



THE RELATIONSHIP BETWEEN THE QUALITY OF AFTER-SALES SERVICE AND
CUSTOMER SATISFACTION, CUSTOMER RETENTION AND CUSTOMER LOYALTY

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Abstract

Satisfaction and customer loyalty is important to the extent that leads to the success or failure of an organization. One of the ways that many organizations in order to satisfy customer loyalty and are unaware of its after-sales service. The main objective of this study was to evaluate the effect of after-sales service quality on customer satisfaction and customer loyalty is the cosmetic industry. In this regard, using the theoretical foundations and the history of research at home and abroad to provide hypotheses were discussed. In this study, 15 were hypotheses. Methods applied research and descriptive survey. Library and field data collection in the field of questionnaire was used. The study population is in Tehran. Analysis of structural analysis. The results show that the quality of after-sales services in cosmetic products on customer satisfaction and customer loyalty is impressive

Keywords: after-sales service, customer satisfaction, customer retention, customer loyalty

I. INTRODUCTION AND STATING PROBLEM

Today, successful organizations in every level, share in something, they attend to customer strongly and are responsible for marketing seriously, they recognize intended market well, in such organizations, everybody has been encouraged to offer higher value to customer and search for customer's satisfaction, offering high quality services and offering services based on customer's needs can effect on customers' satisfaction and loyalty.

As an organization decides to overcome its retention, he must has proper strategies to offer high quality services to success.

Since customers are epoch of all marketing activities, successful marketing starts with understanding way of customers' treatment. Study and checking factors on treatment make access to recognize and understand customer treatment in which, managers only can offer a production which is more adjusted to customers' needs, in other words, offer a good that would be "result of effective factors on customers' treatment" and provide their satisfaction maximally. In other words, specifying special factors which have relation with attending to buying, has become a very important issue for researchers(Zeinolabedini et al, 2017).

In this research, one try to check customers' relation of after sales with satisfaction and loyalty in cosmetics industries. Checking recent evolutions shows that services have been



developed and this process has been developed in recent years quickly. Industry has been diminished and services have been increased. Managers of productive and service institutes find out that in all cooperative and personal parts cannot differentiate them from others, but must change attention focus from marketing toward customer focus (Moraley et al, 2016).

Many of them, not only focus from market to customer, but look current customers as cheaper, easier and maybe profitable and more attractive strategy (Moraley et al, 2016).

Services is one of economic parts that encounter with increasingly development, in developed countries, part of services devoted to considerable percent of resources and activities and create added value.

Today, customers want something more than intended value, though value price, again want cheaper than that, so, as they consider buying easily and readily, except to work be easier and quicker, if they attend to aesthetic aspect of good, they want to manifest art in it, if they want to be sophisticated guidance, they desire to be treated by intimacy, accuracy and patience if as they are only business customer (Hassive et al, 2016).

One of the most important services which organizations and firms must offer in competing market, is after sales services. This not only is useful to determine proper competing strategies, but is necessary.

The results of customer satisfaction measurement in many countries, paves way for finding most important and balanced organizations and has provided measures of strategic deciding to evaluate and improve competing condition (Lee et al, 2016).

One must attend to this fact that customer's satisfaction is necessary, but doesn't enough, but after this process, one must satisfy customer to constant customer. This continuity makes customers loyal (Lee et al, 2016).

Customer or consumer continuity happens when customer or consumer has close relationship with seller firm and organization and a special mood of this relationship is one customer has with firm's staffs and organization.

One of the most important approaches of converting satisfied customer to continued customer, is after sales services and presence of guarantee in production or services. Presence of satisfied and loyal customer is very important for organizations. In fact, in spite of conditional effects and marketing efforts, loyalty as keeping deep obligation potentially can change customer's treatment. But without doubt, offering high quality services can be most important reason for loyalty in customers. Quality of offered services must divide to three stages, before sales, while sales, and after sales. In this research, specially, one address to customers' satisfaction and loyalty (Laan et al, 2016).

