CHAPTER II

RESEARCH METHODOLOGY
CHAPTER – II

RESEARCH METHODOLOGY

2.1. Introduction

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 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. Further competition is heating up with host of new players coming in and global brands entered into Indian market. 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. Thus, the sale of cars has reached a figure of one million users and is expected to increase further. It’s 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\(^1\).
The Indian Automobile Industry has got an incredible market potential. With the growth of population and change in their pattern of life style as a result of urbanization, there has been a rapid increase in demand for Indian automobiles. The Indian market is valued at INR 19,000 crore to INR 24,000 crore, of which roughly 30 per cent comprises spurious parts. CV, which include multi-axle vehicles, LCVs, buses and trailers account for roughly 22 per cent of this market (INR 4,500-5,500 crore), with Maharashtra, Tamil Nadu, Gujarat and Kerala accounting for over 40 per cent. The car market is estimated at INR 6,000-7,000 crore (34 per cent of the market) with Maharashtra, Andhra Pradesh, Delhi and Tamil Nadu cumulatively accounting for about 40 per cent of the share. The two - wheeler market is the largest at INR 10,000 crore to INR 11,000 crore, or 44 percent of the market, and Tamil Nadu, Maharashtra, Gujarat and Uttar Pradesh constitute close to 45 per cent of the market. This market is also expected to grow the fastest, given the strong growth in new sales (more than 15 per cent per year) and the large volume of two-wheelers entering the vintage for aftermarket parts. With the population of automobiles in India exceeding 110 million and growing at the rate of 12% p.a. the automotive aftermarket business in India is poised for an immense growth. There are tremendous opportunities in Automotive Services, Maintenance and Aftermarket Products.

2.2. Need for the Study

In the wake of globalization, there is all round growth in India which is reflected increased market share of automobile companies. World famous and global brands of automobiles have forayed into Indian market. With the rise in income levels and life styles there is tremendous demand for sport utility vehicles. The data and information about buyer tastes and preferences, brand preference and choices will go a long way in assisting the strategy
formulation of automobile industry. Hence there is an imperative need for studying the buyer behavior towards sport utility vehicles. Many models of passenger cars entry into the automobile market, leads to market saturation, companies competing against each other, in sharp contrast to the monopolistic industry behavior. It requires tremendous amount of marketing efforts to retain and grow their market share in this scenario, by adopting quite innovative features and value added services, which are very attractive to the customers. Companies are adopting methods to find out, if smaller families using the two wheelers, can be converted into the car buyers. In this context, it was thought that this study is very relevant to measure the topography of the customer tendencies in the SUV industry. The current trend is moving towards acquiring fashionable cars, which is proving to be a status symbol for many households. With the kind of inflow of US dollar and other foreign currencies into the state, which has resulted in influencing the purchasing decisions, it is becoming an attractive ground for manufacturers of passenger cars to compete in this promising market, to satisfy the needs of customers to acquire middle and luxury cars. The current trend is to show off their social status by displaying high profile latest model SUV in their home portico.

2.3. Review of Literature

Review of literature gives the guidelines from the past researchers and provides a foundation to the theoretical framework for present investigation. The review of past literature makes the investigator to get an insight into the methods and procedures to be followed.
A literature review is an account of what has been published on a topic by accredited scholars, academicians and researchers in India and abroad. In writing the literature review, the purpose is to convey what knowledge and ideas have been established on the above mentioned topic, and what are their strengths and weaknesses.

**Manish Kumar Srivastava, A.K. Tiwari (2014)** studied the buyer behavior for A3 segment vehicles such as Honda City and SX4 in a particular region. Customer purchase parameters considered for study are Price, Safety, Comfort, Power & Pickup, Mileage, Max Speed, Styling, After Sales Service, Brand Name and Spare Parts Cost. Based on above parameters and analysis made in this he revealed that, while purchasing A3 segment car Customer give much importance to Softy, Brand Name and seating and driving comfort. Also word of mouth publicity and advertisements in car magazines are more effective communication medium for promotion of Cars.

**Srivastava and Tiwari, Shende (2014)** study conducted to analyze buyer attitudes towards cars manufactured by European, American or Japanese manufacturers, country-of-origin effect, brand name, distributors’ reputation emerged as significant predictors apart from pricing of passenger cars. Studies found that the general preference was towards mini and compact cars whereas SUVS were also popular among Indian buyers. Sedans and luxury cars were found out to be exclusive and luxury purchases.

**Prasanna (2013)** study conducted to assess the influencing factors for buyer brand preference for SUV’s and MUV’s, product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trust-worthiness and brand association were identified as the major predictors.
K.Vidyavathi (2013)\(^8\) in her study throws light on various aspects that the manufactures should concentrate on to attract the prospective buyers. The demand for the small Automobile segment is increasing because of the growing number of nuclear families as well as parking problems. Hence the manufactures should find out the needs, wants, tastes and preferences of buyers in order to design the products. Also fuel economy and driving comfort are the most important parameters followed by availability of spares and their price.

Prasanna Mohan Raj (2012)\(^9\) studied the factors influencing customers brand preference of the economy segment SUV’s and MUV’s. In light of study findings, the preference of a given brand can be explained in terms of six factors namely Product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trustworthiness and customer feeling or association towards brand. There is need for marketers to take these factors into consideration when crafting product innovations in the SUV segment of Automobile market.

Subadra (2012)\(^10\) in her research found that driving comfort, availability of spare parts and pricing were analyzed as one of the most significant influencers of buyers’ choice behavior. Buyer demographics like age and qualification didn’t seem to influence their choice behavior with respect to car purchase.

U. Thiripurasundari (2011)\(^11\) Brand Equity is the added value endowed by the brand to the Product. Although the idea of using a name or a symbol to enhance a product’s value has been known to marketers for a long time, brand equity has gained a renewed interest in recent years. The objectives of the study were to analyze the importance of various factors like brand knowledge, brand preference, brand loyalty, brand application etc. in car market in Pondicherry. The primary data were collected from three hundred car owners through an interview schedule.
From the five factors, brand application factor has been rated as the most important factor in car industry. This study shows that it is possible to ascertain where a company should focus its improvement efforts in order to make it payoff.

Prof. Pallawi B. Sangode (2011) This research paper is based on the findings of comparative study of service quality of Maruti Suzuki and Hyundai Showrooms in Nagpur. Service quality is a fundamental aspect of service provision, and this is especially the case with motor vehicles, where substantial profits are generated in the servicing of vehicles. The study was conducted using a convenience sample of forty respondents who were owners of Maruti and Hyundai cars. The questionnaire was a self-completion questionnaire consisting of 26 questions.

Dr P. Sathyapriya (2011) India is becoming a hub of major manufacturing industries and the automobile industry (in specific for passenger car segment) makes rapid progress in the country. After de-licensing of the industry in 1991, a number of global players have opened their plants in India. The players of automobile industry are developing new strategies to increase their market share. They do this by launching new variants in existing models and new models targeting people who prefer cars in various car segments. An important feature of this industry is that the industry is sensitive and the choice of a brand in passenger cars varies across segments. The current research explores the choice of a brand in different segments and the factors influencing the same with weighted average ranking. The study was conducted in Chennai with six hundred and three respondents who owned a car. The impact of demographic variables on their choice of a passenger car was studied with the chi-square test. The study revealed that factors influencing the brand preference among the consumers who prefer passenger cars in mid and premium segments vary, and age and income influence their brand choice.
Dr Ajoy S Joseph (2011) One of the most important factors that influence purchase of passenger cars in India is the availability of auto finance or consumer credit. This empirical study analyses the behavioral pattern exhibited by passenger car customers towards auto loan schemes and Financiers when they purchase their cars. The study was based on the data collected from five hundred and twenty five passenger car owners consisting of professionals, employees of public and private sector, businessmen and agriculturist in Dakshina Kannada district of Karnataka State. The respondents have been broadly categorized into three groups on the basis of original price range of their cars viz. cars in the price range of Rs. 2 – 4 lakhs, Rs. 4 – 6 lakhs and Rs. 6 – 9 lakhs. The study finding indicates that the most important three factors considered by car purchasers while deciding auto finance company were less processing time, easy documentation and explanation of the financing scheme by the staff.

