How online reviews and its impacts affects brand loyalty and customer satisfaction of Volkswagen India Pvt. Ltd.

Abin Jose John

Dissertation Submitted for MSc in Management

Submitted to the National College of Ireland, August 2020

Abstract

Purpose - This dissertation extends the investigation and analysis of how online reviews affect the purchasing decision of Volkswagen India customers and how these affects the customer satisfaction and loyalty of customers towards a brand.

Design/Methodology/Approach- The study adopts a Quantitative approach in which a questionnaire was created using Google form by the researcher. The survey was conducted among 250 people and the researcher got 197 valuable responses. The survey participants were chosen randomly from India.

Findings- The results depict the fact that purchasing decision of customers rely more on the online reviews and majority of the participants in the survey clearly stated that they tend to check the online reviews before purchasing a product. Also if a customer is being treated nicely by the brand, more will be the customer satisfaction which brings more loyalty towards the brand.

Research Limitations- The study was conducted among a small sample size within India and the researcher focus more on the millennial age groups. If the researcher had focused more on the other age groups rather than millennial and also by increasing the sample size, the results and findings should have varied.

Practical Implications- Through this dissertation, mentality and customer expectations towards a brand have clearly been understood. Also how online reviews can affects the purchasing decision of customers was also understood. If Volkswagen India can clearly monitors and finds solutions to satisfy all their customers, they can boom their brand more in the Indian market. Happy and satisfied customers will be asset to the company.

Originality/Value- Many studies have conducted by researchers about customer satisfaction, brand loyalty and online reviews. But as per researcher understanding nobody had conducted studies of the same related to Volkswagen India. This unique study gives an insight for Volkswagen India for their future run.

Keywords- Online reviews, Brand loyalty, Customer satisfaction

Submission of Thesis and Dissertation

National College of Ireland

Research Students Declaration Form

(Thesis/Author Declaration Form)

Name: Abin Jose John

Student Number: X 19119186

Degree for which thesis is submitted: MSc in Management

Title of Thesis: How online reviews and its impacts affects brand loyalty and customer satisfaction of Volkswagen India Pvt. Ltd.

Date: 06/08/2020

Material submitted for award

A. I declare that this work submitted has been composed by myself.

B. I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.

C. I agree to my thesis being deposited in the NCI Library online open access repository NORMA.

D. ***Either*** *I declare that no material contained in the thesis has been used in any other submission for an academic award.
Or *I declare that the following material contained in the thesis formed part of a submission for the award of

_____

(State the award and the awarding body and list the material below)

Signature of research student:

Acknowledgement

I am delighted to present my dissertation on the topic, ***'How online reviews and its impacts affects brand loyalty and customer satisfaction of Volkswagen India Pvt. Ltd.'*** Firstly I would like to present my sincere gratitude to almighty for providing me this opportunity. I would like to thank my supervisor Mr. David Hurley for providing me with adequate guidance for my study. I would also like to thank my survey participants who spared their valuable time to take part in the survey. Last but not least I would like to thank my parents, family and friends for their immense support for successful completion of the study.

Table of Contents

Chapter 1: Introduction 1
1.1 Introduction 1
1.2 Research background 2
1.3 Research Problem 2
1.4 Rationale for research 3
1.5 Gaps in the research 4
1.6 Research Aims and Objectives 4
1.7 Research questions 5
1.8 Research methods for current study 5
1.9 Scope of the research 5
1.10 Structure of the Dissertation 6
Chapter 2: Literature Review 7
2.1 Introduction 7
2.2 Conceptual Framework 7
2.3 Concept of Customer Satisfaction 8
2.4 Customer satisfaction- Theories 8
2.4.1 Assimilation Theory 8
2.4.2 Contrast Theory 9
2.4.3 Dissonance Theory 9
2.4.4 Expectancy Disconfirmation Paradigm 10
2.4.5 Comparison Level Theory 11
2.4.6 Attribution Theory 11
2.4.7 Equity Theory 12
2.5 Customer satisfaction models 13
2.5.1 Kano's customer satisfaction model 13
2.6 Brand Loyalty- Concept 14
2.6.1Brand image 15

2.6.2Brand Personality 15
2.6.3 Brand Trust 15
2.7 Brand Loyalty – Theories 16
2.7.1 Brand Perception 16
2.7.2 Brand Equity 17
2.7.3 Theory of reasoned action applied on Brand loyalty 17
2.8 Models on brand loyalty 18
2.8.1 Aaker Pyramid model on brand Loyalty 18
2.9 Mechanisms to increase brand loyalty 19
2.10 Online Reviews- Concept 20
2.11 How online reviews are important to the Brands 20
2.12 Impact of Online review on customer satisfaction and brand loyalty 21
2.13 Summary 22
Chapter 3: Methodology 23
3.1 Introduction 23
3.2 Methodology structure 23
3.3 Research philosophies 24
3.4 Research Approach 26
3.5 Research strategy 27
3.6 Research Choice 27
3.7 Time Horizon 28
3.8 Data collection and data analysis 29
3.8.1 Design of Questionnaire 29
3.8.2 Execution of Survey 30
3.8.3 Techniques of data analysis 31
3.8.4 Data- Validity and Reliability 31
3.9 Ethical Considerations 32
3.10 Limitations 33
3.11 Summary 33
Chapter 4: Analysis and Findings 35
4.1 Introduction 35
4.2 Descriptive data analysis 35

4.2.1 Descriptive statistics 35
4.2.2 Frequency analysis 37
4.3 Inferential Analysis 54
4.3.1 Table 1 – Correlation between Customer Retention and Controlling Factors 55
4.3.2 Table 2 – Correlation between Customer Satisfaction & brand growth 56
4.3.3 Table 3 – Customer Buying Behavior and Online Reviews 58
4.3.4 Regression Model Analysis 60
4.3.5 Correlation matrix 61
4.3.6 Reliability statistics 62
Chapter 5: Discussion 64
5.1 Introduction 64
5.2 Balancing the demographics 64
5.3Improvement of after sales policy of the brand 65
5.4 Online reviews- importance 66
5.5 Exploring new market opportunities 67
5.6 Importance of brand perception and brand image 68
5.7 Limitations 69
Chapter 6: Conclusion and Recommendations 70
6.1 Conclusion 70
6.1.1 Overview of the research 70
6.1.2 Recognizing the importance of customer satisfaction and brand loyalty among Volkswagen India customers 71
6.1.3 How online reviews impacts customer satisfaction and brand loyalty 71
6.2 Recommendations 72
6.2.1 Recommendations for future Academic Research 72
6.2.2 Recommendations for Practitioners 72
References 74
Appendices 81
Appendix 1: Survey Questionnaire 81
Appendix 2: Email consent template forwarded to survey participants 87

List of tables

Table 1: Descriptive Statistics 36
Table 2: Correlation between Customer Retention and Controlling Factors 55
Table 3: Correlation between Customer Satisfaction & brand growth 57
Table 4: Correlation between customer buying behavior and online reviews 59
Table 5: Regression model summary with respect to brand loyalty and customer satisfaction 60
Table 6: Summary coefficient table of regression model 62
Table 7: Reliability statistics (Case process summary) 62
Table 8: Reliability statistics (Cronbach's Alpha) 63

List of Figures

Figure 1: Conceptual Framework 7
Figure 2: Kano's customer satisfaction model (Lin et al. 2017)..... 13
Figure 3: Aaker's Pyramid (Aaker, 1991)..... 19
Figure 4: Research Onion (Saunders et al. 2009) 24
Figure 5: Research Choice (Saunders *et al.* 2009)..... 28
Figure 6: Demographic outline of survey participants (gender)..... 37
Figure 7: Demographic outline of survey participants (age- group)..... 38
Figure 8: Volkswagen customers in India..... 39
Figure 9: Customer retentiveness factors 40
Figure 10: Reliability of the brand..... 41
Figure 11: Brand loyalty measurement responses 42
Figure 12: Response against market demand by the brand 43
Figure 13: Is the brand is giving customer safety more priority..... 44
Figure 14: Customer satisfaction index..... 45
Figure 15: Response rate of issues with the brand..... 46
Figure 16: Response index of problem and solutions with the brand 47
Figure 17: Response index of quality in customer service 48
Figure 18: Response index of quality in customer experience 49
Figure 19: Response index of quality in customer service 50
Figure 20: Response index of referring online reviews by customers 51
Figure 21: Response index of usefulness of online reviews..... 52
Figure 22: Response index of giving online reviews 53
Figure 23: Response index of trustworthiness of online reviews 54

Chapter 1: Introduction

1.1 Introduction

In this fast moving world, automobile industry has an important role to play. Automobile industry is one of the very fast growing technologically advancing industries in the whole world. Apart from acting as transporting medium, the automobile industry is much wider and innovative industry in the world. In this context, the Indian automobile industry is gaining more attention due to its fast growing and innovational advancements in the specific sector. According to Chaubey and Sahoo (2019), India is a nation where innovation is an important factor in every types of organization. India being a developing nation has more opportunities for a fast growing industry like automobile industry. According to the Automotive Mission Plan 2016-2026, India was awarded the sixth position for being the largest vehicle manufacturing countries in the world. Adding to that, among the passenger car manufacturing countries, India ranks fourth position (Chaubey and Sahoo, 2019). These factors points out the importance of Indian automotive industry in the world.

Volkswagen India is a subsidiary organization of the Volkswagen group who is the second largest automobile manufacturer in the world. Volkswagen India is one of the major automobile manufacturers in the Indian automobile industry. Being a subsidiary organization of a transnational corporation (TNC), the Volkswagen India has many competitive advantages compared to other competitors in the Indian automobile market.

In the present era, internet gained lot of importance in each and every industry. Also the arise of social media's created an effect in almost every aspects of people's day today life. The ease of access enabled users to access information's about almost everything in the world at their fingertips. It is to be indicated that the ease of access enabled users to collect information's about the product and brand before making a purchase decision. This importance of internet could be easily identified by the changes in traditional marketing strategies adopted by various organizations around the world. The mobile devices became so technologically advanced that, it even enabled the users to interact with customers who had bought the product previously and get relevant information about the product and brand. These changes made huge impacts in automobile industry also. Relevant studies show that customers consider online reviews about

the vehicle before they make the purchase decision (Charlton, 2015). This study is based on Volkswagen India Pvt. Ltd. in the context of India regarding online reviews and its customers purchasing decision and how it affects brand loyalty and customer satisfaction of Volkswagen India.

1.2 Research background

The background of this research is primarily based on the importance and relevance of online reviews and its impacts on brand loyalty and customer satisfaction of Volkswagen India. Recent studies shows that before finalizing the purchase decision the customers tend to gather information from online reviews using internet about the vehicle they are planning to purchase, reviews about the vehicle is even collected from social media platforms like Facebook and YouTube (Charlton,2015). The online reviews act as a first medium of information that can be attained by the customers before making the purchase decision. Majority of the customers relay on online reviews as a medium to know about the product they are going to purchase. Online reviews tend to create confidence among customers to make the final purchase decision. It is seen that reviews created by people who already bought the product will have significant impact on making purchase decisions of new customers; also these reviews can impact the customer's perception about the brand and the product (Singh *et al.* 2017). The genuinity and reliability of online reviews plays an important role in building positive and negative image about the brand and its products. Also online reviews could also be biased can be utilized as a method to manipulate what people think about the brand and its products (Singh *et al.* 2017). These frameworks show that online reviews are an important factor which impacts the customer satisfaction and brand loyalty of the customers towards the brand.

Background of this research can be connected to investigating the relevance between perception of customers and online reviews about Volkswagen India. Also it discusses about how the online reviews can impact the purchase decisions, brand loyalty and customer satisfaction among Volkswagen India customer base.

1.3 Research Problem

Regarding to the topic online reviews, a number of problems will arise. Since the online reviews are affecting customer satisfaction and brand loyalty of the brand, these problems aroused is of great importance. The very first problem found out was online reviews won't be always pointing

out objective information about the specific product. Even though the online reviews are completely objective this information shared may or may not be regarding one single piece of the product which is being used by the reviewer. This creates an uncertainty about the online reviews, because the information shared by the reviewer won't be reflecting the real characteristics of the product. On the other hand one negative review could adversely impact the brand perception and brand image of the organization even though a number of positive reviews about the product were present. Therefore one major issue identified was the reliability of the online reviews, also if those are advantageous for the customers and they will affect the customer satisfaction and loyalty against the brand.

Another main issue found out was online reviews can be forged against the brand in order to adversely impact the sales of the brand. Fake online reviews can be performed by one competitive organization or by a group of individuals who want to negatively impact the brand. According to Sakasegawa (2020), many of the customers changed their purchase decision and perception about the brand due to fake reviews. It is also found that even though the customers are loyal towards the brand there is a chance that they could change their purchase decision due to influence from negative online comments (Sakasegawa, 2020).

1.4 Rationale for research

There are very less literatures present which studies about the online reviews and its impacts on an automotive brand. The existing literatures are not focused on automotive brands. Since purchasing a vehicle includes a large amount of financial interactions, this increases the significance of the research.

In the previous section of the study (1.3 research problems), the problems pointed out shows that online reviews could be non-objective and are not reliable. On the other hand it is undeniable that online reviews could impact customer satisfaction, perception of the brand in mindset of customers and affects the purchasing decisions of customers. Upon these conditions, the significance of the study is connected to how the online reviews could alter the loyalty of the customers with the brand also how it will impact the customer satisfaction levels. For analyzing the impact of online reviews, it is important to recognize the variables which are connected with online reviews. For example, age group of customers is an important variable which could affect the online reviews. Hence the current study is relevant in the present situation to identify how

online reviews could cast brand loyalty and customer satisfaction utilizing very deep study about the topic. India is chosen as the base for the study and it allows understanding the concept without conducting a global research. Moreover this research has more significance because it allows the business organizations to understand the underlying connections between brand loyalty, online reviews and customer satisfaction.

1.5 Gaps in the research

Previous researches on online reviews centers on helpfulness and impacts of online reviews on customers. On the other hand there are noticeable gaps in those researches for recognizing the importance and relevance of online reviews. When considering strong factors like customer satisfaction into account, it gives more opportunities that shows online reviews have more impact over variables such as brand loyalty. This is because that customer satisfaction is an important variable which could be independent from external opinions. Moreover previous researches about online reviews were conducted on psychological perspective other than business point of view. Adding to that, the current study aims to fill the gaps which are unexplored by previous researches on the topic.

1.6 Research Aims and Objectives

The main purpose of the research is to recognize or identify and evaluate how online customer reviews on Volkswagen India impact the brand and affects the Volkswagen India's brand loyalty and customer satisfaction. The research objectives are as follows;

1. To analyze the importance of customer satisfaction in Volkswagen India.
2. To identify how online reviews affect brand loyalty and customer satisfaction.
3. To recognize importance of customer reviews about Volkswagen India.
4. To recognize the effect of online reviews and brand loyalty and customer satisfaction on Volkswagen India customers.
5. To recognize contributing factors that influences brand loyalty of Volkswagen India.
6. To advocate advisable recommendation for improving brand loyalty and customer satisfaction for Volkswagen India.

1.7 Research questions

Six relevant questions are identified for the research to communicate with the recognized variables;

1. What is the importance of brand loyalty and customer satisfaction for Volkswagen India?
2. If a negative comment or review is by a customer will it affect the sales of the Volkswagen India?
3. Will the customers trust the reviews about the product posted online without experiencing the product in person?
4. How the views about the vehicle changes with respect to the online reviews that read online?
5. If a negative comment or review rose against a particular automotive product will the impact of the negative comment or review affect the Volkswagen India's brand image?
6. What are the ways to improve customer satisfaction and brand loyalty of Volkswagen India with respect to online reviews?

1.8 Research methods for current study

According to von Helversen (2018), there is very little researches were present about the impact and importance of online reviews. This shows the need for the research in this area. Since online reviews plays an important role in customer purchase decision making, the importance and relevance of the study is clear in the present era. The study conducted is of quantitative in nature, which helps to identify the customer perspective about the online reviews. The limitation of time and length of the study have created restrictions for the research to adapt cross sectional time horizon for the study and limiting the study to selected themes which are relevant for the study. The thorough detail on the research is discussed in Chapter 3 of the study.

1.9 Scope of the research

The quantitative method of data collection is adopted by the researcher for the study. The quantitative method is adopted by the researcher because it helps to design relevant questionnaire which suits the objective of the study. Using this questionnaire created, online survey is conducted among 250 participants. The data obtained from the survey is used for analysis which

is discussed in Chapter 2 of the study. The researcher have gained appropriate understanding about the perceptions of the customers about online reviews which satisfies the research questions mentioned in the section 1.7 of the study.

1.10 Structure of the Dissertation

Chapter 1: Introduction

This section of the study is the introduction to the study, which includes gaps in the research with justification of the study. The research objectives, aims and questions for the research is also discussed in the current section.

Chapter 2: Literature review

This section of the study consists of academic literature and industry literature which are relevant for the study. Since the research attempts to investigate customer opinions about online reviews, the relevant literature which covers brand loyalty and customer satisfaction is also included in the current section of the study.

Chapter 3: Methodology

This section of the study consists of a detailed understanding of the research objectives for the study and the methods for data collection is also included in the current section. It also includes the selection of the sample; details of the sample selected and detailed review of the primary research and how the research is progressed.

Chapter 4: Analysis and Findings

The analysis and finding section of the study includes the detailed analysis and validation of data with the information's that observed by the researcher during data analysis.

Chapter 5: Discussion

The discussion section of the study includes critical analysis of the data collected in the research with practical considerations and limitations.

Chapter 6: Conclusion and Recommendations

This section includes conclusions from the study. Also this section verifies that the research objectives and aims are accomplished in the research. This section also includes recommendations future studies and managerial practice on the topic.

Chapter 2: Literature Review

2.1 Introduction

Customer feedback is the best method to understand the customer demands or the market demands. According to Barlow and Moller (1996) customer feedback could be considered as a strategic tool to identify something new about the product or services provided by the brand. This shows the importance of customer feedback which could be utilized as a medium for developing the product which suits the market demand. The importance of two concepts "customer satisfaction" and "brand loyalty" in the point of view of online customer reviews at the automotive sector is focused on this literature review section. The concept of "brand loyalty" and "customer satisfaction" is explained in this literature with the help of a number of theories like Dissonance theory, Brand equity theory etc.

