

# Important Factors of After Sales Services in Marketing Promotion: Special references to LG Electronics products in Jaffna District

Nivethika V.

Vavuniya Campus of the University of Jaffna

[Nivethika90@gmail.com](mailto:Nivethika90@gmail.com)

## Introduction

After sales service plays an important role in every business. It generates loyal customers. Most of the manufacturing companies are providing the after sales services to their customers. However, these after sales services are very much essential for the electronics products specifically for the home appliance products. In Sri Lanka, especially in Jaffna district, LG electronics is one of the leading electronics companies in Jaffna district. LG electronics products provides lot of customer services like call center, online support services, spare parts availability, quick repairing, on time services, on lone products for service customers for the repairing period, so on (annual report of Abance (plc)LTD 2012). So, there is a problem to find among this factor which is most important of the after sales services. In accordance with the research problem, the following is the object of this research. **To examine the important factor of after sales services in LG electronics, in Jaffna district**, the researcher has investigated the stated after sale service elements, the researcher also investigated repair, spare parts supply, warranty services as the types of after sale services offered in the LG electronics in Jaffna district.

## Literature Review

After sales service makes sure products and services meet or surpass the expectations of the customers. After sales service is a crucial aspect of sales management and must not be ignored. (Management study guide 2011). According to Kotler (2002), and Rigopoulou, et al. (2008) after-sales services are often referred to as “product support activities”, meaning all activities that support the product-centric transaction. After sales service refers to various processes which make sure customers are satisfied with the products and services of the organization. According to Adrian, et al. (1995) cited in Shaharudin et. al. 2009)) in today’s marketing environment, an increasingly important source of competitive advantage is the way we serve customers. According to Kotler (2002 cited in Shaharudin et. al.2009), According to Rigopoulou, et al. (2008) after-sales services are often referred to as “product support activities”, meaning all activities that support the product-centric transaction according to, Goffin (1999) stated installation, user training, documentation, maintenance and repair, online support, warranty and upgrades as an element of after sale service. Most companies incorporate maintenance, repair, online service, warranty, training etc... as an element of after sale service.

## Research Methodology

This research was carried out as a survey study. This study was conducted on LG electronics products in Jaffna district. Researcher was concerned LG electronics product users in Jaffna district. Researcher selected research sample of 150 customers of LG electronics products in Jaffna district. Primary data were collected by using questionnaire. Questionnaires were adopted from another researcher, and issued on the basis of convenience sampling method. These samples were observed within three months. In the research process to analyze the collected data the researcher uses the Statistical Package for Social Science (SPSS Version 16.0) for data

preparation. Data statistics were used to get the results. The researcher used following techniques to analyze data. Using EFA (explorative factor Analysis),

### Data Analysis and Findings

**Table 1: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.632
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig.
	181.024
	36
	.000

In this section, the researcher used statistical package for social science (SPSS 16.0) for exploratory factor analysis (EFA) researcher applied EFA to evaluate the important criteria in the after sales services. Prior to the extraction of the factors, several tests were used to assess the suitability the respondent data for factor analysis. These tests include Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, and Bartlett's Test of Sphericity. The KMO index, in particular, is recommended when the cases to variable ratio are less than 1:5. The KMO index ranges from 0 to 1, with 0.632 considered suitable for factor analysis. The Bartlett's Test of Sphericity should be significant ( $p < .05$ ) for factor analysis

The aim of this is to simplify the factor structure of a group of items, or in other words, high item loadings on one factor and smaller item loadings on the remaining factor solutions. There are numerous ways to extract factors: Principal Axis Factoring

**Table 2: Results of Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.149	23.879	23.879	2.149	23.879	23.879	2.142	23.802	23.802
2	1.671	18.563	42.442	1.671	18.563	42.442	1.580	17.556	41.358
3	1.342	14.908	57.350	1.342	14.908	57.350	1.439	15.992	57.350
4	.854	9.491	66.841						
5	.789	8.763	75.605						
6	.653	7.259	82.864						
7	.578	6.419	89.283						
8	.486	5.395	94.678						
9	.479	5.322	100.000						

Extraction Method: Principal Component Analysis.

Explained variance 3 factors explain 57.350% of the variance in the 9 after sales services items. Eigen values (EVs). Each factor has an Eigen value (EV) which indicates the amount of overall variance that each factor is able to account for. EVs for successive factors have lower values. Eigen values over 1 are 'stable' (Kaiser's criterion). EVs can also be expressed as %. The total of all EVs is the number of variables. (Each variable contributes a variance of one.). Explained variance The EVs ranged between 2.141 and 0.479. Two factors satisfy Kaiser's criterion (EVs > 1) but the third EV is 1.34 (and turns out to be a useful factor). There is a drop to the 4th factor's EV.

**Table 3: Results of Varimax Rotation**

	Factor		
	1	2	3
Solve the problem	.608		
Time it takes for maintenance	.767		
Price of maintenance	.800		
Overall maintenance service	.702		
Access of spare parts in store			.762
On time supply			.829
Clearness of information		.711	
Length of warranty service		.789	
Overall warranty service		.640	

Factor indicates the relative importance of each item to each factor. A factor matrix shows variables in rows and factors in columns. Factors are weighted combinations of variables. Rotation components matrix, the first component is most correlated with price of maintenance and repairing in after sales services in marketing communication. Price of Maintenance and repairing is a better representative, however, because it is high correlated with the other two components. The second component is most highly correlated with warranty services. Inhere length of warranty service is correlated with this other to components. The third component is most highly correlated with on time spare parts supply. This suggests that you can focus on of Maintenance and repairing, length of warranty service, and on time spare parts supply in further analyses, but you can do even better by saving component scores.

**Conclusion and Recommendations**

According to EFA analysis, we found the important factor for the LG electronics after sales services in marketing promotion, that is maintenance and repairing services, and also online telephone services, warranty services, spare parts supply are important. The organization could consider this important factor to improve their after Sales services. Compared to other factors the most important factor is spare parts supply, but the other factors are also important.

According to the findings of the research, the recommendations as follows:

When considering about overall after sales services factors, the important factor is Maintenance and repairing, length of warranty service, and on time spare parts supply of LG electronics in Jaffna district. LG electronics need to put higher effort on providing after sales services to its customers.

In the case of spare parts supply, online / telephone service and warranty services are important criteria but not most important. So they should put higher effort to above factors to create most important then only all are lead to company success.

Finally, the researcher wants to recommend to those researchers who have an interest in after sale service to conduct a study on after sale and it's important to competitive advantage of Electronics or any other product or services because after sale service is essential for customer to get service after they purchase the product as well as for the sellers as one means of customer loyalty, repeat purchase and profitability.

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