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- Economic Times

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ANNEXURE

QUESTIONNAIRE

Name:

Age:

Occupation:

Contact No.:

Monthly income: 10-20,000 ( ) 20-35,000 ( ) 35,000 plus ( )

1) Which small car do you own?

2) Who influences to make a decision to buy a car?

Family members	( )	Friends	( )
Colleagues	( )	Company	( )
Self	( )	Children	( )
Wife	( )		

3) Is small cars make ease in traffic?

Yes ( )

No ( )

4) Do you know about the different types of small cars models in the market?

Yes ( )

No ( )

5) Which alternative car segment would you prefer?

The small car segment	( )
The luxury car segment	( )
SUV car	( )

6) Are you satisfied by fuel efficiency?

Yes ( )

No ( )

7) Are you satisfied with the design of small cars in the market?

Yes ( )

No ( )

10) What level of riding comfort does your suspension system gives you?

1 2 3 4 5 6 7

11) How do you feel about:

Pick up	1	2	3	4	5	6	7
Driving comfort	1	2	3	4	5	6	7
Seating comfort	1	2	3	4	5	6	7

12) What do you feel about the pick up in small car segment?

1 2 3 4 5 6 7

13) Please rate your car dealer under the following aspects:

Behavior of staff	1	2	3	4	5	6	7
advise during purchase of vehicle	1	2	3	4	5	6	7
Customer handling	1	2	3	4	5	6	7
Quality of service	1	2	3	4	5	6	7
Response with reference of arranging finance	1	2	3	4	5	6	7

14) What additional features would you like to be improved/provided in the small cars?

a) b) c)

15) Are you satisfied with small car models?

Please specify the reason……..

16)what is the comfort level in a small car model?

0-40	( )
40-80	( )
80-100	( )

17) Are you aware of different finance schemes available in small car segment?

Please specify……..

18) Do you have any suggestions regarding improvement of product or quality of service?

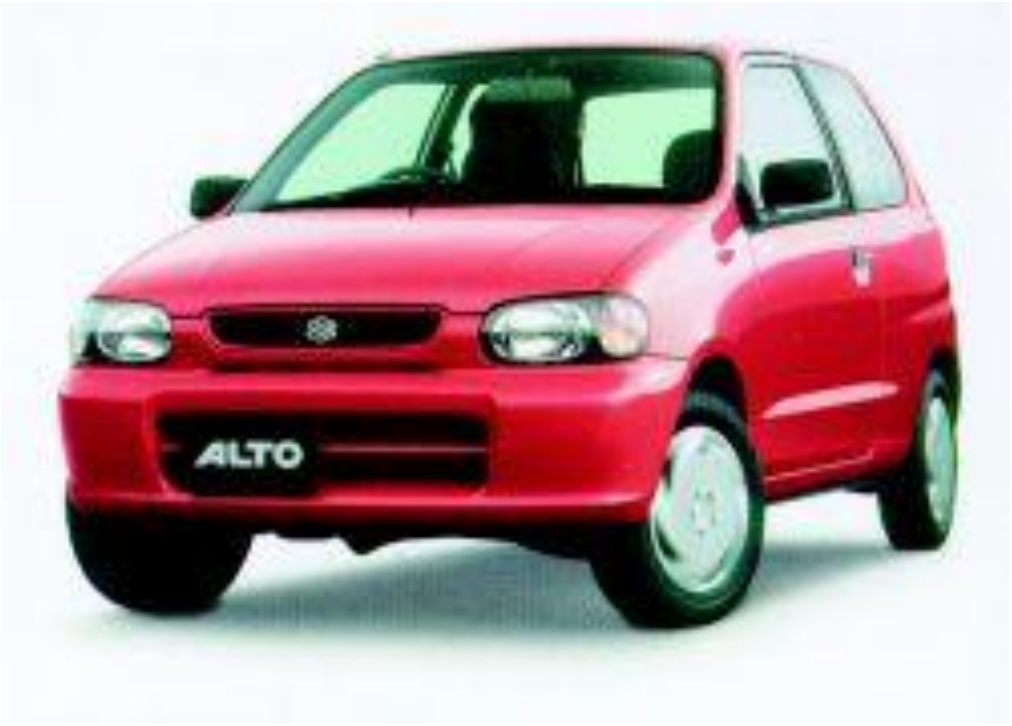
Thank you

Date

SMALL CAR PRICES IN BANGALORE AS ON 2ND MAY 2007

Model- Maruti 800 **Price-Rs. 2,15,874**

Model- **Maruti Alto** Price-Rs. 2,67,354



Model- Maruti Zen Estilo **Price-Rs.3, 24,141**

Model- Maruti wagona R **Price-**. 4,55,120Rs.

Model- Fiat Palio **Price-**. Rs. 3,93,843

Model- **Hyundai Getz** **Price-**. Rs. 4,01,333

Model- **Reva Reva** **Price** Rs. 3,68,133

Model Tata Indica **Price** Rs. Rs. 3,42,606

EXECUTIVE SUMMARY

India has been the scene of some of the most frenetic deal making, big expansion announcements, and new car launches in the global auto industry. Consider that in the last 18 months alone General Motors, Fiat, Honda, Nissan, and Hyundai have announced Indian investments valued at roughly $1.5 billion. Ask any auto executive, and he or she will tell you that outside of China, India is the most intriguing emerging market opportunity out there.

In the recent years the Indian market has changed rapidly. Globalization has served as a boon at least so to the consumers. The Indian consumer until now had a limited choice has been presented with a wide range of quality products.

In the ongoing trend the section that advanced with surprising results was the automobile sector.

The automobile industry was already giving one of the highest turnovers. The customer now had wide variety of cars to choose from. All of the Indian auto giants joined the trend. Foreign companies came in with brilliant products for the Indian markets. When zeroed down the ultimate progress was seen in the small car segment. This segment was virtually distributed only among

MARUTHI AND TATA

When viewed at the position almost all the companies are giving the customer more or less facilities at competitive prices. All the products are almost similar technically and it is hard to differentiate their attributes. In such a market environment these companies have aptly adopted marketing strategies as their tool to carve in a handsome market share.

Each company has taken up particular aspect and has exploited it to convert the consumer into a buyer. Despite a head start, the automotive industry in India has not quite match up to the performance of its counterparts in other parts of the world. The all-pervasive regularatory atmosphere prevailing till recently has been one of the primary reasons for this situation.

With the study we can get some suggestions from customer for service improvements in terms of quality and what he/she is expecting from the small

cars available and which are yet to be introduced and to understand what new features are being provided in the small car segment in the automobile industry. In the study we can find out the levels of customer satisfaction .We can also identify the causes for customer dissatisfaction like looks, seating, accessories, interiors, spare parts and engine noise.

The users of small cars are geographically wide spread and hence contacting them is time consuming. The sample size of customer is limited to 100 because of time and cost factor.

The information collected may not be sufficient and reliable in terms of total market conditions in India as Bangalore represents only a small portion of the total national market.

1. INTRODUCTION:

1.1 Introduction to the Study:

When viewed at the position almost all the companies in clusters are giving the customer more or less facilities at competitive prices. All the products are almost similar technically and it is hard to differentiate their attributes. In such a market environment these companies have aptly adopted marketing strategies as their tool to carve in a handsome market share. Each company has taken up particular aspect and has exploited it to convert the consumer into a buyer.

In the recent years the Indian market has changed rapidly. Globalization has served as a boon at least so to the consumers. The Indian consumer until now had a limited choice has been presented with a wide range of quality products. In the ongoing trend the section that advanced with surprising results was the automobile sector. Vehicles people saw on the television screen are now flying on the Indian roads. The automobile industry was already giving one of the highest turnovers. The customer now had wide variety of cars to choose from. All of the Indian auto giants joined the trend. Foreign companies came in with brilliant products for the Indian markets. When zeroed down the ultimate progress was seen in the small car segment. This segment was virtually distributed among Tata, Maruthi, Daewoo, Hyundai People suddenly became conscious for comfort, and macho look, performance and luxury. These cars provided a certain class and pride to the owner.

The Market:

All the cars that have been launched in the SMAL CAR segment are more or less same when considered on general basis. Some cars provide more facility while other covers up by brand image. The market is perfectly competitive. No company can be said to have monopoly. The MARUTHI and TATA was projected as the ultimate offering in Indian SMALL CAR segment. It provided facilities that were never before offered by any other car. These features were as below:

- Macho and rugged design.
- Power steering.
- Power windows.
- Audio systems.
- Air conditioner.
- Five speed transmission with five 5^{th} speed overdrives.
- Internally operated dickey and a petrol filter cap.
- Tubeless tyres
- Adjustable steering
- Leather seats
- Alloy wheels
- Fog lamps

Seeing the success of the small car and growing market for higher segment cars, most of the foreign brands entered Indian market. Now in present market we can see a wide range of cars starting from the cheapest to the costliest, everyone have made car as a commodity of their status. Costlier the car more is the upliftment of the status.

In recent years we can see the entry of many foreign brands in small car segment like

- AUDI
- BMW
- HONDA
- MERCEDES BENZ
- NISSAN
- PORSCHE
- VOLKS WAGEN

1.2 BACKGROUND OF THE STUDY:

The automotive industry is one of the largest industries worldwide and in India as well. The automotive sector is a vital sector for any developed economy. It drives upstream industries like steel, iron, aluminum, rubber, plastics, glass and electronics, and downstream industries like advertising and marketing, transport and insurance. Usually, what is good for the automotive sector is beneficial for the economy as well.

The automotive industry can be divided into following sectors:

1. Small cars
2. Multi-Utility Vehicles (MUVs)
3. SUV
4. LUXURY CARS
5. Two and Three Wheelers.
6. Commercial Vehicles-light Commercial Vehicles (LCVs) Medium and Heavy Commercial Vehicles (MCHVs).
7. Tractors.
8. Electrical and alternate fuel vehicle.

Despite a head start, the automotive industry in India has not quite match up to the performance of its counterparts in other parts of the world. The all-pervasive regularatory atmosphere prevailing till recently has been one of the primary reasons for this situation. The various layers of Acts so long sheltered the industry from internal competition and related its development. Moreover, the industry was considered low-priority as cars were thought of as "unaffordable luxury" for the masses.

In the post- liberalization period, the automotive industry, especially the passenger car sector, saw a boom. The buoyancy of the sector was derived primarily from economic vibrancy, changes in government policies, increase in purchasing power (especially of the upper middle class), improvement in life-styles, and availability of car finance. The passenger car industry was deregulated in 1993, and many companies, both Indian and d foreign (like Daewoo, Ford, General Motors, and DaimlerChrysler), entered the market. However, the smooth sailing was disrupted in the last quarter of 1996.

The automobile sector, which contributed substantially to industrial growth in FY1996, failed to maintain the same momentum between FY1997and FY1999. The overall slowdown in the economy and the resultant slowdown in industrial production, political uncertainty and inadequate infrastructure development were some of the factors responsible for the slowdown experienced by the automobile sector. While the sector experienced a turnaround with the launch of many new models, and experienced positive growth rates that turned out to be rather brief. In the financial year FY2002 the sector has been witnessing a slowdown.

Although the automobile sector in India has come a long way since its beginning in 1940's, the country does not rank well in many respects. For instance, the contribution of the automobile sector to industrial output, number of cars per person, automobile sector employment as a percentage of industrial employment. Also, the industry profile in India is very different from global profile. In 1993,globally, the passenger cars sector was the largest one, accounting for over 50%(in terms of number of units sold) of the automotive sector. In India, on the other hand, it accounted for around 15% of the total vehicles sold in FY2001. Moreover, the linkages with the associate industries are still tenuous in India. Consider the example of steel. The quality of steel available in India makes original equipment manufacturers (OEMs) to import skin panels.

However, the major car manufacturers worldwide consider India a good potential market as they foresee a large future demand here. Two things that have stunted the Indian automobile industry in the past are low demand and lack of vision on the part of OEMs and policy makers. However, in the recent past, the regulatory environment has been liberalized, demand has picked up, and in such a situation, global OEMs who enjoy scale economies both in terms of manufacturing and research and development (R&D), have entered the Indian market. This is likely to result in a big shift in the way business is conducted by suppliers, assemblers and marketers.

The automobile industry is the world's biggest manufacturing industry and a powerful engine of economic growth. The passenger car industry is predominant in North America, Japan and Europe. The US has one of the largest markets in the world, with major including General Motors, Ford Motors and DaimlerChrysler selling record 17.3 million vehicles in 2000.

Meanwhile, to achieve critical mass, increase their global presence and drive down purchasing and technology costs, many OEMs have started consolidating and restructuring. The last few years have witnessed hectic activity in this area, the notable among which include: the merger of Chysler and Daimler Benz; Ford's acquisition of Sweden's Volvo Car Corporation; Renault's acquisition of an equity stake in Nissan; general Motors increase of equity participation in Suzuki; and DailmerChysler's acquisition of equity stake in Mitsubishi Motors of Japan.

The purpose of mergers and acquisitions (M&As) is to create new opportunities for growth and improve margins through improved cost recovery. The hectic pace of all the merger activities notwithstanding, the global automobile industry is yet to stabilize. For instance, in the US, despite a decade of buoyant sales, the industry continues to be plagued by excess capacity. Also, higher levels of integration of the regions have ensured that it is more difficult for a manufacturer to stay insulated from the effects of reduced growth in one part of the world.

Also, globalization and consolidation have impacted relationships between OEMs and suppliers. The aim of most suppliers is to become big enough to deal directly with the OEMs (either through organic growth or through M&As) or become suppliers to systems integrators who are increasingly gaining access to the OEMs. Besides, the structure of then industry is changing with the relationship between the OEMs and the dealers and the pricing of the OEMs undergoing a change.

2. DESIGN OF THE STUDY:

This chapter briefly describes the design of the study, beginning from the title of the study and goes on to explain the objective, scope of the study, methodology, sampling, field work, analysis and finally the limitation of the study.

2.1 STATEMENT OF PROBLEM:

The automobile industry is still in its growth stage in India and it is in the prospects of growth because of new company entrants, the competition in the business has increased. Therefore it is need for the companies to provide better services, by giving the consumers the best services.

The research is conducted.

1) Understand the different aspects of customer's views and satisfactions.
2) To know about the small car segment.
3) To know about the various models of the small cars available in the market.
4) To find out what are the SMALL CAR segment available and which are yet to be introduced.

