

Customer Relationship Management Practices Of Sport Bike Brands

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ABSTRACT: India has a growing population of youth. The auto industry especially the Two wheeler segment has been a one of the sectors where the younger generations have shown keen interest. Bikes and Super bikes have now become a trending item among this new group. Riders Clubs have come up in the Country associated with this. The research paper tries to focus on the CRM practices in this industry of Super Bikes. The factors influencing the purchase of Super Bikes were investigated. Factor analysis was done using SPSS software. The study was able to highlight the importance of CRM practices in the Super Bikes sector.

KEYWORDS: CRM, Sport bike, Factor analysis, KMO, Customer loyalty.

I. INTRODUCTION

A motorcycle is often called as a bike, motorbike or cycle which is a two wheeled motor vehicle whereas a sport bike is a motorcycle which is known for its speed, braking, cornering etc. It is all about the comfort and fuel economy which can be understood while comparing with the other motorcycles.

An essential thing which the sport bike encompasses is that of speed and the thrill. A sport bike is a type of motorcycle whose possession consists of its ability to perform on any kind of roads especially with the paved highways where the bikers feel very much comfortable with the cornering ability, handling of the bike, breaking power and the main element is the thrilling speed.

There are number of types of sports bikes which has got its own speciality. With the prominence of a sport bike being known for its speed, braking, fuel consumption, acceleration etc there are other certain elements that a sport bike should consist and it is known as the riders ergonomics favour function. This overall means higher foot pegs that would move legs closer to the

body and more comfort with the reach of lower sets of hand controls such as the clip present on the handlebars which would position the body of the biker and allow their weight over the tank. Sports bikes are mainly known for their high-performance engines which is complied with a body of light weight frame. High quality materials are used often on the sports bikes to reduce the frame weight of the bike. Riders position place where engine is being located, body frame and other heavy components helps in maintaining structural integrity and rigidity which will determine how the sports bike behave under cornering, braking, acceleration etc.

However, consumer buying behaviour towards the sports bike brand can depend on many other factors as well. Men's who like to ride bikes always dream to buy expensive and luxury bikes. Bikes are a passion for bike lovers. Some people buy these sports bike for their personal collection, passion etc. the main features which the consumer focuses here includes the bike models, price, fuel, styling options etc. the luxury bikes represent the style and class for both men and women. The company's customer relationship management is an advancement towards managing and dealing a company's interaction with the present and future potential customers. It mainly focuses on customer retention and helps in the growth of sales. Important aspect of CRM approach is the systems of CRM that collate data from a wide range of different communication channels which includes the company's website, live chat, email, telephone, social media and other marketing technique. The different CRM practices provided by the sport bike brands includes service reminders, special invitation, immediate queries elevation to organize, automate and synchronize sales, customer service and technical support. The aim is to provide quality services to the customers which leads to customer retention.

1.1 STATEMENT OF THE PROBLEM:

The study on the Customer Relationship Management for different sports bike brands is conducted to analyse the various Customer Relationship Management Practices and service quality provided by analysing the customer perception in the initiative.

1.2 OBJECTIVES OF THE STUDY:

- To study the customer perception towards the CRM practices of sports bike brands.
- To study the factors influencing the purchase of sport bike brands.

1.3 SIGNIFICANCE OF THE STUDY:

Customer Relationship Management (CRM) is a key component in running any business. It signifies a method which helps manage customer engagement in an organized manner. Customer Relationship Management practices codify interactions between firm and customer so that firm can maximize sales and profit using analytics.

1.4 SCOPE OF THE STUDY:

The scope of this study is extended in analysing Customer Relationship Management practices of sport bike brands. It also studies the perception of customers on the Customer Relationship Management practices and the quality of service been provided. The study covers the initiatives taken by the management to build up customer relationship.

The study is conducted overall customers of Kerala, Karnataka and Tamil nadu.

1.5 LIMITATIONS OF THE STUDY:

- Some of the customers were reluctant to cooperate.
- Busy schedule of customers.

II. METHODOLOGY

2.1 RESEARCH DESIGN:

This research made use of Descriptive research design.

2.2 SAMPLE DESIGN

- SAMPLING METHOD:** Convenience sampling method has been used in this research for collecting information through questionnaire.
- POPULATION:** Population is the people who are using various sports bike brands.
- SAMPLE:** People who use various sports bike brands in Kerala, Bangalore and Tamil Nadu.