2.2 Conceptual Framework

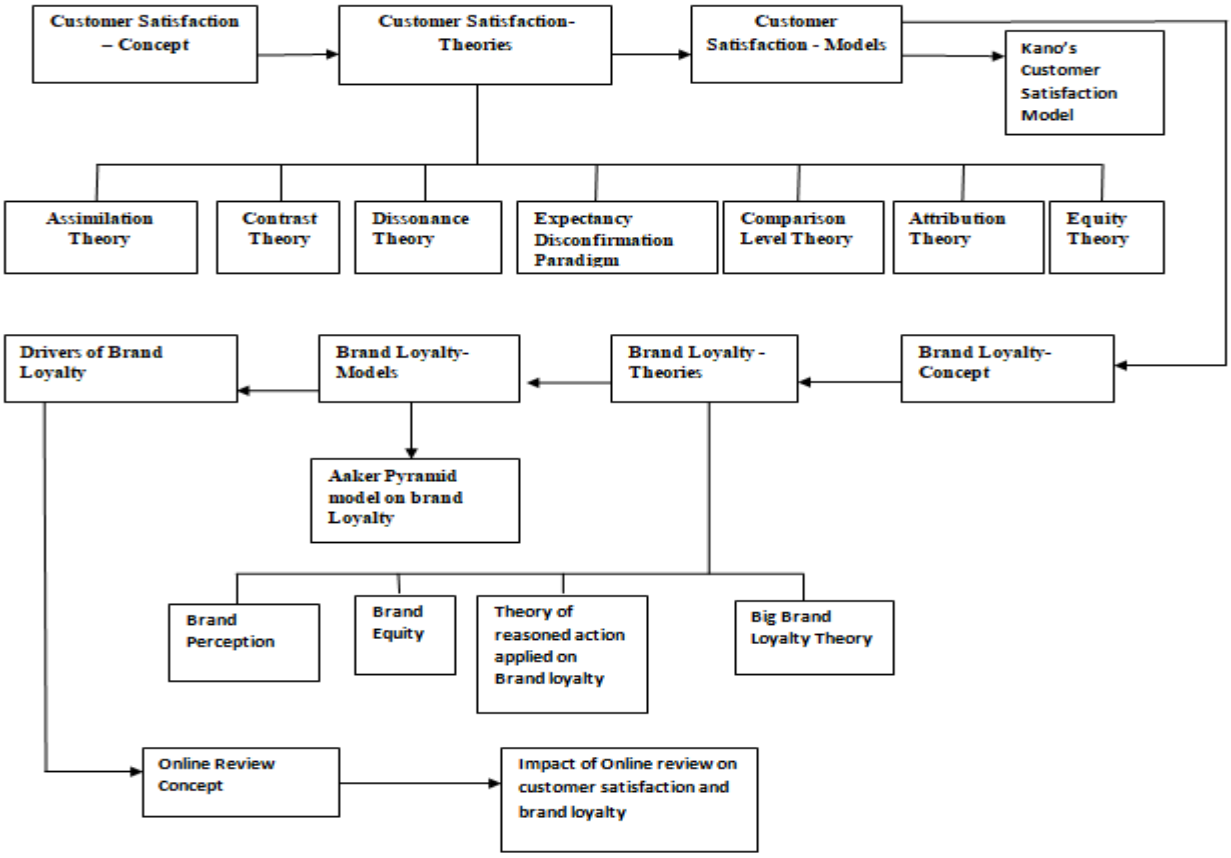

Figure 1: Conceptual Framework

2.3 Concept of Customer Satisfaction

According to Harmeling *et al.* (2017), customer is considered as satisfied when the product meets the demands and expectations of the customer. These expectations and demands could vary according to the reliability and reputation of the product and the brand. Customers place a lot of trust on the brand before making the purchase decision. The customer trust is an important factor which generates customer satisfaction. The customer satisfaction is indirectly linked to customer loyalty. According to Harmeling *et al.* (2017), the customer loyalty is dependent on many factors and also it is a complex process to generate loyalty among customers. It has to be pointed out that the customer attitudes might vary according to the satisfaction levels of the customers, if the customer have a past experience which is satisfactory the customer loyalty towards the brand will be higher on the other hand if the previous experiences was not satisfactory the customer loyalty towards the brand will be low. According to Hallencreutz and Parmler (2019), customer satisfaction is an important factor which will lead to improve the image of the organization, helps to protect the market share, helps in decreasing customer complaints and increase in financial backbone of the organization.

2.4 Customer satisfaction- Theories

2.4.1 Assimilation Theory

Assimilation theory explains the attitude of the customer in terms of performance the product, comparing to the expectation of the customer about the product performance. Assimilation theory put forward the behavior of the customers in the basis of performance of the product after the purchase of the product. If one specific product of the brand is highlighted with performance features, the customer who buys the product will have a certain level of expectation of the product performance, if the product couldn't meet those performance features highlighted then the customer will not be satisfied with the product. This theory has a large impact on deciding the customer satisfaction (Zhang *et al.* 2019).

According to Ou *et al.* (2017), the customer reviews posted online could affect the customers mindset towards a specific product and which keeps the customers to not to choose the product due to the negative reviews which read online. If the online customer reviews are negative, this leads to the new buyers to have a negative image of the product performance and will result in

not choosing the product and also will be forced to choose another alternative product of the same brand or another brand. On the other hand even though the customers won't choose a specific product of the brand due to negative reviews, there is a chance that the customers may choose another product from the same brand (Ou *et al*. 2017).

2.4.2 Contrast Theory

According to Oliver and DeSarbo (1988), contrast theory is the tendency to emphasize the disparity between the customer's attitude and the opinion by the brand. As per assimilation theory the customers will try to minimize the differences in product performance on the other hand as per contrast theory the customers will try to magnify the differences recognized in the product with the product showcased by the brand. As per contrast theory if the brand is exaggerating about the product or performance of the product, if a slight variation from the showcased performance of the product it will lead to dissatisfaction of the customer (Yüksel and Yüksel, 2008).

The contrast theory predicts the reaction of the customer; this theory is well connected in predicting the satisfaction levels of the customers. If the brand is exaggerating the product performance figures through advertisements, when it comes to customer point of view, if the product is not performing to the standards that said by the brand it causes total dissatisfaction of the customer (Zhang *et al.* 2019). This impact could be also reflected through online reviews, if a minute disruption from the projected features is identified by the customer it will lead to dissatisfaction of the customer. Thus it can be stated that the quality of reviews could impact the customer satisfaction levels (Zablocki, 2019).

2.4.3 Dissonance Theory

Dissonance theory is the theory that suggests if the customer is having high expectations about a certain product and after usage; the experience is not meeting the expectations of the customer it will lead to a cognitive dissonance (Cardozzo, 1965). This theory suggests that if the product is not meeting the expectations it will create psychological discomfort for the customer. This theory also waves path to another important aspect, the post reviews and ratings in the mind of the customer before experiencing in person will create high amount of expectation. Even though the product is not different from the proposed quality or performance, the customer who has high

hopes will expect more from the product. The customer is approaching the product with high hopes in mind. This situation will lead to psychological discomfort even though the product is having same quality and performance projected by the brand or manufacturer. On the other hand according to Yi (1990), if any slight changes occur from the customer expectation when the customer experiences the product, due to the psychological tension the customer will reduce the expectation about the product and self believe that the product is up to the mark and suited the expectations (Yüksel and Yüksel, 2008).

The dissonance theory shows the brand about the importance of reviews and ratings. If the products performances are exaggerated by the brand through advertisements, this creates high hopes in the mind set of customers. If the product is not meeting the standards projected by the brand this creates psychological discomfort in the customers which will eventually result in customer dissatisfaction. The reviews and ratings posted by the customers who brought the product will create faith in new buyers and also avoids the dissonance created (Dai and Zhang, 2019).

2.4.4 Expectancy Disconfirmation Paradigm

Expectancy – Disconfirmation Paradigm or EDP is known as the most relevant theory in terms of customer satisfaction. This theory suggests that customers approach a product with expectations about product performance before purchase of the product. These expectations will create a standard in the mindset of customer which will act as a base for the product judgment. After using the product in person, the experience of the customer is evaluated or compared with the expectations of the customer. If the experience is satisfactory this creates ***confirmation*** for the customers. On the other hand if the experience is not satisfactory or doesn't meet the expectations of the customers this creates ***disconfirmation*** among customers. If the product performance is better than what the customer was expecting this creates disconfirmation which is positive and results in customer satisfaction (Oliver, 1980).

The EDP theory shows the importance of meeting the expectations of the customers which creates positive confirmations in the minds of the customers. The reviews and ratings create certain expectation levels in minds of the customers before purchase of the product. The brands

must keep to meet this expectations which will result in customer satisfaction (Yüksel and Yüksel, 2008).

2.4.5 Comparison Level Theory

According to La Tour and Peat (1979), Expectancy – Disconfirmation Paradigm or EDP theory is not considering other customer sources, which creates expectation in the mindset of customers. Some of these sources are previous experiences with the brand for the customers and opinions of other customers who have the similar situations which resembles the customer. This gave rise to comparison level theory. As per comparison level theory there is another few factors which will act as the determinants for the product comparison (Yüksel and Yüksel, 2008). These factors are the previous experiences of the customers with the brand or products which are similar to the specific product, the expectations which are produced due to certain situations (due to promotional offers or advertisements) and the experiences of customers who act as referral persons (Yüksel and Yüksel, 2008).

According to La Tour and Peat (1979), the previous experiences of customers with the brand and experiences of customer referral persons play an important role rather than expectations created due to other situations in minds of customers. This study shows the importance of customer reviews which could influence the new customers to choose the product. It is found that customers will trust more on previous experienced customer reviews rather than information shared about the product by manufacturer or brand through advertisements. This shows the importance of customer reviews and need to address the customer feedbacks with seriousness (Dai and Zhang, 2019).

2.4.6 Attribution Theory

As per attribution theory if the product doesn't meet the expectations of the customer, they will reach a mental state to figure out what had happened with the product or why they are dissatisfied with the product (Folkes, 1984). As per this theory the customers would search for the reason why the product is dissatisfied or satisfied. According to Oliver and DeSarbo (1988), as per the attribution theory the customers will try to find out the reason for product satisfaction or dissatisfaction and will allocate these satisfaction and dissatisfaction factors through a three dimensional representation. These representations are, ***Locus of causality*** (internal cause or

external cause), this is the dissatisfaction caused due to customer (internal) or due to environmental situational change (external). Next is the ***Stability*** (variability), this is the stable causes could not change over certain time period on the other hand invariable source of cause could change over certain time period. Last but not least ***Controllability*** (controllable cause or uncontrollable cause) these are certain causes which could be controlled by effort given. On the other hand some causes are uncontrollable due to external sources like environmental changes (Chang and Zhang, 2019).

As per this theory the customers who felt stable causes, would not prefer this product anymore. Strong and stable source of causes would create high level of anger in the mindset of customers. These high levels of anger would cause the customers to spread negative feedbacks for expressing the dissatisfaction (Yüksel and Yüksel, 2008).

2.4.7 Equity Theory

According to Lee and Park (2019), equity theory reflects the importance of customer satisfaction in business organizations. As per the equity theory the customers will experience equally treated when the product is matching to the input they had given for attaining the product. This equally treated feeling might vary due to many factors like price paid for the product, the time and work spared for attaining the product and the advantage received with use of the product (Oliver and DeSarbo, 1988). As per the equity theory, the customer could be judged satisfied or dissatisfied when compared to the input like money, time etc, (Yüksel and Yüksel, 2008). The equity theory shows the importance of customer satisfaction and also explains that customer will expect a minimum result according to the effort the customer had taken to make the purchase of the product or service (Lee and Park, 2019).This theory waves path of importance of customer reviews. If the customer has a feeling the output or the product they received is not equivalent to the input they had given, this causes customer dissatisfaction and will lead to negative reviews about the product.

2.5 Customer satisfaction models

2.5.1 Kano's customer satisfaction model

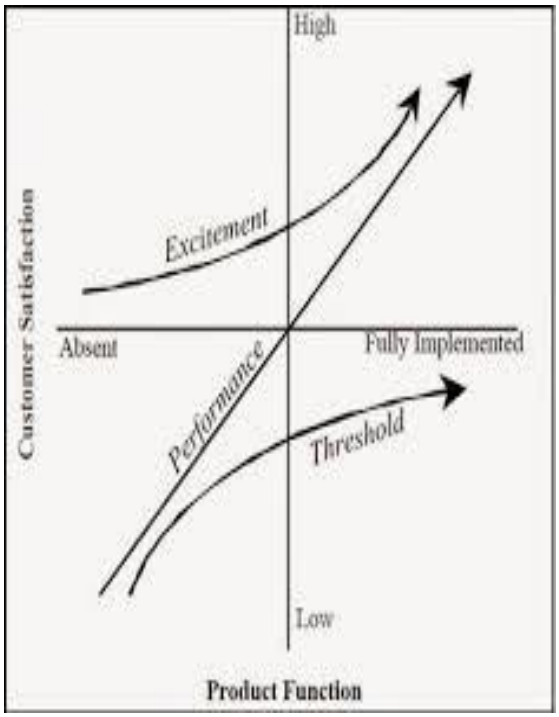

Figure 2: Kano's customer satisfaction model (Lin et al. 2017)

Kano's customer satisfaction model is known as one of the best models to analyze customer needs and how it will affect customer satisfaction. Kano's model is helpful in product designs and conceiving products at the initial stages of production. Kano's model is helpful for designers in deciding if the product design is good or it can be made better (Lin *et al.* 2017).

Kano's model put forward four attributes which analyses the product acceptance by the customers. They are "excitement attribute", "performance attribute", "threshold attribute" and "indifferent attribute" (Lin *et al.* 2017).

Excitement attribute shows the excitement of the customer after receiving the product or using the product. Excitement attribute could not be analyzed by the expressions of the customer. On the other hand, excitement attribute features added to the product could increase the customer satisfaction levels. The excitement of receiving the product or using the product is necessary in the product and this attribute must be considered from the initial stages of product development. The value of the product will not fluctuate if the excitement attribute is not present (Méndez-

Aparicio *et al.* 2017). **Performance attribute** complies the features which are necessary in deciding the need of the product for the customers. The needs of the customer must be identified before the product development and specific features must be added to the product to meet the needs of customers. These features play an important role in deciding if the customers want to purchase the product or not. Or in other words if the performance attribute is not present in the product the importance of the product will be questionable (Ou *et al.* 2017). **Threshold attribute** includes the features which are necessary in the product. These features are of great importance and must be included in the product disregarding the different types of products. Increasing the threshold attribute will helps in developing the value and performance of the product (Lin *et al.* 2017). **Indifferent attribute** consists of the features which are of less importance to the customers. Even though these features are present or not, the customer satisfaction levels will not change (Ou *et al*. 2017).

It is to be pointed out that all these attributes are required to make or develop a good product which is acceptable by the customers. The presence of each of these attributes will increase the customer satisfaction levels. Even though each of these attributes are required, the product needs more excitement and performance attributes which will increase the value of the product (Méndez-Aparicio *et al*. 2017).

2.6 Brand Loyalty- Concept

Brand loyalty is considered as one of the most important factor in making customer brand selection. According to Jensen and Hansen (2006), brand loyalty is an important factor which influences the success of business organizations. These statements show the relevance of brand loyalty in business organizations. The business organizations always try to maintain the brand loyalty among its customers by introducing product range which suits the demands of the customers. Brand loyalty not only results in repeat purchases by the customers but also recommends other customers to use the same brand. Also brand loyalty provides the brand more competitive advantage. According to Andreani *et al.* (2012), the brand loyalty could be improved among customers by analyzing few factors that could influence brand loyalty among customers, these factors are brand image, brand personality and brand trust.

2.6.1Brand image

Brand image is an important factor that influences brand loyalty among the customers. Brand image is meant as "how the brand is seen by the customer". This picture of the brand in customers mind will lead the customers towards the brand. According to Hsieh, Pan and Setiono (2004), the brand image could support customers to identify their needs and how these needs are fulfilled by the brand and results in customer satisfaction. Also brand image develops a positive feeling towards the brand and also develops a cause to purchase the product in the mind of customers. Brand image is the customers view about the brand, so the business organizations has to create a strong positive image among their customers, also positive memory about the brand has to be stored in the customers mind (Andreani *et al.* 2012).

2.6.2Brand Personality

According to Aaker (1997), brand personality defines as the human personality traits or characteristics that connect to the brand or its products. There are five dimensions for brand personality as per Aaker (1997); those dimensions are sincerity, excitement, competence, sophistication and ruggedness. Brand personality is one of the main factors that contributes in creating a strong brand and attract customers towards the brand (Aaker, 2012). Brand personality also influences a certain personality traits of the costumer when the customer is using the products. This mental connection of customer with the brand or the products will enable the brand to successfully reach more people (Aaker, 1997). Brand personality is connected to brand loyalty and brand personality can influence the brand loyalty among the customers (Mabkhot *et al*.2017).

2.6.3 Brand Trust

Brand trust is the trust of the customers in the brand and its products. Brand trust is the customers belief, that the products of the brand will function as per the standards that promised by the brand. This trust could only be developed by introducing quality products by the brand and these products must function as per the standard that promised by the brand (Chaudhuri and Holbrook, 2001).

Brand trust is the key factor for developing brand loyalty among customers. The trust in the brand will influence the customers to purchase the products introduced by the brand and helps to stay loyal to the brand. This attains customer satisfaction, because the customers are satisfied with the products by the brand and believes that the products of the brand will suits the tastes of the customer and meets the demands of the customer (Chaudhuri and Holbrook, 2001).

2.7 Brand Loyalty – Theories

Theories of brand loyalty are those theories which discuss the factors that could influence the customers to increase the loyalty towards the brand and also what measures could be taken by the business organization to improve brand loyalty among their customers.

2.7.1 Brand Perception

Brand perception is what the customers think about the brand and how the brand is represented in the mindset of the customers apart from what the business organization says the brand stands for or represents (Smith, 2015). According to Fu and Juan (2017), apart from the product varieties the brand have, marketing and other similar activities also could impact in creating positive brand perception among customers. Brand perception has an important role to increase brand loyalty in customers. If the brand perception is positive it can lead to brand loyalty and if the brand perception is negative it could negatively affect the brand and its reputation among customers (Harmeling *et al.* 2017). According to Yu and Yuan (2019), brand perception could be impacted in positive or negative manner by the online reviews which are accessed by the customers. The customers who are approaching the brand for purchase have perception in mind about the brand. If the online reviews reflects a negative nature about the brand, then the customer will be having a negative brand perception which can result even in loss of product sale on the other hand if the online reviews is reflecting a positive nature about the brand, then the customer approaching the brand for purchase will have a positive brand perception (Yu and Yuan, 2019). Charitable operations are an excellent method to create more brand perception among the customer base. It is found that the customers have more readiness to purchase products from the brand which are engaging in charitable operations and contributing to their community (Wu *et al*. 2014).

2.7.2 Brand Equity

Brand equity is the value created by the brand from their products with the help of the name of the brand when equivalent comparable products exist in the market. Brand equity is the power of the brand to sell their products to customers with the help of brand value because the customers trust in the brand and expect no less than satisfaction by using products from the brand, at the same time equivalent products exists in the market (Rungsrisawat and Sirinapatpokin, 2019). Brand equity could be positive and negative. If the brands have positive brand equity the customers will be ready to buy products at higher price from the brand when similar products with similar features exist in the market in lower price. On the other hand is the brand equity is negative customers won't be ready to pay more for the products from the brand when similar products exists in the market (Keller and Sood, 2003). According to Chakraborty and Bhat (2018), the online reviews can impact brand equity of the brand positively and negatively. If the online reviews are positive, it can influence customers to buy the product on the other hand if the online reviews are negative it could create a negative impression about the product or the brand (Zablocki, 2019).

2.7.3 Theory of reasoned action applied on Brand loyalty

Theory of reasoned action is stated by Martin Fishbein and Icek Ajzen at the year 1967 in order to identify customer behaviors which results in purchase of the product (Akaeze and Akaeze, 2017). Theory of reasoned action is known for recognizing the purchase behavior of the customers and how the customers reach the purchase decision. According to theory of reasoned action the attitude against purchase and subjective norms are the predecessors which will lead to customer's purchase of the product. These two predecessors are found to influence the customer in making the purchase of the product (Ha, 1998). As per this theory the purchase decision is solely based on the customer's trust on the product. The main intention of theory of reasoned action is for identifying motivational factors that influences the behavior of customers which are not controlled by customers. Also for planning strategies when the customer behavior changes (Akaeze and Akaeze, 2017).

2.8 Models on brand loyalty

Even though there are many models on brand loyalty, the Aaker Pyramid model is chosen by many scholars while discussing about concept of brand loyalty. Aaker Pyramid model is most suitable while discussing about brand loyalty.

2.8.1 Aaker Pyramid model on brand Loyalty

Aaker Pyramid model is a brand loyalty model proposed by David Aaker. This model analyses how a brand can develop brand loyalty among its customers. It also discusses the need for brand identity and how a brand can develop brand loyalty. The Aaker model discusses about different types of customers and the factors which influence them to make the purchase decisions. Aaker's model is considered as the best model for the marketing teams because it discusses the importance of brand loyalty and different type of customer segments. Another reason which makes Aaker's model is important because, if the model is applied properly this model will create an adaptable brand which could expand and adapt to market changes (Schmidt, 2019). According to Aaker (1991), brand loyalty concept is considered as a pyramid which has five classes. Those classes are,

Switchers are the bottom level of Aaker pyramid. They are non loyal buyers. They are indifferent towards the brand. These classes of customers are willing to switch their brand because switching brands won't cost them financially. They are ready to change to any brand of choice as per their wish. For those customers the brand has no influence while making a purchase decision (Aaker, 1991). ***Habitual buyers/satisfied buyers*** are those customers who are satisfied with the brand and its products. The customer who falls in this category chooses the brand because of their purchasing habit. They do not want to switch to any other brand, and they will not find any reason to switch to any other brand (Aaker, 1991). ***Satisfied buyer with switching cost*** are the satisfied customers of the brand who are not ready to switch to any other competing brand because of the switching cost that they need to spend for switching to another brand (Aaker, 1991). ***Brand lovers*** are customers those are loyal towards the brand and are not ready to switch to any other brand. They love the brand and consider the brand as the friend. These customers have emotional attachment with the brand and are known for their extreme loyalty towards the brand (Aaker, 1991). ***Committed customers*** are the customers at the top level

of the Aaker's pyramid. These customers are extremely loyal towards the brand and consider using the brand as a pride. They have the ability to influence others to choose the brand and would recommend to use the brand to others (Aaker, 1991).

