



Study of the SUV Market and Consumer Purchase Decision Analysis in Bhubaneswar

¹Prof. Debasish Rout, ²Dr. Somabhusana Janakiballav Mishra, ³Dr. Ranjan Kantha, ⁴Parthasarathi Bhatta

¹Assistant professor, Amity Global Business School, Bhubaneswar, ³Dean, Amity Global Business School, Bhubaneswar, ⁴Student, MBA, Amity Global Business School, Bhubaneswar

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ABSTRACT

Demand for sports utility vehicles (SUVs) continues to outstrip other sectors by a significant margin, having grown from a measly 15% market share two decades ago to accounting for over 40% of all domestic passenger vehicle (PV) sales. A decade ago, most people associated SUVs with large, clunky, diesel-powered vehicles with off-roading capabilities. However, consumer preferences have changed, and more people are choosing upright driving positions and high ground clearance vehicles, which are complemented by a variety of options available at an affordable price point. In this paper we have tried to find out, what are the key reasons to choose an SUV above any other passenger vehicles in Bhubaneswar? A sample of 100 was taken to carry out the research. It was found that safety, ability to go anywhere, rugged feeling, space, tall seating position, affordable and above all they are aspirational and carry social value, are some of the significant factors people consider to buy SUVs in Bhubaneswar.

Key words: SUV, Passenger vehicle, Sports utility vehicle, Consumer preferences, Demand, Consumer behaviour

INTRODUCTION

For many years, India's Sports Utility Vehicle (SUV) was the ideal vehicle. Politicians, movie stars, or industrialists were the only people who could afford it. These were authentic SUVs, like the Mitsubishi Pajero or the Toyota Land Cruiser, and they were always imported with high customs fees. Consequently, it was a privilege reserved for the really wealthy and was not even within the reach of the rich.

When the common class was still travelling in Fiats or at best Maruti Omni vans, these SUVs offered a tonne of space, tremendously powerful engines, and luxuries that we could only dream about. With liberalisation and the opening of the Indian market, automobiles that didn't break down and had cool features like power steering and air conditioning as standard features slowly began to appear.

With time, the demand for automobiles began to rise, and all major automakers began to pay attention to the expanding Indian market. This sparked fierce competition and businesses began enticing consumers in novel ways. As a result, consumers were able to demand the products they desired at prices they could afford. Soon after realising that buyers wanted cars that looked like SUVs rather than true SUVs, manufacturers took advantage of a government restriction that prohibited subsidies for vehicles exceeding 4 meters, which led to the emergence of reasonably priced small SUVs.

Why is India currently favouring SUVs?

For India, vehicles with a high ground clearance of at least 180mm are ideal. Look at how Indian roads are doing during the monsoon. powerful diesel and petrol engines. This results in improved fuel efficiency and a comfortable ride. More boot room means more luggage capacity, which is ideal for weekend trips with large amounts of bags.

The popularity of small SUVs has greatly increased recently. These may be the causes of their unexpected and hasty arrival.

Cost: As you can see, due to the ladder-on-frame design and a number of other variables, classic SUVs are typically more expensive. Compact SUVs are therefore less expensive because they are built on a monocoque structure and are based on smaller automobiles, but they still have the same big-car feel.

Size: SUVs are enormous vehicles. Someone who lives in a densely populated urban region would consider it to be a major drawback. Compact SUVs, which are smaller and simpler to park, help to some extent to remedy the problem.

Driving Comfort: The majority of people enjoy the high seating position that traditional SUVs have since it provides a dominating outlook. However, due to their height, SUVs are more prone to body roll. Compact SUVs provide solutions while maintaining a comfortable seat height.

Ride: Leaf spring suspensions, which are typically seen in SUVs, are bouncy on the road but quite tough and suitable for off-road driving (where most of the SUVs are used most of the time). Additionally, they tend to be very soft around edges. Compact SUVs, as I previously

indicated, are also primarily utilised on asphalt, therefore toughness is not particularly important. Additionally, they are more comfortable thanks to a suspension that is more sophisticated and road-biased.

LITERATURE REVIEW

SUV purchases by Indians are likewise at an all-time high, and they won't go down anytime soon. Hatchbacks made up 49 percent of all passenger car sales in India in 2015, compared to 14 percent for SUVs. In contrast, 2021 SUVs made for over 38% of the total, up from 29% in 2020. This is practically on par with the hatchback sector, which now accounts for 40% of countrywide sales of passenger cars.

In the sector, Hyundai Motor India has kept the top spot. Five models make up the company's SUV lineup, which accounts for half of total volume. Due to the success of the Seltos and Sonet, its sister company Kia announced that it will only concentrate on the SUV market. The Korean automakers have established a presence in the market thanks to their emphasis on SUVs.

Tata Motors passed Hyundai Motor India this month to take over as the second-largest seller of passenger cars in the Indian market, driven by robust SUV sales. Tata Motors has upped the bar in this market by expanding the proportion of SUVs in its range to 52% in 2021 from 37% in 2020.

In the past three years, this class has witnessed more launches than sedans and hatchbacks combined—more than 50. Maruti Suzuki, the biggest automaker in India, has been too sluggish to seize this chance. In the sub-4 metre class, it only offers the Vitara Brezza and the S-Cross, which most purchasers consider to be a crossover.

Maruti's overall PV market share has decreased from roughly 50% to 40% in a year as a result of the successful launches of its rivals riding the SUV trend. For the year, automakers have already planned new debuts. And now that Maruti has confirmed that SUVs will be the company's emphasis segment in 2022, India's fastest-growing passenger vehicle segment is about to witness an epic struggle of epic proportions.

