Product and Dealer Experience as Antecedents to Brand Loyalty among Car Buyers

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Abstract

As countries emerge from the pangs of the pandemic, the rules of customer activation, engagement and advocacy are being rewritten. The researcher examines how functional and psychological benefits accrued from product attributes and the sales & service experience translate into loyalty for car buyers in an emerging market. There is a need for a comprehensive model examining the interrelationships between product, salesperson and dealer experience and brand loyalty. A structured questionnaire survey is administered to car buyers chosen through Systematic Random Sampling of customers from dealerships of a leading foreign car manufacturer. Subsequent analysis identifies customer satisfaction with the sales and service experience as being the most important variable influencing both dealer loyalty and brand loyalty, followed by satisfaction with product attributes. However, it is only when product satisfaction levels are low that other factors like after-sales & service experience and dealer loyalty become means for customer retention. Salesperson loyalty follows naturally from close the first customer-brand interactions while establishing dealer loyalty is a time-consuming process requiring multiple interactionsThe study takes a fresh look at the brand loyalty construct. Knowing that car buyers assign primary importance to product satisfaction, only in the absence of which other frills like service quality and dealer efficiency get noticed, can be of help to manufacturers in strategic planning. Additionally, the revelation that the salesperson- affinity is synonymous with product and dealer satisfaction for first time car buyers, forces dealers to revisit their human resource management policies.

Keywords

Dealer Experience, Brand Loyalty, Customer Satisfaction, Service Quality, Purchase Intention, Customer Experience

1. Introduction

The global automobile market is growing at a steady pace and is expected to rise to $3800 billion by 2030 from the present $2755 billion, forecasts a study by McKinsey & Company (2016). It is a fact that focus in this sector has shifted from established markets to emerging markets like China and India. With shared mobility on the rise, there is a significant drop in personal car ownership in many developed countries on account of reliance on advanced public transport systems, tightening

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regulatory controls on car ownership and changing consumer preferences of millennials who view the cause of environmental protection and responsible consumption seriously (McKinsey, 2016). On the contrary, the overall size and growth of the Indian automobile industry is impressive, making it the 4th largest in the world with an annual turnover of $100 billion (Joshy, 2020). In 2019, the automobile industry contributed 7.5% of India's GDP and 49% of the manufacturing GDP (Goyal, 2019).

However, of late the industry has been hit by stringent environment regulations, increased popularity for shared mobility and spiralling fuel prices. With an average of 20 new automotive sub-brands being introduced into the Indian market each year (Kamble et al., 2020), the threat to established brands is already large. Add to this the impact of COVID 19 on supply chain disruptions and new customer acquisition processes, and the going couldn't have been tougher. As a resurrection strategy, firms must now focus on loyalty building measures that maximise Customer Lifetime Value and Share of Wallet through Customer Relationship Management. This is no easy feat, given that Indian consumers are considerably sceptical, highly deal prone and amongst the most demanding in the world (Sharma et al., 2020). A study by Kamble et al. (2020) show that consumer repurchase intentions from the same brand fall by 20% when it comes to replacing personal vehicles. Though there is a pressing need to increase customer loyalty by enhancing product and service quality, it seems to be a difficult task due to complex multi-level channel arrangements and point-to-point relationships that exist in the industry (like the manufacturer to dealer relationship; dealer to buyer relationship; buyer to salesperson relationship, etc.). Automobile manufacturers must strategically manage these relationships at various touch points in order to bring down the chances of losing their customers to competitors.

Customer satisfaction with products, sales service, and aftersales service have traditionally remained primary predictors of brand loyalty in the automobile industry (Khan et al., 2016; Yadav & Joseph, 201). According to research conducted by McKinsey (2016), price-quality equation and reliable customer service are also brand virtues that sway Indian consumers. Studies undertaken in other Asian markets regard dealer loyalty and salesperson loyalty as antecedents to brand loyalty (Xue & Chen, 2020; Xu et al., 2017). These researchers acknowledge the crucial role of dealers in helping manufacturers sell their products across different markets and adding value in terms of service quality, showroom performance, etc. The role of well qualified and trained sales personnel in meeting expected standards during the service encounter and beyond are also well documented in global literature (Arditto et al., 2020; Akaeze & Akaeze, 2017; Palmatier et al., 2007).

While the effects of product experience, dealer loyalty and salesperson loyalty have been examined separately in the context of customer loyalty, a comprehensive depiction of the interrelationships between these constructs on brand loyalty is conspicuously absent. The present literature is also plagued by inconsistent findings within available works (Famiyeh et al., 2018) calling upon further research to address this gap. Above all, these interrelationships require urgent re-examining in the changed backdrop of the new normal. Given that customer retention is the corporate mantra in the aftermath of the pandemic, this study also contributes significantly to advances in customer relationship management. In seeking to understand the relative importance of various factors in establishing brand loyalty, the study explores the following objectives:

- Test a conceptual framework of brand loyalty based on relevant product and dealer attributes.
- Evaluate moderating effects of buyer-dealer familiarity on salesperson loyalty, dealer loyalty and brand loyalty

- Examine interaction effects of product satisfaction and satisfaction with sales & service on dealer loyalty and brand loyalty

2. Literature Review and Hypothesis Development

a) *Customer Satisfaction*

Customer satisfaction is the extent to which a brand's products and services meet or outperform the expectations of customers (Goyal and Singh, 2019). Amineh and Kosach (2016) state that customers create a template in their mind in the pre-purchase stage based on their specific requirements related to products and services, which is then compared with the actual performance. According to Schneider (2014), customers evaluate service performance at three stages: pre-purchase, at purchase, and post-purchase. Customer satisfaction results in brand credibility, relationship continuity, brand advocacy and greater share of purchase wallet (Shams et al., 2020; Hollebeek and Rather, 2019).

