



Evaluating the effects of Customer Relationship Management Strategies on Consumer Involvement and Company Loyalty: An Analysis of Automobile Dealerships in Odisha

***Mr. Satyabrata Satapathy, Research Scholar, Dept of Commerce, Ravenshaw University**

****Dr Yayati Nayak, Assistant Professor, Dept of Commerce, Ravenshaw University**

This study investigates the impact of Customer Relationship Management (CRM) on consumer engagement and brand fidelity in automobile dealerships across Odisha, India. Recognizing CRM's vital role in cultivating enduring customer relationships and securing brand loyalty in the fiercely competitive automotive sector, this research seeks to identify disparities in CRM efficacy and implementation among Honda Cars and Hyundai Motors dealerships within Odisha's regional market. The research aims to uncover exemplary practices and potential areas for enhancement to improve overall CRM in the industry.

The study employs a mixed-methods approach, combining quantitative data from customer surveys with qualitative information gathered through interviews with dealership management. The research encompasses a representative sample of automobile dealers in Odisha, with 50 respondents from each automobile company. This dual approach allows for a thorough examination of CRM practices, levels of customer engagement, and brand retention rates, offering a nuanced understanding of their interrelationships.

Results indicate notable variations in the CRM strategies employed by Honda Motors and Hyundai Motors in Odisha and their subsequent effects on customer engagement and brand loyalty. Key factors contributing to these differences include the degree of personalization in communication, customer service responsiveness, and the incorporation of customer feedback into business operations. The study demonstrates a positive relationship between advanced CRM practices and elevated levels of customer engagement and brand retention.

This comparative analysis contributes to the growing body of literature on CRM's role in enhancing customer loyalty within the automotive industry, providing practical insights for dealerships seeking to refine their CRM strategies. Furthermore, by concentrating on the specific context of Odisha, the study underscores the importance of regional dynamics in shaping the effectiveness of CRM initiatives and offers a framework for similar comparative research in other markets.

Keywords: Customer Relationship Management, Customer Engagement, Customer Retention, Automobile Industry, Automobile Dealerships, Honda Motors India, Hyundai Motors

I. Introduction

The Indian Automobile Industry stands as one of the world's largest and most competitive sectors, having undergone substantial changes in recent decades. These shifts have been propelled by various factors, including economic deregulation, technological progress, and evolving consumer demands.

In the current competitive business landscape, Customer Relationship Management (CRM) has become a crucial strategy for maintaining customer loyalty and preserving brand value, especially in the automobile sector where purchases are significant both financially and personally. While the efficacy of CRM practices in boosting customer engagement and promoting brand retention is well-established, less is known about how these practices differ among automobile dealers within the same market and the varying impacts these differences have on customer outcomes. This study aims to address this knowledge gap by comparing CRM practices among Honda Motor and Hyundai Motors dealerships in Odisha, an Indian state known for its rapidly expanding automobile market.

The implementation of CRM in India's automotive industry aligns with the global shift towards customer-focused business models. However, applying these practices in India presents unique challenges and opportunities due to the country's diverse market, encompassing varied consumer preferences across regions, income levels, and cultural backgrounds. Consequently, automobile dealerships and manufacturers must develop sophisticated and adaptable CRM strategies to address these differences. Furthermore, the digitization of customer interactions necessitates the incorporation of digital tools and platforms into traditional CRM frameworks, creating challenges in technology adoption and opportunities for engaging customers through innovative touchpoints.

Despite these advancements, CRM practices in the Indian automotive industry face several obstacles. These include issues related to data management and privacy, the integration of online and offline customer engagement channels, and the ongoing need for innovation in CRM strategies to keep pace with changing consumer expectations and technological advancements. Moreover, fierce competition in the Indian automotive market compels dealerships and manufacturers to refine their CRM practices to set themselves apart and build enduring customer relationships.

Odisha serves as an intriguing case study due to its unique demographic makeup and economic development trajectory. The state's automobile sector is experiencing rapid growth, with an increasing number of dealers entering the market annually. In this context, Odisha represents a microcosm of the broader challenges and opportunities facing the Indian Automobile Industry. With its expanding economy, growing middle class, and increasing urbanization, Odisha is emerging as a thriving market for automobiles.

