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# Impact of Marketing and Service Quality Factors on Customer Satisfaction and Customer Loyalty: A Study of Automobile Dealerships

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**ABSTRACT:** Customer satisfaction and customer loyalty are critical determinants of success in the highly competitive automobile dealership sector. With increasing customer expectations and digital transformation, dealerships must focus on both marketing strategies and service-related factors to enhance customer experience. The present study examines the impact of promotional offers, digital marketing, service quality, sales staff behavior, and after-sales service on customer satisfaction and customer loyalty in automobile dealerships. A descriptive and analytical research design was adopted, and primary data were collected from 150 customers using a structured questionnaire. Convenience sampling was employed, and the collected data were analyzed using SPSS. Statistical tools such as descriptive statistics, correlation analysis, ANOVA, and simple and multiple regression analyses were used to test the hypotheses. The findings reveal that all selected marketing and service-related factors have a significant influence on customer satisfaction, with service quality and after-sales service emerging as the strongest predictors. Further, customer satisfaction was found to significantly enhance customer loyalty. The study concludes that automobile dealerships must integrate effective promotional strategies with high service standards and skilled sales personnel to build long-term customer relationships and sustain competitive advantage.

**KEYWORDS:** Customer Satisfaction, Customer Loyalty, Automobile Dealerships, Service Quality, Digital Marketing, Promotional Offers

## I. INTRODUCTION

The automobile industry has witnessed intense competition due to globalization, technological advancement, and changing customer expectations. In this competitive environment, automobile dealerships are no longer evaluated solely on the basis of product quality or price; instead, customers assess the overall experience offered by the dealership. Marketing strategies and service-related factors play a crucial role in shaping customer perceptions, satisfaction, and long-term loyalty.

Customer satisfaction is a psychological outcome resulting from the comparison between customer expectations and actual service performance. Satisfied customers are more likely to engage in repeat purchases, recommend the dealership to others, and remain loyal to the brand. Hence, understanding the factors that influence customer satisfaction has become a strategic priority for automobile dealers.

Promotional offers and digital marketing have emerged as powerful tools to attract and engage customers in the modern marketplace. At the same time, service quality, sales staff behavior, and after-sales service significantly influence customer trust and perceived value. Friendly and knowledgeable sales personnel, transparent communication, timely service, and effective after-sales support enhance customer confidence and satisfaction.

Despite the importance of these factors, many automobile dealerships struggle to balance marketing initiatives with service excellence. Therefore, this study attempts to analyze the combined influence of marketing and service-related factors on customer satisfaction and customer loyalty in automobile dealerships. The findings of this study are expected to provide valuable insights for dealership managers to improve customer experience and build sustainable customer relationships.



## II. REVIEW OF LITERATURE

Customer satisfaction has been widely recognized as a key factor influencing customer loyalty and organizational performance in the service industry. According to Oliver (1997), customer satisfaction is the consumer's fulfillment response, reflecting the degree to which expectations are met or exceeded. In the automobile sector, customer satisfaction depends on both tangible and intangible aspects of service delivery.

Several studies have emphasized the role of **promotional offers** in influencing customer perceptions and satisfaction. Kotler and Keller (2016) stated that sales promotions encourage trial purchases and enhance perceived value, thereby positively affecting customer satisfaction. In automobile dealerships, discounts, exchange offers, and finance schemes play a significant role in attracting customers.

**Digital marketing** has gained prominence as customers increasingly rely on online platforms for information search and decision-making. Chaffey and Ellis-Chadwick (2019) highlighted that digital marketing improves customer engagement, brand awareness, and trust. Studies in the automobile context reveal that websites, social media, and online reviews significantly influence customer satisfaction and dealership choice.

**Service quality** is considered one of the most critical determinants of customer satisfaction. Parasuraman, Zeithaml, and Berry (1988) introduced the SERVQUAL model, identifying reliability, responsiveness, assurance, empathy, and tangibles as key dimensions of service quality. Empirical studies indicate a strong positive relationship between service quality and customer satisfaction in automobile service centers.

The behavior of **sales staff** also plays a vital role in shaping customer experience. Research by Crosby, Evans, and Cowles (1990) found that salesperson expertise, courtesy, and communication skills significantly enhance customer trust and satisfaction. In automobile dealerships, sales staff serve as the primary interface between the customer and the organization, making their behavior crucial for relationship building.

**After-sales service** has been identified as a major driver of long-term customer satisfaction and loyalty. According to Gaiardelli et al. (2007), efficient after-sales service increases perceived value and reduces customer switching behavior. Timely servicing, availability of spare parts, and effective complaint handling strengthen customer confidence in automobile dealerships.

Previous studies consistently conclude that customer satisfaction acts as a mediating variable between service quality factors and customer loyalty. Satisfied customers are more likely to repurchase and recommend the dealership, thereby enhancing customer loyalty. However, limited studies have examined the joint influence of promotional offers, digital marketing, service quality, sales staff behavior, and after-sales service in a single integrated model within the automobile dealership context. This research attempts to bridge this gap.

## III. CONCEPTUAL MODEL OF THE STUDY



Figure 1 Conceptual Model



The conceptual model illustrates the relationship between marketing and service-related factors, customer satisfaction, and customer loyalty in the automobile dealership context.

In the model, Promotional Offers, Digital Marketing, Service Quality, Sales Staff Behavior, and After-Sales Service are treated as independent variables. These factors represent the key strategic elements through which a dealership interacts with and influences customers.

