Increased after sales revenue
A case study—Porsche China Project
October 2019
In 2001, Porsche opened its first dealership in China. Today, with over 430,000 Porsche cars on the road across the 31 provinces, the opportunities for aftersales revenue are significant. Every vehicle will need routine services, such as oil changes, along with additional maintenance, such as brake replacement. How could Porsche encourage owners to return to a Porsche Experience Center for service?
In March 2018, Porsche China partnered with IHS Markit to create an aftersales marketing strategy. The strategy centered around the IHS Markit Catalyst For Aftersales program. This provided a tailored and comprehensive customer contact plan for live and lapsed customer, combined with performance reporting throughout.

Today, 18 months later, that strategy has resulted in significant gains in both service revenue and throughput.

To assess the effectiveness of the program, Porsche compared dealers that used the program for 12 months against those who did not. Results were conclusive, with an 8% growth differential compared with nonparticipating dealers.

* The above was calculated from May to April of year-on-year incremental rate for 2017–18 to 2018–19
This revenue share increase was represented across all vehicle age cohorts.

<table>
<thead>
<tr>
<th>Vehicle age</th>
<th>0-3 years</th>
<th>2% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-6 years</td>
<td>3% increase</td>
<td></td>
</tr>
<tr>
<td>7+ years</td>
<td>5% increase</td>
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</tbody>
</table>

*The above was calculated from October to September for 2017–18 versus 2018–19*

This increase was most significant across vehicles more than three years old, represented below in green and orange.

<table>
<thead>
<tr>
<th>Vehicle Age</th>
<th>Share of Routine Service Revenue versus Total Service Revenue at Porsche Workshops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before</td>
<td>After</td>
</tr>
<tr>
<td>0-3 years</td>
<td><strong>56%</strong> <strong>38%</strong> <strong>6%</strong></td>
</tr>
<tr>
<td>4-6 years</td>
<td><strong>53%</strong> <strong>39%</strong> <strong>8%</strong></td>
</tr>
<tr>
<td>7+ years</td>
<td><strong>64%</strong> <strong>31%</strong> <strong>5%</strong></td>
</tr>
</tbody>
</table>

Routine service revenue increased +11%

Routine service throughput increased +7%
With on-road vehicle ages increasing, non-routine service also increased. The Catalyst for Aftersales dashboard captured how the average age of vehicles serviced at a Porsche Experience Center grew over the 18 month roll out.

Porsche was able to determine that Catalyst for Aftersales from IHS Markit contributed significantly to its revenue growth. IHS Markit was able to remove road blocks that its home-built system created.

IHS Markit provided a robust implementation program, along with ongoing support

Catalyst for Aftersales from IHS Markit offers both predictive and tactical solutions, along with a comprehensive dashboard

IHS Markit enabled rapid ROI for both OEM and dealers and lower costs to achieve this revenue compared with the home-built system

IHS Markit has 20+ years of proven global experience fit for Chinese market
Catalyst for Aftersales is currently being used by more than 85% of Porsche’s entire Chinese network and is being rolled out to all remaining dealers in China.

The comprehensive on-boarding plan from IHS Markit includes:

- Mature roll out implementation plan
- Participation in regional conferences
- Recruitment workshops
- Survey to get dealer current status
- Centralized training and training materials
- Sharing of best practices

Find out more about how Catalyst for Aftersales can solve your customer retention challenges. Contact us today for a live demo.

For more information ihsmarkit.com/autoaftersales

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world’s leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.