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AUTOMOTIVE AFTERSALES | STUDY 2021

Untapped Potential in Automotive Aftersales

How to inspire customers with enthusiasm with digital touchpoints

FOREWORD

The car dealership business model is undergoing a fundamental change, Mercedes, for example plans to sell by 2025, 25 percent of its new cars in Europe together with its distribution partners, via the internet. In contrast to other industries, however, this conversion to online selling is taking place much less dynamically. The majority of customers generally (still) prefer a personal contact where purchase and service are concerned, simultaneously the use of digital channels by users is on the rise as online offers and the opportunities for customer interaction increase. Customers, retailers and OEMs are currently involved in a learning process.

REPOSITION NOW

Any kind of disruption in selective distribution causes difficulties to the new-car business and consequently in Aftersales. Until now no such an attempt has been able to harm the present business model allowing time to now reposition accordingly. Car dealers are simultaneously losing revenue in the lucrative service business and likewise the OEMs in the lucrative parts business. The markets are no longer growing, the quality of the vehicles and safety through driver assistance systems are increasingly improving, e-mobility will probably halve service revenues, and in addition the new mobility offers ensure that the existing fleet is used more extensively.

ALTERNATIVES TO PERSONAL CONTACT IN DEMAND - WITH STRATEGY

It is of advantage that the customer communication with the car dealerships has been given a new boost due to experiences gained during lockdown. When personal contact is no longer possible alternatives are needed. Having become aware of this, the industry has undertaken appropriate measures, at the moment however, neither a strategic nor a sustainable approach is being pursued. Those responsible at the OEMs and in the car dealerships are convinced of an increase in customers' needs for more online information, and for the possibility to acquire services digitally.



Ralph M. Meunzel
Editor-in-Chief AUTOHAUS
Springer Fachmedien München GmbH

CREATING A NEW CUSTOMER EXPERIENCE

It is not just a matter however, of replacing the existing analogue structures with digitalised offers, it is necessary to expand them. It is important to relate to the customers as they stand at any particular moment, this, for example, could work in the form of customised offers. The goal should therefore be to achieve a seamless transition between online and offline customer experience. Customers are willing to switch when it becomes more individual, faster and more convenient for them.

ANALYSIS OF FOUR TOUCHPOINTS

The industry at present is essentially concentrating on the four digital touchpoints of website, app, Connected Car and social media so coming closer to the customer than ever before. The comprehensive study presented by NTT DATA and AUTOHAUS closely examines the players: OEMs, dealers and customers by analysing the current state of digital communication within the individual facets of the customer journey. Deficits are uncovered and recommendations for action are given, thus making future communication in Aftersales business more digital and more efficient.



Image: NTT DATA



Kristina Neff
Managing Consultant
Customer Journey
NTT DATA Deutschland



Image: AUTOHAUS

WEBSITE

Touchpoint with widespread distribution



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APP
All manufacturers are already offering apps for their vehicles



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CONNECTED CAR
Premium theme, best dealt with together with the car manufacturers

SOCIAL MEDIA
Channel for image cultivation and more

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MANAGEMENT SUMMARY



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Sales is leading the way: The entire process, from obtaining information to finalising a purchase, can be carried out online. The study soberly shows that Aftersales is still a long way off from this status, it does however, reveal how approaches can be initiated.

FOUR TOUCHPOINTS - THE MOST IMPORTANT STUDY RESULTS AT A GLANCE



1. WEBSITE: HIGH FREQUENCY, GREAT POTENTIAL

The website provides a large amount of space for the presentation of offers and allows the extensive communication of information. Customers already know and use this digital channel, therefore this touchpoint deserves continued heightened attention and should definitely be developed further by the dealers. The dealers' website should ideally present Aftersales services on their homepage, including the corresponding price information for the various standard services and a short guide through the whole business process. It is equally important that binding booking confirmation can be carried out in a customer-friendly way. Dealers who have already established their own customer accounts including the storage of customer and vehicle data, are well positioned to present customised offers. A responsive design website with user-friendly representation of the dealer on PC, tablet and smartphone should now be standard. Dealers

already generate ten percent of their Aftersales revenue via their websites, however, the precise amount of the success in generating sales is actually known to few of them. Here dealers should begin, and be prepared to invest. Knowledge about the use and effectiveness of the individual opportunities a website can offer is an essential prerequisite for the successful use of the touchpoint.

2. APP: CREATE ADDED VALUE!

Similar to the touchpoint website, the touchpoint app also enjoys a high level of acceptance amongst customers. Apps are used as a matter of course in many areas of life and are generally well recognised. Much customer data that is already available to dealers can be used for an app in Aftersales. Telematic-enabled vehicles together with an appropriate app can open up opportunities for presenting customised offers and service booking suggestions. For this purpose, there is a necessity to define binding price information and create links with specific data of the customer and vehicle e.g. the personal calendar, and mileage of the vehicle. This can generate the currently missing added value for customers, which probably is one of the main reasons for its sporadic usage. Working on this touchpoint is a complex but rewarding task as it requires much cooperation between dealers and manufacturers to combine all data and functions into a single app. However, 80 per cent of company car drivers and 60 per cent of private customers are waiting for apps that offer them added value in Aftersales.



3. CONNECTED CAR: THE "PREMIUM" THEME

The Connected Car touchpoint is basically of high significance and value found primarily in premium class vehicles. The infotainment systems offer similar technical capabilities as apps, however, the potential that infotainment systems hold is a long way from being fully exploited. Customers have already expressed ideas of their requirements from such a touchpoint and above all they demand user-friendly systems. They also attach much importance - as with the other touchpoints - to the correct presentation of overall costs. The great potential of Connected Car lies in its unique features because with no other touchpoint the customer is more directly and exclusively reached than



4. SOCIAL MEDIA: A TOOL FOR IMAGE CULTIVATION

The dealers can maintain a social media presence with a manageable effort - and besides local offers this touchpoint can be easily used to present special Aftersales services with videos or customer experience reports. When, however, presenting the entire portfolio retailers should switch to alternative touchpoints. Facebook Marketplace shows how important it is to consistently follow new developments in the market. By using this channel, the dealers can offer parts and accessories inexpensively and appropriate to target groups. Similar developments can be soon expected from ebay motors and Amazon.

The constant change in social media landscapes demands permanent attentiveness, but this is precisely where a great opportunity is available to the automotive industry. The challenge lies in the early recognition of the innovations presented by social media, utilising them successfully for oneself, thus becoming a pioneer in winning new customers.

THE PERMANENT TASK OF DIGITALISATION

What applies to digitalisation as such, also applies to the digital touchpoints in Aftersales. Work on digital touchpoints is an ongoing and permanent task that involves a lot of attention to detail. The main task for the dealers involves setting up a complete digital process in Aftersales which creates a positive customer experience; starting from obtaining information, through to transparent, binding price details, online appointment scheduling, and finally to real-time tracking of the workshop process, whereby

it is important to create an equally agreeable atmosphere from initiating the process to the follow-up procedures. "Digital natives" are used to having their digitally transmitted requests processed immediately. The present study takes stock of the situation. The four digital touchpoints - website, app, Connected Car and social media - have been analysed for their potential for Aftersales business and recommendations for action have been identified and presented. It enables every car dealership to deduce its own targets.

OUR CONCLUSION: FIVE KEY RECOMMENDATIONS FOR ACTION

OFFER REAL ADDED VALUE

Customers request digital business initiation in Aftersales. To achieve this, each touchpoint needs more content and better functionality. Tangible added value is the only possible means to create the necessary acceptance and increased use amongst customers. If real added value is offered, dealers and OEMs can inspire their customers with enthusiasm thus making the unpleasant necessity of Aftersales more agreeable for them.

CREATE A CLEAR TOUCHPOINT STRATEGY

Each touchpoint has its own potential and when creating the individual digital touchpoints, further elaboration of these potentials is of paramount importance. A clear touchpoint strategy must therefore be achieved, making their use efficient for dealers and OEMs. Digital touchpoints are the cornerstones of interaction both offline and online - not only in sales. It is necessary to monitor the change in digital offers to be able to swiftly adapt the touchpoint strategy to the changing customer expectations.

ENSURE RETHINKING IN THE DEALERSHIPS

Process harmonisation within dealerships is urgently needed so that the potential e.g. of online appointment scheduling, can be maximally exploited, and the respective touchpoint most efficiently used. Standard services such as wheel changes should be booked online in the future, this having the advantage of reducing the number of telephone calls and allowing the service assistant to pool the processing of appointments. Furthermore, it leads to a reduction of the employees' workload, they save time and can make those appointments for services which are not of a standard nature directly with the customers, and can properly qualify them. A change in thinking of the employees is necessary so that they themselves use the touchpoints and actively point out the digital touchpoints to the customers. The majority of dealers have therefore, already identified that employee training in IT and the use

of digital channels is an important strategic measure for the further development of digitalisation.

ACCELERATE SYSTEM INTEGRATION

The full potential of digitalisation in Aftersales can only be boosted when the necessary internal adjustments of the dealers' IT systems are adopted. Digitalisation must lead to streamlining processes including cost savings. Only then it will catch on with the dealers. For this purpose, a better integration of all the systems is necessary, so avoiding breaks in information flow and double entries. 60 percent of the dealerships see system integration as an important strategic measure to expand their digital business volume, specifically, to offer the customers a digital customer journey in Aftersales. This not only includes system integration between the dealers and manufacturers but also the integration within the different systems existing at the dealers. The dealers require here supporting tools that reduce the administrative effort, making it as low as possible.

IMPROVE COOPERATION BETWEEN DEALERS AND OEMS

There should be urgent rethinking in the cooperation between dealers and manufacturers so that they are successfully positioned for the future. 60 percent of the dealers would like to have more support from the manufacturers in order to digitally market Aftersales services online. The touchpoints app and Connected Car cannot be controlled by the dealers alone as they are dependent on the support of the manufacturers. When designing these two touchpoints the consolidation of dealer and manufacturer data is of great value whilst the issue of data protection and data sovereignty also plays a major role. A fully comprehensive Aftersales experience offered to the customers will have to entail "data sharing" between manufacturer and dealer. How this is to be created and what the possible future cooperation models might look like is a topic that is urgently waiting to be solved. All players involved, dealer associations, dealers and manufacturers are under obligation.



Image: Stock Adobe Blue Planet Studio

The interviews were quoted in accordance with KBA data on market shares for new registrations in 2019.



Image: Stock Adobe metamorworks

3 STUDY DESIGN

The study "Unused Potential in Automotive Aftersales" is based on a survey of private and company car drivers. 270 of private car drivers and 270 of company car drivers were interviewed online between 18 and 29 June 2020. The average duration of an interview was approximately seven minutes. The survey method was an online interview using experienced panel partners.

The institute responsible for interviewing was "puls Marktforschung GmbH", Nuremberg. The results of AUTOHAUS panel interviews were also included in the study. The panel interviews were carried out during two consecutive months, whereby during the interviews each participant was asked a maximum of eight closed questions. The questionnaires were prepared jointly by NTT DATA and AUTOHAUS.

SURVEY STRUCTURE

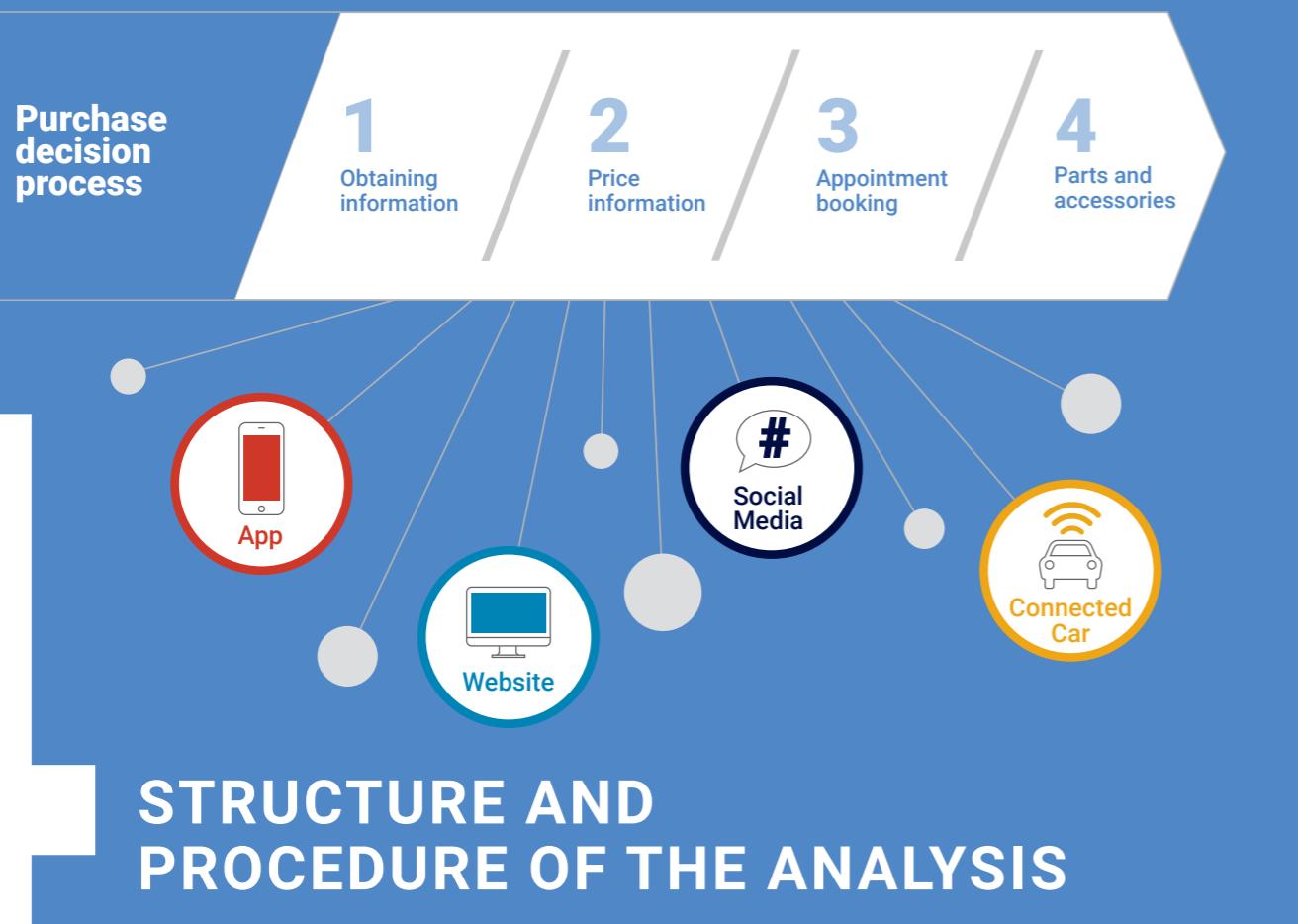
Sample	n=540 interviews with drivers of Private cars (n=270) and Company cars (n=270)
Survey method	Online by experienced panel partners
Survey period	18 to 29 June 2020
Interview duration	Approx. 7 minutes on average
Institute responsible	puls Marktforschung GmbH, Nuremberg

