

**“Influence of service request process and quality on retention in After-Sales of Luxury Car Segment with a mediating effect of Trust & Commitment”**

A Thesis submitted to the  
University of Petroleum and Energy Studies

For the Award of  
**Doctor of Philosophy**  
In  
Management

By  
Rakesh Naru

Oct.2021  
SUPERVISOR

Dr. Arvind Kumar Jain  
Sr. Associate Professor



**Department of General Management  
School of Business (SOB)  
University of Petroleum & Energy Studies  
Dehradun- 248007: Uttarakhand**

**Influence of service request process and quality on retention in After-Sales of  
Luxury Car Segment with a mediating effect of Trust & Commitment”**

A Thesis submitted to the  
University of Petroleum and Energy Studies

For the Award of  
**Doctor of Philosophy**  
In  
Management

By  
Rakesh Naru  
(SAP ID 500051833)

Oct.2021

SUPERVISOR

Dr. Arvind Kumar Jain  
Sr. Associate Professor



**Department of General Management  
School of Business (SOB)  
University of Petroleum & Energy Studies  
Dehradun- 248007: Uttarakhand**

**Oct. 2021**

**DECLARATION**

I declare that the thesis entitled “Influence of service request process and quality on retention in After-Sales of Luxury Car Segment with a mediating effect of Trust & Commitment” has been prepared by me under the guidance of Dr. A. K. Jain, Sr. Associate Professor, Department of Marketing School of Business [SOB], University of Petroleum & Energy Studies. No part of this thesis has formed the basis for the award of any degree or fellowship previously.



Rakesh Naru

**School of Business [SOB],  
University of Petroleum & Energy Studies.  
Dehradun-248007, Uttarakhand**

Oct. 2021

**CERTIFICATE**

I certify that Rakesh Naru has prepared his thesis entitled "**Influence of service request process and quality on retention in After-Sales of Luxury Car Segment with a mediating effect of Trust & Commitment**", for the award of PhD degree of the University of Petroleum & Energy Studies, under my guidance. He has carried out the work at School of Business, University of Petroleum & Energy Studies.



Dr. A. K. Jain

School of Business,

**University of Petroleum & Energy Studies**

**Dehradun -248007, Uttarakhand**

Date: 20/10/21

## **ABSTRACT**

As a definition a luxury good is a product for which demand increases more than proportionally as the income rises and is contrast to a necessity good, for which demand increases proportionally less than income (V. Michael Bove, 2021) . Luxury industry is very important for economy of any country, in India Luxury industry is approximately 1.5% and contributes 25% of CAGR. Among, the luxury industry, cars in its segment are leading in contribution towards total revenue and turnover. In order to retain the customer in luxury car industry, every possible attempt is done, and customer is retained not only during sales but also in aftersales during his car ownership (R Naru, Dr. A.k. Jain, 2018). The customer retention becomes very important for auto car industry and when we look into after sales. Hence, it is important that customer is retained during his ownership with brand and product.

Service retention is most important process in a luxury car dealership. The retention logic actually postulates that customer is actually retained by a luxury car dealership and company. Customer always finds a value in the services provided by service provider, if the service provider develops a trust within the customer for the after sales services taken by customer for his car. The trust is directly part and derivative of customer care process. In other words, a purposely CRM with its customer care processes develops a mutual trust within service provider and customer. This trust further develops some commitment between customer and retention which is important for future business generation.

Every luxury car customer wants his car to be maintained in best of the condition, for preventive maintains and other car related work his dependency on authorize car workshop is there, but he has got lot of options for these days also. During the research we have attempt to find the relationship and dependency of variables Trust, commitment and CRM on each other. These are very important variables for retaining the customer in after sales car workshop.

After the extensive literature review, we could develop a questioner which was based on the gapes and variables found in literature review, this questioner was further validated through focused group discussion. The focus discussion was done with subject experts in major cities Mumbai, Delhi and Bangalore. The customer in these cites contribute maximum share of customers owing luxury cars. The questioner was further made to be filled by customers of luxury car industry in most of cites of India. The filled data from these luxury car customers/ owners was further analyzed through structural Equation Modeling and hypothesis on customer retention, Service quality, CRM, Trust and commitment was validated for being significant on non- significant.

While the aim of the research was to find the solution for low customer retention in after sales and also to find the answer to the gapes identified in the literature review. Customer retention in after sales which is measure of the actual PMS done by customer through authorize retailer. Our findings says that Trust is most important for retaining the customer and increasing customer retention. We could also find that CRM built with customer care processes is very important for customer

retention. During the research we find the significance of Morgan and Hunt theory of Trust and commitment which is based on the KVM model in luxury car retention also. The findings of the same has been quite similar and are shown in Model which was based on Luxury car industry.

*Dedicated to*  
*My*  
*Parents, wife,*  
*Children and other family Members.*



## **ACKNOWLEDGEMENT**

The success and final results of my research was not possible without guidance and support from many people, and I was extremely privileged to get this on time. The support was continuous throughout the completion of my project. I attribute the success of this research to scientific supervision and assistance, which I got from everyone involved along with me on this research.

I owe my sincere gratitude to my research guide Dr. Arvind Kumar Jain, Sr. Associate Professor, School of Business, UPES, Dehradun. He took keen interest on my research in Luxury car Industry and guided me throughout the journey. It was indeed a great honor to work under him. The learning experience was immense and with some incredible and precious inputs in the research.

I would not forget to remember Dr. Sushil Rao, as a support during data analysis. He has been a continues inspiration post data collection. He helped in understanding the methodology has actually given a shape to my study. His critical comments and suggestions played a vital role in completing my research.

I also like to thank Dr. Tarun Dhingra and Dr. Joji Rao of UPES, Dehradun, for their fruitful suggestion during the synopsis and abstract stage. I am extremely thankful to both of them for bringing the fine improvements in my study.

I would also like to thank all the FRC committee members for their valuable inputs and suggestions. I am sincerely indebted to the faculty members of the school of Business, UPES for their support and constant encouragement.

I am thankful to library, IT department of UPES and all others who directly or indirectly supported me in conducting my research in campus and off campus.

A special note to Rakhi Ruhail, Asst. Director, PhD program, UPES for her on time reply and clarification of doubt, I had during the doctoral journey.

I am also thankful to Mrs. Nidhi Kasetwar from Arthvidya Consulting and the to all the respondents to my survey in different cities of India without whom, this research would never have been possible. It was because of the honest answers that this research could reach to the indent conclusion.

Finally, my acknowledgment note would be incomplete without mentioning contribution made by family and specially my daughter Aditri Naru, she was one always asking me about my thesis and inspiring me to complete it on time. Above all the blessings from my late grandparents Late Radha Krishan Naru & Late Sham Rani, who spent a lot of time in nurturing me in my childhood.

Rakesh Naru

## TABLE OF CONTENTS

<u>Chapter/ Topic</u>		<u>Page No.</u>
<b>1.0</b>	<b>Chapter 1: Introduction</b>	<b>1</b>
1.1	Indian Luxury Industry	3
1.2	Performance of Auto Industry	4
1.3	Segmentation in Auto Car Industry	5
1.4	Luxury Car sales in India	6
1.5	Business Problem	7
1.6	Conclusion	9
<b>2.0</b>	<b>Chapter 2: Literature Review</b>	<b>11</b>
2.1	Customer Service and Satisfaction	13
2.1.1	Purpose of Customer Delight	15
2.1.2	Findings from the Literature Review of Customer Service and Satisfaction	19
2.1.3	Gaps in Literature Review of Customer Service and satisfaction	20
2.2	Customer Retention	20
2.2.1	Findings from the Literature Review of Customer Retention	25
2.2.2	Gaps in Literature Review of Customer Retention	27
2.3	Automobile Industry	29
2.3.1	Findings from the Literature Review of Automobile Industry	29
2.3.2	Gaps in Literature Review of Automobile Industry	31
2.4	Luxury Industry	32
2.4.1	Findings from the Literature Review of Luxury Industry	32
2.4.2	Gaps in Literature Review of Luxury Industry	34
2.5	Customer Loyalty	34
2.5.1	Findings from the Literature Review of Customer Loyalty	35
2.5.2	Gaps in Literature Review of Customer Loyalty	36
2.6	Trust and commitment	36
2.6.1	Theoretical premises of Research in theory of relationship management	37
2.6.2	Origin of theory of Commitment and Trust	38
2.6.3	Various definitions of theory of Commitment and Trust	39
2.7	Conclusion	43
2.7.1	Gap Analysis	44
<b>3.0</b>	<b>Chapter 3: RESEARCH METHODOLOGY</b>	<b>45</b>
3.1	Research Design	45
3.2	Conceptual Model	47
3.3	Research constructs	48
3.4	Research Objectives	50
3.4.1	Research Framework	50
3.5	Research Objective	51

<b><u>Chapter/Topic</u></b>		<b><u>Page No.</u></b>
3.5.1	Research Objective 1	51
3.5.2	Research Objective 2	51
3.5.3	Research Objective 3	52
3.6	Qualitative and Quantitative study	52
3.6.1	Focused Group Discussion justification	52
3.6.2	Structural equation Modeling justification	53
3.7	Conclusion	54
3.7.1	Research problem	54
3.7.2	Research gap	54
3.7.3	Theoretical premises of the Research	55
<b>4.0</b>	<b>Chapter 4: DATA ANALYSIS AND FINDING</b>	<b>56</b>
4.1	Focused Group Discussion	56
4.2	Data Collection	61
4.3	Sampling Frame	61
4.4	Sample and Sample Size	62
4.5	Area wise Data	62
4.6	Data Analysis	64
4.7	Definition of various tools	64
4.7.1	Descriptive statistics	64
4.7.2	Confirmatory Factor analysis	64
4.7.3	Structural Equation Modeling (SEM)	65
4.7.4	Reliability Analysis	65
4.7.5	Reliability and Validity	65
4.8	Validity and Reliability Test	66
4.9	Reliability Test	69
4.10	Analysis of Data through SEM, using AMOS	70
4.11	Model Fit	73
4.12	Finding and Discussion on Hypothesis	76
4.12.1	Hypothesis H0a	76
4.12.2	Hypothesis H0b	78
4.12.3	Hypothesis H0c	80
4.12.4	Hypothesis H0d	81
4.12.5	Hypothesis H0e	83
<b>5.0</b>	<b>Chapter 5: CONCLUSION</b>	<b>87</b>
5.1	Managerial Implications	91
5.2	Future Studies	92
5.3	Limitations of Study	92
<b>6.0</b>	<b>Relevant Publication from Research Work</b>	<b>93</b>
<b>7.0</b>	<b>Bibliography</b>	<b>97</b>

## LIST OF FIGURES

<u>FIGURE NO.</u>	<u>NAME</u>	<u>PAGE NO</u>
Figure 1	Sales trend in Luxury car Industry	2
Figure 2	Old Auto Dealership in Mumbai	3
Figure 3	Sales trend till July 2013	6
Figure 4	Correlation between Customer Expectations and Customer Satisfaction	13
Figure 5	Consumer Expectation and Marketer	14
Figure 6	JDP Customer Service satisfaction	18
Figure 7	Retention curve for PMS in after sales car workshop	21
Figure 8	12 Step customer care process	22
Figure 9	Brand and Retention Effect	25
Figure 10	David Holford, Testing Commitment-Trust Theory in Relationships between Pharmacy Schools and Students, 1997.	39
Figure 11	Gap Analysis self-explained	44
Figure 12	Final Gap to be worked.	44
Figure 13	Research Question and Objective	46
Figure 14	Research Flow	47
Figure 15	Research Framework	50
Figure 16	FGD Analysis	60
Figure 17	City wise Survey	63
Figure 18	Variable Summary (Group 1)	73
Figure 19	Unstandardized coefficients represent the amount of change in Y given a single raw score unit change in X.	75
Figure 20	Unstandardized coefficients represent the amount of change in Y given a single raw score unit change in X	75
Figure 21	Conceptual Framework (Shazil, 2013)	79
Figure 22	Morgen Hunt KVM model in Luxury after sales Business – Self illustrated	83
Figure 23	Solution to Business problem – after sales retention - Self illustrated	89
Figure 24	Impact of Trust on 12 step customer care process in Luxury car after sales workshop.	90

## LIST OF TABLES

<b>TABLE NO.</b>	<b>NAME</b>	<b>PAGE NO</b>
Table 1	Segmentation of car Industry based on length and price	5
Table 2	Factual data of retention with respect to PMS	8
Table 3	Actual loss due to low retention in after	9
Table 4	Justification of themes	12
Table 5	Gaps Found in Commitment & Trust Theory	42
Table 6	Service Response process Quality and its variables	48
Table 7	Trust as construct and its variables	49
Table 8	Relationship commitment as construct and its variables	49
Table 9	Service Request process CRM as construct and its variables	49
Table 10	FGD Field Plan	58
Table 11	Focused Group Questioner	59
Table 12	Data Analysis	64
Table 13	Validity testing through Factor Analysis	66
Table 14	KMO and Bartlett's test	67
Table 15	Variance and its Loading	68
Table 16	Reliability Test	69
Table 17	Reliability Statistics	69
Table 18	Extraction Method principal component analysis	70
Table 19	Rotated component Matrix	72
Table 20	Variable count (Group 1)	74
Table 21	Parameter summary (Group No. 1)	74
Table 22	P value and significance on Hypotheses	78
Table 23	Significant – Hypothesis Table	84
Table 24	Model Fit	85

## **List of Appendices**

1. **Appendix A-** Questionnaire Used for Survey of Luxury Car Industry Customers.
2. **Appendix B-** Invention letter send to auto professionals for FGD at Delhi.
3. **Appendix C-** Invention letter send to auto professionals for FGD at Mumbai.
4. **Appendix D-** Invention letter send to auto professionals for FGD at Bangalore
5. **Appendix E-** Thanks letter send to participants for participating in FGD.
6. **Appendix F:** Operational Definitions of Abbreviations Variables and various Constructs.
7. **Appendix G:-** Complete flow of Research methodology
8. **Appendix H:** Time Frame of complete PhD.

## 1.0 Introduction

As a definition a luxury good is a product for which demand increases more than proportionally as the income rises and is contrast to a necessity good, for which demand increases proportionally less than income (Govt. & Aus., 2009). Luxury goods are also called as Veblen goods (R Naru, Dr. A.k. Jain, 2018) . In other way luxury goods create a different market segment because of its demand, uniqueness, heritage and price (Park, 2021). The Indian luxury Industry was on growth path till March 2020 and was growing consistently at pace of 20-25% (R Naru, Dr. A.k. Jain, 2018) per annum. During this period, it was also projected to touch \$180b by 2025. This growth was mainly due to growing HNI's, rapid urbanisation and demand increase in tier 11 and tier 111 cites. Luxury industry as per the report by Statista, was amounting to \$9.099 billion in 2020 (Crossley, 2018). The market was expected to grow by 5.8 percent at that time (CAGR 2020-2023). However, the current pandemic Covid-19, has put the stop to the growth from the year 2020 and it is going in reverse direction. Among the Luxury brand, cars are one of the top lists for high-net-worth Individuals, also called as HNI. Though the share of luxury cars is very small percentage (approx.1.5%), however the contribution to luxury industry is 20-25% (CAGR) (R Naru, Dr.A.k. jain, 2020) and hence it becomes very important not to neglect this segment (Crossley, 2018).

In other way a luxury goods create a different market segment because of its demand, uniqueness, heritage and price (Ahuja, 2014).The three dominant trends in the global luxury goods market are, consolidation, globalization and diversification. Consolidation involves the growth of big companies and ownership of brands across many segments of luxury products. Globalization is a result of the increased availability of these goods, additional luxury brands, and an increase in tourism (Salil, 2015).

A luxury study (Jonas Holmqvist, 2021) stated that with the increasing brand awareness and growing purchasing power of the upper class in tier II and III cities. Indian luxury market is expected to cross \$18.3 billion by 2016 from the current



\$14.7 billion growing at a compounded annual growth rate (CAGR) of about 25% (Rawat, 2012).

"The factors that have fueled the luxury industry's growth are rising disposable incomes, brand awareness amongst the youth and purchasing power of the upper class in Tier II & III cities in India," said, D S Rawat, secretary general, Assocham in 2012. Areas such as five-star hotels and fine-dining, electronic gadgets, luxury personal care, and jewelry performed well in the year of 2015 and were expected to grow by 30-35% over the next coming years. However, in auto sector, big ticket spends such as on luxury cars mainly SUVs are likely to continue, growing upwards of 18-20% over the next three years, driven by consumption in smaller towns and cities (Rawat, 2012).

DS Rawat has only tried to show the link of increase in income and respective increase in luxury goods. We can see the growth of luxury market, approx. It is now 1.8-2.0% and is expected to rise to 3-4%, which is fairly a growth of more than 100%. When we look into past, an era before Covid, auto industry was also showing the growth of approx. 18% as compared to the aged trends (Govt. & Aus., 2009).

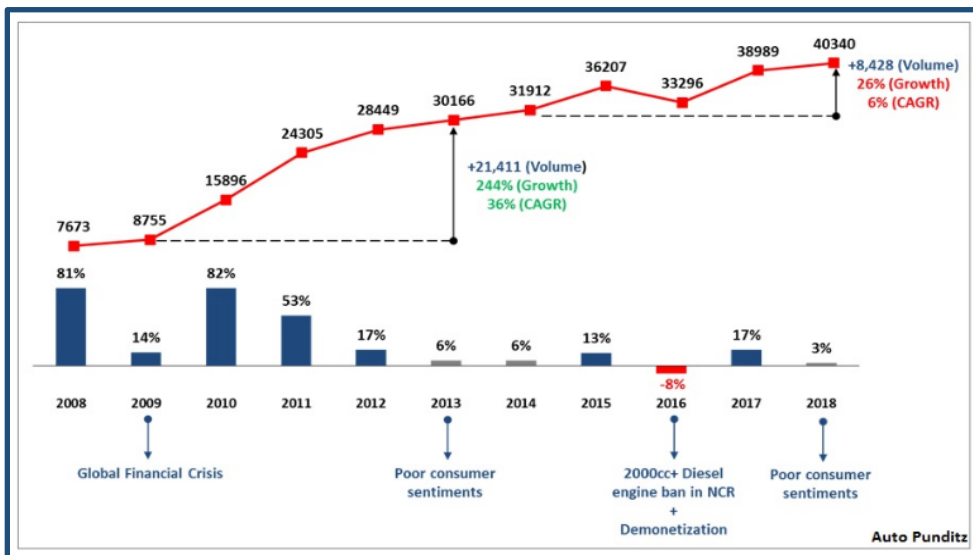


Figure 1: - Sales trend in Luxury car Industry

## 1.1 Indian Auto Industry

The automobile, car industry is approximately 120 years old in India, the first car that ran on the Indian Roads was in the year 1897, it was owned by Mr. Foster, however the first Indian to own a car in India was in the year 1901 and it was owned none but Jamshedji Tata (BHP, 2018). Automotive industry in India emerged in year 1940's, though till that time the cars were only imported in India.

Automotive industry emerged in India in the year 1940's and Hindustan Motors was launched in the year 1942 with its long-time competitor launched in the year 1944, where they were building Dodge and Fiat products respectively.

Below pic shows the Fiat showroom in Hyderabad, reported by team BHP in article written on Bombay Cycle (R Naru, Dr. A.k. Jain, 2018).



Figure 2 Old Auto Dealership in Mumbai

However, during the same period in the year 1945 M&M, started by two brother's start producing Jeep, they start their production with Jeep CJ-3A utility vehicle. After Independence in the year 1947, the Indian Government launched the efforts in the direction of creating the Automotive – component industry in India. By 1953, an import substitution program was launched and there were some restrictions on the import of fully built cars in India (BHP, 2018). Also, in the year 1952, the Govt. of India appointed the first Tariff commission; the purpose was to check the

feasibility plan for indigenization of India automobile industry. In the year 1953, the commission submitted a report on classification of cars, which recommended to categorizing the Indian car companies based on their manufacturing infrastructure.

Hence it is clear that auto industry emerged in India with Independence, and it started flourishing with time, as of now there are more than 50 players in car segments with encouraging growth trend.

## **1.2 Performance of Auto Industry**

Automobile industry in India is world's 10<sup>th</sup> largest industry with annual production of approximately two million units. The automobile industry in India was introduced in late 1890's, however the manufacturing only took place after Independence in year 1947, (SIAM).

The first manufacturing took place in the year 1950 by Hindustan Motors, with this it gave a start to new era of manufacturing by companies like Telco (Now called as Tata Motors), Bajaj, and Ashok Leyland. In 80's with start of Maruti Udyog and most affordable car of that time, it gained market share by 50%. (Reported by SIAM)

The liberalization of 1991 opened gates of competition and growth for major international players and as of now there are more than 50 automobile companies in India. As of today, as per FDI (Ministry of commerce, 2014), which are part of Department of Industrial Policy and Customer Loyalty Program (DIPP), Ministry of Commerce, Government of India, the world standing for the Indian automobile sector as per the Confederation of the Indian industry is as follows

- Largest three-wheeler market
- Second largest two-wheeler market
- Tenth largest passenger car market
- Fourth largest tractor market
- Fifth largest commercial vehicle market
- Fifth largest bus and truck segment.

### 1.3 Segmentation in Auto Car Industry

Table 1: - Segmentation of car Industry based on length and price (R Naru, Dr. A.k.Jain, 2020).

<b>The segmentation of car industry in done on the basis of length and price</b>	<b>Length of Car/Model Type</b>	<b>Car Model</b>
A1	LESS THAN 3400	NANO
A2	3400- 4000M	ALTO, ZEN,
A3	4001-4500 M	MANZA, LOGON
A4	4501-5000M	COROLLA, OCTAVA
A5	5001-5500	ACCORD
A6	5501-6000	XJL, MERCEDES, BMW
B1	VANS	VANS
B2	MUV/MPV	SUMO, INNOVA
SUV	SUV	CRV, SAFARI

But if we see that this type of segmentation happens only in India as there are different tax slabs based on overall length of car. Popular segments according to car industry (SIAM, FADA) are as below: -

1. Mini
2. Compact
3. Hatch back
4. Mid-size car
5. Sedan
6. Executive car
7. Premium car
8. Luxury car
9. Super luxury car
10. Van

- 11. Utility vehicle
- 12. MUV/MPV
- 13. Sports Car
- 14. Super Cars

### 1.4 Luxury Car Sale in India

Luxury car Industry has been on the growing trend from the period of 2009 till 2018 as shown in figure no. 1, however below figure no.3 shows a growth trend, which is bit slow but there is growth, which further indicates that India has shown a good growth from 2009 to 2018 in luxury car Industry. However, the present Covid 19 has put a stop to growth rather it is negative trend. The researcher (Stuart Roper, 2011) claim that this is temporary, and this segment would see the growth with growth of HNI and Gross domestic product, also called as GDP and hence this segment cannot be neglected (R Naru, Dr.A.k. jain, 2020).

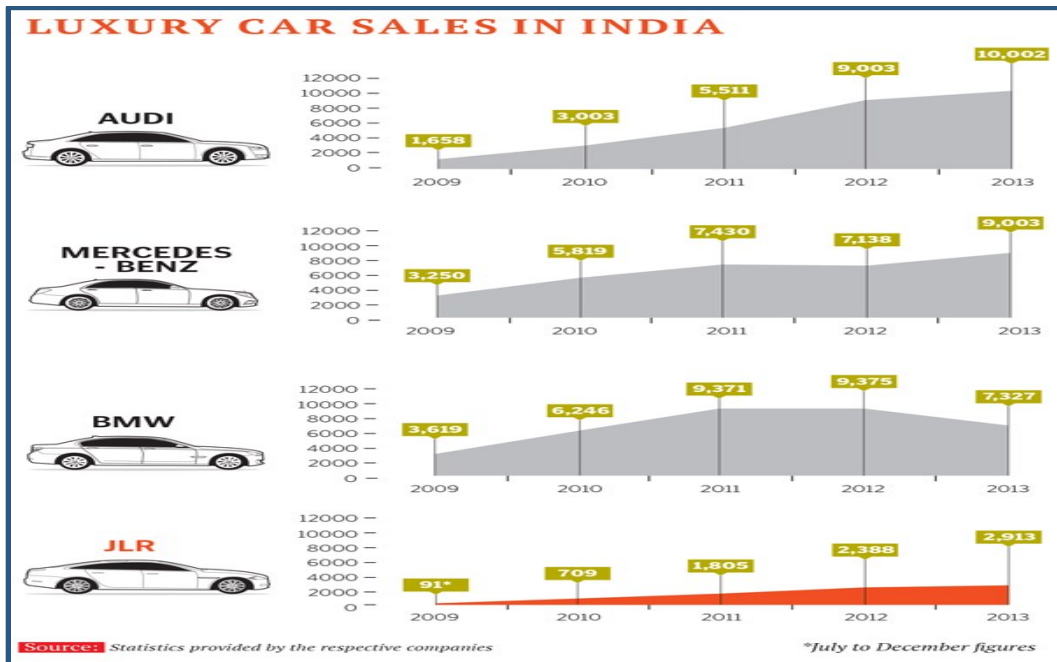


Figure 3: - Sales trend till July 2013, (Rakesh Naru, 2020)

While this segment is directly proportional to growth of HNI and India being emerging country for the new business for sure the period of 2026 would be golden

area for the luxury car industry, and I am sure this research would add up the value for retention of existing customer now and then also.

## **1.5 Business Problem**

Customer retention (Buttle L. A., 2006) in car industry is defined as “If a customer carries out all PMS – Periodic maintains service on time at authorised retailer, the customer can be called as retained customer.

The customer retention is primarily goal in all the organizations, and it primarily vary from the product to product and type of service being offered (Buttle, Lawrence Ang and Francis, 2006) . The significance of customer retention started in the mid-year of 1990, (Buttle, Lawrence Ang and Francis, 2006). It has been well quoted by Peter Drucker (1973) that sole purpose of business is to “create a customer”.

The customer today has become very important (Buttle, Lawrence Ang and Francis, 2006) after the research of 1990 by Dawkins and Reichheld that 5% increase in customer retention generate a net increase in value by 25% in revenue. This finding has generated a huge amount of interest in all the segments of auto industry.

In many aspects there is tendency that interaction between customer and the service provider can be result in the social bound between the two, rather there is clear possibility that on account of good service, it helps in creating a social bond between customer and service provider, which further helps to creates a strong customer delight with retention. Such delighted and retained customers even go into the advocacy mode for the service provider or brand.

As the customer interactions lengthen, the volume of purchased also grow and hence there is referral growth also, which is the best fruit or outcome, a strong customer retention process can give to retailers of auto industry.

Customer retention requires lot of planning, and it need to be looked at strategically along with various other key departments in the organization. Hence need to be budgeted properly. A research says that 80% of the budget for getting the new

customer is spend on the getting the new business (Weinstein, 2002) . This was also in line with the research and finding by Payne and Frow’s where they found that only 23% of the budget is spend on the customer retention activities (Frow's, 1999). Most of the companies in Indian car industry want to retain the existing customer, and work on the system that new sale must come from existing customers, the targets are in tune of 75% in luxury car to 30% in mass segment, which indicated what the spend on the customer retention is very less.

