

# An Empirical Study on Customers' Preference of Cars with Special Reference to Maruti Suzuki and Tata Motors

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## ABSTRACT

In present day world cars have no longer remained a luxury item, especially small cars. Moreover, there has been an ambition among the people to own a car, more so during Covid times. The desire of the people has also been complimented by introduction of new models and offers by car manufacturers as well as easy source of finance at competitive rates. This study is undertaken to assess the factors considered by car buyers while selecting a car and their satisfaction level. For this study two manufacturers were selected- Maruti Suzuki the market leader and a strong Indian competitor Tata Motors. The study revealed that though Maruti Suzuki still has the highest customer base due to its brand image, Tata Motors is gaining new customers by providing strong and sleek cars.

**Keywords--** Car, Maruti Suzuki, Tata Motors

generations are engaging into purchasing of a car early in their carrier.

But Indian market is still found challenging because even after companies invest huge amounts in market research the customers don't react the way the company had expected. At times there is a gap between what the car manufacturer perceives and what the consumers seek.

For understanding the factors that influence a customer to buy a car, firstly a customer has to be separated on the basis of segment they are looking into because the needs of a customer buying entry level car would differ from that buying executive or luxury level car. After the segmentation process is sorted the factors which majorly affect customers buying decisions are price and brand, fuel economy and performance, styling, space, comfort and safety features, ground clearance, after sales and service cost, dealership experience, and resale value.

## I. INTRODUCTION

The need for travelling is increasing on continues basis and so is the need for means of travelling. When it comes to public transport it isn't able to fulfill the criteria like time, comfort, full location coverage etc. The earning members of the families need to travel to various locations in regard to their jobs and there are certain intervals in which they may also require to travel intercity. A car not only serves the needs of office purpose, but it has become a part of each and every activity of our life namely visiting a grocery store for supplies, going to the bank and running other errands. There is a saying which emphasizes that people accomplish things in life when they have a house, a car and a good partner. Therefore, we can state that a car has occupied a space in our mind in form of an accomplishment and most individuals desire to have it in their life, it has an emotional attachment involved.

In present day, with advent of easy finance facility to everyone, a person can enter a showroom with an expectation to purchase a car and they could easily leave the showroom that day itself with the delivery of the new car. When we talk about passenger cars, Indian automobile industry has gone through various changes in terms of various aspects being design language, Car type, pollution level etc.; it is considered one of the pioneering sectors in India. The Purchase of cars in India is increasing on a continuous basis and even the younger

## II. LITERATURE REVIEW

- **Shende. Vikram (2014)** - In this study the author mentions that the automobile industry today is considered to be the most lucrative industry. For most of the people, purchasing a car is the second most important and expensive decision, next to purchase of a house. The increase in disposable income in both rural and urban sector and availability of easy finance are the main factors for high volumes of sales. The Indian market being open to global brands poses a high competition for the new entrants to enter into. But once the companies are able to leave a mark, they are able to sustain for long. It is found that buyers have different priority of behaviors in each segment, whereas main driver for car purchase is disposable income. The other factors like Value for money, safety and driving comfort, brand image etc. also top the priority list of certain customers.
- **Suganya. R, (2012)** - This study shows the consequence of brand equity on consumer purchasing behavior on car. The paper shows that brand acts vital role in car sales, not only to attract but also to maintain customers. The researcher concluded that brand awareness and

quality perception has proved to influence the brand loyalty. And also, the brand loyalty and brand relationship have an effect on customers, attitudes towards brand.