The main issue in this research, can be stated as follow. Various organizations and firms are planning and spending much costs to attract their customers' satisfaction. They always try to convert their customers as loyal. This appears in cosmetics industry. Because customers in this industry, especially in Iran, look for high quality production and offering proper services, and due to high consumption of these production in Iran, transferring information of such production is possible. In result, if there are satisfied and loyal customers for cosmetics in an organization, in addition to interests of buying these customers buying, there is possibility of advertising mouth to mouth for intended firm and production which



is attended by managers. Therefore, in this research, we check quality of services on customers' satisfaction and loyalty. In result, main question of this research is stated as follow: what relation is between quality of after sales services and customers' satisfaction and loyalty in cosmetics industry?

II. RESEARCH THEORETICAL FOUNDATIONS

Sales is not last stage of successful business, but starting of reaction to obligations and responsibility. After sales stage referred as after sales services, that firm shows that it attend to customers, and this is attention and offering services that can become a customer as loyal (Hsiao et al, 2016).

Customers always have rather trust to firms that can assure production. Assurance to production also is after sales stage in which, customer finds production efficiency sensibly. Hence, necessity of customer's satisfaction is attending to all sales stage (Laan et al, 2016).

Customers' loyalty is main purpose of marketing structure from which it is created and production of customer's satisfaction. Customer's satisfaction also is provided with meeting his needs properly and firms always look for customers' satisfaction to keep them that finally leads to loyalty (Laan et al, 2016).

The main purpose of a firm is maximizing possessor wealthy and finally society. Hence, for this basic and main aim, other aims are planned. The most important factor in success and access to this aim in first stage is customer. Hence, organization must organize its aims in line of customers' aims. This is result of keeping and making customer's satisfaction and access to loyalty in them. One of the basic mechanisms in this line, is after sales services. Since sales is a starting for respond to customers. Hence, it is necessary for organizations to try for it.

History

Murali et al (2016), in a research, address to checking effect of after sales services on customers' satisfaction by using process of analyzing structural equations to check research hypotheses. The results of their research shows that commitment and guarantee factors and also quality of services effects on customers' satisfaction.

Hsiao et al (2016), in a research, check relation of experience, satisfaction, trust, commitment, loyalty and aim of customers' buying. Participants of research are mobile productions. To analyze data, way of structural equations model has been used. Results show that experience has positive effect on customers' satisfaction. Trust has positive effect on customers' loyalty. But effect of trust on customers' loyalty was positive and finally, customers' loyalty has meaningful effect on customers' aim of buying.

Agnihotri et al (2015) in a research, checked effect of social networks on customers' satisfaction in commercial mode to trade. In this research, they used analysis of structural equations to check their model. Results of this research shows that customers' satisfaction in this style of trade is influenced by social networks.

Lee et al (2016), to check relationship of relation management with customer and assurance capacity with customer's satisfaction and loyalty, found that relation management with



customer has positive effect on customer's satisfaction and through it, effect on customer's loyalty.

Hsiao et al (2016) in a research, checked relationship between quality of physical environment, quality of personal interaction, customer's satisfaction and loyalty in terms of casual pattern. The results showed that quality of physical environment has positive and meaningful effect on customer's satisfaction and loyalty. Customer's satisfaction has positive and meaningful effect on customers' loyalty.

Hypotheses and research model

Conceptual model of research also Moral et al (2016) model, is based on relationship of after sales services quality with customer's satisfaction. Therefore, one can pose below hypotheses:

