

TESTING THE SATISFACTION OF PROFESSIONAL CUSTOMERS IN THE AUTOMOTIVE AFTERMARKET SPARE PARTS INDUSTRY WITH THE PURPOSE OF IMPROVING SALES: THE CASE OF BALKANS

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ABSTRACT

The paper presents the results of a survey of professional customer satisfaction in the period from 2015 to 2019 on a sample of 4248 professional customers of a company engaged in the distribution and trade of automotive spare parts (aftermarket). This company operates in the region of Balkans: Bosnia and Herzegovina, Serbia and North Macedonia. The results for 2019 were presented by descriptive statistics and compared with Categorical Regression Analysis (CATREG). The analysis was used as a method of predicting the level of customer loyalty by combining variables from the survey (questionnaire) with regard to the relationship between the sales staff and the characteristics of the products themselves (2015-2018). Previous author's research shows that the greatest impact on customer loyalty in Bosnia and Herzegovina has the range of goods, delivery, and price-quality ratio. For Northern Macedonia, it is the range of goods, delivery, and the manner of complaints resolving. The greatest importance in predicting the level of customer loyalty in Serbia is the delivery of goods and complaints resolving. The conclusions and managerial implications confirmed the author's assumptions in the third phase of the examination, which was conducted in 2019. Unfortunately, due to the well-known Covid-19 pandemic, research of this type could not be conducted in 2020.

Keywords: loyalty, customer satisfaction, automotive spare parts (aftermarket), Balkans.

INTRODUCTION

Companies engaged in service activities, such as the example of the company in this paper, must be oriented towards professional customers. In modern marketing, customers are important and the aim of every organization is to acquire, retain and expand customers (Saglam, & El Montaser, 2021).

At a time of market globalization in the aftermarket of spare car auto parts sales, companies must constantly monitor customer satisfaction. This is no longer a modern approach to business, it is a standard that needs to be improved. Measuring customer satisfaction is a common tool for monitoring the market. Interpreting the results of measuring helps companies in everyday planning and strategic planning in order to adapt to changes and new trends on the market (Peric, Milovanovic, & Vranesevic, 2020). Vranešević (2000) points out that without loyal customers, business survival and profitability cannot be guaranteed. The easiest way to foresee the future of a product or service is to monitor customer satisfaction with the same product or service - customer satisfaction is an indicator of repeated purchase and is expressed by customer loyalty. The paper presents the third phase of research into the relationship between professional customer satisfaction and expected value. The paper will publish the results of the research of the third phase of the survey of satisfaction of professional customers of the family company AMgroup. The research was conducted from 2015 to 2019 on a sample of 4248 professional customer from Bosnia and Herzegovina (Auto Milovanović, Auto Parts), Serbia (Lukena-Auto) and North Macedonia (Lukena Avtodelovi).

One of the reasons for the research presented here is a fact that successful family companies tend to create a higher level of consumer loyalty than corporate ones. The corporate brand of

family-owned companies carries certain features that distinguish it from the corporate brands of other companies (Perić, Milovanović, & Bovan, 2013). Milovanović (2014) points out that by gathering useful information directly from the customers, companies gain different knowledge on the current competitive tactics of getting customer loyalty. In the marketing research literature, loyalty is investigated as a component of one (general loyalty), two (attitudinal and behavioral), or four dimensions (cognitive, affective, conative, action) (Stoian, & Tugulea, 2012).

The purpose of the research, based on previously set hypotheses, is related to the problems that arose due to the systematic expansion of the sales network, the relocation of individual business units to new and larger locations, the introduction of new services, and the recruitment of a larger number of sales staff, which did not receive full sales training in this particular line of business, implementation of two software solutions integrated into one called ERP was done: NAV for the Company Management and LS for retail, together with WMS system, web shop and a loyalty program that enable monitoring of the price of products in the market, aiming preventively reaction to possible dumping. Great logistical changes have been made in the distribution, and new sales channels have been perfected. So besides commercial field sales, sales in retail and wholesale facilities, sales are also made via the internet. All these reasons directly affected customer satisfaction. (Peric et al., 2020).