- **Satish and Dhanabalan et,al (2018)**-Through this analysis it can be mentioned that brand, price, quality, design, utility, technical considerations were the most significant attributes in creating customer perceived value and purchase decision. By this way customer perceived value influence customers' purchase decision. The strong positive correlations clearly indicated that the quality, utility and technical consideration are the most influential factors. Hence, manufacturers should concentrate on these areas and applied to the cars and thus manufacturers may increase more value consumers perceived.
- **Kumar. Abhimanyu and Taunk. Anshu(2018)**- Through the study they stated that, a Brand's global presence is judged by consumers based on availability around the globe with standardized products, brand name, distribution channels and communications. By going global, the company will enjoy an increase in market share, which indicates increase in demand for their products. With that, the company can produce with economies of scale, reduce cost per unit and increase production efficiency resulting in serving customers efficiently and economically. Most importantly, compared to local brands, companies with global brands will be able to penetrate into markets more easily, regardless to high or low status seeking consumers, global brands with proper strategy will enable them to achieve an enhanced global image.
- **Biswas et.al (2014)**-Indian consumers are now mainly comprised of the middle class. Their preferences are changing from being only price conscious to checking about car technical specifications as well. Advertisements are too showing an effect on the Indian consumer as promotional offers are altering or effecting purchase decisions as well. Indian consumers are thinking similarly across age and occupation levels. But, when it comes to Income disparities the opinions and preference are changing. It could be taken into consideration while segmentation of markets by various companies that Car's technical specifications and technology is emerging as an important factor in deciding about the purchase and preference

of cars. With the rise of Internet and increased literacy and awareness among consumers, consumers ready to go through the intricate details of the car related to its design, engine etc before taking any major decision.

From the literature reviewed it can be concluded that if a company is once able to make its impression in the market it's able to sustain for a long period of time. The brand value of car manufacturer matters a lot. But along with-it other factors such as price, quality, design, utility, technical equipment etc. are also preferred by customers. Along with this the global presence of a brand also impacts the customers' perception about it. It is found that, the global brands are able to penetrate the market majorly as compared to the local brands. When it specifically comes to Indian market it is found that the customers are very price sensitive irrespective of the segment preferred by them also irrespective of their age and occupation.

### III. OBJECTIVES OF THE STUDY

- To study the factors influencing consumers to purchase a car.
- To analyze the satisfaction level of the customer of Maruti Suzuki and Tata motors.

### IV. RESEARCH METHODOLOGY

- Area of study- Guwahati
- Research instrument- Questionnaire
- Sample size-100
- Sampling technique- Snowball Sampling
- Tools of analysis- Collected data has been analyzed with tables and graphs.
- Sources of data- Two sources of data have been used:
  - Primary data (collected through questionnaire)
  - Secondary data (collected through internet)

### V. LIMITATIONS OF THE STUDY

1. The study is limited to the city of Guwahati.
2. The study is done with a sample size of 100 respondents. Their needs may not reflect the actual scenario.
3. The study is constrained by shortage of time.
4. The study is subject to biasness on the part of respondents and their level of knowledge.

### VI. DATA ANALYSIS

**Table 1:** Demographic variables

AGE	FREQUENCY	PERCENTAGE (%)
UPTO 30	62	62%
BETWEEN 31 TO 40	9	9%
BETWEEN 41 TO 50	9	9%
BETWEEN 51 TO 60	14	14%
ABOVE 60	6	6%
Total	100	100%
GENDER	FREQUENCY	PERCENTAGE (%)
MALE	71	71%
FEMALE	29	29%
TOTAL	100	100%
QUALIFICATION	FREQUENCY	PERCENTAGE (%)
UNDER GRADUATE	21	21%
GRADUATE	48	48%
POST GRADUATE	22	22%
PROFESSIONAL	9	9%
TOTAL	100	100%
OCCUPATION	FREQUENCY	PERCENTAGE (%)
SERVICE	43	43%
BUSINESS	34	34%
RETIRED	5	5%
PROFESSIONAL	18	18%
TOTAL	100	100%
INCOME (annually)	FREQUENCY	PERCENTAGE (%)
UPTO 3,00,000	27	27%
BETWEEN 3,00,001 TO 5,00,000	31	31%
BETWEEN 5,00,001 TO 10,00,000	30	30%
ABOVE 10,00,000	12	12%
TOTAL	100	100%

Source: Field survey

**Interpretation** -From the above table it can be seen that out of 100 respondents, 62 belong from the age group of "UPTO 30, 9 belong from the age group of "BETWEEN 31 to 40" (9%), 9 belong from the age group of "BETWEEN 41 to 50"(9%), 14 belong from the age group of "BETWEEN 51 TO 60"(14%) and 6 belong from the age group of "ABOVE 60" (6%).From the above table it can be seen that out of 100 respondents, majority of respondents are male (71%) followed by female respondents i.e. (29%).

