A STUDY ON IMPACT OF CUSTOMER LOYALTY AND SATISFACTION IN CAR INDUSTRY

Prof Dr R K Vaithiyanathan
Principal, HKBK Degree College, Bangalore, India

ABSTRACT

In the Contemporary car industry Brand plays an indispensable role and is the selective claim of any company's product relatively the product itself to which the customers used to select one brand over the other due to their specific choice. Brand penchant can be attained by creating the exclusive brand awareness to customers. This article focuses an approach to perceive the exposure and effects of Product improvements, Perceived value and Customer Service Satisfaction on Loyalty of the Customer for perpetual improvement. This approach of understanding should pave a way to functioning customer loyalty. The customer satisfaction was encompassed of three rudimentary components, a reply relating to a specific focus determined at a specific time. This article is based on a primary data base having 165 respondents. The Study emphases on the impact of purchase knowledge factors of the respondents on customer loyalty. The study leads and underwrites further guidelines to customer loyalty studies. The present paper focuses on the study of brand preference for Cars with reference to the Car Showrooms in Bengaluru city.

Key words: Car brands, Service Satisfaction, Customer loyalty, Car Purchase

1. Introduction-

Necessity the mother of all inventions and in every invention customer have more ranges to select based on evidence with higher challenges and opportunities at large. To induce and persuade the customers from the trail mode to prefer the product brand has to provide on their value equivalently. With an exorbitant amount of investment and strategies relating to promote the product a huge investment is inevitable and thoughtfulness can be accomplished swiftly, it takes its own time to change the attractiveness of brand preference. Customer and Product handling is the prime most step on the ramp to gain the loyalty of the customers. The basic objective of this study is to ascertain the brand preference for cars among the showrooms of Bengaluru city. It captures the main features where the customer experiences which purchasing the car in a systematic process. The current study is considered as a descriptive research. Brand fondness analysis was done by conductive the Questionnaire Survey which elucidates the purchase preference for the variety of cars.

2. LITERATURE REVIEW

Customer loyalty is a key success corner stone to the progress of perpetual customers. In marketing of research literature loyalty is examined as a component of one (general loyalty), two (attitudinal and behavioral) or four dimensions (cognitive, affective, conative, action). Leelakulthanit, O., & Hongcharu, B. (2012) indicated that social wellbeing value and customer loyalty were more or less equally important for car buying intention for female consumers, whereas social wellbeing was the sole influencer of buying intention for male consumers.

C Vijayakanth Urs, M. C., Santosh Kumar, A. N., & Hari Rao, A. N. (2013) Customer loyalty is the way to business servers. As indicated by an examination Customer in India are increasingly worried about the administration that are performed at auspicious way with the reasonable expense. The Dealer in India must be receptive to every one of the necessities of their client; just giving a decent item at a decent cost is never again enough. Fulfilled client's structure the establishment of any fruitful business as consumer loyalty prompts rehash buy, brand dedication, and positive informal. Client are fulfilled just they get great or positive administrations from the merchants. It is sufficient to the merchants when they keep up legitimate quality so client can draw in. Arthi, D., & Mathi, K. (2014) states that Customer dependably assumes the three unmistakable jobs of client, payer and purchaser contrast in their aim towards purchasing an item, some buy for need, while some buy for the need of status, status looking for buyers are the individuals who give much significance to the non-utilitarian qualities of the item, for example, magnificence, appeal, brand, social examination, glory and so forth than the practical trait. Vehicle a typical methods for transport is purchased by individuals not just for the transportation reason, it is additionally purchased for solace, accommodation, fun, distinction/status. Loyalty impending thereby producing monotonous same brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior."(Oliver, R. L, 1999).

Jørgensen, F., Mathisen, T. A., & Pedersen, H. (2016) identifies that by including returning customers and measuring the repurchase of the same brand as one of the customer's three previous cars, the average loyalty increases to one third of the price. Authors found that the most prevalent brands attract the most loyal customers and a logit model was applied to describe the factors that have the strongest influence on brand loyalty. Schmalfuß, F., Mühl, K., & Krems, J. F. (2017) found that Path analyses revealed a direct experience effect on purchase intention in their online study. Findings showed effects of Car experience on BEV attributes and attitudes, but no battery equipment vehicle experience effect for purchase intention was found. Authors concluded that practical experience with Battery cars has the potential to change the evaluation and psychological factors relevant for determining behavioral intention. Rinehart, J., Huxley, C., & Robertson, D. (2018) identifies that the joint ventures in manufacturing cars can give the utmost satisfaction to the targeted customers since the very interest of the customers are been carried out by the most promising technology that suits them for a long run.

