

## **A Comparison of Customer Perception Towards Maruti Suzuki SWIFT vs Hyundai Grand i10**

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### **Abstract**

The presence of the many manufacturers and variants in the automobile sector of India provides several decision options to the customers making the passenger small car market highly competitive. Customers now search for differentiating factors, which may help them to choose among the alternative products available in the market. Being the second most populous nation in the world, changes in India have a global effect. Motivated by the fast paced changes in the country, this study aims to assess the customer perceptions and attitude towards small cars of the residents of a rapidly growing Rayalaseema region of Andhra Pradesh.

The present study has conducted a questionnaire survey with a sample size of 762 respondents who own a small car in Rayalaseema region of Andhra Pradesh, India. Results reveal that the key drivers of Indian automobile market are mileage, maintenance and resale value. Indian customers always want value for money in purchasing a small car. Further, it can be suggested that there is huge demand for small cars in India provided if the manufacturers comes up with new variants.

### **1. Introduction**

India is emerging as a source of high value and advanced quality engineering products and services for multinational companies. India is set to emerge not only as a large domestic market for automotive manufacturers, but also as a crucial link in the global automotive chain. Among other industries, the automotive industry in India is understood to be the most dynamic. It has been experiencing strong growth rates after de-licensing of the industry in 1991, when major economic reforms took place in India. The automotive industry in India produces a wide range of vehicles like passenger cars, utility vehicles, commercial vehicles, two-wheelers, three-wheelers and tractors. Currently, there are approximately 17 manufacturers of passenger cars and utility vehicles, 9 manufacturers of commercial vehicles, 16 manufacturers of two-wheelers and three-wheelers and 14 manufacturers of tractors. The Indian automotive industry is one of the world's fastest growing automotive industries growing at a Compounded Annual Growth Rate (CAGR) of approximately 7 per cent over the last five years. It is now the eleventh largest manufacturer of passenger cars, fourth largest manufacturer of commercial vehicles and the second largest manufacturer of two-wheelers in the world.

The countries large middle class population, growing of earning power, strong technological capability and availability of trained manpower at competitive prices are also the reasons that attracted a large number of multinational auto companies, especially from Japan, the U.S.A., and Europe, entering the Indian market. At this juncture, the present study aimed to analyse various influencing factors of consumers while buying a small car along with their perceptions and attitude towards small cars.

For the present study, top two companies were selected based on their sales in the year 2016 – 2017 in India. One is a former foreign collaborated Indian Company: MARUTI SUZUKI and another one completely foreign company: HYUNDAI. This made the study unique by considering the comparison between Indian based and foreign based brands from consumer point of view.

### **2. Review Of Literature**

Over a period of time, especially after 1958, a number of studies on the performance of passenger car industry have been made by economists, academicians, researchers and others in India. A survey of these studies will throw light on the distinguishing features and the importance of those

studies and will pave the way for further investigation. The purpose of this section is to critically examine the relevant literature on the consumer behavior in passenger car industry and bring out the distinguishing aspects of this study.

**Sangeeta Gupta (2013)** investigated the differentiating parameter and effect of reference group that influence the consumer buying behaviour of car owners within the city of New Delhi. The primary data was collected from 191 respondents, located in New Delhi using convenience sampling. The results revealed the strong influence of attributes like price, fuel efficiency in buying decision and importance of reference group.

The investigation of the paper has revealed that the Price-off amongst the promotional offers and fuel efficiency in the passenger cars are found to be the foremost reasons for the preference by the customers. The study also reinforced the association between the respondents' age and the main influencer in buying a passenger car. Besides, the friends, family and relatives as main influencer, users also trust the information available on internet. All the 21 features/attributes that are considered in the study were found to be vital by the consumers. Among attributes, the three most important ones are fuel efficiency, price and powerful engine. Consumers felt that if the price of the passenger car is ignored, they will prefer premium level, stylish and powerful passenger car.

