

A Study and Analysis of Customer Satisfaction of Tata Motors in Mumbai, Maharashtra

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Abstract: *Business around the world recognizes that the consumer is the king. Knowing why and how people consume products helps marketers to understand how to improve existing products, what types of products are needed in the marketplace or how to attract consumers to buy their products. Consumer behaviour focuses on how individuals make decisions to spend their available resources on consumption-related items. That includes what, why, when, where, how often they buy it, how they evaluate it after the purchase and the impact of such evaluation on future purchases.*

Keywords: Consumer behaviour, Tata Motors.

I. INTRODUCTION

India is an emerging country with huge potential. The domestic economy is now growing at around 9-10% per annum and India's importance in global terms is being reinforced by rapidly rising exports and domestic consumption. The automotive industry is at the centre of India's new global dynamic. Expectations are high that India can develop as a global hub for vehicle manufacturers and as an outsourcing centre that offers the global automotive industry solution high up the automotive value chain.

The automobile industry in India accounts for a business volume of \$45 billion and has the potential to grow much faster both through Indian as well as international manufacturers who have established huge facilities in the country. With the world's second-largest and fastest-growing population, there is no denying India's potential in both economic and population terms and the effect it will have on the auto industry in the years to come.

Tata Motors Limited is India's largest automobile company, with consolidated revenues of approximately Rs.70,938.85 crores (USD 14 billion) in 2008-09. It was formerly called TELCO (TATA Engineering and Locomotive Company) and has its headquarters in Bombay, now Mumbai, India. Established in 1945, listed on the New York Stock Exchange in 2004. With manufacturing facilities in the towns of Jamshedpur, Lucknow, and Pune. This company was founded by Jamsetji Tata and is run by Ratan Tata under the flagship company known as Tata and sons group.

It is the leader in commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. The company is the world's fourth largest truck manufacturer and the world's second-largest bus manufacturer.

II. REVIEW OF LITERATURE

The company's 24,000 employees, working in three plants as well as other regional and zonal offices across the length and breadth of India, are guided by the vision to be "best in the manner in which we operate, best in the products we deliver, and best in our value system and ethics." Tata Motors' presence indeed cuts across the length and breadth of India.

Following a strategic alliance with Fiat in 2005, it has also set up an industrial joint venture with Fiat Group Automobiles at Ranjangaon (Maharashtra) to produce both Fiat and Tata cars and Fiat powertrains. The Company is establishing a new plant in Sanand (Gujarat).

Given that the customer is king (or queen), it would be logical to presume that establishing — and nurturing — a relationship with such royalty is a priority for enterprises looking to sell a product or service. Fact is, it may be a priority but organisations rarely pay more than lip service to what goes by the grandiose nomenclature of customer relationship management. For Tata Motors, though, this has always been an imperative.

Tata Motors got started on what it has tagged as the customer relationship management-dealer management system

(CRM-DMS) at the turn of the millennium when it was battling to regain relevance at a difficult time in its history. That's when it realised that survival in the auto business depended on managing its relationships with its customers, dealers and anyone else who had a deep connection with the mother company.

Due to the emergence of globalization, there is stiff competition, the Company's growth over the last 50 years has been enormous. Tata Motors always look after its customer needs, and the ability to translate them into customer-desired offerings through leading edge R&D.

With over 3,000 engineers and scientists, the Company's Engineering Research Centre, established in 1966, has enabled pioneering technologies and products. The Company today has R&D centres in Pune, Jamshedpur, Lucknow, and Dharwad in India, and in South Korea, Spain, and the UK. It was Tata Motors, which developed the first indigenously developed Light Commercial Vehicle, India's first Sports Utility Vehicle and, in 1998, the Tata Indica, India's first fully indigenous passenger car. Within two years of launch, Tata Indica became India's largest selling car in its segment.

Car satisfies the need of owners for transportation they also obtain psychological satisfaction from the possession of products like a car keeping in mind Tata Motors unveiled its People's Car, the Tata Nano, which India and the world have been looking forward to. The Tata Nano has been subsequently launched, as planned, in India in March 2009. A development, which signifies a first for the global automobile industry, the Nano brings the comfort and safety of a car within the reach of thousands of families. The standard version has been priced at Rs.100,000. Tata Motors is equally focussed on environment-friendly technologies in emissions and alternative fuels. It has developed electric and hybrid vehicles both for personal and public transportation. It has also been implementing several environment-friendly technologies in manufacturing processes, significantly enhancing resource conservation.

III. METHODOLOGY

The purpose of the methodology is to describe the process involved in research work. This includes the overall research design, data collection method, field survey and analysis of data.

- **Sampling Frame:** The list of sampling units from which the sample is taken is called the sampling frame. Mumbai City map was studied thoroughly and samples were selected from the place in a scattered manner to get effective results.
- **Sampling Technique:** Convenience Sampling
- **Sampling Size:** Total sample size is 100. The following sample size according to area wise is as follows:
 - Kandivali X 20
 - Borivali X 20
 - Andheri X 20
 - Bandra X 20
 - Dadar X 20
- **Sampling Procedure:** The selection of respondents was accordingly to be in a right place at a right time and so the sampling was quite easy to measure, evaluate and co-operative. It was a random area sampling method that attempts to obtain the sample conveniently.

