Study on Customer Perception towards Customer Relationship Management in Automobile Sector in India

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ABSTRACT

We have done this research in order to evaluate the study on customer perception towards customer relationship management in automobile sector in the country and to understand the problems they face while shopping for their brand new car.

We will be doing a survey by a questionnaire, which will be send to some respondents to know about their car delivery experience through various dealerships. This way whatever response we will get will help the OEM manufacturers to understand about their dealership practices.

This paper investigates the above given scenario. On this case, research has been mentioned about the service quality that the customers get at various dealerships. Therefore, research has got outcomes and shortcomings as the whole.

CHAPTER 1: INTRODUCTION

Introduction

Customer relationship management, often called CRM, is a combination of

People, Processes and Design of 3P through the appropriate technology. It is the philosophy itself that means managing customers through a correct management organization. Seek a clear understanding of all the people who work in organizations and for customers, so that both the present and the future are on the same platform.

It is also referred to as an integrated approach to managing service provider-customer relationships focusing on customer retention. During the study in the automotive segment, it was found that there is a correlation between consumers, how they differ from one customer to another.

Time is also needed to incorporate a good scientific framework into all companies for communication leading to good customer return in the aftermarket. Furthermore, it has been found that the three important factors that are important for customer relationships are as follows:

1) Timely update

2) Repair cost

3)   The transparent system to check the status of the car in the workshop without human intervention.

These three factors would help improve customer relationships and therefore a
great impact on profitability and customer retention and shouldn't be ignored. KEYWORDS: - Customer Relationship Management (CRM), customer loyalty, value for money, customer relationship, service consultant, time update, customer satisfaction, car dealership I. CRM THE RELATIONSHIP WITH THE CUSTOMER) a combination combination of three words customer, relationship and management.

In other words, when a technology and a process are created in such a way as to combine the relationship with the customer through a scientific approach that would be called customer relationship management.

CRM is a combination of practices, strategies and technologies that are used by customer service personnel to manage and analyze customer expectations across different touch points and data throughout the customer's life in the automotive service industry with the goal to improve customer satisfaction and thus improve customer service relations. , which further helps customer retention and customer satisfaction with the goal of increasing sales and profits.

CRM systems help to collect customer expectations and communications between different ones channels or a point of contact between the customer and the organization, which could include the content
corporate website, telephone, live chat, direct mail, sales promotion and marketing material, service interactions while visiting the customer's shop and media.

These interactions generally take place from making an appointment to delivering the car
a post-service review, usually done two days after delivery, CRM systems can help provide details to customer contact staff such as service consultants, customer relationship executives, insights into customer staff information , history of sales and repurchases, purchases.

Why automotive CRM?

Simply put, Automotive CRM is a technology that helps streamline the automotive sales process.

It does this by bringing all of your teams, processes and channels together, increasing your overall operational efficiency.

In the automotive industry, your website generates considerable traffic. It captures a lot of leads on a daily basis, but its sales numbers are bad.

Automotive CRM makes your life easier. It establishes a simplified sales process that helps create a graph of increasing sales.

A Step by Step Approach

Automotive CRM captures leads from all your channels. Be it your website, social media, advertising, even from offline channels.

Lead Tracking

The software keeps track of each visitor, their interests and how much time they spend on a particular page.

As a result, you meet your website visitors as real people, rather than just "traffic". Lead segmentation and

distribution

Automotive CRM segments your leads based on your buyer's interests and location and then distributes them to your sales consultants. Your team receives a notification for the same.

Sales consultants can now start their process as soon as possible. Lead scoring and prioritization

Behind the scenes, the software will assign a lead score based on your lead's activity on the website. For example, if they are viewing the pricing page, the lead score will be high. He will prioritize the prospect accordingly.

This creates a streamlined sales process for your team and increases your efficiency. Sales conversation

tracking

For each lead, the software will track the entire sales conversation. You will then generate a report for it. This report serves as a valuable contribution to understanding your potential customers.

Advertise unique opportunities to connect with your prospects, based on their specific interests.

