



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

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ABSTRACT

Together, sales and service are the backbone of every profitable company strategy, since they generate income and foster loyalty among consumers. A salesperson's job is to find out what their customers need, then show them how their product or service can meet those requirements, negotiate the terms of the purchase, and finally close the deal. Service, on the other hand, is concerned with assisting buyers at every stage of the buying process to guarantee their happiness and continued patronage. Integrating sales and service processes is crucial for providing consistent value, improving brand reputation, and generating sustainable development in today's customer-centric and competitive economy. Digital transformation, the function of technology like CRM systems and AI in optimising processes, and the relationship between sales and service are all topics covered in this abstract. Additionally, it discusses how personalisation, staff training, and customer feedback are crucial to providing a smooth and responsive experience for customers.

I. INTRODUCTION

Customer service

Customer service is the provision of service to customers before, during and after a purchase.

According to Jamier L. Scott. (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation."

Its importance varies by product, industry and customer; defective or broken merchandise can be exchanged, often only with a receipt and within a specified time frame. Retail stores will often have a desk or counter devoted to dealing with returns, exchanges and complaints, or will perform related functions at the point of sale.

Customer service may be provided by a person (e.g., sales and service representative), or by automated means called self-service. Examples of self service are Internet sites. However, In the Internet era, a challenge has been to maintain and/or enhance the personal experience while making use of the efficiencies of online commerce. Writing in Fast Company, entrepreneur and customer systems innovator Micah Solomon has made the point that "Online customers are literally invisible to you (and you to them), so it's easy to shortchange them emotionally. But this lack of visual and tactile presence makes it even more crucial to create a sense of personal, human-to-human connection in the online arena."

Customer service is normally an integral part of a company's customer value proposition. In their book *Rules to Break and Laws to Follow*, Don Peppers and Martha Rogers, Ph.D. write that "customers have memories. They will remember you, whether you remember them or not." Further, "customer trust can be



destroyed at once by a major service problem, or it can be undermined one day at a time, with a thousand small demonstrations of incompetence."

From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement.

Some have argued that the quality and level of customer service has decreased in recent years, and that this can be attributed to a lack of support or understanding at the executive and middle management levels of a corporation and/or a customer service policy.

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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) 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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) .

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

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.



II. 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.

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.

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.



The Influence of the salesperson in Customer Satisfaction-

In an article titled, "The influence of salesperson selling behavior on customer satisfaction with products," Brent G.Goff and James S. Boles examine the effects of non-product related construct on customer satisfaction with major retail purchases such as automobiles. The article states that salesperson's selling orientation- customer orientation (SOCO) will affect not only consumer satisfaction with the salesperson and dealer, but also indirectly, satisfaction with the product or manufacturer.

Internal Marketing – how it affects Customer Satisfaction –

Successful companies make every effort to ensure satisfaction to their customer by focusing all organizational efforts of the company on providing superior customer service. By doing this these companies hope to retain their existing customers and attract new ones. Only angle of customer satisfaction commonly overlooked is the internal aspect.

The internal customer or employee plays a vital role in achieving customer satisfaction and loyalty. Some firm's do not understand that the treatment of internal customers becomes the external customers' perception of the company. A firm's employees or other departments within the organization make up its internal customers. Their job performance affects the firm's ability to deliver superior product and customer service (Boone and Kurtz, 1999).

Sales

A **sale** is the pinnacle activity involved in selling products or services in return for money or other compensation. It is an act of completion of a commercial activity.

A sale is completed by the seller or the provider of the goods or services to an acquisition or appropriation or request followed by the passing of title (property or ownership) in the item and the application and due settlement of a price, the discharge of or any claim upon the item. The purchaser, though a party to the sale, does not execute the sale, only the seller does that. To be precise the sale completes prior to the payment and gives rise to the obligation of payment. If the seller completes the first two above stages (consent and passing ownership) of the sale prior to settlement of the price, the sale is still valid and gives rise to an obligation to pay.

Marketing potentially negates need for sales

Some sales authors and consultants contend that an expertly planned and executed marketing strategy may negate the need for outside sales entirely. They suggest that by effectively bringing more customers "through the door" and enticing them to contact you, sales organizations can dramatically improve their results, efficiency, profitability, and allow salespeople to provide a drastically higher level of customer service and satisfaction, instead of spending the majority of their working hours searching for someone to sell to.

While this theory is present in a few marketing consulting companies the practical and realistic application of this principle has not been widely proven in the market and sales forces worldwide continue to be responsible for developing business as well as closing it.

Some marketing consulting firms postulate that each selling opportunity at each enterprise lies on a continuum of numbers of people involved, necessary degree of face-to-face interaction, overhead, and through-put time, to name a few dimensions. The number of people involved in actual face-to-face selling at, say, a clothing store is probably vastly different from that at an on-line book-seller.



Industrial marketing

The idea that marketing can potentially eliminate the need for sales people is entirely dependent on context. For example, this may be possible in some B2C situations however, for many B2B organizations (for example industrial organizations) this is mostly impossible. Another dimension is the value of the goods being sold. Fast Moving Consumer Goods (FMCG) require no sales people at the point of sale to get them to jump off the supermarket shelf and into the customer's trolley. However, the purchase of large mining equipment worth millions of dollars will require a sales person to manage the sales process. Particularly in the face of competitors.

