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MBA – Marketing

Final Dissertation

Indian Middle Class Purchase Decision and Consumer behavior and towards Automobile sector.

Ishan Chandra

Student id: 1770853

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Abstract

The phenomenal expansion of the Indian economy has given a boost to the Indian middle class household and has led to creation of new customers that has invited large conglomerates to various market sectors in India. Automobile market is one of the largest in India and has witnessed a sudden growth in customer base in the form of the rapidly rising and expanding Indian middle class household. However, due to their continuous growth, it is difficult to identify various aspects that influence a middle class households buying decision in case of automobiles. Various researchers have identified these factors vaguely in general but none focuses on the middle class or on the factors that have led to their growth. This research therefore by with the help of quantitative data seeks to identify these factors and segregate such factors that are responsible for the Indian middle class buyer to migrate from one car to another while purchasing their next vehicle.
Acknowledgement

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Ishan Chandra.
1. **Introduction**

1.1. **Background**

1.1.1. **Economy of India**

The Indian Economy is currently the 3rd largest economy in terms of PPP (Purchasing Power Parity) and the 9th largest by GDP (Gross Domestic Product). The overall growth of GDP at factor cost at constant is placed at 4.9% for the financial year 2013-14 as compared to slightly lower 4.5% for the financial year 2012-13 indicating a strong and stable growth. (India Brand Equity Foundation, 2014) According to Goldman Sachs, by 2035, Indian Economy is predicted to be the third largest by 2030 projected at $13,716 billion, just after United States of America and China. They have also predicted that by 2032 India’s GDP will outstrip that of Japan and its GDP per capita will quadruple from 2007 to 2020. India will be the only population out of BRIC (Federal Republic of Brazil, Russian Federation, Republic of India and People’s Republic of China) that will continue to grow throughout the next 50 years. India has the potential to US$ income per capita in 2050 to 35 times its current levels.

<table>
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<tr>
<th>Projected US$ GDP Levels</th>
<th>Brazil</th>
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<td><strong>2003 US$ billion</strong></td>
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<td>2000</td>
<td>762</td>
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<td>27803</td>
<td>5870</td>
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Table 1. Projected GDP Levels by The Goldman Sachs Report on BRICs. The Equity Desk, (no date)

The Indian economy is expected to grow to 60% of the size of the US economy. India is the 19th largest exporter and the 10th largest importer in the world. In the financial year of 2011-12 alone foreign trade in India grew by an astonishing 30.6% to reach $792.3 billion. India is one of the world’s biggest production centers. According to the CIA World Fact book, India is 11th in terms of nominal factory output. (Central Intelligence Agency, no date). India’s foreign exchange reserve stands at $280.17 billion. India ranks third in terms of road network. The total roads in India cover a staggering 4.3 million km and as of 2008, 49%, about 21 million km of roads were paved. (Silicon India News, 2013) The production of passenger vehicles in India was recorded at 3.23 million in 2012-13 and is expected to grow at a compound annual growth rate (CAGR) of 13 per cent during 2012-2021, as per data published by (ACMA) Automotive Component Manufacturers Association of India, (2013). Passenger car sales saw sales of 1.89 million units in 2012-13. Chennai, the capital of Tamil Nadu is often referred to as “The Detroit of Asia” and it accounts for 35-40% of India’s total automobile industry. (Rediff Business News, 2013) According to the 2014 Index of Economic Freedom, India has an overall score of 55.7 out of 100. It scores 79.4/100 in terms of Fiscal Freedom, 65.5 in terms of Monetary Freedom, 74/10 in terms of Labor Freedom and 65.6/100 in terms of Trade Freedom. (Index of Economic Freedom, 2014)
In order to understand what caused such a spur of revolution in the Indian economy, it is best to divide it into three phases:

**1.1.2. Phases of Evolution**

**Phase 1- Pre-Colonial Indian Economy:**

Economic history of India can be traced down to as far as 1700 AD back to the Indus Valley Civilization. As it is evident from the coins recovered, India had good trade relations with the rest of the world and it accounted for 33% of the world’s GDP prior to the Industrial Revolution. (Maddison, 2003)

**Phase 2- Colonial Indian Economy:**

This second phase is marked by the arrival of the East India Company which helped the British Empire to conquer India. During the British rule, Indian economy suffered extreme strain where the British Empire purchased Indian raw material at extremely low prices and sold finished products using the same raw material at extremely high prices. The effects were so drastic that during this phase, India’s share of world income fell from 22.3% in 1700 AD to only 3.8% in 1952. (Indian Economy, no date)

**Phase 3- Post-Colonial Indian Economy:**

The third phase of the Indian Economy is the current phase and it began when India gained independence from the British rule on 15th August 1947. The government then took serious measures to cure and improve the Indian economy by formulating and implementing short term plans known as the Five Year Plan. The first Five Year Plan was implemented in 1952. This plan was based on the Harrod-Domas Model. In the 6th (target 5.2%, achieved 5.66%) and 7th (target 5.0%, achieved 6.01%) Five Year Plan India crossed its target growth rate. (UPSC Guide, no date) It was during the 8th Five Year Plan when India went under major economic reforms and opened up many industrial sectors for foreign direct investment. Since then Indian Economy has come a long way. (Planning Commission, 2012) The 12th Fiver Year Plan came into action in 2012 and will last till 2017. This was formulated when the whole world was facing economic crisis. This phenomenal growth in the Indian economy can be accredited to these Five Year plans formulated by the government. In 2006 the Indian Ministry of Heavy Industries and Public Enterprises introduced the Automotive Mission Plan 2006-2016. The vision of this plan was to, “To emerge as the destination of choice in the world of design and manufacture of automobiles and auto components with output reaching a level of US$ 145 billion accounting for more than 10% of the GDP and providing additional employment to 25 million people by 2016.” Automotive Mission Plan (2006). These forces together have contributed in shaping and molding the buying behavior of the Indian Middle Class and their role has been explained in the following sub chapter.
1.2. The Indian Middle Class trends and future:

Middle class income group of a country is usually a direct reflection of a country's economic health, development and overall standard of living. There are many methods of identifying middle class income group of a country. According to Lester Thurow of MIT's Sloan School of Management there is a reference point, the median to be a dividing line where there would be equal number of people on either side of the line. He defined middle class income group as the group lying between 75% and 125% of the median. (The Economist, 2009).

In strict economic terms Indian Middle Class can be pegged down to a household belonging to a monthly income of between $334 (Rs.20,000) to $1,667 (Rs.1,00,000). Estimated households belonging to this criterion currently are in excess of 160 million, which is a considerable swell from the rather tiny 25 million households in 1996. These numbers are expected to keep growing and at a stronger rate. By 2015 this number is expected to expand and reach 267 million. (Varma, 2013) Expected population of India in 2015 is 1.3 billion. Therefore Indian middle class would comprise roughly 20% of Indian population by 2015. (World Population Statistics, 2013). McKinsey and Company published a report on the projected growth of Indian economy. According to this report, over the next two decades income levels are supposed to triple. India will also climb up and become the 5th largest consumer market from its current position of 12th.¹ There is an overall continuous rise in these figures. The report predicts that by 2025, over 291 million Indians will escape poverty and enjoy a better standard of living. (Ablett et al, 2007, p. 12)

1.3. Birth of the new middle class

Table 2. Escaping Poverty. McKinsey Global Institute analysis

¹Annual income: globals = >1,000,000 rupees; strivers = 500,000–1,000,000; seekers = 200,000–499,999; aspirers = 90,000–199,999; deprived = <90,000; Figures may not sum to 100%, because of rounding. Estimated 345.7 rupees = $1 in real 2000 dollars or 8.5 rupees = $1 adjusted for purchasing power parity. Source: McKinsey Global Institute analysis

¹The full report, The ‘Bird of Gold’: The Rise of India’s Consumer Market, is available free of charge online at www.mckinsey.com/mgi.
India—unlike China, where urban growth is spread across a large number of cities—the economy will continue to be dominated by the megacities (Delhi and Mumbai) plus the six next-largest urban agglomerations. Nevertheless, a handful of smaller places, such as Chandigarh and Ludhiana, will have per capita incomes rivaling those of the major cities and emerge as attractive markets. The shift in spending power from the countryside to the cities will place the bulk of India’s private consumption within easier reach of major companies.

Today 57 percent of private spending is spread across rural areas, but by 2025 cities will command 62 percent of the country’s spending power. Along with the shift from rural to urban consumption, India will witness the rapid growth of its middle class—households with disposable incomes from 200,000 to 1,000,000 rupees a year. That class now comprises about 50 million people, roughly 5 percent of the population. By 2025 a continuing rise in personal incomes will spur a tenfold increase, enlarging the middle class to about 583 million people, or 41 percent of the population.

The purpose of this dissertation is to understand the changes in the Indian Middle class market with reference to purchase of automobiles; especially Maruti Suzuki Cars. Further it identifies, if there is a connection between brands and the consumer decision making process and how it has evolved in the last 5 years. This study is aimed at helping marketers have a better understanding of the middle class, Maruti Suzuki in the family market. It also aims in finding what factors influence brand choice and consumption behavior for this product category.

From a research perspective, there are very few studies involving the Indian Middle class and the car purchasing consumer category. (Alamgir, Nasir et al, 2010) wrote a paper on the influence of brand name on consumer decision making in purchase of cars. The methodology included distribution of questionnaires and survey method. It was concluded that well known branded cars are very famous among the people because consumers trust the brand name. However there wasn’t any special focus on the middle class as such. Therefore, this study could lead to further research studies in the future. Finally, this literature adds to existing studies on car brand choice.

1.4. Overview of the Indian Automobile Market

Indian automotive industry is one of the largest auto markets in the world. It has grown up very fast in last one decade. India’s passenger car and commercial vehicle manufacturing industry is 6th largest in the world after China, US, Japan, Brazil and Germany. (Invest India, 2012) The automobile industry is one of India’s major sectors and accounts for 22% of the country’s manufacturing GDP. Indian Automobile market is majorly dominated by two wheelers and they account for a total of 75%. It might seem then that the car industry is fairly

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2 The next six are Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, and Pune
3 There is no standard definition of India’s middle class. In our study we adapted a methodology, from India’s National Council of Applied Economic Research (NCAER), defining the middle class as households with a disposable income of 200,000 to 1,000,000 rupees ($4,380 to $21,890) a year in real 2000 terms. That seems quite low in the context of a developed country, but because the cost of living is lower in India, this range of income buys a recognizably middle-class lifestyle. In purchasing-power-parity terms, the range is comparable to an income of $23,530 to $117,650 in a developed country such as the United States.
small in India as the majority is dominated by two wheelers but that is not the case due to size and population of India. According to industry statistics provided by SIAM (Society of Indian Automobile Manufacturers), passenger car sales crossed two million units in financial year 2011-2012. (SIAM, 2012) The car industry continues to grow stronger and faster still. The Indian Government has provided automobile manufacturers with various incentives as the Automotive Mission Plan 2006-2016 states that the aim of this plan is to accelerate and sustain the growth of automobile sector of India and make India the global automotive hub. Like many other industries in India, the automobile industry is also dominated by 2-3 major players. The major players of the Indian automobile market are. (‘Top Automobiles Passenger Vehicles Companies in India’, no date)

1.4.1. **Maruti Suzuki:** Maruti Suzuki India Limited (MSIL, formerly known as Maruti Udyog Ltd.) is a subsidiary of Suzuki Motors from Japan. Maruti Suzuki is lovingly referred to as people’s car in India. It is the current market leader with 49.24% market share in the Indian car market.

1.4.2. **Hyundai Motor India:** Hyundai Motors India is a wholly owned subsidiary of India and is the second largest car manufacturer in India. Hyundai Motor India currently offers 10 different car models across its product range. (Kaulgi, 2012) Hyundai has the second largest market share in Indian car market and accounts for 21.44% of the total market share.

1.4.3. **Honda Cars India:** Honda cars India holds India’s third largest chunk of Indian car market and holds 6.56% of the market share.

1.4.4. **Tata Motors:** Tata Motors Ltd. is a part of Tata Group and is India’s largest automobile company. It is also world’s fourth largest truck and bus manufacturer. (‘Top Automobiles Passenger Vehicles Companies in India’, no date) Tata motors also holds the four largest chunk of market share and accounts for 6.18% of the total Indian car market.