Dynamic forms

In the first conversation, your sales team jot down every detail that helps them understand yours

the expectations of the potential customer. Suppose your potential customer is interested in purchasing the Mercedes S-Class.

the team will ask them different questions than someone who is looking for a lower priced model.

Automotive CRM transforms this process into a specific approach with dynamic forms. When the prospect shares your interests, the sales consultant will enter it into the form. You will only see the questions that are asked for that specific model.

It makes their work simpler and efficient. Now, sales consultants would not have to ask any questions that are unrelated to your prospect's interest. This ensures that the team is working according to predefined parameters.

Multiple Follow-Ups

A successful sale requires multiple follow-ups. CRM ensures that your team would not miss any of them. It alerts your team with notifications, emails and text messages.

With CRM, your team is well-connected to your leads for their entire journey. Identify Up-sell and Cross-

sell Opportunities

Post successful sale, Automotive CRM also helps in identifying the cross-sell and up-sell possibilities. For example, I bought a car from your dealership.

CRM will automatically notify the insurance team that I might be interested in buying insurance for my car.

Unified 360 Degree View

Since all these reports are integrated into Automotive CRM, you can easily track the complete buyer's journey. This will help you in crafting future marketing campaigns that can engage your prospects more effectively.

Overview

Gujarat automobile industry

· Gujarat is emerging as a key investment destination for major automotive players. The state will become the country's automotive hub in the coming years.

• The Gujarat government plans to increase the share of auto industries in its total engineering output to 10% by 2020, from the current 3.7%.

• Gujarat expects to surpass the production capacity of major automobile producing states such as Haryana, Maharashtra and Tamil Nadu, with an installed capacity to launch 10 lakh units per year over the next 3-4 years.

• The incremental manpower requirement in Gujarat for the production of engineering products is expected to be 53,580 in 2017-22.

INDIAN AUTOMOTIVE INDUSTRY

The automotive industry in India is one of the largest industries in the world. According to IBEF (India Brand Equity Foundation). Industry accounts for 7.1% of the country's gross domestic product (GDP). The two-wheeler segment with a market share of 81% is the leader in the Indian automotive market thanks to the growth of the middle class and young population.

Furthermore, the growing interest of companies in exploring rural markets has further aided the growth of the sector. The overall passenger car (PV) segment has a market share of 13%.

India is also a major auto exporter and has strong export growth expectations for the foreseeable future. In April-January 2016, commercial vehicle exports grew by 18.36% compared to April-January 2015. In addition, various initiatives by the Indian government and major automotive players in the Indian market are expected to make India a market leader. World two-wheeler (2W) and four-wheeler (4W) market by 2020.

Global automotive industry

In 2020, global car production fell sharply, down 15.4% from the previous year, due to travel restriction measures and the general decline in economic activity due to the COVID-19 pandemic. Passenger cars registered a more significant fall in production than commercial vehicles, with decreases of 16.9% and 11.6% respectively. This marks the third consecutive year of negative growth in global motor vehicle production. In contrast, global sales of electric vehicles (EVs) rose 39% in 2020 to 3.2 million units, bringing the total global stock of electric vehicles to 11.3 million units.

• The latest statistics from the International Organization of Motor Vehicle Manufacturers reveal a sharp decline in production across all manufacturing regions, with the most significant declines in Latin America (24.8%), Western Europe (24%) and Latin America. North (20.3%).

• Vehicle sales figures tell a similar story: 2020 passenger car sales were down 15.9% year- on-year and commercial vehicle sales a less devastating 8.7%. In some world regions, passenger car sales are down more than 20% from 2019 levels; these include Latin America (-29.3%), the NAFTA region (28.9%), Africa (24.7%), and Western Europe (21.1%).

• Export trade has also been heavily affected by the 2020 coronavirus restrictions aimed at curbing the spread of the virus. Motor vehicle exports came to an almost complete halt in Eastern Europe, Latin America and the Middle East, where annual vehicle export totals were more than 97% lower than 2019 levels. 40-50%.

• In the context of an overall contraction in the automotive market in 2020, exports and sales in the global market for electric vehicles have seen profitable growth. Global sales of electric vehicles increased by 39% compared to 2019, while the export trade of electric vehicles increased by 18%.

