



Customer Experience in Automotive Industry



Executive summary

Automotive sector is catching up with other industries in delivering a data-driven, convenient, efficient and customer delighting experiences. Building a customer centric culture is a concentrated effort that starts from making it easy for employees to form relationships with customers. Everyone on the team must have a firm understanding of how their roles affect the customer experience, and how their behaviors empower customer loyalty and engagement. There is need for **Transitioning from Sell to Serve** which should match with **Evolving Customer Preferences**. It is now imperative for organizations to **enable seamless customer experience** by putting together the right systems and processes for their personal growth. **Hexaware digital offering for automobile and manufacturing** has enhanced employee productivity, decreased order cycle times, streamlined processes and brought many more benefits to clients.



Introduction

Automakers and OEMs have traditionally focused on operational excellence. This is primarily achieved by reducing downtime and improving the efficiency of production processes through investments in infrastructure and technological upgrades while creating a product that is best suited to their target market.

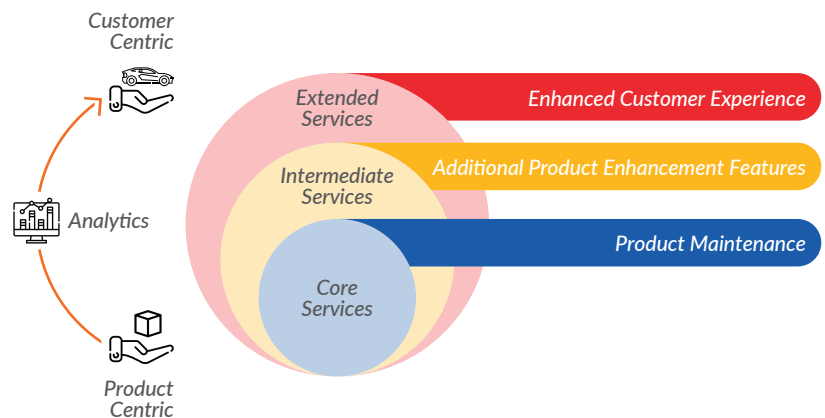
The role of customers was confined to product innovation through market research, focus groups and their purchasing choices. If the customer faced any issues with the product, be it product inquiry or after sales support, they had to find their own way around customer support. The customer interaction processes in place were complicated and time-consuming. The primary aim of a company was to deliver an in-demand product and post-sale customer interaction was not considered a significant area of concern.

Transitioning from Sell to Serve

However, with the advancements in automation, artificial intelligence, IoT and Industry 4.0, automakers have to keep evolving the way they operate. Innovations in technology have made it easier to optimize production processes and deliver competitive products which is why customers have more choice than ever. They expect a personalised experience delivered with speed and agility across their preferred channels, from research to after sales.



This shift from a product centric to customer centric approach has made it imperative for automakers to have integrated sales, service and product development functions, each feeding into the other for an organization's growth. After the completion of the sales cycle, service teams need to actively engage and leverage the massive amount of monitoring data generated by sensor equipped vehicles to proactively fulfil service requirements. Similarly, the automobile health can be used to alert the sales team when a vehicle has reached the end of its lifecycle to begin the retention process.



Average EBIT for aftermarket services was 25%, compared to 10% for new sales.

Source: McKinsey

Customer service transformation is driven by real time visibility into fleet operations, excellence in after-sales interaction and even conducting Root Cause Analyses (RCA) for parts failure and optimizing warranty claims. As the margins on new sales dwindle, automakers and dealers need to focus on retaining existing customers for aftersales opportunities, which are largely relationship based.

On an average, manufacturers are only capturing 25% of total service spend.

Source: Accenture

However, independent market players have capitalized on this opportunity and are competing with OEMs and authorized dealers based on price. OEMs need to capitalize on their knowledge of the customer and the vehicle, vehicle operating data from the customer base and partnerships with their dealers to deepen the aftermarket revenue. Customers are willing to pay a premium for a differentiated service experience.