2.2 SCOPE OF THE STUDY:

Today the Automobile industry is undergoing a revolution. Many of branded companies are entering into this field. This has given rise to the opening of the competitive companies like ***Ford, BMW, Nissan, Toyota, Volks wagewn, Mitsubishi, Honda.***

With the study we can get some suggestions from customer for service improvements in terms of quality and what he/she is expecting from the small cars available and which are yet to be introduced and to understand what new features are being provided in the small cars segment in the automobile industry. In the study we can find out the levels of customer satisfaction .We can also identify the causes for customer dissatisfaction like looks, seating, accessories, interiors, spare parts and engine noise.

2.3 NEED FOR THE STUDY:

1) To find out what are the small cars available and which are yet to be introduced.

2) To understand different aspects of customers views and satisfactions.

3) To find out which car is in the leader in the small car segment.

4) To find out what new features are being provided in the small cars.

2.4 OBJECTIVE OF THE STUDY:

- To generate suggestions from customers for service improvement.
- To study the present scenario of the small cars.
- To identify the various complaints of the customers on various aspects like looks, seating, accessories, interiors, spare parts, engine noise and others.
- To find out the companies response to customer needs and wants.
- To find out the level of customer satisfaction from the small cars Manufacturers.
- The different types of small car models in the market.

2.5 REVIEW OF LITERATURE:

Customer satisfaction is a well research area. Various researchers have done research on this topic, some of them are:

- The data services market in Chennai has done a report named “Overview of the Automobile Industry”.
- “Demographic and Psychographic profile of car owners” by Vijay Sood.
- “Automobile Industry in India” by Punit Jain.

For the purpose of the study following books were referred to:

- “Marketing management” by Philip Kotler, ninth edition, Prentice Hall India defines Customer satisfaction, as “Satisfaction is a person of pleasure of disappointment resulting from comparing products perceived performance in relation to his/her expectations”.
- “Service Marketing” by Valartie A. Zeithamal, Mc Graw-Hill companies, Inc define service quality as “service quality of the delivery of excellent or superior service relative to customer expectations”.
- “Service Marketing” by Ronald Rust and Anthony international student edition defines unique characteristics of service, as “the success of gods manufacturer is vital dependent on the services they provide four common characteristics of services: intangibility, inseparability, variability and perishability.”

For the purpose of the study following articles were referred to:

- March 2006, “Overdrive”
- “Overdrive” mar 2007
- AUTO INDIA Feb. 2007

2.6 RESEARCH DESIGN:

Meaning of the research design:

Research design is a logical and systematic plan prepared for directing a research study. It specifies the objectives of the study, the methodology and the techniques to be adopted for achieving the objectives.

Nature of research design:

A research design is indispensable for a research project unlike the building plan, which is precise and specific. Research design is a "tentative plan" with a series of guideposts to keep one going on in a right direction. It undergoes modifications, as circumstances demand when the study progresses. New aspects, new conditions and new relationships come to light when the study deepens.

A research is purely and simply the framework or plan for a study that guides the collection and analysis of the data. It is a blue print that is followed in completing a study.

- The study must be relevant to the problem.
- The study must employ economical procedures.

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In this research firstly, exploratory research is done by the visiting the Maruti, Ford, Daewoo, Fiat, etc. showrooms to gather the preliminary data. Secondly, descriptive research is done through surveys to find the various aspects of customer satisfaction like sound clarity, service charges, service delivery, etc. Questionnaire is prepared to collect the primary data.

2.7 SAMPLE DESIGN:

Sampling may be defined as the selection of some part of an aggregate or totality, on the basis of which judgment about the aggregate or totality is made. In other words, it is the process of obtaining information about an entire population by only examining only a part of it.

For the purpose of the study 100 samples are surveyed to collect the primary data.

The convenient sampling is used to select the representative sampling from the population, because researcher does not have consumers who are easily accessible.

2.7.1 Definition of the population:

Out of the sample collected the break up of the sample size was on the following parameters.

- The respondents were taken from all the kinds of class i.e. upper class, upper middle class and middle classes. The respondents have been chosen on random basis.
- These respondents were the software engineers, businessman, government employees, etc.
- Some were students of engineering college and management colleges.
- Also the opinion of local people had been taken.
- The sample size consists of 100 respondents.

2.7.2 Sample size:

The sample size was determined on a judgmental basis. A total number of 100 respondents were included in the study of these most were software engineers of software companies, entrepreneurs and also the general public.

2.73 Sample Techniques Adopted:

As the Bangalore city is a metropolitan and its population is in millions and there are large number of sectors. The population universe in the city of Bangalore being vast in size, it was difficult to conduct 100% coverage of the study within the limited period. Hence the sample survey method is adopted for this study.

2.8 SOURCES OF DATA

2.8.1PRIMARY DATA:

Primary data refers to data that is collected afresh and recorded for the first time. Primary data are those data i.e. collected by the researcher himself. It thus happens to be original in nature. The various methods of collecting primary data are performing surveys, census, through observation or through correct communication with respondents. But basic manner of primary data collection is survey method. The primary data for the study was collected through questionnaire and informal interviews with the company staff.

2.8.2SECONDARY DATA:

Secondary data refers to that which has already been collected by someone else. Secondary data for the study was collected from:

- Published literature
- Company published data and broachers
- Internet
- Commercial service
- Bookss

2.9 FIELD WORK:

The interview schedule was carefully decided and constructed upon and revised in consolation with experts in order to avoid collection of irrelevant data. The researcher directly approached the respondents. It took five minutes to administer each questionnaire.

2.10 OPERATIONAL DEFINITIONS OF THE STUDY:

For the purpose of the study the following terms are used:

- ***Services:*** Services are deeds, processes and performances include all economic activities whose output is not a physical product or construction, it is generally consumed at the time it is produced.
- ***Satisfaction:*** It is a persons feeling of pleasure or disappointment.
- ***Quality:*** It is the totality of features and characteristics of a product of servicing that bear on its ability to satisfy stated or implied needs.
- ***Industry:*** An industry is a group of firms that offer a product or products.
- ***Brand competition:*** It occurs when a company looks at its competitors as other companies offering similar products and services to the same customers at similar prices.
- ***Marketing:*** It is a social and managerial process by which individual and groups what they need and want through creating offering and exchanging products of values with others.
- ***Value:*** It is the consumer's estimate of the products overall capacity to satisfy his or her needs.
- ***Price:*** Service price are powerful customers that aid customer in forming expectation of service levels.
- ***Service delivery:*** It refers to what actually happens when the customers by the service.

- ***Cost quality:*** Quality improvements leads to profile at least in parts because of cost saving achieved through increased efficiency.
- ***Brand name:*** Brand is a name, term, sign, symbol, design or a combination of them, intended to identify the goods services.
- ***Automobile:*** An Automobile is a self-propelled vehicle, which is used for the transportation of passengers and goods upon the ground. The progress of automobiles for transportation has always been associated with the progress of civilization and development of a country.
- ***Market:*** Market means a place or locality where things are brought and sold and where buyers and sellers personally meet to affect these purchase and sales.
- ***Chassis:*** The basic-strength auto frame including the engine, suspension, wheels, brakes and drive train. A car without its body or coachwork. In monologue or unit construction it is integral with the body.
- ***Combustion chamber***: The space remaining at the top of the cylinder when the piston is at the top dead center position. Where the fuel-air mixture begins to burn.
- ***Compression:*** In internal-combustion reciprocating engines, the squeezing of the fuel-air mixture in the cylinder of a spark-ignition engine or the squeezing of the air in a diesel engine. Compression makes combustion more effective and increases engine efficiency.
- ***Diesel engine***: An internal-combustion engine in which the fuel is injected into the cylinder near the end of the compression stroke and is ignited by the heat of the compressed air in the cylinder. No spark plug or carburetor is needed.

- ***Disc brake***: A type of brake in which two friction pads grip a steel disc that is attached to the wheel, with one pad on each side. Used on racecars, sports cars, and better passenger cars.
- ***Distributor:*** The moving part of the internal-combustion engine ignition system that directs the high-voltage current from the coil to the spark plugs in the proper firing order.
- ***Fiberglass***: A very tough and durable plastic material with fibers running through the plastic. Used for racecar bodies, many sports car bodies, and also enjoys considerable acceptance for passenger car bodies.
- ***Flywheel:*** A large, heavy iron or steel disc attached to the rear of an engine crankshaft in order to provide sufficient centrifugal force to smooth the power impulses from the cylinders.
- ***Fuel injection***: On internal-combustion engines, a system that injects a precisely measured amount of fuel into the cylinder at exactly the right moment. Dispenses with the carburetor and increases engine efficiency.
- ***Gears:*** Wheels with meshing teeth to transmit power between rotating shafts. When the gear wheels are of different sizes, a change in speed ratio occurs. Gears are made of hard steel.
- ***Internal-combustion engine:*** Any engine, either reciprocating or rotary, in which the fuel is consumed in the interior of the engine rather than outside of the engine.

- ***Overdrive:*** A small auxiliary gearbox that provides an additional gear ratio. It causes the drive shaft to turn faster than the engine crankshaft or "overdrive" it. It is engaged manually when under way and reduces fuel consumption.
- ***Wheelbase:*** The distance between the centers of the front and rear wheel axles as viewed from the side of the car.

Abbreviations and Acronyms:

ABC - Active Body Control

ABS - Antilock Brake System

AC - Alternating Current

A/C - Air Conditioning

ECM - Engine Control Module

FABS - Flexible Auto Body System

FI - Fuel Injection

FWD - Front Wheel Drive

FWD - Front Wheel Drive

LCD - Liquid Crystal Display

LCM - Lighting Control Module

NGV - New Generation Vehicle

OEM - Original Equipment Manufacturer

OD – Overdrive

OTIS - Overhead Travel Information System

PS - Power Steering

PSA - Pressure Switch Assembly

RABS - Rear Antilock Brake System

SDS - Shock Dampening System

TCS - Traction Control System

TCS - Transmission Control Switch

2.11 LIMITATIONS OF THE STUDY:

- The sample size of customer is limited to 100 because of time and cost factor.
- The information collected may not be sufficient and reliable in terms of total market conditions in India as Bangalore represents only a small portion of the total national market.
- Though the personal interviews consider being the best method for surveying as it also reflects the body language, it sometimes become s difficult to get and retain interviewee, because of their busy schedule.
- Non-availability of the database regarding the users of various small cars led to more hit and trial experiments.
- The users of small cars are geographically wide spread and hence contacting them is time consuming.
- Most of the respondents belong to upper middle class or upper class. The approachability was one of the main constraints.

2.12 OVERVIEW OF THE REPORT

This is essentially the chapter scheme and is divided into five units as under:

Chapter -1 INTRODUCTION

This chapter starts with the brief idea regarding the project and it also explains the theoretical background of the study i.e. sources of pleasure and displeasure in service etc.

Chapter-2 DESIGN OF THE STUDY

The design if the study tells us about the research methodology adopted for the study, statement of the problem, review of the literature, scope of the study, objective of the study, operational definitions of the concept, sampling method, data collection tool, limitations of the study and overview if the report.

Chapter-3 PROFILE OF THE RESPONDENT

This chapter has the profile of the industry, profile of the sample unit, etc.

Chapter -4 ANALYSIS

This chapter contains classification and tabulation of data, analysis and interpretation.

Chapter-5 SUMMARY

This is the last chapter. It has executive summary of dissertation, findings, conclusions and suggestions.

3. COMPANY RESPONDENT

3.1 PROFILE OF THE INDUSTRY:

An Automobile is a self-propelled vehicle, which is used for the transportation of passengers and goods upon the ground. The progress of automobiles for transportation has always been associated with the progress of civilization and development of a country.

HISTORY:

Germany is the birthplace of automobiles. In 1769 a French engineer, captain Nicholas Cugnot built the first self-propelled vehicle. It was three-wheeler with a maximum speed if 3 mph. It was fitted with a steam engine. In 1802 Richard Trevitluck of England built the first practical steam automobile using the crankshaft for the first time.

In 1863 Lenoir of France built the automobile propelled by the gas engine. In 1876, Eienne Lenoir of Belgium invented the first practical internal combustion engine. In 1885 Daimler Benz employing four stroke petrol engines in Germany built the real automobile. In 1895 Henry Ford of America made his first famous car in corpora ting the main features of present day automobiles.

From 1900-1906 the production and sales of automobiles became the real business. In 1904 Simpson Company of Madras started to build the automobile bodies. In 1913 the total vehicles in India were only 4500 and in 1914 the total no of vehicles raise to 6000. In 1926, Ford motor company of India established there office in Bombay and sold the world famous “Ford-T” modern cars.

In 1898, the first motorcar appeared in India with taxicab in Bombay. In 1935, Sir M. Vishweshvaraya set up automobile industry in India, but the government did not approve this plan. In 1943, the Premier Automobiles Limited factory was setup at Bombay for manufacturing cars in India. In the year 1944, the Hindustan Motors Ltd. Factory was setup at Calcutta for manufacturing cars.

In India after the Independence Hindustan Motors Ltd, Calcutta and Premier Automobiles Ltd, Bombay came into existence and started manufacturing the Ambassador and Fiat cars. In 1948, Ashok Leyland Ltd, Madras started manufacturing the commercial vehicles. Later on Mahindra and Mahindra Ltd, Bombay started manufacturing jeeps. In 1954, Tata Engineering and Locomotives Company Ltd. Came into existence at Jamshedpur and started manufacturing commercial vehicles.

Evolution of automobile industry:

Initial years:

- Cars regarded as luxuries.
- Manufacturing was licensed, capacity expansion restricted.
- Import of cars was restricted to state trading corporation and foreign diplomats.
- High custom duty.
- Steep excise duties and sales taxes.
- Market dominated by just two players- Premier Automobiles Ltd. and Hindustan Motors Ltd.

1980s:

- Entry of Maruti Udyog Ltd.-better product at lower price enjoyed government support.
- Seller's market.
- Long waiting periods.
- Limited choice.
- Restriction on capacities.
- License requirements.
- High import duties.

- Auto finance became available but was limited to a few players.
- MUL captured a major market share, PAL and HML were able to maintain volumes but their market shares fell drastically.

