

A Teaching Note

For

Evaluation Quality and Results of Used Cars Business

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Aim

Used cars have become the core income stream for many small and medium sized dealerships in the European Union during the recent economic downturn. The case study aims at highlighting the importance of additional services as well as some practical challenges which car dealers may encounter when conducting used car business.

Area

B2B marketing, sales management, introductory marketing, sales courses with focus on special marketing activities connected with used car business (e.g. prolonged warranty, special offer of spare parts prices for older used cars, financing of used car business, trade in etc.).

Short Summary

- Mr. Novák is the owner of a mid-sized car dealership. Margins from new car sales deteriorated as a consequence of the recent economic downturn. The number of clients coming to have their cars serviced has decreased as well.
- Mr. Novák has been eyeing new business opportunities for his dealership and has been considering to purchase a franchise model for selling used cars (in much larger quantities, currently it is a small side business).

- Franchise-based used cars sales programme has several benefits as well as challenges to be addressed before signing up. Students are asked to help Mr. Novák to convince his family (business co-owners) that franchise used-car programme might be a way forward for their family-owned enterprise.

Discussion points:

- How can joining the ŠKODA Plus programme improve on the efficiency of the AUTOFRIEND company?
- What changes to the organisation structure has the AUTOFRIEND company to execute in order to effectively put current staff in use?
- How should the marketing communication of the AUTOFRIEND company be organised in order to make the ŠKODA Plus programme work and what kinds of media should the company use?
- Is it in the interest of the AUTOFRIEND company to extend the customer database by including customers who buy only second hand vehicles? What kind of information should they amass?
- What kinds of problems can the customer encounter at an unknown second hand car dealer?

Target audience

Freshmen to intermediate students of business-oriented bachelor degree programs, dealer principals or general managers of car dealers

Teaching outline

The case study can be used in four standard 45 minutes faculty sessions.

Time plan for sessions (3 hours)

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| 0 - 5 minutes | Introduction |
| 5 - 15 minutes | Presentation of topics about used car business, trust, fairness and influencing strategies |
| 15 - 25 minutes | Discussion on presented topics |
| 25 - 45 minutes | Reading and getting familiar with the case study |
| 45 - 90 minutes | Working out and answering questions in groups |
| 90 - 110 minutes | Collecting the findings of the participants |
| 110 - 135 minutes | The final discussion of results in a plenum session |
| 135 - 160 minutes | Video |
| 160 - 170 minutes | Learning points |
| 170 - 180 minutes | Feedback about the case |