

RESEARCH ON AFTER-SALE SERVICE MANAGEMENT OF SHANGHAI VOLKSWAGEN 4S STORE

CHAPTER 1 INTRODUCTION

1.1 Research Background and Significance

1.1.1 Research Background

The Chinese auto market has been the largest new car sales market in the world since 2009 and has ranked first in the world for seven consecutive years. In 2015, the sales of new cars in the Chinese auto market is expected to be about 24 million, of which new passenger car sales will reach 21 million. While continuing to lead the global automotive market, the growth rate has already dropped back to about 3%. With the continuous increase in the number of car ownership and the ever-increasing age of cars, China's auto aftermarket (including accessories, maintenance and value-added services) is playing an increasingly important role in the entire automotive industry.

General Motors' greatest return on capital does not come from selling cars. Although after-sale parts and services comprise a small amount of GM's sales, they are by far the largest contributors to shareholder value on a percentage-rate basis. In fact, an Accenture study of GM shareholder value revealed that \$9 billion in after-sale revenue produced \$2 billion in profits. Profits from the company's \$150 billion in car sales were relatively lower (Michael & Ajit, 2003) .

Shanghai Volkswagen Automotive Co., Ltd. is a Sino-German joint venture and Shanghai Volkswagen is one of the largest production modern bases. Under the background of cross-border, cross-cultural, trans-era, and cross-technology, Shanghai Volkswagen Chinese and foreign parties have sincerely cooperated and forged ahead. The Volkswagen automobile brand not only introduced the excellent and outstanding model, but also made an excellent localization design and adjustment for the Chinese road characteristics and the Chinese consumer aesthetics, and perfectly integrated into the local market in China.

Shanghai Volkswagen proactive care service has been unanimously endorsed by the users and the industry, there are a lot of people in the use of Shanghai Volkswagen products, and all of Shanghai Volkswagen's services have a higher rating. Shanghai Volkswagen has its own official website, as well as Shanghai Volkswagen car service website and it is easy to find information.

1.1.2 Research Significance

The concept of automobile 4S shop was introduced into China gradually from Europe after 1998. 4S is an abbreviation of four English words. The meanings represented respectively: sale, spare part, service, and survey. It has a uniform appearance, a unified logo, a unified standard of management, and only operates a single brand. The 4S store is an important link in the overall performance of the company's overall image. It is a bond between manufacturers and consumers. It has obvious advantages in improving the brand of autos and the image of automakers.

After-sales service is a line that runs through the 4S shop vehicle sales, spare parts, and information feedback. Its existence makes the independent parts of 4S system integrate combined into a whole. The profitability of after-sales service is also the strongest in car profitability, it relative to several other aspects.

This article takes the after-sales service management of Shanghai Volkswagen 4S store as the research object, through its analysis of each important part of the 4S store after-sales service management of various aspects, and explores the impact of after-sales service on customer satisfaction, summing up the status quo and the deficiencies. Scientifically improve the quality of 4S store after-sales service and promote the profit growth of 4S stores. This has practical significance for improving the service quality, improving the service charging mechanism, and transforming the after-sales service into a new profit growth point for the majority of 4S shops. More is to analyze potential 4S shop profit models for potential investors and provide to valuable reference for existing managers to reposition their after-sales service status.

1.2 Research Overview

In recent years, as the living standard of people is improving with the rapid development of economy, people become more and more sensitive to nonprice factors they could enjoy rather than a price attribute. In 2007 the global consumer electronics products consumer research showed that service has become the second important factor that affects consumer's purchase behaviors. More and more enterprises have realized this point in time. Relying solely on price advantage, it is difficult to maintain a lasting competitive edge.

For the same product, providing different services in daily life is also becoming more common. When we buy a car, we will encounter this kind of situation. Basic quality assurance services are to be purchased, but not all consumers are satisfied with this basic service; there is a part of the consumers who want to get more and better service. Therefore, for retailers and manufacturers, it is necessary to set up a reasonable and optional service policy to meet more consumers.