b) *Dealer Loyalty*

According to Konrad (2019), dealer loyalty is the customers' positive feeling for the dealership that is exhibited in their repurchase intentions and other related interactions. Teli and Murumkar (2018) suggest that dealerships have a crucial role in developing the fundamental and continuing relationships between customers and the manufacturer brands. Consumers are found to evaluate dealers on timely and reliable response mechanisms and credibility reflected in trust worthiness and expertise. Research indicates that repeated interactions with a dealer lowers risk perception and customer defection possibilities (Natarajan, 2017; Akaeze & Akaeze, 2017).

c) *Salesperson Loyalty*

Salespersons function as a critical link between the automotive brand and its existing and potential customers (Baumann et al., 2017). The strengthening of the relationship between consumer and brand rests upon the sales team's effective management of the service experience (Arditto et al., 2019). According to Echchakoui (2016), salespersons not only engage in the value delivery process but also have an indispensable role in the value creation process by virtue of their contribution to the experience. Frontline sales staff build strong loyalty bonds with customers by keeping communication channels with them live. These bonds are difficult to break and may result in customer attrition if the salespersons move out (Palmatier et al., 2007; Hossain and Chonko, 2017). According to Arditto et al. (2019) salesperson loyalty positively impacts consumer tolerance of price, repurchase intention, brand advocacy to friends and family, and readiness for cross-purchase.

d) *Brand Loyalty*

Brand Loyalty refers to a customer's brand commitment that translates into repurchase intentions, positive word of mouth, and low price-sensitivity (Giovanis and Athanasopoulou, 2017). Retaining existing customers makes good business sense as they involve lower acquisition costs, are less price-sensitive, require less incentives to buy and offer greater lifetime value to the firm in the long run (Othman et al., 2017). Brand research conducted in India discloses that sales and service experience along with value congruence and credibility significantly affect brand recall, subsequently impacting attachment, advocacy and loyalty (Fernandes and Moreira, 2019). Loyalty can be behavioral or attitudinal based on the trigger. While service innovativeness and competence trigger behavioral loyalty, proactive conflict resolution, customer trust building measures and consistent delivery of service promise amplify attitudinal customer loyalty (Narteh et al., 2013).

e) *Satisfaction with Product as antecedent to Dealer Loyalty*

Widyastuti et al. (2017) suggest that dealers have a crucial role in upkeep of product and service quality standards and indemnifying

performance of brands dealt with. Customer confidence in dealers increase if they are successful in preserving and enhancing the quality of products through their effective sales and after-sales services. Research proves that the translation of product satisfaction into trust and subsequent dealer loyalty is automatic (Konrad,2019; Widyastuti et al., 2017). The converse view that the dealer loyalty resulting from customer perception of good dealer support translates into satisfaction with the product is also widely advocated (Lai et al. ,2009). Dealers are evaluated on various factors that enhance the user experience like additional benefits, discounts, dealer proximity, and cost and quality of service during purchase (Konrad, 2019; Pena et al., 2013). It can be hypothesised from the above relationships that

H_{1a}: *Satisfaction with Product is positively associated with Dealer Loyalty*

f) Satisfaction with Product as antecedent to Brand Loyalty

Khan et al. (2016) affirm that a brand must outperform its competitors in terms of product quality to augment customer perceptions that stimulate favourable behaviours indicating brand loyalty. Customers' positive evaluation of the products' quality, features, and price creates product satisfaction, thereby elevating customer perceived value of the brand and subsequently inducing brand loyalty (Razak et al., 2016). Carranza et al. (2018) claim that customers' trust in the brand heightens if it unfailingly fulfils the promises related to product quality and performance. Customers' trust acts as an intervening variable connecting product satisfaction and brand loyalty (Leninkumar, 2017).

Paulose & Shakeel (2021) assert that customer satisfaction with the products' features, performance, reliability, and conformance to needs and specifications are vital for ensuring brand loyalty. These insights have led to the proposal of the following hypothesis

H_{1b}: *Customer satisfaction with product is positively associated with Brand loyalty*

g) Satisfaction with Sales and After-Sales Service as antecedent to Dealer Loyalty

Given that dealers are principally responsible for providing sales and after-sales services to car buyers, maintaining high service quality standards is imperative to strengthening the competitive advantage of dealers. An increase in service quality enhances customer satisfaction with the dealers that ultimately builds dealer loyalty (Xu et al., 2017). Famiyeh et al. (2017) emphasize how implementing hard standards of service quality metrics strengthens the mediatory role of customer satisfaction in the relationship between service quality and dealer loyalty. It follows that customers always prefer to repurchase from dealers who stringently maintain their service quality standards and meet or exceed the expectations of the customers.

Yarimoglu(2014) proposes that customer satisfaction with service quality dimensions like tangibility, reliability, assurance and empathy are essential for dealer loyalty. Xue and Chen (2020) postulate that security, competence, accessibility and responsiveness depicted during the sales & service experience determine customer attitude towards dealers. Hence, it is proposed to revisit the following hypothesis.

H_{2a}: *Satisfaction with Sales & service is positively associated with dealer loyalty levels.*

h) Satisfaction with Sales and After-Sales Service as antecedent to Salesperson Loyalty

Lemmy et al. (2019) opine that salespersons enhance the service experience of the customers by giving them individual attention, valuable information related to the firm's offerings, and ensuring prompt services at all stages of the purchase cycle. The empathy and courtesy expressed by sales personnel aids in building personalised bonds with customers that leads to salesperson loyalty (Arditto et al., 2019). Bahadur et al. (2018) observe that the human element in personal selling which manifests

itself through empathetic understanding of buyers underlying needs during the service encounter cannot be replaced or replicated.

