

MEASURING THE CUSTOMER SATISFACTION LEVEL, BEFORE AND AFTER SALES SERVICE PROVIDED BY MARUTI AGENCY IN ANDAMAN & NICOBAR ISLAND

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Abstract: We propose a research design approach to identify what factors that highly influences the customer satisfaction level on before, during and after sales service of Maruti Agency House in Andaman & Nicobar Is. The researcher tried for 200 customers, but able to reach 157 because of eliminating the extreme cases and some missing values and few questionnaires were not returned. The cronbach's á reliability test was performed for each factor to know reliability of measurement items. Multiple regression analysis was used to know which factor influence more towards the satisfaction level of customers. It was inferred from the study that the customers were more satisfied with after sales service and also during the service. But, they feel the before sales service was not much satisfactory.

Keywords : Before, during and after sales service, multiple regression, Maruti agency

INTRODUCTION

The automotive industry is experiencing significant changes in global market volumes, with flat sales in Western Europe and increasing importance of the emerging markets of Eastern Europe, Russia, China and India. This growing importance includes not only new car sales, but also the aftermarket. Given the fact that the aftermarket business creates attractive revenues and margins, aftermarket activities are on the management agenda in both established and emerging markets.

Winning the aftermarket is far from easy, since it entails significant complexity, a large number of maintenance and parts activities, and crucial supply chains.

Since the first car rolled out on the streets of Mumbai (then Bombay) in 1898, the Automobile Industry of India has come a long way. During its early stages the auto industry was overlooked by the then Government and the policies were also not favorable. The liberalization policy and various tax reliefs by the Govt. of India in recent years has made remarkable impacts on Indian Automobile Industry. Indian auto industry, which is currently growing at the pace of around 18 % per annum, has become a hot destination for global auto players like Volvo, General Motors and Ford. Today Indian automotive industry is fully capable of producing various kinds of vehicles and can be divided into 03 broad categories: Cars, two-wheelers and heavy vehicles.

MAJOR CAR PLAYERS IN INDIA

- Maruti Udyog Ltd.
- Hyundai motors India ltd.
- Generals Motors India.
- Tata motors ltd.
- Mahindra and Mahindra ltd.
- Hindustan Motors.
- Daimler Chrysler India Private ltd.
- Skodu Auto India Private ltd.
- Fiat India Private ltd.
- Nissan Motors co.ltd.

Snippets about Maruti

- The construction of Maruti Agency House started in 6th Nov.2002 and it was activated on 28 Jan 2003.
- In the year 2003 showroom and workshops were constructed and activated .Later, in year 2004 & 2006, they expanded their workshops as Workshop I.
- In year 2007 an extention Maruti agency house counter was set up in another area at Rangat, Middle Andaman to expand their business and feel the customers of that area more convenient to buy a vehical. At the same year 2007 a workshop at Nayagaon was also started.
- On year 2008 they set up a True value showroom which made the customers very comfort to buy their desirable vehicals.
- In 2009 E-outlet were started in Rangat.
- In 2010 Multi-Dimensional Showroom was setup.
- In 2011 another workshop was setup in Diglipur, North Andaman and was activated successfully.

Like this they expanded their business in whole Andaman & Nicobar Is. ie. from northern to southern group of islands.

Andaman Lifestyle

There are no Industry in Andaman & Nicobar Island. The people of these islands are completely based on Govt Jobs, Private works and Business. Here nearly 60% of the people are Govt Employees whose average income will be around 15000-25000 per month. Nearly 20% of the people are in Defence, who belongs to both Islanders and Mainlanders.

There are nearly 10% Private Operators in these Islanders who own their own their business like Travel Agency & Tour Operators, Constructions, Import & Export, Textiles, Hotels and Shipping's etc. And 10% of the people are working under those 10% of private operators or they do other works for daily wages or in contract basis etc.

