

**Project Dissertation Report on**

**ANALYSING CONSUMER PREFERENCES  
AND MOTIVATION TO PURCHASE IN THE  
COMPACT SUV SEGMENT MARKET IN  
INDIA.**

Submitted By  
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## **CERTIFICATE**

This is to certify that Mr. Lakshya Bahl, Roll No. 2K20/DMBA/58, a student of Delhi School of Management, Delhi Technological University has worked on the project titled “Analysing consumer preferences and motivation to purchase, in the compact SUV segment market in India.” in partial fulfillment of Master of Business Administration (MBA) program for the academic year 2021-22.

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## DECLARATION

I, hereby declare that I have worked on a project titled “Analysing consumer preferences and motivation to purchase, in the compact SUV segment market in India”, in partial fulfillment of the requirement for the Master of Business Administration Program and the report submitted is a record of original dissertation work done by me, under the guidance of Mohit Beniwal, Assistant Professor, Delhi School of Management, DTU.

Lakshya Bahl

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## Executive Summary

This project addresses consumer preferences and motivation to purchase in India's compact SUV segment market. This project would investigate this shift of consumer preferences in the SUV segment of the struggling passenger vehicle market. Further, it analyses consumer preferences and motivation to purchase, in the compact SUV segment market.

Compact SUV is defined as small cars with higher ground clearance. A category that has not only documented positive sales growth and increasing number of bookings in the past few months. Although, the consumer confidence is at a six-year low an interesting trend is has been identified where, sales of expensive SUVs are higher in a market. This along with OEMs that are struggling in the industry, this fact has a large implication in the competitive landscape of passenger vehicle market as well. Essentially, it is a significant signal of a shift in Indian customer behaviour that the industry must consider.

The literature reviewed for the project has attempted to understand the consumer's perspective towards Sports Utility vehicles and tried to find reasons for its growth. In India, the Sports Utility Vehicle (SUV) market is one of the fastest-growing markets these days in the automobile sector. This can be attributed to changing customer perceptions towards purchasing four-wheelers.

As the automotive industry faces a slowdown in India, the compact SUV segment is proving to be an exception. The automobile industry has been reporting diminishing growth in terms of compound annual growth rate (CAGR) for the past few years, although the Sports Utility Vehicle category has registered positive growth throughout this period, while other segments have not. First-time buyers are increasingly choosing compact SUVs over sedans or hatchbacks.

For this project, a survey was conducted to detect the different attributes which attract consumers to SUVs. Primary data is going to be used for the purpose of this research project.

The questionnaire was created through the reference of multiple research papers and articles. It was circulated to people with diverse backgrounds and fields to collect data and get a better picture of the market. The sampling method used here was convenient sampling.

The method used to analyze the data was a descriptive method with the help of tables and charts. For the analysis of the attributes, all 14 of the attributes were divided into 5 groups for a better understanding of the reader. These groups are made to club similar attributes in one group and each group may not necessarily have an equal number of attributes in it.

This study will help marketers and other stakeholders of the automobile industry to understand the growth of the SUV segment from the perspective of the average Indian consumer.

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# 1. INTRODUCTION

## 1.1 Background

In the early days, SUVs were designed to transport forest workers and members of the “Civilian Conservation Corporation” to remote areas. The modern concept of the SUV began evolving in the 1960s with the growing popularity of the “Wagoneer”. The “Wagoneer” served as a mode for all future SUVs and the first SUV was “Jeep Cherokee” released in 1984. Today Utility Vehicles across the world stand as an icon of suggestions as well as luxury offering astounding off-road capacity, room in interiors and powers.

Sports Utility Vehicles are trending globally and in India too in the last 5-7 years we see many models of SUVs being launched. Especially in the last 2 years we see brands like “Maruti Brezza, Mahindra XUV, Renault Duster, Ford EcoSport, Hyundai, Volkswagens” etc., Automakers are seeing new demand for cars, Utility Vehicle and vans. In this regard understand the consumer preference in terms of the factors influencing in terms of the factors influencing their choice of product and brand needs to be studied by the marketers to compete against their challengers for a bigger slice of the market share in the growing SUV market.

The preference of small SUVs over sedans or hatchbacks has shifted among first-time buyers (FTBs). The tiny UV appeals to customers because of its monocoque structure, as opposed to full-size SUVs, which are built on a body-on-frame basis. The tiny UV is simple to manoeuvre through crowded city streets while maintaining the sturdiness of a traditional SUV. In the passenger car market, the mid-size vehicle classes sedan and hatchback must compete with a small SUV. The pricing ranges of the two categories are identical, which will have an influence on the expansion of the small passenger car category due to first-time purchasers' preferences.

Due to lack of compact UVs in their production, even the most successful automakers in the “UV segment” such as “Mahindra and Mahindra, Tata and Toyota” have experienced a decline in market share. But “Maruti Suzuki India Limited” (MSIL) and “Hyundai” have experienced a stable growth in market share due to their respective compact SUVs.



The Indian automobile industry grew from from 2 million in 2011 to over 3.12 million in 2018, before declining to 2.88 million in 2019. The transition to the BS6 pollution regulation system in 2018 and the COVID problem this year both had an impact on the year. In terms of CAGR (Cumulative Annual Increase Rate), the growth is a modest 6.5 % through 2018 and an even more discouraging 4.7 % if we look at 2019 data. What is hidden in all of these data is the mix of certain groups that have had a secular decline and others that have experienced amazing development.

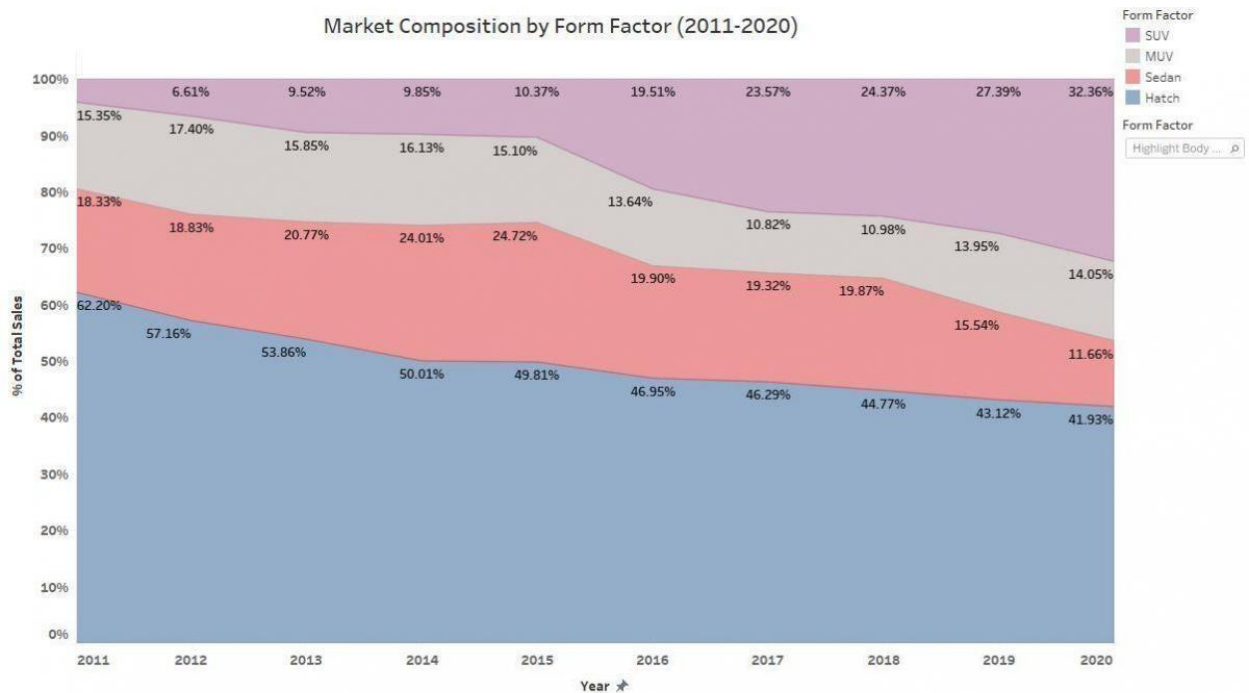
Let us break up the Indian auto sector into 4 form factors:

1. The Hatch segment is the typical “2-box car” for example, Maruti 800.
2. The MUV (Multi Utility Vehicle) which are usually more 6-7 seater like the popular Maruti's Ertiga.
3. The Sedan segment is a typical “3 box” structure like the Esteem and Honda City.
4. The SUV (Sporty Utility Vehicle) are generally cars with higher ground clearance with powerful engines with off-road abilities.

Because of shifting customer attitudes toward purchasing four-wheelers, the Sports Utility Vehicle (SUV) market is one of the fastest growing segments in the car industry these days. Despite the downtrend in overall car sales for the past few months, the SUV segment is booming and growing at a steady rate.

The following graph depicts this very fact. It tells us the market composition by form factor in India from 2011 to 2020, the form factors include, the hatchback, sedans, Multi Utility Vehicles(MUVs), and Sports Utility Vehicle(SUVs).

Figure 1.1- Market Composition by Form Factor (2011-2020)



| Body Style   | 2011             | 2012             | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SUV          | 79,498           | 141,206          | 201,152          | 226,312          | 263,140          | 539,335          | 718,485          | 761,860          | 791,290          | 784,087          |
| MUV          | 296,048          | 371,599          | 334,972          | 370,602          | 383,107          | 377,041          | 329,762          | 343,349          | 403,009          | 340,528          |
| Sedan        | 353,629          | 402,111          | 438,946          | 551,553          | 627,059          | 550,176          | 588,790          | 621,228          | 448,833          | 282,651          |
| Hatch        | 1,199,824        | 1,220,570        | 1,138,037        | 1,149,036        | 1,263,794        | 1,297,823        | 1,410,848        | 1,399,494        | 1,245,439        | 1,016,088        |
| <b>Total</b> | <b>1,928,999</b> | <b>2,135,486</b> | <b>2,113,107</b> | <b>2,297,503</b> | <b>2,537,100</b> | <b>2,764,375</b> | <b>3,047,885</b> | <b>3,125,931</b> | <b>2,888,571</b> | <b>2,423,354</b> |

Source- teambhp.com

The picture that emerges can be summarized as below

1. From 4% in 2011 to a whopping 32% in 2020, the SUV market has increased drastically
2. Although both the Sedans and the Hatchback segments have suffered due to this. The MUV market has done well for itself.
3. In respect of volume, the SUV segment has accounted for the majority of the rise (30 % CAGR 2011-20)
4. The 4 Meter SUVs (also known as the sub 4 metre SUVs) such as the “Maruti Vitara Brezza”, “Hyundai Venue”, “Kia Sonet”, and others are rising in volume terms at a staggering 47% YoY between 2013 and 2019. The “Hyundai” Group's (“Hyundai” + “Kia”) medium-sized SUVs now account for 30% of the SUV market and are increasing at a rate of 33%. The small SUVs, the “Maruti Ignis” and the “Mahindra KUV100”, have not fared as well, and the micro SUVs, such as the

“Renault Kwid” and the “Maruti S-Presso”, appear to be staying steady, but the “Kwid” has been soundly defeated by the “S-Presso”.