![Fig 1. Market share of cars. Mohile, (2014)](image)

As demonstrated in the pie chart above, even global giants like Volkswagen, Fiat and General Motors are struggling to gain market share.
1.5. Research Questions

Based on the considerations explained, the present study intends to answer the below research questions.

- What criteria’s are influencing the buying decision of the Indian middle class?
- To determine why these criteria’s have changed over the last 5 years?

1.6. Overview of the Literature

According to research and literature of Indian middle class, its growth and its future, it is believed to be the future and backbone of Indian economy. However, few researches have highlighted its various unique consumer behaviour and attitude and its integration with the rapidly expanding automobile industry of India. This research’s motive is therefore to find out the cause for the rise of Indian middle class and changes in its consumer behaviour, and the effect of these changes on the purchase decision of a car. The research then goes on to highlight what are the factors responsible for the migration of the Indian middle class from one brand to another while purchasing their second car. Discussion of these factors leads to formulation various hypothesis in order to solve the research question.

1.7. Research Objectives

A theoretical model was used that forms the basis for the empirical research that was conducted. The following research objectives were met through the literature review

- Analyse buying behaviour based on buying behaviour theory and purchase decision model.
- To identify the main factor that is causing changes in buying behaviour of the Indian middle class.
- To highlight key influences that affect purchase decision of Indian middle class.
- To find out what changes in the purchase decision are responsible for migration of the Indian middle class from one manufacturer to another.

1.8. Overview of Methodology

This section discusses the methodological considerations, explaining the research method and philosophy, the approach and design, and data collection method chosen to conduct the study. The research onion framework from Saunders, Lewis and Thornhill (2012, p.128) is used for the study. The layers are explained giving information of research philosophy, approach and design. Lastly ethics, personal bias and limitations have been discussed.

1.9. Overview of Discussion and Conclusion

First the demographic aspects of the sample such as salary, age group, gender, etc. have been defined in order to give the reader clearer understandings of the empirical findings and
hypothesis that follow. Then by the aid of bar graphs graphical representation of empirical findings such as brand preferences and ownership and fuel prices have been explained in order to determine the Indian middle class attitude towards various factors. The analysis shows that although Indian middle class prefers foreign brands such as Renault, Volkswagen etc. over home-grown brands such as Tata, Force, etc. yet they in majority they are mainstream followers and not early adapters making penetration of new entrants difficult. Other preferences such as most owned car brand and fuel choices have also been highlighted and later linked to the research objective. It is followed by allocation of hypothesis in order to find out the weightage given to various factors by Indian middle class while making purchase decision. Then by employing Spearman’s correlation coefficient, factors that are responsible for migration of consumers from one brand to another have been segregated and then arranged in order of their degree of strength to cause Indian middle class’s migration from one manufacturer to another.

1.10. Overview of Self-Reflection on Learning and Skill Development

The final chapter of the research highlights the learning and skills acquisition of the researchers while conducting this research and throughout the completion of MBA as a whole. With the aid of theoretical models the researcher has highlighted his learning style, individual achievements, challenges faced during this academic course and knowledge gained by tackling them. This chapter then goes on to highlight the various soft skills and transferrable skills that were acquired and polished during this research and MBA and their future application in the professional world.
2. **Literature Review**

2.1. **Introduction**

This chapter is divided in 6 sections and revolves around the core concept of this research. It the empirical findings based on secondary data highlights the evolution of the Indian middle class and trends exhibited by it during its progress over the last 10 years and predicts their future trends for the next 10 years. In essence it shows the steady movement of Indian middle class involving discretionary spending. This chapter then highlights the theoretical background of the concept of consumer behavior and then describes the stages in decision making of the Indian middle class. The chapter then links consumer behavior and decision making process with buying behavior of the Indian middle class based on theoretical framework proposed by Kotler. This helps in analysis of buying behaviour based on buying behaviour theory and purchase decision model thus linking it with research objective 1. This chapter then goes on to give an in depth explanation of how various Five Year Plans drafted by the Indian government are responsible for the uprising of the Indian Middle class keeping it in harmony with the second research objective. It is followed by description of the migration of the Indian middle class. In order to answer research object 3 and 4, the literature review highlights the key influences on buying a new car for the Indian middle class. It is segregated on social, economic, political, product and demographic parameters which forms the platform for the construct of the questionnaire survey used for collection of primary data.

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2.2. **Evolution of the Indian Middle Class**

In 20 years the shape of the income pyramid will have become almost unrecognizable. (fig 3) The Indian middle class has already begun to evolve, and by 2025 it will dominate the cities. By then about three-quarters of India’s urbanites will be part of the middle class, compared with just more than one-tenth today.

![The expanding middle](image)

Table 3. The expanding Middle. McKinsey Global Institute analysis
The expansion will come in two phases, with the lower middle class peaking around 2020, just as the growth of the upper middle class accelerates. About 400 million Indian city dwellers—a group nearly 100 million people larger than the current population of the United States—will belong to households with a comfortable standard of living. For many companies, the sheer scale of this new urban middle class will ensure that it receives significant attention. What’s more, companies shouldn’t underestimate the market presented by the country’s most affluent consumers: those earning more than 1,000,000 rupees a year—$21,890 in real 2000 dollar terms, or $117,650 in terms of purchasing power parity (PPP). They will remain a small portion of society: about 2 percent of the population in 2025, up from 0.2 percent today. But in absolute numbers, by 2025 India’s wealthiest citizens will total 24 million, more than the current population of Australia. By that year too, India’s affluent class will be larger than China’s comparable segment, projected at about 19 million people. Affluent India’s share of national private consumption will increase from 7 percent today to 20 percent in 2025, which helps to explain the recent rush into the Indian market of luxury goods such as Louis Vuitton bags and Jimmy Choo shoes. These “global” Indians live mostly in the eight largest cities, so they are very accessible to large domestic and multinational companies. Further, they have tastes similar to those of their counterparts in developed countries: brand name goods, vacations abroad, the latest consumer electronics, and high-end cars.

Various other trends are predicted in the future for the Indian middle class. Expenditures are predicted to rapidly move from necessities to discretionary expenditures. While food will remain the major expenditure, transport will become the second highest expenditure, estimated to account for 13.8% of the total expenditure. This is very good for the automobile sector4. The humongous growth in the Indian economy can be held single handedly responsible for this dramatic change in figures. It is important to closely examine the factors that have caused the expansion and growth of Indian economy and thereby the Indian middle class in order to understand how it has affected and molded the consumer behavior and buying decision of the middle class.

2.3. Consumer Behavior

Consumer buying behavior is one of the most important branches of marketing discipline. According to Gordon Foxhall, “Marketing management rests upon some conception or other of how customers behave and of the consequences their reactions to product, price, promotion and distribution strategies are likely to have for the attainment of corporate objectives. In affluent competitive economies successful marketing depends above all on matching the marketing mix which results from the integration of these strategies to the willingness of consumers to buy and in doing so more effectively than one’s rivals”. In order

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to understand consumer behavior we need to identify who a consumer is. “Consumer behaviour...... is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.” (Solomon, Bamossy et al. 2006, p6).

(Schiffman and Kanuk, 2007, p. 3 ) take a similar approach in defining consumer behavior: “the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs”

2.4. Purchase decisions Model of the Indian Middle Class

In order to understand the factors influencing purchase decision of the Indian Middle Class, and understand its behavior, we refer to the purchase decision model by (Solomon, 2003).

![Purchase Decision Model](image)

**Step 1- Need Recognition and Awareness:**

This is the first step in a purchase decision. Without this step purchase cannot take place. In this step the consumer recognizes his/her needs. In our case it will be a household with an average income varying from 20,000 to 1,00,000 INR per month will be recognize the need for a four wheeled transport. It can be for various reasons ranging from commuting to work,
phasing out a 2 wheeler, upgrading from a wheeler, inclusion of a new member in the family, etc.

**Step 2- Information Search:**

Once the consumer has recognized his need, he/she starts to collect information from various sources about the desired product. This involves shortlisting various available alternatives based on his/ her likes and dislikes and pre-existing attitude towards brands. Time spent of this stage usually varies depending upon the nature of the product. If the product is a low involvement product like milk or soap, the time given to this stage is almost negligible. However when considering something like a car which is of high involvement for the Indian middle class and it will be a long term commitment, a considerable amount of time is spent in this stage. This might include research done over various mediums like internets, journals, etc. consulting opinion leaders, following the mass trend, etc.

**Step 3- Evaluation of Alternatives:**

In the third stage, once the middle class family has shortlisted car on the basis of segment (hatchback, sedan or SUV), fuel (diesel/petrol/CNG) etc. they then begin to evaluate and score the various alternatives they have on various basis. Factors like brand power, segment leader, impact of opinion leader, ease of finance options, etc plays a major role in framing of a consumers attitude.

**Step 4-Purchase:**

The 4th step is the step where trade of money and transfer of ownership takes place. This is the stage where after careful consideration the consumer finally purchases the desired product. Usually it is a simple matter of availability of funds and the desired product that decides the purchase date. For an Indian Middle Class family however there are various other factors to be considered. For example for a Hindu family it is extremely auspicious to purchase new products on a festival called “Dhanteras”. As a matter of fact various families planning to purchase car in September postpone it till October for Dhanteras or Diwali. (Banerji, 2013) These times see heavy surge in automobile sales. In the very same way it is considered unauspicious to purchase any object made of metal on Saturday as it could offend Lord Sani. (Ravi, 2010) The same trend is followed by Islamic families in India. The month of Ramadan is considered holy and families following Islam prefer to make a big purchase decision like car during this time. This phenomenon rockets on the final day of Ramadan, at Eid-ul-fitr. Dealers come up with various special offers to woo customers during these time periods. Another time when middle class delays their purcase is during second half of December.(Thakkar, 2014) The major reason behind this is to usually that by waiting for less than thirty days, the car purchased in January has a later year of purchase against a previous December purchase and this pays dividend while selling off the car.
**Step 5 - Post Purchase Evaluation:**

The fifth stage takes place during the ownership of the product. This one of the most important stage for companies as it gives them a chance for customer retention. In this stage the consumer analyses if the product purchased has met his expectations. This is a very crucial stage as this will decide whether the consumer will repurchase from the same brand or will migrate over to its substitutes.

### 2.5. Kotler’s Model of Buying Behavior of the Indian Middle Class

There are three types of product-related attributes. The classification schema, as proposed by (Myers *et al.*, 1981), for describing products, services, and brands includes three major types: 1) product referent, 2) task or outcome referent, and 3) user referent.

#### 2.5.1. Product Referent

In the original model Physical Characteristics (PC) are the most objective types of product descriptors in the sense that they are measurable on some sort of physical scale, for example, fuel consumption, power or equipment level. Pseudo-physical Characteristics (PPCs) are objective in nature but not quite as measurable as PCs on a physical scale. Nevertheless, they reflect physical properties that are generally perceived and understood as such by both sellers and buyers; e.g., strength, shininess, or smoothness. (Lichtenha and Goodwin, 2005, pp. 5-6)

#### 2.5.2. Task or Outcome Referent

Attribute dimensions that reflect the perceived benefits or outcomes from using a product/service are labeled task or outcome referent. These attributes primarily involve instrumental types of outcomes in the affective realm and involve subjective evaluations. Additionally, they can include the ambience of surrounding conditions while using the product or service. For example, a product or service can be shown being used in pleasant surroundings such as beautiful scenery or in the company of friendly people. Benefits consist of attributes that describe specific need-satisfaction outcomes from using a product or service or buying from a particular supplier. (Lichtenha and Goodwin, 2005, p. 6). Potential benefits can be described in straightforward ways, for example, “safety” “comfort” or “convenience” in our study.
2.5.3. User Referent

Attribute dimensions that reflect what usage of the product or service indicates or imply about the person who selects or uses it, are called user referent. These attributes reveal expressive properties that are also subjective in nature and referred to as Imagery. Imagery attributes suggest various types of associations that may be evoked by the product or service. They usually tell us how the product itself or use of the product epitomizes the user to other people. Phrases such as “the choice of high-status people,” “give a high-tech appearance” or “representative of premium car with best quality” are examples of Imagery attributes. Imagery is not intrinsic to the product itself, so such attributes need to be conveyed symbolically in promotions. (Lichtentha and Goodwin, 2005, p. 6)
2.5.4. **Market Stimuli**

In the adapted model model, “product” is the “car”; “price” is “car purchase price”; “place” means “distribution” and “channel”, such as 4S stores; “promotion” in our model means the incentives given by car dealers or manufacturers. So, the market stimuli here means the consumers buy what kind of car with what price in which distribution channel with what kind of promotion activities given by car dealers. “Fuel consumption”, “power”, “performance”, “equipment & interior”, “exterior”, “advancing technology” and “eco-friendly” are physical characteristics and are measurable, so according to the classification schema proposed by (Myers et al., 1981) we should put them under the classification of “product referent”; “comfort”, “safety” and “after-sale convenience” are dimensions which reflect the perceived benefits or outcomes from using the car.

