A Study of Behaviour of Maruti SX4 and Honda City Customers in Jaipur

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Abstract

In the present era of globalization, companies are finding it difficult to attract the customers towards their offerings. Proper understanding of consumer buying behavior will help the marketer to succeed in the market. In India, with increase in purchasing power of people leading to the change in their life style, there has been a huge demand for automobiles with modern technologies. A3 segment cars have a very good market in India. The objective of this paper is to study the behavior of consumers while they go for the purchase of A3 segment cars especially Maruti SX4 and Honda City and also to analyze the attributes of the car which are considered important.

Keywords : Consumer Behaviour, Customer Perception, Satisfaction, A3 Segment Cars, Maruti SX4, Honda City etc.

Introduction

In general, human beings are very complex individuals. It is very difficult and sometimes impossible to predict about human behavior. Today the business world very well recognizes that consumer rules the market and correct prediction about when, why, how, and where consumers do or do not buy a product is crucial for them to succeed. Consumer behavior is a blend of Economic, technological, political, cultural, demographic and natural factors as well as his own characteristics which is reflected by his attitude, motivation, perception, personality, knowledge and lifestyle. Marketers can rationalize their existence only when they are able to understand consumer behavior. As we know that in this present era of marketing all the business activities revolves around customer and his needs and wants so it has become mandatory for the marketer to understand the customer and then plan the marketing strategy accordingly. Understanding the customer is not an easy task as it is very difficult to infer what is going on customers' mind. Sometimes the customers positively respond to company's offerings and sometimes they straight away reject it. This strange behavior of customer makes the study of consumer behavior very important. Understanding how customer makes buying decisions can increase the marketer's probability of getting success in the market.

With the start of LPG regime in India in the year 1991, the Indian automobile industry started to flourish. Foreign automobile companies opened their production facilities in the country. With the growth of middle class population and their purchasing power leading into the change in the life style, strong technological capability, there has been a huge demand for automobiles in India. The Indian car industry is also growing like never before. The Indian car industry is now the seventh largest car manufacturer in the world. According to Society of Indian Automobile Manufacturers, in India, cars can be categorized into eight segments viz. A1, A2, A3, A4, A5, A6, B (SUV) and C (MUV) segments which are shown below.

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Cars	Description	Example
A1 Mini	Maximum length 3400 mm	Maruti800, Tata Nano
A2 Compact	Length 3401 - 4000 mm	Maruti Alto, Wagon R
A3 Midsize	Length 4000 - 4500 mm	Maruti SX4, Honda City
A4 Executive	Length 4501 - 4700 mm	Honda Civic, Corolla
A5 Premium	Length 4701 - 5000 mm	Honda Accord, Sonata
A6 Luxury	Length 5001 mm & above	BMW 7 series
B Utility Vehicles (SUV)	B1 Maximum mass 3.5 tonnes, number seats including driver not exceeding 9 B2 Maximum mass 5 tonnes, number seats including driver not exceeding 13	Toyota Fortuner, Mahindra Xylo
C Multi Purpose Vehicles	Van type; maximum mass not exceeding 3.5 tonnes	Maruti Omni, Eeco

Source: Society of Indian Automobile Manufacturers 2009

Given below are some of the A3 segment cars available in the Indian market

Name of the Company	Name of the Models
Chevrolet	Chevrolet Swing, Chevrolet Aveo, Chevrolet Tavera, Chevrolet Optra Magnum, Chevrolet Forester
Fiat	Fiat Linea, Fiat Adventure, Fiat Grande Punto
Ford	Ford Ikon, Ford Fiesta, Ford Fusion, Ford Mondeo, Ford Endevour, Ford Focus
Hyundai	Hyundai Accent, Hyundai Elantra, Hyundai i20, Hyundai Verna, Hyundai Sonata Embera
Honda	Honda City, Honda Jazz, Honda Civic
Maruti	Maruti Suzuki SX4, Maruti Suzuki Swift Dzire
Mahindra	Mahindra Scorpio, Mahindra Bolero
Mitsubishi	Mitsubishi Lancer, Mitsubishi Cedia
Toyota	Toyota Innova, Toyota Corolla, Toyota Corolla Altis
Tata	Tata Sumo Victa, Tata Sumo Grande, Tata Safari
Volkswagen	Volkswagen Jetta
Skoda	Skoda Fabia, Skoda Octavia, Skoda Comb

For this study, the authors have focused on the behavior of customers purchasing A3 segment cars especially Maruti SX4 and Honda City. ?