Thus phenomenal growth of the segments has intrigued many researchers and this project too. To know more about the segment, the next section will discuss understanding the array of products currently available in the market.

### 1.1.1 Products Available

#### Maruti Suzuki Vitara Brezza

The term "Brezza" means "breeze," but the “Maruti Suzuki Vitara Brezza” swept the market by storm. The tiny SUV has been a huge success since its introduction. The facelift for 2020 provides moderately revised aesthetics but a significant overhaul under the hood. The 1.3-litre diesel engine in the Brezza has been replaced by a 1.5-litre petrol engine that meets BS6 standards. The Vitara Brezza is now only available in petrol form, with 5-speed manual and 4-speed torque converter auto gearbox options. Surprisingly, Suzuki's efficiency-boosting “*SHVS mild-hybrid*” technology is only available on the automatic version of the Brezza. The “Vitara Brezza” has received four stars from “Global NCAP” for adult occupant protection.

The petrol-manual “Maruti Suzuki Vitara Brezza” is offered in four trim levels, while the petrol-auto is available in three. The “Brezza” petrol-auto is practical, but it isn't the most thrilling or well-equipped SUV for the money. The Brezza manual, on the other hand, appears to be a good buy. “*Dual airbags*”, “*ABS*”, “*reverse parking sensors*”, and “*ISOFIX child seat fixings*” are standard on all “Vitara Brezza” models. Mid-spec “Vxi” trim automobiles receive LED headlights and are ideal for budget-conscious consumers. However, the higher-spec ZXi models provide the best bang for your dollars. The package includes alloy wheels, a 7.0-inch touchscreen infotainment system, driver seat height adjustment, rear wash/wipe, and cruise control. For more money, one can get Fully-loaded ZXI+ versions with add-in precision cut alloy

wheels, auto headlamps, auto wipers, an auto-dimming mirror and a reverse camera.

The design of the “Maruti Suzuki Vitara Brezza” isn't groundbreaking, but it's boxy profile and upright posture give it the perfect vibe. The 2020 upgrade, which includes new bumpers, LED headlights, and alloy wheels, adds some glitz to the design. The interior changes, on the other hand, are limited to an improved touchscreen infotainment system. The dashboard design isn't very noteworthy, but it is well-organized and user-friendly.

Drivers will love the somewhat high sitting position, while rear seat passengers will appreciate the nice view out and enough room. The well-shaped boot contributes to the usability of the Brezza.

The “Vitara Brezza” is powered by a 105hp, 1.5-liter petrol engine shared with the “Maruti Suzuki Ciaz” and “Maruti Suzuki Ertiga”. The engine is smooth and quiet, there'sadequate kick at low speeds, and the build of speed is nice, albeit uninspiring. Overtaking traffic won't be an issue, either, but there won't be the mid-range kick that a turbocharged engine would provide. The basic 5-speed manual transmission in the Brezza petrol needs minimal effort, and the light clutch is equally simple to live with in town.

The Brezza automatic is likewise appealing in its own right. The Brezza's 4-speed torque converter automatic transmission is well matched to the engine's easy going personality. It's only when you need quick power that the gearbox falters, taking a little longer to shift into the proper gear.

The Vitara Brezza now feels different in other ways as well. The steering is lighter and easier to turn, and the low-speed bump absorption is improved. On the other hand, the steering has lost some of the directness of the previous Vitara, which reduces confidence at higher speeds. When you go quicker, there is also more vertical movement.

The “Maruti Suzuki Vitara Brezza” rivals the “Hyundai Venue, Tata Nexon, MahindraXUV300 and Ford EcoSport”.

Table 1.1 Specifications of Maruti Suzuki Vitara Brezza

|                     |                  |
|---------------------|------------------|
| Length (mm)         | 3995             |
| Width (mm)          | 1790             |
| Height (mm)         | 1640             |
| Boot Space (Litres) | 328              |
| Seating Capacity    | 5                |
| Wheel Base (mm)     | 2500             |
| Kerb Weight (Kg)    | 1135-1150        |
| Gross Weight (Kg)   | 1600             |
| No of Doors         | 5                |
| No. of cylinder     | 4                |
| Valves Per Cylinder | 4                |
| Transmission Type   | Manual/Automatic |
| Gear Box            | 5 speed/4 Speed  |

Source- cardekho.com

Figure 1.2 Maruti Suzuki Vitara Brezza



Source- cardekho.com

## Tata Nexon

The Nexon is Tata's elegant sub-four-metre compact SUV. And it's about a lot more than just show-car looks. The Nexon is available in a range of engine-gearbox combos and price points. Models are offered in petrol-manual, petrol-AMT auto, diesel-manual, and diesel-AMT auto. The Tata Nexon is the first car in India to be awarded a five-star safety rating by Global NCAP. The 2020 overhaul incorporates updated aesthetics as well as BS6-spec engines.

The Nexon is well-proportioned, elegant, and looks to be fairly trendy. It's also well-designed on the inside, and the good news is that it's a lot larger and more useful than the outside suggests. The cabin's overall comfort is outstanding, although it falls short in terms of overall elegance. The most refined engine is the 110hp, 1.2-litre turbo-petrol engine, although its performance isn't very lively. It's also choppy at low speeds, particularly in Eco mode. The 110hp, 1.5-liter diesel engine has a wider range of capabilities.

It's smooth and pulls well from low speeds, but it's not very thrilling. The manual gearboxes on the Nexon are combined with well-weighted clutches. Both petrol and diesel AMTs are acceptable for city driving but suffer with on/off throttle applications.

The AMT unit in the diesel Nexon, on the other hand, is far more in tune with the engine's characteristics. The Nexon securely changes direction, and the suspension readily absorbs bumps and potholes. It is a good long-distance vehicle since it rides flat at high speeds.

There is a big price difference between the petrol and diesel Nexon versions. We would, however, continue to recommend diesels. Choose the diesel-AMT type if you can deal with the fact that the gearbox isn't the most sophisticated of its kind. Otherwise, the diesel-manual transmission is flawless. The diesel-manual in top-spec XZ+ trim is our favorite.

In absolute terms, it is expensive, but it has a lot of conveniences such as keyless entry and push-button start, as well as a 7-inch touchscreen infotainment system.

Table 1.2 Specifications of Tata Nexon

|                               |                  |
|-------------------------------|------------------|
| Length (mm)                   | 3993             |
| Width (mm)                    | 1811             |
| Height (mm)                   | 1606             |
| Boot Space (Litres)           | 350              |
| Seating Capacity              | 5                |
| Ground Clearance Unladen (mm) | 209              |
| Wheel Base (mm)               | 2498             |
| No of Doors                   | 5                |
| No. of cylinder               | 4                |
| Valves Per Cylinder           | 4                |
| TransmissionType              | Manual/Automatic |

Source- cardekho.com

Figure 1.3 Tata Nexon



Source- cardekho.com

## Hyundai Creta

The “Hyundai Creta” is a “subcompact crossover” SUV manufactured by ‘Hyundai’ since 2014 and targeted primarily at emerging countries, notably the BRICS. The first-generation vehicle debuted in China as a “near-production” concept car in April 2014, and Hyundai released the second generation in 2019. The vehicle was called after Greece's “*Crete*” island.

The name is also meant to evoke associations with the term “creative.” The Creta, manufactured in the Chennai facility, launched on sale in India on July 21, 2015. At introduction, the Creta is offered with three engines: a “1.6-litre petrol, a 1.4-litre or 1.6-litre diesel” from the “Verna”. The engine selections were divided into six trim levels: Base, “S”, “S+”, “SX”, “SX+”, and the top-spec “SX (O)”. The “Creta SX” is also available in dual tone red and black or white and black exterior colours. The “SX” dual tone variant is powered by a 1.6-liter petrol or a diesel engine without any automatic transmission option. Selected trims of the Creta had safety features like “Vehicle Stability Management” (VSM), “Electronic Stability Control” (ESC), “Hill Start Assist Control” (HAC), “Rear Parking Assist System”, and “ABS”. For all round protection, there is “six airbag system”. One each for the driver and the front seat passenger, running the length of the cabin front and rear “curtain airbags”, plus front side airbags. For the Creta to have structural strength, Hyundai also claimed to have the vehicle is built with “HIVE body structure”.

Hyundai unveiled the second generation Creta in India in February 2020, and was launched to the market in March 2020. The Indian-made Creta had a slightly modified front grille, which was the main visual difference at the exterior design of the car. Hyundai exports this car in some countries of regions like Africa, Middle East, and Latin America which amounts to a number 85 countries.

In India, the three engine options offered in Creta are , 1.5-litre petrol producing 115 PS (85 kW; 113 hp) and develops 144 N·m (15 kg·m; 106 lb·ft) of torque and a 1.5-litre diesel engine with 115 PS (85 kW; 113 hp) and 250 N·m (25 kg·m; 184 lb·ft) of torque as well as 1.4-litre turbocharged petrol 140 PS (103 kW; 138 hp) and 242 N·m (25 kg·m; 178 lb·ft) of torque.



Ultimately, the new Creta may pack far more toys and gadgets, but it still represents the same position in the market I recall from five years ago. It's a comfortable, well-equipped and desirable car that's just the right size for a small family living in the big city. And that's precisely why you see so many on the road.

Table 1.3 Specifications of Hyundai Creta

|                     |                  |
|---------------------|------------------|
| Length (mm)         | 4300             |
| Width (mm)          | 1790             |
| Height (mm)         | 1635             |
| Boot Space (Litres) | 433              |
| Seating Capacity    | 5                |
| Wheel Base (mm)     | 2610             |
| No of Doors         | 5                |
| TransmissionType    | Manual/Automatic |
| No. of cylinder     | 4                |
| Valves Per Cylinder | 4                |

Source- cardekho.com

Figure 1.4 Hyundai Creta



Source- cardekho.com

## Kia Seltos

Kia's debut vehicle for the Indian market, the five-seat Seltos SUV, is tasked with establishing the Korean automaker in our market. It has all of the necessary materials for the job. The Seltos is appealing, reasonably priced, and available with a variety of engine and transmission options. There are "1.5-litre petrol", "1.4-litre turbo-petrol", and "1.5-litre diesel" engines available, each with manual and automatic transmission choices. From the start, all variants of the Seltos meet BS6 emission standards.

The "Kia Seltos" is a mid-size SUV with compact proportions. It has an upright posture, which Indian SUV consumers want, as well as stylish appearance. The front is highlighted by Kia's iconic 'Tiger Nose' grille, and the Seltos also has a split headlight configuration, in keeping with current fashion trends. The overall quality and attention to detail are great. Interestingly, Kia sells the "Seltos" with two styling options: "Tech Line" for the 1.5 petrols and diesels, and "GT Sport Line" for the 1.4 "turbo-petrol". The latter has a few additional frills, such as red accents on the outside, and is the only one with an all-black inside. The Seltos is simple to get into and out of, and the sheer degree of luxury in the inside is guaranteed to impress; material quality and fit-finish are on par with more expensive European vehicles. The dashboard is well-organized, and the infotainment system is conveniently located high up and in the driver's sightline. Top-spec Seltos include elegant 10.2-inch touch screens, an easy-to-read instrument cluster, and even a head-up display.

