

Maruti Suzuki India Limited (MSIL) has been the leader in the Indian automobile for since 1983. MSIL has built an excellent reputation for producing dependable and reliable cars. Since its creation, it has dominated the overall hatch segment also known as A-segment, which includes entry-hatch, mid-size-hatch, and premium-hatch by increasing its equity from 50 percent in 1992 to 56.21 percent in 2012. However, some factors such as the competitive innovations brought by Hyundai and Tata Motors in the A-segment. And the change in regulations, in buyers' income and taste, the generational differences, petrol and diesel price difference, and currency fluctuation has actively led to a significant decline between 2008 to 2013 from 61 percent to 49 percent drop within the A-segment.

### **Problem Statement**

#### Problem:

The major business problem facing MSIL is the loss of market share in its A-segment due to the influx of other competitors such as Hyundai and Tata in this segment. Since growth in the Indian's automotive industry is driven by growth in the A-segment, the continuous decline of MSIL's market share in the A-segment is directly proportional to the loss of volume of sales in this segment. This has a negative effect on the profitability of MSIL.

#### Research Objectives

Identify the factors and features that contribute to the increase in sales of the A-segment cars.

Investigate the situational variables that play a role in the customers' buying decisions.

#### Research Question

1. What are the factors that drive growth in the A-segment of the Indian' Automotive industry ?
2. What are the factors that lead to decline in the MSIL market share in the A-segment from 2008 to 2013?
3. What situational variables affect the buying decision of customers?
4. What is the importance of MSIL to break into a new smaller and more rural area?