

Management Improvisation of Honda Motorcycle Authorized Workshop in Lampung for Business Sustainability

Wedijanto Widarso¹, Wegie Ruslan², Ronald Sukwadi³

^{1,2,3}*Department of Mechanical Engineering, Atma Jaya Catholic University of Indonesia,
Jl.Jenderal Sudirman 51, Jakarta, 12930, Indonesia*

¹ORCID: 0000-0003-4676-3479

Abstract

AHASS (Astra Honda Authorized Service Station) is engaged in after-sales service (parts maintenance and replacement) for its customers, as the Honda brand motorcycle business unit produced by PT Astra Honda Motor, Indonesia. Until now, not all consumers from the existing of Service Demand and available capacity in AHASS are re-entering the workshop to carry out routine maintenance. AHASS often conducts some activities and promotions that tend to be less precise, this is because there is no good method, so it became to reduce the profits to be obtained. To deal with it, it is done by increasing the number of active consumers who will come, making consumer arrivals more frequently, and increasing transactions for each consumer arrival, it will be called the 3 Axis method. The improvement step is to make collaboration on the motorbike sales consumers database for the past 4-7 years with a routine maintenance consumers database in the workshop for the past 1 year, with the 3 axis method that will be focused on increasing the number of active consumers will coming can be achieved. It is expected can increase active consumers by 20% to 22% and hope have a relationship with the other two activities.

Keywords: Authorized Service Station, 3 Axis Method, Database, Active Consumers

I. INTRODUCTION

One of the largest Automotive Motorcycle companies in Indonesia also in the world and it is as the largest market share holder in Indonesia, currently feels that the sale of motorcycle units is mature, so there is very small market growth every year. On the other hand it has a network after sales services (maintenance and replacement parts) that are very large, in this case we call AHASS (Official Astra Honda Service Station) hereinafter referred to as a workshop, with the number of outlets is 3,789, which are very widespread throughout in Indonesia. To strengthen and add more profits to its owners, AHASS is highly expected to be a contributor to keep the owners' business stable and more developed. Profits will be obtained if AHASS can get more income that exceeds operating costs. AHASS's income depends on the number of motorcycle units that come to perform routine maintenance services and replace damaged parts. To bring a lot of motorcycle units to the workshop, AHASS often conducts some activities and promotions that are carried out in general without a strong basic. A number of motorcycle units are expected to carry out routine maintenance to AHASS, but sometimes it is not sustainable, because AHASS is not ready to accept the motorcycle unit with its current conditions. The intended condition is in terms of capacity and quality expected

by consumers. Among them are the anticipated queuing of consumer arrivals, poor waiting room facilities, and several other things. Not loyal customers are obtained, only consumers who are seasonal will come and can cause large losses to consumers. Of course this problem can lead to unsustainable business. To overcome this condition, it is necessary to first map the current condition of AHASS with the approach of the concept of Brand Loyalty to determine the level of consumer loyalty, its composition, and the potential of customer loyalty classification. Furthermore, to carry out a good and appropriate promotion, customer's expectation survey is conducted to assess what consumer expectations are for the services provided, so that strategies can be set that are targeted for each consumer profile. With the correct target of promotion will increase the profit that will be obtained.

II. RESEARCH METHODOLOGY

The research methods in this report are carried out in the following stages:

2.1. Determination of Research Topics

2.1.1. Link and Match Data

Link and match data between consumer databases from unit sales (H1) and consumer databases that carry out routine maintenance in the workshop (H2). From the results of crossing this data, the condition of the dealer will be known in terms of consumer loyalty.

2.1.2. Preliminary Studies

The preliminary study aims to understand the problems to be studied, especially at the initial stage.

2.1.3. Formulation of the Problem

The following is the formulation of the problem in the research :

- a. How to increase the customers to come to workshop ?
- b. How is the series to carry out AHASS promotions activities that are right correctly?