3.1 Source of Data Collection

- **Primary:** For my survey primary data have been used as a questionnaire to collect the data. Filled questionnaires were taken. After confirming the same, the filled-up questionnaires were fed for analysis as per coding.
- **Questionnaire:**
 - Do you think maintaining a TATA Motors vehicle is costly?
 - Are you satisfied with the discounts given by TATA Motors?
 - Were you offered a test drive by TATA Motors?
 - Do you consider cars by TATA Motors to meet safety standards?
 - Did you enjoy the TATA Motors buying experience?
 - On a scale of 1-10, how knowledgeable did you feel the TATA Motors salesperson was?
 - On a scale of 1-10, how attractive was the TATA Motors showroom?

- Do you consider TATA Motors to be affordable?
- How likely are you to recommend Tata Motors?
- Were you satisfied with the customer service provided by TATA Motors?
- On a scale of 1-10, rate the overall experience of being a TATA Motors customer.
- **Secondary:** Secondary data has been collected from the following modes:
 - Data through internet sources
 - Data collected from organizations

3.2 Purpose of the Study

To understand the customer satisfaction levels of TATA Motors.

3.3 Significance of the Study

To gain insights into whether TATA Motors deliver what it promises.

3.4 Data Analysis

A detailed analysis of the company shows that the company has had a strong fundamental as well as a strong market performance over the years, after buying a product, the consumer compares it with his or her expectation (before buying he/she compares the product with others brand) is either satisfied or not. If the consumer is satisfied, the market must decide what else they can do to make it more effective. Tata Motor is striving hard to achieve this goal.

Tata Motors Group continuously assesses customer needs to develop new and innovative products which deliver better value to its customers. In pursuance of this strategy, the Company has developed significant in-house capabilities and works with a range of partners to keep its product profile rich and meet market expectations. Variants of the Nano, to suit specific needs of the domestic and international markets are being developed. Increased thrust is being made to explore opportunities for the launch of the Indica Vista and the Indigo Manza in various international markets.

One of the questions to which results were tabulated was Are prices of Tata Passenger vehicles affordable? On average, more than **73%** of people feel that the prices are affordable whereas **12%** do not agree. Other parameters on which Tata Motors was rated were:

- **Attractive Discounts:** **74%** believe that attractive discounts are offered whereas **26%** are not satisfied with the discounts offered.
- **Test Drive:** **20%** said that the test drives are not offered while **80%** agreed that test drives were offered to them.
- **Post Sales Follow ups:** **15%** disagreed that post-sales follow-ups are done regularly whereas **85%** said that they were done regularly.

While Tata Motors was rated satisfactory on all the other remaining parameters: knowledgeable sales persons, employees spend enough time before and during sales, attractive display of merchandise, availability of products, variety of merchandise, vehicle in good condition, décor of the waiting area is pleasing, responds to complaints quickly, service at TATA Motors service station is excellent, careful with personal information and value for money.

The overall opinion about TATA Motors is very good. In another question people were asked whether they were satisfied with the facilities provided by Tata Motors, we found that overall **63%** of male customers & **9%** of female customers are satisfied. That means a total of **72%** of customers are fully satisfied, and **15%** of male customers & **4%** of female customers are not satisfied.

That is total no of unsatisfied customers is 19%, and 8% of male customers & 1% of female customers are not decided.

Table 1: Gender wise

| Gender | Satisfied (%) | Unsatisfied (%) | Undecided (%) |
|--------|---------------|-----------------|---------------|
| Male | 63 | 15 | 8 |
| Female | 9 | 4 | 1 |
| Total | 72 | 19 | 9 |

Overall 9% of customers are satisfied with Tata Motors Insurance, with extended warranty 2% customers are satisfied, while Tata Finance customers are 50% satisfied & 2% customers are not satisfied, 5% customers are not satisfied from Autocard and Genuine accessories.

On the basis of market research, 18-25 age customers satisfied is 2%, 26-35 age customers are satisfied 18%, 36-50 age customers are satisfied 36% & 50 above age customers is satisfied 16%. That is total no of satisfied customers is 72%, and unsatisfied customers are 5% (26-35 age), 36-50 unsatisfied customers are 8%, and 50 above unsatisfied customers is 6% that is total no of unsatisfied customers is 19% and 18-25 age customers are not decided 1%, 26-35 age customers 2% are not decided, 36-50 age customers are 6% are not decided, That is total 9% customers are not decided.

Table 2: Age-wise:

| Age | Satisfied (%) | Unsatisfied (%) | Undecided (%) |
|----------|---------------|-----------------|---------------|
| Below 18 | 0 | 0 | 0 |
| 18-25 | 2 | 0 | 1 |
| 26-35 | 18 | 5 | 2 |
| 36-50 | 36 | 8 | 6 |
| Above 50 | 16 | 6 | 0 |
| Total | 72 | 19 | 9 |

It is important to study the consumer perceptions and behaviour of car owners which will give us feedback on marketing strategies.

