Service Quality and Customers' Willingness to Pay for Vehicle Repairs and Maintenance Services

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Authors' contributions

This work was carried out in collaboration between all authors. Author CKK designed the study, wrote the protocol and wrote the first draft of the manuscript. Author SA managed the literature searches. Author FA analyzed the data. All authors read and approved the final manuscript.

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ABSTRACT

This study assesses customer perception, customer expectation of service quality and their willingness to pay for vehicle repairs and maintenance services among patrons of small scale auto mechanics services in the Kumasi metropolis. Many organisations view service quality as only a support mechanism, rather than a viable competitive strategy. The SERVQUAL model was used to determine how customer expectation and perception of service quality influence the willingness to pay for auto mechanical services. A descriptive design was used and data was collected from two hundred (200) customers within the Kumasi Metropolis using questionnaire design. The data was analysed using SPSS. It was found that all the determinants of service quality (SERVQUAL); tangibility, reliability, responsiveness, assurance and empathy have a relationship with willingness to pay. However, customers' perceptions of service quality offered by mechanical service industry did not meet their expectations (all gaps scores recorded negative except one). For the purpose of expanding knowledge in the field of the small scale auto mechanic industry future researchers should investigate into the factors influencing service quality in the small scale auto mechanics that engage in vehicle repairs and maintenance; service quality and customer satisfaction, how they are measured in terms of customer Willingness-To-Pay for vehicle repairs and maintenance services.

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1. INTRODUCTION

Vehicle repairs and maintenance services are generally provided by either companies or individuals in Ghana. In either case, explicit decisions are made about the appropriate mix of service quality dimensions and price formations. Lovelock [1] explains that the nature of service characteristics makes determination of service pricing difficult. Vehicle repairs and maintenance services comprise establishments primarily engaged in providing auto mechanical repairs and maintenance services such as engine-overhauling and maintenance, exhaust system replacement, transmission repair and electrical system repair. It is one of the most common types of commercial or individual enterprises in any city or town in Ghana.

Kumasi Metropolis has one of the biggest centres for vehicle repairs and maintenance at the Suame Light Industrial Area (Suame Magazine). It is the largest industrial village in Ghana, attracting vehicles repairs and maintenance services not only from Ghana but also from neighbouring countries in the West Africa sub region. It is estimated that majority of the vehicles in Ghana are serviced by local artisans and the few serviced by specialised service centres or companies. The conceptualization of service quality and Willingness-To-Pay of this study is based on the application of skills necessary to provide expected services that can influence customers to pay a certain price.

Knowledge about customers' willingness-to-pay plays a crucial role in many areas of marketing management like pricing decisions. Jenkins [2] affirms that customers play a vital role in sustaining this service advantage. Having this advantage brings something different to the competition, whereas sustainability makes it difficult for competitors to imitate or substitute. Having a good understanding of the value of the willingness to pay for services fosters long-term relationships with customers and their evaluation of the quality of the services being provided. This cannot be underestimated because failure to actually ask customers what they think of the service could be detrimental in the long-run. Against this background, how vehicle owners (customers) judge the quality of the service provided by mechanics for repair and maintenance service, will be crucial to understanding how customers form perceptions of service related firms or individuals specifically, and in general, the entire industry vehicle repairs and maintenance industry. Most of the studies conducted in this sector have not been specific to the mechanical service industry; meanwhile, the industry contributes greatly to the economy.

The purpose of this paper is to fill in that gap and initiate a study model that offers theoretical preposition in the field of service pricing in the unregulated industry such as the small scale auto mechanics. Thus the paper attempts to contribute to the theoretical development of service quality and customer reservation pricing in the vehicle repairs and maintenance industry. Therefore, the primary objective of this paper is to assess customers' willingness to pay for mechanical services as a result of quality of the service in Kumasi Metropolis.

