CUSTOMER RELATIONSHIP MARKETING IN AUTOMOBILE INDUSTRY: THE TOYOTA CARS DEALERS AND CUSTOMERS IN BANGKOK



A THEMATIC PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF MANAGEMENT COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY 2015

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Thematic paper entitled

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ABSTRACT

Customer relationship marketing (CRM) is an essential aspect in the current era of marketing strategy. However, most of the previous researches were more focus on customer relationship on Business-Business (B2B) perspective as well as service company perspective, not many previous researches focus on industrial products. Therefore this research will focus on the automobile industry in terms of car dealers relationship practices toward end-customers.

This research suggested overall thirteen practices that cars dealers perform during the customer relationship development process, practices consist of three practices in Pre-relationship phase and another nine practices in Expansion and Commitment Phase. Moreover, the expected outcome car dealers actually expected is not only repeated purchase or cross-selling but they expected 'Recommendation or positive word-of-mount' from existing customers, but in order to reach that point, the commitment from customers is required.

KEY WORDS: CRM / Relationship Development / Automobile Industry / Car Dealer / B2C

64 pages

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CHAPTER I INTRODUCTION

1.1 Research Introduction

In the many past decade, marketing strategies more focused on sales transactions. But the paramount trend in late marketing strategy is the evolution from limited focus on sales transactions to an attention on the relationships that companies have with their customers and other stakeholders (Bruhn, 2003; Gummesson, 1999). The new relationship marketing focuses on co-creating a more meaningful, personalised, and long lasting experience with all concerned parties or the customers. It is about building long-term relationships with customers rather than trying to catch only a single transaction. Customer relationship marketing is the way the companies do to maximise the value of that relationship for the customer not just link to a single product or offer.

More and more firms are profiting by a solid firm-client relationship to increase valuable data on the most proficient method to serve clients and keep them from abandon them to competitors (Ndubisi, 2004). But most of the previous researches were more focus on customer relationship on Business-Business (B2B) perspective as well as service marketing perspective (Holland, 1994; Woo & Leelapanyalert, 2014; Cravens & Piercy, 1994; Eisingerich & Bell, 2007; Ettenson & Turner, 1997; Hart & Hogg, 1998).

Relationship marketing practice is an essential key for the firms, especially for the professional services sector, because of its unique characteristic (Woo & Leelapanyalert, 2014). While relationship marketing for product selling seems to have less importance due to believes that customers can evaluate products' functions confidently with the products themselves and sales person's technical knowledge, expertise and experience. Therefore, there are not much study on an industrial products perspective which relationship management has become an important part of business success and its sustainable growth.

1.2 Company and Industry Background

1.2.1 Industry Background

This study aims to focus on the vital industry in Thailand which is 'Automobile Industry'.

In Thailand, the automobile industry is one important economy drivers for a very long time since its first development in the early of the 1960s. Its importance was more significant because the industry has expanded rapidly from 1980s. The domestic sales of new vehicles increased from 101,624 units in 1987 (Terdudomtham et al., 2002) then rapidly grew to reach its maximum unit sales at 1,434,620 units in 2012. However, the upward growing trend would not stay forever, the automobile industry has been confronting new difficulties on a global scale, such as the impacts of globalization, more serious safety requirements, tougher competition, more propelled data innovation implementation, increased in environmental and social responsibilities, and advancement in heavy industry production technologies (Linker, 2004; Gallasch et al., 2004). In Thailand where the research went through, the effect on political policy (First Car Scheme in 2012) had an extremely strong effect in the automobile industry, especially in the mass production manufacturers such as Japanese car manufacturers.

Due to the dropping market situation of the automobile industry, after sales service is now a very important business to make customers feel happy and impressed with the brand. It also can be another channel to gain the sales volume (Tachibana, 2015)

The domestic sale volume of the motor vehicle within the past decade is illustrated in the Figure 1.1 and the amount in Table 1.1.

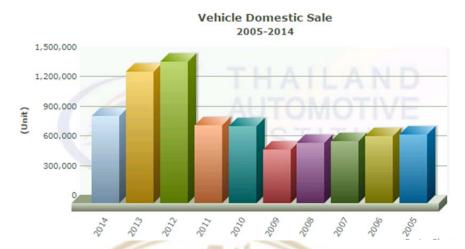


Figure 1.1 Vehicle Domestic Sale in 2005-2014

Source: Thailand Automotive Institute (2015)

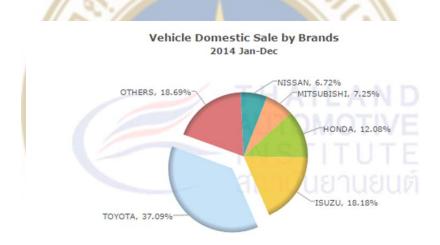


Figure 1.2 Vehicle Domestic Sale by Brands in 2014

Source: Thailand Automotive Institute (2015)

1.2.2 Company Background

The company that was selected to be case study in this research was the market leader of the automobile industry, TOYOTA. (See Figure 1.2)

In terms of customer service, Toyota was also winner among other competitors in the same industry as shown in Figure 3-2015 Thailand Customer Service Index (CSI) Study. Refer to "2015 Thailand CSI Study Rankings",

"Toyota ranks highest in overall customer service satisfaction among mass market brands for a second consecutive year, with a score of 873. Toyota performs particularly well in all factors. Isuzu ranks second at 868, which is 3 points above the mass market average of 865." (Source: J.D. Power Asia Pacific 2015 Thailand Customer Service Index (CSI) StudySM)

Regarding the size, the total number of Toyota dealer showroom (as of November 2015) is 451 Showrooms according to information from www.toyota.co.th

1.3 Objective of This Study

- 1. To understand the customer relationship development process of automobile dealers. Is it different from other types of industry, and how different?
- 2. To identify practices or activities that automobile dealers used in order to establish and maintain relationships with end-customers.



Table 1.1 Motor Vehicle Domestic Sales of Thailand, 2005 - 2011

Motor Vehicle Domestic Sales of Thailand

2005 - 2011 (by type) Unit

Туре	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Passenger Car	182,805	195,458	182,767	238,990	238,773	362,561	377,621	692,771	656,412	411,413
Commercial Car (exclude one-ton pick up)	44,813	36,226	40,567	33,923	31,963	45,192	46,336	66,027	69,319	43,842
One ton pick up	470,237	450,479	407,917	341,165	278,135	378,343	372,123	675,822	597,524	426,628
OPV	5,406	0	0	0	0	0	0	0	0	0
Total	703,261	682,163	631,251	614,078	548,871	786,096	796,080	1,434,620	1,323,255	881,883
Growth (%)	11.94	-3	- 7 .46	-2.72	-10.62	43.22	1.27	80.21	-7.76	-33.36
Remark				101	THE THE					
** Since 2004, PPV is inclu	** Since 2004, PPV is included in one ton pick up.						// //			

Source: Thailand Automotive Institute (2015)

J.D. Power Asia Pacific 2015 Thailand Customer Service Index (CSI) StudySM



Note1: Rankings are in alphabetical order when there is a tie; included in the study but not ranked due to insufficient sample size is Subaru

Source: J.D. Power Asia Pacific 2015 Thailand Customer Service Index (CSI) StudySM

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power Asia Pacific as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power Asia Pacific survey results without the express prior written consent of J.D. Power Asia Pacific.

Figure 1.3 2015 Thailand Customer Service Index (CSI) Study

CHAPTER II LITERATURE REVIEW

2.1 Earlier Research

2.1.1 The Importance of Customer Relationship Marketing in Industrial Product Selling

Today's fast changing and intensely competitive market situation requires all firms to shift their strategies toward development of buyer-seller connections. It helps create or increase repeated-purchases made by loyal partners. The relationship orientation in marketing and trade proceeded into the early years of the Industrial Revolution and the development of private enterprise. Fullerton (1988) portrays some of the efforts embraced by the marketing personals during this period to build and sustain relationships with customers.

The essence of these activities is to decrease trade vulnerability and to make client collaboration and commitment through progressive improvement of mutual and shared interests and believes. If customers are still with the company for many transactions in the extended period, both customers as well as sellers will have profit from the experience gained through those previous transactions. The objective is to increase benefits by accomplishing a rising extent of customers' long-term spending as opposed to boost benefits in a brief period from just one or single transactions (Palmer, 1994). It was pure products consumption in the past but gradually change to continuous consumption. For manufacturing product, the customer consumes or uses the products together with the service before, during, and in between the exchanges of products. (Grönroos, 2004)

2.1.2 Benefit of Customer Relationship Marketing

There is also belief that to win new customers take between five to ten time more expensive than retaining an existing customers. (Rosenberg & Czepiel, 1984). However, in the newer researcher, the price for gathering new customers was cheaper

but yet expensive still. The monetary profit of effectiveness in customer retention have stated in many researches which suggested that the acquisition cost of new customer are as much as five times more than cost to keep existing customers (Webster, 1994; McIlroy & Barnett, 2000). Ranaweera & Praphu (2003) stated that customer satisfaction has been regarded as a primary foundation effect on long-term customer behaviour. High of customer satisfaction rewards to customer retention and also positive word-of-mount (WOM).

