

Accelerating the  
customer experience:  
How automotive brands  
can create a 360-degree  
view of the customer

## Introduction

The quality of the customer experience that an automotive brand offers has become a crucial differentiator in a highly competitive marketplace.

While physical showrooms remain the dominant sales channel, consumers are increasingly researching their purchasing decisions and conducting aftersales enquiries online. They expect to receive a seamless experience, no matter which channel or device they are using. Add to this the fact that online is also a growing sales channel in its own right – forecast to be responsible for approximately 10% of all car purchases by 2019<sup>1</sup> – and the urgency for automotive brands to provide a consistent, personalised service is clear.

The sector is not alone in facing this challenge. According to a report by Dimension Data, only 8% of retail organisations believe all their customer contact channels are connected, with one in three saying they were unable to track customer journeys at all.<sup>2</sup> In this environment, having access to a single, 360-degree view of the customer with the ability to track and understand the behaviour of potential and existing buyers is a key competitive advantage.

### Data-driven customer experiences

The amount of customer information that automotive companies have access to has rocketed in recent years. As well as traditional point-of-sale data from dealerships, there is a huge amount of valuable insight available from online interactions surrounding the purchase. Add to this the sophisticated metrics that the sensors in many modern cars generate – everything from the vehicle “information”, driver habits and preferences,

to the surrounding environment – and there's a potential for brands to experience information overload.

Yet, if this data is brought together and analysed using the right technology, it presents a significant opportunity to equip customer service representatives with new knowledge and tools to provide an accurate, responsive and personalised service, throughout the customer journey.

This white paper looks at how automotive manufacturers can create the right environment, supported by technology, processes and people, to make this vision a reality and ultimately deliver the outstanding experiences customers expect.

## Customer service – the new battleground

### Competition and commoditisation

With the internet offering a whole new world of choice for consumers, brand loyalty is increasingly eroding, while products are becoming commoditised – a trend that is also being seen in the automotive sector, especially with the rise of ride-hailing and vehicle-sharing platforms, where customers don't have to own a vehicle. Also, as technology evolves, customers are becoming more interested in the software

packages that a car offers, rather than traditional differentiators such as chassis, power and design. In fact, one concern is that in the future original equipment manufacturers (OEMs) will be relegated to just providing the shell, or chassis of the car while technology companies that bundle the software and content packages will be the ones capitalising on new profit areas. As a result, customer service is becoming an ever more important way that automotive brands can set themselves apart from the competition and stand out. Indeed, this trend is so ubiquitous that 81% of companies see customer service as a competitive differentiator.<sup>3</sup>

With automotive brands, the stakes are even higher. Brand perception is vital and sets the bar high for customer service. Whether in dealerships, virtual showrooms, or online, car buyers expect a noticeable difference in customer service when compared to more regular purchases. For example, a recent survey showed that 82% of current car owners and potential buyers want to be able to explore and configure their car by using technologies such as virtual and artificial reality.<sup>4</sup> What's more, although brand loyalty is high in the automotive sector, companies can't take it for granted, especially as new technology and mobility trends re-define what it means to actually own and experience a car.

Figure 1. How consumers share their customer experience



Source: ZenDesk

% of consumers

As Sarah Latsch, Vice-President Automotive CRM Germany, says: "The digital experience, dealership experience and in-car experience have to feel synonymous with a high-end brand, whilst also being consistent with each other." Contact centres form a key part of the strategy, as they are increasingly tasked with the responsibility of translating brand values into customer service and generating a competitive advantage for the business.

