

STUDY ON SATISFACTION LEVEL OF CONSUMERS ON INDIAN CAR BRANDS

Arihant Dughar

II MBA, School of Management

Dwaraka Doss Govardhan Doss Vaishnav College, Chennai, Tamil Nadu

Abstract

The Indian automobile industry is Rapid technical breakthroughs, rising customer demand, and fierce competition between local and foreign brands make the Indian auto sector one of the fastest-growing markets in the world. Indian automakers are working to improve their products to satisfy market demands as a result of changing consumer preferences and a growing middle class. With an emphasis on important factors including cost, quality, performance, fuel economy, after-sales care, safety features, and brand reputation, this survey attempts to examine how satisfied buyers are with Indian automakers. In India, a survey-based method is used to collect primary data from automobile owners from a range of demographic and socioeconomic backgrounds. The study also looks at how consumer happiness is affected by new developments, such as smart auto technologies and electric vehicles. The findings of this research provide valuable insights into consumer preferences, shedding light on the strengths and weaknesses of Indian car brands. Furthermore, the study identifies potential areas for improvement for automobile manufacturers to enhance customer loyalty, drive innovation, and remain competitive in the dynamic automotive market. These insights will help industry stakeholders, including policymakers and car manufacturers, to formulate effective strategies that cater to evolving consumer demands and industry standards.

Keywords: Indian automobile industry, consumer satisfaction, price, quality, performance, fuel efficiency, after-sales service, safety features, brand reputation, electric vehicles, smart car technologies, consumer preferences, market competition, customer loyalty, innovation, automotive market, industry stakeholders, policymaking, technological advancements.

Introduction

The automobile sector in India has seen exponential growth over the past few decades, fueled by a combination of rising disposable income, rapid urbanization, technological advancements, and government initiatives such as the Make in India campaign. As the Indian economy continues to expand, the demand for personal and commercial vehicles has significantly increased, making India one of the largest automobile markets globally. The increasing penetration of financial institutions providing car loans and attractive financing schemes has further accelerated vehicle ownership among middle-class consumers.

Indian car brands such as Maruti Suzuki, Tata Motors, and Mahindra & Mahindra have established a strong presence in the domestic market by offering a wide range of vehicles that cater to different segments, including budget-friendly hatchbacks, premium sedans, and high-performance SUVs. These brands have continually evolved by integrating advanced safety features, improved fuel efficiency, and smart technology in their vehicles. With a focus on sustainability and innovation, several Indian car manufacturers have also entered the electric vehicle (EV) segment, contributing to the country's shift towards greener mobility solutions. However, these brands face intense competition from international automobile manufacturers such as Hyundai, Honda, Toyota, Volkswagen, and Ford, which have also gained substantial market share in India by introducing technologically advanced vehicles with superior comfort and reliability.

A car company's overall success and brand loyalty are greatly influenced by customer satisfaction. Customers that are happy with a brand are more likely to use it again, refer it to others, and support good word-of-mouth advertising. The Indian consumer market is heterogeneous, with different tastes according to lifestyle choices, economic standing, and geographic region. Rural consumers frequently prioritize price, durability, and fuel efficiency, but urban consumers may place a higher value on performance, aesthetics, and technological integrations. Price affordability, vehicle quality, fuel efficiency, safety features, after-sales service, technical breakthroughs, and brand reputation are some of the aspects that affect consumer satisfaction in the automotive business. Consumer impressions are also greatly influenced by elements like maintenance expenses, resale value, and the accessibility of replacement components.

This study seeks to evaluate the satisfaction levels of consumers in India regarding domestic car brands and determine the primary factors that affect their buying choices. By examining consumer preferences, opinions, and experiences, this study aims to offer valuable insights into the advantages and disadvantages of Indian automotive brands. The research will utilize both qualitative and quantitative approaches to collect data from various consumer segments, enabling a thorough analysis of consumer behavior. Additionally, this study will assist car manufacturers and industry stakeholders in grasping the evolving consumer expectations and developing strategies to enhance product offerings, improve customer service, and foster innovation within the competitive automotive sector. The findings of this study will be instrumental in guiding automobile companies to tailor their products and services to better meet the evolving needs of Indian consumers, ensuring sustainable growth and long-term customer satisfaction.

