

Relationship between Customer Satisfaction and Parameter of Segmentation in Automobile Industries in India

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Abstract: The purpose of this study is to find out if there is a relationship between parameter of segmentation and customer satisfaction, in order to find out the current parameter of segmentation in automobile industries In India researcher has gone through several published journal, books, magazines and companies data. The result shows that the most important factor for segmentation of automobile industries in India in the segmentation process is done largely on the bases of the product type or the price range the product fits into. Considering this researcher did pilot study in order to find out the real parameter of segmentation , the result shows that 13 parameters of segmentation has most effect on customer satisfaction ,they are :fuel efficiency, Convenience, After sale service, Durability, Value for Money, Style, Number of seats, Brand Name, Recommended, Previous experience , Parking(size of vehicle), Advertising (TV, radio, newspaper etc) and Price. Based on the purpose of this study researcher gone to find out whether there is any relationship between these 13 parameter of segmentation and their effect on customer satisfaction, considering this, Sample has been collected from 100 managers and 200 customers of automobile industries in Pune, during the month of February 2012 to June 2012. The result shows that there is a significant relationship between most of the parameter of segmentation and customer satisfaction, however the test further shows some of the parameters on the segmentation does not have effective relationship with customer satisfaction. Managerial implications of these findings are briefly discussed.

Keywords: Segmentation, customer satisfaction, Automobile industries, Parameter of segmentation.

Introduction

All people have some similar characteristics and needs, as do all organizations. Market segment is therefore the process of identifying different groups of users within market who could possibly be targeted with separate products or marketing programmers. The concept has its origins in early economic theory, where it has long been established that demand is linked to the level of competition and to pricing, but it was Smith (1956) who first extended the link to user differences. From a marketing perspective, market segment can be described as somewhere between the two extremes. The process of dividing a market into meaningful, relatively similar, and identification segment or group is called market segmentation. The purpose of market segmentation is to enable the marketer to tailor marketing mixers to meet the needs of one or more specific segments.

Within a market, a market segment is subgroup of people or organization sharing one or more characteristics that cause them to have similar product's needs. At one extreme, we can define every person and every organization in the world as a market segment because each is unique. At the other extreme, we can define entire consumers market as one large segment. All people have some similar characteristics and needs, as do all organization. Charles W. Lamb (2009) says that from a marketing perspective, market segment can be described as somewhere between the two extremes. The process of dividing a market into meaningful, relatively similar, and identifiable segment or groups is called market

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segmentation. The purpose of market segmentation is to enable the marketer to tailor marketing mixes to meet the needs of one or more specific segments. Market segments play a role in the marketing strategy of almost all successful organization and are a powerful marketing tool for several reasons. Most important, nearly all markets include groups of people or organization with different products needs and preferences. Market segmentation helps marketers to define customer needs and wants more precisely. Because market segmentation helps decision-makers makes more accurately define market objectives and better allocated resources. In turn, performance can be better evaluated when objectives are more precise.

Joseph F Hair (2010) Marketers segment markets for three reasons first, segmentation enables markets to identify groups of customers with similar needs and to analyze the characteristics and buying behavior of these groups. Second, segmentation provides marketers with information to help them design marketing mixes specifically to help them design marketing mixes specifically matched with the characteristics and desire of one or more segments. Third, segmentation is consistent with the marketing concept of satisfying customer wants and needs while meeting the organizations objectives.

Segmentation Theory

Segmentation or market segmentation is the dividing of a total market into its constituent parts by some method. Segmentation is not a new concept. It has been around for so long that a countervailing wisdom developed a couple of decades ago that for some products and some services the seller does not need to segment that segmentation is too expensive of corporate resources to be worth doing and does not gain the firm anything. In the past couple of generations however marketers have segmented their markets more often than not. Art Weinstein (1994) has called segmentation as “the key to marketing success,” a statement he reiterated in the revised edition where he also discussed the “segmentation imperative.” Segmentation can help in product and service development and marketing. Instead of Henry Ford developing the Model T for everyone allowing variations in color as long as the variations were black developing products and services for a specific segment allows for a much better focus on what people want and will pay for. This restatement of the marketing concept at the segment level where the marketing concept is a customer oriented, profit oriented philosophy of business that can be bluntly stated as “find out what people want and give it to them for improvement in the new product failure rate. This restatement of the marketing concept at the segment level is the foundation of segmentation as a strategy either introduce one product to a specific segment as a solo target, recognizing that not everyone will buy the single product or introduce an array of products within different features and benefits in each to attract several different types of consumers as multiple target markets. It seems appropriate here to mention the internet’s use by consumers to search out new products and by producers to target customers.

