A study Relation between Customer Satisfaction and Service Quality Of four wheelers dealers across Karnataka Automotive Industry

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ABSTRACT

Automobile Industry has played a major role in the Indian economy during the last decade. The Indian market opening its wings to MNC’s, the competition has become severe in terms of product quality and service. This has brought forward customer satisfaction especially at the dealer level. Satisfied customer’s form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. Many researches are going on in the field of customer satisfaction for not only retaining the customer but also for repeated business deals. An attempt is made in this paper to highlight the relation between service quality and customer satisfaction as a tool for improving the relationship with the customer the competitive environment in the Car service industry requires every dealer to seek highest customer satisfaction and service quality proves to be instrumental in achieving it. Various definitions of satisfaction are discussed and relationship of the quality is investigated. The study focuses on interdependence of customer satisfaction and service quality and it implications for car service industry across Karnataka. However in absence of any universal scale for estimate of satisfaction, the meaning of satisfaction becomes unclear and ambiguous, but the in business terms customer satisfaction is an important factor sustaining the business and its further development.

Keywords: Service quality, expectations, customer satisfaction, car dealer, Karnataka.

INTRODUCTION

Customer satisfaction is the key to business servers. According to a study Customer in India are more concerned with the service that are performed at timely manner with the affordable cost The Dealer in India must be responsive to all the needs of their customer; simply providing a good product at a good price is no longer enough. Every aspect of their service from the initial sales call to the maintenance of product sold must exceed the expectation of the customer. Dealer service quality is an important aspect influencing customer satisfaction. A customer who has a good experience with the concerned dealer may probably use the same dealer again while the customer who experiences problems with a dealer may not use the same dealer next time. For this reason improving service quality is important for existing customer and for attracting new users.

Customer satisfaction among different dealers has become an important and necessary concept in today’s service business world. Due to the importance of repeat business, it is vital for service business to focus on long term relationship with customer. In this paper an attempt is made to demonstrate that customer satisfaction research is not only a tool to measure customer attitude but also to be a proactive tool for managing customer relation with respect to different dealers. Customer satisfaction is the outcome felt by those that have experienced a company’s performance that have fulfilled their expectations. Many researchers and academicians highlight the importance of customer satisfaction. Many researchers see that
customer satisfaction has positive effects on organizations profitability. Empirical evidence also shows the positive connection between customer satisfaction, loyalty and retention. Nowadays all companies are realizing the significance of delivering and managing service quality, which leads to customer satisfaction. According to Hansemark and Albinson (2004) “Satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of someone’s needs, goals or desire”. Customer loyalty on the other hand refers to a deeply held commitment to re-buy a preferred product or service in the future despite situational influences and marketing effort having potential to cause switching behavior (Oliver1977).

In a fiercely competitive business environment like car service industry, Reichheld and Sasser have expressed that many of firms and industries are becoming serious and taking huge efforts on knowing the Relationship and interdependence of customer satisfaction and service quality. Post liberalization, Globalization and Privatization in year 1991, Indian firms are very much keen on studying relationship between service quality and customer satisfaction. As cited by Iacobucci and Ostrom, researchers all over the world which includes Churchill and Surprenant, Berry, and Zeithaml Woodruff, and Jenkins, Westbrook and Oliver and Bitner and Hubbert have been studying the subjects of quality and satisfaction as part of customer process of evaluating services.

SERVICE

Service industries are playing an increasingly important role in the overall economies of the countries of developed and developing countries. Researchers have tried to define service and to explain what service constitutes. There are many definitions regarding the concepts of service. Services are deeds, processes, and performances (Parasuraman et al. 1985). Gronroos (1983) defined service as: “An activity or series of activities of more or less intangibles nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources, goods or systems of service provider. Service is: "Any primary or complementary activity that does not directly produce a physical product - that is, the non-goods part of the transaction between customer and provider” (Payne, 1993). Whereas Kotler et. al.(1999) defined service as any activity or benefit that one party offers to another which is essentially intangible and does not result in the ownership of anything, and it may or may not be tied to a physical product.

