



A Study of CRM Strategies Adopted by Tata Motors on Customer Retention

Dr. Snehal Godbole¹, Mr. Sushant Sahare²

¹Assistant Professor, Dr. Ambedkar Institute of Management Studies and Research

ORCID ID: 0000-0001-9681-6546, Web of Science Researcher ID [AFH-3324-2022](https://orcid.org/0000-0001-9681-6546) EMAIL: snehal_prakash1@rediffmail.com

²Student, Dr. Ambedkar Institute of Management Studies and Research

ABSTRACT

Customer Relationship management concept and its impact on customer loyalty is gaining more and more attention in present business world. Companies are focusing on retaining their loyal customers rather than gaining new. One such strategic focus is customer loyalty, which should be viewed as a “must” for automakers hoping to compete. Unlike other consumer products with more frequent replacement cycles, auto buyers often don’t return to market for three or four years or even longer. The main aim of this paper to evaluate the impact of CRM strategy of Tata Motors on customer’s loyalty and retention for the benefits of enterprise and customers itself. The research was conducted through survey method and data was collected from vehicles owners. The result revealed the significant factors that lead to the customer retention for automobile was trust associated with on time service delivery, value added services, customer support division, roadside assistance programmed, customer loyalty programmed and fulfill its obligation to customers. **Keywords:** Customer loyalty; customers’ retention; automobile sector; customer preference;

Introduction

Customer Relation Management offered by Tata Motors comes with a number of operations that can be used to track interactions with contacts, customers and their vehicles at large. There is countless Customer Relation Management strategy in the market these days, but Tata Motors allows for you to segment all contact databases on the basic of vehicle age, brand, and engine type etc. Apart from that, you, as a user, may target all of your marketing activities on the basis of prospect customer interest or the vehicles that are currently under use by them. There is countless other function for service CRM needs that are offered by Tata Motors along with the basic dealership showroom Customer Relation Management. All of these functions are meant to help you enhance your sales and win long-term customer loyalty. Gathered from frequent customers, new trial customers, unhappy customers, prospective customers, consumers who abandoned a location, social media promoters/detractors or even your own employees, customer satisfaction information can give your insight into exactly how people respond to your stores, your merchandise, your employees, your service, and more. Customer satisfaction information can show you where to invest to maximize customer loyalty, how to turn everyday customers into delighted customers, and even help you recover unsatisfied customers before they write off your brand forever.

Steps to Customer Relationship Management

- **It is essential for the sales representatives to understand the needs, interest as well as budget of the customers.** Don’t suggest anything which would burn a hole in their pockets.
- **Never tell lies to the customers.** Convey them only what your product offers. Don’t cook fake stories or ever try to fool them.
- **It is a sin to make customers waiting.** Sales professionals should reach meetings on or before time. Make sure you are there at the venue before the customer reaches.
- **A sales professional should think from the customer’s perspective.** Don’t only think about your own targets and incentives. Suggest only what is right for the customer. Don’t sell an expensive mobile to a customer who earns rupees five thousand per month. He would never come back to you and your organization would lose one of its esteemed customers.
- **Don’t oversell.** Being pushy does not work in sales. If a customer needs something; he would definitely purchase the same. Never irritate the customer or make his life hell. Don’t call him more than twice in a single day.
- **An individual needs time to develop trust in you and your product.** Give him time to think and decide.
- **Never be rude to customers.** Handle the customers with patience and care

REVIEW OF LITERATURE

Arezu Ghavami, Alirez Oyaei (2006) It is lot cheaper to keep existing customers happy than to attract new one. A fundamental principle of CRM is that all customers are not same. It is impossible to draw in and keep all customers using the same approach. Businesses must identify the variations and modify their policies accordingly. System can assist sales and marketing to identify advantageous customers faster and more reliable than other resources.

Dr. Garima Malik (2015) When customers are satisfied with the company's services and hence, they will be loyal customers and will be retained. This indicates that satisfaction leads to customer loyalty and retention. Customers that are happy with a product or service will tell others about it, or they will spread good word of mouth. Trust related to on-time service delivery, promptness in managing repairs, friendliness and helpfulness, arranging replacements, and upholding its obligations to customers were major characteristics that contributed to customer loyalty for automobiles.

