

## SERVICE QUALITY IN THE AUTOMOTIVE INDUSTRY

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*Abstract: Every company and every team must be concern today about the quality of services because is a perfect correlation between the level of the "First Time Service Quality" and "Customer Loyalty". We must answer many questions regarding our customers: Who receives directly the products of services that you produce? How does your customer use that you produce? What would happen if you did not do your job right? How do your errors affect them? How do you find out if you are not meeting the needs or requirements of your customers? How far beyond your immediate customer can you trace the effect of what you do?*

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*JEL code: M: Business, Administration and Business Economics; Accounting*

### 1. INTRODUCTION

The need for a customer to have to bring his/her vehicle in for service, whether it be routine maintenance or to get a problem fixed, is in itself a burden. But the need to bring in back more than once for the same reason is a **major** dissatisfy.

Consider for a moment the time it takes a customer to travel to the retailer, the wait to be attended by service reception, the loss of one's transportation, the time and alternate transportation required to pick the vehicle up, and once again the wait at service reception to have the vehicle returned to the owner. This is anything but a pleasant experience and with today's level of "First Time Service Quality", the customer is faced with having to return and do it all again 44% of the time.

This article outlines a simple process whereby a retailer can identify, track, analyze, and resolve the reasons why a vehicle was not fixed at the first attempt. The result is drastically improved customer satisfaction and increased profits through the elimination of waste. The a perfect correlation between the level of "First Time Service Quality" and "Customer Loyalty".

In today's highly competitive automotive environment, there is no alternative but no meet and exceed customer expectations. You are asked to take the challenge and utilize this tool to effectively increase your level of "First Time Service Quality". For example, General Motors International Operations has set a goal to increase "First Time Service Quality" from the current level of 56% to 70% by the year 2009.

This article is aimed at helping you reduce the biggest single cause of customer dissatisfaction in your Service Department; Customer Comebacks. I shall refer to this topic, the process, and the performance measure as "First Time Service Quality".

All comebacks happen for a reason. Sometimes, this reason has to do with factors totally within your control at the dealership. Sometimes, it has to do with technical problems related to the product itself.

But whatever the reasons, your job at the dealership is to (1) find out what they are, and then (2) quickly take steps to control them, to the degree that you can.

It must be find a systematic approach for achieving both of these goals efficiently and effectively, at virtual no added costs to your current operation.

But as with so many aspects of service Department operations; if you, the Service Manager, do not take an active and continuing role in First Time Service Quality, the Comebacks will continue to be a problem – a problem none of us can really afford in today's highly competitive automotive market place.

### 2. GENERAL ASPECTS ABOUT THE PROCESS FOR IMPROVING FIRST TIME SERVICE QUALITY AND MINIMIZING THE IMPACT OF COMEBACKS

#### 2.1. *The definition and the type of comebacks*

**Definition:** A comeback is any instance in which a customer must bring his or her vehicle back to the dealership to have work done that should have been done correctly the first time.

It does not matter why the work was not done – or done properly – the first time. The customer will not care what the technical reasons for the Comeback might be – an operations problem, competence problem, or product problem. All the customer knows is that he or she has had to return to the dealership a second time for the "same" problem ... and that's a "Comeback".

Comebacks are the single greatest cause of customer dissatisfaction and of poor Service Satisfaction Survey (SSS) scores. Comebacks erode consumer confidence, undermine customer loyalty and repurchase intention, and eat away at Service Department profits.

First Time Service Quality has a major impact on customer referrals to your business – very positive if is high, very negative if it is low.

Since most new-car purchase decisions are heavily influenced by the buyer's service experience, a poor First Time Service Quality record in the Service Department can have a devastating effect on the sales showroom floor.

So every Comeback has the potential for creating a tremendous “rippling” effect on your dealership’s bottom line, which can in time add up to tens of thousands of dollars in lost revenues. Refer to the Figure Nr. 1.

