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# Demystifying Customer Satisfaction Towards An Authorised Automobile Service Centre

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ABSTRACT

*Understanding and sustaining customer satisfaction is vital and challenging specifically in the automobile service industry. Therefore, the present study aims to identify factors influencing customer satisfaction towards the automobile service center. SERVQUAL instrument was adapted and more than 380 questionnaires were distributed to the respondents who had experience visiting the automobile service center in the northern region of Malaysia. The result of the study showed there is a significant relationship between service quality and customer satisfaction where it has explained about 48% of the variation in customer satisfaction. Empathy, reliability, responsiveness, and assurance were found to be important factors in influencing customer satisfaction.*

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## 1. Introduction

Customer satisfaction is a part of the customer's experience that depiction a service provider or supplier's behavior that they are able to achieve or not a customer's expectation. In a historical advent of 'customer satisfaction', it has been prevalent in the study of marketing since the 1950s, and until today it is still a significant and relevant topic for practitioners and academicians in the marketing area. Satisfied customers with the product or service provided were typically used to retain customer loyalty to the brand and maintain their relationship with the company for a longer period (Rizwan, 2014). In fact, due to stiff competition in the industry, creating customer values and empowering consumer loyalty programs has proven to increase consumer satisfaction (Rizwan, 2014). Given the dramatic growth in the services sector, the footprints of automobile repair services are changing accordingly. Izogo (2013) argued that the demand for automobile repair services has increased whilst there has been a shift from manual to automatic transmission vehicles with more complex systems due to technology changes. Etemad-Sajadi and Rizzuto (2013) stated that service quality improvements are the key to competitive success. The understanding and determining factors that influence customer satisfaction are vital to improve customer's experience and satisfaction towards the automobile service center. However, it is a challenging task to sustain customer satisfaction.

Thus, this research aimed to look into the factors that influence customer satisfaction. The objective could be met by finding the answer to the following question;

RQ1: What are the factors that influence customer's satisfaction towards an authorized auto mobile service center?

## 2. Literature Review

In understanding the concept of satisfaction, it can be defined as a gap between expectations and performance of dis-confirmation of expectation. An attitude based conceptualization would debate for either an important evaluation of performance on specific service attributes (Cronin and Taylor, 1992). The rule of service quality in tersm of five dimensions which are empathy, tangible, responsiveness, reliability and assurance taking an important rule to achieve customer satisfaction. Mostly, customer evaluation and satisfaction are based on the element of SERVQUAL to lower the gap between expectation and performance.

According to Parasuraman, Zeithaml, Berry (1988), among the five dimensions of SERVQUAL, empathy is caring individual attention the firm provides its customers. Tangible is physical facilities, equipment, and staff appearance. Responsiveness is a willingness to help customers and provide prompt service. Reliability is the ability to perform the promised service dependably and accurately. While assurance is knowledge and courtesy of employees and their ability to inspire trust and confidence.

Researches have established service quality as an important determinant of customer satisfaction which in turn influences customers' loyalty (Headley and Miller, 1993; Spreng, Mackenzie and Olshavsky, 1996; Hossain and Leo, 2009; Ilias and Panagiotis, 2010; Kuo,Chang, Cheng and Lai, 2011). According to Taap, Chong, Kumar and Fong (2011), organizations have shifted attention to the importance of maintaining competitiveness by means of measuring their service quality from the eyes of customers through initiating major service quality change programmes. The quality change programme is needed due to poor service quality which has leads to higher costs of acquiring customers to replace those who have been lost.

According to Eshghi, Roy and Ganguli (2008), service quality and customer satisfaction become the main reason to improve the overall performance of organizations because of receiving great attention from both scholars and practitioners because of their relevancy and relationship. Empathy is what a company able to deal with the customer in a caring manner and patience. Yet, service provider able to recognize the mistakes when the fault is happening. The purpose is to show the customer their honesty and politeness to respond to customer inquiries. Tangibility is about service quality used to provide customers which invisible and can be judge such as has enough parking space for customers,  provides an environment free from danger, use the latest machine or equipment and professional working environment to increase the confidence of customer towards the company. Service quality in terms of responsiveness can provide the service promptly and respond to customer requests immediately. Furthermore, reliability is a customer who can believe and reliable to the company.