2.1.4. The Purpose of The Research

The objectives to be achieved from this research are:

- a. Providing a series of ways to carry out promotions correctly
- b. Providing ways to increase loyal customers

2.1.5. Limitation of Research

In this research, some of the things that become the boundaries are as follows:

- The link and match of consumer databases from motorcycle unit sales and workshop consumer databases are come from the same dealer.
- The consumer sales database used is motorcycle unit sales data in the past 7 years, while the customer database from workshops is data for the past year.
- Customer expectation is obtained by a survey, conducted with a type of purposive sampling.
- Capacity mapping is carried out for a full month.
- For this study, focus measurement was carried out on the Tunas Dwipa Matra Main Dealer Service Center, in the province of Lampung.

2.2. Study of Literature

2.2.1. Model Study on Previous Research.

The previous Model studies were carried out for the concepts of Brand Loyalty, Customer Expectation, and Capacity Management. The study is conducted by paying attention from the theories in books.

2.2.2. Determination of the Research Basic Model.

Brand loyalty is the level at which consumers hold a positive attitude towards a brand, have a strong commitment, and tend to buy sustainably in the future[2]. Consumer loyalty levels are divided into five levels, which become a reference in determining potential. Brand Loyalty is directly influenced by consumer satisfaction with the brand. Customer satisfaction is closely related to customer expectations. There are four factors that influence consumer expectations, two of which are individual characteristics and past experiences. Capacity management is needed to manage AHASS's operations in serving and fulfill consumer expectations. Capacity management is divided into three types, namely Lead Capacity Strategy, Lag Capacity Strategy, and Match Capacity Strategy [3].

2.3. Development of Research Models

Measuring brand loyalty is done in 5 ways, namely measuring behavior, measuring costs, measuring satisfaction, favorite brands, and commitment. The database of motorbike sales consumers in the past 7 years and a database of consumers who have come to routine workshops in the past 1 year have been crossed (link and match) to determine the condition of dealers in terms of customer loyalty to AHASS. The next step is customer surveys conducted on customer expectations and past experience according to consumer characteristics selected from the results of link and match data. The survey was conducted by telephone interview directly to consumers and was qualitative in nature. Parallel with customer survey, capacity mapping is also carried out to determine the peak time and peak day consumers who come for routine maintenance in the workshop as shown fig 2.1.

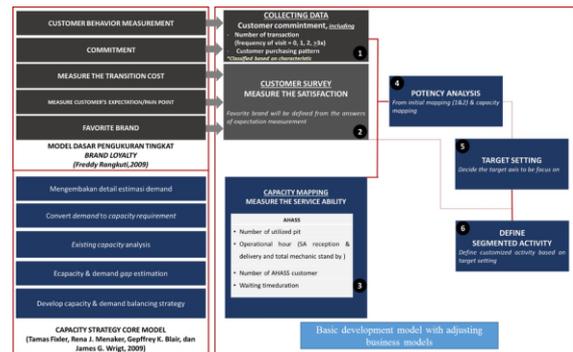


Figure 2.1. Flow of Research Model Development

2.4. Data Collection and Processing

The initial mapping for brand loyalty is the latest condition by cutting sales data and service data in the workshop. Consumer expectations are made by direct telephone interviews, while capacity mapping is done by observing and recording the time of arrival and settlement of consumers.

2.5. Analysis and Discussion

Analysis and discussion are carried out in each part of data processing and proposal.

2.6. Conclusion

Make conclusions to answer the formulation of existing problems.

III. DATA COLLECTION AND PROCESSING.

The stages of data collection and processing are carried out as follows Fig 3 :



Figure 3. Step Scheme for 3 Axis Method

3.1. Data Collection for Motorcycle unit sales and routine maintenance.

Database of consumer motorcycle sales during 7 years is taken from the dealer. Workshop customer database taken from AHASS during 1 year. Consumer surveys are conducted by call interview. Capacity mapping with observation and recording directly in the field.

