



# Customer Experience In High-End Automobile Segments: A Nexa Study

Vishnu Vivek<sup>1</sup>, Afsal. S<sup>2</sup>, Dr. Athira B. Kaimal<sup>3</sup>, Dr. Priestly Shan Boaz<sup>4</sup>

<sup>1,2</sup>Asian School of Business, Trivandrum – 695316, Kerala, India

<sup>3,4</sup>Alliance University, Bengaluru – 562 106, Karnataka, India

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## KEYWORDS

Fevicol, Pidilite, Carpentry, Product quality, Garrett rank, Business Management, Industry Innovation and Infrastructure

## ABSTRACT:

**Purpose:** The aim of this study on the topic “Customer experience in premium segments of automobile industry- A study on Nexa Trivandrum”. This study was conducted in the Nexa showroom for the past 1 one month. Since this was a project in the marketing domain, this study was carried out on Nexa showroom.

**Theoretical framework:** This project was conducted in order to find out what the management expects to provide their customer and what the customers actually feel about the experience that they obtain from the showroom.

**Design/methodology/approach:** In other words, it can be defined as the extent up to which the efforts taken by the company is successful. And if not successful, the ways by which they can improve.

**Findings:** Customer experience can we defined as the sum total of customers perceptions and feelings resulting from the interactions with a brand’s products and services. A company can improve customer experience by listening to customers and identify what they value the most and providing it.

**Research, Practical & Social implications:** One of the best ways by which this can be identified is to take feedback from existing customers. Analyzing customer experience is A buyer-centric approach in order to provide the customers the key elements that they prefer. A good customer experience leads to emergence of loyal customers which in turn leads to higher profits to the company. As customer experience increases, the existing customers will refer or recommend the products or services provided by the company to other people.

**Originality/value:** In this study to find out the customer experience of next customers, a survey was conducted and responses were obtained using a questionnaire. Later this data was analyzed using statical techniques like Chi square and Net promoters score. Thus, the results obtained will be useful for the company to further increase their customer experience.

## 1. Introduction

In today’s world, most of the people owns a two-wheeler or a four-wheeler. It is very hard for most of us to think of a world where there is no means of transportation. Automobile industry is one among the most important industries which contribute towards the development of the country. Automobile industry being one of the key drivers of economic development helps in transportation of human beings as well as goods and services. It is due to automobiles that most of the companies can speed up their operations. It is very hard to operate any business without the help of transportation. It also helps him developing employment opportunities to

the people in the country which in turn helps in increasing their standard of living as well as disposable income. There for, it is important to study about the automobile industry. When it comes to automobile industry there are a lot of players who compete amongst each other in order to obtain their customers. Gaining market share helps in increasing their profits as well as to eliminate their competitors from the market. As we all know all the company’s main motive is to successfully compete with their competitors and to increase their profit to the maximum extent. Customer experience is one of the main areas where each automobile manufacturer looks into because the way in which customer



perceives product and services provided by a company plays a major role in their profits. If the company is not bothered about the experience that the customer gets from his company, then it would lead to their demise. Customer experience plays a major role when it comes to the success of an automobile manufacturer. The customers who are satisfied with the product, the services provided, the overall experience etc. Helps in ensuring repeated sales as well as bringing in new customers. Premium segment of automobile industry is meant to provide customers with mind blowing experiences.

Customers perceive quality of the product with the price in which they are sold. Most of the customers out of the view that high price products are of better quality than its low-priced competitors. Premium experience also comes with the features provided by the manufacturer. But main thing that matters is the experience of the customer. If the customer is having bad experience with an automobile manufacturer, He is not likely to recommend it to any one or to repurchase. Therefore it is very critical to analyze the experience of each customer in order to maintain the sales as well as the brand image of the company.

