ABSTRACT

1. INTRODUCTION

A Nation’s economy is well known from its transport system. For instant and rapid growth in economy, a well-developed and well-networked transportation system is essential. As India's transport network is developing at a fast pace, Indian Automobile Industry is growing too. The Automobile industry has strong backward and forward linkages hence it provides employment to a large section of the population. The role of Automobile Industry is very essential in Indian economy. Various types of vehicles are manufactured by the Automobile Industry. Indian Automobile Industry includes the manufacturing of trucks, buses, passenger cars, defense vehicles, two-wheelers and so on. The industry can be broadly segmented into the Car manufacturing, two-wheeler manufacturing and heavy vehicle manufacturing units. The major Car manufacturer are Hindustan Motors, MarutiSuzuki India, Fiat India Private Ltd., Ford India Ltd., General Motors India Pvt. Ltd., Honda Siel Cars India Ltd. Hyundai Motors India Ltd., Skoda India Private Ltd., Toyota Kirloskar Motor Ltd.

The Indian Automobile Market growth is expected to grow at a CAGR (Compounded Annual Growth Rate) of 9.5 percent amounting to Rs. 13,008 million by 2010 which is big in number. The Commercial Vehicle Segment has been contributing to the automobile market to a great extent.

The Indian auto industry has the potential to emerge as one of the largest in the world. Presently, India has the Second largest two wheeler market in the world. India stands fourth in the commercial vehicle market, and 11th in the passenger car in the world.

Many foreign companies such as Mercedes, Suzuki, Chevrolet, Honda, Mitsubishi, Toyota, and Hyundai have been investing in the Indian Automobile Market in various ways by way of technology transfers, joint ventures, strategic alliances, exports, and financial collaborations.
For instance Maruti joined hands with Suzuki in the passenger cars, Mahindra with Renault, Hero joint ventures Honda in two wheeler segment, Ashkoa with Leyland in commercial vehicle segment. The auto market in India boasts of attractive finance schemes, increasing purchasing power, and launch of their latest vehicles. Investments in the automobile industry by the foreign companies in India help in strengthening the India’s economy. Indian giant automotive manufacturing company TATA MOTORS has the largest share in the commercial vehicle. They have recently acquired the Jaguar and Range Rover globally, there by capturing the international market too.TATA MOTORS also are exporting their vehicles abroad.Total sales of the major car manufacturers in India, registered a figure of 0.674 million units at the end of March, 2007. The number of car exported was 39,295 units as on March 2007. General Motors, Maruti, and Honda accounted for 60 percent of the market sales at the end of March, 2007. Due to the increase in per capital income there has been an increase in the purchase of motorcycles and cars both in the rural as well as in the urban areas of India.

The automobile industry crossed a landmark with total vehicle production of 10 million units. Car sales was 8,82,094 units against 8,20,179 units in 2004-05. The domestic automobile industry sales grew 12.8 per cent at 89,10,224 units as against 78,97,629 units in 2004-05. According to the Society of Indian Automobile Manufacturers (SIAM), car sales was 8,82,094 units against 8,20,179 units in 2004-05. The growth of domestic passenger car market was 7.5 per cent. Car exports stood at 1,70,193 units against 1,60,670 units in 2004-05. Commercial vehicles segment grew at 10.1 per cent with 3,50,683 units against 3,18,430 units in 2004-05.

Maruti Suzuki India formally known as Maruti Udyog Ltd (MUL) has virtually dominated the Indian automotive market in the passenger segments since the 1980s. As the automotive manufacturing sector rapidly evolved through the dynamics of open market and deregulation, many new joint ventures (both technical and financial) were formed between local players with leading global manufacturers. In 1982, MUL, then a wholly government-owned company, signed up a collaboration agreement with Suzuki of Japan to establish the volume production of contemporary models. Subsequently, the licensing regime was scrapped in 1993 paving way for 17 new ventures, of which 16 are now manufacturing cars since then; there has also been an emergence of new competition for higher value segments of the passenger car market. Hence, local players like MUL also began to face competition
from new foreign car makers. Ford entered the mid-range market with the Ikon model in April 1998, a move which was followed by Honda, Mitsubishi, Hyundai, and Daewoo. Other players, Hyundai and Daewoo, have since improved their share of the passenger car market with new models. The modern automobile market in India has been considering key issues in the process of growth: Customer care, and not just 'service'.

Table showing the market share of the manufacturers

<table>
<thead>
<tr>
<th>Market Shares of Key Players in 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maruti Suzuki India Ltd.</td>
</tr>
<tr>
<td>Tata Motors Ltd.</td>
</tr>
<tr>
<td>Hyundai Motor India Ltd.</td>
</tr>
<tr>
<td>Mahindra &amp; Mahindra</td>
</tr>
<tr>
<td>Toyota</td>
</tr>
<tr>
<td>Others</td>
</tr>
</tbody>
</table>

Source: Internet

2. PASSENGER CARS OR FOUR WHEELER DEALERS IN INDIA

In the context of fastest growing Indian automobile market, the role of the four wheelers in achieving this impressive growth cannot be ignored. All the leading players such as Maruti Suzuki, Tata Motors, Hyundai, Honda and Ford, Chevrolet continuously have been working for enhancing their product value and customer care facilities through their dealership network. The dealers play a very important role in sales promotion of the company’s vehicles. The Four-wheeler manufacturing companies offer dealership to a selected few, based on certain parameters such as sound financial background, availability of space in prime locations and a decent understanding of the automobile business. Dealers act as a link between the company and their potential buyers. A dealer provides a detailed insight of the vehicles, its brands range of options, financing and any other relevant information asked by the potential customers. The dealers are expected to help and encourage the customers in identifying the best possible vehicle that would meet their needs and how best they could be
acquired. A dealer in proper consultation with their manufacturers can start various promotional programs like 0% finance, exchange offers and so on.

