

A Study on Customer Satisfaction and Customer Loyalty in Tyre Organization

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ABSTRACT

The research titled 'A Study on Customer Satisfaction and Customer Loyalty in Tyre Organization'. The objective is to determine the factors predominantly influencing customer satisfaction. To study the demographic of the customers on purchasing tyres. Descriptive research design is used in study. Primary data is collected through questionnaire. The sample size used is 120 and is collected based on Convenience technique. Tools used for analysis are Percentage analysis, Anova one way, T-test and regression. Majority of the customer buying tyres are male, Income level is between 20,000 to 30,000. Two wheeler tyres is predominantly purchased compared to Light motor vehicle and Heavy motor vehicle. Frequency of visit of customer in the company is only sometimes. From the current study it is inferred that there is a significant difference among the age level with respect to satisfaction level of the customers. There is a significant difference among the frequency of visit to the store with respect of customer loyalty. The factors influencing Customer Satisfaction among the customers are Dealer Service and Physical Environment. There is a significant positive effect of customer satisfaction on customer loyalty.

Keywords: Customer Satisfaction, Customer Loyalty, Dealer Service, Physical Environment.

1. INTRODUCTION

Customer satisfaction is very important because intentionally or unintentionally we are customer. With the philosophy of marketing production trend to marketing trend of consumer satisfaction has been important. In marketing some question create that as a marketer we should pay attention to them and provide a reasonable answer for them. One of the following questions is:

What is the purpose of customer satisfaction?

Considering that a marketer seeking to identify the needs and demands of our customers and do the appropriate action to meet those needs and desires, should understand customer satisfaction as well. In this study, the researcher wants to explain his view according to previous studies briefly in customer satisfaction.

Concept of customer satisfaction and customer loyalty

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. It can only be attained if the customer has an overall good relationship with the supplier. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.

Customer satisfaction is a part of customer's experience that exposes a supplier's behavior on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc.

Customer loyalty tends the customer to voluntarily choose a particular product against another for his need. The loyalty may be product specific or it may be company specific. When a loyal customer has repetitive requirement of the same product, such customers may be described as being 'brand loyal'. On the other hand he may also require different products of the same manufacturer. That is to say he makes significant purchases direct from the same supplier and that counts as the company specific loyalty.

Loyalty also means that customer is sticking to the supplier on certain grounds though he may be having other options also. It may be possible that the supplier may not have the best product or the customer may be having some problems with the supplier in respect of his supply of the product but the customer likes to ignore other options and prefers to continue with the same supplier as the customer thinks the supplier provides him more value and benefit than others. Such loyal customers tend to spend more money buy more, buy longer and tell more people about the product or supplier. This type of long-term customer loyalty can only be created by making the customers feel that they are number one priority with the supplier.

Objective of the study:

To study the factors influencing level of satisfaction of Customer on tyres

- To determine the demographic profile of the customers on purchasing tyres
- To determine effect of influence of Customer satisfaction on Loyalty of Customers on Tyres.

LITERATURE REVIEW

Hallowell, Roger. (1996) presents the findings of a study performed on data from a large bank's retail-banking operations. Illustrates the association of customer satisfaction to customer loyalty, and customer loyalty to profitability, using numerous measures of satisfaction, loyalty, and profitability. An estimate of the effects of increased customer satisfaction on profitability suggests that attainable increases in satisfaction could dramatically improve profitability.

Dick, Alan S., and Kunal Basu

(1994) viewed customer loyalty as the strength of the link between an individual's relative attitude and repeat patronage. The relationship is seen as mediated by social norms and situational factors. Cognitive, affective, and conative antecedents of relative attitude are identified as contributing to loyalty, along with motivational, perceptual, and behavioral consequences. Implications for research and for the management of loyalty are derived.

Wallin Andreassen, T., & Lindestad, B. (1998) Based on theory from consumer behavior and cognitive psychology, the purpose of this paper is to discuss and test corporate image and customer satisfaction as two routes to customer loyalty. 600 individual customers categorized as having high or low service expertise of three companies within the package tour industry, a conceptual model is proposed and tested

empirically using structural equation modeling. The data used in the study are included in The Norwegian Customer Satisfaction Barometer. The paper concludes by claiming that for complex services, corporate image and customer satisfaction are not two separate routes to customer loyalty. Corporate image impacts customer loyalty directly whereas customer satisfaction does not.