2.1.3 Customer Relationship Marketing and Customer Loyalty

Previous research from Ndubisi (2007) which studied about impact of relationship marketing strategy on customer loyalty based on the Malaysian Banking Industry concluded that Malaysian bank customers tend to be loyal with the bank with the following characteristic:

- 1. Trust (Trustworthy)
- 2. Commitment (Committed to service)
- 3. Communication (Reliable and efficient in communicating to customers) and
- 4. Conflict Handling (Able to handle conflicts well)

The result of this research was concluded that;

"The greater the trust in the bank, the higher the level of the bank's commitment, the more reliable and timely its communications and the more satisfactorily it handles conflicts, the more loyal its customers will tend to be"

Therefore, due to pretty similar characteristic of the sample (Malaysians versus Thais), this Ndubisi's study could be useful for the researcher of this research to frame the study method and model.

2.1.4 Relationship Development Process

Characteristic of relationship marketing was explained by Sheth & Parvatiyar (1992) as the process of building and maintaining consonantly relationships between buyers and sellers through mutual cooperation and commitment.

Poul Houman Andersen (2001), suggest a compound model which captures three phases of the relationship marketing development process:

- 1. Pre-relationship Phase
- 2. Negotiation Phase
- 3. Relationship Development Phase.

There are also 'Termination Phase' mentioned in the research paper, however, Anderson did not want to include it even though relationship dissolutions was significantly affected by some marketing communication strategic management (Miller and Parks, 1982).

Ford (1980) describes the process of establishment and development of relationship over time and explain into five stages;

1. The Pre-Relationship Stage

This stage happens when company seeking new source of supplies. There are still social distance in all the new relationships as both of them did not know much about each other.

2. The Early Stage

This is the time when potential suppliers are already have contacted with purchasers to negotiate the contract or develop a products specification for purchase. There might be products sample delivery for high volume and frequency purchased supplies.

3. The Development Stage

This stage occurs when there are increasing in the continuously purchased products or after the major purchasing contract is signed.

4. The Long-Term Stage

This stage occurred followed the previous stage with more frequency and volume or after many major contract.

5. The Final Stage

This stage occurred when the situation is stable over long periods of time.

Dwyer et al. (1987) conceptual stated that relationships do not just easily occur. However, relationships gradually develop through five phases:

1. Awareness Phase

This stage starts when the company realize and recognize of what another party can offer.

2. Exploration Phase

This stage starts when both parties begin to consider obligation, burdens and benefits associated with the possibility of trading.

3. Expansion Phase

At this phase, the cost of withdrawing from the relationship has increased due to both buyer and seller has built up level of trust and joint satisfaction.

4. Commitment Phase

This phase occurs when both parties have satisfied with each other from the buy-sell (trading) process. It make them would like to be in the relationship for long period.

5. Dissolution Phase

Each resulting stage expands on the results from the first stage and represents a major transition in how the arranging parties respect each other. That is, a typical thought for moving from the first phase of attention to each consequent stage is the assessment of the results of the relationship up to that point.

The modern research paper from Woo & Leelapanyalert (2014) that studied the customer relationship development process applied from many previous research has concluded the overall process into 6 phases included in 4 stages;

Stage 1: Pre-relationship Stage

This stage starts when there are still low trust and high uncertainty between the buyer and seller.

Stage 2: Exploratory Stage

Phase 1) Purchasing Phase

Phase 2) Consumption Phase

Stage 3: Expansion Stage

Phase 1) Repeat Purchase Phase

Phase 2) Consumption Phase 1

Phase 3) Cross-selling Phase

Phase 4) Consumption Phase 2

Stage 4: Stable Stage

The stable stage starts when the process of purchasing and a product and service delivery has become a regular process for both parties. Stable stage in a relationship also relates to building of trust, and also creates similarity in business norms.

2.2 Conceptual Model

From many past researches, relationship development stages or phases almost similar to each other. Therefore, this conceptual model derived from various researches aforementioned. The researcher has concluded and summarized the similarity and contraries of previous customer relationship development process and has established the proposed conceptual model.

There will be 5 stages of customer relationship development start from

- 1. Pre-relationship Phase
- 2. Exploratory Phase
- 3. Expansion Phase
- 4. Commitment Phase and
- 5. Termination Phase.

Some previous study called 'Commitment Phase' as 'Stable Phase/Stage'
However, during 3rd phase, expansion phase, there will be consequence socalled 'Repeated purchased' when customers were more familiar and happy the brand/
product or service. The model shown as below;



Figure 2.1 Conceptual Model

Table 2.1 Theoretical support the Conceptual Framework

Models of the Relationship Development Process

Researcher	Poul Houman Andersen	Ford	Dwyer et al.	Woo & Leelapanyalert
	(2001)	(1980)	(1987)	(2014)
Stage / Phase	(1) Pre-relationship Phase(2) Negotiation Phase(3) Relationship DevelopmentPhase.(4) Termination Phase	 (1) The Pre-Relationship Stage (2) The Early Stage (3) The Development Stage (4) The Long-Term Stage (5) The Final Stage 	(1) Awareness Phase(2) Exploration Phase(3) Expansion Phase(4) Commitment Phase(5) Dissolution Phase	Stage 1: Pre-relationship Stage Stage 2: Exploratory Stage Phase 1) Purchasing Phase Phase 2) Consumption Phase Stage 3: Expansion Stage Phase 1) Repeat Purchase Phase Phase 2) Consumption Phase 1 Phase 3) Cross-selling Phase Phase 4) Consumption Phase 2 Stage 4: Stable Stage

CHAPTER III METHODOLOGY

3.1 Research Methods

The research methodology of this paper mostly focused on qualitative research using the interviews approach for an in-depth study of the activities of customer relationship marketing in the automotive industry.

Qualitative research was adopted in this research because it allows researchers to explore inside of participants' experiences (Corbin & Strauss, 2008; Denzin & Lincoln, 2003), as the researcher intended to answer the question of how the seller of industrial products can establish and maintain relationships with their customers. Qualitative research usually utilise "semi-structured" interviews. This type of interview helps researcher to cover many aspects as they need in the topic area using a lot of open-ended questions. (Handcock et al, 2007)

This research gathered in-depth information to answer those questions via three methods;

- 1. Semi-structured interviews
- 2. Observations and
- 3. Secondary Data Collection

3.1.1 Interview

The interview method was chosen in order to discover thoroughly, valuable, and useful insights from the interviewees that could not have been achieved using only a survey method. The interview questions can be founded in the Appendix section. This is a suitable method when the study contains a lot of what, how and why questions and cannot be explained by number or statistic (Sinkovics, Penz & Ghauri, 2005).

In this study, data will be analysed from the primary interview with 10 staffs in Toyota Car Dealers in Bangkok and Metropolitan area. Interviewees work in various

fields in different showrooms around Bangkok. All of them have a lot of contact and interaction with end-customers in both product selling side or after-sale service side. The researcher had interviewed them with list of prepared questions. However, the interviewees were also encouraged to provide details data and example of each answer. The reactions of the interviewees in answering the interview questions were observed and recorded. These observations were later examined with the secondary data collected and observation in order to accurate analyse the data (Ghauri & Gronhaug, 2010; Lee & Lings, 2009).

All interview sessions were conducted with Thai employees in Toyota dealers companies in Thai language which is the native tongue of both researcher and interviewees in order to avoid language barrier and help the interviewee explain clearly. Those information need to be translated into English by the researcher.

The researcher has selected interviewees from various locations and different company of Toyota car dealers in order to gather all possible practices and activities from different management strategy. Each car dealer company or even in the same company but in different showroom has their own practices. There are different in management style. The interviewees come from different positions in the car dealer as well and all of them have to contact a lot with end-customers.

Overall interviews were in total 10 sessions. Interview session lasted at least 30 minutes each. The positions of all interviewees are listed as shown below;

- 1. Service Manager
- 2. Sales Manager
- 3. Service Assistant
- 4. Sale Representative
- 5. Customer Relation Staff

All of interviewees did not allow the researcher to publish their names and workplace, and some interviewees did not allow to record the interview session due to some information they provided to the researcher contained some confidential information. That information also related to the marketing strategy of their work place under the tight business competition.

3.1.2 Observation

Observation is a technique that can be used when data cannot be collected or can be collected but with less quality, limited value and difficult to validate by other type of qualitative research methods. It can be either observation of people or the environment (Hancock et al, 2007).

The researcher has visited some dealers' showrooms for real experience observation. The researcher has observed both high reputation dealers in customer service (Top 5 Toyota dealers¹ among over 100 dealers rank by CSI (Customer Service Index) score) and normal dealers. The researcher pretended to be a normal customer seeking for help in order to observe the operation of those dealers regarding their practice toward customers to compare and contrast with the information obtained from the interview.

3.1.3 Secondary Data Collection

A lot of qualitative information can come with a wide range of written materials. These can be useful to provide knowledge in order to understand the details of an organisation. They can include policy documents, mission statements, annual reports, minutes of meetings, codes of conduct, web sites, etc. (Hancock et al, 2007)

Secondary data collected in this research included information from the many media which are website e.g. company's website, industry association website, online article and news. Some information comes from printed documents such as marketing brochures, and newspaper articles. Some information in this research comes from internal documentations used within the company or company's stakeholders. Information obtained from those secondary sources will be examined together with information obtained from other methods.

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¹ The researcher later on confirmed the dealer reputation on customer service with some interviewees by stating the name of the dealer and the interviewees confirmed that those dealers were really famous on customer service and customer relation.

CHAPTER IV FINDINGS AND DISCUSSION

4.1 Findings

According to customer relation development process mentioned in the literature review chapter, the researcher found out that those processes is universal and applicable for every type of industry.

