

## A CASE STUDY ON TWO WHEELER CUSTOMER SATISFACTION SERVICES OF HERO MOTOCORPS LTD IN KARNATAKA

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### ABSTRACT

Customer satisfaction is a term frequently used in marketing to measure 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 turbulent competitive marketplace environment 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 customer's 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, a business ideally is continually seeking feedback to improve customer satisfaction. Customer satisfaction

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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 two fold with in 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 goods and services.

In this empirical study I would like to emphasis on A Case study on two wheeler Customer satisfaction Services of Hero Motocorps Ltd in Karnataka.

Keywords: key differentiator, turbulent, motocorps, surpass, ratings dip

## 1. INTRODUCTION

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 & listen to sales reps describing their customer's 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. BACKGROUND STUDY

Hero Moto Corp Ltd. (Formerly Hero Honda Motors Ltd.) is the world's largest manufacturer of two wheelers, based in India and World No.1 Two-wheeler Company in terms

of unit volume sales in a calendar year. Hero Moto Corp Ltd continues to maintain this position till date. Hero Moto Corp Ltd (HMCL) on according to New Delhi, January 19, 2012 news it Riding on highest-ever quarterly volume sales of 15,89,286 units, the world's largest two-wheeler manufacturer, today reported its best-ever turnover (Net Sales & Other Operating income) of Rs. 6,031.45 crores for the third quarter (October-December 2011) of FY'12. This is a growth of 16.85 per cent over the corresponding period in the last fiscal (October-December 2010) of FY' 11. The company's profit before tax for the period stood at Rs 723.79 crores, while profit after tax (PAT) for the period stood at Rs 613.03 crores. The company has recorded an EBIDTA margin of 15.63%. Hero MotoCorp registered its highest ever quarterly sales of 15,89,286 two-wheelers in the third quarter this fiscal, fuelled by consistent half million-plus unit sales in all the three months of the quarter – 5,12,238 units in October 5,36,772 units in November and 5,40,276 units in December

Hero Motocorp rides on Highest ever quarterly sales to report its best ever turnover of Rs. 6,031 crores in Q3, FY'12, PBT stands at Rs 724 crores & PAT stands at Rs 613 crores, EBIT a margin for the Quarter at 15.6%, Volume sales during Quarter at 15,86,286 units with growth of 11.3%

The following different types of two wheelers are in market by Hero motorcorps Ltd- Passion XPRO, Ignitor, maestro, impulse, HFDawn, HFDeluxe, Pleasure, Splendor +, Splendor NXG, Passion Pro, super splendor, Glamour, Splendor Pro, Glamour PGM Fi, Achiever, Xtreme, Hunk, Karizma, Karizma ZMR,

### 3. LITERATURE REVIEW

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. To understand satisfaction, we need to have a clear understanding of what is meant by customer satisfaction.

1]. Work done by Parasuraman, Zeithaml and Berry (Leonard L) between 1985 and 1988 provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation of performance and their perceived experience of

performance. This provides the measurer with a satisfaction "gap" which is objective and quantitative in nature.

2]. 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 their expectation is met and exceeded, can generate many benefits for a firm.

This research paper is based on the customer Satisfaction towards the products and services of Hero Motocorps Ltd , because customer Satisfaction is the back bone for Hero Motocorps Ltd in facing competition and in future progress. For Business progress and expansion to serve costumer 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.

#### 4. NEED AND IMPORTANCE FOR THE STUDY

New techniques and methods are important for business organization for development. For every business better services to their customer is essential to face the competitors. Attraction new customer is not only important but also retain present customer is also important. So there is need to ascertain the customers use regarding the services providing by reputed organization like Hero Motocorps Ltd 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 Honda, Bajaj, TVS, Mahindra, Yamaha, Suzuki, Royal Enfield, KTM, Piaggio. 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.

#### 5. OBJECTIVES OF THE STUDY

1. To study the customer satisfaction with the usage of two wheelers of Hero Motocorps Ltd
2. To study the impact of different product, pricing. And place attributes on two wheeler customer satisfaction.
3. To study the opinion of the owners of two wheelers regarding pre-sales and after sales services provided by the dealers.