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Profile of the Study Area

Jaipur is the first planned city of India, located in the semi-desert lands of Rajasthan. The Indian automobile market in Jaipur has witnessed tremendous growth in the last few years. The sales of all kinds of automobiles have increased in Jaipur.

The various reasons for the growth of the Indian automobile market in Jaipur can be summarized as follows:

1. The people have more disposable income as the economy of the city is booming leading into the purchase of high-end cars.
2. Cars can also be purchased on loan-basis as many loan schemes have been started by automobile manufactures and financial institutions. Branches of almost all the banks are there in the city. This has made it easy for the residents to buy automobiles for personal as well as business use.
3. Many service centers and spare parts shops are there in Jaipur, making it easy for car owners to get their automobiles repaired regularly.
4. The city has a very good road network with multi-story flyovers and traffic lights with closed circuit cameras. Police control room vans are being equipped with GPS to monitor locations and help maintain law and order.

Review of Literature

Joseph and Kamble (2011) evaluated the behavioral pattern shown by passenger car customers in Dakshina Kannada district of Karnataka state. The study is based on the data collected from 525 passenger car owners consisting of professionals, employees of public and private sector, businessmen and agriculturist in Dakshina Kannada district. They found that one of the most important factors that influence purchase of passenger cars in India is the availability of auto finance

or consumer credit. Purohit (2009) identified that consumers are mainly satisfied by the company, durability, driving comfort, brand popularity, spare parts availability, travel convenience and overall look. Good product features led the consumers to purchase Maruti product than the others. Dongyan and Xuan (2008) conducted a study on Chinese consumers which revealed that they take "safety" as the most important characteristic and take "value for money" as the second most important and "riding comfort" as the third important characteristic when purchasing a car.

Brown et al (2007) analyzed the customers' attitude towards European, Japanese and the US cars. They found that country of origin followed by brand name, lower price and distributor's reputation plays a significant role in the consumers' behavior. The results of the study conducted by Chen (2007) highlight the importance of speed, comfort and safety in US customers' buying decision when they purchase a sedan car. Kaur and Sandhu (2006) attempted to figure out the features considered by the customers while going for the purchase of a car. The study was conducted in Punjab and Chandigarh. The respondents gave more weight to safety and comfort followed by luxuriousness.

Clement and Venkatapathy (2005) studied the peer influence in the purchase of automobile with reference to Coimbatore district. . Cowley and Mitchell (2003) concluded that as customers differ in their knowledge about the product, marketing communication must be tailored accordingly.

Ede and Panigrahi (2000) evaluated empirically the attitude of African-American consumers towards US and Japanese made automobiles. Kwortnik et al (1997) pointed out that the consumer will be interested in purchasing the product if the product is of high value

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according to his perception. According to the study conducted by Krishna (1994) buyers purchase behavior can be influenced not only by current price of a product but also by the price they expect in future.

Objectives of the Study

1. To study the behavior a consumer depicts while going for the purchase of A3 segment cars especially SX4 and Honda City.
2. To find out the attributes of the car which are considered important by A3 segment customers.

Data And Methodology

This study is based on the primary data and was conducted among the car owners residing at Jaipur. A list of car owners was taken from the car distributors and simple random sampling technique was adopted to select the respondents. The study has been conducted on the respondents who are the owners of Maruti SX4 and Honda city cars. A total of 100 questionnaires (50 from both) were filled up and collected. Data were collected through questionnaire regarding perception of the respondents on usage of cars.

