



A STUDY ON ROLE OF AUTOMOBILE INDUSTRY IN INDIA AND ITS CUSTOMERS SATISFACTION

Dr. D. A. Jogdand

Professor, Dept. of Commerce,
M.S.S. Arts, Com. & Science College,
Ambad, Dist. Jalna

P. D. Lekarwale

Research Student

Abstract

Customer satisfaction according to ISO 9000, users opinion about the degree to which its meets its requirements. Customers satisfaction is a highly personal assessment. The increase in the demand for cars, and other vehicles, powered by the increase in the income is the primary growth driver of the automobile industry in India. The introduction of tailor made finance schemes, easy repayment schemes has also helped the growth of the automobile sector. The automotive industry is a major industrial and economic force worldwide. it makes 70 millions cars and trucks a year, and they are responsible for almost half the worlds consumption of oil. The industry employs 7 millions people directly and many more indirectly. Despite the fact that many large companies have problems with overcapacity and low profitability, the automotive industry remains very strong influence and importance. The industry also provides well- paying jobs with good benefits, has heavy linkages with supplier industries and has a strong political influence. satisfaction is crucial concern for both customers and the organizations. Satisfaction is a subjective concept and therefore difficult to determine. It depends on many factors and varies from person to person and product to product. The importance of customers satisfaction in strategy developments for customers and market oriented cannot be under determined. Now a days it has become very important factor for each and every organization to enhance the level of customers satisfaction. it was found that the customers are mostly satisfied with price , design, safety, mileage, interior space, status brand name, comfort level, spares part and after sale service. Customer satisfaction, a term is used in marketing it is a measure how product and service supplied by the company meet or surpass customers expectation.

Keywords: increased Demand, Strategy Development, Customer Satisfaction, Tailor made finance scheme and Automotive Industry.

Introduction:

The Indian auto industry is one of the largest in the world. The industry accounts for 9.1 percent of the country's Gross Domestic Product (GDP). As of 2017-18, around 37 percent of small cars sold globally are manufactured in India. The two wheeler segment with 88 percent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall passenger vehicle segment has 17 percent market share. India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile products of India were founded in 1949 at Bombay, by the British company Rootes Group, and later bought over by M.A. Chidambaram of the MAC Group from Madras. The company manufactured Lambretta scooters, API three wheeler under licence from Innocent of Italy and Automobile ancillaries, notably Clutch and Braking systems. API's registered offices were earlier in Mumbai, later shifted to Chennai, in Tamil Nadu. The



manufacturing facilities were located in Mumbai and Aurangabad in Maharashtra. The major AUTOMOBILE PLAYERS IN THE MARKET ARE EXPECTED TO MAKE INDIA A LEADER IN THE Two wheeler and Four wheeler market in the world by 2020. The automobile sector is compartmentalized in four different sectors which are as follows.

Objectives of the Study

The present study based on the following objectives:

1. To know about the Indian Automobile Industry.
2. TO study the role of Indian Automobile Industry in the countrys growth.
3. To know the initiatives of the Government towards and the achievement by the indian Automobile Industries.
4. To know the dimensions of customer satisfaction towards Indian vAutomobile Industries.

Operational Definitions

Automobile is “ a self –propelled passenger vehicle that usually has four wheeler and an internal- combustion engine , used for land transport. It also called as motorcars”.

Review of the Literature

Saraswati S (2020) A study on “ Customer satisfaction on post- sales service with reference to Four-Wheeler Automobile Industry” which reveals that the key to success of automobile industry lies not only in having good products but also in being able to provide the customer with the level of service they desire. Because of increasing competitiveness in the indian automobile industry, almost all automobile manufacturers have needs and expectations of their customers.

Work done by parasuraman et. Al. between 1985 and 1988 provides the basis for the measurement of customers satisfaction with a service by using the gap between the customers expectations of performance and their perceived by using the gap between the measure with a satisfaction “ gap” which is not objective and quantitative in nature. Into a single measurement of performance according to expectation.

Automobile Industry of India

The automobile industry, along with the auto components industry, is one of the core industries in India. A well developed transportation system plays a key role in the development of an economy, and india is no expectation to it. Automobile is one of the largest industries in the gflomal market. Owing to its strong forward and backword linkages with several key segments of the economy. Automobile sector occupies a prominent place in the fabric of indian economic. Automobile sector is leader in product and process technologies in the domestic automobile industry is delivered to be the barometer of the economy. Such a belief is in line with international trends since in the most mature economies the automobile industriesw performance is viewed as a reflection of the economies health. This sector emerged as sunrise sector in the Indian Economy. Accoding to data published by department of industrial policy and promotion ministry of Commerce, the amount of cumulative foreign direct investment inflow into the auto sector from April 2015 to November 2020 was worth 815 million doller. The auto sector accounts for the four percent of the total inflows in india. According to the recent data released by society of indian Automobile manufactures Indiaas Scooter and motorcycle manufactured haqve registered 4 percent According to the recent data rele4ased by the society of indian



automobile manufacturers India's scooter and motorcycle manufacturers have registered 4 percent growth during 2015.