Subhasish Das, Dr. (Prof), Manit Mishra, Dr. (Prof), Prasanta Kumar Mohanty (2018) A firm's practices related to Vision and Organizational collaboration will positively influence the customer retention. The study comes to the additional conclusion that customer satisfaction mediates the association between CRM practises and client retention. Customer satisfaction completely mediates the relationship between organisational collaboration and customer retention while only partially mediating the relationship between vision and customer retention.

Pennie Frow, Adrian Payne (2009) In many organizations, CRM failures have occurred through a lack of strategic focus. Key strategic issues are identified. A CRM Strategy Matrix is presented which considers the strategic context of companies and the implications for the development of their CRM strategies. Four alternative approaches towards building customer relationships are identified and migration paths between them are reviewed.

Harkiranpal Singh (2006) Customer satisfaction is very important. Thus, though customer satisfaction does not guarantee repurchase on the part of the customers but still it plays a very important part in ensuring customer loyalty and retention. "Customer satisfaction is a direct determining factor in customer loyalty, which, in turn, is a central determinant of customer retention". Therefore, organisations should always strive to ensure that their customers are very satisfied.

Samip Mashru*1, Rajesh Baria*2, Amit Kaswan*3, Dr. M. Sumetha*4 (2023) Tata Motors has become competitive in the market as a result of its excellent integration of continuity and change factors. Tata Motors is actively integrating the opposing forces of continuity and change. The business continuously adopts innovations to keep one step ahead of the competition. The company's increasing sales and net profit can be largely attributable to the development of technology and changing consumer preferences. The company's ability to improve product characteristics, sales and service offers, operational flexibility, and customer satisfaction has increased its competitiveness in the global market. Dealing internationally could help your business grow and improve its performance. Global business expansion offers many benefits overall.

Dr. M. Nasrin Sulthana, Dr.A.V. Shathya (2021) Businesses around the world, both large and small, cannot ignore the impact that the global economy is having on their performance. Globalisation, the internet, and information transparency have led to an increasingly mobile workforce, ever fickle customers, and rapidly changing technologies and business models. One result of this seemingly inexorable trend is that companies are less able to predict - let alone control - the short-term shape of their own markets. more and more organisations are choosing to adopt a marketing- led philosophy to enable them to win market share and capture and retain the hearts and minds of current and prospective customers.

RESEARCH METHODOLOGY

STATEMENT OF THE PROBLEMS

The research problem for the study "A Study of CRM Strategies Adopted by Tata Motors on Customer Retention" is to identify and evaluate the effectiveness of CRM strategies used by Tata Motors to retain their customers. Specifically, the study aims to explore the various strategies adopted by Tata Motors to retain its customers and to assess the extent to which these strategies have been successful in retaining customers. Additionally, the study will also examine the factors that influence customer retention at Tata Motors.

RESEARCH UNIVERSE

All the 80 respondents are the sampling universe for the research.

SAMPLE SIZE: -

The sample size chosen for this study is 80 customers of TATA MOTORS.

SAMPLING TECHNIQUE: -

Sample is the small group taken under consideration from the total group.

SAMPLE SET: -

The sample was selected randomly, the sampling type is non- probability which involves deliberating selections of particular units constituting a sample, which represents the universe.

SAMPLE AREA: -TATA MOTORS OWNERS.

OBJECTIVES OF THE STUDY

The main objective is to identify and evaluate the effectiveness of CRM strategies used by Tata Motors to retain their customers.

- To Identify the various CRM strategies adopted by Tata Motors for customer retention.

- Evaluate the effectiveness of these strategies in retaining customers.
- To know about the experience after purchase relating various parameters like after sales Service.
- To identify the various factors that influence to the purchase of Tata Motors.
- Identify the factors that affect customer retention at Tata Motors.

HYPOTHESIS

Based on the research problem and objectives, the following hypotheses can be formulated for "A Study of CRM Strategies Adopted by Tata Motors on Customer".

H0: Customer service quality has no significant impact on customer retention at Tata Motors.

H1: Customer service quality has a significant impact on customer retention at Tata Motors.

H0: Tata Motors' CRM strategies have no significant impact on customer retention.

H1: Tata Motors' CRM strategies have a significant impact on customer retention.

These hypotheses can be tested using statistical analysis methods such as regression analysis and factor analysis. The findings from the analysis will help to determine the significance of the hypotheses and provide insights into the relationship between CRM strategies and customer retention at Tata Motors.

