



The integration of RFID technology in connection with after-sales service strategies in a rapidly emerging vehicle market.

A case study for Gargash Enterprises L.L.C
Authorized General Distributor of Mercedes-Benz in
Dubai, Sharjah and the Northern Emirates.

Thesis at Bachelor Degree level in Economics and Logistics.

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Abstract

The automotive industry's core business today is not just about producing and selling vehicles, since a large source of revenue in the vehicle market is based on the after-sales services that customer's need. The overall trend in the vehicle market is that customer services and customer focus have become increasingly more central to the automotive industry and its customers in recent years. This has meant that the focus has moved away from only production activities to also include service activities for the dealerships in the car market.

The main problem for the after-sales department at Gargash Enterprises L.L.C is the loss of customer retention in the workshops due to when the customer's car warranty ends after three years. The loss of retention is partly based on a historical high price strategy that has made customers more reluctant to service their vehicles at Gargash Enterprises L.L.C. The loss of retention is also based on the high amount of workshop competitors that attracts customers with lower prices. To counteract this trend, Gargash Enterprises L.L.C is currently using different after-sales service strategies to increase the customer retention rate i.e. they offer the Mercedes-Benz "24 hour service en route".

The purpose of this thesis is to evaluate in what ways Gargash Enterprises L.L.C can increase its customer retention rate using the after-sales service strategy Mercedes-Benz "24 hour service en route" and RFID technology in the workshops.

The methodology that is used in the thesis is based on a deductive scientific approach and qualitative primary data that is obtained through interviews and a field study of the Mercedes-Benz "24 hour service en route". There is also secondary data in the thesis that originates from scientific literature.

The theory chapter starts with a theoretical review of what customer value and satisfaction are, and describes the possibility of using the SERVQUAL model. The chapter also reviews the straits and benefits of a RFID implementation within service based organizations.

The empirical chapter is based on the interviews in conducted in the United Arab Emirates (UAE) which describes the vehicle market in that region. The chapter is also based on our field test and shows how the "24 hour service en route" is conducted in theory and reality.

The analysis shows the reader the types of challenges Gargash Enterprises L.L.C has when it comes to adapting their after sales service strategies to different types of customers and Emirates and how the "24 hour service en route" performs in real life. The chapter also discusses the current opportunities and difficulties that are linked to an implementation of RFID technology in the company's various workshops.

The conclusion chapter shows that Gargash Enterprises L.L.C has the possibility to increase its customer retention level by the development of its roadside assistance service "24 hour service en route". Through the development of the call center and the service technicians social, language, and technical skills, the customer's perceived value and satisfaction in the offered service can be increased. Regarding the implementation of RFID technology in the workshops it could contribute to faster repairs, less human errors and real time tracking and tracing of the customer's vehicles. This could enable customers to perceive the repair or service offered with a greater satisfaction. Unfortunately, it's hard to see the monetary gain in such effected customer satisfaction and to calculate the investment's net profit is unfortunately very complex.



Foreword

The thesis is written for Gargash Enterprises L.L.C located in the United Arab Emirates (UAE) during ten weeks of studies between March and May 2012. Its contents both refer to and conclude our studies for a Bachelor Degree level in Economics and Logistic at the University of Gothenburg, School of Business, Economics and Law.

First and foremost we would like to express our sincere gratitude to Mr. Karl-Johan Sandesjö, General Manager at Gargash Enterprises L.L.C who generously gave us the opportunity to come and visit the company and its premises with the intent to carry out field studies and collect data for our thesis. He has been most supportive and he generously equipped us with an excellent Mercedes-Benz C-class to use for transportation during our time in the UAE while we conducted different interviews and field tests at several Emirates.

We would also like to express our gratitude to Mrs. Joanne Hardy, Customer Contact Manager at Gargash Enterprises L.L.C for her knowledgeable insights and genuine interest in our project, for her warm hospitality and for her support with our accommodation arrangements and for her coordination efforts in connection to the tests of the “24 hour service en route”.

The friendly and service minded Mr. Tracy Neale, Workshop Manager at Sheik Zayed Road and his technical team were also very much supportive and they gave us valuable technical instructions on how to perform certain types of service tests during our stay in the UAE.

We would also like to say thank you to all managers at the “bodyshop”, “workshops”, and “showrooms” in Dubai, Sharjah, Ras al Khaimah, and Fujairah for lending us their time, and for sharing valuable data with us during our interviews with them.

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Concepts and definitions

Star diagnosis tool:	A diagnostic tool used by Gargash Enterprises L.L.C workshop and service technicians for diagnosing vehicles.
AAA:	AAA is a company that Gargash Enterprises L.L.C uses for towing vehicles.
C Track MAX:	Is a computer program that shows the geographical location of the service technicians in real time.
GE Back Office:	Customer satisfaction software that is used to review the performance of the operation.
SERVQUAL:	A disconfirmation model that shows the gap between expected and perceived customer values.
Viano:	A vehicle used by the service technicians in the “ <i>24 hour service en route</i> ”.
Northern Emirates:	The Emirates Ras al Khaimah and Fujairah.



1. Introduction

The chapter "Introduction" describes the background for the thesis which then continues with the problem discussion and problem definition. The purpose of the thesis is also presented in this chapter.

1.1 Background

According to Juehling et al. (2010) the automotive industry's core business today is not just about producing and selling vehicles, as a large source of revenue in the vehicle market is based on the after sales services that customer's need. The overall trend in the vehicle market according to Holmén (2007) is that the customer services and customer focus have become increasingly more central to the automotive industry and its customers in recent years. This trend has meant that the focus has shifted away from only production activities to also include service activities for the dealerships in the vehicle market (Holmén 2007).

In order for the car dealerships to take advantage of the lucrative after-sales service segment in the vehicle market, it is important to find methods and strategies to retain their customers even after the car is purchased. According to Juehling et al. (2010) the automotive industry often lacks methods to evaluate and improve the after-sales service services so it can meet customers' increasing demand of specialized service and thus gain their willingness to remain as customers.

The service business is therefore a vital component for companies in the automotive industry where efficiency often is clearly reflected in the corporate brand image and its customer loyalty (Juehling et al. 2010). As the global automotive industries customers are in no way a homogenous group, it is impossible to develop a universal service strategy for the industry in large. It is more about understanding what the specific customer demands are and to shape the services towards it.

Services in the automotive industry can be developed and designed in many different ways depending on its purpose and goals. A technical tool to improve service processes for companies is according to Jaska et al. (2010) the implementation and use of RFID technology. It is a well-established instrument in many logistical areas where it is used to streamline the management of both internal processes and increase the transparency towards external customers.

Gargash Enterprises L.L.C is the general distributor of Mercedes-Benz in Dubai, Sharjah, Ras al Khaimah and Fujairah in the UAE and they must take their own unique market characteristics into consideration when they are designing and improving new and existing service strategies. Like many other car companies they have a "24 hour service en route" as an offer in their service activities. In short, this service can be described as a service commitment from Gargash Enterprises L.L.C side, in which the customer at any time (24 hours a day, 365 days per year) can call in and get immediate roadside assistance in case of mishaps.



1.2 Problem discussion

The challenge for Gargash Enterprises L.L.C in the after-sales service segment is the decrease of customer retention in the workshops as a result of when the three year vehicle warranty ends. Due to a historical long term high price strategy, customers have perceived Gargash Enterprises L.L.C as expensive and they tend to search for cheaper substitutes for their vehicle maintenance. This trend is further developed due to the existing bargaining culture in the UAE. The reduction of customer retention is taken advantage by competing companies and workshops that use a lower price strategy to attract the customers.

As an actor in the automotive industry it is essential to continually seek new improvements and efficiency measures in order to keep up with its competitors as well as capture new customer related trends. One improvement that has been introduced in the UAE is the use of RFID technology in the Mercedes Benz workshop in Abu Dhabi. This is used for tracking and tracing customer vehicles in the repair chain, and has shown to increase the workshop technician's productivity, reducing costs, and increasing customer satisfaction. Therefore, the efficiency potential for Gargash Enterprises L.L.C of using this kind of RFID technology in the workshops should be explored and analyzed to see if there are future possibilities for monetary gain, and customer satisfaction hence increasing the customer retention rate.

In order to create a successful strong position in the after-sales service segment in the UAE vehicle market, it requires that Gargash Enterprises L.L.C understands their customers' motivations and the factors underlying them. By making use of targeted strategies such as the *"24 hour service en route"* as a value-added service for customers, Gargash Enterprises L.L.C should be able to increase their customer loyalty, retention, and gain competitive advantages. Therefore, it is essential to continually evaluate and examine the services offered i.e. *"24 hour service en route"* to be able to keep what Gargash Enterprises L.L.C promises and above all match what the customers expects. If they do not meet the customer's expectations there is a high risk that the service is deteriorating the company's image instead of strengthening it.

In the past as well as in the current company situation, there is a lack of control and evaluation of the above mentioned service and it has never been evaluated in detail. As Juehling et al. (2010) has stated that the automotive industry often lacks methods to evaluate and improve their after-sales service services so it can meet customers' increasing demand of specialized service, thus gaining their willingness to remain as customers. For that reason, the use of theoretical data could give Gargash Enterprises L.L.C a view of how to meet the challenges and the chance for potential improvement seems therefore quite reasonable.



1.3 Problem definition

The main thesis question:

How can the integration of RFID technology in connection with the after-sales service strategy Mercedes-Benz “*24 hour service en route*” in a rapidly emerging vehicle market in Dubai, Sharjah and the Northern Emirates benefit Gargash Enterprises L.L.C customer retention rate?

Sub questions:

- How does Gargash Enterprises L.L.C manage customer service in a differentiated vehicle market?
- How does the Mercedes-Benz “*24 hour service en route*” work and what future improvements are possible for the service offered?
- Is it feasible for Gargash Enterprises L.L.C to implement and use RFID technology in the workshops?

1.4 Purpose

The purpose of this thesis is to evaluate in what ways Gargash Enterprises L.L.C can increase its customer retention rate using the after sales-service strategy Mercedes-Benz “*24 hour service en route*” and RFID technology in the workshops.



1.5 Disposition

Chapter 1 – Introduction

The chapter “Introduction” describes the background for the thesis which then continues with the problem discussion and problem definition. The purpose of the thesis is also presented in this chapter.

Chapter 2 – Business description

The chapter “Business description” aims to give the reader an understanding about the operations and the geographical areas in which Gargash Enterprises L.L.C operates.

Chapter 3 – Methodology

The chapter “Methodology” aims to show the methods that have been used under the thesis construction. The methods are described and the choice of them is also carefully motivated. This chapter will give the reader an insight in how the thesis is shaped and the purpose of the different data collections.

Chapter 4 – Theory

The chapter “Theory” describes the theoretic material for the thesis. The material is based on marketing theories regarding customer value and satisfaction, and theories about the opportunities of using and implementing RFID technology in service businesses.

Chapter 5 – Empirical data

The chapter “Empirical data” consists of the qualitative parts of the thesis and is based on the interviews at Gargash Enterprises L.L.C with the General Manager, Customer contact manager, workshop/showroom managers, and the bodyshop manager (section 5.1 – 5.6). These sections describe the vehicle market in the UAE in which Gargash Enterprises L.L.C operates in, its customers, and problems related to the after sales service strategy “*24 hour service en route*”. The chapter will also highlight the field tests of the “*24 hour service en route*” that has been made (section 5.7 – 5.8).

Chapter 6 – Analysis

The chapter “Analysis” describes the types of challenges Gargash Enterprises L.L.C has when it comes to adapting their after sales service strategies to different types of customers, Emirates and how the “*24 hour service en route*” works in real life. The chapter also discusses the current opportunities and difficulties that are linked to an implementation of RFID technology in the company's various workshops.

Chapter 7 – Conclusion

The chapter “Conclusion” is based on the thesis analysis and problem definition. It depicts the questions regarding new and existing after-sales service strategies in Gargash Enterprises L.L.C current operations i.e. the “*24 hour service en route*” and a RFID implementation in the workshops.

2. Business description

The chapter “Business description” aims to give the reader an understanding about the operations and the geographical areas in which Gargash Enterprises L.L.C operates.

Gargash Enterprises L.L.C was founded in 1958 and is the sole authorized dealer of Mercedes-Benz in Dubai, Sharjah and the Northern Emirates. The company has in the current situation slightly more than 1,000 employees and has become one of the largest Mercedes-Benz dealers in the world. The business is conducted through its own facilities in the Emirates Dubai, Sharjah, Ras al Khaimah and Fujairah (Gargash Enterprises L.L.C, 2012).

In regards to the population in these four Emirates it shows that Dubai has 2,003,170, Sharjah 895,252, Ras al Khaimah 171,903, and Fujairah has 137,940 people (Dubai Faqs, 2012).

Gargash Enterprises L.L.C is offering new and pre owned car sales to customer through its five different showrooms in the UAE. Dubai holds two showrooms while Sharjah, Ras al Khaimah, and Fujairah holds one showroom each. When it comes to offering vehicle service and repairs for its customers there are three workshops and one bodyshop to choose from in Dubai, and one workshop in each of the Emirates Sharjah, Ras al Khaimah, and Fujairah (Gargash Enterprises L.L.C, 2012).

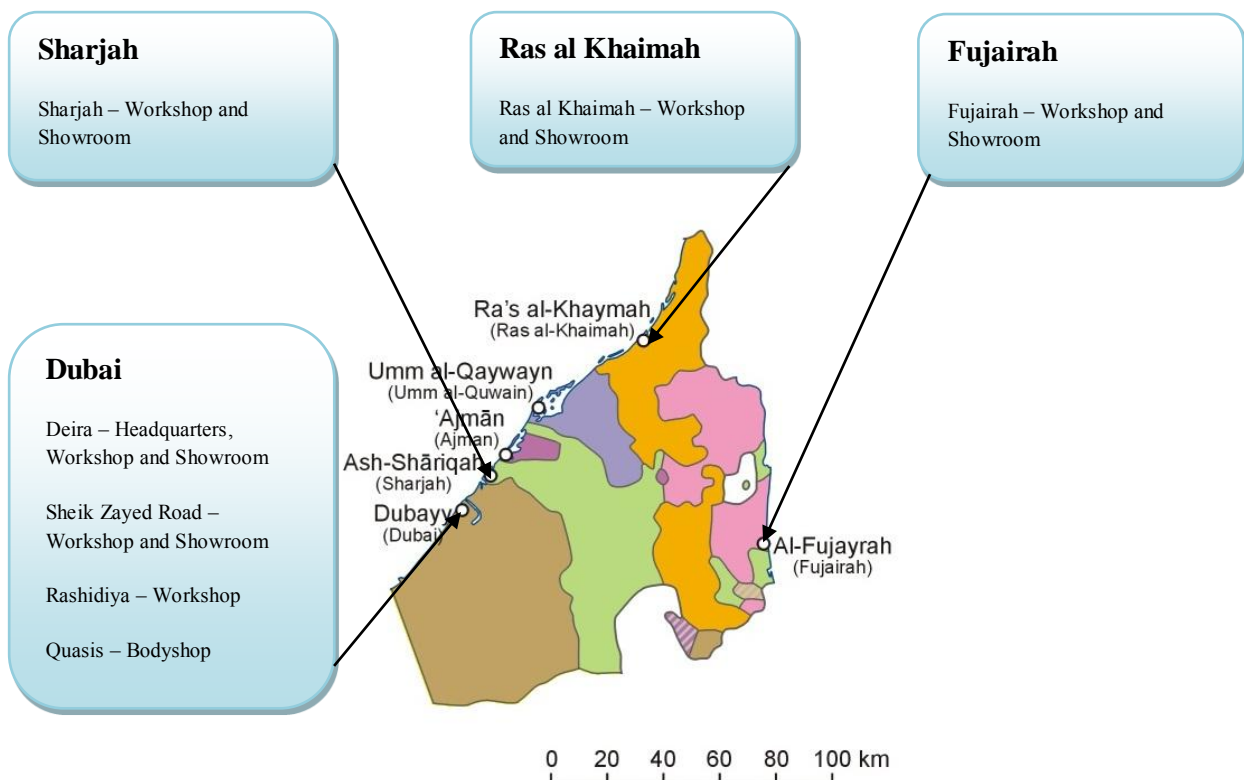


Figure 2.1: Modified picture from http://upload.wikimedia.org/wikipedia/commons/7/73/UAE_en-map.png



3. Methodology

The chapter “Methodology” aims to show the methods that have been used under the thesis construction. The methods are described and the choice of them is also carefully motivated. This chapter will give the reader an insight in how the thesis is shaped and the purpose of the different data collections.

3.1 Scientific approach

According to Adams, Khan and Raeside (2007), for all types of studies, there are principally two kinds of scientific approaches. These approaches are named induction and deduction, where the intention of the deductive approach is that a survey is usually based on underlying existing theories that create a theoretical question for the research and thesis. In regards to this thesis, we have used the deductive scientific approach in which we have studied the company Gargash Enterprises L.L.C current business based it on theoretical models. The empirical data is then compared to our theory, the analysis and conclusion originates from this scientific approach.

3.2 Selected theory

After a review of literature and articles we have concluded that there is little scientific literature that illustrates the integration of RFID technology in connection with after-sales service strategies in a rapidly emerging vehicle market. The existing scientific literature describes a more generalized view than actually describing the logistics and after-sales service strategies related to the vehicle market in the UAE. However, even though the literature used in this thesis is based on a more generalized and broader view its information can still be applicable within the thesis. Since this thesis is reviewing services i.e. the “24 hour service en route” and the potential usage of RFID in the workshops, it can be concluded that these aspects are intangible. Since services are intangible, the use of literature that illustrates models and information do not need to be specialized in certain markets and can instead be of a broader nature.

The majority of the literature that is used in this thesis originates mostly from scientific articles in which we have found that there is a large and precise selection of material to use. To be able to get a broader understanding of the terms after-sales service strategies and RFID technologies we have focused our literature about RFID, customer satisfaction and value, and customer services in the vehicle market.

