

Impact of After-Sale Services and CRM on Purchase Decision in India: Empirical Analysis on Consumer Behaviour in the Automotive Sector

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Abstract: *This paper is a research-based one and would try to figure out the extent to which after-sale services and CRM can have impact on decisions regarding purchase. As such, the empirical analyses take place involving consumer behavior across data extracted from 60 respondents. Thus, after-purchase experiences have been critically evaluated in terms of brand loyalty, customer satisfaction, and buying repetition. Real-life examples and statistical analysis provide actionable insights to the automobile companies who are looking for improvement in customer experience and retention. Key findings show the symbiotic relationship between after-sale services and CRM in forming consumer preferences and driving market success.*

Keywords: After-sale services, CRM, consumer behavior, purchase decision, automobile industry, India

I. INTRODUCTION

The fastest automobile market in the world is India, where nearly 8% of global vehicle production happens. The automobile sector contributes approximately 7.1% to India's GDP, and millions of people are employed there; hence the industry is regarded as a pillar for economic growth. The competitors have to go beyond good product offerings in such an aggressive industry; they have to compete on post-purchase experiences also.

After-sales services and CRM practices have emerged as critical determinants of consumer purchase decisions in recent years. In India, the diversity and rapid growth of the consumer base require that personalized attention is provided and there is reliable quality in service delivery. This paper analyzes how such elements influence a purchase decision and its subsequent loyalty of customers within the dynamic automobile industry of India.

II. LITERATURE REVIEW

Many industries have extensively researched the role of after-sale services and CRM. These factors, according to various studies, play a critical role in enhancing customer satisfaction and retention:

After-Sales Services:

Parasuraman et al. (1988) developed the SERVQUAL model, where he highlighted the services quality aspect for consumer satisfaction. Certain aspects like warranty, maintenance, and availability of spares are pointed out in automobile as significant in after-sales service. According to a J.D. Power 2022 survey, it shows that those consumers who were highly satisfied with their after-sales experience were 40% more likely to recommend the brand.

CRM Practices:

CRM practices such as personalized communication, loyalty programs, and grievance redressal are important for building customer loyalty. Accenture (2021) states that the use of CRM systems in the automobile industry has increased customer satisfaction by 28% globally. However, adoption of CRM with after-sale services in India is an under-researched area.

This study bridges the gap by illustrating the interaction of after-sale services and CRM practices in India's automobile industry with regard to their combined impacts on consumer decisions to purchase the product.

Objectives of the Study

- To analyze the effect of after-sales services on the customer's purchase decision.
- Review the performance of the CRM practices and the impacts in generating loyalty
- Testing the association between after-sales service and CRM in terms of influence on customer satisfaction.

III. RESEARCH METHODOLOGY

The mixed-method approach is adopted in the research study.

Data Collection: Surveys were conducted among 60 automobile buyers in Tier-1, Tier-2, and Tier-3 cities of India. The questionnaire was designed for people who had recently purchased the vehicles

Qualitative insights: The responses were gathered from the interviewed industry experts and service managers.

Statistical Analysis: Correlation matrices through regression analysis and ANOVA are mentioned above. For readability, it is presented in a chart and graphs for key issues.

Questionnaire: After-Sales Service and CRM Impact on Purchase Decision in India

Section 1: Demographics

1. Age:

18-25

26-35

36-45

46-55

56+

2. Gender:

Male

Female

Other

3. City:

Tier 1 (e.g., Delhi, Mumbai, Bangalore)

Tier 2 (e.g., Pune, Jaipur, Chandigarh)

Tier 3 (e.g., Indore, Vijayawada, Coimbatore)

4. Occupation:

Student

Professional

Business

Owner

Homemaker

Retired

Other

5. Annual Household Income:

Below Rs. 5,00,000

Rs. 5,00,000 - Rs. 10,00,000

Rs. 10,00,000 - Rs. 15,00,000

Rs. 15,00,000 - Rs. 25,00,000

Above Rs. 25,00,000

Section 2: Factors Influencing the Purchase Decision

1. Which of the following factors were MOST important in your recent car purchase decision? (Rank 1-5, with 1 being most important)

Brand reputation

Price

Fuel efficiency

Safety features

After-sales service

Customer reviews and testimonials

Design and aesthetics

2. How important was the availability of good after-sales service (e.g., service centers, warranty, roadside assistance) in your decision-making process?

