



Untapped value – rethinking customer service in the automotive industry

Cars Online Trend Study, April 2018



Table of Contents

Executive summary	4
Introduction – customer service is more critical than ever	5
State-of-the-art customer service is both a challenge and an opportunity	6
From customer service to active dialogue management	7
Findings – the voice of the customer	8
Good customer service: differences and similarities across markets	10
The difference between omnichannel and “opti-channel” is the right channel mix	11
Personalized, proactive communication: what’s acceptable?	12
Sharing data: what customers permit and what do they want in return	13
The price of customer data is transparency	14
Implications – the road to transforming customer service	15
Making the most of a strategic asset	15
Our framework: the Capgemini Customer Service Diamond	16
The human touch: Change must be managed	20



Executive Summary



“Today, customer service is often reactive, triggered by customer requests. In the future, we will see more active, intelligent, digital and personalized methods through multimedia channels across the whole customer journey.”

Senior Manager Customer Service Center, Global OEM, China

Customer service in the automotive industry has evolved rapidly, but has not kept pace with customers' changing expectations, or with digitization of the product mix. Yet customer service is a crucial aspect of customer experience, and as such can strongly influence customer loyalty and hence profitability. Establishing a personalized, individual dialogue with each customer promotes the right customer experience.

This Cars Online Trend Study reveals specific needs and expectations on the part of customers that OEMs and dealers must address as they modernize customer service. Specifically:

- Customers expect a fast response, but also a high quality of customer service
- Customers want to get in touch with automotive companies over a choice of channels
- Customers may appreciate being contacted proactively for customer services purposes, but only with the right message at the right time
- Customers are willing to share their personal data in return for a better customer service experience, but expect transparency on what the data is used for
- Customer expectations and preferences vary significantly between markets

Based on our findings, we propose a framework to help OEMs and dealers establish effective customer dialogue management, which will enable them to meet growing customer expectations and leverage customer service as a driver for a valuable customer experience.

About the study:

Building on Capgemini's Cars Online 2017 study, which surveyed more than 8,000 respondents, this 2018 trend study explores customers' experience and expectations of automotive customer service. It considers current levels of satisfaction, along with preferences about how customer service should develop in future. Other topics include the services customers expect from OEMs, what trends will influence customer service in the next years, how OEMs can differentiate through good customer service (taking account of digitalization), and which new technologies will enable the necessary business change.

Methodology:

We conducted an initial study in Germany, producing interesting results that encouraged us to extend the scope to the USA and China as representatives of different cultural areas and being among the largest automotive markets globally. An online survey took place in December 2017, gathering responses from 838 people in the USA, China and Germany. In addition to this online research, expert interviews with executives from car manufacturers were held in December 2017 and January 2018. Experts' experience from Capgemini customer service strategy projects is also incorporated into our conclusions.

Introduction – customer service is more critical than ever

Customer service is crucial to customer experience and potentially the bottom line

Earlier Cars Online research¹, and our project experience, alerted us to the fact that customer service is a topic that no automotive player can afford to ignore. More than 50% of customers in the USA said they would change dealers after experiencing poor customer service while in the interest phase of buying a car. This finding may reflect dealerships' domination of the USA's automotive sector, where they are usually the primary point of contact, in contrast with markets where OEMs interact more directly with customers. Even more strikingly, almost half of the Chinese respondents would change automotive brands in response to poor customer service.

Figure 1: Reaction to bad customer service

What will you do if you experience bad customer service from a car dealer or manufacturer?



Source: Capgemini: "Cars Online 2017 – Beyond the Car"

Importantly, customers can't be relied on to complain about poor service. The data shown in figure 1 reveals that less than a third of respondents overall would respond to poor service by contacting the dealer or manufacturer again.

Clearly, customer service is a key part of the customer experience. Other Capgemini research reinforces the importance of managing customer experience effectively. In March 2017, the Capgemini Digital Transformation Institute published a study called "The Disconnected Customer: What Digital Customer Experience Leaders Teach us about Reconnecting with Customers". This revealed that, when customers get a positive shopping and service experience, 61% of them are willing to spend more money – perhaps as much as 24% more.

Putting these observations together shows that providing good customer service could well have a direct impact on sales and profitability. As such, it deserves more emphasis than some automotive companies have given it to date (often treating it as just another cost center). Its effect on the bottom line could be as important as that of product quality.

It deserves more emphasis than some automotive companies have given it to date (often treating it as just another cost center). Its effect on the bottom line could be as important as that of product quality.

1 Capgemini: "Cars Online 2017 – Beyond the Car"



“Customer service has been treated as a necessary evil long enough, especially in our industry. I think most players in the market have understood the strategic value of excellence in customer service and its impact on the overall customer experience and loyalty.”

CRM Manager,
Global Automotive Manufacturer

State-of-the-art customer service is both a challenge and an opportunity

Customers’ expectations about service experience in automotive are increasing, and the rate of change has accelerated dramatically recently, after half a century of more gradual evolution. For a long time, the main touchpoint for automotive customers was personal, individual contact with a car dealership. Recently, however, contact channels have proliferated, with the advent of call centers, then of internet forums and social media, and most recently of mobile and in-car access (figure 2).

Today, the industry faces new possibilities – for instance, a rich choice of communication channels – but also new challenges

– specifically, increasing competition. Some of this competition comes from powerful new entrants, including digital leaders such as Google and Amazon who are experts at using the newer communication channels in ways that please customers.

To safeguard their market position against this heightened competition, OEMs need to find ways to protect and strengthen customer relationships. In the past, companies established good relationships with customers through personal contact between each customer and individuals in OEMs or dealerships. Now, however, the industry needs new ways to create lasting positive experiences that increase loyalty.