Lastly, several studies that focused on quality and satisfaction but different views from researchers in term of relationship. According to McDougall & Levesque (2000), some of the researchers think is quality leads to satisfaction. While others support that satisfaction leads to quality

(Cronin and Taylor,1992). According to Shahin (2015), using SERVQUAL model because it helps to understand customer's expectation of service as well as perceptions and aspect of the service which is the best way to measure service quality in the service sector.

Based on the discussion, the following hypothesis was developed:

Hypothesis 1: Empathy positively influence customer satisfaction in an automobile service center.
Hypothesis 2: Tangible positively influence customer satisfaction in an automobile service center.
Hypothesis 3: Responsiveness positively influence customer satisfaction in an automobile service center.
Hypothesis 4: Reliability positively influence customer satisfaction in an automobile service center.
Hypothesis 5: Assurance positively influence customer satisfaction in an automobile service center.

## 3. Estimation Method

This study collected data from a randomly generated sample of customers of automotive repair services located in Penang. This is due to the fact that it has the highest concentration of automotive repair services customers in the northern region of Malaysia.  A total number of 387 questionnaires were distributed all of the 387 were returned and usable; thus making the rate of response 100%. In this research paper, there are 37 questions altogether being used to determine the student's demographic profile, empathy, tangibles, responsiveness, reliability, quality assurance, and customer satisfaction. There are two sections in each set of questionnaire that has been distributed to the target population. The sections of the questionnaires were: section A: Demographics, section B: empathy, tangibles, responsiveness, reliability, quality assurance, and customer satisfaction. Respondents are given 7 options to answer in Likert scale which is Scale point "7"indicated "Strongly Agree", point "6" indicated "Agree", point "5" indicated "Slightly Agree", point "4" indicated "Neither Disagree nor Agree", point "3" indicated "Slightly Disagree", point "2" indicated"Disagree" and point "1" for "Strongly Disagree. The questionnaires were randomly distributed in three major automobile service centers each in Kedah, Penang, and Perlis. The constructs were adopted from the questionnaires of the previous studies before they modified to fit in the current study.

## 4. Results and Discussion

### *4.1 Reliability Test*

Reliability analysis is a test developed to provide a measure of the internal consistency of a test or scale. To test the internal consistency reliability of the scales, any Alpha value that is 0.6 or less generally indicates unsatisfactory internal consistency reliability, those exceeding 0.7, indicate acceptable reliability, and those over 0.80 are considered good. Based on Table 1.0, the internal consistency of the data is within the range of 0.80 to 0.90; therefore all scales exceeded the minimum standard for reliability. Tangible construct demonstrated the highest value which is 0.906, followed by empathy 0.872, satisfaction, 0.862, reliability 0.856, assurance 0.85 and responsiveness 0.807.

Table 1.0: Reliability Test

| Variables | Cronbach's Alpha | No of Items |
|---|---|---|
| Empathy | .872 | 6 |
| Tangible | .906 | 4 |
| Responsiveness | .807 | 4 |
| Reliability | .856 | 4 |
| Assurance | .850 | 4 |
| Satisfaction | .862 | 4 |

### *4.2. Respondents' Demographic Background*

Table 2 summarizes the frequency scores of respondents' demographic variables. There were 203 male respondents and 184 female respondents answered the questionnaire, with 52.7% of them aged between 18-30 years old, 34.9% of respondents aged between 31-42 years old, 11.1% aged between 43-54 years old and 1.3% aged between 55 years old and above. Based on the assessment, 35.1% of the respondents are Malay, 54.3% of the respondents are Chinese, 9.8% of respondents are Indian and 0.8% of respondents are others. Thus, reflects the religion's group by more than 50% of respondents are Buddha, 35.1% are Muslims, 9.8% are Hindus and 3.9% are others. A summary of the demographic characteristics of the study sample is presented in Table 2.0. Many of the respondents were least graduated with Bachelor's Degree (89%) and majority earned below RM3000 (49.9%), 38.2% earned between RM3001 to RM5000, 10.1% earned between RM 5001-RM7000 and 1.8% earned more than RM7001 and above.

