

**EXPERIENCED CUSTOMER WITH DEALER LOYALTY AND SATISFACTION IN REPLACEMENT  
TYRE PURCHASE**

**Dr. K. Natarajan<sup>1</sup>,**

*Assistant Professor of Business Administration*

*Annamalai University, Annamalainagar – 608 002, Tamilnadu, India.*

*(Presently on Deputation at Thiru Kolanjiyappar Government Arts College, Vrindhachalam) mail =*

**Dr. K. Soundararajan<sup>2</sup>**

*Associate Professor of Business Administration*

*Annamalai University, Annamalainagar – 608 002, Tamilnadu, India*

**Abstract**

Customer satisfaction has been believed to have an impact on the market share and customer retention and thus, has been treated as the primary objective of businesses, Hansemark and Albinsson (2004). Conventionally satisfied customers have been deemed as less price sensitive and prone to switching and are more likely to purchase extra and stay loyal, Zineldin (2000). Customer satisfaction measures how a product or a service performs in relation to customer's needs and expectations. In conducting satisfaction studies most firms want to determine what the important features and attributes are for their services or products and then measure perceptions of those features as well as overall satisfaction. The evaluation of those elements is a crucial point for understanding positive or negative market answers. Furthermore, research has shown that satisfaction for a product is also related to how customers are satisfied by their buying experience. Numerous studies show that the customer experience on the formation and maintenance of customer loyalty has a significant effect. Experience behavior on customer loyalty has significant explanatory power, Oliver (1999). This article discusses how the experiences of the customer influence the purchase of commercial vehicle tyre.

**Key Words:** Commercial Vehicles, Customer, Experience, Replacement, Tyre,

**Introduction:**

The emotional experience of the satisfaction show a positive effect and with word of mouth, whereas the pleasure and practical experience of the combined effect of consumer satisfaction with cognitive behavior; the excitement feelings of shopping experience and re-patronage intentions positively related; and that there is a positive correlation between the value of their customer experience and satisfaction, Mano and Oliver (1997). Numerous studies show that the customer experience on the formation and maintenance of customer loyalty has a significant effect.

Oliver (1999) found that experience behavior on customer loyalty has significant explanatory power. The experience in identifying customer preferences plays a fundamental role, and then affects purchase decision; the experience is an important variable to understand consumer behavior, experience and re-patronage behaviors, Gentile et.al. (2007). The early research has also largely been in low involvement products (where low prices and repurchase is frequent), and suggests that consumers reach purchase decisions after the consideration of both internal (experience) and external (shopping, environmental) factors. More research however, suggests that where uncertainty exists in the purchase decision process, consumers exhibit limited external information search, and rely on internal factors such as experience and past satisfaction in the purchase decision process, even for high involvement products ( Moorthy et al. 1997). Determining the factors, which predict repurchase for high involvement products is of critical importance to marketers. If the customers who are most likely to repurchase can be predicted, marketing programs can be better targeted, with the possibility of more effective allocation of resources, and an increase in retention levels.

**Review of Literature:**

Product categories and features will affect the customer experience and the resulting formation of customer loyalty. This indicates that the products of different categories of services are different in experience of customer loyalty. Product categories have significant effect on brand loyalty. Consumer loyalty to the brand is the formulation of the act when a particular brand wins persistent repeat purchase. The desire congruency has a significant effect on attribute satisfaction, information satisfaction and overall satisfaction. When the product is new and a consumer has no expectation about it, desires congruency might be expected to dominate. Conversely, when a consumer has purchased and used a product many times (Presumably it is meeting his or her desire) than expectation, congruency might be more important because of the attention – getting effect of deviation from expectations, Richard Spreng et al. (1996). Various factors are involved in the replacement options for the product value includes quality of materials, durability/reliability, value for the money, safety features, advanced technology, future trade-in/resale value, Barry L. Bayus (1991) . There are different factors influencing the satisfaction level of owners in Heavy and Light commercial vehicle in replacement tyre purchase, among the factors, brand already fitted with the vehicles plays as an important factor followed by the performance of the tyre. Less experienced consumers are satisfied with reliability of product, performance, road grip, depth of tread and rolling resistance, but highly experienced consumers gives importance to the safety of the tyres, Natarajan, K. et al. (2011).

