

CHAPTER 2 - LITERATURE REVIEW

The impact of customer satisfaction on growing sales from product support sales is investigated in this research chapter. One of the most important things that businesses need to know is how to accurately determine plans and pay attention to any gaps or dimensions that affect client happiness.

This research initiative is a testament to our steadfast commitment to optimizing our operational workflows. By closely dissecting the ins and outs of our processes, we aim to identify areas for potential improvement. The main goal is very clear: reduce the delays inherent in our billing procedures.

After Sales Consultants function as a catalyst for change, diligently exploring innovative strategies to increase sales sales starting from taking the right approach to customers. This effort is based on the same goal—to increase the Company's responsiveness and efficiency in determining the right engagement strategy with customers so that customers feel satisfied with the services and products provided.

We hope that this research project will not only boost sales income but also improve customer interactions, fostering goodwill and collaboration between the two businesses. This chapter is a true improvement effort—an exploration of strategies and mechanisms aimed at improving a company's operations to achieve optimal efficiency.

2.1 Customer Engagement

Customer engagement is a multifaceted concept that has garnered significant attention across various fields, including marketing, management, and customer relationship management. This literature review provides an overview of key findings, theories, and trends in the study of customer engagement, emphasizing its evolving nature and paramount importance in contemporary business environments. The definition of customer engagement varies across studies, reflecting its complexity. It is often described as the depth of the relationship between a customer and a brand,

encompassing emotional, cognitive, and behavioural aspects (Homburg & Rudolph, 2001). Customer engagement extends beyond mere transactional interactions and encompasses loyalty, advocacy, and long-term commitment (Bolton & Drew, 1991). Measuring customer engagement poses a challenge, but it is essential for evaluating the effectiveness of engagement strategies. Researchers have developed various metrics, including customer loyalty, Net Promoter Score (NPS), and Customer Engagement Index (CEI), to quantify engagement levels (Kumar et al., 2010). However, the choice of metrics should align with specific organizational objectives and customer segments. Customer engagement has direct implications for business outcomes. Studies have shown that engaged customers tend to be more loyal, spend more, and act as brand advocates (Singh & Sirdeshmukh, 2000). Engaged customers contribute significantly to a firm's profitability and long-term sustainability. While customer engagement is crucial, it presents challenges, such as privacy concerns, information overload, and managing customer expectations (Lemon & Verhoef, 2016). Future research should focus on addressing these challenges, exploring the impact of emerging technologies like artificial intelligence and virtual perception on customer engagement, and developing effective engagement strategies for diverse customer segments.

2.2 Customer Satisfaction

Customer satisfaction is a critical factor that directly influences a company's success and long-term sustainability. Extensively studied across various disciplines, this literature review provides an overview of key findings, theories, and trends in the field of customer satisfaction, emphasizing its multifaceted nature and significance in modern business environments. Customer satisfaction is commonly defined as the evaluation of a customer's experience with a product, service, or brand. It encompasses cognitive, affective, and behavioural aspects, reflecting customers' overall judgments and emotional responses (Prus & Brandt, 1995). It is a subjective evaluation that can vary from one individual to another. Measuring customer satisfaction is a complex task, often conducted through surveys, feedback forms, and post-purchase evaluations (Homburg & Rudolph, 2001). Researchers have developed various scales and metrics, including the American Customer Satisfaction Index (ACSI) and Net Promoter Score (NPS), to quantify satisfaction levels and customer loyalty (Gunarto et al., 2017).

Numerous factors contribute to customer satisfaction. These include product quality, service reliability, price fairness, convenience, and interpersonal interactions (Zeithaml et al., 1996). Understanding the interplay of these factors is essential for designing effective satisfaction-enhancing strategies. Satisfied customers are more likely to become loyal customers. Research consistently demonstrates a strong positive relationship between customer satisfaction and customer loyalty (J. C. Anderson & Narus, 1990). Loyal customers tend to make repeat purchases, refer others, and contribute significantly to a company's long-term profitability. Customer satisfaction is a multidimensional and dynamic concept that remains central to business success. Companies that prioritize customer satisfaction understand its significance in retaining customers, building loyalty, and ensuring long-term profitability.