Figure 2: Development of customer service in the automotive industry

	1970	1980	1990	2000	2010	2015+
New contact channels	Trade as main contact point	Telephone service via automatic call distributor	Email	Websites, web chats	Telephone service via automatic call distributor	—
Innovation driver	Emergence of call centers	Increasing efficiency/ cost reduction	Virtualization, individualization	Worldwide networking through the internet	Mobile networking through smartphones & communities	Digital collaboration & robotics, e.g. chatbots
Dialogue direction	Bidirectional					Multidirectional

Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Another factor is making customer service more complex: the expansion of the product portfolio. The complexity of the products and services offered by the industry is growing, with new mobility offers, connected vehicles, and a variety of partners along the value chain. This expansion brings more diverse customer issues, more sophisticated questions, and a wider range of solutions. It all adds up to an exponential increase in the level and diversity of customer service that dealers and OEMs need to provide.

From customer service to active dialogue management

In the absence of the personal contacts of the past, how can OEMs and dealers establish the type of customer experience that promotes strong and lasting customer relations? Above all, customer service needs to be individual and personal, and to be consistent across all channels and all locations.

Until now, the industry has either aimed its campaigns at all customers or relied on segmentation and selection of target groups. Today, however, we need to be able to target individuals, and make the right offer at the right moment in time via the right contact channel. We call this new style of interaction “dialogue management” (figure 3). Automotive manufacturers therefore also need to make sure they include dealers in this dialogue. To avoid contacting customers separately in an uncoordinated way, OEMs and dealers are already working to establish a collaborative three-way dialogue. To be able to do so, they need to integrate their customer data, often stored in silos. This data sharing also opens the door to a huge personalization potential, as the customer view becomes more complete.

Figure 3: Customer service transforms into customer dialogue management



Source: Capgemini Consulting, Cars Online Trend Study, April 2018



“The goal is to provide a whole ecosystem. In this ecosystem, the customers get everything they need, with 24/7 availability and ultimate reliability. That’s the magic formula.”

Holger Suffel

Vice President of Global Service & Parts Operations,
Daimler AG

To explore the journey to customer dialogue management, our study focused on customers’ experience of and expectations about customer service, and their willingness to share the data needed to enable dialogue.

Findings – the voice of the customer

We set out to explore what customers in three markets – the USA, China and Germany, representing different cultural areas and the largest automotive markets globally – perceive and expect in terms of customer service, and what those perceptions and expectations mean to the overall customer experience. In general, the findings confirmed our initial hypothesis: that customer experience strongly influences customers' overall view of a brand. What was sometimes surprising was the marked variation between experience and preferences in the three different markets. As customer service has evolved, so have people's criteria for good customer service. Digital leaders are often said to raise customer expectations, but those expectations vary from country to country, as well as between individuals. We decided to find out more about how digital leaders influence customer expectations and what customers really expect across markets.

“

“OEMs need to learn from internet companies such as Apple and BAT. In particular they should imitate their corporate culture, with its strong focus on customer experience. They should also copy their modes of operation, particularly their fast response to market change and their product management.”

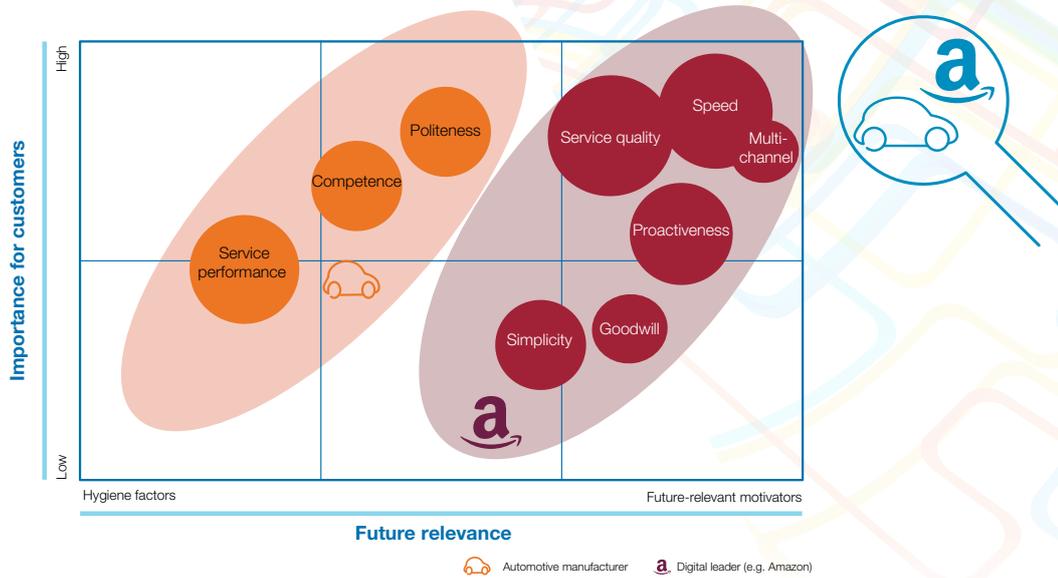
Lu Ting
Head of CRM and BI,
GM Shanghai

OEMs and dealers need to learn from digital leaders

Our research showed that automotive companies are good at the basics: they have polite and competent employees and their product quality is good. However, when it comes to the criteria that make customer service innovative, and turn it into a differentiating factor, customers associate these characteristics mainly with digital leaders such as Amazon, Google and Apple. Customer service at these companies is seen as more solution oriented, and as offering better multichannel solutions (figure 4).