Evolving Customer Preferences

Customers today are better informed at every step of the service delivery process than ever before. The pervasiveness of mobile devices, high-speed internet and social media has enabled consumption of information anytime, anywhere.

At the core of these changes is the convenience that customers have come to expect across other industries like retail, banking, insurance etc., in their day-to-day life. Let us go through some of the important pillars that are enabling this transformation.

Trust

Customers buy from people and businesses they can trust. Buyers have a huge number of choices at their disposal to choose from and are likely to view a sales rep favourably who focuses on helping them rather than trying to sell to them. For an automaker, since time between purchases by a customer is significant, building trust can help them tap into the customer's circle of influence and recurring revenue from after sales.

Digital presence

Growth in smartphones and mobile devices have changed the way customers interact with businesses. The major part of a customer's buying journey takes place even before they walk into a dealership as prospects use internet – dealership sites, review forums, automotive communities - as a vital research tool to guide their purchase decisions.

“Automotive shoppers spend an average of 14 hours researching cars online before making a purchase decision.
Source: J.D.Power”

Organizations are coming up with mobile apps and websites to keep the engagement levels high and disseminate latest news and offers. These apps also make it easier for customers to connect with dealers and manage their vehicle/fleet. They help being in touch with the pulse of the customer and delivering the right message at the right time.

Personalization and customization

With the vast amount of personal data left behind by customers in the physical and digital space, they expect interactions specifically tailored for them, be it in a B2B or B2C context. Personalized communications help the customers find services and offers best suited to them.

Some auto majors allow customers to customize their vehicles online, suited to their personal preferences, and know what they will look like before walking into a dealership