#### 6. HYPOTHESIS FOR THE STUDY

$H_0$ : There is no significant relationship between products attributes and customer satisfaction.

$H_0$ : There is no significant positive relationship between pricing attributes and customer satisfaction

$H_0$ : There is no significant positive relationship between place attributes and customer satisfaction.

#### 7. SCOPE AND LIMITATIONS OF THE STUDY

Because of time and finance restriction for primary data collection, I have limited myself to customers who brought their two wheelers in specified period only.

1. The study is confined only to Mysore city in Karnataka.
2. The study is considered among different users of two wheeler customers of various Hero Motocorps Ltd.

#### 8. METHODOLOGY

The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. Regardless of the scale used, the objective is to measure customers' perceived satisfaction with their experience of a firm's offerings. It is essential for firms to effectively manage customer satisfaction. To be able do this, we need accurate measurement of satisfaction

The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale. The customer is asked to evaluate each statement and in term of their perception and expectation of performance of the organization being measured. Their satisfaction is generally measured on a five-point scale. For positive statement highest frequency (5) is assigned for "highly satisfied" and lowest frequency (1) for "highly not satisfied. In Mysore city there are 5 main Dealers of Hero motocorps are

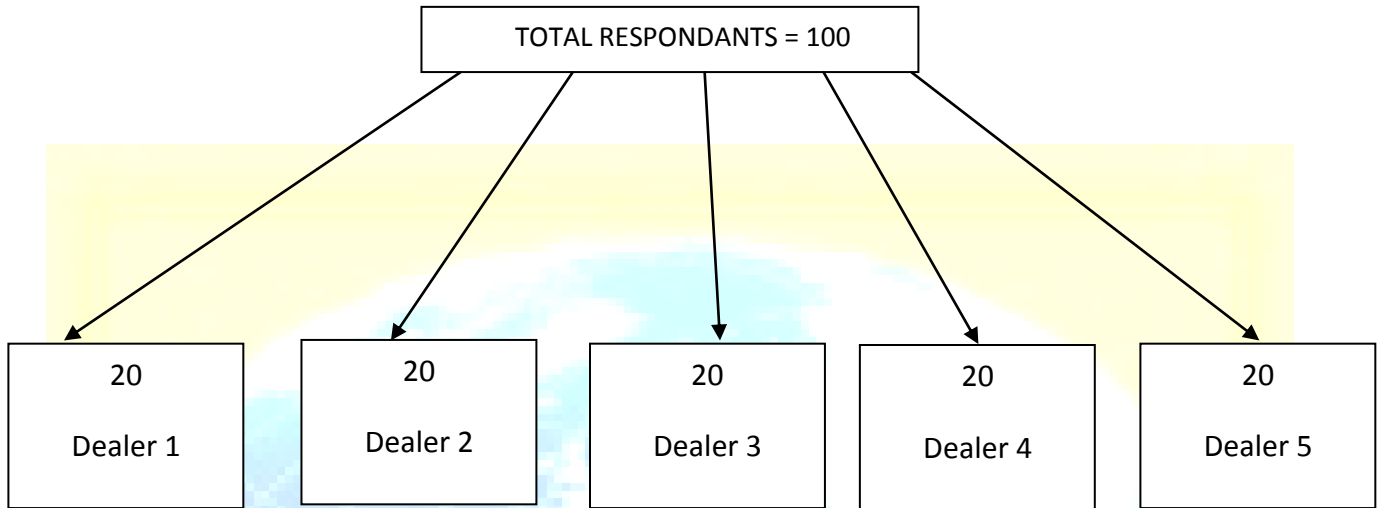
[1]. Dyuthi motors No 38, Next to Ramanejaya Temple, Hunsur Road, Jayalakshmpuram, Mysore- 570012.

[2]. Dyuthi motors No.38, Next to Ramanjaneya Temple, Highway Circle, Bannimantap, Hunsur Road, Mysore – 570018.

[3]. Shah Mobikes private Ltd, Rasik Towers, Near Regency Theatre, Lokarajan Mahal Road,

Nazarbad, Mysore – 570010.