Ernest Johnson (2011) Signatory to the World Trade Organizations, India could no longer apply quantitative restrictions on the import of used cars. As the used cars are very inexpensive, they would pose a serious threat to the Indian car industry. To counteract the threat, the Government of India has built tariff and non-tariff barriers. In this study, an attempt has been made to understand the attitude of car buyers towards the import of used cars by using information system. The results reveal that one third of the respondents show interest in the imported used cars. Also, it is found that the demographic factors such as age, monthly household income and the number of earning members in the family have a significant impact on the positive attitude towards the imported used cars.

Asghar Afshar Jahanshahi (2011) In this research, the author addresses the following questions that are becoming increasingly important to managers in automotive industries: is there a relationship between customer service and product quality with customer satisfaction and
loyalty in the context of the Indian automotive industry? If yes, how is the relationship between these four variables? The automotive industry in India is one of the largest in the world and one of the fast growing globally. Customer satisfaction and loyalty are the most important factors that affect the automotive industry. On the other hand, customer service can be considered an innate element of industrial products. Customer service quality, product quality, customer satisfaction and loyalty can be measured at different stages, for example, at the beginning of the purchase, and one or two years after the purchase. The population of the study comprised all of the Tata Indica car owners in Pune. The hypotheses of the study were analyzed using regression and ANOVA. The results of the study showed that there was a high positive correlation between the constructs of customer service and product quality with customer satisfaction and loyalty.

Balakrishnan Menon, Jagathy Raj V.P. (2011)\textsuperscript{17} study findings shows that due to price difference in Gasoline and Diesel, about one third of the car owners were having diesel vehicles. The research results showed that about one seventh of car for the city drive for family usage, while using the second car for office and business usage. Also he observed that in the information gathering and buyer purchase initiation stage, TV commercials on car models and brands, search on internet website of the manufacturer and visit to dealers / distributors were the prime sources where customers gathers information on car models.

Subadra (2010)\textsuperscript{18} In recent days India is witnessing a change in consumerism. The market is now predominantly consumer-driven. The focus is shifting from product based marketing to need-based marketing. Consumer is given many options to decide. Passenger car segment is no exception to this general trend. An effective market communication is imperative for reaching the target audience. So it is important to study the consumer perceptions and behavior of the car owners which will give one feedback on how marketing strategies can be worked. Namakkal
town in Tamil Nadu State, which is in the southern part of India, has a progressive and growing market for cars. This town was selected for this study. Pre-testing was done by an Interview schedule which was developed and administered to a convenient sample of twenty-five car owners. The simple random sampling technique was adopted in the study to select the sample respondents. As the size of the universe was restricted, the study was conducted on the respondents who were the owners of all the segments of passenger cars. A total of three hundred and fifty interview schedules were prepared and out of this, only three hundred and twenty-seven interview schedules were filled up and collected. Data were collected through an interview schedule regarding perception of the respondents on the usage of cars. The following tools were used in testing the hypotheses and in the analysis of the data. Descriptive statistical tools such as Percentage, Mean, Median and Standard deviation have been used to describe the profiles of consumers, preferred product attributes and levels of satisfaction. ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like age, sex and income. Chi-Square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and satisfaction. Multiple regression analysis has been used to study the influence of income and lifestyle on the overall satisfaction level of the respondents. Correlation analysis has been used to establish the relationship between ’the factors which influenced the purchase’ and ’the factors which favored the level of satisfaction’. Factor analysis has been employed to identify the key factors responsible for the consumers’ purchase of cars and level of satisfaction after purchase. Cluster analysis has been used to identify the consumers with similar tastes and preferences with respect to the purchase of car. The study throws light on various features that the manufacturers should concentrate on how to attract the
prospective buyers. This study concludes that consumer behavior plays a vital role in marketing cars and that there is more scope for extensive research in this area.

Mr. Abdul Majeed (2010) expressed “Sport utility vehicle is a model that is desired by everyone and people need a vehicle like that so that their weekend requirements are fulfilled”. The SUV is also preferred because it’s not only strong but fuel-efficient as well.

Dr P. Natarajan and U. Thiripurasundari (2010) this study focuses on the consumer preference of global brands vs. local brands in the Indian car industry. Consumer brand perceptions have substantial implications in marketing. The customers’ preference towards local and global brands is studied by administering a structured interview schedule with one hundred and fifty customers in Pondicherry city. The findings of the study advised that the consumers who possessed global car brands preferred their car brands due to factors such as global presence, worldwide reputation and the quality of being imported. Consumers made favourable perceptions on the country wherein they tend to associate factors such as superior quality, technical advancements, modernization etc. to the country from which the brand had taken its origin. Consumers who owned a local brand evaluated the local brand in a favourable manner, wherein they tended to associate the brand to India’s strong automobile sector making quality and technically efficient cars.

Dr P. Natarajan and U. Thiripurasundari (2010) Their article - Brand Preference on B’Segment Maruti Cars, emphasised that strong brands quality increased trust in intangible products enabling customers to better visualise and understand them. The Brand Preference towards Maruti B Segment cars was studied by administering a structured interview schedule to one hundred and fifty customers in Pondicherry city. Maruti should take the initiative to introduce new models according to the choice of customers at regular intervals which will pave
the way to be the leader in India in the near future. While the customer gets satisfaction and is able to improve his/her standard of living and quality of life, the marketer profits from the brand experience that the customer gets, and is able to generate a surplus after ensuring satisfaction to the consumer.

**Subramanian (2010)** This study has analysed customer expectations from an auto industry. It has created a competitive pressure and enriched the industry with attitude, knowledge, flexibility and speed for new challenges and changes. Processes are streamlined and automated, and work teams are reorganised and redeployed for higher productivity on quality, delivery time and cost. Together with these changes, companies are looking for ways to plan better and control their operations by shifting away from rigid and preplanned activities to quick responses to changes. A product development management has been a major component of competitive strategy to enhance Organisational productivity and profitability. There exist a human resource impact on the competitive advantage of a new product development management – for speed, for creating an enhanced environment to an interactive role and for breaking the barriers on increasing reliability and dependability of a new product and development. The lateral and proactive thinking approach in human resource has to be identified, provoked and nurtured towards new product development Activities. The talent is on demand. There is a good deal of human resource role in developing a high performance culture. It is to be made sure of ensuring a right talent at the right time and of making it part of driving culture for a new product development. The interest has to be towards shaping the culture in a natural evolution.

**Sudharani Ravindran and Gayathridevi (2010)** The authors in their article studied the customer satisfaction of Hyundai i10 in Coimbatore city. The research is descriptive in nature. The sample design adopted for the study was the simple random sampling. The sample size was
one hundred which included only owner of Hyundai i10 cars in Coimbatore city. The customer’s expectations over a Hyundai i10 were identified and it was found to be based on certain factors. The most motivated factor to buy Hyundai i10 car was also found out (Design and Style). The attributes like suspension and handling were identified to be below par for a Hyundai.

**Rajnish Katarne, and Satyendra Sharma (2010)** This paper aimed at the measurement of current service quality level of a typical automobile dealership in an Indian city. The study was conducted using a representative survey of respondents, the owners of one of the popular brand vehicles. In this paper, satisfaction/dissatisfaction of the customer has been measured using standard statistical tools, and an attempt has been made to find out reason(s) for dissatisfaction by applying the root cause analysis. The current performance of a service centre was not found up to the mark. Necessary suggestions have been made and the service centre has started executing them for the improvement in the current service quality level.

