

WHITE PAPER - SITEL

Driving change:

The future of CX in

the automotive &

transportation industry

 **sitel**
group

Just 30%

of automotive companies have the digital capabilities required for digital transformation

\$3.7 trillion

projected annual revenues for mobility-as-a-service providers by 2050

59%

of auto executives globally rank connectivity and digitalization as the top automotive trends up to 2030

125 million

connected cars will ship worldwide between 2018 and 2022

57%

of U.S. auto executives agree startups and tech companies are disrupting the traditional automotive value chain

Only 19%

of OEM leaders globally say their companies are fully prepared for the challenges on the way to 2025

Clockwise

Sources, clockwise from left: Capgemini; Strategy Analytics; KPMG; IBM; Foley & Lardner LLP; Counterpoint Research.

Preface

From manufacturers and insurance, to financing and after-market service providers, digital disruption is driving every organization in the automotive industry out of its comfort zone.

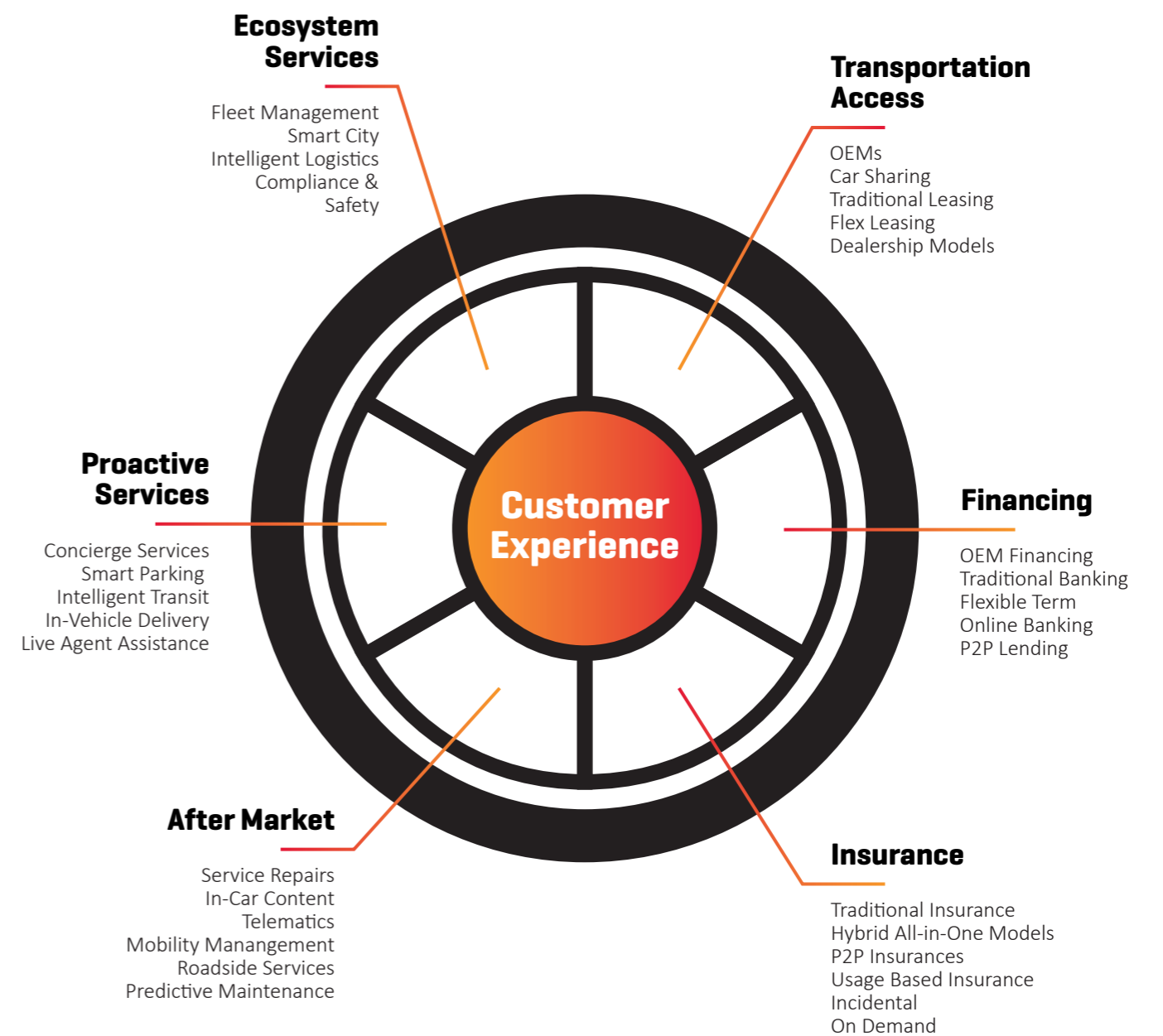
But, the arrival of new competitors with new disruptive business models is just a symptom of this discomfort. Consumers, empowered by technology and expectant of personalization, are the real catalyst for this change.

They are demanding a seamless, end-to-end experience that recognizes their individuality and that encompasses the entire automotive value chain. And as such, they now have the biggest say in the direction the industry is headed.

For organizations to get back on track they need to put customers at the heart of their business and offer them what they want, the way they want it, even as their needs continue to evolve.

The catalyst for change

Customer experience is now the driving force at the center of the automotive ecosystem.





MIKE SMALL

Are you driving into an uncertain future?

It's no exaggeration to say the automotive industry is going through the greatest revolution in its history. The changes will be more profound than the launch of the assembly line or the expansion of globally integrated supply chains.

Existing beyond the traditional automotive value chain, these businesses are being powered into the mainstream thanks to the data which flows throughout their organizations unimpeded, enabling them to put the customer at the heart of every decision they make.

If automotive original equipment manufacturers (OEMs) and ecosystem providers want to be at the wheel as we drive into an era where the car becomes as much a platform for connecting consumers to goods and services as a means of transportation, they need to take full ownership of the customer experience (CX) today.

And, as the industry grapples with digitalization, these disruptors would appear to be in pole position for winning the race for the customer. But the race has only just begun.

But the notion of CX is also changing. Consumers are now digital by default and their expectations have never been higher - tailored services personalized to each customer's specific situation are fast becoming the norm. However, what remains constant is that consumers still value convenience, ease and rapid issue resolution above all.

Automotive OEMs have brand power and the ability to build partnerships across the ecosystem. People will always need personal mobility and over the past 130 years, the world's defining automotive brands have been its most trusted providers.

