

View Point



Automotive Customer Engagement: Orchestrating Digital Consumer Solutions

Steven P. Silver, Ritesh Arora, Vineet Bhagat

Abstract

In an industry featuring 6 million fewer annual vehicle sales, automotive product differentiation remains a difficult battleground given the forces of competition and imitation. As a result, the automotive customer experience and the opportunity to address “interaction friction” remains a rich area of opportunity for automotive brand differentiation and business innovation. The ability of the automotive enterprise such as OEMs, captive lenders and dealers to orchestrate and personalize complex and disconnected interactions for greater customer delight boosts vehicle sales and service loyalty.

The Automotive Digital Consumer armed with many more brand and product choices, infinite pieces of data and social recommendations across multiple brand interfaces expects the automotive enterprise to 1) provide guidance at each interaction point to support the consumer's goals, and 2) facilitate a dialogue with broader social communities thereby supporting additional consumer insights for enhanced decision making. The ability of an automotive enterprise to deliver on these expectations would propel the customer towards their goals along the automotive customer lifecycle. This results in enhancing customer perception, conversions and economic value.

This Infosys View Point, the second in the series on “Automotive Customer Engagement” proposes specific solutions for automotive enterprises to enhance their orchestration, personalization and collaboration and to reduce interaction friction in the automotive customer's experience. The perspective further shares some of the findings of a maturity analysis of a number of leading U.S. automotive enterprises in their efforts to orchestrate the automotive customer experience. It also addresses the need for OEMs to find, design and realize business benefits across the automotive customer lifecycle.

Infosys Approach to Automotive Customer Experience Innovation

Relentless economic and competitive forces continue to transform the U.S. automotive landscape. The resulting playing field for automotive enterprises has normalized through industry, brand and dealer consolidation. Automotive product differences, across brands and geographies, are less amplified in the flattening world. The Automotive Digital Consumer has multiple product options and 24x7 access to an ever-growing sea of data points across multiple brand interfaces. This has further added to the challenge. With product and price having a lesser impact on consumer preference and loyalty, the automotive customer experience therefore remains one of the few remaining areas of brand differentiation.

As highlighted in the companion Infosys View Point, “[Automotive Customer Engagement: Putting the Digital Consumer in the Driver’s Seat](#)”, the historic friction found in automotive customer engagement is caused by a range of factors – from industry economics, product choices, product quality, business model, distribution constraints, regulatory mandates, etc. Amongst the greatest sources of friction is the lack of effective collaboration amongst various players involved in the automotive customer journey. Thus the ability to effectively orchestrate and personalize complex and disconnected interactions with the Automotive Digital Consumer is the key to economic value realization. This value realization is a result of increasing the quantity and propensity of consumers who exhibit:

- brand preference and advocacy
- improved lead conversions
- enhanced conversion of interactions into commercial transactions at the point of sale
- increased “perceptual” switching costs associated with leaving a brand

Hence, with an increased focus on customer experience innovation, there is significant value for automotive enterprises to uniquely combine proven business, functional, technical and operational insights in the form of Automotive Customer Engagement “Solution Suites.” These solutions play the “orchestration” role making it easier for automotive enterprises to enhance the customer experience and capture increased economic value.

What has Infosys done?

Infosys has analyzed various points of interaction and challenges in the Automotive Customer Lifecycle from a customer perspective to deliver an outstanding automotive customer experience. It further looked at the opportunity to reduce or eliminate friction from “moments of truth” along the customer journey. In the end, Infosys has created a set of solution recommendations that would allow better orchestration. It would also allow better personalization of the most critical customer interactions to provide an enhanced customer experience.

Infosys Automotive Customer Engagement Solutions: A Macro View

Infosys has identified and recommends the distinct bundles of capabilities or Solution Suites: a mix of tools (existing standard applications) and services (custom developed capabilities). These in combination, address the principles of engagement (Orchestration, Collaborative eCommerce, Social Communications, Integrated Value) and resolve some of the major areas of interaction friction along the Automotive Customer Lifecycle.

Solution Suite 1 — Interactive Advisor & Personalized Engagement Services: This provides support to the prospect and owner via timely and relevant responses and information. Additionally, this suite supports a common set of Engagement Services that are designed to assist and propel consumers towards their customer journey goals.

