

Customer Relationship Management on Automobile Sector

-A case study of Hero MotoCorp in Ranchi District.

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ABSTRACT

The concept and impact of Customer Relationship Management is helpful for growth and gaining more attention in present and future business world. Through the Customer Relationship Management companies are focusing on retaining their legal customers and also focus on gaining new customers.

The aim of this paper is to evaluate the impact of Customer Relationship Management on loyalty of customers and retention of customers for the long time which gives benefit to the enterprises to face the competition with their competitors and earn more profits. Through this paper we understand the effects of Customer Relationship Management practices used by Automobile dealers in Ranchi.

For Customer Relationship Management automobile sectors using various types of software or schemes which is helpful to acquire new customers, retain present customers and grow relationship with an industry's existing customers. An increased competition from the local as well as foreign companies in market has resulted in increase in customer demands and expectations. Customer service and CRM are important in this new environment. Successful implementations of CRM produce focus on understanding the needs & desires of customers and placing them at the heart of business by integrating with the organization strategies, people, technology and business process. Thus, CRM helps automobile sector to forecast business and increase the reputation through excellent customer approaches. CRM also helps dealers for revenue & enables information sharing through excellent practices.

Key words: Customer Relationship Management, CRM in automobile sector, Service quality, Hero MotoCorp, CRM software.

INTRODUCTION

Automobile sector is offering a variety of services to make the economy stronger of the country. The role of Customer Relationship Management in the Automobile sector is one of the most crucial constitutions. Automobile is considered as the industry of industries. In the present competitive scenario, the Automobile sector, specially the two-wheeler sector is

growing exponentially, this results a huge market for maintenance of two-wheeler. Today the companies have realized the importance of having the authorized after-sales service network and moreover the Automobile companies do not consider after-sales service as a cost any more. Indications are that the unorganized segment is favored for servicing as opposed to company authorized segment of the after-sales service sector. The research tries to acquire understanding on the current use and role of Customer Relationship Management in the two-wheeler industry with specific regard to the sales and after-sales service area and also tries to find the reasons as to why customers prefer to choose the unorganized ones for the after sale service of their two-wheelers. Also, the research has formulated and suggested Customer Relationship Management strategies to be followed by the two-wheeler companies, which would allow the two-wheeler companies to capture the untapped customers for after sales service.

Customer Relationship Management deals with the connection between the firm and its clients. Customer knowledge is helpful for managing customer relationship. Knowledge management and customer relationship management are coordinated toward improving and constantly conveying great administrations and services to clients. To see more in Customer Relationship Management, we initially required to comprehend three parts which are customer, relationship and their management. Holding, expanding and retaining customers is a basic part of the dynamic business. Now quality of services and customer loyalty are focused by the automobile industry for maintaining strong relationship with their customer through customer relationship management.

CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship Management (CRM) is a broadly actualized strategy for dealing with an organization's collaboration with clients, customers and deals outline. Customer relationship management is a procedures, practices and innovations that organizations use to manage and examine client connections and information all through the customers lifecycle, with the objective of improving business associations and relationship with clients. One significant part of the CRM approach is the frameworks of CRM that gather data from a scope of various correspondence stations, including an organization's site, phone, email, live visit, showcasing materials, web-based social networking, and all the more as indicated by promoting angles CRM is viewed as a business system that can maximize the productivity, profitability and incomes for an organization just as consumer loyalty by arranging around segmentation of customers. As it very well may be seen, it is significant for companies to

Appropriately comprehend the CRM procedure so as to effectively and adopt it accordance with their particular needs.



Model of CRM

LITERATURE REVIEW

Curry and Kkolou (2004) refers to the major benefits and reason for adoption of CRM which include: customers from the competition will come to prefer your organization; a simplified, customer – focused internal organization will simplify the infrastructure, shrinking the workflow and eliminating nonproductive information flow; and profits will increase from more/more satisfied customers and a more compact, focused company¹.

Abijeeth sing and Brijesh kumar (2011) in this journal and his opinion Hero Honda motors ltd is most important program called life with the passport to relationship with customer an objective to create an innovations and environment for interaction between Hero Honda Motors and its customers. Members of the program are given a magnetic card in which all the information is stored and this card is swiped when using².

Gordon Fullertiion (2006) in this newspaper “Putting relationship in customer relationship management” that his study of the Hero Honda bike is a classic example of this CRM program. In this consider and provide the value of customers firm and develop that the level product and brand of the customer satisfactions on this oriented program³.

OBJECTIVE OF THE RESEARCH STUDY

The present study aims at attaining the following objectives: -

1. To examine the essential dimension of service quality and its effect on Customer Relationship Management on automobile services.
2. To assess the awareness of Customer Relationship Management in automobile sector.

3. To evaluate the effectiveness of complaint request management of automobile sector.
4. To study the factors that increase lifetime value of individual customer through Customer Relationship Management.
5. To study the existence and nature of impact of customer as a whole on customer satisfaction.