**Banerjee (2010)** in his findings show that the cost and utility conscious buyers were more inclined towards compact and mini cars. Buyers who in general are disinclined towards public transportation system and two wheelers opted for sedan cars more than others. Buyer choice of a particular vehicle of a particular size segment reflects the need in the household and also a preference of the attributes of the specific make and model in the size segment.

**S. Saraswathi (2009)** undertook a study on ‘Customer Satisfaction on Post-Sales Service with Reference to Four-Wheeler Automobile Industry’ which reveals that the key to success of automobile industry lies not only in having good products but also in being able to provide the customer with the level of service they desire. Because of increasing competitiveness in the Indian automobile industry, almost all automobile manufacturers have invested valuable resources on customer satisfaction as a tool to understand the needs and expectations of their
customers. Increased presence of four-wheeler vehicles throughout the country has created a growing need for providing service infrastructures closer to the customers' homes or offices.

Nikhil Monga, Bhuvendor Chaudhary, Saurabh Tripathi (2009) in their research attempts to answer some of the questions regarding brand personality of selected cars in India by conducting the market research. This personality sketching will help in knowing what a customer (or a potential customer) thinks about a given brand of car and what are the possible factors guiding a possible purchase. The study shows that brand perception is something which starts building up before a car is purchased and goes on with its use and is reflected in the recommendations. Brand personality of a car is enforced by the sellers in the mindsets of the customers and a customer reacts to it by forming their perception about the car and this reflects in the overall brand image of the car. So brand image and brand personality complement each other and the brand perception aids the building of brand images. Basing on the above review of literature the objectives have been identified for the study.

Clement Sudhakar and Venkatapathy (2009) The study is on the influence of peer group in the purchase of a car with reference to Coimbatore District. It was also found that the influence of friends is higher for the purchase of small sized and mid-sized cars.

Ramita Verma, Shubhkamana Rathore (2009) studies have revealed that the luxury car market is growing at a steady speed of 25% per annum with more and more numbers of luxury cars entering Indian car market. Luxury cars are preferred by HNI (High Net worth Individuals). HNI wants to differentiate themselves from crowd for various reasons. Change in attitude of the customer accounts for the sudden acceleration in the Luxury car Market in India, as the emphasis has been shifted from price consideration and affordability to design, quality and pleasure.
Kotwal (2009)⁴⁰, face off buyers now prefer to have cars with the space, comfort and luxury of a mid size saloon or sedan. With the growing affluence and technological advancement, there develops a certain maturity in taste, as evidenced by the growing popularity of the Indian Hatchback market.

Dr V.K.Kaushik (2008)³¹ This study is conducted in South West Haryana which consists of Bhiwani and Mahendragarh districts. The study endeavor is to investigate empirically customer’s preference towards a passenger car brand. Pre-purchase and post purchase behavior of the customers were evaluated and factors influencing the customers were determined by Perceptual mapping obtained from Multi-dimensional scaling. Overall results indicate that in South West Haryana region customers are more influenced by friends and relatives than dealers and salespersons. Maruti dominates the market with three of its brands namely Maruti 800, Alto and Wagon-R. Brand name, fuel efficiency and price were found to be primary determinants for buying car in this region.

Windhager (2008)³² recent study of car designs confirmed the widespread tendency for people to see faces on products. People decode emotional ‘facial’ expressions from product shapes and this affects liking of the design of cars.

Silva-Risso (2008)³³ in his research found that buyers were more likely to select cars whose dealer networks had shorter distances to the closest outlet (accessibility), more dealers within a given radius from the buyer (concentration), and locations that skewed toward the buyer (spread).

Dr S. Sakthivel Rani (2008)³⁴ The profile of the Indian Passenger Car industry is very different from what it is worldwide. Car industry is considered a luxury product and it is treated with restrain. Categories of vehicles were limited to three passenger cars namely Fiat, Hindustan and
Standard. Slowly foreign collaborations were permitted with equity participation in 1968. In 1980’s a series of liberal policy changes were rapidly introduced marking a crucial turning point for the automobile industry. The Indian Government announced —broad banding‖ policy in 1985 which gave new licenses to broad groups of automotive products such as two and four wheeled vehicles. The delicensing of the industry in 1993 opened the gates to a flood of international automakers. Many foreign manufacturers have concentrated on the premium and recently the mid car segment. Eventhough the passenger car industry has a competitive advantage; still it has to face lot of challenges in the forthcoming years to lead ahead in this industry.

**Dr S. Saravanan (2008)** Following the policy liberisations of the Government of India in 1991, a number of multinational car companies entered the country. These companies launched big cars assuming that the small car owners in India would immediately upgrade to them. Ford India Ltd, the Indian subsidiary of Ford Motors launched Ford Escort. These cars were considered to be quite bigger cars and the Indian buyers shunned them. These companies, which had established huge manufacturing facilities in the country, faced a poor utilisation of capacity. Ford India Ltd also faced the same crisis. In order to sell the cars it had manufactured, the company applied innovative strategies such as limited edition strategies. As these strategies were novel in the Indian context, they yielded significant results. However, the company realised that to be successful in the long run, appropriate strategies based on the special requirements of the Indian buyer should be developed. This article deals with the India specific strategies developed by Ford India Ltd. Limited Edition strategy, Exclusive design strategy (Ford Ikon), Product adaptation strategy and used car strategy have been chronologically dealt with. It also elaborates
the hardships faced by the company in the process of implementing these strategies as well as the outcome of these strategies.

**Chidambaram and Alfred (2007)**\(^{36}\) The study postulates that there are certain factors which influence the brand preferences of customers. Within this framework, the study reveals that customers give more importance to fuel efficiency than other factors. They believe that the brand name tells them something about product quality, utility, and technology, and they prefer to purchase passenger cars which offer high fuel efficiency, good quality, technology, and durability, and are priced reasonably.

**Dr Mrs. J Jelsy Joseph and T Hemalatha (2007)**\(^{37}\) Their study "Customer Relationship Management in Passenger Car Industry" argues that after-sales services not only help in firms coming close to the customer and build credibility for their service and commitment towards the customer but also help improve mouth publicity and good will generated from such customer-oriented efforts. It also reveals that the firms improve their market share and interact with consumer to maintain relationship. A customer acquisition and relations have become the most important terms in sales.

**Dr Renu Verma (2007)**\(^{38}\) According to the author in her article "A study of Tubeless Tyres with Special Reference to Passenger Car Radial Tyres" states that the absence of a tube make a tyre lighter in weight, thus it has less chance of vibrations, which means that it leads to a better fuel saving. Even the rolling resistance in a tubeless radial is lower when compared to a tube type radial. This is due to the fact that the tubeless tyre sidewall is subtler as there is no internal body to create a friction. This also helps the tyre to run cooler as it eliminates heat generation caused by the internal shuffling of the tube. She also argues that the tubeless tyres improve the fuel efficiency of a car; they have a rounder profile and offer a less rolling resistance, and it is easier
to repair a tubeless tyre than a tube and special kits allow the driver to repair the tyre almost painlessly. The study is conducted in the context of automobile purchases in major German car dealerships. Based on a theoretical conceptualization of the constructs and an empirical pre-test, two hundred and forty six car buyers were surveyed and their fairness perceptions and satisfaction judgment with the car buying process were measured. The research shows that price perceptions directly influence satisfaction judgment as well as indirectly through perceptions of price fairness. The results also indicate that consumers’ vulnerability, which is induced by a perceived demand-supply relationship and the urgency of need from the consumers’ side, has a negative effect on perceived price offer fairness. The research demonstrates the influence of perceived price fairness on satisfaction judgment empirically. The study was conducted in the context of car purchases, and the generalisability of the model should be further tested. The effect of consumer vulnerability implies that sellers should not only avoid exploiting their customers but should also anticipate consumers’ potential feelings of being exploited. Being sensitive to the buyers’ psychological state and assuring buyers of fair treatment will enhance perceptions of price fairness without changing the price offer. Both the direct and indirect effects of price perception on satisfaction judgment were examined in the paper. Specifically, the influences of consumer vulnerability and price procedure fairness on satisfaction judgment are new and contribute to the dual entitlement principle and the existing knowledge in price fairness.

