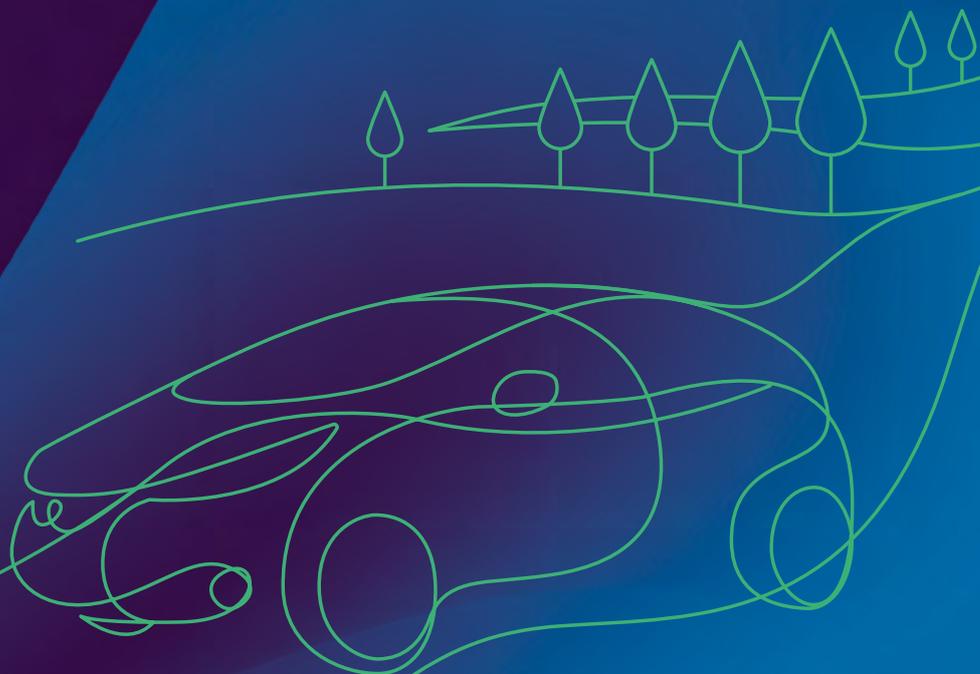


SUSTAINABLE MOBILITY

What do customers and car buyers experience today, and how can OEMs turn sustainability into a competitive advantage?



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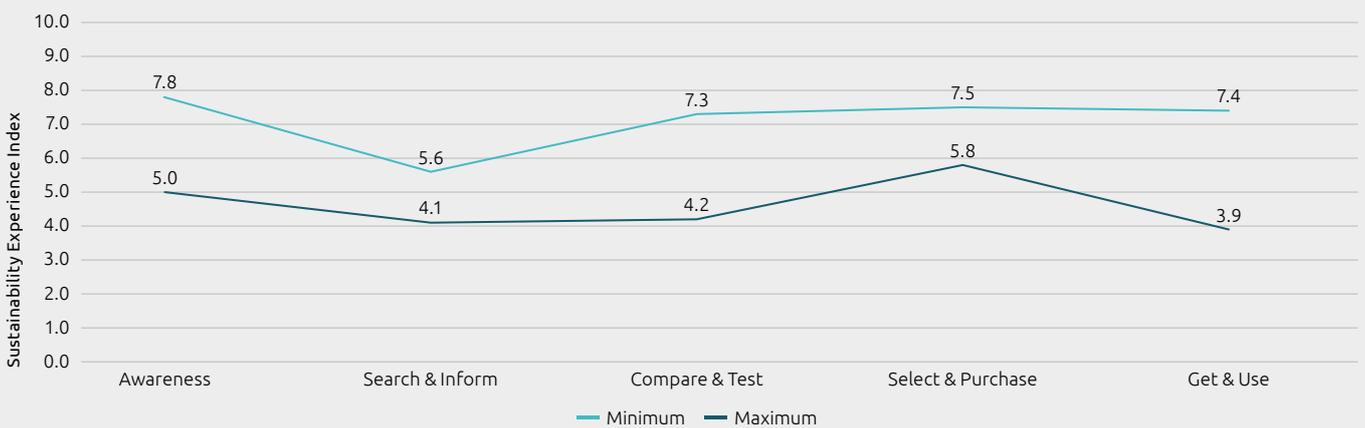
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EXECUTIVE SUMMARY

Electric mobility and digitalized sales models are lowering the entry barrier faced by new competitors in the automotive industry, while investors are increasing the pressure on companies to embrace sustainability as a core value. As a result, most traditional automakers have shifted over the past decade from a “wait and see” strategy to realizing that they need to be proactive about sustainability.

Recent quantitative and qualitative research by Capgemini Invent reveals what customers really experience along their journey towards owning and using an electric vehicle (EV). While there is some evidence of enthusiasm for sustainability, considerable variation emerges between brands and between phases of the journey, as shown in the figure below.

experienced by customers. To succeed, companies must embrace sustainability from the top down, starting with the Board. Sustainability has to become part of the corporate culture before it can be sold to customers.



Despite the fact that this requirement coincides with other essential transformation challenges, traditional manufacturers have made considerable progress in developing and launching more sustainable products.

However, succeeding with these products depends not just on the excellence of the products but also on the level of enthusiasm that they generate among customers – and this enthusiasm is determined as much by the process of buying and using a car as by the qualities of the product and the credibility of the automaker.

This variation suggests that there is plenty of improvement potential, while examples of excellent practice point to specific improvement opportunities. We recommend adopting a Sustainability Experience Management approach, which makes it possible to prioritize improvements in line with the customer’s perspective.

