



**Hewlett Packard**  
Enterprise

Business white paper

# Every moment matters

Transforming the automotive consumer experience





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The customer experience in the automotive industry is on the move. There are moments that matter in all directions. To make the most of them means delivering personalized service throughout the customer lifecycle. You'll need a partner who will make this journey a success.



Original equipment manufacturers, dealers, and channel suppliers can create a more satisfying and productive customer experience by making moments matter.

## **Adapt to cultural change**

Consumers today are more sophisticated, more informed, and more mobile than ever before. They expect interactions that are personalized, convenient, and transparent. They increasingly demand customized interactions across a wide range of touch points—not simply at the point of purchase. From research and brand awareness to in-store shopping and after sales, buyers expect the original equipment manufacturer (OEM) to know and care for them throughout the ownership lifecycle.

Understand the emergence of the “connected customer.” Known as “Generation C,” these customers represent a cultural change that is more of a mindset than an age group.<sup>1</sup> These buyers seamlessly navigate smartphones, social networks, email, and the web—often all at the same time. For these shoppers, traditional media advertising still plays a role in the purchase decision but is increasingly validated through personal web-based research.

A Generation C consumer knows what he or she wants, and has a vast formal and informal network at his or her fingertips to validate data points and impressions. This consumer increasingly prefers the connected marketplace to interact with the automotive value chain. Because this new consumer has different preferences than traditional customers, manufacturers must develop novel structures of engagement.

<sup>1</sup> In2 Communications Inc. “How to Market to Generation C—The YouTube Generation”

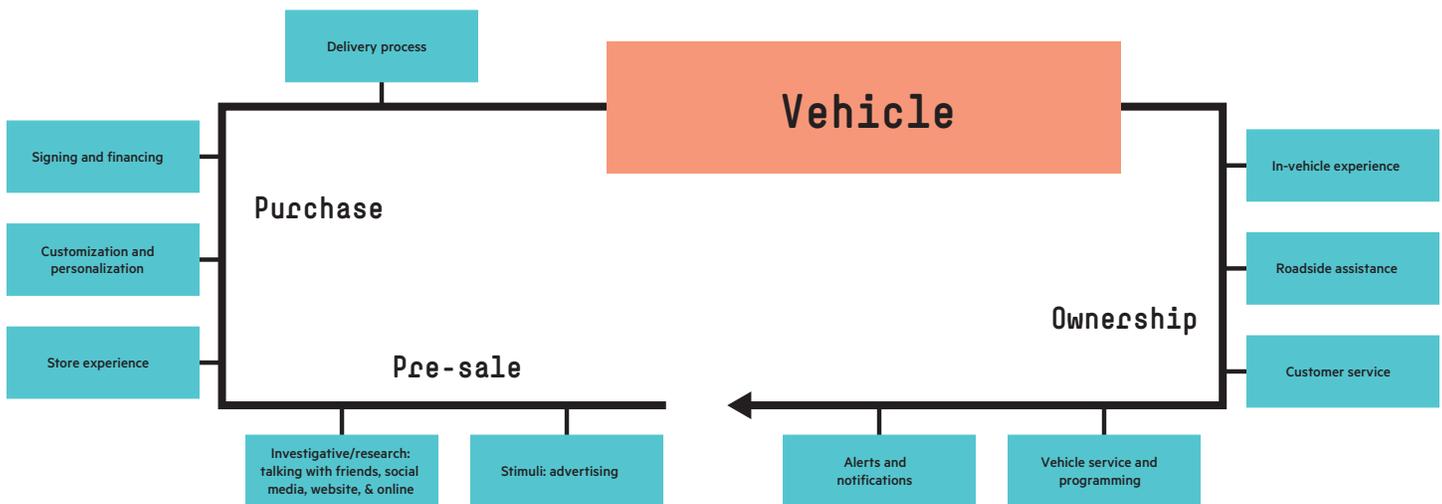


Figure 1: The “moments that matter” across the customer lifecycle

Ultimately, the automotive customer lifecycle offers a range of touch points that must be understood and streamlined—for all customers. These touch points are the moments that matter, shown in Figure 1 above.

To remain competitive, it is important to understand how external influences impact your environment, the customer experience, and the transformation your organization must make to gain market share. Furthermore, you must dissect each moment from the customer’s perspective and reduce customer effort.

