

THE IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT IN THE AUTOMOTIVE MARKET

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Abstract: The complexity of economic life is the essential cause of the need to know the mechanism of consumer behaviour. Communication with customers is a vital aspect for the success of a company, regardless of the market in which it operates. Customer Relationship Management and relationship marketing are interconnected concepts and refer to the management of an organization's "partnership" with its customers, but they are also different concepts. This paper aims to present the importance of customer relationship management in the automotive market.

Keywords: customer relationship management, relationship marketing, market.

1. Introduction

Over time, but especially in the last decades, companies have intended to understand as well as possible the manner in which consumers will respond to various stimuli through which entrepreneurs reach their ultimate goal, i.e. profit maximization.

As the main concern of marketing specialists, we encounter the study of consumer behaviour in order to find out how goods and services are chosen by consumers and what are the factors that influence these decisions. The 1960s brought about a distinct field of marketing, namely the study of consumer behaviour and along with it the understanding of the mechanism of transformation of people's need into demand.

For an economic entity, it is important to know both the consumer behaviour, to anticipate it, and to know the requirements of the market and the production, promotion, efficient distribution of goods and services. Successful businesses try to meet and even exceed their customers' consumer needs to the greatest extent. If several decades ago companies focused, first of all, on production and only then on knowing consumer preferences and promoting their own products, nowadays the focus falls on studying the market, the starting point being the consumers and their requirements.

Information about consumers and their behaviour is indispensable at every stage of the marketing strategy design process. This information is essential to select a target market segment, to develop a good product, pricing, distribution and promotion policy. Knowledge of consumer behaviour trends is also necessary to formulate an effective company communication strategy with the market. In this type of communication, knowing the influencing factors of consumer behaviour are particularly important [1].

Consumer behaviour research has great epistemological significance. Identifying the

determinants of consumer market decisions and analysing them expand the contemporary marketing knowledge. An accurate identification of the needs and mechanisms of consumer behaviour allows enterprises to actively design marketing activities and meet customer requirements [2].

Thus, the literature pays special attention to the customer concept, and companies focus their efforts on satisfying their needs in optimal conditions, if they want to maintain or increase their market share.

Although in the last two decades the concept of Customer Relationship Management (CRM) has been granted increased attention, there is still a lot of confusion in the literature between CRM and relationship marketing [3]. A synthesis of the conceptual differences between Customer Relationship Management and relationship marketing can also be found in other works [4]. While CRM refers to the strategies and tactics organizations use to most effectively interact with customers throughout their lifecycle, relationship marketing focuses on developing long-term relationships with customers, where customer satisfaction and loyalty is essential.

Although "CRM impelled the growth of both B2B and B2C markets", it may have some of the most undesirable effects on the company, if it is applied incorrectly [5], that is why the correct understanding of the concept and the good implementation of related strategies prove to be vital to any organization operating in a competitive environment.

Studies on CRM are classified into many categories and subcategories, among which the five most important are CRM - General, Marketing, Sales, Service and Support, IT and IS. [6]

Companies strive to emphasize each aspect presented in the classifications of specialists, adapting to the specifics of the market, but also to the existing situation. What is emphasized by one company may be second to none in another, because the consumer segments may be different, the markets to which they

refer are different, as are government actions or economic conditions.

2. Framework Aspects Regarding the Automotive Market in Romania

The automotive market in Romania has evolved very fast in these past decades. Both the market and the production in the field of motor vehicles depend, to a high extent, on international influence in terms of the quantity and quality of vehicles produced and sold in Romania.

Romania, being a EU member since 2007, is, to some extent, dependent on the economic development within the Union, this influencing, among other things, both the production and the sale of passenger vehicles, which have a strong driving effect for the whole the Romanian economic system.

It should be noted that Romania can be proud of the fact that it is one of the first ten countries on the world map that, since the start of the vehicle manufacturing, introduced them in traffic in the capital of Romania as well back as 1895, with two steam automobiles being present on the streets [7].

Certain papers in the literature note that the car park in Romania included more than a thousand pieces at the beginning of the First World War, but, unfortunately, more than two thirds of them were destroyed during the armed confrontations. However, after the end of the war, the car fleet grew as a result of the activities carried out in our country by representatives of car manufacturing plants that came from abroad such as Renault, Fiat, Ford, Chevrolet, General Motors.

Along with the entry of the big manufacturers on the car market in our country, both the quality and the diversity of the services related to the sale, but also to the after-sales interventions, have significantly increased.

According to Economica.net (2022), in the first ten months of 2022 new car registrations increased by over eight percent, compared to the same period of the previous year, reaching over 100,000 units, in the ranking of new car brands, with Dacia as leader by far.

As for the number of second-hand vehicles registered for the first time in Romania, in the period January-October 2022 it was 268,382, more than twenty percent lower than the one registered in the similar period of 2021.

According to statistics, Romania's car fleet is currently dominated by diesel cars and most of them are older than 15 and even 20 years [8]. It should be remarked that a motor vehicle is a type of merchandise that falls both within the sphere of rational consumption and within the sphere of emotional consumption, in other words, it is a good example of a product for which consumption fulfils both a utilitarian function (the need for transport) and a social one (communication), and the more expensive a car is, the more intense are the communication function and the higher its secondary utility [9].

