



# Impact of After-sale-Service Quality on Customer Loyalty and Satisfaction of Maruti Suzuki

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## **ABSTRACT**

In a severely competitive automobile industry, many companies nowadays focus on providing quality service with the purpose of attaining competitive advantage. The basic aim of this research work is to analyze the association among dimensions of service quality of Maruti Suzuki's and consumer post purchase intention. After sales service is considered is one of the key factors that affect customer satisfaction. After sales service is required to avoid dissatisfaction and frustration will among existing buyers against the products and its producers.

Data has been collected from both primary and secondary sources. The primary data was gathered with the support of structured questionnaire due to its simplicity and reliability. The secondary data has been gathered from various newspaper articles, business journals, financial reports and relevant websites.

The findings of the study revealed that in automobile service station, three service quality variables including assurance, reliability and empathy have an important role on customer loyalty. The finding of the study also reveals that the service quality measures are positive and considerably associated to each other, overall service quality and customer loyalty.

The study concludes that the services quality improvement initiatives of Maruti after sale service must begin with preference of customer requirements. In the same way, Maruti must develop strategies to fulfill their service guarantee along the service quality measures, most significant to customers to boost loyalty. This research study will assist guide the automobile companies to appropriately extend their service quality which will, eventually, assist to make better revenues for the automobile firms. This research work provides some contributions to the automobile companies regarding quality of services and corporate image, and offers recommendations for further based on the research findings.

*Key Words:* Service Quality, After Sales, Customer Loyalty, Customer Satisfaction, Automobile Industry

## INTRODUCTION

### **Background**

In the economic growth of a country the automobile industry has an important part to play. It is vital in moving people or product from one destination to another; it can be national or international, chiefly when the destination is far. The worldwide automobile segment has experienced rollercoaster rides for the past few years.

Customer requirements that alter with competitive situation of present days, force organizations develop themselves for innovative plans to distinguish them from their immediate rivals and to gain competitive benefit. With respect to automobile sector; rapid transforming life style, extreme work period and desires of award oneself after those tough time, growing expectation of people (Shivananda & Ramachandra, 2019).

It is quite dynamic in nature, where customers drift from one company to another. In recent times, automobile sector has been targeting on an incessant requirement and significance for progress in the service quality in order to give high level satisfaction to the clients. Actually, being vibrant and consumer oriented in nature, automobile sector often has scope for innovation in the service operations. The effectiveness of an automobile firm mainly depends on services quality, customer satisfaction and customer loyalty. This research work therefore tried to examine the various variables affected with service quality which have direct and important association with the satisfaction level of car owners. Because of the fast expansion and competition of service quality, both in developed and developing countries it has become critical for the automobile companies to measure and access the services quality on a regular basis.

In the automobile sector, after sale service quality is immense competitive advantages for effectiveness and productivity. As delivering service quality is vital for car companies to survive in this fiercely competitive environment, the interest of researchers in services quality and satisfaction in automobile sector has been increasing. Recognize the customer's determinants influencing to attain the highest level of satisfaction. To be successful in attaining a loyal customer base, one has to understand the definite drivers of loyalty and the factors that can influence it, such that, the automobile companies offering superior quality of after sale service would stand out from similar competitive services. Customers always expect to get high quality services and if the performance can't meet their needs and expectations, there would be the gap. Consequently, so as to minimize the gap and satisfy customers, automobile companies must listen to passengers and do the service recovery. Conversely, relationship marketing also plays a key role in automobile sector. Apart from satisfying the customer with services which alone does not generate customer loyalty, Customer retention is a major challenge for the industry. The study made an attempt to develop mechanisms so as to scrutinize customer satisfaction to encourage their loyalty towards automobile companies. This study proposes conceptual frameworks to examine the effect of quality of services on customer loyalty.

## **Statement of the Problem**

The automobile industry has entered into a new era, where more and more new players are entering into the automobile industry and taking off into the skies, there is assured growth for the automobile industry in India. In today's competitive market scenario, for building and maintaining a healthy relationship with the customers, Maruti Suzuki need to understand and meet of the expectations of its customers. The service provided should not only concentrate in acquiring customers through publicity but to create satisfaction, loyalty which will finally lead to retention of customers. Attracting new customers and retaining them can be achieved only by providing quality after sale services. Therefore by satisfying and creating loyalty in them brand switching is not possible. The Maruti today should aim not only in delivering its after sale services to the customers, but must concentrate on satisfying the customers with high quality service.

## **Aim**

The basic aim of this study was to examine the influence of quality of after sale services on customer satisfaction and loyalty. This research study entail that Maruti management has to expand various policies to offer assured quality services to their customers

## **Research Objectives**

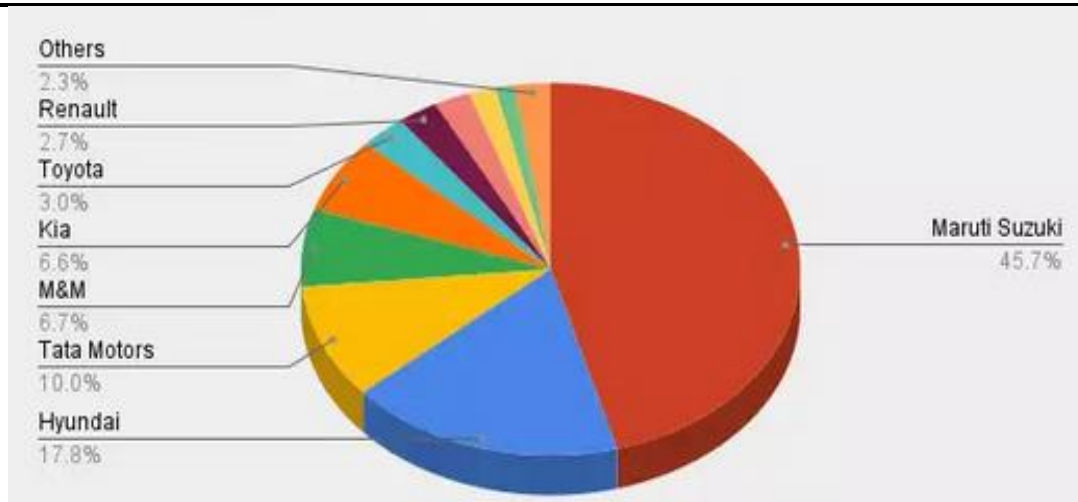
- To examine the factors influence the after sale service quality have on customer loyalty
- To analyze the relationship between after sale service quality and customer satisfaction of Maruti Suzuki
- To assess the relationship between trust and customer loyalty
- To propose the possible measures to improve service quality to Maruti Suzuki