To date, automotive companies have been preoccupied with making their products more sustainable, but it is equally important to optimize the way cars – and the journey of choosing, purchasing, and using them – will be

INTRODUCTION: A NEW PERSPECTIVE ON A VITAL TOPIC

Sustainability is clearly a hot topic for the automotive industry, and one that has attracted considerable research. Even so, in our work with large automotive OEMs (Original Equipment Manufacturer), we have become aware of an aspect that is not so well understood: the consumer's perspective on automotive sustainability.

Consumer interest and willingness to pay for sustainable products such as food or clothing have been constantly on the rise in recent years.^{1,2} The same seems to be true of eco-friendly cars, with EV sales soaring in 2020. But it is not so clear whether this trend is driven by customer enthusiasm about sustainability, or is instead due to substantial government incentives.

We therefore decided to investigate what consumers really experience when they decide to buy a car, from initial awareness to the point when they have bought and are using the vehicle. We were particularly interested in the perspective of consumers who already have a high level of interest in sustainability, and whether the journey tapped into and increased their enthusiasm; an aspect that we refer to as the "excitement factor."

While we were able to draw extensively on our client work for this study, we also carried out original research, both quantitative and qualitative, during winter 2020. Our findings were compared and analyzed to discover how far the industry has succeeded in enthusing customers about

sustainability, and pinpoint where there is scope for improvement.

In this report, you can read more about the background to our research and about our method. We present our results and recommend ways OEMs can use the findings to start giving customers the consistent sustainability experience that they really want.

Please contact us if you would like to discuss any aspect of the research, or other aspects of automotive sustainability.

SUSTAINABILITY AS TRANSFORMATION DRIVER FOR THE AUTOMOTIVE INDUSTRY

Traditional car manufacturers are under pressure from multiple directions. Numerous countries and cities are planning to ban sales of conventional combustion engine vehicles, or exclude them from urban areas, as early as 2025.³ Existing players are having to make huge investments in transforming to address the latest industry trends, such as the increased "softwarization" of the vehicle, the creation of a unified operating architecture, and the further development and improvement of electric vehicles (EVs); new competitors are at an advantage because they have no legacy burden.

At the same time, financial investors are increasingly making necessary funding conditional on sustainability being a core element of a company's strategy, business model, and operations. This results in stagnating valuations for incumbents, while new brands such as Tesla and Nio seem to rise exponentially.

The fact that traditional car manufacturers are launching EVs – and planning to offer an increasing range of them – is a great achievement, especially during the pandemic. However, if these companies are to translate new product business

into adequate funding for upcoming transformation challenges and long-term success, one key stakeholder has to feel enthusiastic, and that is the customer.

Customer sustainability experience will be a key determinant of this enthusiasm. That's why in this study we investigate what customers value, what they are experiencing today, and what issues car manufacturers should address to provide a competitive sustainability experience for their customers.

¹ bit.ly/statista_com

² bit.ly/the_conversation_com

³ bit.ly/the_climatecenter_pdf

SUSTAINABILITY – A FAMILIAR TOPIC TAKING ON NEW IMPORTANCE

Sustainability, or meeting present needs without compromising those of future generations, has been a growing focus since the 1960s, when it became obvious that economic development was causing environmental damage. In 2015, this concern was formalized when the UN defined its 17 Sustainable Development Goals (SDGs)^{4,5} covering the five principles of people, planet, prosperity, peace, and partnership and intended to be achieved by 2030.

In a business context, the topic of sustainability has been on the agenda of leading companies for more than 25 years. Reporting on sustainability has become standard practice for more than 90% of Fortune Global 250 companies today.

Given an increase of public interest plus rising pressure from investors, lawmakers, and regulators, sustainability has been taking on a new importance in the business context over the past few years. An increasing number of companies such as Adidas and Ikea are putting sustainability at the core of their brands with the intention of creating new paths to innovation, customer loyalty, and long-term growth.^{6,7}

For the automotive industry, the main sustainability challenges over the past decades have been safety, fuel economy, and emissions. It seems that most automakers have been following a “wait and see” strategy, which implies being aware of applicable regulations and adapting products and processes accordingly – but only as much and as early as necessary.

New players such as Tesla or Polestar have successfully started businesses with sustainability as a core brand value, underpinned by a product portfolio consisting entirely of battery electric vehicles (BEVs), and combined with a proprietary charging infrastructure (Tesla).

Most traditional car manufacturers have also started to address these challenges. The majority of these companies have not only included sustainability in their corporate strategies but also initiated an internal dialogue as to how sustainability should shape the overall company strategy. The increasing importance of sustainability in the automotive industry is underlined by recent Capgemini research, described in our 2020 report, *The automotive industry in the era of sustainability*.⁸ This research found that 62% of automotive organizations claim to have developed a comprehensive sustainability strategy with well-defined goals and targets.

But what is the current state of the automotive industry when it comes to implementing those sustainability ambitions? Capgemini’s report reveals two main issues. Firstly, deployment of sustainability is still far from complete. Over the next five years, the industry needs to invest an estimated \$50 billion to meet automakers’ sustainability targets, over and above their ongoing and planned investment in EVs, autonomous vehicles, and digital mobility services. Secondly, it shows that customer-related topics such as activities related to sales, marketing, and aftersales (ranked 10th) are not among companies’ top five priorities.

In the following sections, we examine how far the actual customer experience with sustainable individual mobility meets customers’ preferences and expectations, and where brands differ in their actions, communications, and consultation skills, as well as in the product and service experiences they offer. We then explain how car manufacturers should address their customers to provide a competitive sustainability experience.