Other amenities on the Seltos include a motorised driver's seat, "*ventilated front seats*", "*ambient lighting*", a "*360-degree parking camera*", and even an inbuilt air purifier. The front seats are comfortable, but the rear seat suffers from a lack of thigh support. While not the most spacious SUV for the money, the Seltos provides plenty of space, and amenities such as a retractable backrest and "*retractable sun visors*" improve the rear seat experience. While we have yet to test all engine-gearbox combinations, we were quite satisfied with the 1.5 diesel-manual and the 1.4 "turbo-petrol auto". The 115 hp diesel engine is incredibly refined, and the performance is excellent. It's also simple to live with thanks to a smooth gearbox and a well-weighted clutch. The 140hp, 1.4 turbo-petrol engine is a fantastic complement for those searching for dynamic driving. The engine is smooth, powerful, and

extremely appealing. The 7-speed dual-clutch automatic transmission is also impressive, since it is snappy and quick to shift. Paddle Shifters aren't present. The Kia Seltos is simple to use. At higher speeds, the steering demands moderate effort and weighs up adequately. Ride comfort is also strong, with good low-speed bump absorption and assured high-speed behaviour.

Table 1.4 Specifications of Kia Seltos

|                          |                  |
|--------------------------|------------------|
| Length (mm)              | 4315             |
| Width (mm)               | 1800             |
| Height (mm)              | 1645             |
| Boot Space (Litres)      | 433              |
| Seating Capacity         | 5                |
| Ground Clearance (Laden) | 190mm            |
| Wheel Base (mm)          | 2610             |
| No of Doors              | 5                |
| No. of cylinder          | 4                |
| Valves Per Cylinder      | 4                |
| TransmissionType         | Manual/Automatic |

Source- cardekho.com

Figure 1.5 Kia Seltos



Source- cardekho.com

## Hyundai Venue

Hyundai's small SUV is the Venue. There are three engine possibilities for the Venue. There are three engines available: a "1.2-litre petrol", a "1.5-litre diesel", and a "1.0-litre turbo-petrol" with a "7-speed *dual-clutch*" gearbox.

The fundamental design of the Venue makes it appear to be a scaled-down Creta, but styling is significantly more showy here, notably the split headlight configuration. The inside of the "Hyundai Venue" is well-designed, and the dashboard, which sets the "*8-inch touchscreen*" high up, is particularly user-friendly. 'Hyundai' has also included lots of small-item storage in the "Venue" cabin, and has spacious boot which is enough to store two luggage. The "Venue" falls short in terms of rear seat room. Legroom is far from exceptional, and the cabin appears much smaller than it is due to the small back windows.

The 1.0 unit is smooth and performs well. The manual transmission, with its short throws, feels athletic, but the optional "7-speed *dual-clutch*" automatic version works nicely with the engine, making the Venue automatic a suitable choice for city dwellers. The Venue provides a somewhat comfortable ride with adequate bump absorption. The handling of the Venue is best described as clean - there's enough grip and the steering is well-weighted.

Hyundai's 1.2-liter petrol engine is refined but uninteresting, and it should be considered only if your budget is limited. The "Venue" 1.4 diesel makes sense for purchasers who do a lot of driving, but the new 1.0 turbo-petrol engine offers the best of the new Hyundai. As a standard, all "Hyundai Venues" have "*Dual airbags*", *ABS*, seatbelt reminders, "*speed warning system*", and "*rear parking sensors*". The lower-spec "E" and "S" trims, on the other hand, may not provide much comfort due to lack of few features and amenities. The mid-spec SX model is a smart choice since it comes with a lot of features, such as an "*8-inch touchscreen*" with "Android Auto" and "AppleCarPlay", an electric sunroof, "*cruise control*", and "*16-inch diamond cut alloy wheels*". "*Side and curtain airbags*", "*keyless enter*" and go, wireless charging, and an air purifier are specific to the fully-loaded "Venues". The Venue rivals the "Maruti Suzuki Vitara Brezza", "Tata Nexon", "Ford EcoSport" and "Mahindra XUV300" in India.

Table 1.5 Specifications of Hyundai Venue

|                          |                  |
|--------------------------|------------------|
| Length (mm)              | 3995             |
| Width (mm)               | 1770             |
| Height (mm)              | 1605             |
| Boot Space (Litres)      | 350              |
| Seating Capacity         | 5                |
| Ground Clearance (Laden) | 190mm            |
| Wheel Base (mm)          | 2500             |
| No of Doors              | 5                |
| No. of cylinder          | 4                |
| Valves Per Cylinder      | 4                |
| TransmissionType         | Manual/Automatic |

Source- cardekho.com

Figure 1.6 Hyundai Venue



Source- cardekho.com

## Kia Sonet

The Kia Sonet is Kia Motors India's third model, and possibly its most important. It joins the highly competitive compact SUV sector led by the "Maruti Suzuki Vitara Brezza" and the "Hyundai Venue". Other competitors include the "Tata Nexon", the "Mahindra XUV300", and the "Ford EcoSport".

Buyers have a lot of options with three engines (two petrol, one diesel) and numerous transmissions (manual, "*iMT*", "*torque-converter*" automatic, "*DCT*") distributed across a wide price range. The Kia Sonet also has a large list of standard goodies, including a "*10.25-inch touchscreen*", chilled front seats, ambient lighting, a "*Bose*" sound system, linked car technology, and more.

Its popularity stems from taking the winning formula of its larger sister, the "Seltos", and distilling it into a smaller compact. It not only has practically all of the same features, many of which are previously unheard of at this price, but it also shares its outstanding "1.5 diesel" engine, which is available with either a manual or torque-converter auto transmission. In fact, the diesel auto is the finest of the bunch, providing a wonderful balance of smoothness, fuel efficiency, and torque while allowing the small Sonet to drive like a larger, more luxurious vehicle.

For an enthusiast, the 1.0 turbo-petrol is still the best option, although it is no longer available with a manual transmission; only an "*iMT*" or a "*DCT*" are available. All of this comes at a cost, and top-spec "Sonets" are priced in the upper range.

Furthermore, like with the "Hyundai Venue", the back seat isn't as large as rivals', the ride may be rough, and the handling qualities aren't compelling. However, this remains the greatest balance among small SUVs for the time being.

The Sonet diesel automatic is the powertrain of choice, thanks to its powerful, refined "1.5-litre diesel" engine and ultra-smooth "*6-speed torque-converter*" automatic transmission. Yes, it may become pricey at the top end, but if you don't mind foregoing a few frills, the mid-range "HTK+" trim level gets you far more than the necessities at a more manageable price.

Table 1.6 Specifications of Kia Sonet

|                     |                  |
|---------------------|------------------|
| Length (mm)         | 3995             |
| Width (mm)          | 1790             |
| Height (mm)         | 1642             |
| Boot Space (Litres) | 392              |
| Seating Capacity    | 5                |
| Wheel Base (mm)     | 2500             |
| No of Doors         | 5                |
| No. of cylinder     | 4                |
| Valves Per Cylinder | 4                |
| TransmissionType    | Manual/Automatic |

Source- cardekho.com

Figure 1.7 Kia Sonet



Source- cardekho.com

## Mahindra XUV300

Mahindra's advanced sub-four-metre small SUV is the XUV300. It's a scaled-down and re-engineered version of Mahindra subsidiary SsangYong's Tivoli, and it's a far cry from body-on-frame versions like the TUV300. The Mahindra XUV300 introduces several class-first innovations, but it is also one of the most expensive small SUVs. It is available with petrol and diesel engines, as well as 6-speed manual gearboxes as standard. The diesel engine is also available with an AMT automatic transmission. The Mahindra XUV300 is the safest automobile to be crash tested by Global NCAP, receiving 5 stars for adult occupant safety and 4 stars for child occupant protection.

The Mahindra XUV300 is stylish and well-designed, and it seems larger than its competitors. Inside, you'll find a rather standard dashboard, but the interior has a luxury feel to it. Seat comfort and interior room are adequate but not exceptional, yet the XUV300's breadth makes it a better five-seater than most competitors.

Unfortunately, boot space is quite restricted. The 117hp, 1.5-litre, four-cylinder diesel engine in the Mahindra XUV300 is highly appealing. It's not the quietest engine, but it's smooth and distributes power in a pleasant manner. As far as AMTs go, the auto gearbox is also fairly great. The 110hp, 1.2-litre turbocharged petrol engine is quiet and smooth, but power distribution at low speeds isn't the best. As the revolutions rise, the three-cylinder engine settles into a rhythm and delivers a comfortable performance. The option to modify steering weight is unique to the Mahindra XUV300 in this class. The SUV isn't razor-sharp, but it's still fun to drive.

Furthermore, the absorbent suspension allows you to drive it aggressively on badly paved areas, yet there is no escape from the stiffness. It's worth noting that the heavier diesel feels more surefooted.

We'd go with the XUV300 diesel over the other two engine selections because it offers a wider range of capabilities. And, because it is more economical, the diesel XUV is worth the extra money above the petrol one. The AMT is also an alternative for city dwellers. Both the diesel-manual and petrol XUV300s come in four trim levels. The basic W4 is reasonably equipped and a decent value selection. The W6 trim level has more frills, but you'd be wise to stretch your cash to the W8 trim level, which includes ESC, projector headlamps, auto headlights and wipers, keyless entry, cruise control, dual-zone temperature control, and a touchscreen infotainment



system with Android Auto and Apple CarPlay. The Mahindra XUV300 W8(O) is distinguished by its diamond-cut alloy wheels, as well as luxury features such as front parking sensors, heated outside mirrors, a sunroof, leatherette upholstery, an auto-dimming inside mirror, and a tyre pressure warning system. These versions, however, are pricey by class standards.

Table 1.7 Specifications of Mahindra XUV300

|                               |                  |
|-------------------------------|------------------|
| Length (mm)                   | 3995             |
| Width (mm)                    | 1821             |
| Height (mm)                   | 1627             |
| Boot Space (Litres)           | 259 l            |
| Seating Capacity              | 5                |
| Ground Clearance Unladen (mm) | 180              |
| Wheel Base (mm)               | 2600             |
| No of Doors                   | 5                |
| No. of cylinder               | 3/4              |
| Valves Per Cylinder           | 4                |
| TransmissionType              | Manual/Automatic |

Source- cardekho.com

Figure 1.8 Mahindra XUV300



Source- cardekho.com

## Nissan Magnite

The Magnite is Nissan's foray into the lucrative small SUV market. However, unlike its competitors, the Japanese brand has gone for a low pricing, undercutting the whole market. And it does so while preserving everything that Indian shoppers adore: spectacular appearance, ample internal room, and a plethora of amenities.

The towering stance and high 205mm ground clearance give it a true SUV feel. The large hefty wheel arches and 16-inch wheels provide character, and the Magnite also features a reasonably upright interior for that all-important SUV appearance.

The curved and thick 'C' pillar, contrast roof, and large 'split' rear spoiler appear quite premium, and Nissan has even employed a chrome accent along the doors very well. Even the two-tone panelling at the back is well-executed. The Datsun grille, which is incorporated into the nose design, indicates that this small SUV began life under Nissan's low-cost brand, but there are lots of unique flourishes and touches here as well.

