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Determinants of Post-Purchase Customer Satisfaction and Brand Loyalty: An Empirical Study of Two-Wheeler Owners in Kathmandu

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Abstract

The known factors, which influence the initial buying decision regarding two-wheelers, are the price and functional features, but little is known about the post-purchase satisfaction of Kathmandu buyers and its relationship to brand loyalty and repurchase intentions. This paper builds upon the previous research on consumer buying behaviour in the two-wheeler market of Kathmandu by examining the brand preference formation, customer satisfaction with the purchased two-wheelers, and the subsequent repurchase and recommendation intentions of consumers. Convenience sampling was used to collect primary data from 120 two-wheeler owners of Kathmandu Metropolitan City with a structured questionnaire, which were analysed descriptive statistics, weighted mean satisfaction scores, correlation analysis and chi-square test. The overall satisfaction is moderately high, with miles achieved being rated highest and waiting time at service centre rated lowest. There is a strong positive correlation between overall satisfaction and repurchase intention, as well as willingness to recommend the brand to others, and a significant association between brand of ownership and level of satisfaction, with Japanese brands (Honda, Yamaha, Suzuki) having higher satisfaction scores than Indian and Chinese brands for this sample. Based on these findings, the implications for brand loyalty management and after-sales strategy for the Kathmandu two-wheeler market are discussed. This paper examines the influence of a consumer's buying behavior on brand preference, customer satisfaction, and repurchase intentions for a twowheeler product in the Kathmandu Valley.The influence of consumer buying behaviour on brand preference, customer satisfaction and decision to repurchase a two wheeler product in Kathmandu Valley is discussed in this paper.

Keywords: Consumer buying behaviour, brand preference, customer satisfaction, repurchase intention, two-wheelers, Kathmandu

1. Introduction

The sale of a two-wheeler is just the beginning of a longer consumer relationship which continues through use and servicing, and then repurchase or replacement. In established and competitive vehicle sales, companies are increasingly aware that customer satisfaction beyond the sale, rather than just the sale, is the key to sustained profits from repeat business, customer loyalty and good word-of-mouth. The market of Kathmandu is a real challenge because of the heavy use of vehicles, congested and often less than optimal roads, and a thick wave of competitively marketed two-wheelers and service centres.

It is intended to complement an earlier study of the pre-purchase determinants of two-wheeler buying behaviour in Kathmandu by focussing on the post-purchase period: how satisfied are Kathmandu's two-wheeler owners with the brand and model they selected, what elements of ownership generate the most satisfaction and which the least, and to what extent does satisfaction lead to loyalty in the form of repurchase intention and willingness to recommend the brand. Knowing this after-sales aspect of consumer behaviour is very crucial for the dealers and manufacturers who want to achieve sustainable market shares in Kathmandu as opposed to just selling products once.

1.1 Why Post-Purchase Behaviour Matters in the Kathmandu Context

The used-vehicle resale market in Kathmandu relies heavily on the quality and availability of independent and authorized service centres, as well as the availability of parts and the willingness of dealers to respond quickly to supply shortages, and the lack of rigorous standards in the informal resale market, which primarily uses personal networks and local classified platforms. This means that the satisfaction of the customer depends as much on the way that the dealer runs his business as it does on the quality of the vehicle manufactured. If a customer has a great deal of trouble getting his bike fixed in a timely fashion or the parts he needs at his local service centre, he may still have a negative impression of the brand, and a customer who receives timely and reliable service from his dealer can have a stronger sense of brand loyalty toward a relatively low buy even if his motorcycle is not mechanically excellent. The interdependence between product and service quality makes Kathmandu a special case for examining the drivers of post-purchase satisfaction at the attribute level because it provides an opportunity to separate out the relative contribution of product-inherent and service-related factors.

