# AN ASSESSMENT OF CUSTOMER RELATIONSHIP MANAGEMENT IN CABEY PLC/BRIDGESTONE

# A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF MARKETING MANAGEMENT BUSINESS FACULTY ST. MARY'S UNIVERSITY

# IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF ARTS IN MARKETING MANAGEMENT

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JUNE, 2014 SMU ADDIS ABABA

#### ST. MARY'S UNIVERSITY

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#### Acknowledgement

First and for most I would like to praise God for giving me the strength to finish this paper and making my dreams come true. Next, special thanks go to my advisor Ato Yalew Gorfu WeldeTinsae for his genuine advice and constructive criticism to the successful accomplishment of the study. I feel privileged for being advised by him.

I would like to extend my heartfelt thanks and appreciation to my dearest Khalid Ahmed Balamash for making all this possible and for making my work easier.

At last but not least I would like to thank my sweet and beloved family and friends for being there for me in all times.

Thank you!

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#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the Study

Customer Relationship Management is a term defined to describe how we interact and proactively manage our Customer Relationships. It is particularly important to understand that CRM is really a system in the truest sense - the system of how we work with our customers, solve problems for them, encourage them to purchase product and services, and deal with the financial transactions. In a nutshell, it includes all aspects of our interactions with clients. CRM comprises of the business process, the technology, and the rules required to deal with a customer at various stages of the business lifecycle. For the best results in Customer Relationship Management, systems contain most of the data associated with the customer, but only deliver the view most relevant for a particular function (Cunningham, 2002: 6). Furthermore, Kotler& Lane, (2012: 135) defined Customer relationship management (CRM) as the process of carefully managing detailed information about individual customers and all customer "touch points" to maximize loyalty. A customer touch point is any occasion on which a customer encounters the brand and product from actual experience to personal or mass communications to casual observation. CRM enables companies to provide excellent real-time customer service through the effective use of individual account information. Based on what they know about each valued customer, companies can customize market offerings, services, programs, messages, and media. CRM is important because a major driver of company profitability is the aggregate value of the company's customer base.

Cabey PLC is a sister company of MIDROC group that has an investment of over billion dollars in Ethiopia. The owner of Cabey PLC is Said Hussein Al-Moudi who is the brother of Sheik Mohammed Hussein Al-Moudi and owner of MIDROC. The registered capital of Cabey PLC is Birr 163,000,000 (one hundred sixty three million). Cabey PLC has a coffee processing plant to export coffee which costed the company over Birr 50 million and has the capacity to process more than 20,000m/ton of coffee annually. The company is also a sole agent for Bridgestone tyre which costed over Birr 10 million to construct tyre show room. The company's main warehouses and office are located in Addis Ababa. The warehouses have a capacity to accommodate up to 100,000 bags of 60Kgs and Bridgestone tyre warehouse capacity has 10,000 tyres capacity. Bridgestone tyre department started

operation in 2002. Additionally, the company is the agent for Saudi Arabian Airlines and has vehicle department established in year 2012, which imports trucks as an agent of SINO TRUCK HOWO SERIES in China.

The company could not fully take advantage of the available market opportunities due to not doing much effort on having a close relationship with its customers while the company could benefit a lot from building a strong relationship and handling their complaints inorder to make them loyal customers and buy again since competition is getting stiff in the meantime. Thus, the student researcher has been inspired to conduct a research in the practice of Customer Relationship Management, in order to identify the pertinent factors considered in developing their CRM practice and find out what factors affect the activities of the company with respect to building relationship with its customers.

#### 1.2 Statement of the Problem

According to Romano &Fjermestad, (2006:4) Customer Relationship Management (CRM) is the infrastructure that enables the delineation of an increase in customer value, and the correct means by which to motivate valuable customers to remain loyal-to buy again. The key words are infrastructure and enables. The infrastructure consists of the people and processes that an organization has at its disposal to understand, motivate, and attract its customers. It is the technology that enables the organization to improve customer service, differentiate customers, and deliver unique customer interactions. Furthermore, Roberts, (2003:2) stated that CRM is a methodology, a way of creating and evolving your organization in the marketplace and at the same time in the mind of each individual customer. In its simplest form it recognizes that each customer is an individual and has a choice. It looks at ways to treat customers more as individuals and to exercise their choice positively towards your organization. It also embraces many current marketing and management methods, such as customer loyalty and marketing database management. Moreover, Kotler& Lane, (2012:141) mentioned that listening to customers is crucial to customer relationship management. Some companies have created an ongoing mechanism that keeps their marketers permanently plugged in to frontline customer feedback. But listening is only part of the story. It is also important to be customer advocate and, as much as possible, take the customers' side and understand their point of view.

Cabey PLC which is involved in the import business of well brand tyre, Bridgestone, has been in the tyre business for more than 11years. Cabey PLCpractices CRM specifically only with customers who buy in larger quantities. The company provides incentives such as: giving free tyres for those who achieve a target quantity purchase and also prepare a recreational program to travel abroad and visit factories for those who purchased the largest quantity through the year.

However, as the student researcher observed there are problems that the company is not considering but could seriously affect the market share based on the fact that there are strong competitors in the industry. The problems include: not paying much attention to build relationship with customers to the individual level, focused on increasing number of customers rather than creating loyal customers and retaining current customers, no structured database management; customer recording is more of traditional (includes only names and telephone numbers), lack of communication with customers or no way of updating about new product features, and no trained frontline person available for receiving feedback or complaint.In the tyre business claims are usual due to different causes. The causes of the problems on the tyre could be from mal-production (manufacturing fault) or most of the time from improper usage of the product by customers. However, claims have to be handled in a professional manner and sincerely to assure the chance of the customer buying the product again. But the company doesn't handle complaints of customers, by handling them in a proper manner if the product is dysfunctional by their faults or respond to their claim by replacing another tyre if the product is dysfunctional by mal-production (manufacturing fault). Accordingly, customers will not likely buy the product again because they will be unsatisfied and will feel not important to the company as a customer. In these regards, the company is not carrying out CRM properly.

Based on this the student researcher comes with the following research questions.

#### 1.3 Basic Research Questions

- What are the factors that affect Customer Relationship Management in the case company?
- How can the case company achieve increased customer retention with high levels of customer satisfaction?
- How does the company manage relationships through conflict/even when it is the faults of customers?
- What CRM tools can the case company use to improve sales?

#### 1.4 Objectives of the Study

#### 1.4.1 General Objective

The general objective of the study is to examine the Customer Relationship Management practice of Cabey PLC's Bridgestone department.

#### 1.4.2 Specific Objectives

- To identify the factors that affects Customer Relationship Management in the case company.
- To determine how the case company achieves increased customer retention with high levels of customer satisfaction.
- To investigate the practice of the company on managing relationships through conflict/even when it is the faults of customers.
- To classify the CRM tools that the case company use in order to improve sales.

#### 1.5 Significance of the Study

Undertaking such study is really vital for any business entity. The research paper helps the company to identify its problems, to apply the outcome of the study and provides alternative courses of actions to solve problems regarding Customer Relationship Management. In addition, the research paper helped the student researcher to acquire practical knowledge on how to conduct a research and the research paper can also be used as a reference material by other researchers and gives a way for other researchers to conduct further research on this issue.

#### 1.6 Scope of the Study

The study was conducted only on the tyre department even though Cabey PLC is involved in being an agent for Bridgestone tyre, SINO TRUCK, Saudi Arabian Airlines and exporting coffee.

Data review used for the research was delimited by 4 years through the time of Sep2010-May 2013 in order to get up-to-date information. Cabey PLC has two branches on the tyre division: one, Bridgestone tyre head office, which is located at Mexico and the second one, Bridgestone Truck Tyre Center (BTTC), which is located at Kaliti. Since BTTC is new (established on Dec2013) relevant data cannot be obtained from there. Therefore, the student researcher was delimited on Bridgestone tyre's head office.

The research paper was delimited by the stated factors due to inefficient time, budget and other constraints.

#### 1.7 Research Design and Methodology

#### 1.7.1 Research Design

Descriptive method of research was used in this research paper to assess and analyze Customer Relationship Management practice of the company.

#### 1.7.2 Population and Sampling Technique

The target population of the study were buyers or customers of Bridgestone tyre and the Marketing Manager of Cabey PLC (Bridgestone department). Cabey PLC/Bridgestone has two types of customers which are Dealers; who purchase tyers for reselling purpose and Final Consumers; who purchase tyers to use the product for their own use. Non-probability sampling technique was used because of unknown sampling frame. From among types of Non-probability sampling, Convenience sampling technique wasused because this technique is considered easiest, cheapest and least time consuming. Thus, 200 customers were taken as sample respondents. Accordingly, 100 questionnaires for dealers and 100 questionnaires for final customers were distributed.

#### 1.7.3 Type of Data to be Collected

To collect data the student researcher used both primary and secondary sources to collect data in order to obtain the study with all the necessary information. Primary data was obtained from the Marketing Manager and customers of Bridgestone tyre. Secondary data was obtained from reference books and brochures of the company.

#### 1.7.4 Techniques of Data Collection

The student researcher collectedprimary data through questionnaire and interview. Well-designed questionnaire were distributed to customers, dealers and final consumers, to collect relevant information for the study. Furthermore, interview was conducted with the Marketing Manager of Cabey PLC, Bridgestone department.

#### 1.7.5 Data Analysis Technique

To analyze data obtained throughclose ended questions in the questionnaire the student researcher used quantitative approach. To summarize the data, tables and percentage were used. Furthermore, qualitative approach was used to narrate the view of the Marketing Manager which wasgathered through interview and data obtained from open ended questions in the questionnaire.

#### 1.8 Limitation of the study

In this research, unavailability of reference research papers in the subject of Customer Relationship Management was the major constraint. Moreover, insufficient time, loosing documents because of flash viruses and difficulty of convincing respondents that objective of the research were other obstacles in doing this research work.

#### 1.9 Organization of the Study

This research paper contains four chapters. The first chapter includes introduction of the study which includes background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, scope of the study, research design and methodology, and organization of the study. The second chapter deals with review of related literature. The third chapter includes data presentation, analysis and interpretation of the study. Finally, the fourth chapter contains summary, conclusions and recommendations.

#### **CHAPTER TWO**

#### **REVIEW OF RELATED LITERATURE**

#### 2.1 An Overview of Customer Relationship Management

#### 2.1.1 Definition Of Customer Relationship Management

There are a number of working definitions for CRM. In fact the letters CRM have been used to identify Continuous Relationship Marketing, Customer Relationship Marketing and Customer Relationship Management. Each term represents the same process. CRM can be defined as a process that maximizes customer value through on-going marketing activity founded on intimate customer knowledge established through collection, management and leverage of customer information and contact history. CRM is about perfecting relationships to maximize a customer's value over time (Baran&Others, 2012:5).

CRM can be thought of as a set of business practices designed, simply, to put an enterprise into closer and closer touch with its customers, in order to learn more about each one and to deliver greater and greater value to each one, with the overall goal of making each one more valuable to the firm. It is an enterprisewide approach to understanding and influencing customer behavior through meaningful communications to improve customer acquisition, customer retention, and customer profitability.

Defined more precisely, and what makes CRM into a truly different model for doing business and competing in the marketplace, is this: It is an enterprise wide business strategy for achieving customer-specific objectives by taking customer-specific actions. It is enterprisewide because itcan't be assigned to marketing if it is to have any hope of success. Its objectives are customer-specific because the goal is to increase the value of each customer. Therefore, the firm will take customers specific actions for each customer, made possible by new technologies (Peppers & Rogers, 2004:6).

