

# An Empirical Review of the Product and Customer Satisfaction of Tata Commercial Vehicle

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## **Abstract**

*More than half a century of impressive presence in India and overseas, Tata Motors continues to provide India with top of the line commercial vehicles. Tata Motors is India's largest and among the world top five medium and heavy commercial manufacturers. It provides a wide variety of commercial transport solutions with over 130 models. Company provide vehicle for every application from 2 ton LCVs to 40 ton tractor trailers and buses. From Tippers to Special Purpose Vehicles, to 6x4 and 4x4 off road vehicles and Defense vehicles – TATA cover the entire gamut. Modern tools are provided by the company and availability of spare parts is sufficient at dealers. Customers avail free services at dealer in warranty period. Majority of customers prefer TATA commercial vehicle due to its better quality, brand name, and easy availability of service stations across the country.*

**Key words:** *TATA commercial Vehicles, service station, authorized dealer, customers' satisfaction.*

## **Introduction**

The Tata group comprises over 90 operating companies in seven business sectors like engineering, materials, services, energy, communications and information technology, consumer products and chemicals. The group is operating in more than 80 countries across six continents and its companies export products and services to 85 countries. The Tata name has been respected in India for 140 years for its adherence to strong values and business ethics. Tata Motors is India's largest automobile company, with consolidated revenues of Rs. 1,23,133 crores (\$ 27 billion) in 2010-11. Tata Motors is the country's market leader in commercial vehicles and among the top three in

passenger vehicles, with over 5.9 million Tata vehicles plying in India. It provides a large variety of commercial transport solutions with over 130 models. Company provide vehicle for every application from 2 ton LCVs to 40 ton tractor trailers and buses that can seat 16 people to as many as 67, from Tippers to special purpose vehicles, to 6x4 and 4x4 off road vehicles and defense vehicles – TATA cover the entire range. It is also the world's fourth largest truck manufacturer and the third largest bus manufacturer. Tata trucks, buses and cars are being marketed in several countries in the Middle East, Europe, Africa, South East Asia, South Asia, and South America. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea,

Thailand, Spain and South Africa among them is Jaguar Land Rover, the business comprising the two iconic British brands. It also distributes Fiat cars in India under joint venture.

Tata Motors' total sales including exports of Tata commercial and passenger vehicles in September 2011 were 78,786 vehicles, higher by 22% over September 2010. The company's domestic sales of Tata commercial and passenger vehicles for September 2011 were 72,566 nos., higher by 22% over 59,611 nos. sold in September last year. LCV sales were 28,092 nos., a growth of 47% over September last year.

Tata Motors Commercial Vehicles Business Unit has announced some initiatives for further strengthening the reach of its customer service. The announcements came on the National Customer Care Day on October 23. It was on October 23, 1954, the first truck of the TATA was rolled out. Among the new initiatives is availability of a Tata authorized service workshop in a radius of 30 km across the country by 2015. At present, the company has about 1240 service workshops, each in a radius of 65 km. In the future, customers will also have facilities, like the 'Tata easy pay card' for to ease payments system at any authorized service workshop, and extended warranties with options as per customer needs. The company provides 24x7 assistance regarding sales, service, and product issues and spares parts availability across the country, through 'Tata Connect'. Customer facilities already include Annual Maintenance Contract for customer desired periods (kilometers/hours) at pre-determined prices, on-site service support for commercial vehicles owners.

For to strengthen bond with customers and to create an even deeper customer connect, company has launched Tata Delight programme. Tata Delight is a loyalty programme for all Tata motors commercial vehicle customers, both

existing and new for to take the relationship with customers to the next level. Company offers customers a multitude of distinctive facilities for all sales outlets, Tata motors dealerships, and Tata motors authorized service stations.

### Review of Literature

**Isuzu (1988)** noted that Australia is the second-largest overseas market without import restrictions for commercial vehicles, after the U.S., and that the share of Japanese motor vehicles there has reached 80% of the market. But they also noted that price markups forced by the yen's rapid rise and increasing competition have been forcing Isuzu to consider assembling commercial vehicles in Australia. In 1987, Isuzu's commercial vehicle sales in Australia slumped to 5,178 units, or 5.8% of the Australian market, from 9,240 units, or 7%, the officials said.

