_You cannot manage customers.

The automotive industry is confronted with tremendous challenges by the increasing competition between established brands. Innovative mobility concepts and drive technologies create new complexities. Technical innovations are losing their differentiating character; connectivity and driver assistance systems become mere hygienic factors.

Foto: Xxxxxxxxxx

Focus on customer relations

A trustful and resilient relationship with the customer becomes of vital importance in this environment. It still offers major differentiation factors and is the key to long-term customer loyalty. Equality and transparency are the factors for success in this relationship between the company and its customers. Information, communication and control of the flood of data are the competences required for this.

Communication via all channels

Particularly in the last few years the information and communication behaviour of car buyers has changed tremendously; today digital channels play a key role in the pre- and post-purchase phases. Over 40% of internet users use mobile devices when they go online (source: Bitcom). According to Autoscout, more than 75% share information about their car via social media. The change in the way people gather information also requires car manufacturers to change the way they provide information: speed and individualisation are a must; accessibility on all channels around the clock, a necessity.

Due to the great transparency of the internet, buying decisions are increasingly being made at home in front of the computer. If a customer who has already obtained detailed information from the internet visits a car dealership, the customer adviser is often confronted with detailed questions. If he is unable to answer these satisfactorily, his level of competence as perceived by the customer drops, as does the customer's loyalty.

74% of German internet users (source: Bitcom) are members of social networks. More and more people are willing to contribute their knowledge to these networks and share good and bad experiences. An audience of millions can be reached in seconds using a smartphone. This is both an opportunity and a threat for automobile manufacturers, since the often mentioned "person like me" - including communication on internet forums - enjoys a higher level of trust than classic authorities and hence becomes a factor in the buying decision.

Opportunities for car manufacturers

The risks of this change in customer behaviour are obvious – bad experiences spread quickly and find a large audience. In the past there have been many examples how consumer dissatisfaction can cause a storm of protest and lasting damage to brands. The car manufacturer's customer relationship management has to take into account this change in behaviour. While the customer was previously above all a recipient of communication, today he is part of a network which manufacturers cannot control as they wish. Marketing is now about using many channels of communication

individually and permanently. Here the relevance of the information is crucial for the customer. This cannot be provided by mass communication.

However, the changes in consumer behaviour have also resulted in some major opportunities. The areas with the greatest potential are:

• **Personalised addressing of costumers:** Never before has more personal information been in the public domain. Linking this information can help provide a better understanding of customer needs. As a result, marketing communication can be highly personalised with regard to content, situational context and communication medium. The interaction between customer and company is therefore much more useful for both parties.

• **Spreading of information:** Information on vehicles and services is available at all times in many portals and forums. These internet channels influence car purchases and are often not controllable by companies and thus not considered in media planning. By actively serving these channels and posting relevant and positive content such as test reports and user instructions, manufacturers can offer added value to the target group which has positive impact on the brand. Even complex technical information can be communicated transparently this way. Obvious brand messages, on the other hand, would trigger resistance.

• **Speed of communication:** Social media platforms provide a high transparency of public opinions and statements and allow trends to be quickly identified. This in turn provides companies with the opportunity to comment immediately on critical issues and to spread positive messages – without media breaks, without scatter loss, with a high degree of credibility and using viral effects.

• **Identification of brand ambassadors:** Individual opinions are becoming increasingly transparent. As a result the advocators of a brand, a vehicle or even a certain feature can be easily identified. Car manufacturers have the opportunity to spread positive brand messages via social media, and they can also create their own forums to provide ambassadors with a suitable platform. The recommendation of a "person like me" can give the key impulse for the decision to configure a new car with a higher grade of equipment.

• **Integration in the value chain:** Customers are increasingly willing to perform value-creating activities for companies. While the telecommunications industry has already been making use of this phenomenon for some time with first-level queries being answered by their own customers, this is not widespread in the automotive industry, apart from a few exceptions in the product development process. As well as potential cost reductions, this integration also provides significant opportunities in respect of customer relations: involvement creates transparency and trust.

