CHAPTER 2

REVIEW OF LITERATURE
For any research undertaken in the area of social sciences or management, review of literature is necessary as it necessitates familiarity of the concept in question to the researcher and conclusions evolved therein by the earlier researchers and analysts. It also assists the researcher in framing the objectives, building the hypothesis and identifying various models/constructs in order to undertake the study, also carves the scope for future study.

This chapter outlines various literary works being conducted in the area of customer satisfaction in general and customer satisfaction in automobile service sector in particular. The researcher has collected reports, research papers, conference proceedings, articles from various data base websites like EBSCO, Emerald Insight, Pro-Quest, Science Direct, Elsevier, etc. The works primarily are classified on the basis of customer, customer satisfaction; works which integrates customer satisfaction into automobile service sector, service quality, etc., which further did build a robust foundation for research and the study. The researcher has come across plethora of studies on Customer Satisfaction but only the literature close and relevant to the topic of the study are considered for the review.

2.1 DEFINITION OF CUSTOMER SATISFACTION

If one views the historical advent of ‘customer satisfaction’ as a concept, it has been prevalent in the study of marketing since 1950’s, and still today it keeps up as the most important and relevant topic and raises an unending interest from the practitioners and academicians in marketing area. Hence, from the outlook it can be stated that customer satisfaction is the prime domain of marketing. The processes of customer satisfaction involves in purchase and consumption. It also links post-purchase attitude of the customer such as attitudinal change, repeat purchases, and brand loyalty. The primary assumption of
the researcher considering that the concept of customer satisfaction is a part of the core marketing activity seems to be correct by the consideration that customer satisfaction results in revenues and profits. Apparently, in order to make it more operational and measurable researchers have come out with various principles, tools and techniques to measure customer satisfaction since 1970’s (Pfaff, 1972) (Fornell, 1992). Nevertheless, by not taking the presumptions to be true the researcher has reviewed relevant literature in order to foreground the assumption made in the previous paragraphs. As evident ‘Customer Satisfaction’ is amalgamation of two terms ‘Customer’ and ‘Satisfaction’. Before analyzing the literature related to Customer Satisfaction, it would be feasible to review these two terms separately.

MEANING OF ‘CUSTOMER’

According to Business Dictionary the term ‘customer’ is defined as “a party that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers. A customer (sometimes known as a client, buyer or a purchaser) is the physical recipient of goods or services, or a product, or an idea, obtained from a seller, vendor, or supplier via a financial transaction or exchange for money or some other valuable consideration. But, there are many varied explanations and definitions so far as “Customer” is concerned.

Goldner (2006) has defined customer as “any organization or an individual with whom you have done business over past twelve months”.

Grigoroudis and Siskos (2009) have defined ‘customer’ from two perspectives

i. Customer is the person that assesses the quality of products & services offered to him/her and;

ii. The customer is the person or group of people that receives the work output.
Thus, a more precise form of definition of customer “is an individual, a person, a group or an organization entity to which goods are supplied or services are being rendered by the supplier in the near or distant past”.

2.2 MEANING OF ‘SATISFACTION’ WITH RESPECT TO CUSTOMER

The meaning and definition of ‘Satisfaction’ is a very crucial phenomenon for customers as well as organizations who are selling products and services. ‘Satisfaction’ ensures the validity of value of the price paid by the customer for the product/services and for the organizations it is the factor which decides the fate of the organization, hence long term sustenance of the business per se. Now that the two distinctive definitions has been framed on ‘customer’ and ‘satisfaction’. It becomes relevant to see how the past literature defines ‘customer satisfaction’ together. Regardless of exhaustive research been undertaken since 1950’s the available literature defines ‘customer satisfaction’ in varied forms and formats.

Cardozo’s (1965) has opined that researchers are yet to develop a consensual definition of customer satisfaction.

Howard and Sheth (1969) has defined customer satisfaction is the buyer’s cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone.

Hunt (1977) stated that the customer satisfaction is an evaluation rendered that the (consumption) experience was at least as good as it was supposed to be.

Oliver (1977) opines that satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product of service itself, provided (or is
providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment”.

Further Oliver (1981) explains that customer satisfaction is the summary of psychological state which is the result of the emotion surrounding disconfirmed expectations is coupled with the consumers’ prior feelings about the consumption experience.

And Oliver (1981.a) defines customer satisfaction as a customer’s emotional response to the use of a product or service.

According to Engel and Blackwell (1982) customer/consumer satisfaction is an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative.

Westbrook and Reilly (1983), defines customer satisfaction as an emotional response to the experiences provided by, associated with particular products or services purchased, retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, as well as the overall market place.

According to Tse and Wilton (1988) customer satisfaction is defined as the consumer’s response to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product/service as perceived after its consumption.

Yi (1990) states that basically the definition of ‘customer satisfaction’ has been preconceived and understood, because the major puzzlement is none of the researcher could define whether satisfaction is process or outcome.

