

## RECENT TRENDS IN CONSUMER BUYING BEHAVIOR SPECIAL REFERENCE TO CAR MARKET

Abhinav Mayank\*  
Dr. Vijay Kumar\*\*

### ABSTRACT

*Indian market for crossover vehicles is trend-analyzed, emphasizing the car market of the state of Uttar Pradesh. The report examines the sales information for several crossover car companies in India and their expansion. Due to their attractive designs and affordability, crossover car sales in India have significantly increased, according to the data. The study also looks at the segment's prospects for growth and says that emphasizing feature offerings and technology developments will guarantee steady market growth. Some variables, including the popularity of crossover vehicles, the desire for high-end SUVs, the growth of the organized retail market, and the general expansion of the economy, influence this growth. The study's findings give manufacturers and automakers important information they may use to take advantage of crossover car segment rising sales volume.*

**Keywords:** Auto Industry, Crossover Cars, SIAM, SUV.

### Introduction

The auto industry is global, with production, sales, and investments spanning across countries. In India, it is one of the largest industries, contributing over 7% to India's Gross Domestic Product (GDP). The auto industry also plays a vital role in the Indian economy, accounting for over 50% of the industrial output and about 25% of the total exports. The growth of India's auto industry has been remarkable in recent years. The sector has continuously increased sales, investments, production, and exports. This growth is mainly attributed to the liberalization of India's fiscal and monetary policies, improved investment climate, strong government commitment to infrastructure development, increased consumer aspirations, and rising purchasing power of the middle-class [1]. The auto industry's growth in India can be primarily attributed to two significant factors – an increase in domestic demand and a rise in exports. The domestic market for cars and motorbikes has grown significantly in the last decade, driven by rising incomes and changes in the country's new economic policy.

Furthermore, the growing number of international brands is also fuelling this growth. On the export front, the auto industry has seen remarkable growth due to India's relatively low cost of production, which resulted in a surge in exports to countries such as the US and Europe. In conclusion, the auto industry in India has seen remarkable growth in recent years. This growth is primarily driven by the increased domestic demand and rise in exports. India's auto industry development has been critically important for the country's economy and promises to remain so.

A crossover car combines the characteristics of a passenger sedan, such as a higher seating position and more cargo space, with the off-road capabilities of an SUV or a light truck. They typically offer elevated driving positions, four-wheels, and increased ground clearance. They are available in various body styles, including SUV-like crossovers and wagon-like CUV (crossover utility vehicle) crossovers. Crossover cars are increasingly popular in the global auto market due to their blend of style, performance, and versatility. They are trendy in North America and Europe, serving as alternatives to traditional SUVs and sedans.

\* Research Scholar, School of Commerce and Management, Maharishi University of Information Technology, Lucknow, Uttar Pradesh, India.

\*\* Research Guide, School of Commerce and Management, Maharishi University of Information Technology, Lucknow, Uttar Pradesh, India.

Crossover cars are a type of vehicle that combine attributes of both SUVs and passenger cars. In India too, the popularity of crossover cars has been surging in recent times, and according to the 2019 Indian Passenger Vehicle sales report by SIAM, the total sales of crossover vehicles in India stood at 7.47 lakh units, posting an impressive growth of 16.2% over 2018's numbers (6.42 lakh units). The highest-selling crossover vehicle in India was Hyundai Creta, followed by the Maruti Suzuki S-Cross, and the Kia Seltos. While the sales of the Hyundai Creta stood at 2,64,209 units, Maruti Suzuki S-Cross and Kia Seltos sold 1,33,801 units and 1,29,927 units, respectively. As a result, we expect the sales of crossover cars in India to show further substantial gains in the coming months and years [4].

#### **Hybrid/Plug-in Hybrid Crossovers**

Hybrid/Plug-in Hybrid Crossovers are vehicles that combine a gasoline- or diesel-powered engine with an electric motor. They are designed to reduce fuel consumption and emissions and offer multiple power sources for increased efficiency. The combustion engine may provide power for longer trips, and the electric motor may be used for shorter trips or to supplement power when additional power is needed [5].