<b>Strengths</b> Growing market. Innovation and Advancement.	<b>Weakness</b> Power of Bargaining. Dependent growth rate.
<b>Opportunities</b> Expansion of market. Changing lifestyles and customer groupsEfficiency.	<b>Threats</b> Tough competition in the market.Economic conditions. Increase in fuel prices.

## 2. Literature Review

A research on the subject of "Managing the Total Customer Experience" was conducted by Berry et al. in 2002. He said, "The first tool is a "experience audit," in which businesses literally get to know their consumers. Organizations are able to record a significant amount of real consumer encounters through the use of fixed video cameras in addition to pinhole cameras concealed in clothes or wristwatches worn by researchers. While these actions are lawful, businesses might want to put up signs alerting clients to the presence of cameras. After that, researchers may examine hours of video, frame by frame, observing clients' body language, gestures, and facial expressions to gauge how they are feeling emotionally in different contexts. In a study titled "Technological changes in the Indian passenger car industry," Sagar and Chandra (2004) noted that the country's automobile industry has advanced technologically due to a variety of factors, including fierce competition, picky consumer preferences, government regulations (particularly those pertaining to tighter emission standards), and the international business strategies of the various players. They go on to say that automobiles made in India are based on designs that incorporate cutting-edge technology and are frequently on par with those available worldwide. They also add that the number of cars exported from India is rising. According to a 2007 study by Meyer and Schwager titled "Understanding customer experience," customer expectations and experiences are ever-evolving, so it is important to regularly assess their satisfaction in

order to spot possible problems before they arise and adjust our strategy accordingly. To put it another way, this frees us from having to stare in our rearview mirror. According to a research conducted by Gentile et al. (2007) on the subject of "How to sustain the customer experience," "we found that customers want to live positive consumption experiences, regardless of the context. Building a strong emotional bond between a company's brand and its clients may be facilitated by living a pleasant customer experience, which will increase client loyalty. This is not to say, however, that users undervalue features, which are sometimes necessary standards and other times elements that contribute to the best possible user experience. It is observed that the functional value, also known as the utilitarian value, attains a score that is nearly always close to the experiential hedonic value, and in certain instances, slightly greater, with the exception of two instances. Studying the automotive industry in India, Chattopadhyay et al. (2009) came to the following conclusion: "Our study reveals that there are factors which impacted brand equity for multiple car buyers." Determinants of brand equity: A blueprint for developing strong brand. Across all auto categories, factors like improved fuel, a smoother driving experience, a brand that denotes high tech status, and an international image are becoming more significant. These elements are known as the main signals influencing brand equity. There are, nonetheless, a few more variables that are relevant to certain automobile classifications alone. Although they are not significant for all automobile



buyers, these criteria include the brand having a higher price, the brand giving a good discount, and positive peer recommendations. A research titled "Customer experience creation: Determinants, dynamics, and management strategies" was conducted by Verhoef et al. in 2009. They had the following opinion: "We contend that the customer experience construct is holistic in nature, including the client's emotional, social, cognitive, and physical reactions to the merchant. On the subject of "Analysis of research in consumer behavior of automobile passenger car customer," Shende (2014) conducted research. said, "A marketer may make judgments about their strategy that are in line with the demands of their target audience when they have a thorough grasp of the customer. Numerous significant classes of consumer behavior variables and expectations have been identified via research, including social, psychological, political, geographical, demographic, and product and technology. It will be possible for auto manufacturers to connect their plans with the behavior of their customers if human behaviors are further classified into major groups. Customers are the ultimate beneficiaries of all retail operations, according to a research conducted in 2015 by Akhila and Thayyullathil on the subject of "A study on customer satisfaction towards Maruti Suzuki in Coimbatore. Customers' demands must be met regardless of the kind of vehicle they drive. Customer demand for automobiles is growing these days, and with it comes expectations of easier handling, increased performance, safety and security, and so on. This has led to the adoption of new models and modern technology. According to Chopra's (2016) study, "the majority of the respondents associate NEXA with its parent

