

AFTER-SALES SERVICES AND CUSTOMER PATRONAGE OF THERMOCOOL PRODUCTS

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Abstract

This study was aimed at enlightening manufacturers of the advantages of after-sales services on customer's patronage of Thermocool products in Cross River State, Nigeria. The survey research design was employed for the study, and a total of 317 copies of questionnaire were administered, but only 302 was correctly filled and returned. The stratified sampling technique was used to divide the population into sub-groups while the systematic sampling was used to select respondents from each strata. Analysis was made using the Pearson Moment Correlation analytical tool on Spss version 21. It was recommended that organization should make aftersales variables a prerequisite in their routinized business activities.

KEYWORDS: Aftersales services, warranty, delivery, installation and customer patronage

Introduction

The concept of services has been in practice since the nineteenth century. However, the significance of quality after sales services, that is, delivery, installation, warranty and so on (Hussain, Bhatti, Jilani 2011) are pertinent in almost every form of business organization. The level of after sales activities employ by a business organization to a large extent determines the level of profit margin to be made and the number of customer patronage. Koskela (2002) is of the opinion that the importance of after sales service can be significant to customer satisfaction, particularly in business-to-business environment leading to repeat customer patronage. In other words, after sales services is an integral part of customer service and a key determinant of customer satisfaction and also serves as a competitive tool in any industry (Domingo, 2003).

Achieving organizational objectives requires that such organizational product meets the required standard. That is, the better the quality of services rendered, the higher the numbers of customer patronage. In today's global village, after sales services continues to play important role in products and services marketing. It is a pivot through which both the customers and manufacturers achieve satisfaction. It was recently stressed in (Technopedia, n.d) that a customer expects a cost-effective and reliable after-sales support services. Manufacturers rely solely on consumer satisfaction to maintain business and sales. Without a good after-sales support service, a product can be difficult to sell.

Due to increased awareness of the strategic value of after sales services, firms are beginning to shift focus to aftermarkets, where they can strive for competitive advantages with their after-sales services offer (Jonke, 2012). In Cross River State, after sales services has also witnessed vast change in Thermocool products. Thermocool company and Retail outlets owners have all envisioned how after sales services tools such as delivery, installation and

warranty can be maximized positively to improve upon their businesses in the long run. By definition, after sales services are services that are provided to customers after products have been delivered (Vitasek, 2005) as cited in ((Fazlzadeh, Bagherzadeh & Mohamadi, 2011). In other words, it maximizes the value experienced by customers over the entire product life cycle (Gofin & New, 2001). It constitutes a means to uncover customer needs and a strategic driver for customer retention (Fazlzadeh, Bagherzadeh & Mohamadi, 2011).

There won't be patronage without a customer, by definition customer patronage is the process whereby a person or group buys something for personal or immediate consumption (Adiele, Grend, & Chinedu 2015). Therefore, this study seeks to determine the relationship between after sales services and customer patronage of Thermocool products in Cross River State.

Statement of the problem

Most manufacturers and distributors have neglected the important role of after sales services despite the ever-increasing problems confronting them. Some of these problems include, shrinking profit, stagnating revenues, and low customer patronage. Ladokun, Adeyemo, and Ogunleye (2013), asserts that in order to curb these problems after sales services delivery is critical to satisfying customers' needs and to ensure continual customers patronage. Hence, the statement of problem is: How can after sales services be used to increase customers' patronage of Thermocool products in Cross River State?

Research objectives

The broad objective is to determine the relationship between after sales services and customer patronage of Thermocool products in Cross River State.

Specific objectives include to:

1. investigate the relationship between delivery and customer patronage of Thermocool products in Cross River State;

2. determine the relationship between installation and customer patronage of Thermocool products in Cross River State;
3. examine the relationship between warranty and customer patronage of Thermocool products in Cross River State.

Research questions

1. Does delivery have any relationship with Customer patronage of Thermocool products in Cross River State?
2. What is the relationship between installation and customer patronage of Thermocool products in Cross River State?
3. Does warranty have any significant relationship with customer patronage of Thermocool products in Cross River State?

Research hypotheses

- H0₁: Delivery does not have any relationship with customer patronage of Thermocool products in Cross River State.
- H0₂: There is no significant relationship between installation and customer patronage of Thermocool products in Cross River State.
- H0₃: Warranty does not have any significant relationship with customer patronage of Thermocool products in Cross River State.

Significance of the study

The study will be significant to manufacturers, suppliers, and retail outlets of Thermocool products. It will expose and enlighten them on how after sales variables can lead to increase customer patronage. It will also expose customers and consumers on their right about the various blends of the aftersales variables, and how they can be used to their advantage. Finally, the study will add to existing literature on services marketing.

