

CUSTOMER EXPERIENCE

Five fast-track ways car manufacturers must improve CX now to secure long-term advantage through differentiation.



INTRODUCTION

A 'perfect storm' of global challenges has sent the automotive industry into turmoil – with manufacturers racing to respond to a watershed era that could define winners and losers over the next 15 years. No one is under any illusions – the transformations will be massive, will take time to complete, and no two car manufacturers will follow the same path.

In a time loaded with opportunities and risks, this white paper aims to cut through the noise and answer a single practical question:

What should all car manufacturers focus on immediately for maximum strategic benefit, regardless of their individual strategies for the future?

To find the answer, we've assembled a panel of experts from CapGemini Invent – a specialist provider of strategy, technology, data science, and creative design – and Webhelp – BPO experts in designing, delivering, and optimizing impactful customer journeys and creating unforgettable human experiences:



Franck Dansaert
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Reza Hariri
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THE ANSWER THE EXPERTS HAVE AGREED ON IS SIMPLE: START WORKING ON IMPROVING CUSTOMER EXPERIENCE TODAY.

This is because:

Across all segments, cars are becoming increasingly reliable, attractive, feature-rich and available on the same ownership models. Customer experience is emerging as the new business battleground – where the only differentiation between brands is now the level of experience each can provide to its customers.

Unlike ‘academic’ initiatives gone by, customer experience directly influences conversion rates and, therefore, any improvements made now will have an immediate impact on the number of online or offline sales.

As such, customer experience will play a crucial part in car manufacturers’ long-term strategies and roadmaps and can be worked on immediately without any potential risk of rework and wasted effort, which we see elsewhere in a long list of competing priorities.

To help OEMs at a time of massive challenge, our expert panel has identified five practical areas with enormous potential for improvement but which are relatively easy to implement quickly:

1. Provide better customer journeys
2. Improve digital capabilities
3. Use data to drive improvements
4. Provide better online support
5. Test, learn, improve and scale



1. PROVIDE BETTER CUSTOMER JOURNEYS

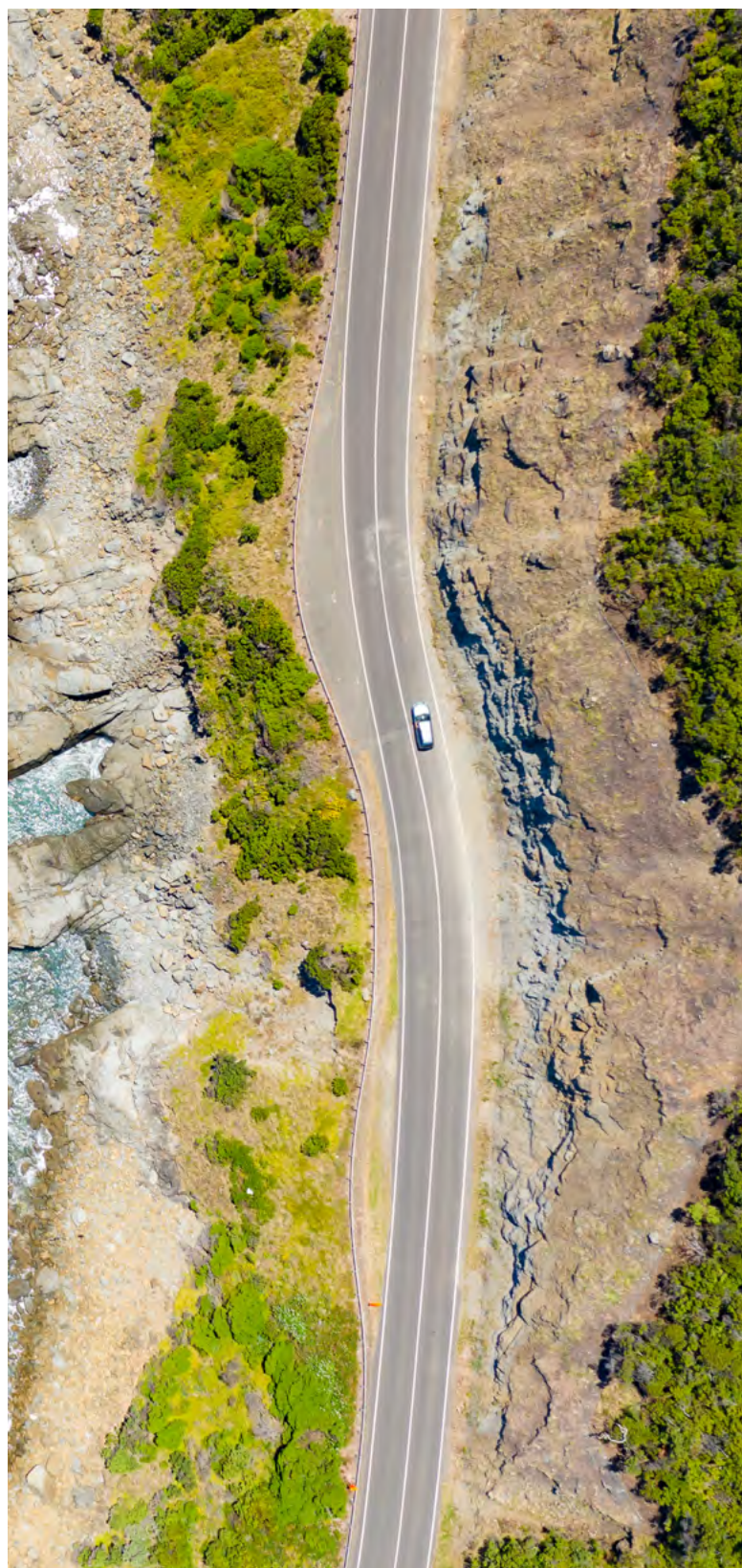
Manufacturers will need to respond to customer demand for journeys through and between channels, which are much better integrated, frictionless, and comprehensive – capturing all aspects of the life cycle, from purchase to ownership and retention. These ‘new and improved’ journeys will likely include optimized experience in online quotations, vehicle purchase, finance, insurance, part exchange, aftersales, accessories, servicing, financing, mobility solutions, services, road-side assistance, warranty claims, and recalls.

