

Communication in Sales and Service Activities. The Research of Customers' Satisfaction of Logan Cars

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Abstract: This paper presents an issue in which we all recognize ourselves. Every day we are both providers of services and products on the one hand, and on the other hand, customers and consumers. Nowadays, when every day the global economic crisis affects us all, it is a major challenge for us to know the conditions, opportunities, standards, periods, needs and affinities of customer satisfaction in the purchase of products and services. The study aims at investigating customer satisfaction in domestic cars, since cars have become nowadays a necessity for almost all social categories. The means of transport, whether public or private, in a hectic world and in constant motion, are now part of everyday life, even if sometimes our city infrastructure does not handle the large number of vehicles. Bringing in the country a large number of used cars limiting in some ways the sales of new domestic and foreign cars and has determined the busy traffic and parking in Romania. Assuming that based on the financial strength, the market supply and the ability of sorting the information, the client buys a car to use and that they can maintain, and thus it happens the need to deepen the problem by using the techniques and specific methods of marketing research.

Keywords: communication; marketing; customer; consumer

1. The Area of Investigation

*S.C. Auto Moldova S.A. was founded in 1995 as Regional Automobile Dacia Centre, and in 2004 it has become a privately owned company.*³

Auto Moldova in 2005 sold 1,400 of all types of cars and has solved all 12,000 entries in service.

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Currently Auto Moldova as bi-brand Dacia / Renault representative offers to its customers the best offers for new and used vehicles, either for personal use or for the development of company fleets. Auto Moldova also sells original spare parts and provides their service in the units of Piatra Neamt and Roman for the full range of operations and post-warranty guarantee for Dacia / Renault / Nissan.

2. The Assumed Methodology

The hypothesis from which we started was that customers have chosen the Logan brand for strictly financial reasons, with the lowest price in the market and relatively low maintenance cost. Out of the desire to find out the details on customer satisfaction, a questionnaire was drawn up necessary to achieve the survey focused on three areas:

- satisfaction degree of the consumer in the buying process (presentation, counseling, financing, transparency, goodwill, professionalism, timeliness, content);
- consumer satisfaction degree in the exploitation of the product process (maintenance, goodwill, positive features, comfort, safety, handling, consumption, start, thanksgiving);
- consumer satisfaction degree in the service process (waiting, benevolence, transparency, quality work, explanations of the work and invoiced price, warranty, post-service communication).

Based on customer lists of S.C. Auto Moldova SA, which acquired the Dacia Logan Sedan in the period of 01.01.2007-31.12.2009, the sample was calculated using the expression Taro Jamane. The sampling took into account that 78% of all customers are male and 22% women. Documentation has taken place at S.C. Auto Moldova SA, where it was discussed to some employees, and on the field where they interviewed some of the Dacia customers based on the questionnaire.

The measurement scales had as correspondent questions of nominal, interval (semantic differential with bipolar attributes, comparisons pairs) and order type.

The critical analysis and interpretation based on intuition, logic and experience, bring a new element on consumer behavior in times of crisis in the local auto environment. The survey was conducted using qualitative questionnaires, with

open and closed questions that required, some free and others limited answers. The interviews were individualized and were conducted face to face or by phone.

3. Results and Discussion

Consumer, as the bearer of merchant demand, plays an important role in the market mechanism, and at the same time, the reference element of all actions taken both by the manufacturer and the merchant. Moreover, as one country or another is developed, knowing certain prosperity, the role of the consumer becomes more complex and an increasingly large number of organizations, public or private, is affected by its behavior.

A satisfied customer will tend to share his positive opinions to others on a brand. That is why many marketers argue that the best advertisement is the satisfied customer. (Kotler, 1997, p. 266) I. Cătoiu and N. Teodorescu (2004, pp. 47-83) believe that there are two types of determinants of buying behavior: directly observable (demo-economic, and specific to situational and marketing mix) and deduced by inferential type research (psychological – endogenous and sociological – exogenous nature). The theory of the determinants factors of job satisfaction of Herzberg, in marketing (Iliescu & Petre, 2004, pp. 50-51) is important to demonstrate why the seller should avoid dissatisfaction factors and to identify the satisfaction or motivation ones for purchasing.

3.1. Rules of Communication in Sales Work

Within S.C. Auto Moldova they are working according to the experience accumulated over time by Renault, working on many plans, tailored to the specific area characteristic to our country.