[4]. Shah Mobikes pvt ltd, No.700, 1st Block, Aniketana Road, Kuvempunagar, Mysore – 570023. [5]. Shah Mobikes pvt ltd Near Opera Theatre, Sri Harsha Road, Lashkar Mohalla, Mysore – 570001.

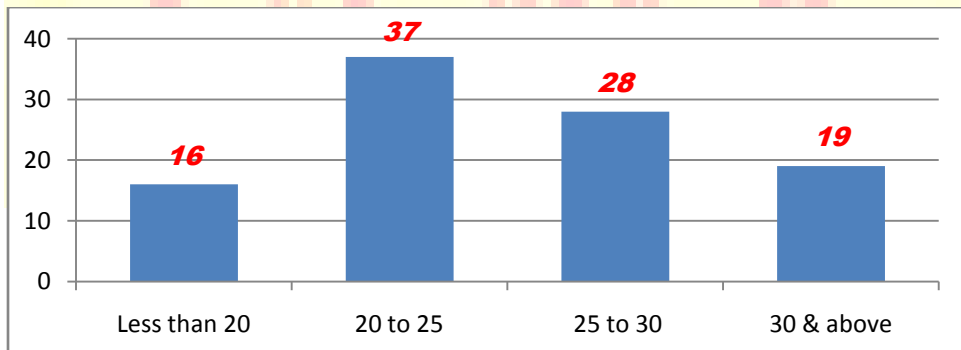


Totally From 100 respondents, 20 respondents from each dealer are selected using simple random sampling technique and analyzed the survey data. We have used the different statistical techniques to get the output through SPSS 16 package. The present study focuses on the customer satisfaction towards Hero Motocorps Ltd.

9. DATA ANALYSIS AND INTERPRETATION -

After Data collected through Field Investigation has been analyzed as follows.

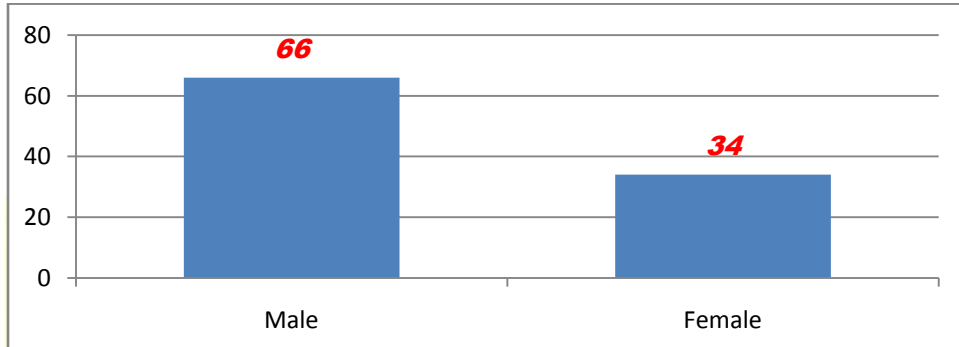
Table 1: Age Group of the Respondents



Interpretation:- From the data of the samples collected regarding the age of the customers, it is clearly understood that nearly 16% of the age group are under below 20 years and highest 37%

of the age group under between 20 to 25 years, 28% of the age group are under between 25 to 30 and the rest of them are above the age group of the 30 years.

**Table 2:- Gender Group of the Respondents**



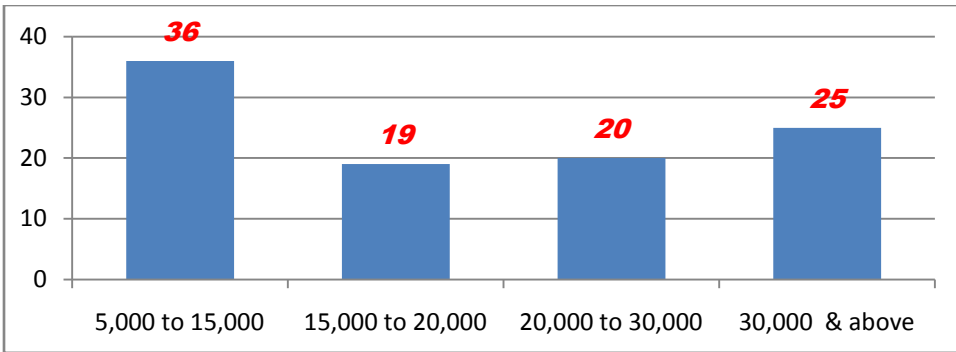
**Interpretation:-** The above table regarding gender of the respondents shows that nearly 66% of the highest respondents are Male and the remaining 34% of respondents are Female.