2. LITERATURE REVIEW

Service quality of a service organization is an important competition factor in the business field Veldhuisen [3]. Gronroos [4] describes a service as "an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and or systems of the service provider, which are provided as solutions to customer problems." Gronroos used a two-dimensional model to study the quality of service. The first dimension was 'technical-quality', by which the outcome of service performance was meant. The second dimension was 'functional-quality', which is a subjective perception of how service is delivered. Functional quality reflects consumers' perceptions of their interactions with the service providers. The model of Gronroos compares the two dimensions of service performance with the expectations of customers. Gronroos' general conclusion was that each single customer has its own single perception of the quality of a service. The processes used by mechanics for vehicle repairs and maintenance can also be conceptualized and studied using the technical and functional quality dimensions proposed by Gronroos [4].

Lovelock [1], referring to marketing aspects of service, defines it as "a task, other than proactive selling that involves interactions with customers in person, by telecommunications, or by mail. It is

designed, performed, and communicated with two goals in mind: operational efficiency and customer satisfaction." Gronroos [4] and Lovelock [1] agreed that whoever has contact with customers, by whatever means and for whatever purpose, affects the customer's evaluation of service. They become a part of customer services whether or not they are considered service personnel or essential for service.

2.1 Predictors of Service Quality

There are five important predictors or characteristics of the quality of a service which are: tangibles, empathy, reliability, assurance, and responsiveness. Tangible refers to the appearance of the physical facilities, equipment, personnel and communication material within a service. Empathy refers to caring and individual attention of the service provider towards its customers. Reliability refers to the ability of the service provider to perform the promised service dependably and accurately. Assurance refers the trust in the knowledge and proficiency in the service provider. Responsiveness reflects the willingness to help a customer and provide a quick service, Parasuraman, Zeithalm, & Berry, [5].

In general, service quality is whatever the customers say it is and whatever the customer perceives it to be, Buzzel & Gale [6]. It involves a comparison between expectations and performance, Parasuraman et al. [7]. The degree to which the previously agreed standard of performance and the expectations of the internal or external customer are met, Everards, [8]. Three underlying themes emerge, Parasuraman et al. [7] which are: service quality is more difficult for the consumer to evaluate than the quality of goods, service quality perceptions result from a comparison of consumer expectations with actual service performance, and service quality evaluations are not made solely on the outcome of a service; they also involve evaluations of the process of service delivery. There are characteristics associated with service quality.

2.2 Service Characteristics

Service characteristics depict empirically how consumers distinguish between products and services. The following characteristics have been identified as the major characteristics of a service.

2.2.1 Intangibility

York [9] defined services as activities or benefits that are essentially intangible, cannot be fabricated in advance, and do not involve ownership or title. They may include the traditional personal assistance service, for instance, baby-sitter, gardener, etc. the fix-it service such as mechanic, repairman, etc. and finally the value-added service as the least tangible of all, Cotter [10]. Because service is not an object but a phenomenon, it is difficult for customers to evaluate the quality of services as they evaluate physical goods. Most services cannot be counted, measured, inventoried, tested, and verified in advance of sale to assure quality. Because of its intangibility, firms may find it difficult to understand how customers perceive their services and evaluate service quality Zeithaml [11].

Customers expect service companies to treat them fairly and become resentful and mistrustful when they perceive otherwise. Fairness underlies all the customers' expectations. Customers expect service companies to keep their promises (reliability), to offer honest communication materials and clean, comfortable facilities (tangibles), to provide prompt service (responsiveness), to be competent and courteous (assurance), and to provide caring, individualized attention (empathy). Fairness is not a separate dimension of service but, rather, touches the very essence of what customers expect. The intangibility of services heightens customers' sensitivity to fairness issues. Because services are performances rather than objects, they are difficult for customers to evaluate prior to purchase. Customers cannot try on services for fit and feel; there is no physical touch to feel such as in buying a product from the grocery store. Customers usually must buy the service to actually experience it. Thus, they must trust a service company to deliver on its promises and conduct itself honourably.

Some services are difficult for customers to judge even after they have been performed and therefore trust plays a big role. Were all the repairs on the automobile necessary? As important as the lesson of fair play is for services in general, we believe it is even more important for vehicle repair services because customers are at such an information disadvantage with the service provider. Service companies need to make special efforts to be fair and to demonstrate fairness. Companies can use

customer research to generate feedback on the fairness of their practices, actual and contemplated. Firms can attempt to communicate more openly, creatively, and regularly with customers and other stakeholders about what they do and why they do it. Companies can demonstrate fairness by improving access to relief when problems occur, Berry, Parasuraman & Zeithaml [12].