Whether service-related or sales- or product-related, CRM (Customer Relationship Management) involves all aspects a company has with its valued and potential customers. Nowadays, computerization has significantly altered the way organizations deal or approach their respective CRM strategies since it has correspondingly altered customer purchasing behavior.

According to Baird(2008:141-142) there are 10 identified factors involved in a company's relationship with its consumers, which are: 1) customer preferences; 2) sales and marketing; 3) suppliers; 4) customer communications; 5) internal processes; 6) delivery; 7) training; 8) customer support; 9) customer follow-up; and 10) performance management.

Apparently, CRM entails many functions and mostly influenced by numerous factors as well. CRM basically aims for one main goal which is customer satisfaction. If customers are remain satisfied and happy, then they certainly will continue to purchase from the company and will even recommend to others. Thus, the company does not only keep its regular customers but gains more even, making its revenue to increase and sustainable.

Moreover, Roberts(2003:2) defined CRM as a methodology, a way of creating and evolving your organization in the marketplace and at the same time in the mind of each individual customer. In its simplest form it recognizes that each customer is an individual and has a choice. It looks at ways to treat customers more as individuals and to exercise their choice positively towards your organization. It also embraces many current marketing and management methods, such as customer loyalty and marketing database management.

#### 2.1.2 History and Evolutions of Customer Relationship Management

Customer Relationship Management (CRM) is growing in importance due to the challenging business environment faced by organizations throughout the world today. It is particularly critical in industries undergoing changes in traditional channel configuration. CRM is increasing in prominence because it focuses on current users who are the source of the majority of business revenue and the best option for improving business in uncertain times(Baran& others, 2012:4).

As reported by Cunningham, (2002:14)whether service-related or sales- or product-related, CRM (Customer Relationship Management) involves all aspects a company has with its valued and potential customers. Nowadays, computerization has significantly altered the way organizations deal or approach their respective CRM strategies since it has correspondingly altered customer purchasing behavior.

Customer Relationship Management has evolved over the course of the 1990s from specialized systems to the integrated systems of today. To help understand the

current state of the art in CRM, it is useful to get some historical perspective on the topic. The market started in the late 1980s, primarily with players that developed "business function" software products. Their strategy was to penetrate and automate the CRM function of a particular department or business unit. The primary goal of these software packages was to assist in the standardization and process automation of software systems such as customer support or sales force automation.

#### Typical features included:

- Creation of sales scripts and customer support scripts for telephone sales and support;
- Workflow software to determine the various stages of a sales or support process, sometimes with the relevant forwarding of information relevant for that process;
- Business rules to ensure that the "system" did not become a barrier to the successful resolution of a customer problem, or lead management; and
- Pipeline and sales management tools, built into the SFA (sales force automation).

User-based access to information was also a common feature of the more complex products. In general, these systems were point solutions, and tended to be deployed in situations where there were already significant sales or support management problems that the software could potentially rationalize.

Likewise, Baran& others, (2012:3) explainedCRM is part of an evolution in corporate thinking that began with the Enterprise Resource Planning(ERP) initiative of the 1990's. ERP forces all resources within a corporation to work within one business system. CRM has benefited from advances in data management and middleware new software that allows disparate data resources to work as a single integrated database. The development and popularity of electronic marketing as a tool has produced a rich source of consumer data for access by organizations in many industries.

Not to mention, Peppers & Rogers, (2004:3)noted the dynamics of the customerenterprise relationship have changed dramatically over time. Customers have always been at the heart of an enterprise's long-term growth strategies, marketing and sales efforts, product development, labor and resource allocation, and overall profitability directives. Historically, enterprises have encouraged the active participation of a sampling of customers in the research and development of their products and services. But until recently, enterprises have been structured and managed around the products and services they create and sell. To increase its overall market share, the twentieth-century enterprise would use mass marketing and mass advertising to reach the greatest number of potential customers.

#### 2.1.3 The Thinking behind Customer Relationships

Peppers & Rogers, (2004:35-37) discussed what exactly is a relationship, anyway? Webster's defines the term, among other things, as "a state of affairs existing between those having relations or dealings." And dictionary.com defines it as "a state involving mutual dealings between people or parties."

Some of the distinct qualities that should characterize a relationship between an enterprise and a customer are:

- ➤ First, a relationship implies mutuality. In order for any "state of affairs" to be considered a relationship, both parties have to participate in and be aware of the existence of the relationship. This means that relationships must inherently be two-way in nature.
- ➤ Second, relationships are driven by interaction. When two parties interact, they exchange information, and this information exchange is a central engine for building on the relationship. This, of course, also implies mutuality. But interactions don't have to take place by phone or in person or on the Web. An interaction takes place when a customer buys a product from the company that sells it. Every interaction adds to the total information content possible in the relationship.
- ➤ This leads to the third characteristic of a relationship: It is iterative in nature. That is, since both parties are interacting mutually, the interactions themselves build up a history, over time—a context. This context gives a relationship's future interactions greater and greater efficiency, because every successive interaction represents an iteration on all the previous ones that have gone before it. The more you communicate with any one person, the less you need to say the next time around to get your point across. One practical implication of the iterative nature of a customer relationship is that it generates a convenience benefit to the customer for continuing the relationship.

- Another characteristic of a customer relationship is that it will be driven by an ongoing benefit to both parties. The customer's convenience is one type of benefit, for the customer, but not the only one. Participating in a relationship will involve a cost in money, time, or effort, and no customer will engage for long in any relationship if there is not enough continuing benefit to offset this cost. However, precisely because of the context of the relationship and its continuing benefit to both parties, each party in a relationship has an incentive to recover from mistakes. This is because the future value that each party expects from the continued relationship can easily outweigh the current cost of remedying an error or problem.
- ➤ Relationships also require a change in behavior on the part of both parties—the enterprise as well as the customer—in order to continue. After all, what drives the ongoing benefit of a relationship is not only its context—its history of interactions, developed over time—but also the fact that each party's current and future actions appropriately reflect that historical context. This is an important characteristic to note separately, because companies sometimes mistakenly believe that interactions with a customer need only involve routine, outbound communications, delivered the same way to every customer. But unless the enterprise's actions toward a particular customer are somehow tailored to reflect the customer's own input, there will be no ongoing benefit for the customer, and as a result the customer might not elect to continue the relationship.
- ➤ Yet another characteristic of a relationship, so obvious it might not seem worth mentioning, is uniqueness. Every relationship is different. Relationships are constituted with individuals, not with populations. As a result, an enterprise that seeks to engage its customers in relationships must be prepared to participate in different interactions, remember different histories, and engage in different behaviors toward different customers.
- Finally, the ultimate requirement and product of a successful, continuing relationship is trust. Trust is a quality worth a book all by itself, but fundamentally what we are talking about is the common-sense proposition that if a customer develops a relationship with an enterprise, the customer tends more and more to trust the enterprise to act in the customer's own interest. Trust and affection and satisfaction are all related feelings on the part of a customer toward a company with which she has a relationship. They constitute the more emotional elements of a relationship; but for an enterprise to acknowledge and use these elements profitably, it must be able

to reconcile its own culture and behavior with the requirement of generating and sustaining the trust of a customer.

#### 2.1.4 Framework for Customer Relationship Management

As stated by Alexander & Turner, (2002:13-23) in order to deliver an effective Customer Relationship Management Strategy it is vital to understand the full scope of business contributions and customer needs.

#### > Customer expectations

Customers' expectations are soaring. However, there are six key areas of customer needs that, if met, represent the ideal relationship for a customer:

- Flexibility to meet their individual requirements
- Deal with one person for the whole experience
- Telling an organization information only once
- Easily obtained information at all customer interactions
- Recognition for who they are their history and potential
- Communication that is relevant to them

#### > Calculating future value of customers

- Delivering against your customers' wants and needs can add costs into your business as it may involve more and better staff, newer technologies, more support services, additional channels and speedier response times.
- To maximize your profit it is necessary to differentiate your customers based on value, in order to meet your best customers' needs and make profit.
- The premise going forward is that all your customers are not equal in their future value to your business some will actually lose you money.

Therefore, customer lifetime value is the backbone of any CRM strategy.

#### Agreeing business vision, objectives and defining a strategy

Without a clear understanding of your customers and their needs you cannot define a vision for the business or set objectives and design strategies to meet them. Today, customer objectives and value must be central to your business planning. It enables a more strategic approach to be taken in terms of creating a vision, setting objectives and defining a strategy to deliver them.

#### > Creating an integrated cross-functional team

CRM is a business strategy that cannot be handled by any single person or department within your company.

- Customers see your business as one entity, not separate units.
- A customer's total experience with your company is influenced by many factors, from marketing and customer service through to operational delivery and effective service-enabling technology.

It is essential, therefore, that a cross-functional team is assembled from the start to plan and implement an organization-wide CRM strategy. This team should have:

- The best representatives from each department (you know who they are, do not accept anything less than the best).
- The support of the CEO who should be able to explain the strategy

#### Defining business processes

An organization that has clear vision, and has set customer-centric objectives and strategies, must review business processes and their integration into the business.

#### > Technology

Traditionally, customers interacted with separate technology silos within a business. This created costly duplication, varying customer experiences and conflicting ways of dealing with the customer relationship.

A CRM strategy seeks to use technology to bring together all customer interactions, thereby creating a seamless customer experience and achieving business economies.

#### > Strengthen Customer Bonds though Relationship Marketing

Your customers now interact, deal and speak with you across multiple different media channels - call center, web, mobile phone, retail, mail order, interactive TV. A marketing strategy that utilizes all of these channels to communicate with the right customers, at the right time, using the right channel is a key part of your CRM planning. This includes marketing strategies for:

- Gaining consistent customer knowledge
- Communicating the right messages to the right segments of your customers
- Utilizing multi-channel response options
- Maximizing support services for your most valuable customers
- Measuring for profit

#### 2.1.5 Importance of Customer Relationship Management

As reported by Knox &Others, (2003:71)many businesses today realize how important CRM is and the potential it has to help them achieve and sustain a competitive edge. These organizations are already changing their business processes and building technology solutions in order to acquire new customers, retain existing ones and maximize their lifetime value.

There is compelling evidence that superior customer relationships make for better businesses:

- Relationship marketing increases retention;
- Relationships are more easily built through two-way communication and organizations can learn from their customers when they set up feedback loops;
- Relationship behaviour anticipates customer demands;
- Retained customers are inevitably more profitable.

Additionally, Knox & Others, (2003:102-103) quoted many companies have traditionally focused their marketing activity on acquiring new customers, rather than retaining existing customers. This may be due to the historical convention in many companies that rewards customer acquisition better than customer retention, or it may stem from ignorance of the bottom-line benefits of keeping customers.

There are number of reasons for which customer retention has such an effect on profitability.

- Acquiring new customers involves significant costs which may take years to turn into profits.
- As customers become more satisfied and confident in their relationship with a supplier, they are more likely to give the supplier a larger proportion of their business, or 'share of wallet'.

- As the relationship with a customer develops, there is greater mutual understanding and collaboration, which produces efficiencies that reduce operating costs. Sometimes customers are willing to integrate their IT systems, including planning, ordering and scheduling, with those of their suppliers, and this further reduces costs.
- Satisfied customers are more likely to refer others, which promotes profit
  generation as the cost of acquiring these new customers falls dramatically. In
  some industries, customer advocacy can play a very important role in
  winning new customers, particularly when choosing a supplier is a high-risk
  activity.
- Loyal customers can be less price-sensitive and may be less likely to defect
  due to price increases. This is especially true in business-to-business markets
  where the relationship with the supplier becomes more valued and
  switching costs increase.

