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## POST-SALES SERVICES - A SIGNIFICANT PERFORMANCE OF ORGANIZATIONS' COMPETITIVE ADVANTAGE

### Abstract

The majority of organizations not only aspire to sell their product(s), but they also aspire to solve the problems clients are faced with in that process. In other words, goods have to be amended and encompassed by a set of additional post-sales services. The research conducted in this paper was done with the aim of rating and ranking the post-sales services rendered by domestic organizations as the characteristic that influences their successful operation on the market. The primary goal is to further deepen the knowledge and evaluate the basic features of the post-sales service markets, given the fact that the knowledge of that market that has been acquired so far is quite limited. The starting premise implies that to achieve maximum organizational effects, it is necessary for the organization to successfully create post-sales services which appear to be the key to competitive maneuvering in the conditions in which products are being more and more similar to each other and when there is the need to find the other elements which will make buyers differ them from one another. In this research study, the following methods are used: the comparative statistics methods (ch2 Test, ANOVA), the hypothetical-deductive methods, the analytic-deductive and comparative methods, the historical and statistical-descriptive methods.

**Key words:** post-sales services, organization, clients, communication, competitiveness

**JEL classification:** M21, O14

## ПОСЛЕПРОДАЈНЕ УСЛУГЕ - ЗНАЧАЈНА ПЕРФОРМАНСА КОНКУРЕНТСКЕ ПРЕДНОСТИ ОРГАНИЗАЦИЈА

### Апстракт

*Већина организација тежи не само продаји производа већ и решавању проблема с којима се клијенти у том процесу суочавају, односно пласирана роба*

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*мора бити допуњена и окружена читавим сетом додатних послепродајних послепродајних. Истраживање у овом раду реализовано је са циљем да се оцене и рангирају послепродајне услуге домаћих организација као карактеристике која утиче на њихово успешно функционисање на тржишту. Примарни циљ је продубљивање сазнања и евалуација базичних обележја тржишта послепродајних услуга, с обзиром да су досадашња сазнања о њему доста лимитирана. Полази се од премисе да је за постизање максималних ефеката организације неопходно успешно креирање послепродајних услуга, које се показују као кључ конкурентског маневрисања у условима када су производи све сличнији и, када ваља пронаћи друге елементе по којима ће их купци разликовати. У овом истраживању коришћене су методе компаративне статистике (цх<sup>2</sup> Тест, АНОВА), хипотетско - дедуктивне методе, аналитичко - дедуктивне и компаративне методе, историјске и статистичко - дескриптивне методе.*

*Кључне речи: послепродајне услуге, организација, клијенти, комуникација, конкурентност.*

## Introduction

As a result of changed buyer demand, an increased competition and a reduction in profit margins, post-sales business operations have been gaining in strategic significance for numerous industries and products on the market in the last decades (Schulz, 2015). Namely, buyers have been more and more informed, and they have been demonstrating ever-bigger appetites. Organizations tend to understand their needs and, should they be successful in doing so, they create a chance for themselves to offer their buyers the products and services that will have the capacity to continuously satisfy their needs, in which way buyers will have a feeling that the organization is taking care of them. The post-sales service market is characterized by a very large number of users on the demand side (Domazet, Stošić, 2017), while simultaneously the supply of consumer durables is treated as the capital supply which huge amounts of money, a relatively long product expiration date and a significant share of maintenance costs, i.e. the costs of product servicing in the buyer's budget etc. are typical of. Indeed, the accelerated pace of innovations makes products be of ever more similar characteristics and price, so organizations are forced to find out different elements and manners which will enable their buyers to make a difference between them (Ahn, Sohn, 2009). Post-sales services are one of those elements that are singled out. If successfully redefined, created and implemented in compliance with a new organizational strategic horizon, they may prevail (Legnani, Cavalieri, Ierace, 2009) in prospective buyers' minds.

