A STUDY ON THE CUSTOMER ATTRITION PREVAILING AT ANAAMALAIS TOYOTA (P) LTD., COIMBATORE WITH RESPECT TO TOYOTA CAR SERVICE

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A PROJECT REPORT
Submitted to the

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In the partial fulfillment of the requirement
for the award of the degree

Of

MASTER OF BUSINESS ADMINISTRATION

June, 2007

Declaration

DECLARATION

I, hereby declare that this project report entitled as "*A study on the customer attrition prevailing at Anaamalais Toyota (p) ltd., Coimbatore with respect to Toyota car service*", has undertaken for academic purpose submitted to Anna University in partial fulfillment of requirement for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of Lecturer A. Senthil Kumar, during the academic year 2007-2008.

I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief.

Place: Coimbatore

Date : 1 - 6 - 2007

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BONAFIDE CERTIFICATE

Certified that this project titled '*A study on the customer attrition prevailing at Anaamalais Toyota (p) ltd., Coimbatore with respect to Toyota car service*' is the bonafide work of Mr. C.THILAKER (Reg no : 71205631055) , who carried out this research under my supervision. Certified further , that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Project Guide

Director

Evaluated and Viva-voce held on 3/07/07

Examiner I

Examiner II

TOYOTA

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This is to certify that Mr.THILAKER.C. (Roll No.71205631055) a student of KCT Business School, Kumaraguru college of Technology, has undergone a project between January 18, 2007 to May 10, 2007 entitled *A study on customer attrition prevailing at Anaamalais Toyota (p) ltd., Coimbatore with respect to Toyota service.*

During the tenure his performance was very good.

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Certificate

Abstract

Executive Summary

The four wheeler market in India is witnessing a boom period, the sales of multi utility vehicle (MUV), entry level luxury cars and premium luxury cars, which is the strong hold of TOYOTA MOTOR CORPORATION is increasing manifold. One of the important which a prospective customer will analyse before buying car in the above mentioned segments is hassle free after sales service. The quality, cost, and ease of accessing the after-sales service has become a prerogative to determine the sales potential of an organization.

ANAAMAIAIS TOYOTA (P) LIMITED is the dealer for Toyota genre cars in the city of Coimbatore. The organisation faced a major issue with that of 14% of the customers not returning for the service offered by the dealership, once the free service schedule got over. The researcher took this very issue was taken as a problem of study. A descriptive study was carried out with 118 of the customers who are posed with attrition. The study conducted by the researcher clearly shows that the reason behind this problem is because of high service cost, and impromptu delivery of service in time.

However, the customers are satisfied over the quality of services. Hence the service credentials of the organization cannot be questioned. The only area of consideration is with that of introducing new service bays and technical people to reduce the service queue which in turn would improve the timely delivery of service. The service charges and associated charges need to be reconsidered passively in order to attract new and retain existing customers. The same is essential in the advent of the local four wheeler workshops posing a serious threat to the organized service stations. The supply chain of service parts should also be reworked since it cause temporary dismay in attending to the spare parts need of the customers.

In all counts, the service standards present in the Anaamalais Toyota is satisfactory. The issues addressed in the research project needs to be redressed for regaining the customers lost to other service providers and in attracting new customers.

Acknowledgement

ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved correspondent **Prof.Dr.K. Arumugam**, the prime guiding sprit of Kumaraguru College of technology.

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CHAPTER 1

INTRODUCTION

1.1 BACK GROUND OF THE STUDY

Today's customers are becoming harder to please. They are smarter, more price conscious, more demanding, less forgiving, and they are approached by many more competitors with equal or better offers. The challenge to the organization is not to produce satisfied customer, several competitors can do this. This challenge is to produce delighted and loyal customers.

Too many company companies suffer from high **customer churn** namely high customer defection. The steps a company can take to reduce the defection rate. First, the company must measure its retention rate. The second, the company must distinguish the causes of customer attrition and identify those that can be managed better. Third, the company needs to estimate how much profit it loses when it loses customers. Not much can be done about customers who leave the region or go out of business, but much can be done about those who leave because of poor service, shoddy product, or high price.

1.2 REVIEW OF LITERATURE

Prof.Suresh.A.M, and Mr.Raja.K.G[1] conducted a study to measure the customer satisfaction for small car. The study was purported to analyse the responses of customers towards the performance of different model of small car, to identify the factors of customer satisfaction, and identify the differences in demographic groups towards factors of customer satisfaction. The empirical study was conducted with the stratums of 40 small car owners each from Maruti 800, Santro, Tata Indica and Wagon R. The tools such as Factor analysis, Mean Analysis, and ANOVA were used. The researchers recommended that Sales support, Vehicle design, Purchase Support, Cost of ownership, and Delightful features are the five dimensions that forms the integral components in designing customer satisfaction. The study rate santro as the most accepted small car with

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[1]Prof.Suresh.A.M, Head of Department and Mr.Raja.K.G,faculty member, Dayanand sagar of management & information technology, Bangalore, 'Measuring customer satisfaction for small cars', Indian journal of marketing, vol:XXXVI, No.2, February,2006,pp.03-06.

regards to Vehicle design, purchase support and delight feature, Wagon-R for sales support and Maruti 800 for cost of ownership. Inline with many survey, vehicle design of the cars has been highlyaccepted while there are area of concerns for sales and purchase support. The study indicates that there are no significant differences in age group, income group towards factors of customer satisfaction. But the research revealed significant difference among preferred owners about a vehicles performance and give them precisely those features. The study shows that it is possible to establish where a company should focus its improvement efforts in order to make payoff.

1.3 OBJECTIVE OF THE STUDY

Primary objective:

- To find out the reason for attrition rate existing among the customers with respect to after-sales service.

Secondary objective:

- To find out the level of customer satisfaction towards the after-sales service.
- To find the type of service station, the customers are presently going.
- To get feedback from the customers towards the services provided by the service station.

1.4 Statement of Problem

There is 14% customer attrition towards the service station for doing the general car service. The study focus on the various level of attributes which are preferred by the customer and also the service qualities provided to the customer.

1.5 Scope of the study

The study will help the organizations to know the important attributes like, poor responses, high cost, poor service, distance, delay in delivery which plays an important role in customer attrition towards after sales service. The study also helps the organization to know where the customers are going and what is best in that service station.

1.6 RESEARCH METHODOLOGY

1.6.1 Research design

Descriptive research

The research is descriptive in nature as the study was done to find out the reason why the customers are not visiting the origination. The researcher has no control over the variables and they are independent of the state of affairs.

1.6.2 Sampling design

Non-Probability sampling

Non-Probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. The items in the population are selected deliberately. The personal element has a great chance of entering into the selection of the sample. Here **convenience sampling technique** has been used.

1.6.3 Method of data collection

The method of data collection is very much from the primary source. The questions are well structured and collected through **schedule**. The little difference which lies in the fact that schedule (Proforma containing a set of questions) are being filled by the researchers who under take the study. Being the survey conducted to unsatisfied customers, schedule is used for the recording of desired expression by the respondents.

1.6.4 Sample size and area of data collection

The universe for the study are those who stopped coming to the organization, they are 400 in number. Out of that, 118 is taken as the sample size by avoiding the customers who's car is totally damaged and avoiding the customers who's car are running outside Coimbatore. The sample is selected based on the brand car users in Coimbatore city.

1.6.5 Tools of analysis

- Percentage analysis
- Chi-square test

1.7 Limitations

- The population is limited to 118 respondents out of the universe of 300 customers.
- Geographical area span with in Coimbatore city limit.
- The data collection is based on the convenience sampling so there shall be bias in the collection of data.

1.8 CHAPTER SCHEME

This project is divided into 5 chapters. Chapter 1 deals with background of the study, objective & scope of the study, methodology and limitations.

Chapter 2 covers history of the organization, management, organization structure, service profile, competitive strength and various functional areas.

Chapter3 covers all macro analysis and micro analysis of the study.

Chapter 4 covers data analysis & interpretation through representation of various tables and graphs

Chapter 5 deals with result, discussion and recommendation provided for the study

Chapter 2

Organizational Profile

Chapter 2
ORGANIZATION PROFILE

2.1 History of the organization

ARC parcel service private limited was started during year 1974 in Coimbatore. The service was considered successful with the good business growth. The ARC parcel service has witnessed a phenomenal growth in the city. It later expanded in to major cities in the south India and there to the north India. Mr. P. K. Duraisamy – BSC, Managing Director, is the successful Man behind the organization. With his contribution towards the company, it has the very good customer base and the wide area of service. The ARC parcel is considered to be the one of the best service provider in the transportation industry.

After the success of the ARC parcel service private limited company expanded into other business. One such business is ATRC, Anamalayar Tyre Retarding Company (ATRC) was started in Erode & Chennai in 1978. The ATRC is considered as one of the best in tyre retarding business. The company with its growth had diversified the business into the other areas. Under the guidance of the managing director the company has acquired the dealership for two-wheelers in 1984, in the name of Anaamalais Agencies, at Nehru Stadium, Coimbatore. The dealership was later expanded with, Bajaj Auto Ltd, in the year 1986.

After the dealership of two wheelers the Anaamalais agencies, the company had joined hands with Eicher motor limited for their heavy vehicle dealership. The agency was started in Coimbatore, and was later expanded to Erode and Nilgris. In the year 2000, Anaamalais agencies further expanded into tractor sales by acquiring the dealership for L&T John Deer tractors. However the venture was not so profitable and hence the dealership was relinquished. The Anaamalais Toyota was established in the year 2000, in Coimbatore. The dealership with Toyota was considered to be the successful venture for the company. Because of the better sales and service provided by the agency, additional branches of dealership were provided at Trichy, and Madurai.

