

Customer Satisfaction and Service Quality in Four Wheeler Automobile Service Industry: A Review

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Abstract

Automobile sector play important role in the economy of India. At present most of the person uses vehicle either two wheeler or four wheeler and they expect better service and better quality of their vehicle in different terms such as mileage ,comfort, performance etc. The increment and decrement in the no. of customer is totally depend on customer satisfaction. In the present time there is a lot of competition in the market so there is a need to be conscious about customer satisfaction. This paper deals with the review on customer satisfaction and its effect on automobile industries. At the present time each and every industry try to provide better services and quality of product as well as some additional features in their product which give additional importance in the market. Here we are talking about the four wheeler automobile service Industries in which there are some gaps in between perceived and expected service and this thing directly affect the customer satisfaction, its market and brand value. Customer satisfaction is very important term in each and every industry. The expectation of the customer is that in a less time the service centre provide the best service but due to some gaps this things is not possible. In the further study we will try to reduce these gaps by applying suitable methods and techniques. This paper also gives an idea about latest techniques and methods used by the previous authors in different years.

Keywords:- Customer Satisfaction, Service Quality, Perceived Service

I. INTRODUCTION

In the present time the automotive industry become the huge industry all over the world because new models are arrived in the market day by day. These industries also try to change in the design, development, manufacturing and marketing of their product. For marketing of the product the term customer satisfaction is used. It is the key parameter to know the customer expectation for a particular

product of brand. Customer satisfaction is defined as the percentage of total customers who are using the product and experience the quality of service of their service center and they feel happy or satisfy. [1]

Service Quality is an achievement in customer service and reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. In general, Customers compare perceived service with expected service in which if the former falls short of the latter the customers are disappointed. The measures of service quality obtained through consumer surveys have become a widely used business performance measurement tool. This is because service quality is related to profitability, costs, customer satisfaction and retention. Any service industry cannot survive in this highly competitive environment until it satisfies its customers by providing good quality service [2]. The service quality is the service related to customer expectations and service industry by satisfying the needs of customers.

In services it is the customer who defines the quality and human side of service is key to deliver quality [3]. The measures of service quality obtained through consumer surveys have become a widely used business performance measurement tool. This is because service quality is related to costs, profitability, customer satisfaction and customer retention.

The customers of Indian automotive Industry is well aware about the latest product in the market and expects the same levels of service quality in the products. In the market wide range of models and variants are available with some small changes and additional features of different brands but of almost same price and this thing encourages the customer to switch from one brand to another.[4]. In this scenario, providing effective after sales service for vehicles has become important for service center in India to stay in the highly competitive market.

II. REASONS FOR IMPORTANCE OF CUSTOMER SATISFACTION

1. Customer satisfaction also increases the lifetime value of the customer.
2. Customer satisfaction is also a point of differentiation.
3. Customer satisfaction also helpful to reduce the negative communication of word to mouth.
4. It shows the loyalty and repurchase intentions of the customer.
5. For reducing customer churn customer satisfaction is important.

III. SERVICE QUALITY MODEL

The service quality model is developed by Parasuraman, Zeithaml and Berry in (1985-1988). By using the SERVQUAL model service quality for any service sector can be measured. This model contains 22 items helpful to know customer perceptions and expectations related to the service quality [5]. This model is based on five service quality dimensions i.e Tangibility, Reliability, Responsiveness, Assurance & Empathy. The service quality for SERVQUAL model can be calculated by using the following equation.

$$SQ = \sum_{j=1}^k (P_{ij} - E_{ij})$$

where:

SQ = overall service quality

E_{ij} = Service quality expectation for attribute j that is relevant norm for stimulus i.

P_{ij} = Performance perception of stimulus i with respect to attribute j

k = Total number of attributes

The following gaps are identified for evaluating the service quality and customer satisfaction [6].

