



Customer Insights Steer the Future of Automotive Agility

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Digital Transformation is Changing the World

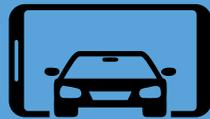
There Is a 4th Industrial Revolution Underway

The 4th Industrial Revolution is being driven by innovative technologies such as cloud, mobile, cognitive analytics, and the Internet of Things (IoT) while being confronted by empowered customers who are demanding unique, value-added experiences.

CONNECTED AND
AUTONOMOUS
PRODUCTS
ARE BOOMING:
**30 BILLION
CONNECTED
THINGS BY 2020,**
ACCORDING TO IDC.

- The lines between physical and digital worlds are blurring.
- Data from products, services, manufacturing, public sector, and customers adds to complexity, requiring agility to react and satisfy changing needs.
- The resulting intelligence is transforming the customer experience.
- Consumers are connected across multiple channels and expect customized, effortless, and portable experiences.

Digital Disruption of the Automotive Industry



CONNECTED VEHICLES ON THE ROADS CONTINUE TO INCREASE

Multiple automotive manufacturers commit to include embedded cellular in all future production vehicles. By 2021, 20% of major cities will have begun implementations to support automated vehicles.

- **Automated Vehicles (AV) Pilots and Trials Progress Towards Commercialization**
 - » First, large-scale commercial services targeted for late 2019, regulatory uncertainty may slow progress
- **Mobility as a Service (MaaS) Grows**
 - » New options for urban mobility including Ride-Sharing, Car-Sharing, and Micro-Mobility Services expand around the globe
- **Data & Customer Knowledge the Fuel for Innovation**
 - » Opportunity for information monetization & improved customer experiences

Multiple Opportunities to Engage with the Automotive Customer



Insights into Preferences and Behaviors Drive New Product and Service Offerings and Continuous Customer Value



OF TIER 1 SUPPLIERS WILL LEVERAGE REAL-TIME DATA ACROSS THE VALUE CHAIN AND WILL HAVE INCREASED THEIR FOCUS ON NEW PRODUCT COLLABORATION WITH OEMS TO REDUCE TIME TO MARKET BY 35%

SOURCE: IDC FUTUREScape: WORLDWIDE CONNECTED VEHICLES

Intelligence and customer insight: Automotive manufacturers rank top priorities and initiatives for the coming year

- » Mobile applications
- » Private cloud services
- » Business analytics
- » Public cloud services

Source: Manufacturing Insights Vertical IT & Communications Survey 2018, Automotive Manufacturers

By 2020, 60% of G2000 manufacturers, including automotive, will rely on digital platforms that enhance their investments in ecosystems and customer experiences and support as much as 30% of overall revenue.

How are Automotive Leaders Responding?

CEO QUOTES

GM, Mary Barra

“The car industry is going to change more in the next 5 years than in the past 50.”

Volvo, Hakan Samuelsson

“Our customers’ expectations are changing rapidly. This means that Volvo Cars is also changing rapidly... from being purely a car company to being a direct consumer services provider.”

VW Group, Herbert Diess

“If you spend more time in the car... you want your own environment.”

Intel, Brian Krzanich

“Customers are choosing experiences over products.”



BY 2024, 10% OF ALL RIDES COMPLETED VIA RIDE-SHARING PLATFORMS IN MAJOR CITIES WILL BE PROVIDED BY **AUTOMATED VEHICLES**, ACCORDING TO IDC.

Mobility Ecosystems Key to New Experiences & Services

Mobility Ecosystems—technology platforms, internal & external collaboration, on-going improvement of vehicle and experience from sales to operation:

- Vehicle management, customer management, mobility ecosystem management, business operations management all need to combine for a single view of the customer.
- Automotive ecosystem must enable customer-focused, integrated, convenient experience for the customer across channels.
- Buyer preferences are evolving: going beyond dealer-driven sales to digital direct, and from one-time purchases, towards subscriptions.
- Customer demand for unique experiences and the need to innovate products at a faster pace requires constant connectivity, analytics, and improvement.

