Analysis of Research in Consumer Behavior of Automobile Passenger Car Customer

Vikram Shende*

*Senior Manager – Programme Management, Foton Motors Manufacturing India Pvt. Ltd. Pune, India

Abstract- 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 like Porsche, Bentley, and Ferrari all set to venture in Indian market. This research will be helpful for the existing and new entrant car manufacturing companies in India to find out the customer expectations and their market offerings. Indian Automobile car business is influenced by the presence of many national and multinational manufacturers. This paper presents analysis of research in the area of Consumer Behavior of Automobile Car Customer. Proper understanding of consumer buying behavior will help the marketer to succeed in the market. All segments in Indian Car industry were studied and found that buyer has different priority of behaviors in each segment, where as main driver for car purchase is disposable income. Value for money, safety and driving comforts top the rank in terms of customer requirement; where as perceived quality by customers mainly depends on brand image.

For this research, methodology adopted was to study the research papers in the area of Passenger Car segment, study the purchase decision process and its interaction with behavior parameters across all the segments of car such as small & Hatch Back segment, Sedan class segment, SUV & MUV segment and Luxury Car segment. The objective of this study is the identification of factors influencing customer’s preferences for particular segment of cars. This paper also attempts to consolidate findings & suggestions to overcome present scenario of stagnancy in sales and cultivate future demand for automobile car market.

Index Terms- Consumer behavior, Small Car, Sedan class segment, Customer Perception, Luxury Car segment, Automotive Industry

I. INTRODUCTION

India being the second most populated country in the world and the growth rate of Indian economy is also high as compared to developed countries, which attracts the presence of huge demand in the Automobile Small Car Industry. India is becoming emerging market for worldwide auto giants. India is on growth path and has lowest passenger vehicle penetration, ref. Figure 1.

There are various reasons for the growth of the Indian automobile market such as -
1. The people have more disposable income as economy is growing.
2. Increase in the need of mobility due to urbanization and leisure travel.
3. Car Finance options available from Financial Institutes at reasonable rate of interest.
4. Availability of service centers and spare parts in near vicinity.
5. Improvement in highway infrastructure.

![Figure 1: Passenger Vehicle Penetration](source: ICRA, Mar 2011)
For most of the people, purchasing a car is the second most important and expensive decision, next to purchase of a house; for the automotive manufacturers, first-time car buyers give them the opportunity to create positive brand image which definitely could be reflected in next coming years because consumers could make repeat car purchasing. The concept of “buying behavior” is of prime importance in marketing and has evolved over the years. It is very important to understand consumer buying behavior as it plays a vital role while purchasing products. Day to day human wants are growing, expectation is growing. Car Models are no exception to this behavior. Consumer behavior is fairly complex as Car Purchase implies a high level of social and psychological involvement. Consumer buying behavior is a blend of Economic, technological, political, cultural, demographic and natural factors as well as Customer’s own characteristics which is reflected by his attitude, motivation, perception, personality, knowledge and lifestyle.

This lead to constant modifications of Car Models and its features in terms of their size, capacity, styling etc. and today we see a new model coming into the market practically every quarter. Market has become very competitive and has become very ‘important place’ to study the behavior of consumers and also provide useful insights what a consumer requires in a product in a constant dynamic environment. Consumer behavior also differs for same Car under below conditions-

1. New Car launch in market
2. Car is in market for 1-2 years
3. Car is in the market for more than 4 years
4. Purchase of second hand Car

It is only through research that a company will be able to study the buying behavior of consumers. With better understanding of customer’s perceptions, companies can determine the actions required to meet the customer’s need. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out the future progress path and improvement. The passenger car market changed very rapidly due to the fierce competition and advance technology, therefore, it requires the automotive manufacturers to understand the consumer’s preference on time and take fast actions to reflect market changes quickly. So it would be very interesting to know consumer’s preference in today’s fast-changing passenger car market and how is the customer’s buying process.

II. STATEMENT OF THE PROBLEM

Due to the emergence of globalization and liberalization there is a stiff completion among the Automobile industries which are focusing attention in capturing the Indian markets an automobile are no more considered as luxury once, now occupies a part of day-to-day life and has become a necessity. Customers have now changed their attitude that yesterday’s luxuries are today’s necessities. To be a successful marketer it is absolutely essential to study the perceptions of the prospective buyers and track their drivers of those perceptions.