Sales and marketing alignment and integration

Another key area of conversation that has arisen is the need for alignment and integration between corporate sales and marketing functions. According to a report from the Chief Marketing Officer (CMO) Council, only 40 percent of companies have formal programs, systems or processes in place to align and integration between the two critical functions.

Traditionally, these two functions, as referenced above, has been largely segmented and left in siloed areas of tactical responsibility. In Glen Petersen's book, "The Profit Maximization Paradox," the changes in the competitive landscape between the 1950s and today are so dramatic that the complexity of choice, price and opportunities for the customer forced this seemingly simple and integrated relationship between sales and marketing to change forever. Petersen goes on to highlight that salespeople are spending approximately 40 percent of their time preparing customer-facing deliverables while leveraging less than 50 percent of the materials created by marketing, adding to the perception that marketing is out of touch with the customer, and sales is resistant to messaging and strategy.

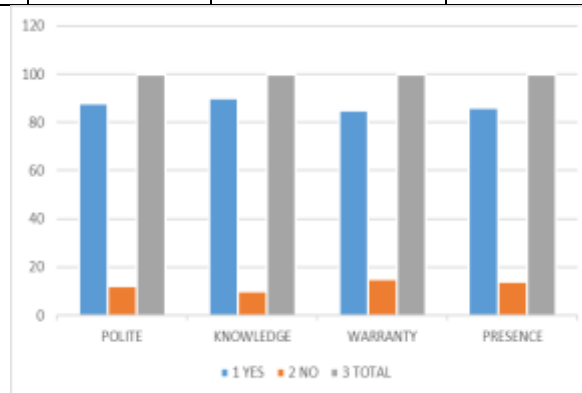
Internet applications, commonly referred to as Sales 2.0 tools, have also increasingly been created to help align the goals and responsibilities of marketing and sales departments.

III. 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

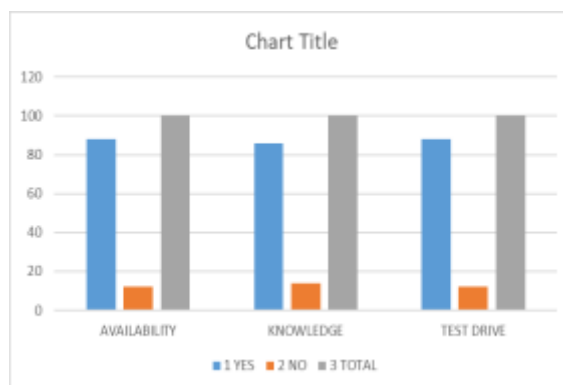
The graph clarity indicates that approximately 90% of the customers are positive about the human interaction at the showroom.

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



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

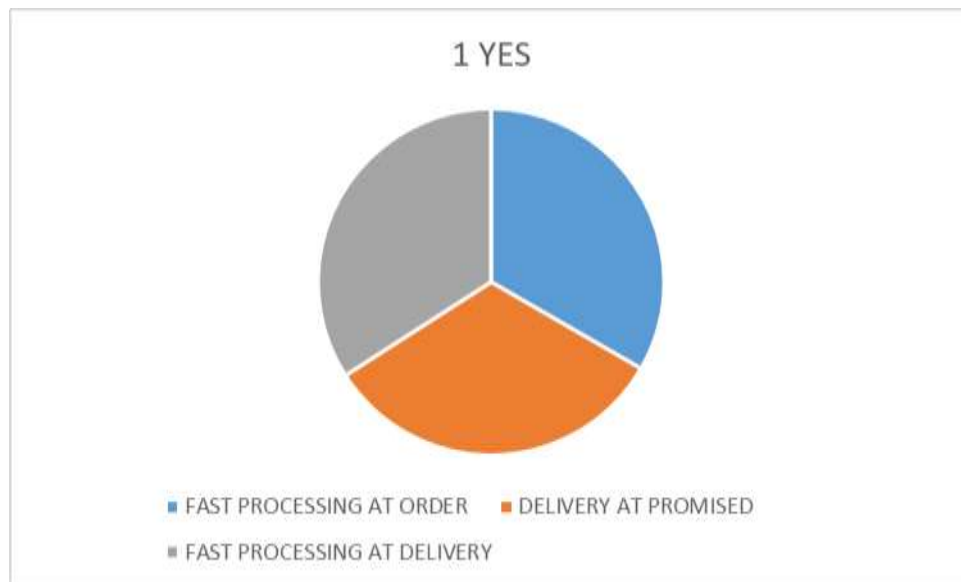
The showroom scores high in providing the relevant product information and is leaving no stone unturned to provide the specific information needs of the customers. This also reflects that the customer cars personnel are well- equipped with the product information. At most cars has been taken to ensure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



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 bikieried 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

Inferences

Consistency in processing.

The customers have responded positively, about 80% (avg.) of them observing that the processing has maintained a consistent level.