**Table 3:- Occupation of the Respondents**



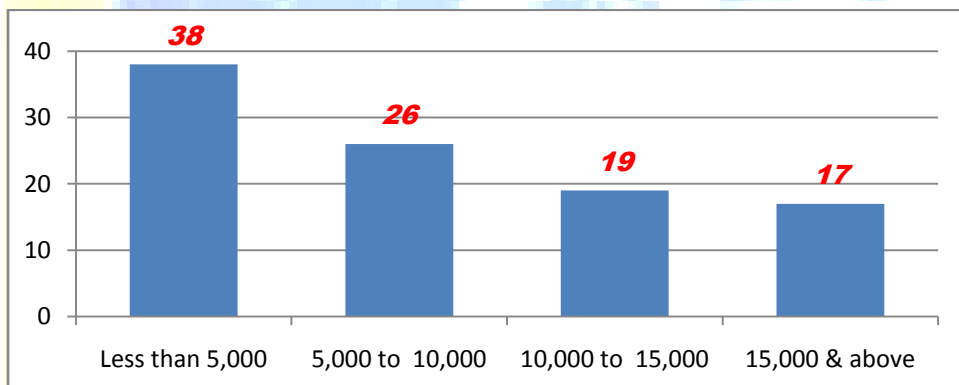
**Interpretation:-** From the samples collected above regarding the occupation of the customers, it clearly shows that nearly 30% of the respondents are Highest in businessmen, 25% are employees, 28% of the respondents are professionals, 6% of respondents belong to retired group and the rest of them are students.

**Table 4:- Monthly Income in Rupees**



Interpretation:- From the samples collected above regarding the income of the customers, it is clearly understood that nearly 36% of the customers are earning income around 5,000 to Rs.15,000, 19% of the customers are earning income between Rs.15,000 to Rs.20,000, 20% are earning income under between Rs.20,000 to Rs.30,000 and the rest of them are earning income more than Rs.30,000.

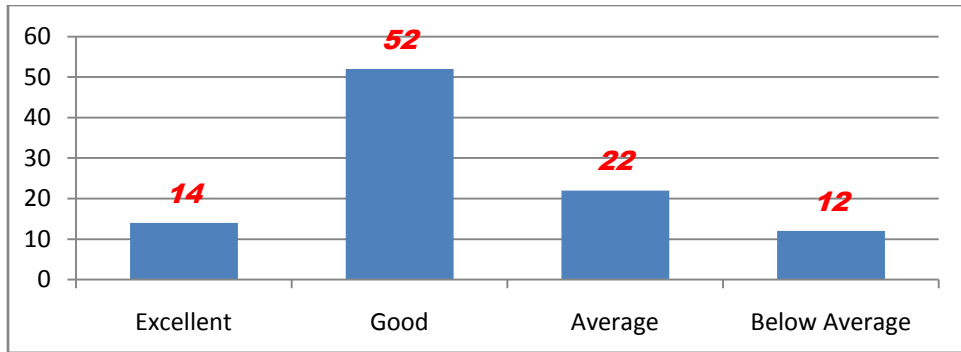
**TABLE 5:-** Number of Kilometers {covered till date}



Interpretation:- As per the samples collected regarding the kilo meters travelled till the date by the vehicle of the two wheeler customers, it has been clearly understood that nearly 38% of the vehicles of the customers are travelled less than 5,000kms, 26% of the vehicles of the customers are travelled between 5,000 to 10,000kms, 19% of the vehicles of the customers travelled between 10,000 to 15,000 kms and the rest of the vehicles are travelled above the 15,000kms.