2.2.2 Inseparability of production and consumption

Services involve simultaneous production and consumption. Inseparability implies that service is simultaneously produced and consumed while physical goods are first produced, then sold and finally consumed. Inseparability of production and consumption often forces the involvement of the customer in the production process. Inseparability also means that the producer and vendor often compromise one economic entity York [9]. In this situation, the customer's input becomes critical to the quality of service performance.Inseparability is taken to reflect the simultaneous delivery and consumption of services (Regan [13]; Wyckham et al. [14]; Donnelly [15]; Grönroos [4]; Zeithaml [11]; Carman and Langeard [16]; Zeithaml et al. [17]; Bowen [18] and Onkvisit and Shaw [19]) and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos [4]; Zeithaml [11]).

2.2.3 Perishability

In general, services cannot be stored and carried forward to a future time period (Rathmell [20]; Donnelly [15]; and Zeithaml et al. [17]). Onkvisit and Shaw [19] suggest that services are "time dependent" and "time important" which make them very perishable. Hartman and Lindgren [21] claim that the "issue of perishability is primarily the concern of the service producer" and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service. The inseparability of production and consumption in turn results in an inability to store service capability. Perishability means that services cannot be produced in advance, inventoried, and later made available for sale. Services are performances that cannot be stored, Zeithaml [11]. It is often difficult to adequately match up with demand and supply such as those corrective maintenance works, for instance, heating and cooling repairs.

2.2.4 Heterogeneity

Heterogeneity reflects the potential for high variability in service delivery, Zeithaml et al. [17]. This is a particular problem for services with a high labour content, as the service performance is delivered by different people and the performance of people can vary from day to day (Rathmell [20]; Carman and Langeard [16]; Zeithaml [18]; Onkvisit and Shaw [19]). Onkvisit and Shaw [19] consider heterogeneity to offer the opportunity to provide a degree of flexibility and customization of the service. Wyckham et al. [14] suggest that heterogeneity can be introduced as a benefit and point of differentiation.Services, especially those with a high labour content, are heterogeneous. Because of the personal involvement of both service producers and customers, services are difficult to standardise. Services are considered to be heterogeneous in that variations in performance can occur from producer to producer, customer to customer, and from day to day (Parasuraman et al. [7]).

2.3 Willingness to Pay (WTP)

Price is an important variable in marketing. Many different concepts are used in marketing literature to study consumer reactions to prices. Willingness to pay is closer to price judgments (reference price) and is linked to other variables that influence decision-making (satisfaction, quality and loyalty). Reference price is the standard against which the price of a service is judged, Monroe [22] or the price at which consumers believe the service should sell. Consumers use both prior expectations and contextual information when forming reference prices (Mazumdar et al. [23]), resulting in multiple conceptualizations, including those based on predictive expectations (Kalyanaram & Weiner [24]), normative expectations or fairness (Bolton & Lemon [25]; Campbell [26]; Xia, et al. [27]).

Willingness to pay is an economic concept which aims to determine the amount of money a consumer will pay for a service or product; thus Willingness to pay (WTP) is one method that can be used to determine the price of a good. It is a concept applied to many research studies worldwide. Wertenbroch and Skiera [28] also defined as the maximum price a consumer accepts to pay for a given quantity of goods or services. When we buy something, we are evaluating the specific characteristics of that good. This includes the amount, its newness, its

function, etc. When there is a market for the good, that price reflects the Willingness to Pay. According to Drupp and Meya [29] the distribution of income among members of society, in particular mean income and income inequality, affects the average willingness to pay for public services. They are of the view that if exogenous income is unevenly distributed among otherwise identical people, and consumption goods and services for instance mechanical are substitutes, then means WTP for mechanical services; increases with mean individual income and decreases with income inequality.

