

# Effectiveness of Advertising Media on Car Purchase Decision: A Study of Maruti Suzuki Limited and Tata Motors Limited

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**Abstract** - Low car penetration and ascending purchasing capacity of Indian consumers beckons the domestic and foreign automakers. Indian market has attracted the global automakers to tap the increasing demand also because of favourable initiatives taken by Indian government. The competition is amplifying and the companies have to craft notable strategies to remain competitive. The insatiable hunger to capture market share, carmakers keep no stone unturned in order to reach their consumers through various advertising media. Understanding consumer preference of selection of advertising media before making purchase decision will help the marketers increase the effectiveness of their advertising. In this backdrop, the paper attempts to understand the preference of customers of Maruti Suzuki Limited and Tata Motors Limited before making purchase decision. It aims to uncover the most favoured media of advertising chosen by the consumers of Maruti Suzuki and Tata Motors before making purchase decision. The study compares consumer preferences of media choice before purchase decision. The paper concludes that for Maruti Suzuki consumers, Friends and Relatives are the most trusted medium for fetching information while for Tata Motors consumers, Television is the leading advertising medium.

**Keywords:** Advertising, Advertising Media, Consumer Preference

## I. INTRODUCTION

Advertising sets the stage for business to communicate with their customers, enhance their presence, mould their brands and cultivate long-term customer relationship. Significance of advertising cannot be refuted in the present scenario of vicious competitive environment. Car companies adopt multiple media advertising approach for advertising their products. The massive amount and equally allocated time can be proved mispending if it does not deliver result. Innumerable setbacks can occur by wrong selection of advertising media. Weighing pros and cons of every media as well as understanding social acceptance, scope, strength and viability becomes inevitable for a company. Car purchase decision is one of a crucial decision for price sensitive Indian consumer. The decision is carefully taken by exploring information from various sources.

### Objectives

The objectives of the study are as outlined below: -

1. To understand the role of advertising media
2. To evaluate the various advertising media alternatives by passenger car consumers of Maruti Suzuki Limited and Tata Motors Limited

## II. LITERATURE REVIEW

Frolova (2014) in his thesis has analysed the striking stimulus of advertising on the consumer buying actions. The author also highlights the effect of advertising strategy on the life cycle of product and recommends application of few methods at every stage of the product's life. The author is of the opinion that positioning the product in the minds of the consumers is also vital along with the requirement of producing quality products. Nysveen and Breivit (2005) in their study compared the effectuality of internet advertisement of pop-ups, print advertisements and radio advertisements for airline tickets and weekend stay at a hotel. Conclusion was derived that internet and posters were more efficacious than radio. The study indicated that both advertising media and corresponding quality aspects have significant impact on effectiveness of the advertisement. Dehghani (2013) concludes that companies who selects to advertise on social media like Facebook can strengthen the brand image and brand integrity which positively impacts purchase determination of buyers. Raina and Khajuria (2012) in their study examined the effectiveness of advertisement and the rationale of buying products. The study concludes that consumers have absolute and unquestionable understanding towards

advertising and prefer to acquire a product after viewing the advertisement. The authors suggested the advertisement messages should be appropriate as consumers examine them before taking purchase decisions. Tehria (2016) examined the impetus provided by advertisement on consumers purchase actions. The study concludes that television is more effective advertising media as compared to other forms of advertising. Brand endorsement by actors in advertisement have striking impact on consumers. The author concludes that advertising expenditure should be valued as investment and not as expenditure.

### III. RESEARCH METHODOLOGY

#### Coverage of Study

The paper focuses on the preferences of advertising media preferred by consumers of Maruti Suzuki Limited and Tata Motors Limited before making car purchase decision.

#### Sources of Data

Primary data was collected to understand the preferences of consumers of selected company. 200 respondents of each company from MMR region were given a structured questionnaire. Secondary data and information were gathered from secondary published sources viz. books, journals, research studies, websites and newspapers

#### Data Analysis

Analysis of the data and information collected from primary data were made keeping the objectives of the study in mind.

#### Advertisement Splurge on Top Gear

Car manufacturing companies in order to capture growing global automobile market resort to various medias for advertising. Car companies produce a dozen of models ranging from SUVs to MUVs, sedan and hatchback in order to cater to the various requirements of consumers. With these car companies waiting with oodles of their produce to hit the road, high jabbering advertising and marketing tactics are being employed.

