

Table of Contents

Chapter	Page
1. Introduction	
1.1 Objectives of Study	1
1.2 The Significance of this Study	2
1.3 Reasons for Choosing TCM in this Research Project	4
1.4 Organization of this Research Project	6
2. Background of the Automotive Industry	
2.1 Introduction	8
2.2 The History of the Industry	8
2.3 Factors Contributing to the Slowdown in the Automotive Industry	15
2.4 Future Market Orientation	16
3. Challenges Facing the Malaysian Automotive Industry	
3.1 General Environment	19
3.1.1 The Political / legal segment	19
3.1.2. The Economic segment	23
3.1.3. The Demographic segment	24
3.1.4. The Technological segment	25
3.1.5. The Global segment	28
3.1.6. The Sociocultural segment	31
3.2. Industry Environment - Porter's Competitive Analysis	32
3.2.1 Power of Suppliers	32
3.2.2 Power of Customers	33
3.2.3 Threat of New Entrants	33
3.2.4 Threat of Substitute Products	34
3.2.5 Intensity of Rivalry	34
3.3 Summary	35

4.	The Company - Tan Chong Motors (TCM)	
4.1	Background of the Company	38
4.1.1	The Motor Division	38
4.1.2	The Auto Parts Group	39
4.1.3	The Heavy Vehicles And Machinery	39
4.1.4	Others	40
4.2	Nissan Range of Products	42
4.3	TCM's Corporate Philosophy	42
4.4	SWOT Analysis of TCM	46
4.4.1	Strengths	46
4.4.1.1	Financial Resources	46
4.4.1.2	Management Skills	48
4.4.1.3	Synergistic Diversification	50
4.4.2	Weaknesses	51
4.4.2.1	Training for the Sales Personnel	51
4.4.2.2	Inability to Compete on Cost & Quality	52
4.4.2.3	Brand Strength	52
4.4.3	Opportunities	53
4.4.3.1	Future Potential of the Domestic Market	53
4.4.3.2	Regional and International Market	53
4.4.3.3	Downsizing for Future Competitiveness	54
4.4.4	Threats	54
4.4.4.1	Ringgit Depreciation	54
4.4.4.2	High Interest Rate	55
4.4.4.3	Declining Disposal Income	55
4.4.4.4	Stagnant Used Car Market	55
4.4.5	Summary	56

5.	Value Chain Analysis - Tan Chong Motor Sdn. Bhd.	
5.1.	Introduction	57
5.2	Value Chain Analysis -An Overview on TCM's VCA	58
5.2.1	TCM's Value Chain – Primary Activities	58
5.2.2	Support Activities	61
5.3	Value Chain Analysis -A Comparative Analysis on Pre-Sales Activities	63
5.4	Value Chain Analysis -A Comparative Analysis on the Point-Of-Sales Activities	68
5.5	Value Chain Analysis -A Comprehensive Analysis on the After Sales Activities	75
5.6	Conclusion	78
5.6.1	Primary Activities	78
5.6.2	Secondary Activities	79
6.	The Evolution of TCM Customer Care Program	
6.1	Reasons for Implementing Customer Care Programmes	80
6.2	Example of Successful Automotive Companies	83
6.3	Concept of Customer Care Strategy in TCM	85
6.4	Customer Service Implementation	88
6.4.1	Training	89
6.4.1.1	TC3 Training	90
6.4.1.2	Other Training	92
6.4.2	Information System	92
6.4.3	Spare Parts Distribution Backup	93
6.4.4	Assembly Plant Backup	94
6.4.5	The Marketing of Customer Service – You Come First campaign	94

6.4.6	Customer Relations Department	96
6.4.7	Relationship Marketing	97
6.4.8	Measurement	99
6.5	Summary	101
7.	Key Problems of Customer Service in TCM	
7.1	Introduction	102
7.2	Dimensions that are of Great Importance in Providing Quality Service	103
7.2.1	Service Delivery System and Training	103
7.2.2	Customers Need in Various Stages of Sales Transaction	103
7.2.2.1	Pre-Transaction and Customer Needs	103
7.2.2.2	Peri-Transaction and Customer Needs	106
7.2.3	The Determinants of Service Quality	107
7.2.4	The Human Contact in Service Encounters	108
7.3	Flow-charting of Sales Service Delivery System	109
7.3.1	Phone Inquiries	111
7.3.2	Tangibility of Services	111
7.3.3	First Impression	112
7.3.4	Test Drive	112
7.3.5	Pre-Delivery Inspection	113
7.3.6	Relationship Marketing	113
7.3.7	Customer Complaints	114
7.4	Analysis of CSI Survey and Fishbone Analysis of Sales Delivery System	115
7.4.1	Showroom Facilities – Appearance of Showroom	120
7.4.2	Sales Staff – Courtesy and Friendliness	121
7.4.3	A Shortage of Sales Brochures	127
7.4.4	Communicating the Service Vision	127

7.4.5	Measuring Service Performance	130
7.5	Flow-charting of After Sales Service Delivery System	133
7.6	Analysis of CSI Survey and Fishbone Analysis of After Sales Delivery System	138
7.6.1	Service Vision	142
7.6.2	Service Procedures	143
7.6.2.1	Service Reception	144
7.6.2.2	Explanation by the Receptionist Before Repair	145
7.6.2.3	Quality of Repair Work Done	146
7.6.2.4	Demand and Supply Management	147
7.6.3	Repair Reliability	148
7.6.3.1	Parts Availability	148
7.6.3.2	No Explanation on Estimated Job Done	148
7.6.4	Service Facilities	149
7.6.5	Follow-up	149
7.6.5.1	Attitude	149
7.6.5.2	Facilities For Contact – The System and Manpower	150
7.7	Summary	151
8.	Recommendation : An Evaluation of Alternative Courses of Action	152
8.1	Establishment of a Clear Strategic Service Vision	152
8.1.1	Market segmentation	152
8.1.2	Service Concept	157
8.1.3	Operating Strategy	159
8.1.4	Service Delivery System	161

8.1.5	The Integration of Service Elements.	161
8.1.6	Recommendation	162
8.2	Recommendations on Managing Demand and Supply in TCM	166
8.2.1	Maximizing Efficiency During Peaks	166
8.2.2	Using Part-time Employees and Rental Equipment	167
8.2.3	Increase Customer Participation in Delivery	168
8.2.4	Building Excess Capacity	169
8.2.5	Cross Train Employees	169
8.3	Relationship Marketing	171
8.4	Developing Strategic Leadership among Managers	172
8.5	Integrated In-House Training Program to Develop Human Capital	173
8.6	Outsource Training to External Consultants	175
8.7	Investment in Infrastructure, Facilities of Information Technology	175
8.8	Investment in the Physical Infrastructure and Facilities	177
8.8 ⁹	Recognise and Affirm Superior Performance in Customer Service	178
8.10	Compensation	179
8.11	Fix it Right The First Time	180
8.12	Regular Customer Care Awareness / Reinforcement Programme/Comprehensive Internal Marketing Strategy	182
8.13.	Keeping the Best Talent Close to Customers	183
8.14.	Create and Establish Customer Relation Department in EAS	184
8.15	Summary	187
9.	Conclusion	189

References

Appendix