



## Factors Affecting Customer Satisfaction: A Study on Maruti Suzuki

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**Abstract :** *Exceptional customer service results in greater customer retention, which in turn results in higher profitability. Customer loyalty is a major contributor to sustainable profit growth. To achieve success, a company must make superior service second nature of the organization. A seamless integration of all components in the service-profit chain – employee satisfaction, value creation, customer satisfaction, customer loyalty, and profit and growth – links all the critical dynamics of top customer service. Many companies forget that satisfying customer needs and continuous value innovation is the only path to sustainable growth. This creates opportunities for new, smaller companies to emulate and improve upon what made their bigger competitors successful in the first place and steal their customers. Organizations are increasingly interested in retaining existing customers while targeting non-customers. Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.*

**Keywords:** *Satisfaction, Loyalty, Sustainable Growth, Customer Retention, Profit and Growth.*

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### 1. Introduction

Measuring customer satisfaction is a relatively new concept to many companies that have been focused exclusively on income statements and balance sheets. Companies now recognize that the new global economy has changed things forever. Increased competition, crowded markets with little product differentiation and years of continual sales growth followed by two decades of flattened sales curves have indicated to today's sharp competitors that their focus must change. As markets shrink, companies are scrambling to boost customer satisfaction and keep their current customers rather than devoting additional resources to chase potential new customers. The claim that it costs five to eight times as much to get new customers than to hold on to old ones is key to understanding the drive toward benchmarking and tracking customer satisfaction. Competitors that are prospering in the new global economy recognize that measuring customer satisfaction is the key. Only by doing so can they hold on to the customers they have and understand how to better attract new customers. The competitors who will be successful recognize that customer satisfaction is a critical strategic weapon that can bring increased market share and increased profits. The problem companies face, however, is exactly how to do all of this and do it well. They need to understand how to quantify, measure, and track customer satisfaction. Without a clear and accurate sense of what needs to be measured and how to collect, analyze, and use the data as a strategic weapon to drive the business, no firm can be effective in this new business climate. Plans constructed using customer satisfaction research results can be designed to target customers and processes that are most able to extend profits.

Too many companies rely on outdated and unreliable measures of customer satisfaction. They watch sales volume. They listen to sales reps describing their customers' states of mind. They track and count the frequency of complaints. And they watch aging accounts receivable reports, recognizing that unhappy customers pay as late as possible -- if at all. While these approaches are not completely without value, they are no substitute for a valid, well-designed customer satisfaction survey program.

### 2. Literature Review

Customer satisfaction is defined as a result of a cognitive and affective evaluation, where some comparison standard is compared to the actual perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customer will be satisfied. Customer satisfaction is a critical issue in the success of any business system traditional or online. In a turbulent commerce environment, in order to sustain the growth and market share, companies need to understand how to satisfy customers, since customer satisfaction is critical for establishing long term client relationships (Paterson et al., 1997). To understand satisfaction, we need to have a clear understanding of what is meant by customer satisfaction.

Kotler (2000) defined satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a products' perceived performance (or outcome) in relation to his or her expectations. When customers become satisfied about the value that is offered and sometimes his or her expectation is met and exceeded, can generate many benefits for a firm. Positive word of mouth from existing and satisfied customers sometimes can translate into more new customers to the firm.

Also, satisfied current customers often buy more products more frequently and are less likely to defect to competitors than are dissatisfied customers. Firms that have high degree of customer satisfaction, also seem to have the capacity to shield off competition particularly price competition. According to Drucker (1954), the principle purpose of a business is to create satisfied customers. Increasing customer satisfaction has been found to lead to higher future profitability (Anderson, Fornell, and Lehmann 1994), lower costs related to defective goods and services (Anderson, Fornell, and Rust 1997), increased buyer willingness to pay price premiums, provide referrals, and use more of the product (Reichheld 1996; Anderson and Mittal 2000), and higher levels of customer retention and loyalty (Fornell 1992; Anderson and Sullivan 1993; Bolton 1998). Increasing loyalty, in turn, has been found to lead to increases in future revenue (Fornell 1992; Anderson, Fornell, and Lehmann 1994) and reductions in the cost of future transactions (Reichheld 1996; Srivastava, Shervani, and Fahey 1998). All of this empirical evidence suggests that customer satisfaction is valuable from both a customer goodwill perspective and an organization's financial perspective.

According to Kotler (2000) it is important to measure customer satisfaction regularly through survey to determine customers' level of satisfaction. He said this is because firms may think that they are getting a sense of customer satisfaction through customer complaints. However, in reality, 95 percent of dissatisfied customers do not make any complaint and they just leave. As a result it is important for firms to make it easy for the customer to complain. About 54 to 70 percent dissatisfied customers who usually complain, will continue to do business again with the organization if their complaints are taken care of and resolved.