3.3 Empirical data

The intent with the empirical material that has been acquired and processed during the field studies in the UAE, are intended to generate as much knowledge and understanding as possible. One informational approach we have used to gather empirical data about customer perceived value and the UAE vehicle market is through our interviews with Gargash Enterprises L.L.C staff e.g. workshop and showroom managers in the four different Emirates that the company is located in (Dubai, Sharjah, Ras al Khaimah, and Fujairah).

In regards to the gathering of empirical data of the “24 hour service en route”, we have evaluated the existing roadside assistance service through four real life "test runs" in Dubai, Sharjah, and Ras al Khaimah.



3.3.1 Choice of empirical data

To be able to get as much information for the thesis as possible, we felt that it was necessary for the quality of the thesis to do interviews in all four Emirates. If we have settled for e.g. interviews in Dubai and excluded the other Emirates we would have lost data about cultural and financial factors that differentiates the Emirates from each other.

The data that has been collected during our ten weeks of studies has been divided into two different categories; primary and secondary data. Before our field studies in the UAE we started the primary data collection by email correspondence with the customer contact manager Mrs. Joanne Hardy. She helped us with information about the “*24 hour service en route*” and how the internal and external communications works within the service. The purpose of our email correspondence was to create an empirical base and to give us a broader understanding of Gargash Enterprises L.L.C and its roadside assistance program “*24 hour service en route*”. This was made before our field tests that we conducted during late April to early May.

In regards to our primary data regarding of how the “*24 hour service en route*” is conducted in real life, we felt that email correspondence was not enough and we booked an interview with Joanne Hardy to get a broader understanding of the service offered by Gargash Enterprises L.L.C. During this time, we also agreed that we should conduct field tests of the “*24 hour service en route*”.

During our visit in the UAE we collected primary data about the vehicle market based on interviews from the GM and showroom/workshop managers in Dubai, Sharjah, Ras al Khaimah, and Fujairah. The purpose of these interviews was to get a status report on how the customers behaves in different Emirates and its corresponding vehicle markets, and what factors comes into consideration depending on cultural, financial, and geographical aspects. Through these interviews we can see if there are any trends or aspects that connect the different Emirates vehicle markets and its customers to each other.

The secondary data that we have acquired originates from the used literature, scientific articles, and data from Gargash Enterprises L.L.C systems. This type of data is used as a supplement to the primary data, and aims to give the thesis validity. However it should be taken into consideration that articles and literature can be interpreted by both the author and the readers in a certain ways that is not consistent with the aims and goals of the thesis. This can result in that the thesis validity can be reduced if the information can be interpreted in contradictory ways. Nevertheless, we feel confident in the literature that we have acquired and its validity.

3.3.2 The “*24 hour service en route*” field tests

The field studies of the “*24 hour service en route*” that we have conducted in the UAE aims to compare the primary and secondary data that we have worked with in different real life scenarios. With this approach, the field studies in the thesis can illustrate how the “*24 hour service en route*” works in theory and in practice, and describe how the correlation and relationship to each other are. The real life case studies can also show which internal and external problems that may arise in the real world that may be difficult to describe or identify if only interviews had been made.

We conducted the field studies by testing the “*24 hour service en route*” in real life using a Mercedes-Benz C-class car. The purpose of these tests was to measure the performance of Gargash Enterprises L.L.C call center and the social, language, and technical skills of their service technicians. With these



tests we were able to evaluate the internal and external problems that might arise for the call center and service technicians en route.

Regarding the evaluation of the service technicians' en route technical skills we wanted to analyze if they were able to provide the service that is offered by Gargash Enterprises L.L.C in real life to customers or if there is a discrepancy between what is offered and what is received. To be able to analyze this correctly; we contacted the workshop manager at Sheik Zayed Road Mr. Tracy Neale and his workshop technician to help us create "problems" with the vehicle. In regards to the "problems" with the vehicle our only requirement was that the "24 hour service en route" service technicians should be able to find and repair the "problems" en route. With this requirement, we got the information that switching to and using, damaged fuses and/or removing certain cables in the engine compartment would render the vehicle unable to start or function. It is also of great importance to acknowledge that we did these tests anonymously and used fake names, and as a result neither the call center nor the service technicians did know who we were.

By traveling to the Emirates Dubai, Sharjah, and Ras al Khaimah we tried the "24 hour service en route" as real customers in these Emirates, and in different scenarios. The first test in Dubai was in an industrial area, the second and third test in Sharjah was both inside and outside the Emirate, and the last test in Ras al Khaimah was on Emirates road near the desert. In regards to the location of the tests, we wanted to see how different geographical locations affected the time it took for the service technician to reach us and how the communication between the customer, call center, and the service technician was conducted during the waiting time. During the tests we always used different "problems" with the vehicle so that if we would receive the same service technician twice, he would have been faced with a new problem.

3.4 Research approach

In regards to categorizing pedagogical research, it is often based on the two terms quantitative and qualitative methodology. The quantitative methodology originates from the natural science where empirical quantifiable observations are available. The main task in a quantitative methodology is to identify causal relationships, which in turn is explained. Given the qualitative methods, it has its origins in the human science and relates to the use of holistic and qualitative information. The main task of a qualitative methodology is to interpret and understand the results that emerge (Wolming 1998). When it comes to the use of a qualitative research method its basic tools are interviews and field studies. A qualitative study is in other words a tool to create a deeper understanding of a certain phenomenon.

Regarding the thesis we can see that we are using a qualitative research method. And to briefly illustrate how we use the qualitative methodology in the thesis, we can see that the interviews with the General Manager, workshop/showroom managers in Dubai, Sharjah, Ras al Khaimah, and Fujairah, and the customer contact manager are of a qualitative methodology. These interviews give us qualitative data that is based on their knowledge and experience that is used to procure a deeper understanding of the thesis problem definition.

In the field study of the Mercedes-Benz "24 hour service en route", the qualitative research method can be traced in that we have studied in real life how the service is working and how customers perceive it.



3.5 Validity and reliability

Validity is a term used to describe the quality of the subject that you are measuring i.e. to really measure what we want to measure. The term reliability expresses the quality and accuracy of the measurement (Wolming, S. 1998).

"The meaning of validity has changed from merely have focused on fairly simple and straightforward correlations between predictor and criterion variables that in its present form are a significantly more complex and comprehensive concept"

Wolming (1998, page 81) translated into English.

When using quantitative or qualitative research methods, there are different techniques for data collection. An important aspect in the data collection is how well the information is in compliance with reality i.e. how well does the data collected match reality?

Wolming (1998) describes that the validity's importance has shifted from its focus from being relatively straightforward to its current form where it has become part of an increasingly complex and comprehensive concept. The two concepts of reliability and validity are complementary in the sense of reliability determines validity i.e. if the reliability is low then the validity also be low. However, if reliability is high it does not mean that validity will be high to.

The validity and reliability in our thesis consists of two different aspects: the interviews in Dubai, Sharjah, Ras al Khaimah, and Fujairah, and the "24 hour service en route" field test. In regards to our interviews with the GM and workshop/showroom managers in the UAE, it can be seen that the validity of them is quite high. Since the purpose of the interviews was to understand the vehicle market and what financial, cultural and geographical factors that affects it, we felt that the answers given to us gives us a broader understanding of how the vehicle market is in reality. When it comes to the reliability of the interviews, we feel that it is quite high given that the interviews have been conducted within all four Emirates that Gargash Enterprises L.L.C is operational within.

For example, if the interviews were done only in Dubai, the lack of information from the other Emirates would reduce the reliability of the interviews since financial, cultural and geographical factors differentiate the Emirates from each other. Since we completed interviews in four different Emirates we see that the workshop/showroom managers are giving similar answers on our questions which show that there is a consistent theme that may not be based on individual opinions.

When it comes to the validity and reliability of the "24 hour service en route" field tests, results show that there is a high amount of reliability. This high amount of reliability transpires since we have received the same results from our four tests when it comes to the different Emirates and the social, language, and technical skills of the call center, and service technicians. This shows that the quality and accuracy of our field tests are high, hence resulting in high reliability. Since the term validity means to show how a study measures what it intends to measure, we can see that the validity in our field tests is high. Given that our questions about the field test was to evaluate the social, language, and technical skills of the call center and service technicians, the actual real life tests have shown us how the service performs in different Emirates and what internal and external challenges it has. It is also worth noting that the results in this thesis are based on the UAE vehicle market and is not generalizable to other vehicle markets in the world.



3.6 Source criticism

To be source critical in a thesis is a method to evaluate how well a statement corresponds with reality. For example if two people would describe the same type of information they will do that most likely in different ways. Person A would describe the information like X while person B would describe it like Y. In this scenario both persons are correct even though they perceive and describe information in different ways, using different words and images. The underlying problem is that people perceives information in different ways i.e. they see it through they own eyes and re-tell it through their own preferences and knowledge (Edu Lulea, 2006).

As our starting point was to use scientific articles and literature where the authors are neutral in their writing, we believe the data to be quite reliable. However, as we have mentioned in the “choice of empirical data” part in the methodology chapter, we must take into consideration that articles can be interpreted by the author and its readers in a certain ways that does not conform to what the aim is in the thesis. This can result in that the validity of information can be reduced and can be interpreted in inconsistent ways.

Another aspect that must be taken in consideration is that the thesis results may be colored by us as authors' through our own preferences and culture. This may occur, given the cultural differences between the Western world and that of the Middle East. We may perceive various problems and form our views on them in accordance with our own cultural background.

4. Theory

The chapter “Theory” describes the theoretic material for the thesis. The material is based on marketing theories regarding customer value and satisfaction, and theories about the opportunities of using and implementing RFID technology in service businesses.

4.1 Customers in dynamic markets

“The purpose of an enterprise is to create and keep a customer” – Theodore Levitt.

(McLoughlin & Aaker 2010, page 21).

Today’s companies are facing new challenges when it comes to developing and implementing new strategies that enables them to attract new and keep existing customers. Recent trends have shown that for a couple of decades ago, the overall markets were more stable and simple to manage. But in today’s day and age the markets are more dynamic and are putting pressure on existing companies (McLoughlin & Aaker 2010).

According to Fill, Baines and Page (2008) there has been an increase in customer sophistication and the customers purchasing demands has been more specialized. Given the increase in customer sophistication, companies and organizations need to develop and adapt different working strategies for a dynamic market. To be able to develop good and working strategies, there is a need for organizations to understand its customers and adapt itself accordingly to them (McLoughlin & Aaker 2010).

One organizational approach when developing strategies for a dynamic market is to do a customer analysis. This is made as a step for organizations to understand what different customer’s demand, in which segments they are located in and what they perceive as value in their purchase (McLoughlin & Aaker 2010). Figure 4.1 shows different areas within a customer analysis.

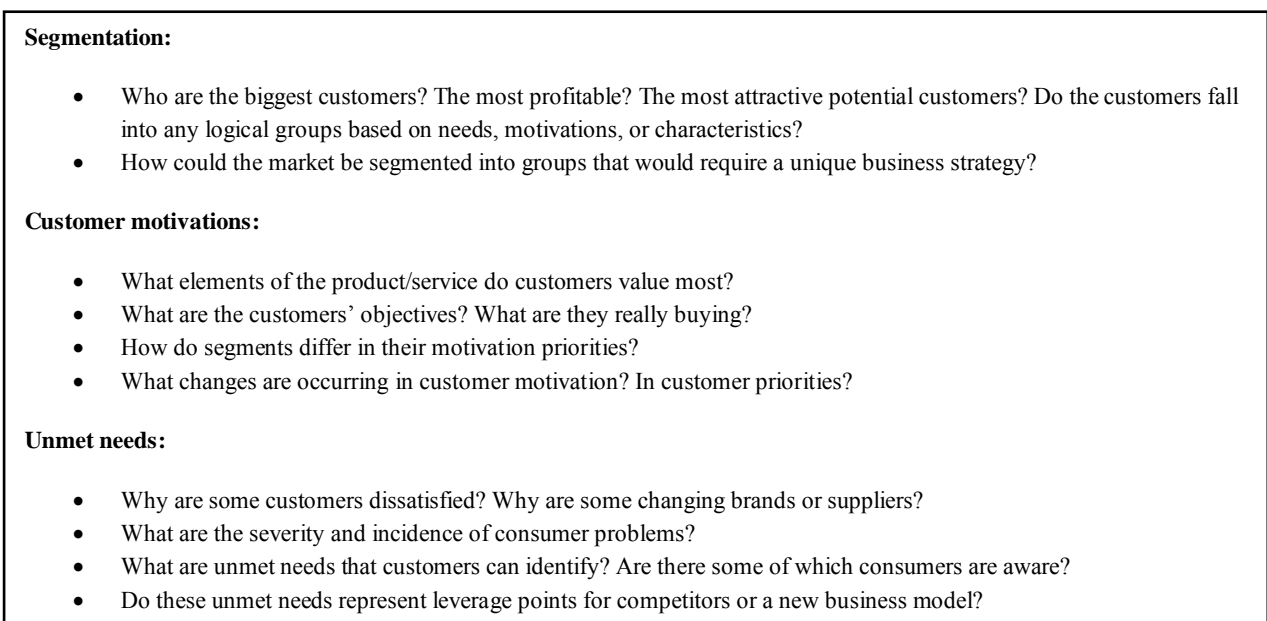


Figure 4.1: Different areas within a customer analysis (Fill, Baines & Page 2008, page 26).



With the more specialized demand from customers, there is a need for organizations to know what customer perceives as value. According to Fill, Baines and Page (2008) the definition of value in marketing terms, regarding customer perceived value is often referred to as what the customers receives for what we pay for and can be expressed as the equation;

$$Value = \frac{Quality}{Price}$$

This approach shows that to be able to increase the customer perceived value we have to either increase quality or lower the price. But primarily when it comes to defining customer value, convenience is one of the main factors in purchasing (Fill, Baines & Page 2008).

4.2 Customer service

Companies and organizations have for a long time placed its strategic focus on quality and pricing as different differentiators that creates value for customers. But according to (Fill, Baines & Page 2008) organizations have just begun to understand what impact customer service can provide customers within their purchase decisions. The term product quality has lost its importance when it comes to competitive advantage, simply because of shorter product lifecycles and improved technology. This however has increased the importance of customer service and is becoming a more important dimension for the management to deal with. One challenge with offering a service is that it's not a physical product and this makes it difficult for organizations to deliver it to customers in high quality and in a consistent way.

With the increased organizational focus on customer service, research has shown us according to McLoughlin and Aaker (2010) that in service context, the term quality is largely based on how the customer perceives competence, responsiveness and empathy from the employees that interact with him or her. If an organization wants to be successful and create a competitive advantage, they must focus on developing these dimensions. If customer's expectation of the service is too high and the organization fails to deliver the demanded service, it could create dissatisfaction. One way of managing dissatisfaction is to create clarity in the service offered so that customers easier understand what they should expect. Another way to achieve service excellence is to reduce customer frustration when it comes to communication and accessing the service.

One way for organization to review its service quality is to compare it critically and objectively against competition and against the customer's expectations and needs. What value is the service generating? Can the service deliver the demanded performance? How does it compare against the organizations competitors and how will the current service match the competition in the future with regards to new technology? (McLoughlin & Aaker 2010).

4.3 Service failures

Dealing with service failures is something that all companies has to do, and as Fill, Baines and Page (2008, page. 614) states *"There is an inevitability that where there is intangibility, inseparability and variability then service performance may sometimes fall short of the required standard. Where a customer's expectation are not met then the result is service failure."*



When an offered service in an organization fails to satisfy the customer, it is often a result of three different areas in the service. These areas are failures in the delivery system, failure in response to customer request and failure through employee actions (Fill, Baines & Page 2008).

- **Failures in the delivery system:**
 - This occurs when the link between the employees and the service process breaks down.
- **Failure in response to customer requests:**
 - This occurs when the organization has problems to adapt their service to customer's request.
- **Failure through employee actions:**
 - This occurs when employee's uses an action against a customer that is unacceptable.

The main problem when a service failure occurs it is not the direct failure, but rather the customer's perception of it i.e. when customers are using word of mouth a service failure could have dramatic negative impact of the expected service for new and existing customers. Dissatisfied customer are unlikely to come back for the same service, so the main goal for an organization should be to have a high quality service that performs correct from the beginning and by such means reducing dissatisfied customers (Fill, Baines & Page 2008).

Another issue that organizations faces is when choosing the right level of customer satisfaction i.e. some companies has the goal of 100% customer satisfaction while other companies has set the goal around 95%. The problem is that companies sometimes spend too much money and time on a high level of customer satisfaction even though it might not generate any profit from existing or future customers. The management in a company must ask themselves if the cost of improving customer satisfaction from for example, 95% to 100% is worth the monetary cost and what impact will this investment have on the company (Fill, Baines & Page 2008).

4.4 Service recovery

To counteract the negative impact that a service failure brings, organizations have the possibility to do a service recovery. The service recovery is an attempt to correct problems within the service that customers have noticed. The purpose of these attempts is to create and manage retention of existing customers. If the organization acts quickly and investigates the concern for the customer, it could result in creating positive reputation and attract new customers. One way for the management to reduce service failures is to receive written feedback from customers, another way is to use a disconfirmation model to analyze the gap between the expected and perceived value of the service offered (Fill, Baines & Page 2008).

4.5 Quality review and performance measurements of an offered service

Within service-based organizations, the need for measuring the quality of a service case has increased and become a major factor when managing offered services to customers. The actual quality of an offered service is based and shaped on the customers own expectations of it. For example, if a customer expects an offered service to be expensive, he will compare it with the real perceived service (Fill, Baines & Page 2008). According to Parasuraman (1988), what customer's perceives as quality is based on its judgment about an entity's overall excellence and superiority. This is a form of attitude that is related to satisfaction and is based on expectations with perceptions of performance.



If the perceived service exceeds or meets the customer's expectations he will be satisfied and there is a high chance that he will come back, hence increasing retention. But if the perceived service falls below the customer's expectations there will be a service failure, and there is a high chance that the customer won't come back, hence decreasing retention (Fill, Baines & Page 2008).

