

A COMPARATIVE STUDY OF CONSUMER PREFERENCE BETWEEN TATA MOTORS AND MARUTI SUZUKI CARS IN CENTRAL INDIA

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When it comes to the automobile industry in India, two names hold undisputed presence Maruti Suzuki and Tata Motors. Both the brands over the years have redefined the industry and are synonym with quality and performance in Indian context. A critical reason for the success is the focus on affordability and the strategy to ensure ease to purchase the cars. In Central India, both the companies are striving for supremacy and at the same time are trying their best to ensure the ease by which the consumer is able to purchase the car. Hence it becomes very important to understand the consumer preference with respect to both the brands in a market, considered very important by the industry in general. The study was conducted using a questionnaire based on 7 factors obtained with the help of secondary sources, which included- price of the car, fuel efficiency of the car, maintenance of the car, after sales services provided by the company, financial services offered by the company for purchase, performance of the car and resale value of the car. The main advantage with the following study will be the fact that both the companies can ultimately enhance consumer preference parameters towards their own respective brand.

Keywords: Customer, Preference, Maruti-Suzuki, Tata Motors, Cars.

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INTRODUCTION

About Consumer and Consumer Behavior

A consumer is a one of the critical aspect of marketing, as in general all marketing initiatives and activity revolve around the consumer. A customer can be defined as an individual or an institution that purchases any product or hires any services for personal use. A very broad yet commonly used term consumer preference in its simplest sense refers to preference by the consumer for a particular brand in context of a product or service with respect to other brands that exist in the market.

About Brand

Broadbent and Cooper (1987) in their study noted that, if the brand is to be successful, images and symbols must relate to and indeed exploit the needs, values and lifestyles of consumers in such a way that the meanings involved give added values, and differentiate the brand from other brands. Similarly Phillips (1998) states that 'trademark that communicates a promise'. American Marketing Association (1994) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to encourage prospective customers to differentiate a producer's product (s) from those of competitors". The core function of the brand is to provide convenience and clarity in decision making, providing a guarantee of performance and communicating a set of expectations, thereby offering certainty and facilitating the buying process. Ambler and Styles (1996) describe two different views of defining a brand. The first is the product plus view, when the brand is seen as an addition to the product, and in this view, a brand is also called an identifier. The second is the holistic view that communicates the focus on the brand itself that is considered to be much more than just the product. Park et al., (1996) concluded that, Symbolic attributes are those that satisfy internally generated needs for self-enhancement, role position, group membership or ego identification, whereas, functional brand attributes solve an externally generated consumption related problem. Keller (2002) suggests brand as trademark able devices

that serve to identify and differentiate the brand (e.g.; brand names, logos, symbols, characters, slogans, jingles and packages)

About Maruti Suzuki

As a result of tie-up between Maruti Udyog and Suzuki Motor Corporation of Japan by government of India, Maruti Suzuki started operations in 1983 at Gurgaon, Haryana. The main purpose of this tie-up was to produce automobiles which could be purchased by the masses. The Company gained popularity with its flagship model Maruti 800 which is still remembered as 'Maruti' itself. The Company not only brought the much awaited change in the Indian automobile industry but played a pivotal role in liberalization, globalization and privatization.

About Tata Motors Limited

Tata Motors is India's largest automobile company and is part of the USD 100 billion Tata group founded by Jamsetji Tata in 1868. The group is one of the most respected industrial firms not only in India but across the world. Tata motors follows the spirit of 'giving back to society' as a core philosophy and good corporate citizenship. It has widely added to transformation of the Indian commercial vehicle landscape by offering customers leading edge auto technologies, packaged for power performances and lowest life-cycle costs. Tata Motors cars are designed for superior comfort, connectivity and performance. Its R&D Centre's are located in India, United Kingdom, Italy and Korea. The group strives to develop new products that achieve performances as per the expectations of the new generation.

REVIEW OF LITERATURE

Dorsch et al., (2000) studied Consumer choice behaviour using the five-step process (need-information search- evaluation of alternatives- purchase-post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand

choice. John and Pragadeeswaran (2013) found out that demographic factors like age, gender, education, status influenced the buying process.

