Research Paper Commerce

Impact of After Sales Service on Customer Satisfaction : A Case Review of Mobile Phone Industry in Delhi And NCR

Dr Saloni Gupta | Associate Professor, Bharati College, University of Delhi

Ms.Rati Dhillon | Assistant Professor, Bharati College, University of Delhi

ABSTRACT

The current study is focused on understanding the dynamics of after sale service and its importance in the mobile phone industry along with its impact, if any, on the satisfaction level of customers in Delhi. The study uses a structured close-ended questionnaire to conduct survey among 500 respondents selected on random basis. It was found that there is high efficiency among mobile phone retailers in delivering after sale services to their customers. Also, the efficiency of after sale service had a direct and positive relationship with customers' satisfaction level.

KEYWORDS | After sales service, customer satisfaction, Mobile Phone Industry, Delhi NCR

1. Background of Research

1.1. After sales service and Quality

After-sales service refers to the services that customers are provided with after the product is sold and delivered to them. These are services that ensure a continuous and trouble-free use of a product over its life span for the customer (Egonsson et al. 2013). As noted by (Rigopoulou et al. 2008), service quality plays an integral role in enhancing the sustainable competitive advantage for a company.

Service quality has been categorised into technical service and functional service by studies in the past (Grönroos 1984). While technical service is concerned with the actual service received by customers, functional service is related to the efficiency of the process of service delivery. Further, (McDougall & Levesque 1994)explained service quality in terms of personnel, tangible offerings and service-scapes. (Parasuraman et al. 1988) proposed yet another model to explain the concept of service quality, the 'Servqual' model. In this model, quality is treated as being a combination of different encounter characteristics, namely, tangibility, reliability, responsiveness, assurance and empathy.

It has been noted by various researchers that positive perceptions and attitudes resulting from good after-sales service quality leads to customer retention as well as customer attraction through word-of-mouth (Boulding et al. 1993; Zeithaml et al. 1996). The major prerequisites for good service quality are personal interaction of service staff (staff's attitude, behaviour, expertise and problem solving)(Gronroos 2008), appropriate use of latest technology and systemization of services(Zeithaml et al. 2002).

1.2. After sales service and customer satisfaction

After sales service has been directly linked to customer satisfaction by a number of researchers (Bitner 1990; Bolton & Drew 1991). (McDougall & Levesque 1994; Cronin et al. 2000) have also established perceived service value as a fundamental predictor of customer satisfaction for a company. They noted that customer satisfaction can be increased in two ways. The company may either try to set low customer expectations for service so that the delivered service quality meets these low expectations easily. Alternatively, the company may improve its service quality and customers' perception of the same so that customers' expectation level can be met.

(Bhave 2002) stated in this regard that a satisfied customer is a valuable asset to a company and directly works as a reliable and credible advertisement. For this, it is important that customers are able to experience quality service conveniently. (Ko & Pastore 2005) have noted that for a service to be convenient, it must be an appropriate service and must be provided at a time most convenient for the customer. Good after sales service has been known to result in lasting relationships with customers who return time and again and are usually the most profitable ones for a company (Cohen et al. 2006; Alexander et al. 2002).

2. Aim and Objectives of the Study

The main aim of the study is to understand the impact of quality of after sales service on customer satisfaction in Mobile Phone industry. The objectives of the study are:

i. To determine the effectiveness of quality dimensions of after sales service in mobile phone industry
ii. To determine whether these dimensions impact customer satisfaction level

3. Methodology

The study involves primary research which is conducted using survey research strategy. The survey has been conducted using structured close-ended questionnaires among 500 respondents who have been selected randomly out of young people visiting malls on weekends in Delhi, NCR region. The data which has been obtained in quantitative form has been analysed using SPSS 21.0 using statistical techniques like frequency analysis and correlation analysis.

