



## After Sales Service and Organizational Competitiveness of Household Electronic Firms in Rivers State

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**Abstract:** *This study focused on after sales service and organizational competitiveness of household electronic firms in the Port Harcourt. A causal blueprint research model was formulated to take on board the four (4) hypotheses formulated for the study. The survey research method was adopted for the study on a population comprised of two hundred and thirty-six (236) household electronic firms domiciled in Port Harcourt, and through the use of the Taro Yamane's formulae, one hundred and thirty-six (136) household electronic firms was obtained as the study's sample size. Unit Heads of marketing, sales and customer service were identified for the study. Subsequently, the simple random sampling technique was adopted and one management staff was selected from each of the identified departments, to arrive at three management staff for each company and 408 management staff for the whole sample. A 5-point likert-scale questionnaire was administered to 408 respondents, of which 334 copies of the questionnaire were returned, obtaining a 97% percent response rate. The study adopted descriptive statistics and simple regressions technique to establish that after sales service was constructive in influencing productivity of household electronic firms. The results revealed that after sales service had a very strong, significant and positive influence on productivity. Therefore, the study concludes that, after sales service positively and significantly influences organizational competitiveness of household electronic firms in Rivers State, and recommends that the management of household electronic firms in Rivers State should implement adequate after sales service strategies to connect to higher organizational competitiveness in their business.*

**Keywords:** *After sales service, Household electronic firms, Organizational competitiveness, Productivity.*

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### INTRODUCTION

In an ideal world, household electronic firms are not expected to experience low optimal organizational competitiveness but, on the account of increasing competitiveness and its impact on the changing marketing landscape; today firms across the globe are increasingly facing low optimal organizational

competitiveness in the sales and distribution of their products and are seeking ways of improving their organizational competitiveness in the production and marketing of these products. This perhaps could be attributed to non-adherence to “after sales services” initiatives.

After-sales service is an important aspect of sales management and should not be overlooked. In services, it is the consumer who defines the quality. Therefore human side of service is essential in delivering quality. After sales service can be seen as how well a company satisfies the expectations of customers. The role of after sales service is widely recognized as being a critical determinant for the success of an organization in today's competitive environment, and any decline in customer satisfaction due to poor service quality would be a matter of concern. Indeed, the concept of “after sale service” can be used by all sectors, since practically everywhere, the total product offering is a mixture comprised of tangible and intangible part (Shostack, 1977).

Global competition and the after-sales services and activities (that is, those taking place after the purchase of the product and devoted to support customers in the usage and disposal of goods) constitute a relevant profit source as well as a key differentiator for manufacturing companies and resellers (Wise & Baumgartner, 1999; Levitt, 1983) profit generated by after-sales services is often higher than the one obtained with sales; the service market can be four or five times larger than the market for products (Bundschuh & Dezvane, 2003) and it may generate at least three times the turnover of the original purchase during a given product's life-cycle (Wise & Baumgartner, 1999).

Studies in the direction of after sales service are those that have delved into examining the nexus between brand equity and after sales service, customer service and after sales service and effect of after-sales services in satisfaction and post behavioural intentions to determine the extent to which green products have sustained successful marketing. Example of such studies are, Habib and Sarwar (2021) who examined the concept of brand equity and willingness to buy second-hand products in the automobile context, Liwia and Piotr (2019) who investigated customer satisfaction with after-sales services in the Automotive Sector in relation to the level of process maturity of the organization to investigate the effect of after-sales services on customers' satisfaction. Similarly, Fazlzadeh, Bagherzadeh and Mohamadi (2011) studied the effect of after-sales services in satisfaction and post behavioural intentions are important to services marketing managers. However, few studies to the best of the researcher's knowledge have investigated the effect of after sales service on organizational competitiveness of household electronic firms in Port Harcourt.

Drawing from resource based theory, Vandermerwe, (1996) GraciandDodds (2008), Hart and Dowell (2011), it is expected that household electronic firms would maximize their internal resources in a manner that they can leverage on what they are doing to hedge out their competitors as well gain organizational competitiveness.