- First hypothesis: there is a meaningful relation between assurance capacity and customer's loyalty.
- Second hypothesis: there is a meaningful relation between assurance capacity and customer's satisfaction.
- Third hypothesis: there is a meaningful relation between assurance capacity and customer's retention's retention.
- Fourth hypothesis: there is a meaningful relation between responsibility and customer's loyalty.
- Fifth hypothesis: there is a meaningful relation between responsibility and customer's satisfaction.
- Sixth Fourth hypothesis: there is a meaningful relation between responsibility and customer's satisfaction.
- Seventh hypothesis: there is a meaningful relation between guarantee and customer's commitment and loyalty.
- Eighth hypothesis: there is a meaningful relation between guarantee and customer's commitment and satisfaction.
- Ninth hypothesis: there is a meaningful relation between guarantee and customer's commitment and satisfaction.
- Tenth hypothesis: there is a meaningful relation between sympathy with customers and customer's loyalty.
- Eleventh hypothesis: there is a meaningful relation between sympathy with customers and customer's commitment and satisfaction.
- Twelfth hypothesis: there is a meaningful relation between sympathy with customers and customers' retention.
- Thirteenth hypothesis: there is a meaningful relation between sensibility and customers' satisfaction.

Due to delivered descriptions, we reach to research model (figure 1) which is derived from Molali et al (2016).

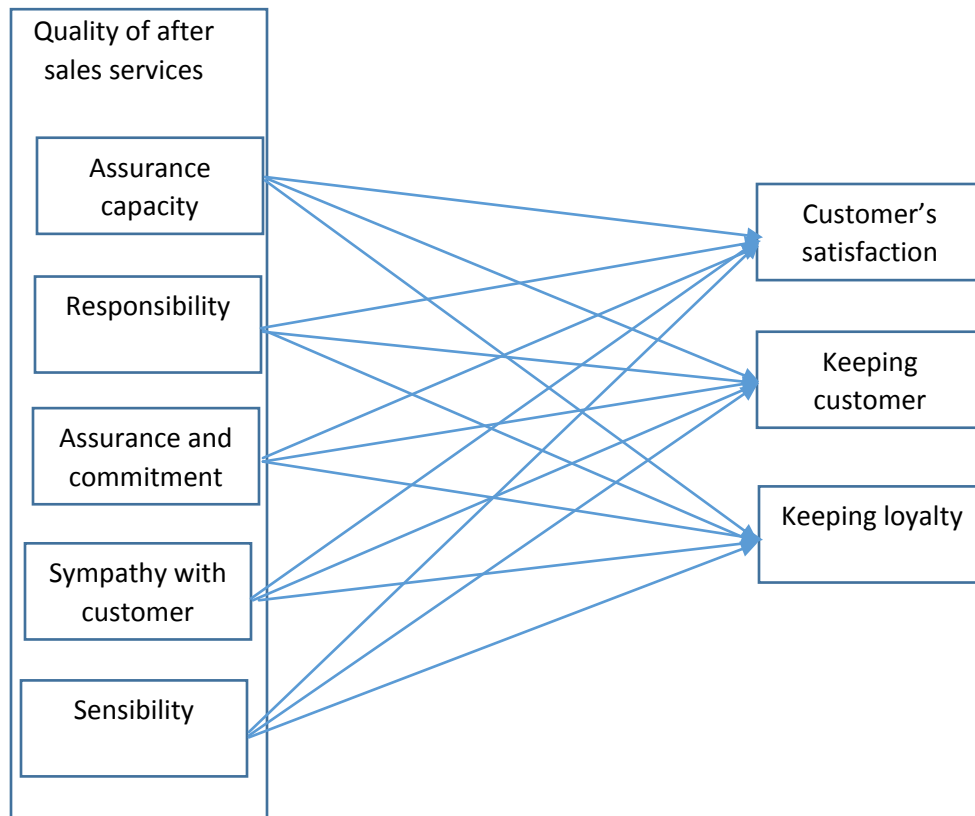


Figure 1: Conceptual model of research

III. RESEARCH METHODOLOGY

Progressive research purposely is functional and descriptive and is one of field studies branches.

Data derived from questionnaire 29 is item which are selected as sellers and consumers of cosmetics productions of Tehran pharmacies by using formula Cochran. Research societies are customers and buyers of cosmetics tools in Tehran. Also in this research, sampling is done by using simple accidental way. For questionnaire reliability, Cronbach alpha method has been used, cronbach alpha has been used for used questionnaire and by using SPSS is 0.884, hence, it has accepted reliability, and questionnaire reliability also is accepted by experts.



