A Case Study of a Taiwan-based International Car Company as to its Execution of Customer Relationship Management

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Abstract:
Customer relationship management can be regarded, in essence, as execution of a business strategy. It aims to optimize long-term customer value. Company general affairs, marketing and customer service all need to be customer-oriented. Businesses that develop culture, strategy and leadership by taking customers into the first consideration can effectively perform customer relationship management with the help of information technology on the one hand, and precisely measure overall outcome on the other hand. The present study conducts an empirical study on an enterprise using case study research. The purpose of this study is investigating the meaning and implication of customer relationship management implemented by an international enterprise. This case study hopefully can help find mutual relations between different important constructs of customer relationship management, thus developing a successful customer relationship management model for regulating the performing procedure of customer relationship management and assuring successful customer relationship management of an international enterprise.

Keywords: International enterprise; customer relationship; customer relationship management

1. Introduction
Faced with market globalization, deregulation and competitiveness, all businesses need to have a solid understanding and knowledge of markets, products and customers. They should design the most appropriate strategies to reduce resource waste and enhancing transaction performance, thus boosting their competitive cutting edge. The purpose of customer relationship management consists in managing the relationship between a business and its current and potential customers. It places stress on systematically identifying customer needs and customer purchase behavior. Businesses need to establish an ideal model of customer relationship management through which customers from different locations are serially linked. This paves the way for more business opportunities and higher profits.

This study compares and contrasts the logistics and the information flow of an international enterprise. Case study research is employed on an international enterprise for empirical analysis. The meaning and implication of customer relationship management are investigated and the mutual relations between important constructs of customer relationship management are explored through case analysis. This study, hopefully, can regulate the execution procedure of customer relationship management and assure its success as well. The model of customer relationship management proposed by the present research can be referred to by Taiwanese international enterprises in their development of customer relationship management.

2. Literature review
2.1. Meaning of Customer Relationship Management
Customer relationship management (CRM) is the use of continuous customer interaction to improve customer service relationships, assist in customer retention, develop potential customers and drive sales growth. With the 21st century being regarded as the "era of consumer economy," effective implementation of CRM can increase profit for enterprises. Table 1 shows different definitions of CRM available in literature.
Brina Spengler (2009) Use of software-related technologies to assist in sales, marketing, customer service, automation and improvement of business flow

Khirallah (2011) A business strategy for sales and service. Businesses should center around their customers. Interaction enables message to reach appropriate customers

Pivotal Co. (2013) A means of management using specific tools, skills and technologies to facilitate and improve business administration. It aims to optimize total value of customer relationship

Lu Kun-Li (2016) Use of database to help businesses collect customer data & information for transfer, loading and analysis, thus serving as a guide for marketing strategy. It helps boost probability of successful performance, add to profits, and reduce costs.

McKinsey CRM refers to in-depth analysis of customer data & information and offers customer-tailored product and service to enhance and develop customer relationship

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Table 1: Different Definitions of CRM
Data Sources: Compiled by the Author

Based on the above-mentioned definitions, CRM can be referred to as use of information technology to integrate marketing, customer service and sales flow, thus offering customer-tailored service, enhancing customer satisfaction and loyalty, elevating customer service quality, and eventually enhancing overall business performance.

2.2 Model of Customer Relationship Management

In customer relationship management, customers include business customers and final consumers. Final customers are again divided into current customers and potential customers. Customers have different needs and consequently there exist different forms of interaction between businesses and customers. As a result, businesses need to design their own unique model of customer relationship management based on customer characteristics and segmentation (Hsu, 2012).

First, it is necessary to know what kind of customer relationship is to be established. As a strategic objective of CRM, this means that in order to achieve competitive advantage, businesses need to establish different degrees of customer relationship, ranging from short-term transactional relationship to long-term partnership relationship, or from one-to-many relationship to one-to-one relationship. Concretely stated, it demands that businesses appropriately segment their customers. For example, they may refer to transactional volume or growth potential as segmentation variables whereupon different degrees of relationship can be set up.