It is not just foreign-made luxury cars that have to contend with complicated equations with the Indian consumer. The same applies to the cheapest of Indian models. When the Tata Nano launched a couple of years ago, priced at less than 100,000 rupees (€1000), the global press lauded the vehicle as an engineering marvel. The New York Times, compared its price tag to the “price of the optional DVD player on the Lexus LX 470 sport utility vehicle” claiming it to be “The world's cheapest car,” (Narayan, 2010)

2.5.5. **Other Stimuli**

The decision process and the information source and so on can be described as “other stimuli” according to Kotler’s model. “Friends/family recommendation”, “Internet communication”, “brand image”, “prestige” and “status-seeking” all exist in consumers’ buying environment and could affect consumers’ purchasing decision. “Friends/family recommendation” and “Internet communication” belongs to “product choice of other people” because friends/family members or Other internet users could affect the decision and provide
a practical heuristic to limit the car choices; “social needs” here means that people have
wants to belong a group and express their status and characteristics, so “brand image”,
“prestige” and “status-seeking” should be put under “social needs” mechanisms.

In South India, driving a Mercedes or a BMW was considered obscenely ostentatious -
something that people from good families simply would not do. In Delhi and Punjab, the
opposite rule held. It’s said: "Punjabis like to show off their wealth. What's the point of being
worth millions and driving a local car? If you've got it, you might as well flaunt it with a
BMW." The increase in the number of luxury cars on Indian roads implies that people prefer
to spend their money rather than hoard. (Narayan, 2010)

For automotive industry, a continual inflow of new products and outflow of old ones can be
seen. Prices alone cannot explain the differences in market dynamics. Social processes, such
as imitation, conspicuous consumption, and status seeking, appear to play a decisive role in
market dynamics, so social processes have to be taken into consideration to explain changing
consumption patterns among groups. (Janssen and Jager, 2003) Two basic mechanisms are
assumed to underlie the social processes that can be witnessed. (Jager, 2000)

2.5.6. Product Choice

The product choice of other people provides a practical heuristic to limit the set of options to
choose between. Especially in conditions of uncertainty, people tend to observe the behavior
of others to quickly find out about attractive solutions for a decision problem. For example
people with similar education and purchasing budget show some similarity. In case of cars
people prefer to buy Suzuki Alto for a number of reasons. (The Indian Express, 2013) Both
situational factors (e.g., complex products, unstable markets, visibility of consumption) and
personal characteristics (e.g., uncertainty tolerance, motivation to comply) determine the
extent to which people are inclined to use this type of social information. (Janssen and Jager,
2003)

2.5.7. Social Needs

People have needs to belong to a group (belongingness) and express their status and
personality (identity). (Max-Neef, 1992). Hence using a certain product may have extra
value because a particular group of people is already using it. For instance, one consumer
may buy an entry level luxury car like Mercedes ‘A’ Class partly because of the status
attached to it. (India Forbes, 2014). Here one may focus on people having higher (financial)
abilities as sources of interesting opportunities for consumption. In case of car models, such
social needs seem to play an important role in the product choice. The approaches of (Veblen,
1899) and successors mainly focus on this second mechanism. Whereas the two mechanisms
may operate separately, they often operate combined—for example, a person imitating the
clothing style of others to belong to the group.
2.6. **Factor responsible for change in the consumer behavior of Indian Middle Class**

The most important factor that is responsible for changes in consumer and buying behavior of the Indian Middle Class is the Government Five Year Plan. This factor is jointly responsible for pushing the Indian Middle Class from spending only on necessities to discretionary spending. Following is an in-depth discussion of the same factor:

**2.6.1. Indian Government’s Five Year Plans**

Indian planning is an open process. Much of the controversy and the debates that accompany the preparation of the plans are public. The initial aggregate calculations and assumptions are either explicitly stated or readily deducible, and the makers of the plans are not only sensitive but responsive to criticism and suggestions from a wide variety of national and international sources. From original formulation through successive modifications to parliamentary presentation, plan making in India has evolved as a responsive democratic political process. (Millikan, 1967, pp. 305-378).

The **First Five-year Plan**, though prepared in haste, embodied a projection of an aggregate growth path generated by capital accumulation and financed largely by domestic saving described by a linear savings function. The aggregate growth model was of a Harrod-Domar type; however, the linearity of the savings function implied a marginal savings rate higher than the average. This in turn indicated a decreasing reliance on foreign assistance in spite of the higher levels of investment projected. This simple model, it should be noted, was a projection, not a plan which could be implemented, although it did have implications for policy with respect to foreign exchange availability and government saving. Sectoral investment allocations were determined in the public sector by the particular projects which were proposed.

In the formulation of the **Second Plan** a simple aggregative Harrod-Domar growth model was again used for over-all projections with parameters that were based on an optimistic extrapolation of the First Plan experience. The detailed program of the Second Plan consisted of a collection of particular projects including both unfinished First Plan undertakings and proposals for new ones. Though the sum total of the investment costs of these projects was subject to over-all constraints derived from the aggregate projections, there were nonetheless enough residual or "buffer" sectors to reduce the constraining influence of aggregate resource limitations on these projects. The second five year plan aimed at achieving a growth rate of 4.5% and came very close by achieving a growth rate of 4.27%. The **3rd Five Year Plans** that followed aimed at stabilizing and making the country self sufficient. The **7th Five Year Plans** was the most successful Five Year Plan where it surpassed the growth target of 5.0% and achieved a growth rate of 6.01%.

The **8th Five Year Plan** is one of the first plans which took into consideration the phenomenon of globalization. Worsening Balance of Payment position and inflation during 1990-91 were the key issues during the launch of the plan. As a combined effect of the successful implementation of the 8 Five Year Plans, by 1997 India had become self-reliant and
politically stable. These were indirectly responsible for the rise of the middle class as well as the expansion of middle class by helping people escape poverty and enter middle class.

The 9th Five Year Plan which came into effect in 1997 had four main objectives, viz. quality of life, generation of productive employment, regional balance and self-reliance. In this five year plan scheme the government decided to put its efforts directly in reduction of lopsided development, improvement of rural areas and increasing the standard of living. The 10th Five Year Plan (2002-2007) followed in the footsteps of the previous five year plan. Its aims were increasing in literacy rate to 72%, reduction of poverty ratio, universal access to primary education by 2007, etc. As it is evident, the general direction of the plan was at eradicating poverty, improving standard of living and literacy rate.

The 11th Five Year Plan continues to work in this spirit while taking a more in-depth focus at the problems in hand and bringing a tactical solution into the equation. The highlights of the plans were to create 70 million new work opportunities and reduce educated unemployment to below 5%, raise real wage rate of unskilled workers by 20 percent, increase literacy rate for persons of age 7 years or above to 85% and to connect every village by telephone by November 2007 and provide broadband connectivity to all villages by 2012. UPSC Guide, (no date)

2.7. Migration of the Indian Middle Class

The growing Indian middle class and their consumption will drive the consumer goods market in the future. For instance, commodities such as cars and air-conditioners, which were in the past considered as luxury items, are now considered as necessities. In fact, small car ownership in India has shown a double digit growth. It has grown at a compound annual growth rate of 12.7 percent for the period 2004-05 to 2010-11. With the growth of the middle class, a number of Indians have upgraded from owning two wheelers and using public transport to owning small cars. Due to the high demand in this segment a number of international and Indian manufacturers such as Nissan, Renault and Tata motors have forayed into the small car segment. There is a shift in preferences for products. (Mukherjee and Satija, 2012)

As the seismic wave of income growth rolls across Indian society, the character of consumption will change dramatically over the next 20 years. A huge shift is underway from spending on necessities such as food and clothing to choice-based spending on categories such as household appliances, restaurants and expensive cars. Households that can afford discretionary consumption will grow from 8 million today to 94 million by 2025. In a tie-up with the State Bank of India, car manufacturer Maruti Suzuki was offering customers the chance to buy one of its cars with lower monthly payments than if they were buying a motorbike. (Farrell and Beinhocker, 2007). However even international brands like Volkswagen and Datsun are available on monthly payments.(Autocar India, 2013). Various studies highlight that the Indian middle class has a distinct preference for foreign brands (Mukherjee and Satija, 2012).
Vehicle ownership in a household has to do with the convenience of having a point-to-point means of mobility. In many emerging economies, national governments tacitly modulate policies to make vehicle ownership and use easy since motorization is a symbol of progress (Dimitriou, 2006). At a household level, there is some evidence of families choosing to own vehicles as status symbols (Banerjee, 2011). In India’s case, the emerging vehicle market has low barriers to entry i.e., regulatory burdens such as licensing, emissions controls or insurance are fairly easy to circumvent, and financial markets provide low-interest loans making vehicle ownership even more affordable today.

2.8. Key Influences on buying a new car

It’s a buyer’s market out in India today and the ball is no longer in the dealerships’ court. Gone are the days of the Premier Padmini and the Hindustan Ambassador being consumer’s only choices for a new car. With most major international brands available in dealerships, it’s never been a better time to buy a car in India at the moment. With such a wide array of choice, the factors that influence the buying decision have also become widespread. These factors are classified as following: (Shende, 2014)

2.8.1. Social parameters: Social parameters include key influences like lifestyle of the buyer, number of family members, etc.

2.8.1.1. Road infrastructure: Road infrastructure is one of the major key influencers while purchasing a car. A buyer has to consider the quality of road network he/she will be frequently traveling with. For example if the road network in question is peppered with pot holes and is a mixture of gravel and tarmac or has no tarmac at all, he/she will have to purchase an off-roader like Tata Safari or Mahindra Scoprio for better ground clearance even if he wants to purchase a hunkered down saloon like Honda Civic.

2.8.1.2. Lifestyle: Lifestyle is another influencer while purchasing a car for Indian middle class. Consumers have to consider the amount of luggage they need to carry on a day to day basis and whether the vehicle will be used only for travelling purposes or for recreational purposes as well.

2.8.1.3. Family Size: As joint families are common in the Indian middle class, the family size is often one of the most important factors while purchasing a vehicle. For example if a married couple lives with their children and parents, they will have to purchase a utility vehicle with 3 row seats instead of a small city friendly hatchback.

2.8.2. Economic parameters:

2.8.2.1. Disposable Income: Any family that earns between INR 20,000 to INR 100,000 is classified as middle class. It is not necessary that the consumer is willing to spend all of his earnings on his vehicle. Therefore the disposable income, i.e. the actual income available for discretionary income is the primary factor deciding the budget for purchasing desired car.
2.8.2.2. **Fuel prices:** Fuel prices are an important parameter considered by middle class family while purchasing cars. Fuel cost is low in India as it is subsidized by the government. In a city like Delhi, 1L of petrol costs INR 71 (€0.89). Diesel prices on the other hand are lower than diesel and so is the running cost of a diesel powered car. 1L of diesel in Delhi costs INR 56 (€0.71). Therefore current as well as future speculated fuel prices are an important determinant in the purchase decision. (‘Historical petrol prices in New Delhi’, 2014)

2.8.3. **Political parameters:**

2.8.3.1. **Government policies:** These policies usually include tariffs such as road tax. (Anglo Info India, no date) Currently road tax is charged only once in a car’s lifetime and depends only on the type of fuel used by the car. Therefore government policies become an important influencer for the Indian middle class.

2.8.4. **Product parameters**

2.8.4.1. **Exteriors of the car:** Looks of the car is an important factor considered by the Indian middle class. Aesthetic appeal is extremely important for Indian middle class buyer.