- SAMPLE SIZE:** The sample size for the research is 130.

2.3 DATA COLLECTION: Primary data is been used for the data collection. For this research questionnaire was used as the primary source to collect data from the sample population. Primary data was collected from 130 respondents.

2.4 TECHNIQUES AND TOOLS USED FOR ANALYSIS: The tool used to analyse and interpret the data is SPSS.

Following techniques have been used for analysis

- Factor analysis

III. LITERATURE REVIEW

Reichheld and Sasser (1990) indicated that an improvement of 5 percent in customer retention leads to an increase of 25 percent to 75 percent in profit of automobile companies.[1]

Further, it costs more than five times as much to obtain a new customer than to keep an existing one. Moreover, with loyal customers, for example, companies can increase their revenue.[2]

Rachel Dardis, Horacio Soberon-Ferrer (1990) focused their study on the consumer decision making related to consumer views on different attributes of the product instead of just a single product attribute. Since the product here was automobiles, their attributes as well as household attributes were taken into consideration. Highly educated groups in the households showed better understanding of the performance of Japanese cars and were more attracted to their reliability.[1]

Customer relationship management (CRM) has emerged as most dynamic technology topic of the millennium (Debnath, Datta & Mukhopadhyay, 2016)[3]. The basis of CRM, which is relationship marketing, has only objective of improving the long-term relationship while increasing profitability opportunities of customers by moving away from product-centric marketing. The long-term relationship has positive impact on the sales.

The beginning of CRM was derived from the concept of relationship marketing (RM), while RM aim to form a long-term relationships with customers by repudiating approaches that focus on customers (Debnath, Datta & Mukhopadhyay, 2016)[3]. An organization's success is greatly influenced by its understanding of its clients' needs during various situations and working atmosphere (King & Burgess, 2008), which is CRM's main concern.[4]

From the list of variables, Customer loyalty has been one of the important fundamental

to marketing relationship (Toufaily, Ricard, & Perrien, 2013) and is generally considered as an organization's most enduring asset (Pan, Sheng, & Xie, 2012, p. 150)[5][6]. Various benefits of loyal customers are well documented in lot of researches. A Loyal customer generally tend to make a greater percentage of purchases on a more frequent basis and is less prone to defect to a competitive provider. Through his word-of-mouth communication he will recruit and add more customers for the organization, and hence new additions (Haywood, 1988; Oliver, 1999; Petrick, 2004; Shoemaker & Lewis, 1999; Yoo & Bai, 2013, p. 167)[7][8][9][10][11].

It has been accepted, to build a loyal customer base, a customer service is a key element. Hence automotive industry is seriously looking into their CRM practices and ways to improve them to a better level so as to generate new customers and also retain their existing customers.[12]

Kumar, V. (2010), "Customer relationship management (CRM)" refers to building one-to-one relationships with customers that can drive value for the firm. The study conducted that CRM strategies are related to effective customer management. The continuous loop of this interaction happens between firms, customers and even between customers. The firms, with proper understanding of CRM, can focus on targeting the customers accordingly and generate more results[13].

Abhijeet Singh (2011) Tata Motors uses a their unique customer relationship management and dealer management system which helps to connect all their dealers across India. The software used by them helped to optimize their operations side as well. This in turn proved beneficial to their dealers also. Here CRM proved to generate better dealer

and company relationship[14].

Kevin Keller (2012) Caterpillar has become a leading firm by maximizing the total customer value with the help of effective CRM, best after sales service in the industry and better trained dealer. The effective use of CRM by the company has led increase their price over their competitors firms in the same sector[15].

There is always a challenge for advancement in CRM technology in auto sector, with lack of proper management and process, a CRM system in auto sector can just become a little more glorified customer database in which customer information is only stored. It must be dynamic rather than statics, for a proper CRM system to work, Customer data and consumer expectations need to be organized, connected & distributed so that customer facing staff can easily use the information, they need at the time of customer interactions. Auto Companies may struggle to achieve a customer delight and sales through CRM, if customer information, needs and expectations are not transferred into an organized single dashboard or interface. Challenges within the auto companies also arise, when CRM systems contain customer data base which is duplicate or outdated information, that is reason it is said that it must be dynamic, rather than semi static. [16]