Berry and Parasuraman (1991) argue that since customer satisfaction is influenced by the availability of customer services, the provision of quality customer service has become a major concern of all businesses. Hence, customer satisfaction is typically defined as a post consumption evaluative judgment concerning a specific product or service. It is the result of
an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience.

As per Peterson and Wilson (1992) the research work on customer satisfaction is characterized by the absence of definition and methodological standardization”. Hence, the literature is stuffed with different conceptual and operational definitions of customer satisfaction.

Anton (1996) offers more elaboration on “customer satisfaction”. They state that customer satisfaction as a state of mind in which the customer’s needs, wants and expectations throughout the product or service life have been met or exceeded, resulting in subsequent repurchase and loyalty”.

According to Woodruff and Gardian (1996) satisfaction is the evaluation or feeling that results from the disconfirmation process.

Oliver (1997) stated that "everyone knows what customer satisfaction is until asked to give a definition. Then it seems, nobody knows". And further most researchers have defined ‘customer satisfaction’ on the basis of their own understanding and have tested various models of customer satisfaction while definitional considerations have received little attention

Merchant Account Glossary (2001) points out that, “Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and produce/service to produce/service.....”

Schiffman and Kanuk (2004) have defined customer satisfaction as the individual’s perception of the performance of the product or service in relation to his or her expectations. The definitions discussed above clearly show that an evaluative process is an important component underlying customer satisfaction. Hence it is evident that the term is related to businesses dealing in product and/or services. And it depends on the premise of the research
the definition, scope and measuring techniques can be modified, assembled to measure the component of customer satisfaction. In the successive sections a review of various international and national literatures has been undertaken in order to foreground the model fit to measure the customer satisfaction in auto service sector.

2.3 REVIEW OF INTERNATIONAL STUDIES ON CUSTOMER SATISFACTION IN AUTOMOTIVE INDUSTRY

In this section the researcher has reviewed various research works been carried out by International authors in the area of customer satisfaction in general and auto service sector in particular. The researcher has followed a historical sequence in presenting the studies.

Bell (1967) in his study titled Self-confidence and Persuasibility among Car Buyers has studied the behavior and feelings of new car buyer about their purchase and the factors which determine the reactions of customer after having used and lived with the car. The finding of the study suggests the effect of a customer’s self-confidence, personality, and the quality of service they receive upon their cognitive dissonance.

Edward L. Grubb and Gregg Hupp (1968) have tested a methodology for measuring self-concept and consumer behavior in comparable terms and, therefore, to further substantiate the relationship of self-theory to consumer behavior. In the outcome they have suggested that owners of a specific make of automobiles perceive themselves as having self-concepts similar to those of others who own that model of automobile.

Darlin Doman (1983) has mentioned that satisfied customer of new cars share their experiences with 8 people, whereas dissatisfied customer complain to an average of 22 people.

Leonard L. Berry et. al. (1985) has said that service quality is an essential part of service oriented businesses. They have shortlisted 4 important outcomes.
i. Consumer perceptions of service quality resulting from comparing expectations prior to receiving the service and actual experiences with the service.

ii. There is specified level of quality on which "exceptions" or "problems" can be dealt.

iii. Interactions between customers and company representatives can figure prominently in the quality image of firms.

iv. Raising early expectations to unrealistic levels may result to more initial business, but this strategy invariably fosters customer disappointment and discourages repeat business.

**William B Dodds (1991)** has investigated the effects of the extrinsic cues of price, brand and store information on the consumer perception of product quality. They found that price had a positive effect on a perceived quality but a negative effect on a perceived value and respondents' willingness to buy.

The study by **Parasuraman et. al. (1991)** shows that some businesses have more than just a competitive advantage in customer service; they have staunch customer loyalty. They have argued that the key to providing best service is to understand and respond to customer expectations.

**Samson Itamer (1992)** has studied the decisions that are determined on the basis of both absolute attributes of alternatives and their relative positions within the particular choice set under consideration. So far as suggestions are concerned consumers are less likely to choose alternatives that are selected by other consumers for reasons which do not apply to them, and that consumers are less likely to choose alternatives that are offered with unneeded features or premium even when these features do not reduce the value of a product in any way.
Goofin and Price (1996) have studied the importance of after-sales services, because they after sales service ends in increasing the product quality and gaining competitive advantage and profitable opportunities, and as a result increases sales and income for the business.

Andrew et. al. (1996) studied the assessment of different measures and parameters of consumer expertise by examining their ability to predict correct choices in three stimuli based choice tasks.

Albert Caruana (2000) has explained the distinguishing factors between service quality and customer satisfaction. A model that links service quality to service loyalty via customer satisfaction is proposed in his study.

Flynn et. al. (2002) have presented that communicational services is directly related to customer satisfaction. Customers may have doubts in their minds after purchasing the products which may hamper their decision making; and the only way to manage this uncertainty is to establish a long term relationship with customers through proper communicational services.

Herrmann (2005) in his study titled "The Social Influence of Brand Community with Evidence from European Car Clubs" has developed and estimated a conceptual model of different aspects of a consumer's relationship with the brand, community influence, their intention and the behavior.