Customer satisfaction is typically defined as the feeling that a person experiences when an offering meets his or her expectations. When an offering meets the customer's expectations, the customer is satisfied. In the marketing research field, customer satisfaction is explained by expectation disconfirmation theory (Oliver, 1980). In general, higher customer satisfaction brings about higher customer loyalty, and links between satisfaction and behavioral outcomes are neither linear nor straightforward (Hyunseok, Jaisang, & Kyeong-Seop, 2017; Šuster-Ernjavec, Dmitrović, & Povalej-Bran, 2016). Change in customer satisfaction, which has lagged behind and which contributes to future demand, has a significant impact on consumption growth. Kotler & Keller (2012) state that customer satisfaction is directly associated with the quality of products or services, the attitude of the entire company towards the customer starting from the top management, the price, product availability, distribution, and other elements of the marketing mix concept in the service activities. Consumers' satisfaction has been considered one of the most important constructs (Morgan, Attaway, & Griffin, 1996). If satisfaction is assumed to be a significant predictor of repurchase and switching behavior, another implication is that if satisfaction varies with disconfirmation to a steady state or equilibrium level, the probability of repurchase and switching will be affected in a predictable way (McQuitty, Finn, & Wiley, 2000). Also, complaints should be considered an indicator of organizational performance assessment, signaling some problems or failures in internal processes that need quick recovery in order to avoid migration of profitable customers (Filip, 2013; Arora, & Chakraborty, 2020). Yamada (2019) state that a consumer may be deeply dissatisfied with, and evaluate it lower than the proper its value. Yoo, Kim & Lee (2015) findings focus on the feelings of frontline employees in connection with service recovery, which we use as a measure of service quality. Accordingly, special attention should be paid to the training of employees and sales force who are in direct contact with professional customers. AM group conducts this training through AM Academy. An effective sales force is an indispensable asset because salespeople play a fundamental role in marketing strategy implementation (Katsikeas, Auh, Spyropoulou, & Menguc, 2018). Whenever a salesperson goes back to her company with a customer's request, be it for quicker delivery, a change in a product feature, or a negotiated price, she is voicing the customer's needs. Her goal is to help the buyer purchase what serves his or her needs the best (University of Minnesota, 2015).

On the other hand, customer expectations are not to be regarded as a permanent and stable category. On the contrary, expectations are variable before the purchasing process, during this process, and also during the use of products or services due to different influences (changes in market circumstances, competition efforts, etc.). Customer expectation are pretrial beliefs about a product or service (Olson, & Dover, 1979). Delivery of purchased goods to professional customers has shown importance in all three countries. Managing logistics customer service is widely

recognised as a strategic source of competitive advantage and market success (Florez-Lopez, & Ramon-Jeronimo, 2012).

MATERIALS AND METHODS OF WORK

The research was conducted from 2015 to 2019 on a sample of 4248 professional customers from Bosnia and Herzegovina (2225), Serbia (1020), North Macedonia (1003), namely from those cities where business units in which they purchase are located, or the goods are dispatched from (Bosnia and Herzegovina: Banja Luka, Doboj, Gradiska, Modrica, Prijedor, Tuzla, Zvornik, Bijeljina, Pale, Trn, Bugojno, Livno, Tesanj, Sarajevo, Zenica, Prnjavor, Laktasi, Bihac; North Macedonia: Skopje, Gostivar, Tetovo, Strumica, Kumanovo, Kicevo, Ohrid, Veles, Stip, Prilep, Bitola; Serbia: Belgrade, Leskovac, Zemun, Vranje, Bor, Pirot, Nis, Zajecar, Loznica). The survey-questionnaire was conducted at the annual educational and entertainment events and Home Fairs, which are organized by AMgroup in the mentioned countries. The company's clients (respondents) filled it in themselves. In the first and second phase of the research the author used CARTEG as a method of predicting the level of customer loyalty by combining variables from the survey - questionnaire with regard to the relationship between the sales staff and the characteristics of the products themselves. Categorical regression is also known by the acronym CATREG, for categorical regression. The foundation of the predictive model is laid with intuition and deep knowledge of the problem context, which are entirely vital for driving decisions about model development. The process begins with relevant data, another key ingredient (Kuhn, & Johnson, 2013). This analysis is used for categorical variables. It uses optimal scaling, where dependent and predictive variables are a combination of nominal and ordinal variables, as is the case with this research. The dependency variable "loyalty" or "percentage estimation of purchasing of the goods" in the AMgroup is the ordinal variable on a four category scale from "below 60%" to "over 90%". The data were processed in software package SPSS, while the charts and associated tables were obtained using the Power BI i.e., business analytics services provided by Microsoft. The research was repeated for five years, as it had previously showed to be an excellent mechanism for monitoring the loyalty of customers. The results for 2019 are presented with descriptive statistics and compared with the Categorical Regression Analysis. Unfortunately, due to the well-known Covid-19 pandemic, research of this type could not be conducted in 2020.