The PER4 essential principles that have to follow within an algorithm the dealer SC Auto Moldova SA, are:

- meeting the customer in less than two minutes and identify his expectations.
- manage the requests from the internet / e-mail from customers in less than 24 hours.
- knowledge of all models and enhancement the patterns depending on customer's expectations.
- inviting the client to discover the vehicle and install into the car.

- spontaneously and systematically to the customer it is proposed to try on the car.
- handing in to the client a written offer, personalized with his name.
- reaching an agreement on an alternative solution of moving, in case the delivery time travel has been exceeded;
- greet the customer to celebrate the delivery of his car.
- presentation of after-sales service available to the client.
- calling the customer within five days after delivery, in order to ensure that he is satisfied.

Receiving the customer is the first step towards gaining a buyer, that is why the dealer must have a smiling face, ready to answer any question quickly, carefully because he never has the opportunity to make a first good impression. The expression that represents a person's face is a direct means of inverse information in the persuasion process, which provided also the first items on the emotions and attitudes of the interlocutor. (Tiutiuca, 2006, p. 204)

In any dialogue with a client we must know how to listen: be silent, watching the other party, thus you prove that you pay kind attention, to accept people as they are and not as we would like to be, to calm down our internal unrest (personal concerns) because anything that disturbs the attention involves a loss of information, to prove with the argument that we know to listen; listening we discover the need and possibilities of the client, arguing we go on the conviction path which it will lead ultimately to purchase. Listening is really a mindset that needs attention, continuity, availability, flexibility and willingness to understand the other. Lack of attention leads to omissions in the message reception which leads to confusion in decoding meanings, to errors in the response of reactions, that sometimes can be very compromising to the speech's objective.

Exposure to the potential customer must include all factors that might determine to purchase a vehicle:

- Payment options when purchasing the product;
- Conditions and offers warranty and post- warranty;
- The strengths of the product.

3.2. Rules of Communication in Service Business

The PED 4 service essential principles of Renault / Dacia are:

- scheduling the client within 48 hours for repairs under warranty and immediate intervention in case of immobilizing the damage;
- the spontaneously and systematically proposal of the customer to a moving solution (mobile);
- acquisition and return of client vehicle in the scheduled time;
- making the tour of the vehicle with the customer during the reception;
- the communication to the customer for the estimated price for repair work and a firm price for maintenance, customer demand for the contingency agreement;
- customer announcement as soon as his vehicle is ready, in case of delay, setting a new deadline with a new refund limit;
- check the quality of the work before the arrival of the client;
- detailed explanation of the invoice and performed work;
- accompanying the client to the vehicle;
- calling the customer within 48 hours of the visit, in order to ensure that he is satisfied.

For everyone it is valid the saying "time is money" so that the forwardness meets the customer's demand is crucial for image transmission efficiency, dynamism and reliability. If, in some cases, one cannot schedule the customer service in 48 hours, using a polite formulation by which to the client is explained the situation leading to a longer term programming. Mediation focuses on research and the dialogue is achieved by addressing the conflict between the interests of clients, employees or customers' consumers. (Cmeciu, 2009, p. 31)

After leaving the car in service, the customer gets a free means of travel without demanding, thus ensuring its fidelity to Dacia label.

Taking and returning the car at a fixed hour gives the image of an organized, structured, efficient firm, which strictly respects the fixed hours. Accompanying the client to the car for reception, during which there are recorded the requests and specifications for diagnosis and then the estimation, shows professionalism.

Explaining the work that needs to be done to his vehicle and the prices in a very clearly and explicitly way gives the client a sense of transparency with no "surprises." Kindness in the relation with every customer, the positive attitude, these are the assets of any employee of Auto Moldova SA. After announcing the customer of the finishing work about repairs and maintenance, quality control and cleaning work, even to the driving post of the vehicle, there are explained the bill and the work carried out, issuing a certificate of inspection which values this

approach. The empathy can be achieved on the way to the client's vehicle, offering him the necessary piece of advice in order to ensure that the vehicle will be properly maintained. For complete transparency the client receives the changed parts of his vehicle. Before leaving, the client receives the car and he is asked if he is fully satisfied with the work. This is done also by phone call that a representative of the company will make to the customer within 48 hours of his receipt of car. If the customer is not satisfied still, he will have an appointment or he is proposed to return immediately, while ensuring that there is always a solution.

3.3. The Level of the Current Research

Germany, Italy and Britain are the European markets where the famous company JD Power, part of McGraw-Hill Group, carries out every year a research that aims at ranking brands and car models based on customer satisfaction that have purchased a car on average two years ago. In order to determine the final score of each brand included in the study, the people from JD Power classify responses into four categories (quality and reliability of the car, the design, after-sales service and maintenance costs), the maximum number of points being of 1000. However, to show clearly which the highest ranked brands for each country are, it is established by the industry average. Each year, the results of these studies are expected by potential customers of cars and also the merchants, they subsequently have strong effects in the behavior of the brands.

