

Factors Affects on Service Quality Recovery in Automobile Service Industries

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Abstract—Improving Quality, Competitiveness and Search for profits have called more attention towards customer’s satisfaction; for increasing a market share and retaining a customer is main focus of every industry. This study applies impact of service quality in a four Wheeler service Workshop. The main objective is to identify the current scenario of Indian automobile service industries and factor which affects the service quality recovery. The paper concludes with the factors that affects on current position of four wheeler service industries their market share in automobile service industries.

Keywords— *Service Quality, Customer Satisfaction, Market Share.*

I. INTRODUCTION

Customer satisfaction has become one of the key issues for companies in their efforts to improve quality in the competitive market place. Customer satisfaction is considered to affect customer retention and therefore profitability and competitiveness. Complete customer satisfaction is the key to securing customer loyalty and generating superior long term financial performance. It is also apparent that high customer satisfaction leads to the strengthening of the relationship between a customer and company and this deep sense of collaboration, has been found to be profitable. Accordingly customer satisfaction is an important factor in four wheeler service industry. As market become more competitive, firms are more likely to attempt to maintain their market share by focusing on retaining current customer. To improve customer retention firm initiate a variety of activities, including programmers on customer satisfaction, complaint management and developing strategies to meet customers’ expectations, and explaining the impact of service quality on profit.

With the population of automobiles in India exceeding 110 million and growing at the rate of 12 % p.a. the automotive aftermarket business in India is poised for an immense growth. There are tremendous opportunities in Automotive Services, Maintenance and Aftermarket Products. Some of the specific trends in the aftermarket business in India include:

- Growth in vehicle sales, vehicle population, replacement parts and aftermarket products
- Expansion of service networks by vehicle manufacturer
- Increased customer awareness on vehicle maintenance.

- Huge demand for vehicle servicing, repairs and maintenance.

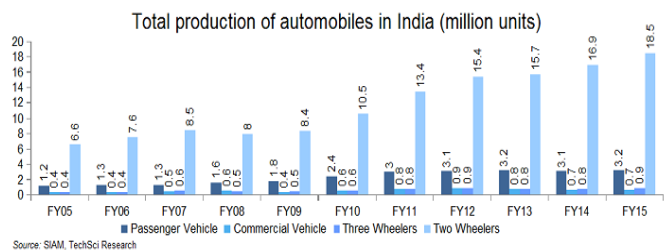


Fig.1 production of vehicles in India

Fig.1 Indicating the increasing trend of sales in domestic product. The sale of vehicles has been steadily increasing over the years. the automotive industry in India has also been increasingly crowded.

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country’s Gross Domestic Product (GDP). As of FY 2014-15, around 31 per cent of small cars sold globally are manufactured in India.

The auto industry produced a total 19.84 million vehicles in April-January 2016, including passenger vehicles, commercial vehicles, three wheelers and two wheelers, as against 19.64 million in April-January 2015.

Domestic sales of Passenger Vehicles grew by 8.13 per cent in April-January 2016 over the same period last year. Within the Passenger Vehicles, Passenger Cars rose by 10.18 per cent, during April-January 2016 over April-January 2015. The domestic sales of Commercial Vehicles increased by 9.43 per cent in April-January 2016 over the same period last year.

This discussion paper link between service quality, customer satisfaction, customer retention and profitability. Paper briefly discuss on factors which affects service quality for making business strategies of organization.

II. LITERATURE REVIEW

Organization often includes customer satisfaction and service quality strategy in their business plan for retaining a customer, profitability and increasing a market share. [11] Link customer lifetime duration with projected profitability. Using a Markov switching matrix,[19]develop model for customer life time value which results from the frequency of category purchases, average quantity of purchase, and brand switching pattern, combined with the firm’s contribution margin. [10] Examine the profitability of long-life customers in a non-contractual setting. Customer retention has a major

impact on market share but this is a not single factor which affects market growth rate, competitors in market, effective marketing all play important role for increasing market share. A business will not be successful in satisfying customer needs if it is not focused on the customer, or if it does not understand the value of building relationships with its customer's. When poor service is experienced, both the firm and customer are negatively impacted, the customer receives poor service and the firm loses future potential sales. Satisfaction has a positive impact on post-purchase behavior Oliver (1980) and Service quality directly and indirectly exerts influence on repurchase intention through its influence on satisfaction [7].