IV. Findings of research

Results of demographic features

Studied sample is 384, from which, 135 people are men and 249 people are women. Also, age of these people are 122 from 18 to 30, 139 people from 31 to 40, 74 people from 41 to 50 and 49 people above 50 respectively. It must be noted that education of these people is so 62 people diploma, 108 people associates, 163 people master, 48 people master, and 3 people doctor.

Normality test of variables

Results of this test show that meaningful level of variables of this research more than 0.05, so, with possibility 0.95 we can accept that research variables have normal distribution.

Table (1): results of Kolmogorov-Smirnov

	Kolmogorov-Smirnov	Meaningfulness amount
Customer's loyalty	0.983	0.208
Customer's satisfaction	1.161	0.097
Customer's retention	0.879	0.451
Trust capacity	0/060	0/117
Guarantee and commitment	0/875	0/103
Sympathy with customer	0/144	0/062
Sensibility	0/070	0/086
Responsibility	0/132	0/072

Sample sufficiency test

Table (2) shows that amount KMO is 0.781, due to meaningfulness level (0.000), Bartlet test is meaningful; furthermore, due to sampling sufficiency and meaningfulness of Bartlet test, correlation matrices of data is possible to enter to structural equations.

Table (2): kmo and result of Bartlet test for correlation matrices variables

Sample sufficiency test	0.858
Croit-Bartlet index	1013.48
Freedom degree	21
Meaningfulness level	0.000

Mathematical model fitting

Figures in this part, demonstrate measurement model of research variables in standard and meaningfulness mode.

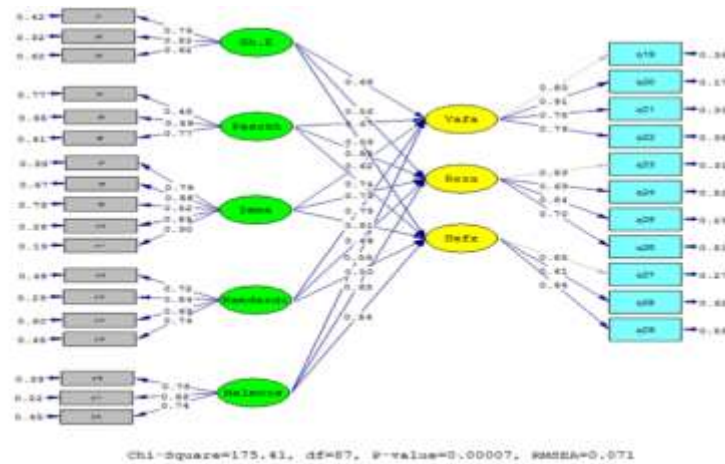


Figure 2) measuring mathematical mode in standard mode

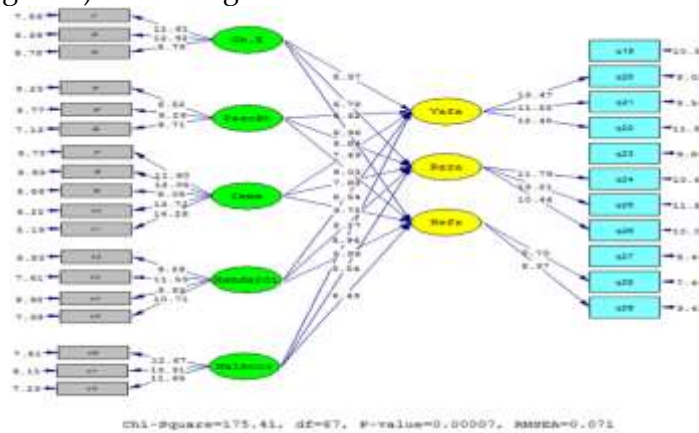


Figure 3) measuring hypotheses mode in meaningful mode

As we see in figures 2 and 3, amount of Chi-Square division on freedom degree is less than standard limit 3, also, amount of RMSEA is 0.071 which is less than 0.08 and amount of P-Value also is less than 0.05, then, this model is fitting. And membership of all questions in variables is confirmed.