3. Research on the Automotive Market in Romania

3.1. General Framework of the Research

In order to be able to determine the peculiarities of the e Romanian consumer behaviour on the car market, we devised a questionnaire with 28 questions, of which 7 were for identification, and the remaining 21 for content.

In carrying out this research, we started from the premise that preferences are the aspect that influences consumer behaviour on the motor vehicle market. At the same time, a special section was created to test two other hypotheses:

I1: the car fleet in Romania is dominated by second-hand cars.

I2: the car fleet in Romania is outdated, with most car owners owning cars older than 10 years.

I3: Romanians prefer German car brands, as they are generally considered to be of better quality than those manufactured in other countries.

I4: Romanians prefer cars with diesel engines.

The variables taken into account in this research are car brand, engine, body type, colour, appearance, age, price and payment method, safety offered, comfort and consumption.

The main objective of the research is to study the behaviour of the Romanian consumer on the car market.

The secondary objectives are:

OS1: Identifying the time interval after which car owners change their car;

OS2: Identifying the car brands preferred by Romanians;

OS3: Identifying the degree of loyalty of Romanian car owners to the currently owned car brand.

OS4: Identifying the body type preferred by Romanians.

3.2. Results

The research was carried out on a number of 210 urban (74.8%) and rural (25.2%) subjects, 58.6% being male and 41.4% female. Most of the respondents are university graduates (32.4%), followed by those with high school education (30.5%) and master's degree (19%). As for occupations, 43.3% are employees with higher education, 25.7% are employees with secondary education, and 21% are school pupils / students. At the opposite pole, with the lowest percentages, are the retirees, unemployed or entrepreneurs. Respondents' incomes are between 4500-6000 lei per family member, for 26.2% of the respondents, the same percentage being recorded for those with incomes between 3000-4500 lei. 21% of respondents have incomes between 1500-3000 lei, 11% below 1500 lei, and 9% have incomes per family member over 7500 lei. (1 euro = 5 lei).

Among the subjects surveyed, 61.9% own one car, 19% own two, 11.4% at least 3 cars, and 7.6% none.

More than half of respondents prefer new cars (54.8%), but only 21% drive a new car, 69% drive a used car, and 10% of respondents drive both types of cars.

When it comes to the age of the car currently owned, 57.1% of those questioned declare that they own cars older than 10 years. It should be noted that 6% of respondents own cars even older than 20 years. According to the results of this research, only 18.6% of those surveyed own cars newer than 5 years and 24.3% own cars between 5 and 10 years old. (fig. 1)

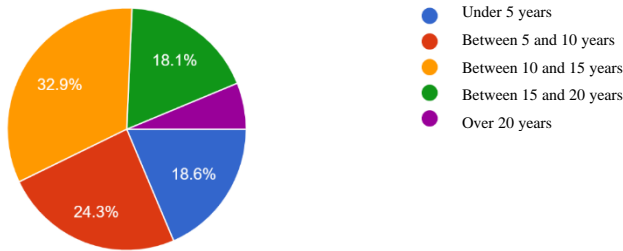


Fig. 1. The age of the car currently owned

The results recorded for this question confirm the second hypothesis of the study (I2) according to which the car fleet in Romania is quite outdated, with the majority of car owners owning cars older than 10 years.

As regards the period after which they change their car (fig.2), most of the respondents (43.3%) declare that they change their car after a period between 5-10 years, 28.6% after a period between 10 and 15 years, and 15.2% after less than 5 years.

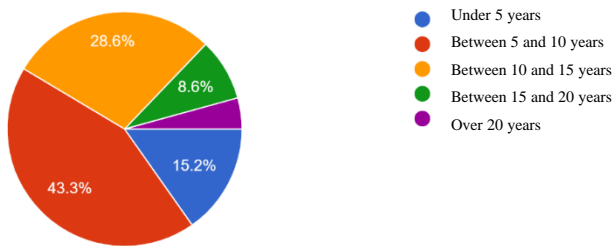


Fig. 2. The time interval at which the subjects change the car

The brand is important for the respondents, especially when we discuss the Romanian car market, as they are also a symbol of the image (fig.3).

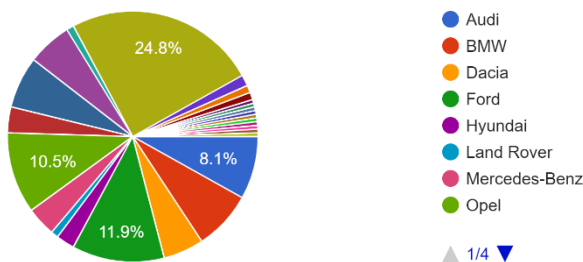


Fig. 3. Brand of car currently used by the respondents

24.8% of all respondents prefer the Volkswagen brand. Next, with approximately 12%, are those who prefer the Ford brand. The lowest percentage of 0.5% is held by brands such as Lancia, Honda, Seat, Fiat, etc. The domestic brand Dacia is preferred by only 5% of those surveyed, with German companies such as Opel, Audi, Mercedes generally obtaining better percentages. A percentage close to Dacia cars is owned by Skoda cars, with a percentage of 6%.

