

Customer Retention in Ford Company at Thanjavur

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ABSTRACT

Customer is the most important person in any form of business, especially in automobile companies. All the business should try to give importance to the customers and try to build mutually beneficial relationships with the customers. It will build the organizations are able to retain their customers. The paper discusses the importance of customer retention in the present competitive business scenario and the development of strategies in the car dealership company that successfully promote the customer retention. The research seeks to explore the importance of customer retention, the challenges faced in retaining customers and current customer retention strategies being developed by an Lakshmi Ford car dealership at Thanjavur to influence repurchase behavior of existing customers.

Keywords: Automobile, Business, Retention, Dealership, Customer.

INTRODUCTION

Customer is the profit of the company, so the companies concentrate in retain the customers and search new customers in the competitive world. R&D department of the company focus in customer retention in theoretically as well practically. Customer satisfaction only made the importance to retain the customer. So companies looking for their profits, while to concentrate their sales to existing customers and spend considerable time and resources to searching the new customers also. Most of the company spends lot of money and resources for bringing the new customers but not for retain the existing customer.

Due to the technology advancement and increasing the competitiveness of the automobile industries it is very difficult to stand the company in the market, retain the existing customer and search new customer to car shopping. But the Ford Company plan and execute some marketing plans to the customers and satisfy their requirements and target to have the existing customer.

Current scenario especially the automobile companies have the main strategy indicator of customer retention.

STATEMENT OF THE PROBLEM:

Customer retention is a primary goal for all the companies. Especially the automobile company emphasizes the customer retention need for a greater commitment and investment from dealerships. The marketing strategies, execution and focusing of customer retention is unique of the company it may be vary from companies to companies. The researcher insisted that the customer role is important to the companies so search the new customers not ignore the existing customers. The Ford Company has taken more imitative to create the centre of attention the customers in the planning and executing the new marketing strategies and measurements, but in reality it's very difficult to monitor and maintain the customer. The company has faced to lot of problem in constantly conduct research and also monitors the strategies among the competitors.

SCOPE OF THE STUDY

The main factor of the customer retention is profit and growth of the company. So the companies made some initiatives to influence the customers to buy the car and induce them to retain or repurchase the new models. Now a day the car is important to all categories of people in the sophisticated world. As a result the researcher concentrates the automobile industry and found the marketing strategies in technology world to retain the customer among the competitors.

OBJECTIVES:

- To determine the problems faced by the company in retaining their customers.
- To find out the marketing strategies to satisfy the customers' needs.
- To study the planning and execution of retain the customer among the competitors.

REVIEW OF LITERATURE

Art Weinstein (February 2002) Nova Southeastern University, USA in the article **“Customer retention: A usage segmentation and customer value approach”** reviewed that, this article discusses how companies should develop a customer retention focus and initiatives to maximize long-term customer value. Specifically, it examines the importance of customer retention; conceptualizes an integrated customer value/retention model; and explains how usage segmentation can assist in relationship-building, retention strategy and profit planning.

In the same vein, **Mohsam, et al. (2011)** observed that the issue of customer satisfaction has been gaining increasing attention among researchers and practitioners as a fundamental tool in financial institutions for enhancing organizational performance and profitability. Further observed that the issue of customer satisfaction cannot be easily dismissed because the happier the customers, the easier they disseminate information about the products.

Customer retention is also analyzed by **Jing-Bo, Zhe, and Xuan-Xuan (2008)**. The author's model assumes that customer retention affects customer satisfaction, customer perceived value, trust relationships and switching costs. It must be concluded, that these factors are equally important for customer retention.

RESEARCH METHODOLOGY

Research Design: Research design indicates a plan of action to be carried out in connection with a proposed research work. The present study is descriptive and analytical study and used the simple percentage tool.

Sample Size: 300 respondents were selected for the study. Convenience random sampling method was adopted. This study was carried out in the Thanjavur District.