**Table 1 Top and bottom five spenders based on 2015 US measure-media spending divided by vehicles sold**

Advertising Spending Per vehicle			
2015 Rank	Marketer	Headquarter	Ad-spends per Vehicle 2015 in US Dollars
1	Jaguar-Tata Motors	Mumbai-India	3325
2	Lincoln (Ford Motor Co.)	Dearborn, Michigan	2550
3	Fiat (Fiat Chrysler Automobile)	Turin, Italy	2150
4	Lexus	Toyota city, Japan	1168
5	Cadillac	Detroit, Michigan	1163
5	Smart (Diamler)	Stuttgart, Germany	290
4	Porsche	Stuttgart, Germany	267
3	Honda	Tokyo,	258

		Japan	
2	Toyota	Tokyo, Japan	248
1	Tesla	Fermont, California	6

**Source:** <https://www.teslarati.com/wp-content/uploads/2016/07/Ad-dollars-per-car-sold-from-Global-Equities.png>

The above table shows that for every plush Jaguar of Tata Motors that meets its proud owner, the parent company spends \$3,325. Ford company for its Lincoln spends \$2550 whereas Toyota and Tesla \$248 and \$6 respectively. Companies become so aggressive in advertising that they exhaust their allotted budgets before the year end. Tata Motors had been so vigorous and had loosened its strings of their purse by apportioning a mighty amount of INR 70-80 crores on branding and advertising and gulped this colossal amount by September 2011.

### IV. PROFILE OF MARUTI SUZUKI INDIA LIMITED

Maruti Suzuki Ltd. was incorporated on 24<sup>th</sup> February 1981 as Maruti Udyog Limited. On 2<sup>nd</sup> October 1982, a joint venture agreement was signed between Suzuki from Japan who was the minor partner with major partner as government of India. The main intention of formation of this company was to manufacture people's car for the Indian middle-class society. Over the period of time the product range of the company has changed and evolved as the owners have also changed. The company's major sales are in the domestic market. Their export sales have also increased. The firm's product range includes Alto 800, Alto K10, WagonR, Celerio, Ritz, Swift, DZire, Ertiga, Omni, Eeco, Ciaz and Gypsy. They have setup main plants at Gurgaon and Manesar in Haryana. The plant capacity is over 1.5 million vehicles per year.

#### Profile of Tata Motors Limited

Tata Motors is one of the India's major automobile manufacturing company founded by Ratan Tata. It was previously known as Telco. The main products that the company makes is trucks, passenger cars, vans, buses, coaches, military vehicles and construction equipment. In the world's automobile manufacturing sector, Tata Motors is ranked 17<sup>th</sup>. Apart from its assembly and manufacturing units in various cities of India, like Dharwad, Sanand, Jamshedpur, Lucknow, Pantnagar and Pune, it also has setups in countries like Argentina, UK, Thailand and South Africa. The company entered the passenger car market in the year 1991, with the launch of Tata Sierra. After Indica, Indigo & Nano, now the Tata Motors has an attractive range of passenger vehicles like Tiago, Bolt, Genx Nano, Tigor, Zest, Harrier, Nexon, Hexa, Safari Storme and Tata Sumo.

## V. DATA INTERPRETATION

The study was undertaken to understand the effectiveness of advertising media. Car user's preference of advertising media before purchase decision was analysed.

### Profile of Sample

**Table 2 – Gender of Sample**

	Male	Female	Total Car Customers
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**Table 3 - Educational Qualification of Sample**

Educational Qualification	School Education	HSC	Graduate	Post- Graduate	Total
Maruti Suzuki	17	41	99	43	200
Tata Motors	12	44	80	64	200
Total	29	85	179	107	400

**Source:** Sample Survey

The above table depicts the educational qualification of the sample selected for the study.

It is observed that:

1. 99 customers of passenger car (Maruti Suzuki) are graduate, 43 are post-graduate, 41 are HSC, 17 have school education.
2. 80 customers of passenger car (Tata Motors) are graduate, 64 are post-graduate, 44 are HSC, 12 have school education.

