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Connected Car: The role of experience on satisfaction and loyalty

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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 Krishnan (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

Usage in Satisfaction Judgments. Advances in Consumer Research, 18, p.5.

Lakshmanan,A.&Krishnan,H.S., 2011. The Aha ! Experience: Insight and Discontinuous