When prices can be customized, knowing the WTP could enable optimization of both sales volumes and margins. Understanding the factors that influence WTP allows it to be raised and offers the opportunity of increasing sales volumes for a given price or, when possible, to customize prices.

2.4 SERVQUAL Model

Parasuraman, Berry and Zeithaml [5] proposed a model for measuring the quality of services, which is called the service quality (SERVQUAL) model. SERVQUAL is a multi-item scale developed to assess customer perceptions of service quality in service (Parasuraman, et al. [5]. The scale breaks down the notion of service quality into five dimensions. The framework of Parasuraman et al. [5] tries to diagnose service shortfalls and identifies opportunities for improvement to be derived. This study used the theoretical SERVQUAL model of Parasuraman et al. [5] to measure service quality using the five items: tangible, empathy, reliability, responsiveness, and assurance and their influence on customer willingness to pay for vehicle repairs and maintenance services.

During the development phase of SERVQUAL the developers "followed well established procedures for designing scales to measure constructs that are not directly observable" Zeithaml, Parasuraman and Berry [17]. A seven point scale ranging from 7 (strongly agree) to 1 (strongly disagree) accompanied each question, Zeithaml, Parasuraman and Berry [17]. Each set of statements earned a difference score by subtracting the perception score from the expectation score. It consists of 22 statements that are grouped and related to one of the five service quality dimensions listed above. Each of

the statements is presented in two different forms.

2.5 Gaps Model of Service Quality

The idea behind the SERVQUAL model (Parasuraman et al. [7] is that a service provider tests the service quality by using several statements about the five predictors of service quality. Eventually possible gaps between expected and delivered service quality could be identified. Further studies on the gaps models suggest that customers' reaction towards the services consumed can be attributed to the nature of gaps in the service delivery, Parasuraman et al. [7]. It can therefore be assumed that customer willingness to pay for vehicle repairs and maintenance services can be influenced by the gaps in the service delivered. Among these gaps are:

2.5.1 Not knowing what the customer wants

The management of a company does not exactly know their customers' demands. This can be a result of insufficient use of market information, too little contact between the management and customers or too many hierarchical layers, which holds back information, between the salesman and the management, Parasuraman et al. [7].

2.5.2 Wrong service guidelines

Management knowing the needs of their customers is not obvious that strategic principles are properly converted into specifications for the employees which provide the service. There could be insufficient commitment to improve the quality of the service or perhaps there is a lack of confidence of the feasibility of service improvement. Besides an insufficient standardization of tasks or a lack of service objectives can be a barrier, Parasuraman et al. [7].

2.5.3 Difference between specifications and performance

This gap arises when employees who should provide the service according to guidelines do not follow the guidelines. There could be several causes. Uncertainty of their role in the process is an important factor. Do employees have sufficient information to fulfil their role adequately? Employees could feel that they are not able to cover all the customer needs. Role conflicts will arise. Another cause is that

sometimes the skills and experience of employees do not reflect the demand of the job. Or they do not have access to technologies or the right tools, Parasuraman et al. [7].

2.5.4 Undelivered promises

This gap is often caused by insufficient communications between the employees or advertising style and customers. Sometimes the capabilities of the serving processes are overestimated. The customer has a difference in expectations of the service quality and the reality of the quality. In the view of Ziethalm et al. [17] only without one exception, service quality is also predicted by the convenience a customer experiences. Cavana et al. [30] stated that convenience and reliability do not have any significant relationship with customer satisfaction, while responsiveness, assurance and empathy have a strong relationship. In the vehicle repairs and maintenance industry, patronage may base on the promise made by the mechanics. This means customer can measure the promises and the service received. Kao [31] suggested that service quality and its dimensions have a direct bearing on customers' evaluation of an organization and the intentions to choose the service provider. Lai [32] stated that there is a significantly positive relationship between the quality of the service and customer satisfaction, as well as with future purchase intentions of customers.

