

Service Quality of Maruti Suzuki and Hyundai Dealer in Nagpur: A Comparative Study

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Abstract

This research paper is based on the findings of comparative study of service quality of Maruti Suzuki and Hyundai Showrooms in Nagpur. Service quality is a fundamental aspect of service provision, and this is especially the case with motor vehicles, where substantial profits are generated in the servicing of vehicles. The study was conducted using a convenience sample of 40 respondents who were owners of Maruti and Hyundai cars. The questionnaire was a self-completion questionnaire consisting of 26 questions.

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Introduction

Competition and technological up gradation, etc. have resulted in pressure on customer service. Consumers are becoming more sophisticated in their requirements and are increasingly demanding higher standards of service. To them service means customer satisfaction, customer delight, service delivery, customer relationship, etc. Therefore interest in managing the services through customer service is considerably high. It requires setting customer service objectives in terms of relative importance of customer service elements. In other words, while considering levels of performance in setting customer service objectives, service companies need to take into account the importance of service quality variables such as reliability responsiveness, assurance, empathy, and tangibles

SERVICE QUALITY

Service quality defined

Service quality has been defined as the degree and direction between customer service expectations and perceptions Perceived service quality is defined as the evaluation of the service across the episodes when compared to some explicit or implicit standard.

The importance of service quality is seen in the effect that it has on the organization as a whole. It is seen in the following ways:

1) Service quality has an effect on customer loyalty

Loyalty is experienced by the organization when the perceived service quality experienced by the customers exceeds that which is offered by the competitors. The delivering of service quality to customers is required in the long term if the organization is to experience the benefits of customer loyalty (Kandampuly, 1998).

2) Service quality creates competitive advantage for organisations and is associated with successful organisations. It has been said that many organizations sell a similar product of

similar quality, and that the differentiator between them is the service quality that is offered to the customer.

3) Service quality affects relationships and relationship marketing, as customers are willing to build relationships with organisations that provide service quality.

4) Service quality has an effect on profitability and costs. As service quality impacts on customer satisfaction, this also impacts on customer retention, reduction of costs and increased profitability.

Maruti Suzuki

“The leading Indian car manufacturer, Maruti Suzuki, not only delivers quality cars but also delivers quality service and after sale satisfaction to all its customers. J.D. Power CSI Study 2004 reveals that 92% of the Maruti car owners are satisfied and happy with the high-end and quality service of their cars CSI (Customer Satisfaction Index) study rated Maruti Suzuki as number one company across seven different parameters. These parameters include experienced problems, service quality, service delivery, service advisor experience, best in-service experience, user-friendly service and service initiation experience.”

Hyundai Motor India Ltd

With the novel idea of ‘Always There, Because We Care’, Hyundai Motor India Ltd, the country’s largest passenger car exporter and the second largest car manufacturer, organizes a nationwide service initiative called - ‘Always Around’ campaign. The campaign in its mega avatar was organized for the third consecutive year in 2009. Hyundai has over 70 service centers nationwide. At all of them highly trained specialist staff are ready and waiting to ensure that every minute a customer spends with his Hyundai is time well spent.

It is very clear that both the companies provide high quality service to their customers. And not only this quality service is a matter of importance to the customer but the service provided by their respective dealers also plays a major role to rate the overall quality which in turn is responsible for the satisfaction level of the owner. The aim of this paper is to study on the

services provided by Maruti Suzuki and Hyundai dealers in Nagpur.

OBJECTIVE

The main objectives of this paper are:

1. To understand and categorize the factors influencing service quality.
2. To find out the variables which can be defined under each factor
3. To compare Maruti and Hyundai showrooms in terms of quality.

HYPOTHESIS:

- **h0:** There is no significant difference between the service quality provided by Maruti and Hyundai dealer's showroom.
- **h1:** Service quality provided by Hyundai is better than that of Maruti showroom.

METHODOLOGY

Research Design

This is exploratory in nature since it gives insights into the phenomenon of retail showrooms service quality. It does not go into the deep phenomenon of service quality hence it cannot be termed as descriptive.

The service quality parameters for the comparative study are

1. Personal Interaction
2. Physical aspects
3. Reliability
4. Problem solving
5. Policy

The factors that are likely to affect these parameters will be interpreted from the data collected from the respondents.