2. Statement of the Problem

There is a highly competitive market for the first time customer in Kathmandu, however the customer retention and loyalty of current customers who will be regarded as a lower cost, higher margin source of future revenue via repurchase, upgrade and referral is comparatively poorly structured. Without any clear picture of what customer satisfaction and loyalty demands of the dealer's service, dealers may be tempted to under invest in the very attributes that are most important to customers and over invest in acquisition oriented advertising. This study fills that void by empirically investigating how the satisfaction with specific ownership attributes of two wheelers relates to the overall satisfaction outcome of their ownership.This study will tackle that void by empirically studying the relationship between satisfaction with specific ownership attributes of two wheelers and overall satisfaction outcome of their ownership among the Kathmandu two wheeler owners..

3. Objectives of the Study

- To evaluate the satisfaction level of two-wheeler owner of Kathmandu with regard to some of the attributes of ownership of two wheelers.
- To find the most important and least important attributes of ownership for overall Customer Satisfaction.
- To see the relationship between overall satisfaction and repurchase intention and willingness to recommend the brand.
- To determine if there is any significant association between brand/country-of-origin and level of customer satisfaction.
- To propose ways to enhance customer retention and loyalty of the two-wheeler owners in Kathmandu.

4. Significance of the Study

This study has great relevance for two wheeler dealers and manufacturers in Kathmandu because it focuses on the analysis on the ownership experience instead of the point of sale, and this is where loyalty and lifetime value of customers is really built. The results can be used to inform investment in service infrastructure, spare parts logistics and customer relationship programmes. On an academic level, findings of this study provide evidence for the relationship between customer satisfaction and loyalty outcomes to the wider literature in the durable goods and automobile industry, where empirical evidence specific to Kathmandu is lacking.

5. Review of Literature

Research interest in the services or durable goods literature has examined the linkages between customer satisfaction and customer loyalty. The expectancy disconfirmation framework proposed by Oliver states that satisfaction occurs when the actual performance of a product or service is congruent with or better than the consumer's expectations, and satisfaction is an important antecedent of repurchase intention and favourable word of mouth. In the auto industry, in particular, researchers have repeatedly concluded that satisfaction is not one

monolithic entity but is composed instead of satisfaction with discrete components like product performance, service quality, ease of getting replacement parts and price fairness, each of which can have an independent impact on the overall satisfaction rating.

In studies of similar markets in India, both engine performance and fuel economy come out with the best customer satisfaction scores, whereas, service-centre related attributes such as waiting time and attitude of the service persons, etc. are often listed as the weakest link in the customer ownership experience and one of the principle reasons for customer attrition to another brand. The studies conducted in the automotive industry suggest that the relationship between satisfaction and loyalty is invariably positive and significant, although, when a consumer decides to replace the car, they can be influenced by the appeal of the new features, finance options and friends.

In the South Asian context more broadly, country-of-origin effects have been found to influence consumer perceptions of durable goods, such that Japanese-origin brands tend to be perceived as more reliable and well engineered than some regional competitors, which can independently affect their satisfaction with products regardless of how well they perform. In automobile-sector studies, service-centre waiting time falls in the "hygiene" category of the services marketing literature because the absence of this attribute generates strong dissatisfaction, whereas its presence can at best match the minimum level of satisfaction expected by consumers, and therefore does not make a significant contribution to positive satisfaction. The literature about post-purchase automobile behavior in Nepal is still relatively scarce and this study aims to partially fill this gap by offering empirical evidence on the drivers of satisfaction at the attribute level in the Kathmandu market and their relationship with ultimate loyalty-related outcomes.

6. Research Methodology

6.1 Research Design

The research design used in this study is descriptive and correlational, which was aimed to determine the level of satisfaction by attributes of ownership and statistically to examine the relationship between satisfaction, brand, and the outcomes of loyalty.

6.2 Population and Sample Size

It includes current 2-wheeler owners in Kathmandu Metropolitan City who have owned their vehicle for at least 6 months to ensure that respondents have the experience to provide valid satisfaction ratings when it comes to how often they use it and how it performs. One hundred and twenty of these owners were sampled.

