

ON SOME SPECIAL MARKETING CHARACTERISTICS OF THE MARKET OF AFTER-SALE CONSUMER SERVICES

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Abstract. *The accents of the study fall upon the required form of the contemporary trends of consumer markets development necessary for expanding the conceptual base of after-sales marketing and its strategic orientation. A thorough analysis has been made of the after-sales services market as subject of the study. Identified are the aspects of after-sales consumer behavior on the market of after-sales services. Some directions and approaches to market segmentation oriented to after-sales phase are suggested.*

1. THE MARKET FOR AFTER-SALE SERVICES AS A SUBJECT TO RESEARCH

Current trends in development of consumer markets show a tendency towards active organization of the after-sale phase of exchange pursuing long-term commitment with consumers by fully satisfying their demands. Within the still prevailing tendency in "mainstream marketing" for strong emphasis on the before-sale phase and the sale phase itself, the necessity arises for studying the strategic and tactic dimensions of after-sale marketing of services on consumer markets. The issues related to the market for services as a whole, and that for after-sale services on the consumer market in particular, are quite different from those concerning the goods market. This difference stems from the conceptual characteristics of services such as their intangibility, inseparability of production and consumption, heterogeneity (or diversity), limited durability, etc.

The growing competition on the market for after-sale services at consumer level makes it necessary to develop further the concept and the implements of the after-sale marketing of those services. The main driving force for such a development are the skills of marketing specialists, dealing with the service market sector.

The marketing management of after-sale services on the consumer market sets three mutually related objectives [1]:

A) *To increase the competitive differentiation of after-sale services.* What stands behind this is the urgent need for making the services of an organization different from

those of her competitors. The solution to this problems mainly consists in developing a differentiating offer for the set of after-sale services, as well as their performance, their price levels, and the already existing image of the company on the market. The offer should comprise various innovation techniques that make it different from the services provided by competitors. This offer should be based on customers' demands for services after selling the product. The main difficulty, however, is that innovations within the sphere of services are easily emulated and are therefore effective within short terms only. Thus the best decision for organizations providing after-sale services is to keep up with the best in this field. Providing the services might be differentiated in three ways, described by the so-called three "P"^s of the service marketing, i.e. "People", "Physical environment", and "Process".

B) *Raising the quality of after-sale services.* One of the main approaches for differentiating services after selling the products is by providing quality that exceeds quality of the products provided by competitors. The aim is to satisfy or surpass the customers' expectations about the quality of the service in question. Evaluations of quality are based on the comparison of consumer expectations, the efficiency of the service provided and the extent to which the service is accepted.

C) *Raising the efficiency of performance for after-sale services.* Business in the field of services is labor-consuming, therefore costs grow very fast there. Various approaches could be applied when trying to raise the efficiency of performance for after-sale services, such as increasing the quantity, raising the quality, "industrialization" and standardization, limiting or eliminating by inventing perfect products, improving the system for after-sale services, encouraging customers to perform after-sale services themselves, etc.

As a matter of fact, providing services related to the maintenance of a product after its sale has become a battleground for competitive advantages between organizations. Here is why the priorities for the modern development of after-sale marketing of services should be as follows: first, the study of customers' behavior after the purchase in order to identify the characteristics that would allow establishing consumer types and secondly, using the segmentation approach as a means of specifying the after-sale effect on consumers.

2. STUDYING THE AFTER-SALE BEHAVIOR OF CONSUMERS

After-sale behavior comprises the set of emotional, cognitive and physical activities of customers related to consuming the products and eliminating the products.

The product and time differentiated dimensions of the after-sale phase constitute the background against which after-sale consumer behavior is studied. By analyzing this behavior various segmenting criteria are derived in relation to customers - behavioral, psychographic, social, economic, demographic, etc.

The following behavioral dimensions are observed on the market for after-sale services [2]:

A) *Personality oriented dimensions.* The after-sale behavior of customers bears close relation to three basic types of characteristics: social-demographic variables (for example age, gender, education, occupation, etc.), economic variables (incomes, ability to pay, etc) and psychographic variables (way of living, psychological profile, etc). The interest towards a product is further on followed by the customers' expectations about the product safety as

well as specific requirements for its use, which are based on personal experience in using this product, the information given by other consumers or an acquired natural necessity for using or eliminating the product.

B) *Product oriented dimensions*. The accent here lies on the after-sale costs as a sum of the materials, time and psychic energy which a consumer inputs when using a product or eliminating it. The same factors influence consumers' behavior when a low-quality claim is made. That's why the analysis makes use of the dimensions that form market demand, expressed as experience or experts' evaluations of the service.

C) *Nature oriented dimensions*. These give a more narrow description of the individual conditions under which the product is used, such as additional materials needed for its usage, waste materials, technology wear-and-tear, etc. These circumstances are influenced by the existing social environment, the offers made for assisting the process of using the product or eliminating it, as well as by the relevant behavioral influences of mass media and various normals (for example product safety and environmental issues). In this aspect the organization's policy should be even firmer in its effort to encourage customers to make claims if there is a problem when using a product or if a possible danger has been identified.

