

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

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ABSTRACT

Sales and service management play a crucial role in the success and growth of any organization. Effective sales strategies help businesses attract new customers, increase revenue, and expand market share, while quality service management ensures customer satisfaction, loyalty, and long-term relationships. In today's competitive business environment, organizations must integrate sales and service functions to meet customer expectations and achieve sustainable growth.

This study focuses on the importance of sales and service management in improving organizational performance. It examines various sales techniques, customer relationship practices, service quality standards, and after-sales support systems that contribute to customer satisfaction. The study also highlights the role of technology, employee training, communication, and feedback mechanisms in enhancing service delivery and sales effectiveness.

Furthermore, the research analyzes the challenges faced by organizations in managing sales and service operations and suggests strategies for continuous improvement. The findings indicate that organizations that maintain a strong balance between sales performance and service excellence are more likely to achieve higher customer retention, increased profitability, and a stronger competitive position in the market.

I. INTRODUCTION

Sales and service are two fundamental functions that contribute significantly to the success of any business organization. Sales involve the activities related to identifying customer needs, promoting products or services, and converting prospects into customers. Service, on the other hand, focuses on providing support before, during, and after the sale to ensure customer satisfaction and build long-term relationships.

In today's highly competitive market environment, organizations must not only focus on increasing sales but also on delivering excellent customer service. Customers expect quality products, timely assistance, personalized attention, and efficient problem resolution. Therefore, the integration of sales and service functions has become essential for achieving customer satisfaction, loyalty, and sustainable business growth.

Effective sales management helps organizations achieve revenue targets, expand market reach, and

strengthen their competitive position. Similarly, efficient service management enhances customer experience, increases customer retention, and improves brand reputation. Together, sales and service create value for customers and contribute to the overall performance of the organization.

Technological advancements such as Customer Relationship Management (CRM) systems, digital marketing platforms, data analytics, and online support services have transformed the way businesses manage sales and customer service. These tools enable organizations to better understand customer preferences, respond quickly to customer needs, and improve operational efficiency.

This study aims to examine the importance of sales and service management, their impact on customer satisfaction and organizational performance, and the strategies that can be adopted to enhance sales effectiveness and service quality. Understanding the relationship between sales and service is essential



for businesses seeking long-term success in an increasingly customer-centric marketplace.

Need and Importance of Study-

The study of sales and service management is essential because these functions directly influence customer satisfaction, business profitability, and organizational growth. In the current competitive business environment, customers demand high-quality products along with efficient and reliable services. Organizations must therefore focus on improving their sales processes and service quality to attract new customers and retain existing ones.

The need for this study arises from the increasing importance of customer-centric business practices. Understanding customer expectations, buying behavior, and service requirements helps organizations develop effective sales strategies and provide superior customer experiences. A well-managed sales and service system contributes to increased customer loyalty, enhanced brand image, and sustainable competitive advantage.

This study is important because it helps identify the factors that affect sales performance and service quality. It provides insights into customer relationship management, employee performance, communication effectiveness, and after-sales support. The findings of the study can assist organizations in developing strategies to improve customer satisfaction, increase sales revenue, and strengthen long-term customer relationships.

Furthermore, the study highlights the role of modern technologies such as customer relationship management (crm) systems, digital marketing tools, and online service platforms in enhancing sales and service operations. It also helps organizations understand the challenges faced in sales and service management and adopt appropriate measures for continuous improvement.

Thus, the study is significant for managers, employees, customers, and organizations as it contributes to better decision-making, improved operational efficiency, higher customer retention, and overall business success.

OBJECTIVE OF THE STUDY

To study the effectiveness of sales and service management in enhancing customer satisfaction and organizational performance.

1. To analyze the sales strategies adopted by the organization to increase market share and revenue.
2. To evaluate the quality of customer service provided by the organization.
3. To examine the relationship between sales performance and customer satisfaction.
4. To identify the factors influencing customer purchasing decisions and service expectations.
5. To assess the effectiveness of after-sales service in retaining customers.
6. To study the role of Customer Relationship Management (CRM) in improving sales and service operations.
7. To understand customer perceptions regarding product quality, service quality, and overall satisfaction.
8. To identify the challenges faced by the organization in managing sales and service activities.
9. To suggest measures for improving sales efficiency and service quality.
10. To evaluate the impact of employee performance and training on sales and customer service effectiveness.
11. To study the role of technology and digital platforms in supporting sales and service functions.
12. To provide recommendations for achieving long-term customer loyalty and business growth through effective sales and service management.

