

“A study on the consumer behavior with reference to the purchase of International brand cars over the Indian brand”

Siddharth Dheer – **Author**

Nikita Kadam – **Co Author**

BBA-IB Sem VI

B.Com (Hons) Sem VI

Ajeenkya DY Patil University

Ajeenkya DY Patil University

ABSTRACT:

This research is all about understanding the customer's preference with foreign cars over Indian cars. Wherein, this research will indicate the customer's reviews on foreign cars. In India, today people have a lot of earning so the majority of them prefer buying the foreign made cars. Today, people's standard of living is such that they can afford to buy any car for themselves. Today people prefer buying the expensive cars be it a Rs 60,000,00 car or maybe more than that. So, this research is designed to find out that the superiority of foreign cars that the Indian companies should emulate. Even in the rural areas people have enough money that they can afford to buy a luxury car.

Key words: Consumer preferences, Awareness, Technology, Budget, standard of living, Generation Gap

OBJECTIVES:

- To understand the competition between the foreign cars and Indian cars.
- Understand the demand with reference to Indian and foreign cars in India.
- To understand those specific features which the Indian cars lack.
- The changes that every Indian car maker has to make according to the customer's requirement.

INTRODUCTION:

Today it has become more important to assess the unspoken needs of the customer in order to get a better market share. So, it is important for the companies to understand the customer's taste and preferences. This is what Toyota does while surveying their customers across the world. Then, they use Kaizen to continuously improve their product.

The definition by the Philip Kotler's 15th edition marketing management book: -

“Customer relationship management is the process of carefully managing the detailed information about individual customers and all customer “touch points” to maximize the loyalty. CRM is important because a major driver of the company profitability is the aggregate value of the customer base”

The definition on customer satisfaction by the www.MyaccountingCourse.com

“Customer satisfaction indicates the fulfillment that customers derive from doing business with a firm. In other words, it's how happy the customers are with their transaction and overall experience with the company.”

For example: - A Toyota customer is always given a feedback form right after the servicing of his car and accordingly they make improvements through the unspoken needs of the customer. Similarly, even if a customer purchases a new vehicle from Toyota, he is again given a feedback form for the after sales service.

ABOUT THE COMPETITION AMONGST THE BIG GIANTS IN INDIA

The competition has become a challenge for many automakers today. Back in the 1950s, people had very limited option to buy the cars amongst the Premier Padmini, HM Contessa and Ambassadors. But today they have vast options to buy cars with a good technology. For instance, people now want the add on features to their cars like the sunroof or the touch screen stereo. When we take a look at the history of automobile, back then we see no much of competition like we see it today in the 21st century. The competition is getting tougher and tougher day by day with the new brands launching. Recently, KIA Motors and MG motors have planned to bring their cars in India. The most competitive companies in India till now have been Toyota , Maruti Suzuki and Hyundai with maximum number of sales in India followed by the other brands. Competing in India seems like easy for any carmaker but difficult for making it value for money. Toyota has managed to pull the sales up by keeping good relations with their customers. So, to become competitive in India. It is very important to keep good relations with the customers.

Customer's taste and preferences matters much to bring a growth in the market share. India is a potential country for a car market with a huge demand for vehicles.

REASON TO INVESTIGATE ABOUT THE TOPIC

The purpose was to understand the unspoken needs of the customers. This survey gives a clear idea to deal with the customer. So, there are examples of Toyota given everywhere in this paper. The purpose of this research was again to practice talking to the customer. But most importantly, this research was only based on knowing the facts to understand what a lot of Indian companies are lacking and how they can bring themselves up to the level of an International brand in India. If we visit South Korea or Germany and we see people driving in their own country made car. Similarly Indian companies also need to pull up their socks to boost morale in their own country by ensuring that Indians use cars made in India . Moreover the attempt should be made that Indian cars are exported in big numbers as well.. This is what we should learn from the International companies.

LITERATURE REVIEW

Respondents, I have interviewed have strong opinion on making all of their cars easier to afford. Some people rarely keep their cars for more than three years, if they have a lot of money to afford a new car. As compared to the Indian brands, the foreign brands are given more importance over add on features. Indian cars may be better in terms of robustness, but people want a promise of a long life running vehicle. Majority of the users were the Toyota users. They all felt that upgrading their Innova to the Innova Crysta would be a better option. But, apart from this there were other brands users too. Maruti Suzuki, Hyundai, Ford, Volkswagen and the others. But, after finishing with the first step of an interview. This research made me realize that it must be a big challenge for many auto makers to understand the unspoken needs of the customers. Though, people have a different point of view about the vehicles, still they have a lot of choices with them. Automobile sector is doing quite well today in the world because people's standard of living has increased. Though, some companies still have a very long road to catch. Understanding the unspoken needs of the customers have only allowed the businesses to grow.