RESULTS AND DISCUSSION

Research questions (RQ) in the regression model were (also predictive variables):

RQ1: What is the relation of our employees towards you? - Three-level ordinal variable from "not satisfactory" to "very business-like and competent"

RQ2: Are you satisfied with the assortment of our goods? - Nominal variable, two categories "I am satisfied" and "not completely"

RQ3: Describe the flexibility in solving the complaint. - Nominal variable, three categories "fast and with quality", "unsatisfactory", "I did not have any complaints"

RQ4: Are you satisfied with the delivery of goods from our retail stores. - Nominal variable, three categories "yes, completely", "not satisfied", "I don't use delivery"

RQ5: What do you think about the ratio of product value to price? - Nominal variable, two categories "satisfactory" and "unsatisfactory"

RQ6: The professionalism of the working staff? - Nominal variable, two categories "professional enough" and "not professional enough"

RQ7: Do you think that our commercialist should visit you more often and introduce you to our action sales and new range? - Nominal variable, two categories "yes" and "no"

The previous author study identifies that for Bosnia and Herzegovina the range of goods, delivery and the price and quality ratio have the greatest impact on customer loyalty ("importance" column): product range 29%, satisfaction with delivery 23.5% and highest - price/quality ratio 31.4% (Table 1).

Table 1. Selected variables according to their importance in the model Bosnia nad Herzegovina (2015-2018).
 Dependent Variable: Compared total purchase, what's the percentage of the purchase in our store?

	Standardized Coefficients		Correlations						
	Beta	Bootstrap (1000) Estimate of Std. Error	df	F	Sig.	Zero-Order	Partial	Part	Importance
RQ1: What is the relation of our employees towards you?	.050	.044	1	1.295	.255	.089	.050	.048	.090
RQ2: Are you satisfied with the assortment of our goods?	.099	.036	11	7.423	.007	.146	.097	.095	.290
RQ3: Describe the flexibility in solving the complaint.	.036	.025	12	2.072	.126	.069	.036	.036	.051
RQ4: Are you satisfied with the delivery of goods from our retail stores?	.092	.031	12	8.499	.000	.127	.091	.089	.235
RQ5: What do you think about the ratio of product value to price?	.111	.039	11	7.908	.005	.141	.111	.109	.314
RQ6: The professionalism of the working staff?	.012	.019	11	.416	.519	.057	.012	.012	.014
RQ7: Do you think that our commercialist should visit you more often and introduce you to our action sales and new range?	.009	.018	11	.230	.632	.037	.009	.009	.006

Table 2. Selected variables according to their importance in the model Serbia (2015-2018). Dependent Variable: Compared total purchase, what's the percentage of the purchase in our store?

	Standardized Coefficients		Correlations						
	Beta	Bootstrap (1000) Estimate of Std. Error	df	F	Sig.	Zero-Order	Partial	Part	Importance
RQ1: What is the relation of our employees towards you?	.045	.065	1	.489	.485	.067	.045	.044	.074
RQ2: Are you satisfied with the assortment of our goods?	.052	.040	1	1.691	.194	.078	.052	.051	.099
RQ3: Describe the flexibility in solving the complaint.	.085	.041	2	4.329	.014	.113	.085	.083	.233
RQ4: Are you satisfied with the delivery of goods from our retail stores?	.135	.050	2	7.214	.001	.153	.134	.133	.504
RQ5: What do you think about the ratio of product value to price?	.045	.034	1	1.706	.192	.070	.044	.044	.077
RQ6: The professionalism of the working staff?	.015	.048	1	.101	.750	.042	.015	.015	.016
RQ7: Do you think that our commercialist should visit you more often and introduce you to our action sales and new range?	.007	.025	1	.086	.769	.019	.008	.007	.003

In Serbia the resolution of complaints and the delivery of goods, have the greatest importance in anticipating the level of loyalty of customers ("importance" column): flexibility in solving the complaint is 23.3% and satisfaction with delivery of goods is 50.4% (Table 2).

