

**INTEGRATING CUSTOMER REQUIREMENTS IN THE DESIGN OF
SERVICE PROCESSES IN SOUTH AFRICAN MOTOR DEALERSHIPS**

BY

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DATE: November 2000

DECLARATION

“I, Peter Hodgkinson, hereby declare that :

- the work in this paper is my own original work
- all sources used or referred to has been documented and recognised; and
- this paper has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised educational institution.”

Peter Hodgkinson

Date

CONFIDENTIALITY CLAUSE

It would be appreciated if the contents of this dissertation remain confidential and therefore not be circulated for a period of three years.

Peter Hodgkinson

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ABSTRACT

The Motor Industry is set in a highly competitive and dynamic global arena constantly shaped by both external and internal forces. From an organisations point of view many of the external or macro forces are largely uncontrollable. Against this backdrop, players in the South African Motor Industry need to find new methods of differentiating themselves from competitors – One manner of performing this strategy is for Motor Dealerships to understand, meet or exceed customer requirements.

In this research, the literature survey revealed the concepts of Total Quality Management (TQM) and fail-safing, the meaning of superior customer service and the importance of customer loyalty and retention. Customer service excellence levels of three Williams Hunt dealerships in the Port Elizabeth – Uitenhage metropole were measured by utilising the SERVQUAL instrument for calibrating service quality. Customer expectations and perceptions were determined by means of the empirical study which yielded a service quality “gap.” From analysis of this gap and related findings, suggested improvements were suggested as a guideline for dealerships to utilise with the aim of improving customer service levels.

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CHAPTER ONE

INTRODUCTION, PROBLEM STATEMENT AND DEFINITION OF KEY CONCEPTS

1. INTRODUCTION

The South African motor industry has, since the first democratic elections in 1994 and resultant demise of trade barriers, undergone significant changes. These changes have brought about a need for organisations to conduct business in a different manner due to the impact of almost constantly changing environmental forces.

The South African motor industry is becoming increasingly highly competitive with new World-Class entrants continually raising customer expectations through elevated quality and service standards. With the ongoing improvement in technology in the industry, product quality is becoming less and less of a primary differentiator amongst competitors. It is for this reason that organisations are constantly reviewing their strategy towards customer service as an area of business in which they can gain competitive advantage.

According to Christopher (1992: 5), survey after survey indicates that the number one influence in the purchase decision, even ahead of price, is the expectation of the total quality (which includes service) that surrounds the offer. This does not suggest that price is unimportant but rather that the perception of higher quality and service enables a higher price to be charged.

Manning (1989: 39) argues that all business performance begins with the customer and that world class customer service must become the central theme of every business. Superior quality must become an obsession in all activities, as this triggers a stream of benefits that results in competitive advantage and a related increase in profit for the firm.

1.2 MAIN PROBLEM

The success and sustained viability of motor vehicle manufacturers and dealerships lie in their ability to become customer orientated, with related strategies and procedures for focusing the business around customer satisfaction. It follows that if customers are satisfied with the service provided to them, it is easier for those businesses to retain their customers and achieve the resultant benefits of repeat purchases. According to Christopher (1992: 9) a study of the car market in the United States of America (USA) found that a satisfied customer is likely to stay with the same supplier for twelve years after the first satisfactory purchase. During this period the satisfied customer will buy four more vehicles of the same make. Estimates show that this level of customer retention is worth \$400 million in new car sales annually.

Linton (1993: 2) poses the question of how a motor manufacturer (including its dealerships for this research) can distinguish itself from the competition. It inspired the researcher to investigate possible solutions and provide guidelines for improving customer satisfaction and service levels. A service should be designed up front to determine any possible inefficiency. Chase and Acquilano (1995: 114) describe a service blueprinting technique which sets out the process. By installing fail safe systems into the process at the appropriate points potential failures can be eliminated.

Attracting new customers and indeed, customer retention, poses problems for motor vehicle manufacturers and their franchised dealers. In the USA, for instance, owners change their vehicles within two to three years on average and there may be little contact with the dealership during that period. Dealers have to find ways to increase contact and build loyalty during the period between sales so that their dealership is the customer's first point of contact when they come to choose their next car or service garage. In order to accomplish this, Linton (1993: 161) affirms that dealers have to prove that they are competitive and must offer a service that is visibly different from competitors – a service that builds the highest level of service quality. This leads to the main problem addressed by this research:

HOW CAN MOTOR DEALERSHIPS IMPROVE CUSTOMER SERVICE QUALITY LEVELS?

1.3 SUB-PROBLEMS

In order to develop a research strategy to solve the main problem the following sub problems have been identified:

1. What does a literature study reveal about acceptable levels of customer service in motor dealerships?
2. What do knowledgeable people believe are acceptable levels of service?
3. What are the current shortcomings impacting on customer service levels in motor dealerships?
4. How can the service process in a motor dealership be designed to ensure the delivery of quality service?

1.4 DELIMITATION OF THE RESEARCH

According to Leedy (1997: 59) the demarcation of the study will allow the study to remain focused on a specific area and as such be manageable. Although this research is limited to the Williams Hunt Delta Motor Dealerships it is assumed, for purposes of this study, to be representative of similar types of motor dealerships.

1.4.1 Organisations to be studied

The researcher intends to determine and critically evaluate customer satisfaction levels at Delta dealerships in the Port Elizabeth and Uitenhage metropole. An opportunity exists to compare service levels of a greenfield site such as Williams Hunt Moffet Park with more traditional Williams Hunt Delta dealerships. This comparison will form the basis of this research.

1.4.2 Geographical delimitation

Although Williams Hunt operates in all major centres in South Africa, the empirical component will be limited to and focus on, customers of Williams Hunt Delta dealerships in the Port Elizabeth (PE) and Uitenhage metropole.

1.5 DEFINITIONS OF KEY CONCEPTS

A definition of terms within the context of the research is given below.

1.5.1 Service quality

Christopher (1992: 66) defines service quality as the ratio between performance and expectation. Since it is possible to measure both performance as perceived by customers and expectations as defined by those customers a simple formula can be derived:

$$\text{Service Quality} = \frac{\text{Performance}}{\text{Expectations}}$$

Albrecht (1994:32) defines service as the distinctive approach, principle or formula for delivering service quality, which is both important to the customer as well as deliverable by the organisation.

1.5.2 Customer service

Christopher (1992: 8) sees a customer service system as a continuum which provides a link between the time that the order is placed and the goods are received, with the objective of satisfying customer needs on a long term basis.

1.5.3 Customer satisfaction

Customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectation (Kotler and Armstrong, 1996: 10).

1.5.4 Dealership

In this study the dealership is the enterprise franchised to Delta Motor Corporation South Africa and the point of sale and service of motor vehicles and trucks.

1.5.5 SERVQUAL

Servqual is an instrument for measuring service quality developed by Parasuraman, Zeithaml and Berry (1995: 23) that focuses on five dimensions of the service:

- ◆ Tangibles;
- ◆ Reliability;
- ◆ Responsiveness;
- ◆ Assurance;
- ◆ Empathy.

1.6 IMPORTANCE OF THE RESEARCH

In the motor industry, as in many other sectors of business, parts and service are proving to be the critical elements in customer retention as they provide the greatest

opportunity for customer contact. It is essential that parts and service staff understand customer needs and have the backing of marketing programmes to assist in customer retention (Linton 1993: 162).

In the past year Delta have attempted to improve their business processes with input and recommendations from an international consulting company, A.T. Kearney. This has led to a realignment of business processes and necessitated structural changes within Delta in order for the implementation process to be successful. The object of this research, however, is not to advance into the area of business processes of dealerships *per se*, but to utilise the SERVQUAL instrument as a useful starting point in recognising gaps between customer requirements and service delivery.

Rivalry among the South African vehicle manufacturers comprises some of the fiercest in the world, with an extremely fragmented market and increasing market penetration of imported vehicles (*F&T Weekly*, 1997: 10). It is therefore vital that Delta ensures survival through customer oriented efforts on a continuous basis. The need to retain customers is emphasised by Christopher (1992: 9) who states that an existing customer provides a higher profit contribution as well as the potential to grow in terms of the value and frequency of purchases. Christopher (1992: 11) uses Bain & Co, a management consulting company as an example. This company has found that retained customers are more profitable than new customers for the following reasons:

- ◆ The cost of acquiring new customers can be substantial, therefore a higher retention rate reduces this cost;
- ◆ Established customers tend to buy more;
- ◆ Regular customers place frequent, consistent orders and therefore usually cost less to serve;

- ◆ Satisfied customers often refer new customers to the supplier at virtually no cost;
- ◆ Satisfied customers are often willing to pay premium prices for goods and services from a supplier they know and trust;
- ◆ Customer retention makes market entry, or share gain difficult for competitors.

1.7 REVIEW OF RELATED LITERATURE

Leedy (1997: 71) states that the aim of a review is to increase knowledge of similar investigations, thereby enhancing the ability of the researcher to address the problem at hand. The benefits of a literature review are:

- ◆ It can show investigations similar to those being tackled by the current researcher as well as the methodological and design issues;
- ◆ It describes methods of dealing with problem situations;
- ◆ It reveals to the researcher important research personalities and new sources of data that otherwise may not have been discovered;
- ◆ It helps the researcher to see the study in historical and associative perspectives and in relation to earlier approaches to the same problem, and it can provide new ideas and approaches to the researcher;
- ◆ It allows for a comparison of research efforts with the efforts of others and it can increase the confidence of the researcher if it is found that others have had an interest in the topic and devoted time and energy in similar areas of study.

Several sources were found that address the topic of this study from different angles and in varying degrees of detail. Quoted and summarised below are texts which the researcher found to be of value for this research.

1.7.1 Stambaugh: Service stations – customer services

Stambaugh (1994: 16-17) addresses the importance of trust between consumer and repair facility and states that this is dependent on quality assurance. Stambaugh suggests that if a vehicle repair/service organisation focuses on developing trustworthy relationships with its customers, and practises sound quality assurance principles then that organisation will find that its good customer service practices are more profitable than trying to lure more customers through discount pricing.

1.7.2 Manning: World class strategies for winning with your customer

The subject literature stresses that organisations need to pay particular attention to their customers' needs and that customers should be seen as “partners” of the business.

Manning (1989: 59) cites five common factors that customers seek when buying products and services:

Their expectations must be met, they want to be treated with respect, be heard, feel that you are on their side, and be provided with valuable product information.

Manning (1989: 62) suggests the following three principles for superior service:

- ◆ Principle one: Everything you do must drive value up and costs down.
- ◆ Principle two: Customer care is everybody's business.
- ◆ Principle three: Top-management must make it happen.

Manning (1989: 67) stresses that superior service should be initiated through commitment of top management. He believes that frustration and failure are inevitable if top management do not become key players in driving customer consciousness deep within the firm.

1.7.3 O'Brien: Customer motivators which raise or lower service levels

O'Brien (1995: 2) states that the ability to identify mutually satisfying factors in encounters between service providers and customers should be of strategic importance in guiding managers to create an environment in which these factors can repeatedly occur. The purpose of his study was to explore the impact of customer behaviours on the service encounter in the retail motor industry, with a view to identifying behavioural constructs, which either raise or lower service performance.

- ◆ Research methodology

O'Brien (1995: 51) utilised the Critical Incident Technique (CIT) to uncover sources of satisfaction and dissatisfaction in external service encounters. Sixty-five respondents, confined to front-line and first-line management from five of the seven South African vehicle manufacturers franchises, were selected throughout the motor retail industry. In each case the respondent was personally interviewed in order to explain the requirements of the critical incident questionnaire.

◆ Key findings of the research

According to O'Brien (1995: 78) the following points can be seen to represent the critical aspects that the research uncovered:

- Customer behaviour influences the level of service provided and different personalities evoke different sorts of responses from customers. Managers need to seek ways, either through their processes or their people, to get customers to behave in a desirable way so as to de-escalate the anger/threat syndrome;
- While the motor industry has invested heavily in customer satisfaction programmes, it needs to invest in the development of human resources to improve customer satisfaction. Personality traits of service providers have a profound affect on the way that they construe customers in the service encounter;
- Service providers in the auto industry seem to do very little to surprise and delight their customers.

1.7.4 Barnes: Customer satisfaction and quality in a maintenance service

This research examined the levels of customer satisfaction and perceptions of service quality in the passenger vehicle-servicing sector. The study was conducted on the service centres of three Mercedes Benz agents in the Johannesburg area. Barnes set out to prove that a gap existed between customer expectation and the level of service received. More specifically, the focus was to:

- Identify the factors a customer expects when having a vehicle serviced or repaired;
- Ascertain the extent to which these factors are being observed by the service provider;
- Identify the three most important factors and the extent to which these influence the customer's degree of satisfaction.

◆ Service quality gaps

Barnes (1988: 1) cites Parasuraman, Zeithaml and Berry's model of quality service that suggests that there is a gap between the service a customer expects (which is influenced by the customers' personal needs and past experience) and the perceived service level (service level received). Barnes (1998: 2) believes that for the size of the gap to be acceptable, the organisation should understand the needs of its customers, set appropriate performance standards for all levels of staff and provide adequate resources.

◆ Research methodology

Prior to having their vehicles serviced, customers were requested to complete a questionnaire to document their expectations relative to the service or repair activity to be carried out. It became clear to the interviewer that customers appeared to have difficulty in expressing their expectations. For this reason the factors listed in the Parasuraman et al (1985) Service Quality Model were used as prompts to aid the customers. Barnes (1988: 33) conducted post service telephonic interviews with customers to determine their levels of satisfaction.

◆ **Key findings of the research**

The ten factors, which occurred most frequently in the list of customer expectations, are listed below. The first four “experience factors” were the most important in the eyes of the customers.

- Having the repairs and service performed correctly “the first time”
- Trusting that only work carried out is charged for;
- Having a vehicle ready at the promised time;
- Being attended to by staff who understand “the problem” even when it is described in layman’s terms;
- Modern, clean, well lit premises;
- Being able to have a car serviced within three to four days of booking an appointment;
- Availability of a courtesy vehicle;
- Receiving friendly, courteous service;
- Being able to check a vehicle in quickly and efficiently but with an opportunity to discuss any relevant problem;
- Having the vehicle returned clean.

◆ Summary of conclusions

The results of Barnes' research confirmed the existence of the gap which Parasuraman et al (1985) suggest exists between perceived and expected service. Barnes (1989:62) believes that the reason for the existence of the gap appears to be the difference between customers' expectations and managers' and staff perceptions of customer expectations.

Management thinks that customers look to the tangible factors in evaluating services – friendly treatment, acceptable premises and clean cars. According to Barnes (1989: 62), however, these are not nearly as important as the so called “experience factors” listed above.

1.8 KEY ASSUMPTIONS

Leedy (1997: 60) states that assumptions are so basic, that without them, the research problem itself could not exist. Assumptions are what the researcher takes for granted and if the reader knows the assumptions, it is easier to understand and evaluate the conclusions.

In this study it is assumed that the subject dealership's observed service levels represent those of the majority of all Delta dealerships countrywide.

By implication, then, a model derived from this research sample would be applicable to (valid for) Delta dealerships of the future.

1.9 RESEARCH DESIGN

The broad methodology followed in the study is described below.

1.9.1 Research methodology

A survey was conducted utilising the widely accepted measuring technique known as SERVQUAL (Parasuraman et al, 1995: 41). This technique is a multiple-item scale that measures service quality as the mathematical difference between measured expectations and measured perceptions. Paired questions are used to obtain a difference score by subtracting the expectation measure for each individual element of service quality from the perception measure for that element. The resultant score is used to assess the achieved level of service quality for that particular item. The following procedure was adopted to solve the main problem and sub problems:

1.9.2 Literature survey

The researcher aimed to identify customer expectations with a view to developing an optimum model/strategy for improving customer satisfaction levels. Literature was sourced from the University of Port Elizabeth (UPE), Witwatersrand University (WITS) and Port Elizabeth Technikon libraries as well as the Internet.

1.9.3 Empirical study

The empirical study, to be discussed in detail in chapter three, consists of the following:

- ◆ Mail survey

A mail survey was conducted among Williams Hunt Port Elizabeth and Uitenhage sales and service customers, using a SERVQUAL adapted questionnaire, to establish firstly, customer expectation and secondly, customer perception of the delivered service by the subject dealership.

◆ Measuring instrument

The researcher developed a questionnaire based on the previously described and widely accepted measuring technique known as SERVQUAL by Parasuraman et al (1995).

◆ Sample

A statistically significant random sample of Williams Hunt sales and service customers was drawn from the dealership's database, by the researcher. The significance of the sample size chosen was determined in consultation with a statistician prior to the survey.

◆ Statistical analysis of data

The statistical procedures used in interpreting and analysing the data were determined in consultation with the researcher's promoter and a statistician at the time the questionnaire was drawn up.

1.10 LIST OF INTENDED CHAPTERS

Chapter One:

Introduction, problem statement, definition of key concepts, importance of the study and methodology.

Chapter Two:

Literature Study – An examination of World-Class customer service, customer loyalty and retention.

Chapter Three:

The empirical study.

Chapter Four:

Analysis and interpretation of the empirical study.

Chapter Five:

Summary, recommendations and conclusion.

CHAPTER TWO

WORLD CLASS CUSTOMER SERVICE, CUSTOMER LOYALTY AND RETENTION

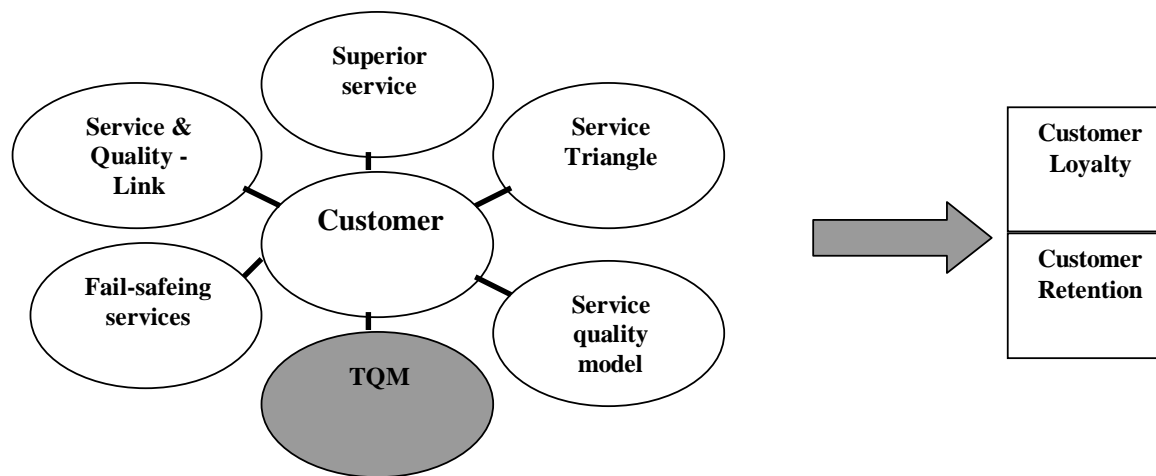
2.1 INTRODUCTION

According to Christopher (1992: 5), the biggest influence in the purchasing decision, even ahead of price, is the expectation of total quality (which includes service) that surrounds the offer. By implication this suggests that the perception of higher quality and service enables a higher price to be charged. (Christopher, 1992: 65) states that the concept of Total Quality has become the core value underlying the activities of any business.

The aim of this chapter is to examine the factors that constitute world class customer service, including Total Quality Management (TQM), and the link between superior customer service and quality. The service triangle, a customer centred model, is examined as well as a conceptual service quality model indicating the various gaps that exist between customer expectation and perception. Finally, a strategy for improving customer retention and maintaining customer loyalty in a car dealership is discussed.

The diagram below highlights the specific area under discussion and will precede each new topic in this chapter, as an aid for understanding.

Figure 2.1: Customer-TQM



Source: Author

2.2 TOTAL QUALITY MANAGEMENT (TQM)

Building customer loyalty and retaining customers is an integral part of managing organisations and one of the most important issues facing businesses today, as the management of this principle can influence the firm's long term success. Food or clothing companies who sell products with short sales cycles can use short-term promotional techniques to stimulate repeat purchases. Motor manufacturers, however, have long sales cycles and are thus forced to find unconventional means to maintain customer contact over long periods of time. The aim of this chapter is to reveal what factors constitute superior service. The chapter commences with TQM and the link between service and quality. It then discusses "fail-safeing" of services, and finally, it explains how customer loyalty and retention is accomplished.

