

The Strategic Role of After-Sales Service in Shaping Corporate Image and Customer Loyalty: Evidence from a Consumer Electronics Case Study*

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Abstract

In the rapidly evolving consumer electronics industry, the post-transaction phase is critical, transforming after-sales service from a purely operational function into a vital strategic asset for corporate reputation. However, existing strategic management frameworks often fail to integrate service recovery and customer experience perspectives, leaving a research gap regarding the precise mechanisms through which after-sales processes systematically contribute to long-term corporate image formation. To address this gap, this paper adopts a qualitative case study methodology, triangulating internal standard operating procedures, customer communication logs, and participant observation from a consumer electronics company over the 2022–2023 period. The findings reveal that after-sales service acts as a structural mediator between frontline operational processes and strategic outcomes. Specifically, first-time resolution effectiveness and communication quality emerge as critical determinants of customer perceptions, while operational failures impact customer satisfaction with a distinct time lag of several weeks. Ultimately, this study provides a comprehensive framework for managers to integrate post-transaction experiences into strategic management systems to sustain competitive advantage.

Keywords: after-sales service, corporate image, customer experience, strategic management

Introduction

In the strategic management literature, increasing attention is being paid to intangible resources as a foundation of sustainable competitive advantage. Among them, customer relationships, reputation, and interaction-based experiences play a particularly important role. Corporate image can be understood as a cumulative outcome of stakeholder experiences and the consistency between declared strategy and operational practices. This perspective is consistent with contemporary strategic management research, which highlights the growing importance of intangible resources in achieving competitive advantage (Hitt et al., 2017).

The post-transaction phase is especially relevant in shaping corporate image. In industries characterized by rapid technological change, customer experiences related to complaint handling, service processes, and communication may significantly influence the perception of the organization.

Despite the growing importance of customer experience and reputation management, relatively little attention has been paid to integrating these perspectives within the strategic management framework in the context of after-sales service.

The aim of this paper is to identify and explain the role of after-sales service in shaping strategic corporate image. The research problem focuses on how after-sales processes influence the perception of the organization.

To address this issue, the following research questions are formulated:

1. Which elements of after-sales service are most significant for customer experience?
2. How do post-transaction customer experiences influence corporate image and reputation?

Existing literature on strategic management emphasizes the importance of intangible assets such as reputation and customer relationships as sources of sustainable competitive advantage (Barney, 1991; Hitt et al., 2017). At the same time, customer experience research focuses on the role of interactions in shaping satisfaction and loyalty (Lemon & Verhoef, 2016; Homburg et al., 2017). Additionally, service recovery theory examines how organizations respond to service failures and how these responses influence customer perceptions (Tax et al., 1998).

Despite the development of these research streams, limited attention has been paid to their integration in the context of after-sales service as part of strategic management. In particular, existing studies rarely explain how post-transaction processes contribute to the formation of corporate image at the strategic level.

Therefore, a research gap exists in the absence of a comprehensive framework linking after-sales service, customer experience, and corporate image within a strategic perspective.

Literature Review

Resource-Based View

The resource-based view (RBV) posits that sustainable competitive advantage stems from firm-specific resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Among these, intangible assets such as reputation and customer relationships play a particularly important role.

These resources are difficult to replicate due to their embeddedness in organizational processes and accumulated experiences. As a result, operational activities that influence customer perceptions may contribute directly to the development of strategic assets.

In this context, after-sales service can be interpreted as a mechanism through which firms build and reinforce relational and reputational resources. High-quality post-transaction processes enhance customer satisfaction and trust, which in turn support the development of a positive corporate image.

Recent studies also emphasize the increasing importance of intangible and relational resources in dynamic and digitally transforming markets (Teece, 2018).

Therefore, after-sales service should not be viewed solely as an operational function but as an element contributing to the creation and strengthening of strategic intangible assets.

Corporate Image and Reputation

Corporate image is commonly defined as the set of perceptions and associations held by stakeholders about an organization (Fombrun, 1996). In contrast, corporate reputation reflects a more stable and long-term evaluation based on accumulated experiences (Helm & Tolsdorf, 2013).

The key difference between these constructs lies in their temporal dimension. Corporate image is more dynamic and may change in response to specific events, whereas reputation develops over time and reflects consistent organizational performance.