Objectives

The main objectives of the study are as follows.

- To study the level of relationship with the customers.
- To analyse the effectiveness of customer relationship management oncustomer satisfaction.
- To study the impact of customer relationship management in customer retention in automobile sector.
- To understand the kinds of manipulative practices done by the dealership.
- The level of friendliness shown by the sales staff.
- To explore various CRM activities conducted or initiated by various companies.

Major companies operating in the Indian market

Maruti Suzuki – baleno, swift, eeco, alto, s cross, ciaz, ignis, celerio

Kia motors – seltos, sonet, carnival

Hyundai – grand i10 nios, venue, creta, verna

Mahindra – xuv 500, xuv 300, thar

Tata – tiago, tigor, nexon, nexon EV, harrier, safari

Chapter 2 Literature review

REVIEW OF LITERATURE

- **DIBEESH C (2016) -CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN THE AUTOMOTIVE INDUSTRY**- The author states that the concept of customer relationship management and its impact on customer loyalty is gaining more and more attention in today's business world. Companies are focusing on retaining their loyal customers instead of acquiring new ones. One of these strategic goals is customer loyalty, which should be seen as a "must" for automakers hoping to compete. Unlike other consumer products with more frequent replacement cycles, car buyers often don't return to the market for three to four years or even longer. Some empirical evidence suggests that retaining an existing customer costs much less than acquiring a new one, making loyalty especially critical at a time when corporate marketing budgets are being scrutinized.

• **Lalith kumar pothal (2020) Study on customer relationship management in the automotive industry:** the author states that customer relationship management is a widely used concept to manage an organization's interaction with its customers and your sales prospect. Customer relationship management is becoming very important in today's business world, especially in the automotive industry. Here, we assess how customer relationship management helps improve the business of the automotive industry, specifically focusing on the areas of product quality, brand building, customer loyalty, and after-sales service.

· **Pratap P.patel(2015) A Study of Customer Relationship Management Practices in Automobile Dealers in Ahmednagar Region-** The author says that customers are most important element of modern marketing. This paradigm of shift of business activity resulted in the customer relationship marketing (CRM). CRM becomes effective aid to serve customers effectively. CRM systems have been developed to support the process in the areas of marketing, sales&service. CRM becomes increasingly important for organizations to improve profits through long term relationships with customers. Today companies are building more direct and lasting relationships with more carefully selected customers. Many organizations are fighting for share in the market in changing demographic conditions of market. Abundant information's are available to customers through internet, television, newspaper, exhibitions, trade fairs etc. Due to this availability of information, customers are empowered to demand more Customers are aware about the availability of various products as well as comparative analysis of their features.

Hence, the challenges of sales persons become tough regarding identification of needs providing right solutions to customers. This is possible with the help of Customer

Relation Management which is the combination of organization strategy, information systems&technology focused on providing better customer service. CRM when correctly&effectively utilized, results in increased profitability and greater customer loyalty, which are two key needs for any organization.

Last two decades it becomes necessary to consider emerging technologies&identifying opportunities and bottlenecks during the implementation of CRM. Thus successful implementations of CRM produces in organization focus on profiling or understanding the needs&desires of customers&is achieved by placing these needs at the heart of business by integrating them with the organizations strategy, people, technology&business process.

D. Ranjith Kumar, J. Sivashankar (2009) IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT IN AUTOMOBILE INDUSTRIES - The author says that Customer Relationship Management (CRM) provides improved opportunities to use data and information both to recognize customers and execute relationship marketing strategies better. This involves a cross-functional integration of people, operations, processes and marketing capabilities that is facilitated through information technology and applications. In the aspect of information technologies CRM is understood as the complex of software and technologies automating and performing business processes in the following areas: sales, marketing, service and customer support.

Goyal Indu (2017) Customer Relationship Management in An Automobile Industry A Study In Western Uttar Pradesh - In the fast changing world we are currently living in with modern ways of communication, the needs of the customers are also changing. With the presence of bottle neck competition, customer not only demands quality of products and services but also looks for value. Customer Relationship Management is one of them. It was clearly proved by marketers to focus on customer rather than of products. CRM can be stated as the core strategy of business which links the internal processes and external network which aims the creation and deliver the value to the target clients.