Figure 4: Keyword analysis

Which attributes do you associate with customer service from your automobile manufacturer, and which with customer service from digital leaders such as Amazon?



Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Companies have the potential to improve with respect to several traits that customers value

As just discussed, OEMs and dealers emerge from the study as being good at the basics when compared with digital leaders like Google. However, our research also shows that even with regard to the basics, the industry has room for improvement (figure 5).

Basic traits like politeness, speed, quality, personalization and proactiveness of customer service are valued by customers in all three markets surveyed. When thinking about the automotive companies they deal with, respondents see potential for improvement across all of these traits, with speed and quality being the top areas for improvement. Again, this was true in all the markets.

Figure 5: Expectations about customer service

What do you value most as part of a good customer service experience from your car manufacturer or dealer? Where do you see potential for improvement at your OEM and/or dealership? (Top 5 answers)



- | | | |
|---|--|--|
|
 |
 |
 |
| <ul style="list-style-type: none"> 1. Quality of answers 2. Speed of customer service 3. Proactiveness of service 4. Politeness of employee 5. Degree of personalization | <ul style="list-style-type: none"> 1. Politeness of employee 2. Speed of customer service 3. Multichannel accessibility 4. Quality of answers 5. Degree of personalization | <ul style="list-style-type: none"> 1. Quality of answers 2. Speed of customer service 3. Politeness of employee 4. Proactiveness of service 5. Degree of personalization |

Item in both top 5 priority and top 5 improvement areas

Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Good customer service: differences and similarities across markets

While customers in all markets value broadly similar traits, there are a few regional variations, seen in figure 6. For example, although “talking to a real person” is important for all customers, it has an exceptionally high ranking in the USA, where it is mentioned by 80% of respondents. Respondents in the USA also valued the ability to track the status of their requests especially highly – it was the second most commonly mentioned item there, although it was also highlighted by about 50% of respondents across the board.

Similarly, while a high level of personalization of customer service is important for over half of respondents globally, it

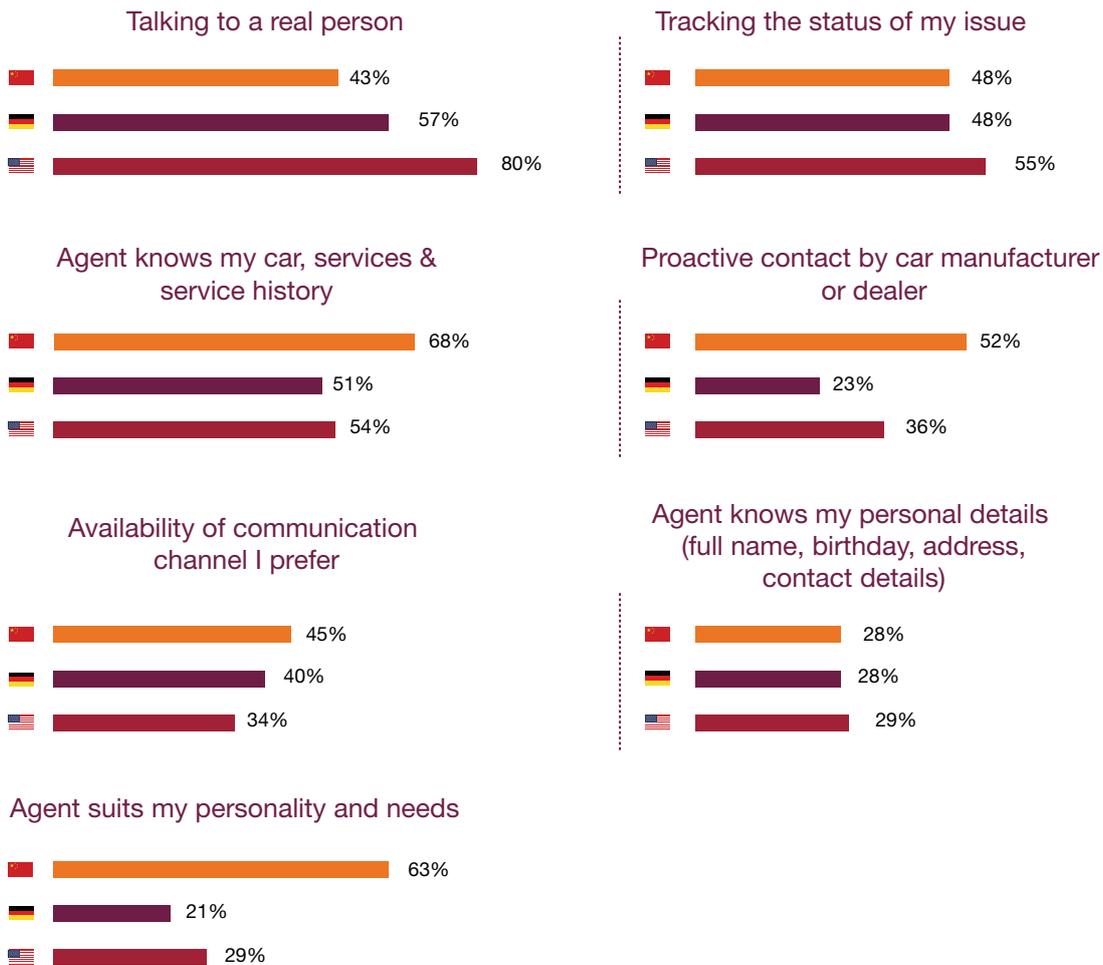
has a particularly high ranking in China. Even though Chinese respondents seem more open to self-service and automated customer service, they still want to have the feeling of being treated as individuals. Meeting this requirement means that customer service agents must have each customer’s history at hand and be able to service the customer according to their personality and needs.

