

# Customer Satisfaction Towards After Sale Services-A Study of Automobile Industries

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## ABSTRACT

*The aim of the present study is to examine the level of customer satisfaction from after sale services provided by various Automobile Companies. Good customer relationship management is the key factor for the success of the business and the companies should focus more on maintaining after sale relation with customer for enhancing customer retention and attracting new customers.*

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## 1. Introduction

Good after-sales service is the key to maintain and retain Indian consumers, asserting that they will not make a repeat purchase or continue with a company's service in case of a bad experience, says an American Express report. In order to attain new customers and retain the older ones, good customer service cannot be ignored as a majority (82 per cent) of Indian consumers value it the most while making a purchase. Customers want and expect high – quality service, especially as they focus on getting good value for their money in a difficult economic environment, and are willing to spend more with those that deliver excellent service—suggesting substantial growth opportunities for business that get customer service right. As per the findings of the American Express Customer Service Barometer 76 per cent of Indian consumers are ready to shell out 11 per cent more for excellent customer service. In fact, 67 per cent of consumers have paid more for a product or a service of a company with a good history of customer service. Moreover, 86 per cent of the consumer is ready to give a second chance to companies with a good track record even after. After sales service should be an integral part of any companies' sales strategy. A good after sales service can with its intelligence helps you gain Market share, reduce after sales related overheads on products and services sold and most important of all key customer retention most customers will not make a repeat purchase or continue with a company's services in case of bad experience. Many companies underestimate the potential of sales service has for giving you a competitive advantage. Customers expect a high-quality customer service especially as they focus on getting good value for their money and are willing to spend more with those that deliver the best. According to American Express customer service barometer buying decision of 89% of customers are influenced by convenience and 90% of them attach importance for value for money propositions almost 90% of consumers make their purchase on the quality of after sale customer service as a periodic or as required maintenance or repair. The process of managing products after they have been sold has many names. Such as After sales, Reverse Logistics, Return/Service Management, After sales service, and customer care. Today many companies operate in complex value

networks, but they lack the end-to-end control and visibility to effectively manage the discrete activities that make up the process, and they do not know how well these activities are being performed. Hence the present study was conducted to examine the level of customer satisfaction from after sale services provided by various Automobile Companies.

### After sales service

After sales service can be defined as the periodic or as – required maintenance or repair of equipment by its manufacturers or supplier during and after a warranty period.

It refers to all measure of marketing which are taken from manufacturers and retailers in order for a successful business transaction or sale to customer for their own products and binding them to their own services. After sales encourages repeat and additional purchase increasing customer satisfaction and ensures long-term customer loyalty.

After sales service often achieves a higher Margin than new Business and it is sustainable way to increase customer value and profitability. The needs and demands of the customers must be fulfilled for them to spread a positive word of mouth. In the current scenario, positive word of mouth plays an important role in promoting brands and products. After sales service makes sure products and services meet or surpass the expectations of the customers. After sales service includes various activities to find out whether the customer is happy with the products or not after service is a crucial aspect of sales management and must not be ignored.

### Customer Satisfaction

Customer satisfaction is related to the human activity directed at satisfying wants through the exchange of goods and service. Satisfying the customers occupies a most important position in business management. Customer satisfaction plays a crucial and critical role as it deals with customers and their needs. The major task of organization is to satisfy customers by meeting their needs and wants. The essence of organization is the customer and not the product shall be the heart of the entire business system. It emphasizes on customer-oriented business. Policies and programs, which are formulated to serve efficiently the customer demand.

"Satisfaction of a customer is so basic that it cannot be considered as a separate function. It is the way whole business seen from the point of view of results., from the customer's point of view."

Kotler (1997) defines customer satisfaction as follows:

Satisfaction is person's feelings of pleasure or disappointment from comparing of products perceived performance in relation to his or her expectations.

Brown (1992) defines customer satisfaction:

The state in which customer needs, wants, and expectations throughout the product or service's life are met or exceeded resulting in repeat purchase, loyalty and favourable word of mouth.

A customer is the king and has the right to choose from a large variety of offering. He is the main person around which all business evolves. Today market is a more customer oriented in the sense all the business operations revolve around satisfying the customer by meeting their needs through effective service.