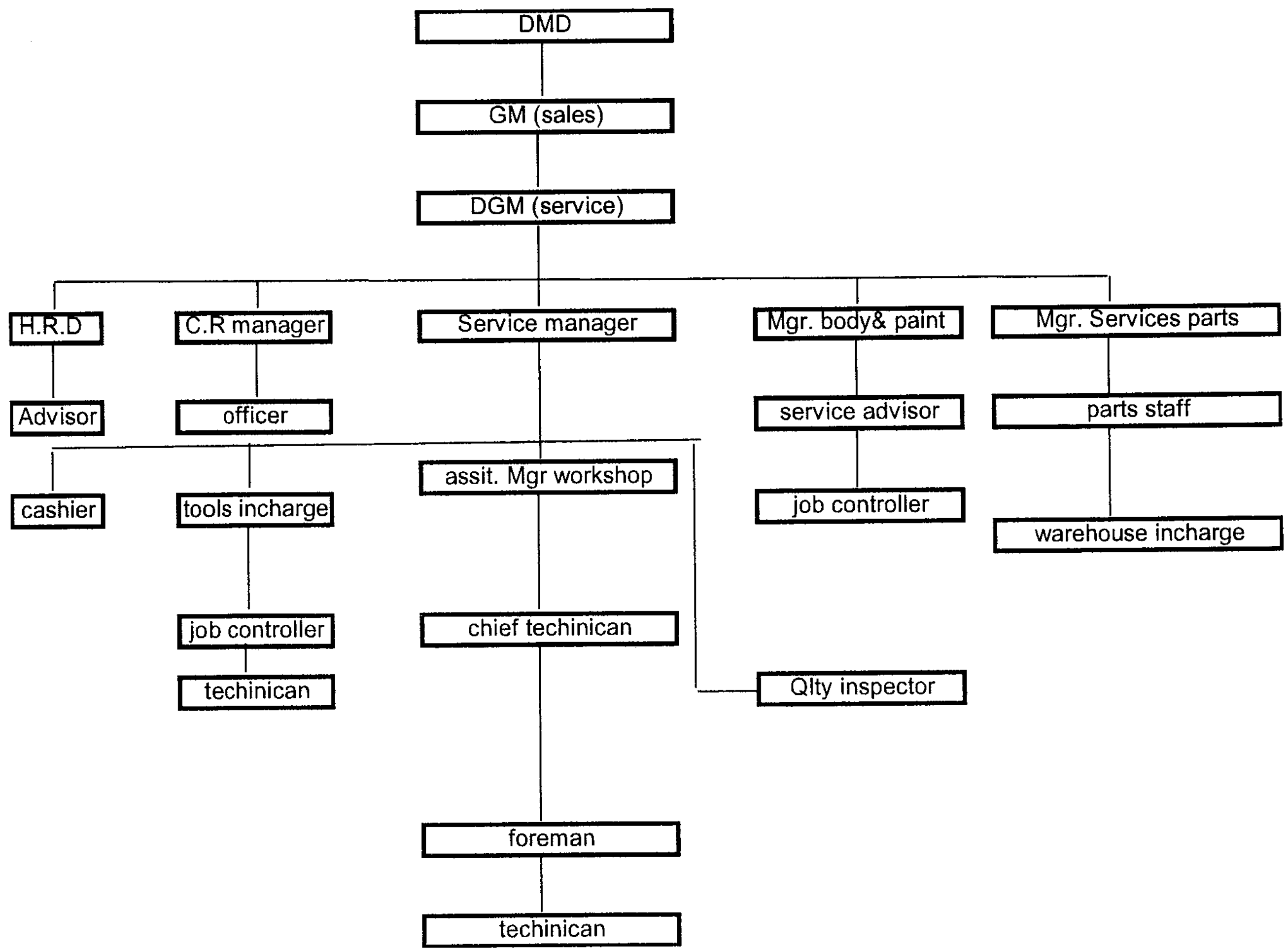
With increase in the sales of Toyota vehicle in the region, the requirement for better service was considered as an important factor for customer retention. The service center was established for better understanding of the customer requirements, and working towards achieving customer satisfaction. The service station was later expanded to Tirunelveli. Erode, Salem and Kumbakonam. With seven years of completion of dealership the Anaamalais Toyota has been a leader in the providing the 3'S (sales, service, spare parts) for the customer. Hence, they are one among the leading dealers in Tamil Nadu.

After the successful in the business of dealership the company diversified it's business into the packed drinking water. The ARC Aqua Puraa, Mineral water was started in the year 2004 at Palani. The ARC aqua puraa is a main supplier of packed drinking water to all the companies under Anaamalais groups.

2.2 Management

S. No.	Name of the Directors	Designation
1	Mr. P.K. Duraisamy	Managing Director
2	Mr. C.N. Selvakumar	Joint Managing Director
3	Mrs. Puspalatha Selvakumar	Director Finance
4	C.S. Vignashwara	Deputy Managing Director
5	Mrs. S. Alagumaheshwari	Director Marketing
6	Mr. M. Ragu Ram	Director Operations
7	Mr. C.S. Sidarath	Director Technical

2.3 ORGANIZATION CHART OF ANAAMALAIS TOYOTA



2.4 Service profile

The Anaamalais Agency delivery business value under three main heads:

- Sales
- Service
- Spare parts

2.4.1 Sales

Anaamalais Agency is into sale of different vehicle offered by Toyota. They are:

2.4.1. A Toyota corolla

The corolla is offered in two type 5-speed manual and 4-speed automatic transmission types. The car is offered in six variant colors- white pearl mica metallic, black mica, silver metallic, light green mica metallic, champagne mica metallic, and super white.

The total length of the vehicle is 4530 mm with wheel base of 2600mm. Other features of the vehicle are intelligent auto head lamps, elegant 10-spoke alloy wheels, classy LED rear combination lamp, and convenient audio controls on steering wheel, stylish wooden steering wheels, superior cooling, premium quality sound, powerful 1.8-litre, VVT-i engine, dependable SRS airbags, and Anti-lock braking system.

2.4.1. B Toyota Innova

The Toyota Innova is offered in three grades – E, G & V. Innova is offered in both fuel variant-petrol and diesel. The length is 4555mm, and wheel base is 2750mm. The colors offered are- white, super white, silver metallic, beige mica metallic, and dark blue mica metallic, light green mica metallic.

Other feature of the Innova are- D-40 common-rail diesel engine or VVT-i petrol engine, advance meters, premium sound system, ergonomic instrument panels, global outstanding assessment body, anti-braking system, supplementary restraint system-airbags.

2.4.1. C Toyota Camry

The Toyota Camry is offered in two types – 5-speed MT and 5-speed AT transmissions.

The length is 4815mm, the wheel base 2775mm. The colors are offered in white, super white, silver metallic, beige mica metallic, black, and light blue metallic.

Other feature of the Camry are-retractable head lamp cleaner, auto light control system, rain sensing wiper, new 16' alloy wheel, anti-braking system, supplementary restraint system-airbags.

2.4.1. D Toyota Land Cruiser Prado

The Toyota Land Cruiser Prado is offered in single engine type: 1GR-FE, Petrol, 5-speed automatic transmission. The length is 4715 mm, the wheel base is 2790mm. The colors offered in black, beige metallic, dark red mica, silver metallic, and white.

Other features of the Toyota Land Cruiser Prado are retractable Double Wishbone type suspension Brakes- Ventilated Disc, aluminum wheel 7.5 JJ tubeless, anti-braking system, and supplementary restraint system-airbags.

2.5 Competitive strength of the company

The service station is spread over the space of 3 acres. The time delivery, world class equipments, spacious work floor the work space reduces the time lay for the services provided.

2.5.1 Achievements

- Best Customer service performance award in the year 2005
- Best Customer service performance award in the year 2004
- Toyota standard of excellence for customer service 2005
- Best kaizen forum activities award in the year 2005-06

2.5.2 Factors contributing to over all performance

- In-service experience
- Service delivery
- Service advisor
- Service initiation
- User friendly service
- Service quality
- Problem experienced

2.6 Functional areas in service station

- Service- General Service-action service
- HRD
- Customer Relationship
- Maintenance
- Service-spare

2.6.1. a) Service – General Service

Here the general services are done. The service advisor is directly involved in fulfilling the requirement of customers. The free services are performed according to the warranty period. The free service is provided with water and labour charges, but costs of the spares are excluded. The general service section consists of 40 workers. The general service in charge takes care of operation in the section.

2.6.1. b) Service – Action Service

Here the work is included in both the body and paint shop. The vehicle owner should got the appointment for availing the service. Generally a vehicle which has to be changed with the parts, painting or met with any minor accidents is worked here. More than 40 workers are in the process of the service of which there are contractor worker divided into two teams for the better efficiency. The owner of the vehicle has to submit the insurance and pay the advance amount before the work can be started. Normally the date of work schedule is fixed and the particular target is set on to complete the work.

2.6.2 Human resource department

The human resource department is the control of the 6 service station. In the Coimbatore service station it takes care of 100 employees. The two member of the department control the entire operation of the zone. The recruitment, training, salary and attendance are controlled by the assistance manager. Were as the settlement, ESI, PF, are taken care by the department head. The member takes care of the entire training requirement with the Toyota and arranges the necessary training -on the job as well as the special training class taken by the experience person from the service station.

2.6.3 Customer Relationship

Here the customer relationship manger is the better coordinate the activity of the service station and provide the customer relation. The manager deals with all the grievance of the customer and maintains the required service with compensation over the quality of the service used. The manager maintains complains list so that in future the same problem may not arise and better service is provided.

2.6.4 Maintenance

The manager has the control over the various operations in the service station. The periodic inspection of various machinery, proper maintain of the tools and equipments, water treatment plant, pollution free environment, maintain good environment for work and the proper disposal of the waste oils, rubber, and other toxin materials.

2.6.5 Spare parts

This department is the incharge of the various materials issued for the both the service shops. The spare manager keeps the track of the flow of the materials and stocks them according to the requirement. Is any part is not available the order is sent to the Toyota spare part office and the order is place and the duration for the reaching of the order is 19 hours. The spare manager is also controller of all the 6 zone of service station. The specific target is given by Toyota and the target is achieved by the flow of the spare.

Chapter 3

Macro Micro Analysis

Chapter 3
MACRO ANALYSIS

3.1 Market Overview

The automotive sector comprises the Original Equipment Manufacturers (OEMs) and auto component manufacturers. Globally, the automotive industry is recognized as a key component and driver of national economy. The global automotive industry is in the midst of a major structural transformation –

- Among OEMs, global conglomerates are emerging, driven by mergers and alliances among manufacturers (eg: GM/Fiat/ Suzuki; Ford/Volvo/Mazda).
- Component manufacturers, or suppliers, are getting, with Tier 1 suppliers taking on the role of component aggregation and module supply/assembly, and component suppliers being relegated to Tiers 2 or 3.
- Relationships between OEMs and suppliers (especially Tier 1s) are becoming increasingly collaborative.