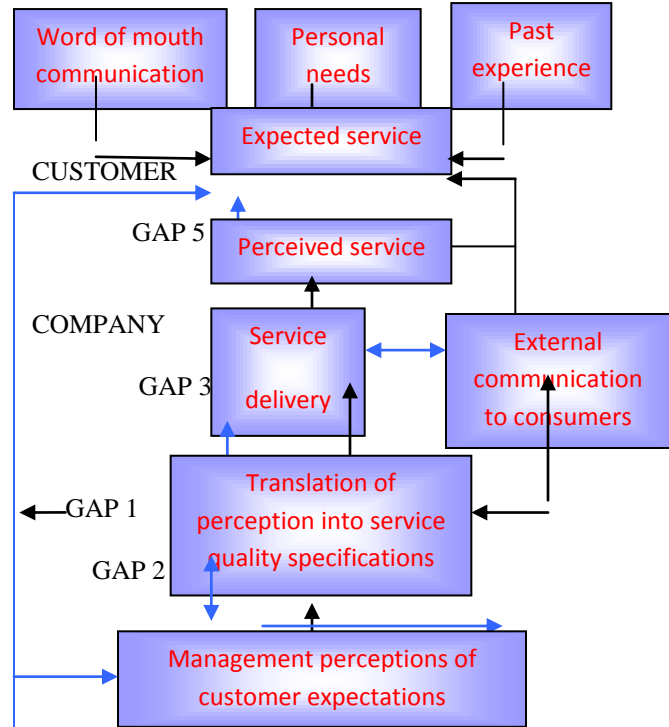


Fig. 1: Gaps Model (Parasuraman et al, 1988)

Gap 1: Between consumer expectation and management perception.

Gap 2: Between management perception and service quality specification.

Gap 3: Between service quality specification and service delivery.

Gap 4: Between service delivery and external communications.

Gap 5: Between expected service and perceived service.

The upper portion of the model shows the phenomena related to customers whereas the lower part shows phenomena related to the service providers. It is shown in the above model that the expected service is a function of the customer's past experience and personal needs and of word to mouth communication and it is also influenced by the market communication activities of the firm.

This basic model shows the steps during analyzing and planning of service quality. The five dimensions i.e quality gaps between the various elements of the structure are a result of inconsistencies in the quality management process. The first four gaps contribute to gap five i.e the gap between customer expectations and customer perceptions of service received.

IV. REVIEW OF RELATED WORK

Limited published research has been conducted for measuring service quality in the automobile service sector and some of them are as follows-

Berndt, A. (2009) explained five dimensions of SERVQUAL model with respect to automobile service centre and they are as follows:

Reliability : It is the most important dimension of service quality. Dealerships are known to contact the customer promising that the vehicle will be ready for delivery at a specific time.

Assurance : The main source of assurance is with the service Adviser, their knowledge and manner of interaction with the customer inspires trust in the organization.

Tangibles : Tangible cues that form part of this dimension include the signage, parking and layout of the dealership itself.

Empathy : This can be seen in the interactions between the organization and the customer, and the nature of this interaction.

Responsiveness : Changes that have been observed in service hours from just being workdays to include weekend and night services, due to the changes in the needs of customers.

Katarne et al (2010) measured current service quality level of a typical automobile dealership in an Indian city. The study was conducted using a representative survey of respondents, owners of one of the popular brand vehicles. In this paper, satisfaction/dissatisfaction of the customer has been measured using standard statistical tools, and an attempt has been made to find out reason(s) of dissatisfaction by applying root cause analysis. Current performance of the service centre was not found up to the mark and results of the study show that delay in delivery is the most critical reason responsible for dissatisfaction or poor service quality level.

Asadollahi, A. et al. (2011) studied service quality and customer satisfaction in automobile after sales services in two Indian companies and one foreign company. The research methodology defined in this study is performed in two phases. In the first phase customer satisfaction is determined from after sales service and in second phase comparative research methodology is used. The results of the rate of customer satisfaction of after sales service for three companies in every five dimensions were analyzed separately. The two Indian companies have no significant difference in all the dimensions but showed a meaningful significant difference with other foreign company in all the dimensions.