Customer experiences play a crucial role in shaping both image and reputation. Positive interactions contribute to favorable perceptions, while negative experiences—particularly in service and complaint handling—may significantly undermine trust.

In this context, after-sales service represents a critical touchpoint where organizational values are verified in practice. As such, post-transaction processes directly influence both short-term image and long-term reputation, linking operational activities with strategic outcomes.

Recent research indicates that corporate image is increasingly shaped by customer experience and digital interactions (Verhoef et al., 2021).

Customer Experience

Customer experience refers to the overall perception formed through all interactions between the customer and the organization (Lemon & Verhoef, 2016). It encompasses cognitive, emotional, and behavioral responses that emerge throughout the customer journey.

Customer experience is a key determinant of satisfaction and loyalty. Positive experiences strengthen the relationship between the customer and the organization, while negative interactions may significantly affect customer perceptions and future behavior. This relationship is consistent with prior research indicating that customer satisfaction plays a crucial role in shaping customer loyalty (Anderson & Sullivan, 1993).

From a strategic perspective, customer experience should be managed as an integrated process rather than a set of isolated activities (Homburg et al., 2017). In particular, the alignment between transactional and post-transaction processes is essential for delivering a consistent experience.

In the post-transaction phase, customer experience is shaped by complaint handling, service quality, communication, and response time. These elements play a critical role in influencing customer satisfaction and long-term relationship outcomes. This is particularly relevant in service contexts, where post-transaction interactions significantly influence overall service evaluation (Wirtz & Lovelock, 2021).

More recent studies also indicate that customer experience has become a key driver of competitive advantage, particularly in digitally mediated environments (Becker & Jaakkola, 2020).

Therefore, after-sales service constitutes a key component of customer experience, linking operational processes with relational and strategic effects. From a value perspective, customer experience also contributes to financial performance through increased customer retention and relationship profitability (Rust et al., 2004).

Service Recovery

Service recovery refers to organizational responses to service failures and complaint situations. Effective recovery processes are critical for mitigating negative customer experiences and restoring trust.

The literature identifies three key dimensions of perceived fairness in service recovery: distributive, procedural, and interactional justice (Tax et al., 1998). Distributive justice relates to the outcome of the complaint, procedural justice to the fairness of the process, and interactional justice to the quality of interpersonal communication.

Research indicates that well-managed service recovery can not only reduce dissatisfaction but also strengthen customer relationships. The way in which a problem is handled may therefore be as important as the resolution itself.

In the context of after-sales service, complaint handling represents a critical moment of interaction, where customer expectations are verified in practice. As such, service recovery plays a key role in shaping customer perceptions and contributes directly to corporate image and reputation.

Recent research confirms that effective service recovery strategies play a critical role in maintaining customer relationships in increasingly complex service environments (Van Vaerenbergh et al., 2019).

Methodology

This study adopts a qualitative research approach in the form of a case study. This method is particularly suitable for analyzing complex organizational processes embedded in a real-life context and for answering “how” and “why” research questions (Yin, 2014).

The research was conducted in a company operating in the consumer electronics sector. The case was selected purposively due to data accessibility and the significance of after-sales service processes in the industry.

The empirical material covers the period 2022–2023 and includes several hundred service cases. Data sources consisted of internal organizational documents, complaint handling procedures, service system records, and customer communication logs. Specifically, the analysis focused on service metrics unique to the consumer electronics sector, such as warranty repair turnaround times, software troubleshooting queries, and hardware replacement procedures (e.g., RMA). By examining these industry-specific touchpoints, the study precisely tracked how technical support interactions influence customer perception. Additionally, the study incorporates participant observation of after-sales service processes, allowing for an in-depth understanding of operational practices.

To ensure analytical rigor, the study followed a structured research procedure. First, a literature review was conducted to identify key theoretical constructs. Second, empirical data were collected and organized according to the stages of the after-sales service process. Third, the data were coded and analyzed to identify recurring patterns in customer experiences and organizational responses. The coding process was iterative and focused on identifying recurring themes related to customer experience and after-sales service processes. Patterns were derived through repeated comparison of cases and cross-validation across data sources.

