

# ‘Customer Satisfaction and Retention Strategies in the Indian Automobile Industry: A Comparative Study of Tata Motors and Mahindra & Mahindra’

**Sample Size:** 70

**Data Collection Tool:** Structured Questionnaire (Google Forms)

**Analysis Tool:** Percentage Analysis, Charts and Tabulation

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## ABSTRACT

Technological developments, growing customer awareness, and heightened competition between domestic and international automakers have all contributed to the fast expansion of the Indian auto sector. Customer retention and satisfaction are now crucial components for gaining a long-term competitive advantage in such a cutthroat market. Automakers are putting more and more emphasis on customer-centric tactics that improve long-term brand loyalty and the ownership experience. This study examines customer satisfaction and retention strategies adopted by two major Indian automobile companies—Tata Motors and Mahindra & Mahindra. Product quality, vehicle performance, pricing, after-sales service, maintenance expenses, and brand image are just a few of the important variables that are examined in this study as they relate to consumer satisfaction. Additionally, it assesses client retention metrics including word-of-mouth referrals, brand loyalty, and the intention to make repeat purchases.

A descriptive and comparative research design is used in this study. A systematic questionnaire was used to gather primary data from car owners via Google Forms. Seventy replies in all were gathered and subjected to tabulation, graphical representation, and percentage analysis.

Despite having different advantages, the results show that Mahindra & Mahindra and Tata Motors have both attained high levels of customer satisfaction. While Mahindra & Mahindra is known for performance, durability, and a strong brand image, Tata Motors is thought to offer affordability, dependability, and value for money. Customer retention was found to be significantly influenced by pricing impression, after-sales service quality, and service experience.

## INTRODUCTION

Through its contributions to industrial growth, employment creation, technological improvement, and infrastructural development, the automotive sector plays a critical role in economic development. Over the past 20 years, the industry has expanded quickly in India as a result of rising disposable income,

urbanization, better road infrastructure, and simpler access to auto loans. Mahindra & Mahindra and Tata Motors are two of the major companies in the Indian car industry. By providing a wide range of products and emphasizing customer-centric tactics, both businesses have built solid market positions. Mahindra & Mahindra has established a solid reputation for SUVs and utility vehicles that are renowned for their performance and durability, while Tata Motors is well-known for its reasonably priced and safety-focused automobiles. In the automotive sector, consumer expectations have changed dramatically. In addition to price and performance, modern consumers increasingly consider brand image, service quality, ownership experience, maintenance costs, and customer support when evaluating automobiles. Because of this, automakers have to guarantee excellent customer satisfaction levels all the way through the life cycle.

Since getting new clients is frequently more expensive than keeping current ones, customer retention is equally crucial. Loyal consumers are more likely to make repeat purchases from the same company, refer others to it, and support sustained profitability. Thus, the purpose of this study is to analyze and contrast the customer satisfaction and retention tactics used by Mahindra & Mahindra and Tata Motors in the Indian automotive sector.

## LITERATURE REVIEW

The literature on marketing and service management has extensively addressed customer happiness. *Oliver (1997)* defines customer satisfaction as the feeling that results from comparing a product or service's actual performance to what was anticipated.

According to *Kotler and Keller (2016)*, customers are satisfied when a product's perceived performance meets or beyond their expectations. Vehicle performance, safety, comfort, cost, and after-sales care are just a few of the variables that affect customer satisfaction in the automotive sector. Another important component of corporate success has been shown to be customer retention. According to *Reichheld and Sasser (1990)*, keeping current clients is more economical than finding new ones. Positive word-of-mouth and recurring business are produced by loyal customers. The Service-Profit Chain theory was first presented by Heskett *et al. (1994)* and describes how customer pleasure, customer loyalty, and profitability are all influenced by service quality. Customer satisfaction in the automotive industry is greatly impacted by maintenance support and service quality. According to research by *Suresh and Ramesh (2014)*, customer satisfaction in India is largely determined by the responsiveness of service centers, the availability of spare parts, and effective maintenance services.

