

# Framework for Evaluation of Dealer's Performance in Automobile Industry Using CRM- Case Study

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## ABSTRACT

Indian automobile industry grows day by day with new technology as well as features. Companies offer various varieties in vehicles segment to customers for capture Indian market for selling his automobile. Companies are sales their vehicles through dealer in various location. Dealer is a main pillar for manufacturing Division who directly sales the vehicles and theirs accessories. From customers point of view customers not only purchase the vehicle but also he continues with after sales service. Dealer is care taker for all customers need and requirements, which shows the dealer performance. For evaluating dealers performance companies do the survey from their valuable customers and note their valuable feedback in many section while sales and servicing. Evaluation of dealers in manufacturer point of view is a serious issues and solving customer's problems to achieve market shares and goal. In this project study applying structured questionnaires for evaluation of dealer's Performance for improve sales and sales efficiency for evaluation of dealers. Customer plays a big role for purchasing vehicles so dealer is required to build deep relationship with customers to achieve targets and goal.

Keywords: Customer, Dealer, Dealer Evaluation System, CRM

## INTRODUCTION

CRM, called 'customer relationship management', is a business approach that seeks to create, develop and enhance relationships with carefully targeted customers in order to improve customer value and corporate profitability and thereby maximize shareholder value. CRM is often associated with utilizing information technology to implement relationship marketing strategies. As such CRM unites the potential of new technologies and new marketing thinking to deliver profitable, long-term relationships. Corporate strategy involves two important tools. The first tool is a method for setting relationship objectives and measuring the firm's progress toward achieving them; the second is a strategic, integrated plan for managing customer relationship. Many companies focus on researching customer satisfaction, Companies also have to consider customer behavior and profitability in order to successfully manage individual customer relationships. In respect to profitability. Some examples are customers who communicate through more expensive channels, such as in person or via call centers, versus customers who use lower-cost channels such as the Internet; Interacting with the customers frequently and keep them informed of the work in progress are basic standards. Implementing innovative ideas like facilitating customers with a customer lounge and providing express service for all jobs including body works enables the right connect with the customer.

## Literature Review

**Jun Wu studied [1]** that companies focus on sales growth and profitability. Companies' executive applies best strategy and manage customer relationship. Combination of information technology and CRM concept provide long term relationship with customers. Many automobile companies tried to implement best strategy but is not possible to many automaker dealer. Implement of CRM is a key to find performance and satisfaction of customers.

**V. Kumar and Werner Reinartz [2]** studied that in automobile companies CRM strategy involve with sequential order and operation. Following component is compromise which impact the implementation of CRM in companies like covers the sales, market and service function, cost implementation, time frame, data requirement to deployment in project.

**M. Sathish et al[3]** are studied the customer expectation is based on usefulness of vehicle, customer not only purchase the vehicle he continue for after sales and services. Customer has some basic expectation like periodic services pick up and drop facility, nominal charges etc. if this basic service not fulfil to customers that indicate loss of customers. Such services not only help to retention of customers but also acquiring new one which helps to improve customer s satisfaction rate from dealer point of view.

**Milorad Novicevic et al [4]** are studies that CRM create foundation of customer relationship. By using CRM practices analyze the participation of customer and their behaviour. Providing customer satisfaction improvement program which helps to customer for decision making and their requirement.

**Ashish Gupta [5]** studied that CRM in consumer market which create and implement direct market sales and database facilities. This facility helps to improve competitive market feedback. Also studied justified and advancing the domain extension in to consumer market.

**Dr. Ch. Kaladhar [6]** studied customer know the satisfaction with product in post sales period. Therefore sales and services are two side of same coin. Both are proportionally growth, customer not only purchase the vehicle it continued after sales and services with some general expectation. Higher expectation of customer for service related also considers improving dealer standard and customers satisfaction.

**Mr. S. Suresh, Dr David, Jawahar P [7]** is studied that in bank CRM process solve the issues by better understanding and measurement. Customer's point of view it address the customer information management, product/ services customization with bank management. They found it helpful to improve customer relationship and customer satisfaction.

**Gisela Demo1 & Késia Rozzett [8]** are studied that the (B to C) business to customers model for considering and relationship with customers in Brazilian companies. The validation of CRM helps to reliability and maintains good relationship. It also diagnosis identify customer relation and helps to improving for satisfaction.

**Mr. Swapnil Phadatare et al [9]** are studied the it is very big challenges to every dealer to maintain long term relationship with customers. Customers point of view he not only purchase the vehicle he need services after sales. He also wants some basic requirements and facilities which is provided by dealer. He goes through product value and its services quality for his satisfaction and indirect helps to improve dealer value.

**Dr.Garima Malik [10]** Assistant .Professor, Amity Business School, studied the CRM concept and its impact of customer's loyalty for gaining more attention in automobile companies. Companies focus on their loyal customers rather than acquire new one. this strategy focus on customer loyalty where automaker hoping completely. Cost parameter also consider for retaining of customers. Customer always want basic facilities, service delivery on time, proper handling work, friendliness nature, replacement facilities for customer satisfaction.