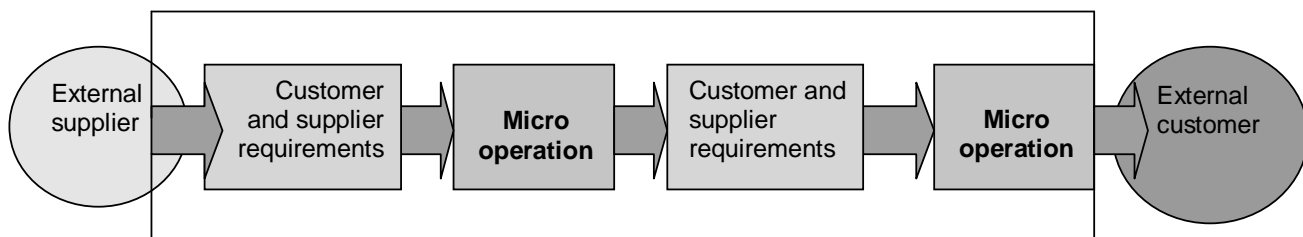
Hellriegel and Slocum (1996: 657) put forward the proposition that TQM is an organisational philosophy and strategy that makes quality the responsibility of all employees. Organisations should pursue TQM through various preventive and corrective control methods that are intended to ensure customer satisfaction. Slack et al (1995: 816) state that TQM is a philosophy that is concerned with meeting the needs and expectations of customers. TQM attempts to move the focus of quality away from being an operations activity into an objective for the whole organisation. They continue that TQM is specifically concerned with:

- ◆ Meeting the needs and expectations of customers;
- ◆ Including every person and covering all parts of the organisation;
- ◆ Examining all costs that are related to quality and doing things right the first time;
- ◆ Developing the systems and procedures, which support quality and continuous improvement.

Slack et al (1996: 818) state that one of the most powerful aspects to emerge from TQM is the concept of the internal customer and supplier. This concept is a recognition that everyone is a customer within the organisation and consumes goods or services provided by other internal suppliers, and is also an internal supplier of goods and services for other internal customers. Therefore, any errors in the service provided within an organisation will eventually affect the product or service, which reaches the external customer.

One of the best ways to ensure that external customers are satisfied is to establish the idea that every part of the organisation contributes to external customer satisfaction by satisfying its internal customers. As depicted in figure 2.2 (below), TQM utilises the concept of an internal customer/supplier relationship that is managed by “micro operations”, primarily by ensuring that in every link, internal suppliers and customers’ requirements are defined as clearly as possible to avoid errors in service. In effect, the quality, speed, dependability and flexibility of the internal service should benefit the external customer as the quality imperative is embedded in every part of the organisation. TQM must be applied throughout the entire supply chain. This means that every stage of the process connecting suppliers to the business and the business to customers has to be managed. The idea is to build a “chain of quality” so that every link in the chain is based on the principle of a “supplier” providing a “customer” with total quality.

Figure 2.2: Internal customer/supplier relationship between micro operations



Source: Adapted from Slack et al (1996: 818)

2.2.1 Foundations of TQM

Oakland (1995: 27) states that TQM is the vehicle for achieving effective leadership and covers the entire organisation, all the employees in all the functions, including external organisations and suppliers. The core of TQM must be the customer-supplier

interface, both internally and externally. At each interface there are processes to convert inputs to outputs. Oakland (1995: 28) suggests the following strategies in order for senior management of an organisation to commit to total quality:

- ◆ Long term commitment to constant improvement

The quality improvement process must start at the boardroom/ senior management level, be planned on an organisation-wide basis and must embrace all locations and departments and include customers and suppliers.

- ◆ A philosophy of zero errors to change the culture to right the first time

This should be based on a thorough understanding of the customer's needs through the participation and involvement of all employees. Employees should be trained to understand customer- supplier relationships.

- ◆ Commitment to customer needs

This must start at top management level with a focus on customer orientation as well as a thorough understanding and utilisation of the concept of internal customers and suppliers by all employees.

- ◆ Continuous improvement of product, service and failure rate from suppliers

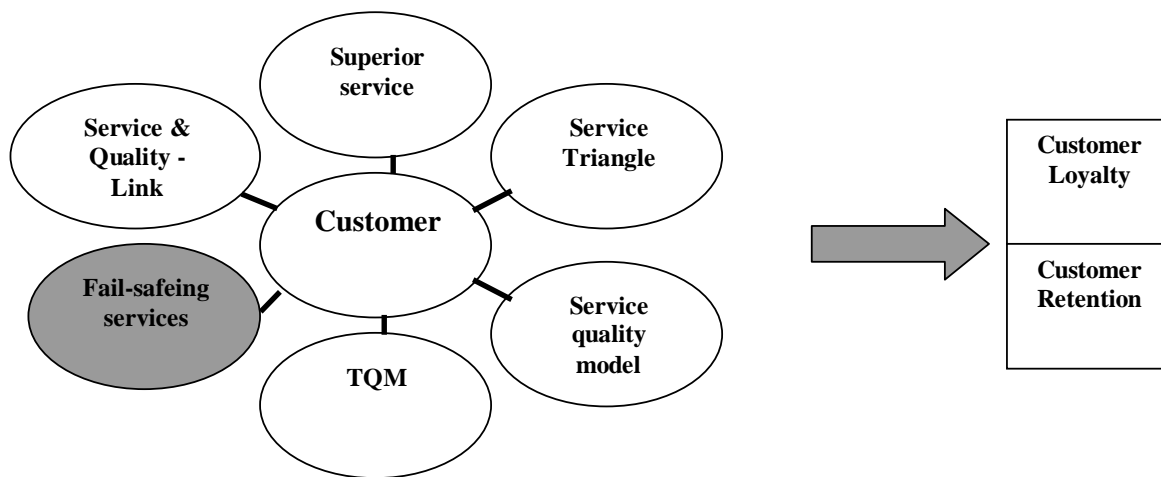
This will reduce the overall cost of doing business.

- ◆ Knowledge of how well the organisation is doing in terms of satisfying the customers' needs and expectations, and of how well employees are progressing toward the achievement of their goals.

The above points are a guideline to help senior management in their efforts to gain commitment to total quality. These points may be adapted to suit individual organisational needs.

2.3 MAKING SERVICES FAIL-SAFE

Figure 2.3: Customer – Fail - safeing services

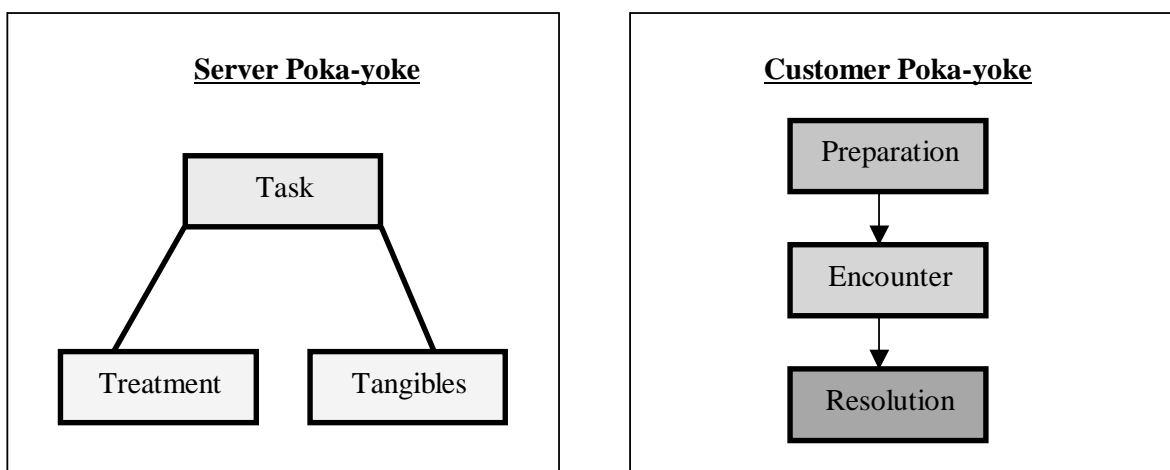


Source: Author

Chase and Stewart (1994: 35) argue that certain TQM concepts, such as Poka-yoke (fail-safe) methods in manufacturing applications, can be applied equally effectively to service encounters. Slack et al (1996: 790) describe Poka-yokes as simple, preferably inexpensive devices or systems which are incorporated into a process to prevent inadvertent operator mistakes resulting in a defect. The objective of fail-safeing is to create robust processes by ensuring that the effects of factors beyond the service provider's control can be withstood.

According to Chase and Stewart (1994: 37) errors in services can be divided into server errors and customer errors. Server errors can be further classified as errors in the task, the treatment, or the tangible aspects of service, while customer errors can be classified as errors in the preparation for the encounter, the encounter, or the resolution of the encounter, as shown in figure 2.4.

Figure 2.4: Poka-yoke classification



Source: Adapted from Chase and Stewart (1994: 37)

Chase and Stewart (1994: 34) believe that the so-called “three T’s” (task, tangibles and treatment) are critical to the approach of fail-safeing the server because they explicitly relate fail-safeing actions to specific dimensions of service. The five critical dimensions for measuring service quality as identified by the widely used instrument, SERVQUAL (utilised by the researcher), are reliability, responsiveness, assurance, empathy and tangibles.

2.3.1 Fail-safeing the server

2.3.1.1 Task, treatment and tangible errors.

Task errors are those *within* the service functions, such as the service workshop not repairing the vehicle properly, or promptly. These could include work done incorrectly, or not requested, or too slowly, or in the wrong order.

A task poka-yoke (Chase and Stewart, 1994: 37) has relevance to motor dealerships. Sewell Cadillac (USA) for example uses colour-coded tags on car roofs to identify the customer's service adviser and order of arrival for correct prioritisation of service.

Treatment errors occur in the *contact between the server and the customer*, such as lack of courteous, professional behaviour. Examples include the failure to acknowledge, listen to or react appropriately to the customer. Many service companies utilise treatment Poka-yokes by training their personnel to read their customers' negative non-verbal cues early in the encounter. This helps the employee by preventing a miscommunication from escalating into a complete service failure.

Tangible errors are those *in the physical elements* of the service such as untidy workshops or showrooms or incorrect or unclear invoices. Such errors are caused by failure to clean facilities and provide clean uniforms, control noise, odours and temperatures, as well as proofread documents.

2.3.2 FAIL-SAFEING THE CUSTOMER

2.3.2.1 Customer errors

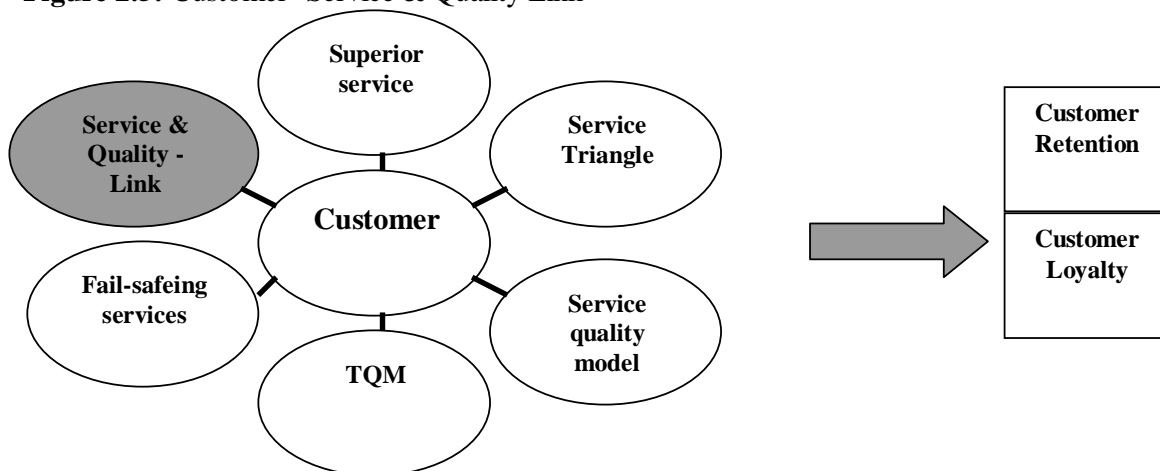
Customer errors can occur **before** the encounter, both inside and outside the service facility. These types of errors include the failure to bring the necessary material to the encounter, or to engage the incorrect service. During the encounter, preparation Poka-yokes in the form of information (in either printed or verbal format) can be used to inform customers on how to access the desired service.

Customer errors **during** an encounter can be due to inattention or misunderstanding. These may occur when the customer fails to follow the system flow or instructions, or incorrectly specifies the requirement or desire. A simple example of an encounter Poka-yoke is the beeper that signals customers to remove their cards from the automated teller machines.

Customer errors **at the resolution stage** of the service encounter include the failure to either signal service failures, or to execute appropriate post encounter actions.

2.4 THE LINK BETWEEN SERVICE AND QUALITY

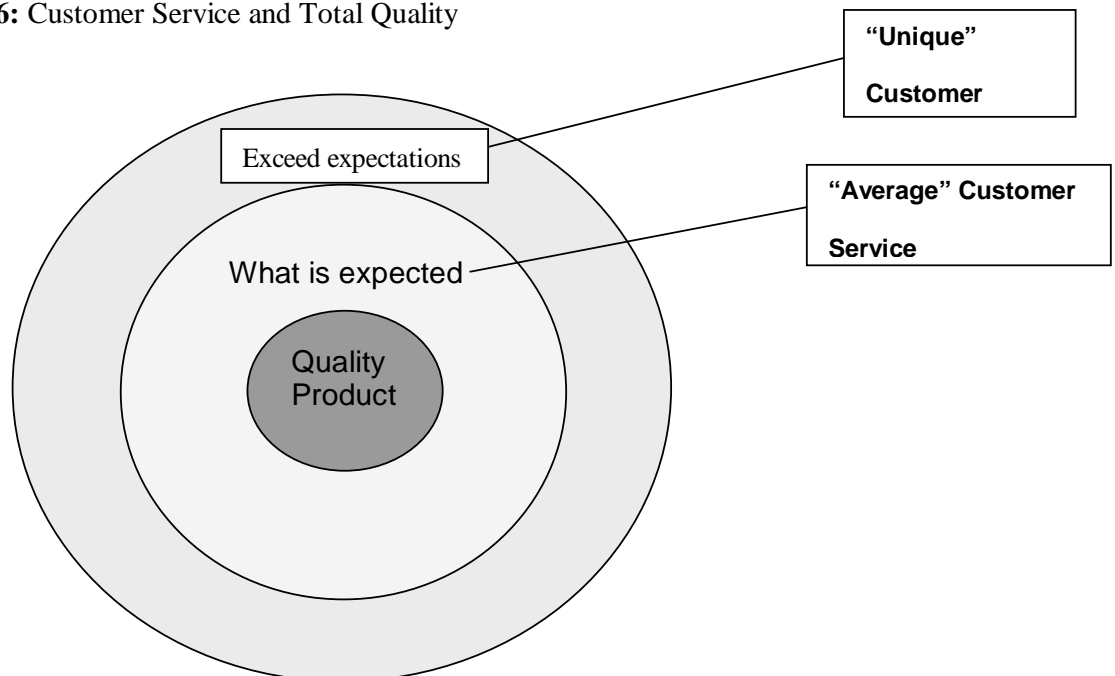
Figure 2.5: Customer- Service & Quality Link



According to Christopher (1992: 65), customers do not buy products: they seek benefits. In doing so they evaluate competing offers in terms of the package that includes product, service and the “relationship” that currently exists, or potentially could exist between them and the supplier and/or the brand (See figure 2.6)

Figure 2.6 attempts to depict how customer service can be used to gain a marketing advantage, not just by meeting customer expectations but by exceeding them. This is the concept of “delighting the customer” and may be seen as the way the organisation differentiates itself from its competitors through not only the quality of the core product but how it manages the “service surround”. Companies should recognise that every interaction with the customer provides an opportunity to be unique and to go beyond simply meeting expectations.

Figure 2.6: Customer Service and Total Quality



Source: Adapted from Christopher (1992: 66)

One way of defining service quality in a total sense is as a ratio, that is:

$$\text{Service Quality} = \frac{\text{Performance}}{\text{Expectations}}$$

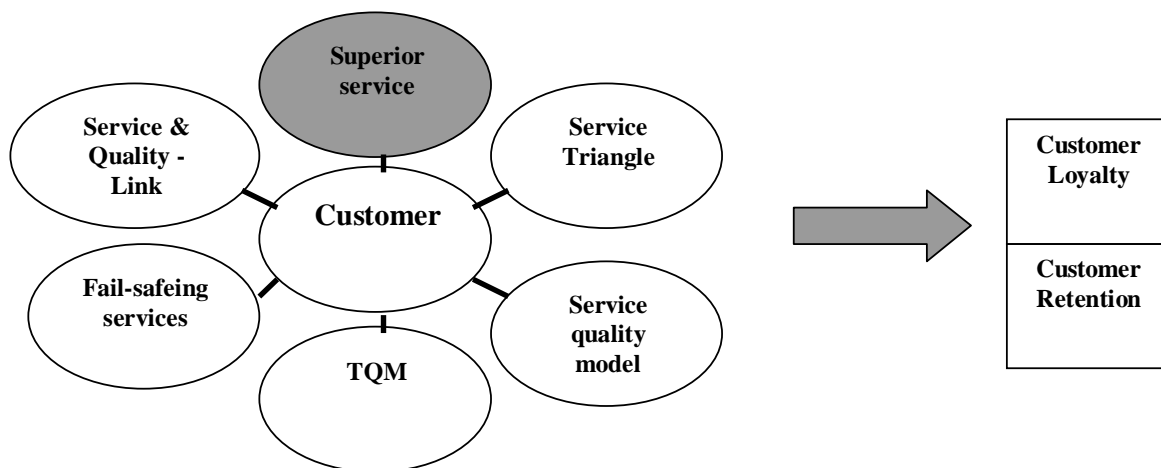
Since performance, as perceived by customers, can be measured and expectations can be defined by those customers, a practical way exists to measure service quality.

With reference to the above formula, a ratio of less than one is inadequate, whereas any ratio greater than one suggests that the suppliers performance is desirable.

As has been previously stated, organisations need to pay particular attention to their customers' needs and they should be seen as "partners" of the business. In this regard, Manning (1989: 27) quotes Peter Drucker as saying, "the first priority of business is to create and keep a customer".

2.5 SUPERIOR CUSTOMER SERVICE

Figure 2.7: Customer – Superior Service



Source: Researcher

Manning (1989: 59) cites five common factors that customers seek when buying products and services:

- ◆ Customers' expectations must be met. The company's management is responsible for ensuring that the expectations of customers, and potential customers, are met every time contact is made. To this end companies spend fortunes shaping their customers' expectations and in effect, make extravagant promises, construct impressive offices and provide appealing uniforms for their employees.

- ◆ Customers want to be treated with respect. Customers like to be treated with warmth and courtesy with a genuine concern that solving their problem is your priority.

- ◆ They want to be heard. Listening to the customer is a most powerful lever in the market place especially when things go wrong. A key cause of customer dissatisfaction is that "nobody listens". A discerning supplier should listen carefully to how the customer feels about a particular problem or concern.

- ◆ Customers want to feel that you are on their side. Customers expect employees of companies with which they interface to build relationships with them.

- ◆ Customers want enough information to make sensible buying decisions and to be able to use the product or service properly.

Customers expect front line staff to know about their company's products and services and give customers professional help. (Manning 1989: 62) In this light, it becomes obvious that employees need to be provided with sufficient information in

order to provide the customers with the standard of service they require and as such ensure the perpetuation of the relationship.

2.5.1 Basic principles of superior service

Manning (1989: 62) suggests the following four principles for superior service as basic for staying in business and making a profit.

2.5.1.1 Firms must drive value up and costs down

Value does not necessarily cost more, but rather is derived from doing the right thing the right way, right the first time and right on time. According to Kotler and Armstrong (1996: 570) customers are “value maximisers” and choose the marketing offer that gives them the most value. They describe the following concepts for defining customer value as follows:

- Customer delivered value: The consumer’s assessment of the product’s overall capacity to satisfy a need.
- Total customer value: The total of all the product, services, personnel and image values that a customer receives from a marketing offer.
- Total customer cost: The total of all the monetary, time and energy costs associated with a marketing offer.

2.5.1.2 Customer care is everybody’s business

Customer care must be a companywide obsession with all staff contributing to this end. A commitment to customer care forces organisations to have an external focus.

(Manning, 1989: 66). The objective is to build sales and increase market share and profits, and management must support a system that makes quality performance possible.