A.M. Suresh (2006)  

This research reports and measures customer satisfaction with small cars in Bangalore city. The research identified sales support, vehicle design, purchase support, cost of ownership and delight features as underlying factors of customer satisfaction. The research tries to rank small cars on these factors. The study also tries to find out whether customer satisfaction varies among customers on the basis of demographics.
Mandeep Kaur and Sandhu (2006) This study attempted to find out the important features which a customer considers while going for the purchase of a new car. The study covers the owners of passenger cars living in the major cities of the State of Punjab and the Union Territory of Chandigarh. The respondents perceive that safety and comfort are the most important features of the passenger car followed by luxury. So the manufacturers must design the product giving maximum weightage to these factors.

Sumit Jain 23 (2006) The automotive industry is now facing new and pressing challenges. Globalisation, individualizations, digitalization and increasing competition are changing the face of the industry. In addition, increasing safety requirements and voluntary environmental commitments have also contributed to the changes ahead. The size of the organisation is no longer a guarantee of success. Only those companies that find new ways to create value may prosper in the future. The purpose of this study is to present a short overview of the automotive industry today and highlight challenges facing the industry.

Sharma (2006) The study analyses the performance of the Indian auto industry with respect to the productivity growth. Partial and total factor productivity of the Indian automobile industry have been calculated for the period from 1990-91 to 2003-04, using the Divisia- Tornquist index for the estimation of the total factor productivity growth. The author states that the domestic auto industry has registered a negative and insignificant productivity growth during the last one and a half decade. Among the partial factor productivity indices only labour productivity has seen a significant improvement, while the productivity of other three inputs (capital, energy and materials) have not shown any significant improvement. Labour productivity has increased mainly due to the increase in the capital intensity, which has grown at a rate of 0.14 per cent per annum from 1990-91 to 2003-04.
McKinsey (2005) The study predicts the growth potential of India-based automotive component manufacturing at around five hundred per cent, from 2005 to 2015. This report describes the initiatives required from industry players, the Government and the ACMA to capture this potential. This study was based on interviews and workshops with twenty suppliers and OEMs and survey with ACMA members. An increase in cost pressures on OEMs in developed countries, coupled with the emergence of skilled, cost-competitive suppliers in Low Cost Countries (LCCs), is likely to facilitate further acceleration of sourcing of automotive components from LCCs. The analysis identifies strong engineering skills and an emerging culture of cost-competitiveness as the major strengths of the Indian auto component sector, while its weaknesses include slow growth in domestic demand and structural disadvantages such as power tariffs and indirect taxes. The policy recommendations of this study include VAT implementation, lower indirect taxes, power reforms, tax benefits linked to export earnings, duty-cut for raw material imports, R&D incentives for a longer period, establishment of auto parks, benefits for export-seeking investments, human resources development and modernization fund for new investments in auto clusters. Industry players have been advised to improve their operational performance, determine their strategic posture as one among those identified in the study, improve capabilities in line with their posture and invest very rapidly in a planned manner. ACMA needs to promote India as a brand, enable sourcing from India by global customers and promote the quality and productivity efforts of the auto component firms in India.

Ranganathan.R (2005) His study "Consumer Markets and Buyer Behaviour of Cars", argued that brand image could be increased by the advertisement which clearly showed the features of the cars. The result of the study was that the necessity was the first factor of choosing the car and mileage was an important factor expected from the car.
Utpal Bhaskar (2005) His study "The great Indian car Puzzle" showed that, people were prepared to buy a car for different reasons but at the end it boiled down to mileage; mileage and fuel efficiency were generic needs of the consumers in the Indian market. The study also revealed that mileage and fuel efficiency were more important among the mass segments, but it was not important in higher segments. However, among mini cars it could be one of the key drivers since it directly impacted the running expenses. He concluded that in the past dozen years petrol prices had doubled. To keep fuel efficiency and mileage, the car body weight was kept low.

S. Muralidhar (2005) The research analysts, Business Line, in his article "Passenger Car - Distinct Signs of Maruti" said that managing costs, improving productivity and efficient investments into research and development would be the key parameters that would determine the competitiveness of car manufactures, especially the home grown ones. This would come into sharper focus for companies that attempt to go global with their products, as imports of passenger cars in the premium sedans category become an increasingly attractive proposition.

Mr J. Clement Sudhakhar and Dr R. Venkatapathy (2005) Their study "Automobile Purchase - Peer Influence in Decision Making", reveals the buyers of passenger car are expected the high value product and adopt high effort judgment and decision making process. The factors that determine the purchase in general are convenience, status and pressure from known sources. Due to the high investment cost involved in the purchase, consumers spend maximum time in information search. The consumers refer to various internal and external sources like product information gathered through automobile magazines and friends and personal visit to dealers. The consumer's decision making is normally a long one, where they consider various options and check with many sources viz. co-workers and family members. In the post-purchase decision
stage, consumers spend relatively longer period and consider service quality, vehicle performance, confirmation through the word of mouth and communication. The study also reveals that the passenger cars are considered as luxurious ones and consumers tend to consult all the intimate groups for reaching the buying decisions.

Dr K. Chidambaram et. al. (2004)\textsuperscript{48} The researchers undertook a study on "Brand Preference of Passenger Cars - A Study with Special Reference to Coimbatore City in Tamil Nadu", argued that the customers gave more importance to fuel efficiency than to other factors. They believed that the brand name was explanatory of product, quality, utility and technology. Consumers preferred to purchase passengers cars, as they offered high fuel efficiency, good quality, technology and durability, and could be purchased at a reasonable price.

Sheetal B. Sachdev, Harsh V. Verma (2004)\textsuperscript{49} This study is an attempt to explore a relative importance of service quality dimensions across a select’ service context. The results suggest that all the service quality dimensions are equally important as no proper order of their importance could be established, the service performance in relation to the 'expectations’ is poor in respect of nearly all the dimensions and in all the select services, and the nature of service does not seem to have a role in establishing an order of importance of the dimensions.

K. Maran and Dr S. Madhavi (2002)\textsuperscript{50} Their study "Passenger Cars: Enormous Scope for Development" argued that a demand for cars was depending on many factors. The key variables found were per capita income, new models, availability and pricing, rate of interest, finance schemes, fuel cost, depreciation norms, public transportation facilities, duties and taxes. The first four factors have a positive relationship with demand, whereas the others have an inverse relationship with demand.
Veloso and Kumar (2002)\textsuperscript{51} Their study shows that auto majors have started adopting a global perspective and reorganizing their vehicle portfolio around product platforms, modules and systems. They are also minimizing the number of suppliers, by opting for bigger ones, based on cost and quality competitiveness, R&D capacity and proximity to development centres. Suppliers have been taking new roles, as systems integrators, global standardize-systems manufacturers, component specialists and raw material suppliers. The automobile industry in India had been facing the problem of overcapacity by 2000 and the auto-component sector was not so developed as to be able to deliver products of world-class quality. Auto industries in the ASEAN and Korea have recovered quickly from the Asian crisis of 1998. This report concludes that any study on auto sector should focus on the evaluation of the capabilities of auto-component supply chain – both large and small suppliers, strategies of OEMs, cost, delivery, dependability, quality, product development, process development, flexibility, facilities/equipment, technology, process, workforce and organization, logistics and supply chain, research and engineering, and interfaces.

