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An Emperical Study on Customer Relationship Management at Popular Vehicles

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Abstract

Marketing strategies with Customer Relationship Management is not more effective. Customer relationship marketing plays a vital role in building a better relationship between the company and its customers. The companies are trying to maintain better relationship thorough various techniques and policies. Effective customer relationship management enhances customer satisfaction and it leads to customer loyalty. Every customer is significant to a business concern. A systematic relationship building will help the organization to understand the customer better and study their needs and wants. We can ensure repeated purchase only if the customers relationships are effectively maintained. Automobile industry is customer dominant industry where customer relationships are highly important. This study aims in evaluating customer's relationship strategy in popular Vehicles, Chennai.

Keywords: - *Customer Relationship Management, Satisfaction, customer loyalty, needs, wands and strategy.*

INTRODUCTION

Introduction to Automobile Industry

The Indian economy has grown at an average rate of around 9 percent over the past five years and is expected to continue this growth in the medium term. The automotive industry is one of the key drivers of India's economy, accounting for around 4 percent of India's GDP1 and over 200,000 jobs.

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Customer Relationship Management

CRM is a widely-implemented strategy for managing a company's interactions with customers, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes—principally sales activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments.

Tools and workflows can be complex, especially for large businesses. Previously these tools were generally limited to contact management: monitoring and recording interactions and communications. Software solutions then expanded to embrace deal tracking, territories, opportunities, and at the sales pipeline. Next came advent of tools for other client-interface business functions, as described below. These tools have been, and still are, offered as on-premises software that companies purchase and run on their own IT infrastructure. Human response at all levels of the organization can affect the customer experience for good or ill. Even one unhappy customer can deliver a body blow to a business.

CRM systems for marketing help the enterprise identify and target potential clients and generate leads for the sales team. A key marketing capability is tracking and measuring multichannel campaigns, including email, search, social media, telephone and direct mail. Metrics monitored include clicks, responses, leads, deals, and revenue. In a web-focused marketing CRM solution, organizations create and track specific web activities that help develop the client relationship.

Marketing applications generally come with predictive analytics to improve segmentation and targeting, and features for measuring the effectiveness of online, offline, and search marketing campaigns. Web analytics have evolved significantly from their starting point of merely tracking mouse clicks on Web sites. By evaluating "buy signals," marketers can see which prospects are most likely to transact and also identify those who are bogged down in a sales process and need assistance. Marketing and finance personnel also use analytics to assess the value of multi-faceted programs as a whole.

CRM is based on the premise that, by having a better understanding of the customers' needs and desires we can keep them longer and sell more to them.

CRM (customer relationship management) is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way.

Managing relationships with customers has become a critical organizational competency. Get winning strategies for acquiring and retaining customers by leveraging the latest advanced technologies.

Need for the Study

The need of this study is considers as most important study because the management was interested to know the effectiveness of the customer relationship practices followed and to improve the relationship between the customers at popular vehicles.

Objectives

- To study to evaluate the relationship between company and customer
- To study the CRM strategy adopted Popular Vehicles.
- To Improved and to suggest better customer service and support to enhance better customer relationship.

Scope of Study

In this competitive world retaining the customers has become important part and parcel of the business activity, since in these arenas the people who adapt to changes and new technologies will survive. This study will help to understand customer need, preference and what they require from the service station and this study will not only help me as a student.

Limitations of the Study

The response collected towards the study may be the opinion of the respondents at the time of data collection. It is subject to variation due to situational change. Hence the findings of the study may be appropriate unless they undergo in any situational change.

LITERATURE REVIEW

In the last two decades, Practitioners and Academics have focused ever more on how firms relate to their markets. This has resulted in the emergence of a sub discipline of marketing referred to as Relationship Marketing. Morgan and Hunt (1994) defined Relationship marketing as the marketing activities directed toward

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establishing, developing, and maintaining successful relational exchanges. The separation of the producers from the users was a natural outcome of the industrial era. On the one hand, mass production enforced producers to sell their product & services through middlemen, and on the other, industrial organizations, due to specialization of corporate functions, created specialist purchasing departments and buyer professionals, thus separating the users from the producers. However, today's technological advancements that allow producers to interact directly with large numbers of buyers, and because of a variety of organizational development processes, such as empowerment and total quality management programs, direct interface between producers and customers is possible in both consumer and industrial markets. Relationship marketing attempts to involve and integrate customers, suppliers and other infrastructural partners into a firm's developmental and marketing activities (McKenna 1991; Shani and Chalasani 1991).

