

THE IMPACT OF CUSTOMER FEEDBACK ON SALES AND SERVICE PERFORMANCE: STRATEGIES FOR CONTINUOUS IMPROVEMENT WITH REFERENCE TO HARSHA TOYOTA

¹ Dr. R. Hareesh, ² Nagula Gangothri

¹ Professor, ² MBA Student

Department of MBA

Sree Chaitanya College of Engineering, Karimnagar

ABSTRACT

Customer feedback plays a vital role in enhancing organizational performance by providing valuable insights into customer expectations, satisfaction levels, and areas requiring improvement. In today's competitive business environment, organizations increasingly rely on customer feedback to improve product quality, service delivery, and overall customer experience. Effective collection and analysis of customer feedback help businesses identify strengths and weaknesses in their sales and service processes, enabling them to make informed decisions and implement corrective measures.

This study examines the impact of customer feedback on sales and service performance and explores various strategies for continuous improvement. It highlights how customer opinions, suggestions, and complaints contribute to improving customer satisfaction, increasing customer retention, and strengthening brand loyalty. The research also focuses on the methods used by organizations to gather feedback, including surveys, online reviews, social media interactions, and direct customer communication.

The findings indicate that organizations that actively monitor and respond to customer feedback achieve higher levels of operational efficiency, service quality, and sales growth. Continuous improvement strategies such as regular performance evaluation, employee training, customer-centric service design, and prompt resolution of customer issues significantly enhance business performance. Furthermore, integrating customer feedback into strategic planning helps organizations adapt to changing market demands and maintain a competitive advantage.

The study concludes that customer feedback is a critical tool for organizational success, serving as a foundation for continuous improvement in sales and service functions. By effectively utilizing customer insights, businesses can foster long-term customer relationships, improve service excellence, and achieve sustainable growth.

I. INTRODUCTION

Customer service

Customer service refers to the assistance and support provided by a company to its customers before, during, and after the purchase of a product or service. It is a critical business function that focuses on meeting customer needs, resolving complaints, answering queries, and ensuring customer satisfaction. In today's highly competitive marketplace, customer service has become an essential factor in building strong customer relationships and achieving long-term business success.

Effective customer service helps organizations understand customer expectations and deliver value through prompt, courteous, and efficient

interactions. It involves various activities such as handling inquiries, providing product information, addressing concerns, processing returns, and offering after-sales support. High-quality customer service enhances customer satisfaction, increases customer loyalty, and encourages positive word-of-mouth promotion.

With the advancement of technology, customer service has evolved beyond traditional face-to-face interactions to include telephone support, email communication, live chat, social media engagement, and self-service platforms. Organizations are increasingly adopting customer-centric approaches to ensure that every customer interaction contributes positively to the overall customer experience.



Customer service plays a vital role in improving organizational reputation, retaining existing customers, and attracting new ones. Companies that consistently deliver excellent customer service gain a competitive advantage and foster long-term relationships with their customers. Therefore, customer service is not merely a support function but a strategic tool for enhancing customer satisfaction, business performance, and sustainable growth.

NEED AND IMPORTANCE OF STUDY-

Increasing competition, ever growing market, easy availability of the finances and increasing population of young executives, with huge disposable incomes, over the past few years has substantially increased the sales in the automobile industry. Also, the competition among the dealers of the products has increased with each trying to maximize their customer base. This makes it imperative for the dealers to provide the best of the services and exceed the customer expectations to achieve customer delight and loyalty.

The study tries to understand the key service parameters and reflect upon the dysfunctional areas, thus providing the dealer with an insight into the level of customer satisfaction and changing trends of the customer expectations.

OBJECTIVE OF THE STUDY

To study and understand the key service parameters using Customer Satisfaction and reflect upon the low performing areas.

- To study about the customer satisfaction on the services provided by the dealers.
- To study the opinion of the customers regarding the availability and cost of spare parts.
- To study the opinion of the owners of cars regarding its features like mileage, price etc.
- To study the effect of advertisement on the customers to promote the product.
- To study the customer satisfaction with usage of their cars.
- To study the information resources that the customer using before purchasing the cars.