The automobile industry is the largest primary driver that boosts the country s economic growth. Indian automobile sector has gained the importance and today, mostly every global auto major has set up the facilities in India. With the addition to this, the Government of our country and the leading players of the industry are expected to take India by 2020 as the leader in the segment.

Andrew Repin (2021) Automotive CRM: A Way to Get More Loyal Customers for Car Dealers.

CRM can help increase revenue by up to 41% per salesperson. Automotive CRM is no exception: they automate sales, marketing, and customer service processes to help your agents sell more. Customer relationship management systems help sales reps streamline their daily processes, eliminate redundant tasks (manual car buyer data entry, manual analysis of car sales calls), and focus on delivering to buyers. high-quality customer service.

Dealer CRM software can incorporate marketing, sales, and customer service features that allow your agents to interact with customers before, during, and after the purchase. Most commonly, sales functionality becomes the centerpiece of automotive CRM solutions and can be supported to varying degrees by marketing and customer support capabilities.

A sample automotive CRM solution will enable your agents to track leads, drive conversion of leads to car sales orders, and check the status of customers going through sales pipelines (linked contacts, customers, etc.). potential interested in buying cars, etc.). Additionally, Automotive CRM can identify and inform your team of cross-selling opportunities. For example, when a customer buys a car, the software will alert your team that the customer may need insurance and send them a reminder of upcoming maintenance dates at a later time.

Daniel Norris (2019) The Future of CRM for the Automotive Industry

CRM moves at a relentless pace; however, for a variety of reasons, the automotive industry has been slow to catch up with the latest and greatest technological innovations in the CRM space. However, with Dynamics 365 in the cloud, things could change, with many disruptive technologies available out of the box that will benefit the automotive industries in particular.

Automotives are facing a paradigm shift from product-driven organisations to customer- driven. Clients are continuing to make bigger and bigger fleet purchases. This requires a stronger relationship between the dealership and the client to build trust. New technologies help facilitate this enhanced relationship. Automotives face the challenge of capturing customer data and applying it into their customer-driven strategies, which an optimised CRM is perfect for.

Daniel Norris (2019) The future of automotive CRM

In a Software Advice survey, 56% of shoppers say finding the right vehicle is the most frustrating aspect of the car buying process. Another 31% say bargaining over the price is frustrating.

Modern automotive CRM software will help alleviate the tedious aspects of automotive shopping. By synchronizing a CRM with a portal, customers can view inventory online and make decisions in moments, as well as providing them with detailed information before arriving at the dealership and participating in the purchase process by being more informed about what's available.

Daniel Norris (2019) Future technologies that the automotive industry can expect from CRM. With Sales traveling more than ever, it is essential that they are able to access business information and execute processes while in the field. Future CRMs will provide this capability, so they won't need to go back to the office to finalize car sales.

Inventory updates
A dealership's success depends on its range of vehicles on the lot. The modern auto sales environment has more templates and customizations available than ever before, which means we have entered an era of product information overload.

Today's environment is where buyers tend to learn more about a particular vehicle than the seller who sells it. The internet has created this research tool that is empowering buyers like never before when buying a car. The result is that the change in customer sales knowledge can damage a dealer's reputation and trust if they are unable to explain the features in specific detail to help qualify a particular vehicle for a potential purchase

Chapter 3 Research Methodology

A Research methodology is a specific technique that are adopted in research process to collectand assemble and evaluate data. It defines those tools that are used to gather relevantinformation in a specific research study. The research methodology is helps to identify the research activity in a true sense. It further specifies and defines the actual concepts. The research methodology offers a platform to demonstrate how we can communicate research activity in a true sense

Research

Research is defined as careful consideration of study regarding a particular concern or problemusing scientific methods. According to the American sociologist Earl Robert Babbie, "researchis a systematic inquiry to describe, explain, predict, and control the observed phenomenon. It involves inductive and deductive methods."