3.2. Data Processing and Discussion

3.2.1. Consumer database Sales of motorcycle units (H1) for the past 7 years.

The consumer database for motorcycle sales consists of 3 major groups, namely: location data, motorcycle data, owner data. Location data consists of lists: districts / cities, sub-districts, and kelurahan, then will be grouped into several area classifications: easy with a distance of <2 km, medium with a distance of 2 - 5 km, and difficult with a distance of > 5 km. Motorcycle data consists of: engine number, frame number,

police number, motorbike purchase date, and type of motor. Owner data consists of: consumer name, telephone number, address, gender, date of birth, occupation, and SES (SocioEconomic Status).

3.2.2. The consumer database in the Workshop for the past 1 year.

Workshop customer database is : the engine number, police number, consumer name, telephone number, address, job of type, component and oil purchases, and payment of labor cost.

3.2.3. Link & match sales consumer database and workshop customer database

The consumer sales database and workshop customer database will be crossed. If consumer data on sales with a particular engine number does not enter the workshop consumer data in the past 1 year, then it is said to be a passive customer. If a certain engine number is in the workshop database in the past 1 year, but the frequency of arrivals is below 3 times, then it is referred to as a Low Frequency of Visit consumer. If a certain machine number is in the workshop database in the last 1 year, it comes more than 3 times, but the amount of spending money is still below the average consumer that comes > 3 times, referred to as the Low consumer sales ability in Rupiah / Entry Unit (Rp/UE). In the explanation of 3 Axis when it is related to the theory of the level of consumer loyalty. So Passive Customer is a switcher, low frequency of visit customer is habitual buyer, low Rp/ Unit entry is satisfied buyer[4].



Figure 3.1 Level Relationship of Brand Loyalty - Source Revenue - Method 3 Axis

In processing this data, we can know the characteristics of consumers that dominate the consumer classification as shown in fig 3.2.

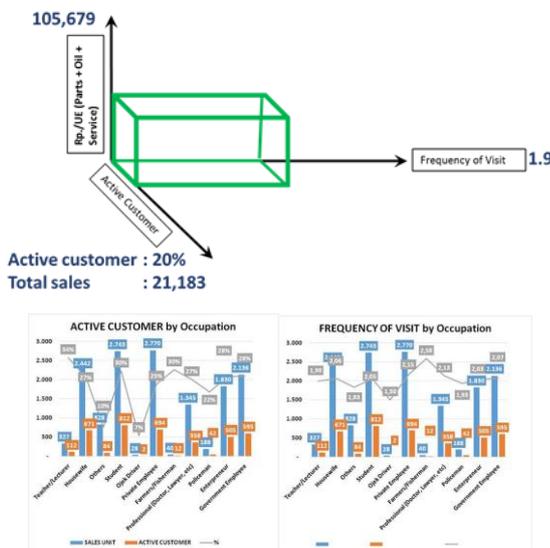


Figure 3.2. Survey Active Customer & Frequency of Visit Based On Occupation

From the existing database, the number of Active customers come to the workshop is only 20% of the sales database, which means the number of passive customers is 80%. While the average Frequency of Visit is 1.9 times from the ideal number of arrivals of 3 times and the average amount of sales ability, Rp. / Entry unit per consumer is Rp. 105,679.

3.2.4. Customer Survey

Consumer survey conducted on consumers are considered to dominate losses in each classification. The survey is conducted by telephone interview using questions related to customer expectation. On the project at this dealer, the most losses come from consumers with jobs: students, private employees, and housewives as shown fig 3.3.

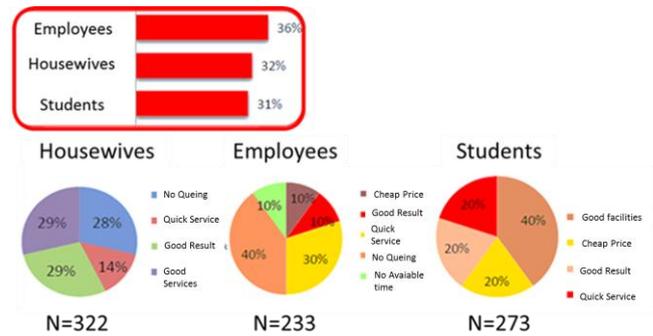


Figure 3.3. Most consumer data that does not come to the workshop and pareto consumer expectation.