2.3 Sales Growth

Sales growth is a pivotal metric for assessing a company's performance, competitiveness, and long-term viability. As such, it has been a subject of extensive research across various disciplines, including marketing, economics, finance, and management. This literature review provides a comprehensive overview of key findings, theories, and trends in the study of sales growth, highlighting its multifaceted nature and significance in the business world. One area of significant scholarly interest is understanding the drivers of sales growth. Research indicates that factors such as product innovation, market expansion, customer acquisition, and effective marketing strategies are critical determinants of sales growth (Narver & Slater, 1990). Additionally, organizational capabilities, including sales force effectiveness, distribution channels, and supply chain management, have been identified as key drivers (Gabler et al., 2015). Sales growth has direct implications for a company's financial performance. Empirical studies have explored the relationship between sales growth and profitability, revealing a complex interplay between the two. While rapid sales growth can boost profitability through economies of scale, it may also strain resources and lead to diminishing returns (J. C. Anderson & Narus, 1990). Careful management is essential to capitalize on the positive effects while mitigating the negative consequences of sales expansion.

2.4 Customer Loyalty

According to (Bismo et al., 2018), customer loyalty is a reflection of psychological commitment to a particular brand, while repeat purchase behavior solely involves repeatedly buying the same brand. Meanwhile, according to (Narayandas, 1996), customer loyalty is an attitude displayed by customers towards the provision of products or services. A customer will show their loyal attitude if a company can provide satisfaction to them. Loyal customers are those who consistently repurchase products from the same company and maintain a positive attitude towards the company in the future. According to (Narayandas, 1996), the benefits of customer loyalty are as follows: Sales will increase because customers buy more, Strengthening the company's position in the market because customers prefer to buy our products over others, Reduced marketing costs as there is no need to spend money to attract customers, More protected from price competition because loyal customers are less likely to be enticed by discounts, and Satisfied customers tend to try our product line, thus helping to gain a larger customer share. Loyal customers play a crucial role for companies because customer loyalty can enhance profits and sustain the existence of a company (Kim & Lee, 2010). One of the factors shaping customer loyalty is customer satisfaction. Customer satisfaction is the primary goal of a company. Customer satisfaction can be defined as an individual's feelings of pleasure or disappointment resulting from the comparison of the purchased product meeting or not meeting their expectations (E. W. Anderson & Mittal, 2000). In a company, the ability to provide satisfaction to customers is determined by the quality of service (Suhendi & others, 2021). Service quality consists of five dimensions: physical evidence (tangible), reliability, responsiveness, assurance, and empathy.

2.5 The Importance of Service Quality

One of the main drivers of customer satisfaction with more varied needs in a business network is the quality of the services provided. According to Hoa et al. (2018), a company's capacity to satisfy customer needs and delight is a crucial factor in competition. The company's capacity to satisfy customer needs is heavily impacted by the caliber of the goods and services it offers to clients, which encompasses all quality entities such as high-quality products and services. Customer dissatisfaction is a quality

issue that needs to be addressed by the business since it can lead to the loss of clients that the business currently has (Kim & Lee, 2010). This happens when there is a discrepancy between the level of quality the business provides and the real needs of the customer.

2.6 Product Support

Product support in the context of heavy equipment distributors refers to the range of services that distributors provide to help clients use, maintain, and care for the heavy equipment they buy. Technical assistance, after-sales care, spare part availability, repairs, operator training, and consulting services are just a few of the areas covered by product support (Suhendi & others, 2021). This support can come in various forms and may include:

- A. Customer Service: Providing assistance to customers through various channels such as phone, email, or live chat to address inquiries, issues, or concerns related to the product.
- B. Technical Support: Offering help with technical aspects of the product, such as troubleshooting, installation, configuration, or resolving technical issues.
- C. Documentation: Creating and providing user manuals, guides, FAQs, and other documentation to help users understand and use the product effectively.
- D. Training: Offering training sessions or resources to educate users on how to use the product optimally.
- E. Software Updates and Patches: Providing regular updates or patches to improve the product, fix bugs, or enhance security.
- F. Warranty Services: Honouring product warranties by repairing or replacing products that develop faults or issues within a specified period.
- G. Online Communities: Establishing forums or online communities where users can share experiences, ask questions, and get help from each other or company representatives.
- H. Remote Assistance: Utilizing remote tools to diagnose and solve problems on a user's device.

Effective product support is crucial for customer satisfaction, loyalty, and the overall success of a product in the market. It helps users make the most of the product, resolve issues promptly, and fosters a positive relationship between customers and the company. "Product support" refers to the assistance, service, or help provided to customers related to a particular product. It encompasses a range of activities and resources designed to help users understand, use, troubleshoot, and maintain a product effectively. Product support may include customer service, technical support, documentation, online resources, warranty services, and any other efforts aimed at ensuring customer satisfaction and the successful use of a product. Key elements of product support may involve addressing customer inquiries, resolving issues, providing guidance on product features, offering technical assistance, and delivering timely responses to customer concerns. Companies often invest in robust product support strategies to enhance customer loyalty, build a positive brand image, and ensure a positive overall customer experience (Kim & Lee, 2010).