Other market differences included the fact that Germans seem more reluctant to be contacted proactively – perhaps not surprisingly as Germans seem to place a higher value on privacy than some other nations do.



Figure 6: Expectations about customer service

When dealing with your car manufacturer’s customer service team, which of the following do you expect?



Source: Capgemini Consulting, Cars Online Trend Study, April 2018

The difference between omnichannel and “opti-channel” is the right channel mix

Our study also looked at channel mix – a hot topic for the automotive industry (and indeed most other sectors). Achieving both high quality and speed in customer service is expensive, so companies must focus on the right channels to maximize efficiency. New channels can bring new opportunities to strengthen the customer dialogue, and to deliver what customers need faster and more efficiently, but companies are not always sure which channels are right for their customers.

Once again, the markets were broadly similar but there were some noteworthy differences, as figure 7 shows. For example, telephone was most commonly mentioned overall as a customer’s preferred contact channel for urgent issues (such as technical problems) and for complaints (which most customers want to

explain personally). However, there was a regional difference: Germans were more likely than their counterparts in the USA or China to prefer email for these activities, perhaps so that they can document their issues and (particularly) complaints in writing.

Overall, the majority of customers in the USA and Germany prefer the traditional channels, email and telephone, although newer channels such as online chat and social media are growing in popularity for non-urgent matters (information purposes). Chinese customers, in contrast, show affinity for a broad channel mix across all types of issues, perhaps reflecting emerging economies’ greater openness to new technology, as demonstrated in previous Cars Online studies.

Figure 7: Channel preferences according to the type of customer request

For the following types of customer service requests, how do you prefer to receive the solution?



Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Offering the right mix of contact channels for the right issue is key to customer satisfaction, so it's not surprising that automotive companies are currently investing in what they call "multichannel" or "omnichannel" capabilities. In fact, we believe the right term is "opti-channel", to reflect the fact that there are optimal channels for certain types of requests and for meeting individual customer preferences.

Personalized, proactive communication: what's acceptable?

Digital leaders have a lot to teach other players about communicating proactively with customers. To achieve true communication, it's important both to personalize interactions and to engage in "occasion-based" interaction – that is to say, interaction that's relevant to the customer at a specific point in time and

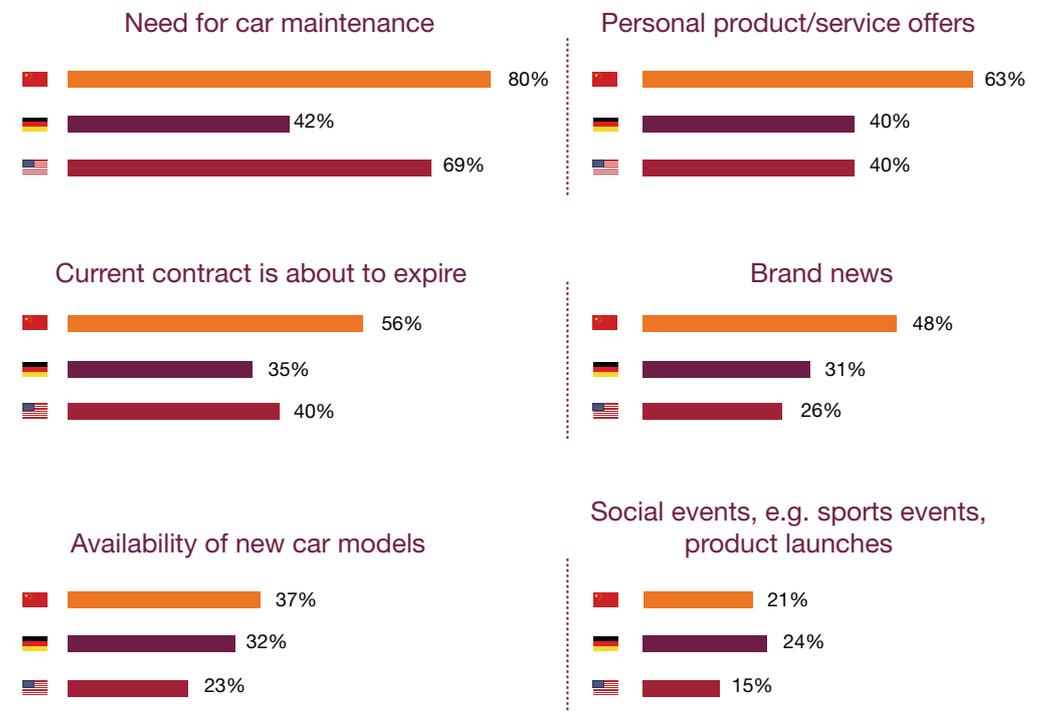
space. In our study, we decided to investigate customers' willingness to enter into this type of proactive dialogue, and their preferences when it comes to personalization of content.

Our research shows that customers value this personalized and proactive communication from OEMs and dealerships, but only where real benefits can be obtained (figure 8). Across all markets, respondents are keener to be approached proactively for issues directly involving the usage and maintenance of their vehicle: about the need for maintenance, individual offers, and contracts approaching their end, for example. Relatively few customers in any market accept proactive communication for marketing purposes, but Chinese customers are more likely to do so. Generally, Chinese respondents show stronger acceptance of proactive, individual customer dialogue.