III. REVIEW OF LITERATURE

Manish Kumar Srivastava, A.K. Tiwari [1], studies the consumer behavior for A3 segment vehicles such as Honda City and SX4 in a particular region Jaipur. Data collected from 100 respondents 50 each from Honda City and Maruti SX4. Respondents were considered from various backgrounds like Gender, Occupation, Income class. Also 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 it revealed that, while purchasing A3 segment car Customer give much importance to Safety, 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.

Prasanna Mohan Raj [2], studied the factors influencing customers brand preference of the economy segment SUV’s and MUV’s. Data collection was made through direct interaction and customer intercept survey using questionnaire. Descriptive analysis was used to transform data into understand format and factor analysis was used for identification of factors influencing customer preference. 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.

Nikhil Monga, Bhuvender Chaudhary, Saurabh Tripathi [3], this 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. Similarly, the idea of measuring the customer satisfaction will serve the same purpose of determining the customer perception. Thus, by measuring the willingness of exciting users of a car to recommend it to others will help the car manufacturers to chalk out the entire customer Buying Behavior. 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. The customer makes to his acquaintances for the same car. Also it is seen that the customer might not be using the car still he holds the perceptions about it. Brand personality of a car is enforced by the sellers in the mindsets of the customers and customers 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. As per the study findings, dealers play a very important role in building up the brand perceptions of the cars.

Samin Rezvani, Goodarz Javadian Dehkordi, Muhammad Sabbir Rahman [4], this paper reviews the country of origin and different variables that influence consumer purchase intention, also highlight the relationship of variables and customer purchase intention. Study demonstrate that people care about which country products come from and where they are made and consider these factors when evaluating the quality of product. Stereotypes of country and the preferences of customers, influence the purpose intention. Political system, culture and the economy of the country can be a cause of sensitivity to people. There are many factors that have an impact on consumer purchase intention. Research and methodologies have shown that even when consumers can evaluate all the intrinsic product characteristics by expressing the product, the effect of extrinsic cues has more influence on consumer product evaluation. Country of origin is one of the extrinsic cues; in addition, there is no doubt that country of origin has considerable influence on the purchase intention process.

K.Vidyavathi [5], the 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 consumers 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.

Balakrishnan Menon, Jagathy Raj V.P.[6], 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. Foreign brand cars show clear preference in the Kerala car market. Also it was observed that in the information gathering and consumer 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.

Ramita Verma, Shubhkamana Rathore [8], studied the luxury car segment of India. Researches and 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 crow 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. Study also throws light on market drivers of luxury cars like

- Political-governent taxation, business sentiments, import-export policies, government stability.
- Demographical factors like Consumer trends, Income growth, spending power.
- Customer requirements such as status symbol, indulgence, technological factors.
- Socio cultural factors such as Lifestyle and preferences of people which impact their choice of types of automobiles. Social norms that impact the decision to own and use automobiles versus other means of transport.

IV. METHODOLOGY

However all the studies made in Consumer buying behavior of Automotive Car for various segments from small up to luxury car provides the knowhow for Car Manufacturer but fails to provide scientific approach for factors of Consumer behavior and their drivers. In this paper an attempt is made to-

1. Study & Classify Car market based on segments like – small car, Hatch back, Sedan Class, premium Sedan, SUV & MUV and Luxury Car.
2. Study on purchase decision process.
3. Broad classification of behaviors and their effect on various car segments.

4.1 India Car Market Segments:
The Indian car industry is now the seventh largest car manufacturer in the world. The overall Indian automobile industry has grown at a high rate of around 15% (CAGR 2007-12) on the back of a healthy macro-economic growth and overall positive sentiments. As India is a developing economy with relatively low GDP per capita, the Indian automobile industry is dominated by 2-Wheelers which comprise of ~77% of the overall market. Passenger vehicles are the 2nd largest segment of the industry with a share of ~15% and commercial and three wheelers comprise of 8% of the market share. In India Passenger Vehicle market is further classified into three segments –

- Passenger Cars (PC)
- Utility Vehicles (UV)
- Vans ( Mini Vans - not included in study)

Passenger Cars sub-segment dominates the passenger vehicle market in India with ~70% share. The next biggest sub-segment is the Utility Vehicles segment which has a share of ~20%, followed by Mini Vans.
**Passenger Car Segment:**

The Passenger Car (PC) segment is categorized into 9 sub-segments primarily based on overall vehicle length as shown in figure 2.