Solution Suite 2 — Branded & Ownership Commerce: This offers new ways for consumers to purchase service related products that support ownership in addition to traditional aftersales products like branded merchandise and accessories. These capabilities also support vehicle sales and financing as industry distribution models evolve.

Solution Suite 3 — Social Communications: This solution supports a dialogue between consumers and social communities, enabling delivery of relevant and targeted information across the lifecycle and facilitates decisionmaking. It also gives automotive enterprises access to structured information that supports them in monitoring, participating and learning from these consumer conversations.

Infosys Automotive Customer Engagement Solution Suites

Each solution suite addresses the most prominent causes of interaction friction and is designed to assist and propel consumers towards their “automotive journey” goals.

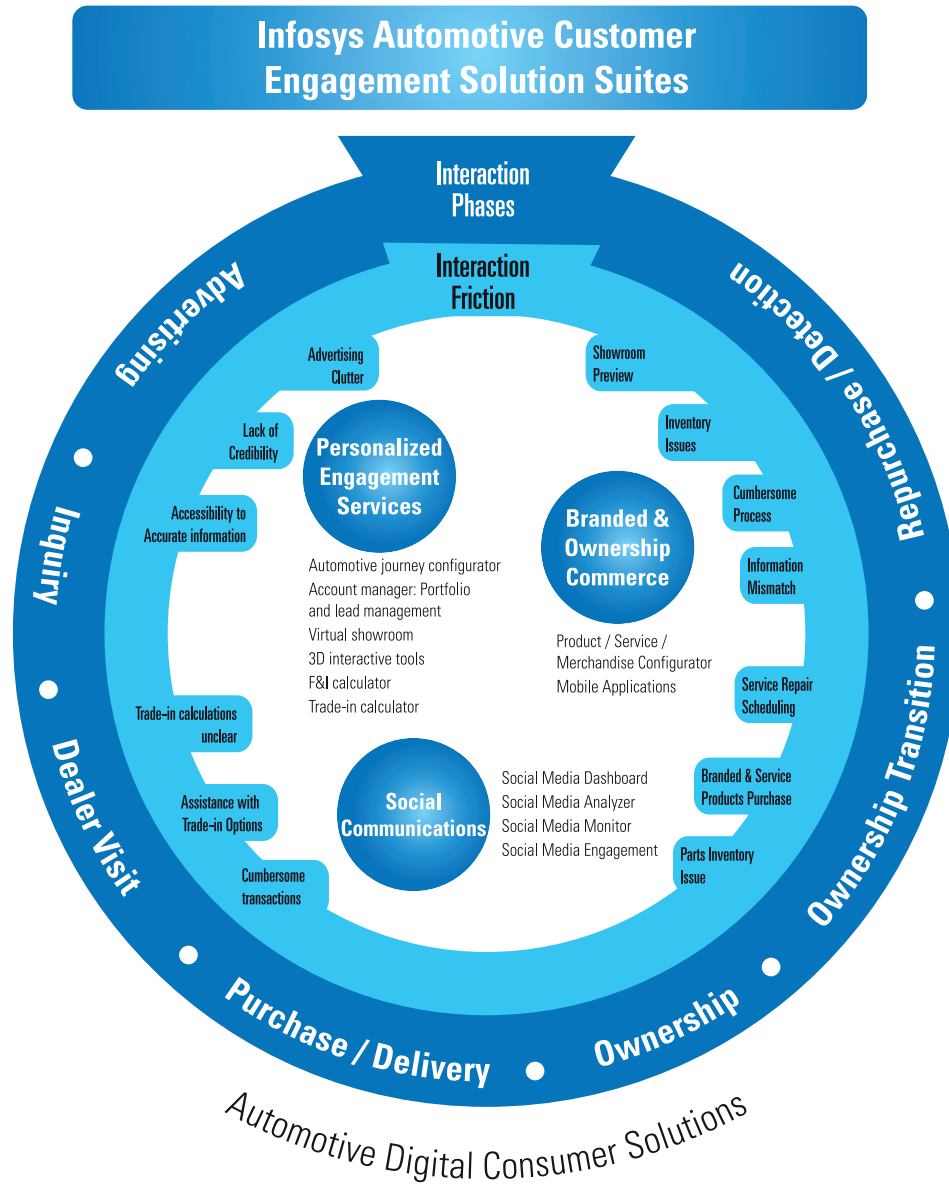


Figure 1: Infosys Automotive Customer Engagement Solution Suites

Interactive Advisor & Personalized Engagement Services:

Customers spend a great deal of time on multiple sites, information sources, and digital environments. Lack of a cohesive connection between the OEM site, the captive lender’s site, dealer websites and various other online locations creates a cumbersome and fragmented digital experience. This can be aggravated by lack of proper tools to support customer research needs and lack of relevant, timely and accurate information. This leads to disengagement of the customer in the midst of a purchase cycle.

