

**CLIENT RELATIONSHIP MARKETING PRACTICES: AN IN-  
DEPTH STUDY ON MOTORCYCLE DEALER BUSINESS**



**A THEMATIC PAPER SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR  
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entitled  
**CLIENT RELATIONSHIP MARKETING PRACTICES: AN IN-  
DEPTH STUDY ON MOTORCYCLE DEALER BUSINESS**

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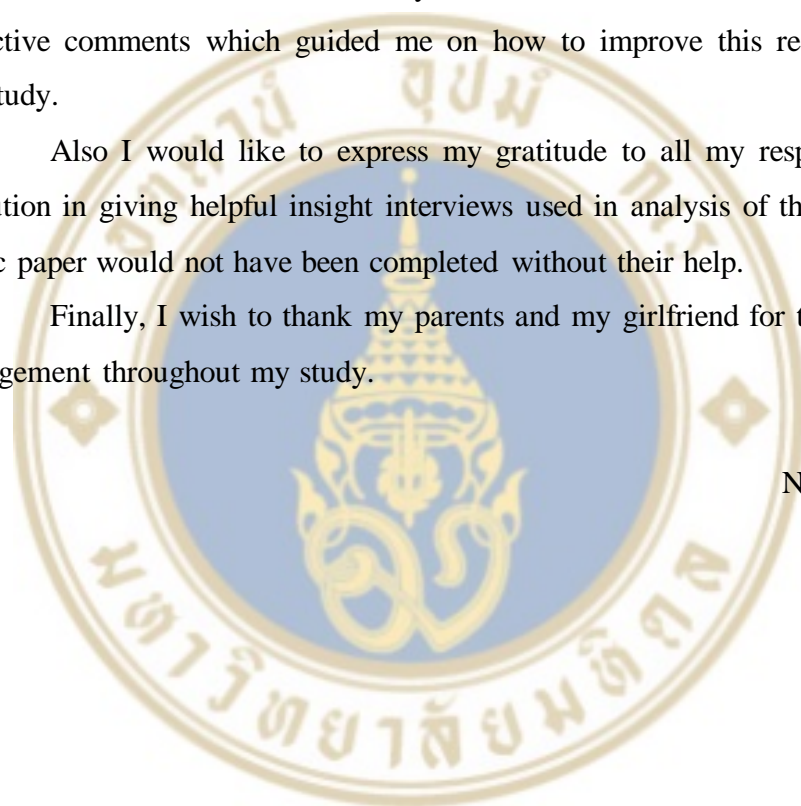
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ON MOTORCYCLE DEALER BUSINESS**

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**ABSTRACT**

This research aims to discover the buyer-seller marketing relationship practices of motorcycle dealer business in Thailand during different stages of relationship. 4 departments were inspected and sets of different combinations of relationship marketing practices were discovered. The conceptual framework of (Woo & Leelapanyalert, 2014) was adopted to analyse the case study of this research, Nudpob Bangyai Co., Ltd., a Honda motorcycle dealer situated in Nonthaburi province. The practices were examined through 14 in-depth semi-structured interviews with the key personnel of the company. This research came through 11 buyer-seller relationship marketing practices which 10 of them were similar to the previous findings and 1 new practice was identified from this research. This research has shown that marketing relationship practices are crucial to motorcycle dealer business where products are homogeneous. However, future research on the significance of each practice would be beneficial to pinpoint the important practices to be considered.

**KEY WORDS:** Relationship Marketing / Motorcycle Dealer Business / Relationship Development Process

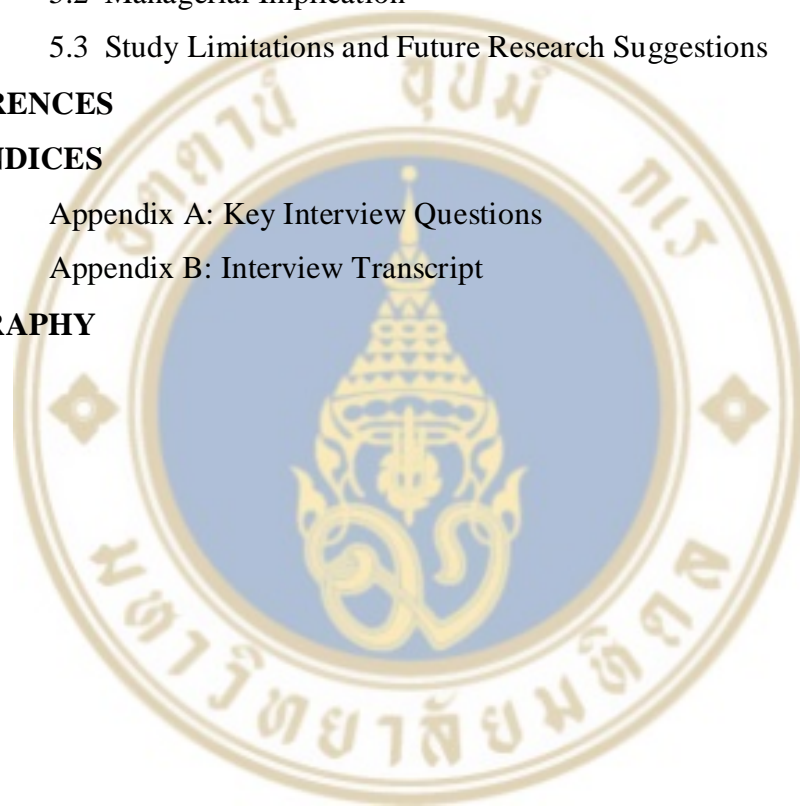
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# CHAPTER I

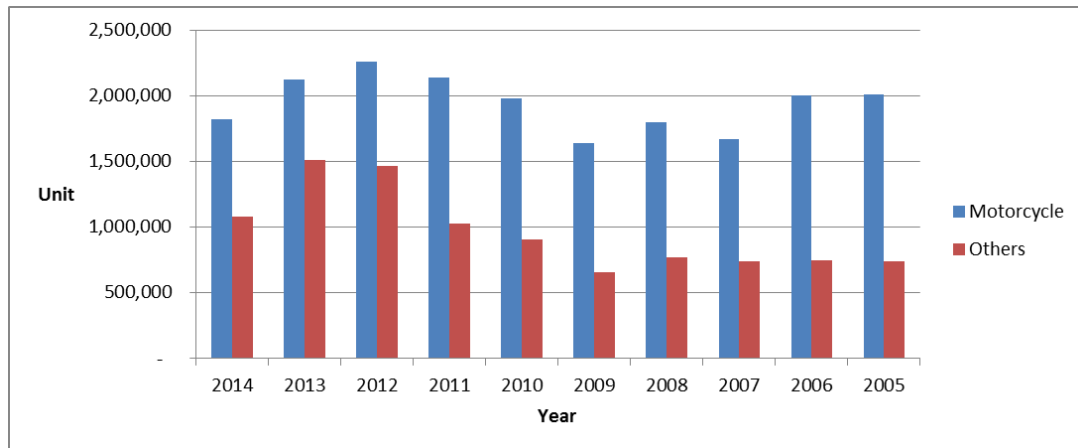
## INTRODUCTION

### 1.1 Background and Problem Statement

Since the introduction of the marketing mix by the American Marketing Association in the 1950s, it has become the main pillar for marketing practices. However in the recent years, the marketing mix concept has been shifting importance to various approaches introduced by vast marketing researches (Grönroos, 1994). Grönroos stated that relationship marketing is becoming one of the leading approach in marketing and that the paradigm shift is occurring, especially in the service marketing in Europe.

In short explanation, relationship marketing is establishing, developing, and maintaining successful relational exchanges (Morgan & Hunt, 1994), especially between seller and buyer in business sense. With proper practices, relationship marketing could differentiate the business from the competitors (Woo & Leelapanyaalert, 2014) and could possible create exceptional and maintainable competitive advantage (Liang, Wang, & Farquhar, 2009).

Motorcycle dealer business is chosen in this study to understand if any of relationship marketing practices are being performed to directly and/or indirectly achieve growth in sales and profit (Palmatier, 2008). The motorcycle dealer business is chosen because in Thailand, motorcycle is the most popular mean of transportation in term of the highest annual unit sales compared to other automobile types. The annual registration of new motorcycle is much higher than the annual registration of all other type of vehicles combined (Department of Land Transportation, 2015).



Source: (Department of Land Transportation, 2015) Retrieved October 7, 2015, from [http://apps.dlt.go.th/statistics\\_web/newcar.html](http://apps.dlt.go.th/statistics_web/newcar.html)

**Figure 1.1 Motorcycle vs. Other Vehicle Annual Registration**

For Thailand motorcycle dealer business where Honda motorcycle represents majority of the market share, the products could be said homogeneous as the genuine motorcycles and spare parts are similarly manufactured from the same OEMs for all Honda dealers. Therefore, the difference between successful and non-successful motorcycle dealer business could be the relationship practices adopted by the dealers.

## 1.2 Objectives

To identify the activities of relationship marketing practices in different stages of relationship in the motorcycle dealer business in Thailand.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 The Importance of Relationship Marketing Practice**

Marketing practices has been dominated by the marketing mix framework for very long time. The core of marketing mix proposed in 1960 is focus on the 4Ps which are product, price, promotion, and distribution (place) (McCarthy, 1964) which to put in simple sentence, it is to offer the right product at the right price, in the right place, at the right time. However, there are flaws in the model as it is rigid and has no combination among the 4Ps (Grönroos, 1994). Even though the famous and widely use marketing textbook “Marketing Management” (Kotler, 2000) tries to discuss and point out blending aspect of marketing mix, it was not enough as the model clearly does not include integrative element (Grönroos, 1994).

