



A Study on impact of service quality on customer loyalty with reference to Raja traders

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Abstract: This research aims to examine the impact of service quality on customer loyalty. It also outlines the significance of understanding customer satisfaction and how customers distinguish service delivery. Total of 150 questionnaires sent to respondents. This data, therefore, formed the basis for the analysis. The study entailed the use of qualitative descriptive research and Open-ended questionnaires were used for data collection. The study showed that customers become loyal when employees respond to their requests as expected, when employees become active to make customers feel and secure in their transactions, when employees give customers individual attention and understand customers' Therefore, the study concludes that service quality has a positive and significant effect on customer loyalty. That means service quality variables such as tangibility, responsiveness, reliability, assurance, and empathy have a positive influence on customer loyalty.

Keywords – service quality, oil industry, customer loyalty, Descriptive methodology.

I INTRODUCTION TO THE TOPIC

INTRODUCTION

Customer loyalty occurs when a customer chooses something and does it. Trust comes from customer behavior. Customer reviews can indicate satisfaction with a company, but satisfaction does not equal loyalty. Customers may be nice, but trust is still lacking. Of course, this is only a small part of the puzzle. If your customers don't like you or your company and don't trust what you say and do, you won't earn their loyalty. Customer loyalty is about attracting the right customers, making it easy to meet their needs, and building trust in your employees and your business. Loyal customers will buy the products you recommend because they trust you. They are buying more and more frequently, and price is often not a factor in their purchasing decisions. And most importantly, you can attract more customers. But the goal is not how to gain your customers' trust.

OBJECTIVES OF THE STUDY

- 1.To know the degree of acceptance of oil products from the firm by the customers.
- 2.To learn about whether the service quality being offered is satisfactory or not for the customers.
- 3.This research aims to examine the impact of service quality on customer loyalty in Raja Traders.

SCOPE OF THE STUDY

It will help the company in introducing the various verticals of products among the loyal customers of the brand. This research aims to determine the impact of service quality on customer satisfaction in oil Sales. The study's is to establish how an increase or decline in service quality affects customer feedback. It acts as deciding factor on the pricing strategies of the company in near future. This study will help the company in expansion of the business.

NEED OF THE STUDY

It will help for the betterment of both business and customer satisfaction. To know about the reasons for customers retaining the brand. It will aid in learning about the preferences of the common people and about brand recognition among the customers. It also aids in the growth of the company and serve the customer on better condition. It also helps in retention of the customers of the company. This Study will complement the business by helping them to make good critical decisions.

II REVIEW OF LITERATURE

1.Khan et al (2022), suggests Customer loyalty plays a crucial role in business success, forming a strong foundation for long-term growth and stability. A loyal customer is not only a steady source of income but also a key to reducing the cost of acquiring new customers. In increasingly competitive environments, retaining existing customers is often more economical and yields stable revenue. Furthermore, customer loyalty will impact the sustainability of the company because loyal customers engage in repeat purchases, expand the range of products or services, and contribute to positive promotion through recommendations to friends.

2.Supriyanto et al (2021), emphasizing that the higher the service quality provided by a company, the closer the emotional attachment of customers to that company. Optimal service quality creates a positive experience that can build a stronger relationship between the company and customers. Excellent service quality can be a primary trigger for customers to transact repeatedly with the company, driving the formation of sustainable loyalty. Also state that customer loyalty is considered an indicator of the strength of the relationship between customer attitudes and loyalty in conducting repeated business with a company.

3.Parmler (2021), says that to remain relevant and competitive amid intense business competition, companies must pay special attention to service quality that can create customer satisfaction. In a dynamic and changing business environment, customer satisfaction is not just a goal but a key to building and maintaining a loyal customer base by providing high-quality services, companies can create a positive experience for customers, strengthen emotional bonds, and evoke preferences for the company.

4.Gopi (2020), analysed how customer satisfaction impacts performance within the hotel industry in Oman. The investigation reported that clients were content with the standards of food offered, the reception, and the reservation factor. Moreover, customers fairly rated product prices, hotel amenities, and security features. Despite that, clients were unhappy with the personalized services provided by the hotel industry. Also, noted that customer satisfaction led to positive aspects like improvement in hotel image, market share, and sales.