This solution works on the principle that no customer interaction should be accidental or lead to an unforeseen outcome and should be personalized for each customer wherever possible. The capabilities of the proposed solution suite include:

Interactive Advisor

1. **Automotive Journey Configurator:** Interactively guiding a consumer through each of the interactions along the lifecycle
2. **Account Manager (Portfolio and Lead Management):** Allow OEMs to capture leads. Example is, enabling the consumer to book online appointments with the ability to pick a date, time, etc.
3. **Virtual Showroom:** Gives an online customer the experience of an actual showroom visit to establish common expectations and to pick right model and accessories after completing the virtual tour
4. **3D Interactive Tools:** Allow consumers to utilize 3D tools to enhance vehicle Configurators and 360-degree views to better “touch and feel” a vehicle based on predefined consumer requirements.
5. **Finance & Insurance (F&I) Calculator:** Provides consumers an option to evaluate various F&I considerations and options to shorten the time spent and misalignment of expectations in the dealer’s F&I office. This provides added eCommerce capabilities to allow completion (or “acceleration”) of the transaction online
6. **Trade-in Calculator:** Provide with the best trade-in options based on ownership history analysis, using the same variables that dealers consider as part of their vehicle appraisal exercise

Personalized Engagement Services

1. **Next-step navigator:** Provides assistance to the consumer by suggesting the logical next step in navigation while the customer is browsing the OEM website so that there is never a “dead end” to the user journey.
2. **Real-time personalized communications:** Generates and sends out contextual e-mails or SMSs to the consumer based on the events triggered by consumer interactions
3. **Personal research collections:** Allows the registered consumers to save the online research artifacts e.g. web pages, PDFs, links etc. in the storage space provided on the OEM website or in branded collections via third-party aggregation sites and applications like Evernote, Popurls, Alltop.com, etc.
4. **Personalized lead managers:** Online assistance for the consumer through chat or help-desk support

Branded & Ownership Commerce:

Even in the automotive context, consumers have come to expect more than just traditional “face-to-face” transactions. OEMs’, captive lenders’ and dealers’ failure to provide multiple “integrated” channels of engagement and transactional commerce have led to friction and lost commercial opportunities. Infosys believes that the availability of these eCommerce capabilities beyond the sale of branded merchandise represents an opportunity to support increased sales rates for ancillary products and services (e.g., service contracts, extended warranty, etc.)

This solution suite establishes a foundation to extend eCommerce to core vehicle servicing and even vehicle sales transactions. Just as Nissan has demonstrated by enabling online reservations eCommerce for the launch of the Nissan Leaf electric vehicle, the value of adding convenience to these traditional face-to-face transactions will also contribute to customer satisfaction, advocacy, in addition to dealer and brand loyalty. More than just traditional product catalogues, shopping carts and other traditional eCommerce capabilities, the proposed suite includes:

1. **Product / Service / Merchandise Configurator:** Customized branded merchandise, ancillary products or vehicle service offerings to suit customer needs and ownership profiles
2. **Mobile Applications:** Provide mobile access and support for service offerings etc., for on-the-go digital consumers

Social Communications:

Automotive interactions that are supported, shaped or influenced by members of a consumer’s “social graph” (friends, family etc.) are amplified. These social interactions influence decisions and transactions and may make or break sales. OEMs and consumers require tools to support continuous listening, participation and understanding of socially generated content.

1. **Social media plug-in capabilities:** Support digital interactions by allowing users to access relevant conversation threads via the OEM site using a “widget” or dashboard that highlights the relevant content. These capabilities provide “expert” information that helps with vehicle purchase, service and end-of-term decisions.
2. **Social media analytics:** Allow automotive enterprises to monitor and analyze conversations that represent sales or

service opportunities, brand-threats or other social dialogue that inform how best to engage consumers or take corrective measures tied to product and customer engagement.