Srinivasan, Srini S., et al (2002) investigated the antecedents and consequences of client loyalty in an internet business-to-consumer (B2C) context. We tend to determine eight factors (the 8Cs—customization, contact interactivity, care, community, convenience, cultivation, choice, and character) that doubtless impact e-loyalty and develop scales to live these factors. Information collected from one,211 on-line customers demonstrate that each one these factors, except convenience, impact e-loyalty. The info additionally reveal that e-loyalty has a bearing on 2 customer-related outcomes: word-of- mouth promotion and temperament to pay a lot of.

Lee, J., &Feick, L. (2001) said that the Korean mobile telecommunication services industry is entering a new transition period. This has been brought about by the market for mobile telecommunications reaching maturity, the launching of the IMT-2000 service and the scheduled introduction of mobile number portability. The adjustment effect of the switching barrier on customer satisfaction and customer loyalty is also analysed.

Kandampully, J., &Suhartanto, D. (2000) studied the relationship between customer loyalty, customer satisfaction, and image. This is of considerable interest to both practitioners and academics in the field of hospitality management. The objective of this research is to identify the factors of image and customer satisfaction that are positively related to customer loyalty in the hotel industry. Using data collected from chain hotels in New Zealand, the findings indicate that hotel image and customer satisfaction with the performance of housekeeping, reception, food and beverage, and price are positively correlated to customer loyalty.

Gefen, D. (2002) determined that the high cost of attracting new customers on the Internet and the relative difficulty in retaining them make customer loyalty an essential asset for many online vendors. In the non-Internet marketplace, customer loyalty is primarily the product of superior service quality and the trust that such service entails. This study examines whether the same applies with online vendors even though their service is provided by a website interface notably lacking a human service provider. Uncles, M. D., Dowling, et al (2003) said that the Customer loyalty presents a paradox. Many see it as primarily an attitude-based phenomenon that can be influenced significantly by customer relationship management initiatives such as the increasingly popular loyalty and affinity programs. Uses this framework to evaluate the demand-side potential of loyalty programs. Discusses where these

programs might work and where they are unlikely to succeed on any large scale. Provides a checklist for marketers.

Shoemaker, S., & Lewis, R. C. (1999). For many years hospitality firms have believed that the goal of marketing is to create as many new customers as potential. While tenants believed it was important to satisfy the guests while they were on the property, the real goal was to continue to find new customers. The authors believe that this will be the successful wave of the future in hospitality. The goal of this paper is to present a framework for understanding customer loyalty.

Love man, G. W. (1998). The service profit chain is a simple conceptual framework linking employee satisfaction and loyalty, customer satisfaction and loyalty, and financial performance. Although widely used by practitioners, the service profit chain's series of hypothesized relationships between employee, customer, and financial outcomes has not been rigorously tested using data that span all components of the model.

OlyNdubisi, N. (2007).said that the four variables have a major impact and predict an honest property variance in client loyalty. Moreover, they're considerably involving each other. The relationships investigated during this study merit more analysis. As a result of the information analysed were collected from one sector of the industry in one country, a lot of studies square measure needed before general conclusions is drawn.

Kumar, Shah, D. et al (2004). The conception of client loyalty is conspicuous by its presence. Therefore, there's no surprise that it's one in all the foremost wide studied areas by researchers and one in the entire foremost wide enforced promoting initiatives review vital findings regarding client behaviour and angle within the context of client loyalty. Further, analysis regarding linking loyalty to profitableness and forward wanting metric reminiscent of the client life worth is reviewed to propose a abstract framework for building and sustaining loyalty and profitableness at the same time at individual client level. A two-tiered rewards structure is bestowed as a method for marketers to operationalize the framework. The abstract framework hopes to function a platform to know the evolving dominant logic of loyalty programs for building and sustaining loyalty.

OlyNdubisi, N. (2007). A poll got from past investigations and the important writing was finished by 220 bank clients in Malaysia. Numerous relapse examinations evaluated the effect on client devotion of four key builds of relationship promoting trust, duty, correspondence and struggle dealing with customer satisfaction.