1990s:

- Cars perceived as necessities.
- Still a sellers market.
- Long waiting periods continue.
- Development of the mid price and luxury segments.
- Increase in competition with the entry of foreign manufacturers especially after the mid 1990s.
- Superior models and more choice.
- Auto finance booms-more players (foreign banks and NBFCs): better schemes.
- Deli censing in 1993.
- Removal of capacity restrictions.
- Decrease in custom and excise duties.

Future:

- Buyers market.
- Drop in waiting period.
- Market segmentation to change from being price based to being size based.
- Shake out in the industry.
- Technologically superior and more comfortable models.
- Regulatory framework to be completely relaxed.
- Auto finance.
    a) Decrease in the interest rates; faster loan turnaround, higher service level, smaller margin requirements and decrease in paper work.
    b) Change in the kind of products offered –at present hire purchase schemes are more prevalent than leasing, this is likely to be reversed in the future.
    c) Increase in importance of the sales and service network and infrastructure.

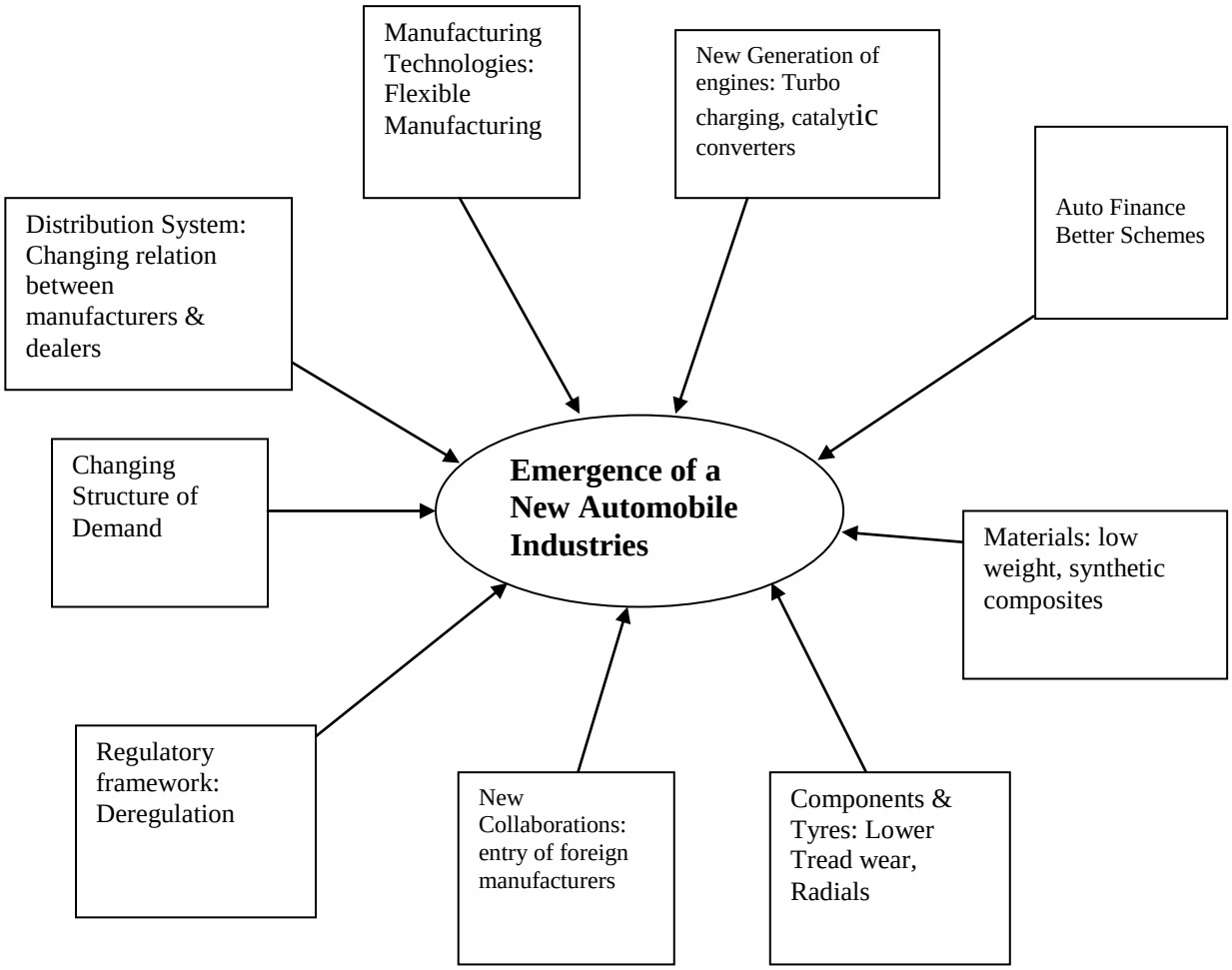


FIGURE SHOWING TRENDS IN AUTOMOBILE INDUSTRIES

THE BIRTH OF AUTOMOBILES:

Horses had dreams of them since time immemorial, but it was only in the 18th century that the first horseless carriage actually hit the roads. That's not to say that the idea never struck anyone. Seeds of the idea, in fact, originated long before the first contraption was rolled.

The history of the automobile actually began about 4,000 years ago when the first wheel was used for transportation in India. Several Italians recorded designs for wind-driven vehicles. The first was Guido da Vigevano in 1335. It was a windmill-type drive to gears and thus to wheels. Vaturio designed a similar vehicle that was also never built. Later Leonardo da Vinci designed clockwork-driven tricycle with tiller steering and a differential mechanism between the rear wheels.

First, Carl Benz invented the petrol engine in 1885 and a year later Daimler made a car driven by motor of his own design and the rest is history.

Daimler's engine proved to be a great success mainly because of its less weight that could deliver 1000 rpm and needed only very small and light vehicles to carry them.

France too had joined the motoring scenario by 1890 when two Frenchmen Pan hard and Levassor began producing vehicles powered by Daimler engine, and Daimler himself, possessed by the automobile spirit, went on adding new features to his engine.

He built the first V-Twin engine with a glowing platinum tube to explode the cylinder gas-the very earliest form of sparking plug. The engines were positioned under the seat in most of the Daimler as well as Benz cars. However, the French duo of Panhard and Levassor made a revolutionary contribution when they mounted the engine in the front of the car under a 'bonnet'.

The History of Electric Vehicles :

However, around 1900, electric land vehicles in America outsold all other types of cars. Then in the several years following 1900, sales of electric vehicles took a nosedive as a new type of vehicle came to dominate the consumer market.

Automobile industry in India:

Automobile industry in India is today poised for the big leap and this segment helps you to be ready for that.

History and development of Automobiles also marks the dynamism in technological growth men have achieved. From the days of horseless carriages to the modern-age self-guided automobiles that are designed meticulously using cutting-edge technology, we have certainly traveled too far. Go through this segment to know about the automobiles, their history, development phases, and in particular their relevance to India.

Automobile Industry in India is still in its infancy but growing rapidly. The opportunities in the automobile industry in India are attracting big names with the big purse and they are investing vigorously in infrastructure, design and development, and marketing. Automobile industry in India is today poised for the big leap and this segment helps you to be ready for that.

The Birth of the Car:

The birth of the car as we know it today occurred over a period of years. It was only in 1885 that the first real car rolled down on to the streets. The earlier attempts, though successful, were steam powered road-vehicles. Nicolas Cugnot built the first self-propelled car in 1769, which could attain speeds of upto 6 kms/hour. In 1771 he again designed another steam-driven engine, which ran so fast that it rammed into a wall, recording the world's first accident. In 1807 Francois Isaac de Rivaz designed the first internal combustion engine. He to develop the world's first vehicle to run on such an engine, one that used a mixture of hydrogen and oxygen to generate energy, subsequently used this.

This spawned the birth of a number of designs based on the internal combustion engine in the early nineteenth century with little or no degree of commercial success. In 1860 thereafter, Jean Joseph Etienne Lenoir built the first successful two-stroke gas driven engine. In 1862 he again built an experimental vehicle driven by his gas-engine, which ran at a speed of 3 kms/hour. These cars became popular and by 1865 could be frequently espied on the roads.

The next major leap forward occurred in 1885 when the four-stroke engine was devised. Gottileb Damlier and Nicolas Otto worked together on the mission till they fell apart. Daimler created his own engines, which he used both for cars and for the first four-wheel horseless carriage. In the meanwhile, unknown to them, Karl Benz, was in the process of creating his own advanced tri-cycle, which proved to be the first true car.

It was however left to Karl Benz and Gottlieb Damlier to produce the first vehicles powered by the internal combustion engine in 1885. It was then that the petrol engine was introduced, which made the car a practical and safe proposition. The cars in this period were more like the cars on our roads today. With cars came the era of speed.

The first ever land-speed record was established about 100 years back, in 1898. Count Gaston de Chasseloup-Laubat of France drove an electric car (in Acheres near Paris) at a speed of 39.24 miles per hour. This flagged off the era of ‘wheels racing’, which lasted till 1964, after which jet and rocket - propelled vehicles were allowed. Then onwards, it has been one big journey...on the roads.

With the invention of the wheel in 4000 BC, man's journey on the road of mechanized transport had begun. Since then he continually sought to devise an automated, labor saving machine to replace the horse. Innumerable attempts reached conclusion in the early 1760s with the building of the first steam driven tractor by a French Captain, Nicolas Jacob Cugnot.

First Indian to buy a car:

The first car was imported into Bombay in 1897 or '98 by a Mr. Forster of Greaves Cotton and Company. **Jamsetji Tata** was the first Indian in Bombay to own a car when he bought one in 1901.

THE GLOBAL CAR MARKET:

The auto industry is predominant in North America, Japan and Europe. The US has one of the largest market in the world, with 16 million light motor vehicle sold in 1996, besides those exported. The major car manufacturers in the US are general Motors with a market share of 36% and Ford Motors with a 23% share. The second largest market for cars 9in the world is Western Europe. In terms of number of cars manufactured, India has a share of only 0.6% of the world's production.

The major world car manufacturers consider India a good potential market as they foresee a large demand in the Indian car market. In terms of number of persons per car the US has an average of 1.4 persons per car; Canada has 1.8, Australia and New Zealand 2.2persons each, the European Community has2.5, Thailand 2.5, whereas India has 2.75 persons per car. Also, it takes an average 21 weeks income in the US, 15 weeks in Japan, 27 weeks in the European Community, whereas the ratio is very high in India.

Two things that have satisfied the India's automobile industry in the past are low demand and lack of vision on part of OEMs and policy makers. In such a situation, global OEMs who enjoy scale economies both in terms of manufacturing and R&D is poised to take a big leap forward. This is likely to result in a big shift in the way business is conducted by suppliers, assemblers and marketers.

MARKET SEGMENTS:

The Small Car Segment:

The small car segment is represented by capacity cars like Maruti 800, Wagon-R, Alto, Zen, Reva, Tata Indica, Fiat palio, Santro Getz, etc. in this segment Maruti has been the best seller, with a market share in excess of 75%. The key to Maruti's success has been the cost advantage, which has translated into competitive pricing. The margins are low in this segment as compared to other segments and unless the scale of operations is large, the sector may not be feasible for new entrants.

New units will have to invest a large sum and manufacture more than one lakh cars per annum, to achieve economy of operations.

Demand in this segment is affected by factors by such as household incomes, limited availability of products and increasing use of car as a corporate executive perk. This segment caters mainly to the upper middle class.

The Mid Car Segment:

The medium car segment consists of brands like Esteem, Ikon, Indigo, Fiat Petra, Accent, Corsa, Honda city etc. This segment mainly targets those people who already own a car and desire to buy another one as a status symbol or for want of a more luxurious car. The sales of this segment have not been very high and the success of these vehicles has been moderate in India.

The Premium and Luxury Car Segment:

The Premium and luxury car segment consists of cars with better features like bigger engine capacity, more space and modern technological features. This segment has Ford Mondeo, Hyundai Elantra, Sonata, Corolla, Camry, Baleno, Lancer, Optra, Opel Vectra, Accord, Skoda Octavia, Skoda Superb, E-class, S-class, and C-class etc. This segment targets to the up market customers.

The Premium and luxury cars are aiming at the niche markets of the very rich and their emerging consumption patterns. They are also banking on exports markets with the help of the promotion and distribution network of the collaborators. technology-sensitive segment.

SUV car segment:

These are purely meant for people who are adventitious in nature and love to drive their set of wheels on all types of terrain and surfaces. But at the same time a lot of SUV owners in the Indian market buy these cars purely as an image statement and not for there go-any where capabilities.

MUV car segment:

These are used for a variety of purposes like load carrying and ferrying a large number of persons in relative comfort in a fair amount of economy. Most vehicles in this class use diesel power, as it is cheaper to run than petrol. Used mostly by tour and cab operators in India.

Estates:

These are the station wagons or estate versions of sedans available in India, meant essentially for large families who travel frequently across the country with a lot of luggage. They usually cost more than their three box cousins. With the launch of the marina, tata has redefined pricing in this segment. Some of the estate versions are infact better looking than the three box cabins.

SOME OF THE SMALL CARS IN INDIAN MARKET:

- Fiat palio
- Tata indicia
- Hyundai Santro, Getz.
- Maruthi 800,alto, Zen, Swift, Wagon R, Zen estilo.
- Daewoo matiz.
- Reva

FORD:

Ford is the first company that brought car to the common man. Earlier, cars were a luxury item and mostly fabricated piece by piece one by one, due to which they were highly expensive. Henry Ford I established the first assembly line or mass-productive cars in America. This made them cheaper and affordable to common people's car in the early 20th century.

Ford Motor Company entered the business world without fanfare on June 16, 1903, when the late Henry Ford and 11associates filed incorporation papers at Michigan's State Capitol in Lansing. With an abundance of faith, but only $28,000in cash, the pioneering industrialists gave birth to what was to become one of the world's largest corporations.

Few companies are as closely identified with the history and development of America throughout the 20th century as Ford. And perhaps no other American firm is as well known across the globe.

At the time of its incorporation, Ford was a tiny operation in a converted Detroit wagon factory staffed with 10people.Today, the company is the world's second-largest industrial corporation, and is the second-largest producer of cars and trucks, with active manufacturing, assembly or sales operations in 31countries on six continents.

HYUNDAI:

Hyundai Motor was established in 1967 by the Hyundai group. However, for a long period it was just producing cars based on the design supplied by Ford UK. The first self-developed model was the ’74 Pony, but under the guidance of Mitsubishi. Engines also came from the Japanese design, while the styling was penned by Italian design. The car earned Hyundai the name as the biggest Korean car maker which is still unchallenged today.