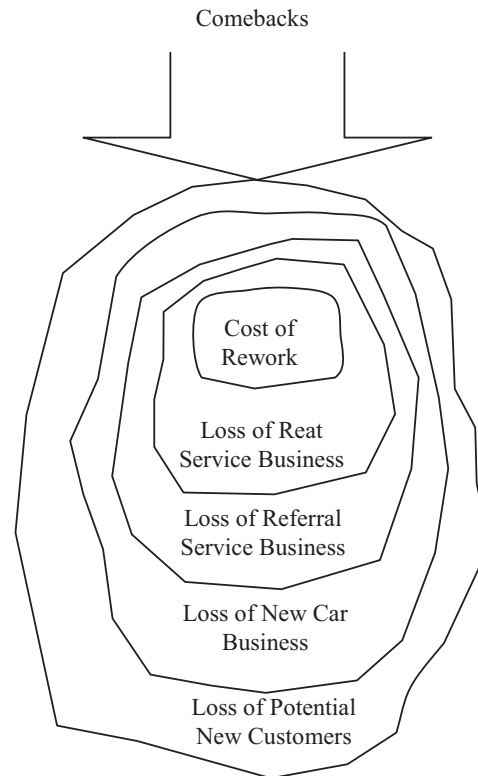


Fig. No.1. Comebacks

There are two kinds of Comebacks that affect First Time Service Quality – *AVOIDABLE* Comebacks and *UNAVOIDABLE* Comebacks. Avoidable Comebacks are those caused by conditions or actions in your workshop that are directly within your power to control or change, for example:

Service Advisor who do not accurately or completely fill in the Job repair Order so that the Technician knows exactly what the customer complained about or the actual condition(s) the customer described.

Service advisor who are unable to recognize a “Comeback Potential” situation when it arises, and who (therefore) do not respond appropriately to it.

Technicians who are inadequately trained or without the skill to do the repairs they are asked to do.

Technicians who do not have the tools or equipment to properly diagnose a vehicle’s problem(s) and/or to repair them.

An understaffed Service Department that can not handle all the repair orders coming in on a given day (thus making customers “come back” another day for service).

A Parts Department that is not carrying an adequate inventory or that refuses to use expedited parts-ordering procedures when the need arises to prevent a Comeback due to “parts unavailability.”

The lack of quality assurance procedures – including road testing and (where appropriate) visual inspection – applied to every repair after completion to ensure that problems cited on the Repair Order have been corrected.

Service department employees who do not adequately understand the crucial relationship between First Time Service Quality, customer satisfaction, SSS scores and the dealership’s bottom line, and who (therefore) are not adequately motivated to achieve and improve First Time service Quality (or lessen the negative impact of Comebacks when they do occur).

In the vast majority of these cases – where a comeback is due to some failure in the Service Department – this failure can be easy to detect and easy to correct. That’s why we say that these Comebacks are “avoidable”.

As a practical matter, however, some levels of Comebacks are inevitable. Nobody’s perfect, and even the best Service Advisors and service Technicians sometimes make mistakes. But there are also other reasons in addition for what we call “unavoidable” Comebacks, for example:

Sometimes, customers complain of problems that are of an intermittent nature, which are often impossible to accurately or completely diagnose on the customer’s first repair visit.

Sometimes, a motor car develops a condition for which GM/Opel/Vauxhall has not yet developed a service fix; or, a Technician might (with the best intentions) try to “fix” something that’s considered normal and operating the way it should.

Sometimes, a Technician will choose to employ a less-than-maximum repair procedure – to save the customer time, money, or inconvenience – only to find later that the symptoms re-occur and that a “bigger fix” than has to be carried out.

Sometimes, because of a mistake in a parts catalogue or service manual, a Technician will inadvertently install the wrong part, which ultimately does not solve the problem and (inevitably) results in a Comeback.

## **2.2. Improvement process**

The test of a good Service Department is how well it responds to Comebacks when they do occur, (even after everyone has done everything possible to prevent them) and how well the department addresses the great potential for customer dissatisfaction inherent in every Comeback situation (regardless whether the Comeback is considered to be “avoidable” or “unavoidable”).

It is possible to create a comeback-prevention and comeback-response process in your Service Department that virtually eliminates customer dissatisfaction caused by deficiencies in First Time Service Quality.