Verma and Kaur (2001)\textsuperscript{52} emphasized the importance of 3 types of Justices necessary for auto customer satisfaction-Procedural Justice (response time taken by company to address complaints), Distributive Justice (company’s perceived fairness in dealing with customer complaints) and Interactional Justice (human behavior in dealing with complaints).

Vijayraghavan and Philip (2001)\textsuperscript{53} have found that many customers include spare parts cost in their consideration for car purchase. MUL has the advantage of having the highest localization content (90 per cent) owing to its lengthy presence in the country. Other automakers like Hyundai, Fiat and General Motors are also able to offer competitive spare parts.

Saxena (2000)\textsuperscript{54} in his research to evaluate satisfaction with auto dealer service, thirteen attributes were evaluated (location, ease of appointment, facilities, proper diagnosis, labour cost,
spare cost, spares availability, promptness in service, correct service, staff behavior, warranty service, post service follow up, reception handling).

Raghuvir Srinivasan (2000) He analyzed the potential impact of the removal of quantitative restrictions on the import of used cars on passenger car manufacturing companies in India. He reasoned that one could get an imported used car for around Rs.3 lakhs (US $ 6250), taking into account the price of the used car in a foreign country, import duty and shipment cost. He also observed that while lower price would be attractive to Indian buyers, service related problems and government restrictions would be dissuading factors.

Bhuvana Ramalingam (1999) The study concluded that a pragmatic approach by the government was needed to prevent the onslaught by the import of used cars as the quantitative restrictions, and local content regulations were to be lifted as per the World Trade Organization agreement.

Narayanan (1998) He analyses the effects of deregulation policy on technology acquisition and competitiveness in the Indian automobile industry during the 1980s and finds that competitiveness has depended on the ability to build technological advantages, even in an era of capacity-licensing. In a liberalized regime, this would depend on firm’s ability to bring about technological changes, as inferred from the behavior of new firms in the sample considered. Further, vertical integration could score over subcontracting in a liberal regime. This is probably because of the entry of new foreign firms that produce technologically superior and guaranteed quality vehicles and choose to produce most of the components in-house.

Muruganandam (1997) His study "A Consumer Brand Preference for Motor Cars in Coimbatore City stated that the factors that influenced consumers in the preference of a car were price and design, and after sales services provided by the dealer. Price and design influenced
more to buy Maruti and Ambassador Cars and further revealed that the after-sales service was good.

Kalra (1997)\textsuperscript{59} found that the Indian buyer rates technology, comfort and convenience as important considerations for car purchase.

Peppers and Rogers (1996)\textsuperscript{60} result of a higher percentage of loyal customers in the purchaser portfolio is that it reduces the threat that customers will buy elsewhere, thus preventing jeopardization of expected sales, and - aggregated this will help safeguard substantial sales over the customer's lifetime.

Aradhana Krishna (1994)\textsuperscript{61} He views that buyers’ purchase behavior can be influenced not only by the current price of a product but also by what price they expect in future. C W Park et al. (1994), assessing consumer knowledge, have observed that consumer knowledge is an important construct in understanding consumer behaviour such as information search and information processing. An increase in self-assessed knowledge was associated with a decrease in the utilization of sales person’s recommendations.

Syed Saad Andaleeb and Amiya K. Basu (1994)\textsuperscript{62} The authors examined the relationship between a customer's assessment of the service quality of an automobile service/repair facility and five factors: perceived fairness of the facility and its personnel, empathy, responsiveness, reliability, and convenience. Perceived fairness was found to be an important determinant of service quality evaluation and its importance depended on the complexity of the task involved and the customer's knowledge of automobile repairs. In particular, when the task was complex and the customer did not feel knowledgeable, perceived fairness was found to be significantly more important than any of the other four factors.
Jose and Lemmink (1992) focus on the positive influence of customer satisfaction on brand and dealer loyalty. The two types of customer satisfaction are the sales service and the after-sales service. That satisfaction with the service (both sales and after-sales service) would be the major determinant of auto dealer loyalty.

Review of International studies

Seyed Mohammad Sadeq Khaksar, et. al. (2011) The main purpose of this paper is to study the effect of technical and electronic after-sales services on entrepreneurial opportunities (that is, cost leadership, market development, product development, diversification and differentiation). This study was a descriptive research that typically used the data derived from questionnaires (a researcher-made questionnaire for collecting of information). The population of this study comprised all Soren car owners in Tehran, who bought their cars in 2009. Soren is a new model of Samand (unveiled in 2008), and Samand is an Iranian car brand manufactured by Iran Khodro (IKCO) using local manufacturers for its parts. The results of this study show that technical, after-sales services in Iran-Khodro Company are effective on entrepreneurial opportunities based on market and product.

Mojgan Bahrami Samani (2011) Automobile Industry success is dependent on its customers’ loyalty. Basically, researchers have agreed that loyalty is the main issue for making and maintaining relationships with customers. Both academicians and industry executives, fundamentally, considered customer loyalty an organizational valuable asset. This study aims at examining which factors influenced customer’s loyalty in Iran’s car industry. This paper extends an area of marketing context by looking into the element of customer loyalty in Iranian car
industry. A conceptual model of customer loyalty in Iran’s car industry is proposed in which quality, price, and satisfaction, as three main antecedents, influence customer’s loyalty. Quality is divided into quality of products, quality of relationship between buyers and sellers and finally, quality of after–sale service.

Farah Sahul Hamid (2011)\(^{66}\) Customers’ loyalty seems to be the key objective for most of the service-oriented companies in the long run. The customers’ perception on the quality of service provided by these companies plays an essential role in determining their behaviour towards the service provided.

Brown et al. (2010)\(^{67}\) This study analysed the consumer’s attitude towards European, Japanese and the US cars. The country of origin plays a significant role in the consumer’s behaviour. The brand name, lower price and distributor’s reputation completely have a significant impact on the sale of passenger cars. However, the study differs from the above in that the buyer behaviour in Namakkal in Tamil Nadu was sought to be analysed. Mornay

Roberts-Lombard (2010)\(^{68}\) The purpose of the article is to investigate the mutually beneficial nature of establishing long-term relationships with employees as internal customers of the business. The target population for this study was two hundred and twenty five Avis car rental branch managers in South Africa. One hundred and fifty five managers of Avis branches were approached through a structured personal interview in the completion of questionnaires. Data analysis was done by calculating averages and standard deviations, explorative factor analysis, Cronbach alpha-values and practical significance by means of effect sizes. The findings of the study stipulate that a more coherent attempt must be made to improve the level of internal communication between the managers of Avis car rental branches and their employees; this
would create an environment within the Avis car rental group that could promote mutual respect, trust and concern between management and employees.

**Wieslaw Urban (2010)** This paper aims at verifying weather the intensiveness of prior customers’ experiences with the same services provider and other providers affects service quality. The empirical investigation was conducted in auto service sector. Empirical research concludes that customer’ experiences specified by the length of relationship with a service provider and frequencies of service use do not influence the whole aspects of service quality. But there are some aspects of service quality that are affected by customers’ longitudinal experiences. They are: expectations of service

**Md. Hussain Kabir and Therese Carlsson (2010)** This thesis discusses and analyses expectations and perceptions about service quality in Destination Gotland. The aim is to analyse and research about the role of service quality for creating customer satisfaction and to find out the gap between expectations and perceptions through the customer point of view. The perceptions can be described as satisfaction or lack of satisfaction. The survey was constructed as a case-study and was based on the quantitative method. The results from the different dimensions show that there is a gap between the expectations and perceptions, which means that the customers are not fully satisfied with the service quality at Destination Gotland. The results show a total gap at -0.39.

