CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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6.1. SUMMARY

The Automotive Industry is globally one of the largest industries and a key sector of the economy. Owing to its deep forward and backward linkages, it has a strong multiplier effect and acts as one of the important drivers of economic growth. India is the second fastest growing automobile market in the world after China with an annual production of 23.37 million vehicles in FY 2014-15, following a growth of 8.68 per cent over the last year. The automobile industry accounts for 7.1 per cent of the country's gross domestic product (GDP). It is moreover, a major employment generator in the country. The Indian automobile industry provides employment to around 13 million people directly or indirectly at present. The liberalization policies of government have been one of the biggest factors behind the industry's rapid growth. Supportive policy measures like relaxation of foreign exchange and equity regulations, reduction tariffs on imports, and banking liberalization leading to a boom in financing driven purchases and convenient EMIs have contributed to the present success of the Indian automobile industry.

The Indian automotive industry has emerged as a 'sunrise sector' in the Indian economy and flourished like never before in the recent years. This extra-ordinary growth that the Indian automotive industry has witnessed is a result of a two major factors namely, the improvement in the living standards of the middle class, and an increase in their disposable incomes. The automobile industry today is the most lucrative industry. Due to increase in disposable income in both rural and urban sector and availability of easy finance are the main drivers of high volume car segments. Moreover, the liberalization steps, such as, relaxation of the foreign exchange and equity regulations, reduction of tariffs on imports, and refining the banking policies, initiated by
the Government of India, have played an equally important role in bringing the Indian automotive industry to great heights. It is also to be noted that the demand for luxurious models, SUVs, and mini-cars for family owners, have shot up, largely due to increase in the buyers buying capacity. The increased demand for Indian automobiles has resulted in a large number of multi-national auto companies, especially from Japan, U. S. A., and Europe, entering the Indian market and working in collaboration with the Indian firms. Compared to big players like Japan and USA, India is still emerging in the production of automobiles. In terms of total production of passenger cars, India still produces one-tenth the cars that Japan produces.

**Consumer behavior** is that subset of human behaviour that is concerned with the decisions and acts of individuals in purchasing and using products. Buyer behaviour is concerned with the decisions that lead up to the purchase act. The person who makes the buying decisions, not the one who actually makes the purchase or uses the product, is most important to marketers. Understanding this person helps marketers develop marketing mixes and predict how targeted customers will respond to them. Marketing efforts must focus on consumer’s needs and provide an answer to buyer’s problems. A key to understand consumer’s needs and problems lies in the study of consumer behaviour. Knowledge of consumer behaviour gives the marketer the information to increase the chance of success in the market place. Customer is the central point and all the marketing activities revolve around him. Manufacturer makes what the customer wants. As the customer’s buying behaviour differs from person to person the manufacturer must understand it. Manufacturer should identify the motives which prompt consumers to purchase so that he can offer a complete product satisfying their needs. It is buying motive that prompts the purchaser to purchase. Such buying motives may be desire for money, vanity, pride, fashion, passion, romance, affection or comfort. Consumer behaves in a particular manner as directed by
his inner motive. The marketer is to study and analyze the consumer’s behaviour in order to sell and improve the product. The buyer buying process is a complex matter as many internal and external factors have an impact on the buying decisions of consumers. Consumers do not spend much time thinking about the purchase of low value products which are bought on impulse. Manufacturers of such products will need to implement strategies that encourage consumers to buy on impulse from them instead of their competitors. Buyer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the Buyer behavior. Initially the buyer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the buyer makes an estimate of the available money which he can spend. Lastly, the buyer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing the purchases of buyer such as social, cultural, personal and psychological.

**Objectives of the study:**

*The following are the objectives of the study:*

1. To examine the growth and development of automobile industry in India with special focus on SUV market.
2. To identify the various factors influencing the buying behavior of buyers towards SUV vehicles.