Automotive manufacturers top reasons for investing in cloud computing and disruptive technologies

- » Lower cost of service
- » Improved manageability and less maintenance
- » Get applications up and running faster
- » Enable a focus on projects that differentiate the business rather than a focus on the infrastructure
- » Avoid up front infrastructure costs

Source: Manufacturing Insights Vertical IT & Communications Survey, 2018
Automotive Manufacturers



New In-Car Experiences

Connectivity and autonomy change the in-car experience, where people will have time to engage with content, and expect customization.



On-Demand Mobility Services

Ride sharing, ride hailing, micro-mobility, autonomous public transport – will increase consumer demand for the latest content, from infotainment to software. Opportunity to connect with home, wearables, smart cities, ecommerce for a holistic experience.

The Enabling Force: Customer Intelligence

The goal is understanding the profile of each customer, with information from every point along their journey, from sales to service.

A 360-DEGREE VIEW OF THE CUSTOMER IS THE CRITICAL FOUNDATION FOR AN INTEGRATED CUSTOMER EXPERIENCE



Insight-driven personalization from connected, mobile devices

Provide discounts and incentives to encourage best practices in ownership/usage.

Empower dealer engagement with OEMs and other stakeholders

Intelligent customer engagement through ecosystem collaboration

Establish a partnership with customers through shared insights and engagements

Better, proactive, and eventually predictive service and ongoing revenue



Building a Platform for Customer Intelligence and Experiences



Leverage analytics across your digital platform for ongoing improvement of product, software, system, service, and customer experience

Have a digital orchestration layer that enables workflow, communication, and collaboration

Empower your ecosystem partners through digital collaboration

The customer life cycle changes with ongoing customer engagement. It's an iterative closed loop enabling one-time transactions, or ongoing service delivery.



A unifying customer experience platform provides a complete and dynamic view of customer, vehicle, mobility ecosystems, and business operations information.

Connected Experiences Driving New Opportunities to Innovate

- Redefining the industry paradigm: New business models and connected, digital operations
- Investing in mobility services, which support greater revenue flexibility in the future
- Expanding partner ecosystems: Closer and more open
- Leveraging platforms, visualization, and analytics to enable decision support, collaboration, and better customer experiences



The opportunity is to build loyalty and be relevant to customers, leading to greater revenues.

MCKINSEY PREDICTS A 30% INCREASE IN RECURRING REVENUE FROM NEW BUSINESS MODELS—CAR SHARING, E-HAILING, AND DATA CONNECTIVITY SERVICES.

Resulting from demand for hyper-customized customer experiences, 30% of automotive manufacturers will provide personalized dashboards for customers to schedule service, learn about products, and collaborate by 2023.

Source: IDC 2019 Product & Service Innovation FutureScape

Optimizing the Customer Journey Today and Tomorrow

A 360-degree view of the customer powers future product design, the car buying experience, aftermarket service interactions, and the ongoing delivery of additional value-added services.

FUTURE OPPORTUNITIES

- Profile-driven customer experiences = personalization of the journey from home, to car, to city, and back
- Enabling mobility-as-a-service in smart cities

GM: Maven car sharing, and personalization of the car experience with the OnStar AtYourService app.

Toyota: Investment in ride hailing company Grab to engage customers through the mode of their choice, partnership with SoftBank for MONET.

BMW: Enabling mobility-as-a-service (MaaS) via ReachNow car-sharing app.

The Road Forward

The 4th Industrial revolution and digital transformation are changing everything for the automotive industry.

Automotive leaders realize it takes an **ecosystem** across suppliers, dealers, fleet operators, and customers working together to ensure **dynamic, unique customer** experiences.

A **closed loop** must be established across all touch points between the vehicle and the customer to establish a **360-degree, dynamic view** for all stakeholders.

A **customer experience platform** enables this closed loop and is critical for **intelligent, life-cycle engagement** that enables effective up-selling and cross-selling.