

Reviewing Customer Satisfaction of After Sales Services Quality Case Study: Modiran Khodro Co. (MVM)

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Abstract: Most of companies nowadays are aware of effectiveness of after sales services on customer loyalty & sales frequency. However, provided services are to meet customer needs. Present paper has measured customer satisfaction of after sales services provided for Modiran Khodro Co.; an Iranian representative for MVM branded cars, using questionnaires and through random sampling. Three measures for examining the quality of provided services were perceived technical quality of services by customer, after sales services personnel treatment with customers and costs of such services. The results were indicating that customers are satisfied with all three measures, though the satisfaction levels for all measures are not the same; such that perceived technical quality of services by customer stands higher than costs satisfaction and customer satisfaction of after sales personnel treatment is higher than costs satisfaction. (Gray&Densten,1987)

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1. Introduction

Most of business organizations have set customer satisfaction as their main goal. However, caring current customers costs less than bring in new ones. Providing convenient services leads the customer to be sustained and customer satisfaction of such services makes him suggest the product/service to others. Achieving new sales amount via positive word of mouth by customers themselves, is definitely called value. Contrarily, customer dissatisfaction of provided services may lead to lower market share. Meeting customer needs and wants is ineluctable for keeping him satisfied. The fact that customers preferences are changing constantly implies that their satisfaction should be constantly examined and measured. Understanding customer's opinion is a dynamic marketing manner and may cause new amounts in overall sales. Companies have to compile their marketing strategies according to customers' needs & wants; otherwise they are to leave the competition. Present paper is structured to assess customer satisfaction of after sales services provided for Modiran Khodro Co.; an Iranian representative for MVM branded cars.

2. Literature Review

Handling Customers' needs is the basis of marketing. Organizations will not remain in the business unless assuring that they have undertook customers' preferences. However, before assuming marketing as a major science, many kinds of organizations took care of their customers. Therefore what is considerable in recent viewpoint, is viewing issues from customer side. Here should be note that caring customer differs from Customers Relationships

Management (CRM). CRM concentrates on what customers want.(Ranjbar&Soltani,2000) In other words, first it is identified that what customer needs are, then the means and procedures to realize them are concluded. Two main goals of CRM strategy involves differentiating the services provided to customers such that the difference is both notable and measurable and also can have its effects on what is done in organization as a whole. This vision is called CRM because of that it concerns organizational culture and that it requires managers to think of it as acceptance and obligation. Establishing these kinds of visions need a balance between organizational technology and structure(Kotler & Armestrang, 1991). Therefore, in order to achieve standards for providing of quality services, designing quality assurance schemes and training employees for succeed in their relations with customers, reviewing organizational tasks and activities is strongly required (Rosta.el.al,1995)

Services include intangible and impalpable activities which lead to gain and satisfaction but don't involve any kind of ownership. Marketing breaks services into 3 main groups: before sales services, at purchasing time services and after sales services. After sales services include any type of tasks companies do after products are sold, in order to win customer's satisfaction which leads to more value for goods. It could be said that after sales services are a kind of caring sold products and in fact is a sign of organizations future obligation to their customers (Hayes & Dredge, 1998).

Providing service to customers is something beyond placing order, taking back the returned goods or handling complaints. According to this vision,

servicing customers include all kinds of tasks companies perform in order to attain customers' satisfaction and assisting them to gain maximum value of products and services. Entirely, anything offered to customers' more than physical product, leading to a sensible differentiation from competitor companies, is a kind of service (Anderson et al, 1994).

Providing services to customers has been of main importance. However, today customers have more choices than past decades. This is a consequence of growing competition of products and services over market. In many of researches regarding consumption and industrial purchasing, it is concluded that providing appropriate services is of more importance for customers than price has. Providing fine services can lead to competitive advantage and skip other competitors (Flynn, 1997). Often, when customer is aware and assured of services and guarantees provided by previous seller, he never thinks of switching to a new provider, even with lower costs. However, customer satisfaction is the total amount of desirability and pleasure he gains while consuming the product. Satisfaction leads to customer loyalty and consequence increased fame and credit and also profitability for company. Customer is satisfied, provided that his needs are met in the time he needs and in the manner he prefers. Meanwhile it should not be neglected that customers trust on organizations because they believe they can get all they need; which is why leads companies to remain ethically responsible for meeting their needs and make them satisfied (Valarie et al, 1988).