Literature Review

Markets comprise many buyers who differ from one another in respect of their nature habits, tastes or interest, income age mode of buying and other attitudes. Thus all consumers cannot feel satisfied with the same produce in such a situation the marketing manager should divide the whole market into many sub markets on the basis of the distinctive features of the inures each of the sub markets in called a market segment thus market segmentation is the process of identifying and evaluating various strata or layers of a market. According to Stanton (2005) market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub markets or segments each of which tends to be homogeneous in all significant aspects. Kotler (2001) says that Market segmentation is the sub dividing of a market into homogeneous subjects of customers where any subset may conceivably be selected as a market target to be reached within a distinct marketing mix. The power of this concept is that individual sellers may prosper trough creatively serving specific market segments whose needs are imperfectly satisfied by the mass market offerings. Ronald hasty and others argue that segment markets simply divide the heterogeneous mass market into groups each of which has one or more homogenous characteristics the number and nature of which depends on the purposes and imagination of the analyst.

For example an industrial market might be segmented as follows (1) By size of customer large medium and small accounts in terms of purchases number of employee's sales volume or other measures (2) By geographic area (3) By method of distribution (4) By standard industrial code (5) By amount of technical service required (6) By reasons for buying and benefits derived from use and (7) By nature of buying decision process. Market segmentation is a method for achieving maximum market response from limited marketing resources by recognizing differences in the response characteristics of various parts of the market (Clay Camp H J, 1965; Brody R P and Cunningham S M, 1968). It is a strategy of divide and conquer that adjusts marketing strategy to inherent differences in buyer behavior. These definitions show that market segments are grouping of buyers who have common features as buyers of a product or service so that their needs can be well served. Segmentation and the Automobile Industry: Peters (1970), has proposed a variable called "relative occupational class income", where in, he analyses "the relationship of a family's total income to the median income of other families in the same occupational class". His findings showed that this variable could be used to show a more generalized variation with regards to car purchases but not to differentiate at a more micro level.

Sukhdial et al. (1995) suggested a method of segmentation where they attempted to show the effect of values on the purchase of luxury cars. Their reason for conducting the study was that they thought luxury cars were purchased for value expressive reasons just like other luxury products that are conspicuously consumed. The findings showed that the owners of luxury cars did differ in terms of values. They were even able to attribute the values to luxury car owners based on the car's country of origin. They were able to correctly co-relate values with car owners in sixty five percent of the cases. Goodyear (1996), suggests that products must be different as compared to other options available in the market and be able to provide the consumer with an identity so as to allow consumers to spot the product from amongst competing brands. Keller (1993), says that it may not be easy to define what luxury is for the simple reason that what may be luxury for one consumer, may not be for another consumer.

"The Society of Motor Manufacturers and Traders Limited (SMMT) classify cars into nine segments: mini, super-mini, lower medium, upper medium, executive, luxury saloon, specialist sports, dual purpose, and multipurpose vehicle (MPV). Amongst these, one can notice that there is the separate segment namely 'luxury saloon'. However, this may not describe the whole aspects of luxury cars", Anurit et al. (1999). Which is to say, that luxury car manufacturers produce luxury cars of various prices. They remain luxury cars as long as they highlight the owner's status irrespective of the price.

