

Determinants of Consumer Satisfaction and Repurchase Intention in the Indian Automobile Sector: An Empirical Study of Mahindra & Mahindra

AYUSHI DESAI¹, JENNIFER ZAVERI²

^{1, 2}Faculty of Management Studies, Rajju Shroff ROFEL University

Abstract- *The Indian automobile industry is undergoing rapid transformation due to evolving consumer preferences, technological advancements, and increasing competition. This study aims to examine the determinants of customer satisfaction and repurchase intention in the passenger vehicle segment, with specific reference to Mahindra & Mahindra. Primary data were collected from 114 respondents using a structured questionnaire based on a five-point Likert scale. The study employs reliability analysis, exploratory factor analysis (EFA), correlation, and regression techniques to analyze the relationships among key variables. The findings reveal that brand trust, perceived value for money, and product features significantly influence customer satisfaction. While safety and design attributes positively contribute to perception, factors such as mileage and after-sales service demonstrate relatively weaker performance. Regression results confirm that customer satisfaction is a strong predictor of repurchase intention, explaining a substantial proportion of variance. The study contributes to consumer behavior literature in emerging markets by highlighting the mediating role of satisfaction and the dominance of brand trust in high-involvement purchases. Managerial implications emphasize the need for improving service quality and operational efficiency to sustain long-term loyalty.*

Index Terms- *Customer satisfaction, Repurchase intention, Brand trust, Automobile industry, Emerging markets, Consumer behavior*

I. INTRODUCTION

The global automobile industry has entered an era characterized by intense competition, rapid technological innovation, and shifting consumer expectations. In emerging economies such as India, the automobile sector plays a pivotal role in economic development, contributing significantly to GDP, employment, and industrial growth. Over the past decade, Indian consumers have transitioned from

price-sensitive buyers to value-conscious decision-makers who prioritize safety, technology, and brand

reputation alongside cost considerations. Within this evolving landscape, domestic manufacturers such as Mahindra & Mahindra have successfully positioned themselves in the sport utility vehicle (SUV) segment by emphasizing durability, ruggedness, and national identity.

Despite strong market presence, the company faces increasing competition from both domestic and international brands offering technologically advanced and fuel-efficient vehicles. This makes it imperative to understand the determinants of customer satisfaction and their subsequent impact on repurchase intention. This study addresses this need by empirically analyzing consumer perceptions and identifying key drivers that influence satisfaction and loyalty in the Indian automobile market.

II. LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction is widely recognized as a critical determinant of business success. According to Oliver (1980), satisfaction is a cognitive and affective response resulting from a comparison between expectations and actual performance. In the automobile sector, satisfaction is multi-dimensional, encompassing product quality, performance, service experience, and emotional attachment.

Brand Trust

Brand trust plays a crucial role in reducing uncertainty and perceived risk, especially in high-involvement purchases such as automobiles. Chaudhuri and Holbrook (2001) argue that trust enhances both attitudinal and behavioral loyalty. In

emerging markets, domestic brands often benefit from cultural affinity and national identity, further strengthening trust.

Perceived Value

Perceived value is defined as the consumer's evaluation of the utility of a product based on the trade-off between perceived benefits and costs (Zeithaml, 1988). In price-sensitive markets like India, value for money remains a dominant factor influencing purchase decisions.

Product Attributes (Features, Safety, Design)

Modern consumers place significant emphasis on technological features, aesthetic design, and safety standards. These attributes not only enhance functional utility but also contribute to emotional satisfaction and brand perception.

After-Sales Service

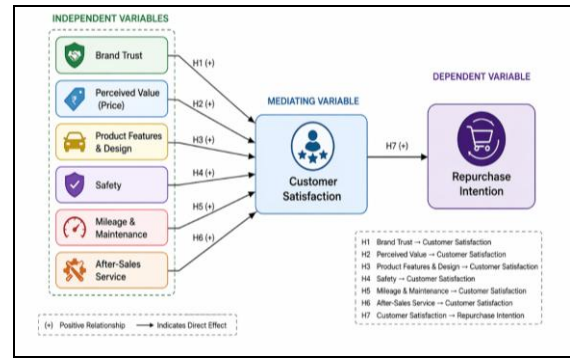
After-sales service is a critical component of the overall customer experience. Mittal and Kamakura (2001) highlight that service quality significantly impacts long-term loyalty and repurchase behavior. Poor service can negate positive product experiences.

