

Improve the customer service delivery

CASE STUDY on Lube Mobile



Executive Summary

This report aims to review and advice on the ways to retain and improve the customer service delivery, emphasising on the need of utilizing technology to help increases the customers' base and their satisfaction.

Vehicle owners have a few options when comes to meeting their vehicle repair needs. However, most of the times they are more likely to stay with the mechanic that will perfectly meet their needs. Using a CRM system is a must for Lube Mobile, as the business is based on the availability of the mobile mechanic and parts.

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Introduction

Formed in 1982, Lube Mobile's aim was to be a unique mechanic. Its recent success as a market leader has been built around solving the traditional problems of car service and repair for its customers. Being 100% Australian owned, its growth and evolution since its formation can be reflected by the more than 230 employees it has as well as a number of workshops all around Australia. Additionally, this company's belief that taking care of cars should be easy and hassle-free has been popular with most customers (Lube Mobile, 2015).

Furthermore, its success can be traced on the thousands of customers it has served "who enjoy the convenience of mobile mechanical workshops for their everyday servicing and repairs, as well as for breakdowns. Over the years, Lube Mobile "has built its reputation on being reliable and trustworthy, continuously achieving customer satisfaction" (Lube Mobile, 2015). It provides convenient, friendly and reliable services.

Lube Mobile main products or service are car service and repair. All from the conveniences of a customer's driveway, its repairs range from major parts replacement, simple maintenance or purely diagnostic services. Additionally, Lube Mobile's specialty in repair range from all major models and makes of light commercial vehicles, sedans or wagons, hatches, and 4WD cars.

Target Market

As stated by Entrepreneur (2015), target market "a specific group of customers at which a company aims its products and services."

Lube Mobile's services represent all of its customers' highest hopes and string expectation for car service. As stated by Lube Mobile (2015), for the ultimate customer experience, this market leading car mechanic company emphasises on "convenience, value-for-money and friendly, informative service."

Lube Mobile's shops are open from Monday to Saturday, from 8 AM to 4 PM. Hence, for this reason, its target customers are individuals who are short on time or busy during the week. These include working or busy families; stay at home fathers or mothers; and car owners seeking a "human-touch" approach that is trustworthy and reliable as well as individuals seeking the convenience of a mobile car care servicing (Lube Mobile, 2015).

Customer Attraction Strategies

The success of any entrepreneurial business is determined by how well the owners are able to attract customers to their products and services. Customer attraction is an activity undertaken by a selling organisation to entice or increase the number of customers in the marketplace towards buying its products or services with an aim of maximising profits. To achieve this, different organisation use different strategies depending on the service and products they offer as well as the target market.

In this regards, Lube Mobile has excelled by formulating a number of strategies to attract more customers to their services. Some of the customer attraction strategies adopted by it include:

1. Being a mobile mechanic company, its slogan “We Come To You” is very popular as it provides services exactly where a customer is located. Customers are saved a lot of time, towing fee and taxi fee by its on-site service (Lube Mobile, 2015).
2. Easy to use website, booking a mechanic is done in less than a minute. Confirmation of the booking and contact details of the mechanic are emailed shortly after.
3. Before any work commences, it provides customers with itemised quotes. This puts customers in full control of the costs meaning they would never pay for a repair more than they expected before they get their car back. Additionally, as stated by (Lube Mobile, 2015), a special service is provided in a scenario where a customer is unsure of his or her car’s problem, “a repair call out fee of \$124.80 which includes the first 15 minutes of labour time spent on diagnosing the car.” If more time is required, a mechanic provides an itemized quote of the extra work to be done.
4. Offering friendly services where the customer is allowed to see what’s done to the car giving him or her ultimate experience as well. This also helps in building customers’ trust and loyalty as they are aware that what’s being diagnosed to the car is what’s indicated in the itemised quote.
5. Its workforce is also qualified and up to the highest standards. Additionally, the mechanics and all employees are not contracted. They are fully employed by Lube Mobile and trained to provide excellent customer services by following its strict standards.
6. It also uses the latest equipment and tools to repair vehicles. Furthermore, it offers genuine high-quality product parts for all major car makes and models.
7. It collaborates and establishes healthy relationships with other companies who believe in its principle of quality first. According to Lube Mobile (2015), some of these companies include Monroe, Ferodo Brake Pads, Champion Spark Plugs and Ryco Filters. Collaboration with such trade partners builds trust among customers who feel confident having their cars repaired and serviced by Lube Mobile.

