

Consumer Behaviour: A Case Study of Maruti

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Abstract:

The study of consumer behavior develops great interest for consumers, students, scientists, and marketers. As consumers, we need insights into our own consumption related decisions: what we buy, why we buy, and how we buy. The aim of the study is to cover entire research about consumer behavior towards Maruti and different factors affecting their buying decision. A sample of 100 consumers of Cars is taken. Questionnaire has been analyzed with the help of pie diagram & bar chart and different interpretations have been made to study the impact of consumer behavior towards Maruti. This study concluded that Majority of the customers are using the specific brand for a very long period of time which concluded that consumer does not switch easily from one brand to another. Discounts given by companies on the products, accessories attract the customers to buy the product. The present study has concluded that discounts and other offers given by companies more attract to the customers and influence the customers to buy the product. The present study has also concluded that the customers are fully satisfied with Maruti's promotional efforts and are well aware of the cars offered by Maruti.

Key words: Cars, Passenger Car, Automobile

Introduction

The term consumer behavior is defined as the behavior that consumer display in searching for, purchasing, using, evaluating and disposing of product, services and ideas that they expect will satisfy their needs. The study of consumer behavior is the study of how individual make decisions to spend their available resources (money, time, and effort) on consumption-related items. It includes the study of what they buy, why they buy it, how they buy it, when they buy it, where they buy it, and how often they buy it. Thus the study of an consumer behavior in the area of cars might include a study of why he uses a particular brand (price-quality), which brand of cars he buys (e.g. Havells, cromptonetc), how he buys it (for cash, credit or by coupon), where he buys it (from ordinary shop, company's outlet),and how often he buys it (approximately every six months, an year).

Although consumer behavior focus on how and why consumers make decisions to buy goods and services but now consumer behavior research today goes for beyond these facets of consumer behavior. Research also considers the uses consumers make of the goods they buy and their evaluation of these goods after use. In addition to studying consumer's use and post purchase evaluation of the product they buy, consumer researchers are also interested in how individuals dispose of their once-new purchases. For example, after using a product for many months, do consumer's, throw it or give it away, sell it, rent it, or lend it out? The answer to this question is important to marketers because they must match their production to the frequency with which consumers buy replacements. Research into current disposal practices enables marketers to develop and promote environmentally sound and economically efficient consumer product. Consumer

behavior is the process whereby, individuals decide whether, what, when, where, how, and from whom to purchase goods and services.

According to Peter F. Drucker, "it is the consumer who determines what a business is, for it is the customer and he alone who through being willing to pay for goods and services converts economic resources into wealth, things into goods. What a business thinks it produce is not of first importance especially not to the future of the business and to it's e.g., what considers "value" is decisive. It determines what a business is, what it produces and whether it will prosper." Consumer behavior consists of the mental and physical activities for acquiring the products (which are themselves bundles of physical and psychological satisfactions) and obtain satisfaction from them. Another feature of consumer behavior is that It includes both observable physical and mental activities. Physical activities can be walking through the stores and examining the merchandise while mental activities can be forming attitudes, perceiving advertising materials and learning to prefer particular brands. Attitudes and preferences can be determined by studying shopping, purchasing, motivation, perception, attitude change, and personality of the buyers.

The study of consumer behavior holds great interest for us as consumers, as students and scientists, and as marketers. As consumers, we need Insights into our own consumption related decisions: what we buy, why we buy, and how we buy. The study of consumer behavior makes us aware of the subtle Influences that pursued us to make the product or service choices we do. As a student of human behavior, it is important for us to understand the internal and external influences that Impel individuals to act In certain consumption-related ways. Consumer behavior is simply a sub set of the larger field of human behavior. As scientist, we are interested in understanding every aspect of human behavior. As marketers, It is important for us to recognize why and how individuals make their consumption decisions so that we can make better strategic marketing decisions. Without doubt, marketers who understand consumer behavior have great competitive advantages in the market place.