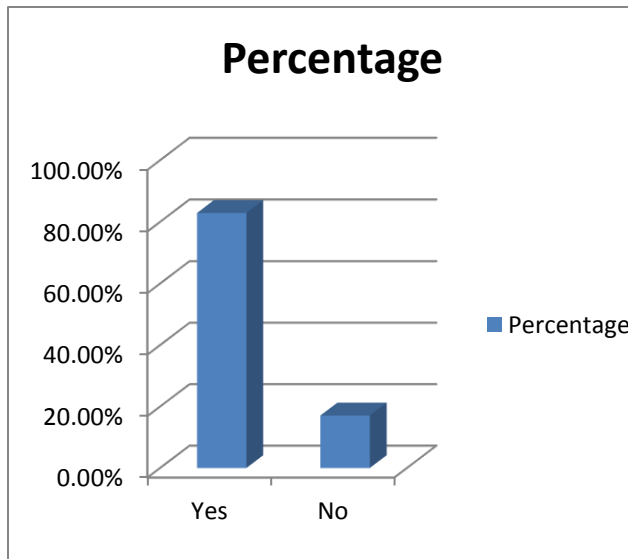
DATA ANALYSIS AND INTERPRETATION

This section is about the survey conducted to get the results on respondent's point of view of using a specific vehicle. Also, to get the feedback on behalf of all the companies.

QUESTION NO 1

Do you like to use a foreign made car?

Sr.no	Particulars	Percentage
1	Yes	82.90%
2	No	17.10%



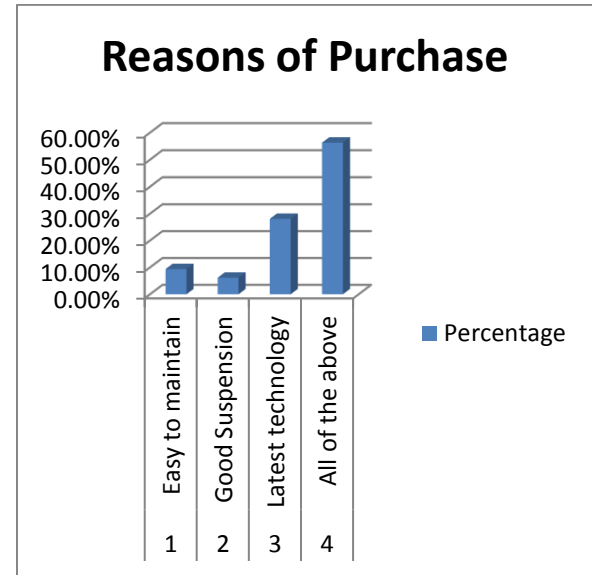
Interpretation: - Atleast about 82.90 % of the respondents said “Yes” to this question and the rest everybody else had said “No” because they were all in the favor of an Indian brand.

QUESTION NO 2

The reason behind choosing an international brand

Sr.no	Particulars	Percentage
1	Easy to maintain	9.40%
2	Good	6.20%

	Suspension	
3	Latest technology	28.10%
4	All of the above	56.30%

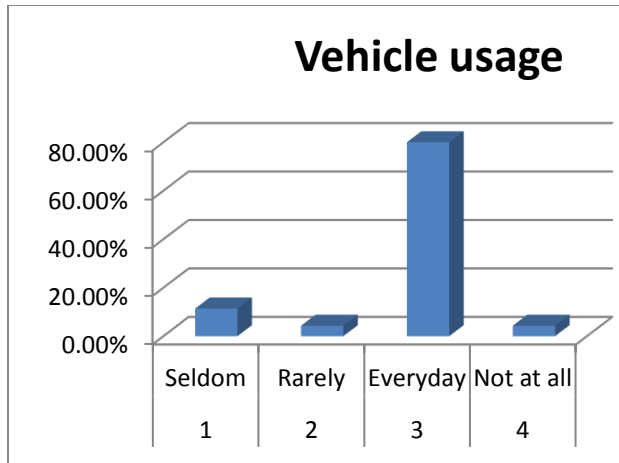


Interpretation: - About many people feel satisfied with the international brand as everything to them is perfect. They prefer this international brand because it’s all of the above for them as compared to the Indian brands.

QUESTION NO 3

How often do you use your car?

