

Customer service approach by bmw

[Business](#), [Marketing](#)



The operating environment of businesses is presently crowded by lots of dynamism. Firms are faced by a major dilemma of remaining viable by maintaining profitability while at the same time addressing unpleasant performances. For most firms, the previous two or so years have been very tough, courtesy of the global financial meltdown. Many firms are looking for mechanisms or remaining relevant under this strenuous operating environment. Customer service ideally is being touted as the new competitive advantage strategy that firms are investing in. The paper will assess the customer service strategies that BMW has utilized to earn the 22nd place in the Business week Customer service champs list of the year 2009.

a) Efforts to claiming the position

Although luxury car sales went down by 20% in 2008, BMW's market share increased. The company has come a long way in attaining this position. Strategizing and counter-strategizing is what the firm has invested in especially in issues relating to customer service. In the past periods, the company has tied compensation to dealers on the satisfaction scores from customers. The approach was not as effective as intended as many dealers scored highly each year. A revision of strategy was done. Presently, BMW has linked rewards to dealers on how they handle dissatisfied customers (Edmondson, G et al., 2003). The approach has earned the name ' paradigm shift'.

The company guarantees customers that services begin in the vehicle. The firm has invested in intelligence where a customer can call service status at any time. According to the company's corporate site, the data on wear and

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oil level and fluid levels is constantly monitored and can be stored and accessed in the car key thanks to technology (BMW, 2009). The firm makes it a point to utilize relationship marketing concept where customers visit BMW Service Centre on appointment arrangements to service the vehicles. The uniqueness of this arrangement is that customers receive individualized, cost effective and time saving services.

The firm handles customer feedback fast enough than before. For instance, quality problems are resolved in a matter of days and not months as used to be the situation. This has made the firm to train its dealers on how to assist customers master technicalities like iDrive functions (Edmondson et al, 2003). BMW still offers four years or 50, 000 miles warranty on some of its products. The firm possibly would not have made it to the Business week customer service champs if its amazing BMW Maintenance Program and the Unlimited-Mileage Roadside Assistance was not in place.

b) BMW Service guarantees/Warranties

The company is widely recognized for offering luxury auto products to clients globally. BMW provides free service for four years to its customers. Training dealers is part of the company's efforts in streamlining customer services. Buyers of used BMW cars have an option of purchasing an attached Certified Pre-Owned (CPO) BMW warranty making it transferable to new owners should a buyer wish to sell his or her car. CPO is a Certified Pre-Owned Vehicle Program, a service that ensures that used cars whose odometer read between 6000 and 60000 miles are extensively inspected thoroughly by BMW trained technicians for safety, performance and wear (BMW, 2009). Anything faulty is fixed. Competitive firms are dedicated to three main pillars

that define their warranty and products; quality, efficiency and innovation (Calloway, 2003).

When customers buy a new BMW car, the firm guarantees pleasure to the customers. In this case, the firm's Service Centre presently offers a warranty of twelve years for the bodywork and three years for the paintwork. Moreover, the company is dedicated to offering a warranty of two years for the entire automobile [Excluding worn out parts] on all original BMW parts and accessories, regardless of mileage on the auto (BMW, 2009). The BMW Maintenance Program and the Unlimited-Mileage Roadside Assistance makes the firm outstanding with this service being the best factory warranty that an owner of a new car can get (Edmondson, G et al., 2003).

c) History of the service guarantees/warranties

BMW as a firm is reknown for record spending per vehicle on their customers. The firm values customer service since its inception. For a very long time, BMW has been offering attractive product warranties to its customers. The company has been in operation since around 1900s. Over the years, the firm has made different models of autos and provided warranty to the said models. Warranty has been changing regularly depending on company policy.

Different series of cars have had varying warranty over the years until 1990. In mid 1990, BMW announced the now famous 4 Year/ 50, 000 miles warranty on its cars. The warranty still applies up to today. In 2004, the company proposed another warranty over and above the 4 Years/50, 000 miles warranty. All cars registered in January 2004 have a 12 years anti-

corrosion warranty that offers among other things general body work cover (Edmondson, G et al., 2003). The success of the company and its warranty customer service has made the company command a huge market share in the luxury car market.

d) Understandability and communication of the warranty

The product warranties on BMW products are simple to understand. In addition, the firm too expounds on the technical aspects of the warranties. The company takes upon itself to train dealers on how to clarify warranty questions to customers. BMW has advanced technology on most of its series of automobiles. This makes the monitoring of the vehicle possible. Ideally, the autos are fitted with gadgets that keep a record on everything in the vehicle including wear and tear on the vehicle.

Effective communication is systematic and never a random activity as most people take it. It requires selecting and use of most effective medium, or vehicles that will allow the message to be delivered to the target audience, in this case, BMW customers (Barrett, 2005). BMW has developed an effective communication strategy that guides the firm in all situations. Communication of warranty forms part of the communication strategy of the firm.

The firm recognizes that without a clear and well drawn strategy, customer service goals remain and illusion (Welch, 2006). The firm utilizes dealerships in communicating warranty information. Given that warranty service is a technical item, the company has prepared warranty documents that accompany each series of vehicle that they sell. The documents are written

in prose business language with glossary sections to offer meanings for any technical terms (Barrett, 2005).

The firm is dedicated to ensuring that customers understand the position of the warranties that they offer. In the present business operation environment, cons have crowded the market (Barrett, 2005). Unsuspecting customers will get into business deals that they hardly understand the content and terms and conditions of language used in business documents.

It is only after the customer gets into trouble that translations of clauses that seemed harmless get meaning making the customer a loser. Since BMW values its customers, it has made it its duty to explain everything in black and white about the terms and conditions of the warranties. The firm has secured the slot in the Business week 2009 list of customer service champs due to its proactive style in dealing with customer warranty clarifications and service delivery when customers invoke warranty claims.