After vast marketing researching in the past century, new approaches came up and one of the most popular one is the relationship marketing. Relationship marketing could shift the paradigm of traditional marketing mix (Grönroos, 1994), as the marketing mix cannot provide the overall thorough view of the business market (Ford, Gadde, Hakansson, & Snehota, 1998). The traditional marketing mix mainly focus on how to close business deals rather than focusing on increasing customer satisfaction which could leads to create and maintain positive impression with the customers (Levitt, 1983).

Relationship marketing is establishing, developing, and maintaining successful relational exchanges (Morgan & Hunt, 1994), in hope to achieve continuous sales and increase in profit. Relationship marketing can be in many forms and can be broadly group into 4 categories which are supplier partnerships, lateral partnership, buyer partnership, and internal partnership (Hunt, Arnett, & Madhavaram, 2006). Despite the many forms of relationship marketing, this research will focus only in one of the buyer partnership form, which is the

relationship between firm and ultimate customers. Consumers would engage in relational exchanges with firms when they perceive that the benefits would exceed the costs, the benefit could come in many form; such as the trust in the firm that it would provide quality products or services with no hidden agendas, the reduce of search costs, the positive relationship would allow negotiation for customization that would fits the customer's preferences which leads to increase in satisfaction (Hunt, Arnett, & Madhavaram, 2006).

## **2.2 Benefits of Relationship Marketing**

Relationship marketing practice can benefit the firm in many ways; it could help differentiate the firm from the competitors and possibly emerges competitive advantages (Liang, Wang, & Farquhar, 2009) that could foster higher financial performances.

Linking relationship marketing practices to improvement in financial performances could be difficult as the practices are conceptual and is hard to measure (Palmatier, 2008). To be more precise on capturing the financial improvement, the process can be developed into 4 stages, succeeding in one level leads to another level. The 4 stages are relationship marketing activities, relational assets, relational behaviors, and financial outcomes (Palmatier, 2008).

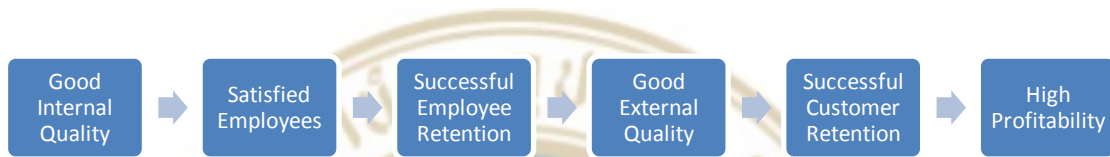
Relationship marketing activities are equivalent to relationship marketing practices which are designed to shape and maintain buyer-seller relationship. The activities could be social activities for example, taking the client for a business dinner, hosting leisure trips that take customers to vacation places, or even in financial form such as give away premium products that are usually seen in festive occasions.

The goal of the first step was reached after the relationship marketing activities created relationship assets. Relationship assets are the quality of the buyer-seller relationship which in positive outcomes, it could create trust, commitment, and gratitude.

Positive relational assets then shape the relational behaviors of the buyer towards the seller. The positive behaviors can come in many forms and could be grouped into 4 types; cooperative (e.g. flexible in scheduling or making appointment),

loyalty (e.g. customer would search less for new products or services), referrals (e.g. to spread good word of mouth about the company), and emphatic (e.g. customer has tolerance on failure to deliver products or services).

Another previous study that suggest that good relationship marketing could lead to higher quality of product or service, then leads to better higher customer satisfaction, and finally leads to higher financial profitability is the Return on Relationship Model (Gummesson, 2002). It is the long-term financial benefits of establishing and maintaining a well relationship circle of organizations



**Figure 1.1 Return on Relationship Model (Gummesson, E. (2002))**

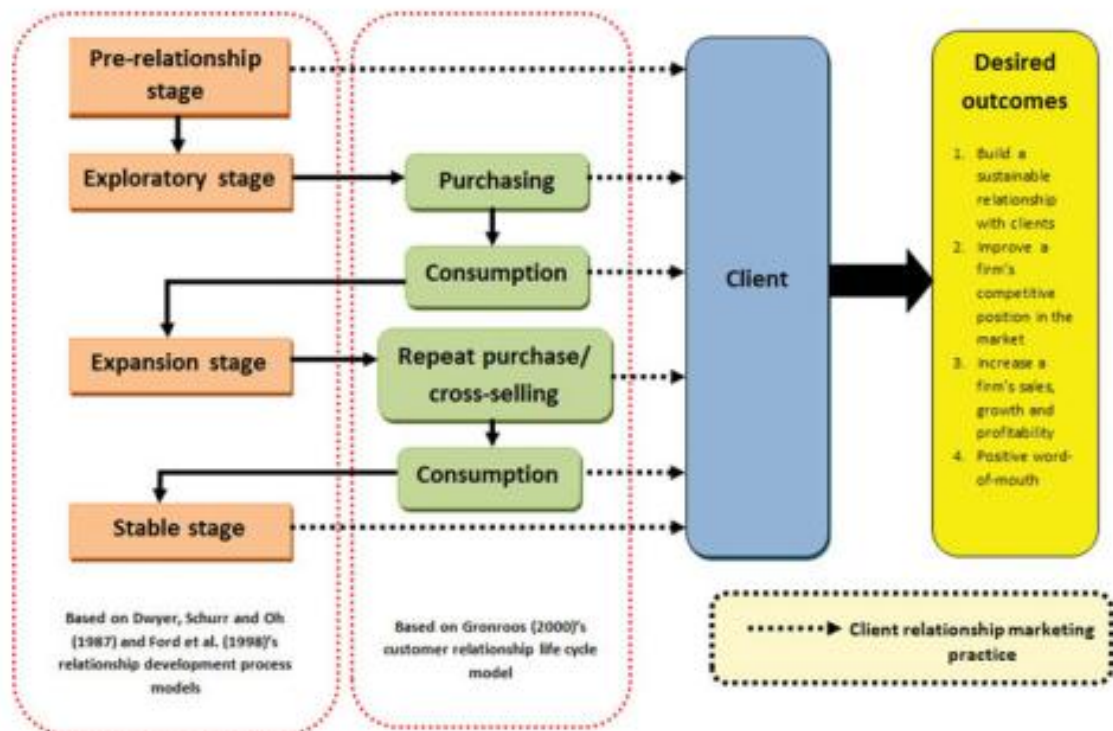
Apart from higher profitability, good relationship marketing can leads to acquiring new customers through customer referrals and positive word-of-mouth. Word-of-mouth communication is a very powerful tool of the customers to spread their impression to other customers as it often view as a more reliable source of information than other non-personal information (Zeithaml & Mary, 1996) and could represents huge impact in influencing customers' buying decision (Banwari & Newman, 1999).

Ultimately, positive relational behaviors would leads to positive financial outcomes. Examples of positive financial outcomes included sales growth from repetitive purchases of existing customers and new sales from new customer referrals and positive word-of-mouth, increase in net profit margin due to decrease in customer retention costs or decrease in advertising and publicity campaigns.

## 2.3 Previous Relationship Development Process Models

Many relationship development process models were developed throughout the past decades, most of the models divided relationships into stages where after series of engagements, the relationship evolve to a more productive stages.

The model adopted for this research is a conceptual framework called “Client Relationship Marketing Practices at Different Stages of the Relationship Development Process toward Achieving the Desired Outcomes of a Firm” (Woo & Leelapanyalert, 2014). The framework is a combinations of relationship development process models adopted from (Dwyer, Schurr, & Oh, 1987), (Ford, Gadde, Hakansson, & Snehota, 1998), and (Grönroos, 1994).



Source: (Woo & Leelapanyalert, 2014) based on (Dwyer, Schurr, & Oh, 1987), (Ford, Gadde, Hakansson, & Snehota, 1998), and (Grönroos, 1994)

**Figure 2.2 CRM Practices at Different Stages of Relationship Development Process (Conceptual Framework)**

(Dwyer, Schurr, & Oh, 1987) model of relationship development process explained the buyer-seller relationship into 5 developments which are Awareness, Exploration, Expansion, Commitment, and Dissolution. Where (Ford, Gadde, Hakansson, & Snehota, 1998) model similarly explained buyer-seller relationship into 4 developments which are Pre-relationship stage, Exploratory stage, Developing stage, and Stable stage.

The model tries to include the purchasing and consumption phases emphasized by (Grönroos, 1994) that the models proposed by (Dwyer, Schurr, & Oh, 1987) and (Ford, Gadde, Hakansson, & Snehota, 1998) are missing. In the same sense, the relationship development process model proposed by (Grönroos, 1994) also did not capture the occurrences of purchasing and consumption phases in early exploratory stage as well.

The combined conceptual framework formulated by (Woo & Leelapanyalert, 2014) enables identification of different sets of relationship marketing practices that are being used in different stages throughout the relationship development stages. In their study, legal industry was the subject where they did 15 in-depth semi-structured interviews with key personnel of a global law firm. They were able to identify 10 relationship marketing practices which 3 of the practices were newly discovered.

The 10 relationship marketing practices that were found in the study are; organizing and attending social events (e.g. taking clients out to meals), managing the communications or interactions process (e.g. sending clients promotion brochures), managing the cross-selling (e.g. selling other products and services), service recovery (e.g. immediately solving the clients' problems), changing the impression (e.g. changing the perception of the client that the firm did not care about only closing sales), truly understanding clients' businesses and industries (e.g. study the client's business market trend), social bonds beyond the professional level (e.g. sharing the same personal background), treating every job seriously regardless of the size, other small little gestures (e.g. sending thank you letter after the service), and utilizing Client Relationship Management software. Noted that the last 3 practices were discovered by the research.