2.5.1.3 Top management must make it happen

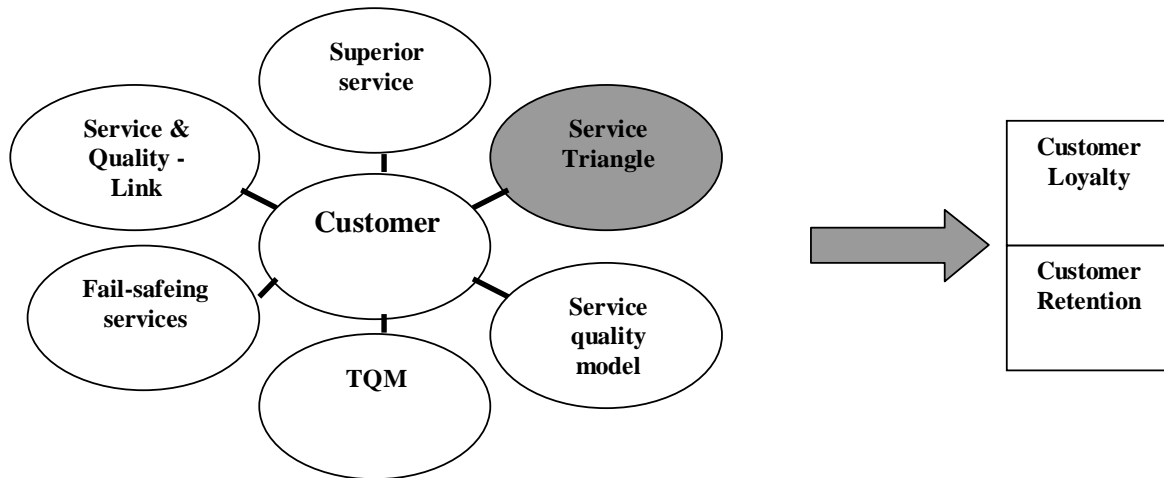
Manning (1989: 67) stresses that superior service should be initiated through the commitment of top-management. Frustration and failure are inevitable if top management do not become key players in driving customer consciousness deep within the firm.

2.5.1.4 Superior customer service requires a total “onslaught”

Organisations cannot rely on a handful of exceptional performers, as even the most enterprising sales or service individual is ultimately a reflection of the total operation. Manning (1989: 69) declares that customer service thus cannot be delegated, and in order for it to contribute to the effectiveness of the organisation, it must be driven in several ways. Management need to revolutionise their thinking and behaviour which must be followed by training for employees to enable them to create value for customers.

2.6 THE SERVICE TRIANGLE

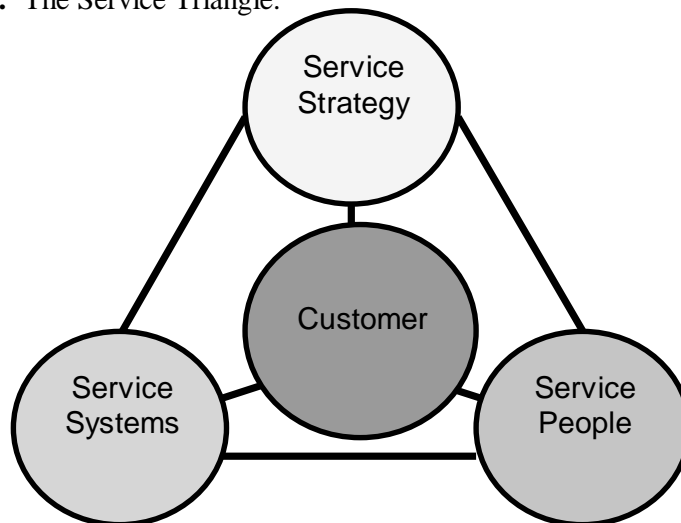
Figure 2.8: Customer – Service Triangle



Source: Researcher

Albrecht (1994: 77) explains the customer centred model created to emphasise the role of service systems, service strategies and service people in any successful organisation. As can be seen in Figure 2.9 (below), each of these elements works together and revolves around the customer – the most important member of the service triangle.

Figure 2.9: The Service Triangle.



Source: Adapted from Albrecht (1994: 77)

The model focuses on the most important elements of success with your customers (Albrecht, 1994: 78). In becoming a customer oriented business, top level management, supervisors and middle management as well as front line employees need to be familiar with each of the elements discussed below.

2.6.1 Service strategy

According to Albrecht (1994: 79) it is as important for the customer to know about the company's service strategy as it is for the employees to know and understand it. Customers want to know what they can expect from a company when they conduct business with it. The service strategy depicts the reason for business and allows the company to view itself from the customer's perspective.

2.6.2 Service systems and service people

Albrecht (1994: 81) believes that staff should continually challenge the status quo and seek to improve systems and processes as a means to achieving the goal of becoming a customer-friendly organisation. This should be achieved through employee consensus and careful selection of staff for key roles within the service environment.

2.6.3 The customer

As mentioned previously, the reason the customer is at the centre of the service triangle is that all the other elements revolve around the customer.

Albrecht (1994: 85) proposes the following as the most important factors involving the customer:

2.6.3.1 Understand the customer

Employees of organisations need to understand the business realm within which they operate as well as what factors attract customers to that business. Customer demographic data (age ranges, gender, salary levels, education levels, and geographical distance from the customer) should be obtained to assist with understanding customer needs. Customer needs and wants can be determined by face to face interviews, mail surveys and telephonic surveys. Kotler and Armstrong (1996: 61) list the following questions as a guide for managing the company's marketing environment audit in the macro and task environment. (Refer table 2.1)

Table 2.1: Marketing audit questions

Macro environment	Task environment
What major demographic trends pose threats and opportunities?	What is happening to market size, growth, geographic distribution and profits?
What economic developments in income, prices, savings and credit will impact on the company?	How do customers rate the company on product quality, service and price?
What is the outlook for costs and availability of natural resources and energy?	Who are the major competitors? What are their strategies, market shares, strengths and weaknesses?
What is the public's attitude towards the business and the company's products?	What trends are affecting suppliers?
What current and proposed legislation will affect company strategy?	

Source: Adapted from Kotler and Armstrong (1996: 61)

2.6.3.2 Serve the customer in as many ways as possible

According to Albrecht (1994: 86) companies need to consider different ways of adding greater value to the products and services for the benefit of the customer. This can be achieved through product-bundle pricing. Kotler et al (1996: 369) describe this technique as combining two or more products and offering the bundle at a reduced price. Price bundling can promote the sales of products consumers might not otherwise buy. However, the combined price must be low enough to get them to buy the bundle.

2.6.3.3 Keep the customer coming back.

Albrecht (1994: 87) states that repeat business is one of the cornerstones of business success. Christopher (1995: 9) maintains that the importance of customer retention is underlined by the concept of the “lifetime value” of a customer. The lifetime value will be discussed later in this chapter.

Christopher (1995: 11) cites the following reasons why long term relationships are more profitable:

- ◆ The cost of acquiring new customers can be substantial. A higher retention rate implies that fewer customers need to be acquired. Established customers tend to buy more;
- ◆ Regular customers place frequent, consistent orders and therefore usually cost less to serve, and satisfied customers are often willing to pay premium prices for a supplier they know and trust and often refer new customers to the supplier at virtually no cost;

- ◆ Retaining customers makes market entry or share gain difficult for competitors.

2.7 SERVICE STATIONS – CUSTOMER SERVICES

Of particular interest to the researcher for this paper is the study by Stambaugh (1994: 16) which addresses customer service issues for vehicle repair and maintenance facilities in the United States of America. Stambaugh (1994: 16) highlights that the importance of trust between consumer and repair facility is dependent on quality assurance. Also discussed are educational services for repair technicians, strategies used by retailers to promote vehicle repair services and factors influencing consumer choice of service centre.

2.7.1 Customer relationships and trust

With an increasing number of consumers requiring vehicle servicing to be carried out at dealerships or other service retail outlets due to technology advances in vehicles, opportunities exist to explore which services are in demand and how best to focus on customer service. Service retailers, according to Stambaugh (1994:16), need to be aware of certain points when promoting repair facilities to consumers. Most importantly, consumers want a solid relationship with their repair facility's personnel and particularly, the repair technician. However, dealerships face a number of challenges in developing good relationships with customers. The primary challenge is that of distrust. When a customer becomes dissatisfied with the service received from one particular dealership, it clouds the view of the entire chain as well as the vehicle manufacturer itself. If, for instance, a dealer should unscrupulously overcharge for parts and unnecessary repairs, this could tarnish the image of the many other dealerships of the same manufacturer.

In South Africa many consumers are reluctant to take their vehicles to be serviced as they do not feel knowledgeable about the vehicles' technical aspects of operation and are thus afraid of having to pay for services that may not be required, or could have been postponed.

2.7.2 Quality of service

Stambaugh (1994: 3) believes that another challenge for dealerships is having knowledgeable and skilled personnel to reassure consumers of the quality of service. With the increasing number of models and brands on the road today it is a constant challenge to stay abreast of vehicle technology and repair. In America, the National Institute for Automotive Service Excellence program which has certified repair technicians for twenty years, has set a benchmark for vehicle knowledge and an incentive for learning.

2.7.3 Merchandising vehicle repair to consumers

A further challenge in providing service is communicating to the public the fact that the selling of spares is only *part* of the business, and that the repair of vehicles is also core business. Traditional media such as newspapers and radio are used for promoting this awareness together with less traditional formats such as in-store (hypermarkets and non motor related shopping centres) public address systems, direct mail distribution and service customer follow up systems.

2.7.4 Vehicle service location

Research from the Motor and Equipment Manufacturers Association for the year 1990 show that several factors (as depicted in table 2.2 below), influence where a consumer takes a vehicle to be serviced (Stambaugh, 1994: 3). Of interest is that price ranks third in the list of influencing factors.

Table 2.2: Influences on vehicle service location

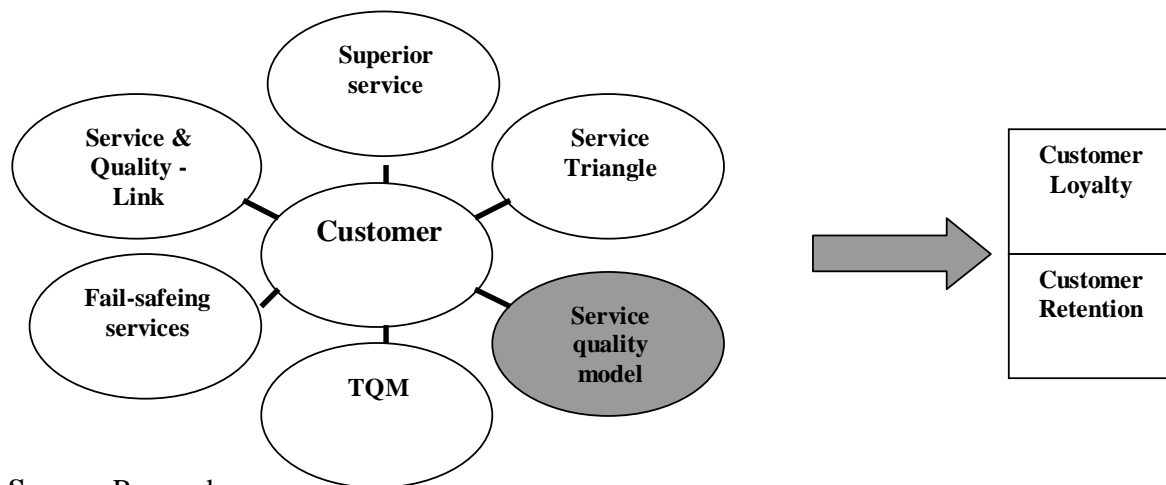
Reasons	Percent
Reliability/ Reputation of the service centre	52.8%
Convenience	27.2%
Price	12.7%
Parts Brand availability of spares	5.2%
Other	2.1%

Source: Adapted from Stambaugh (1994:18)

Stambaugh (1994: 17) suggests that if a vehicle repair or service organisation focuses on developing trustworthy relationships with its customers, and practises sound quality assurance principles utilising skilled technicians that good customer service will “pay” more than discount pricing.

2.8 SERVICE QUALITY MODEL

Figure 2.10: Customer – Service Quality



Source: Researcher

Payne, Christopher, Clark and Peck (1995: 198) refer to a focus group study of four service categories, including product repair and maintenance (pertinent to *this* study), which set out to develop a conceptual model of service quality. Interviews were conducted with executives of the four nationally (USA) recognised service firms were conducted to gain insights into the following questions:

- ◆ What do managers of service firms perceive to be the key attributes of service quality and what problems and tasks are involved in providing high quality service?
- ◆ What do consumers perceive to be the key attributes of quality in services?
- ◆ Do discrepancies exist between the perceptions of consumers and service providers?
- ◆ Can consumer and service provider's perceptions be combined in a general model that explains service quality from the consumer's standpoint?

Payne et al (1995: 200) maintain that remarkably consistent patterns emerged from the four sets of executive interviews. The most important insight obtained was that a set of key discrepancies or gaps exist regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. These gaps can be barriers in attempting to deliver a service that would be perceived as being of high quality. The gaps on the service provider's side (Gaps 1 to 4) as well as implied propositions are summarised below.

2.8.1 Consumer expectation – management perception gap (GAP 1)

Payne et al (1995: 200) declare that many of the executive perceptions about what consumers expect in a quality service were congruent with the consumer expectations revealed by the focus groups. However, discrepancies occurred. The product repair and maintenance focus groups indicated that a large repair service firm was unlikely to be viewed as a high quality firm. On the other hand, small independent repair firms were consistently associated with high quality. In contrast, most executive comments indicated that a firm's size would signal strength in a quality context. This suggests that service providers may not always understand what consumers expect in a service and this lack of understanding may affect quality perceptions of customers (Parasuraman and Zeithaml, 1982). Therefore proposition 1 is that the gap between customer expectations and management perceptions of those expectations will have an impact on the consumer's evaluation of service quality

2.8.2 Management perception – service quality specification gap (GAP 2)

According to Payne et al (1995: 202), a recurring theme in the executive interviews in all four service firms was the difficulty experienced in attempting to meet or exceed consumer expectations due to the lack of trained service personnel and wide fluctuations in demand. Another reason for the gap between expectations and the actual specification of service was the absence of total management commitment to service quality. These discrepancies lead to the second proposition: the gap between management perceptions of customer expectations and the firm's service quality specifications will affect service quality from the customer's viewpoint.

2.8.3 Service quality specifications – service delivery gap (GAP 3)

Payne et al (1995: 202) assert that even when guidelines exist for performing services well, high quality service performance may not be a certainty, as executives recognise that a service firm's employees exert a strong influence on the service quality perceived by customers and that employee performance cannot be standardised. This variability leads to the third proposition: the gap between service quality specifications and actual service delivery will affect service quality from the consumer's standpoint.

2.8.4 Service delivery – external communications gap (GAP 4)

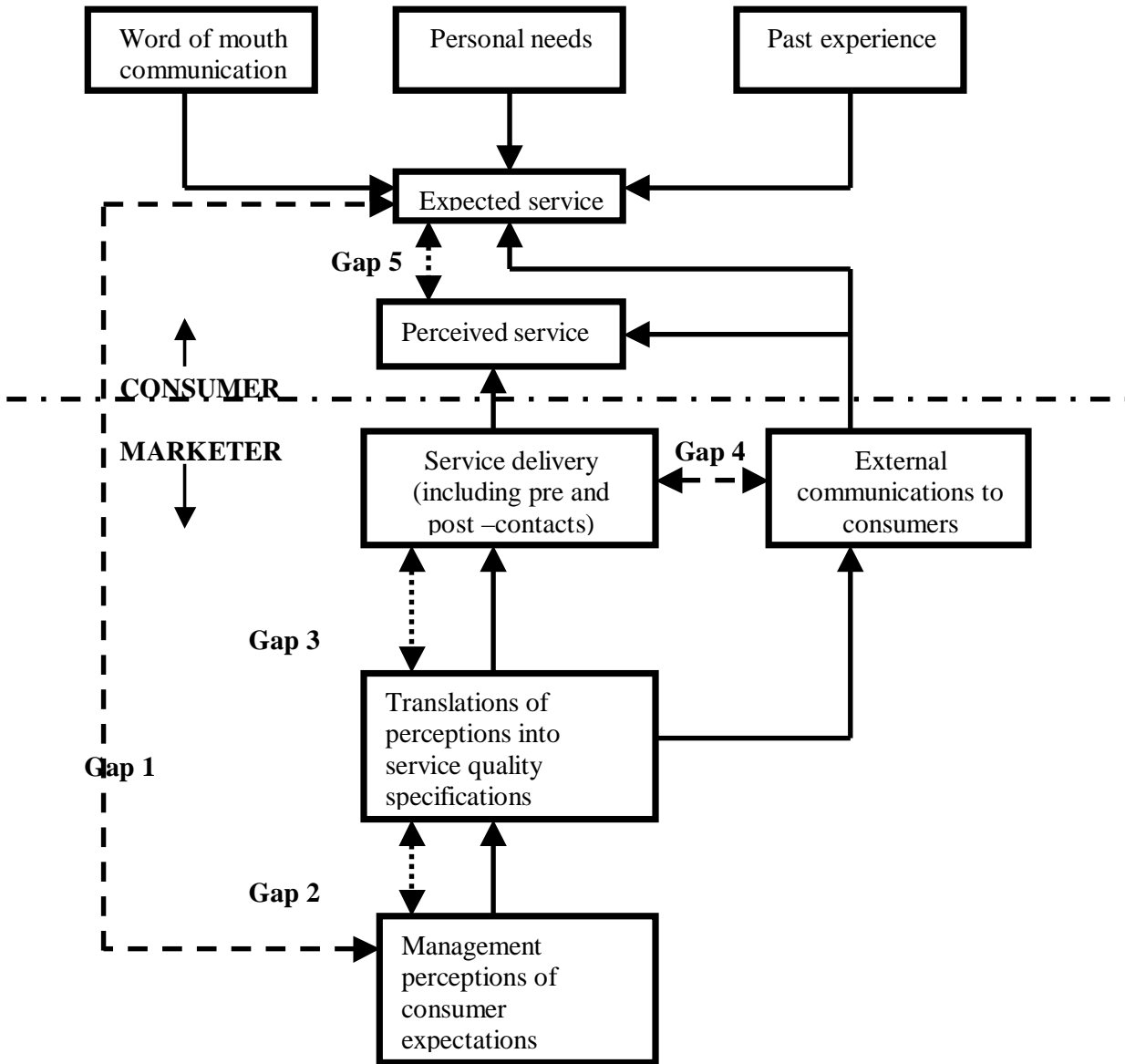
A communications gap occurs when advertising and other communications by a company affect consumer expectations by promising more than can be delivered and consequently, raising expectations but lowering perceptions when the promises are

not fulfilled. Payne et al (1995: 203) point out that firms should realise that not all efforts to assure quality are visible to the consumer and therefore firms should strive to make consumers aware of not readily apparent services as these could improve service quality perceptions. Thus proposition four is stated as the gap between actual service delivery and external communications about the service will affect service quality from a consumer's standpoint.

2.8.5 Expected service – perceived service gap (GAP 5)

The focus groups supported the opinion that the key to ensuring good service quality is meeting or exceeding what consumers expect from the service. A situation where a mechanic at a service garage repairs a vehicle and also explains the root cause of the problem and gives advice as to how the problem could be rectified by the customer in future, may be deemed to be exceeding the customer's requirement. According to Payne et al (1995: 204), judgements of high and low service quality depend on how consumers perceive the actual service performance in the context of what they expected. Proposition five is given as: the quality that a consumer perceives in a service is a function of the magnitude and direction of the gap between expected service and perceived service. Figure 2.11 (overleaf) pictorially summarises the service quality gaps of both consumer and provider (marketer), revealed by the executive interviews.