RESULTS AND DISCUSSIONS

Table 1:

The Promotional factors influenced the customer to purchase the car

OPINION	NO. OF RESPONDENTS	PERCENTAGE
Advertisement	108	36
Reference by friends and relatives	96	32
Attractive Loans	96	32
TOTAL	300	100

Chart 1:

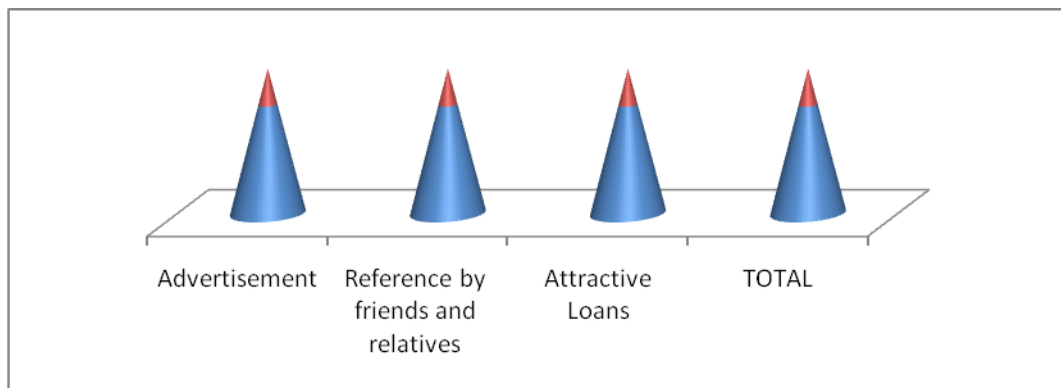


Table 2:

The payment method used for purchasing by the customer

OPINION	NO. OF RESPONDENTS	PERCENTAGE
Cash	114	38
EMI	186	62
TOTAL	300	100

Chart 2:

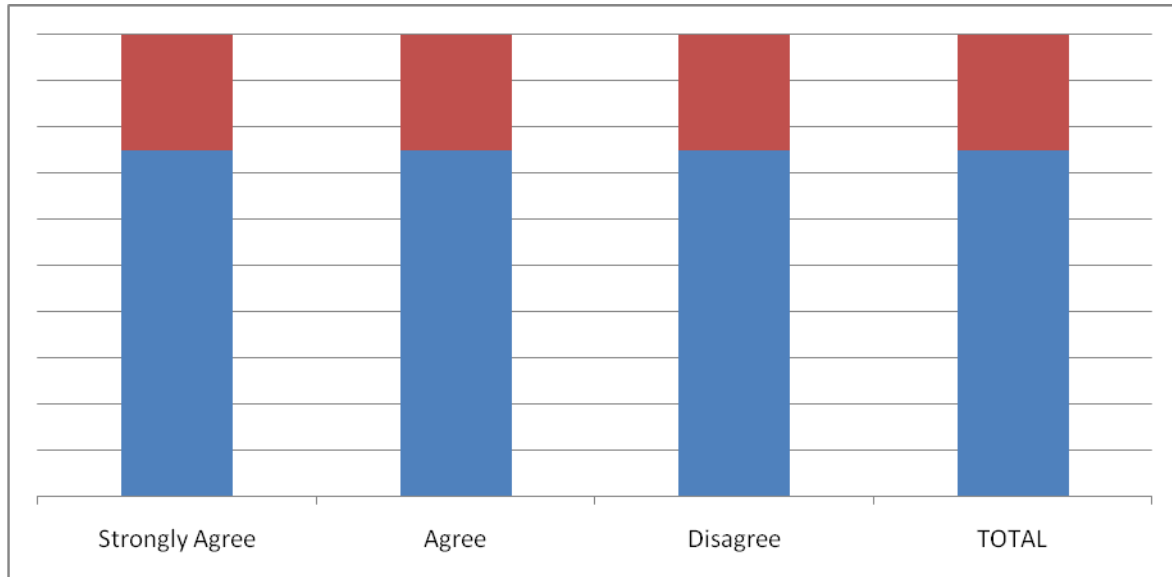


Table 3:

ATTRACT THE CUSTOMER THROUGH NEW MARKETING STRATEGIES WHEN INTRODUCING THE NEW MODEL OF CAR

OPINION	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	99	33
Agree	114	38
Disagree	87	29
TOTAL	300	100

Chart 3:



FINDINGS AND SUGGESTIONS:

From this study the researcher recommended that the companies should continuously carry out the research to understand and find the needs of their target market and the way to successfully gratify the requirements. The company has to create effective marketing strategies with technology to face competitors and maintain good and smooth relationship with customers. And also monitor the strategies and make it more effective and execute in the market.

CONCLUSION

From the finding of the study the researcher concluded that the company always searches new customers not concentrate on the existing customer. So the companies give more importance to existing customers. Now a day the company gets aware of the essential of the customer retention among the competitors and executing new innovational ideas and models for their valuable customers. This study exposed that the company has to develop the ethical rapport with the customers to recognize and gratify their needs and wants.

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