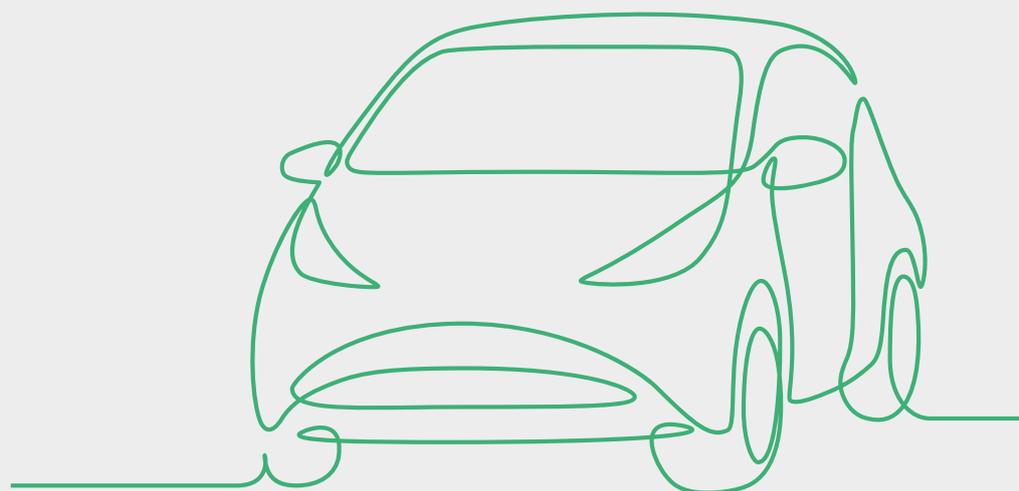
⁴ “Transforming our world: the 2030 Agenda for Sustainable Development”, Resolution adopted by the General Assembly on 25 September 2015 bit.ly/Transforming_our_world

⁵ sdgs.un.org/goals

⁶ bit.ly/Adidas_General_Approach

⁷ bit.ly/IKEA_Sustainability

⁸ “The Automotive Industry in the Era of Sustainability”, Capgemini Research Institute, 2020 http://bit.ly/The_Automotive_Industry



STUDY APPROACH: THE SUSTAINABILITY EXPERIENCE INDEX

Our research was twofold. First, we set out to understand from car owners how important sustainability is for them when buying a new car, what they expect during the process, and what role digital tools and services can play in supporting them. To achieve this, we conducted a quantitative study, an online survey of more than 1,500 current or former owners of cars from Audi, BMW, Mercedes, Tesla, or VW in Germany, the UK, and the US.

The second part of the study aimed to gain an understanding of how each step of the customer journey is experienced by those customers for whom sustainability is important. Here the research was qualitative: The data was gathered through comparative research on information published by automotive OEMs and a mystery shopping campaign conducted at 20 dealerships in Germany during August 2020, covering all five brands mentioned above.

In order to compare the results not only between the different brands but also between the five customer journey phases, we defined a "Sustainability Experience Index (SEI)", which was used to rate customer experience at each phase of the customer journey on a scale of 0 to 10 points. Please see the panel below for more details of the SEI calculation.

Calculating the Capgemini Invent Sustainability Experience Index (SEI)

The customer journey summarizes customers' experiences with a brand across all relevant interaction points, from the first interaction to usage and ideally re-purchase. The journey as defined for the purposes of our study contains the five phases shown in Figure 1: Awareness, Search & Inform, Compare & Test, Select & Purchase, and Get & Use. (The Repurchase phase was not considered separately here as it largely duplicates earlier phases for the purposes of this study.)

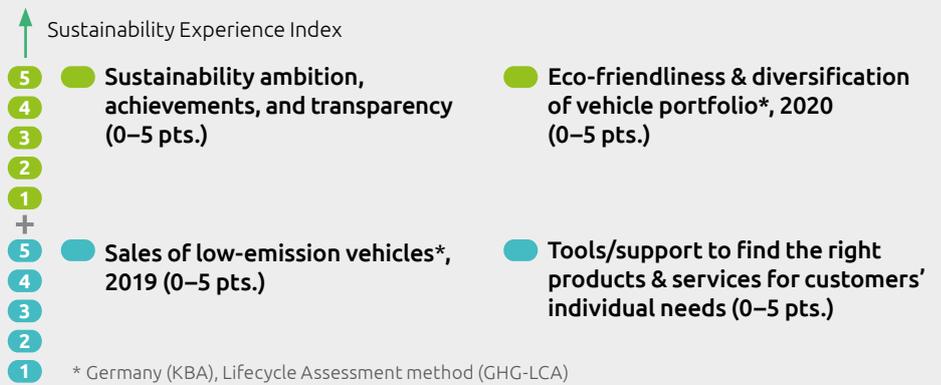


Figure 1 | Scoring criteria for Capgemini Invent Sustainability Experience Index per phase

Along the journey, interaction takes place via a variety of channels and touch points: website, social media, personal contact, phone, email, chat, and others.

An SEI has been awarded for each of the five customer journey phases. To determine the SEI, two quantifiable criteria were defined for each phase to approximate important determinants of a positive customer experience.

Each of the criteria generates a score between 0 and 5 – i.e. 10 points per phase is the maximum. This method makes it possible to identify pitfalls and common challenges and derive best practices.

In awarding scores for each brand and phase, our experts considered questions such as:

- Does the brand offer and promote a broad portfolio of sustainable products and does it communicate in an individually helpful and transparent manner across all relevant channels?
- Are there comprehensive combinations of products and services that meet customers' individual needs? How easy is it to experience these solutions in order to select the best combination?
- How seamlessly can customers switch from a traditional combustion engine vehicle to the world of electric mobility? What support and incentives are offered?



3. Compare & Test



4. Select & Purchase



5. Get & Use

- Availability & quality of relevant product and services information (0–5 pts.)

