



Comparative Comparison of Customers' Satisfaction with Iranian Automotive Industry Products (Case Study: Saipa and Iran Khodro Co.'s).

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ABSTRACT: The first and most important principle of marketing is to focus on customers' needs and wants. In current competitive world, customers and their satisfactions are one of key subjects capable of enabling a company to grow. Regardless of this principle, no company can survive within today's competitive environment. The aim of present research is to answer this question, "is there any significant difference between customers satisfaction (in terms of sale, car characteristics, after - sale services) with Saipa and Iran Khodro products or not?" Present research is applied in terms of its aim and descriptive - survey in terms of nature and methodology. Research population consists of 800 customers of Saipa and Iran khodro products within western part of country during a period of the first half of the year of 2013. The sample was taken simply randomly, the volume of which was set at 260 persons/subjects according to Morgan's table. In this research, data was collected by means of a questionnaire the validity of which was determined nominally by 3 academic professors, and the reliability of which was determined by Cronbach's at 0.711 and 0.822 for customers' satisfaction with Saipa and Iran Khodro products, respectively. Data obtained was analyzed using SPSS software at 2 levels of descriptive and inferential (Paired Samples Test) statistics. Results of present research indicated that there was a significant difference between customers satisfaction (in terms of sale, car characteristics, after - sale services) with Saipa and Iran khodro products which made customers more satisfied than the former did. This research concludes with some recommendations in this Field.

Keywords: Sale, Car Characteristics, After - Sale Services, Saipa & Iran Khodro Products.

ORIGINAL ARTICLE

INTRODUCTION

In modern business environment with its increasing complexity and competition customer satisfaction is becoming the main goal of organizations. A customer satisfaction is his feelings or attitude toward a product or its after-sale service. In other words, customer pleasure or revulsion with regard to a product/service performance is the result of comparison made between purchased product / service and his expectations. Customer satisfaction leads to increased income and profits through repeated shopping, buying new products, and shopping by new customers who were made willing to buy a given product by satisfied customers. In fact customers highly satisfied with on organization convey their positive experiences to others, becoming an advertising means for the organization, thus reducing the costs of customer attraction. Business profitability depends on repeated referral of those customers being proud of having products / services of a company and encouraging their friends to use that company's

product or services. Therefore, it can be claimed that customer satisfaction results in his loyalty, as a result, entails increased reputation of the company and its future increased profitability (Kavandi et al. 2010). For this reason, organizations place special importance on understanding and predicting customers' needs. Experts believe that customers - centered organization enjoy the most useful and practical modus operandi since customers clearly are a crucial and vital factor for an organization survival and growth. Existence of a client within a company equals an asset. Nowadays, companies are required to see themselves on the mirror of the existence of customers and to try to understand their wants and desires within a highly competitive environment, making them completely satisfied with their organizations. For current marketing, the cost of losing one customer equals losing profits related to his life time required services. What is central to a company is collective agreement and movement in the form of

customer - center. These days when customers determine companies' survival in the world economy, organizations can't be indifferent to customers' expectations and wants. They must direct all their activities and capabilities toward customer satisfaction because customers are the only source of return to investment. Therefore, in modern business world, the primary principle is to create customer-friendly values, which is possible only through organizational processes (Judaki, 2010). So it must be said that today marketing is not based on production possibilities but on customer satisfaction. And customer- center is of interest to organizations because customers have become selectors due to supply outstripping demand (Mortazavi et al., 2005). So present research seeks to answer this question, "is there any significant difference between customers satisfaction with Saipa and Iran khodro products or not "?

Problem definition and subject significance

In recent years when bulk goods production possibility has paved the way for supply to outstrip demand. Manufacturers have no remedy but attraction of customer satisfaction in extensively competitive markets. In addition, in modern industrial world, quality of competitive economy has disintegrated previous monopoly sphere within goods production and service delivery so that customer-centered attitude and attraction of customer satisfaction are regarded as one of business principles within the area of the world economic activities', in which case they are not paid attention to, the result is to be eliminated from market scene. If products/ services meet customers' expectations. They feel satisfied and help respective company survive by repeated shopping and encouraging others to buy forms that company. On the other hand, if products / services do not meet customers' expectations , they feel dissatisfied and continuation of this dissatisfaction results in reduced production negative promotion , and , finally , in the company's activity discontinuation (Zaribaf et al., 2008). Eventually it can be said that the biggest capital of a company is its customers. Products come and go, but what creates value for organizations is to establish continuous relationships with customers. So successful organizations are those capable of making long-lasting customers for themselves. Research shows that some of highly successful companies enjoy a rate of customer stay more that 90%. Now many organizations compete regarding the quality of products and providing services to customers in that advancement of technology has increased customers' expectations of properly and timely delivery of services , and , as before , they do not accept any kind of goods.