A study was conducted on buying process for services and instituted that quality was ample perplexing to entree prior to the purchase of Car. Study resisted on five dimensions of the existing services. There

was an optimistic and substantial relationship between the dimensions of service which includes Reception, Friendliness and Service, Room Service and the drivers of customer loyalty comprises the Price Satisfaction and Service Satisfaction. It was observed that the Price and service satisfaction has a significant impact on customer loyalty. Service quality had a momentous, constructive impact on the customer loyalty. Previous results exposed that service quality had a robust impact on cognitive loyalty followed by affective loyalty, conative loyalty, and action loyalty. As on whole Service quality satisfaction of the cars led to Customer loyalty. The following hypothesis statement can be stated as-

H1: Choice of Car will categorically affect Customer loyalty.
H2: Car buying penchant will certainly affect Customer loyalty.
H3: Car brand curiosity will positively affect Customer loyalty.
H4: Service satisfaction of Cars will absolutely affect Customer loyalty.
H5: Emotional Car purchase experience decision will certainly affect Customer loyalty.
H6: Functional Car purchase experience decision will clearly affect Customer loyalty.

The research proposed a set of implications to the research and the forerunners of augmenting and evolving customer loyalty. Customer loyalty is a reliable and strategic effort that managers should motivate on the development.

3. METHODOLOGY

3.1 Variables- The independent variables are Perceived value, Product reforms and Service Satisfaction. Customer Loyalty was considered as a dependent variable.

3.2. Data Analysis-Some of the anomalies were obliterated to fine tune the questionnaire during the pilot study. Scale was espoused from journal authored by Shefrin, H. (2001), Behavioral corporate finance. Perceived value scale functional value (installation) was adopted from (Moliner, M. A et al, 2007) and emotional value (novelty) was assumed from otto (2005); otto andritchie (1996).
Questionnaire was distributed among the regular car users. Online survey method was adopted to collect responses from 165 respondents.
Statistical analysis is as below-

Table 3.1 Reliability statistics

Cronbach's Alpha	N of Items
.776	08

With reference to table no 3.1 it is interpreted that Reliability analysis for 8 items is 0776 which satisfies the criteria for Reliability. This criteria was stated by Nunnally (1978) recommends reliabilities of 0.70 or better (but not much beyond than 0.80) for basic research

Table 3.2 Frequency Table

3.21 AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 - 60	165	81.4	100	100
Missing	System	26	13.6		
		191	100.00		

With reference to table no 3.21, it is interpreted that Majority of the respondents were from the age group 25 to 60 years as compared to other age groups whose percentage is 81.4%.

3.22 GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Male**	108	56.6	67.60	67.6
	Female	57	27.2	32.40	100.00
	Total	165	83.8	100.00	
Missing	**System**	26	16.2		
		191	100.00		

With reference to table no 3.22, it is interpreted that Majority of the respondents were Male, which contributes to 56.6 % of total respondents.