Rao and Kumar (2012) in their study concluded that the satisfaction of customers depends upon safety, dealer service, customer relationship and availability of spares along with other aspects. Kotwal (2009) focused on the importance of the aspects of space, comfort and luxury of a mid-sized car. He also focused on the technological advancement and affluence aspects which are in general provided by numerous global automobile brands in India.

Chidambaram and Alfred (2007) concluded that customers give more importance to fuel efficiency than any other factors. They also reflected the fact that brand names inform customers about product quality, utility and technology. Gaedebe (2007) in his study derived that brand name, pricing and distributor's reputation strongly influence the brand equity of different models of cars.

Doyle (2002) in his study based on emotional and functional reasons for customer brand preference, concluded that people preferred reputed brands to display lifestyle, interest, value and most importantly wealth. Pitcher (1999) concluded that the aspect customers tend to prefer global brands and habitually if use those brands has invariably made the impact of global brands more effective. The factors discussed were perceived value addition for the customer along with quality. Customer's self perception was defined as cosmopolitan, sophisticated and modern.

Dichter (1962) focused on the aspect of country of origin and its crucial role in the success of the product, by concluding that the country of origin acts as a critical aspect from which customers can infer beliefs about the product based upon their beliefs about the country from which the product originates. Jeuland and Shugan (1983) in their study on price and quality relationship concluded that price is an indicator of the quality. Consumers are encouraged to raise the quality of their product. They also believed that delivering a good quality of goods is the right image

among and uses of the product. Loudon and Bitta (1984) in their study viewed that buying behaviour is the decision process and physical activity which the individuals engage in when evaluating, acquiring, using and disposing of goods and services.

Haneef et al. (2006) in their study which also focused on automobiles suggested that consumer behaviour is influenced strongly by cultural, social, personal and psychological factors. Cultural factors include the set of basic values, perceptions, wants and behaviour learned by a member of society from the family and other important institutions. The social factors include consumer's family, small group, social roles and status. The personal characteristics such as buyer's age, lifecycle stage, occupation, economic situation and lifestyle influence a buyer's decision. A person's buying choices are further influenced by four major psychological factors: Motivation, Perception, Learning, Beliefs and Attitudes.

Suresh and Raja (2006) studied by critically measuring customer satisfaction with small cars. In this study, the customer satisfaction is measured by using the following variable attributes under different dimensions, namely, after sales service, ability to understand customer needs, behaviour and knowledge of the mechanics, warranty, prompt delivery, 24 hours customer care, information about the cars, horse power, engine capacity, power steering, technology, fuel capacity, acceleration, easy finance, convenience and accessibility, ground clearance, easy processing and documentation, price, discount and rebates, fuel efficiency, maintenance cost, luggage capacity, safety measures, model and colour of the car, music accessories, engine pickup, availability of spares, cost of labour and spares.

OBJECTIVE OF THE STUDY

To compare the factors that affects the consumer perception for buying Maruti Suzuki cars and Tata Motors Cars in Central India

RESEARCH METHODOLOGY

The Study: The study is a descriptive research, which included surveys for filling up the questionnaires in two stages.

The Sample: The sample for comparison was 400 (200 Maruti Suzuki car consumers and 200 Tata Motors car consumers). Convenient sampling was used for both research stages.

Tools for Data Collection: A 5-point likert scale questionnaire (Pilot tested and validated by industry experts as well academic professors) was used to collect the primary data for comparison of satisfaction parameters of Cars in India.

Tools for Data Analysis: Two sample t-test was used for data analysis in order to generate results for interpretation of comparison results.

RESULT AND DISCUSSION

The factor wise comparisons were done and the results are given in annexure.1. The findings are discussed below.

Price- There is no significant change in customers' preference regarding that of price between Maruti and Tata Motors Cars. The obtained results hold valid ground as Suzuki cars and Tata Motors have similar prices.