This combined conceptual framework will also be used in this study as the objective of this research is to identify the different relationship marketing practices being used in motorcycle dealer business in each stage of relationship development.





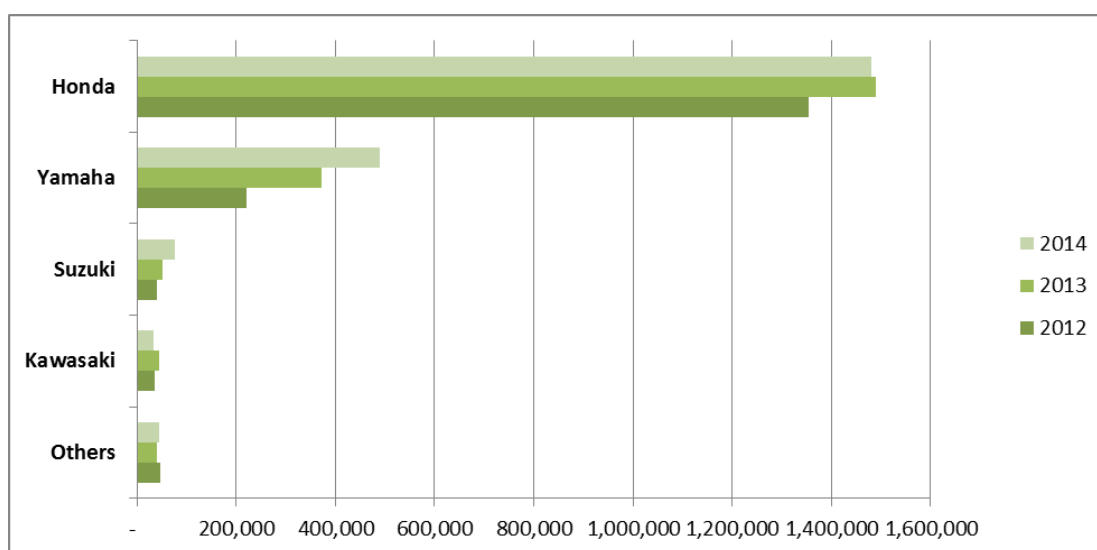
## **CHAPTER III**

### **RESEARCH METHODOLOGY**

The methodology used in this research to find out the relationship marketing practices in different stages in motorcycle dealer business is qualitative research based on case study approach semi-structure in-depth interview. The case study approach was used in order to capture the in-depth, multi-layered of intricate issues in its ordinary everyday life practices (Crowe, Cresswell, Robertson, Huby, Avery, & Sheikh, 2011). Case study approach can act as a tool for researchers to learn and analyze complex situations in their environment (Baxter & Jack, 2008), which fits this research as it aims to identify how buyer-seller relationship is established in the motorcycle dealer business in Thailand.

The interview method applied for this research aims to discover the feelings and opinions of the interviewees which other types of data collection maybe harder to do so (e.g. questionnaires). The interview format is semi-structured as it allows the interviewer to ask additional questions to capture the data and experiences of the interviewees more precisely when the opportunities arise and to let the respondents share their experience without being influence by the interviewers (Foddy, 1993).

The study of this research is the motorcycle dealer business as the sector represents the most popular selling vehicle type in Thailand. The sector has been growing steadily and represents majority of the new registered vehicle in Thailand (represents an average of 67% of annual total new registered vehicle in Thailand in 2005 – 2014, see Figure 1 for more information). The leading brand of motorcycle in Thailand is Honda which has been the market leader for many decades. The market share in term of unit sold of Honda motorcycle is 74% for the past 2012-2014 (Department of Land Transportation, 2015).



Source: (Department of Land Transportation, 2015) Retrieved October 7, 2015, from [http://apps.dlt.go.th/statistics\\_web/newcar.html](http://apps.dlt.go.th/statistics_web/newcar.html)

**Figure 3.1 Annual Unit Sales of Motorcycle in Thailand**

The subject for this research is Nudpob Bangyai Company Limited, a Honda brand motorcycle dealer company situated in Nonthaburi province, one of the vicinities of Bangkok. The company was selected as it is one of the leading performing dealers in the area in all terms of sales, services and CSR. In the sense of sales and services, the company achieved over 10,000 units of new motorcycle sales and over 25,000 jobs of service annually.

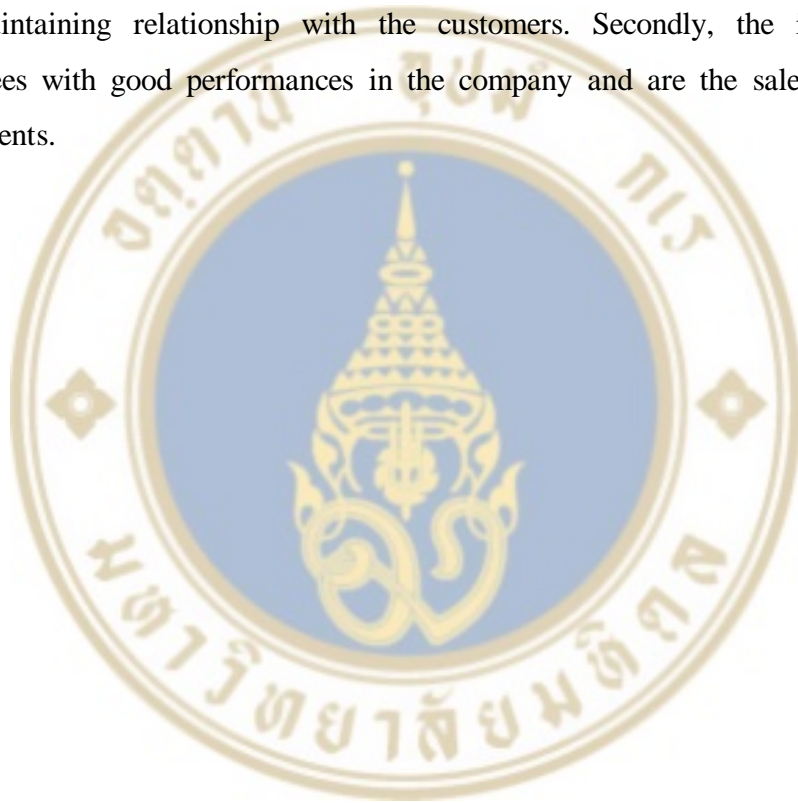
**Table 3.1 Historical Sales of Nudpob Bangyai Co., Ltd.**

Year	Unit: Million Baht		
	2012	2013	2014
<b>Total Revenue</b>	<b>610.13</b>	<b>610.31</b>	<b>616.70</b>
Cost of Good Sold	546.90	557.00	568.85
Gross Profit	63.24	53.31	47.86

Source: (Department of Business Development, 2015) Retrieved October 15, 2015, from <http://datawarehouse.dbd.go.th/bdw/home/login.html>

Moreover, the company regularly participated in CSR events such as giving donations of libraries, canteens, etc. to the lacking nearby schools.

3 main sources of data will come from semi-structured interviews, observations, and secondary data from the company. 14 key personnel were interviewed which 8 of them were combination of motorcycle and spare parts sales person, 3 of them are mechanics, and 3 of them are managers. There are 2 main criteria in selecting the interviewees; firstly, the interviewees are in positions that interact with customers on a daily basis which they have a good chance in building and maintaining relationship with the customers. Secondly, the interviewees are employees with good performances in the company and are the sales driver in their departments.



## **CHAPTER IV**

### **FINDINGS**

This study aims to identify relationship marketing practices being used in motorcycle dealer business in Thailand in different stages of relationship level, categorized by different departments namely the managers, the maintenance and repair service, the motorcycle sales, and spare parts sales. According to the previous research, (Woo & Leelapanyalert, 2014) were able to defined 10 relationship marketing practices in which 7 of them are similar to the study of (Claycomb & Martin, 2002) among 205 USA commercial service providers. The additional 3 practices discovered were treating every job seriously regardless of the size, other small little gestures, and utilizing Client Relationship Management software. Despite using the same research method which is in-depth semi-structured interview of key personnel and apply to the adopted conceptual framework of (Woo & Leelapanyalert, 2014), this study's findings on relationship marketing practices is different than the original. This study was enabled to identify 11 relationship marketing practices in the process; the first 10 marketing relationship practices are similar to (Woo & Leelapanyalert, 2014). The new relationship marketing practice discovered from this study is "knowledge sharing". The following part of this chapter will discuss, compare and contrast the 11 findings of relationship marketing practices from this research and previous studies in more details.

#### **4.1 Organizing and Attending Social Events**

Organizing and attending social events is one of most frequently and strongly used in the motorcycle dealer business as 13 out of 14 interviewees highlighted many activities and events they did with the customers. This relationship marketing practices were found in all stages of relationship which the practices are

group activities and came in many form from entertaining events such as one-day trips to visit temples, amusement park, overnight trips to tourist attractions, football dinner; Corporate Social Responsibility (CSR) events such as one-day trip to reforestation, blood donations, safety riding campaigns where customers can learn how to ride safely, taking customers to register for motorcycle riding licenses, free service campaigns where crucial maintenances are done with special price and no service fee charges; or even knowledge sharing events in the form of seminars and business meals.