For North Macedonia, the range of goods, delivery and the way of handling complaints have the greatest importance in anticipating the level of loyalty of customers (“importance” column): product range 9.2%, satisfaction with goods delivery 14.8% and flexibility in solving complaints 60.5% (Table 3).

Table 3. Selected variables according to their importance in the model North Macedonia (2015-2018).
Dependent Variable: Compared total purchase, what’s the percentage of the purchase in our store?

	Standardized Coefficients		Correlations						
	Beta	Bootstrap (1000) Estimate of Std. Error	df	F	Sig.	Zero-Order	Partial	Part	Importance
RQ1: What is the relation of our employees towards you?	.045	.053	1	.722	.396	.063	.046	.044	.046
RQ2: Are you satisfied with the assortment of our goods?	.064	.040	1	2.520	.113	.087	.064	.062	.092
RQ3: Describe the flexibility in solving the complaint.	.183	.037	2	24.065	.000	.199	.183	.180	.605
RQ4: Are you satisfied with the delivery of goods from our retail stores?	.084	.036	2	5.605	.004	.106	.086	.083	.148
RQ5: What do you think about the ratio of product value to price?	.066	.034	1	3.749	.050	.071	.066	.065	.077
RQ6: The professionalism of the working staff?	.011	.033	1	.112	.738	.000	.011	.011	.000
RQ7: Do you think that our commercialist should visit you more often and introduce you to our action sales and new range?	.036	.030	1	1.474	.225	.053	.037	.036	.032

In the continuation of the paper, the results of the research for 2019 for all three countries will be presented, which also represents the third phase of testing and verifying the success of managerial implications.

In Bosnia and Herzegovina, the survey was conducted during March 2019 by directly filling out surveys/questionnaires by 533 professional customers of AMgroup (Auto Milovanović, Auto Parts). Overall satisfaction with all variables is at a high level, which is a continuation of the positive trend in the third phase of testing (Figure 1).

For the purposes of this paper, and in order to determine that the level of service remained the same, the issues that show importance in the first two phases of testing, namely:

RQ2: Are you satisfied with the assortment of our goods? - Nominal variable, two categories: 93.06% “I am satisfied” and 6.94% “not completely”; *RQ4*: Are you satisfied with the delivery of goods from our retail stores. - Nominal variable, three categories: 90.06% “yes, completely”, 3.12% “not satisfied”, 6.75% “I don’t use delivery”. If we analyze only the satisfaction of those customers who use the service of delivery, then the satisfaction is 96.6%; *RQ5*: What do you think about the ratio of product value to price? - Nominal variable, two categories: 94.56% “satisfactory” and 5.44% “unsatisfactory”.



Figure 1. Descriptive statistics of RQ2, RQ4, RQ5 Bosnia and Herzegovina (2019, N=533).

The survey, which was conducted in May 2019 on a sample of 243 professional AMgroup customers from Serbia (Lukena-Auto), shows the general satisfaction of customers with all the research questions/variables which were included in the survey. For the purposes of this paper, the issues that showed significance in the first two phases of the examination, namely *RQ3*: Describe the flexibility in resolving the complaint? and *RQ4*: Are you satisfied with the delivery of goods from our retail stores? (Figure 2)

As a sign of good planning of the company's management are the results obtained by this survey. *RQ3*: 98.76% answered "fast and with quality", and only 1.24% chose the answer "unsatisfactory". There was no answer "I did not have any complaints".

RQ4 in Serbia, 74.49% answered with "yes, completely", 25.10% with "I don't use delivery", and 0.41% with "not satisfied". If we analyze only the satisfaction of those customers who use the service of delivery, then the satisfaction is 99.9%.