SCOPE OF THE PROJECT

The study aims to measure satisfaction level of the dealers regarding TOYOTA industries. The area within which the study was conducted regarding the information the primary data is collected in the form of questionnaire collected from the dealers in Rangareddy district. To sum up the project had within the scope of the study in the area of “EFFECTIVENESS of SALES and SERVICE” of TOYOTA dealers in the district for a particular time.

The research measures the experiences of customers. Defines and analyses the experiences based on key deliverables. Gains insights into Customer expectations.

II. RESEARCH METHODOLOGY

Date Sources:

Primary Data:

The data is collected directly from each and every customer.

Pilot Survey

A pilot survey was conducted to understand the factors, which would positively influence the customer. Personal Interviews totaling 20 were conducted for the sales team, potential customers and the existing customers of Toyota Motors Pvt. Ltd.. The factors scoring high in the interviews were considered to be the key deliverables.

Survey Research:

The research was done to learn about people's preferences and satisfaction of the Toyota Motors Pvt. Ltd. customer.

Research Tool:

Questionnaire (primary tool- attachment 1)

Interview through questionnaire method was employed for the research purpose. The questionnaires were individually administered to each customer to ensure minimum scope for faulty data entry and error of understanding. This method also gave the interviewer the scope of entering into a dialogue and understanding the customer's perception better.

The questionnaire tried to capture the responses of the customers mainly on the key deliverables, derived from the pilot survey conducted, and a few



questions have been included to gauge the level of satisfaction and to gain insight into customer expectations.

Unstructured interview

The interview complemented the primary research tool and helped deliver into details of responses provided by the customers. This not only validated the responses of the customers but also helped the interviewer understand the expectations of the customers.

Sampling Unit: In this study the sampling unit used is the existing customer base of TOYOTA. Selection is made from the list of Customers during the last one year.

Sampling Size: Sample size was chosen to be 100.

Sampling Procedure: Simple Random Sampling.

In simple random sampling, each member of the target population has the same chance of being selected for participation in the study. For a sample to truly be a simple random sample we need to develop a list or sampling frame that includes almost all of the population, then from this we randomly pull names from the sampling frame using some kind of random method such as a random number table or a random number generator. Finally, numbers are assigned to all members of the population and pull the names of those members whose numbers are pulled from the table or generator.

The biggest advantage to a simple random sample is that we get a pretty good unbiased sample fairly easily. The biggest downside is that we may not get all elements of the population that are of interest.

LIMITATIONS:

- The study is limited to a specific organization and may not represent the entire industry.
- The sample size selected for the study is limited.
- The study is based on customer responses, which may be influenced by personal opinions and perceptions.

- Time available for conducting the research was limited.
- Some respondents may not have provided accurate or complete information.
- The study focuses only on selected aspects of customer feedback and sales and service performance.
- Changes in customer preferences and market conditions during the study period were not considered.
- Access to certain confidential company data was restricted.
- The findings may not be applicable to all organizations or geographical regions.
- Financial and resource constraints limited the scope of the research.
- The study relies mainly on primary data collected through questionnaires and interviews.
- External factors affecting sales and service performance were not examined in detail.

III. REVIEW OF LITERATURE

CUSTOMER SATISFACTION

Concept Identification-

As organizations become increasingly customer focused and driven by demand, the need to gain customer loyalty and retain their loyalty is critical. Customer satisfaction is the most effective way to achieve customer loyalty. Customer satisfaction and customer loyalty share many similar traits. Customer value is the customer's perception of the ratio of benefits to what he or she gives to obtain those benefits. The customer Value Triad is a framework used to understand what it is that customers want. The framework consists of three parts: (1) perceived product quality, (2) value-based pricing, and (3) perceived service quality.

Customers are satisfied, when value meets or exceeds expectations. If their expectations of value are not met, there is no chance of satisfying them. Figuring out what the customers want, however, is a difficult and complex process. To be able to create and deliver customer value is important to understand its components. On the most



basic level, value from a customer's perspective is the ratio of benefits to the risks being taken while buying the product.