The events could be held in many stages of relationship as they serve different purposes. When the events are held in the initial stage of relationship (pre-relationship and exploratory stages), the company aims to place itself to be first in the customers' mind and to build relationship (Woo & Leelapanyalert, 2014 and Claycomb & Martin, 2002). These events include free service campaigns and safety riding campaigns where the participant could be both potential and existing customers. In contrary, the events also act as a mean to strengthen and enhance relationship when held in the latter stages (consumption, expansion, and stable stages) (Woo & Leelapanyalert, 2014 and Claycomb & Martin, 2002) and also act as a social platform for motorcycle users to get together with the company, the other users, and their family.

## **4.2 Managing the Communications or Interactions Process**

This relationship marketing practice is the most stressed out from the interviewees as they view this practice as the core to successfully building relationship with the customers. 13 out of 14 interviewees mentioned about this practice and were found in all relationship stages according to the interviews. The most common form found from the interviews is the practice of always approach the customers first and greet them pleasantly then ask the customers what can they help them and then give the information the customers needed both about the products and the current promotion campaigns. Apart from face-to-face communication with the customers, the interviewees also used other means such as calling or sending SMS to reach the customers to inform them about the special promotion and upcoming events that might

interest the customers. Other personal communications also being perform from the service department (maintenance and repair service) that is follow up calls on customers that had their motorcycle repaired, the mechanist will ask whether the problem gets fixed or not and would provide free service if the problem still persist. Reminder calls also being perform for those customers that purchased long-term maintenance package from the company.

This relationship marketing practice goal sometime is as simple as to reach the customer with the company's new promotion. However most of the time, the true reason for this practice is that it allows the practitioners to show commitment to the customers that they are reliable and willing to serve the customers to the best they could. Constant follow up calls and reminders can create and maintain relationship as it shows the customers that the company cares and always thinking about them and urges the customers to return to the shop regularly which this view is shared with previous study from (Claycomb & Martin, 2002).

In the early stages of relationship (pre-relationship and exploratory stages) this relationship marketing practice can impress and satisfy the customers as they are often unexpected from the customers. In the latter stages (expansion and stable stages) this practice can foster and deepening the relationship between the company and the customers.

### **4.3 Managing the Cross-selling**

This relationship marketing practice is when the customer is introduced to other products or services being offer in other department within the same company (Claycomb & Martin, 2002). It is commonly found in the latter stages of relationship (expansion and stable stages) as it often required good relationship between the seller and the buyer in order that the buyer has some trust in the seller and believe that the new introduced products or services would give the buyer the same satisfaction that they hope for.

According to the interviews, 12 out of 14 interviewees reported that they manage cross-selling for the customers and most of the time, the customers are their regular customers and has been in relation for some time. The cross-selling came in

many forms such as the mechanics from the maintenance and repair service advise the customers for a new motorcycle when the repair cost would cost indifferently, when customers of new motorcycles that prefer customization were introduced to purchase accessories from the spare parts department, or when customers of new motorcycles were introduced to buy long-term maintenance service package of the maintenance and repair service department. When the cross-selling took place, the customers would be introduced to the new department by the current department to ensure smooth transition.

It is also should be noted that when the customers went through the process of cost-selling, it is common that the customers would expect the same or better level of service from the new department (Woo & Leelapanyalert, 2014). When the new department could not deliver that standard, it would possibly upset the customers so it would leads to the next relationship marketing practice, service recovery.

#### **4.4 Service Recovery**

The relationship marketing practice of service recovery refers to the ability of the company to resolve or fix the misconducts being done to the customers and it is important that the resolution should be done as fast as it could before the customers become dissatisfy. Dissatisfy customers could degrade the existing relationship to prior stages (e.g. from stable stage to pre-relationship stage) or the customers might even spread the incident to other potential or existing customers and give bad reputation and negative word-of-mouth to the company (Claycomb & Martin, 2002). As mentioned in the literature review chapter, word-of-mouth is a very powerful tool of the customers as it can spread their impression of the company service quality to other customers as it often considered as a reliable source of information than other non-personal information (Zeithaml & Mary, 1996) and could significantly influence customers' buying decision (Banwari & Newman, 1999), thus, should be dealt with top priorities.

According to the interviews, most of the errors in the motorcycle dealer business can be handle within that moment or would take less than a day to resolve such as the error concerning the condition of the products (the newly purchased motorcycle

have scratches on it), or wrong spare parts were delivered to the customers which could be replaced instantly. For these minor errors, the interviewees mentioned positive actions that being practice when errors occurs. These actions included listening to the customers then apologize and then fix the problems and tell the customers truth, justified reasons. If the customers are still not satisfied, complimentary products and discounts can be given for apologies. However in some cases, the problem could prolong for days or even weeks when the error came from the manufacturer or when the repair service is very complicate which could result in trial and error process. For theses major issues, the customers will be facilitate when contact with manufacturer is needed to claim new products and for the cases of the repair services, regular follow up calls will be done and further maintenance will be free of charge until it get fixed.

#### **4.5 Changing the Impression**

According to the interview with the managers, the maintenance and repair service department of the motorcycle dealer business is often view by the customers that they could end up paying more than they have to due to that service is technical and not commonly thoroughly understand by the customers. Therefore, it is important for the maintenance and repair service department to change the customers' initial impression and develop trust with the customer to initiate and maintain their relationship. According to the interview of one of the head of maintenance and repair service personnel, the mechanics would help the customer to plan and prevent some costs as follows:

“...help extend the usage of certain spare parts or engines, not only doing routine change of those parts. This helps the customers save a lot of money from paying for unnecessary change. Moreover, they provide future estimation of which parts need to be changed in the next check-up in order for the customers to prepare enough money for the next visit.”

Furthermore, one of the managers point out that to build and maintain relationship with the customers, the company provide honest service using genuine products and affordable price, this could help to building the image of having maintenance



service in authorized dealers shop doesn't have to be expensive, also the mechanics should behave trustworthy. Moreover, another head of maintenance and repair service also mention that under his command, the mechanics will provide thorough motorcycle check-up for all customers without being asked and without charging the customers.

These are the practices being done within the company that believe to impress and earn trust from the customers and the customers often return the favor by becoming regulars. This view is shared with (Woo & Leelapanyalert, 2014) from their previous study.

#### **4.6 Truly Understanding Clients' Businesses and Industries**

This relationship marketing practice was highlighted by 4 interviewees, 1 from the maintenance and service department and 3 from the spare parts sales department. It is not commonly discussed by other interviewees due to most of the customers for motorcycle dealer businesses are end users which buy the product and service for their individual use. However, the spare part sales department have a considerably portion of sales from wholesales customers which are spare parts shops. Therefore, by truly understanding the businesses of the spare parts shops enable the spare parts salesperson to build relationship and trusts. According to previous studies, trust from the customers could be present when the customers believe that the service provider is reliable and trustworthy (Hennig-Thurau, Gwinner, & Gremler, 2002) and is a necessity in building long-term relationship (Doney & Joseph, 1997).

When the salesperson could give advice to the shops on the products such as what products should the shop stock more or which products can be used as substitute to other products. This practice could encourage the spare part shops to buy most of their supplies with the company as buying big volume could give them higher discounts.

#### **4.7 Social Bonds beyond the Professional Level**

According to the interviews, 6 interviewees mentioned that they have bond with their regular customers in which the activities involves discussing issues and attending events other than professional level. This relationship marketing practice usually

occurs in the latter stage of relationship (expansion or stable stages) where the buyer and seller associates with each other long enough and develop their relationship to more than the professional level (Woo & Leelapanyalert, 2014). One of the head of maintenance and repair service department mentioned that he has a special bond with one group of customers as they share the same hobby which is fishing. This keeps the customers coming back for maintenance and repair service and sometime they even come just to chat. One of the interviewee in the spare parts salesperson also said that she has regular wholesales customers that invite her to a wedding ceremony and sometimes the funeral ceremony of their family member. Some of the interviewees have been working at the company for many years (20-25 years) that they have regular customers that they have been seeing each other for a long time, the interviewees know the customers so well, even their family members. One of the motorcycle salesperson shared that she even experience taking one of her customer to the hospital when the customer was sick.

By having social bonds with the customers, the customers always come back to the company for purchasing products or services and recommend other users in their circles to become new customers to the company.

#### **4.8 Treating Every Job Seriously Regardless of the Size**

This relationship marketing practice is vital to building relationship among the buyer and seller, especially in the pre-relationship and exploratory stages. In the early stages, there are a lot of uncertainties in the customers' mind as they don't know the company well enough and little trust was given (Ford, Gadde, Hakansson, & Snehota, 1998). By giving full attention and effort to every job no matter of its size, the company could benefit from future revenue stream that usually are greater than the first purchase due to more trust was earned.

According to the interviews, 8 out of 14 interviewees expressed that they always put their best effort in all of their customers as it could leads to a bigger future sales. One of the spare parts salesperson mentioned that wholesale spare parts shops often test the water by starting from small purchases before committing big orders to the company. Testing water includes the service quality in the company, the quality of

communications as technical terms are widely used in spare parts industries which could leads to miscommunication and wrong orders, the quality of the delivery service etc.

One of the head of maintenance and service department stressed out that it is essential in maintenance service to earn the customers' trust so he would instruct all of the mechanics to perform their best in every job:

“The principle that I try to assert to all mechanics at the shop is taking care of the customer's motorcycles as we would do to ours.”

The finding of this practice shared the same purpose with the previous study of (Woo & Leelapanyalert, 2014) where by earning the trusts of the customers in the early stages of relationship, the customers will think of the company when they need additional services in the future and could generate higher income to the company.

