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An Empirical Study on Customer Relationship Management as a Strategic Tool in Automobile Industry

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ABSTRACT: An examination of customer relationship management in the Indian four-wheeler sector with a special emphasis on customer happiness. This article's major objective is to evaluate the positive effect that customer relationship management (CRM) has on customer satisfaction and retention from the perspectives of both the business and the consumer. More and more companies are realising the importance of customer relationship management in retaining loyal customers. Businesses are focusing on retaining their current customer base rather than expanding their customer base. Some studies have shown that keeping an existing customer costs 60-70% less than finding a new one. This makes happy customers even more valuable in a time of tighter marketing budgets. Information was collected from automobile owners via a survey. According to the research, the most significant factors that contribute to customer loyalty in the automotive industry are on-time delivery of services, prompt service in conducting restoration work, friendliness, helpfulness, arrangement of replacements, and fulfilment of its commitments to consumers.

KEYWORDS: Customer retention; customer loyalty; automobile industry; customer preference

I. INTRODUCTION

Relationship marketing, a concept Berry invented to compete with service marketing, sounds appealing. Keeping current customers happy, as well as finding new ways to serve and sell to them, is viewed as vital to an organization's ultimate marketing success as is attracting new ones (Berry 1983). So according Christopher et al. (1991), marketing's primary purpose is to attract and keep buyers. This is achieved by a mutual trade and satisfaction (Gronroos, 1994). The term "customer relationship management" (CRM) is used to describe the methods and tools that companies use to organise and handle interactions with their clientele.

Client Relationship Management (CRM) describes the methods used by your business to keep in touch with its clientele. Although client information gathering is an important feature of customer relationship management (CRM), it is just one aspect of CRM. The use of technology to gather the data necessary to enhance existing customer assistance and find potential new consumers is also a part of this process, and it ultimately leads to higher profits.

Automobile Industry in India

A study by the India Brand Image Foundation (IBEF) found that the Indian auto market is among the biggest in the world. (Middle-class consumers are able to choose from a diverse selection of passenger automobiles thanks to improved access to finance and higher incomes.) As a result of this growth, the automotive industry in India now accounts for a significant portion of the country's GDP (GDP). Direct and indirect employment in the sector totals approximately 19 million, and the sector contributes almost 7% to Economy . The 1970s saw the beginning of India's automobile industry's meteoric development. Between 1970 to 1984, cars were seen as a luxury item, but the Tata Nano, at the time the world's cheapest car, changed everything.



Two-wheeler manufacturers Hero Honda and Mahindra & Mahindra have teamed together to develop a technology that runs on natural gas. The automotive industry in India increased its yearly production by 8.27% in August to 1.56 million vehicles. This number includes cars, trucks, and even three-wheelers. There was a rise of USD 8,922 million, or 4.51%, in FDI into the car sector between April 2000 and August 2013. The numbers show that between April and September of 2013, shipments of automobiles as a whole went up. Production of passenger vehicles increased by 14 percent annually from 2012-14, reaching 3.33 million units. As reported by the Indian Automotive Component Manufacturers Association (2014-2015). Production of automobiles (including cars, trucks, motorcycles, and bicycles) increased 4.41 percent, year over year, from February 2013 to February 2014, reaching 1.81 million units.

As the number of two-wheeled vehicles produced keeps rising, so does the rate of growth. (2015) FDI Report In addition, annual domestic sales rose 2.68 percent from April 2013 to February 2014 over the same time in 2013. As an example, see It is anticipated that India's passenger car production would rise over 10 million units in 2020-21. The market is projected to expand by 13% during the period from 2012 and 2021. The Automotive Components Producers' Association estimates that by 2020-21, the market will be worth \$30 billion. (ACMA). In the fourteen years between April 2000 and January 2014, the Indian automobile sector received a total of US\$ 9,344 million in foreign direct investment (FDI), an increase of 4% from the previous total FDI inflows in US\$. (Report from the Division of Industrial Policy and Promotion, 2014)

Customer Relationship Management's Role in the Automotive Industry

As companies strive to generate profits through longer-term client relationships, customer relationship management (CRM) becomes more important. In order to effectively manage interactions with customers before, throughout, and after a transaction, many businesses have made substantial investments in IT systems in recent years (Bohling et al., 2006). However, successful IT investment programmes often combine technology with effective people management and skill development, rather than relying only on either (Bhardwaj, 2000; Piccoli and Ives, 2005). Understanding how customer relationship management (CRM) influences performance requires an appreciation of how businesses effectively construct and integrate their technology and organisational capabilities. The customer relationship management (CRM) software and service sector is thriving, but experts and academics are sceptical of its true value to companies and consumers (Maoz et al., 2007).

Business-press polls of IT professionals reveal that some academics claim CRM is flawed on its very foundations because it fails to account for the fact that many consumers do not want to participate in relationships (e.g. Bligh and Turk, 2004). It has been shown that this is the case (Dowling, 2002; Danaher et al., 2008). This scepticism persists despite extensive empirical research into the efficacy of customer relationship management (CRM) technology, which has mostly failed to dispel it since it has concentrated on just a subset of CRM applications (Sutton and Klein, 2003). (Boulding et al., 2005). Consequences for market growth and company profits result from the lack of clear and generalizable empirical backing for the predicted return on CRM investments. It also prompts questions about which capabilities work best together to make the most of a CRM budget. Customer relationship management (CRM) is the most efficient and successful strategy for maintaining and expanding business ties with existing patrons. Building and maintaining meaningful relationships with customers is essential for the success of any organisation.