**Dina El Kayaly and Dr Ahmed Taher (2010)** This article proposes a model which is the first comprehensive formalization of the three dimensions of marketing applied to the automobile industry in the Arab World. This study is an attempt to develop and test a measurement tool aiming at quantifying the factors affecting satisfaction, customer's satisfaction and loyalty. The validity and reliability of the measurement scale was tested in the case of Egyptian car industry. To do that, an instrument was developed on the basis of extensive previous studies, management
experts and personal professional experience. The measurement scale was applied to Egyptian car owners of a certain (one single) brand to avoid the brand moderation effect. The scale was found to be reliable and valid. The validity was tested using an exploratory factor analysis. In conclusion, this study suggests testing the effect of the three key drivers / dimensions on customer's satisfaction and consequently on customer's loyalty, and using the results to guide the marketing activities of car agents working in Egypt. It also suggests investigating the scale in different industries and contexts.

Mohd et al. (2009) After-sales services is the provision of services to customers before, during and after a purchase. It is one of the organizational processes which companies perform in considering the growing competition of the market and for attracting entrepreneurial opportunities for increasing profitability and better access to the market, as well as increasing the customer satisfaction level. It has been mostly used to describe services that are provided to the customer after the products have been delivered.

Adele Berndt (2009) The motor industry plays a critical role in the economy of South Africa, with respect to both GDP and employment. Service quality is a fundamental aspect of service provision, and this is especially the case with motor vehicles, where substantial profits are generated in the servicing of vehicles. The study was conducted using a convenience sample of seven hundred and sixty one respondents who were the owners of various brands of motor vehicles. The questionnaire was a self-completion questionnaire which consisted of three sections. The factor analysis of the research indicated that five service quality factors could be identified. Apart from the tangible factor, the factors identified differed from the dimensions of service quality proposed by Parasuraman et al. (1988). The dimensions identified also differed from other studies conducted in service quality dimensions in this context, highlighting the
variable nature of service quality. The implication of this study is that the customer perceives the way in which the service is delivered as critical in evaluating service quality.

**Chimun Kumar Nath (2009)**\(^{73}\) The aim of this paper is to make a correlation analysis of the responses of customers regarding various attribute ratings of a car. Further it also seeks to determine the underlying benefits consumers are looking from a new generation car by classifying them according to their relative importance they put in the attribute ratings by the method of principal component analysis. From the study it has been observed that customers are purchasing new generation cars because of several considerations and these considerations can be attributed to two major factors which may be labelled as: economic benefit factor and social benefit factor.

**S. Keshavarz, S.M. Yazdi et. al. (2009)**\(^{74}\) Their study highlights the important dimensions of service quality from customers’ perspective in car service agencies. Additionally, it aimed at identifying differences between expectations and perceptions of customers from service quality dimensions and comparing differences across agencies. The objectives of this study were achieved by using the SERVQUAL questionnaire. A cluster sampling technique was also used for collecting the data. The questionnaires were distributed amongst four hundred customers who had Peugeot 206, Peugeot 405 or Peugeot Persia in four Iran Khodro car service agencies. The results demonstrated that there was a gap between expectations and perceptions of customers from dimensions of service quality. The negative gaps were related to the intangible dimensions. Additionally, in the comparison amongst four agencies related to the level of expected service quality, significant differences were found for tangibles and reliability dimensions. Furthermore, the analysis of variance revealed that the differences in customers’ perceptions of the level of provided service quality across four agencies were only for the dimension of tangibles.
Kah-Hin Chai and Yi Ding (2009) This study investigates the possible spillover effects of customer satisfaction from product manufacturer to service provider, and vice versa. The survey results provide empirical evidence for the presence of spillover effects of quality and customer satisfactions in the mobile phone industry. This finding suggests that research on the ways in which quality affects customer satisfaction and loyalty should consider the influence of partnering firms and suppliers, rather than only examine the relationship within the same organization. This is particularly relevant in settings where the simultaneous presence of physical product and the service are needed. In the mobile phone industry, handset manufacturers and network operators need to consider whom they partner, depending whether they are the likely receiving or giving party of the spillover effects. Moreover, these effects are moderated by a product image gap between the handset and network operator. Erdogan H. Ekiz1 and Ali Bavik 53 (2008) This article aims at providing an example for developing a measurement scale by using car rental services as a case. To do so, both qualitative and quantitative methods are utilized in three fundamental stages recommended by Churchill (1979) and Parasuraman, Zeithaml & Berry (1988). In following their footsteps, the first qualitative research was undertaken in the form of twenty three in-depth interviews which produced sixty one items that described user perceptions. Then, a quantitative study was undertaken to purify the scale items, examine dimensionality, reliability, factor structure and validity. After a rigorous statistical analysis an eighteen-itemed scale with six factors emerged. The study also introduces the setting of the research and presents a need for scale development briefly, followed by discussion, implications and limitations.

McManus, Walter (2007) This paper examines the link between fuel prices and sales of cars and trucks. U.S. automakers have long denied that such a link exists. One source of this false
belief is an obsession with the crude count of units sold, equating Hummers with Minis. Another source is the conventional —wisdom that Americans are unwilling to pay for fuel economy. The study presents theoretical reasons and market evidence that refute Detroit’s conventional wisdom. American manufacturers’ reaction to rising fuel prices over the last few years revealed the shortcomings of the U.S. automakers’ recent product and power train strategies. The effect of rising fuel prices has, in effect, been offset by reducing prices of vehicles in inverse proportion to fuel economy. Thus, the unit sales of large SUVs could be maintained, but their revenue (and profit) fell because vehicle prices were cut, directly or indirectly. The paper concludes with a few practical guidelines that business economists should use to prevent their companies from experiencing the recent massive losses experienced by the U.S. automobile industry.

Robyn Meredith (2007) His article “The next People’s Car” traced the development of a car by Tata Motors which aimed to sell for about $ 2,500, the cheapest, by far, ever made. Tata Motors on the global auto scene marked the advent of India as a global centre for small-car productions and represented a victory for those who advocate making cheap goods for potential customers at the —bottom of the pyramid in emerging markets. Tata Motors has been India's largest commercial vehicle maker. The Tata logo appears on buses, dump trucks, ambulance and cement mixtures. The author also states that the cheapest versions cannot have air-conditioning (or) power steering, but the cute looks will make up for missing features, and that the design was outsourced to Italy's Institute of Development in Automotive Engineering.

Izah Mohd Tahir and Nor Mazlina Abu Bakar (2007) The aim of this study is to investigate the level of service quality of commercial banks in Malaysia from the perspective of bank customers and assessing the satisfactions towards the services provided by the commercial banks. A questionnaire used in this study is limited to a sample of three hundred respondents in
the East Coast region of Malaysia. The measurements used were based on widely accepted SERVQUAL model. A descriptive statistics analysis (mean and paired t-test) was used to evaluate the level of service quality of Malaysia’s commercial banks from the customers’ perspective. This study examined the service quality gap by comparing customers’ expectations and their actual perceptions. In addition, this study focused on their satisfactions towards the service provided by commercial banks. The results of the study indicated that the overall service quality provided by the commercial banks was below customers’ expectations. Responsiveness was rated as the most important dimension followed by reliability, tangibility, assurance, and empathy. Further, the findings also showed that customers were slightly satisfied with the overall service quality of the banks.

Seyed Hessamaldin Mahdavinia (2007)\textsuperscript{79} The findings of this research are mostly useful to those (managers, web designers, etc.) who intend to penetrate the Iranian market with least cost, time and energy. The questionnaire utilised was based on the SERVQUAL instrument, which identifies five quality dimensions in service environments.