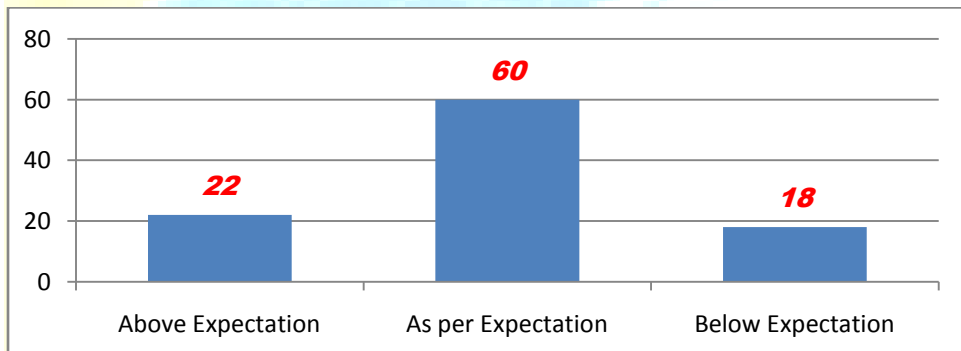
**TABLE 6:-** Customers opinion on services by Hero motocorps Ltd





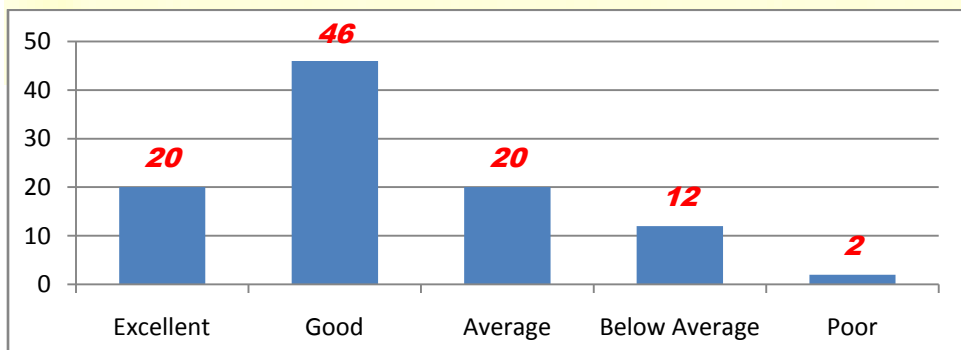
Interpretation:- As per the samples collected regarding services with the dealer has been identified that 14% of the customers feel it is Excellent, 52% of the customers feel it is good, 22% of the customers feel it is Average, 12% of the customers feel it is Below Average.

**TABLE 7:-** Customers opinion on Hero motocorps Ltd offering value for money



Interpretation:- The above data regarding the customers opinion of the Hero Motocorps Ltd offering value for money shows that 22% of the customers feel it is above expectation, 60% of the customers feel it is as per expectation and 18% of the customers feel it is below expectation.

**TABLE 8:-** Customers opinion on post sale services by Co



Interpretation:- As per the samples collected regarding Post-sale services with the dealer has been identified that 20% of the customers feel it is Excellent, 46% of the customers feel it is good, 20% of the customers feel it is Average, 12% of the customers feel it is Below Average and 2% of the customers feel that the post sale services are poor.

Hypothesis 1: TABLE 9 ANOVA

H<sub>0</sub>: There is no significant relationship between Product factors (Look, Second value, Mileage, Driving comfort, Road grip) and two wheeler customer satisfaction.

H<sub>1</sub>: There is significant relationship between Product (Look, Second value, Mileage, Driving comfort, Road grip ) and two wheeler customer satisfaction.

		Sum of Squares	df	Mean Square	F	Sig.
Look	Between Groups	3.484	1	3.484	8.546	.004
	Within Groups	39.956	98	.408		
	Total	43.440	99			
Second value	Between Groups	6.084	1	6.084	8.106	.005
	Within Groups	73.556	98	.751		
	Total	79.640	99			
Mileage	Between Groups	10.454	1	10.454	21.144	.000
	Within Groups	48.456	98	.494		
	Total	58.910	99			
Driving Comfort	Between Groups	17.084	1	17.084	18.612	.000
	Within Groups	89.956	98	.918		
	Total	107.040	99			
Road grip	Between Groups	26.351	1	26.351	30.565	.000
	Within Groups	84.489	98	.862		
	Total	110.840	99			

Interpretation:- Analysis of variance revealed significant relationship between the Product Factors and customer Satisfaction, as the p value of all the Product Attributes i.e. looks, second value, mileage, driving comfort and road grip are less than .05 it is significant hence we accept alternative hypothesis.