3. RESEARCH METHODOLOGY

3.1 Research Design

The study used a descriptive research design to examine the influence of service quality on the willingness to pay for vehicle repairs and maintenance services by customers in the Kumasi Metropolis of the Ashanti Region of Ghana. Using a survey design implies that the researchers have a clear understanding of the phenomena being investigated before the data collection was done. A major strength of using a survey design according to Singleton, Straits and Straits [33] is that, it allows for direct contact between the researcher and the respondents of the study during the process of data collection. It further helps in obtaining detailed and precise information from the respondents. Though the survey design comes with these advantages, it has also got its weakness. Respondents might not give true responses to some or all of the

questions posed. This is due to the fact that survey design depends on reports of behaviour rather than observation of the behaviour. Sometimes respondents find it difficult to give answers to questions they find sensitive such as income, age and sexual behaviour. According to Singleton et al. [33] the result of this problem is that of measurement error brought about by respondents lack of truthfulness, not understanding the questions or worse of all not able to recollect past events and situations accurately. The unit of analysis is the mechanics and the customer. The mechanics as well as the customers will provide responses for all questions in the questionnaire.

3.2 Population and Sampling Issues

The targeted population for the study was made up of both private car owners and commercial bus drivers in the Kumasi Metropolis. Since the population size is unknown and it is a large population for that matter, the sample size used for the study was 200 drivers (vehicle owners); both private and commercial drivers all in the Kumasi Metropolis. Convenient sampling technique was used to select drivers (customers who assess mechanical services). The selection process was aimed at achieving a representative sample of study participants. The Kumasi Metropolis has various locations of mechanics. The first stage involved the selection of the specific areas where the study interviews the respondents. Finally, the purposive sampling technique was used to select a number of respondents from various locations. This is because the study is specifically assessing the various services that these drivers receive and how they perceive the quality of the service and therefore their willingness to pay for these services.

3.3 Data Collection and Data Analysis

Questionnaire was administered conveniently to gather data on demographic characteristics of respondents and their willingness to pay for mechanical services. The questionnaire was developed based on the set of study objectives. Each objective went with its question. A pre-testing of the questionnaire was carried out to test the instrument and to obtain preliminary results for validity. The study used Statistical Package for the Social Sciences (SPSS 16.0) package for the analysis of the data. Tables were used to assist in the descriptive statistics.

4. ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Service Quality Elements in the Vehicle Repairs Industry

According to the theoretical SERVQUAL model of Parasuraman et al. [7], to measure service quality which was used in this study; the model indicates service quality by five items tangibility, reliability, responsiveness, assurance and empathy. From the responses gathered, it has been identified that the assurance, responsiveness and tangibility are the elements that form service quality in the vehicle repairs and maintenance industry. Thus, for assurance, since vehicle facilitate movement of people from one end to another, the mechanics must perform the services right for the first time, and as well provide the services at the exact time they promise. This will enable customers (vehicle owners) to go about their activities as expected. Van Wart [34] stated that "exceptional performance is necessary for organizational success, whether that entails higher productivity levels, greater contribution in adaptation and innovation, or effective organizational transformation."

For responsiveness, the customers expect the mechanics to inform them about the exact time the services will be performed, and their willingness to help, this will enable them to plan their schedule well or opt for other options in order work within time or meet deadlines. Also, for assurance, the customers will like to be assured that the mechanics have the knowledge or answers to their requests, give them the expected attention and also want to feel safe dealing with the mechanics.

4.2 Customers' Perception of Service Quality

The determinants of the customers' perception of service quality are also based on the theoretical SERVQUAL model of Parasuraman et al. [7], thus, the five elements of tangibility, reliability, responsiveness, assurance and empathy. This is based on when the auto mechanics promise to do something by a certain time; they do so; when the customers have a problem, the auto mechanics show a sincere interest in solving it; the auto mechanics performs the service right the first time and the mechanics provides its service at the time it promises to do so among others. From the analysis of the data gathered,

among the elements that determine the customer perception of service quality were the sincere interest in solving customers' problem by the mechanics (4.9850), excellent employees to give customers personal service (4.926), auto mechanics performing the service right at the first time (4.8700) and modern looking equipment of the mechanics (4.8667).