The use of CRM can result in a wide range of benefits for a business such as; value enhancement, improved effectiveness, innovation, and service improvement. Potential goals for CRM are to increase customer retention and loyalty, achieve higher customer profitability, create value for the customer, customize products and services, have lower process, and provide higher quality products and services (Kim, Suh, Hwang 2003). The way organizations approach their customers is changing over time. A rough distinction in business approaches can be made between product orientation and customer orientation. Being customer oriented is becoming of more interest by organizations, because these organizations are able to improve their customer relationships. Thereby they create more loyal and satisfied customers which results in better organizational results in the short term and long term (Chen & Popovich, 2003).Organizations develop relationship management programs to improve relationships with their customers (Campbell, 2003), for example by using relationship marketing instruments as loyalty programs and direct mailings (Verhoef, 2003).To execute those programs successfully, internal organizational factors need to be involved and adapted (e.g. Keramati et al, 2010; Zablah et al, 2004; Lindgreen et al, 2006). Therefore, Chen and Popovich (2003) suggest „alignment of people, processes and technology within an enterprise wide, customer driven, technology integrated and cross functional organization".

Wilson (1995) summarized different relationship variables that affects the relationship of firm with different stakeholders, those variables are Commitment, Trust, Cooperation, Mutual Goals, Interdependence and Power, Performance Satisfaction, Structural Bonds, Comparison Level of Alternatives, Adaptation, Non-retrievable Investments, Shared Technology, and Social Bonds. Morgan and Hunt (1994), while discussing relationship variables focused more on commitment and trust as a major variable affecting relationship between different parties involved in marketing transaction & exchange.

The Nordic School emphasized on marketing as a cross functional process. For maintaining relationships marketing function should be carried out by all employees and departments, it is no more concentrated in marketing department as a specialist function (Gronroos, 1989). International Marketing & Purchasing (IMP) group looks at B2B markets. In industrial marketing, relationships are built over time with increasing experience, reduction of uncertainty, greater commitment in each others (Ford, 1980). Anglo Australian school of thought believes in quality and service of marketing with focus on delivering customer value. Customer judges the value of the product or service from benefits perceived from it compared with its cost of ownership. The better value delivered by the firm, better is the customer relationship (Christopher, 1996). Whatever school you follow it is the customer retention which is the base of relationship marketing (Rosenberg & Cazepiel, 1984). CRM is the new-fangled sprouting issue in relationship marketing with focus on cooperative and collaborative relationship between a company and its customers. "Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer. It involves integration of marketing, sales, customer service and supply chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value" (Sheth & Parvatiyar, 2001). CRM represents the marriage between the customer orientation and the emerging information technology to produce a memorable relationship experience to the marketers as well as to the customers (Agrawal, 2003). CRM can be considered as a tool for delivering marketing dream to enjoy long term relationship with customers, especially with the profitable ones (Pearson, 1995).

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Finally it can be said that CRM is not the end, it's a means to ensure long term success of marketing effort.

According to Migdad there is a significant relationship between Information quality.CRM System quality, Service quality, Top management support with the CRM success.(Migdadi,2010) Brotherton(2004) considers critical success factors to be combinations of activities and processes designed to support achievement of such desired outcomes specified by the company"s objectives or goals. According to Sin et al CRM is a multi-dimensional construct consisting of four broad behavioral components: key customer focus, CRM organization, knowledge management, and technology-based CRM, (Sin,2005).

Before we begin to examine the conceptual foundations of CRM, defining what CRM is would be useful. In the marketing literature the terms customer relationship management and relationship marketing are used interchangeably. As Nevin (1995) points out, these terms have been used to reflect a variety of themes and perspectives. Some of these themes offer a narrow functional marketing perspective while others offer a perspective that is broad and somewhat paradigmatic in approach and orientation. A narrow perspective of customer relationship management is database marketing emphasizing the promotional aspects of marketing linked to database efforts (Bickert, 1992).

Another narrow, yet relevant, viewpoint is to consider CRM only as seeking customer retention by using a variety of after marketing tactics that lead to customer bonding or staying in touch with the customer after a sale is made (Vavra, 1992). A more popular approach with the recent application of information technology is to focus on individual or one-to-one relationships with customers that integrate database knowledge with a longterm customer retention and growth strategy (Peppers & Rogers, 1993). Thus, Shani and Chalasani (1992) have defined relationship marketing as "an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value added contacts over a long period of time" (p. 44). McKenna (1991) has professed a more strategic view by putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine

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involvement with the customer (communicating and sharing knowledge). Berry (1995), in somewhat broader terms, also has a strategic viewpoint concerned with CRM. He has stressed that attracting new customers should be viewed only as an intermediate step in the marketing process and that developing closer relationship with these customers and turning them into loyal ones should be equally important aspects of marketing. Thus, he proposed that relationship marketing be seen as "attracting, maintaining, and – in multi-service organizations – enhancing customer relationships" (p. 25). Berry's notion of customer relationship management resembles that of other scholars studying services marketing, such as Gronroos (1990), Gummesson (1987), and Levitt (1983). Although each one of them has espoused the value of interactions in marketing and its consequent impact on customer relationships, Gronroos and Gummesson take a broader perspective and advocate that relationships with customers be the focus and dominant paradigm of marketing. For example, Gronroos (1990) states: "Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met.