Qualification wise it is found that out of 100 respondents, 21 respondents are "undergraduate", 48 respondents are "graduate", 22 respondents are "postgraduate" and 9 respondents have chosen "profession" as their qualification.

When it comes to occupation it is found that 43 respondent are from service background, 34 respondents are from business background , 5 respondents are retired and 18 respondents are professionals.

In terms of annual income 27 respondents have an income of up to Rs.3, 00,000 , 31 respondents have an

income ranging between Rs, 3, 00,001 to 5, 00,000 (26%), 30 respondents have an income ranging between

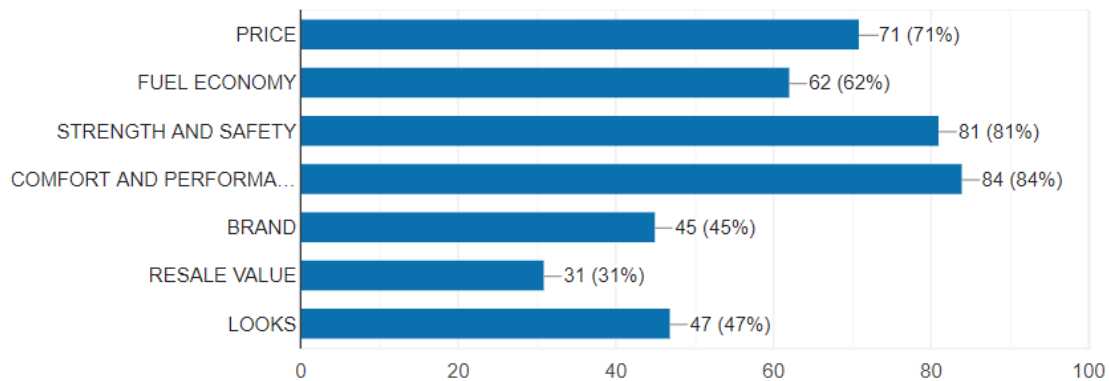
5, 00,001 to 10,00,000 (20%) and 12 respondents have an income level above 10,00,000.

**Table 2:** Factors influencing buying decision

FEATURES	FREQUENCY	PERCENTAGE (%)
PRICE	71	71
FUEL ECONOMY	62	62
STRENGTH AND SAFETY	81	81
COMFORT AND PERFORMANCE	84	84
BRAND	45	45
RESALE VALUE	31	31
LOOKS	47	47

Source: Field survey

**Figure 1:** Factors influencing buying decision



**Interpretation-** From the above table it can be seen that 84 respondents have chosen comfort and performance as the major factor followed by 81 respondents voting for strength and safety making it the second factor important to people, at the third place we have 71 respondents voting for price factor and accordingly the factors such

