

Enhancement of Market Share in Passenger Car Market for Popular Vehicles and Services Limited

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Abstract: *The study was basically aimed at finding the ways to enhance the market share at Kollam market, Kerala, for Popular Vehicles and Services Ltd. Popular Vehicles faces a major challenge in the market share since it is comparatively very low vis-à-vis competitors. Results of data analyzed show that visibility of the showroom and the interior ambience has not helped to increase the sales in the market region. The analysis also reveals that the concern for customers is in not meeting the delivery time and in exchange process. The study has reached a conclusion that the showroom in the Kollam district is inadequate to meet the required customer standards. Popular Vehicles and Services needs to focus on developing the infrastructure to constructively improve the market share. Maintaining an experienced sales force with an even mix of executives from different communities can help to penetrate more into the market unit.*

General Background

The automotive industry in India is one of the largest markets in the world and had previously been one of the fastest growing globally, but is now seeing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2012. According to recent reports, India overtook Brazil and became the sixth largest passenger vehicle producer in the world, grew 16 to 18 per cent to sell around three million units in 2012-13. Sales figures do not necessarily indicate how a firm is performing relative to its competitors. Rather, changes in sales simply may reflect changes in the market size or changes in economic conditions. The firm's performance relative to competitors can be measured by the proportion of the market that the firm is able to capture.

As such the core idea in the research analysis is to identify the methods and ways necessary to increase the market share for passenger car dealership in the Palakkad market, in Kerala, through quality selling technique and as well increase the customer retention in a competitive passenger car retail industry. The Indian passenger car market which was predominantly dominated by Maruti Suzuki in the earlier days has been facing stiff competition from the other players in the industry. Maruti Suzuki has performed relatively well with regards to the competition faced. A strong product base with a close knitted supply chain has helped Maruti Suzuki to maintain its dominance in the passenger car market. In order to increase the sales of Maruti Suzuki vehicles, the manufacturers have introduced many offers. The offers vary according to the different types of consumer vehicle and the various segment of the public.

Research Problem

The research concentrates on the need to find methods to enhance market share through quality selling and increasing customer retention in the passenger car market.

Objectives of the study

- To study the sales process and operations in Popular Vehicles and Services Ltd., Kollam.
- To identify the market potential for Maruti Suzuki in Kollam market.
- To identify the gaps in the sales process and improve the quality of selling.
- To develop methods to increase retention of customers in automobile retail industry.

The research, conducted is mainly focused on finding the ways to enhance existing market share of Popular Vehicles and Services Ltd. in Kollam Market. Primary data has been collected using the survey method utilizing questionnaires. Survey has been done using two sample units comprising of existing car users of Kollam and fresh customers arriving at the outlet to pick up their new cars. Data has been analysed using SPSS programme.

Sampling Plan

Non-probability sampling of judgment sampling has been done on the sample frame in the Kollam Taluk of Kerala. 150 existing car using customers and 35 customers who visited the outlet for taking delivery of new cars have been surveyed.

Data Collection

Primary data: Primary data included collection of data through unstructured expert interviews and questionnaires from the potential and existing customers. Questionnaire was the main method through which primary data was collected.

Secondary data: It included internal and external data already available in the showroom records. Showroom walk-ins, enquiry lists, follow-up records etc were used.

Data Analysis:

For data analysis, SPSS was used to put to use valid statistical tool for analyzing the findings of the research. The different features of MS Excel were also utilized in the analysis.

Findings

Kollam market has a potential to sell more than 7500 Maruti Suzuki vehicles as shown from the year on year data from Maruti Suzuki India Ltd. Popular Vehicles and Services have the potential to increase the share in Kollam market by constructively developing its infrastructure and man power quality. The delivery gaps can be identified as Showroom facilities, Exchange system, Service facility, and Staffing and Visibility. There is a huge gap between promised delivery time and actual delivery time. An unsatisfied experience of a loyal customer in the service center may result in losing new car sales.

The service wing has rather a negative image amongst the home base in Kollam. From the study, about 47.6 % of the customers rate the service facility below average. With regards to Kollam market, there is an even mix of customers from the major communities. But the sales team does not have such an even mix. Also, there are only a few senior sales staff at Popular Vehicles and Services Limited, Kollam. From the customer feedback, it is found that most of the complaints are - delay in delivery, accessory fittings (not complete on delivery) complaints and exchange issues. Equal importance should be given to servicing of

cars, maintaining an overall image in the market, communicating with the customer after sales, etc.

Suggestions & Recommendations

Popular Vehicles and Services needs to focus on developing the infrastructure to constructively improve the market share. The current showroom exterior outlook can be developed by modernizing the display area and front glasses and can be given a fresh look to improve the attraction level for the showroom. This can help in increasing the overall interest levels and thereby increase the walk-ins into the store which is at present a dismal level. A new showroom on a better location can be constructively worked out in the years to come. A stable manpower should be maintained before taking decision to occupy a new showroom. The exchange system can be developed. True value infrastructure and the non- true value exchange system needs to be developed. This can help Popular Vehicles and Services to make an impact in the near future. Steps should be initiated to improve the acceptance of Popular Vehicles and Services in the home region of Mundakkal, in Kollam district.

Special loyalty programmes in service can help to improve the overall attitude of customers towards Popular vehicles. Steps need to be initiated to maintain a sales team with even mix from the various communities in Kollam market and to improve the retention rate of sales team. Decentralization from Trivandrum to Kollam can be worked out to improve the operating efficiency. Constructive measures have to be taken to initiate a Kollam wing for effective correspondence for better working of the wing. A SMS and e-mail based system can be started between the showroom and customers in order to avoid the malpractices made by the sales executives. Mobile text messages on initial visit, bookings, price quote, and payment receipt can be used to keep the customer ensured of better service.

Delivery process has to be improved in order to enhance the customer satisfaction level and thereby resulting in customer delight. Soft and hard copies of the delivery documents need to be transferred to the customers. This can be of an added advantage for Popular Vehicles and Services. Most of the young and senior customers who are active on social media site may upload the photograph on his/her profile.

The showroom may be equipped with latest quality gadgets like I-pad, screen displays, etc. Technology needs to be adopted and should be kept as a prime focus for the work force to foresee the competition and explore how such technologies can help to create a better impression on the customer.

The customer retention in automobile industry is a complex issue. All the factors from a quality selling process to providing best service, maintaining a good outlook for the organisation play an important role in retention and the company has to seriously look into these functions.

service area should display the latest cars and position them as the best in the industry. This should not be considered not only to increase the enquiries from the customers but also as a method to improve the position of Maruti Suzuki among various other manufacturers' vehicles. As such, a positive relationship and care can be created, which will create a good impression on customers and other people who accompany them; it can make a way to generate sales in future.

All the customers must be treated equally irrespective of future prospects. Standards should be maintained and followed to enhance the brand value for Popular Vehicles and Services.

Customer relationship management software can be developed for Popular Vehicles and Services to integrate the customer activities and thus maintain a better relationship with the clients even after years of purchase. Updating customers with the launch of new vehicles and bringing them back to the showroom can help in improving customer loyalty and business.

Conclusion

The showroom in the Popular Vehicles and Services Ltd., Kollam, is inadequate to meet the required customer standards. They have to focus on developing the infrastructure to improve the market share. Maintaining an experienced sales force with an even mix of executives from different communities can help to penetrate more into the market. As a whole, Popular Vehicles and Services Ltd have to revamp their infrastructure and the sales force along with upgrading their networking through an efficient computer system. Also, the company may adopt customer oriented strategies in order to attract and retain customers for furthering the business prospects.

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