Figure 8: Occasions when customers like to be contacted

For which of the following would you like to be contacted by your car manufacturer or dealer?



n = 779

Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Sharing data: what customers permit and what they want in return

To be able to proactively contact customers and personalize the customer dialogue, companies need to have the right customer data available, and to be able to process it in a variety of ways. However, data privacy laws and regulations are getting stricter, with, for example, the launch of the European Union’s General Data Protection Regulation (GDPR), so that a high degree of transparency about data use is needed. Customers, too, expect this transparency. Given these conflicting challenges, we decided to explore customers’ willingness to provide data, and what they expect in return. Customers in all markets are willing to share their personal data in return for relevant benefits (figure 9). However, markets show significant differences in terms of what customers want in return for sharing data.

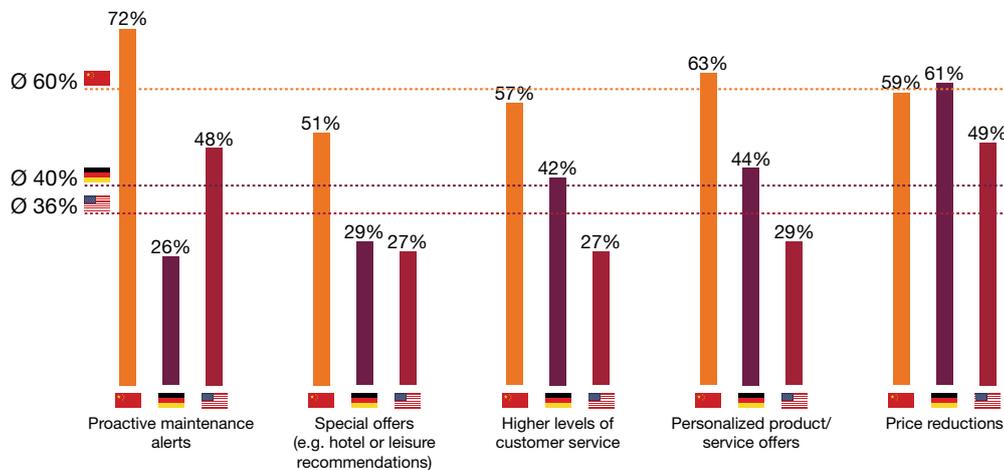
Overall, USA customers show less willingness than those in China to share data. Benefits mentioned most often are price reductions and maintenance alerts, each valued by around 50% of respondents.

In China, there is very high willingness to share data compared with other markets – this was true regardless of the specific benefit offered in return, apart from price reductions which were universally popular. Almost three-quarters of Chinese respondents want maintenance alerts, with all other benefits acceptable to more than 50%.

German respondents’ overall willingness to share data is comparable to that seen in the USA. Customers are most likely to share data in return for price reductions, but personalized offers and premium service are also attractive to many German customers.

Figure 9: Willingness to share personal information

For which of the following customer service purposes are you willing to share your personal data?



n = 779

Source: Capgemini Consulting, Cars Online Trend Study, April 2018

The price of customer data is transparency

Customers want to know what their data is going to be used for (figure 10), and here there is lots of potential for improvement on the part of OEMs and dealerships. Almost 80% of all respondents state that data transparency is important or very important to them.

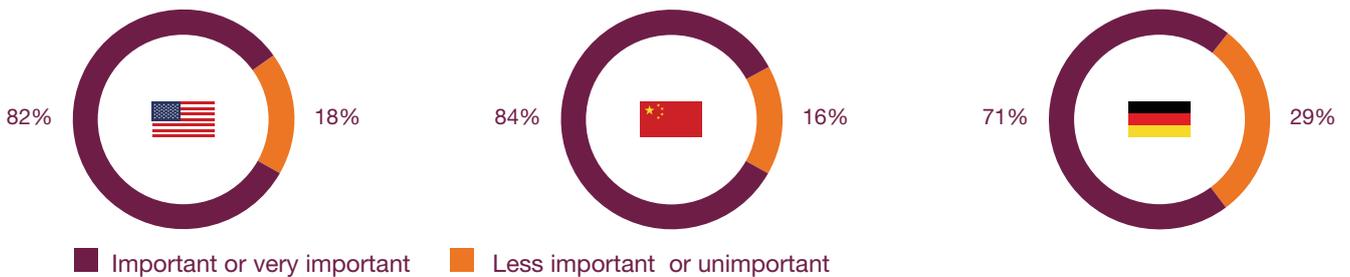
When asked about their perceived degree of transparency, our survey shows that these

expectations are not being met. Only around a third of all respondents from the USA and from Germany state that they are very well or well informed about how their personal data is used. On the other hand, Chinese respondents seem to be more confident, with around 60% saying they feel well or very well informed.

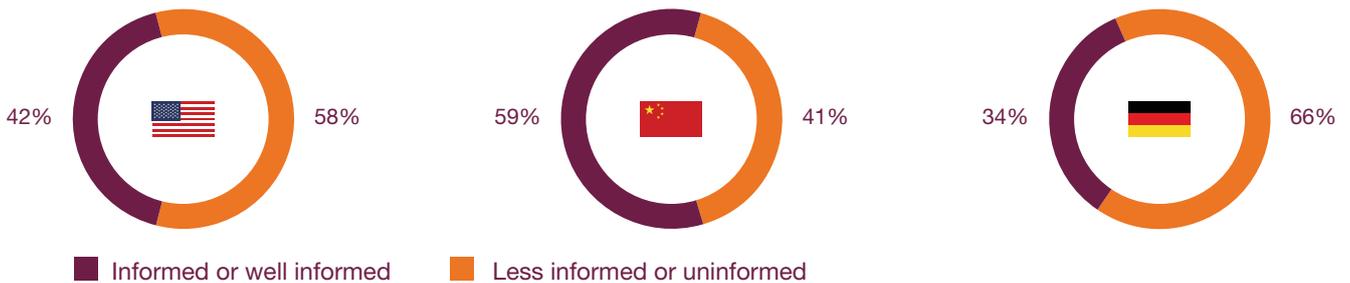


Figure 10: Relevance of transparency about the use of personal data

How important to you is transparency about the use of your personal data?