The Global and Indian manufacturers are focusing their efforts to develop innovative products, technologies and supply chains. India is one of the key markets for Global Manufacturers for hybrid and electronic vehicles, which is the new development in automobile sector. With a turnover of almost US Dollar.

Automobile Industry provides employment to 17 million people in the India work class. The automobile sector is divided into four segments two-wheelers, passenger vehicles, commercial vehicles and three-wheelers. Two-wheelers India is one of the world's fastest growing passenger car market it is second largest manufacturer and fifth largest commercial vehicles manufacturer. It is also home for the largest motor cycle manufacturer. Moreover, India is fourth largest passenger car market in Asia. The auto sector shown a sluggish growth of 12 percent in 2015. The trend is likely to stay with a 15 percent growth outline for 2017. The main reasons are high ownership costs (fuel cost, cost of registration, excise duty, road tax) and slow rural income growth. Over the next few years solid but cautious growth is expected. The Macquarie equities research reveals that the sale of passenger vehicles is expected to double in the next four years and growth anticipated is higher than the 20% achieved in the past 10 years. The Automotive mission Plan 2021 and make it contribute 20 percent to the nation GDP.

The growth for the automotive industry has strong multiple effect. It is capable of being the driver of economic growth. Industry's high direct to indirect employment ratio of about 1:10 is estimated for the automobile industry, because automobile industry has potential to generate employment for about 20 more for every person employed directly in automobile manufacturing industry. These indirect employments include employments in ancillary and component industries, automobile service stations mechanics, loaders and cleaners of commercial vehicles and hired vehicles. There is a symbiotic relationship between the growth of economy and the demand for vehicles.

Table 1: The Global Majors in Automobile Industry in India

Company	Foreign Partners	Year of Establishment
Maruti	Suzuki	1983
Hyundai	Hyundai (Korea)	1998
Tata	Daimler Chrysler	1998
Hindustan Motor	Mitsubishi	1942
Fiat	Fiat	1996
Honda	Honda	1997
Ford	Ford	1996
GM	GM	1996
Mercedes Benz	Daimler Chrysler	1995
Skoda	Volkswagen	2002
Toyota	Kirloskar	1997
Daewoo	Daewoo (Korea)	1995

Now more and more foreign manufacturers are coming to India and existing companies are coming up with new models. India's automotive industry is now 35 million worth and expected to grow 154 in another 10 years.

**Table 2: SWOT Analysis of the Indian Automotive Industry**

Strengths	Weakness
<ul style="list-style-type: none"> • Investments by foreign car manufactures • Increase in the export levels • Low cost and cheap labour • Rise in the working and middle class income • Increasing demand for European quality 	<ul style="list-style-type: none"> • Low quality compared to other automotive • Low labour productivity • High interest rate and overhead level • Low investment in R & D area • Product costs are generally high than other • Local demand is still towards low cost vehicles.
Opportunities	Threats
<ul style="list-style-type: none"> • Increase in income level • Car status symbol • Women drive increased • Better car Technology • Rising living Standard • Focus Improving road 	<ul style="list-style-type: none"> • Less skilled labour • Lack of technology indian companies. • Increased congestion in the urban area • Fulfil international standard

Role of Indian Automobile Industry in the Country Growth

The role of Automobile industry in India GDP has been a phenomenon. The Automotive Industry is one of the fastest growing sectors in India. The increase in the demand for cars, and other vehicles, powered by the increase in the income is the primary growth driver of the automobile industry in India. The introduction of tailor made finance schemes, easy repayment schemes has also helped the growth of the automobile sector. Indian market before independence was seen as a market for imported vehicles while assembling of cars manufactured by General Motors and other brands was the order of the day. Indian automobile industry mainly focused on servicing, dealership, financing and maintenance of vehicles. Only after a decade, from independence manufacturing started. India's Transportation requirements were met by the Indian Railways playing an important role till the 1950s. Since independence the Indian automobile industry faced several challenges and road blocks like manufacturing capabilities was restricted by the rule of licence and could not be increased but still it led to growth and success it has achieved today. The Indian Automobile industry includes two-wheelers, trucks, cars, buses, and three-wheelers which plays a crucial role in growth of the Indian economy. India has emerged as Asia's fourth largest exporter of automobiles, behind Japan, South Korea and Thailand. The country is expected to top the world in car volumes with approximately 670 million vehicles on the nation's road by 2050. Since independence the Indian automobile industry faced several challenges and road blocks like manufacturing capability was restricted by the rule of licence and could not be increased but still it led to growth and success it has achieved today. The Indian Automobile industry includes two-wheeler the economic progress of this industry is indicated by the amount of goods and service produced which give the capacity for transportation and boost the sale of vehicles. There is a huge increase in automobile production with a catalyst effect by indirectly increasing



the demand for a number of raw materials like steel, rubber, plastic. Glass, paint, electronics and services.