![Figure 2: Indian Passenger Car Segment](source)

Out of the 9 sub-segments, 3 sub-segments viz. Compact, Mini and Super Compact comprise ~90% of the overall passenger car (PC) market. The largest sub-segment is Compact followed by Mini. The demand for small cars is the highest because of relatively lower per-capita incomes and high traffic density in urban areas. Compact and Mini sub-segments primarily comprise of hatchbacks which are preferred due to relatively low price, high fuel efficiency and easy maneuverability. Suzuki is the leading player in the passenger car segment with a dominant share of ~45%, distantly followed by Hyundai with a share of ~20%.

**4.2 Purchase Decision Process:**

In order to assess the importance of the environmental awareness in the car purchase decision, it is necessary to get an insight into the process of purchasing itself. The consumer’s decision to purchase a product is a multi staged process. Kotler (2006) identifies that the consumer will go through five stages. Vehicle purchase behavior fairly complex, as car purchase implies a high level of social and/or psychological involvement. Therefore, the consumer will transit each stage of purchase decision making process as presented in figure-3.

![Figure 3: The Purchase Decision Making Process](source)

- **a) Problem Recognition:** In this information processing model, the consumer buying process begins when the buyer recognizes a problem or need. When we found out a difference between the actual state and a desired state, a problem is recognized. When we find a problem, we usually try to solve the problem. We, in other words, recognize the need to solve the problem. But how?
- **b) Information Search:** When a consumer discovers a problem, he/she is likely to search for more information. Through gathering information, the consumer learns more about some brands that compete in the market and their features and characteristics.
- **c) Evaluation and Selection of Alternatives:** How does the consumer process competitive brand information and evaluate the value of the brands? Unfortunately there is no single, simple evaluation process applied by all consumers or by one consumer in all possible situations.
buying situations. One dominant view, however, is to see the evaluation process as being cognitively driven and rational. Under this view, a consumer is trying to solve the problem and ultimately satisfying his/her need. In other words, he/she will look for problem-solving benefits from the product. The consumer, then, looks for products with a certain set of attributes that deliver the benefits. Thus, the consumer sees each product as a bundle of attributes with different levels of ability of delivering the problem solving benefits to satisfy his/her need. The distinctions among the need, benefits, and attributes are very important. One useful way to organize the relationships among the three is a hierarchical one.

d) Decision Implementation: To actually implement the purchase decision, however, a consumer needs to select both specific items (brands) and specific outlets (where to buy) to resolve the problems. There are, in fact, three ways these decisions can be made: 1) simultaneously; 2) item first, outlet second; or 3) outlet first, item second. In many situations, consumers engage in a simultaneous selection process of stores and brands. Once the brand and outlet have been decided, the consumer moves on to the transaction (“buying”).

e) Post-purchase Evaluation: Post-purchase evaluation processes are directly influenced by the type of preceding decision-making process. Directly relevant here is the level of purchase involvement of the consumer. Purchase involvement is often referred to as “the level of concern for or interest in the purchase” situation, and it determines how extensively the consumer searches information in making a purchase decision. Although purchase involvement is viewed as a continuum (from low to high), it is useful to consider two extreme cases here. Suppose one buys a certain brand of product as a matter of habit (habitual purchase). For him/her, buying a is a very low purchase involvement situation, and he/she is not likely to search and evaluate product information extensively. In such a case, the consumer would simply purchase, consume and/or dispose of the product with very limited post-purchase evaluation and generally maintain a high level of repeat purchase motivation.