Increased circulation, building capacity of producing 1,000,000 cars nationwide, and rising car per capita in Iran all have changed customers' expectations toward improvement of quality and timely extensively providing after-sale services. People are no longer concerned about long waiting time, several months or years, with several million tomans prepaid. Instead of waiting for old and low-quality cars, customers expect domestic car- manufacturers to provide spare parts and after- sale services timely and properly. Experience of industrial countries and other world car-manufacturers shows that after passing primary stage of bulk production and supply of car new updated models, it is time to improve quality and offer proper after-sale services , timely delivery of spare parts , providing various and cheap financial provisions , and attract customers satisfaction (Maleki, 2012). In order to continue their industrial life Iranian car - manufacturers are required to provide proper and cheap financial provisions , to offer fast and appropriate after - sale services extensively , and any car - manufacturer who establishes network of fast and appropriate after-sale services and spare parts supply will be more successful in attracting Iranian customers satisfaction and trust, increasing its market share. Based on research done by Juran foundation in 1994 , about 90% of top managers form 200 American big corporations agree that to enhance the level of customer satisfaction results in enhancement of the level of profitability and in on increase in the share of competition market. Nowadays organizations recognize there is a strong relationship among customer satisfaction, customer loyalty, and organizations profits. Within successful organizations, customer satisfaction is considered one of success criteria. Such organizations hugely invest on improving activities which make customers satisfied. But it needs to be considered that given limited resources and possibilities organizations have and given the necessity of meeting customer satisfaction, initially, organizations must identify and prioritize factors influencing customer satisfaction, then, they must take steps to improve customer satisfaction with respect to resources and possibilities limited to them and to importance and priority of factors said (Firuzian et al., 2006). This research tries to identify factors influencing customer satisfaction with purchasing Saipa co.'s cars, which helps Saipa co. pay attention to more important factors in order to increase customers' satisfaction. For present research, the major problem is what factors make customers of car industry satisfied given its conditions in country? On which group of factors playing key roles in attracting customer satisfaction must car-manufacturing companies emphasize? Therefore, this research seeks to answer this question

is there any significant difference between customers satisfaction with products of Saipa and Iran khodro companies or not?

Review of Literature

Akbari et al. (2012) Comparative Comparison of Customers' Satisfaction with Iranian Automotive Industry Products (Case Study: Reno Pars & Pars khodro co.). Results of present research indicated there was a significant difference between customers satisfaction (in terms of sale, car characteristics, after – sale services) with Reno Pars and Pars khodro products which made customers more satisfied than the former did.

Maleki (2012) the Comparison of Customer Satisfaction of Saipa & Iran Khodro Products (Case Study: Kermanshah Town). Results of present research indicated there was a significant difference between customers satisfaction (in terms of sale, car characteristics, after – sale services) with Saipa and Iran khodro products which made customers more satisfied than the former did.

Sharj Sharifi (2011) studied relationship between customer satisfaction and after – sale services provided by car-manufacturing companies (Saipa & Iran khodro). On the basis of hypotheses testing, the results for hypothesis 1 indicated that H_1 was accepted for both companies: and for 2 cars studied, H_1 was accepted for car zantia, but rejected for Peugeot 405. Results from hypotheses 2 and 3 indicated that H_1 was confirmed for both companies and both cars studied.

Masudi et al. (2010) evaluated effectiveness of channels of communicating with customers in viewpoints of car purchasers doing research into Iran khodro co. the results of which showed that TV is the most resonant channel, phone is the best channel for customers to initiate communication, SMS is the best channel for companies to initiate communication, and personal relationship (such as attending service stations) along with websites create the highest satisfaction. Public relations department was not successful in view of buyers, and respondents did not consider desirable the level of communication usefulness. Although they are not using new channels very much now, they are highly willing to do so. Direct communicating channels play more significant roles than expected initially: and service stations and agencies are regarded as the most important communicating channel after selling cars. As a hidden need in markets, want of buyers is that a company uses phone, SMS, and e-mail more to contact them.