RESEARCH GAP

While several studies have explored consumer behavior in the automobile sector, limited research focuses specifically on Indian SUV consumers and domestic brands like Mahindra. Furthermore, the interaction between satisfaction and repurchase intention in this context remains underexplored.

III. CONCEPTUAL FRAMEWORK & HYPOTHESES (DETAILED EXPLANATION)

The study proposes a model where multiple product and brand-related factors influence customer satisfaction, which in turn drives repurchase intention.



The conceptual model developed in this study illustrates the structural relationship between key determinants of consumer perception and their influence on repurchase intention in the context of Mahindra & Mahindra passenger vehicles. The model is grounded in established theories of consumer behavior, particularly expectation-confirmation theory and perceived value theory, which explain how consumer evaluations translate into satisfaction and subsequent behavioral intentions.

The model is composed of three primary components: independent variables, a mediating variable, and a dependent variable, connected through hypothesized causal relationships.

Independent Variables (Determinants of Satisfaction)

The model identifies six critical antecedents that influence customer satisfaction. Brand trust reflects consumers' confidence in the reliability, credibility, and integrity of the brand, reducing perceived risk and enhancing emotional assurance, especially in high-involvement purchases such as automobiles. Perceived value (price) represents the consumer's evaluation of the trade-off between benefits received and monetary cost, emphasizing whether the product justifies its price through performance, features, and durability. Product features and design encompass technological advancements, comfort, and aesthetic appeal, which increasingly shape consumer preferences and satisfaction levels. Safety is another vital determinant, as features such as airbags, structural strength, and safety ratings significantly enhance consumer confidence and perceived security. Mileage and maintenance capture the operational efficiency of the vehicle, including fuel economy and upkeep costs, which are particularly important in

price-sensitive markets where lower running costs increase perceived utility. Finally, after-sales service includes service quality, responsiveness, and availability of service centers, playing a crucial role in shaping long-term satisfaction and fostering brand loyalty.

Mediating Variable: Customer Satisfaction

Customer satisfaction acts as a central mediating construct in the model, representing the consumer's overall evaluation of the product based on the comparison between prior expectations and actual performance. The model assumes that the effects of all independent variables—such as brand trust, perceived value, product features, safety, mileage, and after-sales service—are channeled through customer satisfaction before influencing behavioral outcomes like repurchase intention. This mediating role is critical because it explains how and why various product attributes translate into customer loyalty, while also capturing both the cognitive assessments (rational evaluation of performance) and emotional responses (feelings of trust, assurance, and attachment) of consumers.

Dependent Variable: Repurchase Intention

Repurchase intention refers to the likelihood that a consumer will choose the same brand again in the future and is widely regarded as a key indicator of customer loyalty and long-term business sustainability. Within the model, it is posited that higher levels of customer satisfaction lead to stronger repurchase intention, as satisfied consumers are more inclined to maintain their relationship with the brand. Thus, customer satisfaction serves as a reliable predictor of future behavioral commitment, reflecting the extent to which positive consumption experiences translate into continued preference and repeat purchasing behavior.

Nature of Relationships in the Model

The model proposes direct positive relationships between each independent variable and customer satisfaction, indicating that improvements in any of these factors are expected to enhance overall satisfaction.

Additionally, a strong positive causal relationship is hypothesized between customer satisfaction and repurchase intention, suggesting that satisfied customers are more likely to remain loyal and make repeat purchases.

Theoretical Contribution of the Model

This model contributes to academic literature by integrating both functional factors, such as mileage and product features, with emotional factors like brand trust, thereby offering a more holistic understanding of consumer decision-making in the automobile sector. It further demonstrates the mediating role of customer satisfaction in an emerging market context, explaining how various product and service attributes translate into behavioral outcomes such as repurchase intention. Additionally, the model highlights that strong brand equity can, to some extent, offset operational weaknesses, indicating that emotional attachment and trust in the brand may sustain customer loyalty even when certain functional aspects underperform.

