A STUDY ON CUSTOMER SATISFACTION ANALYSIS OF SALES AND SERVICE AT ROYAL ENFIELD, CHENNAI

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Introduction

India is the world's third largest manufacturer of motorcycle, with annual sales exceeding 8.5 million in 2010. In the last few years the Indian two-wheeler industry has seen spectacular growth. The country stands next to China and Japan in terms of production and sales respectively. Majority of Indians, especially the youngsters prefer motorbikes rather than cars. Capturing a large share in the two-wheeler industry, bikes and scooters cover a major segment. Bikes are considered to be the favorite among the youth generation. Large variety of two-wheelers are available in the market, known for their latest technology and enhanced mileage. Indian bikes, scooters and mopeds represent style and class for both men and women in India.   The Indian two-wheelers industry can be classified into three major segments namely- scooters, motorcycles and mopeds. The key players in the Indian two-wheeler markets are ROYAL ENFIELD, TVS,

BAJAJ AUTO, HERO HONDA, YAMAHA, SUZUKI and HONDA making moves with wholly owned companies.

However, few Indian bike enthusiasts prefer high performance imported bikes. Some of the most popular high-speed bikes are Suzuki Hayabusa, Kawasaki Ninja, Suzuki Zeus, Hero Honda Karizma, Bajaj Pulsar, Yamaha FZ16, Yamaha YZF-R15 Honda Unicorn etc. These super bikes are specially designed for those who have a zeal for speedy drive.

The customers' expectations here should be satisfied by the two-wheeler in order to win the competitor. To do so they have to introduce new brand into the market to retain their old customers and also to attract new customers from the other brand. This is possible only if the customer expectations are met. For that they have to provide various features like, pricing, style, mileage, additional features etc to gain the customers.

Company Profile

Royal Enfield, manufacturers of the renowned range of Bullet motorcycles, is a part of the 1500 crores Eicher Group with interest in Commercial vehicles, Automotive gears and Engineering software.

Incorporated in India In 1955, Royal Enfield has been manufacturing motorcycles that offer a true motorcycling experience. The Company entered into a strategic alliance with Eicher and eventually became a part of the Eicher Group in 1994.

In its manufacturing plant in Chennai, the Company today offers a variety of models catering to the needs of traditional segments, the enthusiasts and more recently the urban youth. The Company with accreditations under its belt meet the stringent norms of the western world also has several products for the global market.

The Company works with technical assistance from world-renowned engine design Companies like Ricardo and VEPRO of UK. The Head Office of the Company is located in Chennai and has marketing offices across the country in both the metros and state capitals. With the work force of around 800 employees, its market network includes more than 200 Dealers/ Spare parts distributors and several Authorized service centres.

Royal Enfield exports its bikes to over 25 countries including developed countries such as USA, Japan, UK and several European countries. Royal Enfield is the only motorcycle company to be certified with the coveted ISO 9001 and ISO 14001 for quality and environmental systems.

Objectives of the Study

- The primary aim of this study is to determine the level of satisfaction of customers in the sales in Royal Enfield.
- The objective is to identify the various factors involved in satisfaction during sales.

- The objectives are to determine the level to which each factor affects the customer's satisfaction, correlate the satisfaction with demographic details of customers.

Review of Literature

Philip Kotler (2005) stated that the key to the customer's evaluation of the difference between all the benefits and all the costs of a market offering relative to those of competing offers. The key to building lasting customer relationships is to create superior customer value and satisfaction. Satisfied customers are more likely to be loyal customer and to give the company a larger share of their business.

Sanchez Fernandez, Raquel, Iniesta-Bonillo, M Angeles stated that the key to consumer value is a concept of continuing interest to scholars, marketing researchers, and too many marketing researchers, and too many marketing practitioners. However, the presence of multiple meanings, the use of different terms, and even the existence of a diversity of opinions regarding its features and nature reflect the complexity of its study.

Dagmar recklies stated that key to customer perception in today's globalizing economy competition is getting more and more fierce. That means it becomes more difficult for products and services to differentiate themselves from other offerings than ever before. Not only is the member of competitive offerings rising due to globalization of production, sourcing, logistics and access to information. Many products and services face new competition from substitutes and from completely new offerings or bundles from industry outsiders. Since product differences are closed at an increasing speed and many companies try to win the battle for customers by price reductions, products and service tend to become commodities.