Consumer Behavior about Cars Industry

The term consumer behavior is defined as the behavior that consumer display in searching for, purchasing, using, evaluating and disposing of product, services and ideas that they expect will satisfy their needs.

As India celebrates its 60 years of independence, the passenger car industry will celebrated a centenary of its existence in India in 1998. Despite this head start, the industry has never quite matched up to the performance of its counterparts in other parts of the world. The all-pervasive atmosphere created by the government's license raj was primarily responsible for this situation. The various layers of Acts sheltered the industry from external competition and smothered the development of the Indian automobile industry. Moreover, the industry was considered low priority as cars were considered to be an "unaffordable luxury."

With the liberalization of the Indian economy, the passenger car industry was finally deregulated in 1993 and many companies, both Indian and foreign, announced their plans to enter the market. The last five years have seen companies like Skoda, Honda, Ford, GM, and Mercedes-Benz launch their cars in India. The passenger car industry notched impressive growth rates between 26-30% during the period FY 1994-1996 even though the economic slowdown has adversely affected the industry in FY 1998 with the growth rate tricking down to 1%. Nonetheless, times have changed significantly - the days of the customer chasing the dealer to purchase poor quality cars backed by inefficient service are history. Today, the customer dictates the terms.

Current Market Scenario

The Indian passenger car industry has grown more than ten times in the last ten years with sales increasing to more than four-lacks vehicle. Maruti dominates the market that has 83% share accounted by its 800-cc car, Zen, Omni, Alto and Wagon-R. Maruti is the leader in the economy, mid-size, and premium segment with its Wagon-R, Zen, and Esteem respectively. After the liberalization in 1993, the car industry posted impressive growth rate of 30% in FY 2000 and 18% in FY 2001.

Maruti Suzuki India Limited (NSE: MARUTI, BSE: 532500) is a subsidiary company of Japanese automobile and motorcycle manufacturer Suzuki. The company offers a complete range of cars from entry level Maruti 800 and Alto, to hatchback Ritz, A-Star, Swift, Wagon-R, Estilo and sedans DZire, SX4, in the 'C' segment Maruti Eeco and Sports Utility vehicle Grand Vitara.

It was the first company in India to mass-produce and sell more than a million cars. It is largely credited for having brought in an automobile revolution to India. It is the market leader in India, and on 17 September 2007, Maruti Udyog Limited was renamed as Maruti Suzuki India Limited. The company's headquarters are located in New Delhi.

India's successful auto maker Maruti is slowly moving up the value chain, it wants to establish dominance in higher segments. After launching SX4 in the A3 segment, it eyes SUV market. Maruti is not new to this segment, earlier it tried in 2003 with Grand Vitara. The 2003 Grand Vitara battled with Hyundai Terracan, Ford Escape, Mitsubishi Pajero and Chevrolet Forester. None of these SUVs made great strides in India. Infact by that time, when D was yet an alphabet and not an automotive segment Maruti Suzuki upgraded the vitara in the same year and launched India's most powerful (166bhp) SUV of that time. Grand Vitara was sold not thru dealers but by separate marketing time that too not boosted its figures. The Vitara was viewed as an overpriced car also its link with India's top economy car manufacturer spoiled Vitara's future. Grand Vitara was discontinued last year. Now Maruti feels Indian customers has become more mature and also the SUV market is growing fast in India. Maruti Suzuki will roll out its new Grand Vitara or Escudo soon. This SUV will come to India via CKD route.