In order to retain customer with aftersales, post sales, lot of marketing activities and offers are planned by companies. Though the marketing activity is not only the key area that would influence the customer retention. Customer retention in after sales depends on lot of other parameters also which are driven by service offered, product and customer. The business problem which is prevailing in the auto car luxury industry is “Low PMS (Periodic Maintenance Service) turnout causes decrease in customer retention and loss of revenue in after sales business in luxury Car dealership.” While the Table 2 represents the retention of one of the luxury company , Table 3 shows what are the revenue losses if customer is not retained in Luxury car dealership , post sales in aftersales.

Table 2: - Factual data of retention with respect to PMS

<b>Period of sale</b>	<b>UIO</b>	<b>Vehicle retained</b>	<b>% Retention</b>	<b>lost %age</b>
Year 1 / Oct'15 - Sep'16	2700	2557	95%	5%
Year 2 / Oct'14 - Sep'15	2559	2374	93%	7%
Year 3 / Oct'13 - Sep'14	2675	2324	87%	13%
Year 4 / Oct'12 - Sep'13	2747	2194	80%	20%
Year 5 / Oct'11 - Sep'12	2434	1802	74%	26%
Year 6 / Oct'10 - Sep'11	1243	796	64%	36%
Year 7 / Oct'09 - Sep'10	475	232	49%	51%
Year 8 / Oct'08 - Sep'09	28	13	46%	54%
Total Car Park up to Sep 2016	14861	12292	83%	17%

Table 2 clearly indicated that with increase in ownership the retention decreases , while table 3 shows the revenue loss due to non-retaining a luxury car customer in after sales.

Table 3 - Actual loss due to low retention in after sales

<b>Per Job Card Earning</b>	<b>Value (Rs)</b>	<b>Revenue loss (Rs)</b>	<b>Actual Margin (Rs)</b>
Labor Per Job Card	9800	25176200	21566200
Parts Per Job Card	33000	84777000	16955400
Value added Service Per Job Card	2000	5138000	5138000
Insurance –re (avg. of total cars)	5000	12845000	12845000
Total Revenue loss in after sales		127936200	56504600

The source of above data is from DMS, data of automobile company. From the above data in table 3, we found that approx. lost customers are 2569, also as the vehicle ownership age increases, service retention also decreases. But the truth is the service revenue peaks between 3 to 7 years. Since customer retention drops in this period, dealers or service provider loose earning opportunity. If dealerships can retain 10% more customers, their revenues can go up by 40% (R Naru, Dr. A.k. Jain, 2018) .

## **1.6 Conclusion**

Hence, we conclude that luxury car Industry is very important for GDP of any country and presently research is done for India market. Further it has shown the growing trend from 2019 to 2018, while presently the trend is negative, owing to Covid 19 issue across the globe, this segment would show growth again with respect to 2018 numbers by 2026. We also understand that service retention is a challenge in the auto industry owing to dependence of sales on service. The after sales business at a level of retailer in luxury industry contribute to 75% of the profit



though the contribution towards total turnover is very less (Gokey, 2016). The service retention is a part of customer service process and CRM. This is achieved by building the trust among the customers. Even though all processes are lined up at the retailers and auto companies, the present research is an attempt to understand the impact of trust and commitment on service retention in luxury car Industry in India.

## 2.0 Literature Review

A literature review is scientific but a simple summary of the sources, but it usually has an organizational pattern and combines both summary and synthesis. A summary is a recap of the important findings of the source, but a synthesis is a re-organization, or a reshuffling, of that information in the form of findings and gaps in different researchers. It gives a new interpretation of old findings or combine new with old interpretations. It also helps to trace the intellectual progression of the field, including major debates. And depending on the situation, the literature review may evaluate the sources and advise the reader on the most pertinent or relevant (Schroeter, 2018).

While starting the literature review it was first important to freeze on various themes so that review can be done theme wise, and findings and gaps can be combined for the business problem in the luxury car industry.

The first step towards the literature review was to understand the themes, justification of themes and find the search outlook for the same.

The below table 4, helps to understand the themes and justification for the same. While it is very important to be clear to have a search outlook so that it is aligned to business problem and relevant findings and gaps can be understood from the literature review.

Further themes were identified keeping the business problem into consideration. The respective justification helps to further define the search outlook, so that, it is an outlook which is aligned towards getting the solution for the business problem.

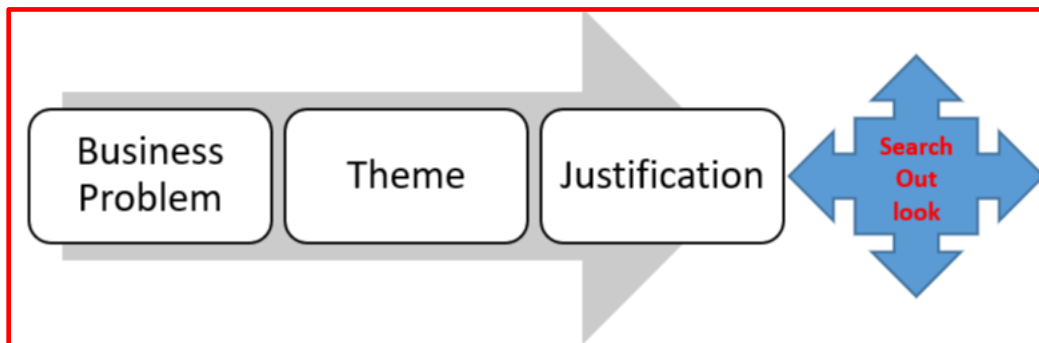


Table 4- Justification of themes

<b>Justification of themes</b>			
<b>Business Problem</b>	<b>Themes</b>	<b>Justification</b>	<b>Search Outlook</b>
Low PMS (Periodic Maintenance Service) turnout causes decrease in customer retention and loss of revenue in after sales business in luxury Car dealership	Customer Service & Satisfaction	If customer is satisfied in after sales, he can come back	How much satisfied customer comes back?
	Customer Retention	Retention is key to profit	How much retained customer add to profitability
	Automobile Sector	We want to understand the challenges and process in automobile sector as whole as the research is in auto sector	How automobile luxury sector works
	Customer Loyalty	The attributes importance changes as the customer relationship with product or services matures, hence loyalty plays a big role and in after sales business more the customer is loyal more the profit as profit increases with the aging of the product	What is impact of customer loyalty on retention
	Luxury Industry	As it is part of research it is important to understand the segment	What is contribution of this segment and how much it adds to revenue
	Trust and commitment	Trust is strong enabler for the repeat visit	It would help to validate link between trust and commitment

## 2.1 Customer Service and Satisfaction

Customer satisfaction is defined as, when the services offered by service provider to customer exceeds the customer Expectations, the phenomena outcome is called as “customer Satisfaction “.

In marketing context, the customer satisfaction is defined as customers overall evaluation of the product (Anders Gustafsson, 2005) . This type of customer satisfaction has positive influence on different type of product and services. Customers with problems unusually don't react and only 4% of the customer complaint (Rana Mostaghel, 2006). A customer with problem tells approx. 9 other people about the dissatisfactions and only 5 people if he extremely satisfied, and it is best way for organizations to find new customer, so keeping the cost of finding new customer 1/7 (Rana Mostaghel, 2006). This has been found true to all industry and thus its relevance to auto luxury car industry cannot be ruled out.

Some authors, (Feclikova, 2004) have defined customer satisfaction as feeling which is resulted by a process of evaluating what was received by customer against his/her expectation for the purchase decision or the fulfillment of needs or want.

Actually, “customer satisfaction in nothing but a state of delight, where the consumers feels that he has got what he has spent for, or what he is intended for spend in future “. The below Figure 4 show the correlation for customers of auto industry (Feclikova, 2004) .

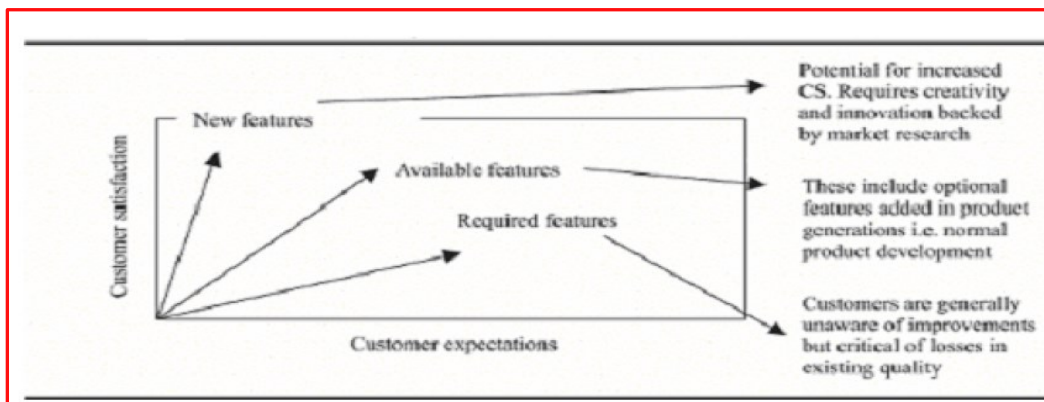


Figure 4: - Correlation between Customer Expectations and Customer Satisfaction (Feclikova, 2004).

Customer satisfaction as explained in Fig no 4 is directly proportional to customer expectations. In sales it is sum of required features, available feature and new features. However in after sales the parameters changes. (Wrtz, 2003) , Jochen Wrtz has stated following results of customer satisfaction as explained in Fig. 5 , which is outcome post sales .

- ✓ Customer re-purchase
- ✓ Customer Loyalty
- ✓ Positive word of Mouth
- ✓ Profitability
- ✓ Positive Brand Image.

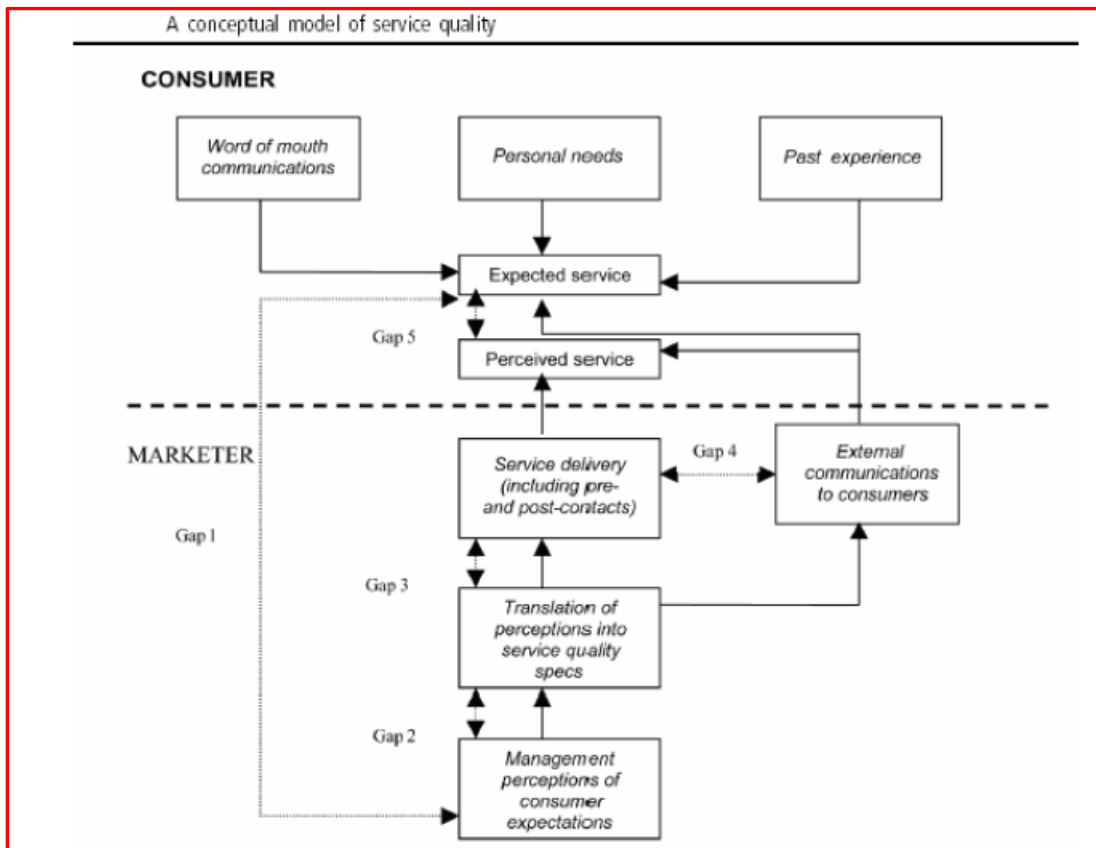


Figure 5- Consumer Expectation and Marketer

### 2.1.1 Purpose of customer delight

The only purpose of the customer delight is to increase the sales and revenue of organization and build trust among the customer for lasting brand image. In luxury car industry, after sales has a big role to play in the customer satisfaction. While the satisfaction and needs of customer also vary with the age of customer in after sales (Eva Ascarza, 2017). A young customer may like the clear communications on SMS but a customer with age 45 and above may like the telephonic mode over the SMS. However, it cannot be generalized, for luxury car segment, it is important for service provider that the needs of customer related to service are understood and a specific way is taken to satisfy the customer as the process, which should be designed by the company (R Naru, Dr. A.k.Jain, 2020). While some researchers (Ahuja, 2014) say that these days the buying age of luxury has shifted to young age more it is important to understand their specific needs and requirements. While in auto industry we could find the profitability depends more on after sales now and it is very important that every visit of customer post sale ends up with the customer satisfaction and delight (Roger Baran). The first step in the customer care process is calling for the customer appointment and actual building trust starts from this step only. The recent studies (Catherine Janseen, 2013) started that the buying age for luxury products (cars) for 55% of its sale is just 25-35 years, it clearly indicates the impact of service delivery and its enablers on the customer with respect to its age (Yu Te Tu, 2013). There are three objectives when implementing Customer Delight.

First, make customers loyal finding new customers costs 4 to 9 times more time and money than reselling to an existing client. It is thus commercially viable to retain as many customers as possible.

A second objective is to have customers that are more profitable. Average delighted customers spend more with less hassle as compared to customers who are not satisfied.

The last objective of Customer Delight is to have clients talk positively about your product, brand or shop, the so-called Word of Mouth. In a world of well-informed customers, 92% of customers consider word of mouth as the most reliable source

of information (Parasuraman, 2006). Delighted clients are a valuable source of advertisement for any company. A study done by (Fada, 2018) indicated that out of 10 satisfied customers, only one would say to others why he is satisfied, on the contrast, 6 out 10 customers spread negative word of mouth if they are dis-satisfied with product or company. Hence it is very important that a maximum customers should be satisfied by product or services being offered. This is not only true in car industry but also in other industries like banking and hotel industry.

In order to consistently deliver Customer Delight at all customer touch points throughout the company, a customer-centric-corporate culture is key. With this corporate culture all processes, systems, people and leadership are aligned to deliver Customer Delight and everyone in the organization shares the same set of values, attitudes and practices (R Naru, A.k .Jain, 2021). Developing the culture is an ongoing process, a continuous exercise of innovation and improvement, involving every single employee of the company. An absolutely necessary step is linking Customer Delight behavior to the core values of the brand. Core values are operating principles that guide an organization's internal conduct as well as its relationship with customers, partners and shareholders. Once core values are clearly outlined it is critical to incorporate them into everything you do, from hiring, to employee appraisals and decision making (Caruana, A. Money, A.H. & Berthon, P.R. 2000). During the review we also felt many times core values in companies become a part of book or a policy document only if it is not being communicated or adopted in a way it should be. So, it is also important that the core values of brand change as per the change in customer profile with time. It has also been seen that customer behavior changes with new technology and somehow. We have found during the literature review that core values should address these changes time to time. But it is also truth that Customers are becoming ever more demanding, and in most markets, they have more options to choose from than ever before. At the same time perceived 'switching barriers', the inconveniences of changing supplier, are being reduced. (Caruana, A. Money, A.H. & Berthon, P.R. 2000).

Different markets show very different customer loyalty profiles. The Leadership Factor's experience has shown that, for example, in some manufacturing sectors customers may have very little choice over which supplier to use. This can lead to complacency and the feeling that customer loyalty is irrelevant since they have no option but to come back. Such reasoning is flawed on two counts. 1) Customer loyalty goes beyond mere retention to a range of attitudes and behaviors, something which will be covered in more detail in literature review. 2) Customers do come back when they have no other choice, but they will be vulnerable if any competitor arrives on the scene. Companies that are in a virtual monopoly situation can be vulnerable to this way of thinking. For companies, service design process is growing in importance and has become a crucial capability to survive in the service-dominant economy. Service design increases the capacity to improve not only service experiences but also organizational design. (Parasuraman, 2006). The best example of the same is when scooters were sold in India with a huge demand and suddenly the 4-stroke motorcycle manufacturing company than named as Hero Honda and now Hero motorcycle not only introduced the new segment but also wiped the old segment, which was very powerful in 2-stroke segment. The difference between markets is due to a combination of factors - the amount of competition, the sophistication of the customers and the perceived switching barriers. If all competitors were equally easy to use, then we would expect an almost perfect correlation between customer satisfaction and loyalty for a luxury aftersales study (R Naru, A.k .Jain, 2021).

In order to understand service loyalty in auto luxury car industry, auto manufactures relay on the independent survey done by JD Power. This helps them to understand the service satisfaction as compared to various brands. JD Power is known for measuring the customer satisfaction and is an American data analytics and consumer intelligence company, which was founded in 1968 by James David Power and hence the name JD Power. JD Power touches on all areas of car ownership. The car ownership area includes driving experience, reliability and running cost, design, practical and comfortable cars are on the inside.



JD Power is one of respected and comprehensive car ownership survey in world and results in go-to guides for buyers at all ends of the market. The responses received from customer result in form of new-car report.

Car companies pay close attention to the JD Power results, and genuinely listen to what you have to say with respect to customer satisfaction .

As per JDP study the factors that affect the customer loyalty of are as below in Figure 6, which is study pertaining to year 2016.

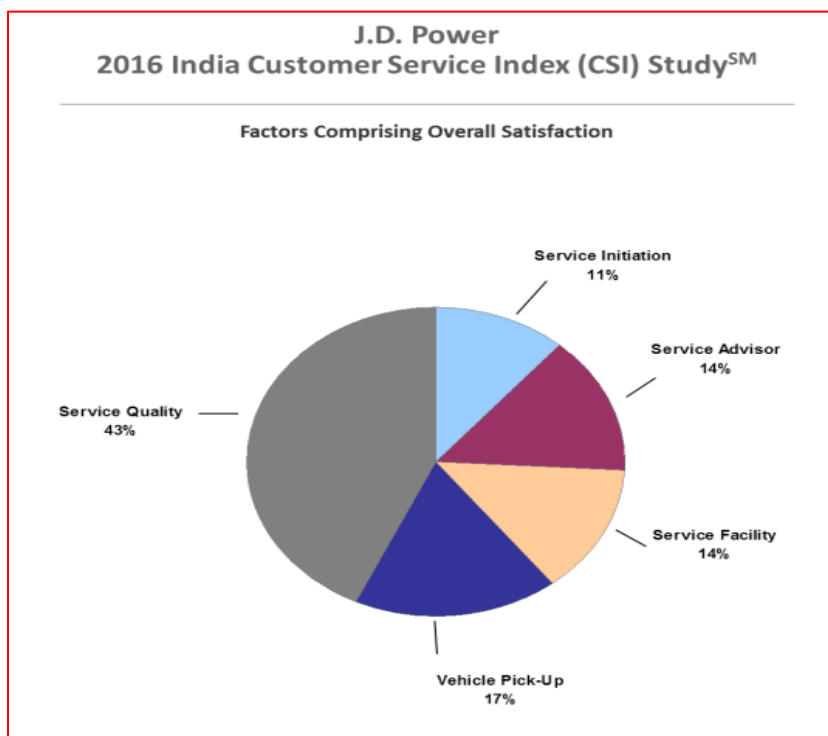


Figure 6: - JDP Service Satisfaction Index.

While in After sale car service top contributor remains Service Quality, but building trust starts from first step of service initiation. If we look to this parameter with respect to, Service advisor, service facility, vehicle Pickup. The trust is built at each stage and these four factors contribute to 57% in service retention (M.Katrichis,

2000) . As these are interlinked process these must be looked at a one set, and that is a reason in auto car workshop only two parts are taken care car and customer. while the car care deals with quality of the job done as per the request of customer. Customer care deals in building the trust within the customer that all the jobs are done properly with proper scheduling and delivery process. Hence, we could find the literatures also that huge processes are part of service process in the luxury car workshop to develop the trust of service among the customers (R Naru, Dr. A.k.Jain, 2020).

### **2.1.2 Findings from literature review of Customer Service & Satisfaction**

- Growing interest and active research in relationship marketing of services are bringing newer, more sophisticated perspectives to the subject, these include focusing relationship marketing with non-customers such as employees and strategic alliance partners to better serve customers. (Leonard L. Berry , 1995)
- Customer loyalty can be increased by 1) Decreasing staff problem 2) zero problem for guest 3) Solving Guest problem immediately (Nash, 2007)
- The brand image has direct impact on customer loyalty and retention (M.Katrichis, 2000)
- Companies use satisfaction surveys to determine importance. By doing so they try improving performance on those attributes that have the highest impact on overall satisfaction, and therefore on customer retention. To establish attribute importance, firms collect data from a single cross section of consumers (M.Katrichis, 2000)
- CRM system integration and service quality explained 64.2% of the variance. The scholars found that the service quality significantly predicts customer satisfaction as did system integration. Study finds a positive relationship between CRM and customer satisfaction (Daqar, 2017).

- Author demonstrates that in business settings characterized by network externalities, a CRM campaign that is aimed at changing the behavior of specific customer propagates through the social network, thereby also affecting the behavior of non-targeted customers. Using a randomized field experiment involving nearly 6000 customers of a mobile telecommunication provider, they find that the social connections of other companies (Eva Ascarza, 2017) .

### **2.1.3 Gaps in literature review of Customer Service & Satisfaction: -**

- I. Further research can be done segment wise to understand more its impact on retention and implications of social effect on CRM campaigns, other than telecom industry can be further analyzed. Also, as it is first level of campaign father analysis can be done on 2nd level of campaign / customer interface in other industries (Leonard L. Berry , 1995).
- II. What drives customer loyalty for service. what types of customers are not receptive to relationship marketing? (Leonard L. Berry , 1995).
- III. How to differentiate between different types of relationship styles that suits to a luxury customer. Impact of 1) Infrastructure 2) Training 3) CRM can be further investigated with other products in luxury (Daqar, 2017).
- IV. Convince of service center for an auto car dealership with respect to customer handling can be further investigated (Roger Baran).
- V. Different design to examine the causal relationship posted by theories, such as marketing mix (4ps) and relationship quality to explore other antecedents on loyalty for making long term customer delight and should be conducted in other industries and other Asian countries or different global regions (Yu Te Tu, 2013).

## **2.2 Customer Retention**

To retain the customer, apart from an attempt to provide a quality service, many initiatives are being taken to generate the appointment by customers. Every retailer

in an auto luxury car workshop has a team of trained professionals, who work for the same. For customer retention, online booking done by customers becomes a very important part of the retention (R Naru, Dr.A.k. jain, 2020). If a customer takes an appointment with a certain retailer, where he has choice, it is an indication of improvement in customer retention in the organization. Customer retention in after sales in luxury car industry is defined as “If a customer carries out all PMS (Periodic maintains service) on time at authorised retailer, the customer is considered as retained customer. The customer retention is primarily goal in all the organizations, and it vary from the product to product and type of service offered (Buttle, 2006). It has been well quoted by Peter Drucker (1973) that sole purpose of business is to “create a customer”. Dawkins and Reichheld (1990) found in their study that five percent increase in customer retention generate a net increase in revenue by 25 percentage.

Every company loses its customers over period or during the customer ownership. To stay at the status quo or grow the business the company need a steady flow of new customers to replace the old ones. Now, if the firm is not good at customer retention, then the business is losing its costumers over period. To stay in the business, the firm should have to replace them with new customers that is a costlier affair. The process of getting new customers is 5 times costlier than to retain the existing customers. Customers, who have bought from you before are much more likely to buy from you again. Yet there are so many companies that spend millions and millions to get new customers, rather than to keep the existing one. The firm should do return on investment (ROI) comparison between these two activities of retaining the customers and getting the new one. (Tarannum Syed, 2017).

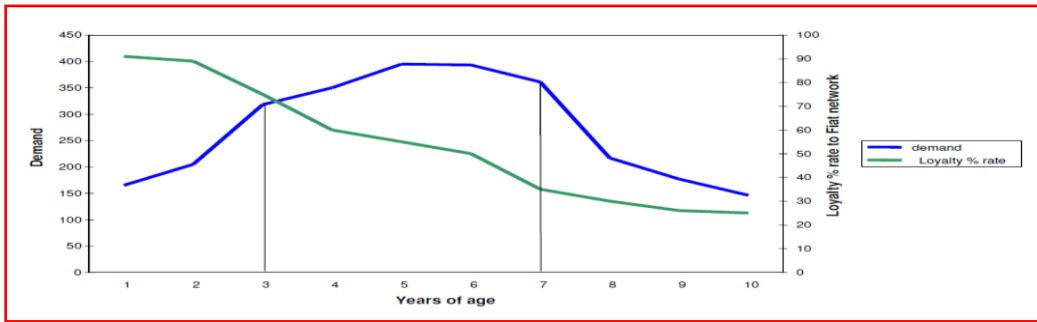


Figure 7: Retention curve for PMS in after sales Car workshop (R Naru, Dr. A.k. Jain, 2018).

Figure 7, clearly indicated as the service revenue peaks between 3 to 7 years. This figure is real time data analysis of one of the auto companies dealing in the car. The source of the data is primary data collected during the interview. Since the customer retention drops in this period, which is ownership period of 3 to 7 years, the authorize retailers lose the earning opportunity. If the organizations can retain 10 percentage more customers, they can grow their revenue by approx. 40 percentage. This is possible because of the fact as the vehicle becomes old the repair possibility increases more. Hence it is very important that loyalty should not be investigated only if customer repurchase, but it is important that it should be investigated while the ownership period also with respect to his visit to after sales workshop also. Along with various factors that help to improve the retention along with quality of the service is arranging the service appointment or in other way service initiation with customer. For a long-term loyalty and retention, it is important that workshop loyalty must be tracked as this would at the result in repurchase and workshop revenue in the workshop (Avi Balas, 2011). To understand it more we need to see how workshop operates in a authorize workshop which is part of the network. Figure 8, which is self-illustration shown in Figure 2 pictures as below. Process of Customer dealing in workshop (After sales network).



Figure 8: - 12 Step customer care process -Self-illustration (R Naru, Dr. A.k.Jain, 2020).