Differences in consumer perception have also been brought to light by research comparing Indian car brands. According to *Sharma (2017)*, Tata Motors has increased customer satisfaction by expanding its service network and improving the dependability of their products. *Singh (2018)* discovered that Mahindra & Mahindra's strong brand identity and customer engagement initiatives have improved client loyalty.

Despite previous research, there is still a dearth of studies that compare Tata Motors and Mahindra & Mahindra's customer satisfaction and retention tactics. This research aims to close that gap.

## RESEARCH METHODOLOGY

### Research Design

Despite previous research, there is still a dearth of studies that compare Tata Motors and Mahindra & Mahindra's customer satisfaction and retention tactics. This research aims to close that gap.

### Data Collection

There were two types of data sources: main and secondary.

### Primary Data

A systematic questionnaire was used to gather primary data from car owners via Google Forms.

### Secondary Data

Books, scholarly publications, corporate reports, and trustworthy internet sources were the sources of secondary data.

### Sample Size and Sampling Technique

Due to time and accessibility limitations, a convenience sampling technique was employed. **70 responders** make up the sample size. Those who currently own cars from Tata Motors, Mahindra & Mahindra, or other brands made up the respondents.

### Tools Used for Analysis

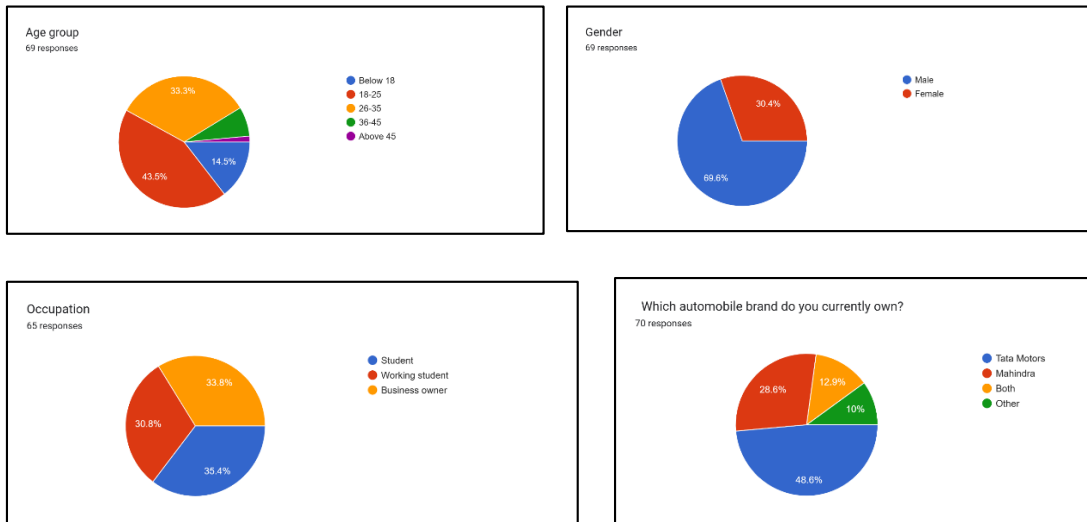
The gathered information was examined using:

1. Analysis of percentages
2. Tabulation
3. Pie charts and bar charts are examples of visual representation.

These technologies made it easier to compare customer satisfaction levels across the two businesses and evaluate consumer answers.