SERVICE QUALITY

Parasuraman et al defined Service quality as a comparison between expectations and performance and in further studies defined service quality as the Discrepancy between customer’s expectations and perceptions. Service quality has become a major area of attention during the past few decades for managers, researchers, practitioners because of its huge impact on business performance of firms. Brown and Swartz (1989) think that customers prefer and value companies that provide high service quality. Thus, the attainment of quality in products and services has become a prime concern of the 1980s. Customers judge service quality relative to what they want by comparing their perceptions of service experiences with their expectations of what the service performance should be. Marketers described and measured only quality with tangible goods, where as quality in services was largely undefined and un-researched (Parasuraman, et.al. 1985).

Quality in a service business has become a measure of the extent to which the service provided meets the customer’s expectations. Companies have found that in order to increase profits and market share, they should pay much attention to service quality. Service quality has become a key strategic factor for companies to differentiate their products and services from other competitors by using service quality as a process that customers evaluate. Many researchers suggest that customers assess service quality by comparing what they feel a seller should offer and compare it against the seller’s actual service
performance (Gronroos, 1982). The importance of quality to firms and customers is unequivocal because of its benefits contributing to market share and return on investment (Parasuraman, et al. 1985). The search for service quality is no doubt the most important consumer trend of the new era, as consumers now are demanding higher quality in products and services than ever before. The fierce and intense competition and rapid deregulation have made many businesses in the service sector to seek profitable ways and become competitive. Delivering high service quality is a good strategy for businesses to succeed.

Quality has been recognized as a strategic tool for attaining efficiency and business performance. With service assurance, companies not only retain their existing customers but increase chances of getting and attracting new customers. Service quality presents “the consumer’s overall impression of the relative inferiority / superiority of the organization and its services”. Therefore, service quality is a key for survival to all service providing companies. Measuring the quality of goods is easier because it can be measured objectively with indicators like durability and number of defects, but service quality is an abstract item. According to Parasuraman et al., (1988), service quality has three features which are unique; intangibility, heterogeneity, and inseparability of production and consumption. Therefore, they suggest that in the absence of objective measures, an appropriate assessment of the service quality of a firm is to measure consumers’ perceptions of quality.

**THE DISTINCTION BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION**

A review of the emerging literature suggests that there appears to be relative consensus among marketing researchers that service quality and customer satisfactions are separate Constructs which is unique and share a close relationship]. Most researchers in the services field have maintained that these constructs are Distinct. Table 1 identifies a number of key elements that distinguish customer satisfaction from Service quality.

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Service Quality</th>
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<tbody>
<tr>
<td>Customer satisfaction can result from any dimension, whether or not it is quality</td>
<td>The dimensions underlying quality</td>
</tr>
<tr>
<td>Related</td>
<td>Judgments are rather specific.</td>
</tr>
<tr>
<td>Customer satisfaction judgments can be formed by a large number of non-quality issues,</td>
<td>Expectations for quality are based on ideals or perceptions of excellence.</td>
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<td>such as needs, equity, perceptions of fairness.</td>
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<tr>
<td>Customer satisfaction is believed to have</td>
<td>Service quality has less conceptual</td>
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<tr>
<td>More conceptual antecedents,</td>
<td>Antecedents.</td>
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<tr>
<td>Satisfaction judgments do require Experience with the service or provider.</td>
<td>Quality perceptions do not require</td>
</tr>
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<td></td>
<td>Experience with the service or provider.</td>
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Source: Adapted from various sources (Taylor, 1993; Oliver, 1993; Rust and Oliver, 1994; Spreng and Mackoy, 1996; Choi et al., 2004; Grace and O’Cass, 2005)

**Satisfaction:** Tse and Wilton defined satisfaction as the assessment of the perceived discrepancy between expectations and the actual Performance of the service. When we discuss the subject satisfaction, it is found that there are number of and diverse definitions of satisfaction. Though it is an advantage to have such diversity of definitions, it also Makes it complex to exactly word it. Therefore Giese and Cote have suggested that the researcher should choose an appropriate definition in given context and may develop the measure to interpret and compare it.

