FIAT GROUP

Trucks and Commercial Vehicles

IVECO

# Customer Value

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Workshop Development Manager

December 2008

# Iveco History

## Industrial VEhicles COrporation

UNIC
FIAT veicoli industriali
OM
VEICOLI SPECIALI
MAGIRUS DEUTZ

IVECO Industrial Vehicles Corporation
1975

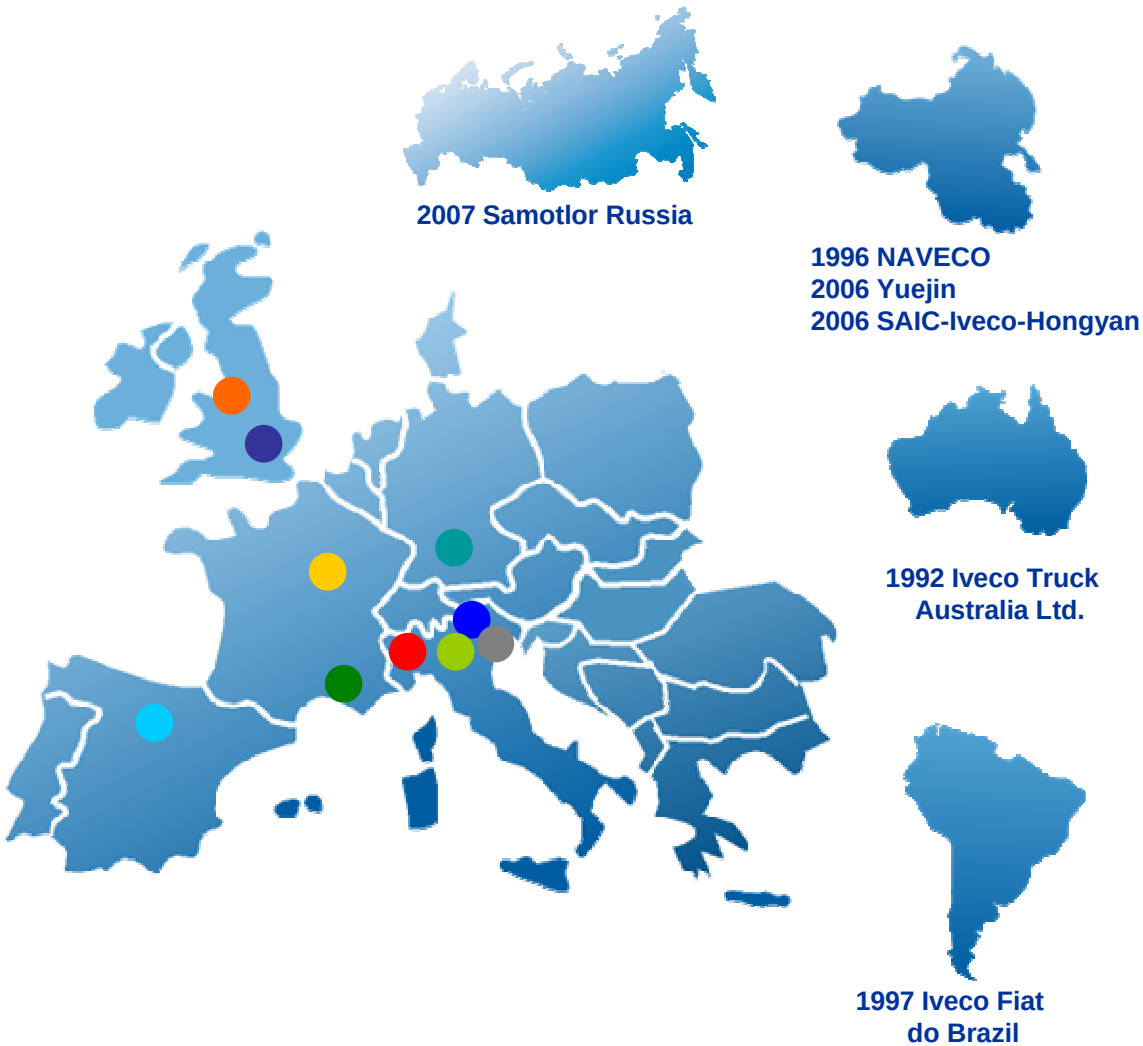
ASTRA 1986

IVECO Ford TRUCK 1986

SECODN ATKINSON 1991

IVECO 1991

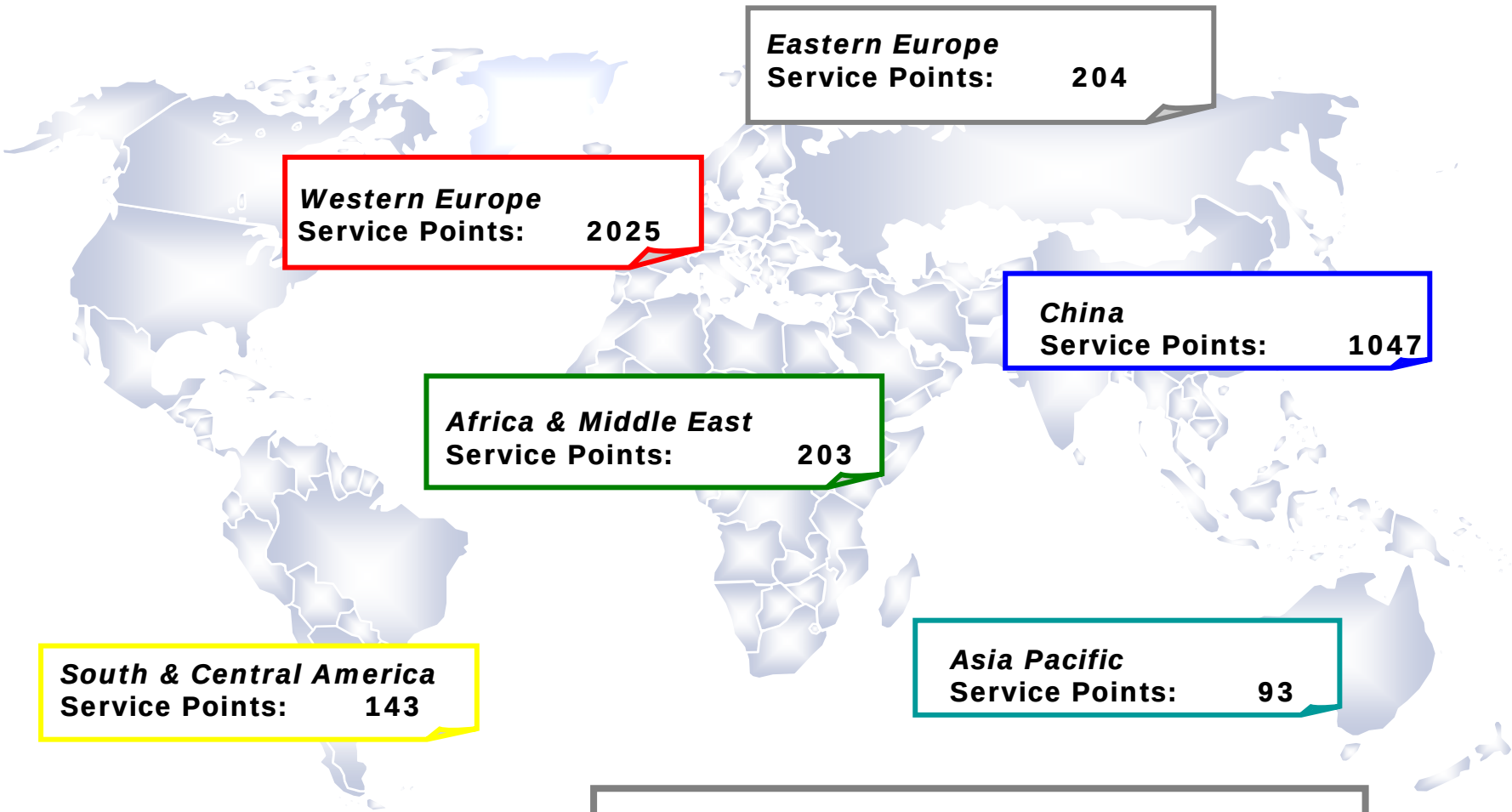
irisbus 1999-2001



# Customer Service: what we are supposed to do

To give IVECO customers an excellent service at competitive costs in order to ensure maximum **customers' loyalty** and **Iveco profitability**