Literature Review

Rajalakshmi, K. Customer Satisfaction on Foreign Made Passenger Car Segment in India. Rajalakshmi (Year) conducted a study on customer satisfaction in the foreign-made passenger car segment in India, highlighting the impact of Foreign Direct Investment (FDI) on the automobile industry. The study emphasizes that despite administrative and infrastructural challenges, India remains an attractive destination for foreign investors, particularly from Europe and the United States. The relaxation of FDI regulations has contributed to the rapid growth of the automobile sector, with Mauritius and Singapore being the major sources of investment.

Menaka, D. R., & Ashath, K. (2014). A Study on Consumer Buying Behaviour and Satisfaction Towards Indian Automobile Industry. *Shanlax International Journal of Arts, Science & Humanities*, 2(2), 1151-1162. Menaka and Ashath (2014) conducted a study on consumer buying behavior and satisfaction in the Indian automobile industry, emphasizing the sector's rapid expansion driven by rising per capita income and increasing consumer aspirations for luxury goods. The study highlights the importance of customer satisfaction surveys in understanding post-purchase behavior, where satisfaction is determined by the comparison between perceived value and customer expectations.

Dharmaraj, C. (2010). Impact of brand preference dimensions on customer satisfaction-A meta- analysis for passenger cars. Dharmaraj (2010) conducted a meta-analysis on the impact of brand preference dimensions on customer satisfaction in the passenger car segment. The study highlights that consumer buying decisions for durable goods like cars are complex and time-consuming, as they require careful evaluation based on economic conditions and personal requirements.

Dhanabalan, T., Subha, K., Shanthi, R., & Sathish, A. (2018). Factors influencing consumers' car purchasing decision in Indian automobile industry. *International Journal of Mechanical Engineering and Technology*, 9(10), 53-63. Factors influencing consumers' car purchasing decision in Indian automobile industry" focuses on understanding the attributes that influence consumer decisions in the Indian automobile market. The authors examine the increasing competition within the Indian automobile industry, which is characterized by a mix of national and foreign brands and rising consumer expectations related to pre- and post-sales services. The study's methodology, which includes primary and secondary data collection and the use of Structural Equation Modelling (SEM), provides a robust framework for analysing the interplay of these factors in the Indian context. The findings confirm that brand, price, quality, design, utility, and technical considerations positively influence the perceived value and, consequently, the purchase decision.

Karthik, D. S., & Selvakumar, D. R. (2019). Customer satisfaction towards Hyundai Car in Virudhunagar District. *International Journal of Innovative Technology and Exploring Engineering (IJITEE)*, ISSN, 2278-3075. explores customer satisfaction levels and brand preferences for Hyundai cars. The study is situated in the context of India's rapidly growing automobile market, with Hyundai being one of the dominant players. The paper aims to understand customer preferences, factors influencing buying decisions, and satisfaction levels specifically with respect to Hyundai cars the complex nature of customer satisfaction in the automobile industry, particularly in emerging markets like India. It confirms that factors such as brand preference, vehicle attributes (engine performance, safety, comfort), and after-sales service are critical in shaping consumer satisfaction.

Research Gap

1. Representativeness and Sample Size

Given the regional, socioeconomic, and cultural variances, the sample size of 100 respondents might not accurately reflect India's diversified car-buying community. More generalizable insights might be obtained from a larger, more varied sample.

2. Bias in Geography

The survey may have been concentrated in specific geographic locations, such as urban areas, where car ownership patterns may differ from rural areas. This could introduce bias in understanding the preferences of consumers across different parts of India.

3. Demographic Representation

While the survey covers a range of demographic parameters, the findings may not fully capture the preferences of all income levels, age ranges, or other demographic groupings. Certain demographics, such as high-income persons or older automobile consumers, may be underrepresented in the sample.

4. Self-Reported Data Bias

As the study relies on self-reported data, there may be biases such as social desirability bias, where respondents give answers, they perceive as more socially acceptable, rather than their true preferences and behaviours. This could influence the accuracy of the findings.

5. Limitations of Quantitative Methods

The research primarily uses quantitative data collection methods such as closed-ended surveys, which may limit the depth of understanding of consumer satisfaction. Qualitative insights, such as open-ended responses or interviews, could have provided more nuanced perspectives.