SCOPE OF THE PROJECT

The scope of this project is to study and analyze the sales and service management practices of an organization and their impact on customer satisfaction, customer retention, and overall business performance. The project focuses on understanding the effectiveness of sales activities, service quality,



customer relationship management, and after-sales support provided by the organization.

The study covers various aspects of sales and service management, including sales planning, customer acquisition, customer service processes, complaint handling, service delivery, and customer feedback mechanisms. It also examines the role of employees, technology, and communication systems in enhancing sales performance and service quality.

The project aims to evaluate customer perceptions regarding the products and services offered by the organization and identify factors that influence customer satisfaction and loyalty. It further analyzes the effectiveness of Customer Relationship Management (CRM) practices and the impact of after-sales service on maintaining long-term customer relationships.

The findings of the study will help the organization identify strengths and areas for improvement in its sales and service operations. The recommendations provided can assist management in developing effective strategies to improve customer satisfaction, increase sales revenue, enhance service quality, and achieve sustainable business growth.

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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors 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 **Hero MotoCorp Ltd.** (Formerly Hero Honda Motors 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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.). 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 restricted in scope of owing to the following limitations:

- Due to constraint of time only city of Hyderabad is selected and so it cannot claim to be a comprehensive study of the population.
- The sample size is restricted to 100 respondents.

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 bikeried 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.

CUSTOMER SATISFACTION

AN INSIGHT

According to Harold E Edmondson “ Customer Satisfaction” seems to appear in print more frequently than any other catch phrase used to



describe a new found magic for industrial success. Before we proceed in to the study of the dynamics of Customer Satisfaction it is important to know about, who a customer is and what satisfaction really means.

Who really is a Customer?

The question of defining who your customers are seems fairly easy particularly if you have segmented your market properly and understand who you are trying to satisfy. However subtlety that frequently goes undetected by many firms is that is that customer set can be divided into two parts, the apparent customer and the user. The apparent customer is the person or group of people who decide what product to buy and basically have control over the purse strings. The user is a person or group who physically uses the product or is the direct recipient of a service.

What does satisfaction really mean?

As in defining customer above, defining satisfaction also appears simple. However as with customer there is a subtlety that needs addressing. Satisfaction by most definitions simply means meeting the customer's requirement.

Customer satisfaction is a concept that more and more companies are putting at the heart of their strategy, but for this to be successful they're needs to be clarity about, what customer satisfaction means and what needs to happen to drive improvement. Without this, there is a risk that customer satisfaction becomes little more than a good intention, with confused objectives failing to address the real issues for customers, one helpful way to look at the problem is to rephrase the objectives: set the sights on helping the customers meet their goals. Customer satisfaction can be defined in many different ways. Finding the right way for a company depends on understanding your customer and on having a clear vision of the role that customer satisfaction is to play in the strategy. For example, a focus on customer satisfaction can work alongside existing segmentations to support revenue generation from high value customers or it can be a company-wide objective rooted in the brand

values. For the former, it may be sufficient to focus on improving customer service, but for the latter a broader definition of customer satisfaction is necessary, closer akin to corporate reputation.

Whatever the strategy for customer satisfaction, it must at least include getting the basics right. Failing to achieve this can destroy the reputation as well as losing valuable customers. Every customer, regardless of their economic worth to the business, has the power to influence – positively or negatively – a company's reputation. Once the objectives for the customer satisfaction strategy are defined there are a number of steps we can take to make sure the focus on customer satisfaction is effective.

Building a company around Customer Satisfaction -

With the increase in customer's demands and competition it has become a lot more important to base the entire company on customer service. When doing this one must first realize that every member of an organization plays an active role in customer service. This includes both external customers and internal customers within a company.

Customer focused organizations focus both on customer satisfaction and profit. Achieving customer satisfaction generates the profit. In these organizations top management has frequent contacts with external customers. The top management uses consultative, participative, and supportive management styles to get through to the customer. The staff focuses all of its attention on satisfying the customer's needs. However, the management's job is to provide the staff with support necessary to achieve these goals. The other department and staff in the organization that do not have direct contact with the external customers deal exclusively with internal customer satisfaction.