4.3 Expectations, Perceptions and Willingness-to-pay

Customers expect auto-mechanics to keep their promises (reliability), to offer honest communication materials and clean, comfortable facilities (tangibles), to provide prompt service (responsiveness), to be competent and courteous (assurance), and to provide caring, individualized attention (empathy). There were two parts of the questionnaire, one was designed to measure expectations about mechanical services in general and the other was designed to measure a perception about the actual mechanical service being provided to the customer. Expectations and perceptions were both measured using a 5-point likert scale whereby the higher numbers indicate higher level of expectation or perception. Table 1 summaries the expectations, perceptions and gap scores of the five (5) elements of the SERVQUAL model.

According to Parasuraman et al. [4], quality is a comparison between expectation and performance. Therefore, assessing the quality of service (SQ) by using SERVQUAL developed by Zeithaml et al. [17] involves computing the differences between the ratings customers assign to the paired expectation/perception statements. Table 1 is the analysis of service quality, which is computed by:

SERVQUAL Score = Perception Score – Expectation Score

Service quality scores are the difference between the perception and expectation scores (P-E) with a possible range of values from -6 to +6 (-6 stands for very unwilling to pay and +6 means very willing to pay). The quality score measures the service gap or the degree to which expectations exceed perceptions. The more positive the P-E scores, the higher the level of service quality leading to a higher willingness by the customers to pay for the services. Willingness to pay and service quality was both treated together as functions of customers' perceptions and expectations. In most cases,

when expectation and perception are equal, service quality is satisfactory.

In general, consumer expectation exceeded the perceived level of service shown by the perception scores. This resulted in a negative gap score (Perception – Expectation). According to Parasuraman et al. [7], it is common for consumer's expectation to exceed the actual service perceived and this implies the need for improvement in the services.

From Table 1, the largest expectation scores were the sincere interest in solving customers' problem by the mechanics (4.9850), excellent employees to give customers personal service (4.926), mechanics performing the service right at the first time (4.8700) and modern looking equipment of the mechanics (4.8667). However, these scores are not very different from scores of other items and this implies, in general, customers expect to receive very high quality services from the auto mechanics.

The items rated for the actual service perceived were, mechanics have customer's best interest at heart (4.6802), neat appearance of the mechanics (4.6710), mechanics performing the

services at the time promised (4.6378), and employees of mechanics always willing to help (4.6281).

There is no much difference between the scores of expectation scores and the perceptions scores but it has been observed that the perception scores are generally lower than expectations scores. It can be seen from the table that the largest gaps scores were, visually appealing physical facilities of the mechanics. (-0.7948), modern looking equipment (-0.5099), sincerest interest in solving customers' problems (-0.4925) and mechanics have the interest of their customers at heart (-0.4119).

The gap score analysis is to enable us find out how consumers perceive service quality in the vehicle repairs and maintenance service industry. According to Parasuraman et al. [4], the higher (more positive) the perception (P) minus expectation (E) score, the higher the perceived service quality and thereby leading to a higher level of willingness to pay. In this regard, the gap scores were calculated based on the difference between the consumers' perceptions and expectations of services offered by mechanics.

Table 1. Summary of means and gap scores

Dimension	Element	Number of items	Expectation score	Perception score	Gap score
Tangibles	T1	3	4.8667	4.3568	-0.5099
	T2		4.8400	4.0452	-0.7948
	T3		4.7850	4.6710	-0.1140
Reliability	RE1	5	4.6800	4.3568	-0.3232
	RE2		4.9850	4.4925	-0.4925
	RE3		4.8700	4.5829	-0.2871
	RE4		4.6800	4.6181	-0.0619
	RE5		4.4500	4.4023	-0.0477
Responsiveness	R1	4	4.7650	4.5075	-0.2575
	R2		4.8000	4.5879	-0.2121
	R3		4.4372	4.6281	0.1910
	R4		4.6414	4.6378	-0.0037
Assurance	A1	5	4.7323	4.5372	-0.1951
	A2		4.8586	4.4924	-0.3662
	A3		4.6869	4.3553	-0.3315
	A4		4.8535	4.4742	-0.3793
	A5		4.6482	4.4619	-0.1863
Empathy	E1	4	4.7839	4.4822	-0.3017
	E2		4.9246	4.5127	-0.4119
	E3		4.7940	4.6802	-0.1138
	E4		4.8543	4.4975	-0.3568

Source: Field Survey, 2015

The more positive the gap scores, the higher the level of service quality hence the willingness to pay. In most cases, when expectation and perception are equal, service quality is satisfactory.