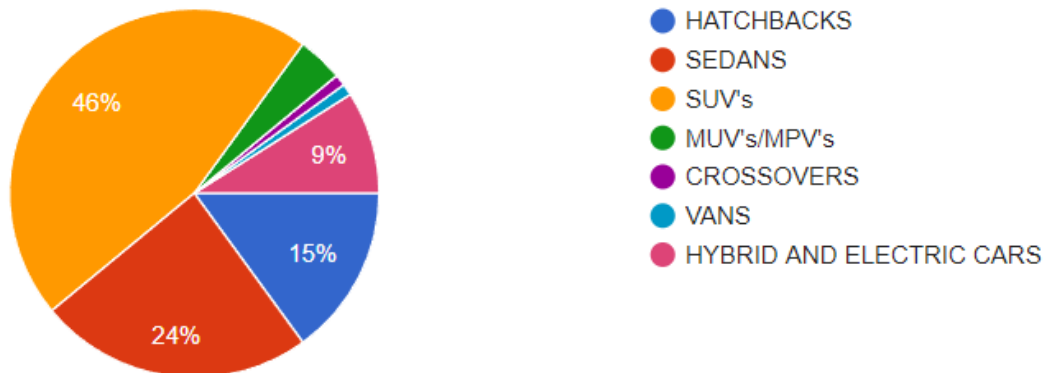
as fuel economy being chosen by 62 respondents, looks being chosen by 47 respondents, brand being chosen by 45 respondents and resale value being voted by 31 respondents occupy the 4<sup>th</sup> 5<sup>th</sup> 6<sup>th</sup> and last position in the level of attraction in the minds of people.

**Table 3:** Segments of car that attract people the most

SEGMENT	FREQUENCY	PERCENTAGE (%)
HATCHBACKS	15	15%
SEDANS	24	24%
SUV'S	46	46%
MUV'S/MPV'S	4	4%
CROSSOVERS	1	1%
VANS	1	1%
HYBRID AND ELECTRIC CARS	9	9%
TOTAL	100	100%

SOURCE- FIELD STUDY

**Figure 2:** Segments of car that attract people the most



**Interpretation -** According to the table we can see that SUV segment attracts the greatest number of respondents i.e., 46 respondents, followed by sedans being voted by 24 respondents. The third position is occupied by hatchbacks being voted by 15 respondents,

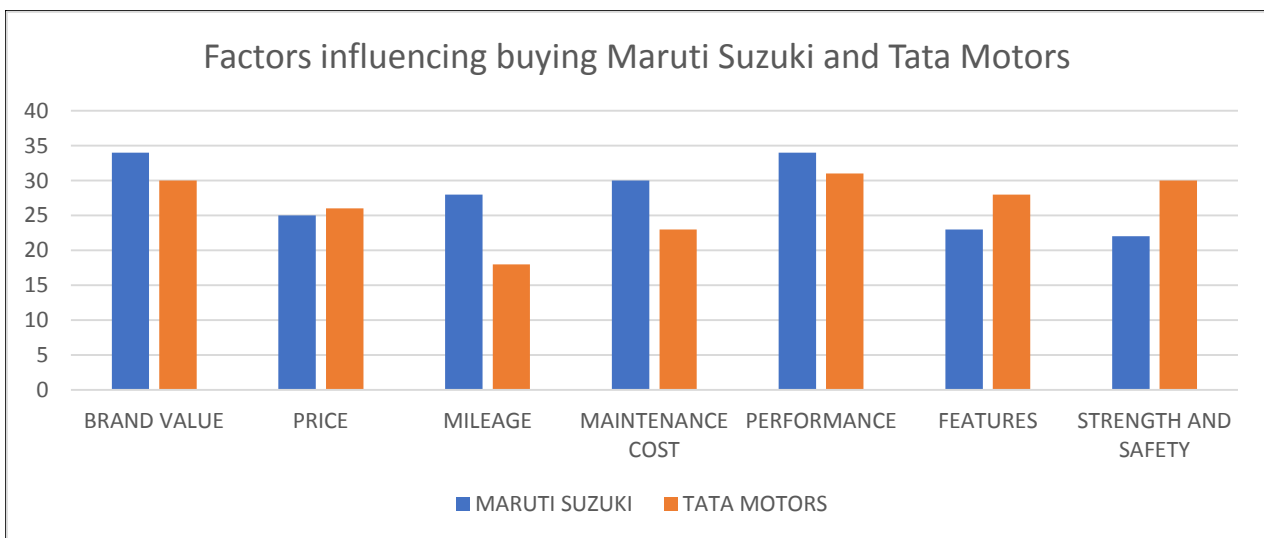
fourth position being occupied by Hybrid and electric cars being voted by 9 respondents, fifth position being occupied by MUVs/MPVs being voted by 4 respondents. The sixth and seventh positions are occupied by VANS and Crossovers being voted by one individual each.