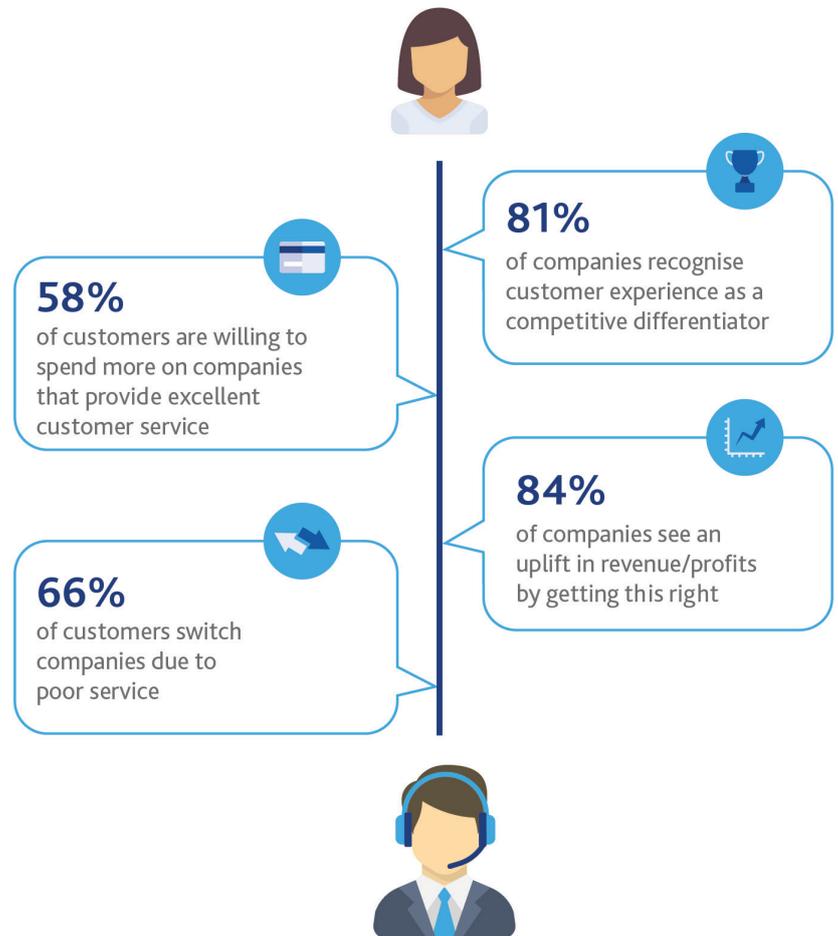
### From multichannel to omnichannel

Companies currently support an average of eleven communication channels.<sup>2</sup> Alongside phone and email, customers are increasingly choosing digital or social channels as their way to communicate with the brand. As customers become accustomed to using these channels to research and buy products, they expect to be able to use the same channels to get queries resolved. For automotive brands this also includes the driver interface acting as a virtual assistant, which is an important way for customers to communicate with the brand for everything from arranging a service, to ordering spare parts or upgrading their vehicle's functionality.

But this ever-expanding suite of options has left many automotive companies with disjointed digital landscapes, and a myriad of different systems and platforms, often complicated by the different locations of OEMs, dealerships and customer service teams. For example, the average automotive customer expects a social media query to be responded to within 30 minutes. But the average time of response for automotive brands is actually over 12 hours.<sup>5</sup>

An omnichannel approach brings these systems – and, critically, their data – together. But it is not purely a technological solution. It is about optimising these

Figure 2. The importance of customer service



Source: Dimension Data, Accenture, NewVoice, American Express

channels for the goals of the business, which also means changing processes and ways of operating. As Sarah Latsch explains: "It's not just about the number of channels or better transitioning from one channel to the other. It's about the right channel at the right time." This means understanding the information that consumers require as well as their preferences for communication – whether it's text, email, phone or social – and having the capability to act on it.

## Creating a single customer view

### Quality of service

When it comes to delivering quality customer service, a single customer view

is extremely powerful. Automotive brands can connect with consumers on a far deeper level and provide a bespoke service based on in-depth knowledge of their preferences and values. This is critical in the contact centre, particularly in the premium end of the market where the challenge is to deliver a quality of service as personal and tactile as the in-person experience.

A single customer view provides service representatives with all of the data they need on a single platform – from demographics and buying behavior, to previous touchpoints and communications. With a complete, real-time picture of the customer, agents can respond more quickly and appropriately to queries and complaints. They can instantly know why the

customer has contacted the company and if they have a long relationship with the brand.

In addition, data is shared across every channel, from mobile apps to self-service chatbots. So no matter how a customer communicates, or who they talk to, they get the same personal treatment and a seamless resolution of issues: critically, without the need to repeat information. Indeed, studies show that customers quickly become frustrated if they have to explain their problems and issues multiple times to more than one representative.

As explained by Parham Saebi, Head of Client Relations – Private Sector CRM Solutions UK & Ireland, Arvato: "What omnichannel and the single customer view offer is an added layer of customer engagement, and the opportunity to transform the customer experience, adding value to both customers and the business."

