Honda’s approach to customer satisfaction

In accordance with the Honda philosophy of respect for the individual and the Three Joys of buying, selling, and creating, Honda has always worked closely with its dealerships to maximize customer satisfaction. Every step of the way, from purchase to after-sales service, dealerships work hand in hand with Honda to earn and maintain the trust of customers.

Systems and objectives designed to enhance worldwide customer satisfaction

In order to create an optimal service organization in all overseas markets, Honda integrated its service departments for each region and, in 2004, established Customer Service Operations.

This department’s mission is to increase worldwide customer satisfaction through excellence in service at the point of customer contact.

Honda aims to lead the industry in fan-winning customer satisfaction. To achieve this level of satisfaction, the company is working with dealers to delight customers by providing service that exceeds expectations, thereby leading to repeat business, referrals to new customers, and an ongoing increase in the number of Honda fans.

To attain this goal, Customer Service Operations has structured its activity policies of improving customer satisfaction and reducing customer complaints, developing an advanced service environment, and maximizing business efficiency and expanding business operations. It also holds regular meetings and other events designed to enhance cooperation with each region while focusing on creating an environment in which dealers—Honda’s point of contact with customers—can address customer satisfaction enhancement more effectively and efficiently.

The Role of Customer Service Operations

Enhancing customer satisfaction

Conducting customer satisfaction surveys

Aiming to establish lifelong relationships with satisfied customers, Honda takes a proactive approach to conducting customer satisfaction surveys in all product segments: motorcycles, automobiles, and power products. Carefully analyzed survey results are fed back to the departments involved in the form of practical suggestions for improvement and put to use in day-to-day activities.

In Honda’s overseas automobile operations, for example, survey results are used to compile a Customer Satisfaction Index (CSI) for each product and region. In Japan, an initial questionnaire is distributed to purchasers of new automobiles, and, since FY2004, a questionnaire has also been distributed to purchasers of pre-owned automobiles. In FY2008, a survey was introduced to query customers whose automobiles will soon be due for the periodic automobile inspection required by the Japanese government.

Earning a No. 1 rank in customer satisfaction surveys around the world

In its overseas automobile business, Honda’s activities focus on the “3Ps” in order to meet diverse customer expectations.

These initiatives involve increasing the quality of service provided to customers by looking at things from the customer’s point of view and identifying and resolving local issues in each of the three points of contact between Honda and its customers: “Premises/Process,” “People,” and “Product.”

Reflecting the results of an aggressive, Asia-oriented effort to improve customer satisfaction that was launched by Honda several years ago, the company ranked in the top three in all 10 principal target countries in the region in a third-party customer satisfaction survey conducted in FY2010, securing first place in four countries, second place in four countries, and third place in two countries. In fast-growing China, Guangqi Honda moved from 16th place in FY2009 to first place this year, an improvement that is likely the result of a straightforward effort to pursue locally grounded activities such as the above.

In the future, Honda will not rest on these laurels, but will rather strive continuously to please customers.

Honda ranked first in both service satisfaction and sales satisfaction.

In the FY2010 edition of a customer satisfaction survey that was first conducted in 2001, Guangqi Honda ranked first, while Dongfeng Honda ranked fifth. Both companies gather customers’ feedback at dealerships on a daily basis.
Customer Relations Center

The Customer Relations Center has a very straightforward slogan: “For the customer.” Its mission is to handle inquiries from Honda customers politely, clearly, and quickly, delivering the same high quality in Honda communications as is found in Honda products. The Center also responds to survey requests from the Japanese government and inquiries from consumer advocacy organizations.

The Center receives feedback in the form of customer questions, suggestions, requests and complaints 365 days a year, and during FY2010 it processed 236,397 inquiries. To ensure that this valuable information is put to good use in Honda’s operations, the facility shares it in a timely manner with the company’s R&D, manufacturing, service, and sales departments in compliance with laws and regulations as well as Honda’s own policies concerning the handling of personal information. A system is also in place to allow directors and other associates appropriate access to this information.

Furthermore, Honda has also set up Customer Relations Center sites on both its website and the Honda Dream mobile site in response to interest on the part of some customers in solving problems themselves. By offering responses to frequent customer inquiries, these sites are designed to meet customer needs in a timely manner.

Implementing customer satisfaction

Motorcycle initiatives

Japan: Developing customer-friendly dealerships based on customer surveys

To ensure that customers satisfy when they visited dealerships, it is essential to have an accurate understanding of their needs. Motorcycle dealerships in Japan have worked to identify issues and taken appropriate action by conducting online questionnaires and group interviews.

Dealers also worked to improve the extent to which service work is explained to customers in advance as well as customer acceptance of service costs by including detailed information such as a description of work to be performed as well as labor and part costs on quotations. They also sought to respond more proactively to customer needs, for example by raising the profile of six-month inspections by using battery testers and other new equipment.

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<th>Principal issues</th>
<th>Principal measures</th>
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<tr>
<td>Improving the extent to which service work is explained to customers in advance as well as customer acceptance of service costs</td>
<td>Improving quotations Utilizing the e-learning system about motorcycle maintenance</td>
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<tr>
<td>Six-month inspection</td>
<td>Raising the profile of inspections by using new battery testers and hardware diagnostic system (HDS) units</td>
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Supporting analysis of the Customer Satisfaction Index

Dealership service shops worldwide conduct customer satisfaction surveys according to their workflows in order to pursue higher levels of customer satisfaction. In Japan, Honda has researched the D-CSI analytical technique (a technique for identifying items and domains characterized by low customer satisfaction survey scores as well as a high degree of correlation with overall customer satisfaction) in an effort to improve customer satisfaction more effectively, and we plan to introduce the technique in Asia on a trial basis. We also plan to incorporate the results into an operations manual and make it available in countries worldwide.