- Completeness of offering (esp. EV) (0–5 pts.)

- Support with transition to EV ownership (0–5 pts.)

- Ease of test-driving vehicles, charging services, mobile apps & services (0–5 pts.)

- Simplicity of configuration, order process, and purchase process (0–5 pts.)

- Leveraging digital technology to support and incentivize the driver for low-emission usage (0–5 pts.)

Customer journey phases

In the **Awareness phase**, we analyze the sustainability ambition, the transparency of sustainability goal achievements, and sales of low-emission vehicles for each car manufacturer. A car manufacturer can receive a maximum of 5 points for having a comprehensive corporate sustainability program and communicating it to all relevant stakeholders. In addition, car manufacturers receive the maximum number of points for the lowest greenhouse gas equivalent emissions of vehicles sold in 2019 (average per vehicle, calculated using the Greenhouse Gas – Life Cycle Assessment or GHG-LCA method⁹).

In the **Search & Inform phase**, we analyze the eco-friendliness of the vehicle portfolio using the GHG-LCA method. We also evaluate the diversification of low-emission vehicles across vehicle classes (EU standard classes A-J). We assign up to 5 points

for the brand with the lowest-emission product portfolio and up to 5 points for the brand that offers the lowest-emission vehicles in all nine vehicle classes.

In the **Compare & Test phase**, we examine the availability and quality of relevant product and service information, as well as how easy it is to test vehicles, charging services, and mobile apps and services. A brand that offers comprehensive tools and correct information to find the best products for the customers' individual needs can score up to 5 points. In addition, up to 5 points are awarded if the customer can easily experience and test low-emission products and digital services.

In the **Select & Purchase phase**, we investigate the completeness of the offering (e.g. charging infrastructure coverage, charging tariffs, integration with home energy system) and simplicity of configuration, order

process, and purchase process. The brand that offers the most comprehensive portfolio of physical and digital product, services, and infrastructure access receives up to 5 points. The brand with the lowest barriers to selecting, configuring, and purchasing all relevant products and services, can receive a further 5 points.

Finally, in the **Get & Use phase**, we analyze the support offered to the customer when preparing for EV ownership (e.g. wallbox installation, government benefits). Also, we assess how the OEM leverages digital technology to support and incentivize the driver for low-emission usage. We assign up to 5 points to brands that offer comprehensive support to prepare for ownership/usage of sustainable products and services, and up to 5 points for brands that best leverage digital technologies to support sustainable ownership/usage.

⁹ bit.ly/adac_de

THE CUSTOMER JOURNEY FROM AWARENESS TO SUSTAINABLE CAR USAGE

Awareness: Get the customer's attention with clear, consistent communication on sustainability

In the awareness phase, the customer is becoming increasingly interested in sustainable products and services, and, even more importantly, in the attractiveness and credibility of the brand with respect to sustainability. The levels of enthusiasm and trust built at this point motivate the customer to gather more information in the following phases.

The online survey results confirm that sustainability has become a decisive factor in the purchase of a new vehicle. Sixty-nine percent of participants state that product sustainability is important for their purchase decision (average across Germany, the UK, and the US), with the highest proportion, 73%, found in the US.

Thirty-four percent of participants would go so far as to change from their preferred brand to a different brand due to product sustainability or sustainability-related company activities, with the highest proportion in Germany (37%) and the lowest in the US (31%). When asked which is the leading brand with respect to sustainability, 34% on average name Tesla, while other OEMs rank significantly behind.

Our research shows that almost all OEMs have committed to goals such as carbon neutral manufacturing by 2050 at the latest, reduction of CO₂ emissions across the entire vehicle fleet, or improved consumption and reuse of resources. Audi, for instance, has set the goal of CO₂-neutral production by 2025 within

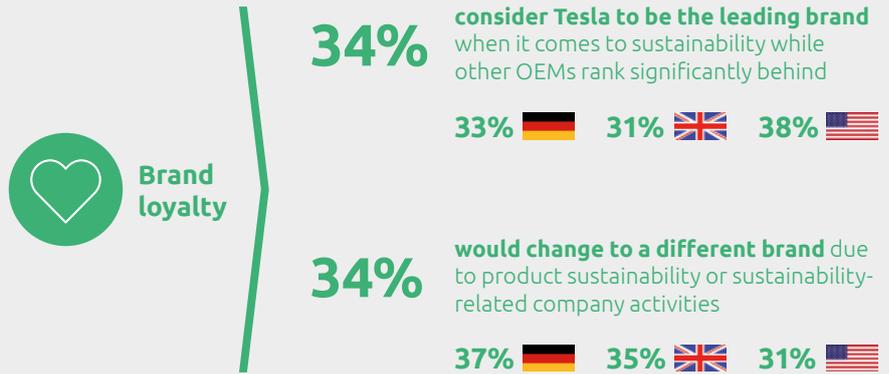


Figure 2 | Survey results on brand loyalty

its Mission:Zero, while Mercedes plans to reach 50% electrification of the fleet by 2030. BMW is working towards a 34% reduction per vehicle of water and energy use and of waste generation by 2030.¹⁰

While the German OEMs' sustainability goals and action plans are comprehensive, and are transparently stated in their official reports, their communications across online channels (websites and social media) are not always consistent in terms of sustainable brand positioning. Especially for premium brands that still differentiate themselves by vehicle size and engine power, bringing the two sets of messages together seems to remain a challenge.

As a result, it is Tesla that achieves the highest SEI score of 7.8 for this phase, reflecting its brand positioning, emphasis on sustainability, and the fact that its fleet, as sold in 2019, had the lowest lifecycle greenhouse gas emissions. The other four OEMs considered are close together, all scoring between 5.0 and 6.0 points.

