A STUDY ON IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT IN AUTOMOBILE INDUSTRIES IN CHENNAI CITY

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Abstract

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. The main objective of this present study is to determine the influence of demographic variables on the perception of services provided in Automobile Industries with respect to Customer Relationship Management. The Researcher compared the satisfaction level with their perceptions towards the services offered of selected respondents in the Automobile Industries in Chennai City of Tamil Nadu. 632 sample respondents having access with the Automobile Industries in Chennai City is chosen for this study to study the relationship between services offered and Customer Relationship Management aspects as ascertained using multiple regression analysis and one-way Analysis of Variance. A model was developed to ensure the Customer Relationship Management in Automobile Industries in Chennai City of Tamil Nadu by using analysis of moment structure. Results of this present study show that that the respondents are satisfied towards the Customer relationship management in Automobile Industries. The sample respondents are much more satisfied with the way that the Automobile Industries gives priority to their preferences and suggestions.

Keywords: Customer Relationship Management, Automobile Industries,

Introduction

Customer Relationship Management (CRM) is the whole thing is related to satisfaction of customer's needs. Dick Lee (2010) stated that CRM is apparent as "chain reaction", which is root by new strategic inventiveness of communication with a customer when high level of information technologies development and constant customer's requirement to obtain better quality of service are attained. An attractive view on the word Customer Relationship Management (CRM) has been bring by Payne (2015). He comprehended Customer Relationship Management (CRM) as a strategic approach troubled with generating improved shareholder value through the development of appropriate relationships with key customers and customer segments. According to Payne (2015) Customer Relationship Management (CRM) come together the potential of information technologies and relationship marketing strategies to bring profitable, long-term associations.

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Emergence of Customer Relationship Management (CRM)

In India, Customer Relationship Management (CRM) is deep ancestry in the practices of business. The businessmen used to set up bondages with customers at emotional level, particularly in small towns and villages. Nevertheless, in modern corporate world, CRM has become visible as a new concept in the mid-1990s, additional as a technology that would change dramatically the way corporations managed their networks and communication points with customers (Rado Kotorov,2013). Consequently the modern Customer Relationship Management (CRM), in its early stages, was arranged as a technology solution: a software package that was bought and put in to make easy or computerize some marketing functions. The terms "sales-force automation", "campaign automation", "customer support automation" were often equivocated with CRM, even though they stand only for different components of the enterprise-wide CRM strategy.

Statement of the Problem

In today's competitive market, the outcome of a firm's marketing strategies and strategy is to make profits and throw in to the growth of the company. Consumer satisfaction, quality and retention are worldwide issues that have an effect on all organizations, profit or non-profit, global or local. Numerous companies are paying attention in studying, evaluating and executing marketing strategies that aim at civilizing consumer retention and maximizing share of consumers in scrutiny of the beneficial effects on the financial concert for the firm. Over the last decade automobile companies of all kinds and sizes have progressively to understand the importance of users' satisfaction. For many automobile companies in the public sector consumer satisfaction will itself be the compute of success. Users' satisfaction has therefore become the key operational objective for many automobile companies. They have devoted heavily in enlightening performance in areas that make a strong input to users' satisfaction, such as quality and consumer service.

Objectives of the Study

The main objectives of the study are as follows:-

➢ To study the Customers' Perception about Customer Relationship Management in Automobile Industries in Chennai City;

➢ To determine the influence of demographic variables on the perception of services provided in Automobile Industries with respect to Customer Relationship Management;

➢ To identify the Customers' Satisfaction towards the services provided by the Automobile Industries in Chennai City;