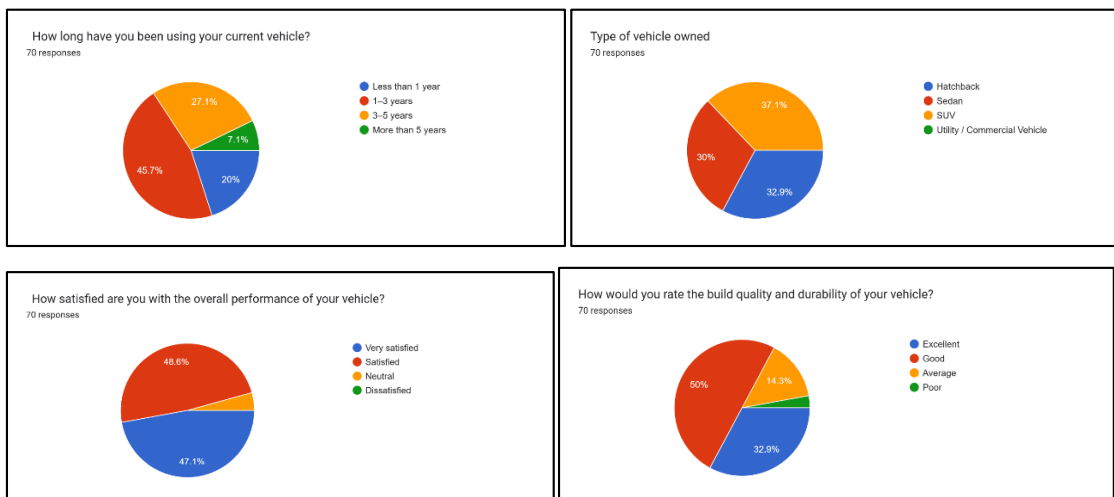
## DATA ANALYSIS AND RESULTS

In order to comprehend customer satisfaction levels and ownership patterns, the study examined responses from seventy car owners.



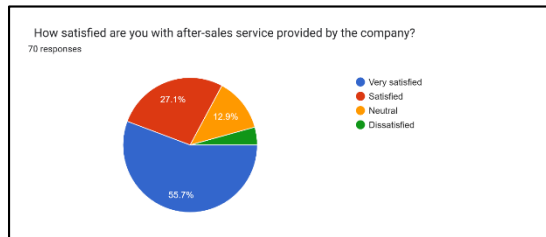
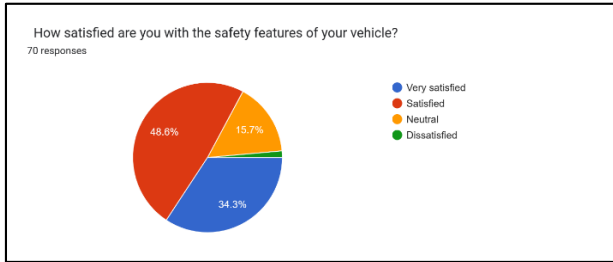
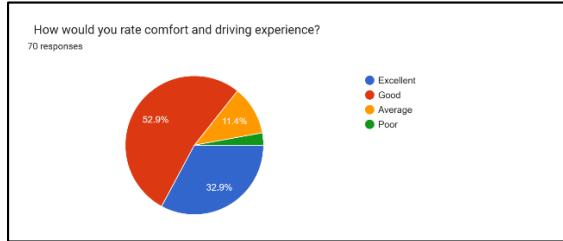
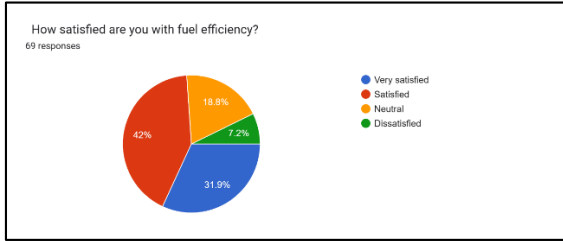
### Ownership of Vehicles

According to the analysis, 28.9% of respondents own cars from Mahindra & Mahindra, compared to 48.6% who own cars from Tata Motors. About 12% of respondents said they owned cars from both manufacturers, with the remainder respondents owning cars from different automakers. This suggests that among those surveyed, Tata Motors is comparatively more prevalent.



### Time Spent Owning a Vehicle

The majority of respondents (45.7%) have owned their cars for one to three years, indicating recent car market purchases. Twenty percent are new buyers who have had their cars for less than a year, whereas about 27.1% have owned them for three to five years. Just 7.1% of people have been car owners for more than five years. This implies that a large number of consumers replace or improve their cars within a few years.