Traditional industry participants are playing catch up. Gaps have opened up in their Customer journeys - whether between physical and digital channels or between manufacturers and dealerships - and this is leading to weaker bonds and missed opportunities across the overall ownership experience.

Even as the sharing economy expands, OEMs can remain a central force in shaping automotive experience of the future. But only if they continue along the road to digital, connected and personalized customer experiences.

At the same time a new breed of disruptive businesses has arrived, leveraging flexible, digital and analytics-driven delivery models. From ride sharing and short-term leasing to creative financing, insurance and real-time concierge services, these firms are challenging the establishment.

All businesses within the automotive ecosystem need to move from being product-centric to customer-centric. They need to look beyond the traditional value chain for partners that can help them develop the products and services that will define the mobility services of the future. And they need the tools and the capabilities to decode the data that reveals consumers' needs in order to deliver on their expectations.

But crucially, they have to do it all in a way that maximizes convenience and ease.

In this white paper...

Page 5

INTRODUCTION

Are you driving into an uncertain future? by Mike Small

Page 6

1 DECODING

- 1.1 | Offering customers a smoother ride
- 1.2 | From motoring to mobility services
- 1.3 | Expanding the automotive experience

Page 12

2 EXPERT ANALYSIS

- 2.1 | Putting the customer in the driver's seat, by Matt Fry
- 2.2 | Keeping pace with the competition, by Christopher Kuehl

Page 20

3 DISCOVERING

- 3.1 | On the road to a revolutionary customer experience
- 3.2 | Infographic: Driving change

Page 26

CONCLUSION

Driving the change to drive customers to your brand, by Mike Small

1 DE- CO- DING

1.1 Offering customers a smoother ride

A car is expensive. In 2018 new vehicle prices in the U.S. averaged \$36,073. And yet, even with such large sums at stake, automakers, particularly in the mass-market segment, have little choice but to continue taking a transactional, product-centric approach.

This gap between what OEMs are delivering and what customers expect is why in Forrester's annual Customer Experience Index, only two mass-market automotive brands managed a rating higher than OK on its 2018 CX scale.

Automakers may be coping with legacy systems, traditional dealer networks and contractual obligations, but they cannot put off addressing shortfalls along the customer journey that are negatively impacting the experience.

DRIVING DEEPER INTO DATA

Data is the fuel of the 21st century and without its unimpeded flow, your business will stall in its efforts to meet customer expectations or anticipate future changes.

It's why much of the industry is sputtering; digital channels and the data that moves through them isn't flowing effectively into their organizations. Consumers now spend 62 percent of their time on third-party websites and search engines during the path to purchase, compared with 20 percent on OEM sites and 18 percent on dealership websites¹.

Just one-in-three car buyers start the path to purchase knowing exactly what car they want. Typically, consumers start with three possible brands in mind².

Today's connected consumer represents a goldmine of actionable insights and information that can help automotive OEMs and service providers boost sales, create advocacy programs, expand the share of wallet and ultimately increase loyalty.

And in return for the promise of a personalized service, customers are prepared to share the necessary data, if they have confidence in the organization.

Businesses must seize the opportunity to build trust with their customer base now. Because, as connected and then autonomous cars become the norm; the amount of actionable data and the possibilities for continued upselling and cross selling will increase exponentially. The winners will be those companies that have the tools and permissions in place to harvest and analyze that data.

As such a search for a new car will generate over 900 digital interactions including Google searches, video clips, image views and automotive magazine reviews – however, only 20 percent of those interactions will be directly with manufacturers³.

OEMs face the challenge of being where their customers are at every step on the path to purchase - from awareness to selection - so that they own a greater share of the interactions and the subsequent data generated. Multiplying this complexity is the shifting norms of car ownership which are trending more towards "having access to transportation" rather than traditional ownership and leasing options.

¹ Cox Automotive 2018 Car Buyer Journey Report

² Nielsen Auto Marketing Report 2018

³ Google 2016 Automotive Trends Report

TEARING DOWN TRADITIONAL BARRIERS

It is critical the industry views the automotive consumer in terms of lifetime relationship value and in terms of the broader automotive ecosystem rather than a point-in-time purchaser of an automobile and its associated services.

In 2018, 59 percent of U.S. new car buyers were not contacted by the manufacturer following the sale¹. Yet, the average American holds on to a new car for 79.3 months². That's a six-year window for getting to know your customer and participating in the ongoing

flow of aftermarket products and services that make up the overall automotive experience.

There's a choice to make. Close the gaps between manufacturers, dealerships, financing services, channel partners and customers; or face disruption from new entrants who can connect the dots and find more agile and engaging ways to sell, lease, finance and expand the automotive experience.

¹ 2018 Deloitte Global Automotive Consumer Study
² IHS Markit 2017

“ There's a choice to make. Close the gaps between manufacturers, dealerships, financing services, channel partners and customers; or face disruption from new entrants who can connect the dots ”



Is it the end of the road for the traditional dealership buying model?

When the first car dealership opened in 1897, it was revolutionary. Consumers no longer had to travel to a manufacturer in person to inquire about buying a vehicle. However, in the 120+ years since, while every other aspect of the automobile has moved on, interactive displays and free Wi-Fi notwithstanding, the car showroom is struggling to keep up.

The face of retail has been utterly transformed by new technologies that have enabled new shopping behavior and increased expectations. Consumers now inhabit a phygital world - thus called because it blends the best elements of digital commerce with the unique aspects of physical retail. It's why over the past five years the typical number of visits a customer makes to a dealership on the path to purchase has fallen from five to two¹.

The dealership is now just one of many touch points and one some would like to avoid.

Only members of Congress are considered less trustworthy or ethical than car salespeople by the U.S. public². It could explain why 59 percent of U.S. car buyers would like to be able to buy a car directly from the dealer's website to avoid having to haggle or deal with what they perceive as "pushy" salespeople³.

When customers do arrive at a dealership, they've done their homework; 64 percent of U.S. car buyers have selected one dealership over another based on an online review⁴.

However, 57 percent of U.S. car shoppers make no prior contact with a dealer before arriving⁵ meaning dealership staff are immediately on the back foot. How can they understand that customer's needs or meet their expectations when they have no view of data generated from any of the previous steps on the path to purchase?

Yet it's clear customers are looking for a personal touch. When asked to list the reasons for visiting a showroom the responses are always the same - to physically see the car, take a test drive; speak to an expert who can explain the vehicle's features. However, even here, 68 percent of U.S. car buyers say they didn't get a demonstration of their car's features at the dealership⁶.