Distinguished services are to be recognized by customers themselves. If a service provider perceives his services as distinguished but customer is not satisfied with those services, they cannot be referred as distinguished and important. Appropriate services are not always the same as those seller thinks. Sometimes customers have to call company for many times just because of a mistake happened in his bill.

Valarie et Al (1988) in their paper, has defined the dimensions of service quality as following:

1. Tangible aspects of services involving physical facilities, service structure, equipment or personnel.
2. Service reliability which means the ability to provide services according committed terms and conditions.
3. Accountability which implies company's tendency to assist customers and provide services as agreed.
4. Competence which is that personnel knowledge, skills and abilities make customers trust and rely.
5. Consent and harmony which involves caring customers through providing of value services.

Len Berry (L. Berry, 1986) offers 10 different factors for the dimensions of service quality, including:

1. Trustworthiness which means continue to offer services as agreed, namely accurate and just as the same as first time offered.
2. Responsibility which involves willingness and readiness to deliver services according to agreed terms.
3. Competency which emphasizes on enough knowledge and skills needed for providing services.
4. Availability implying ease of access to service at different times.
5. Courtesy meaning politeness, respect, consideration and maintaining of value relationship with customers.
6. Communication with customers which involves informing him via understandable expressions, listen to what he says, setting the conversations around what he needs, giving full description of services and offering him new solutions.
7. Reliability meaning company's fame, credit and personnel's trait of trustworthiness and honesty.
8. Dependability which refers to feeling of secureness from risks and dangers, physical and financial safeness and faithfulness.
9. Customer appreciation in striving to fulfill his needs and caring them (Teter & Dituro, 1994).
10. Tangible aspects including physical image of provided services, physical facilities, personnel appearance, equipments and tools.

In addition to above items it should be noted that providing high-quality services to customers requires his desires to be discovered and his future needs to be foreseen.

Having timely information leads to on time response to customers needs and reliable service delivery.

3. Research Methods

Present study is a survey research aiming to explain and examine the impact of after sales services of Modiran Khodro Co. on customers' satisfaction in Tehran Province. The main method for data gathering was conducting interviews and questionnaires (in 5 car sales representatives of 5 different regions of Tehran). Before designing and arrangement of questionnaires, interviews were held in order to examine Modiran Khodro's customers' view of company's services, and questionnaires were in order to measure their attitude about research hypothesis (Neuhaus, 1997). The questionnaire was set according to Likert's 5 point scale (strongly disagree, disagree, don't know, agree, strongly agree) and it's service quality identifying 10 factors proposed by Len Berry Et. Al, were broke into 3 groups, named: quality of technical services, employees treatment and service costs, by which customers' satisfaction levels were

measured. The questionnaire contains 30 questions, from which 16 are related to technical quality of services, 5 are about employees' treatment and remaining 9 are related to service costs.

The validity of questionnaires measured by Cronbach's Alpha (Cronbach's Alpha, 1951) is 94%. Statistical community of study is whole MVM users of Tehran Province, who has purchased their cars from one of official representatives of Modiran Khodro Co. In order to estimate the weight of sample, first 50 questionnaires are distributed random in whole community which has led to 250 customers as a sample.

With regard to three dimensions including technical quality of services, employees' treatment and costs of services, following hypothesis are tested to achieve customers' satisfaction levels of offered services:

1. After sales services provided by Modiran Khodro Co. satisfies customers in Tehran.
2. Customers are satisfied by technical quality of Modiran Khodro Co.'s after sales services.
3. Customers are satisfied by Modiran Khodro's after sales services employees' treatment.
4. Customers are satisfied by Modiran Khodro's after sales services costs.

4. Data Analysis

Before testing the hypothesis, we'll review the answer of each question in questionnaire:

Over 96 percent of respondents are in idea that employees at Modiran Khodro are ready to answer customers' questions and issues. 71 percent of respondents agree and strongly agree that offered trainings regarding car usage are sufficient. 78 percent of respondents agree that company acts for repairs and maintenance of products, as soon as receiving calls from customers and 71 percent of respondents agree that installed spare parts are of sufficient life.

