

SMART

Journal of Business Management Studies

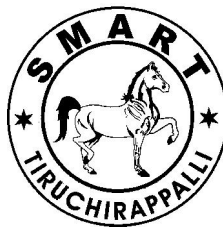
(A Professional, Refereed, International and Indexed Journal)

Vol-13	Number- 1	January - June 2017	Rs.400
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ISSN 0973-1598 (Print)

ISSN 2321-2012 (Online)

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Founder - Publisher and Chief Editor



**SCIENTIFIC MANAGEMENT AND ADVANCED RESEARCH TRUST
(SMART)**

TIRUCHIRAPPALLI (INDIA)

www.smartjournalbms.org

INFLUENCE OF SERVICE QUALITY IN ONLINE CAR PORTALS ON YOUNG CUSTOMERS

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Abstract

Online/e-buying has unmistakably become a pervasive mode of buying irrespective of product nature, especially pre-owned car market. Since there is a boom in the internet and technology, customers are gradually turning towards e-commerce every day. The automobile market has predominantly become consumer-driven. The ultimate focus is now gearing up from product based to need based marketing. So it gives a great deal of prominence to identify the consumers' perception and their behaviour towards online portals and the marketing strategies work. The research was concentrated in Coimbatore (the Manchester of South India) in Tamilnadu, which provided insight into the service quality, that is there in the minds of the youngsters, from professional colleges in Coimbatore City. The study throws in rapid response, the various service qualities that the online pre-owned car portals offer to the youth category. The study was conducted among 90 respondents, via questionnaire model in Coimbatore City, who used a car for their daily commute. The research concludes that the service quality and customer loyalty, provided by the online, pre-owned car portals, have significant changes in some parts of quality and loyalty rendered to the youth.

Keywords: Automobile Industry Used Cars, Consumer Buying Behaviour, Income and Purchase Intention.

JEL Code: M19

Paper Received : July 05, 2016 **Revised :** September 17, 2016 **Accepted :** October 08, 2016

1. Introduction

Internet and Online purchases are on the increase, day by day and the chances of a person, who is not using Information and Communication

Technology, are almost nil. The world is using the Internet and prominently online purchases also (except some parts of the world where there is no Internet). Nowadays, cash on

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delivery system is also gaining more significance, and people can purchase things, by sitting at their homes and can make the payment once the order reaches the consumer. The risk is also lesser now. When it comes to about teenagers, the study areas have an immense amount of purchasing power. As the study, made by the MasterCard's blog named "Payments Perspective", mentioned that \$819 billion worldwide is spent by the youth at their prime time itself. **Christina Sommer (2012)**, a famous researcher, said that North America alone consists of 33 million youth, who have almost \$118 billion in hand, for their own spending and requirements. Most prominently, teens are actually the show stoppers in trend and the initial user of technology. Their purchasing decisions have great importance on what it turns out to be popular, and the study area influences how the families deal with expenditure. Marketing demographic of teenagers can be a strong part of any business strategy even in present online portal era.

Indian Automobile Industry has an ever burgeoning market potential. The factors, attributed to this, are the high and strong growth occurrence of population and drastic turnover in demand and the life style and the formation of nuclear families. This sudden hike, which the Indian Automobile Industry has been observing, is the result of the improvement in the standard of living of the middle class and a vast increase in their disposable income, which the study area was earning. Increased demand on Automobiles in India, made the Automotive MNCs from European countries, Far East countries and North America, to manufacture their cars in a liberalised market like India and sell. Knowing how, when, which and why people consume products, that tremendously help marketers, to understand the improvements that can be adopted in the products. The new and improved automobiles have stepped down the older vehicles, from the tight competition, by making the consumer more comfortable and

relaxed with modern technologies and gadgets. Thus the pre-owned cars are getting more and more piled up, one after the other, when this occurs rapidly. This became an eye opener, for a new set of business people, to start up another business known as "pre-owned" car sales. As new technologies are rising up in the field of Online Shopping or Online Purchases in E-Commerce, the marketers should study a lot on the attitudes of the customer on the Service Quality and Customer Loyalty, which is being provided by the Online Pre-Owned Car Portals. Most surveys, conducted in India, clearly state that there is a wide boom happening in the area of E-Commerce and it may continue in the future also. Many auto manufacturers have invested a huge amount of money in the online sector for better sales of their products. Even famous celebrities have started promoting Online Shopping Portals, which we can see in our day to day life.