2.8.4.2. **Vehicle performance:** Indian middle class consumers are extremely concerned about the fuel efficiency quotient of a car. It is one of the most important factor affecting car purchase decision in India.

2.8.4.3. **Product Quality:** Durability and reliability is extremely important for an Indian middle class household. Extreme importance is given to reliability of a car as it is expected to tackle a wide range of weather conditions in India as well as the quirky Indian driving conditions.

2.8.5. **Demographic parameters:**

2.8.5.1. **Education:** Education is a major influencer in the purchase decision. A well-educated decision maker from a middle class family is more likely to make a more informed decision instead of being just a mainstream follower.

2.8.5.2. **Physical attribute:** The physical attribute of a family is another important determinant of the product choice. A family with tall and heavy family members will have to purchase a car with more roomy interiors even if they want a small city hatchback.

2.9. **Conclusion:**

This chapter presented research studies and theories created, constructed and conducted around the Indian middle class, Indian automobile industry and their integration. It depicts the gap it aims to cover that was not covered by previous studies and forms the backbone for the next two chapters, Research Methodology and Discussion and Conclusion.
3. Research Methodology

![Research Process Onion](image)

Fig 5. The research process onion, Saunders et al. (2012)

3.1. Introduction

This chapter looks at the various methods adopted to complete the dissertation. The research philosophy used for the study is positivism. Deductive method of research approach is utilized which justifies the use of quantitative mono method. Questionnaires have been circulated following the survey method. Therefore, each layer of the research onion framework is explained throughout this chapter, followed by considerations about the research sample, limitations, ethics and personal biases, discussing the paradigm and approach chosen in each case.

3.2. Research Philosophy

A research philosophy is a belief or an idea regarding the collection, interpretation, and analysis of data collected. There are various philosophies are explained in Saund ber’s research onion. The most significant among them are Positivism, Realism, interpretative, Objectivism, Subjectivism, Pragmatism, Functionalist, Interpretative, Radical humanist, Humanist and Structuralist (Saunders et al., 2012). Research philosophies differ on the goals of the research and the way to achieve these goals. Positivists claim there is a single, objective reality that can be observed and measured without bias using standardized instruments. In positivism, knowledge only comes from affirmation of theories through strict scientific method where metaphysical speculation is avoided. (Nashiruddin and Hamiduzzaman, 2009, p. 657). Realism is a philosophy that holds scientific approach to development and knowledge. The basic assumption of this philosophy is that which it actually is. It is independent from the
belief of the people. There are two types of realism. The one is direct and the other critical realism. From the point of view of a direct realist the world is static and having no change. Critical realism holds change as constant (Buchanan and Bryman, 2009) Critical realists argue that what we experience are sensations, the images of the things in the real world, not the things directly.

Functionalism is the metaphysical theory of mind and human behaviorism which suggests that mental status (beliefs, desires etc) are constructed solely through their functional role. Functionalists analysis is the view that the whole is more than the collection of its parts. And it is also concerned with the theme that social and political researchable phenomena can be understood in terms of the consequences rather than causes. In Structuralism knowledge is derived from the structural views towards anything which should be seen as structure. (Nashiruddin and Hamiduzzaman, 2009, pp. 658-659)

Positivism, is usually associated with quantitative research and deals mainly with results obtained from statistical data, which is why it will be used in this research. (Mertens, 2005)

3.3. Hypotheses

1. H1a: Equipment & Interior quality has caused consumers to migrate from one brand to another.
   H1an: Equipment & Interior quality has not caused consumers to migrate from one brand to another.
2. H2a: Eco-friendliness of the car is causing consumer to migrate from one manufacturer to another.
   H2an: Eco-friendliness of the car is not causing consumer to migrate from one manufacturer to another.
3. H3a: Brand Image is causing consumers to switch manufacturers.
   H3an: Brand Image is not causing consumers to switch manufacturers.
4. H4a: Prestige (Pride of ownership) is causing consumers to move from one manufacturer to another.
   H4an: Prestige (Pride of ownership) is not causing consumers to move from one manufacturer to another.
5. H5a: Friends/Family recommendation results in consumers to switch from one manufacturer to another.
   H5an: Friends/ family recommendation don’t result in consumers to switch from one manufacturer to another.
6. H6a: Financing is a cause of consumers to migrate from one manufacturer to another.
   H6n: Financing is not a cause of consumers to migrate from one manufacturer to another.
7. H7a: Value for money causing consumers to migrate from one manufacturer to another.
   H7an: Value for money is not causing consumers to migrate from one manufacturer to another.
8. H8a: Fuel consumption is a cause for consumers to migrate from one manufacturer to another.
   H8an: Fuel consumption is not a cause for consumers to migrate from one manufacturer to another.
9. H9a: Looks/exteriors are causing consumers to move from one manufacturer to another.
   H9an: Looks/exteriors are not causing consumers to move from one manufacturer to another.
10. H10a: After-sales service is resulting in consumers to switch manufacturers.
    H10an: After-sales service is not resulting in consumers to switch manufacturers.

3.4. Research Approach

“A deductive approach is concerned with developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis”. It has been stated that “deductive means reasoning from the particular to the general. If a causal relationship or link seems to be implied by a particular theory or case example, it might be true in many cases. A deductive design might test to see if this relationship or link did obtain on more general circumstances”. (Gulati, 2009, p. 42). In other words, when a deductive approach is being followed in the research the author formulates a set of hypotheses that need to be tested. Then, through implementation of relevant methodology the study is going to prove formulated hypotheses right or wrong.

The deduction approach is the most appropriate for quantitative research, while the inductive approach is more suitable for qualitative research, where the theory is produced in an inductive way once the data has been collected and analyzed. Saunders et al (2012, p. 162) stated that “quantitative research is usually associated with a deductive approach, where the focus is on using data to test theory.”

The quantitative mono approach, with proper sampling, allows for the measurement of many subjects' reactions to a set of questions. Because each question has a limited set of answers, the results can be compared and analyzed statistically; they also can be generalized to a larger population within known limits of error (Warwick and Lininger, 1975). The deductive concept illustrates the research process of this study, where existing theory was presented in the literature review, forming the basis for the research objectives which have been tested empirically in the Indian market.

3.5. Research Strategy

This research used Survey Method. Survey research studies large and small populations by selecting and studying samples chosen from the populations to discover the relative incidence, distribution and interrelations of sociological and psychological variables. This research is mainly used to investigate social and psychological factors (Saunders et al, 2012).

Saunders et al, (2012, p. 177) noted that “surveys using questionnaires are popular because they allow the collection of standardized data from a sizeable population in a highly
economical way,” and this data can be analyzed in a quantitative manner using descriptive and inferential statistics.

A survey was administered in order to improve accuracy of measures and to test reliability of pre-existing measures. The survey was conducted in the city of Lucknow, India. The purpose of this study was to explore and find to what extent the purchase decisions of middle class consumers have evolved and changed.

3.6. Time Horizons

Time Horizons can be indicated as a time target fixed. g. Saunders et al (2012, p. 190) noted that for research projects in academic courses the cross-sectional time horizon approach is the most used considering the usual time constrains. Cross Sectional horizon was applied as the researcher spent 3 weeks to get the response to the questionnaires.

3.7. Techniques and Procedures

The most important elements in a research study are data collection and data analysis. In this study, primary data was collected through structured questionnaire. In order to answer the research questions, primary data was collected through distribution of questionnaires via email to car owning families in India. The questions encouraged the respondents so that the necessary data was obtained. In this study both factual as well as opinion and attitude questions were employed. Once the 250 questionnaires were gathered, the responses were easily exported to SPSS in an excel file format for data analysis. Then descriptive and inferential statistics were performed in SPSS, such as the Spearman’s correlation coefficient, in order to present the results from the questions and assess the relationship between the variables, and the statistical significance of these relationships. Since the data was measured at an ordinal level and have no pre-set assumptions, they are classified as non-parametric and therefore Spearman’s correlation coefficient was used. According to Saunders et al (2012, p. 521), “a correlation coefficient enables you to quantify the strength of the linear relationship between two ranked or numerical variables.” It should be noted that the value of the correlation coefficient can lie anywhere between -1 to +1. A positive value indicates a positive relation between variables and a negative value shows a negative or inversely proportional relation between two variables. The correlation value also indicates the degree of dependence between two variables.

For the secondary data various materials pertaining to the topic of the research were used. A number of books, branding related articles, web pages, statistics, journals and newspapers were referred.

3.8. Sample

Individuals that are interviewed are termed as “population”. When employing a small part of the total population, the correct denomination is called sample. If the research is designed correctly, sample serves as a scale model of the population.

When the questionnaires were mailed to the sample population, due to the lack of time, [3 weeks] the first objective was to get more respondents in the limited time. So it was mailed
known families with whom online interviews could be conducted if necessary. The city of Lucknow was chosen for my study because it is a large, industrialized and prosperous city with high population which gives the great opportunity for people to have a wide range of different branded cars. The aim for this study was to conduct approximately 250 surveys, which were thought to be enough for the study if filled out correctly. The subjects were explained the reason for collecting this data. Subjects completed separate forms in order to keep their anonymity. Subjects were given ample amount of time to complete the survey. Some families were interviewed online as they wanted to know in detail about the research.

It has been already explained as to why the survey was conducted in Lucknow. In the beginning of the survey, it seemed easy to collect data from the people but eventually it became difficult as some people did not want to take the questionnaire seriously. Saunders et al., (2012, p. 429) noted that in order to ensure the validity and reliability of questionnaires, questions must be understood by the respondent in the way intended by the researcher, and answers must be understood by researcher in the way intended by the respondent. The respondent’s choices of answers were not influenced. If there were queries related to the designed questions participants were briefed deeply without the researcher’s involvement in the answers. Participants answered questions regarding car brands and the factors they would consider before buying the car. The car brand choice questions created some confusion among respondents. Therefore, it was determined to make the top 3 most preferred car brand choice an open-ended question for the main survey in order to account for individual consideration sets.

The research was focused on Indian middle class consumers, therefore only a set of people were qualified to answer the questionnaire, therefore non-probability sampling was used. non-probability sample is not a product of a randomized selection processes. Subjects in a non-probability sample are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher. Non-probability sampling is often used because the procedures used to select units for inclusion in a sample are much easier, quicker and cheaper when compared with probability sampling In order to answer the research questions, primary data was collected through questionnaires. Since there was a limitation on time, the first priority was to get more respondents in the allocated time. All respondents were residents of Lucknow, India.

The sample was made up of government officials, bank employees, students as well as businessmen. The sample took the form of a non-probability snowball sampling as the questionnaires were passed on from the researcher to the second person, and from the second to the third and so on. The sample was sent to my father via e-mail in Lucknow, India who is appointed as Deputy Commissioner for Commercial Tax department for Uttar Pradesh Government. As the basic salary is regulated and pre-defined by the government, everyone employed in that office qualified as middle class. As Commercial Tax deals with VAT and Sales Tax, my father has regular interaction with businessmen and they were also requested to fill the questionnaire. The questionnaire was also distributed to my friends and colleagues from my under graduation university, Amity University, Lucknow, India via e-mail.
3.9. Ethics

Ethics has become a foundation for conducting effective and meaningful research. Every researcher has a responsibility to protect the participants in an investigation. Consent involves the procedure by which an individual may choose whether or not to participate in a study. The researcher’s task is to ensure that participants have a complete understanding of the purpose and methods to be used in the study, the risks involved, and the demands placed upon them as a participant (Best and Kahn, 2006). Participants were aware that they have the right to withdraw from the study at any time. It was ensured that no individual was harmed while serving as a participant [mental stress or personal embarrassment]. It was also ensured that no confidential information about any participant will be discussed nor will the participants be manipulated in any way to divulge unrelated details. (Sieber, 1982, pp. 145) defines privacy as “that which normally is not intended for others to observe or analyze”. Confidentiality and privacy are synonymous which is why the privacy of the participants will be respected. If they do not wish to be named- anonymity- will be used to protect individual participants. Participants were informed that they could ask questions via email or Skype at any point of time if they had trouble with the questionnaire. Questions regarding individual’s income are considered inappropriate especially when asked to unknown people. This is one of the primary reasons for contacting friends and family.