Jhanshahi, A.A. et al. (2011) stated that the automotive industry in India is one of the largest in the world and one of the fast growing globally. Customer satisfaction and loyalty are the most

important factors that affect the automotive industry. On the other hand, Customer service can be considered as an innate element of industrial products. Customer service quality, product quality, customer satisfaction and loyalty can be measured at different stages, for example, at the beginning of the purchase, and one or two years after purchase and hence they conducted a research to find the relationship between customer service and product quality with customer satisfaction and loyalty in the context of the Indian automotive industry. The population of the study is all of the Tata Indica car owners in Pune. Hypotheses of the study will be analyzed using regression and ANOVA. Results of the study show that there are high positive correlation between the constructs of customer service and product quality with customer satisfaction and loyalty.

Jajae, S.M. and Sheikh Ahmad, B.F. (2012) stated that automobile insurance industry is one of the fastest growing industries and maintain high quality service in the industry is an important concern. For this they conducted a study on the perceived service quality in Australian automobile insurance industry by employing SERVQUAL scale. A questionnaire was distributed to 384 respondents of Melbourne and they concluded that the overall service quality in automobile insurance industry was high. Moreover, the results indicate that SERVQUAL scale relates better with advanced economy of Australia compared to less advanced economy countries which was investigated in earlier studies.

Datsomor, H.K. (2012) adopted the SERVQUAL service quality model with its five dimensions (tangibles, reliability, responsiveness, assurance and empathy) to measure customer's perception of service quality and to investigate its effect on their loyalty. A self-completion questionnaire with a total of 45 closed questions and 2 open ended questions was developed to gather field data from 5 Toyota Ghana branches nationwide. All of the items were measured by using a five Point Likert-type response scale. SPSS software was used to carry out reliability test, descriptive analysis (frequency and percentage distributions), correlation coefficient tests and regression model analysis on the data obtained. Responses to the open ended questions were also studied and this study affirms that each of the dimensions of service quality has positive impact on customer loyalty.

Shuqin, W. and Gang, L. (2012) conducted an empirical study on the relationship between after sales service qualities in China Automobile sector and they found that fairness, empathy, reliability and convenience have significant positive impact on customer satisfaction while responsiveness doesn't have a significant impact on customer satisfaction and at the same time satisfaction has a significant positive impact on trust and trust has a

significant positive impact on commitment. They also found satisfaction and commitment both have a significant positive impact on relationship value but trust cannot impact relationship value directly.

Vijaykanth Urs, M.C. et al. (2014) stated that the Indian automotive customer today is well tuned to global markets and expect the same levels of quality in products and services. The wide range of models and variants on offer, with little differentiation among products within the same price band, also encourages customers to switch from one brand to another easily. As a result, retaining customer loyalty is a key concern for manufacturers in India. In this scenario, providing effective after sales service for vehicles has assumed increased importance for service centre. They studied the gap between expected and perceived quality measured through SERVQUAL method to know the current situation of automobile service in Karnataka. Two independent samples of personal vehicle users and Fleet vehicle users are selected for comparative analysis and they find that there is considerable gap found in Expected and Perceived quality for the factors like Reliability, Responsiveness and Empathy.

Al-Shammari, M. and Samer Kanina, A. (2014) examined service quality in Saudi Automotive Company. A questionnaire was distributed to 120 customers selected randomly from three service locations of a Saudi Automotive Company (SAC) from three geographic locations in Saudi Arabia and they concluded that the most important quality dimensions from customer's viewpoint was the reliability and assurance followed by tangibility and responsiveness while the empathy dimension was the least important.

V. CONCLUSION

From the above discussions it is concluded that the customer satisfaction is most important part of any industry. So it is the main responsibility of service industries to improve customer satisfaction and quality of service which is beneficial to enhance the no. of new customers. When the service industries provide the best in class service than there is no need to expand money on promotions and advertisement because a satisfied customer directly promote the brand of particular product and this is directly the word to mouth communication or promotion and it will be the most effective for particular service industry. The study will bring to light the relevance of maintaining quality as a means of offering satisfaction to four wheeler vehicle owners during the active period of use of the vehicle. The four wheeler automobile service industries will be better equipped to take decisions on the right investments to improve on quality of service and eventually on customer satisfaction. The result of this

research work will benefit the society since this will serve as an information base which adds up to the existing body of knowledge and data on customer behavior in the automobile services sector

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