It is estimated that in the premium automotive sector, customers have 25% more interactions during the buying journey, so carmakers should prepare more comprehensive ecosystems for these buyers.<sup>6</sup> Manufacturers are already innovating in this area, providing 3D immersive virtual showrooms and offering virtual-reality headsets where customers can actually examine cars up close and even open doors and look inside, all from the comfort of their home.

### Brand loyalty

A more personalised, simplified and fulfilling service helps to make customers feel unique and valued, growing brand loyalty. In turn, automotive brands can see improved customer retention, better conversion rates, and increased sales.

But that doesn't mean that brands have to constantly go the extra mile

Figure 3. How the purchase journey is changing



and 'delight' their customers. Research from Gartner shows that the main way that companies create loyalty with customers is by solving their problems quickly and easily.<sup>7</sup> This means removing obstacles and making the process as simple as possible for consumers. By providing better quality information to service agents, a single customer view can greatly increase the efficiency of the process, saving time for customers and making them feel more satisfied.

### From reactive to proactive

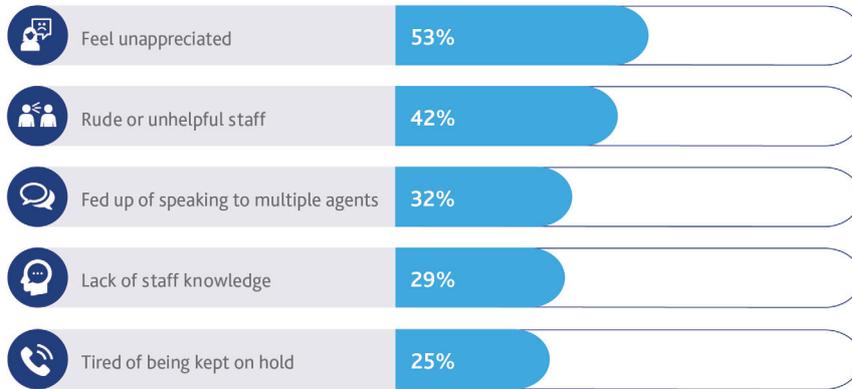
The single customer view also offers automotive brands a valuable opportunity to bridge the gap between reactive and proactive customer service. Combined with predictive analytics tools, a single view of the customer empowers contact centres to better anticipate demands, resolve issues

before they become a problem, and to reach proactively out to consumers.

Customers are used to companies acting in a proactive manner when it comes to online shopping. If automotive brands could offer a similar approach for service, by taking the initiative and updating customers on how their orders are progressing, it could yield major dividends. It is an opportunity to get one step ahead of their customers and to add a new dimension to the brand experience. For example, the MINI brand allows customers to see how their new car is progressing throughout manufacturing and when it will reach the dealership.

Alternatively, they could reach out to customers to offer targeted upsell opportunities. For instance, automotive companies that have developed

Figure 4. Main customer service issues that cause consumers to switch to competitors



% of respondents

Source: New Voice Media

integrated social media customer service capabilities have seen revenue per contact improve by 6.7% year-on-year through upselling, cross-selling and reduction in customer churn.<sup>8</sup>

Product development

Another benefit of having an integrated customer service strategy is that it

can link closely with research and development. Customer service agents are uniquely positioned to understand how products are being received by the market and what the main issues are. If this information can be organised and consolidated it can be used to improve and enhance products. One automotive company, for instance, launched a new automatic version of one of its most popular

models in the UK, based on the feedback received from its customer service team.

Building blocks and roadblocks

Companies need to be clear about what they want to achieve. This involves thinking carefully about the concept of customer experience, how this is changing due to the impact of technology, and how it can be magnified across every touchpoint.

Map systems and processes

When it comes to implementing a single view of the customer, the first step involves auditing and mapping the systems and processes that underpin customer service. This does not just include the technological systems that are used, but procedures and personnel as well. Once this has been done, areas for improvement and optimisation can be identified. In