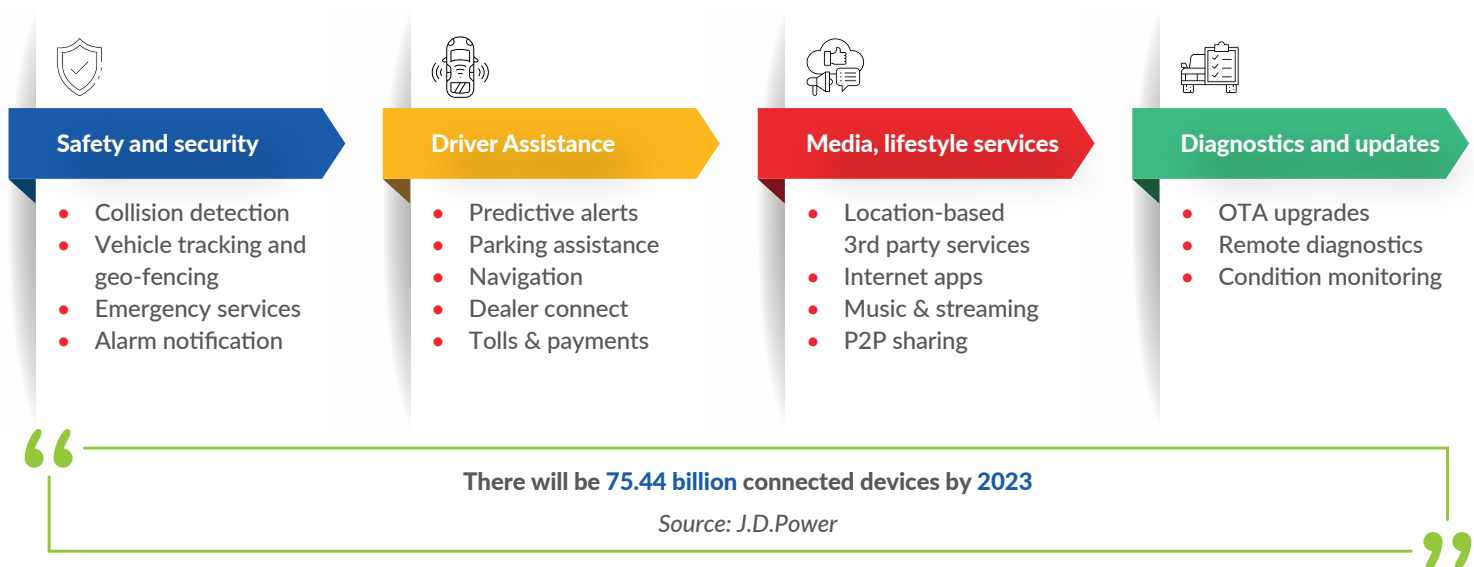
Round the clock support

Convenience is a crucial aspect for customers. They want uninterrupted 24*7 on-demand support across all channels, be it call, chat, email or social media, irrespective of geographic and boundary constraints. Customers expect businesses to be highly responsive to their needs at all times. It paves the way for customer loyalty and retention.



Connected devices

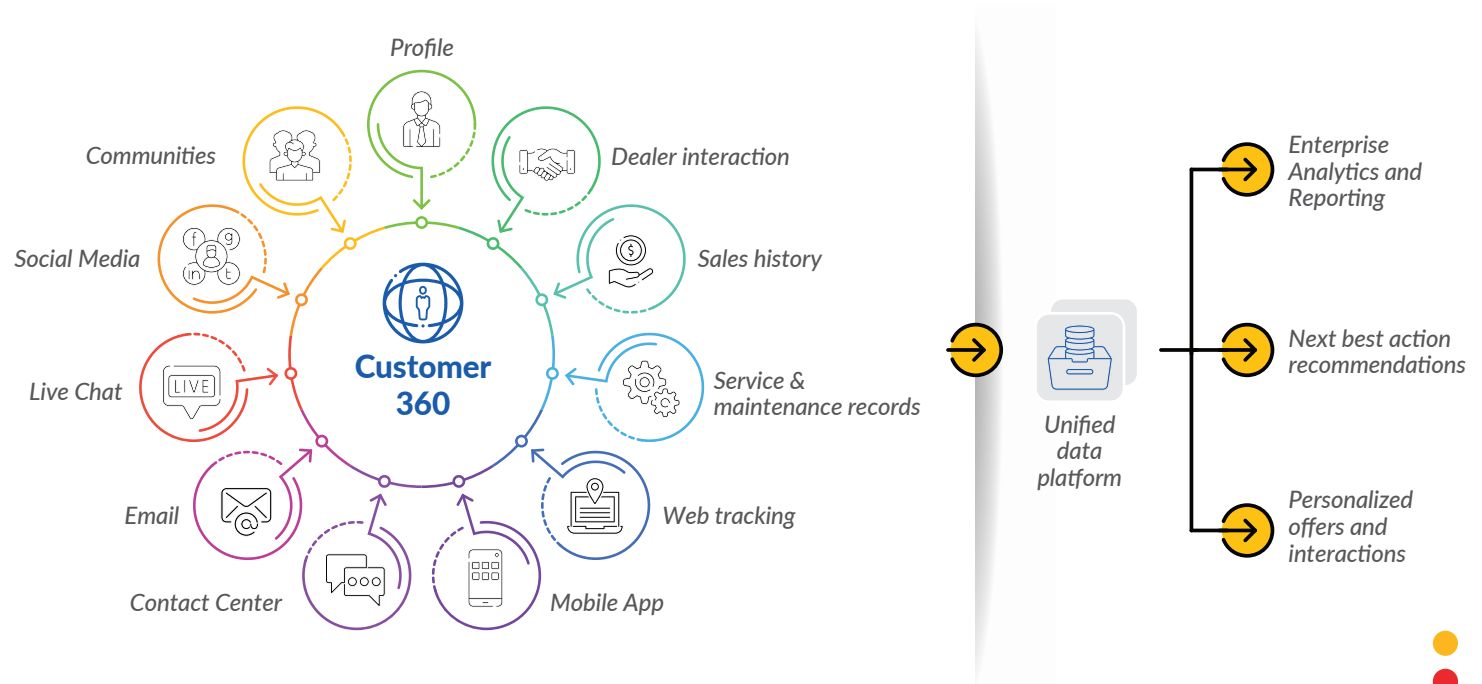
The proliferation of smart devices has brought about a dynamic change in the way technology is changing everyday life. Internet of Things (IoT) is the turning point for digital transformation of customer relationship management. As every vehicle becomes capable to monitor its operating parameters, driving conditions and communicate with other vehicles and devices, it becomes part of a larger mobility network. This connected system is able to anticipate customer needs before they arise and provide a host of services. It can send mobile technicians proactively when a vehicle requires a service. Vehicles can get software updates over-the-air (OTA) which ensures that your vehicle is equipped with the latest capabilities. By 2023, 70 percent of all vehicles will be shipped with factory-installed connectivity, IDC predicts.