6.3 Sampling Technique

The authors used a convenience sampling method, approaching people at designated service centres, fuel stations and parking areas in different parts of Kathmandu, and distributing an online questionnaire via local community and vehicle owner social media groups.

6.4 Sources and Tools of Data Collection

Primary data were gathered via a structured questionnaire consisting of demographic questions, a five-point Likert-scale battery with six ownership attributes (mileage/fuel economy, engine reliability, spare parts availability, service-centre waiting time, cost of maintenance and resale value) and single item questions with a five-point scale regarding overall satisfaction, repurchase intention, and willingness to recommend the brand. Secondary data were obtained from published research involving customer satisfaction and customer loyalty of automobiles.

6.5 Tools for Data Analysis

Data were analysed through descriptive statistics (mean and standard deviation) to help rank satisfaction levels on the attributes, Pearson correlation coefficients to check the strength of the relationship between overall satisfaction and loyalty outcome variables, and Chi-square test of independence to examine the relationship between brand/country of origin and overall satisfaction category at a significance level of 0.05.

7. Data Analysis and Interpretation

7.1 Demographic and Ownership Profile of Respondents

Table 1: Demographic and Ownership Profile of Respondents (N = 120)

Variable	Category	Frequency	Percentage
Gender	Male	79	65.8%
Gender	Female	41	34.2%
Age Group	20–30 years	52	43.3%
Age Group	31–40 years	39	32.5%
Age Group	Above 40 years	29	24.2%
Length of Ownership	6 months–2 years	44	36.7%
Length of Ownership	2–5 years	51	42.5%
Length of Ownership	Above 5 years	25	20.8%
Brand Owned	Honda	34	28.3%
Brand Owned	Bajaj	27	22.5%
Brand Owned	Hero	19	15.8%
Brand Owned	Yamaha/Suzuki	21	17.5%
Brand Owned	TVS/Others	19	15.9%

The sample is mainly composed of owners who have been using the product for 6 months to 5 years (79.2% together), who are well positioned to assess the initial performance of the product and the experience with the service. Like in the general market, Honda, Bajaj and Hero have the maximum share in terms of ownership.

7.2 Attribute-Level Satisfaction Scores

Respondents rated their satisfaction with six specific ownership attributes on a five-point scale (1 = Very dissatisfied, 5 = Very satisfied).

Table 2: Attribute-Level Satisfaction Scores (Mean, Standard Deviation and Rank)

Ownership Attribute	Mean Score	Standard Deviation	Rank
Mileage/Fuel Economy	4.18	0.64	1
Engine Reliability/Performance	4.09	0.69	2

Ownership Attribute	Mean Score	Standard Deviation	Rank
Spare Parts Availability	3.87	0.77	3
Resale Value	3.62	0.85	4
Cost of Maintenance	3.44	0.81	5
Service-Centre Waiting Time	2.91	0.98	6

The satisfaction metric is highest for mileage and fuel economy as it was among the factors consumers ranked most important before purchase, indicating that overall, two-wheelers are performing better in the Kathmandu marketplace on fuel economy than they are on mileage. By contrast, service-centre waiting time is by far the least satisfying and is seen as the least satisfactory aspect of the Kathmandu ownership experience – it is a priority area to enhance the service that is offered.

7.3 Overall Satisfaction, Repurchase Intention, and Recommendation

Table 3: Overall Satisfaction, Repurchase Intention and Willingness to Recommend the Brand

Measure	Mean Score (out of 5)	Standard Deviation
Overall Satisfaction with Current Brand	3.78	0.73
Repurchase Intention (same brand)	3.69	0.86
Willingness to Recommend Brand to Others	3.81	0.80

The overall satisfaction levels are reasonably high (with an average score of 3.78 out of 5) and repurchase and recommendation intentions are broadly similar, indicating a generally positive (but not always high) level of brand loyalty among Kathmandu two-wheeler owners.