3. To study the demographic and economic profile of buyers of SUV’s.

4. To analyze the buyer’s motivation, attitude and perception towards SUV’s and brand choice.

5. To examine the level’s of satisfaction with various attributes of SUV’s.

6. To offer suitable suggestions for the betterment of automobile industry.

Hypothesis:

The following are the hypothesis of the study:

1. $H_0$: There is no significant relation between Age and choice of SUV vehicles.
   
   $H_1$: There is a significant relation between Age and choice of SUV vehicles.

2. $H_0$: There is no significant relation between income and choice of SUV vehicles.

   $H_1$: There is a significant relation between income and choice of SUV vehicles.

3. $H_0$: There is no significant relation between occupation and choice of SUV vehicles.

   $H_1$: There is a significant relation between occupation and choice of SUV vehicles.

4. $H_0$: There is no significant relation between the levels of education and choice of SUV vehicles.

   $H_1$: There is a significant relation between the levels of education and choice of SUV vehicles.

5. $H_0$: There is no significant association between the levels of perception of buyers towards SUV vehicles.

   $H_1$: There is a significant association between the levels of perception of buyers towards SUV vehicles.

6. $H_0$: There is no significant association between the levels of satisfaction of buyers towards SUV vehicles.
H1: There is a significant association between the levels of satisfaction of buyers towards SUV vehicles.

**Methodology of the study:**

Data and information have been collected from primary and secondary sources

**Primary Data:** A structured questionnaire has been prepared to collect data from the respondents based on the samples selected for this study.

**Sample size:** The sample size consisting of 427 which constitutes approximately 10% of total population of buyers of SUV vehicles in Rayalaseema region covering three major cities Ananthapuramu, Kurnool and Tirupathi. Those cities which have the presence of all the four dealers viz., Mahindra, Toyota, Ford, Maruthi Suzuki and Tata Motors have been taken for study.

<table>
<thead>
<tr>
<th>NAME OF THE CITY</th>
<th>MAHINDRA (Xylo, Scorpio)</th>
<th>TOYOTA (Innova)</th>
<th>FORD (Ecosport, Endeavor)</th>
<th>MARUTHI SUZUKI (Ertiga)</th>
<th>TATA MOTORS (Sumo, Safari)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Buyers</td>
<td>% Sample size</td>
<td>No. of Buyers</td>
<td>% Sample size</td>
<td>No. of Buyers</td>
</tr>
<tr>
<td>Ananthapuramu</td>
<td>300</td>
<td>30</td>
<td>200</td>
<td>20</td>
<td>100</td>
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<tr>
<td>Kurnool</td>
<td>450</td>
<td>45</td>
<td>380</td>
<td>38</td>
<td>180</td>
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<tr>
<td>Tirupathi</td>
<td>500</td>
<td>50</td>
<td>400</td>
<td>40</td>
<td>150</td>
</tr>
<tr>
<td>Total:</td>
<td>125</td>
<td>98</td>
<td>43</td>
<td>53</td>
<td>108</td>
</tr>
</tbody>
</table>

*Source: Compiled the data collected from the Dealers till Dec.’ 2015*

**Secondary data:**

Secondary data have been collected from business newspapers, journals, magazines, and published reports etc. different websites have been visited for recollection of secondary data.

6.2. FINDINGS OF THE STUDY

3.2. An overwhelming majority (48.70 percent) of the respondents are in age group between 31 to 40 years of age, followed by 31.9 percent of the respondents who are in the age group above 40 years, as many as 18.3 percent of the respondents are in the age group of above
20-30, and only 1.2 percent of the respondents are below 20 years of age. Hence it is found that majority of the respondents who owns SUV’s are in age group between 31-40 years of age.

3.3. An overwhelming majority (98.1 percent) respondents are male followed by 1.9 percent of the respondents who are female.