Strong competition on the international market (Wilson, 1999) requires that sellers, managers, or sales directors in the enterprise should be knowledgeable in detail of the manner in which the implementation of such post-sales activities and the manner of dealing with clients work so that they could have a positive effect in the further sales process. Should the organization carry out all necessary post-sales activities, that will have a very positive influence on the quality of what the market is offered. Well designed and conceived promotional activities are used by sellers to help them persuade their

buyers that it is exactly their product that is the right one and that its characteristics are most appropriate to buyer needs. In that manner, the subsequent market services (Schulz, 2015) stabilize organizations' income for a longer term, increase buyer satisfaction, and also offer a vital tool in a competitive game. Through a carefully thought-out contact with clients (Senić, Senić, 2008, p. 347), organizations receive feedback in connection with a concrete product/service, which positively influences the quality of all that is offered, since whether and to what extent the buyer is satisfied or not, i.e. whether a certain service has met the client's expectations or not, will exactly be known.

Should a sales transaction be fully made, in a manner that the buyer has been satisfied with all the aspects of the sell-buy transaction, the organization would only benefit if it continued its business communication with its buyers as one of the forms of post-sales activities that starts immediately after the delivery of the product to the buyer (Kotler, Keller, 2006, p. 198). These activities are inevitable since equipment/the product must be maintained and they have their own price. For that reason, the modality in which those services are provided, their quality and client satisfaction are an essentially important factor influencing the next purchase. It is especially significant for a bought consumer durable that the buyer has adequate post-sales support reflected through the preventive service (Seth, Deshmukh, Vrat, 2005) of machines/devices, regular maintenance, as well as the availability of the people so experienced to solve all the issues related to the use of the bought equipment/product.

How an organization will ensure the conducting of its post-sales activities depends most on what buyers' needs are and what their needs are like after the first sales transaction has been performed (Stevanović, Stanojević, Nedić, 2013). In practice, there are cases when certain organizations omit post-sales activities mainly for the reason of frequent staff turnover in the sales function and the nonexistence of a clear post-sales strategy (Mathieu, 2001) as a configuration (Saccani, Johansson, Perona, 2007) of a series of sales and post-sales services to buyers and consumers aimed at improving sales. That series includes informing and advising buyers, a promotional material, special price discounts and conveniences for buyers, discounts on selling prices, guarantees for durability, functionality, quality and so on.

In order to maintain their profitability (Kurata, Nam, 2010) after the sale of a product, manufacturers take an active role in developing new business post-sales models. The service marketing of an organization keeps a close eye on what is happening on the market and adapts its activities to the market needs. Organizations ensure their technical and user support to their buyers through a call center as a modern way in which they carry out their post-sales activities. Organizations' communication with buyers on a subsequent market enables them to meet their requests in the way they demand it, creating buyer loyalty to a specific product. An increase in the buyer satisfaction level on a subsequent market also increases the market value of the organization as an important source of competitive advantage (Slater, 1996).

The absence of post-sales activities is the first sign to the buyer that the organization has no permanent determination to build its long-term relationships with its buyers through an appropriate post-sales activities system. This is the original criterion according to which buyers can make a difference between the offer made by different sellers in the conditions when all the other elements of the offer are of a similar character. How crucial a factor post-sales are for buyer satisfaction is testified to by the very fact

that not rarely are even several times as much of funds invested in this segment than in the sales resources.

## **The Starting Point and the Methodological Approach**

Numerous research studies conducted have confirmed from diverse points of view the fact that organizations are ever more strongly dedicated to the development of their post-sales services (Cohen, et al. 2006) because they see it as an efficient means for acquiring a competitive advantage on a subsequent market and as a tool of an active initiative for consumers (Slater, 1996; Wilson, 1999). Apart from the sale of products, the largest number of organizations endeavor to amend and encompass the goods sold with an inclusive set of additional services, i.e. they endeavor to resolve the issues their clients are faced with in that process. This set depends on buyer demand and expectations, the structure of the costs of organizational turnover, the situation in the competitive firms and other factors (Håkansson, Snehota, 2006). Challenges in the field of competitive relationships on the post-sales service market are especially pronounced in situations when the Interbrand competition is not strong enough. The key issues the actors on the offer side are faced with on the domestic post-sales (service) market for devices/consumer durables are, first of all, the presence of disloyal competition and an intensive turnover of goods/equipment (parts) of an unknown origin and unvalidated quality.

The subject matter of the research done in this paper pertains to perceiving the marks and ranking the characteristics that significantly impact the expansion of the business operations carried out by national organizations, the focus being on post-sales services. The starting assumption implies that post-sales services thought out in a quality manner and organized well are the condition necessary for the achievement of the organization's planned results and its business excellence. The factor of the organization's length of doing business and the level of business operations have a significant influence on the development of post-sales services and may make the difference in potential buyers' thoughts.