Fusile (1989), says that "the automobile industry has sold cars in terms of everything other than the real function, which was personalized transportation. Cars were sold based on speed, on power, sex appeal, luxury, safety, reliability, economy of operation and, obviously, price." Essentially, Fusile is saying that cars have been sold based on the values that people consider important based on their varying personalities. Also, he says, that the advertising for automobiles has been so effective that they have become symbols for peoples lifestyles and values. So much so, he says, that at one point of time "a college professor would rather forfeit his tenure than be seen driving a Cadillac". According to him, segmentation in the automobile industry today, is not just about studies, tests and focus groups. Marketers need to look above and beyond mere demographics, to find out the reasons as to why consumers care, or for that matter do not care for their product. It involves finding certain commonalities between the consumers' lifestyles and the product being marketed, and this is how market segmentation should be done. Riesman et al. (1950, Revised - 2001), in their book 'The Lonely Crowd', has developed a theory, which divides human beings into three distinct categories based on the stage of development of the society to which they belong. They have thus divided the human population into "Tradition Directed" people, "Inner Directed" people and "Other Directed" people. They say that people, who are tradition directed, largely belong to underdeveloped or developing countries and are largely guided by the actions of the past, or predecessors. With regards to inner directed people, they say that the action of such people is based on their own individuality and that they are not affected by what others think. The other directed people they say, are people to whom other's opinion matters. They wish to blend in and try to keep up with those around them. Based on these three states, he has tried to analyze people's behaviors.

Kassarjian (1962), based on the theory of Riesman, tried to find a relation between various demographic variables and the inner other directedness approach. His findings showed that there was no co-variance sex, age, education, marital status or any other demographic variable, and the inner outer directedness. Segmentation and the Indian Automobile Industry: "In 1991, the Government of India embarked on an ambitious structural adjustment program aimed at economic liberalization, based on the pillars of De-licensing, Decontrol, Deregulation and Devaluation. Post-liberalization, the Government of India's new automobile policy announced in June 1993 contained measures, such as de-licensing, automatic approval for foreign holding of 51% in Indian companies, abolition of phased manufacturing program, reduction of excise duty to 40% and import duties of 'Completely Knocked Down units (CKD)' to 50% and of 'Completely Built Up units CBU' to 110%, and commitment to indigenisation schedules. The Government of India's new automobile policy attracted a large number of automobile companies to India". As a result, there were a number of international companies that were jockeying for entry into the country. International heavies like General Motors and Ford, thus gained entry into the then modest, Indian automobile industry. Today, multi-national companies are using India as a manufacturing "base for exporting vehicles to other countries". The growth rate of the Indian automobile industry is well over 25 %, which is enormously larger than other developing countries like Korea and Brazil .Mukherjee (1997).

By the April of 1996, there were about eighteen automobile companies that had either begun operations in India or were in the process of launching in the country. As a result, while initially there were only about three vehicles to choose from, consumers now have wide variety of options. Mukherjee and Sastry (1996).

Rathore and Swarup (2006), have estimated that the current sales of vehicles in India is roughly around one million units per annum. However, they say that this level of sales is "abysmally low" if one were to take into account other developing countries such as Pakistan and Sri Lanka where the penetration level is still higher. The penetration level in India is substantially low at seven cars per one thousand people. They thus say, that even at the level of one million units per annum, "this is just the tip of the iceberg".

Mukherjee (1997), says that the automobile industry of India is still in the process of evolution and growth. As a result, the segmentation techniques used are not very refined or evolved unlike the western countries. "There has hardly been any kind of segmentation on psychographic or behavioral parameters as seen in developed car markets." He further says that the "segments are quite different from the segments known in the US, European or Japanese markets." The segmentation process, he says, is done largely on the bases of the product type or the price range the product fits into. Further, he found that there was a very substantial difference in demand between "the four geographical regions" of the country. This goes to show that there is such diversity between the geographical regions of the country that product preference tends to differ. This is so prominent, that companies can use geographical segmentation in the initial process of segmentation. As a testament to the geographical diversity, Mukherjee (1997), has said that "North India is the largest market for cars in India currently with 43% market share. Next come west with 27% and south with 22%. East has the lowest market share at 8%". Mukherjee and Sastry (1996), have suggested "choice of target market" as one of the first elements of designing an "entry strategy". Going as per the findings of Mukherjee (1997), it would seem that geographic segmentation might be an apt first step in doing so.