# Iveco Service Points Network

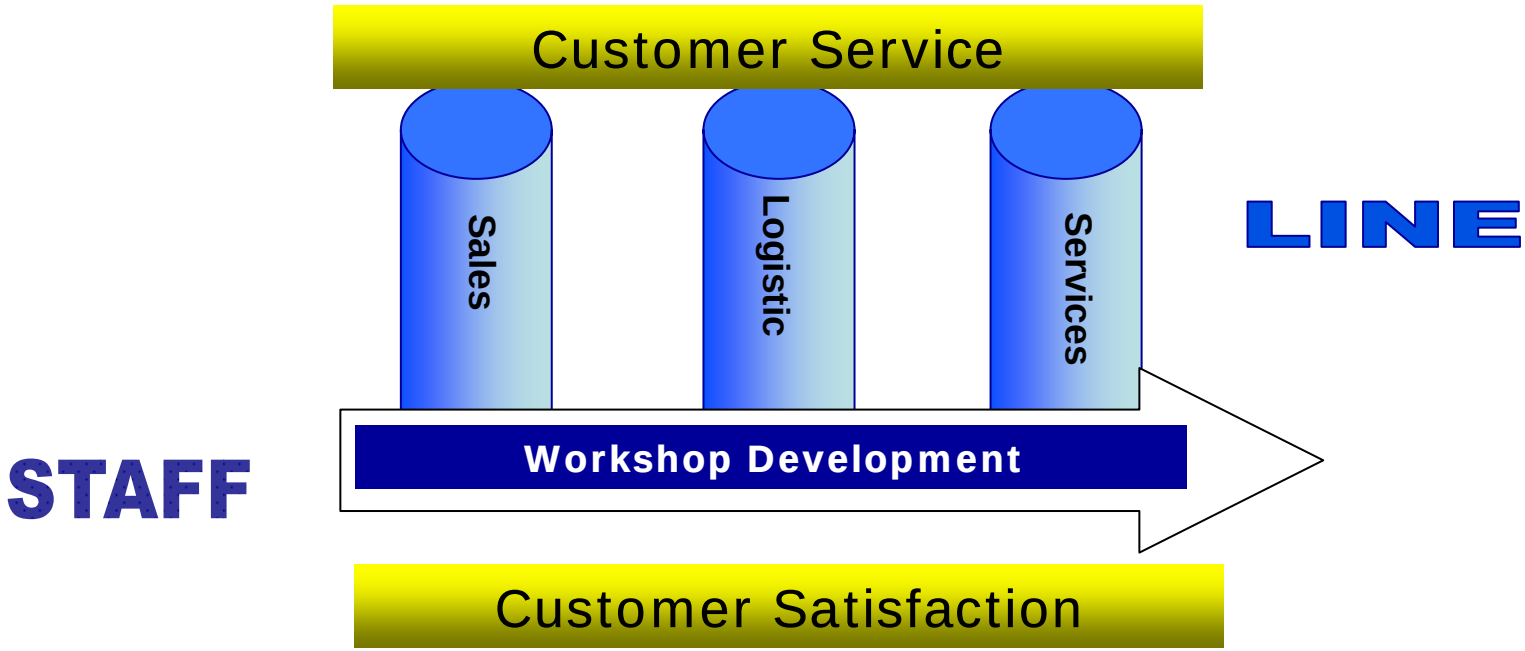



*Update data* October 2008

# OUR MISSION

**To create, develop and maintain a SERVICE NETWORK assuring the highest level of service quality to guarantee a profitable partnership with Iveco while satisfying customer expectations.**