Table 1: Interpretation of output from Factor Analysis

Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
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Personal Interaction	Physical Aspects	Reliability	Problem-Solving	Policy
Behavior of employees	Modern infrastructure	Error free sales transaction	Follow up on enquires and doubts	Demonstration of vehicle
Knowledge of employees	Visually attractive stores	Wide range of payment options	Attain complaints on phone courteously	Prompt service to customer
Individual attention to customers	Clean, attractive and convenient store	transparency in deal	Sincere interest in customer problem solving	Courteous with customer
Complete detailing to customers	Well organized vehicles in showroom	Complete explanation on purchase related questions	Handle complaints directly and immediately	Convenient parking
Instills confidence in customers				Suitable operating hours

ANALYSIS AND INTERPRETATION:

Factor analysis is used to understand the important factors that contribute to the service quality on the dealer showroom. The data collected from the 40 customers of both Hyundai and Maruti are assembled in one sheet and using weighted average method is compiled in the table-2 and table-4 shown below.

parameter indicators	Service Quality parameters
	Personal interaction
	Reliability
	Problem Solving
	Policy
	Physical aspects

Table 2: MARUTI CUSTOMER DATA (weighted average method)

Q. no	1	2	3	4	5	weighted average
1	2	3	2	5	8	3.7
2	0	0	2	9	9	4.35
3	0	0	0	3	17	4.85
4	0	0	0	3	17	4.85
5	0	1	3	6	10	4.25
6	1	0	5	6	8	4
7	0	1	4	8	7	4.05
8	0	0	4	5	11	4.35
9	2	1	2	8	7	3.85
10	1	3	2	6	8	3.85
11	0	3	7	7	3	3.5
12	0	2	10	6	2	3.4
13	0	1	5	2	12	4.25

14	0	1	3	13	3	3.9
15	0	0	3	9	8	4.25
16	1	0	5	3	11	4.15
17	0	0	5	4	11	4.3
18	0	0	5	10	5	4
19	0	0	4	4	12	4.4
20	0	1	6	7	6	3.9
21	0	2	4	10	4	3.8
22	0	0	4	8	8	4.2
23	1	4	5	5	5	3.45
24	0	0	6	8	6	4
25	0	1	4	4	11	4.25

Table 3: Parameter weightage for MARUTI

Service Quality parameters	Sum	sum/(no of factors) = average
Personal interaction	21.3	4.26
Reliability	24.4	4.066666667
Problem Solving	15.95	3.9875
Policy	24.75	4.125
Physical aspects	15.45	3.8625
	Total	20.30166667
total/5=	Total average	4.060333333

Table 4: HYUNDAI CUSTOMER DATA (weighted average method)

Q. no	1	2	3	4	5	weighted average
1	0	0	3	12	5	4.1
2	0	0	0	16	4	4.2
3	0	0	4	6	10	4.3
4	0	0	1	8	11	4.5
5	0	0	3	14	3	4
6	0	0	7	8	5	3.9
7	0	2	4	6	8	4
8	0	0	4	8	8	4.2
9	0	8	1	7	4	3.35
10	0	7	4	3	6	3.4
11	0	0	5	11	4	3.95
12	0	0	6	12	2	3.8
13	0	5	4	8	3	3.45
14	2	0	5	9	4	3.65
15	0	6	3	9	2	3.35
16	0	0	0	15	5	4.25
17	0	2	4	8	6	3.9
18	0	4	3	8	5	3.7
19	0	2	2	12	4	3.9
20	0	0	2	12	6	4.2
21	0	0	11	1	8	3.85
22	0	0	1	9	10	4.45
23	0	0	8	9	3	3.75

24	0	2	3	11	4	3.85
25	0	0	11	6	3	3.6

Table 5: parameter weightage for HYUNDAI

Service Quality Parameters	Sum	sum/(no of factors) = average
Personal interaction	20.45	4.09
Reliability	22.15	3.691666667
Problem Solving	15.2	3.8
Policy	25.05	4.175
Physical aspects	14.75	3.6875
	Total	19.44416667
total/5=Average=		3.888833333

Statistical tool:

Paired t-Test has been used to find the comparison between the five parameters put to study. The result is explained in the following table.

x- Weighted average for Maruti

y- Weighted average for Hyundai

1. PERSONAL INTERACTION:

weighted average x	weighted average y		d=y-x		d ²
4.35	4.2		-0.15		0.022
4.85	4.3		-0.55		0.303
4.4	3.9		-0.5		0.25

3.9	4.2		0.3		0.09
3.8	3.85		0.05		0.003
		$\Sigma d =$	-0.85	$\Sigma d^2 =$	0.668

Calculated value of $t=1.05$

Tabulated value of $t=4.604$ at 1% level with 4 d.f.

2. RELIABILITY:

weighted average x	weighted average y		d=y-x		d ²
3.7	4.1		0.4		0.16
4.25	3.45		-0.8		0.64
3.9	3.65		-0.25		0.063
4.25	3.35		-0.9		0.81
4.3	3.9		-0.4		0.16
4	3.7		-0.3		0.09
		$\Sigma d =$	-2.25	$\Sigma d^2 =$	1.923

Calculated value of $t=2.2$

Tabulated value of $t=4.032$ at 1% level with 5 d.f.

