	☐	☐	☐
Shape and size	☐	☐	☐	☐	☐
Technical aspect	☐	☐	☐	☐	☐

	1	2	3	4	5
After sale service	☐	☐	☐	☐	☐
Festival season/promotions	☐	☐	☐	☐	☐
Advertisement	☐	☐	☐	☐	☐
Any other, please specify below	☐	☐	☐	☐	☐

Q12 What is the price range you are considering.

Q13 would you like to buy an used car?

YES OR NO

Q14 which of these types of cars would you consider driving?

- ☐ Sedan/ Hatchback
- ☐ Estate
- ☐ Sports/ Cabriolet
- ☐ SUV
- ☐ Minivan
- ☐ Mini Car
- ☐ Prestige Car

Q15 What would you look for in your car.

1-least, 5-highest

	1	2	3	4	5
Space	☐	☐	☐	☐	☐
Size and shape	☐	☐	☐	☐	☐

	1	2	3	4	5
Technology	☐	☐	☐	☐	☐
Brand image	☐	☐	☐	☐	☐
Interior	☐	☐	☐	☐	☐
Comfort	☐	☐	☐	☐	☐
Power	☐	☐	☐	☐	☐
Fuel efficiency	☐	☐	☐	☐	☐
Any other, please specify below	☐	☐	☐	☐	☐

Q16 Rate according to your car engine preference

1-least, 5-highest

	1	2	3	4	5
Petrol	☐	☐	☐	☐	☐
Diesel	☐	☐	☐	☐	☐
LPG	☐	☐	☐	☐	☐
CNG	☐	☐	☐	☐	☐

Q 17. Your prefer car manufactured by?

Indian

Multinational

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