Jérôme Coignard, CTO at Frog, Capgemini Invent said that so far, Tesla has made the most visible strides towards adopting a total ‘omnichannel’ approach – ramping up not only EV production and operations but also its sales channels – maximizing online and direct contact with customers via multiple touch points on social networks, websites, a mobile app, and at the dealership at some point.

“The more pervasive and versatile your touch points are, the more impressions brands get on different networks and the better the data you can achieve,” he said.

But while some automotive brands have upgraded levels of service significantly over the last two years, there is much to be done - because of the industry’s distinct need to accommodate physical interactions which are popular with customers but harder to integrate in all aspects of service.

Long term: “The key part in omnichannel is making it work and managing it properly, otherwise it becomes a really frustrating experience for the customer and can prove to be very expensive if it’s not managed consistently,” he said. Joining the channels together to deliver a true omnichannel experience, with control over most touch points and data through the entire sales funnel, is made even harder when the channels – and therefore also the customers – are owned by different parties.



Moving to an Agency or Direct-to-Consumer model would resolve these challenges, but as that is still some time away, experts suggested an interim step:

Connect today's broken online journeys into seamless and enjoyable online experiences.

Tomas Honz, Group Head of Solutions for Automotive and Mobility at Webhelp, said: "Most manufacturers' websites are not a single site, but a collection of many added over time, without integrating the different platforms they are powered by into joined-up flows that would support consumers through their entire buying journey.

"Typically, a customer would learn about the car in the Showroom, about the options and costs in the Configurator, about the relevant offers, finance and stock in further separate sections, and then go to the Online selling section to reserve a car!

"As these sections are poorly linked together, many customers will be losing track of cars, offers or information they've looked at. Others will lose live chat sessions and talk with different agents during the same visit, while some will just arrive at repeated dead-ends without any obvious means of completing transactions or getting out.

"Such journeys, consisting of many starts, stops and backtracks, are really difficult for customers to endure and lead to poor customer experience and low sales conversion rates.

"And this is only the online part of the journey, without integrating any offline interactions and experiences. When these are added into the mix, the experience gets progressively more challenging."

Typically, migrating all functionality and content onto the same platform is not feasible. However, if approached sensibly, major improvements can be achieved quickly in three key steps::

1. Identify the actions customers need to complete on their buying journeys, then link the pages, content and functionality to support them.
2. Support this technically by consolidating the forms, sharing user sessions (and information) across all website sections, and embedding snippets of content from other sections directly into the pages the customers are on.
3. Use data to optimize the journeys with a test & learn approach based on attribution modelling and performance optimization processes.

These relatively simple improvements will significantly improve customer experience, reduce conversion drop-offs, enhance the brand image, and form the foundation necessary to start adding other channels.