UNDERTAKING THE KEY DELIVERABLES

Human interaction

Customer service is a task, other than proactive selling, that involves interactions with customers in person, by telecommunications, or by mails. It is designed, programmed and communicated with two goals in mind: operational efficiency and customer satisfaction.

A typical categorization of the services based on who performs the action within the services cape can be

1. Self-service (customer only)- ATM, Movie Theater
2. Interpersonal services-banks, restaurants
3. Remote services (employee only) – telephone mail order desk.

The superiority of the product has to be complemented with a high quality of services, which gives a competitive edge to the organization. A high standard of service is what sets apart one organization from another, and ultimately attracts the customer to the doorsteps.

Services at the showroom fall in the second category where there is a high complexity of interaction and hence it becomes necessary for the personnel to be adept in responding to the customer cognitively, emotionally and psychologically.

The various aspects and characteristics of service provision, which have been taken into consideration of a customer bikee team/ sales consultant are

1. Politeness
2. Courteousness
3. Product knowledge
4. Process knowledge
5. Communication skills
6. Responsiveness and supportiveness.

Product information

Consumers obtain information about products and services from personal sources (friends

and experts) and from the non-personal sources (mass and selective media).

When purchasing goods, consumers employ both personal and non-personal sources since both effectively convey information about search qualities.

This is especially true for high involvement products such as bikes, two-wheelers, durables etc.

Mass media can convey information about search qualities but can convey a little about experience qualities. Also, mass media cannot elaborate on the finer aspects and hence it becomes imperative for a showroom to provide the complete information about the product, pricing and the offers.

The showroom can provide information by adopting the below mentioned list

1. Broachers, leaflets and pricelists – easy reference and handy.
2. Sales consultant
3. Test drive – hands-on experience.

Broachers, leaflets and pricelist are the basic sales tools, which elaborately give the product specifications, promotional offers and schemes at hand and the pricing of various models at display.

Sales consultant has to be knowledgeable to understand the nuances of the specification and should be able to convey the same to the prospective customers. The sales consultants handle the various queries (technical and commercial) and clears the impending doubts of the inquisitive customer.

Test drive – the last part in providing information to the customer and gives the customer a hands – on experience of the product performance

Time and Promptness.

One of the factors, which has to match the eagerness and the enthusiasm of the customer is quick and prompt delivery of the service.

After the customer has made a decision to go ahead with the purchase the next logical sequence of steps would be a process the required documents, book the order, confirm the order, inform the customer about the date of delivery and prepare the required documents for the delivery of the vehicle.



Order booking-This is the process where the onus lies completely on the personnel dealing with the customer. The customer has to be given the right information regarding the documents, time taken to process the documents and close the deal.

It is also the responsibility of the various departments involved to provide a quick service to ensure that the customer has a good and satisfying experience.

Delivery on date and time- once the product is delivered it can be assumed that a sale has been done. The paper work to be bikieried out has to be done at a quick pace. This can be observed in the responses of those 25% of customers who reported a slack in the delivery process. Deviation from promised date and time can lead to a lot of inconvenience to the customers, thereby leading to a bad experience.

Consistency

“Nothing is consistent by change.”

Consistency is a matter of experience. The expectation of service grows from every experience the customer has during the sales process. For eg., the customer would expect the same responsiveness from the sales person during the order processing as it was during the pre-sales, any aberration would create a sense of insecurity and would thereby breach the bond of trust established between them.

Inconsistency in service is caused by ever changing expectations of the customer. This poses a challenge of maintaining the quality of service in every “encounter”. The expectations are not just related to the profile of the customer but also to the occasion and moods, service firms find it difficult to meet the expectations of the customers all the time without affecting the quality of service.

Furthermore, the characteristic of perish ability makes the service non-storable. They exist while they are being delivered / consumed. This poses the management, problem of managing the match and capacity planning.

In the analysis we have chosen to analyze the consistency maintained in offering services relating to the human interaction as well as the

processing of the documents. This becomes important in the light of these services being offered in pre-sales and post sales scenario, and gauging the consistency levels at these two stages gives a fair idea of the consistency maintained in the services offered.

Consistency in human interaction is observed in the pre-sales, order processing and post sale stages.