Romanian car consumers do not have available such a study, because it was never achieved. Aware that such a study could change the perception of many buyers about brands presented on the Romanian market, but also that of traders dealers in connection to that of selling brand positioning in customers' preferences, we tried to find out why a similar research was not carried out in Romania. Brian Walters, vice president of J.D. Power said that "there are no immediate plans for a study in Romania. So far, in Europe, we focus on markets from France, Germany and Britain". One of the reasons for which we do not have a similar study is the lack of its relevance on long-term. "We are not an emerging market anymore, but an immature one. The results of such a study may be irrelevant in such a short time; these findings may be entirely different from the original ones. And the cost of such project is consistent enough to be repeated several times a year", said Marius Cocu, director of marketing of Hyundai Auto Romania.

In the absence of a study by a company with great experience in this field, many car dealers are trying to fill in the need for information by conducting a research focused on their own customers. "Even if in Romania there was not yet implemented such a centralized study - because its implementation requires joint efforts and investments from many players in the market – there are still importers and dealers that carry out studies to assess the satisfaction of their customers both on the sales and after sales", said for the Capital newspaper, Julia Bălcănaș, executive researcher of GfK Romania. Unfortunately, the results of these studies remain deeply buried in the offices of corporate marketing departments, where customers do not have access.

In Romania, the result of a study like "Car Customer Satisfaction Index" conducted by JD Power is difficult to predict, and its influence on sales even more difficult to estimate. "*Such study captures the evolution of a brand in a medium term without having its effects felt quickly in sales,*"¹ according to marketing director Marius Cocu of Hyundai Auto Romania, while Julia Bălcănaș, executive researcher of GfK Romania says that "*based on the study it can be calculated a correlation between satisfaction index and sales volume, but the experience has taught us that the direct effect on sales performance cannot be isolated from other factors.*" On the other hand, the president of Renault, Carlos Ghosn, said about the survey results recently achieved in France that "there is a quite direct correlation between sales and consumer confidence index. In the last three months, the index of satisfaction dropped down and sales continued to decline, even if they did not get stuck."²

Until a study similar to those made by JD Power in Western Europe will show also the Romanians' preferences, one can only ask the dealers three times, to think twice when choosing a car and decide once.

3.4. Customer Satisfaction in the Process of Acquiring, Operating and Service

The research was conducted through a survey carried out between February 22 to May 7, 2010, and considered the direct interviews using a questionnaire containing 42 direct questions that were addressed to a number of 207 subjects aged over 18 years. Of the 42 questions on satisfaction degree, 12 focused on the process of

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² <http://www.capital.ro/index>

purchasing a car from Dacia range, 18 - the exploitation process - and 12 - the process of service.

Age distribution of subjects took into account the sales statistics at Auto Moldova SA., which informs us that 32% were between 18-30 years, 58% between 31-45 years and 10% between 46-72 years. Also, customers were 78% men and 22% women.

According to Taro Jamane expression, the pattern on which the survey was conducted was of 207 subjects calculated at a number of 467 Sedan Logan Cars sold in SC Auto Moldova SA. during the years 2007, 2008 and 2009 to a maximum permissible error of 5%.

Table 1. The sizes stimulated of the pattern calculated by the expression Taro Jamane for certain values of N and e

<i>The Size of the Total Community N</i>	<i>The Size of the pattern for diverse admissible errors</i>		
	<i>e=5%</i>	<i>e=3%</i>	<i>e=1%</i>
500	222	345	476
1000	285	526	909
5000	370	909	3333
10000	384	1000	5000

The respondents, that is the consumers, were grouped according to age, income, training, civil status. The majority group of the buyer is between 31-45 years, both men and women. Also, in each age group and sex there are unmarried subjects, which diminishes with the age.

On the criterion level of training, 35% of respondents were university graduates, 56% secondary and 9% up to 10 graduated classes.

Men subjects with high school are the basic buyers of Dacia Logan Sedan. Contrary to expectations, women with higher education are in a greater number, although the number of women 31-45 years old group with high school is 13, while in the same range of age, those with higher education are in number 10. In terms of net monthly income per person for single people, or family for the married ones,

the surveyed customers were 15% with incomes between 100-200 €, 63% with incomes between 200-450 € and 22% with income between € 450-2000.