Secondly, businesses must design appropriate interaction plans to meet different customer needs, thus satisfying the objective of CRM. Designing interaction plans need to take customer knowledge and creativity into consideration. The execution of interactions plans requires reorganization of business flow and support from the system. For example, offering discount to customers credited with high accumulated purchase amount can be regarded as an interaction plan. To enact this plan, the businesses have to reorganize their billing process flow and shipment flow. In addition, businesses need to pour more resources or employ adequate incentive to motivate sales or stock replenishment personnel. This process can be called as "system support."

The third problem is concerned about interaction interface. Interaction interface is a channel through which businesses transmit their products or messages to customers. It is through the interface that interaction between businesses and customers can be achieved. The interface involves face-to-face sales or interpretation, order by phone, DM transmission, websites or even email, all of which can offer direct interaction with customers. Of course, businesses can turn to brokers or distributors for indirect customer interaction.

The last problem goes to analysis via technology tools. The process of interaction involves a large amount of and a wide variety of data, which needs to be converted into useful information or knowledge. Data conversion depends on application of information technology, which is used for computing and transmission. Computing refers to calculating.
analyzing, selecting and judging data for conversion. Currently, the superb data computing ability facilitates the performance of mass analysis.

2.3. Implementing Customer Relationship Management

As an interface system, customer relationship management integrates and supports relevant service offered by businesses. It can be regarded as management of business process aiming at reorganization of an enterprise. By taking enterprises, customers and technologies into consideration, implementation of customer relationship management is supposed to include the following seven steps (Noguchi, 2011).

2.3.1. Analyzing Environment

Environmental analysis is based on 3Cs, including customer, competitor and company. With respect to competitor, analysis should center on comparing and contrasting one’s own company with other companies in terms of benchmarking, optimal manner of execution and core competence. Customer analysis emphasizes customer segmentation or customer satisfaction. Lastly, it analyzes company resources, manpower and problems with the company.

2.3.2. Building Vision

Vision building includes postulating what the business is about, determining business domain, examining and completing the prospect of customer relationship management. Customer relationship management is by nature a starting point of re-examining the nature of the business. It goes beyond the previously defined boundary.

2.3.3. Developing Strategy

Once the vision of customer relationship management has been set up, the company needs to develop practicable strategy. The strategy of customer relationship management needs to employ cross analysis of customer contact channel and customer service process analysis. The result can serve as a guide for customer relationship management strategy.

2.3.4. Flow Reorganization

The assessment of business flow is based on the principle of “No burden on customers; only happy and relaxed customers.” During the process the company should automatically collect customer data and conduct analysis of customer service. It needs to gather data using phone interview, roadside interview and websites.

2.3.5. Setting up System

By customer relationship management system is meant application of information technology to customer relationship management strategy. Based on information system, it involves introduction of customer relationship management software, including customer service center, sales automation and EC (e-commerce.) Information technology is employed to assess, simulate and perform the practicability of system.

2.3.6. Use of Information

The collected customer data is analyzed to obtain their most recent consumption time, frequency and type of consumption. In furtherance, action analysis is conducted on core customers. Data exploration technique is implemented to convert mountain high data into meaningful information, thus enabling us to know what core consumers’ preferences are. Besides, customer ranking is fed back to the development team or on-site service personnel for improvement, enhancing and promotion of service.

2.3.7. Knowledge Cycle

The cycle of customer relationship management includes setting up cooperative framework of customer relationship management, building and using knowledge management, human resource management and development. They constitute a dynamic cycle for reference and are supposed to flow within the organization.

2.4. Success Factors of Customer Relationship Management

Successful CRM is based on several conditions. Dyche (2012) proposed, on the basis of past research and experiences, the following success factors.