**Shiv Prasad Joshi (2013)** identified the factors that influence the consumer behavior with special reference to small cars. He examined the factors affecting consumer's pre-purchase and post purchase behavior, further the brand preferences and attitudes towards various brands of small cars in India. The survey was conducted on the customers of small cars in the cities of Jaipur and Jodhpur with a sample size of 100. The respondents were asked to mark on the five point Likert scale. The study ascertained that the small car industry in India is dominated by Maruti with Alto as the most preferred car in this segment followed by Santro, Tata Indica, Maruti Zen, and Spark. Palio found to be the least preferred car among the consumer. This study revealed that purchasing of car is strongly influenced by the advertisements and secondly by family and friend's recommendations. Further, the study also revealed that price is one of the most important criteria in selection of car. Safety measures in car are least preferred criteria. The study suggested that companies must pay attention to fuel efficiency, warranty and after sale services and availability of accessories.

**Gautam (2014)** investigated on various factors affecting the purchase behaviour of the automobile consumer. The study has been conducted in northern states comprising Punjab, Haryana, Himachal Pradesh, Delhi and Chandigarh. The total 250 customers who have purchased (Volkswagen, Hyundai, Maruti and Honda cars) were contacted for purpose of study. It has been found that safety, looks, shape, features and interior image and presales and post sales policies have compelled the customer to select and buy the car. The study found Hyundai and Volkswagen are emerging as very strong brands in Car Segment of Automobiles in comparison to other manufacturers.

**Priya & Ravi (2015)** has made an exploratory approach to identify the key factors that influence the women consumers while selecting the appropriate four wheelers especially in B segment cars by considering various parameters such as mileage, maintenance cost, comfort and brand which are ambiguous and imprecise in nature. They conducted a survey through structured questionnaire from 50 consumers in Bangalore. The study found variables such as Safety, Maintenance, and Mileage, Easy mode of financing and easy driving are influencing buying preference of consumers.

**Shahir Bhatt & Amola Bhatt (2015)** investigated the factors that influence the purchase of Hatchback Cars empirically in Ahmedabad. The data was collected from 300 hatchback car owners in Ahmedabad district of Gujarat by using a self-administered questionnaire. The study found five factors namely Brand promise, Features, Reach, Promotions, Perceived Quality and Price/Make influence consumers in purchasing hatchback cars. Further, the study found a significant relationship between

brand promise and age, monthly income and educational qualification. Also found a relationship between reach and monthly income, features and age, and price/make and marital status.

From the review of literature on consumer buying influences, perceptions and attitudes in small car segment, it can be inferred that there is a need of a comparative study in small car segment.

### 3. Research Objectives

The objectives of the present study are to conduct an in-depth and comprehensive study on perception towards selected brands of cars in Rayalaseema region. List of objectives are detailed as follows:

- i. To examine various influencing factors that customers consider while purchasing a small car.
- ii. To examine the customers perceptual difference between Maruti Suzuki SWIFT and Hyundai Grand i10

### 4. Research Methodology

Now-a-days, car has become a necessity and forms a part of life of even to the middle class people. Therefore, there is a significant scope to examine the perception and purchase behaviour of the customers of small cars. The study is restricted to Rayalaseema region of Andhra Pradesh, India. Rayalaseema region covering four districts viz., Ananthapur, Chittoor, Kadapa and Kurnool with a population of around 1.5 crore as per the 2011 census is a potential market for all the products and services, because people of various religions, languages, cultural backgrounds and demographic and socio-economic characteristics live in this area. This study tries to analyze the influence of perception in the consumers' mind and how this information can be used successfully by marketers to gain entry into the minds of the consumers.

The present study adapted the categories of influencing factors proposed by Subadra et al. (2010) to test the perception of car owners towards selected brands of small cars. Further, demographic variables such as gender, age, marital status and educational level, and social variables such as family income and family size were considered as the predictors of attitudes towards small cars.

A convenience sample of 800 foot walks in customers to the selected car showrooms and service centres in Rayalaseema region is used in the present study, because it is the best sampling method while dealing with large sample sizes and infinite population. In addition, most of the earlier research studies also adopted the convenience sampling method. A total of 782 filled-in questionnaires were collected, 20 questionnaires were half-filled, which were removed from the sample for further analysis, leaving finally 762 valid, usable questionnaires.

The initial format of the questionnaire prepared was pretested in the pilot study on 50 car owners who visited the car showrooms for service. Modifications were made based on the subject's feedback to improve the clarity and presentation of questionnaire items, and the filled-in questionnaires were later examined for scale reliability.