After-sales service provided by auto after-sales vehicle, which includes vehicle insurance, on-boarding, annual inspection, maintenance, repair, replacement of parts, installation and purchase, cleaning and refueling, parking management, driving command, violation warning, information provision, etc.

1.2.1 Chinese Automobile Service

1. Compared with capitalist countries, China is affected by the traditional planned economy, and the demand for automobile services is not high. It cannot adapt to the laws of the development of the market economy and does not form a suitable automobile service. As a result, the foundation of the automobile service industry in China is very poor.

2. Car related laws and regulations need to be improved.

3. Multiple mechanisms in parallel. From the analysis of the current automobile service mode, there are two main business models of automobile after-sales in China, namely "four in one" and "chain operation". "Four in one" is the current popular 4S shop. "Chain management" refers to a group of companies that operate similar products or services. These enterprises form a consortium in a certain form, conduct specialized division of labor under overall planning, and implement centralized management on the basis of division of labor, and make independent operations. The activities are combined into an overall scale operation to achieve economies of scale. This model integrated the resources of various brands of auto parts and broke the vertical monopoly. Based on the transparency of price services, the company provides "one-stop" services for car maintenance, repairs, quick repairs, and beauty and spare parts supply, allowing owners to solve problems at one-stop.

4. Chaos in the market order. The chaotic order in the current automobile service market is mainly manifested in the following three aspects: First, market operations are chaotic, especially in the circulation field, and the chaotic development is very clear; second, the price system and implementation are chaotic. In the automotive circulation field, automotive maintenance services, automotive insurance, and manufacturers' quality maintenance links, there is a widespread phenomenon of low transparency of services and irrational charges. Third, the market is in a chaotic order of competition due to automotive services. The low barriers to entry have led to a large number of practitioners and a lack of competitive means. In order to attract customers, they have to resort to low-cost vicious competition. Secondly, there are dealers who purchase cheaper non-original products at low prices to act as genuine sellers to consumers. Lead to price, quality, brands are affected (Dunning, 1977).

5. The service concept is lagging behind. The service concept lags behind the status

quo in China. For the lack of talents for the car service, the staff's awareness of service is not strong enough, and self-awareness is slow to update. China's auto industry is slow to update its consciousness. The backward concept and chaotic market have caused China's auto service industry to stop.

6. The lack of brand awareness. The most prominent feature of the current domestic market is the small scale of the company, poor ability to continue operations, and lack of prominent brand advantages. Compared with overseas chained car services, China's automotive service providers generally lack mature service brands and have a significant impact on the sustainable development of the company.

7. Inadequate professional personnel. The irrational knowledge structure restricts the rapid development of automobile service trade. Due to the relatively rapid development of automobiles and related training, the practitioners cannot update their self-knowledge in a timely manner, resulting in a shortage of automotive service personnel. Companies lack self-improvement awareness and standardized service processes and management. The service cannot meet the market demand.

1.2.2 Overseas Automotive Service

The maturity of foreign auto after-sales service is mainly the automotive industry leaders such as Europe, the United States and Japan. Countries in Europe and America such as Germany, the United States, Britain, and France have had more than a hundred years of history in their automotive industry. Japan's automobile industry is relatively young, but it also exceeds 50 years. The automotive industry has gone through five stages in these countries: the product development stage, the technology development stage, the rapid expansion of production capacity, the rapid expansion of sales, and the industry tends to be stable. For European and American markets, as early as the 1990s, it has entered the "post-competition era." After 20 years of development, the after-sales market in Europe and the United States has formed its own unique style. The United States is dominated by the chain business model, and the 4S model is thriving in Europe. These developed countries in the auto industry are also far ahead of China in terms of after-sales service management, and have formed a system of sound development (Haywood & Garcelon, 1992).