#### **4.9 Other Small Little Gestures**

This relationship marketing practices may seem small and might not be important but it is an essential practice that could help and foster relationship between buyer and seller. The customers often did not expect these small practices so it would exceed their expectations when they received it (Woo & Leelapanyalert, 2014) and could possibly build relationship without them knowing.

According to the interviews, all interviewees have performed this relationship marketing practices intentionally and unintentionally in every stages of the relationship. Examples of practices being done in the company are in many different forms, it could be as small as having small talks with the customers in topics irrelevant to the motorcycle dealer business, remembering the customers and greet them when they return, giving the customers tips and recommendation on motorcycle usage and maintenance, to facilitate the customers according to their style (e.g. some customers are serious and likes to talk about technical topics, some customers are easy going and prefer to discuss lighter topics) etc. One of the head of maintenance and service department stressed out:

“I would constantly talk to the customers when they come in for check-up, greet them when they come in for monthly payment. It would be great if you also remember the customers and which model they bought so you can ask about their satisfaction with the performance of their new motorcycles.”

The practice may come in a mandatory form such as sending SMS to the customers on their birthdays, giving special discounts and premium items on festive occasions.

#### **4.10 Utilizing Client Relationship Management Software**

This relationship marketing practice helps as a supporter in building and maintaining relationship with the customers. It enables the company to record customers' data and retrieves them to be used in other relationship marketing practices. For the case of motorcycle dealer business, the company is using an online web-based application provided by AP Honda (Honda Thailand) to record customers' data. It provides all data from basic customer information such as name, address, contacts, and purchased history to more integrated complex data such as the customer spending and follow-up plans.

The data can be retrieved to use in many practices such as which customers are to be invited in events and activities, which customer had repair service that need to be follow up, which wholesales customers spend the most in the fiscal year so appropriate new year gifts could be sent. This relationship marketing practice shares the same purpose from the finding of previous research of (Woo & Leelapanyalert, 2014) where it act as the supporting role for other relationship marketing practices and is therefore crucial in order to perform other relationship marketing practices accurately.

#### **4.11 Knowledge Sharing**

The last relationship marketing practice newly identified from this study is knowledge sharing. This practice is important in motorcycle dealer business as the business relies on products and services which are highly technical where the seller usually knows more than the buyer, therefore the customer are aware of being trick by the

seller. According to previous studies, knowledge sharing is usually found in intra organizations where knowledge sharing among different departments or between higher and lower authorities, in which knowledge sharing could create specialized knowledge through knowledge transfer and recombination (Grant, Toward a Knowledge-Based Theory of the Firm, 1996). Knowledge sharing between buyers and sellers also exist, it is the rich interactions among the parties which they could share anything from knowledge, skills, information, responsibility, decision making, and risks (Imai, Nonaka, & Hirotaka, 1985) in order to pursue the benefits of resources expansion (Grant & Baden-Fuller, 2004), which in this case is trust. When the knowledge of the seller is shared to the buyer, it could create trust among them as the customers will feel that they are being treated fairly and on the same level.

Knowledge sharing practices in the company included when the spare parts salesperson share technical knowledge on spare parts to the customers, both wholesales and individual customers. The company also hosts a seminar to especially educate the wholesale customers on new techniques on maintenance and repair of new models of motorcycle annually. For the retail customers, the head of maintenance and repair service department mentioned that mechanics must communicate and advise the customers as follows:

“Also, when explain about the process of fixing their motorcycle, I would try to explain to them in detail, helping them have better understanding and therefore, they trust us in taking care of their motorcycles.”

One of the manager also stressed out that she always try to educate the customers on the benefits of using genuine spare parts instead of artificial products, despite the price maybe cheaper but the performance and useful life are inferior.

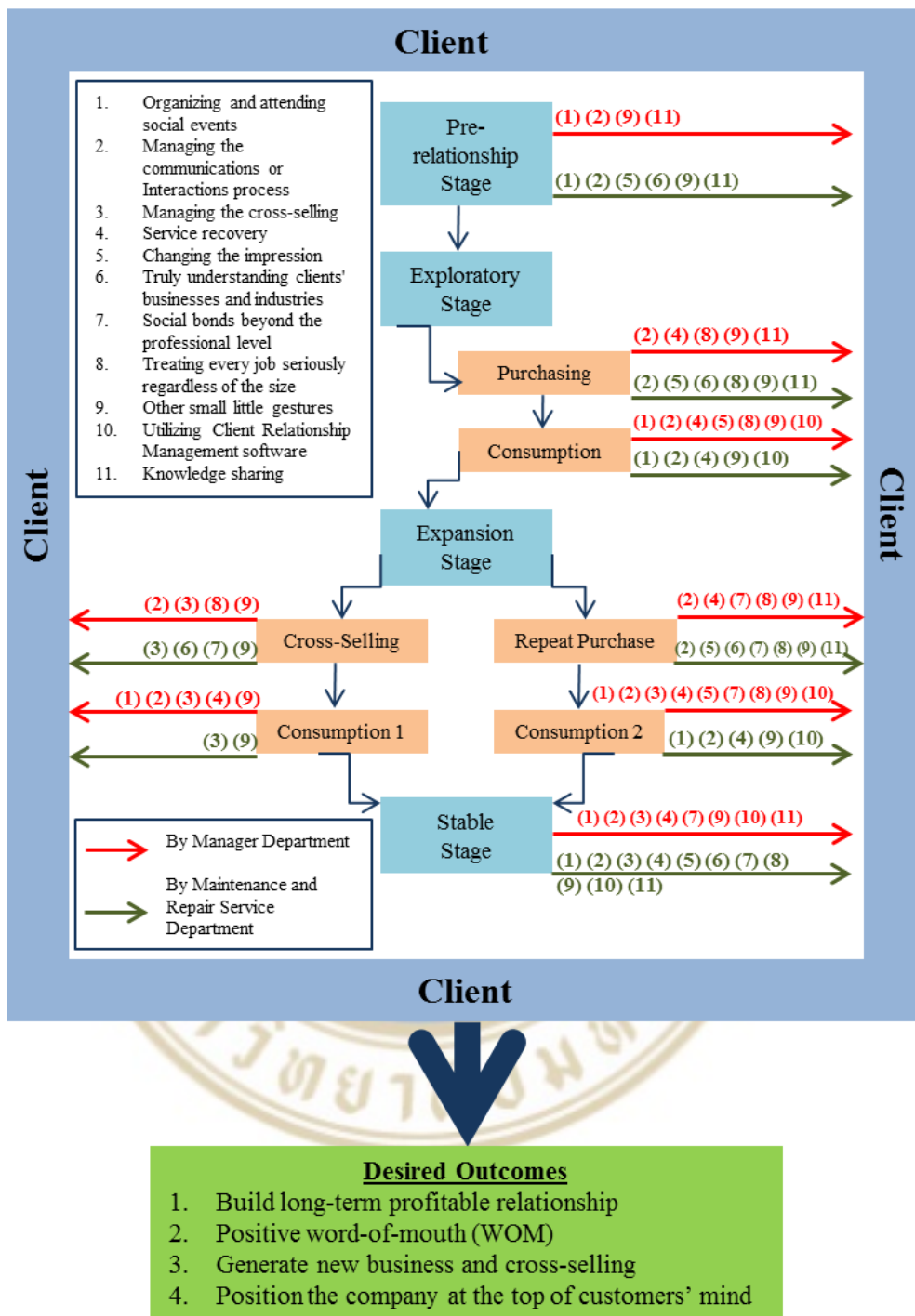
Table 4.1 CRM Practices of Each Department

Relationship Stage	Manager Department Relationship Marketing Practices	Maintenance and Repair Service Department Relationship Marketing Practices	Motorcycle Sales Department Relationship Marketing Practices	Spare Parts Sales Department Relationship Marketing Practices
<b>Pre-relationship Stage</b>	(1), (2), (9), (11)	(1), (2), (5), (6), (9), (11)	(1), (2), (5), (9), (10), (11)	(2), (6), (8), (9)
<b>Exploratory Stage</b>				
Purchasing Phase	(2), (4), (8), (9), (11)	(2), (5), (6), (8), (9), (11)	(1), (2), (5), (8), (9), (10), (11)	(2), (6), (8), (9)
Consumption Phase	(1), (2), (4), (5), (8), (9), (10)	(1), (2), (4), (9), (10)	(1), (2), (4), (8), (9), (10)	(2), (4), (6), (8), (9)
<b>Expansion Stage</b>				
Cross-selling Phase	(2), (3), (8), (9)	(3), (6), (7), (9)	(1), (2), (3), (9)	(3), (9), (10)
Consumption Phase 1	(1), (2), (3), (4), (9)	(3), (9)	(1), (2), (3), (9), (10)	(3), (8), (9)

Table 4.1 CRM Practices of Each Department (Continued)