When asked to rate the elements of the dealership experience that detract from buying a car, the top results are paperwork; haggling over the price; and dealing with financing. Furthermore, 26 percent of U.S. car buyers say that they weren't contacted again by the dealership following the sale⁷.

This is a serious shortfall - 74 percent of consumers who visited a dealership within the last 12 months for a service are likely to return to that dealership to buy their next car⁸.

¹ J.D. Power 2017 New Autosshopper Study
² Gallup Poll December 2018
³ Root Associates, 2017
⁴ Digital Air Strike Automotive Social Media Trends Study 2018
⁵ Cox Automotive 2018 Carbuyer Journey Report
⁶ Connected Cars. Disconnected Owners Kantar TNS 2018
⁷ 2018 Deloitte Global Automotive Consumer Study
⁸ Cox Automotive 2018 Evolution of Mobility Report

1.2 From motoring to mobility services

There's a reason the automobile is the defining cultural artifact of the 20th century. Nothing better encapsulated our desire for freedom, progress, individuality, independence, success and creativity.

The car is woven into the tapestry of modern life. It has shaped and informed everything from our physical world to our attitudes and idioms. But as we drive further into the 21st century, the tapestry is starting to unravel. The space in the collective psyche once occupied by the automobile is now inhabited by the smartphone and its prevalence is starting to raise

A SHARED SUCCESS

Thanks to their focus on enabling trust between individuals around a service, sharing economy companies are helping to normalize lending, swapping and pooling between strangers as business concepts – even when the item being shared is something as personal and valuable as an automobile.

The number of new drivers hitting the road is falling. In 1996, 88.6 percent of U.S. high school seniors had a driver's license. By 2015 it had dropped to 71.2 percent and the downward trend continues year-over-year¹.

Yet congestion on U.S. roads is increasing. An October 2018 report from the San Francisco County Transportation Authority concluded that between 2010 and 2016 congestion in the city markedly increased and 51 percent of that increase was thanks to growing use of Uber and Lyft.

Lyft alone was used 375.5 million times in 2017, and it and other ride-share services combined already account for 1 percent of U.S. personal vehicle mileage².

questions about traditional concepts of mobility and ownership.

Digital connectivity is a faster route to freedom and independence. Owning a smartphone has become a rite of passage – particularly for generations Y and Z. And as smartphone penetration hits saturation point across the U.S. and Europe, it is opening the doors to on-demand sharing economy businesses and along with them new approaches to many aspects of the traditional automotive value chain.

This shouldn't come as a surprise. Younger generations in particular are now focused on mobility; on which transport option - public transit, ride sharing or car rental – aligns with their lifestyle at that moment in time.

U.S. car dealers believe these new business models are already impacting vehicle sales – 47 percent agree there will be a noticeable drop in demand within the next decade, and 28 percent believe that by 2023 the primary mode of transportation for consumers will not be a personally owned vehicle³.

We're moving from a monogamous to a contextual, open relationship with cars. And as more of the global population choose to live in increasingly crowded cities, this can only trend upwards. PwC forecasts that by 2030, 33.5 percent of personal vehicle mileage in the U.S. will be covered by sharing concepts.

1.3 Expanding the automotive experience

Millennials will soon be the world's biggest generation in terms of spending power and wealth creation - meaning ownership is about to give way to access. This generation is deciding against taking a driver's test yet is driving the sharing economy towards a value of over \$335 billion. As such, it's time to reassess existing business models with a focus on CX.

CREATING A DEEPER CONNECTION

The connected car offers OEMs and ecosystem providers a huge opportunity to take their CX up a gear and create personalized and connected products, services and experiences that add new levels of value to the concept of car ownership and that integrate with mobility services.

Between 2018 and 2022, 125 million passenger cars with embedded connectivity are forecast to hit the road² meaning the connected car is accelerating into the mainstream. Two-thirds of U.S. drivers are

A \$7 TRILLION BUSINESS OPPORTUNITY?

According to Intel, as consumers transition from driving their cars to being driven by them, it will create what it has dubbed The Passenger Economy. In a report co-authored with Strategy Analytics, they forecast it will be worth \$7 trillion by 2050.

As for how the two firms have arrived at their figure, they estimate that mobility-as-a-service will generate \$3.7 trillion in revenues within the next 30 years, solely among consumers.

Alongside that, a new ecosystem of digital services that will grow around autonomous cars for meeting passengers' needs – from shopping to accessing

It's impossible to overemphasize the importance of CX – 87 percent of U.S. consumers are ready to pay more if it means buying from companies that deliver on the promise of customer experience¹ and before the end of the decade it is going to be the number-one brand differentiator.

already prepared to pay for advanced connected car features – particularly those focused on safety, time-saving and convenience; and 53 percent of car buyers believe in-car Wi-Fi should be a standard feature on new cars³.

Looking beyond the U.S., 68 percent of car owners globally would be interested in having a connected insurance black box fitted to their next car⁴ while in-car ecommerce platforms are expected to generate \$265 billion in revenue by 2023⁵.

entertainment – is expected to generate 100s of billions annually.

There will also be an estimated \$900 billion cost saving among U.S. consumers who no longer need to buy, maintain or insure a car, while the government can keep \$234 billion it would have used to fund road safety and accident prevention initiatives.

But to be part of that future, the automotive industry needs to look beyond its traditional value chain and towards other industries – from retail and insurance to travel and hospitality for partners that can help create and deliver connected services.

¹ Study; The University of Michigan Sustainable Worldwide Transportation

² Five Trends Transforming the Automotive Industry, PwC

³ The Evolution of Mobility Report, a Dealer's Perspective, Cox Automotive

¹ 2018 CCW Digital Customer Experience Study

² Counterpoint Research 2017

³ IHS Markit Connected Cars Report

⁴ Intelligence Hits the Road, Accenture

⁵ Juniper Research 2018

2

EX-
PERT
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MATT FRY

2.1 Putting the customer in the driver's seat

An automotive OEM's trust capital used to be determined primarily by good financial results, a reliable or desirable model range – backed by good customer care at the local dealership – and a brand perception enhanced by carefully considered marketing. Indeed car companies were the kings of advertising in its traditional print and TV spot formats and constantly pushed the envelope. After all, buying a car is a purchase made as much with the heart as the head.

But traditional approaches to stirring up this emotive feeling are starting to fall flat, especially with younger generations. The days when a customer saw your advertising, immediately fell in love with its message

and then went out and bought your product are over.

Today's customers want a relationship built on outstanding customer service, not outstanding ad campaigns.