The research study was being conducted as a cross-sectional study of a deterministic character. While designing a methodological framework of the paper, the bibliographic-speculative method was also used beside the explorative method, whereas the multiple comparison method and the statistical test method were used in the results processing and interpretation. An intentional sample was used in function of this research study. The research was being done on a sample of 136 organizations selected from the database kept with the Business Registers Agency of the Republic of Serbia, of which (19%) were micro-organizations, (28%) were small organizations, (29%) were medium-sized organizations and (24%) were big organizations. When selecting the organizations to be included in the sample, the successfulness of their business operations within the national frameworks of doing business was the key factor. The research was performed in the online questionnaire matrix. The survey was conducted on an anonymous basis, the answers being given by either the organizations' owners or higher-level managers in the organizations. The point to be achieved through the questionnaire was to obtain primary information about the commitment of the domestic organizations to the development of extensive post-sales services and to mark and rank the same in the context of the other

characteristics of the selected elements necessary for the improvement of the competitive advantage of the national organizations.

## Results and Discussion

A quality assessment of the characteristics of the post-sales market enables an organization to make important strategic decisions and minimize a possibility of potential omissions caused by wrong assumptions in goods placement in an easier way. The research presented in the study is primarily oriented towards the valuation of the properties of the post-sales services by domestic organizations in function of their sustainable survival on the market, and for the development and acquisition of a competitive advantage. In that sense, the target collection of reliable primary pieces of information about the activities that should be carried out on a subsequent market was performed with the organizations as the respondents selected for the sample. The respondents were asked to value the selected indicators within the framework of their business operations from the set of the questions posed in the survey and to use the marks from 1 to 5 for that purpose, the mark 1 being the lowest mark, and the mark 5 being the highest mark. The organizations striving to ensure high performances are certainly expected to meet certain conditions and criteria. The results as per particular characteristics with an accent on post-sales services are accounted for in Table 1.

Table 1. The organizational performance marks

Performances	M a r k s									
	1		2		3		4		5	
	Af	Rf	Af	Rf	Af	Rf	Af	Rf	Af	Rf
The organization's post-sales services	7	5.1	3	2.2	32	23.5	45	33.1	49	36.0
The quality level of the products on the market which the organization does business on	2	1.5	11	8.1	49	36.0	40	29.4	34	25.0
The technological level of the organization	0	0	15	11.0	20	14.7	57	41.9	44	32.4
The span to which extent the product quality concept according to the international standards is applied in the organization	13	9.6	17	12.5	9	6.6	41	30.1	56	41.2
The level at which the organization has clearly defined goals, as well as the elements necessary for their successful achievement	4	2.9	6	4.4	21	15.4	68	50.0	37	27.2

*Af* – absolute frequencies; *Rf* – relative frequencies (percentages); *S.Vr.* – mean values

Source: The authors

In the given context, the domestic organization's aspiration should be directed towards bringing the key performance indicators to compliance with the constantly changing conditions of doing business. Organizational managers should bear in mind the fact that the selected performance indicators will be relevant during the projected period of time, given the fact that sometimes the significance of post-sales services with respect to the predefined business plans is unintentionally neglected, so the same subsequently have to be changed and adapted to a new situation, which may significantly increase costs. Table 2 is a presentation of the position of the performances on the basis of the average marks (mean values) for each performance.

Table 2. The performance status

Performances	Mean values	Performance rank
The post-sales services of the organization	3.93	8
The product quality degree on the market which the organization does business on	3.68	15
The technological level of the organization	3.85	10
The span to which extent the product quality concept according to the international standards is applied in the organization	3.96	6
The level at which the organization has clearly defined goals, as well as the parameters necessary for their successful achievement	3.81	12

Source: The authors

Analyzing the obtained research outcomes, it can be concluded that the respondents/managers and/or owners of the domestic organizations included in the sample valued the post-sales services and their significance for the achievement of maximum business effects with the average mark 3.93, which is positioned at the top of the span of the performance indicators that were being marked, which range from 3.96 to 3.68. Apart from the post-sales services, the mentioned span is reduced to the valuation of the characteristics such as the product quality and the technological level of the organizations, the span that compares the compliance of the domestic product quality with the international standards of doing business and the level at which the organization has clear goals and parameters necessary for their successful realization.