EXPERT INTERVIEWS

Three Aftersales experts present their assessment of the situation as shown in the study:

- Bas Viveen, Director Customer Care & Aftersales Opel/Vauxhall Europe
- Lars Eßmann, Head of Service Germany Volkswagen Pkw
- Simon Saretzki, Head of Service Mercedes-Benz Cars Sales Germany

Four Touchpoints in Focus



STRUCTURE AND PROCEDURE OF THE ANALYSIS

SURVEY OF PROVIDERS AND USERS

The aim of the study is to uncover deficits in Aftersales, to identify optimisation opportunities and to provide specific recommendations for action for the successful application of digital touchpoints. The initiation of business for customers should be as agreeable and simple as possible and offered 24/7, digitally anytime, anywhere. The study focuses on what already is being offered digitally to customers; what information do customers currently receive via the digital touchpoint and how easily can they book or purchase Aftersales services online? In addition to the present user behaviour, preferences and requests for the future use of touchpoints were surveyed. Furthermore, dealers were questioned about their present offers, and their respective future strategies for digital touchpoints. Interviews with industry experts complemented the findings.

ACTUAL STATUS PLUS ANALYSIS OF POTENTIAL

Firstly, the actual status is evaluated i.e. how well the purchase decision process is already mapped in Aftersales by the respective touchpoints. The study, however,

does not only limit itself to describing the status quo but also points out possible potentials in Aftersales for the touchpoints examined.

IMPACT OF THE RESPECTIVE TOUCHPOINT

To determine how strongly each touchpoint supports the digital purchase decision process (see box above) in Aftersales, the touchpoints were analysed in terms of their applicability in the following four topic areas:

1. OBTAINING INFORMATION

"Obtaining information" concerns how easy it is to find Aftersales information in the respective touchpoint. The study also poses questions as to user-friendliness with regard to finding and subsequent processing of information.

2. BINDING PRICE INFORMATION

Of central importance is the question of whether prices for services will be shown at all, also whether binding prices are quoted and/or whether the prices are customised to customers' requirements.

FOUR TOUCHPOINTS IN FOCUS

Four digital Aftersales touchpoints were analysed: Websites hold the first position - manufacturer and dealer websites alike. Also analysed were the apps from manufacturers or dealers. By the touchpoint Connected Car, services and performance that can be

used via the infotainment system in the car were examined. In terms of social media, the focus was on the four platforms: Facebook, Twitter, Instagram and YouTube.

QUESTIONS ARISING ALONG THE PURCHASE DECISION PROCESS

The present study focuses on the purchase decision process and examines the question of how far this process is already mapped digitally in Aftersales.

DECISION

In the decision-making phase, customers select a provider based on the information obtained, and decide on an appropriate service or product. Transparent price information at this stage plays a decisive role in the decision-making process.

REQUIREMENT

In the initial phase, there is a requirement – e.g. an upcoming service, wheel change, tyre purchase, or repair. Either the customer's attention to the upcoming service requirement is alerted through a notification from the vehicle, or he/she acts on his/her own initiative.

INTEREST

The following phase is that of interest. Customers start actively searching for information. What services are offered, where and how? What do they cost? What competitive offers are available?

PURCHASE

Ideally, after the choice of provider has been made leading directly to the purchase of a product or to a workshop service, an appointment booking should be made online. In future, it should also be possible to book and pay for services at a binding price rate.

3. APPOINTMENT BOOKING

At each touchpoint, the relevant question is whether a service appointment booking can be made here, and if a direct booking, i.e. with real-time confirmation is possible. Also included are the questions of whether requests for individual additional services such as replacement mobility are met, and/or if there is the possibility to book additional services or products.

4. PURCHASE OF DIGITAL SERVICES, PARTS AND ACCESSORIES

Finally, it is established whether customers can order parts and accessories, and can buy or add digital services. It also establishes how user-friendly and binding the purchase is, and whether secure and fast payment is possible.



Image: Stock Adobe H_Ko

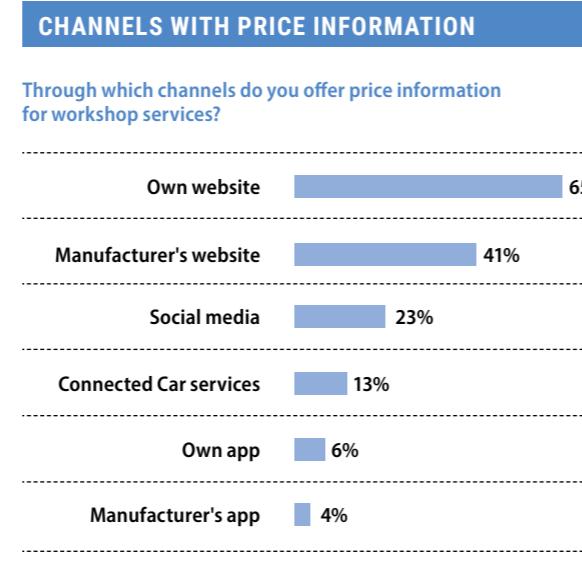
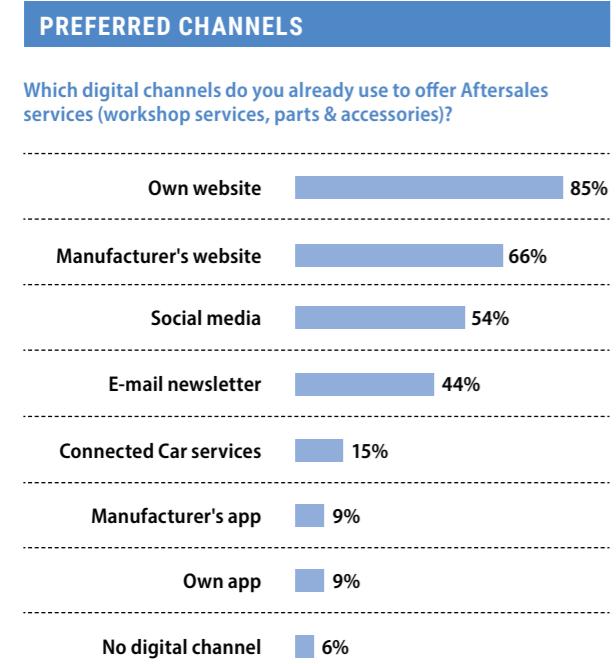
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USAGE OF THE FOUR TOUCHPOINTS IN COMPARISON

The study shows a clear ranking concerning the question of which channels dealers already use to communicate Aftersales services. When it comes to the question of which channels are used to quote binding prices, and

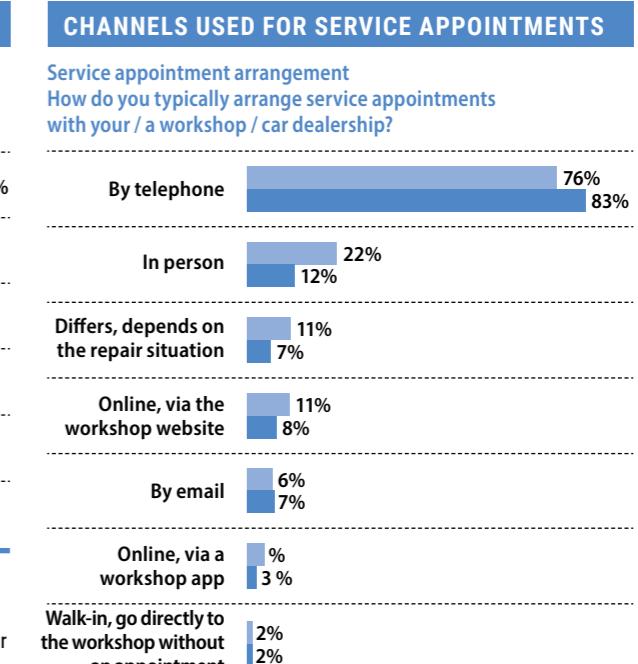
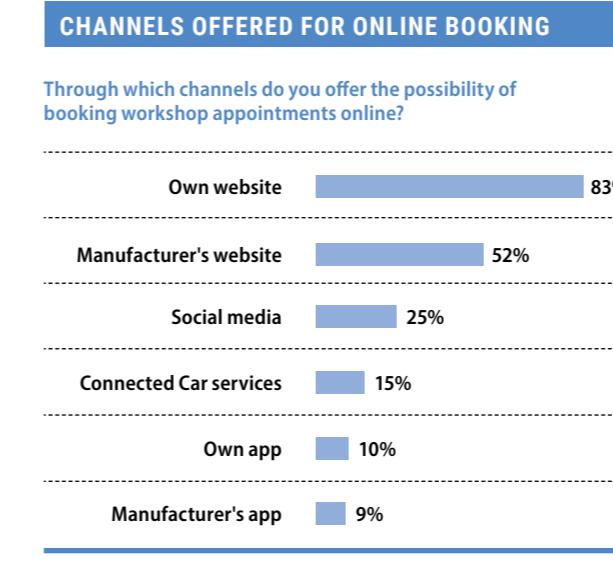
where online workshop appointments are offered, the order of the first three places is identical. In terms of the channels actually used for service appointments, the telephone is clearly in the lead.

Image: Stock Adobe ©nnudoo



Websites are also in the lead when it comes to binding price information, followed by social media and the Connected Car. So far, hardly any binding price information has been provided via the apps.

Dealers have indicated that they offer Aftersales services mainly via the website, followed by social media and the email newsletter. Only 15 percent use Connected Car services and 9 percent offer Aftersales services via apps.



The potential for online appointments is high, given that almost 80 percent of the customers state that they still make their appointments in the traditional way - by telephone.



Website

6

ANALYSIS OF THE FOUR TOUCHPOINTS

6.1 // WEBSITE

STATUS QUO

The website - a touchpoint that deserves a lot of attention. The touchpoint has high number of users and offers a large amount of space for presenting information concerning Aftersales.



POTENTIAL FOR AFTERSALES

Dealers already generate ten percent of their Aftersales revenue via the website. Given a good visual presentation of the services available, Aftersales themes can maintain a prominent position on the website.



RECOMMENDATIONS FOR ACTION

The strengths of the website should be exploited in a targeted manner. Dealers should place Aftersales services on the homepage and indicate binding prices for standard services. Creating user-friendly booking is also of paramount importance.





Website

6.1 WEBSITE: HIGH FREQUENCY, GREAT POTENTIAL



The website is the oldest and most frequented digital touchpoint for Aftersales customers, both by the manufacturer and by the dealer;

manufacturer websites are visited by 66 percent, and dealer websites by 58 percent of customers.

MANUFACTURER WEBSITES ARE MORE FREQUENTLY VISITED BY CUSTOMERS THAN CAR DEALER WEBSITES

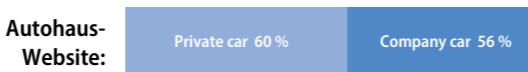
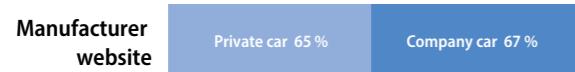


Image: Volkswagen

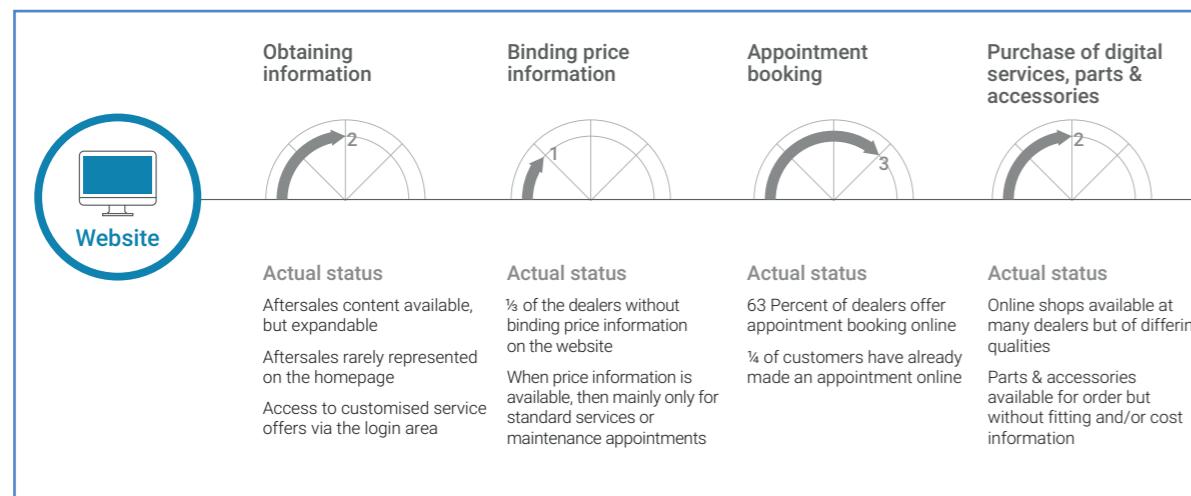


The automotive business is no longer imaginable without the website touchpoint. Almost all customers get their information online, not only in the automotive business. It is therefore enormously important to get this touchpoint right, i.e. to meet the customers' information requirements and provide them with the simplest and most convenient service possible.