As indicated in Fig.08, it starts with customer appointment and end with feedback of the service in every organized car workshop. In between there are process like receiving the customer, opening job card, offering the in-service care, if customer wants to stay in, explaining the cost involved with repair process, repair, amendments, repair, quality check, washing, delivery, instant feedback, post service feedback and closure of complaints if any. In the whole process, 03 people Customer care executive, Service advisor and in-service provider interacts with customer and with car, the interactions go beyond these three people also. In some cases of car apart from these three people it is technicians, Job controller, quality check person, washing person also interacts. Hence, it is important for a good customer retention that there is liaison between the interactions of customer and service provider team. If, the customer is satisfied with the overall service, which results in revisit, new sales and revenue for the workshop. While we understand there are lot of factors that are important for the customer retention a research attempts to understand the important factors for customer retention in after sales service . The main issue in the customer retention is customer not visiting for the

periodic maintains service on time or does not want to come to a authorize workshop for the basic periodic service (R Naru, Dr. A.k. Jain, 2018).

But the main issue in the luxury car workshop is when it comes to fix the appointment for the PMS, periodic maintains service , it is driven mainly by the workshop , only 7-10 percentage, customers keep a track of their service requirements and call on time , during the initial survey, we found that now a days luxury car workshops have started calling for fixing the appointment for the PMS a month ago and they call it as service reminder call . As the PMS is important aspect of the car service, it seems that there are very less enablers that may impact the customer retention.

During the research, as after sales in car segment is not much seen as retention in standalone in aftersales, rather has been looked like retention in repurchase. While a lot of studies indicate car purchase is more dynamic, we intend to study the vehicle retention in aftersales during the ownership of the car, while looking for the various aspects, we found the three main aspects in these lines which are as below: -

- 1) Customer Relationship Management, called as CRM
- 2) Relationship marketing as one of the segments of CRM, rather outcome of the customer retention.
- 3) Service marketing which leads to customer retention, like clubs etc.

During the literature review we tried to find the various outcome of these so that to understand the impact on customer retention in aftersales service in car segment m, measured as Periodic maintains service being done

Though, the Customer Retention and Customer Relationship Management has interlinked in a way that the variables what we found in CRM has some or other part to play in retention.

Customer relationship management (CRM) has become the most dynamic technology topic of the millennium (Debnath, Datta & Mukhopadhyay, 2016). The basis of CRM is relationship marketing, which has the objective of improving the

long-term relationship while increasing profitability opportunities of customers by moving away from product-centric marketing.

The origin of CRM derived from the concept of relationship marketing (RM), while RM aims to form long- term relationships with customers by repudiating approaches that focus on products rather than the clients (Debnath, Datta & Mukhopadhyay, 2016). An organization’s success is greatly influenced by its understanding of its clients' needs (King & Burgess, 2008), which is CRM's main concern.

The term relationship marketing was coined by Berry (1983) and defined it as activities of a firm to build, maintain and develop customer relationship. In academic community, the terms “relationship marketing” and “customer relationship management” (CRM) are often used interchangeably (Payne and Frow, 2005).

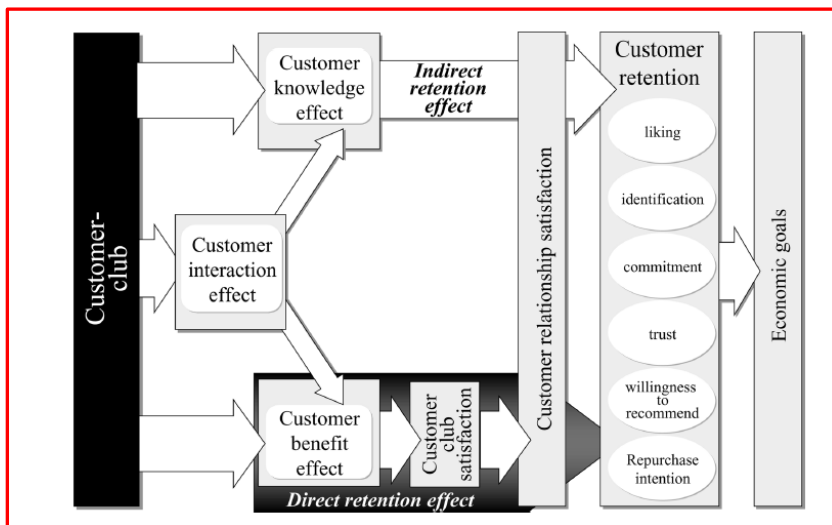


Figure 9 Brand and Retention Effect (Brand status K. C., Retention effects of customer club, 2001).

Figure 9, which is from a research paper, clearly shows how customer engagements have an indirect effect. During the interactions, we add other benefits to customer there is overall result of customer relationship satisfaction, which is very important in car segment, like in other consumable products it is not one interaction satisfaction. It is results of complete ownership of car with customer, which is not



less than 5 years in most of the cases, the figure also shows their customer satisfaction resulting in customer retention, which further add the value like identification, commitment, willing to recommend, trust and repurchase intention. This all put together helps to achieve the economic goals.

### **2.2.1 Findings from the Literature Review of Customer Retention**

- I. It was found initially that impact of customer clubs is more on the customer loyalty and customer relationship (Brand status K. C., Retention effects of customer club, 2001).
- II. It is found that excellence at customer Retention is positively and significantly associated with the presence of documented complaint handling process. None of other variables are significantly associated with depended on variable. It stated that among the four variables H1, H2, H3, H4 (Retention plan, retention budget, someone responsible & Customer Handling process) the strongest is H4 (Buttle L. A., 2006) .
- III. Loyalty profiles vary company to company. Each industry has an average behavior pattern that influences the customer loyalty. Three structural factors that define the loyalty are 1) Service call 2) Emotional or financial importance of a purchase 3) The degree of differentiation among competitors' offerings (Gokey, 2016).
- IV. Author demonstrates that proactive churn management programs should not necessarily be targeted to customers who are at the highest risk of churning. Rather, firms should conduct pilot field experiments to model customer heterogeneity in the response to the retention incentive and target only customers whose propensity to churn will decrease in response to the intervention (Ascarza, Feb. 2018).
- V. Category novices are very important, as though they may need be the product users, but their views on the product matter. The customer relation with Brand switchers increases with the tenure and customer retention. This is mainly as they have seen the other products and they keep on comparing

with the other products. Brand stayers are more prone to risk audience as compared to others two (Hoffmann, 2017).

- VI. The findings state the Customer relationship is very important tool and it varies with type of management and also plays a very big role in customer delight, retention and profitability (Model, 2017).
- VII. The five major factors that deter the customer switching to an alternative service provider are 1) Switching cost 2) Interpersonal relationship 3) the attractiveness of alternative 4) Service recovery and 5) Inertia. These all factors are guided by Dependence and Calculative Commitment. (AhmadZaimi, 2016) (Parasuraman et, 1985)
- VIII. Personalized Shopping cart influence 92%, Email Delivers highest ROI%, 70% of millennials are influenced by the recommendation of their peers in Buying. (Gokey, 2016)
- IX. The variables with the greatest impact on Loyalty is the validity of warranty, followed by service quality and customer satisfactions, other variables like age, type of service and gender has low effect on the loyalty. The customers of workshop are more loyal in premium segment. Regarding the Type of Service, it has impact on loyalty in premium division in after sales (Hugues Cailleux, 2009)
- X. Five major factors deter customer from switching to an alternative service provider are 1) Switching cost 2) Interpersonal Relationship 3) The attractive of alternatives 4) Service Recovery 5) Inertia. (Jose Albors, 2017).

### **2.2.2 Gaps from the Literature Review of Customer Retention: -**

- a) The link between dissatisfaction and loyalty is not straight forward and more research is needed to understand the moderating characteristics of the relationship. It seems reasonable to postulate that determinants might differ among industries with different structural characteristics, research is therefore required into the different aspects of service delivery that are

emphasized by various types and sizes of service firms (Model, 2017). (1) Studying Deflection would help in defining the reason of Deflection (trust in the service provider, Brand trust, Variety seeking, workshop proximity, perceived price, actual service needs, Fluctuations in Purchase Power, & Vehicle Change. (2) Also, research need to be done at other countries which can help in understanding the concept Think globally and act locally. (3) The further research can be done in understanding the impact of Service Quality and Customer satisfaction on Brand trust and eventually help in vehicle sale. (Gonzalez, 2015).

- b) The link between retention and dissatisfaction is not straight forward and hence more research can be done (Model, 2017).
- c) The survey is done on hotel (3 star). Similar study can be done for other industry and also other country. To understand the impact of CRM on profitability in other industry. The study also says to reconfirm the same in hotel and other industry (Padila, 2017).
- d) For using the cross-cultural data top empirically explain brand and customer in three ways .(1) How category novices differ in worldwide from pre purchase attitude and critical purchase criteria. (2) Motivation behind make or buy decision as per the category (3) How to classify customer who keep the car and still buy another product from different manufacturer (4) Ownership experience in Brand stayers and Brand switchers (Hoffmann, 2017).
- e) Further research can be done to understand the effect of campaigns and leverage the observed heterogeneity in customer responses to those campaigns to inform future decisions (Gokey, 2016).
- f) Research mainly focused on different industries and in the research only it is said that loyalty depends on the product and varies a lot with the nature of product. Hence these gaps make the case for further research where we can put in order as per the industry and the product (Gokey, 2016).

- g) The study does not show how many of satisfied customers in Customer club have actually give reference for the new sale (Brand status K. C., 2011) . Also, it does not show, what are the key factors in customer club which actually increase the customer retention.
- h) As the research is based on the different companies based on different sects and the retention percentage differ from range of product / companies. Hence it gives a new angle to study it from prospective of luxury segment specific to cars and its impact on profitability. How calling and budget with team effects customer retention. To identify structural/and or process attributes in retention plans that are more strongly associated with excellent retention outcome (Buttle, Lawrence Ang and Francis, 2006).

### **2.3 Automobile Industry**

Automobile industry in India is world's 10<sup>th</sup> largest industry with annual production of approximately 2 million units .

The automobile industry in India was introduced in late 1890's however the manufacturing only took place after Independence in year 1947, (SIAM, 2006).

The first manufacturing, however, took place in the year 1950 by Hindustan Motors, with this it initiated a great start to new era of manufacturing by companies like Telco (Now called as Tata Motors), Bajaj, and Ashok Leyland. In 80's with start of Maruti Udyog and most affordable car of that time, it gained market share by 50% as reported by SIAM (R Naru, Dr. A.k. Jain, 2018). The liberalization of 1991 opened gates of competition and growth for major international players and as of now there are more than 50 automobile companies in India.

As of today, as per FDI (Ministry of commerce, 2014) the world standing for the Indian automobile sector, as per the Confederation of the Indian industry is as follows:

- Largest three-wheeler auto market
- Second largest two-wheeler auto market
- Tenth largest passenger car market.
- Fourth largest tractor market in farm sector.
- Fifth largest commercial vehicle market for trucks and heavy duty.
- Fifth largest bus and truck segment put together .

### **2.3.1 Findings from the Literature Review of Automobile Sector**

- ✚ Workshop load is directly dependent on call center performance. Also, service load contributes 1/3 of Dealership PAT. (Saxena, 2019)
- ✚ There is positive impact on performance through spirituality. (Futrell, 2014)
- ✚ 1) Only 35% use OEM supplied software. (2) Dead stock 70%- due to peculiar snag and 30% due to accidental repair (3) Only 30% of parts supplied by normal supply (4) Only 40% service center so audit of inventory every year (Nagendra, 2016).
- ✚ The most important attribute in brand loyalty is 1) Comfort and safety 2) price & 3) customer service (Tandon, 2017).
- ✚ The study examines the differential impact of price and product information found in the marketplace. Relating consumer's information needs and information retrieval from OIS's to three shopping related outcomes. OIS's offer different level of price and product information and consumers and differentiated in their ability to retrieve this information. (Jason Kuruzovich, Siva Viswanthan, Ritu Agarwal , Sanjay Gosain , 2018)
- ✚ The timings are different, where there is load and different time study can be done based on pattern to implement the real picture. (Rabih Zakaria, 2018)
- ✚ The strike and management discussions lead to customer dissatisfaction and further loss. (Sen, 2011)

- ✦ It concluded that vertical integration would have differential impact on different elements of performance that are realized over the product life cycle. (Stern, 2008)
- ✦ The burdens for the servicing goods under warranty are multiplying rapidly. With the rate of increase in human population and outstripping in human population and with our 800 million appliances in U.S.A, (Fisk, 1970)
- ✦ Friends, Family and friends have been found as significant source of information and influencer in commercial vehicle buying. (Dr. R. Amuda, 2016)
- ✦ In principle, the adoption or a partnering approach should be straight forward and management process, involving following steps: (1) Develop criteria for identifying product categories suitable for partnering. (2) Identify products categories in which partnerships should be developed. (3) Develop criteria for identifying likely partners (4) Short list and then select prospective partners (Brennan, 1997).
- ✦ It has been found , while analyzing the factors that drivers' customers to purchase different automobile brands. Where, price becomes the predominant factor followed by mileage, after sale service and maintained whereas style and resale value are least influencing factor (Jaya Prakash Rath, 2013).
- ✦ Analysis of customer behavior enables companies to improve support of their customer-oriented business processes, which aims to improve the overall performance of the enterprises (P.Isakki alias Devi, 2012).
- ✦ The new era of customers is well equipped with brands and not only would influence the update, but also use of such brands. There is possibility that customers relay on false product due to low price (Khalid Jamil, 2017).

### **2.3.2 Gaps from the Literature Review of Automobile Sector: -**

- ✦ Service Reminder and its implication on booking of periodic service in auto industry need to be studied further (Saxena, 2019).

- ✦ Effect of employee (not aligned to organizational goals) on customer retention in after sales need to further analyses (Futrell, 2014).
- ✦ Automated indication of service deadline, if reached and how to know status of vehicle repair in automobile workshop (Nagendra, 2016).
- ✦ Further research can be done on the impact of these attributes (Price and Customer service) on after sales retention (Tandon, 2017).
- ✦ The future research can test alternative specifications for a subset of variables to analyze nonlinear relationship. Further research can also consider the stage of a consumer in the overall search process to better understanding difference in information needs (Jason Kuruzovich, Siva Viswanthan, Ritu Agarwal , Sanjay Gosain , 2018).
- ✦ To find customer retention and satisfaction parameters who uses this service to make it implementation model (Rabih Zakaria, 2018).
- ✦ As the study is based on the cultural values it is true for the China market only. The gap is such study can be done in other sub contentment's and also with low-cost automobile sector; present study is limited to only one country. (Jose Albors, 2017)
- ✦ Further research can happen how to influence the post sales customer for re purchase. Different sects like premium and luxury brand. (Jaya Prakash Rath, 2013)
- ✦ Future research can be done on other data mining techniques that can be applicable for larger data base (Khalid Jamil, 2017)
- ✦ Future studies should take account of the brand's role when they want to buy counterfeit products. (Khalid Jamil, 2017).

## **2.4 Luxury Industry**

As a definition a luxury good is a product for which demand increases more than proportionally as the income rises and is contrast to a necessity good, for which demand increases proportionally less than income (Govt. & Aus., 2009). Luxury

goods are also called as Veblen goods. In other way luxury goods create a different market segment because of its demand, uniqueness, heritage and price (Park, 2021).

#### **2.4.1 Findings from the literature review of Luxury Industry**

1. Luxury industry is growing with 15% rate (Assocham, 2014).
2. It was found that customers/responders were deeply involved in reconstructing discourses on luxury and employing them in different ways and to different ends. By drawing upon a wider body of discourses on consumption and luxury in positive and negative way (Stuart Roper, 2011).
3. The study has provided a clear framework for how luxury perception changes with product (Ranchhod, 2015).
4. China is doing a great in terms of pulling the tourist that there is lot of uniqueness in terms of luxury, this gives them upper edge over the other markets (inning way. chan chester, 2016).
5. The Indian luxury is growing owing to growth in HNI's and also it would continue to grow. At present the luxury industry is showing a growth, and car industry is growing by 9-10%. (Ahuja, 2014)
6. The Classic CRM would help for customer retention as it helps customer segmentation in better way. (Hugues Cailleux, 2009)
7. For a luxury product, price and quality must correlate to each other (Uggla, 2017).
8. There is positive impact of CSR in luxury brand. (Catherine Janseen, 2013)
9. India and China would constitute 30% of global luxury consumption by 2025, with China at 20% and India at 10%, the luxury industry is driven by different philosophy in both the countries (Jain, 2013).
10. The findings state that there is great impact in Pakistan on intend to purchase luxury. And also create a defeat whether Islamic marking is required or not (Asraf, 2017).



11. Home buyers pay more cost in big cities than in smaller, in other way consumption of luxury products is more in Tier 1 city. Also, it shows that search value of conspicuous demand is relatively to consumption and purchase no's (Kawan Ok lee, 2016).
12. Following points must be taken , while dealing with luxury customers:-
  - (1) Care need to be taken while selecting the location of outlet. (2) The sale personnel need continuous training on how to pitch the sale of luxury products (3) customer educations (4) Manufacturing companies can think of strategies to bring about favorable position of their luxury brand (6) After sales services in terms of availability of spare parts, repairs and insurance (Bairagi, 2017).
13. With the increasing level of awareness, the customers are educating themselves before they go for the purchase of luxury car in India (D.R, 2009).
14. Luxury from a consumer perspective is not characterized through boldly exhibited products and brands but rather constitutes exceptionally valuable (Andrea Hemetsberger, 2014).

#### **2.4.2 Gaps from the literature review of Luxury Industry: -**

- ✓ 1) Impact on tenure on customer Brand relationship in Luxury segment. 2) Commitment in shaping the luxury brand perception in India Asian countries (Ranchhod, 2015).
- ✓ 1) Luxury prices and perception of Product Quality 2) Co-branding Pricing Strategy 3) Perceived Value of brand's product should be coherent with its price point (Uggla, 2017).
- ✓ To find out the reason which drives customer satisfaction in Luxury (Jain, 2013).
- ✓ Role of religion in pre -sales in segment wise buying, like car or other cloths. Post sales impact can be also seen how a religious person can be further categorized in consumer behavior aspect (Asraf, 2017).

- ✓ Further research can be done in understanding the impact of loyalty on repurchase (Kawan Ok lee, 2016).
- ✓ There is scope to carry out a comparative study of difference in marketing challenges and also in consumer perception and purchase behavior. A study on the consumer behavior on service quality (Bairagi, 2017).
- ✓ More study towards behavior can be analyzed (D.R, 2009)
- ✓ More study can be done on the construct of luxury. Does luxury mean more than consumer happiness, well-being, joy of life and other related construct. (Andrea Hemetsberger, 2014).

## **2.5 Customer Loyalty**

Customer loyalty is phenomena when the customer chooses the same service operator for carrying out all the services required for his car on time with same service provider . In auto industry service provider is retailer and hence if the customer chose to carry out PMS from same retailer on time during his ownership with the product and brand , it is called as customer Loyalty . Customer loyalty cannot be achieved without customer satisfaction.

Customer satisfaction is defined as, when the services offered by service provider to customer exceeds the customer Expectations, the phenomena outcome is called as “customer Satisfaction “.

### **2.5.1 Findings from the Literature Review of Customer Loyalty:-**

- Growing interest and active research in relationship marketing of services are brining newer, more sophisticated perspectives to the subject; these include focusing relationship marketing with non-customers such as employees and strategic alliance partners to better serve customers (Leonard L. Berry published in Texas A& M University, 1995) .
- Customer loyalty can be increased by 1) Decreasing staff problem 2) zero problem for guest 3) Solving Guest problem immediately (Nash, 2007).

- The brand image has direct impact on customer loyalty and retention (M.Katrichis, 2000).
- Companies use satisfaction surveys to determine importance. By doing so they try improving performance on those attributes that have the highest impact on overall satisfaction, and therefore on customer retention. To establish attribute importance, firms collect data from a single cross section of consumers (M.Katrichis, 2000).
- CRM system integration and service quality explained 64.2% of the variance. The scholars found that the service quality significantly predicts customer satisfaction as did system integration. Study finds a positive relationship between CRM and customer satisfaction (Daqar, 2017).
- Author demonstrates that in business settings characterized by network externalities, a CRM campaign that is aimed at changing the behavior of specific customer propagates through the social network, thereby also affecting the behavior of no targeted customers. Using a randomized field experiment involving nearly 6000 customers of a mobile telecommunication provider, they find that the social connections of other companies (Eva Ascarza, 2017) .

### **2.5.2 Gaps from the Literature Review of Customer Loyalty:-: -**

- Further research can be done segment wise to understand more its impact on retention Implications of social effect on CRM campaigns, other than telecom industry can be further analyzed. Also, as it is first level of campaign father analysis can be done on 2nd level of campaign / customer interface in other industries (Leonard L. Berry published in Texas A& M University, 1995).
- What drives customer loyalty for service. what types of customers are not receptive to relationship marketing? (Leonard L. Berry published in Texas A& M University, 1995).

- How to differentiate between different types of relationship styles that suits to a luxury customer. Impact of 1) Infrastructure 2) Training 3) (Daqar, 2017).
- Convince of service center with respect to customer's visit can be further investigated (Roger Baran, Christopher Baran, Michel Zerres).
- Different Design to Examine the Causal relationship posted by theories, such as marketing mix (4ps) and relationship quality to explore other antecedents on loyalty for making long term customer delight and should be conducted in other industries and other Asian countries or different global regions (Yu Te Tu, 2013).

## **2.6 Commitment and Trust Theory by Morgan and Hunt .**

Following theories were identified during the literature review

- Commitment-Trust Theory of Relationship Marketing
- Servqual theory on five parameters TCR model and theory - Tenure based customer retention
- Game theory
- Buying Behavior theory

Out of all 5, theory of Commitment trust theory of Relationship Marketing is most relevant to our study as it was used in most of the literature review and has been as basis of the relationship management.

### **Commitment-trust theory of relationship marketing**

The commitment-trust theory of relationship marketing says that two fundamental factors, trust and commitment, must exist for a relationship to be successful. Relationship marketing involves forming bonds with customers by meeting their needs and honoring commitments. (Rajarshi Debnath, 2016).

#### **2.6.1 Theoretical Premises of the Research on Theory of Relationship Management**

Customer relationship management (CRM) has become the most dynamic technology topic of the millennium (Debnath, Datta & Mukhopadhyay, 2016). The basis of CRM is relationship marketing, which has the objective of improving the long-term relationship while increasing profitability opportunities of customers by moving away from product-centric marketing.

The origin of CRM derived from the concept of relationship marketing (RM), which RM aims to form long-term relationships with customers by repudiating approaches that focus on products rather than the clients (Debnath, Datta & Mukhopadhyay, 2016). An organization's success is greatly influenced by its understanding of its clients' needs (King & Burgess, 2008), which is CRM's main concern.

The term relationship marketing was coined by Berry (1983) (Parasuraman et, 1985) and defined it as activities of a firm to build, maintain and develop customer relationship. In academic community, the terms "relationship marketing" and "customer relationship management" (CRM), are often used interchangeably (Adrian Payne, 2005). Due to globalization, increasing competition, market saturation and rapid advances in technology CRM has become a crucial part of airline business (Chin-Huang Lin, 2009) (Chien -Lung Hsu, 2010) . Airline service's is often characteristics there offer to many opportunities for practicing CRM (Jao-Hong Cheng, 2008). Currently, India is 9th largest aviation market with a passenger throughout of 159 million as per report of 2013 (Haritha Saranga, 2016) . Recently, Indian government has passed a regional air connectivity scheme under which airline will charge only ₹2500/- for one-hour flights. According to research in 2006, Air travel in India was only 0.1 trips per person per year, a fraction of the global average of 2.0 (John F O'Connell, 2006). In India, the domestic airline industry is going through booming phase. In order to capture maximum market share in today's tough competitive world, airlines are now paying close attention in evaluating and implementing marketing strategies with a specific aim of improving customer retention. Acquiring new customers is costlier than retaining previous ones. While extensive literature has focused on the link between service quality,

satisfaction, and loyalty, less research has been conducted on analyzing the effects of CRM strategies on Indian domestic airlines. Hence, we can conclude that, it is need of hour to retain the existing customers in all sectors.

### **2.6.2 Origin of theory of Commitment & Trust:-**

Morgan and Hunt, 1994 (Hunt, 1994) believed that two key factors of successful marketing are relationship commitment and trust. Therefore, they posed a commitment –trust theory and created a key Mediating Variable (KVM) Model.

- This model emphasizes that commitment and trust directly lead to cooperation behaviors which are beneficial to the success of Relationship Marketing.
- TRUST Originated from the research of psychologists of the influences of this concept on interpersonal relationship.

Morgan and Hunt, 1994, defined Trust and commitment as below:-

**TRUST** is defined as the confidence index of being willing to depend on a trading partner. It also means motivation to hold positive expectation.

**COMMITMENT** is defined as trading partners believing in the importance of their business relationship and being willing to do all they can to keep it.

The commitment-trust theory of relationship marketing says that two fundamental factors, trust and commitment, must exist for a relationship to be successful. Relationship marketing involves forming bonds with customers by meeting their needs and honoring commitments.

Figure 10 explains the complete theory of commitment-trust. It also explains the elements and various variables of the theory. There is direct relationship being shown between trust and relationship commitment.

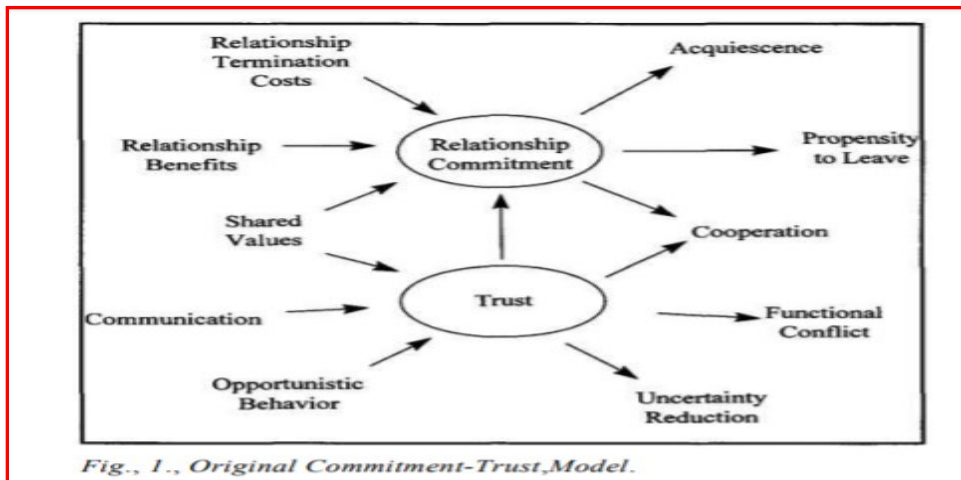


Figure 10 -David Holdford, Testing Commitment-Trust Theory in Relationships between Pharmacy Schools and Students, 1997.

### 2.6.3 Various definitions of Theory of Commitment and Trust

Morgan and Hunt, 1994 (Hunt, 1994) believed that two key factors of successful marketing are relationship commitment and trust. Therefore, they posed a commitment –trust theory and created a key Mediating Variable (KVM) Model. This model emphasizes that commitment and trust directly lead to cooperation behaviors which are beneficial to the success of Relationship Marketing.