3. IMPORTANCE OF THE STUDY

There are several factors, which are expected to contribute to the growth in the automotive industry which makes this study more relevant and important.

Some of the factors are as under:

A. Increasing Demand for Vehicles
There has been growth in the income levels and easy availability of financing options. Greater consumer awareness and closer linkages with the global auto trends, for example, shorter life cycles of vehicles due to faster replacement, have led companies to introduce contemporary products in the Indian market. The CAGR of 14.1 per cent achieved by the domestic automotive industry between 2001-02 and 2006-07 makes India one of the fastest growing markets in the world.

B. Stable Economic Policies Adopted by Successive Governments
The Indian Government has ensured continuity in reforms and policies in the country, which has contributed to the overall economic growth, including the growth of the automotive sector. In addition, the government has taken specific policy initiatives, such as lower excise duties on smaller cars and so on to boost local demand. Implementation of VAT has positioned India globally, as one of the leading low cost manufacturing sources. India is expected to emerge as the manufacturing hub for small cars and it has already been recognized as a low cost source for components.

C. Growth Forecasts as per Automotive Mission Plan
The size of the Indian automotive industry is expected to grow at a rate of 13 per cent per annum over the next decade to reach around US$ 120-159 billion by 2016. In volume terms, the market is expected to reach 31.96 million units by 2015. The total investments required to support the growth are estimated at around US$ 35-40 billion. Sales of passenger vehicles are expected to grow from the current 1.58 million vehicles to 2.65 million vehicles by 2015.

The contribution of the automotive sector to the Indian GDP (Gross Domestic Product) is expected to double from the present level of 5-6 per cent. The total exports from the
The automotive sector would be around US$ 30–35 billion, of which component exports would account for US$ 20-25 billion and vehicle exports for the rest. The total employment generated in the auto sector would be around 25 million by 2016 (including indirect employment).

D. Need for Integrated Study
Dealerships are mostly studied from marketing point of view to study their efficiency by customer satisfaction survey. From HR point of view- employee satisfaction surveys are conducted.

But in the present study, dealers are evaluated from customers point of view and as well as employee point of view. Not only that, the study investigates the issues, challenges and trends in dealership business.

The dealership service is very important stakeholder in the forward linkage effect of industry. This fact justifies the need for this study. Moreover the dynamics of the problems of dealership sectors has not been given any attention so far. No research effort has been made in this regards.

The present proposed research work would positively fill up this research gap.

4. OBJECTIVES OF THE STUDY

1. To study the role and importance of dealership services as a part of the marketing strategy of the automobile companies in the context of product attributes and the world competition.

2. To understand the market information system practiced by the auto dealers.

3. To critically evaluate the business performance of the individual dealers in respect of increased customer's expectations, increased competition, human resource management, pressure of profit margin and access to capital.

4. To study efforts made by the dealers to satisfy both the manufacturers and their valued customers for their sales promotion activities.
5. To analyze the feedback from the customers regarding after sales services through the Customer Satisfaction Survey.

6. To evaluate the efforts made by dealers in facing risk and uncertainty for financing of the vehicles and suggest some measures.

5. HYPOTHESIS OF THE STUDY

**Hypothesis 1.** The dealership business of the auto industry is a focal point of marketing strategy for the manufacturers and customers satisfaction.

**Hypothesis 2.** Employees need to be trained in the field of business commitment, motivation and be given professional outlook.

**Hypothesis 3.** The monitoring mechanism of the manufacturing companies fails to understand the operational level difficulties of the dealers in achieving their business target.

**Hypothesis 4.** Customer satisfaction level is low due to the uncontrollable factors beyond the limit of the dealers as regards sanction of loans.

6. RESEARCH METHODOLOGY

**Collection of Data:**

The profiles of car dealerships segment of automobile industry has been studied with the help of primary and the secondary data through their company annual reports, feedback analysis done by the manufacturing company and the information being supplied by the selected dealership owner's under study.

**Collection of Primary Data:**

Primary data relating to dealers, employees and customers of cars has been collected by taking personal interview and through questionnaires. The questionnaire was prepared and was tested by seeking expert’s opinion from people related to this field. Thereafter questionnaire was circulated amongst the respondents which was a combination of open and close ended questions.

**Source of Secondary Data:**
The secondary data has been gathered from internet, from various articles related to the car dealers and from websites of car manufacturing companies and their dealers. Numerous books, journals, reports, magazines and newspapers have been referred to intensively, for gathering the latest information regarding the automobile industry.

**Sampling Elements:**

The researcher has selected Authorized dealers of Ten Top market leaders manufacturing companies for the purpose of the study. These companies are:

1. Maruti Suzuki  
2. Tata Motors  
3. Hyundai Motors  
4. Ford  
5. Honda  
6. Mahindra & Mahindra  
7. Toyota  
8. Skoda  
9. General Motors  
10. Mercedes Benz

**Sampling Unit:**

The respondents are of following types:

1) Customers of Cars visiting dealers.  
2) Employees of the Dealers including:  
   a) Employees from sales department,  
   b) Employees from servicing department,  
   c) Employees on the front desk  
3) Dealers of Car in Pune city
**Sampling Size:**

The researcher had selected 18 authorized dealers of selected 10 car manufacturing companies. Hence questionnaires were distributed to the 30 dealers to get the planned size respond of 18 dealers.