Research by Scheers (2016) explains that customers place great emphasis on attributes of salespersons like friendliness, courteousness, helpfulness, knowledge, and responsiveness. High scorers on these attributes are invariably capable of creating enriched relationship quality and multiple cross-selling opportunities on an existing customer base. Salespersons apply judgement in providing preferential treatment to the right kind of customers, thereby intensifying their commitment to the salespersons and through them to the organisation (Hossain & Chonko, 2018).

Hence the researcher proposes to reassess this relationship through the following hypothesis.

H₂ᵦ: *Satisfaction with sales & service is positively associated with Salesperson Loyalty.*

i) *Satisfaction with Sales and After-Sales Service as antecedent to Brand Loyalty*

Service quality has become one of the primary differentiating factors of a brand as customers give more preference to a brand that is superior in terms of the sales and after-sales service quality (Ashraf et al., 2018). Slack et al. (2020) comment that customers with good service experiences become both repeat customers and brand evangelists. Fachmi et al. (2020) also confirm that customer satisfaction with sales and after-sales service has a noticeable influence on brand loyalty. According to Hanaysha (2016), the central aim of sales and after-sales service is to provide support and assistance during the pre-purchase, purchase and post-purchase stages of the service encounter. The repeat encounters reinforce the brand experience in the customers mind each time, resulting in top-of-mind brand recall and brand loyalty, if it is well managed. Paulose and Shakeel (2021) also emphasize that customers' trust in a brand elevates if the services tied to the brand enable uninterrupted and peaceful

usage of the products or services, even at times of disruption. Therefore, the following hypothesis is proposed to validate these claims.

H₂ᵦ: *Satisfaction with sales & service is positively associated with Brand loyalty.*

j) *Salesperson Loyalty as antecedent to Brand Loyalty*

Salesperson loyalty helps a brand attain repeat business and share of customer wallet – both of which are loyalty indicators (Clark et al., 2012). A salespersons' strong interpersonal relationship with customers exemplifies satisfaction levels, ignites favourable brand attitude, and reinforces the relationship between customer and brand (Brexendorf et al., 2010). Positive experiences created by salespersons for customers often translate into positive feelings for the brand, while cases where the sales person becomes symbolic for the brand in the customer's mind are also not uncommon.

On the other hand, Palmatier et al. (2007) and Clark et al. (2012) observe that salesperson loyalty is independent of the brand and is only relevant if the salespersons continue their association with the brand. The apparent loyalty towards the selling firm is temporary if customer loyalty rests with the salesperson, and the financial cost could be huge if his/her exit could trigger substantial customer attrition too. Hence, both brand and dealer must delicately manage this tripartite equation in order to mitigate risk of losing valued customers to salespersons who switch jobs to the competitor (Brexendorf et al., 2010). Due to contradictory views, the following hypothesis is tested

H₃: *Salesperson Loyalty is positively related to Brand loyalty*

k) *Dealer Loyalty as antecedent to Brand Loyalty*

Herrmann and Huber (2001) affirm that customers recognise the brands and dealers as separate entities but believe that their performances are interdependent. Customers

understand that dealers are not just salespoints of a particular brand but also a representative of the brand's culture and value system (Famiyeh et al., 2018). Therefore, Manowicz (2017) concludes that customer satisfaction and loyalty towards the dealer would lead to brand satisfaction and subsequently, brand loyalty. Brexendorf et al. (2010) also illustrate that dealer satisfaction and loyalty act as a conduit to brand loyalty along with product and service quality satisfaction.

In the opinion of Nowokah and Owuso (2016), customer loyalty towards a dealer causes repeat purchases of products and services marketed by the dealer, and this habituation percolates to brands sold by the dealer. Hence it maybe inferred that dealer loyalty is advantageous for brands as they profit from the loyal dealer customer base. The following hypothesis is proposed to evaluate this relationship:

H_4: *Dealer Loyalty is positively related to Brand loyalty*

l) Buyer-dealer familiarity as a moderator between Product Satisfaction and Salesperson Loyalty

It is a well-known fact that satisfied customers are willing to repurchase/endorse brands based on prior sales and service experience (Brexendorf et al., 2010). The indispensable contribution of salespersons in augmenting this customer experience is also well documented. Research done within the automobile industry emphasise that this positive interaction experience encompassing good employee demeanour & competence, responsiveness and personalized care create lasting impact on customers (Konrad, 2019). As little is known about how buyer familiarity (expressed as first time/repeat buyer from same dealer) effects the extent of salesperson loyalty for passenger car buyers, the following hypothesis is postulated.

H_{5a}: *Buyer-dealer familiarity moderates the relationship between product satisfaction and salesperson loyalty.*

m) Buyer-Dealer familiarity as a moderator between Satisfaction with Sales & Service and Dealer Loyalty

In an experiential economy, merely offering a good quality product may not be sufficient to impress customers or guarantee customer loyalty (El-Adly,2019). Reisenwitz and Gupta (2016) argue that dealer loyalty is an essential precursor of brand loyalty, and it has an invisible hand in all the sales, profits and goodwill that ensues to the brand. The positive influence of satisfaction at the sales & service encounter stage on repurchase intention has also been well documented in the marketing literature (Bloemer and Lemmink, 2010). Whether buyer familiarity (expressed as first time/repeat buyer from the same dealer) influences the relationship between satisfaction with services and dealer loyalty needs to be tested.