CUSTOMER RELATIONSHIP MANAGEMENT IN AUTOMOBILE SECTOR

In the present business condition, rivalry in Automobile sector is expanded rapidly. It is important for Automobile Sector to discover or know more and more about their present and planned customers. Customer Relationship Management Practices are currently utilized by all vehicle sellers in day by day benefits. New current innovation and technology is utilized in Customer Relationship Management for offering quality types of assistance to customers. Customer Relationship Management offers different services like

- Communication
- Consulting
- Database construction
- Strategic planning
- Customer segmentation
- After-sales services
- Call center
- Grievance handling, etc.

Customer Relationship Management strategy are used by all Automobile sellers for customer centric. For keeping up position in the market they provided qualitative services to their customers. Customer Relationship Management practices to catch the demand of customers. So, Customer Relationship Management is helpful for the automobile dealers to forecast their business and it also increases the reputation with excellent customer approaches. Likewise, Customer Relationship Management helps the sellers for revenue generation and empowers sharing of data through fantastic practices.

With empowering creative product, pricing and streamlining customer communication, automobile sector encourages strong customer loyalty, high customer satisfaction and consolidation of their customer relationship management. Further this methodology can help automobile industry to expand income per client as well as consumer loyalty and satisfactions. Customer Relationship Management is a successful medium to upgrade customer relationship and furthermore to give the capacity to manage client data and information more adequately and productively.

Customer Relationship Management in automobile sector refers to mutual benefit condition between automobile dealers and existing and potential customers. Following are the major steps involved in building a better customer automobile dealer relationship.

- Knowing the customer.
- Presenting the bankers efficiency.

- Understanding and meeting the needs of the customers.
- Follow up⁴.

It has to be noted that since the last five years the focus of the sales services of company is strongly on customer relationship management. A progressive trend in Customer Relationship Management has been observed and is expected to continue for the next coming years. At the basic level of customer relationship one can find options to make complaints, service request and suggestions. Automobile industries preferred to get more structured information from their customers through forms or complaints and later on the same is organized. This provides an opportunity to an automated system to response to customer demands and needs. The data is collected and used for the further purpose and to build the relationship and to give personalized support to the customer. Today, customers have more power in deciding their choice of two-wheeler industry. Consequently, keep existing customers, as well as attracting new one is a critical concern for automobile dealers. Customer satisfaction is an important variable in evaluation on control in automobile marketing management. Poor customer satisfaction will lead to a decline in customer loyalty, and given the extended offering from competitors and customer can easily switch the two-wheeler industry.

One of the automobiles dealers' greatest assets is the knowledge of their customers. Automobile dealers can use these assets and turn it into key competitive advantage by retaining the customers who represent the highest lifetime value and profitability.

SERVICE QUALITY IN AUTOMOBILE SECTOR

The rise of worldwide marketers to set up a competitive advantage dependent on service quality greatness inside developing markets to impact of natural elements upon customer behavior. Automobile industries are planning about improving service quality as an apparatus for retention of clients and keep up client devotions. Administration quality in Automobile division is centered on the customer recognition in unwavering quality, affirmation, responsiveness, sympathy and physical assets.

Administration process execution of the Automobile divisions ought to be estimated constantly to accomplish competitive advantage and this is possible through giving greatness services. The service must fulfill quality guidelines that additionally help in client maintenance if there should arise an occurrence of service disappointment. The Automobile area ought to understand the complaints of their customers through different service recovery techniques. It is required for the Automobile segment to recognize the effect of service failure and customer relationship and fulfillment for the survival, achievement, development and prosperity of the Automobile sector. The real victory of the Automobile area depends on the indent of loyal customers, which is clearly a result of value in the service provided.

In contrast to great quality, which can be estimated with some objectivity, service quality is theoretical and elusive. The features of such as inseparability of production and consumption, intangibility, and heterogeneity make measurement of quality a very complex issue. Automobile sector should keep long term relations and grow with customer to avoid

numerous issues and improves association's performance, and furthermore focus in client needs and service quality which may result to customer retention. Improved service quality will result in consumer satisfaction.

CRM SOFTWARE

Due to the innovation progression and technology advancement, to execute CRM companies are using various software programs. CRM software are that kind of software which makes provision to handle all the raw data of customer in a desired usable form. Organizations opt for the software as per their needs and their objective. Thus, the choice of the program is essentially depending on understanding the following criteria-

- Features refer to how better the program co-ordinates with all applications (ex. Outlook, Gmail, etc.) and which information to access. It runs each and every aspect of information regarding alerts, to-do list which further controls the mobile access.
- Contact information ranking highlights the program's ability to store sort of details for each prospect. Managers need is to get the clients data or information rapidly and whenever as in the present period, the business is fast paced.
- Marketing and Sales tools are helpful to control all over the information and knowledge in regards to the customers and keep the current customers and helps further in increasing new ones.
- Facilitation in use is about the functioning. A well-maintained program will be simple to operate and will provide the data quickly as required.
- Help and support pinpoints the kind of support system that software developer develops and provides data for the product.