We'll look at the technologies and data required to do so in more detail in the following chapters.

2. IMPROVE DIGITAL CAPABILITIES

Most companies – and car manufacturers are no exception – tend to focus their attention and allocate the majority of technology budgets to the “front end” platforms, which are directly accessible by customers.

In automotive, the most high profile examples include online demos and virtual showrooms – which have been accelerated by COVID-19.

David Pitoiset, Director Automotive Captive Finance, said “The idea is great, and an online experience offers a possibility for those who are not willing to sacrifice spare time visiting a dealership. But in practice, the few virtual showrooms manufacturers have opened in the past proved not so popular, quite expensive and only relevant when integrating a dealer in the customer journey to manage the customer lead.”

“We also see the growth of new virtual solutions like Metaverse – which although some way off, is heavily promoted by one of the biggest media platforms in the world and should not be ignored.

“The big question is, will you make money out of it? And how do you connect the virtual with the real world?”

At the same time, car manufacturers are rallying to offer seamless continuity of customers’ technology experience. A race is on to integrate within cars the same customer-focused music and video streaming, mobile apps, and future solutions for improving the driving experience remotely, such as pre-heated seats, car finders, or options to stop and start the charge.

By implementing in-car technologies, OEMs can provide a great experience and also gather powerful data while customers are driving to fully understand usage and inform a more agile form of product development.

All worthy goals and pursuits that will no doubt create future winners, generate new profitable revenue streams, and enable a shift towards new business models – and the great news is that OEMs can act now to get ahead.



The expert panel suggests:

Deploy the technologies required to join up customer journeys within and across the channels to capture the information needed to enrich customer experiences and increase sales performance.

We recommend doing this in three steps:

1. Enable the sharing of user sessions across the website sections by implementing a Customer Identity And Management (CIAM) platform
2. Track all individual micro-actions customers make across the website section and channels
3. Collect the data required to deliver customer experiences

The first step would immediately fix the challenges associated with user journeys spread over multiple independent sections of car manufacturers' websites. It would also enable chatbots and live chats on OEMs' sites to "follow" the customer on their journey instead of having to start a new conversation in every new section of the website.

The second step would enable customers to save and access information from different areas of websites and channels into a single online "account" and consideration set. This also enables potential buyers to create the foundations for a true "single customer view" across the different systems of record, channels and parties involved.

The third step would collect the data required to underpin solutions for delivering optimized customer experiences and maximizing sales performance. Without this powerful data, marketing automation, customer segmentation, content personalization platforms, Lead Management (LMS), Customer Relationship Management (CRM), integrated telephony and process automation platforms will not work properly or fulfil anything like their potential in terms of value.

A final technology quick tip: Today's customers demand websites to be fast, usable and work without any technical issues, but only a very few car manufacturers' websites do. Please fix yours.

3. USE DATA TO DRIVE IMPROVEMENTS

Car manufacturers understand the true value of data. Reza Hariri, Vice President Business Technology at Capgemini, said: “With the right information, car manufacturers can propose the right products to the right customer at the optimum time to sell, provide better experiences for customers, improve sales performance for the business, optimize production capacity, and optimize costs, margins and stock.

“By implementing more sophisticated in-car technologies, OEMs can gather more powerful data while customers are driving to fully understand usage and inform a more agile form of product development, drive smarter investments into technology and capitalize on emerging technologies like AI and machine learning.

“Ultimately, if you have your data in order you’re going to do better than a company that doesn’t”.

It sounds like a no brainer, but car manufacturers face multiple challenges as it stands.

The first is that amid data and privacy laws, organizations cannot, and often do not want to, share valuable information – particularly when customers often specify precisely how they want their data to be used.

The second is that automotive data ownership is very fragmented across multiple stakeholder groups including OEMs, dealerships, distribution groups, lenders, and insurance companies.

“When you don’t own the customer data and have to fight to share information about your customer, it gets complicated. This means OEMs are blind in whole parts of the customer’s relationship”, added Hariri.

The third challenge is that because of the perceived value of “big data”, everyone is gathering far more of it that can be converted into useful insights and actionable information.

So what are the quick wins and practical steps the OEMs can take now?



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Reza Hariri
Vice President
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at Capgemini Invent

Our experts suggest OEMs:

Identify the minimum information you need to meet customer needs and improve the conversion rate of your channels and start (again) from there.

This doesn't mean deleting any of the data already collected, just reassessing the data, KPIs and attribution models needed to build solid foundations to start from.