Convenience

The objective of the customer bikee personnel is to provide convenient and comfortable service and not to push the customer to make the purchase. While basic facilities are made available, the customer bikee personnel have to make sure that customer doesn't feel any inconvenience while the sales process is on.

Convenience does not only refer to the physical comforts such as seating, availability of rest rooms etc. but also to mental convenience a in helping out the customer to reach a decision, providing relevant information to the customer for evaluating the various options, making sure that it is one-stop shop (additional accessories being made available like stereo systems, reverse gear buzzers etc.) explain the basic functionally of the product etc.

It is helpful to offer customers information in printed form; good signing is very important at service delivery points and on self-service equipment. The customer bikee personnel have to make the first move and approach the visitors instead of making the visitors ask for some guidance. The visitors have to be communicated how to use and how not to use the facilities at offer. The concentration has been focused on checking the convenience of the customers on aspects such as

1. Timings
2. Test drive
3. Availability of accessories
4. Sufficient fuel to reach the nearest petrol station
5. Wide range of finance options made available at the showroom

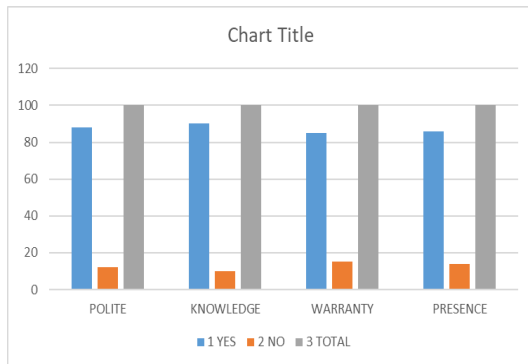


6. Imparting the basic mechanical functionalities of the bike.

IV. DATA ANALYSIS & INTERPRETATION

Table-1
Human Interaction

SNO	OPINION	POLITE	KNOWLEDGE	WARRANTY	PRESENCE
1	YES	88	90	85	86
2	NO	12	10	15	14
3	TOTAL	100	100	100	100



Inferences

The graph clarity indicates that approximately 90% of the customers are positive about the human interaction at the showroom.

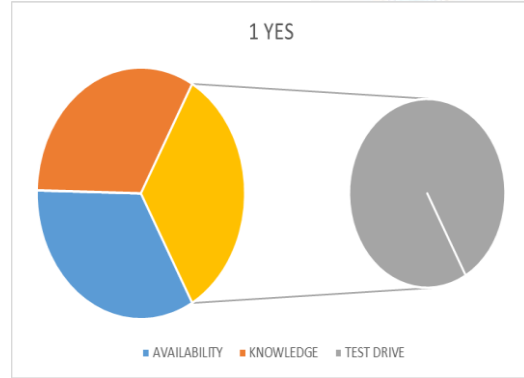
Interpretation

The personnel score a high 93% (approx.) in being courteous, polite, knowledgeable and communicating the warranty and schedule but there is a slight decrease in the attention provided at the time of delivery, which is area to concentrate. Nevertheless, the overall human interaction is above the acceptable levels.

Table-2

Product Information

SNO	OPINION	AVAILABILITY	KNOWLEDGE	TEST DRIVE
1	YES	88	86	88
2	NO	12	14	12
3	TOTAL	100	100	100



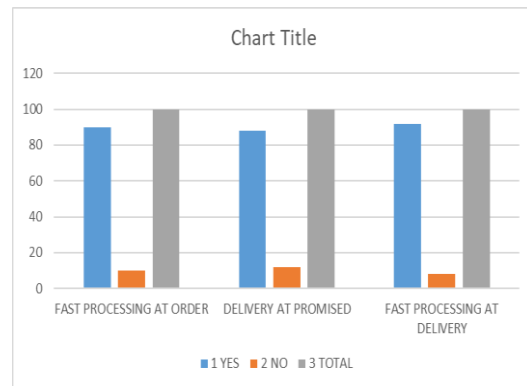
Interpretation

The showroom scores high in providing the relevant product information and is leaving no stone unturned to provide the specific information needs of the customers. This also reflects that the customer cars personnel are well- equipped with the product information. At most cars has been taken to ensure that the customers are provided with the product information