Figure 5. Creating a single view of the customer

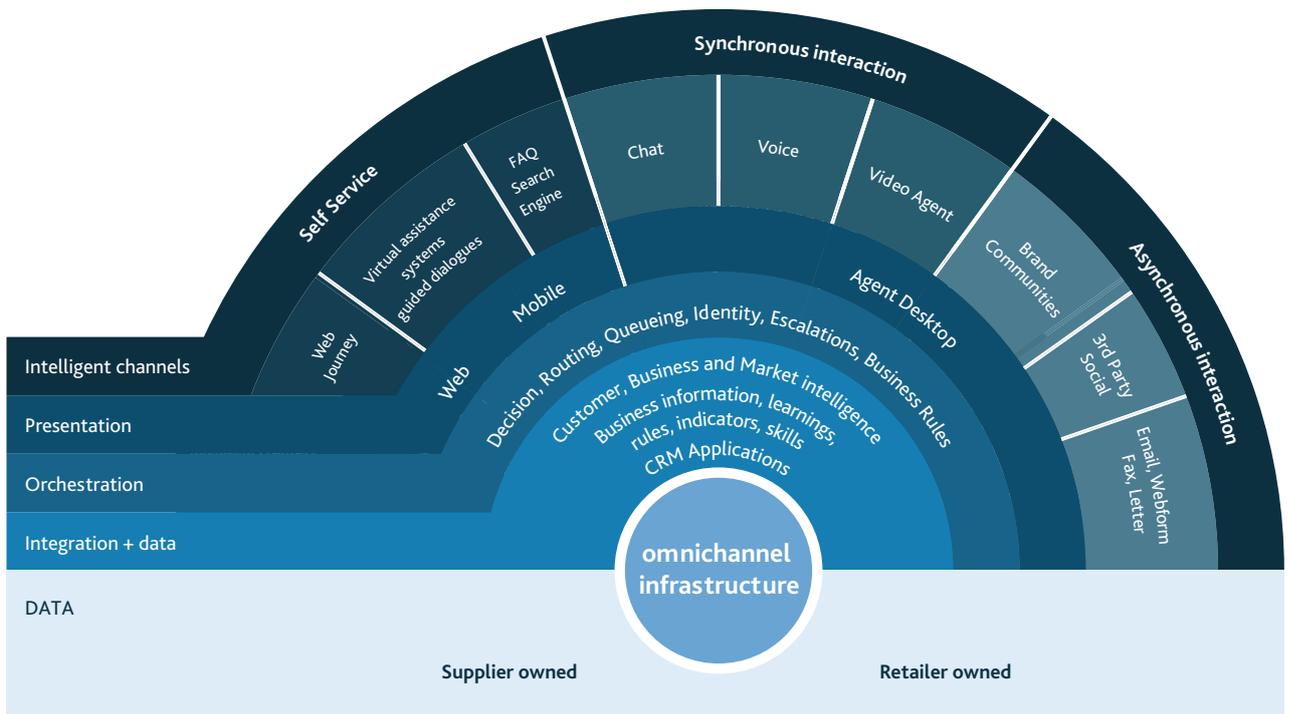


Figure 6. Common barriers to achieving a single customer view

	Barrier	Solution
1  <b>Technical</b>	Customer data is stored in incompatible databases across different departments	Use software to pull data from multiple silos and store in a single CRM.
2  <b>Structural</b>	Legacy systems may hold back attempts to modernise or add new cross-company functionalities.	Cloud-based solutions can mitigate some of the impacts of outdated architecture.
3  <b>Cultural</b>	Different teams may have set ways of operating and be resistant to change.	Extensive training to make sure best-practices are implemented across the organisation.
4  <b>Hierarchical</b>	There needs to be strong buy-in from senior management to drive digital transformation.	Create ROIs showing the benefit that improved customer service will have.
5  <b>Organisational</b>	Rapid growth can result in companies expanding in lopsided ways, with little centralised architecture.	Building flexible systems that allow future channels to be plugged in seamlessly.

essence, a true omnichannel approach involves taking a holistic view of the entire company.

### Integrate and organise data

Once the mapping stage is completed the next step is to consolidate all relevant customer data from across the organisation and integrate it in one easily accessible system. Typically, this information is stored in multiple and often incompatible silos spread across dealerships, OEMs, and different customer service teams, which can be a major obstacle to creating effective customer service processes. Technological tools can now be used to take this data from disparate databases, quickly and efficiently. It can then be accessed via a single customer relationship management (CRM) system. But, as data can often vary in quality and

format, it also has to be cleansed, analysed and organised – for example, removing any duplicate records.

Part of the process also involves reimagining the flow of data across the organisation and how information sources are changing. This could mean linking structured data, such as dealership information, with a rich resource of unstructured data found in customer reviews, Facebook posts, or tweets.

### Orchestrate information

When the data is available and ready to use, queueing, routing and decision processes can then be implemented. These rule sets allow the information to be made available in the right channel at the right time. As an example, this could be as part of a dashboard, which is accessed by a customer service agent fielding a call, or a chatbot being hosted on the company website.

