

## AN ANALYSIS OF CUSTOMER SATISFACTION TOWARDS HYUNDAI MOTOR INDIA LIMITED

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### 1. ABSTRACT

Any organization has to listen to its external customers and stakeholders. A number of studies have shown that the long-term success of a corporation is closely related to its ability to create and maintain loyal and satisfied customers, adapt to customer needs and changing preferences. In order to monitor customer satisfaction, and to take action for improving it, a number of different methods have been developed and tested. Any organisation could definitively take advantage of a proven systematic customer satisfaction model. The challenge for organisations is to implement and secure a standardized customer satisfaction process across their playing field. Customer satisfaction can be addressed as a strategic business development tool and it does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. Customer satisfaction research should be done with greatest care. Measuring customer satisfaction must be a continuously, consistent, timely, accurate and reliable process. This is where a new customer satisfaction approach becomes a powerful strategic business development tool for organisation.

### 2. INTRODUCTION

Many organizations have got a clue how the customers perceive the goods and services they supply. Customer attitude seems to be test so long as people buy their products then the products must be accepted. This is absolute nonsense.

Firstly customer may buy a given products or services simply because there is no other option and they would prefer to purchase what you are offering them to go with an out altogether.

Secondly the fact that a product or services may be accepted does not mean that it will continue to sell. Competitors may see opportunity customer exceptions may change customer tastes may move on if standards don't raise and products and services evolve, and then

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downward sales will appear.

Worse situations arise when the organizations haven't got a clue of the customer's perceptions but they have. Another situation is when the organizations don't have a clue of their customer's perceptions and don't care either, the organization may believe that it is in a monopoly situation and its customers cannot go elsewhere. Some imp's organizations believe that it knows best what customers should want and therefore supply them with a centrally designed product.

If resultant product or services has defects, then it is perceived to be a problem for the customer. Some organizations solicit customer feedback or get it any way whether they like it or not and then do nothing about it. Finally we come to the point where we realize how important customer feedback is in the case of an organization. This helps the organizations to determine how effectively it is serving the customer and determine customer satisfaction. This feedback answers the following questions to find out.

### **3. DEFINITIONS OF MARKETING RESEARCH**

The American Marketing Association defines marketing research as —the systematic gathering, recording and analysis of data about problems relating to marketing of goods and services.

According to Kotler, —marketing research is the systematic design, collection analysis and reporting of data and finding relevant of a specific marketing situation facing the company.

#### **3.1 Why customer satisfaction is at most important?**

Today customers face a growing range of choices in the product and services. They can buy on their basis of choice and perception of quality value and service companies need to understand the determinants of customer value and satisfaction customer delivered value is the difference between total customer value and total customer cost. Customer will normally choose the offer that maximizes their deliver value. To create customer satisfaction companies must manage their own values chains and the entire value delivery system. In a customer centered way the companies goals not only to get customers but even more important to retain customers customer relationship marking provide the key to retaining customers and involves building financial and social benefits as well as structural ties to customers. Total quality management has become approach to providing customer satisfaction and company profitability companies must

understand how their customers perceive quality and how much they expect companies must then do better job of meeting consumer quality expectation delivering quality require total management and employee commitment as well as measurement and reward system.

#### **4. OBJECTIVES OF THE STUDY**

1. To find out the customer's satisfaction regarding the product in the market.
2. To make comparative study of the product and policies analyze the position of Hyundai vis-à-vis with the competitors.
3. To find out the opinion of the customer & analyze the poison attributed by the Hyundai in the market.
4. To know consumer attitude towards Hyundai.
5. To find out the factors influencing consumers in purchasing Hyundai.

#### **5. About HMIL**

Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company (HMC), South Korea and is the largest passenger car exporter and the second largest car manufacturer in India. HMIL presently markets 8 models of passenger cars across segments. The A2 segment includes the EON, Santro, i10 and the i20, the A3 segment includes the Accent and the Verna, the A5 segment includes the Sonata Transform and the SUV segment includes the Santa Fe.

HMIL's fully integrated state-of-the-art manufacturing plant near Chennai boasts of the most advanced production, quality and testing capabilities in the country. To cater to rising demand, HMIL commissioned its second plant in February 2014, which produces an additional 300,000 units per annum, raising HMIL's total production capacity to 600,000 units per annum.

In continuation with its commitment to providing Indian customers with cutting-edge global technology, HMIL has set up a modern multi-million dollar research and development facility in the cyber city of Hyderabad.

It aims to become a centre of excellence for automobile engineering and ensure quick turnaround time to changing consumer needs. As HMC's global export hub for compact cars, HMIL is the first automotive company in India to achieve the export of 10 lakh cars in just over a decade. HMIL currently exports cars to more than 115 countries across EU, Africa, Middle East, Latin America and Asia Pacific. It has been the number one exporter of passenger car of the country for the sixth year in a row. To support its growth and expansion plans, HMIL

currently has a 336 strong dealer network and 721 strong service points across India, which will see further expansion in 2017.

## **6. CUSTOMER SATISFACTION**

A term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. It is seen as a key performance indicator within business and is often part of a Balanced Score biked. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations.

Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. . . . These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective." Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction.

In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel—even though its facilities and service would be deemed superior in 'absolute' terms."

The importance of customer satisfaction diminishes when a firm has increased bargaining power. For example, cell phone plan providers, such as AT&T and Verizon, participate in an industry that is an oligopoly, where only a few suppliers of a certain product or service exist.

As such, many cell phone plan contracts have a lot of fine print with provisions that they would never get away if there were, say, a hundred cell phone plan providers, because customer

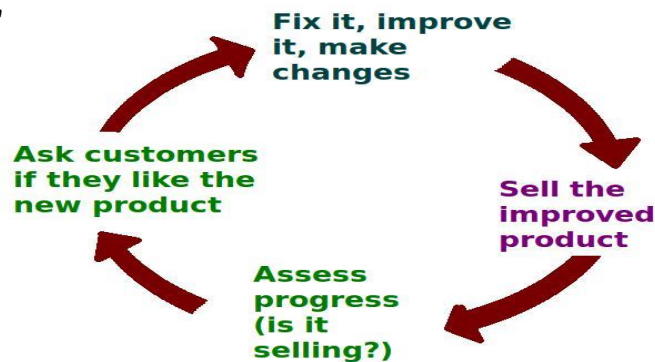
satisfaction would be way too low, and customers would easily have the option of leaving for a better contract offer.

## 6.1 PURPOSE

Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty." "Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold:"

1. "Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services."
2. "Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future. Much research has focused on the relationship between customer satisfaction and retention. Studies indicate that the ramifications of satisfaction are most strongly realized at the extremes." On a five-point scale, "individuals who rate their satisfaction level as '5' are likely to become return customers and might even evangelize for the firm.

"Individuals who rate their satisfaction level as '1,' by contrast, are unlikely to return. Further, they can hurt the firm by making negative comments about it to prospective customers. Willingness to recommend is a key metric relating to customer satisfaction."



## 6.2 CUSTOMER SATISFACTION INDEX

The **Customer Satisfaction Index (CSI)** is an economic indicator that measures the satisfaction of consumers across the economy. It is produced by the American Customer Satisfaction Index, a private company based in Ann Arbor, Michigan.

The CSI interviews about 80,000 Americans annually and asks about their satisfaction

with the goods and services they have consumed. Potential respondents are screened prior to interviewing to guarantee inclusion of customers of a wide range of business-to-consumer products and services, including durable goods, services, non-durable goods, local government services, federal government services, and so forth.

### **6.3 CUSTOMER SATISFACTION DIMENSIONS**

One of the indicators of a company's health, customer satisfaction, can be found through market analysis. Satisfied customers usually lead to more sales and profit, making it a strong indicator of company performance. Kekre, Krishnan, and Srinivasan conducted a study with focus groups and over 2500 responses from a questionnaire to discover what factors customers drive their satisfaction for software products. They analyzed the results to develop seven dimensions of customer satisfaction for product software:

1. Capability
2. Usability
3. Performance
4. Reliability
5. Install ability
6. Maintainability
7. Documentation

### **6.4 CUSTOMER SATISFACTION RESEARCH**

**Customer satisfaction research** is that area of marketing research which focuses on customers' perceptions with their shopping or purchase experience. Many firms are interested in understanding what their customers thought about their shopping or purchase experience, because finding new customers is generally more costly and difficult than servicing existing or repeat customers.

Many people are familiar with "business to customer" (B2C) or retail-level research, but there are also many "business to business" (B2B) or wholesale-level projects commissioned as well.

### **6.5 TYPES OF RESEARCH**

#### **6.5.1 DESCRIPTIVE OR DOCUMENTARY RESEARCH**

Many customer satisfaction studies are intentionally or unintentionally only "descriptive" in nature because they simply provide a snapshot in time of customer attitudes. If the study instrument is administered to groups of customers periodically, then a descriptive picture of customer satisfaction through time can be developed (this is a type of "tracking" study).

### **6.5.2 INFERENTIAL OR MODELS-BASED RESEARCH**

Beyond documentary types of work are studies that attempt to provide an understanding of why customers have the perceptions they do and what may be done to change those perceptions. While models-based studies also provide snapshots of customer attitudes, the results of these studies are more powerful because they present the firm with recommendations on how to improve customer satisfaction. Frequently, these studies also provide firms with a prioritization of the various recommended actions. Inferential studies can also be conducted as tracking studies. When this is done, the firm can gain insight into how the drivers of customer satisfaction are changing in addition to documenting the levels and areas of customer satisfaction.

## **6.6 METHODS**

### **6.6.1 QUANTITATIVE RESEARCH STUDIES**

Quantitative studies allow a firm to develop an understanding of the "big picture" of their customers' experiences based upon a relatively small number of interviews. This "sample" of the firm's customers must be carefully designed and drawn if the results of the study are to be considered representative of the customer population as a whole. In most cases, the results of quantitative studies are based upon the responses of a relatively "large" number of interviews. Depending upon the size of the population and the amount of segmentation desired, "large" can be as few as 50 responses or range from several hundred to thousands of interviews. Mail-based, telephone-based, and (more recently) Internet-based surveys and related data collection.