Table-3

Time & Promptness

SNO	OPINION	FAST PROCESSING AT ORDER	DELIVERY AT PROMISED	FAST PROCESSING AT DELIVERY
1	YES	90	88	92
2	NO	10	12	08
3	TOTAL	100	100	100



Inferences

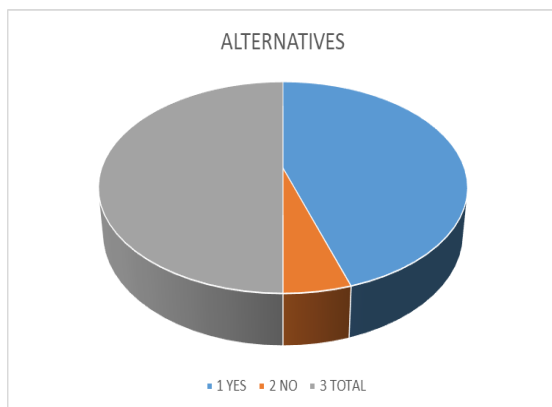
84% of customers have responded positively about the work being bikeried out quickly. 25% of the customers are unhappy about the promptness in the delivery of the vehicle. Approximately 75% of the customers feel that the processing was fast.



Table-4

Consistency in Human Interaction

SNO	OPINION	ALTERNATIVES	ALTERNATIVES
1	YES	90	88
2	NO	10	12
3	TOTAL	100	100



V. FINDINGS

- Toyota Motors Pvt. Ltd enjoys a high patronage from its customers.
- Most of the customers had a good experience of shopping at Toyota Motors Pvt. Ltd.
- The satisfaction levels can also measured with the level of recommendations to friends and associates; It is evident that more than 80% customers are satisfied with the service offered at Toyota Motors Pvt. Ltd.
- The probability that the customers would repeat that purchase at the same showroom is high, which is a good sign.
- The sale satisfaction index of Toyota Motors Pvt. Ltd showroom is 8.4 on scale of ten which is exceptionally good; the showroom should persist on high levels of commitment to maintain the good image it has created. The industry SSI (2003) is 104 out of 126 according to power Asia pacific. And Toyota Motors Pvt. Ltd scores 105 out of 125.

VI. SUGGESTIONS

1. Improve customer attention and support during the **vehicle delivery process**.
2. Reduce delivery delays and ensure **timely vehicle handover** to customers.
3. Continue regular training programs to maintain the high standards of sales personnel.
4. Strengthen follow-up communication with customers after sales and service.
5. Expand awareness campaigns through advertisements and events to complement word-of-mouth publicity.
6. Introduce more flexible and customer-friendly **payment options and billing periods**.
7. Enhance digital communication channels for customer queries and feedback.
8. Maintain adequate stock of brochures, leaflets, and product information materials.
9. Continue offering test drives to all prospective customers.
10. Improve service efficiency further to increase customer satisfaction levels.
11. Expand service accessibility to semi-urban and rural areas.
12. Regularly collect and analyze customer feedback for continuous improvement.

VII. CONCLUSION

Customer feedback plays a crucial role in evaluating and improving sales and service performance. The study reveals that customers are highly satisfied with the professionalism of showroom personnel, the availability of product information, service quality, pricing, and overall convenience offered by Toyota Motors. Most customers appreciate the prompt service, test-drive facilities, and finance options provided by the showroom. However, certain areas such as vehicle delivery attention, delivery promptness, and payment flexibility require improvement. By addressing these concerns and continuously monitoring customer feedback, Toyota Motors can further enhance customer satisfaction, strengthen customer loyalty, and achieve sustained growth in



a highly competitive market. Overall, the company maintains a strong customer-oriented approach and enjoys a positive reputation among its customers.

BIBLIOGRAPHY

Books:

Principles of marketing: KOTLER ARMSTRONG.

Marketing Management: PHILIP KOTLER. (Analysis , Planning Implementation and Control)

Services Marketing : TATA Mc GRAHILL.

Marketing Research : G.C.BERI.

Research Methodology : KOTHARI. C.R.

Websites:

www.toyota.com

www.bus.umich.edu

<http://www.asq.org>

www.toyota.com