## **Research questions**

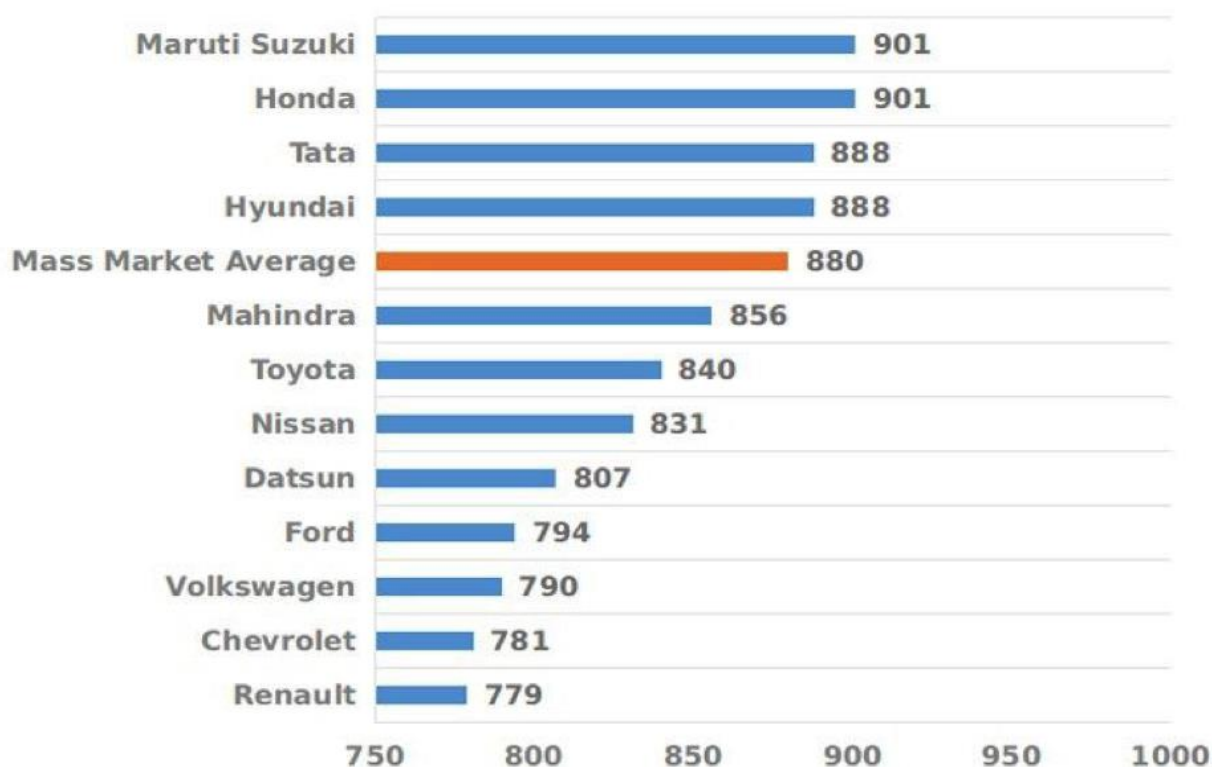
1. What are the impacts of service quality on the loyalty customers in automobile industry?
2. What influence does the after sale service quality have on customer satisfaction and loyalty?
3. How can quality after sale service at Maruti be improved?

## **Company Profile and Customer Service Index**

Maruti Suzuki India Ltd, is a leading Indian automobile company and it was originated in 1981 and owned by the Government of India until 2003, when it was sold to the Japanese automaker Suzuki Motor Corporation. Maruti Suzuki has a market share of 45% in the Indian passenger car segment. Market share of Maruti with its key competitors are as follows:



### J. D. Power Customer Service Index 2016



As per Customer Service Index (CSI) research revealed that India's largest selling carmaker Maruti Suzuki has topped the rankings for the 20th successive year. Topping the satisfaction chart with such steadiness explain its sales superiority in India. Maruti Suzuki tops the service satisfaction index in India with 901 points. The company's service networks on an average services over 15 lakh cars every month and over 1.6 crore cars every year. The mantra is 'create devoted customers'. This involves concepts such as express service bays and early morning service to deliver vehicles on time. Express service bays are operational across 1,600 cities and offer quick service in 90 minutes. Workshops are pro-actively communicating these conceptions so that clients can advantage from them.