Ali Araghchi (2007)\textsuperscript{80} This paper aims at investigating and determining the nature of the service quality construct and its relationship with those of customer satisfaction, customer experience and behavioural intentions. Moreover this study aims at identifying the dimension that is the best predictor of overall service quality, in terms of generating an outcome that identifies dimensions regarding service quality in Iranian retail stores. This was achieved through performing a theoretical and empirical study. The theoretical study provided by identifying relevant theories, determining and defining service quality, customer satisfaction, customer experience and behavioural intention for retailers in the industry of Iranian handmade carpet. The empirical study comprised five hundred questionnaires. The key finding of the study is that service quality
is represented by four dimensions. The dimensions referred to as the best predictor of overall service quality are tangibility, reliability, responsiveness and knowledge of employee. Moreover there is a strong relation between —customer experience from onside and —service quality, customer satisfaction, behavioural intention from the other side. Andreas Herrmann et. al. 59 (2007) This paper aims at linking conceptually the concepts of price fairness and customer satisfaction, and empirically demonstrating the influence of perceived price fairness on satisfaction judgment. Further, it seeks to examine specific factors that influence fairness perceptions including price perception and consumer vulnerability.

Davy Lerouge and Luk Warlop (2006)81 Their article proposes that many buying decisions require predictions of another person's product attitudes. Consumers’ decisions require predictions of another person's product attitudes. Yet, consumers are often inaccurate predictors, even for familiar others.

Saikat Banerjee (2006)82 He undertook a study on "Passenger Car Market of China, Current Scenario and Future Trends", to emphasise that the passenger car market of China had more competition and must fulfil the needs and wants of consumers. The broad categories of Chinese passenger car markets were mini car, sub compact, sedan, full size sedan, luxury, Small Utility Vehicle and Multi-Purpose Vehicle. The study also reveals that china passenger car industry have quantity-focused production technology, no bench marked supply of automotive parts, non-serious approach towards marketing area, and sales and services networks, and there is an enormous scope for passenger car industry.

I-Ming Wang, Chich-Jen Shieh (2006)83 This study explores overall user satisfaction. A questionnaire survey is conducted to reveal users’ perspectives on service quality. Based on literature, service quality has five dimensions: tangibles, responsiveness, reliability, assurance,
and empathy. The results indicate that the overall service quality has a significantly positive effect on overall user satisfaction. Among these five dimensions except responsiveness, all of them have a significantly positive effect on overall user satisfaction. In addition, the top five important service quality features ranked by users are: collections, loaning and returning service, overall atmosphere, electronic database system, and online reservation and renewal. Furthermore, the perceived importance of service quality dimensions has no significant difference among institutes and status.

Kristin Diehl (2005) The study suggests that consumers often search for and choose from ordered sets, commonly from options listed from best to worst. Greater search can lead to more positive evaluations for improving versus declining orderings because consumers experience more positive moments on which they base their evaluation. Overall evaluations are influenced by differences in these key moments over and above the quality changes of the set.

Herrmann (2005) He undertook a study about "The Social Influence of Brand Community with Evidence from European Car Clubs". The purpose of the study was to develop and estimate a conceptual model of different aspects of a consumer's relationship with the brand, community influence, their intention and behaviour. The study revealed that the small car clubs engendered higher levels of identification and normative pressure, because of the richer and multifaceted nature of inter-personal relationship. However, it was found that the strengths of the paths in the conceptual model were greater for larger car clubs.

Schiffman & Kanuk (2004) The study has used intelligent agents to locate the best prices for the products or services, bid on various marketing offerings, bypass distribution outlets and middlemen, and shop for goods around the globe and around the clock from the convenience of their homes. To understand the awareness of consumers and their behaviours, in depth, a study
has been done on various literatures available in the area of green marketing. From an empirical perspective, a substantial academic and professional literature explores the areas like sustainable marketing, consumer behaviour and green car and its response in the marketplace. The methodologies of these studies vary widely but the major findings have been observed to define the research objective.

The review gives an in-depth idea on the topic, and it is also observed that not much work has been done in India with reference to the environment friendly car and customer’s behaviour with reference to the eco-friendly cars.

Pavleen et. al. (2003) Their article perceives that the family as a reference group has one of the strongest, most immediate and pervasive effects on a consumer’s personality motivation and attitudes. The author has affirmed that from the marketing point of view investigating the family as a consumption unit becomes crucial since attitudes towards saving and spending, and even towards brands and products, are often moulded by the family.

Richard et. al. (2003) Their large scale, national study investigates the influences of monthly payment incentives (rebates and low interest rates) on the decision process of both car and truck owners and lessees. The results suggest that incentives are found rated significantly more important among lessees than among buyers. While evidence suggests that incentives obviously should not be used on a wholesale basis, there appears to be a niche among which incentives may be successful. The author suggests that lessees would be open to choosing a vehicle that has an attractive monthly payment via rebates and other incentives.

Flynn et, al. (2002) Presenting communicational services is directly related to customer satisfaction. Customers after purchasing products from the company may have doubts in their
decision making; and the only way to manage this uncertainty is to establish a long term relationship with customers.

**Albert Caruana (2000)** This study starts by first delineating the concept of service loyalty and proceeds to distinguish between service quality and customer satisfaction. A meditational model that links service quality to service loyalty via customer satisfaction is proposed. Appropriate measures are identified and a postal survey is undertaken among one thousand retail banking customers. A response rate of 20.5 per cent is obtained. The results indicate that customer satisfaction does play a mediating role in the effect of service quality on service loyalty. The effects of a number of demographic indicators on service loyalty are also reported.

**Andrew et. al. (1996)** The study assesses a good number of different measures of consumer expertise by examining their ability to predict correct choices in three stimuli based choice tasks.

**Goofin and Price (1996)** According to the study, after-sales services are important because they end in increasing product quality, gaining competitive advantage, gaining profitable opportunities, and as a result increase sales and income. The domain of the activities related to after-sales services is vast.

**Kathuria (1995)** He notes that the time-bound indigenization programme for commercial vehicles in the 1980s facilitated the upgradation of vendor skills and modifying vehicles to suit local conditions, which demand functional efficiency, overloading capabilities, fuel economy, frequent changes in speed and easy repair and maintenance. They also mention that the choice between vertical integration and subcontracting crucially depends on the policy regime. In a liberal regime, vertical integration may not work.

**Samson Itamer (1992)** He observes that purchase decisions are determined on the basis of both absolute attributes of alternatives and their relative positions within the particular choice set
under consideration. He further suggests that consumers are less likely to choose alternatives that are selected by other consumers for reasons which do not apply to them, and that consumers are less likely to choose alternatives that are offered with unneeded features or premium even when these features do not reduce the value of a product in any way.

**Jo Ann Duffy (1992)** This study used the SERVQUAL, instrument for measuring consumer perceptions of service quality and the SCLES Salesman-Conte Life Satisfaction measure to study the linkage between service quality and satisfaction within a long-term health care centre. Two hundred and seventy residents from ten nursing homes were administered to SERVQUAL and SCLES instruments on a one-to-one basis. The study identified which dimensions of perceived quality contributed significantly to the overall life satisfaction and how dimensions of life satisfaction related to a resident’s satisfaction with the nursing home.

**Bouman et. al. (1992)** This article describes the building and testing of the SERVQUAL instrument. The outcome of the research is that the instrument is easily applicable for Dutch garage firms. However, in contrast with the five SERVQUAL dimensions, the customers in the Dutch car service firms only distinguish three dimensions to judge the delivered quality, one of which appears to be totally specific to this sample. The three dimensions found in the research in car service firms are: customer kindness, tangibles and faith. Only customer kindness contributes directly to the measured service quality.