Since the need for measuring the quality of services has increased for organizations, there are different methods to help them manage and provide a consistent level of quality. For organizations, one approach that could be used when reviewing service quality is to develop and base its methods on the SERVQUAL model. This model represents a benchmark approach for managing and reviewing service quality. SERVQUAL is a disconfirmation model and analyses the difference between the customers expected and perceived service value. To be able to use this model, the management must have the assumption that there is a gap between the expected and perceived value (Fill, Baines & Page 2008).

In service organizations there are five different types of gaps that can be analysed (Fill, Baines & Page 2008):

- 1) The gap between the customer's expectations and management perception:**
 - a. If the organization or company does not understand the customers need correctly, the management could direct funds to unnecessary areas.
- 2) The gap between management perception and service quality specification:**
 - a. This happens when the management are able to understand the customers need in the service but are unable to provide the quality and performance standard they request or sets an unrealistic one.
- 3) The gap between service-quality specifications and service delivery:**
 - a. This occurs when the offered service does not match the specification of it. This could be a result of human error such as poor training or it could also be due to technology failure that is necessary for the service to function.
- 4) The gap between service delivery and external communications:**
 - a. This occurs when the offered service is presented in media such as internet and in newspapers to help customers set their own expectations of the service. If these expectations are not matched when the service is used the customer will be dissatisfied.
- 5) The gap between perceived service and expected service:**
 - a. This happens when the customer misunderstands the quality of the offered service in relation to what they expect to receive.

According to Fill, Baines and Page (2008) when using the SERVQUAL and its GAPS approach, it enables five different dimensions of service quality that can be reviewed. These dimensions can be used in a questionnaire containing twenty-two items and when completed by a customer it provides the management with the opportunity to correct areas within the service.

According to Parasuraman (1988, page 23), the five dimensions in a SERVQUAL model are:

- 1. Tangibles:**
 - a. Physical facilities, equipment, and appearance of personnel.
- 2. Reliability:**
 - a. Ability to perform the promised service dependably and accurately.
- 3. Responsiveness:**
 - a. Willingness to help customers and provide prompt service.
- 4. Assurance:**
 - a. Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- 5. Empathy:**
 - a. Caring, individualized attention the firm provides its customers.

When a company bases its method of reviewing services on the SERVQUAL model, it gives the management of the company an opportunity to analyse different areas of the offered service that might need to be corrected and optimized. It will also show which parts of the service that is working successful and why it is successful. But it should always be taken into consideration that when using the SERVQUAL model for analysing services in a company, the difficulties lies within the customer's own preferences. When a customer is evaluating the quality of the service, it could differ depending on the situation. Another issue is reliability issues when asking customers about their expectations when they have used the offered service (Fill, Baines & Page 2008).

4.5.1 The customer relationship lifecycle

A customer relationship lifecycle is a model that gives the management of an organization the possibility to view different stages in a customer's lifecycle. This model gives the management a possibility to adapt its customer strategy depending on these different phases (Fill, Baines & Page 2008).

The customer relationship lifecycle consists of four different stages that are acquisition, development, retention and decline/termination. The main key to this model is that an organization adapts its customer relationship intensity depending on which stage the customer is on. The term intensity can be divided in to three different categories that are psychological, behavioral and economical (Fill, Baines & Page 2008).

- **Psychological intensity:**
 - Based on the customers own perception about the quality of the relationship and how trust and commitment are within these two parties.
- **Behavioral intensity:**
 - Refers to the customer's way of searching for relevant information and his behavior within communication, purchasing, information and integration.
- **Economical intensity:**
 - Refers to the customer's profit contribution and the lifetime value that a customer represents.

The different intensity dimension enables organizations to review the intensity of a relationship with a customer. The intensity varies through the different stages of the customer relationship lifecycle (Fill, Baines & Page 2008).

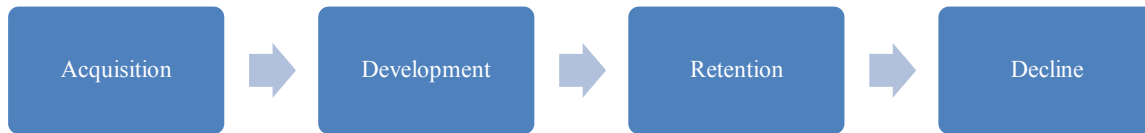


Figure 4.2: Customer relationship lifecycle modified figure 17.5 from Fill, Baines and Page (2008, page. 688).

- **Customer acquisition:**
 - The first stage “acquisition” is based on three different events. The first event is based on that the organization needs to find suitable customers that match its target. Secondly, once the customers have been located by the organization, the customer and the organization seeks out information about each other before the actual sale or purchase occur.
 - The third and last event is based on an increase of communication and socialization whereby the customer and the organization feel safe to give each other more information about them during the purchase.
- **Customer development:**
 - During the customer development stage the seller tries to persuade the customer to buy increased quantities, try other offerings from the company or any other services that is offered.
 - This stage is critical for the ongoing relationship between the customer and the company, since this stage shows what preferences and restrictions the customer has in his purchasing. This enables the company to understand the customer’s requirements and the customer understands what the company can offer.
- **Customer retention:**
 - During the customer retention stage the company and the customer is characterized by a deeper relationship and trust.
 - This relationship results in increased activity and purchasing between the customer and the company.
- **Customer decline:**
 - The customer decline stage could be result of a destabilized relationship and lack of trust between the company and the customer. The reasons of customer decline are many and both internal and external factors play a role in it. It could for example be an unattractive purchasing agreement or that a competitor has a better offering.



4.6 Radio Frequency Identifications historical development

RFID (Radio Frequency Identification) is a rapid emerging technology, with the purpose for companies and organizations to complement or replace traditional barcodes. The technology can enable a company to identify and track products or services automatically, reducing the need of manual tagging and human error. The actual RFID technology has existed for decades and was used under World War II as a way to identify incoming airplanes (Jaska et al. 2010).

Regarding the development of RFID technology at the manufacturing level, the increase of scale of economy, lower production costs and increased capacity has resulted in a higher demand from customers. This has increased the awareness and curiosity for what the technology can do for them (Weinstein 2005).

The development of RFID technology has under the last years increased remarkably and this development can be seen in the actual usage of it in companies and organizations. The technology enables the user to read and transfer information automatically through distance between two locations (Jaska et al. 2010).

4.7 RFID usage areas

The fast development with RFID technology during the last years has taken companies and organizations to new levels and has created a new dimension and standard for them. One example of this development is within supply chain management where it plays an important role for companies to ensure accurate information about their products and equipment. In this aspect RFID technology gives companies and organizations the possibility increase its internal and external safety. The internal and external safety refers to the possibility that in real time locate products that the company and its customer can follow, ensuring them about the whereabouts of their products. The internal and external safety combined, creates a more flexible and transparent organization (Jaska et al. 2010).

When it comes to evaluating different possibilities with the technology that can be used in an implementation (Ferrer, Dew & Uday 2010) states that there are three fundamental possibilities that can companies can use within a implementation:

- 1) **RFID gives a possibility to wirelessly identify people, and objects and distinguishes them i.e. who and what are you?**
 - a. The possibility to distinguish people and objects automatically contributes to a more automated system where human error is reduced. For example in health care facilities the RFID technology gives the possibility to tag patients with the purpose to automatically track information about medication i.e. dosage and when the patient last received its medicine without bothering him or her. This type of implementation reduces the risk of human error (Jaska et al. 2010).

- 2) **RFID systems have the possibility to be used to automatically generate data that can be used to track and trace tagged products i.e. where are you?**
 - a. The possibility to use a RFID based system regarding tracking and tracing products, contributes to a system that gives real time information about the whereabouts of a product and where and when it passed a reader. For example in logistics companies this implementation can contribute to optimizations in package handling reducing the need of manual scanning and human error.

- 3) **RFID contributes to the possibility to feel the surrounding i.e. how are you?**
 - a. Semi passive RFID tags have the ability to sense their surroundings. This may contribute to greater efficiency in operations where products are sensitive to heat and cold. The RFID tag can then be show at each scan which temperatures have been in the transport flow.

4.8 RFID within the service market

Many organizations have begun to follow the trend of implementing RFID to speed up organizational processes in real-time applications (Jaska et al. 2010). According to Hesket et al. (2008) service-based organizations are outlined by a framework. This framework is the service profit chain. High satisfied customers create growth and profitability for organization. In the long term, for organizations to have a high customer satisfaction, it is important to work with a service profit chain that is, all links in an organization that affect customer satisfaction.

Service profit chain helps to create a relationship between profitability, customer loyalty, employee satisfaction and productivity. This relationship helps the management of an organization to search and decide on new investments aimed at developing new and existing services and increasing customer satisfaction. The aim is to create maximum competitive advantage in the service market (Hesket et al. 2008).

According to Jaska et al. (2010) a service profit chain can be divided into three different categories:

- 1) **Employee Performance:** Manages the internal functions of an organization and the work with employee satisfaction.
- 2) **External Service Value:** Refers to if the employee is satisfied he or she will do a good job, thus providing customers with an excellent customer service.
- 3) **Service Success:** Indicates when a customer is satisfied, there is an increased chance that the customer will be loyal and contribute to more customers.

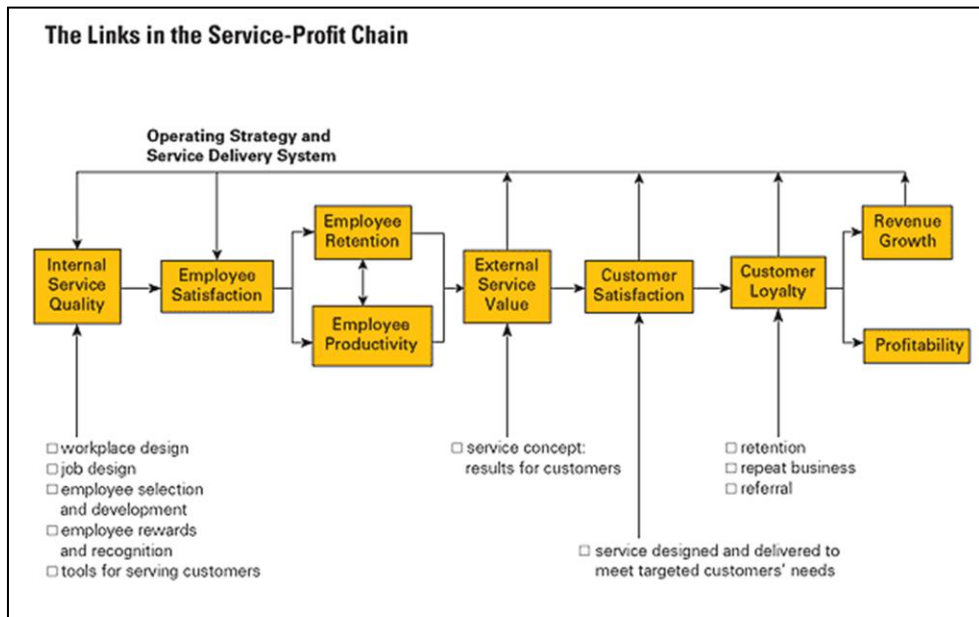


Figure 4.3: The links in the service profit chain (http://hbr.org/hbrg-main/resources/images/article_assets/hbr/0807/R0807L_A.gif).

As shown in Figure 4.3, the aim of an organizations service profit chain is to create transparency for the customer when purchasing the company's products or services (Jaska et al. 2010). Each function in the chain creates either a positive or negative effect on the next link and this makes it important to not sub-optimize but instead adapt an approach that views the whole chain as one and adapt it to customer preferences (Hesket et al. 2008).

Some examples of the service profit chains different effects on functions according to (Hesket et al. 2008) are that:

- **Internal service quality** increases or decreases employee satisfaction.
- **Employee satisfaction** increases or decreases employee loyalty.
- **Employee loyalty** increases or decreases employee productivity.
- **Employee productivity** increases or decreases external service value.
- **External service value** increases or decreases customer satisfaction.
- **Customer satisfaction** increases or decreases customer loyalty.
- **Customer loyalty** increases or decreases growth and profitability.



In an organization's service profit chain, it can be seen that the result of an RFID implementation gives the possibility to contribute to quality improvements, increased employee performance, customer related values, customer loyalty, and customer satisfaction (Jaska et al. 2010). One example, where an RFID implementation in the service profit chain has created quality improvements is within airport baggage handling. The RFID tags has contributed to the automation of functions and created efficiency improvements in the service profit chain (Jaska et al. 2010).

According to (Jaska et al. 2010), when analyzing the three different categories in a service profit chain it can be shown that:

- 1) In the **employee performance** phase, the RFID implementation contributed to the airports are able to track and follow the passages baggage in real time. This reduces manual baggage handling and thus reduces also opportunities for theft.
- 2) In the **External Service Value** phase, the RFID implementation contributes to creating flexibility and precision in baggage handling systems. This creates an opportunity for customers to track and trace baggage in real-time.
- 3) In the **Service Success** phase, the RFID has resulted in reduced damage and theft of baggage, and so providing an improved customer service to customers.

4.9 RFID implementations challenges

RFID has for years sustained a rapid development that has resulted in technological improvements and economies of scale for its manufacturers. This trend has begun to attract industrial companies who strive to create competitive advantage through integration of RFID in their production processes. As a result of the industrial companies expanding their RFID implementations throughout their production processes, it creates transparency in the processes, more effective forecasting opportunities and reduced out of stock "situations (Alien Technology 2007).

According to (Alien Technology 2007) there are 10 different factors that contributes that a RFID implementation is performing optimally. These factors are presented in table 4.4.

Table 4.4: RFID implementation factors (based on Alien Technology 2007)

Factors 1 – 5	6 – 10
Develop the use case	Be cautious with system alterations
Choose the tag	Understand multipath and reflections
Optimize tag placement and orientation	Choose the antenna best suited to the application
Configure the reader for the application	Independently adjustable RF power levels
Be environmentally RF responsible	Choose read points wisely



5. Empirical data

The chapter “Empirical data” consists of the qualitative parts of the thesis and is based on the interviews at Gargash Enterprises L.L.C with the General Manager, Customer contact manager, workshop/showroom managers, and the bodyshop manager (section 5.1 – 5.6). These sections describe the vehicle market in the UAE in which Gargash Enterprises L.L.C operates in, its customers, and problems related to the after sales service strategy “24 hour service en route”. The chapter will also highlight the field tests of the “24 hour service en route” that has been made (section 5.7 – 5.8).

5.1 Gargash Enterprises L.L.C vehicle market in the UAE

In essence, it is possible to divide Gargash Enterprises L.L.C vehicle market into two different segments. The first segment consists of the Emirate Dubai which is the company’s largest segment both in terms of population and sales rates. The other segment consists of the Emirates Sharjah, Ras al Khaimah, and Fujairah. These are smaller communities both in terms of population and sales rates compared to Dubai. In particular The Emirates Ras al Khaimah and Fujairah are very small communities.

Dubai has an internationalized vehicle market with customers from all over the world, with especially a lot of expatriates from western countries. Because of the demographic conditions in Dubai the customer culture and preferences are widely spread. To be able to handle this situation Gargash Enterprises L.L.C. need to be flexible and adaptive to reach the standard that is to be expected from Mercedes-Benz as a premium brand.

The customers in the other Emirates are mostly represented by local individuals from the surrounding areas. They are characterized by the existing bargaining culture and they are always trying to get a better price. This is a remnant from the trading tradition which has existed for a long time in the UAE. In these areas personal customer contact are very important for these customers and is key factor to succeed in these parts of the UAE.

A distinguishing trait for the UAE as a vehicle market is that expensive and extra equipped vehicles are considerably more popular here than in for example, the European vehicle market. This buying behavior is culturally conditioned because of the high status that the vehicles represent. In general you can say that you are what you drive. The premium status that Mercedes-Benz brand has in the UAE is therefore the main reason for people to buy a vehicle from Gargash Enterprises L.L.C.

The trends in the vehicle market in the UAE have changed a lot during recent years. One major contributing factor was the financial crisis in 2008 which affected Gargash Enterprises L.L.C hard. Before the financial crisis the vehicle market in the UAE was demand-driven and the customers spent money very generously, buying vehicles without an actual need for them and with no reflections on the purchase. Gargash Enterprises L.L.C workshops were fully booked and customer needs were in many cases ignored. The customers were loyal to Gargash Enterprises L.L.C even if they provided poor service. Gargash Enterprises L.L.C has at the moment passed the new car sales volumes that they had before the financial crisis. But the customers on the other hand have changed their behavior and are nowadays more cautious about their money. They demand another level of customer service and for Gargash Enterprises L.L.C this means new challenges in the adjustments to the new expectations in the vehicle market.

Even though the new car sales are back in terms of volume in the area where Gargash Enterprises L.L.C has been established, this has not had an impact in the workshops who still have not reached the service volume level that they had before the financial crisis. This is due to the time gap between the car sales and the aftermarket service. It is mainly in Dubai and Sharjah where the new car sales have recurred well. The vehicle market in Ras al Khaimah and Fujairah has still not recurred to the extent that Dubai and Sharjah has. This could probably be a result of the higher amount of price sensitive customers. New financing rules has been introduced which means that customers need to have 20 % down payment when buying a vehicle today. This has contributed to a reduction of the car sales in the smaller Emirates because it is common to pay vehicles entirely on financed loans there.

Table 5.1 (our own): Specific characteristics per Emirate.

Emirates	Service cases per month	Customer service demand	Price sensitivity	Average amount of local customers	Average amount of international customers	Average amount of VIP customers
Dubai	2340 ¹	High	Low	Low	High	High
Sharjah	400	Medium	Medium	Medium/High	Medium/low	Medium
Ras al Khaimah	160-200	Low	High	High	Low	Low
Fujairah	200	Low	High	High	Low	Low

5.2 The workshops interest in the “24 hour service en route”

The interest for the Mercedes-Benz “24 hour service en route” has varied between the workshops. All of the workshop managers could see the service as a good complement to their everyday activities if costumers get into difficult situations. However the service did not seem to be something that the costumers demanded and it was not prioritized by the workshops as a competitive advantage.