How informed are you about the way the dealer or manufacturer uses your personal data?



Source: Capgemini Consulting, Cars Online Trend Study, April 2018

Implications – the road to transforming customer service

Making the most of a strategic asset

This report has argued that OEMs need to rethink customer service, recognizing it as a strategic asset and driver for customer satisfaction and loyalty. Instead of treating customer service as a cost center, they need to see it as an important element of customer experience – perhaps as important as product quality.

Steps that OEMs should take include creating a central strategic unit to manage customer dialogue. This unit can provide global guidelines, tools, technology and processes to be adopted and implemented locally in a way that matches market-specific customer needs and preferences, which often vary from country to country as shown in the findings.

Dealerships will continue to be a focal point for customer dialogue and overall customer service experience, particularly in the USA. Their involvement will help the industry to address local variations in customer preferences. Local dealer networks should be an integral part of execution and implementation of any customer service strategy. The industry knows that customers don't differentiate much between dealer and brand – so speed, quality and messages must be consistent between OEM and dealership, otherwise the brand suffers.

A new governance model should always aim to shift organizations from product centrality to customer centrality. This means putting the customer, instead of products and services, at the center of all customer service strategies, concepts and processes. To do so, a close collaboration between OEMs, dealerships and third parties (such as financing and other service partners) will be needed - this is the only way to create a seamless customer experience.

“ From the perspective of fulfilling customer needs, both OEMs and dealers need to establish a dedicated customer center, and even need to set up a chief customer experience officer to respond to changes in customer experience requirements.”

Lu Ting

Head of CRM and BI, GM Shanghai

“ Modern customer service is much more than complaint management. It should be treated as an integral part of a seamless customer journey and permanent customer dialogue.”

Jens Klitzke

Head of Customer Management & Digitalization in Sales and Marketing, Volkswagen AG

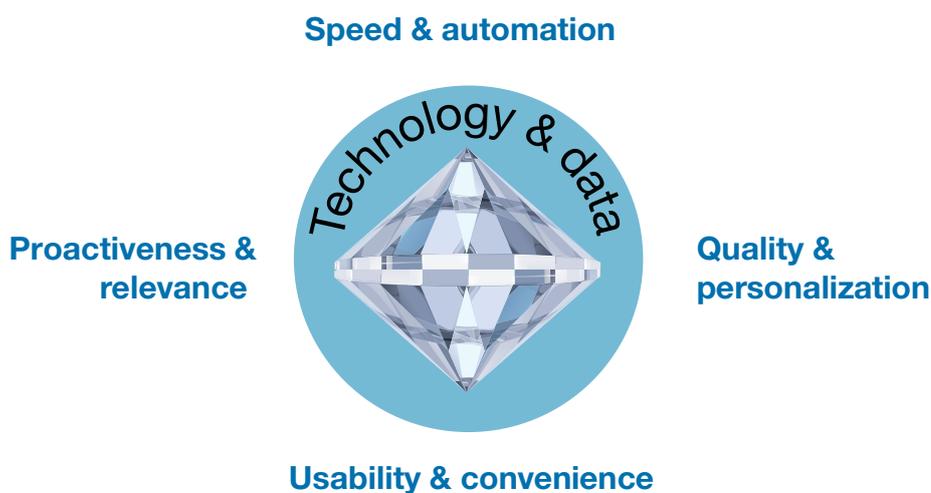
Our framework: the Capgemini Customer Service Diamond

Capgemini has developed a conceptual framework to help automotive companies meet growing customer expectations by establishing dialogue management that enables a competitive customer experience. We recommend that companies incorporate all five elements of the Customer Service Diamond shown in figure 11 into their customer service strategy. Technology & data is a key enabler of improvement in the other four dimensions, and hence of a consistent and meaningful customer experience.

Each of these five elements is discussed in more detail below.



Figure 11: The Capgemini Customer Service Diamond



Source: Capgemini Consulting, Cars Online Trend Study, April 2018

1. Speed & automation

Speed of response is a major determinant of outstanding customer service, and it is enabled above all by technology and data. So which technologies should OEMs and dealerships use to improve speed and responsiveness? Two groups of technologies are paramount here:

- Digital platforms and self-service
- Chatbots and virtual assistants

These are excellent tools for dealing with issues that arise frequently, that need fast resolution, and that can be dealt with by standard procedures. They allow such issues to be resolved in a very efficient and cost-effective way, keeping human interaction to a minimum.

It's vital, however, that additional procedures are in place to differentiate between standard requests and complex issues. This differentiation must occur before or early in

the customer dialogue, so that the customer can be routed or rerouted to an appropriate channel: for example, they might need to be redirected from a chatbot to a telephone hotline.

Such redirection between AI and human interaction must look seamless to the customer. Redirection must happen before the customer gets frustrated; depending on the situation, that means either instantly or within a reasonable waiting time. For example, if the customer needs to talk to a human agent over the phone, the agent should call immediately; if a chat needs to move from a bot to a human agent, the agent should take over at once. Ideally, no additional action on the part of the customer should be required: They shouldn't have to write an email, for example. Importantly, all relevant information about the customer and the matter in hand must be transmitted so that the customer does not have to explain the issue all over again.