LITERATURE REVIEW

Leonardo Buzzavo and Giuseppe Volpato (2001)

The authors et all investigates in US vehicle market enjoyed an all-time record volume of about 17 million vehicles in 2000, thanks to an extended stage of growth. The US dealer structure is more concentrated than in Europe. Over 30% of dealerships belong to dealer group companies, with the top 5% of groups controlling about 30% of total sales. In the year 2000 there were three dealer groups owning more than 100 dealerships (AutoNation, Sonic Automotive, United Auto Group), while the top 10 dealer groups accounted for only 814 outlets (3.7% of all dealerships) and over 1 million new vehicle sales (5.9% of all sales). However, group ownership is much lower than in the UK market, with few public companies involved. One key reason is that traditionally the holder of the franchise had to be a named individual and not a company. In the USA publicly owned dealerships are a rather recent phenomenon, with just 9 cases in 2001, controlling in total 680 dealerships

Lucie Kanovska (2009) The author investigates that the Services have the potential to supplement the goods offering . In the B2B context, product service strategies influence overall client satisfaction , improve new-product adoption and strengthen the client's confidence and the supplier's credibility . In fact, a better service increases both first-time and repeats sales, and thus increases market share. Furthermore the level and quality of the services offered is an effective way to maintain ongoing relationships. Services often accompany products and add important value for their customers to them. Services can help customers to decide which product to buy. If the

product is accompanied with proper customer services then it can be more interesting for potential buyers. Customer services on industrial markets can be the following ones: cooperation on product innovation and production, consultancy before and after sale, sufficient information about a company and its products, payment conditions, transport, packaging and assembling of products according to customer requirements, replacement of spare parts, service in and after maintenance, customer training, special meetings with customers, free phone connection, etc

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Alireza Fazlzadeh1, Fatemeh Bagherzadeh2 and Pegah Mohamadi2*(2011)

The authors et all investigates the understanding of the effect of after-sales services in satisfaction and post behavioural intentions is important to services marketing managers because it allows them to differentiate their offering substantially, in a way that strengths the relationship with their clientele in the short, as well as in the long run. The purpose of this paper is to investigate the effect of after-sales services on customers' satisfaction as well as on their behavioural intentions, namely "repurchase intention" and "word-of-mouth"(WOM). The research conducted followed a quantitative methodology. The selected research tool was a questionnaire. The study conducted was targeted at customers of a large retail chain marketing home appliances in Iran and 302 usable responses were utilised. A path analysis was performed using the "Amos 18" software. Findings show that after-sales service quality, affect satisfaction, which in turn affects behavioural intentions. Hence, after-sales services affect the overall offering and thus, the quality of the relationship with customers.

—**African Journal of Business Management Vol. 5(17), pp. 7658-7664**

Nazim HUSSAIN, Waheed Akbar BHATTI, Azhar JILANI (2011)

The author investigates that Service quality is not a product manufactured in a plant which is delivered Intact to the customers. Service quality involves human capital and the way the service staffs delivers that service quality of service helps increase the market share if perceived quality of service is up to the mark, or lose it if the perceived quality of service is bad. Customer satisfaction is only the base line and not enough for survival in present intense competition scenario. So the aim is a bit higher and it focuses on gaining customer loyalty through enhancing customer's perception about quality of service

quality is a multi dimensional phenomenon. The customer does wish to get the best return of his money in shape of best product or services he buys. If the customer is enjoying service experience then he/she normally returns to the provider and may bring along friends and colleagues. On contrary dissatisfied customer will share his/her experience with others and organization may never know what is going to hit it. While comparing the product with the competitor's, customer sets the priority about its quality, why it is not good like the other product. This is basically the failure of total customer satisfaction which in turn is the failure of product. In an ever evolving technological environment new and upgraded products with value additions need to be produced to meet the customer needs and growing expectations. Therefore the ability to produce quality product is very necessary besides the installation of new machinery .

—*Management & Marketing Challenges for the Knowledge Society (2011) Vol. 6, No. 4, pp. 561-572*

M. van Birgelen, K. de Ruyter, A. de Jong and M. Wetzels (2011)

The author investigates that the technological advances extend the after-sales services portfolio from traditional service encounters to voice- and bit-based services. Technology enables service organizations to transcend geographical as well as cultural boundaries. It might even result in geographical convergence, often treated synonymously with cultural convergence. In this paper we address this issue. This paper examines the interaction between perceived service performance and national cultural characteristics in the formation of customer satisfaction for three types of after-sales service contact modes. The results suggest that, in contrast to the traditional face to- face service encounter, the perceived quality-satisfaction relationship is particularly moderated by national culture in case of an after-sales service contact mode mediated by technology.

—————**Eindhoven Centre for Innovation Studies, The Netherlands**

EMPIRICAL METHODOLOGY

Research Design

The structured questionnaire was designed to elicit the response from the customers. And the type of questions used in constructing a structured questionnaire includes Dichotomous questions, multiple choice questions and scale questions. The researcher tried for 200 customers, but able to reach 157 because of eliminating the extreme cases and some missing values and few questionnaires were not returned.