#### **Compact Crossovers**

Compact Crossovers are small-sized vehicles built on a car platform that combine the features of both SUVs and cars. They typically have higher ground clearance and cargo space than traditional cars, but are more fuel-efficient and easier to maneuver than larger SUVs. The compact crossover provides increased interior room and comfort while maintaining the benefits of an SUV such as off-road capabilities, cargo space and car-like driving dynamics. Compact crossovers have become very popular and are now arguably the most popular segment of SUVs. While they may not offer the same off-road capabilities or cargo space as a traditional SUV, they provide a great blend of performance, utility, and efficiency for those who want the flexibility of an SUV but without the bulk and fuel consumption [7].

#### **Mid-Size Crossovers**

Mid-size crossovers are a type of vehicle which provides a combination of the size, space and versatility of a traditional sport utility vehicle (SUV) with the fuel efficiency, maneuverability and cost of a sedan. Mid-size crossovers come in a variety of sizes and styles, so there is something for everyone. The main features of a mid-size crossover include its raised seating position and good outward visibility [8]. The combination of size, power, safety and versatility makes mid-size crossovers an attractive option for drivers looking for a practical and modern vehicle. If you're looking for an SUV alternative and want something which doesn't break the bank, this could be the right option for you.

#### **Full-Size Crossovers**

Full-Size Crossovers are designed to combine the convenience and comfort of a sedan with the cargo capacity of an SUV. Most are designed with a car-like chassis and ride, but are larger in size, typically sitting on an SUV platform [9]. They offer a variety of features, such as high seating and plenty of storage space, specifically designed for the active family. Many also offer all-wheel drive for an enhanced traction and handling experience. As they are usually larger than a mid-size or smaller crossover, they are often equipped with more luxurious features and amenities. Full-size crossovers are becoming increasingly popular in India as consumers become more discerning in their vehicle choices. This makes them a great option for those who do not wish to sacrifice comfort or convenience while still wanting the robustness of a large SUV.

#### **Luxury Crossover SUVs**

The luxury crossover SUV segment in India has witnessed tremendous growth over the past few years, primarily due to rising disposable incomes and an increased focus on luxury vehicles among consumers. This segment is especially popular among young, affluent buyers who want the practicality and versatility of an SUV, combined with the luxury and prestige of higher-end models. Many luxury crossovers come with advanced features such as advanced driver-assistance systems (ADAS), sophisticated infotainment systems, advanced safety systems, and features that enhance the driving experience. Another factor that has driven the growth of luxury crossovers in India is the availability of affordable financing options from banks and other financial institutions. Additionally, higher fuel efficiency options, lower emissions levels, and more favorable taxation policies and government subsidies have made luxury crossover SUVs more accessible and affordable. Lastly, manufacturers have also begun focusing on the segment, launching models with enhanced features and modern designs

## Research Methodology

The research methodology employed to explore the theoretical aspects of crossover cars in India is mainly qualitative. This study utilizes observational and interview methods to gain in-depth insights. 1. Literature Review: The first step in this study was to carry out a literature analysis of existing published work on crossover cars in India. This included the most recent research studies, books, academic journals, industry reports, and any other relevant resources that would help understand this segment's dynamics. 2. Statistical Analysis: To assess the current state of the crossover market in India, data from sources such as the Society of Indian Automobile Manufacturers (SIAM) was collected and analyzed. This data was used to gauge trends in the segment, like the total vehicles sold from different manufacturers, the price points of various models, and the segments these vehicles are primarily sold in. 3. Field Research: To explore the ground-level realities of the segment, a field survey completed. This involved visiting dealerships and showrooms across India and interacting with sales personnel, potential customers, and experts in the automotive industry. 4. Interviews: To supplement the field research, interviews were conducted with key individuals associated with the crossover market in India. This included representatives from various manufacturers, automotive experts, and customers. With this research methodology, the study aims to understand the crossover segment in India comprehensively. This includes understanding the market dynamics, identifying the factors driving its growth, and highlighting any issues or challenges manufacturers face in this sector.