Scope of the study

The research study is after-sales Services and Customer Patronage of Thermocool Products in Cross River State, Nigeria. It was carried out in two (2) Local Government Areas in the Southern Senatorial district. These Local Government Areas were Calabar South and Municipal respectively. Respondents consist of customers and consumers of Thermocool products within these Areas.

LITERATURE REVIEW AND THEORITICAL FRAMEWORK

Theoretical framework

This study was hinged on the Expectation Confirmation Theory (ECT) developed between 1977 and 1980 by Oliver and Richard L. It suggests that satisfaction is determined by interplay of prior expectations and perception of delivery ((Jiang & Klein, 2009). It also states that expectations, coupled with perceived performance, lead to post-purchase satisfaction. That is, a customer must be adequately satisfied for a repeat purchase to occur. The theory is relevant to the study in the sense that, it is only when customers are satisfied that they can consistently patronize a product.

The major setback of this theory is that of disconfirmation on satisfaction. That is, defining the predictive expectations as a standard for perceived performance.

Concept of aftersales services

After sales services can be seen in different ways depending on one's area of specialization. For instance, it is referred to as after sales transaction (Domingo, 2003), customer support, product support, technical support, and service (Jonke, 2012) irrespective of the synonyms, aftersales continues to play vital role in every going concern business organization. The end result of aftersales is that of rendering of services to customers after sales have been made. Pettinger (2017) is of the opinion that after sales service refers to the treatment of customers

in the aftermath of a sale. It can be used to justify a higher price for a product. It also influences the long-term reputation of the firm and also influences future sales. Vitasek (2005) as cited in (Shaharudin, Omar, Hassan, & Anuar, 2011) asserts that after-sales service is a service that has been given to the customer after products have been delivered. Kotler (2002) as cited in Mustofa (2011) opine that selling process should go beyond the delivery of goods and services and that there should be “follow – up”, step to ensure customers are satisfied and which in turn will guarantee a repeat purchase to make sure that there was proper delivery service, installation and so on. Fazlzadeh et al (2011) argued that after-sales services appear to be exceptionally significant to the overall “product-mixture” provided by manufacturers and retail companies, since they affect both the customers’ satisfaction and their behavioural intentions.

Finally, (Pettinger, 2017) was of the opinion that after sales services add to the organization in the following ways:

- (i) Helps improve firms long-term brand image and brand loyalty.
- (ii) Helps to convince consumers to trust the firm and buy the service in the first place.
- (iii) Good after sales service can make a difference in this era of social media i.e. (poor after sales service can be damaging and subsequently bring down the reputation of the organizations).

Hence, quality aftersales service among others is centred on installation, delivery time, and warranty. It is a process that determines the overall quality customer service, which leads to increase patronage.

Delivery and Customer patronage

Product delivery is essential for every enterprising organization. According to Rigopoulou, Chaniotakis, Lympelopoulos & Siomkos (2008) as cited in Shaharudin, Omar, Hassan, & Anuar (2011) delivery is a key to the after-sales service that has an influence on the customer. It is often the first among the services offered after the sale. It is the process where a company take upon itself to render a unique service of making a customer products available in their door step. Choudhary, Akhter, Asif, Choudhary, Siddique, & Mughal (2011) observe that delivery of the product, ensuring the right time, and quantity is depended on factors, such as, speed and reliability. This simply means that organizations should gear more effort towards timely after sales delivery in order to meet up with set objectives. In other words, without strategic organizational delivery plan, such an organization is likened to a person who starts a journey without completing it (Rajesh & Uday, 2004) as cited in Choudhary, Akhter, Asif, Choudhary, Siddique, & Mughal (2011). In the words of Rigopoulou and Chaniotakis (2016) delivery service quality, is the quality of all those activities that are related with the safe, reliable, timely correct transportation of the goods from the store to customer's premises. Activities which should be embodied with delivery include; politeness, accuracy, flexibility and an overall customer-centred behaviour.

Installation and Customer patronage

Installation has been seen as one of the main components in after sales service that has a strong hold on organizational buyers, little wonder did Rigopoulou, Chaniotakis, Lympelopoulos & Siomkos (2008) as cited in Shaharudin, Omar, Hassan, & Anuar (2011) observes that installation is a key to after-sales service which has the most influence on customers. It is the process of fixing a newly bought product by a company. In other words, it is the first component in the aftersales service Choudhary, Akhter, Asif, Choudhary, Siddique, & Mughal (2011). The reason for this is not far-fetched, this is because for any

electrical product purchased the first thing a customer request is how to install or coupled the product as the case may be. Rigopoulou and Chaniotakis (2016) were of the opinion that installation as a service quality are those activities and behaviour organization put in place to ensure proper phase of a product installation such as good knowledge of the technical requirement, politeness, attention and so on.