Being a complex process, the after-sale behavior on the consumer market constitutes a number of explicit and implicit behavioral activities of consumers. They form respective behavioral profiles, which could be grouped according to:

- *The behavior when using a product* - it includes the activities for preparing to use the product (transporting, fitting, installation) and the exploitation itself (technical or commercial after-sale servicing). The criteria for evaluation that could be applied in this respect are intensiveness, variableness and duration of the usage of the products [3]. These criteria themselves depend on the product characteristics (for example the possibility for replacing parts, the potential and the duration of exploiting a product), as well as the individual characteristics of the consumers (for example a tendency for innovations, safety-oriented choice, consumer experience accumulated, etc.) Active consumers show high intensiveness and variableness when using services and seek services more often, while passive consumers rarely use products and rely primarily on incidental servicing when it is extremely necessary.

- *The behavior when disposing of waste materials* - it means putting away the product or parts of it or recycling the product and is determined by the specific features of the product and consumers' attitude to environmental issues [4]. The behavior of consumers who are highly committed to environmental issues aims at avoiding waste materials and recycling them, while the behavior of consumers who are not engaged with such issues reveals lack of critical attitude, underlying their "ex- and hop-philosophy" [5].

- *The behavior of customers for further consumption* is expressed in selling, donating, exploiting a product that's already used within the budget of the customer, and it constitutes the profiles of sellers or donators and further-on users [6].

- *The need for information* immediately after buying a product is determined by the arising cognitive dissonance within the buyer (or the so-called after-buying conflicts) or by the individually assessed risks of exploiting the product. Thus the profiles of seeking information and non-seeking information are set.

- *The behavior in communication* sets two profiles - that of consumers who express an opinion (influencing consumers) who convey positive or negative word-of-mouth

judgements, and that of the receiving foreign opinion consumers (or receivers). Those who convey their opinion can influence the receivers' decision for buying and especially new consumers' preferences.

- *The behavior when making claims about quality* includes the activities or the lack of activity when consumers are not satisfied. They can then chose another brand or a different company, they can communicate negative verbal messages, send complaints or merely remain passive. The choice of any of these possibilities depends on the nature of the problem and its importance, the consumers' experience in making claims about quality, as well as the benefits and costs that could be expected from making such a claim [7]. Thus consumers who tend to make complaints are active when they are not satisfied with a product or service, while their counterparts are not inclined to make complaints, which however does not equal passive behavior. Consumers who are not inclined to make complaints can also convey negative word-of-mouth judgements or directly refuse to buy a product or service and thus bring about negative influence on companies turnover and image [8].

- *Differentiating the after-sale behavior following a second or further purchase* is based along two coordinates: the range of the potential product turnover and the degree of market loyalty. Two groups of consumers can be identified here - these with high and low potential, which are related to the loyal or disloyal behavior of consumers.

The after-sale marketing prepares a specific segment program for after-sale servicing taking into account the differentiated consumer profiles.

3. MARKET SEGMENTATION ORIENTED TO THE AFTER-SALE PHASE

The after-sale marketing on the market for services requires systematic identifying of the after-sale target groups and generating after-sale marketing activities. After-sale segmenting is a basis for adapting the organization to the individual needs of consumers. The different groups of consumers are identified on the basis of after-sale segmenting dimensions observing homogeneous characteristic segments.

In terms of chronology the segmentation approach is applied in the following sequence:

- identifying the objectives of after-sale segmentation;
- segmenting according to the status of the after-sale stage (stage of exploiting or stage after exploiting the product);
- segmenting according to consumers requirements that are related to servicing;
- segmenting according to the characteristics of the commitment with consumers.

Speaking in terms of constituency, consumers are categorized following the above-mentioned type categories of overt and covert behavior following the purchase. Thus the basis for identifying the segments includes the duration of the relation with consumers, the frequency and intensity of contacts with them, the value of the purchase, and hence their total synergetic effect [9]. After-sale oriented segmentation could be expressed in terms of three relevant dimensions:

A) *Turnover potential and market loyalty*. Turnover capital and market loyalty express the frequency of purchases and the volume of buying capacity. They represent the basis for evaluating the consumers in terms of their economic activity in servicing.

B) *After-sale behavior of consumers*. The operating opportunity for segmenting the market following the criteria for studying the after-sale behavior ensures various connecting points for carrying out behavioral-oriented after-sale marketing of organizations. It comprises:

- behavior on the exploitation of products;
- behavior on disposing of waste materials;
- information and communicative behavior;
- advertising behavior;
- behavior on second purchase.

C) *The stages of consumption*. The separate stages of consumption include:

- the stage of exploitation;
- the stage of disposing of waste materials;
- the stage of following purchase.

All these accents are an essential integral part of after-sale marketing. The analysis of consumer behavior and the segmentation of after-sale consumer services constitute a basis for developing a set of tactic implements for influencing consumers, i.e. the after-sale marketing mix.

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POSEBNE MARKETING KARAKTERISTIKE TRŽIŠTA POSLEPRODAJNIH USLUGA

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Naglasak u radu je na savremenim trendovima u vezi neophodnog razvoja tržišta potrošača, za unapređenje konceptualne osnove posleprodajnog marketinga i njegove strateške orijentacije. Izvršena je analiza tržišta posleprodajnih usluga kao objekta istraživanja. Identifikovani su aspekti posleprodajnog ponašanja potrošača na tržištu posleprodajnih usluga. Predložene su neke smernice i pristupi segmentaciji tržišta orijentisani ka posleprodajnoj fazi.