#### 2.1.6 Types of Customer Relationship Management

In agreement with Knox & Others, (2003:186)CRM technologies fall into two categories: Operational CRM and Analytical CRM.

- ➤ Operational CRM: brings relationship management, customer service and fulfillment into the front-office. Example applications include: delivering customer information to front-line staff; managing customer information across different channels and media; managing customer contacts; managing campaigns; and managing tasks and workflows resulting from customer interactions.
- ➤ Analytical CRM: includes tools to analyze customer information to support marketing decisions. These include data mining technologies, analytical processing, statistical applications and modeling tools. More recently, vendors have been developing tools based around artificial intelligence (AI) concepts, such as neural networks, to enhance the analysis capability.

#### 2.1.7 Effective uses of CRM Database Tools

As stated by Baird, (2008:153-160) without data, companies will not be able to know who their customers are. And without an efficient database management without an efficient database management technology, it would be impossible to build market intelligence. That is why every CRM application is primarily anchored on its database tools and utilities. Customer data is needed to create effective marketing designs. Data is also needed so that companies can launch an effective customer service campaign.

It is imperative therefore for companies to look for a CRM solution that have excellent database utilities. They will need this function in order to fully maximize the potential of the software. Without database capability, the CRM solution would be useless for the company.

Good CRM database solutions should have excellent market intelligence data gathering function. It should also be able to organize the gathered data into useful categories so that data retrieval and utilization will be easier. If the CRM solution of a company has this capability, effective customer contact support can be implemented. They can also launch targeted marketing campaigns. All these are possible because the customer relations staff of companies will be able to get a good profile of their market. These will surely generate more sales lead and possibly increase actual sales.

Aside from customer and market information, a CRM database can also store employee and sales force information. This information is primarily utilized to track the sales performance of staff. Based on this information, rewards and bonuses can be provided in order to further motivate employees to aim for higher achievements.

#### 2.1.7.1 How to choose the best CRM solution

There are many CRM solutions and applications available today. An excellent customer relations management tool has become so popular because it can play a critical role in expanding markets and retaining a loyal customer base. But not all CRM solutions are the same. Companies need to choose what CRM software would match their internal business needs and niche market. Here are several guidelines on how to correctly choose the right CRM solution.

First, companies should carefully determine if the CRM software will really cater to their market niche. Companies that have successfully deployed CRM solutions ensured that their customer service application really served the needs of their target market. It would not be a wise decision to use a generic, out of the box CRM software that cannot be customized to cater specific market needs. A niche CRM solution will deliver focused customer management thus improving sales and customer loyalty.

Second, companies should choose between Web based CRM or client served CRM. Hosted online CRM is more flexible and can be accessed by the company sales force wherever they as long as there is an Internet connection. However, if the company is not online and have difficulties on secure Internet connection, then it would be best to deploy a local client served CRM application.

Third, companies should evaluate a CRM application's usability, scalability, and graphical interface. The CRM solution should be easy to use and with very user friendly interfaces, graphical reports, and data delivery systems. This will lower the cost for training and could instantly boost employee productivity.

## 2.2 Factors that affect Customer Relationship Management2.2.1 CRM Success Factors

In keeping with Anderson & Kerr, (2002:11) while clear intention fuels the power of CRM, there are several other success factors to consider. Organizations that implement CRM with a strong return on investment share these characteristics.

- 1. Strong internal partnerships around the CRM strategy. CRM is a way of doing business that touches all areas of your organization. This means that you and your management peers need to form strong internal partnerships around CRM. If you and your organization are early on the road to CRM implementation, now is the time to bring your CRM needs to the table, and to be open to listening to the CRM needs of other areas. You may find that you have requirements that are, at least potentially, in conflict. Resist the temptation to go to war for what you need. If your organization has gone off the partnership road with CRM, then now is the time to come back together and rebuild partnership with the area that is currently championing CRM. Let them know that you appreciate what they have done. Let them know what data you have to offer and help them understand how you plan to use the data you request from them.
- 2. Employees at all levels and all areas accurately collect information for the CRM system. Employees are most likely to comply appropriately with your CRM system

when they understand what information is to be captured and why it is important. They are also more likely to trust and use CRM data when they know how and why it was collected.

- 3. CRM tools are customer and employee friendly. CRM tools should be integrated into your systems as seamlessly as possible, making them a natural part of the customer service interaction.
- 4. Report out only the data you use, and use the data you report. Just because your CRM tool can run a report doesn't mean it should. Refer back to your CRM strategy, and then run the data you will actually use. And share that data with your team.
- 5. Don't go high-tech when low-tech will do. Organizations that successfully implement CRM look for the simplest solution when implementing their CRM strategy. A low-tech solution that works for the people who actually use it is more effective than a high tech solution that is cumbersome, costly and apt to be discarded or inconsistently implemented.

#### 2.2.2 Barriers to success

According to Knox & Others, (2003:11) the barriers to success are:

- Lack of a sufficiently robust customer strategy;
  At the heart of any CRM programme must lie a profound understanding of how customers differ and the creation of a unique and relevant value proposition to address and exploit these differences.
- ➤ Relationships that are managed in the interests of the firm and not the customer;
  - At the heart of the problem with CRM implementation lies the view that customer relationships can be managed, and managed by one partner in the relationship.
  - For customers to enter into a relationship with firms, and provide them with invaluable, non-public, data about their needs and motivations, there must be some perceived value for the customer. Firms need a differentiated customer strategy, grounded in the different needs, behaviours and motivations of different customers, to persuade customers to part with this information. Firms need to understand the potential value they can create for

- customers, as well as for themselves, in order to create powerful relationships with customers.
- ➤ Management that lacks sufficient ambition and information for the programme to succeed.

The success of large change programmes, such as moving from a product- to customer-focus, depends on management.

The problem of insufficient ambition is compounded by the lack of any generally accepted measures of customer value.

## 2.3 Increased Customer Retention with High Levels of Customer Satisfaction

Customer retention is a concept familiar to most businesses that are concerned about their customers, so it is a good place to start. Retention is actually a close approximation to survival, especially when considering a group of customers who all start at about the same time. Retention provides a familiar framework to introduce some key concepts of survival analysis such as customer half-life and average truncated customer tenure (Berry &Linof, 2004:385).

As Roberts, (2003:168)revealed, the two most effective methods of generating increased sales and customer retention are to:

- 1. Give a customer such a superior experience that they have no reason to go or even look elsewhere.
- 2. Give them an incentive to spend more, return, refer or buy more frequently.

As well, whalley (2013:15-17) inferred, the following is a non-exhaustive guide to service quality factors that may cause customers to question their loyalty.

- ➤ **Reliability:** involves consistency of performance dependability. It means that the firm performs the service right first time. It also means that the firm honours its promises. Specifically it involves:
  - Accuracy in billing
  - Keeping records correctly
  - Performing the service at the designated time
  - Doing what they say they'll do
- ➤ **Responsiveness**: concerns the willingness or readiness of employees to provide service. It involves timeliness of service:

- Mailing a transaction slip immediately
- Calling the customer back quickly
- Giving prompt service (e.g. setting up appointments quickly)
- Responding to inbound pressures such as faxes, emails phone calls, etc.
- ➤ Competence: means possession of the required skills and knowledge to perform the service. It involves:
  - Knowledge and skill of the contact personnel
  - Knowledge and skill of operational support personnel
  - Research capability of the organization
  - Ability to solve the problem without 'Bouncing' the respondent
- ➤ **Access:** involves approachability and ease of contact. It means:
  - The service is easily accessible by telephone (lines are not busy, not put on hold, or worse get no access to human contact)
  - Waiting time to receive service is not extensive
  - Convenient hours of operation
  - Convenient location of service facility
- ➤ Courtesy: involves politeness, respect, consideration and friendliness of contact personnel (including receptionists, telephone operators, etc.). It includes:
  - Consideration for the consumer and their property
  - Appropriate appearance of public contact personnel
- ➤ Communication: means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice. It involves:
  - Explaining the service itself
  - Explaining how much the service will cost
  - Explaining the trade-offs between service and cost
  - Assuring the consumer that a problem will be handled
- ➤ Credibility: involves trustworthiness, believability and honesty. It involves having the customers' best interests at heart. Contributing to credibility are:
  - Company name and reputation
  - Brand value
  - Personal characteristics of the contact personnel
  - The degree of hard sell involved in interactions with the customer
- **Security:** is the freedom from danger, risk or doubt. It involves:
  - Physical safety
  - Financial security (does the company know where my stock certificate is?)
  - Confidentiality (are my dealings with the company private?

- ➤ **Knowing:** the customer involves making the effort to understand the customer's needs. It involves:
  - Learning the customer's specific requirements
  - Providing individualized attention (treating them as if they are the only customer in the world)
  - Recognizing the regular customer and anticipating their needs
- **Physical evidence:** of the service such as:
  - Physical facilities
  - Appearance of personnel
  - Tools or equipment used to provide the service
  - Physical representations of the service such as a plastic card or a bank statement
  - Other customers in the service facility

#### 2.4 Manage Relationships Through Conflict

AsAnderson & Kerr, (2002:115) specified, it's the nature of relationships to have conflict. Even the best relationships go through times of conflict. Just ask anyone who's been married or had a close friend longer than a few months. With customers, conflict can come when you err, they err, some third party gets involved and errs, or even as a result of an act of God. Any time what you want as a customer is different from what you get, there can be conflict. Sometimes, there can be conflict when you get exactly what you asked for, but not what you expected. Conflict can be destructive. And conflict can be constructive.

As a manager, your job is to remove fear of conflict. Give your employees the tools they need and an environment that encourages them to look for not only the response that makes the conflict go away, but also the opportunity to move the customer relationship to the next level of commitment. Remember: "Problems are opportunities" becomes an empty platitude the first time you get angry or upset when an employee alerts you to a problem.

#### 2.4.1 Managing the Moment of Conflict

It would be great to be able to identify and respond to potential conflict before it ever reached the level that the customer became aware of it. However, it's more often the case that a customer experiencing a problem or perceiving that a conflict exists brings it to our attention. In that moment, whether face to face, phone to phone, or over the Internet, there's an opportunity to save that customer relationship, as well as to identify other customers who may be at risk of disappointment. All too often, companies miss one or both of those opportunities. Managing the moment of the interaction with the customer requires that everyone in your organization be clear about four things:

- 1. Each and every customer relationship is valuable.
- 2. Fixing or responding to the immediate situation is the first order of business.
- 3. Finding root causes is the second order of business (so you can prevent it from ever happening again).
- 4. One incident may be a bellwether, signaling you that other customer relationships are at risk.

#### 2.4.2 Value the Customer

When a customer service representative, or any employee, gets into task mode, it can be easy to forget to value each customer relationship and instead focus on the task at hand.

Before you get too hard on your staff, it's important to realize that your own systems may be contributing to this lack of focus on the value of a customer. For example, to combat the continuing issue of employee theft, the cash drawer has to balance to the penny or there will be consequences.

#### 2.4.3 Fix the Immediate Problem First

The customer who's standing in front of you, who's on the phone with you, or who's just sent you e-mail must be the first order of business. Seminal research by e-satisfy.com and the U.S. Office of Consumer Affairs shows that most businesses hear from only 4% of unhappy customers. The other 96% of those unhappy folks just keep quiet—and the vast majority of them will just never do business with that company again. So, the customer who tells you about the problem is doing you a huge favor and deserves your utmost attention. In addition, if you respond to a complaining customer with care and concern, it's possible to create a stronger relationship than you had before the conflict. Why? Because when everything is going along smoothly, customers may take you for granted. When they venture a

complaint and are treated with appreciation and concern, they can really experience and value a relationship with you.