**Randhawa, Bell & Montagne (1998)** summarizes a two-phase project that reviewed the commercial vehicle safety alliance's out-of-service criteria for vehicles. The first phase examined relevant background information and conducted a questionnaire survey of CVSA inspectors and industry representatives. The second phase of the project involved extensive collection and evaluation of accident data. The results of both phases show a high level of support, in terms of contribution to vehicle accidents, for four of the vehicle criteria regarding brakes, load sacrament, tires, and wheels and rims. There was some support for coupling devices, fuel systems, lighting devices, steering and suspension. The support for the remaining vehicle criteria like exhaust systems, frames, van and open top trailer bodies, and windshield wipers was little to none.

**PR Newswire (2006)** Commercial Vehicle Group is a leading supplier of fully integrated system solutions for the global commercial vehicle market, including the heavy-duty truck

market, the construction and agriculture market and the specialty and military transportation markets. "CVG is extremely proud to have partnered with Ford Motor Company in using leading-edge technology to create one of the greatest sports cars in history. Commercial Vehicle Group is a leading supplier of fully integrated system solutions for the global commercial vehicle market, including the heavy-duty truck market, the construction and agriculture market and the specialty and military transportation markets.

**Ursula & Johann (2008)** examines the impact of integrated environmental product innovations on company competitiveness. In automotive, rail and commercial vehicle firms in Southern Germany it is found that integrated environmental product innovation is driven by factors such as regulatory pressure, the search for competitive advantages and technological lead as well as customer pressure. Regulatory pressure includes sector policies, such as emission standards, and wider non-sector energy conservation issues, at both national and international levels. The study finds that integrated environmental product innovations driven by regulatory pressure produce similar competitiveness impacts as innovations undertaken voluntarily by companies.

**Woodrooffe (2010)** suggests Various technologies and methods that could improve the fuel economy of medium- and heavy-duty vehicles, such as tractor trailers, transit buses, and work trucks. It also recommends approaches that federal agencies could use to regulate these vehicles' fuel consumption. Currently there is no fuel- consumption standards for such vehicles, which account for about 26 percent of the transportation fuel used in the United States.

**Penton (2011)** observes in its latest study of heavy-truck customer satisfaction, J.D. Power and Associates has mentioned that overall quality of heavy-duty trucks has improved

substantially in 2011, compared with the year before. But the marketing-services firm contends 'whether these quality gains can be sustained in the face of greater production and new emissions regulations remains in question.' The commercial vehicle manufacturers and suppliers have made great strides in improving the quality and reliability of heavy-duty trucks, but the focus will quickly turn toward maintaining these levels at a time of increased production volumes and the release of 2010 EPA-compliant engines. According to J.D. Power, customer satisfaction with heavy-duty trucks has declined immediately following the introduction of engines that meet revised EPA regulations. The firm stated that in 2010 and 2006, both heavy-duty truck and engine satisfaction declined immediately following the implementation and sale of engines meeting EPA regulations that were revised in 2007 and 2004, respectively.

**Press release (2011)** briefed that the Company has been awarded India truck seating business and expects to begin production of this business in early to mid 2012. The Company will also transfer existing business to the Joint Venture where it will be manufactured and supplied to other global CVG locations. The Company stated that tooling for certain of its products has already been shipped to India to support its global requirements, including the development of new markets in India. Similar to our approach in China, we will transfer existing product to India and work to grow our seating business over the next several years. In addition to the transfer of existing product, will be producing seats for the domestic India truck market. We expect to grow the domestic India market much like we did in China and are currently targeting \$20 to \$25 million of new domestic India seating business over the next several years beyond our initial startup period of 2012.

**PR Newswire (2011).** revealed that acquisition not only expands Commercial Vehicle Group's

Australian presence in the military and truck markets, but also enhances overall product offering with the addition of the unique Stratos suspension system and military seating products. Stratos is yet another positive step in global expansion and diversification strategy and are excited to move forward with Stratos and all of their employees and customers.

**Hyre (2011)** observed that the commercial vehicle group is a leading supplier of fully integrated system solutions for the global commercial vehicle market, including the heavy-duty truck market, the construction and agriculture market and the specialty and military transportation markets. The company's products include suspension seat systems, interior trim systems, such as instrument and door panels, headliners, molded products, cabinetry and floor systems, cab structures and components, mirrors, wiper systems, electronic wiring harness assemblies and controls and switches specifically designed for applications in commercial vehicle cabs.