Figure 2.11: Service quality model reflecting gaps 1 to 5

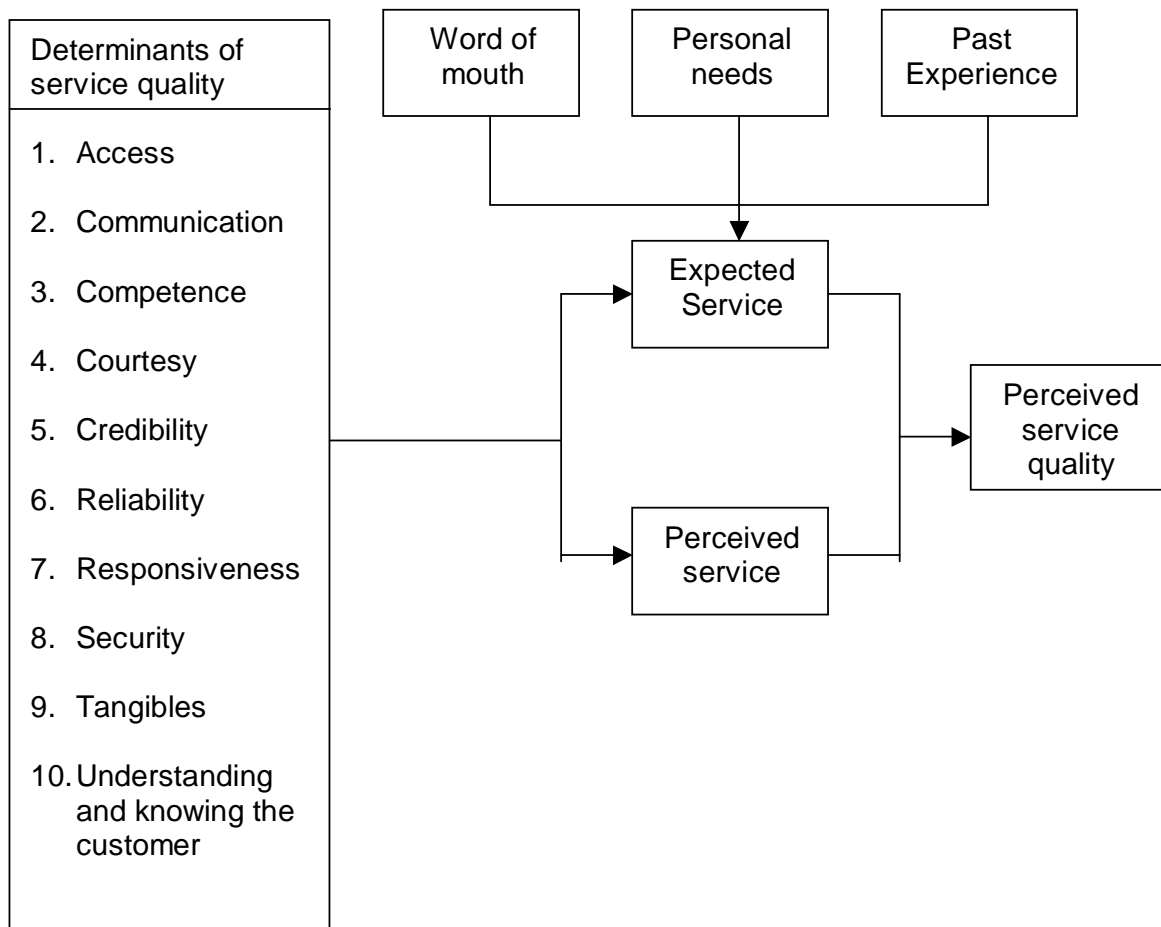


Source: Adapted from Payne et al (1995: 201)

2.8.6 Determinants of perceived service quality

Payne, Christopher, Clark and Peck (1995: 205) state that regardless of the type of service, consumers use similar criteria in evaluating service quality. These criteria seem to fall into ten key categories, or service quality determinants. See figure 2.12

Figure 2.12: Determinants of perceived service quality



Source: Adapted from Payne et al (1995: 207)

The determinants of perceived service quality shown in figure 2.12 are described below:

Access is the easy “entry” into the dealership via telephone or in person through suitable location of the service facility and convenient hours of service.

Communication refers to keeping customers informed in the language they can understand. This may mean that the dealership has to adjust its language to suit different customers depending on the level of sophistication of the customer. The nature of the service as well as the associated cost should be explained to the customer together with the assurance that the problem will be handled efficiently.

Competence means that dealership staff (both technical) and support possess the required skills and knowledge to perform the service.

Courtesy involves politeness, respect and consideration of the contact and operational personnel which includes consideration of customers’ property.

Credibility involves trustworthiness, honesty and having the customers best interests at heart. Contributors to credibility are the company name and reputation and personal characteristics of the contact personnel, including being clean and neat in appearance.

Reliability means consistency of performance and dependability and the firm performing the service right the first time, at the designated time, with accuracy in record keeping and billing. The dealership must honour its promises.

Responsiveness concerns the willingness or readiness of employees to set up appointments quickly and give prompt service.

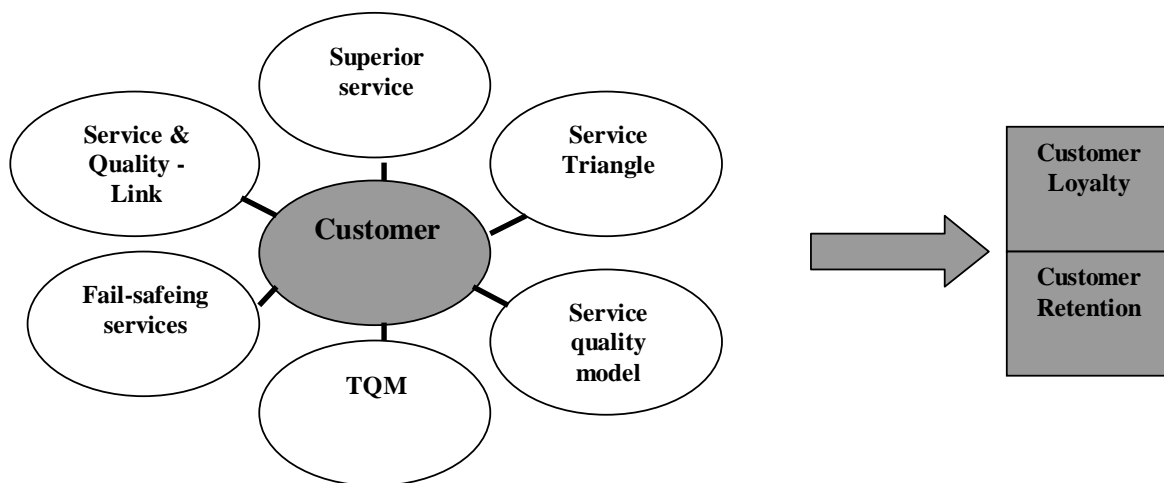
Security is the freedom from danger, risk or doubt and involves physical safety, financial security (the possibility of being overcharged) and customer confidentiality.

Tangibles include the physical facilities, appearance of personnel, tools and equipment used to provide the service.

Understanding and knowing the customer means making an effort to understand the customer's needs by learning the customer's specific requirements and providing individual attention.

2.9 CUSTOMER RETENTION AND LOYALTY

Figure 2.13: Customer – Loyalty and Retention



Source: Researcher

2.9.1 The importance of customer retention and loyalty

The need to retain customers is emphasised by Christopher (1992:9) who states that an existing customer provides a higher profit contribution as well as the potential to grow in terms of the value and frequency of purchases. Christopher (1992:11) uses Bain & Co, a management consulting company, to illustrate that retained customers are more profitable than new customers. This is because:

- ◆ The cost of acquiring new customers can be substantial. Therefore a higher retention rate reduces this cost;
- ◆ Established customers tend to buy more;
- ◆ Regular customers place frequent, consistent orders and therefore usually cost less to serve;
- ◆ Satisfied customers often refer new customers to the supplier at virtually no cost;
- ◆ Satisfied customers are often willing to pay premium prices for goods and services from a supplier they know and trust;
- ◆ Customer retention makes market entry or share gain difficult for competitors.

According to Christopher (1992: 9), through a “relationship” focus in marketing known as Relationship Marketing, companies should strive to develop marketing strategies to create such a level of satisfaction with the core product and service package that customers do not find it necessary to consider alternative offers or suppliers.

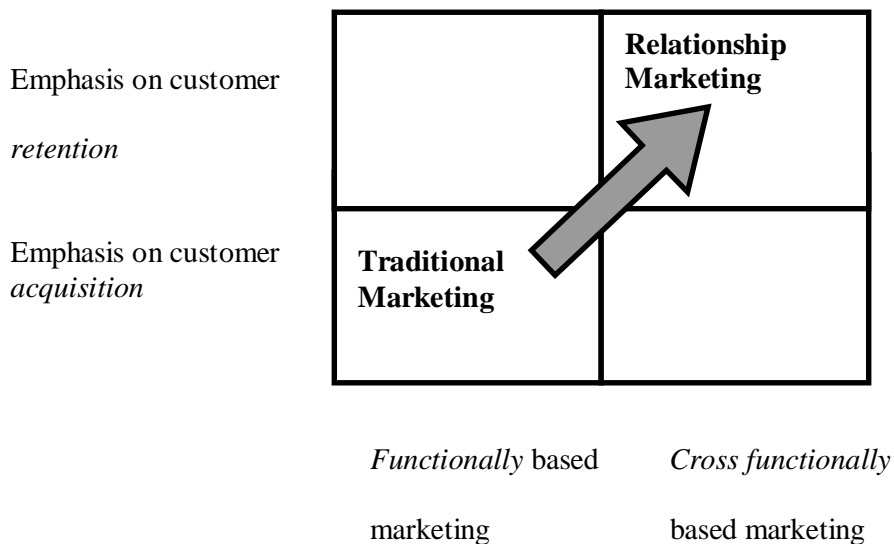
2.9.2 Relationship marketing and customer retention

Relationship Marketing is the process of creating, maintaining and enhancing strong, value-laden relationships with customers and other stakeholders

(Kotler and Armstrong, 1996: 550). Most companies are moving away from traditional transaction marketing with its emphasis on making a sale, to relationship marketing which emphasises building and maintaining profitable long-term relationships with customers by creating superior customer value and satisfaction.

Relationship marketing is based on the premise that important customers need focussed and continuous attention.

Figure 2.14: The transition to relationship marketing



Source: Adapted from Payne (1995: 30)

2.9.3 Strategies for improving customer retention

According to Payne (1995: 44) there are a number of core ideas relating to customer retention strategies:

- ◆ Companies must measure customer retention rates over given periods of time and by area of business in which the company competes. This information needs to be communicated to and understood by employees.
- ◆ The root cause of customer defection should be analysed so that the company can understand why customers choose to leave. This information can be used as a basis for creating and implementing a customer retention program to increase customer satisfaction and improve retention and therefore profitability.
- ◆ Companies need to focus attention on internal marketing and particularly on front line employees to ensure that the level of service quality offered consistently meets the requirements of the market.
- ◆ Developing a “best practice” methodology of customer service is a technique recommended for improving customer retention rates.

In tandem with the above principles, some suggested strategies revealed by Payne (1995: 44) include senior management commitment, a customer focused culture and the focusing of attention on the most profitable customers.

Intindola (1991 in Payne 1995: 45) states that the prevailing idea behind retaining customers has been maintaining quality. Research undertaken by a United States firm of management and economic consultants, Temple, Barker and Sloan, indicates that quality is not always the major determinant of customer turnover for which there are four primary causes, namely, rate increases, competitive solicitation, service deficiency and poor reputation.

2.9.4 Designing a customer retention strategy

According to Payne, Christopher, Clark and Peck (1995: 294) the following steps integrate concepts from marketing and quality management and should be applied in

- ◆ **Measure customer retention:** Customer retention should be measured and managed in order to give the firm an impetus to improve the status quo. The crude retention rate measures the absolute percentage of customers who are retained and treats every customer loss as equivalent (Payne et al, 1995: 295). However, preference is given to the weighted retention rate which weighs customers by the amount they buy.

- ◆ **Interview former customers:** Payne et al (1995:295) claim that companies can learn by talking to former customers, as the information they provide is likely to be more specific and actionable than information gleaned through the usual channel of market research. Some defections result from forces that are external to the business and over which a company may have little or no control. However, other defections can be prevented if corrective actions are taken or new strategies adopted. There are six types of defectors that can be considered:

- Price defectors – customers who switch to a lower priced competitor.
 - Product defectors – customers who switch to a competitor who is perceived as offering a better product.
 - Service defectors – customers who leave because of poor service.
 - Market defectors – customers who go out of business or move out of the market area.
 - Technological defectors – customers who convert to a product offered by companies from outside the industry.
 - Organisational defectors – customers who are lost because of internal or external political considerations.
- ◆ **Analyse complaint and service data:** Payne et al (1995: 296) state that complaint data can be valuable for a business that wants to identify problems that cause customer defections. Acting on these grievances can help retain not only the customers who complain but also those who do not. To enable a meaningful statistical analysis, complaints should be classified according to problem, product model, production year and dealer concerned. Furthermore, individual elements must be plotted to identify patterns in the data as well as elements that lie outside the normal expected range, as such complaint analysis may reveal that a particular model, or dealer accounts for a disproportionate share of complaints.

Service data, in particular, can be helpful in trying to understand why customers defect as, if certain service problems keep recurring, management are more likely to discover that the cause is systematic and can therefore be eliminated.

- ◆ **Identify switching barriers:** Payne et al (1995: 298) state that a retention strategy should include identifying barriers that will prevent a customer from switching to a competitor even though the competitor is perceived as offering a better product or lower price. In order to identify switching barriers, businesses must look outside their own industry for the best-demonstrated practices in order to surprise the competition. Electronic data interchange (EDI) is a technological example of a switching barrier between vendors and department stores. Vendors with an EDI link with the store enjoy a protected status as the shared data enables the vendor to ship product in accordance with accessible sales volume, thereby minimising the inventory carrying costs of the store.

Strategic bundling, in the form of a group of products or services offered as a single cost-saving and convenient package, can create a barrier to defection. A customer who buys a bundle is less likely to defect should a competitor offer a better deal on one of the items in the bundle.

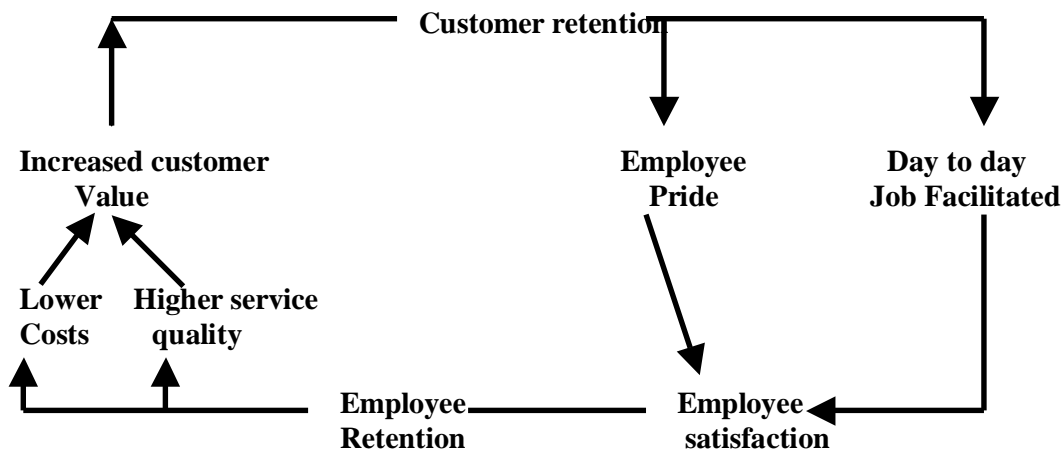
Lastly, effective account management based on the team approach is the ultimate barrier to competition (Payne et al, 1995: 298). The account team approach, often headed by the Chief Executive Officer (CEO) is used to form a bond between the sales force and the key contact in the relationship.

In conclusion, creating switching barriers requires a willingness to spend, to experiment and to move away from industry tradition. As customer retention improves the expenditure becomes a justifiable investment.

2.9.5 Customer retention and employee satisfaction

Payne (1995: 46) states that although little evidence exists in the literature of research into the relationship between employee satisfaction and customer retention, work undertaken by Bain & Company suggests a strong link between these two variables. High customer retention leads to higher employee satisfaction as employees find their work much easier when dealing with satisfied rather than dissatisfied customers. Buchanan (in Payne, 1995: 46) suggests that higher retention of the right calibre of employees creates a stable and experienced work force that delivers higher quality service at lower cost which in turn leads to higher customer retention and increased profitability. Figure 2.15 illustrates a link between the two subject variables.

Figure 2.15: The link between employee satisfaction and customer retention



Source: Adapted from Payne (1995:46)

Schneider and Bowen (in Payne, 1995:47) found that when employees identify with the norms and values of an organisation they were less inclined to leave and, furthermore, customers were likely to be more satisfied with the service. From Figure 2.8, it can be seen that employee satisfaction leads to employee retention. The advantages of long-term employees is that they are often able to form personal relationships with customers, understand their needs, increase customer value and possibly be able to pre-empt dissatisfied customers that wish to leave.

2.9.6 The cost of lost customers

Kotler and Johnston (1996: 577) concur with Payne's core ideas for customer retention strategies (as stated above), in that a company must first define and measure its customer retention rate and then analyse of the root causes of customer defection and eliminate these causes. According to Christopher (1995: 9) the importance of customer retention is underlined by the concept of the "lifetime value" of a customer, and is calculated as follows:

$$\text{Average transaction value} \times \text{Yearly frequency of purchase} \times \text{Customer "life expectancy"} = \text{Lifetime value}$$

Table 2.3 (below) illustrates the cost of lost customers.

Table 2.3: The cost of lost customers

Total number of accounts	Suppose a 5% loss due to poor service	Value of average revenue lost per account	Lost Revenue	Loss of profit supposing a 10% margin
64 000	3 200	R 40 000	R 128 000 000	R 12 800 000
	(a)	(b)	(a x b)	(a x b) x 10 %

Source: Adapted from Kotler and Armstrong (1996: 578)

2.9.7 Retaining customer loyalty in a car dealership

Customer retention poses special problems for car manufacturers and their franchised dealers, as there is little formal contact between customer and dealer during the period between vehicle sales (Linton, 1993: 161). Dealers have to find a way of increasing the frequency of customer contact in order to build loyalty. Linton (1993: 161) believes that one way to increase contact is to encourage the customer to return to the dealership for service and repairs, or spare parts. However, the dealer first has to prove that their service is competitive and visibly different from competition.

2.9.8 Parts and service operations

Parts and service are critical elements in customer retention because they provide the greatest opportunity for customer contact. Parts and service staff have to understand

customer needs and have the support of marketing programmes in order to retain customers. Over the years, increased competition in the form of national chains and “Quickfit” outlets offering competitive prices and fast service, have put the onus on franchised dealers to analyse the changing nature of the market and develop a range of services to win back business. As noted in chapter one, convenience is one of the strongest factors influence the customer’s choice of vehicle servicing so it follows that any action to reduce inconvenience would help to increase customer satisfaction. Chase and Stewart (1994: 41) cite “fail–safeing a service operation” as a method that can contribute to this end and this will be discussed in chapter five.

Most dealers maintain contact through the warranty period of the vehicle but then lose contact with the customer. In order to improve contact Linton (1993: 169) suggests that dealers should set up specific services aimed at older car owners to reintroduce them to the dealership experience and build their loyalty. In addition, as convenience, price and flexibility are the key factors in winning back lost service customers, dealers can introduce a new service structure by reducing labour rates, opening at more suitable times and modifying servicing to suit owners of older cars.

2.9.9 The use of retail techniques at dealerships

Motor manufacturers, according to Linton (1993: 165), should recognise that if they are going to appeal to consumers, they must operate as retailers and not as manufacturers selling through dealers. A parts department, for example, lends itself to retail development as opportunities to sell accessories as well as to meet the needs of the do-it-yourself (DIY) market exist because customers are free to browse among accessories and DIY products. Besides providing the customer with an attractive

alternative to standing in a queue at a trade counter while counter sales staff vanish into a warehouse to seek a component or product, an opportunity exists for staff to either suggest additional purchases or encourage impulse buying.

Naturally a retail programme would require dealer effort in terms of implementation, making available valuable space for merchandise, training of staff in merchandising techniques and extensive advertising to ensure customer awareness. Linton (1993: 166) suggests that the retail concept can be extended to the service department by rethinking the manner in which service is sold by introducing concepts such as menu pricing. This concept allows customers to buy a clearly defined product such as a brake service or an electronic engine check up for a specific price thereby reducing uncertainty in the consumer's mind.

Developments such as those mentioned above help to improve the standard of customer care and encourage customers to return to the dealership for casual browsing which in turn builds informal contact and offers opportunities for repeat purchases.

2.10 SUMMARY

In this chapter superior customer service and determinants of service quality, customer retention and loyalty were presented and discussed. From this literature survey the most important elements were identified and used to form the basis of the questionnaire for the empirical study.

