

Assessment of expectation and actual service quality at AMANA TOYOTA

Abstract

Automotive industry has become the huge industry in all over the world. Competition is also increasing with the entry of new models in various segments. So in this current competitive environment not merely with design the companies can gain edge over competitors but through unique service quality. In this highly competitive environment any service industry cannot survive until it satisfies its customers by providing good quality service. The difference between the service expectation of the customer and service received by the customer is Service Quality. This study aims to evaluate the service quality of AMANA Toyota and to understand those factors of service that attract the customers. The research done is a descriptive with selected 130 customers of Amana Toyota who visited the dealer for vehicle servicing. The primary data were collected from the respondents by administering structured SERVQUAL model of Parasuraman et al. (1988) questionnaire that contained 20 questions dealing with the evaluation of service quality of Amana Toyota. Various statistical tools were used for analyzing the collected data like Percentage Analysis, Determination of SERVQUAL score, T Test & Chi square test. From the above said analysis & tests, it was found that customers that come to service their vehicles at Amana Toyota were satisfied & they perceive service that is higher than their expectations. It was also found that all the vehicle users be it for private use or as taxi, all customers all equally satisfied with service quality of Amana Toyota. Even though the customers were overall satisfied there were some service dimensions that needed to be improved, for which certain recommendations had been made like to reduce the delay in servicing the vehicle, to build up a personal relation with the customers, to ensure that similar problems do not occur in vehicles after servicing & also to develop a mobile application to make servicing process comfortable to the customers.

Introduction

The automobile sector is a key player in the global and Indian economy. The global four wheeler industry contributes 5 per cent directly to the total manufacturing employment, 12.9 per

cent to the total manufacturing production value and 8.3 per cent to the total industrial investment. Customer Service is assuming a progressively vital role in most sectors, from industry giants and medium-sized companies to small businesses and start-ups. The automotive sector is no exception, customer service in the automotive industry is very important. In fact, the industry is focusing more to improve the relationship with customers. After house, car is the most expensive purchase for a consumer. So customer not gives importance to looks but also the after sales service by each manufacturer. The customer plays a role of backbone for success of any industry. The establishment and progress of any industry is completely depending on customer and its satisfaction. The increment and decrement in the number of customer is totally depending on customer satisfaction. As we all know that a lot of competitors in the market who manufacture the same product but of varying cost. Not also varying cost they also provide some additional features in the quality of their product. The customer decides their vehicle according to their requirements and they also expect that after sales and service is better. But there are some differences between expected service and the perceived service.

Customer satisfaction is defined as the number of customers or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. Satisfaction is the customer's fulfillment response. It is a judgement that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment. Customer perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product.

Service Quality is an achievement in customer service and reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. Any service industry cannot survive in this highly competitive environment until it satisfies its customers by providing good quality service (Naseem, 2011).

Amana Toyota, exclusive dealership of globally renowned Toyota for North Kerala was started on 21st December 2001 under the dynamic leadership of Mr. V.P.K. Abdulla at Calicut. The dealership is spread across 6 districts – Palakkad, Malappuram, Calicut, Wayanad, Kannur & Kasargode. In this competitive scenario Amana Toyota strive to provide distinctive quality & unparalleled customer service. Maintaining customers is an important item for companies. After-

sales-service in particular automobile repair become one of consideration for customer chooses a brand. This paper has the aims are to measure and analyze customer satisfaction for automobile repair service. This paper to measure the gap between perceived quality and expectation quality used SERVQUAL method.

Problem Statement

Competition is increasing in the market. As a result of which the companies have to give importance to service in the same way give to their sales. While considering the side of organization, information on service quality gaps can help managers diagnose where performance improvement can best be targeted. The largest negative gap facilitates prioritization of performance improvement. Equally, if gap scores in some aspects of service do turn out to be positive, implying expectations are actually not just being met but exceeded, then this allows managers to review whether they may be "over-supplying" this particular feature of the service and whether there is potential for re-deployment of resources into features which are underperforming. Thus it is important to measure the service quality and to understand those factors of service that attract the customers & those which need changes to make it appealing to the customers.