Given this backdrop, the ability of dealerships to not only attract but also retain customers through effective CRM practices becomes vital. However, anecdotal evidence suggests considerable variability in CRM implementation across different dealerships in the region, potentially leading to varying levels of customer engagement.

II. Objectives of the study

- i) To identify and describe various CRM practices implemented by automobile dealerships of Honda Motors and Hyundai Motors in Odisha.
- ii) To evaluate the impact of CRM practices on brand retention among customers of the selected automobile companies in Odisha.
- iii) To compare the CRM strategies of the selected automobile companies to determine which practices are most successful in achieving high levels of customer engagement and brand retention.

III. Review of Literature

There are around many articles which has discussed about the Customer Relationship Management in general and particularly CRM in automobile industries. But there are hardly few articles which can be referred for this research work on the Impact of CRM practices on Customer Engagement and Brand retention. Mentioned below are some of the selected and important studies which are reviewed and discussed.

Garima Malik (2015) The study has revealed that the automobile companies are mainly focusing on retaining their old customers rather than attracting new ones. The paper has evaluated the impact of CRM benefits on customer loyalty and retention for the benefits of company as well as customers themselves. The paper has revealed the effect of significant factors in retaining the customers which leads to customer loyalty in Indian Automobile Industry.

Kunal Gaurav (2016) According to the study, cultivating the customer loyalty is often considered as the key factor in driving the organization's long term sustainable marketing success. The paper has discussed about the relationship marketing, which has now emerged as one of the most powerful marketing tools to cultivate customer loyalty, interaction and long-term customer engagement.

V.S. Kumar (2018) The research paper has focused on the importance of CRM, customer loyalty and Customer Satisfaction in the Commercial vehicle industry of India. The research has revealed that the various CRM practices and strategies to win customer loyalty and customer delight to carryout long-term objectives of the business.

R. Naru & A. k. Jain (2020) The paper has discussed about the role of Customer Relationship Management in Automobile Industry in building customer relationship in after-sales department. The research has revealed an integrated approach to manage relationships of service providers and customers by focusing on customer retention. The paper has evaluated the factors that influences the after sales service in automobile industries which is a major driving force in retaining the old customers.

L.K. Pothal, S. Tripathy, et.al. (2021) The paper has evaluated the importance of CRM in Indian automobile industries which is helping in improving the business of the automobile industry especially focusing in the areas of product quality, brand building, customer loyalty and after-sales service.

N.A. Jaidun, M. Muda, et.al (2021) The paper signifies the relationship between the Customer brand engagement and Brand Loyalty for Local Car brands in Malaysia. The research has confirmed about the importance of various factors of brand loyalty to retain brand engagements. The paper revealed that brand loyalty as an essential factor in sustaining market share and it is much more cost effective to retain the existing customer than attracting a new customer.

N.L.Rane, A. Achari, et.al. (2023) The paper has discussed about the various strategies in developing customer loyalty, improving customer satisfaction, experience, relationships and engagement. The research has delved into measuring and sustaining customer experience, particularly in online settings and has focused on digital marketing, social media in enhancing customer engagement in automobile industries.

IV. Scope of the Study

This research examines the diverse Customer Relationship Management (CRM) approaches employed by Honda Motors and Hyundai Motors to boost customer engagement and loyalty in Odisha. The CRM tactics used by major car manufacturers like Honda and Hyundai can vary greatly depending on local market conditions, consumer preferences, and operational factors. In Odisha, both companies implement tailored CRM strategies to improve customer relationships and increase retention rates. While specific methods may differ due to proprietary practices and competitive factors, here's a general overview of the CRM strategies used by Honda and Hyundai Motors in Odisha:

Honda Motors

- 1) Individualized Communication: Honda employs personalized communication tactics to stay in touch with customers, including regular updates, service notifications, and customized promotions based on the customer's vehicle model and purchase history.
- 2) Customer Loyalty Program: Honda offers various loyalty schemes that provide benefits such as service discounts, accessory deals, and exclusive access to new models and limited editions to retain existing customers.
- 3) Customer Feedback and Issue Resolution: Honda's CRM system focuses on gathering and addressing customer feedback through methods like post-service check-ins, satisfaction surveys, and a responsive customer service team that quickly resolves issues.