**Table 1 Reliability analysis for the Pilot Study**

Scales	No. of Items	Cronbach Alpha
Technical Factors	6	0.716
External Factors	5	0.770
Price/Maintenance Factors	7	0.775
Service Factors	3	0.779
Brand Factors	4	0.783

Source: Pilot Study

### 5. Research Hypotheses

The present study has framed three hypotheses based on the review of literature and all these hypotheses were tested against both Maruti Suzuki SWIFT and Hyundai Grand i10 separately.

**H1:** There is a significant influence of purpose on perception towards various factors of a small car.

**H2:** There is a significant influence of Family size on perception towards various factors of a small car.

**H3:** There are significant perceptual differences between Maruti Suzuki SUZUKI and Hyundai Grand i10.

### 6. Analysis

The demographic characteristics of the respondents that are considered in the present study are Gender, Age, Educational Qualifications, Occupation and Income level. Distribution of respondents based on their demographic characteristics, is shown in the **table 2**. Analytical aspects of these characteristics are worth noting.

**Table 2 Demographic Characteristics of the Respondents (N=762)**

Demographic Characteristics	Groups	Frequency	Percent
<b>Gender</b>	Male	587	77.0
	Female	175	23.0
<b>Age</b>	Less than 30	159	20.9
	30 – 40	340	44.6
	More than 40	263	34.5
<b>Educational Qualifications</b>	Below Graduation	93	12.2
	Graduation	190	24.9
	Post-Graduation	479	62.9
<b>Occupation</b>	Professional	127	16.7
	Govt. Employee	103	13.5
	Private Employee	532	69.8
<b>Annual Income</b>	Below 5 Lakhs	190	24.9
	5 – 10 Lakhs	213	28.0
	Above 10 Lakhs	359	47.1
<b>Family size</b>	Less than 3 members	158	20.7
	3 members	149	19.6
	4 members	123	16.1
	Above 4 members	332	43.6

Table 3 portrays the summary of perceptual means towards SWIFT & i10. From the table, it can be observed that i10 is technically superior with aesthetic design compared to SWIFT. But, looking into the price, service and brand, SWIFT displayed high mean values compared to i10, which indicates SWIFT is enjoying with high brand image, reasonable price and having good service network.

**Table 3 Respondents Perception towards various influencing factors with respect to selected brands**

Factors	Statements	Mean	
		SWIFT	Grand i10
Technical	These cars have <i>Driving comfort</i>	3.41	3.62
	This brand cars have good <i>pick-up , and Engine Capacity</i>	3.32	3.77
	These car have good <i>road grip</i>	3.41	4.16
	These cars uses <i>latest technology</i>	3.57	4.35
	The <i>customization</i> options are good in this cars	3.78	3.46
	This brand produces <i>safer cars</i>	3.11	3.52
External	This cars have <i>aesthetic appeal</i>	3.65	4.49
	Good <i>interior work</i> in these cars	3.20	3.41
	This cars get good <i>trunk space</i>	3.25	4.55
	This cars get <i>enough space</i> to travel freely for five persons	2.77	3.73
	This brand has good <i>car colours</i>	3.62	3.37
Price / Maintenance	This brand cars are <i>fuel efficient</i>	3.48	3.66
	The <i>maintenance cost</i> is low	3.71	2.93
	This brand cars are in <i>reasonable price</i>	3.63	3.83
	This brand cars get <i>easy loans</i>	3.91	4.04
	This brand cars have good <i>resale value</i>	3.65	2.94
Service	The <i>spare parts</i> are easily available	3.62	2.84
	These brand cars have good <i>after sales service</i>	3.50	4.05
	This brand has <i>good Dealer &amp; Service network</i>	3.57	3.38
Brand	This brand has good <i>brand image</i>	4.04	3.72
	Owning this brand car display <i>status</i> in the society	3.91	3.87
	This cars have <i>less waiting time</i> to purchase	3.69	3.32
	This <i>brand promotions</i> are really good	3.44	3.49

In order to test various hypotheses framed and to analyze the consumer behaviour based on their demographic profile, a summated score for each factors was calculated to arrive at respective overall score. Based on this summated overall score the following hypothesis were tested which acts as a base for identifying the target group and their preference in the Small Car segment.