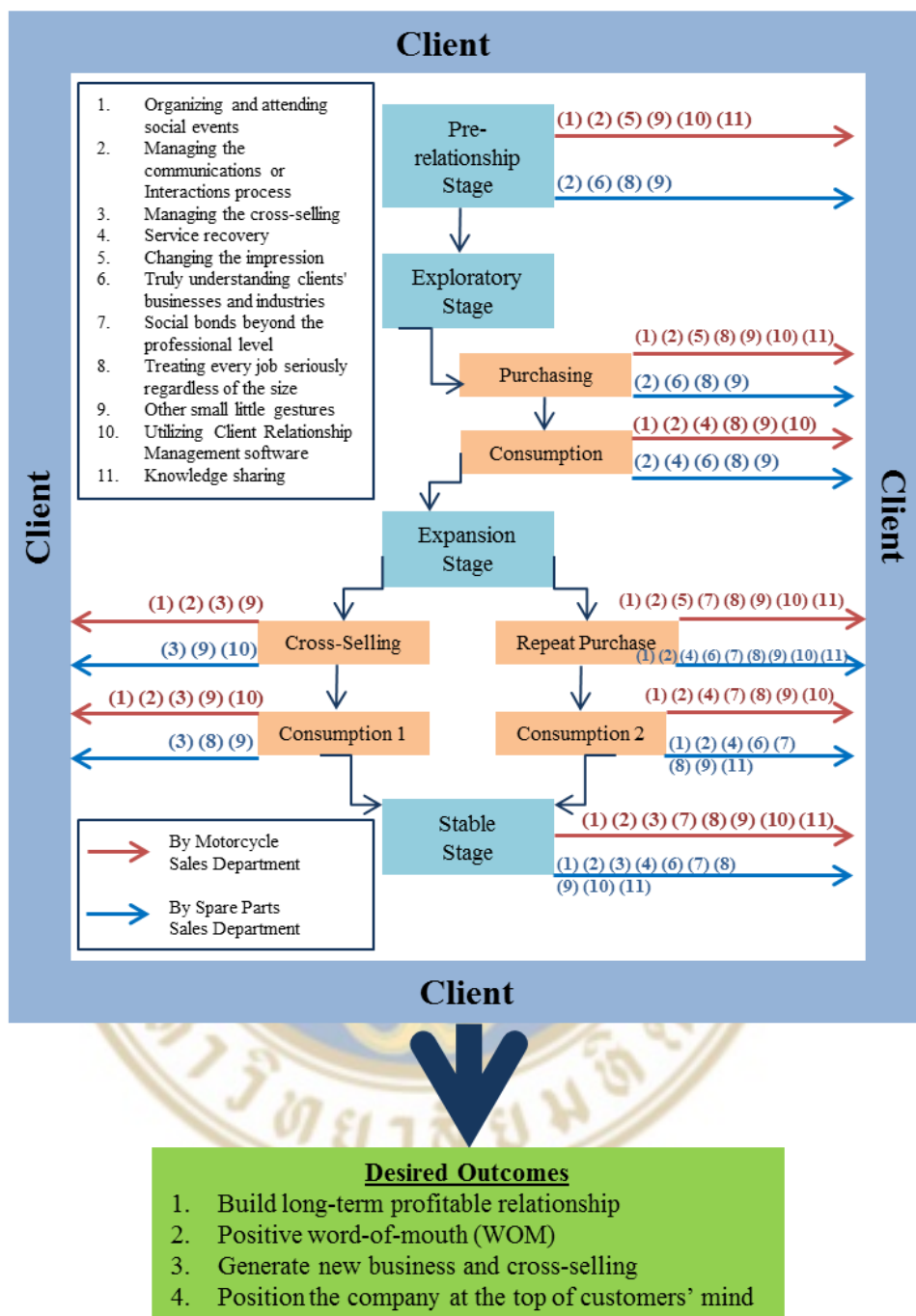
Relationship Stage	Manager Department Relationship Marketing Practices	Maintenance and Repair Service Department Relationship Marketing Practices	Motorcycle Sales Department Relationship Marketing Practices	Spare Parts Sales Department Relationship Marketing Practices
<b>Expansion Stage</b>				
Repeat Purchase Phase	(2), (4), (7), (8), (9), (11)	(2), (5), (6), (7), (8), (9), (11)	(1), (2), (5), (7), (8), (9), (10), (11)	(1), (2), (4), (6), (7), (8), (9), (10), (11)
Consumption Phase 2	(1), (2), (3), (4), (5), (7), (8), (9), (10)	(1), (2), (4), (9), (10)	(1), (2), (4), (7), (8), (9), (10)	(1), (2), (4), (6), (7), (8), (9), (11)
<b>Stable Stage</b>	(1), (2), (3), (4), (7), (9), (10), (11)	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	(1), (2), (3), (7), (8), (9), (10), (11)	(1), (2), (3), (4), (6), (7), (8), (9), (10), (11)

1. Organizing and attending social events
2. Managing the communications or interactions process
3. Managing the cross-selling
4. Service recovery
5. Changing the impression
6. Truly understanding clients' businesses and industries
7. Social bonds beyond the professional level
8. Treating every job seriously regardless of the size
9. Other small little gestures
10. Utilizing Client Relationship Management software
11. Knowledge sharing



**Figure 4.1 CRM Practices of Manager and Maintenance & Repair Service Department. Based on Conceptual Framework of (Woo & Leelapanyalert, 2014)**





**Figure 4.2 CRM Practices of Motorcycle Sales and Spare Parts Sales Department. Based on Conceptual Framework of (Woo & Leelapanyalert, 2014)**

## **CHAPTER V**

### **DISCUSSION AND RECOMMENDATIONS**

#### **5.1 Discussions and Theoretical Implication**

This research aims to identify the activities of relationship marketing practices in different stages of relationship in the motorcycle dealer business in Thailand. The findings have showed that there are many relationship marketing practices being used in the motorcycle dealer business. Different practices were identified in different stages of relationship; also the practices in each department (manager, maintenance and repair service, motorcycle sales, and spare parts sales department) are not the same.

According to the previous research, (Woo & Leelapanyalert, 2014) defined 10 relationship marketing practices in which 7 of them are similar to the study of (Claycomb & Martin, 2002). Despite using the same research method and adopted conceptual framework of (Woo & Leelapanyalert, 2014), this study's findings on relationship marketing practices is different than the previous study. This study was enabled to identify 11 relationship marketing practices in the process; the first 10 marketing relationship practices are similar to (Woo & Leelapanyalert, 2014). The new relationship marketing practice discovered from this study is "knowledge sharing" which is interactions among the buyers and sellers which they could share anything from knowledge, skills, information, responsibility, decision making, and risks (Imai, Nonaka, & Hirotaka, 1985) in exchange of benefits of resources expansion (Grant & Baden-Fuller, 2004), which in this case includes trust. Details of relationship marketing practices in different stages of relationship in different departments are described in Table 2, Figure 5 and 6.

## 5.2 Managerial Implication

The manager department usually meets with wholesale customers (sub-dealer of motorcycle and spare parts shops) rather than individual customers especially in the early stages of the relationship stage (pre-relationship and exploratory stage) as an attempt to get to know the customers and start a profitable relationship for both parties. The relationship practices focus on these stages would be organizing and attending social events such as business meals or seminars where the two parties can get to know each other better and understand what each party wants and needs. The followed practice in the early relationship stages would be managing the communications or interaction process where the managers communicate with the customers what the company has to offer which can benefits both parties. Another relationship marketing practice that is crucial in these early stages is knowledge sharing where the managers could show their potential business partners the insight information on motorcycle and spare parts market which could establish the feeling to the customers that the company is willing to do business with them and wishes profit for both parties. The customers would then be passed on to the sales and the managers' role in the latter stages of relationship would be supervising and get in touch with the wholesale customers periodically. Apart than that, another crucial relationship marketing practice for the managers is the service recovery where they are needed to take action in those more complicate issues that the subordinates could not handle. The full practices of relationship marketing practices of the managers in different relationship stages can be found in figure 6.

Maintenance and repair service department is the department where relationship marketing practices are very important to achieve good response from the customers. Almost all of the customers that this department is servicing are individual customers who need their motorcycle routine maintenance or repair when in need. The typical impression of motorcycle service is that the mechanics possess superior technical knowledge than the customers and could possibly make unnecessary changes to the motorcycle and charges the customers more than needed. Therefore, the important relationship marketing practices for this department are changing the impressions, truly understand the customers, treating every job seriously regardless of the size, and knowledge sharing. The maintenance and repair service department could

earn trust from the customer from performing these practices (e.g. treating the customers' motorcycle as if their own and other practices mentioned in findings) which could influence the customers to keep returning for their services.

Despite the motorcycle sales and spare parts sales departments main objective is to sell the products, both departments have some differences in relationship marketing practices. Motorcycle sales department's main customers are individual customers so the useful and frequently used relationship marketing practices are other small little gestures, managing the communication or interaction process, and utilizing Client Relationship Management software. When customers are spending for homogenous products, it is very useful to impress the customers with special services that they were not expecting such as the way the salesperson approach them and special promotions that the customers could get, or when the salesperson remember the customers and know their preferences through the usage of CRM software. This could build and maintain relationship and make the customers come back when they want to buy a new product. In contrast, the spare parts sales department has a considerably portion of sales from wholesales customer (spare parts shops) therefore, relationship marketing practices of treating every job seriously regardless of the size (as it could induce the customers to buy bigger amount in the future) and knowledge sharing became a powerful strategy.

Due to the difference in importance of each relationship marketing practices stressed by each department, appropriate training that are specially designed for each department should be conduct to highlight on the relevance practice and relevance Key Performance Indicators (KPI) should be set accordingly. For example for the repair and maintenance service department, training should be focus on how to communicate with the customers in a knowledgeable way and to keep in mind to treat every customer's motorcycle as their own. The KPI could be letting the customers give feedback to the service quality etc.

Regardless of the relationship marketing practices adopted differently for different department in each relationship stage, the desired outcomes are the same which are to build and maintain profitable long-term relationship with the customers, to create good word-of-mouth (WOM), to generate new sales and cross-selling, and to become the first company the in the customers' mind.