For smooth functioning of strategy, the companies installed and used various types of software to maintain CRM. Top 20 CRM software's are Sales force, Zoho, Act! , Microsoft Dynamics, Hub spot, Sap, Maximize ,Infusion soft, Oracle, Sage, Pipedrive, Apptivo, Sugar CRM, Sales boom, Base, Bpm Online, Blaze desk, Nimble, Commence, Really Simple Systems.

HERO MOTOCORP

Earlier Hero Honda, officially, Hero MotoCorp Ltd. is an Indian scooter and bike maker situated in New Delhi, India. The organization is the biggest bike manufacturer on the planet, and furthermore in India, where it has a share of the overall industry of about 46% in the two-wheeler category. The 2006 Forbes list of the 200 world's most respected companies has Hero Honda Motors positioned at 108. On 31st March 2013, the market capitalization of the organization was Rs.30,800 Crores (US\$4.5 billion).

Hero Honda began its works in 1984 as a joint endeavor between hero cycles (now and again called legend gathering, not to be mistaken for the Hero Group nourishment organization of Switzerland) of India and Honda of Japan. In 2010, when Honda choose to move out of the joint endeavor, Hero group purchased the shares held by Honda, and concentrated on its

altogether owned subsidiary, Honda motorcycle and scooter India (HMSI). In June 2012, Hero MotoCorp affirmed a proposal to consolidate the venture arm its parent Hero Investment Pvt. Ltd. with the automaker. This choice came year and a half after its split from Hero Honda.

A joint endeavor between the Hero Motor Company was set up in 1984 as the Hero Honda motors limited at Dharuhara, India. The name of the company was changed from Hero Honda motors limited to Hero MotoCorp limited on 29th July 2011. Hero MotoCorp has five assembling offices based at Dharuhara, Gurgaon, Neemrana, Haridwar and Halol under green field arrange.

HERO MOTOCORP CUSTOMER RELATIONSHIP MANAGEMENT SOFTWARE

Hero generally uses two software applications for CRM-

a. Hero Connect:

Hero Connect is basically for the billings purpose and for the date of manufactured of vehicles and its parts too, stock maintenance.

b. Ninja Customer Relationship Management:

- Ninja CRM is the main software on which Hero MotoCorp works to maintain their Customer Relationship Management.
- Ninja CRM is a Customer Relationship Management solution for business to increase their productivity, sales and also offer customers personalized services.
- Ninja CRM is a great way in business to keep all customer communication in one place and extend their market reach whilst again reducing the need for duplicate data entry. It is simple, yet powerful and seamlessly integrates with your existing accounting software.

Hero also uses different types of program for maintaining Customer Relationship Management

a. Goodlife: Customer Loyalty Program-

Goodlife is a Customer Relationship Program introduced a decade ago, which Endeavour's to enhance customer satisfaction and initiate increased levels of member engagement. The main objective of this program is to make our customer our Brand Ambassadors to generate referral sales and boost service visits. Besides aiming to increase the customer's satisfaction and increase the number of customers and volume of transaction, the program seeks to enhance revenue opportunities for dealer as well. Hero MotoCorp Goodlife program is designed to complement your good life in every way. It brings you an easy to use privilege insta-card packed with special rewards and benefits. It also provides you with a free rider insurance worth 1 lakh to ensure your peace of mind.

Hero Goodlife Program membership rewards you with points on all yours spends which can be redeemed against special gifts and Hero sales or service discount vouchers.

b. Joy Ride Program-

Joy ride program is a type of program in which riders gets benefits of their after sales services, which contains 4 services and you have to pay only amount of the 3 of the services. In this loyalty program customer gets discounted labored charge and get discounts on parts and services of their two-wheeler's vehicles during servicing of the vehicles.

FINDINGS

The paper shows the effect of various elements of customer relationship management. From the investigation it is reasoned that customer works and guarantees are reliable. Customers are satisfied through the automobile services provider. So the automobile sector needs to give more significance to the variable which can build customer loyalty.

From this investigation it is analyzed that the greater part of the clients are happy with the services given by the organization and so they will be loyal and faithful customers and they will be retained for the longer period of time. This shows that customer retention and customer loyalty are based on customer satisfaction.

SUGGESTIONS

The automobile industry will gather more data from customers to improve connection between them. There is a rivalry in automobile industry so it is significant to find the future needs and desires of the customers and to execute new services.

CONCLUSION

This topic is undertaken to study because it is helpful to find degree of relationship with their customer. Majority of clients are happy with the services given by automobile industry specially Hero MotoCorp. Customer relationship management is significant, client is the king in the market and holding them in this competitive world is more significant. By legitimate examination company can offer better service and keep up a decent customer relationship.

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