# Workshop Development
## The role in a matrix structure of Customer Service



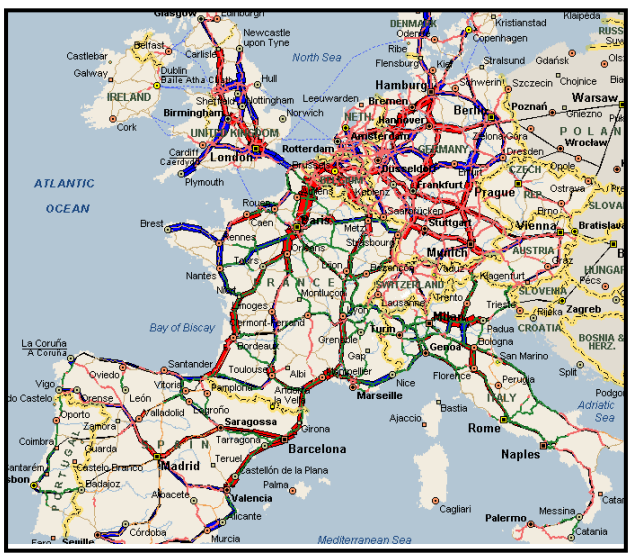

- Designing a proper coverage network, equally distributed in the country at an international level;
- Defining quality standards to ensure the same services in every workshop in Europe ;
- Managing workshop development;
- To customise the level of service

# TAS – Top Assistance Service

Our goal: **to identify the necessary actions to improve the service offered in terms of:**

- Capillarity/covering of the Authorized Repairers Network in Europe
- Service Quality (H24)