OBJECTIVES OF THE STUDY

Primary Objectives

- To understand whether the customers are satisfied with the various service quality dimensions like tangibles, responsiveness, reliability, assurance & empathy at Amana Toyota, Kannur.

Hypothesis

- There is significant difference between mean ratings between expected and perceived service quality parameters for Amana Toyota automobile users.
- There is significant relationship between type of vehicle users & satisfaction level of service quality.

REVIEW LITERATURE

Yuning Wang (2020) conducted a study on the impact of service quality and customer satisfaction on reuse intention in Urban Rail Transit in Tianjin, China. As considered one of the most important sustainable transportation, the development of urban rail transit has been thriving over the last decade, especially in the densely populated cities. Using an accurate measurement tool to find out the shortage factors in the rail transit service is the vital prerequisite for improving the services, increasing ridership, and implementing the sustainable transport policy. The purpose of the study is to use structural equation model (SEM) to assess the important dimensions of service quality and customer satisfaction on rail transit passengers' reuse intention. Data are collected from a questionnaire survey and an empirical study is conducted by using SEM to test the hypotheses, as well as the structural relationships among these factors. The results of the empirical study confirmed that service quality can be conceptualized as functional service quality, technical service quality, comfort and cleanness, and service planning and reliability. And it has positive effect on reuse intention by enhancing customer satisfaction, as customer satisfaction has intermediary effect on passengers' repurchase intention. This study contributes to transport agencies for analyzing the relationship between service quality attributes and passengers' reuse intention for improving the supplied service, increasing the ridership, and implementing the sustainable transport policy.

Khan Talha & Jadoun R S (2015) conducted a study titled 'Evaluation of Service Quality in Two Wheeler Automobile Industries Using Servqual Model' and studied the gap between customer expectations and perceptions in Hero, Bajaj and Honda two wheeler automobile service industries using the SERVQUAL model with the objective of determining how satisfied the customers were with the services being provided by these automobile industries. For this, the data was collected in three major cities of Uttar Pradesh, by means of structured questionnaire from users of Hero, Bajaj and Honda two wheeler automobile service industries. The cities included in the study are Lucknow, Moradabad and Noida. In total 50 respondents each from Hero, Bajaj and Honda users were selected for the study. The data was analysed using SPSS 16 and paired t-test was performed for testing to draw a final conclusion. Finally it was concluded that the overall service quality for Hero and Honda two wheeler automobile service industries was

found below the expectation of the users and it was near to the expectation of users in case of Bajaj two wheeler automobile service industry.

Sumaedi Sik & Yarmen Medi (2015) proposed a service quality model in a study, 'Measuring Perceived Service Quality of Fast Food Restaurant in Islamic Country: a Conceptual Framework' that was specifically designed for measuring perceived service quality of fast food restaurant in Islamic Country. The collection of empirical data was done through survey using an instrument of questionnaire. The respondents of survey were 200 Muslims customers of fast food restaurant. The goodness of fit of the model and construct validity testing was performed by using SEM (Structural Equation Modeling). The proposed fast food restaurant service quality model consisted of eight dimensions. More specifically, the proposed service quality model had three outcome quality dimensions, which consisted of two general service quality dimensions (waiting time, food quality) and one Islamic service quality dimension (Halal food). The proposed model also had two environment quality dimensions, which included one general service quality dimension (general physical environment) and one Islamic service quality dimensions (Islamic physical environment). Furthermore, the proposed model involved three interaction quality dimensions, which included two general service quality dimensions (personnel, process) and one Islamic service quality dimension (Islamic related expertise).

Tazreen Sabrina (2012) demonstrated in a study titled 'An Empirical Study of Servqual as a Tool for Service Quality Measurement' the service quality provided by a particular commercial bank for measuring service quality in terms of the differences between the customer expectations and their perceptions regarding the service consumed using SERVQUAL model. The research sample consists of 40 customers of different branches of Bank X. For the analysis of the collected data a primary or rough analysis was conducted to validate the questionnaire for gathering the adequate information. The filled up questionnaires were scanned to discard unwanted or insincere responses. The data analysis was conducted using SPSS. The study came to a conclusion that highest gap scores were for responsiveness & the rest four dimensions showed comparatively smaller gap that represented lesser customer dissatisfaction regarding the services.