These trends have affected the Indian auto industry as well, leading to a rapid transformation of the industry over the last decade or so. After the end of licensing in 1993, the industry has witnessed rapid growth in volumes and capacity, and 17 new ventures have come up in the last 10 years. These include global giants such as General Motors, Ford, Toyota, Honda, Hyundai and Fiat. The industry encompasses commercial vehicles, multi-utility vehicles, passenger cars, and auto components. The domestic automobile market has been growing at 14.2 per cent CAGR over the past 4 years (2000-01 to 2004-05), while the auto components market has been growing at 19.2 per cent CAGR (2000-01 to 2003-04). The industry (OEMs and suppliers together) contributed nearly 4 per cent to the country's GDP in 2003-04. The automotive sector also offers significant employment opportunities. It employs 0.45 million people directly and around 10 million people indirectly.

The industry's capabilities in design, engineering and manufacturing have been recognized the world over, and most automotive majors are looking to increasingly source auto components from India. India is emerging as one of the most attractive automotive markets in the world, and is poised to become a key sourcing base for auto components. The table below captures the highlights of the sector in India that illustrates its growing significance.

3.1.1 Indian Automobile Industry

- The 4th largest passenger vehicle market in Asia
- The 5th largest commercial vehicle market in the world

The industry structure spans all segments and is concentrated in regional clusters. The India automotive sector has a presence across all vehicle segments and key components. In terms of volume, two wheelers dominate the sector, with nearly 80 per cent share, followed by passenger vehicles with 13 per cent. The industry had few players and was protected from global competition till the 1990s. After government lifted licensing in 1993, 17 new ventures have come up. At present, there are 12 manufacturers of passenger cars, 5 manufacturers of multi utility vehicles (MUVs), 9 manufacturers of commercial vehicles, 12 of two wheelers and 4 of three wheelers, besides 5 manufacturers of engines. With the arrival of global players, the sector has become highly competitive. Concentrated in regional clusters Automobile manufacturing units are located all over India. These are, however, concentrated in some pockets such as Chennai and Bangalore in the south, Pune in the west, the National Capital Region (NCR, which includes New Delhi and its suburban districts) in the north, Jamshedpur and Kolkata in the east and Pithampur in the central region. Following global trends, the Indian automotive sector also has most auto suppliers located close to the manufacturing locations of OEMs, forming regional automotive clusters. Broadly, the main clusters are centered on Chennai, Pune.

Auto Components sector is highly fragmented The Indian automotive component industry is highly fragmented. There-are nearly 6,400 players in the sector, of which only about 6 per cent are organized and the remaining 94 per cent are small-scale, unorganized players. In terms of value added, however, the organized players account for nearly 77 per cent of the output in the sector. The sector manufactures components across all key vehicle systems. The automotive sector is growing strongly in both domestic and exports markets Indian automobile industry has been performing well both in the domestic and the international markets.

3.1.2 Automobiles - Domestic Performance

The production and domestic sales of the automobiles in India have been growing strongly. While production increased from 4.8 million units in 2000-1 to 8.5 million units in 2004-05 (a CAGR of over 15 per cent), domestic sales during the same period have gone up from 4.6 million to 7.9 million units A positive trend in the domestic market is that the growth has not been driven by one or two segments, but is consistent across all key segments. Two wheelers, which constitute the majority of the industry volume, have been growing at a rate of 14.3 per cent, three wheelers at a rate of 14 per cent and passenger vehicles at a rate of 11.3 per cent. Commercial vehicles have been growing at a higher rate of nearly 23.5 per cent, although from a lower base.

Since nearly all macro-economic indicators – GDP, infrastructure, population Demographics, interest rates, etc. – are showing a favorable trend, the domestic market for automobiles in India is expected to continue on its growth. The outlook for India's automotive sector is highly promising. In view of current growth trends and prospect of continuous economic growth of over 8 per cent, all segments of the auto industry are likely to see continued growth. Large infrastructure development projects underway in India combined with favorable government policies will also drive automotive growth in the next few years. Easy availability of finance and moderate cost of financing facilitated by double income families will drive sales in the next few years.

India is also emerging as an outsourcing hub for global majors. Companies like GM, Ford, Toyota and Hyundai are implementing their expansion plans in the current year. While Ford and Toyota continue to leverage India as a source of components, Hyundai and Suzuki have identified India as a global source for specific small car models. At the same time, Indian players are likely to increasingly venture overseas, both for organic growth as well as acquisitions. The automotive sector in India is poised to become significant, both in the domestic market as well as globally.

MICRO ANALYSIS

3.2 Coimbatore Market

The growth in the automobile industry has given the new service sprinkle in the serving the customer needs. With growth of software companies in the region have given the consumer for more disposal income. The change in lifestyle, more demand based on the consumption of various services has given opportunity for the customization of cars as the cash cows for the company. More educational institutions, growth in the movement of passenger and commercial vehicle in the city have given the service provider to have the greater market share. At present there are few players in the customization of cars.

The unorganized sector of the customization of cars have few players like- road runner, kit up, car décor, etc. In the market the kit up has the major market share, in the total custom car. The service providers are not located in the cluster but the located in the easy reach of the customer. The whole of the car can be customized according to the customer requirement. The main customers for the service provider are the stylish and young people who have main motive to be unique in nature. The custom car service have unique way of the satisfying the customer. The service providers have the greater dimension and use of modern equipment in the custom of the car.

Chapter 4

Data Analysis and Interpretations

Table no.4.1

Table showing the frequency of visit to the service facility

Frequency of visit	Number of respondents	Percentage of respondents
One time	14	11.9
Twice	23	19.5
Thrice	34	28.8
More than three time	47	39.8
Total	118	100.0

Interpretation:

The above table shows the frequency of visits made by the respondents toward the service facility. It indicates that 39.8% i.e., 47 out of 118 respondents have used service facility more than three times. Another 28.8% have visited only thrice. Around 20% of the respondents have visited only twice, about 12% have visited only once.

Inference:

The above table infers that about 40% of the respondents, i.e., 47 out of 118 are regular users of the service facility.

Chart no. 4.1

Chart showing the frequency of visit to the service facility

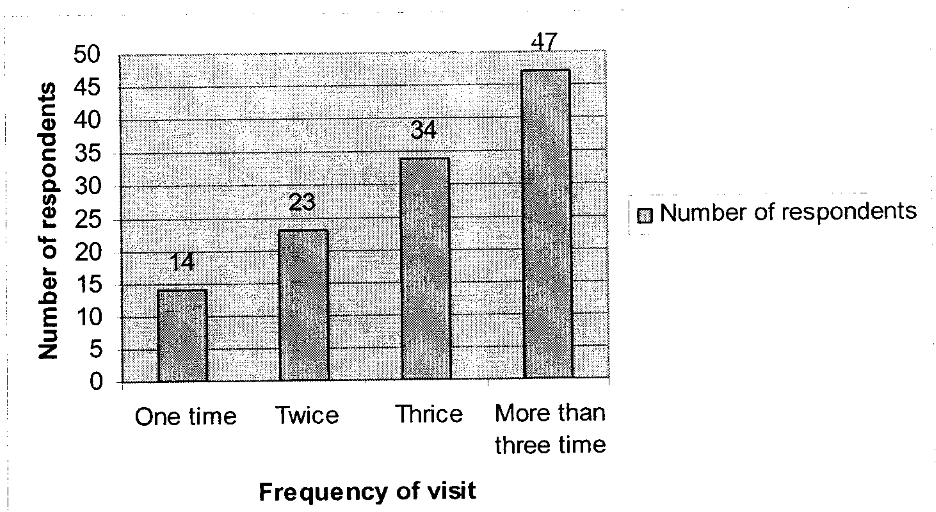


Table no. 4.2

Table showing the main reason for the customers for stop visiting the service station

Main reason	Number of respondents	Percentage of respondents
Cost	72	61.0
Poor service	24	20.3
Delay in delivery	22	18.6
Total	118	100.0

Interpretation:

The above table indicates that 61% i.e., 72 out of 118 respondents are stops coming to the service station due to the cost factor. Another 20.3% stop coming due to poor service and 18.6% of respondents stop coming due to delay in delivery.

Inference:

From the above table it is inferred that most of the respondents i.e., 61% of the respondents stop coming to the service station due to high charge collected for service. This indicates that the respondent feel that the charge collected for service is high.

Chart no. 4.2

Chart showing the main reason for the customers for stop visiting the service station

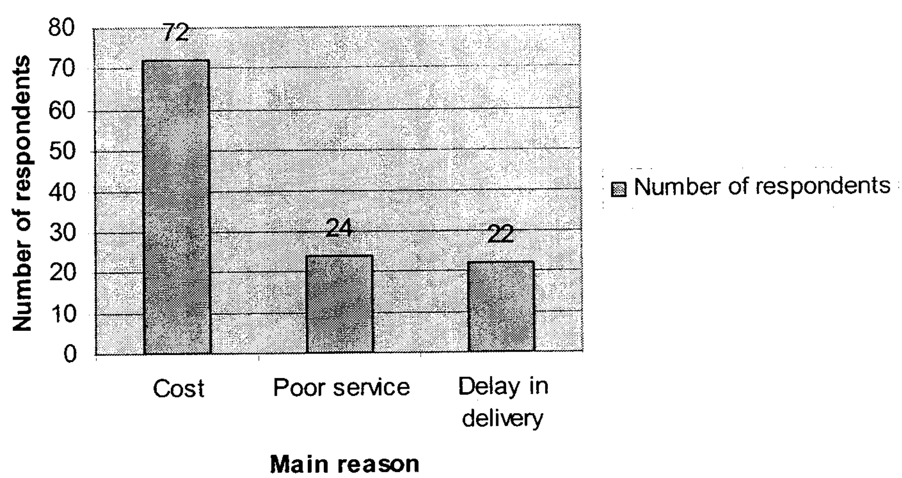


Table no. 4.3

Table showing the type of service station the customers are presently going

Type of service station	Number of respondents	Percentage of respondents
Local workstation	68	57.6
Competitors	33	28.0
Others	17	14.4
Total	118	100.0

Interpretation:

The above table shows the type of service station presently used by the respondents. It indicates that 57.6% of the respondents are now going to local workshop and 28% of the respondents are going to the competitors' service station and the remaining 14.4% of respondents are fall on others like own service or four-wheeler zones.