IV. DATA ANALYSIS AND INTERPRETATION

The demographic profile of the sample reveals that most of the respondents are in the age group between 22 years and 30 years old. A majority of the respondents are salaried, unmarried individuals. The top brands in terms of ownership by the respondents are KTM and Yamaha.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	of.941
Bartlett's Test of Sphericity	Approx. Chi-2004.17
	Square 8
	df 136
	Sig. .000

The KMO value is .941 and Bartlett's test is significant. This indicates that factor analysis can be performed on the given data. A total of 17 variables have been reduced to 2 factors which account for 70.03% of the variance in the data. Factor 1 consists of cost reductions, discounts,

riding academy, invitations, riders club, door step service, adventurous trips, quick jobs, time commitment, wishes, conducting races, personalization. Factor 2 consists of financing, test drives, feedback, reminders, technical support.

Table 2: Rotated Component Matrix^a

	Component	
	1	2
Costreductions	.841	.282
Discounts	.816	.238
Ridingacademy	.814	.337
Invitations	.813	.270
Ridersclub	.767	.383
Doorstepservice	.739	.353
Adventurostrips	.720	.409
Quickjobs	.669	.433
Timecommitment	.633	.557
Wishes	.629	.520
Conductingrace	.624	.427
Personalization	.579	.549
Financing	.285	.825
Testdrives	.241	.808
Feedback	.424	.764
Reminders	.293	.718
Technicalsupport	.592	.619

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 3 iterations.

Factor 1 is termed as customer engagement and discount.

Factor 2 is termed as financing and customer support.

The KMO value is .954 and Bartlett's test is significant. This indicates that factor analysis can be performed on the given data. A total of 18 variables have been reduced to 2 factors which

account for 77.65% of the variance in the data. Factor 1 consists of braking system, tyres, suspension, exhaust sound, seating position, refinement, knowledgeable staff, ground clearance, engine capacity, style, cost of spare parts, promotional offers, brand, colours, after sales service. Factor 2 consists of mileage, service charge, price range.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	of.954
Bartlett's Test of Sphericity	Chi-Square
	df
	Sig.
	Approx. 1
	2867.48
	153
	.000

Table 4: Rotated Component Matrix^a

	Component	
	1	2
Brakingsystem	.869	.379
Tyres	.863	.383
Suspension	.854	.355
Exhaust sound	.833	.160

Seatingposition	.807	.431
Refinement	.791	.341
Knowledgeablestaff	.777	.350
Groundclearance	.759	.400
Enginecapacity	.742	.545
Style	.703	.504
Costofspareparts	.694	.524
Promotionaloffers	.675	.452
Brand	.651	.550
Colours	.649	.519
Aftersalesservice	.648	.591
Mileage	.213	.880
Servicecharge	.335	.813
Pricerange	.436	.770

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 3 iterations.

Factor 1 is termed as features.

Factor 2 is termed as cost of ownership and mileage.

V. FINDINGS

The study reveals that most of the owners of sports bikes are young in age. This is in congruence with the segment of customers targeted by the various brands of sports bikes. In terms of the customer relationship management practices of sports bike brands, we can see that they use a mixture of customer engagement and discounts to attract customers. In addition to these strategies, these brands also offer financing and customer support. The analysis reveals that in the case of the factors which influence the purchase of sports bike brands, customers are most influenced by features, cost of ownership and mileage.

Customers can be very demanding especially when the market is crowded with brands trying to win the attention of the customer. The research shows what the customers want when deciding to buy a sports bike and also how they perceive the CRM practices of sports bike brands. This understanding of consumer behaviour will benefit brands trying to occupy a distinct positioning in the minds of the customer. Sports bike brands need to focus on factors such as features, cost of ownership and mileage in their brand communication. Additionally, since the customers are primarily young in age, it would be practical to reach out to prospective customers using social media channels.

VI. CONCLUSION

The literature indicates that having a grasp of consumer behaviour and implementing good CRM practices will foster loyalty among customers in the long term. Customer relationship management is a process that requires an in-depth understand of what customers demand. Sports bikes are marketed to a very niche segment of customers and it is a segment where there are multiple brands for customers to choose from. In such a scenario where customers have to decide between a wide range of brands, CRM practices can be very crucial. In a country with a large younger demographic, the potential for sports bike brands is immense and brands which understand the needs and wants of this segment of consumers will control the market.

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