2. Quality & personalization

Quality of customer service is one of the areas where customers identify most potential for improvement. They expect service that is individual and personalized: They greatly appreciate the feeling that the agent already knows them as an individual (their details and customer history, for example).

In a complex environment like the automotive sales sector, it is difficult to provide this type of experience. The difficulty can be understood by considering the customer lifecycle in its entirety, and the changing relationships that the customer has with the OEM and one or more dealerships. Customer data is typically stored in multiple silos. This means that in order to handle issues seamlessly, OEMs need to connect their customer service centers with those of dealerships, and hand issues on smoothly from one customer service unit to another. They also need to implement consistent quality guidelines, processes and control mechanisms.

This is the only way to achieve the customer experience that people want, with minimum waiting time and avoidance of the need to explain issues repeatedly. It is also the only way for the industry to ensure a consistently high quality across all instances and channels.

““

“Customer service will have to focus on more humanized services, such as dialogue activity management, and a choice of cars to suit the customer’s personality, preference and other characteristics”

Senior Manager Customer Service Center, Global OEM, China

3. Usability & convenience

Customers want to decide which channel they would like to use to contact customer service. That is, they expect their own individual channel mix, combining any of the new communication channels that have emerged in recent years: messengers, social media, chats, apps etc. Meeting these expectations will enable the industry to provide the tailored and convenient customer experience that the public expects.

Unfortunately, offering this type of multichannel experience is not a trivial task. Customers have very different expectations about response times across channels. They also expect a seamless customer experience when shifting between channels. It’s not enough to respond promptly to a request: Customers also want to be guided through a service process, so that real-time status updates are a critical part of the customer experience.

There are a number of tools and approaches to help companies meet customers’

expectations about usability and convenience. Apps connected to the vehicle and using real-time vehicle data can handle vehicle-related issues such as dealing with breakdowns and booking service appointments. As yet they are not used by all OEMs to their full potential.

In addition, the vehicle is becoming a communication hub in its own right. Service features can be integrated into the vehicle’s infotainment system, but in addition the vehicle can be opened to third-party providers. Brands such as Audi or Volvo are pioneers in the field of this type of “platform strategy”: They have produced prototype vehicles that run the Android OS in their infotainment systems, and that allow third-party service providers access to customers through their apps. This approach brings huge potential to intensify customer relationships – an important consideration with the advent of new competitors such as mobility service providers. It also brings convenience for customers and potential for new cooperative business models.

““

“Digital channels have given us opportunities to build a new customer service experience, and these opportunities will increase in future.”

Petri Talala
Executive Vice President Strategy & Growth Automotive, Ilean, San Francisco

““

“In the future we will be forced to cooperate with platform providers such as Android Auto or Apple CarPlay in providing services.”

Head of Customer Service & Complaint Management, Global Premium OEM



Expert interview: the potential of connected car services for customer services

Viktor Schulz, Manager Automotive Digital Customer Experience, Capgemini Consulting

1. Looking at connected car services within the traditional automotive industry, how mature would you say they are? Which markets do you see as well developed already?

At the moment, North America is considered the biggest market for connected car services: one where many tech players are increasingly seeing opportunities. Pioneers in this region include IBM Watson, AT&T and Google, but also BMW – to name just a few.²

However, Asian markets are expected to have the biggest future growth. Chinese customers, for instance, are highly receptive to digital services. Online sales processes, devoid of human interaction, are seen as natural. Hence, it was not a surprise when BMW recently announced a collaboration with Alibaba's IoT cloud to offer connected services in its newest models.³ Looking at Japan, the market for connected services is estimated to quintuple by 2025, indicating that the market is still immature but holds huge potential for the near future.⁴

2. What significance do connected services have for OEMs' customer service? Could you point out some pioneering initiatives that have been launched lately?

In my opinion, the key players in the industry are aware of the transformation happening right now and have realized the importance of connected services for the future customer experience.

In fact, connected car services and the data they generate will be a backbone of the truly personalized customer service of the future. OEMs are competing for the leading position in this area, especially as sales of connected car technologies are also expected to grow exponentially.

Examples include Volkswagen CarNet, Toyota Connected, Audi connect, and the ConnectedDrive platform from BMW. Most of them already offer basic services such as automated roadside assistance, provision of traffic information, and location tracking for anti-theft purposes. Most OEMs are also in the early stages of offering aftersales services over their connect platforms, such as booking appointments for maintenance and direct delivery of component parts in real time.

3. With initiatives like these in the pipeline, what crucial aspects will have to be considered to meet customers' expectations and demands?

First, OEMs have to create an ecosystem offering a range of value-added services that will be used and appreciated by its customers throughout the entire product lifecycle. This ecosystem will successfully attract an expanded user base. As this happens, OEMs must collect and process user data that can subsequently be used to improve the services provided and implement new personalized offerings.

4. What fundamental concepts underlie such initiatives, and how can they be leveraged in the future to benefit OEMs and their customers' service experience?

As mentioned earlier, connected services are in their infancy in this industry, but OEMs are already laying the foundations for provision of meaningful personalized offerings, collection of real-time data about driving behavior, and creation of a range of proactive services.

One example of a key concept is predictive maintenance. Customer care agents will be able to offer individual service or product suggestions based on a customer's driving history and behavior.

Another key concept is online service platforms, which will soon be able to offer functionality on demand. This means customers can easily upgrade their car online to add, for example, lane assistance or cruise control. A third example of a key concept is the use of car mobility services, such as peer-to-peer carsharing.