2.4.1. High-Ranking Supervisors’ Support and Commitment

As a strategy, CRM is a guide for business-customer interaction. It is important, therefore, that high-ranking supervisors express their psychological support of its implementation. Furthermore, as implementation of CRM involves considerable innovation and transformation, businesses need to pour tremendous resources into it. High-ranking supervisors should promise to offer resources needed to prevent CRM from becoming an empty talk.

2.4.2. Actualization of Customer-Orientation

Customer orientation as a concept is applied to design business flow on the basis of customer behavior and motivation. The emergence of concept, the design of business flow and even the details of execution all need to be based on actualization of customer orientation.
2.4.3. Customer Knowledge Competence

Modern information technology can build a huge database or data warehouse. Businesses tend to regard data as a precious asset. However, data needs to be converted into knowledge, thus generating value. By customer knowledge is meant knowing how to combine activities related to customer relationship management. Customer Knowledge can also be regarded as information that helps offer customer interaction. As a consequence, the information extracted from database or warehouse needs to be effectively applied. According to Campbell (2013), customer knowledge competence refers to ability in effectively applying information. Customer knowledge competence is not only related to the performance of customer interaction but a success factor of CRM.

2.4.4. Strategic Partner Relationships

Customer relationship management is based on customer orientation. To satisfy customer needs, the designed flow needs to be cross-departmental. It also requires integration of different strategic partner relationships, including suppliers, distribution units and sales partners. Establishing good strategic partner relationship is the key to successful customer relationship management.

3. Research Design

The present research employs explorative case study, the purpose of which is exploring preliminary perspectives and offers space for further investigation. Next, as businesses may differ from each other as to manners and demands of maintaining customer relationship, they are likely to be different in the application of customer relationship management. By applying secondary data analysis and case analysis, this study refers to past research and data obtained from interviews for CRM analysis, strategic planning, design, and implementation, thus establishing a model of successful customer relationship management applicable to businesses.

This study implements in-depth case analysis. Interview survey questionnaire is also used to help understand how the company under investigation applies customer relationship management and to what extent it is achieved. To attain in-depth analysis of interview, research should concentrate on data completeness and data characteristics. Through interviews the researcher can find important dimensions, vectors and cross relationships. Such a research method can actually explore open-ended questions instead of merely examining hypotheses derived from theory. Through developing and establishing relevant dimensions, the researcher can organize and classify verbal responses to research questions.

The conceptual framework of this research is firstly developed through reference to and organization of theories available on literature, followed by planning of an in-depth case analysis. Once the objects for case study are targeted and themes are designed, in-depth analysis can be conducted accordingly. Finally, the result is based on data analysis and compiling. Important findings conforming to the conceptual framework are obtained and conclusions and suggestions are provided.

4. Case Analysis

The present study, which employs case study research, conducts an in-depth investigation and analysis of the customer relationship management implemented by Yulon Motor Co., a Taiwan-based international enterprise.

Case: Execution of customer relationship management in car industry: execution process at Yulon.

By referring to the project of customer relationship management proposed by Noguchi, Yulon implements the following steps of customer relationship management:

4.1. Implementation Stages of CRM

4.1.1. Analyzing the Environment of Customer Relationship Management

Yulon first refers to 3Cs (including customer, competitor and company) as main items of analysis. With respect to analysis of competitor, Yulon further implements bench marking, optimal manner of execution and core competence to compare the current situation of Yulon with that of other competitors. Customer analysis emphasizes customer segmentation and customer satisfaction. A CRM plan is thus developed.

4.1.2. Building Vision of Customer Relationship Management

Vision of customer relationship management is developed based on the characteristics of the car industry and analysis of targeted customers. The formalized vision is then subject to step-by-step completion.

4.1.3. Developing Strategy

With respect to strategy of customer relationship management, Yulon employs cross analysis of customer contact channels and customer service process analysis. The result serves as guidelines for consumer relationship management strategy.