Few hatchbacks, let alone compact SUVs, can provide this level of equipment and space for the same price. This normally aspirated engine, on the other hand, struggles to provide noteworthy performance. This isn't as significant when looking for a daily commuter to use in the city, but it is a consideration when looking for a long-distance SUV. The lack of an automatic gearbox option with this engine restricts its potential as an urban runabout, but for pure value, the Magnite B4D is difficult to beat.

The Magnite's suspension system is a tad on the firm side, which works well at speed, thanks to tall and strong springs. As a result, straight line stability is adequate, and the hefty steering instills some confidence. When you brake hard, the Magnite does not feel tense or jittery. However, agility is not one of its strong points. Turning into corners is a little sloppy, and you may need to use some additional

steering input at times to get the Magnite into a corner neatly. The Magnite feels unsettled at low speeds over badly paved portions, the ride is busy for the most part, and every now and then, the suspension lets out a loud 'thwack' when you run over a huge or medium-sized pothole. While the suspension absorbs some of the larger bumps better at speed, you are obviously aware of the terrain underneath, and there is even some road noise, particularly on coarse surfaces.

Because of its groundbreaking cost, the Magnite is positioned to attract a large number of potential buyers. On the market is a sleek and modern-looking little SUV that is comfortable on the inside, well-equipped, and easy to drive. However, it does not have the most supple ride, is not as pleasurable to drive as some of its competitors, and is not as well built as other cars in this class. Then there's Nissan's dealer network, which has to be expanded.

Table 1.8 Specifications of Nissan Magnite

|                               |        |
|-------------------------------|--------|
| Length (mm)                   | 3994   |
| Width (mm)                    | 1758   |
| Height (mm)                   | 1572   |
| Boot Space (Litres)           | 336    |
| Seating Capacity              | 5      |
| Ground Clearance Unladen (mm) | 205    |
| Wheel Base (mm)               | 2500   |
| Kerb Weight (Kg)              | 1039   |
| No. of cylinder               | 3      |
| Valves Per Cylinder           | 4      |
| TransmissionType              | Manual |

Source- cardekho.com

Figure 1.9 Nissan Magnite



Source- cardekho.com

## Renault Kwid

The Renault Kwid has proven that an inexpensive hatchback does not have to be a basic hatchback, thanks to its SUV-inspired appearance, digital instruments, and touchscreen infotainment system.

The tiny Renault comes with two petrol engine options, the larger of which is also available with an automatic transmission. Inside, the Climber editions include bolder colours and stylish accents. The redesign for 2019 includes new styling, a revamped cabin, and more functionality.

The Kwid's mini-Duster appearance adds a lot to its appeal. The new split headlight design is in line with current trends, and the new LED detailing on the tail lights adds a premium touch. The new part-digital speedometer and 8.0-inch touchscreen also give the cabin a more premium appearance. However, the quality is average, and the construction is light as expected. In terms of inexpensive hatchbacks, the Kwid has decent capacity, however the rear seat is best suited to two passengers. The cabin of the Kwid is likewise well-designed and utilitarian, and the 270-litre boot is a

respectable size. The entry-level 54hp, 0.8-litre petrol engine delivers below-average performance. The 68hp, 1.0-litre Kwid is unquestionably the superior car to drive. The clutch and gearbox on the manuals are light, while the 1.0 AMT auto works well as a budget automatic. The Renault AMT, like other AMTs, responds best to modest throttle inputs. The Kwid is simple to drive and park, and the ride quality is above average for this class of vehicles. The Kwid's generous 184mm ground clearance comes in useful as well.

Table 1.9 Specifications of Renault KWID

|                               |                  |
|-------------------------------|------------------|
| Length (mm)                   | 3731             |
| Width (mm)                    | 1579             |
| Height (mm)                   | 1490             |
| Boot Space (Litres)           | 279              |
| Seating Capacity              | 5                |
| Ground Clearance Unladen (mm) | 184              |
| No of Doors                   | 5                |
| No. of cylinder               | 3                |
| Valves Per Cylinder           | 4                |
| Transmission Type             | Manual/Automatic |

Source- cardekho.com

Figure 1.10 Renault Kwid



Source- cardekho.com

## Maruti Suzuki S-Presso

The S-Presso is classified as a tiny SUV by Maruti Suzuki, although it's really more of a high-riding cheap hatchback. The S-Presso is powered by a 1.0-litre petrol engine and comes with either a 5-speed manual or an AMT automatic transmission. Maruti's Arena network sells the S-Presso.

The Maruti S-Presso has a compact footprint, yet it has odd proportions due to its thin body and high roof. The S-design Presso's appearance is an acquired taste, with elements like the high-set bonnet and upright pillars in line with the SUV template. The tidy dashboard and pleasant quality make the cabin a happy place to be in.

While the center-stacked speedometer takes some getting used to, the neat dashboard and pleasant quality make the interior a comfortable place to be in. The raised seats also provide a fantastic view out, and the cabin has plenty of space. Even tall folks will have plenty of headroom and knee room in the back. The boot also has a larger capacity than its 240-liter capacity suggests. The 1.0-litre engine of the Maruti S-Presso is another standout. It's quiet, smooth, and performs admirably.

There's also the promise of outstanding fuel efficiency. You'll have no complaints about the 5-speed manual transmission, though. It's lightweight, and the clutch is simple to adjust. Also noteworthy is the 5-speed AMT automatic transmission, which is certainly among the best of its kind. Gear Shifts are generally smooth and fast, and you may shift manually using the gear lever. The S-Presso is quite easy to drive around town because of its narrow turning radius and light steering.

Bump absorption at low speeds is also excellent. The suspension has a hardness to it that becomes more noticeable at higher speeds. High-speed stability is reasonable, but up-and-down motions are inevitable. On the highway, you get a good sense of connection behind the wheel, but the tall S-Presso isn't fond of abrupt changes of direction.

The S-Presso manual is pleasant to operate, but purchasers whose commute involves frequently traveled routes may consider upgrading to the AMT automatic. The Maruti S-Presso comes in four trim levels, with the AMT automatic available

exclusively in the top two. ABS, a driver-side airbag, a “*speed warning system*”, a seatbelt reminder, and rear parking sensors are all standard safety features. A passenger-side airbag is an optional Rs 5,000 feature on the “STD”, “LXI”, and “VXI” trims, and is standard on the top-spec “VXI+” models.

The STD version is extremely rudimentary and should be avoided at all costs. Air conditioning and power steering are included in the LXI model, but there isn't much else. Body-colored bumpers, wider 14-inch wheels, central locking, front power windows, and an audio system with Bluetooth connection are all standard on higher-spec VXI models. Internally adjustable wing mirrors and steering-mounted audio controls are standard on VXI+ models, but the “*7.0-inch touchscreen*” infotainment system with “Android Auto” and “Apple CarPlay” is the main attraction. “VXI(O)” trim is the most cost-effective of the bunch.

Table 1.10 Specifications of Maruti Suzuki S-Presso

|                     |                  |
|---------------------|------------------|
| Length (mm)         | 3565             |
| Width (mm)          | 1520             |
| Height (mm)         | 1564             |
| Seating Capacity    | 4, 5             |
| Wheel Base (mm)     | 2380             |
| Kerb Weight (Kg)    | 831-854          |
| Gross Weight (Kg)   | 1170             |
| No of Doors         | 5                |
| No. of cylinder     | 3                |
| Valves Per Cylinder | 4                |
| Transmission Type   | Manual/Automatic |

Source- [cardekho.com](http://cardekho.com)

Figure 1.11 Maruti Suzuki S-Presso



Source- cardekho.com

## 1.2 Problem Statement

It is observed that for the past few years, the automobile industry has been reporting declining growth in terms of Compounded Annual Growth Rate(CAGR), but the Sports Utility Vehicle segment has reported positive growth in these times while other segments are not able to do so. The preference of compact SUVs over sedans or hatchbacks has shifted among first-time buyers.

## 1.3 Objective

- ❖ To investigate this shift of consumer preferences in the SUV segment of the struggling passenger vehicle market.
- ❖ To investigate consumer preferences and motivation to purchase, in the compact SUV segment market.



#### **1.4 Scope of the Study**

This study will help marketers and other stakeholders of the automobile industry to understand the growth of the SUV segment from the perspective of the average Indian consumer.

## 2. LITERATURE REVIEW

India has seen a recent boom of SUVs and Compact SUVs, where it is the only segment showing positive sales growth in a declining automobile industry. Other segments, namely, Hatchbacks, Sedans, Multi Utility Vehicles(MUVs), etc are unable to match the numbers of SUVs by a long mile. Investigating the popularity of SUVs and the factors driving consumers towards them was the aim of this review and in turn this project.

This review contained research papers pertaining to Sports Utility Vehicles and consumer motivation to purchase them.

Sports Utility Vehicles (SUVs) are well-known for their toughness and aggressive design, and are frequently classified as light truck-like vehicles used for personal transportation. During the 1990s, sport utility vehicles (SUVs) were the automobile industry's fastest-growing sector worldwide. SUVs are bigger and heavier than standard passenger vehicles. (Subramanian, Muthu, 2018)

Sports Utility Vehicles (SUVs) and Multi-Utility Vehicles (MUVs) are gaining popularity and setting the trend in the Indian market. Despite their massive size, they are thought to be extremely strong and cost-effective. It was long time back now when people thought that driving an off-road vehicle meant a vibrating motor, a jumpy ride, or paying expensive fees. With SUVs now available for as little as Rs 6 lakh, sports utility vehicles (SUVs) and multi-utility vehicles (MUVs) are increasingly being favored by clients in India's middle-class segment. (Dani, Pabalkar, 2013)

Due to shifting customer sentiments about purchasing four-wheelers, the Sports Utility Vehicle (SUV) market in India is one of the fastest growing segments in the car business these days. (Sravan, Sampathrushi, Sarakamu, Rao, 2014)

The two key factors contributing to the success of utility vehicles in India are that small SUVs have become more affordable to the Indian customer and that manufacturers have made a concerted effort to offer more SUV models in the nation. The automakers are fine-tuning the designs of the UVs and introducing advancements to suit Indian circumstances. The design and appearance of the SUV

are always evolving to meet the needs and expectations of customers.

(Subramanian, Muthu, 2018)

Since 2010, the SUV industry has experienced a surge in the number of vehicles and has taken a major share of the passenger car market. This upward trend in SUV admiration is expected to grow in the future decades. The main reasons for SUVs popularity in India are summarized as follows:

- Rugged and sporty look of SUVs
- Seating capacity and towing power
- Greater size and visibility

(Subramanian, Muthu, 2018)

A successful product in the market is a perfect blend of the Threshold (safety features such as 6 airbags, Anti Lock Brake, Anti skid system, Roll stability control), Performance (such as All-Wheel Drive, Four wheel independent system, Height Adjustable seat), and Excitement (Side impact airbags and Rare backup alert system). (Dani, Pabalkar, 2013)

### **3. METHODOLOGY**

The data needed for the study was gathered by using a structured questionnaire. The acquired data was evaluated using statistical methods, and the information was presented using tables and figures.