Satisfaction may be termed as an individual’s reaction in the form of sequence of an information processing, valuation of the degree to fulfill the functions which a good service should posses. It also
includes the feeling of happiness or joy of matching the expectation and having pleasure while consuming the service. A section of literature assumes it as result of cognitive dispensation of the information through comparison of expectations with the delivery of service. Whereas literature also shows that it is just not cognitive processing but also implicit component of consumption which simply means that linking the thinking phenomenon during or before purchase to emotions and state of mind on consumption as Hunt and Keith has correctly posited that satisfaction is considered as an evaluation of the experienced emotions.

It is believed that satisfaction is the result of evaluation of a service through comparison against the expectations of the consumer with the perceptions of services delivered. This means perceptions becomes important component in service delivery and when in customers opinion. As per Johnston and Clarke when the perception meet the expectations what so ever nature then customers is satisfied with the service. This satisfaction would lead to repeat business and improve referrals to other customers.

As stated by Howard and Sheth satisfaction is defined as end result of cost and profit analysis of a transaction. In psychological words, satisfaction arises from the disconfirmation theory. Many of the researchers such as Oliver, LaBarbera and Mazursky, Woodruff, Cadotte and Jenkins have echoed to utility of the discrepancy between certain standard of comparison like experience and expectations with yield professed of a service. Researchers including Oliver, Halstead and Hartman and Schmidt have agreed concept of considering satisfaction as evaluative judgment and also a phenomenon with a strong affective component.

Quality and satisfaction has been widely discussed in various literatures from long back, especially in service industry it is found that there is good amount of interest is shown by managers having a strong sentiment that profit is derived by customer satisfaction and improvement in quality would lead to satisfaction which results in retention of customer with enhanced profits. It is widely observed that there seems to be a relationship between service quality and customer satisfaction as increased quality improves customer satisfaction and contributes to success of the organization. This adds to the image component of the organization and improves profitability through repeat business, loyalty and positive word of mouth. It also attracts new customers to the firm and increased reputation for quality experience.

Although a considerable literature can be found in this area, there is relatively less comments on performance quality and customer satisfaction and its further impact. Service quality has also been discussed by many researchers in marketing; however the nature of the relationship and interdependence if so is rarely debated constructively. Crompton and Law have successfully tried to conceptualization the relationship between the constructs of quality and satisfaction in tourism and Parasuram, Ziethmal and Berry have shown that these constructs of quality and satisfaction are interchangeably used whereas Taylor and Baker have opined that these two construct form a combination influencing customers purchase decisions. Tonge and Moore21 posited that the theoretical magnitude of fulfillment service has been build in various words which was based on different perspectives and this ambiguity and stymie caused interchangeable use of performance measures and satisfaction.

However in absence of any universal scale for estimate of satisfaction, the meaning of satisfaction becomes unclear and ambiguous, but the in business terms customer satisfaction is an important factor sustaining the business and its further development. As Kandampully and Yuksel and Yuksel have stated that satisfaction leads to consumer loyalty and ensure life time benefits by retaining customers, Rahman and Shil24 have mentioned that consumer satisfaction is heavily dependent on easy availability of quality service.
As defined in disconfirmation theory of Oliver, an individual’s satisfaction with a purchase is the extent of his disconfirmation and when expectations are met. However when the performance quality is worse than expected, it results in negative disconfirmation and the performance exceed the expectations, it is positive disconfirmation. Parasuram et al have differentiated the quality as attitude towards service and satisfaction for a particular service operation which has been echoed by others and it holds true for tourism and hospitality. Crompton and Love have discussed satisfaction in the context of tourism industry and have stated that quality is an opportunity manipulating the elements of service by producer and further stated that tourists evaluate quality on base of his perception by comparing it with the service performance. He also suggested that it is influenced by various factors such as social as well as psychological attributes like needs, frame of mind and nature and also the external factors like climate and so on. It means that quality is conceptualized by producers performance whereas satisfaction by customers performance. It is producers control over provision of facilities and values of service that leads to higher customer satisfaction and those extraneous factors beyond the control of producer may make it imperfect relation.

As it’s a known fact that hotel guests are integral part of hotel service delivery and which distinguishes it from other products. The guest’s involvement in the coproduction of services is regarded as important factor and it has a lot of influence on what has been delivered to guest. As hotel services are sold without any trial or pretesting, hotel guests make their expectations by relating themselves to the experiences of other who have used and tested the services. The reporting by others creates image in the mind of customer and perception of quality contents of the hotel. But on other hand satisfaction being a psychological state is derived from interaction with the service provider. Also argued by Chon and Meng et al, satisfaction is calculated by tourists’ perceived comparison of preferred expectation with perceived evaluative experience.