LIMITATION OF THE STUDY

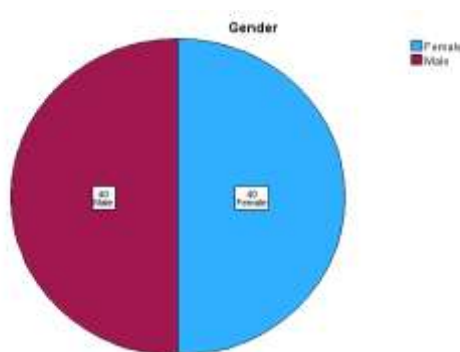
The main limitations of the study are: -

- The findings may not be as generalizable as they could be due to the study's possible small sample size. For instance, the findings may not be indicative of the full consumer base or organization if the survey just comprises a limited number of Tata Motors participants.
- Questionnaire method involves some uncertainty of response. Co-operation on the part of informants, in some cases, was difficult to presume.
- It is possible that the information supplied by the informants may be incorrect. So, the study may lack accuracy
- The sample size is restricted to 80 respondents.

DATA ANALYSIS AND INTERPRETATION

Gender?

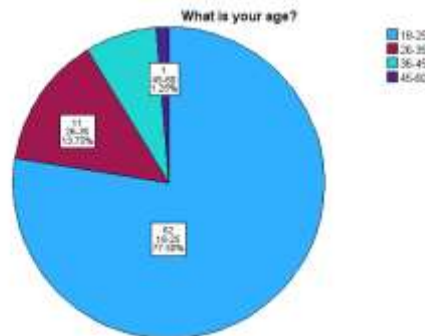
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	40	50	50	50
	Male	40	50	50	100
	Total	80	100	100	



Interpretation: From above pie chart, it is analysis that there is 40% respondents are female category and 40% respondents are male category. From above analysis, it is found that ,no. of female respondent are equal to male respondent .

Which Age group do you belong?

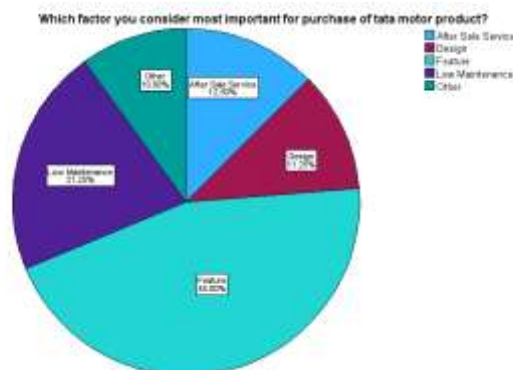
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	62	77.5	77.5	77.5
	26-35	11	13.8	13.8	91.3
	36-45	6	7.5	7.5	98.8
	45-60	1	1.3	1.3	100
	Total	80	100	100	



Interpretation: According to my survey, out of 80, responds maximum of the Responded says they are Above 18-25 Age group, 13.75% of respondent said says they 26-35 Age group, 1.25% of respondent said says they are above 45-60 Age group belong and 77.50% of respondent said says they are 18-25 Age group.

1. Which factor you consider most important for purchase of Tata motor product?

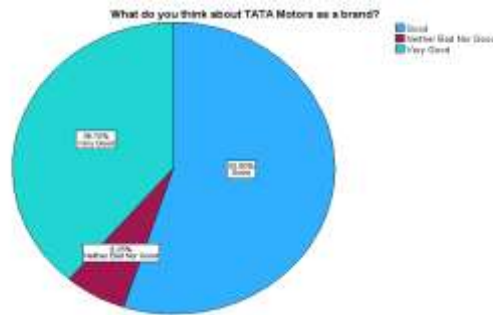
	Frequency	Percent	Valid Percent	Cumulative Percent
After Sale Service	10	12.5	12.5	12.5
Design	9	11.3	11.3	23.8
Feature	36	45	45	68.8
Low Maintenance	17	21.3	21.3	90
Other	8	10	10	100
Total	80	100	100	



Interpretation: According to my survey, out of 80, responds 45% of respondent says the most important factor is feature, 21% says Low maintenance, 12.50% says After sales service, 11.25% says Design, and remaining 10% says other.