This is a compact SUV no intimidating look or no sharp shoulder lines in the new vitara too. In the design area it's very simple to give verdict, if you liked Vitara's predecessor, New vitara is a sharp little truck. Positives include the honeycomb grille, clearlens headlights, wheel flares that impart a sense of power, and simple yet attractive body lines. An aerodynamic roofline leads to a discreet tailgate spoiler and the spare wheel is retained on the rear door. New Vitara features larger rear combination lamps that integrate into the thicker "C" pillar design. Access to the cabin is easy; the boot has a side-hinged door (similar to the Ford Endeavour). A clever piece of Suzuki' engineering can be felt in the tailgate. Opening to a full 90 degrees, the gas strut for the side-hinged tailgate has a two-position stop. The first stop at about 65 degrees ensures that the tailgate – with its protruding spare wheel – does not accidentally swing into the path of passing traffic. At the same time, when the tailgate is in the intermediate position, the right hand tail-light The predominantly black interior uses bold silver highlights and circular motifs, while the seat materials use geometric designs and surfaces: high quality materials pleasing to the eye and touch. Comfortable cloth seats, and brushed aluminum trim breaking an otherwise all-black interior are pleasing to the eye but the gauges could have been positioned well.

Because of the low central tunnel, the new Grand Vitara provides plenty of leg- and headroom in both the front and back seats, and five adults can sit comfortably. The cabin is not so noise free, you can feel engine noise and wind noise inside the new vitara though the cabin is free from road noise, according to whatcar. The rear seats fold in half and tip forward to create extra load

space, but they can't be removed unlike the other SUVs. With rear seats raised the new Vitara offers 398L of boot space and it offers 758L when rear seats are folded.

Passenger Cars Segmentation

The segmentation of the passenger car market in India is vastly different from that in the developed nations. In India, the economy segment accounts for the largest share of the cars sold, as compared to mid-range segment in the mature markets. The economy and the premium segment face the lowest competitive threats, while the premium segment will witness intense competition due to lower volumes.

Segment-Wise Classification of the Indian Car Market Segment

Range	Price ('000 Rs.)	Models
A Class	195-205	Maruti 800 and Maruti Omni.
B Class	300-450	Zen, Palio, Hyundai Santro and Wagon-R.
C Class	450 – 500	Opel Corsa, Tata Indigo, Hyundai Accent and Fiat Sienna.
D Class	> 7,000	Mitsubishi Lancer, Opel Astra, Honda City and Maruti Baleno.

Key Demand Drivers

Traditionally, disposable income was perceived as the ne critical factor that drove passenger car demand. However, household income is no longer the single most important factor in determining the demand for vehicles. Other critical factors are the mobility needs of people and the availability of cheap finance. The top three income groups - middle, upper middle, and high - have grown from 15% in 1998 to 17% of the population and covers over 65 million families. The number of high-income households is growing very rapidly, more so in the rural areas. These findings have revolutionary implications or the passenger car market. The development of the used car market will also play a major role, as the customers will be encouraged to trade in their old cars. The key to the growth of future markets is to make maintenance-free vehicles, to improve the road infrastructure, and to reformulate fuels and lubricants so as to reduce vehicle-operating costs. The automotive industry is an extremely reliable indicator of economic growth; quite obviously, its growth boosts the economy's performance. As India celebrates its 50 years of independence, the passenger car industry celebrated a centenary of its existence in India in 1998. Despite this head start, the industry has never quite matched up to the performance of its counterparts in other parts of the world. The all-pervasive atmosphere created by the government's license raj was primarily responsible for this situation. The various layers of Acts sheltered the industry from external competition and smothered the development of the Indian automobile industry. Moreover, the industry was considered low priority as cars were considered to be an "unaffordable luxury."

Literature Review

Mohamed Abdul Azeem (1997) in his study on — New products introduction – a study of detergents||, pointed out that the major factor influencing the purchase are brand name, price, availability and service respectively. The source of awareness about multinational brands is television advertisements, friends and relatives, dealers Magazines, and News papers. **Gaedebe (2007)** in his

article —Consumer Attitude Towards cars made in developing countries|| , identified brand name , pricing and distributor's reputation are the most important factors to brand equity of different models of cars.

Park and Srinivasan(2012)in their article —A Survey Based Method for Measuring and Understanding Brand Equity and its Extendibility,|| conducted study on various car models in European market and concluded that brand equity should be evaluated in terms of consumer knowledge, and associations with respect to the brand.

