



## A Study on Customer Relationship Management at Yamaha Motors, R.K. Enterprises, Tirupati, Andhra Pradesh

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### ABSTRACT

The aim of the research paper is to find the Customer Relationship Management towards Yamaha Motors in Tirupati. Customer relationship is a tool for identifying way to create more customer value & satisfaction. Every firm is a synthesis of activities that are performed to design, produce, and market, deliver and support its product. Many companies are intent on developing stronger bonds with their customers called Customer Relationship Management (CRM). This is the process of managing detailed information about individual customer and carefully managing all the customers touch points with aim of maximizing customer loyalty. A successful business must have satisfied customers. We will treat them as we would wish to be treated ourselves. They require an excellent service and our use therefore be undertaken with our customers as the key focus. Providing better products and services than our competitors. The aim of customer relationship management is to produce high customer equity. Customer equity is the total of discounted lifetime values of all of the firm's customers. Clearly, the more loyal customer, the higher the customer equity, rust, zenithally, and lemon distinguish three drivers of customer equity; value equity, brand equity, and relationship equity.

**Key Words** :CRM, LPG, SWOT Analysis, Customer Loyalty

### Introduction

The ever going competition in the world economy, the organisations focuses lot of challenges for the development and services in the marketing. The waves of Liberalisation, Privatisation, and Globalisation (LPG) are sweeping across the world. Those who talked about 'market failure' and 'exclusion of the poor by the market' is now advocating a greater role for the market forces and market friendly economy by providing lot of opportunities, development and survival of an organisations turnaround the customer's op. cit., retaining the customers is too difficult rather than attracting new customers. It is mainly depends effective existence of a fair Customer Relationship Management (CRM). CRM is determined in advance with the anticipation it will be an ongoing relationship based on multiple transactions. Thus in the present day competitive market CRM plays an important role in the development of a stability of an enterprises.

The effective use of information is to be the foundation of competitive firms in this millennium. Since the beginning of the new millennium, traditional marketing practices have not been effective in yielding good returns. Companies have turned reluctant to spend huge advertising expenditure and marketing research – the potent tool of getting deeper insights of customer has lost its charisma. The four P's of marketing – Price, Product, Place and Promotion – are not much useful in developing marketing strategies. Due to enigmatic customer behaviour, it becomes inevitable for the companies to develop new marketing strategies. CRM has emerged as a new marketing strategy in that tenor. As a new marketing strategy in that tenor.

There is a gradual shift in marketing practices from basic marketing to relative marketing and then to relationship marketing. In days of a long time ago, selling a product was comparatively easy. Many companies took their customers for granted and could practice of marketing in expanding economies and rapidly growing markets. Owing to changing demographics, fierce competition and over-capacity in many industries, most companies are up against the problem of customer churn, that is, customer defection. It has become imperative for every company to fight for its share in the flat or faded market. They also realized that customer is the king or queen and retaining an existing customer is less expensive than creating a new customer for their products. Jeetendra Jain says, "It costs 5 times less to retain an existing customer than to acquire a new one".

### CRM – Principles, strategies, solutions, applications, systems, software, and ideas for effective customer relationship management

Customer Relationship Management is an essential part of modern business management. This CRM article is provided by Ellen Gifford, who

specialises in helping organisations develop excellence in CRM and this contribution is gratefully acknowledged. What is customer relationship management or CRM? customer relationship management concern the relationship between the organization and its customers. Customer relationship management is the same principles for these two examples – it is the scope of CRM which can vary drastically.

### **CRM focuses on the Relationship**

Successful organization use their steps to build customer relationship

- Determine mutually satisfying goals between organization and customers.
- Established and maintain customer rapport
- Produce positive feelings in the organization and the customers

### **CRM Conditions**

The organization and the customers both have sets of conditions to consider when building the relationship such as wants and needs of both parties.

- Organization needs to make a profit to survive and grow
- Customers want good services, a quality product and an acceptable price.

Good CRM can influence both sets of conditions.

### **Features of good CRM**

The old view point in industry was: ‘here’s what we can make – who wants to buy our product? The new view point in industry is.

- ‘What excellent do our customers want Ans need?’ and
- ‘What do we need to do to produce and deliver it to our customer?’ this is a significant change of paradigm and a quantum leap in terms of how we look at our business activity.

### **Generating a customer focused CRM Solution**

So, what do we need make this quantum leap of customers integration?

A new way of thinking:

- Change in paradigm
- Change in the message sent and received
- Change in the overall culture

Add a new way of doing things:

- Processes that are capable and effective
- Structures and systems that support a business centred on its customers
- Connectivity both internally and externally

### **Customer Expectations**

If an organized cannot at least meet its customers’ expectations it willstruggle.