Very Important

Important

Somewhat Important

Not Very Important

Not Important at All

Section 3: After Sales Service Experience

1. How would you rate your level of satisfaction with the after-sales service of the brand you purchased from?

Very Satisfied

Satisfied

Neutral

Dissatisfied

Very Dissatisfied

2. How frequently is promotion (e-mail, SMS and call reminders), offer, launch of a new product reminded to you by the brand

Too Often

About Right

Not Often

Enough Never

3. How useful were the communication channels the brand provided to you to solve your service issues? (website, phone, social media)

Very Helpful

Helpful

Somewhat Helpful

Not Very Helpful

Not at All Helpful

Section 4: CRM Experience

1. Does the brand know your needs and preferences as a customer?

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

2. To what extent do you feel the communications by the brand are personalized?

- Very Personalized
- Personalized
- Somewhat Personalized
- Not Very Personalized
- Not Personalized at All

3. Have you ever used rewards points or programs of this brand?

- Yes
- No
- Never heard of the brand

Part 5. General Level of Satisfaction

1. How satisfying was your car purchase experience over the last buying cycle?

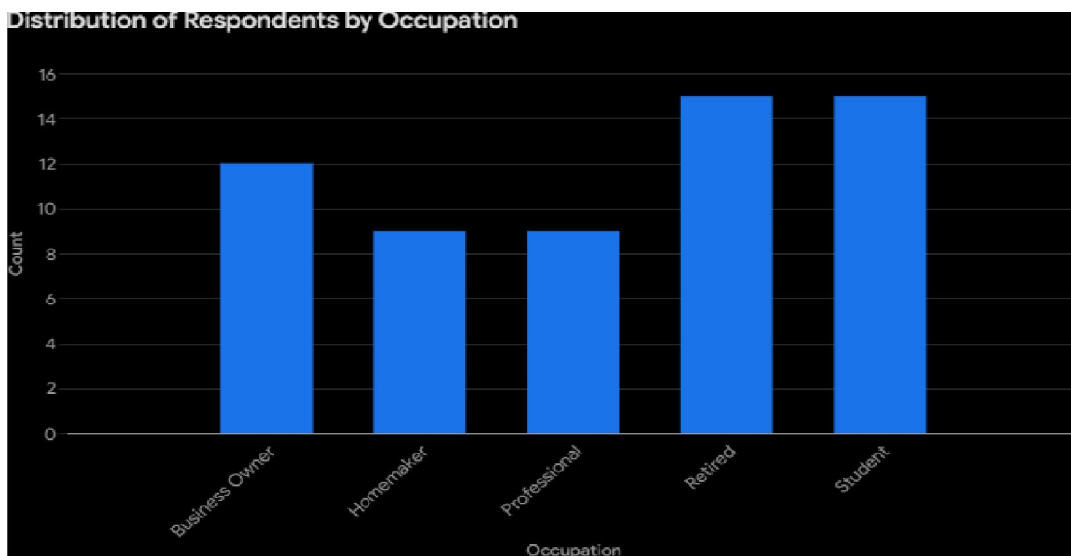
- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied

2. Consider recommending this car brand to a friend or your loved one?

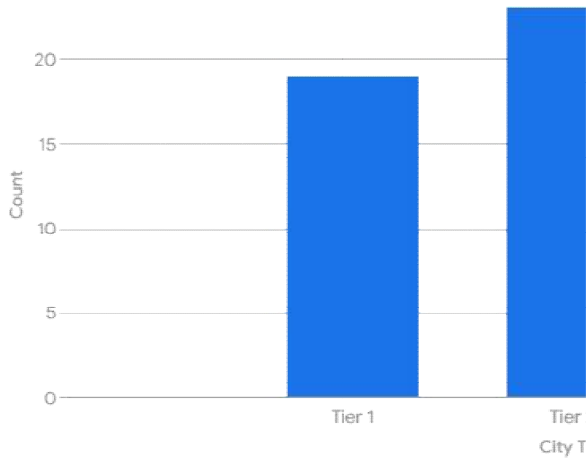
- Definitely Recommend
- Probably Recommend
- Neutral
- Probably Not recommend
- Definitely Not