## 2. Review of Literature

Kavita Dua (2013) on customer satisfaction, Satisfaction is crucial concern for both organization and customers. satisfaction is a subjective concern and therefore difficult to determine. It depends on many factors and varies from person to person and product to product. The importance of customer satisfaction in strategy development for customers and market oriented cannot be under determine. Now a day it has become very important factor for each and every organization to enhance the level of customer satisfaction the overall study reveals that it was found that the customer is mostly satisfied with price, design, safety, millage, brand name and after sales service

A study conducted by Khaled Nawaser (2011) in this research 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. The population of the study is all of the TATA INDICA car owners in Pune. Hypothesis of the study will analyse using regression and ANOVA. Result of the study shows that there are high positive co relation between the construct of customer service and product quality with customer satisfaction and loyalty

According to Nazim Hussain and Waheed Akbar (2011). This is an empirical study on after sales quality of Pakistan's automotive battery manufacturer the research measure the quality of service in atlas battery. Selling product with the brand name of AGS by using the SER QUAL method the data was collected using an instrument from previous study to study the impact of quality of after sales service on customer satisfaction. The main variables effecting customer satisfaction are product quality and social responsibility. The result reveal that customer satisfaction increases with better service delivery.

A study conducted by Farris (2010). Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product to product and service to service. Customer satisfaction, a term frequently used in marketing, it is measure of how products and service supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total

customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals."

A study conducted by Paesuraman. the measurement of customer satisfaction with a service by using the gap between the customers expectation of performance and their perceived experience of performance. This provides the measure with a satisfaction "gap" which is objective and quantitative in nature.

According to Kim, Park and Jeong (2004) customer satisfaction is customer's reaction to the state of satisfaction, and customer's judgment of satisfaction level. Customer satisfaction is very important in today's business world as according to Dang et al.,(2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers.

According to Jones and Sasser(1995), four basic elements affect customer satisfaction. They are the basic elements of the product or service, basic support services, a recovery process for counteracting bad experiences, and extraordinary service. There are many definitions of the key elements of the services, but this one is considered appropriate in the context of care or after sales services.

Satisfaction is a function of perceived performance and expectations if the performance matches the expectations, the customer is satisfied if the performance exceeds the expectations, the customer is highly satisfied if the performance does not match the expectations, the customer is dissatisfied. Satisfaction is a person's feeling of pleasure disappointment resulting for comparing of products perceived performance in relation to her expectations.

## 3. Research Methodology

The study was a descriptive questionnaire-based study. The main aim of the study was to examine the level of customer satisfaction from after sale services provided by various automobile companies. Using convenience sampling technique, the primary respondents i.e., automobile customers in Chandigarh were contacted. A self-structured questionnaire was used for soliciting information from them through Google forms. Total 100 respondents participated in the study. The data were entered into an excel sheet and analysed using SPSS.

## 4. Objectives of the Study:

1. To know the customer satisfaction level regarding after sales services.
2. To know Customer perception towards the after sales service.
3. To study the opinion of owners of cars regarding its features like quality, Style and Milage.
4. To know whether the problem is resolving completely at service station.
5. To know the suggestions from customers to improve the service centre.

## 5. Results

In the present study majority of participants who took part in study were satisfied with the company (54%), 22% of respondents were dissatisfied from servicing or after sales services. Further 22% of the respondents were neutral and 2 %

of the participants were highly satisfied with the companies and its services (Table-1 and Fig-1)

**Table-1 Customer's Satisfaction**

Levels of Satisfaction	Value	Percentage responded
Satisfied	54	54%
Dissatisfied	22	22%
No Comments	22	22%
Highly Satisfied	2	2%

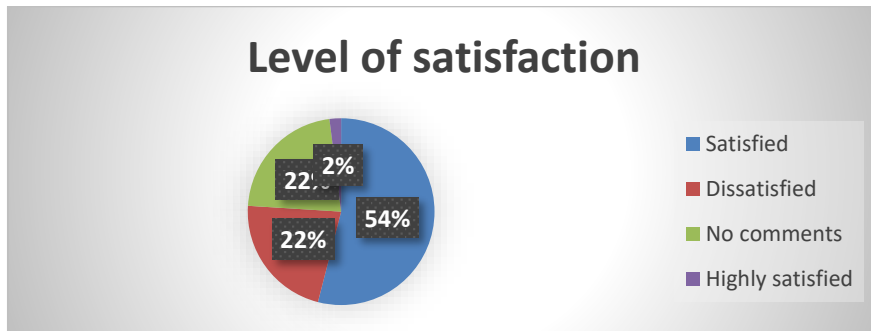


Fig.-1

Further it was found that 45 % of the customer prefer diesel variants while 36% support the petrol variants and 19 % wants the LPG variants of different models. Therefore, the demand for diesel variants was more (Table-2 and Fig.-2).