Tsitsiloni Marianna et al. (2012) conducted a study 'Service Quality Evaluation in the Tourism Industry: A SWOT Analysis Approach' to identify the satisfaction of tourists & identify

the strong and the weak points of the tourism services offered in an Aegean island. The sample consisted of 1026 questionnaires that were distributed to Greek and foreign tourists during their departure from the island (harbor and airport). The questionnaires were collected through personal interviews during summer 2009. Besides descriptive statistical techniques, the analysis of the collected data is based on the multicriteria method MUSA (Multicriteria Satisfaction Analysis). The analytical results revealed that the main strong points of the offered tourist product referred to the fame and the natural beauties of the island, as well as the high level of expenses. On the other hand, the most important weak points concerned the small duration of stay, as well as the low level of satisfaction in specific service quality criteria (local transports, information, and environment).

Urs Vijaykanth et al. (2014) conducted a study, 'Service Quality Gap Analysis between Personal and Fleet Users in Four Wheeler Car Service Centre across Karnataka Automotive Industries' to study the gap between expected and perceived quality through SERVQUAL method to know the current situation of automobile service in Karnataka. This research had used questionnaire as the most common instrument to collect primary data. Thus, the data was collected from Fleet and personal vehicle owners through questionnaire. In the questionnaire Likert 7 point scale was used for collecting opinion of respondents for the factors of service quality. Users of TATA Fleet and personal vehicle (Four wheeler) in Major cities across Karnataka were considered as the population & data were collected from 25 respondents from owners of the Fleet vehicles and 25 from owners of personal Vehicles across 5 cities. After the study it was concluded that there was considerable gap found in Expected and Perceived quality for the factors like Reliability, Responsiveness and Empathy.

Munusamy Jayaraman et al. (2010) conducted a research titled 'Service Quality Delivery and Its Impact on Customer Satisfaction in the Banking Sector in Malaysia' that focused on the measurement of customer satisfaction through delivery of service quality in the banking sector in Malaysia using the SERVQUAL model. The methodology employed in obtaining information about customer satisfaction in banking via a survey conducted at a sample of the general consumer population. The survey questionnaire was design and distributed to target respondent randomly. Targeted respondents were the general public who were at the legal age to hold a Savings and/or Current Account in any of the retail banks in Malaysia. The survey questionnaires were conducted via face to face interviews plus through other avenues such as; email and fax, so as to ensure that the survey encompasses a broader geographical area. The data were collected from 117

respondents. All data collected were fed into the Statistical Package for the Social Sciences (SPSS) and Microsoft Excel for analysis. The study claimed that Assurance has positive relationship but it has no significant effect on customer satisfaction, Reliability has negative relationship but it has no significant effect on customer satisfaction, Tangibles have positive relationship and have significant impact on customer satisfaction, Empathy has positive relationship but it has no significant effect on customer satisfaction, Responsiveness has positive relationship but no significant impact on customer satisfaction.