Inductive research methods analyze an observed event, while deductive methods verify the observed event. Inductive approaches are associated with qualitative research, and deductive methods are more commonly associated with quantitative analysis.

Research is conducted with a purpose to:

· Identify potential and new customers

· Understand existing customers

· Set pragmatic goals

· Develop productive market strategies

· Address business challenges

· Put together a business expansion plan

· Identify new business opportunities

RESEARCH DESIGN

A good research design has characteristics viz. problem definition, time required for research project and estimate of expenses to be incurred the function of research design is to ensure that the required data are collected and they are collected accurately and economically.

There are three main purposes:

1. **Exploratory:** As the name suggests, researchers conduct exploratory studies to explore a group of questions. The answers and analytics may not offer a conclusion to the perceived problem. It is undertaken to handle new problem areas that haven't been explored before. This exploratory process lays the foundation for more conclusive datacollection and analysis.

2. **Descriptive:** It focuses on expanding knowledge on current issues through a process of data collection. Descriptive research describe the behavior of a sample population. Onlyone variable is required to conduct the study. The three primary purposes of descriptive studies are describing, explaining, and validating the findings. For example, a study conducted to know if top-level management leaders in the 21st century possess the moral right to receive a considerable sum of money from the company profit.

3. **Explanatory:** Causal or explanatory research is conducted to understand the impact of specific changes in existing standard procedures. Running experiments is the most popular form. For example, a study that is conducted to understand the effect of rebranding on customer loyalty.

For this research, I have used descriptive research design.

Here is a comparative analysis for better understanding:

	Exploratory Research	Descriptive Research	Explanatory Research
Approch used	Unstructured	Structured	Highly structured
Conducted through	Asking questions	Asking questions	By using hypotheses.
Time	Early stages of decision making	Later stages of decision making	Later stages of decisionmaking

SAMPLING SIZE

Sample size can be defined as the total number of respondents that is to be taken from the population. In this research, 200 respondents were taken from Public.

SAMPLING METHOD

For this report, I have selected Non- Probability Convenience method.Data collection:-

Data collection is the process to gather information about the relevant topic research, which is be data collection usually takes place early in an improvement project, and is often formalized through data collection plan which often contains the following activity.

· Pre collection activity on goals, target data, definitions and methods.

· Collection of data

· Presenting findings involving some form of sorting analysis.

For, accomplishing the objective of study, both primary and secondary data have been used. Data collection through the primary data as well as secondary data sources

Classification of data:-

The correct information is the success. Data information is two types. Primary data and secondary data, Primary data is information collected by researcher or person himself where issecondary data is collected by other but utilized or used by researcher. Data can be classified under two categories depending upon source utilized. These categories are:

A. Primary data:-

The study is largely based on the primary data which has been collected through the structuredquestionnaire method.

Using primary data collection tool:-

Questionnaire:-

The data has been collected by administering a structured schedule of questions.The questions are generally framed by 5 point Likert scale and answers by respondents in formof agree, Disagree, neutral, strongly agree and strongly disagree.

The questionnaire have been prepared for study the customer perception towardsthe Electronic payment usage and its benefits .

For the present study questionnaire method is used to collect the primary data.

B. Secondary data:-

This type of data has already been collected by someone else and has already passed through statistical process. This type of data has been collected from the following resources.

Sources of secondary data

· Internet

· Books

· Journal

· Magazines

· News papers

· Govt. gazettes etc.

For, this study primary data and secondary data both has been used for research topic.

Chapter 4 Questionnaire

1. Which category of car would you consider to purchase?

2. What is your parent's employment type?

3. The car you own belongs from which brand?

4. What was your mode of transaction for purchasing the car?

5. Did the sales manager forced you to take the insurance policy from showroom itself?

6. Did the showroom manager forced you to take accessories pack of the car?

7. Did you find the behaviour of sales manager arrogant at times?

8. Rate your after sales/service experience till now.

9. Did you find the sales manager to be manipulative?

10. Rate the overall ambience of the car showroom.

11. Did you got a pick up service from your home during the day of your car delivery?

Chapter 5
Data analysis and interpretation

1. In this, we got know that 60% of our respondents were from business background and rest of 40% were in service sector.