Moreover, this research study was carried out in order to identify practices or activities used for customer relationship development process in automobile industry. In this type of industry which consists of selling products and providing massive of after-sale service. There are much more complex in term of managing customer relationship than just singular characteristic of product selling or service option. And it is even way more difficult than customer relationship operation for business-to-business (B2B) type. Having focused only at complex industry like this one, the researcher found that customer satisfaction seems to be almost the same thing as customer relationship. All of interviewees in this research always mentioned that as long as the customer is happy, they will stay with us. Therefore, trying to make high customer satisfaction is the essential aspect in this industry.

In this research, we only focus into the relationship of end-customers with car dealers/distributor. However, we also known that the manufacturing companies or the brand themselves also take big role in terms of maintaining customer relationship which will later on effect to customer loyalty to the brand.

4.1.1 Standard Practice by Manufacturer / Brand Owner Company

Toyota Motor Thailand is the Toyota Motor Corporation's subsidiary in Thailand. Toyota Motor Thailand is the car manufacturing company who need to take care of the whole business of the brand 'Toyota' from the beginning of supply chain up until the end of supply chain.

Toyota Motor Thailand has been appointed by Toyota head quarter in Japan to follow Toyota standard in every single aspect. In term of customer relationship which is one of the most important points for both goods seller and service provider. Toyota Motor Thailand also receive standard requirement to follow through. However, external factors in terms of business atmosphere and consumer behaviours are different among each country. Therefore there are some rooms for local manufacturer such as Toyota Motor Thailand to adjust some standard requirements to meet the local business environment. Toyota Motor Thailand themselves also create their own customer relationship campaign to support and strengthen their brand image to all type of customers.



Figure 4.1 Example of CR campaign by Toyota Motor Thailand Co., Ltd.

Brand Requirement

Toyota Motor Thailand provide the standard requirement for every dealers, however, with high competition among each dealer in the same brand, each dealer cannot use only the Toyota Motor Thailand standard because every dealer is required by the Toyota Motor Thailand to follow those requirements and it caused every dealer to behave in the same way without any uniqueness. However, being at least to meet standard was already a hard task since Toyota Motor Thailand actually asked a lot for cooperation.

For Toyota Motor Thailand, they have a customer relation manual named "Toyota Excellent Dealer After-Sales Standard¹ (TEDAS)" and "Toyota Excellent Customer Relation² (TECR)"

.

¹ Copyright by Toyota Motor Thailand Co., Ltd.



Figure 4.2 Cover page of customer relation manual

Toyota Motor Thailand use TEDAS as the main customer service operation guideline. TEDAS cover all aspects that related to customer service. The customer relations also included in it. TECR was embedded into TEDAS as well. However, to figure out only customer relation part, in this research will take some contents from the TECR to analyse.

The main sections in TECR manual are;

- 1. Amenities Standard
- 2. Human Resource Management for Customer Relationship
- 3. Objective and Goals of Customer Relationship
- 4. Operational Standard (CSI Analysis & Complaint Management)
- 5. Management and Cooperation within Showroom (CS Promotion Activities)

Not only those aforementioned topics from TECR, but there are also computer system provided by Toyota Motor Thailand to help Toyota cars dealers achieve customer satisfaction. CR Web is one sample.

CR web is a system developed by Toyota Motor Thailand. The system is used to record customer complaints and solutions between Toyota Motor Thailand and dealers. Major functions are recording new issues, following up the existing customers'

2

² Copyright by Toyota Motor Thailand Co., Ltd.

problems that have already listed in order to quickly solve the problems. The system also has function of news notification so that the operation level could be notified promptly.

There is another system develop by Toyota Motor Thailand used for aftersale service customers. It is the system that record cars currently in service and its maintenance status. On the screen, which placed nearby customer waiting area, will show the car maintenance status so that customers will know the progress of their cars. The system not only shows the actual status but it also recorded the overall history of after-sale service so that Toyota Motor Thailand will be able to trace dealers' performance on after-sale service.

The customer relationship computer system is one of vital add-on to help company sustain level of customer satisfaction. This was also mentioned in Woo & Leelapanyalert (2014)'s client relationship practice. And research from Chen & Popovich (2003) concluded that managing a successful CRM implementation requires an integrated and balanced approach to technology, process, and people.

On the other hand, after have been talking with many people in the front line, there are some interesting points. Toyota Motor Thailand request all dealers to follow their standard and the company would come to check and control those standard on the regular basis. However, what makes each dealer under the same products gather customers to their showroom was their own strategy and need to top it up from the normal standardization in order to create their own differentiation and become customer top of mine.

4.1.2 Practices from Dealer / Distributor Company

The research also compare between standard practice required by the manufacturing or brand owner (in this research, the brand owner is Toyota Motor Thailand Co., Ltd.) and practices or activities used by staffs of car dealers/distributors at different stages of the relationship development process.

The conceptual model derived from multiple studies in multiple type of industries which have its own focus in different step. However, based on what the researcher has found from the interview and observation, car dealers/distributors seems more focus on customers' first impression as many of the interviewees has mentioned and then the dealers would focus again on how to keep those customers in the long

term. The researcher found many practices/activities performed within the dealer's showroom in different period of customer experiences.

In the finding, researcher would like to separate activities into two main groups which are; 1) Activities used for pre-relationship phase and 2) Activities used for expansion phase and commitment phase that will carry-on to encourage customers to the stage of repeated purchase and customer's recommendation.

4.1.2.1 Activities used for pre-relationship phase

1. Greeting

This activity is truly mean 'first impression'. For both new customers who interested in buying new car and customer who come for after-sale service, car dealer need to treat them in the same way to make them feel the most comfortable since their first step inside the showroom. From my observation, dealer with top

Some interviewees mentioned that front line staff needs to reach customers and open the door for them. It is unacceptable not to treat the customers the best possible. Once the customer gets inside the showroom, beverages should be served. Make the customer felt as if they are important person, and make sure those customers never felt abandon.

2. Snack, Food and Beverages for Customer Self-service

As mentioned earlier that beverages need to be served to customers. It was one of a requirement from Toyota Motor Thailand that for after-sale service customers, dealer should provide some snack or refreshment for the customers for ease the stress of long time waiting. This practice can be used as strength for some dealers. The researcher found that some showrooms provide good food for the busiest day i.e. Saturday and this practice can bring a lot of loyal customers even though other criteria fall behind other competitors.

Moreover, many interviewees stated that 'first impression' is the most important for all of the interviewees' perspective, especially interviewees who work in sale and customer relation field. It is the starting point of pre-relationship phase. Therefore, we can conclude that in the automobile distributor industry, Pre-relationship is the most important phase for them.

3. Other Amenities/ Facilities

Many dealers provide free Wi-Fi for customers and some dealer also offered computers for customer free-of-charge. There are also relaxing area with very comfortable sofas and armchairs. One of dealer even provides sleeping room for customers to rest while they are waiting.

In conclusion, practices a) to c) are customer relationship practice to create the positive first impression for the customers. It was stated in previous research from Claycomb & Martin (2002) in 'Service Quality' that providing friendly, professional, courteous service that was consistent, fair and reliable is one of the best ways to establish and maintain customer relationship. And it also stated in 'Service Differentiation and Augmentation' practice that enhancing perceived value by providing service or service attributes not provided by the competition can make the company more memorable than competitors.

4.1.2.2 Activities used for Expansion and commitment phase

1. Invitation Letter or Phone Call

All dealers invite previous customers back to their showroom using either 'Invitation Letter' or 'Phone Call' or both methods, especially for cars service customers. These methods are used to invite customers who their cars reach the warrantee mile and require regular maintenance process. Some dealers still use both methods while some dealers use only phone call in order to reduce their cost.

There are also letter and phone call for special promotion. Once car dealers receive new promotion from Toyota Motor Thailand, they would select the potential customers to offer those promotions, then call center staff (or other staff) would call those customers directly to tell the customer that they were the privilege customer of this showroom and the showroom would like to invite them to the showroom and get the special offer.

Continuous communication is important for customer retention. Good interaction can build trust and increase customers' satisfaction toward the firm and its service offering (Woo& Leelapanyalert, 2014). The longer period of time between initial purchase and repurchase, the more important contact between customers can sale seems to be (Claycomb & Martin, 2002).

2. Birthday Card / New Year Card

To please their customers and show how much they care their customers, some cars dealers use information from customer database, and send birthday card or New Year wish to their customers. These little concerns are not what customers expect but it definitely makes customer happy and appreciated (Woo & Leelapanyalert, 2014)



Figure 4.3 Example of New Year Card

Source: Toyota TBN (2015)

3. Effective Customer Database

Customer database provided by Toyota Motor Thailand, however, refer to the interviewee, there are some dealers create their own customer support system in order gathering customers' information more effectively. The system also helps each dealer to manage their own CR campaign to meet with their target group and can also observe customer behaviour and their after-sale service history.

This practice could be referred as CRM system or software as mentioned in a topic of Utilising CRM software practice by Woo & Leelapanyalert (2014).

4. Closed Party or Event for Thank You Loyal Customers

As mentioned in the interview with one of customer relation staff, she said that her workplace arrange closed group party for approximately 30 customers each year to thank you to customers' loyalty.

This practice was similar to practice found in legal firm as mentioned in Woo & Leelapanyalert (2014) as 'Organising and Attending Social Events'. It was an one-to-one or group type casual meeting.

5. Close After-Service Monitoring

After customers purchase a new car or come for after-sale service such as repairing or regular maintenance. All of car dealers would contact their customers to ensure that the product or the service is meet up customers' expectation. Normally the dealers would call within 3 days or 7 days up to 1 month to follow-up. Some dealer request Service Assistant to follow-up while some dealers have customer relation to control its standard.