4.1.4. Extension of Consumer Relationship Management Flow

The assessment of business flow of Yulon is based on the principle of “No burden on customers; only happy and relaxed customers.” During the extension process, Yulon automatically collects customer data and conducts analysis of customer service. Data collected from phone interview, roadside interview and websites is submitted for analysis.
4.1.5. Constructing System of Customer Relationship Management

To construct the system, information technology needs to be integrated to customer relationship management. To meet the needs, Yulon implements ERP system, supply chain system, and CRM system. It also employs information technology to execute three types of system usability, including evaluation/review, simulation, and application.

4.1.6. Active Use of Information

The collected customer data is analyzed to obtain customer’s most recent consumption time, consumption frequency and type of consumption. In furtherance, action analysis is conducted on core customers. Data exploration technique is implemented to convert mountain-high data into meaningful information, thus enabling us to know what core customers’ preferences are. Besides, customer ranking is fed back to the development team or on-site service personnel for improvement, enhancing and promotion of service.

4.1.7 Formation of a complete cycle by making use of customer relationship management and knowledge management cycle

The CRM system is employed to set up customer relationship management, construction and active use of knowledge management, and customer relationship management-based human resources management and development. The cycle needs to flow within the organization and must be dynamic enough for instant reference.

4.2. Use of Technical Analysis

The CRM system implemented by Yulon includes front-end customer relationship management and back-end customer relationship management. Fig. 2 shows CRM core technology.

4.2.1. Front-End Customer Relationship Management

The front-end of the CRM system includes CRM system for marketers, Internet call center, POS (point of sale) system and MIS (management information system). Direct contact with customers is made possible via this system.

4.2.2. Management Telephone Customer Service

Call center serves as a bridge connecting consumers on the internet and EC owners. It can provide consumers with various types of interaction including voice talk and texting, phone answering, email and web interaction. Call center plays an important role in operational customer relationship management.

4.2.3. Back-End Customer Relationship Management

Back-end customer relationship management places stress on setting up back-end information warehouse whereupon the traits and behavior model of customers are analyzed. When combined with the front-end system, the established warehouse can produce better effect.

4.2.4. Information Storage

Information storage is a process, not a product. It is integrative data storage for easy access. The data, which has different sources, is stored for conversion into meaningful themes or information groups, which are used to check, report, distribute resources, postulate a policy, and facilitate thinking.

4.2.5. Information Analysis

The behavioral model of customers can be automatically predicted using combined data mining technology and data warehouse, thus attaining valuable commercial purpose.
4.2.6. Information Application

After a series of information analysis, an EC company can obtain information of considerable help to it and store the information in the tank. By referring to OLAP (on line analytical processing), the company can extract high-value dynamic information from the information storage. Decision makers can make their judgment based on the information available in the storage.

4.3. Success Factors

4.3.1. Market Segmentation and Selection

Consumer segmentation is conducted based on customer purchase records and basic information. Take customers who prefer high-priced imported cars for example, Yulon launches million dollar-class Cefiro, breaking the price ceiling of domestic-made cars. The customers of other less-than-million-dollar Yulon brands, however, overlap with those of other domestic-made cars.

4.3.2. Create Good Business Image

Yulon, which values business image, has long been committed to social charity activities, notable among them are “I love green sea turtle,” “Greenization of Sanyi Interchange,” and “Golden medal for wooden sculpture.” In addition, it has been committed to promoting “e-options” to diversify products and boost consumer brand loyalty.

4.3.3. Development of Product Diversification

The product line of Yulon offers a wide selection of cars, ranging, in terms of CC, from 1,300cc cars to 3,000cc cars, and even 4200cc imported cars. It offers both trucks and sedans. The domestic-made Yulon car brands include March, Verita, Sentra, Cefiro, Serena, X-Trail and Strong Brave truck. Yulon-imported cars include Nissan’s Infiniti and Megane. Cefiro, the best-selling car brand, claims to have a 42% share of the company’s total transaction volume, followed by Sentra, at 34%. As to product characteristics, Yulon has over the past few years been promoting “e-options” including NAVI satellite navigation equipment, TOBE mobile life and have created fashion trends.