Vazir Zanjani et al. (2010) studied and measured customers satisfaction with mixed elements of marketing after-sale services of one of Iranian

companies (subgroup of Saipa) manufacturing heavy vehicles. Results from statistical tests suggest that customers were dissatisfied with all mixed marketing elements, as self- reported. Also, customers placed varying levels of importance on mixed marketing elements in this way that element of products is the most important of all and factor of price is the most preferred of distribution and promotion ones while this last element (promotion) is the least important one.

Behzad (2010) studied strategies of Iran khodro after-sale service organization (Issaco) using SWOT analyzing method, in that study, strategic region assigned to the organization was aggressive including strategies for penetrating markets, expanding markets, and entering global markets through development of export and application of technology in order to improve processes, to enhance services, and to gain social support by placing emphasis on environment.

Sanginabadi (2007) examined customer satisfaction with car Peugeot Roa in terms of selling condition and after- sale services provided by authorized Iran khodro agencies across Kermanshah city.

Firuzian et al (2006) studied weighing and rating factors influencing customer's satisfaction with Saipa co. in Shiraz city who bought their cars (pride 141 & Zantia) during the period of time from March of (2003) to March of (2005). Results of that research showed that car characteristics had the highest weight, compared to other factors, being important to customer satisfaction.

Abdollahian et al. (2006) studied design test , and application of multidisciplinary causal theoretical model to increase customers satisfaction with Iran khodro co. preliminary results of the research indicated that numerical measurement of satisfaction alone does not suffice to understand customers behavior. For instance, customer satisfaction varies with city, gender, and even a specific kind of vehicles. This fact suggests well that to judge about vehicles quality as well as varying levels of customer satisfaction, sole relationship between products and customer expectations is insufficient. In other words, people from different cities in country. For example, have different perceptions of automobiles quality which shape their satisfaction. That study therefore shows that fundamental role in shaping satisfaction with and loyalty to Iran khodro products is played by different factors such as social factors like differing city lifestyles: psychological factors like individual experience of ones (un) willingness toward the car regardless of its mechanical specification: and communicational

factors like human communicational system in which a customer learns the culture of car use.

Hosseini et al. (2003) studied identification and prioritization of factors influencing satisfaction of customers of cars (Peugeot pars, samand, Peugeot 405, Peugeot 206, Peugeot RD, and paykan) with Iran khodro co. Using model of hierarchical analysis process. Results of statistical tests indicated that among about 50 criteria for factors influencing customer satisfaction, 4 criteria, that is, safety, automobile performance, quality of spare parts, and quality of repair are the most important criteria influencing customer's satisfaction with Iran khodro co. s cars, accounting for 50% of customer satisfaction with this company's products.

Research objectives

Major objective: Description of customers satisfaction (in terms of sale, vehicles specifications, after-sale services) with products of Saipa and Iran khodro cos.

Minor objectives:

1. To maintain and increase co.'s market share:
2. To enhance capabilities and improve deficits as well as remove faults:
3. To understand customers' expectations of companies authorized agencies:
4. To identify Saipa and Iran khodro cos. Strengths and weaknesses in view of their customers from western part of country: and
5. To draw attention of employees and managers of Saipa and Iran khodro cos. And of their selling-agencies to the importance of customers and their perception of cos. Performance and produced outputs.

Research questions and hypotheses

The main hypothesis: There is a significant difference between customers' satisfaction whit products of Saipa and Iran khodro cos.

Minor hypotheses:

Hypothesis 1: there is a significant difference between Sale of Saipa and Iran khodro products.

Hypothesis 2: there is a significant difference between car specifications of Saipa and Iran khodro products.

Hypothesis 3: there is a significant difference between after – sale services of Saipa and Iran khodro products.

MATERIALS AND METHODS

Present research is correlatively descriptive-survey one which is among applied researches. For subject literature Section, library method was applied for data collection, a questionnaire was used, and for data

analysis (Paired Samples Test), Spss and excel software was employed; research population consists of 800 customers of Saipa's and Iran khodro's products from cities of Kermanshah, Ilam, Kurdistan, Hamadan, and Lorestan provinces. The sample is taken simply randomly: and the volume of research statistical sample is selected at 260 persons / subjects using Morgan's table and study period includes the first six months of the year of 2013. Cronbach's alpha coefficient is used to determine reliability of respective questionnaire, which is 0.711 and 0.822 for customers' satisfaction with Saipa's and Iran khodro's products respectively. Three academic professors confirm questionnaire validity nominally.