India: Reducing wait times at service shops

As its economy continues to grow rapidly, India is experiencing accelerating adoption of motorcycles and dramatic increases in the number of after-sales service requests. Many Indian customers seek service early in the morning before they go to work, making congestion at service reception counters and long wait times an issue. Honda recently improved a number of associated procedures to reduce wait times. Average wait times have been cut from 14 minutes to 4 minutes by detecting the motorcycle with a barcode and automatically filling out the order sheet (previously, service workers entered the model, a description of the desired service or repair, diagnostic results, and other information on order sheets by hand).
Mechanisms that facilitate fast, reliable repair service

Analysis and data-gathering
Acquisition of the latest repair information
Incorporation of the latest information into a database
Service information site
Dissemination of the latest information with service sites
Upstream improvements
Improvement of service documentation
Technical training
Prevention

Gathering of information

Honda

Academic and practical events at the competition

Enhancing after-sales service

A proprietary service education system
Honda is working to enhance its after-sales service based on the Honda Automotive Service Training program, which is designed to provide instruction in both technical and customer service skills. The program adds training in specialized subjects, training for specialist associates, training in sheet metal and painting technologies, and other content to foster service specialists.

Developing a higher level of staff skill through the Honda Automotive Service Technology Competition
Each year, we hold the Honda Automotive Service Technology Competition, which provides an opportunity for service staff from throughout Japan to compete in their ability to offer exceptional customer service and advice, accurately diagnose vehicle problems, and restore full operation quickly and precisely. By participating in an event that invites them to showcase skills that have been polished in the course of fulfilling the day-in-day-out responsibilities of their jobs, the competition motivates employees to boost their skills and helps spur improvements in the quality of service Honda is able to offer its customers.

The competition consists of academic and practical events. In academic events, competitors compete in terms of knowledge related to products, service, engines, chassis, electricals, and other vehicle components. The practical events consist of three tracks—each for service engineers, reception staff, and corporate teams—and allow competitors to compete in terms of work accuracy and speed and customer service. During the two-day national competition, competitors who won preliminary rounds go on to compete in each event.

Power product initiatives

Japan: Disseminating maintenance information for compact residential cogeneration units
Inspections, maintenance, repairs, and other service work for compact residential cogeneration units installed at customers’ homes are performed on-site. We disseminate the latest service information online so that service personnel can do their jobs quickly and precisely, minimizing customer inconvenience.

Cogeneration technology uses exhaust heat from an internal or external combustion engine to generate both electricity and useful heat (for either heating or cooling). Cogeneration systems, so-called for their ability to generate two or more types of energy from a single primary energy source, include setups that use a generator (gas engine/turbine or diesel engine) to generate electricity while simultaneously making use of the resulting exhaust heat as well as fuel cells that generate electricity by means of a chemical reaction between hydrogen and oxygen while making use of the resulting exhaust heat.

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In April 2009 in Japan, Honda Cars and Honda Auto Terrace, Honda’s automobile dealerships, adopted the name “Honda Maintenance Station” to denote the full range of after-sales service available to customers. In addition to presenting a dealership atmosphere that is appealing to all customers, the dealers are aiming to provide a place where customers find it easy to seek advice about vehicle ownership and maintenance by providing easy-to-understand information about after-sales service.

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Supporting product sales and maintenance technology

Part sales initiatives

**Japan: Part contact center**

In September 2005, Honda launched the Part contact center as an internal department to streamline processing of part and supply orders from customers as well as part orders for use in the repair of customer vehicles in order to minimize customer wait times. By mediating the center’s transactions between dealers (Honda Cars, Honda Auto Terrace, and dealerships of motorcycle and power product) and other part sales companies and suppliers (part manufacturers), the center strives to improve customer satisfaction. During FY2010, the center serviced more than 130,000 inquiries.

The Part contact center links dealers and part sales companies with Honda.

- Customers → Visit to dealer → Repair plans → Finalization of lead-time → Suppliers
- Dealers/Part sales companies
- Honda
- Suppliers

Quick determination and observance of delivery time frame

**Maintenance technology support initiatives**

**Japan: Improving availability of service and repair information**

Honda is working to revamp service and repairs of electrical parts and equipment in automobiles as well as the manner in which it provides associated information. By means of innovations such as the storage of information in electronic form, use of links between data sources, and creation of three-dimensional part diagrams, we aim to improve the quantity and quality of information that is available, thereby increasing customer satisfaction through service and repair work.

Three-dimensional part diagram for the new Insight

**Odyssey’s owners manual wins the Manual of the Year Award for its new layout style**

In a first for the automotive industry, the Odyssey’s owners manual won the Manual of the Year Award at the 2009 Japan Manual Awards (held by the Japan Technical Communicators Association) for its use of a new layout style that improves searchability while reducing the number of pages. Features winning favorable recognition included the manual’s inclusion of only carefully selected content, its use of links to related information in the form of Quick Guide illustrations, and its incorporation of an activity index. The manual’s concise, easy-to-understand style and refined design have also won high praise from customers.

The Quick Guide at the beginning of the manual. Links from illustrations to related information improve searchability