As per the findings of Mukherjee and Sastry (1996) and Mukherjee (1997), the current segmentation techniques used in the Indian automobile industry, are primarily based on the type or utility of the vehicle and the price range of the vehicle. In so doing, they have been able to segment the market into 'Off Road or Utility vehicles', 'Economy segment', 'Luxury Segment' and 'Super Luxury segment'. However, with scarce research in the Indian automobile industry, few know what it is that moves the consumers and how the market should be segmented. Odekerken-Schröder et al. (2003), says that there are several dimensions that consumers take into account and attach different levels of importance to each of those dimensions. Therefore, to be able to segment the market better and to use their resources in the most

effective manner, manufacturers must know the dimensions, along with their varying importance, that consumers take into account.

Rathore and Tilak (2006), have dedicated a substantial amount of literature to explain the dealership networks of the various automobile manufacturers in the country. Also, they have concentrated on the prices offered by the manufacturers on their products.

Kara, A., and Kaynak, E. (1997) says that from an extreme perception of cars being an ultimate luxury, today it has probably acquired the status of necessity to many city dwellers. In 1960s cars were very expensive and only the very rich could afford them. The styles available were limited. Dealer's credits were mainly used to finance car purchases. A gradual metamorphosis resulted in the perception of cars being seen as a necessity in upper middle class families in the 1970s. At this time, an expansion of dealer networks was witnessed. The 1980s saw the emergence of the "one car for the family" concept. Though the market did not offer much choice, style orientation and design became desirable attributes in a passenger car.

According to James M Rubenstein (2001) Maruti Udyog Ltd, India's largest car maker in both volume and revenues (\$2.2 billion for fiscal 2004-05). It controls 50% of the domestic passenger car market share, selling half a million cars a year, with the bulk of its offering comprising the smaller compact vehicle. But it may look a lot different in the future, as it has begun to seek an increased share of the market for premium vehicles. Only high sales of a product allow companies to cover their high investment costs. Bauder H (2001) says that this is a problem faced by every new entrant, be it an altogether new company or be it a new model being introduced by an established brand. Thus, a minimum economic size will be required for the justification of launching a new product, even to gain a foothold in the market.

The concept of high sale has been discussed, which shows that today companies should think of new bases to segment their products. According to Anderson (2008) an important consideration in defining the market to be segmented is estimating the variation in buyer's needs and requirements at the different product-market levels and identifying the types of buyers included in the market. In the atlas Air example, Management defined the product-market to be segmented as air freight services for business organizations between major global airports, segmentation the generic product-market for air freight services was too broad in scope.

According to Sahaf M A (2008) The Indian automobile industry has registered a tremendous growth over the past one decade and has emerged as one of the most attractive industries for investment. One of the major reasons for the growth of the automobile industry in India has been the growing markets for different types of vehicles due to increase in disposable income and standards of living of middle class families. The growth and potential of such markets in India has been the growing markets for different types of vehicles due to increase in disposable of such markets in India can be judged from the fact that India is the fourth largest passenger vehicle market in Asia and Fifth largest commercial vehicle market in the world.

According to Saxena (2009), Indian Automobile industry which was initially focusing exclusively on family segment for a long time encountered a change when Tata Sierra brought in a new segment by name Sports utility vehicle (SUV) segment. The SUV segmentation which was a failure in its initial stage has gained recognition from customers today. However, Indian car market is family-oriented to a great extent. Unlike countries like US in which each person owns a car, normally Indians own a single car per family. Hence, automobile marketers in India concentrate on attracting the whole family towards their product rather than an individual. He further said that with strong, upwardly mobile consumers group, anti-pollution laws, easy availability of financing facility at low interest rates, demand for new cars has increased post 2003. With the expanding market and enhanced competition in the industry, each manufacturer has had to decide on the positioning of the car model. Today, there are three segments in the passenger car segment. These are economy, mid-sized and luxury car segments. The economy

segment, which is the largest, has been further divided into the top end and the bottom end. Similarly, the Mid-sized car segment has been further classified into premium and non-premium models. Configuring the sticker price for a car in the market today is no more a functional decision. It has become a strategic decision as it identifies the key segment's response elasticity to the market offer. The two key inhibiting factors for the poor response to the auto war fare in Indian Car Market are basically the low per capita income at \$350 (Rs 14,000 at current prices) and the high manufacturing costs. (Panda Tapan, 2012)