**H1: There is a significant influence of purpose on perception towards selected brands of small cars.**

The present hypothesis is framed to examine the difference in perceptions towards selected brands of small cars based on the respondents' purpose of purchasing a small car. To test this hypothesis, the analysis of variance (ANOVA) test was conducted with purpose as an independent variable and dependent variables are perception towards selected brands. The purpose of purchasing a small car by the respondents was categorized into five groups: Status Symbol, Necessity, Luxury, Joy and Comfort. Table 4 shows the mean distribution of the responses recorded from the survey and cross tabulated between the variables considered for ANOVA test.

**Table 4 Mean distribution between Purpose and Perception towards Car Brands**

Purpose/ Brands	Status Symbol (n=86)		Necessity (n=32)		Luxury (n=31)		Joy (n=222)		Comfort (n=391)	
	M	S.D.	M	S.D.	M	S.D.	M	S.D.	M	S.D.
SWIFT	3.13	0.282	3.56	0.379	3.47	0.392	3.66	0.414	3.55	0.406
i10	3.43	0.169	3.65	0.391	3.67	0.287	3.78	0.263	3.67	0.299

Table 5 displays the ANOVA Test Results employed between Purpose of purchasing a small car by the respondents and their perceptions towards selected car brands. From the table it can be seen that the perceptions towards selected small car differ based on their purpose of buying a small car.

Both the car brands found to be having significant relationship with the respondents 'Purpose' at 95% confidence level ( $p < 0.05$ ).

**Table 5 ANOVA Test Results between Purpose and Perception towards Car Brands**

		Sum of Squares	df	Mean Square	F	Sig.
SWIFT	Between Groups	17.776	4	4.444	28.479	<b>0.000*</b>
	Within Groups	118.128	757	0.156		
	Total	135.904	761			
i10	Between Groups	7.816	4	1.954	24.769	<b>0.000*</b>
	Within Groups	59.717	757	0.079		
	Total	67.533	761			

\* Significant at 0.05 level

**H2: There is a significant influence of Family size on perception towards selected brands of small cars.**

To test this hypothesis, the analysis of variance (ANOVA) test was conducted with Family size as an independent variable and dependent variables are perception towards selected brands. Table 6 shows the mean distribution of the responses recorded from the survey and cross tabulated between the variables considered for ANOVA test.

**Table 6 Mean distribution between Family Size and Perception towards Car Brands**

Family Size / Brands	<= 2 members (n=158)		3 members (n=149)		4 members (n=123)		> 4 members (n=332)	
	M	S.D.	M	S.D.	M	S.D.	M	S.D.
SWIFT	3.59	0.340	3.49	0.383	3.54	0.499	3.52	0.443
i10	3.75	0.275	3.68	0.313	3.70	0.247	3.62	0.310

Table 7 displays the ANOVA Test Results employed between Family size of the respondents and their perceptions towards selected car brands. From the table it can be evident that i10 displayed statistical significance whereas SWIFT found to be insignificant relationship with family size of the respondents. In other words, Family size influences the Hyundai customers whereas fails in the case of Maruti Suzuki.

**Table 7 ANOVA Test Results between Family Size and Perception towards Car Brands**

		Sum of Squares	df	Mean Square	F	Sig.
Overall Score - SWIFT	Between Groups	.793	3	0.264	1.483	0.218
	Within Groups	135.111	758	0.178		
	Total	135.904	761			
Overall Score - i10	Between Groups	2.001	3	0.667	7.713	<b>0.000*</b>
	Within Groups	65.533	758	0.086		
	Total	67.533	761			

\* Significant at 0.05 level

**H3: There are significant perceptual differences between Maruti Suzuki and Hyundai cars in small car segment.**

The present study has made a hypothesis to examine the respondents' perceptual differences between Maruti Suzuki and Hyundai cars. Table 8 shows the mean distribution of perceptual differences between Maruti SWIFT and Hyundai i10. From the table, it can be inferred that respondents perceived the technical and external factors of Hyundai i10 as superior over Maruti

SWIFT. Whereas SWIFT perceived as superior over i10 in price, service and brand factors. Overall mean represents Hyundai i10 is perceived as superior brand over Maruti SWIFT.