H_{5b}: *Buyer-dealer familiarity moderates the relationship between sales & service satisfaction and dealer loyalty.*

n) Interaction effect of Product Satisfaction on Satisfaction with Sales & Service and Dealer Loyalty Relationship

Customer satisfaction with product performance automatically transforms into loyalty bonds with brands. The transformative power of high service quality standards on dealer preference among car buyers has also been studied (Paulose, 2017). Lemy et al. (2019) point out that the only way to salvage a poor product is to compensate at the point of sales & service, thereby shielding brand erosion under the umbrella of good service. It could be debated that the equation between satisfaction with sales & service and dealer loyalty wouldn't be the same if satisfaction with the product differed. Since no research has explored the relationship, the following hypothesis is proposed.

H_6: *Product satisfaction dampens the relationship between Satisfaction with Sales & Service and Dealer Loyalty*

Control Variable

Since the researcher is interested in the effect of specific constructs on the response variable, it makes sense to control for extraneous variables like age and income that are likely to influence the interrelationships. Given that the automobile brand's target segment comprises youthful, aspirational, middle income group and the data was collected from a homogenous group of premium experience showroom customers, it is decided to control for the effects of demographic variables like buyer age and income, to minimize distortion in model coefficients.
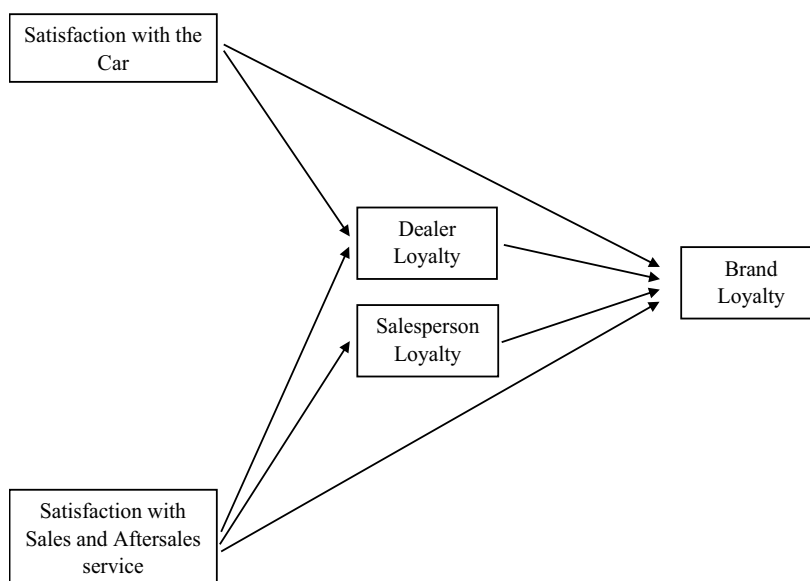
Figure 1. *Conceptual Model for Antecedents of Brand loyalty (Modified from Bloemer and Lemmink (2010)*

3. Methodology

Sample

The original instrument proposed by Bloemer and Lemmink (2010) was subjected to three rounds of content validation in consultation with three industry experts. The whetted questionnaire was pretested among 50 car owners (both first time and repeat buyers in equal proportion) and subjected to item reduction. Except for minor cosmetic changes that included dropping two items with loadings <0.4, no other alterations were made to the new instrument. Data for the main study was incidentally collected from 210 customers of a dealership network of a leading foreign automobile manufacturer in India by market share using systematic random sampling on the customer database. This database included first time and repeat buyers who had experienced at least one after-sales service at the dealership and were associated with the brand for upto 10 years, as in 2021. The respondents were contacted via telephone and appointments fixed for collecting responses in person. Except for 67 respondents who were personally administered the interview, all the others were interviewed over Skype. Of the customers contacted, some chose not to participate in the survey and some refused to answer critical questions giving a final set of 180 completed responses. All willing respondents had to fill a consent form with

check listed items such as "I have read the cover letter describing the study, I understand that I can refuse to participate in the study/withdraw from the study, I understand that all my information will be treated as confidential, I understand that the findings of this study will be used for academic and research purposes only, I consent to participate in this study". Age of respondents ranged from 20 to 70 years with majority respondents in the age bracket of 25-45 years. All responses were taken on a 5-point Likert scale, with 1 for "Strongly Disagree" and 5 for "Strongly Agree". An additional section focused on classification data (such as age, gender, monthly income).

4. Results and Analysis

a) Respondent Description

The relevant demographic and behavioural characteristics for the respondents of the study are outlined in Table 1

Table 1. *Demographic Profile of Respondents*

Demographic Characteristics		Number of Respondents	Percentage (%)
Age	Below 35 years	88	48.8
	35 years and above	92	51.1
	Total	**180**	**100**
Monthly Income	Below 50,000	57	31.7
	50,000 to 1,00,000	68	37.7
	1,00,000 to 1,50,000	45	25
	>1,50,000	10	5.6
	Total	**180**	**100**
First car buyer	Yes	79	43.8
from dealership	No	101	56.1
	Total	**180**	**100**

b) Item Reduction and Scale Validation

The study uses a modified version of the conceptual model proposed by Bloemer and Lemmink (2010) for measuring brand loyalty. The 5 different dimensions were measured using 30 items of which 10 items measured Satisfaction with Sales & Service Quality, 8 items measured Satisfaction with Product, 5 items denoted Loyalty to Salesperson, 3 items denoted dealer loyalty and 4 items were used to measure Brand Loyalty. A pilot study using this questionnaire was administered to 50 target respondents and the same was subjected to Principal Component Analysis for the purpose of item reduction. Items whose higher loadings were greater than 0.4 were retained in the pool while those which displayed poor loadings were removed from subsequent stages of Exploratory Factor Analysis. At the end of the item generation and item screening procedures, the researcher used EFA to (i) determine the number of underlying factors/constructs (ii) identify the items that load onto specific factors and (iii) eliminate any further items if required.