Liu (2002) in his article examined factors affecting the brand decision in the automobile industry in Asia. It is concluded that brand attributes and product quality is essential element for choosing the brand for purchase.

Significance of The Study

Significance of the Cars is very important to everyone, not even in India but it is a worldwide phenomenon. This study has been conducted to check consumer preferences and towards Cars and to find out the best Car Segment of Maruti, features that attracts consumers towards cars in Delhi region. Several studies have been conducted on the Cars among people in different countries across the world such as Japan, Norway, Finland, USA, and Britain. This study adds to the growing body of research by providing empirical information about the study which helps companies to make product according to customer needs and wants and provide best quality services to retailers in India. Several studies have been suggested about the Cars, give little hints about the Car industry. However, in India the studies have only looked at few of these issues . This study provides information about the Cars specially Maruti Car uses by people in Delhi region (India)

From the theoretical point of view, this study contributes to the academic literature by providing evidence for the theories used in this study. By applying the uses and gratifications perspective, this study shows that what type of changes consumer and wants, suggestion of consumers in relation to price, demand, choice, their brand loyalty. Through the application of Field survey conducted, this study provides evidence that consumer wants to make changes in price of some Cars, and changes in other factors.

Objectives of The Study

The present study is based on the following objectives:

1. To study the consumer behavior about Maruti Cars.
2. To study the attributes that attracts consumers to purchase Cars.

Research Methodology

Scope of the study:

The scope of the study is to get the firsthand knowledge about the buying behavior of consumers towards cars in Delhi region. The scope is restricted to study the factors affecting the preference of consumers. This is done to avoid perceptual bias and for providing objectivity to the study.

Data type:

Primary Data

Primary data is that data which is collected for the first time. For the purpose of collection of primary data, a well-structured questionnaire was framed which was filled by the respondents.

Secondary Data

Secondary data is the data which is already collected by someone. Secondary data was collected so as to have accurate results .Required data was collected from various books, magazines, journals and internet.

Size:Active consumers of Electric Product: 100

Analytical tool:

Charts, pie charts.Diagrams.

Analytical Overview

1. Brand names of Cars consumers are aware of

Table 1.1: Awareness of Brand Names

Brand Name	Frequency of Viewers	Percentage
Maruti	50	27.93
Hyundai	40	22.35
TATA	35	19.55
Mahindra	26	14.53
Others	28	15.65
Total		100

Source: Primary Data



Figure 1

Interpretation

It is clear from the above diagram that the Maruti have grabbed the major market share among the Car segment automobile market.

2. which model of Maruti Udyog you have own?

Table No 1.2: Models of Maruti Udyog

Model of the cars	No. of Respondents	Percentage
Maruti Swift	90	45
Swift Dzire	50	25
Wagon R	30	15
Swift	10	5
Esteem	10	5
Other	10	5
Total		100