Prices of Maruti Suzuki cars

Maruti Suzuki Alto 800 (2.46 - 3.72 lakh, Ex-showroom, New Delhi), Maruti Suzuki Omni (2.64 - 2.97 lakh, Ex-showroom, New Delhi), Maruti Suzuki Eeco (3.24 - 4.30 lakh, Ex-showroom, New Delhi), Maruti Suzuki Alto K10 (3.26 - 4.12 lakh, Ex-showroom, New Delhi), Maruti

Suzuki Celerio (4.16 - 5.35 lakh, Ex-showroom, New Delhi), Maruti Suzuki Wagon R 1.0 (4.10 - 5.13 lakh, Ex-showroom, New Delhi), Maruti Suzuki Ignis (4.56 - 8.08 lakh, Ex-showroom, New Delhi), Maruti Suzuki Ritz (4.49 - 6.58 lakh, Ex-showroom, New Delhi), Maruti Suzuki Swift(4.80 - 7.46 lakh, Ex-showroom, New Delhi), Maruti Suzuki Baleno (5.26 - 8.43 lakh, Ex-showroom, New Delhi), Maruti Suzuki Swift Dzire (5.43 - 9.39 lakh, Ex-showroom, New Delhi) Maruti Suzuki Ertiga (6.24 - 10.59 lakh, Ex-showroom, New Delhi), Maruti Suzuki Gypsy (5.70 - 6.28 lakh, Ex-showroom, New Delhi),Maruti Suzuki Vitara Brezza(7.24 - 9.91 lakh, Ex-showroom, New Delhi),Maruti Suzuki Ciaz (7.77 - 11.55 lakh, Ex-showroom, New Delhi), Maruti Suzuki S-Cross (8.49 - 11.29 lakh, Ex-showroom, New Delhi)

Prices of Tata Motors cars

Tata Nano GenX (2.26 - 3.20 lakh, Ex-showroom, New Delhi), Tata Tiago (3.21 - 5.75 lakh, Ex-showroom, New Delhi), Tata Tigor (4.65 - 6.96 lakh, Ex-showroom, New Delhi), Tata Bolt (4.71 - 7.24 lakh, Ex-showroom, New Delhi), Tata Indica eV2 (5.07 - 5.54 lakh, Ex-showroom, New Delhi), Tata Zest (5.22 - 8.59 lakh, Ex-showroom, New Delhi),Tata Indigo eCS (5.57 - 6.32 lakh, Ex-showroom, New Delhi),Tata Sumo Gold (7.19 - 8.58 lakh, Ex-showroom, New Delhi) Tata Safari Storme (12.36 - 15.34 lakh, Ex-showroom, New Delhi), Tata Xenon XT (9.96 - 10.99 lakh, Ex-showroom, New Delhi), Tata Hexa (11.72 - 17.19 lakh, Ex-showroom, New Delhi), Tata Nexon (5.85 - 9.45 lakh, Ex-showroom, New Delhi)

Fuel Efficiency- There is no significant change in customer's preference between Maruti and Tata Motors Cars regarding fuel efficiency. The result is justified by the fact that both Maruti Suzuki and Tata Motors car have similar mileages. Though Maruti cars consumers tend to be more satisfied with the fuel efficiency parameters as reflected by the mean score, the difference between Tata Motors cars is not much.

Mileage of Maruti Cars

Maruti Suzuki Ciaz (28 kmpl), Maruti Suzuki Baleno (27 kmpl), Maruti Suzuki Celerio (27 kmpl), Maruti Suzuki Swift DZire (26 kmpl), Maruti Suzuki Swift (25 kmpl), Maruti Suzuki Ertiga (24 kmpl), Maruti Suzuki Alto K10 (24 kmpl), Maruti Suzuki Vitara Brezza (24 kmpl), Maruti Suzuki Ritz (23 kmpl), Maruti Suzuki S-Cross (23 kmpl), Maruti Suzuki ALTO 800 (22 kmpl), Maruti Suzuki Stingray (20 kmpl), Maruti Suzuki WagonR (18 kmpl), Maruti Suzuki Omni (16 kmpl), Maruti Suzuki Eeco (15 kmpl), Maruti Suzuki Gypsy (11 kmpl)

Mileage of Tata Motors Cars

Tata Tiago (27 kmpl), Tata GenX Nano (25 kmpl), Tata Indigo eCS (25 kmpl), Tata Indica eV2 (25 kmpl), Tata Bolt (22 kmpl), Tata Manza (21 kmpl), Tata Vista (21 kmpl), Tata Aria (15 kmpl), Tata Movus (15 kmpl), Tata Venture (15 kmpl), Tata Sumo Gold (14 kmpl), Tata Safari Storme (13 kmpl), Tata Xenon XT(11 kmpl), Tata Safari Dicor (11 kmpl)

Resale Value- Though the following parameter depends upon criterion such as maintenance, wear and tear, engine durability and brand perception, the study suggests that there is no significant change in customer's preference regarding resale value of Maruti or Tata Motors Cars. Corresponding results can be validated by checking the prices from different dealers and website sources.