The second generation Pony of 1982 marked another milestone: the first large scale export. Like the Japanese, Korean’s industry was (and still is) very export-oriented. The Pony small car, benefited by the wage advantage of Korea labors, stormed the Canadian small car market in 1983. The world started to realize the rise of another Eastern car making nation. The first self-designed engine appeared in 1991, which signaled the "real" autonomy of R&D. Sales continued to grow in the whole 90’s as model range expanded and quality improved. This company came to India in 1999 and launched their tall boy Santro in India, which went to become India’s largest selling car, just behind Maruti.

MARUTI:

Maruti Udyog Ltd (MUL) is the largest car manufacturer in the country with a market share of over 80 per cent in the car industry. It is a joint sector corporation setup by the Government of India and Suzuki Motor Corporation, Japan. Although the company is a clear leader, it faces threats from new entrants into car industry.

The company was incorporated in 1981 to take over the assets of the erstwhile Maruti Ltd. Maruti Ltd set up in June 1971 had been wound up by a High Court order in 1978. The assets of Maruti Ltd were then acquired by the Government under the Maruti Ltd (Acquisition And Transfer of Undertakings Act, 1980).

In the year 1982, the government signed a joint venture agreement with Suzuki Motor Corporation of Japan. Suzuki's stake had risen from 26% to 40% in 1987. Suzuki's stake went up once again to 50.25% in 1992. Between August 1997 and June 1998, there were severe tensions between the two partners over the issue of appointment, of the managing director of the company. This was resolved in June 1998.

The first product, Maruti 800 was launched in 1984. In 1985, the all-terrain vehicle Gypsy was launched and Maruti sold its 50,000th vehicle. The Maruti 1000 was launched in 1990 and the Zen in 1993.

The company manufactures passenger cars at its factory in Gurgaon, Haryana. Its installed capacity of 350,000 vehicles is expected to rise to 450,000 in the year 1999. The company's models include the 800cc small car, Esteem, Zen and Gypsy.

In the car segment, it had a market share of 83% in FY98, with sales of 345,303 cars. For the period April '98 to January '99, MUL car sales have dropped by 6.4% to 263,681 compared to 281,697 cars for the corresponding period for FY98.

The company is a significant exporter with exports to over 50 countries. During FY98, exports also witnessed a drop of 26.87% to 24,757 cars. For the period April '98 to January '99, MUL car exports dropped by 10% to 17,155 compared to 19,054 cars for the corresponding period in FY98.

In August '98, the company launched the diesel version of the Zen which is powered by a 1527 cc engine supplied by Peugeot Citreon Motors, France. The company also intends to launch a diesel version of the Gypsy and a new model in the 800 cc segment.

The company is known for its strategy of value-for-money pricing which has been made possible due to the high levels of indigenisation of its vehicles. While the Maruti 800, Zen, Esteem and Omni are indigenised to the extent of over 90 per cent, the Gypsy is indigenised to the extent of 82 per cent and the export version of the Zen called Alto to the extent of 76 per cent. Maruti has a vendor network of about 375.

The company has several joint ventures with some of these vendors to source its raw material requirements. On the sales and marketing side, Maruti has a network of 112 dealers and sales outlets in 86 locations across the country. It also has a 1,010 strong service work shop network covering 412 locations in the country.

In December '98, MUL slashed the prices of its 800cc and Zen cars by about Rs24,000 and Rs51,000 respectively. This has helped MUL to restrict the slide in its market share, due to entry of new car manufacturers.

For FY99, MUL's total income dropped by 4.2% to Rs81.2bn. The decrease in prices of 800cc and Zen was reflected in a drop of 20% in net profit to Rs5.2bn compared to Rs6.5bn in FY98.

As a process of its disinvestment in PSU, the GOI is seriously considering disinvesting its holding in MUL, in the domestic market. But there have been no announcements regarding this from the company.

3.2 PROFILE OF THE SAMPLE UNIT:

The research is an effort to study the “Customer Satisfaction of Small Cars in Automobile industry in Bangalore City”. A survey of 100 subscribers is conducted in general to derive the conclusion, as it is very difficult to use the probability sampling to select the representative sample.

For the purpose of the study age-group of respondents have classified into four group such as 20-30, 30-45, 45-60 and 60 and above and there response percentage are 35%, 34%, 23.5%, and 7.5% respectively.

Income of the respondents has been classified into four groups such as 10,000 - 20,000, 20,000 -35,000, above 35,000, their response percentage are 35%, 32.5% and 32.5respectively.

Occupation of the respondents were classified into three groups such as entrepreneurs, employees, and self-employed and their response percentage are 32.5%, 44% and 23.5% respectively.

4. ANALYSIS AND INTERRETATION:

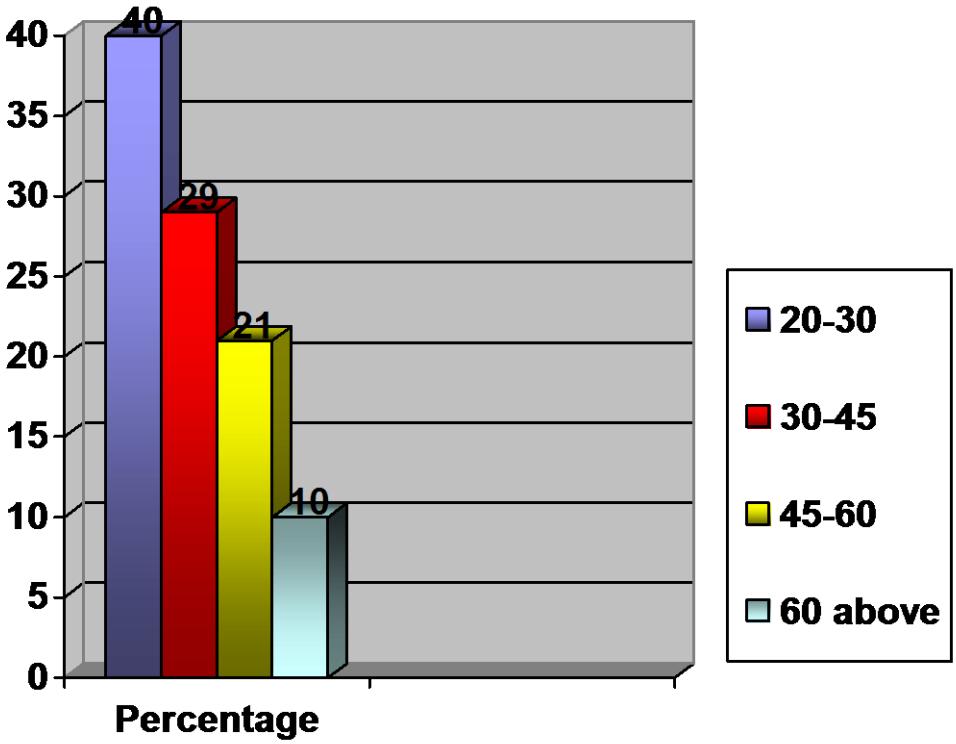
4.1 INTRODUCTION TO ANALYSIS:

After tabulating, the data must be analyzed; researcher often uses statistical interpretation, which concentrates on what is average or what deviates from an average. Statistical interpretation, shows how widely the response vary and how they are distributed in relation to the variable, being measured, statistical market rely on estimates of expected errors or deviation from the two values of population. The analysis and interpretation of data may lead the researcher to accept or reject the hypothesis being selected.

01. Table showing "the age group of respondents"

Years	**No. of respondents**	**Percentage**
20-30	40	40
30-45	29	29
45-60	21	21
60 above	10	10
Total	100	100

01 .Graph showing “the age group of respondents”



Observation:

This table shows that majority of respondents belong to the age group between 30-45 i.e. 29% 10% are of the age group 60 above, 21%are of the age group between 45-60 and the rest 40%are of the age group between 20-30.

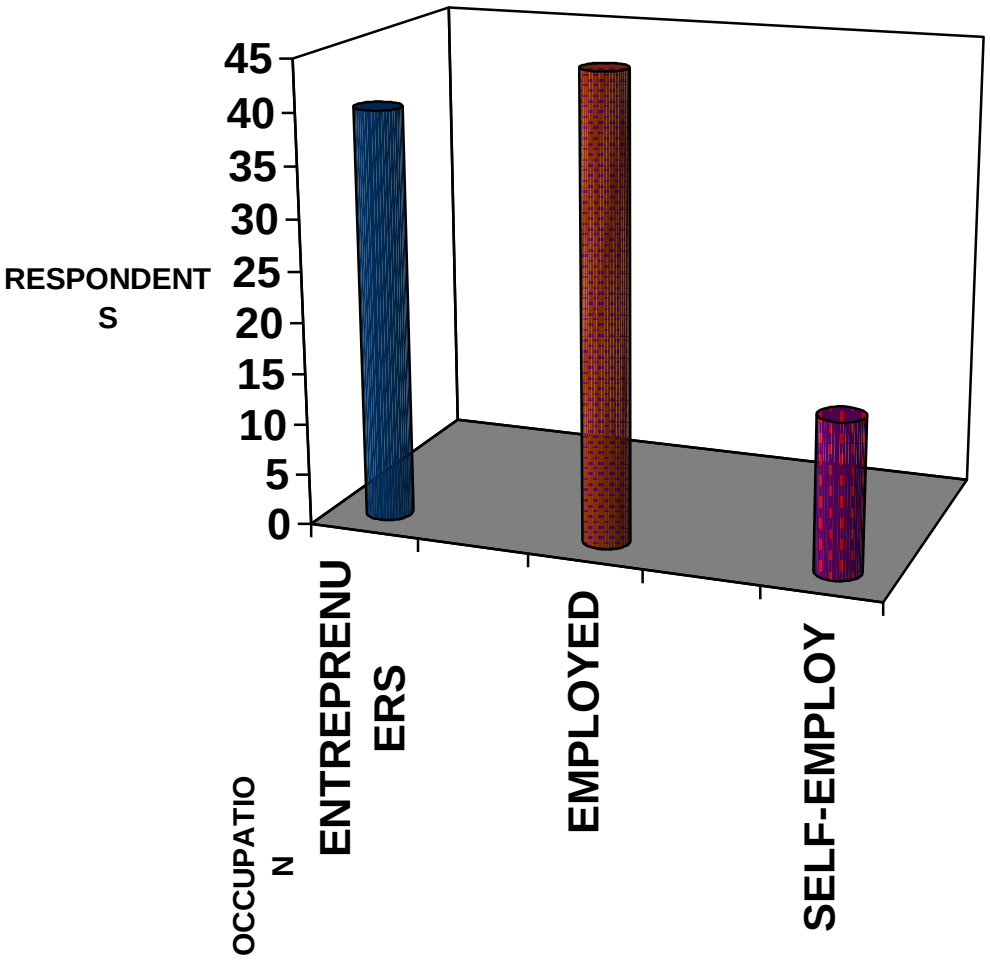
Inference:

We can infer from the above table that the majority of respondent stands in the age group of 20-30.

02. Table showing “the occupation of the respondents”

Occupation	**No. of respondents**	**Percentage**
Entrepreneur’s	40	40
Employees	45	45
Self-employed	15	15
Total	100	100

03. Graph showing “the occupation of the respondents”



Observation:

Majority of respondents were employeesi.e.45%, 40% were entrepreneurs and the rest 15% were self –employed

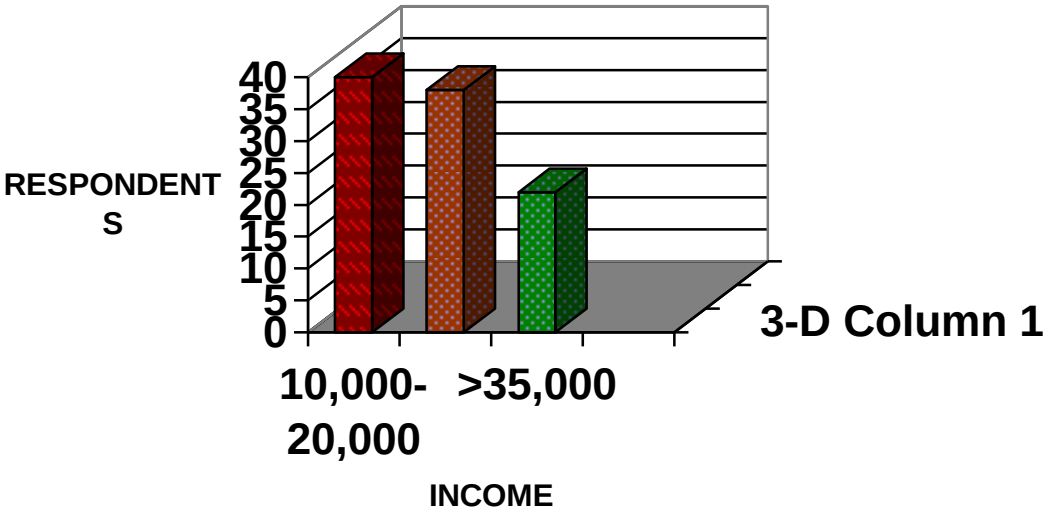
Inference:

The majority of the respondents were the employees, so more of the prefeance was given to these type respondents.

03.Table showing "the income level of the respondents"

Income	No. of respondents	Percentage
10,000-20,000	40	40
20,000-35,000	38	38
35,000 Above	22	22
Total	100	100

03. Graph showing "the income level of the respondents"



Observation:

Majority of respondent's lies in the income level 10,000-20,000 i.e. 40%, 38% between 20,000-35,000 and the rest 22% lies above 35,000.