And it's not just with OEMs. The customer relationship has already changed right across the automotive ecosystem – the disruption to legacy structures is permanent. The time to change course and adapt so that your products and services are in line with customer expectations and in line with their broader digital lives, is now.

RESPONDING TO A REAL-TIME CHALLENGE

For an industry historically structured around lengthy planning cycles, multi-year product runs and large infrastructure and organizational investments, the challenge of moving to a model where decisions need to be made on a weekly, daily and hourly basis is very real.

The new entrants that are disrupting so successfully are doing so because they have the benefit of building from the ground up around the new customer. However, even with this head start, companies in the traditional automotive value chain have enough under the hood to shape the debate.

Incumbent organizations, from OEMs and rental companies to financing, insurance and after-market services, may need to adapt their products and services, but they already have an enviable legacy of experience and existing relationships to draw on.

New entrants might be building a buzz, but their brands aren't building trust at the same rate – only 7 percent of U.S. consumers would actively go with a third-party provider rather than an automaker or dealership for a car subscription service¹.

¹ Evolution of Mobility Report 2018 Cox Automotive

THE CUSTOMER AS CATALYST FOR CHANGE

The real reason why incumbents are having to grab the wheel with two hands is changing consumer behavior and increasing expectations. New disruptive companies in the automotive value chain are little more than a symptom.

Banks, insurers and automotive OEMs have traditionally had the voice and backing of government regulations which supported an inside-out development

CONSTANT COURSE CORRECTION

Be it social media, Google ads, your website, live chat with a customer representative before a sale, or an in-person interaction at the dealership, each customer uses different touch points on his or her journey. Any one of those interactions could carry significant weight in delighting them enough to move further along the funnel.

Therefore there's an absolute necessity to constantly examine each of these touch points and the processes behind them – sales, marketing, operations, process management, customer service – from the customer's perspective. It is the only way to understand if they're making it easier or harder for people to do business with you. Every interaction that creates friction and every touch point where data - and therefore customer insight - could be captured but is being lost pushes your customers further away.

MAP, ENGAGE, ANALYZE

This is why it's fundamental to start with unraveling and optimizing the customer journey. Map the existing journey, understand the gaps that exist and take the steps to improve the experience.

This doesn't have to be a huge undertaking, it could simply mean doing more, or doing something different, with your existing customer data. That's because creating a customer-centric relationship begins with identifying how the customer wants to interact with your brand and understanding what is and isn't working in the current environment.

of products and services, leaving the consumer to accept the offering and level of service.

But today, organizations have to accept and align with what customers want. And increasingly across all sectors, from automotive to retail via travel, hospitality and financial services, they expect a tailored omnichannel end-to-end experience.

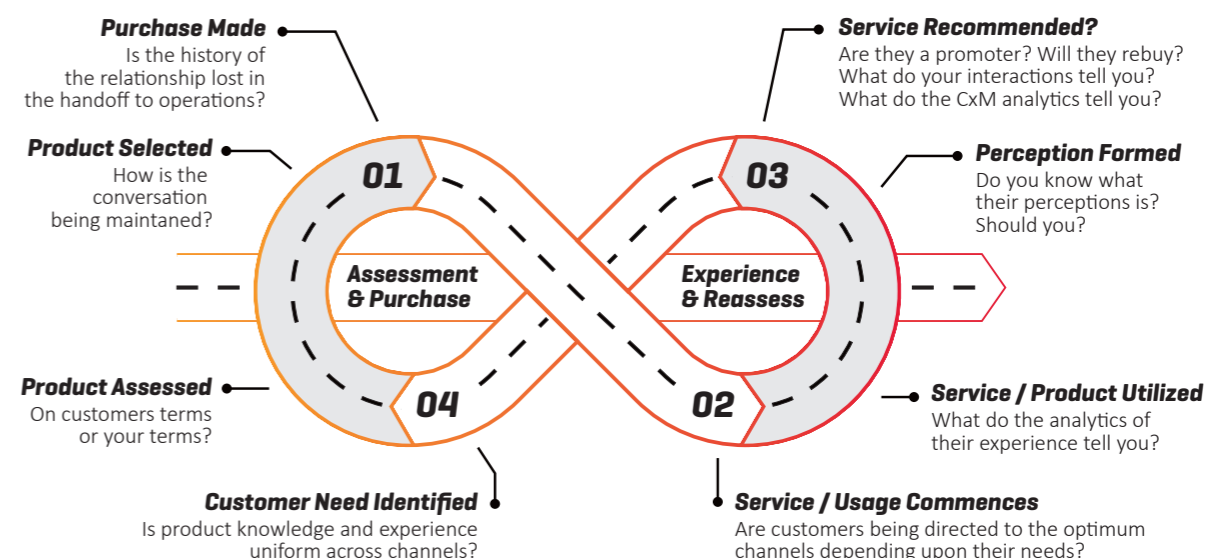
For example, if a customer engages with you via live chat and then transfers to the phone, does their information carry over across channels, or will he or she have to explain themselves again? If they configure an SUV on your website then visit a dealership, does the dealer know not to try and tempt them with a sedan?

All organizations should be constantly trying to do three things: understand the consumer's expectations of the products and the services experience they seek; give consumers the omnichannel access they demand; and leverage data to determine how, when and where to engage customers to serve their interests while solving for the topline and bottom line of the enterprise.

However, this data is useless unless you ask the right questions: How can we anticipate needs and opportunities more quickly? How can we personalize these experiences? How do we identify the most appropriate touch point at a given moment? Can we more seamlessly connect between the in-car and out-of-car experiences?

Example Data Journey

Within the nonlinear customer lifecycle, impressions are made and reinforced across every medium at each stage of engagement. Customer engagement needs to occur on the customer's channel of choice and data should be captured to inform and influence subsequent interactions.



EXPERIENCE, INNOVATE, OPTIMIZE

By answering these questions, you can begin to map customer journeys and determine where the opportunities lie. Then action can be taken to minimize pain points, align channel priorities and shape the overall experience to best meet customers' expectations.

With segmented customer maps as a guide, it's time to start looking at where to innovate. Which existing and new technologies can be leveraged to strengthen your channels and make you more responsive to customer needs? Which touch points can be digitized? Organizations that score highly for CX have a lower cost to serve and higher loyalty and advocacy rates than their peers, meaning that there will be a return on this investment – but only if your attention never slips. The levels of customer experience your organization delivers should be under constant scrutiny.

This vigilance will highlight opportunities for optimization like automating back-office transactional activities and finding areas where the flow of

customer traffic to contact centers can be deflected through self-service.