**Table 4:** Factors that influenced people to select the particular brand

FACTORS	MARUTI SUZUKI	TATA MOTORS
BRAND VALUE	34	30
PRICE	25	26
MILEAGE	28	18
MAINTENANCE COST	30	23
PERFORMANCE	34	31
FEATURES	23	28
STRENGTH AND SAFETY	22	30

SOURCE- FIELD STUDY

**Figure 3:** Factors that influenced people to select the particular brand



**Interpretation** - From the above table it can be seen that the respondents of Tata Motors have majorly voted for performance making it number 1 factor it has been voted by 31 respondents, the second position is occupied by Strength and safety and brand value both voted by 30 respondents each, the third position is occupied by features voted by 28 respondents, fourth position is occupied by price factor voted by 26 respondents, the fifth position is occupied by maintenance factor voted by 23 respondents and the last position is occupied by mileage factor voted by 18 respondents. Moving on to

the respondents of Maruti Suzuki we can see that the first position is occupied by brand value and performance factor voted by 34 respondents each, the second position is occupied by maintenance cost factor voted by 30 respondents, the third position is occupied by mileage factor being voted by 28 respondents, on fourth position we have price factor voted by 25 respondents, on fifth position we have feature factor with 23 respondents and the last position is occupied by strength and safety factor with 22 respondents.