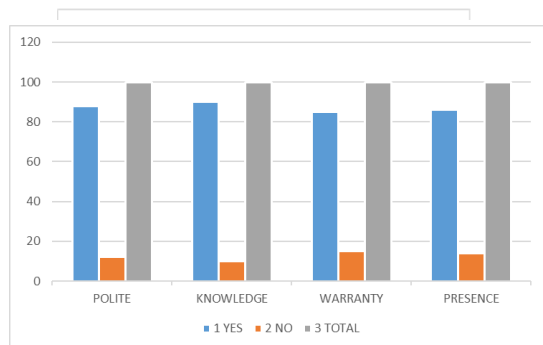
IV. DATA ANALYSIS& INTERPRETATION



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

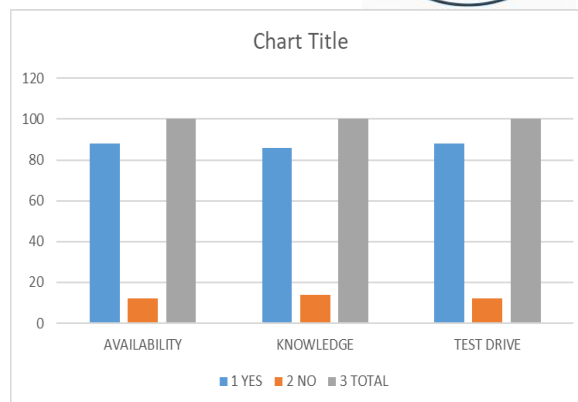
Interpretation

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



Inferences

The graph shows that the brochures, leaflets and price list are readily available. Approx. 85% of the customers agree that the sales consultant was knowledgeable and was adept in handling the queries of the customers. And almost every customer was offered a test drive (96%).

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

V. FINDINGS

- Around 90% of the customers expressed satisfaction with the human interaction at the showroom, indicating positive customer relations.
- Approximately 93% of customers felt that the showroom personnel were courteous, knowledgeable, and effective in communicating warranty and service schedules.
- Customer attention during vehicle delivery was comparatively lower, indicating a need for improvement in the delivery process.
- About 85% of customers agreed that brochures, leaflets, and price lists were readily available and that sales consultants were capable of answering customer queries.



- Nearly 96% of customers were offered a test drive, reflecting the showroom's commitment to assisting customers in making informed decisions.
- Around 84% of customers were satisfied with the speed of processing and service delivery.
- About 25% of customers were dissatisfied with the promptness of vehicle delivery, indicating delays in delivery schedules.
- The showroom achieved a high level of convenience, with 80% of customers utilizing finance options provided by the company.
- Friends were the major source of awareness (40%), followed by advertisements (24%), events (20%), consultants (10%), and tele-calls (6%).
- Brand name was the most influential factor in purchase decisions (40%), followed by product features (30%), service quality (20%), and all factors combined (10%).
- Service quality was rated as excellent by 60% of customers, very good by 20%, good by 10%, and average by 10%.
- About 80% of customers received their orders on the same day, while 20% received them within a week.
- Nearly 96% of customers were satisfied with the pricing of HERO Motors services and considered them competitive.
- Only 10% of customers were satisfied with the payment period provided for bill settlement, while 90% expressed dissatisfaction.

VI. SUGGESTIONS

1. Improve customer attention and engagement during the vehicle delivery process to enhance the overall purchase experience.
2. Reduce delivery delays by strengthening inventory management and delivery scheduling systems.
3. Continue providing detailed product information through brochures, demonstrations, and knowledgeable sales staff.

4. Conduct regular training programs for sales and service personnel to maintain high standards of customer interaction.
5. Strengthen after-sales service and customer follow-up activities to improve customer retention and loyalty.
6. Expand promotional activities through advertisements and digital marketing channels to increase customer awareness.
7. Introduce more flexible payment terms and billing options to address customer dissatisfaction regarding payment periods.
8. Enhance finance schemes and offer customized financing solutions to attract more customers.
9. Collect customer feedback regularly and take corrective actions to address customer concerns promptly.
10. Expand service network coverage to rural and semi-urban areas to increase market penetration.
11. Introduce online booking, service tracking, and customer support facilities to improve convenience and customer satisfaction.
12. Maintain competitive pricing while continuously improving service quality to strengthen the company's market position.

VII. CONCLUSION

The study reveals that HERO Motors has achieved a high level of customer satisfaction in both sales and service operations. Customers are particularly satisfied with the professionalism of showroom personnel, availability of product information, test drive facilities, competitive pricing, and overall service quality. The company's strong brand image and customer-oriented approach have contributed significantly to its positive market reputation. However, certain areas such as vehicle delivery attention, prompt delivery schedules, and flexibility in payment periods require improvement. Addressing these issues can further enhance customer satisfaction and loyalty. The study also highlights the importance of effective communication, after-sales service, and customer



relationship management in achieving long-term business success.

Overall, HERO Motors demonstrates strong performance in sales and service management. By implementing the suggested improvements and maintaining its focus on customer satisfaction, the company can strengthen its competitive advantage, increase customer retention, and achieve sustained growth in the automobile market.

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