6. Membership Scheme

Some car dealers have already started membership scheme, some are preparing to launch and some have no plan on it. Membership scheme mostly offer more promotion to members such as point collection, special discount.

Special or competitive pricing is part of company strategy. Special deal can be based on the strength of customer relationship with the firm. Company can reinforce the relationship with customers by re warding them with for their loyalty (Claycomb & Martin, 2002)

7. Off-peak promotion offered

Many customers visit dealers to receive after-sale service on Saturday and in the morning of weekday. Even though dealers try to cope with this situation by provide services in their full capacity but not yet enough. Reservation system is one of their tools but there are also some walk-in customers. Dealers themselves definitely do not want to disappoint their customers. Therefore, many dealers come up with many strategies to manage their service capacity by persuading non-urgent customers to receive service during the off-peak period.



Figure 4.4 Example of Off-peak promotion offer

Source: Toyota Suvarnabhumi (2015)

8. Efficient Appointment Reservation System

All aforementioned practices / activities can be summarized as "Customer retention" program. Purpose of all those activities is to retain all existing customers together with attract new customers. Some interviewees also stated that more than half of their customers both products selling and after-sale service is current / existing customers. Many researchers also claimed that customer retention positively related to companies' financial profit. (Ranaweera & Praphu, 2003)

The Efficient Appointment Reservation System can be referred to system friendliness of Claycomb & Martin (2002). This is practice that makes it easy and convenient for customers to conduct business with the company.

9. Guarantee / Warrantee

Guarantee is an important thing in long-term relationship with customers. With high price products, people expected good warrantee coverage to ensure that the product will last as it should be. After having received all after-sale services, the showroom will guarantee the repair or maintenance quality up to twelve months. This is also normal requirement standard from Toyota Motor Thailand. This practice gives the assurance to Toyota customers.

In Claycomb & Martin (2002), there were two practices almost similar to these topics which are 'Unconditional Guarantee' and 'trust'.

10. Effective Complaint Management

Since this type of industry need to have strong and good reputation brand, negative comments need to be handle effectively. Toyota Motor Thailand has generated the system to ensure that all dealers can be able to manage most of complaints by the dealers themselves without hurting the brand for a bit. The requirement from the Toyota Motor Thailand included that all showrooms must have a private corner with good atmosphere to serve the angry customers. The dealers need to calm those customers down, take them to the comfy room, avoid to let other customers in the showroom witness the problems. Then the showrooms need to solve the issues follow the brand instruction. In case of serious issue occurred, dealers must inform Toyota Motor Thailand to help handle the case and make the decision.

Moreover, there are also intention to improve the service and products quality using those complaints as trigger, it called 'Voice-of-customers'. The system are developed to record customers' complaints and negative feedback and comments so that Toyota Motor Thailand will be able to trace customers' opinion and take it to account for the further improvement and will result as the better products and services for the customers.

In previous researches (Claycomb & Martin, 2002; Woo & Leelapanyalert, 2014), this practice are so called as 'service recovery'. This practice is used to correct mistakes other negative consequences.

4.2 Data Analysis

Apart from different focus on customer relationship development process, practices and activities used in different phase are also different. As already shown in the findings, Toyota cars dealers focus more on practices or activities that can maintain customer relationship or can say that make the customer commit to stay with the showroom. However, all fives phase mentioned in the conceptual model is still practical with this industry much not all those five phases has the same important roles for customer relationship development.

Expansion Phase in this research can be compared with Stage 3: *Expansion Stage* from Woo & Leelapanyalert (2014) that consisted of 4 sub-phases, Phase 1) Repeat

Purchase Phase, Phase 2) Consumption Phase 1, Phase 3) Cross-selling Phase and Phase 4) Consumption Phase 2. As many interviewees mentioned that they not only expected the customers to just purchased a car and gone, they also expect customers to stay with them, receive after-sale service with them and purchase other things that Toyota offer.

According to previous research such as Claycomb & Martin (2002), Ahmed & Buttle (2002) and Woo & Leelapanyalert (2014), there were some practices mentioned in this paper similar to those previous papers while there are still some more practices are unique in this type of industry.

A previous study from Claycomb and Martin (2002) about relationship-building practices in terms of service providers presented in total eighteen practices which twelve of them are similar to this research finding. Those practices are. (1) Continuity of Communication, (2) Service Quality, (3) Personalisation, (4) Service Differentiation and Augmentation, (5) Employee Relation, (6) Relationship Pricing, (7) System Friendliness, (8) Trust, (9) Cross-selling, (10) Service Recovery (11) Unconditional Guarantee and (12) Customer-to-customer Relationship

While study from Woo & Leelapanyalert (2014) regarding client relationship practices in legal industry suggested ten practices for client relationship, we found that there are eight similar practices out of 10 practices as the following; (1) Organising and Attending Social Event (2) Managing the Communications or Interaction Process (3) Managing Cross-selling (4) Service Recovery (5) Social Bonds beyond the Professional Level (6) Treating Every Job Seriously Regardless of the Size (7) Other Small Little Gesture and (8) Utilising CRM Software.

Some practices were not mentioned in the thirteen lists of practices, but they are consequences of the good customer relationship practice. Those outcome are 1) Cross-selling (from Claycomb and Martin, 2002; Woo & Leelapanyalert, 2014) and 2) Customer-to-customer relationships (from Claycomb and Martin, 2002) and 3) Social Bonds beyond the Professional Level (from Woo & Leelapanyalert, 2014)

It can conclude that even though those previous research focused on service industry client relation development, but there were some similarity in the process. The expectation for customer retention is things that Toyota cars dealers expected from the whole process they do with customers.

4.3 Discussion

The purpose of our study was to gain knowledge on customer relationship management and customer loyalty in automobile markets, especially in terms of business to end-customer. The research goal was to investigate the practice that can enhance customer satisfaction and will result to the good customer relationship in this type of industry.

Expansion Phase that has previously mentioned in the conceptual model derived from previous research is not considered important stage in this field of industry. Only two phases which are "Pre-relationship Phase" and "Commitment Phase" that become significant for the type of industry and even more important than Expansion phase due to its different in expecting outcomes.

4.3.1 Proposed Model

(S) (S)

The philosophy of overall findings was making customers happy with every detail of both physical appearance and the service. People or staff is the key success factor above all because every customer tends to have emotional effect on the quality of staff.

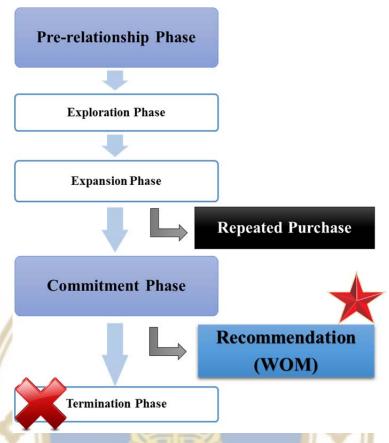


Figure 4.5 Proposed Model

Car is considered luxurious products in Thai market. The previous research on high-involvement products reported that the nature of affective, high-involvement relationships that often develop between consumers and some of the products they purchase or consume. Engineering and nurturing consumer-product relationships is in marketers' interests because such relationships imply greater customer satisfaction leading to higher purchase volumes, repeat purchases, and positive word-of-mouth communications. (Martin, 1998)

Car or other type of expensive and long-life usage products are not the type of products where you can expect frequent of repeated purchase, but the more recommendations to other people who later on can become car dealers/distributors' potential customers is the better. Therefore car dealers/distributors try their best to serve the best service to customers in order to please them. The result of those activities will be customers' commitment, loyalty and positive word-of-mouth.

The overall customer relationship practices or activities used in Toyota cars dealers are listed up in the Table 4.1

Table 4.1 Customer Relationship Marketing Practice Performed by Cars Dealers in Comparison against Brand Requirements

Customer Relationship Practices		Was stricted	Performed
		by the brand	by dealers
CR Pr	actices in Pre-relationship Phase		
a.	Greeting	✓	✓
b.	Snack, Food and Beverages for Customer		1
	Self-service	•	,
c.	Other Amenities / Facilities		✓
CR Pr	actices in Expansion and Commitment Phase		
a.	Invitation Letter or Phone Call	- //	✓
b.	Birthday Card / New Year Card	-	✓
c.	Effective Customer Database	✓	✓
d.	Closed Party or Event for Thank You Loyal	_	
	Customers	-	
e.	Close After-Service Monitoring	✓	✓
f.	Membership Scheme	-	✓
g.	Off-peak Promotion Offered	-	✓
h.	Efficient Appointment Reservation System	-	✓
i.	Guarantee / Warrantee	✓	✓
j.	Effective Complaint Management	√	✓

CHAPTER V CONCLUSION

5.1 Conclusion

This research would like to understand customer relationship development process of automobile dealers and try to answer if it is different from other types of industry, and how different?

The research result shown that practices or activities explained in the finding chapter are not very similar to service provider practice or business-to-business (B2B) perspective. This type of business, car dealer/distributor in the mass market, is way more complex than those service provider practice or business-to-business (B2B) since the fierce competition occurred among car dealers. And their products and service are obviously identical.

Another objective of this research was to identify 'practices or activities that automobile dealers used in order to establish and maintain relationships with end-customers'.

