

AFTER SALES SERVICE FOR HONDA MOTORS

– AN EVALUATIVE STUDY

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ABSTRACT

In this study the main aim of the author is to know the perception of the customers towards the service quality provided by the Honda automobiles. Here the scholar aimed to explain the role of after-sales service on customer satisfaction. Much number of questions relating to the service quality was posed to the customers and obtained valuable information. More customer satisfaction can fetch future referral sales to the organization. Honda Company is providing considerable quality of service to the customers. Most of the respondents are satisfied with the service quality, knowledge of the service personnel, delivery time and prices for services and finally delivery time of the vehicle. Sign boards, infrastructure and availability of spare parts are very convenient in Honda Automobiles.

Keywords: *Customer satisfaction, customer rating on services quality, delivery time, knowledge about service, service communication, word of mouth*

Introduction:

The success of the organization, in this competitive environment is based on the role of services provided by the company and its quality. It is important now to protect the customer satisfaction by providing good qualitative services. Consumer expectations towards the service quality also hiked due to improvement in service quality, completion prevailed in the market. Companies are paying attention and making strategies to provide customer satisfaction through their qualitative services.¹

Indeed, the concept of “service Quality” can be used by all sectors, since practically everywhere, the total product offering is a mixture comprised of tangible and intangible part (Shostack, 1977). This also emerges in automobile industry. After-sales service is more important than the product or services taken from the organization. It works as a key revenue generator in certain industries (Cohen et al., 2006; Cohen and Whang, 1997). So, higher the quality of after-sales services, the profitability of the firm also more. Long-term relationship and life time value to the customer is new marketing trends (Gupta and Lehmann, 2007). Service quality plays a pivotal role in obtaining competitive advantage to the organization. Gronroos (1978, 1982) recognized the importance of valid and imperative service quality first in the area of marketing. Parasuraman et.al (1980) determined first the service

quality measurement model (SERVQUAL). 1994 Rust and Liver opinioned that there are three broad dimensions in service quality those are: personnel related, the tangible offering related and the service scope related. Here after sales service means most of the times technical services and their quality. A satisfied customer can become as a brand ambassador for the organization and provides more number of references and through Word of Mouth (WOM) they promote the existing business.

Alireza Fazlzadeh et.al.” How after-sales service quality dimensions affect customer satisfaction”, African Journal of Business Management Vol. 5 (17), pp. 7658-7664, Sep 2011.

Need for the Study:

The study was conducted in marketing area on the topic titled “After sales services of Honda Automobiles – An Evaluative Study”. This study was extensively conducted to trace the customer satisfaction in service area. The significance of the study is to determine to what extent the customer is satisfied by “the after sales service provided by Honda Automobiles” Vijayawada, Andhra Pradesh Division and to offer various suggestions regarding the service area from the existing and non existing customers.

Review of literature:

	Author	Title of the book/Journal	Conclusion / findings and suggestions
1	Cohen, Agrawal, & Agrawal (2006)		Found that industries like automobiles, are selling more number of units per year, but their after-sales market have become four to five times larger than their original market. Customers sometimes not particular regarding product and its quality but very particular in case of after-sales service response.
2	AMR research report 1999 from Gartner		Found that industries are getting 45% of the profits from aftermarket only.
3	Herbig & Palumbo (1993)		Found that the most difficult thing in after-sales service is confronted with spare parts problem.
4 Culture wide	Wilson, Bostrom, & Lundin (1999)		They divided entire after sales services into six parts, Installation, Training, routine maintenance, Emergency repair, availability of spares and software services.
			-Japanese expect prompt service and availability of spare parts, they feel after-sales service as part of the purchase with longer warranty periods.
			- Far East customers feel after sale service as free element. - North America people pay in advance and expect good quality of service.
5	ENR 2007 an article from china heavy equipment market		Quality can be assured if the organization follow QFD – Quality Function Deployment.
	Author	Title of the book/Journal	Conclusion / findings and suggestions
6	Fisher & Schutta (2003)		They concentrated on how to reduce the customer dissatisfaction; they developed a new modified Kano Model with two axes. The horizontal axis means-to what extent the service meet customers' requirements. The vertical axis means the feeling of the customer.
7	Research and Statistics Branch – working paper 16/2009		“Impact of the Global Economic and Financial Crisis over the automotive industry in developing countries – UNIDO. Explain the state of automobile industry in this economic recession periods – with challenges, threats, opportunities and weakness.
8	Danish Ahmed and Sanatullah APJRBM VOL 1, ISSUE 3 (2010)		Easy availability of spare parts, mechanics, and parts replacement warranties and customization services generally have positive impact on customer buying behavior. They suggested that automobile industry's future based on the service quality provided by them.
9	Armistead and Clark (1990)		Studied the after-sales service strategy in relation to customer satisfaction. Strategies relating to design, production and after-sale service decide the future of the organization.
10	Ehinlanwo and Zairi (1996)		Conducted a major research on the practices of after-sales service in Ford, Toyota, Nissan and Fiat. They concluded that the service quality is the key influencer of profits, customer satisfaction and product differentiation.
11	Rosen and Surprenant (1998)		Opinioned that after-sales service is essential to have a long term relationship with the buyers. It also helps to gain competitive advantage with good communication and flexibility.
12	Saccani, Songini, and Gaidelli (2006) Italy		Conducted a study on 48 firms and found that after-sales service works to develop company image, customer satisfaction and retention.
	Author	Title of the book/Journal	Conclusion / findings and suggestions
13	Carrete Lucero et al. (2008) Mexico		They investigated the factor that influence the automobile industry, the research findings are that quality of the car, vehicle safety, maneuverability of the car, comfort are primary influencers, after sales service too effect the industry.
14	Shaharudin et.a. (2009) Malaysia		Examined the factors of after sales service, which affects customer satisfaction in the electronic market – found that delivery, installation and warranty promote customer satisfaction.
Review of literature on automobile industry			
15	Manideep Kaur & Sandhu (2006)		They found that before buying a car people give first priority for fuel efficiency, and safety & comfort as second attributes.
16	Chidambaram and Alfred (2007)		The brand name is the key decision maker as it reflects product quality, utility, technology. People generally prefer good quality, durability and reasonable price.
17	Satya Sundaram (2008)		The study revealed that to survive in the competitive world companies can introduce new models to get attention of the customers.
18	Brown et al (2010)		Made an attempt to know the opinion of the customers regarding world brands, like European, Japanese and the US cars. The study revealed that origin of the car influence more in buying decision of the customer.
19	Ye Tian (2010)		In his thesis titled” Apply Qualify Function (AQF) model in after-sales service improvements: case company x. Warranty, documentation and on line information can play an important role in customer satisfaction in after-sales services.

Objectives of the Study:

- Primary Objective of the study aimed at to analyze after sales services towards the leading motor cycles with reference to Honda.
- Secondary Objectives
- To study the after sales services provided by Honda Automobiles, Vijayawada. AP

- It examines the relationship between after sales services and its impact on satisfaction and buying behavior of the customers.
- To study the customer attitude towards Honda Automobiles, Vijayawada. AP
- To lay a conceptual framework and analysis of the study by a review of concerned literature.

Methodology:

The task of data collection begins after a research problem has been defined and a research plan chalked out. While deciding the method of data collection to be used for the study, the researcher should keep in mind two types of data.

- Primary data
- Secondary data

Primary data:

The primary data are those which are collected a fresh and or the first time, and thus happens to be original in character; the primary data in this study was collected through questionnaire method. This method of data collection is quite popular, particularly in case of big enquires.

Secondary data:

The secondary data are those which are already been collected by someone else and which have already been passed through the statistical process. Many sources were used for the collection of the data like, university library, journals, books, papers presented on conferences and extensive research done by prominent scholars.

Sampling plan:

After framing the questionnaire to the need of our information, different customers were contacted and requested to give their opinions as per the questions listed in the questionnaire. A list of 63 customers were selected on random basis.

Methods of Analsis:

This study aimed at understands how the service quality influences both customer satisfaction and how it influences the consumer to refer or recommend new customer through word of mouth. Simple table method is followed to analyze the data. The opinions of consumers regarding service have been considered while implementing the data. Statistical techniques like percentage are used in the interpretation of the data. The results are illustrated by means of various types of tables etc, also used the pie and bar diagrams for the analysis.

Data Analysis:

1. What is your rating towards the services provided by Honda Company? []

[a] Excellent [b] Good [c] Average [d] Poor.

Table No. 1

Opinion	No of respondents	Percentage
Excellent	39	62
Good	19	30
Average	4	6
Poor	1	2
Total	63	100

2. Explain the component of your vehicle [Give ranks]

Table No. 2

Variable	No of respondents			
	Rank 1	Rank 2	Rank 3	Rank 4
Pick up	36	23	4	0
Road grip	42	16	5	0
Brand image	58	5	0	0
Attractive model	46	13	4	0
Latest technology	34	24	4	1
After sales service	30	26	6	1
Availability of spare parts	35	25	3	0
Fuel economy	33	30	0	0

3. Give your opinion on quality of the service provided by the Honda Company?

Table No. 3

	opinion	Never		Often		Rare	
		No of respondents	%	No of respondents	%	No of respondents	%
Effect	Percentage of negative speaking by personnel	56	90	1	2	5	8
	Average service experience of the employees	(< 4years) 7	11	(4-8 years) 36	57	(> 8 years) 20	32
	Capacity to identify the problem.	6	9	42	67	15	24