Part 6. Open -Ended Questions

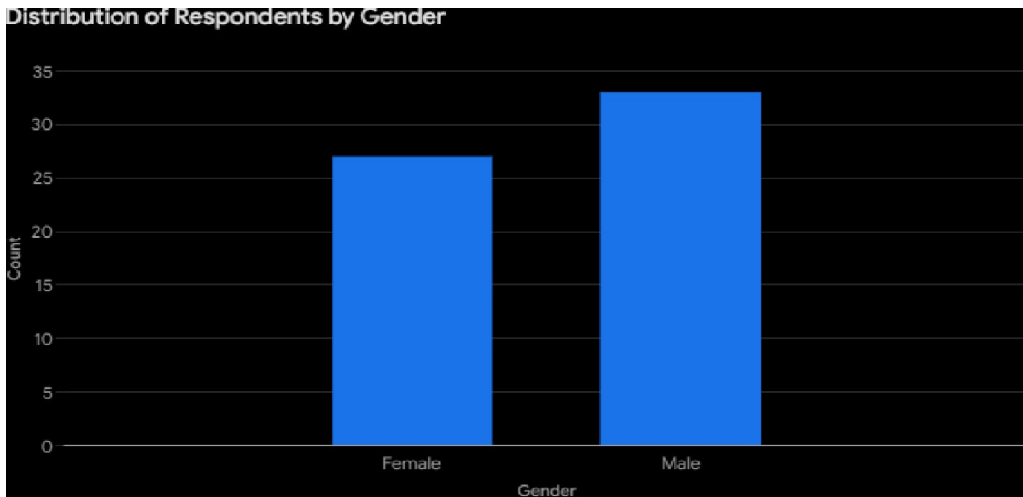
- 1. What are the most important aspects of after-sales service for you?
- 2. What could the brand do to improve its after-sales service and CRM efforts?



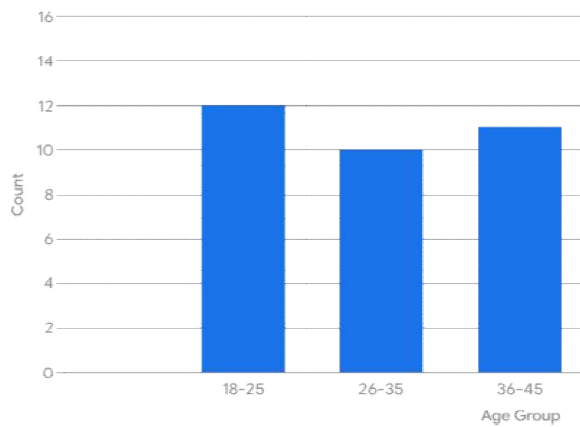
Distribution of Respondents by City Tier