brand—Maruti Suzuki." The study focused on the brand analysis of Nexa. The parent company's solid dependability is still lost on NEXA. Despite acknowledging the brand NEXA's premium trait, respondents did not consider it to be as opulent as other brands in its category. The study conducted by Chauhan and Sarabhai (2018) focused on the evolution of customer experience management and the paradigm shift in marketing. The findings indicated that the marketing focus has shifted towards a customer-centric approach, with analytics becoming an essential tool for marketers to have in their toolkit. This has allowed for a deeper understanding of the activities and processes involved. Marketers have had to reevaluate their strategy as a result of the profound disruption caused by the omni channel revolution. Today's marketers must work extremely hard to adapt to the shifting dynamics of marketing, which is evolving toward a fusion of virtual reality and human-centered designs. According to a study by Becker and Jaakkola (2020) titled "Customer experience: Fundamental premises and implications for research," businesses should define their intended customer experience with more nuance rather than focusing solely on producing "positive" or "memorable" experiences. Firms can decide which client responses and behaviors they intend to generate based on their value offer. Certain touchpoints, like a hassle-free cleaning service the client doesn't have to worry about or a dentist's office that lessens anxiety and excitement, will need a weaker or muted reaction from certain businesses. Other value propositions—like those found in amusement parks—might try to elicit intense, remarkable emotional or sensory experiences.

## Proposed Analysis And Interpretation

**Table 1 - Age based response**

Age Group	No of customers	Percentage
18-25	10	16.6667
26-32	17	28.3333
33-40	13	21.6667
40-50	12	20.0000
Above 50	8	13.3333
<b>Total</b>	<b>60</b>	<b>100.00</b>

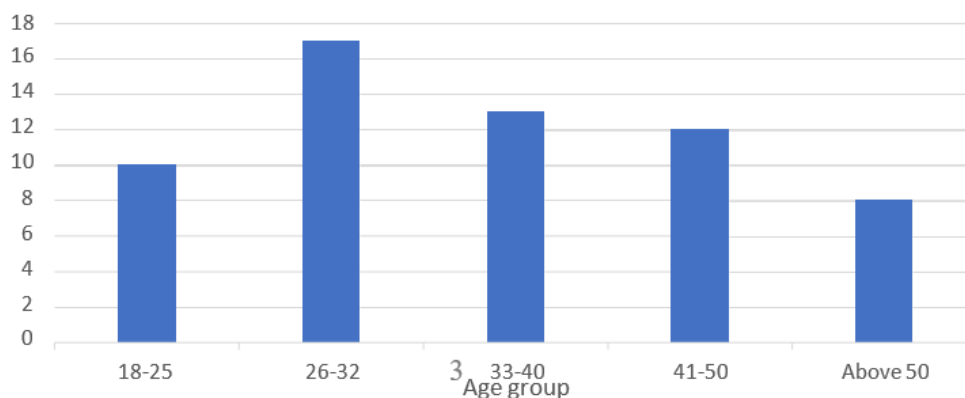


Figure 1: Age ratio

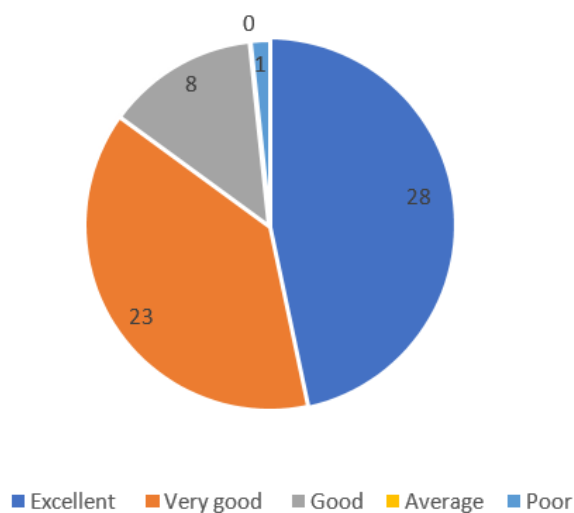
From table 1, it is evident that most of the customers of Nexa comes under the age group of 26-32 (28.3%) followed by age group of 33-40 (21.6%).