The main aim of the study is to identify whether the service quality and customer loyalty of an Online Pre-Owned Car Portal leads to the purchase of automobiles via these online pre-owned car portals. The change in young customers' perception towards the online portals, was also analysed through this research. Online portals help the common people, to experience more hassle free purchase.

2. Review of Literature

The quality of online service, provided by the pre-owned car portals to consumers, mirrors the offline world. In a recent survey on online consumers, **Nataraj and Nagaraj (2012)** reported 38% increase in query volumes on Google search. It was further reported that the first half of every year is the time for the Indian consumers' buying time or intend time to make auto purchase. 65% of the Indians use the Internet, as their preferred place for their research, before selecting the vehicle of their use and this proves that the Indians are more research - oriented in the area of auto-related

purchases. **Vidyavathi (2012)** has thrown light, on the various aspects that the manufacturers and marketers should concentrate more, for attracting the prime purchasers. The demand for the small car is increasing day by day as nuclear families are increasing at a fast pace. Hence the manufacturers should study the tastes and preferences of the consumers. Enterprises continually seek feedback, to improve customer satisfaction. **Farris (2010)** suggested that customer satisfaction gives a leading and majority indicator of consumer purchasing and loyalty. Customer satisfaction data is one of the most frequently collected indicators of market perception. Their principle use is twofold: Initially, Within organizations, the collection, analysis and dissemination of these data, send a message about the importance of tending to customers and ensuring that the study area has a positive experience with the company's goods and services. Secondly, although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future. **Parasuraman et al, (1994)** gave an insight into the basis, for the measuring of customer satisfaction with service quality, by identifying the gap between the customers' expectation of performance and their perceived experience of performance and this leads to the measuring of the satisfaction "gap", which is objective and quantitative in nature. **Asim Nazar et.al (2012)** examined the factors of consumer behaviour of youngsters towards branded items. It was recommended by the search that the company should focus mainly on the distinguishing features, quality standard and comfort feeling of branded products, in order to retain the customers for a longer period of time. **Hamed and Mohd Kazem (2012)**, by evaluating youth's buying behavior towards sport shoes (Adidas), developed the concept of youth purchasing attitude towards sports shoes and it became a profitable service. In order to achieve

profitability and also prominence at the same time, the quality of service should outperform the traditional or regular shopping experience by the customers. **Rehan et al (2012)**, in the article, 'Consumption Style among Young Adults toward Their Shopping Behavior: An Empirical Study in Pakistan', helped to understand that the young adults are very conscious and selective. **Archana Kedar (2013)**, explained the Persuasive Skills of Television Advertising on Youth Buying Behavior in Thane City. **Khairudin and Mohd Salleh (2014)** on, 'Teenagers Purchasing Behavior towards Online Retailing Preferences', mentioned that fashion and apparels were chosen as the prime type of online retailing category and the youngsters commonly browse, mainly because the online shopping portals come with a very powerful and useful content and an attractive layout, with a variety of pictures of the products and services. **Baseer Ali et al (2015)** found that youth were mostly influenced by advertisements. **Giriprakash (2005)** opined that entrepreneurs have a huge opportunity in the pre-owned (used) car market, which, for the first time, is expected to outpace the new car market in the coming years. **Kiley (2002); Rusert and Wiseman (2003)** have listed various advantages that the Manufacturer-certified, Pre-owned vehicle programs help the manufacturers and the buyers.

3. Statement of the Problem

The present research proposes to make a statement on young people mindset, regarding online car portals and also to what extent this had affected the minds of the young generation. The study clearly provides an insight into both these queries.

4. Need for the Study

Cars are becoming expensive nowadays, and a minimum cost, for a small hatchback was five lakhs even in the year 2016, as displayed in the company websites. The money, that a common man has to spend for purchasing a car

is increasing, while safety and security, provided by the car, is in the decreasing order. On the other hand, the number of members in a family, based on the study, is 4 or 5 at the minimum level and everyone wants to travel together, without compromising. This gave impetus to the pre-owned car market, especially in Tier 2 cities, where Coimbatore belongs. These factors, combined together, prompted the study.

5. Objectives of the Study

The main objective of the study was to determine the service quality perception, among young automotive customers, through online car portals and to examine the impact of service quality of online pre-owned car portals on young customers.

6. Null Hypotheses of the Study

NH-1: There is no significant association between Service Quality and Customer Loyalty in terms of gender of respondents.