3.23 INCOME

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**BELOW 40000**	92	48.15	55.75	55.75
	40000 TO 100000	45	23.55	27.27	27.27
	ABOVE 100000	28	14.65	16.96	16.96
	Total	165	86.35	100.00	
Missing	**System**	28	14.65		
Total		191	100.00		
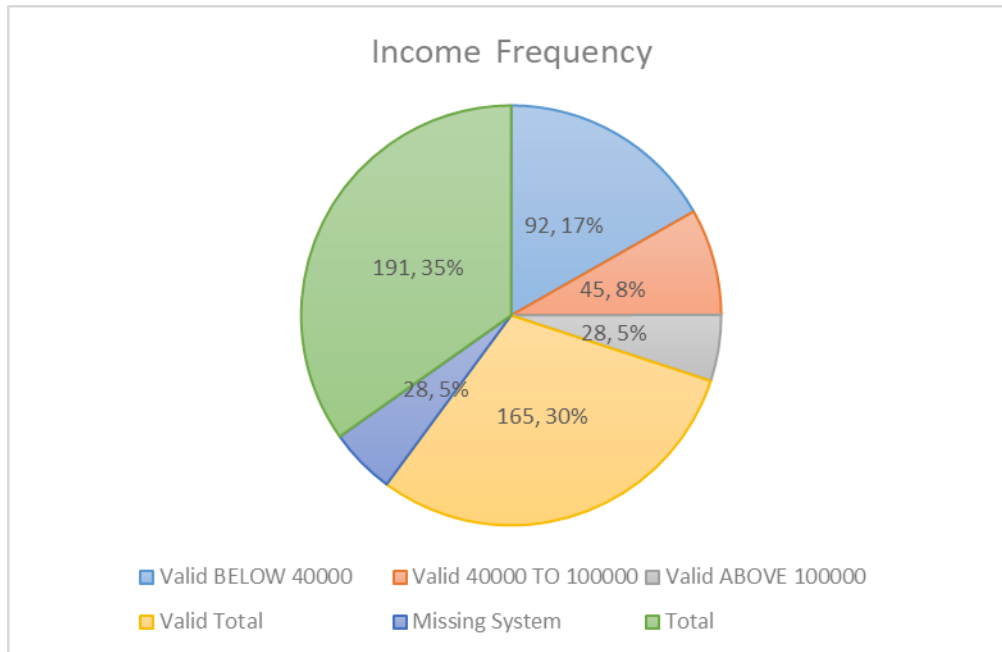
With reference to table no 3.23, it is interpreted that Majority of the respondents were from below 40,000 income earnings whose percentage is 56 %.

3.24 Car Purchase preference among the various Car brands.
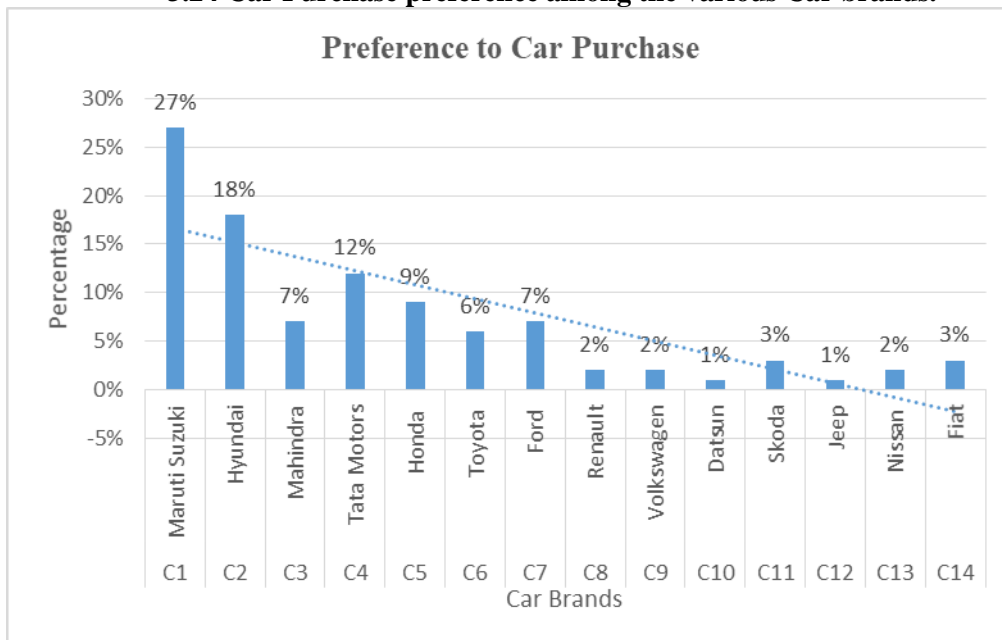
With reference to table no 3.24, it is understood that consumer preference regarding the purchase of a new car in the Bengaluru market is specific to Brands like Maruti, Hyundai, Mahindra, Tata etc. The ranking of brands is based on survey according to which the market share of the four brands under consideration are: Maruti 27%, Hyndai 18%, Mahindra 7%, Tata Motos 12%, Honda 9%, Toyota 6%, Ford 7%, Renault and Nissan 2%, Datsun and Jeep 1%, Skoda and Fiat 3% . So, it is construed that Maruti is the most preferable brand among all car brands and Datsun and Jeep are the least preferred brand of car in Bengaluru city.