**Nor KhomarIshak et al [11]** are studied the CRM important when companies tries to satisfying their customer they try to fulfil their need and requirement for loyalty in Malaysia automobile companies implement CRM program which they conclude that auto company identify their targeted customers and reaching specific customers segments. Beside they identified various customer needs for improving both dealer and customer's satisfaction.

**Dibeesh C [12]** studied that Customer Relationship management concept and its impact on customer loyalty for gaining more attention for business. Companies focus on improve customer satisfaction and customer relation by using various strategy. CRM implement benefit is lead to the customers loyalty for automobile companies. Also helps to improve basic requirement by customer point of view. CRM helps to improve relationship between customer and dealer.

## **Problem definition**

Indian Automobile industry is going through fierce and expanding global and domestic competition, Indian automobile Dealers are performing task to sales the vehicles for improve the sales and margin. Sometime customers are not satisfied with dealers, because of their services are not satisfied to the customers and they might be not happy after sales and services. Sales and services are two side of same coin. When dealers are communicate properly with customers the sales of vehicle increases, and satisfactory feedback will come from customers. Customer not only purchase vehicle but also continue for after sales service because of his car care. Every customer wants general satisfaction from dealers and their services. But because of only dealers miscommunication or other service related problems made customers unhappy which is directly effect on vehicle sales.

**Some Problems to customers are as follows:**

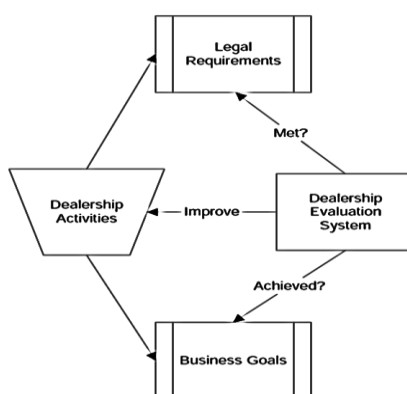
1. Dealer’s behavior with customers
2. Customer lounge is not comfortable while vehicle services
3. Service adviser or coordinator not solving the problem properly.
4. Delivery time taken more than given period,
5. Emergency pick up and drop services are not provided or delay for broken vehicles.

**Research Methodology**

Steps involved for dealership evaluation systems are as follow,

1. Legal Requirement: Land, documentations, permission, Authority Certificates etc.
2. Dealer Activities: Sales services, after sales and services, communication, parking facility, customer longue, reception and staff interaction.
3. Business Goal: Maximum sales, increase vehicle service rate, attract new customers, retention of existing customers, increase company market share.
4. Dealer evaluation system
5. Customer feedback and satisfaction rate

Problem related with additional cost of warranty will be verified from different dealer’s data of Automobile Industry. How good is the evaluation at measuring dealer behavior, discovering and communicating problems, and coordinating solutions? How effectively do the manufacturers and dealers use dealer evaluations?



**Figure. Dealership Evaluation Systems**

Applying various questionnaires as a customer point of view he will mentioned his feedback for service related, which helps to improve dealer service and structure. CRM technology is a powerful technique and tool to find out quality of service and interaction of customers with dealers. Questionnaires help to improve dealer performance and service offered by dealers. From were manufacture point of view selling maximum vehicles in various segment and customers requirement.

For considering the evaluation method we are focus on small segment four wheeler vehicles and medium segment four wheeler vehicles which are in terms of cubic capacity (CC). various vehicle manufacturer are involve above factor,

therefore automobile industry like Maruti Suzuki, Tata Motors, Hyundai Motors, Honda Motors, Ford motors, Renault motors etc.

### **DES as a Measurement System**

A DES is a measurement system that contains items, scoring rules, and psychometrical properties such as validity, reliability and discriminability. Its quality may vary depending on the technical merits of its measurements. [m]

### **Objective for studies**

- To study the level of relationship of dealer with customers in automobile sector
- To analyze the effectiveness of customers relationship management for customers satisfaction
- To study the impact of marketing technique used to retain their customers in service industry
- To explain various CRM activities conducted or indicated by various companies.

### **Discussion**

To analyze the after sales of the vehicle minimum extended warranty cost maintenance cost provided by dealers. Analyze the follow up of customer's service requirements time to time by dealers in various communications medium. Analyze the dealer provide proper services and facilities regarding to customers. Analyze the impact of various value added services and promotional offers awarded to customers for their satisfaction from dealer. Verify the dealers for Conduct service or maintenance related seminars for customer awareness within every three month Build up good deep relationship with customers for service satisfaction and also increase company sales and profit. Analyze daily usage pattern of customers for better maintenance and serviceability to customers. Improve maintenance service by customer's recommendation based on model built up from related data. (E.g.: Schedule and regular maintenance of oil change of vehicle as per customer's usage.)Analyze the effectiveness of services and maintenance pattern of dealers in their service centers. Impact of vehicle related maintenance and their services on customers

### **CONCLUSION**

To study the level of relationship of dealer with customers in automobile sector will improvement is necessary. Analyze the effectiveness of customer's relationship management for customer's satisfaction the impact of marketing technique used to retain their customers in service industry need to explain various CRM activities conducted or indicated by various companies for customers as well as dealers and their staff.

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