Consumers are more likely to use Google or visit your company website than reach for the phone when they have an issue to resolve. And, when they do try to help themselves, they expect to find what they're looking for. Putting frequently asked questions or frequently searched for content front and center - and keeping it constantly updated - keeps your customers happy and reduces the number of low-value calls to your contact center.

But that's just a first step towards optimizing CX while increasing return on investment. Adding an online community forum, using visual IVR solutions and leveraging data to build chatbots will all add new forms of cost-effective engagement and empower customers to help themselves in a low-effort way that still drives improved CX.



CRISTOPHER KUEHL

2.2 Keeping pace with the competition

Whether offering flexible leasing, financing, new ownership models or advancing carpooling and ride-sharing services, all of the businesses disrupting the traditional automotive value chain are using the same secret weapon – data.

They're not tied to legacy systems or even physical assets. Their client relation channels are evolving in line with their organizations and those channels are optimized to allow data to flow directly into the business. They understand the transformative effects of data, how it can highlight areas where they can

THE FUTURE OF DATA STARTS TODAY

Tomorrow, data will enable the autonomous automobile to become an accessible reality. But today thanks to connected cars, connected supply chains and connected production lines, accessing and acting on data already offers a wealth of productivity, innovation, sustainability and crucial customer experience opportunities for those organizations that want to put the customer in the driver's seat.

Analyzing production data in real-time can identify potential defects in individual parts as they're manufactured, improving quality and mitigating the risk of

differentiate, where they need to improve and how to prepare for the future.

Their company structures are silo-free; data and information isn't trapped in one department or blind to data being generated by other departments or processes. That's why to remain relevant in the fourth industrial revolution, automotive ecosystem providers need to go beyond mapping and monitoring and undertake a true digital transformation.

vehicle recalls. If an issue does persist, the same data can optimize the recall process, ensure the owner of every affected vehicle is notified, and, by knowing the numbers in advance, being able to flex supply chain and capacity at service centers to suit.

Likewise for routine maintenance, dealerships can alert owners ahead of time that their car is due for a service and even suggest a time for the maintenance that fits their schedule. And as faults can be diagnosed remotely, any special parts needed to complete a service or repair can be ordered in advance.

“ To remain relevant in the fourth industrial revolution, automotive ecosystem providers need to go beyond mapping and monitoring and undertake a true digital transformation ”

Even in its current form, the connected car is creating myriad new touch points and opportunities to strengthen the customer relationship while gaining new insights, not just for OEMs and dealerships, but for all companies within the automotive value chain.

Insurers are using the same telematics that identify faults to create bespoke policies based on how and where a car is driven. Furthermore, the introduction

BE WHERE YOUR CUSTOMERS ARE

As the customer journey in its literal sense expands to incorporate public transit and ride sharing alongside personal automobile use, data will be available for companies in the automotive sphere to develop services and experiences that remove the friction in these multimodal journeys. It will also enable them to compete with the likes of Uber as data and connectivity will simplify fleet management.

Being able to monitor wear and tear on vehicles in real time means that organizations can take cars off the road for repair before they breakdown and already have the necessary parts on standby, facilitating more rapid repair and return to service. Meanwhile, having an omnipotent view of traffic and public transit conditions - which roads are congested, which areas have the most potential customers, which trains or buses are delayed - will simplify fleet deployment so the right vehicles are always in the right place, avoiding potential gridlock.

“ OEMs need to look beyond their traditional value chain and to other industries for partners that can deliver these sorts of services ”

of driver-safe apps for everything from banking to commerce are shining a new light on customer behavior. Companies will be able to make connections between favorite stores, favorite drive-thru restaurants and favorite automotive brands that will enable expertly targeted marketing and help with moving from manufacturing to delivering services.

But to fully understand how big of an opportunity the connected car is for OEMs looking to connect with consumers, one must look to the iPhone.

What made Apple's first attempt at a telephone so disruptive wasn't its touchscreen, it was its ecosystem: the App Store.

And just like the App Store, which is full of apps from businesses that have nothing to do with consumer electronics or personal computing, OEMs need to look beyond their traditional value chain and to other industries for partners that can deliver these sorts of services.

However, it all starts with gaining a clear view of your customers to understand their needs and desires and the areas in their lives where your brand intersects and can deliver real value. That can only happen with the right data.

WHY DATA IS THE DIFFERENTIATOR

If OEMs perfect their omnichannel approach to customer experience and can start to build out their offerings around connected cars, they will be able to tap richer, deeper data reserves.

From digital touch points on the path to purchase, to social media buzz, speech analytics in contact centers and sensor arrays in vehicles themselves, OEMs could soon be drowning in data.

Big data is one of the biggest topics in business today. But rather than discuss data, businesses need to realize that they need to get data to talk to data if they want to gain actionable insights.

Companies need the tools and the processes so that unstructured data generated via social channels and from speech analytics can be merged with structured data sources to create the biggest and most detailed canvases.

But they also have to know how to view this canvas from the customer's rather than the organization's viewpoint. That's the only way that data can drive an organization's top line and bottom line. By looking through a customer's lens you understand how individuals interact with and perceive your brand and how to improve CX.

Better CX means doing better business with customers through higher quality service and personalized up-selling and cross-selling, making customers more satisfied and reducing churn.

The same data will enable you to more effectively map prospects and target new customers, making your business more efficient.

But it could also enable you to predict the future. With big enough datasets enhanced with unstructured data sources, AI and machine learning can begin to identify individual customers, their preferences and buying patterns and thereby predict, and potentially serve, his or her next request before it's made.