3.10. Limitations

Limitations are potential constraints or weaknesses that are beyond the direct control of the researcher. The research employs a non-probability snowball sampling technique against random probability, the parameters in terms of demographics predefined. Hence it cannot be applied to a larger population. The sample population belonged to the state capital of Uttar Pradesh, Lucknow. India is a country comprised of 28 states with various cultural and economic differences. Therefore the data acquired from the sample may or may not be a correct representation of the entire country. Although this research is conducted with the assumption that respondents have been completely honest whilst answering the questionnaire, there is no way to actually confirm it. Another major limiting factor for this research work is time. Only 81 days were available for completion of this study.

3.10. Personal Bias

Saunders et al.(2011, p. 20) stated that “in order to pursue the principle of scientific rigor, deduction dictates that the researcher should be independent of what is being observed.” In simpler words bias is a systematic error that can alter the evaluation findings due to personal opinion, beliefs or preferences of the researcher. It can occur if the researcher in any form influences the response received from the respondents or the respondents are not given complete freedom while answering the question. It is possible that the researcher may direct the findings into his preferred direction. Nevertheless, the researcher, to his best abilities, designed the questionnaire independent of any personal opinion or belief. The
researcher believes that to his knowledge no personal beliefs, previous experience or preference have interfered in the results of this research

3.11. Conclusion

This chapter highlights the core theoretical concepts used in this research and provides justification for choosing particular aspects from each layer of the research onion. In order to reach the research objectives, a number of hypothesis are proposed to reach the research objectives and advances the reader to the following chapter of discussion and conclusion.
4. Discussion and Conclusion
4.1. Introduction

This chapter presents the data analysis, empirical findings, conclusion and recommendations. The data is acquired through primary data harvested by the medium of survey questionnaire. SPSS by IBM was used to represent the data in visual formats like bar graphs as well descriptive tables, giving a neat representation of distribution of respondent’s opinion, frequency and percentage acquired by different options across the questionnaire. Initially the various aspects of demographics such as salary, gender, age group, employment status, marital status and education level have been discussed and their possible impact on consumer behaviour and purchase decision has been highlighted. Secondly, bar graphs give a visual representation of empirical findings about the most preferred car brands and their frequency giving an idea of the market share. After that research object 2 was achieved by highlighting key influences that affect purchase decision of Indian middle class. These key influencers include factors like fuel type, attitude towards new brands, etc. Finally by employing tools like descriptive statistics and Spearman’s correlation coefficient, factors have been identified that are causing consumers to migrate from one brand to another and the degree to which these factors are responsible for this migration.

4.2. Sample Demographics
4.2.1. Salary

Respondents were asked to disclose their monthly salaries. In the sample of 250 respondents it was observed that there was a very uneven distribution within the various salary bands. Maximum number of respondents, i.e. 77 out of 250 (30.8%) belonged to the salary group of INR 60,001 to 80,000 (€727.99 to €970.64). Second biggest group consisted of 69 (27.6%) respondents and they belonged to the salary group of INR 40,001 to 60,000 (€485.33 to €727.98). Monthly salary band of INR 20,000 to 40,000 (€242.66 to €485.32) consisted of 43 (17.2%) respondents. With only 24 (9.6%) respondents, a very small number of respondents belonged to the salary group of INR 80,001 to 100,000 (€970.65 to €1,213.30). Individuals with salary higher than INR 100,000 (€1,213.30) accounted for 14.8% of the total sample size. As it can be observed, a clear majority of the sample, i.e. 58.4% belonged to the salary group of INR 40,001 to 80,000 (€485.33 to €727.99). This data also shows buying power of Indian middle class household and its ability to not only own a car but also own multiple cars.

4.2.2. Gender

In the sample of 250 respondents, the gender front showed extremely uneven distribution. Females formed the minority of this group with only 72 respondents being female and owning cars. Females accounted for a mere 28.8%. Male formed the majority with 71.2% (178) of the respondents being males. The major reason for the low amount of female respondents that own car is the slowly dissolving tradition of women becoming housewives after marriage.
4.2.3. Age group

Maximum number of respondents belonged to the age group of 31-40. 81 (32.4%) respondents belonged to this age group. The following age group of 31-40 accounted for the second biggest group with roughly equal amount of respondents totalling up to 76, i.e. 30.4% of the total sample size. 49 (19.6%) respondents were older than 50 years and 20-30 age group consisted of the least number of respondents accounting for only 17.6% (44 respondents) of the sample size. It can be observed that the younger generation accounted for the biggest group. Adding up the age group of 20-40 accounted for 50% of the sample population. It can therefore be observed that the younger Indian generation had equal amount of disposable income as the elder Indian population.

4.2.4. Employment

In the sample size of 250, a negligible amount of respondents were unemployed. Only 7 respondents said they were unemployed accounting for 2.8%. Students also formed a minority group with only 18 respondents categorizing themselves as students forming only 7.2% of the sample size. The remainder of the sample was roughly divided equally between individuals engaged in business and in service sector. 106 respondents were engaged in business accounting for 42.4% of the sample population. Respondents from the service sector formed the majority group with 119 respondents in this group accounting for a 47.6%. Therefore when these two groups of people engaged in business and people from service sector are added together, they account for 90% of the sample population.

4.2.5. Education level

Respondents were asked to answer their level of education. Only 21 respondents were at the level of higher school education and had not attended college. They formed for an extremely small 8.4% of the sample population. The numbers of respondents holding a master’s degree were roughly the same as the respondents holding a bachelor’s degree. 92 respondents had a master’s degree and accounted for 36.8%. 91 respondents had a bachelor’s degree and accounted for 36.4% of the sample. The number of respondents with a Dr. as a prefix was 46 accounting for 18.4%. It can be observed that 91.6% of the sample went to college and is extremely educated making them aware consumers.

4.2.6. Marital Status

The marital status was divided into three categories from which respondents could choose one. The three categories were “Single”, “Married” and “Married with kids”. There was an uneven distribution of the sample population within these three categories. A very small percentage of the sample population was single with only 54 respondents categorizing themselves as single and accounted for 21.6% of the sample. Married respondents accounted for 34.8% (87 respondents) of the sample size. “Married with kids” category consisted of the maximum respondents with 109 respondents falling into this category. The accounted for 43.6%. The important trend to be observed in this data is that a total of 78.4% of the total sample size wasn’t single which means that it can be safely concluded that they had direct
influencers in form of spouse and/or children that will had an effect on their purchase decision.

By the data analysed above it can be concluded that 58.4% of the sample has a monthly income between INR 40,000 to 80,000 (€485.33 to €727.99), half of the sample belongs to the age group of 20-40 and the remaining half to the age group of 40 and above making it an even distribution across the band, more than 70% of the sample is male, 90% of the sample population is either engaged in business or service, 91.6% of the sample population is highly educated and has attended college and 78.4% of the respondents have influencers in form of their family.

<table>
<thead>
<tr>
<th>Salary Category</th>
<th>Frequency</th>
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</tr>
</thead>
<tbody>
<tr>
<td>20,000 – 40,000 (€242.66 to €485.32)</td>
<td>43</td>
<td>17.2%</td>
</tr>
<tr>
<td>40,001 – 60,000 (€485.33 to €727.98)</td>
<td>69</td>
<td>27.6%</td>
</tr>
<tr>
<td>60,001 – 80,000 (€727.99 to €970.64)</td>
<td>77</td>
<td>30.8%</td>
</tr>
<tr>
<td>80,001 – 100,000 (€970.65 to €1,213.30)</td>
<td>24</td>
<td>9.6%</td>
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<tr>
<td>Above 100,000 (Above €1,213.30)</td>
<td>37</td>
<td>14.8%</td>
</tr>
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<table>
<thead>
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<th>Gender Category</th>
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</tr>
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<td>71.2%</td>
</tr>
<tr>
<td>Female</td>
<td>72</td>
<td>28.8%</td>
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<table>
<thead>
<tr>
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</thead>
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<td>20-30</td>
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<td>17.6%</td>
</tr>
<tr>
<td>31-40</td>
<td>81</td>
<td>32.4%</td>
</tr>
<tr>
<td>41-50</td>
<td>76</td>
<td>30.4%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>49</td>
<td>19.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment Category</th>
<th>Frequency</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
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<td>7.2%</td>
</tr>
<tr>
<td>Business</td>
<td>106</td>
<td>42.4%</td>
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<tr>
<td>Service</td>
<td>119</td>
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<tr>
<td>Unemployed</td>
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<table>
<thead>
<tr>
<th>Education Level Category</th>
<th>Frequency</th>
<th>Percentage</th>
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</thead>
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<td>Doctorate</td>
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<td>18.4%</td>
</tr>
<tr>
<td>Master’s</td>
<td>92</td>
<td>36.8%</td>
</tr>
<tr>
<td>Bachelor’s</td>
<td>91</td>
<td>36.4%</td>
</tr>
<tr>
<td>Higher School Education</td>
<td>21</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital Status Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>54</td>
<td>21.6%</td>
</tr>
<tr>
<td>Married</td>
<td>87</td>
<td>34.8%</td>
</tr>
<tr>
<td>Married With Kids</td>
<td>109</td>
<td>43.6%</td>
</tr>
</tbody>
</table>

Table 4. Demographics of the sample population
4.3. **Empirical findings:**

4.3.1. **Ownership and brand:**

The 250 respondents were asked to name their car manufacturers name. As discussed in the literature review Maruti Suzuki had the biggest market share in this sample as well. 81 respondents owned a Maruti Suzuki and accounted for 32.4% of the total sample population. Although Maruti had the biggest share, Hyundai wasn’t far behind. 72 respondents owned a Hyundai and accounted for a market leader challenging 28.8% of the sample size. This shows the shrinking size and the effect of new entrants on the market share of Maruti Suzuki. Honda and Tata had an equal ownership rate and 17 respondents belonged to each brand and together accounted for 13.6% (6.8% Honda and 6.8% Tata). This was followed by another homegrown company Mahindra and its Korean subsidiary Mahindra Ssangyong with 16 respondents owning a vehicle from this brand and accounting for 6.4% of the sample size. Volkswagen India, which is a relatively new entrant especially when compared to indigenous companies like Tata and Mahindra and joint ventures like Maruti Suzuki acquired a major chunk of the sample population with 12 respondents owning a Volkswagen. Volkswagen owners accounted for 4.8% of total sample size and have edged past companies like Toyota-Kriloskar, Chevrolet and Ford. Only 10 respondents owned a Toyota giving a small 4% share in the sample to the world’s top selling automaker. (Korzeniewski, 2014). 8 respondents owned a Ford accounting for 3.2%. Chevrolet and Skoda were owned by 4 respondents each, together accounting for 3.2% (1.6% Chevrolet and 1.6% Skoda). Nisan and Renault that have entered India in form of a joint venture had an equal share with 3 respondents belonging to each brand and accounted for 2.4% (1.2% each). Fiat, Volkswagen’s global rival was far behind Volkswagen and was second last in the survey. Only 2 respondents owned a Fiat and accounted for 0.8% of the sample size. Only 1 respondent owned a Datsun.
It can be observed in the data that although Maruti Suzuki has the biggest market share, Hyundai is not very far behind and is ready to challenge Maruti Suzuki. Together however, Maruti Suzuki and Hyundai account for a total of 61.2%. Although Hyundai seems like the biggest threat, Volkswagen which entered India in 2007 accounted for 4.8% which may not seem like a lot but considering the fact that it is more than some older companies like Toyota shows the degree and speed of penetration of Volkswagen amongst Indian middle class. Along with this, homegrown giants like Tata and Mahindra also accounted for 13.2% of the sample population. As discussed in the literature review, these statistics show the amount of new entrants as well as old entrants that are proving to be viable threat to Maruti Suzuki’s status as the market leader.

4.3.2. Research Objective

To highlight key influences that affect purchase decision of Indian middle class.