The collected data are analyzed through descriptive statistical tools such as percentage and mean which have been used to describe the profiles of consumers, preferred product attributes and level of satisfaction. t-test has been used to test the significant difference between the groups of respondents in their perception and satisfaction for selected variable like Income, Occupation and Sex. The chi-square test has been used to test the association between the two characteristics and Analysis of Variance (ANOVA) is applied to compare the means of ranks for different communication mediums.

Results And Discussions

Table 2 (a) shows the background characteristic-wise (income, occupation and sex-wise) distribution of brand

preference. It can be deduced from Table 2 (a) that approximately 70% (35 in case of Honda city and 33 in case of Maruti SX4) respondents using either Honda city or Maruti SX4 belongs to '6 lakhs and above' income category. Equal number of customers belonging to '6 lakhs and above' income category is going for either of the two brands.

Occupation-wise distribution of brand preference shows that mostly the business people and service class people are going for the two brands of cars. In case of Honda city, approximately 45% customers belongs to business as well as service category but in case of Maruti SX4, 50% of the customers preferred this brand as compared to business (40% approx) and profession category (10% approx).

An attempt was also made in the study to find if there is any relationship between the brand and sex. It can be clearly figure out from the table that in case of Honda city the ratio of male and female customers is that of 7:3 whereas in case of Maruti SX4 it is that of 9:1. It can be easily inferred that higher percentage of male customers prefer Maruti SX4 as compared to female customers whereas it is not the case for Honda city cars.

According to Table 2b, Chi-square results show that there is no association between brand choice and income of the respondents as well as occupation of the respondents. But there is an association between sex and the brand choice.

Table 3 shows the ranks given by the respondents (Maruti SX4 customers) to the various attributes which they consider while making their purchase decision. It can be depicted from the table that 'safety', 'after sales services' and 'brand name' were rated first by more respondents and lowest rank was given for maximum

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speed and maintenance cost. If we consider the first three ranks given to various purchase parameters, 50% respondents have preferred 'safety' and 'brand name' over other parameters whereas more than 50% respondents' rated 'maximum speed' and 'maintenance cost' as the least preferred purchase parameter.

The weighted mean of the purchase parameters shows that Maruti SX4 customers gave more importance to Safety, Brand Name and Price as compared to other attributes while purchasing the car.

Table 4 shows the ranks given by the respondents (Honda City customers) to the various attributes which they consider while making their purchase decision. It can be depicted from the table that 'brand name' was rated first by most of the respondents and lowest rank was given for 'maximum speed' and 'after sales services'. If we consider the first three ranks given to various purchase parameters, approximately 50% respondents have preferred 'Safety', 'Driving & Seating Comfort' and 'brand name' over other parameters whereas more than 60% respondents' rated 'maximum speed' and 'maintenance cost' as the least preferred purchase parameter.

As far as Honda city customers are concerned, it can be seen from the table, that for them 'Safety' followed by 'Driving and Seating comfort' and 'Brand name' is more important than the rest of the attributes while making purchase decision of the said car.

In Table 5, an attempt was also made to analyze the overall importance which customers assign to different parameters when they decide to purchase an A3 segment car.

Table 5 reveals that while purchasing any such car, customers generally give much importance to 'Safety',

'Brand Name' and 'Driving & Seating Comfort' and less importance to other factors like 'Price', 'Styling', 'Power & Pick Up', 'Mileage', 'After Sales Service', 'Maintenance Cost' and 'Speed'.

Table 6 (a) shows that when respondents were asked to rate the two cars, on the six parameters (Best Feature, Value for Money, Customer Friendly Vehicle, Best Image, Prestige and After Sales Service), respondents have given high rating to Honda City car in almost all the above mentioned parameters.