Sr.no	Particulars	Percentage
1	Seldom	11.40%
2	Rarely	4.30%
3	Everyday	80%
4	Not at all	4.30%



Interpretation: - Mostly people prefer using their cars on a regular basis,

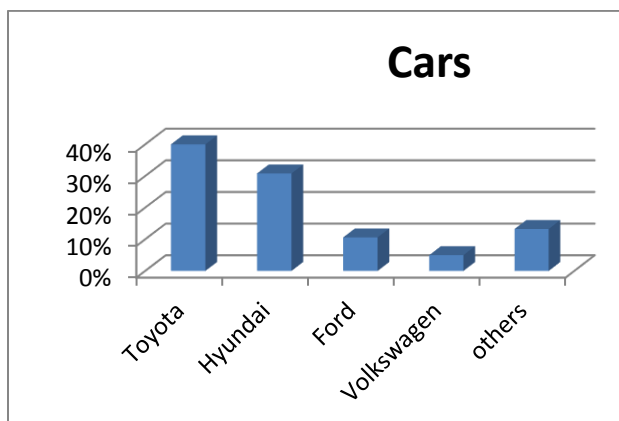
So there are rare chances that people have a car in India and use it at times.

Depends on the ones who are quite conscious about the damages.

QUESTION NO 4

What car do you use?

Sr.no	Cars they use	Percentage
1	Toyota	40%
2	Hyundai	30.80%
3	Ford	10.60%
4	Volkswagen	5.00%
5	others	13.25%



Interpretation: - Majority of the respondents were all the Toyota

users as compared to the others, because of the best resell value

and the after sales service.

QUESTION NO 5

On a scale of 1-5 how much ratings would you like to give an international brand over an Indian brand?

Sr.no	Ratings	Percentage
1	Not all satisfied	0%
2	Slightly satisfied	3%
3	Neutral	45.70%
4	Very Satisfied	40%
5	Extremely satisfied	11.40%

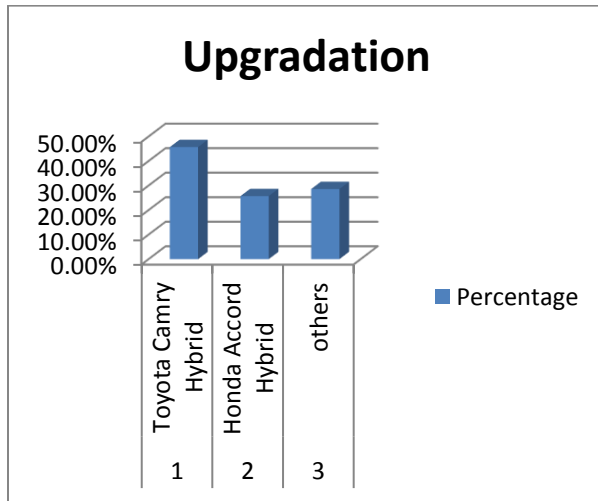
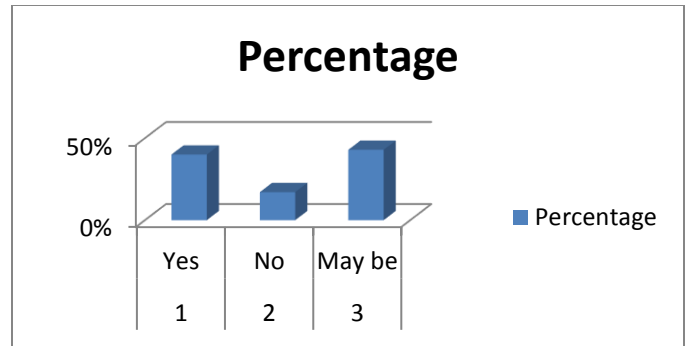


Interpretation: - In such cases a lot of audiences were neutral to this question as some of them had a favor for the Indian brands also.

QUESTION NO 6

If you had an option to upgrade your existing car, which one would you prefer to upgrade it to?

Sr.no	Upgradation	Percentage
1	Toyota Camry Hybrid	45.70%
2	Honda Accord Hybrid	25.70%
3	others	28.60%



Interpretation: - Majority of the people like Toyota Camry hybrid because it is from Toyota

with its low cost maintenance.

QUESTION NO 7

If you were left out with a choice of buying any Indian branded products. Would you?