Ming Wang, Chich-Jen Shieh (2006) in their study have explored overall user customer satisfaction. A questionnaire survey reveals users ‘perspectives on service quality by using five dimensions: tangibles, responsiveness, reliability, assurance, and empathy. The results indicate that the overall service quality has a significant positive effect on overall user satisfaction. Among these five dimensions except responsiveness, all of them have a significantly positive effect on overall user satisfaction.
Saikat Banerjee (2006) undertook a study under the title “Car Market of China, Current Scenario and Future Trends” and has emphasized that the passenger car market of China had more competition. The outcome of the study also reveals that Chinese passenger car industry have quantity-focused production technology, no bench marked supply of automotive parts, non-serious approach towards marketing area, and sales and services networks, and there is an enormous scope for passenger car industry.

Andreas Herrmann.et.al. (2007) have aimed at linking conceptually the concepts of price fairness and customer satisfaction, and empirically demonstrating the influence of perceived price fairness on satisfaction judgment. Further, the study seeks to examine specific factors that influence fairness perceptions including price perception and consumer vulnerability.

Ali Araghchi (2007) has aimed at investigating and determining the nature of the service quality construct and its relationship with those of customer satisfaction, customer experience and behavioral intentions. This study also aims at identifying the dimension that is the best predictor of overall service quality, in terms of generating an outcome that identifies dimensions regarding service quality in Iranian retail stores. This was achieved through performing a theoretical and empirical study. The theoretical study provided by identifying relevant theories, determining and defining service quality, customer satisfaction, customer experience and behavioral intention for retailers in the industry of Iranian handmade carpet. The empirical study comprised five hundred questionnaires. The key finding of the study is that service quality is represented by four dimensions. The dimensions referred to as the best predictor of overall service quality are tangibility, reliability, responsiveness and knowledge of employee. Moreover there is a strong relation between —customer experience from onside and —service quality, customer satisfaction, behavioral intention from the other side.
Erdogan H. Ekiz1 and Ali Bavik (2008) have aimed at providing an example for developing a measurement scale by using car rental services as a case. To do so, both qualitative and quantitative methods were utilized in three fundamental stages recommended by Churchill (1979) and Parasuraman, Zeithaml & Berry (1988). The first qualitative research was undertaken in the form of twenty three in-depth interviews which produced sixty one items that described user perceptions. Then, a quantitative study was undertaken to purify the scale items, examine dimensionality, reliability, factor structure and validity. After a rigorous statistical analysis an eighteen-itemed scale with six factors emerged. The study also introduces the setting of the research and presents a need for scale development briefly, followed by discussion, implications and limitations.

Kah-Hin Chai and Yi Ding (2009) have investigated the possible spillover effects of customer satisfaction from product manufacturer to service provider, and vice versa. The survey results provide empirical evidence for the presence of spillover effects of quality and customer satisfactions in the mobile phone industry. This finding suggests that research on the ways in which quality affects customer satisfaction and loyalty should consider the influence of partnering firms and suppliers, rather than only examine the relationship within the same organization. This is particularly relevant in settings where the simultaneous presence of physical product and the service are needed. In the mobile phone industry, handset manufacturers and network operators need to consider whom they partner, depending whether they are the likely receiving or giving party of the spillover effects. Moreover, these effects are moderated by a product image gap between the handset and network operator.

Chimun Kumar Nath (2009) has undertaken a correlation analysis of the responses of customers regarding various attribute ratings of a car. Further it also seeks to determine the underlying benefits consumers are looking from a new generation car by classifying them according to their relative importance they put in the attribute ratings by the method of
principal component analysis. From the study it has been observed that customers are purchasing new generation cars because of several considerations and these considerations can be attributed to two major factors which may be labeled as: economic benefit factor and social benefit factor.

Mohd et al. (2009) have explained after-sales service is the provision of services to customers before, during and after a purchase. It is one of the organizational processes which companies perform in considering the growing competition of the market and for attracting entrepreneurial opportunities for increasing profitability and better access to the market, as well as increasing the customer satisfaction level. It has been mostly used to describe services that are provided to the customer after the products have been delivered.

Dina El Kayaly and Dr Ahmed Taher (2010) have proposed a model which is the first comprehensive formalization of the three dimensions of marketing applied to the automobile industry in the Arab World. This study is an attempt to develop and test a measurement tool aiming at quantifying the factors affecting satisfaction, customer's satisfaction and loyalty. The validity and reliability of the measurement scale was tested in the case of Egyptian car industry. To do that, an instrument was developed on the basis of extensive previous studies, management experts and personal professional experience. The measurement scale was applied to Egyptian car owners of a certain (one single) brand to avoid the brand moderation effect. The scale was found to be reliable and valid. The validity was tested using an exploratory factor analysis. In conclusion, the study suggests testing the effect of the three key drivers / dimensions on customer's satisfaction and consequently on customer's loyalty, and using the results to guide the marketing activities of car agents working in Egypt. It also suggests investigating the scale in different industries and contexts.