RESULTS

The main hypothesis there is a significant difference between customers' satisfaction with Saipa's products and Iran khodro's.

Research findings of table 5 suggest that: because significance level of two variables of customer satisfaction with Saipa's and Iran khodro's products is 0.000, therefore, it can be said with confidence of 0.100 that difference between their satisfactions is significant statistically. In other words *t* obtained here at 6.04 with freedom degree of 129 and at the level of 0.100 is higher than tabular *t*. given data from table 1, showing 74.76 and 88.05 for means of satisfaction with Saipa and Iran khodro Co's. Respectively, and indicating that the former is lower than the latter, it can be said that customers are more satisfied with Iran khodro that with Saipa.

Hypothesis1: there is a significant difference between Sale of Saipa and Iran khodro products.

Research findings of table 6 suggest that: because significance level of two variables of customer satisfaction with selling products of Iran khodro and Saipa equals 0.513, therefore, it can be said with confidence of 0.487 that difference between their satisfactions is significant statistically. In other words, *t* obtained at 0.66 with freedom degree of 129 and at the level of 0.487 is higher than tabular *t*. given data from table 2, showing 30.97 for mean of customer satisfaction with Saipa's product selling and 31.57 for that of Iran khodro's, it can be said that the level of satisfaction with the latter is higher than that of the former.

Hypothesis2: there is a significant difference between car specifications of Saipa and Iran khodro products.

Research findings of table 6 suggest that: because significance level of two variables of customer satisfaction with specifications of products of Iran khodro and Saipa is 0.000, therefore, it can be said with confidence of 0.100 that difference between their satisfactions is significant statistically. In other words, *t*

obtained at 4.42 with freedom degree of 129 and at the level of 0.100 is higher than tabular t . given data form table 3, showing 15.88 and 18.36 for means of customer satisfaction with Saipa's car specifications and Iran khodro's, respectively, it can be said that the level of customer satisfaction with Iran khodro's product specification is higher than that of Saipa's.

Hypothesis3: there is a significant difference between after-sale services of Saipa and Iran khodro products.

Research findings of table 6 suggest that: because significance level of two variables of customer satisfaction with Products and after-sale services of Saipa and Iran khodro co's is 0.000, therefore, it can be said with Confidence of 0.100 that difference between their satisfactions is significant statistically. In other words, t obtained at 9.50 with freedom degree

of 129 and at the level of 0.100 is higher than tabular t . given data form table 4, showing 27.92 and 38.12 for means of customer satisfaction with after- sale services of Saipa and Iran khodro, respectively, it can be said that the level of customer satisfaction with after – sale services of Iran khodro is higher than that of Saipa.

Note: These tables (1, 2, 3, 4) gives correlation rate of satisfaction with Saipa and Iran khodro in terms of products (sale, car specifications, after-sale services), which is extremely low and insignificant statistically. But their means difference, which is indicative of different levels of customers satisfaction with both co.'s product (sale, car specifications, after-sale services) is completely significant, as shown in respectively tables (5 & 6).

Table 1. Data calculations of the main hypothesis

Paired Samples Statistics						Paired Samples Correlations		
Hypothesis	Companies	Mean	N	SD	SD Err.	N	Correlation	Sig.
The main hypothesis	Saipa	74.76	130	14.90	1.31	130	-0.072	0.414
	Iran Khodro	88.05	130	19.14	1.68			

Table 2. Data calculations of Hypothesis1

Paired Samples Statistics						Paired Samples Correlations		
Hypothesis	Companies	Mean	N	SD	SD Err.	N	Correlation	Sig.
1	Saipa	30.97	130	6.74	0.59	130	-0.141	0.110
	Iran Khodro	31.57	130	7.06	0.62			

Table 3. Data calculations of Hypothesis2

Paired Samples Statistics						Paired Samples Correlations		
Hypothesis	Companies	Mean	N	SD	SD Err.	N	Correlation	Sig.
2	Saipa	15.88	130	4.25	0.37	130	0.070	0.429
	Iran Khodro	18.36	130	5.10	0.45			

Table 4. Data calculations of Hypothesis3

Paired Samples Statistics						Paired Samples Correlations		
Hypothesis	Companies	Mean	N	SD	SD Err.	N	Correlation	Sig.
3	Saipa	27.92	130	7.30	0.64	130	-0.052	0.554
	Iran Khodro	38.12	130	9.47	0.83			