## LITERATURE REVIEW

### **Service Quality**

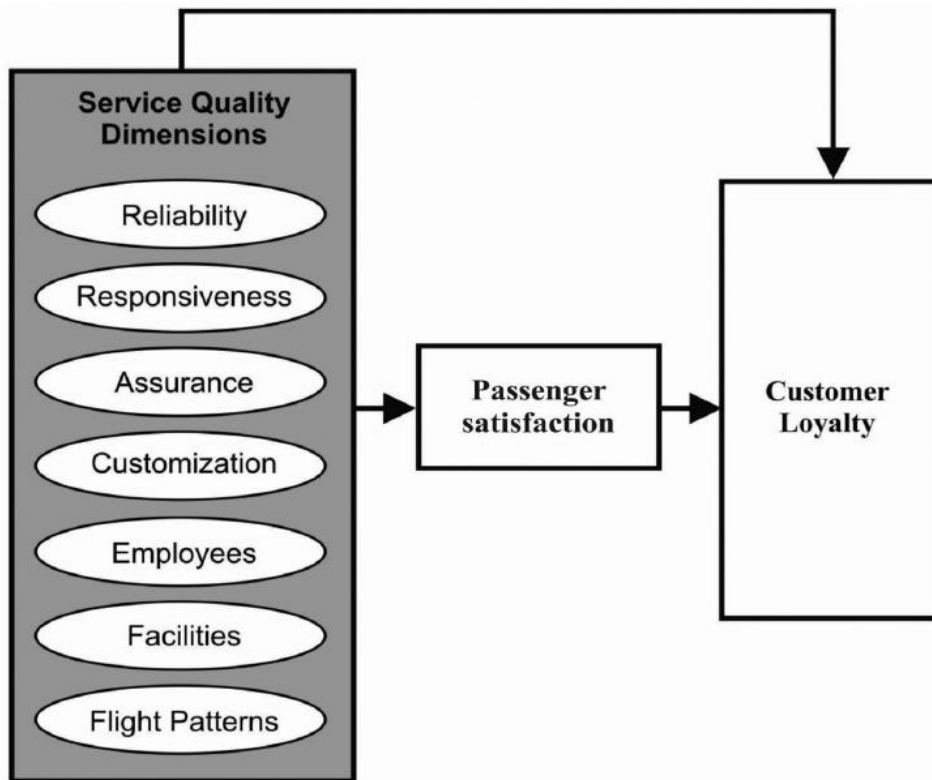
Service quality has been an important subject of discussion in the literature on service marketing. In general, Service quality denotes to the client's comparison of service expectation as it associates to an organization's performance. (Singh and Sushil, 2013).

According to Chakraborty et al (2007) service quality is a conformance to consumer needs in the delivery of services. The concept of service quality as comparison among client expectations and the actual service performed has attained broad acceptance. The extent to which expectation has service performance is same or dissimilar influence the extent to which client is pleased or dissatisfied

Usually Service quality is observed as the outcome of the service delivery systems, particularly in the case of perfect service system. In addition, service quality is connected to client satisfaction. The effect of quality services on earnings and economic indicator of business performance is a significant element to recognize in service marketing. Service quality should be considered as a strategic power, but also as the main issue of services marketing management (Tahanisaz, 2020).

### **SERVQUAL Model**

The SERVQUAL model is a multidimensional study tool aimed at capturing consumer, expectation and perception with the 5 dimensions that are thought to reflect the quality of services. It is described as measure the distinction among what is expected from service encounters and the perceptions of the real service encounters. The model defines the main dimension (elements) of services quality; propose a service quality measurement scale (SERVQUAL) and indicates possible causes of services quality issues. SERVQUAL has five dimensions (Reliability, Responsiveness, Assurances, Empathy & Tangibility) and deals with customers' perceptions regarding the given service delivery and customer's expectations regarding the given service delivery (Parasuraman et al, 1985). The association between quality of services, customer Satisfaction and customer loyalty are explained in the diagram below :



Lim and Lee (2019) in their study identified that the different factors like reliability, tangibility, responsiveness, empathy assurance influence the after sales service quality.

### Customer Loyalty and satisfaction

Customer loyalty is important in services marketing. Customer loyalty defines a continuing emotional association among companies and the customers, manifesting themselves by how willing customers are to connect with and frequently buy from them versus their competitors (Kaladhar, 2016).

Customer loyalty determines the power of customer preferences for specific products, services, or an organization. Even unhappy clients will fix about if they lack pleasing alternative, whereas loyal customer aggressively select to purchase repeatedly, believe good about their option, and recommend others too. A loyal customer is important for making profitable products (Rasheed & Abadi, 2014).

In addition, service quality and client satisfaction are predecessors to customer loyalty. Kavita (2016) points that loyalty as “extremely held commitment to purchase repeatedly favored products or services consistently in the prospect, thereby causing repetitive same brand or same brand-set buying, in spite of situational influence and marketing initiatives having the potential to cause switching behavior.” Loyalty regarding behavior can be described as the present behavior towards the product of interests, while, loyalty regarding attitude can be termed as a behavior to activity in a positive way towards loyalty product (Wolter et al , 2017).



Priasa, (2017) points out that customer loyalty is the utmost attainment of long run consumer commitments in the kind of loyal behavior and perception towards the firm and its product, by buying regularly and repeatedly therefore the firm and its product become a significant role of the buying processes conducted by consumer.

A study of Prinsa and patel (2019) in their study has considered different aspects of after sales service that has impact on customer satisfaction. In this paper a field survey has been conducted to study customer satisfaction regarding different aspects of after sales service offered by “Kataria Automobiles” Service Centre, Bardoli. It includes opinion of customers on procedure of taking appointment, time consumption for servicing, opinion about service staff, cost of servicing etc

Vidhya (2021) points out that after sales service plays a pivotal role in strengthening the bond between the organization and customers. Customers are the backbone of any business or organization. Hence, they shall always be provided with proper guidance and support to keep them happy. This paper deals with a research study of customers' opinion and satisfaction towards after sales service of maruti suzuki.

Customer satisfaction is often top of mind for automobile companies. Sad customers obviously mean fewer customers and less profit. After sales service refers to various processes which ensure customers are satisfied with the products and services of the organization. It plays an important role in customer retention. It generates loyal customers and increases a brand value. Good after sales service influences the long term reputation of the firm and can influence future sales (Sefanov, 2018).

Lata and Singh (2017) points out that service quality has directly effected on how customer appraise an organization and their readiness to support that service providers in subsequent transaction. In the same way, a lot of researches in different sectors have conducted positive relationships among services quality and client satisfaction, as well as the inclination of repeated buying.

Namukasa (2013) illustrated that services quality depend on reliability, responsiveness and discount; tangible, courtesy and communication skills of employees; and frequent flyer loyalty programme and timeliness.