Warranty and Customer patronage

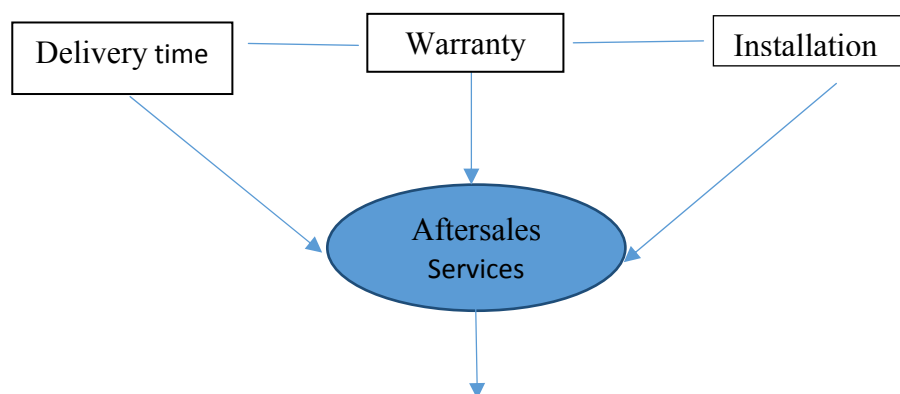
The essence of product warranty is to provide safe landing for companies, especially given the strict liability “held” rulings in the developed economies where manufacturers are held liable for product defects, whether or not it follows reasonable research standard (Berkowitz, Kerin, Hartley, & Rudelius 2000) as cited in (Oko & Eboh 2013). In other words, warranty is shown to convince customers that the product is in good condition or free from damage, a result of inaccuracy or used materials that are less well applicable for a period of time (New Economics Education 2012). Warranty concept is also adopted by companies to convinced customers of their product quality and their commitment to social responsibilities which forms the basis for quality public relations campaign (Oko & Eboh 2013). A manufacturer or wholesaler pays more to ensure warranty objectives are carried out effectively. That is, he tries by all means to ensure customers are satisfied throughout the warranty period. Murthy, Solem, & Roren (2004) opine that a customer can be dissatisfied when offered with a poor quality of warranty service, which may lead to switching to a competitor brand or the organization losing potential customers. Ensuring that products gives required satisfaction is of essence to customers. A product that is damage before the estimated warranty period, gives consumers highest form of dissatisfaction. The idea behind warranty is that a firm is promising satisfaction, which must be kept, and when this is not so, brings about dissatisfaction. Similarly, Jack & Schouten (2000) as cited in (Shaharudin, Omar, Hassan, & Anuar, 2011) observes that manufacturers should be willing to rectify all failures and

damages occurring within the warranty period. Hence, (Boulding & Kirmani, 1993), (Kotler & Keller, 2009) and (Stein, 2004) as cited in (Oko & Eboh, 2013) were also of the opinion that the longer and more inclusive the warranty, the better the quality of product is assumed to be.

Concept of customer patronage

Patronage delivers the foundation for an established and growing marketing share (Simons, 2016). Customer can only patronize when expectation is equivalent to performance. This is to say that, for a customer to patronize a product or service it must possess certain qualities. Adiele, Grend, & Chinedu (2015) opine that an organization can only relate well with its customers in order to achieve understanding and increased patronage through service quality, service personnel and so on. Oumlil (2008) as cited in (Shaharudin, Omar, Hassan, & Anuar, 2011) adds that consumers always believe that a superior warranty will be associated with greater quality and less risk. That is, all warranty should be anchored on quality and not mere warranty. Lehtinen, Lehtinen, 1982; Bhatti, Waris, Zaheer, Rehman (2011c) as cited in (Hussain et al 2011) also observe that Service quality is not a product manufactured in a plant which is delivered intact to the customers, but involves human capital and the way the service staff delivers the service (Simons 2016).

Conceptual model of the study



Customer patronage

Source: Researcher (2018)

The model gives a clearer picture and a better understanding of the relationship between aftersales services offered and customer patronage of Thermocool products and the various after sales services offered. It shows that delivery, installation and warranty are factors that will gear up increase patronage for Thermocool company.