Men with income between € 200-450, 109 of the total number of 207 subjects, are top buyers of Logan. Of the total number of women purchasing the Dacia Logan sedan, 21 earn in the range € 200-450, and 20 in the range between 450-2000 €. We can see, if we make a correlation between education and income that women with higher education belong to € 450-2000 grid, which for men is different, i.e. 26 of 49 with higher education, 20 of 23 in possession of income between € 450-2000. The explanation could be that after 1989, the member organization and private firms have included many features of assistant manager, lawyer, lawyers, sales advisors, who in most cases are assigned to women, who by their nature cause sympathy, understanding, tolerance in the external environment of the company.

In terms of age and completed studies there are the following conclusions:

- Men with high school (57) are buyers that according to the feedback have shown to be demanding and critical, with medium and negative answers, and want a quality car and servicing in accordance with the paid price.
- 13 women with secondary education, aged 31-45 years are more realistic and less critical than men because their responses were positive and medium towards operating and service at Dacia Logan Sedan.
- Highly educated women aged 31-45 years were equally as positive and negative responses, being explained by the access to other types of cars that could be purchased as a result of comparison in comfort and service.
- 109 men with incomes of 200-450 € are satisfied with the product purchased with positive and medium responses towards SC Nalba personnel, operation and service.
- 21 women with income of € 200-450, and 20 ladies with 450-2000 €, during the questionnaire, their responses were mostly positive in all three chapters.
- the subjects in the minimum threshold of income (31), 100-200 €, which mainly purchased the vehicle in installments and with the *Scrappage* Program, are satisfied with the product in all chapters, with medium and positive responses during the questionnaire.

In terms of marital/civil status:

- Unmarried men in each age category are generally of the view that there is still work to be done in order to achieve a high degree of satisfaction regarding vehicle operation.

In terms of method of payment:

- Customers who purchased the car in installments and Scrapage Program are compared with those who paid "cash" are more positive in their assessments of the product operation and maintenance.

Also following the touches and changes made in Pitesti plant, customers who bought Logan in 2009 are more satisfied with the product than those who have purchased three years ago.

As for the season of purchase, those who took the car in summer, 35% are more satisfied than those who took the car in winter 20%. Explanation could be that certain parts, tires perform better summer than winter. It should be remembered that those who take more care of the car (20-25%), that is changing oil, the antifreeze gel, faster than expected, they feel better about the car.

Analyzing from a chronological perspective the stages through which the customer upon arrival goes in the headquarters of SC Auto Moldova, we may critically say the following:

a) 5% of respondents believe that SC staff Auto Moldova is untrained in the presentation, advisers to purchase a vehicle.

Improve staff training in the business presentation to potential clients, advice in the purchase of vehicles would be the solution that is required following the results of the survey (2-3 days of intensive training, by rotation, organized by managers of the institution, focused mainly on role play with different situations depending on the type of potential customers).

b) 25% among the clients whom there was not respected the deadline for delivery and they were not notified of the delay.

It may be necessary to streamline these activities related to the image, brand, reputation; managers should take coercive measures on employees who do not fulfill their tasks. *Structures governing any organization, involve beliefs, rules and specific power relations.* (Cmeciu, 2009, p. 27)

c) 5% of customers are dissatisfied with information received at the delivery, this because they are considered as "connoisseur" and they were given insufficient, incomplete or wrong information. If information was insufficient, this may be explained by the limited time for each client in crowded conditions.

If information was incomplete or wrong, this issue determines the improperly trained employees.

Possible solutions include: training employees and hiring temporary or permanent employees (with prior training) for increasing the staff that does not cope with the multitude of customers.

d) Of 207 clients, 21 returned due to finding (screening) failure, which indicates insufficient attention in the operations of the Plant Quality Control of Pitesti, respectively at the reception of SC Auto Moldova S.A.

It is a need for more attention and seriousness in the operations, 40% of respondents were not called within 5 days of product purchase in order to determine the degree of satisfaction with the product.

The explanation could be:

- There was no actual time to call all customers due to congestion;
- Not all agencies comply with this principle for various reasons (some of the customers know the product and were satisfied with the time of purchase; agencies do not consider that this principle would have any utility, etc.)