Practical Interpretation

From a managerial perspective, the model indicates that enhancing brand trust and perceived value yields the greatest impact on customer satisfaction, as these factors strongly shape both emotional confidence and rational evaluation of the product. While weaknesses in after-sales service and mileage can negatively affect satisfaction levels, they may not immediately erode customer loyalty due to the buffering effect of strong brand equity. However, for long-term sustainability and competitive advantage, firms must strike a balance between product excellence and service quality, ensuring that both functional performance and post-purchase experience consistently meet or exceed customer expectations.

Hypotheses Development

- H1: Brand trust positively influences customer satisfaction because it reduces perceived risk and enhances emotional confidence in the product.
- H2: Perceived value positively influences customer satisfaction as consumers evaluate benefits relative to cost.
- H3: Product features and design positively influence satisfaction by improving usability and aesthetic appeal.

- H4: After-sales service positively influences satisfaction due to its role in post-purchase experience.
- H5: Customer satisfaction positively influences repurchase intention, as satisfied customers are more likely to remain loyal.

IV. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design, which is appropriate for examining relationships among variables and understanding consumer perceptions in a structured manner. Primary data were collected through a structured questionnaire administered to respondents familiar with products of Mahindra & Mahindra. The sample comprised 114 respondents selected using convenience sampling, which is considered suitable for exploratory research in consumer behavior studies. A five-point Likert scale was employed to measure respondents' perceptions across various constructs. For data analysis, a combination of statistical tools was utilized, including reliability analysis using Cronbach's Alpha to assess internal consistency, exploratory factor analysis (EFA) to identify underlying dimensions, correlation analysis to examine relationships between variables, and multiple regression analysis to determine the impact of independent variables on customer satisfaction and repurchase intention.

V. DATA ANALYSIS AND RESULTS

The reliability analysis indicates that Cronbach's Alpha values for all constructs exceeded the recommended threshold of 0.7, confirming strong internal consistency and ensuring that the measurement items reliably capture the intended constructs. Descriptive analysis of the sample reveals that the majority of respondents fall within the economically active age group of 25–35 years and possess moderate income levels, highlighting a key target segment for SUV manufacturers such as Mahindra & Mahindra. Exploratory Factor Analysis (EFA) was conducted to identify the underlying dimensions influencing consumer perception, with a Kaiser-Meyer-Olkin (KMO) value greater than 0.7 indicating sampling adequacy and Bartlett's Test of Sphericity being statistically significant ($p < 0.05$), confirming the suitability of the data for factor

analysis. The analysis extracted five distinct factors: Brand Assurance (combining trust and safety), Product Appeal (design and features), Economic Value (price and cost considerations), Operational Efficiency (mileage and maintenance), and Service Experience (after-sales service), demonstrating that consumers evaluate automobiles based on both functional and emotional criteria. Correlation analysis further reveals that brand trust ($r = 0.62$) exhibits a strong positive relationship with customer satisfaction, followed by value for money ($r = 0.58$) and product features ($r = 0.55$), while after-sales service ($r = 0.41$) shows a weaker but still positive association, indicating that brand-related and value-driven factors exert a stronger influence than operational aspects. Finally, regression analysis confirms that customer satisfaction is a significant predictor of repurchase intention, with a beta coefficient of 0.71 indicating a strong effect size and an R^2 value of approximately 0.50 suggesting moderate explanatory power, implying that satisfaction accounts for nearly half of the variation in customer loyalty behavior, which is substantial in consumer research contexts.

