

A COMPARITIVE STUDY OF SALES AND AFTER SALES SERVICE REVENUE AT HYUNDAI SHOWROOM

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ABSTRACT

The automobile industry is a key driver of India's industrial and economic growth. This study, "A Comparative Study on Sales and After-Sales Service Revenue at Hyundai Showroom," analyses the revenue contribution of sales and after-sales departments at Kovai Hyundai, Singanallur, Coimbatore. Data were collected from 60 respondents using questionnaires, Findings show that while sales generate short-term profits, after-sales service ensures stable income and customer loyalty. The study concludes that improving service quality, transparency, and digital systems can enhance dealership performance and sustain revenue growth even during sales declines.

Keywords: Automobile Industry, Sales Revenue, After-Sales Service, Customer Satisfaction, Revenue Comparison, Hyundai Showroom, Service Quality, Dealership Performance, Customer Loyalty.

INTRODUCTION

The automobile industry plays a vital role in global economic growth, contributing significantly to GDP and employment. Within this sector, automobile dealerships act as a bridge between manufacturers and customers, with their profitability depending mainly on sales and after-sales service. While sales generate immediate income, after sales-service ensures consistent, long- term revenue through maintenance and repairs. This study, titled "A Comparative Study on Sales and After-Sales Service

OBJECTIVES

- To compare the revenue generated from sales and after-sales service departments at Kovai Hyundai.
- To analyse the profitability of both departments and identify which segment contributes more to the overall financial performance

REVIEW OF LITERATURE

1 **Gupta and Raman (2022)** in their study "After-Sale Service Experiences and Customer Satisfaction: An Empirical Study from the Indian Automobile Industry" examined the relationship between after-sales interactions and customer satisfaction. Based on a sample of 400 Indian automobile customers, the authors found that factors such as technician behavior, service transparency, and turnaround time play a crucial role in shaping customer satisfaction. The study emphasized that superior after-sales service quality leads to customer retention and repeat purchases, which in turn enhance dealership profitability.

2 **Singh, Sharma, and Chanda (2023)** Developed a model known as the AutoIND Scale in their research "Measuring Service Quality in Indian Automobile After-Sales: AutoIND Scale." Their work, published in the International Journal of Productivity and Business Economics, identified two new dimensions—service

failure and service recovery—alongside the traditional SERVQUAL parameters. This study is particularly relevant because it provides measurable indicators of after-sales service quality that can be used to assess dealership performance, including customer satisfaction and loyalty, both of which directly affect revenue generation.

3 **Sharma, Yadav, and Singh (2023)** Presented a comprehensive review in their article “Advancements and Implications of Product Service Systems in the Automobile Industry.” Published in the MDPI Journal of Manufacturing and Service Systems, the authors discussed the growing trend among automotive companies to shift from a product-centric to a service-centric business model. Their findings highlighted that modern dealerships are integrating sales and after-sales services to create long-term customer relationships. This study offers a theoretical foundation for understanding the strategic importance of after-sales service as a stable source of income that supports dealership sustainability even when vehicle sales decline.

RESEARCH METHODOLOGY

Research Design and Approach

The study follows a descriptive and comparative research design. It describes the financial performance of both departments and compares their contributions to the dealership’s overall profitability.

Data Collection

- **Primary Data:** Collected through structured questionnaires and interviews with showroom employees and customers to understand perceptions of revenue, profitability, and operational efficiency.
- **Secondary Data:** Gathered from dealership records, Hyundai’s official reports, and existing literature on automobile sales and service performance.

Sampling Design

- **Population:** Employees and customers of Kovai Hyundai, Singanallur.
- **Sampling Technique:** Convenience sampling (respondents chosen based on accessibility and willingness).
- **Sample Size:** 60 respondents (covering both departments).
- **Sampling Area:** Kovai Hyundai showroom and service center, Coimbatore.

Tools for Analysis

To address the first two objectives, the following analytical tools were used:

1. Percentage Analysis:

Used to determine the proportion of revenue contribution and satisfaction levels across departments.

2. Chi-Square Test:

Applied to find the association between departmental performance and profitability indicators.

3. ANOVA (Analysis of Variance):

Used to compare mean profitability responses across demographic and departmental groups.

4. Regression Analysis:

Employed to identify the extent to which independent variables (like service quality or sales efficiency) affect overall profitability.