Tourists are an integral part of the service delivery and their involvement may be active or passive, but their presence influences what is delivered. However, individuals need not have to be exposed to an attraction to form perceptions of quality. People may relate to others’ experiences at a destination or to promotional material associated with it. Hence, much of the image research reported in tourism measures perceptions of quality of a destination’s attributes. In contrary to this, satisfaction being experiential, it becomes a psychological state that can only be derived from interaction with the destination.

In contrast to the presumed concept of quality relates to cumulative impact whereas the satisfaction relates to transaction, Parasuram, Ziethmal and Berry and Fornell and Manfred have posited that satisfaction is a function of estimation of price and service quality. Iacobucci and Ostrom have categorically stated that the quality and satisfaction are somewhat correlated since in terms of cause and effect relationship distinction can be made in quality and satisfaction and if given to understand that product of high quality may result in customer satisfaction or dissatisfaction. In fact the distinction between quality and satisfaction reflects the customer verses management concerns as in case management of service firm takes efforts in providing high quality service but a customer participation in the service encounter may or may not be satisfied. Meeting expectations results in quality but exceeding expectations does not always impact quality as well as the satisfaction and there seems to be no differences between quality and satisfaction with respect to disconfirmation theory of falling short, meeting, and exceeding expectations. For a consumer, meeting an agreement is almost same as meeting an expectation and this perspective is evident that service quality and satisfaction are not different for consumer. As per Parasuraman et al.,study on reliability being one of the important dimensions of service quality happens to be antecedent to satisfaction as it is essential in the judgment of satisfaction.
Oliver states that it is the customers thought process and psychology that negotiate between the performance observations and its impact on satisfaction. There exists some conformity between service features which establish quality which causes customers need satisfaction. This observation and consistency of this concept in hospitality and tourism has recognized as established quality as an antecedent of satisfaction. However Spreng et al (1996) have mentioned that the earlier research in the field of tourism has not mentioned anywhere that perception of quality performance is an antecedent of customer satisfaction. Otto and Ritchie in their study have posited that service is about affective responses and mostly on expressive reactions and least related to the sensitivity to the practical attributes of performed service with certain specific emotions negotiating the satisfaction. 

Spreng et al have defined satisfaction as "an affective state that is the emotional reaction to a product or service" needs to comply with the satisfaction notion. Further, it is proposed that attribute satisfaction and information satisfaction forms the precedents where attribute satisfaction is “the consumer's subjective satisfaction judgment resulting from observations of performance of attribute” whereas the information satisfaction as "a subjective satisfaction judgment of the information used in choosing a product" which is consistent with performance notion. This is argued further by Spreng et al who suggest that based on overall experience attribute-specific satisfaction is not the only antecedent of overall satisfaction" and this goes well with Olivers notion. 

As Taylor and Baker have suggested that quality remain the most important and significant dimension in the consumer satisfaction and satisfaction is super ordinate to quality. However many of non-quality elements also help to make judgments about satisfaction and which exerts direct effect on satisfaction, and being extraneous they are beyond the control of service provider. Bitner posited that the physical environment and infrastructure impacts the satisfaction and experience of service whereas Otto and Ritchie have highlighted causal relationship of quality attributes to satisfaction. Services are very often evaluated at the time of service encounters and according to Klaus, quality is termed as the exact total value perceived in the service encounter and that is expected by the customer and hence organizations need to payattention to consumers perception and service process. As suggested by Bearden et al, by improved service quality, service process is benefitted two ways i.e., the organizations would attract new customers and retain maximum current customers. Since the customer perception in hotel industry are strongly affected by behaviors of front line staff as they are the intermediaries of hotel services, Bowen and Lawler have suggested to deliver the promises made by organization and build image. Cronin and Taylor have posited that there is a direct relationship between satisfaction and perceived service quality and satisfaction proves to be stronger influence on purchase decisions than that of service quality. 