Methodology

Convenience Sampling Method was espoused to collect the primary data. The respondents for the reason of the study are selected at the convenience of the researcher and the samples. At the first occurrence, the total number of Automobile Industries in the city of Chennai has been taken into consideration to make a decision about the number of automobile industries used for the purpose of study. Customer Relationship Management (CRM) is the main concern of the modern environment of business, and it is well thought-out as the central critical point of all marketing activities being given high priority by companies. Customer is the

biggest determinant of the continued existence of any Organizations, companies or enterprise. Among different type of organizations, an Automobile industry plays a serious role for their customers. This present study is conducted by the researcher with an purpose to find out the perception of the customers about the services provided by the Automobile companies in Chennai City of Tamil Nadu.. According to the previous literatures, "Customer Relationship Management (CRM) is a term for methodologies, technologies, and ecommerce capabilities used by companies to manage customer relationships". The study is done based on the relationship between variables listed below: Customer Relationship Management (Dependent Variable) and Customer perception, Customer satisfaction, Use of Technology and Relationship (Independent Variables). A well structured questionnaire was used to collect primary data from the respondents. The questionnaire of this research work consists of both optional type and statements in Likert's 5- point scale type. Reliability is a tool refers to the degree of consistency between multiple measurements of variables. It is also extent to which a conduct experiment tests or any measuring procedures acquiesce, the same result on repeated attempts. Reliability was predictable through internal consistency method which is functional to measure the consistency among the variables in a summated level. The Researcher compared the satisfaction level with their perceptions towards the services offered of selected respondents in the Automobile Industries in Chennai City of Tamil Nadu. The research is also explored Customer Relationship Management (CRM) aspects with Satisfaction level of the respondents towards the services offered of selected respondents in the Automobile Industries in Chennai City of Tamil Nadu. 632 sample respondents having access with the Automobile Industries in Chennai City is chosen for this study to study the relationship between services offered and Customer Relationship Management (CRM) aspects as ascertained using Multiple regression analysis and one-way Analysis of Variance.

Profile of the Respondents

Table 1, reveals the respondents availed the services of Automobile Industries in Chennai city of Tamil Nadu were selected for the study. It is observed that 61.71 percent of the sample respondents are males and 38.29 per cent of the sample respondents are females. It is observed that more than three fifth of the selected respondents are men. Age group of sample respondent, it is also depicted that 34.97 percent of the sample respondents are in the age group of 21-30 years, while 26.27 percent of the sample respondents belong to the category of above 50 years, an additional 20.73 percent of the sample respondents are 31-40 years age group and 18.04 per cent of the sample respondents are in the age group of 31-40 years. It is observed that more than one third of the sample respondents are in the age group of 21-30 years. It is also observed that the 58.07 percent of the selected sample respondents were married and 41.93 per cent of the sample respondents are living as single. It is observed that more than half of the sample respondents were married. It is observed that the 45.73 per cent of the sample respondents are graduates, whereas 24.37 per cent of the respondents are post graduates, a further 18.99 per cent of the sample respondents possess other educational qualification and 10.92 per cent of the sample respondents are possessing school level education. It is observed that more than four tenth of the sample respondents are possessing graduation as their educational qualification. It is also observed that the 39.92 percent of the respondents are working in Private sector, whereas 21.20 percent of the sample respondents are employed in Government sector, another 17.72 percent of the sample respondents are running their own business, 15.66 percent of the sample respondents are home makers and 6.49 per cent of the sample respondents are engaged in other sectors. It is observed that more than three fifth of the sample respondents are working in Private sector. There are 38.92 per cent of the sample respondent's family monthly income per month is below Rs. 0.5 Lakh, whereas 24.05 percent of the sample respondent's family income is between Rs.0.5 to 1 Lakh per month, another 21.52 percent of the respondent's family income per month is more than Rs.1.5 lakhs and 15.51 percent of the respondent's monthly family income is between Rs.1 - 1.5 lakhs. It is observed that most of the respondent's monthly family income varies from below Rs. 0.5 Lakh. It is also inferred that 47.15 per cent of the respondents are living in a family of size 4 and 5, while 30.38 per cent of

the respondents are living in the family of size 6 and above and 22.47 per cent of the respondents are living in a family of size upto 3 members.