The agitating questions here are; can the implementation of after sales service boost organizational competitiveness of household electronic firms in Rivers State? How can after sales service be strategized to contribute significantly to superior organizational competitiveness? This study is inclined to believe that after sales services will impact organizational competitiveness if the internal capabilities are used. Based on these uncertainties, this study investigated the impact of after sales services on organizational competitiveness of household firms in Rivers State.

## LITERATURE REVIEW AND HYPOTHESES

### The Concept of After Sales Service

As a term, “after-sales services” has been used the most, to portray services that are provided to the customer after the products have been transported (Vitasek, 2005). The same services are sometimes also referred to as “field services”, when they are personified in the main characteristics that are positioned at a customer’s site (Simmons, 2001). “After-sales support” as well as “technical support” or even just “services”, are terms also established in the literature (Goffin & New, 2001). “After-sales services” are frequently referred to as “product support activities”, meaning, all activities that support the product centric transaction (Lele & Karmarkar, 1983).

After-sales embody the “period of time during which the seller or manufacturer guarantees to the buyer assistance, maintenance, or repairs of what has been purchased” (Díaz & Marquez 2014:3). After-sales services aspire to accomplish warranty and support options for extensive warranty that gives surety product/asset reliability and curtail servicing costs – in addition to the base warranty that remedies product defects or failures (Díaz & Marquez, 2014; Rahman & Chattopadhyay, 2015). The main after-sales activities are the provision of field technical assistance, spare parts distribution, customer care and accessories sale. It also, includes such services as the transport/delivery to clients, the installation, the product-related training, the hot line and advice by the help desk, any repairing service and even the recycling process. (Schulze *et al.*, 2012). Market intelligence indicates that the sales after the services market generate five times more than a new product market (Chiguvi, 2020).

This acknowledgment of after-sales services consents to companies to constructing services networks on dynamic corporate models than ever before, hence, the business area of after-sale services is very fundamental for the decision-making progression of the customer. It is equally a decisive and noteworthy perimeter of returns for the business. Above and beyond, the after-sales service offers differentiation prospective that the industry uses to reinforce brand equity.

### The Concept of Organizational Competitiveness

Newbert (2008) defined competitiveness as “...the implementation of a strategy not currently being implemented by other firms that facilitates the reduction of costs, the exploitation of market opportunities, and/or the neutralization of competitive threats” (p. 749). Products with a sustainable component, leads to the generation of added value which makes companies more competitive (Aschehoug & Boks, 2012).

Competitive inclination will spur a company to tender products and services that customers are willing to pay (Rojas, *et al.*, 2013). Competitiveness is considered by the aptitude of a firm to carry on the business and guard its investments, engendering return on investments and guaranteeing potential employment (Rojas *et al.*, 2013). The competitiveness of a company is a function of the combination of tangible and intangible assets (Siudek & Zawojka, 2014).

The survival and superiority of a company anchors significantly on getting hold of sustainable competitive advantages and better-quality performance over competitors (Zuniga-Collazos, Castillo-Palacio & Padilla-

Delgado, 2019). Therefore, competitiveness at the firm level, constitute a vital matter for companies in order to generate and build up abilities, a good performance of resources and management of factors that influence outcomes in the market place. Further, the predisposition of continuous change, competition and free markets amplifies competitive pressure in the region of all the firms in a given industry, initiating modernism, suppleness and differentiation from rivalries.

### **Productivity**

Productivity implies quality as well as quantity of output (AmusanLekan *et al.*, 2013). Productivity is often referred to as the output per man-hour in a business (Hanley, 2014). Persistently productivity is meant for efficiency and effectiveness of the operation (Karlaftis, 2004). In addition, productivity-related studies have been seen to include rate of absenteeism (Mitchell *et al.*, 2013). Productivity also has been perceived to embrace measures of customer satisfaction; employee loyalty, morale, and job satisfaction (Abraham, 2012). Then again, productivity has been considered as most advantageous exploitation of resources and efficiency in achievement of targets, goals, or levels of performance (Heutel, 2012). Therefore, boosting the productivity of an organization necessitates endeavors to categorize and evaluate incompetent resources, to perform in the wisdom of cutting needless overheads, and boost the economic and financial result of the Company (McLaughlin, 2014).