**Table 4 – Occupation of Sample**

Occupation	Salaried	Business	Professional	Student	Retired	Home-Maker	Total
Maruti Suzuki	101	53	11	21	8	6	200
Tata Motors	96	47	24	25	2	6	200
Total	197	100	35	46	10	12	400

**Source:** Sample Survey

The above table depicts the occupation of the sample selected for the study.

It is observed that:

1. 101 customers of passenger car (Maruti Suzuki) are salaried, 53 are business class, 11 are professional, 21 are students, 8 are retired and 6 are home maker.
2. 96 customers of passenger car (Tata Motors) are salaried, 47 are business class, 24 are professional, 25 are students, 2 are retired and 6 are home maker.

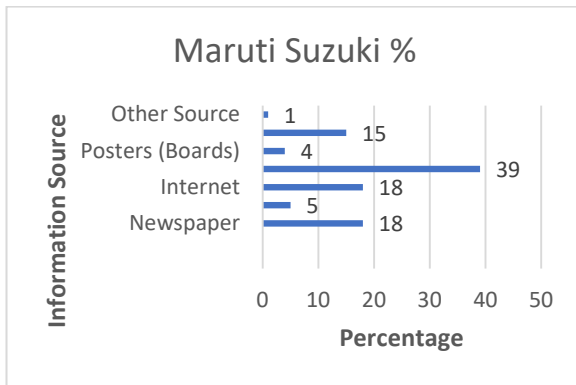
**Table 5 – Responses of Sample for Preferred Advertising Media for Information before making purchase decision in percentage**

Selected Car Company	Newspaper	Magazine	Internet	Family / Friends	Posters (Boards)	Television Ads	Other Source	Total
Maruti Suzuki	18%	5%	18%	39%	4%	15%	1%	100%
Tata Motors	18%	1%	25%	25%	1%	30%	0%	100%

**Source:** Sample Survey

**Chart 1**

**Chart 2**



Source: Sample Survey

From the Table 5 and Chart 1 of Maruti Suzuki, it is observed that

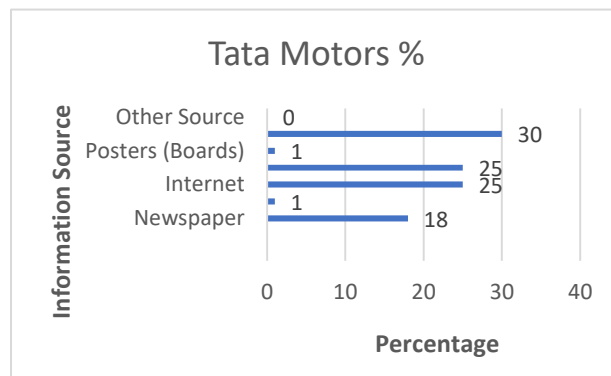
1. For 39% family and friends were the source of information for Maruti Suzuki car users.
2. 18% respondents of Maruti Suzuki Ltd said that they collected the information from newspaper.
3. Other 18% respondents relied on internet for getting the information of cars.
4. Television accounted for 15% which communicated the information about cars.
5. Magazine as a source of information was only 5%.

From the Table 5 and Chart 2 of Tata Motors, it is observed that

1. For 30% of consumers. television provides the most powerful media.
2. Internet was an effective medium of information for the Tata Motors consumers. 25% consumers trusted internet for acquiring information.
3. Family and friends are major source of information for Tata Motors consumers. 25% enunciated influence of family and friend for obtaining relevant information
4. 18% of people said that the newspaper is the medium that conveyed the information and they relied on it before taking purchase decision.
5. Magazines effectiveness was very less. A marginal 1% of consumers of Tata Motors relied on magazines as a medium for fetching information.

## VI. CONCLUSIONS

Companies need to target their loyal customers and also pull the potential customers by different advertising medias. In order to avoid waste in advertising, understanding the effectiveness of advertising media is crucial. Car consumers prefer internet and newspaper for information over other medias. Family and friends still hold a major position for an Indian consumer while taking important decision of car purchase. Relying on magazine for information collection of cars is not popular among the consumers. Magazine is least popular for car purchase information in MMR region maybe because of hectic and busy lifestyle. A company



Source: Sample Survey

which can understand the pulse of consumers and chisel an effective advertising media plan can gear-up for a jerky and bouncy road of challenges.

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