4.3.4. Innovative Tailoring for Customer

In addition to moving people to other places, modern cars provide people with information, consumption, communication, life and recreation. The TOBE system developed by Yulon possesses a huge mobile database that offers traffic update, finance and banking, medicare and leisure, consumption news and local scenic attractions. Indeed, it can be regarded as a timely, diversified and self-choosing information service.

4.3.5. Excellent Customer Information System

Yulon has undergone three stages of organization restructuring including unifying plant and office, adopting segmentation strategy, and employing big 3-circle strategy. It implements sequentially supply chain management, the ERP system, and the CRM system. With the help of the CRM system, the upstream suppliers can produce and deliver required parts as scheduled, thus effectively reducing inventory. With the help of this system, Yulon can integrate purchasing, production, finance, quality, selling and manpower, thus preventing inter-departmental work overlapping and boosting execution efficacy and competitive advantage. The downstream distributors can integrate the horizontal businesses of Yulon including speedy maintenance, used car buy & sale, car leasing, car insurance, financing & loan, customer service center, and high-tech gadgets and accessories for cars. With this all-round service, the company can readily meet customer needs, which are again fed back for research & development and production, thus enhancing company’s competitive cutting edge.

4.4. Execution Efficacies

Through implementation of CRM, Yulon has achieved the following execution efficacies:

4.4.1. Accentuating Management Flow

Implementation of CRM in combination with ERP adds to the efficacy of management flow. It prevents inter-departmental work overlapping, boosts execution efficiency and elevates competitive advantage.

4.4.2. Activating Information

With the help of CRM system, Yulon can convert customer data into useful information. Such information constitutes key company know-hows whereupon effective marketing plans are based.

4.4.3. Establishing Healthy Customer Relationship

CRM technology enables Yulon to maintain long-term customer relationship, enhance management activities of customer lifelong value, and enhance business image of Yulon.

4.4.4 Reducing Cost and Increasing Profit

Through implementing CRM system Yulon can maintain current customers, boost their loyalty, reduce cost of finding new customers, create optimal profit, and strengthen market competitive advantage.
5. Empirical-Based Results

The present study proposes, on the basis of case analysis, a practicing model of successful customer relationship management, as is shown by Fig. 3:

5.1. Customer Acquisition

5.1.1. Stage of Customer Acquisition

Providing customers with one-to-one service helps businesses establish long-term customer relationship, thus creating customer-centered culture.

5.1.2. Stage of CRM Implementation

This stage enables a business to understand customer needs and preference, proceed product or service segmentation, develop different activity strategies, and establish long-term stable customer relationship.

5.1.3 Stage of CRM Establishment

Setting up customer database can speed up handling and analysis of customer information. A CRM system including marketing model, EC, data mining, database, and call center can provide a business with advanced means and methods.

5.2. Customer Purchase

5.2.1. Data Collection Through CRM

CRM helps a business scan and select targeted customers. It can accurately lock customer needs and proceed specific marketing activities, thus stimulating customer needs and preventing business from resource waste.

5.2.2. Data Analysis Through CRM

With the help of CRM, businesses can deal with and analyze massive data available in the database to obtain accurate information. This helps businesses maintain and enhance relationship with current customers.

5.2.3. Data Extraction through CRM

Through implementing CRM, businesses can revise relevant customer data depending on customer response, thus updating the data in the database. Accurate marketing information can be extracted and transparent marketing-related activities can be expected. By offering different types of analysis, it assists supervisors in managing marketing personnel and predicting sales figures. In addition, CRM helps businesses attain a good command of data related to a buyer and understand his or her situation. This can boost success rate, shorten sales cycle, and enhance company overall productivity and competitive advantage, thus developing a positive cycle.