Subsequently, the revised questionnaire with 28 items (two items measuring satisfaction with price and fuel economy were removed after initial factor extraction) was administered among a new sample of 180 respondents and the results of EFA were interpreted. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.810 which met the fundamental requirements for factor analysis. The Bartlett's test of Sphericity showed that nonzero correlations exist at the significance level of 0.001 (The $\chi 2$ test statistic was 2700.909 and significant at $p<.001$). As a result of factor analysis, all 28 items with factor loading and communalities above 0.4 were retained in the solution and the clear separation of five factors was obtained. The

factor loading of the five resulting factors are shown in Table 2.

These five factors with eigen values greater than 1.0 accounted for 66.239% of the total variance in the correlation matrix (Table 2). Each of the factors had satisfactory Cronbach's alpha values ranging from 0.896 to 0.780 (Table 2) thereby confirming the internal consistency of the scales.

Table 2. *Exploratory Factor Analysis Results of Five- Factor Brand Loyalty Model*

Factor-wise listing of Dimensions	Communalities	Factor Loading	Eigen Value	% Variance	Construct Reliability
SATISFACTION WITH PRODUCT			**4.028**	**14.387**	**0.894**
Satisfaction with interior features of vehicle	0.771	0.901			
Satisfaction with exterior features of vehicle	0.751	0.868			
Satisfaction with comfort features of vehicle	0.731	0.851			
Satisfaction with maneuvering/handling of vehicle	0.640	0.786			
Satisfaction with performance of vehicle	0.560	0.728			
Extent to which vehicle has met expectations	0.584	0.703			
SATISFACTION WITH SALES AND SERVICE			7.305	26.091	0.892
Satisfaction with financial assistance	0.710	0.952			
Satisfaction with deal provided	0.654	0.882			
Satisfaction with dealer's compliance with time	0.614	0.810			
Satisfaction with information provided by salesperson	0.566	0.735			
Satisfaction with sales experience	0.617	0.677			
Satisfaction with ease of contact of salesperson	0.590	0.587			
Satisfaction with dealer's proximity to service station	0.565	0.579			
Satisfaction with cost of service	0.541	0.533			
Satisfaction with Quality of Service	0.447	0.506			
Satisfaction with showroom ambience	0.533	0.491			
LOYALTY TO SALESPERSON			3.037	10.846	0.896
Likeliness to recommend salesperson	0.840	0.893			
Less loyalty to dealer if salesperson changed firm	0.844	0.886			
Repurchase Intention from same salesperson	0.815	0.851			
Likeliness to recommend dealer based on salesperson	0.724	0.830			
Greater loyalty to salesperson than to dealer	0.515	0.685			
LOYALTY TO DEALER			1.506	5.378	0.780
Likeliness to recommend dealer	0.748	0.918			
Less loyalty to brand if dealer changes	0.616	0.739			
Repurchase intention from same dealer	0.669	0.710			
LOYALTY TO BRAND			2.671	9.538	0.857
Less loyal to dealer if brand changes	0.840	0.911			
Repurchase intention of same brand	0.801	0.878			
Overall satisfaction with brand	0.787	0.822			
Likelihood to recommend brand to others	0.624	0.723			

* *The overall variance explained by the model is 66.239% using 28 items.*

c) ***Common Method Bias Testing***

To verify the existence of Common Method Bias in the data, Harman's Single Factor test was adopted. Since the variance explained by the first factor (23.35%) did not meet the cut off of 50%, the existence of CMB on the results can be ruled out.

d) ***Confirmatory Factor Analysis***

Confirmatory Factor Analysis was performed to reconfirm how well the observed variables

represent their respective constructs. To improve the model fit, three items measuring ' Satisfaction with deal provided, Satisfaction with Quality of Service and Likelihood to recommend brand to others' were further removed from the factor structure.

Subsequently, as seen in Figure 2, the measurement model generated exhibited adequate fit, *(χ^2/df=1.809,CFI=0.905, GFI= 0.851, TLI =0.901, RMSEA=0.072, PCLOSE =0.055)*. Further, all factor loadings in the measurement model were greater than 0.5.
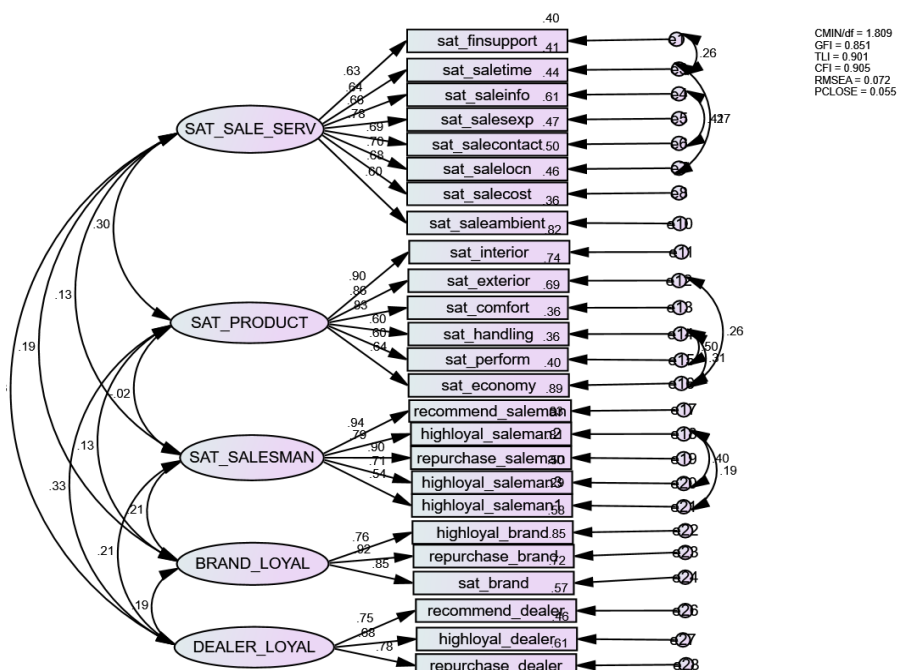

Figure 2. *Measurement Model with Std. Regression Weights and factor correlations*

Convergent validity is supported in the model as all loadings were found to be significant (at 1% level). Secondly, the construct reliability for each construct exceeded the recommended level of 0.70 and the average variance extracted (AVE) values

for each construct exceeded 0.50 (Hair et al., 2010). Discriminant validity of the model constructs was also established from Table 3 where the AVE values along the diagonals are greater than the squared correlations below it.