84 Percent of respondents agree and strongly agree that Modiran Khodro's guys have got necessary expertise and skill to do the job.

For 81 percent of respondents, technical information presented by companies' servicemen leads to enhanced usage of cars and as 92 percent of them, servicemen are responsible of what they do and 97 percent of them believe that servicemen have got necessary skills and competence for doing their job.

80 percent of respondents have an idea that car servicemen are available as they need. 77 Percent of them agree that Modiran Khodro operates as agreed terms and conditions of contract, and 60 percent of them believe that company constantly measures customers' satisfaction of services' quality and 7 Percent of them believe that company applies customers' ideas in order to improve quality of services.

As 69 percent of respondents, Modiran Khodro promises to handle customers' complaints and solve their problems in order to fulfill customers' satisfaction. 54 Percent of customers assert that company doesn't follow-up their complaints. 60 Percent of them believe that company follows up to assure that cars are repaired successfully. 8 Percent of respondents hold the idea that the cost of spare parts supplied by company is not as satisfactory as competitors. However, for 54 percent of them, engine and hydraulic oil supplied by Modiran Khodro are more appropriate compared to others, and half of respondents suggest that cost of repair services provided by companies representatives are normal (so-so) compared to competitor companies.

Car stops due to servicemen unavailability has led to lots of costs for respondents and as 62 percent of them cost of provided services according to quality of them, is acceptable. 96 Percent of them agree that servicemen treat friendly and 88 percent agree that information regarding MVM cars usage is communicated via understandable expressions. 79 Percent of respondents believe that company follows their complaints and over 98 percent of them are convinced that companies' employees treat politely and courteously.

Though each of above mentioned dimensions relate to specific aspects, thinking of problems and shortages together with providing of value structural and organizational environment will lead to increased customers satisfaction.

Next we will review and test the hypothesis.

5. Hypothesis Tests

Hypothesis 1

H0: After sales services provided by Modiran Khodro Co. don't satisfy customers in Tehran.

H1: After sales services provided by Modiran Khodro Co. satisfy customers in Tehran.

Table1: Hypothesis 1 Questions' Answers Abundance & Percentage Distribution

	1	2	3	4	5	Mean	χ^2
Ab.	21	114	273	502	520	3.95	681.15
%	2.2	7.9	19	24.9	36.1		

All of questions included in questionnaire are related to this hypothesis. Due to the fact that with 99% significance and 4 degree of freedom, observed χ

² is higher than table's χ^2 (13.3), answers abundance has statistic significance. Or in other words, the abundance of answers isn't distributed equally, and

thus answers' t has got an unequal distribution. Therefore we can test whether sample mean belongs to community mean or not T test hypothesis are as below:

$$H_0 : M \leq 3$$

$$H_1 : M > 3$$

With regard to comparison of mean (3.95) and standard deviation (0.56), t is estimated 11.71, which is higher compared to table's t (2.42) with 99%

significance. Thus, hypothesis 1 is accepted with 99% significance, or it could be said that after sales services provided by Modiran Khodro Co. satisfy customers.

Hypothesis 2

H0: Customers are not satisfied by technical quality of Modiran Khodro Co.'s after sales services.

H1: Customers are satisfied by technical quality of Modiran Khodro Co.'s after sales services.

Table 2: Hypothesis 2 Questions' Answers Abundance & Percentage Distribution

	1	2	3	4	5	Mean	χ^2
Ab.	15	52	125	281	285	4	412.6
%	2	7	17	27	27		

The first 16 questions included in questionnaire are related to this hypothesis. Table 2 shows that with 99% significance, the estimated χ^2 is higher than critical value of table (13.3). Therefore, observed difference between abundance of answers is statistic significant and we would have following hypothesis:

$$H_0 : M \leq 3$$

$$H_1 : M > 3$$

With regard to mean (4) and standard deviation (412.6) of this hypothesis, t is estimated

equal to 10.96 which compared to table's t (2.42) and with 99% significance is higher. Therefore, sample's mean belongs to community's mean. Thus, H0 will be declined and H1 is accepted. In other words, customers are satisfied by technical quality of after sales services.