Buttle, f, & Burton, J (2002) said that the may be general agreement that Client loyalty to service suppliers isn't only dependent upon their level of satisfaction or discontentedness. However, the known antecedents of loyalty stay, at best, extremely speculative. The aim of this intensive literature review is to relinquish some understanding of the character of client loyalty and also the antecedent effects of service discontentedness. Gerpott, T. J., Rams et al (2001) Said that the customer retention (CR), loyalty (CL), and satisfaction (CS) area unit necessary (intermediate) goals for telecommunication network operators on their thanks to superior economic success within the liberalised German market. Therefore, drawing on a sample of 684 residential customers of digital cellular network operators in FRG this study tests hypotheses suggesting that chromium, CL, and caesium ought to be treated as differential constructs that area unit causally inter-linked. LISREL analyses support a two-staged model.

RESEARCH METHODOLOGY:

Descriptive research design is used in this study performed in Ragavendra Tyres, Vijayawada. The primary data is collected based on questionnaire. The sample size is 120 and the technique used is convenience method. The tools used for analysis are percentage, t-test, ANOVA and regression analysis.

FREQUENCY ANALYSIS:-

GENDER OF THE CUSTOMERS

TABLE NO.1 GENDER OF THE CUSTOMERS

Gender	Frequency	Percent
Male	93	77.5
Female	27	22.5
Total	120	100.0

Table no .1 displays the frequency results of gender of the customers. It is clear that majority of the customers 77.5% are male and 22.5% are Female.

INCOME LEVEL OF CUSTOMERS

TABLE NO.2: INCOME LEVEL OF CUSTOMERS

Income level	Frequency	Percent
Below 10000	24	20
10001 to 20001	23	19.2
20001 to 30000	39	32.5
Above40000	34	28.3
Total	120	100

Table No.2 displays the result of income level of customers. It is clear that majority of the customers 32.5% are the category of 20001 to 30000.

TYPES OF TYRES

TABLE NO.3 TYPES OF TYRES

TYPES	Frequency	Percent
Two Wheeler	54	45.0
Light Motor Vehicle	40	33.3
Heavy Motor Vehicle	26	21.7
Total	120	100.0

Table No.3 displays the types of tyres. It is clearly that majority of the tyres are sold in here are 45.0% of two wheelers, Then followed 33.3% are light motor vehicle and least by heavy motor vehicles are 21.7%.

FREQUENCY OF VISIT

TABLE NO.4 FREQUENCY OF VISIT

Visit	Frequency	Percent
Regular	34	28.3
Some times	47	39.2
Rare	39	32.5
Total	120	100.0

Table No.4 displays the results of the frequency of visit. It is clearly the majority of the customer visit 39.2 is the category of sometimes, next followed by 32.5 by in the category of rare and finally least 28.3 are regular visit.

T-TEST on customer satisfaction

Ho: There is no significant difference between the gender with respect to level of satisfaction the customers.

H1: There is a significant difference between the gender with respect to level of satisfaction the customers.

TABLE NO.5 Group Statistics					
	GENDER	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER SATISFACTION	Male	93	3.9148	.46056	.04776
	Female	27	4.1054	.48852	.09402

TABLE NO.5.1 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Satisfaction Factor	Equal variances assumed	.224	.637	-1.868	118	.064	-.19061	.10206	-.39271	.01150
	Equal variances not assumed			-1.808	40.389	.078	-.19061	.10545	-.40367	.02245

Interpretation:

From the Table No 5.1 it is found that the significant value is greater than 0.05, There is no significant difference between the gender with respect to level of satisfaction the customers.

ANOVA ONE WAY(CUSTOMER SATISFACTION)

Analysis of Occupation and Satisfaction level of Customers

Ho: There is no significant difference among the occupation with respect to customer satisfaction of the customers.

H1: There is significant difference among the occupation with respect to customer satisfaction of the customers.

TABLE NO.6 Analysis of Occupation and Satisfaction level of Customers

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.553	2	.277	1.248	.291
Within Groups	25.926	117	.222		
Total	26.479	119			

Interpretation:

From the Table No.6 it is found that the significant value is more than 0.5 there is no significant difference among the occupation with the respect to customer satisfaction of the customers.

Analysis of Level of Age and Customer Satisfaction

Ho: There is no significant difference among the age level with the respect to satisfaction level of the customers.