Table No. 4

4. Opinion Of The Respondents Regarding "Prices"

	Opinion	Too high		Reasonable		Not responding	
		No of respondents	%	No of respondents	%	No of respondents	%
Prices	Prices of the spare parts	5	8	53	84	5	8
	Service charges	8	13	54	86	1	1
	Maintenance fees	2	3	59	94	2	3

5. Opinion of the Respondents Regarding “Capability of Honda”

Table No. 5

	Opinion	Sufficient		Scores		Not responding	
		No of respondents	%	No of respondents	%	No of respondents	%
Capability	Number of emergency assistant	57	91	4	6	2	3
	Number of personnel	59	94	0	0	4	6
	Number of service points	45	71	3	5	15	24

6. Opinion of the Respondents Regarding “Service Point Distance”

Table No. 6

Capability	Opinion	Comfortable		Long		Moderate	
		No of respondents	%	No of respondents	%	No of respondents	%
	Distance of the service point	53	84	3	5	7	11

7. Opinion of the Respondents Regarding “Efficiency” of Honda Service Point

Table No. 7

	Opinion	Yes		No		Not responding	
		No of respondents	%	No of respondents	%	No of respondents	%
Efficiency	Assignment completion on time	59	94	0	0	4	6
	Service warranty time	63	100	0	0	0	0
	Rare parts ordering time	54	86	4	6	5	8
	Waiting time after order service	5	8	58	92	0	0

8. Opinion of the Respondents Regarding “Availability of Materials”

Table No. 8

	Opinion	Good		Bad		Not responding	
		No of respondents	%	No of respondents	%	No of respondents	%
Materials	Using original factory spare parts	59	94	4	6	0	0
	Availability of user manual	63	100	0	0	0	0
	Availability of spare parts	62	98	0	0	1	2

9. Back ground information on service managers?

- [a] Trained [b] Advanced Training
- [c] obedient [d] negligent

Table No. 9

Back ground information on service managers	No of respondents	%
Trained	35	62
Advanced Training	4	6
obedient	21	33
negligent	3	5
Total	63	100

10. Have you faced any inconvenience by the time taken for servicing your vehicle? YES / NO

Table No.10

Inconvenience by the time taken for servicing	No of respondents	%
Yes	46	73
No	17	27
Total	63	100

11. What is the average time taken by the Honda Company?

Table No. 11

Average time taken by the Honda Company to provide service after taking complaint	No of respondents	%
One Day	42	67
2-4 days	16	25
above 4 days	5	8
Total	63	100

12. What is the behavior of the Honda employees while taking complaint []

Table No. 12

Behavior of the Honda employees while taking complaint	No of respondents	%
Positive	42	67
Negative	8	13
Reckless	7	11
negligence	6	9
Total	63	100

13. Are the workers of the service center explained the work done after servicing? YES / NO

Table No. 13

Are the workers of the service center explained the work done after servicing?	No of respondents	%
Yes	39	62
No	24	38
Total	63	100

14. Are you satisfied with the performance of your vehicle after servicing? []

Table No. 14

Satisfaction with the performance of your vehicle after servicing	No of respondents	%
Satisfied	28	45
Highly satisfied	26	41
Dissatisfied	7	11
Highly dissatisfied	2	3
Total	63	100

15. Are you satisfied with the after - sales service of Honda Company []

- [a] Good [b] Average
[c] Poor

Table No. 15

Satisfaction with the after sales service of Honda Company	No of respondents	%
Good	42	67
Average	20	32
Poor	1	1
Total	63	100

Findings and Suggestions:

- The researcher found on the basis of this study, that most of the respondents are expecting new model from Honda Company, every time they are taking having car as prestigious issue. It is evident from the above study that 60 percent of respondents are seeking for new model cars, where 40 percent of the respondents prefer famous and satisfied known models.
It is advisable to the company to capture the new market as well as old segment of the market. It is also advisable to them to spend much on R&D in order to create new models of cars and vehicles from the Honda Brand.
- From the above study it is evident that 62 percent of the employees expressed that they are fully satisfied with the services provided by the Company, so that they have given 'Excellent' rank to these services. 30 percent of the respondents given 'good' as their response to the service quality.
It is advisable to the firm under study, to conduct a survey to identify the areas in which they are facing problems and why they failed to get 100 percent satisfaction of the respondents.
- 46% of the respondents given priority for model of the car, if they satisfy with the model, immediately they buy that car. 42 percent of the respondents given priority for road grip, with that they can control the vehicle and avoid accidents. 36 percent of the respondents are preferring cars on the basis on pick-up of the car. If the pickup is low they never prefer to take car. 35 percent of the respondents given that availability of the spare parts is the main motto to prefer car.
On the basis of above analysis it is advisable to the Honda Company, that most of the people even though they are not aware of the technical specifications of the

vehicles, they are aimed at: Good Model, Road Grip, Pick-up of the car, Availability of the Car, Fuel Efficiency of the car etc., it is advisable to the Honda Company to keep in mind the expectations of the customers while designing new model vehicles.

