

Toyota lean customer relationship management



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Toyota sustains their marketing strategic by implementing Lean CRM since 2003. Before this, potential customers were search information by themselves. For example, search queries, place orders, track status and so forth through the internet. However, Lean CRM serve as a “ Pull customer” Strategy, where Toyota go for the customer first before they come. Lean CRM was developed by Toyota in Europe to gather customer information through customer lifecycle (Hill, G. 2006). Toyota is able to identify the fast-changing customer buying behavior through the existing customers’ feedback. After that, they integrate the information then direct new customers to the product information they want. There are two main elements of this software. Firstly, to determine customers’ lifecycle and their buying behavior. Secondly, the strategic to target these branch of potential customers with these information.

The Lean CRM first guides the prospective customer to website once the customers plan to purchase car. Automatically, it can learn the customers buying behavior through customers’ search engine and requirement to further information. This is the “ customer pull”, while some of these information are useful for future strategic planning. Furthermore, it guide the prospective customers to what they customer what just with the right information that Toyota think that information could lead them to take action. At the same time, Toyota will send out a customized offer to the prospective customers. This is the “ Toyota push” strategy to push customers to the right information. One of the this software benefits is it could sense about what the customer need and want, where and when they want. Hence, Toyota is able to sell more vehicles and higher rate of

repurchase cases with the assistance of this software. The following is the benefits of Lean CRM.

Eliminates waste

Lean CRM tracks the customer information backwards from the value stream stimulates from the past search engine. By identifying the current customer trends, Toyota is able to reduce redundant costs such unnecessary transportation, inventory, production, defects and so on. My Toyota Experience

A couple of weeks ago I got a service follow up call from Toyota. We weren't satisfied completely with the service and had to schedule another appointment. The service station already knew about it when we got there and took care of our problem immediately.

I always wondered how Toyota would approach lean processes with CRM and how it would work.

Develop competitive decision

The concept of Lean CRM is to standardise the process so that the management team is able to prepare for unexpected consequences.

Consequences of the adoption

Generate more sales and repurchase rate at lower cost

A comparison of a recent before and after marketing campaign showed a 70 percent reduction of non-target customers being mailed, an 80 percent

reduction in campaign costs, a 50 percent reduction in campaign development time and a 60 percent increase in campaign ROI. Over the next few years, Toyota's Lean CRM will contribute between \$5 million and \$10 million (in U. S. dollars) of additional contribution each year to the sales company.

Despite the reservations that some have about applying lean principles developed in manufacturing to sales and marketing, Toyota has shown clearly that Lean CRM does deliver significant benefits for customers and for itself. For Toyota, it is an inextricable part of its long-term drive toward total customer satisfaction (Hill, G., 2006).

Problems

First from the lean management limitations is that there are tools that are used in solving problems through lean manufacturing that can be utilized in simple dilemmas. However, they cannot be exploited for the problems that are considered chronic and complicated. Aside from that, embedding the way of working through lean into the culture of the organization might take several years because most of the workers and even the managers are not used to them. Plus, this requires constant support, guidance and supervision from the management itself.

There is also a need for you to check on the areas where you will be applying the framework. This is also one of the lean management limitations wherein you should ensure that the business division is within the scope of the system. You can apply this framework and be able to experience how great the lean management potential is if you are able to link it with your

objectives. This is generally useful for those businesses that would like to reduce the costs of their operations as well as those that would like to improve their customer satisfaction and retention. They will be able to provide services that will meet the requirements of the customers and also run as efficiently as possible. Lean management is also useful for those that would like to offer services that can beat the rivals including reduced approval times and processing. ([http://ezinearticles.com/? Lean-Management-Limitations-and-Blindspots&id= 5233569](http://ezinearticles.com/?Lean-Management-Limitations-and-Blindspots&id=5233569))

Thirdly, Lean Customers is more focus on the marketing strategy but did not take into consideration of the customers' safety purpose. For recall. Within weeks of taking charge, Mr Toyoda was informed of an accident in which an off-duty traffic officer and three of his relatives had died. The accelerator getting caught in the floor mat of the brand-new Lexus was deemed a possible cause. A recall of 3.8 million Toyotas followed, involving a so-called "semi-permanent floormat installation process" - or rip-zipping the driver's side mat to the seat rails. Toyota estimates its losses will reach \$2bn (£1.23bn) in costs and lost sales from its worldwide recall of vehicles that might have faulty gas pedals. But the losses could escalate if it turns out that the trust and reputation the company built up over a period of decades has been demolished almost overnight. "In moments of a business crisis, people want to see [the head of] a company take full responsibility, be empathic to the victims and their families and be in control by outlining the problem and how they intend to solve it," he says.

"Toyota seems to have failed on all counts. Its admission of the problem has been half-hearted and almost reluctant, it has failed to apologise

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unequivocally to victims and their families, and it's failed to articulate and communicate what it intends to do to regain control of the situation."

(Madslien, J., 2010) <http://news.bbc.co.uk/2/hi/business/8498036.stm>

(Totten, M., <http://www.helium.com/items/1869467-a-look-at-toyotas-customer-retention-strategies? page= 2>)