3.5. An overwhelming majority (51.3 percent) of the respondents are graduates, followed by 28.8 percent of the respondents are intermediate, as many as 11.5 percent of the respondents have studied post graduation and only 8.4 percent of the respondents studied SSC. Hence it is found that majority of the respondents who owns SUV’s are graduates.

3.7. A majority (47.5 percent) of the respondents are realtors, 40.3 percent of the respondents are business people, 4.9 percent of the respondents are professionals, only 4.2 percent are employees and 3 percent are doing other occupations.

3.9. A majority (21.8 percent) of the respondents have an income level between 25,00,000 to 30,00,000, followed by 21.5 percent of the respondents have an income level above 30,00,000 and 20.4 percent between 20,00,000 to 25,00,000. 19.2 percent of the respondents lies in the income level 15,00,000 to 20,00,000 and only 17.1 percent of the respondents lies between 10,00,000 and 15,00,000. The above analysis says that majority of the respondents belong to the income group of 25,00,000 to 30,00,000.

3.11. A majority (90.2 percent) of the respondents are married, followed by single with 7.3 percent, 2.6 percent of the respondents belong to divorced group. It is found that majority of the buyers are married.

3.13. A Majority (63.5 percent) of the respondents is having a family size is between 6-8, followed by 20.8 percent of respondents having 3 to 5, and 14.1 percent of the respondents have
a family size of 9 and above, and only 1.6 percent of the respondents are below 2 percent. The above analysis says that majority of the respondents with a family size of 6-8 percent are owning the Sports utility vehicle.

**3.15.** A Majority (55.5 percent) of the respondents are living in a nuclear family, followed by 40.3 percent are living in a joint family and only 4.2 percent of the respondents are single, in the above analysis it is clear that majority of the respondents who are living in nuclear family owning the sports utility vehicle.

**3.17.** A Majority (23.2 percent) of the respondents own the Toyota SUV, followed by 21.1 percent owning Maruthi Suzuki SUV, 20.6 of respondents having Ford and 19 percent of the respondents having Mahindra and only 16.2 percent of the respondents are having Tata motors. Hence in the above analysis majority of the respondents are having Toyota SUV.

**5.1.** It is observed that (22.5 percent) of the customers are satisfied, 20.8 percent of the respondents are highly satisfied, 20.8 percent of the respondents are in neutral, on the other hand 16.9 percent of the customers are dissatisfied and 19 percent of the customers are highly dissatisfied. Overall around 35 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

**5.2.** It is observed that (19.7 percent) of the customers are satisfied, 21.3 percent of the respondents are highly satisfied, 10.1 percent of the respondents are in neutral, on the other hand 22.5 percent of the customers are dissatisfied and 26.5 percent of the customers are highly dissatisfied. Overall around 50 percent of the respondents are in negative level of satisfaction.

**5.3.** It is observed that (19.9 percent) of the customers are satisfied, 20.4 percent of the respondents are highly satisfied, 8.9 percent of the respondents are in neutral, on the other hand
26.2 percent of the customers are dissatisfied and 24.6 percent of the customers are highly dissatisfied. Overall around 51 percent of the respondents are in negative level of satisfaction.

5.4. It is observed that (19.2 percent) of the customers are satisfied, 20.4 percent of the respondents are highly satisfied, 9.6 percent of the respondents are in neutral, on the other hand 27.4 percent of the customers are dissatisfied and 23.4 percent of the customers are highly dissatisfied. Overall around 51 percent of the respondents are in negative level of satisfaction.