TRUST Originated from the research of psychologists of the influences of this concept on interpersonal relationship.

1. David Holdford and Sandara White in year 1997, (White, 1997) examined the trust and commitment in students in pharmacy school. He found trust in faculty staff reduced uncertainty among students. Commitment increased intentions to remain at the school of greater willingness to cooperate with the school.
2. Ellen Garbarino and Mark S. Johnsson (Johnsson, 1999) Several theories of relationship marketing propose that customers vary in their relationship with a firm on a continuum from transactional to highly relational bonds. Overall satisfaction is the primarily mediating construct between the components of attitudes and future intentions. For

the high retention customer, trust and commitment rather than satisfaction are the mediators between component attitude and future intention

3. Customer loyalty has been described as fundamental to marketing scholarship (Elissar Toufaily, 2013) and is generally perceived as an organization's most enduring asset (Yue Pan, 2012). The benefits of loyal customers are well documented. Loyal customers tend to make a greater volume of purchases on a more frequent basis, are less prone to defect to a competitive provider, and through word-of-mouth communication will recruit more customers for the organization (Van Tonder, 2016)).
4. Loyal customers further offer great networking opportunities and provide the pathway for organizations to connect with other potential customers (Myongjee Yoo, 2013).
5. Customer loyalty is also positively associated with profitability, and it has been noted that a small increase in customer loyalty could result in a substantial increase in profit for the organization (Eugene W Anderson, 1997).
6. Customer loyalty therefore has the potential to contribute significantly to the success of the organization, and insight into its predictors is essential for ensuring that customers remain loyal to the organization over the long term (Rakesh Naru, 2020).
7. Roberts-Lombard, Van Tonder, Pelser, and Prinsloo are of the same opinion and state that particularly within the insurance industry knowledge of the factors impacting on customer loyalty is critical for ensuring that clients remain loyal to the insurance agent (Van Tonder, 2016). This is because insurance agents perform the role of salespeople, are responsible for selling insurance products to prospective clients, and play an important role in a country's economy.



8. The advice that insurance agents provide their clients can have a great influence on their financial and emotional well-being. Furthermore, financial products tend to be complex, and the assistance of an agent is required to ensure that clients plan appropriately for retirement (Katherine Helen Mary Hunt, 2011). It is therefore essential for clients to remain loyal to their insurance agents and allow them to provide the necessary advice and support for their financial well-being over the long term.

Based on the finding as indicated above we also found in the main gape in the theory. The intention is to answer the gaps on theory while answering the objective framed in the coming sections. The main gapes found in the literature review of commitment and trust theory are indicated in the table 5, in the next page.

Table 5: - Gaps Found in Commitment & Trust Theory.

Effect of employee (not aligned to organizational goals) on customer retention in after sales.	<p><b>Lack of Trust &amp; Commitment among Customer resulting in loss of Revenue Opportunity.</b></p>
Future studies should explore types of termination cost other than economic cost studied here and explaining the relationship between the relationship management and profit and loyalty. (Hunt, 1994)	
The commitment trust theory can be studied in different markets / segments and different countries (R Naru, Dr. A.k.Jain, 2020).	
Customers predict the clue of the product before purchasing, at the point of purchase and after purchasing (R Naru, Dr.A.k. jain, 2020) . That means their satisfaction may vary accordingly. Hence a survey should be carried out to figure out the metrics of satisfaction (Sonia San Martin, 2004)	
How an affective commitment rather than satisfaction does predict Retention (R Naru, A.k .Jain, 2021) . (2) Is affective commitment agreement ratings of statements about the pleasure or positive affect in being a customer of company, whether the company takes care of its customer, the presence of reciprocity in the relationship and feeling of trust towards the company. (3) Relationship management in trust and commitment with respect to retention	
Further investigation is required to explain behavior commitment and makes another empirical contribution in favor of validity of the commitment trust theory	
Future research should consider how employees are recruited to the organization. Also, future research should also consider how trusting relationships are developed so that organization can train managers to build such relationships with subordinates, thereby increasing commitment. (Aneil K. Mishra, 2015)	
Future studies can be conducted in Different fields, different company, culture and lifestyle may be different. All the factors shall be further studied to discover more characteristics of relationship marketing. (Chien -Lung Hsu, 2010)	

## **2.7 Conclusion**

After reviewing the literature with various themes , we could come to conclusion that customer retention is most important aspect in the after-sales luxury industry. while various actions are being taken by auto industries still there are gapes which need to be studied so that a clear set of variables and enablers can be found out.

Following Gaps were found out in Literature review and clubbing the gapes from all themes

1. Role of classical CRM in retention (After Sales) while dealing Luxury Segment customer.
2. Factors that are important to prompt customer to visit retailer site for online booking
3. Factors that make Service Reminder as important for PMS retention.
4. Impact of tenure on customer relationship in Luxury Market
5. Perception of product quality in Luxury car segment
6. Effect of employee not aligned to KPI's on customer retention.
7. Revenue loss for the lost customer in Dealership in after sales Department.
8. Effect of Automatic indicator of Service reminder for customer in automobile industry.
9. Why status of vehicle undergoing repair is important for customer in auto industry.
10. Impact of cost of repair on retention in after sales business.

These 10 gapes were clubbed into two gapes as indicated in the figure 11, further from the literature review gapes we would find alignment without problem, and we could make the gapes into two final gapes to be worked on as indicated in the figure 12 in next page.

## 2.7.1 GAP Analysis

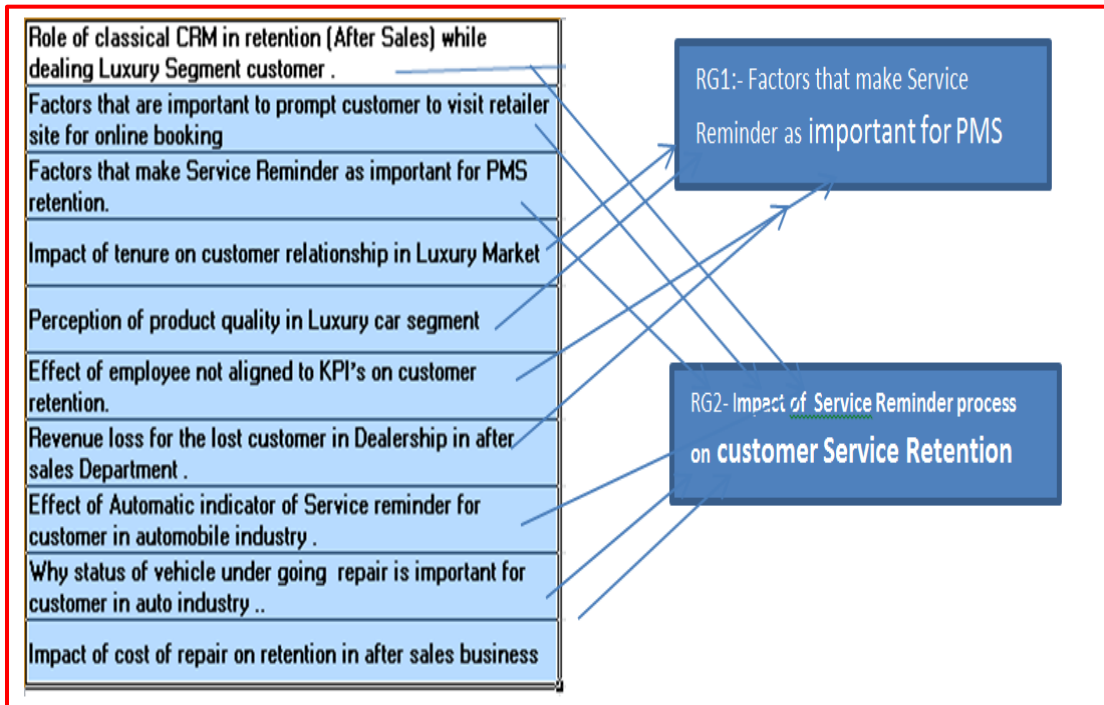


Figure 11: - Gap Analysis self-explained (R Naru, Dr.A.k. jain, 2020).

Final GAP to be worked was further explained in figure 11. The gaps were clubbed into two major gaps, and which clearly set the path for the further analysis

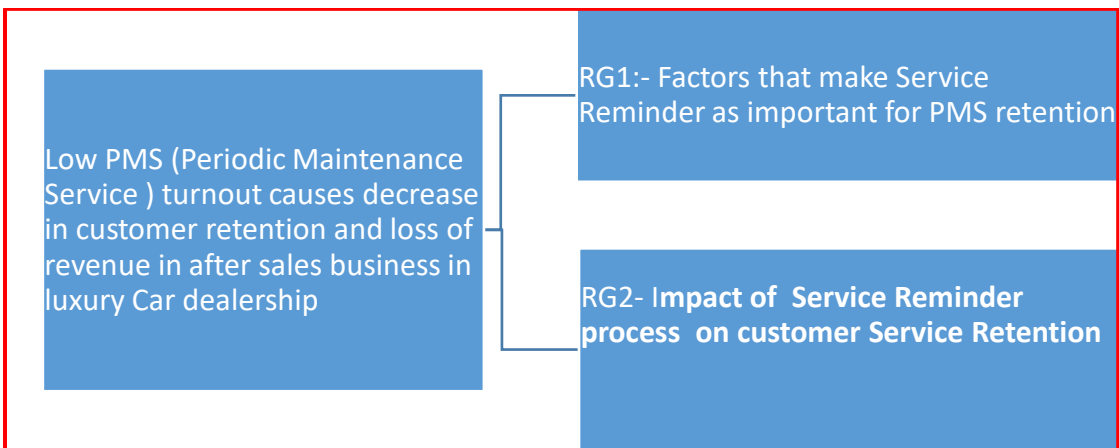


Figure 12- Final Gap to be worked.

### **3.0 Research Methodology**

Research methodology is back bone of any research, while deciding on the methodology, a scientific approach was being taken, which started the constructs and variables identified from the literature review. The literature focusses on the following major constructs: (1) The Service Reminder Process Quality (2) Trust and Commitment and (3) Service Reminder Process as a part of CRM. Further, the factors influencing service quality, including the Servqual model, the relationship between Service Quality and Trust and Commitment, relationship between trust, commitment and retention, relationship between Service Reminder Process as a part of CRM and customer retention were kept in the center of research (Patrick Mikalef, 2020).

#### **3.1 Research Design**

A sequential study combining both qualitative and quantitative approaches was conducted to answer the research questions. The combination method studies helped to understand the research problem from multiple perspectives in terms of data sources, methods, investigators and theory (Denzin, 1978) . This makes credibility of the research increases on account of convergence of various research processes. Initial part of the study was exploratory to derive factors influencing service quality. These were compared with the Servqual model to understand if any additional dimension is to be added. The study uses the confirmatory and Explanatory Research (Creswell, 2009).

At the Qualitative stage, expert opinion was sought to understand the factors influencing service quality and the expectations of customers. Semi structured questionnaires were used for this study. This was used 1) to identify dimensions of variables and dimensions which might have been missed in previous studies, 2) to modify the current questionnaire as required (Goder, 1986).

At Quantitative stage, the approach of developing a more relevant questionnaire by modifying the existing instrument so as to measure and understand the relationship

between the various variables including Service Quality, Trust, commitment, Service Request Process as a component of CRM and eventually the impact on Retention.

Pilot testing of the instrument on a smaller sample was done, the requisite sample size to be considered for collection of data for statistical analysis was taken as 50. Data collected was further analyzed statistically and descriptive statistics used helped to study the sample characteristics, comparative analysis such as t-test was applied on dependent and independent variables and finally structural equation modelling was applied to understand the relationships between various variables and their impact on Retention.

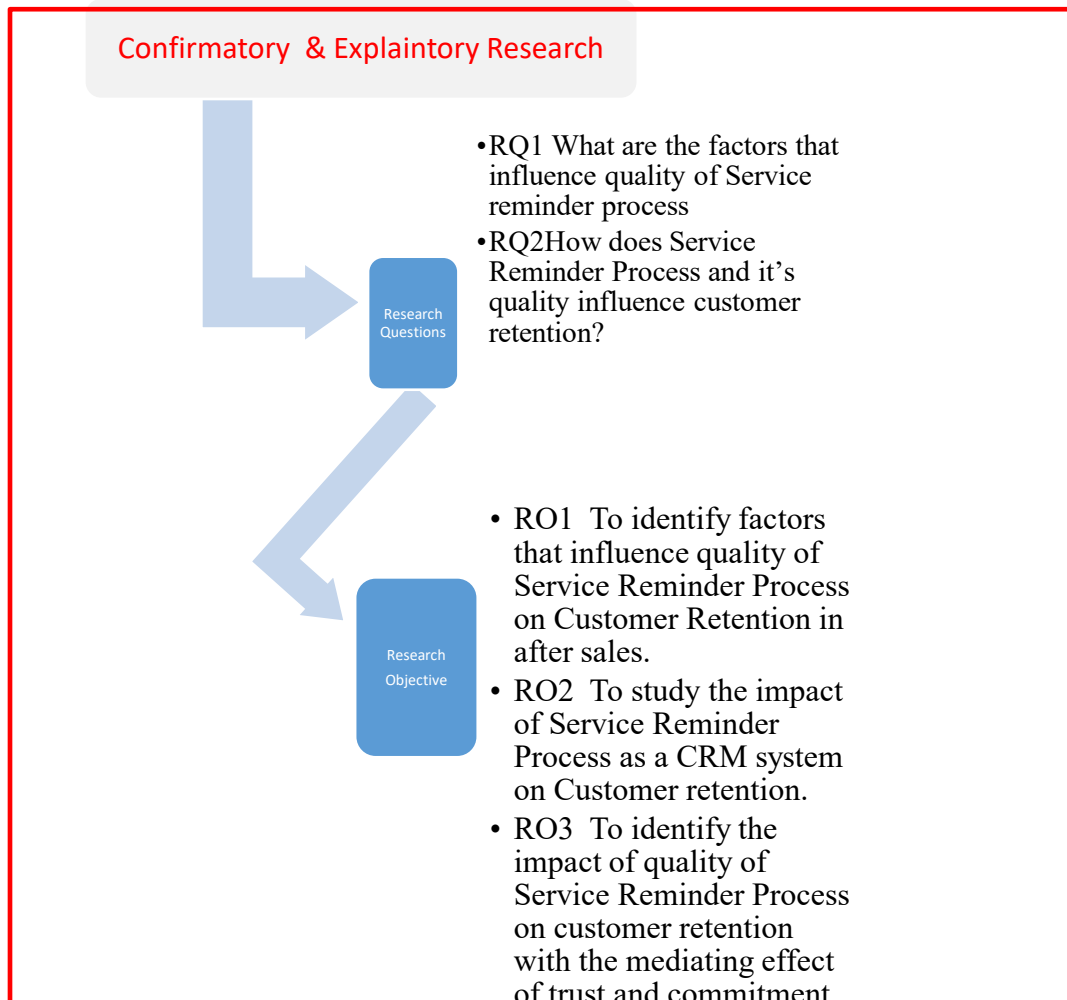


Figure 13- Research Question and Objective

### 3.2 Conceptual Model

The conceptual model is used to clearly outline the research framework. It outlines the interrelationships between constructs and variables, considering the underlying theory. This helped to form the baseline for the measurement model and the structural model of SEM eventually. This conceptual model is based on the ‘Commitment trust’ theory and also considers SERVQUAL, the underlying theory which defines the five dimensions of ‘Service Quality’. The commitment and trust theory forms the central theory on which the conceptual model is based. According to researcher (Simarmata J, 2017) trust has a direct impact on customer retention. The commitment-trust theory gives the antecedents of commitment and trust which have been used in the present research.

Another research paper by (Youssef Chetioui1, 2017) examines the impact of CRM dimensions on customer retention in Moroccan hotels. These dimensions include customer orientation, knowledge management, CRM organization, and CRM technology. Their results show that a better application of CRM dimensions leads to increasing customer retention rates. This has been taken in the context of SRP (which is a part of CRM).

The flow of research as explained above and in the below figure 14

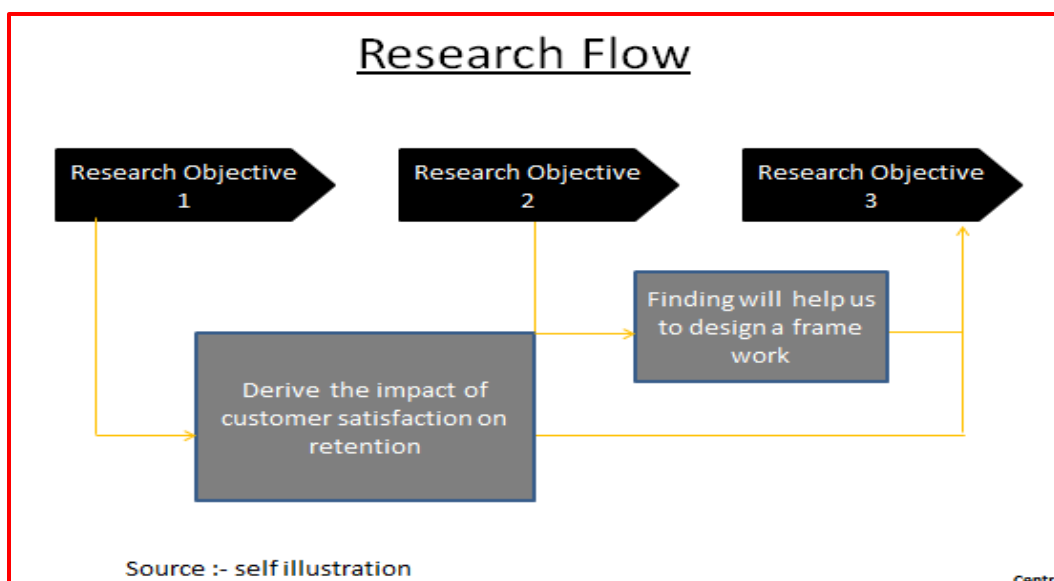


Figure 14 Research Flow

### 3.3 Research Constructs

Table 6,7, 8 and 9 show the constructs and respective variables which form basis of our instrument further.

Table 6 Service Response Process Quality and its variables

<b>Construct</b>	<b>Variables (Based on Servqual)</b>	<b>Items (Likert Scale Measurement)</b>
Service Response Process Quality	<b>Assurance</b>	Attitude of staff
		Information prior to service
		Knowledge and expertise
	<b>Empathy</b>	Provide car care methods
		Call quality
		Car cleaning
		Car wash
		Convenience
		Courtesy call
		Easy Scheduling
		Outreach
		Payment options
		Personalized service
		Towing
		Understanding customers
		Vehicle condition after service
		Walk-in service
		Weekend service
		Workshop Location
		<b>Reliability</b>
	Explain cost and details	
	Perfect repair job	
	<b>Responsiveness</b>	Service history
		Customer recognition
		Prompt service
	<b>Tangibles</b>	Status notification
		Appearance of staff
		Customer lounge
		Script
		Parking convenience
		Parts availability



Table 7 Trust as a construct and it's variables

<b>Construct</b>	<b>Variables</b>	<b>Items (Likert Scale Measurement)</b>
Trust	Brand Image	Brand Image has a direct influence on trust
	Shared values	Similar values create trust
	Communication	Clarity of communication
	Length of relationship	For how long one has been a customer
	Cooperation	Cooperation by the service provider
	Consistency	Consistency of service

Table 8 Relationship commitment as a construct and it's variables

<b>Construct</b>	<b>Variables</b>	<b>Items (Likert Scale Measurement)</b>
Relationship Commitment	Shared values	Similar values create trust
	Communication	Clarity of communication
	Opportunistic Behavior	Opportunistic behavior has a negative influence on commitment

Table 9 Service Request Process (CRM) as a construct and it's variables

<b>Construct</b>	<b>Variables</b>	<b>Items (Likert Scale Measurement)</b>
Service Request Process	Organizing around CRM	customer focus, monitoring, time and resources, employee performance, training linked to service to customer
	Managing knowledge	Possibility of two-way communication, customers know when service will be performed
	SRP CRM Orientation	Customization of service offerings, departmental coordination, feedback and key customer needs
	Incorporating technology	Comprehensive database, hardware and software, technical personnel, availability of individual information at each point of contact.

### 3.4 Hypothesis and Research Objective

Given, these constructs we elicit the following hypothesis:

H0a: There is a positive relationship between service Request Process Quality and Trust

H0b: There is a positive relationship between SRPCRM and Retention.

H0c: There is a positive relationship between SRPCRM and Commitment.

H0d: There is a positive relationship between commitment and Retention.

H0e: There is a positive relationship between trust and retention.

#### 3.4.1 Research Framework:

The research framework is explained in figure 15. Keeping trust and commitment as mediating variables. It clearly shows all the constructs and its respective variables, and it also shows the lineage with various other parameters and variables as depicted in the figure 15

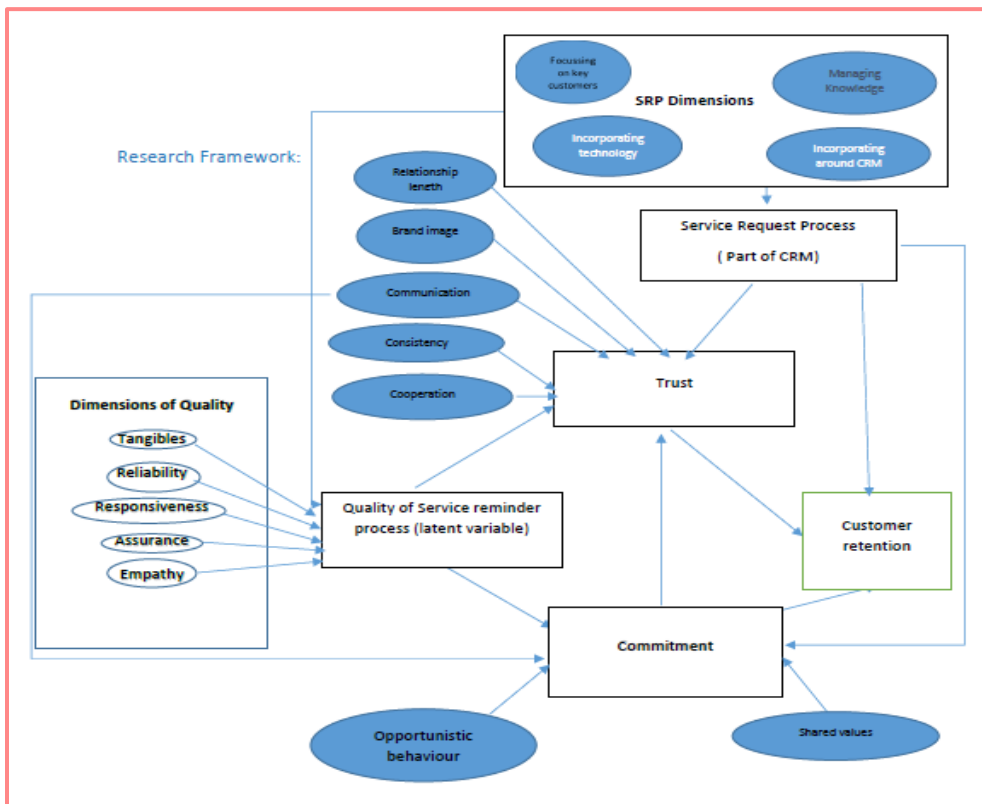


Figure 15 Research Framework

## **3.5 Research Objective**

### **3.5.1 Objective 1: To identify factors that influence quality of Service Reminder Process on Customer Retention in after sales**

A combined qualitative and quantitative study was conducted to outline major factors influencing the quality-of-Service Reminder Process. For this, the SERVQUAL model was used as the basis. This helped to consider other studies where such factors have been identified in the context of an automobile workshops in metros and non-metros. A quantitative study will also be helped to further modify the model based on the literature. Service Quality is a multidimensional construct. It has the following dimensions (Zeithaml et al., 1988): tangibles (physical facilities, equipment and personnel appearance), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (knowledge and courtesy of employees and their ability to gain trust and confidence) and empathy (providing individualized attention to the customers). Based on these, questionnaire was created which was further used to collect data. Having considered the multiple dimensions of quality, data would be collected based on the sample size calculated, and data analysis would be done with the help of statistical techniques given towards the end.

### **3.5.2 Objective 2: To study the impact of Service Reminder Process as a CRM system on Customer retention**

According to Hong-Kit et al, the Customer Relationship Management has the dimensions: CRM Orientation, organizing around CRM, Managing knowledge, Incorporation of Technology and customer Orientation. Variables would be derived from these, customized to the present research and used as the base for further study.

Based on these variables information derived was regarding to customization of service offerings, departmental coordination, feedback and key customer needs, customer focus, monitoring, time and resources, employee performance, training linked to service to customer, Possibility of two-way communication, Comprehensive database, hardware and software, technical personnel, availability of individual information at each point of contact etc.

Based on these, questionnaire was created which was further modified and was be used to collect data. Data was collected based on the sample size calculated, and data analysis was done with the help of statistical techniques given towards the end.

### **3.5.3 Objective 3: To identify the impact of quality of Service Reminder Process on customer retention with mediating effect of trust and commitment**

To understand the influence of Service Reminder Process Quality on trust and commitment a quantitative study is likely to be more meaningful. Service Reminder Process Quality is a multidimensional construct comprising of five variables- Tangibles, reliability, responsiveness, assurance and empathy. Brand image, shared values, communication, length of relationship, cooperation and consistency are the antecedents of Trust, while shared values, communication and opportunistic behavior influence commitment. The tested survey instrument would be used to collect relevant data on the variables. Data was collected based on the sample size calculated, and data analysis would be done with the help of statistical techniques given towards the end.

## **3.6 Qualitative & Quantitative Study with Justification**

Discussion with experts through semi-structured questionnaires was conducted in three cities.

### **3.6.1 Focused Group Discussion Justification**

Focus Groups Discussions are interviews done by a trained moderator in a non-structured and natural manner with a small group of respondents. The purpose is to

gain insights through discussion with respondents from the target market. The purpose of taking up Focus group discussions in the present research is to explore and understand if there are some additional dimensions to be considered for the constructs of 'Service quality', Service Request process or/ and any other variables in the present context. In case, any additional inputs are obtained from the focus group discussions, the hypothesis can be modified. Also, accordingly changes would be made in the questionnaire (Anthony J. Onwuegbuzie, 2009).

Qualitative Research is used to tap into the subconscious of the respondent. According to Malhotra, the values, emotions and motivations residing at the subconscious level are disguised. Qualitative research is used to discover what is more important to the customers and also what are the opinions of the employees. The value of a focus group discussion lies in the unexpected findings often obtained from a free-flowing discussion. To conduct these focus group discussions, 5-8 respondents per focus group would be selected. A moderator would moderate the discussion. A set of objectives would be outlined for the FGD. (Morgan, 1993) Questions was formulated based on these objectives. A moderator's outline was prepared for him to have a clear set of questions with him. During the discussion, the moderator/ analyst looks for and reports consistent responses, new ideas, concerns suggested by facial expressions and body language, and other points as relevant. Thorough documentation and interpretation of the session lays the groundwork for further quantitative research. (Anthony J. Onwuegbuzie, 2009)

### **3.6.2 Structural Equation Modeling, (SEM) Justification:**

The given research has a number of interrelated questions to be answered. According to Malhotra, to analyses these in a unified and integrated manner, the researcher can use Structural Equation Modelling. Based on SERVQUAL theory and previous research, it has been postulated that the Service Quality (Quality of Service Reminder Process) has five dimensions or factors such as tangibility, reliability, responsiveness, assurance and empathy. SEM can determine the contribution of each dimension.