Walia et al (2021) in a research paper investigates the effect of service quality on customer satisfaction and customer loyalty. The empirical results and findings suggest that there is a significant effect of service quality on customer satisfaction and loyalty in the Indian automobile. The result further shows that empathy and responsiveness are the prominent factors of service quality which is a vital prerequisite for customer satisfaction.

SERVQUAL model, which is the most broadly applied tool to decides the service quality levels and its observing offers an organization appropriate awareness about the customer expectations and perceptions of the service quality to assist corporations to recognize the development areas. This comprises cope up with the customer expectations about the services and providing them what they need at low cost. The customer perceptions would become positive only if the services rendered by the automobile companies meet or exceed the customer expectations about the services quality offered (White and Galbraith, 2010).

## **RESEARCH METHODOLOGY**

### **Research design**

The descriptive research is a truth finding investigation with sufficient interpretations. The descriptive research aim at identify the different aspects of a problem under study. It explores potential relationship among factors and also setting the step for additional investigation afterward. The sample size will be undertaken in this research study is 100.

### **Data Collection method**

To find out the suitable data for research mainly two kinds of data has been gathered that is primary and secondary data as described below:

#### **Primary Data source**

The primary data will be gathered with the support of structured questionnaire due to its simplicity & reliability. The survey technique is much supportive in variables such as getting selections and assisting participants to understand the importance and reply to their aptitude. In this technique we get high response rate and reliability.

A Structured Questionnaire was constructed employing various types of questions and Likert scale used in it. When the questionnaire is self administered, the customers have been motivated to fill them out based on their usual attitude and preference of the quality of after sale service of Maruti Suzuki. The variables in the questionnaire has been measured the dimensions of the SERVQUAL scales.

#### **Secondary Data sources**

Secondary data has been gathered from earlier research works and literatures to fill in the respective study. The key sources of secondary data are:

- Books related to marketing management, services marketing and consumer behaviour
- Articles and previous research papers
- Journals
- Annual reports and brochures of Maruti Suzuki
- Relevant Websites



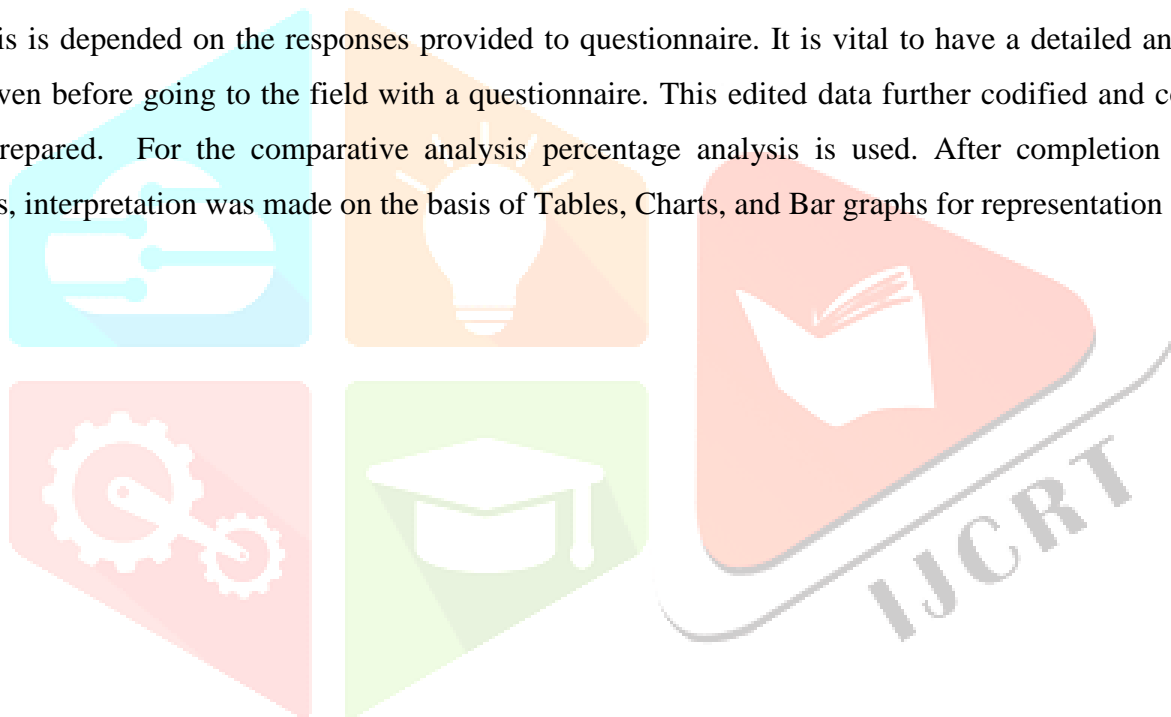
## Sampling Methodology

The method of **Random Sampling** has been employed in data analysis. Random sampling from a finite population denotes to that approach of sample selections, which offers each possible sample mix an equivalent probability of being taken and each items in the entire population to have an equivalent opportunity of being comprised in the samples.

100 customers have been selected randomly from and feedback forms (questionnaires) have been obtained. The data has been analyzed in order to arrive at their responses about customers about after sale service quality of Maruti. The primary data collected from customers of Maruti Suzuki.