Statement by Lars Eßmann,
Head of Service Germany Volkswagen Passenger Cars



STATUS QUO



WHAT IS THE DEGREE OF DIGITALISATION?

The actual status of the degree of digitalisation in the website touchpoint for Aftersales usage is presented in four main topic groups as follows: What is the level of

digitalisation for obtaining information, binding price information, appointment booking of Aftersales services, and the purchase of digital services, parts and accessories?

OBTAINING INFORMATION

Aftersales information is offered by dealers via their own website (85 percent) and via the manufacturer's website (66 percent). However, Aftersales services are not usually present on the homepage and the information content varies greatly between different dealers and manufacturers. In some

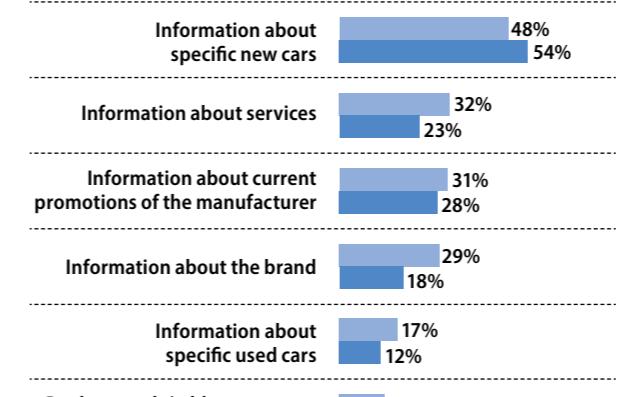
cases, customers can access customised service offers via the login area.

Customers use the manufacturer's website for information on new cars, services and current manufacturer promotions. The dealer website is accessed for information on the company itself, including opening hours, contact details and contact persons.

COMPARISON OF THE USE OF MANUFACTURER AND DEALER WEBSITES

a. Manufacturer's website: Information about new cars

Most frequently information on new cars is looked for
Q 13.0: Which of the following information do you usually look for when visiting your manufacturer's website?



Basis: Website visits from "rarely" to "frequently"

Private 2 56

Company 4 62

Ranking by private cars Private cars Company cars

Basis: Website visits from "rarely" to "frequently"

Private 4 55

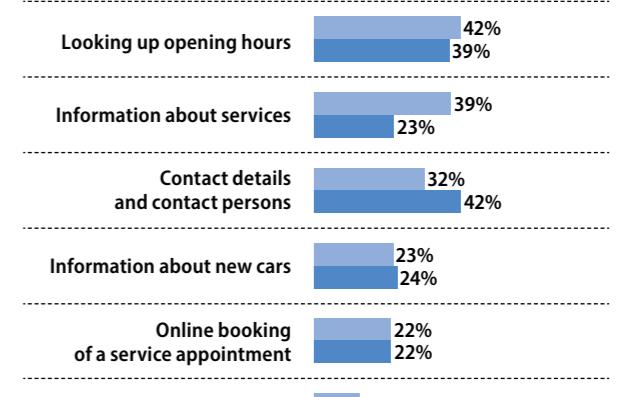
Company 3 52

Ranking by private cars Private cars Company cars

Basis: Private cars=177, Company cars=179 | Data displayed as %

b. Dealer website: Information about service, opening hours and contact persons

Opening hours, services (private cars) and contact details (company cars) are looked for most often.
Q 15.0: Which of the following information do you usually look for when visiting the website of your (last visited) workshop?



Basis: Website visits from "rarely" to "frequently"

Private 4 55

Company 3 52

Ranking by private cars Private cars Company cars

Basis: Private cars=163, Company cars=150 | Data displayed as %

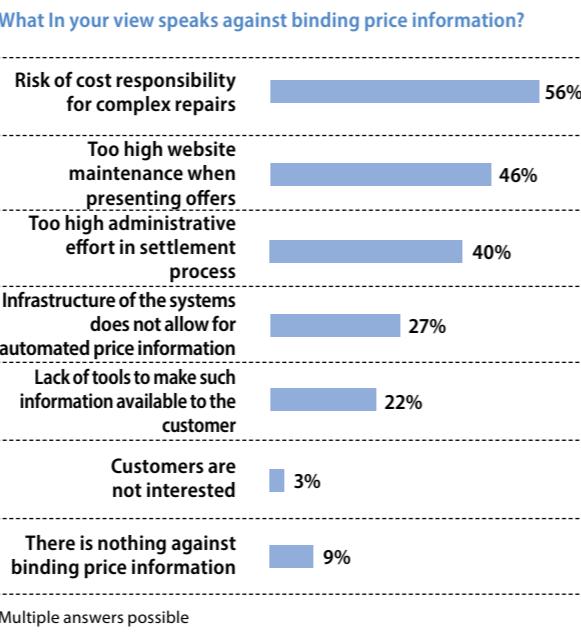


Website

PRICE INFORMATION ONLINE



REASONS FOR REFUSING TO PROVIDE PRICE INFORMATION



BINDING PRICE INFORMATION

The study shows that a large backlog is recognisable in terms of binding price information on websites. Almost a third of dealers do not quote prices for workshop services online and of these, 16 percent state that they do not quote prices online as a matter of principle. 67 percent provide price information via their own website and 41 percent of dealers via the manufacturer's website. If price information is advertised, then in most cases only for seasonal promotions and for standard services (39 percent) and maintenance work (34 percent). For simple repairs, customers can obtain binding price information in 27 percent of the cases and then frequently a "from" price is quoted for the work plus material costs.

Origins of the heterogeneous picture of binding pricing lies in the fact that the car industry finds it difficult to deal with price quotations due to a lack of any pricing strategy, also the dealers shy away from the risk of price quotations for more complex repairs. In addition, data maintenance required to display correct pricing and the accompanying administrative efforts involved in the settlement process are all much too high. Although binding price information plays a key role, only rarely do the dealers have the infrastructure and tools to make automated price information available to customers. Two thirds of private car drivers have already looked for binding price information on workshop services on the website. They were particularly pleased when the information was clearly presented and quick and easy to find.

WORKSHOP SERVICES EASILY FOUND

For private car drivers, workshop services which were easy to find was an excitement factor

Excitement factors when looking for prices on the workshop website

Q 17.0: What did you particularly like?

Clear presentation of the services offered

Basis: Website visits from "rarely" to "frequently"
Search for prices: Yes



The respective workshop service was easy to find

Display of the overall costs of the services.

Ranking by private cars

■ Private cars ■ Company cars

Basis: Private cars = 60, Company cars = 34 / Data displayed as %



Image: Mercedes-Benz



Our goal is to provide our customers with maximum individual and personal guidance and to offer them a consistent and innovative world of experience. For this purpose, in sales we combine personal contact with digital elements in our advice, sales and service roles. In car dealerships this means that the conversational atmosphere between advisors and customers benefits from dialogue-supporting media. Customers can, for example, obtain workshop services, by using our service app 'Mercedes me', to conveniently arrange service appointments online or, for example, also book a replacement vehicle in advance for their continuing mobility.

Statement by Simon Saretzki,
Head of Service Mercedes-Benz Cars Sales Germany

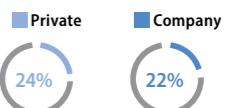
BOOKING VIA THE WEBSITE

Booking via the website is quick, uncomplicated and better than other alternatives, especially for company car drivers.

Reasons for booking a workshop appointment directly via the workshop website

Q 21.0: Why did you book a workshop appointment online via the website of your (last visited) workshop?

Basis:
Website visits from "rarely" to "frequently"
Booked online: Yes



Quick

59%
56%

Simple, uncomplicated usage

43%
45%

Better than other alternatives (telephone, walk-in, etc.)

20%
45%

Just to try it out, normally I book my appointments differently

24%
17%

Did not want to go to the workshop in person because of COVID-19

11%
11%

Basis: Private cars=39, Company cars=33 | Data displayed as %

the product can be bought, additional fitting bookings or making an appointment for fitting directly is not possible, and there is no pricing for fittings indicated.

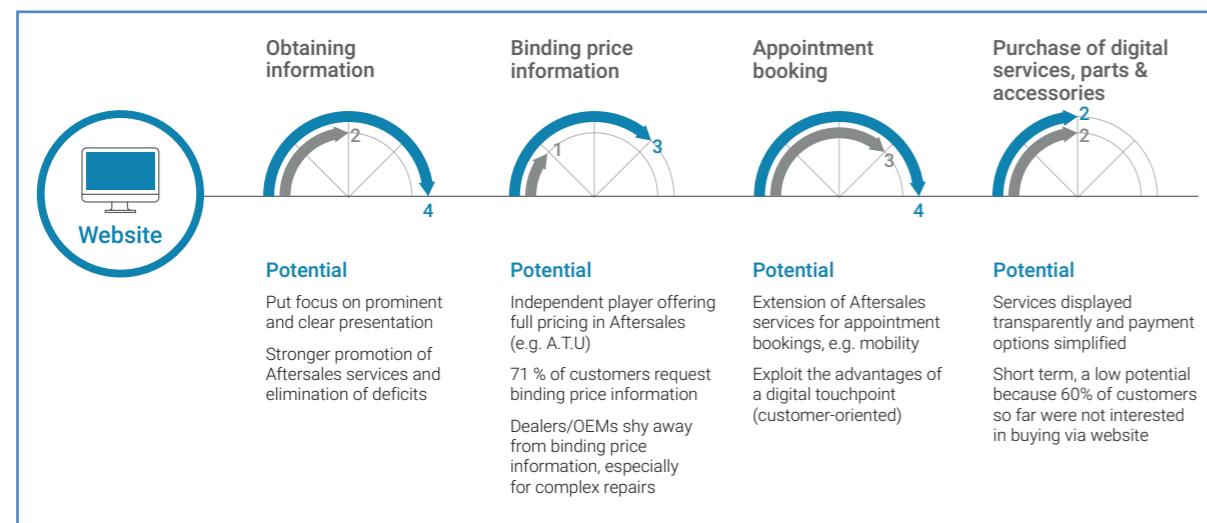
Considerable room for improvement on the websites would be the online purchase of digital services such as additional bookings e.g. for a navigation update or the activation of a better radio. These services are seldomly represented on the present websites. The booking can only be made via the manufacturer's website at the moment and there is no possibility via the dealer website. For this reason, customers make very little use of the option to add digital services: only six percent of private car drivers and three percent of company car drivers make use of this option.



Website



POTENTIAL FOR AFTERSALES



When obtaining information, customers switch between the manufacturer's and the dealer's websites. Which website they visit depends on what kind of information they are looking for and whether they are private or company customers. Information on services is used from both websites. It is of importance that the information on services is clearly presented and quickly available on all websites.

This is reflected by the requests made by private car drivers. In addition to a good visual presentation of the services and the indication of binding prices, they want the workshop services they are looking for to be found easily. This means that attention must be given to simple menu navigation and prominent presentation of Aftersales services on the homepage. Binding price information is especially important to owners of private cars (71 percent).



Stock Adobe Andrey Popov



of private car owners consider binding price information important.

To accommodate the customer demand for binding price information in the future, it is important to remove the obstacles and concerns amongst the dealers, so can the demand for price information be respected and further visits to the website generated. It is important that clear and comprehensible price presentation eliminates any potential concerns customers may have. Price transparency and price correctness have top priority here. Online appointment scheduling offer great potential - as long as they are easy and user-friendly. Some customers find the required procedure too complicated and drop out of the process prematurely. It is highly unlikely that anyone has their vehicle registration document at hand when booking online and with it the need to enter the required VIN. The vehicle registration number should be sufficient to make an appointment at the customer's preferred dealer, and for new customers, the additional information of the car model should suffice. Further information can be requested from the customer if necessary when the appointment is confirmed.

In addition when making an appointment online, the customer's demand for binding price information should be met. The price indication prevents anything standing in the way of both booking an appointment online and purchasing Aftersales services online.

In the current pandemic situation and taking into account the behaviour of competitors, contactless processing of the service is becoming even more important. The customer behaviour in the private sphere is changing and online processes are becoming more and more established as standard.

Online appointment scheduling also hold further potential for the dealers, for example, a dealer could enthuse his customers by suggesting they make appointments online during the wheel changing period thus preventing the necessity of having to ring several times or get put on hold, simultaneously so reducing the workload of the service assistants and the call centre. The processing and confirmation of appointments is thus streamlined and the time saved can be used for telephoning advice on more complex repairs and their corresponding appointments.

BOOKING VIA THE WEBSITE

Booking via the website is fast, uncomplicated and better than other alternatives, especially for company car drivers.

Reasons against booking a workshop appointment directly via the workshop website

Q 22.0: Why have you not made workshop appointments online via the website of your (last visited) workshop so far?

Basis: Website visits from "rarely" to "frequently" ■ Private ■ Company
Booked online: No



I book my appointment differently ■ 48% ■ 42%

Not interested ■ 20% ■ 16%

Not available ■ 15% ■ 17%

Does not give a specific reason ■ 11% ■ 11%

Too complicated ■ 7% ■ 10%

Don't know of the option ■ 5% ■ 11%

Online Booking Potential

EASE OF FINDING WORKSHOP SERVICES

For private car drivers, the ease with which workshop services can be found is a factor of excitement

Pain points when searching for prices on the workshop website

Q 18.0: What did you like least?