The first thing must do to reduce customers dissatisfaction due to service Comebacks is to eliminate avoidable Comebacks.

To do this, you have got to know as accurately as possible precisely where your Comebacks are coming from. This means you need to systematically track your Comebacks. Then, you have to make the changes necessary to remove those sources.

The second step you can take to reduce customer dissatisfaction due to service Comebacks is to respond appropriately, sensitively, and caringly to the customer’s feelings and transportation needs when an “unavoidable” Comeback does occur.

You need to know where these Comebacks are coming from, who or what is responsible, and the steps you can take to turn things around. We will talk about your Comeback Tracking Procedure in this Section – discussing (first) corporate data sources and how they may be used, and (second) you own, in-house records and their value in pinpointing specific troubles spots.

### **A. Analysis Causes of Comebacks – Corporate Data Sources**

#### **Service Satisfaction Survey (SSS) – Total Europe**

You must do a report which shows (among other things) the percentage of customer vehicles that were fixed right at the first attempt, by country, and for Europe overall. There is also data that indicates the reason why the problem neither was nor fixed right at the first attempt from the customer’s perspective, for example, “Problem not identified/not corrected, Parts not available”, or “Other”.

#### **Service Satisfaction Survey (SSS) – Retailer Results**

The Retailer Results Report provides data on responses to the same questions as the Total Europe Report but focuses on your own dealership’s performance. The Retailer’s performance for the past 3 months and the last 12 months can be compared to the 12 month national average.

### **B. Analysing the Causes of Comebacks-in-House Data Sources**

#### **The key to Service**

You might have a vague or general idea about where your Comebacks are coming from – both from the reports available from GM Europe and from your own experience day-to-day – but the only way to know for sure is to count them. That’s why it is a good idea for every dealership to establish and maintain a Comeback Tracking Procedure that becomes part of the ongoing daily routine within the service Department.

Another reason why it is useful to track Comebacks continuously is that they are not consistent. Both personnel changes as well as product changes can affect Comebacks. The weather can affect Comebacks. Because it influences customers expectations and perceptions, even GM/Opel/Vauxhall advertising can affect Comebacks.

So Comebacks are, to some degree a “moving target”. But a good Comeback Tracking Procedure will help you stay on top of these changes and allow you to spot trends before they get out of hand and cause serious damage to customer satisfaction.

Until avoidable Comebacks are eliminated, they will probably remain the single most significant influence on your service customers’ attitudes.

An effective Comeback Tracking Procedure can be set up any number of ways. If your Dealer Management System Provider is able to utilize your existing system to flag a potential Comeback upon reception on the customer and motor car, this one suggested method. But whatever method you use, your objective should be to keep a complete and detailed record of all Comebacks in your work-shop, on a continuing **daily** basis, the tracks Comebacks by date, by Service Advisor, by Technician, and by type or category of repair.

## **2.3. Comeback Tracking**

### **A. Simple Comeback Tracking Procedure**

This procedure requires the use of the following two forms:

**Comeback Tracking Comet Sheet:** This form can be reproduced in quantity from a master copy provided with this Manual. You will need one of these sheets for every Comeback detected and tracked.

**Monthly Comeback Analysis Worksheet:** This form can also be reproduced in quantity from a master copy provided with this Manual. You will need one of these forms per month, or 12 per year.

The Service Manager/Service Director, who is responsible for the Customer Comeback Investigation Phase is notified at this time. He or she should also be provided with details of the vehicle repair history.

#### **B. Customer Comeback Investigation Phase**

-The Service Advisor is normally the first person in the dealership to become aware of the Comeback situation and he or she will initiate the Comeback Tracking Comet Sheet at the time the Job Repair Order is written. The Comeback Tracking Comet Sheet is then passed to the Service Manager/Service Director along with the vehicle repair history for review.

-The Service Manager/Service Director reviews the Comeback Tracking Comet Sheet, passing it back to the Service Advisor, or to other responsible person within the Service Department for an effective follow-up to begin.