DATA ANALYSIS AND INTERPRETATION

DEPARTMENTAL REVENUE PERCEPTION ANALYSIS

1. Monthly Income from Sales Department

Employee Rating of Monthly Income Generated from Sales Department

Rating	Frequency	Percentage	Cumulative Percentage
1 (Very Low)	7	13.46%	13.46%
2 (Low)	6	11.54%	25.00%
3 (Moderate)	15	28.85%	53.85%
4 (High)	19	36.54%	90.39%
5 (Very High)	5	9.61%	100.00%
Total	52	100.00%	-

Mean Score: 3.17 | Standard Deviation: 1.19 Interpretation:

Employee perception of monthly income from the sales department shows a moderately positive trend with a mean score of 3.17 out of 5. The largest group (36.54%) rates sales department revenue as "High," while 28.85% perceive it as "Moderate." Cumulatively, 46.15% of employees rate sales revenue as high or very high, indicating strong performance awareness. However, 25% of respondents rate it as low or very low, suggesting either seasonal variations in vehicle sales or differing perspectives between sales and service department employees. The standard deviation of 1.19 indicates moderate variability in perceptions, which may reflect different levels of access to financial information across departments, revealing that employees generally recognize the sales department as a significant revenue contributor, though not overwhelmingly dominant.

2. Sales Target Achievement

Employee Perception of Sales Target Achievement

Rating	Frequency	Percentage	Cumulative Percentage
1 (Very Poor)	3	5.77%	5.77%
2 (Poor)	10	19.23%	25.00%
3 (Satisfactory)	11	21.15%	46.15%
4 (Good)	20	38.46%	84.61%
5 (Excellent)	8	15.39%	100.00%
Total	52	100.00%	-

Mean Score: 3.38 | Standard Deviation: 1.14 Interpretation:

The sales target achievement perception reveals a mean score of 3.38, indicating above-average performance in meeting sales objectives. A significant 53.85% of employees rate target achievement as good or excellent, demonstrating confidence in the sales team's ability to meet organizational goals. However, 25% rate it as poor or very poor, suggesting challenges during certain periods or awareness of occasional

shortfalls. The 21.15% rating it as "satisfactory" represents a neutral perspective, possibly from service department employees less directly involved in sales metrics. This data correlates with the sales revenue perception, reinforcing that while the sales department performs well, there is room for improvement to achieve consistent excellence. The relatively lower standard deviation (1.14) compared to revenue perception indicates more consensus regarding target achievement, possibly due to clearer metrics and regular performance reviews. This finding is significant for Objective 2 (analyzing profitability), as target achievement directly impacts dealer incentives and margins from manufacturers.

FINDINGS

- **Positive Perception of Sales Revenue:** Employees generally view the sales department's revenue positively, with a mean score of 3.17/5. Nearly 46.15% rated it as *high or very high*, showing recognition of strong performance in vehicle sales.
- **Moderate Variability in Opinions:** The standard deviation of 1.19 indicates moderate variation in employee perceptions, suggesting that opinions differ between departments— particularly between sales and service employees.
- **Seasonal and Departmental Influence:** Around 25% of respondents rated sales revenue as low or very low, possibly reflecting seasonal fluctuations in vehicle demand or limited financial visibility among non-sales staff.
- **Above-Average Target Achievement:** With a mean score of 3.38, sales target achievement is viewed favourably. Over 53.85% of employees rated it as good or excellent, indicating consistent performance toward organizational goals.
- **Scope for Performance Stability:** Despite overall positive feedback, **25%** rated target achievement as poor or very poor, suggesting periodic shortfalls or unmet targets during slower market periods.
- **Higher Consensus on Targets than Revenue:** The lower standard deviation (1.14) in target achievement perception implies that employees have a more consistent understanding of performance outcomes, likely due to regular monitoring and structured reviews.
- **Profitability Linkage:** The findings support that strong sales target achievement correlates with higher profitability through dealer incentives, bonuses, and manufacturer-linked margins.

SUGGESTIONS

- **Enhance Revenue Transparency:** Share summarized financial performance data across departments to reduce perception gaps and improve overall organizational awareness of sales achievements.
- **Stabilize Seasonal Sales Fluctuations:** Introduce off-season promotional offers, corporate sales programs, and loyalty bonuses to sustain revenue during low-demand periods.
- **Strengthen Interdepartmental Communication:**

Conduct regular meetings between the sales and service teams to align financial goals and create a shared understanding of revenue drivers.

- **Performance-Based Incentives:**

Expand incentive structures that reward both individual and team-level achievements, motivating employees to contribute toward revenue and profitability targets.

- **Continuous Skill Development:**

Provide training programs for sales staff in customer engagement, negotiation, and digital sales tools to enhance target achievement consistency.

- **Real-Time Performance Tracking:**

Implement a dashboard-based performance tracking system to monitor target progress and profitability indicators, allowing timely managerial interventions.

- **Customer Retention Strategy:**

Strengthen after-sales follow-ups to convert satisfied service customers into repeat buyers, indirectly improving long-term sales performance.

CONCLUSION

The study reveals that employees view the sales department of Kovai Hyundai, Singanallur positively, recognizing it as a major contributor to dealership revenue and profitability. With above-average ratings for revenue (3.17) and target achievement (3.38), the department shows strong performance, though some employees noted fluctuations due to seasonal factors. Overall, the sales team demonstrates effective goal achievement, but improving consistency, transparency, and coordination with other departments can further enhance profitability and long-term growth.

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