If any data is missing, it needs to be collected (or obtained from the other parties). In some cases, you may need to deploy additional tracking tools or technologies described in the previous chapter.

If something that's collected right now is not needed and is only creating unwanted noise, remove it from your tracking dashboards and reports. The next step should be to prioritize your objectives – Do you want to sell online, generate leads for dealerships, or sell financing or servicing? Most likely, it will feel like a combination of all four – which is where ruthless prioritization will help.

Then, for each of these objectives, you should create a new report which would answer the following questions:

- Which audiences are converting best today?
- Where exactly are they coming from?
- How are you engaging with them today, and what type of communications do they respond best to?
- What makes them convert?
- What makes them drop off?

These high-level reports will enable manufacturers to identify and remove the most significant conversion killers quickly and focus their efforts and budgets on the right audiences and messaging.

Insights also create the right foundations to build on and progress towards more sophisticated analysis and prediction models while enabling more advanced segmentation, marketing automation and personalization through techniques and tools.

4. PROVIDE BETTER ONLINE SUPPORT

Almost all consumers will visit a manufacturer's website at some stage when looking to buy a new car. While only a tiny fraction buys online, digital channels are increasingly important in the product life cycle – as customers start to carry out research and due diligence online – work that they once would have only carried out in a dealership. This includes getting to grips with jargon and technical details, comparing models according to personal criteria, deciding which to buy, finding deals, calculating budgetary factors, comparing insurance and service packages, agreeing on the final price of the new car and trade-in, and checking their eligibility for financing.

So, if customers are comfortable in a digital environment, why don't they buy online? Tomas Honz, Group Head of Solutions for Automotive and Mobility at Webhelp, said: "The reasons are apparent – the websites and the call-center advisors don't provide enough information and assurances for consumers to do more online or give them enough reasons to do so.

"Car manufacturers ask customers to buy online, yet don't tell them why they should do that. Would the car be cheaper or delivered sooner, would they get something they couldn't get in a dealership, or would the online process be easier or more convenient? Even if any of this is the case, it tends to be hidden somewhere on the page instead of being shouted at from top of the hill, so how would the customers know?"

Clearly, brands which implement stronger online propositions look set to get ahead. The smartest manufacturers will also proactively identify potential weaknesses of online chatbots and call agents in solving real problems in the offline world.

Honz added: "The online pioneers - or those with bad dealership experiences – will want to press ahead with a shift towards online sales and service, but sooner or later, customers will ask questions which a brand's website or chatbots cannot answer. Even call center agents run out of answers very quickly, and so the only next step available would be to speak to or visit a dealership, which the customer explicitly didn't want to do in the first place."

Part of the challenge is that the automotive sector goes through growing pains. Historically, some OEMs asked outsourcing providers to deliver call centers for essential customer services at scale across multiple regions, based primarily on securing the most competitive cost. Manufacturers were then building on arguably weak foundations when they drove ecommerce at pace due to COVID-19. Now we see chatbots and live chats staffed by traditional customer-service agents, whose training merely prioritized capturing contact details and directions to the nearest dealership. This results in frustrating and unproductive customer journeys and is no longer adequate to meet changing customer demands.

In reality, today the only people who can provide the specialist product and financing expertise, and the reassurances and sales expertise overwhelming majority of car buyers need, are the dealers.

And this 'knowledge gap' problem is unlikely to disappear any time soon – particularly given the shift towards electric vehicles. Franck Dansaert said: "There's a real need for additional reassurance and education when moving from a mechanical model to batteries and software. Customers will have many new questions, so the discussion with salespeople will move to another level."

So how could car manufacturers quickly bring the old and new worlds together?

The experts suggest it is to:

Create Digital Dealerships staffed by specialist online teams and supported by processes, insights, and technologies.

Car manufacturers can create digital dealerships in-house or outsource these operations to the right partner.

Honz said: "Some manufacturers choose the first option and built successful operations in a pilot market or two. However, successfully replicating and scaling home-grown sales teams from a pilot country to multiple brands, markets and languages is such a huge challenge that at some point this approach becomes no longer viable". With either option, car manufacturers must ensure that:

- Advisors are selected with the right soft and hard skills and trained in the art of online sales support
- Advisors undergo the same brand immersion and product training as franchised dealers (including the regular exams)
- Advisors are FCA (or equivalent) certified and trained to advise and sell finance and insurance products
- Robust incentivization schemes and retention programs are in place
- Robust ongoing improvements and innovation framework are in place
- Robust ongoing performance optimization framework is in place
- Robust information and insights are in place to enable the optimization processes to work
- Robust automation and knowledge-management technologies are in place to support and improve the operations

Building "Digital Dealerships" will be hard, but in the long term, it's the only way in which to radically improve customer experience, drive omnichannel sales performance, and enable direct relationships with customers – at pace.