Inference:

From the above table it is inferred that half of the respondents i.e., 57.6% prefer the local four-wheeler workshops as an alternative for the authorized company service station. It also indicates that the local workshops pose a serious challenge to the organized four-wheeler service market.

Chart no. 4.3

Chart showing the type of service station the customers are presently going

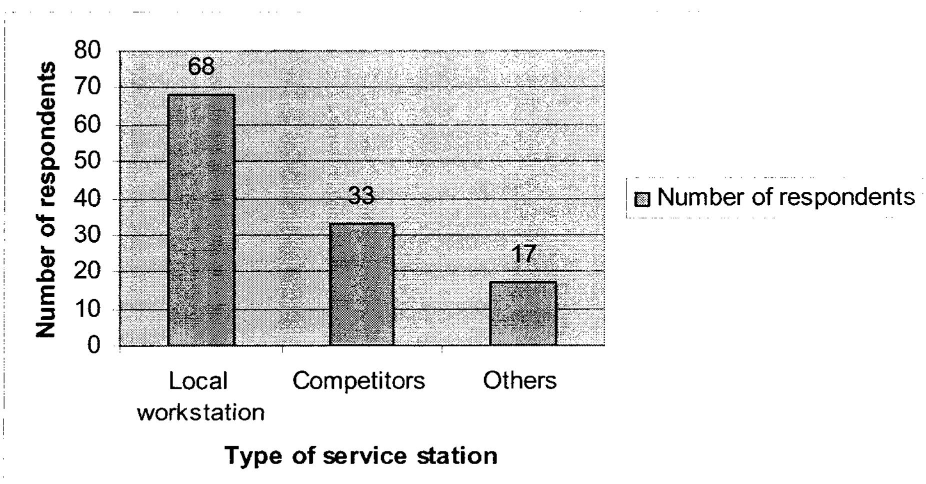


Table no. 4.4

Table showing the main preference of the respondents towards other service stations

Main preference	Number of respondents	Percentage of respondents
Distance	17	14.4
Cost	40	33.9
Promptness	39	33.1
Service quality	22	18.6
Total	118	100.0

Interpretation:

The above table indicates that 33.9% of the respondents are going to other service station for low cost charged by them and 33.1% of the respondents are going for their promptness in service delivery and 18.6% of the respondents are going for service quality and 14.4% are going since it's the nearest venue.

Inference:

The above table infers that Cost of Service and Promptness in service delivery are the main factors considered by the respondents for their switch over to other service facilities. The same is responded by 2/3rd of the sample.

Chart no. 4. 4

Chart showing the main preference of the customer to go to other service station

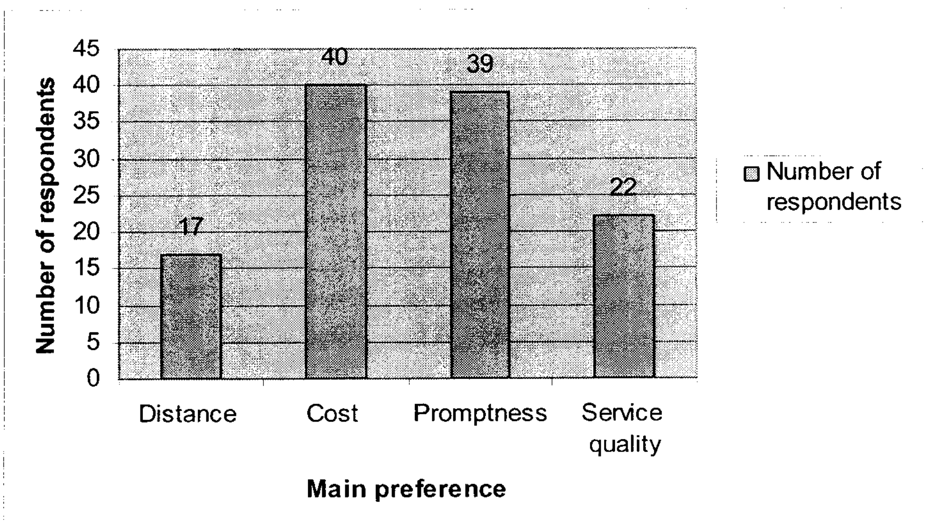


Table no. 4.5

Table showing the respondents opinion on the distance factor

Distance	Number of respondents	Percentage of respondents
Too far	17	14.4
Normal	96	81.4
Short	5	4.2
Total	118	100.0

Interpretation:

The above table indicates that 81.4% of the respondents feel the distance between their residence and service station is normal. But 14.4% of the respondents feel the service station is located too far from their residence and the remaining 4.2% feels that they have locational advantage.

Inference:

From the above table it inferred that majority of respondents i.e., 81.4% feel that the service station is aptly located.

Chart no. 4.5

Chart showing the feel of customers about the distance

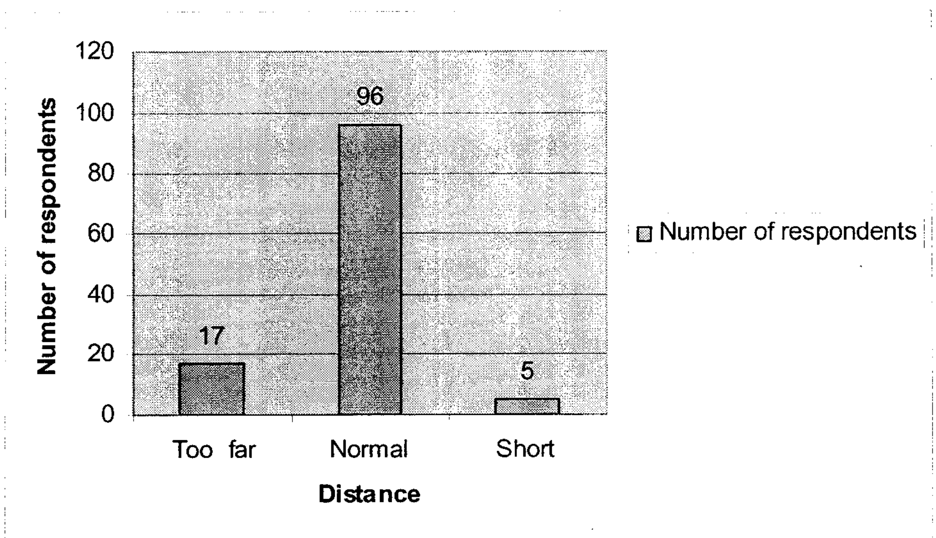


Table no. 4.6

Table showing the awareness of the customers about mobile four-wheeler service

Awareness	Number of respondents	Percentage of respondents
Yes	73	61.9
No	45	38.1
Total	118	100.0

Interpretation:

The above table indicates that 61.9% i.e., 73 out of 118 respondents have the awareness about the mobile services provided by the service station. And 38.1% of the respondents were unaware of the mobile service.

Inference:

The above table it is infers that 61.9% of the respondents were aware of the four-wheeler service offered through mobile service.

Chart no. 4.6

Chart showing the awareness of the customers about mobile four-wheeler service

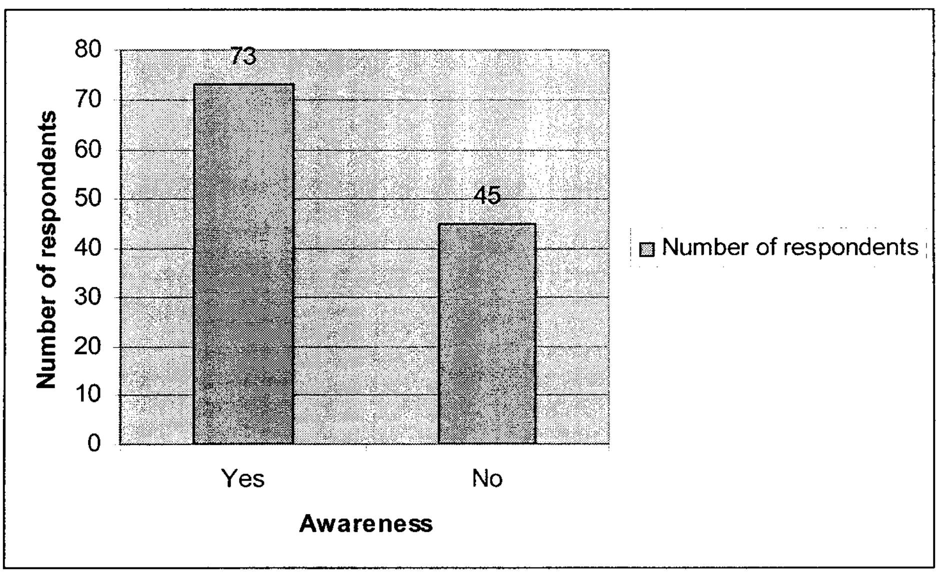


Table no. 4.7

Table showing the respondents opinion towards the charges collected for service

Opinion	Number of respondents	Percentage of respondents
High	79	66.9
Normal	39	33.1
Total	118	100.0

Interpretation:

The above table indicates that 79 out of 118 respondents i.e., 66.9% feel that the charges collected for service is high and 39 out of 118 respondents i.e., 33.1% feel that the charges collected are normal and no respondents feel it to be low.

Inference:

From the table it is inferred that most of the 118 respondents ie 66.9% feel that the service charges collected for service by the service station is high.