Fuel Choice:

Respondents were asked about the type of fuel used by their cars. 111 (44.4%) respondents said they were using petrol cars. 83 (33.2%) respondents were using diesel. There was roughly an even distribution between respondents using LPG and CNG cars with 26 and 28 respondents in each category respectively. They together accounted for 21.6%. An extremely
small amount of respondents were using cars with hybrid system with only 2 respondents classifying their cars in this category. Although petrol cars formed the majority, diesel was not very far away and LPG and CNG powered cars also have a substantial share. For this distribution of consumers between different fuel types, manufacturers with a small range of cars and engine options, who are not able to provide their consumers with option of diesel, LPG and CNG powered cars will experience difficulty in consumer retention and will also witness their consumer’s migration to their competitors.

**Indigenous v/s foreign:**
Consumers were asked about their preference between indigenous car brands like Tata, Mahindra, etc. and foreign car brands like Volkswagen, Nissan, Renault, Toyota etc.

![Fig 8. Homegrown brands v/s Foreign brands](image)

Respondents were extremely unevenly distributed in this question and were in favor of foreign brands. 189 respondents preferred foreign brands like Volkswagen, Hyundai, Renault, etc. accounting for 75.6% of the total sample. A relatively smaller amount of respondents preferred homegrown brands like Tata, Mahindra, etc. over foreign brands and accounted for 24.4%. This data shows that the sample is open to foreign brands and this could eventually result in loss of consumers for indigenous brands like Tata and Mahindra.
Awareness:
Respondents were asked about how much research they did before purchasing their car. It was done to find out how many of the respondents made an informed purchase decision.

It was observed that 99 respondents did an extensive research before purchasing their car. The biggest group of the respondents belonged classified themselves to the category of “I compared only the popular brand and what friends and family suggested”. This category accounted for 51.2% with 128 respondents lying in this category. This shows that majority of the sample population is not an early adopter but a mainstream follower. Only 23 respondents said that they didn’t conduct any research. The data above shows that the majority of the sample makes an informed decision or follows the popular brand. Therefore lesser known brands in India like Renault and Skoda will struggle with the mainstream followers.
**Attitude towards lesser known brands:**

Respondents were asked about their attitude towards lesser known brands and whether they purchased one.

171 respondents said they did not even consider lesser known or new entrant brands while making the purchase decision. They accounted for 68.3% of the respondents. An extremely small amount of respondents considered and bought a lesser known brand or a new entrant and the accounted for only 12.9% (32 respondents). 47 respondents said they considered a new entrant during their purchase decision but didn’t end up buying one. Like stated above, this data supports the fact that the majority of Indian middle class is not an early adopter but a mainstream follower which makes it extremely hard for new entrants to penetrate.
Brand preference:

The respondents were asked to rank their top 3 most preferred brand.

Hyundai and Maruti Suzuki had an almost equal amount of respondents’ preference with 93 and 89 respondents choosing Hyundai and Maruti Suzuki respectively. A relatively newer entrant, Volkswagen was the 3rd most popular brand amongst the sample. Although it should be noted that the most preferred brand is not essentially the brand owned by the sample but could also be the brand they aspire to own. This data also shows that although Maruti Suzuki is the leader in terms of market share, Hyundai is slightly more popular.
To find out what changes in the purchase decision are responsible for migration of the Indian middle class from one manufacturer to another.

The following alternative and null hypotheses are proposed for testing with regards to what factors cause consumers to migrate from one manufacturer to another and to what degree these factors affect the decision.

1. H1a: Equipment & Interior quality has caused consumers to migrate from one brand to another.
   H1an: Equipment & Interior quality has not caused consumers to migrate from one brand to another.
2. H2a: Eco-friendliness of the car is causing consumer to migrate from one manufacturer to another.
   H2an: Eco-friendliness of the car is not causing consumer to migrate from one manufacturer to another.
3. H3a: Brand Image is causing consumers to switch manufacturers.
   H3an: Brand Image is not causing consumers to switch manufacturers.
4. H4a: Prestige (Pride of ownership) is causing consumers to move from one manufacturer to another.
   H4an: Prestige (Pride of ownership) is not causing consumers to move from one manufacturer to another.
5. H5a: Friends/Family recommendation results in consumers to switch from one manufacturer to another.
   H5an: Friends/family recommendation don’t result in consumers to switch from one manufacturer to another.
6. H6a: Financing is a cause of consumers to migrate from one manufacturer to another.
   H6n: Financing is not a cause of consumers to migrate from one manufacturer to another.
7. H7a: Value for money causing consumers to migrate from one manufacturer to another.
   H7an: Value for money is not causing consumers to migrate from one manufacturer to another.
8. H8a: Fuel consumption is a cause for consumers to migrate from one manufacturer to another.
   H8an: Fuel consumption is not a cause for consumers to migrate from one manufacturer to another.
9. H9a: Looks/exteriors are causing consumers to move from one manufacturer to another.
   H9an: Looks/exteriors are not causing consumers to move from one manufacturer to another.
10. H10a: After-sales service is resulting in consumers to switch manufacturers.
    H10an: After-sales service is not resulting in consumers to switch manufacturers.
Hence consumers were asked to answer how much weightage they gave to each of these factors. The results are first represented in descriptive format in form of descriptive statistics and then a Spearman’s correlation coefficient tests were conducted to examine the relationship between these factors and consumers switching manufactures.

**H1a:** Equipment & Interior quality has caused consumers to migrate from one brand to another.

**H1an:** Equipment & Interior quality has not caused consumers to migrate from one brand to another.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>37</td>
<td>14.8</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>47</td>
<td>18.8</td>
<td>33.6</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>78</td>
<td>31.2</td>
<td>64.8</td>
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<td></td>
<td>4</td>
<td>49</td>
<td>19.6</td>
<td>84.4</td>
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<td></td>
<td>5</td>
<td>39</td>
<td>15.6</td>
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</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5. Equipment and Interiors

As given in the table, highest number of respondents ticked on 3 putting equipment & interior neither very important nor very unimportant. There was an equal distribution between the respondents that considered equipment and interior important factor as respondents considering it an unimportant factor while choosing a car.
Spearman’s Correlation between owning cars from more than one manufacturer and Equipment and Interior

<table>
<thead>
<tr>
<th></th>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Equipment &amp; Interior.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
<tr>
<td>Equipment &amp; Interior.</td>
<td>Correlation Coefficient</td>
<td>.021**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
</tbody>
</table>

Table 6. Spearman’s Correlation between owning cars from more than one manufacturer and Equipment and Interior

**. Correlation is significant at the 0.01 level (2-tailed).

The above table employs the use of Spearman’s correlation coefficient and shows that the correlation value is 0.021. This shows that although there is a positive relation between these two variables, the degree of dependence is not very strong. Therefore equipment and interior is not a major influencer causing consumers to migrate from one manufacturer to another. There null hypothesis H1an is rejected in favor of H1a.
**H2a:** Eco-friendliness of the car is causing consumer to migrate from one manufacturer to another.

**H2an:** Eco-friendliness of the car is not causing consumer to migrate from one manufacturer to another.

<table>
<thead>
<tr>
<th>Eco-Friendliness.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>101</td>
<td>40.4</td>
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<tr>
<td></td>
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<td>23.6</td>
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<td></td>
<td>3</td>
<td>53</td>
<td>21.2</td>
<td>85.2</td>
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<td></td>
<td>4</td>
<td>19</td>
<td>7.6</td>
<td>92.8</td>
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<td></td>
<td>5</td>
<td>18</td>
<td>7.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 7. Eco Friendliness

It can be observed that majority of people said that they didn’t consider the eco-friendliness of the car while making the purchase decision. They accounted for a total of 64%. Only 14.8% agreed to have considered it as a strong influencer in the buying decision.

**Spearman’s Correlation between owing cars from more than one manufacturer and Eco Friendliness**

<table>
<thead>
<tr>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Eco-Friendliness.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
</tr>
</tbody>
</table>

| Eco-Friendliness. | Correlation Coefficient | -.728** | 1.000 |
| Sig. (2-tailed) | .000 | . |
| N | 250 | 250 |

**. Correlation is significant at the 0.01 level (2-tailed).

Table 8. Spearman’s Correlation between owing cars from more than one manufacturer and Eco Friendliness

The Spearman’s correlation coefficient shows a negative correlation value. This shows that the eco-friendliness or the impact a car has on the environment is not causing the Indian
middle class consumers to migrate from one brand to another. Therefore H2a will be rejected in favor of hypothesis H2an.

**H3a: Brand Image is causing consumers to switch manufacturers.**

**H3an: Brand Image is not causing consumers to switch manufacturers.**

<table>
<thead>
<tr>
<th>Brand Image</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 9. Brand Image

The table above shows that 44.4% consumers agreed that brand image is an important influence while making purchase decision and 26.6% of the respondents didn’t give brand image any importance while making the purchase decision.

**Spearman’s Correlation between owning cars from more than one manufacturer and Brand Image**

<table>
<thead>
<tr>
<th>Spearman's rho Have you owned cars from more than one manufacturer?</th>
<th>Correlation Coefficient</th>
<th>Brand Image.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>1.000</td>
<td>.469**</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Brand Image. Correlation Coefficient</td>
<td>.469**</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Table 10. Spearman’s Correlation between owning cars from more than one manufacturer and brand image

The above table shows there is a positive relation between brand image and consumers that own cars from more than one manufacturer. The Spearman’s correlation coefficient value in
this case is a positive .469 and therefore H3an will be rejected in favor of H3a. It is therefore concluded that brand image, although not a very strong factor, causes consumers to migrate from one manufacturer to another.
H4a: Prestige (Pride of ownership) is causing consumers to move from one manufacturer to another.

H4an: Prestige (Pride of ownership) is not causing consumers to move from one manufacturer to another.

<table>
<thead>
<tr>
<th>Prestige (Pride of ownership).</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>20</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>47</td>
<td>18.8</td>
<td>26.8</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>73</td>
<td>29.2</td>
<td>56.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>77</td>
<td>30.8</td>
<td>86.8</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>33</td>
<td>13.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 11. Prestige (Pride of ownership)

The above table shows that 78.8% of the respondents ranked Prestige or pride of ownership between extremely important and extremely unimportant influencer in while making a purchase decision.

Spearman’s Correlation between owing cars from more than one manufacturer and Prestige

<table>
<thead>
<tr>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Correlation Coefficient</th>
<th>Prestige (Pride of ownership).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>1.000</td>
<td>.074**</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Have you owned cars from more than one manufacturer?</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Prestige (Pride of ownership).</td>
<td>.074**</td>
<td>1.000</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 12. Spearman’s Correlation between owing cars from more than one manufacturer and Prestige

The Spearman’s correlation coefficient table above shows that there is, albeit very weak, a positive relation between these two variables. Therefore it can be concluded that Prestige or
pride of ownership, although negligible, is a cause for consumers to migrate from one manufacturer to another. Hypothesis H4an is rejected in favor of H4a.

**H5a:** Friends/Family recommendation results in consumers to switch from one manufacturer to another.

**H5an:** Friends/family recommendation does not result in consumers to switch from one manufacturer to another.

<table>
<thead>
<tr>
<th>Friends/Family Recommendation.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>17</td>
<td>6.8</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>2</td>
<td>36</td>
<td>14.4</td>
<td>14.4</td>
<td>21.2</td>
</tr>
<tr>
<td>3</td>
<td>44</td>
<td>17.6</td>
<td>17.6</td>
<td>38.8</td>
</tr>
<tr>
<td>4</td>
<td>77</td>
<td>30.8</td>
<td>30.8</td>
<td>69.6</td>
</tr>
<tr>
<td>5</td>
<td>76</td>
<td>30.4</td>
<td>30.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 13. Friends and Family Recommendations

The above table shows that 61.2% of the respondents agreed to the fact that the recommendation of family and friends was an important influencer in making a purchase decision. We have also observed above in the demographics section that a total of 196 respondents were either married or married and had children.
Spearman’s Correlation between owning cars from more than one manufacturer and Friends / Family recommendation

<table>
<thead>
<tr>
<th></th>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Friends/Family Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Correlation Coefficient 1.000</td>
<td>.701**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>Correlation Coefficient .701**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 14. Spearman’s Correlation between owning cars from more than one manufacturer and Family / Friends recommendation

The Spearman’s correlation coefficient table above shows that there is a positive relation between the two variables. The correlation coefficient value is also very strong, .701. It can therefore be concluded that recommendation of friends and family is a strong cause for consumers to migrate from one manufacturer to another. Therefore hypothesis H5an is rejected in favor of H5a.

\[ H6a: \text{Financing is a cause of consumers to migrate from one manufacturer to another.} \]

\[ H6n: \text{Financing is not a cause of consumers to migrate from one manufacturer to another.} \]

<table>
<thead>
<tr>
<th>Financing</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>22</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>27</td>
<td>10.8</td>
<td>19.6</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>70</td>
<td>28.0</td>
<td>47.6</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>73</td>
<td>29.2</td>
<td>76.8</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>58</td>
<td>23.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 15. Financing

Respondents were asked to rate the importance of in-house financing options while purchasing a car. 52.4% of the respondents deemed it to be an important influencer while
purchasing a car. Only 19.6% said it wasn’t and important influencer. 28% respondents didn’t rank it as important nor unimportant.