4) Digital CRM Tools: Honda has implemented advanced CRM tools such as mobile applications and interactive websites that allow customers to book services, explore products, and access support, adapting its digital strategies to meet the increasing tech-savviness of Odisha consumers.

Hyundai Motors

1) Integrated CRM Systems: Hyundai is known for its advanced CRM systems that smoothly combine customer interactions across all touchpoints, including sales, service, and online engagement, providing a unified customer experience.

2) Extensive After-Sales Service and Support: Hyundai heavily emphasizes after-sales service, offering comprehensive service packages, extended warranties, and regular service camps to maintain high customer satisfaction levels and encourage repeat business.

3) Social Media Engagement: Hyundai actively interacts with customers on social media platforms to provide real-time support, share informative content, and promote new offers. The company often localizes content to align with the cultural and social nuances of the Odisha market.

4) Staff Training and Development: Hyundai invests in extensive training programs for dealership staff and service personnel to ensure they can effectively handle customer inquiries and deliver high-quality service, reflecting the brand's global reputation for excellence.

The strategies implemented by both Honda and Hyundai in Odisha are likely customized to the specific needs and characteristics of the market, emphasizing personalized service, digital engagement, and community involvement to foster strong customer relationships. By continuously refining their CRM strategies based on current market insights and customer feedback, these companies aim to maintain a competitive advantage and secure high levels of customer loyalty in the region.

V. Research Methodology

The research paper is a comparative analysis of the automobile dealers in Odisha from the customer's perception. The data has been collected from both primary and secondary sources. Primary data includes information collected from around 100 customers as respondents (50 respondents of each automobile company) of the selected automobile dealers from Cuttack and Bhubaneswar through a well-structured questionnaire on a five-point Likert scale.

The secondary data for the research has been collected from Newspapers, websites, magazines of selected automobile companies and CRM related literature and other sources.

The data collected has been processed, tabulated and analyzed by various statistical tools namely percentages, and averages etc.

VI. Data Analysis

The data collected through the structured questionnaire has been analyzed and discussed in two parts i.e. Part A and Part B. Part A discusses about the demographic profile of customers and Part B discusses about the customer's perception towards the CRM practices implemented by the Hyundai motors and Honda Motors in Odisha that has impacted the customer engagement and brand retention for the selected automobile companies. The customer's perception towards the CRM practices has been measured through a five-point Likert scale questionnaire method viz., S.A- Strongly Agree

A - Agree

N - Neutral

D - Disagree

S.D- Strongly Disagree

Part A

Analysis of Demographic Profile

Table-1: Gender Classification of Respondents

Category	No of Respondents	Percentage
Male	73	73
Female	27	27
Total	100	100

Source: Primary Data

According to the Table-1, it exhibits that around 73% of total respondents are male and rest 27% are female respondents in the survey.

Table-2: Age Group Classification of the Respondents

Category	No of Respondents	Percentage
25-40 years	48	48
41-55 years	41	41
56 years and above	11	11
Total	100	100

Source: Primary Data

Table-2 analyzes the age groups of the respondents. It illustrates that around 48% of respondents belongs to the age group of 25 to 40 years, followed by 41% respondents in the category of 41-55 years and around 11% respondents belong to the age group of 56 years and above.

Table-3: Occupation of the Respondents

Category	No of Respondents	Percentage
Govt Employee	21	21
Non Govt Employee	34	34
Self Employed (Business)	45	45
Total	100	100

Source: Primary Data

Table-3 resembles about the occupation of the respondents, which exhibits around 45% respondents are self-employed followed by 34% customers works in Non-Govt organization including IT companies, MNCs, other Private institutions and around 21% of the respondents are Govt employees.