CHAPTER THREE

EMPIRICAL STUDY

3.1 INTRODUCTION

This research is an empirical study of the customer service levels at three Williams Hunt dealerships in the Port Elizabeth – Uitenhage metropole. In chapter two, TQM and the fail-safing of services, superior customer service and a Service Quality model were discussed and examined. The information gained in that literature study was used to establish the answer to the first sub problem: What does a literature study reveal about acceptable levels of customer service in motor dealerships? The empirical study helped to resolve the second and third sub-problems respectively, namely: What do knowledgeable people believe are acceptable levels of service? and What are the current shortcomings impacting on customer service levels? Chapter five will discuss a blueprint for a service process in a motor dealership in response to the fourth sub-problem as stated in chapter one on page 4.

In this chapter the structure and content of the empirical study addressing the sub-problems is discussed.

3.2 THE EMPIRICAL STUDY

The empirical study was conducted by means of a mail survey using two questionnaires. The two questionnaires comprised of two viewpoints, namely, customer expectations and customer perceptions. These twenty-four statement

questionnaires are depicted in Annexure A and B. The results of the questionnaires were statistically analysed to determine shortcomings or “gaps” impacting on customer service levels.

3.3 THE QUESTIONNAIRE

Leedy (1997: 191) states that the questionnaire is the most common instrument for observing data beyond the physical reach of the observer and offers the following practical guidelines for its use as a research tool:

The language must be unmistakably clear. Some questions are based on assumptions that may not be evident to the respondent if not made clear by the choice of relevant wording. For this reason, Leedy (1997: 192) recommends that the researcher spends enough time and care in defining the purpose of each item in the questionnaire and edits the questions in such a manner that each is meticulously and precisely phrased to elicit the answer the researcher is seeking.

Questionnaires should be designed to fulfill a specific research objective.

According to Leedy (1997: 192) a questionnaire should be quality tested repeatedly for precision of expression, objectivity, relevance and suitability to the problem situation. Important considerations in questionnaire construction are courteousness (approach method), simplification and brevity (simple to read and to respond to), first impressions (clearly laid out and neatly typed), and return postage (an enclosed self-addressed stamped envelope).

An initial letter is important. Leedy (1997: 196) suggests that the researcher should send the respondents an initial letter, which should be carefully and thoughtfully structured and should consider the privacy and interests of the person receiving the letter. Courtesy, understanding and respect for others pay large dividends in a situation where the researcher needs the co-operation of the respondents are particularly necessary in questionnaire surveys.

3.3.1 Development of the questionnaire

The questionnaire was developed utilising an adaptation of the SERVQUAL instrument used by Parasuraman et al (1995:23) for assessing service quality in service and retail organisations. This technique uses a multi-item scale that measures service quality as the mathematical difference between measured expectations and measured perceptions. Paired questions (expectations – perceptions) are used to obtain a difference score by subtracting the expectation measure from the perception measure per element. Parasuraman et al (1995:16) cite Olsen and Wycoff (1978), Gronroos (1982), Lithinen and Lithinen (1982), as well as extensive group interviews conducted by themselves, as unambiguously supporting the notion that service quality as perceived by the customers, stems from a comparison of what they feel service firms should offer (for instance from their expectations) with their perceptions of the performance of firms providing the services. Perceived service quality is therefore viewed as the degree of discrepancy between consumers' perceptions and expectations.

Measurement of the difference scores or “gaps” is based on the underpinning theory, as given by Zeithaml et al (1990), that customers judge service delivery via the

formula: **“Customer perceptions should equal or exceed customer expectations to give satisfaction”**.

Five dimensions of service quality were focused on but the groupings were not shown on the questionnaire in order to minimise or prevent bias or confusion. The following table indicates which statements covered each dimension.

Table 3.1 Servqual dimensions and related questionnaire statements

Dimension	Definiton	Questionnaire Statements
Tangibles	The appearance of physical facilities, equipment, personnel and communications materials	1 to 4
Reliability	The ability to perform the promised service dependably and accurately	5 to 10
Responsiveness	The willingness to help customers and provide prompt service	11 to 14
Assurance	The knowledge and courtesy of employees and their ability to convey trust and confidence	15 to 18
Empathy	The provision of caring individualised attention to customers	19 to 24

3.4 TYPES OF QUESTIONS

According to Leedy (1997: 192) a questionnaire should be designed to fulfill a specific research objective. The data obtained by means of the expectations and perceptions questionnaires was gathered by requesting respondents to express their levels of agreement with the twenty four positively worded statements. In order to accomplish this a five point Lickert scale was used to score the questions and points were allocated in the following way:

5 – Strongly Agree

4 - Agree

3 – Neutral

2 – Disagree

1 – Strongly Disagree

3.5 THE MAIL SURVEY

A mail survey was used as this method of data collection is relatively cheap, easily administered by one person (the researcher) and respondents are able to complete the task of answering questions privately in their own time.

3.5.1 Administration of the questionnaires

The expectations questionnaire was drawn up to determine from respondents, based on their experience as customers of motor dealerships, what factors would lead to the delivery of service quality of an “excellent” dealership; one with which they would be pleased to do business. The researcher approached Dealer Principals of two other car

manufacturer dealerships represented in Port Elizabeth for random customer contact details. Therefore the population included random and “general” customers, as well as those of Ford/Mazda and Nissan dealerships.

The perceptions questionnaire was aimed at a random sample of specifically Williams Hunt service customers who were requested to indicate (using the five point Lickert scale described earlier) to what degree they agreed or disagreed with the positively worded statements. The researcher obtained permission from the Dealer Principal of Williams Hunt (Port Elizabeth and Uitenhage) to survey a random sample of the customer base.

The questionnaires were posted together with a covering letter (as shown in Annexure C). This communication provided the following information:

- The reason for and topic of the research
- Reference to the enclosed self-addressed envelope for ease of response
- A request for the respondent’s co-operation in completing and returning the questionnaire by the desired return date.

The questionnaires were marked with serial numbers to allow the researcher, by means of a register held in a personal computer, to track returns and to monitor and expedite outstanding responses. Table 3.2 shows a summary of the questionnaire return status.

Table 3.2 Summary of data collection

QUESTIONNAIRES	Number of questionnaires posted	Number of questionnaires returned	Percentage returned
“Expectations”	50	35	70
“Perceptions”	105	46	43.8

Respondents were requested to indicate, by marking the appropriate block provided, their gender, home language and age category. This section of the questionnaire was intended to allow the researcher to identify any possible correlation of data within gender, language or age profiles. The perceptions questionnaire also requested the respondent to indicate of which Williams Hunt Dealership they were a customer so that the appropriate gap analysis per dealership could be made.

3.6 VALIDITY AND RELIABILITY

Validity and reliability are terms one encounters throughout the research process and are used primarily in connection with measuring instruments. Leedy (1997:32) states that the integrity of the research depends on how well the researcher understands the meaning of these two terms and that these terms govern the acquisition of data as well as the skillfulness with which the research structure is designed.

3.6.1 Validity

Validity, according to Leedy (1997:32), is concerned with the soundness and effectiveness of the measuring instrument and whether or not it measures what it is intended to measure accurately.

Leedy (1997:33) states that the six most common types of validity are:

- ◆ **Face validity:** This refers to the subjective judgement of the researcher. The questions are scrutinised to establish their relation to the subject discussion and their appropriateness.
- ◆ **Criterion validity:** This occurs where validity is determined by relating performance on one measure to performance on another measure that may be set as a standard against which to measure results.
- ◆ **Content validity:** This is sometimes equated with face validity and is the accuracy with which an instrument measures the content or factors of concern in the study.
- ◆ **Construct validity:** This is the degree to which the content of the study is measured by the questionnaire.
- ◆ **Internal validity:** This relates to the freedom of bias from forming conclusions based on the data gathered.
- ◆ **External validity:** This is concerned with the degree to which the conclusions reached in the study can be generalised to other cases.

3.6.2 Reliability

According to Leedy (1997:35), reliability is seen as the consistency with which the measuring instrument performs, as well as how it meets the requirement of delivering accurate and similar results consistently. Conducting pilot studies within the target population in the area of interest is a method utilised to test reliability and to ensure that all questions and statements are both relevant and easily understood.

3.7 CRITIQUE OF THE SERVQUAL MODEL

Williams (1998: 101) states that although both academics and practitioners have utilised the SERVQUAL model extensively since its inception in the mid 1980s, it is not without its critics, who have focused mainly on its concepts and methodology.

3.7.1 Customers' judgements and the underpinning theory of gap analysis:

Cronin and Taylor (1994: 125) question whether or not customers assess satisfaction in terms of perceptions equaling expectations. Crompton and Mackay (1989: 367) submit the premise that satisfaction (a psychological outcome) and service quality (an attribute of the service) are not the same thing. The constructors of the SERVQUAL instrument, Parasuraman et al, agree with these concepts, but their research indicates that the same "evaluation judgement" occurs in each case. Although these debates occur in the academic domain, they have consequences for the validity of the model to practitioners.

3.7.2 Customers' expectation and the notion of excellence:

Another criticism of the model is that the customer questionnaire tests expectations by asking the respondents to rate the service of an *excellent* organisation (Williams, 1998: 102). Wycoff (1992: 236) questions the notion of excellence being a final goal, arguing that excellence can still be improved upon. Parasuraman et al (1988: 12) try to clarify the situation by redefining excellence as what organisations *should* offer and not "would" offer. They identify two norms namely, desired service and adequate service, together known as the zone of tolerance theory.

Finally, Williams (1998: 98) discussing customers expectations and excellence in the SERVQUAL methodology context, argues that the wording of the customers' expectation statements asks the respondents to judge the service provided by an *excellent* facility. The researcher has no way of knowing what the concept of excellence is to the individual customer. In spite of these apparent misgivings, SERVQUAL still remains a popular instrument for the assessment of service quality.

3.8 SUMMARY

The aim of this chapter was to set out the planning and the execution of the empirical element of this study. A questionnaire was developed based on the information gained from the literature study. The questionnaires were accompanied by a covering letter and posted to potential respondents from the defined research population. A satisfactory response rate was achieved (see Table 3.2).

The next chapter covers the analysis and interpretation of the empirical study.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF THE EMPIRICAL STUDY

4.1 INTRODUCTION

In chapter three the planning and execution of the empirical portion of the study was discussed. The aim of this chapter is to analyse the results of the empirical survey and to identify and interpret the so-called “service gaps” that occur (as discussed in chapter two). The conclusion of each statement is graphically represented below for ease of analysis. Also represented are the outcomes of each branch studied in a format that allows visual comparisons per statement. A summary of the “service gaps” per dealership then follows. The fail-safing of an automotive service operation with suggested poka-yokes is discussed with the aid of an adapted model derived through the literature study, direct observation and physical interviews at Williams Hunt, Moffet Park.

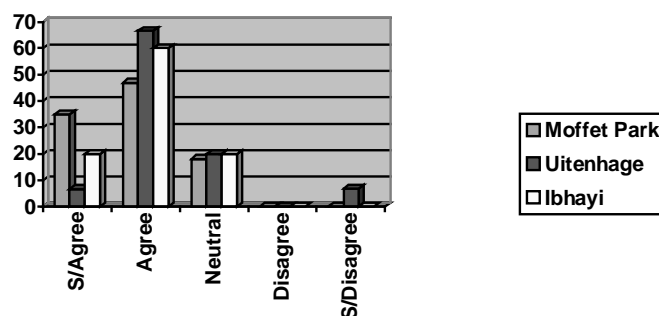
4.2 GRAPHICAL REPRESENTATION OF STATEMENTS PER BRANCH

Statements 1 to 4 represent the “Tangibles” dimension and cover the physical facilities, equipment and appearance of personnel. Statements 5 to 10 depict the “Reliability,” or the ability to perform the service dependably and accurately. “Responsiveness” statements 11 to 14 represent the “Willingness” to help customers and provide prompt service. Statements 15 to 18 reflect the “Assurance” dimension, or knowledge and courtesy of the service providers’ employees as well as their ability to convey trust and confidence. Lastly, the “Empathy” dimension representing the provision of individualised attention to customers is shown by statements 19 to 24. Although the focus of this study is the gap analysis of each SERVQUAL service dimension, the graphs below accompanied by comments, indicate the nature of the responses per statement for further enrichment.

The graphs below reflect the percentage response per statement (see the vertical axis), per dealership (as shown by the vertical bars).

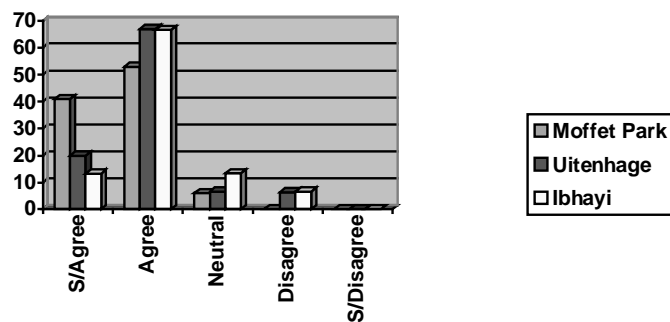
4.2.1 Tangibles statements

Statement 1: Williams Hunt Delta has modern looking equipment.



The aim of statement 1 was to gain the customers' perception of the modernity of the dealerships' equipment. Although most respondents agree with the statement, it is interesting to note that 5% of the Uitenhage respondents strongly disagree.

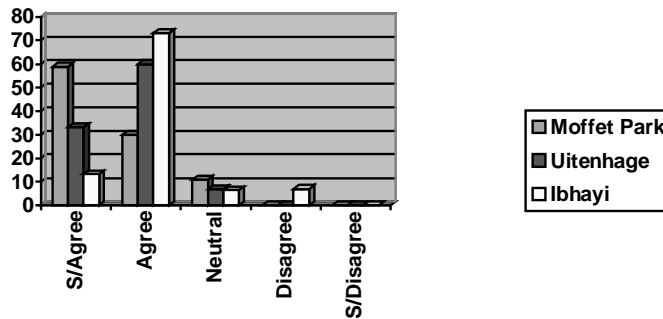
Statement 2: The physical facilities at Williams Hunt are visually appealing.



The aim of statement 2 was to determine the customer's perceptions of the physical facilities. This element was of particular interest to the researcher as a brand new Williams Hunt Moffet Park facility was built with an investment of R11m in July 2000.

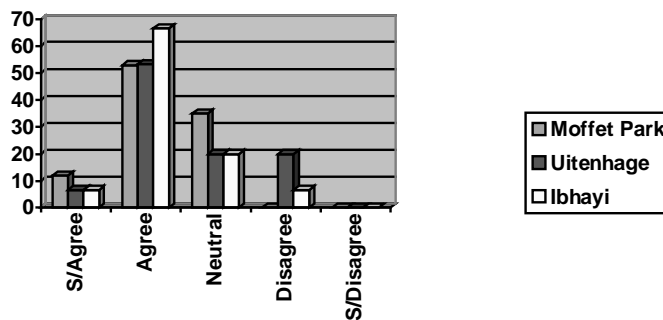
The results indicate strong agreement in the case of Williams Hunt Moffet Park as compared with the other older branches, which was expected.

Statement 3: Employees (sales and staff) of Williams Hunt Delta are neat in appearance



As stated in the literature study, the neat appearance of employees is an important factor to the customer in his/her assessment of the service provided. Most respondents agree that the employees are neat in appearance and that associated materials are visually appealing. The strongly agree response (60%) in the case of Moffet Park reflects positively for the dealership.

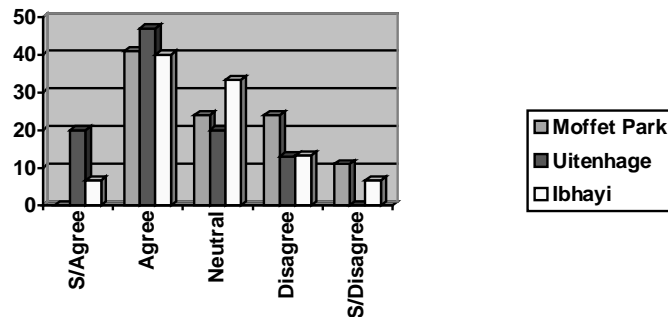
Statement 4: Materials associated with sales and services (such as brochures, invoices and statements) are visually appealing at Williams Hunt Delta.



Materials associated with sales and service operations such as brochures and job cards can, like visually appealing facilities and equipment, enhance a professional image for the organisation. Most respondents agree with statement 4, however, 20% in the case of Uitenhage and Ibhayi and 35% of Moffet Park customers, are not convinced as is depicted by the neutral scores. It is interesting to note that 20% of Uitenhage respondents disagree with the statement.

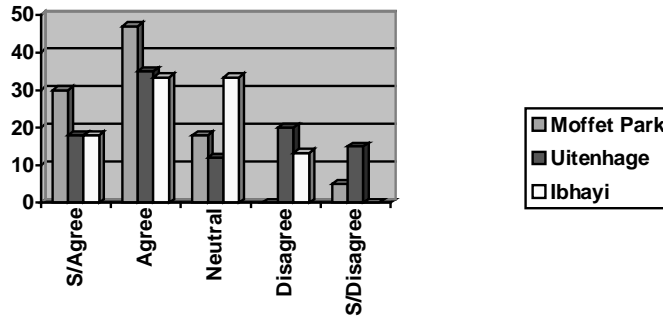
4.2.2 Reliability statements

Statement 5: When Williams Hunt Delta promise to do something by a certain time it does so.



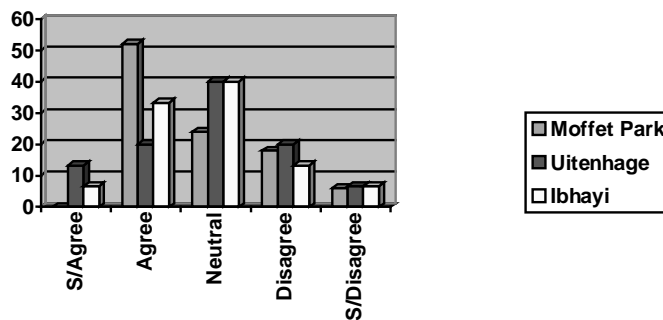
The response to statement 5 indicates that Uitenhage lead in terms of the fulfilment of promises. However, Ibhayi and Moffet Park customers attest that there is room for improvement in this regard.

Statement 6: When customers have a problem, Williams Hunt Delta shows a sincere interest in solving it.



The response indicates that William Hunts Moffet Park employees show a sincere interest in problem solving in the eyes of the customer. Uitenhage customers, however, are undecided as indicated by the spread of the response.

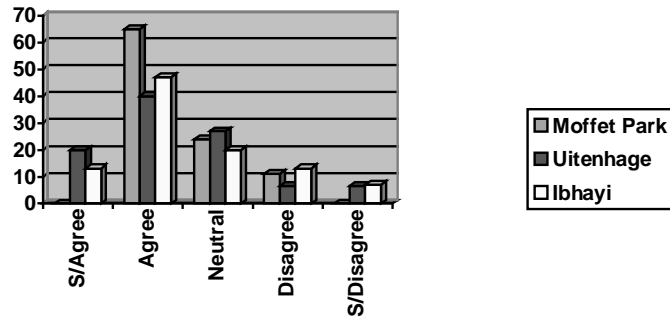
Statement 7: Williams Hunt Delta performs the service right the first time.



The “neutral” and “disagree” scores indicate that the Uitenhage and Ibhayi branches in particular, should place a greater emphasis on this element of service. With respect to Uitenhage and Ibhayi, judging by the spread of responses to the statement, it appears that the customers’ perceptions are quite diverse. 50% of the Moffet Park respondents agree that the service is performed right the first time, but by implication, half the branches respondents are not convinced.

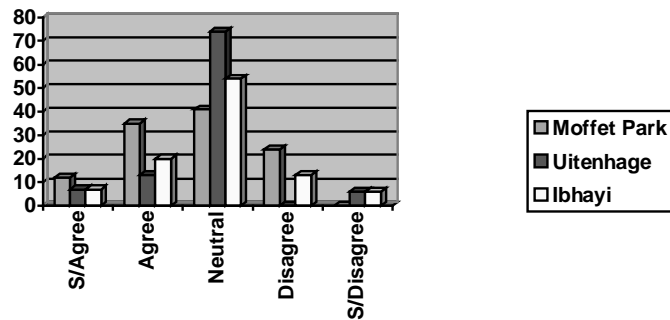
Statement 8: Williams Hunt Delta provides its services at the time they promise to do

so.