VI. FINDINGS

The findings reinforce established theories in consumer behavior by validating expectation-confirmation theory, as customer satisfaction is shown to emerge from the comparison between expected and actual product performance, and by strongly supporting brand trust theory, particularly in the context of high-involvement and high-risk purchases such as automobiles. Notably, despite relatively lower evaluations of mileage and after-sales service, customers continue to demonstrate strong loyalty toward Mahindra & Mahindra, suggesting that emotional and symbolic factors—such as brand trust, identity, and perceived reliability—can outweigh certain functional shortcomings. This further indicates that effective brand positioning plays a critical role in shaping consumer decision-making and sustaining long-term loyalty, even when some operational aspects do not fully meet expectations.

7. Managerial Implications

From a managerial perspective, the model suggests that firms such as Mahindra & Mahindra should prioritize enhancing after-sales service quality by improving service turnaround time and investing in robust customer support systems to strengthen post-purchase satisfaction. Simultaneously, a strategic focus on improving fuel efficiency through continuous innovation is essential to address consumer concerns related to mileage, particularly in price-sensitive markets. Leveraging brand trust remains critical, which can be achieved by reinforcing emotional branding campaigns that deepen customer connection and confidence in the brand. Additionally, effective customer experience management through the implementation of advanced CRM systems and personalized post-purchase engagement strategies can significantly enhance long-term customer relationships, satisfaction, and loyalty.

VII. CONCLUSION

The study concludes that customer satisfaction acts as a critical mediator between product attributes and repurchase intention. While Mahindra performs strongly in brand trust and perceived value, operational aspects such as service and efficiency require improvement.

Sustaining competitive advantage will depend on balancing emotional brand strength with functional excellence.

REFERENCES

- [1] Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(3), 102–120.
- [2] Boulding, W., Kalra, A., Staelin, R., & Zeithaml, V. A. (1993). A dynamic process model of service quality. *Journal of Marketing Research*, 30(1), 7–27.
- [3] Brady, M. K., & Cronin, J. J. (2001). Some new thoughts on conceptualizing perceived service quality. *Journal of Marketing*, 65(3), 34–49.
- [4] Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and satisfaction. *Journal of Retailing*, 76(2), 193–218.
- [5] Dodds, W. B., Monroe, K. B., & Grewal, D. (1991). Effects of price, brand, and store information. *Journal of Marketing Research*, 28(3), 307–319.
- [6] Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.
- [7] Hellier, P. K., Geursen, G. M., Carr, R. A., & Rickard, J. A. (2003). Customer repurchase intention. *European Journal of Marketing*, 37(11/12), 1762–1800.
- [8] Homburg, C., Koschate, N., & Hoyer, W. D. (2005). Do satisfied customers really pay more? *Journal of Marketing*, 69(2), 84–96.
- [9] Keller, K. L. (2003). *Strategic brand management*. Pearson Education.
- [10] Kim, M. K., Park, M. C., & Jeong, D. H. (2004). The effects of customer satisfaction. *Telecommunications Policy*, 28(2), 145–159.
- [11] Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson.
- [12] Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL model. *Journal of Retailing*, 64(1), 12–40.
- [13] Rust, R. T., & Oliver, R. L. (1994). Service quality: Insights and managerial implications. *Sage Publications*.
- [14] Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value. *Journal of Retailing*, 77(2), 203–220.
- [15] Wang, Y., Lo, H. P., & Yang, Y. (2004). The constituents of core service quality. *Managing Service Quality*, 14(2/3), 169–181.
- [16] Rather, R. A., & Hollebeek, L. D. (2019). Exploring customer engagement. *Journal of Business Research*, 95, 39–54.
- [17] Sharma, P., & Patterson, P. G. (2019). Switching costs and repurchase behavior. *Journal of Service Marketing*, 33(1), 79–92.
- [18] Ali, F., Rasoolimanesh, S. M., Sarstedt, M., Ringle, C. M., & Ryu, K. (2018). SEM in hospitality research. *International Journal of Contemporary Hospitality Management*, 30(1), 514–538.

- [19] Han, H., & Hyun, S. S. (2017). Customer retention in service industry. *Journal of Travel Research*, 56(7), 1–15.
- [20] Nguyen, B., Yu, X., Melewar, T. C., & Chen, J. (2015). Brand innovation and loyalty. *Industrial Marketing Management*, 51, 11–20.