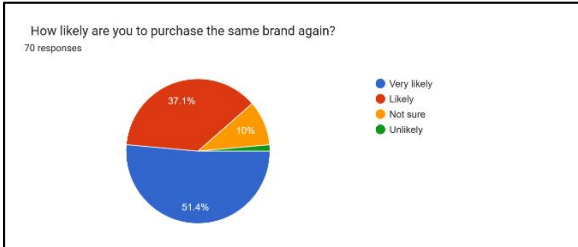
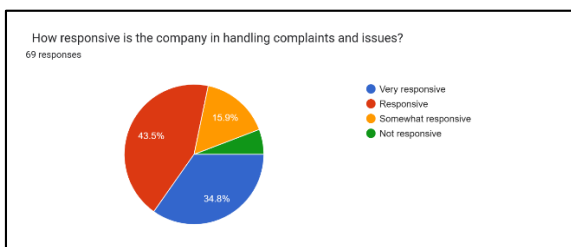
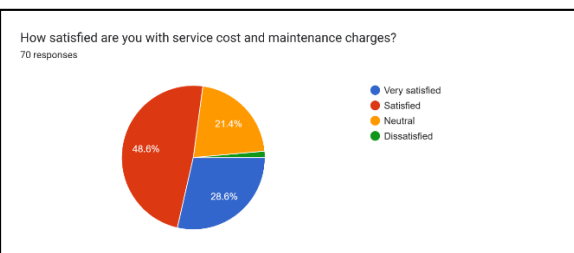
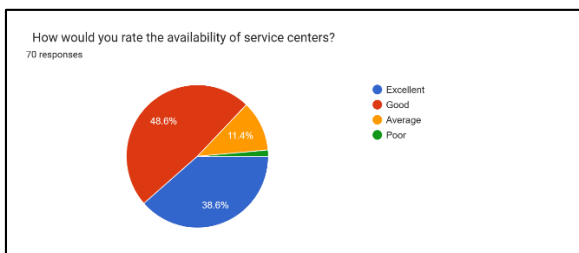


## Preference for Vehicle Type

Among those that responded:

1. SUV ownership is 37.1%.
2. 32.9% of people own hatchbacks.
3. 30% have sedans.

The results show that SUVs are becoming more and more popular because of their roomy styling and powerful presence on the road.



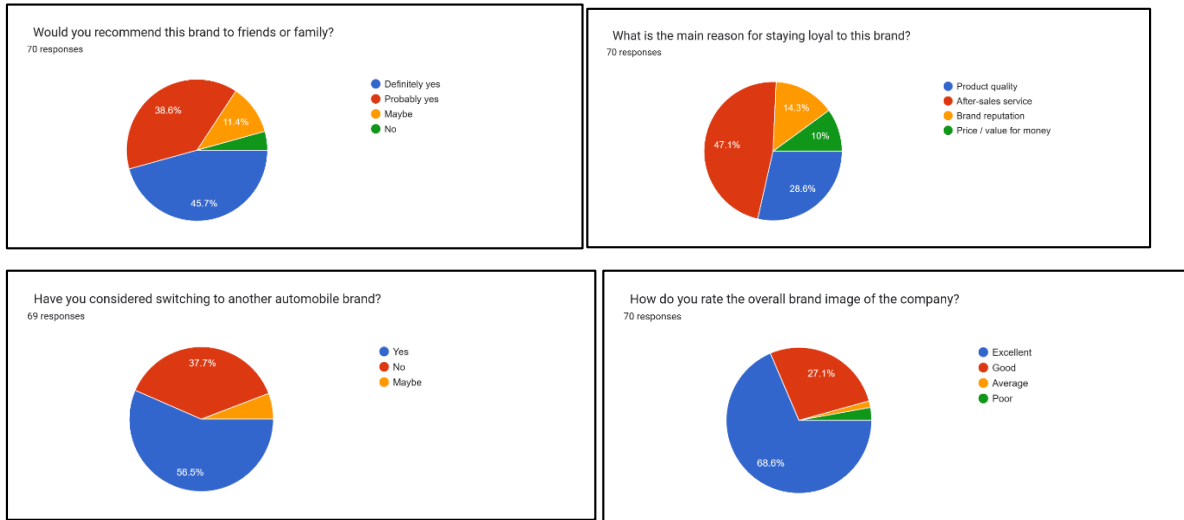
## Construction Quality & Sturdiness

Customer perception regarding build quality shows positive results:

1. 50% gave it a good rating.
2. 32.9% gave it an excellent rating.