4.3 Broad Classification of consumer behavior:
Consumer behavior is a blend of Economic, Technological, Political, Cultural, Demographic and natural factors as well as his own characteristics which is reflected by his attitude, motivation, perception, personality, knowledge and lifestyle. Marketers can rationalize their existence only when they are able to understand consumer behavior. From study it was envisaged to classify these behavior parameters under broad categories – Economic, Social, Demographic, Geographic, Psychological, Product & Technology. Various customer behavior parameters can be clubbed as given in below Table 1.

**TABLE I**
Broad Classification of Consumer Behavior

<table>
<thead>
<tr>
<th>Social Parameters</th>
<th>Economical Parameters</th>
<th>Political Parameters</th>
<th>Product &amp; Technology Parameters</th>
<th>Demographic Parameters</th>
<th>Geographic Parameters</th>
<th>Psychographic Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Infrastructure</td>
<td>Monthly Income</td>
<td>Government budget planning</td>
<td>Fuel Efficiency</td>
<td>Source of Income</td>
<td>Region</td>
<td>Activities</td>
</tr>
<tr>
<td>Road Safety</td>
<td>Disposable Income</td>
<td>Government Policies – such as vehicle Life (Max 15 years)</td>
<td>Exteriors – Overall look, color, shape, feature lines, head lamp &amp; tail lamp</td>
<td>Gender</td>
<td>Size / Area</td>
<td>Interests</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>Loan Interest</td>
<td>Government taxation &amp; duty structure</td>
<td>Interiors such as Plush interiors, exotic colors, legroom, seat design, arm rest, music system</td>
<td>Height, Weight, Complexion</td>
<td>Population density</td>
<td>Opinions</td>
</tr>
<tr>
<td>Competition in the market (options available)</td>
<td>Easy Loan Availability</td>
<td>Vehicle performance-Pickup, mileage, acceleration, max speed, torque, Engine Capacity</td>
<td>Education</td>
<td>Climate</td>
<td>Attitudes</td>
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</tr>
<tr>
<td>Age</td>
<td>Driving Comfort</td>
<td>Occupation</td>
<td>Off-Road, On-road</td>
<td>Values</td>
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<tr>
<td>Fuel Price</td>
<td>Product Quality – Durability, reliability,</td>
<td>Age</td>
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<tr>
<td>Product Price</td>
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Based on the analysis and as shown in figure 4, it is evident that, increase in disposable income seems to be the most important reason for buying a car. This trend is reflected in the growth of the per capita income and consequently the growth of the Indian automobile Industry. Similarly, the growing family needs like working partners, increasing family size, status, etc. add to the motives of buying a car. At the same time affordability of car price is the most important factors for purchasing a particular segment car.

![Figure 4: Drivers for Buying a Car.](image)

Customer Behaviors of various Passenger Car segments are as described below:

**Micro Car Segment (Length < 3.2 Meter)** - It is the lowest cost segment with only one Tata Nano Car. Despite being the cheapest car, had serious initial quality issues which damaged its brand image and customer faith. As a product this segment will get preference for city drive over congested road conditions wherein safety on road will be better than two wheeler.

**Mini Car Segment (3.2 < L < 3.6 Meter)** - It is the 2nd largest sub-segment in the passenger car market is highly consolidated with 2-3 significant players having 7 products. The reason for presence of relatively few players in this segment is because of highly price sensitive consumer. To enable competitive low cost manufacturing, high volumes and thus a large network is required. Maruti Suzuki and Hyundai are the dominant players in the sub-segment as they were the early entrants and have low cost manufacturing competence. Consumers of these segment cars are 1st time car buyers with product price as deciding factor. M800, Suzuki Alto, Zen, Wagon R, Santro, Spark are the cars from this segment.

**Compact car segment (3.6 < L < 4.0 Meter)** - It is the most crowded segment with about 13 players and 20 product offerings as it is the largest sub-segment (~45% share) in passenger cars. Yet, the ability to manufacture low cost good quality cars has resulted in the market being relatively consolidated with 2 players – Maruti Suzuki and Hyundai – dominating the market with a combined share of over 50%. While Maruti Suzuki, Hyundai and Tata were the early entrants in the sub-segment, Honda has already overtaken Tata to become the 3rd largest player in the sub-segment. This has happened because of high brand equity and competitive pricing of Honda products. Swift, i10, Jazz, Vista, Beat, Figo, Polo, Micra, Liva, Vibe, Punto, Pulse etc. are the cars from this segment.