On the other hand customer behavior becomes more hybrids. On one hand, customers are increasingly price sensitive – searching for bargains at market places like ebay or buying their groceries at discount markets. On the other hand they enjoy branded and luxury goods. One and the same person may plan a weekend trip with a no-frills airline and a stay at a five star hotel.

In the result, customers have a wider choice of often less distinguishable products and they are much better informed. For many offerings the balance of power shifts towards the customer. Customers are widely aware of their greater power, which rises their expectations on how companies should care for them.

Research Methodology

The research instrument used was a structured questionnaire where the respondents need to select between excellent to poor for various factors.   The methodology of conducting survey is in two ways. First one is directly meet the

customers and the next one is sending online questionnaires through mail and they were asked to fill it and send back. The questionnaire dealt with the following factors

- The response of the employees when you visited the showroom
- The display of vehicles & showroom ambience
- Sales person's ability to understand your needs
- Sales person's ability to explain the product features
- The test ride offered by our sales person
- Finance person's support on financing
- The exchange facility available at dealership
- Honouring the commitment of delivering the bike
- Sales person's ability to explain service, warranty
- Overall buying experience
- Service facility available and the workshop ambience
- Service person's ability to understand your problems
- The process of filling up the job card
- Time period taken for servicing the vehicle
- The quality of service done
- Honouring the commitment of deliver
- The payment of service bill
- Overall service experience

Analysis

Overall Buying Experience Vs Age

Null hypothesis: The demographic variable such as age does not affect the satisfaction of respondents in buying.

Alternate hypothesis : The demographic variable such as age affects the satisfaction of respondents in buying.

Cross Tab

Age	Satisfaction			Total
	Satisfied	Dissatisfied	Neither satisfied nor dissatisfied	
<35	108	9	4	121
>35	25	3	1	29
TOTAL	133	12	5	150

Chi-Square Tests

Valid	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.273ᵃ	2	.872
Likelihood Ratio	.257	2	.879
Linear-by-Linear Association	.123	1	.725
N of Valid Cases	150		

The above table shows a sig. value greater than 0.05, hence the null hypothesis is accepted that there is no relationship between age and satisfaction while buying. The cross tabulation shows that the large number of satisfied people belong to the category of age below 35.

Overall Buying Experience Vs Income

Null hypothesis: The demographic variable such as income does not affect the satisfaction of respondents in buying.

Alternate hypothesis : The demographic variable such as income affects the satisfaction of respondents in buying.

Cross Tab

Income	Satisfaction			Total
	Satisfied	Dissatisfied	Neither satisfied nor dissatisfied	
<5 LPA	67	5	1	73
>5LPA	63	9	5	77
TOTAL	130	14	6	150

Chi-Square Tests			
Valid	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.829^a	2	.147
Likelihood Ratio	4.086	2	.130
Linear-by-Linear Association	3.794	1	.051
N of Valid Cases	150		

The above table shows a sig. value greater than 0.05, hence the null hypothesis is accepted that there is no relationship between income and satisfaction while buying. The cross tabulation shows there is an equal number of satisfied people in both the category of income level.

Overall Buying Experience Vs Educational Background

Null hypothesis: The demographic variable such as educational background affects the satisfaction level of respondents in buying.

Alternate hypothesis : The demographic variable such as educational background does not affects the satisfaction level of respondents in buying.

Cross Tab

Educational background	Satisfaction			Total
	Satisfied	Dissatisfied	Neither satisfied nor dissatisfied	
Uneducated	11	1	0	12

Educated	125	11	2	138
Total	**136**	**12**	**2**	**150**

Chi-Square Tests			
Valid	**Value**	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	.177ᵃ	2	.915
Likelihood Ratio	.337	2	.845
Linear-by-Linear Association	.058	1	.810
N of Valid Cases	150		

The above table shows a sig. value greater than 0.05, hence the null hypothesis is accepted that there is a relationship between educational background and satisfaction while buying. The cross tabulation shows that the large number of satisfied people belong to the category of educated.

Overall Buying Experience Vs Social Status

Null hypothesis: The demographic variable such as social status affects the satisfaction level of respondents in buying.