Traffic congestion and bad roads could deter potential buyers from going for small cars particularly in small cities of India. The future is not very heartening in this aspect. The market will consolidate too few segments. The carmaker has to make diverse models based on diverse and flexible platforms. Products like the stripped-down economy car, the sports utility vehicle or the van should be built on the same platform. For the price-sensitive customers, there can be a no-frills version; a loaded version for the middle customer and luxury car manufacturers can target the high-end customers. Considering the marketing segmentation in automobile industries in India from the review of literature based on the mean value the existing parameter of segmentation in Indian automobile industries are:

- Price,
- number of seats,
- value for money,
- fuel efficiency,
- style,
- parking (size of the vehicle),
- Convenience and
- brand name

Research Methodology

Sample and Procedure

The data collection method involved in this study was questionnaire and interviews from customers. Questions structured including total 26 questions for manager and 31 question for customer. Questions including: Dichotomous, Rank order, Interval scale, multiple choices.

A pilot study was performed by distributing the questionnaire to 10 customer and 5 managers of automobile industries in Pune city. The pilot study was conducted in order to improve the overall quality of the questionnaire. Based on their feedback, several minor changes were made to modify the questionnaires. Self-administered questionnaires were distributed to the customer and managers of automobile industries they were asked to answer their experience about segmentation and rank the parameters of segmentation based on their view of importance.

A total of 200 questionnaires for customer and 100 questionnaires for managers were distributed. Out of them a total of 155 questionnaire of customer and 65 questionnaire of manager has been selected for the purpose of data analysis. However Out of them 135 (with response rate of 67.5%) correct questionnaire of customer and 38 (with response rate of 38%) questionnaire of manager has been selected for the purpose of data analysis, respondents either answered the questionnaires incompletely or questionnaires contained improper answers has been deleted.

The Measurement

Multiple item scales were used to measure each construct in this study. If possible, validated scales from previous literature were employed after a slight modification. All scale items were rated on a 5- point Likert scales ranging from strongly disagree, which is weighted as 1, to strongly agree, weighted as 5.

Results

Goodness of Measure

A Multiple regression analysis using backward method and Pearson Correlation was used in order to determine the data validity and reliability. The results of multiple regression analysis using backward method and Pearson Correlation is presented in Tables 1 and 2. All individual loadings were above the minimum of 0.5 recommended by Hair et al. (1998). Thus it can be concluded that the measures used in this study are valid and reliable.

Table (1): Multiple regression analysis using backward method

| Variables Entered/Removed | | Variables Removed | Method |
|---------------------------|-------------------|---|---|
| Model | Variables Entered | Variables Removed | Method |
| dimension0 | 1 | Delivery of Vehicle, Finance Person, Test Drive, Administrative staff, Sales Person, Registration process | Enter |
| | 2 | . | Test Drive Backward (criterion: Probability of F-to-remove >= .100). |
| | 3 | . | Registration process Backward (criterion: Probability of F-to-remove >= .100). |
| | 4 | . | Sales Person Backward (criterion: Probability of F-to-remove >= .100). |

Table (2): Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | |
|------------|---|-------------------|-------------------|----------------------------|------|
| dimension0 | 1 | .457 ^a | .209 | .159 | .916 |
| | 2 | .457 ^b | .208 | .167 | .912 |
| | 3 | .456 ^c | .208 | .175 | .907 |
| | 4 | .447 ^d | .200 | .176 | .907 |