Figure 3: Aaker's Pyramid (Aaker, 1991)

According to Aaker (1991), the brand loyalty is the base of brand equity. As per Aakers study, the brand loyalty is more linked to user experiences. According to Aaker, brand loyalty is the important factor that influences the brand value.

In the case of Volkswagen India, brand loyalty is decreased due to diesel scandal raised against Volkswagen EA 189 diesel engines which are accused for manipulating the nitrogen oxide tests. This diesel scandal aroused against Volkswagen had affected the brand loyalty and affected the trust in the brand for a large number of customers. This scandal affected the Volkswagen and its reputation among customers. This largely decreased the market share of the brand and the trust of stakeholders. Many of the Volkswagen customers submitted lawsuits against the brand and the trustworthy image of the brand among customers was also affected (Jung and Sharon, 2019).

2.9 Mechanisms to increase brand loyalty

To be better among others: This is to improve what the brand is best known for. Through improving product quality, improving customer service etc. The customers will not stop choosing other brands even though the brand has many plus points than competitors. The best way is to let customer know why the brand is better than others (Lazarevic, 2012).

Creating attachment: This is to create an attachment towards the brand in minds of customers. The brand supposes to give people a motivation to use the brand (Lazarevic, 2012).

Trustworthiness: This is to perform more than what the brand claims it will do. If the product performs better than what the brand says, it will create satisfaction among customers which create brand loyalty among customers (Lazarevic, 2012).

Attainable: This relates to the fact that if the head of the brand is reaching out the customers, it will create a feeling among customers that they know this person who is the head of the brand is representing the brand (Lazarevic, 2012).

Stability: This shows the importance of lessoning to customer reviews, if the customer review is credible and many others have reported the same reviews it shows the need for making changes in the product. On the other hand if the brand is making changes to the product as per each customer reviews it will lead to loosing stability of the product and the brand (Lazarevic, 2012).

2.10 Online Reviews- Concept

For attaining market share, all the business organizations has to study and analyze what is happening in the market and what are the current trends in the market. This is a common knowledge every business organizations have. In the present era, the internet usage is very prominent among every customer groups, this trend of depending on internet for each and everything creates an opportunity for business organizations to market their products and services through internet. The internet had become most trustworthy mode of information nowadays (Bounie *et al.* 2005). Compared to the other age groups, millennial group tends to purchase more from the online after reading the reviews about the product (Pappas *et al.* 2017). According to various surveys conducted among customers 86% to 90% people are totally depend on online reviews before purchasing a product (Lin *et al.* 2016).

2.11 How online reviews are important to the Brands

The most important usage of internet for business organizations lies at the marketing side of the product or services. Marketers could easily transmit their product to various peoples at the same time (Bounie *et al.* 2005). Internet aids in number of ways to know about the brand and product and services provided by the brand, how trustworthy is the brand and its products within a single

search on the internet. According to Martinaityte *et al*. (2019), the internet always paves ways for improving the product and services for business organizations. The current generation depends on internet for each and everything, which gave internet more importance in day to day life of people. This importance of internet made online reviews as the most successful way to connect with customers. This way of online reviews made business organizations one step closer to the customers. According to Bounie *et al.* (2005), the market analysis became so simpler that, different online portals exhibits online customer reviews of different types of customers, what they think about the product or services by the respective brands. These reviews help business organizations to understand what the customers are expecting, what are the market changes and demands. So if the brand can handle all the age groups and keeps them happy it will be a worth to the brand progress. So if the brand can handle all the age groups and keeps them happy it will be a worth to the brand progress (Zablocki, 2019).

2.12 Impact of Online review on customer satisfaction and brand loyalty

The wide usage of internet made the possibility for customers to posts reviews about the product or services of various brands and compares the products from different brands on the same time. These online customer reviews can make large impact on the business and the targeted customers (Bounie *et al.* 2005). It is to be pointed out most people read online reviews about the product or services they are going to purchase before making a purchase decision. This showcases the importance of online reviews and the impact the online review can make in deciding what to choose. The emergence of various online portals which are trustworthy in the eyes of customers put forward various reviews about the products or services shows the impact which the online reviews could make among the targeted customer groups. The users or previous buyers are ready to share their experiences on the online platforms like social media platforms, these reviews about the product or brand is seen to influence lot of customers to finalize what to buy and where to buy from (Darshan, 2018). The online reviews can be of two forms positive and negative. The positive online reviews could make an impact on customers and helps customers to know about the product or services they are going to purchase. On the other hand a negative online review could completely destroy the brand or the product and creates a negative image about the product which could completely stop customers to choose the specific product or services. If one user is read about the negative review via online even though the product meets the demands of the

customer, the negative impact created by online review can stop the customer from choosing the product (Darshan, 2018).

2.13 Summary

The customers purchase decision is a very complicated process. The customer purchase decision could be changed due to many factors. The customer purchase decision is not only dependent on the highlighted features of the product. The product features may suit the customer needs, but it cannot solely impact the customer purchase decision. Brand loyalty and customer satisfaction are two important factors which can influence the customer. In this context the importance of "Kano's customer satisfaction model" and "Aaker's brand loyalty pyramid" are the best topics to be used for analyzing customer purchasing decisions. However in the present era the online reviews about the product are an important aspect which is considered by most of the customers before deciding what to choose. From the literature it can be understood that the customer satisfaction which is of high importance is psychological phenomenon which could only be achieved via different stages.

Chapter 3: Methodology

3.1 Introduction

According to Kothari (2004), research is the search for knowledge or type of investigation conducted on the basis of science about a certain topic. Research can be also considered as an effort to attain new knowledge which conducted in systematic method (Flick, 2015). According to Sileyew (2019), the research methodology is one of the most important parts of the research. The research methodology is the section which shows the researcher how the research is to be conducted and what all methods that has to be adopted to obtain the research objective.

This research analyses the importance of online reviews and how it will affect the brand loyalty and customer satisfaction of Volkswagen India Pvt. Ltd. For acquiring the required purpose of the research, the methodological section of the research discusses the sample population, the structure of research and methods for data collection.

3.2 Methodology structure

According to Saunders *et al.* (2009), considering research process as an onion is the best method for analyzing different stages incorporated in the research work development. Peeling each layers of the research onion reveals the inner layer which incorporates more detailed research process stages. According to Saunders *et al.* (2009), the research onion should be peeled from outer layer to inner layer. For seeing the inner layer outer layer should be unwrapped at first. The research onion and various layers supported the research through providing direction for the research.

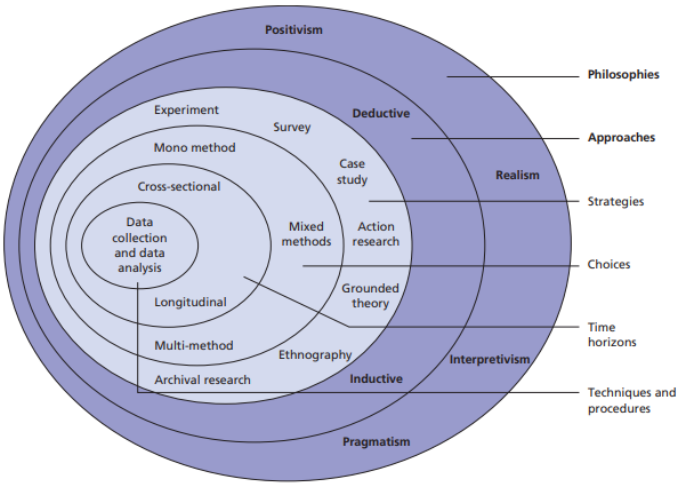

Figure 4: Research Onion (Saunders et al. 2009)

According to Saunders *et al.* (2009), the research onion outer layer depicts research philosophies followed by next inner layer of research approaches, research strategies, research choices, research time horizons and research techniques and procedures respectively. The centre or core of the research onion represents data collection techniques and data analysis.

3.3 Research philosophies

According to Saunders *et al*. (2009), the research philosophy is the system of credence and speculation towards knowledge development. Research is the action in search of knowledge or development of knowledge. Finding answers to questions or problems in organizations is also development of knowledge (Saunders *et al.* 2009).

According to Saunders *et al.* (2009), assumptions reached during the research is classified into three, they are,

1. **Ontology**: Assumptions reached about the realities that come across the research.
2. **Epistemology**: Assumptions reached that defines knowledge of humans.
3. **Axiology**: Assumptions about the researchers values impacts the process of research.

These are the basic classification based on assumptions that comes across the research. Of these classification epistemological assumptions is chosen by the researcher because the research is

based on the judgment of people or information collected from the people is used as the criterion for the research. The ontological assumptions and axiological assumptions are neglected because more than those two assumptions the epistemological assumptions could impact the research.

According to Saunders *et al.* (2009), the research philosophies are classified into four different types. They are **Positivism, critical realism, interpretivism** and **pragmatism**.

According to Park *et al*. (2020), **positivism** is the study which relies on factual knowledge, which is attained via observations. Positivism depends on data collection and analyzing the collected data in the objective manner. Positivism supports quantitative data collection methods and statistical analysis of the collected data. Positivism studies relays on deductive approach towards the study rather than relying on inductive research method (Park *et al.* 2020). On the other hand **interpretivism** is the opposite side of positivism. In the interpretivism study, it is considered that the peoples have consciousness and they will not respond to external social impacts. This approach is opposing positivism and interpretivism does not support quantitative data collection on the other hand qualitative data collection is considered as the basis for the study (Burvill, 2019). According to Hoddy (2019), **critical realism** on the other hand is not just any methodology. Critical realism is considered as meta- theoretical study. Critical realism is otherwise known as post positivism. Critical realism lies between positivism and interpretivism. Critical realism supports qualitative method of data collection (Fletcher, 2017). Positivism and interpretivism are totally different and extreme paradigms of research. In the case of **pragmatism** the research is attaining a continuum in the research. The pragmatism philosophy describes that there are number of different ways for elucidating the world and for performing the research and one approach could not be enough for giving a clear image, so that multiple approaches could be used for conducting the research (Wills and Lake, 2020). Pragmatism philosophy supports mixed method of research which incorporates both quantitative and qualitative approaches (Saunders *et al.* 2009).

For the study about customer satisfaction and brand loyalty, **positivism** philosophy is considered by the researcher. The positivism is considered by neglecting interpretivism, critical realism and pragmatism because the research is based on factual values and the analysis of those values, other than subjective evaluations and analysis by observations and differentiations. Positivism is known for acquiring relevant information through quantitative data collection techniques like

surveys. The information about customer satisfaction and brand loyalty is solely relayed on judgment of people which shows the relevance of positivism philosophy in the research. The positivism philosophy is carried out by carefully by collecting information relevant to the brand and the subject, also great care is taken to neglect the information which is irrelevant for the research. The interpretivism is neglected because it is subjective in nature and demands irrelevant composition of human emotions in places where the logical nature is required (Burvill, 2019). The interpretivism will stop the research from gathering valid information via statistical input. The critical realism is not suited for the research because the critical realism recommends a separation of human emotions from actuality (Fletcher, 2017). Pragmatism philosophy relay on the other hand recommends different methods which incorporates human emotions which could affect the research.

3.4 Research Approach

According to Saunders *et al*. (2009), the research approach is classified into two type's deductive research approach and inductive research approach. The deductive approach is the research approach which develops hypothesis based on previously existed theory and creates research strategy in order for testing it. The deductive approach mostly suits the positivism research philosophy because it will helps to hypothesis creation and also helps to statistically test the result (Pandey, 2019). On the other hand, the inductive research approach enables the researcher to create new theories. As per inductive research approach the data required for the research is collected at first and research focus is formulated only after data is collected (Black, 2019).

In this study **deductive** research approach is adopted because of the ability to explain relations between variables and concepts. The inductive research approach is suitable for quantitative method of data collection and allows the researcher to test the previously existing theory using data collected. Inductive research approach is not considered in the study because, inductive research approach demands creation of new theories which need to extract from the data collected. Inductive research approach could not be used to prove theory, sometimes the data collected in the research might not support the theory formulated.

3.5 Research strategy

According to Saunders *et al.* (2009), the research strategy is a type of general proposal which guides the researcher for finding answers to the research questions systematically. Research strategy could also be interpreted as a methodology which helps in investigating the research problem for the researcher. The research strategy suiting the research should be selected according to the research topic, research questions, research objectives, research philosophies, research approach, time zones and availability of resources and candidates (Kumar, 2019). According to Saunders *et al.* (2009), the research strategy is classified into different types they are, experiment, survey, case study, action research, grounded theory, ethnography and archival research.

For the purpose of the study, the researcher had chosen survey type of research strategy. According to Saunders *et al.* (2009), the survey type of research strategy is suitable for deductive type of research approach and the survey type of research strategy is also suitable for collecting quantitative data, which enabled the researcher to choose survey research strategy over other type of research strategy. Moreover the simplicity and acceptance of the survey among people persuade researcher to choose survey research strategy. The case study, action research, grounded theory, ethnography and archival research strategies are not chosen by the researcher because more than any other research strategy, the survey method is suited for the research.

3.6 Research Choice

According to Saunders *et al.* (2009), the research choice is classified into two mono- method and multiple method, and multiple method is again classified into multi- method and mixed method. Again the multi- method is classified into qualitative and quantitative multi- methods. The researcher adopted quantitative method of data collection technique for the study. The quantitative method allows the researcher in creation of relevant questionnaire and using that questionnaire survey is conducted among the participants. The results from the survey are used for analysis of the data collected. The researcher adopted quantitative method of data collection because of the accuracy of the results and quantitative data collection techniques often produces fact- based results or conclusions (Ghauri *et al.* 2020).

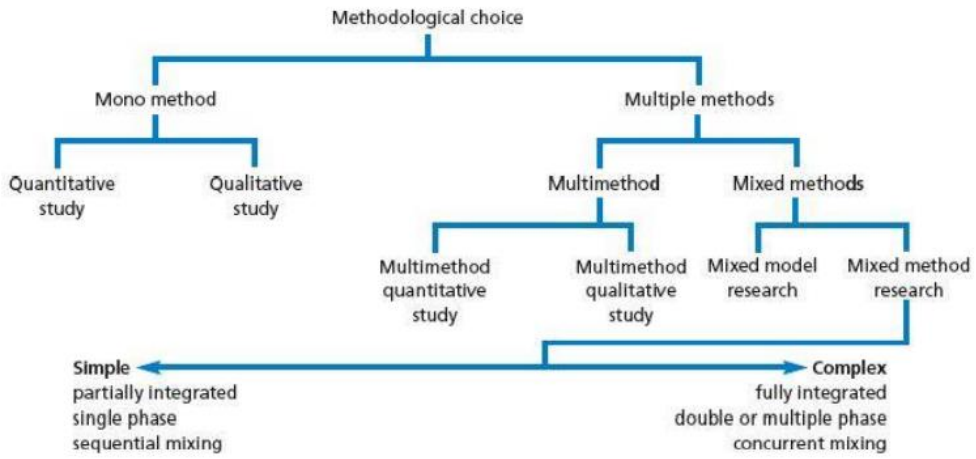

Figure 5: Research Choice (Saunders *et al.* 2009)

3.7 Time Horizon

According to Saunders *et al.* (2009), the time horizon is the time period assigned for performing the research. Time horizon is classified into two types, cross sectional and longitudinal studies. The cross sectional time horizon is limiting the time period of the study for a short period that means if the studies are performed in a group for a short period or at limiting time constraint, those studies fall under the group cross sectional studies. On the other hand longitudinal studies are the type of studies which takes more time to perform or if the studies in a group is performed repeatedly for a long period of time these studies fall under the group longitudinal studies (Kumar, 2019).

The researcher is using **cross sectional** time horizon because of the limited time constraint to perform the research. According to Saunders *et al*. (2009), cross sectional studies mostly use survey strategy for the data collection. Quantitative surveys are the data collection technique employed by the researcher in the study, hence cross sectional time horizon is used for the study by the researcher. The limited time frame of the study is restricting the researcher to collect information for a long period of time; hence the longitudinal time horizon is not used by the researcher for the studies.

3.8 Data collection and data analysis

According to Brace (2018), data collection is a systematic process where information is gathered, analyzed and interpreted from different sources which will support the research or study. Two types of data are collected for the research, primary and secondary data collection. The primary data collection is collecting data from groups through surveys or other data extraction methods. On the other hand, secondary data collection is collection of pre existing data from reliable sources which will support the research (Brace, 2018). The usage of secondary data is minimal because, the secondary data collected will be of previous years and in the study about customer satisfaction and brand loyalty of Volkswagen India, this secondary data could be outdated and irrelevant also could vary according to the current situations. Another reason for not relaying on the secondary data is that the validity and reliability of the secondary data cannot be fully assured (Hox and Boeije, 2005).

According to Voleti (2019), primary data is collected via extracting of information through first hand resources. For the purpose of primary data collection online surveys had been conducted using questionnaire which focuses on measuring brand loyalty and customer satisfaction. For the study, customer satisfaction and brand loyalty of Volkswagen India is selected as dependent variable and online reviews are selected as independent variable, on the basis of this survey questionnaire was designed which contains 18 questions.

3.8.1 Design of Questionnaire

As discussed earlier, for the purpose of collecting primary data quantitative online survey is employed by the researcher. For conducting the quantitative survey a set of questionnaire is designed which focuses on questions about brand loyalty and customer satisfaction of Volkswagen India. By utilizing online survey, the researcher will be able to reach large number of people and also the online survey is very easy and less time consuming for the participants to complete. Google forms were used by the researcher for creating online survey questionnaire. The study is mainly focusing on millennial, which eliminates the problem of computer literacy and the results from the survey will be highly accurate.

The questionnaire is used as a medium, for asking participants regarding brand loyalty and customer satisfaction and how online reviews impacted the purchase of them. The social media and email communications are used as the medium for distributing questionnaire. Since the study is focusing on millennial, social media communications like Whatsapp messenger is an effective way to get response from participants. Another reason for opting social media as a platform for conducting survey is because most of the millennial spent more time on social media comparing to other age groups (Kumar, 2010).

3.8.2 Execution of Survey

The sample size of participants taking part in the survey is 250. Among the sample size researcher is focusing more on the millennial age group. The sample size is selected through the method of random sampling. Since the study is focusing on Volkswagen India, the Indian nationalities are considered as the participants for the survey. The participants in the research is informed via email about the research and small description of the survey with procedures and information about research is sent to the participants prior to the survey via email communication. As mentioned before social media's and email communications are used as the medium for conducting survey. From social media, Whatsapp messenger and Facebook messenger is given more priority to conduct survey. As part of the survey an email is sent participants about the survey questionnaire and encourages the participants to fulfill the survey. As next step the Google form link which contains the survey questionnaire is forwarded to the participants via email or social media. After sending the link to the Google forms a remainder email or message is sent to the participants reminding the timings of the survey for getting feedback from the participants within short period of time. This will also helps in increasing the response rate. The projected time period for completion of survey is two weeks.

Before the execution of survey, a pilot study was conducted for the purpose of validating the questionnaire. The pilot study is employed in a group of thirty participants. According to Fink (2003) response from minimum ten people had to be considered in the pilot study. According to Van Teijlingen and Hundley (2001), the pilot study helps in making necessary corrections to the major study which will help the researcher to conduct the major survey more effectively.

3.8.3 Techniques of data analysis

Data analysis is an important aspect of the research. Data analysis helps in providing explaining to different concepts, substructures, theories and methods employed in the study. The quantitative data analysis helps in proving relevant facts from the study, like preference trends, demographics etc (Ghauri *et al*. 2020).

As mentioned before, the researcher is employing quantitative data collection technique. Hence for performing data analysis of the information acquired **Microsoft excel** and **IBM SPSS** tools are used by the researcher. IBM SPSS is used as the primary tool for data analysis by the researcher, while Microsoft excel is used to confirm and validate the values got through IBM SPSS are correct.

