



My Chevrolet: A case study of Brazilian innovation and entrepreneurship

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Abstract This case study examines Fabio Middlestaedt and his conception, proposal, and implementation of *My Chevrolet*. The Brazilian automotive market is explored in relation to the American and other global markets, as is General Motors and General Motors Brazil. An appendix outlining the outcome of the case is offered, as are teaching notes for classroom use.

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1. August 27, 2002

August 27, 2002 was a date that Fabio Mittelstaedt wouldn't soon forget. The website launch represented a milestone in making a dream come true and the culmination of a 3-year struggle; it was a tremendous victory for Fabio. The company vice president attended the press conference, as did as all the department directors. The leading role played by the press office and public relations was decisive. All of this was rare visibility for his department—after-sales—at General Motors, Brazil. Although the event did not have the same appeal or glamour as an auto show fair and realizing his department would never be recognized as strategic, Fabio still felt a deep sense of pride at seeing the '<http://www.mychevrolet.com.br>' trademark printed on

banners and posters scattered around the room, as if heralding a victory that would reap him several awards in the future. Against the background of popping flashbulbs, Fabio felt at ease taking questions from reporters representing more than 100 diverse media outlets. At times, he could barely contain himself when speaking about the characteristics of his 'baby:'

Users can schedule any type of service with a technical consultant of their choice when it is more convenient. . . . In the customized studio, the user can track the application of accessories, change colors, and see the vehicle instantaneously from various angles. . . . We have also launched a music entertainment game in which the user can win an MP3 player if he correctly guesses the name of 100 songs of various genres after listening for a few seconds.

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His enthusiasm seemed endless. It was hard to believe that in just 6 months, so many features had been

incorporated into the new site. People involved from the beginning of the project understood Fabio's excitement and felt it was fully justified.

That night, Fabio could not sleep. Enthralled by the evening's events, he made a chronological retrospective account of the entire project and thought: 'Wow, looking back on it now, if I had known what I would have to face to implement the idea, I might never have even begun!' The idea had come to him so effortlessly and easily that he never imagined the many struggles it would entail. Memories of the most critical moments were now stuck in a past that seemed more distant than it actually was. He remembered how much he had changed in conjunction with the history of the project. He had to acquire some skills out of necessity, while realizing others he never imagined he possessed. A young man who was shy, introspective, and not very sociable, Fabio smiled to himself when he remembered how he loved to spend hours playing video games alone at home or when he told himself that it was okay to have lunch alone almost every day. Now he was recognized in the halls of General Motors, sought after by other departments, greeted, and appreciated. He had gone from an after-sales analyst to an e-business manager. So many things had happened during those 3 years! Throughout these experiences, there had been a lot of learning and a lot of lessons, many of them acquired through trial and error.

Still thinking, a frown appeared on his face instead of a smile: 'I've made lots of mistakes! Now, with hindsight, I would neither do much of what I did nor make many of the same decisions. I would never say some of the things I said at the wrong times.' Fabio was in the habit of reflecting, which helped him consolidate facts and organize thoughts. Now that it was all over and knowing that other challenges and projects were to come, it was the ideal time to think calmly and in detail. What could he have done differently in that project?

2. A centennial history of success

General Motors Corporation is one of the world's largest manufacturers of vehicles and is among the 50 most valuable corporate brands. It designs, builds, and sells cars and trucks globally, providing one of the most diverse lines of products in virtually all segments of the car market.

General Motors Brazil (GMB) is the largest subsidiary of the Corporation in South America and the second largest operation outside the United States. Starting more than 80 years ago, brands like Chevrolet had numerous success stories and established consecutive export records.

Despite its market share, competition in the industry was fierce and aggressive. With changes in the market, in purchasing power, interest rates, and taxes, automakers were forced to find alternative ways to hold on to their markets. The solution was to reduce costs without sacrificing employees and to begin using action-based technology coupled with its already recognized high-quality brand image. For GMB, quality is a responsibility assumed at all stages of the process: from product development to marketing to after-sales. Certain officials knew that if something was not done to change existing values and paradigms, especially in customer relationships, leadership would not be maintained in the long run. Fabio Mittelstaedt was one of those.

3. Snatching the opportunity

With a background in advertising; a master's degree in marketing; and experience in large manufacturing companies and software-launching start-up companies such as Sybase, Netscape, PeopleSoft, and Computer Associates, Fabio knew that GMB's Achilles heel was its after-sales service, where he had already worked. The GM dealers' network suffered a considerable rate of market loss. Customer retention in 2001 was only 11%, after reaching a maximum of 22% in the income class segment with higher purchasing power. Given this symptomatic decrease, dealers' returns were affected, thereby compromising GMB's position in the market. There were no strategies for strengthening customer relationships and brand loyalty.

In 1999, during master of business administration (MBA) lectures on information systems, Fabio found the solution to these problems in the form of the Internet. From his point of view, the Internet was the ideal channel to explore customer relationships. *My Chevrolet* was an innovative concept with a new focus on Chevrolet customer-owners who needed support to maintain their assets during the period of car ownership. This is the story of that adventure, which began in the classroom.

4. Strategy, brand, and product

GMB's greatest asset is its brand and its ability to generate links with those who relate to the brand. It has worked very hard to transform contact with customers into strong relationships with the brand based on depth of feeling and emotion. The Internet has brought new challenges to companies highly dependent on personal connections with their

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