- a. Predictors: (Constant), Delivery of Vehicle, Finance Person, Test Drive, Administrative staff, Sales Person, Registration process
 - b. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff, Sales Person, Registration process
 - c. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff, Sales Person
 - d. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff
- Dependent Variable: Likelihood of purchasing the same brand in future

Table (3): ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. | |
|-------|----------------|---------|-------------|-------|-------|-------------------|
| 1 | Regression | 21.021 | 6 | 3.503 | 4.172 | .001 ^a |
| | Residual | 79.773 | 95 | .840 | | |
| | Total | 100.794 | 101 | - | | |
| 2 | Regression | 21.008 | 5 | 4.202 | 5.056 | .000 ^b |
| | Residual | 79.786 | 96 | .831 | | |
| | Total | 100.794 | 101 | - | | |
| 3 | Regression | 20.973 | 4 | 5.243 | 6.372 | .000 ^c |
| | Residual | 79.821 | 97 | .823 | | |
| | Total | 100.794 | 101 | - | | |
| 4 | Regression | 20.168 | 3 | 6.723 | 8.171 | .000 ^d |
| | Residual | 80.626 | 98 | .823 | | |
| | Total | 100.794 | 101 | - | | |

- a. Predictors: (Constant), Delivery of Vehicle, Finance Person, Test Drive, Administrative staff, Sales Person, Registration process
- b. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff, Sales Person, Registration process
- c. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff, Sales Person

d. Predictors: (Constant), Delivery of Vehicle, Finance Person, Administrative staff
Dependent Variable: Likelihood of purchasing the same brand in future