#### 2.4.4 Find the Root Cause After You Solve the Situation

It's important in customer relationship management to find the causes of customer conflict, not so that someone or some department can take the heat, but rather so together we can eliminate, or at least control, the incidence of the conflict.

To do this, your CRM system should:

- Track complaints by type and frequency.
- Compare reported timelines and experiences with the actual facts.

#### 2.4.5 Identify and Nurture Other "At-Risk" Customers

One customer complaint or incident can be a signal that other customer relationships are at risk. Product recalls are a classic example of this principle. The unfortunate, and sometimes even tragic, experience of one customer or a group of customers triggers the company to contact all customers, asking them to return the product or giving them the parts needed to make a safety adjustment.

The earlier you can identify the cause of other at-risk customers, the less it will cost you—in direct expenses and in lost customer good will—to resolve the conflict for them, too. Whether the conflict is large or small, physical or symbolic, reaching out to all affected customers tells them that you value their business and that you are actively nurturing your relationship with them. You aren't just providing quick answers to customer queries. You're providing real solutions that add value to the time, and money, they spend with you.

#### 2.4.6 CRM is an Early Warning System

All customer relationships can go through times of conflict. Sometimes conflict is caused when systems, technology, products, processes, or people fail. Customers can also be responsible for conflict. We're willing to bet that there isn't a person out there, including us, who hasn't at least contributed to a product or service problem. At other times, conflict arises because what customers want and what you provide no longer match. Whatever the issue, your CRM strategy—the vision that drives it

and the tools and technologies that support it—must stand ready to identify conflict early in the game and to help you recover customer trust and customer loyalty.

#### 2.4.7 What if the Customer is the Problem

"Some customers are harder to deal with than others." Should your CRM system flag "difficult" customers? The answer is yes ... and no.

We readily acknowledge that customers create a healthy portion of the conflict they experience. However, more often than not, as the service and product provider, you have an opportunity to mitigate or even eliminate that conflict experience. Noting and profiling customers who misuse or misunderstand your products and services can help you find better ways to do business with them.

The danger of flagging difficult customers as "difficult" is that it implies hopelessness about improving the quality of the customer relationship.

Moreover, Peppers & Rogers, (2004:185) considered that Customers generally contact an enterprise of their own volition for only three reasons: to get information, to get a product or service, or to make a suggestion or a complaint. Thus, one way to view a complainer is to see him as a customer with a current "negative" value that can be turned into positive value. In other words, a complainer has extremely high potential value. If the complaint is not resolved, there is a high likelihood that the complaining customer will cease buying, and will probably talk to a number of other people about their dissatisfaction, causing the loss of additional business. The one-to-one enterprise, focused on increasing the value of its customer base, will see a customer complaint as an opportunity to convert the customer's immense potential value into actual value, for three reasons:

- 1. Complaints are a "relationship adjustment opportunity." The customer who calls with a complaint enables the enterprise to understand why their relationship is troubled. The enterprise then can determine ways to fix the relationship.
- 2. Complaints enable the enterprise to expand its scope of knowledge about the customer. By hearing a customer's complaint, the enterprise can learn more about the customer's needs and strive to increase the value of the customer.
- 3. Complaints provide data points about the enterprise's products and services. By listening to a customer's complaint, the enterprise can better understand how to modify and correct its generalized offerings, based on the feedback.

To a one-to-one enterprise, complaining customers have a collaborative upside, represented by a high potential value. Research from TARP has shown that if a contact center can resolve a customer's problem in a way that works for the customer, thus changing a dissatisfied customer to a satisfied one, the enterprise can increase loyalty by 50 percentage points. In general, if the enterprise calls the customer back or the customer has to call a second time, satisfaction and loyalty are decreased by 10 percentage points and the enterprise's costs are doubled because of the "telephone tag." TARP's research has shown that customers who are satisfied with the solution to a problem often exhibit even greater loyalty than do customers who did not experience a problem at all.

Because the handling of complaints has so much potential upside, a one-toone enterprise will not avoid complaints, but instead will seek them out. An effort to "discover complaints"—to seek out as many opportunities for customer dialogue as possible—becomes part of dialogue management. Complaint discovery contacts typically ask two questions:

- 1. Is there anything more we can do for you?
- 2. Is there anything we can do better?

By complaining, a customer is initiating a dialogue with an enterprise and making himself available for collaboration. The enterprise focused on building customer value will view complaining customers as an asset—a business opportunity—to turn the complainers into loyal customers. That is why enterprises need to make it easy for a customer to complain when he needs to.

#### 2.5 Customer Relationship Management Tools

As reported by Baird (2008:143) there are 5 ways how CRM tools improve company sales, which are as follows.

- 1. **Historical Facts:** CRM software enables and improves the tracking system, particularly of raw data over a considerable period. This allows better forecast of trends and customer requirements based on previous facts. Although this may not predict accurately what will happen, however it enables tracking and predicting what the next move would be.
- 2. **Improved Marketing**: CRM software offers a company with better and effective marketing strategy and communication tools that help in determining and fulfilling customer requirements. While a company further

- knows about its customers, the better it can customize its approaches and develop new and/or improved products or services to market.
- 3. **Keeping in Touch with Customers:** CRM software allow for products and services to be customized according to customer preferences or requirements. The company is thus given a more personal approach and satisfactorily fulfills its customer requirements. This results for the company to build a personal relationship with customers and stay in touch with them.
- 4. **Consistency:** CRM software enables a company to realize and value the significance of remaining consistent through the entire process of customer service.
- 5. **Acquiring New and Potential Customers**: While CRM solution helps a company to efficiently establish and maintain a sustainable relationship with current customers, this then makes the process of finding and establishing relationships with newer customers much easier.

Generally, CRM solution functions on quality satisfaction of customers resulting to an eventual increase and improvement on company sales.

#### CHAPTER THREE

# DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the presentation, analysis and interpretation of the gathered data from Cabey PLC/ Bridgestone's final customers, dealers and manager of the company. In this chapter, a brief overview of respondents will be presented. This data was obtained through the use of questionnaire which contains both closed and open ended questions and the rest was gathered by conducting an interview with the manager of the company.

In order to make the data obtained through questionnaire representative, 200 questionnaires were distributed; 100 each for dealers and final customers of Bridgestone tyre. However, among the distributed 200 questionnaires 36 (18%) were excluded for the reason of non-returned questionnaires and unwilling customers to fill the answers.

Therefore, from the total sample size 164 (82%) of the respondents filled and returned the questionnaires cooperatively. From the respondent customers 92 (56%) were dealers and 72 (48%) were end users of Bridgestone tyre. Moreover, the Marketing Manager of Cabey PLC/Bridgestone was interviewed on general issues related to the company's Customer Relationship Management practice.

The raw data is computed in percentage and is presented in a tabularized form followed by detail explanation and interpretation of the major findings.

This chapter has 2 parts which are General Characteristics of the Respondents and the Analysis of the research findings.

#### 3.1 General Characteristics of the Respondents

The first table below describes the demographic characteristics of the respondents including Sex, Age, Educational status and Relation with the company of both final customers and dealers. The Vehicle ownership status, Type of vehicle, Type of rout of final customers. And Status and Work experience in the dealer shop.

**Table 1 General Characteristics of Respondents** 

		Customer Respondent		Dealer Respondent	
	Questions	Frequency	Percentage (%)		Percentage (%)
1	Sex	1			
	A. Male	59	82%	82	89%
	B. Female	13	18%	10	11%
	Total	72	100%	92	100%
2	Age				
	A. 20-29 years	2	3%	14	15%
	B. 30-39 years	25	35%	60	65%
	C. 40-49 years	34	47%	14	15%
	D. 50-59 years	11	15%	4	4%
	E. Above 60 years	0	0%	0	0%
	Total	72	100%	92	100%
3	<b>Educational status</b>				
	A. Below diploma	0	0%	0	0%
	B. Diploma	18	25%	56	61%
	C. Level I-IV complete	4	6%	2	2%
	D. First degree	43	60%	34	37%
	E. Above degree	7	10%	0	0%
	Total	72	100%	92	100%
4	Vehicle ownership				
	status				
	A. Private	57	79%		0%
	B. Organizational	13	18%		0%
	C. Governmental	2	3%		0%
	D. other	0	0%		0%
	Total	72	100%	0	0%
5	Type of Vehicle				
	A. Passenger car	3	4%		0%
	B. Light truck or van	11	15%		0%
	C. Bus	4	6%		0%
	D. Truck	54	75%		0%
	E. Other	0	0%		0%
	Total	72	100%	0	0%
6	Type of rout				
	A. paved	7	10%		0%
	B. Unpaved	63	88%		0%
	C. Highway	2	3%		0%
	D. Other	0	0%		0%
	Total	72	100%	0	0%

As shown in item 1 of table 1 which indicates gender composition of respondents 59 (82%) of final customer respondents were male and 13(18%) were female respondents; and 82(89%) of dealer respondents were male and 10(11%) female dealer respondents respectively. This implies that the larger numbers of respondents are male.

In item 2, customers section, in age category of 20-29 there were 2(3%) respondents, in the next category 30-39 there were 25(35%), between the age 40-49 34(47%), in age 50-59 there were 11(15%) and above 60 there were no respondents. According to this data most of Bridgestone's final customers are in the age of between 40-49 there for are matured.

In the same item, dealers section, there were 14(15%) in the age category of 20-29, 60(65%) in the category of 30-39, 14(15%) in the age between 40-49, 4(4%) in the category of 50-59 and there were no respondents above 60. This implies that most of Bridgestone's dealers are in the age between 20-29 therefore are youngsters.

In item 3 of table 1, the educational status of respondents was reviewed. Accordingly, out of the 72 customer respondents non of the respondents are below diploma, 18(25%) are diploma holders, 4(6%) are level I-IV complete, 43(60%) are degree holders and 7(10%) are above degree. Regarding dealers, out of the 92 respondents 56(61%) are diploma holders, 2(2%) are level I-IV complete, 34(37%) are degree holders. On this basis of educational status of customers, the majority of Bridgestone's final customers are degree holders and the majority of dealers are graduates in diploma and degree holders. Therefore as most of the study respondents are educated, they are capable of evaluating and are able to understand the importance of this research and cooperate to answer the questionnaires accurately.

Item 4 of the same table lists the vehicle ownership status of final customers. Accordingly, 57(79%) were private vehicles, 13(18%) were organizational vehicles and 2(3%) were governmental vehicles.

Item 5 is about type of vehicles customers drive. This information helps to understand customers with what kinds of vehicles mostly use the product the company imports. From among the type of vehicles, customers with passenger car were 3(4%), light truck or van were 11(15%), bus were 4(6%) and customers with

truck were 54(75%). This data implies that most customer respondents who own truck use Bridgestone tyres.

As depicted in item 6 of the table in the previous page concerning type of route customers who said they drive on paved route were 7(10%), unpaved 63(88%) and highway 2(3%). Therefore, most of the customer respondents use unpaved route.

#### 3.2 Analysis of the Major Findings

The customers and dealers questionnaire is analyzed depending on the filled and returned questionnaires analysis which is the major findings.