3. 14.3% gave it an average rating.
4. Just two responders gave it a rating of Unfortunate

This indicates overall satisfaction with vehicle durability.

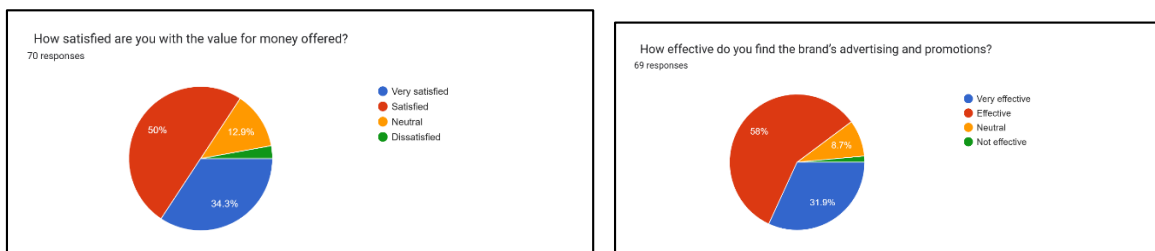


### Comfort and Driving Experience

Positive comments were given by the majority of respondents:

1. Driving comfort was rated as Good by 52.9%.
2. 32.9% gave it an excellent rating.
3. 11.4% gave it an average rating.

Only a small percentage of respondents expressed discontent.



### After-Sales Service Satisfaction

Customer satisfaction is significantly influenced by the service experience:

1. 55.7% expressed great satisfaction.
2. 27.1% expressed satisfaction.
3. 12.9% had no opinion.
4. Just a small percentage voiced discontent.

## Service Cost and Maintenance Charges

The majority of customers have a favorable opinion about maintenance costs:

1. 48.6% are content.
2. 28.6% express great satisfaction.
3. 21.4% are indifferent

This suggests that the majority of consumers think maintenance expenses are reasonable.

## DISCUSSION

The results show that a number of interrelated factors, such as product quality, pricing perception, after-sales service, and brand reputation, affect customer satisfaction in the automotive business. Value for money, affordability, and dependability seem to be the main ways that Tata Motors achieves customer pleasure. Because of this, middle-class and first-time automobile customers find the brand very appealing. Conversely, Mahindra & Mahindra attains consumer pleasure through SUV owners' emotional commitment to the brand, performance-oriented cars, and a strong brand identity. Customer retention is greatly impacted by after-sales care. Consumers are more inclined to stick with a brand if they receive prompt, competent service.

The study also shows that perceived value is a more important factor in determining satisfaction than price alone. If consumers believe there are more advantages in terms of performance and ownership experience, they are prepared to pay higher prices. Overall, the results show that long-term customer retention and product/service quality are mediated by customer satisfaction.

## CONCLUSION

With a comparative focus on Tata Motors and Mahindra & Mahindra, the current study investigated customer satisfaction and retention methods in the Indian auto industry.

The results show that both businesses have effectively built solid clientele using various tactical methods. Mahindra & Mahindra places more emphasis on performance, durability, and emotional brand connection than Tata Motors does on affordability, dependability, and safety.

Customer satisfaction and retention were found to be significantly influenced by after-sales service quality, pricing perception, and customer engagement programs.

According to the study's findings, maintaining long-term client relationships in the automotive sector depends on customer happiness. Businesses that continuously provide high-quality goods, dependable customer service, and satisfying ownership experiences are more likely to experience long-term growth and gain a competitive edge.

Future studies can broaden the scope by include more car manufacturers, bigger sample numbers, and sophisticated statistical tools to examine consumer behavior in more detail.

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