### Analysis of the plan

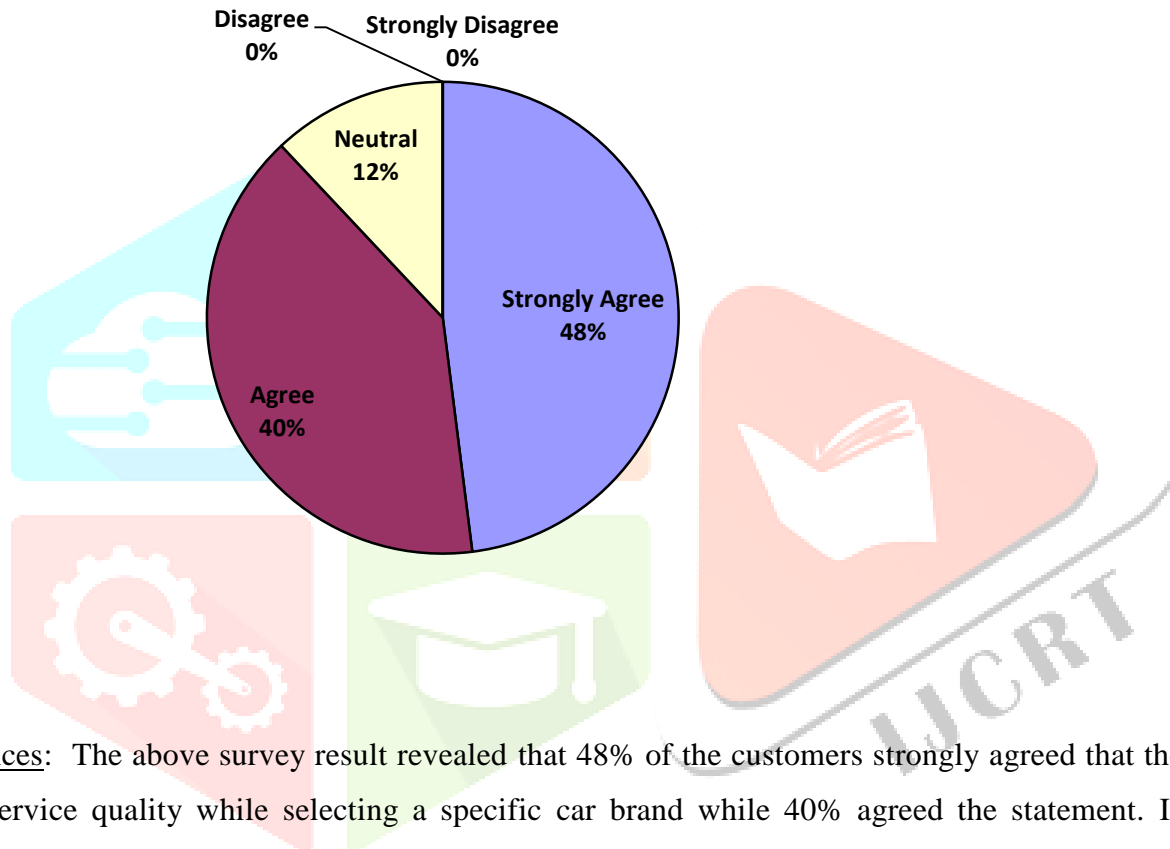
Analysis is depended on the responses provided to questionnaire. It is vital to have a detailed analysis plan in mind even before going to the field with a questionnaire. This edited data further codified and code book has been prepared. For the comparative analysis percentage analysis is used. After completion of the entire analysis, interpretation was made on the basis of Tables, Charts, and Bar graphs for representation of data.



**DATA ANALYSIS AND FINDINGS**

After sale service quality influences my choice while choosing the passenger car.

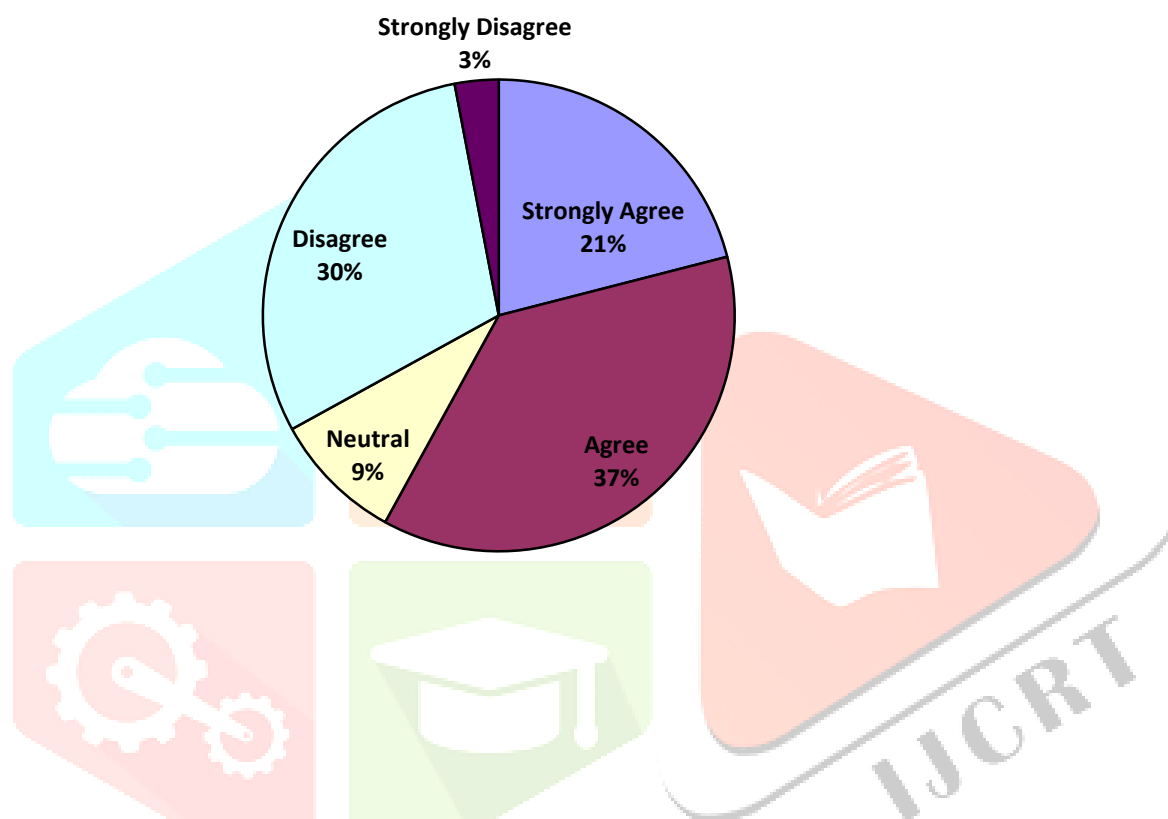
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
48	40	12	0	0



**Inferences:** The above survey result revealed that 48% of the customers strongly agreed that they favor after sales service quality while selecting a specific car brand while 40% agreed the statement. It reveals that Maruti must provide significant to develop the service quality to magnetize customers.