**Super Compact (4.0 < L < 4.25 Meter) and Mid size Segment (4.25 < L < 4.5 Meter):**

“Super Compact”, the largest sub-segment, is comprised of sedans and marks the beginning of 3 box cars in the segment. This sub-segment is dominated by Maruti Suzuki with cheapest sedan Swift Dzire developed on its most successful compact hatchback car platform. The dominance of Maruti Suzuki ends at this sub-segment in the hierarchy.

“Mid-size” is the 4th largest sub-segment in passenger car market. It is also the relative more fragmented sub-segment with 11 players offering 14 products. Most players in this segment either offer a product which shares platform with it offering in the Compact subsegment or a global product. Hyundai is the dominant player in this segment due to competitively priced feature-rich product with option of both gasoline and diesel powered engines.

The choice of car in this segment is driven by income. In this segment customers first preference is for safety, driving & Seating comfort and brand, second most preference is for after sales service, price, power and pickup, mileage whereas maximum speed is of lowest preference. Also this segment requires value for money, best features, and customer friendly vehicle.

**Executive (4.5 < L < 4.7 Meter) and Premium class segment (4.7 < L < 5.0 Meter)**: Due to low sub-segment volumes, most players offer global products which are manufactured using CKDs (Completely Knocked Down kits). Hyundai and Toyota are the leading players in the segment. This is an executive and premium class segment customer; most of these owners tend to have purchased a car previously, the customer has potentially developed an attitude towards car. In this segment attitude becomes an evaluating judgment.
based on prior or present experience. These customers preference is for attractive styling, brand image, best product performance in terms of acceleration, max speed and higher horse power. These customers seek to show personality, leadership from brand of car as most of the customers prefer this segment for business purpose. Car price, fuel efficiency, spares cost are of secondary importance. Car interiors styling such as IP shape & finish, all customer touch points, seat, steering door handle etc. are of high importance. Also exterior styling, overall look, paint finish and safety & driving comforts are of prime importance.

Luxury and Coupe sub-segment: These are relatively marginal segments with less than 1% combined share of the passenger car market. Almost all products in these sub-segments are offered through the CBU route (Completely Built Unit) due to miniscule volumes which neither justify neither localization nor local assembly. This segment is of high end luxury cars such as Audi, BMW, Jaguar, Mercedes, Lexus, Porsche, Rolls-Royce, as these brands are considered luxury. Average car price of this segment cars is more than Rs. 35 Lakh and is growing at an average rate of 20% Y-O-Y. According to the Report of World Wealth by Capegeminii and Merrill Lynch Wealth Management, most countries in the world have increased their HNI (High Net-worth Individuals) count. While, India has more than doubled it – maximum compared to any other country in the world. HNI customers are celebrities, business leaders, and corporate honchos, politicians from urban and rural India. Their attitudes are “Get it? Flaunt it”, “Power Show”, “Image and Uniqueness”. High social status from perceived brand image is the common driving factor of this segment. Superior functionality, best in class quality and high end & customized features are the most preferred parameters of this segment.

SUV & MUV Segment: This segment is actually utility segment further segmented into UV1, UV2, UV3 and UV4 based on length and price parameter. Economy segment UV’s are Sumo, Safari, Aarya, Bolero, Scorpio, XUV500, Xylo, Innova. Whereas high end UV market is very limited and dominated by Fortuner, Prado, Landcruiser, Pajero etc. Customers of economy and high end SUV shows difference mainly in terms of affordability of vehicle price, spares cost and serviceability. Whereas the main driving factor of this segment is fun, road presence, egocentric relationship. In India economy class SUV’s found to be of better choice in rural area as product image is rugged, muscular, rough& tough, worthiness to bad roads. High end SUV customers are celebrities, business tycoons, politicians those want to use car as indulgence. These segment cars are having high perceived safety by customers because of looks, overall structure and exterior styling of vehicle.