After gathering required data, the findings and analysis section of the study is done as one section. The findings and analysis section of study is classified into two main sections, descriptive and inferential analysis. Descriptive analysis consists of summaries of the results obtained from the survey. Descriptive analysis also includes frequency analysis which contains graphical representation of the survey results. Inferential analysis on the other hand consists of inferential statistics which aids researcher to connect independent variables present in the survey. Adding to that correlations where calculated in the inferential analysis section which is done using IBM SPSS and Microsoft Excel. Various correlations calculated in this section are correlation between customer retention and controlling factors, correlation between customer satisfaction and brand growth and correlation between customer buying behavior and online reviews of Volkswagen India. After calculating correlations, a regression model is developed. The regression model developed helps in analyzing factors influencing customer satisfaction and brand loyalty. The correlation matrix and Cronbach's alpha value which helps in measuring internal consistency of internal variables are also calculated in this section.

3.8.4 Data- Validity and Reliability

According to Saunders *et al*. (2009), the validity means the information collected is correct or represents what it has to represent. Another important factor to be considered in the study is reliability. According to Saunders *et al.* (2009), the data collected in the study must give rise to

stable and consistent outcome. Validity and reliability is two important factors which must be compromised in the research.

Since the research is done using quantitative data analysis techniques, numerical data is extracted from a large number of participants. To analyze the data collected, a number of specific tools, specific strategies and methods are deployed. The validity of the study relays on the relevant nature of research objectives, reliable nature of tools employed, connections between research question, analysis and findings etc (Roberts and Priest, 2006). Hence the research objectives were chosen on the basis of brand loyalty and customer satisfaction of Volkswagen India. Another important aspect is that the survey questionnaire was designed on the context of dependent and independent variables in the research. On the other hand the reliability of the research is ensured through the relevant nature of data collected, the consistency of the data collected, the importance of data analysis in comparison to aim and objective of the research is performed. **IBM SPSS** is employed for the purpose. Along with the IBM SPSS software researcher is using Microsoft Excel to make sure that the values extracted from the IBM SPSS software is correct. Cross validation of these two values from these two software's ensures zero error and accuracy of the value.

3.9 Ethical Considerations

The ethics of the research provides suggestions for conducting the research responsibly. The research ethics ensure the implication of moral orders professional rules while data collection, analysis and publishing information about the participants in the research. Also the privacy and confidentiality is given importance while performing the research (Resnik, 2015). According to Gregory (2003), the research which is conducted unethically or by following immoral and illegal methods is not valid and considered as unreliable.

The ethical considerations followed in the research are:

Consent of the participants in the research is taken prior to the research. The participants of the research had been approached ethically for the research. The purpose of data collection is informed each and every participant before the research. The participants in the research is informed via email about the research and small description of the survey with procedures and information about research is sent to the participants prior to the survey via email

communication. The consent of the participants in the research is obtained prior to the research through ethics form.

Privacy and Confidentiality of the participants in the research is ensured. The name and details of the participants is not revealed and the confidential nature of the study is maintained throughout the research. All the data protection guidelines are followed by the researcher in the study.

Genuineness of information is maintained by the researcher in the research. No manipulation in collection or analyzing of information is done in the research and also made sure that the information collected is from reliable sources by the researcher.

3.10 Limitations

According to Kumar (2019), limitations are the forces or influences that cannot be controlled by the researcher which might influence the result of the research. The researcher faced many limitations while conducting the research. The main limitation faced by researcher is the limitation of time period for conducting the survey. The collection of feedbacks from participants in the survey was one of the main limitations faced by the researcher. Since the study was conducted among a large group (250 participants), the collection of response, monitoring of the survey and controlling of the survey was an important limitation of the study. The researcher faced delay in response from participants which lead to time management problems in the research. Another main limitation faced by the researcher is the restrictions due to COVID-19 outspread in the world, which affected the mental stage and creates frustration among the participants in the research. Due to Covid-19 Pandemic the sale across the world for all the vehicles have been reduces to a large extent.

3.11 Summary

The methodology section of the research mainly focuses on identifying various methods, data collection techniques and different tools which is used in the research. The positivism research philosophy is used for the research which leads to the usage of deductive research approach and survey method of research strategy. This also helped in recognizing cross sectional time horizon for the research. The quantitative data collection method is used in the research. With the help of online survey questionnaire the quantitative data is collected. Random sampling technique was

utilized in the survey which consists of 250 participants. IBM SPSS and Microsoft Excel were used for the data collection. Due to varying trends in the market, it is difficult to analyze customer behavior. This caused researcher to keenly observe the different reasons which results in making one brand superior over the other. The positivism research philosophy chosen by the researcher assisted to narrow down the research about a vast topic.

Chapter 4: Analysis and Findings

4.1 Introduction

In this chapter, the data acquired through online survey is being analyzed. The findings are depicted and analyzed using both descriptive and inferential statics for the purpose of outlining the objectives.

For the purpose of data collection a quantitative survey data collection technique is used with the help of Google form. The study was conducted among a sample population of size 250 participants, from which 197 valuable responses was collected. .The primarily targeted age group was millennial, as they are up-to-date with the latest trends and contribute majorly to the consumer buying process (Pappas *et al.* 2017). The research study was carried out on different aspects and focus areas that altogether contributed to the data collection and findings for the study topic. The primary aspects covered in the data collection process were demographic, brand loyalty, customer satisfaction and online reviews. The data collected for the research study will be analyzed in two different parts as descriptive data analysis and inferential data analysis.

4.2 Descriptive data analysis

Descriptive data analysis is the primary step for conducting the statistical analysis. This provides the researcher an idea about how the data's has been distributed and helps to analyze the association among the variables (Thompson, 2009).

4.2.1 Descriptive statistics

As per the online survey results of 197 respondents, the below mentioned findings are acquired. As the initial step, the descriptive statistics is found out using specific variables.

Descriptive Statistics			
	N	**Mean**	**Standard Deviation**
Which age group you belongs to?	**197**	**2.07**	**0.63**
On a scale do you believe Volkswagen as a brand is reliable?	**197**	**4.68**	**1.08**
How satisfied are you with Volkswagen experience	**197**	**1.13**	**0.56**
Do you believe online reviews are helpful in purchasing_decision	**197**	**1.48**	**0.94**
Valid N (listwise)	**197**		

Table 1: Descriptive Statistics

Descriptive statistics is calculated for evaluating the central tendency of the relevant variables selected (Mean ±Standard deviation). As per the descriptive statistics table, the mean of the age group of participants is 2.07 and standard deviation is 0.63. This shows that people of age group 24-35 years of age or millennial are the majority participants in the survey. Moving to the next variable which evaluates the reliability of the brand in minds of customers gives a mean of 4.68±1.08. This shows that majority of the respondents believe Volkswagen India as a brand is very much reliable and likes the quality of the products and services provided by Volkswagen India.

The very next variable evaluates the satisfaction level of customers of Volkswagen India. The mean of the satisfaction ratings of the Volkswagen India is 1.13±0.56. This depicts that majority of the customers are satisfied with the Volkswagen India experience. Thus the Volkswagen

India's products and services are considered providing enough customer satisfaction. Upon asking about online reviews the respondents provided with good responses. The mean of the belief about online reviews and its usage provided with a mean of 1.48±0.94.Which shows that the online reviews are helpful in making the purchase decisions for the customers. According to Darshan (2018), the online reviews will help the customers to reach a purchase decision because a positive review will create a positive image of the product, which eventually attract new customers.

4.2.2 Frequency analysis

The aim of the study is to identify how online reviews impact upon brand loyalty and customer satisfaction of the organization. The organization chosen for the study is Volkswagen India Pvt. Ltd., which is one of the major car manufacturers in India and worldwide. The responses from the survey participants are gathered in this section for performing a proper analysis and reaching a proper conclusion. The frequency analysis section of the study contains a descriptive statistical mechanism which exhibits the results of valuable responses of the online survey participants which is performed using Google forms. For the better evaluation the data, graphical representations of the responses against each questions in the survey is created and analysis is performed.

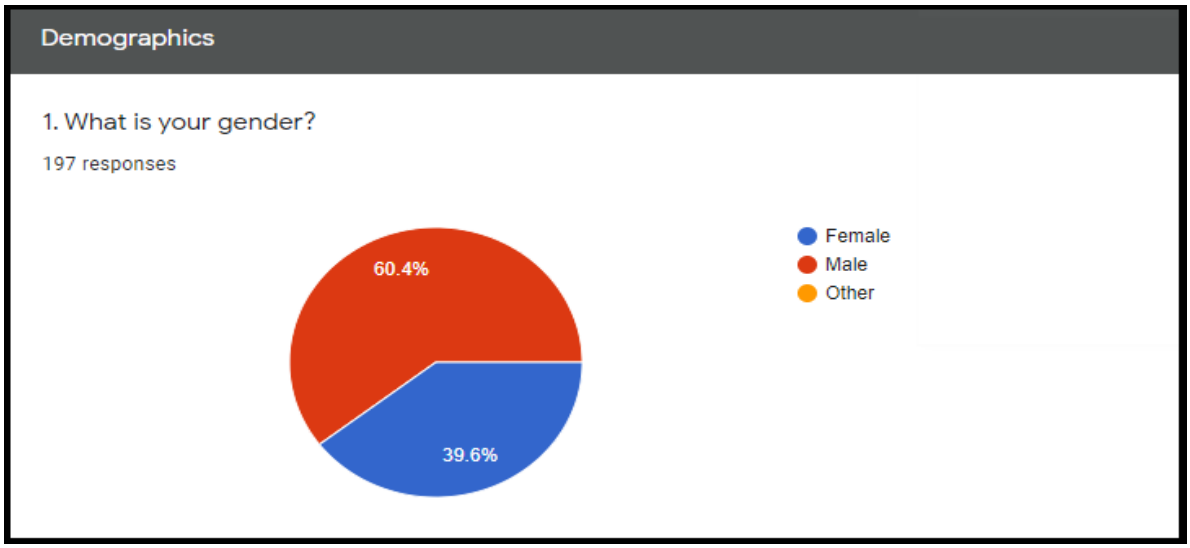

Figure 6: Demographic outline of survey participants (gender)

About 197 participants undertook the survey questionnaire. As evident from the sample survey study, about 60.4% who participated in the survey study were male, while the rest 30.6% of participants were females. This shows the majority of the Volkswagen India customers consist of male customers. This shows the need for new women friendly scheme that has to be implemented in the market by Volkswagen India. Like new innovative colour schemes which will attract women drivers towards the brand.

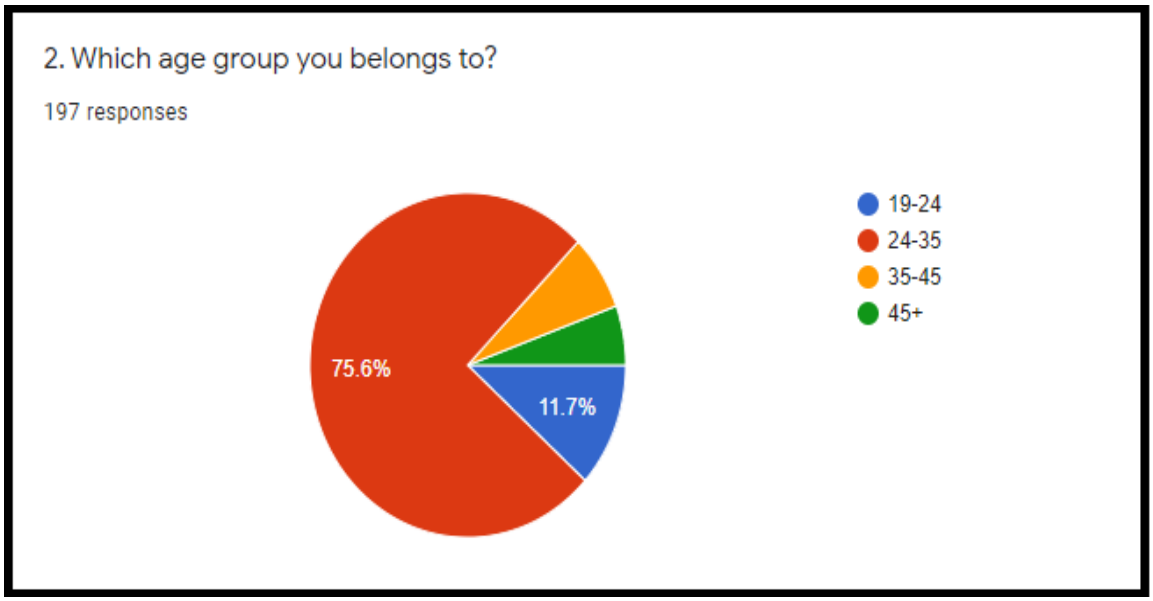

Figure 7: Demographic outline of survey participants (age- group)

The survey study was specifically inclined towards the millennial of the society, considering their contribution and taste, assuming that the generation shall be an active consumer of the company. As emphasized from the survey study results, the majority of the participants, which is about 75.6% belonged to the 24-35 age group, while 11.7% belonged to the 19-24 age group and rest 12.7% belongs to 35 +.

After identifying the demographics information of the survey takers, the next key focus area for the sample survey study was understanding brand loyalty factors among the customers. The survey participants were asked questions regarding the automobile products sold by Volkswagen India to its consumers. The participants were asked to provide their opinions on the services, products, technology, features, safety, etc., offered by the company to its clients.

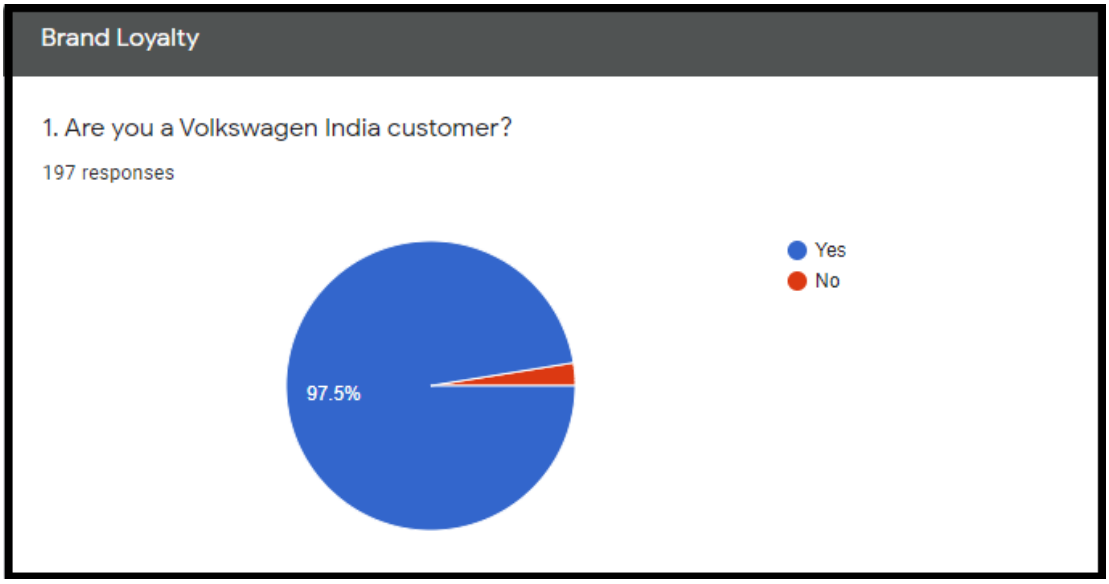

Figure 8: Volkswagen customers in India

Around 97.5% of the 197 participants who undertook the survey study were recognised as an active Volkswagen India customer. Similarly 97.5% from a random sampling indicates that the brand is known in major parts of the country and the brand enjoys a competitive advantage in the Indian market taking up the industry rivalry levels high for other market players. Choosing a brand from the competitors is dependent on many factors such as relibility and reputation of the brand. The results of the online survey shows that Volkswagen India is one of the major automobile company in the Indian market. According to Jensen and Hansen (2006), brand loyalty is one of the key parameter which waves path towards success of the organization.

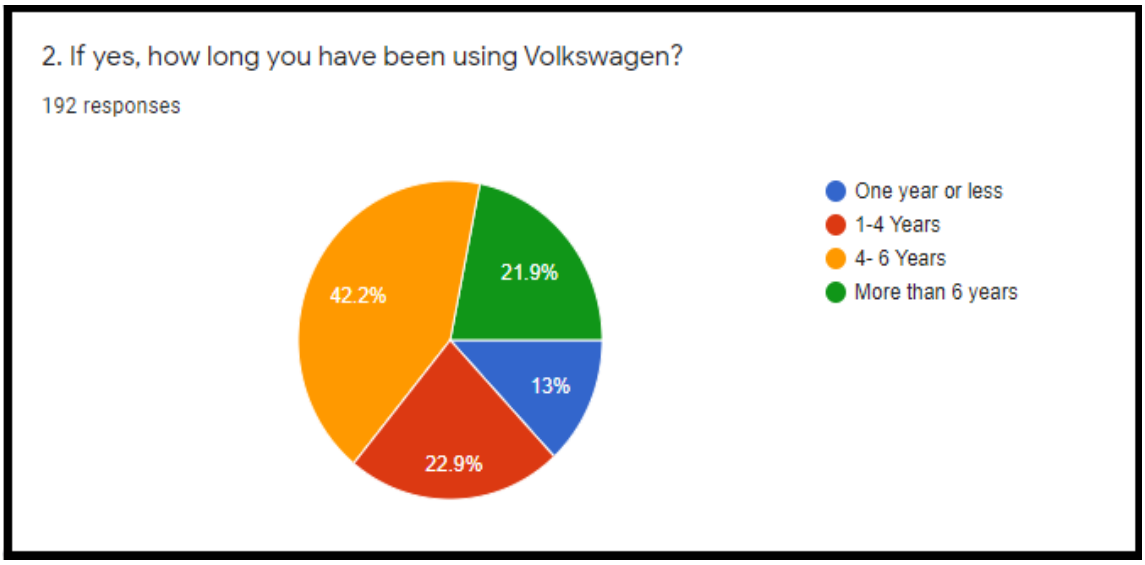

Figure 9: Customer retentiveness factors

This question of the survey sample study was focused on understanding since how long people have been associated with the brand. The results obtained from the sample clearly mention that about 42.2% of the participants have been associated with the brand for at least four years, while 21.9% of the people have been brand's customer for more than six years. On the other hand, about 13% of the customers have been associated for just one year or less. Since the majority of the participants uses Volkswagen India for at least four years, it depicts that the customer retention rate of the brand is higher. According to Andreani, Taniaji and Puspitasari (2012), as the time increases the loyalty towards the brand among customers could be easily identified. The Volkswagen India was launched as a private limited company in Indian market at the year 2007 (Ajay *et al*. 2019). This shows that within short period of time Volkswagen India became as a reliable and renowned brand among Indian customers.

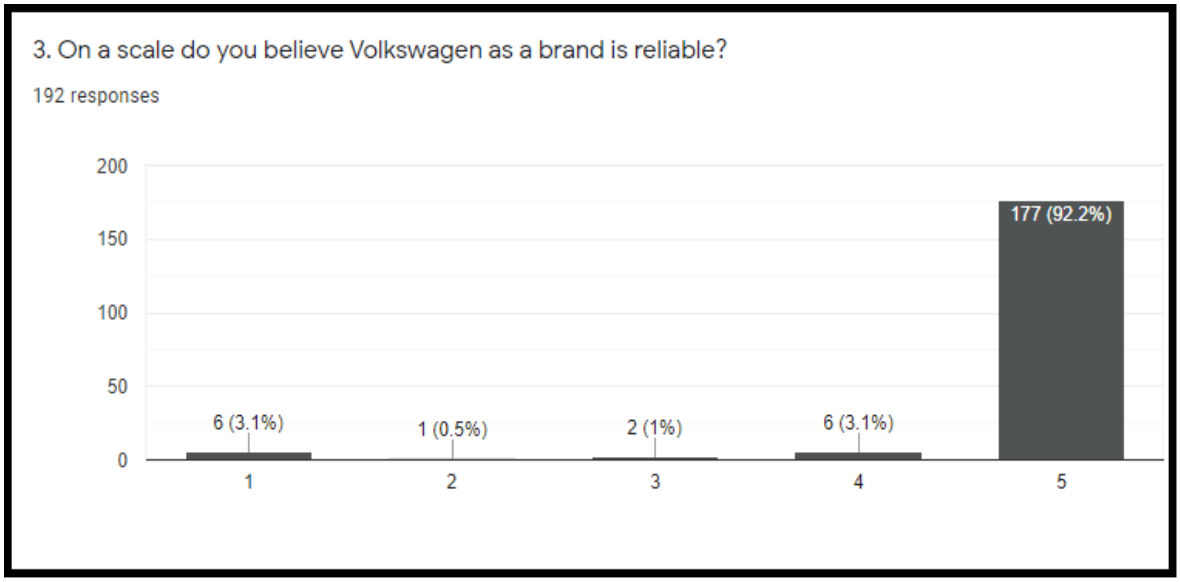

Figure 10: Reliability of the brand

This question of the sample survey study, the participants were asked to rate the brand in terms of reliability considering various factors like brand commitments, product features, following of the latest trends, product safety etc., on a scale of 1 to 5 wherein 1 would be 'not reliable' and 5 being 'highly reliable.' Of the 197 participants who undertook the survey, 92.2% of the people rated the brand as '5.' Which shows that the Volkswagen India is considered as a reliable brand among Indian customers. According to Rungsrisawat and Sirinapatpokin (2019), the brand equity could be measured by analyzing how reliable the brand is in the mind set of customers.