Table-4: Income Category of the Respondents**(Income per month in Rupees)**

Category	No of Respondents	Percentage
35000 to 60000	29	29
61000 to 100000	57	57
100000 and above	14	14
Total	100	100

Source: Primary Data

Table-4 categorize the respondents according to their per month income in Rupees. The table above illustrates that around 57% of respondents earn between Rs 61,000 to 1,00,000 per month, 29% respondents fall in the category of Rs 35,000 to Rs 60,000 and around 14% customers earn more than Rs 1,00,000.

Part B**Analysis of Customer's perception towards CRM system on customer engagement and Brand Retention.****Table-5: Customer's perception towards Digital CRM tools**

Scale	Hyundai	Honda	Total
S.A.	7(14)	16(32)	23(23)
A.	4(8)	22(44)	26(26)
N.	14(28)	5(10)	19(19)
D.	19(38)	5(10)	24(24)
S.D.	6(12)	2(4)	8(8)
Total	50(100)	50(100)	100(100)

Source: Primary Data

Figures inside the bracket represent percentage.

From the data collected it has been analyzed that Honda Motors has adapted the efficient digital CRM strategy through their mobile applications, official websites, with the help of which customers are getting access to varieties of products, can schedule service appointments for which customers of Honda Motors are more acquainted with the Digital CRM tools than the customers of Hyundai Motors.

Table-6: Customer's opinion on feedback system

Scale	Hyundai	Honda	Total
S.A.	21(42)	19(38)	40(40)
A.	13(26)	17(34)	30(30)
N.	5(10)	2(4)	7(7)
D.	8(16)	11(22)	19(19)
S.D.	3(6)	1(2)	4(4)
Total	50(100)	50(100)	100(100)

Source: Primary Data

The figure here depicts that around 70% customers of both the automobile companies have a positive view towards the feedback system which the company provides to work on the queries of the customers. Customer feedback and resolution system through post-service follow-ups, feedback forms, satisfaction surveys have emerged as a efficient tool in customer engagement and brand retention in the automobile industry.

Table-7: Customer's opinion towards personalized communication & Loyalty programme

Scale	Hyundai	Honda	Total
S.A.	15(30)	11(22)	26(26)
A.	20(40)	25(50)	45(45)
N.	9(18)	5(10)	14(14)
D.	5(10)	7(14)	12(12)
S.D.	1(2)	2(4)	3(3)
Total	50(100)	50(100)	100(100)

Source: Primary Data

The figure above represents that around 71% customers are satisfied with the personalized communication and loyalty programme offered by the automobile dealers. With the analysis of the data collected here we can conclude that personalized communication and loyalty programme has been considered as a efficient digital CRM tools which ultimately helps in increasing customer engagement and Brand Retention.

Table-8: Customer's opinion on After-Sales service and support

Scale	Hyundai	Honda	Total
S.A.	14(28)	9(18)	23(23)
A.	23(46)	15(30)	38(38)
N.	6(12)	11(22)	17(17)
D.	4(8)	10(20)	14(14)
S.D.	3(6)	5(10)	8(8)
Total	50(100)	50(100)	100(100)

Source: Primary Data

After Sales service and support is one of the most important factors considered in automobile industries. The figure here depicts that around 60% customers have a positive affirmation towards after sales service and support. The data

collected resemble that most of customers of Hyundai Motors i.e. around 74% are very much satisfied about the after sales service and support extended to them by the company where as Honda Motors lags behind due to factors like less options available with the company, not so efficient man-power etc.

Table-9: Customer's opinion on retaining the same brand

Scale	Hyundai	Honda	Total
S.A.	27(54)	7(14)	34(34)
A.	11(22)	15(30)	20(20)
N.	3(6)	9(18)	18(36)
D.	6(12)	13(26)	19(38)
S.D.	3(6)	6(12)	9(18)
Total	50(100)	50(100)	100(100)

Source: Primary Data

According to the data collected and the figure above depicts that around 76% customers of Hyundai Motors want to retain the brand in the next purchase due to the efficient CRM practices undertaken by the company, varieties of options available in the market and efficient sales and after sales support, whereas 44% respondents of Honda Motors want to retain the brands in the next purchase.