NH-2: There is no significant relationship between Service Quality and Customer Loyalty in terms of age of respondents.

NH-3: There is no significant relationship between Service Quality and Customer Loyalty in terms of marital status of respondents.

NH-4: There is no significant association between Service Quality and Customer Loyalty in terms of education of respondents.

NH-5: There is no significant association between Service Quality and Customer Loyalty in family Size of respondents.

NH-6: There is no significant relationship between Service Quality and Customer Loyalty in terms of annual income of respondents

7. Research Methodology

Research on the effect of Service Quality of Online Car Portals on Young Customers is a descriptive research. The population represents young professional college students and residents of Coimbatore (Tamil Nadu, India) City. During

the research, six hypotheses were developed, in the form of Null Hypotheses, based on, gender, age, marital status, education, family size and annual income.

7.1 Sample Selection

Sample comprised of students from professional colleges, who owned cars. Simple Random Sampling was preferred and 90 respondents were picked at random, from different professional colleges in the study area.

7.2 Period of the Study

The period of study was only about 5 months (Nov 2015 – March 2016) because of the time constraint, to submit the article, in a conference and a journal.

7.3. Source of Data

Primary data, for this study, were collected through a Structured Questionnaire. Questions were prepared, using different sets of scales, namely, nominal and ordinal, as the attributes studied were non parametric.

7.4 Tools Used

The tools used, to analyze the collected data samples, were T-Test and ANOVA. For analyzing the data, SPSS v20.0, was employed to find the causal-effect relationship between different variables.

8. Analysis and Interpretation

The study was conducted to assess the Service Quality and Customer Loyalty, provided by the online pre-owned car portal, to the youngsters category, in professional colleges, in Coimbatore District of Tamil Nadu, India. The research found that though a major advertisement promotion was done by about 10 online pre-owned car portals in India, the consumers were more attracted to a few particular online portals alone because only they created a huge brand in the minds of the consumers. Since the data were nonparametric in nature, the data analysis was done through

Chi Square test, at a level of 5% significance ($\alpha=0.05$). Null hypothesis was completely rejected where the significance level was at 0.05 and it was accepted when the significance level went up to >0.05 . As the respondents were equally sampled for the study, the majority of them viewed the online car portals once in a week and also once in every fortnight and this indicated huge development that the internet was providing to the customers, with its attractiveness, perceived usefulness and many factors that promote the online pre-owned car portals.

The questionnaire for the study consisted of 36 questions and the Reliability Test (Coronbach Alpha) recorded 0.824 (**Table-1.1**). The questionnaire was a complete success and provided requisite data for the survey. T-Test of the independent variable, Service Quality, showed a huge positive relation, in that the Responsiveness and Assurance part of the variables, showed a high significance of 0.000; while Reliability and Empathy indicated a significance of 0.033 and 0.038 respectively. But only Tangibility did record a variance of 0.052 (**Table-1.2**). As the research was conducted, with the help of regression analysis, the R^2 was 0.414 and the R value was 0.644. During the survey of young people from professional colleges in Coimbatore City, regarding Service Quality and Customer Loyalty of online pre-owned cars portal, the Analysis of variance (ANOVA) indicated a significance of less than 0.05, except a few variables in the demographics. The detailed ANOVA of various demographics is presented below, in a tabular form (**Table-1.3 to 1.9**).

9. Findings of the Study

The major findings of the study are as follows:

NH-1: The study found that the hypothesis of significance association, between Service Quality and Customer Loyalty under Gender, recorded a positive relation except Assurance and Empathy. These two did not have a proper relation with the other factor of Service Quality.

NH-2: The hypothesis of significance association between Service Quality and Customer Loyalty, under Gender, recorded a positive relation, except Assurance and Empathy. These two did not have a proper relation with Service Quality.

NH-3: There was no significant association between Service Quality and Customer Loyalty, under Marital Status. The hypothesis of significance association between Service Quality and Customer Loyalty, under Marital Status, recorded a negative relation. Hence accept the Ho. As all the factors, involved in the study, recorded a negative relation, accept Marital Status null hypothesis.

NH-4: There was no significant association between Service Quality and Customer Loyalty, under Education, except Responsiveness. The hypothesis of significance association between Service Quality and Customer Loyalty, under Education, recorded a negative relation, except a small linear relation toward Responsiveness. Hence accept the Ho.