#### **3.1 Research Design**

A systematic and rigorous analysis of a situation or problem to develop new information or validate current knowledge is referred to as research. This study was conducted using a descriptive research approach.

#### **3.2 Descriptive Research**

It refers to a study that accurately depicts these investigations as a way of uncovering new meaning, explaining what exists, identifying the frequency with which something occurs, and classifying data. In a nutshell, descriptive research is concerned with anything that can be tallied as well as studies that have an influence on the lives of those involved.

#### **3.3 Sample Design**

A sample design is a set of guidelines used in a research to collect data from a subset of the population. The data was collected from the respondents using the convenience sampling approach. It was also assured that the respondents were vehicle owners, with some having purchased a car before and having some or more control over the SUV purchasing choice. People who had previously owned an SUV, as well as those who presently own hatchbacks and sedans, were all included.

#### **3.4 Sample Size**

The sample size used for the study is 94 respondents.

### **3.5 Data Collection**

The data collected for the study comprises primary data.

Primary data is information that you collect specifically for the purpose of your research project. An advantage of primary data is that it is specifically tailored to your research needs. In This study primary data was collected from the respondents who were owners of SUV and also showed low or more influence in the purchase decision of SUVs. A well-designed questionnaire was circulated among the respondents and the filled-up form was collected from them.

The questionnaire contained 2 sections, where the first section was to collect demographic information along with questions about their purpose to buy a car and their influence in the buying process. The final section contained a list of attributes of the SUV purchase decision and respondents were asked to rate the importance of each attribute using a Likert Scale. The questions are available in the annexure.

## 4. INTERPRETATION AND ANALYSIS

### 4.1 Demographics

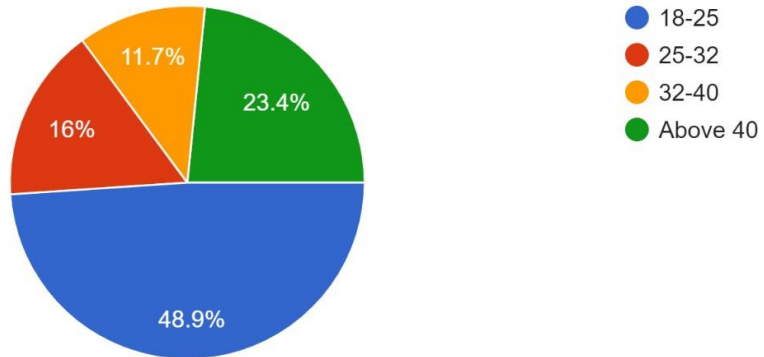
We received a total of 94 responses out of which 57.4% were men, 41.5% were women and the rest preferred not to mention their gender. The maximum responses received belonged to the age group of 18-25 at around 49% of the total responses. About 28 % of them were between the ages of 25 and 40 years of age, while 23% of the respondents were above 40 years of age. The respondents were people who have completed graduation, whereas some of them had also either completed or are pursuing their post-graduation.

Out of total respondents, 37.2% of them claimed to have an income of up to INR 10 Lakhs per annum, while about a third of total respondents selected INR 10 Lakhs to INR 20 Lakhs as their annual family income. A fraction less than a quarter of people had an annual income between INR 20 Lakhs and INR 40 Lakhs, where 6.4% of total respondents had an annual income of above INR 40 Lakhs.

There has been an increase in the number of women driving in recent years, thus there is a need for participation of both genders in the discussion about adopting electric vehicles. So with over 40% of respondents being female, it may give me a better picture of the market. The respondents are well educated and are from lower-middle to upper-middle-class section of the society. This means they must be well aware of Sports Utility Vehicles and the automobile industry in the capacity of a consumer. They have either purchased, been a part of the decision making process or used it in some situation or the other and further might have a desire to invest in it, now or in the near future. According to various articles, the industry is also designing Sports Utility Vehicles(SUVs) considering every section of society as potential buyers as seen in the increase in the demand where every price bracket has an SUV offering in the market. Hence the project demanded a number of varied consumer outlooks towards SUVs.

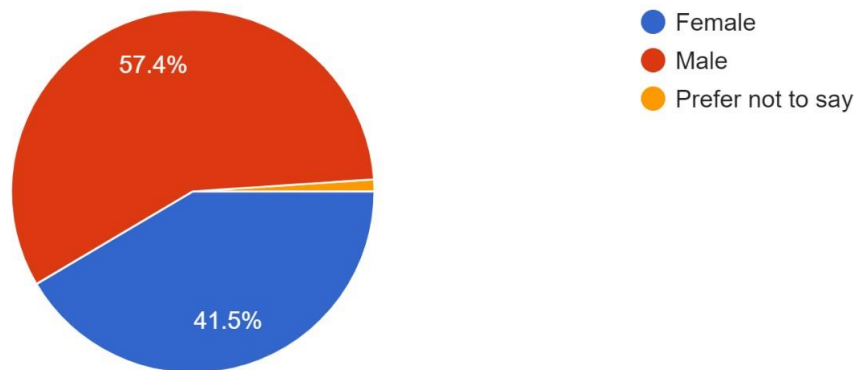
Figure 4.1

Age  
94 responses



Own Creation  
Figure 4.2

Gender  
94 responses



Own Creation  
Figure 4.3

What is your involment in the purchase decision of a car?  
94 responses



Own Creation

Another key information that is vital for analyzing consumers' motivation and consumer purchase decisions is the part played by the respondents in the decision-making process. A decision is not necessarily made by a single person, rather a group of people is involved, called a decision-making unit. Although this concept is prevalent in Business-2-Business(B2B) marketing it can also be useful to understand consumers' behavior as a car is a considerable investment and the purchase decision is not a simple one.

The DMU is made up of everyone who will have a say in whether or not a product is purchased. The marketing mix program must meet the demands of each of these people and find a strategy to get the marketing message out to them. These people are typically identified as:

- Initiators - Initiators see the importance of resolving a problem, therefore they start looking for a solution.
- Gatekeeper - Gatekeepers are subject matter experts who manage information and access to other DMU members.
- The individual who actually issues the cheque is known as the buyer. (For instance, a purchasing agency or a single consumer)
- Decider – the person or group that really declares, "This is the product we want," for example, the Vice President of Engineering
- Influencer – anybody who assists the Decider, such as the press, analysts, peers, and assessment groups
- User- The individual or group who actually utilises the product and benefits from it is referred to as a user.

People in the decision-making unit (DMU) collaborate to make a purchase decision. This interaction is described in the DMP. A Marketing Manager may better understand who, what, how, and when a consumer buys by employing this framework. This insight then guides the selection of all Marketing Mix aspects, such as the channel of distribution.

It was observed that over 92% of the respondents had at least some influence over the purchase decision, comprising the group of all the roles in a typical DMU. Bifurcating the 92%, about a fraction less than a quarter of all respondents said that



they make the final decision making them the buyer, user, and deciders, while about 35% said to have a significant say in the decision process the deciders and gatekeepers.

A third of the respondents can be termed as influencers or initiators, and just 7.4% had no influence over the decision-making process of buying an SUV. This tells us that the response received from this primary data, reflects a reliable picture of how consumers think while making a decision to go for a SUV. The respondents are aware, rational, and are able to take a decision of such an important level.

## 4.2 Data Analysis

Through the second section of the questionnaire, data was collected regarding the importance of fifteen attributes of a SUV in the consumers' purchase decision making process. For the ease of understanding they have been grouped in 5 groups to analyse them.

Table 4.1 Groups of Attributes

| Group 1                                       | Group 2                         | Group 3            | Group 4                                     | Group 5   |
|---|---------------------------------|--------------------|---|---|
| Brand image                                   | Price                           | Off-road ability   | After-sales service availability            | Availability of fuel options- Diesel, Petrol, CNG |
| Design and looks of the SUV                   | Fuel efficiency/ Mileage (KMPL) | Driving experience | Safety of the passengers- Airbags, ABS etc. | Whether it is an Electric Vehicle(EV)             |
| Road presence and Visibility                  | Purpose of usage                | -                  | -   | -   |
| Comfort - Seat configuration, legroom, AC etc | Value for money                 | -                  | -   | -   |