### **5.3 Study Limitations and Future Research Suggestions**

Despite that this research was enabled to identified 11 different relationship marketing practices being used in different departments of a motorcycle dealer company in the 4 stages of relationship, the findings are only from one company. The subject company, Nudpob Bangyai Co., Ltd. is a leading Honda motorcycle dealer in term of sales performance and service quality but one company might not represent the whole industry. Other than that, the company did not have its own motorcycle loan department which normally yields the highest profit margin. A study of beneficial relationship marketing practices from the motorcycle loan department would be a great addition to the research and would complete the whole picture of the business that could potentially give higher benefit to the readers. Apart from that, the head of maintenance and repair service department of the headquarter was unfortunately not available during the interview session to make this research capture the whole picture of the company. Furthermore, the new relationship marketing practice founded from this research, knowledge sharing, may not be applicable to wide ranges of industries; therefore, concept requires trials and errors before reaching the conclusion.

For future research suggestions, explorations of other motorcycle dealer companies on this conceptual framework are recommended to confirm the findings from this research. Companies from other countries are as well should be included as this research only rely on a motorcycle dealer company in Thailand. The findings from this research is also not verified on whether which relationship marketing practices are the most useful as the findings are only identification of the practices and the recommendations were judges based on the author's perspective. Therefore, further future researches on other companies and a mean to measure the signification of each relationship marketing practices in different stages or relationship would be useful for a more precision on pinpointing which practices are the most important practices to be considered.

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## Appendix A: Key Interview Questions

Adapted from (Woo & Leelapanyalert, 2014))

1. How long have you been working for the company?
2. Do you think practicing relationship marketing is important? How important is it? Why?
3. Do you think building and maintaining relationship with the customers is important? How important is it? Why?
4. How do you build relationship with your customers? Please give some examples.
5. How do you maintain relationships with your customers? Please give some examples.
6. What kind of activities you normally do to build relationship with your customers? Please explain in detail. (Find out at what stage it happen).
7. What kind of activities you normally do to maintain relationship with your customers? Please explain in detail. (Find out at what stage it happen).
8. Who is involved in building and maintaining relationship with customer? Can you please give some examples? (Ask for examples).
9. Can you tell me about the scope of work and responsibilities in the company? (Try to extend the discussion in detail for each practice. Don't forget to ask for examples. Try to link each practice to different stages/phases by interpreting).
10. Do you work with other departments to build relationship with customers? If yes, how do you work with them in order to achieve better results? Can you please give some examples? If no, why do you think this is the case?
11. Do you work with other departments to maintain relationship with customers? If yes, how do you work with them in order to achieve better results? Can you please give some examples? If no, why do you think this is the case?

12. Do you have any teams involved with maintaining relationship with customers?  
Can you explain in detail?

13. Is there any support or encouragement from the company to build and maintain relationship with customers? Why do you think the company is doing that?

14. Is there any other information you would like to add to our discussion?



## **Appendix B: Interview Transcript**

### **Employee 1: Head of Maintenance and Repair Service Center, Taopoon Branch**

I am in charge of overall customer service and motorcycle maintenance service. I have been working at the company for 23 years.

#### **Do you think practicing relationship marketing is important? How important is it? Why?**

Yes, I think it is very important. For example, when their motorcycles need fixing or maintenance, the customers will think of us first. If they have close relationship with one of our employees, they will feel that they can trust us and become regular customers which create more income to the company.

In order to build trustworthy relationship with the customer, I would assign the head mechanic or his first assistant to new customers as to create good impressions and trust in the quality of our service.

#### **How do you build relationship with your customers? Please give some examples.**

When a new customer comes into our shop, first I would greet him as soon as he steps in and ask what service I can offer him today. After that, I would ask him some general questions such as where does he live, is it far or near our shop, where did he buy his motorcycle, which model does he currently own in order to generate acquaintance and make him feel more comfortable. Next, I would try to provide useful advice regarding his motorcycle and try to assure that we welcome motorcycles purchased from other shops to our maintenance program, with same warranty and standard. This will make the customer accept our shop as their maintenance go-to as they might feel uncomfortable at first to take their motorcycle that was purchased from other shops to our shop.

**How do you maintain relationships with your customers? Please give some examples.**

In case of regular check-up customers, I would remind them of the next check-up appointment. As for repair service for older motorcycles, I would offer them 10% discount on spare parts and sales promotions like buy 5 free 1 gasoline as a way to retain them as long-term customer.

Moreover, to retain old customers as well as to approach new customers is equally important. We would call old customers when our shop has new promotional campaigns or activities that they might be interested in.

Providing after-sales service is also a way to create good customer relationship. We regularly inquire feedbacks of our maintenance service quality. After one week that the customers get their motorcycle back from our repair jobs, we would call to get their feedbacks on how the job was done, does the motorcycle performance get fixed upon their problems as they first come in. In case that they still not get fixed, we would make another appointment for them to come in and meet with our head mechanic personally to make sure that their problems get well-taken care of.

**How do you deal with customers who are not satisfied with the service offered?**

In case that they took their motorcycles back from our maintenance service but the problems still not get well-fixed, I would have the mechanic who was in charge the first time they came in to inspect the problem once again. If the problem is found as our mistake, we would get it fixed without charging the customer and explain the problems to the customer honestly.

In case of highly dissatisfied customers, I would first let them get it all out, talking about their problems and frustrations, then I try to understand each of their problem and explain with patience about the mechanism of each motorcycle models that might possibly cause the problem and provide advice to help ease the problem, for example.

**What kind of activities you normally do to build relationship with your customers? Please explain in detail.**

We regularly organize activities for our customers, both new and old, such as 9 temples visit, CSR or social service activities, outings to amusement park, movies or dinner and football match.

**Who is involved in building and maintaining relationship with customer? Can you please give some examples?**

There are many people that have their hands in building relationship with the customer, first are the receptionists who help in welcoming and discussing the problem with the customers. Next are the mechanics who have regular customers that were specifically requested by the customers due to their skills in communicating with the customers, friendliness and attentiveness that help extend the usage of certain spare parts or engines, not only doing routine change of those parts. This helps the customers save a lot of money from paying for unnecessary change. Moreover, they provide future estimation of which parts need to be changed in the next check-up in order for the customers to prepare enough money for the next visit. This provides great customer experience for our shop and they will continue to visit our shop for the same mechanic who was attentive to their cases. Also, pricing should not be too expensive than other shops in order to retain customers.

I tell the mechanics that they should not be too forceful to the customers that they need to change the spare parts because in some cases, the customers might not expect to pay such price or inconvenience in leaving the motorcycle at the shop. Instead, they should put what needed to be changed in the job record and tell me about the problem, I will personally talk to the customers as what needed to be changed. This is why the customers come back to our shop to get the maintenance done as they were told the last time they visit us. The principle that I try to assert to all mechanics at the shop is taking care of the customer's motorcycles as we would do to ours.

**What are the other departments that you deal with on daily work process?**

There are two departments that I generally work with. The first one is spare part department; I have to get the spare parts that each customer needs in fixing

or maintenance from them. This work process does not need relations with the customers as it is our internal process, however, having a good relationship with the staff in spare part department help the job get done smoothly.

The second department that I have to work with is sales department. When the customer buys a new motorcycle, we would provide introduction or instructions for them by our experienced mechanics. Also give them advice for the next check-up. I would have the mechanic provide this service to the customer directly as to build their trust and confidence in our skilled mechanic as well as to help them get familiarized with one another, making the customers visit us when their motorcycles need check-up.

To enhance a better customer relationship with our shop, I think communication is the key that would help making the customers feel that they are welcomed and become acquaintance with us. I would constantly talk to the customers when they come in for check-up, greet them when they come in for monthly payment. It would be great if you also remember the customers and which model they bought so you can ask about their satisfaction with the performance of their new motorcycles. Also, when explain about the process of fixing their motorcycle, I would try to explain to them in detail, helping them have better understanding and therefore, they trust us in taking care of their motorcycles.

### **How does the company help support the employees in building relationship with the customers?**

The company gives us commissions from spare part sales which help in boosting the sales to reach annual goal. Moreover, the company helps enhancing our skills by sending us to attend training in customer communication.

### **Further suggestions**

I would like to suggest some of these following points in order to help building relationship with the customer to be even better.

1. Birthday promotion for customers, such as 50% off for changing engine gasoline.
2. New Year promotion such as free gifts (e.g. Honda T-shirt) for those who come in to get their motorcycles fixed during holidays season.

**Employee 2: Manager of Taopoon Branch**

I am a branch manager and also responsible for marketing communications. I have been working at the company for 4 years.

**Do you think practicing relationship marketing is important? How important is it? Why?**

I think it is very important because nowadays, marketing is getting close into daily lives of the customers. Therefore, we need to learn more and get to know our customers as much as we can in order to segment and target each campaign to the right audience which creates competitive advantage to the company.

Relationship with the customers is also very important because nowadays, with the advancement of technology and communication service, they have more options in selecting the vendor that best meet their needs. The customer tends to switch from brands more easily. Customer loyalty is based on relationship between the company and the customers, which is the factor that helps retain the customers. For example, even though we sell at a bit higher price, we provide special service, activities and loyalty program, which help retain the customers.

**How do you build relationship with your customers? Please give some examples.**

For new customers, after they made a purchase at our shop, we offer free gas transfer and 10% discount for spare parts for the first year, which is the key to keep them coming back as our customers for maintenance service for the entire year. It is a way to increase switching cost for the customers if they decide to go to another shop for maintenance service.

