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Customer Relationship Management and Service Quality in Automobile After-Sales Service: A Study of an Authorised Mahindra Dealership in Latur, India

Makrand Amol Saudagar

MBA Student (Batch 2025–27), School of Business, Indira University, Tathwade, Pune, Maharashtra, India

ABSTRACT

This study examines customer relationship management (CRM) and service quality in the after-sales function of an authorised Mahindra & Mahindra dealership in Latur, Maharashtra. Primary data were collected from 80 customers through a structured questionnaire covering overall satisfaction, selected service attributes, likelihood to recommend, and awareness of service reminders. The findings show that customers viewed staff behaviour, facility cleanliness and technical service quality positively. However, service-delivery timeliness and complaint resolution received comparatively lower ratings. The study also found that 72.5% of respondents recalled receiving a service reminder, while the Net Promoter Score was approximately +30. The paper recommends stronger complaint-resolution procedures, proactive delay communication and more consistent CRM outreach.

Keywords: Customer Relationship Management; Service Quality; SERVQUAL; Customer Satisfaction; Automobile After-Sales Service

1. Introduction

Buying a vehicle is only the beginning of a customer's relationship with an automobile dealership. After the purchase, customers continue to interact with the dealership for scheduled maintenance, warranty-related work, repairs and other service requirements. These repeated interactions can influence whether customers continue using the authorised service centre or shift to an independent workshop. In this context, the quality of the service experience becomes an important part of the overall customer relationship.

Customer relationship management (CRM) in an automobile service centre is closely connected with routine activities. These include opening and explaining job cards, keeping customers informed about service progress, communicating delays, handling complaints and sending reminders before the next scheduled service. Although such activities may appear operational, their cumulative effect can shape customer satisfaction and future service behaviour.

A large part of the existing discussion on automobile CRM focuses on manufacturers, brands or dealer networks. Comparatively less attention is given to what happens at the level of an individual dealership, where local customer expectations, staffing, workshop capacity and operating conditions can affect service delivery. This study therefore examines CRM and service quality at Indomobil Sales & Services Pvt. Ltd., an authorised Mahindra & Mahindra dealership in Latur, Maharashtra.

The study has four objectives: (i) to describe the CRM and service-delivery practices followed at the dealership; (ii) to assess customer satisfaction across selected service parameters; (iii) to examine complaint handling and service-reminder practices as customer-retention mechanisms; and (iv) to develop practical recommendations based on the survey findings. The paper presents the relevant literature, explains the research method, discusses the findings and concludes with managerial implications and limitations.

2. Literature Review

Relationship marketing views customer interactions as part of a continuing relationship rather than as isolated transactions. Kotler and Keller (2016) emphasise the importance of creating and maintaining customer value over time. This perspective is particularly relevant to automobile after-sales service because customers may return to the same dealership several times during the ownership period. A poor service experience can therefore affect not only the current visit but also future visits and recommendations.

SERVQUAL, developed by Parasuraman, Zeithaml, and Berry (1988), remains one of the most widely recognised approaches for examining perceived service quality. The framework considers five dimensions: tangibles, reliability, responsiveness, assurance and empathy. In an automobile service setting,

these dimensions can be reflected in the physical condition of the service facility, consistency of service delivery, speed of response, employee competence and the attention given to individual customers.

Complaint handling is another important part of the customer relationship. The service recovery literature suggests that an effectively managed service failure can sometimes improve a customer's evaluation of the organisation. This makes complaint resolution more than a corrective activity; it can also become an opportunity to rebuild confidence and strengthen the relationship.

Reichheld (2003) introduced Net Promoter Score (NPS) as a simple indicator based on customers' willingness to recommend a business. In this study, the NPS-style question is used as a supplementary indicator of advocacy rather than as a complete measure of customer loyalty.

The Indian automobile market provides the broader context for this study. Industry sources report continued growth in vehicle demand and increasing competition in after-sales service, including competition from independent and multi-brand workshops (ACMA, 2026; IBEF, 2026). Mahindra & Mahindra's strong presence in the Indian SUV market also makes the quality of its dealership-level service experience commercially relevant. Against this background, examining customer experiences at a single dealership can provide useful practical insights, while recognising that the findings cannot automatically be generalised to the entire dealer network.

3. Methodology

The study used a descriptive, cross-sectional research design supported by direct observation of the dealership's service workflow and a structured survey of customers. The research setting was the service centre of Indomobil Sales & Services Pvt. Ltd., an authorised 3S (Sales-Service-Spares) dealership of Mahindra & Mahindra Ltd. in Latur, Maharashtra. Data were collected from 15 May to 15 July 2026.

The sampling frame consisted of customers who collected their serviced vehicles during the study period. Since a complete outlet-level list of potential respondents was not available in advance, convenience sampling was used. A total of 80 customers were approached at the point of vehicle delivery. This approach was practical for the field setting, but it also limits the extent to which the findings can be generalised.