**With specific reference to the main European long distance routes**

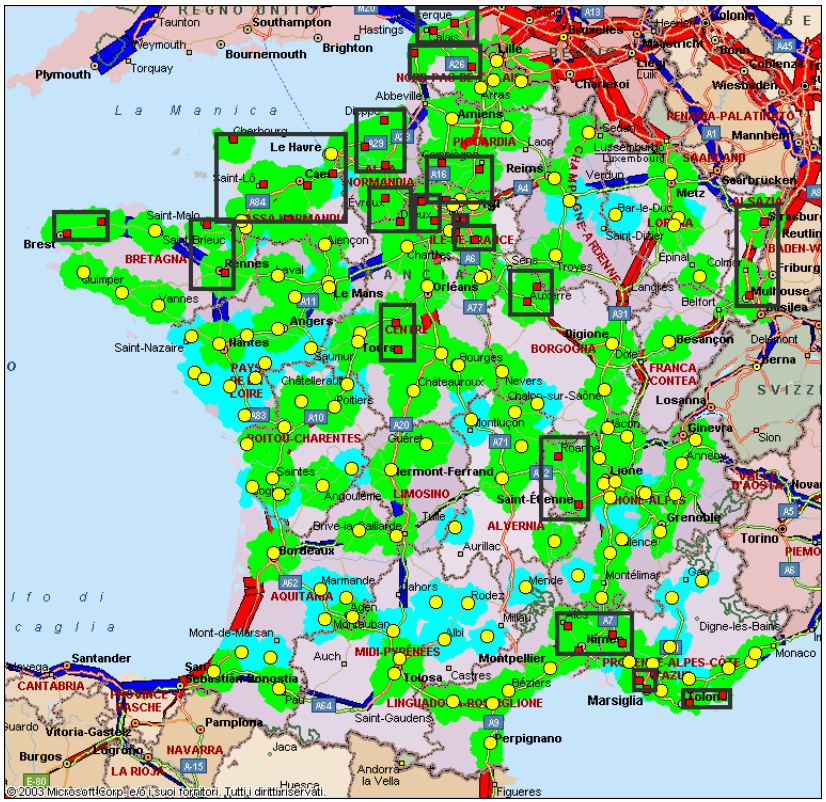



**1. Identification of the intervals and relative flows**

**more presence of long distance flows**

**less presence of long distance flows**

# TAS – Top Assistance Service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Torquay
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Brest
Saint-Brieuc
Lannion
Quimper
Rennes
Laval
Vannes
Le Mans
Orléans
Angers
Nantes
Saint-Nazaire
Tours
Saumur
Châtellerault
Poitiers
Rochefort
Saintes
Angoulême
Brive-la-Gaillarde
Bordeaux
Marmande
Agen
Mont-de-Marsan
Auch
Santander
San Sebastián
Vitoria-Gasteiz
Pamplona
Burgos
Logroño
Jaca
Huesca
Andorra la Vella
Figueres
Perpignano
Saint-Gaudens
Carcassonne
Castres
Tolosa
Montpellier
Béziers
Marsiglia
Nîmes
Arles
Digne-les-Bains
Monaco
Grenoble
Torino
Montélimar
Mende
Rodez
Cahors
Aurillac
Clermont-Ferrand
Saint-Étienne
Lione
Roanne
Chalon-sur-Saône
Dijon
Besançon
Belfort
Mulhouse
Colmar
Épinal
Nancy
Metz
Reims
Amiens
Abbeville
Calais
Dunkerque
Lille
Bruxelles
Charleroi
Liège
Maastricht
Bonn
Coblenza
Wiesbaden
Mannheim
Saarbrücken
Friburgo
Losanna
Ginevra
Sion
Berna
Digione
Nevers
Châteauroux
Montluçon
Vichy
Issoire
Le Puy
Saint-Dizier
Bar-le-Duc
Verdun
Sedan
Lussemburgo
Troyes
Sens
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Langres
Gap
Briançon
Cuneo
Milano
Genova
Ventimiglia
Sanremo
Savona
Alessandria
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Foggia
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Brindisi
Lecce
Reggio Calabria
Messina
Catania
Palermo
Trapani
Agrigento
Siracusa
Cagliari
Sassari
Olbia
Nuoro
Oristano
Tunisi
Bizerta
Sousse
Sfax
Gabès
Tripoli
Misurata
Bengasi
Tobruk
Algeri
Orano
Annaba
Costantina
Bejaia
Tizi Ouzou
Tipaza
Mostaganem
Tlemcen
Sidi Bel Abbès
Mascara
Tiaret
Laghouat
Biskra
Batna
Setif
Bordj Bou Arreridj
Boumerdes
Blida
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Ghardaia
Ouargla
Hassi Messaoud
Hassi R'Mel
Adrar
Timimoun
In Salah
Tamanrasset
Illizi
Djanet
Tindouf
Béchar
Naama
El Oued
Tebessa
Souk Ahras
Guelma
Skikda
Jijel
Mila
Oum El Bouaghi
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Ain Beida
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Ain Oussera
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Bordj Bou Arreridj
Boumerdes
Blida

# The Customer Lifetime Value Evaluation Framework Assumptions

- The value perceived by the customer depends on to the wishes and expectations the supplier satisfies.
- After sales service is a driver of the perceived value
- Objective of an enterprise maximizing customer lifetime value
- The value perceived by the customer is the cause and life time value is the effect.