**Spearman’s Correlation between owning cars from more than one manufacturer and Financing**

<table>
<thead>
<tr>
<th></th>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Financing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
<tr>
<td>Financing.</td>
<td>Correlation Coefficient</td>
<td>.754**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 16. Spearman’s Correlation between owning cars from more than one manufacturer and Financing

The Spearman’s correlation coefficient table above shows the directly proportional relation between the two variables. The value 0.754 is also extremely high. It should be concluded that in house financing options is a major cause of consumer’s migration from one manufacturer to another. Therefore hypothesis H6an will be rejected in favor of H6a.
H7a: Value for money causing consumers to migrate from one manufacturer to another.

H7an: Value for money is not causing consumers to migrate from one manufacturer to another.

<table>
<thead>
<tr>
<th>Value for money/Price.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>11</td>
<td>4.4</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>2</td>
<td>24</td>
<td>9.6</td>
<td>9.6</td>
<td>14.0</td>
</tr>
<tr>
<td>3</td>
<td>55</td>
<td>22.0</td>
<td>22.0</td>
<td>36.0</td>
</tr>
<tr>
<td>4</td>
<td>63</td>
<td>25.2</td>
<td>25.2</td>
<td>61.2</td>
</tr>
<tr>
<td>5</td>
<td>97</td>
<td>38.8</td>
<td>38.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 17. Value for money / price

The above table shows how the respondents ranked the importance of value for money for a middle class household while making a purchase decision. 64% of the respondents considered it to be important. Only 10% of the respondents said value for money was not did not influence their purchase decision.

Spearman’s Correlation between owning cars from more than one manufacturer and value for money / price

<table>
<thead>
<tr>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Value for money/Price.</th>
</tr>
</thead>
<tbody>
<tr>
<td>theoretical rho</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
</tr>
<tr>
<td>theoretical rho</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 18. Spearman’s Correlation between owning cars from more than one manufacturer and Price / value for money

The table above shows the positive relation between the two variables in question. With a correlation coefficient value of 0.623, value for money or a better package for money is one
of the causes of consumer’s migration from one manufacturer to another. Therefore hypothesis H7an will be rejected in favor of H7a.

**H8a**: Fuel consumption is a cause for consumers to migrate from one manufacturer to another.

**H8an**: Fuel consumption is not a cause for consumers to migrate from one manufacturer to another.

<table>
<thead>
<tr>
<th>Fuel Consumption.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>39</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
</tr>
<tr>
<td>3</td>
<td>53</td>
<td>21.2</td>
<td>21.2</td>
<td>36.8</td>
</tr>
<tr>
<td>4</td>
<td>57</td>
<td>22.8</td>
<td>22.8</td>
<td>59.6</td>
</tr>
<tr>
<td>5</td>
<td>101</td>
<td>40.4</td>
<td>40.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 19. Fuel consumption

Respondents were asked to rank importance of fuel consumption in their purchase decision. 0 respondents ranked it as extremely unimportant. 62.4% of the respondents ranked it as important. 21% didn’t rank it as important nor unimportant. Only 15.6% respondents ranked fuel consumption as an unimportant.

**Spearman’s Correlation between owing cars from more than one manufacturer and Fuel consumption**

<table>
<thead>
<tr>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Consumption.</td>
<td>1.000</td>
<td>.</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>.808^*</td>
<td>.000</td>
<td>250</td>
</tr>
</tbody>
</table>

**Spearman’s rho**

<table>
<thead>
<tr>
<th>Fuel Consumption.</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.808^*</td>
<td>.000</td>
<td>250</td>
</tr>
</tbody>
</table>

**.** Correlation is significant at the 0.01 level (2-tailed).

Table 20. Spearman’s Correlation between owning cars from more than one manufacturer and fuel consumption
The Spearman’s correlation coefficient shows a strong relation between the two variables. A correlation coefficient value of 0.808 is extremely high and it shows that fuel consumption is a major cause for consumer’s migration from a manufacturer to another manufacturer. Therefore hypothesis H8an will be rejected in favor of H8a.

**H9a: Looks/exteriors are causing consumers to move from one manufacturer to another.**

**H9an: Looks/exteriors are not causing consumers to move from one manufacturer to another.**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>8.4</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>6.4</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>32.8</td>
<td>47.6</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>22.0</td>
<td>69.6</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>30.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 21. Looks/Exterior

Respondents were asked to rank the importance of Looks/Exterior or styling and aesthetic appeal of the car while making a purchase decision. 61.2% of the consumers said that looks/exteriors of the car were neither important nor unimportant. 30.4% of the consumers said that it was important and only 8.4% said that it wasn’t important.

**Spearman’s Correlation between owning cars from more than one manufacturer and looks / exterior**

<table>
<thead>
<tr>
<th></th>
<th>Have you owned cars from more than one manufacturer?</th>
<th>Looks/Exterior.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Correlation Coefficient 1.000</td>
<td>.407**</td>
</tr>
<tr>
<td>Have you owned cars from</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>more than one manufacturer?</td>
<td>N 250</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>Looks/Exterior. Correlation Coefficient .407**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N 250</td>
<td>250</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Table 22. Spearman’s Correlation between owning cars from more than one manufacturer and looks and interior
The Spearman’s correlation coefficient table above shows that there is a positive relation between the two variables in discussion and the value of 0.407 shows a moderate degree of dependence between the two variables. Therefore looks/exterior, although has a moderate impact on consumers migration from one manufacturer to another, it still is one of the causes for the migration. Therefore hypothesis H9ab will be rejected in favor of H9a.

**H10a: After-sales service is resulting in consumers to switch manufacturers.**

**H10an: After-sales service is not resulting in consumers to switch manufacturers.**

<table>
<thead>
<tr>
<th>After-Sales Service.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>78</td>
<td>31.2</td>
<td>31.2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>76</td>
<td>30.4</td>
<td>61.6</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>42</td>
<td>16.8</td>
<td>78.4</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>38</td>
<td>15.0</td>
<td>93.4</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>16</td>
<td>6.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 23. After sales service

Respondents were asked to rank the importance of after-sales service while making a purchase decision. 61.4% respondents said it was unimportant and did not influence the purchase decision. Only 6.4% of respondents identified it as extremely important. 16.8% of the respondents didn’t consider after-sales service as an important nor unimportant influencer.

**Spearman’s Correlation between owing cars from more than one manufacturer and after sales service**

<table>
<thead>
<tr>
<th></th>
<th>Have you owned cars from more than one manufacturer?</th>
<th>After-Sales Service.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
<tr>
<td>After-Sales Service.</td>
<td>Correlation Coefficient</td>
<td>-.293*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
</tr>
</tbody>
</table>
**. Correlation is significant at the 0.01 level (2-tailed).

Table 24. Spearman’s Correlation between owing cars from more than one manufacturer and after sales service

The Spearman’s correlation coefficient table above shows that there is the relationship between the two variables is negative. Therefore it can be concluded that after-sales service is not causing consumers to switch manufactures. Hypothesis 10a will be rejected in favor of hypothesis H10n.

4.4. Conclusion:

With the help of secondary data, it was established in the Literature Review chapter that the set of government five year plans (10th Five Year Plans and 11th Five Year Plans) sprang into action and there successful attainment of their objectives such as, creating 70 million new work opportunities, increasing wage of unskilled labor by 20% and reducing unemployment of educated individuals less than 5%, increase literacy rate by 85% and providing broadband connectivity to all villages in the country. These factors have been greatly responsible for both progress of the Indian middle class as well evolution of their consumption behavior.

Research question regarding the primary factors influencing purchase decision and their degree have been answered by analysis of primary data collected via survey questionnaire. In order to understand these factors, it is important to keep in mind the various demographic aspects of the sample population. It is to be noted that 58.4% of respondents had a monthly salary of (€485.33 to €970.64). 71.2% of the sample was male and 50% of the sample belonged to the age group of 20-40 years. On the occupational front, 119 (47.6%) respondents were engaged in service and 91.6% of the respondents had at least an undergraduate degree. Only 21.6% of the respondents were single.

Primary data concluded that the two most popular car brands amongst Indian consumers were Maruti Suzuki (owned by 32.4% of respondents) and Hyundai (owned by 28.8% of respondents). Analysis of primary data also showed that even after continuous increase in fuel prices, the priciest fuel petrol still remained this most popular fuel and was followed by diesel. The newly introduced fuels CNG and LPG were found to be fast growing but only 2 respondents used a car powered by Hybrid system. Therefore it should be concluded that only a negligible amount of people use cars powered by hybrid system. Primary data also showed that 75.6% of the respondents preferred foreign car brands like Suzuki and Hyundai over indigenous car brands like Tata and Mahindra. This finding falls in harmony with the two most popular car brands owned by the Indian middle class as discussed above (Maruti Suzuki being Japanese and Hyundai being Korean). An interesting trend that was discovered by the collection of primary data was that not even 50% of Indian middle class conduct an extensive research while purchasing a car which is interesting as a car purchase comprises of a substantial percentage of Indian middle class families disposable income, yet most of the
households are mainstream followers and they turn to opinion leaders and highest selling product to guide them through the purchase decision. Respondents also stated their three most preferred brands. Top three voted brands were foreign brands and not homegrown. Top three in order were Maruti Suzuki, Hyundai and Volkswagen. It is important to understand that these are not the brands respondents’ necessarily own but what they might aspire to own which explains Volkswagen high popularity but extremely low market share.

Primary data was they employed to answer the last research objective, what changes in the purchase decision are responsible for migration of the Indian middle class from one manufacturer to another. Respondents were asked to rank the weightage they gave to various attributes so that it could be determined what factors are responsible for consumers migration from one brand to another and to what extent these factors are causing migration of consumers from one manufacturer to another by employing Spearman’s correlation coefficient and using the its value to rank these factors. These factors are now explained in order of their influencing strength. By the analysis of primary data it was discovered that the strongest reason for consumer’s migration from one manufacturer to another was fuel consumption (achieved a correlation value of 0.808). The second strongest factor causing consumer’s migration of brands was financing. In-house financing or/and ease of financing was the second strongest cause of consumer’s switching car manufacturer. Third most influential factor was recommendation of family and friends. This falls in line with the fact that only 21.6% of respondents were single and majorities were mainstream followers and not early adapters. With a correlation value of 0.701, it is a strong influencer. Value for money was the fourth most influential factor causing migration of consumers. The fifth most influential factor was brand image with a correlation coefficient value of 0.469 and was followed by looks/exterior or aesthetic appeal of the car. Prestige or pride of ownership had an extremely low correlation value of 0.074 and it had a negligible effect on consumers switching car manufacturers. Equipment and interior had the lowest value of 0.021 and it also had a negligible effect.

Interestingly Eco-friendliness of the car and after sales service had a negative value of correlation coefficient. After sales service also had a negative value and it can be concluded that although consumers rated these factors as an important determinants in choosing a vehicle, it is not causing consumers to migrate from one brand to another.

Another interesting factor to be observed is that a blank space was left in case a respondent wanted to add any other factor they considered while making the purchase decision and not a single respondent from the sample size of 250 mentioned safety features. This shows that Indian middle class is not very inclined towards safety features of a car.

Little research has been done to explore factors causing middle class consumers in India to switch car manufactures; it is difficult to compare these findings with previous findings. This research therefore contributes to a lesser explored dimension of the Indian automobile
market, middle class consumer behavior and the relation between them. This research will form a platform further research and investigation in this area.