Competitors of Tata Motors are Maruti Suzuki and Hyundai Motors in passenger cars. Tata Motor holds the 2nd Position in Indian Market. Tata motor's passenger cars still need to reach acceptable international requirements. The company commands an imposing 65% share of the domestic commercial vehicle market and is trying to modernize this segment.

Tata Motors try to provide the best service to the customer when we compare Tata cars with other brands, Tata provides better facilities than other cars.

Although Tata NANO customers have some problems with the model, Tata NANO is totally unsuccessful in Indian Market. NANO customers are unsatisfied. That is a demerit of Tata Motors but at the same Tata Motors is striving hard. In spite of these conditions, the company has made a giant leap forward thanks to its advanced management philosophy, designed to ensure a better future for the company and its customers. The company is growing and the brand is being appreciated by its customers because it is continuously striving to achieve the single goal of making good quality products with an emphasis on the customer first principle across all management levels, including production, sales, and service.

IV. FINDINGS

Business around the world recognizes that the consumer is the king. Knowing why and how people consume products helps marketers to understand how to improve existing products, what types of products are needed in the market place or how to attract consumers to buy their products.

Consumer behaviour focuses on how individuals make decisions to spend their available resources on consumption-related items. That includes what, why, when, where, how often they buy it, how they evaluate it after the purchase and the impact of such evaluation on future purchases.

The passenger vehicle market, which constitutes around 80% of automobile sales, has immense growth potential. Anticipating the future market potential, the production of passenger vehicles is forecasted to grow at a CAGR of around 11% from 2009-10 to 2012-13.

According to a secondary study, Tata Motors' Group sales were 880,396 vehicles across its entire range of products and markets. The Company recorded a sale of 633,862 vehicles in 2009-10, a growth of 34% over the previous year (472,885 vehicles) in the domestic market in India, representing a 25.5% share in the industry (improving from 24.4% share in the previous year).

Passenger vehicle sales were 260,020 vehicles, the highest ever, achieving a growth of 25.3% over the previous year and a market share of 13.7% (stable compared to 13.6% in the previous year). The Company continues to be amongst the top three players in the passenger vehicle market which has over 25 players. This shows that Customers of Tata Motors are satisfied because of the affordable price, but the maintenance problem and resale value are too low. These are the two main reasons for customer dissatisfaction and another reason is not responding to customers' complaints quickly especially said by nano customers, which means all the comments are not fulfilled properly, and indigo customers say engine performance is not good.

Creating Customer Delight is not a recent discovery for the company rather the expression finds roots in the company's vision. Taking forward the same spirit the company is committed to serving many more customers in times to come.

That is the big reason Tata Motors is No. 2 position in Indian Market, thus, we can say that if Tata motors look after the following few problems (findings) they may become first in the Indian market.

1. Tata Motors is positioned as a Low-Cost Producer so Sustainability and environmentalism could mean extra costs for this low-cost producer. This could impact its underpinning competitive advantage. Obviously, as Tata globalizes and buys into other brands this problem could be alleviated.
2. Tata Motors Limited has to catch up in terms of quality and lean production as there are some safety issues with Tata Nano.
3. The company's passenger car products are based upon 3rd and 4th generation platforms, which put Tata Motors Limited at a disadvantage with competing car manufacturers.
4. Tata has not got a foothold in the luxury car segment in its domestic, Indian market. Is the brand associated with commercial vehicles and low-cost passenger cars to the extent that it has isolated itself from lucrative segments in a more aspiring India?

Next in line was the question: How likely would you recommend Tata Motors? And the results were 96% was very good and 4% was good.

On average more than 73% of people feel that the prices are affordable whereas 12% do not agree, 74% believe that attractive discounts are offered whereas 26% are not satisfied with the discounts offered. The overall opinion about TATA Motors is very good.

From the above discussion, it is evident that overall customers are satisfied with the passenger cars and the company is delivering what it promises to deliver but at the same time, Tata Motors is taking a number of initiatives to strengthen both product reliability and durability and marketing processes. Enhancing distribution reach and a robust sales process system have been key elements in consolidating the company's leadership position in the domestic market. The implementation of this strategy has begun in a few markets abroad.

V. CONCLUSION

Tata Motors is one of the best car manufacturing companies in India. People feel that Tata Cars are people's car as it is satisfactory on all parameters. Tata Motors have knowledgeable sales persons, the employees of TATA Motors spend enough time before and during sales. The prices are affordable as it is a low-cost producer, attractive discounts are offered, the waiting area is pleasing, TATA Motors service station is excellent.

The maintenance Cost of Tata Motors is high and the resale value is low. These are the only two main areas in which the customers are dissatisfied. Therefore, Tata Motors has to work in terms of maintaining quality standards. In continuation with its commitment to providing Indian customers with cutting-edge global technology, the auto industry aims to become a centre of excellence for engineering and ensure a quick turnaround time to changing consumer needs. With a product line spanning commercial, utility, and passenger vehicles, Tata Motors is on the road to forging ever stronger relationships with the people who have bet their money on the company's products.

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