Ideally a business organization should exceed its customers’ expectations, there by maximizing the satisfaction of its goods and services in the eyes of its customers.

Rule no 1 – you cannot assume that you know what a customer’s expectations

are ....you must ask

Rule no 2 – customer expectation will constantly change so they must be

determined on an on – going basis

The expectation of different customers for the same product or service will very according to:

- Social and demographic factors
- Economic situation
- Educational standards
- Competitor products
- Experience

Therefore, given all these variables factors, it is no surprise that one size certainly does not fit all. Ask your customers what is important to them. Find out why your customers do business with you. There are wide variety of relationship drivers. For example:

- Quality

- Price
- Product
- Location
- Customer service

### Others

What does the customer require? The customer will have five questions, consciously or unconsciously. The five questions will reflect customer satisfaction level.

They are as follows

- What can I expect when I buy your product? – the specifications for the product or service.
- Is it what I expect? – the conformance of the specifications.
- Does it continue to do what I expected? - the reliability.
- How much do I have to pay? - the value for money aspect.
- When can I have it? - delivery

The Automotive industry in India is one of the largest in the world and one of the fastest growing globally. India manufactures over 18 million vehicles (including 2 wheeled and 4 wheeled) and exports more than 2.3 million every year. It is the world's second largest manufacturer of motorcycles; there are eight key players in the Indian markets that produced 13.8 million units in 2010-11. At present the dominant products of the automobile industry are Two Wheelers with Market share of over 75% and passenger cars with a market share of about 16%. Commercial vehicles and three wheelers share about 9% of the market between them. The industry has attained a turnover of more than USD 35 billion and provides direct and indirect employment to over 13 million people.

The Indian two-wheeler industry has come a long way since its humble beginning in 1948 when Bajaj Auto started importing and selling Vespa Scooters in India. Since then, the customer preferences have changed in favour of motorcycles and gearless scooters that score higher on technology, fuel economy and aesthetic appeal, at the expense of metal-bodied geared scooters and mopeds. These changes in customer preferences have had an impact on the fortunes of the players. The erstwhile leaders have either perished or have significantly lost market share, whereas new leaders have emerged. With an expanding market and entry of new players over the last few years, the Indian two-wheeler industry is now approaching a stage of maturity. Previously, there were only a handful of two-wheeler models available in the country. Currently, India is the second largest producer of two-wheelers in the world. It stands next only to China and Japan in terms of the number of two wheelers produced and the sales of two-wheelers respectively. There are many two-wheeler manufacturers in India.

Yamaha made its initial foray into India in 1985. Subsequently, it entered into a 50:50 joint venture with the Escorts Group in 1996. However, in August 2001, Yamaha acquired its remaining stake as well, bringing the Indian operations under its complete control as a 100% subsidiary of Yamaha Motor Co., Ltd, Japan. India Yamaha Motor operates from its state-of-the-art-manufacturing units at Faridabad in Haryana and Sarjapur in Uttar Pradesh and produces motorcycles both for domestic and export markets. With a strong workforce of 2000 employees, India Yamaha Motor is highly customer-driven and has a countrywide network of over 400 dealers.

The company pioneered the volume bike segment with the launch of its 100 cc 2-stroke motorcycle RX 100. Since then, it has introduced an entire range of 2-stroke and 4-stroke bikes in India. Presently, its product portfolio includes Crux (100cc), Alba (106cc) and Gladiator (125cc), and YZFR15 (150cc). YAMAHA as the "exclusive & trusted brand" of customers by "creating Kando" (touching their hearts) - the first time and every time with world class products & services delivered by people having "passion for customers".

### SWOT ANALYSIS

STRENGTHS:	WEAKNESSES:
<ul style="list-style-type: none"> <li>• Yamaha Motor products extend from land to sea and even into the skies, with manufacturing and business operations that include everything from motorcycles, PSA electro-hybrid bikes, marine and power products to automotive engines.</li> <li>• Continuously does product improvement in accordance with demanding customers.</li> <li>• The distribution network of Yamaha Motors is very wide and spread across the country.</li> <li>• Probably the best in terms of R&amp;D facility</li> <li>• Has great brand name and commands lot of respect among bikers' community.</li> </ul>	<ul style="list-style-type: none"> <li>• Narrow product line in terms of motorcycles.</li> <li>• Yamaha's strategy for Indian market was on right alleyway, but somewhere down the lane, they are still relying on conventional model which no longer in use.</li> <li>• Yamaha despite the promise has failed to deliver and is still an underdog in the race to top.</li> <li>• A series of unsuccessful and flop bikes have eroded the legacy of RX100 and RD350.</li> </ul>

