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Dr. R. Shanthi, Research Supervisor, Department of Management, Kaamadhenu Arts and Science College, Erode, Tamilnadu
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Dr.V.Sudha, Assistant Professor, School of management, Nehru Arts and Science College, Coimbatore, Tamilnadu, India. Ms. Pavithra Gopinath, Assistant Professor, School of management, Nehru Arts and Science College, Coimbatore, Tamilnadu, India.

EVALUATING THE ROLE OF SERVICE QUALITY IN DRIVING CUSTOMER SATISFACTION AND LOYALTY IN AUTOMOBILE REPAIR SERVICES

Dr. R.Santhi, Research Supervisor, Department of Management, Kaamadhenu Arts and Science College, Erode, Tamilnadu, India

Ms. S P Ananthavalli, PhD Scholar, Department of Management, Kaamadhenu Arts and Science College, Erode, Tamilnadu, India

Abstract

Service quality is a crucial determinant of customer satisfaction and loyalty in the context of automobile repair services. This study investigates the impact of service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibles on customer satisfaction and loyalty. Conducted in Coimbatore, a dynamic urban center known for its thriving automobile industry, the research employs a quantitative approach with surveys distributed to customers of automobile repair services. Multiple regression analysis was utilized to assess the relationships among variables. The findings reveal a significant positive relationship between service quality and customer satisfaction, with customer satisfaction serving as a mediator for loyalty. Among the service quality dimensions, assurance and reliability emerged as the most influential factors. The study highlights the critical importance of consistently delivering high-quality services to retain customers and sustain business growth. These insights are particularly relevant for service providers in competitive urban markets such as Coimbatore.

Keywords

Service quality, customer satisfaction, customer loyalty, automobile repair services, SERVQUAL model

Introduction

The automobile repair industry is a vital sector within the service economy, playing a critical role in maintaining the functionality and longevity of vehicles. As urbanization and vehicle ownership continue to grow, the demand for reliable and efficient automobile repair services has escalated. In this competitive landscape, service providers face increasing pressure to deliver superior service quality to attract and retain customers. Service quality has emerged as a pivotal factor influencing customer satisfaction and loyalty, which are essential for the long-term sustainability and profitability of businesses in this sector.

This study seeks to explore the intricate relationships between service quality, customer satisfaction, and loyalty in the automobile repair industry. By focusing on the SERVQUAL dimensions reliability, responsiveness, assurance, empathy, and tangibles it aims to provide actionable insights into how service providers can enhance their offerings to meet customer expectations. Understanding these dynamics is especially important in urban centers like Coimbatore, where the study is conducted. Coimbatore, often referred to as the "Manchester of South India," is one of the fastest-growing urban centers in Tamil Nadu. Known for its thriving textile, engineering, and automotive industries, the city has a vibrant economy that fosters a strong demand for automobile repair and maintenance services. Coimbatore is home to a diverse population of vehicle owners, ranging from private car users to commercial fleet operators, making it an ideal location for studying customer behavior and service quality in the automobile repair sector. The city's well-developed infrastructure and growing middle class further contribute to the need for high-quality and reliable service providers. By examining the unique context of Coimbatore, this study adds regional relevance to the broader discussion of service quality and customer satisfaction in the automobile repair industry.

Statement of the Problem

Despite the evident importance of service quality in fostering customer satisfaction and loyalty, many automobile repair service providers face significant challenges in meeting and exceeding customer expectations. Common issues such as delays, lack of transparency, inconsistent service quality, and inadequate customer engagement lead to dissatisfaction and eventual attrition. Negative experiences can further propagate through word-of-mouth, tarnishing the reputation of the service providers and impacting their ability to attract new customers.

Moreover, the evolving customer base, characterized by increased technological awareness and higher expectations, presents additional complexities for service providers. Customers today demand not only technical expertise but also personalized, efficient, and transparent services that reflect value for their time and money. These challenges underscore a critical research gap: understanding how specific dimensions of service quality influence customer satisfaction and loyalty within the automobile repair sector.By addressing these issues, this study aims to provide empirical evidence and actionable recommendations to help automobile repair businesses improve their service quality, enhance customer satisfaction, and build lasting loyalty. The research problem can therefore be encapsulated as: How does service quality influence customer satisfaction and loyalty in automobile repair services?

Objectives

1. To evaluate the impact of service quality dimensions (reliability, responsiveness, assurance, empathy, and tangibles) on customer satisfaction in the automobile repair industry.
2. To analyze the influence of customer satisfaction on loyalty within the context of service quality in the automobile repair sector.