Role of Automobile Industry in India GDP- Facts

- India has become one of the international players in the automobile market.
- In the year 2009-10, the Indian Automobile Industry produced 3.07 million four wheeler and 12 million two and three wheeler.
- The four wheelers includes passenger cars, multi-utility vehicles, sports utility vehicles, light, medium and heavy commercial vehicles etc.
- Indian ranks 2nd in the global two-wheeler market
- India is the 4th biggest commercial vehicles market in the world
- India ranks 11th in the international passenger car market
- India ranks 5th pertaining to the number of bus and truck sold in the 7th largest
- It is expected that the Automotive Industry in India would be the 7th largest automotive market within the year 2020.

Role of Automobile Industry In India GDP –Foreign Investments

- The indian automobile industry is at present engaged in mergers and acquisitions on the international scale
- The Indian automobile industry foreign sector worth 650 million dollar
- The Mahindra and Mahindra company will be established a utility assembly plant in collaboration with bramont, a local company at Manuas, in north Brazil
- The Tata Motors, have entered the passenger car market in Saudi Arabia with the launch of Tata indigo, Tata Indiac, and Tata Indigo Marina
- The Maruti Udyog Ltd has captured nearly 60% of the small car market in Indonesia
- The Jaguar and Land Rover companies owned by the Ford Motor Company was acquired by the Tata Motors Ltd for estimated Price of 2.5 billion

Achievement by the Automobile Industries in India

The development story of the Indian automobile industry cannot be complete without mentioning the pioneer Mr. J.R.D. Tata's role in setting up the Tata group with high standard Engineering Research Centre in 1965 to facilitate technological advancement. Pioneering the indigenation of scientific knowledge for trucks in collaboration with Mercedes Benze and launched Maruti 800 in the year 1983 which changed the dynamics of the passenger car sector in india. It was also known as the peoples car. 70% of the indian commercial vehicle market is dominated by Tata Motors.

- The first automobile was launched in india in the year 1897 in Bombay.
- Today India is being recognized as a potential emerging auto market.
- The industry adds up foreign players to their investments.
- 80% of segments size is contributed by cars unlike the USA.

Dimensions of Customer Satisfaction towards Indian Automobile Industries

Regarding the customer satisfaction five dimensions are discussed below figure:

Reliability: the ability to performance service dependability ,accurately and consistently. The vcustomer expects the service to be accomplished on time, in the same manner and without error e.i., doing things right, every time, over a period of time.



Responsiveness: the willingness to help and provide prompt service to the customers, flexibility in dealing with situation and the ability to deal with service failure with professionalism.

Assurance: technical competence, confidence, courtesy and peoples ability to evoke trust. It is a combination of politeness, respect for the customers, effective communication and a positive attitude that reflect the customers, approachability, sense of security and the effort to understand customers needs constitute empathy.

Tangibility: the appearance of physical facilities, product and personnel. Business around the world recognize 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 helps marketers to understand how to improve existing.

Conclusion:

Automobile industry plays a vital role in the fabric of Indian economy. The sector of industry has made a rapid and steady growth in India, particularly after 90s due to delicensing, favourable government policy and whole hearted support of the Government, opening up of the automobile industries for 100% FDI, increase in purchasing power capacity of middle class and easy and cheap auto-finance facility. It has concluded from the present study that, the customer satisfaction is most important part of any industry. So it is the main responsibility of service industries to improve customer satisfaction and quality of service which is benefited to enhance the number of view when the service industries provide the best in class service than there is no need to expend money on promotions and advertisement because a satisfied customer directly promotes brand of particularly product and this is directly the word to mouth communication or promotion and it will be the most effective for particularly service industry. The study will bring to light the relevance of maintaining quality as a means of offering satisfaction to automobile users/owners during the active period of use of the vehicle.

The automobile service industries will be better equipped to take decisions on the right investments to improve on quality of service and eventually on customer satisfaction. The result of this research work will benefit the society since this will benefit the society since this will serve as an information base which adds up to the existing body of knowledge and data on customer behaviour in the automobile service sector.

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