Md. Hussain Kabir and Therese Carlsson (2010) have aimed is to analyze and research about the role of service quality for creating customer satisfaction and to find out the
gap between expectations and perceptions through the customer point of view. The perceptions can be described as satisfaction or lack of satisfaction. The survey was constructed as a case-study and was based on the quantitative method. The results from the different dimensions show that there is a gap between the expectations and perceptions, which means that the customers are not fully satisfied with the service quality at Destination Gotland. The results show a total gap at -0.39.

The study by Wieslaw Urban (2010) aims at verifying whether the intensiveness of prior customers' experiences with the same services provider and other providers affects service quality. The empirical investigation was conducted in the auto service sector. Empirical research concludes that customer' experiences specified by the length of relationship with a service provider and frequencies of service use do not influence the whole aspects of service quality.

Mornay Roberts-Lombard (2010) has investigated the mutually beneficial nature of establishing long-term relationships with employees as internal customers of the business. The target population for this study was two hundred and twenty five Avis car rental branch managers in South Africa. One hundred and fifty five managers of Avis branches were approached through a structured personal interview in the completion of questionnaires. Data analysis was done by calculating averages and standard deviations, explorative factor analysis, Cronbach alpha-values and practical significance by means of effect sizes. The findings of the study stipulate that a more coherent attempt must be made to improve the level of internal communication between the managers of Avis car rental branches and their employees; this would create an environment within the Avis car rental group that could promote mutual respect, trust and concern between management and employees.

Brown et al. (2010) have analyzed the consumer's attitude towards European, Japanese and the US cars. The country of origin plays a significant role in the consumer's
behavior. The brand name, lower price and distributor’s reputation completely have a significant impact on the sale of passenger cars.

Mojgan Bahrami Samani (2011) in their study titled “Automobile Industry success is dependent on its customers’ loyalty” have explained that loyalty is the main issue for making and maintaining relationships with customers. Both academicians and industry executives, fundamentally, considered customer loyalty an organizational valuable asset. The study aims at examining which factors influenced customer’s loyalty in Iran’s car industry. The study extends an area of marketing context by looking into the element of customer loyalty in Iranian car industry. A conceptual model of customer loyalty in Iran’s car industry is proposed in which quality, price, and satisfaction, as three main antecedents, influence customer’s loyalty. Quality is divided into quality of products, quality of relationship between buyers and sellers and finally, quality of after-sale service.

Seyed Mohammad Sadeq Khaksar. et. al. (2011) have studied the effect of technical and electronic after-sales services on entrepreneurial opportunities (that is, cost leadership, market development, product development, diversification and differentiation). The study was a descriptive research that typically used the data derived from questionnaires (a researcher-made questionnaire for collecting of information). The population for this study comprised of all Soren ELX car owners in Tehran, who bought their cars in 2009. Soren is a new model of Samand (unveiled in 2008), and Samand is an Iranian car brand manufactured by Iran Khodro (IKCO) using local manufacturers for its parts. The results of this study show that technical, after-sales services in Iran- Khodro Company are effective on entrepreneurial opportunities based on market and product.

2.4 REVIEW OF STUDIES ON CUSTOMER SATISFACTION IN AUTOMOTIVE INDUSTRY IN INDIAN CONTEXT
**Aradhana Krishna (1994)** views that buyers’ purchase behavior can be influenced not only by the current price of a product but also by what price they expect in future (Park et al. 1994). Assessing consumer knowledge, have observed that consumer knowledge is an important construct in understanding consumer behavior such as information search and information processing. An increase in self-assessed knowledge was associated with a decrease in the utilization of sales person’s recommendations.

**Syed Saad Andaleeb and Amiya K. Basu (1994)** have examined the relationship between a customer's assessment of the service quality of an automobile service/repair facility and five factors: perceived fairness of the facility and its personnel, empathy, responsiveness, reliability, and convenience. Perceived fairness was found to be an important determinant of service quality evaluation and its importance depended on the complexity of the task involved and the customer's knowledge of automobile repairs. In particular, when the task was complex and the customer did not feel knowledgeable, perceived fairness was found to be significantly more important than any of the other four factors.

The study titled "A Consumer Brand Preference for Motor Cars in Coimbatore City” by **Muruganandam (1997)** stated that the factors that influenced consumers in the preference of a car were price and design, and after sales services provided by the dealer. Price and design influenced more to buy Maruti and Ambassador Cars and further revealed that the after-sales service was good.

**Raghuvir Srinivasan (2000)** has analysed the potential impact of the removal of quantitative restrictions on the import of used cars on passenger car manufacturing companies in India. He reasoned that one could get an imported used car for around Rs.3 lakhs (US $ 6250), taking into account the price of the used car in a foreign country, import duty and shipment cost. He has also observed that while lower price would be attractive to Indian buyers, service related problems and government restrictions would be dissuading factors.
Chidambaram et. al. (2004) undertook a study on "Brand Preference of Passenger Cars - A Study with Special Reference to Coimbatore City in Tamil Nadu". In their study they have argued that the customers give more importance to fuel efficiency than to other factors. They believed that the brand name was explanatory of product, quality, utility and technology. Consumers preferred to purchase passengers cars, as they offered high fuel efficiency, good quality, technology and durability, and could be purchased at a reasonable price.