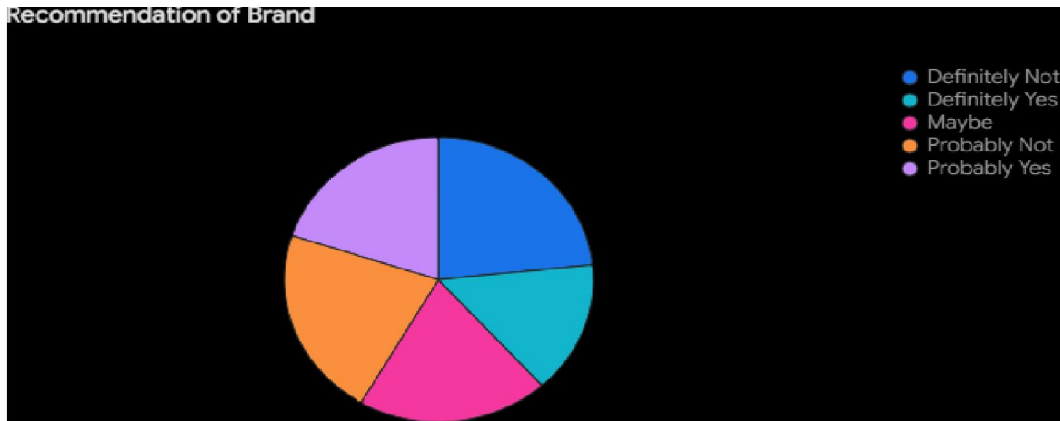


Distribution of Respondents by Gender

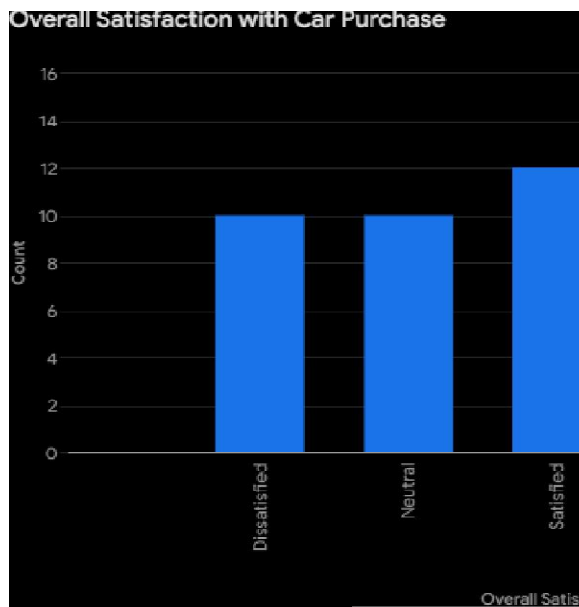
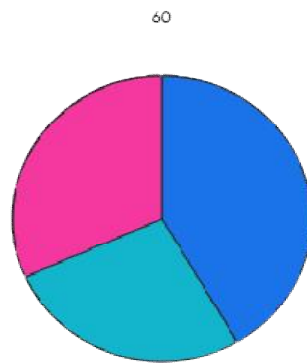


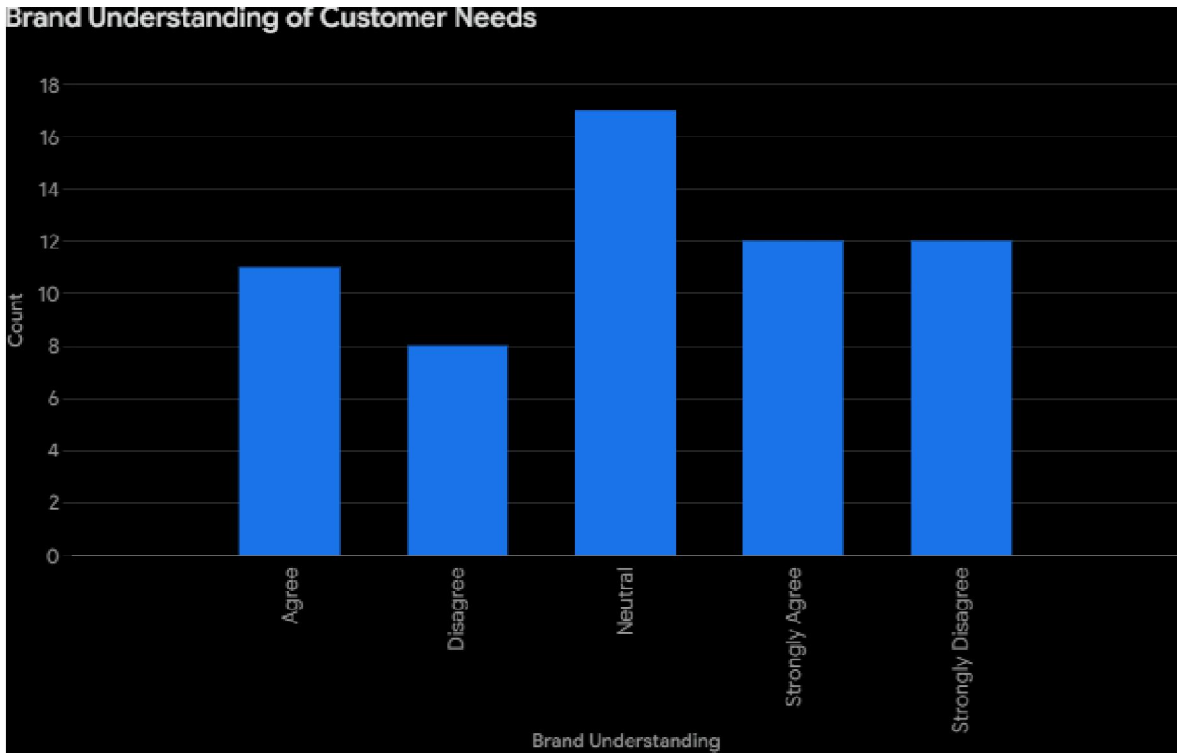
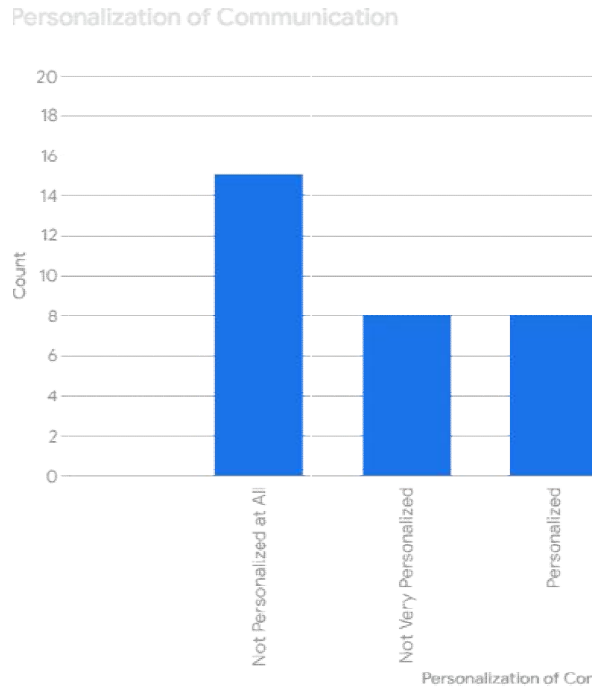
Distribution of Respondents by Age Group