Furthermore, two-factor evaluation was used to check how the length of the working of the organization and the level of business operations (local, national, regional, and international) influence the quality of the post-sales services on the market as a precondition for the creation of a sustainable competitive advantage. The value 0.05 (for all the values  $Sig \leq 0.05$ , there is a statistically significant difference) was taken for the difference relevance degree.

The mean values of the marks for the post-sales services in the organizations having been doing business for a different period of time and working at a different level are given in Table 3 for each particular span and length of business operations separately. The standard deviation (std. deviation) represents a deviation of the mean value of the mark, whereas N is the number of the respondents in the sample included in the survey. It is possible to notice that the post-sales services are best characterized in the organizations

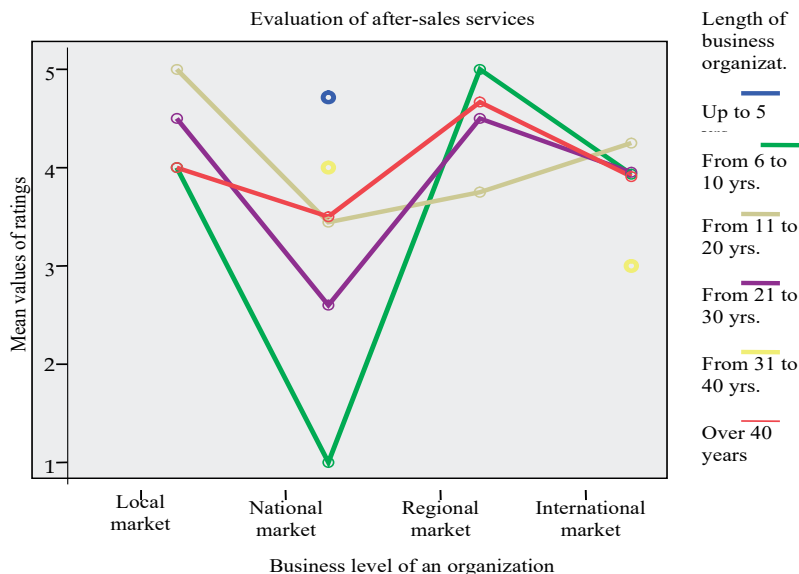
doing business on the national market, and within them, in the organizations having been doing business from 11 to 20 years.

*Table 3. The mean value of the marks for the post-sales services in the organizations of a different level and length of doing business*

The level of doing business	The length of doing business of the organization	The mean value of the marks	Std. Deviation	N
The local market	from 6 to 10	4.00	1.155	4
	from 11 to 20	5.00	.000	3
	from 21 to 30	4.50	.535	8
	over 40 years	4.00	.000	2
	Total	4.41	.712	17
The national market	up to 5	4.71	.488	7
	from 6 to 10	1.00	.000	2
	from 11 to 20	3.44	1.667	9
	from 21 to 30	2.60	1.174	10
	from 31 to 40 years	4.00	.000	2
	over 40 years	3.50	.577	4
	Total	3.35	1.433	34
The regional market	from 6 to 10	5.00	.000	2
	from 11 to 20	3.75	.463	8
	from 21 to 30	4.50	.577	4
	over 40 years	4.67	.500	9
	Total	4.35	.647	23
The international market	from 6 to 10	3.93	.961	15
	from 11 to 20	4.25	.754	12
	from 21 to 30	3.95	1.024	21
	from 31 to 40 years	3.00	.000	3
	over 40 years	3.91	.831	11
	Total	3.95	.913	62
Total	up to 5	4.71	.488	7
	from 6 to 10	3.78	1.278	23
	from 11 to 20	3.97	1.092	32
	from 21 to 30	3.79	1.166	43
	from 31 to 40 years	3.40	.548	5
	over 40 years	4.12	.766	26
	Total	3.93	1.072	136

*Source: The authors*

The mean values of the marks of the post-sales services in the organizations of a different level of doing business and the length of doing business are shown by Graph 1. It is noticeable that the post-sales services are marked best in the organizations having been doing business at the local level from 11 to 20 years.