The Service Request Process (SRP) which is a part of CRM has the dimensions, 'Focusing on Key Customer', 'managing knowledge', 'incorporating technology' and 'managing around CRM' (Youssef Chetioui1, 2017). SEM can determine the contribution of each dimension in representing the construct and evaluate how well a set of observed variables measuring these dimensions represent it.

The other variables are trust, commitment (with the underlying Commitment-trust theory of relationship marketing.) and customer retention. All these are in turn both dependent and independent variables. A hypothesis dependent variable can become an independent variable in a subsequent dependence relationship. SEM examines the structure of these interrelationships, which are expressed in a series of structural equations. These equations model all the relationships among constructs, independent as well as dependent.

In SEM, the constructs are unobservable or latent factors that are represented by multiple variables. It is used to assess the measurement properties and test the proposed theoretical relationships by using a single technique.

### **3.7 Conclusion**

Hence, we have till now identified following below process to our business problem and research problem

#### **3.7.1 Research Problem**

Lack of Trust & Commitment among Customer resulting in loss of Revenue Opportunity.

#### **3.7.2 Research Gap**

- RQ1 What are the factors that influence quality of Service reminder process
- RQ2 How does Service Reminder Process and its quality influence customer retention?

### **3.7.3 Theoretical premises of the research**

Theory of commitment and trust by Morgan and Hunt

#### **Research Objectives**

Objective 1: To identify factors that influence quality of Service Reminder Process on Customer Retention in after sales

Objective 2: To study the impact of Service Reminder Process as a CRM system on Customer retention.

Objective 3: To identify the impact of quality-of-Service Reminder Process on customer retention with mediating effect of trust and commitment

## **4.0 Data Analysis and Findings**

The first step towards the data was systematic approach to study and collect the data with right people and customers. A professional approach was taken to explain the reason of study to the people involved in FGD and other data collected for SEM. All steps were taken so that data is not influenced in any way, and it is actual feedback from the user.

### **4.1 Focused Group Discussion**

The first step towards the analysis was the Focused Group interview which was done for the validation of the questioner. The focused group interview was done in the three major cities

- Delhi
- Mumbai
- Bangalore

The three cities contribute 50% of the customer and covers the complete demography of India for luxury car industry. Following members were invited for the focused group discussion

1. Service manager
2. Service advisors
3. Customer care Manager/ executive
4. Regional manager of retailers
5. Spare parts Manger

The discussion was held on the questioner and understanding the variables, if any change to be recovered. The outcome of the same was that we could found that our instrument has covered all the variables and it is also ok to start with the field work of collecting the data. Following methodology was adopted for the focused group interview



- A focus group was a small group of six to seven people led through an open discussion by a moderator.
- The group was decided in such a way that it generate rich discussion about the luxury car segment and its implication in after sales
- The focus group moderator nurtures disclosure in an open and spontaneous format based on the luxury car instrument.
- The main goal was to generate a maximum number of different ideas and opinions from as many different people in the time allotted.
- The time of 45 to 90 minutes was set for the group discussion, and it was also well informed to the group beforehand.
- Focus groups are structured around a set of carefully predetermined questions – usually no more than 10 – but the discussion was made free-flowing so that we don't miss anything. Same format was used in all the three cities
- Participant comments were stimulated so that it can influence the thinking and sharing of others.
- Some people even find themselves changing their thoughts and opinions during the group. It was also captured
- A homogeneous group of strangers comprise the focus group. Homogeneity levels the playing field and reduces inhibitions among people who will probably never see each other again.

A focus group discussion (FGD) is a good way to gather together people from similar backgrounds or experiences to discuss a specific topic of interest. The group of participants is guided by a moderator (or group facilitator) who introduces topics for discussion and helps the group to participate in a lively and natural discussion amongst themselves.

The strength of FGD relies on allowing the participants to agree or disagree with each other so that it provides an insight into how a group thinks about an issue, about the range of opinion and ideas, and the inconsistencies and variation that

exists in a particular community in terms of beliefs and their experiences and practices (Goder, 1986).

FGDs helped us to explore the meanings of survey findings that cannot be explained statistically, the range of opinions/views on a topic of interest and to collect a wide variety of local terminology. In bridging research and policy, FGD can be useful in providing an insight into different opinions among different parties involved in the change process, thus enabling the process to be managed more smoothly. It is also a good method to employ prior to designing questionnaires (Anthony J. Onwuegbuzie, 2009). Focused group data and interpretation require a great deal of judgment and care irrespective of qualitative or quantitative analysis. Researchers have found that there are various methods for data analysis during FGD and also there is no best method for the same. While the purpose of the FGD in this particular research was to check we have taken all possible variables and constraints to be covered in the instrument / questionnaire for the SEM analysis (Morgan, 1993). As the study being is exploratory research a simple descriptive narrative approach is used for analysis of the focused discussion. The focused group discussion was done in following three cities as indicated in Table 10

Table 10: - FGD Field Plan

Place	Date	Timing	No. of participants	Any remarks
New Delhi Hotel	19 Nov.2019	4.00 pm to 7 pm	05	Invite was sent, consent was taken, and thanks was sent to all participants
Mumbai, Luxury Retailer	23 Nov.2019	4.00 pm to 7 pm	06	Invite was sent, consent was taken, and thanks was sent to all participants
Bangalore, Luxury Retailer	5 <sup>th</sup> Dec 2019	4.00 pm to 7 pm	05	Invite was sent, consent was taken, and thanks was sent to all participants

The discussion was done while considering the following questions which were part of questionnaire.

Table 11: - Focused Group Questioner

<b>1. Service quality Questions:</b>	
Tangibles	Authorized workshop requirement
Payment terms	Transparency regarding payment including cost and taxes
Assurance and Empathy	Customer should get explanation before he asks
Clear communication	Few part prices are higher and should be explained to customer. Aspects of warranty and guarantee should be explained to the customer
Reliability	Service history
Assurance	Doing the job well the very first time
Communication and Responsiveness	Electrical failure takes time and must be explained
Communication and Responsiveness	Customer should be responded to in very short time and delay should be explained
Assurance and Empathy	Helping and tangibles are very important in luxury segment
Any additional points	
<b>2. Questions related to trust:</b>	
	Brand Image has a direct influence on trust
	Similar values create trust
	Clarity of communication is high
	Does length of relationship affect trust?
	Cooperation by the service provider affects trust
	Consistency of service affects trust
Any additional points	
<b>3. Questions related to commitment:</b>	
	Similar values create trust
	Clarity of communication
	Opportunistic behavior has a negative influence on commitment
any additional points	
<b>4. CRM Orientation</b>	
	Customer needs orientation of employees
	Customization possible
	Timeliness of service
	Cost of service
	Value for money
	employees have the hard and soft skills required
	Right technical people for issue resolution
	Right hardware and software required
	Individual customer information available at all points
	Employees understand customer issues well
	SRP is easy to understand and customer friendly
any additional points	

Like most researchers, the amount of analysis required varies with purpose of research, the complexity of the conclusion was shared in analysis. The discussion and summary in each FGD were concluded as below

1. FGD1- All the variables and questions were found ok, hence we found our instrument ok
2. FGD2 -All the variables and questions were found ok, hence we found our instrument ok
3. FGD3- All the variables and questions were found ok; hence we found our instrument ok and hence no addition or deletion was required in questioner.

The methodology adopted was as below: -

The relevant variables were marked as a constraint categories and key word list. This was marked from relevant text. with the validation of each key word the further steps were taken. This type of validation has been seen during the literature review also.

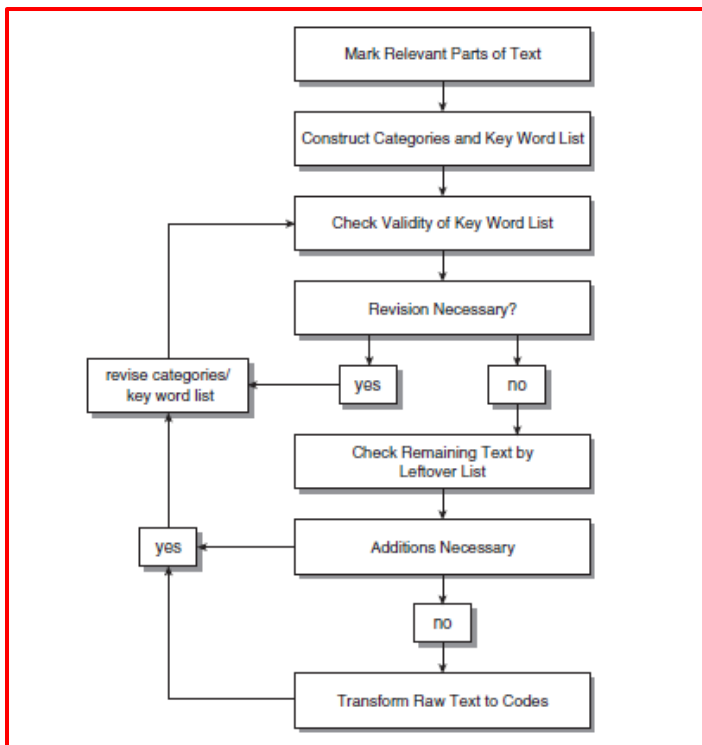


Figure 16 FGD analysis, (Goder, 1986).

## 4.2 Data Collection

For any research, it is important that data collected is evaluated in scientific way and it cover the majority of area where the research output is expected. The data was collected from all major cities from all luxury car segment customers.

- ❑ **For qualitative study:** Discussion with experts through semi-structured questionnaires was conducted, as explained in table 11.0, Focused group discussion
- ❑ **For quantitative study:** Data collection was done through the survey questionnaire that was developed through process as explained in section 3. This was also done by administering the questionnaire personally, through telephonic, mail and electronic interviews. The questionnaire was administered in English language primarily.
- ❑ In this research, a 5-point Likert scale was used. A range of nominal, ordinal, interval and ratio variables was used for the study.

## 4.3 Sampling Frame

- The sample population was taken from set of luxury car customers for Brands: Mercedes Benz, BMW, Jaguar & Land Rover and Audi from metros and non-metros. The study was carried out in two metros and three non-metro cities.
- Sampling Procedure: Disproportionate stratified sampling was used based on the sales data since 2012 to 2017 for the above-mentioned brands. The sample of luxury cars were considered proportional to the sales data mentioned in the research.
- Criteria for sample collection: Luxury car owners from 2012 to 2017, who have done at least one PMS per year in the said regions would be considered.

#### **4.4 Sample and Sample Size**

For Structural equation modelling the sample has to be at least above 150 and up to 200. With 14, as the number of indicators, the sample size would be =  $14 \times 10 = 140$ . (Kotler, 1979).

- For SEM, the sample should be more than 100
- For a good analysis in Amos the data must be 150
- More than 150 samples were collected in last one year and out of which 146 were used in the analysis

#### **4.5 Area wise Data**

The Questioner was filled from 146 customers, which came from 11 places of India as indicated in Figure 17. Following below precautions were taken while getting the questioner filled

- The purpose of the research was explained to the customer who was participating in the survey
- The survey was not influenced by some third person
- Exact views were captured in the questioner
- For the privacy, phone no, email ids were kept hidden as per the privacy requirement as mostly we were dealing with HNI's.

Region wise data is explained in Figure no 17.

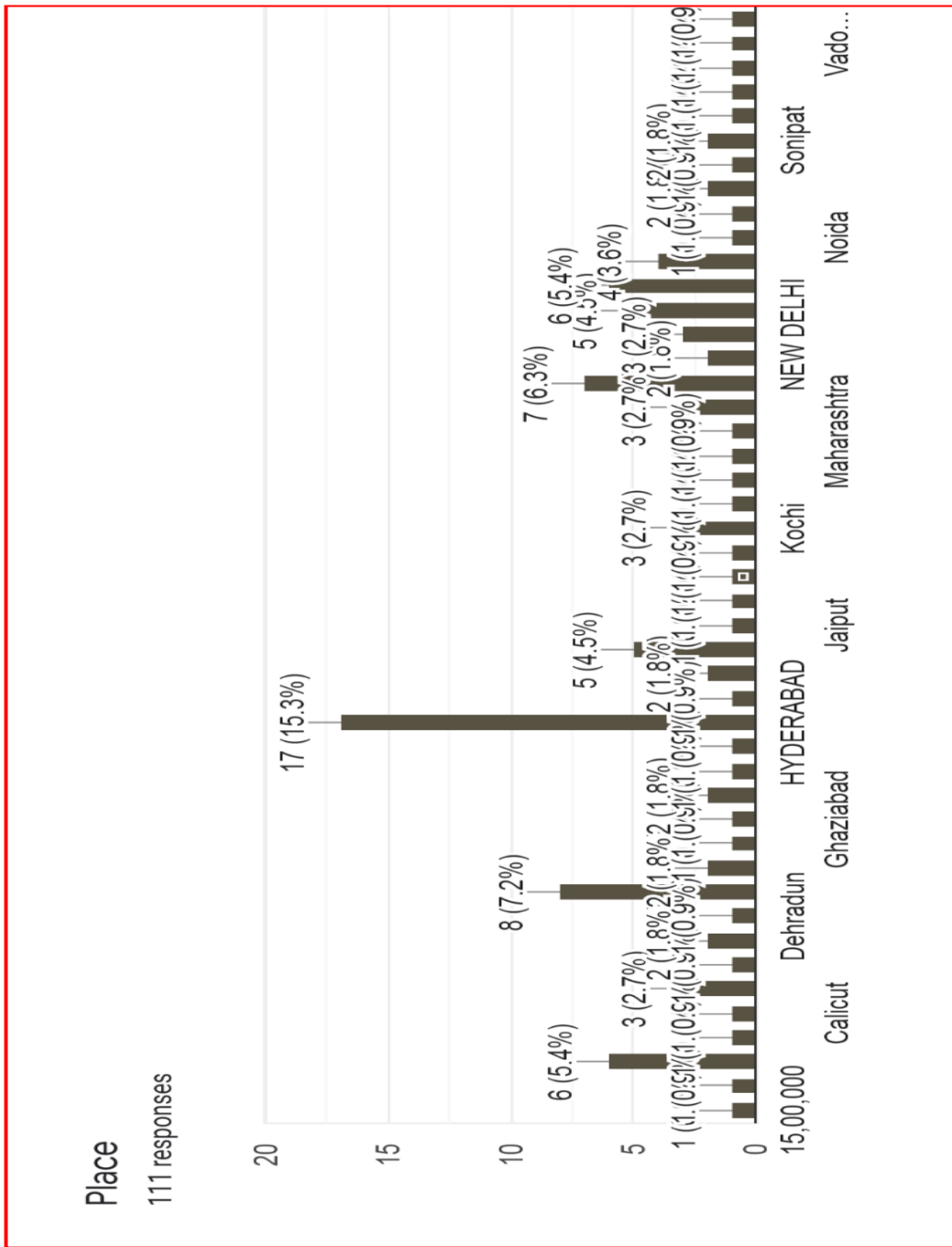


Figure 17 - City wise survey Self illustration

The collection of 146 survey data started in Sep. 2019 Till July 2020 , the surveys were collected in below matrix in figure

## 4.6 Data Analysis

After collection and compilation of data, it was populated, cleaned, statistically analyzed and interpreted using IBM SPSS, SPSS Amos and Excel BI. The data was empirically analyzed using the statistical techniques mentioned below table 11.

Table 12 Data Analysis

<b>Purpose</b>	<b>Technique of Analysis</b>
Examination of sample characteristics: Independent and dependent variables	Descriptive statistics
Testing the reliability of the variables using the existing instrument	Reliability Analysis (Cronbach's Alpha)
Testing of the validity of the existing instrument	Factor Analysis (Confirmatory Factor Analysis)
Hypothesis testing on relationships between Service quality, trust, commitment, customer satisfaction and Retention	Structural Equation Modelling.

## 4.7 Definition of various tools

Various tools and processes used in the research are defined as below :-

### 4.7.1 Descriptive statistics

Descriptive statistics are used to describe the basic features of the data in a study. This provides data summaries about the sample and measures used. This, along with graphical analysis of data is the basis of almost all quantitative analysis studies. They include tools like, mean, median, mode, percentages, frequency distribution, standard deviation etc.

### 4.7.2 Confirmatory Factor analysis

Confirmatory Factor analysis is used to verify the factor structure of a set of variables. It allows testing the hypothesis that an underlying latent structure exists.



### **4.7.3 Structural Equation Modelling (SEM)**

Structural Equation Modelling (SEM) is an extension of the GLM (General Linear Model) that allows a researcher to test a set of regression equations simultaneously. SEM software permits the examination of complex relationships and models, such as confirmatory factor analysis and path analysis. Causal modelling or path analysis hypothesizes causal relationships among variables and tests them with a linear equation system. Causal models can involve either manifest variables, latent variables or both.

### **4.7.4 Reliability analysis**

Reliability analysis is used to construct reliable measurement scale, to improve existing scales and to evaluate the reliability of scales already in use. Specially, reliability and item analysis aid in design and evaluation of sum scales, which are made up of multiple measurements (e.g., different items, repeated measurements and different measurements).

### **4.7.5 Reliability and validity**

Reliability and validity are to test the validity and reliability, confirmatory factor analysis and Cronbach's alpha was used respectively.

The research model comprises variables of Service Quality, Customer Satisfaction, Customer Trust and commitment, SRP for CRM and Customer Retention. The indicators in each construct should result in a loading factor bigger than 0.5 to be included.

Descriptive statistical analysis was used to describe respondents' demographic characteristics and to evaluate service request process quality perceptions. An exploratory factor analysis was performed on the perception attributes included in the questionnaire in order to determine underlying dimensions of service quality perceptions.

Principal component analysis with vary max rotation was conducted. Items with values equal to or greater than 1, factor loadings above 0.4, and factors which contain at least three items was retained (Hair et al. 2006). Furthermore, a reliability

analysis was performed to test the reliability of the scale and inner consistency of extracted factors. For this purpose, Cronbach's alpha coefficients was calculated

#### 4.8 Validity and Reliability Test

Table 13 Validity testing through Factor Analysis via Descriptive Statistics

Variables	Mean	Std. Deviation	Analysis N
Empathy	4.4502	.69666	146
Tangibles	4.5194	.68719	146
Responsiveness	4.4475	.76558	146
Assurance	4.5582	.68105	146
Reliability	4.2877	1.03696	146
Trust	4.6541	.50631	146
Commitment	4.5320	.65575	146
Key customer focus	4.3711	.69313	146
Incorporating around CRM	4.3870	.70056	146
Incorporating Knowledge	4.3836	.76348	146
Managing Knowledge	4.3767	.90318	146
Retention (High service quality)	4.45	.872	146
Retention (Trust Authorized service center)	4.56	.724	146
Retention (Commitment for work)	4.47	.763	146
Retention (Commitment for work)	4.51	.781	146

Table 14: - KMO & Bartlett's Test

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.924
Bartlett's Test of Sphericity	Approx. Chi-Square	2498.162
	Df	105
	Sig.	.000

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in variables that might be caused by underlying factors. High values (close to 1.0) generally indicate that a factor analysis may be useful with data. If the value is less than 0.50, the results of the factor analysis probably won't be very useful.

Bartlett's test of sphericity tests the hypothesis that our correlation matrix is an identity matrix, which indicate that our variables are unrelated and therefore unsuitable for structure detection. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with your data.

**Interpretation:** Extraction communalities are estimates of the variance in each variable accounted for by the factors in the factor solution. Small values indicate variables that do not fit well with the factor solution and were to be dropped from the analysis. Based on the grouping and loading was decided

Table 15- Variance and its Loading

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	9.648	64.32	64.32	9.648	64.32	64.32	4.679	31.194	31.194
2	1.649	10.992	75.311	1.649	10.992	75.311	4.11	27.4	58.594
3	1.072	7.148	82.459	1.072	7.148	82.459	3.58	23.865	82.459
4	0.526	3.505	85.964						
5	0.365	2.435	88.4						
6	0.332	2.21	90.61						
7	0.321	2.138	92.748						
8	0.24	1.601	94.349						
9	0.199	1.328	95.677						
10	0.16	1.068	96.745						
11	0.151	1.009	97.754						
12	0.125	0.835	98.589						
13	0.098	0.651	99.239						
14	0.061	0.406	99.645						
15	0.053	0.355	100						

The leftmost section of this table 15, shows the variance explained by the initial solution. Three values have Eigen values greater than 1 and account for 82.459% of the total variance explained. The second section of this table shows the variance explained by the extracted factors before rotation. The cumulative variability explained by these three factors in the extracted solution is about 82.459%. The rightmost section of this table shows the variance explained by the extracted factors after rotation that is again 82.459%. Extraction method using principal component analysis was used. Rotation was done with Varimax with Kaiser normalization.

**Rotation converged in 6 iterations.**

- Factor 1 is highly correlated with of Key customer focus, incorporating around CRM, Incorporating Knowledge, Managing Knowledge
- Factor 2 is highly correlated with: Empathy, tangibles, responsiveness, Assurance and Reliability.
- Factor 3 is highly correlated with: Retention (High Service Quality), Retention (Trust Authorized Service Centre), Retention (Commitment for work), Retention (Commitment for work)

**4.9 Reliability Testing**

Reliability analysis allows you to study the properties of measurement scales and the items that compose the scales. **Alpha (Cronbach)**. This model is a model of internal consistency, based on the average inter-item correlation.

Table 16- Reliability Test

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	146	100.0
	Excluded	0	.0
	Total	146	100.0

List wise deletion based on all variables

Table 17: - Reliability Statistics

<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>N of Items</b>
.957	.960	15

The value of .957 indicates a high internal consistency.

## 4.10 Analysis of Data through SEM, using AMOS

### Step1: Grouping of Variables

The rotated component matrix, sometimes referred to as the loadings, is the key output of principal components analysis. It contains estimates of the correlations between each of the variables and the estimated components.

Grouping of variables generates three Groups: Service Quality, CRM and Retention Rotated Component Matrix.

Table 18: - Extraction Method: Principal Component Analysis.

	Component		
	SRPCRM	SQ (Service Quality)	Retention
Empathy	.327	.796	.420
Tangibles	.305	.844	.322
Responsiveness	.385	.820	.181
Assurance	.131	.847	.159
Reliability	.218	.693	.489
Trust	.690	.411	.316
Commitment	.682	.344	.324
Key customer focus	.802	.310	.372
Incorporating around CRM	.893	.194	.275
Incorporating Knowledge	.875	.159	.218
Managing Knowledge	.823	.225	.230
Retention (High service quality)	.305	.351	.783
Retention (Trust Authorized service center)	.415	.179	.765
Retention (Commitment for work)	.291	.419	.783
Retention (Commitment for work)	.304	.256	.819

Rotation Method used was Varimax with Kaiser Normalization and rotation was converged in 6 iterations

Interpretation:

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 6 iterations.

- Factor 1 is highly correlated with of Key customer focus, incorporating around CRM, Incorporating Knowledge, Managing Knowledge. So, we would take it as: SRPCRM
- Factor 2 is highly correlated with: Empathy, tangibles, responsiveness, Assurance and Reliability. This would be taken as SQ or Service Quality
- Factor 3 is highly correlated with: Retention (High Service Quality), Retention (Trust Authorized Service Centre), Retention (Commitment for work), Retention (Commitment for work). We take it as Retention.

## **Step2: Loading on each variable**

Based on the loading of each variable they were grouped as per constructs as indicated in table 19, this was very important for our model which we want to make for further detailed data analysis. The three components in which grouping of variables was done as below in Table 19 were

- a) SRPCRM – Service Reminder process of CRM
- b) Service Quality
- c) Service Retention

15 variables were grouped in their components as indicated in table 19.

Table 19: - Rotated component Matrix

<b>Rotated Component Matrix</b>			
Variables	Component		
	SRPCRM	SQ (Service Quality)	Retention
Empathy		.796	
Tangibles		.844	
Responsiveness		.820	
Assurance		.847	
Reliability		.693	
Trust			
Commitment			
Key customer focus	.802		
Incorporating around CRM	.893		
Incorporating Knowledge	.875		
Managing Knowledge	.823		
Retention (High service quality)			.783
Retention (Trust Authorized service center)			.765
Retention (Commitment for work)			.783
Retention (Commitment for work)			.819

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 6 iterations.



## 4.11 Model Fit

### Step3: 1It is a Recursive Model:

A recursive model is one in which no variable in the model influences itself. That is, in the path diagram of the model, it is *not* possible to start at any variable and, by following a path of single-headed arrows, return to the same variable.

### Step4: Input Model:

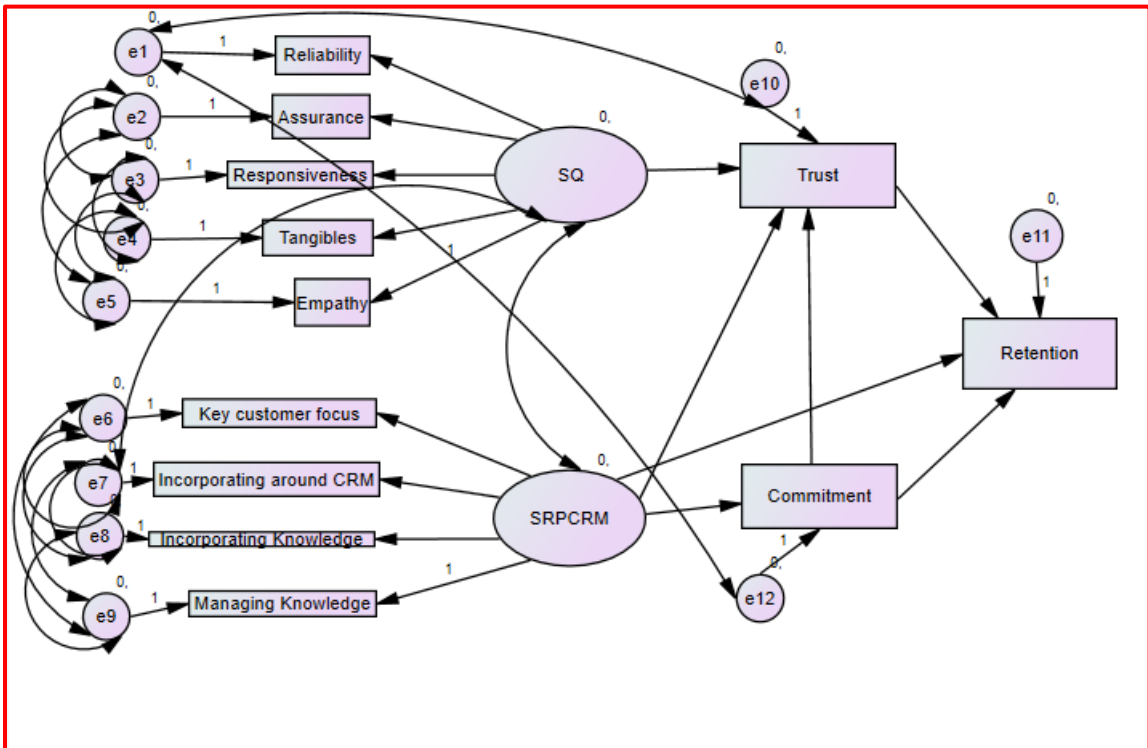


Figure 18 Variable Summary (Group number 1)

Observed, endogenous variables

Empathy; Tangibles; Responsiveness; Assurance; Reliability; Managing knowledge; Incorporating knowledge; Incorporating around CRM; Key customer focus; Retention factors; Trust; Commitment.