In order to understand the customer’s satisfaction level, the researcher planned to select by random sampling 25 valued customers of each dealer, hence 800 questionnaires were distributed out of which 500 questionnaires fully filled were collected. Unfortunately on examining the questionnaires it was observed that 125 questionnaires were filled partially and 175 customers did not give any respond.

In order to understand the employees satisfaction level, it was proposed to select 3 employees from the different departments of each dealer, which amounts to 90 employees. 200 questionnaires were distributed out of which 90 questionnaires were properly filled, 35 questionnaires filled were found to be incomplete whereas 75 employees did not respond at all.

**Sampling Method Used:**

The Dealers were selected on the basis of convenience sampling method.

For the customers Simple random method has been used, where as

For the employees Simple random method has been adopted.

**Geographical area of Research:**

The study has been focused on the authorized dealerships of passenger cars in Pune city only.

**Period of Study:**

The period of study is 5 years. The researcher has interviewed the customers who have purchased their vehicle during the period 2007 to 2012 with the help of questionnaires. In case of dealers and their employees, the researcher has received information from them
only between 2007 to 2010 as some of the dealers have changed their agencies of car manufacturers; hence the phase of their study has been limited between this period.

Table Showing the authorized dealers and their locations in Pune Selected for the Study

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Car Manufacturers</th>
<th>Dealers Name In Pune</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1. Maruti Suzuki</td>
<td>Chowgule Industries Ltd</td>
<td>Satara Road</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Millennium Mobility Pvt. Ltd</td>
<td>Shivaji Nagar *</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Sai Service Station Ltd</td>
<td>Jm Road</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td>Dapodi</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>The Kothari Wheels</td>
<td>Nagar Road *</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Wonder Cars (P) Ltd.</td>
<td>Pimpri</td>
</tr>
<tr>
<td>7</td>
<td>2. Tata Motors</td>
<td>B U Bhandari Auto Ltd.</td>
<td>Wakdewadi *</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Pandit Automotive Ltd.</td>
<td>Tilak Road</td>
</tr>
<tr>
<td>9</td>
<td>3. Hyundai Motors</td>
<td>Kothari Hyundai</td>
<td>Tilak Road *</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Sanjay Hyundai</td>
<td>Wakdewadi *</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Kundan Hyundai</td>
<td>Chinchwad *</td>
</tr>
<tr>
<td>12</td>
<td>4. Ford</td>
<td>Talera Ford</td>
<td>Yerwada</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td>Chinchwad *</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td>Wagholi</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>Planet Ford</td>
<td>Bibwewadi *</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td>Paud Road</td>
</tr>
<tr>
<td>17</td>
<td>5. Honda</td>
<td>Deccan Honda</td>
<td>Bund Garden Road</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
<td>Pimpari *</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td>Dhankawadi</td>
</tr>
<tr>
<td>20</td>
<td>6. Mahindra &amp; Mahindra</td>
<td>Bora Auto</td>
<td>Dhapodi *</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>Vikrant Auto Industries</td>
<td>Satara Road *</td>
</tr>
<tr>
<td>22</td>
<td></td>
<td>Silvir Jubilee Motors</td>
<td>Camp *</td>
</tr>
<tr>
<td>23</td>
<td>7. Toyota</td>
<td>Dsk Toyota</td>
<td>Shivaji Nagar</td>
</tr>
<tr>
<td>24</td>
<td></td>
<td></td>
<td>Bawadhan *</td>
</tr>
<tr>
<td>25</td>
<td>8. Skoda</td>
<td>Asset Auto Pvt Ltd</td>
<td>Bhandarkar Road *</td>
</tr>
<tr>
<td>26</td>
<td></td>
<td>Europa Auto</td>
<td>Wakad *</td>
</tr>
<tr>
<td>27</td>
<td>9. General Motors</td>
<td>Pashankar Auto Wheels Pvt Ltd</td>
<td>Baner *</td>
</tr>
<tr>
<td>28</td>
<td></td>
<td></td>
<td>Satara Road</td>
</tr>
<tr>
<td>29</td>
<td>10. Mercedes Benz</td>
<td>Shreyans</td>
<td>Tadiwala Road *</td>
</tr>
<tr>
<td>30</td>
<td></td>
<td>Millennium Motors Pvt. Ltd</td>
<td>Wakdewadi *</td>
</tr>
</tbody>
</table>

Source: Survey

* Indicates the Dealers Which Responded to the Questionnaire and have been studied for the Research.
**Statistical Tools Used for Quantitative Data Analysis:**

For clarification on the working hypotheses appropriate and apt quantitative statistical tests were applied. All the data analysis was carried out by using ‘Statistical Package SPSS for Windows version 20’.

Data analysis involves translating the data into understandable information such as averages, frequency tables, sums, and other statistics. Finally, data reporting involves formatting the digested data into tables, charts, and graphs that has been used in the reports. The researcher has used Reliability, Validity, Chi-square Test, Kolmogorov-Smirnov(k-s) one–sample test, Binomial Test, graphs, bar diagrams and pie charts.