Graph 1. The mean values of the marks for the post-sales services in the organizations doing business at a different level and for a different period of time  
Source: The authors

The influence of the interaction of the length of the organization’s working and the level of doing business is presented in Table 4. In the column “The level of doing business/The length of doing business” Sig.=0.004, which is less than 0.05 so it can be concluded that there are significant differences in the marks for the post-sales services. The influence of the interaction of the level of doing business and the length of doing business is statistically significant. After the analysis of the joint influence, the analysis of the separate influences began. In the column “The level of doing business” Sig is 0.000, which is less than 0.05, so it is concluded that the level of the business operations of the organization exerts a significant influence on the marks for the post-sales services. In the column “The length of doing business” the Sig value 0.001 is read, which is also less than 0.05, so the length of doing business is also supposed to importantly influence the differences in the marks for the post-sales services. A fact can be established that the level of doing business and the length of doing business play a significant role with respect to the disproportion in the marks for the post-sales services.

Table 4. The influence of the interaction of the variables “the level of doing business” and “the length of doing business” on the marks for the post-sales services

Variables	Df	Mean Square	F	Sig.
The level of doing business	3	8.989	11.118	.000
The length of doing business	5	3.785	4.682	.001
The level of doing business / The length of doing business	10	2.242	2.773	.004

Source: The authors



It is visible that the individual influences of the span of the functioning and the length of doing business also vary. A subsequent test established a fact that, depending on the level of doing business, the organizations particularly differ in the marks with the help of the Tukey Test. Table 5 shows that the facts established by the organizations doing business locally and on the national market, the national market and the regional market, and the national market and the international market especially differ from one another.

Table 5. A comparative analysis of the organizations of a different level of business doing in the marks for the post-sales services

(I) The level of business operations of the organization	(J) The level of business operations of the organization	The mean value of the difference (I-J)	Standard error	The significance of the error (Sig)	95% trust interval	
					U p p e r limit	L o w e r limit
The local market	The national market	1.06(*)	.267	.001	.36	1.75
	The regional market	.06	.288	.996	-.69	.81
	The international market	.46	.246	.247	-.18	1.10
The national market	The local market	-1.06(*)	.267	.001	-1.75	-.36
	The regional market	-.99(*)	.243	.000	-1.63	-.36
	The international market	-.60(*)	.192	.012	-1.10	-.10
The regional market	The local market	-.06	.288	.996	-.81	.69
	The national market	.99(*)	.243	.000	.36	1.63
	The international market	.40	.220	.276	-.18	.97
The international market	The local market	-.46	.246	.247	-1.10	.18
	The national market	.60(*)	.192	.012	.10	1.10
	The regional market	-.40	.220	.276	-.97	.18

Source: The authors

## Conclusion

In the conducted research study, the sample consisted of the organizations of a different length of doing business and the organizations of a different span of the functioning, accompanied by a note that their presence was proportionate according to their size. The largest number of the organizations included in the sample are engaged in manufacturing and service activity. The outcomes of the research study have confirmed the assumption that post-sales services (activities) that were valued with the mean mark

3.93, which is at the top of the range of the marked organizational performance indicators, are very significant for the achievement of sustainable competitiveness on the market.

The obtained results show that the length of the business operations of an organization and the level of doing business have an important joint influence on all the attributes of the organizations from the subject-matter research study that are observed as the performance indicators that the organization that endeavors to create a competitive advantage on the market should have.

The mean values of the marks for the post-sales services in the organizations having been doing business for a different period of time and working at a different level are best characterized in the organizations having been doing business on the national market, and from within them in the organizations that have been doing business for a period of time from 11 to 20 years. It is noticeable that post-sales services are best assessed in the organizations having been doing business at the local level for a period of time from 11 to 20 years. In the column "the level of doing business" Sig is 0.000, which is less than 0.05, so it is concluded that the level of the business done by an organization has a big influence on the marks for post-sales services. In the column "the length of doing business" Sig is read of a value 0.001, so the length of doing business is also assumed to be exerting an important influence on the differences in the marks for the post-sales services. It can also be concluded that the level of doing business and the length of doing business do have a significant influence on the disproportion in the marks for the post-sales services.

Finally, the domestic organization can be said to be reaping a double advantage of developing a quality post-sales system by cherishing client trust, simultaneously determining the quality of its own product/service, on the other hand, eliminating drawbacks in a timely manner.

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