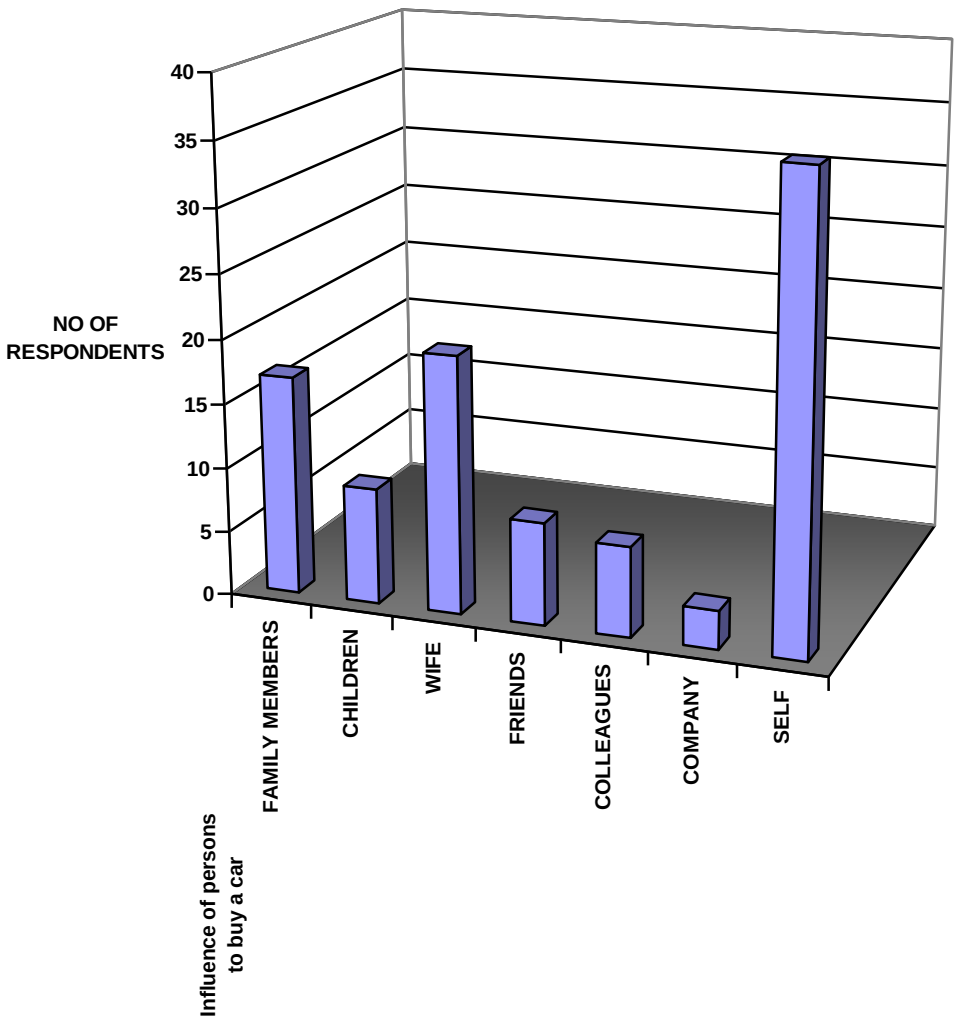
Inference:

Since the major portion of income level is between ten to twenty thousands rest of the income level respondents has given less preference compared to the above. Since my target segment was mid sized respondents.

04. Table showing "the influence of persons to buy a car"

Influence of persons to buy a car	No. of respondents	Percentage
Family members	17	17
Children	9	9
Wife	20	20
Friends	8	8
Colleagues	7	7
Company	3	3
Self	36	36
Total	100	100

04. Graph showing “the influence of persons to buy a CAR



Observation:

Majority of the respondents were influenced by self to by a car i.e. 35%, 22.5% were influenced by their wife's, 5.5% were influenced by their children's, 6.5% were influenced by colleagues,8% by friends , 16.5%wre were influenced by family members and the rest 3% were influenced by the company.

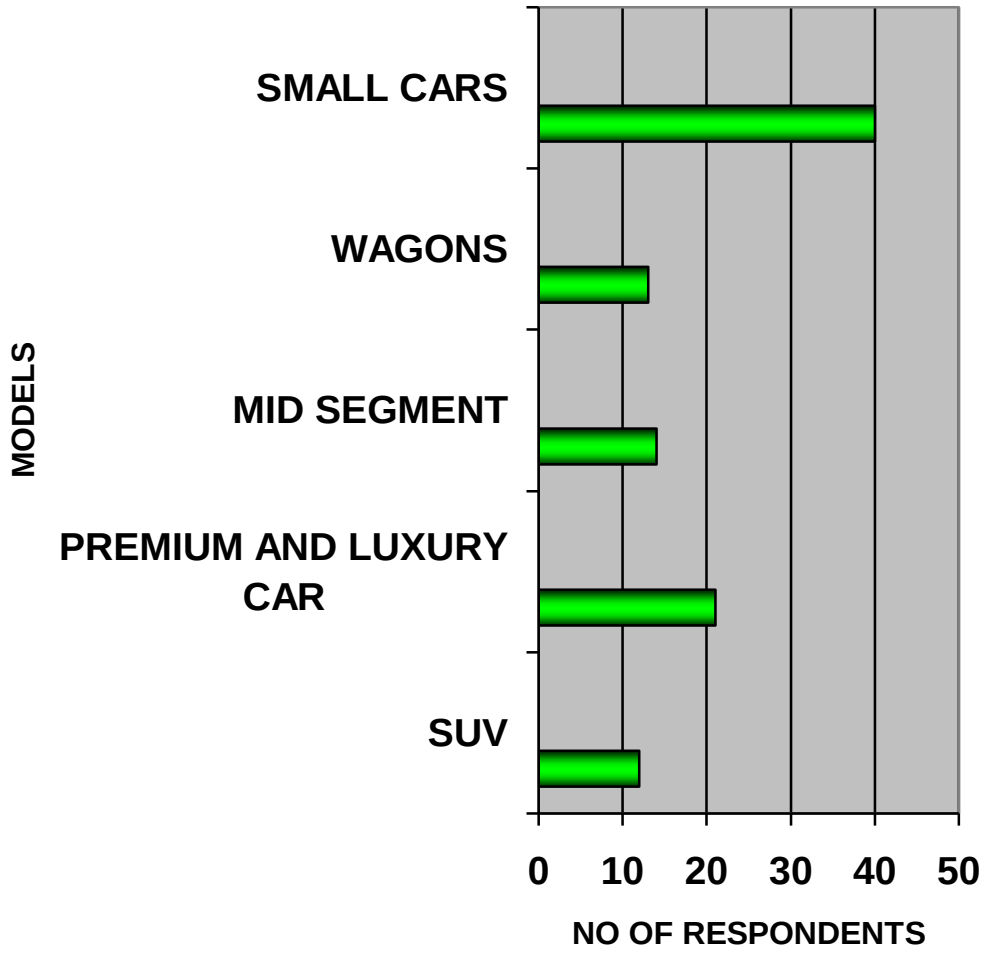
Inference:

Here in this context an individual is influence by him self to opt for a small car. Hence forth a marketer should try to convince an individual rather than convincing the other member. The next individual from where a person influence is her wife or other personal member of his family.

05. Table showing “the segment of cars preferred”

Segment of cars preferred	No. of respondents	Percentage
SUV	12	12
Wagons	13	13
Mid Segment car	14	14
Premium & Luxury car	21	21
Small car	40	40
Total	100	100

05. Graph showing "the segment of cars preferred"



Observation:

Majority of the respondents prefer small car i.e. 40%, 14% prefer mid segment, 12% prefer SUV segment, 13% prefer wagons, 14% prefer mid segment cars and21% prefer luxury cars.

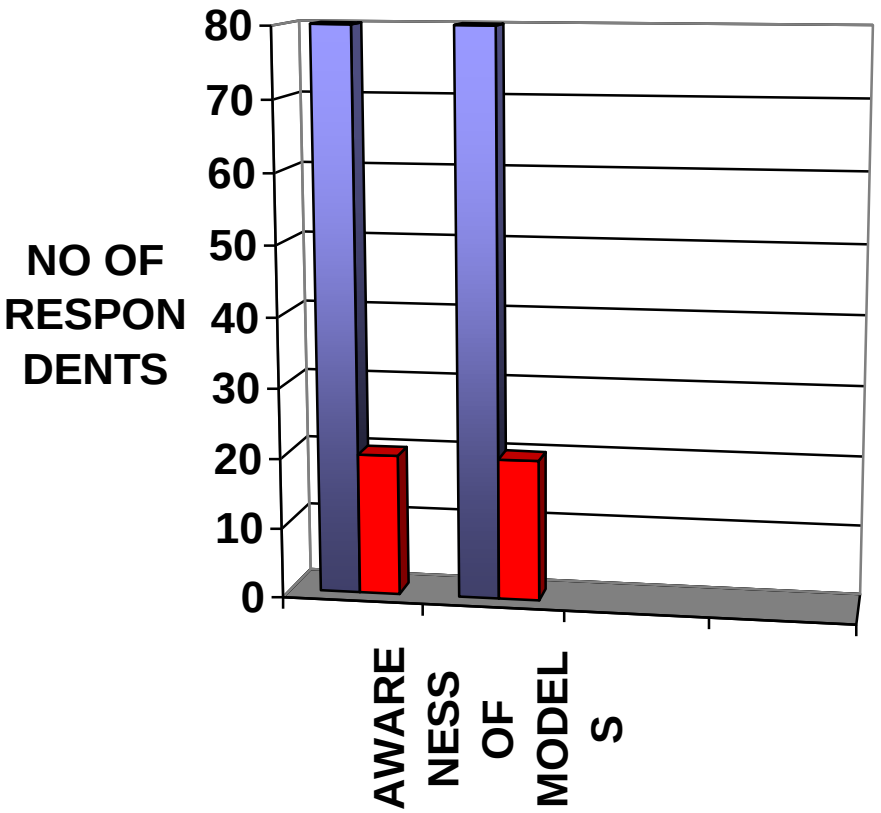
Inference:

From this we can infer that majority of the respondents prefer small cars in Bangalore since due to the traffic situations. Here in Bangalore a marketer can improve the present feature and the performance of the small cars.

06. Table showing "the awareness about different type of small cars models"

Awareness about different type of Small car models	No. of respondents	Percentage
Yes	80	80
No	20	20
Total	100	100

06. Graph showing "the awareness about different type of small cars models"



Observation:

80% of the respondents were aware of the different type of small cars models and 20% were not aware.

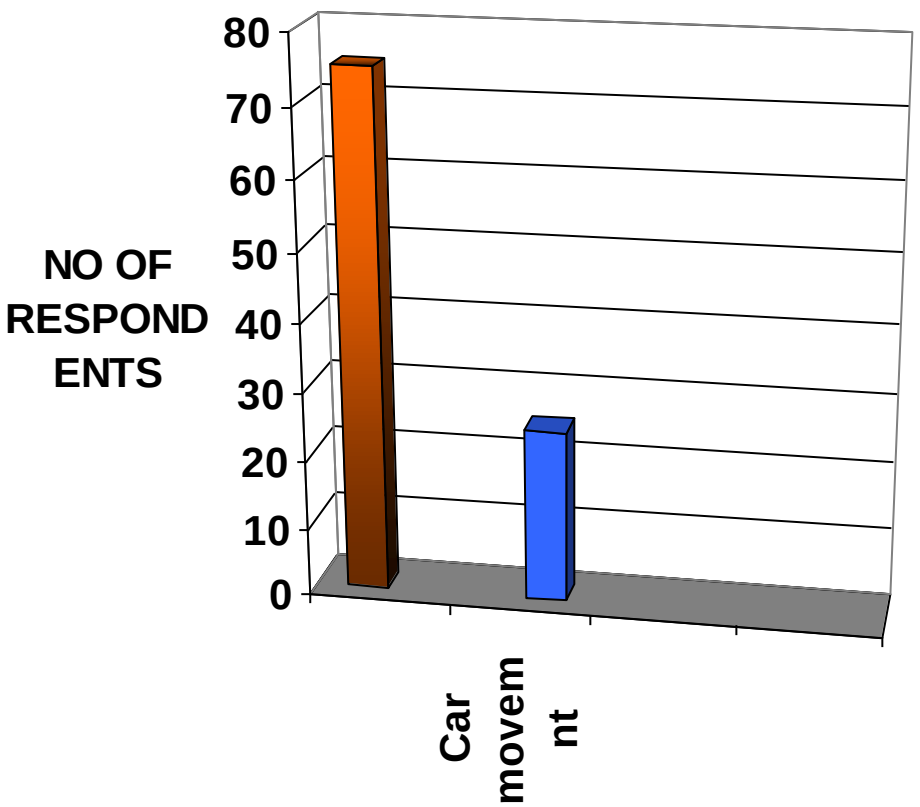
Inference:

From the above table we can infer that majority of the respondents are aware of the different cars in the Bangalore market. So marketer should work on the other niche markets.

07. Table showing “Car movement in the traffic”

Car Movement in Bangalore traffic	No. of respondents	Percentage
Yes	75	75
No	25	25
Total	100	100

07. Graph showing "Car movement in the traffic"



Observation:

From the above table 75% of the total respondents say yes, that small car make easy movement in the Bangalore traffic. But rest of the 35% will not find easy movement in the busy traffic.