3.2.5. Capacity Mapping

The results from recording the time of arrival and time of completion of consumers which are illustrated on the bar graph to find out directly the peak day in one month. The Next graph is to find out the peak time on the peak day as shown fig 3.4. Currently the capacity use the Lead Capacity Strategy.

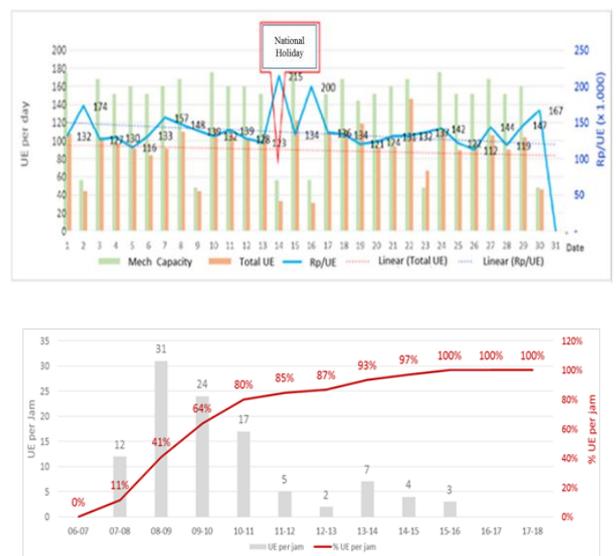


Figure 3.4. Capacity Mapping Survey : (a) customer/day (b) customer/ hour

- a) Peak day at AHASS TDM Raden Intan (Fig.3.4.a)
- b) Peak time at 07.00 - 11.00 WIB with the number of consumers is 80% of the total consumers on that day. (Fig.3.4.b)

3.3. Determination of Axis and Segments that must be improved

The main focus axis is increasing consumer arrivals, becoming active consumers, with the consideration that the percentage of active consumers can be increased, in the other hand, AHASS can still receive motorcycle units that come for routine maintenance, because mechanical capacity is still widely available as shown Tabel 3.1. The targeted segments are private employees, housewives, and students as shown fig 3.5, considering the number of customer loss is still dominating. Points must be increased is a factor that becomes a requirement with a low level of satisfaction. Low satisfaction level is the total value of satisfaction level below 80% perfect satisfaction level.

Table 3.1. Potential of Unit Entry

Target UE (Average)	3,900	Unit
UE Average (Current)	3,698	Unit
Mechanic Capacity	4,000	Unit
Pit Capacity	4,600	Unit
Capacity Provided	302	Unit

ALTERNATIVE SEGMENT	ACTIVATE PASSIVE CUSTOMER	
	Choice	UE Potential(Unit)
AREA	EASY	10,793
OCCUPATION (TOP 3)	Private Employee- Student - Housewife	5,778
AGE	ALL	5,778
SES	E-A	5,778
UNIT TARGETED (Min)		5,778
UNIT TARGETED (Max)		10,793

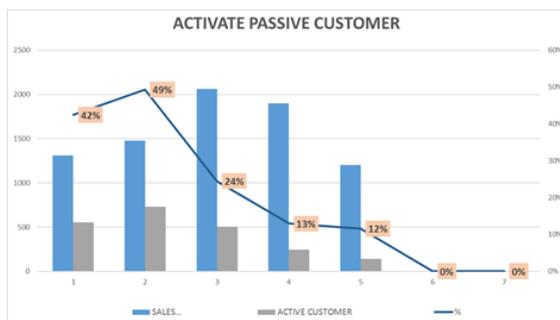


Figure 3.5. Active Customer Survey from 7 years of motorcycle sales data

3.4. Root cause Analysis for Each Critical Factors of Consumer Survey.

The analysis is done by making the main causes of consumer dissatisfaction answers. Evidence and Proof is carried out by looking at the recapitulation of the results of interviews from further officers. Investigation and Understanding is done by looking at the capacity mapping chart. Analysis and Identification is done by making a fault tree analysis.