Alternate hypothesis: The demographic variable such as social status does not affects the satisfaction level of respondents in buying.

Cross Tab

Social status	Satisfaction			Total
	Satisfied	**Dissatisfied**	**Neither satisfied nor dissatisfied**	
Lower class	12	1	0	13
Middle class	128	6	3	137
Total	**140**	**7**	**3**	**150**

Chi-Square Tests			
Valid	**Value**	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	.565ᵃ	2	.754
Likelihood Ratio	.783	2	.676
Linear-by-Linear Association	.011	1	.915
N of Valid Cases	150		

The above table shows a sig. value greater than 0.05, hence the null hypothesis is accepted that there is a relationship between social status and satisfaction while buying. The cross tabulation shows that the large number of satisfied people belong to the category of middle class.

Overall Buying Experience Vs Occupation

Null hypothesis: The demographic variable such as occupation does not affects the satisfaction level of respondents in buying.

Alternate hypothesis : The demographic variable such as occupation affects the satisfaction level of respondents in buying.

Cross Tab

Occupation	Satisfaction			Total
	Satisfied	Dissatisfied	Neither satisfied nor dissatisfied	
Professionals	56	3	2	61
Students	23	1	0	24
Others	59	4	2	65
Total	**138**	**8**	**4**	**150**

Chi-Square Tests

Valid	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.979a	4	.913
Likelihood Ratio	1.612	4	.807
Linear-by-Linear Association	.017	1	.895
N of Valid Cases	150		

The above table shows a sig. value greater than 0.05, hence the null hypothesis is accepted that there is no relationship between occupation and satisfaction while buying. The cross tabulation shows that the large number of satisfied people belong to the others category.

Correlations

Overall buying experience with other factors

Showroom Treatment Vs Overall Buying Experience

Showroom treatment	Sales	U=X-x	V=Y-y	UV	U²	V²
3.33	2	-13.335	-14.66	195.4911	177.82223	214.9156
8	5.33	-8.665	-11.33	98.17445	75.082225	128.3689
4	4	-12.665	-12.66	160.3389	160.40223	160.2756
78	84	61.335	67.34	4130.299	3761.9822	4534.676
6.67	4.67	-9.995	-11.99	119.8401	99.900025	143.7601
100	**100**	**16.675**	**16.7**	**4704.143**	**4275.1889**	**5181.996**

Formula

$$\bar{y} = \frac{\sum y}{n} \quad \bar{x} = \frac{\sum x}{n}$$

=   100/6   =   100/6

=   16.66   =   16.66

$$= \frac{\sum \text{u v}}{\sqrt{(\sum \text{U}^2)(\sum \text{V}^2)}}$$

=   0.999482

In the above table correlation between two variables shown. Here the x variable is showroom treatment and y variable is overall buying experience. R is 0.999 which is nearly one its shows high relationship with both the variables.

Showroom Ambience Vs Overall buying Experience

Showroom Ambience	Sales	U=X-x	V=Y-y	UV	U²	V²
2	2	-14.665	-14.66	214.9889	215.06223	214.9156
3.33	5.33	-13.335	-11.33	151.0856	177.82223	128.3689
2.67	4	-13.995	-12.66	177.1767	195.86003	160.2756
87.33	84	70.665	67.34	4758.581	4993.5422	4534.676
4.67	4.67	-11.995	-11.99	143.8201	143.88003	143.7601
100	**100**	**16.675**	**16.7**	**5445.652**	**5726.1667**	**5181.996**

Formula

$$= \frac{\sum \text{u v}}{\sqrt{(\sum \text{U}^2)(\sum \text{V}^2)}}$$

=   0.99971

In the above table correlation between two variables shown. Here the x variable is showroom ambience and y variable is overall buying experience. R is 0.999 which is nearly one its shows high relationship with both the variables.

Conclusion

The study revealed various factors, which influenced the purchasing behavior of the customer and the overall buying experience. From the findings and recommendations the following conclusion are made. Form the analysis revealed that, majority of the respondents are satisfied with the sales when compare to the service. Introducing separate service center in different areas will reduce the problems relate to the service quality. By concentrating more on service and rural market will increase the foot fall of the customer to showroom. Make awareness about the exchange offers

and financial option to every customers. This study will support the future action plan of the organization.

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