III. SERVICE QUALITY AND CUSTOMER SATISFACTION

Service quality ensure customer, both internal and external and get what they want. Whereas customer satisfaction is the feeling or attitude of a customer towards service after it has been used. [17] defined service quality as "a measure of how well the service level delivered matches customer expectations; [9] defined service quality as "the consumer's judgment about a product's overall excellence or superiority". [6] defined service quality as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". [8] A service is an act offered from one party to another. Many companies routinely measure customer satisfaction rather than service quality. [1] link customer satisfaction with business performance.. If the customer perceives the service to be high quality, then the customer will be satisfied with it. [12] developed model which link service quality and satisfaction level relationship –oriented outcome. If the service provided by an organization does meet a customer's expectations, then this lead to higher customer satisfaction [5][9][15]. Good service means listening to the needs of a customer and knowing possible solutions or making agreeable recommendations.

IV. CRITICAL FACTOR FOR SERVICE QUALITY RECOVERY

A. Management focus

Active management participation is necessary to achieve goal for best service provider Management should focus on.

- Organization clear mission and vision of service quality
- Identify key management process and their dimensions
- Clear communication between management to employee and to customer
- Identify managers of each company process that touches customers.
- Provide facilities to mangers to know about customers.
- Setup complaint management desk for solving quick problem

B. Customer Focus

Every organization should focus on customer what they want and what they expect from branded company Organization must know their customer.

- Measure current customer satisfaction level or service quality on routine basis by customer survey.
- Identify the customer retention rate. Customer repurchase intention must obtain through customer satisfaction survey.
- Measure current customer switch over rate.
- Identify the Percentage of new customer joining the organization.
- Measure customer advocacy in which customer recommend the company to friends.

C. Market Focus

Market knowledge can give an idea for making strategic planning towards service quality. Market survey is essential to compute a market.

- Determine the number of customer in a market.
- Deter mine the number of competitors in the market
- Identify the competitors marketing policies.
- Estimate the current market share.
- Estimate the market growth rate.

D. Expenditure focus

Investment on service quality should be measurable and the efforts taken by company for improving service quality should be analyze which will give return on quality.

- Expenditures on improvement effort must be estimated.
- Determine cost of capital for financial planning.
- Length of time in which investment on service quality is to be projected.
- Alternative quality improvement technique must be identifying.
- Compute benefit/cost estimates
- Prepare a progress report of efforts taken for improving service quality.
- Track benefits ,costs and success metrics with post completion audits
- Note overall effect on your product, service or brand

E. Effective Service Network

As population of vehicle increases, the need for an efficient service network becomes important. Every year, the new vehicles sold add in overall vehicle population that needs to be serviced and maintained. As scrapping of vehicles is low. In addition, rapid improvement in vehicle technology and the number of new model introduced each year, add to the challenges of providing efficient service.

- Service infrastructure- adequate workshops at the right locations, with proper machinery, tools and other facilities.
- Availability of spare parts.
- Availability of skill manpower.

In this scenario, providing effective after sales service for vehicles has assumed increased importance for automobile manufacturer in India. Not only do manufacturers need to provide a range of services and have a widespread service network to cater to the ever increasing number of vehicles on the road, but also ensure high levels of service quality and delivery, to retain customers.

V. CONCLUSION

As a result, service provider today is keenly focused on not only technical aspects of servicing but also the softer aspects of customer management. The objective of this paper is to identify the critical factors which affect the service quality recovery. Mainly four factors were identified these are management focus, Customer focus, market focus, Expenditure focus and Effective service network. These factors treat quality improvement efforts as investments and assume that these efforts must be financially accountable. These factors help the organization for tracking the efforts taken on service quality which can estimate the revenue generation and organization profit. On every aspects organization must focus for improving service quality better and better.

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