Chart no. 4.7

Table showing the respondents opinion towards the charges collected for service

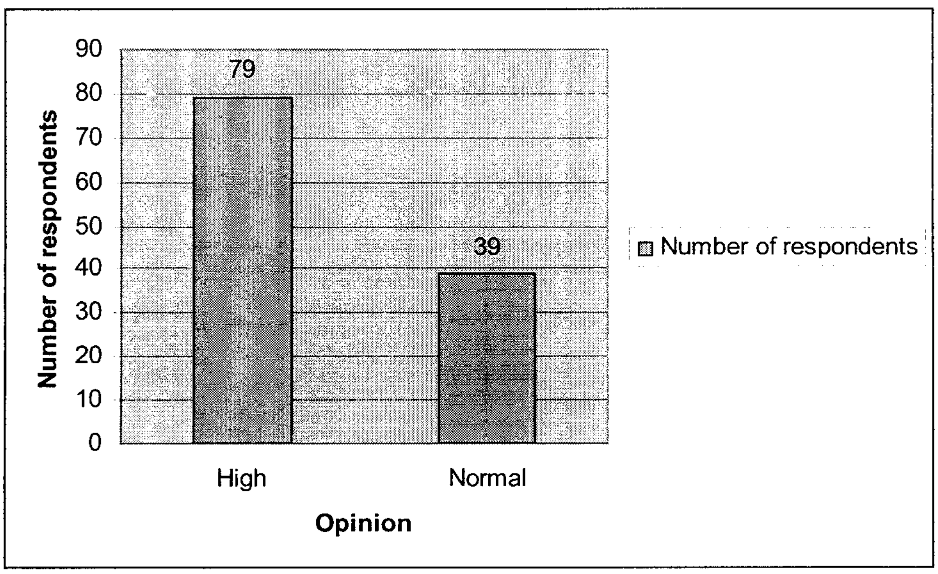


Table no. 4.8

Table showing the respondents opinion towards the charges collected for spare parts

Charges	Number of respondents	Percentage of respondents
High	73	61.9
Normal	45	38.1
Total	118	100.0

Interpretation:

The above table indicates that 73 out of 118 respondents i.e., 61.9% feel that the charges collected for spare parts is high and 45 out of 118 respondents i.e., 38.1% feel that the charges collected are normal and no respondents feel it to be low.

Inference:

From the table it is inferred that most of the 118 respondents i.e., 61.9% feel that the charges collected for spare parts by the service station is high.

Chart no. 4.8

Chart showing the respondents opinion towards the charges collected for spare parts

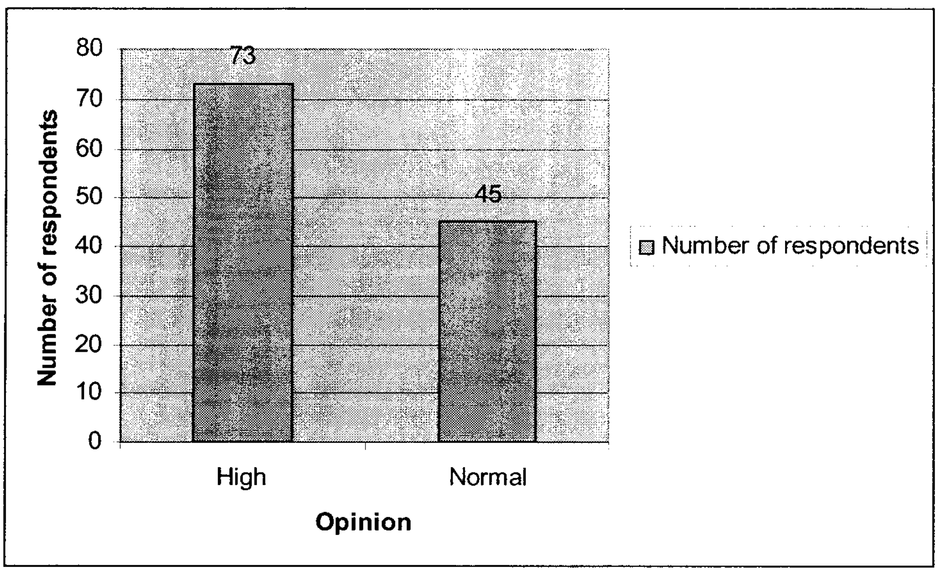


Table no. 4.9

Table showing the respondents opinion towards the replacement charges for slightly worn out spare parts

Feel of customers	Number of respondents	Percentage of respondents
Fair	35	29.7
Unfair	83	70.3
Total	118	100.0

Interpretation:

The table indicates 70.3% of the respondents feel that the charges towards the replacement of slightly worn out spare parts are unfair and the remaining feel it's fair.

Inference:

From the table it's inferred that most of the respondents i.e., 70.3% feel that the charges towards the replacement of slightly worn out spare parts are unfair.

Chart no. 4.9

Chart showing the respondents opinion towards the replacement charges for slightly worn out spare parts

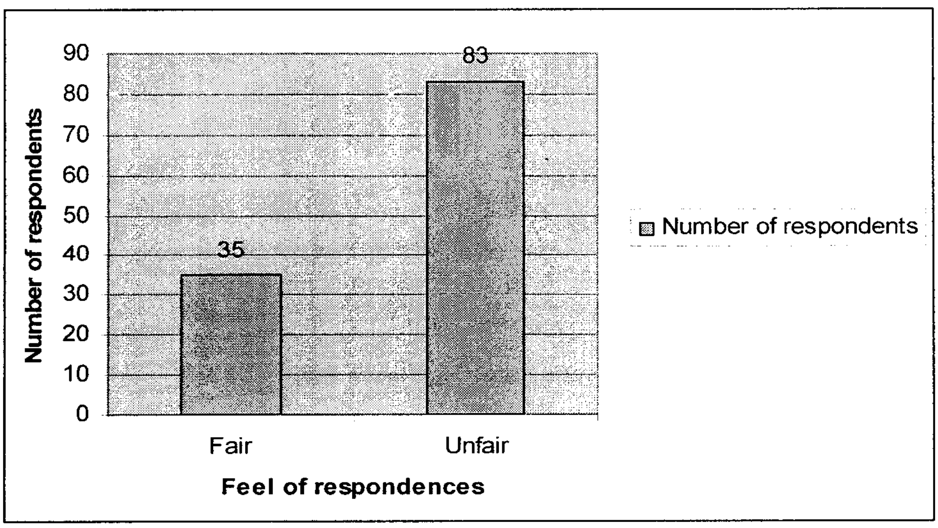


Table no. 4.10

Table showing the time taken to attend the customer

Time	Number of respondents	Percentage of respondents
Less than 5 min	33	28.0
5 to 15 min	79	66.9
More than 15 min	6	05.1
Total	118	100.0

Interpretation:

The table indicates that 66.9% of the respondents, i.e., 79 out of 118 witnessed a service queue for 5 to 15 minutes. Another 28% of the respondents, i.e., 33 out of 118 witnessed a service queue for less than 5 minutes, whereas the remaining 5.1%, i.e., waited for more than 15 minutes.

Inference:

From the table it is inferred that 66.9% of the respondents, i.e., 79 out of 118 witnessed a service queue for 5 to 15 minutes. It shows that the service queue is long and the service clearances vary during the peak drive-ins.

Chart no. 4.10

Chart showing the time taken to attend the customer

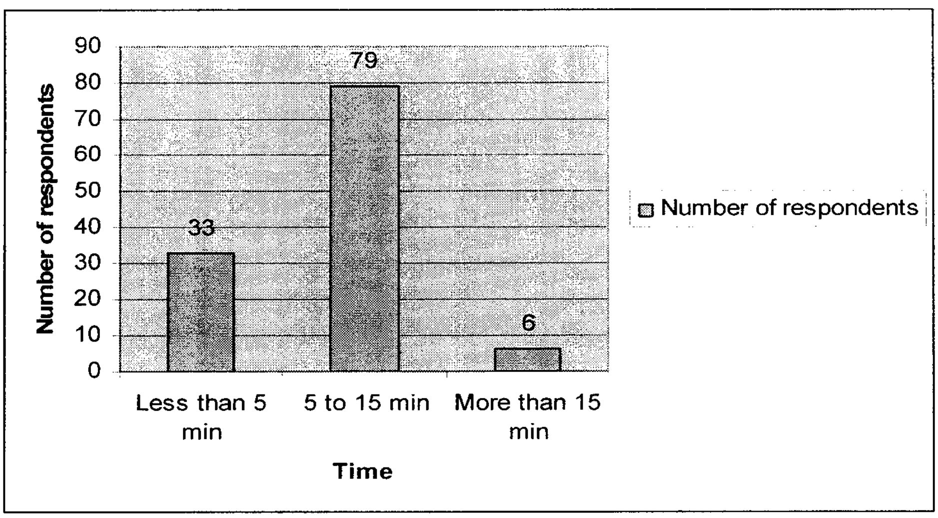


Table no. 4.11

Table showing the time spent to hear the customers' request

Time	Number of respondents	Percentage of respondents
5 to 15 min	50	42.4
More than 15 min	68	57.6
Total	118	100.0

Interpretation:

The table shows the time spent by the service people to diagnose the service requests made by the respondents. It indicates that 57.6% of the respondents' service requests, i.e., 68 out of 118 were attended for more than 15 minutes and 42.4% of the respondents' requests were attended for 5 to 15 minutes by the service personal.

Inference:

From the table it is inferred that 57.6% of the respondents' service requests, i.e., 68 out of 118 were attended for more than 15 minutes. It indicates that the service people deeply involve themselves in hearing the service requests from the respondents and understanding the problems involved.