Theoretical Framework

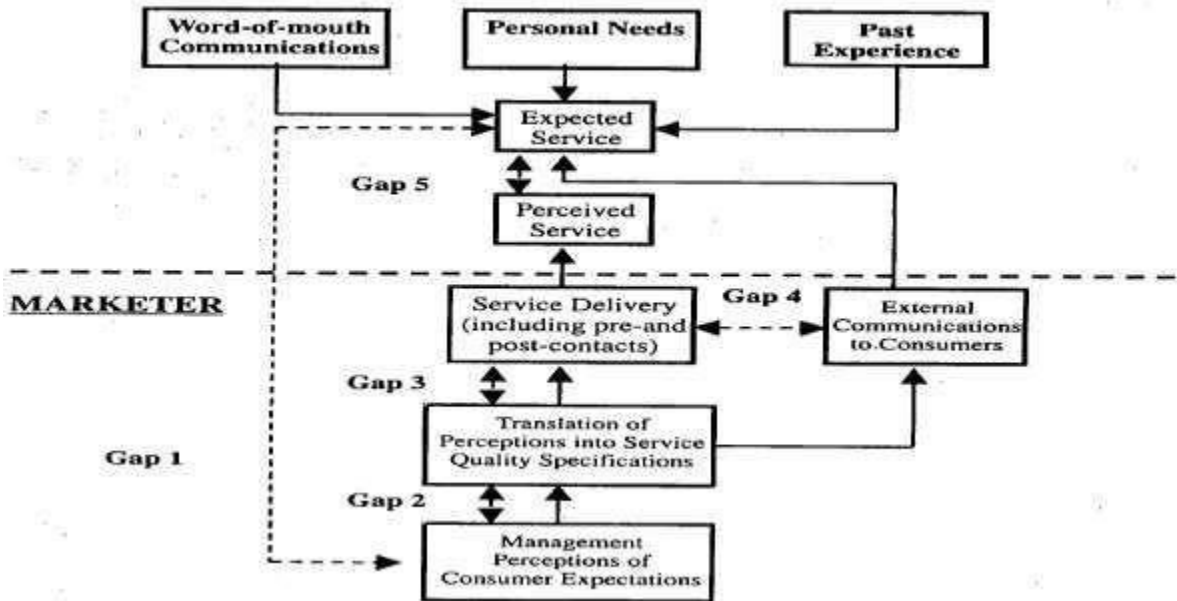
Service is a patch up activity to fulfill some one's need in the market. Service is something, which can be experienced but cannot be touched or seen. Services offered by service providers cannot be seen & touched, as they are intangible activities. Parasuraman et al (1985) defined service quality as the discrepancy between consumers' perceptions of services offered by a particular industry and their expectations about industries offering such services. If perception of service is below the expectation of service then customers judges quality as low and if perception of service is equal or above the expectation of service then customers judges quality as high. Parasuraman et al. (1985) analyzed the dimensions of service quality and constituted a GAP model that provides an important framework for defining and measuring service quality.

The study made use of the following framework

GAP MODEL OF SERVICE QUALITY

Chart No: 1: Gap model of service quality evaluation

CONSUMER



- Source: Christopher Love Lock

Gaps in the model:

- Gap 1: Customer Expectations - Management Perceptions Gap
- Gap 2: Management Perceptions - Service Quality Specifications Gap
- Gap 3: Service Quality Specifications - Service Delivery Gap
- Gap 4: Service Delivery - External Communications Gap
- Gap 5: Expected Service - Perceived Service Gap (or the Service Performance Gap)

RESEARCH METHODOLOGY

- **Type of research:** Descriptive research
- **Population:** The population considered for the study was the customers of Amana Toyota who visited the dealer for vehicle servicing.
- **Sampling method:** Convenient sampling was used for selecting the respondents.
- **Sample size:** The sample size includes 130 customers.
- **Method of data collection:** Data were collected by means of a structured questionnaire.
- **Questionnaire:** The questionnaire contained 5 demographic questions, 20 questions related to service quality (19 questions from the 22 structured questions of SERVQUAL model)

and also adding 1 other question (parking area) appropriate for the context) & 1 question to check the overall service quality.

▪ **Data Source:**

❖ Primary data: The data were collected from employees and customers through structured questionnaires & interviews.

❖ Secondary data: The data were collected from various sources like:

- Company website
- Other internet sites
- Materials like employee handbook, brochures etc.
- Existing published papers

▪ **Statistical Tools Used:**

- Reliability Test
- Percentage Analysis
- Determination of SERVQUAL Score: SERVQUAL score can be calculated using the GAP 5 of the SERVQUAL model. The score is determined as the difference between the Mean Perception Score & Mean Expectation Score. Assuming an overall mean expectation level to be (3.00) meaning the customers expect a reasonable service from all attribute indicating their importance. Any mean service attribute value below 3.00 (hypothesized mean) means poor service quality. This is also indicated by negative gap score. Mean service attribute score above 3.00 means good service quality. This is also indicated by positive gap score.