The workshop manager at Sheik Zayed Road was in fact the only one with a truly positive attitude to the service. One main reason to this could be the internationalized costumer base that this workshop has, and the preferences and demand for this kind of service. However in Ras al Khaimah and Fujairah the workshop managers wanted to take the vehicles to the workshop immediately and skip the need to repair en route. This was because of the excess capacity they had accumulated. Unfortunately this creates a lack of standardization in the service since the offer differs depending on which Emirate customers are located in.

5.3 The workshops internal and external challenges

A challenge that Gargash Enterprises L.L.C has with its workshops is that customers stops servicing their vehicles after three years when the warranty expires. Customers’ chooses instead to go to cheaper competing independent workshops. This is mainly because customers have a perception that it is expensive to service their vehicle at Gargash Enterprises L.L.C workshops and that they do not get enough value for their money. This attitude has evolved over a long period of time and it has created a challenge when it comes to changing the customers’ attitude.

As a part of trying to regain their customers Gargash Enterprises L.L.C has recently introduced a “Fixed Service Menu Pricing” i.e. to service a vehicle to a fixed price. By implementing this change

¹ Service cases per month are based on the sum of all workshops in Dubai.



they hope that the price transparency will increase and that the trust of the customers will come back. The response so far has been good in Dubai and with its international client base. However, it has not been received as good with local customers. This largely depends on the culture that is in the UAE and customers find it very difficult to understand the concept and are constantly trying to get a better price. Therefore, there is much to do in the future to teach customers and make them understand how the offer works.

5.4 The workshop employees

A major problem for Gargash Enterprises L.L.C workshops is to get hold of professional and competent personnel. It takes a long time to train technicians and there is always a risk that they will go to someone else if they are offered a better salary. This is because the labor force working in these occupations does not come from the UAE, but mainly comes from low-wage countries such as India, the Philippines, and Pakistan. They are only here to make money, hence will work for the company that pays them best.

According to Karl-Johan Sandesjö, General Manager, to deal with this problem Gargash Enterprises L.L.C needs to take a greater social responsibility for the employees. The employees must feel that they are cared for and that they are worth something. This is however difficult since the UAE corporate culture is based on offering low wage to the employees and it will take while to change this attitude.

5.5 The workshops internal processes

The internal processes within the workshops are in many cases taking place in a very inefficient manner. Often several employees are performing duties that one employee would manage by himself. This is due to the cheap labor force available in the UAE. There has been no need from the management to improve the efficiency in the workshops when labor still is a cheap factor that results in that you can have a lot of people that in many cases do completely unnecessary tasks.

The labor is generally very low skilled resulting for example, in that the efficient computer systems that are intended to facilitate and establish effective processes are not used on a daily basis. Instead the employee creates different "subsystems" that works parallel with the main system. These are formed on pieces of paper, lists, tables, etc. The fact that everyone handles processes in their own way makes it extremely difficult to get an overview of what is happening in the workshop, as it happens and how it happens.

5.6 Mercedes-Benz “24 hour service en route”

The Mercedes-Benz “24 hour service en route” is a roadside assistance service and is offered to new and existing Mercedes-Benz customers by Gargash Enterprises L.L.C. The roadside assistance service is offered by Gargash Enterprises L.L.C 24 hours per day, 365 days per year in the Emirates Dubai, Sharjah, Ras al Khaimah and Fujairah.

The purpose of the roadside assistance program is to help customers in need en route when their vehicle has broken down. For example, if a customer’s vehicle breaks down; Mercedes-Benz will send a service technician to help the customer, either by fixing the problem en route or calling AAA for towing the vehicle to the nearest workshop.

The "24 hour service en route" is offered free of charge for segment 1 customers (cars between 1-3 years old within warranty) or to the customers that has completed a vehicle service with his vehicle at Gargash Enterprises L.L.C workshops. At present the approximate 24 hour service en route cases ranges between 300 to 370 cases per month, but at times the number of cases increases to 400 per month.

The 24 hour service en route offers:

- Individual assistance in emergencies:
 - Change of flat tires, dead battery, fuel shortage and basic repairs.
- Advice and diagnosis:
 - The technician can diagnose the vehicle with the STAR diagnosis tool.
- Organizing help:
 - With transportation of affected customers.
- Control and coordination.
- Qualified specialists.

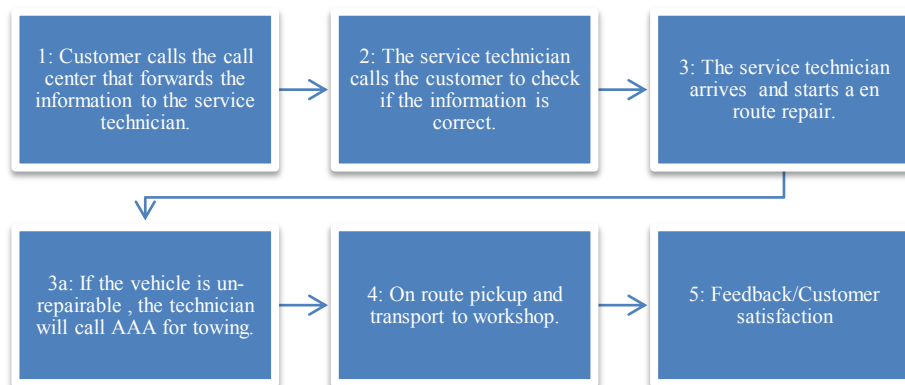


Figure 5.2 (our own): Scheme over the "24 hour service en route" communication.

The communication in a 24 hour service en route case:

- 1) A customer calls the toll free number 800-6628 and gets transferred to the call center. At the call center the customer gets in contact with a call center representative about his or her problem with the vehicle. The representative asks the customer about all the relevant information that he needs i.e. the vehicles problem, location, name, registration number and phone number. This information is then forwarded to an assigned service technician.
 - a. All service technicians are dispatched from the headquarters in Deira (except the ones in Ras al Khaimah and Fujairah) and through Gargash Enterprises L.L.C computer system "C Track MAX" all service technicians are tracked in real time that enables the call center to see exactly where all the technicians are. For example, if a customer's vehicle has broken down in Dubai, the call center can see which service technician that is free and that are closest to the customers location.



- 2) The service technician receives information about the customer from the call center and gets dispatched either from Deira headquarters or from his current location en route. When the technician has received the information from the call center, he calls the customer to tell him or her that he is on his way and checks with the customer that the information he has received from the call center is correct.
- 3) On arrival, the service technician offers the customer a bottle of water and a seat in his air conditioned Viano to relieve him or her from stress while repairing the vehicle.
 - a. If the service technician finds the vehicle to be un-repairable en route, the technician will then call AAA to tow the vehicle to the nearest workshop or to the workshop that the customer wishes his vehicle to be transported to.
 - b. The technicians or the customer (depending who is present) fills out an AAA form which is given to the workshop with the customers details on it (paper placed in car which is then handed over to workshop security with the key). Call Centre also sends an email to the reception supervisors of the workshops when we send a car to them.
- 4) While the vehicle is transported through AAA to the workshop for repair, the service technician takes the customer home in his Viano.
- 5) After the vehicle has been repaired and the customer has either picked up the vehicle himself or had it transported to his location, the call center calls the customer again and asks about feedback and customer satisfaction.
 - a. This information is then added into “GE Back Office”, that is a software for reviewing customer satisfaction. This software enables the management to review the overall experience per service case and the staff’s ratings on how well they have serviced the customer.



5.7 Field test Mercedes-Benz “24 hour service en route”

5.7.1 Test 1 Dubai

Date	26/4-12
Time	23:11 P.M.
GPS location	N25,07,145 E055,13,085
Nearest address	22st 77, Al Quoz Industrial Area 3
Nearest company	SAS Aluminum & Glass.
Caller name (alias)	Markus Nawrocki.
Real caller	Tintin Nilsson
Vehicle	Mercedes-Benz C200 2012
Registration number	87199
Vehicle problem	Damaged fuse. The damaged fuse caused the engine not to crank when the key was turned in the ignition, with the result that we couldn't start the vehicle. The damaged fuse was located in the engine compartment.

Call center/service technician communication

Call 1(CC) 23:13 p.m. - Outgoing call

We made our first phone call to the call center at 23:13 p.m. The call center representative answered the phone call within 1 minute and then requested information about our situation i.e. the location, the vehicles registration number, the vehicle model, our names, phone number, and information about the vehicle's problem. We gave the call center representative the requested information and he told us that he would inform the service technician about the received information and that the service technician would call as soon as possible in order to give further information.

Positive values in call 1

We received a positive attitude from the call center representative who was professional, structured and cooperative. We were asked relevant and standardized questions regarding the purpose of the call i.e. location, the caller's name, the registration number, vehicle model and type of vehicle problem.

The call center representative that we talked to displayed proof of English communication skills that were on a satisfactory level.

Negative values in call 1

Instead of obtaining and determining information about the specific vehicle model through their computer system, the call center representative relied on us as customers to inform him about the vehicle model. This type of communication over the phone could greatly increase the risk of passing on inaccurate information that later on could impair or delay the requested repair service.

The call center representative did not give us an estimated time of arrival in regards to the dispatched service technician. We were also unable to receive information from which location the service technician would be dispatched from. Therefore, we could not estimate how long it would take before he would arrive.

Suggestions of improvements

The call center's personnel should use a standardized approach when they are answering an incoming phone call. For example, during our call, the call center representative improvised in an unclear fashion during the first sentence and forgot to tell us his name. That initial presentation made us as contacting customers somewhat confused. Instead he could have said; *“Welcome to Gargash Enterprises you are talking to XXX. How may I help you?”*



Call 2 (ST) 23:21 p.m. - Incoming call

The service technician called at 23:21 p.m. He told us that he had received a phone call from the call center regarding the vehicle’s problem. He then requested the same kind of information that the call center representative already had been informed about i.e. location, the vehicle’s registration number, the vehicle model, our names, and information related to the vehicle’s problem. After we had repeated ourselves and given the service technician the information he asked for, he told us that he was going to leave the headquarters in Deira and travel to our location. The call ended at 23:24 p.m.

Positive values in call 2

There was a quick response from the service technician and he called us eight minutes after we ended our first phone call to the call center.

Negative values in call 2

The service technician repeated exactly the same questions that the call center already had asked us for example, the kind of vehicle we used and its location etc.

The service technician was rather rude on the phone. This happened especially after when he had asked if we could see any landmarks in the industrial area that could help him locate us. When we could not find any specific landmarks he responded in an unpleasant manner.

The service technician forgot to present himself with his name during our phone calls. Initially, this made it difficult to determine if it was the call center or the service technician who had called us.

Call 3 (CC) 23:30 p.m. - Incoming call

At 23:30 p.m. the call center phoned back and asked if the service technician had called. We responded with a yes, and after that the call center representative did not have anything further to ask about.

Positive values in call 3

Negative values in call 3

It was perceived by us as unprofessional behavior to call the customer to check if the service technician had called. This information should have been checked internally, within the company. Otherwise it could give the impression that the service technician was not a trustworthy person whose work performance regularly had to be monitored.

Call 4 (ST) 00:07 a.m. - Incoming call

At 00.07 a.m. the service technician called again and he told us that he was close to a Shopping Mall at Sheik Zayed Road and that he could not find us or the street that where we were waiting at.

We told him the same information again regarding our location (22st 77, Al Quoz Industrial Area 3), but this time we also gave him the name of a company that was near the vehicles location. The name of that company was SAS Aluminum & Glass.



Call 5 (ST) 00:09 a.m. - Incoming call

At 00.09 a.m. the service technician called us again and told us that he still could not find the location.

Positive values in call 5

Negative values in call 5

It seemed that the service technician might have missed the information in regards to the company SAS Aluminum & Glass. We gave him information again about the company.

Call 6 (CC) 00:10 a.m. - Incoming call

At 00.10 a.m. the call center called and asked about our location. We once again gave the call center our location and we also gave information about two more companies and their names within the absolute vicinity of the vehicle.

Positive values in call 6

Negative values in call 6

When we repeatedly had to tell both the service technician and the call center the same information, it was perceived by us as a strange and unprofessional.

Suggestions of improvements

Instead of having two parties that makes parallel calls to a customer without knowing what the other party had said or done, there should be an internal communication between the service technician and the call center, and only one part should call the customer to determine the location.

Call 7 00:14 a.m. - Incoming call

At 00.14 a.m. a person called us. It could have either been the call center or the service technician (or someone else), but unfortunately the unidentified caller hung up the phone as soon as the call was answered.

The service technician's arrival

1: At 00.17 a.m. the service technician arrived to our location at the industrial area and he only briefly greeted us before he started to examine the vehicle. The service technician acted nervous and evasive towards us, and he spent almost no time at all for any social interaction i.e. asking us how we felt or what had happened with the vehicle, instead we were left standing near the vehicle.

In regards to our own observations of the service technician's performed work pattern, there seemed to be no available checklist or standardized way for a service technician to analyze the vehicle's problem. The apparent lack of a developed working protocol and his own unorganized approach to the assigned task, made him randomly guessing while he nervously walked in circles around the vehicle. From time to time he tried his luck by pulling or aimlessly poking around under the hood, unfortunately of no use to the vehicle.



Call 1 (CC) 00:23 a.m. - Incoming call

At 00.23 a.m. the call center called and asked if the service technician had arrived to our location.

Positive values in call 1

In case the call center representative felt worried on our behalf when he called and questioned us about the technician's whereabouts, then we would regard their consideration a mitigating factor in an otherwise unnecessary and confusing conversation.

Negative values in call 1

To call and ask the customer if the service technician had arrived or not, was in our viewpoint quite unprofessional and feedback procedures regarding the workforce performance needs to be cleared out and monitored through internal channels within the company.

3: At 00.31 a.m. the service technician offered us some cold water to drink. This service was a pleasant experience in the very high outdoor temperature, although it would have been even better to have been offered some water directly when he arrived.

4: At 00.48 a.m. the service technician decided give up any further attempts trying to locate the cause of the problem or to fix the vehicle. We were then after 31 minutes offered to sit and wait in his Viano while he had to make a few phone calls. Inside the Viano we found to our surprise a friend to the service technician. At this moment of time we still had not received any information regarding a damage assessment or the current repair situation, and as a somewhat tired and worried customers being left sitting in the Viano with a stranger, we must say that we felt quite concerned and confused.

The service technician then returned to the Viano and he told us that he would leave the vehicle in the industrial area over the night and promised that he would start to repair it the next day. When we asked him if it really would be a good idea to leave such an expensive vehicle in an unattended industrial area, instead of towing it to a workshop he become irritated and challenged our point of view.

5: At 01.02 a.m. we managed to convince the service technician to change his mind about leaving the vehicle in the industrial area where it had broken down. Instead of leaving it there he agreed to arrange for the vehicle to be towed to Sheik Zayed Road workshop and he also offered us to be driven back home in his Viano. The service technician was unsure when the tow truck would be able to arrive, so he left his friend to guard the vehicle during the night. Unfortunately, the service technician had forgotten to refuel his vehicle, so instead of taking us straight back home he had to make a detour to a petrol station first.

6: At 01.30 a.m. the service technician had driven us back home to Dubai and he promised that we would receive the vehicle back tomorrow. But when he was about to leave he suddenly remembered that Fridays are holydays. Then he changed his mind and said to us that we would not have the vehicle back until Saturday.



Negative aspects during the arrival and repair phase en route:

Social/language skills	Technical skills
In the Viano, the service technician’s male friend was traveling with him and he was left sitting with us in the vehicle. His name, background, and purpose in the context of the repair service were unclear.	The service technician was unable to locate what problem the vehicle had.
The service technician told us that he would leave the vehicle in the industrial area during the night with his friend supposedly guarding the vehicle. The service technician informed us that he would start repairing the vehicle the next day rather than immediately.	The service technician was unable to fix the vehicle.
As customers we got quite irritated when we had to nag the service technician to send the vehicle to a workshop instead of leaving it in the industrial area.	The service technician’s “Star diagnostic tool” was not working since he had forgotten to charge it.
There was lack of communication between us as customers and the service technician. Firstly, we received no information of what the service technician had tried to do with the vehicle. Secondly, the lack of communication from the service technician resulted in that we had no way of knowing what was going on with the repair or what was supposed to happen next.	
We were only offered to sit in the service technicians Viano after he had given up his repair attempts.	
When the service technician was driving us home (leaving the vehicle before AAA had arrived) he told us that he had almost no petrol in his vehicle and that we needed to go to a petrol station with him. Fortunately, he discovered this problem just in time, and therefore he narrowly avoided an engine stop due to fuel shortage.	

Friday:

Call 1 (CC) 09:05 a.m.

At 09:05 a.m. the call center called us and asked if we would like a replacement vehicle during the repair duration. We declined the offer of a replacement vehicle since we did not require a vehicle until Saturday.

Call 2 (CC) 11:01 a.m.

At 11:01 a.m. the call center called again and asked if we wanted a replacement vehicle. The call center representative told us that the vehicle was in Sheik Zayed Workshop for repair. Once again we told the call center that we did not need a replacement vehicle.



Saturday:

Call 3 (CC) 12:00 a.m.

At 12:00 noon, we called the call center in regards to the status of the vehicle. The call center representative told us that he would call back regarding our question.

Call 4 13:08 p.m.

At 13:08 p.m. we received a call from someone who told us that the vehicle was repaired and that they could transport it to our location if we wanted. We told the person that he could transport it to our location and call us when it was delivered.

Call 5 15:03 p.m.

At 15:03 p.m. we received a call that the vehicle was repaired and that it would be transported to our location before 16:00 p.m.

Between 16:00 - 18:00 p.m. someone delivered the vehicle and left the vehicle's key in the reception without notifying us. We never received a receipt or any information detailing the repairs that were made to the vehicle.

Social, language, and technical skills during the repair phase between Friday and Saturday:

Social/language skills

Technical skills

As we intended to use the vehicle as soon as it had been repaired, we requested to receive a call when they had delivered the repaired vehicle. But instead they ignored or misinterpreted our request and they left the vehicle and its keys in the reception without notifying us.

