An Empirical Research on Consumer Behavior towards Small Car Segment in Indian Market

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Abstract

India’s automobile industry has undergone a remarkable transformation in the last decade. The small car segment (A1 and A2 segment compact cars) remains at the forefront of this growth story. The automotive industry in India grew at a Computed Annual Growth Rate (CAGR) of 11.5% over the past five years, and the growth rate in last FY2010-11 was impressive at more than 26% (Maruti Suzuki Ltd, Annual Report 2009-2010). This research paper focuses on customer perception towards various features of existing cars and tries to find the degree of consumer preferences about different automobile features which influences their buying behavior. The increasing disposable income of common people evolution of a sophisticated well off middle class and affordability of high quality cars fuels the growth of the Indian Automobile sector. The research analyses 161 complete responses from Northern region of India and suggests certain product aspects that the existing players should focus on more closely to allure the customers with better services and at the same time to retain the existing customers.

Key Words

Automobile manufacturer, consumer behavior, customer satisfaction, NCR, small Car

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