

IMPACT OF PRODUCT QUALITY, PRICE ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN AFTER SALES SERVICE OF CAR SEGMENTS IN TAMILNADU

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ABSTRACT

The purpose of this paper is to analyze the impact of product quality and price on customer satisfaction and customer loyalty. The research was carried out on the after sales service of car's based on three different car segments viz. Economy, Premium and Super Premium car segments. The conceptual framework describes the influence of product quality and price on customer satisfaction and customer loyalty. The samples were collected from cities like Chennai, Madurai, Coimbatore and Trichy of Tamilnadu in India. Multi stage sampling method was used for data collection. The structured questionnaire was used to collect 1085 respondents. ANOVA was used to interpret the data. Product quality and price were equally impacts on customer satisfaction and customer loyalty among different car segments.

KEYWORDS : Product quality, price, After Sales service, Car Segments

INTRODUCTION

India's services area adds to around 65 paisa for each penny of the country's gross domestic product, 35 paisa for each penny of work, a fourth of the aggregate exchange, and over portion of the outside speculation inflows. The services associations are one of the major and quickest creating divisions in the universal market. Its commitment to the Indian economy is prevalently critical; with see to work inactive and effect on national salary. This industry covers a broad scope of exercises, for example, transport, correspondence, exchanging, accounts, and others. The services business offers huge business projection to financial specialists. Without the division's capacity to make income, it would be confused for the Indian economy to acquire the vivacious place as of now appreciates on the general stage. The customer is the ruler. Business begins with customer and closures with customer are all buzzwords. No issue of Harvard Business audit is finished without an article or an exploration relating to customer satisfaction. The theme is as tricky as the customer himself. Indeed, even organizations which have stowed grants for customer satisfaction don't rest in peace since they need to refresh themselves continually against the changing desires level of the customers and endeavor to keep up the satisfaction level.

2. BACKGROUND OF THE STUDY

Car Industry in India has risen as one of the key drivers of Indian economy as it assumes a key part in creating transportation segment and helping economy to become speedier by producing critical number of business openings. The present Automobile customers are very much educated and have extensive variety of decision while purchasing a vehicle. With little separation among car items in a similar value band and accessibility of extensive variety of models and variations frequently urge customers to change starting with one vehicle mark then onto the next one effortlessly. Interest for high piece of the pie combined with worldwide rivalry energized dealers, sellers and customers to get into long haul relationship that at last brought about more noteworthy reliance. The vehicle business is pioneer in setting out on creating association with their sellers to guarantee quality and to diminish stock cost (Mulki and Stock, 2003). With a specific end goal to comprehend their customers, vehicle firm frequently make utilization of relationship promoting system to gather and dissect essential data to help distinguish the best fit between car items and customers. Gronroos (1994) contended that relationship showcasing exertion ought to be viewed as interest in customers. The fundamental expectation of actualizing relationship showcasing in a firm is to profit by customer loyalty (Raza and Rehman, 2012).

3. OBJECTIVES

- To assess the impact of product quality and price factors on customer satisfaction and customer satisfaction among car segments
- To analyze the deviation of after-sales service among car segments
- To provide the suggestions for the improvement in service

4. REVIEW OF LITERATURE

The perceived service value, service quality and social pressure were contributed in predicting the factors of customer loyalty with corporate image (Daniel Kipkirong Tarus, 2013). The price fairness would be ideal for maintaining satisfied customers and creating customer loyalty in service industries (David Martín-Consuegra, 2007). The customer pride and perceived price had direct impact on loyalty behaviours in passengers' service industries (Emre Sahin Dölarlan, 2014). The primary product attributes such as first-rate and secondary product attributes such as high-quality with moderated effect of customer satisfaction on customer loyalty (Inge Brechan, 2006).

The service and product high-quality were the final antecedents of online buyers loyalty (Jingjun (David) Xu, 2011). The product high-quality and perceived price have identical significance in constructing up the patron pride and positively correlated with client loyalty (Lien-Ti Bei et al. 2001). The product quality with reference to satisfaction of consumer would ensure overall performance of an industrial organization (Pei Mey Lau, 2005). The delight depends on irresolvable attributes and impacted on pride with product satisfactory (Rebecca J Slotegraaf, 2004). The fashionable assist towards product quality determines the customer loyalty (Sarv Devaraj, 2001). The product high-quality and provider first-rate impacted the firm's overall performance in automobile industries (Sime Curkovic, 2000).

5. CONCEPTUAL FRAMEWORK



Research Type	Quantitative research
Research design	Descriptive cross sectional research

Data Type	Primary Data
Secondary source	Reference material, books & e-books, website.
Data collection method	Survey method, personal visit
Sampling method & Sample Size	Multistage sampling & 1085
Tools used for analysis	Percentage analysis and ANOVA
Sampling location	Chennai, Coimbatore, Madurai & Trichy of Tamilnadu, India
Data collection Instrument	Structured questionnaire

7. ANALYSIS

7.1 Analysis of significant difference on Product Quality Factors influence of Car Segment based on price

S. No.	Dimensions	MEAN			SD			F Value	Significance
		Economy	Premium	Super Premium	Economy	Premium	Super Premium		
1.	Product Quality	4.051	3.951	3.965	0.640	0.654	0.652	0.584	0.558

H0: There is no significant difference between the category of Car Segment based on price and Impact of Product Quality factors

H1: There is significant difference between the category of Car Segment based on price and Impact of Product Quality factors

Impact of Product Quality, the calculated value is less than the table value. Hence H0 is accepted, which reveals that this attribute is not having significant difference among different car segments of the respondents.

7.2 Analysis of significant difference on Product Quality Factors influence of Car Segment based on price

S. No.	Dimensions	MEAN			SD			F Value	Significance
		Economy	Premium	Super Premium	Economy	Premium	Super Premium		
1.	Price	2.881	2.854	2.799	0.783	0.794	0.840	0.527	0.591

H0: There is no significant difference between the category of Car Segment based on price and Impact of Price factors

H1: There is significant difference between the category of Car Segment based on price and Impact of Price factors

Impact of Price, the calculated value is less than the table value. Hence H0 is accepted, which reveals that this attribute is not having significant difference among different car segments of the respondents.

8. FINDINGS

- The demographic variable such as gender, marital status, age group, educational qualification, profession, monthly income, brand name, car segment based on price, vehicle's fuel type and numbers of services done so far are shown as follows.
- 93.5% of the respondents are male. 85.9% of the respondents are married.
- 27.7 % of the respondents are under the age group between 41 years and 45 years.
- 57.4% of the respondents are having the educational qualification of Bachelor's degree.
- 53.6% of the respondents are having the private profession.
- 50% of the respondents are earning the monthly income between 30001 and 60000 rupees.
- 29% of the respondents own the Maruti brand car.
- 62.6% of the respondents are having premium car segment.
- 72.5% of the car owners having the diesel type car.
- 41.8% of the respondents have done the service thrice so far.

- Product quality is not having any significant difference among different car segments of the respondents.
- Price is not having any significant difference among different car segments of the respondents.

9. CONCLUSION:

The main aim of this research was to measure product quality and price influence on customer satisfaction and customer loyalty among different car segments in after-sales service of cars. The research was focused on Customer Satisfaction. And the outcome variable is Customer Loyalty. Demographic variables like car segments such as Economy, Premium and Super premium were taken in account to with respect to customer satisfaction and customer loyalty to understand the significance between them. The product quality and price have no significance difference among different car segments. The service providers have equally treated all segments of cars. The research would further help in developing more similar theoretical frameworks.

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