Suggestions and Findings:

1. After 68 years of freedom India is still dependent on gulf countries for its fuel requirement. Uncertainty and dependability for fuel on other countries restricts the growth of Indian car industry. Also currency used globally for fuel pricing is USD and any fluctuation in currency has direct impact on fuel cost which damps the car sale. Manufacturers need to focus on alternative fuels to propel the future of car industry.

2. India is developing nation with low per capita income. Instability in Indian economy will have an immediate effect on car sale, as car is perceived as life style product. Though car industry cannot be insulated from the effects of slow down and recession in economy, industry needs to be more insync with growth and development of India.

3. Growth in disposable income and higher education will remain the main drivers of future advance cars. Car manufacturers need to track these trends and align their product strategies.

4. Indian government should come forward, reduce the taxation and revise the duty structure for green vehicles those are - less pollutant, high fuel efficient, safe drive vehicles. Government should ensure better quality cars to be available on roads and implement ELV ( End of Life ) norms. Cars plying on roads for more than 10 years should be re-inspected for their proper functioning and roadworthiness. Road infrastructure needs to be further updated to support technological requirements such as ABS, Air Bag, and Vehicle tracking through GPS, RFID and electric car by proving road side electrical charging.

5. Car dealers and manufacturers show very good hospitality to customers during their visits to the place of showroom before and immediately after their purchase. But after some time they face a problem with their dealers regarding after sales service. Therefore, it is suggested that the services rendered r to be rendered should be properly explained, friendly approach and reliability in service to be further improved. Cost of spare parts to be charged reasonably.

6. The increase in number of women car owners, using the car for their office, personnel and family work, thus becoming an influential group, calls for separate attention of car manufacturers and marketers to focus their strategic efforts in this direction.

7. During initial search, TV commercials on car models and brands, search on internet websites of the manufacturer and visit to dealers / distributors were the prime sources where customers gathered information on car models and brands, marketers might want to focus on these factors to catch the attention of the intending future customers.

8. When it came to decision based on preferences, personal needs, the top slot parameters were - the need of the business firm, peer pressure from other family members owning a car and upgraded the model to suit personal ambition. Marketers need to understand these requirements and focus their marketing strategies towards these customer requirements.

9. In the category of personal preference on comfort factors, dominant factors were comfort in driving, value for money and interior design, which topped the requirement list. Car segment wise analysis also brought out these specific comfort requirements across all the brands. Manufacturers might look into these aspects to their car design, so to attract car passengers, prone to decide the models based on these criteria.
CONCLUSION

Consumer behavior consists of all human behavior that goes in making before and post purchase decisions. One can succeed in the competitive market only after understanding the complex consumer behavior. An understanding of the consumer enables a marketer to take marketing decisions which are compatible with its consumer needs. From study there are various major class of consumer behavior determinants and expectations, namely socioeconomic, psychological, political, geographical, demographic and Product & Technology. Further classification of human behaviors under main categories will enable car manufacturer to align their strategies in concurrence to customer behavior. While purchasing mini segment car though customer is highly cost conscious but this segment is also upgrading their requirements and due to rise in disposable income, with in segment migration is observed, Customer is more inclined to purchase Suzuki Swift, 120. For mid size segment customer focus is for safety, driving & seating comfort, brand. Also this segment requires value for money, best features and customer friendly vehicles. In higher segment cars like Executive and Premium brand image is main deciding factor which gives assurance of meeting their needs in terms of safety, performance and feature requirements. Global brands are highly preferred in Executive and above segments. So car companies should adopt the “Think-Global, Act-Global”. Approach in strategy making which involves standardization across the world. Brand global presence is judged by consumers based on availability around the globe with standardized products, brand name, distribution channels and communications. By going global, the company will enjoy an increase in market share, which indicates increase in demand for their products. With that, the company can produce with economies of scale, reduce cost per unit and increase production efficiency resulting in serving customers efficiently and economically. Most importantly, compared to local brands, companies with global brands will be able to penetrate into markets more easily, regardless to high or low status seeking consumers, global brands with proper strategy will enable them to achieve an enhanced global image.

APPENDIX

Nil

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First Author – Vikram Shende, M.E (Production Engineering), and vikshende@yahoo.co.in