Optimizing customer moments is not a simple task. Once done, however, the payoff is significant. A favorable customer experience is an important part of your product strategy and a competitive differentiator. For manufacturers to understand the impact of each moment on repurchase intent, you need to have an effective measurement strategy in place. Scoring systems vary and include customer satisfaction, customer effort, and net promoter (which measures the loyalty that exists between a provider and a consumer) scores.

Regardless of your scoring system, the sum of all customer moments must be positive. A consistently high-quality customer experience will cultivate net promoters enthusiastic about repurchase. OEMs must recognize that each customer moment presents an opportunity and a challenge. To make a moment matter and truly meet consumer expectations, reduce customer effort. And understand that you will miss a moment if customer effort is high and business is difficult to transact.

In this white paper, HPE examines the concept of customer experience in automotive. We explore how OEMs, dealers, and channel suppliers can create a more satisfying and productive experience by making moments count.

**By monitoring and engaging social media networks, automotive organizations must:**

- **Listen** to integrate all sources of customer data to reduce their exposure from unfavorable experiences.
- **Understand** to create an integrated analytic framework to enable analytics for all users.
- **Engage** to optimize the point-of-interaction with the customer.

<sup>1</sup> In2 Communications Inc: “How to Market to Generation C—The YouTube Generation”

## Transform to the changing landscape

Historically, the automotive industry relied on production standardization, well-defined retail networks, and distinct brand marketing via traditional channels to promote and move product.

In the past, an organization could survive because communication was linear. Customers contacted friends, neighbors, and family members one at a time through word of mouth.

The impact of a bad experience was largely limited by communication restrictions. Slow communication cycles allowed OEMs to manage negative product experiences over the course of weeks and months.

### Serving customers well requires an approach that includes:

- Analysis of your vision and strategic direction
- Development of governance processes throughout the transformation effort
- Definition of your future business and IT architecture
- Design of your business taxonomy by application and solution
- Creation of the transformation roadmap
- Transformation management and execution of your strategies

Today, conversations occur in a social environment, where one post can reach thousands of potential customers in an instant. Understand that on YouTube alone, views, likes, and dislikes can total in the millions. Through this type of exposure, failure to meet customer expectations is greatly amplified. Net detractors are created through negative experiences. In reality, their views attract far more attention than positive feedback.

Through an effective social media solution, satisfied customers can become net promoters of the brand and the dealership. This becomes increasingly important, as vehicle ownership— and relationships—last longer than ever before.<sup>2</sup>

As reported by R.L. Polk in 2012, new vehicle ownership now averages 71.4 months—an all-time high. This trend is expected to continue at least through 2015.<sup>3</sup> This long ownership cycle offers a lot of moments.

Long ownership cycles, connected vehicle complexity, and rising consumer expectations of vehicle value require a network of interconnected supportive moments that work together to enhance brand loyalty.

Consider, for example, a roadside service event, which integrates a number of moments. Success for the consumer requires coordination among many players and parts—a mobile application, telematics, a contact center representative, the tow provider network, a dealer service manager, a service technician, and an OEM service manager—all supported through OEM warranty and policy. These diverse elements must work in harmony to minimize time off the road, reduce cost, and increase customer satisfaction.

This type of customer experience will get even more complicated to manage with the advent of the connected vehicle. The synchronization between consumer and car will create dozens, or perhaps hundreds, of new interactions across the automotive ecosystem.

More discerning customers, changing business models, and improved technologies will impact the future automotive landscape in ways we can only imagine. By understanding and using the power of data today, we can better predict the automotive landscape of tomorrow.

Each of these interactions is a “moment that matters” that needs transformation if channel members want to remain relevant to the modern consumer. And, your approach will either enhance or erode brand loyalty.

<sup>2</sup> *Automotive News*. It's a new and crucial skill for a car dealer: Getting on the all-important page 1 of a shopper's search. Here's how to get there—and stay there. January 2012.

<sup>3</sup> R.L. Polk. “U.S. Consumers Hold on to New Vehicles Nearly Six Years, an All-Time High”

## Map the moments

To maximize these moments, journey mapping is essential. Properly executed, journey maps provide the OEM with a holistic view of all the customer touch points.

As noted in a recent article by Survey Monkey, “Getting to know the customer journey is about nurturing the customer experience.”<sup>4</sup> Only when you’ve seen your organization through your customer’s eyes can you make changes that transform the brand experience. Effectively executed, journey mapping reveals subtle complexities not readily apparent through traditional filters.