**Table 8 Mean distribution of perceptual differences between MARUTI SWIFT and HYUNDAI i10 in Small Car Segment**

Factors	Maruti SWIFT		Hyundai Grand i10	
	Mean	Std. Dev	Mean	Std. Dev
Technical Factors	3.43	0.506	3.81	0.464
External Factors	3.30	0.592	3.91	0.515
Price Factors	3.67	0.633	3.48	0.552
Service Factors	3.57	0.706	3.42	0.672
Brand Factors	3.76	0.654	3.60	0.634
Overall Score	3.53	0.423	3.67	0.298

To examine this hypothesis, a paired samples t-test is used. Table 9 shows the test results of paired sample t test employed between Maruti SWIFT and Hyundai Grand i10. From the table, it can be inferred that there is a significant perceptual difference between SWIFT and Grand i10 with respect to all the influencing factors.

**Table 9 Paired Sample T test results on perceptual differences between SWIFT and Grand i10**

		t	df	Sig. (2-tailed)
Pair 1	Technical Factors - Swift vs i10	-14.659	761	<b>0.000*</b>
Pair 2	External Factors - Swift vs i10	-22.310	761	<b>0.000*</b>
Pair 3	Price Factors - Swift vs i10	6.748	761	<b>0.000*</b>
Pair 4	Service Factors - SWIFT vs i10	4.508	761	<b>0.000*</b>
Pair 5	Brand Factors - SWIFT vs i10	6.985	761	<b>0.000*</b>
Pair 6	Overall Score - SWIFT vs i10	-9.437	761	<b>0.000*</b>

\* Significant at 0.05 level

## 7. Findings & Suggestions

In general, the choice of small car is taken by a middle class customer. Usually, these customers are taking a minimum of 6 months planning to buy a new car and take the loan option. Parking space is another big factor that influences these customers. Many respondents revealed that they changed their decision because of loan option and parking space.

During the process of purchasing small cars, customers have given heavy weightage to external factors and technical factors. The study found engine capacity, internal space, customization, resale value, brand image, test drive and exterior design as important factors that influence the customer buying behaviour.

**Maruti Suzuki SWIFT** enjoys with good brand image in the automobile market. Customers perceived owning this car as social status. The loans are easily available with less waiting time in getting a new SWIFT. The customization options are also good in these cars. Wide service network with less maintenance cost makes this car as value for money in the market. With the introduction of new designs and model in this small car segment, the SWIFT was perceived as having poor design and safety. It is advisable to Maruti Suzuki to improve safety standards and interior design and space.

**Hyundai i 10** is perceived as the best design with latest technology and spacious car in the market which made it as 'Car of the Year 2014'. With the introduction of this car, Maruti Suzuki SWIFT (Car of year 2012) was perceived as having poor design and safety in the market. Though it is perceived as safer cars with driving comfort, it is suffered with weak service network, non-availability of spare parts and resale value.

Finally, it is suggestible to Maruti Suzuki to improve safety, internal space and exterior design to its car brands. Many respondents revealed that they are suffering from knee pain by using these cars

and safety is poor. In spite of these drawbacks, Maruti Suzuki has a very good brand image and resale value in the market which makes it market leader in small car segment.

For Hyundai, Service network should be improved and maintenance cost should be minimized by offering free service camps, membership discounts or coupons. Many respondents revealed several problems in service centers. So, it is necessary to standardize the service procedures and constant feedback should be taken from the respondents soon after they finish their service. Based on the feedback, the process should be simplified to improve the customer satisfaction and retention.

## 8. Conclusion

Consumer Behaviour consists of all human behaviour that goes in making purchase decisions. An understanding of the consumer behaviour enables a marketer to take marketing decisions which are compatible with its consumer needs. There are four major classes of consumer behaviour determinants and expectations, namely, cultural, socio-economic, personal and psychological. The socio-economic determinants of consumer behaviour consist of age, marital status, occupation, education, income, family size etc. Realizing the importance of passenger car industry in the present economic situation, the researcher has analyzed the perceptions, and behaviour of customers related to this product. It is rightly said; yesterday's luxuries are today's necessities. Hence in this digital world, car is no longer a luxury. From the discussions made in the previous chapters, there are certain product attributes which are identified in the study as influencing the purchase decision and satisfying the customers. The growth in the population of India and the increasing number of middle class consumers has attracted the attention of car manufacturers and marketers. The manufacturers and marketers who study the behaviour of customers and cater to their needs will be successful.

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