Table 2 - Gender response

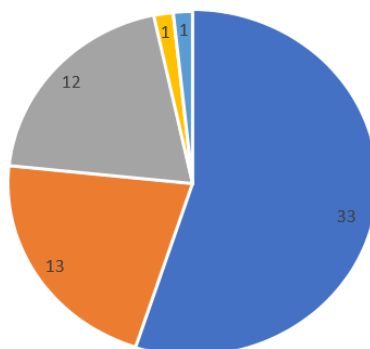
Gender	No. of customer	Percentage
Male	52	86.667
Female	8	13.333
<b>Total</b>	<b>60</b>	<b>100.00</b>

Table 3 - Ambience of showroom

Response	No. of customers	Percentage
Excellent	28	46.667
Very good	23	38.333
Good	8	13.33
Average	0	0
Poor	1	1.667
<b>Total</b>	<b>60</b>	<b>100.00</b>



Graph. 2. Overall showroom visibility

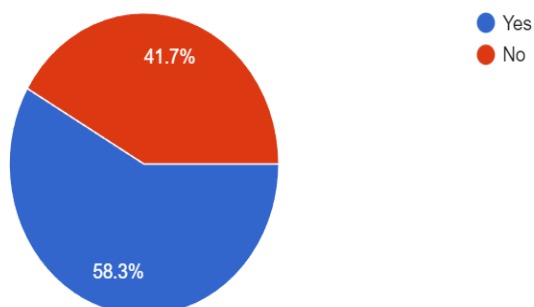


■ Excellent ■ Very good ■ Good ■ Average ■

Graph. 3. Employee behavior

Table 4 - Trail demonstration

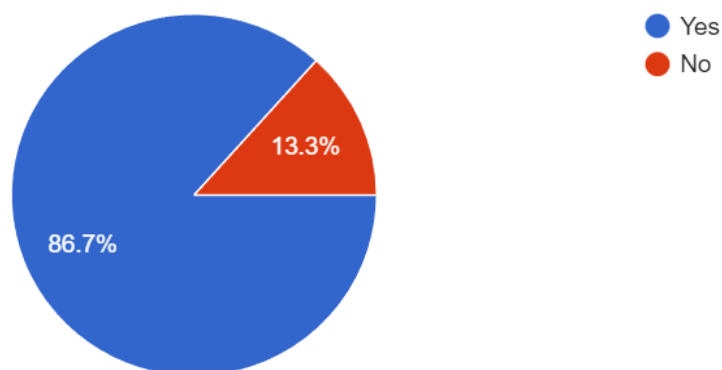
Responses	No. of customers	Percentage
Yes	52	86.7
No	8	13.3
<b>Total</b>	<b>60</b>	<b>100.00</b>



Graph. 4. Software demonstration

Table 5 - Hospitality during showroom visit

Responses	No. of customers	Percentage
Yes	44	73.3
No	16	26.7
<b>Total</b>	<b>60</b>	<b>100.00</b>



Graph. 5. Delivery of vehicle on time

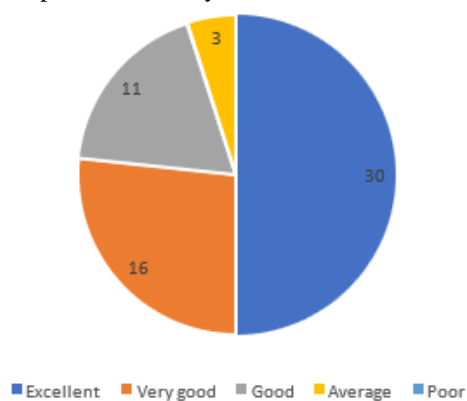
**Table 6** - Conduction of delivery ceremony

