

EXAMINING THE EXTENT TO WHICH AFTER-SALES SERVICE ATTRIBUTES
INFLUENCE CUSTOMER SATISFACTION, CUSTOMER RETENTION, AND
CUSTOMER LOYALTY:

A STUDY OF THE EARTHMOVING EQUIPMENT INDUSTRY OF SOUTH AFRICA

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Abstract

After-sales services are the activities which firms perform after the initial sale of a product to its customers in order to ensure continuous operation and performance of that product. The effective management of the after-sales process of an organization holds great potential for the development or expansion of a competitive advantage. It can also lead to improved customer satisfaction, customer retention, and customer loyalty when managed successfully. The purpose of this study was to examine the influence of after-sales service quality on overall customer satisfaction, customer retention and customer loyalty through applying the well-renowned SERVQUAL dimensions, customized with industry-specific after-sales service attributes. The study first identifies potential after-sales service focus areas for earthmoving equipment service managers who would like to improve their organization's performance in relation to customer satisfaction, retention, and loyalty by means of after-sales service delivery. Surveys conducted among these managers generated data that were subjected to multiple regression analyses and proved suitable for identifying correlations between key variables. The findings that emerge serve to identify the influence of various after-sales service dimensions on customer satisfaction, retention, and loyalty, respectively. Overall, this study identifies key focus areas relevant towards guiding professionals in the earthmoving equipment industry in South Africa and informs their attempts to improve after-sales service delivery. Specifically, the findings from this study suggest that the after-sales service attributes within the reliability, responsiveness and empathy service quality dimensions have the strongest influence on overall customer satisfaction, customer retention, and customer loyalty.

Key Words

after-sales service; customer satisfaction; customer retention; customer loyalty