Unobserved, exogenous variables are SQ, e5, e4, e3, e2, e1, SRPCRM, e9, e8, e7, e6, e11, e10, e12

**Table 20 Variable counts (Group number 1)**

Number of variables in your model:	26
Number of observed variables:	12
Number of unobserved variables:	14
Number of exogenous variables:	14
Number of endogenous variables:	12

Table 21 Parameter Summary (Group number 1)

Description	Weights	Covariances	Variances	Means	Intercepts	Total
Fixed	14	0	0	14	0	28
Labeled	0	0	0	0	0	0
Unlabeled	14	16	14	0	12	56
Total	28	16	14	14	12	84

**Step 5: Output Model: Unstandardized Estimates**

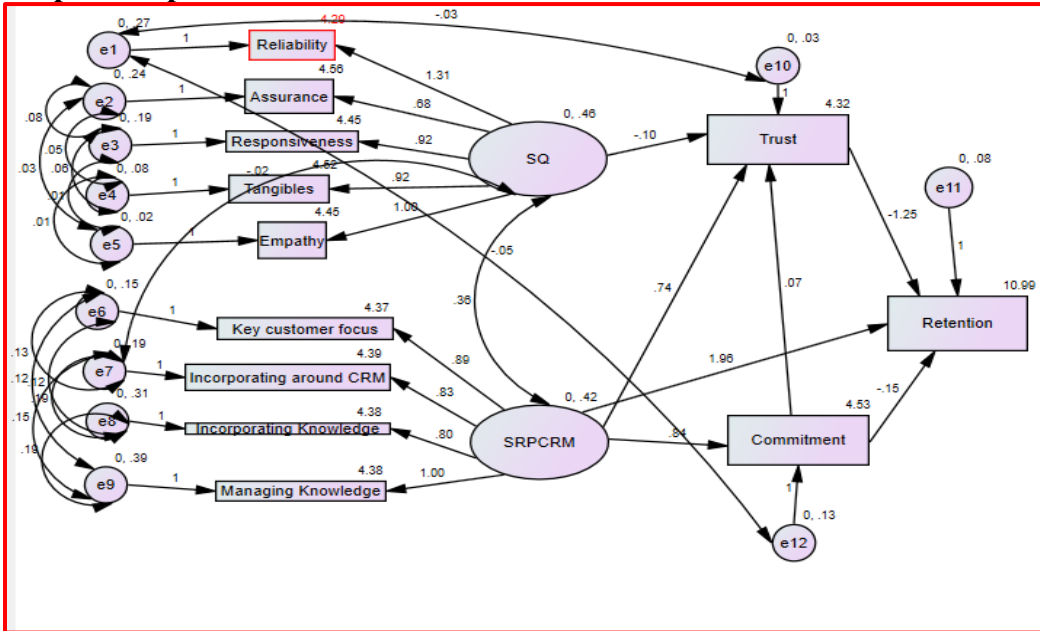


Figure 19 Unstandardized coefficients represent the amount of change in Y given a single raw score unit change in X.

**Step 5: Output Model -Standardized Estimates**

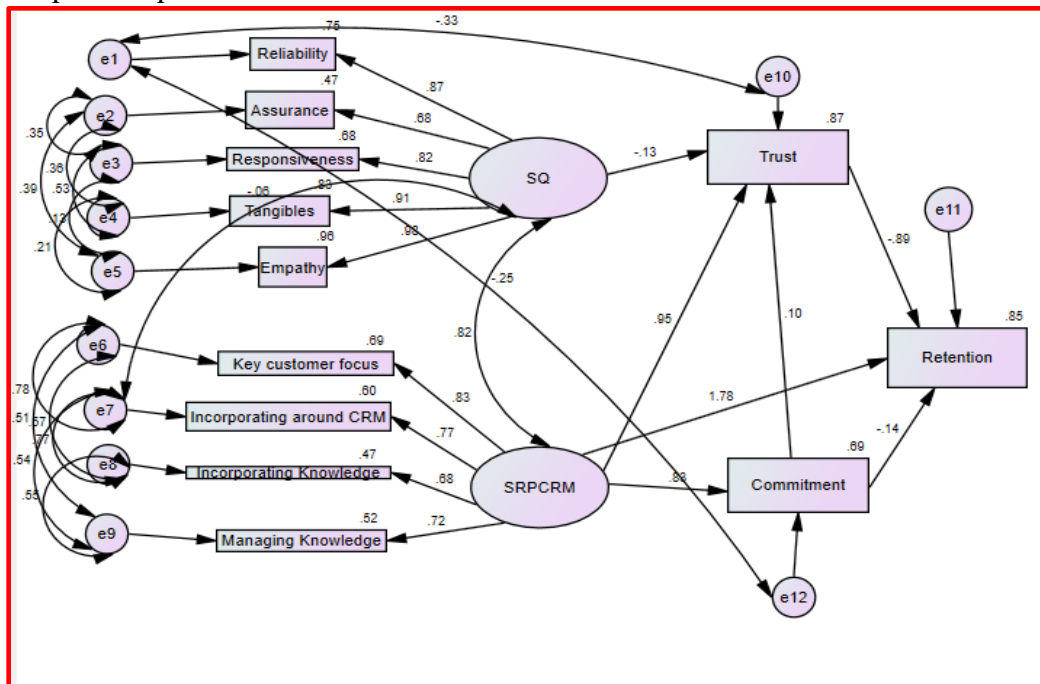


Figure 20 Standardized coefficients represent the amount of change in Y given a single raw score unit change in X.

The values associated with each path are standardized regression coefficients. These values represent the amount of change in Y given a standard deviation unit change in X.

## **4.12 Finding and Discussion on Hypothesis**

Considering a significance level of 0.1

### **4.12.1 H0a: There is a positive relationship between Service Request Process Quality and Trust**

The relationship is significant with a p value of 0.09. Thus, we fail to reject the null hypothesis in luxury car segment, but before we could conclude it, we want to see its significance in other industries and products also based on the research done in past.

While find the relationship of quality in Service request process and trust, it was found in various segments that there is a very strong relationship that exists between the two. In year 2015, while doing the research on ecommerce it was concluded that high quality of services leads to higher level of trust in online shopping, this result was also supported in the past research of Kund and Datta in 2015 and Chek and Ho in 2016. It further stated that higher quality of services provided may lead to higher level of trust on online shopping and vice versa (Kundu, 2015).

One more study was done on the trust and managerial services in airlines industry. This study was aimed to examine the relationship between trust and uncertainties in managing organizational control. It also aimed at understanding the long effect in the customer retention and effect of the focus of the front office and other customer facing people who play a significant role in customer relationship. Competency trust and goodwill trust are examined at the operational and executive levels, respectively, and in terms of information that builds as well as destroys trust. The findings from a case study of a joint venture between two international airlines indicate that controls produce information that reinforces competency trust at an

operational level but leaves goodwill trust at an executive level relatively vulnerable to a betrayal of goodwill trust. (David Emsley, 2007).

There was also a study which was done in Australia, the study aimed to identify the key factors that impede service quality delivery in the context of luxury hotels (four- and five-star properties) in Sydney, Australia. During the study it was concluded number of customer care processes to developing and maintaining distinguishable, superior service and thus developing a trust in luxury customer. These processes and objectives fell into four broad areas: Budget constraints, Staff attitude, Lack of mentoring and High customer expectations. (Presbury, 2005) . During the study the research have clearly specified the need to study this in other segments and these are the customer care processes and broadly need to be put in the bucket of the service process, however in our study we are investigating it with respect to Service reminder process of CRM customer care process and its impact on the retention.

Though we could confidently conclude the positive relationship between the Service request process and trust at aftersales in the luxury car industry, we could also see similar, positive relationship in online purchase, airlines and hotel industry. Coming back to our industry, as the after sales is the backbone of the car industry and luxury car industry, we cannot neglect the importance of retention at aftersales. While in retention percentage is very high in luxury industry as compared to the mass car industry, the main reason being the taste and status which HNI customers, want to maintain always. With our data analysis through Structural equation modeling the p value is 0.09, which is less than 10%. In marketing study, the significance value is taken as 10%.

The below table and different values, which we obtained were as below and we could conclude its significance.

Table 22 – P value and Significance of Hypothesis

Hypothesis	Structural Relationship		Estimate/ Path coefficient	S.E.	C.R/ T statistic	P value	
		<- --					
<b>H0a</b>	Trust	<- --	SQ	-0.13	0.057	-1.697	0.09
<b>H0b</b>	Retention factors	<- --	SRPCRM	1.782	0.526	3.722	***
<b>H0c</b>	Commitment	<- --	SRPCRM	0.831	0.088	9.491	***
<b>H0d</b>	Retention factors	<- --	Commitment	-0.136	0.193	-0.769	0.442
<b>H0e</b>	Retention factors	<- --	Trust	-0.885	0.529	-2.362	0.018

We could also see it from the theoretic premises of trust and commitment in luxury after sales industry. when we investigate the Service Request process in after sales, it implies from the process of creating an appointment, explaining about the repair process, explaining about the cost, time it would take and other small enablers. The quality in delivering the process would only help in building the trust for the repair quality. to make it clearer the transparency and honesty would help in building trust and same has found significant during the research.

#### **4.12.2 H0b: There is a positive relationship between SRPCRM and Retention.**

The relationship is significant with a p value of 0.000 as shown in table 22. We fail to reject this hypothesis. i.e., there is a positive relationship between SRPCRM and Retention. Thus, we fail to reject the null hypothesis in luxury car segment, but before we could conclude it, we want to see its significance in other industries and products also based on the research done in past. The Service Reminder process, in customer relationship management, in other industries is also called as service initiation. There was a study which indicated the use of mobile CRM in order to initiate the service during initiation and thus having a positive impact on the customer retention. This study was carried out on mobile phones and indicate a

positive relationship between retention and service initiation for the sale of mobile phones. The study outcome suggests that a major retailer involved, adopted CRM and utilized the means of mobile marketing to activate customers to start a dialogue via mobile phone. The main results of the study indicate that while there are a lot of uncertainties related to adopting CRM, the mobile medium may be an effective complement to traditional CRM. However, an effective implementation of CRM requires information from all relevant departments for the purpose of using customer information intelligently to create relationships. (Jaakko Sinisalo, 2005) One more study was done in banking sector in Iran and the author has shown the clear positive relationship between the service initiation and customer retention. During the study, it was also included by author that, “It is recommended that future researchers can enlarge the sample size and also compare the result of the private and governmental banks and express the differences. Future researchers also can attempt to replicate this study in other service industries, for example the transport (airlines) or hospitality (restaurants) industries and compare the results thereof future studies.”

During this study the framework used was as below and it showed the positive impact with 10% as significant value. (Shavazi1, 2013)

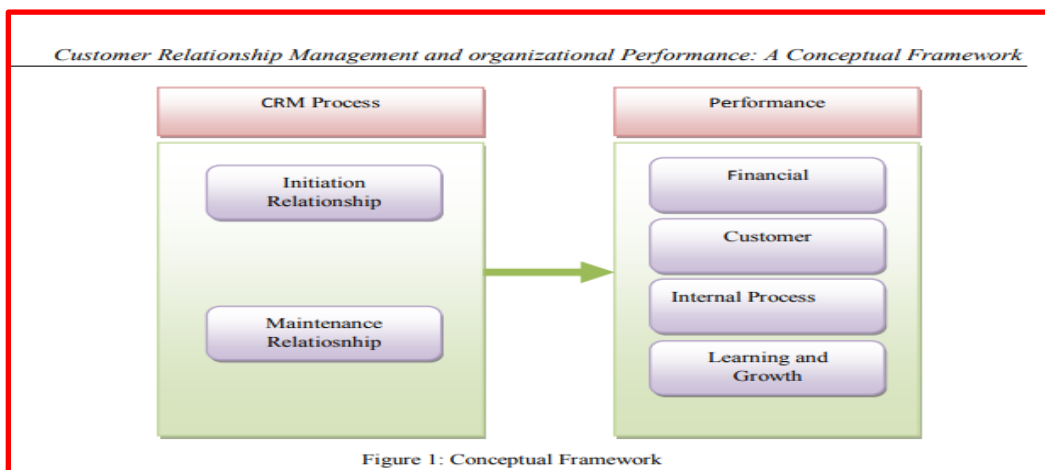


Figure 21 Conceptual Framework (Shavazi1, 2013)

In this study, it examined the link between customer relationship management and different measures of performance on the banking sector. Data were collected from

the bank sectors in Iran. Based on extensive review of literature, the sub processes in implementing CRM were extracted and four measures of Balanced scorecard applied to performance. The results indicated that CRM processes are associated with bank performance.

#### **4.12.3 H0c: There is a positive relationship between SRPCRM and Commitment.**

The relationship is significant with a p value of 0.000 as shown in table 22. Thus, we fail to reject the null hypothesis in luxury car segment, but before we could conclude it, we want to see its significance in other industries and products also based on the research done in past.

In banking sector, it is found that there is positive relationship between the service initiation / re-purchase and commitment. It was also found that during behavioral psychology, when there is client loyalty to the brand in terms of commitment, the customers seek info about how to replace a product or service or to avail an additional service. when we compare same with the automobile sector the service quality in each step of CRM built a positive commitment towards business (Ali, 2020). While process guided, and quality interaction helps to build a positive commitment within the customer, and he avails the service which are required to maintain the car from the workshop, and this helps to grow the brand loyalty and hence economically success for the authorize retailer.

The author is his research has tested the Hypothesis of Commitment from the relationship affecting the transitions from customer satisfaction to brand loyalty and found it significant. These was a positive relationship between service initiation, service quality and commitment of customer arising of such truncations in banking sector (Ali, 2020). In luxury car segment while checking the signifies between SRPCRM and commitment, we found the relationship significant and the same was done by analyzing the customers from various brand who have availed the services for car repair at various authorize retailers



#### **4.12.4 H0d: There is a positive relationship between commitment and Retention.**

The relationship is not significant and so we reject the null hypothesis. The P value in this case was 0.442 as shown in table 22, while we fail the significance of relationship between commitment and Retention. We also try to find the relationship between commitment and retention in other industry.

As the drivers of trust and relationship commitment vary in different countries Drivers of trust and relationship commitment vary in different countries (Williams et al., 1998; Rodriguez and Wilson, 2002; Batonda and Perry, 2003). Many studies have provided empirical evidence regarding the nature of trust and commitment in different products and countries. while we cannot ignore that for a strong customer relationship, which leads to customer retention, trust and commitment are stronger pillars. However, between the commitment and retention the retention the relationship is not significant, there are times where there is need direct significance with respect to customer interactions. In our study also, we have found for our Hypothesis, positive relationship between commitment and retention is not significant.

Rodriguez and Wilson (1995) found that American managers view socialization as ‘unimportant’ and of ‘no purpose’ in the development of long-term business relationships. When we look the same aspect in the luxury industry, we also found that the commitment and retention also depend on various social and economic aspects. sometimes even the best services can be costly to customer, there are cases where the customer is satisfied with everything m, but the location distance of getting service plays a role on the customer. However, this aspect can be further studied as an aspect of sociological aspect of human behavior. Williams et al., (1998) found that the degree of individualism or collectivism in a country influence the extent of structural and social bonding plays a vital role in the commitment and retention when looked into with prophase. They found that highly interpersonal customers have an orientation, which is highly responsive to interpersonal aspects

of the business relationship and put more emphasis on social bonding, which is a major driver of commitment. (Abosag, 2006)

Researchers have found that mutual trust is temporary, and changes based on the relationship, thus it is important to maintain a strong relationship between manufacturer and distributors or retailers. The same is true for relationship that co-exist between Service provider and customer. Trust is frequently defined as willingness to take risk and to exchange the conversation with confidence. Trust reflects customers belief that its service requirement will be fulfilled through future actions undertaken by the service provider in luxury car industry. However, Bigne and Blesa , (2003), state that most important

While we could find that there is significant relationship between trust and commitment, when the agreement is between two legally bounded people like factory workers and the management. But when we look into the customer relationship and the service provider , we could find these are individually acting as mediating factor for the satisfaction and loyalty , whereas when we correlated the two , the relation is not significant in luxury car after sales network , we also cannot say the reasons as there need to be emotional and physiological study that can happen to understand that if there is trust within the customer , why there can be commitment of business for the same . while we reject this hypothesis. But their individual relationship on loyalty cannot be ruled out, the same can be seen in the other hypothesis.

We also try to this hypothesis as the validate of Morgan and hunt theory, which says trust and commitment are the key mediating variables of for the customer satisfaction.

Hence, we reframed the morgen and hunt model with respect to luxury after sales as below.

Morgan & Hunt - Commitment Trust Model, practical interpretation in Luxury Car segment, aimed at maintaining customer relationship during Post sales interactions, for After sales Customer Relationship Management. We can also call it as KVM model for Luxury car Industry from after sales prospective in India.

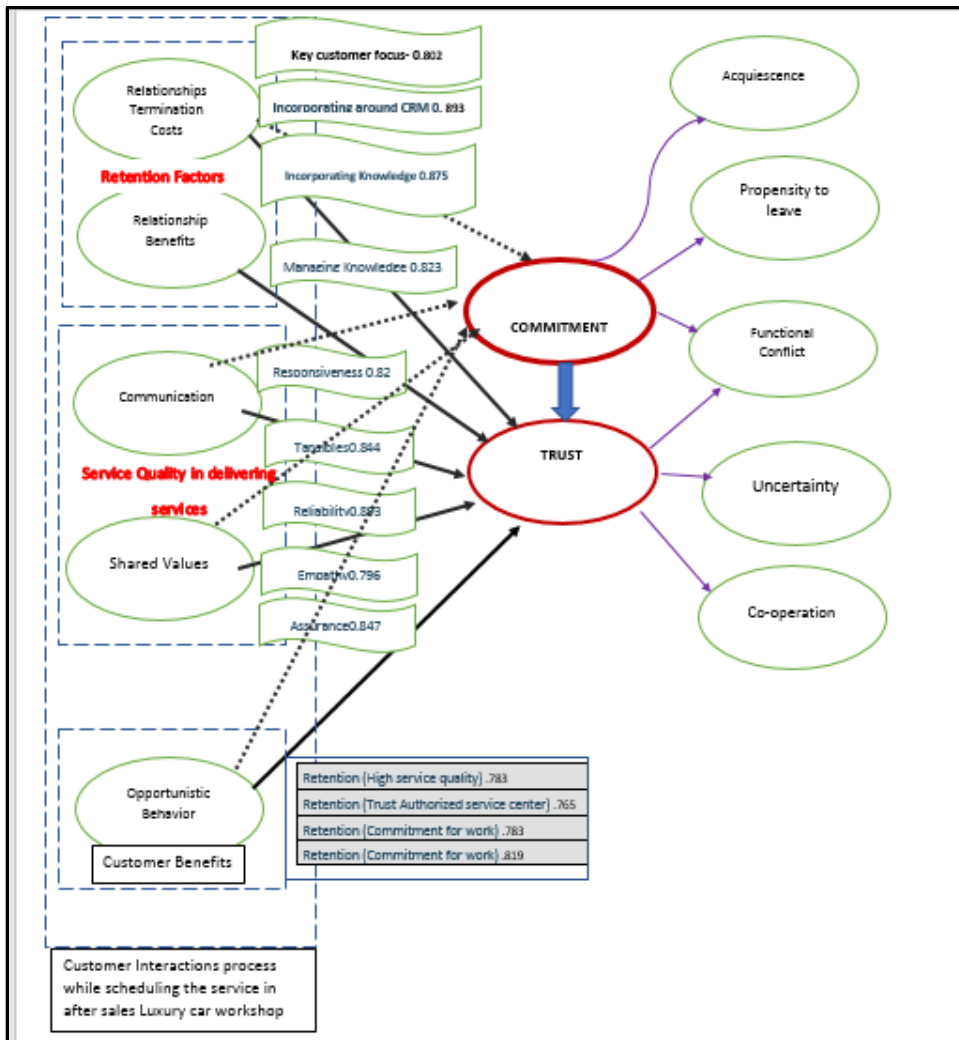


Figure 22: - Morgen Hunt KVM model in Luxury after sales Car Business

Figure clearly shows the relationship between various variables in the study on the actual Trust and commitment theory.

**4.12.5 H0e: There is a positive relationship between trust and retention.**

The relationship is significant.

The P value in this case was 0.018 as shown in table 22, while we fail to reject the significance of relationship between commitment and Retention. We also try to find the relationship between commitment and retention in other industry.

There is clear evidence from the literature and other industries also that the good service creates a trust and trust helps in the retention. During the study of trust and commitment model, it was seen that trust. In other words, if trust is developed between customer and service provider, it results in customer retention. In after sales luxury car segment, it is important that trust is being developed during the customers visit. Our study says that a trust developed during the service on the customers mind, would have a lasting experience on the customer mind. This lasting experience would surely help the retailer to retain the customer in the long run. During our study, we could also find the two enablers of building trust in a luxury customer is transparency and personalization. Thus, we conclude the above hypothesis as blow Table 23.

Table 23: Significance of Hypothesis

Structural Relationship		Direction	Hypothesis
Trust	<- -- SQ	+	<b>H0a</b>
Retention factors	<- -- SRPCRM	+	<b>H0b</b>
Commitment	<- -- SRPCRM	+	<b>H0c</b>
Retention factors	<- -- Commitment	+	<b>H0d</b>
Retention factors	<- -- Trust	+	<b>H0e</b>

**Step 7:** - The model was achieved with following steps as shown in Table 24.

Table 24- Model Fit

<b>CMIN</b>					
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	56	40.69	34	0.2	1.197
Independence model	24	2047.94	66	0	31.029
<b>Baseline Comparisons</b>					
Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.98	0.961	0.997	0.993	0.997
Independence model	0	0	0	0	0
<b>Parsimony-Adjusted Measures</b>					
Model	PRATIO	PNFI	PCFI		
Default model	0.515	0.505	0.513		
Independence model	1	0	0		
<b>NCP</b>					
Model	NCP	LO 90	HI 90		
Default model	6.69	0	26.902		
Independence model	1981.94	1837.899	2133.34		
<b>FMIN</b>					
Model	FMIN	F0	LO 90	HI 90	
Default model	0.281	0.046	0	0.186	
Independence model	14.124	13.669	12.675	14.713	
<b>RMSEA</b>					
Model	RMSEA	LO 90	HI 90	PCLOSE	
Default model	0.037	0	0.074	0.679	
Independence model	0.455	0.438	0.472	0	
<b>AIC</b>					
Model	AIC	BCC	BIC	CAIC	
Default model	152.69	163.72			
Independence model	2095.94	2100.667			
<b>ECVI</b>					
Model	ECVI	LO 90	HI 90	MECVI	
Default model	1.053	1.007	1.192	1.129	
Independence model	14.455	13.461	15.499	14.487	
<b>HOELTER</b>					
Model	HOELTER	HOELTER			
Default model	0.05	0.01			
Independence model	174	200			
Independence model	7	7			

**Absolute Model fit:**

Hence Minimum was achieved with below scores

Chi-square = 40.690

Degrees of freedom = 34

Probability level = .200

Since the probability value of the chi-square test is greater than the .05 level used by convention, you would fail to reject the null hypothesis that the model fits the data. The chi square statistic has two mathematical properties that are problematic in its use as a Goodness of Fit measure. First,  $\chi^2$  statistic is a mathematical function of the sample size (N) and the difference between the observed and estimated covariance matrices. As N increases so does the  $\chi^2$  value, even if the differences between matrices are identical.

Second, the  $\chi^2$  statistic also is likely to be greater when the number of observed variables increases. Thus, all other things equal, just adding indicators to a model will cause the  $\chi^2$  values to increase and make it more difficult to achieve model fit

**Incremental Model fit:**

For incremental model fit, the values of the following indices in case of default model should be greater than 0.9.

CFI: Comparative Fit Index , NFI: Normed Fit Index, TLI: Tucker Lewis Index

In the present case,

Model	NFI	CFI	TLI
Default model	0.98	0.997	0.993

**Parsimonious Model fit:**

For Parsimonious Model fit, Chi square/ df should be: Minimum Discrepancy<5.0

In the present case, CMIN/Df= Chi square/ Df= 1.197. Thus, the model represents reasonable fit.

## 5.0 CONCLUSION

It is about creating valuable content over a long period of time and building the loyal customers. It's about building trust in business. Besides, building a brand takes a lot of blood, sweat, and tears. That is hard work to get your company's ability to measure the overall success of the brand.

- A brand becomes relevant when it presents real value to people does.
- A brand doesn't just exist in advertising but needs to transform its values and promises into tangible experiences. So that, a business combines disciplines to create the proof points that make a brand come true. Think about some of the most famous companies in the world – and what their brands represent:

During the research we could conclude the following hypothesis which is relevant to after sales luxury car Industry. Mostly the research go around the sales only. The motive is to see another part which actually creates a lasting experience on the consumer mind. For pre -sale and actually sale, the consumer visits two to three times for dealership, post sales he visits min. 2.5 times per year, hence for the ownership of 5 years a retained customer must have visited 15 times to dealerships (Source: - Primary data of luxury car dealership). During the research we could find that conclude following hypothesis based on questioner which was asked to approx., 146 respondents

The main findings are as below

1. There is a positive relationship between Service Request Process Quality and Trust, based on the P value which we obtained
2. Relationship between SRPCRM and Retention is not significant and hence we failed the hypothesis. Actually, the Service reminder process as a part of CRM is important, but when it comes to retaining the customer the service delivery has to go beyond the process.
3. Relationship between SRPCRM and Commitment is significant with a p value of 0.000. Thus, we fail to reject the null hypothesis in luxury car

segment, but before we could conclude it, we want to see its significance in other industries and products also based on the research done in past

4. With respect to relationship between commitment and Retention, the relationship is not significant and so we reject the null hypothesis. The P value in this case was 0.442, while we fail the significance of relationship between commitment and Retention. As there cannot be commitment for retention, it is outcome of best service. there are incidents when the happiest of customer does not get retained with the customer due to other response which may be personal to consumer or customers wish.
5. Relationship between trust and retention is significant. The P value in this case was 0.018, while we fail to reject the significance of relationship between commitment.