We did not receive any information regarding why the vehicle was not working and they did not provide any receipt for the work performed on the vehicle.

The call center representatives did not present themselves with names, and for that reason it was hard to know who you were talking to and where they were calling from.



5.7.2 Test 2 Sharjah

Date	29/04-12
Time	21:34 p.m.
GPS location	N25,34,094 E055,38,812
Nearest address	King Faisal st 112
Nearest company	McDonalds.
Caller name (alias)	Markus Nawrocki.
Real caller	Tintin Nilsson
Vehicle	Mercedes-Benz C200 2012
Registration number	87199
Vehicle problem	Unplugged engine cable. The unplugged cable resulted in a yellow engine warning light in the vehicle. The cable is visible and located on the right side of the engine.

Call center/service technician communication

Call 1 (CC) 21:34 p.m. – Outgoing call

We phoned the call center at 21:34 p.m. and we acquired the same response that was received in “Test 1”. The representative asked relevant and standardized questions regarding location, the vehicle’s registration number, the vehicle model, our names, phone number, and information about the vehicle’s problem. In regards to “Test 1”, the call center’s representative did not present himself with a name and that made the conversation unnecessarily anonymous, with the unfortunate result that it was hard to identify the caller.

We told the call center about the vehicles problem and the response we received was reassuring. They explained that when the yellow engine light was turned on it would only be dangerous if there was an audible rattle under the vehicle. This was not the case, and therefore we were told that we could continue to drive the vehicle safely, and later take the vehicle to a workshop to get it diagnosed. But if there was rattling under the vehicle, then they would have sent out AAA directly to us and towed the vehicle to the workshop.

After our initial phone call to the call center, the service technician called back and he also asked about our problem. We then had to repeat ourselves and we told him the same information that we already had given to the call center. He then gave the same solution to the problem that the call center had given us earlier.

Positive values in call 1

Negative values in call 1

We received good social and technical skills from the call center as well as from the service technician. Both of them presented enough information on the phone which helped us to solve the immediate problem with the vehicle.

There is no need for both the call center and the service technician to call the customer and repeatedly ask for the same information. Only one part should contact the customer. It is worth noting that they did not present themselves with their names.

The presented English skills were decent and we got the feeling that they understood what we were trying to explain to them.



5.7.3 Test 3 Sharjah

Date	01/5-12
Time	14:54 p.m.
GPS location	N25,34,607 E055,47,515.
Nearest address	Gharnata st & 102 st (besides Emirates road, from Dubai).
Nearest company	McDonalds & Emarat petrol station.
Caller name (alias)	Markus Nawrocki.
Real caller	Tintin Nilsson
Vehicle	Mercedes-Benz C200 2012
Registration number	87199
Vehicle problem	Damaged fuse related to the fuel pump. The damaged fuse made us unable to start the vehicle. The engine would crank when turning the key in the ignition but the engine couldn't ignite without the fuel pump working. The fuse is located in the trunk of the vehicle.

Call center/service technician communication

Call 1 (CC) 14:55 p.m. – Outgoing call

We made our first phone call at 14:54 p.m. to the call center and a representative answered almost immediately. He asked for our names, registration number, vehicle model, phone number, location, and vehicle problem. The representative wrote down the information and said that he would forward this to his service technician that would call us as soon as possible.

Positive values in call 1

Negative values in call 1

There were good communication and language skills during the phone call with the call center representative.

Call 2 (ST) 15:04 p.m.

The service technician called us at 15:04 p.m. and asked about the same information that we earlier had given the call center i.e. our names, registration number, vehicle model, phone number, location, and vehicle problem. In regards to the location, we told him that we were outside Sharjah, beside Emirates road (traveling from Dubai to Sharjah), at the Emarat Petrol station and McDonalds.

Positive values in call 2

Negative values in call 2

Having to give the same information twice, both to the call center and to the service technician felt unprofessional and unnecessary.

Call 3 (ST) 15:27 p.m.

The service technician called at 15:27 p.m. and told us that he was in Sharjah and that he needed more directions to be able to find our location.



Call 4 (ST) 15:35 p.m.

At 15:35 p.m. the service technician called again and asked for more directions. At this time he had traveled to Ras al Khaimah and as a result of being lost he needed to drive back to Sharjah again.

Call 5 (CC) 15:40 p.m.

The call center called us at 15:40 p.m. and asked about our location. We told them the same information that we earlier had given to the service technician.

Positive values in call 5

Negative values in call 5

As a customer it felt tiresome and unprofessional that both the call center and the service technician asked for the same information. Only one of them should call the customer, and remaining questions should be handled internally between the call center and the service technician.

Service technician’s arrival

1: The service technician arrived at 16:21 p.m. and immediately offered us water and a seat in his Viano. He then began investigating the problem related to the vehicle. Unfortunately the service technician did not have or use a checklist or a standardized way of analyzing the vehicle. Our impression was that he mostly hurried around the vehicle without a clear plan of what to do.

After a couple of minutes of examining the vehicle he brought his “Star diagnostic tool” and diagnosed the vehicle. With the tool he was able to pinpoint the exact location of the problem. The tool informed the service technician that there was an error with the fuel pump. Unfortunately he did not know what to do with the information, even though his diagnostic tool had found the problem related to the vehicle. If he would have checked in the trunk of the vehicle he would have found a piece of paper with the schematics of all the fuses that reveals which fuse that goes to the fuel pump.

2: At 16:47 p.m. the service technician gave up and wanted to call AAA for towing the vehicle to the nearest workshop. We told him that this was unnecessary and that we would tow the vehicle ourselves.

Positive and negative values during the arrival and repair phase en route

Positive values

Negative values in call

The service technician was relatively service minded, offering us water and a seat in his Viano on arrival.

The service technician was unable to figure out what to do after that the “Star diagnostic tool” had found the problem.

The service technician was able to pinpoint the exact location of the problem with his “Star diagnostic tool”.

The service technician’s language skills were above average.



5.7.4 Test 4 Ras al Khaimah

Date	02/5-12
Time	21:29 p.m.
GPS location	N25,64,208 E055,84,268.
Nearest address	Emirates road E311 (20 km from Ras al Khaimah, traveling from Dubai).
Nearest company	-
Caller name (alias)	Eric
Real caller	Tintin Nilsson
Vehicle	Mercedes-Benz C200 2012
Registration number	87199
Vehicle problem	Damaged fuse related to the fuel pump. The damaged fuse resulted in that we were unable to start the vehicle but that the engine would crank when turning the key in the ignition. Fuse located in the trunk.

Call center/service technician communication

Call 1 (CC) 21:29 p.m. – Outgoing call

We made our first phone call at 21:29 p.m. to the call center and received a quick response from the call center representative. We told him our names, registration number, vehicle model, phone number, location, and the vehicle problem. The representative wrote down the information and told us that he would forward this to a service technician that would call back as soon as possible.

In regards to the location, we thought it would be interesting to see if there was any difference in travel time for the service technician if we gave him an almost exact location. We told both the call center and the service technician that we had traveled from Dubai on Emirates road E311 and that we were exactly 20 km from Ras al Khaimah. This was approximately 10-15 minutes of driving from our location to the Ras al Khaimah workshop.

Regarding the vehicle’s problem, we thought it would be interesting to see if the service technician would be able to fix the problem if we made it a bit easier. Instead of switching a working fuse to a damaged one, we slightly pulled the fuse out so it was visibly loose and not correctly attached in the fuse box.

Call 2 (CC) 21:38 p.m.

At 21:38 p.m. the call center called and told us that the service technician would call us as soon as possible.

Positive values in call 2

Negative values in call 2

We did not know why the call center called just to tell us that the service technician would contact us as soon as possible, when we had already been informed of this during the first call to the call center.



Call 3 (ST) 21:40 p.m.

At 21:40 p.m. the service technician called and asked us the same questions that the call center already had asked about i.e. our names, registration number, vehicle model, phone number, location and vehicle problem. He also told us that he was on his way to our location.

Call 4 (ST) 22:12 p.m.

The service technician called again at 22:12 p.m. and he told us that he did not understand what we had told him, and for that reason he was now on the wrong side of the road traveling away from us in the wrong direction. At this point he had traveled 40 km from Ras al Khaimah to Dubai instead of going the opposite way. We told him the same information again and he said he now understood.

Call 5 (ST) 22:18 p.m.

The service technician called once again at 22:18 p.m. and told us that he did not understand what we had said before, and he explained that he is still on the wrong side of the road. We made another attempt to explain this to him.

Service technician's arrival

1: At 22:41 p.m. the service technician had arrived and politely greeted and started to talk to us. This was good service behavior which made us as customers feel slightly more at ease. He asked us about the problem and he was a bit more service minded than the previous service technicians. Unfortunately he did not offer us any water nor to sit and rest in his vehicle. He also forgot to bring with him his "Star diagnostic tool".

Unlike the other service technicians who had tried to locate the vehicle's problem in a careful manner, the service technician instead started to rapidly disassemble the engine. As we knew that the problem was related to a fuse located in the trunk, we felt both anguish and despair when we saw him working in an aggravated and unorganized manner, removing part after part from the engine compartment.

2: At 22:54 p.m. the service technician gave up his efforts and he had to put back the parts that he had removed. His talkative manner and earlier shown social skills had faded away during the diagnostic phase of the vehicle. When he could not fix the vehicle he bluntly told us that he had to call AAA to tow the vehicle to Ras al Khaimah workshop. Due to his disrespectful manners and lack of communication with us concerning the choice of workshop, we decided to not have the vehicle towed away. Since we lived in Dubai we did not want the vehicle to be towed to Ras al Khaimah with no information of how long it would take to repair it. We also did not know how to go back to our apartment without a vehicle.

We then told the service technician that we would handle the arrangement of towing the vehicle ourselves, and that he could leave us. When he had left us we opened the trunk and pushed the loose fuse back into its compartment and we started the vehicle without any problem. The forth test was then over and we went safely back home.



Positive and negative values during the arrival and repair phase en route:

Positive values

Negative values

Initially the service technician was relatively polite and service minded. When he arrived he greeted and started a dialog with us regarding the vehicle and its problem.

The call centers language skills were above average when we spoke with them.

The service technician was unable to find and fix the problem in the vehicle. He did not bring adequate tools with him. His social skills rapidly faded during the time he worked with the vehicle until he finally left.

Language skills in connection with the service technician's ability to listen were poor. Sometimes he was unable to understand us when we were talking to each other. If it was deliberate or unintentional communication errors from his side is hard to say.

The service technician did not wear an official Mercedes-Benz outfit and he came dressed in shorts and a casual t-shirt.

5.8 Summary of the “24 hour service en route” field tests

The four field tests that we have conducted in the Emirates Dubai, Sharjah, and Ras al Khaimah has shown that there were a few problems that needed to be analyzed and solved in regards to the “24 hour service en route”. These problems lied within how the call center communicated internally to their own staff and externally to customers. There were also issues with the service technicians’ work patterns, technical skills, and how they socially behaved when they interacted with customers.

There were both goodwill advantages as well as bad-will disadvantages connected to the “24 hour service en route”, if one failed to take the proper steps to maintain a high service level. In regards to the “24 hour service en route” the main problem could be divided into three different factors. These factors were social, language, and technical skills, and were directly connected to the offered service and the quality of it. To be able to offer and sustain an appreciated and good quality service to customers, one needed to train and develop the staff in all of those factors. It was crucial that the staff were educated and had proper knowledge within these three areas. If one or two of these factors were not functioning well, the whole chain of service modules that combined the concept of the “24 hour service en route” service could easily have broken apart and failed. A break in the chain would then been to the disadvantage of both the customers and the service provider, who does not want to develop any bad-will connected to its company and its products or services.

For example, a call center representative could have great social skills but this ability might not come to its full potential if there was a language barrier when talking to an expatriate. A service technician could have great language skills but if he lacked enough technical skills it would result in frequent and unnecessary use of the AAA towing service. This in turn adds unnecessary costs to the service provider and inconvenience to its customers.

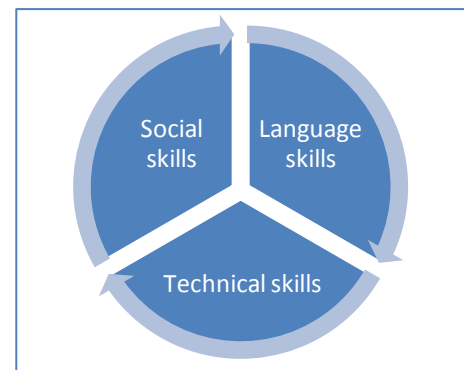


Figure 5.1 (our own): Call center and service technicians skills.

5.8.1 Social skills

When offering the “24 hour service en route service” we experienced that it were crucial for both the call center and the service technicians’ to master their social skills when they interacted with customers. Mastering a proper and respectful behavior according to the specific customer and its cultural background would add a competitive advantage in relation to other companies that lacks this knowledge. The field tests had shown that the social skills mastered by the involved service technicians were not ideal seen from an expatriate viewpoint. This resulted that as a customer you could feel that he were uncaring, evasive or arrogant. For example, as a customer you were supposed to be offered by the service technicians a seat in his Viano and a bottle of cold water. But during “Test 1” we were offered neither a place to sit in the Viano nor any water from the service technician. Furthermore we were only allowed to sit in the Viano after the service technician had decided to give up his repair attempts.

We have been able to discover and follow a consistent pattern that was repeated in all the tests conducted. For example, the service technician did not know how to interact with a customer and that lead to a lot of strange improvisations through the repair phases. Since there were no standardized way to arrive and greet a customer, it came to our attention that all involved service technicians would rather take on the troubled vehicle immediately, instead of taking one or two minutes to communicate



with the customer in need. For example, if the service technician had communicated with the customer at arrival, and given a friendly and respectful greeting it could have resulted in that the service technician could have received additional information in regards to the damaged vehicle. As a result this could have greatly improved the customers' perceived value of the service. The service technician should have also asked the customer how he or she felt and further analyzed the customer's situation and needs, which could be e.g. a bottle of cold water or a seat in the technician's Viano. If the service technician had worked in this order it would have created peace and comfort at the site of the breakdown and resulted in valuable goodwill for the company.

5.8.2 Language skills

It is crucial in terms of accuracy along the service chain for both the call center and the service technicians to be able to understand a customer and to be correctly understood by him or her, especially if the customer's language is not a native one. A frequent pattern in all of the tests has shown that there is room for great improvement in regards to the service technician's skills in the English language.

For example, during "Test 4" we told both the service technician and the call center that we were traveling from Dubai to Ras al Khaimah and that we were located approximately 20 km from Ras al Khaimah. Both the call center and the service technician said that they understood what we had explained. But instead the service technician went from Ras al Khaimah to Dubai and as a result went 40 km in the wrong direction, and it was clear that the service technician did not have the sufficient language skills to communicate, or to even admit that he did not understand what we said. He was just guessing at what we were saying, and took a chance when he chose the direction.

These language issues have been found in all of our field tests. All the service technicians that we had met had lacked adequate skills in the English language, and this may well have been an adding factor to why they often appeared uncaring, evasive or arrogant when they came to help us with the vehicle. Our observation is that they do not know what to say or how to say it. But they could most probably learn how to conduct themselves if someone took the time to train them.

5.8.3 Technical skills

Lastly there are the service technician's technical skills to review. We wanted the field tests to be more challenging than filling up petrol or changing a flat tire and for that reason we went to Mr. Tracy Neale at Sheik Zayed Road Workshop to get some valuable input. Together with his workshop staff he showed us how to remove certain cables and how to switch good fuses to damaged fuses in the engine compartment, rendering the vehicle unable to start. Our only request was that these intentionally created errors should be on the same technical knowledge level of knowledge as that was to be expected from these service technicians, hence they should be able to fix it "en route". For more information regarding the approach in regards to the field tests, see section 3.3.2 in the Methodology chapter.

Summary of the vehicle problems per test and results:

- 1) **Damaged fuse:** The damaged fuse resulted in that we were unable to start the vehicle and that the engine would not crank when turning the key in the ignition. The fuse was located in the engine compartment.

- a. The service technician’s “Star diagnostic tool” was not working and he was unable to locate problem manually. As a result he was not able to fix the vehicle’s problem en route.
- 2) **Unplugged engine cable:** The unplugged engine cable resulted in a yellow engine warning light in the vehicle. The cable was located on the right side of the engine.
 - a. The call center asked if there was a rattle under the vehicle. If there was no rattle we could drive the vehicle safely to a workshop. Since there was no rattle under the vehicle we were able to drive the vehicle.
 - 3) **Damaged fuse related to the fuel pump:** The damaged fuse resulted in that the vehicle was unable to start even though the engine would crank when turning the key in the ignition. The fuse was located in the trunk.
 - a. The service technician found the problem with his “Star diagnostic tool” but was unable to figure out what to do next. He was not able to fix the problem manually en route.
 - 4) **Damaged fuse related to the fuel pump:** The damaged fuse resulted in that the vehicle was unable to start even though the engine would crank when turning the key in the ignition. The fuse was located in the trunk.
 - a. The service technician did not bring a “Star diagnostic tool” and instead he randomly removed engine parts and gave up after a period of time. He was not able to fix the vehicle’s problem.

Table 5.2 (our own): Summary of the 24 hour service en route field tests

Test	Call time	Calls from service technician before arrival	Calls from call center before arrival	Location	Vehicle problem	Arrival
1	23:13	4	3	Dubai	Engine fuse	00:17
2	21:34	1	1	Sharjah	Yellow engine warning light	-
3	14:54	3	2	Sharjah	Fuel pump fuse	16:21
4	21:29	3	2	Ras al Khaimah	Fuel pump fuse	22:41

Table 5.3 (our own): Summary of the 24 hour service en route field tests

Test	Social skills	Language skills	Technical skills	Overall score	Was the vehicle repaired en route?
1	Low	Average/Low	Low	Average	No
2	Average/High	Average	Average/High	Average/High	-
3	Average	Low	Average	Low/Average	No
4	Low	Low	Low	Low	No

6. Analysis

The chapter “Analysis” describes the types of challenges Gargash Enterprises L.L.C has when it comes to adapting their after sales service strategies to different types of customers, Emirates and how the “24 hour service en route” works in real life. The chapter also discusses the current opportunities and difficulties that are linked to an implementation of RFID technology in the company's various workshops.