Responses	No. of customers	Percentage
Yes	30	50.00
No	30	50.00
<b>Total</b>	<b>60</b>	<b>100.00</b>

**Table 7** - Customer relationship manager

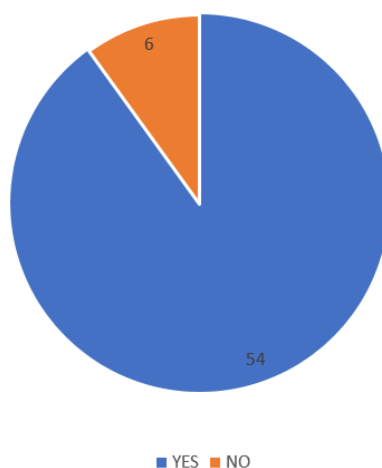
Response	No. of customers	Percentage
Excellent	27	45.00
Very good	21	35.00
Good	9	15.00
Average	1	1.667
Poor	2	3.33
<b>Total</b>	<b>60</b>	<b>100.00</b>

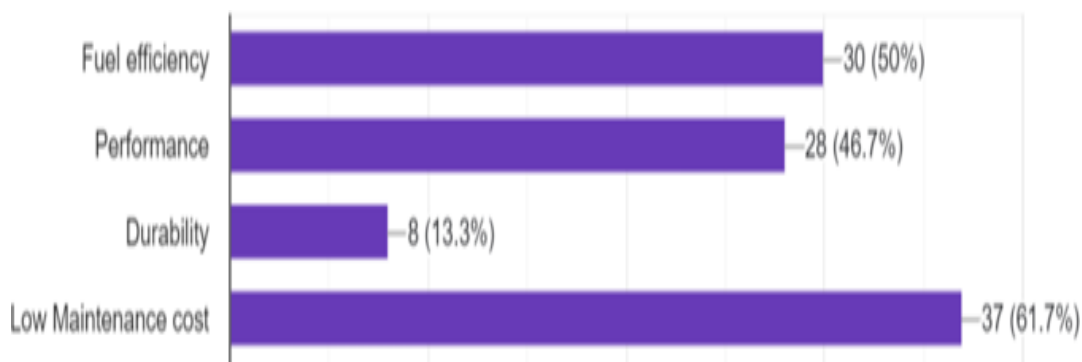
Graph. 6. Efficiency of customer relationship

**Table 8** - Comparison of another showroom with Nexa

Responses	No. of customers	Percentage
Yes	32	53.333
No	28	46.667
<b>Total</b>	<b>60</b>	<b>100.00</b>

Graph. 7. Recommending Nexa showroom to other customers





Graph. 8. Best feature of the model used by customer

From this chart, 61.7% of total customers low maintenance cost as the best feature of the vehicle used by them followed by fuel efficiency with 50% of responses. The duration of the vehicle was rated the least.

Graph. 9. Attribute of Nexa vehicle



Table 9 - Actual value

Age group	Excellent	Very good	Good	Average	Total	Percentage
18-25	4	4	2	0	10	0.166667
26-32	8	8	1	0	17	0.283333
33-40	6	1	36	0	13	0.216667
41-50	8	2	2	0	12	0.2
Above 50	4	3	0	1	8	0.133333
<b>Total</b>	<b>30</b>	<b>18</b>	<b>11</b>	<b>1</b>		<b>100.00</b>

Table 10 - Expected value

Age group	Excellent	Very good	Good	Average
18-25	5	3	1.833333	0.166667
26-32	8.5	5.1	3.116667	0.283333
33-40	6.5	3.9	2.383333	0.216667
41-50	6	3.6	2.2	0.2
Above 50	4	2.4	1.466667	0.133333
<b>Total</b>	<b>30</b>	<b>18</b>	<b>10.984</b>	<b>0.2</b>

P value = 0.052466, At significance level 0.05, and degree of freedom 4; Chi Square table value = 9.488, 0.052466 < 9.488, Therefore we should accept null hypothesis. There is no significant relationship between age and rating given for cleanliness of vehicles delivered.