7.4 Correlation Analysis

Table 4: Correlation between Overall Satisfaction and Brand Loyalty Outcomes

Relationship	Pearson Correlation (r)	Interpretation
Overall Satisfaction and Repurchase Intention	0.71	Strong positive correlation
Overall Satisfaction and Willingness to Recommend	0.76	Strong positive correlation
Service-Centre Waiting Time Satisfaction and Overall Satisfaction	0.58	Moderate positive correlation

The expectation-disconfirmation theory is confirmed by the results of the correlation analysis as there is a strong positive correlation in the case of repurchase intention (r = 0.71) as well as willingness to recommend (r = 0.76), which indicates that satisfied customers are significantly more likely to remain loyal to their brand and promote the same brand. Although the absolute satisfaction score for waiting time is the lowest, the moderately high correlation between service-centre satisfaction and overall satisfaction (r = 0.58) suggests that waiting time does have some influence on overall satisfaction and should feature in an investigation.

7.5 Hypothesis Testing

H0: There is no significant association between brand/country-of-origin and the level of overall customer satisfaction.

H1: There is a significant association between brand/country-of-origin and the level of overall customer satisfaction.

Table 5: Cross-Tabulation of Brand/Country-of-Origin and Overall Satisfaction Category

Brand Group / Satisfaction Category	Low Satisfaction	Moderate Satisfaction	High Satisfaction	Total
Japanese (Honda, Yamaha, Suzuki)	6	20	29	55
Indian (Bajaj, Hero, TVS)	14	28	15	57
Chinese/Others	3	4	1	8
Total	23	52	45	120

The calculated Chi-square value ($\chi^2 = 11.86$, df = 4) is greater than the Chi-square value at 0.05 level of significance (9.49) and the null hypothesis is rejected. This means that there is a statistically significant relationship between brand/country of origin and overall customer satisfaction, such that the owners of Japanese-origin brands have a higher proportionate satisfaction than those of Indian-origin brands or other brands in this sample.

8. Major Findings

- Mileage/fuel economy and engine reliability are the two ownership attributes that lead to the highest satisfaction among the Kathmandu two-wheeler owners, and service-centre waiting time topples in the bottom, by a significant margin.
- Overall satisfaction, repurchase intention and willingness to recommend the brand are in moderately favourable level with an average value between 3.7 and 3.8 out of 5.
- The overall satisfaction is significantly related to repurchase intention (r = 0.71) and willingness to recommend (r = 0.76), which indicate the importance of satisfaction as a important driver of brand loyalty outcomes in this market.
- Although service-centre waiting time had a low absolute score, it was moderately correlated with overall satisfaction (r = 0.58) suggesting that it has a disproportionate influence on the overall ownership experience.
- There is a significant relationship between brand/country of origin and satisfaction, with the Japanese origin brands having a higher satisfaction level compared to Indian origin and other brands of the sample.

9. Discussion

The results reveal a certain level of consistency between the features consumers expect from a two wheeler at the pre-purchase stage (found in previous research on this market) and the features they experience after purchase. It is a positive indicator for the quality of the overall product in this market segment. The low satisfaction with service-centre waiting time, however, is not a product design concern, but instead reflects an operational constraint which is, in principle, more easily managed by the dealers and manufacturers through investment in service capacity, staffing, and appointment systems than is vehicle engineering-based concerns.

The high degree of association between satisfaction and repurchase intentions and willingness to recommend suggests the business value of emphasising post-purchase service quality: every dissatisfied customer is a lost opportunity to repurchase, and a potential source of negative word-of-mouth, which is likely to affect the larger pool of prospective first-time customers identified in earlier studies that are sensitive to the influence of friends and family. For Indian-origin brands, and others, either of these explanations would indicate that the only way to gain a competitive advantage for winning customer loyalty in Kathmandu is to develop their own reputation for high reliability and service standards, with the former being more important; whether the gap in service quality and/or reliability is actual or subjective would require further controlled investigation, but in either case it is clear that it is the gap that is key for competing effectively against Japanese brands for customer loyalty in Kathmandu..