**Limitations of the Study:**

Although the focus of the study is on dealers which exist in the business over the period of 5 years, the researcher has restricted the study with the authorized dealers having sales and service facility and not to the authorized service stations. Sub Dealers are not included in the study.

Dealers were reluctant to give information regarding profitability and number of cars sold by them as they have said that it was confidential and such information cannot be given to an outsider.

**7. CHAPTER SCHEMES**

**Chapter 1:-Introduction:**

In this introduction chapter the researcher has taken brief review of the profile development performance of the auto industry in general and the Passenger cars sector in particular.

**Chapter 2:-Review of Past Literature**

This chapter includes review of past literature.
Chapter 3:-Research Design

This chapter provides an overview of the research process, a discussion of research purpose and research objectives, research hypothesis, sample selection and sample size, methods of data collection, data processing and analysis.

Chapter 4:-Dealership Business Performance and Challenges

This chapter deals with evaluation of business performance of dealership sector in respect of increase competition, alternate source of income, company’s expectation from dealers, marketing and promotion aspects, customer’s expectations, profit margins, financial problems, eco–friendly and environment protection. The challenges and difficulties confronted by the dealers have been dealt in this chapter.

Chapter 5:- Study of Customers Satisfaction

This chapter deals with the issue related to nature, scope and limitation of after sales services of dealers.

Chapter 6: -Study of Employees Satisfaction

This Chapter handles the issue of employees satisfaction and motivation which in result helps to achieve customer satisfaction. The chapter throws light on the area of improvement and to build and maintain sustainable employees relationship.

Chapter 7:- Statistical Analysis of the Data

This chapter pertains to in depth analysis of collected data which includes statistical analysis of data. Various statistical methods were used to test the results and findings. Various Tables, Diagrams and related Graph have been presented.

Chapter 8:-Findings, Conclusions and Suggestions

In this chapter the findings, conclusions and suggestions based on the data analysis have been presented in an exhaustive manner.
8. FINDINGS AND CONCLUSION

8.1. Findings from Customers Satisfaction Survey

1. Table No. 7.05 and Graph No. 7.05 indicates that the cars were driven mostly by males [80%] and comparatively females were less [20%].

2. Table No. 7.06 and Graph No. 7.06 reveals that normally people having income between 5 to14 lakhs [60%] per annum were keen to purchase cars. They preferred purchasing either Maruti Suzuki or Hyundai.

3. Table No. 7.07 and Graph No. 7.07, indicates that mostly diesel vehicles [50%] were preferred by the customers as compared to Petrol [44%], LPG and CNG models. The reason being its low diesel rate. CNG is still not that popular in Pune City because of non availability problems across the city.

4. Table No. 7.09 and Graph No.7.09 indicates that 70% of the users of cars have purchased their cars by taking loans from some financial institutions. This underlines the importance of availability of loans in the automobile sector and survival growth of dealers.

5. Table No. 7.10 and Graph No. 7.10 shows that 43% of the users of the cars went to the dealers for services only once in a year, 29% of the customers went twice in a year whereas only 27% opted for regular servicing. The reason being that the cost of servicing was high hence it is being considered as unaffordable.

6. Table No. 7.11 and Graph No. 7.11 reveals that 46% of the customers received delivery of their vehicles within 7 to 15 days after booking whereas 33% of them received it after one month.

7. Table No. 7.12 and Graph No. 7.12 indicates that almost all the customers [92.4%] who purchased cars took benefits of some kind of offers and discounts. So customers preferred to wait for offers and discounts before making their purchases.

8. Table No. 7.13, Graph No. 7.13 and Graph No. 7.14, indicates that the dealers were providing excellent workshop facilities and these facilities were perceived satisfactory by 90% of the customers. DSK Toyota, Deccan Honda, Pandit Auto were perceived to be good by the customers.

9. Table No. 7.14, Graph No. 7.15 and Graph No. 7.16, reveals that the dealers have employed good technicians as they are perceived qualified and technically sound by 89% of the customers. Technicians of Deccan Honda, DSK Toyota, B.U.
Bhandari were found to be technically trained and qualified technicians. Rest of the dealers were also not far behind in this aspect.

10. Table No. 7.16, Diagram No. 7.2 and Graph No. 7.17, reveals that 60% of the customers were satisfied regarding the service received, 20% strongly satisfied, 13% were neutral and only 5% of the customers were not satisfied. The dealers were quite efficient and prompt in the delivery of their cars. Deccan Honda, Asset Auto Pvt. Ltd, Millennium Auto Pvt. Ltd. were rated as very good, whereas many customers rated B.U. Bhandari, Pandit Auto, DSK Toyota, Talera Ford as good.

11. Table No. 7.18 and Graph No. 7.19 shows that 71% of the customers were satisfied about the breakdown vehicle help facility whereas 24% preferred to stay neutral and 4% of the customers have shown unhappiness about this service which suggests that some improvement must be made and an awareness about the facility must be created amongst the customers.

12. Table No. 7.19 and Graph No. 7.20 reveals that 90% of the customers were satisfied about the availability of the genuine spare parts but 10% of them have shown unhappiness or remained neutral about the use of genuine spare parts which indicates that use of genuine spare part by the dealers is a sign of trust and faith about them.