**Table-2 Which version of the models are mostly demanded by the customer's**

VERSION	VALUE	PERCENTAGE OF DEMAND
PETROL	36	36%
DISEL	45	45%
LPG	19	19%

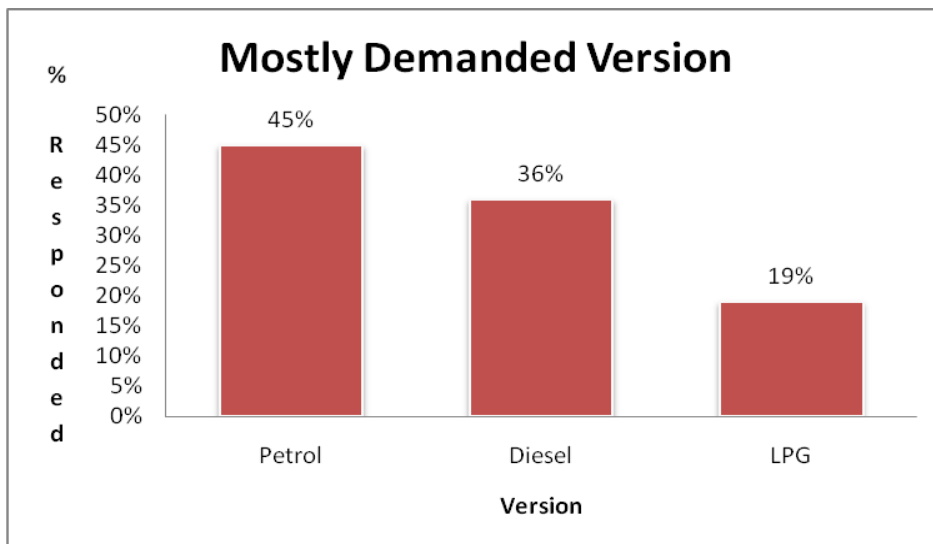


Fig.-2

Most importantly it was found that while purchasing an automobile the first factor affecting the decision of customer was price (38%) followed by services provided by the companies (35%) as shown in Table-3 and Fig.-3

**Table-3 Factors affecting purchase**

Features	Value	Percentage of loyalty
Price	38	38%
Quality	22	22%
Services	35	35%
Style	5	5%

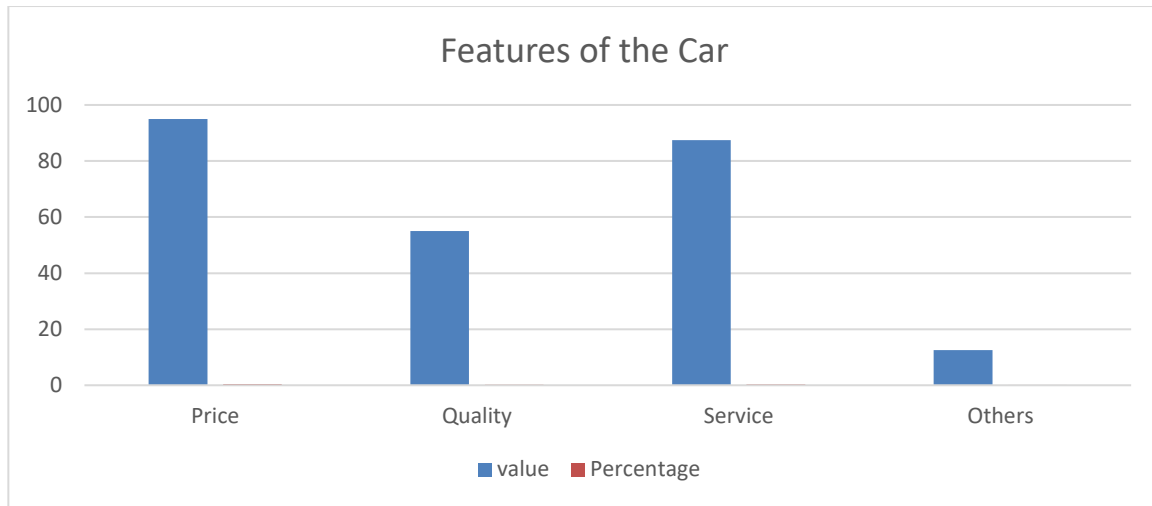


Fig-3

In addition, respondents were asked about their experience with the current vehicle they were using as mentioned in Table-4 and Fig-4. It was found that 25% customers are highly satisfied from the performance of car,