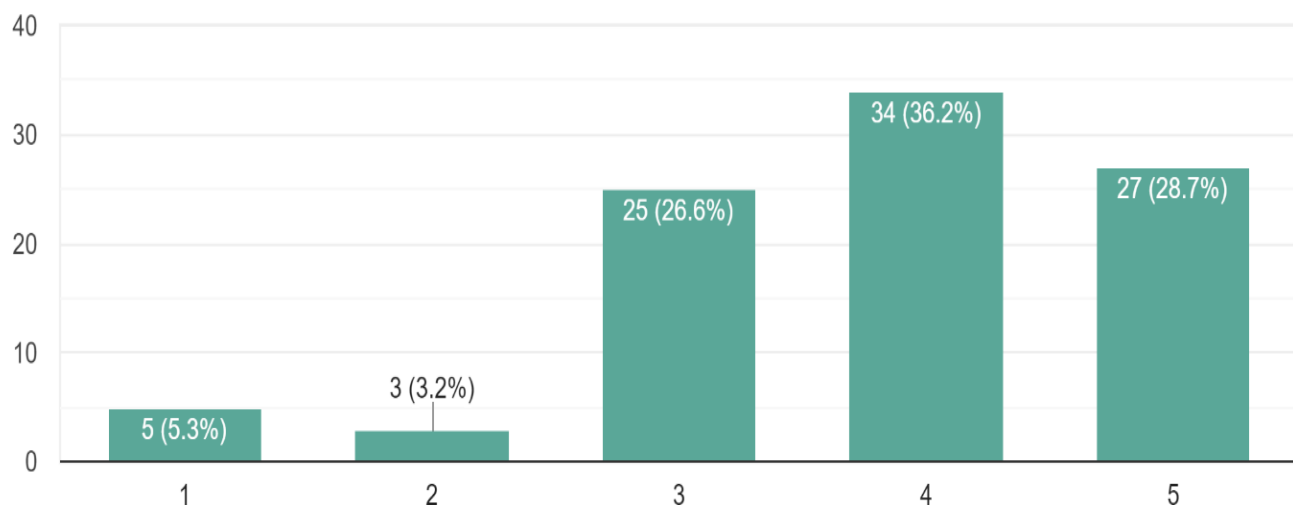
Own creation

#### 4.2.1 Group 1

Figure 4.4

Brand image

94 responses

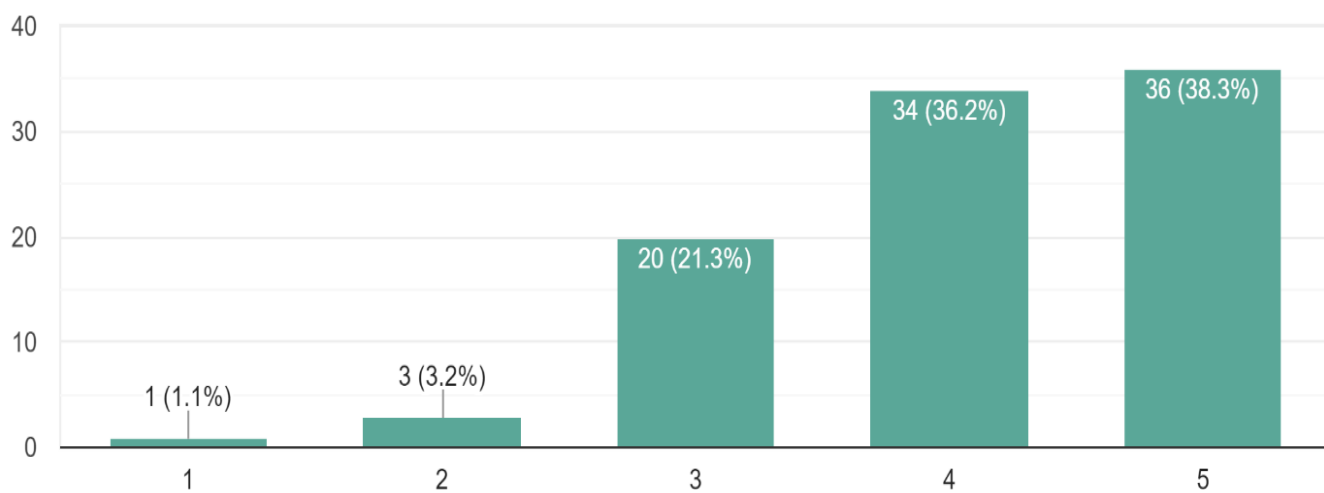


Own Creation

Figure 4.5

Design and looks of the SUV

94 responses

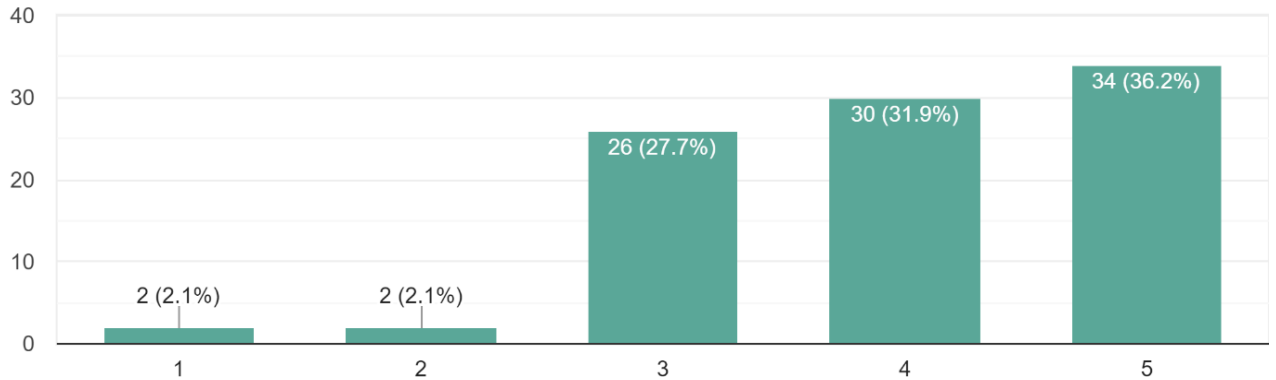


Own Creation

Figure 4.6

Road presence and Visibility

94 responses

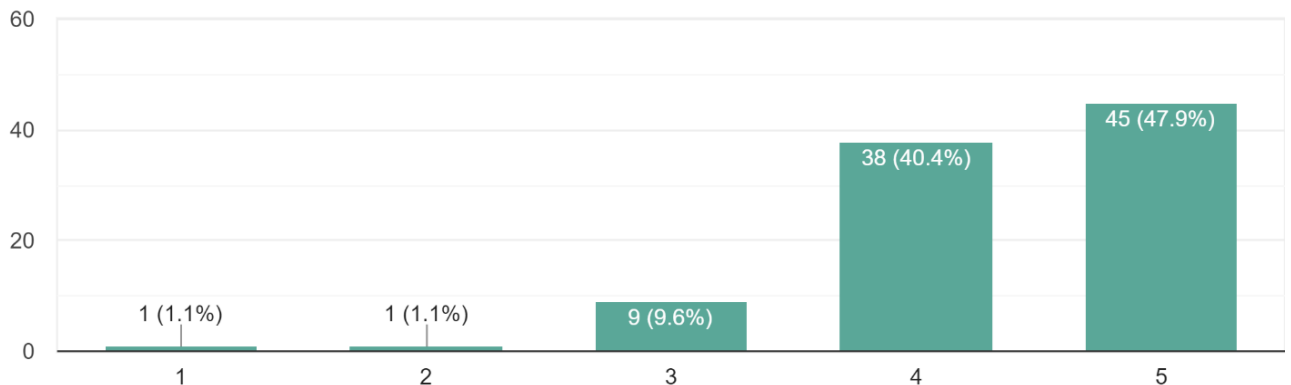


Own Creation

Figure 4.7

Comfort - Seat configuration, legroom, AC etc

94 responses



Own Creation

This group entails the feel-good attributes of any car and is mostly expected of SUVs. Talking about the importance of brand image, most of the respondents have scored it as 4 on the 5 point Likert scale. People tend to be brand conscious when it comes to cars, as it signifies the values and the expectations of the consumers which will be fulfilled just by buying a particular brand of car. For example, Maruti Suzuki is a brand associated with value-for-money products and impeccable service throughout the country, whereas Hyundai is associated with feature rich products and a premium feeling product in each price bracket.

So in the case of SUVs, brands play an important role as shown in the graph, where more than 50 per cent of the respondents have given a rating of 4 and above to brand image.

Most consumers are attracted by road presence and visibility of a SUV which is class apart as compared to other types of cars, such as hatchbacks or sedans. Here, the respondents have rated road presence and visibility of highest importance while purchasing an SUV. Further the design of an SUV enhances the road presence of a car and well designed SUV is sought after in a lot of cases. Again, in this survey more than 60 % of the respondents have rated Design and looks of a car, 4 or above in the Likert scale, indicating the importance while purchasing a SUV.

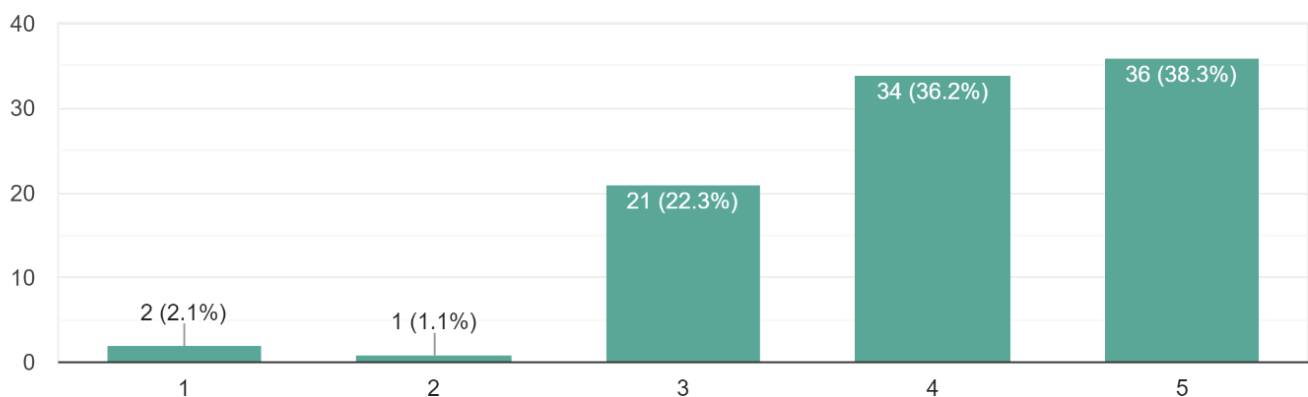
Due to its traditionally large size and long wheelbase, SUVs are expected to have a comfortable atmosphere, including good legroom, seats, etc for the people in it. In today's time as well, consumers have the expectations as seen in this survey as well, where close to 48% of the respondents have given the highest rating and more than 90% have given a rating of 4 or above.