2.7 Guaranteed Product Support at United Tractors

A manifestation of United Tractors' dedication to enhancing product support services for client satisfaction is Guaranteed Product Support. In order to continuously deliver the best output for customer, United Tractors improve quality of the aftersales services through 4 Straight Customer Experiences and 3 Main Customer Experiences.

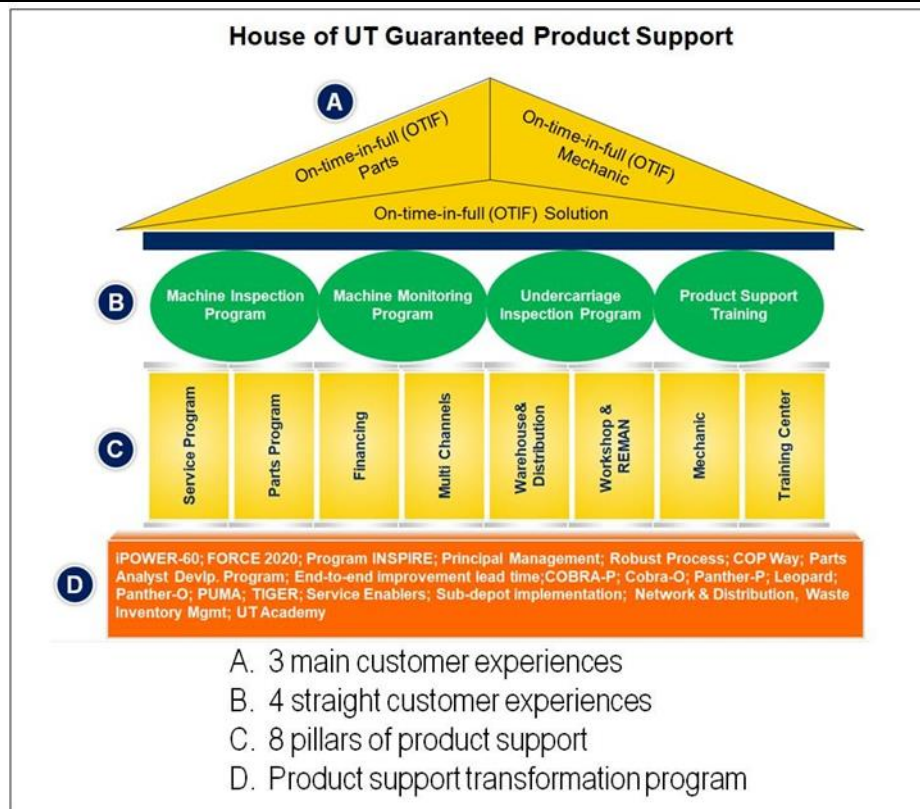


Figure 2.1 House of United Tractors Guaranteed Product Support

Straight Customer Experiences are 4 rights that customers get when buying a new machine from United Tractors, including:

1. Machine Inspection Program is Regular Inspection program to accurately obtain customers heavy equipment data condition, as repair recommendation to keep heavy equipment in prime condition.
2. Machine Monitoring Program is a Program to find out all of the information customer need about heavy equipment, such as actual location, daily operating time, fuel consumption, oil changes alert as well as parts replacement schedule
3. Undercarriage Inspection Program is a program applies for purchase of track type machine such as dozer and excavator. This is to get the information about condition of the undercarriage as well as its replacement schedule.
4. Product Support Training is Prepared for customers operators and mechanic. Operators will be trained to understand how to perform daily checking, whereas mechanics will be developed to be able to perform excellent periodical service checking as well as spare part warehouse management.

2.8 Conceptual Framework

A theoretical structure or collection of ideas that serves as a basis for comprehending a certain occurrence or carrying out research is known as a conceptual framework. It provides a methodical and structured strategy to approaching and analyzing a subject by outlining the important variables, constructs, and interactions between them. Academic research frequently uses conceptual frameworks, which give researchers a road map for directing their work and tying their conclusions to previously held beliefs or bodies of knowledge (Jabareen, 2009).