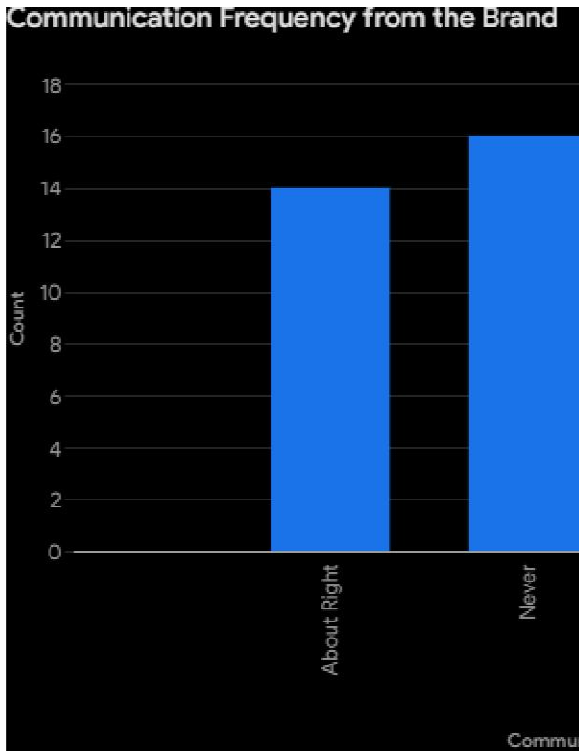
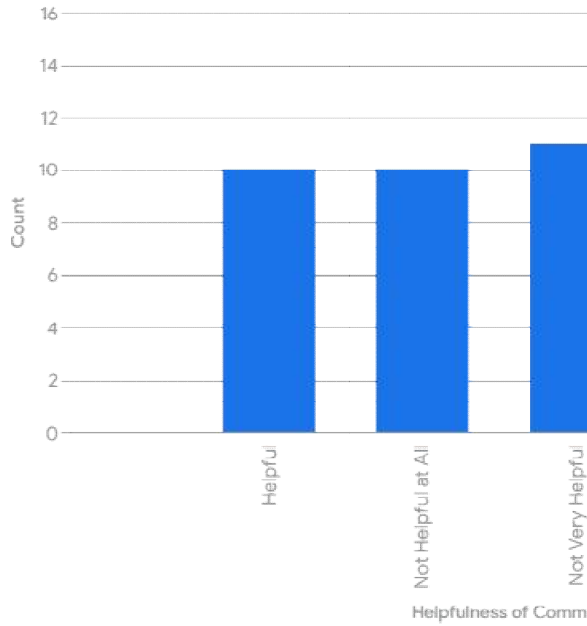