Major objective of our framework

**Understand the source of the value perceived by the customer in order to focus investments.**

**Publication of the paper on SpringerLink - one of the largest newspaper publishing companies in the World – (WIKI)**

SpringerLink

**"Service level and Value to Customer as key business drivers: a case studying a leader truck industry"**

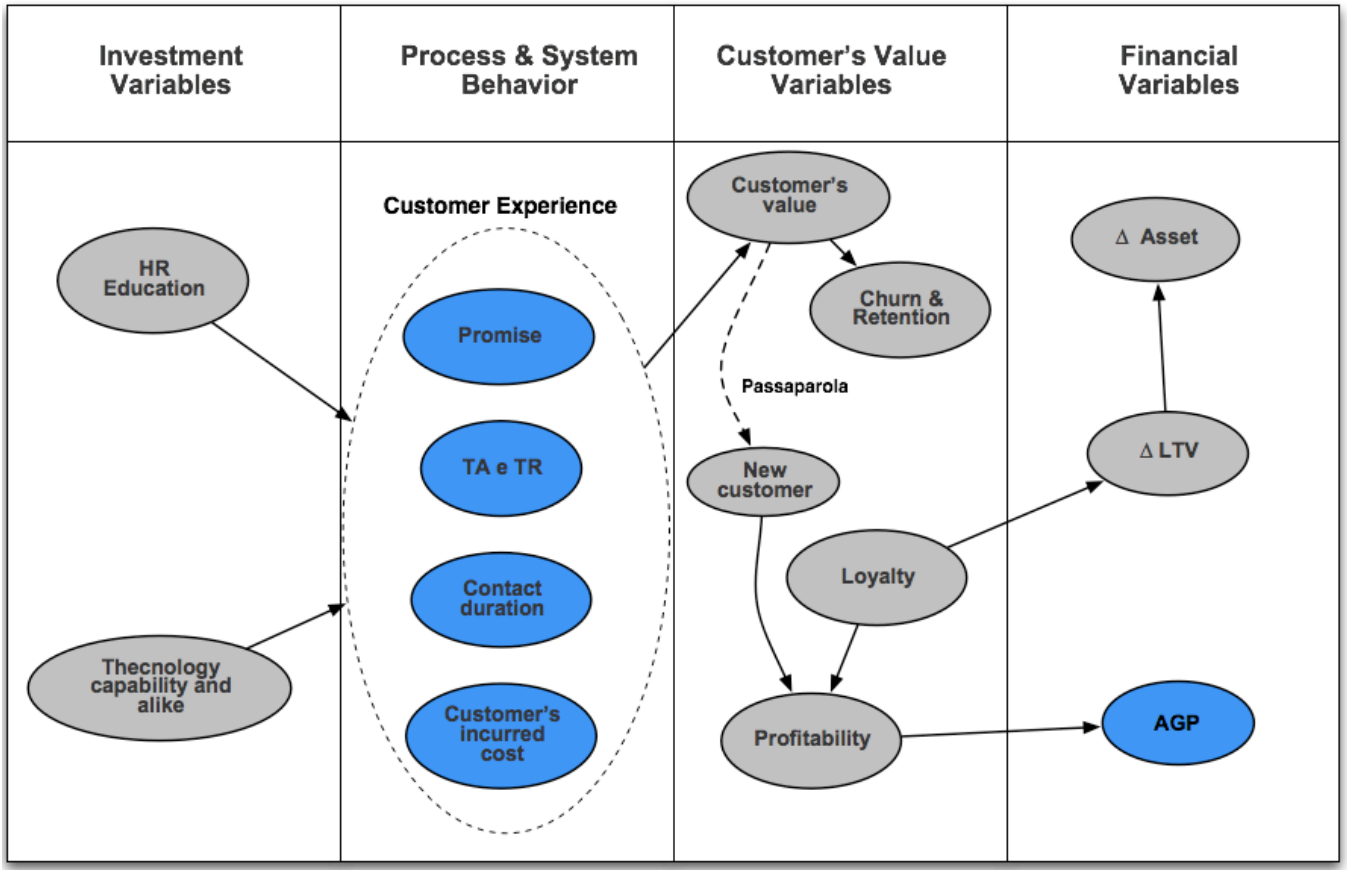
# Investments Vs Customer satisfaction

- The aim in this approach is “to improve our knowledge on how much value and importance customers associate to the supplied services.”

- The knowledge of the “value for customer” of different services will help us “to develop services trying to reach customer satisfaction.”