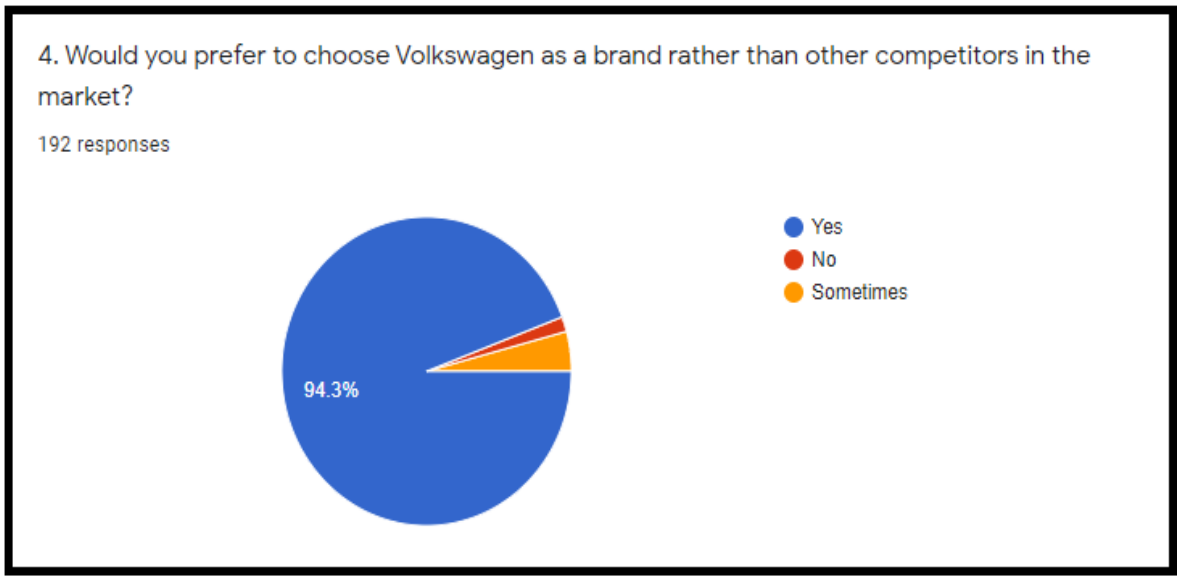

Figure 11: Brand loyalty measurement responses

In order to understand the consumer buying behaviour of the Indian audience in a better manner, the survey participants were asked if they will prefer to buy automobile products from brands other than Volkswagen, who are recognised as the major competitors of the Volkswagen. It was noticed that around 94.3% answered negatively. Nearly 192 participants answered the question, and the majority of the participants, which is 94.3% were willing to stay with Volkswagen India rather than choosing any competitor automobile brand. The high numbers directly speak for the increasing popularity and loyalty towards the brand among Indian consumers. This implies that Volkswagen India is not only great in terms of manufacturing and selling automobile products, but has efficiently managed to successfully retain Indian audience, which is considered to be very dynamic in nature. According to Chaudhuri and Holbrook (2001), this response rate shows that customers are satisfied with Volkswagen India, and majority of the customers are willing to continue with the brand other than switching brands. According to Aaker (1991), the customers who are ready to switch the brand with respect to price differences are classified as switchers. These customers are less loyal towards the brand. In the case of Volkswagen, the customers who are "*switchers*" are comparatively less.

Figure 12: Response against market demand by the brand

The participants were asked about their experience with the brand if the brand was meeting the expectations of the consumers. Among the 192 participants who voted for the question, 93.8% answered as 'Yes.' The statistics of the sample survey report for the particular question highlight on the fact that the brand has been keeping up with the expectations of its customers. According to Lazarevic (2012), knowing what the customer demands is an important factor for attaining customer satisfaction and brand loyalty for an organization. In the case of Volkswagen India, the brand is meeting the customer expectations and needs by knowing the pulse of the market where they are operating. As per the survey responses majority of the participants believe Volkswagen India is understanding their needs and expectations and responding to the market demand accordingly.

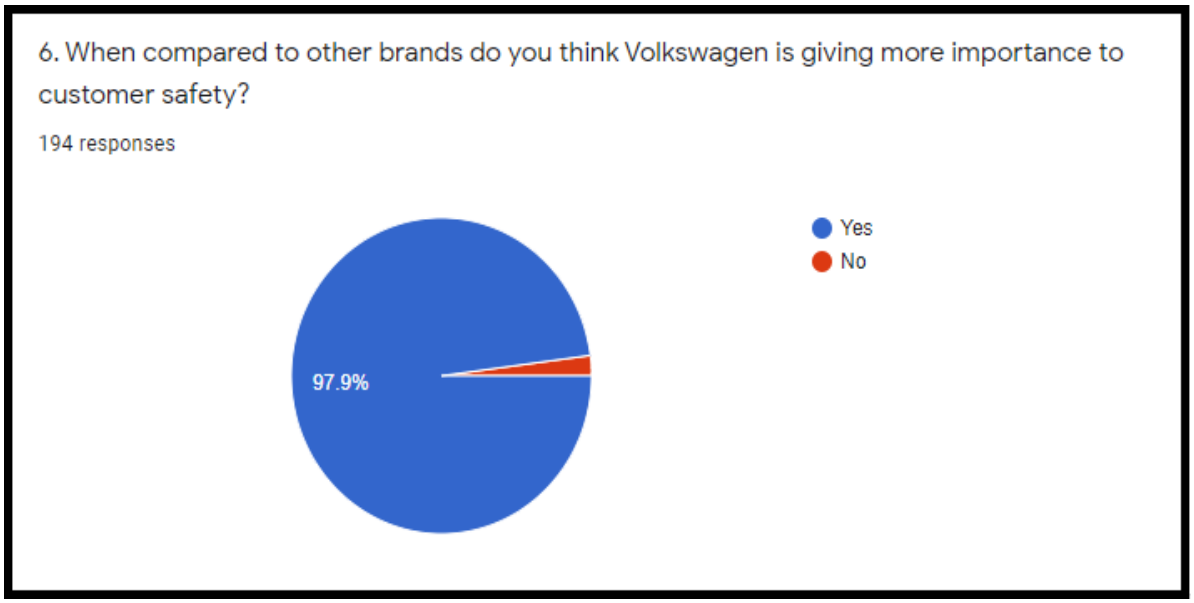

Figure 13: Is the brand is giving customer safety more priority

Another important aspect that plays a dominant role in defining the popularity and preference towards a brand among its customers is the safety features offered by the brand to its customers. The next question of the sample survey report was focused on the safety quotient offered by Volkswagen India in its range of automobile products for the Indian audience. The participants were asked if they find safety offered by Volkswagen India to be more efficient and better than the safety features offered by other brands, then about 97.9% of the survey takers responded positively. This shows the brand perception in mind set of Volkswagen India customers. According to Fu and Juan (2017), the brand perception is what brand represents in the mindset of customers, also positive brand perception can influence brand loyalty among customers. In the case of Volkswagen India, the customers have a strong believe that customer safety is given more priority by the brand which is a positive brand perception.

The very next component of the sample survey study was inclined towards customer satisfaction levels towards the services offered by the brand. In order to be highly successful in a greatly competitive market, it is important that brands are inclined towards maintaining high customer satisfaction levels. The participants were asked various questions in order to identify the customer satisfaction levels among customers of Volkswagen India.

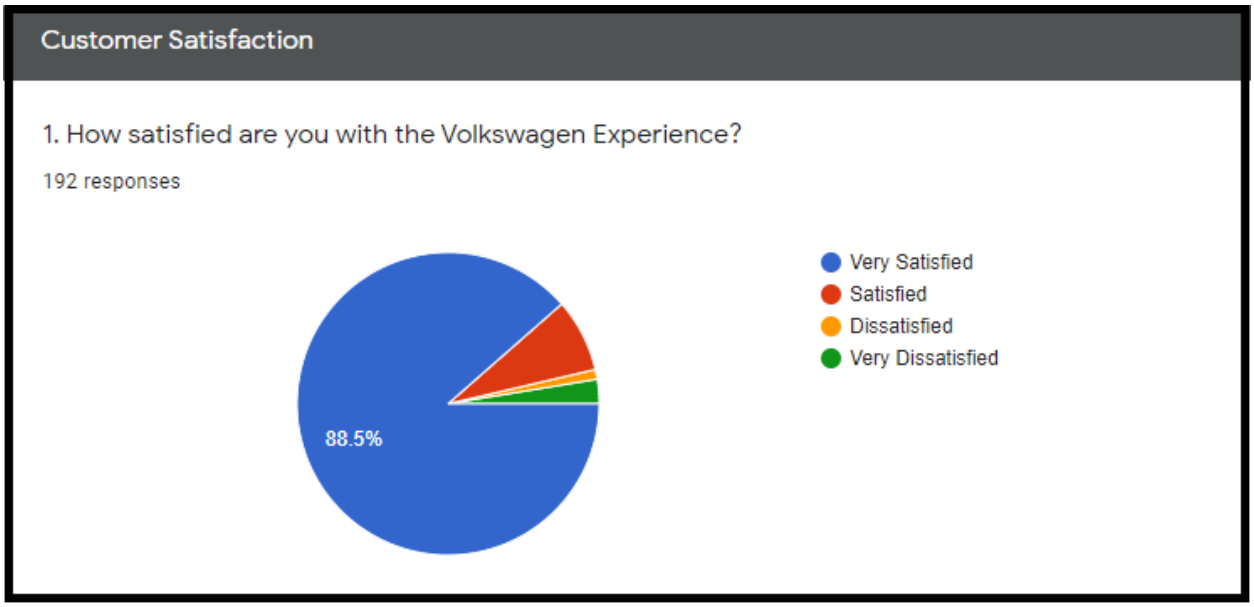

Figure 14: Customer satisfaction index

This question of the sample survey study for the particular section was in regard to the experience of the consumers. The survey participants were asked to rate their experience on a scale of four points as Very Satisfied, Satisfied, Dissatisfied and Very Dissatisfied. As easily identifiable from the result statistics, around 88.5% population of the survey takers rated their experience with Volkswagen India as very satisfying. According to Hallencreutz and Parmler (2019), the customer satisfaction is an important factor which influences the success of the organization. In the case of Volkswagen India, the majority of the participants are satisfied with the brand and their experiences with the brand. This shows a good sign that the Volkswagen India could maintain or expand their market share in Indian automobile market since majority of the customers are satisfied with the brand.

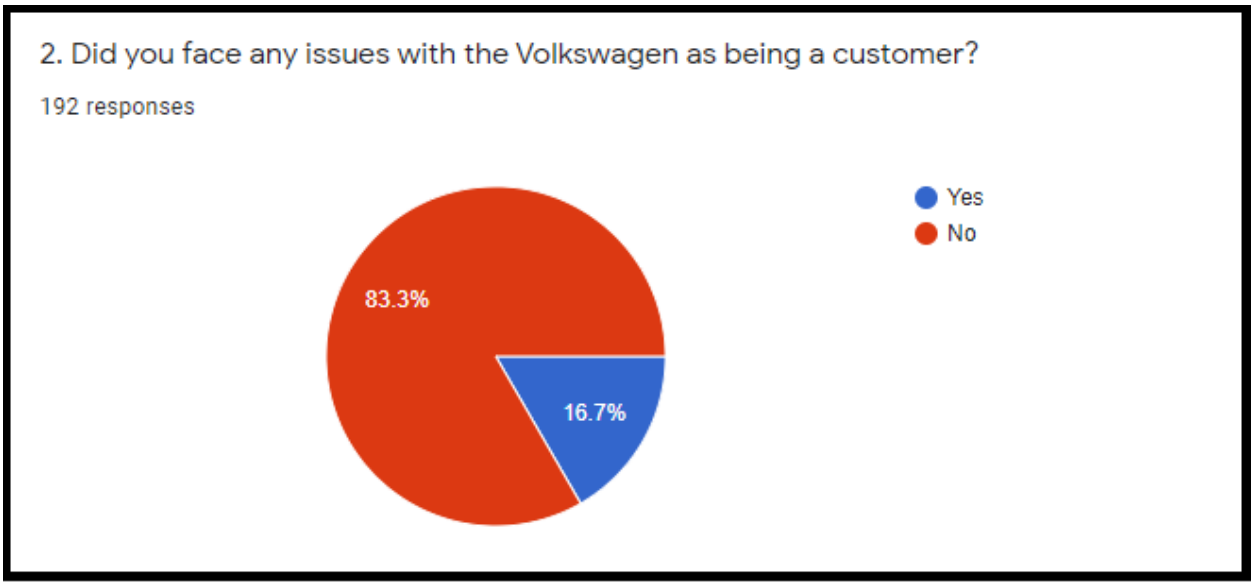

Figure 15: Response rate of issues with the brand

The participants were asked if they ever faced any issues while being associated with Volkswagen India as a customer. Out of the 197 survey takers, about 83.3% of the people answered negatively, which highlights the fact that Volkswagen India offers prompt and solidity services to its customers in the country. The responses received from the sample survey study for the particular question highlight the fact that Volkswagen India is greatly focused towards offering the best-in-class services to its customers. According to Hallencreutz and Parmler (2019), good quality of the product or service is the first step towards achieving customer satisfaction. In the case of Volkswagen India, the brand took good care to maintain the quality of the products and services which results in fewer problems with the brand.

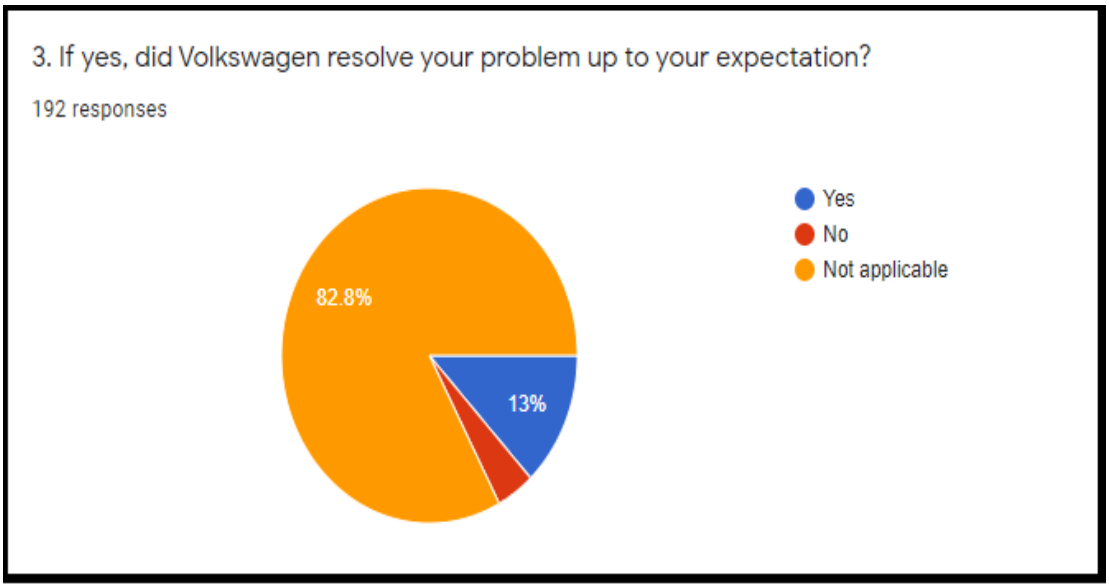

Figure 16: Response index of problem and solutions with the brand

This question was focused on people who have had encountered an issue with the Volkswagen India in terms of services, products of features. The question asked the participants if they have ever encountered an issue and was Volkswagen India able to resolve the issue efficiently. While only 16% of the participants had previously answered positively for encountering a problem with the brand, the rest 82% of the participants returned with answers as Not applicable. However, on the other note, out of the 16% people who had encountered a problem, 13% of the participants mentioned that the brand was able to resolve the issue timely and effectively. The high number point out toward the efficiency of the brand to resolve customer issues well in time and offer the best possible services to its customers. According to Harmeling *et al.* (2017), customer satisfaction is achieved by meeting the expectations and demands of the customers. In the case of Volkswagen India, even though problems are aroused with the brand, the brand is keen to track down the problems and resolve the issue against the expectations of the customer. This shows that Volkswagen India is giving more importance to customer satisfaction and meeting expectations of the customers.

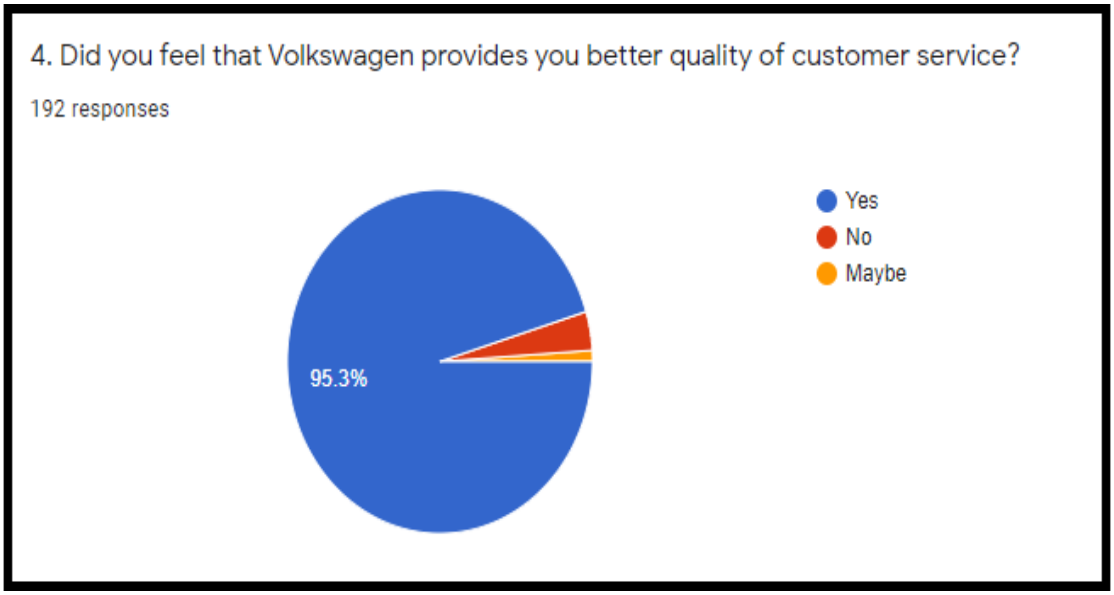

Figure 17: Response index of quality in customer service

The participants were then asked to answer if they believe that Volkswagen provided a better quality of services to its customer than its other competitors available in the market. Out of 197 participants, around 95.3% of the people answered as 'Yes' for the question. The numbers emphasise on the fact that Volkswagen India, as a brand is competent enough to retain customers on the basis of the quality of customer services offered. A great and satisfactory customer service is recognised to lead a brand towards growth and profitability by allowing the brand to connect well with its customers (Chang and Zhang, 2019). The customer services offered by Volkswagen India are inclined towards making the customers feel that they are important for the company and are considered as an integral part of the company's success. The customers feel that they are directly connected with the brand and can reach out to them anytime with their concerns, having the trust to get quick solution.

