

## THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER SATISFACTION, TRUST, AND LOYALTY IN SERVICE CENTRES OF THE AUTOMOBILE INDUSTRY

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### **Abstract**

*In current scenario, service quality has received a lot of attention from practitioners and researchers over the last few decades. The entry of new businesses into the market with nearly identical goods or services sparked intense competition and provided consumers with a variety of options, giving them significant bargaining power. To secure their long-term interests, service companies are looking for strategies to establish and sustain an ongoing relationship with their customers. It is very less expensive to keep current customers than to find new ones. This highlights the necessity of creating and sustaining client relationships in order to gain customer loyalty. This paper investigates the influence of service quality on customer's satisfaction, trust and loyalty of service centers of automobile industry. The sample size was set at 440 since the research expected a 10% non-response or non-corporative rate. The systematic random sampling technique was used to choose these sample respondents. With Mean & Standards, a one-way ANOVA is performed. It is observed that the respondents who are having the practice to visit service center of the company, once in yearly, they are perceived more level of service relating to tangibility, reliability, and responsibility.*

**Keywords:** Empathy, Reliability, Responsiveness, Assurance, Tangibility, Loyalty

### **Introduction**

Measuring and improving service quality can increase the organization's profits and reputation. Regardless of the industry, service quality can have a direct impact on the company's ability to satisfy customer needs while remaining competitive. Learning how to measure and improve service quality is a valuable skill, but it requires research and expertise. In this paper, the researcher discusses what service quality is, why it's important and how the companies can ensure a consistent level of service quality.

Service quality is defined as a comparison of customer expectations with service performance [1, 2]. Good service quality leads into customer satisfaction and, therefore, makes the firms more competitive in the market. High service quality can be achieved by identifying problems in service and defining measures for service performances and outcomes as well as level of customer

satisfaction. Moreover, service quality can be defined by examining the differences between expected service and perceived service [3]. According to Agyapong (2011) there is a positive relationship between service quality and customer satisfaction. In this study, multiple regression analysis is implemented to examine the relationships between service quality variables and customer satisfaction [4]. The results show that all the service quality items were good predictors of customer satisfaction. Hence, identifying and satisfying customers' needs could improve network services because what is offered can be used to separate the company's services from competitors'

## Review of literature

Service quality can be defined as the difference between customer's expectation for service performance prior to the service encounter and their perception of the service received. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation (Asubonteng, 1996). Expectation is viewed in service quality literature as desires or wants of consumer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988). Perceived service is the outcome of the consumer's view of the service dimensions, which are both technical and functional in nature (Gronroos, 1984). Negi (2009) suggests that customer-perceived service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness and developing satisfied customers. This makes service quality a very important construct to understand by firms by knowing how to measure it and making necessary improvements in its dimensions where appropriate especially in areas where gaps between expectations and perceptions are wide. The most popular model used for evaluation of service quality is SERVQUAL, a well-known scale developed by Parasuraman et al. (1985, 1988). The attributes of (Parasuraman et al., 1985), were: tangibles, reliability, responsiveness, competency, courtesy, assurance, credibility, security, access, and understanding. Parasuraman et al. (1988) later reduced these ten dimensions into five by using a factor analysis. Based on the five dimensions, a 22-item survey instrument for measuring service quality has been developed. These five dimensions are: Tangibles - Physical facilities, equipment and appearance of personnel. Reliability - Ability to perform the promised service dependably and accurately. Responsiveness - Willingness to help customers and provide prompt service. Assurance (including competence, courtesy, credibility and security) - Knowledge and courtesy of employees and their ability to inspire trust and confidence. Empathy (including access, communication, understanding the customer) - Caring and individualized attention that the firm provides to its customers. Although there has been criticism from some other researchers to SERVQUAL instrument (Johnston, 1995), yet SERVQUAL is the instrument most utilized for its confirmatory factor analyses in most cases. Thus, up to date, SERVQUAL has proven to be a parsimonious model that has been used in various service organizations and industries to measure service quality (Chaniotakis & Lympieropoulos, 2009).

### Statement of the problem

Service quality is a measure of how an organization delivers its services compared to the expectations of its customers. Customers purchase services as a response to specific needs. They either consciously or unconsciously have certain standards and expectations for how a company's delivery of services fulfills those needs. A company with high service quality offers services that match or exceed its customers' expectations. In this context this paper analyzes what are the important factors influencing the customer service quality dimensions.