#### 4.2.2 Group 2

Figure 4.8

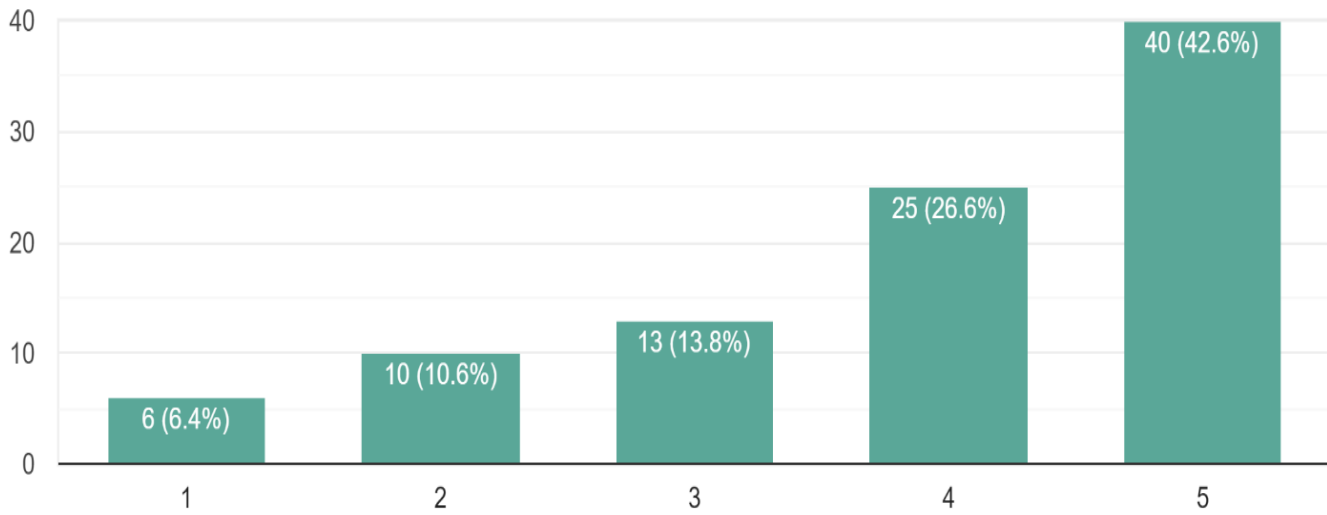
Price

94 responses



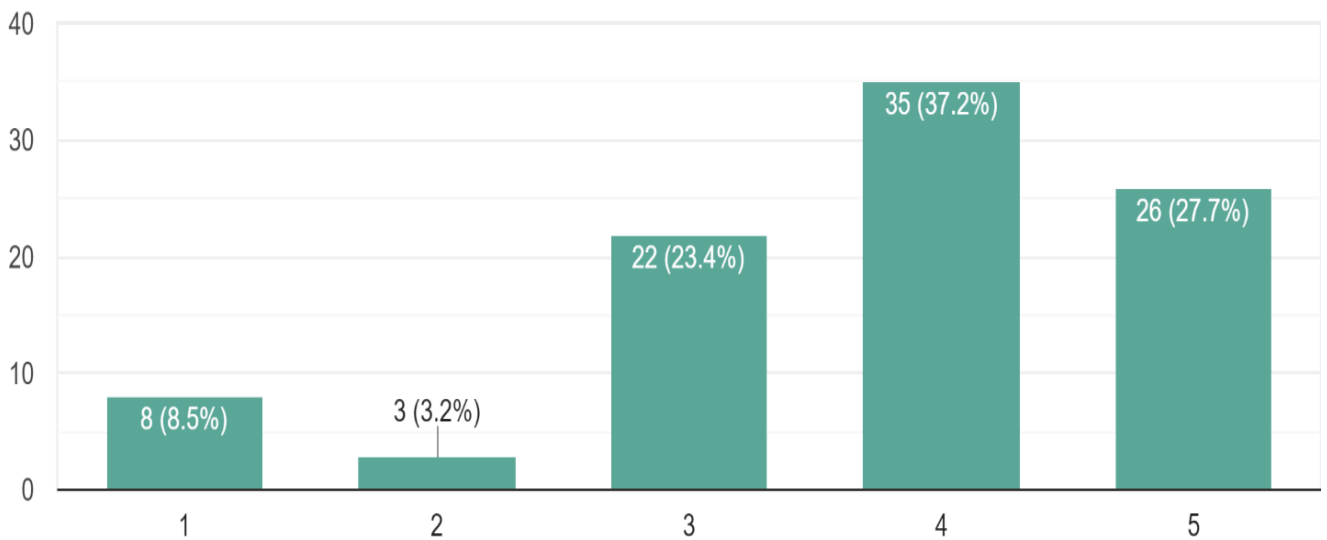
Own Creation

Figure 4.9  
 Fuel efficiency/ Milage (KMPL)  
 94 responses



Own Creation

Figure 4.10  
 Purpose of usage  
 94 responses

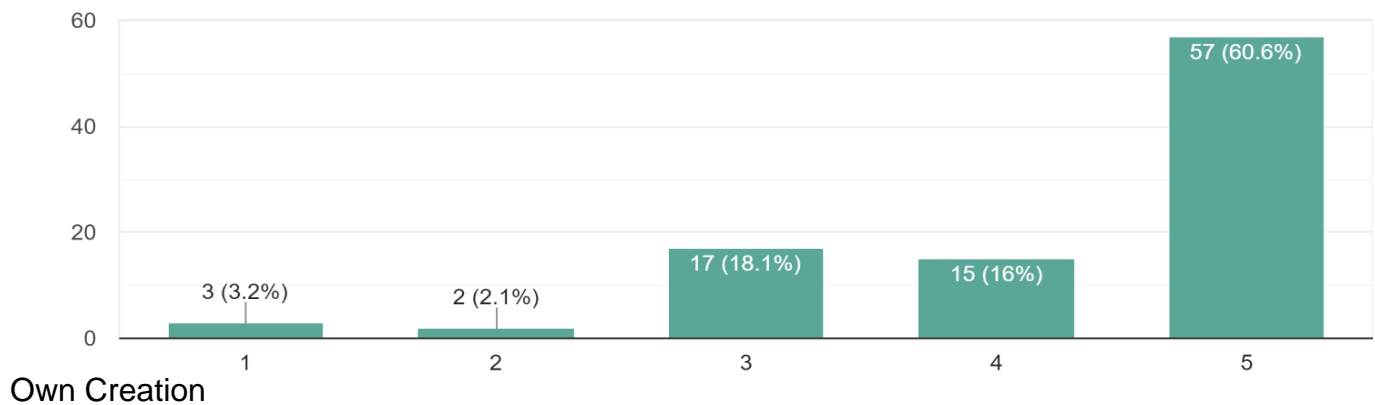


Own Creatio

Figure 4.11

Value for money

94 responses



This group of attributes consists of the value for money factors of a car and is considered when people look at a car from a perspective of investment. The first, of course, comes the price of the car. It is the upfront cost of the car while purchasing it. Right now, a SUV is available in every price range for every kind of pocket due to rise in demand. Here as well, we can see that about 75% of the respondents have rated price above 4 on the Likert scale.

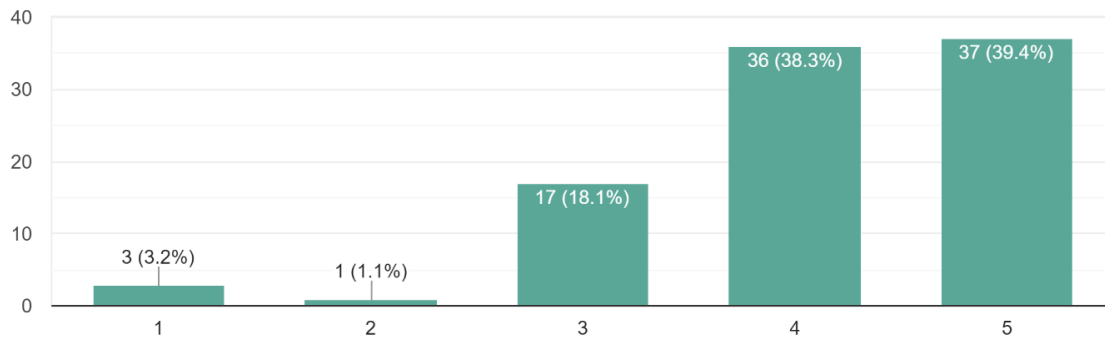
We can see a different pattern in the response of other attributes, Milage, Purpose of use and value for money. Milage is a priority for a good 42.6% of respondents while about 31% of them have rated milage 3 or below. The fact that people have given a rating of 5 to mileage is coherent with the fact that Indians are value customers but on the other hand a good number of consumers do not expect SUVs to be a pocket friendly option when it comes to running cost. People's expectations are aligned with its powerful engines and its performance.

Purpose of use for a SUV has been clear to most consumers, and that is to give a smooth yet powerful performance with rugged design and a heavy road presence. Thus products offering these and fulfilling this purpose would be preferred more. In the case of the value for money attribute, it is clear that Indian consumers look for value even in every kind of purchase, as observed, 60.6% of respondents have rated it 5 on the Likert Scale.

### 4.2.3 Group 3

Figure 4.12

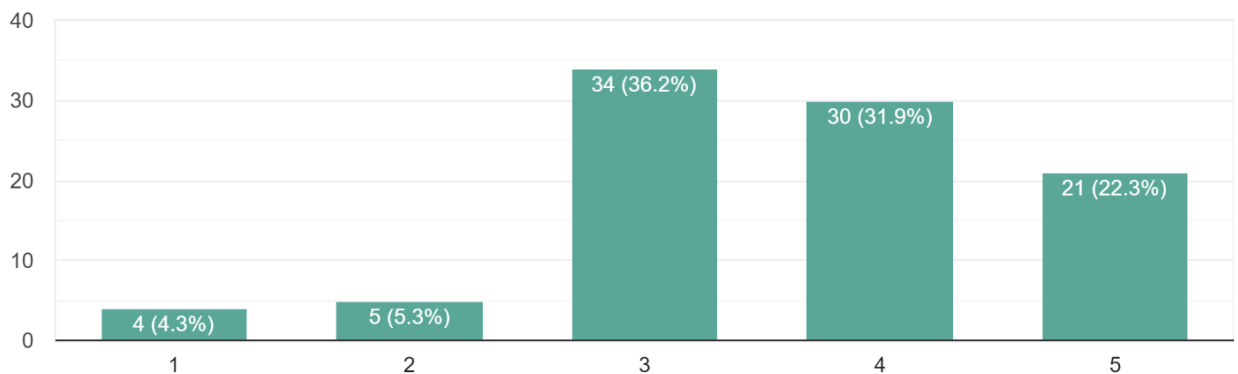
Driving experience  
94 responses



Own Creation

Figure 4.13

Off-road ability  
94 responses



Own Creation

This group contains the exciting features of any SUV, setting apart from the rest of car types and is highly expected from a SUV.

The most sought-after attribute among car-buyers has been driving experience of the car, it is especially true in the case of SUVs. Due to a powerful engine and great driving dynamics SUVs inherently are expected and deliver a superior driving experience to the person behind the wheel. As observed, about 68% of the respondents have given a rating of 4 or above in the Likert scale and thus indicate the importance of driving experience while purchasing an SUV.

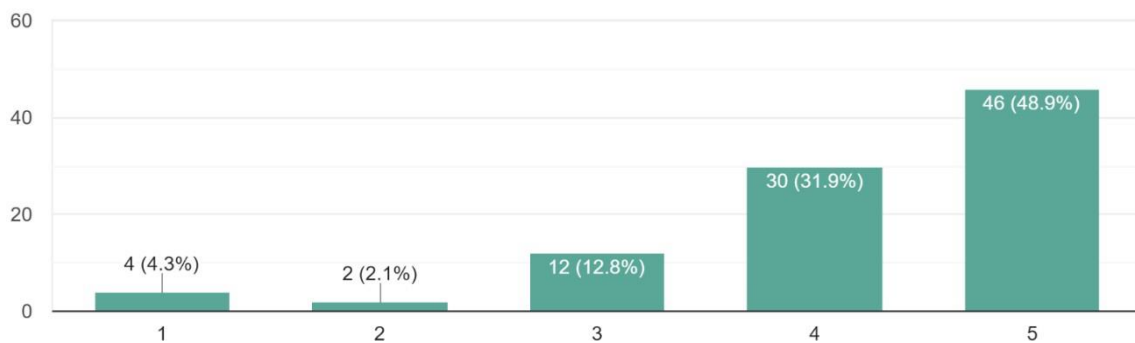
The interesting observation here is that, an attribute like driving experience was expected to have a higher percentage of respondents with a rating of 5, which was divided with the rating 4. This can be due to the fact that people are willing to purchase a SUV due to the increased demand and are willing to compromise on certain features just to own a SUV.

This can also be seen in the response received for the off-road ability attribute. Here, 36.32% of respondents selected the rating 3 out 5, while just 22.3% of respondents gave the rating of 5. As consumers from all the strata of society have begun to own SUVs, people do not see a SUV only as a rugged vehicle but look for a product similar to a SUV and are willing to let go of traditional attributes of a SUV.

#### 4.2.4 Group 4

Figure 4.14

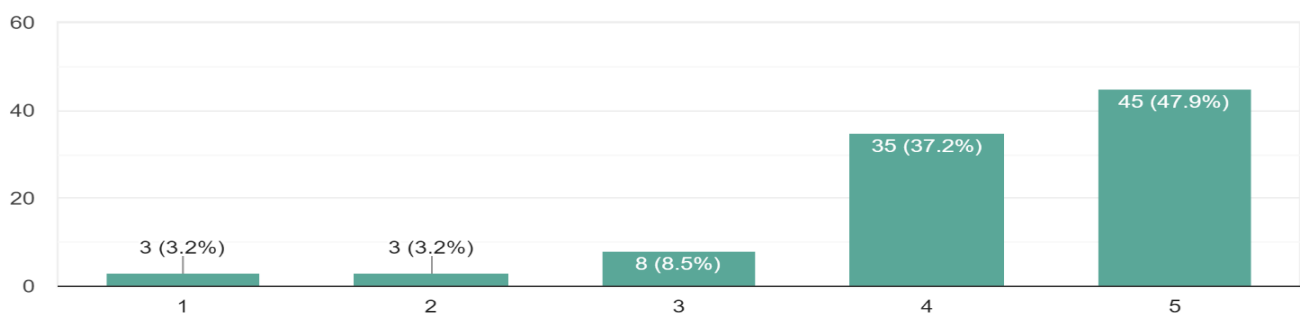
Safety of the passengers- Airbags, ABS etc.  
94 responses



#### Own Creation

Figure 4.15

After-sales service availability  
94 responses



#### Own Creation



These attributes are a mix of new and old features which command great consideration from any car buyer.