All five factors are shown directing toward Customer Satisfaction, indicating that customers form their level of satisfaction based on their combined experience with promotions, digital engagement, service quality, staff interactions, and post-purchase support. This highlights customer satisfaction as a mediating variable in the model. Further, Customer Satisfaction leads to Customer Loyalty, signifying that satisfied customers are more likely to engage in repeat purchases, recommend the dealership to others, and maintain long-term relationships with the brand.

### **OBJECTIVES OF THE STUDY**

1. To examine the impact of promotional offers on customer satisfaction in automobile dealerships.
2. To analyze the effect of digital marketing on customer satisfaction among automobile dealership customers.
3. To study the relationship between service quality and customer satisfaction in automobile dealerships.
4. To assess the influence of sales staff behavior on customer satisfaction in automobile dealerships .
5. To evaluate the combined impact of promotional offers, digital marketing, service quality, sales staff behavior, and after-sales service on customer satisfaction in automobile dealerships.

### **HYPOTHESES OF THE STUDY**

- H1: Promotional offers have a significant impact on customer satisfaction.  
H2: Digital marketing has a significant impact on customer satisfaction.  
H3: Service quality significantly affects customer satisfaction.  
H4: Sales staff behavior significantly influences customer satisfaction.  
H5: Promotional offers, digital marketing, service quality, sales staff behavior, and after-sales service jointly influence customer satisfaction.

## **IV. RESEARCH METHODOLOGY**

### **Research Design**

The study adopts a descriptive and analytical research design to examine the impact of marketing and service-related factors on customer satisfaction and customer loyalty in the automobile dealership sector. The research focuses on understanding customer perceptions and analyzing the relationships among promotional offers, digital marketing, service quality, sales staff behavior, after-sales service, customer satisfaction, and customer loyalty.

### **Sample Size and Sampling Technique**

Sample Size: 150 respondents

**Sampling Technique:** Convenience sampling was adopted due to accessibility and time constraints. Respondents were selected from customers visiting the showroom and service center.

### **Tools for Data Analysis**

The collected data were coded and analyzed using Statistical Package for Social Sciences (SPSS). The following statistical tools were employed:

- Percentage analysis
- Descriptive statistics (Mean and Standard Deviation)
- Chi-square test
- Correlation analysis
- One-way ANOVA
- Simple and Multiple Regression Analysis



**V. DATA ANALYSIS AND INTERPRETATION**

**H1: Promotional offers have a significant impact on customer satisfaction.**

**Table 1: Regression Analysis: Promotional Offers → Customer Satisfaction**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error
1	0.612	0.375	0.371	0.521

**Table2 Coefficients**

Variable	Beta	t-value	Sig.
Constant	—	4.186	0.000
Promotional Offers	0.612	8.742	0.000

Since  $p < 0.05$ , the null hypothesis is rejected. Promotional offers significantly influence customer satisfaction. H1 is accepted.

**H2: Digital marketing has a significant impact on customer satisfaction.**

**Table 3: Regression Analysis: Digital Marketing → Customer Satisfaction**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error
0.584	0.341	0.336	0.547

**Table 4: Coefficients**

Variable	Beta	t-value	Sig.
Digital Marketing	0.584	7.913	0.000

Digital marketing significantly affects customer satisfaction. H2 is accepted.

**H3: Service quality significantly affects customer satisfaction.**

**Table 3: Correlation between Service Quality and Customer Satisfaction**

Variables	Pearson Correlation	Sig. (2-tailed)
Service Quality & Customer Satisfaction	0.721	0.000

A strong positive correlation exists between service quality and customer satisfaction. H3 is accepted.

**H4: Sales staff behavior significantly influences customer satisfaction.**

**Table 4 ANOVA: Sales Staff Behavior and Customer Satisfaction**

Source	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	21.364	3	7.121	10.532	0.000
Within Groups	94.218	146	0.646		
Total	115.582	149			



The significance value is less than 0.05, indicating a statistically significant difference. H4 is accepted.

**Multiple Regression Analysis**

**H5: Promotional offers, digital marketing, service quality, sales staff behavior, and after-sales service jointly influence customer satisfaction.**

**Table 7 Multiple Regression Model Summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error
0.823	0.677	0.668	0.412

**Table 8 Multiple Regression Coefficients**

Predictor	Beta	t-value	Sig.
Promotional Offers	0.218	3.982	0.000
Digital Marketing	0.191	3.421	0.001
Service Quality	0.341	5.862	0.000
Sales Staff Behavior	0.176	2.987	0.003
After-Sales Service	0.254	4.514	0.000

All predictors significantly contribute to customer satisfaction. H7 is accepted.

**VI. CONCLUSION**

The present study concludes that packaging plays a vital and strategic role in influencing consumer purchase decisions and overall sales performance. The findings clearly indicate that packaging is no longer limited to product protection but functions as an effective marketing tool that shapes consumer perception, brand image, and buying behavior. Attractive packaging design elements such as color, shape, material, graphics, and clarity of information significantly enhance product appeal and encourage consumers to make purchase decisions, particularly in competitive retail environments.

The analysis reveals that well-designed packaging strongly influences impulse buying behavior and creates a positive perception of product quality. Consumers tend to associate superior packaging with higher value, reliability, and brand trust, which in turn increases their willingness to pay a premium price. The study also highlights the growing importance of eco-friendly and sustainable packaging, as environmentally responsible packaging positively affects consumer preference and brand reputation.

Overall, the study confirms that innovative, functional, and sustainable packaging contributes to customer satisfaction and improved sales performance. The results suggest that marketers and manufacturers should invest strategically in packaging design to gain competitive advantage, enhance brand differentiation, and strengthen consumer relationships. By aligning packaging attributes with consumer expectations and environmental concerns, organizations can effectively influence purchase behavior and achieve long-term business growth.

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