Customer Retention Strategies

Customer retention is an activity undertaken by a selling organisation to reduce customer defections. It usually determined how strongly an organisation services the existing customers as well as how it creates and enhances its reputation across the marketplace. Customer retention is about exceeding customer expectations with an aim of making them loyal advocates of an organisation’s brand.

Lube Mobile enhances customers’ loyalty by putting their value at the centre of its business strategy. This way, Lube Mobile has been able to meet customers’ expectations which helps in to create loyalty. Some of the customer retention strategies adopted by it include:

1. Its services are fast and time-saving. Lube Mobile normally completes the services enquired about on the same day or the next day. This allows for great flexibility on the part of the customer who may have a tight schedule.
2. Its services are reliable and trustworthy. Since they are a mobile car company, they go to a customers' most convenient location or where a broke down thus eliminating any towing fee.
3. Its booking process is simple and fast. This enables prompt repairing of vehicles. The booking process can be carried out in two ways.

The first is when a customer calls Lube Mobile to book for service. In this regards, the customer services representatives at Lube Mobile are friendly and informative yet profession hence creating trust and building long-lasting relations with customers. Furthermore, they use simple language that is well spoken clearly ensuring the customers clearly understand what needs to be done to their cars.

The second way is by customers booking online. According to Lube Mobile (2015), this is a real-time innovation by Lube Mobile which “interacts live with its coordinating and dispatch systems.” Simply, it’s available 24/7 to the customers where they “receive options for real arrival times to choose from.” Lube Mobile on their part is punctual and reliable as they “hit over 95% of those arrival times.” It’s very convenient on the part of the customers as they “enter their postcode and select from 3 available arrival times within a 2-hour window for their mobile mechanic to arrive.” In case the time is not suitable, the customers have the flexibility to go further in time as a calendar is already input showing further how Lube Mobile takes an extra mile to cover all its customers’ needs.

4. It offers a 12 month/20,000km nationwide warranty for all the services it provides. This extra service in particular guarantees customer loyalty as well as building its public image (Lube Mobile, 2015).
5. There are no extra costs when working with Lube Mobile such as yearly fees. Customers only pay for what they want to be done.
6. Lube Mobile provides competitive rates thus representing real value for a customer’s money. Furthermore, looking at the market, Lube Mobile is relatively cheap when factoring in such as aspects as a convenience, time-saving, a nationwide warranty which covers any problems with repairs and elimination of towing fees among others (Lube Mobile, 2015).
7. It also conforms to sets of codes of conducts as it is “a member of the motor industry association in every state of Australia” (Lube Mobile, 2015).

Quality Gaps

According to Boundless (2014), quality gaps arise out of customers’ comparison of the service they experience against what they expect; if this comparison does not match their expectation, a gap arises.

Lube Mobile is no different from other organisations; so to better understand where such gaps that can lead the unsuccessful delivery of service to arise from five gaps are identified using the GAP

model (Service Quality Model). These five types of gaps as suggested by Boundless (2014) include:

1. “Gap 1 – This is the gap between consumer expectation and management perception. It arises when the service provider or management does not correctly perceive what the customer wants of needs.
2. Gap 2 – This is the gap between management perception and service quality specification. It arises when the service provider or management correctly perceives what the customer wants but may not set a performance standard.
3. Gap 3 – This is the gap between service quality specification and service delivery. It arises in situations pertaining to the service personnel such as poor training, incapability or unwillingness to meet the set service standards.
4. Gap 4 – This is the gap between service delivery and external communication: customer expectations are highly influenced by statements made by the company representatives and advertisements. Hence the gap here arises when these assumed expectations are not fulfilled at the time of service delivery.
5. Gap 5 – This is the gap between expected service and experienced service. It arises when the consumer misinterprets the service quality.”

To identify the specific perceived quality gaps, several techniques are adopted. As for Lube Mobile, the techniques used to identify these perceived quality gaps include: gap analysis, benchmarking and SWOT analysis.

Gap Analysis

As stated by Margaret Rouse of Techtargget (2015), gap analysis “is a technique used to assess the differences between the current and desired performance levels of a company’s systems or applications, as well as determine how to meet those requirements.” It aids small businesses in the allocation of resources.