3.5. Step Correction and Risk Assessment as a way out of Resolving Root Problems

There are two main things that are the main keys to the overall problem:

- a. Ineffective and inefficient in carrying out promotional activities.
- b. Gap between service capacity is greater than the number of consumers who come to the workshop for routine maintenance.

So, here are the steps that allow the correction along with the calculation of risk :

3.5.1. Root cause of Ineffectiveness and Inefficiency of Promotion Activities Run

To find out the promotional activities are effective and efficient, keep in mind the needs of each customer. This need has been reflected in the survey results in Figure 3.3. After knowing the needs of customers who want to be targeted, corrective actions can be taken as shown Table 3.2:

3.5.1.1. Private employees.

o1.a. No Queing

From the survey results, 40% of customers want to service the motorcycle with No queuing. but "Do not queue" will be difficult to implement because the number of consumers coming to the workshop is definitely faster than the time for service motorcycles. However, what we can be done is to reduce waiting time. For that, be provided a booking service , where customers who register before the service day will be prioritized to be served.

o 1.b. Facility of Quick Service.

According to the Survey, there are 30% of customers who want a fast service facility. The next effort that can be done is by providing pit express, which is a fast services for customers who only want to change oil, tire, and battery. In working on the service, the time needed is no more than 20 minutes. So the customer waiting time will not be as long as the queue regular servicing.

o1.c. Facility of Service visit

According to the survey, there are 10% of customers who want a home service facility. Because private employees generally do not have enough time, they use the time to work. Service visit facility to consumer's home are also no additional cost. For the first time customers using this services will be given a 20% discount.

3.5.1.2. Students.

o 2.a. Comfortable waiting room facilities

Based on the survey results, 40% of student consumers want comfortable waiting room facilities. AHASS's efforts can be done by providing Wifi internet facilities. This is an effective step for students who generally understand digital to be able to waste their time using gadgets. Other things by providing adequate electrical power facilities to charge their cellphone or notebook. To disseminate the additional facilities, AHASS will promote through social media such as Facebook, Instagram, whatapps, Short Message Service and et cetera.

o 2.b. Cheap service Price

From the survey, there are 20% of the students wanted the price of the service is cheap. So AHASS will provide 40% discount service promotion for customers who arrived for the first time just by showing a broadcast SMS from AHASS when registering for service.

o2.c. Good service results and guaranteed

From the survey results, there are 20% of students who want good service results and guarantee work results.

3.5.1.3. Housewife

o3.a. Services and good job results

Based on the survey results, there are 29% of consumers of housewives wanting AHASS officers who were friendly and able to serve well. So that the effort that can be done is by giving guarantee : "If our front line people does not give a smile and friendly to consumers, we will provide free vouchers for filling nitrogen gas". This is a step to make consumers feel confident, especially women that AHASS officers have been provided with training in handling consumers.

o3.b. Price discount and no queue

From the survey results, there are 43% of consumers of Housewives want a discount price as the most important and not queuing. One of the main efforts to accommodate the needs of consumers for housewives is a lower discount on labor cost at certain times. , called the "happy hour "services. These activities can increase women consumers to come to do routine maintenance in AHASS, but also as an attempt to steer consumers woman doing routine maintenance at the non-peak time. The provision of other services for consumers not queuing is booking services and pit express.

3.5.2. Root cause problems gap between Service Capacity greater than the Number of Consumers Coming.

In calculating the capacity in AHASS, the number of units that can be done by mechanics is 8 units / mechanic[5]. If there are 21 mechanics in AHASS Raden Intan, then the expected productivity is = 21 mechanics x 8 units / mechanic / day = 168 units / day. But according the cutoff data in July 2018, mechanic productivity in the last 7 months (January - July 2017) is at 116 units / day. So there is still a gap 52 units. Therefore, an effort to improve mechanic productivity that have been made can be described in Section 3.5.1.