H1: There is a significant difference among the age level with respect to satisfaction level of the customers.

TABLE NO.7 Analysis of Level of Age and Customer Satisfaction

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	13.220	37	.357	2.210	.002
Within Groups	13.259	82	.162		
Total	26.479	119			

Interpretation:

Table No.7 shows that the significant value is less than 0.05, hence there is a significant difference among the age level with respect to satisfaction level of the customers.

Analysis of Income level and Satisfaction level of Customers

Ho: There is no significant difference among the income level with the respect to satisfaction level of the customers.

H1: There is a significant difference among the income level with respect to satisfaction level of the customers.

TABLE NO.8 Analysis of Income level and Satisfaction level of Customers

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.707	3	.236	1.048	.374
Within Groups	25.617	114	.225		
Total	26.324	117			

Interpretation:

Table No.8 Shows that the significant value is greater than 0.05, there is no significant relationship among the income level with respect to satisfaction level of the customers.

of types of tyres and Satisfaction of Customers

Ho: There is no significant difference among the types of tires with the respect to factors influencing the customers.

H1: There is a significant difference among the types of tires with respect satisfaction of customers.

TABLE NO.9 Analysis of types of tires and Customer satisfaction.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.125	2	.563	2.596	.079
Within Groups	25.354	117	.217		
Total	26.479	119			

Interpretation:

Table No.9 shows that the significant value is greater than 0.05, there is no significant difference among the types of tyres with respect to factors influencing the customers.

Analysis of frequency of visit and Satisfaction level of Customers

Ho: There is no significant difference among the frequency of visit to the store with the respect to satisfaction level of the customers.

H1: There is a significant difference among the frequency of visit to the store with respect to satisfaction level of the customers.

TABLE NO.10 Analysis of frequency of visit and Satisfaction level of Customers

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.628	2	.314	1.421	.246
Within Groups	25.851	117	.221		
Total	26.479	119			

Interpretation:

Table No.10 shows that the significant value is greater than 0.05, so there is no significant difference among the frequency of visit to the store with respect to satisfaction level of the customers.

T-TEST FOR CUSTOMER LOYALTY ON GENDER (customer loyalty)

Analysis of Satisfaction of the customers

Ho: There is no significant difference between the genders with respect to level of loyalty to the customers.

H1: There is a significant difference between the gender with respect to level of the loyalty to the Customers.

TABLE NO.11 Group Statistics					
	GENDER	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER LOYALTY	Male	93	3.8871	.55231	.05727
	Female	27	3.9630	.58714	.11299

TABLE NO 11.1 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Satisfaction Factor	Equal variances assumed	.097	.756	-.620	118	.537	-.07587	.12246	-.31837	.16663
	Equal variances not assumed			-.599	40.3	.553	-.07587	.12668	-.33183	.18010

Interpretation:

From the Table No.11.1 it is found that the significant value is greater than 0.05, There is no significant difference between the gender with respect to level of loyalty of customers.

ANOVA ONE WAY (Customer loyalty)

Analysis of Occupation and loyalty level of Customers

Ho: There is no significant difference among the occupation with respect to customer loyalty.

H1: There is significant difference among the occupation with respect to customer loyalty.

TABLE NO.12 Analysis of Occupation and loyalty level of Customers

	Sum of Squares	df	Mean Square	F	Sig.
Between	.208	2	.104	.330	.720

Groups					
Within Groups	36.940	117	.316		
Total	37.148	119			

Interpretation:

From the Table No.12 it is found that the significant value is more than 0.5 there is no significant difference among the occupation with the respect to customer loyalty.

Analysis of age level Influence of Customers loyalty

H₀: There is no significant difference among the age level with the respect to customer loyalty.

H₁: There is a significant difference among the age level with respect to customer loyalty.

Table No.13 Analysis of age level Influence of Customers loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.582	37	.286	.883	.657
Within Groups	26.566	82	.324		
Total	37.148	119			

Interpretation:

From the Table No.13 it is found that the significant value is more than 0.5 there is no significant difference among the age level with the respect to customer loyalty.

Analysis of income level Influence of Customers loyalty

H₀: There is no significant difference among the income level with the respect to customer loyalty.

H₁: There is a significant difference among the income level with respect to customer loyalty.