Sachdev and Verma (2004) have attempted to explore a relative importance of service quality dimensions across a selected service context. The results suggest that all the service quality dimensions are equally important as no proper order of their importance could be established, the service performance in relation to the expectations’ is poor in respect of nearly all the dimensions and in all the selected services, and the nature of service does not seem to have a role in establishing an order of importance of the dimensions.

Sudhahar and Venkatapathy (2005) in their study titled "Automobile Purchase - Peer Influence in Decision Making", reveals the buyers of passenger car are expected the high value product and adopt high effort judgment and decision making process. The factors that determine the purchase in general are convenience, status and pressure from known sources. Due to the high investment cost involved in the purchase, consumers spend maximum time in information search. The consumers refer to various internal and external sources like product information gathered through automobile magazines and friends and personal visit to dealers. The consumer's decision making is normally a long one, where they consider various options and check with many sources viz. co-workers and family members. In the post-purchase decision stage, consumers spend relatively longer period and consider service quality, vehicle performance, confirmation through the word of mouth and
communication. The study also reveals that the passenger cars are considered as luxurious ones and consumers tend to consult all the intimate groups for reaching the buying decisions.

According to Jain (2006) the automotive industry is now facing new and pressing challenges. Globalization, individualizations, digitalization and increasing competition are changing the face of the industry. In addition, he opines that increasing safety requirements and voluntary environmental commitments have also contributed to the changes ahead. He argues that the size of the organization is no longer a guarantee of success. He presses that only those companies that find new ways to create value may prosper in the future. The purpose of the study was to present a short overview of the automotive industry today and highlight challenges facing the industry.

Kaur and Sandhu (2006) attempted to find out the important features which a customer considers while going for the purchase of a new car. The study covers the owners of passenger cars living in the major cities of the State of Punjab and the Union Territory of Chandigarh. The respondents perceive that safety and comfort are the most important features of the passenger car followed by luxury. So the manufacturers must design the product giving maximum weight age to these factors.

In his study Suresh (2006) has reported and measured customer satisfaction with small cars in Bangalore city. The research identified sales support, vehicle design, purchase support, cost of ownership and delight features as underlying factors of customer satisfaction. The research tries to rank small cars on these factors. The study also tries to find out whether customer satisfaction varies among customers on the basis of demographics.

Chidambaram and Alfred (2007) in their study postulate that there are certain factors which influence the brand preferences of customers. Within this framework, the study
reveals that customers give more importance to fuel efficiency than other factors. They believe that the brand name tells them something about product quality, utility, and technology, and they prefer to purchase passenger cars which offer high fuel efficiency, good quality, technology, and durability, and are priced reasonably.

**Jelsy Joseph and Hemalatha (2007)** in their study "Customer Relationship Management in Passenger Car Industry" argues that after-sales services not only help in firms coming close to the customer and build credibility for their service and commitment towards the customer but also help improve word-of-mouth publicity and good will generated from such customer-oriented efforts. It also reveals that the firms improve their market share and interact with consumer to maintain relationship. A customer acquisition and relations have become the most important terms in sales.

**Kaushik (2008)** in his study has conducted a survey in South West Haryana which consists of Bhiwani and Mahendragarh districts. The study endeavors to investigate empirically customer's preference towards a passenger car brand. Pre-purchase and post-purchase behavior of the customers was evaluated and factors influencing the customers were determined by Perceptual mapping obtained from Multi-dimensional scaling. Overall results indicate that in South West Haryana region customers are more influenced by friends and relatives than dealers and salespersons. Maruti dominates the market with three of its brands namely Maruti 800, Alto and Wagon-R. Brand name, fuel efficiency and price were found to be primary determinants for buying car in this region.

**Sudhakar and Venkatapathy (2009)** in their study on the influence of peer group in the purchase of a car with reference to Coimbatore District found that the influence of friends is higher for the purchase of small sized and mid-sized cars.
In their article titled “Brand Preference on B’Segment Maruti Car”. Natarajan and Thiripurasundari (2010), have emphasized that strong brands quality increased trust in intangible products enabling customers to better visualize and understand them. The Brand Preference towards Maruti B Segment cars was studied by administering a structured interview schedule to one hundred and fifty customers in Pondicherry city. Maruti should take the initiative to introduce new models according to the choice of customers at regular intervals which will pave the way to be the leader in India in the near future. While the customer gets satisfaction and is able to improve his/her standard of living and quality of life, the marketer profits from the brand experience that the customer gets, and is able to generate a surplus after ensuring satisfaction to the consumer.

Katarne and Sharma (2010) aimed at the measurement of current service quality level of a typical automobile dealership in an Indian city. The study was conducted using a representative survey of respondents, the owners of one of the popular brand vehicles. In the paper, satisfaction/dissatisfaction of the customer has been measured using standard statistical tools, and an attempt has been made to find out reason(s) for dissatisfaction by applying the root cause analysis. The current performance of a service centre was not found up to the mark. Necessary suggestions have been made and the service centre has started executing them for the improvement in the current service quality level.