Search & Inform: Provide the customer with relevant information

Having engaged with one or more brands in the awareness phase, in the Search & Inform phase the customer looks for more specific information and guidance about sustainable offerings. Brand promises from the first phase may be examined in more detail at this stage of the journey to find out how they are reflected in the eco-friendliness and diversification of the vehicle portfolio.

The other important question to be answered during this phase is which sustainable solution best fits the customer's personal needs and behavior. With the variety of new options, this is not an easy decision to make. Even though electric cars have been on our streets for a few years now, technology develops quickly, and consumers have many choices to make. Questions they might ask include: "Is an electric car the right option, or would a plug-in hybrid electric vehicle (PHEV) or a low-emission combustion engine

¹⁰bit.ly/Audi_Nachhaltigkeitsbericht_2019, bit.ly/Daimler_Nachhaltigkeitsbericht_2019 bit.ly/BMW_Sustainable_Value_Report_2019 bit.ly/BMW_Sustainable_Solutions_CO2_Reductions bit.ly/BMW_Nachhaltigkeit_Ressourcenschonung

vehicle be the better fit for my habits and needs?" "What compromises do I have to make?" and "Which vehicle characteristics are most important for me?"

Customers would welcome guidance in better understanding their own habits and needs, and which criteria to prioritize, as our online survey shows. Two-thirds of participants want help in choosing the most suitable vehicle, finding the best-fitting brand, selecting the optimal configuration, and using the car in the most sustainable way.

Compare & test: Support the customer in finding the right product

The Compare & Test phase is about narrowing down the various product and service options by applying criteria that were identified as important to the individual customer in the previous phase.

Availability of relevant information and the ability to access it in a structured, accurate, and easy-to-understand manner are key success factors for a positive customer experience. For instance, it should be easy to find accurate comparisons between options on the basis of GHG emissions over lifecycle, the amount of recycled materials used in production, or the practice regarding battery recycling. Mobile and other online tools play an important role in building enthusiasm for sustainability in this phase, as does concise information on the procedure for claiming government incentives.

At this point in the journey, additional complexity arises from the fact that online search and contact often switches to personal contact at a dealership.

66% would like more guidance when looking for information regarding sustainability and their individual needs

69%  66%  63% 

Figure 3 | Survey results on vehicle purchase preferences

There is a risk of information getting lost or reality falling short of expectations because the dealer is unaware of online activities such as searches and use of the car configurator. But the phase also offers the opportunity to surprise a customer by having the test car instantly ready for an extended test-drive, including a trial high-power charging session. That test-drive can cover functionality, usability, and vehicle interoperability of mobile apps provided by the manufacturer.

Our online survey shows that 57% of participants (61% in Germany) would appreciate enhanced mobility offers, such as options for car or bike sharing, leasing of micro-mobility vehicles, or even integration with public transport. Sixty-three percent want more support from manufacturers and dealers in configuring the best individual package of product plus related services.

The OEM-focused research for this phase reveals that neither searches of online configurators nor personal consultations with salespeople can provide all relevant information. Quite often, sales staff present incorrect information or are unable to answer some questions. Mystery shopping experience in this respect has been best at BMW and Mercedes dealerships, with their "product geniuses" and "product experts."

Sales staff in Tesla showrooms are also familiar with most of the questions that customers ask about e-mobility and sustainability.

Test-drives can be booked online and are offered at all dealerships. However, the desired vehicle version is not always available instantly or even within two days. Mercedes scores 3.8 out of 5 points for testing due to the option of a 6-month trial of the new EQC battery-electric model. Tesla scores highest on the test aspect (4.0 out of 5 points) due to the simplicity and proactiveness with which test-drives are offered and arranged.

Overall, the SEI in the Compare & Test phase reaches a maximum of 7.3 points: almost 2 points higher than the previous (Search & Inform) phase. However, variation across brands and dealerships is significant, which means that worthwhile improvements could be made through targeted actions. Improvement checkpoints should include the provision of information and dealer enablement and training, as well as availability of, and ease of access to, hands-on experience with electric mobility.

Select & purchase:
 Make sure it's easy to configure and simple to buy

The Select & Purchase phase begins after the customer has identified at least one option that not only fulfills all their material needs but also meets more emotional needs by creating perceptions of reliability, value, and so on. It is here that final decisions about products, services, and financial aspects are taken. The value and completeness of the final offer package and the simplicity of configuration, order, and purchase processes are important success factors in this phase.

Questions regarding the completeness of the offering mainly arise from complexities around e-mobility, and typically include the following: "Do public charge points near my home provide sufficient coverage, or do I need to install a wallbox at home?" "Who will help with installation, and how can I make sure I use green energy?" "Is the car configuration and purchase process simple, or at least self-explanatory?" "Can I get knowledgeable online support, maybe leveraging virtual reality tools?" "Do I get instant system responses, and can I switch platforms during the process, including transitioning between online/mobile channels to personal contact with a salesperson or a contact center agent?"

Our online survey shows that 63% of participants want more support from OEMs and dealers when configuring a car that they are about to purchase, to help them choose the best sustainability options, such as the best battery size for individual commuting habits. Support via the OEM website or social media channels is preferred by 38% of participants, while a similar proportion (39%) prefer support at the dealership; 32% prefer email, chat, or telephone support.

At 7.5 out of 10, the top SEI score in this phase is slightly higher than that of the previous phase. This top score goes to Tesla, while two premium OEMs follow closely with 7.0 and 7.2 points. While Tesla scores equally highly for completeness of offering and process simplicity, our two criteria for this phase, the other brands all score higher for process simplicity.