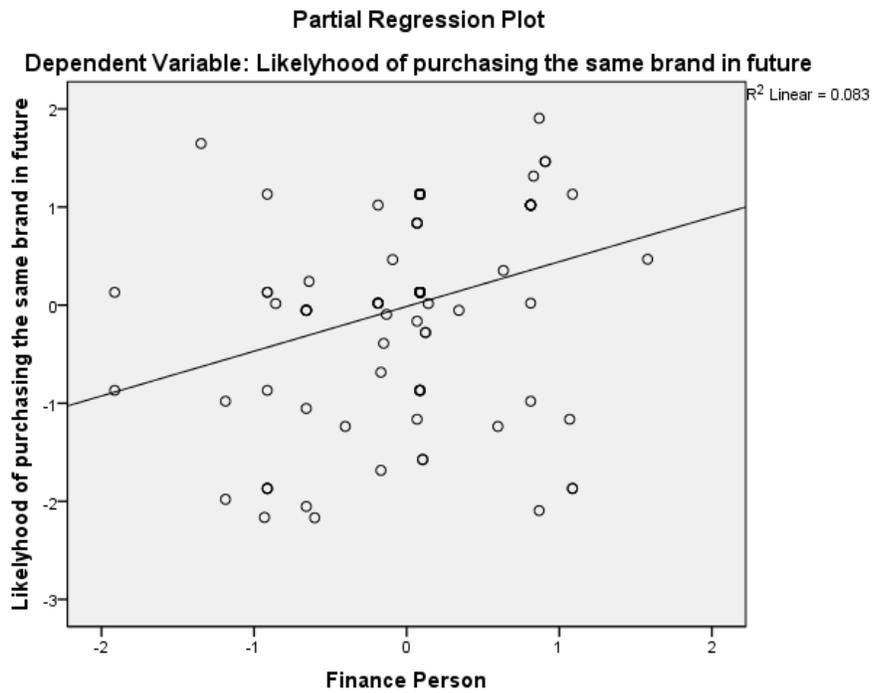


Figure (1): likelihood of purchasing the same brand in future and finance person

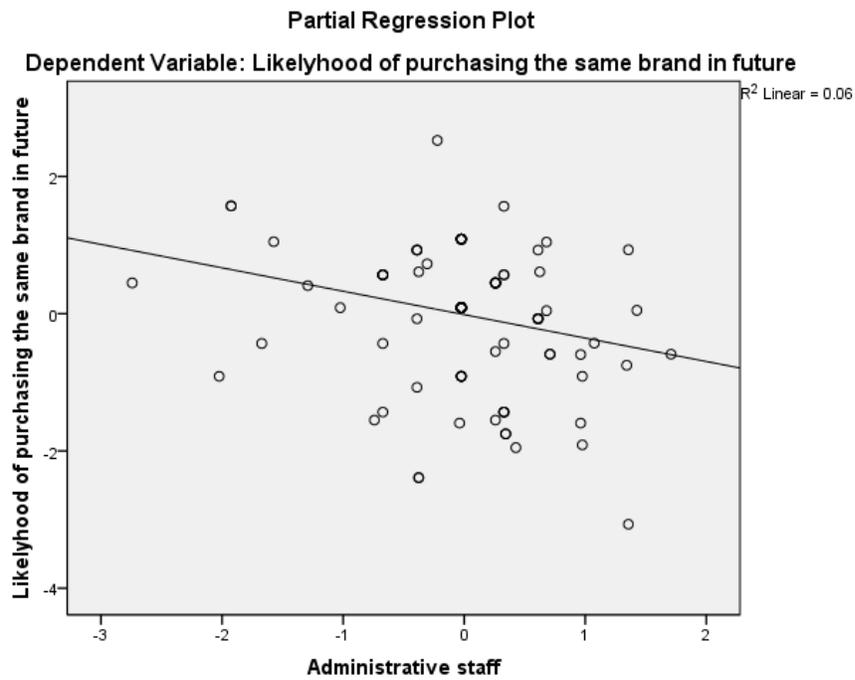


Figure (2): likelihood of purchasing the same brand in future and administrative staff

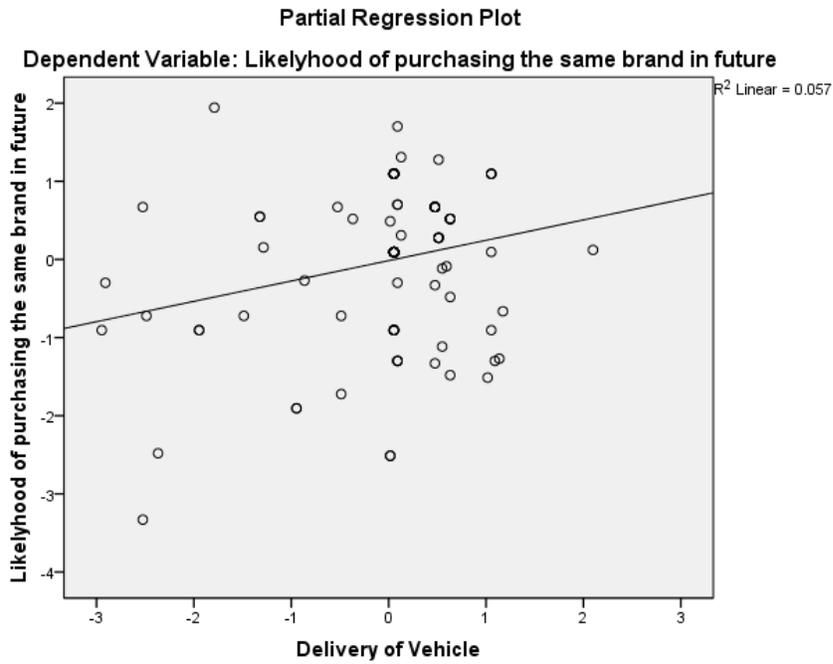


Figure (3): likelihood of purchasing the same brand in future and delivery of vehicle

Table (4): Pearson Correlation

| Correlations | | | |
|--|---------------------|--|-----------------|
| | | Please indicate the satisfaction status of your customer (as per survey results) | fuel efficiency |
| Please indicate the satisfaction status of your customer (as per survey results) | Pearson Correlation | 1 | .196 |
| | Sig. (2-tailed) | - | .239 |
| | N | 38 | 38 |
| fuel efficiency | Pearson Correlation | .196 | 1 |
| | Sig. (2-tailed) | .239 | - |
| | N | 38 | 38 |

| Correlations | | | |
|--|---------------------|--|-------|
| | | Please indicate the satisfaction status of your customer (as per survey results) | Price |
| Please indicate the satisfaction status of your customer (as per survey results) | Pearson Correlation | 1 | .266 |
| | Sig. (2-tailed) | | .107 |
| | N | 38 | 38 |
| Price | Pearson Correlation | .266 | 1 |
| | Sig. (2-tailed) | .107 | |
| | N | 38 | 38 |