The research result shown that practices or activities explained in the finding chapter are not very similar to service provider practice or business-to-business (B2B) perspective. This type of business, car dealer/distributor in the mass market, is way more complex than those service provider practice or business-to-business (B2B) since the fierce competition occurred among car dealers. And their products and service are obviously identical.

The practices or activities that automobile dealers used in order to establish and maintain relationships with end-customers are much more in details and profound. Even the minor different activities can make huge effect. Customers in this industry have plenty options to choose and with a small flaw, dealers can lose their customers for good and almost impossible to reclaim those customers.

Some practices mentioned in this research seems very insignificant and low important, however, being a little special can make customer impress and be happy with the service. The result might be huge than what people outside the business can imagine

5.2 Theoretical Implication

There are several studies mentioned about customer relationship management which can imply that this issue is an important aspects of new era of business and marketing management. However, due to limitation of previous studies of customer relationship management in industrial products, this research's objective cannot be answered.

Previous researches stated that customer relationship management is essential and provide a lot of positive outcomes both monetary and non-monetary. The results of those research in customers/clients relationship development process were more or less the same, including this research paper' finding.

oo & Leelapanyalert (2014) suggested that if the customer is satisfied with the perceived service (technical and functional) quality of the total service offerings, it is more likely that the customer relationship will continue. This in turn will potentially generate the possibility of repeat purchases and cross-selling. However, is this research, there was some small differences in terms of expecting result of customer relationship practices.

Cars dealers tend to use various methods to maintain customer satisfaction for those three important phases. Moreover, unlike the conceptual model that previously stated in the Chapter II that derived from other previous research, during 'Expansion Phase', sellers normally tends to expect repeated purchase or cross-selling result from customer relationship management. However, car dealers/distributors do not aim only for repeated purchase same as other type of product seller may aim for, but car dealers/distributors would prefer positive word-of-mount from a single customer to many potential customers after the customer relationship development reach 'Commitment Phase'.

5.3 Managerial Implication

This study will benefit car dealer/distributor companies. The practices and activities in the research finding shown most of the existing practices and activities perform by car dealer/distributors of Toyota brand. There were some standard requirements from the brand itself, some practices are vital and strongly requested by the brand while some are not the must, but the more the dealers can performed, the better the service and finally will affect positively to the dealers.

All interviewees answered in the same way that customer relation is one of the most important things in this business and every car dealer/distributors tend to focus and try to at least maintain and improve this aspect. However, each dealer has their own way in customer relation and seems not any of those have the 100 percent same practices and activities. To be the winner, car dealer/distributors should perform as much as practices and activities mentioned in the research finding. These will help them plan their customer relation activities more effectively and also help them to be better engage in the industry competition.

5.4 Recommendations

In the growing competition business environment, there are many for dealers/ distributors in the automobile industry. Every dealer company competes against each other, not only among dealers of the same brand but also dealers of other brands. Even though they faces really tough competition but actually there are not much space for further improvement since the standard of customer relation from the brand itself is already high. However, there are still some possible ways for dealers / distributors to be improved. First of all, car dealers need to continuously observe their competitors' change or movement. They cannot stay still and wait for the good result while others keep improving. Customers have huge bunch of choices to choose. Just a bit more of better service, dealer can take customers from other competitors and may lost those customers forever.

Second recommendation is human resource management for the front-line staffs need to be very effective. Due to this industry pretty much rely on front-line staffs' communication and interpersonal skills. Dealer need to thoroughly select the best candidate

who has really good of those skills and have kind heart, so that those staffs would be able to treat the customers perfectly and willingly.

5.5 Limitations and Future Research

This research focused on to real industry with companies in the fierce competition environment. In order to analyse the situation, there are a lot of confidential information requires. The researcher had contacted officially with the companies involved in this business to ask for the appropriate interview, but the process took very long time and was impossible to finish the research paper within the timeframe. Therefore, due to this research was constructed in a very limited time. Some information was obtained by the personal connection of researcher. None of interviewees were willing to give their name to publish in the research papers.

The proposed conceptual model was created as a basis to study client relationship marketing practices in the automobile industry, especially in part of car dealers/ distributor toward end-customers. It is important that future research may explore the validity of this conceptual model with more details in both the similar industry or in different industry. Other options would be the compare and contrast between customer relationship management between competitors in the same industry and find out what is the most effective practice to retain customers and make the most possible positive word-of-mouth.

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There were some confidential information used within the company i.e. internal company strategy, company performance, and enclosed communication letter from Executive Vice President toward current market situation, which the researcher cannot provided as a part of references.





Appendix A: Interview Questions

All interview session are conducted in Thai language, however, most of the interview questions were applied from previous research (Woo & Leelapanyalert, 2014) that was in English. The researcher has then translated the interview questions into Thai language and add more questions that related to the industry focuses in this research in order to go in-depth for the better understanding of customer relationship practice in Toyota cars dealers.

Key Interview Questions

- 1. How long have you been working in this position / with Toyota?
- 2. What are your roles and responsibilities?
- 3. Do you have to contact a lot with customers?
- 4. For new customers or people who just walk into a showroom for the first time. How do you build a relationship with them, apart from the appeal of the products (the car itself) and promotions or discounts?
- 5. Are there any methods or support system to help employees to acknowledge new or existing customers?
- 6. Are there any system to help CR activities, if yes, the system belongs to dealer itself or it is a central system from Toyota motor?
- 7. Do you categorise type of customers?
- 8. Do you treat mew customer or existing customer in the same or different way?
- 9. Have it ever happened that you and your customer were very familiar to each other after the time pass that finally become friend?
- 10. What activities or practice that can encourage customers to come back to you again?
- 11. Is there anything special or your showroom strength?
- 12. What activities do you think customers want from car dealer in order to keep staying with the dealer for a long time?
- 13. What are the reasons/factor that will cause customers to leave to competitors?
- 14. How do you handle customers' problems or complaints?

- 15. In addition to your work. Do you work with other departments to build relationships with clients?
- 16. Are there any supports or encouragement from your own company, including the Toyota headquarters to build and maintain relationships with customer?
- 17. Do you think that building relationships is a key process for this business or not?
- 18. Overall, the majority of your customers are new customers (such as the Walk-in customers) or existing customers for referred customers? How much in percentage?

Key Interview Questions (In Thai language)

คำถามที่ใช้ในการสัมภาษณ์

- ทำงานที่ศูนย์รถยนต์โตโยต้านานหรือยังคะ กี่ปี
- 2. ตำแหน่งอะไร
- 3. มีการ<mark>ติด</mark>ต่อพูดคุย<mark>กับ</mark>ถูกค้าเยอะใหมค<mark>ะ</mark>
- 4. สำหรับลูกค้าใหม่หรือคนที่เพิ่งเดินเ<mark>ข้ามาโชว์รูมเป็นครั้งแรก มีวิธีอย่างใ</mark>รในการสร้างความ สัมพันธ์กั<mark>บเค้าคะ นอก</mark>เหนือจากจุดคึงดูดของสินค้า(ตัวรถ) และราคาหรือส่วนลด โปรโมชัน
- 5. มีวิ<mark>ธีการอะไรใหมคะที่จะช่วยใ<mark>ห้พนักงานรับท</mark>ราบว่าคนนี้เป็<mark>นลู</mark>กค้าเก่า</mark>
- 6. มีระ<mark>บ</mark>บอะไรช่<mark>วยในการดูแลลูกค้าหรือเปล่าคะ ถ้ามี เป็นระบ</mark>บของผู้จั<mark>ด</mark>จำหน่ายเอง หรือว่า เป็นระบบกลางมาจาก โตโยต้า มอเตอร์
- 7. มีการแบ<mark>่งประเภท</mark>ลูกค้ำใหมคะ
- 8. การดูแลลูกค้าใหม่และเก่าแตกต่างกันใหมคะ
- 9. มีบ้างใหมคะที่เจอลูกค้าบ่อยๆจนกลายเป็นสนิทสนมคุ้นเคยกับลูกค้ามาก กลายเป็นเพื่อนกัน
- 10. ทำอย่างไรให้ลูกค้ากลับมาใช้บริการกับเราอีก หรือซื้อรถกับเราอีก
- 11. มีกิจกรรมอะไรเป็นพิเศษที่เป็นจุดแข็งของเราไหมคะ
- 12. พี่คิดว่า ลูกค้าต้องการอะไรจากเรา ที่จะทำให้เค้าเลือกที่จะอยู่กับเรานานๆ
- 13. มีปัจจัยอะไรบ้างที่จะทำให้ลูกค้าตีจากเราไปหาคู่แข่ง
- 14. มีการดูแลลูกค้าที่ประสบปัญหาต่างๆ หรือมีข้อร้องเรียนอย่างไรบ้างคะ
- 15. นอกเหนือจากส่วนงานของพี่แล้ว มีส่วนงานใหนอีกบ้างที่ทำหน้าที่สร้างความสัมพันธ์อันคี กับลูกค้า หรือช่วยให้ลูกค้ารู้สึกคีๆกับเรา แล้วมีการประสานงานกันกับหน่วยงานอื่นๆ ใหมคะ
- 16. บริษัทของพี่ๆรวมถึงทางโตโยต้ามอเตอร์สำนักงานใหญ่ได้ให้การสนับสนุนในการสร้าง ความสัมพันธ์อันดีกับลูกค้าไหมคะ พอจะยกตัวอย่างได้ไหมคะ
- 17. พี่ๆ คิดว่า การสร้างความสัมพันธ์กับลูกค้าสำคัญกับธุรกิจขายรถยนต์หรือเปล่าคะ

18. โดยภาพรวม ลูกค้าของเรา ส่วนมากเป็นลูกค้าใหม่ (เช่น Walk-in) หรือว่าเป็นลูกค้าเก่า/ ลูกค้า ที่บอกต่อกันมา ส่วนใหนมากกว่ากันคะ



Appendix B: Tape Scripts

Disclaimer: The name of interviewees and the name of Toyota dealers they are working with are not permitted to publish due to its sensitivities and confidential concern.