Table 2: Respondents Demographic Background

| ***PROFILE*** | | ***FREQUENCY*** | ***(%)*** |
|---|---|---|---|
| *Gender* | Male | 203 | 52.5 |
| | Female | 184 | 47.5 |
| | | | |
| *Age* | 18-30 | 204 | 52.7 |
| | 31-42 | 135 | 34.9 |
| | 43-54 | 43 | 11.1 |
| | 55 & above | 5 | 1.3 |
| | | | |
| *Race* | Malay | 136 | 35.1 |
| | Chinese | 210 | 54.3 |
| | Indian | 38 | 9.8 |
| | Others | 3 | 0.8 |
| | | | |
| *Religion* | Islam | 136 | 35.1 |
| | Buddha | 198 | 51.2 |
| | Hindu | 38 | 9.8 |
| | Others | 15 | 3.9 |
| | | | |
| *Education Level* | SPM | 37 | 9.6 |
| | STPM/ Diploma | 45 | 11.6 |
| | Degree | 261 | 67.4 |
| | Master's Degree | 37 | 9.6 |
| | PhD | 7 | 1.8 |
| | | | |
| *Occupation* | Government Sector | 84 | 21.7 |
| | Private Sector | 250 | 64.6 |
| | Self-employment | 53 | 13.7 |
| | | | |
| *Income (monthly)* | Below RM3000 | 193 | 49.9 |
| | RM3001-RM5000 | 148 | 38.2 |
| | RM5001-RM7000 | 39 | 10.1 |
| | RM7001 and above | 7 | 1.8 |

### *4.3 The findings: Multiple Regression Analysis*

Regression analysis is a powerful and flexible procedure for analyzing associative relationships between a metric-dependent variable and one or more metric-independent variables (Malhotra, 2006). Based on the results, the output indicates that 48% of the variance in customer satisfaction can be predicted from the five independent variables. Not to mention, the results also show empathy (beta=0.34, p<0.01, reliability (beta=0.20, p<0.01), assurance (beta=0.23, p<0.01) significantly influenced customer satisfaction except tangible (beta=0.07, p>0.01) and responsiveness (beta=0.06, p>0.01). Therefore, only three hypotheses are accepted. It could be concluded that empathy, reliability and assurance dimension has affected customer satisfaction towards the automobile customer service center.

The results were consistent with Sheahan (2017), as reliable customer service will hook customers and keep them returning for more businesses. The assurance of the service center to the customer is a customer can trust the excellent of the staff and feel safe when making a transaction with the automobile center. Assurance can help to increase the business opportunity in which customers willing to make purchases or deal. Surprisingly other factors such as tangibility and responsiveness were not significantly affected customer satisfaction towards the automobile service center. Tangibility is related to the customer experience with service providers and the convenient of the automobile center provide to the customer. A good quality automobile center, for example, should provide enough parking spaces for the customer, an environment free from danger, modern equipment in repairing the car to make sure the car is under the good and safe condition and the staff of service center should appear as professional apprentices in their place of work. Remarkably, in the context of this study, a tangible factor will not affect customer satisfaction. Then, another variable that affects customer satisfaction is responsiveness. Responsiveness is the staffs of service center have to serve the customer promptly and can keep update customer about the car condition and informed them the performance of the car. The staff of the service center has the responsibility to tell or inform and customers have their right to know about their car's condition. The more you engage with customers, the clearer things become and the easier it is to determine what you should be doing. Lack of responsiveness is possibly one of the major reasons that customers leave a company, which in turn weakens and ultimately destroys a business (Newman, 2016). However, in this study, responsiveness is not one of the factors that influence customer satisfaction.

## 5. Conclusion

The outcome from the study suggests that the dimensional structure of the SERVQUAL scale within the automobile services sector does not match the results previously reported in the literature by the originators of the SERVQUAL scale and the variations in the results of past research findings shows a clear indication that the determinants might have different results varies across services sectors as reported in literature. As such, the SERVQUAL scale should receive more rigorous research contexts. Thus, for further research, it is appropriate to choose important dimensions of this model that fit that particular service being measured to assure reliable and valid results.

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