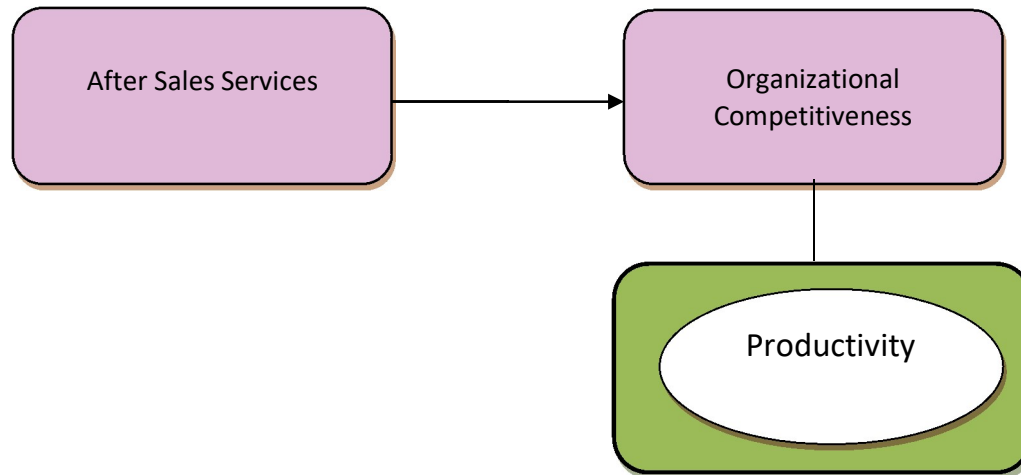
Accordingly, this study define productivity as an appraisal of how well sub-systems of household electronic firms work by espousing total systems thinking to designate the extent of definite achievement in relation to the manageable level in a specified external environment.

### **Empirical Review**

Habib and Sarwar (2021) examined the concept of brand equity and willingness to buy second-hand products in the automobile context by means of survey questionnaire based on convenience sampling employed to collect data from car owners. A total of 433 survey responses were used to test the measures and propositions by using structural equation modeling (SEM). The findings demonstrate that after-sales services are a major factor in developing brand credibility and brand loyalty. The findings also support the positive and significant impact of brand credibility and brand loyalty on brand equity and willingness to buy second-hand products.

Fazlzadeh, Bagherzadeh and Mohamadi (2011) investigated the effect of after-sales services on customers' satisfaction as well as on their behavioural intentions, specifically "repurchase intention" and "word-of-mouth" (WOM), using quantitative methodology. The target population was customers of a large retail chain marketing home appliances in Iran. A structured questionnaire was administered and 302 usable responses were made use of. A path analysis was carried out by means of the "Amos 18" software. Findings demonstrated that after-sales service quality, affect satisfaction, which in turn affects behavioural intentions. Therefore, after-sales services affect the overall offering and hence, the quality of the relationship with customers.

From the review of literature, the following conceptual frame work was designed:



**Figure1:** Conceptual Framework of After Sales Services and Organizational Competitiveness.

**Source:** Designed by the Researchers. (2023).

From the conceptual framework, the following hypothesis was raised:

**H<sub>01</sub>:** After sales services does not significantly influence organizational competitiveness of household electronic firms in Rivers State.

## METHODOLOGY

The purpose of this study was to investigate the influence of after sales service on organizational competitiveness of household electronic firms in Rivers State. The study adopted the positivist stance of research philosophy and the quantitative approach, and cross-sectional survey in a non-contrived study setting with firms and managerial executives as unit of analysis. The population of the study comprised two hundred and thirty-six (236) household electronic firms in Rivers State and the sample size as derived through the Taro Yamane's formula was 136 electronic household firms, while the number of respondents was 408 management staff. The simple regression technique was used for data analysis through the help of the Statistical Package for Social Science (SPSS) version 22.

### Test of Validity/Reliability

The data obtained from the study was used to compute the Cronbach Alpha Reliability Coefficient for the composite scale and each of the subscales, and the results was reported as shown in Table 1, indicating that, the Alpha coefficient for the composite scale and the subscales are all above the threshold ( $\alpha \geq 0.70$ ) and are therefore reliable.