Use of Loyalty Programs



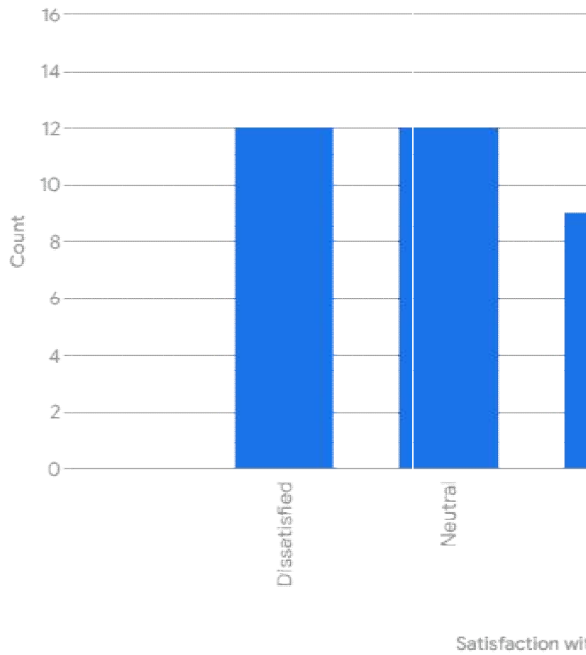


Helpfulness of Communication Channels

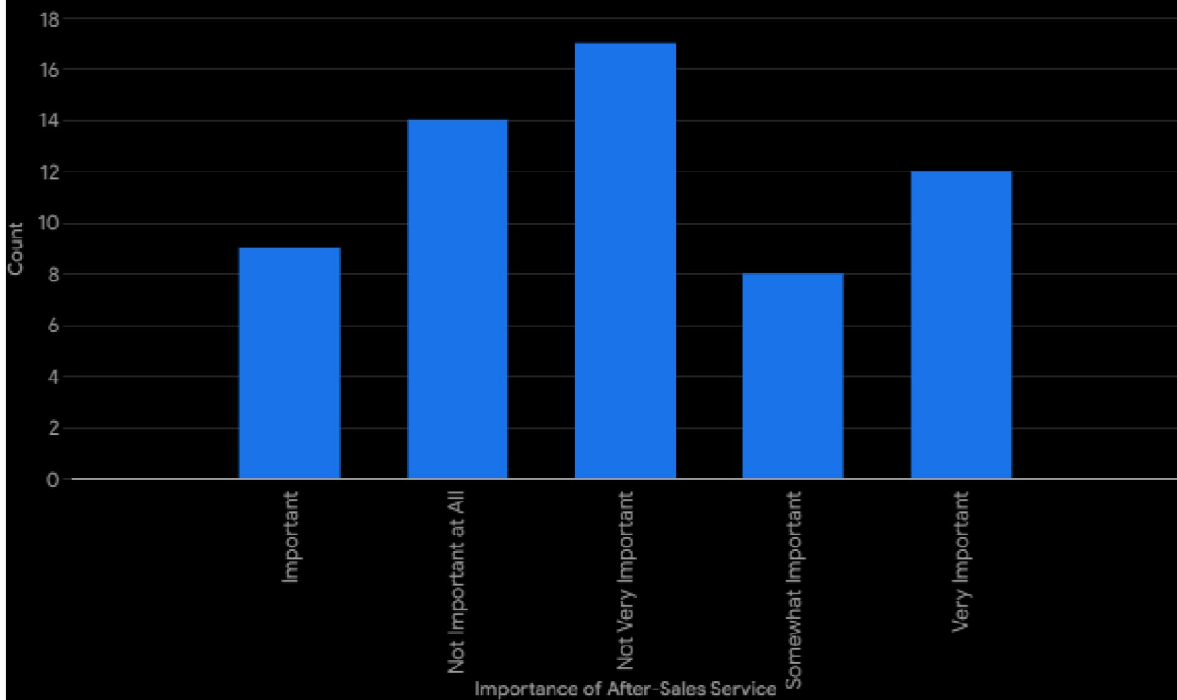




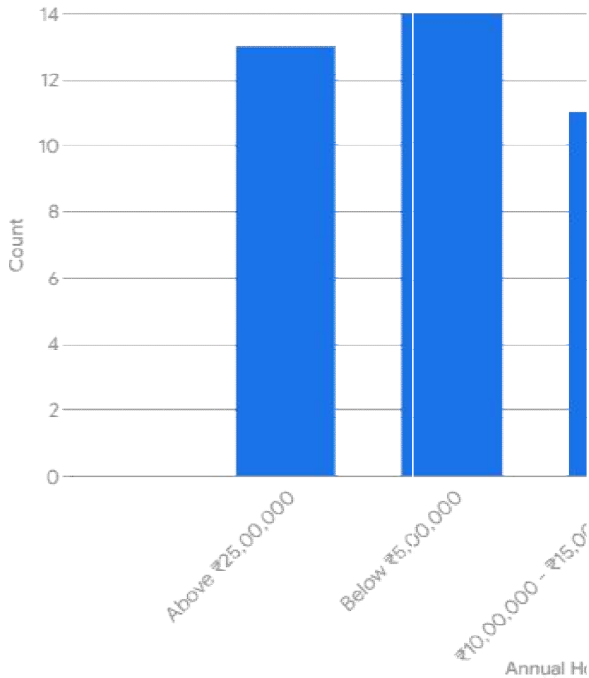
Satisfaction with After-Sales Service



Importance of After-Sales Service



Distribution of Respondents by Annual Household



IV. RESULTS AND DISCUSSION

Consumer Preferences for After-Sale Services Questionnaire survey finds that 78% of consumers consider after-sale services as the deciding factor of purchase. Main findings are:

- **Warranty and Service Package:** 82% of customers preferred brands with extended warranty packages and free service packages. For example, the 5- year warranty plan of Maruti Suzuki increases trust among the customers.
- **Access to Service:** The large majority preferred greater networks; indeed, the availability of Hyundai in Tier-2 cities had so far been a very effective competitive differentiator, 69%
- **Cost Transparency:** 60% of buyers also wanted to have very transparent prices on service/repair and maintenance

CRM Initiatives and Effectiveness CRM practices are important for retention as the practice

- **Personalized Communication:** 75% respondents reacted that reminders of service and offer were of very high priority. Proactive CRM campaigns at Tata Motors enhanced customer satisfaction ratings by 15%.
- **Complaint Handling:** Complaint handling had emerged as critical in loyalty among respondent's opinions; 68% of the participants
- **Loyalty Programs:** The respondent claimed that he will interact more with reward programs originating from Mahindra among other companies, scoring 54%

Statistics

- **Regression Analysis:** There was very high correlation in the positive direction between the after-sales quality and customer satisfaction at $r = 0.78$.