Moreover, to maintain good relationship with the customers, it is important that we keep improving our service by identifying problems that frequently come up in our service and find the best solutions by communication within the staff to make sure that the problem will not happen again and to find the best way to react to the problem that will satisfy the customers in order to keep them coming back for our excellent service.

**How do you maintain relationships with your customers? Please give some examples.**

We emphasize on our human resource as the old employees has been with the company for over 10 years and in management level, while the turnover rate for operational level is quite high but, those who has been with the company for a long time tend to have great relationship with our regular customers. They do not just know the customers, but they also know about the customers' family, in a way they have become acquaintances. The relationship between the staff and the customers has been built throughout the years of knowing one another, familiarity and trust.

Due to the fact that 80% of our customers are from nearby neighborhood, in case of regular customers, knowing where they live, we sometime provide service to their doorsteps, which no one else would provide this service to them.

**How do you deal with customers who are not satisfied with the service offered?**

In case of direct complaints from the customers at our shop, we have the management to deal with the problem and record it in our log. But we also have measures for preventing the customers from unsatisfied experience in having their motorcycles fixed. We schedule a phone call to ask for the customers' feedbacks one week after they visited us as whether their problems get fixed. In case that the problems still exist, we offer them to have their motorcycles back for further check-ups to finally getting their motorcycles fixed without charging for mechanic fees, just only their time in coming back in. Calling customers for feedbacks helps in preventing the customers from having unspoken complaints they might have after receiving our service and might lead to switching to other shops without us knowing the cause and enhance their satisfaction with our repair service.

In receiving direct complaints from the customers, we try to listen to them as well as our staff and find out what is actually going on. Then, after identifying what is the problem, we try our best to fix it to best satisfy the customers and then finding out where things went wrong in our process. In case that it is our fault, we apologize to the customers and give them complimentary service as a way to make it up to them.



Our staff is mostly trained to be calm when dealing with dissatisfied customers that they should not be arguing with the customers whether they were right or wrong in that situation because the customers are very important to our company.

**What kind of activities you normally do to build relationship with your customers? Please explain in detail.**

AP Honda promotes setting up several clubs for customers who purchased the same motorcycle models. We organize activities or outings according to each segment's preference to best satisfy the customers in each group.

Another activity is motorcycle contests help by gathering many people with the same interest. The contestants would bring their friends to the event and therefore creates fun, energetic atmosphere. If there are 20 contestants, there will be approximately 100 people attending the event. Therefore, the prize has to be pretty appealing to the contestants.

**Who is involved in building and maintaining relationship with customer? Can you please give some examples?**

All departments are involved in building relationship with the customers due to our business emphasize on service. The department that has most involvement in the relationship with the customers is the service department. In motorcycle repair job, it actually needs a lot of details. Sometime, the job is done, but the customers take their motorcycle back and there is still a problem. In this case, if they trust in our service that we are honest and sincere in giving them the best repair job and that our employees are polite to them, they won't make this a big deal, but simply come back and let us identify the problem to get it fixed. Therefore, I say that the personnel are the factor that helps the company gain trust from the customers. In sales, I would say that the salesperson is not as important as in service department and even less for spare parts department, because the customers buy spare parts out of necessity and therefore, the staff do not need to have as much hospitality. However, they might switch to other shops in case they are not satisfied with our salesperson.

**What are the other departments that you deal with on daily work process?**

In organizing an event or activity for the customers, we organize it through each club we have created for the customers, which is a way to building relationship and new customer base for our company. After the customers purchased our motorcycles, our salesperson will call them when we have an event or outing to invite them to join our activity, which we try to focus on building relationship with new customers. If it is an outing, our safety team also has a hand in building relationship with the customers as they are the ones who help the customers to know about the correct way to ride the motorcycles and also the proper clothes to wear for safety. Generally, helping the customers who come into the shop whether they are not contacting our department and to have hospitality.

**How does the company help support the employees in building relationship with the customers?**

As the management, I think it's the competitors that motivate us to provide attractive promotions to our customers. The promotions need to meet the customers' expectation and not less than that of our competitors' for example, a free helmet when purchased a motorcycle.

**Further suggestions**

I would like to show you the ideal customer cycle model that I want for our company. First, creating awareness, which is mainly from the headquarters' part, however, we also play a part in setting up billboards or cut-outs at local shops and organizing events when new models are launched into the market to generate wider awareness of the brand and attract potential customers to visit our shops. After the customers show their interests, it is salesperson's job to give out the information they need in order to make decision to purchase a motorcycle. Also, the financier should be able to give good deals on loan interests, which depends on the company's negotiation with the bank. After they decided to buy a motorcycle from us, we would encourage them to become a member in one of our clubs and participate in the activities that our company organizes for each club. This help in building good relationship with the customers by giving them great customer experience which most likely that they will

become our regular customers. In the first year after the purchase, we offer attractive maintenance program, which the customers tend to come back for our check-up service while organizing activities constantly. After a few years, the customers tend to take their motorcycle less seriously in maintenance, they might not see the need in bringing them in to authorized shops, and instead go to regular garages. Therefore, it is our challenge to retain the customers by educating them for advantages of genuine spare parts over counterfeit ones. It is also mostly up to our standard of service that would retain the customers, if they are satisfied with our service, we will be on the top of their minds when they would like to make a new purchase, or people they know would like to purchase as well, which will become words of mouth as a way to advertise our company.

### **Employee 3: Salesperson**

I am working here as a salesperson and have been working at the company for 15 years.

### **Do you think practicing relationship marketing is important? How important is it? Why?**

Yes, I think it is important because if we get to know the customers well, we will be able to find out what they are looking for and it would be a lot easier to communicate with them once you have become acquaintance with them. Each customer has specific need which is up to their preference, functionality and performance of each motorcycle model.

### **How do you build relationship with your customers? Please give some examples.**

First I would introduce myself and offer what I can help them with today. I try to greet them with friendliness and talk to them in order for them to feel comfortable with me. In most cases, the customer would visit our shop more than once before making a decision to purchase a motorcycle. Therefore, it is important that I remember the customers by names in order to give them proper information they need at each stage of their decision.

In case of regular customers, I would greet them by names and remember what models they already owned and also their preferences in order to offer them the models that they are likely to be interested in. Also, giving them special gifts on their birthdays. If they are satisfied with our service, they will think of us when they want to make a new purchase in the future.

For new customers, I try to make conversations about themselves according to their characteristics and offer the proper service to them. If they tend to show that they know a lot about our products, I try not to interrupt them with my information, but will later provide the correct information. It needs some technique in talking with each type of customer.

We have the customer's birthdays in our data base in order to send them birthday cards as a way to build good relationship between the customers and the company.

**How do you maintain relationships with your customers? Please give some examples.**

We usually invite them to join the activities organized by our company on holidays or social service activities. We also give the customers discounts for tickets in joining our outings and after the event, they will receive free gifts or cash voucher.

**How do you deal with customers who are not satisfied with the service offered?**

If the customers have a problem with the motorcycle after they have purchased, we offer all new customers a 3-year warrantee. Therefore, they can take their motorcycles in and let our mechanic check on their motorcycles. If the mechanic can identify the cause of the problem, they will get it fixed or if the broken parts are big and costly parts, we can get it changed and claim the expenses with AP Honda Headquarters. There were some cases where the customers would like to change the purchased motorcycles for new colors, we would offer discounts for changing decorating parts to match their preference instead. However, once in a while, there will be a case where the customer is highly frustrated and insist that they would like to change their purchased motorcycle regardless of our offer to fix or alteration. First I would let them talk about their frustrations and offer any of our service that can solve

their problem. However, they insist that they would like to change, therefore, I have the mechanic inspect the motorcycle first, if the problem is caused by our part and the purchased motorcycles have not been used for too much mileage, I can offer to have it changed on conditions that the customers are to be charged with extra fees for new registration.

**Who is involved in building and maintaining relationship with customer? Can you please give some examples?**

All departments are involved in building relationship with the customers either the reception, service center or the mechanics. I think aftersales service is as important as the selling itself, because after they purchased a motorcycle from us, they will visit our shop for maintenance service on regular basis for years.

**What are the other departments that you deal with on daily work process?**

If the customers need maintenance for their new motorcycles, I would recommend them to buy pre-paid package in order for them to get more discounts. For spare parts department, we can offer up to 15-20% discount or not charging mechanic fee for regular customers.

In dealing with other departments, for example, the mechanics, I always check whether they are busy with their regular jobs before asking them to start the engine for newly purchased motorcycles and to give instructions of use for the customers. If they are rather busy, I would try to help them as much as I can to get the new motorcycles prepared for them for running tests for the customers.

For old customers, usually come in for spare part and accessory department, I would refer them to spare part department as well as offer them discount promotions.

**How does the company help support the employees in building relationship with the customers?**

Our managements always emphasize on the customer's importance to our company and to treat them with hospitality and helpfulness. Our company is an authorized service center that offer excellent service standard and beyond their

expectations. Due to close relationship with our regular customers, we sometime help them with personal matters, there was a case when we took one of our customers to the hospital.

### **Further suggestions**

We constantly organize activities such as outings to countryside, dinner, football match, movie for our customers, which we invite both old and new customers personally by phone. Moreover, we also welcome their friends if the number of participants is not exceeding the limit, which is another way to expand our customer base.

Most importantly is our service standard and warrantee after repair job, which is an advantage over smaller shops where there is no warrantee after the repair. In talking with the customers, I make suggestions for each person's preference and functions because different people have specific needs. Talking to them will help in understanding their needs and requirements. For a salesperson, we usually talk to the customers about general matters, ask about their daily lives in order to get to know them better and avoid sensitive subjects.