2. As we can see in this pie chart, hatchback constitutes 50% of buyers which is followed by sedan at 30%, SUVs at 20% and crossovers at 0 buyers.

3. Maruti suzuki is the biggest automobile manufacturer of the country, that is the reason it is having a 40% share of cars amongst my respondents. That is followed by hyundai at 20% and honda,tata,kia and morris garages at 10% share.

4. Finance is the most popular option in terms of buying a new car. Which is pretty evident in this chart. It is because that's a huge investment to be made. So many times people do not have this much cash on hand.

5. Did the sales manager forced you to take
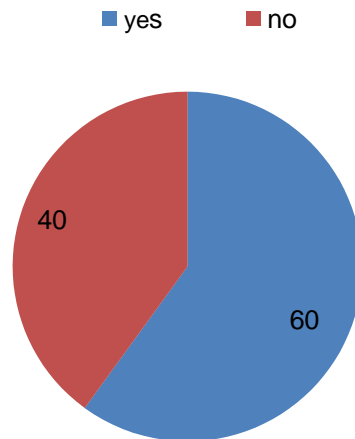
5. My respondents said that 60% of the times their sales consultant forced them to buy the insurance policy from the dealerships itself. Which is a wrong thing. Supreme court has passed a mandate that no dealerships can force their customers to buy the insurance from them. OEM manufacturers should learn something from this. And they should tell all of their dealerships to stop this malpractice.

6.   This is a sense of relief that sales people are not being pushy in terms of forcing to buy the accessories pack.
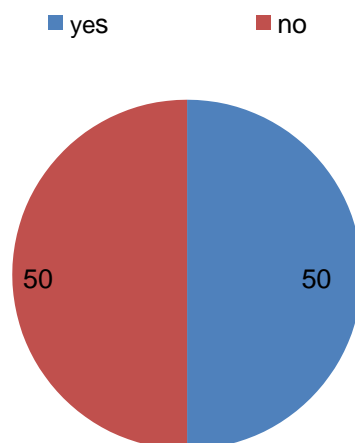

7.   30% of the the times my respondents found out their sales managers to be arrogant. Which is something which automobile manufacturers should take into consideration and should provide relevant training experience through dealerships.