The main improvement opportunities we have identified for OEMs in this phase are integrating mobile app functionality and experience both into the product itself and also into customers' interactions with the car and brand – for example, managing the charging process, finding support information, or getting in contact with a customer car agent when issues or problems arise. Other aspects worth addressing are the service options offered regarding charging from green sources, and more flexible models for ownership and financing.

Get & use:
 Prepare for e-Mobility and make sustainable usage desirable

After the purchase contract is signed, the customer must usually wait for delivery – often for many months, and sometimes even for more than a year. For this phase, we have analyzed what the customer experiences during the period until the vehicle has been delivered and is ready to use. We have also explored how actively sustainable ownership is supported by the OEM and its partners. This support might, for example, take the form of offering digital tools to help minimize driving emissions, providing transparency on eco-impact, or actively incentivizing eco-friendly vehicle use. Incentive models leveraging third parties such as insurance companies or charging providers are also considered in our analysis.

According to our online survey, 83% of respondents expect car manufacturers to better leverage digital technologies to support sustainable driving. The most popular option is intelligent, navigation-based vehicle functionality to automatically adapt power mode and consumption to driving needs, followed by bonus schemes for sustainable driving evidenced by vehicle usage data. Third-party incentives based on car data would be appreciated by 25% of participants.

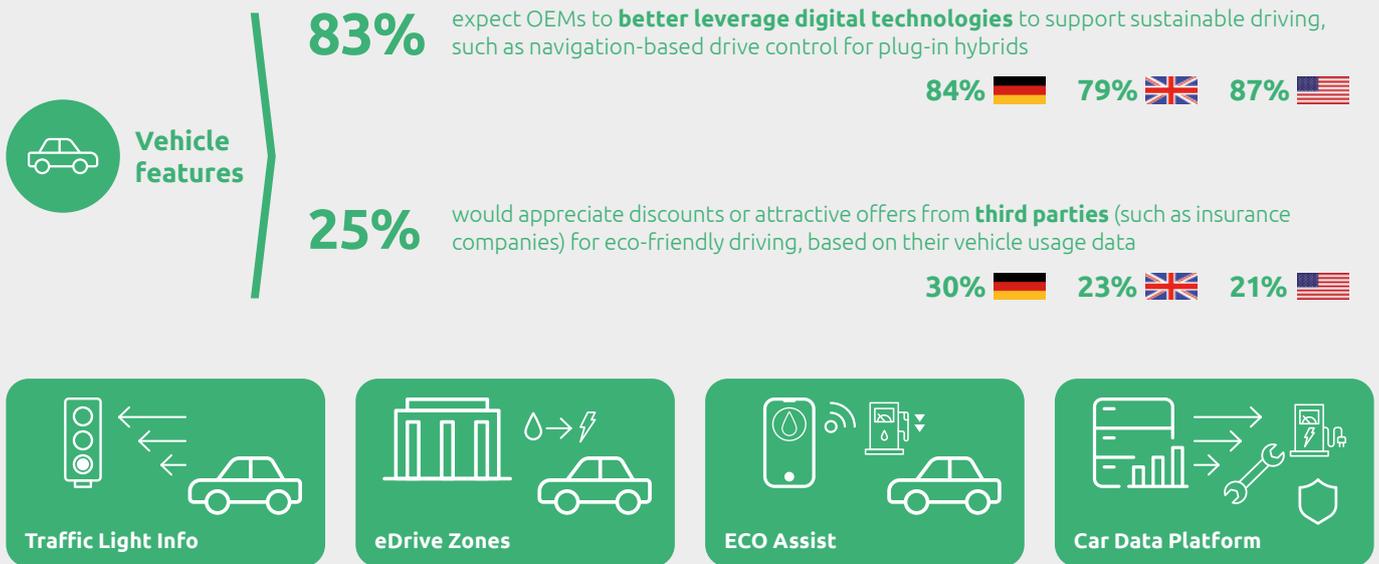


Figure 4 | Survey results on digital technologies and data usage

In the OEM-focused part of the study for this phase, the first of our criteria is about getting support during the waiting time in terms of wallbox installation, signing up for government incentives, or just transparency on the delivery process. Here, all five OEMs' SEI scores are comparable, ranging between 3.4 and 3.8 points out of 5.

Our other criterion for this phase is about leveraging digital technologies to support sustainable usage/ownership. At the time of the study, few OEMs seem to have been actively incentivizing sustainable usage. BMW scores highest (4.0 out of 5 points) due to its eDrive Zones function and the BMW Points program. BMW Points can be gained by a vehicle owner operating a PHEV in electric mode, and can be used to pay for BMW's charging service; further options for earning and redeeming points appear to be in preparation.

The second-highest score (3.0 points) goes to Tesla because of helpful and easy-to-access energy consumption statistics and a well-designed and intuitive mobile app. This app also makes interaction with Tesla's service organization easy and convenient. Most other OEMs, by contrast, seem to conduct most of their aftersales business using traditional communication channels.

In this Get & Use phase, the maximum SEI score is 7.4 points, achieved by BMW due to strong support during the delivery phase and high-scoring initiatives regarding digital tools, connected services, and incentives for sustainable usage.

The greatest opportunity for improvement in this phase seems to lie in leveraging digital services better, both within the vehicle and via mobile apps. The integration of vehicle data (e.g. service intervals, navigation, drive mode) into the overall offer, user interaction via in-car systems and interfaces, and mobile app functionality – these three topics together appear to offer the route to an outstanding and exciting customer sustainability experience.

SUSTAINABILITY EXPERIENCE IS STARTING TO BECOME AN EXCITEMENT FACTOR

In this study, we set out to determine to what extent automotive OEMs are not just putting sustainability on their strategic agendas, but also succeeding in transforming sustainability-driven customer experience into an excitement factor.