Table 1 - Profile of the Respondents

Particulars	Classification	Number of Respondents	Percentage
Gender	Male	390	61.71
	Female	242	38.29
Age	21-30 years	221	34.97
	31-40 years	131	20.73
	41-50 years	114	18.04
	Above 50 years	166	26.27
Marital Status	Married	367	58.07
	Single	265	41.93
Education	School level	69	10.92
	Graduate	289	45.73
	Post graduate	154	24.37
	Others	120	18.99
Occupation	Government sector	134	21.20
	Private sector	246	38.92
	Business	112	17.72
	Home maker	99	15.66
	Others	41	6.49
Monthly Family Income	Below Rs. 0.5 Lakh	246	38.92
	Rs 0.5 to 1 Lakhs	152	24.05
	Rs.1 to 1.5 lakhs	98	15.51
	Above Rs 1.5 Lakhs	136	21.52
Family size	Up to 3	142	22.47
	4 and 5	298	47.15
	6 and above	192	30.38

Source: Computed from Primary data.

Factor analysis for Customer Relationship Management

To study the Customer Relationship Management (CRM) features to sample respondents towards the services rendered by the automobile industries in Chennai City of Tamil Nadu there are fourteen variables were analysed. KMO measurement results for sampling adequacy and Bartlett's Test of Sphericity indicated that the application of factor analysis to study the CRM in automobile industries to the sample respondents towards the

services rendered by the automobile industries in Chennai City of Tamil Nadu was suitable for the data. 0.92 was the KMO measure of sampling adequacy and it was significant (p<.001). The outcome of the factor analysis given in the Table 7.8 shows a one-factor solution with Eigen value more than one illumination 71.36 per cent of the total variance. The factor loadings ranged from 0.55 to 0.87. Further all the fourteen variables were retained as they revealed the various attributes of Customer Relationship Management (CRM).

Table 2 - Factor loading with Eigen values and total variance for Customer Relationship Management

Variable	Factor scores
This showroom treats its customers with respect	0.76
My experiences with this showroom are better than I expected	0.81
This Showroom treats me as an important customer	0.62
I recommend this showroom to friends and family	0.71
This show room deserves my trust	0.69
This showroom solves problems efficiently	0.77
The products/services sold by this showroom are high quality	0.86
I identify myself with this showroom	0.55
I am willing to buy other products/services from this showroom	0.87
This showroom offers personalized customer service	0.76
This showroom tries to get to know my preferences, questions and suggestions	0.84
This showroom has good facilities	0.67
The products/services sold by this showroom are good value	0.57
This showroom rewards my loyalty	0.62
Eigen value	10.675
Percentage of value	71.36
Cumulative percentage of variance	71.36

Perception towards Customer Relationship Management (CRM)

In this section, the perception level of respondents towards Customer relationship management (CRM) in Automobile Industries in Chennai city of Tamil Nadu is studied. Fourteen variables, namely, (i)This showroom treats its customers with respect, (ii) My experiences with this showroom are better than I expected, (iii) This Showroom treats me as an important customer, (iv) I recommend this showroom to friends and family, (v) This show room deserves my trust, (vi) This showroom solves problems efficiently, (vii) The products/services sold by this showroom are high quality, (viii) I identify myself with this showroom, (ix) I am willing to buy other products/services from this showroom, (x) This showroom offers personalized customer service, (xi) This showroom tries to get to know my preferences, questions and suggestions, (xii) This showroom has good facilities, (xiii) The products/services sold by this showroom are good value and (xiv) This showroom rewards my loyalty were taken to compute the perception of the sample respondents. To test the

important difference among the mean value of the variables measured against the test average response of 3 (mean-score), the following null hypothesis is framed.

H0: The perception level of the respondents towards Customer relationship management in Automobile Industries does not differ with the average score

The results of one sample t-test for variables calculated for studying the sample respondents' perception level towards Customer relationship management (CRM) in Automobile Industries of Chennai City of Tamil Nadu are exhibited in the table 3.