Hypothesis 2: TABLE 10 : ANOVA

$H_0$  : There is no significant relationship between Price factors (Price, E.M.I, offers, Low interest, No Additional charges, ) and customer satisfaction.

$H_2$  : There is a significant relationship between Price factors (Price, E.M.I, offers, Low interest, No Additional charges, ) and customer satisfaction.

		Sum of square	d.f	Mean Square	F	Sig
Price	Between Groups	1.068	1	1.068	2.913	.091
	Within Groups	35.922	98	.367		
	Total	36.990	99			
E.M.I	Between Groups	.018	1	.018	.022	.884
	Within Groups	80.822	98	.825		
	Total	80.840	99			
offers	Between Groups	12.250	1	12.250	13.879	.000
	Within Groups	86.500	98	.883		
	Total	98.750	99			
Low Interest	Between Groups	5.921	1	5.921	14.584	.000
	Within Groups	39.789	98	.406		
	Total	45.710	99			
No Additional charges	Between Groups	5.444	1	5.444	7.457	.007
	Within Groups	71.556	98	.730		
	Total	77.000	99			

Interpretation:- Analysis of variance revealed significant relationship between the Pricing Factors and customer Satisfaction, as the p value of the Pricing Attributes, i.e offers (F=13.879; P=.000), Low interest (F=14.584; P=.000), and no additional charges (F=7.457; P=.007), are less than .05 it is significant hence we accept alternative hypothesis. But the p value of Price (F=2.913; P=.091), E.M.I (F=.022; P=.884) are more than .05. So the result shows that there is equal relationship and equal difference in relation to Pricing factors and customer satisfaction.

Hypothesis 3: TABLE 11 : ANOVA

$H_0$  : There is no significant relationship between Place factors (Nearest to the Show room, Advertisement, Company brand, Observation and Availability of spare parts ) and customer satisfaction.

H<sub>4</sub> : There is a significant relationship between Place factors (Nearest to the Show room, Advertisement, Company brand, Observation and Availability of spare parts ) and customer satisfaction.

		Sum of square	df	Mean	F	Sig
Nearest to the Show room	Between Groups	19.360	1	19.360	35.933	.000
	Within Groups	52.800	98	.539		
	Total	72.160	99			
Advertisement	Between Groups	3.121	1	3.121	5.082	.026
	Within Groups	60.189	98	.614		
	Total	63.310	99			
Company brand	Between Groups	5.601	1	5.601	6.583	.012
	Within Groups	83.389	98	.851		
	Total	88.990	99			
Observation	Between Groups	13.444	1	13.444	28.301	.000
	Within Groups	46.556	98	.475		
	Total	60.000	99			
Availability of spare parts	Between Groups	.694	1	.694	1.133	.290
	Within Groups	60.056	98	.613		
	Total	60.750	99			

Interpretation:- Analysis of variance revealed significant relationship between the Place Factors and customer Satisfaction, as the p value of the Place Attributes, i.e. nearest to the showroom (F=35.933; P=.000), advertisement (F=5.082; P=.026), company brand (F=6.583; P=.012) and observation (F=28.301; P=.000) are less than .05. But the p value of Availability of spare parts (F=1.133; P=.290) is more than .05. Hence it clearly indicates the significant relation between Place factors and customer satisfaction.

