Determinants of Customers Satisfaction – With Special Reference to Four Wheelers on Coimbatore District

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Abstract: Car industry in India faces stiff competition. In order to survive in the competitive scenario manufacturers have to frequently introduce new model cars as per customer anticipations, thereby they can survive in the market for a longer period of time. The present study has been carried out to identify the factors associated with customer satisfaction. The result of the study discloses that customer satisfaction is associated with Occupation, Status in Family and Monthly Expenditure on Car Maintenance.

Keywords: Customer Satisfaction, Four Wheeler, Car Industry

I. INTRODUCTION

Automobile industry is one of the fastest growing industries of the world. The automobile industry in India, the sixth largest in the world with an annual production of approximately two million units, is expected to become one of the major global automotive industries in the coming years. A number of domestic companies produce automobiles in India and the growing presence of multinational investment, too has led to an increase in overall growth. Following the economic reforms of 1991 the Indian automotive industry has demonstrated sustained growth as a result of increased competitiveness and relaxed restrictions. The monthly sales of passenger cars in India have exceeded one core units. The automotive industry directly and indirectly employs about 3.1 percent of India's GDP. Indian automobile industry has grown tremendously since 1898, a time when a car had touched Indian streets for the first time. At present it holds a promising tenth position in the entire world holding the second place in two wheelers and the fourth place in commercial vehicles withstanding a growth rate of eighteen percent per annum and an annual production of more than two million units, it may not be an exaggeration to say that this industry in the coming years will soon touch a figure of ten million units per year. Economic liberalization, increase in per capita income various tax relief policies easy accessibility of finance launches new models and existing discount offers made by dealers all together have resulted in the emergence of a stupendous Indian automobile industry.

II. REVIEW OF LITERATURE

Jisha (2004) in her study titled founds that less maintenance cost increases the customer satisfaction. **Vani (2007)** in her article observes that after sales service offered by dealers may enhance the customer satisfaction to a greater extent. **Mahapatra, Kumar and Chauhan (2010)** in their study finds that customers are highly satisfied with regard to performance attributes like pickup, wipers, etc. and other attributes like less pollution, engine, quietness, battery performance. **Sharma, Kiran Sharma and Khan (2011)** identify that customer's are satisfied with regard to safety feature available in the car and discount offered by the dealers. **Singh (2011)** in his study observes that customer satisfaction of Tata commercial vehicles due to its better quality, brand image, easy availability of service stations, spare part quality etc.,

III. STATEMENT OF THE PROBLEM

Customer satisfaction on four wheelers depends on numerous reasons namely low maintenance cost increases customer satisfaction, (Jisha, 2004) after sales service offered by dealers also enhances customer satisfaction, (Vani, 2007) customers are satisfied with regard to car performance attributes namely pickup, less pollution, battery performance, (Mahaptra, Kumar and Chawhan, 2010). These studies raise the following questions (1) What is the level of customer satisfaction? and (2) (3) To identify factors associated with customer satisfaction?

IV. OBJECTIVE

»   To identify the factors influencing customer satisfaction on four wheeler

V. RESEARCH METHODOLOGY

Data

Data required for the study is primary in nature. Primary data have been collected through questionnaires.

Sampling

By adopting convenience sample method, 260 respondents residing in Coimbatore District have been selected for the study.

Framework of Analysis

The collected data have been analyzed by making use of Chi-square test.

VI. FINDINGS

Level of Satisfaction

Satisfaction among customers has been measured by assigning scores to questions relating to Satisfaction. Sixteen such questions are included in the questionnaire. Answers to the questions have been rated on a five-point scale. The scores allotted to the answers range from one to five. Thus, the maximum score a customer would get is 80. Score obtained by each customer is divided by 80 and multiplied by 100 to convert it into an index. This index is termed as 'Satisfaction index'. Based on the Satisfaction index, the customers have been divided into three groups as customers with low, moderate and high level of Satisfaction. In order to classify the customers into three such groups, quartiles have been made use of. Accordingly, customers with Satisfaction index ranging up to 49.01 are termed as customers with low level of Satisfaction; those with Satisfaction index ranging between 49.02and 56.34 are termed as customers with moderate level of Satisfaction and those customers with Satisfaction index above 56.35 are termed as customers with high level of Satisfaction. Of the 260 customers, 45 (17.31) are with low level of Satisfaction; 178 (68.46) are with moderate level of Satisfaction and the rest 37 (14.23) are with high level of Satisfaction. The following table discloses the determinants of Customer Satisfaction.