5.5. It is observed that (20.8 percent) of the customers are satisfied, 20.1 percent of the respondents are highly satisfied, 20.8 percent of the respondents are in neutral, on the other hand 19.7 percent of the customers are dissatisfied and 18.5 percent of the customers are highly dissatisfied. Overall around 40 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

5.6. It is observed that (20.1 percent) of the customers are satisfied, 23.9 percent of the respondents are highly satisfied, 19.2 percent of the respondents are in neutral, on the other hand 20.1 percent of the customers are dissatisfied and 16.6 percent of the customers are highly dissatisfied. Overall around 36 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

5.7. It is observed that (18.3 percent) of the customers are satisfied, 21.5 percent of the respondents are highly satisfied, 8.7 percent of the respondents are in neutral, on the other hand 26.0 percent of the customers are dissatisfied and 25.0 percent of the customers are highly dissatisfied. Majority of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

5.8. It is observed that (24.4 percent) of the customers are satisfied, 21.1 percent of the respondents are highly satisfied, 6.6 percent of the respondents are in neutral, on the other hand
23.0 percent of the customers are dissatisfied and 25.1 percent of the customers are highly dissatisfied. Overall majority of the respondents are in negative level of satisfaction.

**5.9.** It is observed that (18.7 percent) of the customers are satisfied, 24.6 percent of the respondents are highly satisfied, 18.0 percent of the respondents are in neutral, on the other hand 20.0 percent of the customers are dissatisfied and 18.3 percent of the customers are highly dissatisfied. Overall around 38 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

**5.10.** It is observed that (19.9 percent) of the customers are satisfied, 20.6 percent of the respondents are highly satisfied, 21.3 percent of the respondents are in neutral, on the other hand 18.0 percent of the customers are dissatisfied and 20.1 percent of the customers are highly dissatisfied. Overall around 38 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

**5.11.** It is observed that (20.8 percent) of the customers are satisfied, 23.0 percent of the respondents are highly satisfied, 8.0 percent of the respondents are in neutral, on the other hand 24.6 percent of the customers are dissatisfied and 23.7 percent of the customers are highly dissatisfied. Overall around 50 percent of the respondents are in negative level of satisfaction.

**5.12.** It is observed that (19.4 percent) of the customers are satisfied, 19.0 percent of the respondents are highly satisfied, 21.3 percent of the respondents are in neutral, on the other hand 21.1 percent of the customers are dissatisfied and 19.2 percent of the customers are highly dissatisfied. Overall around 35 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied. Hence majority of the buyers are in positive side they are satisfied for value of their money.
5.13. It is observed that (21.3 percent) of the customers are satisfied, 22.0 percent of the respondents are highly satisfied, 7.3 percent of the respondents are in neutral, on the other hand 25.1 percent of the customers are dissatisfied and 24.4 percent of the customers are highly dissatisfied. Overall around 50 percent of the respondents are in negative level of satisfaction which is a major concern for the companies.

5.14. It is observed that (17.3 percent) of the customers are satisfied, 22.7 percent of the respondents are highly satisfied, 21.3 percent of the respondents are in neutral, on the other hand 20.4 percent of the customers are dissatisfied and 18.3 percent of the customers are highly dissatisfied. Overall around 35 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied. Hence majority of the buyers are in positive side they are satisfied for value of their money.

5.15. It is observed that (21.8 percent) of the customers are satisfied, 21.3 percent of the respondents are highly satisfied, 4.9 percent of the respondents are in neutral, on the other hand 26.2 percent of the customers are dissatisfied and 25.8 percent of the customers are highly dissatisfied. Overall around 52 percent of the respondents are in negative level of satisfaction and majority of the customers are satisfied and highly satisfied.

5.16. It is observed that (22.2 percent) of the customers are satisfied, 20.6 percent of the respondents are highly satisfied, 18.0 percent of the respondents are in neutral, on the other hand 20.1 percent of the customers are dissatisfied and 19 percent of the customers are highly dissatisfied. Majority of the customers are satisfied and highly satisfied.

5.17. It is observed that (23.0 percent) of the customers are satisfied, 20.4 percent of the respondents are highly satisfied, 15.5 percent of the respondents are in neutral, on the other hand
19.0 percent of the customers are dissatisfied and 22.2 percent of the customers are highly dissatisfied. Majority of the customers are satisfied and highly satisfied.