The data selection followed a purposive sampling logic, focusing on typical and recurring service issues as well as different stages of the complaint handling process. This approach enabled the identification of patterns in customer experiences and organizational responses.

Data analysis was qualitative and based on identifying key elements of after-sales service and their relationship with customer perceptions. The study applied data triangulation by combining multiple data sources, which enhances the reliability of the findings (Yin, 2014).

The analytical approach combined deductive and inductive reasoning. Existing theoretical frameworks guided the initial analysis, while empirical observations allowed for the identification of context-specific relationships and mechanisms.

Due to strict corporate confidentiality policies and Non-Disclosure Agreements (NDA), exact quantitative metrics (e.g., precise service volumes, complaint rotation rates, or performance indicators) cannot be publicly disclosed. To compensate for this limitation and ensure the highest analytical rigor, this study relies on a robust qualitative approach based on data triangulation. The validity of the findings is supported by cross-referencing multiple internal sources, including standard operating procedures (SOPs), qualitative logs of customer-agent interactions, and participant observation. By focusing on the 'how' and 'why' of the mechanisms rather than statistical generalization, the study maintains its empirical validity within the boundaries of corporate compliance.

The study is exploratory in nature and does not aim at statistical generalization. Instead, it seeks to provide an in-depth understanding of the mechanisms linking after-sales service with corporate image formation.

The validity of the findings was supported by consistency across multiple data sources and repeated observations of similar patterns in different service cases.

Results

The conducted case study allows for the identification of key mechanisms linking after-sales service processes with corporate image formation. The findings indicate that post-transaction activities act as a mediator between operational performance and strategic outcomes.

First, the quality of complaint handling has a direct effect on customer satisfaction. Efficient and transparent processes contribute to maintaining positive customer perceptions, even in situations involving service failures. In contrast, delays and lack of communication lead to a noticeable decline in satisfaction levels.

The analysis shows that the effects of operational issues are not always immediate. A decline in customer satisfaction tends to appear with a time lag of approximately several weeks to a few months. If not addressed promptly, negative evaluations may persist over an extended period, affecting overall customer perceptions.

A key factor influencing customer evaluation is the effectiveness of the first-time service resolution. Cases requiring repeated interventions are associated with significantly lower satisfaction levels and weaker customer trust. This highlights the importance of operational efficiency in shaping customer experience.

The key factors influencing customer perception identified in the study are summarized in Table 1.

Table 1. Key factors influencing customer perception in after-sales service

Factor	Impact on perception	Empirical Indicator / Example
Response time	High	Average resolution time within 24 hours reduces customer post-failure anxiety.
Communication quality	Very High	Utilization of empathetic, personalized updates in service logs instead of automated templates.
First-time resolution	Critical	Percentage of technical issues fully resolved during the initial contact, eliminating repeated inquiries.

Process transparency	High	Provision of real-time tracking links for repair status and explicit clarity on warranty coverage.
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Source: own elaboration

The findings also indicate that communication plays a critical role in moderating customer perceptions. Regular updates, transparency, and responsiveness reduce negative reactions, even when service processes are delayed. This is particularly relevant in the context of digital interactions, where online communication channels increasingly shape customer experience and perception (Rose et al., 2012).

Customer reactions also vary depending on the type of service issue. Technical failures tend to generate higher dissatisfaction compared to delays, while effective communication may significantly moderate customer perceptions in both cases.

Additionally, qualitative analysis of customer feedback reveals differences in expectations across markets. These observations are based on open-ended responses collected in customer satisfaction surveys and should be interpreted as exploratory findings. In some cases, customers place greater emphasis on timeliness, while in others, interpersonal communication and service attitude are more important.

Overall, the results confirm that after-sales service processes significantly influence customer satisfaction and perception, which in turn affect corporate image. These findings support the assumption that post-transaction processes play a strategic role in shaping organizational outcomes.

The findings of the empirical analysis are synthesized in the conceptual model presented in Figure 1.