#### 3.2.1 Analysis of Respondents Relation with the Company

**Table 2 Relation with the Company** 

		Customer I	Respondent	Dealer Res	pondent
	Question		Percentage (%)	Frequency	Percentage (%)
1	Relation with the				
	company				
	A. < 1 year	0	0%	0	0%
	B. 1-5 years	14	19%	13	14%
	C. 6-10 years	58	81%	77	84%
	D. 11-15 years	0	0%	2	2%
	E. Above 16 years	0	0%	0	0%
	Total	72	100%	92	100%
2	Work experience				
	in the dealer shop				
	A. < 1 year		0%	0	0%
	B. 1-5 years		0%	17	18%
	C. 6-10 years		0%	67	73%
	D. 11-15 years		0%	8	9%
	E. Above 16 years		0%	0	0%
	Total	0	0%	92	100%
3	Status in the				
	dealer shop		<b>,</b>		<b>,</b>
	A. Owner		0%	88	96%
	B. Sales Manager		0%	2	2%
	C. Sales person		0%	2	2%
	D. Other		0%	0	0%
	Total	0	0%	92	100%

As it is denoted in item 1 of table 2 concerning of relation with the company, non of the final customer respondents were less than 1 year, 1-5 years were 14(19%), 6-10 years were 58(81%) and non had relation with the company more than 10 years. As of dealers concerning relation with the company, non had relationship less than 1 year, 1-5 years were 13(14%), 6-10 years were 77(84%), 11-15 years were 2(2%) and

non above 16 years. The student researcher noted according to this data that since majority of customers and dealers had 6-10 years relation with the company they know the Customer Relationship Management of the company well.

The last item 2 of table 2 describes work experience in the dealer shop. Non had relation less than 1 year, 1-5 years were 17(18%), 6-10 years were 67(73%), 11-15 years were 8(9%), and non had relation above 16 years in the dealer shop. This implies that they had experience over the company's CRM since most of them had experience of 6-10 years.

As it is attested in item 3 of table 2 concerning the status in the dealer shop of dealers 88(96%) were owners, 2(2%) were sales manager and 2(2%) were salesperson. As most of the dealer respondents were owner of the dealer shop the feedback they gave is realistic.

#### 3.2.2 Analysis of Data Directly Related with the Study

Table 3 Source of Communication/Information

		Customer F	Customer Respondent		spondent
	Question	Frequency	Percentage (%)	Frequency	Percentage (%)
	How did you become a customer of Bridgestone?				
1	A. Through advertising	3	4%	1	1%
1	B. By word of mouth	35	49%	0	0
	C. Through sales person	34	47%	91	99%
	D. Other	0	0%	0	0
	Total	72	100%	92	100%

As shown in table 3 item 1 above which asked how final customers and dealers became a customer of Cabey/Bridgestone, the final customers said they became customers through advertising were 3(4%), by word of mouth were 35(49%) and through salesperson were 34(47%). As of dealers 1(1%) were through advertising,

non by word of mouth and 91(99%) through salesperson. On the basis of the above data, one can conclude that average of final customers became the customer of the company by word of mouth and through salesperson. And almost all dealers became a customer though salesperson.

## 3.2.2 Analysis of Employees Performance

Table 4Cabey PLC/ Bridgestone employees' performance

		Customer	Respondent	Dealer Res	spondent
	Question	Frequency	Percentage (%)	Frequency	Percentage (%)
	From where do you purchase Bridgestone tyers?				
1	A. Directly from Cabey/ Bridgestone	18	25%		
	B. From dealers	54	75%		
	Total	72	100%	0	0
	If your answer for question number 6 is 'Directly from Cabey/Bridgestone', the employees of Cabey/Bridgestone understand the specific needs of customers.				
2	A. Strongly agree	0	0	9	10%
_	B. Agree	4	22%	25	27%
	C. Neutral	3	17%	7	8%
	D. Disagree	11	61%	51	55%
	E. Strongly disagree	0	0	0	0%
	Total	18	100%	92	100%

According to item 1 of the above table 4employee's performance was analysed. As shown in Item 1 is from where final customers purchase the product and out of the 72 customers 18(25%) said directly from CabeyPLC/Bridgestone and 54(75%) said from dealers. Therefore, it is clear that most final customers purchase from dealers.

As described in item 2of the same table what both the final customers and dealers perceive about if the employees of Cabey PLC/ Bridgestone understand the specific needs of customers was analyzed. Since only 18 customers who are 25% of the respondents purchase directly from Cabey, the question in item 2 concerns only them. Non said they strongly agree, 4(22%) agreed, 3(17%) were neutral, 11(61%) disagreed and non said strongly disagree. From among dealers 9(10%) of them said they strongly agreed, 25(27%) of the dealers indicated that they agreed, 7(8%) were neutral, 51(55%) disagreed and non choose strongly disagreed. According to this data majority of customers disagree that employees of the company understand the specific needs of customers.

## 3.2.3 Analysis of Cabey'sPerformance on Informing New Stock Arrival for Dealers

Table 5 Source of Information on New Stock Arrival for Dealers

		Dealer Respondents		
	Question	Frequency	Percentage (%)	
1	Do you get information from Cabey/ Bridgestone whenever there is new stock arrival?			
	A. Yes	53	58%	
	B. No	39	42%	
	C. I don't remember	0	0%	
	Total	92	100%	
2	If your answer for question number 6 is 'Yes', how do you get the information of new stock arrival?			
	A. Through salespeople	46	87%	
	B. Through telephone	2	4%	
	C. By going to the company yourself	5	9%	
	D. Other	0	0%	
	Total	53	100%	
3	How do you evaluate the performance of Cabey/ Bridgestone on updating you their stock status?			
	A. Very good	4	4%	
	B. Good	16	17%	
	C. Fair	28	30%	
	D. Poor	41	45%	
	E. Very poor	3	3%	
	Total	92	100%	

According to item 1 of table 5 which indicates the performance of the company on informing new stock arrival to its dealers, they were asked if they are informed whenever there is new stock arrival. Out of the 92 dealer respondents 53(58%) said yes and 39(42%) said they don't get informed.

Out of the 53 dealer respondents who said the get informed when there is new stock arrival, in item 2 46(87%) said they get the information through salespeople,

2(4%) said they get informed through telephone and 5(9%) said they get the information by going to the company by themselves. This implies thatmost of them get the information from salespeople and some of them discover the information by their own.

In item 3 of the above table, the evaluation of dealers on the company's performance of updating their stock status was presented. 4(4%) of them said its very good, 16(17%) of them said good, 28(30%) of them said its fair, 41(45%) of them said its poor and 3(3%) of them said very poor. This data indicates that most customers think that the performance of the company on updating their stock status was poor.

According to Wilde (2011:54) when customers send requests and inform companies about their needs, it is possible to translate these into concrete services and satisfy the customers' needs. If a customer is sufficiently motivated to start knowledge cooperation with a supplier company, he can be sure to benefit by obtaining customized products and individual service.

## 3.2.4 Analysis of Customers Feelings about the Company's Compliant Handling Method

Table 6 Evaluation of Case Company's final Customers Compliant Handling Method

		Customer R	espondents
	Question	Frequency	Percentage (%)
1	Did you have any complain/claim request on your Bridgestone tyers before?		
	A. Yes	41	57%
	B. No	31	43%
	C. I don't remember	0	0%
	Total	72	100%
2	If your answer for he above question is 'Yes', for whom did you communicate?		
	A. Salespeople	4	10%
	B. Dealers	35	85%
	C. Manager of Bridgestone	2	5%
	D. Other	0	0%
	Total	41	100%
3	If your answer for question number 9 is 'Dealers', dealers of Bridgestone tyer cooperate to reach customer's claims for Cabey/Bridgestone?		
	A. Strongly agree	7	20%
	B. Agree	21	60%
	C. Neutral	0	0%
	D. Disagree	7	20%
	E. Strongly disagree	0	0%
	Total	35	100%
4	How did you evaluate the solutions for your complain provided by Cabey PLC regarding the company's Customer Relationship Management?		
	A. Very good	0	0%
	B. Good	17	24%
	C. Fair	19	26%
	D. Poor	35	49%
	E. Very poor	1	1%
	Total	72	100%

As depicted in the above table concerning of the company's compliant handling method of customers, in item 1 customers were asked if they ever had a claim request over the product they purchased. From out of the 72 final customer respondents 41(57%) said yes and 31(43%) said no. As this data reveals 41(57%) of the respondents had a complain over the tyres they purchased.

In item 2 the student researcher tried to obtain data of for whom customers who have complain possibly communicate their complaints. From the 41(57%) respondents who said they have complained, 4(10%) said to salespeople, 35(85%) said for dealers and 2(5%) said they complained for the manager of Bridgestone. It is clear that the majority of final customers communicate with dealers about their complaint.

As it can be seen in item 3 of the same table dealers cooperation to forward customers' complaints to Cabey PLC/Bridgestone was analyzed. From among the 35(85%) respondents who said they communicated their claims for dealers, 7(20%) said they strongly agree that dealers of Bridgestone cooperate, 21(60%) said they agree, non said they are neutral about this subject and 7(20%) said they disagree. As it can be observed it is possible to conclude that dealers of Cabey PLC/Bridgestone cooperate to reach final customers' complaints to the company.

As it is attested in item 4 of the same table respondents were asked how they evaluate the solutions provided by the company over their complaints. Non rated the company's solution very good, respondents who rated good were 17(24%), respondents who rated fair were 19(26%), poor were 35(49%) and very poor were 1(1%). As this data reveals majority of customers are unsatisfied with the solutions provided by the company for their problems.

In the literature review of this study Kate & Anderson, (2002:115) stated about this fact that the customer who's standing in front of you, who's on the phone with you, or who's just sent you e-mail must be the first order of business. Seminal research by e-satisfy.com and the U.S. Office of Consumer Affairs shows that most businesses hear from only 4% of unhappy customers. The other 96% of those unhappy folks just keep quiet—and the vast majority of them will just never do business with that company again. So, the customer who tells you about the problem is doing you a huge favor and deserves your utmost attention. In addition, if you respond to a complaining customer with care and concern, it's possible to create a stronger relationship than you had before the conflict.

## 3.2.5 Analysis of Dealers Feelings about the Company's Compliant Handling Method

**Table 7 Dealers Compliant Handling Method** 

		Dealer Respon	ndents
	Question	Frequency	Percentage (%)
	Did you have any complain/claim request on your Bridgestone tyers before?		
1	A. Yes	38	41%
1	B. No	53	58%
	C. I don't remember	1	1%
	Total	92	100%
	If your answer for he above question is 'Yes', for whom did you communicate?		
	A. Salespeople	29	76%
2	B. Technical engineers	4	11%
	C. Manager of Bridgestone	5	13%
	D. Other		0%
	Total	38	100%
	How did you evaluate the solutions for your complain provided by Cabey PLC regarding the company's Customer Relationship Management?		
3	A. Very good	3	8%
	B. Good	9	24%
	C. Fair	6	16%
	D. Poor	19	50%
	E. Very poor	1	3%
	Total	38	100%

Table 7 analyses dealer's feelings about the company's complaint handling method. In item 1 dealers of the company were asked if they ever had any complain on their Bridgestone tyers before. Out of the total number of dealer respondents 38(41%) said they had a complain, 53(58%) said they never had a complaint and 1(1%) said I

don't remember. As the data implies compared to final customer respondents majority of dealers never complained over the product.

As in item 2 of table 7 in the previous page dealers who had complained before which are 38(41%), 29(76%) said they communicated with salespeople, 4(11%) said they communicated with technical engineers and 5(13%) said they communicated with the manager of Bridgestone. According to this data majority of dealers communicate with salespeople of the company whenever they face a problem.

