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Connected Car: The role of experience on satisfaction and loyalty

**Simon Brook, WMG, Warwick University, UK (Jaguar Land Rover)
Professor Irene Ng, WMG, Warwick University, UK**

As the digital economy grows product manufacturers are realising that selling products alone no longer provides a competitive advantage. Manufacturers should realise their products provide services in context and modify their business models to increase market share and revenue. To do this, manufacturers need to understand a customer's private experience (usage) with the product, yet this is invisible to the firm. There are few products which collect and share usage data for the manufacturer. This is surprising as product usage influences satisfaction and, in turn, loyalty towards the firm.

There is much literature on product usage and how the experience affects satisfaction. Ram and Jung (1991) suggest that satisfaction is related to product usage. Dube and Schmitt (1991) researched satisfaction decision levels with a product/service; they suggest that satisfaction is formed during product usage.

As products incorporate a digital or software layer, they behave more like services. Manufacturers and customers enter a relationship enabled by these services; this allows product usage assessment which aids the firm in achieving satisfying private experiences and contributes to loyalty. Lakshmanan and Kristnan (2011) showed that learning to use products is a cost for the consumer and the firm; satisfaction could be positively influenced if this learning time was reduced.

As products become more service-like, a research gap appears. How does product experience that was previously private affect satisfaction and loyalty? In an attempt to fill this gap we will investigate the experience of a car and, using data collected from the car via the internet supplemented with user interviews, we present a framework for understanding car experiences and their influence on satisfaction and loyalty.

References

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