The results recorded for this question confirm the third hypothesis of the study (I3), according to which Romanians prefer German car brands, which are generally considered to be of better quality than those manufactured in other countries.

Regarding the preferred body model, we find that sedans are in first place, with a percentage of 49%, followed by station wagons with almost 22% and SUV bodies with approximately 13%. On the last places, with a percentage of 0.5%, are the sports, van, minivan body types (fig. 4).

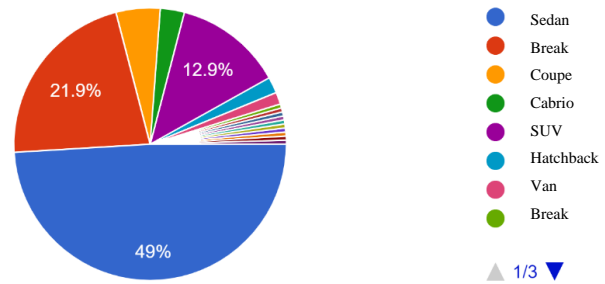


Fig. 4. The body type preferred by Romanians

Favourite colour is another aspect researched. Thus, unlike Arab countries, where white or light-coloured cars are dominant, 40% of respondents opt for black (fig.5).

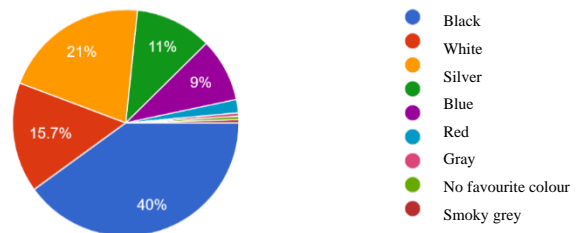


Fig. 5. Car colour preference

On the other hand, the least preferred colours of car owners are beige or grey, with only 0.5% of the subjects surveyed. There are also people, in a percentage of 0.5%, who do not have a favourite colour in this sense. After black, in drivers' preferences, silver follows with 21% and white with 15%.

At the same time, drivers give high importance to all the features of a car, taken into account in this study. Among these, the safety elements are considered to be, in general, the most important elements of a car's equipment (fig. 6).

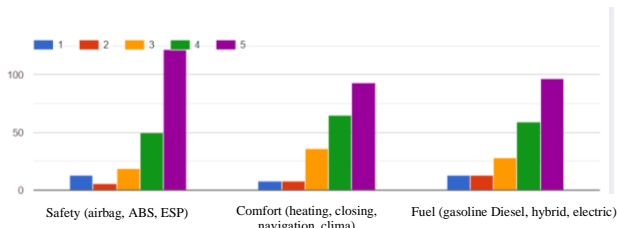


Fig. 6. Respondents' perception of the car's features/performance

Thus, it can be seen that the purchase decision is also influenced by elements related to comfort (closing, navigation, climatronic, heating) or consumption (gasoline, diesel, hybrid, electric).

The type of fuel is another element that is taken into account in the purchase. It is observed that the respondents prefer cars that use fossil fuels (52.9% prefer diesel engines, 31.4% - prefer gasoline engines), very few being those who purchase electric cars.

Preferences for diesel or gasoline engines may also be explained by the high price of electric cars or their low range. However, hybrid engines have a weight of 12.9% in respondents' preferences, which may mean an openness to the new, thus following the European trend.

On the other hand, when it comes to the transmission, the respondents prefer the manual gearbox (58.1%), to the detriment of the automatic one (41.9%).

It seems that in this aspect we do not align with the European and world trend, perhaps also for reasons related to the purchase cost.

4. Conclusions

In this paper we have addressed a topic of real interest, which arouses the interest not only of manufacturers in the automotive industry and marketing specialists, but of all people, regardless of age, gender, socio-professional category, etc., because the motor vehicle represents a real necessity for most people, beyond those who see it as a good "opportunity" to display social status. Thus, the car is a good that falls both in the sphere of rational consumption and in the sphere of emotional consumption.

The car market is really dynamic, the Romanians are also big fans of cars, the car market in Romania is evolving very quickly, especially in the last decades.

With the entry of the big manufacturers on the car market in our country, both the quality and the diversity of the services related to the sale, but also to the after-sales interventions, have increased a lot.

According to statistics, currently, Romania's car park is dominated by diesel cars, of German origin, and

most of them are second-hand cars, many older than 15 and even 20 years.

Thus, in carrying out this research, we started from several hypotheses, namely:

- the car fleet in Romania is dominated by second-hand cars.
- the car fleet in Romania is outdated, the majority of car owners owning cars older than 10 years.
- Romanians prefer German car brands, as they are generally considered to be of better quality than those manufactured in other countries.
- Romanians prefer cars with diesel engines.

Analyzing the answers of the 210 people who participated in the study, we find that all these hypotheses are confirmed. The research represents a starting point for other future works to complement the treated or newly highlighted aspects.

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