Are you satisfied with the loyalty programme of Maruti?

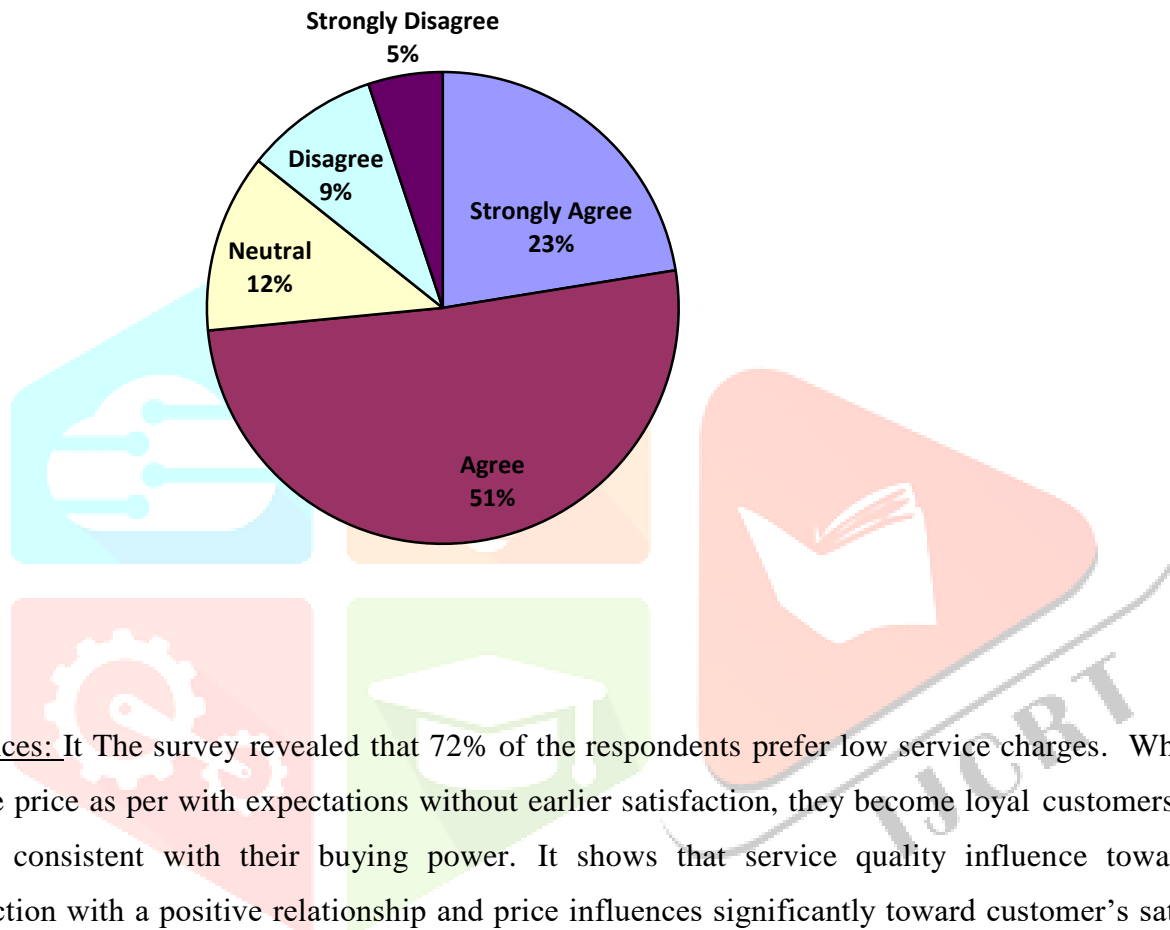
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
21	37	9	30	3



**Inferences:** The above graph reveals that 58% of the respondents agreed that they satisfied with the Loyalty programme of Maruti while 33% of them are disagreed. Hence it is revealed that economy segment of customers are critical to the automobile sector that loyalty programmes have higher service quality expectation based on their experiences.

How do you satisfied with the Pricing policy of Maruti After sales services?

