

Chapter 8

A Study of Customer Satisfaction of an Automotive Company in Malaysia

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ABSTRACT

This paper was conducted to present an analysis of the current level of customer satisfaction on the services offered by an automotive outlet in Malaysia. In an effort to make the company more effective, many have targeted various change programmes to meet customer satisfaction. Customer satisfaction is one of the most important factors in the organizations success, and an important determinant of customer satisfaction is how well the product performs. The objective of this study is to help the organization to improve their customer level of satisfaction through providing continuous efforts to improve their level of service and product productivity.

INTRODUCTION

This outlet mainly handles used cars as well as cars which are traded in when buyers purchase new ones of the same kind. This company currently has 3 centers, in Malaysia and will open 4 new centers this year. It handled 9,000 trade-in cars last year, and 5,000 cars to date this year. This figure

is expected to hit 12,000 by year end, and 40,000 by 2010 with a total of 20 centers. The company guides customer and gives tips on choosing and buying the right car. They also show how to take care of the car, so that it will always be in great condition.

The services provided by the center are: 38 Point checks, car body care tips, tires check, start your engines, a lesson before buying, listen to your car, changing your transmission fluid, engine fault

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finding tips, maintaining your car, the right oil for the right car, check your engine oil.

This outlet is a second hand car dealer for an international brand Malaysia. This outlet company operates as a highly sophisticated Motor Trader car for an international brand with operation throughout Malaysia. A recognized and trusted leader in quality, technology and supply change management Motor Trader, and competitive advantage to their customer by improving time to time and scalability.

The objective of the study is as important as for the organization to recognize and improve their product and service productivity. It will help organization to realize the level of their customer satisfaction.

LITERATURE REVIEW

This paper aims to measure the customer satisfaction of a certain car consumers. We need to identify the customer and the customer satisfaction focusing on their effect or benefit, and their factors. Next, we will relate TQM with customer satisfaction and how it can lead to the satisfaction. Finally, we will discover what the factors that may not lead to repurchase are.

Customer is Group or individual who has a business relationship with the organization--those who receive and use or are directly affected by the products and services of the organization (Interoperability Clearinghouse Glossary of Terms, n.d.). Recently, relationships with customers are vital because they can easily evaluate the cost of various products and easily switch buying habits with minimal inconvenience (Hellriegel & Slocum, 2004). On other hand, they define *Satisfaction* as an "overall customer attitude towards a service provider" (Levesque & McDougall, 1996). Based on the differentiation strategy Hellriegel and Slocum (2004) suggest to provide the customer with something unique and make the organization's product and services distinctive from its competi-

tion. The managerial intend behind this strategy is that the customer will pay higher price for the distinctive product. Because the superior value is achieved through higher quality, or some special appeal, Toyota's strategy with Lexus is based on exceptional manufacturing quality, the use of genuine wood paneling, advanced sound system, high engine performance, and comparatively high fuel economy (for luxury cars) (Hellriegel & Slocum, 2004).

Customer satisfaction is a measure of the degree to which a product or service meets the customer's expectations (Industry Canada, n.d.). It is a business term, a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is seen as a key performance indicator within business (Wikipedia). It is a psychological and physical variable which associated with satisfaction behaviours. However, it varies from person to person and product/service to product/service. The level of satisfaction can also vary depending on other options that the customer can find and compare it with other organizations' products. Clearly, motorcars' companies as Toyota is one of various field that need to have customer service division and concern about customer satisfaction. Toyota must have consumer care process and customer service should be one of the most important objectives for them.

Research conducted by Athanassopoulos (2000) indicates that product innovations, staff service, price, convenience and business profile are all determinants of customer satisfaction.

BENEFITS OF EFFECTS OF CUSTOMER SATISFACTION

- Build strong customer connections produce *enhanced financial benefits*, a more complete view of customer requirements is needed, which *incorporates an understanding of the emotional dimensions*

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