3. PROBLEM SOLVING:

weighted average x	weighted average y		d=y-x		d ²
4.25	4		-0.25		0.063
3.45	3.75		0.3		0.09
4	3.85		-0.15		0.023
4.25	3.6		-0.65		0.423
		$\Sigma d =$	-0.75	$\Sigma d^2 =$	0.598

Calculated value of $t=0.9375$

Tabulated value of $t=5.841$ at 1% level with 3 d.f.

4. POLICY:

weighted average x	weighted average y		d=y-x		d ²
4.85	4.5		-0.35		0.123
4	3.9		-0.1		0.01
4.05	4		-0.05		0.002
3.5	3.95		0.45		0.203
4.15	4.25		0.1		0.01
4.2	4.45		0.25		0.063
		$\Sigma d=$	0.3	$\Sigma d^2=$	0.09

Calculated value of $t=1.022$

Tabulated value of $t=4.032$ at 1% level with 5 d.f.

5. PHYSICAL ASPECTS:

weighted average x	weighted average y		d=y-x		d ²
4.35	4.2		-0.15		0.022
3.85	3.35		-0.5		0.25
3.85	3.4		-0.45		0.203
3.5	3.8		0.3		0.09
		$\Sigma d=$	-0.8	$\Sigma d^2=$	0.565

Calculated value of $t=1.09$

Tabulated value of $t=5.841$ at 1% level with 3 d.f.

Conclusion:

Since the calculated values of t for all the five parameters is less than the tabulated values at 1 % level of significance, the null hypothesis, which states There is no significant difference between the service quality provided by Maruti and Hyundai dealer's showroom, is accepted.

Limitations:

1. The sample size is 40 which is small and that might affect the overall reliability
2. This study is limited to single show room of Maruti and Hyundai in Nagpur city.
3. The study is based on the opinion of respondents and there can be bias. The questionnaire might have excluded some important factors.

Recommendations:

1. Payment options should be made a bit flexible as per the convenience of the customer.
2. If models of maximum colors, as given in the catalogue, are displayed in the showroom, it would ease the customers for model selection.
3. All the employees should be well versed with the information (knowledge) to attend the customers.
4. Operating hours of the showrooms should be increased.

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Questionnaire to assess the service quality received by Customer from MARUTI / HYUNDAI dealer outlet

Name of the Respondent: _____

Please read the following instructions

- Please tick (\checkmark) on the appropriate box to indicate your level of agreement or disagreement.
- Responses will be kept confidential and used only for academic purpose.

Please use the following divisions for answering the questions.

- 1- Strongly disagree**
- 2- Disagree**
- 3- Neutral**
- 4- Agree**
- 5- Strongly agree**

1. The dealer did not make you to wait for long time to be greeted.

1 2 3 4 5

2. Salespersons gave complete details of features, advantages & benefits of the vehicle.

1 2 3 4 5

3. Salesperson gave complete attention on you prior to purchase decision

1 2 3 4 5

4. You were given demonstration of vehicle (static and test drive)

1 2 3 4 5

5. Thorough follow up was given on enquiries and requests prior to purchase decision.

1 2 3 4 5

6. The store provides plenty of convenient parking for customers.

1 2 3 4 5

7. This store has operating hours convenient to all their customers

1 2 3 4 5

8. The exterior layout of showroom is inviting and friendly.

1 2 3 4 5

9. Product information (e.g. price, product brochure) is clearly displayed in the showroom.

1 2 3 4 5

10. Vehicles with wide range of colors, options etc are displayed in the showroom.

1 2 3 4 5

11. The area of office is enough and comfortable to move around.

1 2 3 4 5

12. The vehicles parked in the showroom are easy to access and well organized

1 2 3 4 5

13. The dealer provided you with wide range of payment options

1 2 3 4 5

14. There was ease in understanding the negotiation due to transparency in the deal.

1 2 3 4 5

15. The employees provided complete explanation to your purchase paperwork related questions

1 2 3 4 5

16. They delivered the vehicle on the requested/ promised time

1 2 3 4 5

17. Enthusiasm of the staff in making the delivery process was enjoyable.

1 2 3 4 5

18. The store insists on error-free sales transaction.

1 2 3 4 5

19. Employees in the outlet have the knowledge to answer customer's questions.

1 2 3 4 5

20. The behavior of employees in this outlet instills confidence in customers.

1 2 3 4 5

21. Employees in this store give customers individual attention.

1 2 3 4 5

22. Employees in this store are courteous and friendly with customers.

1 2 3 4 5

23. Employees in this store attend customer's complaints courteously on the telephone.

1 2 3 4 5

24. When a customer has a problem, the service advisor shows a sincere interest in solving it.

1 2 3 4 5

25. Employees in the store are able to handle customer complaints directly and immediately.

1 2 3 4 5

26. Do you have any suggestions for the improvement in the service quality of the dealer showroom?