13. Table No. 7.23 and Graph No. 7.24 and Graph No. 7.25, shows that 66% of the customers were happy with the charges charged by dealers for servicing or repairs. But 11% of them felt that the charges were on the higher side whereas 23% preferred to stay neutral. Customer of Millennium Motors Pvt. Ltd., Deccan Honda, Pandit Auto, Asset Auto, Chougule industries mentioned that it was satisfactory while customers of Talera Ford, DSK Toyota were annoyed and said that it was quiet expensive.

14. Table No. 7.24 and Graph No. 7.26, indicates that 79% of the customers were satisfied about the technical inspection efficiency done on their vehicle. 7% of them felt that the technical inspection was unsatisfactory and it needed to be graded up whereas 14 % remained neutral.

15. Table No. 7.29 and Graph No. 7.31, reveals that dealers were providing comfortable waiting area for their esteemed customers while their vehicles were being repaired as 90% of the customers were happy about the same facility.

16. Table No. 7.31, Graph No. 7.33 and Graph No. 7.34, reveals that the dealers were providing proper amenities to the customer like hospitality in the waiting section.
thus customers do not fell bored or tired while their cars were being attended to. In the long run it would definitely boost their sales. It is observed that 70% of the customers were satisfied whereas 22% preferred to stay neutral and only 8% were dissatisfied. The study reveals that Deccan Honda, Millennium Motors Pvt. Ltd. and Kothari wheels were providing the best amenities to their customers in this regards.

17. Table No. 7.32, Graph No. 7.35 and Graph No. 7.36, indicates that spare parts were normally available with the dealers as 71% of the customers were satisfied and they were not required to wait for the delivery of the spare parts. A few customers [8%] felt exactly the opposite as they had to wait for a short period of time till the stock arrived from the head office.

18. Table No. 7.33 and Graph No. 7.37, indicates that even though 69% of the customers were happy with the working hours and days of their dealers yet a fraction of them [10%] were not satisfied with same.

19. Table No. 7.34 and Graph No. 7.38, reveals that the location selected by the dealers for their showroom was convenient and 89% of the customers found it comfortable to visit the showroom as and when required.

20. Table No. 7.39 and Graph No. 7.43, indicates that the expertise of the service representatives in locating of the mechanical problems were quiet good and was highly appreciated by the Customers. It observed that 83% of the customers graded it as good, 14% graded it as fair and only 2 % graded it poor.

21. Table No. 7.41, Graph No.7.45 and Graph No. 7.46, indicates that dealers were providing good services 82% of the Customers were loyal to them by recommending them to their friends. The customers of Deccan Honda, Millennium motors, Pandit auto, Asset Auto and Europa Auto said that they would positively share their experience with their friends about their dealers attitude whereas the customers of Pandit Auto, Silver Jubilee, Asset Auto and Talera Ford were not very enthusiastic in recommending their dealers to others.

22. Table No. 7.43 and Diagram No. 7.03, indicates that performance of car [20%], comfort [19%], Looks of the car [17%], Price of the car [13%] and Mileage of the car [11%] were the important factors which were considered by the customers before making their final decision for purchase of their dream car.

23. Table No. 7.44 and Diagram No. 7.04 reveals that word of mouth [38%] was the best source of advertisement for getting popularity in the city followed by newspaper advertisement [28%] and distribution of pamphlets [23%].
24. Table No. 7.45 and Diagram No. 7.05, shows that at the time of customers cars break-down they normally expects replacement vehicles [33%], Pick and drop facility service with a nominal charge [27%], whereas some expected a mobile workshop [22%] to attend their vehicle for instant repairs of their cars.

8.2. Findings from Employees Satisfaction Survey

1- Table No. 7.50 and Graph No. 7.49, indicates that average qualification of the employees was Graduation [50%] and Post Graduation [28%]. It is observed that mostly Graduates and Post Graduates employees were employed by the dealers.

2- Table No. 7.51 and Graph No. 7.50, reveals that workforce employed by the dealers were mostly young in nature as 91% of them were in the age group between 18 to 40 years.

3- Table No. 7.52 and Graph No. 7.51, indicates that the dealership of automobile industry in Pune city was male dominated as 74.4% of the employees under study were found to be males.

4- Table No. 7.54 and Graph No. 7.53, shows that more focus was on marketing and selling, hence majority of the employees were either employed at the front desk [14%] or sales and marketing [49%] department of their respective dealers.

5- Table No. 7.56 and Graph No. 7.55, reveals that managers and higher authorities of dealerships paid due attention to the issues and matters raised by the employees which was helpful in maintaining a cordial relations with the employees. As 92% of employees were satisfied about the upward communication system prevalent at their work place.

6- Table No. 7.58 and Graph No. 7.57, reveals that 12% of the employees earned salary up to Rs. 10000, 44% earned salary in the range of Rs. 10000 to 20000, 35% in the range of Rs. 20000 to 30000 whereas only 7% earned salary more than Rs. 30000 from their respective dealerships.

7- Table No. 7.59 and Graph No. 7.58, indicates that a larger portion [76%] of the employees were satisfied with the salaries they received. At the same time it is a matter of concern as well because it is observed that many employees [26%] were not satisfied with the salary package offered to them.

8- Table No. 7.61 and Graph No. 7.60, shows that the employees received bonus regularly from their respective employer dealers. It is observed that 88% of the
employees earned bonus from their employers whereas 12% of them did not receive any kind of bonus whatsoever.

9- Table No. 7.65 and Diagram No. 7.07, shows that 51% of the employees received promotions after two years, 18% after one year whereas a few employees [4%] were promoted after six months. This indicated that policies of the dealers regarding promotion were not at all uniform.