With this we concluded our study with following conclusion, for luxury car after sales the retention it is important to build trust within the customer for the brand and the services. Trust can be further developed by a strong CRM process and a system which aims at delivering quality service to the customer in after sales. There is direct relation between retention and Trust, however we fail to see the direct relationship between the commitment and retention with respect to after sales luxury car.

Hence, we conclude the business problem as below figure which is self-illustrated in figure. which clearly indicated what steps we must take as professional to improve the customer retention at after sales luxury workshop.



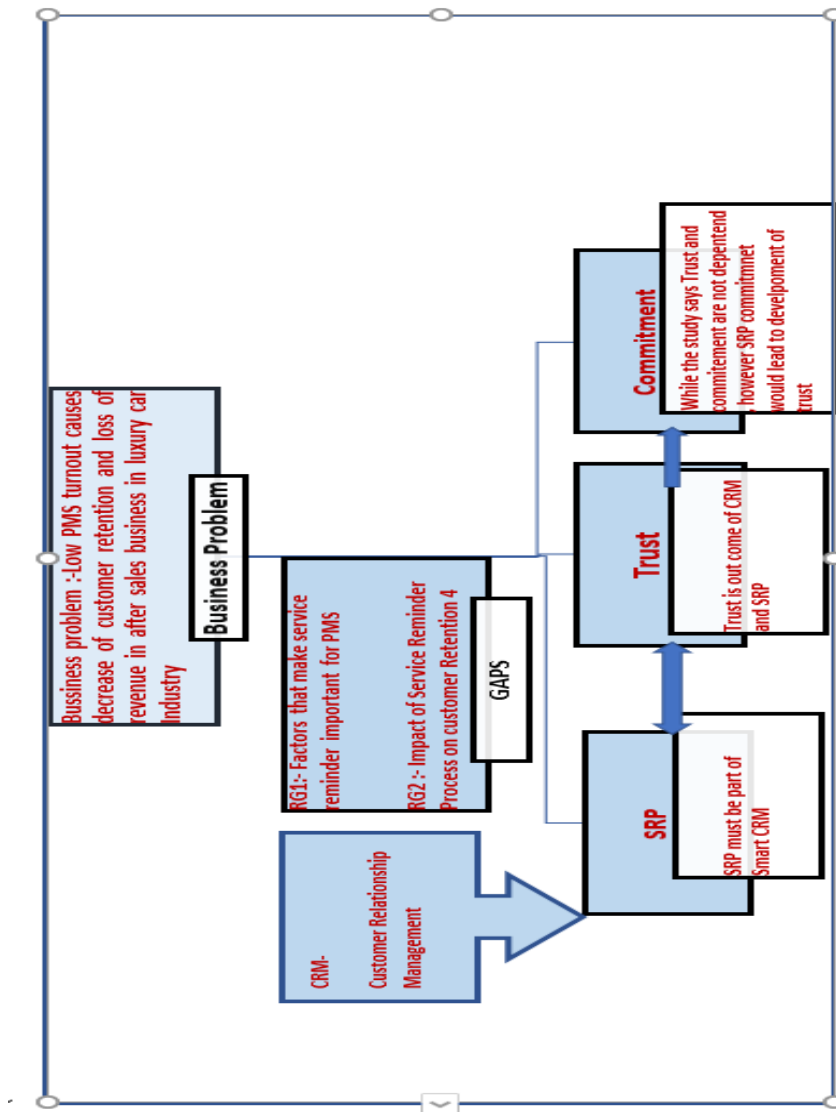


Figure 23: - Solution to Business problem – Self illustration

While the Service reminder process is part of CRM, the Trust in customer can be developed through strong service reminder process with a modern and scientific CRM as the main enabler. The traditional CRM should be made as modern CRM covering all steps of customer experience as illustrated in below picture.

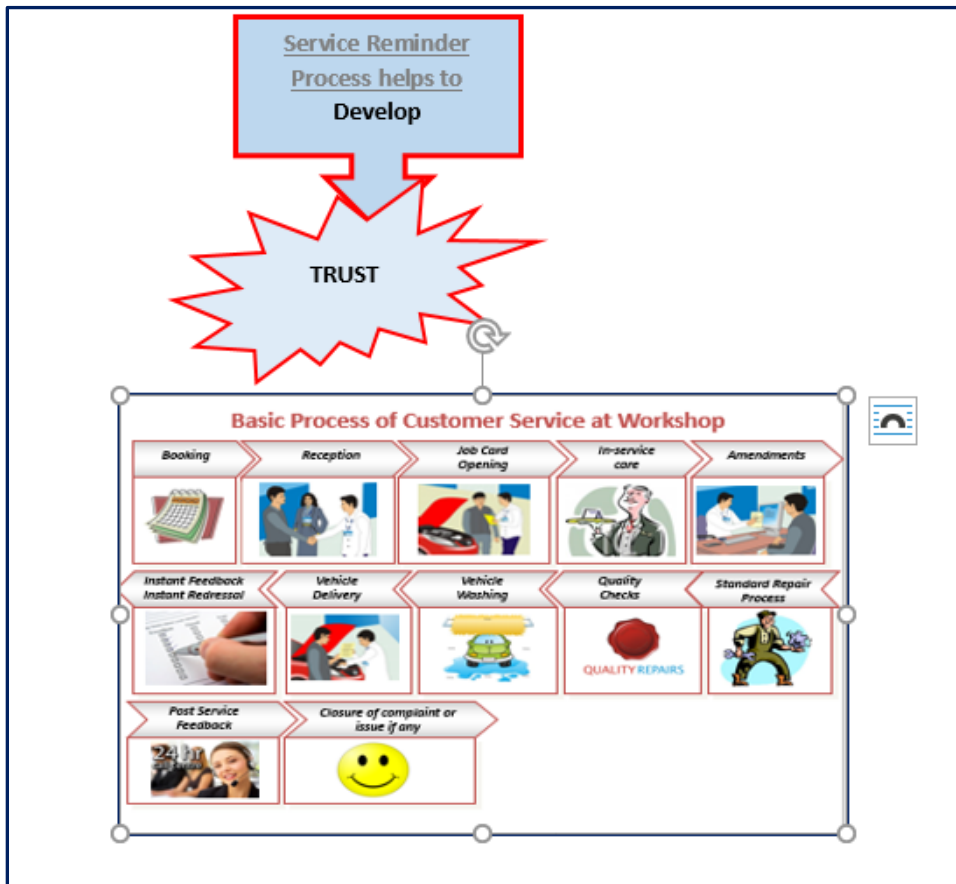


Figure 24: - Impact of Trust on 12 steps in Luxury car workshop – Self illustration

The efforts must be taken at all 12 steps so that Trust is built with customer by knowing the customer real likings and appropriate timings of call. In luxury we must move from the traditional reminder process which is calling to customer to knowing the customer. While we understand from the study that we need to build Trust within the customer and trust which leads to service retention can be developed through Scientific approach of Reminder system embedded with CRM.

The study suggested as below during all 12 processes in Luxury after sales workshop

- ✚ With the help of scientific CRM, during the sales, proper mode of communication / Reminder way and timings must be noted.

- ✦ While making a booking the customer relationship Manager must ensure the complete history is well understood and he/she communicated to all people handling the car and customer post arrival.
- ✦ Interactive reception with proper luxury amenities, which are as per the customer requirements and need of the hour.
- ✦ Job card opening is most important part of building trust, as it is sort of agreement between the customer and the service provider, that the services would be delivered with complete satisfaction. While entire service reminder process should be illustrated here, it is what litmus test of what is said during the booking process. As this is commitment that service provider, would provide the service with quality to customer.

## **5.1 Managerial Implication**

First of all, the study aims to show the importance of the aftersales in luxury car business. While we evaluate based on the ownership there is strong relationship requirement between customer and the company when it comes after sales and should not be neglected. The after sales managers of luxury car industry should see CRM, not only as tool for business truncations but also an opportunity to develop the trust with customer. This trust would further be helping in building the strong relationship between the customer and the organization. Trust would help for the customer retention in terms of the visit for the service requirements of the car, which can lead to the achievement of business goals with more customer satisfaction. The study also explains while there are two pillars of retention trust and commitment, these are independent variables when it comes to after sales business of Luxury car industry in India. Managers must understand that a good service reminder process would lead to development of trust and further trust leads to customer retention. While in study we don't see a direct relationship between trust and commitment, however both trust and commitment are strong pillars independent of each other for customer retention in aftersales luxury car segment in India

## **5.2 Future studies**

The future studies can be done on understanding the variables for building trust and the gaps for no trust between the consumer and the organization, while there is less dependence of the commitment on the retention as per our study, further study can be done on understanding trust and commitment alone as mediating variable. Future studies can be also done understanding the correlation of trust and commitment in sales and its interrelation.

We cannot completely contradict the chances of respondent bias which could arise in qualitative and quantitative data collection phases. Although, we have ensured adequacy of sample size as per procedural and statistical guidelines, yet biasness in responses from the customers cannot be ruled out. The scientific analysis techniques have their own pros and cons which can cause biasness in the desired outcomes. However, it has been ensured that the assumptions of the analysis techniques applied have been met. The proposed approach of measuring service retention includes measurement of customer expectations and service providers' perception about Trust and Commitment. Customer Retention may vary in context of the classification of Brand and variables. Same customers while visiting for a service, may have differing expectations. Consequently, comparison of different brand and retailers is not recommended based on consumer expectations using this instrument.

## **5.3 Limitations of study**

The limitation of the study is that it is based on the consumers of the Indian origin. This can be looked into the future studies. Also Trust and commitment vary with cities and customer behavior also. The study is done keeping in view all retailers and OEM on the same page. The further studies may be considered with alone brand in consideration also.

## **6.0 CHAPTER 6: RELEVANT PUBLICATION FROM RESEARCH WORK.**

### **Publication 1:**

Rakesh Naru & Dr. A.K. Jain, Indian Luxury Industry Challenges and Growth, Jan.2017. IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668 (R Naru, Dr. A.k. Jain, 2018).

**Brief:** - Luxury good is a product for which demand increases more than proportionally as the income rises and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are often synonymous with superior goods and Veblen goods. In India, Luxury is defined by 1) Prices and perception of Product Quality 2) Co-branding Pricing Strategy 3) Perceived Value of brand's product should be coherent with its price point. (Ugla, 2017). The reason which drives customer satisfaction in Luxury is Price, heritage and Brand Value. (Jain, 2013). However due to current economical rationalization in infrastructure issues, and other new taxes which are good in long run and would also be beneficial in long run, this would still increase in coming years with the same pace what they are increasing now. Despite, the economic slowdown across the world in luxury, the size of global luxury market which is estimated to be around \$2 trillion. Markets like China and India have been spotlighting for past few years, where luxury market in China is facing some challenges with respect to luxury consumption for the reasons like regulatory issues, tariff structure, currency reasons and some issues in clamp down on the gifting culture, this has resulted in complete pullback of entire global Luxury Industry. India, alone, is expected to emerge as the world's fastest growing major economy. The percentage annual growth rate projections in India stand best in the BRICS at 7.5% as against China, which is at, 6.3%. With India voted as the 7th most valued nation brand with its brand value of \$2.1 billion. Indian Consumer has been divided into five different classifications, while the topmost of the pyramid or the elite class which is only 4% of the overall

population, the absolute no's are not too attractive for any luxury brand to ignore. These no's are expected to grow from 10 million to 26 million by 2025 (R Naru, Dr. A.k. Jain, 2018) .

**Publication 2: -**

Rakesh Naru, Dr. A.K. Jain, & Dr. Sushil Kumar Rai, Auto Industry Trust and commitment, determinants during Covid 19 in India, Nov 2020. Journal of Psychology and Education, 2020, Volume 57, issue 9: 1659-1677 ISSN:00330077.  
(Scopus, UGC- Care 11).

**Brief: -** We could find that lot of hard work has been diligently carried on the theory of Trust and Commitment. It also appears that it is used by managers not only during the customer relationship activity but also during the epidemic like Covid 19, in India (R Naru, Dr. A.k.Jain, 2020) . The objective of the research is to see the practical implementation of Morgen and Hunt model of Trust and commitment in Indian automobile Industry. This research would also benefit from taking the view that if it is what is needed to curve the ecumenical and financial impact on the auto Industry in India. The framework developed would surly help the auto industries to investigate whether all the points are being covered or not. This study has both practical and social implications. The methodology used in the study is Case study method, where different actions taken by auto industry are evaluated, to bring the trust back in the retailers. It also shows the evaluation of auto industry from the Covid 19 impact economically. The practical implications are being discussed with in the research in findings, however social implications are part of Trust and commitment during Covid 19. The social change, were there, that only recognizes the side of life. Also, it also indicated that we were too busy in our lives run by only growth, to acknowledge it before. The present status is that the international community has joined hands together in global empathy to stand united during this tough time. Philanthropic initiatives have been created across the world and humanitarian aid offered by biggest nation with billionaires of the

country donated millions of dollars to help save people lives and business. This paper is an attempt to see the implications and practical application of theory of Trust and commitment during crises like Covid19. During the case study method what is being adopted to know the impact of Morgen and Hunt theory, we have tried to evaluate all the circulars what different automobile companies came up to support the retailer network in India. We could find max o them tried to support the retailers through various schemes. and we could also find the industry reviewing and coming out of this difficult situation in the month of July and Aug 2020, when correlated with various aspects of Trust and commitment theory, we could find that the theory stands true for difficult times also. The whole part of the research is being divided into various steps and the existing model is being evaluated so that the new model can be also suggested which is outcome of the support extended in the difficult time in India. This research took around 5 months as we started from the critical time to the time when the things become better in mass auto industry in India. A proper literature review was also done to find the existing model outcome, a literature review as being mentioned in the introduction is supported by all evidence and data. The circular where collected form the market form various interactions with people who got this support. I am sure this would help to benchmark the support every industry for the sustainable during the difficult times

(R Naru, Dr. A.k.Jain, 2020) .

**Publication 3: -**

Rakesh Naru & Dr. A.K. Jain, The role of customer relationship Management in Auto Car Industry in building customer relationship in After Sales Department. July 2020. Journal of Critical Reviews, 2020, Volume 17, issue 11: 16, ISSN:2395-5125

(Scopus, UGC- Care 11)

**Brief:** - Customer Relationship Management mostly called as CRM is a combination of 3P's People, Process, and Planning through proper technology. It

is philosophy itself which means management of customers through a proper organization management (R Naru, Dr.A.k. jain, 2020). It seeks clear understanding of all people working in organizations and for customers, so that both present and future to be on the same platform. It is also called as an integrated approach to managing relationships of service provider and customer by focusing the customer retention. During the study in auto car segment, it was found that there exists a correlation in consumers, how they differ from customer to customer. It is also needed of the hour, that a good and scientific framework is incorporated in all corporates for communication which leads to good customer return in the after-sales care industry. Also, it was found that three important factors that are important for customer relationships are as below: - 1) Timely update 2) Cost of Repair & 3) The transparent system for checking the status of car at the workshop without human intervention. These three factors would help in better customer relationships and hence would have a great impact on profitability and customer loyalty and should not be ignored (R Naru, Dr.A.k. jain, 2020).

**Publication 4: -**

Rakesh Naru, Dr. A.K. Jain, & Dr. Sushil Kumar Rai, An Empirical Evidence of Factors affecting Customer Retention aftersales in Luxury Car Industry: Case of India. Jan. 2021. ISSN:1756-0055. (Scopus, UGC- Care 11).

**Brief :-** After sales service is as important as sales operations in car industry and enables a strong platform of customer retention for the longer period To avail the after sales services, the CRM mostly uses customer-calling system for getting the cars, which are due for service in the workshop (R Naru, A.k .Jain, 2021) The continuous and periodic services availed by the customers on time during the ownership of car from authorized retailer is defined as customer retention The present study addresses this issue by examining the factors that influence the appointment system and affect the customer retention and their loyalty The data was collected through a structured questionnaire developed for the study and distributed among the employees who were directly responsible for the



appointment system Factor analysis has been applied to extract the factors that affect customer retention The study found that awareness about online-booking system and cost of the services.

## 7.0 Bibliography

- Abosag, I. (2006). The Commitment-Trust Theory: The British and Saudi Arabian Cross-National Perspectives. *research gate publication* , 18.
- Adrian Payne, P. F. (2005). A strategic Framework for customer Relationship Management. *Journal of Marketing*, 69(4), 167-176.
- AhmadZaimi, M. S. (2016). Evaluation of Service Quality of Private Higher Education Using Service Improvement Matrix. *elsevier*.
- Ahuja, P. (2014, april 02). Luxury car a new Definition of necessity in India. (ISSN, Ed.) *International Journal of commerce Business and Management*, 03, 09.
- Ali, T. H. (2020). The value of branding as the measure of success. *Reserach gate* , 98.
- Anders Gustafsson, M. D. (2005).
- Andrea Hemetsberger, S. v. (2014). Because I am worth it - Luxury and the "construction of consumer" selves. *Advances in consumer Research*, 40, 08.
- Aneil K. Mishra, K. E. (2015). Reducing Turnover in Franchise - Based small Business Organizations : The Role of Trust , Justice & Commitment. *Small Business Institute Journal*, 19.
- Anthony J. Onwuegbuzie, W. B. (2009). A Qualitative Framework for Collecting and Analyzing. *International Journal of Qualitative methods*, 1-15.
- Ascarza, E. (Feb. 2018). Retention Futility - Targeting high risk customers might be ineffective. *Journal of marketing Research*, 20.
- Asraf, S. (2017). Do they care what they believe. *Pakistan Journal of commerce and Science*, 11(2), 21.
- Assocham, K. &. (2014). Indian Luxury Summit. In A. India (Ed.), *Luxury summit-2014* (p. 40). Delhi: Assocham India.
- Avi Balas, F. T. (2011). Implementing Customer Focused Service Concept in Auto Workshops in Israel. *International Conference " Marketing - from information to decision " 4th Edition 2011*.
- Bairagi, R. A. (2017). Challenges of selling Luxury Motorcycle Brand in India. *The IUP Journal of Brand Management Vol, XIV(4-2017)*, 13.
- BHP, T. (2018). *Indian Auto Industry*. India: team BHP.
- Brand status, K. C. (2001). Retention effects of customer club. *International journal of service Industry management, Published in emerald* , 13.
- Brand status, K. C. (2001). Retention effects of customer club. *International journal of service Industry management*, 14.
- Brand status, K. C. (2011). Retention effects of customer club. *International journal of service Industry management*.
- Brennan, R. (1997). Buyer Supplier Partnering in British Industry. *Journal of marketing Management*, 13(759-775), 18.
- Buttle, L. A. (2006). Customer Retention Management process. *European Journal of Marketing*, 20.
- Buttle, L. A. (2006). Customer Retention Management processes. *Emerald Insight*, 50-60.
- Catherine Janseen, J. v. (2013). The Catch22 of Responsible Luxury: Effect of Luxury Characteristics on consumer's perception of Fit with Corporate Social Responsibility. *Springer Science +Business Media Dordrecht*, 14.
- Chien -Lung Hsu, C. C.-D. (2010). Effect of commitment and trust towards Micro Blogs on consumer Behavioural Intention : A Relationship Marketing Perspective . *International Journal of Electronic Business Management* , 12.
- Chin-Huag Lin, H.-L.-Y. ,.-Y.-L. (2009). The impact of corporate social responsibility on financial performance : Evidence from Business in Taiwan. *Technology in society*, 31(1), 56-63.
- Creswell, J. w. (2009). *Research design third addition*. United Kingdom: SAGEPublications.

- Crossley, I. (2018). *Assocham: India's luxury market to reach 30 billion USD in 2018*. India: Assocham.
- D.R, J. P. (2009). Brand evaluation and purchase intention the impact of COO of Luxury cars on Indian Metro customer. *IUP Journal of Brand Management Vol VI, VI, 34*.
- Daqar, R. A. (2017, nov). The role of customer Relationship management on Enhancing the customer satisfaction in the Bank in Palestine. *Journal of Modern Applied Science, 11(12), 09*. Retrieved from <http://doi.org/10.5539/mas.v11n1284>
- David Emsley, F. K. (2007). The Relationship between Trust and Control in International Joint Ventures: Evidence from the Airline Industry. *Contemporary Accounting Research, 24(3), 8*.
- Dr. R. Amuda, K. S. (2016, oct). Customers Buying Behavior in Ashok Leyland, Chennai. (ISSN, Ed.) *International Journal of Research in commerce IT and management, 6(6), 6*. Retrieved from <http://ijrcm.org,in/issn 2331-5156>
- Elissar Toufaily, L. R. (2013). Customer Loyalty to a commercial website :Descriptive metd - analysis of the empirical literature and proposal of an integrative model. *Journal of Business Reserach, 66(9), 1436-1447*.
- Eugene W Andenson, C. F. (1997). Customer satisfaction ,Maket share and profitability finding from Swedan. *Journal of marketing, 58(3), 53-66*.
- Eva Ascarza, P. E. (2017). Beyond the Target Customers : Social effect of customer Relationship Management campaigns. *American Marketing Association : Journal of marketing Research, L1V, 18*. Retrieved from <http://dx.doi.org/10.1509/june.1540442>
- Fada. (2018). Chart of month- FADA. *FADA Journal July 2018, 34*.
- Feclikova, I. (2004).
- Fisk, G. (1970). Guidelines for warranty Service after Sales . *The journal of marketing, 7*.
- Frow's, P. a. (1999).
- Futrell, S. &. (2014). The Inspired Salesperson Linking Spirituality to performance. *Marketing Management Journal, Fall, 24(02), 15*.
- Goder, G. a. (1986). Data Making Prior to Analysis of Associative Proximities. In Stewart, *ANALYZING FOCUS GROUP DATA* (p. 133).
- Gokey, S. C. (2016). Customer Retention is not enough. *Journal of Consumer Marketing, 07*.
- Gonzalez, A. G. (2015). Service Quality & Repurchase Behavior in the spanish automobile after sales business . *Journal of Relationship Marketing , 34*.
- Govt., A., & Aus. (2009). *LUXURY CAR TAX*. Australia: [www.dotars.gov.au](http://www.dotars.gov.au). Retrieved 2013, from <http://www.taxinstitute.com.au/taxation-in-australia/the-luxury-car-tax-past-its-use-by-date>
- Haritha Saranga, R. N. (2016). Drivers of operational efficeincy and its impact on Market performance in Indian Airline Industry. *Journal of Air Transport Management, 53, 165-176*.
- Hoffmann, C. K. (2017). The tenure based customer retention Model : A Cross -Cultural Validation . *The journal of international marketing , 27*.
- Hugues Cailleux, C. M. (2009, SEP 11). Is CRM for Luxury Brand. (PALAGRAV, Ed.) *Journal of Brand Management, 16, 8*. Retrieved from <http://www.palgrav-journals.com/bm/>
- Hunt, R. M. (1994). Commitment trust theory of relationship marketing . *Journal of Marketing , Vol 58, 20*.
- inning way. chan chester, k. t. (2016, april 28). Behavioral Determinants that Drive Luxury goods consumption : A study within the tourist context. *Research journal of textile ana apparel, 18, 13*. Retrieved from <http://dx.doi.org/10.1108/RJTA-18-02-2014-B010>
- Jaakko Sinisalo, j. M. (2005). Initiation stage of a mobile customer relationship management. *The E-Business Review, 208*.

- Jain, D. .. (2013). The same but different , Luxury Brands fill desperate roles in China and India . *Insight Machine - Luxury Brand*.
- Jao-Hong Cheng, C. H.-w. (2008). Trust and Knowledge sharing in green supply management. *Supply Chain Management*, 13(4), 283-295.
- Jason Kuruzovich, Siva Viswanthan, Ritu Agarwal , Sanjay Gosain . (2018, july). Marketspace or Market Place ? Online Information Search and Channel Outcome in auto retailing. *Information System Research*, 19(02), 21.
- Jaya Prakash Rath, R. K. (2013, sep.). Brand Choice Decision of Indian Urban Family. *International Journal of Research in commerce and management*, 4(4), 04.
- John F O'Connell, G. W. (2006). Transformation of Indian Domestic Airlines : A case study of Indian Airlines, Jet Airlines and Air Deccan. *Journal of Air Transport Management*, 12(6), 358-374.
- Johnsson, E. G. (1999). The different roles of satisfaction , trust and commitemnt in customer relationship. *Journal of marketing*, 70.
- Jonas Holmqvist, J. W. (2021). Luxury in the Digital Age: A Multi-ActorService Encounter Perspective. *Journal of Service Management*, 31(4), 665–691.
- Jose Albors, A. F. (2017). The impact of national cultures on automobile sector After sale service Perception . *Journal of Sustainable business and Management Solutions in Emerging Economics* , 14.
- Katherine Helen Mary Hunt, B. F. (2011). Determinants of Client-Professional Relationship Quality in the Financial Planning Setting. *Australasian Accounting Business and Finance Journal*, 5(2), 69-100.
- Kawan Ok lee, M. m. (2016). Do conspicuous consumers pay Higher Housing premium. (R. S. Economics, Ed.) *Real State Economics*, V44(PP726-763), 39.
- Khalid Jamil, M. A. (2017, Dec). A study of factor affecting consumer willing's to buy counter fit production. *Journal of Information Management and Business Review (IMBR)*, 09(09), 09.
- Kundu, S. S. (2015). Impact of trust on the relationship of e-service quality and customer satisfaction. *EuroMed Journal of Business,,* 12(3), 12-39.
- Leonard L. Berry . (1995). Relationship Marketing of Services - Growing Interest, Emerging Perspectives. *Journal of academy of Marketing Science*, 24.
- Leonard L. Berry published in Texas A& M University. (1995). Relationship Marketing of Services - Growing Interest, Emerging Perspectives. *Journal of academy of Marketing Science*, 24.
- M.Katrichis, V. M. (2000). Brand Image and loyalty. *Information Management & Business Review vol 5, 05*, 25.
- Ministry of commerce, G. o. (2014).
- Model, s. Q.-A. (2017). Managing the service Quality - A model. *A international Journal*.
- Morgan, D. L. (1993). Qualitative content analysis- A guide to paths not taken. *SAGE Social Science Collections*, 3(112), 112-121.
- Myongjee Yoo, B. B. (2013). Customer Loyalty marketing research : A comparative approach between hospitality and business journals. *International Journal of Hospitality Management*, 33, 166-167.
- Nagendra, A. (2016). The impact of supply chain management on automobile service centers (Passenger Car). *International Journal of Research in commerce IT and management*, 6(04), 06. Retrieved from <http://ijcrm.org.in>
- Nash, J. B. (2007, Dec). Satisfaction trends. *Staff Problems can ruin Guest Loyalty*, p. 04. Retrieved from [Hotelmotel.com](http://Hotelmotel.com)
- P.Isakki alias Devi, S. R. (2012, april). Analysis of customer Behavior using clustering and Association Rules. *International Journal of Computer application*, 43(23), 09.

