

# Chapter 13

## Information and Technology Management (ITM): Competitive Advantage through Customer Relationship: The Case of an Automobile Dealership

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### ABSTRACT

*A competitive market gives the organizations a constant update on the management process of their businesses and allows the creation of new ways to take competitive advantage. Retail businesses need to identify the value perceived by customers as a strategic source of value generation. This chapter presented a competitive value generation methodology by identifying the most important values perceived by customers of a Volkswagen Car Dealer. There was application and analysis of two strategic instruments of research, a qualitative and another qualitative/quantitative one. As a result, the study obtained a proposal for value generation by setting the following strategic variables referent credibility/reliability.*

### INTRODUCTION

Strategic management is constantly passing through changes in order to attend to new de-

mands related to the uncertainties the market has been imposing. This way, the present treatise approaches such uncertainties – both quantitatively and qualitatively – which encase the strategy of a company within customer relationship and competitive value generation, through a model based

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on Compensatory Fuzzy Logic (CFL) that frames up mathematically the classical SWOT analysis, added of Objectives and Actions (SWOT-OA). This framework based on CFL is translated in Strengths, Weaknesses, Opportunities, Threats, Objectives and Actions, which turns the linguistically-expressed knowledge of specialists into a widening-associative quantification of the Boolean logic, allowing the researchers and readers of this study to analyze the importance of each of its strategic variables.

According to Mintzberg and Quinn (2001) the strategy is characterized as a corporate transformation process, subjected to usual fixing. Due to this diagnosis, it is important to establish connections between strategic integration links and advance into a predictability of their behaviour, for according to Bonabeau (2002), predicting the unpredictable depends a lot on emerging phenomena formed amid the interaction of different organizational levels. This kind of situation instigated the writing of the present treatise, i.e. taking in account situations that are not standards represented in the strategic planning, and for this reason the following question was defined: How is it possible to generate competitive value through customer relationship in a car part-seller company?

## **THEORETICAL REFERENCE**

### **Value Generation and Customer Relationship**

According to Dominguez (2000), as times has passed by, successful companies have transferred their focuses from improving internal processes to market approach developing, having as objective to supply costumers' needs and desires as well to generate superior value to them. It is a regard that the customer is the one who determines how much goods and services are worth, and for that reason participation, feeling of together and connectivity have become key-words when creating

and maintaining a long-term relationship between costumers and companies.

Porter (1990) states that competitive advantage sprouts from the value a company can generate to its shoppers and goes beyond its operating expenses. This relation between competition and value generation characterizes the efficacy of a company to compete by creating sustainable value through time. This can still be cContaR palaVraSwiden according to Gibson et al. (1988) who states that such process is the level by which organizations reach their missions, aims and objectives.

Value generation, for the client, is not only about adding characteristics and benefits to products, neither reducing prices. These market strategies only happen if clients notice an improvement on the value, and they consequently feel pleased (BARNES, 2002). Value pops out when the human being establishes utilities or purposes to the objects.

The management of perceived value allows the company to get to know their costumers better and the market to fit its marketing approaches to the clients, centering the arguments on value proposing, instead of just pricing (KOTLER, 1998). Proposing value varies between desired and received value, i.e. before or after the usage, or even as for the objective intended. In the context of perceived value, quality and price, the "mean-end" model proposed by Zeithaml (1988) associates price, quality and value. For Chang and Wildt (1994), perceived value is formed of a judiciousness of the information obtained about the product, the real product price and the price that the customer has in mind for the goods he or she is looking for.

Peppers and Rogers (2001) state it is essential to treat customers in a non-ordinary way. This is the idea for changing companies' behavior towards each client, based on the information the companies have about them, and also on the information the customers expose. Loyalty is, then, framed out on the level of satisfaction, credibility and trust between clients and company. For Moutella (2002),

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