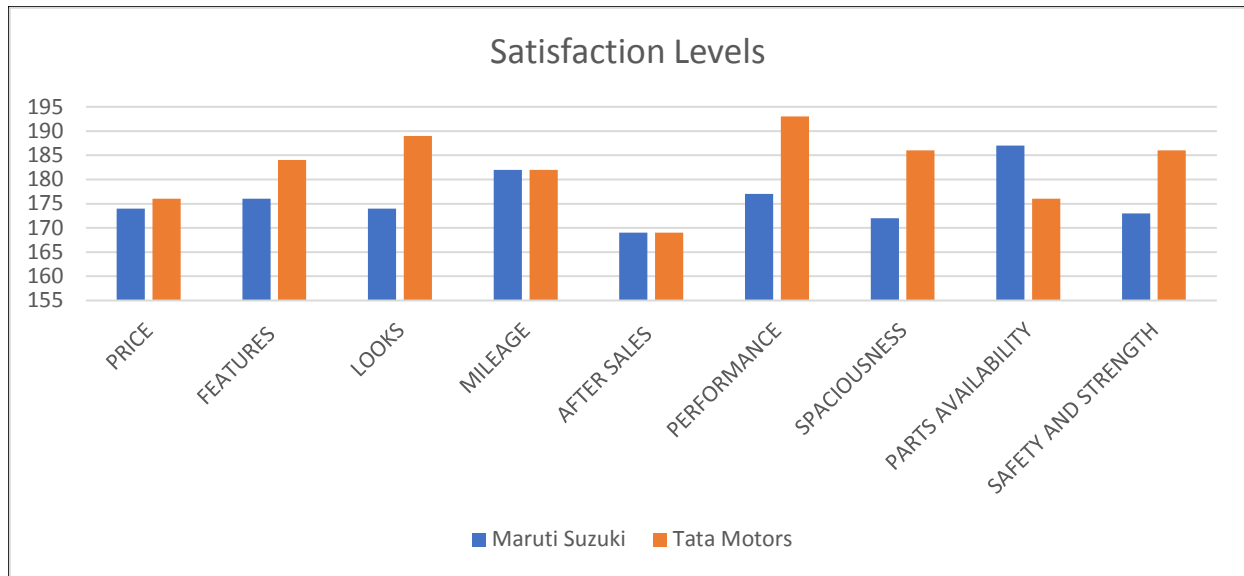
**Table 5:** Satisfaction levels

MARUTI SUZUKI						
FACTORS	HIGHLY DISSATISFIED	DISSATISFIED	NEUTRAL	SATISFIED	HIGHLY SATISFIED	Total score
PRICE	4	2	15	24	5	174
FEATURES	6	2	8	28	6	176
LOOKS	7	1	9	27	6	174
MILEAGE	5	1	8	29	7	182
AFTER SALES	7	6	12	11	14	169
PERFORMANCE	7	1	11	20	11	177
SPACIOUSNESS	6	2	13	22	7	172
PARTS AVAILABILITY	5	1	10	20	14	187
SAFETY AND STRENGTH	7	3	12	16	12	173

TATA MOTORS						
FACTORS	HIGHLY DISSATISFIED	DISSATISFIED	NEUTRAL	SATISFIED	HIGHLY SATISFIED	TOTAL SCORE
PRICE	9	3	9	11	18	176
FEATURES	8	3	6	13	20	184
LOOKS	7	4	5	11	23	189
MILEAGE	7	5	5	15	18	182
AFTER SALES	7	6	12	11	14	169
PERFORMANCE	8	2	3	13	24	193
SPACIOUSNESS	6	6	5	12	21	186
PARTS AVAILABILITY	8	3	9	15	15	176
SAFETY AND STRENGTH	9	2	5	12	22	186

Source: Field survey



**Figure 4: Satisfaction levels**

**Interpretation** - From the above table it is found that the total score level of the consumers of Tata motors are more in terms of most of the factors like Price, features, looks, performance, spaciousness, and strength and safety. Whereas the scores in case of mileage and after sales of both Tata Motors and Maruti Suzuki remain the same. The only factor in which Maruti Suzuki dominates is parts availability. Therefore, a conclusion can be drawn that the consumers of Tata motors are satisfied with most of the factors.

## VII. FINDINGS OF THE STUDY

The findings of the study are outlined below:

- The feature that attracts people mostly while buying a car are comfort and performance.
- The most attractive segment to the people appears to be the SUV segment.
- The factor that influenced people to select a Tata motors car mostly is performance of it.
- The factor that influenced people to select a Maruti Suzuki car mostly is the brand value and performance of it.
- The respondents of Tata motors are found to be more satisfied towards the price of the cars then the respondents of Maruti Suzuki.
- The respondents of Maruti Suzuki are found to be more satisfied towards the features of the car then the respondents of Tata motors.
- The respondents of Maruti Suzuki are found to be more satisfied towards the looks of the car then the respondents of Tata motors.
- The respondents of Maruti Suzuki are found to be more satisfied towards the mileage of the car then the respondents of Tata motors.

- The respondents of Maruti Suzuki are found to be more satisfied towards the after sales of the car then the respondents of Tata motors.
- The respondents of Tata Motors are found to be more satisfied towards the performance of the car then the respondents of Maruti Suzuki.
- The respondents of Maruti Suzuki are found to be more satisfied towards the spaciousness of the car then the respondents of Tata motors.
- The respondents of Maruti Suzuki are found to be more satisfied towards the parts availability of the car then the respondents of Tata motors.
- The respondents of Tata Motors are found to be more satisfied towards the safety and strength of the car then the respondents of Maruti Suzuki.

## VIII. CONCLUSION

From the above study it can be concluded that comfort and performance of the vehicle is the most important factor while choosing a car and it is also found that respondents of Maruti Suzuki are more satisfied towards most of the factors as compared to that of Tata motors. But Tata motors dominates the satisfaction level in terms of certain major factors like safety and strength, performance, and price of the car. The ending statement could be given as Maruti Suzuki still dominates the market by their influence that they have retained in the long run, but Tata Motors have caught its hold in the market and is leading its path slowly with tuff competition to its major competitor.

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