5.3. Customer Service

5.3.1. Call Center

Call center tends to offer passive service. Through CTI, an integration of telephony to CRM, businesses can offer active service. Call center is the connection channel through which businesses receive external information. It serves as a front-end service mechanism. It provides customers with service needs and enhance customer satisfaction.

5.3.2. Business Intelligence

Related units of a business can access useful customer information offered by the CRM system. Based on customer relationship management and customer segmentation and ranking, businesses can have a deeper understanding of their customers and provide them with differentiated service.

5.3.3. Product Diversification

The more diversified products there are, the more types of service there will be. It is necessary to set up a large-sized call center responsible for solving customer problems and satisfying customer needs.

5.4. Customer Analysis

5.4.1. Implementation of System

Businesses can set up a model by applying CRM or segment customers in terms of their contribution. In this way, they can identify customers, including potential customers, most likely to respond to products and maintain long-term relationship with businesses. Based on this point, businesses can develop a prediction model or database for market analysis, thus enabling marketing personnel to undergo multi-dimensional market analysis. They can design marketing activities and sales promotion aiming at specific consumer groups. Such endeavor can reduce cost and increase profit.
5.4.2. Employee Educational Training

Businesses should engage employees in CRM project. Customer knowledge management can be conducted through internal educational training and knowledge share. The CRM system facilitates understanding of customer needs. It involves not only the front-stage customer service operation but also support and assistance from other department personnel. Therefore, possessing relevant knowledge helps realize business CRM system, oversee business operation, and meet customer needs.

5.4.3. Well-Rounded Information Technology

Well-rounded application of information technology and system setting up, coupled with information exploration system setting up, can produce valuable business intelligence. Also, user-oriented interface needs to be built in combination with the function and cycle of customer relationship management to motivate employees to make efforts to meet what is expected of them, achieve their own value and benefit, and boost their productivity and service quality.

6. Conclusion and Suggestion

6.1. Conclusion

The present study, which identifies success factors of customer relationship management, establishes a practicing CRM model applicable to international businesses. International businesses that introduce and execute this CRM model can maintain healthy customer relationship. Based on case analysis and system research, the present research proposes the following conclusions:
6.1.1. Customer-Orientaion as the First Consideration

The CRM philosophy is rooted in the concept of enhancing the value of customer relationship. Customers need direct, sustaining and individualized service. Customer relationship management, therefore, is developed to satisfy customer value needs.

6.1.2. Beginning with High-Ranking Supervisors

High-ranking supervisors should have an overall and explicit understanding of practicing CRM. CFM not only creates long-term value for businesses but also transforms management. Once company direction is explicitly set up, a blend of customer benefit and company benefit is sure to generate feedback value.

6.1.3. Actualization of Employee Training

CFM should be regarded as a long-term business process in which employees constantly learn to boost customer and business value. They learn to avail "dialog", a fundamental yet important communication method, to maintain long-term customer relationship. They need to constantly adopt updated information analysis to enhance their knowledge about customers. Businesses are supposed to pour investment on knowledge management, thus maximizing employees' knowledge competence.

6.1.4. Implementing Information Technology

Businesses should have investment on related software and hardware system. Customer database needs to be set up to transform huge data into overall knowledge of customers. The Internet needs to be integrated to offer customers product and service information. Meanwhile, a communication tool is necessitated to make possible millions of one-to-one communication. A functional call center can provide customers with the most direct dialog and top-quality service.

6.1.5. Overseeing Evaluation System

Evaluation system not only helps supervisors develop overall plan and make decision but also guide customer-related daily activities, thus assuring execution success and CRM quality.

6.2. Suggestion

Due to insufficient publicized data and lack of related literature, the present study cannot conduct quantitative analysis in details. Forthcoming research is suggested to employ quantitative study on topics related to customer relationship management.

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