Research of first hypothesis test shows relation of assurance capacity with customer's loyalty with meaningfulness coefficient (8.37), in assurance level, 99.9 percent is meaningful. Also, trace coefficient (0.68) demonstrates this which assurance capacity 68 percent has positive relation with customers' loyalty of cosmetics business. Achieved results shows that applying concepts and principles of assurance capacity in cosmetics business causes that this business show proper customer's loyalty and customers' loyalty improves desire.

Research of second hypothesis test shows that relation of assurance capacity with customer satisfaction with meaningfulness coefficient (6.78) is meaningful in 99.9 percent assurance level. Also, trace coefficient (0.56) shows that assurance capacity has positive relation with customers' business and cosmetics for 56 percent. Achieved results show that applying



concepts and assurance capacity principles in cosmetics affairs causes that customers' satisfaction becomes improved.

Research of third hypothesis test demonstrates that relation of assurance capacity on customer's retention with meaningfulness coefficient (6.96), in assurance level 99.9 percent is meaningful. Also, trace coefficient (0.59) demonstrates this that assurance capacity has positive relation with customer's retention for 59 percent with customer's retention. Achieved results show that applying concepts and assurance capacity principles in cosmetics businesses cause that customers' retention has become improved.

Research of fourth hypothesis test shows that relation of responsibility on customer's loyalty with meaningfulness coefficient (8.62) is meaningful in assurance level 99.9 percent. Also, trace coefficient (0.67) establishes this fact that responsibility has positive relation with customers of cosmetics businesses by 67 percent. Achieved results shows that applying concepts and responsibility principles in cosmetics business causes that these businesses demonstrate proper customer loyalty and improve its customers' loyalty.

Research of fifth hypothesis test shows positive relation of responsibility with customer's satisfaction with meaningfulness coefficient (6.83), in assurance level is meaningful in 99.9 percent. Also, trace coefficient (0.55) suggests this fact that responsibility has positive relation with customers' satisfaction of cosmetics businesses. Achieved results show that applying concepts and principles of responsibility in cosmetics businesses improves customers' satisfaction.

Research of sixth hypothesis test shows positive relation of responsibility with customer's retention with meaningfulness coefficient (9.03), is meaningful in assurance level 99.9 percent. Also, trace coefficient (0.74) suggests this fact that responsibility has positive relation with customer's retention by 74 percent. Achieved results show that applying concepts and responsibility principles in cosmetics business improves customers' retention.

Research of seventh hypothesis test suggests that positive relation of guarantee and commitment to customer's loyalty with meaningfulness coefficient (7.49), is meaningful in assurance level 99.9 percent. Also, trace coefficient (0.62) suggests this fact that guarantee and commitment has positive relation with customers' loyalty of cosmetics business by 62 percent. Achieved results show that applying concepts and guarantee and commitment in cosmetics business causes that these businesses demonstrate proper customer's loyalty and improve customers' loyalty.

Research of eighth hypothesis suggests that positive relation of guarantee and commitment on customer's satisfaction with meaningfulness coefficient (7.88) is meaningful in assurance level 99.9. Also trace coefficient (0.73) suggests this fact that guarantee and commitment has positive relation with customers' satisfaction of cosmetics businesses by 73 percent. Achieved results show that applying concepts and principles of guarantee and commitment in cosmetics business improves customers' satisfaction.

Research of ninth hypothesis test suggests that positive relation of guarantee and commitment on customer's retention with meaningfulness coefficient (9.75), is meaningful in assurance level 99.9 percent. Also, trace coefficient (0.81) shows that guarantee and commitment has positive relation with customer's retention by 81 percent. Achieved results



show that applying concepts and principles of guarantee and commitment in cosmetics business improves customers' retention.

Research of tenth hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (8.54), is meaningful is assurance level 99.9. Also, trace coefficient (0.79) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 79 percent. Achieved results show that applying concepts and sympathy with customers in cosmetics business causes to these businesses demonstrate more customer's proper loyalty and improve its customers' loyalty.