2.What do you think about TATA Motors as a brand?

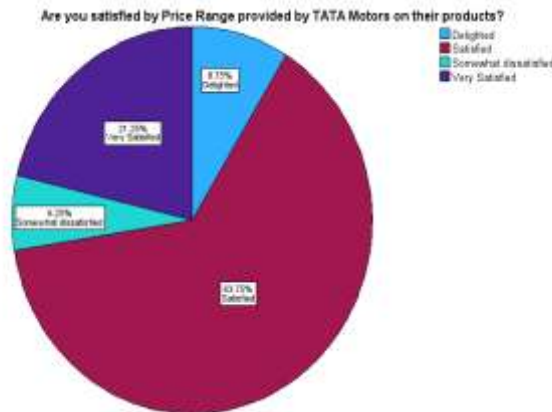
	Frequency	Percent	Valid Percent	Cumulative Percent
Good	44	55	55	55
Neither Bad Nor Good	5	6.3	6.3	61.3
Very Good	31	38.8	38.8	100
Total	80	100	100	



Interpretation: According to surveys,55% of respondents says Tata motors is good brand,38.75% says Tata motors is very good brand, and 6.25% of respondents says Tata motors is neither bad nor good brand.

3. Are you satisfied by Price Range provided by TATA Motors on their products?

	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	7	8.8	8.8	8.8
Satisfied	51	63.7	63.7	72.5
Somewhat dissatisfied	5	6.3	6.3	78.8
Very Satisfied	17	21.3	21.3	100
Total	80	100	100	

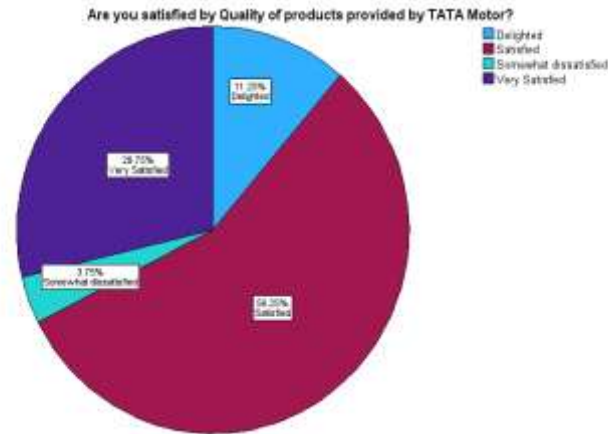


Interpretation: According to survey, 63.75% of respondents says they are satisfied by the price range provided by Tata motors,21.25% of respondents say they are very satisfied by the price range provided by Tata motors,8.75% of respondent are delighted, and 6.25% of respondents are somewhat dissatisfied by price range provided by Tata motors. The highest number of respondents are satisfied with the price range provided by Tata motors.

4. Are you satisfied by Quality of products provided by TATA Motor?

	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	9	11.3	11.3	11.3

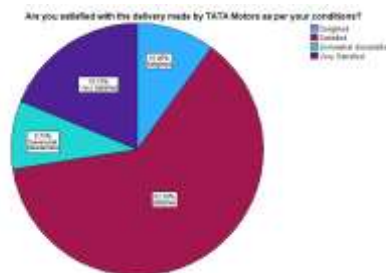
Satisfied	45	56.3	56.3	67.5
Somewhat dissatisfied	3	3.8	3.8	71.3
Very Satisfied	23	28.7	28.7	100
Total	80	100	100	



Interpretation: According to survey,56.25% of respondents are satisfied with quality of products provided by tata motors,28.75% of respondents are very satisfied,11.25% of respondents are delighted and 3.75% of respondents are somewhat dissatisfied with quality of products provided by tata motors.

5. Are you satisfied with the delivery made by TATA Motors as per your conditions?

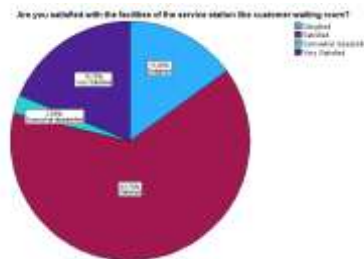
	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	8	10	10	10
Satisfied	50	62.5	62.5	72.5
Somewhat dissatisfied	7	8.8	8.8	81.3
Very Satisfied	15	18.8	18.8	100
Total	80	100	100	



Interpretation: According to my survey,62.50% of respondents are satisfied with the delivery made by Tata motors as per your conditions,18.75% are very satisfied,10.00% are delighted, and 8.75% of respondents are somewhat dissatisfied with delivery made by Tata motors as per your conditions.