Conceptual Framework

Gaining popularity among Indian customers. These patterns show how automakers must develop and adjust to the shifting tastes of their customers. The study does point up a number of research gaps, though, such as restrictions on sample size, geographic diversity, and ethnic representation, all of which may affect how broadly the results may be applied. Future studies could fill up these gaps by using qualitative techniques like focus groups and interviews, as well as a larger, more varied sample to learn more about the expectations and satisfaction of consumers. Additionally, investigating the effects of environmental consciousness, government. Ultimately, the study serves as a valuable resource for automobile manufacturers, policymakers, and industry stakeholders, offering actionable recommendations to enhance customer satisfaction and loyalty. By leveraging these insights, Indian car brands can strengthen their market position, drive innovation, and contribute to the sustainable growth of the automotive sector.

Objectives

- To evaluate overall consumer contentment with Indian car manufacturers, concentrating on essential elements such as pricing, quality, fuel efficiency, performance, safety features, and after-sales support.
- To pinpoint the most significant factors influencing customer satisfaction, which include brand reputation, vehicle design, maintenance expenses, resale value, and the accessibility of spare parts.
- To investigate demographic preferences for Indian car brands according to age, income, geographic location, and various socio-economic factors.
- To contrast consumer satisfaction levels among Indian car brands (such as Maruti Suzuki, Tata Motors, and Mahindra & Mahindra) and their international counterparts in the Indian marketplace.
- To assess how technological innovations such as electric vehicles, smart car technologies, and enhanced safety features affect customer satisfaction.

Research Methodology

The research approach employs quantitative methods to gather and analyze numerical data concerning different facets of owning a Maruti Suzuki vehicle in a systematic way. This

technique of structured data collection is characterized by closed-ended questions that offer predetermined response options for participants to select from. The questionnaire encompasses a variety of factors, including demographic information such as age and location, duration of ownership, model of the vehicle, frequency of usage, satisfaction levels regarding different aspects of the vehicles (e.g., overall satisfaction, quality, range, charging time, comfort features), perceptions of customer service from various brands, satisfaction with the cars, the probability of making a subsequent purchase, and suggestions for enhancements. Once the data is collected, quantitative analysis techniques such as descriptive statistics, inferential statistics, and correlation analysis can be applied to derive insights. Descriptive statistics can summarize the data, providing measures of central tendency and variability for each survey item. Determining whether there are notable variations in satisfaction levels between age groups or geographical areas is one example of how inferential statistics can assist in drawing conclusions about the broader population from sample data. Relationships between variables can be found using correlation analysis. For example, it can be used to determine whether customer service satisfaction affects overall car satisfaction. Through the use of a quantitative research methodology, this study seeks to offer a thorough grasp of consumer attitudes and experiences regarding different auto brands, empowering the automotive sector to make data-driven choices regarding new product development, service improvements, and marketing tactics.

Results and Discussion

Descriptive Statistics

Descriptive statistics for the survey data on various car brands in India were analyzed to understand the demographic distribution of respondents and the general preferences of car buyers. The sample size for this study was 100 respondents, and the data was categorized by age, income, car brand preference, and other car-related factors.

Age Distribution (Frequency Analysis)

The largest age group among respondents was 18-30 years (66%), followed by 40-50 years (14%), 30-40 years (12%), and the smallest group was 50-60 years (8%). This indicates that younger individuals are the primary demographic interested in purchasing cars, likely due to factors such as increased disposable income and the need for personal mobility.

Income Distribution (Frequency Analysis)

In terms of income, 42% of respondents earned less than ₹ 20,000, followed by 24% earning above ₹ 80,000, 21% earning between ₹ 50,000-₹ 80,000, and 13% earning between ₹ 20,000-₹ 50,000. The distribution suggests that most buyers belong to lower to mid-income brackets, which could impact their brand preference, with an emphasis on affordability and value for money.

Correlation Analysis

Correlation between Car Service Frequency and Maintenance Cost

The correlation between how frequently respondents service their cars and the maintenance costs was weak ($r = -0.058$, $p = 0.569$). This suggests that there is little to no significant relationship between the frequency of car servicing and the cost incurred for maintenance. This finding might indicate that the cost of maintenance for various car brands in India is largely independent of how frequently the cars are serviced, possibly due to standardized service packages offered by manufacturers.

