

Media Contacts:

In India

Shirin Bagga
+91-22-25182092
sbagga@bostonanalytics.com

In the US

Jon Lavietes
(415) 572-4408
jlavietes@jwdewitt.com

Boston Analytics Unveils Monthly India Watch Sector-Based Research Report on the Automotive Industry in India

“Automotive Industry in India” report is based on findings derived from the proprietary Boston Analytics Consumer Sentiment Index (BACSI) surveys

MUMBAI, August 21, 2008 (PRWeb)—Boston Analytics, a customized knowledge services company, today announced the release of its “Automotive Industry in India” report as a part of the series of monthly reports that analyze consumer observations and sentiments regarding a specific sector. These reports are based on the results of monthly surveys for the BACSI. The new Syndicated Research Report focuses on India’s automotive industry and captures consumer responses to questions in the following areas:

- Vehicle ownership pattern
- Prices of vehicles and vehicular traffic
- Customer preferences and buying behavior
- Cost of owning a vehicle
- Infrastructure for vehicles
- Consumer confidence in public transport
- Sources of automotive-related information

The BACSI provides a wealth of information on consumer attitudes that is useful to policymakers, companies, and investors involved in consumer-centric industries. The Boston Analytics Syndicated Research Reports leverage this consumer sentiment time-series data to provide deeper insight into the business cycles and trends in India

Some of the Interesting Findings from the Survey:

- **Vehicle ownership**
In our sample of middle class respondents, ownership of a motorized vehicle is high across the metros with a very high proportion of two-wheeler owners
 - 77% of the respondents own a vehicle. Of these, 41% own both car and two-wheeler, 22% own only a car, and the remaining 37% own only a two-wheeler
 - Ownership of a motorized vehicle within our sample is nearly universal in Delhi and Chennai. Both of these cities have relatively underdeveloped public transportation systems. Over nine in 10 respondents in both Delhi and Chennai, and approximately three in five in Mumbai and Kolkata report owning a vehicle
 - Approximately three out of four respondents of Delhi and one-half respondents of Chennai own a car
 - Only one in three residents in Mumbai and Kolkata own a car
 - Approximately 90% of Chennai respondents own a two-wheeler

- **Car purchasing preferences**
 - **Primary factors of preference**
 - Price and fuel efficiency are the primary features that consumers expect today
 - There will be an increase in the importance of fuel efficiency in approximately three to five years from now for consumers
 - Sales service, brand image/prestige, and resale value are secondary factors of choice today and will remain so for the coming three to five years
 - Environmental issues have yet to take root in India and do not show signs of becoming a major factor for coming three to five years
 - **Car size**
 - Affluence and aspiration are growing in parallel—The Indian consumer prefers a mid-size car
 - Our survey reveals that approximately one in two Indian consumers prefer a roomy mid-size family car
 - **Indian versus foreign brand**
 - There is evidence of “buy-Indian” mindset across the metros
 - Approximately three in four respondents prefer an Indian brand over a foreign one
 - **Recently launched versus established model**
 - Indian consumers are divided in their preference for recently launched versus established models of cars
 - According to the results of the survey, 58% of respondents nationwide prefer a recently launched model by a slight plurality
 - **Color preference**
 - The color pie in the Indian car market shows that White is the most preferred color, closely followed by Black and Silver
 - Approximately 29% of respondents preferred White, followed by 27% and 21% of respondents opting for Black and Silver/Grey respectively
 - **New car versus used car**
 - Car buyers distinctly prefer new cars over old cars
 - Among those surveyed, an overwhelming 90% respondents would prefer to purchase a new car
 - Among those who said they would opt for a second-hand car, more than half stated that a second-hand car is a cheaper option if the car is in good condition
- **Cost of owning a vehicle**
 - Approximately three in five respondents reported that vehicle prices have risen in the past year
 - Approximately four in five respondents reported increased fuel costs, and three in five respondents reported increased repair and maintenance bills
- **Use of public transport**
 - Nationwide, one out of four respondents said they use public transport for their commute to work and places of leisure

"The heterogeneity in preferences across metropolitan cities in India is fascinating," said Sam Thomas, PhD, Director of Research and Development, Boston Analytics. There are noticeable differences in cities in vehicle ownerships patterns, car purchase preferences, and buying behavior. These are detailed in full-length "Automotive Industry in India" report available for purchase from Boston Analytics

For example, ownership of a motorized vehicle within our sample is nearly universal in Delhi and Chennai. Both of the cities have relatively underdeveloped public transportation systems. Approximately 90% of the respondents in both Delhi and Chennai, and 60% in Mumbai and Kolkata own a vehicle

In our sample, approximately 75% of the respondents in Delhi and one-half respondents in Chennai own a car; only one in three respondents in Mumbai and Kolkata own a car. Perhaps driven by a lack of parking place, approximately 90% of the Chennai respondents own a two-wheeler

Upcoming Reports

Areas that will be featured in the future Syndicated Research Reports Series for India will include retail, internet usage, retirement behavior, and cell phone usage

Syndicated Research Reports

Syndicated Research Reports are based on monthly BACSI surveys of more than 3,000 respondents across four major Indian metropolitan cities—Delhi, Mumbai, Kolkata, and Chennai. A stratified sampling process is adopted for this with the stratas based on the socio-economic conditions of the respondents to ensure a proper representation of the population. All data is collected via face-to-face interviews

The BACSI is computed from dozens of questions covering various variables affecting a consumer's consumption sentiment. Diffusion values (representing the positive bias in responses) are computed for each question. The index then is computed from the ratio between weighted diffusion value sums of the current and base surveys. The weights are based on the importance of each variable

Syndicated Research Reports are conceptualized and developed by a team lead by Sam Thomas. These syndicated reports are available for purchase from Boston Analytics. The executive summaries of each month's BACSI and Syndicated Research Reports can be viewed at www.bostonanalytics.com/India_Watch/India_Watch.htm.

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