Table 3. *Table showing tests for Composite Reliability and Construct Validity*

	Reliability Check	Convergent Validity Check	Discriminant Validity Check				
	CR	AVE	BRAND_LOYAL	SAT_SALE_SERV	SAT_PRODUCT	SAT_SALESMAN	DEALER_LOYAL
BRAND_LOYAL	0.882	0.714	**0.845**				
SAT_SALE_SERV	0.869	0.538	0.193	**0.733**			
SAT_PRODUCT	0.883	0.564	0.128	0.298	**0.751**		
SAT_SALESMAN	0.890	0.625	0.213	0.132	-0.017	**0.791**	
DEALER_LOYAL	0.783	0.547	0.186	0.729	0.331	0.211	**0.739**

e) *Testing the Structural Model and Hypothesis*

Structural Equation Modelling using AMOS 16 was undertaken using the Maximum Likelihood Estimation Method in order to obtain the causal model. The fit indices obtained pointed towards adequate model fit model fit.

($\chi^2/df=1.837$, CFI=0.915, GFI=0.970, AGFI=.915, TLI=0.882, RMSEA=.071, PCLOSE=0.207). It maybe noted that both respondent age and income were treated as control variables on Brand loyalty. As can be observed in Table 4, product satisfaction significantly impacts dealer loyalty while Satisfaction with sales and service positively influences salesperson loyalty.

Table 4. *Regression Weights table of Structural Model*

			Estimate	Std Estimate	S.E.	C.R.	Sig.
DEALER_LOYALTY	<--	PRODUCT_SATISFACTION	.089	0.194	.031	2.840	***
SALESPERSON_LOYALTY	<--	SATIFN_SALES&SERVICE	.099	0.085	.101	.986	.324
DEALER_LOYALTY	<--	SATIFN_SALES&SERVICE	.213	0.523	.028	7.675	***
SALESPERSON_LOYALTY	<--	PRODUCT_SATISFACTION	-.011	-0.008	.113	-.096	.923
BRAND_LOYALTY	<--	SALESPERSON_LOYALTY	.071	0.117	.049	1.463	.143
BRAND_LOYALTY	<--	DEALER_LOYALTY	.091	0.052	.176	.514	.607
BRAND_LOYALTY	<--	SATIFN_SALES&SERVICE	.099	0.139	.071	1.399	.162
BRAND_LOYALTY	<--	PRODUCT_SATISFACTION	-.006	-0.008	.069	-.092	.927
BRAND_LOYALTY	<--	INCOME OF RESPONDENT	.663	0.095	.554	1.196	.232
BRAND_LOYALTY	<--	AGE OF RESPONDENT	-.036	-0.007	.415	-.086	.931

Based on the results in Table IV, the final conceptual model highlighting the significant paths and their factor loadings is presented in Figure 3 below. The R^2 value of Dealer Loyalty indicates that 37% of the variance in Dealer Loyalty is predicted by the constructs Product Satisfaction and Satisfaction with Sales & Service experience.
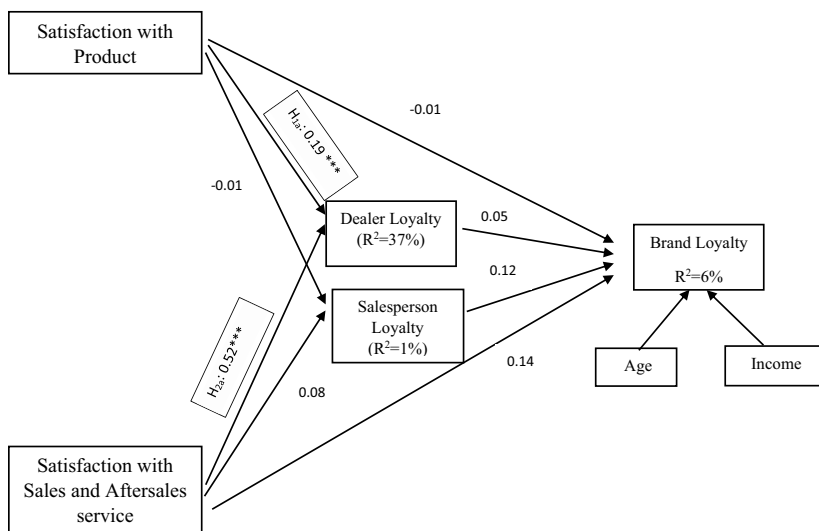
*Note: *** p<0.001*

Figure 3. *Structural Model with hypothesised relationships and std regression weights.*

f) *Testing for Interaction Effects*

The main effects and the interaction effects of the independent constructs (Product Satisfaction and Satisfaction with Sales & Service) on Dealer Loyalty and Brand Loyalty were examined from Table 5. It was found that the main effect of Satisfaction with Sales

& Service on Dealer loyalty is significant. ($\beta_{satisfnsales\&service}$=0.495, p=0.000). Interaction effects ($\beta_{interaction}$=-0.238, p=0.000) are also significant for dealer loyalty with the main effect being stronger.