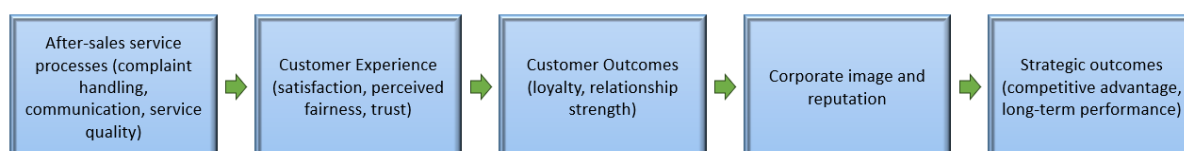


Figure 1. The mechanism linking after-sales service and corporate image

Source: own elaboration

Discussion

The findings of this study provide insights into the role of after-sales service in shaping corporate image from a strategic perspective. The results indicate that post-transaction processes function as a link between operational activities and long-term organizational outcomes. The conceptual model presented in this study is grounded in the empirical findings and reflects patterns observed in the analyzed case.

From the perspective of the resource-based view, after-sales service can be interpreted as a mechanism for developing intangible assets such as reputation and customer relationships (Barney, 1991; Teece, 2018; Helfat & Peteraf, 2015). The observations from the study indicate that service quality is associated with customer perceptions, supporting the argument that operational processes may contribute to the formation of strategic resources.

The results are also consistent with the customer experience literature (Lemon & Verhoef, 2016; Homburg et al., 2017; Becker & Jaakkola, 2020; McColl-Kennedy et al., 2023), which emphasizes the importance of managing all customer touchpoints in an integrated manner. In particular, the study highlights the role of the post-transaction phase in shaping overall customer experience and influencing future behavior.

The findings indicate that after-sales service may be incorporated into performance measurement systems, as traditional operational metrics may not fully capture its strategic relevance (Wirtz & Lovelock, 2021).

Furthermore, the study is consistent with the assumptions of service recovery theory (Tax et al., 1998; Van Vaerenbergh et al., 2019). The observations show that communication, responsiveness, and fairness in complaint handling are associated with customer perceptions. Previous studies demonstrate that effective service recovery can reduce dissatisfaction, while the present study shows that it may also contribute to maintaining positive customer relationships.

The study also identifies a delayed effect of operational issues on customer satisfaction. The observed time lag suggests that the consequences of service failures may not be immediately visible, which has implications for managerial decision-making and performance monitoring.

Overall, the findings of this study are consistent with prior research emphasizing the strategic importance of customer-related processes (Lemon & Verhoef, 2016; Homburg et al., 2017). Previous studies highlight the role of customer experience in shaping organizational outcomes, particularly in the context of customer satisfaction and loyalty.

However, the results of the present study extend this perspective by showing that after-sales service plays a critical role not only as a component of customer experience but also as a mechanism linking operational activities with strategic outcomes. This aspect is less explicitly addressed in existing literature.

The findings highlight the importance of treating after-sales service as a strategic element rather than a purely operational function. The integration of after-sales processes with strategic management may contribute to enhancing customer satisfaction, strengthening corporate image, and supporting long-term competitive advantage.

Conclusion

This paper examined the role of after-sales service in shaping strategic corporate image. The findings demonstrate that post-transaction processes play a significant role in linking operational performance with long-term organizational outcomes.

The study shows that after-sales service influences customer satisfaction, trust, and loyalty, which in turn affect corporate image and reputation. In this context, post-transaction processes should be considered a strategic component of organizational management rather than a purely operational function.

The main contribution of this study lies in identifying empirically grounded mechanisms through which after-sales service impacts corporate image, as well as highlighting the delayed effects of operational issues on customer perceptions.

From a managerial perspective, the results indicate that organizations should focus on improving complaint handling processes, enhancing communication with customers, and increasing the effectiveness of first-time service resolution. Integrating after-sales service with strategic management systems may contribute to strengthening customer relationships and achieving sustainable competitive advantage.

Organizations should also invest in training programs for service personnel, as interpersonal communication plays a crucial role in shaping customer perceptions during service interactions. Additionally, the integration of operational and strategic performance metrics may improve decision-making processes related to customer experience management.

This study has several limitations. The findings are based on a single case study and cannot be generalized to all organizations. Additionally, the qualitative nature of the research limits the possibility of statistical validation. Future research could extend the analysis by applying quantitative methods, examining multiple cases, or exploring industry-specific differences in after-sales service processes and their impact on corporate image.

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