Information technology a key factor

Information technology has a key role in the realisation of this potential. In recent years the focus has been primarily on the implementation of customer relationship management software with integrated customer databases, the continuous management of (potential) customers from the manufacturer through to the car dealership and a web presence with a reliable configurator. Manufacturers who to this day have failed to satisfactorily master these basic issues will struggle to successfully take the next step. For the infrastructure of the future, priority will be given to the comprehensive integration of customer data, the complete interlinking and use of all communication channels and the real-time evaluation of customer information.

While a clear customer profile under the 360-degree view of customer data was understood to be the integration of transaction and master data within the company, in future it will be about linking these data with external data from, for example, social media portals. As the personalisation of information has a key role, situational data such as movement profiles in the internet, internet community discussions or details about current location are becoming increasingly important. The clear identification of this information and its allocation to a customer profile is a major challenge.

The monitoring of social media is core in the new approach to customer relationship management. However, it is not enough just to understand the activities in these channels. In order to be able to act in a manner suitable for the target group, all communication channels and especially social media portals must be seamlessly connected as part of an integrated multi-channel approach. Queries of any kind should be answered using the means preferred by the customer - and these go far beyond email, telephone and fax. Smartphones and tablets are widespread and, with all of their technical capabilities, should be full members of the information and communication chain. However, anyone who has ever tried to configure a vehicle with an iPad will know that demand and reality are still far apart.

Quick implementation a major challenge

One thing is certain: customer relationship management will have to continue to adapt quickly to new requirements and conditions. However, here it is not only impor-

tant that the requirements are understood, but also that they are implemented quickly and above all flexibly in suitable IT systems. The traditional waterfall model will in most cases not meet this requirement - agile project models such as SCRUM are becoming increasingly widespread. However, this also requires a change in the organisation, because the fact that intensive and continuous collaboration between the departments and IT is critical for success is often neglected. Traditional role differentiation and the Tayloristic division of labour have to be replaced by a collaborative, project-oriented approach.

Cloud computing, which offers speed of implementation and takes increasing dynamics into consideration, is becoming increasingly important. Even taking into account any disadvantages, such as data protection issues, the quick provision of new functionalities, highly scalable memory and computing capacity and the global availability of applications are significant advantages.

Conclusion: From customer management to customer integration
The customer relationship management of tomorrow will differ significantly from the approaches seen in the past: the customer will no longer be at the end of the value chain, but be part of an important network that will determine the success or failure of a company. Equality, trust and transparency are the factors for success in this relationship between the company and its customers. Information, communication and control of the flood of data are the competences required for this. Since customers do not accept divided responsibilities between marketing, sales and aftersales services, this often requires a departure from the traditional allocation of responsibilities in the organizational structure of companies. It is essential that a suitable strategy is systematically developed and implemented. NTT DATA has for this purpose developed a multi-dimensional capability maturity model that clearly compares the current competences in customer relationship management with the competition. Based on this positioning, an individual statement of objectives is being developed. From this, specific measures for realising potential and initiatives geared towards the comprehensively improving customer relationship management are derived. An implementation plan broken down into stages allows the results that have already been achieved to be measured and further optimised at each stage.

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Integration of prospects and customer into the value chain.

Development of New Products

Internet communities agree upon vehicles and options.

Customers are given access to a forum within which they can propose own ideas.

Co-Creation

Construction blueprints are created subject to an open source principle.

Guided by the manufacturer, customers configure their vehicle according to an existing construction kit.

Testimonial Marketing

Multipliers grant a larger range to corporate communication in the internet.

At selected events, manufacturers provide internet ‚brand fans' with a stage to give them a voice in the offline world.

Community Selling

»Other customers have also purchased…« – recommendations within the car configurator similar to the Amazon principle.

»Bring me a friend.« Customers are transformed into sales consultants.

Swarm Intelligence

Moderated customer service communities for self-help.

Derivation of FAQs from community discussions.

Creation of user manuals and detailed information according to a wikiprinciple.

Research and Dvelopment   **Production**   **Marketing**   **Sales**   **Customer Care**