VII. Findings and Suggestions

Findings

- The Data collected is from customers of Honda and Hyundai Cars from Cuttack and Bhubaneswar, Odisha where majority are male around 73%.
- From the data collected and analyzed it has been seen that Honda being a oldest Automobile company is striving to push themselves in the market as they have very few products in their product line as of now in comparison to other brands for which brand retention of Honda is low due to less available options with the customers.
- In the comparison with the data collected it has been found that Honda Motors is adapting to the digital CRM tools to push themselves into the competitive market where it is enabling customers to schedule service appointments, getting information about new product launch, access to new program and offers.
- The Data depicts that Honda and Hyundai Motors goes almost parallel when it comes to improvising personalized communication and loyalty programme that has a positive impact on customers to get attracted to the brands.
- It has been found above that in comparison to Hyundai Motors, Honda Motors lag behind in terms of after sales service and support, due to inefficient man-power, inadaptability to the competitive market which has a impact on the customers to retain the same brand in the next purchase.

Suggestions

- According to the research analysis it can be suggested that the automobile companies like Hyundai Motors should start upgrading their CRM strategies, they should adapt the Digital CRM tools, social media CRMs to attract and retain customers.
- The Automobile companies should improve their feedback resolution system to facilitate customers to resolve their queries at the earliest time possible which will have a positive impact on the customer engagement.

- c) From the analysis it can be said that the Honda Motors should push some new products to their product line, should engage efficient man-power to facilitate after-sales service and support that will impact the customers to retain the brand.
- d) Both brands should continuously monitor and adapt their CRM strategies based on direct customer feedback and changing market dynamics.
- e) Company should invest in extensive training programs for dealership staff and service personnel to ensure they are well-equipped to handle customer inquiries and deliver a high standard of service, reflecting the brand's global reputation for quality.

VIII. Conclusion

This study has conducted a comprehensive examination and comparison of Customer Relationship Management (CRM) strategies employed by Honda and Hyundai Motors dealerships in Odisha, evaluating their impact on customer engagement and brand loyalty. The findings reveal that both companies have implemented sophisticated CRM systems aimed at boosting customer satisfaction and retention. Notably, Hyundai dealerships utilizing more individualized and technologically advanced CRM approaches demonstrated higher levels of customer engagement. The analysis suggests that Honda, despite its legendary status in the automotive industry, is falling behind in product line updates and new launches, which is affecting customer brand loyalty. In contrast, Hyundai dealerships appear to have a slight advantage in incorporating digital tools into their CRM practices, positively influencing customer engagement metrics. However, Honda has demonstrated excellence in providing personalized customer service and initiating community engagement programs, indicating different strategic priorities for maintaining competitiveness in the market. These results emphasize the crucial importance of CRM in the automotive sector, particularly within a diverse and competitive market like Odisha.

References

- 1) Malik, G. (2015). Impact of customer relationship management on customer loyalty and customer retention with reference to automobile sector. *university Journal of research*, 1(1), 70-89.
- 2) Gaurav, K. (2016). Impact of relationship marketing on customer loyalty: Evidence from Indian automobile industry. *PURUSHARTHA-A journal of Management, Ethics and Spirituality*, 9(1), 2-17.
- 3) Kumar, V. S. (2018). The Relationship Between Customers Satisfaction and Customer Loyalty in Commercial Vehicle Industry in India. *International Journal of Management and International Business Studies*, 8(1), 11-22.
- 4) Naru, R., & Jain, K. (2020). The role of customer relationship management in auto car industry in building customer relationship in after sales department. *Journal of Critical Reviews*, 7(11), 09
- 5) Pothal, L. K., Tripathy, S., Kumar, K., & Dash, A. (2021). Study of customer relationship management in automobile industry. In *Advances in Mechanical Processing and Design: Select Proceedings of ICAMPD 2019* (pp. 649-660). Springer Singapore
- 6) Zaidun, N. A., Muda, M., & Hashim, N. H. (2021). The relationship between customer brand engagement and brand loyalty for local car brands in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 11(6), 648-668
- 7) Rane, N. L., Achari, A., & Choudhary, S. P. (2023). Enhancing customer loyalty through quality of service: Effective strategies to improve customer satisfaction, experience, relationship, and engagement. *International Research Journal of Modernization in Engineering Technology and Science*, 5(5), 427-452