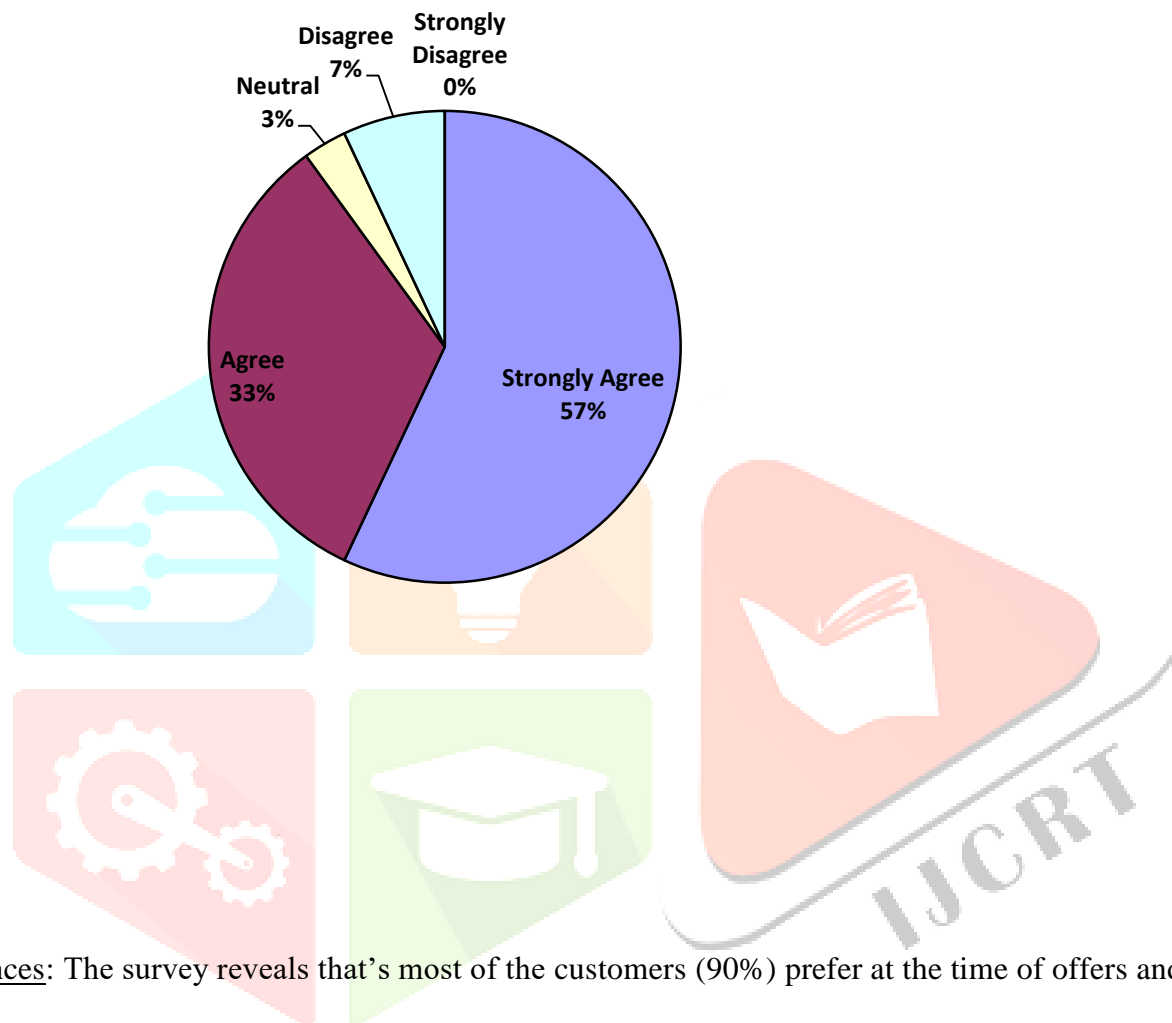
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
22	50	12	9	5



**Inferences:** It The survey revealed that 72% of the respondents prefer low service charges. When customers pay the price as per with expectations without earlier satisfaction, they become loyal customers for the price valued consistent with their buying power. It shows that service quality influence towards customer satisfaction with a positive relationship and price influences significantly toward customer's satisfaction and loyalty.

Are the different types of offers and discount on services of affecting your purchase decision?

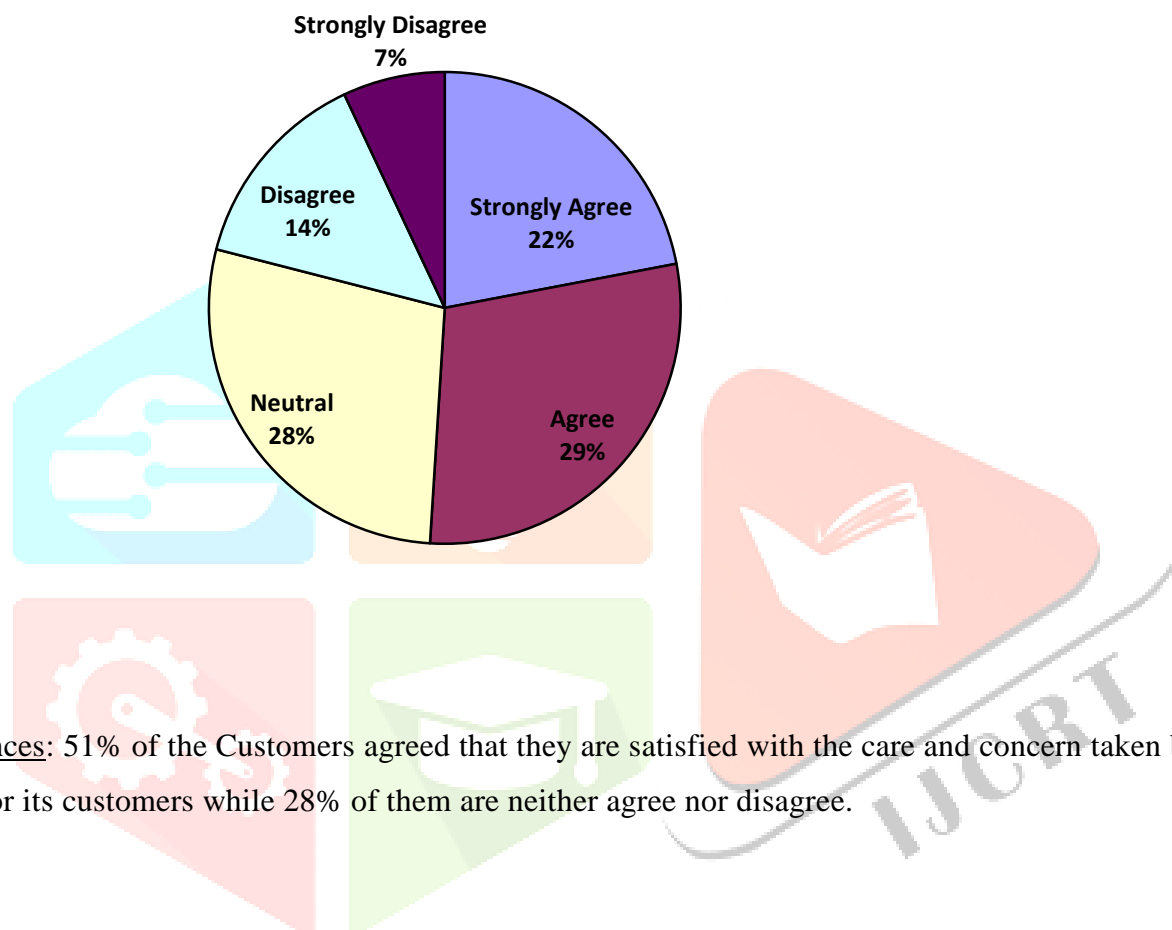
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
57	33	3	7	0



Inferences: The survey reveals that's most of the customers (90%) prefer at the time of offers and discounts.