Table 5. *Main effects and Interaction Effects of Constructs*

			Estimate	Std Estimate	S.E.	C.R.	P
DEALER_LOYAL	<--	PRODUCT_SATISFACTION	.050	0.109	.032	1.564	.118
DEALER_LOYAL	<--	SATIFN_SALES_SERVICE	.202	0.495	.027	7.499	***
DEALER_LOYAL	<--	PRODSAT x SALESERVSAT	-.236	-0.238	.067	-3.497	***
BRAND_LOYAL	<--	DEALER_LOYALTY	.242	0.138	.141	1.711	.067

It maybe inferred from Figure 4 that Product satisfaction dampens the relationship between Satisfaction with Sales & Service and Dealer Loyalty. When Product Satisfaction is low, there is a positive relationship between Satisfaction with Sales and Service and Dealer Loyalty. When Product Satisfaction is high, there is a

negative relationship between Satisfaction with Sales and Service and Dealer Loyalty. Hence we can say that the interaction between the two Independent variables (Product Satisfaction and Satisfaction with Sales and Service) has a significant interaction effect on the Dependent Variable (Dealer Loyalty).
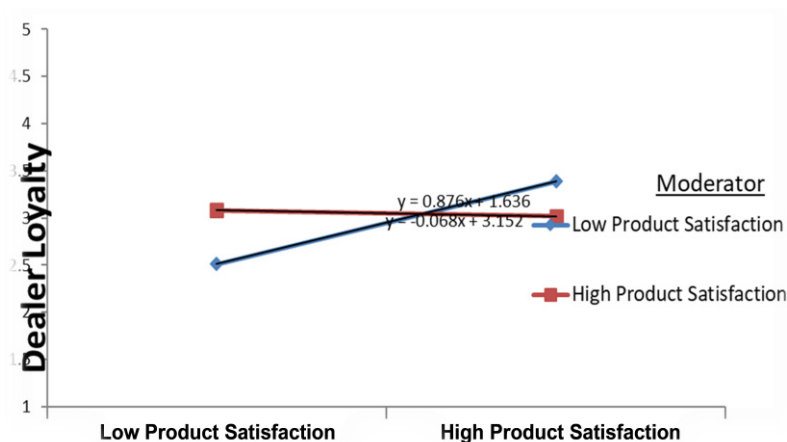
Figure 4. *Interaction effects of Product Satisfaction and Satisfaction with Sales & Service Experience on Dealer Loyalty*

g) *Testing for Moderation Effects*

In order to test whether the path model is consistent across different levels of a moderator variable – buyer familiarity with

dealer (with two levels: First time buyer and Repeat Car Buyer), multigroup moderation was performed. It can be seen from Table 6 that the path between Product satisfaction

and Salesperson loyalty as well as the path between Satisfaction with Sales & Service and Dealer Loyalty are significantly different across familiarity levels. Car buyer familiarity significantly influenced dealer loyalty born out of Satisfaction with sales and service ($\beta_{firsttimebuy}$ =0.068, p=0.142; $\beta_{repeatbuy}$ =0.275, p=0.000; z= 3.664) with the relationship being significantly stronger for repeat buyers than first time buyers. On the other hand, Salesperson Loyalty arising from Satisfaction with the Product was also different for different familiarity levels ($\beta_{firsttimebuy}$ =0.325, p=0.051; $\beta_{repeatbuy}$ =0.165, p=0.258; z= 2.161) with first time buyers exhibiting stronger tendencies to associate salespersons with the product quality.

Table 6. *Table showing Moderation effects on Path diagram*

Hypothesised Path			First time buyer		Repeat Buyer		z-score
			Estimate	P	Estimate	P	
DEALER_LOYAL	<	PRODUCT_SATISFN	0.060	0.229	0.105	0.005	0.729
SALESPERSON_LOYAL	<	SATIFN_SALES_SERVICE	0.014	0.932	0.141	0.269	0.623
DEALER_LOYAL	<	SATIFN_SALES_SERVICE	0.068	0.142	0.275	0.000	3.664***
SALESPERSON_LOYAL	<	PRODUCT_SATISFN	0.325	0.051	0.165	0.258	2.161**
BRAND_LOYAL	<	SALESPERSON_LOYAL	0.102	0.251	0.052	0.378	0.465
BRAND_LOYAL	<	DEALER_LOYAL	0.115	0.708	0.219	0.344	0.867
BRAND_LOYAL	<	SATIFN_SALES_SERVICE	0.117	0.290	0.064	0.509	0.362
BRAND_LOYAL	<	PRODUCT_SATISFN	0.058	0.634	0.054	0.533	0.749

Notes: *** p-value < 0.01; ** p-value < 0.05

The findings of the study are summarised in Table 7 below

Table 7. *Summary of Findings*

H#	Hypothesis	Sign	Std β estimate	Decision
H_{1a}	Product satisfaction influences dealer loyalty	(+)	0.194	Supported
H_{2a}	Satisfaction with sales & service influences dealer loyalty	(+)	0.523	Supported
H_{5a}	Relationship between Product satisfaction and Salesperson loyalty is moderated by Buyer familiarity	(+)	$\beta_{firsttimebuy}$ =0.325, p=0.051; $\beta_{repeatbuy}$ =0.165, p=0.258	Moderation supported
H_{5b}	Relationship between Satisfaction with Sales & Service and Dealer Loyalty is moderated by Buyer familiarity	(+)	$\beta_{firsttimebuy}$ =0.068, p=0.142; $\beta_{repeatbuy}$ =0.275, p=0.000	Moderation supported
H_6	Product satisfaction dampens the relationship between Satisfaction with Sales & Service and Dealer Loyalty	(-)	$\beta_{interaction}$=-0.238, p=0.000	Interaction Supported

5. Discussion and Implications

a) *Theoretical Implications*

The findings of the study validate some of the interrelationships between the exogenous and endogenous constructs of the model. Both Satisfaction from sales & service as well as Product Satisfaction seem to significantly influence the response variable– Dealer loyalty (β =0.52 and β = 0.19 respectively). These Beta coefficients hint at the indispensability of these constructs in future studies on dealer loyalty. Around 37% of the variation in dealer loyalty is explained by the two predictors together while just 6% of the variation in Brand loyalty is due to the explanatory power of model. The emotional construct 'satisfaction with sales and service' appears to be more important than all other variables in influencing both dealer loyalty and brand loyalty within the sample. This agrees with findings from existent literature by Bhadra and Rego (2018b) and Bahadur et al. (2018) that highlight them as signifiers amongst Indian consumers.