There is a main feature of conceptual frameworks, a conceptual framework is a construct in which every notion is essential, rather than just a list of concepts. A conceptual framework "lays out the key factors, constructs, or variables, and presumes relationships among them," according to Miles and Huberman (1994) (p. 440). I suggest building conceptual frameworks solely on concepts rather than variables or other aspects in order to dissuade the phrase from being used indiscriminately.

2.8.1 The procedure of Conceptual Framework Analysis

The proposed methodology is composed of the following main phases:

Phase 1: Involves mapping the selected information sources. The first stage is to map the body of transdisciplinary literature on the topic being studied. This approach includes identifying text kinds and additional data sources, such as current empirical data and practices. It must begin with a careful reading of the various materials, and it is recommended that you perform preliminary interviews with practitioners, scholars, and specialists from various fields whose research focuses on the phenomenon under study. Data collection should be a thorough and comprehensive "fishing trip" or "scoping" in order to ensure validity (Morse et al., 2002). It should also allow for comprehensive mapping.

Phase 2: Extensive reading and categorizing of the selected data. The aim in this phase is to read the selected data and categorize it both by discipline and by a scale of importance and representative power within each discipline. This process maximizes the effectiveness of our inquiry and ensures effective representation of each discipline.

Phase 3: Identifying and naming concepts. Reading and rereading the chosen material in order to "discover" concepts is the goal of this phase (Strauss et al., 1990). The outcome is a list of multiple opposing and occasionally incoherent ideas. In general, this approach enables ideas to surface from the literature. As in fact, "qualitative inquiry that commences with the concept, rather than the phenomenon itself, is subject to violating the tenet of induction, thus is exposed to particular threats of invalidity," according to Morse, Hupcey, et al. (2002).

Phase 4: Deconstructing and categorizing the concepts. In order to arrange and categorize the concepts based on their features and ontological, epistemological, and methodological roles, this phase aims to deconstruct each concept and discover its major properties, characteristics, assumptions, and role. This phase culminates with a table with four columns. The concepts' names are given in the first; each concept is described in the second; each concept is categorized in the third based on its ontological, epistemological, or methodological role; and the references for each concept are given in the fourth.

Phase 5: Integrating concepts. During this phase, concepts that are comparable to one another are to be integrated and grouped together. This stage allows us to manipulate to a manageable number of concepts by dramatically reducing the number of concepts.

Phase 6: Resynthesis, synthesis, and the making of sense out of everything. Creating a theoretical framework by combining notions is the goal of this phase. The researcher needs to approach the theorization process and newly developed theories with openness, tolerance, and flexibility. Iterative synthesis and resynthesis are used in this procedure until the researcher finds a general theoretical framework that makes sense. It should be a skill for researchers to construct their conceptual frameworks. Utilizing qualitative methods, researchers "need to know how they are constructing 'theory' as analysis proceeds, because that construction will inevitably influence and constrain data

collection, data reduction, and the drawing and verification of conclusions," as proposed by Miles and Huberman (1994).

Phase 7: proving the idea behind the framework. The validation of the conceptual framework is the goal of this phase. Whether the suggested framework and its concepts make sense to other academics and practitioners in addition to the researcher is the question. Does the framework offer academics researching the phenomenon from many fields a plausible theory. The process of validating a theoretical framework begins with the researcher, who then looks to "outsiders" for validation. Researchers have a great chance to discuss and get comments when they present a growing theory at a conference, seminar, or other academic setting.

Phase 8: Reevaluating the theoretical structure. A theory or theoretical framework that describes a multidisciplinary phenomenon is inherently dynamic and subject to revision in response to fresh information, criticism, published works, and other factors. The theory should make sense for those disciplines and broaden their theoretical perspective on the particular occurrence in question because the framework is multidisciplinary.

2.9 Cartesian Diagram

Cartesian diagrams or Cartesian graphs, are a type of graph that shows the relationship between two variables.