Review of Literature

The concept of service quality has been extensively studied in various industries, with the SERVQUAL model by Parasuraman, Zeithaml, and Berry serving as a widely accepted framework. This model identifies five dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibles. Numerous studies have demonstrated that these dimensions significantly influence customer satisfaction and loyalty. For instance, Cronin and Taylor (1992) argued that customer satisfaction acts as a mediator between service quality and behavioral intentions such as loyalty.

In the context of automobile repair services, factors such as technical competence, timely delivery, and clear communication have been identified as critical determinants of service quality. Studies by Zeithaml et al. (1996) and Grönroos (1984) emphasize the importance of perceived value and functional quality in shaping customer perceptions. Furthermore, Bitner et al. (1990) highlighted the role of employee behavior in creating positive customer experiences.

Recent research by Smith and Brown (2020) explores the impact of digitalization on service quality in the automobile repair sector. Technologies such as automated appointment scheduling and real-time service updates enhance transparency and efficiency, thereby improving customer satisfaction and trust.

Research Methodology

This study adopts a quantitative research design. Structured questionnaires were distributed to 300 customers of automobile repair services in urban areas, specifically focusing on Coimbatore. The questionnaire was designed based on the SERVQUAL model, measuring customer perceptions of service quality, satisfaction, and loyalty. Data analysis was conducted using regression analysis and structural equation modeling (SEM) to test the hypothesized relationships.

Prominent automobile service providers such as TVS Service Center, Bosch Car Service, Honda Two-Wheeler Authorized Service, Mahindra First Choice, Maruti Suzuki Service Centers, and Hyundai Service Centers were included in the sample. The inclusion of both authorized and non-authorized service providers ensured a comprehensive analysis of the sector. This approach enabled a detailed examination of how service quality dimensions impact customer satisfaction and loyalty across different types of service facilities.

Table 1: Demographic Analysis

Demographic Variable	Categories	Percentage (%)
Gender	Male	59.8
	Female	40.2
Age Group	18-30	35.4
	31-50	49.6
	51+	15.0
Education Level	Illiterate	0
	High School	39.7
	Graduate	60.3
Frequency of Service Use	Monthly	20.3
	Quarterly	50.2
	Rare	29.5
Service Provider Location	Coimbatore city	70.4
	Coimbatore outer	29.6
Vehicle Type Serviced	Two-Wheeler	45.3
	Four-Wheeler	54.7
Service Provider	Authorized	65.0
	Non-Authorized	35.0

Interpretation of the Demographic Table

The demographic data reveals insightful trends regarding the customer base of automobile repair services. The majority of respondents were male (59.8%), with a significant proportion falling within the 31-50 age group (49.6%), indicating that middle-aged customers are the primary users of these services. Educationally, a larger segment (60.3%) comprised graduates, suggesting that educated individuals form a key demographic for automobile service providers. Service frequency data shows that most customers (50.2%) seek services quarterly, highlighting periodic maintenance as a primary driver of demand. The study predominantly focused on Coimbatore, where 70.4% of respondents were located.

In terms of vehicle type, four-wheelers slightly outnumbered two-wheelers at 54.7%. Additionally, authorized service providers catered to a larger share of the market (65%), reflecting customer preference for branded or trusted service facilities. These insights help contextualize the study's focus on service quality in relation to customer satisfaction and loyalty.

Statistical Tool Used

Multiple regression analysis was used to test the relationships between service quality dimensions, customer satisfaction, and customer loyalty. This statistical method is suitable for examining the influence of multiple independent variables on a dependent variable.

Results and Discussion

Table 2: Coefficients

Relationship Tested	Coefficient (β)	Significance (p-value)
Reliability $\rightarrow$ Satisfaction	0.42	< 0.001
Responsiveness $\rightarrow$ Satisfaction	0.38	< 0.001
Assurance $\rightarrow$ Satisfaction	0.48	< 0.001
Tangibles $\rightarrow$ Satisfaction	0.29	< 0.001
Satisfaction $\rightarrow$ Loyalty	0.60	< 0.001

The analysis revealed that all five dimensions of service quality significantly influence customer satisfaction. Among these, assurance and reliability had the strongest impact. Tangibles, though significant, had a relatively lower effect. Customer satisfaction was shown to strongly influence customer loyalty, indicating its mediating role.

The findings highlight the importance of delivering consistent and reliable services, as well as maintaining a professional and appealing service environment. These elements contribute to enhanced customer perceptions of service quality and foster loyalty.

Conclusion

This study confirms that service quality is a critical determinant of customer satisfaction and loyalty in the automobile repair industry. Service providers must prioritize improvements across all dimensions of service quality to meet and exceed customer expectations. By focusing on reliability, responsiveness, assurance, empathy, and tangibles, businesses can enhance customer satisfaction, foster loyalty, and achieve long-term success. Future research could explore the role of technological advancements in improving service quality and customer experiences.

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