Table 3 One sample t-test for perception towards Customer Relationship Management

Statements	Mean	SD	t-value	p-value
This showroom treats its customers with respect	3.48	1.107	18.498**	<.001
My experiences with this showroom are better than I expected	3.27	0.938	7.390**	<.001
This Showroom treats me as an important customer	3.35	0.946	8.478**	<.001
I recommend this showroom to friends and family	3.59	1.017	10.882**	<.001
This show room deserves my trust	3.48	1.108	9.637**	<.001
This showroom solves problems efficiently	3.61	1.025	13.329**	<.001
The products/services sold by this showroom are high quality	3.58	1.003	11.872**	<.001
I identify myself with this showroom	3.54	0.978	10.397**	<.001
I am willing to buy other products/services from this showroom	3.42	0.813	9.076**	<.001
This showroom offers personalized customer service	3.72	0.895	18.593**	<.001
This showroom tries to get to know my preferences, questions and suggestions	3.88	0.890	19.205**	<.001
This showroom has good facilities	3.67	0.927	15.167**	<.001
The products/services sold by this showroom are good value	3.58	1.212	12.064**	<.001
This showroom rewards my loyalty	3.69	0.822	15.049**	<.001

Source: Computed from Primary data   ** Significant at 1% level

From table 3, t-value of the variables 18.498, 7.390, 8.478, 10.882, 9.637, 13.329,11.872, 10.397, 9.076, 18.593, 19.205, 15.167, 12.064 and 15.049 are significant at 1% level under Customer Relationship Management (CRM) n Automobile Industries in Chennai of Tamil Nadu. This demonstrates that there is significant difference between the mean responses given by the respondents towards the variables under customer relationship management and the test average score (=3). This shows that the respondents are satisfied towards the Customer relationship management in Automobile Industries. The sample respondents are much more satisfied with the way that the Automobile Industries gives priority to their preferences and suggestions.

Model for Customer Relationship Management in Automobile Industries

Structural Equation Modeling (SEM) is a statistical technique for testing and estimating the causal relations using a amalgamation of statistical data and qualitative causal assumptions. Structural Equation Modeling (SEM) was articulated by the geneticist Sewall Wright (1921), the economist Trygve Haavelmo (1943) and Herbert Simon (1953), and formally defined by Judea Pearl (2000) using a calculus of counterfactuals. Structural Equation Modeling (SEM), which is frequently termed as the Second Generation Method, could amuse latent constructs with multiple indicators as well as the usual observed variables into the model concurrently and, more prominently, the inter-relationship among them are analyzed simultaneously. A model was developed to ensure the Customer Relationship Management in Automobile Industries in Chennai City of Tamil Nadu by using analysis of moment structure (AMOS 23). In this SEM model the following variables are taken as observed variables (measured through variables and confirmed as factors): Premises/employees, Manager Service , Offers / Discount, Financial Service, Reception Service, Hospitality, Initiation, Maintenance, Use of technology and Relationship orientation. Services offered and Customer Relationship Management (CRM) aspects are taken as unobserved variable. Services offered and CRM initiation is exogenous (independent) variables and Customer Relationship Management (CRM) is endogenous (dependent) variables.

H0: The model fitted for Customer Relationship Management in Automobile Industries in Chennai City is good