To enhance the customer experience, OEMs must recognize each touch point as an opportunity and not merely a cost of doing business. Remember, to the consumer, every moment matters.

Keen insight, current information, and strong analytics reveal customer effort and where it can be reduced. You must select tools and processes that enable OEMs and dealers to provide personalized engagements across a wide range of channels.

Through journey mapping, OEMs understand a consumer’s buying habits in the context of the complete customer lifecycle. Today, 90% of all car buyers now begin their searches online.<sup>5</sup> Consumers want to know features, cost, and availability of the products they have chosen.

Journey mapping reveals, for example, that purchasers have very specific needs when they consult a dealer website. Dealers should resist overwhelming shoppers with a history of the dealership or biographies of the sales staff. Simply stated, this information isn’t what customers want.

Instead, research shows the customer experience is optimal when inventory, price, incentives, dealer location, and hours of operation are accessible and easy to find—and optimized for mobile devices such as tablets and smartphones. Unfortunately, this intuitive approach isn’t the standard. As reported in a recent Google study, 50% of all dealer web users don’t buy, because they can’t find what they’re looking for.<sup>6</sup>

While traditional media advertising will still shape brand and product perception, social media, OEM brand sites, dealer sites, and third-party negotiators will be used to form many purchase decisions. The OEMs must prepare for the integration required to make certain this purchase activity involves low customer effort. The experience must meet customer expectations—or the consumer may defect.

OEMs must remove barriers that increase customer effort to reduce mistakes and misunderstandings that lead to negative encounters. The key is to make customers feel valued throughout the relationship lifecycle and not just at the point of purchase.

Ultimately, collaboration is critically important. Recognize that stakeholders are mutually dependent, and together, supply chain partners must adopt a more unified, lifecycle management approach.

For example, alignment between dealer web information and the in-store experience is increasing in importance: 31% of car buyers now use their mobile devices on the lot to make sure they are getting a good deal.<sup>7</sup> Clearly, the old “what’s-in-it-for-me” view should be replaced by a more collaborative “what’s-in-it-for-us” model.

<sup>4</sup> Survey Monkey, “The Best Way to Map the Customer Journey: Take a Walk in Their Shoes,” Audra S. 3/21/14.

<sup>5</sup> David Barkholz, “Dealers Master Web search to Land on Page 1 When Consumer’s Shop” Page 1, *Automotive News*, January 30, 2012.

<sup>6</sup> Shane Cassells, Google.

<sup>7</sup> Consumer Lifecycle Management: Moments that Matter,” *Automotive News*, April 22, 2014.

To transform through your journey map, clearly frame your vision. Develop your strategy and optimize the amount of effort required by customers to consume your product. Hewlett Packard Enterprise recommends using a transformation pathway to ensure organizational change is structured and effective.

Key elements of this approach should include:

- Analysis of your vision and strategic direction
- Development of governance processes throughout the transformation effort
- Definition of your future business and IT architecture
- Design of your business taxonomy by application and solution
- Creation of the transformation roadmap
- Transformation management and execution of your strategies

## **Turn to an engagement partner**

Given the competitive nature of today's automotive sector, car makers and dealerships simply cannot afford to lose customers through poor relationship management. Yet many organizations struggle to master the methods and technologies needed to manage today's numerous and complex customer interactions.

In a recent HPE and Automotive News Webinar, 73 percent of respondents revealed that their organizations are not actively tracking performance across all moments of the customer experience. The old adage remains relevant: nothing measured, nothing managed.

Forward-looking OEMs and dealers recognize the need to address and optimize each of their customer-crucial moments. Astute executives know that in an era of increasing commoditization, the customer experience can be a powerful and effective source of differentiation. By seizing every opportunity to engage the consumer, automakers and their partners can build more stable and profitable customer relationships.

## **Know your moments**

OEMs need deep insight into customer needs and interests across the entire lifecycle—from pre-sale to purchase, ownership, and repurchase. These insights can drive better automotive designs, enhance customer services, and create new selling opportunities.

Consequently, OEMs need partners with automotive sales, service, and marketing experience that can improve consumer and dealer interactions.

Partners should have rich experience with traditional, social, and infotainment interaction channels in order to better understand, optimize, and maximize the automotive customer experience.

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