NO TRUST, NO DATA

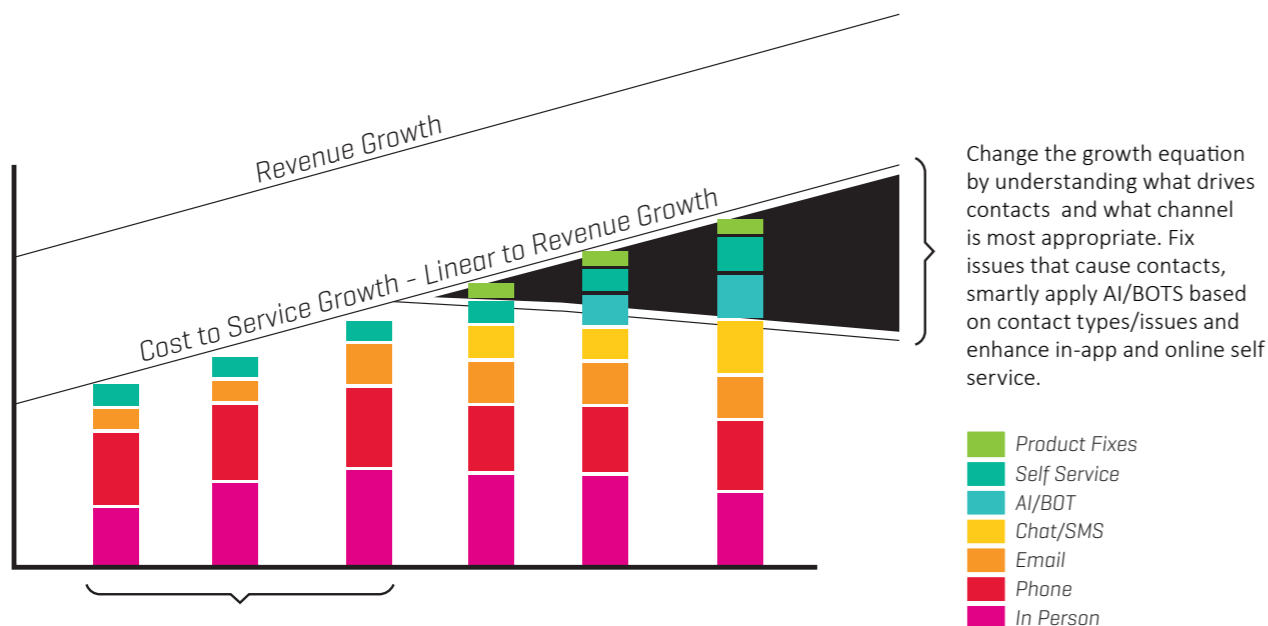
However, data also raises the issues of transparency and ethics. OEMs will need to clearly communicate and clearly demonstrate how they are treating their customer's data with due care and attention.

A transformational journey is long and it can be challenging but digitalization will connect you with your customers in such a way that you can start to anticipate their needs. It will also provide the foundational platform on which you can build new products and services that add value to the ownership experience and serve the new market economy as global demand for the traditional automobile begins to decline.

In this respect, there is some light at the end of the tunnel. Customers are more willing to let automotive OEMs process this data on condition of transparency. Only 18 percent of drivers, globally would trust tech companies to handle their personal and connected car data, compared with 37 percent that trust automotive brands¹. However, there is still work to do to bring that figure closer to 100 percent.

¹ Connected Cars. Disconnected Owners Kantar TNS 2018

Changing the Cost-to-Serve Growth Equation



Companies must change the growth equation to sustain momentum. Use product & customer experience data to transform the equation.

- Key questions when analyzing the data:**
- What drives contacts?
 - What are the types of contacts?
 - Are all contacts / touchpoints made equal?
 - Will the customer prefer another channel?
 - Can I test another channel/approach quickly to determine customer reaction?
 - Can I solve the issue on the front end with better product design, online experience, etc.

“ Data also raises the issues of transparency and ethics. OEMs will need to clearly communicate and clearly demonstrate they are treating their customer’s data with due care and attention ”

3 DISCOVERING

3.1 On the road to a revolutionary customer experience

There are four steps that any business that's serious about becoming customer-centric must take in order to meet customer expectations and stay ahead of the competition.

1

MODEL AN OMNICHANNEL SOLUTION

Being omnichannel means more than being on your customer's channel of choice. It means delivering a seamless experience for customers who move from one form of communication to another and back again; giving them the sense of a personalized service.

Get it right and you'll reduce pain points from the customer journey, remove inconsistencies in customer service flow and gain a fuller view of the customer.

2

MAP UNIQUE CUSTOMER JOURNEYS

You can't claim to know your customers unless you know how they are interacting with your business. As consumers move further towards digital channels, cataloging individual journeys and recognizing individual personas should become easier. Therefore it's crucial you seize this opportunity to segment your customer base. Without a full view of the customer lifecycle and a clear understanding of individual customer journeys, your marketing will fall short, pain points will go unnoticed and your CX will be subpar.

3

PUT THE BRAKES ON CUSTOMER EFFORT

CX is as much about what you do when things go wrong as it is about getting things right. The less energy a customer has to use to resolve an issue the more that customer will feel satisfied and the more they'll recommend you to their peers. As well as creating advocacy, reducing effort increases customer loyalty and their future spend, but to really benefit every stage of the customer journey – not just the post-purchase experience – needs to be as close to effortless as possible.

4

DRIVE YOUR DATA

If you aren't collecting and analyzing data across channels, you'll always be one step behind both your customers and your competitors. It's crucial this data is gathered and treated in a way that meets the requirements of regulatory changes, such as GDPR, and is aligned with growing ethical considerations to ensure you win your customers' trust.

Leveraging data from structured and unstructured sources supports better products and services, lower call volumes, improved first call resolution rates, an optimized customer journey, higher performing agents and, ultimately, a better CX – all without asking customers for more information.

3.2 Driving change

From the road to production to the path to purchase via finance, insurance and dealing with dealerships; Sitel Group can help any business in the automotive industry get closer to their customers.

81%

of automotive supply chain executives say visibility is their top challenge¹

62%

of consumers' time is spent on independent automotive sites, social media and search engines²

55%

of consumers say automotive OEM websites do not meet their expectations³

74%

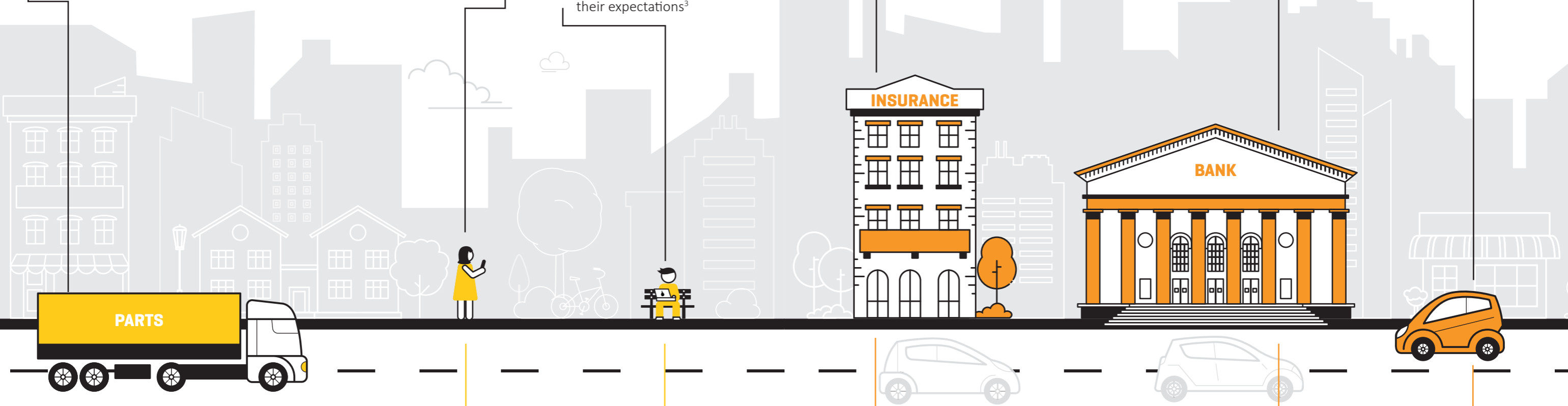
of consumers research online but only 25% buy their auto insurance over the web⁴