Table 3.3 Descriptive Statistics

	MEAN	STD.DEV.	N
Repurchase Decision	1.31	0.464	165
Choice Of Car	4.09	2.648	165
Car Preference To Buy	1.12	0.323	165
Full Company Interest	1.18	0.385	165
After Sales Service Satisfaction	5.58	0.77	165
Emotional Decision Satisfaction	2.41	1.441	165
Functional Experience Satisfaction	3.46	1.833	165
Recommendation To Others	1	0	165
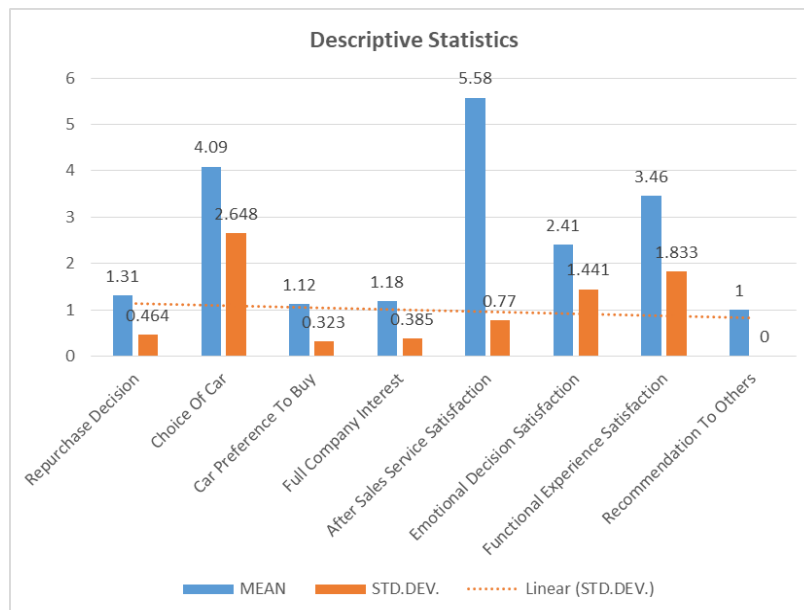
With reference to table no 3.3 it is construed that it is based on the descriptive statistics Mean value for after sales service satisfaction factor is higher than 5.58 and Mean value for the factor for car preference to buy is low 1.12. Since the high value construes that respondents are pleased with after sales service. They are furthermost probable to buy as per their using of car experience from the after service.

Table 3.4 Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
1		B	Standardized Error	Beta	t	Sig.
	(Constant)	2.732	.502		5.439	.000
	Choice of Car	-.045	.016	-.257	-2.737	.007
	Car Preference To Buy	.166	.123	-.115	-1.347	.180
	Full Company Interest	-.223	.093	.185	2.399	.018
	After Sales Service Satisfaction	-.229	.070	-.379	-3.274	.001
	Emotional Decision Satisfaction	.067	.028	.209	2.400	.018
	Functional Experience Satisfaction	-.058	.029	-.230	-2.006	.047

 a. Dependent Variable: **Repurchase Decision**

With reference to table no 3.4 it is understood that for all stated constants are one factor and does not pleases the p value criteria (p< 0.05) that is 'Car preferences to buy'. Nevertheless all the other factors are statistically significant where (p<0.05). Repurchase decision factor stated here is relating to customer loyalty.

H1: Hypothesis is rejected. Hence it is quantified that Choice of Car will not absolutely affecting on Customer loyalty.

H2: Hypothesis is accepted. Hence it is quantified that Car buying preference will completely affecting Customer loyalty.

H3: Hypothesis is rejected. Hence it is quantified that Car brand interests will not certainly affecting on Customer loyalty.

H4: Hypothesis is rejected. Hence it is quantified that Service satisfactions will not definitely affecting Customer loyalty.

H5: Hypothesis is rejected. Hence it is quantified that Emotional purchase experience decisions will not really affecting Customer loyalty.

H6: Hypothesis is rejected. Hence it is quantified that Functional purchase experience decisions will not positively affecting Customer loyalty.