The experience of the replacement buyer plays an important role while purchasing the replacement tyres. Brand of tyre which is already fitted with the vehicle is the major influencing factors at the time of replacing followed by the performance of the tyre, Natarajan, K. and Soundararajan. K. (2011). Satisfaction for a product is also related to how customers are satisfied

by their buying experience. The firms marketing success generally depends on the dealers, because these persons are the ones who have the most direct influence on the customers. In this sense, estimating customers judgment about their buying experience and evaluating the aspects that influence their perception of the service most, could help marketing the product a success, Pettijohn CE et al. (2002). Experience is shaped by the characteristics of the user (e.g., personality, skills, background, cultural values, and motives) and those of the product (e.g., shape, texture, colour, and behaviour). All actions and processes that are involved, such as physical actions and perceptual and cognitive processes (e.g., perceiving, exploring, using, remembering, comparing, and understanding), will contribute to the experience, Dewey, J. (1980). In addition, the experience is always influenced by the context (e.g., physical, social, economical) in which the interaction takes place. The previous brand experience came clearly out as dominating factor; there was a positive relationship between brand experience and brand choice. The drivers of satisfaction with product quality can shift over the ownership experience, depending on the type of attribute used.

**Statement of the Problem:**

Commercial Vehicles (CVs) segment covers buses and trucks classified as Medium and Heavy Commercial Vehicles (M & HCVs) and Van, station wagons and smaller weight vehicles, characterized a Light Commercial Vehicles (LCVs). The demand of tyres flows from three segments – Original Equipment (OE), Replacements and Exports. Of the three, the replacement market is the primary source of demand, followed by the OE segment and exports. The study's problem is how the experience of the buyer influences during the replacement purchase of the commercial vehicle tyres.

**Objectives of the Study:**

This study aims to achieve the following objectives:

1. To study the reason to buy from a particular dealer
2. To identify the factors influencing the buyer during the replacement tyre purchase
3. Defining the role of experience in purchase of tyre

**Hypotheses of the Study:**

**H1:** There is no significance difference of opinion towards choice of dealer across their experience.

**H2:** There is no significant difference of opinion towards choice of dealer based on types of vehicle.

**Ho3:** There is no significant difference of opinion towards replacement attitude based on occasion of change.

### **Area of Research and Sampling Procedure:**

The study aims at analyse how buyers of replacement tyre prefer to buy from dealers and what are the factors influence the consumers in replacement of tyres in commercial vehicles segments. The researcher collected data in various cities in Tamilnadu. Here totally 485 consumers are considered for the present study after rejecting unfit response. The selection of study area is based on multi stage random sampling technique. But, the selections of sample respondents are based on convenient sampling technique.

### **Collection of Data**

For the purpose of the present study, the necessary Primary data have been collected using a survey method with the help of a structured questionnaire administered in person from the consumer regarding their opinion about their satisfaction on the product. The respondents of this study are owners of the Light and Heavy commercial vehicles who have replaced their product after using the Original Equipment Manufacturer (OEM). The researcher collected secondary data on sales trends, consumer satisfaction, factors influencing in the replacement action and this information have been collected from Journals, Magazines, Reports and company's News Bulletin and Internet sources.

### **Statistical Tools Used:**

Responses are coded and data entered and then analysed using Statistical Package for Social Sciences (SPSS) to get inferences. Descriptive analysis is used to describe the sample, to show the numbers and percentage of items into categories. Friedman's comparison test is used to group the variables by comparing mean rank. Stepwise multiple regression analysis is used to measure the linear association between the dependent and independent variables.

**Table: 1 Profile of the Respondents**

Profile	Frequency	No. of Respondent	Percentage
Age of Respondent	Less Than 30 Years	30	6.2
	31-40 Years	97	20.0
	41-50 Years	207	42.7
	51 Years & Above	151	31.1
Experience	Less Than 5 Years	76	15.7
	5-10 Years	165	34.0
	11-15 Years	91	18.8
	16-20 Years	153	31.5
Type of Vehicles Owned	LCV	281	57.9
	HCV	204	42.1
No. of LCV owned	LCV - 1	207	42.7
	LCV - 2	36	7.4
	LCV 3-5	37	7.6
	LCV More Than 5	02	0.4
No. of HCV Owned	HCV - 1	44	9.1
	HCV - 2	96	19.8
	HCV 3-5	48	9.9
	HCV More Than 5	16	3.3
Purchase From More Dealer	Yes	247	50.9
	No	238	49.1
Awareness of The Brand	Less Than 5 Years	49	10.1
	5-10 Years	137	28.2
	11-15 Years	148	30.5
	16 Years & Above	151	31.1

Source: Primary Data – computed

Table 1 shows the profile of the respondent considered for the research. Total respondent considered for the research is 485.