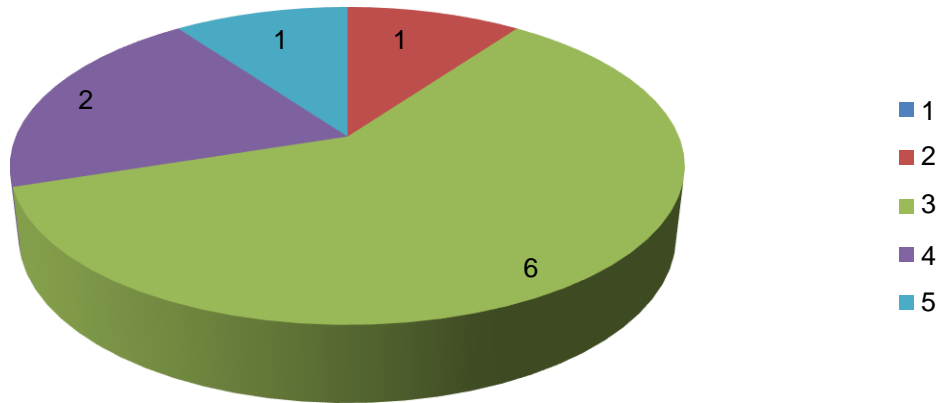**8. Rate your after sales/service experience till now.**
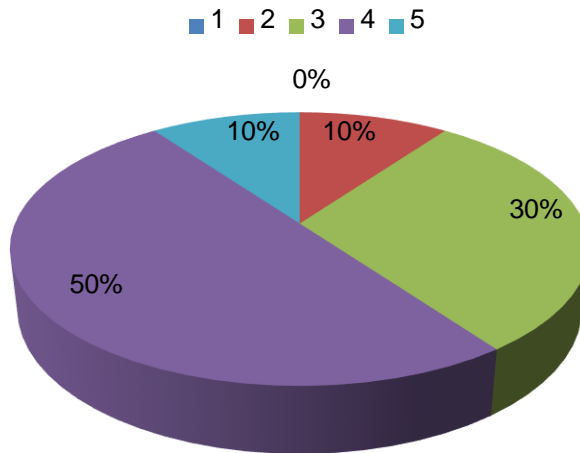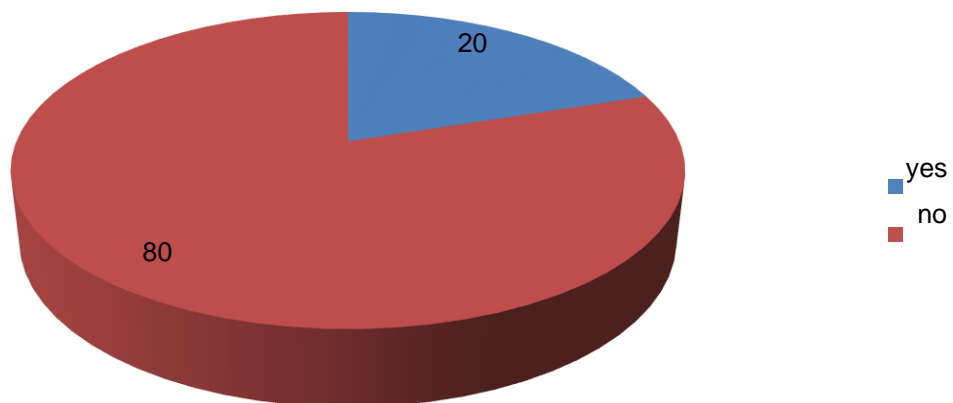

9. Did you find the sales manager to be

9. Again this is something which needs attention by the car manufacturers, so that customers get a hassle free experience while buying their car.

10. Rate the overall ambience of the car showroom.

11. Did you got a pick up service from your home during the day of your car delivery?

11.   This shows that there is a need for dealerships to send a pick up service to their customers on the auspicious day of their delivery. As it will make their car buying experiemce more memorable.

Chapter 6 Result and findings

Result and findings

Gone are the days when people searched for their perfect car in showrooms.
Now, they just browse online. They study their options and then make a decision or build on an earlier one.

Suppose a person wants to buy a car. To compare options, they will browse through a group of websites. They will peruse reviews, watch videos, and take suggestions from their friends. But, there is always a dilemma.
Buying a car is a decision that requires paying money up front. An organization that wants to make a sale will first have to engage the buyer. They will have to clear the dilemma of their buyer and gain their trust. How would you do it?

Automotive Customer Relationship Management (CRM) technology helps you establish that trust with your competitors.
It's pretty obvious, the product itself can't establish that relationship with a buyer. But your sales team can!

Whoever connects with the buyer first gets this chance!
Automotive CRM empowers your sales team to capture such opportunities. So, without further ado, let's start learning more about automotive CRM.

Chapter 7 Limitations

You may encounter them due to any flaws in the installation, implementation and / or use of Automotive CRM:

1.   Invest time and effort to analyze and document the following:
- Business processes
- Sales cycles
- Deficiencies in your current process
- Technical and functional requirements in Automotive CRM

2.   There may be errors in the adoption of Automotive CRM if you have not assigned an executive to ensure:
- Employees know how to use Automotive CRM
- Automotive CRM is used religiously

3. The cost of an automotive CRM can seem exorbitant.

Chapter 8 Conclusion

CUSTOMER RELATION MANAGEMENT (CRM) IN THE AUTOMOTIVE SECTOR is
carried out to study the level of relationship with customers.
Most of the customers are satisfied with the services provided by different companies such as Tata,
Mahindra and Mahindra, Honda etc. It is important to serve customers, the customer is the king of the
market and keeping them in this competitive world is even more important.

**Through proper analysis, the company can provide better service and maintain a good relationship
with the customer through its reseller networks.**

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