Tape script no. 1 came from interview that tool took 50 minutes including some chitchat in order to let the interviewee feel familiar with researcher and relax to answer the questions. Some questions and information obtain were out of research scope so it was irrelevant. Therefore, researcher only cut relevant part of the interview session to do tape script.

Tape script no. 2 came from interview that tool took 1 hour and Tape script no. 3 came from interview that tool took 1 hour and 5 minutes..

Researcher started all conversation by introducing herself and pointing out the purpose of this study.

Tape Script No. 1

Interviewee No. 1		
Researcher	What is your position in this company?	
Interviewee 1	Salesperson or Sale Representative.	
Researcher	How long have you been working with this company?	
Interviewee 1	Two years with this showroom and some more years with another	
	Toyota dealer.	
Researcher	How many dealers have you worked with?	
Interviewee 1	Two dealers including this one.	
Researcher	I have talked with some people and most of them stated that significant	
	aspect of bringing new customer is service and to maintaining	
	customers sale person together with after service because every	
	dealer sell exactly the same products.	
Interviewee 1	Yes, that is true. Because each sale person is pretty close and familiar	
	with their customer. Each sale person also has his/her own way to	
	make the customers impress. Those customers will later on refer the	
\\ •	salesperson to other people. Salesperson need to be hospitable.	
Researcher	What is your tactics to make customer impress and like you?	
Interviewee 1	First of all, I have followed the standard 'SSI Walking Step ¹ ' by	
	Toyota Motor. There are training courses for salesperson arranged	
	by Toyota Motor. Moreover, each salesperson need to have specific	
	skills such as be cheerful and friendly person, know cars' specification,	
	know how to calculate car installment, know how to close the deal,	
	etc. But SMI Walking step give more in depth details such as how	
	to greeting the customers, what type of words can help closing the	
	deal, what type of words should or should not be spoken.	
Researcher	Since 'SSI Walking Step' is a standard practice from the brand itself,	
	so how can we compete with other Toyota dealers if we use the same	
	practice as them?	

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¹ SSI Walking Step = Sales Satisfaction Index Walking Step.

Interviewee 1	Not only 'SSI Walking Step' but also depends on salesperson
	individual style and how good their service are.
Researcher	What are those specific style for salesperson?
Interviewee 1	First of all, sales person need to have good image. I have to be able
	to answer all questions from customers or if I cannot answer some
	questions, I have to ask from specialists or expert and provide the
	correct answer to customers. Cannot say "I DON'T KNOW' to
	customers.
Researcher	Do you contact your customers via other channels apart from face-
	to-face communication?
Interviewee 1	Yes, a lot. Currently I have Line Application ² and Facebook. Sometime,
	I post advertisement on those channels as well. However, I cannot
	expect sale volume from these channels, but they are good for long-
	term relationship with customers.
Researcher	Have it ever happened that you and your customer were very familiar
	to each other after the time pass that finally become friend?
Interviewee 1	Friend who start from being customer? or the one I have known before?
Researcher	From customer. Are there any?
Interviewee 1	Yes, some of them had bought the car with me, and then later on
	recommend me to other customers. Then, when it reach the time the
	car need to renew the car insurance, the same customer would call
	me and ask for solution. Sometimes, when the customers had trouble,
	accident or car crash, they also think of me. I can say that all issues
	related to car, they will ask me as the first opinion. I found some
	case, we are very familiar, and sometime they also asked me to help
	promote their own brand products.
Researcher	Do you treat new customer or existing customer in the same or
	different way?
Interviewee 1	Uhmm, Same way.

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² Instant communication application on electronic devices e.g. mobile phone, tablet, computer.

Researcher	Apart from 'SSI Walking Step', are they any other system that your
	own company used to help create better service?
Interviewee 1	I have to say there are not. Above all, sales person is the most
	important.
Researcher	What about any other concerned parties who help making customer
	satisfaction increase?
Interviewee 1	Many parties. For example Cashier, After-sale service. Everything
	in showroom effect customers' emotion and decision making.
	However, the first impression is salesperson. Sales need to provide
	recommendations and information to customers.
Researcher	Even though customers had brought the car with us many years
	ago, do they still contact with you?
Interviewee 1	Yes, they still contact us and some customers still bought many
	more cars with us later on. For example, after 5 years, many customer
	would like to change the car from old one to new old, or some customers
	would like to buy car for their children, if we behave and treat them
- 1	well for all time they stay with us, they will come back and buy
\\ 4	new car with us again.
Researcher	Overall, the majority of your customers are new customers (such as
	the Walk-in customers) or existing customers for referred customers?
	How much in percentage?
Interviewee 1	In my case, I think one existing customer can bring at least one new
	more customer. But there are also some customers who were really
	demanding, I have to let them go.
Researcher	What is characteristic of 'Walk-in customers'
Interviewee 1	I have to wait in the counter when it comes to my shift. Customers
	who walk-in to showroom they all have intention to buy a car. They
	must have money for it. Showroom is not a place to wander around
	unlike shopping mall. We need to close the deal and make them
	book the car and pay for deposit. If we lose those customers that
	means they have other target or reasons.

Researcher	What about test-drive car, does it help boost up customer satisfaction.
Interviewee 1	Quite satisfactory result. Before the customer already interested in
	the car itself. Once the customers feel the real experience, they normally
	want it. I can know from their voice and emotion, if they show that they
	like the car, I can further support and encourage them to buy the car.
Researcher	What are the reasons/factor that will cause customers to leave to
	competitors?
Interviewee 1	In my case, significant factor that make customer leave for other
	brand are price/promotion/campaign but it also depend on customers
	segment as well. For small cars, customers do care about price, but
	for customers of Toyota Fortuner ³ normally do not care about price,
	they pay by cash. However, I can recommend other brand name under
	Toyota group i.e. Lexus as well if they interest in those brand or
	want premium feeling.
Researcher	Can you give other strength point of Toyota cars or the brand?
Interviewee 1	I have to say it is quality of products and services. There are also a
	lot of service or maintenance providers throughout Thailand. Wherever
\ \	customers have problem with the car, they can have it fixed easily, not
1/2	only by the authorized car dealers but every garages can do it. Warranty
	is another importance aspect that is Toyota strength. We have memo
	system from Toyota Motor to record customer history. We try to
	communicate to our customers that they should come back to us
	and get the appropriate maintenance service base on the car specialty.
Researcher	Don't you have any system that belongs to your own company? Are
	there any better than Toyota Motor standard that can make your
	company stronger than other competitors.
Interviewee 1	There is actually none. What we have is the same standard as others.
	We have customer satisfaction score, it is called JD Power ⁴ . I have
	to ask customer to give good score for us. The score is collected by
	dealer in order to compare between each dealer and also compete
	against other brand.

³is a medium-sized SUV (sport utility vehicle)
⁴ marketing research company who do annual customer surveys of the automotive industry

Researcher	Seems like your company has no special competitive strength?
Interviewee 1	Our strength is we are big dealer, we dare to stock all models available
	in the market. We have various choices in our stock even though
	the expensive ones. Customer do not have to wait so long.
Researcher	I have heard many dealers provide a lot of special amenities in their
	showroom.
Interviewee 1	Yes, but our company do not focus that much, we focus on stock
	available.
Researcher	How many salesperson in your showroom?
Interviewee 1	Approximately 20 people
Researcher	If there are complaint from customer both from sales and after-sale
	side, how can we handle it?
Interviewee 1	Those complaint would decrease our JD Power score, we make penalty
	fee on salesperson if the case come from sales side. That makes
	salesperson afraid of making customer unhappy during the whole
	process. And after customer received the car, salesperson will make
\\	follow-up call and customer relation team of the dealer will also call
\\ 4	customers to gather feedback to ensure that customer are happy with us.
Researcher	How customer can contact you after they already receive the car.
Interviewee 1	I gave them my business card since the first day. I also give them
	my Line Contact so that they can contact me anytime they want. I
	turn on my Line application notification.
Researcher	I heard that your company has CR (Customer Relation) What is
	customer relation responsibilities?
Interviewee 1	They follow-up with customers after customer take the car back home
	asking about salesperson, they know who is the salesperson who
	response for this car because it shows in the system together with
	all customer information. CR also ask about the product quality and
	ask if the customer happy with our dealer and service.
Researcher	Do you or your company use customers' information in the system
	to help create customer satisfaction?

Interviewee 1	Yes. Sometime when customer who have accident and they call me seeking my help, I have to check in the system about their information and call their insurance on their behalf.
Researcher	Anything provided by your company?
Interviewee 1	Nothing comes from the company, but sometime some special gift come from the salesperson themselves, for example, if customer takes the car out on their birthday, salesperson would buy a cake for the customer. Or sometime if Toyota Motor launch new promotion campaign and I saw my customers are eligible, I will tell the customers about the promotion.