NH-5: There was significant association between Service Quality and Customer Loyalty, under Family Size, except for the Empathy and Loyalty. Hence reject the Null Hypothesis. The hypothesis of significant association between Service Quality and Customer Loyalty, under Family Size, recorded a positive relation, except Loyalty and Empathy. These two did not have proper relation with Service Quality.

NH-6: There was significant relationship between Service Quality and Customer Loyalty, under Annual Income and hence reject null hypothesis. The hypothesis of significance association between Service Quality and Customer Loyalty, under Annual Income, recorded a positive relation with the factor of Service Quality.

10. Suggestions of the Study

- Small e-commerce companies should look towards marketing activities in malls and undertake initiatives on the digital media,

which can be done for prolonged duration and it is more sustainable.

- Marketers should be smart enough to draw a line between mapping and stalking, which can turn away a consumer forever.
- Online retailers have to build large volume of business to ensure profitability. It will also help them to amortize technology and marketing cost.
- Consumer education and protection of their privacy.
- Efficient services like in time delivery and convenient payment.

11. Conclusion

The study, conducted to study the influence of service quality on youngsters loyalty, in online pre-owned car portals, recorded majority of huge positive relation with the youngsters' perception of the online market. As the customers are moving towards the online market, in the pre-owned car market also the youngsters were putting up a strong impact on the service quality, provided by the online pre-owned car portals. E-marketing or E-shopping is fast improving and increasing with the changing environment and society on the way organization people are doing business all over the world. In the business-to-consumer segment of business, sales and marketing via the website have been gaining a steady increase in the last few years. The new shopping channel is making the people in the developing country to enjoy options enjoyed by people in other fully developed countries. E-marketing or E-shopping is gaining popularity and prominence with people, specially the younger generation, but in today's environment and business scenario, e-business to become popular among all age groups, it should cover up a longer and wider range of distance.

12. Limitations of the Study

The short span period of the survey was a major limitation. Also it was found that the

universe was limited to Coimbatore City.

13. Scope for Further Research

The area, taken up for the study, was Coimbatore City and the other Tier 2 and Tier 3 cities can also be used to conduct a much larger study.

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Table-1.1: Reliability Test

Cronbach's Alpha	N of Items
0.824	28

Source: Primary Data

Table-1.2: T-Test Results showing Difference in Perception of Service Quality

	N	T	df	Sig. (2 - tailed)
Tangibility	90	1.957	89	0.052
Reliability	90	2.162	89	0.033
Responsiveness	90	3.742	89	0.001
Awareness	90	-5.421	89	0.002
Empathy	90	2.103	89	0.038

Source: Primary Data

Table-1.3: ANOVA for the Gender in Youngsters with Independent and Dependent Variables together

Variables	Significance level (P-Value)
Tangibility	0.045
Reliability	0.035
Responsiveness	0.041
Assurance	0.234
Empathy	0.098
Loyalty	0.024

Source: Primary Data

Table-1.4: ANOVA for Age in youngsters with Independent and Dependent variables together

Variables	Significance level (P-Value)
Tangibility	0.038
Reliability	0.042
Responsiveness	0.040
Assurance	0.034
Empathy	0.086
Loyalty	0.012

Source: Primary Data

Table-1.5: ANOVA for the Marital Status in youngsters with Independent and Dependent variables together

Variables	Significance level (P-Value)
Tangibility	0.113
Reliability	0.143
Responsiveness	0.853
Assurance	0.134
Empathy	0.198
Loyalty	0.234

Source: Primary Data

Table-1.6: ANOVA for Education in youngsters with Independent and Dependent variables together

Variables	Significance level (P-Value)
Tangibility	0.531
Reliability	0.155
Responsiveness	0.035
Assurance	0.621
Empathy	0.458
Loyalty	0.563

Source: Primary data

Table-1.7: ANOVA for Family Size in youngsters with Independent and Dependent variables together

Variables	Significance level (P-Value)
Tangibility	0.045
Reliability	0.039
Responsiveness	0.016
Assurance	0.009
Empathy	0.434
Loyalty	0.238

Source: Primary Data

Table-1.8: ANOVA for the Annual Income in youngsters with Independent and Dependent variables together

Variables	Significance level (P-Value)
Tangibility	0.010
Reliability	0.003
Responsiveness	0.028
Assurance	0.044
Empathy	0.015
Loyalty	0.004

Source: Primary data

Table-1.9: Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.644 ^a	0.414	0.379	2.45004

Source: Primary Data