Are you satisfied with the care and concern taken by the Maruti service staff for its customers?

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
22	29	28	14	7

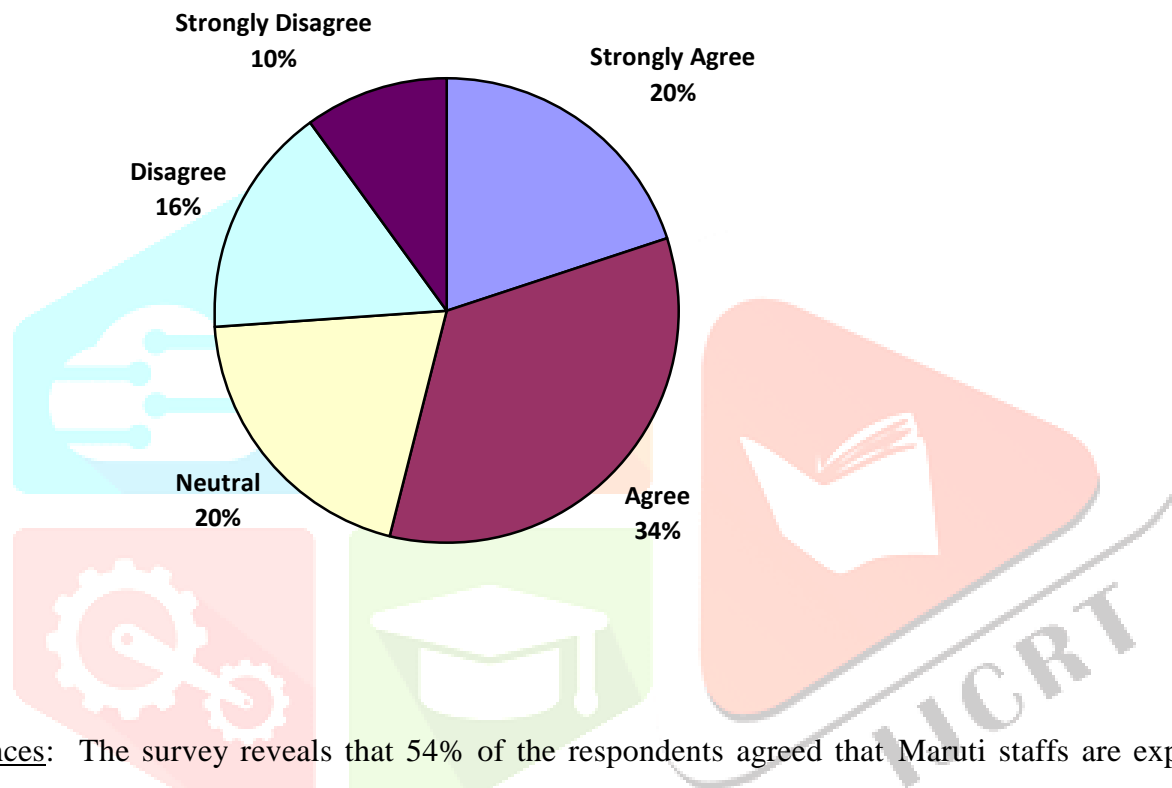


Inferences: 51% of the Customers agreed that they are satisfied with the care and concern taken by the Maruti staff for its customers while 28% of them are neither agree nor disagree.



Do you think Maruti staffs are experienced and well trained?

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
20	34	20	16	10



**Inferences:** The survey reveals that 54% of the respondents agreed that Maruti staffs are experienced and well trained. Training and development activities are essential to strengthen employee commitment. Training and development will cause higher satisfaction level in employees and they will accomplish their duties with a lot of accountability with best performance. The employee developmental program in Maruti carried out for managerial level staff must lay more importance on fabricating and developing leadership skills, abilities and qualities in them.

## CONCLUSION AND SUGGESTIONS

Maruti Suzuki is the leading automobile firm in India. The Maruti Suzuki cars are the best and fast moving brands. Nowadays, the demand for the cars by customer shows an increasing trend, the authorized dealers of the Maruti Suzuki companies have initiated many steps to increase the sales. At the same time they expected better warranty policies, low cost, easy replacement and best offers etc., if the company fulfills their needs and expectation they can increase the sales and retain them in future

This study tried to investigate the associations amongst service quality, customer satisfaction and loyalty of Maruti Suzuki. The survey results that perceived services quality absolutely affects both customer satisfaction and loyalty towards the company.

Improve quality of after sale services to recognize customer expectation affects potential to provide moderately proper services that please car buyers, as a result having the inclination to retain customer patronages and boost revenues. In other words, to require to make and enhances customer satisfaction, Maruti should provide quality service that meet and exceed client expectation, in order to improve customer loyalty.

Many customers expect better warranty policy, less services cost, quick reimbursement in case of damage and more no. of service stations. Maruti should take quick measures to boost satisfaction level and to retain customers in prospect.

The research study confirms the association amongst the cultural backgrounds of customers and service quality perception, and consequently, loyalty programmes must be changed to have the great impact on customers, and there must be stable attempts to training and development of employees to be receptive to meet the expectation of customers.

Automobile firms must expand strategies that will boost positive behavioral intention. Maruti has been capable to meet the expectations of the customers in regards to the performance of the service at the promised time, instilling self-assurance in the customers, knowing the necessities of the clients and concerning convenient business hours. However the Maruti has to progress more on all the other attributes of Tangibility, Assurances, Reliability, Responsiveness and Empathy so that the customer expectations are met on its overall service quality.

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