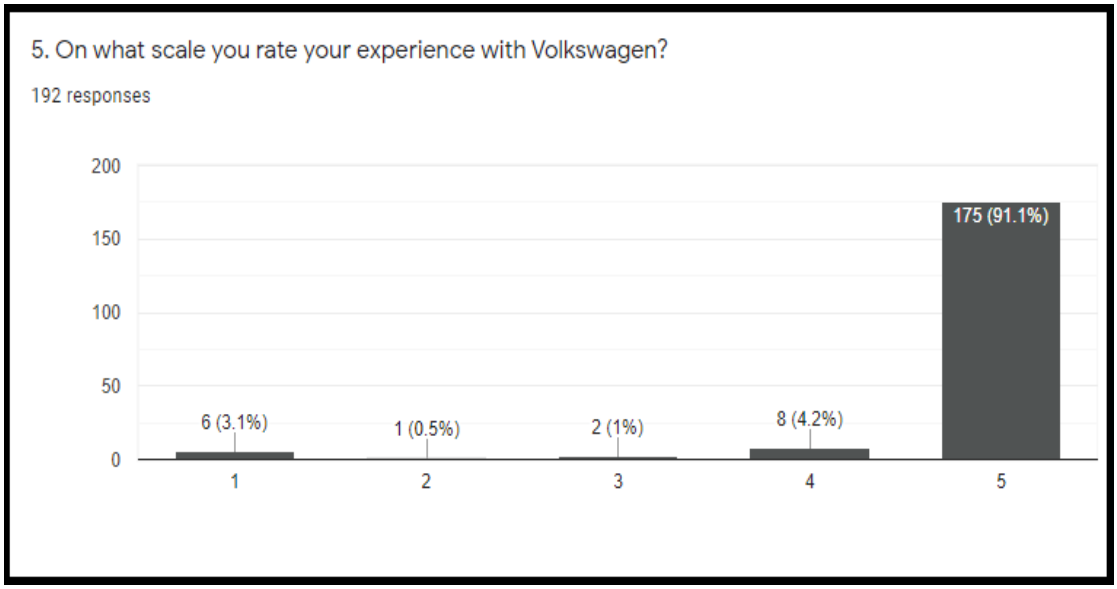

Figure 18: Response index of quality in customer experience

This question as a part of the sample survey study that was completed with the help of 197 participants was focused on asking the participants about their experience with the brand. The participants were asked to rate their experience on a scale of 1 to 5 with 1 being the least satisfactory and 5 being 'highly satisfactory'. About 175 participants accounting to 91.1% of the total strength rated their experience as 5. This means that the brand has managed to build an efficient reputation among the customer and is likely to be recommended by the customer to their acquaintances. It is important for a brand to instigate brand loyalty among its customers, right from their first purchase (Mabkhot *et al*, 2017). The statistics of the study imply that Volkswagen India has managed to get it right for its customers.

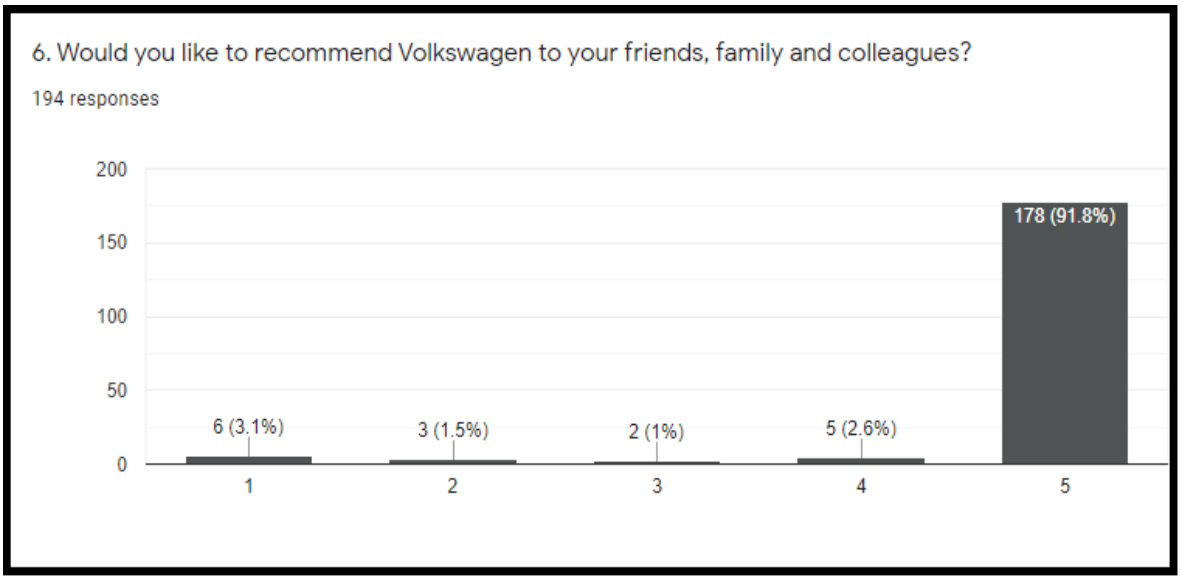

Figure 19: Response index of quality in customer service

This question of this particular aspect was focused on asking the participants about how likely they are to recommend the brand to their known on a scale of 1 to 5. Out of the 197 participants who were undertaking the survey study answered that they are most likely to recommend the brand to the people they know. One of the primary marketing strategies that work for a brand is recognized as the word of mouth which is publicity by the consumers (Chen and Yuan, 2020). With about 91% of the customers of Volkswagen India being likely to recommend the brand to their fellows, the brand is designated to enjoy high levels of popularity in the Indian market. The brand can enjoy various benefits without having to spend extra on promotions which can directly affect the profitability and growth of the brand. The numbers of the survey study highlight that the brand has successfully managed to capture the Indian market greatly, developing brand loyalty among the consumers.

The next aspect of the sample survey study was focused on understanding the role of online reviews in affecting the consumer buying behaviour. It is well-understood that people tend to get affected by the opinion of others and the targeted sampling for the survey study which is millenial, who are inclined towards impulsive buying. They have a tendency to buy products without much personal investigation and are often found to be relying on customer reviews regarding the product. The reviews can be attained either directly (through personal meetings with known people) or indirectly (through an online medium).

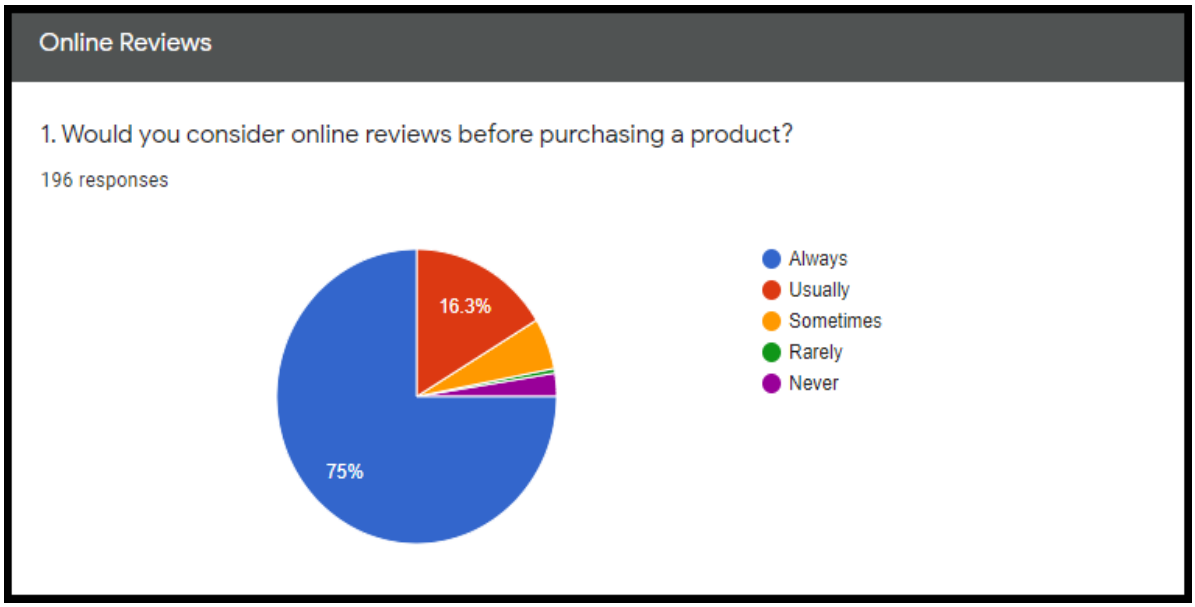

Figure 20: Response index of referring online reviews by customers

This question for the survey sample study was inclined at asking the participants about how likely they are to read online reviews about a product before making a purchase. With the digital era slipping in, it has become more of a trend to consider the opinion of other buyers online before making a final decision (Bounie *et al.* 2005). Consumer buying behaviour has drastically changed and the people are more fond of buying products through digital means. Thus, preferring to consider the opinions of other buyers. The participants were asked to rate their answers as Always, Usually, Sometimes, Rarely and Never. As can be identified easily from the survey results, majority of the participants about 75%, consider online reviews before making a purchase. Thus, it becomes crucial for brands to ensure that they maintain a good digital image as it can directly affect the sales and growth of the brand. Thus as per the survey responses majority of the particpants are referring to online reviews prior to reaching a final purchase decision. This draws the importance of online reviews for the Volkswagen India as a brand.

Figure 21: Response index of usefulness of online reviews

This question was inclined at understanding how helpful online reviews are for the consumers in making the purchase decision. The participants were asked if they believed that online reviews play a significant role in affecting the purchasing decision. As can be analysed from the statistics of the survey report, 86.2% believe that online reviews are useful in helping them make a buying decision. Online reviews are considered as real-life experience of people and with things getting affected by the digital era, the online presence of people and products has taken the world by storm. People are today connected with the internet and can easily analyze real-life experiences of other people to make their very own buying decision (Bounie *et al.* 2005). Thus, from the statistics it can be stated that consumer buying behaviour is greatly impacted by the online reviews.

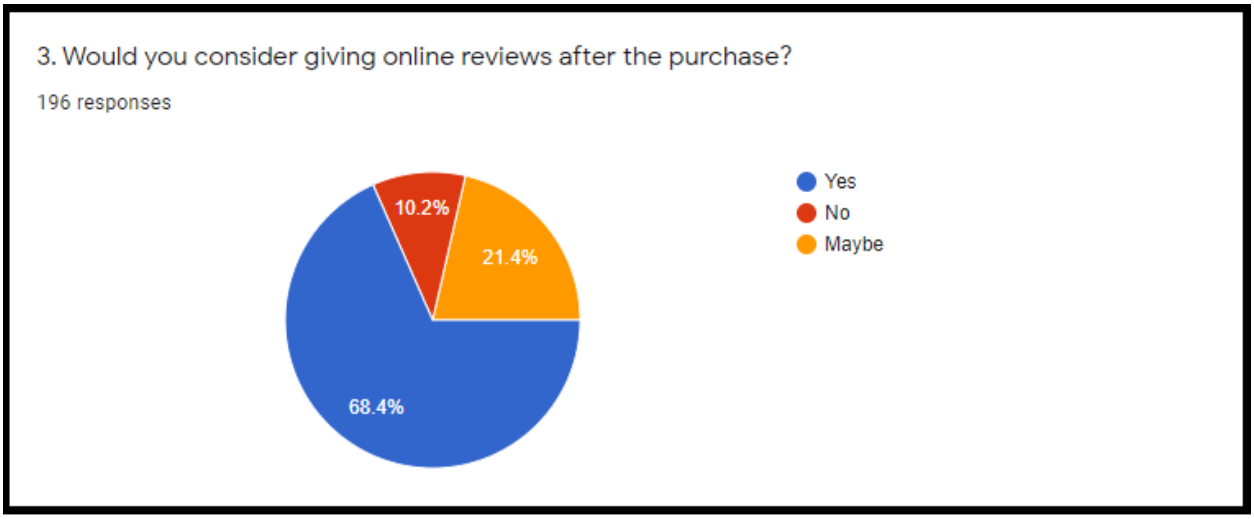

Figure 22: Response index of giving online reviews

This question was focused on asking the participants about their contribution to online reviews. The people were asked if they tend to post online reviews for a product they have purchased. About 68.4% of the people answered in affirmation highlighting on the fact that with easier access to technology and the internet, majority of the people are inclined towards publishing their views about a particular purchase on the internet. This not only helps them clearly state their views but also allows other people to make more rational decision. Moreover, this creates a digital pressure on brands who are pushed to maintain their image on the internet (Darshan, 2018). Therefore, brands are more concerned towards getting things done right and providing efficient services to the customers.

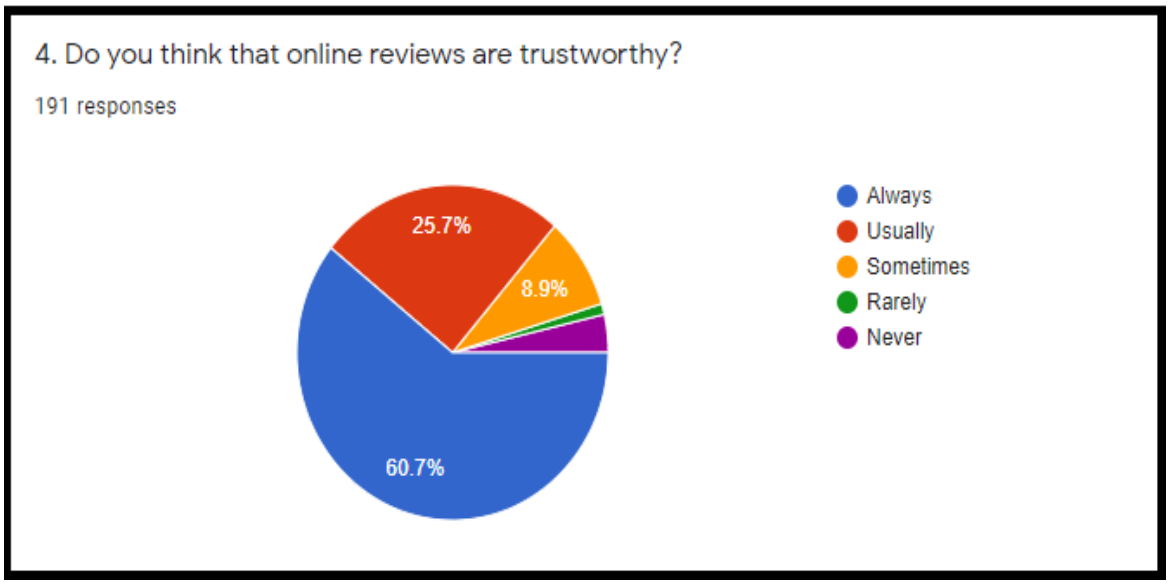

Figure 23: Response index of trustworthiness of online reviews

The last question of the sample survey study was focused on identifying the trust factor for online reviews among the customers. The participants were asked if they believe that the reviews published online are trustworthy or not. Out of the 197 participants who undertook the survey, 86.4% of the people believed that the online reviews are always trustworthy emphasizing on the fact that they can be trusted right away. However, mixed reactions were received from the rest of the 40% of the population. While some believed that the online reviews could be trusted sometimes, on the other hand some were of the mindset that they are not at all trustworthy. The primary reason recognized behind such conflicts is that people consider online reviews to often be a promotional strategy measure by the corporation who buy reviews from outsourcing companies to maintain their brand image among the consumers (Darshan, 2018).

4.3 Inferential Analysis

The inferential analysis is defined as the process of comparing elements from different treatment and is used to measure a population for a report study in order to make generalisations about a larger population (Singh, 2018).

4.3.1 Table 1 – Correlation between Customer Retention and Controlling Factors

The following table defines a relationship between customer retention and controlling factors that can play a significant role in affecting the market presence and brand brilliance of Volkswagen India in the automobile industry of India.

		Would you prefer Volkswagen over Competitors?	Do you believe Volkswagen fulfils customer expectations?	Do you think Volkswagen gives preference to customer safety?
Would you prefer Volkswagen over Competitors?	**Pearson Correlation**	**1**	**.732****	**.483****
	Sig. (2-tailed)		**0.00**	**0.00**
	N	**192**	**192**	**192**
Do you believe Volkswagen fulfils customer expectations?	**Pearson Correlation**	**.732****	**1**	**.197****
	Sig. (2-tailed)	**0**		**0.006**
	N	**192**	**192**	**192**
Do you think Volkswagen gives preference to customer safety?	**Pearson Correlation**	**.483****	**.197****	**1**
	Sig. (2-tailed)	**0**	**0.006**	
	N	**192**	**192**	**194**
****. Correlation is significant at the 0.01 level (2-tailed).**				

Table 2: Correlation between Customer Retention and Controlling Factors

The customer satisfaction of an organization is linked to the customer retention of the organization. If the customers are satisfied with the services and products provided by the brand then automatically it will influence the customers to trust the brand and its products so that the customers will come back for products and services offered by the brand which will result in more loyal customers for the brand (Xu *et al.* 2017). This correlation model identifies the factors which influence customer retention rate of Volkswagen India.

As per the table above (Table 2) two characteristics are directly connected to customer retention of the Volkswagen India. The first characteristic is that the Volkswagen India is fulfilling customer expectations (r= 0.197, p= 0.006). This shows that customers are satisfied with the products and services of Volkswagen India and they are willing to continue to stay with Volkswagen India.

The next characteristic is the willingness of customers of Volkswagen India to choose the brand over any other competitive brands (r= 0.483, p=0.00). This reflects the brand loyalty of Volkswagen India customers. They prefer to choose Volkswagen India over any other equally competitive brands. This is the sign of successful customer retention of Volkswagen India. The customer satisfaction is the primary step towards a success of the brand (Chang and Zhang, 2019). In the case of Volkswagen India the customer satisfaction is the primary stepping goal for the brand towards success.

4.3.2 Table 2 – Correlation between Customer Satisfaction & brand growth

The following table tries to establish a relationship between different components of customer satisfaction and their impact on the overall growth of the brand.

		How satisfied are you with Volkswagen experience?	**Do you feel Volkswagen provides better customer service?**	**On a scale how do you rate Volkswagen customer service?**	**Would you recommend Volkswagen to friends and family?**
How	**Pearson**	**1**	**.779****	**.815****	**.803****

satisfied are you with Volkswagen experience?	**Correlation**				
	Sig. (2-tailed)		**0.00**	**0.00**	**0.00**
	N	**192**	**192**	**192**	**192**
Do you feel Volkswagen provides better customer service?	**Pearson Correlation**	**.779****	**1**	**.926****	**.931****
	Sig. (2-tailed)	**0.00**		**0.00**	**0.00**
	N	**192**	**192**	**192**	**192**
On a scale how do you rate Volkswagen customer service?	**Pearson Correlation**	**.815****	**.926****	**1**	**.974****
	Sig. (2-tailed)	**0**	**0**		**0**
	N	**192**	**192**	**192**	**192**
Would you recommend Volkswagen to friends and family?	**Pearson Correlation**	**.803****	**.931****	**.974****	**1**
	Sig. (2-tailed)	**0**	**0**	**0**	
	N	**192**	**192**	**192**	**192**
****. Correlation is significant at the 0.01 level (2-tailed).**					

Table 3: Correlation between Customer Satisfaction & brand growth

The very next correlation is between customer satisfaction and brand growth. For identifying the factors, the survey questions which enquire about the satisfaction level and willingness of customers to recommend the brand to others is taken for the analysis. The responses corresponding to these variables are selected and analysed for finding correlations against rates of customer satisfaction. The correlation obtained was positive based on customer satisfaction levels (r= .803, p=0.00). This shows that the Volkswagen India customers are satisfied. Also the customers are willing to recommend the brand to others (r=0.974, p=0.00). This helps in growth

of the brand. According to Chen and Yuan (2020) the positive comments about the brand by an existing customer to others will result in brand growth and increase trust in the brand for others. This is a strong base for the development of Volkswagen India. Also Volkswagen India customers believe that the brand is providing good customer services (r=.931, p= 0.00). Which is a good sign for Volkswagen India; because good customer services increases customer satisfaction rates of the brand (Chang and Zhang, 2019).

4.3.3 Table 3 – Customer Buying Behavior and Online Reviews

This correlation of the data analysis section for the proposed research study is focused on defining a relationship between online reviews and customer buying behaviour. With the changing dynamics of the marketplace, people are getting diverted towards digital buying, and thus, online reviews have become an essential part of their lives (Silvia, 2019).