The positive thing about all these connected services is that there are no fixed boundaries. Third-party suppliers may use cars as an additional sales channel to sell audio books, or to offer to book hotel rooms at the driver's destination. Even if the idea of opening OEMs' ecosystems to all sorts of service providers or the big tech companies such as Google or Apple sounds threatening at first, it brings huge potential for new cooperative business models and an integrated customer experience.

² <https://www.prnswire.com/news-releases/global-connected-car-market-report-2017-2023-featuring-major-players---telefonica-google-bmw-att-intel-ibm-and-vodafone-300571403.html>

³ <https://www.computerwoche.de/a/connected-car-services-fuer-chinesische-bmw-kunden,3332337>

⁴ <https://www.statista.com/statistics/804067/japan-connected-car-market-size/>

4. Proactiveness & relevance

Customers often appreciate being proactively approached by their OEM or dealer with individualized offers that they consider relevant. This is particularly true when those offers relate to the vehicle and to vehicle usage: for example, maintenance alerts and special offers. This brings important opportunities to increase the business value of customer service centers by turning them into an integral part of the lead and sales process.

To realize these opportunities, and to avoid annoying customers with irrelevant offers, companies need to combine all the customer information arising across the customer lifecycle, generate customer insights from that information, and use the insights to drive analytics-based campaigns.

For example, integrating real-time vehicle and usage data will make it possible to implement predictive maintenance and approach customers with service offers before they are aware of a problem. Long-term usage data will make it possible to launch individual vehicle offers based on optimized trade-in and repurchasing time, or TCO-based vehicle recommendations derived from individual patterns of vehicle usage.

Under the heading “Usability & convenience” earlier in this chapter, the idea of a platform strategy involving third-party service providers was discussed. Such a strategy makes it possible to multiply the amount of customer data and insights generated, while creating a partner ecosystem that increases the range of services available to customers.

“Today’s customer service must entail frequent interaction with prospects and customers. OEMs and dealers must be proactive, rather than just reactive, in terms of customer requests.”

Mathias Schatz
Automotive Strategy & Innovation,
Capgemini Consulting

“

“The technological requirements for modern customer service are all already available on the market. In the automotive industry, we have to learn to use them for ourselves. These include, for example, the integration of customer and vehicle data and their appropriate use for personalizing the user experience to create value for customers and businesses.”

Jens Klitzke
Head of Customer Management
& Digitalization in Sales and
Marketing, Volkswagen AG

5. Technology & data

The key enabler for efficient, personalized and high-quality customer service is the availability and effective use of technology and data. As discussed earlier, to provide the seamless, personalized experience customers want, OEMs need to link up data from their own silos and those of dealerships. They also need to integrate all this with vehicle data.

The only practicable way to do this is to establish integrated databases feeding state-of-the-art CRM systems, providing customer service agents as well as automated customer service tools not just with basic customer information and history, but also with information about customers’ preferred communication channels and with recommendations for next best offers and next best actions that are based on insights-fueled analytics. Companies should take advantage of the latest AI technology to optimize efficiency with automated customer service solutions.

In creating these innovative ways to exploit data using technology, companies must remember that the price customers require for data provision is transparent usage. So by all means adopt new forms of communication, but remember to be fair to your customers in the way you use their data.



The human touch: Change must be managed

The findings from our study show that, however far automation is taken, people will remain the backbone of customer service and of the whole customer experience. To retain the personal touch, OEMs and dealers must transition from customer service to integrated customer experience management, and from treating this area as a cost center to recognizing it as a profit center.

On this journey, effective change management will be vital. For senior management, this means not just actively managing the change process, but also communicating the need for change to dealerships, and securing their commitment. The best argument for doing all this is that it will bring automotive companies additional revenue streams, as well as happier and more loyal customers.

“The key to success in creating innovative customer service is not only the implementation of leading-edge technology, but also a substantial cultural change – from a product-centric to a customer-centric perspective. A clear focus on a holistic customer experience leads to loyalty and a positive impact on the bottom line.”

Jens Klitzke

Head of Customer Management & Digitalization in Sales and Marketing,
Volkswagen AG Germany

Report authors

Capgemini Consulting

Sebastian Tschödrich

sebastian.tschoedrich@capgemini.com

Viktor Schulz

viktor.schulz@capgemini.com

Meike Kastner

meike.kastner@capgemini.com

Conrad Scheibe

conrad.scheibe@capgemini.com

Regional Automotive experts

Global

Nick Gill

nick.gill@capgemini.com

Germany

Markus Winkler

markus.winkler@capgemini.com

China

Tracy Qingping Liu

qingping.liu@capgemini.com

France

Cédric Nouvellet

cedric.nouvellet@capgemini.com

India

Ajinkya Apte

ajinkya.apte@capgemini.com

Italy

Andrea Caravaglio

andrea.caravaglio@capgemini.com

Sweden

Håkan Erander

hakan.erander@capgemini.com

United States

Mathew Desmond

mathew.desmond@capgemini.com



About Capgemini Consulting

Capgemini Consulting is the global strategy and transformation consulting organization of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, the global team of over 3,000 talented individuals works with leading companies and governments to master digital transformation, drawing on their understanding of the digital economy and leadership in business transformation and organizational change.

Find out more at: WWW.capgemini-consulting.com

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

Visit us at www.capgemini.com

About Capgemini's Automotive Practice

Capgemini's Automotive Practice serves 14 of the world's 15 largest vehicle manufacturers and 12 of the 15 largest suppliers. More than 7,500 specialists generate value for automotive companies every day through global delivery capabilities and industry-specific service offerings across the value chain, with a particular focus on our AutomotiveConnect propositions for OEMs and suppliers.

For more information: www.capgemini.com/automotive