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**A STUDY ON THE IMPACT OF PHYSICAL
SORROUNDINGS ON CUSTOMER LOYALTY IN THE
AUTOMOBILE WORKSHOPS IN SRI LANKA
(WITH SPECIAL REFERENCE TO COLOMBO METROPOLITAN AREA)**

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Abstract

In the field of service marketing, satisfying customer is relatively difficult than marketing practices of physical products. There are many factors considered by the service marketers in order to make the customer satisfaction and loyalty. Physical surroundings of the service encounters are recognized as key platform for development of loyal customer base for the service companies. When it comes to automobile workshops industry, modern workshops highly concern about physical surroundings for attracting their customers towards service centers. Hence, in this study, researcher attempted to investigate on “**The impact of physical surroundings on customer loyalty in the automobile workshops in Sri Lanka.**”. Further, literature too provides sufficient evidence to support the empirical gap existing in Sri Lankan context.

The main objective of the study is to identify the influenced made physical surrounding and setting strategies of the local automobile workshop to create and maintain customer loyalty. Further five specific objectives were developed and four hypotheses were formulated. Survey method was used to gather primary data from 140 selected customers of modern automobile workshops located in Colombo metropolitan area. Reliability test was carried out and Cronbach's Alpha values of every question items were found that a good interring reliability exist with the data.

The results indicated that there are positive relationship between physical surroundings and customer loyalty towards automobile workshops in Sri Lanka. All correlation coefficients were at significant level. The results provide evidence to accept two hypotheses and reject two hypotheses. Further to state, it could be concluded that marketers should develop appropriate promotional plan to create attractive physical environment