In Infosys' view, this systematic and orchestrated approach to delivering these specific solutions is an untapped way for OEMs to deliver new value to consumers.

Infosys Automotive Digital Customer Engagement Maturity Model

The Infosys Automotive Digital Customer Engagement Maturity Model is a tool designed to assess the relative competitive position of an OEM, identify opportunities for differentiation and build a roadmap for future capabilities that align with Infosys Automotive Customer Engagement Solutions recommendations. The maturity model evaluates the effectiveness and maturity of automotive enterprises across three themes – “Orchestration of customer journey”, “Enablement of collaborative eCommerce” and “Facilitation of social interactions and insights”.

An evaluation of the efforts, effectiveness and relative maturity of leading U.S. automotive enterprises on their adoption of “principles of engagement” reveals that there are pockets of excellence in automotive customer experience delivery. But there exists no uniformly superior experience across the customer lifecycle. The most glaring customer engagement gaps that need to be addressed across the U.S. automotive landscape are:

1. **Customer Journeys Lack “GPS Navigation”:** Orchestration of a customer journey appears to be executed in an ad-hoc fashion. For example, content is organized along the customer lifecycle but “next steps” facilitation is limited.
2. **Interactions Appear to be One-Size-Fits-All:** Web personalization, including the ability to save content/see personalized and contextually targeted content, is extremely limited.
3. **Consumers Forced into Face-to-Face Transactions:** eCommerce enablement is limited to ordering accessories/merchandise.
4. **Random Acts of Mobility Pervade:** Mobile capabilities are delivered randomly as micro sites or marketing apps, not communicated or integrated into the OEM and captive lender digital experiences across the customer lifecycle.
5. **Advocacy is Accidental:** There appears to be no “designed approach” to enable loyal customers to act as brand ambassadors with connection to their social graph beyond basic “share this” functionality.
6. **After-Sales is an Afterthought:** Information on ancillary or after-sales products and services is difficult to find, in the context of the customer journey, or is absent and there is little ability to transact these add-ons online.
7. **Lease-End Often a Dead End:** There appears to be little support for returning-in leased vehicles or reselling/trading used vehicles except via private email communications with links to extranet/micro sites.

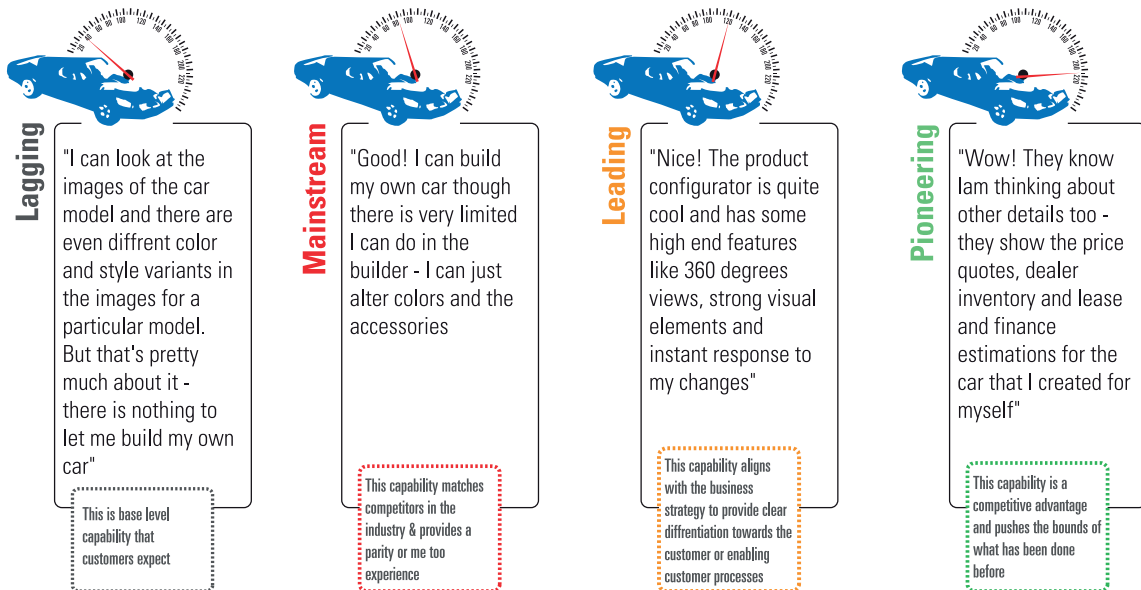


Figure 2: Infosys Automotive Customer Engagement Maturity Model (example for vehicle configurator)