## Objectives of Study

- To understand the concept of crossover cars in India
- To study the trend of crossover cars in the context of the research area.
- To evaluate the potential of the crossover car market in India

The potential of the crossover car market in India is very high due to the growing demand for practical SUV-type vehicles. Crossovers are becoming increasingly popular among Indian customers because they offer high utility, ample passenger space, good mileage, and functional safety features. Additionally, crossovers provide a relatively affordable option for Indian consumers who may be unable to afford more expensive SUVs. The crossover car market in India is expected to grow significantly in the years to come, with manufacturers introducing new models that will cater to the changing needs of Indian customers.

The potential for the crossover car market in Uttar Pradesh is relatively high. The demand for efficient, reliable, and affordable vehicles is steadily rising with an increasing urban population. The state of Uttar Pradesh has many advantages for selling and purchasing crossover cars:

The state's road network is well-developed, interconnecting to bigger cities and smaller towns. This allows for more accessible transportation from one point to another and better accessibility to crossover cars.

Uttar Pradesh has many cities and towns that are relatively inexpensive compared to other parts of India. This makes it easier for people to purchase cars, as most crossover cars are relatively cheap. This also makes it easier to acquire financing for such vehicles.

The Uttar Pradesh government has many incentives for people who purchase crossover cars. These incentives include reduced road tax, registration fees, easier loan access, and special discounts. All of this helps to encourage people to purchase crossover cars.

The availability of spare parts and workshops in Uttar Pradesh also encourages people to buy crossover cars.

With a well-developed network of mechanics, workshops, and spare parts, it is easy to maintain and repair cars when necessary. Overall, the potential for the crossover car market in Uttar Pradesh is relatively high, as the state has the infrastructure, incentives, and workshops essential to make it a tremendous demand for crossover cars. People should consider purchasing a crossover car in Uttar Pradesh due to its convenience and affordability.

## Challenges

- **High Costs:** Crossover cars are more expensive than other vehicles due to their hybrid design. This can serve as a barrier for Indian buyers.
- **Maintenance:** Crossovers require regular maintenance as a part of their powertrain system as it is complex.

- **Low Sales:** As the crossover market is relatively new in India, the sale of such cars is relatively low, making it difficult to find parts or dealers when it requires service or repair.
- **Environmental Concerns:** Air pollution has become a significant issue in India, and due to their hybrid design, the emissions of crossover cars can sometimes result in higher emissions than other vehicles.
- **Lack of Awareness:** There is a lack of awareness about crossover cars among regular Indian car buyers. As crossover cars are a relatively recent invention, most buyers must familiarize themselves with the concept. Hence they do not even consider it as an option.

### Analysis and Findings

**Table 1: Car Sales**

S.N.	Car Sales	CY2022	CY2021	Diff	%Growth
1	Maruti	1576025	1364787	211238	15.48
2	Hundai	5552511	505033	47478	9.40
3	Tata	526798	331181	195617	59.07
4	Mahindra	335088	201693	133395	66.14
5	Kia	254556	181583	72973	40.19
6	Toyota	160357	130748	29609	22.65
7	Honda	95022	89133	5889	6.61
8	Renault	81042	95878	-14836	-15.47
9	MG	48063	40273	7790	19.34
10	VW	42481	26930	15551	57.75
11	Nissan	35107	36173	-1066	-2.95
12	Jeep	13263	11652	1611	13.83
	Total	8720313	3015064	705249	292.04

Source: www.gomechanic.in

The Maruti Suzuki Swift is one of the most popular Hatchbacks in India. It is the leader in six out of the top 10 states with India's highest sale of hatchbacks, most notably Uttar Pradesh. Maruti Suzuki Swift has consistently delivered good value for money, fuel efficiency, and a capable engine. Its sales have grown by around 14.7 percent in the financial year 2021, taking its average sales to about 1,576,025 (Table 2). All these factors have contributed to its dominance in the market. In addition to this, the low maintenance cost and excellent after-sales service has made it a popular choice for many buyers. Considering its low price, it also targets young customers and offers a sporty design appeal. Furthermore, the Swift offers features such as dual airbags, a rear-view camera, ABS, and a multi-information display as standard, which makes it an even more attractive proposition.