10- Table No. 7.67 and Graph No. 7.64, indicates that the dealers offered their employees training regularly as the 80% of the employees had received training. They gave training to their employees regularly depending upon the requirements of the job, at their dealership, by interval ranging between six months to two years. However 20% of them had not received training because of the reason that they were trained already by their previous employers.

11- Table No. 7.70 and Graph No. 7.66, reveals that the jobs were interesting which in turn gave them the opportunities to learn new things, as 97% of them were happy with the same.

12- Table No. 7.72 and Graph No. 7.68, indicates that employees views were divided on the issue regarding the recognition they received from their superiors for their work. 74% were satisfied, 11% neutral whereas 14% were dissatisfied.

13- Table No. 7.73 and Graph No. 7.69, indicates that almost all the employees [96%] felt that their skills and knowledge was not being utilised in their organisation.

14- Table No. 7.74 and Graph No. 7.70, shows that the workload assigned to the employees at the workplace was reasonable as 87% of the employees were satisfied with that, however a very small proportion of them [9%] did not feel so.

15- Table No. 7.78 and Graph No. 7.74, indicates that evaluation of employees performance was a regular affair in the workplace as 84% of the employees felt that their supervisors evaluated their work regularly. It is observed that 13% of the employees were not happy about the evaluation of their work performance.

16- Table No. 7.79 and Graph No. 7.75, reveals that in all dealerships constructive suggestions were been given by the supervisors instead of vague solutions which was being implemented in actual practice. It is seen that 22% of the employees graded it as excellent, 57% graded it as very good, whereas 13% graded it as good and only 4% graded it as bad.

17- Table No. 7.81 and Graph No. 7.77 indicates that career progress was a major issue which dealers are required to pay attention as 59% of the employees felt that there
was less scope of progress in the present hierarchy system prevalent in their organisation. However 31% of the employees were satisfied with the same.

18- Table No. 7.82 and Graph No. 7.78, reveals that dealers were a bit strict about vacation time and leaves they gave to their employees as 52% of the employees have not expressed their opinion about it and remained neutral whereas 44% were satisfied and only 4% were not satisfied.

19- Table No. 7.83 and Graph No. 7.79, shows that 54% of the employees were satisfied with the retirement plans offered by their employers, but as majority of the employees were young in age hence retirement plans were not considered as very attractive by them, hence 35% of them remained neutral on this matter. The dealers can thus think on this point for more monetary incentives for their employees.

8.3. Findings from Dealers Satisfaction Survey

1- Table No. 7.89 and Graph No. 7.81 indicates that dealers or their top level personnel were all well educated as 89% of them had either completed their graduation or post-graduation.

2- Table No. 7.90 and Graph No. 7.82 reveals that 83% of the dealers had constructed their showrooms on their own land, whereas the new dealers of certain companies, who had entered the business after 2002 were mostly either on lease or on rental basis.

3- It is observed that while allotting dealership to a particular individual or institution by the manufacturing companies the financial strength has been considered as the most important factor whereas other factors, such as previous experience, reputation in the society, business acumen and location of showroom were also taken in to consideration.

4- Table No. 7.91 and Graph No. 7.83 indicates that 94.4% of the dealers had set up their own open air parking area outside the city limits, for parking their cars so as to save Octroi taxes from the Pune Municipal Corporation. Further the rate of land outside the P.M.C limits was much more cheaper as compared to the city. Hence dealers preferred to have their godowns outside municipal corporation limits.

5- Table No. 7.92, Graph No. 7.84 and Graph No. 7.85 shows that dealers of companies such as Maruti Suzuki, Hyundai ,Mahindra & Mahindra and Tata Motors have maintained investment ranging between Rs. 4 Crores to Rs. 7 Crores as their
capital investment, whereas dealers of companies such as Honda, Toyota, General Motors, Skoda, Mercedes Benz and Ford Motors had capital investment ranging between Rs. 8 Crores to Rs.16 Crores.

6- Table No. 7.93, Graph No. 7.86 and Graph No. 7.87 indicates that dealers of companies such as Maruti Suzuki, Hyundai and Tata Motors had made investments between Rs.8 Crores to Rs. 10 Crores in cars whereas dealers of companies such as Skoda, Mercedes Benz and Ford Motors had investment between Rs. 10 Crores to Rs.14 Crores in cars.

7- Table No. 7.92, Graph No. 7.84 and Graph No. 7.85 shows that dealers of companies such as Maruti Suzuki, Hyundai, Mahindra & Mahindra and Tata Motors have maintained investment ranging between Rs. 4 Crores to Rs. 7 Crores as their capital investment, whereas dealers of companies such as Honda, Toyota, General Motors, Skoda, Mercedes Benz and Ford Motors had capital investment ranging between Rs. 8 Crores to Rs.16 Crores.

8- Table No. 7.93, Graph No. 7.86 and Graph No. 7.87 indicates that dealers of companies such as Maruti Suzuki, Hyundai and Tata Motors had made investments between Rs.8 Crores to Rs. 10 Crores in cars whereas dealers of companies such as Skoda, Mercedes Benz and Ford Motors had capital investment between Rs. 10 Crores to Rs.14 Crores in cars.

9- Table No. 7.98, Graph No. 7.96 and Graph No. 7.97, shows the margin earned by all the dealers from their spare parts departments was considerably good ranging between 01% to 40%.