Basis: Website visits from "rarely" to "frequently"
Search for prices: Yes ■ Private ■ Company



Workshop service / prices not available ■ 34% ■ 29%

Concerns that the overall costs shown are not correct ■ 22% ■ 14%

Unclear presentation of the services offered ■ 10% ■ 22%

■ Private cars ■ Company cars

Basis: Private cars=60, Company cars=34 | Data displayed as %

Basis: Private cars=120, Company cars=116 | Data displayed as %



Website



Image: Opel Vauxhall Europe

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The aim is to make life of customers as simple as possible when in contact with the dealer and manufacturer. What we are presently implementing is the possibility for the customer to book his/her appointment at any dealer of the PSA Group online, i.e. on the internet or using an app, this is a fact! At Opel, the booking of appointments currently exists in the form of an inquiry to the dealership. In future, the customer will be able to book specific services directly with the dealer. This can then be registered in detail, including feedback on how long the service will take and what it will cost. For example, in a current pilot project in France, the dealer states the price for the requested service. However, this varies from region to region.

Bas Viveen,
Director Customer Care & Aftersales Opel Vauxhall Europe

So far, two thirds of customers are not interested in purchasing parts and accessories online or do not want to purchase them online. 12 percent of private car drivers and 11 percent of company car drivers state that there is no online purchase option at their dealer. In practice, however, many dealers do have parts shops or do offer the option of purchasing parts online and in particular, those dealers specialising in specific services such as tuning or car wrapping have already had very successful online sales. This market sector is also booming at 'ebay motors' or 'autoteile24'.

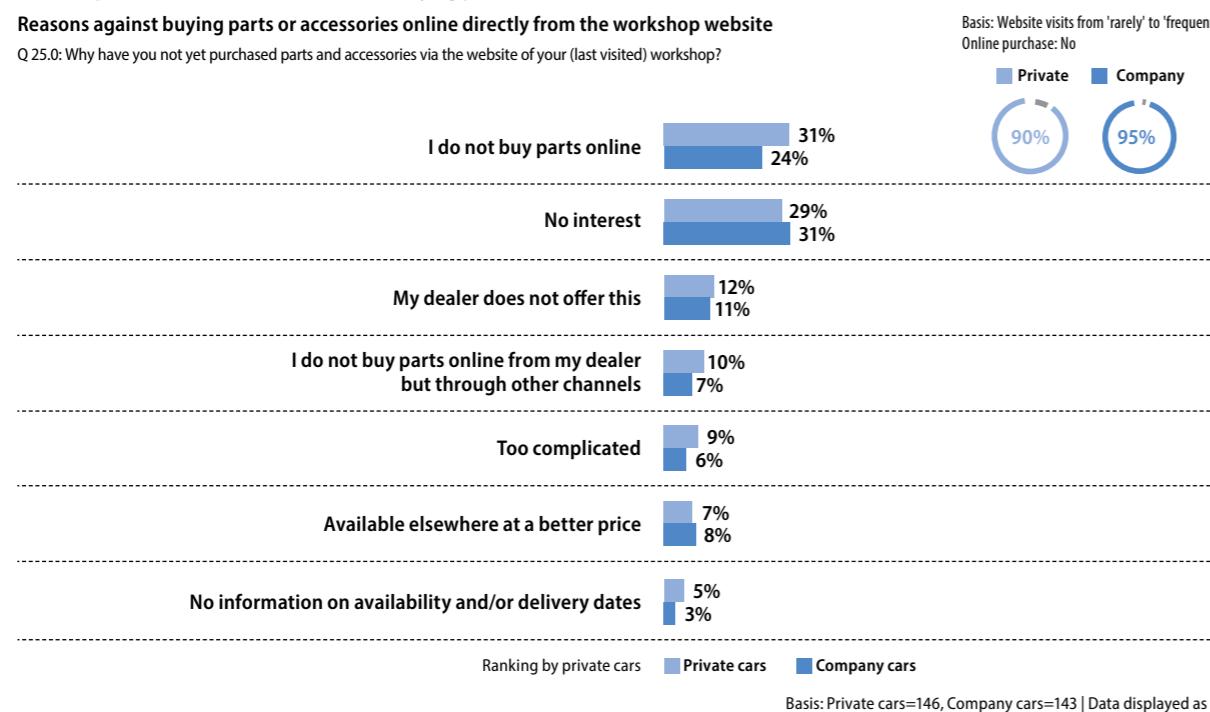
Market research has shown that many customers are not yet fully aware of what specifically the dealer sites offer. However, the online purchase of accessories and the booking of digital services will certainly gain in importance in the future once this is easily possible and the price attractive enough. Also of importance are the information on availability and/or delivery dates. Dealers would do well to consider the following recommendations for action, if they want themselves positioned correctly. ■

ONLINE PURCHASE OF PARTS & ACCESSORIES

Workshop website: 60% have no interest in buying parts and accessories online.

Reasons against buying parts or accessories online directly from the workshop website

Q 25.0: Why have you not yet purchased parts and accessories via the website of your (last visited) workshop?



RECOMMENDATIONS FOR ACTION

→ Targeted use of the website strength.

A high level of acceptance, a large amount of space for information and clear menu navigation are the strengths of the website. So far, these unique selling propositions have been mainly used for sales. Here, the Aftersales sector must be more prominently positioned and better presented in order to inspire customers with enthusiasm. A responsive website that enables pleasing presentation on PCs and on all other devices should be standard for dealers.

Furthermore, it is important that the dealers' website allows quick guidance through the business initiation process and a user-friendly option for a binding booking. In order that customised offers may be made, a private customer account in which the customer and vehicle data are already stored should be considered.

→ Dealers can develop the website independently.

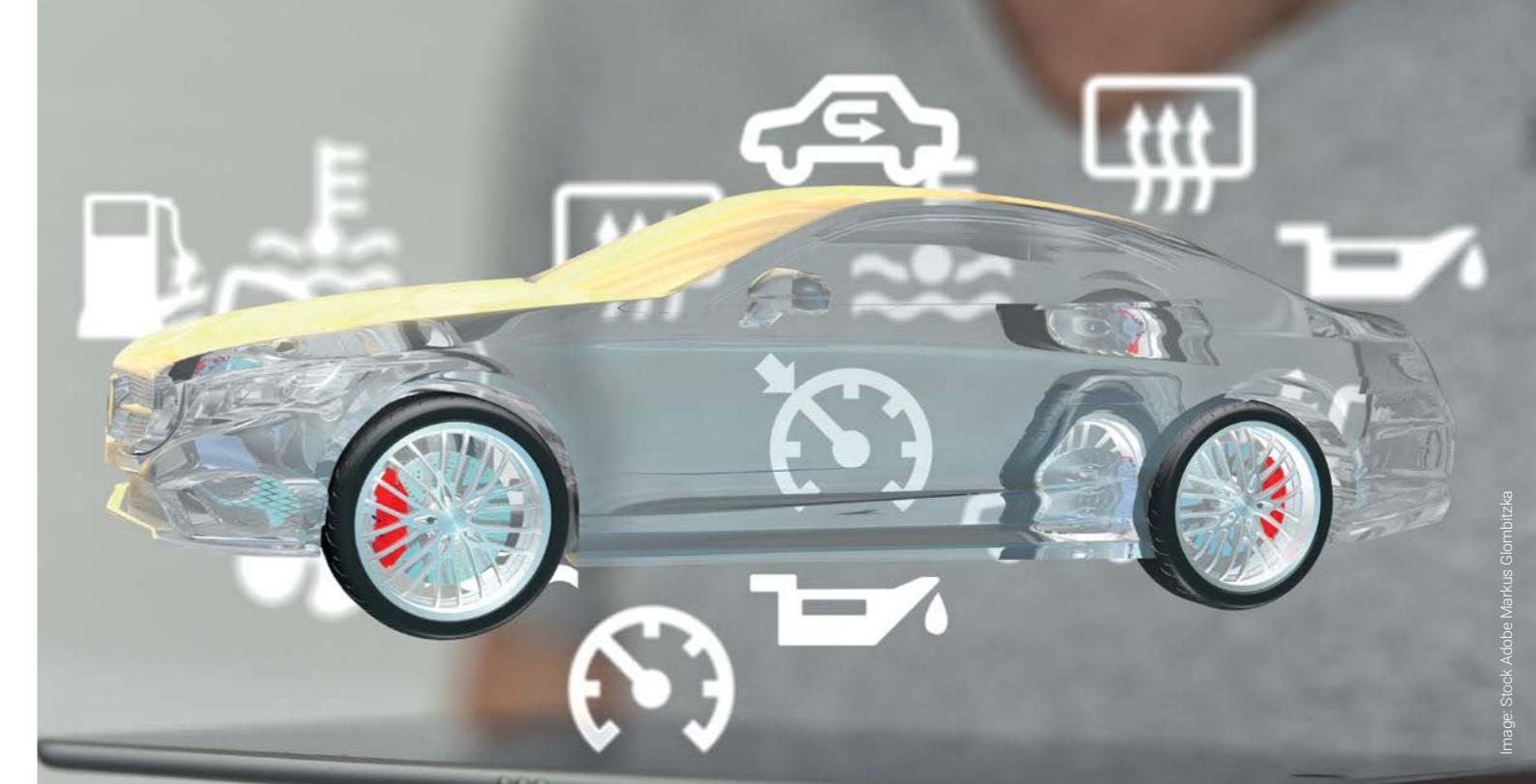
Every dealer already has his own website. This allows independent, easy and quick adaption and the presentation of the dealership and its Aftersales services on the internet in an attractive light. If not yet available, investing in a conversion to responsive design is advisable so that the displayed content appears professionally on all devices.

→ Building up an online pricing strategy.

When it comes to binding price information on the website, it is noticeable that many car dealerships lack pricing strategy. Price information is considered a taboo subject and is avoided as much as possible. In addition there is also a lack of training in price argumentation. Dealers are well advised to create price transparency in the digital touchpoints, even when this requires a certain amount of initial effort because two-thirds of the customers want binding price information - which they increasingly receive elsewhere.

→ Make customers aware of the online offers in aftersales.

Customers state that the option of booking appointments online is not available at their dealer (16 percent) or that they are not aware of this option (8 percent), therefore, it is important that the dealers point out the possibility of online booking to their customers, and place this service clearly and visibly on their website and in other publications. For those customers who have, for no particular reason, not yet booked online (11 percent) this could possibly sway them positively.



6

ANALYSIS OF THE FOUR TOUCHPOINTS



6.2 // APP

STATUS QUO

All manufacturers already offer apps, and according to the manufacturers the number of users is high. About one in three company car drivers uses the app offered for their vehicle, in the private sector it is just under a quarter.



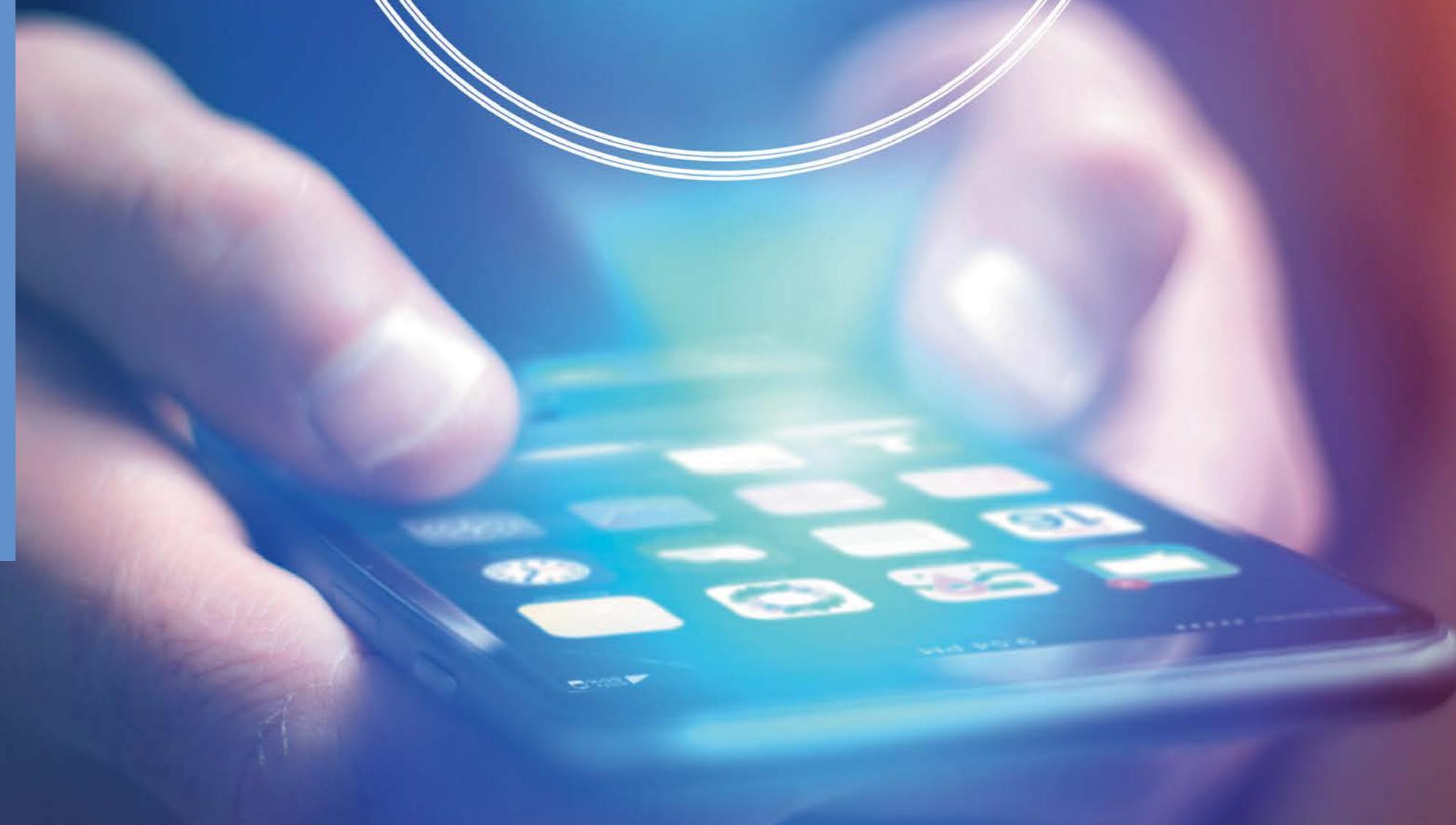
POTENTIAL FOR AFTERSALES

The willingness of customers to use an app for Aftersales purposes in the future is high. Almost 80 percent of company car drivers and 60 percent of private car drivers have affirmed this.