A structured questionnaire was developed around the service-quality dimensions discussed in the literature. It measured overall satisfaction on a five-point scale and obtained ratings for six service parameters: staff behaviour and communication, technical service quality, timeliness of delivery, cost-estimate transparency, complaint resolution and facility cleanliness. Customers were also asked to rate their likelihood of recommending the dealership on a 0–10 scale. An additional yes/no question examined whether respondents recalled receiving a reminder call or SMS before the service visit.

The analysis was primarily descriptive. Frequencies and percentages were used for categorical responses, while mean scores were calculated for the five-point service-parameter ratings. The NPS-style distribution was also calculated by classifying respondents into promoters (scores 9–10), passives (7–8) and detractors (0–6). Given the single-dealership setting and sample size, the analysis focuses on describing patterns in the data rather than making broad statistical generalisations.

4. Results and Discussion

4.1 Overall Customer Satisfaction

The overall satisfaction results show a generally positive customer experience. Of the 80 respondents, 27 (34.0%) were very satisfied and 33 (41.0%) were satisfied. Together, these groups represent 75.0% of the sample. Twelve respondents (15.0%) were neutral, while eight respondents (10.0%) reported dissatisfaction to some degree. The results suggest that the dealership is meeting the expectations of a clear majority of customers, although the dissatisfied group remains important from a retention perspective.

Response Category	No. of Customers	Percentage
Very Satisfied	27	34.0%
Satisfied	33	41.0%
Neutral	12	15.0%
Dissatisfied	6	7.0%
Very Dissatisfied	2	3.0%
Total	80	100.0%

Table 1: Overall Customer Satisfaction with the Service Experience (n = 80)

4.2 Ratings of Individual Service Parameters

The individual service ratings provide a more detailed picture. Staff behaviour and communication received the highest mean score of 4.3, followed by facility cleanliness at 4.2 and technical service quality at 4.1. These results indicate that customers generally had positive views of the dealership's employees, physical environment and technical work.

Cost-estimate transparency recorded a mean score of 3.9, suggesting that customers viewed this aspect reasonably positively but with some room for improvement. The lower scores were recorded for timeliness of service delivery (3.6) and complaint resolution (3.5). These two areas point to a practical service-management challenge: customers may accept the quality of the technical work but become less satisfied when a vehicle is not delivered as expected or when a complaint takes longer to close.

Table 2: Mean Ratings on Specific Service Parameters (5-point scale, n = 80)

Service Parameter	Mean Rating (out of 5)
Staff Behaviour & Communication	4.3
Facility Cleanliness	4.2
Technical Service Quality	4.1
Cost Estimate Transparency	3.9
Timeliness of Service Delivery	3.6
Complaint Resolution	3.5

Figure 1: Mean Ratings on Service Parameters (insert the existing figure from the source manuscript here).

4.3 Likelihood to Recommend and NPS-style Result

The likelihood-to-recommend responses show that 46.0% of respondents were promoters, 38.0% were passives and 16.0% were detractors. On this basis, the NPS is approximately +30 (46.0% – 16.0%). The result indicates a positive level of customer advocacy, although the sizeable passive group suggests that many customers are satisfied without being strongly enthusiastic about recommending the dealership.

Table 3: Likelihood to Recommend the Dealership: NPS-style Distribution (n = 80)

Category	Score Range	Percentage of Respondents
Promoters	9–10	46.0%
Passives	7–8	38.0%
Detractors	0–6	16.0%

Figure 2: Likelihood to Recommend: NPS-style Distribution (insert the existing figure from the source manuscript here).

4.4 Awareness of CRM-based Service Reminders

The survey also examined whether customers recalled receiving a reminder call or SMS before their service visit. Fifty-eight respondents (72.5%) reported receiving or being aware of such a reminder, while 22 respondents (27.5%) did not recall receiving one. This indicates that the dealership's reminder process is reaching a majority of customers, but it is not yet consistent across the full sample.

Table 4: Awareness of CRM-driven Service Reminders (n = 80)

Response	No. of Customers	Percentage
Received a reminder call/SMS before this visit	58	72.5%
Did not receive / not aware of a reminder	22	27.5%

Figure 3: Overall Customer Satisfaction Levels (insert the existing figure from the source manuscript here).

4.5 Discussion

Taken together, the findings show that service quality is not uniform across all customer touchpoints. The strongest ratings relate to employee interaction, facility standards and technical service quality, while timeliness and complaint resolution are weaker. This pattern is consistent with the SERVQUAL perspective that customers can evaluate different dimensions of a service experience differently.

The results also highlight the importance of treating complaint resolution as a distinct managerial activity. A customer may be satisfied with the technical work but still develop a negative overall impression if a complaint is not acknowledged quickly or if responsibility for follow-up is unclear. Similarly, service reminders are useful CRM touchpoints, but their effectiveness depends on accurate customer contact information and consistent execution.

For the dealership, the findings suggest that improving existing processes may be more immediately useful than introducing complex systems. Better communication about expected delivery times, a clear escalation route for complaints and regular checking of customer contact details could address the main weaknesses identified in the survey.

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