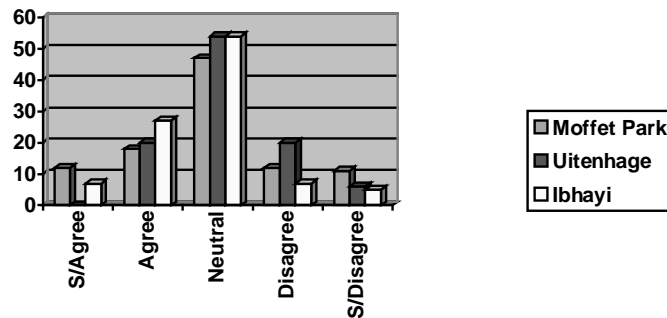
The response indicates that prompt service is provided, particularly in the case of Moffet Park customers. As per statement 7, it is interesting to note the strong agreement from Uitenhage respondents.

Statement 9: Williams Hunt Delta insists on error free records.



The high “neutral” scores for statements 9 and 10 indicate that the majority of customers are undecided in respect of the dealerships in terms of record administrators.

Statement 10: Williams Hunt Delta always satisfies your spares requirements.

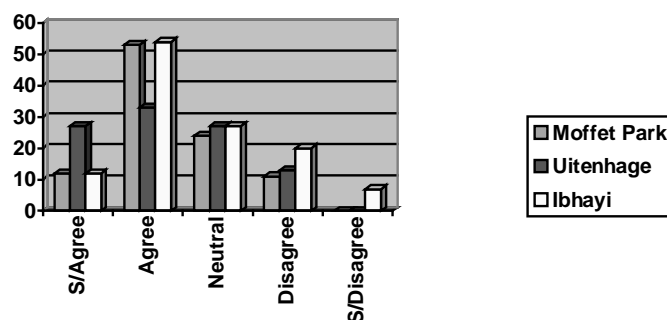


The relatively high neutral response for all three dealerships indicates that there exists room for improvement in this important reliability dimension statement. Naturally spares requirements are an integral element of customer retention as discussed in chapter two (2.9.8).

The reliability dimension's overall "gap" is reflected in Table 4.1

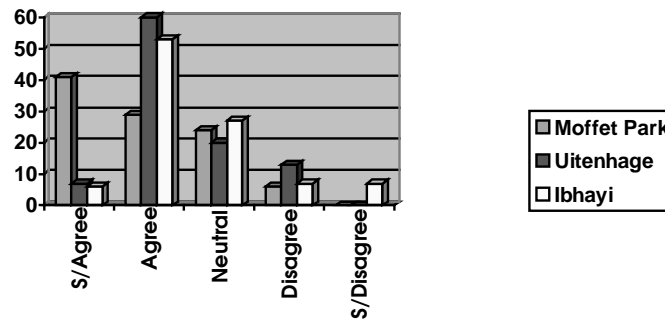
4.2.3 Responsiveness statements

Statement 11: Employees of Williams Hunt Delta tell customers exactly when vehicle service/delivery will be performed.



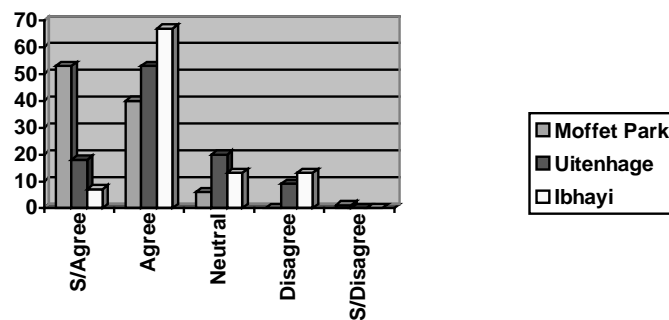
The response indicates that 25% of Uitenhage customers strongly agree and over half of the Moffet Park and Ibhayi customers agree with the statement, reflecting positively on the scheduling of services and new vehicle preparation.

Statement 12: Employees of Williams Hunt Delta give you prompt service.



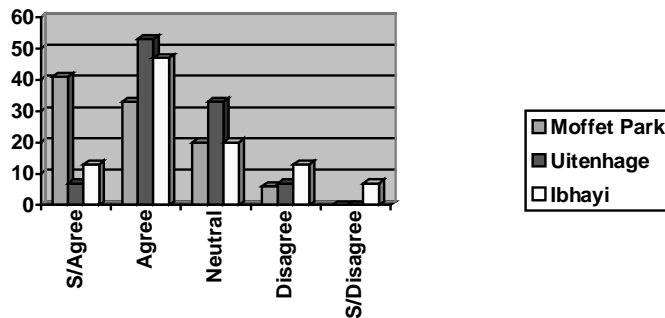
Most respondents agree that prompt service is provided, especially in the case of Moffet Park, with a 40% “strongly agree” response. The 60% and 52% “agree” response from Uitenhage and Ibhayi respondents is encouraging.

Statement 13: Employees of Williams Hunt Delta are always willing to help you.



Most respondents perceive that Williams Hunt Delta are always willing to help. The “strongly agree” response of Moffet Park customers and “agree” percentages for Ibhayi reflect positively in terms of this responsiveness statement.

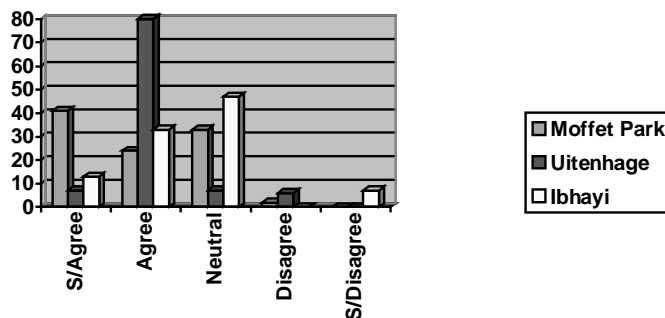
Statement 14: Employees of Williams Hunt Delta are never too busy to respond to your requests.



Most respondents agree that employees are willing to assist. Over 50% of the Moffet Park customers strongly agree with statement 13. In the case statement 14 for Ibhayi, 17% of the respondents disagreed, indicating dissatisfaction with this element of service.

4.2.4 Assurance statements

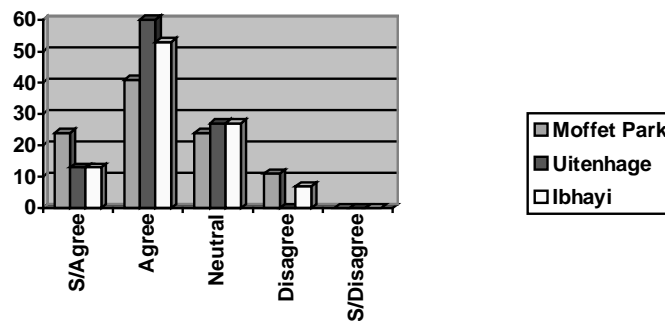
Statement 15: The behaviour of Williams Hunt employees instills confidence in customers.



For statement 15, a 40% “strongly agree” for Moffet Park and 80% “agree” for Uitenhage reflect a positive outcome. Of concern, however, is the level of “neutral” and “strongly disagree” responses. Further investigation into this disparity of the Ibhayi result would be of value.

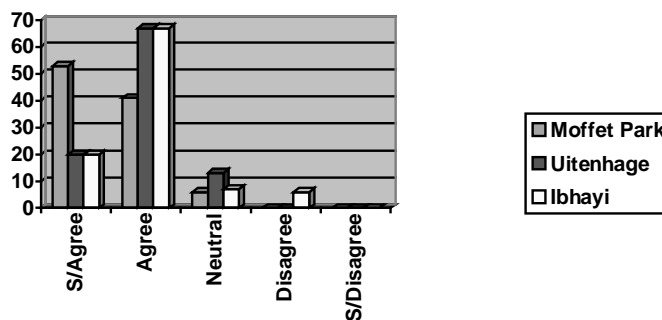
Statement 16: You feel safe (integrity) in all your transactions with Williams Hunt

Delta



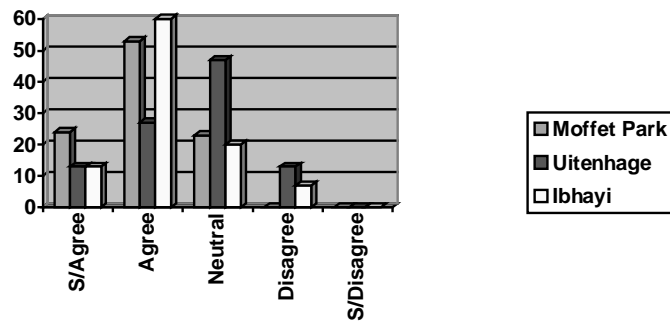
Most respondents agree that they feel safe in their dealings with the dealerships surveyed. Despite this, 25% of respondents were unsure, indicated by “neutral” responses.

Statement 17: Employees of Williams Hunt Delta are consistently courteous with you



As in the case of the neatness and appearance statement, the majority of Moffet Park customers indicate strong agreement in terms of courteousness.

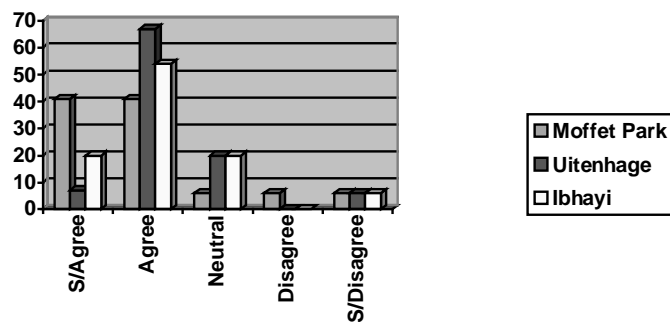
Statement: 18: Employees of Williams Hunt Delta have the knowledge to answer your questions.



45% of Uitenhage customers were undecided with respect to this statement. This result reflects the need for Uitenhage branch to further investigate staff training needs.

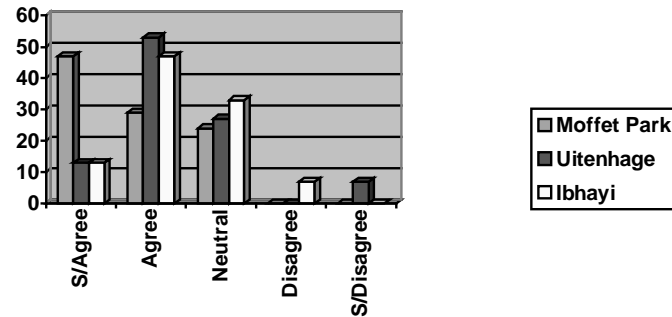
4.2.5 Empathy statements

Statement 19: You would recommend Williams Hunt Delta to family and friends.



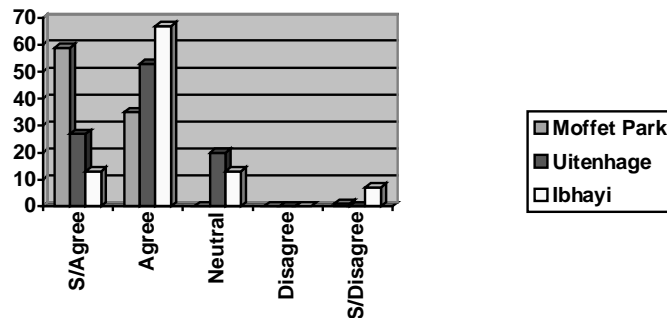
It is encouraging to note that the majority of customers would recommend Williams Hunt Delta to family and friends which reflects a high degree of satisfaction.

Statement 20: Williams Hunt Delta gives you individual attention.



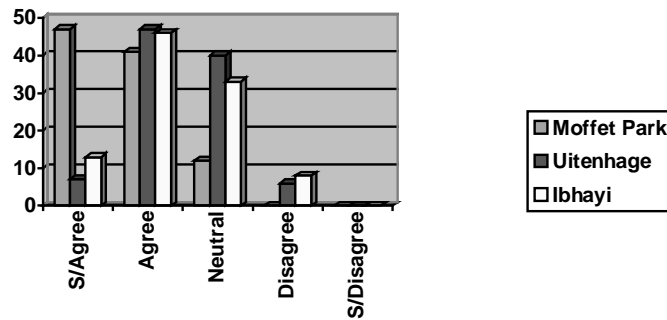
Most respondents indicate satisfaction with regard to this statement. 45 % of Moffet Park customers strongly agree but over 20% of the respondents were unsure (as indicated by the neutral response).

Statement 21: Williams Hunt Delta has operating hours convenient to all its customers.



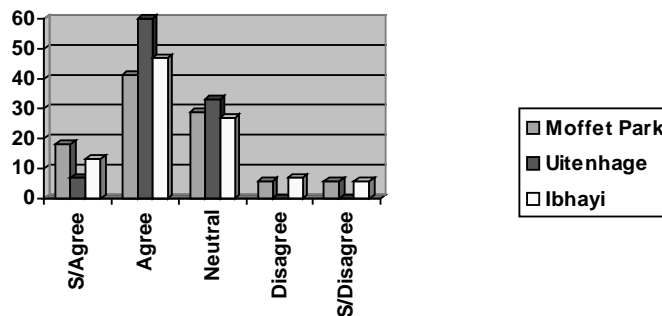
Most respondents agree that operating hours are convenient. It is interesting to note that Moffet Park customers indicated a “strongly agree” response of almost 60 % and can be contributed to the extended hours of operation of this branch.

Statement 22: Williams Hunt Delta has employees who give you personal attention



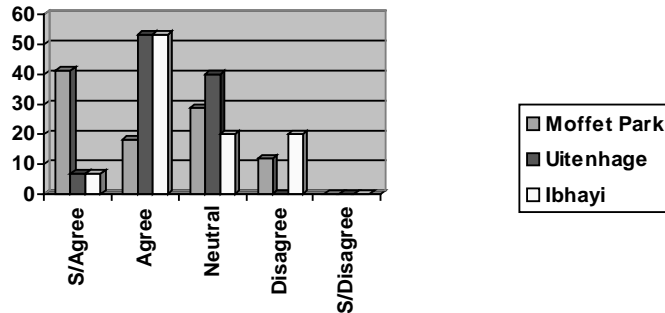
The apparent “best practice” of Moffet Park, as reflected by a 46% strong agreement to the statement, should be utilised as a basis for Uitenhage and Ibhayi to further improve this element of service.

Statement 23: Williams Hunt Delta has your best interests at heart.



Most respondents agree with the statement, but about 30% of the customers surveyed seem undecided as shown by the “neutral” response level. 10% of Moffet Park and Ibhayi respondents disagree (5% strongly disagree)

Statement 24: Employees of Williams Hunt Delta understand your specific needs.

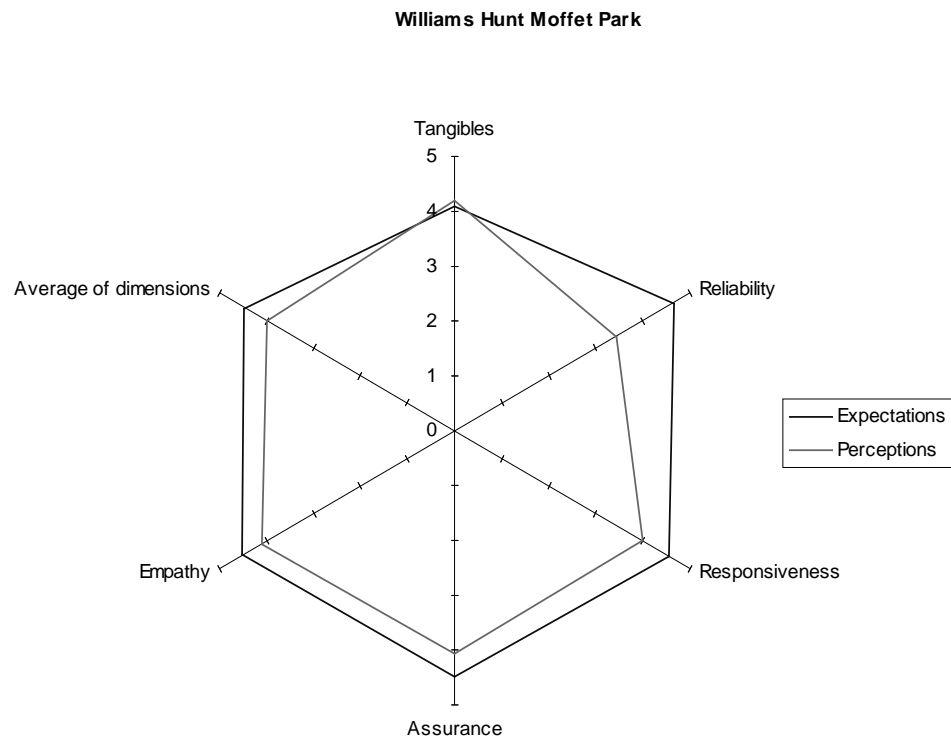


Most customers agree with the statement, particularly Moffet Park respondents as indicated by a 40% “strongly agree” response. 20% of Ibhayi customers’ surveyed disagree that their specific needs are understood.

4.3 ANALYSIS AND COMPARISON OF SERVICE GAPS

4.3.1 Williams Hunt Moffet Park

The graph below, as well as those that follow, depicts the service gaps for each service dimension. The outer line represents the average of the expectations score derived from the expectations questionnaire result for each dimension. The inner line represents the average of the expectations score as given by the expectations questionnaire result. The results are also presented in tabular form in Tables 4.1, 4.2 and 4.3.

Figure 4.1 Expectations – perceptions service gaps of Moffet Park

Source: Data from empirical survey

Table 4.1 Gap analysis result by service dimension

Williams Hunt Moffet Park

Statement	Expectation (AVG)	Perception (AVG)Moffet	Gap	%Gap	Dimension
1	3.70	4.18	0.48	12.97%	Tangibles
2	4.00	4.35	0.35	8.75%	
3	4.50	4.47	-0.03	-0.67%	
4	4.17	3.81	-0.36	-8.63%	
5	4.77	3.20	-1.57	-32.91%	Reliability
6	4.83	3.94	-0.89	-18.43%	
7	4.63	3.24	-1.39	-30.02%	
8	4.73	3.53	-1.20	-25.37%	
9	4.23	3.47	-0.76	-17.97%	
10	4.57	3.06	-1.51	-33.04%	
11	4.37	3.65	-0.72	-16.48%	Responsiveness
12	4.60	4.06	-0.54	-11.74%	
13	4.70	4.29	-0.41	-8.72%	
14	4.53	4.00	-0.53	-11.70%	
15	4.47	4.00	-0.47	-10.51%	Assurance
16	4.53	3.76	-0.77	-17.00%	
17	4.50	4.47	-0.03	-0.67%	
18	4.43	4.00	-0.43	-9.71%	
19	4.57	4.06	-0.51	-11.16%	Empathy
20	4.48	4.24	-0.24	-5.36%	
21	4.47	4.41	-0.06	-1.34%	
22	4.30	4.35	0.05	1.16%	
23	4.60	3.59	-1.01	-21.96%	
24	4.63	3.88	-0.75	-16.20%	

Source: Empirical Study data

◆ **Tangibles**

Of particular interest regarding this dimension is that the customers' perceptions exceeds their expectations. Statement one, regarding the appearance of physical facilities contributes largely to this condition with a gap of 13%. (see Table 4.1)

◆ **Reliability**

This dimension yields the largest observed gap in all three dealerships surveyed. As the statements of this dimension refer to the ability to perform the promised service dependably and accurately, this is an area of concern. A large contributor (gap of 33%) relates to the statement which covers spare part availability. As mentioned in chapter two, parts availability and service quality form critical elements of customer retention.

◆ **Responsiveness**

This dimension represents the dealership's willingness to assist customers and provide prompt service. Statement eleven yields a gap of 16.5% and relates to the promised time of service and vehicle delivery.