Performance- There is a significant change in customer's preference regarding performance of Maruti or Tata Motors Cars. Performance being a qualitative parameter also holds true grounds for both the brands. In a very critical parameter, Tata Motors cars tend to have a better performance when compared to Maruti Suzuki cars, which is reflected by the relatively high mean score. This is one area where Maruti Suzuki can afford to lose.

Maintenance- There is a significant change in customer's preference regarding maintenance of Maruti or Tata Motors Cars. This result is justified by the fact the maintenance costs of Maruti Suzuki in general is very less as compared to Tata Motors cars. The spare parts are not only

easily available but are very affordable also. Another advantage of Maruti Suzuki cars is the adequacy of technical knowledge available in the unorganized service centres, spread across the nation resulting in better maintenance.

Financial Services- Since easy financial services and facilities are provided by both the brands with almost same offers and accessibility, hence there is no significant change in customer's preference regarding financial charges of Maruti and Tata Motors Cars.

After Sale Service- This point clearly indicates that customer believe that both Tata Motors and Maruti Suzuki cars have similar after sale services from authorized company service centres and outlets. Both the brands have adequate technical staff and machineries for the same. Hence there is no significant change in customer's preference between Maruti and Tata Motors Cars regarding after sale service.

CONCLUSION

The study brings out a clear picture between the consumer preference in context of Tata Motors and Maruti Suzuki cars on different parameters such as price of the car, fuel efficiency of the car, maintenance of the car, after sales service of the car, financial services offered by the company for purchase, performance of the car, and resale value of the car. After the analysis of the sample (a representation of the population of Central India), it was found that only in context of maintenance and performance there is a significant change in consumer preference between Maruti Suzuki and Tata Motors Cars. Much to the credit of excellent service centres, a longer durability of Maruti Suzuki cars and adequate trained it can be concluded that as per the consumers in Central India Maruti Suzuki cars score more than Tata Motors cars. For a critical parameter such as performance, the consumers tend to prefer the brand Tata Motors over Maruti. Since performance is a qualitative parameter, it becomes very important for Maruti Suzuki to focus on it as in the longer run if the performance is not or marginally associated with the brand,

it can face great challenges which can be very difficult to overcome. For the remaining parameters there is no significant change in consumer preference between both the brands.

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ANNEXURE 1: t-test statistics

Ho	Mean of Responses by Tata Motor Car Consumers	Mean of Responses by Maruti Suzuki Car Consumers	Variance of Responses by Tata Motor Car Consumers	Variance of Responses by Maruti Suzuki Car Consumers	df	P value	Decision
There is no significant difference in consumer preference regarding Price between Maruti and Tata Motors Cars.	2.71	2.825	1.181	1.361	398	0.308	Fail to Reject Ho
There is no significant difference in consumer preference regarding Fuel Efficiency between Maruti	3.150	3.356	1.463	1.384	398	0.094	Fail to Reject Ho

and Tata Motors Cars.							
There is no significant difference in consumer preference regarding Resale Value between Maruti and Tata Motors Cars.	3.145	3.209	1.176	1.326	398	0.592	Fail to Reject Ho
There is no significant difference in consumer preference regarding Maintenance between Maruti and Tata Motors Cars.	2.813	3.111	1.521	1.374	398	0.01	Reject Ho
There is no significant difference in consumer preference regarding Performance between Maruti and Tata Motors Cars.	3.060	2.672	1.343	1.388	398	0.0009	Reject Ho
There is no significant difference in consumer preference regarding Financial Services between Maruti and Tata Motors Cars.	2.960	2.991	1.274	1.587	398	0.802	Fail to Reject Ho
There is no significant difference in consumer preference regarding After Sale Service between Maruti and Tata Motors Cars.	3.205	3.150	1.209	1.515	398	0.637	Fail to Reject Ho