Table 3.5 Model Summary

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.827	6	1.305	7.756	.000[2]
	Residual	23.207	138	.168.		
	Total	31.034	144			
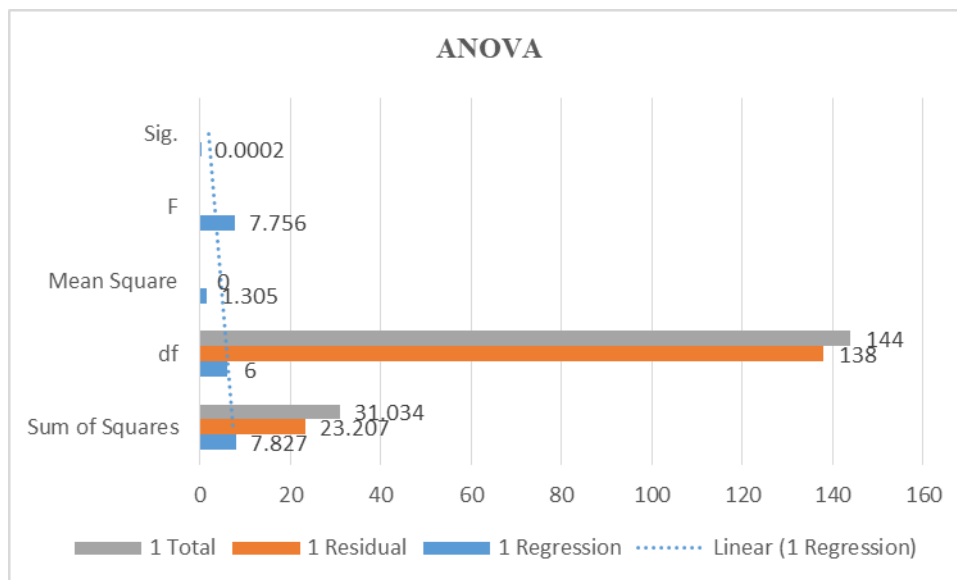
With reference to table no 3.5, it is taken that Complete Model is partially fit. For the proposed observed values by way of F value displays high value but statistically significant association as p value is below 0.05.

Table 3.6 Model Summary

Model	R	R Suare	Adjusted R Square	Std. Error of the Estimate
1	.498[2]	.248	.216	.404

With orientation to table no 3.6, it is construed that Correlation coefficient R measures the strength and direction of a linear relationship between the two variables on a scatterplot. The value of r is constantly between +1 and –1. R value 0.498 delivers an approximation of the strength of the positive association between projected model and the response variable. R^2 Value comes to 24.8 % which displays fewer positive correlation. The F-test of whole significance regulates whether the above relationship is statistically substantial.

4. INSINUATIONS TO RESEARCH AND PRACTICE

As per the above research study it can be a fresh trial to hunt out new variables which are really impacting the customer loyalty. It will help the administrators and managers to comprehend that merely after sales service is not a lone a forecaster for loyalty but there can be supplementary factors also. To advance sales as well as profits in the marketing area, after sales experience should be the customer enchantment level. Administrators and Managers has to implement the tactics during the phases of sales. Car buying preferences will definitely affecting Customer loyalty and due to that managers and companies must propose substitute choice for several car brands. Car preference is based on features of car and not on the based on price criteria. Consequently, Managers must give more pressure on the designing state-of-the-art features of car which can induce and persuade customers and more there are fewer chances of car brand switch.

5. CONCLUSION

This research absorbed chiefly on the Customer loyalty related with car usage and knowledge form the middle aged persons and having low and medium income level group. Service satisfaction level is touching on the customer loyalty which consequences into the repurchase decision of buyers as well as Brand Support of cars in the market. Auxiliary research study can be done for other independent variables impacting on customer loyalty. It is construed in the study that car buying preferences will definitely affecting Customer loyalty so managers and companies must propose substitute choices for several car brands. It will assist companies dealing with car manufacturing to design new and innovative models with contemporary features to preserve and retain the existing and new customers as well to upsurge loyalty customers. The study finds that companies should do their best of manufacturing and service to progress ostensible quality, as responsibility thus appears to indicate that the most functioning way of growing stages of customer satisfaction.

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