Consistency in Human interaction

The interaction with the customers has fallen from 93% prior to the sale to 86% after the sale is done.

Interpretation

The showroom maintains a consistency level of 85% (avg. of processing consistency and consistency in human interaction), which is acceptable.



Table-5

Consistency in Human Interaction

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

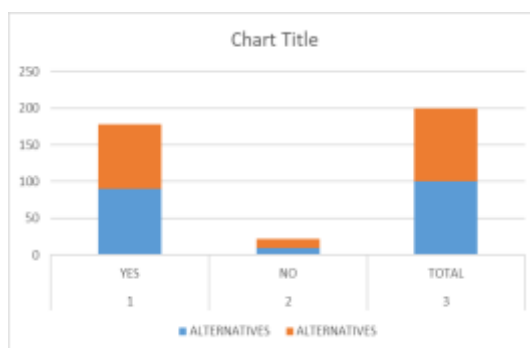
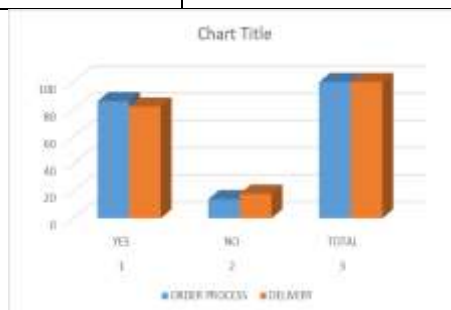


Table-6

Consistency in processing

SNO	OPINIONS	ORDER PROCESS	DELIVERY
1	YES	86	82
2	NO	14	18
3	TOTAL	100	100



Convenience

Inferences

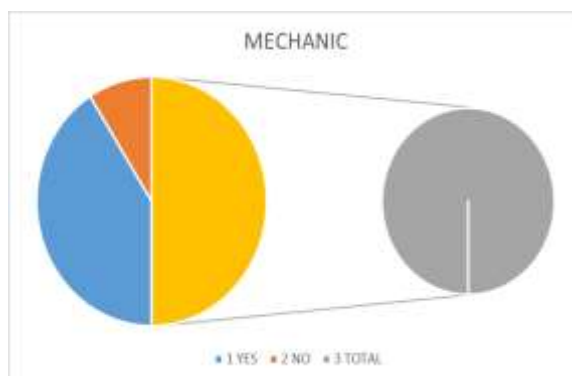
The showroom scores a very high percentage in providing convenience to the customers.

Interpretation

Though there are 20% of people who have not utilized the finance option provided by the showroom, the point to be taken is that 80% of the customers have utilized the options provided by the showroom.



SNO	OPINION	MECHANIC	FUEL	TEST	AVAILABILITY	CONVENIENCE
1	YES	82	90	88	86	84
2	NO	18	10	12	14	16
3	TOTAL	100	100	100	100	100



CALCULATION OF SALES SATISFACTION INDEX

Sales satisfaction index is the index of overall satisfaction of HERO customers as a whole.

The overall satisfaction is the average of the scores of the key variables, which in turn is the cumulative of the positive responses of the customers, converted to a scale of ten. The responses of the customers have also been recorded over repeat purchases, referrals and their satisfaction to cross check with the calculated result.

S.No	Key Deliverables	Score	Score on scale of Ten
1	Human Interaction	210/225	9
2	Product Information	215/225	9
3	Time & Promptness	175/225	7
4	Consistency	254/300	8
5	Convenience	413/450	9
	Cumulative Score		42

Sales Satisfaction Index

$$\begin{aligned}
 \text{Overall Satisfaction} &= \text{Average (Cumulative Score)} \\
 &= 42/5 \\
 &= 8.4
 \end{aligned}$$

$$\text{Sales Satisfaction Index} = 8.4 \text{ on scale of ten}$$



V. FINDINGS

- Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) enjoys a high patronage from its customers.
- Most of the customers had a good experience of shopping at Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.).
- The satisfaction levels can also be 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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors 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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors 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 Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) scores 105 out of 125.

VI. SUGGESTIONS

In the interview it was found that the customers are happy about the training programs undertaken by the showroom, which train the customers to negotiate minor breakdowns comfortably. It has been observed that 25% of customers have reported a slack in the delivery process. This is the only area of concern that has emerged from the city.

1. Company should give some incentives to the dealers for promoting the products of HERO Motors. They should not neglect dealers. They should select good dealers, by which they can give customer satisfaction.
2. Company should setup service centers at dealer level itself. They should train some personnel for exclusive maintenance of these Televisions. They should provide home service to the customers. The personnel should be appointed by company to the dealers. The service should be accurate.
3. Enough spare parts for the latest models should be stocked, so as to meet sudden breakdown calls. To enable the customers to get in touch with the service personnel more easily, the number of direct phones should be increased or provide the toll free number.
4. Periodically, review meetings with the customers in different areas should be conducted, to have a general consensus regarding problems being faced by them.

VII. CONCLUSION

Word of mouth and consistent service in accordance with advertising and sales promotional activities are the two most important components of any service's marketing, as I've learnt in this project.

Automobile may become a pioneer in many market areas by offering innovative formulas, which can be understood via the study of consumer relationships.



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