TABLE 1

DETERMINANTS OF CUSTOMER SATISFACTION

Factors	Level of Satisfaction			Total	χ^2
	Low (n=45)	Moderate (n=178)	High (n=37)		
Area of Residence					
Urban	12(16.20)	46(62.20)	16(21.60)	74(100.00)	
Semi-urban	10(13.70)	54(74.00)	9(12.30)	73(100.00)	6.026
Rural	23(20.40)	78(69.00)	12(10.60)	113(100.00)	
Gender					
Male	23(12.60)	124(68.10)	35(19.20)	182(100.00)	2.388
Female	22(28.20)	54(69.20)	2(2.60)	78(100.00)	
Age					

Factors	Level of Satisfaction			Total	χ^2
	Low (n=45)	Moderate (n=178)	High (n=37)		
Up to 25 yrs.	3(6.40)	38(80.90)	6(12.80)	47(100.00)	8.623
26-54 yrs.	28(17.40)	107(66.50)	26(16.10)	161(100.00)	
Above 54 yrs.	14(26.90)	33(63.50)	5(9.60)	52(100.00)	
Educational Qualification					
SSLC	8(14.50)	40(72.70)	7(12.60)	55(100.00)	9.213
H.Sc.,	7(13.20)	41(77.40)	5(9.40)	53(100.00)	
Under Grad.	12(18.50)	43(66.20)	10(15.30)	65(100.00)	
Post Grad.	10(23.80)	28(66.70)	4(9.50)	42(100.00)	
Professional	8(17.80)	26(57.80)	11(24.40)	45(100.00)	
Occupation					
Agriculture	8(18.20)	35(79.50)	1(2.30)	44(100.00)	14.103*
Business	14(17.50)	60(75.00)	6(7.50)	80(100.00)	
Employed	15(15.30)	58(59.20)	25(25.50)	98(100.00)	
Self employed	8(21.10)	25(65.80)	5(13.20)	38(100.00)	
Status in Family					
Head	37(22.20)	108(64.60)	22(13.20)	167(100.00)	7.687*
Member	8(8.60)	70(75.30)	15(16.10)	93(100.00)	
Monthly Income					
Up to 15000	6(15.00)	28(70.00)	6(15.00)	40(100.00)	0.793
15000-30000	27(16.60)	113 (69.30)	23(14.10)	163(100.00)	
Above 30000	12(21.10)	37(64.90)	8(14.00)	57(100.00)	
Monthly Expenditure on Car Maintenance					
Up to 500	9(42.90)	10(47.60)	2(9.50)	21(100.00)	19.392**
500 – 1000	22(11.50)	140(72.90)	30(15.60)	192(100.00)	
Above 1000	14(29.80)	28(59.60)	5(10.60)	47(100.00)	

Source: Primary Data

Out of eight variables introduced, three variables are found to be significantly associated with customer satisfaction namely, Occupation, Status in Family and Monthly Expenditure on Car Maintenance.

Occupation

The customers who are employed have high level of satisfaction whereas self employed customers have low level of satisfaction.

Status in Family

Family members have high level of satisfaction and head of the family have low level of satisfaction.

Monthly Maintenance on Car Maintenance

Customers who spend amount ranging between Rs. 500 and Rs.1000 have high level of satisfaction.

VII. SUGGESTIONS

» The demand for small car segment is increasing because of the growing number of nuclear families as well as parking problems. Hence the manufacturers should find out the needs, wants, tastes and preferences of the consumers in order to design the products.

» The respondents perceive that driving comfort and fuel economy are the most important features of the passenger car followed by availability of spare parts and price of the car, thus the manufacturers should design the product giving maximum weightage to these factors.

» Where ever possible the manufactures of cars may try to reduce the spare parts prices and try to avoid escalation by the service agents. This will help customers to retain to existing brand with higher satisfaction.

» As the cost of fuel is high, the car manufacturing companies should achieve the fuel efficiency. So the manufacturers of car should involve such production design and system to withstand and avoid more fuel consumption. This will help consumers to stick on to the specific brand without more utilization about the products.

» Mileage level may be improved in order to attract lower middle income group customers to prefer a car.

VIII. CONCLUSION

Customer's car satisfaction is associated with variables like occupation, status in family, monthly expenditure on car maintenance. Car manufacturers may concentrate on manufacturing fuel saving cars, which is suitable to Indian economic conditions that may induce middle income group consumers to prefer car. Car manufactures have a high growth potential in the nearby future. They must utilize this opportunity by manufacturing cars as per expectation of customer's desires.

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