III RESEARCH METHODOLOGY

RESEARCH DESIGN

This paper has employed a descriptive research method. This study aims to analyze the customer's perception of the dimension of service quality. Thus, a descriptive research design is adopted to analyze the overall perception of a customer on the service quality of Raja Traders.

METHOD OF DATA COLLECTION

This paper is solely based on the primary data. Self-administered questionnaires have been used to collect the data. The interview method was employed while the data was collected. Secondary data refers to the data that are already collected by some researchers in the past and is available in published or unpublished form. The secondary data for this study has been obtained.

SAMPLING SIZE

The sampling size for this study will be 150 customers of the Raja Traders.

TOOLS FOR DATA ANALYSIS

The tools for data analysis will involve descriptive statistics and inferential statistics. Descriptive statistics will be used to summarize the data collected, while inferential statistics will be used to test hypothesis and identify significant relationship between variables. The data will be analyzed using statistical software SPSS.

Percentage analysis:

Percentage analysis in research methodology refers to a statistical technique used to analyze data and express it in terms of percentages. It involves converting raw data into percentages to facilitate comparison, interpretation, and presentation of data in a more understandable and concise manner.

Chi-Square Test:

Chi Square test of homogeneity is used to determine if two or more independent sample vary by distribution on a single variable. A common use of this test is to compare two or more groups or conditions on a categorical result. Formulation of omnibus test statistic is formed as independence test and homogeneity test.

Correlation:

Correlation refers to a statistical measure that describes the extent to which two variables change together. In simpler terms, it indicates whether and how much two variables are related to each other.

SCALING METHOD

The scaling method for this study will be a Likert scale, which will be used to measure the responses of customers to the survey questionnaire. The Likert scale is a commonly used scaling method that allows respondents to indicate their level of agreement or disagreement with a statement.

IV DATA ANALYSIS AND INTERPRETATION

Data analysis is a process of inspecting, cleaning, transforming and modelling data with the goal of discovering useful information, informing conclusions and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains. It provides a deeper understanding of processes, behaviors, and trends..

4.1 PERCENTAGE ANALYSIS

TABLE 4.1.1 Products offered are good in quality

	Frequency	Percentage
Strongly Disagree	0	0%
Disagree	9	6%
Neutral	50	33.3%
Agree	44	29.3%
Strongly Agree	47	31.3%
Total	150	100%

Inference:

From the above Table No: 4.1.1, It was found that 33.3% of respondents are Neutral about the products offered are good in quality,31.3% of respondents are strongly agree about the products offered are good in quality,29.3% of respondents are agree about the products offered are good in quality,6.0% of respondents are disagree about the products offered are good in quality.

4.2 CHI-SQUARE TEST

4.2.1 HYPOTHESIS STATEMENT

H₀ – There is no significant relationship between Gender and I will encourage friends and relatives to use the services offered by the firm

H₁ – There is a significant relationship between Gender and I will encourage friends and relatives to use the services offered by the firm

TABLE 4.4.1

Gender and I will encourage friends and relatives to use the services offered by the firm

	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi-Square	4.99	3	0.17
Likelihood Ratio	5.03	3	0.17
Linear-by-Linear Association	4.91	1	0.02
N of Valid Cases	150		

Inference

From the above Table No: 4.2.1, it was found that the Pearson Chi-Square significant value is 0.17 which is greater than 0.05. Hence Null hypothesis (H₀) is accepted and Alternative hypothesis (H₁) is rejected. Therefore, it is inferred that there is a no significance relationship between Gender and I will encourage friends and relatives to use the services offered by the firm.