Figure 1 - Model for Customer Relationship Management
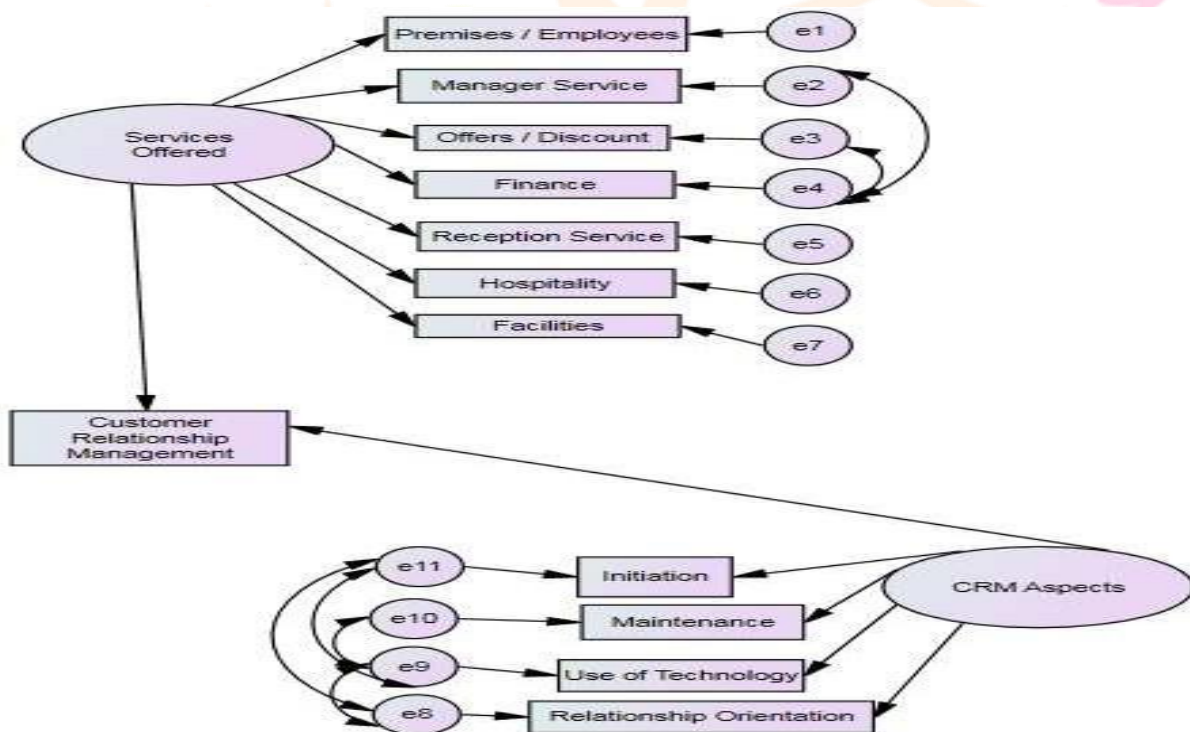
Table 4 - Model fit summary

χ^2	35.126
Dof	25
χ^2/ dof	1.406
p-value	0.108

GFI	0.919
AGFI	0.911
RMSEA	0.087
ECVI	0.091

It is learned from the table 4, the model fit Chi-square χ^2/dof = 1.406 and the model's p- value is 0.108 which is insignificant at 5% level, which illustrated that the formulated null hypothesis "The model fitted for Customer Relationship Management in Automobile Industries in Chennai is good" is accepted. This model reasonably good for fit because the goodness of fit index (GFI) is 0.919 and it is Adjusted Goodness of Fit Index (AGFI) is 0.911. It is also learned that the Root Mean Square Error of Approximation (RMSEA) is 0.087, a smaller value indicates better model, and Expected Cross Validation Index (ECVI) is 0.091, which are surrounded by the satisfactory range representative a better model fit.

Conclusion

The greater than before competitions from the local as well as foreign companies in market have resulted in the boost in the demand and anticipation of customers. Customer service and Customer Relationship Management (CRM) are very important in this new environment. Successful implementation of Customer Relationship Management (CRM) produces in organization focal point on profiling or indulgent the needs and desires of customers and it are achieved by introduction these needs at the heart of business by incorporating them with the organizations strategy, people, and technology and business process. Therefore Customer Relationship Management (CRM) helps automobile dealers to predict business and increase the reputation from beginning to end excellent customer approaches. Also Customer Relationship Management (CRM) assists the dealers for revenue generation and enables sharing of information through excellent practices.

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