### Research Methodology

The current study investigates influence of the service quality on customer's satisfaction, trust and loyalty of service centers of automobile industry. In 1988, Parasuraman used 22 statements to investigate five elements of service excellence. The tool developed by Parasuraman, et al. (1988) was used in this investigation. This measure is made up of 22 assertions that are classified into five categories: empathy, reliability, responsiveness, assurance, and tangibility. The required sample size, according to the calculations, is 400. The sample size was set at 440 since the research expected a 10% non-response or non-corporative rate. The systematic random sampling technique was used to choose these sample respondents. With Mean & Standards, a one-way ANOVA is performed.

### Analysis and Interpretation

**Table No-1 Service quality based on the frequency of visits to the service center**

Service Quality	Frequency of visits	Mean	S.D	F-value	P-value
Tangibility	Monthly	20.08	3.41	0.853	0.466(NS)
	Quarterly	20.47	3.65		
	Half Yearly	20.33	3.62		
	Yearly	21.08	4.82		
Reliability	Monthly	24.08	4.84	1.807	0.145(NS)
	Quarterly	23.56	5.13		
	Half Yearly	24.40	5.79		
	Yearly	25.80	3.67		
Responsiveness	Monthly	17.86	4.80	4.624	0.003**
	Quarterly	17.97	4.85		
	Half Yearly	19.70	5.34		
	Yearly	20.25	4.08		
Assurance	Monthly	19.65	4.22	5.510	0.001*
	Quarterly	21.26	3.60		
	Half Yearly	21.45	4.32		
	Yearly	20.97	4.48		

Empathy	Monthly	21.93	5.50	4.104	0.007(NS)
	Quarterly	22.15	5.52		
	Half Yearly	23.98	6.13		
	Yearly	24.60	6.35		

Source: Primary data computed \*\*Significant at five percent level; \*Significant at one percent level (NS) Non-significant

Table 1 shows the customer opinion towards the service quality of the company based on the frequency of visits to the service center. The respondents are classified into four groups based on their frequency of visits to service centers such as monthly, quarterly, half-yearly, and yearly. Mean and standard deviation values are calculated based on the frequency of visits to the service center concerning the service quality dimension. From the mean score, it is observed that the respondents who are having the practice to visit service center of the company, once in Yearly; they are perceived more level of service relating to tangibility, reliability, and responsibility. However, respondents who are all having to visit the service center of the company once in half Yearly, they are experienced a higher amount of services relating to assurance and empathy.

*Ho: The respondent's opinions do not vary towards service quality dimensions based on the frequency of visits to the service center.*

To test the above-stated hypothesis, One-way ANOVA is applied. From the ANOVA result, it is inferred that responsiveness, assurance, and empathy dimensions are significantly varied based on the frequency of the visit to the service center. Because the corresponding P-value is significant. Hence, the stated hypothesis is rejected. However, tangibility and reliability dimensions are not varied across the frequency of visits to the service center among the customer.

In the case of responsiveness, the calculated mean value is ranged between 20.25 to 17.86. While observing the mean value, it is noticed that customer who visits the service center of the company yearly once, have secured a higher mean value (20.25) followed by those who are visits to service-center once in half yearly (19.7), once in quarterly (17.97) and monthly once (17.86). Here, the calculated F-value is 4.624, which is significant at a five percent level (P-value is 0.003). Hence, it is inferred that there is a difference of opinion among the customer based on their frequency of visits to the service center relating to the responsiveness services of the company. It is found that customer who has practiced visiting the service center of the company once yearly and a half years are perceived better responsiveness services. Concerning assurance services, the calculated mean values are lies between 21.45 to 20.97. Where the customer has the practice to visit the service center of the company once in half-yearly, quarterly are secured mean score of (21.26). Customers visit service-centered once a year, they are secured, a mean score of 20.95. Monthly visits to service-centered customers secured a mean score of 19.65. While observing the ANOVA result, the F-value is 5.510, which is significant at a one percent level. It shows that there is a difference of opinion relating to the assurance services of the company. Customers are having practice visiting the service center of the company once a half-yearly and quarterly, and they are perceived a better level of services relating to assurance.

For empathy services, the calculated mean score is ranged between 54.6 to 21.93. Here, once in Yearly visits to service center customers are perceived more as a level of empathy service (24.6) followed by half-yearly visits to service center customers (23.98), quarterly visits to service center customers (22.15), and monthly visits to service center customer (21.93). The ANOVA result (F-value 4.104 and P-value 0.005) is indicated that there is a difference of opinion towards empathy services of the company due to the frequency of the visit to service centers. It is found that the customers who are all visit to service center once in yearly, they are perceived better empathy services.