**Table: 2 Choice of Dealer on the Basis of Respondents' Experience**

Priority In Choice Of Dealer	Experience	Mean	Std. Deviation	Anova Results	
				F- Value	P -Value
Price	2-5 Years	3.52	0.84	3.394	0.018**
	6-10 Years	3.67	0.76		
	11-15 Years	3.69	0.62		
	16-20 Years	3.82	0.55		
Availability	2-5 Years	1.48	0.50	0.212	0.888(Ns)
	6-10 Years	1.52	0.50		
	11-15 Years	1.52	0.50		
	16-20 Years	1.54	0.49		
Service	2-5 Years	1.51	0.52	0.124	0.946(Ns)
	6-10 Years	1.52	0.50		
	11-15 Years	1.54	0.50		
	16-20 Years	1.54	0.49		
Brands	2-5 Years	1.46	0.50	0.248	0.863(Ns)
	6-10 Years	1.51	0.50		
	11-15 Years	1.50	0.50		
	16-20 Years	1.48	0.50		
Coverage	2-5 Years	1.73	0.68	0.142	0.935(Ns)
	6-10 Years	1.72	0.67		
	11-15 Years	1.76	0.76		
	16-20 Years	1.71	0.66		
Credit Facilities	2-5 Years	3.02	1.10	0.433	0.729(Ns)
	6-10 Years	3.13	1.18		
	11-15 Years	3.21	1.12		
	16-20 Years	3.09	1.15		
Claim Settlement	2-5 Years	1.63	0.58	0.171	0.916(Ns)
	6-10 Years	1.58	0.62		
	11-15 Years	1.62	0.60		
	16-20 Years	1.60	0.57		

Source: Primary Data – computed (\*\*significant at five percent level, NS-Not significant))

Table – 2 explains the respondents' opinion towards choice of dealer based on experience of the respondents. The data are grouped according to period of experience of the respondents. Mean and standard deviation values are calculated for each group. From the mean score, it is observed that the respondents who have experience of 11 to 15 years have given more importance towards availability of range of products, geographical coverage and credit facilities while selecting the dealer. The respondents having experience of 16 to 20 years gives more importance to the price offered by the dealer and availability of the products, similarly the respondents who have got experience between 6 to 10 years gives importance to availability of various brands. The

customer’s who have experience of 2 to 5 years are selecting the dealer on the basis of claim settlement.

H1: There is no significance difference of opinion towards choice of dealer across their experience.

In order to examine the above stated hypothesis, one way ANOVA is executed. From the results, it is observed that the importance towards price is significant at five percent level. The remaining factors namely range of product availability, quality of service, availability of various brands, geographical coverage of outlet, credit facilities and claim settlement do not vary on the basis of experience of the respondents. Hence, the stated Null hypothesis H1 is accepted.

**Table: 3 Choice of Dealer on the Basis of Type of Vehicles**

Priority In Choice of Dealer	Type Of Vehicles	Mean	Std. Deviation	T - Test	
				T -Value	P -Value
Price	Lcv	3.57	0.82	-4.589	0.001*
	Hcv	3.86	0.41		
Availability	Lcv	1.43	0.49	-4.534	0.001*
	Hcv	1.64	0.48		
Service	Lcv	1.45	0.50	-4.401	0.001*
	Hcv	1.65	0.47		
Brands	Lcv	1.42	0.49	-3.734	0.001*
	Hcv	1.59	0.49		
Coverage	Lcv	1.76	0.78	1.323	0.186(Ns)
	Hcv	1.68	0.53		
Credit Facilities	Lcv	3.07	1.22	-1.007	0.314(Ns)
	Hcv	3.18	1.03		
Claim Settlement	Lcv	1.54	0.59	-2.586	0.010**
	Hcv	1.68	0.60		

Source: Primary Data – computed (\*significant at one percent level,\*\*significant at five percent level, NS-Not significant)

Table – 3 explains the respondents’ opinion towards choice of dealer based on type of vehicles they own. While reading the mean value, heavy commercial vehicle respondents have given more importance towards product price (3.86) and credit facilities (3.18). While analyzing the light commercial vehicle respondents, they are highly influenced by credit facilities (3.07). While looking in to other factors like availability, service, brands, coverage, claim settlement they are observed to be the least perceived factors in choosing the dealer for both light commercial vehicle and heavy commercial vehicle.