- Padila, R. T. (2017). Impact of Customer Relation Management on Customer Loyalty, Customer Retention and Customer Profitability on Hotelier customer. . *SymasSystemics, Cybernetics and informatics: volume 15 ...number 4*, 31.
- Parasuraman. (2006). Linking service design to value creation and service research. *Journal of Science*, 21.
- Parasuraman et, A. P. (1985). A coceptual model of Service Quality and its implications for future reserach. *Journal of Marketing*, 49.
- Park, D. B. (2021). Brand managemnt and cocreation lessons from tourism and hospitality:introduction to the special issue. *Journal of Product & Brand Management*, 30(1), 1-11.
- Patrick Mikalef, J. K. (2020). Exploring the relationship between big data analytics capability and competitive performance: The mediating roles of dynamic and operational capabilities. *Information & Management* , 1-13.
- Presbury, R. F. (2005). Impediments to improvements in service quality in luxury hotels. *Deakin Research Online, Deakin University's institutional research repository*, 15(4), 20.
- R Naru, A.k Jain. (2021). An empirical ecidence of factors affecting customer relation aftersales in Luxury car industry : case of India. *International Journal of Business Excellence*, 1-21.
- R Naru, Dr. A.k. Jain. (2018). Indian Luxury Industry Challenges and Growth. *IOSR Journal of Business and Management (IOSR-JBM)*, 78.
- R Naru, Dr. A.k.Jain. (2020). Auto Industry Trust and commitmnet , determinants during covid 19 in India. *Journal of Psychology and Eduction*, 1659-1677.
- Rabih Zakaria, L. M. (2018). Insite on Car Relocation Operation in one Way car shearing system. *International Journal of advanced computer Science and Application*, 09(07), 09. Retrieved from [www.ijacsa.thesai.org](http://www.ijacsa.thesai.org)
- Rajarshi Debnath, B. D. (2016, dec). Customer Relationship Management Theory and Research in the new Millennium : Direction for future research. *Journal of Relationship Marketing*, 15(4), 28. Retrieved from <http://dx.doi.org/10.1080/15332667.2016.1209053>
- Rakesh Naru, A. (2020). Auto industry , trust and commitment as determinant during covid 19. *psychology and education*, 57(9), 1659-1677.
- Rana Mostaghel, D. A. (2006). Service Quality in online purchase in Iran . *Master thesis*, 95.
- Ranchhod, V. J. (2015, April 27). Conceptualizing Luxury - Buying Behavior -The Indian. *Journal of Product & Brand Management*, 24, 58. Retrieved from <http://dx.doi.org/10.1108/JPBM-07-2014-0655>
- Rawat, D. S. (2012). *The Associated Chambers of Commerce and*. The Economic Times.
- RNaru, Dr.A.k. jain. (2020). The role of customer relationship management in auto car industry in building customer relationship in asfter sales. *Journal of critical rebiews*, 1659-1677.
- Roger Baran, C. B. (n.d.). *Customer Relationship management , theory and history*. London: London Business school.
- Roger Baran, Christopher Baran, Michel Zerres. (n.d.). *Customer Relationship management , theory and history*. London: London Business school.
- Salil, P. (2015). *Indian luxury cars*. India: Forbes India.
- Saxena, n. s. (2019). Dealership Profitability. *FADA Journal July 2018*, 45.
- Schroeter, K. (2018). *competence Literature review*. CCI.
- Sen, R. (2011, oct). Industrial Relationship at Maruti Suzuki. *Indian Journal of Industrial Relationship*, 47(02), 16.
- Shavazi1, ". T. (2013). Customer Relationship Management And Organizational Performance: A Conceptual Framework Based On The Balanced Scorecard (Study Of Iranian Banks). *IOSR Journal of Business and Management (IOSR-JBM)*, 10(6), 18-26.
- Simarmata J, K. Y. (2017). HOW TO ESTABLISH CUSTOMER TRUST AND RETENTION. *POLISH JOURNAL OF MANAGEMENT STUDIES*.

- Sonia San Martin, J. G. (2004). Trust as the Key to Relational Commitment. *Journal of Relationship Marketing*, 26.
- Stern, S. N. (2008). How does auto sourcing effect the performance Dynamics? Evidences from automobile Industry. *journal of Management Science*, 54(12), 18.
- Stuart Roper, R. C. (2011). Construction of Luxury Brand : Exploring the role of the consumer Discourse. (emerald, Ed.) *European Journal of Marketing*, 47, 26. Retrieved from [www.emeraldinsight.com/0309-0566.html](http://www.emeraldinsight.com/0309-0566.html)
- Tandon, S. M. (2017, SEP). Significance of Brand name in Brand Loyalty - An empirical study in automobile sector. *Global Journal of Enterprise information system*, 06(03), 07. Retrieved from [www.informaticsjournals.com/index.php/gjeis](http://www.informaticsjournals.com/index.php/gjeis)
- Tarannum Syed, H. U. (2017). A study on CRM practices and its impact on customer Retention in Banking Sector . *International Journal of Engineering and Managemnet research*.
- Uggla, H. (2017, nov 02). The price of Luxury. *Global Industry Research Associate at Euromonitor International*, XIV, 8.
- V. Michael Bove, N. A. (2021). Holography and the Luxury Industry. *MDPI Photonic*, 1-10.
- Van Tonder, E. (2016). *Trust and commitment as Mediators of the relationship between Quality Advice abd customer loylaty*. Boloka Institution Repository.
- Weinstein. (2002).
- White, D. H. (1997). Testing commitemnet - trust Theory in Relationship between pharmacy school and Students. *American journal of Pharmaeuctical educaion*, 256.
- Wrtz, J. (2003).
- Youssef Chetioui1, D. H. (2017). *The Impact of CRM dimensions on Customer Retention in the Hospitality Industry: Evidence from the Moroccan Hotel sector*.
- Yu Te Tu, S. Y. (2013, apr). Brand Image and loyalty. *Information Management & Business Review vol 5, 03*, 34.
- Yue Pan, S. S. (2012). Antecedents of customer Loyalty : An empirical synthesis and reexamination. *Journal of Retailing and consumer Services*, 19(1), 150-158.

## Appendices

### Appendix A Questionnaire Used for Survey of Luxury Car Industry Customers

Customer profile:

Name:

Age:

Brand:

Year of Purchase	Year No	Services Due as per Service Maintenance Chart	Service done	
	Year1			
	Year2			
	Year3			
	Year4			
	Year5			

Which of the following services have you availed at the workshop in the financial year?	Please write yes/ not as applicable

1	2	3	4	5
Completely Dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Completely Satisfied

**Think of Last visit. How would you rate your workshop on the following?**

Sr. No	Process	Items	1	2	3	4	5
1	Making appointment	Convenience					
2		Workshop Location					
3		Easy Scheduling					
4		Weekend service					
5		Call quality					
6	Receiving	Parking convenience					
7	Communication	Personalized service					
8		Customer recognition					
9		Appearance of staff					
10		Attitude of staff					
11		Knowledge and expertise					
12		Script					
13		Understanding customers					
14	Repair/ Service	Service history					
15	Repair	Information prior to service					
16	Repair	Parts availability					
17		Prompt service					
18	Waiting	Customer lounge					
19		Status notification					
20	Repair/Service	Completed in time					
21		Explain cost and details					
22		Perfect repair job					
23		Car wash					
24		Car cleaning					
25		Vehicle condition after service					
26	Payment	Payment options					
27		Courtesy call					
28	Additional services	Towing					
29		Outreach					
30		Walking service					



**Do you trust your automobile workshop? How would you rate your workshop on the following?**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

<b>Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Brand Image has a direct influence on trust					
Similar values create trust					
Clarity of communication is high					
Does length of relationship affect trust?					
Cooperation by the service provider affects trust					
Consistency of service affects trust					

**Does your automobile workshop keep commitments? How would you rate the workshop on the following?**

1	2	3	4	5
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

Process	1	2	3	4	5
Similar values create trust					
Clarity of communication					
Opportunistic behavior has a negative influence on commitment					

**Are you satisfied with the services of the workshop?**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

<b>Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Service Quality is good					
The speed of communication and service is good					
Price of service is important					
Complaint resolution is speedy, accurate					
You trust the service provider					
Workshop communication is clear					
You are satisfied with the workshop service					

**Customer Retention:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

**Why do you get servicing done at this service center?**

<b>Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>You feel the service quality is high</b>					
<b>You trust the Authorized Service Center</b>					
<b>The commitment for work is high</b>					
<b>You are satisfied with the services of the service center.</b>					

**Employee Questionnaire on CRM:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

**CRM Orientation**

<b>Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.SRP for PMS entails customized services and products to our key customers					
2. In the SRP Process there is provision to customize our offerings.					
3In the SRP for PMS if we find that customers would like to modify a product/service, the departments involved make coordinated efforts to do so.					
4. In the SRP for PMS we try to find out what are the key customer needs are.					
5. Customers are treated with great care at all levels.					

**Organization around CRM:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Completely Disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Completely Agree</b>

<b>Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6. Performance standards for employees are customer focused and monitored at all customer touch points.					
7. Clear business goals related to customer development, retention, and reactivation are outlined in the SRP for PMS					
8. We have the operational expertise and resources to succeed in customer relationship management through SRP					
9. In the SRP for PMS we commit time and resources to managing customer relationships					
10. Employee performance is measured and rewarded based on meeting customer needs and successfully serving them.					
11. Our employee training programs are designed to develop the skills required for acquiring and deepening customer relationships.					
12. The structure of SRP for PMS is meticulously designed around our customers.					

**Managing Knowledge**

Process	1	2	3	4	5
13. The SRP process has channels to enable ongoing two-way communication between our key customers and us					
14. Customers can expect exactly when services will be performed					
15. Through the SRP process, we fully understand the requirements of our key customers.					

**Incorporating CRM based Technology:**

Process	1	2	3	4	5
16. SRP for PMS maintains a comprehensive database of our customers					
17. SRP for PMS has the right hardware to serve our customers.					
18. SRP for PMS has the right software to serve our customers.					
19. In the SRP for PMS system we have the right technical personnel to provide technical support for the utilization of computer and automotive technology in building customer relationships.					
20. Individual customer information is available at every point of contact.					

## **Appendix B Invitation letter for Focused Group Discussion at Delhi**

Nov. 2019

Dear Auto Professional ,

I am a research scholar and auto professional currently pursuing my study on luxury car industry Study ,would like to invite you to participate in a focus group discussion scheduled as below :

Date: 19<sup>th</sup> Nov. 2021

Time:7.00 pm

Place: Delhi

The purpose of the focus group is to help the study identify and refine the study's message and materials that will be used for further analysis and collecting data from customer . In addition, your input will help learn how after sales car business workflow is organized by authorize retailer for luxury car customers in India. Information gathered in the focus group will help us design materials, activities and events that will help to understand the impact of trust and commitment in after sales car industry .

The original tapes will be destroyed after this is done. You are welcomed and encouraged to ask the consultant how your personal information is protected.

If you would like to participate in this focus group or you have any questions regarding the focus group, please call the FGD Coordinator at following number:

Coordinator :- Rakesh Naru, phone number 7208001436 .

The information that is obtained from this focus group provides valuable information that will lead us to understand retention drivers in Luxury car after sales business . We appreciate your time and consideration.

Sincerely,

Rakesh Naru  
Research Scholar  
UPES – Dehradun

**Appendix C- Invention letter send to auto professionals for FGD at  
Mumbai.**

Nov. 2019

Dear Auto Professional,

I am a research scholar and auto professional currently pursuing my study on luxury car industry Study ,would like to invite you to participate in a focus group discussion scheduled as below :

Date: 23rd Nov 2021

Time:7.00 pm

Place: Mumbai

The purpose of the focus group is to help the study identify and refine the study's message and materials that will be used for further analysis and collecting data from customer . In addition, your input will help learn how after sales car business workflow is organized by authorize retailer for luxury car customers in India. Information gathered in the focus group will help us design materials, activities and events that will help to understand the impact of trust and commitment in after sales car industry .

The original tapes will be destroyed after this is done. You are welcomed and encouraged to ask the consultant how your personal information is protected.

If you would like to participate in this focus group or you have any questions regarding the focus group, please call the FGD Coordinator at following number:

Coordinator :- Rakesh Naru, phone number 7208001436 .

The information that is obtained from this focus group provides valuable information that will lead us to understand retention drivers in Luxury car after sales business . We appreciate your time and consideration.

Sincerely,

Rakesh Naru  
Research Scholar  
UPES – Dehradun



**Appendix D- Invention letter send to auto professionals for FGD at Bangalore.**

Nov. 2020

Dear Auto Professional,

I am a research scholar and auto professional currently pursuing my study on luxury car industry Study ,would like to invite you to participate in a focus group discussion scheduled as below :

Date: 5<sup>th</sup> Dec. 2019

Time:7.00 pm

Place: Bangalore

The purpose of the focus group is to help the study identify and refine the study's message and materials that will be used for further analysis and collecting data from customer . In addition, your input will help learn how after sales car business workflow is organized by authorize retailer for luxury car customers in India. Information gathered in the focus group will help us design materials, activities and events that will help to understand the impact of trust and commitment in after sales car industry .

The original tapes will be destroyed after this is done. You are welcomed and encouraged to ask the consultant how your personal information is protected.

If you would like to participate in this focus group or you have any questions regarding the focus group, please call the FGD Coordinator at following number:

Coordinator :- Rakesh Naru, phone number 7208001436 .

The information that is obtained from this focus group provides valuable information that will lead us to understand retention drivers in Luxury car after sales business . We appreciate your time and consideration.

Sincerely,

Rakesh Naru  
Research Scholar  
UPES – Dehradun

## **Appendix E- Thanks letter send to all participants of FGD**

Dear Hemant,

I would like to thank you on behalf of myself and University of Petroleum and Energy Studies for participating in our recent focus group! Your insights will help us tremendously as we move forward in my research work in the area of luxury car customers keeping aftersales retention in area of concentration . As a reminder, any data collected during our session is for research use and will not be used for any commercial activity .

If you have any questions or concerns regarding the data collected during the focus group or its purpose, please feel free to contact at [rakeshnaru@gmail.com](mailto:rakeshnaru@gmail.com)

Again, we would like to thank you for your time, and we highly value your feedback.

Sincerely,

Rakesh Naru  
Research Scholar  
UPES – Dehradun

## **Appendix F: Operational Definitions of Abbreviations Variables and various Constructs.**

**Influence :** - The Power or Capacity of causing an effect in indirect or intangible ways or it can be also defined as the act or power of producing an effect without apparent exertion of force of direct exercise of command.

**Social Influence:** - The term social influence refers to the changes that occur in an individual's attitudes, thoughts, actions, feelings and behaviours, resulting from interactions with a group or another individual (Ajzen, 1991, Friedkin, 2006). One of the characteristics of social influence is internalisation, and that occurs when someone accepts another belief and behaviour (Kelman, 1958). This is relevant to social networking and SC, as consumers participate online together to share reviews and recommendations (Ng, 2012). There is a strong relationship between online interaction and social influence in creating relationships between consumers regarding reviews and shared experiences (Wu and Wang, 2011). One of the measurements for social influence is to quantify the social impact of the sender on the receiver (Latane, 1981). There are two types of social influence when a new product is introduced: normative social influence and informational social influence (Bearden et al., 1986). Normative social influence creates pressure on people to accept the new product because if they do not accept it, they will be considered "old fashioned", regardless of personal preferences (Kim and Srivastava, 2007). Informational SC is a learning process that people can use before they intend to purchase, particularly when they know the experiences, recommendations and reviews of others (Kim and Srivastava, 2007). Numerous studies have focused on social influence in e-commerce (Kim and Srivastava, 2007) and few studies has focused on satisfaction in SC (R Naru, Dr.A.k. jain, 2020).

**Trust :-**It is defined as "firm belief in the reliability, truth, or ability of someone or something" or can be defined as "An arrangement whereby a person (a trustee) holds property as its nominal owner for the good of one or more beneficiaries."

**Commitment:-** It is defined as “The state or quality of being dedicated to a cause, activity, etc.” or can be defined as “An engagement or obligation that restricts freedom of action.”

**Assurance :-**A positive declaration intended to give confidence; a promise or Confidence or certainty in one's own abilities.

**Empathy :-**The ability to understand and share the feelings of another.

**Reliability :-**The quality of being trustworthy or of performing consistently well. Or the degree to which the result of a measurement, calculation, or specification can be depended on to be accurate.

**Responsiveness:-** The quality of reacting quickly and positively.

**Tangibles :-** A thing that is perceptible by touch.

**Brand Image :-**The general impression of a product held by real or potential consumers.

**Shared Values :-**Shared value is a management strategy focused on companies creating measurable business value by identifying and addressing social problems that intersect with their business

**Communication :-**The imparting or exchanging of information by speaking, writing, or using some other medium.

**Length of Relationship :-**The relationship between two people or groups is the way in which they feel and behave towards each other. And the time for which it remains good is called length of relationship.”

**Cooperation :-**The action or process of working together to the same end.

**Consistency :-** It is defined as “consistent behavior or treatment.

**Opportunistic :-** Exploiting immediate opportunities, especially regardless of planning or principle.

**Behavior** :-The way in which one acts or conducts oneself, especially towards others.

**Organizing around CRM** :-The processes involved in around the customer relationship management is Known as organizing around CRM.

**Managing Knowledge** :Knowledge management is the systematic management of an organization's knowledge assets for the purpose of creating value and meeting tactical & strategic requirements; it consists of the initiatives, processes, strategies, and systems that sustain and enhance the storage, assessment, sharing, refinement, and creation

**SRP (Service Reminder Process)** :-Service Reminder process is process of calling the customer for regular periodic maintains. This is complete process of calling customer 2 months before the service with a purpose of calling a customer for PMS and introduction to service team. It is complete process of vehicle into vehicle out

**PMS (Periodic Maintains Service)**:-Periodic maintains service as per the service requirements mentioned on owner's manual

**Call Quality** :- Quality of call during the process of reminding customer and also taking feedback post service

**Car Cleaning and Car wash** :-Cleaning of car during the PMS and other service in workshop.

**Courtesy call** :-Call made for the update during the service.

**Easy Scheduling** :-Scheduling the car for service as per the appointment

**Cost and Time in PMS**:-Cost of repair and time it would take to repair is called Cost and Time in PMS

**Customer Retention**:-Customer takes service required for his/her car within the said network of workshop manufacture is called retain customer and set of outcomes from the sold data base is called customer retention

**Perfect Repair Job:-**Job done 100% right is called perfect repair job during the repair on car

**Prompt Service :-**Fast service is called as Prompt service

**Service History :-**All history of car for the services carried at authorized retailer is called service history

**Status Notification :-**Status of the repair and notifying it to customer is called status of notification

**Appearance of staff :-**The uniform what staff of said retailer wear and the way they are representing themselves in uniform is called appearance of staff

**Customer lounge :-**The lounge where the customer sits during the repair work is on is called customer lounge

**Script :-**The questions in order , asked at time of customer scheduled calls is called as Script.

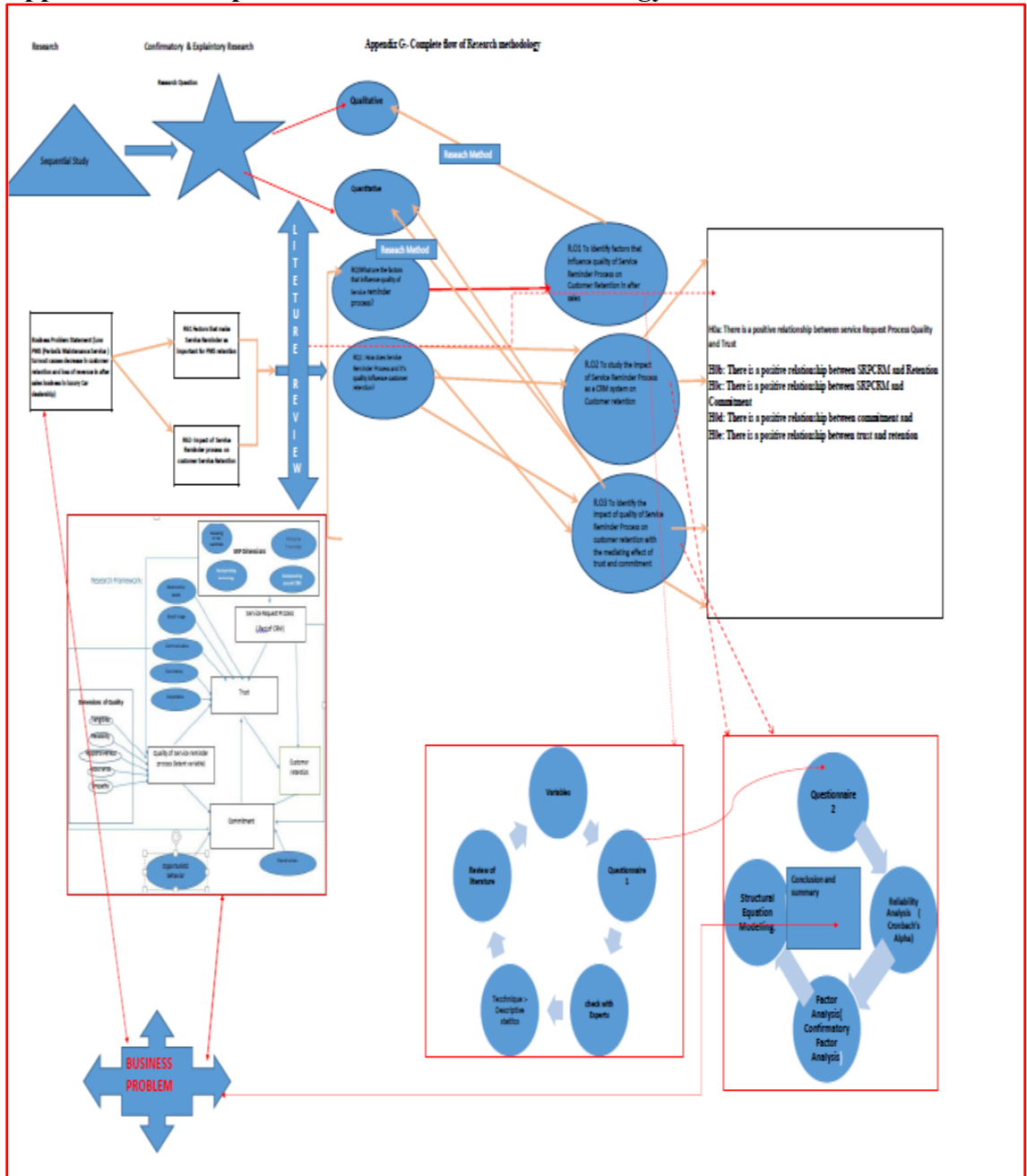
**Parking convenience:-**The easy of parking the car during the visit is called as parking convenience

**Parking Availability :-**The availability of parking at retailer is called as parking availability

**Clarity of communication :-**The clarity of communication done with customer is called as clarity of communication .

**Employee performance :-**The performance of employee as per his KP1 at retailer is called

# Appendix G:- Complete flow of Research methodology

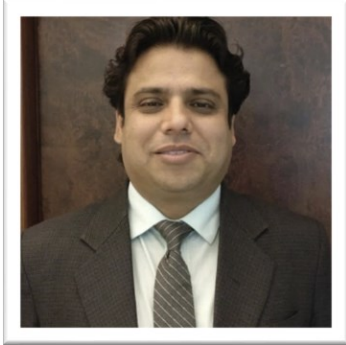


**Appendix H: - Journey /Time frame of PhD.**

<b>Sr. No.</b>	<b>Activity</b>	<b>Started on</b>	<b>Completion Date/ Result Date</b>	<b>Learning</b>
1.	Admission process in PhD. UPES	April 2016	July 2016	Prepare for the RAT, followed by interview and come prepared on problem statement.
2.	Course work	July 2016	Dec 2018	Course work papers was selected and also there is online exams and student to clear to come to next stage
3.	Synopsis presentation	Jan. 2019	Feb. 2020	This is stage where, I presented the business problem with respect to literature review, research gap, objectives and methodology to be adopted for the research.
4.	Paper publication	Feb 2019	July 2020	In these two years, I prepared the papers from my research, which got published in Scopus /UGC approved journals
5.	Abstract presentation	Mar. 2021	July 2021	I prepared the abstract, based on my research and field work which started after the synopsis and finally in July 2021, I got approved certificated for my abstract
6.	Thesis submission	July 2021	Oct. 2021	To submit, the thesis ,4 months times was given as I have done my research in stage wise, it was easy for me to do chapter wise for the work done till date.



## Authors Profile



Rakesh Naru is presently working for Jaguar Land Rover India as Regional Head – After sales operations with a rich and diversified corporate experience of more than 20 years. During this tenure he has effectively handled various customers for sale and service in all segments of auto industry, which include two-wheeler, commercial vehicles, Passenger car and luxury car segment with companies like Mega Fiber, Swaraj Mazda, Hero Honda, Tata Motors and Hyundai. He is MBA, PGDBM, B.E (Mech./Prod.) and is currently pursuing Ph.D. in Management from UPES, Dehradun. He has published four papers in peer-reviewed national and international journals which includes the ones that are indexed in SCOPUS, Web of Science. Apart from attending and presenting papers in National and International conferences, Mr. Rakesh Naru is certified Charter Engineer from Indian Institute of Engineers.

Being an automobile and academic aspirant, he has been associated with education system till today and has contributed in his own way to the society and education. Few of his contributions are as below:-

- <https://www.siom.in/latestnews/49>
- [https://www.researchgate.net/profile/Rakesh\\_Naru2](https://www.researchgate.net/profile/Rakesh_Naru2)
- <https://www.shiksha.com/userprofile/edit>

## Pilgrims Report








### Document Information

---

Analyzed document	Final Thesis - Rakesh Naru.docx (D113751718)
Submitted	9/29/2021 12:32:00 PM
Submitted by	Arvind Kumar Jain
Submitter email	akjain@ddn.upes.ac.in
Similarity	4%
Analysis address	akjain.upes@analysis.arkund.com

### Sources included in the report

---

<b>SA</b>	<b>INFLUENCE OF CRM PRACTICES ON CUSTOMER SATISFACTION IN BANKING INDUSTRY by Yesha Tomar, Dr. RC Dangwal Reg No-CC-15013.docx</b> Document INFLUENCE OF CRM PRACTICES ON CUSTOMER SATISFACTION IN BANKING INDUSTRY by Yesha Tomar, Dr. RC Dangwal Reg No-CC-15013.docx (D35003460)	 4
<b>SA</b>	<b>MINTI_PSYCHOLOGY.pdf</b> Document MINTI_PSYCHOLOGY.pdf (D47418447)	 1
<b>SA</b>	<b>Retention strategy paper 2.docx</b> Document Retention strategy paper 2.docx (D21256056)	 1
<b>SA</b>	<b>Minimizing Gaps for Maximum Satisfaction A Framework for Developing Economies.docx</b> Document Minimizing Gaps for Maximum Satisfaction A Framework for Developing Economies.docx (D35512150)	 2
<b>SA</b>	<b>BINDU K. NAMBIAR -A CRITICAL STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT IN RETAIL BANKING.pdf</b> Document BINDU K. NAMBIAR -A CRITICAL STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT IN RETAIL BANKING.pdf (D21256124)	 2