THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION: SPECIAL REFERENCE ON SERVICE STATION FOR MOTOR VEHICLE SERVICE STATION IN KURUNEGALA AREA



RASNAYAKA MUDIYANSELAGE ASELA BANDARA NAWARATHNA



DEPARTMENT OF MANAGEMENT FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA 2018

ABSTRACT

Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the customers' perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. This study mainly focus on theoretically is finding out how applicable the SERVQUAL model is in the context of motor vehicle service station and empirically, describe how customers perceive service quality and whether they are satisfied with services offered by these service station in Kurunegala area.

To attain the objectives of this research project, research questions and hypotheses are developed and tested. Furthermore, each hypothesis is measured accordingly and results obtained are subsequently explained. Other than that, literature reviews are included in this research project as to provide better understanding towards the influential factors for choices of motor vehicle service station towards the research questions and research problems. Primary data were collected through survey questionnaire for this research purposes and 200 sets of questionnaires were distributed to the target respondents which are customers of motor vehicle service station in Kurunegala district. By using Statistical Package for Social Science (SPSS), data collected through survey questionnaires are able to be analysed and results obtained are discussed in the form of table as well as charts. According to the data analysis the major findings indicates that there is; a moderate level impact of service quality on customer satisfaction in motor vehicle industry's service stations. As well as service quality has a strong positive relationship on customer satisfaction in motor vehicle industry's service stations. And also, there is significant impact assurance, responsiveness and empathy on customer satisfaction in motor vehicle industry's service stations. There is no significant impact tangibility and reliability on customer satisfaction. Lastly, managerial implications have been discussed to provide insight and useful information to the motor vehicle service stations. On the other hand, the research study will be developed to assist future researchers in managing limitation.

Keywords: Service Quality, Tangibility, Reliability, Assurance, Responsiveness, Empathy, Customer Satisfaction

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