Table 5. Data calculations of the main hypothesis

Paired Samples Test									
Hypothesis	Companies	Mean	SD	SD Err.	0.95 Confidence Interval of the Difference		T	df	Sig.
					Lower	Upper			
					The main hypothesis	Saipa & Iran Khodro			

Table 6. Data calculations of Hypothesis1, 2 & 3

Paired Samples Test									
Hypothesis	Companies	Mean	SD	SD Err.	0.95 Confidence Interval of the Difference		T	df	Sig.
					Lower	Upper			
					1	Saipa & Iran Khodro			
2	Saipa & Iran Khodro	2.49	6.41	0.56	1.37	3.60	0.66	129	0.000
3	Saipa & Iran Khodro	10.20	12.25	1.08	8.07	12.33	9.50	129	0.000

DISCUSSION

In order to maintain and increase their market shares, manufacturing companies need findings of communicational and behavioral sciences in order to understand customer behavior, personality, attitudes, beliefs, and perception. They also need appropriate and clear tact's, methods, and techniques to attract customer satisfaction with products / services received. Research done in the field of service management shows no vague point requiring analysis or revision is left. On the contrary not many studies have been carried out in connection to encountering services. For this reason, new executive managers and researchers are advised to pay a great deal of attention, according to the model presented in this research to psychology of encountering services (while encountering services, customers exhibit such complex and delicate feelings that they can't be expressed by words). Perhaps no research has been done in this area, which is an important factor influencing customer satisfaction, across the country and / or within companies; reflecting customer views, opinions, and perceptions can be effective in increasing / decreasing a company's sale. According to the model of this research, therefore, it is recommended that following factors be studied:

1. Effects of situational on customers perceptions of satisfaction;
2. Effects of individual on customers perceptions of satisfaction;
3. Examination of customer satisfaction according to index of comprehensive performance measurement (BFC): and
4. Examination of customer satisfaction according to index AHP.

Applied recommendations

With respect to results obtained from hypotheses, necessary recommendations related to each hypothesis are provided as follows:

Hypothesis1: products selling

- 1.Reducing costs of Iran khodro and Saipa co's in order to lower the price of automobiles:
- 2.Long - term installment conditions of granting cars to society middle-class low-income customers of Iran khodro and Saipa:

Hypothesis2: products specifications

- 1.Innovation and invention are always important and effective in production / services activities:
- 2.Increasing auto safety by companies and making R&D (Research & Development) unit more active for better brake system of cars:

- 3.shortening the time of auto delivery after selling cars with deliverables being in conformity with customized desirable color : and
- 4.Providing vehicles with newer parts and possibilities for competing in the market.

Hypothesis3: products after-sale services

- 1.It is recommended that Saipa and Iran khodro establish confidence and trust, which are the most important factors for these companies to be superior to their rivals, among customers by observing honesty, diversity of services and quality of spare parts in order to make customers satisfied while attracting potential customers.
- 2.better treatment of customers by selling / after-selling agencies in addition to offer them appropriate modus operand: in this regard, employees of sale and after sale services departments must be trained how to respond to customers in order to appreciate and show respect, according to customer - center theory, for customers, especially those criticizing them and pointing out their demerits, and to build emotional system among employees, and to strengthen innovative and creative power.
- 3.To repair products within agencies, and to train employees / workers of authorized central service. Stations: to provide services in such a way that spare parts are made available to agencies' and that customers can attend service stations in order for them to be trained after the task of repairment is done.
- 4.To treat customers properly while contacting on the phone or personally in order to put advertising slogans of company in to practice. After each turn of repair, these companies should survey their customers, by sending them recommendation/ critique cards, to know their opinions about service quality, employee's behavior, and price of services.
- 5.To introduce new service stations: to increase authorized selling and after-sale services agencies: and to establish round - the - clock service stations.
- 6.To attract customer satisfaction, sale departments must provide useful information and consultation while reducing waiting time between applying and receiving services.
- 7.Subjectivism of repairs must be taken seriously in Iran khodro authorized service stations. Efforts should be made in order to lower costs through scientific management methods and to modify customers' subjectivity in this field, that is, customers should be contacted by phone or

mail, and be given consultation and advice in order for them to stick such things in their minds.

8. To resolve dissatisfaction, it is necessary for agencies employees to observe order and discipline.

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