Test 2: To find out whether there exists any relationship between gender and rating given to Customer Relationship Manager

**Table 11 - Actual gender calculations**

Rating given to CRM	Male	Female	Total	Percentage
Excellent	27	3	30	0.5
Very good	13	3	16	0.266667
Good	9	2	11	0.183333
Average	3	0	3	0.05
Total	52	8	60	100.00

**Table 12 - Gender ratio expected value**

Rating given to CRM	Male	Female
Excellent	26	4
Very good	13.86667	2.133333
Good	9.533333	1.466667
Average	2.6	0.4

P value = 0.710223, At significance level 0.05, and degree of freedom 1; Chi Square table value = 3.841, 0.710223 < 3.841, Therefore we should accept null hypothesis.

Test 3: To find out whether there exists any relationship between model used and rating given to CRM.

**Table 13 - Comparison of various brands**

Rating given to CRM	Baleno	Ignis	S-cross	Ciaz	Total	Percentage
Excellent	15	14	0	1	30	0.5
Very good	9	4	2	1	16	0.266667
Good	6	5	0	0	11	0.183333
Average	1	2	0	0	3	0.05
Total	31	25	2	2	60	100.00

**Table 14 - Expected value of brands**

Rating given to CRM	Baleno	Ignis	S-cross	Ciaz
Excellent	15.5	12.5	1	1
Very good	8.266667	6.666667	0.533333	0.533333
Good	5.683333	4.583333	0.366667	0.366667
Average	1.55	1.25	0.1	0.1

P value = 0.494046, At significance level 0.05, and degree of freedom 3; Chi Square table value = 7.81, 0.494046 < 7.81, Therefore we should accept null hypothesis.

**Table 15 - Net promoter score**

Ratings	No. of customers	Percentage
10	19	31.667
9	9	15
8	15	25
7	6	10
6	5	8.333
5	5	8.333
4	0	0
3	1	1.667





2	0	0
1	0	0
<b>Total</b>	<b>60</b>	<b>100.00</b>

Table 16 - Analysis report

	<b>Detractors (0-6)</b>	<b>Passives (7&amp;8)</b>	<b>Promoters (9&amp;10)</b>	<b>Total</b>
No. of customers	11	21	28	60
Percentage	18.33333333	35	46.66666667	100.00

- $NPS = (\% \text{ of promoters}) - (\% \text{ of detractors})$
- $NPS = (46.66666667) - (18.33333333) = 28.33333333$

### 3. Conclusion

The main objective of the study was to identify how the customers perceive the services provided by Nexa. It is to be inferred that Nexa is somewhat able to deliver a premium customer experience. They have a set of practices which they try to adopt in order to place themselves at a premium level. All the models which are available with Nexa are less than 20 Lakhs. Here Nexa tries to bring a new definition to premiumness. They are the example that premiumness and luxury is not only associated with high prices, but also on how customers are treated during a showroom visit or when they buy a new vehicle. But it is to be noted that the set of practices followed in order to ensure premium customer experience is similar to what other showrooms offer. But it is appreciable that by following these set of steps, Nexa will be able to ensure that any customer who visits their showroom would not be mistreated. From the opinion given by the respondents, It is evident that most of them are satisfied with the hospitality provided at Nexa showrooms. 90% of existing customers would have recommended Nexa showroom to their friends or family. This opinion is solely based on the experience each customer receives while visiting the showroom. From this study it can be concluded that customer experience plays a major role in generating business to an existing company. And measures taken to increase positive customer experience would increase the company's credibility as well as brand image. Nexa being the child of automobile giant Maruti Suzuki already has the brand image as a reliable company and if they consistently try to increase the positive customer experience, then their sales would be going up and they could become a strong presence in the market like Maruti Suzuki.

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