79%

of auto loans are via lenders that partner with a car dealership⁵

64%

of consumers have decided to go with a different dealership based on an online review⁶



- Omnichannel customer service
- Real-time data capture and analytics
- Single view of each customer
- Automate back office
- Leverage self-care channels

- SEO
- Social media listening
- Social media data analytics
- Targeted multichannel marketing
- Brand audit
- Peer communities to build customer advocacy and knowledge and help influence potential customers via non-owned sites

- Optimize website for mobile
- Live chat
- Chatbots
- Co-browsing
- Customer journey mapping
- Integration with finance and insurance partners

- Provide omnichannel customer care
- Real-time data capture
- Automate back office functions
- Leverage self-care
- Create more touch points
- Proactive web chat to support answer and convert customers during the research and consideration stages

- SEO
- Social media listening
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- Omnichannel customer service
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- Brand audit
- Customer care training
- Online reputation management
- Social listening

1 IBM
2 Google
3 Deloitte

4 J.D. Power
5 Dealer Refresh
6 Digital Air Strike

57%

of consumers are walk-ins who have had no prior contact with the dealership before arrival⁷

80%

of consumers say interacting with a knowledgeable expert who can answer their questions is the most important aspect of visiting the dealership⁸

59%

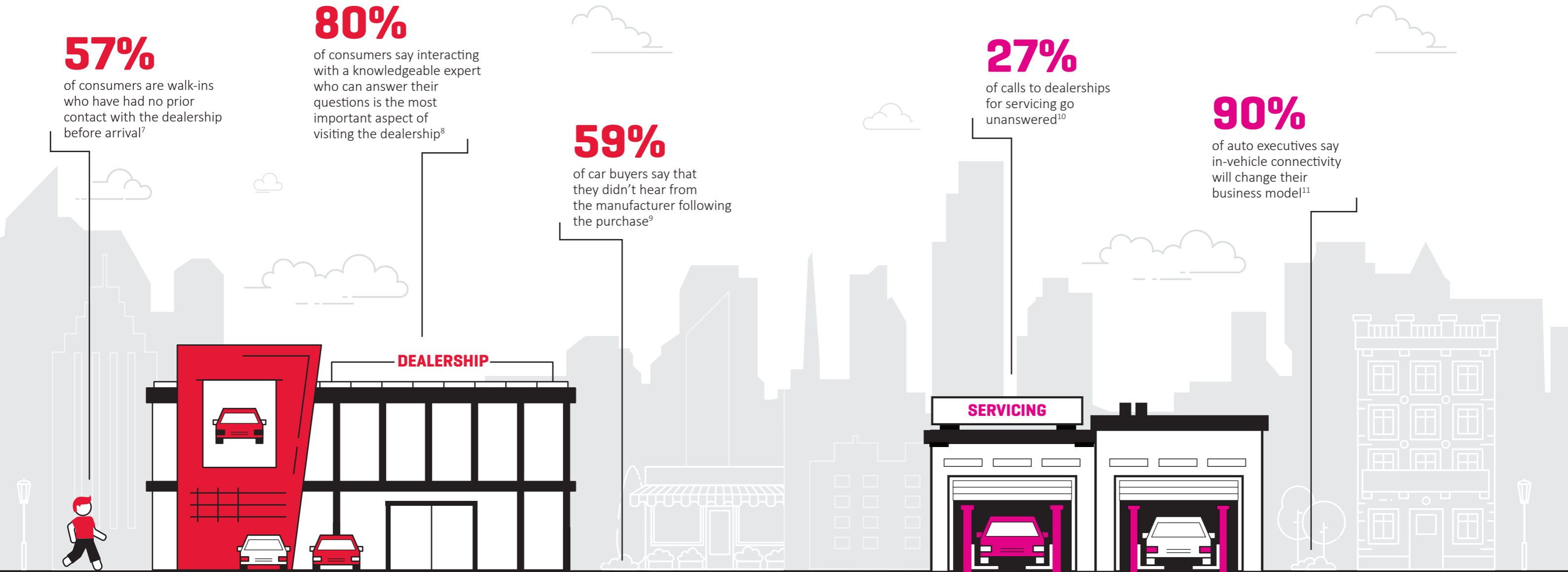
of car buyers say that they didn't hear from the manufacturer following the purchase⁹

27%

of calls to dealerships for servicing go unanswered¹⁰

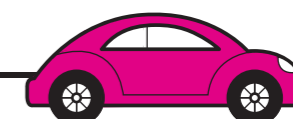
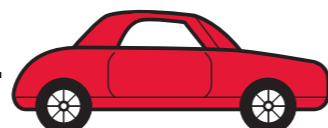
90%

of auto executives say in-vehicle connectivity will change their business model¹¹



DEALERSHIP

SERVICING



- Capture information from interactions with the OEM website and customer service representatives
- Remove silos that prevent data flowing to the dealership network to better meet potential customer needs

- Dealership personnel training
- Merge information collected by sales with finance/lease teams to stop repetition of data collection across departments
- Provide single view of customer so they don't need to wait for information or repeat the same information indifferent channels

- Build individual customer profiles that are shared with the automotive OEM
- Automate targeted marketing
- Build customer forums and communities for insight and brand advocacy
- Welcome contacts for new customers to increase CLV
- Deliver Tech support as a service (TSAAS) for greater customer retention and revenue and product or service insight

- Capture information from interactions with the OEM website and customer service representatives
- Remove silos that prevent data flowing to better meet potential customer needs
- Omnichannel Customer Care
- CRM
- Seamless customer channel transfer, e.g. phone to Messenger, for ongoing brand conversations

- Provide contact centers and specialist training for in-vehicle concierge services
- Automate back office processes and mobilize data for providers of black box insurance policies
- Provide data insights created by in-vehicle app use
- Deliver customer service support for products and services offered from the dashboard
- Provide the data layer that links connected car service use to customer behavior across automotive ecosystem partners
- Leverage CX associates for continuous bot and voicebot AI training with our augmented agent/Bot Trainer approach

7 Cox Automotive
 8 Capgemini
 9 Deloitte

10 Xtime Telematics
 11 McKinsey



MIKE SMALL

Driving the change to drive customers to your brand

Where once the industry dictated the route, the customer is now in the driver's seat. As a result, the notion of CX is changing so quickly that it may seem impossible to keep pace.