Tape Script No. 2

Interviewee N	0. 2
Researcher	What is your position in this company?
Interviewee 2	I am working as a Service Assistant.
Researcher	Are you the first person who interact with customers?
Interviewee 2	Yes, for after-sale service side.
Researcher	How long have you been working with this company?
Interviewee 2	I have been working for this dealer for 10 years already. 7 years in
	this position and another 3 years in other position.
Researcher	How you do keep your customers to your dealer not going to other
	dealers?
Interviewee 2	The most important is 'After-sale service' which include regular
	maintenance process, follow-up process, customer care, etc.
Researcher	The majority of your customer is existing customers or customers
	from other dealers?
Interviewee 2	Majority of our customers are the ones who bought the car from
	us, and some are walk-in customers from other dealers.
Researcher	Then how can you retain those walk-in customers to stay with your
	dealer?

Interviewee 2	Approximately 70% of walk-in customers who still stay with us
	because this group of customer have visited many dealers and try
	to find the best place (the interviewee used the word "customers
	shop from other dealers' and not yet satisfied). Some customers
	come from existing customers' recommendation (Word-of-mouth).
Researcher	Can you please explain how your dealer can retain the customers?
Interviewee 2	It is because the whole process of our showroom since the first
	step that customers arrive showroom until finish after-sale service.
	There will be follow-up process to check with customer that the
	maintenance or repair is OK and no longer have bad condition.
Researcher	Who perform follow-up process, service assistant or somebody else?
Interviewee 2	Currently, Call-Centre is the one who follow-up but in the past
	service assistant needed to follow-up by themselves.
Researcher	What is call-centre and what are their responsilities?
Interviewee 2	Call-centre will call customers when reach the time to do regular
	check-up, make a reservation and also follow-up after 2 or 3 days of
	maintenance and repair process. Follow-up question would be are was
\\ 4	the repair or maintenance remove all bad condition of the cars? Have
	the car washed properly? Was the employees behave properly? Etc.
Researcher	Are those process mentioned before your company's practice or
	Toyota Motor standard?
Interviewee 2	They are Toyota Motor standard.
Researcher	How each dealer differentiates themselves from others? Seems
	every dealer do the same practice?
Interviewee 2	I think customers stick to service staffs and the experts (Technicians,
	Mechanicians) rather than stick with the showroom.
Researcher	I have heard many dealers have their own practice, system top up
	above Toyota Motor standard. What about your company?
Interviewee 2	Yes, many dealers do that, but my company mostly focuses on
	people skill that effect to customers' first impression. We don't
	have much manpower to do everything at this moment.

Researcher	I have visited some dealer and found out some showroom provide snack or foods, comfortable sofa, resting area, free Wi-Fi and computers for customers during their waiting time, while some
	showroom do not provide much. How about your showroom?
Interviewee 2	My showroom provides snack bar, beverages, ice-cream corner,
	and some weekend will be popcorn and seasonal fruit. But some
	showrooms cannot provide those amenities because of their space
	limitation.
Researcher	Do you think any additional amenities and special service can attract
	customer to showroom?
Interviewee 2	Yes, pretty effective because the services for customers are actually
	almost identical for every dealer but what makes the different is
	how each dealer treats their customers. Such as in my case, Service
	Assistant will inform customers every hour about repair and maintenance
	progress.
Researcher	I have seen there is a monitor show car status / progress, is that the
	common system used for all dealers?
Interviewee 2	Yes, it is system from Toyota Motor, my showroom use 40 inch
	monitor. But personally, I think talking directly with customers by
	Service Assistant is the better way of communication, much better
	than let them wait and just see the status from the monitor.
Researcher	How can you recognize your customers when there are many
	customers that you have to take care at the same time? Does
	customers' faces recorded in the system?
Interviewee 2	No face recorded in the system. What we have to do is remember
	their face, or at least remember their outfit e.g. the shirt pattern,
	style or colour.
Researcher	Does your showroom give special reward for staff who never been
	complained or has salary deduction for staff who was complained
	by customers?

Interviewee 2	Depend on dealer, but my dealer do not deduct staff wage. Superior
	will ask those staffs why and how, investigate the reason.
Researcher	Does your dealer has Customer Relation Office?
Interviewee 2	Yes we have.
Researcher	Is CR the same as Call Centre?
Interviewee 2	They are different, both of them are in the same office but in
	different section.
Researcher	How different is CR and Call Centre?
Interviewee 2	Call Centre will contact customers for service time slot reservation
	and follow-up the maintenance and repairing service.
Researcher	How do they know that it is about time for the regular maintenance
	period in order to contact customers?
Interviewee 2	It will show automatically on the system.
Researcher	Whose does the system belong to, Toyota Motor or your dealer?
Interviewee 2	Toyota Motor.
Researcher	How do they contact customers? Any mobile massage or written
	letter?
Interviewee 2	There are invitation letter and phone call.
Researcher	What about CR's responsibilities?
Interviewee 2	CR's responsibilities mostly concern about complaint case, complaint
	case monitoring and involve with sales representative for new car
	handover.
Researcher	How and why do CR involve with sales representative for new car
	handover?
Interviewee 2	For the case when customers do not satisfied with the price, promotion,
	and extra giveaways. However, main responsibilities are handling
	with complaint case, cooperate with Toyota Motor for new campaign
	and sometime have to think about our own campaign, for example
	normally customer will not come to showroom to receive service
	in the afternoon, CR will contact customers and invite them to come
	during off-peak hours and receive special discount. Because when

	there are too much cars at the same time, there might be some complaint
	if the service was slower than customer expect.
Researcher	Apart from staffs' skill, are there any system support in order to
Researcher	
1	make customer happy with us?
Interviewee 2	Yes, such as free snack, fruits, popcorn. Sometime we arrange
	activities such as foot massage, a few week ago we arrange blood
	donation by Thai Red Cross in the showroom.
Researcher	How do you promote those activities to customers?
Interviewee 2	Leaflet, Invitation Letter and Phone Call
Researcher	Your dealer seems to send out a lot of letter to customers?
Interviewee 2	Yes, quite a lot. New year card to all customers except cooperate
	customers or letters offer special discount in customers' birth month.
Researcher	Does your dealer has membership card?
Interviewee 2	We have point card.
Researcher	Have it ever occurred that customer who once left your dealer to
	other dealer and then come back to you, did they tell you why they
	come back?
Interviewee 2	Most of the customers who leave us are customers who complaint
	us, but 80% of complaint customer come back to us.
Researcher	Why did they come back?
Interviewee 2	Sometime customers thought that we have poor quality but when
	they went to others, they found out we are good compare to others.
Researcher	Do you dealer has any award or been in the top rank for CSI, SSI?
Interviewee 2	We are not in the top rank but we pass the standard for every month,
	and in the past few months we are getting better.
Researcher	Apart from those system that provided by Toyota Motor, are there
	any other system provided or supported by your own company in
	term of CR?
Interviewee 2	Mostly our company have to think about campaign and promotion.
Researcher	Do all showrooms under your dealer company have the same
	standard?

Interviewee 2	Yes. Same standard.
Researcher	Do you know about the procedure to deal with customer complaints?
Interviewee 2	Yes, for the service complaint, we will negotiate and reconcile with
	customer in the room and after finish the session, we will offer them
	discount or gift.
	For product complaint, we will inform Toyota Motor to send technical
	expert to reconcile together with us.
Researcher	Do you have special lounge for support negotiation with unsatisfied
	customers?
Interviewee 2	We have a VIP room that will be used for customers during hand
	over the new vehicle and for customers who complaint in order to
	prevent other customers witness the situations. The room has good
	furnishing and decoration.
Researcher	Have it ever happened that you and your customer were very
	familiar to each other after the time pass that finally become friend?
Interviewee 2	I think Service Assistance normally close with customer more than
	sales person, but customer who receive after sale service always
\\ .	come to showroom and contact with Service Assistance for long
1/3	time. We exchange Line with customers and sometime have meals
	together. Sometime customers just visit the showroom to give some
	souvenir from their traveling.
Researcher	Is it possible for customers to select Service Assistance when receive
-	after sale service same as the way patient select the doctor?
Interviewee 2	Yes, they can. When call center reserve the queue customer can
	request Service Assistance. Sometime, customers call me via mobile
	phone number to check whether I go to work that day or not because
	the customers want to bring the car in to receive service.
Researcher	Does that mean your dealer has low turn-over, same staff work for
	many years?
Interviewee 2	Uhm, not really, most of the staffs who come and go did not stay
	with us for long time, only a few years, but there are the main
	staffs who works with this dealers for many years.

Interviewee 2 Normally when customers ask me about buying the new cars, I will transfer the customers to the sales person who I familiar with. Researcher Overall, you think that after sale side is what make customers stay with the showroom? Interviewee 2 Yes. Because every showroom provide the same product and service, therefore, human is also the key factor. Researcher Since you have worked with cars dealers for decades, do you think that building relationships is a key process for this business or not? Interviewee 2 Yes, because we did not expect only buy one car but we expect more cars and continuous services. Even sometimes our showroom cannot provide the best price/promotion, customers would buy the car from other showroom, but in term of after sale service, they come back to receive the service from our showroom. Some old customers, they moved out from this area, but they still come back to our showroom to receive after-sale service because they feel familiar with us.
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Some customers, just give the car key to me and leave the car the behind, and tell me if the car finish, call them, they will come back to pick the car. They do not care much about pricing, we recommend them to change some part, and they believe us.
Researcher How many parties involve in customer relations in your company? Interviewee 2 Mainly is CR (Customer Relations) who create events e.g. company anniversary and invite customers to join the events for free, there are many activities to participate. Event were arranged frequently in the past but not often nowadays.
Researcher Does it affect with customer relationship? Interviewee 2 Not really, I think customers stick with personal more than the company.