Subsequently an attempt was made in the study to see the significant difference between the rating of Honda city and Maruti SX4 in respect of all the purchase parameters. Table 6 (b) reveals that out of the six parameters, four parameters (i.e. Best Feature, Value for Money, Customer Friendly Vehicle and After Sales Service) have significant difference within the two brands leading Honda City car surpassing Maruti SX4 car. It shows that the overall perception of customers about Honda city is better than Maruti SX4 in respect of above mentioned four parameters.

When the authors asked the respondents about overall experience/satisfaction with their car, 60% of the Honda city customers were highly satisfied with their car as compared to 30% in case of Maruti SX4(Table 7). Chi-square statistics shows that 'satisfaction of customers' depends on the 'brand of the car'.

Table 8 (a) shows the frequency distribution of the different communication mediums which the respondents find most effective for the promotion of any A3 segment car. It can be easily established from the mentioned table that 'word of mouth' communication followed by 'Car magazines' advertisement is considered to be the most effective communication tool

for promoting A3 segment car. Internet advertisement also carries significant weight but newspaper and television advertisements are not that effective, as the study suggests.

Conclusion

The increase in the purchasing power of Indian middle class has made it as one of the favorite market for all business concerns throughout the world. One can succeed in the competitive market only after understanding the complex consumer behavior. The behavior of consumers' is affected by economic, technological, political, cultural, demographic and natural factors surrounding them as well as their own characteristics. Realizing the importance of passenger car industry in the present economic scenario, authors have made an attempt to analyze the consumer behavior especially for the A3 segment cars. From the analysis made in the paper, it can be concluded that brand choice does not depend on income or occupation of the customers, but it depends on the sex. The customers of Honda city are highly satisfied with their cars as compared to Maruti SX4 customers. While purchasing A3 segment cars, customers give much importance to 'Safety' 'Brand name' and 'Driving and Seating comfort'. The analysis revealed that perception of customers about Honda city is better than Maruti SX4 on these parameters i.e. 'Best Feature', 'Value for Money', 'Customer Friendly Vehicle' and 'After Sales Service'. Finally, it was found that 'word of mouth 'publicity and advertisements in car magazines are more effective communication medium for the promotion of these cars.

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Table 1: Distribution of the respondents according to the background characteristics

Background Characteristics	Frequencies
Brand	
No. of respondents using Honda City	50
No. of respondents using Maruti SX4	50
Sex	
Male	80
Female	20
Occupation	
Business	44
Profession	09
Service	47
Income	
4 lakhs to 6 lakhs	32
6lakhs to 8 lakhs	48
8 lakhs and above	20
Total no. of respondents	**100**

Table 2(a): Background characteristic-wise distribution of brand preference

Background Characteristics	Honda City	Maruti SX4
Income		
4-6	15	17
6-8	26	22
8 and above	09	11
Occupation		
Business	23	21
Profession	05	04
Service	22	25
Sex		
Male	35	45
Female	15	05
Total	**50**	**50**

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Table 2 (b): Summary of Chi-square results

	Degree of freedom	**Chi-square value**	**Significant/Not Significant**
Income	2	0.658	Not Significant
Occupation	2	0.394	Not Significant
Sex	1	6.25	Significant

Table 3: Rank given to the various purchase parameters of Maruti SX4

Rank	Purchase Parameters									
	Price	Safety	Driving & Seating Comfort	Power & Pick Up	Mileage	Max Speed	Styling	After Sales Service	Maintenance Cost	Brand Name
1	5	12	2	0	1	1	3	12	2	12
2	10	8	2	2	4	2	6	4	5	8
3	7	5	8	3	7	2	6	4	2	5
4	7	7	10	7	2	1	3	5	2	6
5	4	8	13	3	6	3	2	3	4	4
6	4	4	7	10	7	2	8	4	2	2
7	2	1	6	9	9	3	9	5	6	0
8	4	2	2	6	3	10	6	3	9	5
9	3	2	0	9	7	2	6	7	9	5
10	4	1	0	1	4	24	1	3	9	3
Weighted Mean	6.38	7.28	6.30	4.64	5.00	2.98	5.44	6.14	4.14	6.72