Enabling Superior Customer Experience

While it is evident that a seamless customer experience is imperative for organizations to thrive and grow, putting together the right systems and processes is a different task altogether. Automakers across the world find it tough to strike a balance between excellent service and cost-effectiveness. The primary reason is the lack of coherence between internal processes and technology systems that are geared towards service delivery. We have identified four key strategies to orchestrate a business' approach to superlative customer service.

Unified customer view

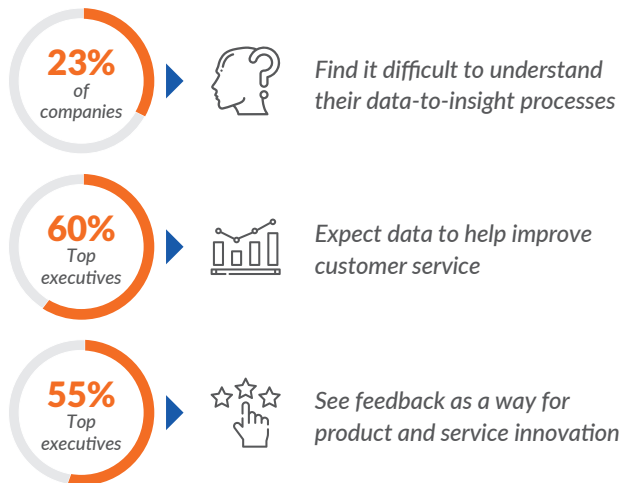


Customers interact with businesses across a number of channels. The systems deployed across these channels are often disconnected which results in a fragmented view of the customer. Companies need to consolidate these bits of scattered information including, marketing, call centres, dealerships, digital sources, maintenance and service records, usage data from vehicle, CRM systems and create a 360 degree view of the customer.

“By unifying our customer data, the possibilities to improve the customer experience are endless.”
—Atsushi Yasumuro, Senior Manager of Digital Marketing at Subaru

A leading distributor of automobiles in Europe used Master Data Management (MDM) technology to combine more than 100 internal and external sources of data to enable an enhanced service portfolio.