Automotive Digital Customer Engagement Benefits Realization Framework

A focus on improving the way OEMs and their partners engage automotive prospects and vehicle owners is not just an altruistic pursuit. Rather it must and does make business and economic sense. The Infosys Benefits Realization Framework (based on Infosys's proprietary Value Realization Method (VRMTM)) helps in finding the potential economic value, assists automotive enterprises to achieve this planned value and provides tools and framework to achieve the planned value benefits. It allows automotive enterprises to input their own interaction data (for example, traffic; conversion rates; revenues contributions etc.) and aims to forecast and track the benefits of the Infosys' recommended orchestrated approach. When modeling a number of different typical automotive customer journey scenarios, Infosys sees significant improvements in the yield from orchestrated customer interactions.

These organizational benefits are calculated by looking at the impact Infosys recommended strategies and solutions have when applied to an automotive enterprise's operational and financial metrics. This framework also assists in capturing the benefits realized during and after automotive customer engagement solution deployment phase across the Automotive Customer Lifecycle.

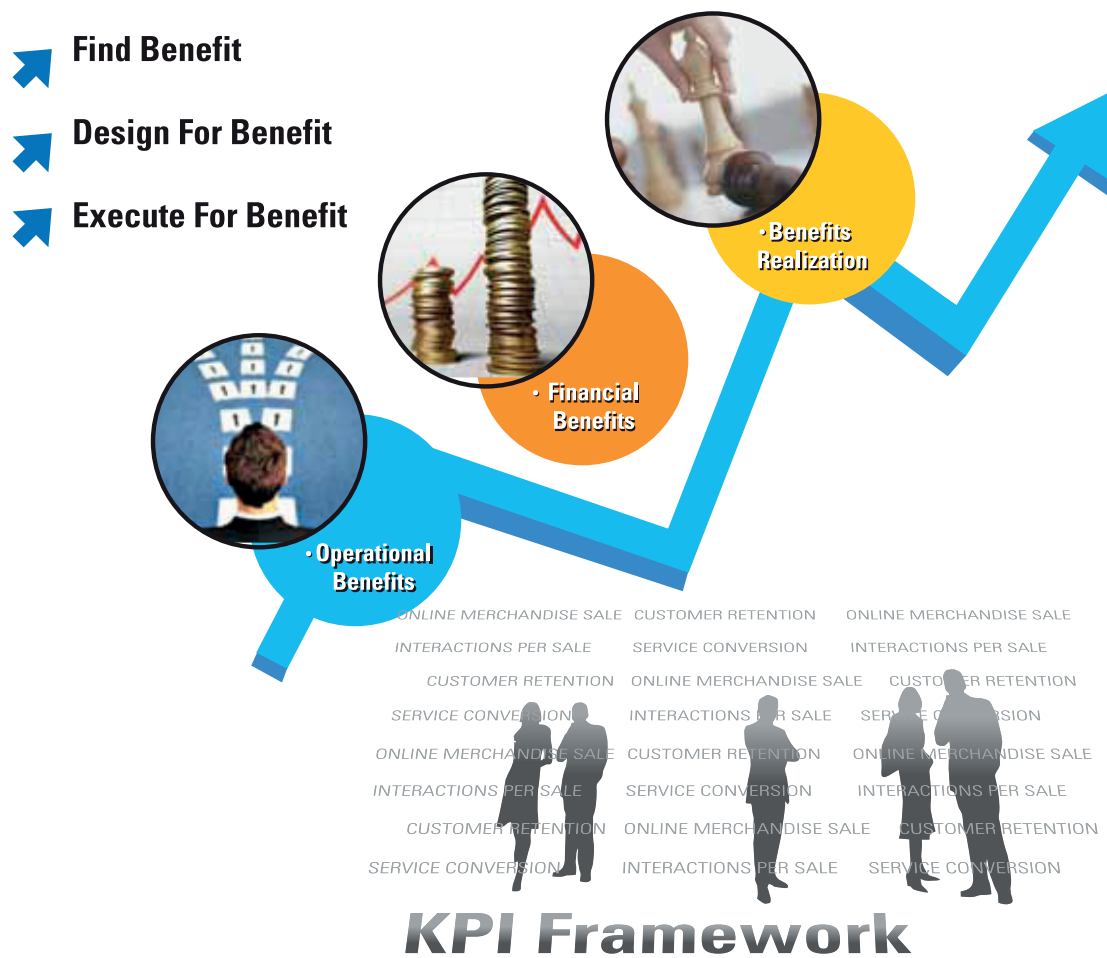


Figure 3: Infosys Benefits Realization Framework

Conclusion

Automotive product differentiation remains a difficult battleground given the forces of competition and imitation. As a result, the automotive customer experience – and the opportunity to address “interaction friction” – remains a rich area of opportunity for automotive brand differentiation and business innovation. The ability of the automotive enterprise to orchestrate and personalize complex and disconnected interactions for greater Digital Consumer delight boosts vehicle sales and service loyalty. Infosys has created a set of solution recommendations that allow better orchestration and personalization

of customer interactions. Each solution suite provides a mix of tools and services which in combination, address the most prominent areas of customer interaction friction. These solutions are rooted in achieving capability leadership when evaluated against an industry maturity model and the benefits realization framework. In the era of the Digital Consumer, automotive enterprises must finally put an end to “accidental interactions” and strategically design and realize business benefits from all of their disconnected customer interactions across the Automotive Customer Lifecycle.

References

1. “ROI on CRM” - <http://www.mediapost.com>
2. “Return on Interaction” - <http://www.mediapost.com>
3. “Automotive Customer Engagement: Putting the Digital Consumer in the Driver’s Seat” at <http://www.infosys.com/offerings/industries/automotive/white-papers/Documents/automotive-customer-experience.pdf>

Research & Analysis Team:

1. Steven P. Silver
2. Ritesh Arora
3. Vineet Bhagat
4. Bharat Nagarajan