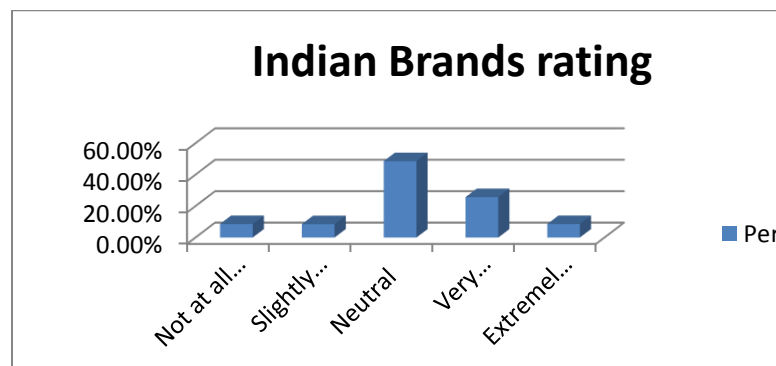
Sr.no	Choice	Percentage
1	Yes	40%
2	No	17.10%
3	May be	42.90%

Interpretation: - People were doubtful to whether say "Yes" to this question or not, but still many were quite supportive to the Indian brands by saying "May be".

QUESTION NO 8

On a scale of 1-5 how much would you like to rate the Indian branded cars?

Sr.no	Indian Brands rating	Percentage
1	Not at all satisfied	8.60%
2	Slightly Satisfied	8.50%
3	Neutral	48.60%
4	Very Satisfied	25.70%
5	Extremely Satisfied	8.60%



Interpretation: - Still the majority of people were neutral to this kind of a question as it

had depended on one individual's opinion with relation to the brand.

QUESTION NO 9

Why would like to give it such a rating?

Interpretation: - This was a one word answer question, as many of them had a different opinion about it, some of them who already own an international brand would love to go for an Indian branded too as a second option. But, in the other cases a lot of people have a strong opinion about the technology. Also, this was a big question by them to all the Indian carmakers.

QUESTION NO 10

In future would you like to go for a hybrid vehicle ?

Sr.no	Hybrid Vehicle	Percentage
-------	----------------	------------

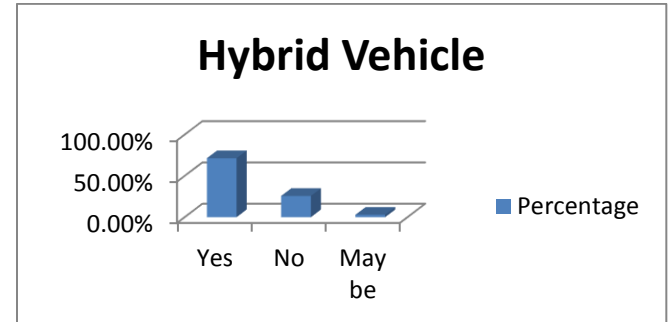
FINDINGS

1. The operating cost of Indian and as well as the Foreign cars are too high.
2. Customers want a budget friendly car.
3. All the foreign cars are well equipped with additional features as compared to Indian.
4. Indian brands are also moving to a new direction of a better technology.
5. The suspension quality of the Indian cars is disappointing.
6. Indian companies are capable of doing even better than the International brands.
7. Some people accept International brands for a good shape.
8. Some people just buy the cars to show their state of symbol.

SUGGESTIONS

1. Indian companies should develop their technology.
2. International companies should provide their spare parts at a low cost.

1	Yes	71.40%
2	No	25.70%
3	May be	2.90%



Interpretation: - Almost, around 72% of the people said "Yes" to buy the hybrid vehicle.

As it is a value to economy and the environment.

3. Indian companies should also provide their spares at low cost.
4. Indian companies should get involved with a lot of test marketing in India.
5. International companies like Volkswagen can also do a lot of test marketing and set up camps everywhere.

CONCLUSION

Be it an international or an Indian. That doesn't really matter. But every company should respect the customer's taste and preferences and design a product based on their requirements only. The companies should also understand the culture of the people of this country, and not make the product very expensive to afford. Though, still people are earning a lot of money. But for a company to be on the safe side should design something that is value for money. This is where the companies in India will also grow along with the Multinational giants. But just making a value for money product is not all, they should also introduce a lot of add on features in their vehicles too.

REFERENCES

- Marketing Management 15th edition by Philip Kotler
- AutoX , BBC TopGear , AutoGear an Toyota and Honda's official brochures-The 2016-2019 editions
- <https://www.toyotabharat.com/>
- <https://www.hondacarindia.com>
- <https://www.myaccountingcourse.com/>
- <https://www.team-bhp.com/>
- <https://www.mercedes-benz.co.in/passengercars.html>
- <https://www.autocarindia.com/author/hormazd-sorabjee-426182>