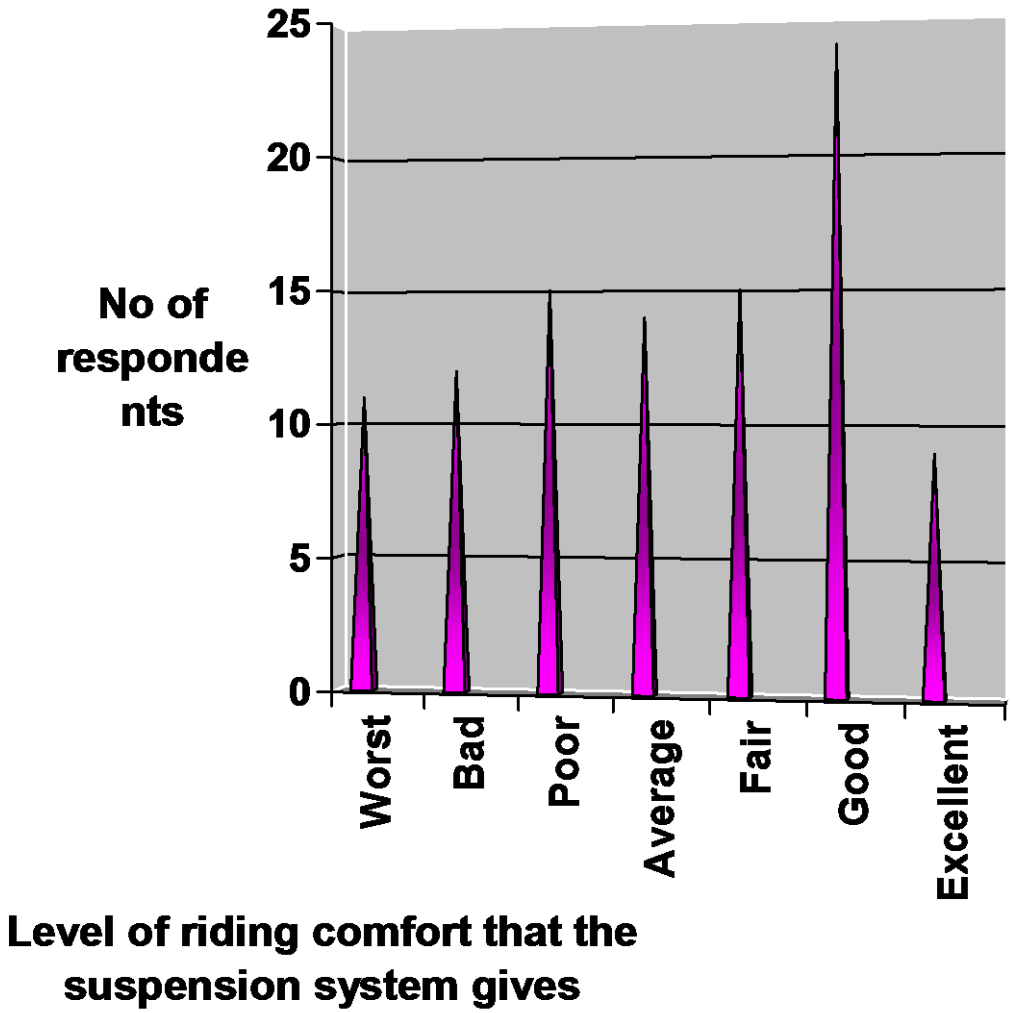
Inference:

Since the majority of the respondent find it very easy driving in the Bangalore traffic it is better that a marketer shall market the products in the places where there is more traffic congestion.

08. Table showing "the level of riding comfort that the suspension system gives"

Level of riding comfort that the suspension system gives	No. of respondents	Percentage
Worst	11	11
Bad	12	12
Poor	15	15
Average	14	14
Fair	15	15
Good	24	24
Excellent	09	9
Total	100	100

08. Graph showing "the level of riding comfort that the suspension system gives"



Observation:

24% of the respondents found the level of comfort that the suspension system gives good performance, 9% excellent, 15% fair, 14% average,15% poor, 12% bad and 11% worst.

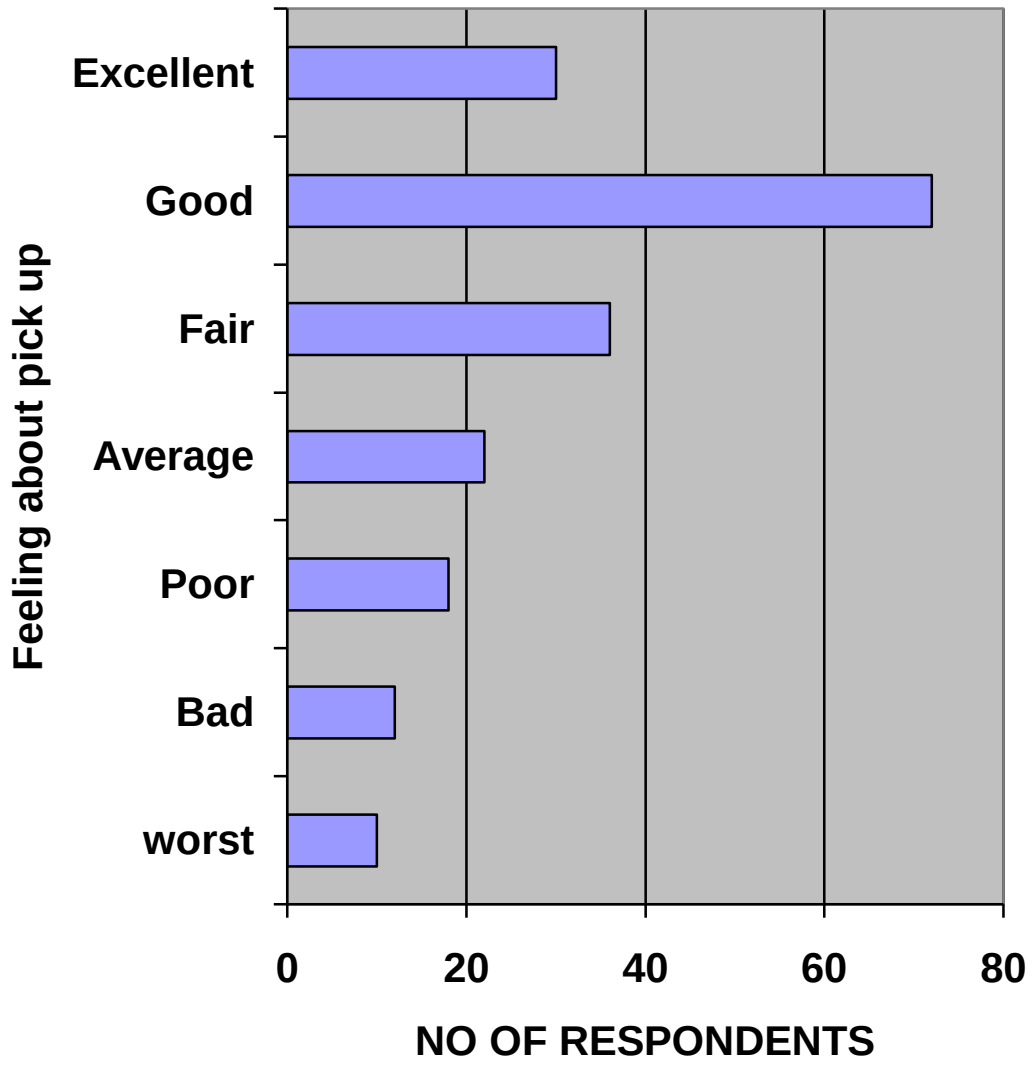
Inference:

Since the comfort level of the suspension is good. This is because in Bangalore the roads find number of pot holes. So the preference for the longevity of the suspension should be taken into consideration

09. Table showing "the feeling about pick up"

Feeling about pick up	No. of respondents	Percentage
Worst	05	5
Bad	06	6
Poor	09	9
Average	11	11
Fair	18	18
Good	36	36
Excellent	15	15
Total	100	100

09. Graph showing "the feeling about pick up"



Observation:

36% of the respondents feel that the pick up is good , 18% fair, 11% average, 9% poor , 15% excellent,6% bad and 5% worst.

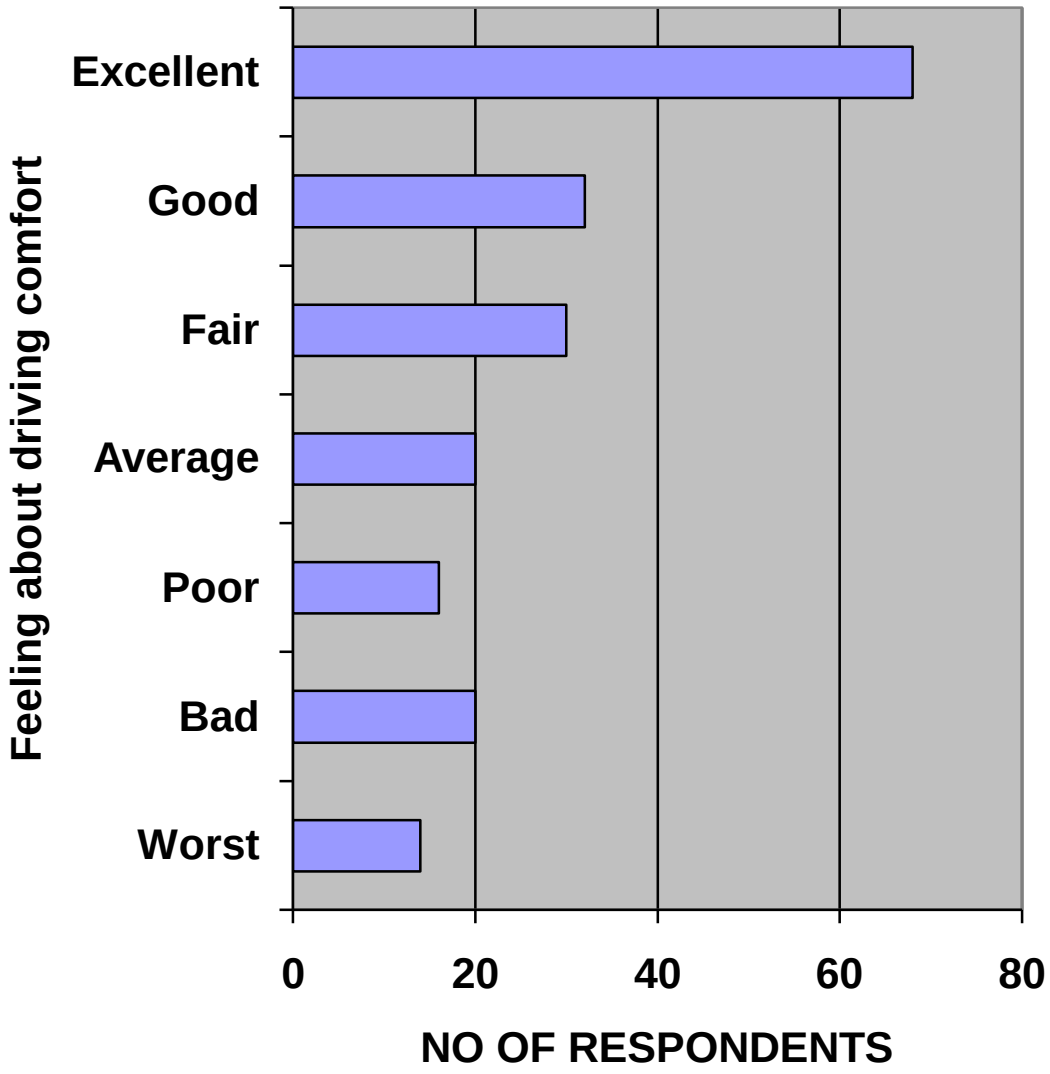
Inference:

The north of the Bangalore needs some efficiency in the pick up since we find lots of ups and downs in these areas, than to the west of the Bangalore here moderate pick up is enough.

10. Table showing "the feeling about driving comfort"

Feeling about driving comfort	No. of respondents	Percentage
Worst	07	7
Bad	10	10
Poor	08	8
Average	10	10
Fair	15	15
Good	16	16
Excellent	34	34
Total	100	100

10. Graph showing "the feeling about driving comfort"



Observation:

34% of the respondents feel that the driving comfort is excellent, 16% good, 15% fair, 10% average, 8%poor, 10% bad and 7% worst.

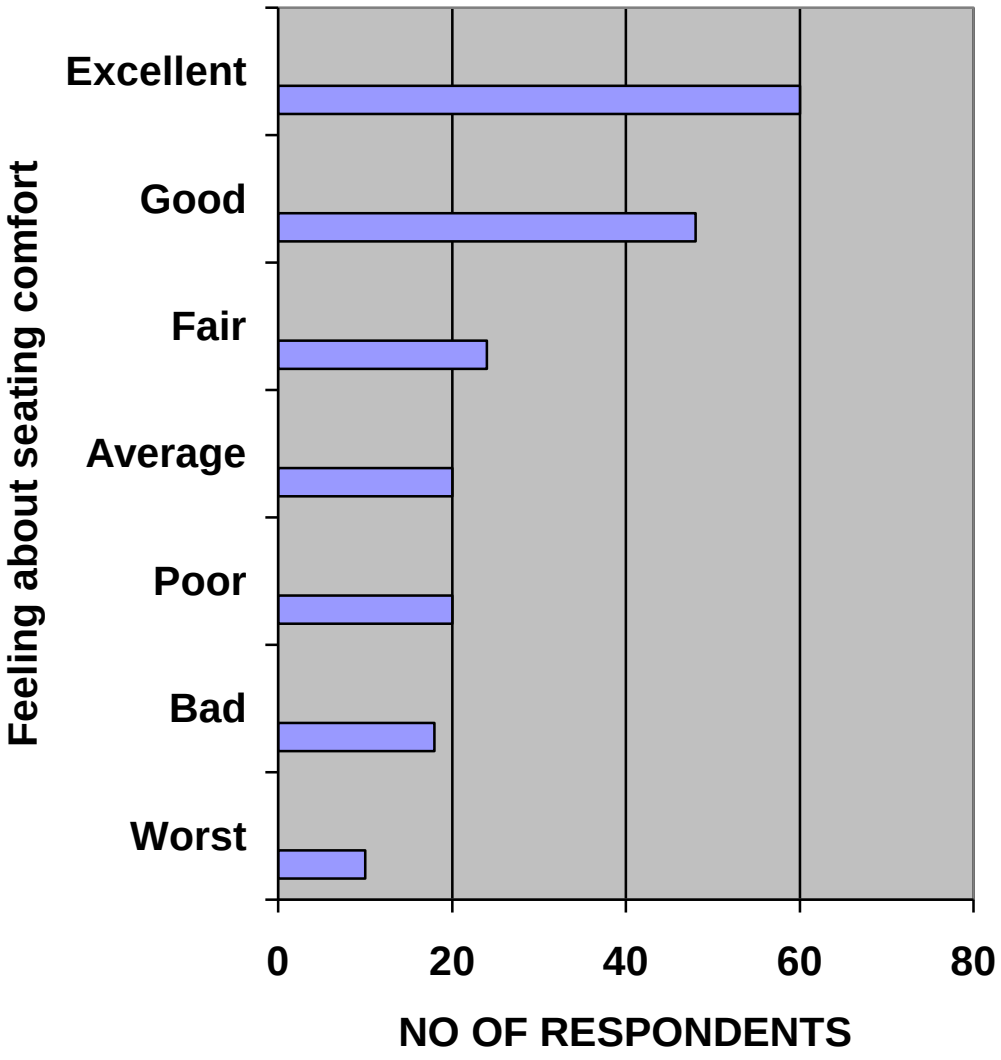
Inference:

The majority of the respondents feels that the driving comfort in the small cars is excellent. And the rest of the respondents are fluctuating comfort.