IV. RESULT AND DISCUSSION

After carrying out the activity of handling root cause problems in section 3.5.1. the results are as follows:

From activity parameters, it can be seen that there is an increase in the active customer at fig 3.6 and fig 3.9:

- 2 year old motorcycle from 49% to 58%,
- 3 year old motorcycle from 24% to 25%,
- 4 year old motorcycle from 13% to 14%.

Also the Frequency of visit has increased from all motorcycles ages at fig 3.7 and fig 3.10:

- 1.59 to 6.92 arrival times for 1 year motorbike age;
- 1.47 to 2.41 arrival times for motorbike age 2 years;
- 1.28 to 2,21 arrival times for motorbike age 3 years;
- 1.34 to 1.76 arrival times for motorcycle age 4 years and
- 1.18 to 3.5 arrival times for motorcycle age 5-years.

Even though the focus of the program is to increasing the active customer, it does not rule out the possibility that other parameters will also have an impact. Such as the frequency of visitor service arrivals that are not focused but are very noticeably increased. This is because the program to enhance passive to active consumers who make the customers to come more often to the AHASS.

For the parameters of sales ability, it is not seen a significant increase, due to the current program run by TDM Raden Intan more focused on improving customer active as shown fig 3.8 and fig 3.11.

Table 3.2. Program Summary Based on Target Segment

Target Segment	Expectation	%	Benefit Offered	Type of Program	Program	Information Media
Students	Waiting room facilities	40%	The comfortness during waiting	Add new facilities	1. Internet Corner in AHASS 2. More electricity extension cord 3. Room for student	Soc-Med SMS Broadcast to 10% target
	Cheap price	20%	Best price service to the first time customers only by showing the Broadcast SMS when service to AHASS	AHASS Event	1. AHASS Event for student passive customer (disc 40%)	SMS Broadcast
	Good service result	20%	Guarantee	AHASS Event	1. Social control "Your motorcycle got problems after our service? We'll give you Free Chain Lube (Sport,cub) / oil gear box (matic)"	Soc-Med SMS Broadcast Education banner
Employees	No queue 1. Fast to be served 2. Able to be served before & after office hour	40%	No long queue Quick MC service Short waiting time to be served by SA Service after office hour	AHASS Event	1. SA back-up (morning) 2. Booking service disc 10% 3. Open longer (07:00-19:00)	Soc-Med SMS Broadcast Education banner
	Service Visit & Pick Up Service	10%	No need to come to AHASS directly 20% for first time customers	Service Visit	1. Service Visit (disc 20% for passive customer)	SMS/Call Reminder Soc-Med
	Quick service	30%	No long queue Short service waiting time "Time guarantee"	Pit Express	1. Pit express plus 2. Booking service 3. Time guarantee	Soc-Med SMS Broadcast Education banner
Housewives	Good service	29%	AHASS people good hospitality	AHASS Event	1. Good hospitality guarantee - free voucher nitrogen	Soc-Med SMS Broadcast Education banner
	Discount & no long queue	43%	Served directly Discount at particular hours.	AHASS Event	1. Booking service 2. Happy hour (disc 50% in 1-3pm) 3. Pit Express	Soc-Med SMS Broadcast Education banner

Before Countermeasure graph as shown Fig 4.1, Fig 4.2 and Fig 4.3.