Make your data work

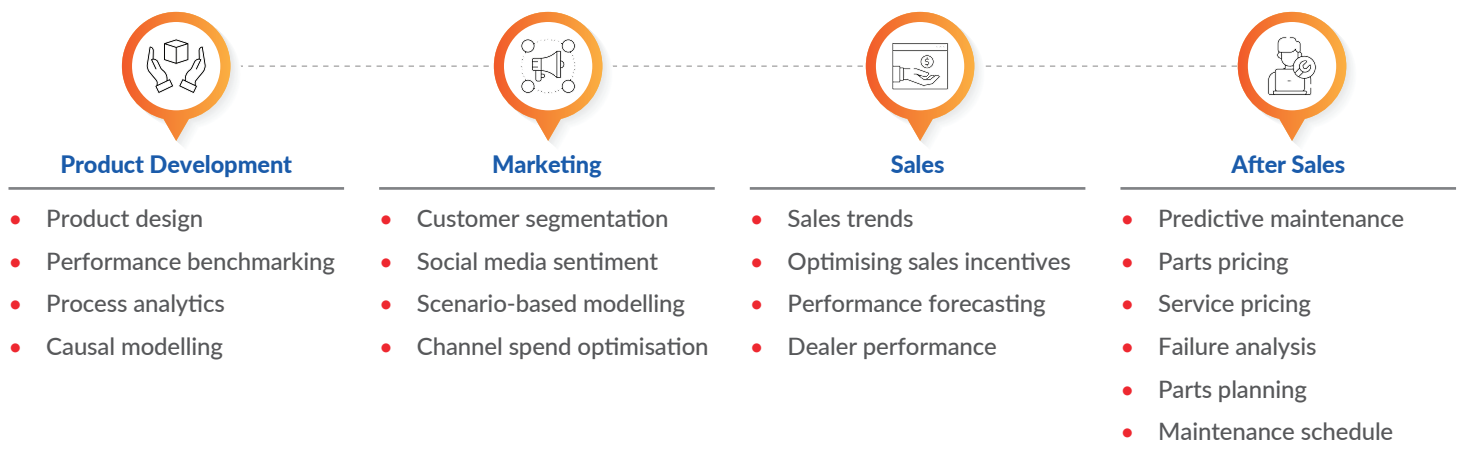


Source: Forbes

As the volume and variety of data available across channels increases, including customers' order history, interaction history and CRM information, there is an opportunity to maximise the productivity of each business function and create new monetization opportunities. Equipped with analytics capabilities, teams can provide inputs for improved vehicle design and identify the optimal marketing mix by understanding their customers and their needs. Machine learning can be used to identify and trigger predictive alerts to customers when they are due for a service or an oil change so that they can avoid any unexpected breakdowns and vehicle failure.

This necessitates a robust data platform, combining data from structured and unstructured sources. With suitable dashboards and planning tools, decision makers can easily figure out how and where to concentrate resources to get the maximum RoI.

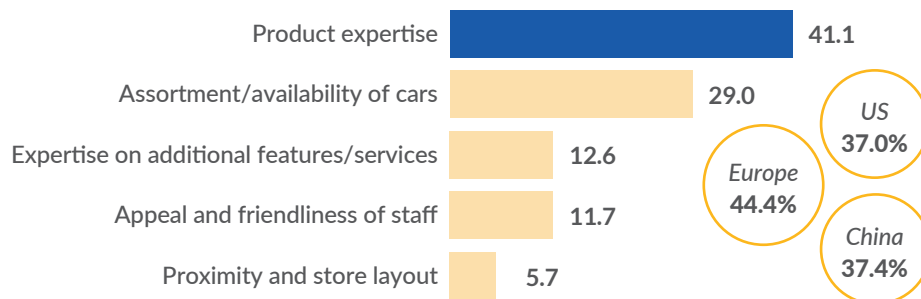
Business Insights for Enhancement



Hexaware's iFraud offering can detect frauds in the insurance claims process for auto insurance and workers compensation. This engine is technology and business-systems agnostic and can integrate with any pre-existing policy administration system (PAS), warranty claims management system or external database, while also being capable of processing claims already in place.

Build a robust partner ecosystem

A leading automobile manufacturer reimagined the experience it wanted to provide its customers when they visited a dealership. They decided to create a new role – product genius, an expert who will educate shoppers about their car choices. The only motivation for the product genius was customer satisfaction, not a sale. In addition, the dealerships offered a seamless transition from the digital store to the physical store.



Automotive Customer Lifecycle

Dealers are responsible for maintaining the relationship with the customer as they help in identifying the relevant vehicles, spare parts and services. They play a huge role in defining the brand perception. OEMs need to work closely with them leveraging Dealer Management Systems and Customer Relationship Management (CRM) systems to deliver relevant information along the entire customer lifecycle.

“Hexaware helped a global manufacturer in a digital initiative for its channels to harmonize the ordering process which resulted in **20% reduction in order cycle time**.”

