

Case study example



Case Study #5 Mike's Express Carwash utilizes the Nordstrom approach in terms of providing service and satisfaction. First of all, Mike's provides a variety of choices to its customers. There's the Express Wash which features eight signature soaps, heated water and heated dryers. There's the package of the Express Wash plus the customer's choice of any two of Mike's Clear Coat, wheel bright and underbody wash, which are also available a la carte (along with tire shine). Finally, Mike's offers The Works, which features the Express Wash plus Mike's Clear Coat, wheel bright, underbody wash and underbody rust inhibitor. Mike's also has its own wash bays and vacuum islands where customers can wash and clean their cars themselves.

Secondly, Mike's has also created an inviting place. Each of its 19 locations is located in a more-than-an-acre property that is highly landscaped, has a well maintained lawn and with its own underground sprinkler system. The buildings look so clean that people sometimes think Mike's is a restaurant.

Third of all, when it comes to its people, Mike's is extremely fussy on who it hires. For every 50 applicants, only one might qualify for a second interview.

Mike's ensure that it hires only those people who place the customer's interest above everything else, those who will fit in well with Mike's

principles. Fourth, regarding selling the relationship, Mike's always think about their customers, especially their repeat customers. In fact, they live and die on repeat business. They are committed to providing 100%

satisfaction to their customers. Fifth, in order to sell their relationship, Mike's empower their employees to take ownership of their work. These employees are entrusted to create a happy experience for customers, enough to keep these customers to come back for more of Mike's services, and to become advocates for Mike's. Sixth, although Mike's has its own rules, policies and

procedures, it likes to keep things simple. In fact, during the trainings for its employees, Mike's discusses with its employees the latter's experiences in the outside world in terms of services they had received as employees and turns the discussion towards how the employees can do the same thing to Mike's customers. Seventh, Mike's encourages, and even promotes, (friendly) competition among its stores. Mike's believes that such friendly competition sparks improvements not only in its stores but also in its employees as well. Mike's conducts meetings with various levels of its employees and ensures that each employee in each level knows how his store's performance measures up with the performances of the other stores. Mike's also rates each of its employees on customer service through its mystery shopper program, which Mike's views as the excellent opportunity to reinforce the kind of attitude it is looking for. Lastly, Mike's is committed 100% to customer service. As a matter of fact, its philosophy is "the customer is the boss". It ensures that it constantly reinforces this commitment through reading each customer's comment card and answering these cards individually to show the customer that such is the commitment of Mike's to each and every one of them.

With the above, the Nordstrom method has proven to be a good approach for Mike's Express Carwash in terms of providing customer service and ensuring customer satisfaction. One example of how the Nordstrom method works is the award received by Mike's in 2001 in the annual Torch Awards for maintaining exceptionally high standards in terms of customer relationship. Through the award, Mike's was recognized for its high quality employee hiring standards and for its outstanding customer satisfaction policy. Such an award proves that Mike's Nordstrom approach works for its business.

2. Mike's provides high-quality car wash services to its customers through its advanced state-of-the-art equipment and technology. Other than the car wash, Mike's also provide underbody wash, clear coating, wheel bright and underbody rust inhibitor. Mike's provides a specialty product, as it ensures that it provides a unique service to its customers that will build brand loyalty and will attract more repeat customers. Mike's always gives a unique car wash experience to its customers so that the latter will always come back to its store and will not look for any other substitute. One other service that Mike's Express Carwash can offer is a premium "full service" carwash that cleans the inside as well as outside too. Mike's may not want to incorporate this as a "regular" service but as a kind of premium top-quality service (with premium rates) to those customers who can afford it. If this is not possible, maybe Mike's can tie up with another firm that offers this type of service and put up stores side by side so that right after the inside cleaning, the car (with the owner) can immediately go to Mike's for the outside cleaning and vice-versa.