Empowered by technology and inspired by their experiences with other industries in the increasingly connected world, they're demanding more. From how they access vehicles to insurance, financing and related services, consumers want more options, greater simplicity and a consistent, connected experience that encompasses the entire automotive ecosystem and not simply the act of purchasing a car.

This shift has opened the door to a growing number of disruptive businesses who are doing things differently and who seem to have a head start. But rather than being viewed as a threat, the industry needs to see these companies for what they are – proof that moving to a customer-centric business model is the only way to keep pace and capitalize on what is a huge opportunity to drive customer experience and ensure future growth and continued industry expansion.

Yet this expansion will stall unless organizations can get to grips with digitalization and with identifying the obstacles they need to overcome to draw level with their customers.

In the race to drive the customer relationship and shape the ownership experience of the future, the winners will be those companies that can deliver products, services and solutions that are easy to navigate, simple to access and reflect individuality today.

Customers are the true disruptors and to deliver on their terms, organizations must continually assess and refine their CX strategy and understand how it performs against their traditional competitors and the digital disruptors.

And this means constantly closing the gaps between your brand and your existing customers and identifying opportunities to add value, increase simplicity, remove effort and improve communication.

But none of this is achievable without embracing data. With the right data infrastructure in place you will have a real-time understanding of what it takes to meet the customer on their terms today, and the business intelligence to plot a direct course to the customer of tomorrow.

Embrace disruption, anticipate customer needs and deliver experiences that drive the change.

Discover what Sitel Group can do for you

Sitel Group's 75,000 people across the globe connect many of the world's best-known brands with their customers - 3.5 million times every day. As a global customer experience (CX) management leader, we apply our 30+ years of industry-leading experience and the entrepreneurial spirit of our group's founders to deliver omnichannel experiences through voice, chat, social media and more to customers of our 400+ clients across all verticals – from Fortune 500 companies to local startups.

Our breadth of capabilities goes beyond business process outsourcing (BPO) to support every stage of the customer journey. We are redefining the contact

Our expertise includes:

- Omnichannel Contact Center
- Insight and Analytics
- Social and Communities
- Technology and Software
- CX Consulting and Transformation
- Self-Care and Automation
- Learning and Talent Services
- CX Innovation Lab



With 75,000 employees across 150 sites in 27 countries, Sitel Group omnichannel contact centers are populated by multilingual teams that strive every day for operational excellence. Our global presence combined with local knowledge, flexibility and 48 spoken languages allow us to respond quickly to local needs and market changes across multiple business sectors, whenever and wherever they occur.



An international learning and development organization, we are dedicated to creating customized and innovative solutions to develop talent, promote people's skills and give them the ability to grow. From human resources and change management to customer experience and sales and operations we support you throughout your training projects and help you implement the right methods, be it via face-to-face classes, mobile learning, MOOCs and even virtual reality, to match your goals.

center and improving business results by integrating innovative solutions - such as self-care and automation - with the human touch, emotion and empathy of our people.

As a leading CX platform, we are powered by industry experts to deliver tailored solutions through a consultative, customer-centric approach adding value at every touch point - regardless of location, channel or time of day.



Born in the heart of the ecosystem of contact centers, Innso simplifies the use of technology in customer relationship management. Built by operations for operations, our integrated approach represents a new way of delivering an omnichannel agent desktop to ensure agility, consistency and optimized customer experience. Informed and constantly refined by real-world customer service challenges, we improve your ability to deliver.



TSC specializes in customer relations innovation, conversational expertise, chatbots, social networking and communities, to assist brands with the development of new customer trust ecosystems. We draw our professional inspiration from analyzing customer conversations and interactions. Our team of digital professionals, from data analysts and designers to creative technology experts deliver projects that succeed.

CONTRIBUTORS TO THIS WHITE PAPER:



MIKE **SMALL**

**CEO Americas
Sitel Group**

Mike Small is responsible for all functional aspects of the group's Americas' organization: North America and Nearshore (Latin America) including Operations, Finance, HR, Sales & Solutions, Project Management, Workforce Management and Account Management. As Chief Client Officer for Sitel Group, Mike led the Americas Account Management team to significantly improve business growth for clients and help drive strategic value across all industries and verticals.

An award-winning services executive, Mike Small is a University of Toronto graduate who holds an MBA in corporate finance and certifications in Project Management and Portfolio Management. Before joining the Sitel Group he worked in delivering BPO and ITO solutions for a number of Fortune 500 companies and held senior positions at HP and IBM.



MATT **FRY**

**VP, Customer
Experience Management**

Matt is responsible for Sitel's strategy for the company's solutions and services for the automotive industry. Services that allow Sitel to offer highly skilled and targeted capabilities to deliver on our clients' customer engagement objectives.

Prior to Sitel he led organizations that have provided customer service, predictive analytics and technology solutions to companies such as BMW, JLR, Volvo, Dell and several Fortune 500 and Disruptor companies. Throughout his career, Matt has excelled as a strategist, demonstrating his ability to create, manage, and lead senior teams to execute client programs.

Matt holds an MBA from The University of Denver and a BA from The University of Iowa.



CRISTOPHER **KUEHL**

**VP, Analytics
and Client Insights**

Cris Kuehl oversees all aspects of Sitel Group's Analytics solutions right across the globe. It's a role in which he is responsible for managing our analytics process as well as client successes in partnership with our operational leaders.

Cris brings more than 10 years' experience in analytics including with both Business Process Outsourcing as well as in-house execution.

Prior to joining Sitel, Cris was responsible for transformational alignments for key business partners such as AT&T, Kodak and USAA.

Most recently, Cris served as Director of Speech Analytics at Charter Communications where he was responsible for the strategic and tactical execution of the speech analytics solutions including quality automation and customer intelligence and insights for 35,000+ FTE.

For more information about
the **2019 Driving Change: The Future of CX
in the Automotive Industry** white paper
visit www.sitel.com

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