- In case of 'Effect' of the services available in Honda Company 57% of the service staff are well trained and they are able to manage the service problems of the vehicles. 67% percent of the respondents opinioned that the technical knowledge of the staff members of the company is up to the mark and they are able to locate the service problem within the time.
However it is advisable to the Honda Company to conduct some training sessions to the staff members both in technical area and behavioral area to increase the service value and quality in delivering the service.
- The researcher found that 84% of the respondents are very much comfortable with the prices of the spare parts, and they expressed those are available at company specified rates. The service charges and maintenance charges of the Honda Company are within the purview of low income people. It is also evident that most of the customers nearly 94 percent expressed that maintenance Annual Maintenance Charges (AMC) are reasonable in Honda Company, and they are showing interest to have this AMC after the completion of the warranty period.
So, it is advisable to the Honda Company to have such kind of facilities to the customer, it is also advisable to provide second chance to have warranty period with minimum charges.
- 91 percent of the respondents opinioned that the number of service attendants was made by the Honda company employees are sufficient and they are satisfied with the services of the service point. 94 percent of the respondents expressed that the sufficient people are available in the service point to provide quick service to the customers. 71 percent of the respondents said they are very much satisfied with the availability of number of service points of Honda Company.
It is advisable to the company to maintain same tempo in making the customer as our loyal customer.
- 94 % of the respondents are very much satisfied with the service time delivery of the Honda Company, they expressed their satisfied view regarding the time log in obtaining service form the company. Most of the times all spare parts are available and respondents expressed their satisfied view in receiving rare parts within time after ordering for them. All respondents expressed regarding the service que time while obtaining the service from the Honda Company.
It is advisable to the firm not to provide any inconvenience while providing service to the custoemers.
- 100 % of the respondents said that information regarding the services, service deliver time of the vehicle is very comfortable to them. User manuals and sign boards are providing adequate information to the respondents. It is

also found that company employees always use company genuine spare parts, so for them no tension.

9. 62 percent of the respondents satisfied with the knowledge of the sales person, his mental ability, organization skills, 62% of the respondents are satisfied with the ability of the service managers.

It is also advisable to the company under study to conduct more training sessions to make more useful to the organization and to improve the service quality.

10. It is found from the above analysis that 73 % of the employees are satisfied with the delivery time taken by the Honda Company, most of the times they never make the customer to wait for the delivery of the vehicles. Most of the people expressed their opinion that they are getting back their vehicle within one day.

Any how it is advisable to the firm, to get advantage by delivering the vehicle within specified time period.

11. 67% of the customers expressed their opinion as favorable to the behavior of the service personnel at the time of taking complaint, where 13 percent of the respondents said their dissatisfaction regarding the behaviors of the staff. 11 percent of the respondents said while taking complaint service people behave with negligence.

However it is advisable to the Honda Company to provide service personnel training not only in technical aspects but also in the area of psychological behaviors.

12. 62 percent of the respondents are getting full information regarding their vehicles and the nature of service, future complaints, and spare parts used. People are also opinioned that they are getting very transparent information from the service staff from time to time.

13. 41% of the respondents are highly satisfied with their vehicles after getting proper service from the service points. Where, 45 % are satisfied with the service quality and condition of their vehicles after getting serviced.

So, it is advisable to the firm to concentrate on this aspect and to pay attention to give value added service to the customers so as to make them 100 percent satisfaction. The following graph shows the customer satisfaction after getting service from the company's service point.

14. Honda Customers are getting timely information regarding their next visit to the service point. They are very certain regarding the service needs of its vehicles.

It is advisable to the Honda Company to provide orientation programmes to their vehicle owners on service availability, proper maintenance. During rainy season, the company also conducting some free vehicle checks up camps to make the customers more knowledgeable regarding their vehicle.

It is advisable to the firm, to provide individual books like **"Know your Vehicle"**.

15. 67 percent of the respondents are satisfied with the company where 32 percent of the respondents given average rating to the Honda company. One percent of

the respondents expressed their dissatisfaction towards the service quality of the Honda Company.

It is a big challenge to the organization to get full satisfaction of the respondents in their service area. The company can train their employees to provide full qualitative service to its customers.

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