The advice of an experienced service provider can help ease and accelerate this process. The most effective outsourcing partners will not only understand the data, they will also know a company's business inside and out, bringing industry knowledge, proven processes and best practices to the table.

### Training and capability

But technology is only half the story. Creating a single view of the customer also requires retraining people throughout the enterprise. This involves more than just helping people to use new technology but also developing best practices to improve customer service at every touch point. As Parham Saebi states: "An omnichannel approach is about utilising the best channels for the business goals. The people and processes are a vital part of this."

## From 'single customer view' to AI-powered solutions – the future of customer service

A single customer view brings automotive brands much closer to their customers, but it's how these companies use this consolidated source of information that will make the difference between good customer service and an exceptional experience. Technology is rapidly evolving and creating ever more possibilities. For example, predictive analytics and artificial intelligence (AI), underpinned by sophisticated algorithms, add another layer to the customer relationship, squeezing even more value out of data. Analysing both current and historical data, analytics tools can generate sophisticated insights – and foresights – into customer behavior and buying patterns. Coupled with in-car sensors, automotive companies could access a swathe of information, including everything from driving patterns, vehicle condition and media preferences to favorite driver locations. This could allow them to tailor personalised offers and experiences to customers.

In the contact centre, these AI-based systems can provide agents with recommended 'next best actions', helping them to optimise customer interactions. This could be tailored advice for the specific customer or on-the-spot recommendations for complementary products or services.

### The human touch

Analytics and AI also have a critical role to play in the increasing preference for self-service technology delivered through channels such as Facebook Messenger, WhatsApp or virtual assistants in cars. Often dubbed conversational commerce, this is not just about cutting costs. With routine tasks assigned to chatbots or other self-service tools, agents can concentrate on solving more complex issues and providing

more of the human touch that luxury customers so crave.

Machine learning in AI is driving ever greater advances in this area. Chatbots now have the potential to learn and improve continuously, answering an increasing number of customer queries across multiple channels in a fraction of a second. Systems are also being developed that can decipher accents and sentiment, and ask customers questions to get to the root of the problem. Imagine a situation where a driver is able to access a voice-activated virtual assistant through their in-car interface, which can do everything from booking a table at a restaurant to answering queries about the vehicle.

But to work effectively these automated bots have to be able to instantly access a swathe of detailed information about a customer, from how many times they have contacted the company to the likely purpose of their query. Such an approach is impossible until a consolidated view of all customer data has been created.

### Intelligent search

Another exciting area is intelligent search. When a customer is searching on a website or e-commerce store, the answers they receive will be based on their browsing history with intuitive predictions being made. As an example, if a customer has recently purchased a car it is likely they will be searching for vehicle information or complementary products. Again to achieve this requires significant data modelling for each customer, which is impossible if their information is locked away in unconnected silos.

## Conclusion

It's clear that technology offers enormous potential to add new value to the customer experience. But as with any business transformation, automotive companies need to keep the big picture in mind. The scope and goals of any project should be driven by

the needs of the business and its customers, not the technology. And it shouldn't overlook the key people and processes that are needed to make this transformation happen. The right outsourcing partner can help automotive brands maintain this enterprise-wide approach, as well as providing that all-important outside-in perspective and industry knowledge. For automotive brands that get it right, and can see – and treat – their customers as individuals, the rewards are limitless. With customers not just at the heart of the organisation, but transcending every part of it, companies can offer a true omnichannel experience and the customer service to match.

## Contributors

Sarah Latsch is the Vice-President Automotive, CRM Solutions Germany while Parham Saebi is the Head of Client Relations – Private Sector, CRM Solutions UK & Ireland. Other contributors include: Gordon Dalgleish, Head of ICT Solutions, CRM Solutions UK & Ireland and Sue Barnes, Bid Director, CRM Solutions UK & Ireland.

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## About Arvato CRM Solutions UK

Arvato CRM Solutions UK is a trusted partner to the private and public sectors, with expertise in delivering award-winning customer relationship management, business process outsourcing (BPO) and public sector and citizen services.

With more than 50 years of experience, we design and deliver innovative, individual solutions for some of the world's most respected consumer brands and UK public sector organisations. Driven by technology, differentiated by experience and powered by our people, we help our clients achieve their strategic objectives and delight their customers.

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