6.1 Gargash Enterprises L.L.C vehicle market

Based on the empirical material that we have collected at Gargash Enterprises L.L.C which comprises information about the company’s vehicle market, it can be seen that the vehicle market has become increasingly difficult to manage in regards to customer segments that are becoming more demanding and specialized. According to McLoughlin and Aaker (2010) this is a trend that exists in most markets in present time, and these trends forces companies to develop new and existing strategies to retain and attract new customers.

To be able to meet the challenges with the increase of customer specialization and demand, it is important for Gargash Enterprises L.L.C to keep up with these changes and adapt their after-sales service strategies according to their differing customer’s needs (Fill, Baines & Page 2008).

An effective way for Gargash Enterprises L.L.C to do this when they are developing after-sales service strategies in such a dynamic vehicle market as the UAE is to precede the proposed changes with a customer analysis. A customer analysis could be used for the purpose of understanding customer’s needs, in which segments they are positioned in and to understand what creates customer value in a purchase or service (McLoughlin & Aaker 2010). A customer analysis consists of three main areas that are segmentation, customer motivation and unmet needs (McLoughlin & Aaker 2010). When applying the customer analysis model on Gargash Enterprises L.L.C we can see that:

Segmentation:

- Mercedes-Benz is a premium brand that attracts premium customers.
- Attractive potential customers are based on customers with cars from other existing premium brands such as BMW and Lexus.
- The vehicle market can be divided among the customers' national origin where there is a big difference in preferences and need between international and local residents.
- The vehicle market can also be divided by price sensitivity among customers and different Emirates. For example, the Emirate of Dubai has the least price-sensitive customers, the Emirate of Sharjah has more price-sensitive customers, and the Emirate of Ras al Khaimah and Fujairah has the most price-sensitive customers.

Customer motivations:

- There are big differences between the different customer segments and what they value most in a purchase. For example, we can see that customers with low price sensitivity appreciate value added services, while customers with high price sensitivity does not put as much importance in this and instead prioritize the actual price.

- The purpose of buying a Mercedes-Benz is largely about self-fulfillment and status. As a customer to Gargash Enterprises L.L.C customers buy more of a lifestyle and image than just a functional car.
- The overall trend of Gargash Enterprises L.L.C market is that it becomes increasingly specialized with demands from customers in terms of customer service and treatment.

Unmet needs:

- The major source of customer dissatisfaction for Gargash Enterprises L.L.C is based on the customer’s perception of price in relation to quality is too high. These views are mainly from local customers because they have a deeply rooted bargaining culture. This is also a result of a long term price strategy with high prices that formed the customers’ perception.
- The perception of price is the main reason why many customers choose to leave Gargash Enterprises L.L.C when the warranty expires and instead go to competing workshops. They simply do not feel that they receive value for their money.

6.1.1 Customer relationship lifecycle

According to Fill, Baines and Page (2008) a customer relationship can be seen as a cycle consisting of four different phases. These are the acquisition, development, retention and decline. For Gargash Enterprises L.L.C their greatest challenge is to keep their customers in retention phase. At the moment customers disappear after three years when the vehicle warranty expires and then they are free to go to other competing workshops.

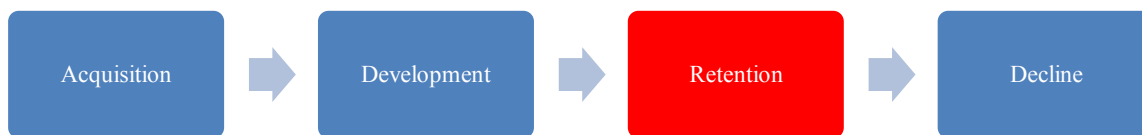


Figure 6.1: Customer relationship lifecycle modified figure 17.5 from Fill, Baines and Page (2008, page. 688).

Gargash Enterprises L.L.C has simply put, failed to build a deeper relationship with these customers and do not have the trust that is needed for a satisfied customer. The problem lies largely in that customers have a perception that Gargash are too expensive. This is a customer based attitude that has been built up over a long period due to a long term high price strategy. The high price level was established because they simply could charge those prices. Before the financial crisis, customers were not as price conscious as they currently are.

To reverse the trend Gargash Enterprises L.L.C recently introduced “*Fixed Service Menu Pricing*”, fixed prices for vehicle services. This is to increase transparency and regain customer trust with customers. The new strategy has been well received and has been successful mainly within the international customer segment. However, they have not had any major response from the local customers who do not really understand the concept of fixed pricing due to the bargaining culture. Lowering prices is not an option for Gargash Enterprises L.L.C since they have to maintain its position as a premium brand and consistently provide a service that corresponds to the standard Mercedes-Benz stands for.



Another activity that is intended to reverse the trend in the retention phase is the “24 hour service en route” that is offered to new and existing customers who do their service at Gargash Enterprises L.L.C. It is hoped that this customer service will act as an incentive and improve relations and retention with customers.

6.2 Mercedes-Benz “24 hour service en route”

6.2.1 Customer service

Companies and organizations has for a long time placed its strategic focus on quality and pricing as diverse differentiators that creates value for customers. But it is during recent times that the focus has shifted and organizations has begun to understand what impact the factor “customer service” can provide customers within their purchase decision (Fill, Baines & Page 2008).

For Gargash Enterprises L.L.C the Mercedes-Benz “24 hour service en route” is a customer service differentiator that creates a value adding service for customers. But one challenge when offering a service like the “24 hour service en route” is that it is not a physical product and this makes it difficult for organizations and companies to deliver it to customers in a consistent way throughout all the different Emirates (Fill, Baines & Page 2008).

When it comes to customer service and with the more specialized demand from customers, there is a need for Gargash Enterprises L.L.C to know what customers perceives as value. The definition of value in marketing terms regarding customer perceived value is often expressed with the equation: (Fill, Baines & Page 2008).

$$Value = \frac{Quality}{Price}$$

According to this equation Gargash Enterprises L.L.C need to be able to increase the customer perceived value, either increase the customer value through a reduction of price or increase in quality.

What we have seen during our field tests at Gargash Enterprises L.L.C and its roadside assistance program Mercedes-Benz “24 hour service en route” is that the term quality differs from the marketing definition and is based on three different factors. These factors are social, language and technical skills and include both the call center and the service technicians.

6.2.2 Social skills

The first quality factor is regarding the social skills of the call center and service technician. We have seen during our field tests that there exists a lack of external communication between the customer and call center/service technician and internal communication between the call center and service technician. With the lack of communication between these parties it results in a higher chance of mistakes. The social skills are particularly important for the service technician since he physically meets the customers. For example if a customer is in a stressed situation, a high or low amount of social skills from the service technician will change the customer perceived value and he will act accordingly to this. For Gargash Enterprises L.L.C it is crucial for the staff to have social skills when communicating with customer when offering a “24 hour service en route” and to make it a competitive advantage.

6.2.3 Language skills

The second quality factor is regarding the language skills of the call center and service technician. We have seen during our field tests that there is a lack of understanding for the call center and service technician when it comes to foreign languages e.g. English. For example, on several occasions we would give either the call center or the service technician information in English that they received, but due to lack of skills they would not understand us. The main problem here is not the actual lack of understanding, there may also be issues of a cultural nature or even a sense of pride that could make the employees reluctant to ask the customer again about the information.

These language issues can be observed in all of the tests. The service technicians that we have meet have all lacked some skills of the English language and this could be one of the factors why they act shy or arrogant when meeting a customer. They just don't know what to say or how to say it.

6.2.4 Technical skills

The third quality factor is regarding the service technician's technical skills. Due to the actual service offered the service technicians do not need to do extensive diagnostics and repairs en route. This shows that the service technician does not need the comprehensive technical training and development to be at the same level as the workshop technician. However the service technicians need to be at the adequate level of technical skills that the service is offering to its customers.

Our analysis has shown that the service technician's technical skills are below the adequate level that should be offered to customers, and for that they need technical training.

6.3 Service failures

When an organization offers a service that fails to satisfy its customer, it is often a result of failure in three different areas of the service. These areas are failures in the delivery system, failure in response to customer request and failure through employee actions (Fill, Baines & Page 2008). For Gargash Enterprises L.L.C and its "24 hour service en route" we can see that there are some problems in these three areas that need to be corrected.

- **Failures in the delivery system:**
 - Resulted when the waiting time for the service technician passed the internal deadline.
 - Resulted when the service technician's equipment was not working.
- **Failure in response to customer requests:**
 - Resulted when there was lack of social and language skills between the customer and the call center and service technician.
- **Failure through employee actions:**
 - Resulted when the service technician discarded the Mercedes-Benz outfit and used his personal clothes.
 - Resulted when the service technician brought a friend along in his Viano.

The main problem for Gargash Enterprises L.L.C is not the direct service failure but rather how the customer perceives it and how he communicates this to others. When a customer is passing on information using word of mouth or social networks a service failure could have dramatic negative impact on the company and its new and existing customers.



When a service failure creates dissatisfied customers they are unlikely to come back for the same service, so the main goal when offering a service is to have high quality standards that performs correct from the beginning and by such means reducing dissatisfied customers (Fill, Baines & Page 2008).

Another problem that Gargash Enterprises L.L.C can face is when choosing the right level of customer satisfaction. The challenge is that companies sometimes spend too much money and time on a high level of customer satisfaction even though it might not generate any profit from existing or future customers. The management in a company must ask themselves if the cost of increasing customer satisfaction is worth the monetary cost and what impact this investment will have on the company (Fill, Baines & Page 2008).

6.4 Service recovery

To counteract the negative impact that a service failure brings, Gargash Enterprises L.L.C has the possibility to do a service recovery. The service recovery is an attempt to correct problems within the offered service that customer has perceived. The purpose of these attempts is to create and manage retention of existing customers. If the organization acts quickly and investigates the concern for the customer, it could result in creating positive reputation and attract new customers (Fill, Baines & Page 2008).

Within serviced-based organizations, the need for measuring the quality of a service case has increased and become a major factor when managing offered services to customers. The actual quality of an offered service is based and shaped on the customers own expectations of it (Fill, Baines & Page 2008).

Gargash Enterprises L.L.C is already using the software GE Back Office to analyze customer's satisfaction, perceived value and thoughts. Another approach that Gargash Enterprises L.L.C can use is the disconfirmation model SERVQUAL to analyze the gap between the customers expected and perceived value of the service offered (Fill, Baines & Page 2008).

6.4.1 SERVQUAL

The SERVQUAL model represents a benchmark approach for managing and reviewing service quality, and analyzes the difference between the customers' expected and perceived service value. To be able to base and develop service reviewing methods with the SERVQUAL model, the management of Gargash Enterprises L.L.C must have the assumption that there is a gap between the customers' expected and perceived value (Fill, Baines & Page 2008).

When using the SERVQUAL model's GAPS approach on the "24 hour service en route" it shows that there are five different types of GAPS that can be analyzed and reviewed:

- 1) **The gap between the customer's expectations and management perception:**
 - a. There is a gap between the "24 hour service en route" offered in Ras al Khaimah and its customers since the focus has shifted from en route service repairs to towing and repairing vehicles in the workshops instead. This is mainly a result of free capacity in their workshop.



2) The gap between management perception and service quality specification:

- a. There is a gap between management perception and service quality specification in regards to the technical level of the service technicians'. Since the technical skills are below the customer demanded level it creates challenges when trying to set a performance standard. This results in increased costs and service failures.

3) The gap between service-quality specifications and service delivery:

- a. There is a gap between service-quality specifications and service delivery when it comes to the social and language skills of the service technician. With the lack of "process thinking" and guidelines, the service technician improvises and stretches boundaries. For example, this can be seen when the technician ignores dress codes and brings friends in his vehicle.

4) The gap between service delivery and external communications:

- a. There is a gap between service delivery and external communication in regards to the service promise, presented in advertisement and on the website. If the promise is not realized in service delivery practice, customers will become dissatisfied. This can be seen in the technical skills of the service technicians since they lack the adequate knowledge that the service is promising its customers.

5) The gap between perceived service and expected service:

- a. This gap arises when customers misunderstands the quality of the offered service in relation to what they expect to receive. In this case a customer might assume that the lack of information from the call center and service technician is due to ignorance. But in reality this is due to a failure in the internal communication system.

When basing and developing the service reviewing on the SERVQUAL model and its GAPS approach, it enables five different dimensions of service quality that can be reviewed. Generally these dimensions are used in a questionnaire containing twenty-two questions and when completed by a customer it provides the management with the opportunity to correct areas within the service. In regards for the management of Gargash Enterprises L.L.C these five dimensions could be used as a dimension in the "GE Back Office" software when evaluating customer satisfaction and value. According to Parasuraman (1988) these five dimensions are:

1) Tangibles:

- a. The employee's appearance, the company's location, tools and communication.

2) Reliability:

- a. The quality and dependability of repeated service cases.

3) Responsiveness:

- a. The staffs' willingness, quality, and performance when it comes to providing good customers service.

4) Assurance:

- a. The social skills and competence of employees.

5) Empathy:

- a. The employee's skills to understand the customer's feelings and act upon them.



But it should always be taken into consideration that when using the SERVQUAL model for analyzing the “24 hour service en route” at Gargash Enterprises L.L.C, the difficulties lies within the customers own preferences. When a customer is evaluating the quality of the service, the actual satisfaction could differ depending on the situation. Another issue is reliability issues when asking customers about their expectations when they have used the offered service (Fill, Baines & Page 2008).

6.5 Radio Frequency Identification

According to Jaska et al. (2010), the development in RFID technology has increased in recent times and has contributed to an increased interest for companies and organizations. And according Ferrer, Dew and Uday (2010) there are three fundamental possibilities that companies and organizations can use RFID technology in an implementation:

- 1) RFID gives a possibility to wirelessly identify people, and objects and distinguishes them i.e. who and what are you?
- 2) RFID systems have the possibility to be used to automatically generate data that can be used to track and trace tagged products i.e. where are you?
- 3) RFID contributes to the possibility to feel the surrounding i.e. how are you?

The possibilities of using RFID technology for Gargash Enterprises L.L.C are based on the first and second fundamental possibility when implementing the technology. For example, based on what we have seen in the workshops the first fundamental possibility can be used to identify customers’ vehicles, where the RFID tag could store information about the vehicle i.e. type of vehicle, time of the last service, owner of the vehicle etc.

The second fundamental possibility can be used to enable tracking and tracing of customers’ vehicles in the workshop creating an automated system that can prevent and reduce human error. For example, this technology can provide Gargash Enterprises L.L.C workshop technicians to receive location based information about where a vehicle is located in the workshop. This technology can further be developed to enable customers to track and trace their vehicle within the workshops repair chain from either a smart phone or through the website.

Hesket et al. (2008) state that all organizations that are involved in customer service and that aim to have a high customer satisfaction, must be outlined in a framework which is called the service profit chain. This chain helps to create a relationship between probability, customer loyalty, employee satisfaction and productivity. According to Jaska et al. (2010) the service chain can be divided into three phases which are employee performance, external service value and service success. For Gargash Enterprises L.L.C given the three different phases in the service profit chain, we see that a RFID implementation could contribute to simplification in the work processes for the workshop staff. If we apply the technology in the three service profit chain phases on Gargash Enterprises L.L.C workshops we can see that in:

- 1) **Employee Performance:** RFID technology helps to remove manual, repetitive tasks that allow the workshop technician to focus on core duties of his job i.e. reducing the need of data input about vehicle information.



- 2) **External Service Value:** When the workshop technician can focus more on his core duties the work performance will increase, thus enabling the workshop technician to provide customers with an excellent customer service.
- 3) **Service Success:** When the workshop technician contributes to customer satisfaction and the customer is satisfied and has received good service, there is an increased chance that the customer will be loyal to the company and contribute to more customers. This will increase revenue and profit.

6.5.1 Implementation opportunities and challenges

What we have seen in our workshops studies in the UAE is that the possibility of an RFID implementation in the workshops could be implemented technically as the conditions exist for a successful operation. And with the current situation in the workshops the (Alien technology 2007) technical implementation issues outlined in table 4.4 would not cause too much difficulty.

If the technical issues could be managed, the main possibility for Gargash Enterprises L.L.C with a RFID implementation would be to create transparency in the workshops through automated system in the vehicle repair chain. This could also indirectly increase the customer satisfaction since efficiency measures in the workshops should be transferred to customers. However, it is worth pointing out that the biggest challenges for Gargash Enterprises L.L.C when it comes to the implementation of RFID are workforce-related factors within the internal processes, investment costs, and the actual need of the technology.

The first challenge is the workforce-related factors within the internal processes. Gargash Enterprises L.L.C has systems in the workshops that contribute to more effective processes when it comes to following the vehicles repair chains. However, the problem lies within the users as the trend for the UAE and its companies lies in the use of low cost employees. These employees have not received the training necessary to effectively operate the systems and this result in that many tasks are duplicated and time is spent on unnecessary tasks.

For example as we can see in our empirical data this situation has been viewed from our side in Quasais bodyshop where there are sophisticated computer programs that allow tracking and following repair cases. Unfortunately there are problems with the employees' knowledge of these systems and the actual usage of them is inhibited.

The second challenge is based on a cost standpoint. It is currently difficult to justify a RFID investment as labor costs are extremely cheap and the investment to implement the technology in the workshops and educate the employees is not feasible in the current situation.

The third challenge is based on the actual demand of the technology. As we have mentioned earlier, RFID technology can contribute to efficiency in the workshop processes that allow workshop technicians to focus on their core tasks. But given the current corporate culture and low cost of employees at Gargash Enterprises L.L.C contributes to that the demand and the possible usage possibilities at the moment are small. We can also see problems with the implementation in Ras al Khaimah and Fujairah since these two workshops are relatively small compared to the remaining workshops in the UAE. In this matter it can be difficult to justify an investment in those areas.