1. The "four-in-one" sales service system the establishment of the sales service system takes the production enterprise as the center, forming a kind of cohesive relationship between production and sales. Generally rely on the contract to link sales activities with the interests of both parties, using the monopoly system controlled by the manufacturers, these stores are all "four in one". After-sales service is one of its main businesses. In this community of interests, the failure of one link will result in a decline in overall profit, so all links will spare no effort to satisfy the customer.

2. Advanced service concept. The concept of foreign automotive after-sales service is "people-oriented, customer first", establish a "life-long customers" concept, can take the initiative, enthusiasm, timely processing of user opinions, and set up service projects based on user requirements (Herbert, 2004). And after-sales service is no longer confined to providing convenience for consumers, but has added more content such as happy consumption, safe consumption, and cultural consumption.

3. The employees are of high quality. With the development of science and technology, the technical content of automobiles is getting higher and higher. In Germany, when a car enters a maintenance factory, it must first undergo the inspection of specialized intelligent instruments, and then use the special equipment for adjustment and repair according to the test results. In addition, the maintenance information required for vehicle repairs is also provided in the form of network and data CDs; almost all vehicle maintenance personnel have received vocational education in the automotive maintenance profession. Vocational education students receive more than twice the salary when they graduate from employment than those who have not been to vocational schools. Therefore, there are few employees who have not passed formal vocational education. German maintenance personnel have high technology and comprehensive quality. They will strictly maintain the customer's car in accordance with the relevant data regulations and standard operating procedures. Rarely replace some spare parts that have not yet reached the end of their service life. They never using the customer's ignorance to deliberately exaggerate the failure and let the customer spend money.

1.3 Research Contents and Methods

1.3.1 Research Contents

This article first introduces the related theories of after-sales service management. These include: Concepts and Theories of Service Management, Appointment and Reception of Management, Maintenance of Management, The Management of Customer's Satisfaction and Management of Employees' Satisfaction.

Next, this article systematically discusses the content of after-sales service management of Shanghai Volkswagen. These include: Service management of appointment and Reception in Volkswagen 4S store, Maintenance the management of service in Shanghai Volkswagen 4S store, Management of customers' satisfaction in Shanghai Volkswagen and Management of employees' satisfaction in Shanghai Volkswagen.

Based on the Shanghai Volkswagen company's after-sales service, this article conducts a further investigation of the Shanghai Volkswagen 4S store and raises some questions. These include: Face of customer groups in Shanghai Volkswagen (who is the customer, The Equality of Customers' Service (internal customers, external customers),

The staff of the customers' service attitude and customers' evaluation (Customer satisfaction).

And the last it make suggestions on improving the quality of service of Shanghai Volkswagen.

Investigating employee's solution to after-sales service and employee's attitude towards customers is very important. A good attitude can make many customers become loyal customers of the company. Get a new customer than to retain an old customer five times harder. Customer satisfaction survey for staff attitude and retain more earlier customers, so that when they replaced with a new car first select Shanghai Volkswagen. This will enhance the credibility of the company's lot. Therefore, only really get customer satisfaction, will reduce the negative feedback.

1.3.2 Research methods

This article uses qualitative research methods, through field visits, online search for information, to study the service management of 4S shop in Shanghai Volkswagen.

Using qualitative research methods, these can through questionnaires, interviews and online search for information, to study the actual after-sales service of Shanghai Volkswagen.

In the investigation of the Shanghai Volkswagen's after-sales service, it needs to collect first-hand information and secondary sources. The first-hand data collection was conducted at the 4S shop of Shanghai Volkswagen. The contents of the survey included employees' service attitude toward customers and their handling of after-sales issues. Through the direct observation method to understand each link of the company, through questionnaires or telephone interviews to understand customer satisfaction with the company's handling issues. The first-hand information can be observed more accurately and in more details by the company. Therefore, I used first-hand information when completing the article. After getting the first-hand information, you can find second-hand information through the Internet to find information. I can find the official website of Shanghai Volkswagen on the Internet to understand the company's relevant information. Second-hand information can save time and save costs.