◆ **Assurance**

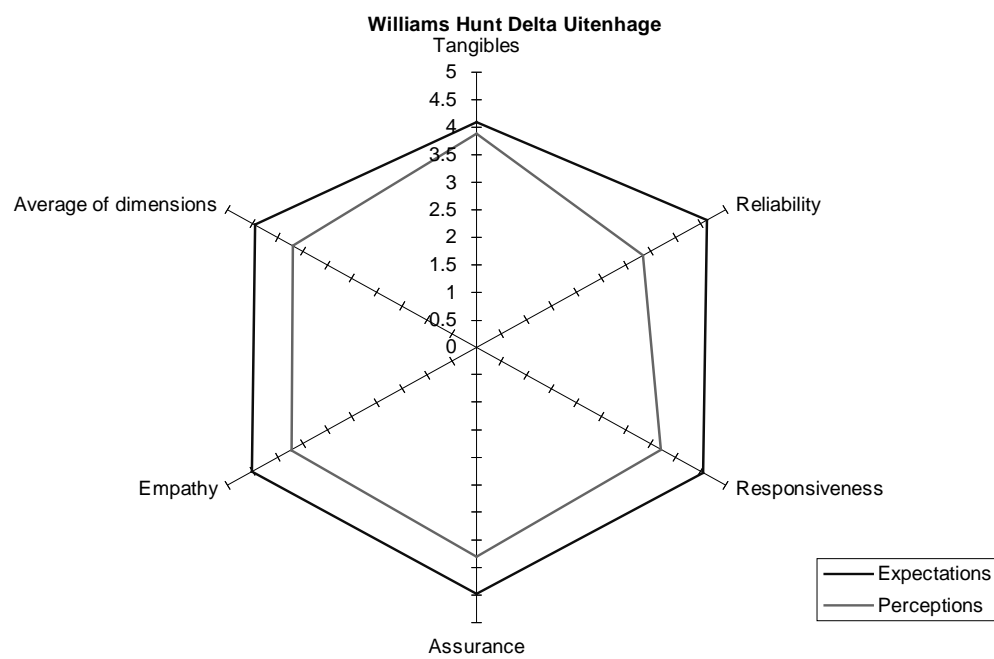
Statement sixteen refers to "integrity" of transactions and produces a gap of 17% (see table 4.1). This dimension represents the knowledge and courtesy of employees and their ability to convey trust and confidence in dealing with customers. In this regard, chapter two discussed the importance of developing trustworthy relationships as being key to achieving customer satisfaction.

◆ Empathy

Statement twenty-three regarding the dealership having the best interests of its customers at heart yields a gap of almost 22%.

4.3.2 Williams Hunt Uitenhage

Figure 4.2 Expectation – perception service gaps of Williams Hunt Uitenhage



Source: Data from empirical study

◆ **Tangibles**

The largest gap (14.4% - see table 4.2) within this dimension occurs at statement four regarding the visual appeal of sales and service materials such as brochures, invoices and statements.

◆ **Reliability**

As with the Moffet Park branch, this dimension yields the largest set of gaps between expectation and perception. The major contributor to this condition is the result of statement ten referring to spares availability (37%). Statement seven concerning performing the service “right first time” also reflects a sizeable gap of 30.6%

◆ **Responsiveness**

The ability to provide prompt service and willingness to help customers yield gaps of 20.5% and 21.74%, respectively (See table 4.2).

◆ **Assurance**

The knowledge of employees to answer customer’s questions appears to require attention as expectations exceed perceptions by 23.3% for statement fourteen.

Integrity of employees and confidence of customers in their dealings produces gaps of 14.5% and 13.4 %, respectively.

◆ **Empathy**

The provision of caring and individualised attention to customers is the theme of this dimension. Apart from the statement pertaining to convenient operating hours, all other statements produce gaps of between 18% and 20% which require further investigation.

Table 4.2 Gap analysis result by service dimension

Williams Hunt Uitenhage

Statement	Expectation (AVG)	Perception (AVG)Uitenhage	Gap	%Gap	Dimension
1	3.70	3.67	-0.03	-0.81%	Tangibles
2	4.00	4.00	-0.00	-0.00%	
3	4.50	4.27	-0.23	-5.11%	
4	4.17	3.57	-0.60	-14.39%	
5	4.77	3.80	-0.97	-20.34%	Reliability
6	4.83	3.47	-1.36	-28.16%	
7	4.63	3.21	-1.42	-30.67%	
8	4.73	3.60	-1.13	-23.89%	
9	4.23	3.07	-1.16	-27.42%	
10	4.57	2.87	-1.70	-37.20%	
11	4.37	3.73	-0.64	-14.65%	Responsiveness
12	4.60	3.60	-1.00	-21.74%	
13	4.70	3.87	-0.83	-17.66%	
14	4.53	3.60	-0.93	-20.53%	
15	4.47	3.87	-0.60	-13.42%	Assurance
16	4.53	3.87	-0.66	-14.57%	
17	4.50	4.07	-0.43	-9.56%	
18	4.43	3.40	-1.03	-23.25%	
19	4.57	3.67	-0.90	-19.69%	Empathy
20	4.48	3.67	-0.81	-18.08%	
21	4.47	4.07	-0.40	-8.95%	
22	4.30	3.53	-0.77	-17.91%	
23	4.60	3.73	-0.87	-18.91%	
24	4.63	3.67	-0.96	-20.73%	

Source: Questionnaire data

4.3.3 Williams Hunt Ibhayi

◆ **Tangibles**

The favourable physical appearance of facilities and equipment is depicted by a positive gap of 8.11% and as is the case with the Moffet Park branch, perceptions exceed expectations.

◆ **Reliability**

As with the previous two dealerships the largest gaps occur within this dimension. The reliability statements yield gaps of between 25% and 31% (see Table 4.3). This result indicates that there is room for improvement regarding the dealership's ability to perform a service right the first time and in time, as well as its ability to show a sincere interest in solving customers problems.

◆ **Responsiveness**

The statements relating to the willingness of dealership employees to assist customers produces gaps of between 16% and 23% and represents the largest "responsiveness" gap of the three branches surveyed. The importance of the customer as being central to the focus of the business was discussed in chapter two (refer to the Service Triangle, 2.6).

◆ **Assurance**

Customer confidence and integrity of transactions performance is reflected by a 19% and 22% gap, respectively. (see Table 4.3). The attributes of confidence and trust as functions of quality assured service delivery were discussed in chapter two.

◆ **Empathy**

The caring and individualised attention related statements yield results of between 14.65% (personal attention statement) and 25% (understanding of customer specific needs statement).

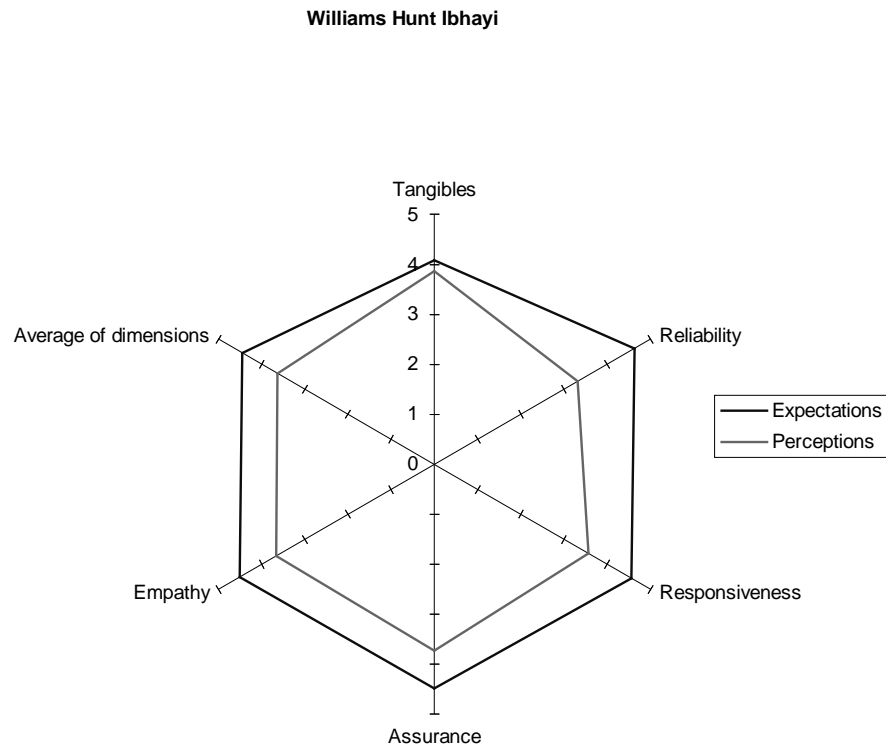
Table 4.3 Gap analysis result by service dimension

Williams Hunt Ibhayi

Statement	Expectation (AVG)	Perception (AVG)Ibhayi	Gap	%Gap	Dimension
1	3.70	4.00	0.30	8.11%	Tangibles
2	4.00	3.80	-0.20	-5.00%	
3	4.50	3.93	-0.57	-12.67%	
4	4.17	3.73	-0.44	-10.55%	
5	4.77	3.27	-1.50	-31.45%	Reliability
6	4.83	3.60	-1.23	-25.47%	
7	4.63	3.20	-1.43	-30.89%	
8	4.73	3.47	-1.26	-26.64%	
9	4.23	3.14	-1.09	-25.77%	
10	4.57	3.20	-1.37	-29.98%	
11	4.37	3.67	-0.70	-16.02%	Responsiveness
12	4.60	3.47	-1.13	-24.57%	
13	4.70	3.67	-1.03	-21.91%	
14	4.53	3.47	-1.06	-23.40%	
15	4.47	3.47	-1.00	-22.37%	Assurance
16	4.53	3.67	-0.86	-18.98%	
17	4.50	4.00	-0.50	-11.11%	
18	4.43	3.80	-0.63	-14.22%	
19	4.57	3.82	-0.75	-16.41%	Empathy
20	4.48	3.67	-0.81	-18.08%	
21	4.47	3.80	-0.67	-14.99%	
22	4.30	3.67	-0.63	-14.65%	
23	4.60	3.53	-1.07	-23.26%	
24	4.63	3.47	-1.16	-25.05%	

Source: Questionnaire data

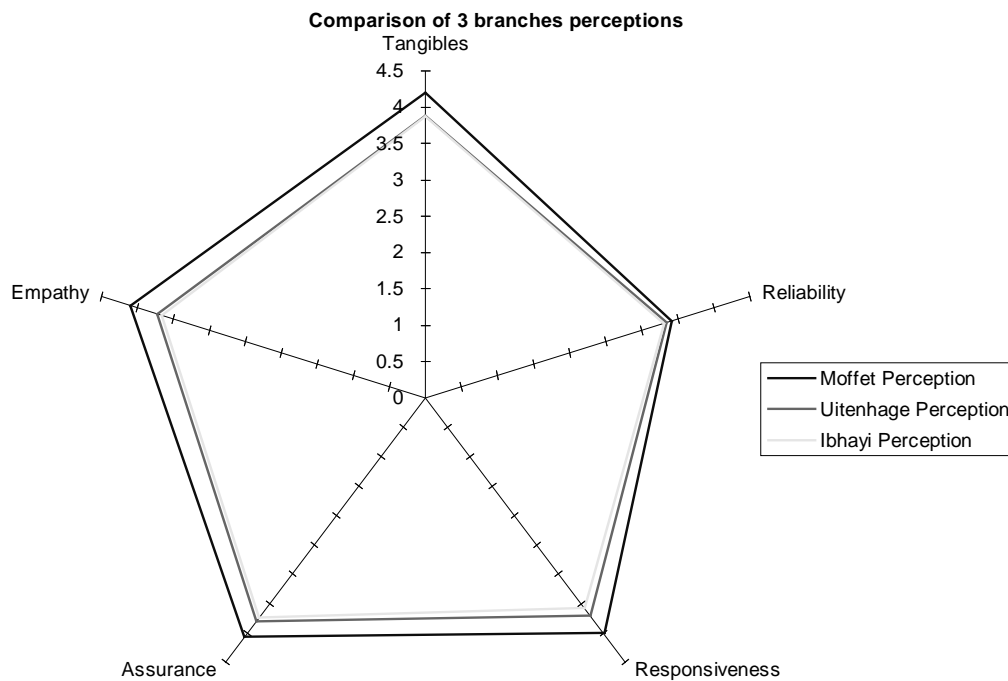
Figure 4.3 Expectation – perception service gap of Williams Hunt Ibhayi



Source: Data from empirical study

4.3.4 Comparison of organisations surveyed.

Figure 4.4 Graphical comparison of service gaps of surveyed organisations



Source: Data from empirical study

The above radar chart (figure 4.4) indicates that Moffet Park is perceived as the “best” dealership in terms of the five SERVQUAL dimensions. Of interest, is the correlation of the scores per branch regarding the reliability dimension. This dimension contains the largest gap between customer expectation and perception, of all five dimensions.

4.3.5 Summary

In this chapter, the result of each questionnaire statement was graphically represented with supplementary comments per service dimension. Service “gaps” per dealership by service dimension (tangibles, reliability and so on) were depicted by radar charts and tables and analysed under each SERVQUAL dimension. The next chapter discusses the design of an automotive service operation including potential fail-safing mechanisms.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The objective of this research was to resolve the main problem: How can motor dealerships improve customer service quality levels? This question was approached by resolving the sub-problems through analysing the research findings. An analysis of the service process is discussed below followed by certain recommendations.

5.2 THE MOTOR VEHICLE SERVICE PROCESS.

In chapter two the failsafeing of services by means of concepts such as Poka-yoke was discussed. Chase and Stewart (1994: 35) propose that the TQM concepts typically adopted in manufacturing applications can be applied equally effectively to service encounters. In this chapter the researcher sets out the study that was undertaken of the Williams Hunt service process. Both existing Poka-yoke interventions and opportunities in the service process steps are identified and discussed.

5.2.1 A contemporary view of service

According to Chase and Aquilano (1995: 105), the contemporary view of service parallels the way quality is viewed. The customer is the focal point of all decisions and actions of the service organisation. This philosophy was captured in chapter two with the introduction of the service triangle (refer to figure 2.4). From this perspective, the organisation exists to serve the customer: the systems and people exist to facilitate the process of service. Service organisations also exist to serve the workforce because it is they who determine how the customers perceive the service (Chase and Aquilano, 1995: 105). With regard to this point, the manner in which management treats the worker influences how the worker will treat the customer. It follows that if the workforce is well trained and motivated by management, these staff will serve their customers well.

5.3 DESIGN OF A SERVICE ORGANISATION

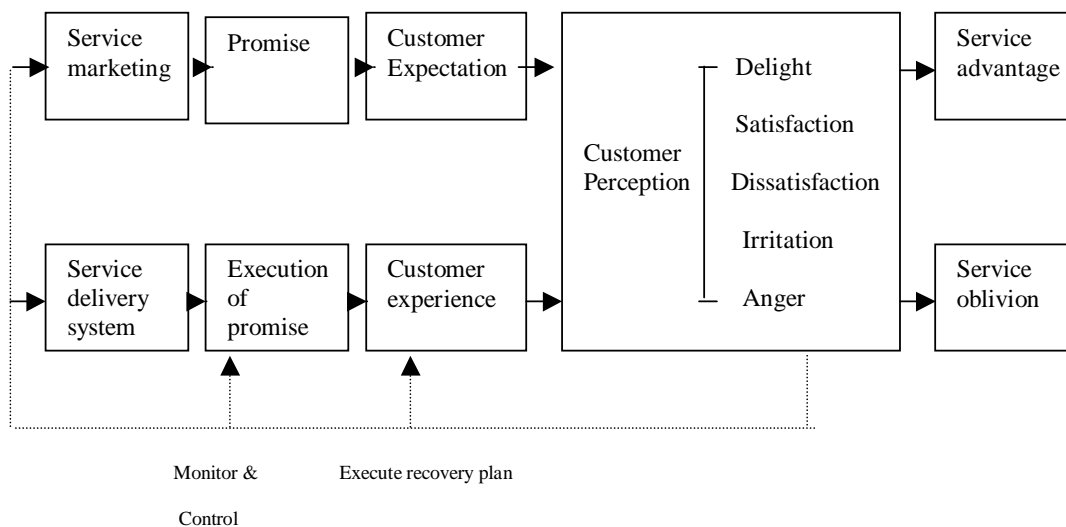
According to Heskett (1987: 118) designing a service organisation involves four elements and is referred to as the Strategic Service Vision. The first element is the identification of the target market, or simply put – who is the customer? Second is the service concept, or how the firm differentiates its service in the market. The third is the service strategy or service package, and fourth, the service delivery system – the actual processes, staff and facilities through which the service is created. For purposes of this study the focus and advantage of the Service Strategy is discussed. According to Chase and Aquilano (1995: 108) the Service Strategy begins by selecting the operating focus – those performance priorities through which the service firm will compete. These are:

- ◆ Treatment of the customer in terms of friendliness and helpfulness;
- ◆ Speed and convenience of service delivery;
- ◆ Price of the service;
- ◆ Variety of services;
- ◆ Quality of the tangible goods that accompany the service;
- ◆ Unique skills that constitute the service offering.

Chase and Aquilano (1995:109) maintain that most companies choose to compete on very few dimensions and that the service focus is on creating customer value represented for instance by two components such as quality and price.

Achieving competitive advantage in services requires integration of service marketing with service delivery to meet or exceed customer expectations. A firm's marketing division has the responsibility for communicating the service promise to the customer, thereby creating customer expectations about service outcomes.

Figure 5.1: Service measurement/monitoring and recovery process

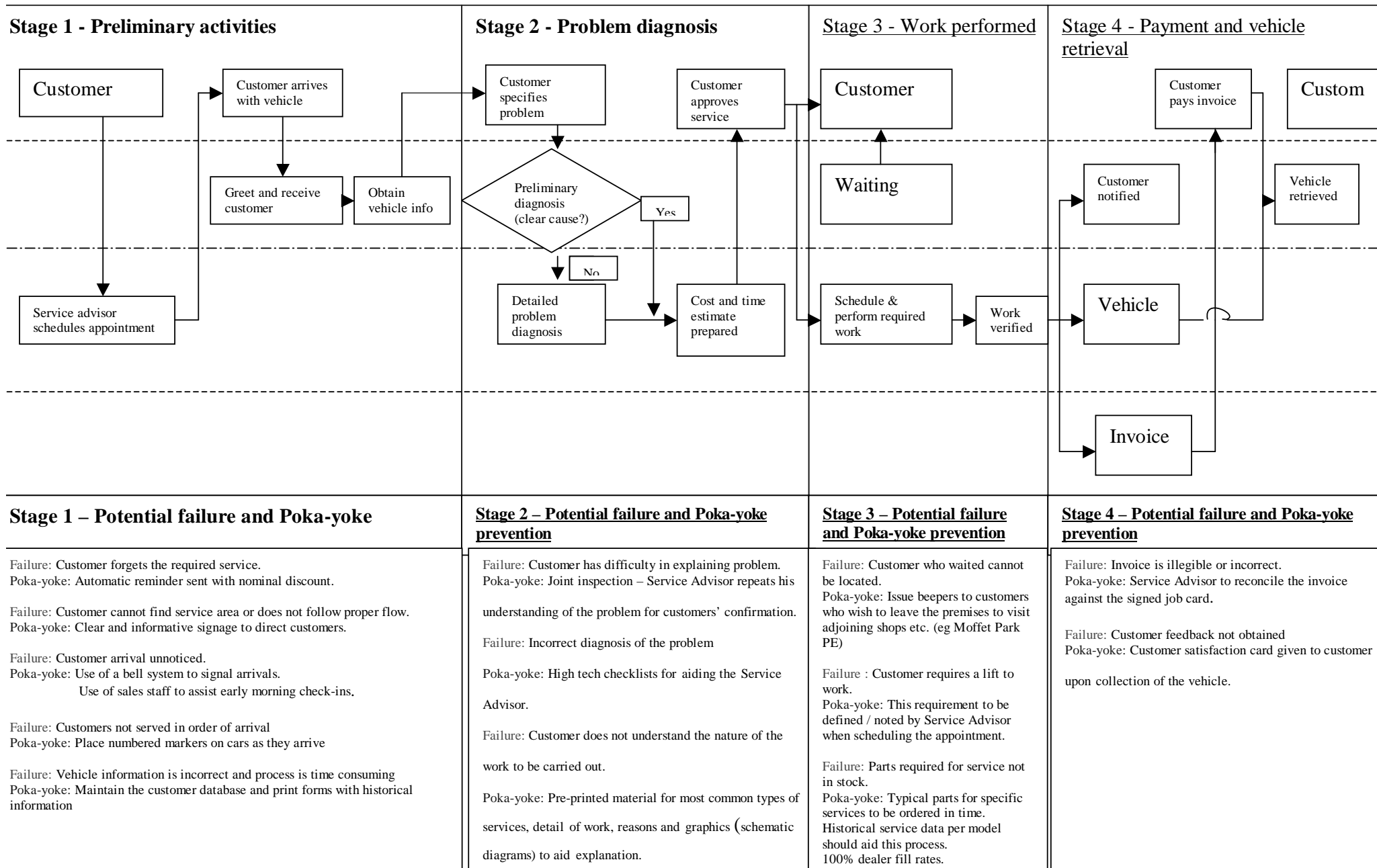


Source: Adapted from Chase and Aquilano (1995:111)

As detailed in the preceding chapters, the researcher, by means of a survey utilising the SERVQUAL instrument, determined the service gap between customer expectation and customer perception of five service dimensions. This survey revealed the factors that were most important to customers, thereby allowing a focus on relevant factors to affect the necessary improvement.