11. Table showing “the feeling about seating comfort”

Feeling about seating comfort	No. of respondents	Percentage
Worst	05	5
Bad	09	9
Poor	10	10
Average	10	10
Fair	12	12
Good	24	24
Excellent	30	30
Total	100	100

11. Graph showing "the feeling about seating comfort"



Observation:

30% of the respondents feel that the seating comfort excellent , 24% good, 12% fair, 10% average, 10% poor, 9% bad and 5% worst.

Inference:

Majority of the people who have the minimum height of 5.8 to 6 inch may don’t have any problem with the seating, but above that height may not find room for there legs.

12. Table showing “looks of small segment cars’’

LOOKS OF THE VEHICLE	No. of respondents	Percentage
Worst	0	0
Bad	0	0
Poor	0	0
Average	23	23
Fair	17	17
Good	25	25
Excellent	35	35
Total	100	100

12. Graph showing "the looks of the vehicle"

Observation:

35% of the respondents feel that the out look is excellent, 25% is good, 17% fair, 23% average.

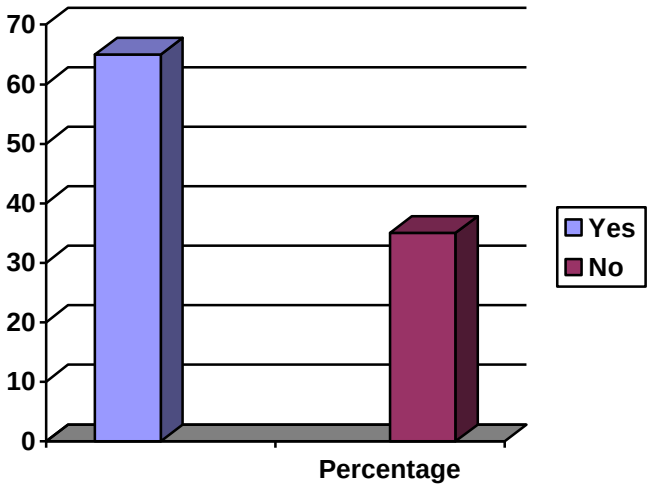
Inference:

The major respondent find the looks of the cars are excellent, but the rest don’t find so much looks in the small cars, since they find looks only in premium luxury cars rather than in small cars.

13. Table showing “the fuel efficiency ”

Fuel efficiency	No. of respondents	Percentage
Yes	65	65
No	35	35
Total	100	100

13. Graph showing “the fuel efficiency”



Observation:

Here in this table we can observe that 65% of the respondent are satisfied with fuel efficiency of the small cars they own. And reaming 35% are not satisfied with the fuel efficiency

Inference:

The majority of the respondent find majority of the respondent whose income is more than 20-35000 and 35000 are satisfied with fuel effiency.

14. Table showing "the rating car dealer with respect to behavior of staff"

Behavior of staff	No. of respondents	Percentage
Worst	0	0
Bad	05	5
Poor	06	6
Average	53	53
Fair	25	25
Good	06	6
Excellent	05	5
Total	100	100

14. Graph showing "the rating car dealer with respect to behavior of staff"

Observation:

53% of the respondents rated the car dealer with respect to behavior of staff as average, 25% fair, 5% good, 5% excellent, 6% poor and 5% bad.

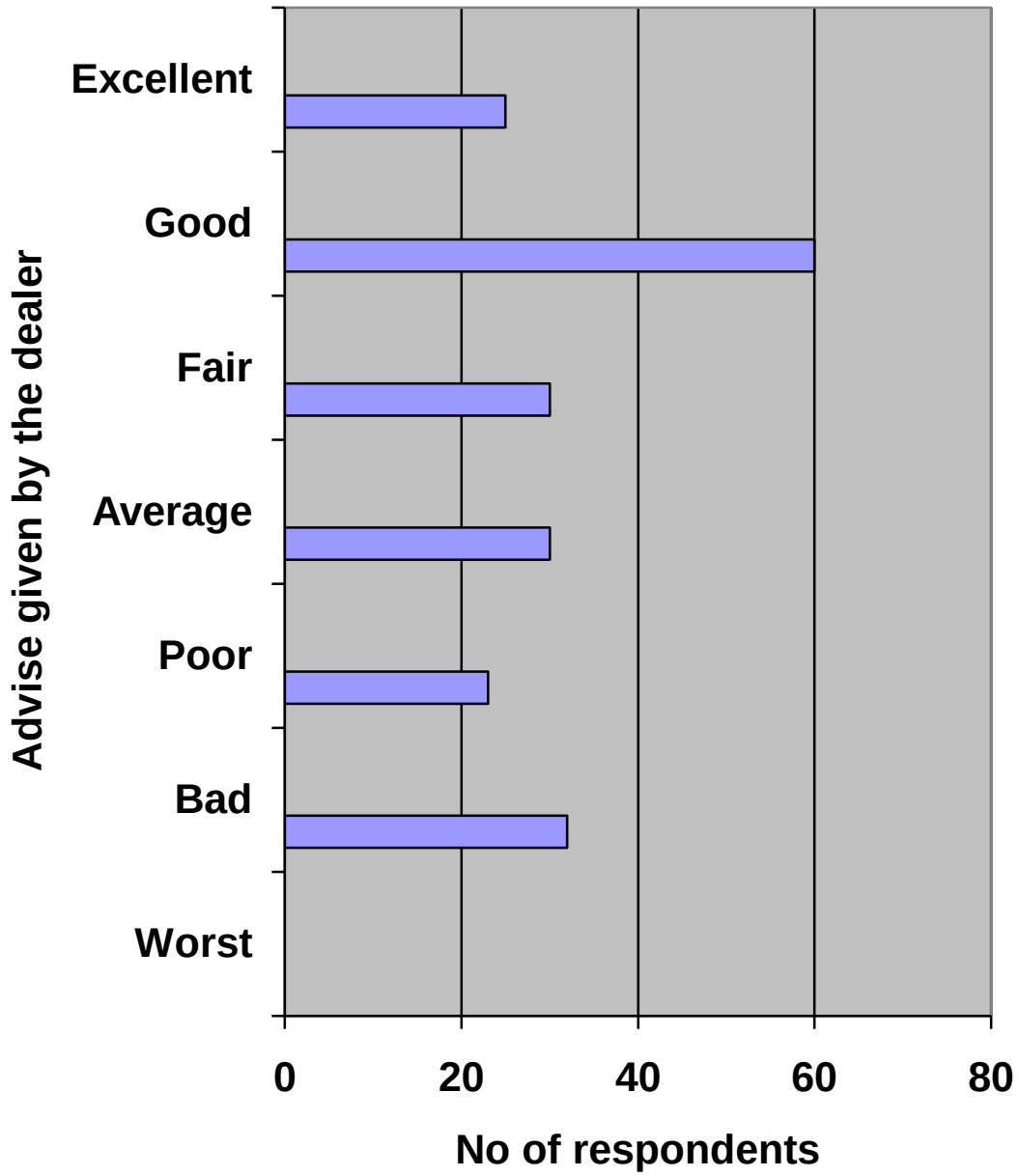
Inference:

the majority of the respondent find it that the services provided by the dealer of the small cars is average, the marketer should concentrate in developing the dealers moral with respect to treating the consumers and train them with regard to the behavior on the consumers.

15. Table showing "the rating of car dealer with respect to advise during purchasing the car''

Advise given by the dealer	No. of respondents	Percentage
Worst	0	0
Bad	16	16
Poor	11	11
Average	15	15
Fair	15	15
Good	30	30
Excellent	13	13
Total	100	100

15. Graph showing "the rating car dealer with respect to the advice of vehicle"



Observation:

30% of the respondents rated the car dealer with respect to advise of vehicle during delivery as good, 15% fair, 15% average,13% excellent,11% poor and 16% bad.

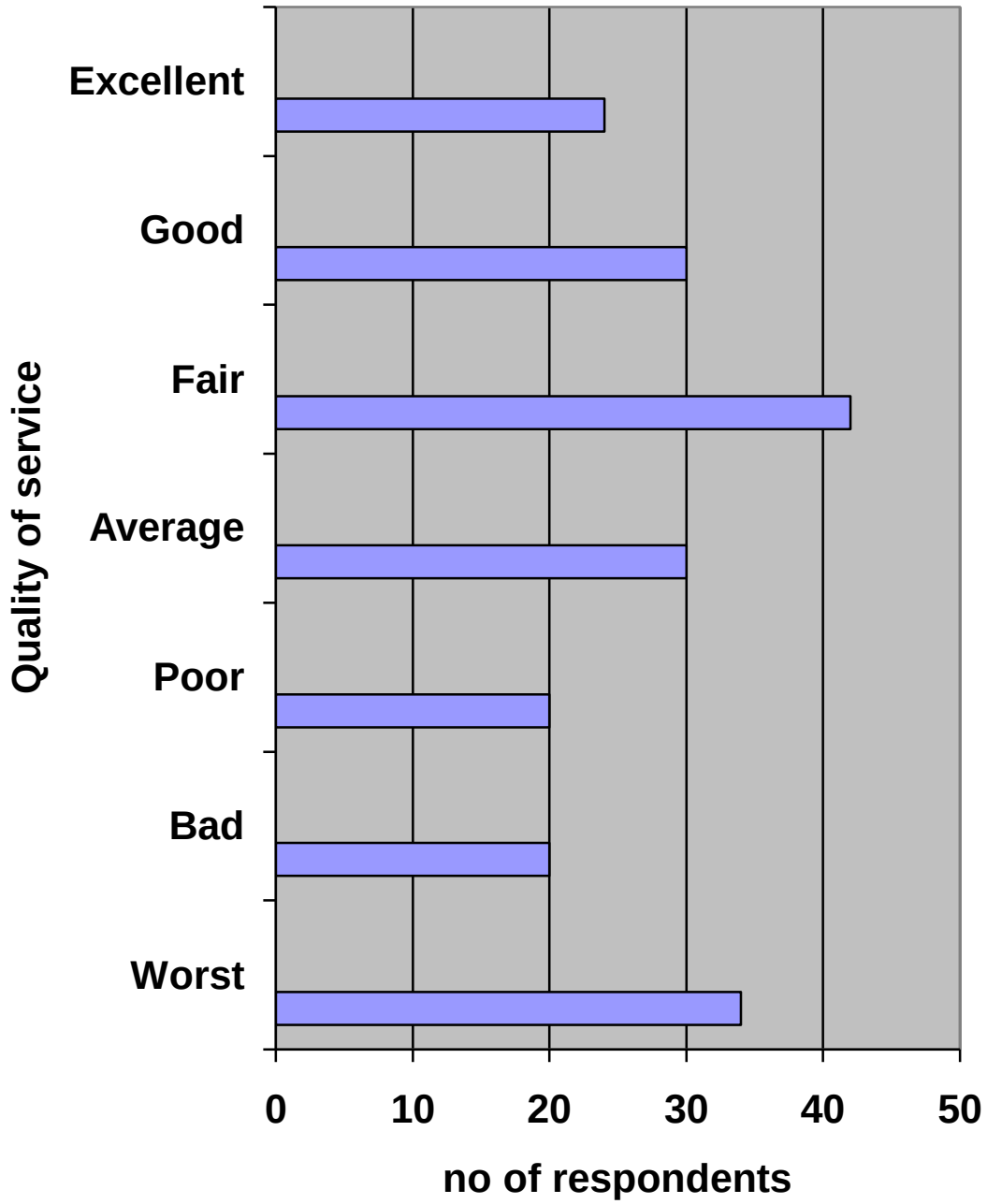
Inference:

The majority of the respondent feels that the dealer is well advising with regard to the purchase of the feasible car for a particular individual. But the rest don’t find the same, since they may feel that the dealer might have lack of knowledge.

16. Table showing "the rating car dealer with respect to quality of service"

Quality of service	No. of respondents	Percentage
Worst	17	17
Bad	10	10
Poor	10	10
Average	15	15
Fair	21	21
Good	15	15
Excellent	12	12
Total	100	100

16. Graph showing "the rating car dealer with respect to quality of service"



Observation:

21% of the respondents rated the car dealer with respect to quality of service as fair, 17% worst, 15% average, 15% good, 12% excellent, 10% bad and10% poor.

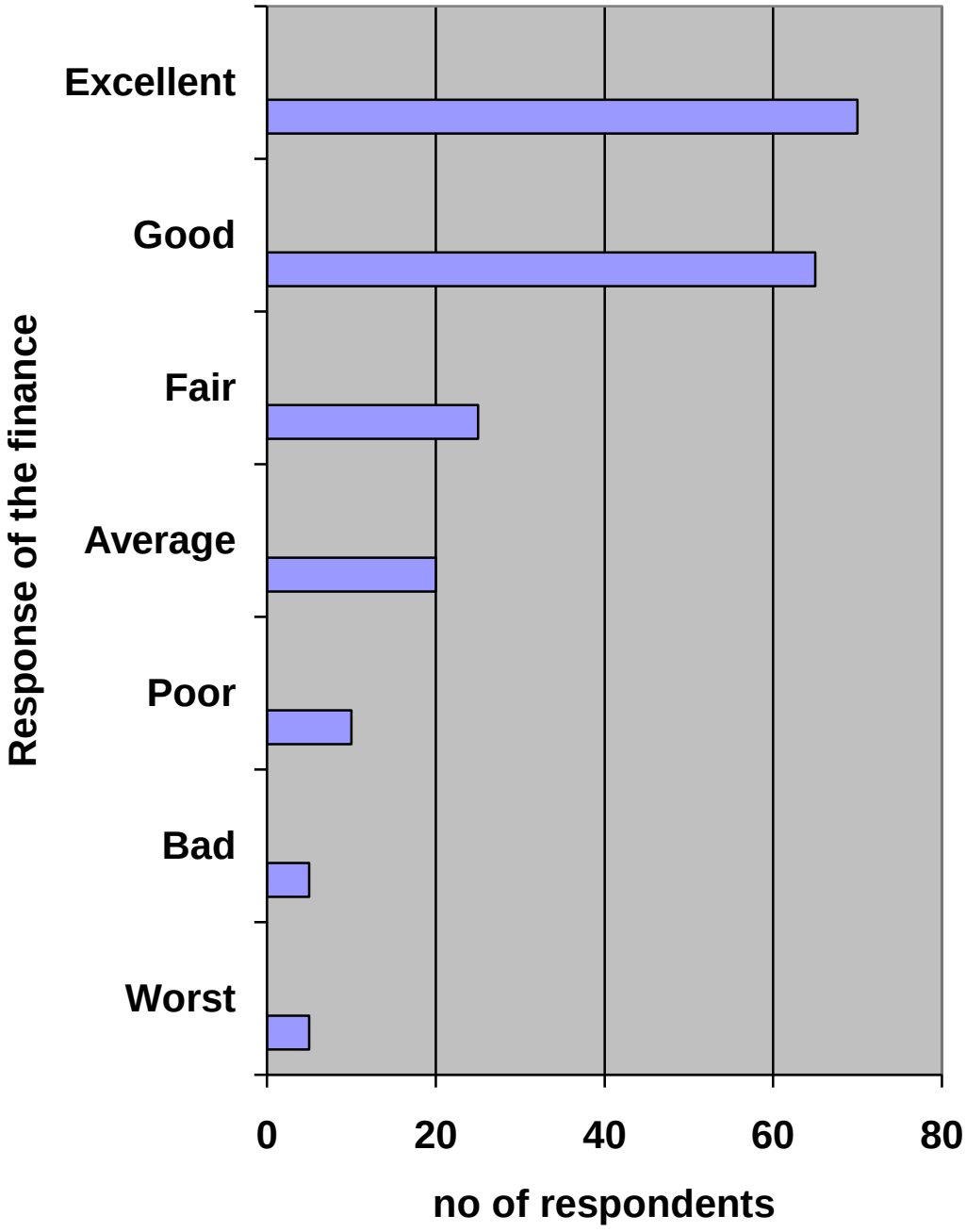
Inference:

Majority of the respondent rated high with respect to the service provided by the dealer, more and more services should be provided to attract the new customers. This is possible only proper training by the manufactures.