In item 3 of the same table evaluation of dealers over the solution provided by the company regarding the company's CRM was reviewed. Out of the 38(41%) dealers who said they had complained 3(8%) rated the solutions provided by the company very good, 9(24%) rated good, 6(16%) rated fair, 19(50%) rated poor and 1(3%) rated very poor. Accordingly, one can conclude that average percentage of dealers are not satisfied with the solutions provided by the company for their complaint.

As Peppers & Rogers, (2004:185) stated 50 percent of individual consumers and 25 percent of business customers who have a problem never complain to anyone at the company. Sometimes, however, a dialogue begins when a customer contacts the enterprise with a complaint. Thus, one way to view a complainer is to see him as a customer with a current "negative" value that can be turned into positive value. In other words, a complainer has extremely high potential value. If the complaint is not resolved, there is a high likelihood that the complaining customer will cease buying, and will probably talk to a number of other people about their dissatisfaction, causing the loss of additional business. The one-to-one enterprise, focused on increasing the value of its customer base, will see a customer complaint as an opportunity to convert the customer's immense potential value into actual value, for three reasons:

- 1. Complaints are a "relationship adjustment opportunity." The customer who calls with a complaint enables the enterprise to understand why their relationship is troubled. The enterprise then can determine ways to fix the relationship.
- 2. Complaints enable the enterprise to expand its scope of knowledge about the customer.By hearing a customer's complaint, the enterprise can learnmore about the customer's needs and strive to increase the value of thecustomer.
- 3. Complaints provide data points about the enterprise's products and services. By listening to a customer's complaint, the enterprise can better understand how to modify and correct its generalized offerings, based on the feedback.

# 3.2.6 Evaluation of Customers over the Company's Compliant Handling

**Table 8 Evaluation of Customers Compliant Method both by Dealers and Final Customers** 

		Customer Respondent		Dealer Res	spondent
	Question	Frequency F	Percentage (%)	Frequency	Percentage (%)
1	Cabey PLC/ Bridgestone encourage customers to forward their complaints?				
	A. Strongly agree	0	0%	1	1%
	B. Agree	12	17%	10	11%
	C. Neutral	0	0%	0	0%
	D. Disagree	57	79%	68	74%
	E. Strongly disagree	3	4%	13	14%
	Total	72	100%	92	100%
2	Are you satisfied with the way the employees handle your problem?				
	A. Yes	36	50%	29	32%
	B. No	36	50%	63	68%
	C. I don't remember	0	0%	0	0%
	Total	72	100%	92	100%
3	How long does it take for Cabey PLC/Bridgestone to respond to complain?				
	A. Very fast	0	0%	5	5%
	B. Moderate	33	46%	41	45%
	C. Late	36	50%	35	38%
	D. Very late	3	4%	11	12%
	E. No answer	0	0%	0	0%
	Total	72	100%	92	100%
4	How do you evaluate the skill of the salesperson over complaint handling?				
	A. Very good	0	0%	5	5%
	B. Good	2	3%	21	23%
	C. Fair	20	28%	47	51%
	D. Poor	1	1%	19	21%
	E. Very poor	0	0%	0	0%
	F. I don't know	49	68%	0	0%
	Total	72	100%	92	100%

As it is indicated in item 1 of table 8 respondents were asked if Cabey PLC/Bridgestone encourage customers to forward their complaints, accordingly, from final consumer respondents who choose strongly agree were non, agree were 12(17%), neutral were non, disagree were 57(79%) and who choose strongly disagree were 3(4%). From among dealer respondents who choose strongly agree were 1(1%), agree were 10(11%), neutral were non, disagree were 68(74%) and strongly disagree were 13(14%). According to this fact the company doesn't encourage customers to forward their complaints. As customers who experienced a problem with the product will most likely not repurchase the product the company should encourage customers to forward their complaints and solve their problem as much as possible in order to retain them.

As reported by Roberts, (2003:110) in order to encourage long-term customer satisfaction and loyalty, dialogue about objections, queries and concerns must be conducted early and often. In essence, welcome complaints and concerns – seek them and anticipate them.

In item 2 of the above table regarding if customers are satisfied about how employees handle their problem, final customers who said yes were 36(50%) and who said no were 36(50%). Dealers who said yes were 29(32%) and who said no were 63(68%). Based on the aforementioned data one can say that half of the respondents were dissatisfied with the way employees handle their problems and majority of dealers are dissatisfied.

Likewise, Atkinson,(2011:18) when customers are complaining they are usually in an emotive state of mind. They can appear to be quite aggressive and threatening. Our role is to calm them down and try to solve their problem. The best way to do this is to let them speak and get out all their frustration. Don't interrupt, but listen and show empathy.

As it is attested in item 3 of the same table respondents were asked how long does it take for the company to respond to their complain and from final customer respondents non rated very fast, 33(46%) rated moderate, 36(50%) rated late and 3(4%) rated very late. From dealers 5(5%) rated very fast, 41(45%) rated moderate, 35(38%) rated late and 11(12%) rated very late. From this we can understand that Cabey PLC/Bridgestone is delaying in giving a direct response to customer's compliant.

According to Young, (2005:296) if the supplier does not respond to customer needs for good service, clients will form unfavorable impressions of the whole firm. Referrals or repeat business will then decrease, damaging revenues. If this poor client care is the result of a senior figure in the firm or is representative of the firm's approach, then its long-term survival might even be threatened. By contrast, a firm with very good client service is likely to grow in both revenue and reputation.

As depicted in item 4 of the table above evaluation of customers over the skill of salesperson over complaint handling was analyzed. Customer respondents non rated very good, 2(3%) rated good, 20(28%) rated fair, 1(1%) rated poor, non rated very poor and 49(68%) choose I don't know. This implies that final customers most of the time don't meet with the salespeople of the company but only dealers. Dealer respondents 5(5%) rated very good, 21(23%) rated good, 47(51%) rated fair, 19(21%) rated poor and non rated very poor. Therefore, it is clear that dealers have a frequent contact with the salespeople of the company and believe the salespeople are skillful..

According to Kotler&Lane, (2012:131) some companies think they're getting a sense of customersatisfaction by tallying complaints, but studies show that while customers are dissatisfied with their purchases about 25 percent of the time, only about 5 percent complain. The other 95 percent either feel complaining is not worth the effort or don't know how or to whom to complain. They just stop buying. Of the customers who register a complaint, 54 percent to 70 percent will do business with the organization again if their complaint is resolved. The figure goes up to a staggering 95 percent if the customer feels the complaint was resolved quickly. Customers whose complaints are satisfactorily resolved tell an average of 5 people about the good treatment they received. The average dissatisfied customer, however, gripes to 11 people. If each of these tells still other people, the number exposed to bad word of mouth may grow exponentially.

#### 3.2.7 Analysis of the Company's Database Management System

Table 9 Analysis of Company's Database Management

		Customer Respondent		Dealer Respondent	
	Question	Frequency	Percentage (%)	Frequency	Percentage (%)
	How do you evaluate the company's data base management effort?				
	A. Very good	0	0%	15	16%
1	B. Good	0	0%	51	55%
	C. Fair	0	0%	8	9%
	D. Poor	59	82%	18	20%
	E. Very poor	13	18%	0	0%
	Total	72	100%	92	100%

As it is depicted in item 1 of table 9 above concerning customers' database management customer respondents, non rated very good, good or fair, 59(82%) rated poor and 13(18%) rated very poor. As this data prevailed the company doesn't have a strong system of database management system to have records of final customers. However, dealer respondents, 15(16%) rated very good, 51(55%) rated good, 8(9%) rated fair and 18(20%) rated poor. Therefore, the company has a good record of dealers but not final customers.

As Baird, (2008:153) stated, without data, companies will not be able to know who their customers are. And without an efficient database management technology, it would be impossible to build market intelligence. That is why every CRM application is primarily anchored on its database tools and utilities. Customer data is needed to create effective marketing designs. Data is also needed so that companies can launch an effective customer service campaign.

# 3.2.8 Issues Related with the Company's Customer Relationship Management

Table 10 Company's Customer Relationship Management

		Customer Res	spondent	Dealer Respo	ondent
	Question	Frequency	Percentage (%)	Frequency	Percentage (%)
1	What do you think is the major problem of the company's Customer Relationship Management? You can select more than one alternative.				
	A. Lack of communication	36	35%	0	0%
	B. Customer compliant handling	14	14%	50	43%
	C. Lack of appropriate data base management system	31	30%	21	18%
	D. Lack of service recovery	21	21%	44	38%
	E. Other	0	0%		0%
	Total	102	100%	115	100%
2	The relationship between employees and customers in the company is:				
	A. Very good	0	0%	15	16%
	B. Good	13	18%	31	34%
	C. Fair	24	33%	41	45%
	D. Poor	35	49%	5	5%
	E. Very poor	0	0%		0%
	Total	72	100%	92	100%
3	The employees of Cabey PLC/Bridgestone are friendly?				
	A. Strongly agree	25	35%	15	16%
	B. Agree	33	46%	72	78%
	C. Neutral	14	19%	5	5%
	D. Disagree	0	0%	0	0%
	E. Strongly disagree	0	0%	0	0%
	Total	72	100%	92	100%
4	The relationship between Customers and Cabey PLC/Bridgestone's Management is:				
	A. Very good	0	0%	10	11%
	B. Good	5	7%	17	18%
	C. Fair	23	32%	47	51%
	D. Poor	38	53%	13	14%
	E. Very poor	6	8%	5	5%
	Total	72	100%	92	100%

As it is attested in the above table 1 in item 10what customers think is the major problem of the company's CRM was discussed. On this item it has been stated that respondents can choose more than one alternative. Accordingly, form the total number of final customer respondents, which are 72, 30 of them choose more than one alternative. Therefore, the total number to analyze the data the alternative numbers which were chosen by respondents again were added on the total number (72+30=102). And from 92 dealers 23 of them choose more than one alternative (92+23=115). From final customers 36(35%) said lack of communication, 14(14%) said customer compliant handling, 31(30%) said lack of appropriate database management and 21(21%) said lack of service recovery. Dealers non said lack of communication, 50(43%) said compliant handling, 21(18%) said lack of appropriate database management and 44 (38%) said lack of service recovery. From the above data one can conclude that what final customers think is the major problem of the company's CRM is mostly, lack of communication, lack of appropriate database management system and lack of service recovery. Therefore, the company should try to improve the stated problems by final customers. Moreover, dealers believe the major problems are compliant handling & lack of service recovery.

As shown in item 2 concerning the relationship between employees and customers in the company, final customers non said very good, good 13(18%), fair 24(33%) and poor 35(49%). And from dealers who said very good were 15(16%), good were 31(34%), fair were 41(45%) and poor were 5(5%). The above data proves that majority of final customers & dealers rated their relationship with employees fair and poor.

The explicit knowledge, shared by all employees within an organization, is relatively easy to collect and store(Wilde, 2011:51).

Regarding the employees being friendly with customers, in item 3, from among final customers 25(35%) said strongly agree, 33(46%) said agree, 14(19%) said they are neutral and non choose disagree or strongly disagree. From among dealers 15(16%) said strongly agree, 72(78%) said agree, 5(5%) said they are neutral and non choose disagree or strongly disagree. The above data signifies that the overall customers believe that the employees of Cabey PLC/Bridgestone are friendly.