In general, it was found that, customers' perceptions of service quality offered by mechanical service industry did not meet their expectations (all gaps scores are negative except one).

Dimensions that reported larger mean gaps were assurance (-1.4585), tangibility (-1.4147) and reliability (-1.2124) while smaller mean gaps obtained were responsiveness (-0.2822) and empathy (-1.1842). These values show that the perception of service quality in the vehicle repairs and maintenance service industry is less than the expected level of service quality hence the willingness to pay for the services. The implication is that customer may not be willing to pay for the price charged by the service provider. This means that the customers may negotiate for a price reduction and will want to pay a price based on the perceive quality of service received. In assessing customer willingness to pay based on service quality; expectation-actual performance, the responses show a positive relationship between service quality and willingness to pay. 98% of the respondents indicated that failure to receive a certain level of expected service from the auto mechanics will influence them to negotiate for the price charged by the auto mechanic.

5. CONCLUSION

The study has found that, the willingness to pay for vehicle repairs and maintenance services is largely dependent on customer expectation and perception of service quality. Using the SERVQUAL model, it has been found that of the five items listed for the measurement of service quality; reliability, responsiveness and empathy have been identified as the main determinants of service quality in the vehicle repairs and maintenance industry. Customers perceive that for a quality service to be rendered, mechanics may have to use modern form of technology and equipment. Evidence from the study show that, mechanical services providers have to improve performance on all the dimensions of service quality in order to increase customers' willingness to pay since consumers expect more than what is been offered by these mechanics. This will enable them maintain high level of competitiveness.

From the gap score analysis, the overall service quality is low as perceived by consumers of mechanical services and hence affect willingness to pay. Consumers have higher expectations than what they actually receive from mechanics even though the difference is not wide. For customers to be willing to pay more for the mechanical services, mechanics should deliver quality service to customers.

The perception of service quality is influenced by the five listed items of the SERVQUAL model (tangibility, responsiveness, reliability, assurance and empathy) but among these are assurance, reliability and empathy which determine the perception of service quality among customers of the mechanical service industry. Thus, for the mechanical service industry to stay in business or maintain their customers, they should take these items into consideration and meet the perception, in other words, the needs of its customers. This confirms a study done by Reichheld and Sasser [35], which found out that companies increased profits by almost 100 percent by retaining just 5 percent more of their customers.

There will also be a sustained industry of mechanical service providers contributing immensely to employment and affordable means to road transportation if the industry desires to implement these items of responsiveness, reliability and empathy.

Thus, as the service sector continues to attract more interest and the keenest of competition, consumers are given the opportunity to make varied choices based on the availability of service providers. It is eminent that service providers march their objectives of being in business with that of the expectations of their customers. Having the right strategies to harness the greater advantage and be on top of the competition require a level of understanding of customers perception and expectations.

6. SUGGESTIONS FOR FUTURE RESEARCH

The study found an area for further research to expand knowledge into the understanding and literature on the need for the auto repairs and maintenance service industry to upgrade itself. Further studies should consider the service providers view (mechanics) to seek their perception and expectations as well in relation to the customers (vehicle owners) willingness to pay.

A study can also be conducted into the factors influencing service quality in the small scale auto mechanics who engage in vehicle repairs and maintenance. This will help broaden knowledge in the field of services marketing.

Investigating this might be more beneficial and broaden the theoretical development of services literature. Further research should also consider enhancing the understanding of the concepts of service quality and customer satisfaction, how they are measured in terms of customer Willingness-To-Pay for vehicle repairs and maintenance services. Also, future research can measure the relationship between vehicle repairs and maintenance pricing formation and service organisations profitability and growth. A similar study could be conducted with a larger sample size so that results could be generalised to a larger population.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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