#### 10. SUMMARY OF FINDINGS

- ✚ The majority of the age group of the two wheeler customer are between 20 and 25 years having highest percentage of 37%. as per Table 1
- ✚ In the respondents, the male group consist of highest 66% and female group consists of lowest 34% out of 100 respondents as per Table 2
- ✚ As per Table 3 the customers belong to business man groups are highest 30% in the survey
- ✚ The income of most of the highest respondents is between Rs.5,000 to 15,000 having 36% as per Table 4

- ✦ The majority of respondent have covered less than 5,000 kilo meters till date are highest 38%. as per Table 5
- ✦ As per Table 6 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 (52%) in Mysore.
- ✦ The majority of the respondents have opined as per Table 7 that Hero motocorps are in as per expectation in offering value for their money (60%)
- ✦ The data collected regarding the Post-Sale services by the dealer in Mysore has identified as per Table 8 that nearly 46% of the respondents have given their opinion as Good.
- ✦ Analysis of Variance [ANOVA] test has conducted to identify the relationship between the various product factors of Hero motocorps with overall customer Satisfaction revealed as per Table 9, 10, and 11 that there is a significant relationship between the product, pricing and place factors.
- ✦ Nearly 84% of the respondents have said that they are happy and satisfied with the Products and Services of Hero motocorps .

## 11. CONCLUSION

Automobile Industries are growing and depending on Low and middle class population. Through better service to the customer, the company can achieve a rapid progress. Hero Moto Corp Ltd. (Formerly Hero Honda Motors Ltd.) is the world's largest manufacturer of two wheelers, based in India, and World No.1 two wheeler Company in terms of unit volume sales in a calendar year. Hero MotoCorps Ltd. continues to maintain this position till date, 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. 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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13. The Questionnaire format used

QUESTIONNAIRE

Topic:- A CASE STUDY ON TWO WHEELER CUSTOMER SATISFACTION SERVICES OF HERO MOTO CORPS LTD IN KARNATAKA ..

By:- VENKATESH.R, Guest Faculty, DOS in Commerce, Manasagangothri, Mysore University, Mysore 570006, Ph: 9986845373 email: venkateshr1mysore@gmail.com

1]. Your Name, Address & phone No :- \_\_\_\_\_

2 ]. Type of Hero two wheeler using :- \_\_\_\_\_

3]. Name of the Dealer :- \_\_\_\_\_

{ Please type the related variable Number for all question }

a]. Age group

[1]. Less than 20 [2]. 20 to 35 [3]. 25 to 30 [4]. 30 and Above

b]. Gender

[1]. Male [2]. Female

c]. Occupation

[1]. Business man [2]. Employee [3]. Professional [4]. Retired [5]. Student

d]. Monthly Income in Rupees

[1]. 5,000 to 10,000 [2]. 10,000 to 15,000 [3]. 15,000 to 20,000 [4]. 20,000 & Above

e]. Number of Kilometer covered till date

[1]. Less than 5000 [2]. 5000 to 10000 [3]. 10000 to 15000 [4]. 15000 and Above

f]. Customer opinion services by Hero Motocorps Ltd

[1]. Excellent [2]. Good [3]. Average [4]. Below average

g]. Customers opinion on Hero motocorps offering value for money

[1]. Above expectation    [2]. As per expectation    [3]. Below expectation

h). Customers opinion on post sale services by Hero motocorps Ltd

[1]. Excellent    [2]. Good    [3]. Average    [4]. Below average    [5]. Poor

i). How the Product features satisfied {Tick the appropriate box }

<u>Items</u>	<u>Highly not satisfied</u> {1}	<u>Satisfied</u> {2}	<u>Neutral</u> {3}	<u>Satisfied</u> {4}	<u>Highly satisfied</u> {5}
Look					
Second value					
Mileage					
Driving Comfort					
Road grip					

j). How the Price factors satisfied {Tick the appropriate box }

<u>Items</u>	<u>Highly not satisfied</u> {1}	<u>Satisfied</u> {2}	<u>Neutral</u> {3}	<u>Satisfied</u> {4}	<u>Highly satisfied</u> {5}
Price					
E.M.I					
Offers					
Low Interest					
No Additional charges					



k). How the Place factors satisfied { Tick the appropriate box }

<u>Items</u>	<u>Highly not satisfied</u> {1}	<u>Satisfied</u> {2}	<u>Neutral</u> {3}	<u>Satisfied</u> {4}	<u>Highly satisfied</u> {5}
Nearest to the showroom					
Advertisements					
Company brand					
Observation					
Availability of spare parts					

l). Have you satisfied with overall factors (variables) of Hero motocorps Ltd Co.

[1]. Yes      [2]. No