RECOMMENDATIONS FOR ACTION

The car industry can here utilise the momentum of the broad acceptance of apps, to offer Aftersales services. The task is to enthuse users with real added value. For all data and offers to comprehensively come together in a single app, close cooperation with the manufacturers is necessary.





6.2 APP: CREATE ADDED VALUE!

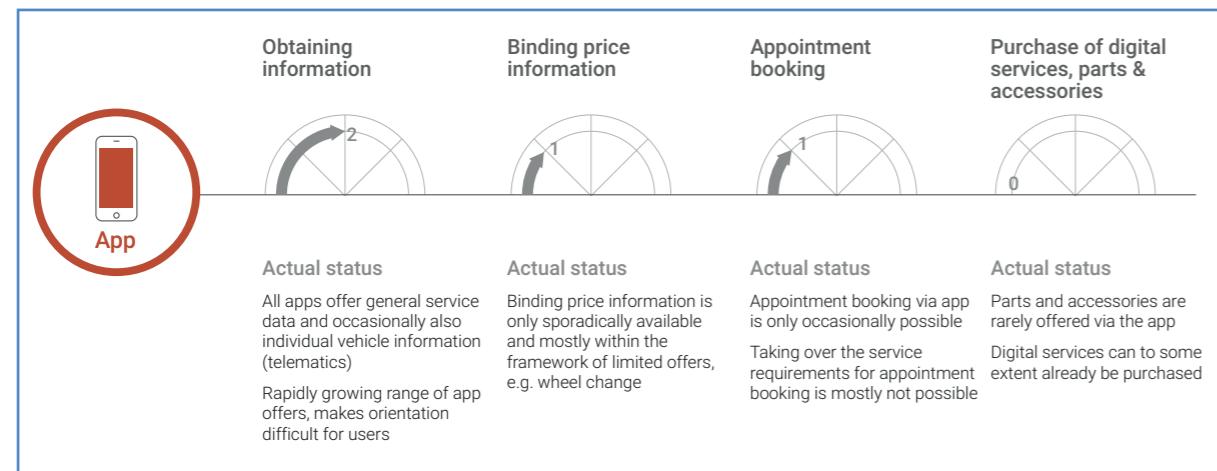


communication tool used by millions of customers: the app. The app enjoys widespread usage in most areas of life, and the number of users of vehicle apps goes into the millions -

a reason to sit back and celebrate success? No, because the NTT DATA study reveals a clear deficit in the digital touchpoint app.



STATUS QUO



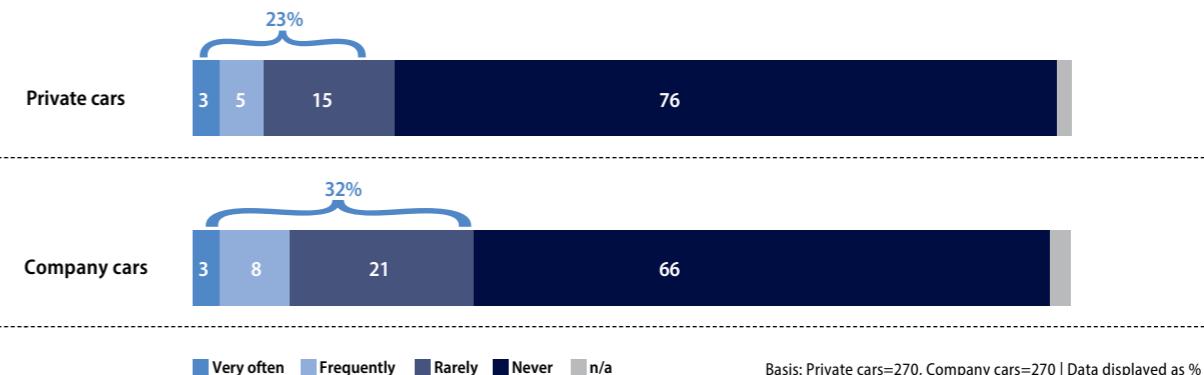
All vehicle manufacturers now offer their customers vehicle specific apps (for iOS and Android). The number of users is high: at Volkswagen, for example, around 40 percent of customers use the OEM's apps. Lars Eßmann, Head of Service Germany Volkswagen Passenger Cars, emphasises: "The rise in the growing number of app users is proportional to the services available". Opel also has millionfold app usage and Bas Viveen, Director Customer Care & Aftersales Opel/Vauxhall Europe, reports about five million registered customers at 'MyOpel'. Mercedes-Benz

is on a comparable scale: "Over five million customers are already using our 'me-services' app" says Simon Saretzki, Head of Service Mercedes Benz Cars Sales Germany. In fact however, only 8 percent of private customers do use the app offered for their vehicle frequently to very frequently. Three quarters of private car drivers and two thirds of company car drivers state that they have never used the app. When asked why, 77 percent of the customers who do not use the app cite that the lack of added value is the main reason.

"ABOUT ONE IN THREE COMPANY CAR DRIVERS USES APPS THAT ARE OFFERED WITH THE CAR - FOR PRIVATE CAR DRIVERS, THAT IS ONLY 23%."

Frequency of use of apps offered for the car

Q 26.0: How regularly do you use the apps on your smartphone which are offered for your car (e.g. myAudi, Mercedes-me etc.)?



Telematic-enabled vehicles facilitate data exchange with the app. By this process the smartphone indicates to the user of the manufacturer's app not only general Aftersales

services but also vehicle-specific information. As with the websites, the app presents a "dual" offer - both manufacturers and dealers work with these tools.

WHAT IS THE DEGREE OF DIGITALISATION?

The actual status of the degree of digitalisation in the touchpoint app for Aftersales use is presented with regard to the four main topics of obtaining information, binding price information, appointment booking of Aftersales services and the purchase of digital services, parts and accessories as follows:

OBTAINING INFORMATION

The intensity of information obtained depends on the online connection within the vehicle. If this is available, some of the manufacturer apps show the exact service requirements and often also offer the possibility of direct contact with a dealer.

Manufacturer and dealer apps differ significantly, especially when taking into consideration the information content of vehicles with telematic functions. In the manufacturer app, customers can find information about the vehicle, for example about upcoming services, data on battery performance, tyre pressure or average fuel consumption; information, however, about the dealership is rarely included. In the dealer app, customers receive more general data about the vehicle but much more information about the dealership itself. So far, no app covers the entire range of information, so that customers are sometimes forced to switch between the different apps. This has the

result that app is rarely used or not at all. Moreover, the manufacturers have several apps each covering different topics, so forcing customers to switch between the different apps and which can be hardly classed as user-friendly.

Notably those manufacturers who cannot establish a connection to the vehicle do, however, offer explanations of various operative functions, or provide useful tips and information in the form of videos.

Business customers when asked about which Aftersales functions they use the apps for, answered that they tended to use the driving-related functions, for example the communication of destinations to the navigation system or the remote control of the auxiliary heating/air conditioning, whilst those private customers asked said they tended to use vehicle-related functions, for example arranging service appointments, roadside assistance or dealer locations.

Mercedes-Benz AG presents a positive example of information exchange between customers and the brand, i.e. via the Mercedes me apps. Here, customers already receive reminders of their next maintenance via the app and in addition are offered an appropriate individual maintenance service.



BINDING PRICE INFORMATION

Service offers with binding price information for the spare parts and the working hours are rare amongst all dealers and manufacturers. One of the main reasons is that maintaining this data is very time-consuming as long as no automated pricing for standard services is possible. The dealers state that price information is scarce both in the dealer and the manufacturer app.

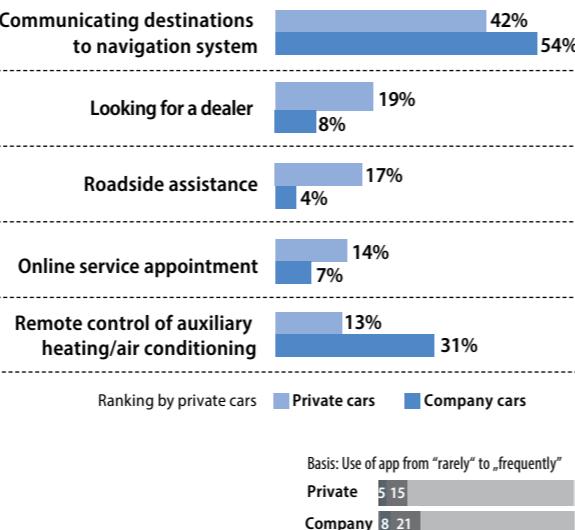
That is surprising as customer and the vehicle data are usually already stored. In future, a better integration of systems should meet the customers' demand for price transparency. Offers in the apps are disadvantageous when customers have to leave the app and continue the purchase or booking process via another touchpoint or channel.

WHAT CUSTOMERS WANT FROM AN APP

Added value that apps (should) fulfil: company customers = driving-related vs. private customers = vehicle-related

Use of functions of apps offered for the car

Q 27.0: Which functions from the app do you use regularly?

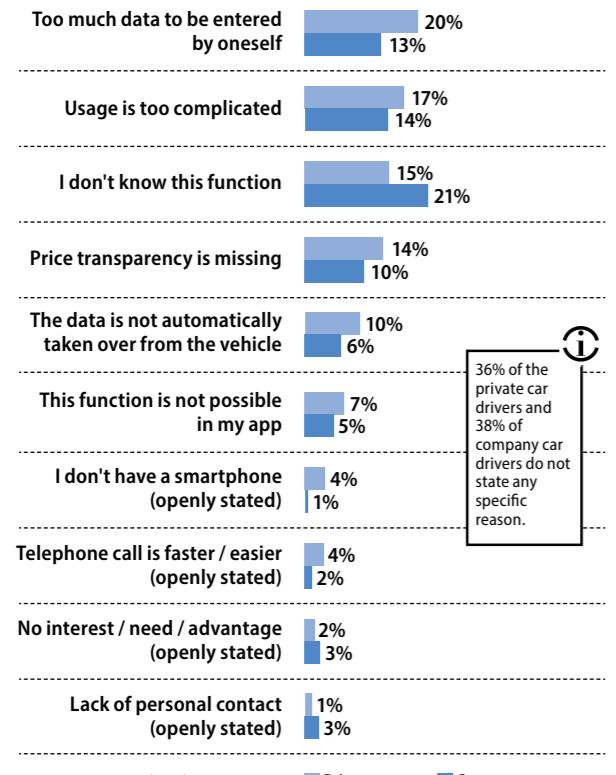


REASONS FOR DISMISSIVE ATTITUDE

Using appointment booking is (apparently) too time-consuming - moreover, one-fifth of company car drivers are unaware of such a function.

Reasons against booking service appointments via an app

Q 31.0: Why would you not book your service appointments online via an app?



APPOINTMENT BOOKING OF AFTERSALES SERVICES

When it comes to offers for booking service appointments via the app, the dealer and manufacturer apps are almost level, the dealers stating that this is possible in ten percent of the apps.

However, currently few apps offer the option of online appointment scheduling with the dealer when a service requirement is also to be included.

From the customers' point of view too much data must be entered, usage is awkward, functions are unfamiliar, lack of price transparency and no automatic data transfer from the vehicle are all obstacles to booking appointments via the app.

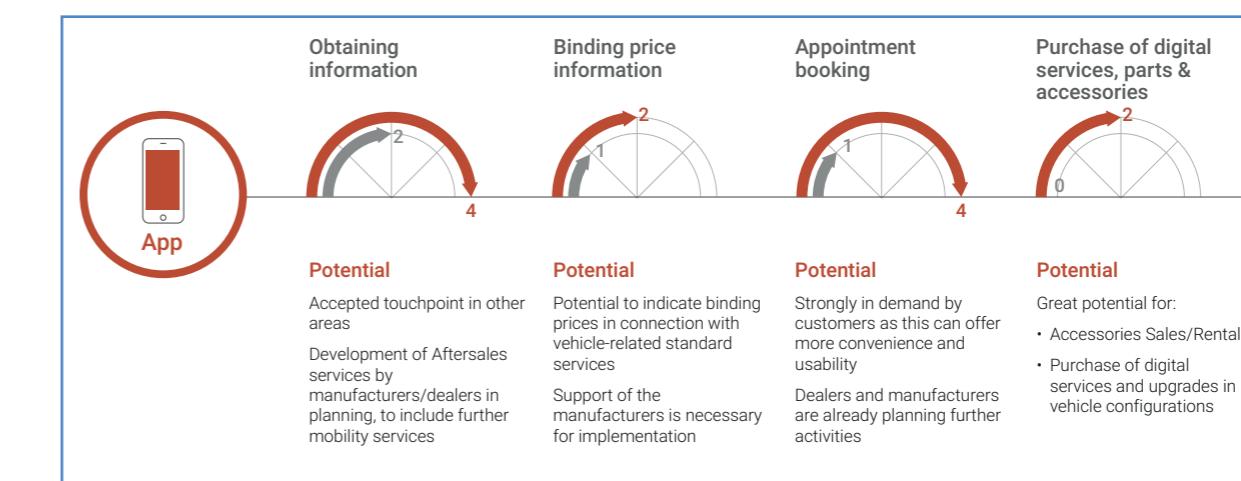
At Mercedes-Benz AG, in addition to making a service appointment, it is also possible to book replacement mobility online via the 'Mercedes me' app. Nevertheless, the telephone is still the preferred method for customers to make appointments. Only three percent of private car drivers and two percent of company car drivers have already used the app to make an appointment which is due, on the one hand to the lack of the option and on the other, to the fact that customers do not yet know of this function.