Correlation between Car Brand Preference and Car Segment

A significant positive correlation ($r = 0.200$, $p = 0.046$) was found between respondents' preference for a specific car brand (e.g., Hyundai, Honda, Tata) and the type of car segment they preferred (e.g., hatchback, sedan, SUV). This indicates that brand loyalty plays a role in shaping the consumer's segment preference, and buyers often choose car segments based on their perception of the brand's strengths.

Regression Analysis

Regression analysis was conducted to explore the relationship between key predictors (e.g., brand reputation, price, fuel efficiency, after-sales service) and the dependent variable, i.e., the likelihood of purchasing a particular car brand in India.

Results indicated that:

- **Brand Reputation** had a positive and statistically significant effect on the likelihood of purchasing a car ($\beta = 0.45$, $p < 0.01$).
- **Price** showed a negative effect, particularly for high-priced premium brands ($\beta = -0.30$, $p < 0.05$).
- **After-sales Service** was found to be an important predictor, with higher satisfaction correlating with a greater likelihood of purchasing ($\beta = 0.20$, $p < 0.05$).

This regression model confirms that while price is an important factor, customers in India prioritize brand reputation, fuel efficiency, and after-sales service when deciding which car brand to purchase.

T-Test: Comparison of Satisfaction Across Car Brands T-Test Table

Variables	Mean Difference	t-Value	df	Sig. (2-tailed)	Interpretation
Car Service Frequency vs. Customer Satisfaction	1.45	2.412	99	0.018	Significant relationship ($p < 0.05$). Customers with frequent servicing report higher satisfaction.
Maintenance Cost vs. Customer Satisfaction	-0.78	-1.832	99	0.070	No significant relationship ($p > 0.05$). Maintenance costs have minimal impact on satisfaction.
Service Quality vs. Customer Satisfaction	2.18	3.215	99	0.002	Strong significant relationship ($p < 0.01$). Higher service quality leads to greater satisfaction.

H_0 (Null Hypothesis):

There is no significant relationship between maintenance costs and customer satisfaction.

H_1 (Alternative Hypothesis):

There is a significant relationship between maintenance costs and customer satisfaction.

ANOVA: Age Group vs. Brand Preference

ANOVA was used to analyze if there were significant differences in car brand preference based on the age group of respondents. The results showed:

- The F-statistic was 4.12, with a p-value of 0.007, indicating that there are statistically significant differences in car brand preferences across different age groups.
- **Younger respondents (18-30 years)** preferred **Hyundai** and **Maruti Suzuki** due to affordability and modern features, while **older respondents (40-50 years)** preferred **Toyota** and **Honda** for their reliability and brand trust.

Conclusion

This study offers a thorough examination of customer satisfaction with Indian auto companies, emphasizing important elements including safety features, price, fuel economy, after-sales support, and brand reputation. Important information about customer preferences that affect their purchase decisions and satisfaction levels has been obtained through a survey-based approach. The results indicate that while pricing is still a significant consideration, customer satisfaction is also significantly influenced by brand recognition, fuel economy, and after-sales care. Customers choose manufacturers like Hyundai and Maruti Suzuki, especially among younger consumers, mainly because of their affordability, contemporary features, and fuel efficiency.

The study also emphasizes the significance of new developments in the automotive sector, such as the emergence of smart car technology and electric vehicles, which are beginning to affect consumer expectations. But the report also identifies areas for improvement for Indian automakers, especially in strengthening brand loyalty and improving after-sales service. For Indian automakers, the research's conclusions are essential because they offer direction for new product creation, enhanced customer support, and smart marketing in a market that is becoming more and more competitive.

A more comprehensive understanding of consumer satisfaction across India's diverse demographic segments may be possible with additional research that includes a larger and more diverse sample as well as qualitative insights. The study's limitations, which include the small sample size, geographic bias, and reliance on self-reported data, support this idea. However, this study provides a strong basis for further research and useful suggestions for legislators and industry participants to improve consumer happiness and guarantee the sustained expansion of Indian automakers in a changing market.