Ravindran and Gayathridevi (2010) in their article studied the customer satisfaction of Hyundai i10 in Coimbatore city. The research is descriptive in nature. The sample design adopted for the study was the simple random sampling. The sample size was one hundred which included only owner of Hyundai i10 cars in Coimbatore city. The customer’s expectations over a Hyundai i10 were identified and it was found to be based on certain factors. The most motivated factor to buy Hyundai i10 car was also found out (Design and
The attributes like suspension and handling were identified to be below par for a Hyundai i10.

The study by Subramanian (2010) has analyzed customer expectations from an auto industry. He says that it has created a competitive pressure and enriched the industry with attitude, knowledge, flexibility and speed for new challenges and changes. The processes are streamlined and automated, and work teams are re-organized and re-deployed for higher productivity on quality, delivery time and cost. Together, with these changes, companies are looking for ways to plan better and control their operations by shifting away from rigid and preplanned activities to quick responses to changes. A product development management has been a major component of competitive strategy to enhance Organizational productivity and profitability. There exist a human resource impact on the competitive advantage of a new product development management – for speed, for creating an enhanced environment to an interactive role and for breaking the barriers on increasing reliability and dependability of a new product and development. The lateral and proactive thinking approach in human resource has to be identified, provoked and nurtured towards new product development Activities. The talent is on demand. There is a good deal of human resource role in developing a high performance culture. It is to be made sure of ensuring a right talent at the right time and of making it part of driving culture for a new product development. The interest has to be towards shaping the culture in a natural evolution.

According to Subadra (2010), in recent days India is witnessing a change in consumerism. The market is now predominantly consumer-driven. The focus is shifting from product-based marketing to need-based marketing. Consumer is given many options to decide. Passenger car segment is no exception to this general trend. An effective market communication is imperative for reaching the target audience. So it is important to study the consumer perceptions and behaviour of the car owners which will give one feedback on how
marketing strategies can be worked. Namakkal town in Tamil Nadu State, which is in the southern part of India, has a progressive and growing market for cars. This town was selected for this study. Pre-testing was done by an Interview schedule which was developed and administered to a convenient sample of twenty five car owners. The simple random sampling technique was adopted in the study to select the sample respondents. As the size of the universe was restricted, the study was conducted on the respondents who were the owners of all the segments of passenger cars. A total of three hundred and fifty interview schedules were prepared and out of this, only three hundred and twenty seven interview schedules were filled up and collected. Data were collected through an interview schedule regarding perception of the respondents on the usage of cars. The following tools were used in testing the hypotheses and in the analysis of the data. Descriptive statistical tools such as Percentage, Mean, Median and Standard deviation have been used to describe the profiles of consumers, preferred product attributes and levels of satisfaction. ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like age, sex and income. Chi-Square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and satisfaction. Multiple regression analysis has been used to study the influence of income and lifestyle on the overall satisfaction level of the respondents. imperative for reaching the target audience. So it is important to study the consumer perceptions and behaviour of the car owners which will give one feedback on how marketing strategies can be worked. Namakkal town in Tamil Nadu State, which is in the southern part of India, has a progressive and growing market for cars. This town was selected for this study. Pre-testing was done by an Interview schedule which was developed and administered to a convenient sample of twenty five car owners. The simple random sampling technique was adopted in the study to select the sample respondents. As the size of the
universe was restricted, the study was conducted on the respondents who were the owners of all the segments of passenger cars. Correlation analysis has been used to establish the relationship between ‘the factors which influenced the purchase’ and ‘the factors which favored the level of satisfaction’. Factor analysis has been employed to identify the key factors responsible for the consumers’ purchase of cars and level of satisfaction after purchase. Cluster analysis has been used to identify the consumers with similar tastes and preferences with respect to the purchase of car. The study throws light on various features that the manufacturers should concentrate on how to attract the prospective buyers. This study concludes that consumer behavior plays a vital role in marketing cars and that there is more scope for extensive research in this area.

Jahanshahi (2011), in his research addresses the following questions that are becoming increasingly important to managers in automotive industries: is there a relationship between customer service and product quality with customer satisfaction and loyalty in the context of the Indian automotive industry? If yes, how is the relationship between these four variables? The automotive industry in India is one of the largest in the world and one of the fast growing globally. Customer satisfaction and loyalty are the most important factors that affect the automotive industry. On the other hand, customer service can be considered an innate element of industrial products. 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 the purchase. The population of the study comprised all of the Tata Indica car owners in Pune. The hypotheses of the study were analyzed using regression and ANOVA. The results of the study showed that there was a high positive correlation between the constructs of customer service and product quality with customer satisfaction and loyalty.
The research by Sangode (2011) compares service quality of Maruti Suzuki and Hyundai Showrooms in Nagpur. He has opined that service quality is a fundamental aspect of service stipulation in general, especially in case with motor vehicles dealerships, where substantial profits are generated in the servicing of vehicles. The study was conducted using a convenience sample of forty respondents who were owners of Maruti Suzuki and Hyundai cars. The questionnaire consisted of 26 questions which were self-completing in nature.