Morgan and Hunt (1994) draw upon the distinction made between transactional exchanges and relational exchanges by Dwyer, Schurr, and Oh (1987) to suggest that relationship marketing "refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships." The core theme of all CRM and relationship marketing perspectives is its focus on a cooperative and collaborative relationship between the firm and its customers, and/or other marketing actors. Dwyer, Schurr, and Oh (1987) have characterized such cooperative relationships as being interdependent and long-term orientated rather than being concerned with short-term discrete transactions. The long-term orientation is often Customer Relationship Management: Emerging Practice, Process, and Discipline emphasized because it is believed that marketing actors will not engage in opportunistic behavior if they have a long-term orientation and that such relationships will be anchored in mutual gains and cooperation (Ganesan, 1994).

Another specifics of CRM that is brought forward by Rygielski, Wang and Yen (2002), calls for increased responsibility by CRM implementers in terms of privacy rights. The authors urge implementers to balance between respect towards the privacy of consumers and economic gains from using CRM and establish privacy policy to make sure the CRM doesn't gain opposite results. (Rygielski, Wang and Yen, 2002)

RESEARCH METHODOLOGY

Research methodology is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This study is descriptive in nature and hence, this is study is categorized as descriptive research. The primary data were collected from 500 respondents at Chennai using convenient sampling technique. The data were collected through a structured closed end questions. It is also called as grab of opportunity sampling. In this research the researcher has incorporated descriptive statistics, Correlation and Chi-Square Test.

DISCUSSION

Demographical profile of the Customers

The demographical analysis infers that male respondents' represents 62%, among 500 respondents 37.4% fall under 20 to 30 age and 24.8% fall under 30 to 40 age. 62.4% of the respondents have completed under graduation and 55.6% of the respondents were married.

It is observed that 22% of the respondent's prefer maruti car for the factor price and 19% of the respondents prefer for safety reasons. 25% of the respondents are recommended by friends and 14% of the respondents are referred by neighbours to purchase Popular Vehicles. 78.6% of the respondents have opined that they are comfortable to approach the employees for any doubt whereas 21.4% of the respondents are not comfortable to approach. It is found that 32% of the respondent's strongly agree and 21% of the respondent's Agree that they are treated with respect at Popular Vehicles. It is clear from the analysis that 69.8% of the respondents have opined that Popular Vehicles rightly understands the customer needs where 30.2% have opined negatively. 31% of the respondents strongly agree that the employees follow-up regularly whereas 13% disagree that the employees follow-up regularly and 9% strongly disagree that the employees follow-up regularly. From the study it is observed that 82% of the respondents are happy with the after sales services and 18% are unhappy with the after sales service of Popular Vehicles. Among the respondents 37% of the customers are highly satisfied and 25% of the customer's satisfied towards the system adopted to maintain customer relationship at popular

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Vehicles. 65% of the customer's strongly agree, 25% agree to happily avail the service of Popular Vehicles in future too. It is understood that 29% of the customer's highly satisfied and 21% of the customer's are satisfied towards the communication system. The analysis infers that 25% of the customer's are high satisfied and 13% of the customers are dissatisfied with employees keeping their words. 29% of the customers are highly satisfied with the tracking system of service and 19% of the customers are dissatisfied with the tracking system of service. Application of Chi-Square infers that there is significance of relationship between age and satisfaction towards the employee's friendly approach. Similarly it is observed that there is no significance relationship between gender and follow-up by the employees at Popular Vehicles. There is no significance of relationship between educational qualification of the employees and opinion towards communication system at popular Vehicles.

SUGGESTION

The popular Vehicles are following a good customer relationship but the company shall employees more effective techniques to enhance good relationship. Customer feedback and complaint shall be viewed seriously and immediate actions shall be taken to rectify the complaints. The company shall follow credit points to the best employee maintaining good relationship with the customers. Order tracking and complaint tracking system shall be improved to minimised dissatisfaction level of the customers. The employees shall not false promises or misleading statements.

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