H2: There is no significant difference of opinion towards choice of dealer based on types of vehicle.

t - test is carried out to examine the above stated hypothesis. From the test value, it is noted that price, availability, service, brands are significant at one percent level. Hence, the Ho-2 rejected. In case of coverage and credit facilities they do not differ significantly based on type of vehicles they own.

**Table: 4 Choice of Dealer on the Basis of Occasion of Change**

Priority In Choice of Dealer	Occasion of Change	Mean	Std. Deviation	T - Test	
				T -Value	P -Value
Price	<b>Periodical Change</b>	3.72	0.96	10.641	0.001*
	<b>Emergency Change</b>	3.28	0.87		
Availability	<b>Periodical Change</b>	1.52	0.99	0.246	0.620(Ns)
	<b>Emergency Change</b>	1.57	0.67		
Service	<b>Periodical Change</b>	1.53	0.73	0.589	0.443(Ns)
	<b>Emergency Change</b>	1.60	1.22		
Brands	<b>Periodical Change</b>	1.49	0.97	0.178	0.673(Ns)
	<b>Emergency Change</b>	1.53	0.99		
Coverage	<b>Periodical Change</b>	1.70	0.78	14.945	0.001*
	<b>Emergency Change</b>	2.21	0.57		
Credit Facilities	<b>Periodical Change</b>	3.10	0.82	0.645	0.422(Ns)
	<b>Emergency Change</b>	3.28	0.76		
Claim Settlement	<b>Periodical Change</b>	1.60	1.26	0.428	0.514(Ns)
	<b>Emergency Change</b>	1.67	0.98		

Source: Primary Data – computed (\*significant at one percent level, NS-Not significant)



It is important to know the opinion towards occasion to change the product based on their replacement attitude. Table- 4 explains the respondent's opinion towards replacement attitude based on the occasion of change. While reading the mean value, the respondent's attitude is higher among the periodical change respondents.

H3: There is no significant difference of opinion towards replacement attitude based on occasion of change.

t - test is carried out to examine the above stated hypothesis. The result shows that the replacement attitudes have difference of opinion based on the occasion to change. Hence, the stated hypothesis (Ho-3) is rejected. It is found that there is a significant difference of opinion towards replacement attitude based on their time of change the tyre. Both, periodically changed owners and emergency case replaced owners have positive attitude on the replacement of tyre. But, when comparing both, periodically changing the tyre owners are having high level of positive attitude towards replacement of tyre.

**Findings:**

Most of the respondents are purchasing tyres from different dealers for various reasons. The major reason to buy the replacement tyres from different dealers is competitive level of pricing followed by the range of product availability but the priority is significantly varied towards price factor based on the age and experience of the respondents. Dealer's priority to buy the replacement tyre is significantly varied towards price, range of product availability, quality of service, availability of various brands and claim settlement factors based on the type of vehicles owned by the respondents. It is found that there is a significant difference of opinion towards replacement attitude based on their time of change. Both, periodically changed owners and emergency case replaced owners are having positive attitude on replacement of tyre. But, when comparing both, periodically changing the tyre owners are having high level of positive attitude towards replacement of tyre.

**Conclusion:**

Customer satisfaction becomes the main goal for many organizations, implicitly supposing a direct link to the final objectives like customer loyalty and profitability. The satisfaction is an important determinant of loyalty, satisfactions with the service as well as satisfaction with the product are essential for creating and maintaining dealer loyalty. The dealers are liaising between the customer and manufacturer; they have to take care of the regular customer. Importance of the after-sales service differs substantially between customer segments, dealer should be aware of these differences in order to stress the appropriate service areas for each segment.

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