An Introduction to
Quality, Satisfaction, and Retention –
Implications for the Automotive Industry
Introduction

The intensely competitive global automotive industry is in the midst of both a quality evolution and management transformation. In an evolutionary fashion, industry attention has progressed from a focus on internal quality, to external perceptions of customer satisfaction, to subsequent customer retention and profitability. More transformational is the change in the way automotive companies operate and manage themselves. An industry once dominated at a product level by engineering and a management level by finance is becoming a cross functional, customer oriented industry. Understanding the links from quality to satisfaction to retention has become a key to financial and organizational success as the automotive industry enters the new millennium. We are fortunate, in this regard, to have assembled a diverse group of both academic and automotive industry contributors to offer a variety of insights into these links.

After describing the ongoing changes in the automotive industry in more detail, this introductory chapter describes a framework for linking quality, satisfaction, and retention. The framework is used to introduce each of the individual chapters and highlight its contribution. Although our primary emphasis is on the automotive industry, the implications of the research and lessons learned extend far beyond. If anything, the automotive industry is a prototypical competitive, global industry that faces a myriad of business issues. These include, among others, issues pertaining to product development, service development, process improvement, product quality, service quality, supplier relationships, internal customer satisfaction, external customer satisfaction, retailing, promotion, pricing, franchising, and technology management. There are few industries that can not benefit from the lessons currently being learned in the automotive industry. Indeed, the automotive industry has been a driving force behind the productivity boom of the 1990’s (Womack, Jones, and Roos 1991). We thus hope that managers and academics working in a variety of industries find valuable insights throughout.