<p><b>OPPORTUNITIES:</b></p> <ul style="list-style-type: none"> <li>• The motorcycle market has been growing at a phenomenal rate and there has been a shift in the consumer preferences from 2 stroke bikes. Yamaha motors have recognized this and are bringing out new models of 4 stroke bikes quite regularly to cater the needs of the customers.</li> <li>• Consumers have become technology conscious and Yamaha Motors have best R&amp;D facilities. So they can tap new customers with innovative technology in motorcycle design and manufacturing.</li> <li>• There lies lot of potential in 150cc and above segment and Yamaha has not made enough inroads in this segment.</li> </ul>	<p><b>THREATS:</b></p> <ul style="list-style-type: none"> <li>• Continuous divisions of customer segment have made conventional bikes which was the strength of Yamaha motors.</li> <li>• Constant demand for price reduction from customers.</li> <li>• Bajaj Auto and TVS have taken large part of the market share from Yamaha.</li> <li>• Growing competition in the industry, both in the terms of new models and price undercutting, too is a matter of concern as both the sales realization and operation margins may come under pressure.</li> </ul>
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## Review of Literature

Swift (2000) described customer relationship management as a technique of knowing client conduct through intensive interaction with him/her to enhance the efficiency of attracting customers, maintaining them and improving their loyalty and profitability.

Kumar & Reinartz (2006) agrees with the above mentioned concept that customer relationship management is simply a strategic method by which the more lucrative clients of the organization are selected and interactions are established between that institution and those clients in order to attain the objective of maximizing present and future customer values.

Payne & Frow (2005) showed that the notion of customer relationship management has different points of perspective. While some viewpoints were in favor of considering customer relationship management as direct mail correspondence, a diagram for customer loyalty programs or databases, other viewpoints considered it to be an assistant office work or a call center. Still, some considered it data storage or taking care of data search and processing. Finally, some considered it gaining the systems that make it able to perform e-commerce.

Parvatiyar & Sheth (2002) stated that customer relationship management is a through approach involving in the process of purchasing, maintaining and cooperation with certain clients in order to generate a distinct value for both the business and the client. This strategy requires integrating the functions of marketing, sales, customer service and exposition chain so as to achieve the highest competence and efficiency in delivering value to the customer. As it shows, this definition regards CRM as a strategy with a main goal of delivering a distinguished value to the customer through improving the marketing productivity

Zablah, (2004) "CRM is an activity that is interested in the organization's main customers, in the efficiency of the organization and in the management of customer knowledge, with the aim of enhancing the effectiveness of customer related organizational decisions, thus leading to improved marketing performance and organizational performance in particular".

According to Knox et al., (2003), stakeholder value (the value the customer receives, the value the organization receives, and the customer retention and its economics) through developing appropriate relationships with key customers and customer segments and through channel and media integration (channel and media suitability, channel and media structure, and multichannel and multimedia integration). CRM unites the potential of IT and relationship marketing to deliver profitable, long term relationships.

According to Bargal Hitendra & Sharma Ashish (2008), Added that banks will have to adopt diversified services, open their branches at the shopping centers, install their web system, implement proper training system, define high performance system to improve the behavior of the employees, offer proper customer complaint system and performance-based appraisal system to improve the overall services of the banks. Customers play an important role in the selection of a particular bank. Today, proper customer care, number of years in business and easy accessibility are considered as the important factors that influence a customer's choice of a bank.

According to Das Kallol et al., (2009) explores the association between deployment of CRM best practices and loyalty of profitable customers in Indian retail banking. They developed the best CRM practices which may be helpful to the organizations toward achieving comprehensive CRM deployment. The study reveals that State Bank of India and Bank of Baroda are lagging behind their counterparts from other sectors regarding deployment of the best practices.

According to Morpace Reports (2008) and Teller Vision (2009); State that the perception of banks varies depending on their size. However, all banks share the same key opportunity for improvement in customer satisfaction that is, helping customers achieve their financial goals. But as per the study, the overall customer satisfaction tends to decrease as bank size increases. That is, customers of national banks tend to be significantly less satisfied than customers of regional or local banks who, in turn, are less satisfied than customers of credit unions.

Khaligh, Miremedi et al. (2012) conducted a study with the purpose of determining the effect of E-CRM on customer loyalty and retention in the Iranian telecommunication sector. The research problem in the study is referred to customer loyalty and customer retention in the Iranian

telecommunication sector involving Hamrah-e Avval, Irancell, and Taliya. It can be asserted that customer loyalty and customer retention are the dependent variables in the research model and E-CRM is an independent variable. (Khaligh, Miremadi et al. 2012) took quantitative approach and gathered 200 complete questionnaires from respondents who were users of mentioned operators in telecommunication sector in Iran. After data collection, during April, May, and July 2011; in order to achieve the findings of the study, (Khaligh, Miremadi et al. 2012) utilized SPSS software and run set of statistical tests such as reliability tests, descriptive statistics, correlation tests, multiple regression and ANOVA. Another point to take into consideration is that (Khaligh, Miremadi et al. 2012) developed research hypotheses according to the in-depth review of related literature and developed research model within their study. The formulated hypotheses by (Khaligh, Miremadi et al. 2012) are as follows which are in line with the purpose of their study which is identifying the impact of E-CRM on customer loyalty and retention in the Iranian telecommunication sector mainly three stated operators. Below are the two major formulated hypotheses by (Khaligh, Miremadi et al. 2012).