This research paper is based on the Customer Satisfaction towards the products and services of Maruti Suzuki, because Customer Satisfaction is the back bone for Maruti Suzuki in facing competition and in future progress. For Business progress and expansion to serve customer is not the only objective, but keep them satisfied is the most important objective. Satisfied customers are the main assets for any organizations in their long term future progress.

### **3. Need and Importance for the Study**

In the modern times the business organizations are adopting new techniques and methods for the growth of the business. The organizations are giving better services to their customers to face challenge posed by the competitors for every business, it is not only important to retain the present customers but also attract the new customers. So there is need to ascertain the customers use regarding the services providing by reputed organization like Maruti Suzuki. With the increase market study there is a cut through competition among the businessmen in the industry some of the other major competitors in this area like Hyundai, Fiat, Volkswagen, Ford, Tata, and Chevrolet. The need for customer satisfaction is necessary for all business, large or small. The satisfaction of the customer is an all important task. Hence there is a need for the study.

### **4. Objectives of the Study**

- To study the customer satisfaction with the usage of vehicles of MARUTI SUZUKI
- To study the impact of different factors of marketing on customer satisfaction.
- To study the opinion of the owners of vehicles regarding pre-sales and after sales services provided by the dealers.

### **5. Hypothesis**

**H<sub>0</sub>:** There is no significant relationship between products attributes and customer satisfaction.

**H<sub>0</sub>:** There is no significant positive relationship between pricing attributes and customer satisfaction

**H<sub>0</sub>:** There is no significant relationship between promotional attributes and customer satisfaction

**H<sub>0</sub>:** There is no significant positive relationship between place attributes and customer satisfaction.

### **6. Scope and Limitations of the Study**

As the time constraint was there to complete this and as there was also finance restriction to spend on the data collection activities. So for data collection, I have limited myself to customers who brought their vehicles in specified period only.

- The study is considered among customers of various Maruti Suzuki products.

### **7. Methodology**

The study is exploratory in nature and based on primary and secondary data. Secondary data is collected from the different journals, internet and periodicals, car manufacturers' websites. Primary data is gathered using on field survey methods. To elicit the responses, a detailed questionnaire has been designed and surveyed. Information is obtained from the customers of Maruti Suzuki cars. A preliminary questionnaire is developed using 5 point Likert scales. The independent and dependent variables are identified and there is one question for each of the variables. The questionnaire is pre-tested several times to arrive at appropriate wording, format, length and sequencing of the questions. Pre-test feedback is used to refine the questionnaire until it is ready for data collection. After fixing the questions for the independent and dependent variables based on the type of questions different values are assigned to the Likert scale.

For a positive statement highest number (5) is assigned for “highly satisfied”, “highest frequency” and lowest number (1) for “highly dissatisfied” “lowest frequency” responses. 100 customers were elicited the questionnaire and all 100 respondents have given their opinions which accounts to 100% response rate. The respondents are selected using simple random sampling technique. For analyzing the survey data we have used the different statistical techniques to get the output through SPSS 16 package. The present study focuses on the customer satisfaction towards Maruti Suzuki.

### 8. Data Analysis and Interpretation

In this chapter the data collected through field investigation has been analyzed.

#### MARUTI ALTO CAR CUSTOMER REVIEWS

	DESCRIPTION	COMMENTS	AVERAGE	GOOD	BETTER	BEST
CUSTOMER 1	ECONOMY	GOOD FUEL ECONOMY	√			
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.	√			
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,			√	
PARKING	Easy to Park		√			
CUSTOMER 2	ECONOMY	GOOD FUEL ECONOMY		√		
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.	√			
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.	√			
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance	√			
	RADIUS	Very small turning Radius,			√	
PARKING	Easy to Park		√			
CUSTOMER 3	ECONOMY	GOOD FUEL ECONOMY				√
	COMFORT	Comfortable for a small family	√			
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,	√			
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.		√		
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,				√
PARKING	Easy to Park		√			
CUSTOMER 4	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family				
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,			√	

	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.				
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park				

CUSTOMER 5	ECONOMY	GOOD FUEL ECONOMY		√		
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,		√		
	PARKING	Easy to Park			√	
CUSTOMER 6	ECONOMY	GOOD FUEL ECONOMY	√			
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.				
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.		√		
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park	√			
CUSTOMER 7	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.		√		
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,	√			
	PARKING	Easy to Park		√		
CUSTOMER 8	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.	√			
	MILAGE	good milage.			√	

	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,		√		
	PARKING	Easy to Park				√

CUSTOMER 9	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,		√		
	PARKING	Easy to Park			√	
CUSTOMER 10	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.	√			
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park		√		
CUSTOMER 11	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,				√
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance				√
	RADIUS	Very small turning Radius,				