About the Authors

Steven P. Silver: Steven is a Senior Principal in the Infosys Consulting Global Manufacturing / Automotive Practice. He has 19 years of professional and senior leadership experience over complex digitally-enabled brand, marketing, sales and service innovation programs with emphasis in retail automotive and various information technology sectors. Steven’s industry experience also spans financial services, pharmaceutical and managed health care industries. His consulting expertise lies in designing and deploying multi-channel, digital customer experience and innovation strategies across marketing, sales and service channels, portals, mobile platforms and interaction centers. His track record further features successes in crafting and executing digital, direct-response, social communications and CRM initiatives on a global scale. Steven, the first director of Nissan’s North American and global digital marketing and CRM programs has consulted with a number of global automakers and also previously held senior marketing, digital brand and eBusiness leadership roles at The TCW Group, Cisco, Siemens, Andrx Pharmaceuticals and Prudential HealthCare.

Ritesh Arora: Ritesh is a Principal in the Infosys Consulting Global Manufacturing / Automotive Practice. He has over 14 years of industry and consulting experience, with major automotive OEMs, in the field of automotive retail. Ritesh has deep domain experience in channel management, dealer management system (DMS), sales, after sales, CRM, warranty, customer retention, loyalty programs, eBusiness, order to deliver etc. He has helped clients with customer satisfaction index (CSI) initiatives, market entry strategy, large-scale auto retail channel transformations, dealer-OEM integration, design of dealer balanced scorecard, dealer data based analytics, dealer order management, service marketing initiatives and integrated eCommerce models.

Vineet Bhagat: Vineet is a Principal in the Infosys Consulting Core Process Excellence Practice. He has over 7 years of experience in the areas of strategy planning and management consulting. Vineet’s industry experience spans the telecommunications, power, media and entertainment, consumer durables, retail, pharmaceutical and health care industries. He has assisted clients with strategy development & deployment, new business venture evaluation, strategic planning, processes refinement, collaboration enablement, business process re-engineering / improvements and in designing / deploying corporate performance management frameworks (using Balanced Scorecard fundamentals).



For more information, contact askus@infosys.com

About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

For more information about Infosys (NASDAQ:INFY), visit www.infosys.com.

© 2011 Infosys Limited, Bangalore, India. Infosys believes the information in this publication is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of the trademarks and product names of other companies mentioned in this document.

Information in this document is updated as of Feb 20, 2010