17. Table showing “the rating car dealer with respect to response of arranging finance”

Response of the finance	No. of respondents	Percentage
Worst	2	2
Bad	3	3
Poor	05	5
Average	10	10
Fair	14	14
Good	31	31
Excellent	35	35
Total	100	100

17. Graph showing "the rating car dealer with respect to response of arranging finance"



Inference:

There is a need to maximize cash transaction rather credit since it may leads to default of non-payment and there by loss to the company.

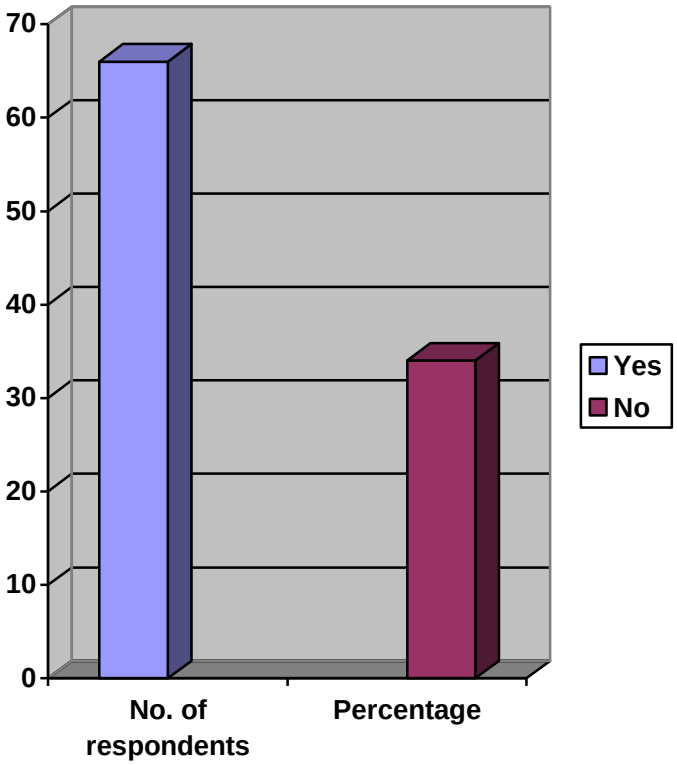
Observation:

35% of the respondents rated the car dealer with respect to response of arranging finance as excellent, 31% good, 14% fair, 10% average, 5% poor, 3% worst and 2 % bad.

18. Table showing "the design of the small cars "

Design of the car	No. of respondents	Percentage
Yes	66	66
No	34	34
Total	100	100

18. Graph showing “the design of the small cars ”



Observation:

Here in this graph we can see that 66% of the respondent are satisfied with the design of the small in Bangalore city where the remaining 34% are not satisfied with design of the car.

Inference:

Since from the above graph and table we can infer that the companies which are in good design strategy can come up with new designs and more sophistication.

5.1 SUMMARY OF FINDINGS

The following matters were found while conducting the survey;

- The maximum numbers of respondents were interested to own a premium and sports cars.

- The maximum number of respondent was really interested in owing a super bike or a normal bike to move around the Bangalore city traffic.

- The respondent needs to zip around the city, but due to traffic congestion.

- The major respondent have there two wheeler and willing to ride their two wheeler than four wheelers.

- The respondents willing to have premium and luxury cars like Mercedes, civic, lexuxs, etc.

- The respondents feel that small cars are not fit for long drive.

- The maximum numbers of respondents who are adventure don't feel to take small the likely to opt, SUVs than small cars.

- It was found that maximum number of the respondent need own SUV's , especially the imported one like land cursor, Lexus CX-1, and the new model of Volvo.

5.2SUGGEGESTIONS & RECOMMENDATIONS:

Small Cars

Hyundai Getz, Opel Corsa Sail and high-end Palios corner the top-of-the-line segment in the small car market. These cars, although smaller than mid-sized cars, are meatier than small cars and provide the power that motor enthusiasts crave for.

Being small, these can be driven around with ease and being powerful, offers both breath-taking acceleration and high top speeds. These cars are most suited for the buyer who wants good power and performance in a small package.

- **Spaciousness**: The space for the people sitting at the rear seat should be increased as it is not comfortable at present and also the space for the luggage has to be increased as many of them used it for the long drive

- **Height adjustable driver's seat**: the driver's seat is not adjustable and comfortable and they would like this option to be included in the car, this could not only ease the drive but also add comfort to all height drivers.

- Some of the respondents would like to have rear window defogger.
- Respondents had the concerns of increasing the power.
- Small car segment have very limited number of authorized service stations which causes lot of inconvenience to the consumers so its highly recommended that small car providers should increase the number of service stations.
- Most of the small cars don’t have a roof AC, it’s a recommendation that roof AC should be implemented to the rear seat.

5.3 CONCLUSION

OBSERVATION:

Summing it up, choosing a small car can be quite a tough task, especially if you make an uninformed decision and realize that another car is better than yours. So take your time, and do the market research. Get feedback from existing owners. Read up reviews on popular motoring magazines. With the correct information and your finest choice, nothing stands between you and your dream small car.

The Indian automobile industry, which has been on overdrive for the past five years, stayed on course in 2006 and is estimated to register double digit growth in calendar year January to December 2006. Based on figures released till November 2006, a total of 10.9 million vehicles were produced in India in calendar 2006, a growth of 17 per cent from 14.5 per cent in 2005 over the previous year.

The sales growth of passenger cars is expected to be about 20 per cent against the 7 per cent growth seen in 2005. Sales of utility vehicles grew at 12 per cent and MPVs at 16 per cent.

The most striking aspect of the year was that compact cars and mid sized cars led the market while the market for entry level and luxury cars actually fell by 7.2 per cent and 5.6 per cent respectively.

Sales of compact cars grew by 25.3 per cent and mid size cars by 18.9 per cent while the executive segment grew by 32.9 per cent. On the export front also the news was good. Overall automobile exports are expected to register a 25 per cent growth in 2006 over 2005. More than 190,000 passenger cars are estimated to have been exported in 2006 a growth of 11.7 per cent over the previous year's growth.

The brisk sales of compact cars were on the back of the 8 per cent cut in excise duty to 16 per cent which caught the attention of Indian and MNC carmakers who promptly announced big investments in setting up manufacturing facilities in India.

Volkswagen, for one has announced plans to set up a facility in India, and has indicated that it would be launching the small car Polo. The company is investing Rs.2, 400 crore for its manufacturing plant in Maharashtra, which is set to come up by 2009.

Maruti Suzuki announced an additional Rs.3, 000 crore investment in India over and above the Rs.6, 000 crore investment already announced for new models, a new car plant and diesel engine production. This takes Suzuki's total investment into India upto 2010 to Rs.9, 000 crore.

Suzuki has announced that as part of its five-year plan in India, it will make diesel engines under technical assistance from Fiat and has started plant construction with production scheduled to begin from December 2006.

In the first year of operations the company will make 100,000 diesel engines and by 2010 would make 300,000 diesel engines per year. Suzuki Motor Co (SMC) of Japan now has 70-per cent stake in Maruti Udyog while Maruti has 30 per cent. The company has also started construction of a new four-wheeler plant and production will begin from this October. Maruti Suzuki also plans to make a new small car, which will be produced for export to Europe. Around 100,000 units of the small car would be exported and another 50,000 units would be sold in the domestic market.

Further General Motors has announced its decision to set up a facility in Maharashtra to manufacture the small car Spark, which was earlier Daewoo's Matiz, in a new persona.

Honda too has announced its intention to set up a second plant in India to make a small car. Honda, which till now was considering launching a small car, recently announced its entry into the biggest volume segment of the Indian market. Honda Motor Company has said it would introduce a "small size" vehicle in India and put up a second plant to roll out more than 150,000 four-wheelers in India by 2010.

Industry sources say that Honda's next small car for India is expected to be the next-generation Jazz. If it is finalized, the Jazz will compete in the domestic market with the Suzuki Swift, the Hyundai Getz and the Chevy U-VA and in the future with the Fiat Grande Punto and the Volkswagen Polo.

Hyundai Motor India too is expanding its facilities in the country to launch new models, including one positioned between the Santro and the Getz.

However, the most significant announcement in 2006 was the expansion of Mahindra & Mahindra's tie-up with Renault. The two companies announced setting up a greenfield car manufacturing plant in India, with a capacity to produce five lakh units a year by 2012 in an expansion of an earlier tie up. The facility would also be utilized by Renault's sister company, Nissan.

Renault is capitalizing on its existing joint venture with M&M to commercialize the yet to-be-launched Logan car in India. In the first phase of the project, Renault and M&M aim to produce three lakh units of passenger cars by 2009. Renault also plans to start a power train factory in India to which M&M will have access.

M&M's new greenfield production site will include a vehicle assembly plant, shared between the two partners. The partnership with the Renault Nissan Alliance would give M&M an opportunity to expand its product range, achieve economies of scale and increase efficiencies in the supply chain.

The M&M plant at Nashik will produce the Logan and the new venture will produce Logan derivatives. The Logan is likely to be on the road by the second quarter of 2007. The Logan and its derivatives will be manufactured largely for use within India.

Tata Motors and Fiat Auto have also announced an investment of Rs4,000 crore in a 50-50 joint venture to make cars and engines at Ranjangaon near Pune.

The companies announced that the new manufacturing facility, to be created at the Fiat's existing plant, would have an annual capacity to produce 1 lakh cars and 1 lakh engines and gearboxes. Both partners would invest equal amounts in the new venture over a period of three years. The new plant will start making cars and engines by 2008. Both Fiat and Tata vehicles would be manufactured at the same facility. Fiat Auto plans to introduce its premium cars for the B-plus and C-plus segments thus avoiding overlapping of segments with its partner, Tata Motors. A first assembly line for Fiat cars has already been commissioned at Ranjangaon for Fiat Palio and Fiat Adventure models.

The first batch of cars will be rolled out in early 2007, he said. The joint venture will manufacture the Fiat 1.3-litre multi-jet diesel engine, the 1.4-litre and a new 1.2-litre petrol engine, both part of the `Fire family and Fiat transmissions'.

Much is expected from the Budget of 2007 including a further cut of excise duty on small cars by 8 per cent. Should this happen India is likely to become the boon of small cars. In such an event global automakers, which have so far adopted a wait and watch attitude to gauge continuation of policy will surely announce increased investments.

Maruti Suzuki Ltd has reduced the prices of its cars by up to Rs5,000 following a reduction in sales tax in Haryana, where the facilities of the country's biggest car maker are located.

We have passed on the benefit of the reduction in sales tax by Haryana from 3 per cent to 2 per cent effective April 1 to dealers, who in turn have passed it on to customers," a company official said.

The reduction in sales tax would translate to a price cut in the range of Rs.3, 000-Rs 5,000 across various models, the official added.

Haryana had from 1 April, reduced sales tax rates from 3 per cent to 2 per cent following the reduction in central sales tax from 4 per cent to 3 per cent.

The reduction in price amidst rising interest rates would have a softening effect for the country's leading car maker, prompting people to buy cars.

Maruti Udyog managing director Jagdish Khattar, however, dismissed the interest rate effect as short-term.

MUL, meanwhile, is all set to join the `big car' league with t he launch of the SX4 next month. Other global majors like Honda, Ford and Hyundai currently dominate the mid-size sedan club.

The SX4 is likely to be priced between Rs6.5-8 lakh - the highest price tag for any Maruti car in the country till now.

The arrival of SX4 also heralds advanced engine technology, since this would be the first car to be strapped with the M-series engine.

ANAlYSIS:

Indian car manufacturers are preparing for engine capability that is Euro IV and Euro V compliant and this involves heavy investments. All future models from Maruti will be equipped with the new generation of engines, since Maruti is aligning itself with parent Suzuki Motors Corp's strategy to comply with stricter emission norms. Suzuki is already producing Euro IV and V compliant engines for Europe and we are trying to run parallel to them," said Khattar.

The investment on the new engine technology would be a part of the Rs. 9,000 crore Suzuki has already announced for the country, he added.

The M-series, dubbed as the future of Suzuki engines, is currently being imported from Japan and assembled at Suzuki Powertrain India's facility at Manesar for SX4 sedan.

Maruti is also in the process of increasing localization levels of the car.

Nothing, perhaps nothing i.e. not Gods creation, can be perfect in this world. Much less, an organization which is nothing but a sum total of all its people, people with their likes, dislikes and varying capabilities. But an organization can arrange its activities in a manner that enables it to perform better than most, achieve excellence in what ever it is doing; it will still have weakness and room for improvement.

Since the world is shaping rapidly due to technological advancements the customer needs and wants are also changing drastically so, this study is also aimed at getting customer insights into what he/she is expecting from the small cars segment in the automobile industry and what changes could be brought in so that we can have a true international small cars at a Indian market.