		Would you consider online reviews before purchasing a product?	**Do you believe online reviews are helpful in purchasing decision?**	**Do you think online reviews are trustworthy?**	**Would you consider giving online reviews after purchase?**
Would you consider online reviews before purchasing product?	**Pearson Correlation**	**1**	**.820****	**.756****	**.358****
	Sig. (2-tailed)		**0.00**	**0.00**	**0.00**
	N	**196**	**196**	**196**	**196**
Do you believe online	**Pearson Correlation**	**.820****	**1**	**.821****	**.438****
	Sig. (2-tailed)	**0.00**		**0.00**	**0.00**

reviews are helpful in purchasing decision?	**N**	**196**	**196**	**196**	**196**
Do you think online reviews are trustworthy?	**Pearson Correlation**	**.756****	**.821****	**1**	**.380****
	Sig. (2-tailed)	**0.00**	**0.00**		**0.00**
	N	**191**	**191**	**191**	**191**
Would you consider giving online reviews after purchase?	**Pearson Correlation**	**.358****	**.438****	**.380****	**1**
	Sig. (2-tailed)	**0.00**	**0.00**	**0.00**	
	N	**196**	**196**	**196**	**196**
****. Correlation is significant at the 0.01 level (2-tailed).**					

Table 4: Correlation between customer buying behavior and online reviews

The very next correlation analysis investigates the impact of online reviews. The impact of online reviews is analyzed and found out that online reviews are helpful for customers to reach the purchase decision (r=0.821, p=0.00). This shows that customers are willing to refer to online reviews before reaching final purchase decision. In the case of Volkswagen India it could be easily seen that the customers are considering online reviews before purchase (r=0.756, p=0.00). This draws another fact that positive online reviews could impact other peoples to trust the brand (Darshan, 2018). It also shows that Volkswagen India customers are trusting the online reviews (r= 0.821, p=0.00). This fact derives to the conclusion if the online reviews are positive it can impact other customers and create a positive image about the Volkswagen India. This could influence the customers to choose the brand (Bounie *et al.* 2005).

It is to be pointed out online reviews could influence brand loyalty in customers to a large extent. Whereas customer satisfaction is the key element which creates positive online reviews. On the other hand online reviews could also act as customer recommendations which eventually results in more loyal customers for the brand. Another important factor that could be analyzed from the

study is that majority of the consumers are willing to provide online reviews which shows the trust of the customers in the brand.

4.3.4 Regression Model Analysis

Regression Model analysis is used to define a relationship between the dependent and independent variable of a research study. The model is primarily used to understand whether a relationship between the different variable of a research study actually exists. The growth and profitability of a company are dependent on various variables with customer satisfaction being one of the primary factors. Therefore, in order to establish dominance in the market, it is important for companies to carry out regression model analysis to understand the gravity of impact imposed by different variables (Foley, 2018).

Model Summary									
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**				
					R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
1	**.337[a]**	**0.114**	**0.095**	**0.89214**	**0.114**	**6.004**	**4**	**187**	**0.00**
a. Predictors: (Constant), How satisfied are you with Volkswagen experience?, Do you believe Volkswagen fulfils customer expectations?, Would you prefer Volkswagen over Competitors?, Do you feel Volkswagen provides better customer service?									

Table 5: Regression model summary with respect to brand loyalty and customer satisfaction

From the correlation analysis, the different factors which influences the customer behavior is understood. These characteristics point out that, to a large extent the online reviews could impact the customer satisfaction and brand loyalty of customers. Through the research it is pointed out that many factors influences customer satisfaction rates; like positive online reviews, quality of

products and services, suitable market responsive decisions taken by brand etc., In order to analyze this assumption the regression analysis is performed. Linear regression model and multiple regression models are used for the regression analysis which includes different factors which influence customer satisfaction.

As per the table 5, the regression model F value change is 0.00. This depicts that the regression model considered is consequential against predictor variables taken for the study. R – Square value is 0.114. R-square value known as the "determinant coefficient" and it shows the regression model efficacy for relating variances of the findings. It shows 11.4 percent of variances could be established using the regression model in the study. Also the value of adjusted R-square value is 0.095. This depicts that 95 percent of variances in study of Indian population could be described via this model in the specific context. This shows that the results of the study are satisfactory from various aspects.

4.3.5 Correlation matrix

Correlation Matrix with different variable is created for defining the correlation coefficients between the different variables of the conducted study on a sample population. Correlation matrix helps to assess the validity and reproducibility of the regression analysis model defined in the previous section of the research study.

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**(Constant)**	**0.27**	**0.438**		**0.616**	**0.539**
	Would you prefer Volkswagen over Competitors?	**-0.097**	**0.249**	**-0.043**	**-0.39**	**0.697**
	Do you feel Volkswagen provides better customer service?	**0.92**	**0.551**	**0.184**	**1.671**	**0.096**

	Do you believe Volkswagen fulfils customer expectations?	**-0.049**	**0.255**	**-0.02**	**-0.193**	**0.848**
	How satisfied are you with Volkswagen experience?	**0.362**	**0.208**	**0.205**	**1.745**	**0.083**
a. Dependent Variable: Do you believe online reviews are helpful in purchasing decision.						

Table 6: Summary coefficient table of regression model

According to the above table (Table 6), the regression constant p-value is not significant (t= 0.616, p= 0.539). This depicts that the regression predictor variables which are considered for the study are enough to show the loyalty of customers of Volkswagen India. On the other hand there is significant regression via indirect interactions between other variables in the table above.

4.3.6 Reliability statistics

Reliability statics is considered to be the overall consistency of a measure. Cronbach's alpha is known as the most common inferential analysis methodology used for the calculation of reliability of different factors when studying a sample population (Crowder, 2017). In regard to the study of the sample population undertaken for the particular research study, the reliability statistics can be represented as:

Case Processes Summary			
Cases		**N**	**%**
	Valid	**187**	**94.9**
	Excluded	**10**	**5.1**
	Total	**197**	**100**
a. List wise deletion based on all variables in the procedure.			

Table 7: Reliability statistics (Case process summary)

Cronbach’s alpha is used for measuring internal consistency of internal variables. The ideal value of Cronbach’s alpha lies between 0.8 and 0.9.

Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.834	**14**

Table 8: Reliability statistics (Cronbach's Alpha)

As per the table above (Table 8) the value of Cronbach's Alpha is 0.834 with regards to 14 internal variables. The ideal range of Cronbach's Alpha lies between 0.8 to 0.9. Hence the value calculated is falls in this group so the variables or items chosen are showing good consistency. As per the objectives of the study, the need for identifying variables which shows that there is impact of online reviews in making purchase decisions of Volkswagen India customers is successfully achieved. Whereas in the study, there are variables which showcases the impact of online reviews in customer satisfaction and brand loyalty of the Volkswagen India customers. The Cronbach’s alpha value obtained from the study shows that the variables used in the study have good internal consistency and hence helps in achieving aims of the study. Positive reviews about the products and services of the brand could positively influence the consumers to choose the brand and understand the product before making the purchase decision (Darshan, 2018). Another point to be considered at this context is that online reviews could impact brand loyalty and customer satisfaction of the brand.

Chapter 5: Discussion

5.1 Introduction

The online survey was conducted among sample size of 250 participants and received a response rate of 78.8% (197 responses/ 250 sample population). After analyzing the sample survey study data, it can be mentioned that Volkswagen India, as a brand has successfully managed to capture the attention of the Indian market and its people. The services, products, features etc., offered by the brand are all efficient. While conducting a research based on quantitative survey data collection methods, the response collected from the respondents is valuable and the response of the participants plays an important role rather than the response rate (Cook *et al.* 2000). In the current section of the study the researcher is mentioning important and relevant findings which are obtained from the quantitative survey conducted. Hence the main discussion topics selected by the researcher is as follows,

1. Balancing the demographics.
2. Improvement of after sales policy of the brand.
3. Importance and relevance of online reviews.
4. Exploring new market opportunities.
5. Importance of brand perception and brand image.

5.2 Balancing the demographics

According to the survey results, the participants of the survey consists of 60.4% males and 39.6% participants are females. This shows that the female customers are comparatively less. It also points out the need for implementing new marketing schemes which focus more on female customers. According to Gupta (2013), even though the females play an important role in making purchase decision, the female customers are comparatively less in Indian automotive sector. The female customer group is an area which is unexplored by Volkswagen India. New initiatives which will attract women customers has to be implemented by the brand, like introduction of new colour schemes which are attractive for the female customers.

As mentioned in the literature review section of the study (2.6.2 Brand personality), the brand personality represents the human personality traits or characteristics that connect to the brand or its products (Aaker, 1997). According to Saxena and Rao (2019), brand personality is an important factor which will attract female customers towards the brand. Generally female customers will conduct a detailed study about the product and the brand by referring to the reviews before making their purchasing decision. Study shows female customers are using online mediums to investigate about the product and the brand (Saxena and Rao, 2019). This shows the importance and relevance of online reviews. According to Saxena and Rao (2019), 93% of the female customers does online research before making a purchase decision. All these factors points out that the female customers is an unexplored sector which can be utilized by Volkswagen India.

As per the online survey results, 42.2 % of the participants are using Volkswagen India from four to six years and on other hand only 13% of the customers are using the brand from one year or less than one year. This shows a decrease in new customers for Volkswagen India. According to Singh (2020), the sales and market share are decreasing for Volkswagen India. Even though Volkswagen India is one of the major car manufacturers in India, the brand awareness is decreasing and this leads to decrease in sales numbers for the brand (Singh, 2020). This showcases the need for brand loyalty and brand awareness for the Volkswagen India as a brand. The need for gaining new customers at the same time retaining the old customers is to be the agenda which has to be adopted by the Volkswagen India.

5.3Improvement of after sales policy of the brand

As per the online survey results, 6.3% of the participants shared unsurety when asked, would they prefer Volkswagen over other competitive brands. And 3.6 % of the participants responded they are not satisfied with the brand. This shows that there is a dissatisfaction level in the customer base of Volkswagen India. Volkswagen India as a brand has many competitive advantages compared to other competitors in the Indian automobile market. Volkswagen is a transnational corporation (TNC), which gives the brand more competitive advantages compared to any other competitive brands, in the Indian market (Kuivalainen, 2018). Since Volkswagen is a TNC, it allows the Volkswagen India to exploit the resources available in India and utilize India as a hub to manufacture products required for other industrlised countries around the

world. India is a nation which could provide highly skilled labor force at less cost when compared to other developed nations in the world. Also the resource and development institutions in India have the capability to afford Volkswagens premium class standards of production (Kuivalainen, 2018). All these factors increase the competitive advantage of the Volkswagen India. The improvement of after sales policies of Volkswagen India allows the brand to exploit these competitive advantages of the brand and increase the sales.

As mentioned in the literature review section (2.4.4 Expectancy disconfirmation paradigm), the customers will be having certain expectations while approaching the brand (Oliver, 1980). This expectation is a standard which the brand has to achieve for attaining customer satisfaction. As per the online survey results 16.7% of the survey participants faced problems with Volkswagen India. If the after sales policy is improved to a standard, which allows the Volkswagen India to tackle down the customers who faced issues with the brand and resolve the issues, this creates more acceptance of the brand among customers. The customer satisfaction index which has to be collected from the customers periodically provides the satisfaction level of customers and allows the Volkswagen India to resolve issues faced by the customers. Another important step which can improve sales of Volkswagen India is through introduction of flexible financing schemes like zero down payment programs which will creates more acceptance of the brand among customers.

5.4 Online reviews- importance

The online reviews are an important part of the business; a positive online review can boost the brand awareness, whereas negative online review could drag the brand down. So it is important for the brand to keep the customers happy and satisfied. Similarly online reviews can impact the brand and the customers purchase decisions (Bounie *et al.* 2005). As per the literature review section of the study online reviews are important to the brand (Bounie *et al.* 2005). According to the online survey results 75% of the respondents agree that they are considering online reviews before making the purchase decision and 71.4% participants agree that online reviews are helpful in making their purchase decision. Also 86.4% participants responded that they believe online reviews are trustworthy. This shows the relevance of online reviews and the need for monitoring online reviews by Volkswagen India. According to Zablocki (2019), the online reviews could help the brand to understand what the customers are expecting and plan accordingly so the

satisfaction level of the customers could be improved significantly. The online survey results also showcases the importance of online reviews and the need for monitoring and resolving issues faced by the customers. One important initiative which could impact the online reviews is through requesting customers of Volkswagen India to share their positive experiences through social media. These reviews could positively influence other potential buyers and will result in creating a positive brand image. On the other hand online reviews can be used as a medium to resolve and tackle down issues faced by customers and make sure that customers are satisfied with the Volkswagen India.

5.5 Exploring new market opportunities

Volkswagen India is one of the major automotive manufacturers in India (Kuivalainen, 2018). As one of the major automotive manufacturer, the market opportunities lying in the Indian automotive market could be easily exploited by Volkswagen India. The demand for environment friendly vehicles is increasing in the Indian automobile market (Choudhury, 2019). This increase in demand of electric vehicles opens new doors of opportunities for Volkswagen India. The Volkswagen which is a transnational corporation has many opportunities for exploring the Indian electric vehicle market. Volkswagen has enough capability to introduce electric vehicles more efficiently and in affordable prices in Indian market (Mahendra, 2019). Being a transnational corporation the Volkswagen could produce electric cars which is suiting the Indian market demands (Mahendra, 2019). Not only electric cars but also fast charging stations could be introduced by the brand whole over the country. As mentioned in the literature review section of the study (2.6.3 Brand trust), brand trust is the belief of the customers that the brand will perform as per the standards promised by the brand (Chaudhuri and Holbrook, 2001). As per the online survey results 92.2% of participants agree that Volkswagen is a reliable brand. This shows that people have trust in Volkswagen as a brand and considers it as a reliable brand. In the case of electric vehicles this reliable nature of the brand will become relevant. Since Volkswagen India is considered as reliable, introducing technologically advanced electric cars which are new to the Indian customers will create confidence among customers to buy the electric vehicles. This is not only beneficial for the brand but also beneficial for the environment because India is one of the countries which have high air pollution rates (Jain, 2019). However the Government of India is

introducing new deductions in taxes for electric car manufactures which could be used as an opportunity for Volkswagen India (Jain, 2019).

5.6 Importance of brand perception and brand image

As per the litertaure review section of the study (2.7.1 Brand perception), brand perception is what the customers think about the brand and how the brand is represented in the mindset of the customers (Smith, 2015). For a brand to be successful in a market environment, it is very important to build trust among the customers they are already serving (Ahmed et al, 2014). In case of Volkswagen India, they are successful in satisfying their current customers, they can easily succeed in gaining more customers. With about more than 60% of the survey takers being loyal customers of the brand from at least four years of more, it is evident that the brand offers services that can easily capture the mind and heart of the people. With such high customer retention rates, the brand can easily take the automobile market by storm in India as it enjoys a competitive advantage in terms of customer loyalty. Moreover, the long-lasting association of customers with the brand can lead to a further recommendation of the brand, which can help in capturing the remaining market in India and emerge as the leading automobile brand. On the other hand the need for introducing what the 'brand stands for' in the mindsets of customers is an important factor to improve the brand image and perception (Smith, 2015). For Volkswagen India, the brand could donate more to the Indian automotive industry by supporting automobile research study centers in India. Through supporting Indian automotive research and development sector, not only the brand, the automotive sector as a whole will be in the path of development and the acceptance of the brand among customers will be increased. Another initiative which can impact the brand image and perception of Volkswagen India is through engaging in more charitable operations. According to Wu et al, (2014), the customers would be willing to buy products from brands which are engaging in charitable operations and supporting their community. Providing educational support for the needy is an important initiative, which eventually helps in obtaining more skilled labors for the brand. Also results in improving the brand image and perception of Volkswagen India among its customers.

5.7 Limitations

The study conducted was in a sample population of 250 participants. Out of the 250 participants 75.6% was from the millennial. Random sampling technique was used for selecting the sample population. If the current study was performed in any other age groups the responses will be altered. Also the sample selected for the study cannot represent the complete Volkswagen India customers. Adding to that the study utilized quantitative surveys in a cross sectional time frame with a limited period of time.

Chapter 6: Conclusion and Recommendations

6.1 Conclusion

6.1.1 Overview of the research

This research aims at conducting a deep and large scale study for understanding the impact of online reviews on Volkswagen India based on two relevant characteristics namely customer satisfaction and brand loyalty. In order to perform the research, the researcher adopted six chapter studies which consist of analysis and discussion of the data collected through the research. Based on the overall study, several important conclusions are proposed in the research.

The research starts with an introduction section (Chapter 1). This section of the study identifies many important components of the study. The background of the research and justification of the research is discussed in this section of the study, also potential gaps in the research along with research problems are identified in this section. Adding to that, the research objectives, aims, questions and scope are discussed in this section. The introduction clearly identifies the need for the current study in the present situations and the availability of less number of researches about the impact of online reviews in the automobile industry. The researcher also identifies that there are very less prior studies which covers a specific brand and a specific region.

The very next section of the study is the literature review section (Chapter 2). This section comprises of important theories and variables which supports the research. In this section of the study, the existing knowledge and theories about customer satisfaction, brand loyalty and online reviews was discussed which would help the researcher in progressing the study. In this section it is summarized that the customer satisfaction is impacted by external variables. The importance and relevance of online reviews are discussed in this section. Adding to that it is concluded, the brand perception, image, personality, brand trust and equity could impact the loyalty of customer's against the brand.

The next section of the study is the methodology (Chapter 3). According to Sileyew (2019) the research methodology is one of the most important parts of the research. This section gives an understanding how the study is progressed and which are the methods adopted by the researcher

with justification to adopt the concerned method in the research. For this purpose researcher had chosen sample size of 250 participants for the survey, among those participants 197 valid responses have received. The next two sections of the research comprise of analysis, findings and discussion sections of the study (Chapter 4 and 5). Based on the quantitative survey conducted among 250 participants, it has been observed that customers of Volkswagen India have given importance to the online reviews and considers online reviews as a medium for experiencing and understanding about the product and the brand prior to making final purchase decisions. Since online reviews have importance among customers and it acts as a tool to establish brand loyalty among customers.

6.1.2 Recognizing the importance of customer satisfaction and brand loyalty among Volkswagen India customers

The importance of customer satisfaction and brand loyalty is analyzed by considering theories in the literature review section of the study and also by analyzing quantitative survey results. These theories like contrast theory and brand equity theory helped in recognizing the importance of customer satisfaction and brand loyalty among Volkswagen India customers. According to the quantitative survey results 88.5% of the participants responded that they are satisfied by the Volkswagen India as a brand. On the other hand 94.3% of participants responded they will prefer to choose Volkswagen over other brands. This shows the importance of customer satisfaction and brand loyalty that Volkswagen India has among its customer base. According to Bounie *et al*. (2015), it is found that user experiences in the form of online reviews could impact new potential buyers. The quantitative survey results points towards the theories that are discussed in the literature review section of the study.

6.1.3 How online reviews impacts customer satisfaction and brand loyalty

The literature review and quantitative survey sections of the study helped in understanding the impact of online reviews on customer satisfaction and brand loyalty. The impact of online reviews on brand loyalty and customer satisfaction is analyzed in the research through discussing online reviews, customer satisfaction and brand loyalty as separate constraints in the literature review section of the study which is linked together in the literature review section of the study. This was achieved by exploring relevant theories like comparison level theory and brand perception theory which helped in identifying important variables that connects online reviews,

customer satisfaction and brand loyalty. According to the quantitative survey conducted 86.2% believe that online reviews are useful in helping them make a purchase decision and 86.4% of the people believed that the online reviews are always trustworthy emphasizing on the fact that they can be trusted right away. This clearly shows the impacts of online reviews among customers. According to Darshan (2018), the online reviews are powerful mediums for creating positive and negative impressions about the brand and the product. Hence it can be concluded that the quantitative survey results are reflecting the theories mentioned in the literature review section of the study.