The expansion of this kind of affiliation drives the business to greater success. Once a business and its clients have developed a personal and emotional connection, the firm will be in a far better position to understand the customer's genuine requirements and help meet those demands. There is a common belief that a company will be more powerful and successful if it employs more cutting-edge strategies for customer relationship management. The vast majority of companies have state-of-the-art, in-house resources for managing their CRM systems. Most well-known companies use powerful technologies like Batch Book and Sales Force. Car buyers in the modern day are savvy shoppers because they have access to more information and more alternatives than ever before. Loyalty from customers is no longer

guaranteed, thus innovative car companies need to exert more effort than ever before to win and maintain customers. In order to satisfy rising consumer expectations, businesses are realising they need to make use of both established and novel channels to improve the efficiency, profitability, and impact of their marketing, sales, and support operations..

II. LITERATURE REVIEW

Using a hierarchical construct model, Coltmana et al. (2011) looked at how CRM affects a company's bottom line. If one adopts a resource-based interpretation of the firm, one can understand strategic CRM as an endogenously determined function of the organization's ability to harness and orchestrate lower-order capabilities, such as physical assets like IT infrastructure and structure capabilities like human analytics and business design. According to the results, there is a positive and critical relationship between excellent CRM capabilities and business success. For this reason, the success of your organisation will depend on your ability to combine human analytics with sound business design to ensure you have an effective CRM. According to Reichheld and Sasser's (1990) research, a 25% to 75% increase in profit for automakers is possible with a 5% increase in customer retention thanks to the influence of IT infrastructure. Furthermore, it costs about five times as much to bring in a new client as it does to maintain an old one, as stated by Wills (2009). In addition, a company's bottom line benefits from having repeat consumers. To begin, loyal clients have a lower sensitivity to pricing, and the personal insurance industry has an annual 8% rise in premiums from loyal customers (Reichheld and Teal, 1996).

Second, consumers who feel valued by a business are more likely to make more purchases, try out new offerings, and spread the word about that business to others (Reichheld and Sasser, 1990). Fifty-five percent of Northwestern Mutual's business comes from repeat customers (Reichheld and Teal, 1996). The author argues that a company's marketing strategy, relationship quality improvement initiatives, and value development plan may all be derived from a loyal customer base. According to Day (1969), who pioneered the notion of commitment in customer loyalty studies, customers' level of devotion to a brand is a key determinant of their loyalty. The purpose of this study is to develop a theory that will explain how a company's brand image might influence customer loyalty and dedication. Therefore, this study's overarching objective is to comprehend the role that corporate brand image plays in influencing automotive consumers' dedication and loyalty.

A 2016 Dibeesh.c Customer satisfaction is high in the automotive business, according to research on customer relationship management. This includes firms like Tata, Mahindra, Honda, and others.

Published in 2015, by Garima Malik. Analyzing the role of customer relationship management in boosting customer loyalty and retention in the automotive sector. Vehicle owners participated in a survey to provide the study's data. The research showed that customer loyalty in the automotive industry was largely attributable to the company's ability to instil confidence in its consumers through punctual service delivery, swift management of repairs, friendliness, helpfulness, the ease with which replacements could be arranged, and the satisfaction with which it fulfilled its obligations to consumers.

Sathish.M, 2013 Finally, dealer-specific results and recommendations for improving customer relationship management in the auto servicing sector are provided, with a focus on businesses in the Coimbatore area. After-sale service expectations are on the rise, according to the study results, therefore dealers need to keep improving their practises to keep their clients happy.

Study Goals

- 1.To investigate the effectiveness of service marketing.
2. To research the marketing tactics utilised in the service industry to keep customers.



3. Researching the numerous value-added services offered to customers

III. METHODOLOGY OF INVESTIGATION

Primer information

The primary data was gathered through the use of a questionnaire survey technique. A total of 240 people responded to the survey.

Secondary information

Secondary data was gathered from journals, periodicals, books, and the internet.

Table 1 . Rotated matrix Component

S.no	Staatement	1	2	3	4
1.	Quality work perfamance	0.582	0.197	- 0.179	- 0.261
2	Comfort	0.171	*0.209	- 0.354	0.462
3	Willingness to satisfy	- 0.312	-0.294	- 0.481	0.040
4	Friendliness	- 0.029	0.606	0.343	0.248
5	Convenienthrs oftiming	0.112	-0.188	0.594	0.043
6	Avilabilityofappointment	0.691	0.023	- 0.071	0.316
7	Receiving	0.709	-0.194	0.282	0.127
8	Promptness	- 0.170	0.025	0.633	0.003
9	Arranging replacements	0.076	0.002	0.106	0.773
10	Cleanliness	0.208	0.537	- 0.062	- 0.342
10	On time delivery	- 0.074	0.771	- 0.149	0.012

Findings

There are several aspects of CRM that affect client loyalty, and they are all discussed in this article. The results show that you may put your faith in the efforts and promises of your customers. Providers of automotive services meet their obligations to their clients by advising them on the single most essential factor in fostering customer loyalty: vehicle investment. Thus, the auto business must focus more on the aforementioned aspects to boost consumer loyalty. Customers are very satisfied (or very satisfied) 94.2% of the time.

IV. CONCLUSION

In the vehicle sector, a popular brand is Maruthi cars, which are usually used by key consumers. Customers claim that the breakdown of prices is not disclosed to them and that paper work is not finished on time, thus the companies must improve on the aforementioned characteristics. The majority of service professionals are friendly and informed,



however there is disagreement among respondents when it comes to call handling. Call handling should be swift rather than keeping clients on hold or making them wait for long periods of time, according to 31 percent who strongly agree and 30 percent who disagree.

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