As it is depicted in item 4 in the above table 9 concerning the relationship between customers and company's management, from final customers non rated very good, 5(7%) rated good, 23(32%) rated fair, 38(53%) rated poor and 6(8%) rated very poor. From dealers 10(11%) rated very good, 17(18%) rated good, 47(51%) rated

fair,13(14%) rated poor and 5(5%) rated very poor. As the above data implies, the management of the Cabey PLC/Bridgestone should try to improve their relationship with final customers since majority of dealers have a good relationship with the management of the company.

Based on the attainment and beneficial use of customer knowledge, companies can satisfy customer demands in a better way. By collecting knowledge from and about customers, business processes can be optimized and procedures improved. Knowledge that is developed during a business process can be used to add value to other customer relationships (Wilde, 2011:53).

#### 3.2.9 Interview with the Marketing Manager

Based on the interview held with the Marketing Manager of Cabey PLC/Bridgestone the following information was gathered.

The first interview question the student researcher inquired the manager was how he evaluates the company's Customer Relationship Management in the company. The manager replied "Cabey PLC have a long time relationship with customers and have a record of its customers. We believe in rewarding customers who have a large quantity purchasing record throughout the year. However, mostly our contact or record is limited on dealers. This is because usually final customers purchase our product from dealers and till now we did not develop a system of building a relationship with customers who purchase from our dealers. The CRM in our company has been using traditional methods of recording customers contact but in the meantime we are developing a professional database management system."

Succeeding to the first interview question, the manager was solicited what factors affect the CRM of the company. The manger answered back "Traditional way of recording has its own influence on the overall practice of CRM. That is why we decided to change the former way we were used to apply."

The manager also indicated that there is no separate department in charge of recording data of customers. Therefore, this duty is left for the indoor sales personals.

Concerning the communication and partnership of the management with the employees who acquire the data the manager specified once in a month a report containing list of customers with their respective transaction activities is expected to

be submitted to him. Based on this data the management does the sales forecast for the coming month. Moreover, this data is used to reward and encourage customers with a large amount of purchase.

Afterward, the student researcher enquired the manager what effort has been done to make employees know what information is to be captured and why the information is important. The manager replied "As the sales person is recruited a job description is given which includes recording of customers information which is their name, shop location, contact information and purchasing behavior. In addition to that we follow up the salespeople by the report of what they have recorded throughout the month."

Proceeding to the above question information about the method of customer compliant handling in the company was tried to obtain from the manager. He explained that there are two kinds of complain the company faces because of the nature of the product. The first is irregular wear resulting from the customers' way of using the product. And second, malfunction of the product because of manufacturing error. The procedures the company follows to replace the damaged tyres is: first, a professional examines the tyres to discover what the causes of the damage are. Second, complete analysis report according to on spot examination of the damage on the product will be emailed to the concerned body of the supplier in Japan. Then the concerned department analyses the claim and passes the judgment accordingly. Therefore, our company acts upon the judgment of the supplier.

The manager also pointed out about the company's trend on turning complaints into opportunities. Because of the nature of the business and the product it's hard to say we change every complaint into opportunity. But if the cause of the damage was because of production error, we replace the damaged tyre by a new one believing that we can retain the customer.

The other point that was asked for the manager was to explain how the company manages relationship through conflict even when it is the faults of customers. The manager elucidate that they try everything possible to make the suppliers replace the customer's claim. For example a customer might buy a new tyre and he/she could face damage in a week. Let us say the damage was caused by the customer's reckless driving. Whatever the reason is the customers almost all the time have hard time accepting the fact that it's their fault. What we do when we face this situation is make on spot product examination and once it's confirmed that it was the fault of the customer the first obligation is to explain the nature of the damage and convince

the customer the cause of the problem. Then the technician preparesa professional report accompanied by a letter from the company containing suggestions and recommendations on proper handling of the product and the caution which should be considered for the future.

The student researcher also inquired the marketing manager how the company tries to manage database. The manager justified the company's effort to manage database by stating what explained before after the indoor salespeople's report, customer's information will be changed to a simple Excel sheet.

The interview continued about what CRM tools the company implies in order to improve sales. The manager explained that they record data of their customers, communicate with customers using their history for example to invite the potential customers to a seminar, training, special meeting and dinner with the suppliers and we also use CRM tools to approach new and potential customers.

Afterwards, the next question was if the company trains employees on how to handle complaints and claims. The manager's respond was that there is no special training the company gives on this issue for employees except the general procedures in the company.

Last but not least, the student researcher inquired the marketing manager of Cabey PLC what the company's future plans are to improve Customer Relationship Management. Then he replied "As I stated earlier, we recently changed the traditional way we were used to implement before. Now we are using a database management system created for this specific business sector. We also have plans to develop our communications with our final customers by creating a system with dealers to record final customer's database. And the newly opened retail and service outlet, named Bridgestone Truck Tyre Center (BTTC) at Kality, was part of the decision made by the management to improving addressing final customer by giving service after they purchase the product. The company strongly believes that the availability of BTTC will help decrease number of claims arising from final customers."

#### **CHAPTER FOUR**

#### SUMMARY, CONCLUSIONS AND RECOMMENDATION

This is the last chapter of the research paper. In this chapter the summary of major findings, conclusions and possible recommendations will be presented.

#### 4.1 Summary of Major Findings

- According to genders of respondents, 59(82%) of final customer respondents were male and 13(18%) were female; and 82(89%) of dealer respondents were male and 10(11%) were female. From among the final customer respondents, 34(47%) lie between in the age of 40-49 and from among dealers 60(65%) lie between the age of 20-29. Final customers of Cabey PLC/ Bridgestone are mainly matured and dealers are youngsters. Concerning the educational background, 43(60%) of final customers are degree holders and 56(61%) of dealers are graduates of diploma. Educated customers are capable of evaluating and are able to understand the importance of the research and cooperate to answer the questionnaires accurately.
- As per vehicle ownership status of final customers 57(79%) were private vehicles.
- Regarding type of vehicles, 54(75%) were trucks. Customers of Cabey PLC/Bridgestone mostly own trucks.
- In connection with type of route the 63(88%) of customers use unpaved route.
- Concerning relation with the company, 58(81%) of final customers had 6-10 years relation with the company and also 77(84%) of dealers had 6-10 years of relation with the company. Customers who have several years of relation with the company have the opportunity to experience the CRM of the company.
- From among the total number of dealer respondents, regarding status in the dealer shop 88(96%) were owners.
- In addition to the above 67(73%) had a work experience of 6-10 years in the dealer shop. Dealers also had an acceptable relation with Cabey PLC to experience the CRM activity of the company.
- According to source of information about the company, 34(47%) of final customers became customers of Cabey PLC/Bridgestone through

- salesperson and also 91(99%) of dealers became customers through salesperson.
- From among the total number of final customer respondents, 54(75%) purchase the product from dealers.
- According to the total number of respondents of dealers and from the 18(25%) of final customers, 51(55%) of dealers and 11(61%) of final customers disagreed on employees of Cabey PLC/Bridgestone understanding the specific needs of customers. This means that employees most of the time don't understand the specific needs of customers.
- Regarding the company's performance on informing new stock arrival for dealers, 53(58%) said they get information when there is new stock arrival.
- According to the above 53(58%) of dealers who said they get information whenever there is new stock arrival, 46(87%) said they get information through salespeople.
- Based on the evaluation of the total number of respondents of dealers over the company's performance of updating their stock status, 41(45%) said it is poor. Therefore, majority of dealers believe the performance of the company on updating their stock status is poor.
- Regarding the company's compliant handling method, 41(57%) of final customers said they have complained before. And from among the final customers who had complained before,35(85%) of them forwarded their complain for dealers.
- According to the 35(85%) of final customers who said they communicate their complaints for dealers, 21(60%) of them agreed that dealers cooperate to forward their complaints to Cabey PLC/ Bridgestone.
- Concerning the solutions provided by the company over customers complaints, 35(49%) of final customers rated poor. This implies that the final customers of the company are not satisfied with the solutions provided by the company for their complaints.
- In relation to dealers feelings about the company's compliant handling method, 53(58%) said they never had a complain. Out of the 38(41%) of dealers who said they had a complain, 29(76%) said they communicated their complaint with the salespeople of the company.
- According to the 38(41%) of dealer respondents who said they have complained, 19(50%) rated the solution provided by the company poor. This implies that dealers are not satisfied with the solutions provided by the company for their complaint.

- With reference to the company encouragement of customers to forward their complaints, 57(79%) of final customers disagreed and also 68(74%) of dealers disagreed. This shows that Cabey PLC/Bridgestone doesn't initiate customers to forward their complaints.
- And 36(50%) of final customers are satisfied with the way employees handle their problem and another 50% are not satisfied. From among dealers, 63(68%) are not satisfied with the way employees handle their problems.
- As evidenced from final customers and dealers response on how long it take for Cabey PLC/Bridgestone to respond to their complaints, 36(50%) of final customers rated late and also 35(38%) of dealers rated late. Therefore, the company takes too long to respond to customer's complaints.
- The other information gathered from respondents was how they evaluate the skill of the salespeople over compliant handling. 49(68%) of final customers choose I don't know and 47(51%) of dealers rated the employees skill fair. This implies that final customers mostly don't communicate their complaints with salespeople and dealers think the skill of salespersons over compliant handling is fair.
- Regarding the company's database management system, 59(82%) of final customers rated poor and 51(55%) rated good. This implies that the company doesn't have a good database management with final customers. However, the company has a good database management with dealers.
- From the total number of respondents, 36(35%) of final customers think the major problem of the company's CRM is lack of communication and 31(30%) think the major problem of the company's CRM is lack of appropriate database management. And 50(43%) of dealers think the major problem of the company's CRM is complaint handling and 44(38%) of dealers said the major problem of the company's CRM is lack of service recovery.
- With regard to relationship between employees and customers in the company, 35(49%) of final customers rated their relationship with employees poor. 41(45%) of dealers rated their relationship with their employees fair. This implies that employees are close with dealers but not quite close with final customers since majority of final customers purchase or communicate with dealers as implied in the findings of this research.
- Relating to the employees of Cabey PLC/Bridgestone being friendly with customers, 33(46%) of final customers said they agree that employees are friendly. 72(78%) of dealers said they agree that the employees of the

- company are friendly. This implies that employees of Cabey PLC/Bridgestone are friendly with customers.
- In addition, as to the relationship between customers and the company's management, 38(53%) of final customers rated their relationship with the company's management poor and from dealers 47(51%) rated their relationship with the management fair. Therefore, the management of the company has a fair relationship with dealers but doesn't have close relationship with final customers.

#### 4.2Conclusions

Based on the major findings of this research; the student researcher has come up with the following conclusions about the practice of Cabey PLC/Bridgestone's Customer Relationship management.

- In keeping with the findings, factors that affect Customer Relationship Management of the company are the company's not paying much attention to build relationship with final customers, lack of a system to record database of final customers and the traditional way of recording customer's information the company used to have.
- As drawn from the results of the research the company doesn't inform its dealerswhenever there is new stock arrival.
- In relation to the information from the study about the company's complaint
  handling method, the company doesn't provide the solutions customers
  need mostly, doesn't encourage customers to forward their complaints, the
  employees of the company doesn't have a good way of handling customer's
  complaints and it takes the company too long to respond to complaint.
- According to the findings of the study about the company's database management system, the company has a good database management with dealers but not with final customers.
- Based on the results of the research, the major problems of the company's CRM practice are lack of communication, lack of appropriate database management, complaint handling and lack of service recovery.
- From the research findings, the relationship between employees and dealers is acceptable but the relationship between employees and final customers is not good. However, employees are friendly with customers. Whereas, the relationship between the company's management and final customers is not good but the management has a good relationship with dealers since dealers have much contact straight to the company.
- As per the research findings, the company doesn't give any special training to employees on how to handle complaints of customers.
- From the information on the study, to manage relationship through conflict
  even when it is the faults of customers, the company tries everything
  possible to make suppliers replace the customer's claim. But because of the
  nature of the product it is impossible to replace every claim of customers.
  And therefore, it is hard to change every compliant to opportunity.