### **6.6.2 QUALITATIVE RESEARCH STUDIES**

Qualitative studies are used by firms to provide a more detailed and/or unconstrained understanding of customer experiences. In most cases, the results of qualitative studies are based upon dozens of interviews. Qualitative studies are not designed to provide insights that are projectable to the customer population: qualitative studies are used for initial exploration of experiences and topics or to probe more deeply the reasons behind customer perceptions. Focus groups (group depth interviews) and "one-on-ones" (individual depth interviews) are common examples of qualitative studies.

## 7. DATA ANALYSIS

1. How did you come to know about Hyundai?

**Table – 1:**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Magazines	49	35%
Newspaper	28	20%
Tv ads	35	25%
Friends	14	10%
Dealers	7	5%
Any other	7	5%
<b>Total</b>	<b>140</b>	<b>100%</b>

2. What prompted you to buy Hyundai among all other brands?

**Table – 2:**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Brand Image	84	60%
Service	21	15%
Maintenance	14	10%
Price	7	5%
Promotion	14	10%
<b>Total</b>	<b>140</b>	<b>100%</b>

3. Rank the features attracted you to buy the car you own?

**Table - 3:**

Options	No of respondents	Percentage
Service	14	10%
Power	7	5%
Fuel Efficiency	7	5%
Safety	7	5%
Style	84	60%
Maintenance	21	15%
<b>Total</b>	<b>140</b>	<b>100%</b>

4. Who is the main influencer in the decision making process?

**Table – 4:**

Options	No of respondents	Percentage
Father	84	60%
Mother	14	10%
Wife	7	5%
Dealers	7	5%
Friends	7	5%
Myself	21	15%
<b>Total</b>	<b>140</b>	<b>100%</b>

5. How do you feel when you drive Hyundai?

**Table – 5:**

<b>Options</b>	<b>No of respondents</b>	<b>Percentage</b>
Delighted	70	50%
Relaxed	28	20%
Comfortable	14	10%
Uncomfortable	21	15%
Confused	7	5%
<b>Total</b>	<b>140</b>	<b>100%</b>

6. Are you satisfied with the seating capacity of the car?

**Table – 6:**

<b>Options</b>	<b>No of respondents</b>	<b>percentage</b>
Fully Satisfied	70	50%
Satisfied	42	30%
Neither Satisfied Nor Dissatisfied	14	10%
Dissatisfied	14	10%
<b>Total</b>	<b>140</b>	<b>100%</b>

7. How do you rate the price of the car when compared to other cars of the same segment?

**Table – 7:**

<b>Options</b>	<b>No of respondents</b>	<b>Percentage</b>
Expensive	77	55%
Moderate	35	25%
Economic	28	20%
<b>Total</b>	<b>140</b>	<b>100%</b>

8. Please rank the mileage of the car compared to the other segment of cars?

**Table – 8:**

<b>Options</b>	<b>No of respondents</b>	<b>Percentage</b>
Excellent	98	70%
Good	21	15%
Average	7	5%
Fair	7	5%
Poor	7	5%
<b>Total</b>	<b>140</b>	<b>100%</b>

9. Do you get information about the free service offered by the company from time to time?

**Table – 9:**

<b>Options</b>	<b>No of respondents</b>	<b>percentage</b>
Yes	133	95%
No	7	5%
<b>Total</b>	<b>140</b>	<b>100%</b>

10. How the company is handling complaints of customers?

**Table – 10:**

Options	No of respondents	Percentage
Good	118	80%
Average	21	15%
Bad	7	5%
<b>Total</b>	<b>140</b>	<b>100%</b>

11. Is the price reasonable for vehicle?

**Table – 11:**

Options	No of respondents	Percentage
Yes	91	65%
No	49	35%
<b>Total</b>	<b>140</b>	<b>100%</b>

12. How is availability of spare parts?

**Table – 12:**

Options	No of respondents	Percentage
Availability	90	64%
Sometime Availability	36	26%
Rarely Availability	14	10%
<b>Total</b>	<b>140</b>	<b>100%</b>

### 13. FINDINGS

1. Maximum of the respondents is attracted towards the brand image and promotion of Hyundai.
2. 1/4<sup>th</sup> of the respondents preferred service and maintenance followed by fuel efficiency, style and safety respectively.
3. Almost all the respondents are delighted while driving.
4. Almost all the respondents are satisfied with the seating capacity in their car.
5. Almost all the respondents are given good response towards their overall performance.
6. Maximum of the respondents considers that the cost of their car is economical and respondents consider that it is moderate when compared to same segment cars of other manufactures.
7. Maximum of the respondents considers the mileage as good.
8. Many respondents are satisfied with the attitude of the sales person at showroom.
9. Many respondents purchased for business purpose only.
10. Maximum respondents consider that the body of car should be made thicker.

### 14. CONCLUSION

1. HYUNDAI has good brand image but the poor service backup and lack of specific advertisement.
2. HYUNDAI when compared to other brand is ranking down the order.
3. By Increasing the service advertisement and offering sales promotion schemes to

dealers as well as consumers would definitely boost the sales of HYUNDAI.

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