7. Conclusion

The chapter “Conclusion” is based on the thesis analysis and problem definition. It depicts the questions regarding new and existing after-sales service strategies in Gargash Enterprises L.L.C current operations i.e. the “24 hour service en route” and a RFID implementation in the workshops.

The UAE vehicle market in which Gargash Enterprises L.L.C operates does not have a single homogeneous group of customers, and there are large differences between the Emirates, Dubai, Sharjah, Ras al Khaimah and Fujairah. Customers are characterized with preferences from both cultural and financial factors, which affect their purchasing behavior throughout their customer lifecycle. To handle and overcome these variations, the company needs to develop specific targeted strategies that are adapted to the different customer segments that can be distinguished in the UAE vehicle market. A successful and profitable after-sales service depends on loyal customers and a conventional approach. To succeed in this regard it is imperative to create a premise of a high retention rate of recurring service customers. One approach that could increase the retention of service customers is by giving the customers what they need at the price they feel that the service is worth. In other words there is no need to offer services that customers don't ask for, or being able to grasp the added value of it.

In regards to our observations and various interviews it has been noted that the ongoing strategy “Fixed Service Menu Pricing” with the main objective to increase the customer retention rate by offering vehicle services to a fixed price, has so far not been successful with the local customers. The reason for the rather lukewarm reception of the “Fixed Service Menu Pricing” is partly caused by customers' perceptions that Gargash Enterprises L.L.C are expensive compared to local workshops. Another factor is that the bargaining culture is still widely practiced by the local population in the UAE. Gargash Enterprises L.L.C has therefore not been able to reach out and attract all possible customer segments in the market. To overcome the problems with the decrease in customer retention rate, it is important for the company to continue its service development, thus finding new and better after-sales strategies to reach and attract more reluctant customer segments. Two different strategies that could increase the customer retention rate are the further development of the “24 hour service en route” and the implementation of RFID technology in the workshop.

As outlined in the analysis in Chapter 6, the definition of “customer value” is expressed by quality divided by price. However, we have interpreted that Gargash Enterprises L.L.C should apply a slightly different formula in regards to the “customer value” connected to the 24 hour service en route, which is expressed below:

$$\text{Customer Value} = \frac{\text{Social, language, \& technical skills}}{\text{Service failures}}$$

With other words; an increase in social, language, and technical skills or a decrease in service failures, will increase the overall customer perceived value.



With the current situation of the “*24 hours service en route*” we have seen that there are internal challenges that must be dealt with for Gargash Enterprises L.L.C in order to be able to provide a successful service. The first challenge for the “*24 hour service en route*” is the actual quality of the service in the different Emirates. In the Emirates Dubai and Sharjah, there are opportunities to do “follow ups” and “quality controls” to a certain level, but when the Emirates Ras al Khaimah and Fujairah have their own service technicians, due to a lower customer demand it creates challenges for Gargash Enterprises L.L.C. If the goal of the “*24 hour service en route*” is understood in different ways in the various Emirates, the result in customer satisfaction and quality control will also differ. If there is a lack of measuring quality control in Ras al Khaimah and Fujairah, it will contribute to difficulties to provide a consistent standard of quality for customers.

Regarding the call center and the service technicians’ performance, it is important to work with a more process orientated operation to ensure a certain quality and standard of the offered service. This originates in the social, language, and technical skills that sometimes create a barrier for Gargash Enterprises L.L.C staff when communicating with its customers. During our field tests we have seen that the technical level of the service technicians is lower than what the “*24 hour service en route*” is currently offering its customers. The technical training of the service technicians should be dealt with through collaboration with a workshop and its technicians. Firstly, with the collaboration the management should be able to review the service technicians’ skills, and ensure that the technical skills are at the same technical level that the “*24 hour service en route*” are offering their customers. Secondly, the collaboration should be able to help and educate the service technicians to a more process orientated thinking, that results in a more thorough and analytical approach when examining a vehicle en route.

The second challenge is related to the call center and service technicians’ social and language skills. This originates in communication difficulties both between the call center and the service technicians and in addition between the call center/service technicians and the customers. In regards to the exchange of information and the communication between the call center and the service technician it could be improved by being more processed orientated. If received information from the customer is being sent between the call center and the service technician, there should not be any informational gaps or losses on the way. This is very important because if the collected information is partly lost then the service technician will have less information to use while trying to fulfill his mission. These communication faults will force the service technician to call the customer for more information, hence reducing the service quality and increasing the use of time from the received service notification to his arrival to the customer in need.

Externally directed communications and inquires that the company initiates towards their service customers should be performed by only one of the company’s representatives. It is unproductive and time consuming when both the call center and the service technician on a parallel manner call the customer to ask the same type of questions. This overlapping work pattern creates confusion for the customer, loss of valuable coordination time, and it will also create possible losses of vital information that are needed for the various parties that “internally” are supposed to plan and execute the service to the benefit of the customer.



When dealing with customers from different countries that have different preferences, there is a need for the call center and the service technicians to be able to adapt their social and language skills depending on the customer. These factors can be improved through training courses that develop their language and social skills. As we have seen there is lack of language skills when dealing with customers in regards to communication in English, and how to greet and communicate with a customer during a roadside assistance. Since there are no official guidelines regarding language and social skills, this puts Gargash Enterprises L.L.C employees in a position where they need to improvise with mixed results. It should also be taken into consideration that the results regarding the call center and the service technicians social, language, and technical skills may be colored by us as authors' through our own preferences and culture. This may occur, given the cultural differences between the Western world and that of the Middle East. We may perceive various problems and form our views on them in accordance with our own cultural background.

When evaluating customer satisfaction and the perceived value of the offered service, there is a need for the call center to develop the current questions that are asked to customers and make them more thorough and analytical. As we can see in our analysis the SERVQUAL model gives a good dimension when creating questions regarding the gap between the customers expected and perceived value. Hopefully, when using this approach of analyzing customer satisfaction it will reveal in what parts of the “24 hour service en route” there are challenges.

In regards to Gargash Enterprises L.L.C workshops, we believe that an RFID implementation within the workshops service chain could function to streamline processes as well as enhancing and clarifying the commuted message with customers. However, the investment will not pay off in the short term through gained efficiency measures in the workshops, but this is perhaps something that in the long term can be seen in an increased number of satisfied customers. Faster repairs, less human errors and real time tracking and tracing of the vehicles could enable the customers to perceive the repair process and service with a greater satisfaction.

Due to the fact that the benefits of a RFID implementation in the workshops could increase customer satisfaction, we believe that this can also indirectly increase the customer retention rate for Gargash Enterprises L.L.C. Enhanced communication between the company and its customers, and shorter lead-times due to increased efficiency in the workshops can increase customer satisfaction and could become an incentive for customers to remain loyal. Increased workshop performance could also indirectly help the company to lose its expensive image as customers could perceive the service offering to weigh equally with its costs.

Unfortunately, it's hard to see an immediate monetary gain from achieving greater customer satisfaction through RFID, and to accurately calculate the net profit from an RFID investment would unfortunately be a very complex matter. If such an investment would take place at the workshops it would among other things enable a real time tracking and tracing of a vehicle for its customers. The marketing purpose would probably be to differentiate the service given by Gargash Enterprises L.L.C in relation to what their competitors can offer. Customers would then understand the pragmatic marketing term “you get what you pay for”. With regards to the current situation we recommend that this kind of implementation should be viewed later on in the future as the current labor costs and organizational and cultural trends are currently an obstacle for a successful RFID implementation.



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Amir Pervaiz:	Workshop manager Rashidiya.	26/04-12
John Brindley:	Bodyshop manager Quasais.	24/04-12
Tracy Neale:	Workshop manager Sheik Zayed Road.	23/04-12
Vipil Divakaran:	Sales Controller Sheik Zayed Road.	23/04-12
Ahmed Sultan:	Showroom manager Sharjah.	26/04-12
Basel Nayfeh:	Workshop manager Sharjah.	26/04-12
Daniel Younes:	Workshop manager Ras al Khaimah.	29/04-12
Faisal Zaki:	Workshop manager Fujairah.	02/05-12



Appendix 1: Interviews in Dubai, Sharjah, Ras al Khaimah and Fujairah

Karl-Johan Sandesjö - General Manager

What kind of customer related differences have you seen between the different Emirates and what kind of strategic goals are applicable on them?

There are differences in customers between the Emirates, i.e. the vehicle market in Dubai has a larger share of international customers, with people from all over the world. But in Ras al Khaimah and Fujairah there is a larger share of local customers. Mercedes-Benz is a premium brand and one of the main strategic goals for us is to mirror that brand by taking good care of our customers in a professional way that truly reflects the level of purchase no matter where the customers are coming from.

In what ways is the UAE vehicle market different from the European vehicle market?

One of the main differences is that customers in the UAE buys more expensive cars here than in the European vehicle market. The customer perceived value and status in the vehicle is important in the UAE and the car is an extension of the customer and an important symbol for showing his status to others.

In a historical perspective, how would you describe the vehicle market that Gargash Enterprises L.L.C has operated in and what future trends can be seen ahead?

Before the financial crisis of 2008 the vehicle market was very demand-driven. It was easy to sell vehicles and customers bought a lot of cars as status symbols and with little thought of the actual need. During this time our workshops had full utilization and there was little to none strategic thinking about customer service and satisfaction since the actual demand-driven vehicle market resulted in high customer retention.

Now after the crisis, customers are more careful with their money and it is becoming increasingly important to provide good customer service. For us it's not hard to sell the cars themselves, and we have currently surpassed the volume of new car sales which we had before the crisis. The hard part for us is to take good care of our customers and thus creating a long term relationship with them. The goal for us in the future is therefore to provide a fast and professional service process for our customers.

What challenges and possibilities lie ahead for Gargash Enterprises L.L.C?

A major challenge is that there will be a shortage of technicians in the future. It takes a long time to train them and the risk is that they will leave us when other companies offer them a higher salary or better benefits. To counteract this trend, companies like Gargash must take better care of its technicians, create incentives and take social responsibility for the workforce. This problematic challenge originates a lot from the current and historical corporate culture that focuses on the use of cheap labor.

Another large challenge is to get customers to stay with us after the warranty has expired. Many of our customers choose to go to competing workshops when the three-year warranty has expired. To reverse the current trend and create a higher level of retention, we have introduced a “*Fixed Service Menu Pricing*” offering, which is applicable on both brand new cars and cars older than three years.



Generally, we apply a strategy for all of the Emirates. However, there are some exceptions in this i.e. in Fujairah we are open on Fridays since the general trend is that the inhabitants are working and living in Abu Dhabi during the week and come back to Fujairah on Thursday night.

Will the “24-hour service en route” add a more strategic and competitive advantage?

By remaining and servicing the car with us, customers will benefit from the “24 hour service en route” regardless of the vehicle’s age. We hope this roadside assistance will serve as an incentive to stay with us and that the “24 hour service en route” in the future will have a more significant role in creating customer loyalty and retention



Joanne Hardy - Customer Contact Manager

How does the communication in a “24 hour service en route” case work?

- 1) A customer calls the toll free number 800-6628 and gets transferred to the call center. At the call center the customer gets in contact with a call center representative about his or her problem with the vehicle. The representative asks the customer about all the relevant information that he needs i.e. the vehicle’s problem, location, name, registration number and phone number. This information is then forwarded to an assigned service technician.
 - a. All service technicians are dispatched from the headquarter in Deira (except the ones in Ras al Khaimah and Fujairah) and the service technicians are tracked in real time through Gargash Enterprises L.L.C computer system called “C Track MAX” which enables the call center to see exactly where all the technicians are. For example, if a customer’s vehicle has broken down in Dubai Marina, the call center can see which service technician that is available and closest to the customer’s location.
 - b. Ras al Khaimah and Fujairah are currently operating with their own service technicians that are dispatched from their workshops.
- 2) The call center inform the service technician about the customer and the nature of the problem and is then dispatched from either the Deira headquarter or from his current location “en route”. When the technician has received the information from the call center he calls the customer to tell him or her that he is on his way and then checks with the customer that the information he has received from the call center is correct.
- 3) On arrival, the service technician offers the customer water and a seat in his air conditioned Viano to relieve the customer from heat and stress while technician continue with the repair.
 - a. If the service technician finds the vehicle to be un-repairable “en route”, then the technician will call AAA to ask them to tow the vehicle to the nearest workshop or to the workshop that the customer wants his vehicle to be transported to.
 - b. The technician or the customer (depending who is present) fills out an AAA form which is given to the workshop with the customers details on it (the filled in form is placed in the car which is later together with the car key handed over to the workshop security personnel). The call center also sends an email to the workshop’s reception supervisor when a car is sent to them.
- 4) While the vehicle is transported through AAA to the workshop for repair, the customer is driven home by the technician in his Viano.
- 5) After the vehicle has been repaired and the customer has either picked up the vehicle himself or it has been transported to his location, the call center phones the customer to get some feedback regarding the perceived level of satisfaction.



- a. This information is then added into the “GE Back Office” which is a computer software for reviewing customer satisfaction. This software enables the management to review the overall experience per service-case and it gives the management a view of the staff’s ratings on how well they have serviced the customer.



Tracy Neale - Workshop manager Sheik Zayed Road

How many service cases do you have in average per month?

We have on average 1200 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

The financial crisis has negatively affected the sales in the new car segment, and with those unsold cars who doesn't come in for service we have during past years seen a decline of customers who utilize our workshop. But in recent time we have seen upswing in car sales which in the long term will result in a higher utilization of our workshop capacity.

Why is it important to offer good customer service?

"The first car a customer purchases from a showroom is based on the salesman, the next and future car is based on the quality and performance of the workshop."

It is very important to offer good service as this is often a deciding factor for customers when buying a car later in life. With good service, you get satisfied customers and increase customer retention.

What distinguishes your workshop customers?

The main characteristics of our customers are that they are to a large extent very well capitalized. We also have a lot of international customers compared to the other workshops in the UAE.

What do your customers think about customer service and prices?

Our customers expect top-class service. It is important to remember that Mercedes-Benz is a premium brand and we have to give customers value for the money spent. Customer service is not just about the actual vehicle service that should be of high quality but also value added services. Value added services do not need not be advanced at all times i.e. it could be a matter of offering the customers coffee when they come to the workshop to service their car. It's often the little things that positively affect customers to get a feeling of receiving good deal from us. Although our clients are in many cases wealthy the prices are still an important factor for them. The challenge for us is to add something extra to the deal instead of reducing the prices and quality. There is a widespread bargaining culture in the UAE and it is important to make customers feel that they "win" but without being forced to leave a lot of discounts.

If we give discounts continuously it will generate problem with more and more discount expectations in the future.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes those customers?

Yes, there are definitely customers who we designate as VIP. Those people spend a lot of money at us and they are generally also senior members of the society. About 30% of our customers are VIP.



If you have VIP customers, how do you handle them and how do they affect the service and repair chains in the workshop?

Services for these people are often very individualized and we prioritize them ahead of other customers in many cases. This may result in problems when trying to implement the kind of straight service-chain processes that we want, but we simply have to be flexible when managing these customers.

What do you think about the “24 hour service en route” that is offered to customers?

I think that the offered “24 hour service en route” is a good service to customers, and for Gargash Enterprises L.L.C part it is very important to take good care of the client in a professional manner since they are often in a stressful situation.

A roadside assistance case for us is an event that the customer can remember for a long time. If the service is on the same level that the customer is demanding and if he is professionally treated, the perception and the customer value of Gargash Enterprises L.L.C will increase and vice versa.

How has the “24 hour service en route” worked in the past and what differences can be seen now?

The service has in the past worked very poorly and the quality of the service has been unsatisfactory. This was the result due to an outside company was hired to manage it. There have been many complaints and that external company did not reach the standard customers was expecting from Gargash Enterprises L.L.C.

As in part to improve the service we decided to take the service in-house instead, thereby increasing desired quality and control. The call center part is already placed in-house and a new salvage service is going to be taken care of when we get our own flatbed trucks. After taken the service in-house it has become much better with less complains.

Which external challenges affect your workshop?

The biggest challenge for us is to retain customers after the three years of warranty has ended. After these years, we lose a lot of customers to cheaper independent workshops.

How do you work to improve this?

To counteract and changing that negative trend, we are now working with focus on marketing, where we have introduced a “Fixed Service Menu Pricing” i.e. fixed price for services. We have received very good response from customers, primarily from international customers who think it is a good offering. However, the “Fixed Service Menu Pricing” hasn’t gone so well with the local customers as they have a bargaining culture that affects their purchasing behavior. We still have a long way ahead of us when it comes to training those local customers and showing them the benefits of this offered service.



Vipil Divakaran - Sales Controller Sheik Zayed Road

Who are your customers?

The customers are mainly based on the wealthy segment. It is not unusual for them to just come in and point to the car they want without even a test drive. A very large percentage of our customers are also foreigners.

What does the market look like today and what are the trends for the future?

The market looks promising with big sales increases that are expected in the future. The trends are that customers now want more service and value added services than before. We must adapt our services and sales to the customer needs.

Why do your clients buy a Mercedes-Benz?

They buy their car because it's a Mercedes-Benz. It's all about status and what's hot at the moment. Most customers do not really have a clue what car and what properties it has, they only look at the brand.



Simon Dennis - Workshop manager Deira

How many service cases do you have in average per month?

We have on average 1000 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

The financial crisis has hit us hard, but our client base is not as affected as you can imagine. Dubai as a vehicle market has managed the crisis well and people will continue spending money. This is a factor that makes us recover.

Why is it important to offer good customer service?

It is important to keep up with market trends and make sure to offer what the customers want. In Dubai, luxury is a lifestyle, and therefore it is important to have a service that reaches these people's expectations.

What distinguishes your workshop customers?

Our customers are based on large number of wealthy customers, but there are also “ordinary” customers. These two groups have different preferences and it is important to understand what they are looking for when it comes to customer service.