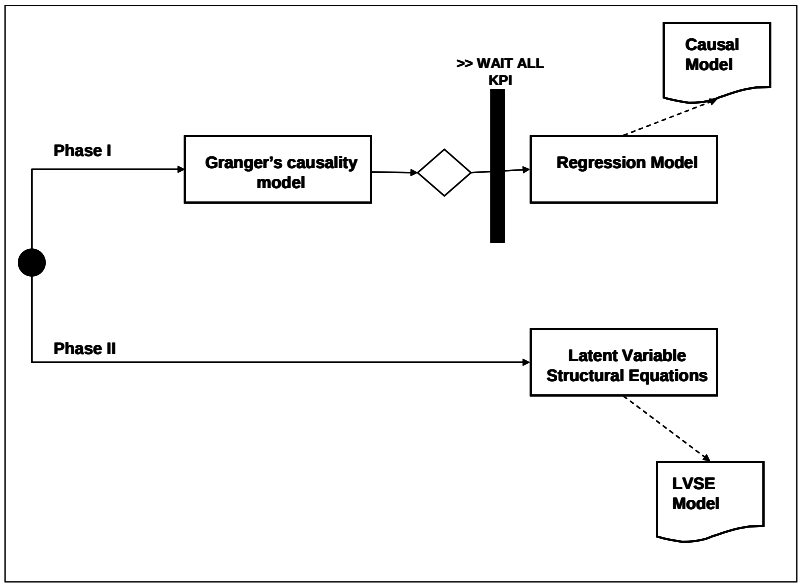
- “Our target is to be able to measure the return on the investment done to increase our customer satisfaction – and our Customer Loyalty.”

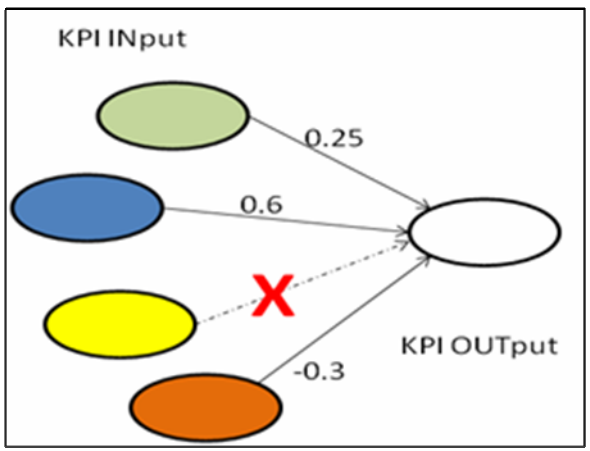
# The Customer Lifetime Value Evaluation Framework : Qualitative analysis




- We assume cause-effect relations between the variables.
- Cause-effect chains represent causal relations between KPIs and they show the causality.
- Subsequent quantitative analysis should confirm causal links that may drive the return on the investments on customer

# The Customer Lifetime Value Evaluation Framework
## Quantitative analysis




- The quantitative model estimates the causal relations identified by the qualitative analysis.
- Interpreting and understanding the model results enable us to affirm which investments really influence customers behaviour and as a result determine rises in customers profitability.
- The quantitative model includes two main statistical tools used in parallel:
  - **Granger's causality model** to validate the causal relations
  - **Latent Variables Structural Equations (LVSE)** to quantify the implicit variable of customer experience

# Conclusions

- Actually, for management is critical to assess the return on investments, not to waste funds and time in campaigns that do not raise interest and loyalty from target customers.

- Our approach is to use a selective quantitative analysis to test and validate qualitative assumption and therefore to set a quantitative investment model in customer service.

- Furthermore the analysis allows a deeper understanding of the customers which are the key asset for any service industry. Customers drive service economy: serving their attitudes is a must to improve competitiveness and reach a sustainable advantage.

- Our research is now dealing with quantitative results that identify the actual value cluster represented by process variables.