Hypothesis 3

H0: Customers are not satisfied by Modiran Khodro's after sales services employees' treatment.

H1: Customers are satisfied by Modiran Khodro's after sales services employees' treatment.

Table 3: Hypothesis 3 Questions' Answers Abundance & Percentage Distribution

	1	2	3	4	5	Mean	χ^2
Ab.	2	17	76	147	190	4.17	306.17
%	0.5	4	17.5	34	44		

5 Questions of questionnaire is associated with hypothesis 3. Table's χ^2 is higher (s=99%). So, observed difference is statistic significant. In order to exert T test, we have following hypothesis:

$$H_0 : M \leq 3$$

$$H_1 : M > 3$$

Mean of hypothesis is 4.17 and SD equals to 0.54. Therefore, estimated t will equal to 14.93. Due to the fact that observed t is higher than table's t , thus

it could be said that sample's mean belongs to mean of community and thus H0 will be declined and H1 is acceptable, which means that Customers are satisfied by after sales services employees' treatment.

Hypothesis 4

H0: Customers are not satisfied by after sales services costs.

H1: Customers are satisfied by after sales services costs.

Table4: Hypothesis 4 Questions' Answers Abundance & Percentage Distribution

	1	2	3	4	5	Mean	χ^2
Ab.	14	45	62	74	45	3.38	42.62
%	6	19	25	31	19		

Table5: Variance Analysis of Satisfaction Levels of Different Dimensions

Difference Source	Sum of Squares	DF	Mean of Squares	F	S Level
Between Groups	2.129	2	1.064	12.271	0.0005
Inter Groups	2.342	27	0.0867		
Total	4.47	29			

9 questions relates to this hypothesis. χ^2 in table is higher. Therefore, observed differences between abundance of answers are statistic significant. Hypothesis of T test are:

$$H_0 : M \leq 3$$

$$H_1 : M > 3$$

With regard to SD(79%) and mean of 3.38, t amount to 3.31 which is higher than t in table (2.42).

As a result, mean of sample belongs to mean in community. So, H_0 is declined and H_1 will be accepted. Thus, Customers are satisfied by after sales services costs.

We see that all 4 hypotheses have been accepted. Now we'll try to examine whether customer satisfaction of different dimensions of after sales services is the same or not.

$$H_0 : \mu_1 = \mu_2 = \mu_3$$

$$H_1 = \mu_1 \neq \mu_2 \neq \mu_3$$

6. Conclusions & Considerations

Present study has examined the impact of after sales services of Modiran Khodro Co. on customers' satisfaction in Tehran Province. Company's success is grounded in providing of quality services to customers. Customers need to services to be offered them together with sold products and they refer to this as a positive value. Therefore, suppliers should try to catch customers' satisfaction of provided services.

Complaint handling shapes a major part of after sales services. Companies should pay special attention to follow up and handle complaints, such that customers remain loyal. Complaints should be considered as opportunities to improve relations with customers and used as a manner to meet their changing needs.

Results driven from tests imply that customers are satisfied by all three dimensions of after sales services, namely: technical quality, employee treatment and costs; though levels of satisfaction are not the same for all dimensions. Such that, satisfaction of technical quality is higher than costs and satisfaction of employees' treatment shows higher level than costs.

Most of companies accept a defensive position against customers' complaints and this leads the customers to leave. It is so likely that a dissatisfied customer looks for new suppliers to switch. That is, these group of customers are the main goals of competitors and also easy to achieve one.

Thus, setting opportunities for customers to advice ideas and solutions is of main importance. This will result in identifying weaknesses and strengths of company, revising dissatisfaction causes, caring dissatisfactory points and providing the basis for a lifetime relationship with them. Building an efficient complaint handling system is the first step toward caring customers; since customers are inseparable

parts of organization; with no customers there will be no company, as there is no demand for any product. Results of study shows that customers are not satisfied by spare parts costs. It should be noted that in competitive businesses, costs are of critical importance and thus dissatisfaction of customers by spare parts costs will affect whole firm.

However, it is notable that as per results, employees' responsibility toward customers is considerable and also servicemen's polite treatment is recognized by customers. This could be referred as an advantage and attempts to be done in order to persist.

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