10- Table No. 7.99, Graph No. 7.98 and Graph No. 7.99, indicates that margin earned from servicing departments was comparatively less than other departments in all the dealerships. It is observed that 83% of the dealers received margin from their servicing departments ranging between 01% to 20%.

11- It is observed that the dealers were quiet relaxed as far as their concern for security of their showrooms. They had 2 to 5 security guards for their showroom safety and their monthly budget for security was between Rs. 20,000 to Rs. 50,000. More over their entire show room was under CCTV surveillance 24 hours.

12- Table No. 7.100, Graph No.7.100 and Graph No. 7.101, shows that dealers considered advertisement important as they spent regularly for advertising of their own dealerships. On an average they spent Rs. 5000 to Rs. 10,000 monthly.
However the manufacturing companies footed all the expenses related to the local advertisement expenses such as posters, hoardings, fliers in Newspapers, pamphlets and so on.

13- Table No. 7.101 and Graph No. 7.102, indicates that in three dealerships [17%] servicing departments were incurring losses due to non availability of the right skilled technicians to attend to their customers technical problems plus high maintenance cost of the department due to which less number of vehicles were coming for regular periodic servicing of their cars.

14- The study reveals that dealers borne the incentives given to the customers for the old models which varied from Rs. 10,000 to Rs. 50,000, where as in case of newly launched cars incentives offered to the customers was borne by the manufacturers which varied from Rs. 20,000 to Rs. 70,000.

15- It is observed that normally two to four litres of free fuel was filled in all new cars at the time of delivery. The expenses of fuel was borne by the dealers.

16- Table No. 7.102 and Graph No. 7.103, shows that all the dealers [100%] were maintaining the complete records of all their customers visiting their showroom for the purpose of inquiry or for any other matters. This database was used to provide information to their customers regarding the schemes and discounts on the new models and so on. The same database was also being used for reminding the customers about their next servicing due date and making them aware about the discounts and offers being offered on servicing at their dealership.

17- Table No. 7.103 and Graph No. 7.104, indicates that all the manufacturers [100%] have set target sale for the sale of different models of cars. Dealers were given additional bonus amount for selling cars more than the targeted figures given by the manufacturers. The amount of bonus given varies between manufacturers during different seasons. The target policy of manufacturers was the driving force behind the dealers actions.

18- Table No. 7.104 and Graph No. 7.105, reveals that the manufacturing companies offered good support in marketing and sales activities as 94% of the dealers were satisfied about the same.

19- Table No. 7.105 and Graph No. 7.106, indicates that companies were little conservative when it comes to promotional budgets and expenditure as 22% of the
dealers preferred to remain neutral whereas 39% were not satisfied and felt it was quiet less.

20- Table No. 7.108 and Graph No. 7.109, shows that dealers were confident about the new models launched due to the market research capabilities of their companies as 100% of them agreed that companies designed and launched vehicles as per the need of the market and changing the technological scenario.

21- Table No. 7.112 and Graph No. 7.113, shows that warranty and claim settlements process practiced by the manufacturing companies was good as 83% of the dealers were satisfied with the same.

22- Table No. 7.114 and Graph No. 7.115, shows that vehicle ordering process for the dealers was not cumbersome as it was rated very good and good by all 88% of them.

23- Table No. 7.115 and Graph No. 7.116, indicates that vehicles were delivered on time to the dealerships as 66% of them graded the delivery time as good and 33% graded it as fair.

24- Table No 7.117 and Graph No. 7.118 shows that finding the right kind of HR staff was an issue for dealers as majority [61%] of them found it difficult to get the HR personnel for their organisation. This may be because of strict norms and standards of employment adapted by manufacturing companies for the dealers.

25- The study reveals that dealers had tie-ups with numerous financial institutions for advancement of loans to their prospective customers. Most of these institutions were Tata Capital, Tata Finance, ICICI Bank, HDFC Bank, Magma Financials, SBI bank, Axis Bank and so on.

9. SUGGESTIONS

On the basis of primary data and secondary research (analysis of questionnaires), the following Suggestions have been Suggested.

9.1. General Suggestions

➢ Dealers need to work closely by having tie ups with financial institutions to provide right financial solutions to the customer or designing better, attractive proposition with the help of financial institutions which could help to increase their sales performance.
Segmentation is done by the company before launching models but at the operational level dealers should also do segmentation activity to pitch vehicles in a right manner to appropriate group of customers.

While ordering different car models dealers should rely on ground realities instead of companies intuition to prevent unmoving inventory. Existing unmoving stock of car models ordered in large quantity must be cleared to save storage place and invested capital by announcing fabulous discounts and schemes.

The dealers need to improve infrastructure to handle diverse customers and products ranging from mini cars to luxury and SUV cars. Apart from that separate sales teams can be appointed to take care of different segments having different needs.

The improvement in service standards is on the rise which can convert the dealership into a brand from just a service outlet. The dealer can become a brand point only when the customers carry a positive experience at a dealership, as the word of mouth is the most effective medium of getting popular in an automobile dealership business.

Explaining functional benefits to male customers is comparatively easier than female customers.

First time car buyers are going to increase in number because of rise of income level. As these buyers generally prefer small or mini cars, pitching of low maintenance cost, affordability, engine power should be made.

Dealer should design the retailing space keeping in mind local problems such as traffic congestions as customers may not prefer to visit dealers located in congested areas of the city. Instead small outlets at different uncongested locations where display and basic transactions could take place would make a lot of difference for convenience of the prospective buyers.