there is 50% response is very good and 20% is response for good and also there is 5% response of poor performance of car. Further it was found that 80% of respondents received the delivery of their vehicle on the scheduled time.

Table-4 What is the Performance of the Car

Customer Opinion	Value	Percentage of Responded
Excellent	25	25%
Very good	50	50%
Good	25	20%
Poor	5	5%

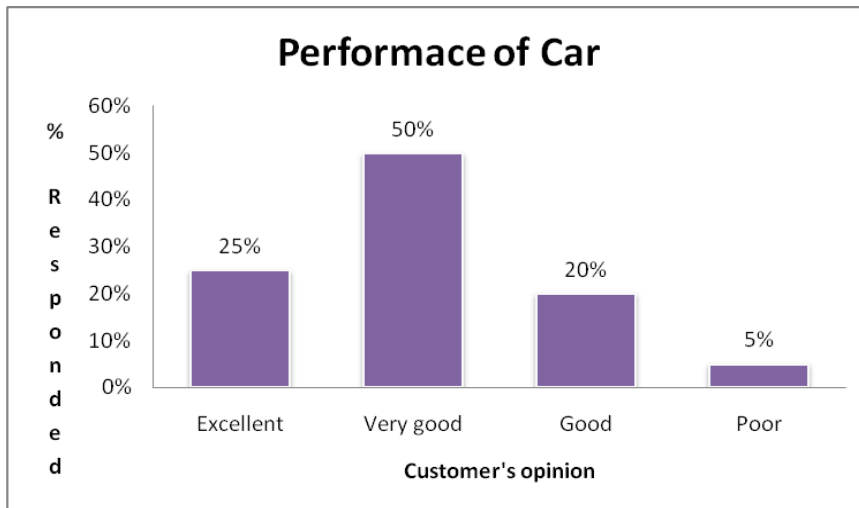


Fig-4

Moreover, it was found that out of total participants 25% and 50% of respondents mentioned that they have excellent and very good relationship with the company respectively. Good customer relationship management is the key factor for the success of the business and the companies should focus more on maintaining after sale relation with customer for

enhancing customer retention and attracting new customers (Table-5). Especially it was found that majority of respondents (50%) mentioned that the after-sale services by the companies were very good and maximum number of respondents n=59 were using their current vehicle from past one to two years.

Table-5 What type of relation shared between Customer and dealers

Customer Opinion	Value	Percentage of Responded
Excellent	25	25%
Very good	50	50%
Good	20	20%
Poor	5	5%

Most importantly it was found majority of respondents mentioned that they were getting regular service call from service centre (Strongly agree;36% and agree;54%), staff gives you proper time (Strongly agree;22% and agree;46%),service

staff understand your problems and issues easily (Strongly agree;23% and agree;53%), service staff provide immediate support or co-operation(Strongly agree;49% and agree;42%) as shown in Table-6.

**Table-6 After Sale services**

	<b>Are you getting regular service call from service centre?</b>	<b>When you entered the service centre, does staff gives you proper time.</b>	<b>Does service staff understand your problems and issues easily</b>	<b>At the time of difficulty or emergency, does service staff provide immediate support or co-operation</b>
<b>Strongly agree</b>	36%	22%	23%	49%
<b>Agree</b>	54%	46%	53%	42%
<b>Neutral</b>	3%	21%	24%	8%
<b>Disagree</b>	1%	8%	0%	1%
<b>Strongly disagree</b>	2%	3%	0%	0%

**6. Conclusion**

It was found that customers had excellent and very good relationship with the automobile companies. Good customer relationship management is the key factor for the success of the business and the companies should focus more on maintaining after sale relation with customer for enhancing

customer retention and attracting new customers. It can be concluded that customer satisfaction has a positive relation with after sales services. Customer satisfaction level is influenced not only by quality of actual product delivered but also by quality of after sales services offered by company/dealer.

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