6.3. SUGGESTIONS

The following are the suggestions offered to the SUV manufacturers:

1. As there is significant relation between age and brand choice of SUV the companies should aim their marketing and promotion strategies to woo and attract the buyers below 40 years as the overwhelming majority of the respondents are less than 40 years old.

2. As there is significant relation between income and brand choice of SUV the companies should aim their pricing strategies to woo and attract the buyers below the income level of Rs.30,00,000 per annum.

3. As there is significant relation between occupation and brand choice of SUV the companies should focus their marketing effort and promotion strategies towards business people and realtors who constitute an overwhelming majority of the respondents.

4. As there is significant relation between education and brand choice of SUV the companies should focus their marketing and advertising strategies to attract the people who have education up to graduation, who constitute an overwhelming majority of the respondents.

5. A majority of the respondents are dissatisfied the design of their own SUV. Hence it is suggested that SUV manufacturers should have continuous improvements in their design that have major impact on customer satisfaction.

6. Price plays an important role and the price what the customer pays on SUV and their satisfaction levels has a direct relation, it is observed that near to majority of the customers are dissatisfied and highly dissatisfied. Hence it is suggested that SUV manufacturers need to concentrate on cost reduction with continuous improvement through research and
development and increased scale of operations, and then it is possible to reduce the price of SUV vehicles.

7. One of the major attributes of any SUV is mileage that is fuel efficiency, around 51 percent of the customers are not happy with their SUV mileage, and fuel efficiency is one of the major factor that impact the purchase decision of the buyer, therefore it is suggested that the SUV manufacturers need to concentrate and develop the fuel efficiency of their cars.

8. It is observed that majority of the respondents are dissatisfied with the overall performance of SUVs. Hence there is a need to improve the overall performance of SUVs through continuous product planning and development.

9. A Majority of the SUV buyers have intention that their SUV should perform better in off-road like muddy roads, hilly terrains etc. In fact, off-road ability is also major attribute that impacts the customer’s satisfaction. Hence it is suggested that the companies should try to improve off road ability of their SUVs.

10. For any sports utility vehicle, the major attribute that the customer considers is comfort. The above analysis shows more than 45% of the respondents are not satisfied with the comfort which is a major concern for the companies. Comfort here refers to air conditioner, seating comfort, leg room etc, therefore it is suggested that the companies need to improve comfort factors of their SUV’s.

11. It is observed that majority of the buyers are not satisfied with the post sales services which is a major concern for the companies. Post sales service also plays a major role and has impact on sales. Hence it is suggested that SUV manufacturers need to improve the post sales services.
12. Safety plays crucial role especially for SUVs. Safety here with respect to air bags, road grip etc. a majority of the respondents are not satisfied with the safety aspects of their SUV’s. Hence it is suggested that manufacturers need to improve the quality of safety aspects of their SUVs.

6.4. CONCLUSION

In automobile sector in India, there is a huge rise in sales from a decade this is only because of increase in purchasing power of the individuals and increase in lifestyle of the people. Development of automobile industry leads in mass production from various companies in various four wheeler segments. In marketing the first step is to understand the customer needs and in last step is to analyze post sales satisfaction of the customer. Hence marketing research has become life blood in marketing where the result of research helps the companies in their strategic decisions. The present study focused on analyzing the consumer behavior towards sports utility vehicles in Rayalaseema region of Andhra Pradesh. It also focused on identifying the factors to prefer SUV and to prefer brand, the study reveals that most the customers are men and belongs to the self employed in real estate business, the respondents with more than fifteen lakhs of annual income owns the SUV. There is a major difference between the demographic variables with respect to the perception, attitude, motivation and satisfaction towards sports utility vehicles. The study found that value for money, quality; aesthetics, comfort, safety and post sales service are the major factors that influence the customers in their buying decision and preferring a particular brand, customers are satisfied with attributes such as brand image, technology, power, driving experience etc. but they are dissatisfied with few attributes where the companies need to be considered and try to capture the market.