PURCHASE OF DIGITAL SERVICES, PARTS AND ACCESSORIES

At present, only a few manufacturers offer the possibility to buy parts and accessories via an app, similarly only in few cases can digital services be booked directly. If it is possible to purchase digital services via an app, then generally, a redirection to another touchpoint follows.



POTENTIAL FOR AFTERSALES



Customers when asked whether they would like to use an app for Aftersales purposes in the future, 60 percent of private car drivers and almost 80 percent of company car drivers answer in the affirmative. For most customers usage potential lies mainly in obtaining information (the state of the vehicle, repair status or push messages, e.g. concerning control symbols), and direct appointment booking with data transfer. Customised offers from their preferred dealer, as a rule are less in demand - but quite probably because customers

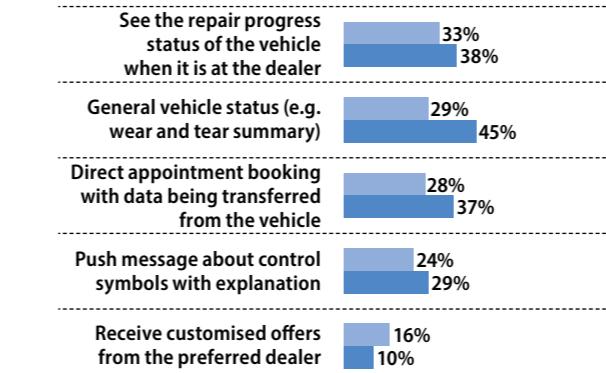
are not aware of them. When it comes to booking appointments via the app, company car drivers (43 percent) are more likely to book service appointments than private car drivers (34 percent). The greatest advantage that the customers expect is that of user-friendliness, i.e. for example, the possibility of quicker and uncomplicated booking of a service appointment via an app. Preferably all customer and vehicle data should already be stored in the app, enabling the booking to be made directly when the service is due. Ideally it should best function as follows:

INTEREST IS THERE

Almost 80% of company car drivers have at least a latent interest in a service app.

Functions requested

Q 32.0: What functions in the future would you like to see in a service app on your smartphone?



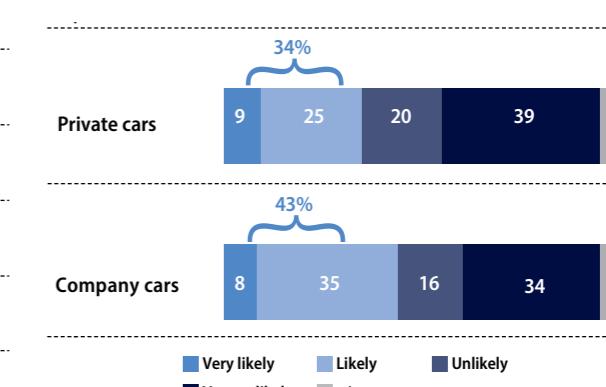
Basis: Private cars=270, Company cars=270 | Data displayed as %

WILLINGNESS TO USE

Almost half of company car drivers would be likely to make service appointments via an app - among private car drivers, probably a third would be willing to do so.

Likelihood of making a service appointment via an app

Q 29.0: How likely are you to use the option to make a service appointment directly via an app using your smartphone?



Basis: Private cars=270, Company cars=270 | Data displayed as %



SCENARIO FOR A DIRECT SERVICE BOOKING VIA THE APP

1. Push message.

When a service is due, customers are informed by push message.

2. Offer already in the shopping basket.

When the app is opened, the service is already in the shopping basket and the customers are presented with suggestions for other suitable additional services, which they can then add directly to the shopping basket.

3. Simple appointment date selection.

After synchronisation with their personal calendar, appointments at the preferred dealer are then suggested leading to easy selection without further input.

4. Suitable replacement mobility.

In the next step, the ideal replacement mobility can be selected, previous preferences being taken here into consideration. The dealer has the possibility of offering car models which may come into question for a new purchase.

5. Convenient payment via app.

Finally, the service can be paid directly via the app, if desired.

An app with such functions would offer customers real added value when booking appointments and would also massively simplify the business initiation process.

This customer demand and the growing importance of the touchpoint app has already reached the manufacturers. Both Volkswagen and Opel confirm this. Lars Eßmann, Head of Service Germany Volkswagen Passenger Cars, states: "One scenario is, for example, that with data gained from the vehicle, it is possible to identify online which service is when necessary; this is then followed by the individual offer including a proposed appointment." Baas Viveen, Director Customer Care & Aftersales Opel/Vauxhall Europe, also sees an opportunity in the future to provide customers with individual Aftersales offers via the app. Potential that further development of the app could offer, would be to keep customers "up to date" during the workshop process. Over a third of customers would like to be able to keep track of the repair status of their vehicle during the workshop visit.

The use of the app during the workshop visit would also be in accordance with the dealers' wishes because almost half of the dealers (47 percent) would like to process any further repair necessities via an app. Currently, almost all dealers (91 percent) still handle any further extensions to the contract/order via telephone.

Solutions such as "FollowX" from NTT DATA can help to support retailers.

FOLLOWX - INTERACTIVE COMMUNICATION BETWEEN CUSTOMERS & DEALERS

Market research confirms once again: customers want more transparency about the maintenance or repair process in the workshop. This involves such questions as "Will my vehicle be ready in time for collection?" or "Are the costs and/or repair necessities still within the estimated range?".

From the workshop point of view, transparency in processing the order would also bring enormous savings in time and cost, here the following key questions are: "Where is a certain vehicle currently located on the

premises?" or "How do I get a customer confirmation as quickly as possible for the extension of the order for necessary repairs?"

"FollowX" from NTT DATA provides the answers. The application not only ensures interactive communication between customers and retailers, it can do much more. In addition to vehicle and car key location on the entire workshop premises, both inside and outside, vehicle tracking is also carried out during the whole workshop process.

Here, the current repair status, e.g. "vehicle was" or "ready for collection", is determined by the vehicle's position and customers receive the corresponding push notification on their smartphone. This allows them close participation in the service process and reassures that everything is going according to plan. This gives a good feeling. And if there is still a need for clarification, FollowX's digital service advice can help. Using the integrated communication-workflow, contact to the customer can be made who -can- then confirm a binding order extension directly via the app whilst at the same time, if necessary, a new collection date can be arranged also using the app.



RECOMMENDATIONS FOR ACTION

→ Exploit potential.

It is important to use the momentum of the broad acceptance of apps for offering Aftersales services. Most customers today already rely on the advantages of apps in many other areas of life. In Automotive Aftersales, however, apps are not yet common practice. In fact, customers have, so far, found few, or even no Aftersales offers at all via apps, even though they are usually logged in. The dealer already knows the customer's data, such as the VIN. The next worthwhile step is the connection with customer-specific data, for example the calendar. In short, there is enormous potential here - for both dealers and manufacturers.

→ Inspire customers' enthusiasm with real added value.

Given telematic-enabled vehicles, data on mileage or imminent service requirements should also be available thus enabling customers to be provided with customised offers and service booking suggestions. Another advantage is that apps can be used anytime, anywhere, as long as a mobile phone or tablet is at hand. Real added value for customers.

→ Actively promote apps.

Another important element of this touchpoint will be that employees can actively point it out to customers and refer to the possibilities it offers. This arouses the awareness of the added value of the app amongst customers.

→ Closer cooperation between dealers and manufacturers.

Dealers, however, are deferring the development of their own app activities in Aftersales in favour of the touchpoints website, social media and connected car. The reason for this is the fact that developing their own apps without manufacturer support pushes dealers to the limits of their capabilities. The dealers would like more support from the manufacturers. Cooperation between manufacturers and dealers is required here so that all existing data is packed into one app. Then it will be possible to make the customers individual offers and customers will also only need to use one app to deal with all actions relating to their mobility and their vehicle.

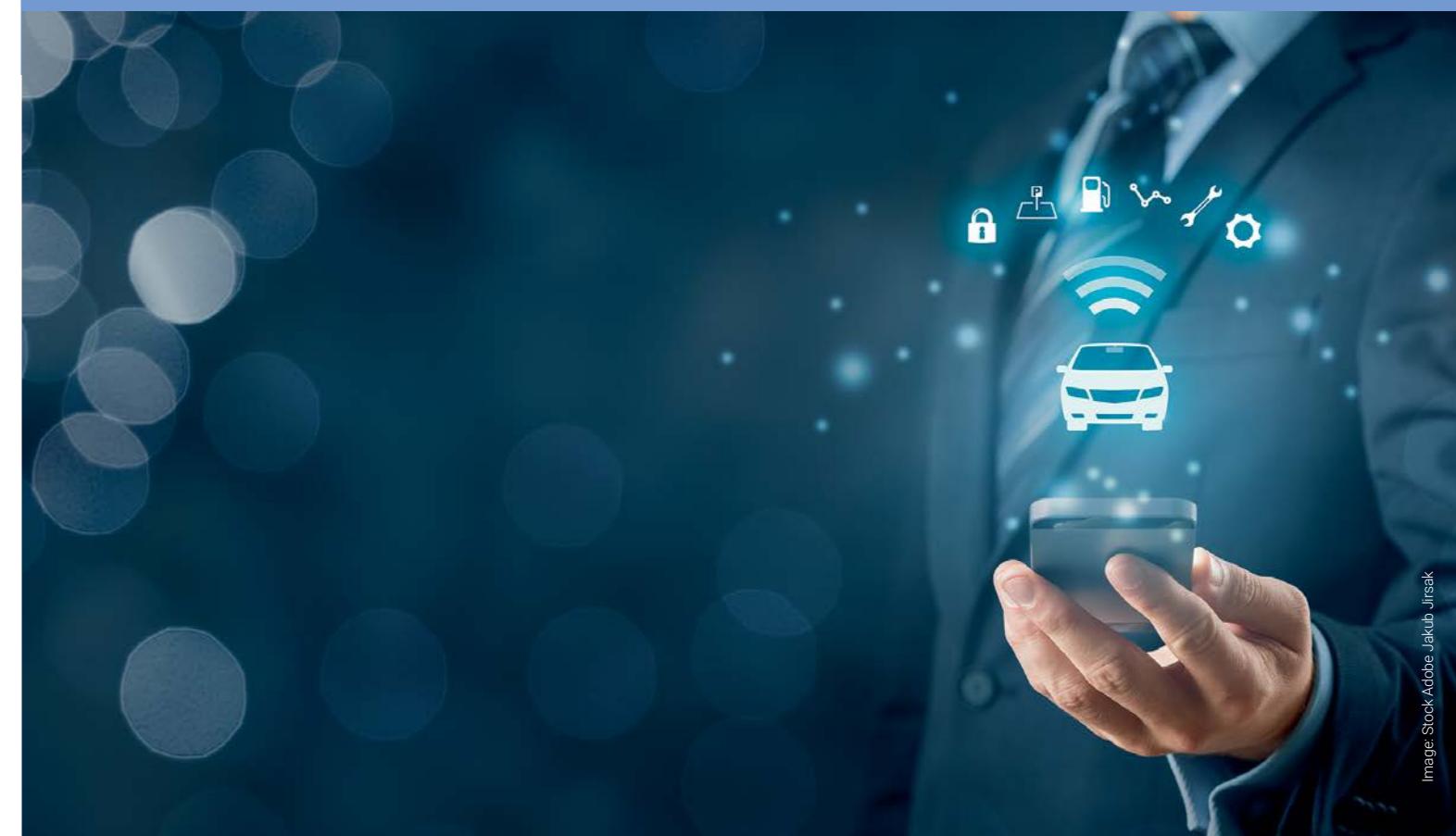


Image: Stock Adobe Jakub Jirsak



ANALYSIS OF THE FOUR TOUCHPOINTS

6.3 // CONNECTED CAR

STATUS QUO

The Connected Car touchpoint is primarily found in the premium segment. As a rule, this touchpoint is used for comfort, communicating information, safety and entertainment.

POTENTIAL FOR AFTERSALES

Possibilities such as a concierge service or a personal hotline are currently still being hesitantly used. This touchpoint offers great potential for the purchase of digital services. Manufacturers believe that booking and ordering via infotainment systems will be possible soon.

RECOMMENDATIONS FOR ACTION

The path to success leads through the best possible user-friendliness – a must for both dealers and manufacturers. Important is the display of the correct overall costs. The Connected Car touchpoint is particularly attractive to young drivers.



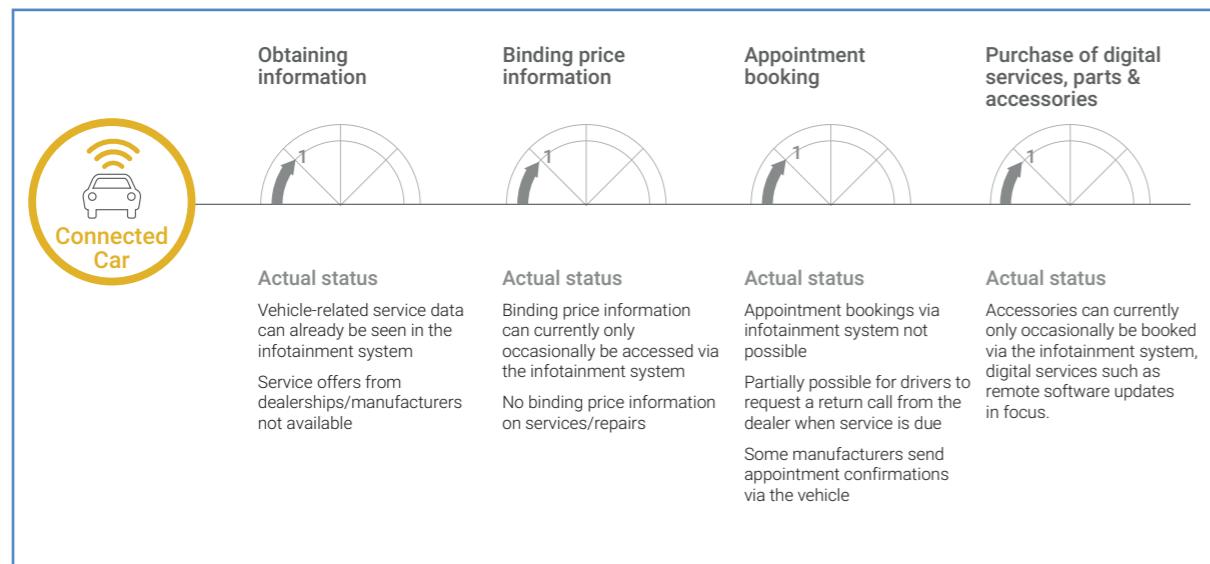
6.3 CONNECTED CAR: THE "PREMIUM" THEME

The infotainment system in the vehicle is also one of the digital touchpoints through which Aftersales offers can be presented, however, this can lead to overlapping with the touchpoint app. The option to use connected functions in vehicles is mainly found in the premium segment. Comfort, communication of information, safety and

entertainment are currently the key aspects of Connected Car. Of all the functions available in the infotainment system, customers mainly use the navigation services and smartphone integration whilst other options, such as a concierge service or a personal hotline are only used hesitantly by them.