As observed by Baksi and Parida (2013) and Konrad (2019), satisfaction with the product plays a moderating role in the relationship between sales & service quality and dealer loyalty. Product satisfaction dampens the relationship between satisfaction with sales and service and dealer loyalty. When product satisfaction is high, the relations between the other two independent variables show a negative relationship and vice versa. This is to say that when consumers have high product satisfaction, the sales and service experience received need not translate into dealer loyalty. This could indicate that product satisfaction is a stand-alone primary expectation when it comes to personal vehicle purchase, and it is only in the absence of it that other associated features like service quality and dealer efficiency get noticed. These results are in agreement with previous findings by Hollebeek and Rather (2019) and Khan et al. (2016) who suggest that brands lacking a competitive point of parity could benefit from relying on allied services & promotional efforts as a compensatory measure. However, it remains that the main effect of sales and service satisfaction on dealer loyalty is more significant than the interaction effect. This could re-emphasise the importance of a robust dealer network in determining fortunes in the highly competitive automobile market (Arditto et al., 2019).

The loyalty effects appear to differ based on the buyer familiarity with a particular dealer. First time buyers who connect to salespersons subsequently return to the dealership because of satisfaction with the previous sales & service interaction. Initial brand relationships built through the salesperson route evolve into dealer loyalty with time.

b) *Practical Implications*

A post pandemic world characterised by social distancing norms is likely to accelerate the shift from shared travel to solo travel, with the demand for private transport likely to grow exponentially in the near future (Kamble et al., 2020). The findings indicate that focus on product quality alone won't suffice as manufacturers compete head-on to adapt to the new normal. Credibility measures in product and associated sales & service component need to be ensured to promote resilient business models involving co-creation of customer value. As demand for responsible production and consumption is parallelly gaining traction, Indian car makers who have allowed authentic, trustworthy relationships to evolve from the consumption experience through personalised interaction and responsiveness will gain footing.

To meet the changing customer demands after the pandemic, channel members must develop strong service recovery plans in all identified areas of customer dissent. After all, a sound service recovery strategy is known to reinstate customer trust and discourage customer switching (Leckie et al., 2016). With dealers having to handle fewer clients, 'customer experience is king' once again and the time has come for growth to cease being

measured in volume terms and make the "mass" to "class" transition. Given the price-sensitivity of Indians have assumed new heights as an economic recession looms large (Shams et al., 2020), manufacturers and channel partners need to maintain a good price-value equation by offering acceptable quality/experience at attractive prices with the objective of raising customer perceived value. Since competing automobile brands offer replicable functional product attributes, they could highlight psychological benefits of service differentiation through tailored offerings to reduce the perceived benefits of switching dealers. With trust becoming a principal differentiator, a pitch focused on image differentiation of the dealer being centered around 'credibility and benevolence' could turn into a unique selling point for customer retention (Othman et al., 2016; Palmatier et al., 2007)

As proposed by Bhadra and Rego (2018a), repeat buyers are of greater worth to firms in terms of average life time value, share of wallet and share of voice. Car dealers would do well to capitalise on the repeat buyer tendency to equate sales & service quality with dealer loyalty (Yarimoglu, 2014). In targeting such informed customers in an e-commerce era characterised by information accessibility and transparency, car dealers will have to sharpen both hard and soft service standards while also balancing the total service cost (inclusive of all allied services and discounts in addition to upfront list prices) if they wish to build competitive advantage. Car makers can support dealers in optimizing costs without compromising on service standards by harnessing the power of AI to derive consumer insights from predictive analytics based on customer data in order to design personalised products and customer experiences.

6. Limitations and Future Directions

As the business world grapples with unprecedented challenges in the new normal, a study on customer retention & brand loyalty is very timely. However, certain limitations that form a basis for future research, maybe noted. The study specifically examines loyalty dimensions within the automotive sector. The replication of this study in a different business setting is recommended. Secondly, the sample size had to be compromised because of the unconducive time (the 2nd wave of pandemic induced lockdown in March 2021) in which the last leg of data collection was done, owing to which responses were not forthcoming. This may have led to the mediating effects of both dealer loyalty and salesperson loyalty in the interrelationships examined not being significant. It is possible that the inclusion of select antecedents to customer loyalty may have affected the predictive power of the model. Future research could include wider range of antecedents like switching costs, customer engagement, perceived experience, brand resonance, corporate citizenship and brand credibility (Hollebeek & Rather, 2019, Islam et al., 2019; Leckie et al., 2016).

7. Conclusion

Despite the sectoral performance dip, evidence suggests that COVID-19 will be transformative for the automotive sector. From the inflexion point that the industry is in, the crisis may redirect it on a new trajectory of sustainability and responsible production. If market demand for cars till now, were dictated by globalisation, materialism, convenience, recreation and status needs, buyer behaviour in the future will be driven by job roles, price-value perceptions, perceived health risks, sensitivity to the ecosystem, responsible consumption and such pandemic-induced priorities. Brands who understand, invest and adapt to the language of change are likely to emerge unscathed in the new normal.

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