**Research Gap:** It is evident from the review of literature that majority of the work undertaken about commercial vehicle is related to the review of commercial vehicle safety alliances, the impact of integrated environmental product innovations on company competitiveness, introduction of fully integrated system solution for the global commercial vehicle market, development of new market in India through Joint venture, Improving the quality and reliability of heavy duty trucks and customer satisfaction in USA, sale of commercial vehicle of Japan in Australia. And some researcher has tried to evaluate various technologies and methods that could improve the fuel economy of medium & heavy duty vehicle like fuel consumption standards of vehicles in USA.

The review of literature reveals that there is hardly an in depth study regarding the product and customer satisfaction of TATA commercial

vehicle. So this study is an attempt to study the product and customer satisfaction of TATA commercial vehicle in the Haryana state in India.

#### **The objective of the study**

The broad objective of the study are

1. To find out the quality of services provided by the Tata authorized dealer.
2. To know consumer perception towards the Tata commercial vehicles.
3. To ascertain the performance of the selected commercial vehicles of Tata motors.

#### **Research Methodology**

The present study is exploratory as well as descriptive. It is based on primary data, the questionnaire have been framed for customers. Questionnaires have been filled through personal contact with the respondents.

#### **Scope & Sampling**

The scope of the study is Haryana only. Since it is not feasible to examine the entire universe the researcher decided to design a representative sample. The sample size for primary data includes one hundred customers. Non – probability judgment sampling technique has been adopted. The study covers M.G. motor dealer and the authorized service station in Haryana for the survey.

#### **Tools used for the Analysis**

Statistical calculations have been made, making extensive use of SPSS Software Package on the computer. Version 13 of SPSS is used.

The statistical tool like tables, Bar Charts is used for presentation.

#### **Limitations of the study**

The main limitation of the study is time and money. Therefore authorized dealer and services stations have been chosen for the study and Haryana state has been taken as the scope of the study, this may not be true representative of the

Tata motor. Another limitation can be the biasness at the respondents' level.

#### Analysis of the study

The results obtained through analysis have been presented in the following tables and figure in this section.

**Table 1**  
**Place of obtaining the services by customers**

Statements	Frequency	Percentage
MG motors dealer	80	80
Other service station	20	20
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 1 shows 80 percent of the customers came for services in dealer MG motors. Only 20 percent preferred others service station.

**Table 2**  
**Type of services needed in the commercial vehicle**

Statements	Frequency	Percentage
Paid services	30	30
Free services	37	37
Paid repair	13	13
Warranty	20	20
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 2 depicts 37 percent came to MG Motors for free services and only 13 percent came for the paid repair, the reason is spare parts available is very costly. Usually they buy parts

from local shops at lower cost. 30 percent customers reached for paid services. 20 percent customers come for repairing if its vehicle is in warranty period.

**Table 3**  
**Advance booking for services of vehicle by customer**

Statements	Frequency	Percentage
Advance booking	65	65
No Advance booking	35	35
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 3 shows 65 percent customers had advance booking for services in MG motors due to the rush of customers and more time

consumption in services. 35 percent customers had not advance booking they came for paid services of the vehicle.

**Table 4**  
**During warranty period vehicle immediately accepted / delayed.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Warranty Immediately Accepted	64	64
Not accepted	36	36
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 4 exhibits that 64 percent customers says that their vehicle immediately accepted under warranty period. 36 percent customers' vehicles under warranty are not immediately accepted.

Customers says sometimes parts are not available so the dealer have to procure from outside and it will took some time.

Dealer's pinpointed that some parts of vehicle are not under warranty, some customers do not bring their vehicles registration book so it is not possible for the dealer to repair the vehicle under warranty vehicles are accepted for free services till one year from the purchase date.

**Table 5**  
**Vehicle taken inside workshop and job card prepared for the services.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Immediately taken inside	74	74
Not immediately taken inside	26	26
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 5 shows that 74 percent customers accepted that when they reached at the authorized workshop their vehicle are immediately taken inside and the job cards are prepared immediately, 26 percent customers say that job cards are opened after the delay.

**Table 6**  
**Reoccurrences of the maintenance cost.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 3 times	72	72
More than 3 times	10	10
No Maintenance Cost	18	18
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 6 highlights that only 10 percent customers have to incur maintenance cost more than 3 times in a month. 72 percent customers have to incur less than 3 times in a month. Only 18 percent customers reported that they have not incur any expense on their vehicle after purchased.