**Table No-2 Customer satisfaction based on the frequency of visits to the service center**

Frequency of visits to the service center	customer satisfaction		ANOVA result	
	Mean	S.D	F-value	p- value
Monthly	14.21	4.08	1.588	0.192 (NS)
Quarterly	13.60	4.23		
Half Yearly	14.68	4.03		
Yearly	13.25	3.89		

Source: Primary data computed (NS) Non-significant

Table 2 explains the respondent's opinions regarding their satisfaction level based on the frequency of visits to the service center of the company. The mean value and standard deviation for customer satisfaction are calculated based on the frequency of visits to the service center among the customers. Those who are all visit the service center of the company half Yearly, they are experienced a higher level of satisfaction (14.68) followed by those who visit the service center monthly once (14.21), quarterly once (13.60), and Yearly once (13.25).

*Ho: There is no difference of opinion towards customer satisfaction based on their frequency of visits to the service center*

In order to examine the above-stated hypothesis, One-way ANOVA is executed. While observing the ANOVA result, the F-value is found to be 1.588 and P-value is 0.192, which is non-significant. Hence, the stated hypothesis is accepted. It is found that the frequency of visits to the service center among the customer does not lead to the difference of opinion towards customer satisfaction.

**Table No-3 Customer loyalty based on the frequency of visits to the service center**

Frequency of visits to the service center	customer loyalty		ANOVA result	
	Mean	S.D	F-value	p- value
Monthly	24.65	5.73	1.735	0.159

Quarterly	24.05	5.89	(NS)
Half Yearly	25.01	5.12	
Yearly	24.21	6.14	

Source: Primary data computed (NS) Non-significant

Table 3 explains the respondent's opinion toward customer loyalty based on their frequency of visits to the service center to the company. The mean value ranged between 25.01 to 24.05. The customers, who are all visit the service center at the company half Yearly, have experienced a higher level of satisfaction (25.01) followed by a monthly visit to service center customers (24.65), Yearly once (24.05), and quarterly once (24.05).

*Ho: There is no difference of opinion towards customer loyalty based on their frequency of visits to the service center.*

To test the above-stated hypothesis, One-way ANOVA is applied. The calculated F-value is found to be 1.753 and P-value is 0.159 is not significant. So, the stated hypothesis is accepted. It is found that there is no significant difference of opinion towards customer loyalty with the company based on their frequency of visits to the service center.

**Table No-4 Trust based on the frequency of visits to the service center**

Frequency of visits to the service center	Trust		ANOVA result	
	Mean	S.D	F-value	p- value
Monthly	23.41	5.62	3.863	0.001*
Quarterly	23.32	5.82		
Half Yearly	25.22	5.86		
Yearly	25.91	3.66		

Source: Primary data computed \*Significant at one percent level;

The respondents are asked to rate their trust level with the company based on the frequency of visits to the service center. The calculated mean value and standard deviation are displayed in table 4. From the mean score, it is observed that those who visit the service center of the company monthly once, they are having a mean value of 23.41. Those who visit service-center the company quarterly once they are secured a mean score of (23.32). Half Yearly visits to service centers are having a mean score of (25.22) yearly once visit service centered customers are having a mean score of (25.91)

*Ho: There is no difference of opinion towards trust of the company based on the frequency of the visits to the service center.*

To test above stated hypothesis, One-way ANOVA is applied. Here, the calculated F-value is 3.86 and P-value is 0.001, which is significant at a one percent level. So, the stated hypothesis is rejected. Hence, it is inferred that there is a difference of opinion towards the trust among the

customer due to their frequency of visits to the service center of the company. It is found that the customers who are having the practice to visit service center Yearly once, they are having more trust in the company. But, the customers who are all visit to service center quarterly once, they are having a low level of trust in the company.

## Conclusion

Customer satisfaction and service quality are considered as a crucial aspect in business; for the development of a company highly depends on how good they maintain their customer through service. Indeed good service quality is expected to result in customer satisfaction, therefore will increase customer's retention, trust and loyalty. This paper concluded that empathy factors such as give customers' individual attention, convenient operating hours to all customers, understand customers' specific need, giving and caring individual attention to customers by having best interests at heart and having enough attention to the new comers even have a significant effect on customer trust.

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