4.5. Limitations and Recommendations

A recommendation to be made for future studies on this topic would be to expand the sample on terms of occupations as well as size. Another recommendation would be to shift the location to a metro city like Delhi or Mumbai where the Indian middle class is experiencing a faster growth and if possible collect data from two or more cities. It would be more beneficial to conduct this study over a wider time horizon against the relatively limited 81 days of time allocated for this research. It would be a valuable addition if a comparison is made between joint middle class families and nuclear middle class families and highlight the difference between them. It would be interesting to conclude further research around 2017 when the Twelfth Five Year Plan concludes and Thirteenth Five Year Plan has been defined and highlight its impact on middle class consumers.
5. Self-Reflection

5.1. Introduction

This chapter narrates what I have learned from both this research paper and the Masters in Marketing. This section will define the learning methods adopted by me and the skills acquired during my MBA Course along with personal and professional development since January 2013.

5.2. Learning Style

Learning style is an individual's natural or habitual pattern of acquiring and processing information in learning situations. A core concept is that individuals differ in how they learn. (James and Gardener, 1995, p.67). There are different learning styles proposed by researchers. Dr. Anthony F. Gregorc is the developer of the Gregorc Style Model in 1984 which is applicable for my study. In this model, there are two perceptual qualities and two ordering abilities.

<table>
<thead>
<tr>
<th>perceptual qualities</th>
<th>ordering abilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete - Concrete perceptions involve registering information through the five senses. Information acquired directly through the senses: sight, smell, touch, taste, and hearing. The concrete ability is associated with the obvious, the “here and now” as opposed to hidden meanings or interpretative relationships.</td>
<td>Random - Information tends to be organized by chunks, in no particular order. This may mean skipping steps, starting something in the middle or working backwards from the end, acting on intuition and impulse rather than a specific plan.</td>
</tr>
<tr>
<td>Abstract - Abstract perceptions involve the understanding of ideas, qualities, and concepts which cannot be seen. He ability to visualize, to conceive ideas, to understand and contemplate that which you cannot actually experience through the senses. Abstract quality is associated with intuition and imagination; beyond the obvious</td>
<td>Sequential - Information is organized in a linear, step-by-step manner. This means following a logical train of thought, having a plan and following it rather than acting on impulse.</td>
</tr>
</tbody>
</table>

Both of the perceptual qualities and both of the ordering abilities are present in each individual, but some qualities and ordering abilities are more dominant within certain individuals.
There are four combinations of perceptual qualities and ordering abilities based on dominance.

**Abstract Sequential** – They are voracious readers with long term memory who use logic to grasp situations. They approach activities one at a time and do not like distraction while studying. More importantly they prefer an authoritarian teacher or guide as a mentor.

**Concrete Sequential**

**Concrete Random** – They have the ability to work on intuition. They are extremely structured and get the gist of ideas quickly. Learn well in problem solving or creative situations. Usually prefer a busy work environment with people around them.

**Abstract Random** – They prefer to receive information in an unstructured manner and usually learn best when the experience is innovative or different. These students need time to assimilate information.

**Concrete Random** – They learn only with hands on experience and practice. Follow things in order and sequence. For example read the manual before assembling something.

Nevertheless most people clearly exhibit clear strong preferences for a given learning style. The ability to use or 'switch between' different styles is not one that I should assume comes easily or naturally to many people. Simply, people who have a clear learning style preference, for whatever reason, will tend to learn more effectively if learning is orientated according to their preference.

The learning style most suited to me is ‘Concrete Random’. I have a strong inclination towards mathematics and statistics. I like to do my work in a very organized and structured manner. Though sometimes I prefer to work on my intuition and use trial and error methods before reaching to a conclusion. I have used this style at my workplace and it has proven to be extremely useful. The only disadvantage of this method is that intuition does not always give successful results. Apart from that this learning style has been very beneficial in my MBA.
5.3. **Individual Achievements**

I take immense pride in saying that I was the youngest student in my MBA program. I started this course at 21 years of age. What is important is that I already had completed 3 internships and had immense knowledge in the field of logistics supply chain and car dealerships. Working from the age of 18 had matured me lot and I was prepared to face challenges when I reached Dublin. I took up a part time job with FMI [Field Management Ireland] in November 2013 to support myself during my course. I have secured first class in Marketing and International Business and Trade in my second semester. I am proud of the fact that I worked with people from 3 different countries overcoming language barriers and completed our group assignment on ‘Trade and Business Relationship between the EU – India and France’ for International Management.

5.4. **Challenges**

The biggest challenge was time management. I went back home in the summer vacations to research on this dissertation. I had spoken to a couple of people in my father’s office back then that I would be sending them questionnaires over a period of time. However I had not expected to get a job in November. As I focused on my job I unfortunately neglected my dissertation. Though I was only working 20 hours a lot was expected from me and the work load kept on increasing. It was only in late February I realized that it was time to distribute questionnaires and get back to research. The people I spoke to back home took a lot of time to get back on my questionnaire. It became difficult to constantly mail people for their feedback. Also since I was working weekends and respondents were free to skype and communicate with me only on weekends; I had to take leave from work to finish my dissertation.

5.5. **Skills**

I refined the following skills which I already possessed over the last one year:

5.5.1. **Soft Skills**

5.5.1.1. **Time management**

As I mentioned before I collected research for two months when I went home for the summer. However with the new job my schedules were mismanaged and I had a lot to finish before the deadline. Taking leave from work I adopted the Eisenhower Method which was used by U.S. President Dwight D. Eisenhower. I sorted my work as follows: (Mckay and Mckay, 2013)
<table>
<thead>
<tr>
<th>IMPORTANT</th>
<th>URGENT</th>
<th>NOT URGENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Emergencies</td>
<td>Vacations</td>
</tr>
<tr>
<td></td>
<td>Deadlines - Dissertation</td>
<td>Exercise</td>
</tr>
<tr>
<td></td>
<td>Some calls</td>
<td>Planning</td>
</tr>
<tr>
<td>NOT IMPORTANT</td>
<td>Interruptions</td>
<td>Social Media – Facebook</td>
</tr>
<tr>
<td></td>
<td>Distractions – Friends, Colleagues</td>
<td>Easy tasks</td>
</tr>
<tr>
<td></td>
<td>Other calls</td>
<td>Procrastinating</td>
</tr>
</tbody>
</table>

5.5.1.2. **Positive Attitude**

I have a very optimistic outlook towards things. This has helped me a lot in my dissertation. There were times when getting feedback from respondents was not easy but I kept an affirmative belief in myself and it made my work a lot easier.

5.5.1.3. **Problem solving skills**

With our International Business and Trade group assignment I took up the task of helping everyone for the finance sector. My love for numbers has been my strongest asset in my dissertation. I never shy out if any situation arises that I could solve. For our Marketing presentation my other colleagues were not able to work with Photoshop. I decided to do it myself rather than wasting time in arguments.

5.5.1.4. **Ability to accept and learn from Criticism**

Though I believe I am good at what I do I am definitely not the best. When I scored less marks in my marketing exam I thought that it wasn’t fair. But after speaking to classmates and my professor I learnt that the paper writing style here is way different from my country. I learnt to adapt and scored first class in my next semesters. Also when I submitted the rough draft of my dissertation my guide sent me the feedback which needed a lot of changes. I took the advice in my stride and re worked on a couple of things.

5.5.1.5. **Creative thinking**

It is an invaluable skill as it drives innovation and increased efficiency. My prior job at the car dealership required us to come up with new concepts to increase sales. I came up with the idea of selling add on accessories that people do not usually purchase with the car. This skill has helped me in three of my group assignments when we had to come up with topics well suited for our course.
5.5.2. Transferable Skills

5.5.2.1. Motivating

I believe in self motivation as well as encouraging others. I have studied the French Language for 3 years in my home country. However I cannot communicate in French. I have decided to join the Sandford Language School to take classes in conversational French. I have inspired my classmates and work colleagues to do the same. This trait has also been useful whenever I reached a low end during my dissertation. I overcome stress by reading classics and being positive about things.

5.5.2.2. Research

It goes without saying that I have incredible research skills. My dissertation topic is on my home country and all my data is gathered through journals and newspaper articles. I was home for 2 months of summer and during this time I have managed to get lot of information on my topic. Also I have constantly been in touch with my respondents via internet.

5.5.2.3. Logical thinking

Having worked with logistics and supply chain department, I believe I have a rational outlook towards my job and academics. I have completed my SPSS software, Spearman’s Correlation Coefficient, [over Pearson’s Correlation Coefficient as my research contained Non Parametric data] and Descriptive Statistics in less than 2 days.

5.5.2.4. Communication skills

Having scored band 7.5 in IELTS [International English Language Testing System] I can proudly say that I am extremely confident when it comes to communicating with new people. This has been the major reason for securing the job in FMI as it involves daily communication with potential clients. I also have an art for persuasion which helps in making sale.

5.6. Conclusion

I believe I have matured into a better person through my MBA Course in DBS. Meeting new people, discovering places, [museums, art galleries], wanting to learn foreign language; I have been doing things I never did before. I love my job and I look forward to pursue it full time in the near future. This course has opened many new avenues within a year and I am sure I will attain my goals and achieve success.
6. Bibliography

References

39. Narayan, S. (2010), India’s middle class is entitled to cars its new money can buy’, *The National*, 1 November.


7. Appendices
7.1. Questionnaire

Question 1: What is your monthly salary?

a) 20,000-40,000.
b) 40,001-60,000.
c) 60,001-80,000.
d) 80,001-1,00,000.
e) Above 1,00,000

a)

Question 2: What is your gender?

a) Male.
b) Female.
a)

Question 3: What is your age group?

a) 20-30
b) 31-40
c) 41-50
d) >50

a)

Question 4: What is your marital status?

a) Single.
b) Married.
c) Married with kids.
a)

Question 5: What is your current occupation?

a) Student
b) Businessman
c) Service
d) Unemployed
Question 6: What is your education level?
   a) Doctorate.
   b) Master’s.
   c) Bachelors.
   d) Higher School Education.

Question 5: Do you own a car? If yes, which brand?
   If no, are you planning on purchasing a new car in near future? Which Brand?

   a) Maruti Suzuki.
   b) Hyundai.
   c) Chevrolet.
   d) Datsun.
   e) Fiat.
   f) Ford.
   g) Honda.
   h) Mahindra/ Mahindra Ssangyong.
   i) Nissan.
   j) Renault.
   k) Skoda.
   l) Tata.
   m) Toyota.
   n) Volkswagen.
   o) Other: ________________

Honda

Question 6: Which fuel does your car use?

   a) Petrol.
   b) Diesel.
   c) LPG.
   d) CNG.
   e) Hybrid system.

Hybrid (CNG-Petrol)

Question 7: Scale the factors which would influence your purchasing decision.

(1 being least and 5 the highest)
Question 8: Have you owned more than one car?

a) Yes.
b) No.
a)
If you ticked yes, please state why you migrated from one manufacturer to another?

a) Wider product range.
b) Brand image.
c) More engine (fuel) options.
d) Resale value.
e) Other: _________________
b)
Also state your previous car’s manufacturer and current/new car’s manufacturer.

__________ to _____________

Question 9: Do you prefer homegrown brands like Tata & Mahindra or foreign brands like Hyundai and Volkswagen?
a) Homegrown brands.
b) Foreign brands.

b) 

Question 10: How much information search did you conduct before purchasing your car?

a) Extensive research.
b) I compared only the popular brand and what friends and family suggested.
c) I did not conduct any research.

a) 

Question 11: When you purchased your car, was it your own decision or a collective decision?

a) It was my own decision.
b) It was a joint family decision.

b) 

Question 12: How many brands did you consider while making the purchase decision?

a) 1
b) 2
c) 3
d) 4 or more.

3) 

Question 13: Did you consider lesser known brands or new entrants?

a) Yes, I did and bought one.
b) Yes, I did but didn’t buy one.
c) No, I did not.

3) 

Question 14: Do you believe a well-known brand’s product is necessarily better than lesser known brands?
a) Yes.
b) No.

a)

Question 15: If you were to rank your top 3 most preferred car brands, what would they be?

1) BMW__________.
2) Honda__________.
3) Hyundai__________.

7.2. Consumers attitude

Also state your previous car’s manufacturer and current/new car’s …
Did you consider lesser known brands or new entrants?
How many brands did you consider while making the purchase decision?