Applied Value Chain Analysis

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To identify some of the initiatives GM might investigate in reviving its formerly dominant position in the automotive industry relative to the industry competition one must analyze their value chain activities in some ways.  A value chain can include activity analysis of customer trends in purchasing a vehicle such as amenities customers want.  Better gas mileage, luxury, technology, passenger comfort, and pricing of that vehicle are some other examples of things a company may analyze using questionnaires from car-owners trading-in their old car for a newer model or some other way to get information.

In an article called GM Takes Top Honor in IHS Automotive Loyalty Awards, it says that Gm uses IHS as a value chain analyzer for their research in marketing and analyzing their perspective automobile buyers.  IHS has primary function of doing research for companies like GM for giving them ideas as to how to increase their market share of their business.  By providing them with analysis, forecasts, and thoughts on events, topics, and issues that would impact their products they try to give them an advantage over their client’s competition.

Basically, they are a think-tank company which would help them direct their own company's research and development, marketing, sales and leasing departments in the right direction towards successfully meeting the customers wants for their automobiles.

In this company's case, they might be hired to help them do a marketing campaign to get rid of a publicity problem with the recalls they should have been doing on a vehicle and the hiding of that problem or refusing to fix the problem in the first place.  IHS may help with ideas on research and development of an alternative product design idea or advertisement about one that they have already been working on.

In all situations, the value chain analysis information is given, but it is up to upper management to do the right thing with the information and use good ethics to promote their product as being a quality product after the sale.  Going the extra mile to meet customers’ needs and fix the things that are wrong, goes a way to repairing a blemish on a company's reputation.

Resources:

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