The Role of After-Sales Service in Customer Satisfaction: Case Study (Samsung House Appliances)

Zeinab Maghsoudlou, Hormoz Mehrani*, Fereydoon Azma

Department of Business Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

*Corresponding Author: Hormoz Mehrani

ABSTRACT: The purpose of this study is to investigate role of After-Sales Service in Customer Satisfaction (Case study: Samsung house appliances). The research method in this study was descriptive and correlation method. The population of the research included individuals who used after sales services of Samsung house appliances in Golestan Province. Sampling method introduced in this study is stratified sampling. For this purpose, After-Sales Service Questionnaire and Customer Satisfaction Questionnaire were used. Descriptive and inferential statistics methods for data analysis were used. The findings showed that between After-Sales Service and Customer Satisfaction, there is significant positive correlation.

Keywords: After-sales service, Customer satisfaction, Samsung house appliances.

INTRODUCTION

Services have been studied extensively since 1980s. The idea of linking service value and customer satisfaction has existed for a long time. Customer satisfaction has been studied and recognized as an important factor in the management literature for the past few decades. Studies indicate that there are links among customer satisfaction, customer loyalty, and profitability. During recent years, there have been studies that have established mechanisms that attempt to link customer satisfaction and customer loyalty. Many studies additionally attempt to establish connections between service quality, customer satisfaction, customer loyalty, and profitability (Grönroos, 1982; Parasuraman, Zeithaml & Berry, 1985; Yuen & Chan, 2010; Rizka & Widji, 2013).

Today market is a more customer oriented in the sense all the business operations revolve around satisfying the customer by meeting their needs through effective service. After sales service plays an important role in customer satisfaction. After-sale service is important because it helps to ensure that customers are satisfied with their purchases and in case of any difficulty installing or setting up equipment, they can receive help (Kumar Mishram, 2014).

After-sales service is commonly acknowledged as a potential source of revenue, profit and competitive advantage in most manufacturing industries (Bundschuh & Dezvane, 2003; Gaiardelli, Saccani & Songini, 2007). As a term, “after-sales services” has been used the most, to describe services that are provided to the customer after the products have been delivered. The same services are sometimes called “field services”, when they are embodied in them aim characteristics that are located at a customer’s site. “After-sales support” as well as “technical support” or even just “services”, are terms also found in the literature. “After-sales services” are often referred to as “product support activities”, meaning all activities that support the product-centric transaction. They are also found in the literature as “customer support” elements, meaning all activities that ensure that a product is available to consumers “over its useful lifespan for trouble-free use”. Although a substantial body of literature exists regarding the topic of service quality, it seems that the subject remains open to additional contributions, since the topic of service quality apart from its theoretical and academic value, plays a notable role as a source of sustainable competitive advantage for the companies (MohammadiPour Pamsari & Minavandchal, 2013). Although, after-sales strategy is sometimes a necessary evil – a time and cost consuming strategy, it is yet a way of staying competitive and a prospect to expand business (Lele, 1997). Ehinlanwo and
Zairi (1996) indicated that organizations are dedicating more and more resources to after-sales and large number of firms have after-sales department with employees focusing only on providing after-sales services and developing after-sales offers.

After-sales services can create sustainable relationships with customers and contribute significantly to customer satisfaction (Kurata & Nam, 2010). By offering different after-sales services during the various stages of the primary product lifecycle, the provider can ensure product functionality and thereby customer satisfaction. This may lead to a fruitful relationship between the provider and the customer over time, allowing for more transactions (Ahn & Sohn, 2009). Returning customers are the most profitable ones as they require less marketing effort and relationship building (Hoffman & Bateson, 2010; Jacob & Ulaga, 2008). Therefore, after-sales services have acquired a critical role as a means to satisfy and retain customers. Especially in a time when firms are experiencing increased pressure to downsize operations and to become more highly specialized in their core competencies, they demand more tailored services (Weissenberger- Eibl & Koch, 2007).

