

SIM 2017 / 14th International Symposium in Management

Customer Experience Management to Leverage Customer Loyalty in the Automotive Industry

F. Scherpen¹, A. Draghici², J. Niemann¹

¹University of Applied Sciences Düsseldorf Faculty of Mechanical and Process Engineering Münsterstraße 156, 40476 Düsseldorf, Germany

²Polytechnic University of Timisoara, Faculty of Product and Transport Management, Piata Victoriei No. 2, 300223 Timisoara

Abstract

This paper presents an investigation on the current market conditions in sales based in the automotive industry and a new approach triggered by the digitization in this industry. Various studies prove that the behavior of the customers has changed drastically. By this customer experience, management becomes a central strategy in the digital age to reach long-term customer loyalty and enterprise growth. It is therefore necessary to adapt the function of the car dealers and, in general, innovative sales formats and technologies for communication with the customer. This paper describes how Daimler AG is reacting to these market changes with the concept of “Mercedes Me”.

© 2018 Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of SIM 2017 / 14th International Symposium in Management.

Keywords: Customer experience management, sales strategy, customer loyalty

1. Introduction

In the past few years, digitalization has changed our everyday lives enormously. It affects the way we communicate, our leisure time, our buying habits, the way we acquire information and many other issues. Various industries are also being revolutionized by this current trend. Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars states: “We are transitioning from car manufacturer to networked mobility provider, whereby the focus is always on the individual – as customer and employee.” (Daimler AG 2016)

The sales department plays a significant role in this turnaround as this area is closely linked to the customer. It is no longer sufficient to stand out from the competition through innovative technologies, the product quality, the price or the quality of the service. The attention is more and more paid on the customer.

The aim of the present work is to investigate the current market conditions in sales based on the digitalization and, in the next step, to examine whether and how these aspects are practically applied at one of the world's largest

automobile manufacturers, Daimler AG. In the following chapter, the current management approach ‘customer experience management’ is picked up and the present changes in customer behaviour triggered by the digitalization are revealed. Chapter three then analyses the practical application at Daimler AG. The elaboration is concluded with a summary and an outlook.

2. Shift in sales of the automotive industry

Due to the digitalization, sales in the automotive industry is in a state of flux. The central strategy in this context is customer experience management. This is taken up in the pre-ceding chapter. In the further course, current trends are pointed out with special eye on the change in customer behaviour.

2.1 Customer experience management

Digitalization presents new challenges for many business areas as well as for sales. A current approach to counteract is the so-called customer experience management. The present relevance of this approach is clearly demonstrated by a study carried out by Pierre Audoin Consultants. A survey was conducted in Germany, France and the UK in the year 2015 about the relevance of customer experience management. They found out that 70% of the surveyed companies assessed this approach as a central success factor for their company strategy in the digital age. (Pierre Audoin Consultants 2016)

In the context of this approach, it is firstly necessary to clarify the characteristics of customer experience. According to Boureau the customer experience “... is the sum total of interactions with the customer – from noticing a company, a product or a service via purchasing it to using the product or service.” (Boureau 2017) Central to this definition are the interactions, often described as touchpoints in further readings. “A touchpoint represents any verbal (e.g., advertising) or nonverbal (e.g., product usage) incident a person perceives and consciously relates to a given firm or brand.” (Homburg 2015)

In customer experience management, the main focus is on pattern and continuously adjusting these touch points to the customers. The overall objectives of this management strategy are to achieve long-term customer loyalty and growth of the company. (Pierre Audoin Consultants 2016)

The customer experience management therefore accompanies the customer during the whole process of purchase, including the time before, during and after the buying decision. According to Hefner they are called Customer Information Points, Customer Point of Sale and Customer Service Points (see Figure 1). (Hefner 2010)

These phases can partly flow into one another or overlap. As can be seen from the designations, they are separated from one another by the main functions. As a result, the first one serves to provide customers with information, the next one to the sale itself, and the last to the service. According to the goal of customer experience management, creating long-term customer loyalty, the touchpoints can be used to create a kind of value chain in terms of sales success. Well-informed customers are encouraged to buy. In addition, customers who are well guided during and especially after the purchase also gladly again buy a product of the enterprise. Thus, if a company is able to shape the touchpoints in a customer-oriented manner and meet the requirements of the target group, enormous competitive advantages can be achieved. (Hefner 2010)



Figure 1: Touchpoints (Hefner 2010)

Download English Version:

<https://daneshyari.com/en/article/7535370>

Download Persian Version:

<https://daneshyari.com/article/7535370>

[Daneshyari.com](https://daneshyari.com)