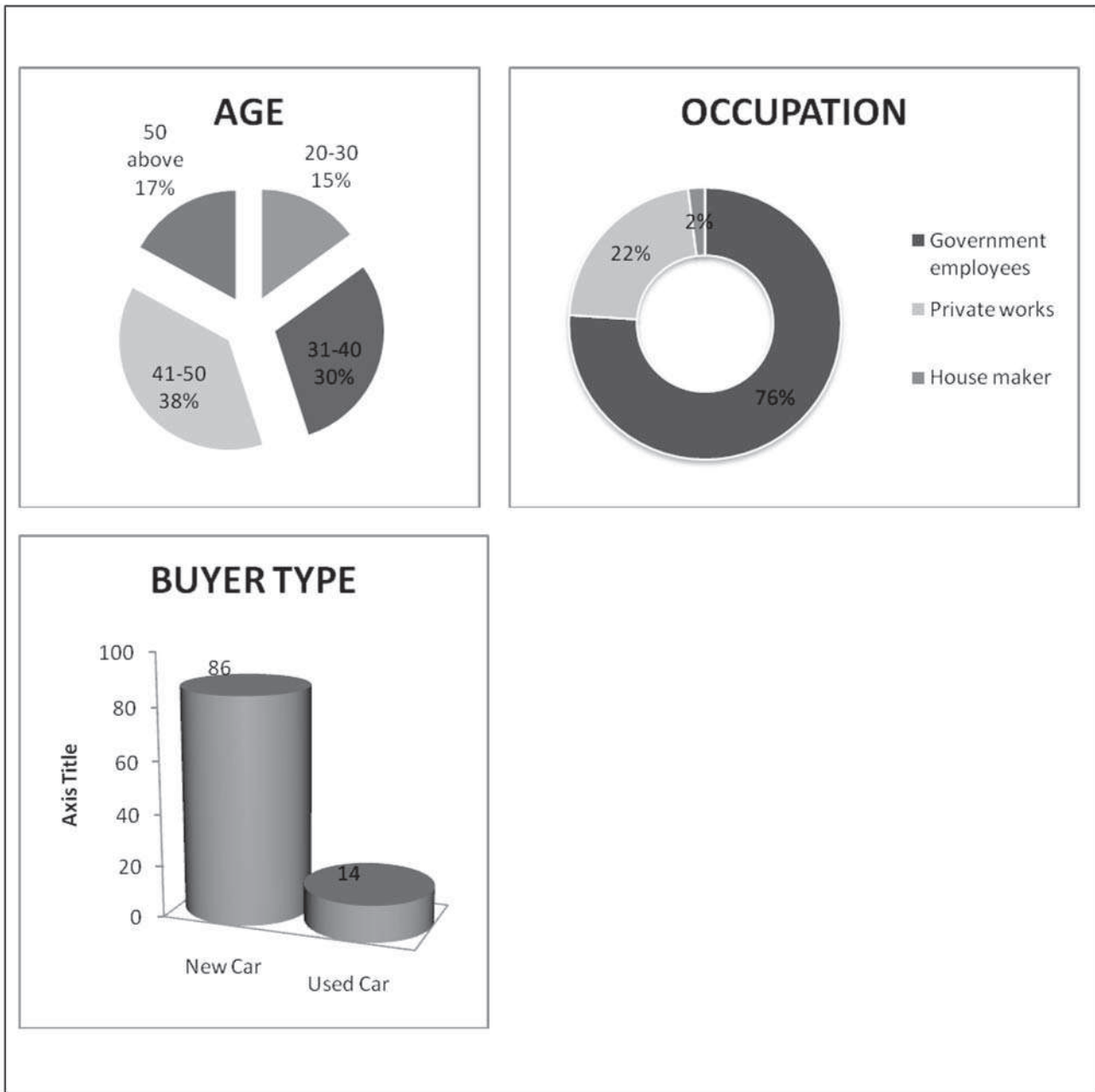
Measurement

The constructs and measurement items used in this research regarding before sales, during sales visit and after sales service rendered to the customers by the Maruti agency at Andaman. Apart from the demographic attributes and user preference for vehicle, all other measures were assessed via a 5-point scale ranging from “ Highly satisfied” to “ Highly satisfied”. These scales were reverse coded where appropriate.