Table 4.14 Analysis of income level Influence of Customers loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.782	3	.594	1.924	.130
Within Groups	35.193	114	.309		
Total	36.975	117			

Interpretation:

Table No.14 Shows that the significant value is greater than 0.05, there is no significant relationship among the income level with respect of customers loyalty.

Analysis of types of tyres Influence of Customers loyalty

H₀: There is no significant difference among types of tyres with the respect to customer loyalty.

H₁: There is a significant difference among the types of tyres with respect to customer loyalty.

TABLE NO.15 Analysis of types of tyres Influence of Customers loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.228	2	.614	2.000	.140
Within Groups	35.920	117	.307		
Total	37.148	119			

Interpretation:

Table No.15 Shows that the significant value is greater than 0.05, there is no significant relationship among the types of tyres with respect of customers loyalty.

Analysis of frequency of visit of the customers Influence of Customers loyalty

H₀: There is no significant difference among the frequency of visit to the store with the respect to customer loyalty.

H₁: There is a significant difference among the frequency of visit to the store with respect to customer loyalty.

TABLE NO.16 Analysis of frequency of visit of the customers Influence of Customers loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.029	2	1.015	3.380	.037
Within Groups	35.119	117	.300		
Total	37.148	119			

Interpretation:

TableNo.16 Shows that the significant value is less than 0.05, there is a significant difference among the frequency of visit to the store with respect of customers loyalty.

Table No.17 Regression analysis for factors influencing Customers Satisfaction

S.No.	Customer Satisfaction Factors	Regression Co-efficient	Standard Error	T-Statistics	P-Value
1	Dealer Service	.498	.130	4.935	.000
2	Physical Environment	-.194	.117	-2.036	.044
3	Convenience	.114	.033	1.396	.165
4	Technology	.116	.022	1.424	.157
5	Price Value	.066	.087	.680	.498
6	Order Accuracy	.082	.097	.893	.374
7	Speed	-.165	.085	-1.923	.057
	Constant	2.169	.529	4.098	.000
	R ²	.288			
	F-Statistics	6.461			.000

Interpretation

From the Table No.17 it is found that significantly influencing Customer Satisfaction factors among the customers are Dealer Service and Physical Environment. Since the value of 'p' (sig) value is less than 0.05.

A unit increase in the Dealer Service results in the increase in the Customer Loyalty by 0.498

Similarly for the Physical environment, Convenience, Technology, Price value, Order accuracy and Speed.

Significant constant shows that even in the absence of factors influencing Customer loyalty

positive impact on the Loyalty of Customers

Coefficient of R² infers that the changes in the Customer Loyalty is explained by the factors to the extent of 28.8 i.e.

R²=0.288

Significant F-Statistics reveals the validity of the fitness of the regression model.

TABLE NO.18 Regression analysis for Customer Satisfaction and Customer Loyalty

S.No.	Customer loyalty	Regression Co-efficient	Standard Error	T-Statistics	P-Value
1	Customer satisfaction	.001	.104	3.439	.001
	Constant	2.489			
	R ²	.091			
	F-Statistics	11.825			.001

Interpretation

From the Table No18 it is found that there is a significant positive effect of influence of Customer satisfaction on Customer Loyalty. Since the value of 'p' (sig) value is less than 0.05.

Significant constant shows that even in the absence of Customer satisfaction there is a positive impact on the Loyalty of Customers

Coefficient of R^2 infers that the changes in the Customer Loyalty is explained by the factors to the extent of 9.1 i.e. $R^2=0.091$

Significant F-Statistics reveals the validity of the fitness of the regression model.

CONCLUSION

An understanding of customer satisfaction and customer loyalty is an important part of understanding the allocation of resources by individuals. Stores seek to understand this process in order to better satisfaction level. Store employee sales manager to get the feedback from customers in order to provide better products. The decision might involve redesigning products or better targeting of customer satisfaction. Customers are satisfied and they have customer loyalty on the store.

The research studied that the customer satisfaction and customer loyalty is positive because majority of the customers have intermediary altitude towards buying Raghvendra Tyre. There qualification persuades their customer loyalty. The range of age between 21-35 is turned as the potential customers. Marital status of the customers has more predominant burden while buying a product. The above suggestions have to be look forward. The overall view of the customers' satisfaction on Raghvendra tyre is satisfactory.

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