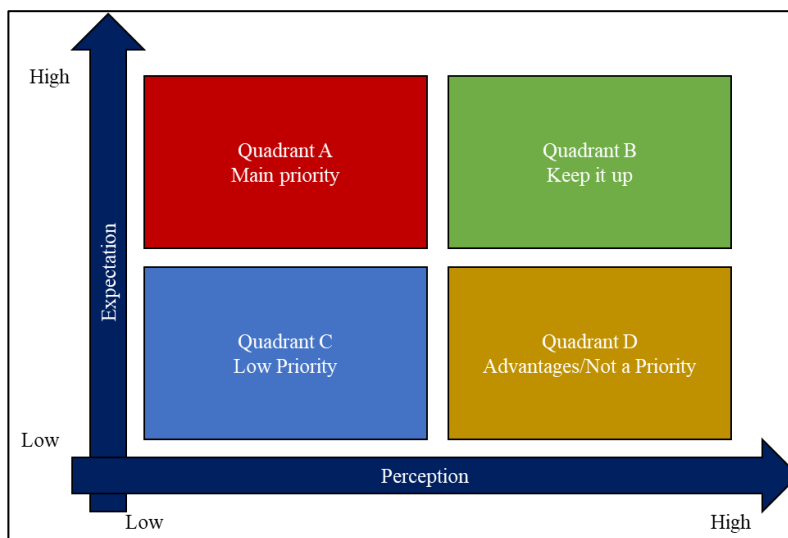


Figure 2.2 Cartesian Diagram

The Cartesian diagram functions to map the average performance score values. The flat axis (X) is filled with the customer's reality/perception level score, while the upright axis (Y) is filled with the customer's importance/expectation level score (Suhermi, 2019).

2.10 Likert Scale

A Likert scale is a type of psychometric scale commonly used in surveys and questionnaires to measure attitudes, opinions, or perceptions of respondents regarding a particular topic. Named after its creator, psychologist Rensis Likert, this scale presents a series of statements or items to which respondents express their level of agreement or disagreement. The Likert scale typically consists of several ordered response options, often ranging from "Strongly Disagree" to "Strongly Agree." The number of response categories can vary, but a common format includes a five-point Likert scale: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree (Likert, 1932). Respondents are asked to choose the response that best reflects their feelings or attitudes toward the statement or item presented. The scale is considered ordinal, meaning that the categories represent an order from least to most agreement, but the intervals between them are not necessarily uniform or measurable.

2.11 SERVQUAL Dimension

Parasuraman et al. developed a model of service quality in 1985 that is based on five essential dimensions. These dimensions are made up of 1. Tangibles: Everything physical that has an impact on the level of customer service is included in this category. For instance, spotless and organized customer waiting areas, customer amenities, personnel, physical staff, interior design, and so on. 2. Reliability: This component speaks to the business's capacity to give clients correct services. Customers can currently access the company's goods and services from anywhere at any time. The business is always willing to serve its clients. Cellular operator businesses, for instance, offer signals in different locations where their clients are situated. 3. Responsiveness: This component describes how the business reacts to clients in a timely manner. Questions about the company's curiosity about the degree of difficulty faced by its customers, its ability to assist customers in solving problems, its responsiveness to

complaints from customers, and other topics can be used to gauge this level of responsiveness. 4. Assurance: This component speaks to the company's capacity to build a customer's trust via the amiability and expertise of the service personnel (Jonkisz et al., 2021). 5. Empathy: This component speaks to the company's customer-focused approach. Corporate understanding can be put into perception by listening to consumers, assisting them in finding answers, recognizing what causes their fears, standing by them, and not abandoning them, among other things.

The Parasuraman model, also known as the SERVQUAL model, is a widely used framework for evaluating service quality. These dimensions are often referred to by the acronym RATER:

- A. Reliability: The ability of the service provider to deliver accurate, dependable, and consistent services. Evaluation Criteria:
 - a) Consistency in service performance.
 - b) Dependability in providing promised services.
 - c) Accuracy in billing and transaction processing.
 - d) Ability to deliver services as promised.
- B. Assurance: The knowledge, courtesy, and ability of employees to inspire trust and confidence. Evaluation Criteria:
 - a) Competence and skills of service personnel.
 - b) Courtesy and politeness in customer interactions.
 - c) Ability to convey trust and confidence.
 - d) Assurance of confidentiality and security in service transactions.
- C. Tangibles: The physical appearance of facilities, equipment, personnel, and communication materials. Evaluation Criteria:
 - a) Cleanliness and appearance of physical facilities.
 - b) Professionalism and appearance of service personnel.
 - c) Clarity and quality of communication materials.

d) Modernity and reliability of equipment.

D. Empathy: The caring, individualized attention the service provider gives to its customers. Evaluation Criteria:

- a) Willingness to help and provide prompt service.
- b) Understanding and attentiveness to customer needs.
- c) Personalized services that address individual customer concerns.
- d) Accessible and approachable service personnel.

E. Responsiveness: The willingness of the service provider to help customers and provide prompt service. Evaluation Criteria:

- a) Promptness in responding to customer needs.
- b) Willingness to help and assist customers.
- c) Flexibility in adapting to customer requirements.
- d) Availability and accessibility of service personnel.