6. Are you satisfied with the facilities of the service station like customer waiting room?

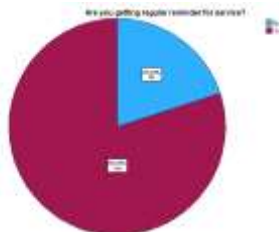
	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	12	15	15	15
Satisfied	51	63.7	63.7	78.8
Somewhat dissatisfied	2	2.5	2.5	81.3
Very Satisfied	15	18.8	18.8	100
Total	80	100	100	



Interpretation: Out of 80 respondents, 63.75% of respondents are satisfied, 18.75% of respondents are very satisfied, 15% of respondents are delighted, and 2.50% of respondents are somewhat dissatisfied with the facilities of the service station like customer waiting room.

7. Are you getting regular reminder for service?

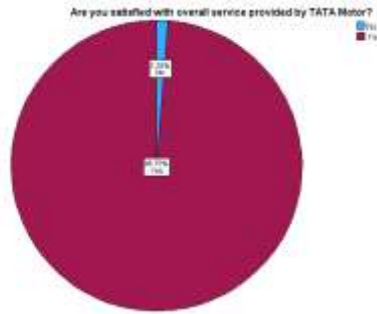
	Frequency	Percent	Valid Percent	Cumulative Percent
No	16	20	20	20
Yes	64	80	80	100
Total	80	100	100	



Interpretation: According to survey, 80% of respondents says they are getting regular reminder for service and 20% of respondents says they are not getting regular reminder for service.

8. Are you satisfied with overall service provided by TATA Motor?

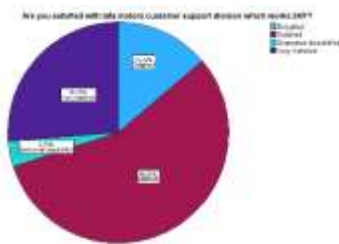
	Frequency	Percent	Valid Percent	Cumulative Percent
No	1	1.3	1.3	1.3
Yes	79	98.8	98.8	100
Total	80	100	100	



Interpretation: According to my survey, 98.75% of respondents are satisfied with the overall service provided by Tata motors and 1.25% of respondents are not satisfied with the overall service provided by Tata motors.

9. Are you satisfied with Tata motors customer support division which works 24/7?

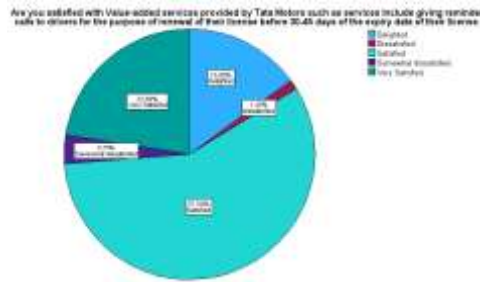
	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	11	13.8	13.8	13.8
Satisfied	45	56.3	56.3	70
Somewhat dissatisfied	3	3.8	3.8	73.8
Very Satisfied	21	26.3	26.3	100
Total	80	100	100	



Interpretation: According to my survey, 56.25% of respondents are satisfied with the Tata motors customer support division which works 24/7, 26.25% of respondents are very satisfied, 13.75% of respondents are delighted and 3.75% of respondents are somewhat dissatisfied by Tata motors customer support division which works 24/7.

10. Are you satisfied with Value-added services provided by Tata Motors such as services include giving reminder calls to drivers for the purpose of renewal of their license before 30-45 days of the expiry date of their license.

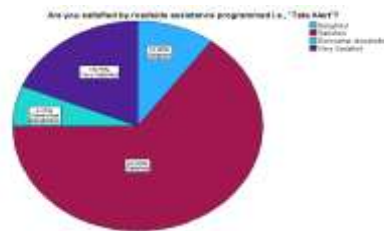
	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	12	15	15	15
Dissatisfied	1	1.3	1.3	16.3
Satisfied	46	57.5	57.5	73.8
Somewhat dissatisfied	3	3.8	3.8	77.5
Very Satisfied	18	22.5	22.5	100
Total	80	100	100	



Interpretation: In the samples taken out of 80 respondents 57.50% are satisfied, 22.50% are very satisfied, 15% are delighted, 3.75% are somewhat dissatisfied, and 1.25% are dissatisfied by Tata motors value added services such as service include giving reminder calls to drivers for the purpose of renewal of their license before 30-45 days of the expiry date of their license.