Research of eleventh hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (8.27), is meaningful is assurance level 99.9. Also, trace coefficient (0.69) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 79 percent. Achieved results show that applying concepts and sympathy with customers in cosmetics business causes to these businesses demonstrate more customer's proper loyalty and improve its customers' satisfaction.

Research of twelfth hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (5.88), is meaningful is assurance level 99.9. Also, trace coefficient (0.50) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 50 percent. Achieved results show that applying concepts and sympathy with customers in cosmetics business causes to these businesses demonstrate more customer's proper loyalty and improve its customers' retention.

Research of thirteenth hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (6.94), is meaningful is assurance level 99.9. Also, trace coefficient (0.56) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 56 percent. Achieved results show that applying concepts and sympathy with customers in cosmetics business causes to these businesses demonstrate more customer's proper loyalty and improve its customers' loyalty.

Research of fourteenth hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (8.54), is meaningful is assurance level 99.9. Also, trace coefficient (0.63) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 63 percent. Achieved results show that applying concepts and sensibility principle in cosmetics business cause to these businesses demonstrate more customer's proper loyalty and improve its customers' satisfaction.

Research of fifteen hypothesis test shows that positive relation of sympathy with customers with customer's loyalty with meaningfulness coefficient (6.43), is meaningful is assurance level 99.9. Also, trace coefficient (0.54) suggests this fact that sympathy with customers has positive relation with customers' loyalty of cosmetics customers' loyalty by 54 percent. Achieved results show that applying concepts and sensibility principle in cosmetics



business cause to these businesses demonstrate more customer's proper loyalty and improve its customers' retention.

Final model fitting

In table (3), general indexes of final model fitting are offered. The results show that Chi-square relation to freedom degree is less than 3 and other fitting indexes of model fitting are confirmed.

Table 3) final model fitting

Name of fitting index	X ² /df	RM SEA	R MR	G FI	C FI	N NFI	I FI
Final model	2.00	0.072	0.003	9.30	0.94	0.93	0.94
Standard level	3 <	0/08 <	CI close to zero	9/00 >	90 >0/	9 >0/0	9/0 >0

V. CONCLUSION AND RECOMMENDATIONS

The results of hypotheses showed that quality of after sales services has positive and meaningful relationship with customer's satisfaction, retention and loyalty, confirming all secondary hypotheses also suggest on presence of positive and meaningful relation between quality of after sales services and customer's retention and loyalty, in this relation, one must say that one of the most important services which organization and firms must offer in competing market today, is after sales services. Quality of offered services can be divided to three stages, before sales, while sales, and after sales. Many firms not only focus from market to customer, but consider current customers' retention as cheaper, easier, and maybe profitable and attractive strategy. Today, customers want something more than intended values, although they value cost, again, they want it cheaper, as they easily and quickly reconsider buying, they expect that make work easier and quicker, if they desire expert guidance, as if be treated with intimacy, accuracy and patience so as feel they are only business customer. Although, customer's satisfaction is necessary, but is not enough condition, but after this stage, one must convert satisfied customer into constant customer. This continuity creates some customers as loyal. One of the most important approaches of converting satisfied customer into constant customer, is after sales services and presence of guarantee in the production or services. In fact, in spite of conditional effects and marketing efforts, loyalty as keeping deep commitment to rebuying or re-selecting production or services, constantly in future, potentially can change customer's treatment. But without doubt, offering high quality services can be most important reason of loyalty in the customers.



Hence, there are recommendations:

Recommendations related to assurance capacity:

Offering credit guarantees for customers when sales from firm

Recommendation related to responsibility:

Making general relationships part in the firm to answer to possible questions of customers and interviewing with them

Recommendations related to guarantee and commitment:

Encouraging allowed stores and agencies to being committed to the firm and firm customers.

Recommendations related to sensibility: offering after sales services must be so that customers can see that it happens through making social networks related to firm through information exchange among customers.

Implementing long term aims to attract customer and making them satisfied and finally, making them loyal which is derived by proper structure in the firm.

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