An understanding of the effect of after-sales services in satisfaction and post behavioral intentions is important to services marketing managers because it allows them to differentiate their offering substantially, in a way that strengthens the relationship with their clientele in the short, as well as in the long run. In this regards, Armistead and Clark (1990) investigate the after sales support strategy relation with customer satisfaction. They studied five consumer and capital goods manufacturers. Result show that there are strong links between production, design and after sales service strategy. The results of Hussain, Bhatti, Jilani research (2011) with title “An empirical analysis of after sales service and customer satisfaction” showed that customer satisfaction increases with better service delivery. Esmaeilpour (2014) in a research showed that citizens of Bushehr are unhappy with the companies, dealers and shops giving after sale services for house appliances and the level of dissatisfaction among dealers and repair shops for house appliances of Iran are more than foreign products. Undesirable quality of domestic house appliance products and subsequent poor after sales service provided by the companies, have followed the wave of consumers’ criticism that has resulted in consumers’ tendency toward purchasing foreign products in Golestan Province. Therefore, this study followed this to see the how is the situation of after sales service of Samsung house appliance in Golestan and to what extent consumers are satisfied with the after sales service (tangible and intangible) of this brand.

**METHODOLOGY**

The method of this research in terms of aim is application and in terms of data collection is a descriptive, correlation method which was performed by field approach. The survey includes ways that their aim is to describe the conditions of phenomena, without trying to change or influence the present situation. The population of the research included individuals who used after sales services of Samsung house appliances in Golestan Province. Sampling method introduced in this study is stratified sampling. Due to being infinite population and the inability of researchers to develop the population, the number of samples based on the formula for indefinite Cochrane statistical are at confidence level 95% and the proportion of agreement 50% and a sampling error 5% that determined by the number of sample 384 people. For the study, 384 questionnaires have been distributed among those who attendance at after sales service of Samsung house appliances in Golestan Province and 384 quite completed questionnaires were collected.

An instrument of data collection is the questionnaire. This questionnaire includes a two-variable and 18 questions. Variable of After-Sales Service has 22 questions and variable of Customer Satisfaction has 4 questions. Questions to measure variables are designed in the study according to the position of the theoretical literature survey. For measuring parameters the spectrum of a five-item Likert was used. Formal content validity was assessed via questionnaire. For validity, the questionnaire was dented to recent few faculty members and administrators of corporate sales and considering and their views and required changes were done to investigate. To calculate the reliability of the questionnaires, a pilot study was conducted. The results showed a reliability coefficient of $\alpha=0.896$ for After-Sales Service Questionnaire and $\alpha=0.878$ for Customer Satisfaction, which indicated the consistency of measurement.

SPSS software was used to analyze the data. As to the statistical measures, descriptive statistics including frequency, percentage, mean, standard deviation and tabulations were used to describe the data. Inferential statistics including Kolmogorov Smirnov and Pearson correlation formula were used to test the hypotheses.

**RESULTS**

From total of 384 samples of the study of sex 223 people (58.07%) were male and 161 people (41.93%) were female. Of educational level, 150 people (39.1%), were diploma and under diploma, 45 people (11.7%) above diploma, 128 people (33.3%) bachelor and 13 People (3%) were MA and above. Then respondents ages 18 people (4.7%) in the age under 18 years, 79 people (20.6%) in the age of 21 to 33 years, 139 people (36.2%) in the age of 34 to 46 years, 99 people (25.8%) in the age of 47 to 59 years and 49 persons (12.7%) in the age of
higher than 60 years. Therefore it can be concluded that most of the population under the study (95.3\%) are over than 21 years.

**Table 1.** Result of Kolmogorov Smirnov test to verify data normality.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-Sales Service</td>
<td>384</td>
<td>0.145</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>384</td>
<td>0.075</td>
</tr>
</tbody>
</table>

To test if data were normally distributed the Kolmogorov Smirnov Test was used. Results in Table 2 show that After-Sales Service data (P=0.145) and Intent to Customer Satisfaction data (P=0.075) are normal.