**Table 1 Reliability analysis of the Research Instrument**

S/N	Variables	Number of Items	Cronbach's Alpha
1.	After Sales Service	5	0.784
3.	Organizational Competitiveness	4	0.762
3.	Productivity	5	0.746

Source: *Researcher Field Data (2023).*

## RESULTS

Of the 408 copies of questionnaire distributed to the respondents, 345 copies were returned, yielding a response rate of 85 percent. Besides, of the 345 copies of the questionnaire returned, the usable copies numbered 334 leading to a response rate of 96%. Thus, these 334 copies were used for the analysis.

### Test of Hypotheses

#### Decision Rule

Significant/probability value (Pv) < 0.05 (level of significance = conclude significant influence.

Significant probability value (Pv) > 0.05 (level of significance = conclude insignificant influence.

#### Influence of After Sales Service on Productivity

**Table 2. Summary of Regression Model for After Sales Service on Productivity**

Model R	R square	Adjusted Square	R std error of the Estimate	Sig.
1 .911 <sup>a</sup>	.830	.829	1.643	.000

a. Predictors: (Constant), After Sales Service

b. Dependent Variable: Productivity

Source: **SPSS Window Output, Version 22.0 (based on 2023 field survey data).**

The sum of productivity was regressed with the sum of after sales service to examine the influence of after sales service on productivity. The value of R is 0.911. The R (coefficient of correlation) value of 0.911 represents the correlation between after sales service and productivity. It represents a very strong correlation between the two variables. The R<sup>2</sup> (coefficient of determination) which indicates the explanatory power of the independent variable is 0.830. This means that 83% of the variation in productivity is explained by the independent variable. It shows that after sales service makes a contribution of 83% to every change in productivity. The R<sup>2</sup> value as revealed by the result is quite high which means that about 0.17% of the variation in the dependent variable is unexplained by the model, denoting a very strong relationship between the explanatory variable after sales service and productivity. Since the P value (sig.) of 000 is less than alpha (0.05), the study concludes that after sales services influence productivity of household electronic firms in Rivers State.

## DISCUSSION of FINDINGS

This study investigated the influence of after sales services of organizational competitiveness of household electronic firms in Rivers State by means of a quantitative research technique anchored in the philosophy of positivism. The result of the statistical test of hypotheses proved the rejection of the influence of after sales service on organizational competitiveness (productivity) and affirmed the alternative hypotheses that after sales services significantly influence productivity ( $R=911^{**}$ ,  $P=000$ ). Lucidly, after sales services makes organizational competitiveness (productivity) efficient and accordingly proficient of transporting down-to-earth results.

This outcome of this study have found analogous results with the study by Habib and Sarwar (2021) who found a strong positive correlations between the implementation of elements of the after sales approach in management and the satisfaction of external customers.

The results of this study uniformly match the findings of Fazizadah *et al.* (2011) who investigated the effect of after-sales services on satisfaction and post behavioural intentions and found that after-sales service quality, affect satisfaction and affects behavioural intentions. Our findings also corroborates Barney (1991) resource base view assertion that, resources encloses explicit characteristics, which uphold the delineation of the business that is in front of competition, thus getting hold of a sustainable competitive advantage. These findings show how after sales services can benefit business organizations generally and household electronic firms specifically.

After sales services can boost organizational competitiveness of household electronic firms, and can also, be strategized to contribute significantly to superior organizational competitiveness of these firms. Therefore, after sales services is imperative for companies' organizational competitiveness.

## CONCLUSION AND RECOMMENDATION

This study investigated the influence of after sales service on organizational competitiveness of household electronic firms in Rivers State. The outcome of the statistical test ascertained that after sales services positively and significantly affects productivity thus, supporting the findings of earlier studies in extant literature. The study therefore concludes that, after sales services significantly influence organizational competitiveness of household electronic firms in Rivers State, and recommends that, the management of household electronic firms in Rivers State should implement adequate after sales service strategies to connect to higher organizational competitiveness in their business.

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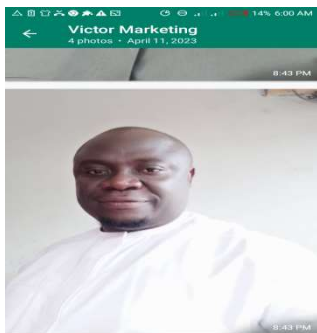


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