**Parasuraman et. al. (1991)** Their study shows that some companies have more than just a competitive advantage in customer service; they have unwavering customer loyalty. The authors of this article argue that the key to providing superior service is understanding and responding to customer expectations. Through their research, two different kinds of expectations emerged, both of which can change over time and from one service encounter to the other for the same
customer. By responding appropriately to these expectations, managers can be on their way to developing — customer franchise.

**William B Dodds (1991)** This study investigated the effects of the extrinsic cues of price, brand and store information on the consumer perception of product quality. They found that price had a positive effect on a perceived quality but a negative effect on a perceived value and respondents’ willingness to buy.

**Leonard L. Berry et. al. (1985)** The authors say that quality is essential when service is what is being sold. Most published work on product quality focuses on manufactured goods. The subject of service quality has received less attention. The authors arrive at four important conclusions. They are consumer perceptions of service quality resulting from comparing expectations prior to receiving the service and actual experiences with the service. If expectations are met, service quality is perceived to be satisfactory; if unmet, less than satisfactory; if exceeded, more than satisfactory. Quality evaluations derive from the service process as well as the service outcome. The manner in which the service is performed can be a crucial component of service from a consumer's point of view. Service quality is of two types. First, there is the quality level at which the regular service is delivered (such as the bank teller's typical handling of a transaction). Second, there is the quality level at which "exceptions" or "problems" are handled. Delivering good service quality requires strength at both levels. When a problem occurs, the low contact service firm becomes a high contact firm. The authors say that interactions between customers and company representatives can figure prominently in the quality image of so-called low-contact firms. They also emphasise that avoiding promotional temptations to over promise can help a company achieve a good quality image. Raising
expectations to unrealistic levels may lead to more initial business, but this strategy invariably fosters customer disappointment and discourages repeat business.

**Darlin Doman (1983)** In the article the author has mentioned that satisfied new car buyers discuss their experiences with eight people, whereas dissatisfied buyers complain to an average of twenty two people.

**Edward L. Grubb and Gregg Hupp (1968)** these studies test a methodology for measurement of self-concept and consumer behavior in comparable terms and, therefore, to further substantiate the relationship of self-theory to consumer behavior. The authors suggest that the owners of a specific make of automobiles perceive themselves as having self-concepts similar to those of others who own that make of automobile.

**Gerald D. Bell (1967)** The study touches on the questions how a new car buyer feels about his/her purchase and what factors determine his/her reactions when he/she begins living with his/her new car. The finding of this investigation suggests the effect of a customer’s self-confidence, his/her personality, and the quality of service he/she receives upon his/her cognitive dissonance.

### 2.4. Statement of the Problem

The growth of SUV market is tremendous and playing an important role in four wheeler segment. Many studies are made with respect to buyer behavior and different four wheeler brands, but studies on SUV’s are very few and there is a need for rigorous research on SUV’s with special emphasize on buyer behavior. Hence researcher took a study Brand choice and buyer behavior towards sport utility vehicles (SUV) in the Rayalaseema region of Andhra Pradesh.
2.5. 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.

2.6. HYPOTHESES:

The following are the hypothesis of the study:

1. H₀: There is no significant relation between Age and choice of SUV vehicles.
   H₁: There is a significant relation between Age and choice of SUV vehicles.
2. H₀: There is no significant relation between income and choice of SUV vehicles.
   H₁: There is a significant relation between income and choice of SUV vehicles.
3. H₀: There is no significant relation between occupation and choice of SUV vehicles.
   H₁: There is a significant relation between occupation and choice of SUV vehicles.
4. H₀: There is no significant relation between the levels of education and choice of SUV vehicles.
   H₁: There is a significant relation between the levels of education and choice of SUV vehicles.
5. H₀: There is no significant association between the levels of perception of buyers towards SUV vehicles.
H1: There is a significant association between the levels of perception of buyers towards SUV vehicles.

6. H0: 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.

2.7. Scope of the study

The purpose of the study is to highlight the identification and study of factors influencing customers’ brand preferences of the economy segment SUV’s as well as buyer behavior towards SUV vehicles. The scope is restricted to study the factors affecting the preference of buyers while purchasing SUV in Rayalaseema region – Ananthapuramu, Kurnool and Tirupathi cities, and buyer’s satisfaction level taking into consideration the problems faced by them with regard to the SUV dealers.

2.8. Methodology of the study

Data and information have been collected from primary and secondary sources.

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

2.8.2. 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 2.1: Sample Size
## Name of the City

<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>
</tr>
<tr>
<td>Kurnool</td>
<td>450</td>
<td>45</td>
<td>380</td>
<td>38</td>
<td>180</td>
</tr>
<tr>
<td>Tirupathi</td>
<td>500</td>
<td>50</td>
<td>400</td>
<td>40</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>125</strong></td>
<td><strong>98</strong></td>
<td><strong>43</strong></td>
<td><strong>53</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

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

### 2.8.3. 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.

### 2.9. Period of data collection

Primary data has been collected from the respondents from October, 2015 to March, 2016.

### 2.10. Statistical tools used for the study

The data and information collected has been subjected to statistical treatment with the help of SPSS package. Chi-square and percentages have been used wherever necessary. The appropriate tools wherever necessary have been used in the study.

### 2.11. Limitations of the study
The study is limited to the 3 cities of Rayalaseema region. The responses given by 427 respondents cannot be generalized, as the sample size is small. There may be a bias creeping into responses given by the respondents.

2.12. Chapterization

*The following are the chapters of the study:*

**Chapter-1:** Introduction

A: Automobile Industry and Sports Utility Vehicles (SUV).

B: Buyer Behavior

**Chapter 2:** Research Methodology

**Chapter 3:** Demographic profile and Brand choice

**Chapter 4:** Attitude and perception towards SUV’s Attributes

**Chapter 5:** Buyer Satisfaction

**Chapter 6:** Summary of findings, Suggestions and Conclusion
REFERENCES:

2. Schoenberger, Robert, “As buyers shun SUVs, expect to pay more for that small car”, Cleveland Business News, (June, 2008).
10. Dr S. Subadra, Dr K. M. Murugesan, Dr R. Ganapathi, —Consumer Perceptions and Behaviour: a Study with Special Reference to Car Owners in Namakkal District, APJRBM volume 1, issue 3, December, 2012, pp. 21-25.


15. Abdul Majeed, “Sport utility vehicle is a model that is desired by everyone and people need a vehicle like that so that their weekend requirements are fulfilled”, International Journal Publishing, 2010.


17. Ibid


22. ibid
26. ibid
28. ibid
31. Dr S.Saravanan and Dr S.Silas Sargunam, —Ford Motors' India Specific Strategies, Indian Journal of Marketing, Volume Xxxxviii, Number 12, December 2008, pp.11-15.
44. Dr K. Chidambaram, Dr A. Soundararajan and Alfred Mino, —Brand preference of Passenger Car A Study with special reference to Coimbatore City in Tamilnadu, Indian Journal of Marketing, September 2004, pp. 18-29.
48. ibid
49. ibid
50. ibid
51. Raghuvir Srinivasan, —Passenger Cars: Jostling on a Wide Road, ICFAI Reader, May 2000, pp. 33-36.
55. ibid
56. ibid


76. Ali Araghchi, — Service Quality, Customer Satisfaction, Customer Experience and Behavioural Intention in Iranian Retail Stores, Lule University of Technology, Master Thesis, Continuation Courses Marketing and e-commerce, Department of Business Administration and Social Sciences Division of Industrial marketing and e-commerce. 2008:050 - ISSN: 1653-0187 - ISRN: LTU-PB-EX--08/050—SE.