To get associated with leading B-schools offering graduation or post graduation if possible for getting regular supply of the fresh workforce can be an attractive proposition. The dealers and companies can keep interested students engaged for a period of two years about dealership and automobile business in totality in order to improve their HR personnel department.

9.2. Suggestions from the point of view of the Customers

Dealers should keep cost of basic services lower in order to increase the frequency of visits of customers and cross selling and pitching value added services.
The period of delivery after booking seems to be a vital point affecting satisfaction of the customers. Reduction of waiting period would leave a better mark in the minds of the customer which could be of immense use.

As customers are trying to postpone the servicing of their vehicle at dealers service centers because of high cost as compared to charges charged at local garages. Some discounts on servicing should be offered to their regular customers in order to attract them.

Delivery period of the vehicles to the customers must be prompt as promised in order to increase the customer’s confidence.

Huge discount and reduction of insurance charges have become quiet common these days. Thus to entice customers, more innovative promotion schemes can be designed as customers are always waiting for such discounts before the purchase of their cars.

The Time required for completing the servicing of vehicles should be reduced. In other words technicians should increase their efficiency and there should be more controls by supervisors. Same day delivery policy should be the practice of dealers.

Customers should be made aware about facilities provided by dealers like 24 hrs. Helpline which would help increase in their loyalty.

Breakdown help service should be improved as dealers are publicising it extensively and should make people aware about the use of only genuine spare parts and accessories. This indicates that whatever is promised is been delivered.

The particulars of the bills should be explained more clearly to the customers about why the task was important for if the problem is ignored now then, what would be the potential consequences. The charges levied should be explained to the customers in order to avoid misunderstandings.

Advisors and technicians should make customers feel that they are very serious and are paying due attention both at pre-servicing and post-service inspection and then give estimation of expenses and time required accurately.

Post-sale and Post service paperwork should be done in minimum time as customers are always in hurry to take delivery of their vehicles.

Good amenities and facilities be provided in the customers waiting area while the customers cars are being attended to in the workshop.
The Sales representatives must be highly professional in their approach. Customers should not feel that the dealers are only selling their cars. Customers must be taken into confidence.

The dealers should work more on productivity of the employees and on more automation in order to reduce the cost of the business and billing of the customer so that they can become more price competitive.

9.3. Suggestions from the point of view of the Employees

- The workforce employed should be highly experienced.
- The salary packages must be designed in a manner as to make them attractive so as to retain the good employees and get rid of the dead wood. At the same time they should improve on their non monetary incentives like recognition, leaves, and birthday celebrations and so on.
- Feeling of teamwork should be initiated in the minds of the employees as it is observed that teamwork is lagging amongst the employees as they believe in the individual task completion.
- Recognition and appreciation of work done by the employees is an area of improvement for management as it is causing dissatisfaction amongst of the employees.
- Utilization of employees is a matter where concentration of management needs to be focused. Because underutilization can reduce productivity hampering profitability of the business.
- Explanation of clear career path is important to reduce the turnover rate and at the same time they should change their compensation pattern as it should be designed by keeping demography of the employees in mind. Hence retirement benefits can be changed with immediate financial benefits.

9.4. Suggestions from the point of view of the Dealers

- The dealers should be more persuasive for expenses of different marketing and promotional activities and should include more staff in the sales team of company, specially at the time of promotional activities. In order to be able to attend to every customer no sooner they step in showroom. The staff should immediately attend to their queries and questions and win their confidence so as to finalize the decision of purchase of the said vehicle.
Instead of relying on the market research activities of the company before the launching of the new model cars, the dealers themselves should have their own market intelligence department to predict the sales performance of the vehicle which would help in reduction of the inventory cost of dealers.

Instead of training of the employee on routine issues and day to day affairs, the staff should be trained for achieving the larger aims of the business sustainability and competitiveness. Thus increasing the sense of awareness of the employees and feeling of involvements thereby reducing the problem of labour turnover.

Dealers should be affirmative and prompt in their approach regarding the time of delivery of vehicle. In case of delay in the delivery of vehicle, the customers must be duly informed about the same well in advance.

Dealers should rather than just reminding customers about their next servicing dates, should also concentrate on the relationship marketing. They should maintain long-term relationships by sending messages on mobile, e-mails about tips of safe driving, new vehicle information and so on.

As the original spare parts are quite expensive, the dealer should have better inventory management system and the entire department must be under CCTV surveillance.

Advertisement expenses should be doubled by the dealers in order to capture the market easily in the long run.

Although the dealers were having tie-ups with various financial institutions, but the commission received by them from these institutions was less, hence they should negotiate with them for getting more commissions.

As there is less awareness in society about the employment opportunities in the automobile showrooms and getting good workforce is always difficult for the dealers, through advertisement in the local newspapers, the dealers could solve this problem.

The dealers should negotiate with their manufacturers regarding retaining their best employees by offering them additional monetary benefits.
The manufacturers should also keep their dealers well informed about the new models to be launched by their competitive manufacturers. They should educate the dealers about the plus points of their vehicles in comparison with the vehicles of the competitors, so as not to lose their market share in the long run.

Dealers can have diverse sources of income apart from selling cars and spare parts with the permission of manufacturing company. They can negotiate on points like insurance dealings, body shop charges, collaboration and commission from financial institutions, Use and Rent Cars and Scrap disposal and so on.