Efficient service delivery from dealers requires visibility of the supply chain, workforce availability and accurate estimation of the work to be done. For example, if a dealer needs a spare part from the OEM, he should aware of available stock and lead time for its delivery at the touch of a button.

Enabling Superior Customer Experience

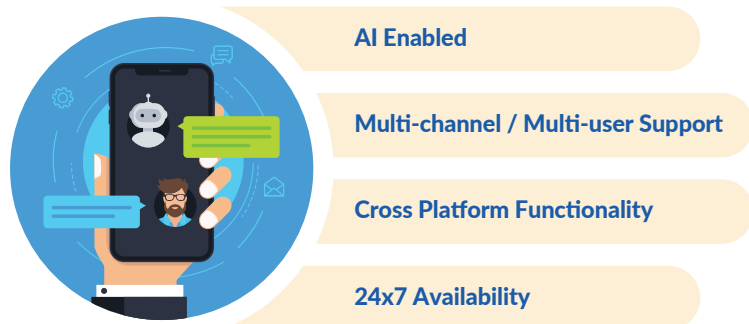
Some of the Key Performance Indicators to monitor the performance of dealer network and set benchmarks for continuous improvement are:

- Lifetime penetration – percentage of a dealer’s vehicle base that it serves during the vehicle’s lifetime
- Average annual service revenue – amount a dealer receives each year for each unit of vehicle under service
- Recommendation capture rate – rate at which service recommendations are accepted by the customer

Self-service using Automation and Virtual Assistants

Time and effort are valued resources and customers prefer to find a solution on their own than having to call the contact centre or their local dealership. Customers should be empowered to perform activities like scheduling a service appointment, paying bills, finding warranty information and further vehicle/fleet details in a hassle-free manner. Advances in AI and NLP from industry leading providers like Google, IBM and Microsoft, are starting to make it easier to handle customer queries and complaints using Bots. Chatbots can handle a large number of customer interactions, from enquiry to transactions to complaints, cutting down on response times and allowing employees to focus on the more pressing issues.

“An AI-powered digital assistant developed by Hexaware helped a UK based utility company respond to user queries **on the go, 24*7**. This resulted in increased customer satisfaction and **automation of 65% of service requests**”