As Figure 5 shows, the SEI varies between 5.6 and 7.8 along the various phases of the customer journey. This pattern shows that none of the car brands we evaluated currently provides a consistently convincing customer sustainability experience. In particular, the drop in SEI from

the Awareness (7.8) to the Search & Inform phase (5.6) is significant. Also, the spread between the best and the lowest score brand, which is largest in the Get & Use phase, shows that some brands are still significantly behind in terms of customer sustainability experience.

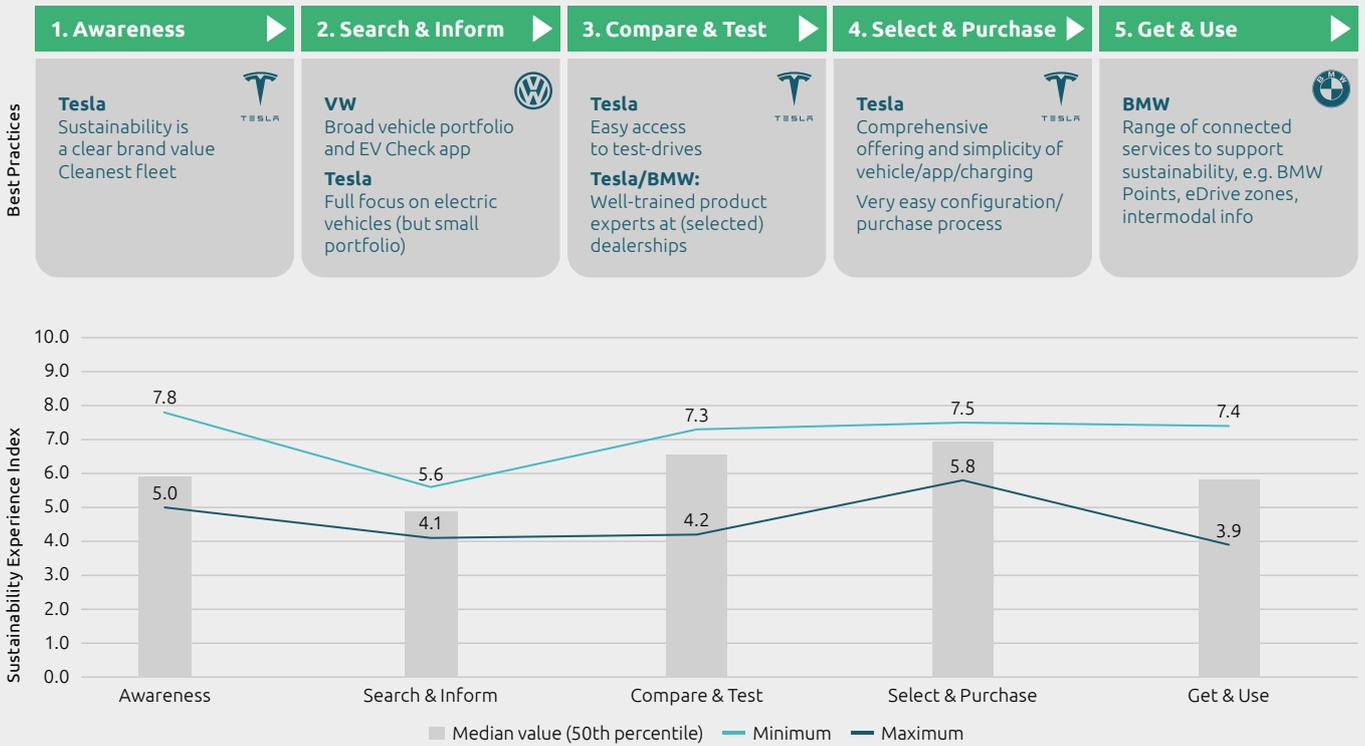


Figure 5 | Sustainability Experience Index along the customer journey

Several promising opportunities for improvement emerge from our investigation:

- Sustainability should become a clearly formulated and communicated corporate objective, from which consistent actions are derived; these actions must again be communicated, and their effectiveness measured. With their total focus on selling emission-free vehicles, Tesla and other new OEMs such as Polestar or Nio follow that principle.
- A wide range of sustainable products and services should be made available for all target groups within the company's own customer base, and the company should also develop the ability to easily match individual mobility needs with available offerings. This is where mobile apps come in. Such apps have already been well implemented by VW and Mercedes, but all companies still have the potential to leverage them as a bi-directional channel to the customer throughout the entire customer journey.
- The sales organization should be provided with appropriate material (e.g. product and support information and FAQs), and with sales training for EVs and related services such as charging. This will equip it to proactively address the sustainability needs and concerns of potential customers and help them to gain positive, hands-on experience of electric mobility. BMW, Mercedes, and Tesla are showing how this can work by deploying comprehensively trained sales consultants and, in the case of Tesla, providing particularly easy access to EV test-drives.
- Simplified configurators and offers can be provided and can integrate all relevant aspects of electromobility, such as charging with green energy. Here, too, Tesla is ahead with a simplified configurator and a lean, online-driven sales model, while established OEMs such as VW are also catching up with new agency models or predefined configurations.
- In the Get & Use phase, customers can be provided with digital support in many areas of sustainable vehicle use, be it navigation-based efficient drive control for PHEVs, automatically detected low-emission zones, or a bonus point system that rewards sustainable use with monetary benefits and at the same time increases customer loyalty. BMW is setting an example here with its eDrive Zones and BMW Points.

CAPGEMINI INVENT RECOMMENDATIONS

Automotive OEMs need to address sustainability from two perspectives

Together, these individual best practices can deliver an outstanding customer sustainability experience. How should they be implemented?