Thiripurasundari (2011) had conducted a study to analyze the importance of various factors like brand knowledge, brand preference, brand loyalty, brand application etc. in car market in Pondicherry. She opines that brand equity is the additional value endowed by the brand to the product. While the concept of utilizing name or a symbol to augment a product’s value has been acknowledged to marketers for a long time in the past. The primary data was collected from 300 car owners through a questionnaire interview. From the five factors, brand application factor has been rated as the most important factor in car industry. Further, brand application is being allied to service quality.

DEFINING THE SERVICE

Service is not manufactured in the factory, carried to the shelf, and sold to the customers. Service is a dynamic process where, the something which is executed on behalf of the customer and often with the involvement of the customer. A service is usually performed by the service provider which consists a series of motion and activities, which are linked to one another and are not in bits and pieces (Shostack & Kingman-Brundage, 1991). In short, service is an intangible aspect which the customer can neither possess, hold nor carry it forward but only can be felt.
Many definitions of ‘service’ are prevalent in the literature, but the most accepted are compiled herein. According to Zeithaml and Bitner (2003), the services are deeds, processes and performances. According to Iacobucci and Ostrom (2001), the core services are the services which are rendered by the restaurant in the form of dinner; legal advice by the legal attorney, etc., the relationship aspect of the service is the interpersonal aspects of giving services in a professional manner.

CHARACTERISTICS OF SERVICES

The premises of service are so different that it becomes imperative to pose a question as to how different it is from the product orientation. According to Kotler et al (2002), the distinctive characteristics which set services apart from the products are – intangibility, inseparability, variability (heterogeneous) and perishability.

- **Intangibility**

Intangibility is an absolute term so far as services is concerned, because, a market cannot have complete intangible services ever. The services will have an essence of tangibility in them. Most of the services is right mix of tangible and intangible aspect in them (Morgan, 1991).

- **Inseparability**

Inseparability is that characteristic of the services where the service cannot be separated with the service provider. These insperability aspects go to those personnel in the organization who are directly in touch with the customers (Kotler et al, 2002). For example, receptionist, sales executives, etc.

- **Variability (Heterogeneous)**

Services are performed with the help of human involvement as a whole or only if even in the part of the user, cannot be standardized in the way that goods can. A service is always
subject to some variations in performances and developing realistic standards of performance is extremely difficult (Rushton & Carson, 1989:26).

- **Perishability**

Perishability of services means that they cannot be stored for later sale or use (Kotler, et al., 2002). For example an empty seat in a flight from Delhi to Mumbai cannot be sold later to a man flying in the same flight the day after.

2.5 UNDERSTANDING THE SERVICE QUALITY

Service quality is the foundation for services marketing because the core product being marketed is a performance. The performance is the product which is sold to the customers. A strong service gives companies the businesses to compete for customers. A good services always builds the confidence of the customers and can reinforce advertising, branding, selling and pricing.

According to Parsuraman et al (1988), the customer’s perception of quality is not uni-dimensional. They have identified five dimensions the client considers in judging the quality of services namely- tangibility, reliability, responsiveness, assurance and empathy.

- **Tangibles**
The appearance of the physical facilities, equipments, personnel, and visual communication material, physical surroundings are the evidence of tangible aspects in a service quality. This aspect can also be extended to the conduct of service providers and customers in the service quality. (Fitzsimmons & Fitzsimmons, 2001)

- **Reliability**

The ability to perform the promised service both dependably and accurately is the reliability aspect in the service quality. Reliable services define that customers expectations have been fulfilled by providing timely, consistent and error free services every time. (Parsuraman et al, 1988)

- **Responsiveness**

The willingness of the service provider to help the customers and to provide prompt service defines the aspect of responsiveness. Keeping customers waiting, particularly for no apparent reasons, creates unnecessary negative perceptions of service quality. If a service failure occurs, the ability to recover quickly and with professionalism can create very positive perceptions of quality. (Parsuraman et al, 1988)

- **Assurance**

The knowledge and courtesy of employees as well as their ability to convey trust and confidence defines the aspects of assurance in service quality. The assurance aspects includes competence to perform the services, politeness and respect for the customer, and the general attitude of the service provider to safe guard the interest of the customer.

- **Empathy**

The provision of caring and individualized attention to the customers defines the aspect of empathy in service quality. The features like sensitivity, approachability, conscious efforts to understand the customer needs.
2.6 MEASURING THE SERVICE QUALITY IN AUTOMOBILE SERVICE SECTOR

Measuring service quality in automobile service sector is a challenge because customer satisfaction is determined by many intangible factors. Unlike a product with physical features that can be objectively measured (e.g., the fit and finish of a car), service quality contains many psychological features (e.g., the ambience of a showroom). In addition, service quality often extends beyond the immediate encounter because, as in the case of automobile service sector, it has an impact on the customer loyalty (Fitzsimmons and Fitzsimmons, 2001). Therefore the researcher has relied upon a framework suggested by Parsuraman et al (1985), as it is close fit to the objectives of the study and also best suitable for the sector in question. Some of the research works who have used SERVQUAL instrument in their study to measure customer satisfaction are highlighted below.