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## Research Methodology

The study is based on primary data collected by Descriptive research includes surveys and fact finding enquires of different kinds. The Major purpose of descriptive research studies, we can discover the state of affairs existing at present market environment. The main feature of this method is that we had no control over extraneous variables call the respondents in the interview the customers and dealers. In analytical research we use facts or information already available to analysis these to make a critical evaluation of the research study. Casual research helps to analysis the cause-and-effect relationship between the dependent and independent variables.

This purpose of customer relationship management is to enable various organizations serve customers better through introducing them to a series of procedures that better the buying experience for customers. Sampling size refers to the number of elements to be included in the study. Important qualitative factors which were considered in determining of the sample size included: Taking into account the nature and the extent of the study, along with the constrain Of time, a sample of 100 customers was surveyed. The survey was conducted over a period of 30 days. Sample size: size will be 100.

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## Objectives of the Study

- To determine direct interaction aspect & attracting new customers by the organization.
- To identify different service-related process with regard to YAMAHA bikes.
- To identify suitable marketing strategy of the company to reach the targeted customers.
- To identify the overall experience and customer better experience of the YAMAHA customers.
- To enable the sales team to promote sales effectively through maintaining customer relation.
- To identify the process to increase profitably & decrease customer management cost.

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## Discussions

The research has brought to light various facts about customer relationship at Yamaha the questionnaire that was contact customers to obtain their feedback had helped to understand customer needs and wants their feedback is providing to maintain better customer relationship.

1. The most owned Yamaha bike is FZ5 with 35% followed by Fazer 25%. The least owned Yamaha bike is crux with 15%.
2. About 40% of the people have said that they are satisfied with after sales service and 25% of the people have said that 'good'. 15% of the people are not satisfied with the after sales service.
3. About 40% of the respondents said "excellent" with response with customers and only 5% of respondents said poor response with customers.
4. About 40% of the customers came to know by the Advertisement. 15% of the customers know by friends and 35% of the customers know by other things.
5. About 45% of the respondents said Yamaha bikes are stylish and 25% of the respondents said Yamaha bikes gives mileage well.
6. About 35% of the people are going to buy Hero bike followed by Yamaha bike with 20%.
7. About 46% of the customers feel "Good" on quality of service, 24% of the customers feel "Excellent" on quality of service and only 16% of the respondents feel "poor" on quality of service.
8. About 40% of middle-income level people like to buy Yamaha bike.
9. About 34% of respondents said adult using Yamaha bike, 30% of the respondents said middle age people are using Yamaha bikes.
10. Most of the customers said that not satisfied with care centre services.
11. Majority of the respondent feel that Fz5 model is excellent and good value for money.

12. It is observed that the customers are satisfied with total maintenance plan.
13. It is observed that most of the customers are highly satisfied with insurance and finance facility.

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## Suggestions

After the analysing the data gather to the survey, the following suggestions are proposed.

1. In an attempt to maintain good relations, CUSTOMER CONTACT PROGRAM (CCP) is to be carried out every month to receive their feedback regularly.
2. Efforts should be made to contact the customers right after sales this could help the management to receive precise feedback from the customers which might be possible through the CCP.
3. It is suggested that the company should tie-up with banks for providing loans to the customers, which will help in increasing the sales.
4. More number of customers is not highly satisfied with its service. Need improve the better services.
5. Dissatisfaction of customer regarding after sales service can be decreased by introducing new services such as mobile service.
6. Sales personal should be upgrade regularly with all the technical information and new pricing list about the vehicle.
7. Efforts should be made to collect feedback after sales service.
8. Effort should be made to implement suggestions offered by the customers.

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## CONCLUSIONS

Intense business competition, technology, changes in the market place and pressure from customers and suppliers are driving business to overhaul the way that they have been doing business, and driving the interest in CRM. The main objective of CRM is building long-term, sustaining relations with customers by delivering superior customer value and satisfaction. Instead of trying to maximize profits from each and every transaction, CRM focuses on maximizing profits over the lifetime value of customers. Undoubtedly, CRM is a potent tool in sustaining and boosting ills as it has own limitations.

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