Discussion and Implications

Based on the finding of this study customer satisfaction with regards to sales person, test drive, finance person, administrative staff, registration process and delivery of vehicle (independent variables) are a predictor of likelihood to purchase another vehicle of the same brand.

The finding shows a positive relationship between likelihood of purchasing the same brand in future and satisfaction towards finance person, there is a negative relationship between likelihood of purchasing the same brand in future and satisfaction towards Administrative staff. And finally there is positive relationship between likelihood of purchasing the same brand in future and satisfaction towards delivery of Vehicle.

From the personal interview as well as questionnaire it is confirmed that there is a relationship between customer satisfaction and its effect on the 13 parameters of segmentation (fuel efficiency, Convenience, After sale service, Durability, Value for Money, Style, Number of seats, Brand Name, Recommended, Previous experience, Parking (size of vehicle), Advertising (TV, radio, newspaper etc), Price).

Moreover, the result of this study confirmed the today's segmentation strategy in India automobile is totally changed, for success in this scenario it is advisable for Indian automobile Industries to rethink on the bases of segmentation and generate current segmentation parameters. The results of this study will be useful to the automobile manufacturer in order to prevent failure in future and in the case of failure know how to recover it more efficiently in order to achieve and generate positive relationship with customer in future. In addition to updating their segmentation analyses periodically and making segment-by-segment invasion plans, marketers should target markets in a socially responsible manner in automobile industries.

Limitations and Future Research

The limitations of study are mainly related to the broadness of the topic under investigation, time constraints, limited access to information, Within the core processes of sourcing, this study narrows its scope to focus upon the sample size is another limitation of this study, The response rate is another limitation; however, given the complexity and subject matter, this is considered reasonable. Based on the findings of this study, further study may be conducted on the effect of changes on the bases of segmentation in automobile industries. The finding of this study will act as platform to conduct future study on the segmentation strategies. The effect of urban physical environments such as parking and infrastructure (like roads) on the bases of segmentation is another scope of study. The study in depth of some of the parameters of segmentation which has been changed based on this study, is another scope for future study. The customer profile and its effect on the current bases of segmentation may be another study which can be conducted near future. This study is focused on automobile sector mainly 4 wheelers, and changes on the focus of bases of segmentation in this sector other sectors such as 2 wheeler and 3 wheeler is remains for further study. The study of changes in the bases of segmentation in the rural area still remains the scope for further study. Importance of changes in the bases of segmentation for Indian automobile industry is another aspect which may conduct as a research near future.

Conclusion

This study investigate the relationship between customer satisfaction and parameter of segmentation in automobile industries in India. based on the response from 138 customer and 38 manager of Indian automobile industries, we found that in changing trend of Indian consumers towards purchasing automobiles, it is no more enough for automobile manufacturers to rely upon conventional segmentation bases. Understanding the same automobile marketers is moving towards changing the focus in segmentation bases. Customer capabilities have become a worthwhile basis of segmentation when

customers vary significantly in what competencies they possess, and what knowledge and skills they want suppliers to provide. Customer business priorities strongly guide which capabilities customer firm seek to possess as source of competitive advantage, and they also provide a progressive basis of segmentation themselves.

To conclude, there is insignificant relationship between fuel efficiency, Price, Parking (size of vehicle), Convenience, after sale service, Durability, Value for Money, Style, Number of seats, Brand Name, Recommendation, Previous experience, Advertising (TV, radio, newspaper etc.) and customer satisfaction. To gain a more detailed understanding of how customer requirement and preferences vary, automobile market managers use more progressive priorities, usage situation, and customer profitability.

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