11. Are you satisfied by roadside assistance programmed i.e., “Tata Alert”?

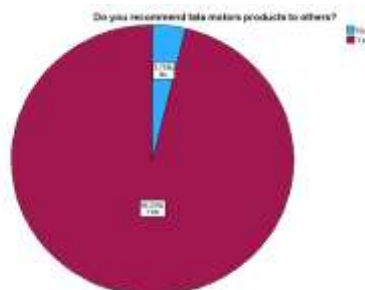
	Frequency	Percent	Valid Percent	Cumulative Percent
Delighted	8	10	10	10
Satisfied	52	65	65	75
Somewhat dissatisfied	5	6.3	6.3	81.3
Very Satisfied	15	18.8	18.8	100
Total	80	100	100	



Interpretation: According to my survey, 65% of respondents are satisfied with roadside assistance programmed i.e “Tata alert”, 18.27% of respondents are very satisfied, 10% of respondents are delighted, and 6.25% Of respondents are somewhat dissatisfied with roadside assistance programmed i.e “Tata Alert”.

12. Do you recommend Tata motors products to others?

	Frequency	Percent	Valid Percent	Cumulative Percent
No	3	3.8	3.8	3.8
Yes	77	96.3	96.3	100
Total	80	100	100	



Interpretation: According to survey, 96.25% of respondents says they will recommend tata motors products to others and 3.75% of respondents says they will not recommend tata motors products to others.

HYPOTHESIS TESTING

HYPOTHESIS:

H0: Customer service quality has no significant impact on customer retention at Tata Motors.

H1: Customer service quality has a significant impact on customer retention at Tata Motors.

H0: Tata Motors' CRM strategies have no significant impact on customer retention.

H1: Tata Motors' CRM strategies have a significant impact on customer retention.

Descriptive Statistics			
	Mean	Std. Deviation	N
Price Range	2.68	.725	80
Value-added services	2.51	.795	80
overall service	1.01	.112	80

Correlations				
		Price Range	Value-added services	overall service
Pearson Correlation	Price Range	1.000	.424	.051
	Value-added services	.424	1.000	.069
	overall service	.051	.069	1.000
Sig. (1-tailed)	Price Range	.	<.001	.327
	Value-added services	.000	.	.270
	overall service	.327	.270	.
N	Price Range	80	80	80
	Value-added services	80	80	80
	overall service	80	80	80

Variables Entered/Removed			
Model	Variables Entered	Variables Removed	Method
1	overall service, Value-added services		Enter
a. Dependent Variable: Price Range			
b. All requested variables entered.			

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.490	2	3.745	8.466	<.001 ^b
	Residual	34.060	77	.442		
	Total	41.550	79			
a. Dependent Variable: Price Range						
b. Predictors: (Constant), overall service, Value-added services						

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.09	3.25	2.68	.308	80
Residual	-1.861	1.524	.000	.657	80
Std. Predicted Value	-1.898	1.855	.000	1.000	80
Std. Residual	-2.798	2.292	.000	.987	80
a. Dependent Variable: Price Range					

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.425 ^a	.180	.159	.665	.180	8.466	2	77	<.001
a. Predictors: (Constant), overall service, Value-added services									
b. Dependent Variable: Price Range									

Interpretation: The P value of multiple regression test < .001. This P value is less than 0.05 (level of significance). Hence we reject null hypothesis and conclude that there is association between CRM strategy and customer retention.

CONCLUSION

The study found that the CRM strategies adopted by Tata Motors have a positive impact on customer retention. Customers who experienced better communication, personalized services, and timely responses from the company were found to be more likely to remain loyal to the brand. According to survey conducted among the customer of Tata motors owner, we have come to know that customer retention can be achieved by providing competitive price range, quality of products, better services and creating trust among its customer. Tata motors has implemented a range of CRM strategy to retain customers, including after sales service, loyalty programs, value added service, roadside assistance programs, and feedback mechanism. These strategies have been effective in improving customer satisfaction and loyalty Customer service has been a key area of focus for Tata Motors, and the company has invested heavily in training its employees to provide excellent service. This has resulted in a positive impact on customer retention. Tata Motors has introduced loyalty programmed to thank customers for their support. These initiatives have been effective at encouraging customers to stick with the company.