6.2 Recommendations

6.2.1 Recommendations for future Academic Research

The current research has identified several topics for further research. Even though the current research had adopted quantitative method of data collection which gives more understanding what customers think about the brand and its products, future researches on the topic adopting a mixed method which involves both quantitative and qualitative methods could provide more insights about the topic. The current research is mainly focused on millennial, on the other hand if the future research is progressed in a way which covers more age groups other than millennial, the study will be more beneficial and will provide more information what other age groups thinks about online reviews and its impacts on customer satisfaction and brand loyalty of the brand. Another important recommendation for future research is that the current research is focused on India, for future researches the research could considered globally, which would provide more information about the topic. Moreover the sample size used in current research is 250 and the cross sectional time horizon is utilized in the research study. On the other hand future research could be progressed with more participants or large sample size in a longitudinal time horizon which would provide potential information and changes in customer's attitude over time.

6.2.2 Recommendations for Practitioners

From the current research it is concluded that the online reviews could impact brand loyalty and customer satisfaction. The important recommendation for practitioners is consider online reviews posted online as a customer feedback and in the current study it is clearly shown these reviews

could impact other potential buyers so if a negative review is found online take necessary actions to solve the issue and satisfy the customer. Create a periodical customer satisfaction rating surveys about after sales services provided by the Volkswagen India and the survey results can be used as a medium for measuring the acceptance of the brand and customer satisfaction index. The Volkswagen India need to create an impression with customers that the brand is valuing and listening to their feedbacks and necessary actions should be taken by the brand against the customers opinions. This creates more acceptances for the Volkswagen India among customers. Another important recommendation is that encourage customers to share positive reviews and experiences with the Volkswagen India over social media which would help to create positive brand perception and brand trust among new buyers.

References

Books

Aaker, D.A., 2012. *Building strong brands*. Simon and Schuster

Barlow, J. and Moller, C., 1996. *A complaint is a gift: Using customer feedback as a strategic tool*. Berrett-koehler publishers.

Brace, I., 2018. *Questionnaire design: How to plan, structure and write survey material for effective market research*. Kogan Page Publishers.

CROWDER, M., 2017. *STATISTICAL ANALYSIS OF RELIABILITY DATA*. CRC Press.

Fink, A., 2003. *How to sample in surveys* (Vol. 7). Sage.

Flick, U., 2015. *Introducing research methodology: A beginner's guide to doing a research project*. Sage.

Ghauri, P., Grønhaug, K. and Strange, R., 2020. *Research methods in business studies*. Cambridge University Press.

Gregory, I., 2003. *Ethics in research*. A&C Black.

Kothari, C.R., 2004. *Research methodology: Methods and techniques*. New Age International.

Kumar, R., 2019. *Research methodology: A step-by-step guide for beginners*. Sage Publications Limited.

Saunders, M.N.K., Lewis, P. and Thornhill, A., 2019. Research Methods for Business Students (8th edn.) Harlow.

Wills, J. and Lake, R.W., 2020. Introduction: The power of pragmatism. In *The power of pragmatism*. Manchester University Press.

Journals

Aaker, J.L., 1997. Dimensions of brand personality. *Journal of marketing research*, *34*(3), pp.347-356.

Ahmed, Z., Rizwan, M., Ahmad, M. and Haq, M., 2014. Effect of brand trust and customer satisfaction on brand loyalty in Bahawalpur. *Journal of Sociological Research*, 5(1), pp.306-326.

Ajay, M., Kannan, S., Narayan, P.P. and Kumar, R.D.S., 2019. A Glance Through History of Automobile Industry and Current Market Study of Some of the Legendry Models in India. In *Advances in Manufacturing Technology* (pp. 433-441). Springer, Singapore.

Akaeze, C.O. and Akaeze, N.A.S,(2017), Exploring Factors That Influence Consumer Loyalty to Automobile Dealerships in New York.

Andreani, F., Taniaji, T.L. and Puspitasari, R.N.M., 2012. The impact of brand image towards loyalty with satisfaction as a mediator in McDonald's. *Jurnal Manajemen dan Kewirausahaan*, *14*(1), pp.64-71.

Black, S., 2019. Design for Life: Research Methods, Design Thinking, and Authorial Illustration Practice. *A Companion to Illustration*, pp.229-249.

Bounie, D., Bourreau, M., Gensollen, M. and Waelbroeck, P., 2005. The effect of online customer reviews on purchasing decisions: The case of video games. *Retrieved July*, *8*, p.2009.

Burvill, S., 2019. *From Positivist to Interpretivist: Putting an Innovative Spin on Traditional Grounded Theory*. SAGE Publications Ltd.

Cardozo, R.N., 1965. An experimental study of customer effort, expectation, and satisfaction. *Journal of marketing research*, *2*(3), pp.244-249.

Chaudhuri, A. and Holbrook, M.B., 2001. The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of marketing*, *65*(2), pp.81-93.

Chang, H. and Zhang, L., 2019. Psychological Contract Breach and Customer Satisfaction: A Study of Online Shopping. *Services Marketing Quarterly*, *40*(2), pp.172-188.

Chaubey, A. and Sahoo, C.K., 2019. Enhancing organizational innovation in Indian automobile industry. *International Journal of Innovation Science*.

Chen, Z. and Yuan, M., 2020. Psychology of word of mouth marketing. *Current opinion in psychology*, *31*, pp.7-10.

Cook, C., Heath, F. and Thompson, R.L., 2000. A meta-analysis of response rates in web-or internet-based surveys. *Educational and psychological measurement*, *60*(6), pp.821-836.

Darshan, B.M.2018, INFLUENCE OF SOCIAL MEDIA ON VEHICLE PURCHASING DECISIONS: AN EMPIRICAL STUDY ON AUTOMOBILE INDUSTRY.

Dai, Q. and Zhang, J., 2019. Interaction between satisfaction and incentives on online reviews. *Asia Pacific Journal of Marketing and Logistics*.

Fletcher, A.J., 2017. Applying critical realism in qualitative research: methodology meets method. *International journal of social research methodology*, *20*(2), pp.181-194.

Folkes, V.S., 1984. Consumer reactions to product failure: An attributional approach. *Journal of consumer research*, *10*(4), pp.398-409.

Gupta, S., 2013. A study of buying decision influencers for passenger car segment in New Delhi. *International journal of business and Management Invention*, *2*(12), pp.64-71.

Ha, C.L., 1998. The theory of reasoned action applied to brand loyalty. *Journal of product & brand management*.

Hallencreutz, J. and Parmler, J., 2019. Important drivers for customer satisfaction–from product focus to image and service quality. *Total quality management & business excellence*, pp.1-10.

Harmeling, C.M., Moffett, J.W., Arnold, M.J. and Carlson, B.D., 2017. Toward a theory of customer engagement marketing. *Journal of the Academy of marketing science*, *45*(3), pp.312-335.

Hoddy, E.T., 2019. Critical realism in empirical research: employing techniques from grounded theory methodology. *International Journal of Social Research Methodology*, *22*(1), pp.111-124.

Hox, J.J. and Boeije, H.R., 2005. Data collection, primary versus secondary.

Hsieh, M.H., Pan, S.L. and Setiono, R., 2004. Product-, corporate-, and country-image dimensions and purchase behavior: A multicountry analysis. *Journal of the Academy of marketing Science*, *32*(3), pp.251-270.

Jensen, J.M. and Hansen, T., 2006. An empirical examination of brand loyalty. *Journal of Product & Brand Management*.

Jung, J.C. and Sharon, E., 2019. The Volkswagen emissions scandal and its aftermath. *Global Business and Organizational Excellence*, *38*(4), pp.6-15.

Keller, K.L. and Sood, S., 2003. Brand equity dilution. *MIT Sloan Management Review*, *45*(1), p.12.

Kumar, S., 2010. The net generation's informal and educational use of new technologies.

Kuivalainen, O., 2018, Critical Analysis of Automobile Sector & Specific Case Study of Volkswagen Group (VWG)'s Offshoring and Outsourcing decisions in India.

LaTour, S.A. and Peat, N.C., 1979. Conceptual and methodological issues in consumer satisfaction research. *ACR North American Advances*.

Lazarevic, V., 2012. Encouraging brand loyalty in fickle generation Y consumers. *Young consumers*.

Lee, B.Y. and Park, S.Y., 2019. The role of customer delight and customer equity for loyalty in upscale hotels. *Journal of Hospitality and Tourism Management*, *39*, pp.175-184.

Lin, F.H., Tsai, S.B., Lee, Y.C., Hsiao, C.F., Zhou, J., Wang, J. and Shang, Z., 2017. Empirical research on Kano's model and customer satisfaction. *PloS one*, *12*(9).

Lin, Y., Luo, J., Cai, S., Ma, S. and Rong, K., 2016. Exploring the service quality in the e-commerce context: a triadic view. *Industrial Management & Data Systems*.

Mabkhot, H.A., Shaari, H. and Salleh, S.M., 2017. The influence of brand image and brand personality on brand loyalty, mediating by brand trust: An empirical study. *Jurnal Pengurusan (UKM Journal of Management)*, *50*.

Martinaityte, I., Sacramento, C. and Aryee, S., 2019. Delighting the customer: Creativity-oriented high-performance work systems, frontline employee creative performance, and customer satisfaction. *Journal of Management*, *45*(2), pp.728-751.

Méndez-Aparicio, M.D., Izquierdo-Yusta, A. and Jiménez-Zarco, A.I., 2017. Consumer expectations of online services in the insurance industry: An exploratory study of drivers and outcomes. *Frontiers in psychology*, *8*, p.1254.

Oliver, R.L., 1980. A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of marketing research*, *17*(4), pp.460-469.

Oliver R. L. & DeSarbo, W. S. (1988). Response Determinants in Satisfaction Judgment, Journal of Consumer Research, 14, 495- 507

Ou, Y.C., Verhoef, P.C. and Wiesel, T., 2017. The effects of customer equity drivers on loyalty across services industries and firms. *Journal of the Academy of Marketing Science*, *45*(3), pp.336-356.

Pandey, J., 2019. Deductive approach to content analysis. In *Qualitative Techniques for Workplace Data Analysis* (pp. 145-169). IGI Global.

Pappas, I.O., Kourouthanassis, P.E., Giannakos, M.N. and Lekakos, G., 2017. The interplay of online shopping motivations and experiential factors on personalized e-commerce: A complexity theory approach. *Telematics and Informatics*, *34*(5), pp.730-742.

Park, Y.S., Konge, L. and Artino Jr, A.R., 2020. The positivism paradigm of research. *Academic Medicine*, *95*(5), pp.690-694.

Resnik, D.B., 2015, December. What is ethics in research & why is it important. In *ideas*.

Roberts, P. and Priest, H., 2006. Reliability and validity in research. *Nursing standard*, *20*(44), pp.41-46.

Rungsrisawat, S. and Sirinapatpokin, S., 2019. Impact of brand equity on consumer purchase intent. Latin American Utopia and Praxis: International Review of Ibero-American Philosophy and Social Theory, (6), pp. 360-369

Singh, J.P., Irani, S., Rana, N.P., Dwivedi, Y.K., Saumya, S. and Roy, P.K., 2017. Predicting the "helpfulness" of online consumer reviews. Journal of Business Research, 70, pp.346-355.

Sileyew, K.J., 2019. Research Design and Methodology. In *Text Mining-Analysis, Programming and Application*. IntechOpen.

Silvia, S., 2019. The Importance of Social Media and Digital Marketing to Attract Millennials' Behavior as a Consumer. *JOURNAL OF INTERNATIONAL BUSINESS RESEARCH AND MARKETING*, 4(2), pp.7-10.

Thompson, C.B., 2009. Descriptive data analysis. *Air medical journal*, *28*(2), pp.56-59

Van Teijlingen, E.R. and Hundley, V., 2001. The importance of pilot studies.

Voleti, S., 2019. Data Collection. In *Essentials of Business Analytics* (pp. 19-39). Springer, Cham.

Wu, S.I. and Wang, W.H., 2014. Impact of CSR perception on brand image, brand attitude and buying willingness: A study of a global café. *International Journal of Marketing Studies*, *6*(6), p.43.

Xu, L.U., Blankson, C. and Prybutok, V., 2017. Relative contributions of product quality and service quality in the automobile industry. *Quality Management Journal*, *24*(1), pp.21-36.

Yi, Y., 1990. A critical review of consumer satisfaction. *Review of marketing*, *4*(1), pp.68-123.

Yu, X. and Yuan, C., 2019. How consumers' brand experience in social media can improve brand perception and customer equity. *Asia Pacific Journal of Marketing and Logistics*.

Yüksel, A. and Yüksel, F., 2008. Consumer satisfaction theories: a critical review. *Tourist satisfaction and complaining behavior: Measurement and management issues in the tourism and hospitality industry*, pp.65-88.

Zablocki, A., Makri, K. and Houston, M.J., 2019. Emotions within online reviews and their influence on product attitudes in Austria, USA and Thailand. *Journal of Interactive Marketing*, *46*, pp.20-39.

Zhang, X., Xie, H., Zhao, J. and Lui, J.C., 2019. Understanding assimilation-contrast effects in online rating systems: modelling, debiasing, and applications. *ACM Transactions on Information Systems (TOIS)*, *38*(1), pp.1-25.

Online articles

Charlton. (2015). *How and why automotive brands should use customer reviews – Econsultancy*. [online] Econsultancy. Available at: https://econsultancy.com/how-and-why-automotive-brands-should-use-customer-reviews/ [Accessed 22 July. 2020].

Choudhury, S., 2019. *India Hopes Making Electric Vehicles Cheaper Will Get More People To Buy Them*. [online] CNBC. Available at: <https://www.cnbc.com/2019/07/08/india-hopes-making-electric-vehicles-cheaper-will-spur-demand.html> [Accessed 21 July 2020].

Das, P., 2018. *Auto Sector: Time To Shift Gears*. [online] Fortuneindia.com. Available at: <https://www.fortuneindia.com/macro/time-to-shift-gears/101986> [Accessed 21 July 2020].

Foley, B., 2018. *What Is Regression Analysis And Why Should I Use It? | Surveygizmo Blog*. [online] SurveyGizmo. Available at: <https://www.surveygizmo.com/resources/blog/regression-analysis/> [Accessed 16 July 2020].

Jain, p. (2019). *Delhi pollution: Vehicles, not stubble burning, main cause, says Teri study*. [online] India Today. Available at: https://www.indiatoday.in/india/story/delhi-pollution-vehicles-not-stubble-burning-main-cause-says-teri-study-1380557-2018-11-01 [Accessed 21 July 2020].

Mahendra, A., 2019. *How Volkswagen Is Taking The Electric Car Battle Straight To Tesla*. [online] The Financial Express. Available at: <https://www.financialexpress.com/auto/car-news/how-volkswagen-is-taking-the-electric-car-battle-straight-to-tesla/1718178/> [Accessed 21 July 2020].

Sakasegawa, J., 2020. *Fake Reviews: A Growing Online Fraud Problem*. [online] Total Retail. Available at: <https://www.mytotalretail.com/article/fake-reviews-causing-shoppers-to-abandon-retail-brands/> [Accessed 22 July 2020].

Saxena, A. and Rao, A., 2019. *3 Ways Indian Auto Brands Can Shift Gears To Reach Female Car Buyers*. [online] Think with Google. Available at: <https://www.thinkwithgoogle.com/intl/en-apac/country/india/3-ways-indian-auto-brands-can-shift-gears-reach-female-car-buyers/> [Accessed 21 July 2020].

Schmidt, C., 2019. *Aaker Model – Building Brand Identity Step By Step | Canto*. [online] Canto. Available at: <https://www.canto.com/blog/aaker-model/> [Accessed 6 June 2020].

Singh, S., 2020. *Volkswagen India March 2020 Sales Decline To 133 Units Copyright (C) 'RUSH LANE' Read More At... Https://Www.Rushlane.Com/Volkswagen-March-2020-Sales-12357497.Html .R*. [online] Available at: <https://www.rushlane.com/volkswagen-march-2020-sales-12357497.html> [Accessed 21 July 2020].

Singh, S., 2018. *Statistics: Descriptive And Inferential*. [online] Medium. Available at: <https://towardsdatascience.com/statistics-descriptive-and-inferential-63661eb13bb5> [Accessed 16 July 2020].

Smith, K., 2015. *The Importance Of Brand Perception*. [online] Brandwatch. Available at: <https://www.brandwatch.com/blog/marketing-the-importance-of-brand-perception/> [Accessed 4 June 2020].

von Helversen, B., Abramczuk, K., Kopeć, W. and Nielek, R., 2018. Influence of consumer reviews on online purchasing decisions in older and younger adults. *Decision Support Systems*, *113*, pp.1-10.

Appendices

Appendix 1: Survey Questionnaire

How online reviews and its impacts affect brand loyalty and customer satisfaction of Volkswagen India Pvt Ltd.

This survey questionnaire is created to study brand loyalty and customer satisfaction of Volkswagen India among Indian customers. Your supportive participation in the survey is much appreciated. The response quoted by you will be strictly confidential and the anonymity of the response is assured. The data collected will be presented in group data format. Kindly spare five minutes of your valuable time to complete the survey.

Thank you

Questions Responses 197

Section 1 of 5

How online reviews and its impacts affect brand loyalty and customer satisfaction of Volkswagen India Pvt Ltd

This Questionnaire is designed to study the customer satisfaction and brand loyalty among Volkswagen customers in India. Your participation in this data collection process will be immensely appreciated. Confidentiality of your response is assured and your anonymity is guaranteed , as results will be presented in a group data form. This survey will take maximum five minutes.

Thank You

After section 1 Continue to next section

Section 2 of 5

Questions Responses 197

Section 2 of 5

Demographics

Demographics is the study of a population based on factors such as age, race and sex.

1. What is your gender?

- Female
- Male
- Other

2. Which age group you belongs to?

- 19-24
- 24-35
- 35-45
- 45+

Section 3 of 5

Brand Loyalty

Brand loyalty is the tendency of consumers to continuously purchase one brand's products over another.

1. Are you a Volkswagen India customer?

- Yes
- No

2. If yes, how long you have been using Volkswagen?

- One year or less
- 1-4 Years
- 4- 6 Years
- More than 6 years

3. On a scale do you believe Volkswagen as a brand is reliable?

	1	2	3	4	5	
Not at all reliable	○	○	○	○	○	Extremely reliable

4. Would you prefer to choose Volkswagen as a brand rather than other competitors in the market?

- Yes
- No
- Sometimes

5. Do you believe Volkswagen as a brand is meeting your expectations and needs?

- Yes
- No
- Maybe

6. When compared to other brands do you think Volkswagen is giving more importance to customer safety?

- Yes
- No

After section 3 Continue to next section

Section 4 of 5

Customer Satisfaction

Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities.

1. How satisfied are you with the Volkswagen Experience?

- Very Satisfied
- Satisfied
- Dissatisfied
- Very Dissatisfied

2. Did you face any issues with the Volkswagen as being a customer?

- Yes
- No

3. If yes, did Volkswagen resolve your problem up to your expectation?

- Yes
- No
- Not applicable

4. Did you feel that Volkswagen provides you better quality of customer service?

- Yes
- No
- Maybe

5. On what scale you rate your experience with Volkswagen?

	1	2	3	4	5	
Dissatisfied	○	○	○	○	○	Satisfied

6. Would you like to recommend Volkswagen to your friends, family and colleagues?

	1	2	3	4	5	
Very Unlikely	○	○	○	○	○	Very Likely

After section 4 Continue to next section

Section 5 of 5

Online Reviews

A review of a product or service made by a consumer who has experienced a service or purchased a product.

1. Would you consider online reviews before purchasing a product?

- ○ Always
- ○ Usually
- ○ Sometimes
- ○ Rarely
- ○ Never

2. Do you believe that the online reviews are helpful in your purchasing decision?

- ○ Extremely useful
- ○ Very Useful
- ○ Somewhat useful
- ○ Not so useful
- ○ Not at all useful

3. Would you consider giving online reviews after the purchase?

- ○ Yes
- ○ No
- ○ Maybe

4. Do you think that online reviews are trustworthy?

- ○ Always
- ○ Usually
- ○ Sometimes
- ○ Rarely
- ○ Never

Appendix 2: Email consent template forwarded to survey participants

To: abccustomer@mail.com

From: xyzreseracher@mail.com

Subject: Survey participation consent details

Greetings,

This is to request your valuable participation in the survey on Volkswagen India and your opinions about the brand. A survey questionnaire will be forwarded to you within few days. Kindly spare your valuable five minutes to participate in the survey and mark your precious opinions on the subject.

Thanking you

Researcher