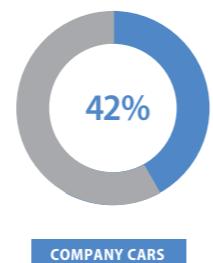
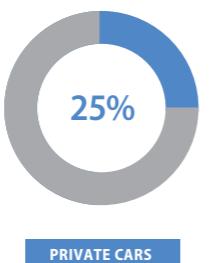


STATUS QUO



Both premium and high-volume manufacturers already offer customers a wide range of functions in the vehicle, however, the offer in the premium segment is currently notably larger and more innovative. This can also be found in those internet-enabled vehicles already available on the market. Noticeably, almost every second company car but only every fourth private car has internet connection.

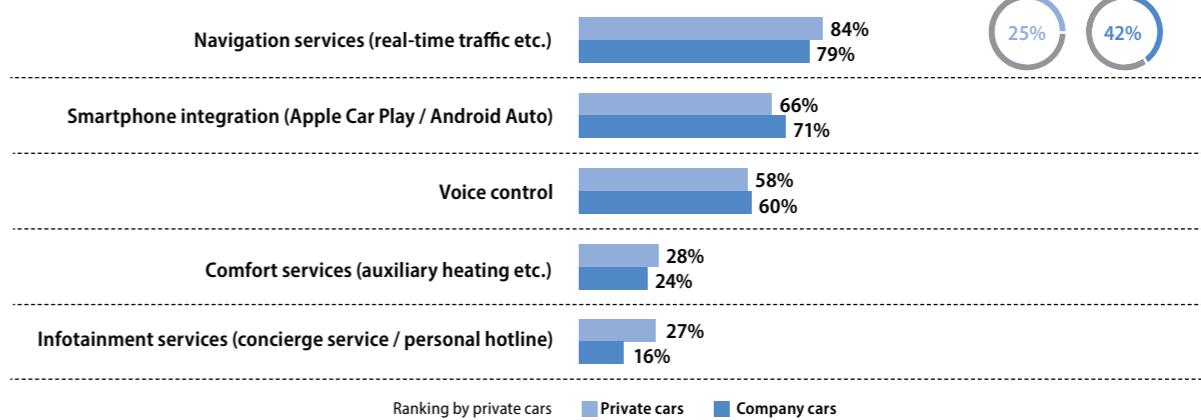
MORE USAGE IN THE COMPANY CAR SECTOR



INFOTAINMENT SERVICES (CONCIERGE SERVICE / PERSONAL HOTLINE) ARE CURRENTLY BEING USED MORE BY COMPANY CAR DRIVERS.

Use of digital services

Q 2.0: Which of the following digital services from your infotainment system do you already use?



Ranking by private cars ■ Private cars ■ Company cars

Basis: Private cars=67, Company cars=114 | Data displayed as %



“

A large number of current vehicles are already equipped with We Connect, and with We Connect Go there is also an attractive option for drivers of older vehicles to connect their vehicle with their smartphone.

Key aspects for the customers are services concerning comfort, information, safety and entertainment. The number of possible services ranges from online destination import to the automatic arrangement of appointments at the destination. We Connect services cover an enormously wide spectrum, from automatic accident reporting, communication of travel data, information call, breakdown call, online map update to online anti-theft alarm, to name but a few.

The key aspect for the partner companies is, on the one hand, the possibility of easily arranging a service appointment and, on the other hand, the continuous development of services, such as charging possibilities for electric vehicles or the integration of the personal appointment calendar into the vehicle system.

Statement by Lars Eßmann,
Head of Service Deutschland Volkswagen Pkw

INTERNET-ENABLED VEHICLES

Simon Saretzki, Head of Service Mercedes-Benz Cars Sales Germany, states that a large portion of the current Mercedes-Benz vehicles are already internet-enabled. Since 2014 various functions in the range of Connected

Car have been on offer as standard via "Mercedes me". These services, however, still mainly relate to the "remote control" of one's own vehicle, and to interaction with Mercedes-Benz.



Image: Mercedes-Benz



The customer or even the second owner of a Mercedes-Benz can therefore subsequently purchase optional extras such as digital radio or smartphone integration via the Mercedes me Store, or renew services that have expired. Customers make extensive use of these offers and we are constantly expanding the portfolio.

Statement by Simon Saretzki,
Head of Service Mercedes-Benz Cars Sales Germany

WHAT IS THE DEGREE OF DIGITALISATION?

The actual status of the degree of digitalisation in the Connected Car touchpoint for use in Aftersales is presented in the following taking into consideration the four main topics: What is the level of digitalisation for obtaining information, binding price information, appointment booking of Aftersales services and the purchase of digital services, parts and accessories?

OBTAINING INFORMATION

Increasingly, vehicle-related service information can be viewed via infotainment; for example, there are push messages about an upcoming service requirement. General service offers are not yet being focused upon by both manufacturers and dealers. Nevertheless, most customers regard the present digital services as being helpful and modern.

BINDING PRICE INFORMATION

Price information can currently hardly be found on the infotainment system, and if available, then not for service and repair work. In addition, one fifth of customers distrust the costs displayed on the infotainment system when booking service/workshop appointments.

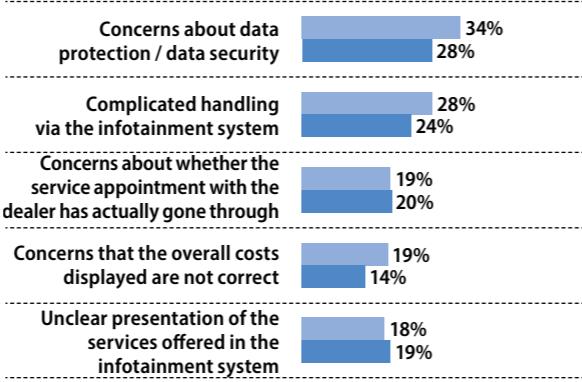
APPOINTMENT BOOKING OF AFTERSALES SERVICES

Currently, direct appointment booking via the infotainment system in the vehicle is not yet provided by any car manufacturer. Customers must still make a detour to other touchpoints. German premium-car manufacturers use their Connect services to indicate to drivers when a service is due and to inform their preferred dealer so that the dealer can contact the customer by phone. Input of appointment confirmation into the vehicle is, however, already possible. This development is largely hampered by customers' concerns about data protection and data security.

BARRIERS FOR USERS

Hindrance to booking service/workshop appointments via infotainment system

Q7.0: What hindrances to this do you currently see?



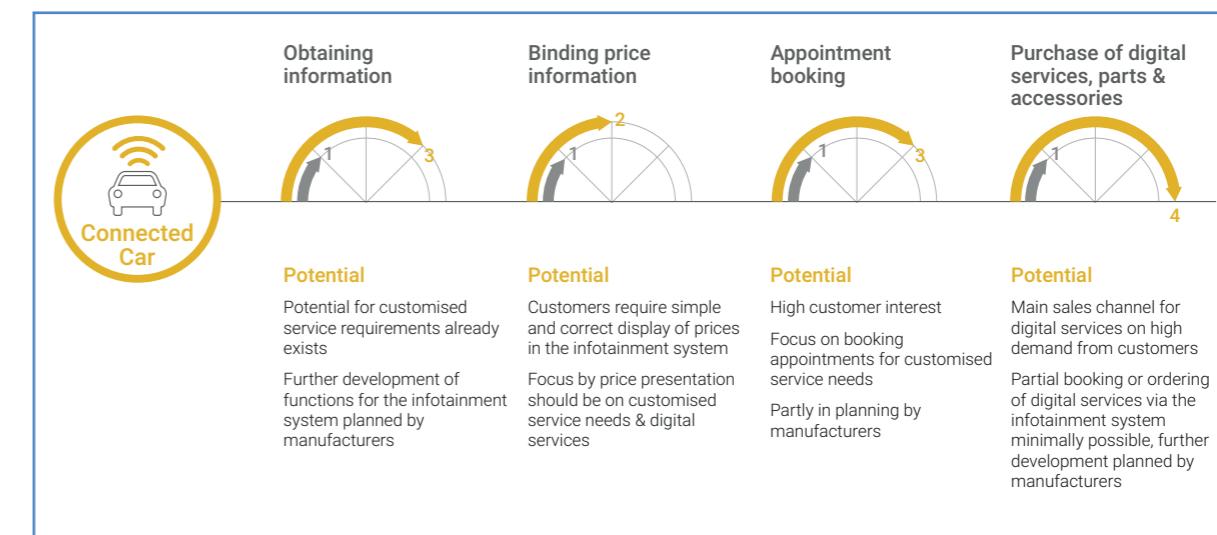
Ranking by private cars ■ Private cars ■ Company cars
Basis: Private cars=270, Company cars=270 | Data displayed as %

PURCHASE OF DIGITAL SERVICES, PARTS & ACCESSORIES

The sale of parts & accessories and digital services via the infotainment system is still marginal. Only five percent of the dealers indicate their commitment. The main focus here lies on digital services and Mercedes-Benz plays a leading role in this area with "Mercedes me"



POTENTIAL FOR AFTERSALES



The Connected Car touchpoint is regarded as being fundamentally valuable. Infotainment systems have similar technical capabilities as apps and are primarily found in high-end vehicles. The potential of infotainment systems is far from being fully exploited and customers have already defined their demands. They want significantly more user-friendliness as well as a correct indication of overall costs.

Despite the current low use of this touchpoint, a clear unique selling point emerges: no other touchpoint reaches customers more directly and exclusively than the infotainment system in their cars. The manufacturers have recognised this and plan to continue developing the possibilities via infotainment.

The experts also see the situation similarly. For example, Volkswagen (Lars Eßmann) states that a steady expansion of digital services has taken place, such as charging options for electric vehicles or the integration of the customers' personal appointment calendar into the vehicle system. With regard to Aftersales services, the range of existing services for obtaining information via the vehicle's infotainment is to be continuously expanded. Price information for standard services, e.g. tyre/wheel changes or seasonal checks, should basically be displayed with no problem via the infotainment system. Likewise the display of price information for annual (mileage-dependent) maintenance should be possible. The mileage and the VIN are known. The linking of labour time, parts catalogue prices and the dealer-specific hourly work rate enables automated calculation of the price. For other services or accessories, a price "from" can be consid-

ered. For example, tyres of a standard size can be assigned a price "from" and reference can be made to the wide range available of such tyres. Using this method an "advantageous price image" can be conveyed. The basic prerequisite for this is that the service team is well trained and fit in price argumentation.

71 %
of company cars owners use smartphone integration in the vehicle.

Automated pricing for standardised workshop services plus a corresponding appointment booking - customers want to find these options in the infotainment system in the future. Half of the customers can imagine booking appointments via the infotainment system.

The greatest potential that the touchpoint offers, however, is in the use and booking of digital services. Customers can then buy upgrades directly in the vehicle before they start their journey. According to the experts, they are already working on developments to make this option available to customers in the future.



Image: Mercedes-Benz

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We always develop the digital services together - Sales and Service. The sole aim is to offer our customers correct and appealing services that they will book happily and feel are of value.

Statement by Simon Saretzki,
Head of Service Mercedes-Benz Cars Sales Germany

One in four can imagine purchasing Aftersales services, parts and accessories and digital services via the infotainment system in the vehicle.

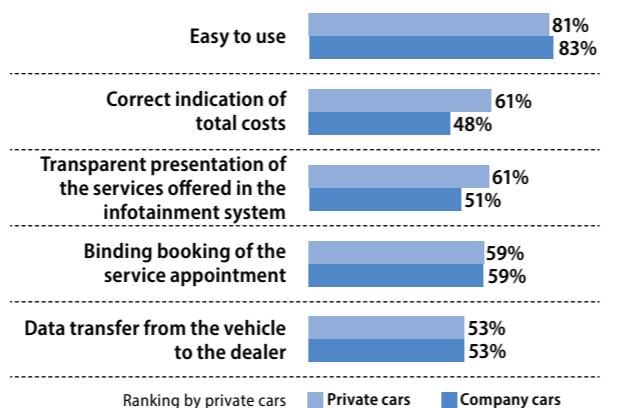
Simon Saretzki, Head of Service Mercedes-Benz Cars Sales Germany, reinforces the increasing importance of this Aftersales touchpoint. He states: "It will thus be possible to book a workshop appointment or a service directly from the vehicle. Also for example, asking directly in the vehicle how to connect the smartphone via Bluetooth or where to find the first-aid kit will be possible." Furthermore, according to Saretzki, in the future the customer will also book/purchase additional services/options such as suspension set-up, oil service, maintenance directly via the vehicle.