For Lube Mobile, the level of customer satisfaction is above average. This can be seen from the level of review on a scale of 5 where it scores 4.2 (ProductReview, 2015). However, among these reviews are customers who complained of the services they received. For instance, one customer, W. Wallace, who rated them at 1 out of 5, complained of the level of service he received. Looking at his review, “Well, no incentives at all would be worth me providing positive feedback to this rubbish organisation. They have no idea what the words ‘Customer service’ means, no idea how to treat this customer with respect, no sense of 'fair play' and they certainly do not demonstrate any values approaching what ‘true blue, real Aussie, fair dinkum’ should mean”, it’s clear Lube Mobile needs to improve on customer’s desired treatment. It’s also fair to suggest that Lube Mobile need to improve on their services towards customers.

Benchmarking

ASQ (2015) states that benchmarking “is the process of measuring products, services, and processes against those of organisations known to be leaders in one or more aspects of their operations.” It provides organisations with insights on how they compare against their similar better rivals.

When Lube Mobile is compared against Australia largest mechanic company, UltraTune, huge differences can be identified. For instance, while Lube Mobile offers repairs and services for limited models and makes of vehicles, UltraTune offers for all types of vehicles. Additionally, UltraTune has over 270 outlets nationwide hence catering for a large number of customers as compared to the limited number of outlets Lube Mobile has. Furthermore, the target market of UltraTune is all individuals who own vehicles while Lube Mobile is a mobile mechanic company which targets time-poor vehicle owners. This limited target market disadvantages Lube Mobile while UltraTune is given a competitive edge by its wider target market. Also, UltraTune employs “specialist personnel from all relevant disciplines to provide first class back up and support to franchise owners. Key administrative staffs are professionals from accounting, financial management and marketing backgrounds. Technical and training staffs are highly qualified; some having previously owned and operated or managed a franchise. They are constantly being updated and instructed on the latest technical innovations and procedures” (UltraTune, 2015). This provides UltraTune with a competitive edge when it comes to customer handling and treatment as compared to Lube Mobile which just employs mechanics.

SWOT Analysis

According to Ryan Goodrich of BusinessNewsDaily (2013), SWOT analysis is a method of identifying opposition for a new venture or strategy. It enables organisations to identify the positive and negative influencing factors inside and outside of it. Tim Friesner of Marketing Teacher (2014) suggests that it is a tool for auditing an organisation and its environment. JRC (2007) states that SWOT analysis is “an analytical method, which is used to identify and categorise significant internal factors (strengths and weaknesses) and external factors (opportunities and threats) an organisation faces.

Lube Mobile strengths include a 12-month standard warranty, high-quality product parts, and a strong public image. Its weaknesses include: no social networking (e.g. Facebook), no on-site major car service, and limited time hours especially when their target is time-poor vehicle owners. Its opportunities include: it can broaden its service range to cover all types of vehicles and can offer value added services as well. Its threats include: lack of innovation to stay market leaders while competitors are offering better price ranges.

Recommendations

After analysing Lube Mobile's quality gaps, adopting TQM methodology is highly recommended as it can lead to better success of their service delivery. Some of their recommendations include:

1. Customer Relationship Management (CRM) system - Lube Mobile does use a very basic way of customer records, they send a follow-up email asking to review their service. They don't offer a newsletter option and no blog on their website. Using a CRM system would significantly improve its customer relationship as well as profitability. As stated by Margaret Rouse of TechTarget (2015), customer relationship management (CRM) refers to "practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth."

Using a CRM system, Lube Mobile would be able to compile customers' information across different channels such as live chat, telephone and its website among others. Additionally, through a CRM system, Lube Mobile will be able to track the history of the customer, who provided him with the best service (based on feedback from the customer) and will be able to offer the customer the option to use the same mechanic, as long as the customer understand that this may cause in delay of service if the mechanic time is already booked.

The best recommended CRM software that would suit Lube Mobile is Salesforce.com. It is allowing full customization and integration to existing customer databases. Through this software, forecasting would be simpler and more accurate as the pipeline of prospective sales is better understood. In addition, the history of customer interactions would be well tracked, allowing Lube Mobile to grow.

2. Implement a social media strategy to increase their awareness, create better engagement opportunities as well as meet customer expectations by giving immediate feedback. Mobile apps are also needed to allow faster communication.
3. For major services or repairs, Lube Mobile needs to create a network of 'bricks and mortar' in their service area. This will benefit both the customer, who will be able to get service closer to home or work, and also serve the Lube Mobile brand awareness by creating a positive feeling for the local business.
4. Extended care services. Lube Mobile should offer new value-added services, such as car repair insurance.
5. Increase their services and repair ranges to include more brands.

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