Table 4: Rank given to the various purchase parameters of Honda City

Rank	Purchase Parameters									
	Price	Safety	Driving & Seating Comfort	Power & Pick Up	Mileage	Max Speed	Styling	After Sales Service	Maintenance Cost	Brand Name
1	3	8	4	3	2	0	7	0	1	22
2	2	13	10	7	6	2	4	1	2	2
3	6	10	15	10	6	0	2	0	2	0
4	5	1	4	12	5	5	8	3	1	6
5	7	5	4	3	8	5	6	3	2	7
6	5	7	5	5	9	3	8	3	3	2
7	6	2	5	5	5	4	7	6	8	2
8	7	4	2	0	6	9	2	6	14	0
9	3	0	1	5	3	7	5	13	9	4
10	6	0	0	0	0	15	1	15	8	5
Weighted Mean	5.10	7.38	7.10	6.60	5.88	3.40	5.98	2.92	3.56	7.06

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Table 5: Rank given to the various purchase parameters

Rank	Purchase Parameters									
	Price	Safety	Driving & Seating Comfort	Power & Pick Up	Mileage	Max Speed	Styling	After Sales Service	Mainte-nance Cost	Brand Name
1	8	20	6	3	3	1	10	12	3	34
2	12	21	12	9	10	4	10	5	7	10
3	13	15	23	13	13	2	8	4	4	5
4	12	8	14	19	7	6	11	8	3	12
5	11	13	17	6	14	8	8	6	6	11
6	9	11	12	15	16	5	16	7	5	4
7	8	3	11	14	14	7	16	11	14	2
8	11	6	4	6	9	19	8	9	23	5
9	6	2	1	14	10	9	11	20	18	9
10	10	1	0	1	4	39	2	18	17	8
Weighted Mean	5.74	7.33	6.70	5.62	5.44	3.19	5.71	4.53	3.85	6.89

1=Highest and 10=Lowest

Table 6 (a): Rating of Honda City and Maruti SX4 by the respondents on the basis of their perception about the cars in respect of different variables

	Total ratings to Honda City					W. Mean	Total ratings to Maruti SX4					W. Mean
Best Feature	29	43	28	0	0	4.01	8	60	32	0	0	3.76
Value for Money	36	54	9	1	0	4.25	29	37	32	2	0	3.93
Customer Friendly Vehicle	22	57	21	0	0	4.01	10	62	28	0	0	3.82
Best Image	48	23	29	0	0	4.19	20	76	4	0	0	4.16
Prestige	44	27	29	0	0	4.15	21	75	4	0	0	4.17
After Sales Service	45	8	34	12	1	3.84	48	4	0	34	14	3.38

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Table 6 (b)

Variables	t-value	Degree of freedom	p-value	Significant/ Insignificant
Best Feature	-2.604	198	0.010	Significant*
Value for Money	-3.019	188	0.003	Significant*
Customer Friendly Vehicle	-2.144	198	0.033	Significant**
Best Image	-0.307	152	0.760	Insignificant
Prestige	.207	155	0.837	Insignificant
After Sales Service	-2.651	171	0.009	Significant*

Note * significant at 1% & ** significant at 5%,

Table 7: Association between Overall satisfaction and Brand of the car

Brand	Overall experience			
	Excellent	Fairly Good	Average	Dissatisfactory
Honda City	32	18	0	0
Maruti SX4	15	35	0	0
Total	47	53	0	0
p value	.002			
Chi Square	12.561			

Table 8(a): Most effective communication medium for the promotion of A3 segment cars

Rank	WOM	Newspaper	TV	Internet	Car Magazines
1	80	1	0	2	17
2	10	2	1	13	74
3	10	2	0	79	9
4	0	57	39	5	0
5	0	38	60	1	0
Weighted Mean	4.7	1.71	1.42	3.1	4.08

Table 8 (b): ANOVA table

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	822.688	4	205.672	584.061	.000
Within Groups	174.310	495	.352		
Total	996.998	499			