-The Service Advisor (or other individual) is asked to thoroughly investigate the cause(s) of the Comeback, and to write down his/her findings on the Comeback Tracking Comet Sheet in the space marked "Comeback Cause". This will involve a comprehensive review of the vehicle's entire service and repair history, customer complaint/comments, Technician's notes on Repair Orders, an interview of the Technician and anyone else involved in the repair process, and a determination of parts availability.

-After tracing the root cause of the Comeback he/she is also asked to write down in the space provided his/her best thoughts about what steps, actions, or operational changes could have prevented the Comeback.

-The Service Manager/Service Director asks the Parts Manager to add his/her comments and Comeback prevention suggestions to the Comeback Tracking Comet Sheet for Parts Department related Comebacks.

-Once the work has been completed and the vehicle returned to the customer, the Service Advisor will contact the customer by telephone to ensure the problem or concern has been rectified entirely to the customer's satisfaction.

-On completion, the Comeback Tracking Comet Sheet is returned to the Service Manager/Service Director for final review to ensure that the root cause of the Comeback has been identified and clearly understood. The Service Manager/Service Director will have also particular attention to actions taken to recover customer confidence and trust in the dealership, and to ensure that adequate follow-up has been conducted.

#### **C. Monthly Comeback Analysis Worksheet**

The Monthly Comeback Analysis Worksheet is used to record the number of Comebacks on a daily basis and to summarize the findings of the investigation by technical category and area of responsibility.

-At the beginning of each month, write down the day and date of each working day coming up that month under the Date column. Also record the names of each Technician and Service Advisor under "Name" in their respective columns.

-Each day, record the number of Comebacks that require investigation in the "number" column adjacent to that day's date.

-Upon completion of the investigation, determine the "Repair Category" i.e. Technician, Service Advisor, Parts Department.

-Record a tally mark adjacent to the appropriate "Repair Category", "Technician", and "Service Advisor" under the respective "Number" column. For Parts Department related Comebacks record the "Repair Order Number" and "Part Name".

### **3. Conclusions and recommendations**

The aim of this improvement process is to identify the customer comeback, the cause of this and eliminating them.

After you tracked your Comebacks for a while, you'll begin to see specifically where the majority of "avoidable" Comebacks are coming from in your after sales departments.

Avoidable Comebacks generally arise because of problems in one of four basic areas of operations: Training of Employees; Tooling and Equipment; Job Systems; Procedures and Manpower Loading; Parts Operations.

The following check list is provided for your reference:

#### **- Staff Training**

Sales Staff

- Explain operational features

Service Staff

- Effective customer communication

- Familiarity with Customer Comeback Tracking/Prevention

Service Advisor

- Accurate and complete Job Repair Order documentation

- Review all Service bulletins
- Service Technicians
- Certification in their respective specialty areas
  - Proper procedures for diagnosing, servicing, and repairing vehicles
  - Review all Service Bulletins
  - Knowledge in the use of TIS
  - Effective utilization of technical assistance
  - **Tools and Equipment**
  - Specialized diagnostic, testing, and calibration equipment
  - Tools, supplies, work materials and workshop equipment
  - Well-maintained library of Service Manuals
  - Logically catalogued set of Service Bulletins
  - Ready access to TIS
  - **Job Systems, Procedures and Manpower Loading**
  - Utilization of an effective **Quality Assurance Procedure**
  - No vehicle should be returned to a customer until the “**fix**” has been verified
  - An appointment system for efficient handling of Comebacks
  - A dispatch system that utilizes the proper Technicians
  - Adequate availability of Service Advisor on hand
  - Enough service Technicians to handle scheduled workload
  - **Parts Availability**
  - A policy that allows parts stocking and expediting that minimizes parts-related repair delays
  - Stock parts comeback-tracking indicates a need
  - A cohesive and co-operative working relationship between the Parts and Service Departments
  - **Comeback Control Meetings**
  - Review each Comeback
  - Determine and implement process improvements
  - Address Service Advisor, Technician, equipment and facility needs
  - Develop new customer satisfaction initiative
  - Review SSS performance

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