**Table 2.** Description of after-sales service and customer satisfaction based on customers’ opinion.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-Sales Service</td>
<td>4.146</td>
<td>0.523</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>4.286</td>
<td>0.476</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

As shown in Table 2, the mean score of After-Sales Service was 4.146 out of 5. Also the mean score of Customer Satisfaction was 4.286 out of 5. Based on these results it can be stated that the after-sale services of Samsung household products, is in good condition. Due to the good after-sale service of Samsung household products, customer satisfaction is also desirable.

**Table 3.** Relationship between After-Sales Service with Customer Satisfaction.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>After-Sales Service</td>
<td>384</td>
</tr>
</tbody>
</table>

**Table 4.** Relationship between After-Sales Service with Intent to Repurchase.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Intent to Repurchase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>After-Sales Service</td>
<td>384</td>
</tr>
</tbody>
</table>

**Table 5.** Relationship between After-Sales Service with oral Advertising.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Oral Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>After-Sales Service</td>
<td>384</td>
</tr>
</tbody>
</table>

Since the data show a normal distribution, Pearson correlation test was run to analyze the data. Regarding the results in Table 3, there is a positive relationship between after-sales service and customer satisfaction (r=0.463, P≤0.001). Also, the results of correlation coefficient shows that there is a positive and significant relationship between after-sales service and Intent to repurchase from the customers' perspective (r=0.583, P≤0.001). Between after-sales service and oral advertising there is a positive correlation (r=0.366, P≤0.001).

**DISCUSSION AND CONCLUSION**
This study provides some interesting findings that help us further our knowledge of after-sales service in Samsung house appliances and its role in customer satisfaction. The results revealed a significant correlation between after-sales service and customer satisfaction. The first step of companies and service providers is that to get the right information about needs and expectations of their customers. Within this field survey research, dialogue with clients and establish a complaints system could be useful.

Closing a sale is the first step to increasing your sales, not the last. Providing good after-sales service shows your customers you want to build a long-term relationship with them earn their loyalty and keep their business. After-sales services have emerged as a major source of competitive maneuvering, so firms strive for competitive advantages with their after-sales service portfolio to differentiate offers from competitors. After-sales services are an important marketplace differentiator because primary products are often physically comparable. Services, however, are much more difficult to imitate and thus become a competitive advantage. Customers no longer demand just a product but also a comprehensive solution for their problem; they are increasingly moving away from requesting a specific product to requesting a certain service package (including the original purchase and all aftermarket needs) instead. Hence, services significantly enhance the value of the product to its users, so customers may decide to purchase a product based upon service and aftermarket considerations. Furthermore, excellent service may enhance the success rate of new products.

Many successful businesses use after-sales service strategies to consolidate sales, build customer relationships and grow their profits. Providing after-sales service keeps your customers coming back to you and encourages them to refer your business to others. After-sales service includes what you do at the point of sale, including your customer service and selling techniques. It also includes how you follow up after the customer has left, such as providing follow-up contact and effectively dealing with complaints. In this regards, the following suggestions are offered:

- Thanking customers for their business.
- Confirming sales or delivery arrangements verbally or by email or letter.
- Ensuring customers have your contact details and that you have theirs.
- Adding customers to business mail or email lists.
- Suggesting related or additional products or services.
- Invite your customer to any sales or promotions you are planning and refer them to your online services and updates.
- Give your customer your business card and welcome their call or email if they have any questions.
- Contacting customers after purchase to ensure they are happy.
- Providing repairs, refunds and warranties.

This study is based on the findings from Samsung customers in Golestan Province alone. Hence, the interpretation cannot be generalized for other companies or other locations in Iran. Additionally, researchers can also enrich the theoretical foundation for the relationships between the study variables by utilizing structural equation modeling (SEM).

Acknowledgment

The author would like to express his appreciation to the subjects for their participation in this study.

REFERENCES