What do your customers think about customer service and prices?

The wealthy customers want a quick and excellent service and do not care much about the price. While regular customers are more likely to look at the price and would consider removing some services offered for the benefit of a reduced price. However, Mercedes-Benz is a luxury brand, so all customers still expect a certain standard.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes these customers?

It all depends on how you define VIP customers. We have no explicit VIP clients but there are obviously some customers that receive a different treatment.

If you have VIP customers how do you handle them and how do they affect the service and repair chains in the workshop?

It all depends on the situation but we will not let anyone take the lead in the repair/service queue just because they have a more expensive car. It would be very unfair to other Mercedes-Benz owners who have invested a lot of money. Instead, for example, we can offer a replacement car if the customer really needs one or simply we will work overtime to resolve it as quickly as possible.



What do you think about the “24 hour service en route” that is offered to customers?

The “24 hour service en route” is a good customer service and it creates safety for customers if something happens while they're on the road. However, it's not so good for our own service technicians to stand in exposed locations and carry out repairs en route. Therefore I think we should not repair, but instead always pick up the car to the workshop.

How has the “24 hour service en route” worked in the past and what differences can be seen now?

The “24 hour service en route” service has gotten much better since we stopped using an external company that used to manage it and instead we took it in-house. However, there are still things left to improve i.e. improved communication with customers where it is still not good enough.

Which external challenges affect your workshop?

Our main challenge is our customer retention level and getting customers to stay after the three years of warranty, as many customers instead goes to cheaper workshops after these years.

How do you work to improve this?

One example is the “Fixed Service Menu Pricing”, i.e. fixed prices for vehicle services. This has been introduced in order to increase transparency and thus winning back customer trust. There is still much work to do when it comes to the “Fixed Service Menu Pricing” i.e. when the UAE culture is based on a bargaining culture, customers wants to bargain even though the price is fixed. It is also important to show the customer what we are doing better than the cheaper workshops i.e. having the right tools, having highly trained technicians, and good facilities.



Ziad Mhawej - Showroom manager Deira

Who are your customers?

Our customers are people with plenty of money. We have no direct price-sensitive customers that purchases vehicles at us and we have more local buyers than the Sheik Zayed Road Showroom.

What does the market look like today and what are the trends for the future?

The market looks very bright and it will be even better in the future. The trends are that customer service and customer relations have become more important nowadays. Customers want to feel important and have their personal needs met.

Why do your clients buy a Mercedes-Benz?

It's all about status and what is popular. Many customers could not care less about cars and buys only because it is a Mercedes-Benz.



Amir Pervaiz - Workshop manager Rashidiya

How many service cases do you have in average per month?

We have on average 120 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

The financial crisis has made our customers more aware of their money and they have become price sensitive. We have lost a lot of customers in the workshop and although new car sales once again have increased this increase have not been seen in our workshop as there is a time gap between sales and required car service. Although forecasts tell us that new car sales will increase further this is nothing that we at the workshop will be able to notice for quite a while.

Why is it important to offer good customer service?

It is important to maintain high service quality to attract customers. We are not the cheapest workshop and we will never compete against the low price workshops regarding the price level. But we need to ensure that a customer perceives our customer service as a differentiator compared to other workshops and in that way they feel that the higher price tag is worth it.

What distinguishes your workshop customers?

Our customers are more price sensitive than costumers in the workshops at Deira and Sheikh Zayed Road. We also have much more local customers than those two workshops.

What do your customers think about customer service and prices?

Customers want good service; otherwise they can go somewhere else where it is cheaper. They become more and more price conscious and they doesn't hesitate to meet other workshops where they can get a better price. Local customers also want discounts based on the bargaining culture that is flourishing here.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes these customers?

Yes, we have customers that are classified as VIP customers. It accounts for about 10-15% of our customer base. That group consists of people with money who are buying a lot of cars from us and have high positions at different companies.

If you have VIP customers how do you handle them and how do they affect the service and repair chains in the workshop?

It is very individual how we handle these customers. Some customers want to talk to our Arabic-speaking staff while others want to be serviced in other ways. We place great emphasis on making them satisfied since they are good customers for us. Sometimes these customers' show's up without notifying us and to be able to handle them and their needs, we have about 10% extra capacity to use in the workshop. This affects to some extent our activities in the workshop and it is hard to maintain straight processes when dealing with these customers.



What do you think about the “24 hour service en route” that is offered to customers?

I think that the “24 hour service en route” is a good service that is offered to customers.

How has the “24 hour service en route” worked in the past and what differences can be seen now?

The “24 hour service en route” did not function well when it was managed by an external company and there were big communication problems which customers were affected by. They did not get the kind of help they were asking for and we got lots of complaints. Now when the service is managed in-house it works generally better. Now the call center has access to all information in their system and they can give us the necessary statistics and data.

However, I think that our call center could be better trained technically so that they can understand what the customer’s problems are and solve it earlier in the chain. Instead we get to spend time to sort out the things that really can be solved by the call center and the information they already have. Many of the customer complaints that we receive is based on warranty complaints. The customer comes to the workshop to find out that he does not have warranty hence needs to pay for the repair. The call center should be able to explain the warranty status to the customer at an earlier stage.

Previously, we had our own car with a service technician. But since the service was placed in-house the service technicians are dispatched from Deira and it has certainly gotten much better after they decided to take the service in-house.

Which external challenges affect your workshop?

The biggest challenge for us is that customers will disappear to other workshops when the warranty is gone after three years. Customers are nowadays looking for information on the internet and they can find cheaper workshops to where they can take their car to be serviced.

How do you work to improve this?

One approach that we have is the “Fixed Service Menu Pricing” i.e. fixed price for vehicle services. But it is difficult to get customers to understand the fixed prices since the culture is based on bargaining. This makes it hard for customers to understand the concept that our offered prices are fixed. One idea that I have is to extend the warranty from three to five years for a small fee.

Which internal challenges affect your workshop?

A major problem is that the workshop technicians we have employed only are here to work and earn money. Therefore, we always risk losing our technicians if they are better paid elsewhere.



John Brindley - Bodyshop manager Quasais

Who are your customers?

Our customers are people who have had their cars damaged in various ways, for example traffic accidents. Most of these cases go through insurance companies that are the ones who pay for the repair itself.

What do your customers demand?

Our customers want to get the car fixed as soon as possible. The customer demand for value added services are quite low here. Since we do not perform any value added services, customers will not get any additional benefit from a visit to us, they get only their car restored to how it was before.

Which internal and external challenges affect your bodyshop?

The biggest challenge we have is with the bodyshop employees. We pay little in salary and get little back, to put it simply. They find it hard to learn and use the system we have and to improve control in the operation. Instead, they use their own solutions with paintings, notes and lists. These proprietary systems run parallel to each other, which complicates the overall picture of what is happening in the bodyshop. We are working to change this behavior but it takes a very long time.

Other challenge is the process of insurance companies, where it takes a long time to get information. Because of this, customers need to wait unnecessarily long to get the car repaired. For us it is difficult to influence the situation.



Basel Nayfeh - Workshop manager Sharjah

How many service cases do you have in average per month?

We have on average 400 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

The financial crisis has adversely affected the sales of new cars which also affects the workshop operation. However, currently we see that new car sales are increasing, which generates an increase of repair and service jobs in our workshop. We also believe that in the future there will be further increases.

Why is it important to offer good customer service?

It is important to match the customer perceived image of Mercedes-Benz as a premium brand. This is necessary for us to be able to charge the prices that we do.

What distinguishes your workshop customers?

Our customers are generally more price sensitive than in Dubai. The customer base also consists of mainly local inhabitants.

What do your customers think about customer service and prices?

It is important to have good customer service since Mercedes-Benz is an expensive brand with expensive cars. The price is very important to our customers and they are always trying to get a better price since the UAE market is based on a bargaining culture.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes these customers?

We have no direct explicit VIP customers but if there is a Sheik or a King they are given absolute priority. This can also be made to regular customers as well but it depends about the situation.

If you have VIP customers, how do you handle them and how do they affect the service and repair chains in the workshop?

The most important thing for a VIP customer is often not the repair time, but it is instead to get their car back in perfect condition. But if it was determined that time factor does matter for the customer, there's always room to take care of the vehicle right away and move current work aside. This does not affect the remaining operations, since everything is going along standardized processes and there is capacity to manage VIP customers.

What do you think about the “24 hour service en route” that is offered to customers?

I think that the “24 hour service en route” is a good service that is offered to customers.



How has the “24 hour service en route” worked in the past and what differences can be seen now?

In the past the “24 hour service en route” did not work so well because of the external company that managed it. Now it has instead been taken over internally and it works much better.

Which external challenges affect your workshop?

The biggest problem is that people are choosing to go to other workshops when the warranty is over after three years. We cannot and will not compete on price against the low price workshops since we as a premium brand do not want to use low prices as a kind of marketing strategy.

How do you work to improve this?

We are working on ways to attract new and existing customers such as offering fixed service prices. This has been received quite well from the customers but there are still many who try to bargain on the prices. The challenge is to get these customers to understand the benefits connected to the offer and that the fixed price is already lower than the offered price in the past.



Ahmed Sultan - Showroom manager Sharjah

Who are your customers?

Our customers are mainly based on local inhabitants. Since they buy a Mercedes-Benz which is an expensive brand they have in most cases plenty of money.

What does the market look like today and what are the trends for the future?

The vehicle market is looking better and better. We believe that this trend will continue in the future. Trends among customers are that they become more interested in value added services. They want to feel that they get something extra when they buy a Mercedes-Benz.

Why do your clients buy a Mercedes-Benz?

A customer buys a Mercedes-Benz because it is a premium brand. It is very much about gaining status and to show others that you are someone above the ordinary.



Daniel Younes - Workshop manager Ras al Khaimah

How many service cases do you have in average per month?

We have on average 160-200 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

Since the new car sales have declined in this area, we are in a downward trend in the workshop. And I am uncertain about the future since the sales of new cars has not increased yet.

Why is it important to offer good customer service?

Mercedes-Benz stands for high quality and good service and it's important that the customer perceives this as well. This can be done through a good relationship with customers and that will make them more reluctant to leave us as their service provider. This is crucial since the vehicle market here is small.

What distinguishes your workshop customers?

It's mostly local buyers who are more price sensitive than customers in Dubai since the average income is lower here than in Dubai. The vehicle market here is in general more outdated and our customers do not want to adapt to new trends etc.

What do your customers think about customer service and prices?

The given and negotiated price means everything to the customers here and they are sometime even trying to switch away service benefits as the warranty to get a cheaper purchasing price. They do not care much about quality and luxury as long as they are able to get a vehicle as cheap as possible.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes these customers?

Yes we have, approximately 10% of our customers would be designated as a VIP. They are characterized as buying more expensive cars.

If you have VIP customers how do you handle them and how do they affect the service and repair chains in the workshop?

No, it does not affect at all. They don't have greater requirements than our regular customers on price, service, etc.

What do you think about the "24 hour service en route" that is offered to customers?

It is a great service that helps customers if they encounter problems. But the cars these days are so complex that it is often difficult to diagnose the car on the spot and it is easier to take it to the workshop. Our type of customers would probably appreciate a cheaper purchasing price than having access to that kind of service.



How has the “24 hour service en route” worked in the past and what differences can be seen now?

The “24 hour service en route” worked much worse before when there was an external company that managed the service. Now it works fine when it is handled internally. The call center sends information to us and we send our own car with a trained mechanic.

Which external challenges affect your workshop?

The biggest problem is that customers do not care about the quality of service and will rather service their cars at cheaper workshops after the warranty expires. Those who buy pre owned cars never come to us.

How do you work to improve this?

We work actively with fixed service prices to attract customers. However customers have a hard time to understand the concept and are constantly trying to haggle. It takes time to change customer behavior and the culture that exists here.

Which internal challenges affect your workshop?

There's always room for improvements. One problem we have is that we have little to do in the workshops. Efficiency optimization would not produce any noticeable difference and the biggest challenge is that our staff comes and goes when offered better salary. It is difficult to motivate them to stay on and to do their best. When an employee leaves us, specifically if he works with customer contact there is a risk that he takes away some of our loyal customers to his new job.

How do you work to improve this?

It is about trying to offer something attractive to them that no one else does. But this is difficult when most employees only think about money.



Faisal Zaki - Workshop manager Fujairah

How many service cases do you have in average per month?

We have on average 200 service cases per month.

How has the financial crisis affected your workshop and what future trends lies ahead?

There was less to do after the financial crisis due to decreased sales. A major contributing factor was when the bank issued new rules on 20% down payment in connection to buying a new car.

Why is it important to offer good customer service?

It is important to offer good customer service because it can attract both current and future customers.

What distinguishes your workshop customers?

The customer base consists mainly of local customers who work in Abu Dhabi on normal weekdays and are only returning home on weekends. This results in that the most services are done on the weekends when they are home. They are also much more price-sensitive customers, compared to Dubai.

What do your customers think about customer service and prices?

They are very price conscious and prices certainly play a great role for them. They have no need for customer-, and value added services apart from the actual service on the vehicle.

Do you have clients with special priority (VIP), what approximate percentage do they account for, and what distinguishes these customers?

All customers are VIP in our workshop.

If you have VIP customers, how do you handle them and how do they affect the service and repair chains in the workshop?

The customers that are given priority in the service chain are primarily those who are gone during the weekdays and only home on weekends.

What do you think about the “24 hour service en route” that is offered to customers?

It can for sure be useful if something happens, but it’s nothing that our clients are requesting.

How has the “24 hour service en route” worked in the past and what differences can be seen now?

The “24 hour service en route” works better now comparing to the time when it was an external company that managed the service. The call center sends information to us and we send our own car with a trained mechanic to the person in need.



Which external challenges affect your workshop?

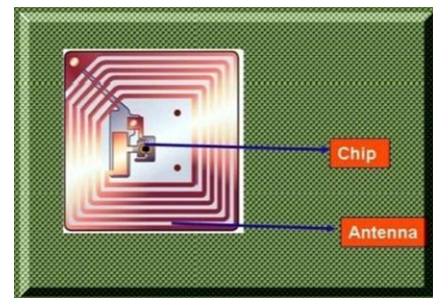
There are some problems with customers leaving us in favor of cheaper and unauthorized workshops, but this is not so critical for our operations since there are relatively few competitors in this area.

Appendix 2: Radio Frequency Identification (RFID) technical overview

The basic premise for using RFID technology in an organization is to label the products or services with RFID “tags”. These tags are equipped with a transponder that can receive and transmit readable messages to a RFID reader (Weinstein 2005). The message that a RFID tag it transmits is based on a unique electromagnetic signature that is received by a RFID reader. The reader analyzes the signature of the tag and translates it into real information in a specific computer program. The program is instructed to understand what different frequencies and signatures means and acts accordingly to this (Ferrer, Dew & Uday 2010).

In today’s day and age the development in the technology has resulted that the majority of RFID tags can store different types of information i.e. identification numbers as SKU (stock-keeping unit) code (Weinstein 2005). When it comes to choosing the frequency of which the information is sent and received on in the RFID system, it usually depends on regional authorities and the actual usage area of the technology (Ferrer, Dew & Uday 2010).

RFID tags can also be equipped with writable memory that can add and store information for example when under a transport. This information can then be sent to different readers along the transport chain. This type of tag usage enables companies and organizations for example in logistics and forwarding areas to track and trace products within their transport chain. This creates accurate, real time information when the product passes a reader (Weinstein 2005).



http://www.new-rfid-concept.com/images/p005_0_01_01.jpg

The primary components in a RFID system

RFID technology is based on three different components: a tag, an antenna, and a reader. These different components are linked together with a database that has information about different types of tags and messages (Federal Trade Commission 2005).

According to the Federal Trade Commission (2005) the components in a RFID system are:

- **RFID tags** contains information about the product it is tagged on i.e. at the retailer and manufacturer level the RFID tags could contain a EPC code (Electronic Product Code) that is the equivalent of a classic UPC code (Universal Product Code). The difference between an EPC code and the classical UPC code is that the UPC one needs to be manually scanned, unlike the EPC that transmits information wirelessly.

In regards to RFID tags, they usually contain information that is encrypted and unique, enabling software to identify individual products. This information allows companies and organizations to track and trace products in a transport chain.

- **The antenna** is soldered on the tag and its purpose is to enable it to send and receive information from a reader through radio waves. Generally when it comes to transmission range, the size of the antenna contributes on how far the tag can send and receive information. The combination of a tag and antenna is called transponder.

- **The reader** that also has its own antenna is intended to communicate with the tag. The actual reader can vary in size, transmission range and can be either mobile or stationary depending on the company's preferences. For companies that want security in their systems, there is a possibility to add safety protocols i.e. encryption systems to counteract unauthorized access.

The advantage that a company can gain with a RFID system compared to the traditional bar code reader, is the reduction of physical scanning and increased scanning rate. This occurs since the scanning is made wirelessly and the system can scan products simultaneously.

Depending on what the purpose and usage is of a RFID system the tags can be divided into three different categories. These categories are passive, semi passive and active (Federal Trade Commission 2005):

- **Passive tags** are built without an individual power source, and are only activated when it receives a radio wave from a reader. The actual radio wave creates an electromagnetic field in the tag that through induction creates enough power for the tag to turn on and send its information. The transmission range for passive tags can vary, but generally the range depends on the tags size, quality of the antenna and the transmission frequency. It should be noticed that environmental factors could reduce the transmission range.
 - Passive tags are usually used in access cards, train and tram tickets and in the tracking of packages.
- **Semi passive tags** have a similar structure as the passive tags except that they are equipped with a built in battery. The batteries purpose is to give the tag enough power to store "changeable" information i.e. the surrounding temperature.
- **An active tag** has the same structure as the semi passive regarding the built in battery but has the option to send information without the reader sending a radio wave first. The active tags feature is with the built in battery the boosts the transmission and increases the range. It is worth noting that the active tags are much more expensive than the passive and semi passive ones.
 - A typical usage area for active tags is for example automatic payment systems for road tolls.