9.1 Implications for Customer Retention Strategy

The findings have several practical implications for the dealers and manufacturers who would want to open up a new challenge of retaining their customers in the Kathmandu market. As a service-centre waiting time is a hygiene-type attribute, with a low performance rating having a significant impact on overall satisfaction compared to its own level, investment in such an attribute must be considered a defensive priority: it is not necessarily a differentiator that is to be embraced as a major success of the service offering but it must be eliminated as a dissatisfaction factor that can undermine the good will built by the rest of the service offering. Practical, low-technology interventions such as appointment-based scheduling, informing the customer with a transparent estimate of the wait times and sufficient numbers of technicians available during peak hours could have a significant impact on this attribute without the need for large capital investment. Second, if they know that the highest scores for satisfaction already exist for the areas of mileage and engine reliability, which are largely the result of product engineering rather than what the local dealer can do, then it's a good idea for manufacturers and dealers to understand that higher scores for overall satisfaction will be more likely to be achieved through service issues than through incremental product changes, at least in the short term. Third, because it is well established that satisfaction and willingness to recommend are highly correlated, it is a good idea to think about structured referral incentive programmes where a satisfied dealer customer is rewarded for successfully bringing in new customer-dealers, rather than leaving the positive satisfaction value that was documented in this study unquantifiable as an acquisition channel.

10. Conclusion

This study was conducted on the post purchase aspect of two-wheeler consumption behaviour in Kathmandu covering both the satisfaction with the attributes and the impact on the brand loyalty outcome. They provide the following findings; Kathmandu two wheeler owners are overall very satisfied with their vehicles, they are very satisfied with the fuel economy, they are very satisfied with the engine performance, waiting time at service centre is a major concern for them as they are generally not satisfied with it and they find a strong relation with overall satisfaction and repurchase intention as well as willingness to recommend the brand. The strong relationship between the satisfaction level and brand/country of origin further indicates that reliability and service perceptions still matter to some degree post purchase for this market. Combined with the factors that influence initial purchase identified in the companion study, these results can give a more comprehensive understanding of the two-wheeler customer journey in Kathmandu, from what factors are attracting the customer to the showroom, through to what is influencing customer loyalty.

11. Recommendations

- Owners' experience is almost entirely contingent upon reducing the time owners have to wait in a service centre which is the single weakest link in the ownership experience and is significantly linked to overall satisfaction and loyalty.
- Fuel economy and reliability should still be maintained and encouraged by manufacturers, as they still have the greatest impact on post purchase satisfaction.
- Brands whose satisfaction scores are relatively low need to take steps to boost their after-sales services in a visible way and make strong product quality statements so as to bridge the perception gap with the brands that are more highly rated.
- Loyalty and referral programmes should be devised to encourage the generally positive level of satisfaction observed in this study to be translated into actual repurchase and recommendation behaviors; satisfaction does not lead to loyalty automatically.
- Dealers should embed regular post-purchase satisfaction surveys in order to monitor attribute-level performance over time and recognise any new service issues which could impact on brand reputation.

12. Limitations of the Study

This study uses a convenience sample of 120 respondents from KMC, reducing the ability to make wider statistical generalisations of the results. Satisfaction measures are self-reported and hence may be affected by recall and social desirability bias, and the cross sectional design of this study can only measure satisfaction at a single time rather than over the ownership life cycle.

13. Scope for Further Research

Longitudinal studies that follow users from initial purchase to eventual replacement of the vehicle could also be used to examine the satisfaction and loyalty over the entire lifespan of the vehicle, and the dedicated study of the new electric two wheeler segment could be included, as service provision and ownership experience will likely be very different compared to a two wheeler using a petrol engine..

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