Chart no. 4.11

Chart showing the time spent to hear the customers' request

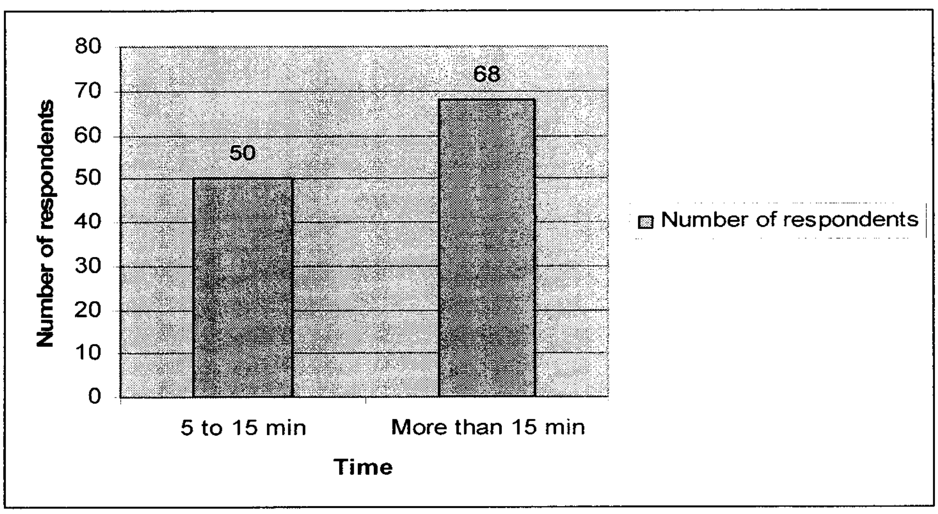


Table no. 4.12

Table showing the information given about the delivery of vehicle

Informed	Number of respondents	Percentage of respondents
Yes	113	95.8
No	5	4.2
Total	118	100.0

Interpretation:

The table indicates that 95.8% of the respondents are given the information about when the vehicle will be delivered and 4.2% are not informed about the delivery of the vehicle by the service personal.

Inference:

From the table it is inferred that absolute majority, i.e., 95.8% of the respondents ie, 113 of 118 are informed about when the vehicle will be delivered.

Chart no. 4.12

Chart showing the information given about the delivery of vehicle

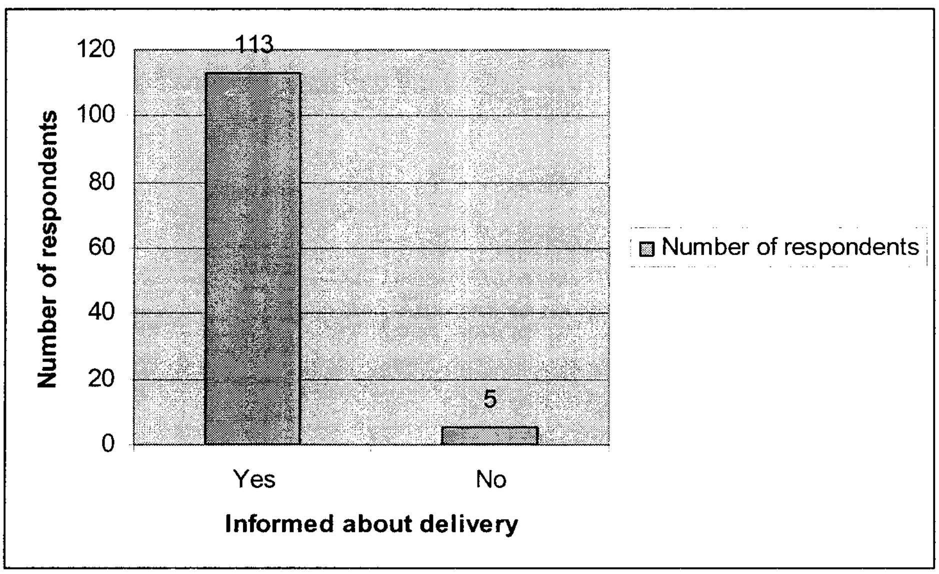


Table no. 4.13

Table showing the punctuality in delivering the service

Delivered	Number of respondents	Percentage of respondents
Yes	27	22.9
No	91	77.1
Total	118	100.0

Interpretation:

The above table indicates that the vehicles are not serviced and delivered in time for 77.1% of the respondents. Only the remaining 22.9% have received in time.

Inference:

The above table infers that three-fourth of the respondents, i.e., 77.1% have not received their vehicle on promised date. The impromptu delay in servicing the vehicles is exposed here.

Chart no. 4.13

Table showing the punctuality in delivering the service

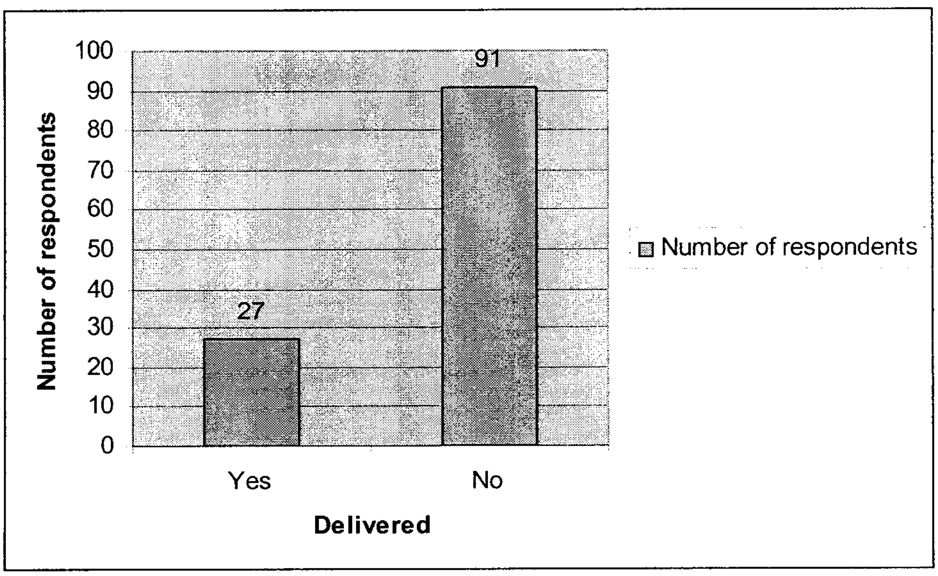


Table no. 4.14

Table showing the reasons for delay in delivery

Reason for delay	Number of respondents	Percentage of respondents
Lot of cars	34	37.36
Lack of spare parts	57	62.64
Total	91	100.00

Interpretation:

The table indicates the reasons for delay in delivery of cars. It shows 62.64% of the respondents, i.e., 57 out of 91 were delayed with delivery of car service due to non-availability of spare parts. The remaining pack of 37.36% was delayed due to hectic service queue.

Inference:

The above table infers that nearly 2/3rd of the delay in delivery of service is because of lack of availability of spare parts. The same is established through 62.64% of the respondents' response. The erratic supplies of spare parts play havoc in the service delivery system.

Chart no. 4.14

Table showing the reasons for delay in delivery

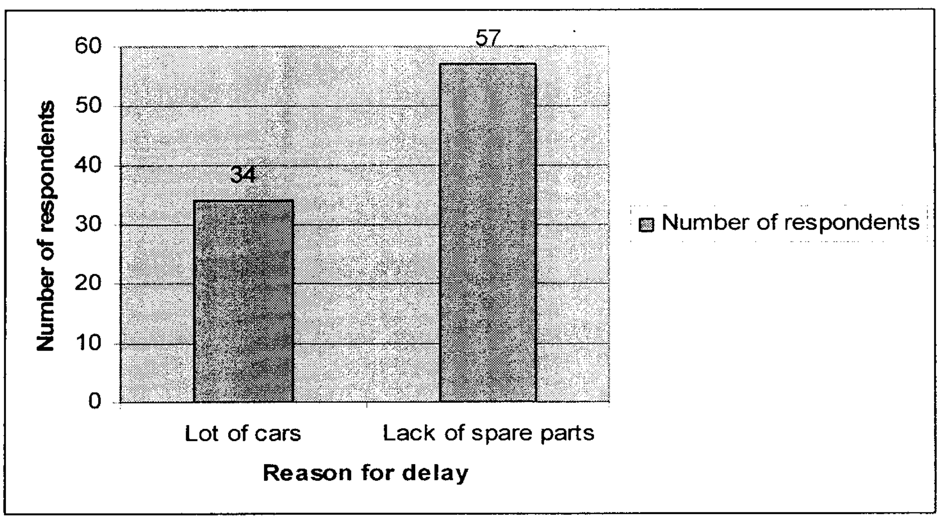


Table 4.14.a

Table showing the prior information of service delay

Informed	Number of respondents	Percentage of respondents
Yes	80	88
No	11	12
Total	91	100

Interpretation:

The table indicates about the proactive ness of the organization in customer service. It shows that 88% of the respondents were informed about the delay in service, in advance. Only a meager 12% have not been informed with.

Inference:

From the table it is inferred that 88% of the respondents, i.e., 80 out of 91 are informed of any delay in service, quite well-in-advance. It confirms that besides being the delay in service, the organization takes responsibility to inform it prior to the respondents.

Chart no. 4.14.a

Chart showing the prior information of service delay

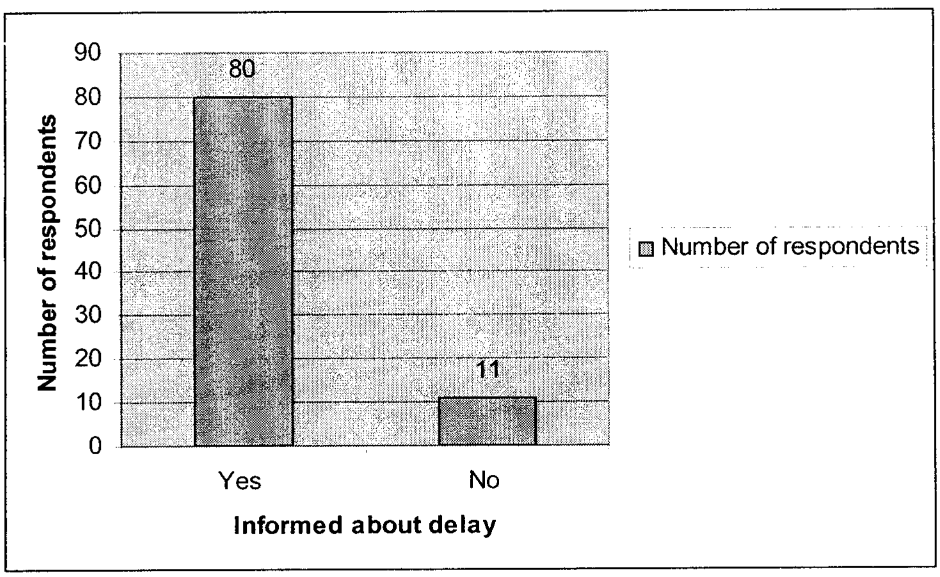


Table 4.15

Table showing the satisfaction level in the services provided

Satisfaction level	Number of respondents	Percentage of respondents
Very much satisfied	27	22.9
Satisfied	46	39.0
Not satisfied	45	38.1
Total	118	100.0

Interpretation:

The table indicates the respondent's opinion on the services provided by the organization. About 39% of the respondents are satisfied with the services provided by the service station. Another 38% are not satisfied by the service provided by the service station. The remaining 22.9% are very much satisfied with the service.