**Table 7**  
**Services of technical advisor about the problem and the maintenance cost.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Customer interaction with the technical advisor	73	73
No interaction	27	27
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 7 shows 27 percent customers did not interact with the service advisor prior to obtaining the services while 73 percent customers took their suggestion.

**Table 8**  
**Provision of providing proper estimate of time and cost.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Proper estimate of time and cost	62	62
No	38	38
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 8 shows 62 percent customers says that the dealer provide them the proper estimate of time and cost of services. 38 percent says that dealer did not give the estimate. It was found that dealers have to see exactly what type of problem in the vehicle and then they perform the services.

**Table 9**  
**Delivery of vehicle to the customer after services.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
Vehicle delivered on time	75	75
Not delivered on time	25	25
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 9 depicts 75 percent customers vehicle are delivered on time. Only 25 percent are not delivered on time.

**Table 10: Customers visiting the workshop for the same problem shortly afterwards.**

<b>Statements</b>	<b>Frequency</b>	<b>Percentage</b>
No recurrence of the problem	59	59
Recurrence of the problem	41	41
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 10 highlights 59 percent customers say that they have not realize the same problem shortly after receiving the services. 41percent of the customers revert back to the workshop for the same problem shortly after the services.

**Table 11: Competence and ability of mechanics of the workshop.**

Statements	Frequency	Percentage
Satisfied with the competence of mechanic	78	78
Dissatisfied with the competence of mechanic	22	22
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 11 exhibits that 78 percent customers are satisfied with the competence and work of mechanic, 22 percent are dissatisfied.

**Table 12**  
**Customers satisfaction with the cleanliness of workshops and infrastructure**

Statements	Frequency	Percentage
Satisfied	84	84
Not satisfied	16	16
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 12 shows that 84 percent customers are satisfied with the cleanliness of workshop and infrastructure. 16 percent customers found dissatisfied with the cleanliness and space of the workshop.

**Table 13**  
**The customer satisfaction with the availability of spare parts**

Statements	Frequency	Percentage
Satisfied	64	64
Not satisfied	36	36
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.

Table 13 depicts that 64 percent customers are satisfied with the spare parts available at MG motors. 36 percent customers are not satisfied, due to the non availability of commonly used spare parts. So they have to buy it from outside market from own pocket.

**Table 14**  
**The overall customer satisfaction with the services of authorized dealer.**

Statements	Frequency	Percentage
Satisfied	62	62
Dissatisfied	38	38
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data.



Table 14 exhibits 62 percent customers are fully satisfied due to the culture of MG motors and the way the staffs attend the customers. 38 percent are dissatisfied because of product quality, unhappy with the mechanics working,

delay in service, space available, non-availability of spare parts, in MG motors.

Modern tools are provided by the company and availability of spare parts is sufficient at MG motors. A sense of trust between the staffs and the customers is found in MG motor.

**Table 15: Tyres' life span in Tata commercial vehicle.**

Model of vehicle.	Tyres replacement in months.
Model 1613 LPT	3
Model LPT 2515 TC	5
Model LPK 2516 TC	6
Model 407 EX	7
Model ACE	8

Source: Primary data.

Table 15 exhibits customers of model 1613 LPT changes the tyres once a time in 3 months because it is heavy commercial vehicle and holds a capacity of around 22 tones. Customer of model LPT 2515 TC says that the average life of tyres is around 5 months; customer of model

LPK 2516 TC says that it is 6 months; customer of model 407 EX says that it is 7 months and ACE customer says it is 8 months.

Table concludes that the TATA's Light commercial vehicle has more average tyres life than the Heavy & Medium commercial vehicles.

**Table 16: Customers opinion about the fuel efficiency of TATA vehicle.**

Model of vehicle.	Fuel efficiency in KMPL
Model 1613 LPT	3
Model LPT 2515 TC	3.5
Model LPK 2516 TC	2.5
Model 407 EX	10
ACE	18

Source: Primary data.

Table 16 exhibits that model 1613 LPT provide fuel efficiency of 3 Km per liter, model LPT 2515 TC - 3.5 Km per liter , model LPK 2516 TC – 2.5 Km per liter, model 407 EX – 10 Km

per liter, model ACE fuel efficiency is 18 Km per liter.