To complement the above survey the service process at Williams Hunt Moffet Park, Port Elizabeth was observed by the researcher and a service blueprint (as depicted in Figure 5.2) is offered as a basis on which Williams Hunt Dealerships can build and develop.

Figure 5.2 Fail-safeing an automotive service



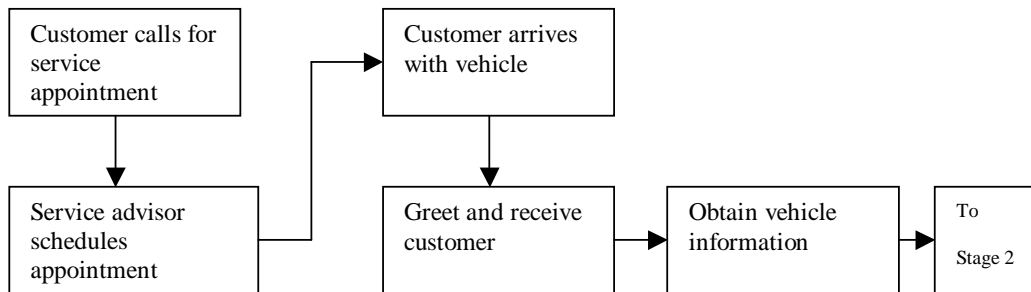
In chapter two the subject of fail-safeing was discussed. Chase and Aquilano (1994:35) state that TQM concepts such as poka-yoke methods applied in manufacturing applications can be applied equally effectively to service encounters. Below, a blueprint for fail-safeing a service operation is discussed with the aid of diagrams per stage of operation depicting the process flow. The researcher gleaned information through direct observation and physical interviews with Williams Hunt Moffet Park personnel.

5.3.2 Stage one – preliminary activities

This stage commences with the customer contacting the dealership requesting an appointment for a form of service. (A distinction is drawn between a vehicle service and for instance a “job” such as “attend to brakes.”) The initial contact by the customer is important, as the service advisor has to ensure the customer’s requirements are clearly defined as well as obtaining all relevant detail pertaining to the service encounter. This information is recorded on a “T” card and displayed in a rack in the service office and is an excellent visual management tool. At a glance the service advisors can determine the workload of the workshop for any given day. A service reminder system is utilised by the service advisor should the customer forget the required service.

Figure 5.3 illustrates the preliminary activities of the automotive service operation.

Figure 5.3: **Stage one – preliminary activities**

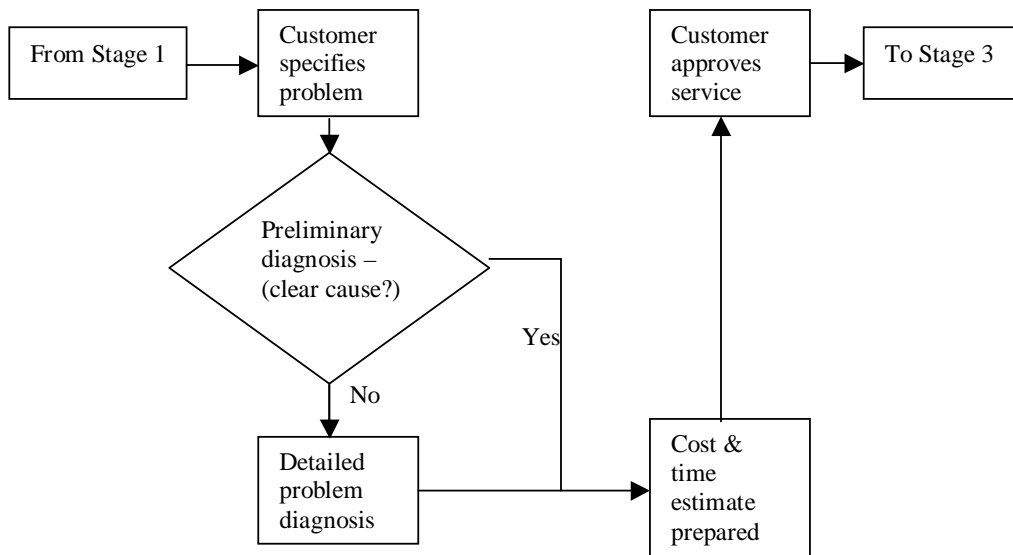


Source: Adapted from Chase and Aquilano (1995: 115)

5.3.3 Stage two-problem diagnosis

The problem diagnosis stage is important to both the customer and dealer. Any misinterpretation here can result in unnecessary cost and frustration to both parties. Accurate root cause determination of problems is critical.

Figure 5.4: **Problem diagnosis flow**



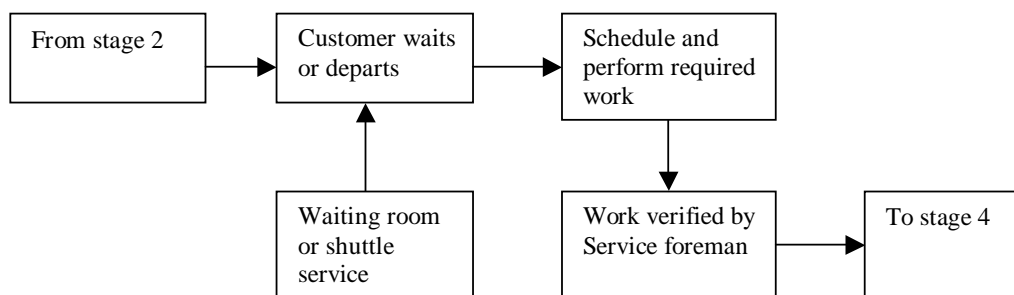
Source: Adapted from Chase and Aquilano (1995: 115)

Often a customer has difficulty explaining or specifying a problem. To remedy this situation a joint inspection is carried out, whereafter the service advisor repeats his understanding of the problem for the confirmation of the customer. If at this point the diagnosis cannot reveal the cause of the problem, a detailed problem diagnosis is carried out with high tech checklists and equipment. At this stage it is important that the customer feels at ease and understands the nature of the work to be carried out. Pre-printed material with the most common types of services, detail of work and graphics can aid the explanation by dealership personnel. Cost and time estimates are prepared which have to be approved by the customer. To prevent an incorrect estimate being furnished to a customer, itemised checklists per common repair type can be utilised by the service staff.

5.3.5 Stage three-work performed

The work identified through problem diagnosis is carried out.

Figure 5.4: Stage three – work performed



Source: Adapted from Chase and Aquilano (1995: 115)

Depending on the nature of the work to be carried out and the associated time span, some customers may choose to wait for their vehicle. Although suitable facilities with a television, coffee machine and magazines exist to accommodate these customers, dealerships should consider issuing beepers for those wishing to visit adjoining shops. On completion of the work service personnel can call the client to advise that the work is completed. (Not all customers possess cellular telephones!)

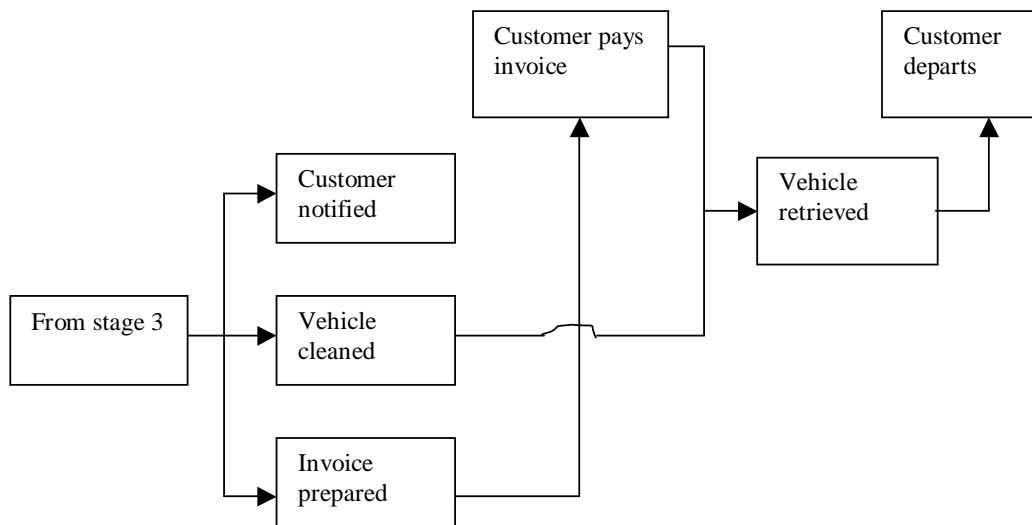
Those customers who depart the premises often require a lift to their place of work or request courtesy vehicles. Unfortunately, courtesy vehicles are not practical from both an availability and cost point of view. To avoid the customer's disappointment at not having a vehicle at his/her disposal, the Service Advisor should arrange a suitable alternative. During the "booking in" process the Service Advisor should define which customers require lifts and schedule a "shuttle run" vehicle driven by a member of staff for this purpose. In this way the customer's own vehicle is not used and is more cost effective for the dealership.

Finally, the dealership staff need to ensure that typical parts for specific service types are readily available. Historical service data per model should aid this process to minimise or prevent inconvenience to the customer.

5.3.6 Stage four – Payment and vehicle retrieval

Figure 5.5 shows the parallel activities flowing from stage three leading up to vehicle retrieval and customer departure.

Figure 5.6: Stage four- payment and vehicle retrieval



Source: Adapted from Chase and Aquilano (1995: 115)

Once the required work is completed the vehicle can be cleaned while the invoice is prepared and the customer notified. When the customer arrives, the Service Advisor can discuss the work carried out and reconcile the invoice against the customer's signed job card. In order to receive customer feedback a customer satisfaction card is handed to the customer upon collection of the vehicle keys and departure.

5.4 RECOMMENDATIONS

The empirical research has led to some recommendations, which the researcher believes to be important. Although product quality is naturally important, it is becoming less and less of a differentiator amongst motor vehicle manufacturers, due to ongoing technological improvements. Effective customer service is a facet of business through which competitive advantage can be gained through a sound customer service strategy as discussed in chapter two.

5.4.1 Customer retention and loyalty

Chapter one stated the importance of increasing contact with customers to help to build loyalty. When gathering customer related data from the dealerships (including Ford/Mazda and Nissan), the researcher noticed that customer addresses are not recorded during the “booking in” procedure. It is felt that this omission reduces the customer contact potential of the dealership with respect to written communication and advertising material. This type of communication could be utilised to enhance contact and therefore increase trade with customers.

In this regard, parts and service are proving to be the critical elements in customer retention as they provide increased opportunity for customer contact. The survey questionnaire statements pertaining to “...parts and service staff understanding of customer needs...” and “... employees knowledge to answer questions...” yielded a disapproving response. Customer consciousness has to be driven by top management with the backing of a marketing programme to aid customer retention. Front line staff need to be constantly kept abreast of product knowledge and enhancements so as to maximise the interface opportunity with the customer. Ongoing training and awareness programmes for dealership staff are vital in this regard. Dealerships could set up specific services aimed at older car owners to re-introduce them to the “dealership experience”. This could be achieved through revised service structures such as a “menu pricing” concept. This allows customers to buy a clearly defined “product” (service), for example, a brake service or engine tune up for a specific price which reduces uncertainty in the mind of the customer. In addition, reduced labour rates and extended hours of business over weekends when it may be more suitable to some clients, could be introduced.

The dealership could further maximise its increase in customer contact by bearing in mind that a Parts Department lends itself well to retail development. Opportunities exist to sell accessories as well as to meet the needs of the do-it-yourself market as customers browse among the merchandise.

5.4.2 Customer satisfaction

In the literature review it was stated that customer behaviour influences the service level provided. Management and dealership staff constantly need to utilise robust processes and effectively trained employees to mould customer “behaviour” in such a way as to de-escalate the anger syndrome previously mentioned. The automotive industry spends large amounts of money annually on customer satisfaction measurement, but remains relatively unsophisticated in the evaluation and development of its human resources at the retail level. Recruitment procedures should be critiqued and suitable training in customer-supplier relationships should be identified and implemented.

5.5 CONCLUSION

With ever improving product quality and technology in the motor industry, motor vehicle manufacturers and their dealerships face the ongoing challenge of gaining competitive advantage from creating added customer value. In order to accomplish this value, manufacturers and dealerships have to constantly review their customer service strategies.

The recent industry wide survey by the National Automotive Dealer Association (NADA) in October 2000 reflects certain shortcomings in customer (dealer) service quality “gaps”, some of which have been confirmed by this study. According to the researcher, particular gaps amongst others, include:

- ◆ Parts availability and parts distribution
- ◆ Parts and accessories training and development
- ◆ Missed retail business opportunities
- ◆ Declining support from manufacturers in terms of assistance to raise dealers customer satisfaction levels
- ◆ Declining trends in terms of clear and effective customer

This highlights the need for both manufacturers and dealers to form a closer partnership and work together to form strategies and policies to assist in the provision of world class service delivery to customers.

An important element of this partnership should be the determination of “best practice” process methods designed to ensure customer satisfaction. To this end, the

fail-safeing process in particular, and other recommendations discussed in this study, should be strongly considered for implementation at a local dealership as a test case.

The proposed fail-safeing process should be seen as a foundation capable of being developed into a useful tool to aid the diagnosis of service process problems.

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SERVQUAL QUESTIONNAIRE - EXPECTATIONS

PLEASE TICK THE APPLICABLE BLOCK :

Gender	Female	Male	Age	U/25	25-35	36-55	O/55	Home Language	English	Afrikaans	Xhosa	Other	
<p>Instructions:</p> <p>a) Based on your experience as a customer of motor dealership(s), please think about the kind of dealership that would deliver excellent quality and one with which you would be pleased to do business. If you feel a feature described by the statement below is absolutely essential, then circle "4" or "5", (on the right hand side of the statement) depending on the strength of your feelings, if your feelings are less strong, then circle another number that best describes your feeling. (THERE ARE NO RIGHT OR WRONG ANSWERS, just circle a number that truly reflects your feelings).</p>													
									Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Excellent dealerships must have modern looking equipment.									5	4	3	2	1
2. The physical facilities at excellent dealerships must be visually appealing.									5	4	3	2	1
3. Employees (sales and service staff) of excellent dealerships must be neat in appearance.									5	4	3	2	1
4. Materials associated with sales and service (such as brochures, invoices and statements) will be visually appealing in an excellent dealership.									5	4	3	2	1
5. When excellent dealerships promise to do something by a certain time, they will do so.									5	4	3	2	1
6. When customers have a problem, excellent dealerships will show a sincere interest in solving it.									5	4	3	2	1
7. Excellent dealerships will perform the service right the first time.									5	4	3	2	1
8. Excellent dealerships will perform their services at the time they promise to do so.									5	4	3	2	1
9. Excellent dealerships will insist on error-free records.									5	4	3	2	1
10. Excellent dealerships will ensure the availability of spares.									5	4	3	2	1
11. Employees of excellent dealerships will tell customers exactly when services / vehicle delivery will be performed.									5	4	3	2	1
12. Employees of excellent dealerships will give prompt service to customers.									5	4	3	2	1
13. Employees of excellent dealerships will always be willing to help customers.									5	4	3	2	1
14. Employees of excellent dealerships will never be too busy to respond to customer requests.									5	4	3	2	1
15. The behaviour of employees of excellent dealerships will instil confidence in customers.									5	4	3	2	1
16. Customers of excellent dealerships will feel safe (integrity) in all their transactions.									5	4	3	2	1
17. Employees of excellent dealerships will be consistently courteous with customers.									5	4	3	2	1
18. Employees of excellent dealerships will have the knowledge to answer customer questions.									5	4	3	2	1
19. Satisfied customers of excellent dealerships will recommend the dealership to family and friends.									5	4	3	2	1
20. Excellent dealerships will give customers individual attention.									5	4	3	2	1
21. Excellent dealerships will have operating hours that are convenient to their customers.									5	4	3	2	1
22. Excellent dealerships will have employees that give customers personal attention.									5	4	3	2	1
23. Excellent dealerships will have the customer's best interests at heart.									5	4	3	2	1
24. Employees of excellent dealerships will understand the specific needs of their customers.									5	4	3	2	1

SERVQUAL QUESTIONNAIRE - EXPECTATIONS

PLEASE TICK THE APPLICABLE BLOCK :

Gender	Female	Male	Age	U/25	25-35	36-55	O/55	Home Language	English	Afrikaans	Xhosa	Other
Dealerships		Williams Hunt, Moffet Park, PE			Williams Hunt, Uitenhage			Williams Hunt Ibahyi Delta, Govan Mbeki Ave, PE				
Instructions:												
a) Based on your experience as a customer of Williams Hunt, please think about the kind of dealership that would deliver excellent quality and one with which you would be pleased to do business. If you feel a feature described by the statement below is absolutely essential, then circle "4" or "5", (on the right hand side of the statement) depending on the strength of your feelings, if your feelings are less strong, then circle another number that best describes your feeling. (THERE ARE NO RIGHT OR WRONG ANSWERS, just circle a number that truly reflects your feelings).												
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree							
1.	Williams Hunt Delta has modern looking equipment.	5	4	3	2	1						
2.	The physical facilities at Williams Hunt Delta are visually appealing.	5	4	3	2	1						
3.	Employees (sales and service staff) of Williams Hunt Delta are neat in appearance.	5	4	3	2	1						
4.	Materials associated with sales and service (such as brochures, invoices and statements) are visually appealing at Williams Hunt Delta.	5	4	3	2	1						
5.	When Williams Hunt Delta promise to do something by a certain time, it does so.	5	4	3	2	1						
6.	When customers have a problem, Williams Hunt Delta shows a sincere interest in solving it.	5	4	3	2	1						
7.	Williams Hunt Delta performs the service right the first time.	5	4	3	2	1						
8.	Williams Hunt Delta provides its services at the time they promise to do so.	5	4	3	2	1						
9.	Williams Hunt Delta insists on error-free records.	5	4	3	2	1						
10.	Williams Hunt Delta always satisfies your spares requirements.	5	4	3	2	1						
11.	Employees of Williams Hunt Delta tell customers exactly when services / vehicle delivery will be performed.	5	4	3	2	1						
12.	Employees of Williams Hunt Delta give you prompt service.	5	4	3	2	1						
13.	Employees of Williams Hunt Delta are always willing to help you.	5	4	3	2	1						
14.	Employees of Williams Hunt Delta are never too busy to respond to your requests.	5	4	3	2	1						
15.	The behaviour of employees of Williams Hunt Delta instils confidence in customers.	5	4	3	2	1						
16.	You feel safe (integrity) in all your transactions with Williams Hunt Delta.	5	4	3	2	1						
17.	Employees of Williams Hunt Delta are consistently courteous with you.	5	4	3	2	1						
18.	Employees of Williams Hunt Delta have the knowledge to answer your questions.	5	4	3	2	1						
19.	You would recommend Williams Hunt Delta to family and friends.	5	4	3	2	1						
20.	Williams Hunt Delta gives you individual attention.	5	4	3	2	1						
21.	Williams Hunt Delta has operating hours convenient to all its customers.	5	4	3	2	1						
22.	Williams Hunt Delta has employees that give you personal attention.	5	4	3	2	1						
23.	Williams Hunt Delta has your best interest at heart	5	4	3	2	1						
24.	Employees of Williams Hunt Delta understand your specific needs.	5	4	3	2	1						

73 Lucas Street
Newton Park
Port Elizabeth
6001

26 September 2000

Dear Sir / Madam

Survey : How can Motor Dealerships improve customer service quality levels?

I am currently enrolled at the Faculty of Management at the Port Elizabeth Technikon for the MBA course, and conducting research for a dissertation.

Please find attached a questionnaire relating to the above subject.

Your co-operation in completing and returning the questionnaire by **6 October 2000** in the self-addressed stamped envelope provided, would be appreciated. (The completion of the questionnaire should not take longer than 15 minutes of your time).

Thank you for your assistance.

Peter Hodgkinson

Geagte Meneer / Mevrouw / Juffrou

Survey : Hoe kan Motor Handelaars hul vlak van klientediens verbeter?

Ek is tans besig met my MBA aan die Port Elizabeth Technikon en is besig met navorsing vir 'n tesis aangaande bogenoemde onderwerp.

Hierby ingesluit is 'n vraelys wat voltooi en teruggestuur moet word, in die koevert daarvoor voorsien. Dit behoort nie meer as 15 minute van u tyd in beslag te neem nie en moet my voor of op **6 October 2000** bereik.

Baie dankie vir u samewerking.

Peter Hodgkinson