RESEARCH METHODOLOGY

Sample size determination

DISTRIBUTORS	CUSTOMERS
BEDWELL	742
CHAMLEY	556
IBB	220
TOTAL	1518

Source: Distributors statistics 2017

The study adopted the use of survey research design, in which data were gathered from both primary and secondary sources with the use of questionnaire instrument. The study area was Calabar Municipality and Calabar South, with a total population of 433,730 (2006) population censuses. The population of the study consisted 1,518 customers and consumers of Thermocool products in three distribution centres (2017 distributors statistics), and a sample of 317 was determined using the Taro Yamane's sampling technique.

Stratified sampling technique was used to divide the population into sub-groups based on geographical location, while the systematic sampling was used to select respondents from each strata. The questionnaire instrument was used as a source of data collection, which was

developed on a five point Likert scale. Out of 317 copies of questionnaire distributed only 302 was correctly filled and returned, after which analysis was made using the Pearson Moment Correlation analytical tool on Spss version 21 at 0.05 percent significant level.

PRESENTATION, ANALYSIS, AND DISCUSSION OF DATA

Pearson moment correlation coefficient analysis of the relationship between delivery and customer patronage of Thermocool products in Cross River State, Nigeria. (N= 302)

Variable	X	S.D	r.
Delivery	9.72		1.090
			.000
			.555**
Customer patronage	11.44	.734	

Significant at 0.05; DF= 300; Critical r. = 0.113

Pearson moment correlation coefficient analysis of the relationship between installation and customer patronage of Thermocool products in Cross River State, Nigeria. (N= 302)

Variable	X	S.D	r.	Sig.
Installation	9.68	1.071		.000
				.540**
Customer patronage	11.44	.734		

Significant at 0.05; DF= 300; Critical r. = 0.113

Pearson moment correlation coefficient analysis of the relationship between warranty and customer patronage of Thermocool products in Cross River State, Nigeria. (N= 302)

Variable	X	S.D	r.
Warranty	10.24		1.245
			.000

.696**

Customer patronage	11.44	.734
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Significant at 0.05; DF= 300; Critical r. = 0.113

Discussion of findings

The relationship between aftersales services and customer patronage of Thermocool products in Cross River State indicated a significant relationship. This is shown in the table where r value for each of the aftersales services; delivery (r = .555), installation (r =.540), and warranty (r = .696) is greater than the critical r =.113. This means that there is a strong positive linear relationship between aftersales services and customer patronage. It shows the extent of relationship between the variables, that is, the higher the after sales services activities, the higher the level of customer patronage. In other words, intense after sales activities will lead to increase customer patronage of Thermocool products. Achieving set goals and objectives requires an organization to take into cognisance quality aftersales service in terms of delivery, installation, and warranty. This is supported by a study carried out by Shaharudin, Yusof, Elias, and Mansor (2009), from their analysis it was discovered that delivery, installation, and warranty is significantly related to customer satisfaction, and are important in delivering after sales service. In other words, aftersales services were said to have triple effect on product life as compared to product sales itself Choudhary, Akhter, Asif, Choudhary, Siddique, & Mughal (2011). Having an indebt understanding of the concept of aftersales services can change customers view about an organization and influence their buying behaviour. Kurata & Nam, (2010) as cited in (Khaksar, Nawaser, Jahanshahi, & Kamalian, 2011) were of the opinion that aftersales services creates sustainable relationships

with customers, which then leads to post purchase behaviour. Similarly, (Ladokun et al 2013) a combination of product delivery, effective installation, and warranty on the product will enhance customer satisfaction in the long run. Fazlzadeh, Bagherzadeh, & Mohamadi (2011) point out that aftersales services should be of quality and it should be improved upon in order to influence post purchase behaviour. Based on the aforementioned findings, we therefore reject the null hypotheses and conclude that there is a significant relationship between delivery, installation, warranty and customer patronage of Thermocool products inn Cross River State, Nigeria.

CONCLUSION

Since achieving upturn customers' patronage is sequential for Thermocool company. And actualization no doubt requires some hard work. On this note, it is of utmost importance that the company employ quality aftersales services variables in terms of delivery, installation, and warranty to attract and maintain existing customers. It may not be an easy task though, but (Menezes & Quelch, 1990) as cited in (Bolton & Drew, 1994) points out that, aftersales services are the only way to communicate information about underlying quality of a product and to differentiate a firms offering from that of a competitor.

RECOMMENDATION

It was recommended that organization should continuously and constantly improve upon and increase their warranty time span.

Equip and employ more manpower to increase and strengthened their installation personnel.

Finally, organization should constantly and tirelessly embark upon delivery service in order to maintain existing customers and also attract new market.

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