Since satisfied customers is the goal of every organization, according Pizam et al, consumers fashioned expectations before buying any services and they compare this expectations with the experience of having the service, therefore satisfaction may be defined as “a collection of tourists’ attitudes about specific domains in the vacationing experience” Guest staying in hotel is exposed to different service
attributes from telephonic or online reservation, to check-in and checkout, accommodation to food and beverage service, recreational services to secretarial services, spa treatments to rent a car service. Satisfaction for such guest has to be satisfaction from all these services. Pizam and Ellis in further research have recognized that on the whole satisfaction in hotel industry comprises of satisfaction with individual attributes of various services that make up the total experience of staying in hotel. This findings are substantiated by Cooper et al and suggest that satisfaction for hotel guests is an amalgamation of facilities and services of food and beverages, accommodation, transport and scope for shopping and quality of delivering these services need to almost uniform. Since food and accommodation remain the most critical components of satisfaction, its quality has direct effect on customer satisfaction and lasting impression. Tourism industry also regards the components of accommodation and dining as one of the most important as Chi and Qu state that tourist visiting certain destination are satisfied when they are happy and satisfied with dining experience and lodging experience and tourism marketers are taking more efforts in improving these two services to gain customers long time loyalty.

Yi Youjae has articulated that when customer satisfaction process varies as per the product or service and especially when the product is indistinct and not available for pretesting or trial, effect of expectation on satisfaction is more than the performance of the product or service. This exactly applies to hospitality industry and marketer should know well in the ambiguity of the services and create the expectations through promotions. Emotional appeals instead of rational appeals should be sued in promotions. Customer satisfaction is the product of intricate information that is generated by comparing customers’ experiences with expectations and customer may be termed as satisfied or dissatisfied with services rendered and the extent of expectation. Rust and Oliver also affirmed that satisfaction reflects the degree to which one believes that an experience evokes positive feelings.

Interdependence between the service quality and satisfaction could be found in difference between service qualities as car service providers concern whereas satisfaction is a concern of Consumer. Management of hotel or any other service provider tries deliver improved service quality and consumer experiences satisfaction. As Burr has suggested that quality is part of firms’ sphere of influence and satisfaction is evaluative reaction of customer. Management would take special efforts on improving service quality, especially the aspects under its control and implement the measures of customer satisfaction derived through well conceived market research.

Quality improvement programs designed to be consumer oriented and driven by market demand would lead to customer satisfaction. In fact is it observed that the quality programs inattentive towards customer satisfaction would leave customer under satisfied or dissatisfied as it is least connected to customers expectations. Service quality as defined by Parasuraman et al is a proportional function between expectations and actual service performance in terms of Gap Model whereas customer satisfaction studies of Oliver, LaBarbera and Mazursky, Woodruff, Cadotte and Jenkins compare expectations and satisfaction through disconfirmation theory.

**METHODOLOGY**

The research on service quality management in car service industry required multiple methods of data sourcing. The descriptive research design is used to understand the attributes of service quality in car service industry across Karnataka. Data sources such as customer satisfaction index journals, Books on service quality management, organization behavior, URL on internet of various customer satisfaction in car service centre were referred. The specific objectives of the study are: i. to understand relationship between Customer Satisfaction and service quality in car service industry. ii. To explore and analyze the service quality management and its role on customer satisfaction in Automotive industry.
RESULTS AND DISCUSSION

Service quality is defined as a comparison of customer expectations with service performance in car service centre. The organizations with high service quality meet the customer needs and also remain most economical in terms of competition as improved service quality also makes the firm more competitive. High service quality is achieved by knowing operational and system process through identifying problems in service and defining measures for service performances and outcomes as well as level of customer satisfaction.

CONCLUSION

Studies in the subject of service quality in car service industry have confirmed that service quality has interdependence and direct relationship with customer satisfaction. In most of the service quality studies, the terms of satisfaction and quality are used very frequently juxtaposition to each other which means both these appear similar. Some of the earlier literature viz. Bitner suggests satisfaction as very specific and generally short term evaluation whereas Parasuraman et al suggest quality being the broader and long term evaluation. On other hand Oliver, describes quality as specific opinion and constituent of satisfaction, satisfaction being the broader assessment. So it is found that these two terms are studied separately as well in union and occur in many of earlier studies.

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