4.2.2 HYPOTHESIS STATEMENT

H₀ – There is no significant relationship between the Age of the respondent and the Products offered are good in quality

H₁ – There is a significant relationship between the Age of the respondent and the Products offered are good in quality

TABLE 4.2.2

The Age of the respondent and the Products offered are good in quality

	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi-Square	31.36	9	0.00
Likelihood Ratio	30.24	9	0.00
Linear-by-Linear Association	6.21	1	0.013
N of Valid Cases	150		

Inference

From the above Table No: 4.2.2, it was found that the Pearson Chi-Square significant value is 0.00 which is less than 0.05. Hence, Null hypothesis (H₀) is rejected and alternative hypothesis (H₁) is accepted. Therefore, it is inferred that there is a significance relationship between the age of the respondent and the Products offered are good in quality.

4.3 CORRELATION

4.3.1 HYPOTHESIS STATEMENT

H₀ – There is no significant correlation between the oil mill has modern equipment and the oil Mill has visually appealing material associated with the service.

H1 – There is a significant correlation between the oil mill has modern equipment and the oil Mill has visually appealing material associated with the service.

TABLE 4.3.1

The oil Mill has modern equipment and the oil Mill has visually appealing material associated with the service

		The oil mill has modern equipment	The oil mill has visually appealing material associated with the service
The oil mill has modern equipment	Pearson Correlation	1.00	0.44
	Sig. (2-tailed)		0.00
The oil mill has visually appealing material associated with the service	Pearson Correlation	0.44	1.00
	Sig. (2-tailed)	0.00	

Inference

From the above correlation table 4.3.1, it can be seen that the correlation coefficient value is 0.448 which lies in the low correlation region. Since p-value (0.00) < 0.05, we accept the alternate hypothesis. It can be concluded that there is significant correlation between the oil mill has modern equipment and the oil mill has visually appealing material associated with the service.

4.3.2 HYPOTHESIS STATEMENT

H0 – There is no significant correlation between I am willing to say positive things about the company to other people and the Brand instills confidence in your business.

H1 – There is a significant correlation between I am willing to say positive things about the company to other people and the Brand instills confidence in your business.

TABLE 4.3.2

I am willing to say positive things about the company to other people and The Brand instills confidence in your business

		I am willing to say positive things about the company to other people	The Brand instills confidence in your business
I am willing to say positive things about the company to other people	Pearson Correlation	1.00	0.43
	Sig. (2-tailed)		0.00
The Brand instills confidence in your business	Pearson Correlation	0.43	1.00
	Sig. (2-tailed)	0.00	

Inference

From the above correlation table 4.3.2, it can be seen that the correlation coefficient value is 0.432 which lies in the low correlation region. Since p-value (0.00) < 0.05, we accept the alternate hypothesis. It can be concluded that there is significant correlation between I am willing to say positive things about the company to other people and the Brand instills confidence in your business

V FINDINGS

- 1.The majority 33.3% of respondents are Neutral about the products offered are good in quality.
- 2.There is a no significance relationship between Gender and I will encourage friends and relatives to use the services offered by the firm.
3. There is a significance relationship between the age of the respondent and the Products offered are good in quality.
4. There is significant correlation between the oil mill has modern equipment and the oil mill has visually appealing material associated with the service.
- 5.There is significant correlation between I am willing to say positive things about the company to other people and the Brand instills confidence in your business.

VI SUGGESTIONS

Consumers are becoming more health concerned these days. As a result, in order to attract more customers, the producer must prioritize quality. It was suggested to have more manpower in service and delivery and the company could try innovative designs in Tins and Bottles. It Could enhance the mill by implementing the 5 S and reduce waste by recusing the materials. The Mill could

keep a check on the usage of the plastics and rubbers. It was noted that it can utilize the social media better for marketing. Producers should also focus on attractive packaging so that consumers are attracted to their items.

VII CONCLUSION

The study aimed to analyze the service quality's impact on customer loyalty and 150 samples were taken for the research. Data was collected through a self-administrated questionnaire across the customers of Raja Traders by simple random sampling method and it was found that customers are moderately satisfied with the service quality that firm delivers to its customers. Yet there were lot of room for improvements in the service delivery and marketing departments of the firm. It was evident from the study that the service quality has a major impact on retention of the customers which in turn will also increase the customer lifetime value for the company.

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