Inference:

From the table it is inferred that more than half of the sample, i.e., 62% of the respondents are comfortable with the services provided by the organization. A group of 23% among the 62% is highly satisfied and the remaining 39% are satisfied. It infers that the quality of service offered by the service station is comfortable enough to retain the customers.

Chart 4.15

Table showing the satisfaction level in the services provided

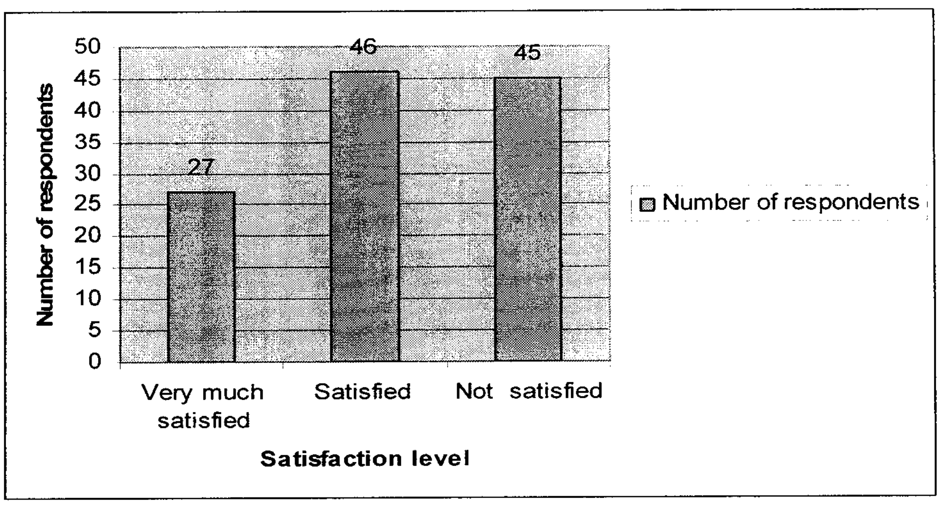


Table 4.16

Table showing the technical skills possessed by the technicians at the service bay.

Skillfulness of labors	Number of respondents	Percentage of respondents
Above average	35	29.7
Average	66	55.9
Below average	17	14.4
Total	118	100.0

Interpretation:

The table indicates the technical skill level possessed by the service team. It shows that 55.9% of the respondents feel that service people in the shop service bay possess average technical skills. Another 29.7% of the respondents feel that the service people possess above-average technical skills. The remaining 17% are skeptic about the technical skills of the service people.

Inference:

The above table infers that the service people engaged in the service bay possess only average technical skills. The same is reflected by 55.9% of the respondents.

Chart 4.16

Chart showing skillfulness of labors

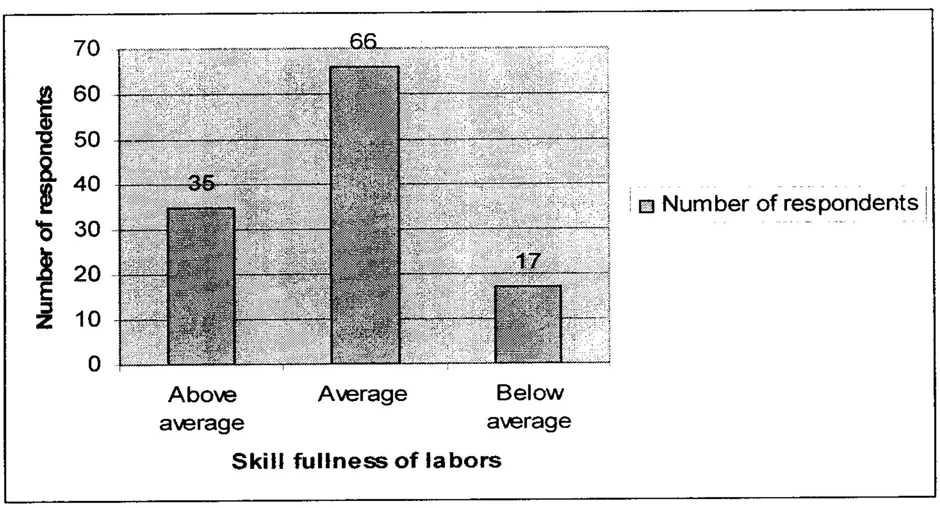


Table 4.17

Table showing the satisfaction level in quality and pricing of spare parts

Satisfaction level	Number of respondents	Percentage of respondents
Very much satisfied	22	18.6
Satisfied	80	67.8
Not satisfied	16	13.6
Total	118	100.0

Interpretation:

The table indicates 67% of the respondents are satisfied with the spare parts provided by the service station, while a group of 18.6% is very much satisfied with. A meager 13.6% is dissatisfied.

Inference:

From the table it is inferred that most of the respondents ie, 86% are comfortable with the spare parts in terms of quality, price, and supply.

Chart 4.17

Chart showing the satisfaction level in quality and pricing of spare parts

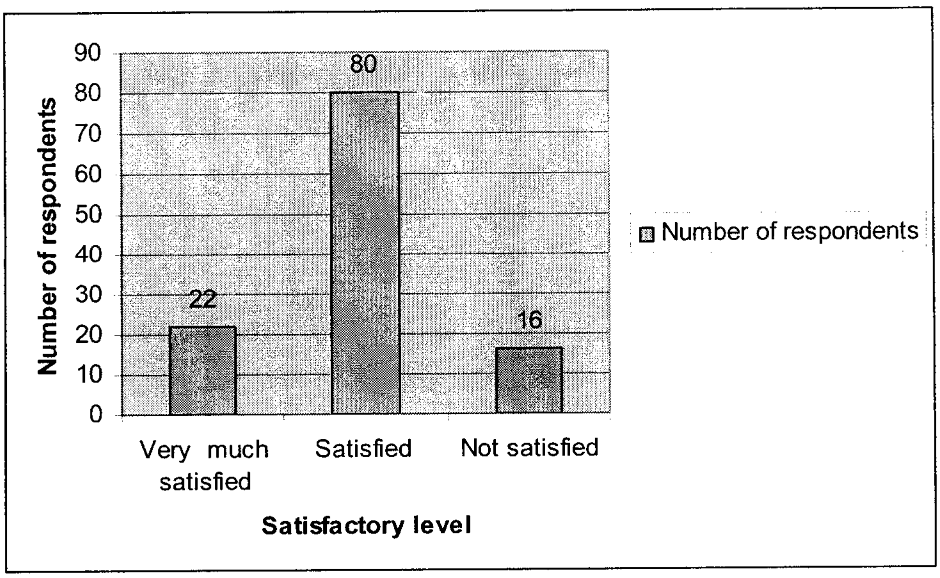


Table 4.18

Table showing the promotional effort preferred by the respondents

Promotional effort	Number of respondents	Percentage of respondents
Discount	62	52.5
Special offers	39	33.1
Free service	17	14.4
Total	118	100.0

Interpretation:

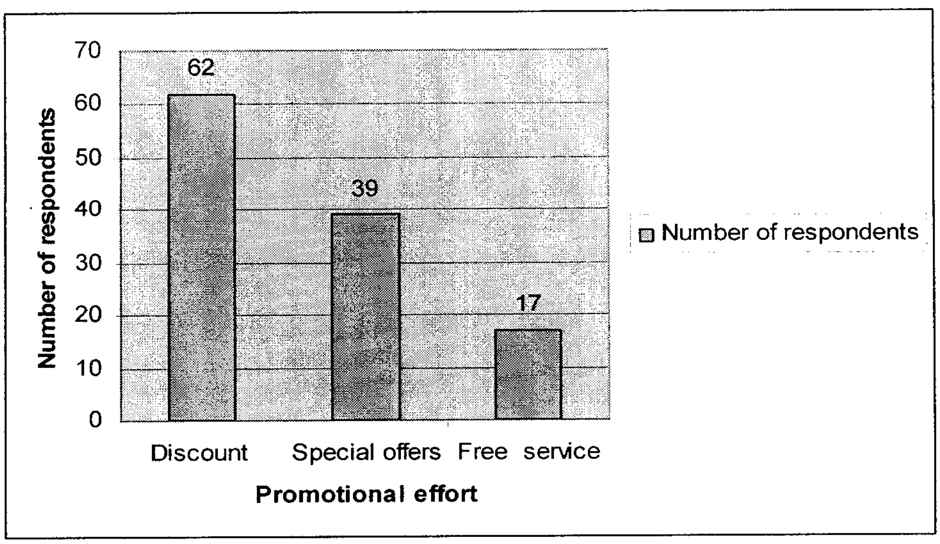
The table indicates the preference, respondents attach towards the promotional offers. It shows that 52.5% of the respondents prefer to get discounts, while another 33.1% of the respondents prefer special offers and the remaining 14.4% prefer free service offers.

Inference:

The above table infers that monetary offers still woo the customers. The same is reflected with 52.5% of the respondents prefer to get discounts through promotional offers.

Chart 4.18

Chart showing the promotional effort preferred by customers



CHI-SQUARE TEST

Chi-square test helps to understand whether a significant difference exists between observed number of object or responses and an expected number.

Null hypothesis:

There is no relationship between delivery of vehicle on promised day and customer satisfaction level in after-sales service.

Alternative hypothesis:

There is relationship between delivery of vehicle on promised day and customer satisfaction level in after sales-service.

Table: 4.19

Table showing the relationship between delivery of vehicle and customer satisfaction

Satisfaction level / Delivery of vehicle	Highly satisfied	Satisfied	Not satisfied	Total
Delivered	5	0	22	27
Not delivered	22	46	23	91
Total	27	46	45	118

Degree of freedom = 2   Observed value = 31.59

Level of significant = 5%   Table value = 5.99

Interpretation:

Since the observed value is greater than the table value, we accept the null hypothesis and reject the alternative hypothesis.