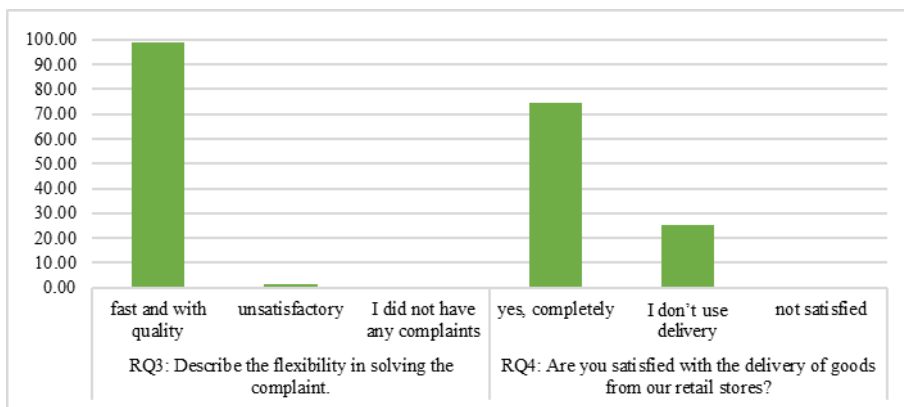


Figure 2. Descriptive statistics of RQ3, RQ4 Republic of Serbia (2019, N=243).

In North Macedonia, the survey was conducted during October 2019 by directly filling out surveys/questionnaires by 203 professional customers of AMgroup (Lukena Avtodelovi). As in previous countries, the issues that showed the greatest impact on customer loyalty in the previous stages were analyzed. *RQ2*: Are you satisfied with the assortment of our goods? - Nominal variable, two categories: 96.06% "I am satisfied" and 3.94% "not completely"; *RQ3*: Describe the flexibility in solving the complaint. - Nominal variable, three categories: 99.01% "fast and with quality", 0.98% "unsatisfactory", 0.00% "I did not have any complaints"; *RQ4*: Are you satisfied with the delivery of goods from our retail stores. - Nominal variable, three categories: 61.58%

“yes, completely”, 0.99% “not satisfied”, 37.44% “I don’t use delivery”. Also, as in previous cases, if we analyze only the satisfaction of those customers who use the service of delivery, then the satisfaction is 99.9%.

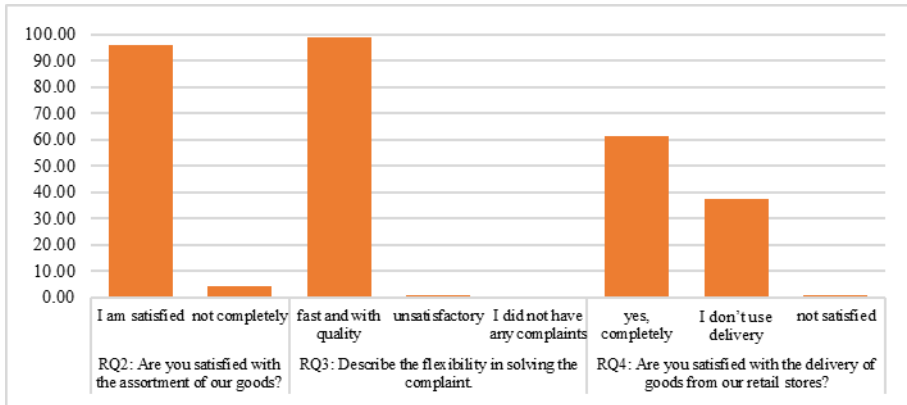


Figure 3. Descriptive statistics of RQ2, RQ3, RQ4 North Macedonia (2019, N=203).

CONCLUSIONS

The literature lists many reasons why companies choose to measure their customer satisfaction at all. From practice and many years of experience in working with professional customers (car service technicians, mechanics, vulcanizers, etc.), the author concludes that one of the main reasons are the following:

It is necessary to identify areas of business that need to be improved and upgraded, listening to customer reactions to the introduction of a new product or service in their range by measuring the level of customer satisfaction with a particular product or service, etc.

Measuring customer satisfaction will always help the company's top management, as well as the marketing department, to better understand their customers, especially those we classify as "professional".

Special attention should be paid to their expectations, which is crucial because there is a big difference between the way we, as sellers or service providers, perceive the needs and expectations of customers. Often our expectations and perception of the service do not match the customer's perception of the same.

If the level of customer satisfaction is not measured, or if their attitude is ignored, it can happen very quickly that customers switch to buying from the competition. The complaints system should work flawlessly so as not to create additional indirect costs related to it.

The results of the third phase of testing, which are presented in this paper, have just shown the efforts of the top management of the company in implementing the managerial implications. Continuity in satisfaction with the variables, which have shown significance in previous years of research, is the result of training of sales staff and a high level of service.

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