Source: Primary Data

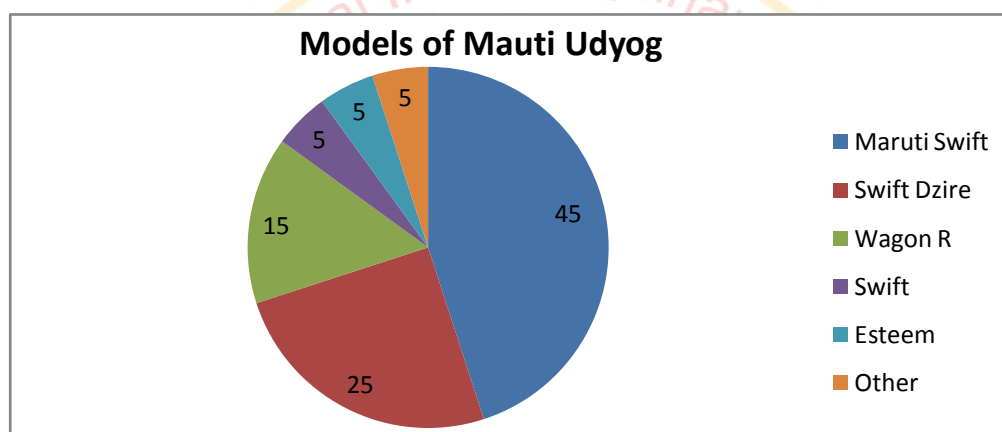


Figure 2

Interpretation: It has been cleared stated that majority of the respondents have Maruti Swift (45%) followed by Swift Desire (25%).

3. Price factors, which motivate respondents to buy the Cars.

Table No 1.3 Price Factors

Factors	No. of Respondents	Percentage
Reliable	55	27.5
Off Season	40	20
Schemes	50	25
Discount	45	22.5
Any Other	10	5
Total		100

Source: Primary Data



Figure 3

Interpretation: From the above diagram it is clear that the price factor such as reliable, discount and schemes motivate the people to buy the Cars.

4. How much you are affected by the promotional efforts of the company

Table No 1.4 Respondents Affected by Promotional Efforts

Promotional Efforts	No. of Respondents
High	100
Moderate	50
Low	30
No Effect	20

Source: Primary Data

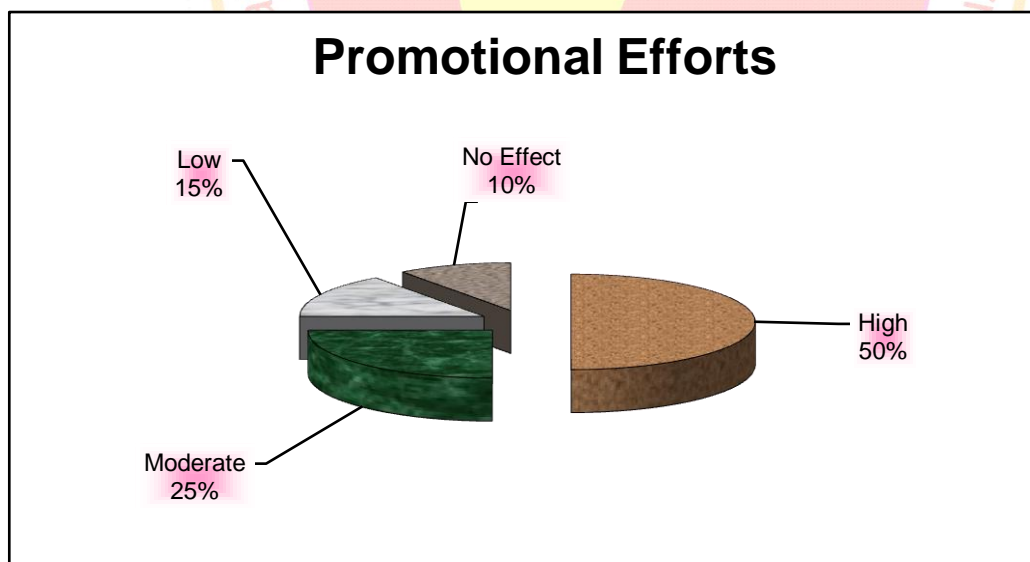


Figure 4

Interpretation: From this analysis, consumer is asked to put the mark whether they are affected by promotional efforts taken by the Maruti Company. It is clear that most of the buyer purchase decision is highly affected by the promotional effort of the company.

Conclusion of The Study

The study concluded that most of the consumer is aware about the brands. They get information about cars through advertising, promotions, family and friends. Majority of the customers are using the specific brand for a very long period of time which concluded that consumer does not switch easily from one brand to another. The present study has concluded that discounts and other offers given by companies more attract to the customers and influence the customers to buy the product. The present study has also concluded that the customers are fully satisfied with Maruti's promotional efforts and are well aware of the cars offered by Maruti.

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