• According to the findings of the research, CRM tools the company uses to improve sales are recording data of customers, communicated with customers using their history and approach new and potential customers.

#### 4.3 Recommendations

The following recommendations are drawn from the above mentioned conclusion as well as the overall research findings.

- ❖ It is advisable for the company to train employees in order to make employees able to understand specific needs of customers.
- The company should strive to update their stock status for dealers on regular basis.
- Student researcher recommends that the company should try to have a record of what most customers complain about and try to improve or solve the problem before complaints take place and after complaints take place the company should try to satisfy customers by providing appropriate solutions for their problems.
- ❖ Since customers who complain are customers with a current negative value that can be turned into positive value, the company should encourage customers to forward their complaint and solve their problems as much as possible in order to satisfy them and retain them.
- ❖ The student researcher also recommends for the company to train employees on how to handle customer's complaints so that customers will be satisfied and will not have a reason to go elsewhere.
- ❖ It is recommended that the company should minimize the time it takes to respond to customer's complaint because otherwise customers may form unfavorable impression about the whole firm and will not repurchase the product.
- ❖ The company should work on developing a way of communication and way of recording database of final customers.
- ❖ In order to turn complaints in opportunities, the student researcher recommends that company should give training for customers on how to handle the product appropriately so that there will not be many claims which cannot be replaced by the suppliers in Japan.

## St. Mary's University

### **Faculty of Business**

## **Department of Marketing Management**

## Questionnaires to Be Filled By Customers of Cabey PLC/Bridgestone Tyre Division

This questionnaire is prepared by a student researcher; prospective graduate student of the year 2014 in the field of Marketing Management for partial fulfillment of a senior paper entitled "an assessment of Customer Relationship Management in the case of Cabey PLC / Bridgestone Division.

Your response to the questions is significant for the successful accomplishment of the above objective. Thank you for your sincere cooperation.

#### **General Instructions:-**

- Writing name is not necessary.
- Put " $\sqrt{"}$  in the boxes accomplished by various choices, to mark your answers.
- ❖ If the question is related to your personal opinion, write it shortly on the space provided.

### Part I. General Characteristics of the Respondents

1.	A. Male B. Female	
2.	Age	
	A. 20-29 years D. 50-59 years	
	B. 30-39 years	E. Above 60 years
	C. 40-49 years	

A. Belo B. Diple	onal status w diploma oma el I- IV complete	D. First degree	E. Above degree	
Part II. Ques	stions Directly I	Related to the S	tudy	
A. Priva	ownership status ate C. C	Governmental D. Other, please	c, specify	
	Vehicle enger car t Truck or Van	D.Truck	E. Other, please, s	pecify
<ul><li>3. Type of</li><li>A. Pave</li><li>B. Unpa</li></ul>	ed C. Highw	way her, please, specify	y	
	rears	D. 11-15 years	ve 16 years	
A. Thro	d you become a cust ough advertising word of mouth	c. Through s	sales person	

6.	From where do you purchase Bridgestone tyres?
	A. Directly from Cabey/Bridgestone
	B. From Dealers
7.	<i>y y y y y y y y y y</i>
	employees of Cabey/Bridgestone understand the specific needs of customers.
	A. Strongly agree D. Disagree
	B. AgreeE. Strongly disagree
	C. Neutral
8.	Did you have any complain/claim request on your Bridgestone tyres before?
	A. Yes
	B. No
	C. I don't remember
9.	If your answer for question number 8 is 'Yes', for whom did you communicate?
	A. Sales people C. Manager of Bridgestone
	B. Dealers D. Others, please, specify
10	). If your answer for question number 9 is 'Dealers', dealers of Bridgestone tyer cooperate to reach customer's claims for Cabey/Bridgestone?
	A. Strongly agree D. Disagree
	B. Agree E. Strongly Disagree
11	C. Neutral ————————————————————————————————————
1.1	regarding the company's Customer Relationship Management?
	A. Very good D. Poor D. Poor
	A. Very good D. Poor B. Good E. Very poor

12. How do you evaluate the company's data base management effort?
A. Very good D. Poor
B. Good E. Very poor
C. Fair  13. What do you think is the major problem of the company's Customer Relationship Management? You can select more than one alternative.
A. Lack of communication D. Lack of service recovery
B. Customer complaint handling E. Other, please specify
C. Lack of appropriate database management system
14. The relationship between employees and customers in the company is:
A. Very good D. Poor D.
B. Good E. Very poor
C. Fair
15. The employees of Cabey PLC/Bridgestone are friendly?  A. Strongly agree  B. Agree  E. Strongly disagree  C. Nauturi
C. Neutral ————————————————————————————————————
Management is:
A. Very good D. Poor
B. Good E. Very poor
C. Fair
17. Cabey PLC/ Bridgestone encourage customers to forward their complaints?
A. Strongly agree D. Disagree
B. Agree E. Strongly disagree
C. Neutral

18. Are you satisfied with the way the employees handle your problem?		
A. Yes		
B. No		
C. I don't know		
19. How long does it take for Cabey PLC/B	ridgestone to respond to complain?	
A. Very fast	D. Very late	
B. Moderate	E. No answer	
C. Late		
20. How do you evaluate the skill of the sal	lesperson over complaint handling?	
A. Very good	D. Poor	
B. Good	E. Very poor	
C. Fair	F. I don't know	
21. If there is anything you want to say		
Customer Relationship Management welcomed.	of Cabey PLC/Bridgestone, you are	
welcomed.		
	<u> </u>	

## St. Mary's University

### **Faculty of Business**

## **Department of Marketing Management**

## Questionnaires to Be Filled By Dealers of Cabey PLC/Bridgestone Tyre Division

This questionnaire is prepared by a student researcher; prospective graduate student of the year 2014 in the field of Marketing Management for partial fulfillment of a senior paper entitled "an assessment of Customer Relationship Management in the case of Cabey PLC / Bridgestone Division.

Your response to the questions is significant for the successful accomplishment of the above objective. Thank you for your sincere cooperation.

#### **General Instructions:-**

- ❖ Writing name is not necessary.
- Put " $\sqrt{}$ " in the boxes accomplished by various choices, to mark your answers.
- ❖ If the question is related to your personal opinion, write it shortly on the space provided.

## Part I. General Characteristics of the Respondents

1.	Sex	
	A. Male	B. Female
2.	Age	
	A. 20-29 years	D. 50-59 years
	B. 30-39 years	E. Above 60 years
	C. 40-49 years	

3.	Educational status
	A. Below diploma D. First degree
	B. Diploma E. Above degree
	C. Level I- IV complete
Part :	II. Questions Directly Related to the Study
1.	Status in the dealer shop
	A. Owner C. Sales person
	B. Sales Manager D. Other, please, specify
2.	If your answer for question number 1 is other than choice A, how long have you worked in the dealer shop  A. Less than 1 year D.11-15 years  B. 1-5 years E. Above 16 years  C. 6-10 years
3.	Relation with the company A. Less than 1 year B. 1-5 years C. 6-10 years D. 11-15 years E. Above 16 years
4.	How did you become a customer of Bridgestone?  A. Through advertising C. Through sales person D. Other, please, specify
5.	Do you get informed from Cabey/ Bridgestone whenever there is new stock arrival?  A. Yes  B. No  C. I don't remember

	ng to the company your self please, specify  y/ Bridgestone on updating you
B. Through telephone D. Other,	
	y/ Bridgestone on updating you
7. How do you evaluate the performance of Cabey their stock status?	
A. Very good D. Poor	<u> </u>
B. Good E. Very po	oor
C. Fair	
8. The employees of Cabey/Bridgestone unde customers?  A. Strongly agree D. Disagree  B. Agree E. Strongly disagree  C. Neutral	rstand the specific needs of
<ul> <li>9. Did you have any complain/claim request on you</li> <li>A. Yes</li> <li>B. No</li> <li>C. I don't remember</li> </ul>	ur Bridgestone tyres before?
10. If your answer for question number 7is 'Yes', for	whom did you communicate?
A. Sales people C. Manager of Bridge	estone
B. Technical engineers D. Others, please,	, specify

11. How did you evaluate the solutions for your complain provided by Cabey PLC regarding the company's Customer Relationship Management?  A. Very good  D. Poor  B. Good  E. Very poor  C. Fair
12. How do you evaluate the company's data base management effort?  A. Very good  B. Good  C. Fair  D. Poor  E. Very poor  C. Fair
13. What do you think is the major problem of the company's Customer Relationship Management?  A. Lack of communication D. Lack of service recovery  B. Customer complaint handling E. Other, please specify  C. Lack of appropriate database management system
14. The relationship between employees and customers is:  A. Very good  B. Good  C. Fair  D. Poor  E. Very poor  C. Fair
15. The employees of Cabey PLC/Bridgestone are friendly?  A. Strongly agree  B. Agree  C. Neutral  D. Disagree  E. Strongly disagree

16. The relationship between Cu	istomers a	and	Cabey	PLC/Bridgestone's
Management is:	_			
A. Very good D. Poor				
B. Good E. Very poor				
C. Fair				
17. Cabey PLC/ Bridgestone encourag	e customers	to for	ward the	eir complaints?
A. Strongly agree D. D.	isagree			
B. Agree E. S	Strongly dis	agree		
C. Neutral				
18. Are you satisfied with the way the	employees l	handle	your pr	oblem?
A. Yes				
B. No				
C. I don't know				
19. How long does it take for Cabey PL	C/Bridgest	one to	respond	l to complain?
A. Very fast	D. Very	late	ᆜ	
B. Moderate	E. No ans	swer		
C. Late				
20. How do you evaluate the skill of th	e sales pers	on ove	er compl	aint handling?
A. Very good			D. F	Poor
B. Good			E. V	ery poor
C. Fair			F. I c	lon't know

21. If there is anything you want to say or if you have	e any suggestion about
Customer Relationship Management of Cabey PLC	/Bridgestone, you are
welcomed.	

## St. Mary's University

### **Faculty of Business**

## **Department of Marketing Management**

#### Interview checklist

#### Dear Marketing Manager of Cabey/Bridgestone

This interview is organized to assess Customer Relationship Management of Cabey PLC tyre division. Your genuine response will have much use to the prospective graduate in the department of Marketing Management on year 2014. The student researcher would like to thank you for your cooperation in responding the following questions.

- 1. How do you evaluate the company's Customer Relationship Management activity?
- 2. What are the factors that affect Customer Relationship Management in your company?
- 3. Which departments in your company are able to obtain data of customers?
- 4. How do you evaluate your communication & partnership with the departments which acquire the data?
- 5. What effort has been done to make employees know what information is to be captured & why the information is important?
- 6. What are the methods of customer complaint handling?
- 7. What is your company's trend on turning complaints in to opportunities?
- 8. What does the company consider to replace tyres in case of claims?
- 9. How does the company manage relationship through conflict/even when it is the faults of customers?
- 10. What Customer Relationship Management tools does your company imply to improve sales?
- 11. How is your company trying to manage database?
- 12. What does your company do in order to achieve increased customer retention with high levels of satisfaction?
- 13. Do you train employees on how to handle complaints and claims? If 'yes' how?
- 14. What are your future plans to improve Customer Relationship Management?

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