5. TEST, LEARN, IMPROVE AND SCALE

Many OEMs are now on the road towards delivering omnichannel experiences tailored to customers' demands and preferences or to match specific products, models of buying and ownership – but this is still a road less travelled. To succeed, OEMs will need to coordinate multiple elements, balancing the delivery of global standards and consistency with maintaining freedom to act in a local and agile way.

Tony Patterson, Global Head of Automotive and Mobility Sales at Webhelp said: "Having been on this journey with many OEMs we understand that the initial challenge lies in deciding on the suitable operating model, balancing the levels of control and independence at global and market levels.

"The global function should be viewed as an enabler, providing the coordination required to move markets along global technology, proposition and CX roadmaps.

"This enables some fine-tuning of the rollout strategy to take account of market-level specific such as size, sophistication and market share".



So how should the OEMs start their CX-improvements journeys?

The experts suggest it is to:

Start agile and through parallel workstreams linked to tangible business benefits, instead of a single unwieldy transformation program.

The five priorities are:

- **Form a clear vision with tangible targets and an idea of the scale and timeline for achieving them**

This enables all stakeholders to understand the direction and pace required, but crucially with the freedom to formulate market-specific plans to get there

- **Establish centrally a team of core enablers, with representation from key areas such as technology and proposition.**

Ensure this critical team is aligned with the overall plan and closely connected with any local market plans being formed.

- **Create a Center of Excellence**

with the resources and ability to coordinate effectively, providing guidance and ensuring core principles and standards are understood and followed. Examples could include enabling technology, reporting, insights, and performance metrics.

- **Use business outcomes to underpin market plans**

by focusing on clear commercial goals, such as reduced costs or increased sales, business strategies and roadmaps will deliver high cost-benefit with low internal impact and therefore enjoy a higher likelihood of success.

- **Start with a Proof of Concept in one market –**

followed quickly by a series of market rollouts dictated by business strategy. Although work is delivered under a master program, this would be best considered a program of evolution, building on the present stage of each market and progressing through the various stages of maturity until the end date is reached and the next focus is identified.



In summary, delivering bottom-up transformation is not easy, but the best chance of success lies with combining a clear vision that is well communicated and with clear timelines and objectives, with core enablers and the flexibility for markets to fine-tune local solutions to their circumstances.

This approach will provide tangible short term paybacks while delivering the longer-term strategic business benefits needed to maintain a competitive advantage in the increasingly disrupted automotive industry.

CONCLUSION

With an almost overwhelming range of threats and challenges facing automotive, OEMs could get easily distracted by 'lofty' debates about future commercial models, product mixes, asset ownerships, and routes to markets – and lose sight of the customer.

But that's a lose-lose strategy when ultimately, it's the customer who will decide which manufacturers win or lose. It won't be the powertrains, EV ranges, or how cars are sold and delivered to customers – it will be the level of experiences brands deliver to acquire and retain their customers. They must now deliver it.


Flora Garcia, Head of Automotive and Mobility in France, said:

"Car manufacturers should start working on improving customer experience today, because the gap between them and the leading sectors such as retail or travel is getting wider by the day, and because – if approached pragmatically – they can see positive results very very quickly in terms of improved sales and lowered costs.

To do that, car brands should resist the temptation to 'boil the ocean' or plan every minute detail for a decade ahead, but instead:

- **Adopt the agile, "digital-first" mindset**
- **Adopt the right transformation framework**
- **Bring in the right foundations and components – invest in automotive CX expertise, enabling technologies, data & insights, optimization processes and customer support**
- **Set off in the right direction, but only plan the detail for a few milestones ahead**
- **Start rapidly iterating, learning and improving"**



An aerial, high-angle shot of a multi-lane cable-stayed bridge stretching across a vast body of water. The bridge's structure, including its tall pylons and numerous stay cables, is clearly visible. Several vehicles, including cars and a large white truck, are traveling along the bridge's surface. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue, indicating a sunset or sunrise. The water below is a deep blue with gentle ripples.

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**WHEN WILL YOU
START YOURS?**

APPENDIX

AUTOMOTIVE

INDUSTRY CHALLENGES

The automotive industry is in the middle of a perfect storm caused by many challenges coming together within a short period of time.