SERVQUAL Score = Perception Mean Score- Expectation Mean Score

- Paired sample t test
- Chi square test

Findings & Discussion

GAP score of all the tangible dimensions are positive i.e. 1.57 for visually appealing physical facilities, 1.60 for well-dressed and neat appearing reception desk staff, 1.75 for visually appealing materials, 1.56 for parking area, 1.41 for convenient opening hours. Service quality in terms of tangible dimensions is at a good level at Amana Toyota. This result means that the company's facilities are visually appealing and the company sufficient parking area neatly dressed

staff etc. All the reliability dimensions have positive GAP score which indicates that Amana Toyota as it was able to provide a good level of service quality in terms of servicing without delay, providing error free service etc. to its customers. By analyzing the data it is seen that responsiveness dimensions have a positive GAP score which indicates that Amana Toyota provides good quality service to customers through various responsive actions such as informing customers exactly when service will be performed, having the willingness to help customers etc. Assurance dimensions also have a positive GAP score of 1.58 which indicates that Amana

Toyota is able to assure the customers regarding the quality of service provided at the dealership. All the empathy dimensions have positive score and thus Amana Toyota provides good quality service to the customers. From the analysis it can be interpreted the empathy dimension have a positive GAP score which indicates that that service staff provides empathetically good consideration to the customers.

TESTING OF THE HYPOTHESIS USING PAIRED T TEST:

Paired t-test was performed for testing to draw a final conclusion about the gap between the customers' expectation and perception about the service quality of Amana Toyota, Kannur.

Hypothesis:

H₀: There is no significant difference between mean ratings between expected and perceived service quality parameters for Amana Toyota automobile users.

H₁: There is significant difference between mean ratings between expected and perceived service quality parameters for Amana Toyota automobile users.

For the hypothesis of the study below, hypothesis test is used at 95% confidence interval.

Table No: 2 Result of T TEST

Expected mean	Perceived mean	df	t	Sig. (2-tailed)
3.00	4.220	16	16.662	0.0000726212

Interpretation:

T=16.662

Significance value= 0.0000726212 Since significance (sig.) in hypothesis is less than 0.05 therefore, this hypothesis H₁ is approved.

Inference:

From the analysis the researcher infers that there is significant difference between mean ratings between expected and perceived service quality parameters for Amana Toyota automobile users and the mean difference is 1.220.

CHI SQUARE TEST

HYPOTHESIS

H₀: There is no significant relationship between type of vehicle usage & satisfaction level of service quality

H₁: There is significant relationship between type of vehicle usage & satisfaction level of service quality

Table No: 2 Cross tabulation of type of user & overall satisfaction

		OVERALL SATISFACTION					TOTAL
		POOR	FAIR	AVERAGE	GOOD	EXCELLENT	
USAGE	PRIVATE	2	9	16	30	46	103
	TAXI	2	4	2	12	7	27
TOTAL		4	13	18	42	53	130

Table No: 3 Result of Pearson Chi-Square between types of user & overall satisfaction

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	7.282611	4	0.121686

Interpretation:

Pearson Chi-Square value = 7.282611 df

= 4

Significance value = 0.121686

Since significance value obtained is greater than test significance value (0.05), null hypothesis is accepted.

Inference:

There is no significant relationship between type of vehicle usage & satisfaction level of service quality

SUGGESTIONS

From the analysis it can be inferred that customers are highly satisfied with many of the service quality dimension available at Amana Toyota, Kannur. A few suggestions that the researcher would like to recommend the dealership are:

- Respondents are of the opinion that there occurs delay in servicing the vehicles. So it would be better to make changes in the servicing schedule, so as to improve the utilization of time and help customers to reduce waiting time.□
- Respondents also want to have a personal attention to them. So the researcher suggests that the service staff be given certain training in improving interpersonal relations.□
- Some respondents were also to the opinion that there occurred similar problem in their vehicle even after servicing, so the researcher suggests providing prompt & accurate service at the first time.□
- Technology is advancing day by day. So to cope up with the competition the researcher would suggest Amana Toyota to develop a mobile application for service booking and other facilities.□

CONCLUSION

The Study on Service Quality with special reference to Amana Toyota, Kannur provides very good after sales service to its customers by individually giving attention to their problem, maintain good relations with the customers through their tele-callers, provides prompt information to their customers regarding when to service, and solving the customers issue as soon as needed. The service quality is also improved through their hi – tech machineries and software which helps in reducing human effort in servicing the vehicles.

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