4. Findings

The demographic analysis revealed that more than 75% of the respondents were from the age group of 20 to 35 years and were students or service professionals, the number of males and females being almost equal. Further, their monthly income level ranged between Rs. 25,000 to Rs. 1,00,000, with the exception of students who didn't earn currently. It was also found that about 70% of the respondents used Samsung mobile phones, followed by 15% who used Apple iPhones. The remaining 15% used other brands like Motorola, Nokia, Micromax etc.

With respect to the satisfaction level of customers with respect to the after sale services provided by their sellers, it was found that about 82% of the respondents were highly satisfied while only 6% were dissatisfied and remaining 12% had neutral opinion about it.

Further, in order to determine the impact of efficiency of service quality dimensions on customer satisfaction, a correlation test has been conducted between overall customer satisfaction and customer satisfaction with individual service quality

dimensions. The following table shows the results of correlation analysis:

Correlations		
		Level of satisfaction with after sale service provided by seller
Level of satisfaction with after sale service provided by seller	Pearson Correlation	1
	Sig. (2-tailed)	
	N	500
Packaging quality on delivery	Pearson Correlation	0.621**
	Sig. (2-tailed)	0.001
	N	500
Product quality on delivery	Pearson Correlation	0.740**
	Sig. (2-tailed)	0.000
	N	500
Punctuality of product delivery	Pearson Correlation	0.511**
	Sig. (2-tailed)	0.003
	N	500
Reception of invoice	Pearson Correlation	0.398**
	Sig. (2-tailed)	0.005
	N	500
Handling of **delivery personnel**	Pearson Correlation	0.656**
	Sig. (2-tailed)	0.000
	N	500
Accuracy of user instructions provided	Pearson Correlation	0.216*
	Sig. (2-tailed)	0.231
	N	500
Intention to prefer the **same retailer** in the next purchase of a new mobile phone	Pearson Correlation	0.771**
	Sig. (2-tailed)	0.000
	N	500
Intention to **recommend** the retailer to friends and relatives	Pearson Correlation	0.693**
	Sig. (2-tailed)	0.000
	N	500

** Correlation is significant at 0.01 level

*Correlation is significant at 0.05 level

Table 1: Correlation analysis

The table shows clearly that there are high as well as significant correlation coefficients between overall customer satisfaction and various service quality dimensions. The correlations are significant at 0.01 level or 0.05 level. This shows that the efficiency of service quality dimensions in mobile phone industry impacts overall customer satisfaction with the mobile phone retailer. Also, it may be noted that all service quality dimensions were rated as high by most of the respondents, meaning that most respondents perceived after sale service quality in mobile phone industry to be highly efficient. Further, it can be seen that there are high correlations of customer satisfaction with customers' intention to prefer the same retailer for their next purchase of mobile phone (r=0.771 at p=.000) and with customer's intention to refer the retailer to friends and relatives (r=0.693 at p=.000).

5. Discussion and Conclusion

The study revealed that there is high perceived effectiveness of various dimensions of after sale service in mobile phone industry in Delhi, NCR. As a result, these young customers were found to be overall satisfied with their retailers' after sale service. For any business or retailer to sustain, it is important that efforts are made to retain new customers as well as attract new ones. Customer retention entails good service quality which fosters trust and lasting relationship with the retailer. Thus, the study concludes that quality of after sale service impacts customer satisfaction in the mobile phone industry.

Appendix I: Quantitative Questionnaire

Section A: Demographic profile

1. Age _____
2. Gender _____
3. Occupation _____
4. Monthly income _____
5. Mobile phone brand used _____

Section B: Dimensions of service quality and customer satisfaction

1. Rate the following statements/variables as 1, 2 or 3; such that 1=High, 2=Neutral and 3=Low

- Level of satisfaction with after sale service provided by seller
- Packaging quality on delivery
- Product quality on delivery
- Punctuality of product delivery
- Reception of invoice
- Handling of delivery personnel
- Accuracy of user instructions provided
- Intention to prefer the same retailer in the next purchase of a new mobile phone
- Intention to recommend the retailer to friends and relatives

Any other comments _____
_____
_____

Thank you for your time

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