

Chapter Nine

Conclusion

The Automotive industry has been a highly competitive industry with many brands competing among themselves. The competition is especially intensive for the non-national makes with more than 20 brands competing for only 20% of the total market share in the country. The balance of 80% of the market share are shared among the national brands, namely Proton, Kanchil, Hicom, etc. In addition, the current economic crisis has in effect intensified competition by reducing total demand and total market share for new vehicles. In the long-term perspective, the automotive industry is expected to be even more challenging with liberalisation under the AFTA and GATT trade agreement. Liberalisation will open the domestic market for new competitors to participate and emerge.

To survive this competition and the volatile market dynamics, automobile companies need to be strategic and that requires the building of core competencies and competitive advantage. The automobile companies cannot afford to lose sight of this objective even in this economic depression. Current economic slowdown has caused the companies to strive for survival by adopting various measures and marketing strategies to maintain sales and enhance liquidity. This research project strongly suggested that these companies particularly TCM should start to build their strategic competitiveness in this economic situation so that they will be able to gain bigger market share now and the period after the slowdown is over.

TCM has not been spared from the intensified competition and challenges. Furthermore, Nissan market share has been sliding slowing in the past few years, suggesting the necessity to initiate a re-examination of the business strategy. From the various analysis which include comprehensive Value Chain Analysis and SWOT analysis of TCM, Customer Service has been identified

as a appropriate choice of core competency. In addition, TCM has been identified as one of the automotive companies to have high liquidity which could be utilised for the building of this core competency.

As reflected in the CSI survey, TCM has positioned itself as one of the top five automotive companies in terms of excellent customer service, particularly in the area of before sales service. Much is to be done in the after sales service. If TCM were to differentiate itself distinctively from competitors in this respect, further investment in upgrading of Customer Service as the core competency is required.

From the analysis of TCM activities in implementing Customer Service, this research project has managed to identify the problems that have prevented TCM from achieving the desired results in this area. The problems can essentially be divided into few major categories like lack of strategic service vision and service concepts, unwillingness to invest in human resources, information technology, service facilities and infrastructure as well as inability to develop the service as the major core competency and competitive advantage.

The research project has also suggested and recommended the following alternatives which are deemed suitable for TCM to develop service as its major core competency.

(a) Strategic Management.

1. Establishment of a clear strategic service vision
2. Improve the managing of demand and supply
3. Relationship marketing
4. Developing strategic leadership among managers

(b) Strategic Human Resource Management

5. Integrated in-house training program to develop human capital
6. Outsource training to external consultants
7. Recognise and affirm superior performance in service
8. Keeping the best talent near customers

(c) Investment in facilities and infrastructure

9. Investment in infrastructure, facilities of information technology
10. Investment in the physical infrastructure and facilities Institute compatible compensation scheme

(d) Implementation and adoption of service tactics

11. Create and establish Customer Relation Department in EAS
12. Fix it Right The First Time
13. Regular customer awareness reinforcement programme

In conclusion, achieving customer Service Excellence is a realistic and achievable goal as far as TCM is concern. However, the following are the possible obstacles and difficulties that one might face in adopting some of those recommendations.

1. Continue to invest in human resource.

Just as for any other investment, investment in human resource is not without risk. Employees might leave after training, demand higher salary or failed to use the skills learned effectively to improve work efficiency, Temporary interruption in the operation may occur when the employees are away attending training. However, the benefits of training and investment in developing human resources out-weight the risks identified. Without the support from a team of committed and skilful employees, no service strategy could be implemented successfully.

2. Managing office politics

Office politics is unavoidable and could be destructive to the strategy implementation if not managed effectively. As such, the management must put in conscious effort to manage the office politics to ensure the smooth implementation of the service strategy. An effective office politics management would reduce resistance to changes and induce healthy competition. A strong and able CEO is the key to a successful implementation of service strategies. In TCM, the leadership by the Managing Director himself, Mr Tan Hoe Pin and Mr. Johnny Siew, the Sales Director /General manager is critical to ensure whatever proposed and suggested to be carried out effectively and efficiently.

3. Continue to upgrade the core competencies identified for the company

Value creation is relative and is created only if it superior to that of the competitors. There are reasons to believe that competitors are constantly assessing TCM's strategy planning and implementation. In this respect, TCM must constantly be responsive to the competitor counteraction on the implementation of the alternatives proposed by improvising and modifying its strategy from time to time. Customer Service Excellence is a moving target, it is constantly changing as the result of competitors' counteraction and consumers' changing expectation. In this respect, the vision of the company needs to be enforced so that the company can be totally flexible in dealing with their competitors when the need arises. Therefore, investment in human resources needs to be emphasised so that TCM can develop human capabilities who are able to withstand any challenges posed to be flexible enough to handle them. This is critically important in the implementation of service strategies.

4. The reliability of CSI survey.

The CSI survey questionnaire was formulated in 1988 when the survey was first initiated. However, there was no subsequent validity and reliability check on the questionnaire to ensure that the questionnaire measure consumers' expectations effectively. Therefore, TCM cannot afford to be relying on the results of CSI to measure the success of the service strategies implemented in the future. They need to come up with their own measurement along the five dimensions of service quality which are tangibility, assurance, empathy, responsiveness and reliability as suggested in this research project.

Finally as has been revealed from the in-depth analysis of this research project and TCM, the building and developing of core competency in customer service should be prioritised and emphasised without delaying. During or after the economic slowdown, customer service will prove to be the winning point for TCM to gain the competitive advantage in this highly intensified competitive industry. For a company which has been around for 40 years and one of the major public listed company, it is critical for TCM to start building and having its own core competency and competitive advantage. TCM will not be able to survive for long if it continues to operation without a distinctive core competency.

The need for building strategic competitiveness is even more important than ever especially in the current situation where the country is experiencing recession. From the long-term perspective, liberalization left TCM with no alternative but to become a world class business operation that focus on what is relay crucial for the survival of a company - THE CUSTOMER.