The article by Bouman et. al. (1992) describes the building and testing of the SERVQUAL instrument. The outcome of the research is that the instrument is easily applicable for Dutch garage firms. However, in contrast with the five SERVQUAL dimensions, the customers in the Dutch car service firms only distinguish three dimensions to judge the delivered quality, one of which appears to be totally specific to the present study. The three dimensions are: customer kindness, tangibles and faith.
Jo Ann Duffy (1992) has used the SERVQUAL, instrument for measuring consumer perceptions of service quality and SCLES Salesman-Conte Life Satisfaction measures to study the linkage between service quality and customer satisfaction within a long-term health care centre. The study is being conducted on 275 samples from 10 different nursing homes.

The aim of the study by Izah Mohd Tahir and Nor Mazlina Abu Bakar (2007) was to investigate the level of service quality of commercial banks in Malaysia from the perspective of bank customers and assessing the satisfactions towards the services provided by the commercial banks. A questionnaire used in this study is limited to a sample of 300 respondents in the East Coast region of Malaysia. The measurements used were based on widely accepted SERVQUAL model. A descriptive statistics analysis (mean and paired t-test) was used to evaluate the level of service quality of Malaysia’s commercial banks from the customers' perspective. This study examined the service quality gap by comparing customers' expectations and their actual perceptions. In addition, this study focused on their satisfactions towards the service provided by commercial banks. The results of the study indicated that the overall service quality provided by the commercial banks was below customers' expectations. Responsiveness was rated as the most important dimension followed by reliability, tangibility, assurance, and empathy. Further, the findings also showed that customers were slightly satisfied with the overall service quality of the banks.

S.M. Yazdi et. al. (2009) have studied highlighting the important dimensions of service quality from customers' perspective in car service agencies. It also aimed at
identifying differences between expectations and perceptions of customers from service quality dimensions and comparing differences across agencies. The objectives of this study were achieved by using the SERVQUAL questionnaire. A cluster sampling technique was also used for collecting the data. The questionnaires were distributed amongst four hundred customers who had Peugeot 206, Peugeot 405 or Peugeot Persia in four Iran Khodro car service agencies. The results demonstrated that there was a gap between expectations and perceptions of customers from dimensions of service quality. The negative gaps were related to the intangible dimensions. Additionally, in the comparison amongst four agencies related to the level of expected service quality, significant differences were found for tangibles and reliability dimensions. Furthermore, the analysis of variance revealed that the differences in customers' perceptions of the level of provided service quality across four agencies were only for the dimension of tangibles. Lastly, the findings demonstrated that there were significant (p<0.05) negative and positive relationships between expectation and perception means with the gap score means, respectively. The results suggest that car service agencies should not exaggerate their quality of services and increase employees' attitude training to close the gap between customers’ expectations and perceptions of services.

Farah Sahul Hamid (2011) have studied customers' loyalty to be the key objective for most of the service-oriented companies in the long run. The customers' perception on the quality of service provided by these companies plays an essential role in determining their behavior towards the service provided. This article discusses the usage of the SERVQUAL model, which is commonly used to help service providers to measure the level of their service quality; and thus it gives insights on how to improve and provide a better service in the future. The SERVQUAL presents service quality as the difference between customer's expectations for a service offering and customer's perceptions of the service received,
requiring them to answer a few questions about both their expectations and perceptions, on the basis of the five gaps that seem to be the main cause for unsuccessful service deliveries.

2.7 OUTCOMES OF THE LITERATURE SURVEY

Customer satisfaction has received an extensive attention in the management literature since the inception of the subject itself. The basis of these studies lies in the fact that the satisfaction of the customer is the basic essence for which the business and its profits exist. Hence, a greater emphasis is acknowledged by the researchers across all sectors on customer satisfaction. One may also witness that majority of the research works reviewed have proved that their exists a strong relationship between the quality of service rendered and its effect on the satisfaction levels of customers. The studies correlating Service Quality and Customer Satisfaction are being carried out in a wide variety of industries such as the hospitality industry and tourism, hospitals and banking. The studies have also been carried out in less obvious industries such as libraries and public sectors. But, no research has been conducted into service quality and customer satisfaction in the automobile service sector with respect to the automobile dealers in the north part of Karnataka (India). This way, the issue of service quality in the motor industry is a largely unknown factor in this geographical area, which makes this study exploratory in nature. For this reason, this study examines the customer expectations, perceptions, satisfaction and service quality of four wheeler Automobile Dealers in North part of Karnataka (India) using SERVQUAL model. This study is a maiden effort and exploratory in nature, and thereby it also contributes to the existing literature.

2.8 CHAPTER CONCLUSION

In addition to the review, a presentation of an overview of Automobile industry and the trend and growth pattern of Indian automobile industry in general and Automobile
Service Sector and Customer Satisfaction in particular is considered essential for the present research, and is attempted in the next chapter.