Two perspectives must be adopted here: that of the customer, who interacts with the company and its offerings through many contact points and phases, and that of the company, whose employees, processes, systems, and not least products and services shape the customer's experience.

From both perspectives, the measures to be taken must be considered, prioritized, designed, and measured in terms of their impact, using a holistic approach. For instance, if consistency of the customer experience is the decisive factor, it may be best to divert budget and resource away from smaller initiatives – however excellent – and towards closing gaps that reduce consistency.

Figure 6 shows Capgemini Invent's concept of an integrated Sustainability Experience Management (SEM) approach. This approach focuses on the customer perspective in order to

help OEMs identify and prioritize the actions they need to take. It addresses four types of experience that are relevant for products and services, and in each case helps companies combine physical and digital elements along different customer touchpoints and across different interaction channels.

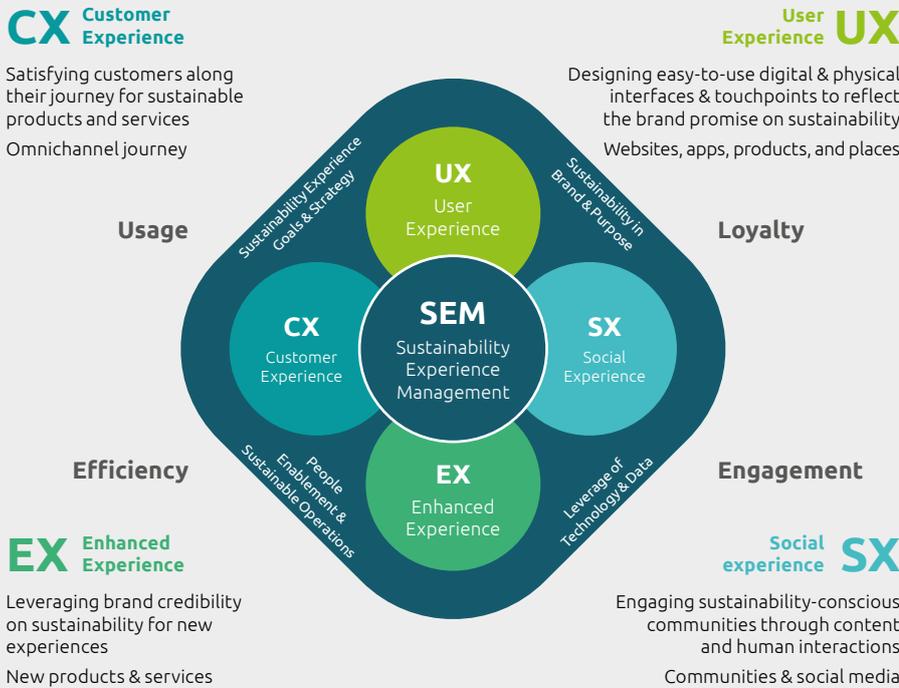


Figure 6 | Sustainability Experience Management Framework

The four types of experiences that SEM addresses are:

- Customer Experience (CX), where the focus is on achieving high customer satisfaction along the whole customer journey, in a consistent manner across all channels
- User Experience (UX), which is about the design and usability not just of physical components such as products and places, but also of digital components such as websites and apps
- Social Experience (SX), which relates to human interactions and content provided via social media, communities, or events
- Enhanced Experience (EX), where companies can leverage their brand's credibility regarding sustainability when introducing new products or services

Holistically applied, SEM brings the potential to drive four main business success factors: product and service usage, customer loyalty, customer engagement, and overall efficiency.

To succeed, SEM requires a strong foundation at the corporate level in addition to the customer perspective. Engagement with sustainability needs to start at Board level. This senior support anchors sustainability in both the company's purpose and its top-level strategy.

Sustainability must then become an intrinsic principle of the operating model for all client-related activities. It should inform governance structures, the organization's overall structure and processes, and the culture of collaboration, both internally and within the ecosystem of partners and suppliers. Corporate sustainability goals need to be subdivided across all leadership levels. These goals

should be made measurable in a way that allows identification of each relevant role, and provides guidance for continuous improvement and adaptation.

Now is the time to get ready for sustainability

The automotive industry is about to enter an era shaped by responsibility and sustainability.¹¹ The only option that is closed to automakers is to take no action. Generating customer excitement and enthusiasm about sustainable offerings, and excelling in providing those offerings, will represent the new battlefield for automotive OEMs.

Customers are demanding sustainable products and services from credible brands. Our research shows that they are even willing to pay a price premium for sustainability, but only if a consistently sustainable customer journey is offered. That consistency is not there yet, and certainly represents an area for improvement.

What, exactly, are customers willing to pay for? That question probably cannot be answered in terms of individual features, functions, or facts on a data sheet. The most important step is to build corporate assets such as a centrally steered SEM function, plus consistent corporate governance and culture around sustainability. Also vital is the ability to identify sustainability needs using all the available data, and to meet those needs effectively. These assets and abilities will create a positive return on investment, but, more importantly, they will equip the industry's front runners to create the sustainable future that we all want.

Please contact us for more information about Capgemini Invent's Sustainability Experience Management framework, or to discuss any of the points raised by our study.

¹¹ bit.ly/New_Balance_Automotive_Industry



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Sustainable mobility is part of Capgemini's **Smart Mobility Connect** offering. It empowers OEMs to create the mobility ecosystem of the future designed with people at heart. We bring the mobility ecosystem of the future to life through a host of products and services within three core pillars: Connected Customer, Connected Services and Products as well as Connected Ecosystem. The technological framework that helps us deliver on our approach, the Customer Engine, connects these pillars and integrates intelligence into different stages of the journey.

Find out more: www.capgemini.com/invent/smart-mobility-connect

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