If the agent does not consider that this action would have any utility, it must be counseled, prepared and explained that each customer can become a source of advertising that SC Auto Moldova wants to be positive.

e) After purchase and daily use, 33% of respondents find it difficult to maintain, due to high prices for parts, supplies and manual labor. The solutions to address these complaints would be lowering manual labor costs and the purchase of parts and supplies directly from the manufacturer, avoiding intermediaries and thus additional costs. Although the product was purchased, 5% of customers are dissatisfied with the choice. Here we can sustain different hypothesis, but the solution lies only in customer behavior that is forced to decide based on the risk / benefit relation when buying any product.

f) Of the clients, 10% had clear problems after purchase, this being due mainly, we believe, to situation where the saying "Haste makes waste" can be applied. Many

times the daily activity has shown that a forgotten detail, a moment of inattention can often lead to some undesirable results, as in this case, failure in the first hundred miles.

g) 51%, 6% and 49% are dissatisfied with the comfort, the financial aspect, and the technical characteristics of the vehicle. All three can be solved together with the financial implications. Changing the accessories with others of better quality, use of materials, cushioning, design, all are expenses for each solution.

h) 65% believe that the starting and urban consumption can be improved.

It is hard to say if it could be achieved in Romania, in the sense that, usually in order to achieve such objectives, a lot of money is needed, and the only place where you can get money is from the people's wages.

It is true that in times of crisis, crisis measures are required, but people would not accept less money to work for the benefit of employers (companies).

i) About Dacia Logan Sedan, 25% of the interviewees state that they are very satisfied with its functioning in all seasons and the 2% that are very unhappy with the car in all seasons.

These 2% should be informed that nothing is perfect, not even the most expensive car in the world.

j) 10%, 20% and 11% consider a minimum grade of safety, handling and braking space.

k) Lake and paint in a thin layer is a problem noted by 10% of respondents. Not insignificant, this has a negative impact on long-term.

The product policy undertaken by Pitesti factory is risky, but still effective, taking into account internal and foreign sales ratio compared with other established brands.

l) Constructively speaking, Logan has been designed with advantages and disadvantages, high position in the cockpit with a suspension completely uncorrelated with the center of gravity of the car, thus leading to partial instability in cornering part was mentioned by 8% of respondents.

m) In order to execute a repair service, 15% are dissatisfied with waiting times at reception. Solving the problem may be temporary or permanent staffing for repairs and maintenance during the season. Equally dissatisfied interviewees, they were

not listened carefully on the failures presented, from case to case, with or without an auto adequate vocabulary. This time it comes to manners and common sense and not only the failure of an algorithm. The problem can be eliminated by managers, i.e. command, control and communication.

As a result of fault diagnosis, the agent (mechanic) must notify the customer an estimated retail price of the work, activity that has been missing for 7% of those who were in service.

The explanation may be multiple:

- lack of time;
- customers seeming as "people with money";
- the agent has failed or deliberately failed to comply with the algorithm.

n) After the execution of work, 3% are dissatisfied with the explanation of the entire invoice price and 3% are dissatisfied with the explanations of the proceedings.

Possible causes are:

- bill was higher due to the use of materials that were not fully consumed but, once used cannot be used for another client (e.g. a 4-liter bottle of oil, are used only 3.6 liters, etc.);
- manual labor is more expensive than elsewhere because of the high quality of work;
- it is possible that the bill has been increased superficially by accident or intentionally.

Also we can say that some mechanics are accustomed to "tips", which causes a certain behavior, unfavorable for the customers.

o) The quality of work was amended by 9% of respondents, which can be interpreted as follows:

- it was not identified the real problem and fixed something that should not be repaired;
- the quality of the work was not really as expected.

In its opinion, S.C. Auto Moldova could gain by increasing the quality of work performed by employees by motivating them financially, through contests such as

"Employee of the Month" after which, the remuneration may be based on performance.

We conclude that the various issues were the effect of the following causes:

- reduced number of employees at Pitesti plant;
- reduced number of employees at S.C. Auto Moldova;
- poor training of staff for finishing interior and exterior processes at the plant in Pitesti;
- insufficient training of staff for presentation, reception and performance of the service;
- use of poor quality materials and accessories in the production and service (at a relatively high price);
- insufficient involvement of plant managers, namely the SC Auto Moldova in the control of the quality of services provided by employees in their daily work;
- the possible wrong view that the amount is chosen at the expense of quality (we say "possible" because financially speaking, the gain on medium term is large, and at an abundant advertising in the presence of a competitive low price, the risk can be assumed).

Nothing in this world can be considered perfect, with good and bad, Dacia Logan Sedan is a national symbol, and a product that makes us envy abroad, a product that could be more worked and improved. This work has revealed the features of Dacia customer behavior according to age, income and last but not least, education. The Romanians hope that life and the car in Romania to be better.

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