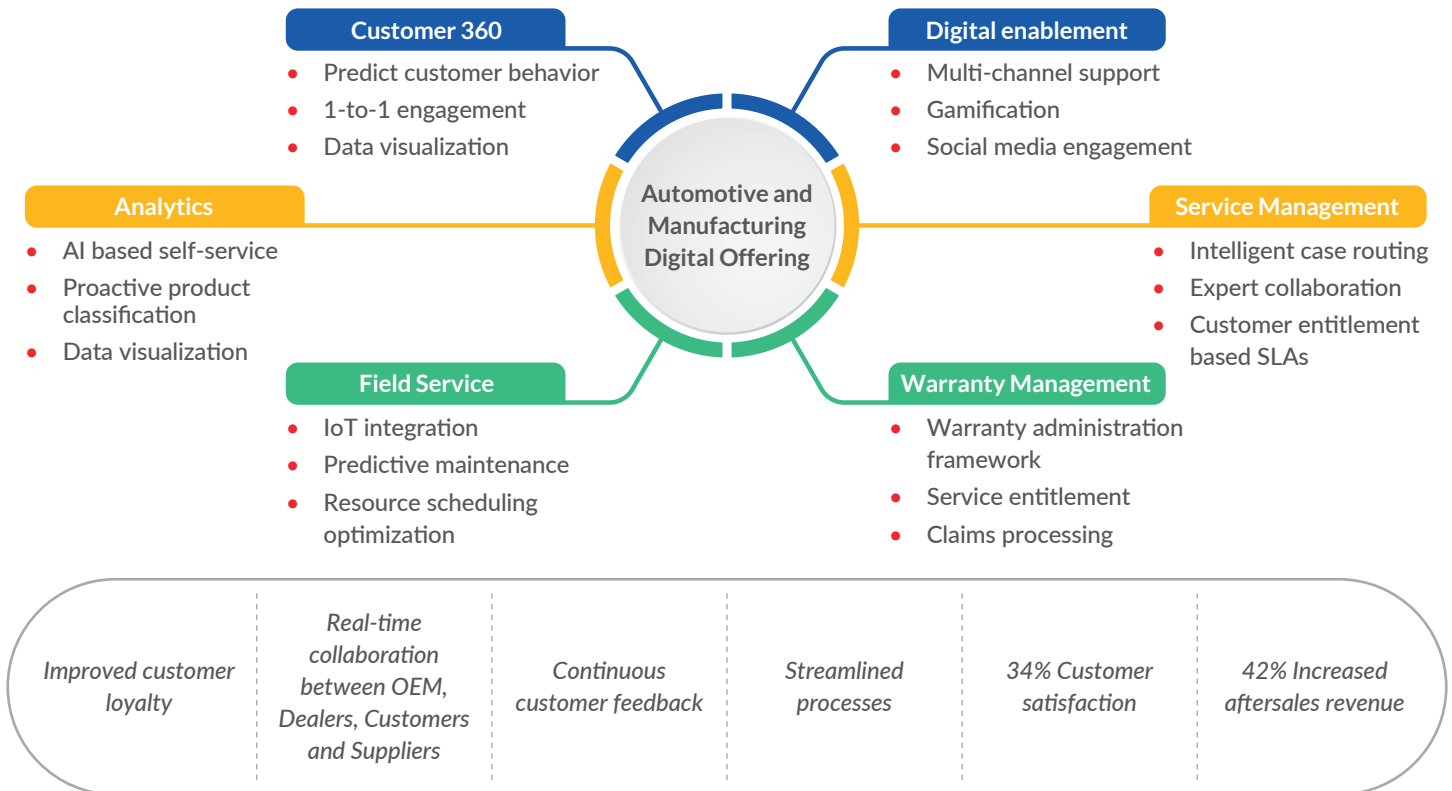


What does Hexaware offer?

Hexaware's aftermarket offering enables a digital ecosystem for automobile companies with focus on experience based design, data driven insights and operational excellence.

It provides integration capabilities with existing ERP and CRM systems, as well as new age technologies like AR/VR, Mobility solutions and connected devices (IoT). This helps in bringing together actionable data insights that serve as a launchpad for design and operation of customer-centric systems and processes.

Hexaware digital offering for Automotive and Manufacturing Industry:



Conclusion

Customer service processes present a plethora of opportunities to increase the efficiency of sales and build lasting relationships with customers. Equipped with the power of analytics, insights into spare parts inventory management, parts failure analysis, quality issues and service levels, can help optimize operational costs and productivity. A good collaboration between product and service business also helps improve product quality and process efficiency. Automakers need to invest in putting right systems in place, expand digital touch points to meet the customers where they are, develop a customer-centric attitude, and build a strong partner network that is able to deliver the experience that customers want.

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Links

1. <https://www.mckinsey.com/industries/advanced-electronics/our-insights/industrial-aftermarket-services-growing-the-core>
2. <https://randed.com/internet-of-things-iot/?lang=en>
3. <https://www.treasuredata.com/customers/subaru/>
4. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/personalizing-at-scale>

About Hexaware

Hexaware is the fastest growing next-generation provider of IT, BPO and Consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Our digital offerings have helped our clients achieve operational excellence and customer delight. We are now on a journey of metamorphosing the experiences of our customer's customers by leveraging our industry-leading delivery and execution model, built around the strategy— 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™, TRANSFORM CUSTOMER EXPERIENCES™'. Hexaware services customers in over two dozen languages, from every major time zone and every major regulatory zone. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

Learn more about Hexaware at <http://www.hexaware.com>

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