The model sales volumes in UP have grown at a considerable rate of 9.40 percent and 59.07 percent, respectively, in the financial year 2021, indicating the continued success of Hyundai and Tata in the UP market.

**Table 2: Percentage Share of SUV & Crossover in total Car Sales**

SN.	Year	% Share
1	2010	8
2	2011	11
3	2012	14
4	2013	14
5	2014	14
6	2015	17
7	2016	14
8	2017	21
9	2018	22
10	2019	26
11	2020	29
12	2021	38
13	2022	42

Source: Statista.com

Uttar Pradesh	Car Sales Year 2020-21	Market Shares in %(top ten states)
Swift	14299	27
Baleno	15498	29
i20	5384	10
Grandi10	7865	15
Others	3318	6
Total	46364	

Source: www.autopundit.com

- Baleno has the highest Market Share in Uttar Pradesh
- Swift has been emerging strong contender in terms of market share in Uttar Pradesh followed by Baleno.
- Grandi20 and i10 are notable forerunner in market share too.
- The share of others stands at around 6 percent out of top 10 states in terms of sales figure.

### Conclusion

The exploratory analysis of crossover car sales in India indicates that the crossover market is growing steadily in India. The sales figures have been increasing steadily over the last few years, showing strong potential for growth. It is expected that since the car segment has seen tremendous growth in the past, it will remain attractive to potential buyers. The major brands in the crossover segment are Hyundai, Mahindra, Maruti Suzuki, and Tata Motors. Among these, Hyundai has been the most significant player and holds a steady market share of around 33%. Maruti Suzuki and Tata Motors are also big players, with 18% and 16% of the market share, respectively. Overall, the crossover car segment in India is an attractive market for investors. It is expected to remain an attractive option for buyers in the future. Therefore, those looking to invest in the crossover car segment should look at the offerings of Hyundai, Mahindra, Maruti Suzuki, and Tata Motors. This research study shows that the demand for crossover cars in Uttar Pradesh is increasing significantly. The data from the present study provides new insights to develop a platform to explore adequate sales volume of manufacturers and automotive companies in the state.

### Acknowledgement

Author (AM) is very grateful to Maharishi university of Information and Technology, Lucknow, U.P., India for providing facility to conduct studies embodied in this article. A

### Conflicts of Interest

Authors declare no conflicts of interest.

### References

1. Stacy C. Davis, LorensF.Truett, "An Analysis of the Impact of Sport Utility Vehicles in the United States" (Book Style). Oak Ridge National Laboratory,2000
2. Auto Punditz, "Indian Car Sales Figures – 2021"<http://www.autopunditz.com/news/indian-car-sales-figures-april-2021>
3. TEAM-BHP.COM, "Indian Car Sales Figures & Analysis – April 2021"<http://www.teambhp.com/news/indian-car-sales-figures &analysis-april-2021>
4. Science Daily, "Passenger car drivers are more likely to die in crashes with SUVs, regardless of crash ratings"University at Buffalo,May 14,2013.
5. Mayrose J, Jehle DV, "Vehicle weight and fatality risk for sport utility vehicle –versus-passenger car crashes"J Trauma, October 2002.
6. Edmond L,Toy and James K,Hammitt,"Safety Impacts of SUVs,Vans, and Pickup Trucks in Two Vehicle Crashes" Risk Analysis ,Vol 23,No.4,2003.
7. Transport Research Wing, "Road Accidents in India-2016" Government of India, Ministry of Road Transport & Highways, New Delhi. <http://www.morth.nic.in>
8. Autocar Pro News Desk, "Surging SUV sales in India eat into passenger car market"April,2017
9. Chanchal Pal Chauhan, "Share of SUVs"ET Bureau,March,2015 [10]Autocar,"Sales analysis 2017-18"May 2018.
10. Autocar,"India SUV market: Winners and losers"March 2018.
11. Automotive Blog,"SUV sales grow higher than whole passenger vehicle market"JD Power 2017
12. Delshad Irani, "Indian car buyers look the SUV way"ET Bureau, November 2009.
13. Wikipedia"Crossover cars"
14. www.statistica.com.