Inference:

There is no relationship between the delivery of vehicle on promised day and customer's satisfactory level in after sales service.

CHI-SQUARE TEST

Chi-square test helps to understand whether a significant difference exists between observed number of object or responses and an expected number.

Null hypothesis:

There is no relationship between service charges collected and level of customer satisfaction level in after-sales service.

Alternative hypothesis:

There is relationship between service charges collected and level of customer satisfaction level in after-sales service.

Table: 4. 20

Table showing the relationship between charges collected and customer satisfaction

Satisfaction level / Charges collected	Highly satisfied	Satisfied	Not satisfied	Total
High	5	36	39	80
Normal	5	17	16	38
low	0	0	0	0
Total	27	46	45	118

Degree of freedom = 5 Observed value = 2.34

Level of significant = 5% Table value = 9.49

Interpretation:

Since the observed value is less than the table value we reject the null hypothesis.

Inference:

There is relationship between the feel of customers towards service charges collected and customer satisfactory level in after sales service.

Chapter 5

Conclusion & Suggestions

Chapter 5

5.1 Findings

- About 40% of the respondents, i.e., 47 out of 118 are regular users of the service facility.
- Most of the respondents i.e., 61% of the respondents stop coming to the service station due to high charge collected for service. This indicates that the respondent feel that the charge collected for service is high.
- Half of the respondents i.e., 57.6% prefer the local four-wheeler workshops as an alternative for the authorized company service station. It also indicates that the local workshops pose a serious challenge to the organized four-wheeler service market.
- Cost of Service and Promptness in service delivery are the main factors considered by the respondents for their switch over to other service facilities. The same is responded by 2/3rd of the sample.
- Majority of respondents i.e., 81.4% feel that the service station is aptly located.
- Only 61.9% of the respondents were aware of the four-wheeler service offered through mobile service.
- Most of the 118 respondents i.e., 66.9% feel that the service charges collected for service by the service station is high.
- Most of the 118 respondents i.e., 61.9% feel that the charges collected for spare parts by the service station is high
- Most of the respondents i.e., 70.3% feel that the charges towards the replacement of slightly worn out spare parts are unfair.
- Only 66.9% of the respondents, i.e., 79 out of 118 witnessed a service queue for 5 to 15 minutes. It shows that the service queue is long and the service clearances vary during the peak drive-ins.
- Only 57.6% of the respondents' service requests, i.e., 68 out of 118 were attended for more than 15 minutes. It indicates that the service people deeply involve

themselves in hearing the service requests from the respondents and understanding the problems involved.

- Absolute majority, i.e., 95.8% of the respondents i.e., 113 of 118 are informed about when the vehicle will be delivered.
- Three-fourth of the respondents, i.e., 77.1% have not received their vehicle on promised date. The impromptu delay in servicing the vehicles is exposed here.
- Nearly 2/3rd of the delay in delivery of service is because of lack of availability of spare parts. The same is established through 62.64% of the respondents' response. The erratic supplies of spare parts play havoc in the service delivery system.
- Most of the respondents, i.e., 80 out of 91 are informed of any delay in service, quite well-in-advance. It confirms that besides being the delay in service, the organization takes responsibility to inform it prior to the respondents.
- More than half of the sample, i.e., 62% of the respondents are comfortable with the services provided by the organization. A group of 23% among the 62% is highly satisfied and the remaining 39% are satisfied. It infers that the quality of service offered by the service station is comfortable enough to retain the customers.
- The service people engaged in the service bay possess only average technical skills. The same is reflected by 55.9% of the respondents.
- Most of the respondents i.e., 86% are comfortable with the spare parts in terms of quality, price, and supply.
- Monetary offers still woo the customers. The same is reflected with 52.5% of the respondents prefer to get discounts through promotional offers.
- There is no relationship between the delivery of vehicle on promised day and customer's satisfactory level in after sales service.
- There is relationship between the feel of customers towards service charges collected and customer satisfactory level in after sales service.

5.2 SUGGESTION

- The charges collected for service and spare parts can be reduced to a considerable limit. The service charges of competitive brands are found 50% below than what is charged by Toyota service stations. Hence efforts may teken to represent the same to the Toyota authorities.
- Additional Service Bays shall be commissioned and appropriate numbers of service people may be added on to reduce the service queue and lag in service delivery.
- The supply chain that is involved with the spare parts supply shall be strengthened so as to reduce the temporary mishaps happening in availability of spare parts.
- Promises reliability to the customer care and provides prompt service.
- Encourage the employees to give prompt service, making the employees respond to customer need and request. Employees shall be trained and empowered, facilitating decision making to some extent.
- Deal with customer courteously, imparting adequate knowledge of the service available.
- The mobile service shall be given additional importance and can be levered as an USP.
- Concentrate on aspects like individual attention to the customer.

Conclusion

The four wheeler market in India is witnessing a boom period, the sales of multi utility vehicle (MUV), entry level luxury cars and premium luxury cars, which is the strong hold of TOYOTA MOTOR CORPORATION is increasing manifold. One of the important which a prospective customer will analyse before buying car in the above mentioned segments is hassle free after sales service.

In the case of ANAAMAIAIS TOYOTA (p) ltd the Toyota car dealership in the city of Coimbatore, 14% of the customers are not returning for the service offered by the dealership once the free service schedule get over. This survey conducted by the researcher clearly shows that the reason behind this problem is because of high service cost, and impromptu delivery of service in time.

However, the customers are satisfied over the quality of services. Hence the service credentials of the organization cannot be questioned. The only area of consideration is with that of introducing new service bays and technical people to reduce the service queue. The service charges and affiliated charges need to be reconsidered passively in order to attract new and retain existing customers. The same is essential in the advent of the local four wheeler workshops posing a serious threat to the organized service stations. The supply chain of service parts should also be reworked since it cause temporary dismay in attending to the spare parts need of the customers.

In all counts, the service standards present in the Anaamalais Toyota is satisfactory. The issues addressed in the research project needs to be redressed for regaining the customers lost to other service providers and in attracting new customers.

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Appendix

Questionnaire

Name:

Address:

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1. When did you bought the car in Anaamalais Toyota?
2. How many times did you visit Anaamalais Toyota?

   a) Once [ ]   b) Twice [ ]

   c) Thrice [ ]   d) More than thrice [ ]

3. What is the main reason you stopped coming to Anaamalais Toyota?

   a) Distance [ ]   b) Cost [ ]

   c) Poor service [ ]   d) Delay in delivery [ ]

4. What is the name of the service station you are presently going?
5. What type of service station is it?

   a) Local workshop [ ]   b) Competitors [ ]

   c) Others [ ]

6. What is the main reason, you are going there?

   a) Distance [ ]   b) Cost [ ]

   c) Promptness [ ]   d) Service quality [ ]

7. What do you feel about the distance between your residences and Anaamalais Toyota?

   a) Too far [ ]   b) Normal [ ]

   c) Short [ ]

8. Do you aware of mobile service provided by Anaamalais Toyota?

   a) Yes [ ]   b) No [ ]

9. What do you feel about the charges collected for service in Anaamalais Toyota?

   a) High [ ]   b) Normal [ ]

   c) Low [ ]

10. What do you feel about the charges collected for spare parts in Anaamalais Toyota?

    a) High [ ]   b) Normal [ ]

c) Low [ ]

11. What do you feel about cost incurred due the replacement of a slightly worn out spare part?

    a) Fair [ ] b) Unfair [ ]

12. How long did you wait before you were greeted by a service personal?

    a) Less than 5 min [ ] b) 5 to 15 min [ ]

    c) More than 15 min [ ]

13. How long did the service personal heard to your request?

    a) Less than 5 min [ ] b) 5 to 15 min [ ]

    c) More than 15 min [ ]

14. Did the service personnel informed when the car will be delivered to you?

    a) Yes [ ] b) No [ ]

15. Was your vehicle delivered on promised day?

    a) Yes [ ] b) No [ ] (continue)

16. What is the reason given for delay?

    a) Lot of cars [ ] b) Lack of spare parts [ ]

    c) Lack of labours [ ]

17. Were you informed about the delay?

    a) Yes [ ] b) No [ ]

18. What is your satisfactory level in service provided by Anaamalais Toyota?

    a) Highly satisfied [ ] b) Satisfied [ ]

    c) Not satisfied [ ]

19. What do you feel about the skillfulness of labours?

    a) Above average [ ] b) Average [ ]

    c) Below average [ ]

20. What is your satisfactory level in spare parts provided by Anaamalais Toyota?

    a) Highly satisfied b) Satisfied [ ]

    c) Not satisfied [ ]

21. What promotional effort do you like to have from Anaamalais Toyota?

    a) Discounts c) Special offers

    c) Free service

Chi square test to find the relationship between the customer satisfactory level and delivery of vehicle on promised day.

Expected frequency

Satisfaction level / Delivery of vehicle	Highly satisfied	Satisfied	Not satisfied
Delivered	6.17	10.5	10.2
Not delivered	20.8	35.47	34.70

$\frac{(Oi - Ei)^2}{Ei}$
0.07
9.52
14.83
0.13
3.43
3.61
$\sum \frac{(Oi - Ei)^2}{Ei}$ =31.59

Degree of freedom (2-1)(3-1) = 2

Level of significant at 5% = 5.99

Observed value =31.59

Chi square test to find the relationship between the customer satisfactory level and customers feel towards charges collected after sales service

Expected frequency

Satisfaction level / Charges collected	Highly satisfied	Satisfied	Not satisfied
High	6.2	35.4	36.7
Normal	2.7	17.1	17.2
Low	0	0	0

$\frac{(Oi - Ei)^2}{Ei}$
0.23
0.01
0.14
1.95
0.00
0.01
$\sum \frac{(Oi - Ei)^2}{Ei} = 2.34$

Degree of freedom (3-1)(3-1) = 4

Level of significant at 5% = 9.488

Observed value = 2.34

Toyota corolla

Toyota Innova

Toyota Camry

Toyota Land Cruiser Prado