**Table 17: Customers satisfaction with the various attributes associated with TATA.**

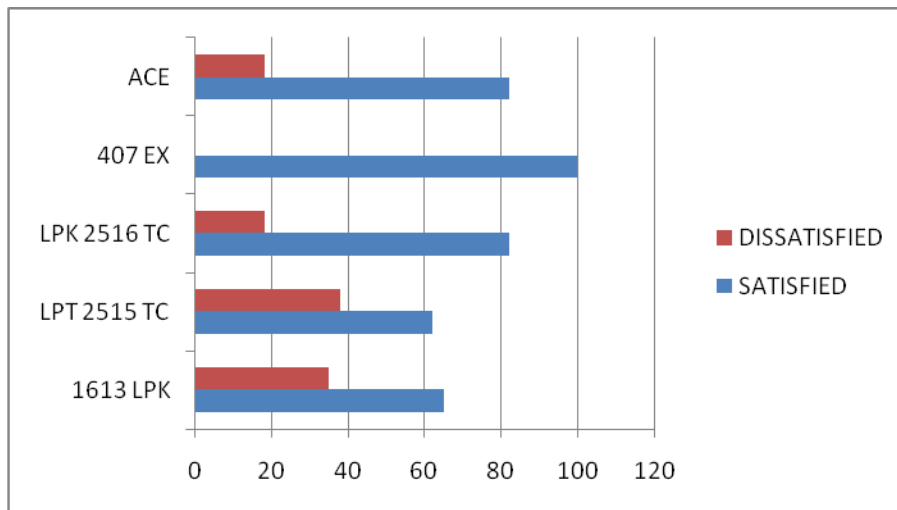
Various Attributes	No. of customers
Availability of more no. of service station of TATA	80
Brand name of TATA	95
Product quality	74

Source: Primary data.

Table 17 exhibits 80 percent customers like the attribute i.e. availability of more no. of service station of TATA', the reason behind the satisfaction of 95 percent customers is the 'brand

name TATA' as it is a trusted company. Only 74 percent customers like the attribute 'product quality' of TATA Commercial vehicles.

**Figure 1**  
**Customer satisfaction with the performance and product quality of different models of TATA**



Source: Primary data.

The figure 1 highlights that 65 percent customers are satisfied, 35 percent customers are dissatisfied with Model 1613 LPK, the reason behind dissatisfaction is that the fuse system is not good, as diesel reached to chamber which causes loss in diesel and mobil oil. 62 percent customers are satisfied with Model 2515 TC, 38

percent customers are dissatisfied due to the poor pick up, steering problem and gear trouble in vehicle. 85 percent customers are satisfied with Model 2516 TC only 15 percent are dissatisfied due to the problem of leakage of diesel. Most of the customers are satisfied with the product quality of Model 407 EX and its

performance. 70 percent customers are satisfied and only 30 percent are dissatisfied with TATA ACE, some customers says that pick up is not better in the vehicle, few says that tyres are very small, tyres guard are not there and noisy steering also creates problem.

### Conclusion

The study of the product and customer satisfaction of TATA commercial vehicle has helped in reaching certain conclusions.

It is observed from the study that majority of customers (70 percent and more) came for services at dealer MG motors, they are satisfied with the service and spare parts quality, their vehicle are immediately accepted under warranty period, dealer provides them the proper estimate of time and cost, their vehicles are delivered on time and are satisfied with the competence and work of mechanic. Customer says modern tools are provided by the company and availability of spare parts is sufficient at MG motors. Majority of customer reach at MG motors for free services during warranty; they made advance booking for services at dealer to avoid wastage of time. They are satisfied with the cleanliness of workshop and infrastructure.

Few customers are found dissatisfied due to steering problem, gear trouble and poor pick up in vehicle, they added that tyres are very small, tyres guard is not there in TATA ACE model and available spare parts is also very costly. Few customers pinpointed the non- availability of commonly used spare parts at dealer and they have to buy it from own pocket from local market in warranty period.

TATA light commercial vehicle customers are more satisfied with the fuel efficiency and average tyre life than the Heavy & Medium commercial vehicle. It is found that majority of customers prefer TATA commercial vehicle due to its better quality, brand name, and easy availability of service stations.

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