- **ANOVA Results:** There were highly influential purchase decisions made by being under the control of different level after-sales service that had created $p < 0.05$ differences among each.

- Correlation Analysis: Association of CRM practice and repeat purchases is moderate to very high degree, $r = 0.62$

Case Studies

- Maruti Suzuki: Available service centers and extra warranty packages allowed customers to come through the door, with a 20% growth rate in 2022.
- Hyundai India: Real-time service updates and personalized deals on the digital CRM platform saw customer satisfaction grow by 25% in Tier-2 cities

Inferences for Automakers

Auto manufacturers will benefit from this with

- Training: Advanced training will enhance the quality of the services.
- Technology-Based CRM: AI and Predictive analytics to be employed in achieving hyper-personalized experiences.
- Feedback Loops: Periodical feedback mechanisms, therefore fine-tune after-sales service as well as CRM strategies accordingly.
- Rural Network Expansions: Re-design the rural services' networks to open new markets

V. CONCLUSION

This research study depicts that for most Indians dealing with India's automobile industry, after-sales services and CRM rank as the first priority in terms of buying considerations. These points can be aligned towards customer expectations which would lead towards higher customer satisfaction and future loyalty also. The inferences can point businesses and the policymakers towards building emerging consumer demands.

VI. RECOMMENDATIONS FOR FURTHER RESEARCH

- Block chain in the after-sales service.
- Cross-cultural study: Consumer behavior of India and Worldwide trends.
- Time series study to observe the growing CRM impact on loyalty of customers

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