Data Description

The questionnaire was pre-tested on thirty individuals and was revised according to their feedback. It was sent to target people in Chennai. A total of 200 respondents were distributed and 157 of them were returned within the specified time frame(response rate 78.5%). From Chart 1, A total of 15% were under the age of 20-30 years, 30% of customers were under the age of 31-40 years, 38% of customers were under the age of 41-50 years and 17% of customers were above 50 age. The employment status shows that 78 % of the customers were Government Employees, 22% of the customers were Private Workers/ Business Peoples and only 2% of them were Home makers. About 86% of the customers prefer to buy a new car and 14% of the preferred used cars.

Chart 1 : Demographic Details



Source: Primary data

DATA ANALYSIS

The reliability test was performed using cronbach’s á for each measuring factors. From Table 1, there is high reliability for Service Visit Quality(.860) and also for before sales (.820). After sales is reliable at .732.

Descriptive Statistics regarding the overall customer satisfaction towards various measurement items are

shown in Table 2, including the mean, standard deviation, and ranking. The table shows that all of these components are important to customer satisfaction, as means are all higher than the neutral score of 3.

Table 1
Reliability test

Factor	Mean	Cronbac's α	No. of items
Before Sales	4.09	.820	6
Service Visit Quality	3.86	.860	5
After Sales	3.96	.732	3

The multiple regression analysis was conducted to determine which factor contribute more towards the satisfaction level of customers. The results of multiple regression analysis are depicted in Table 3 are as follows:

$$Y = \hat{a} + \hat{a}_1X_1 + \hat{a}_2X_2 + \hat{a}_3X_3$$

Where,

Y = Overall Customer Satisfaction

\hat{a} = intercept of customer satisfaction

\hat{a}_1 = Coefficient of before sales service (X_1)

\hat{a}_2 = Coefficient of service visit quality (X_2)

\hat{a}_3 = Coefficient of after sales service (X_3)

Since the R value is .708, which is nearest to 1, and the R^2 value is 50%, so the model has a moderate fit. The after sales service is found significant at 0.000 and also the service visit quality at .002. But the service before sales is insignificant (.701)

Regression Line

$$Y(OVS) = 1.161 - .030X_1(BS) + .248X_2(SVQ) + .553X_3(AS)$$

Where,

OVS = Overall Customer Satisfaction; BS = Before Sales; AS = After Sales

Table 2
Measures of items for before, during and after sales

Measurement items	Min	Max	Mean	Rank	SD
Approach	2	5	4.1538	1	0.54659
Documentation work	2	5	4.1338	2	0.62116
Information	2	5	4.121	3	0.64401
Service Schemes & offers	2	5	4.1097	4	0.59835
call handling	2	5	4.0446	5	0.53522
Delivery process	2	5	4.0382	6	0.724
Delivery time	2	5	3.9873	7	0.82421
Customer treatment	2	5	3.9554	8	0.70113
Speed of response	2	5	3.9427	9	0.61229
Servicing of vehicle.	2	5	3.9236	10	0.66546
competent persons for service.	2	5	3.8917	11	0.62614
Reminder for free service	2	5	3.879	12	0.81924
Feedback from service supervisors	2	5	3.828	13	0.72659
Time taken to repair	2	5	3.707	14	0.85681

Table 3 Multiple Regression

Multiple R	0.708				
R ²	0.501				
Adjusted R ²	0.491				
Standard error	0.371				
	DF	Sum of Squares		Mean Square	
Regression	3	21.025		7.008	
Residual	153	20.975		.137	
F = 51.20	Significance of F = 0.000				
	Variables in the Equation				
Variable	B	SE _B	Beta(B)	T	Sig of T
Before Sales	- 0.032	0.084		-.385	0.701
Service Visit	0.223	0.072	-.030	3.090	0.002
After Sales	0.533	0.071	.248	7.514	0.000
(constant)	1.161	0.270	.553	4.304	0.000

DISCUSSIONS AND CONCLUSION

The survey analyzed and examined the customer satisfaction level of “Before & After Sales service of the Maruti Agency House. In Andaman most of the customers are satisfied with the services of the Maruti Agency House. This study attempted to understand, what factor that influence customer more towards their satisfaction level. Finally the researcher identified through analysis was the service visit quality and the after sales service attracts the customer more than before sales service.

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