Feedback mechanisms, such as surveys and customer reviews, have been used by Tata Motors to understand customer needs and improve their products and services accordingly. This has helped the company to retain customers by addressing their concerns and improving their overall experience. Tata Motors has adopted a comprehensive approach to CRM, with a range of strategies aimed at retaining customers. The company's investment in customer service, personalized communication, loyalty programs, and feedback mechanisms has resulted in high levels of customer satisfaction and loyalty, which bodes well for its long-term success.

References

1. Agnihotri, M., & Bhavani, M. (2015). Impact of the customer relationship management practices on the profitability of UAE public and private sector banks: A comparative study. *Journal of Contemporary Management Sciences*, 4(2), 55–71.
2. Agyei, J., Sun, S., Abrokwah, E., Penney, E. K., & Ofori-Boafo, R. (2020). Influence of trust on customer engagement: Empirical evidence from the insurance industry in Ghana. *SAGE Open*, 10(1). <https://doi.org/10.1177/2158244019899104>
3. Ahmed, D. A., Akmal, D. S. M., Alhafufi, M. M., Faisal, D. S. M., & Khan, D. A. K. (2019). Challenges, reforms and developments in the Indian insurance sector. *The International Journal of Social Sciences and Humanities Invention*, 6(12), 5739–5745. <https://doi.org/10.18535/ijsshi/v6i12.01>
4. Al Karim, R., & Habiba, W. (2020). Effects of CRM components on firm's competitive advantage: A case on Bangladesh banking industry. *Management Research*, 10(1), 1–7.
5. Ansari, A., & Riasi, A. (2016). Modelling and evaluating customer loyalty using neural networks: Evidence from startup insurance companies. *Future Business Journal*, 2(1), 15–30. <https://doi.org/10.1016/j.fbj.2016.04.001>
6. Ariffin, N. H. M., Hamdan, A. R., Omar, K., & Janom, N. (2012). Customer relationship management (CRM) implementation: A soft issue in knowledge management scenario. *CHUSER 2012–2012 IEEE Colloquium on Humanities, Science and Engineering Research*, (Chuser), 485–489. <https://doi.org/10.1109/CHUSER.2012.6504363>
7. Awasthi, P., Dubey, N., & Sangle, P. S. (2014). Contemporary challenges in CRM technology adoption: A multichannel view. *International Journal of Electronic Customer Relationship Management*, 8(1–3), 51–71. <https://doi.org/10.1108/14637151211232641>
8. Awasthi, P., & Sangle, P. S. (2012). Adoption of CRM technology in multichannel environment: A review (2006–2010). *Business Process Management Journal*, 18(3), 445–471. <https://doi.org/10.1108/14637151211232641>
7. Baashar, Y., Alhussian, H., Patel, A., Alkawsi, G., Alzahrani, A., Alfarraj, O., & Hayder, G. (2020). Customer relationship management systems (CRMS) in the healthcare environment: A systematic literature review. *Computer Standards and Interfaces*, 71, 103442. <https://doi.org/10.1016/j.csi.2020.103442>
8. Bauer, H. H., Grether, M., & Leach, M. (2002). Customer relations through the internet. *Journal of Relationship Marketing*, 1(2), 39–55. https://doi.org/10.1300/J366v01n02_03
9. Bahari, T. F., & Elayidom, M. S. (2015). An efficient CRM-data mining framework for the prediction of customer behaviour. *Procedia Computer Science*, 46, 725–731. <https://doi.org/10.1016/j.procs.2015.02.136>
10. Ben, E. U., Udo, E. S., & Abner, I. P. (2019). Customer relationship management model: A business strategy in a competitive business climate. *International Journal of Supply Chain Management*, 8(6), 1189–1198.
11. Boulding, W., Staelin, R., Ehret, M., & Johnston, W. J. (2005). A customer relationship management roadmap: What is known, potential pitfalls, and where to go. *Journal of Marketing*.