3. The company's brand name is Mike's. Its symbol is the tri-color parallel rectangles each representing one word in the complete name: Mike's Express Carwash. Mike's distinguish itself from its competitors by, among others, considering the children of the car owners who also pass through the facilities. To ensure that Mike's services also appeal to the children (by making sure they are not bored); Mike's placed stuffed 4-foot characters from Sesame Street strategically inside the wash area. Thus, while the car is passing through the wash area, the children are kept entertained by these characters.

Mike's has to consistently maintain its top quality express carwash services

to keep it ahead of its competition. Some other brands that compete with Mike's include those that are used by its competitors such as the publicly traded Mace Security International Inc. of New Jersey, other car wash companies in Indianapolis such as Indy Spotless Carwash, Kopetsky's Full Service Car Wash and Wash a Rack Car Wash. Other brands that compete with Mike's are those that are bought from supermarkets and department stores that can be applied directly by the car owners in their own homes. Despite the competition, however, Mike's had build strong brand loyalty in the Indianapolis area, as evidenced by the fact that most of Mike's stores (20 out of almost 40 stores) are in this state. If, however, Mike's still wants to build its brand and make it better, Mike's should consider going to other cities or states (right now, Mike's can only be found in Indianapolis, Fort Wayne, Kokomo, Lafayette, Terre Haute, Cincinnati and Dayton), building up more products and services or even, expanding through franchising (something management does not want to consider but may actually help in the brand building).

4. Mike's ensures that it prices its products in a reasonable manner. Right now it offers three wash packages – Express Wash, Your Choice and The Works, at \$8, \$12 and \$15, respectively. Mike's also offer the services within these packages a la carte. To ensure repeat customers, Mike's also has the Mike's Fleet Pass, which offers discounts for repeat customers and the Mike's Unlimited Pass which allows customers to wash their cars as often as they want (valued at \$39.99 per month for the Express Wash and \$69.99 per month for the Works). Mike's vary the prices of its services to distinguish the type of services the customer will receive and to provide a premium to those that are its top-of-the-line services. However, Mike's also provide a discount

if the customers avail of the higher-priced packages.

To drive its sales, Mike's ensure that it integrates promotional mixes such as combining one, two or three services, providing discounts or unlimited passes to its customers. One example of sales promotion is its fleet pass and its unlimited pass, that ensure customers will come back to avail of Mike's services. Another example is its freebies (like a free the Works carwash) or coupons to attract new customers. Mike's differentiates its services by offering a unique experience in carwash to its customers. It is the only one offering an express carwash (less than 5 minutes) through its latest state-of-the-art equipment. It also uses its own biodegradable soap and a special mixture of water for its car washes. It also ensures that it provides quality services at all times, even to the point of asking customers to repeat their car washes if they or Mike's is not satisfied with the quality of the car wash. These types of differentiation make the customers more appreciative of Mike's services and make them think the price they pay is worthwhile for the quality of services they receive. If Mike's want to use pricing to provide better satisfaction to its customers, it can offer more discounted services, more unlimited passes, more promotions in terms of freebies or coupons or even contests.

5. Mike's has been recognized so many times for providing world class customer service. It is recognized as " The Very Best in the Carwash Industry" due to its meticulous employee hiring standards and the top quality services it provides to its customers. Mike's also prides itself for its commitment to its customers, its communities and its topnotch services. This commitment means that the customers are always the boss and that everything in Mike's operations from its actual process to its hiring standards

to its location, etc. is geared towards honoring this commitment to its customers. For its commitment to its communities, Mike's always ensure that it keeps its facilities spotless clean, that it always maintains its manicured lawns and that it uses only biodegradable soap and it cleans the water used before the water is released back to nature. Mike's philosophy that the customer is the boss has been the backbone of every service it conceives, every employee it hires and trains, every location it considered for its new store and every new product it introduces to its market.

Even though I have not experienced Mike's personal services, given the opportunity, I will grab the first chance to experience firsthand "The Very Best Carwash in the Industry". I'm pretty sure it will be an experience I will always remember and will make me want to go back for more of that kind of service.

Work Cited:

Mike's Express Carwash: Our Services. Mike's Express Carwash. 29 November 2009 < <http://www.mikescarwash.com/default.aspx?page=services>>.