					√	
	PARKING	Easy to Park			√	
CUSTOMER 12	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.	√			
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,				√
	PARKING	Easy to Park			√	
	CUSTOMER 13	ECONOMY	GOOD FUEL ECONOMY			√
COMFORT		Comfortable for a small family	√			
SPARE PARTS		cheap spare parts.			√	
EXPENSIVE		less expensive,				√
MONEY VALUE		true value for money.				√
MILAGE		good milage.				√
MAINTENANCE		Less maintance				√
RADIUS		Very small turning Radius,				√
PARKING		Easy to Park				√
CUSTOMER 14	ECONOMY	GOOD FUEL ECONOMY	√			
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.				√
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance				√
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park				√
CUSTOMER 15	ECONOMY	GOOD FUEL ECONOMY				√
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,				√
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.	√			
	MAINTENANCE	Less maintance			√	

	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park			√	
CUSTOMER 16	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.				√
	EXPENSIVE	less expensive,				√
	MONEY VALUE	true value for money.		√		
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,				√
	PARKING	Easy to Park				√

CUSTOMER 17	ECONOMY	GOOD FUEL ECONOMY	√			
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.		√		
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,				√
	PARKING	Easy to Park				√
CUSTOMER 18	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family		√		
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance				√
	RADIUS	Very small turning Radius,	√			
	PARKING	Easy to Park				√
CUSTOMER 19	ECONOMY	GOOD FUEL ECONOMY		√		
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.		√		
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,				√
	PARKING	Easy to Park				√
CUSTOMER 20	ECONOMY	GOOD FUEL ECONOMY			√	

	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.	√			
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.		√		
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance			√	
	RADIUS	Very small turning Radius,		√		
	PARKING	Easy to Park				√

CUSTOMER 21	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.				√
	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.		√		
	MILAGE	good milage.				√
	MAINTENANCE	Less maintance	√			
	RADIUS	Very small turning Radius,			√	
CUSTOMER 22	PARKING	Easy to Park		√		
	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,		√		
	MONEY VALUE	true value for money.			√	
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance			√	
CUSTOMER 23	RADIUS	Very small turning Radius,				√
	PARKING	Easy to Park			√	
	ECONOMY	GOOD FUEL ECONOMY				√
	COMFORT	Comfortable for a small family				√
	SPARE PARTS	cheap spare parts.			√	
	EXPENSIVE	less expensive,	√			
	MONEY VALUE	true value for money.	√			
	MILAGE	good milage.		√		
CUSTOMER 24	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park				√
	ECONOMY	GOOD FUEL ECONOMY		√		
CUSTOMER 24	COMFORT	Comfortable for a small family		√		
	SPARE PARTS	cheap spare parts.		√		



	EXPENSIVE	less expensive,			√	
	MONEY VALUE	true value for money.				√
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,	√			
	PARKING	Easy to Park			√	

CUSTOMER 25	ECONOMY	GOOD FUEL ECONOMY			√	
	COMFORT	Comfortable for a small family			√	
	SPARE PARTS	cheap spare parts.				√
	EXPENSIVE	less expensive,				√
	MONEY VALUE	true value for money.	√			
	MILAGE	good milage.			√	
	MAINTENANCE	Less maintance		√		
	RADIUS	Very small turning Radius,			√	
	PARKING	Easy to Park			√	

### 9. Summary of Findings

- Most of the customers belong to Professional and Employee groups.
- As per the data collected regarding Pre-sale services with the dealer has been identified that majority of the respondents feel the pre-sale services are Good .
- The majority of the respondents have opined that Maruti Suzuki has reached their expectation in offering value for their money.
- Analysis of Variance test has conducted to identify the relationship between the various factors of Maruti Suzuki with Overall customer Satisfaction of the customers revealed that there is a significant relationship between the product factors, promotional factors and place factors.
- Among the different attributes (which we considered important for customers' purchasing decision) customers gave highest consideration to mileage followed by the price of the car and Performance of the car. Other attributes like Looks, service and spares were considered later.

### 10. Conclusion

The Indian Automobile Industry is on overdrive. The rapid urbanization, coupled with an overwhelming growth in the middle class population, has created an Indian market that is extremely conducive for the automobile industry to flourish. Maruti Suzuki India Limited commonly referred to as Maruti, is a subsidiary company of Japanese automaker Suzuki Motor Corporation. From the outcome of the study it can be concluded that the all the factors considered in the study have significant effect on the overall satisfaction of the customers. However, in this study, customer's level of satisfaction is moderate for most of the attributes, except discounts, seasonal offers and Delivery period. Moreover, satisfaction levels for pricing attributes (such as Car price, discounts and service charges) are generally lower than product related attributes. For this reason, Statistical calculations have been complemented with an analysis in order to highlight those attributes where managers need to pay more attention. It is recommended that surveys like these become a regular feature of every company so that we are able to understand and track changes in customer priorities. To do this however, we will need to ensure that our customer databases are regularly updated with customer telephone contacts.

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