Changing consumer behavior

Customers have new expectations on interacting with car brands and their cars. The rise of “digital” has created a new omnichannel world, with customers creating sales and ownership journeys at the time and place of their choosing.

David Pitoiset, Director of Automotive Captive Finance, said: “I’m sure that the way people purchase or sell a car will be dramatically different in 10 years from how we do it now. I predict there will be a massive change in sales and marketing - probably unlike anything we have seen in the last 30 years.”

Growing competition

In addition to the traditional car manufacturers, a new breed of competition offers new autonomous, connected and EV products and new, often digital ways to buy and consume them. New competitors appear, creating and exploiting niches as they arise.

COVID-19 impacts

COVID-19 has created short-term business pressures as well as opportunities at the most basic levels of profitability and trading. We have seen accelerated development in sales and digitization, but also global shortages of crucial materials, now massively impacting manufacturing and car availability in general.

Increasingly tougher legislation

More than 70 countries, including the world’s biggest polluters – China, the United States, and members of the European Union – have set net-zero targets for emissions to help tackle global warming. A race is on to deliver electric vehicles (EVs) at pace as governments across the world phase out diesel and petrol cars.

In the near-term, Franck Dansaert, VP Automotive China & Head of

Automotive France, Capgemini, said “electric cars rely on similar batteries and technologies – yet only premium brands can charge higher prices. This could disproportionately accelerate the growth of premium brands like Polestar, Tesla or Porsche”.

Carlos Tavaréz, CEO of Stellantis, has voiced concern that brands are being forced to make EVs before they’ve had time to realize how to make them financially viable. As it stands today, EVs are too expensive for many families, so OEMs are effectively having to subsidize the costs to increase adoption

Cost reductions and efficiencies

“Today, car manufacturers are reviewing their business models and routes to market to save money to survive and fund the R&D programs needed to maintain a competitive advantage”, Franck Dansaert said.

“One of the focus areas is optimizing the existing traditional dealer model while exploring alternatives like the Agency and Direct-to-Consumer models. The agency sales model – with potential to increase revenues by up to 4% in the long term, while improving customer experience and profitability ([see the report by Capgemini Invent](#)) – seems to be the next step most car manufacturers are considering.”

ABOUT THE EXPERTS

Franck Dansaert, VP Automotive China & Head of Automotive France, Capgemini Invent

Franck Dansaert is Head of Automotive France at Capgemini Invent. Franck has 25 years of strategy & organization experiences for leading automotive companies. He has developed strategic plans, organized businesses, improved efficiency, reduced G&A expenses mainly in Sales & Marketing organization and Captive Finance.



David Pitoiset, Director Automotive Captive Finance, Capgemini Invent

David Pitoiset has 25 years experience in Financial Services in retail and automotive, either working for Automotive Captive Finance Companies or Banks. He is helping car manufactures and Automotive Captive Finance orgs to improve their go to market, customer journeys and organizations leveraging on digital means or relevant editors solutions.



Jérôme Coignard, CTO at Frog, Capgemini Invent

Jérôme Coignard is CTO of frog, part of Capgemini Invent. Jérôme has over 30 years of technology leadership in automotive, media and e-commerce companies, ranging from startups to Fortune 500. He is currently involved in several mobility & connected services projects and helps his client to seize the business opportunities generated by new software-defined cars.



Reza Hariri, Vice President Business Technology at Capgemini Invent

Reza Hariri has 25-year experience in the automotive sector. In his different positions, he was particularly focused on ensuring that IT aligned with business strategy and delivered significant value through Digital capabilities. As Vice-President Business Technology at Capgemini Invent, he is mainly focused on tackling the software revolution in the industry: helping car manufacturers become "Tech-companies".



Tomas Honz, Group Head of Solutions for Automotive and Mobility at Webhelp

Tomas Honz has over 20 years' experience helping leading car manufacturers and retailers to maximize their use of online through innovations, best-practice customer experiences and deployment of people, processes, and technologies.



Tony Patterson, Global Head of Automotive and Mobility Sales at Webhelp

Tony Patterson is Global Business Director Automotive & Mobility at Webhelp. He has over 20 years' experience helping global brands develop their use of online to deliver competitive advantage, leading consulting projects and managing client relationships for car manufacturers and retailers.



Flora Garcia, Global Account Director Automotive and Mobility at Webhelp

Flora Garcia has 19 years of experience in managing major international clients in the automotive and consulting sectors. She is focused on structuring international client management and delivering Webhelp's value proposition.





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