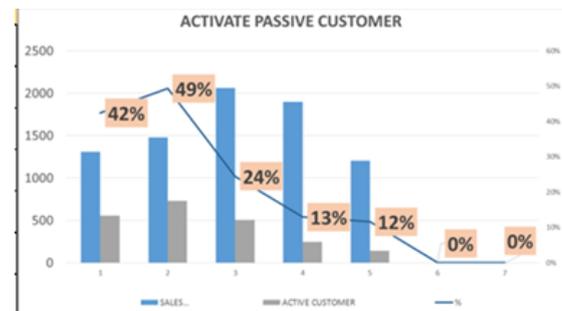


Figure 4.1. Active Customer

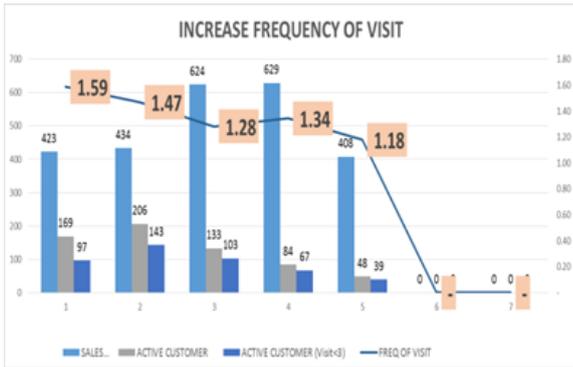


Figure 4.2. Frequency of Visit

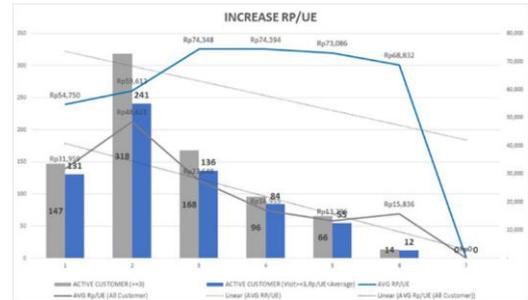


Figure 4.6. Sales ability,Rupiah /Entry unit (Rp/UE).

V. CONCLUSION

The conclusions that can be drawn in this research are:

1. AHASS Tunas Dwipa Matra -Lampung province can increase the number of active customer services ,as much 218 units motorcycle from 4,416 units to 4,634 units (20% to 22%) and this is evident from the 3 Axis program activities that already done.
2. 3 Axis Method helps Tunas Dwipa Matra AHASS to make analysis at the right promotion activities.
3. With increasing the active consumers will make engagement with consumers which can increase royalty brands and consumers will be able to make Re-Purchases in the future but have to be done with further research for it.

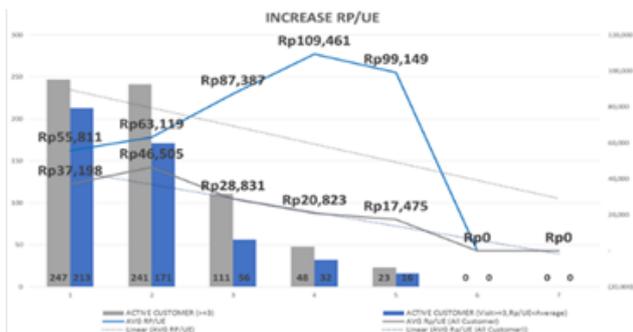


Figure 4.3. Sales ability, Rupiah /Entry unit (Rp/UE).

After Countermeasure graph as shown Fig 4.4 , Fig 4.5 and Fig 4.6.



Figure 4.4. Active Customer

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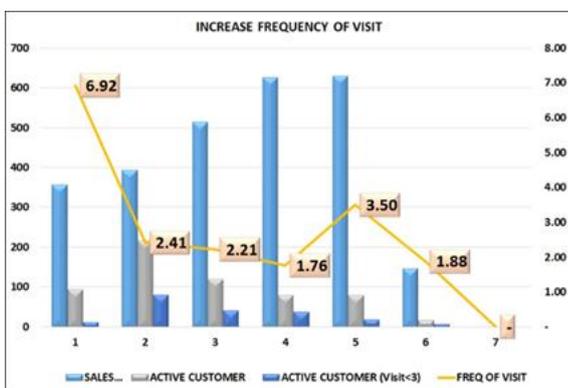


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