Nowadays, the safety of cars is a hot topic in the automobile sector, with regular mandates from the Ministry of Road Transport and Highways and, more importantly, an increase in consumer awareness towards safety, more than ever. It is also reflected in this survey, where about 80% of the respondents have given a rating of 4 or above 4 on the Likert Scale.

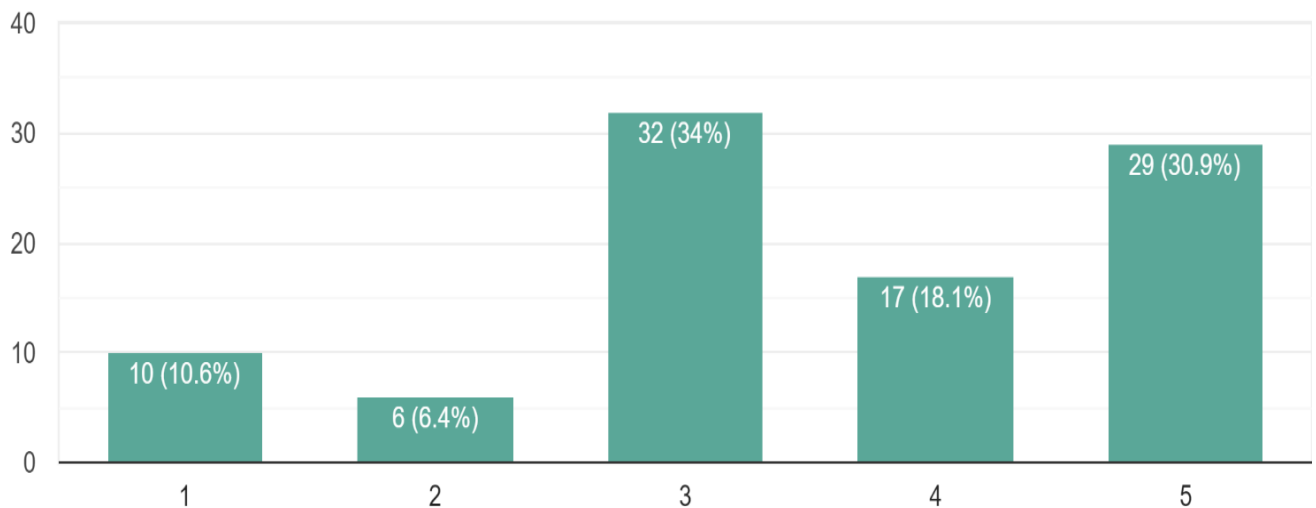
Talking about the oldest feature which is able to clinch a win for a company almost instantly is the after-sales service availability. This includes repair, maintenance, rescue, information consulting, availability of spare parts, and if needed modification of cars. It is not surprising that even in this survey close to 50% have rated after sales capabilities as 5 while 37.2% have rated 4 on the Likert Scale.

#### 4.2.5 Group 5

Figure 4.16

Availability of fuel options- Diesel, Petrol, CNG

94 responses

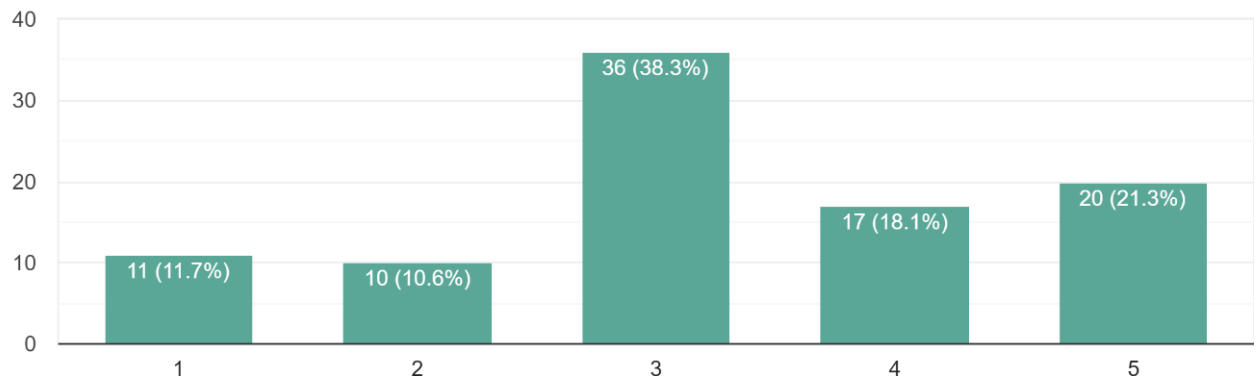


Own Creation

Figure 4.17

Whether it is an Electric Vehicle(EV)

94 responses



### Own Creation

Due to ever increasing fuel prices, higher maintenance cost of vehicles and rise in awareness for a greener environment, car buyers look for alternative options to petrol and diesel. At present, these options include Compressed Natural Gas or CNG and electric vehicles.

Traditionally SUVs were always launched with diesels engines, some companies like Mahindra and Mahindra, and Tata do it even in this day and age with select models. But now we see petrol and electric versions of the same, while some users get CNG tanks retro-fitted to compact SUVs which are more compatible with CNG than bigger SUVs.

Here it is observed that fuel options have a neutral importance in the minds of the consumers, even if it is electric or not. While the response to Availability of fuel options has got a mixed response of close to 31% for 5 ratings and 34% for 3 rating on the Likert Scale reflecting the neutrality and at the same time a small concern for the high running cost of the car.

On the other hand, electric mobility is a great concept and alternative to the conventional mobility solutions available in the market. Consumers are trying hard and to the best of their capability to purchase and consume products and services which offer a solution to an environmental problem faced by everyone across the

world, such that they are able to do their part. This is reflected in this survey where close to 39% of the respondents have rated it 4 or below.

But due to its shortcomings such as higher upfront cost, shorter range per charge, and lack of infrastructure, to name a few, people are still hesitant to go for it. Though people can look away from the high upfront cost and can tackle the problem of lack of infrastructure and at the same time get a powerful driving experience from the SUV, people would not mind if it is electric or not. This is reflected in this survey where close to 61% of the respondents have rated it 3 or below.

### **4.3 Recommendation**

The Sports Utility Vehicle market has grown immensely and the compact SUV market is a product catering to the masses which the traditional SUVs were unable to do. Hence, for any manufacturer, in the automobile industry, to survive and grow, it must have a strong SUV profile in its name as there is an increasing affinity towards SUVs in the consumers minds which seems to continue for a long time now.

### **4.4 Limitation**

- The study had a lesser number of respondents and needs a more pan Indian approach at larger scale for a deep dive into the consumer's mind.
- As the industry is dynamic in nature with an increasing number of innovations at faster pace than ever before, the list of attributes influencing consumers would grow, thus consumers preference towards mentioned attributes might evolve too.
- Future studies need to be designed to keep the dynamism in check to enhance research in the area.

## 5. CONCLUSION

The Compact Sports Utility Vehicle(SUV) segment has seen immense growth in the last decade or so. Smaller in size, tweak engines, more pocket-friendly pricing as compared to traditional SUV, the compact SUVs are pleasing consumers from all walks of life. In a slow-growth automobile industry, this segment is able to outperform its counterparts. Increase in demand for compact SUVs can be attributed to changing consumers' preferences towards car buying.

It was observed that more than 50 % of the respondents have given a rating of 4 and above to brand image. More than 60 % of the respondents have rated Design and looks of a car, 4 or above in the likert scale, indicating the importance while purchasing a SUV. Talking about comfort, close to 48% of the respondents have given the highest rating and more than 90% have given a rating of 4 or above.

Here, about 75% of the respondents have rated price above 4 on the Likert scale and Milage was a priority for a good 42.6% of respondents while about 31% of them have rated milage 3 or below. Talking about the value for money attribute, 60.6% of respondents have rated it 5 on the Likert Scale.

As observed, about 68% of the respondents have given a rating of 4 or above on the Likert scale and thus indicating the importance of driving experience while purchasing an SUV. The response received for the off-road ability attribute was that a total of 36.32% of respondents selected the rating 3 out 5, while just 22.3% of respondents gave the rating of 5.

About 80% of the respondents have given a rating of 4 or above 4 on the Likert Scale to the Safety attribute. In this survey close to 50% have rated after-sales capabilities as 5 while 37.2% have rated 4 on the Likert Scale. Availability of fuel options has got a mixed response of close to 31% for 5 ratings and 34% for 3 rating on the Likert Scale and close to 39% of the respondents have rated "Whether it is an EV" 4 or below.

## 5.1 References

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## 5.2 Annexure

### 5.2.1 Survey Questionnaire

#### Introduction

Consumer preferences and their motivation to purchase a compact SUV

“Compact SUV” is the strongest segment in the passenger vehicles category for quite some time now. I am conducting a research project which is aimed at investigating why consumers are attracted to the compact SUV segment. Kindly fill out this form for the same.

#### Section 1-

1. Name (Short type answer)
2. Highest Education Qualification\* (Short type answer)
3. Age\*

Options-

- 18-25
- 25-32
- 32-40
- Above 40

4. Gender\*

Options-

- Male
- Female
- Prefer not to say

5. Annual Family Income\*

Options-

- <Rs. 5,00,000
- Rs. 5,00,000 - Rs. 10,00,000

- Rs. 10,00,000 - Rs. 20,00,000
- Rs. 20,00,000 - Rs. 40,00,000
- >Rs. 40,00,000

6. What is your involvement in the purchase decision of a car?\*

Options-

- I will not be involved in the purchase decision.
- I have little involvement in the purchase decision.
- I have a significant influence in purchase decisions.
- I will make the final decision.

[End of section 1. Click continue for the next and final section after answering all the required questions]

Section 2-

Attributes of SUV Purchase Decision

Here are different attributes of the SUV purchase decision. Kindly select the degree to which they influence your decision on a scale of 1-5, 1 being no influence to 5 being very influential.

Table 5.1 Likert scale

|   |                  |
|---|------------------|
| 1 | No influence     |
| 2 | Little influence |
| 3 | Neutral          |
| 4 | Influential      |
| 5 | Very Influential |

Own Creation

Attributes-

- Brand image\*
- Design and looks of the SUV\*
- Price\*
- Fuel efficiency/ Mileage (KMPL)\*
- Off-road ability\*
- Driving experience\*
- Road presence and Visibility\*
- Purpose of usage\*
- Comfort - Seat configuration, legroom, AC etc\*
- Value for money\*
- After-sales service availability\*
- Safety of the passengers- Airbags, ABS etc.\*
- Availability of fuel options- Diesel, Petrol, CNG\*
- Whether it is an Electric Vehicle(EV)\*

[Click Submit to record the responses and end the survey]

The questions marked with \* were required to proceed with the survey.