Researcher	If Service Assistant move to other dealer, will the customers
	follow them?
Interviewee 2	If customers knows personal phone number, they will call, and if
	that person still work with Toyota Brand showroom, they will follow
	that person to other dealer.
Researcher	How much is the customers to come to your showroom from existing
	customers' references?
Interviewee 2	A lot, sometimes recommend to showroom and sometime recommend
	to individual staff.
Researcher	Does your position receive incentive from the sale amount?
Interviewee 2	We got incentive from some campaigns and some service parts.
	However, we do not encourage every customers to change this and
	that in order to get incentive money, but we sincerely recommend
	them for their best benefit, so that they will trust us in the long run.
Researcher	So you become friend with many customers?
Interviewee 2	Yes, I can speak with the customer freely. And sometimes customers
- 1	invite me to play sports (Badminton, futsal) together. I sometimes
\\ 4	met customers in the car racecourse.
Researcher	Do you like car racing?
Interviewee 2	Yes, I enjoy doing it, I modified the car myself too.
Researcher	That means you have a lot of knowledge regarding the car, so you
	can primarily diagnosis the car symptom and recommend to
	customer.
Interviewee 2	Yes, I can recommend to customer because I was a technician, and
	I know the price of the parts both authentic brand and the mirror
	grade in the market, therefore I can recommend to the customer
	truthfully.

Tape Script No. 3

Interviewee No. 3	
Researcher	I am not sure whether the theory from Toyota Motor and actual
	practices perform by dealer are the same or are there anything
	different?
Interviewee 3	The theory and actual practices are the same because Toyota
	Motor provide the standard for us to follow and Toyota Motor
	they would send the auditor to our showroom to inspect if we
	follow the standard or not. Every dealer cannot do what they want
	but just have follow what Toyota Motor tell us to do.
	Actually, all Dealers have to follow with TOYOTA's plan and
	campaign such as how we should give the discount to customer,
	the gift that we should give to customers. For example we will
	give a turtle pillow to customers if they fuel up the engine oil by
	1,400 Baht. TOYOTA will have a plan and campaign every year
	such as the 1 st quarter what is the campaign we should have to do
\\ .	with customer. If we practice as Toyota Motor request, Toyota
	Motor will reward us.
	For those standard e.g. the standard say that we have to follow-up
	with our customers, Toyota Motor would hire other company to
	check with customers whether we do as Toyota Motor request or
	not.
Researcher	How do you compete among dealers because you used the same
	system and same working procedure and make customer stay with
	your showroom?
Interviewee 3	The key point is customer service. I was trained when I started
	working in this position that the most difficult thing to sustain is
	"existing customers".
	We have to do everything to make customer impress and satisfy.
	First of all receptionist have to give a smile to customer and we

have to walk to customer for make first impression. We have a receptionist for take care customer when they come to our showroom. The receptionist will bring customer to guest area and serve the water and make a forecast price of service. We always give information to customer such as how long will the service should be. We have to finish the service within the time that we have already committed with customer. This is the one thing that we are doing for make the customer satisfy. And also we have to make a phone call to customer for ask about our service. Researcher Who will make phone call to customers, CR staff or front staff? Interviewee 3 Me, Customer Relation. Normally, the dealer has a group of Customer Relationship (CR) that divided into 3 functions; Make an Appointment Follow up service result. CR For normal size showroom, there are 1 or 2 persons to support these 3 jobs. But in my showroom, we have 3 CR staffs. I will make a phone call to customers to ask them how do think about the service from our showroom. Researcher Who will receive customer complaints? Interviewee 3 Customer Relation staffs who makes phone call to customers to ask how about our service. That is the chance where customers can give us a complaint if our service have some problems. Customer Relation staffs will record all of complaints then make a report to manager in order to consider how to solve the problems. The report has to submit to Showroom Manager on the daily basis because of we have to expedite to fix the problem for customers. We have to follow-up with the customers after 1 day, 7 days and after 1 month.

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	We also have to contact customers to encourage them to come
	back to our showroom, we will call to customers whose cars is
	about time for regular maintenance. We will provide some
	discount or promotion for them.
Researcher	How do you know who do you need to call?
Interviewee 3	We have the system called "xxx" to check customers' car history.
	The system is belongs to Toyota Motor, and all dealers have to use
	this same system.
Researcher	If so, what is the difference between your showroom and others?
Interviewee 3	Frankly speaking, we have to fight with other dealers to get new
	customers and keep exist customers as well. Based on that system
	that all dealers use, we can know that our customer change to
	another dealer.
Researcher	Do you have any system that use only by your own dealer?
Interviewee 3	No, we have to use the system that provided by Toyota Motor.
Researcher	Apart from serving drink and price prediction, what other
	activities or practice that your showroom do to make your
	customer happy?
Interviewee 3	We are trying to make the best first impression with customers.
	We have to open the door for customers. We need to be there by
	the door when we see the customers is coming. We cannot stand
	away from the door. We cannot let customer open the door by
	themselves. We have to take care customers when they come and
	say "SAWASDEE ⁵ ," to them, then we ask them what is the service
	they would like to do today. We have to provide the information to
	them and cannot wait until customers ask us. This is the policy of
	our showroom not from Toyota Motor.
Researcher	How can you do if you have not enough manpower to support
	customer?
Interviewee 3	We have a supporter section. The supporter section will be divided

⁵ Sawasdee is equal to 'Hello' in Thai language (in the polite way).

	into 3 zones (Front, Middle and Back). For example, front is to
	request the technician or mechanic to help move the car out of the
	front service parking lot, if those slots are fully parked, the
	incoming customers would have to parking space.
	This problem always happen before the long holidays such as New
	Year and Songkran ⁶ . The most important thing is to let customer
	know about how long the service will be. If customer cannot wait
	we will propose another option such as recommend customer to
	re-schedule again to be next month. Anyway, if customer strongly
	want to get a service. We have special service to them called
/	EM60. This is the express service finish within 60 minutes.
Researcher	In your showroom, do you have a luxury room for customers?
Interviewee 3	Yes, we have. We also have a sleeping room on 2 nd floor. We also
	provide lunch for customers, snacks, ice-cream and coffee for
	customers. This activities is recommended by Toyota Motor. Just
	only good service is not enough. We have to make customer
- 1	satisfy with our convenience. We are doing more than customer
\\ .	expected such as sleeping room.
Researcher	How do you do if there are walk-in customers, no prior
	appointment?
Interviewee 3	Yes, we do not reject the customers anyway. We will try our best
	to support them such as if some case can finish faster than schedule,
	we will try to make time slot to support walk-in customers.
Researcher	How long have you been working in this position?
Interviewee 3	3 years with this showroom.
Researcher	Overall, the majority of your customers are new customers (such
	as the Walk-in customers) or existing customers for referred
	customers?
Interviewee 3	Most of our customers are existing customers. Some customers
	stay with us for 10-20 years. We always update customers'

⁶ Songkran is Thai traditional new year (13 – 15 April)

information into the system. We keep history of customers since day one they started to get service. And we have an event every year called "Car Care Clinic" for thank you the long-time loyal customers. Each showroom will arrange the event and will invite those special customers to join the event 30 people. We will give them the special discount for future use, give present and prepare Chinese food banquet for them. The purpose of this activity is trying to keep existing customers with us for long term. For new customers or irregular customers we will keep calling them prior service date and let them know any promotions at that time, such as engine oil discount. We also send the promotion letter to 300 customers every month. We randomly send letters to both new and previous customers. Researcher Do your dealer have CR centre? Interviewee 3 Yes, we have CR centre and call center team at our head office. Researcher Have you ever experience customers who want to leave our dealer to another? Yes, a lot. Interviewee 3 Researcher What and how do you dealer do to prevent them to leave us? Interviewee 3 Cannot do anything, sometimes we cannot change their mind because they already think of us negatively. We have to let them go. Some customers curse and scold to us rudely both by phone and in person but we have to be patient, let them speak, we cannot say anything back. However, sometimes those customers come back to us. Researcher How do you handle customers' problems or complaints? How to take care customers if you cannot solve the issues yourself? Interviewee 3 We will call leader to deal with customers. For the service I will call foreman for discuss with customers directly because I do not have correct information to answer the questions. For example, for

	the repairing service, if the customer still dissatisfy with the quality,
	we will bring the car and test the car together with the customer to
	check where the problem is. And after finish repairing, we will do
	test drive again with customers to ensure customer satisfaction.
Researcher	Do you have other parties that helps you build good customer
	relationship?
Interviewee 3	Yes, every people in our showroom need to help make customer
	satisfaction. For example if customer would like to see the car by
	themselves. Our technicians need to kindly support customers. It is
	not only CR or technicians but also security guard as well who
	help making customer satisfy because security guard is the most
	front line person who have interaction with customers. We have
	regular training to all staffs in showroom from security guard, CR
	and until customers leave the showroom every Friday at 5 pm. The
	detail of training is how to make customer satisfaction.
Researcher	How do you do if the service time is over the forecast time?
Interviewee 3	We have to tell customer the situation. Normally CR has to give
\\ .	information to individual customer every hour. Each CR will have
1/3	notebook in hand to note which car belongs to which customer.
	We cannot leave customer wait without any information.
Researcher	Does your showroom provide free Wi-Fi or computer to support
	customers?
Interviewee 3	Yes, we provide both free Wi-Fi and computers.