Population expansion and rising living standards can be viewed as the two main factors contributing to the increase of cars in cities, according to Shen (1997). According to the research by Monga et al. (2012), an increase in discretionary income was a contributing factor in the decision to buy an automobile. Their research also revealed that expanding family requirements and a rise in family size were some additional reasons for purchasing an automobile. Another study (Joseph & Kamble, 2011) that was carried out in the state of Karnataka discovered that the availability of auto finance or consumer credit is a crucial factor that influences the purchase of passenger automobiles. Researchers Sheik & Ali (2013) examined consumer preferences for passenger cars in Tirunelveli, Tamil Nadu. It was shown that consumers considered a number of aspects before choosing a brand, including pricing, technology, and comfort.

The relationship between consumer happiness, brand image, and information from the media was the main research topic (Stella and Rajeshwari, 2012). Their research revealed that many consumers consult their friends, spouses, and/or family while making decisions. According to the research of (Sharma, 2010), it was discovered that when a buyer considers purchasing a new car, the research process takes an average of 9.8 days, and users of the product take an average of 7.7 days. According to research (Kaur and Sandhu, 2004), buyers took into account a range of variables while choosing an automobile, including safety and comfort, luxury, dependability, ease of financing, variety, colour, fuel efficiency, spaciousness, and brand image. According to a different poll, the majority of respondents (61 percent) chose sedans over SUVs.

This study was carried out in order to comprehend the motivations and patterns of consumer behaviour towards buying an SUV in Bhubaneswar, taking into account the literature review and preceding studies mentioned.

OBJECTIVES

The objectives of the study are as follows:

1. The most important factors of buying an SUV
2. Which are the most favoured SUVs in Bhubaneswar

RESEARCH METHODOLOGY

The researchers created the questionnaire, and data for the study was gathered online using Google Forms, whose link was sent by email and WhatsApp. The sample size for the study was 100. The questionnaire was pre-tested in a pilot study, and the final version was modified as necessary in response to the input. The collected data were examined using the required statistical tools and procedures.

ANALYSIS

To get the key factors that actually motivates buyers to buy SUVs we have made many literature reviews and found many factors such as safety, ability to go anywhere, rugged feeling, space, upright driving positions, affordability and high ground clearance etc. Data were collected related to these factors on a scale of 1 to 5 (Where 1 is less important and 5 is highly important) to know how far these factors are important in buying decision of the consumers. Attempt has been made to know whether buyers give equal importance to these factors or some of the factors are little bit more important than others. An ANOVA is carried out here to test whether few factors are more significant than others. Table – 1 shows the result of ANOVA that shows mean ratings given by buyers of all these factors and P value = 0.002. So there is enough evidence to reject the null hypothesis and it can be concluded that there is a significant difference between the mean ratings

provided by the buyers. There are few factors such as high ground clearance, safety, ability to go anywhere and upright driving positions are more important for buyers than other factors which is evident from the average ratings shown in Table – 1.

H0: There is no significance difference between the mean ratings provided by the buyers for the key factors

Table 1 - Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
safety	100	315	3.15	1.744949
ability to go anywhere	100	306	3.06	1.794343
rugged feeling	100	280	2.8	2.020202
space	100	288	2.88	1.985455
upright driving positions	100	299	2.99	2.11101
affordable	100	298	2.98	1.898586
high ground clearance	100	326	3.26	1.951919

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	39.82428571	6	6.637381	3.439958	0.002353	2.1116447
Within Groups	1337.14	693	1.929495			
Total	1376.964286	699				

The second objective was to check which SUV is the most favoured in Bhubaneswar. To find out the same, data were collected from the respondents on a scale of 1 to 7 (Where 1 is least favoured and 7 is most favoured). Brands such as Nexon, Creta, Breeza, WRV, Seltos, Sonet and Punch were considered for knowing which brand is most preferred. Table 2 where the descriptive analysis is shown, it is clear that Nexon has a highest mean of 5.2 followed by 4.6 for Breeza and then 4.2 for Creta.

Table 2 – Descriptive Analysis

<i>Nexon</i>		<i>Creta</i>		<i>Brzeza</i>		<i>WRV</i>		<i>Seltos</i>		<i>Sonet</i>		<i>Punch</i>	
Mean	5.2	Mean	4.2	Mean	4.6	Mean	4.2	Mean	3.7	Mean	3.2	Mean	3.8
Standard Error	0.17	Standard Error	0.17	Standard Error	0.14	Standard Error	0.098	Standard Error	0.21	Standard Error	0.126	Standard Error	0.088
Standard Deviation	1.67	Standard Deviation	1.67	Standard Deviation	1.36	Standard Deviation	0.985	Standard Deviation	2.11	Standard Deviation	1.255	Standard Deviation	0.876
Range	5	Range	5	Range	4	Range	3	Range	6	Range	4	Range	3
Minimum	2	Minimum	1	Minimum	3	Minimum	3	Minimum	1	Minimum	1	Minimum	2
Maximum	7	Maximum	6	Maximum	7	Maximum	6	Maximum	7	Maximum	5	Maximum	5
Sum	520	Sum	420	Sum	460	Sum	420	Sum	370	Sum	320	Sum	380
Count	100	Count	100	Count	100	Count	100	Count	100	Count	100	Count	100

CONCLUSION

In recent years, sport-utility vehicle (SUV) sales have increased on a global scale. SUV sales accounted for 47.4% of all vehicle sales in 2019 while sedan sales were at 22.1 percent. Additionally, between 2010 to 2019. We have reached at the conclusion that in Bhubaneswar there is a great demand for compact SUVs. The most preferred SUV is the TATA Nexon followed by Suzuki Brezza and Hyundai Creta. There are some key factors such as High ground clearance, Safety, Ability to go anywhere, Upright driving positions which are considered more important than other factors.

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