By providing more useful digital services with a well thought-out payment system (subscription, payment on use), it can be assumed that this will create further customer demands.

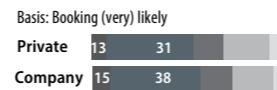
CUSTOMER REQUIREMENTS FOR INFOTAINMENT SYSTEM

Must-haves when booking service/workshop appointments via the infotainment system

Q6.0: What is or would be important to you here?



Ranking by private cars Private cars Company cars



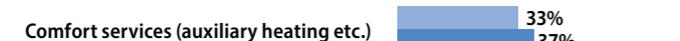
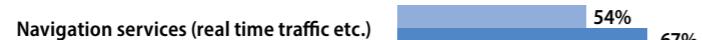
Basis: Private cars=117, Company cars=144 | Data displayed as %

LIST OF REQUIREMENTS FOR DIGITAL SERVICES

Digital services are clearly more favoured by company car drivers.

Digital services requested

Q4.0: Which digital services would you like to see in your next car?



Ranking by private cars Private cars Company cars

Basis: Private cars=270, Company cars=270 | Data displayed as %

24% of private car drivers and 9% of company car drivers are not interested in digital services.



RECOMMENDATIONS FOR ACTION

→ Above all, more user-friendliness.

Once the use of the Connected Car touchpoint is simple, clear and binding, acceptance will also grow. With the help of high-resolution display units, intelligent voice control and touchscreens, easier handling can be ensured. If these "ease of use" factors were met, around half of the customers would book a service appointment via the infotainment system - whereby company car drivers would still be more likely to book via the infotainment system than private car drivers.

The recommendation for action "more user-friendliness" must be addressed to the manufacturers, and states: The easy handling of the infotainment will whet the users' appetite for more!

Already in a study on connected services in spring 2020, NTT DATA found out that selection and addition of digital services were more important to customers when buying a vehicle than traditional

criteria such as engine performance. 47% of customers stated there that they would switch brands because of new and innovative Connected Car services. Young drivers particularly see greater added value in digital services than in traditional factors.

→ Support from the manufacturers is required.

For dealers to be able to successfully present targeted Aftersales offers in the infotainment system, they need access to the infotainment system. Therefore, it must be possible to provide the dealer with a system to develop these offers.

Ideally, this system should be integrated in such a way that it generates customised offers automatically. The greatest potential lies admittedly in the booking of additional digital services, and these would as a rule, be made available directly by the manufacturer.

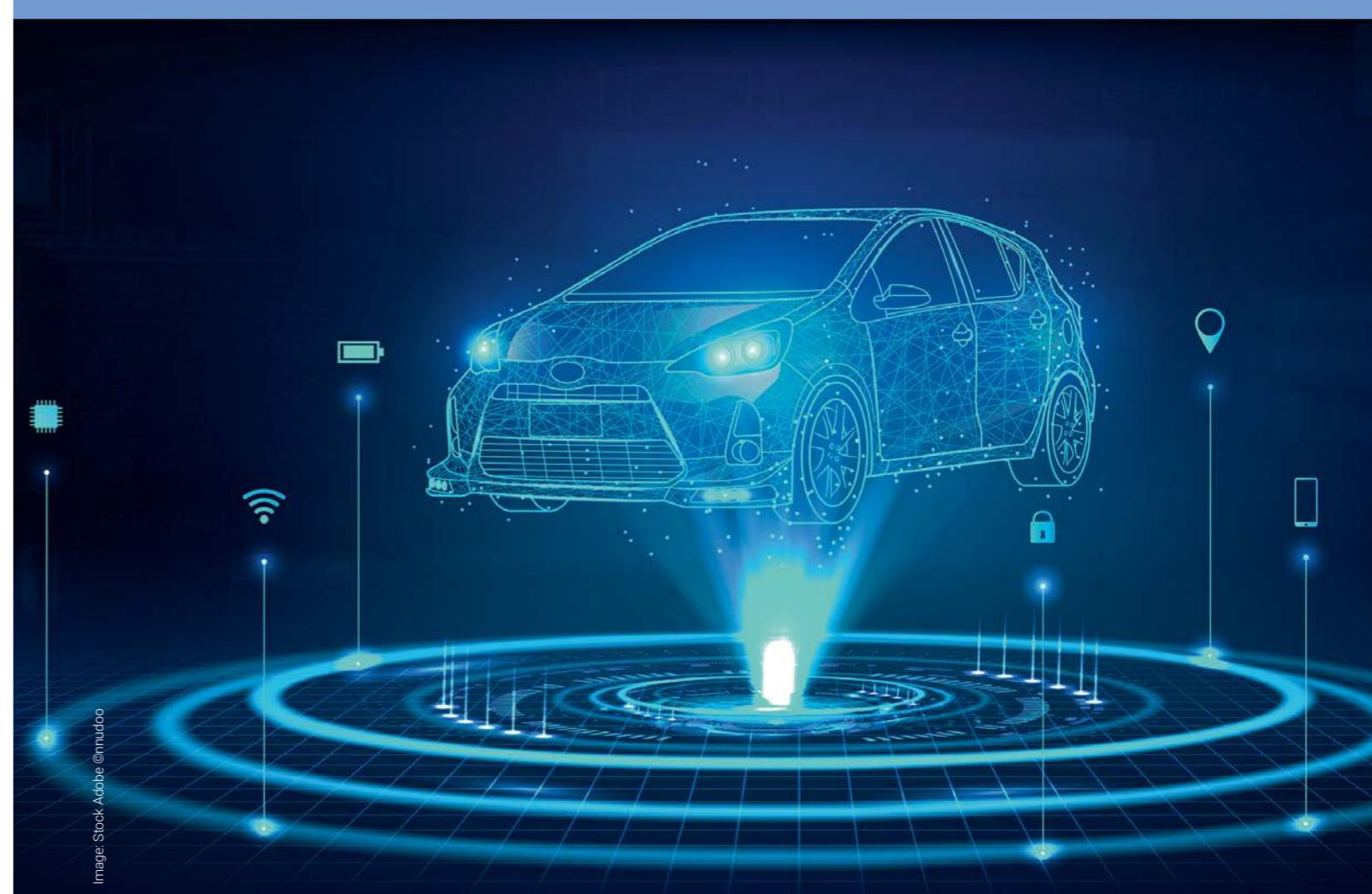


Image: Stock Adobe ©nudoo



6

ANALYSIS OF THE FOUR TOUCHPOINTS

6.4 // SOCIAL MEDIA

STATUS QUO

The use of social media channels is widespread, but there is minimal interest in obtaining information via social media. When there is purchase interest, the user, in most cases, must switch to another touchpoint. All vehicle manufacturers nevertheless are present on the various social media channels.

POTENTIAL FOR AFTERSALES

The greatest opportunities which social media present is the circulation of information, for example, special promotions and campaigns. The touchpoint is valuable in "exciting customers' curiosity" about Aftersales, the dealer and the brand. Social media has a large scope and with little expense new customers can be reached effectively.

RECOMMENDATIONS FOR ACTION

Dealers can set-up a social media presence with manageable effort. In addition to image cultivation, this touchpoint should be used to offer special Aftersales services, for example via videos, or the inclusion of customer experience reports.





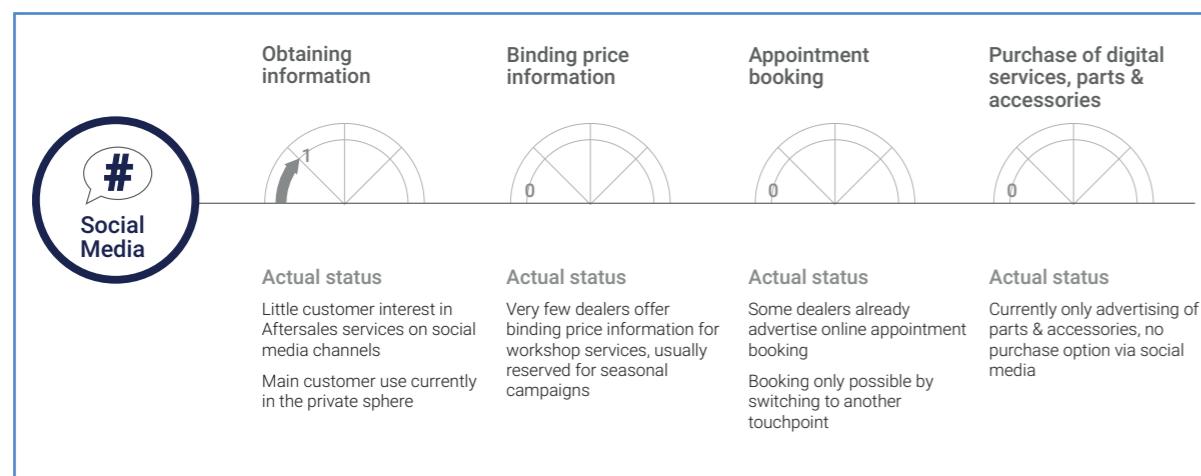
6.4 SOCIAL MEDIA: A TOOL FOR IMAGE CULTIVATION

Social media are considered an "all-purpose weapon" in many business areas. Their use as a digital touchpoint for Aftersales purposes, despite their enormous reach, is at present very limited. Here, unlike the previously described touchpoints, the automotive industry is dependent on external platforms.

This means that the industry must constantly react to market innovation and the respective change in customer behaviour. Nevertheless all vehicle manufacturers are present on various social media channels. Slightly more than half of the dealers already advertise Aftersales services via social media.



STATUS QUO



Facebook and Instagram are certainly very important. The number of clients on Facebook is however limited. I don't really see Twitter here!

Bas Viveen,
Director Customer Care & Aftersales Opel
Vauxhall Europe



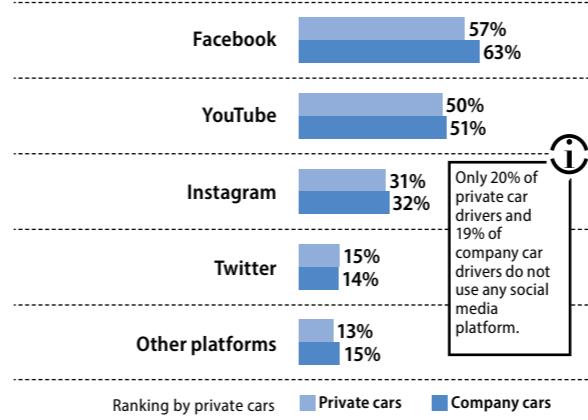
We are extensively active on social media channels, especially Facebook, Instagram, YouTube and now Google MyBusiness.

Lars Eßmann,
Head of Service Germany Volkswagen
Passenger Cars

WHICH CHANNELS DO CUSTOMERS USE MOST

Social media platforms used

Q 33.0: Which of the following social media platforms do you use?



Ranking by private cars Private cars Company cars

Basis: Private cars=270, Company cars=270 | Data displayed as %

The use of social media channels has become by now extremely widespread. The most frequently used channels are Facebook, YouTube and Instagram. Only just under a fifth of the interviewed persons said they do not use social media platforms as a matter of principle.

With regard to Aftersales offers via social media platforms, it is apparent that all vehicle manufacturers are present on the various social media channels. The main channels here are Instagram, Facebook, Twitter or YouTube, whereby the focus is directed at marketing.

At dealer level, slightly more than half of the interviewed persons say they already advertise Aftersales services (workshop service, parts and accessories) on social media channels.



Image: © PRODUCTION PERIG/ Adobe Stock



WHAT IS THE DEGREE OF DIGITALISATION?

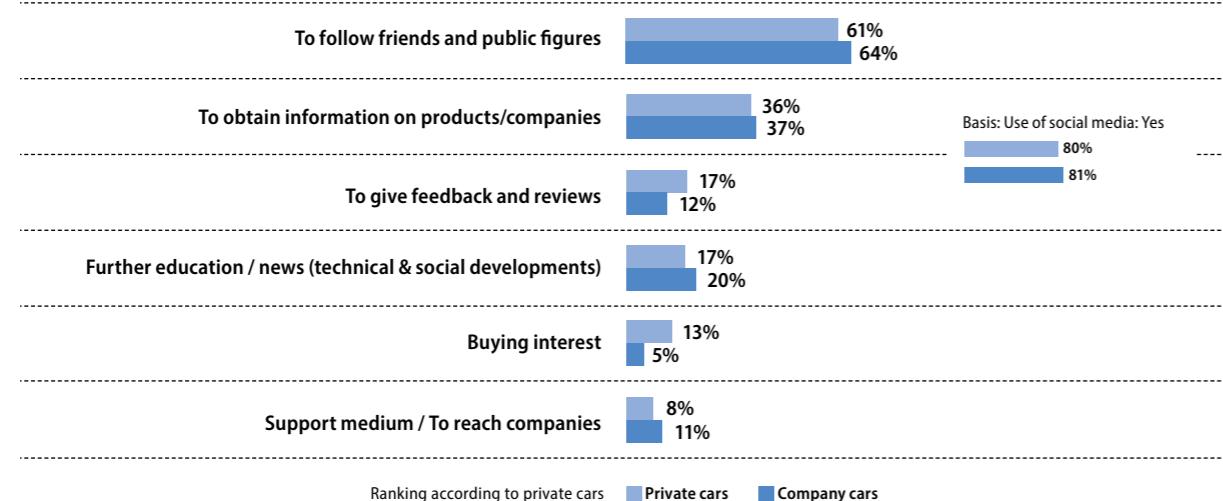
The actual status of digitalisation in the social media touchpoint is presented with regard to the four main topics as follows: What is the level of digitalisation for

obtaining information, binding price information, appointment booking of aftersales services and the purchase of digital services, parts and accessories?

WHAT CUSTOMERS USE THE CHANNELS FOR

Purposes of the use of social media platforms

Q 34.0: For which purposes do you use social media platforms?



Basis: Private cars=216, Company cars=220 | Data displayed as %

OBTAINING INFORMATION

About two-thirds of the interviewed persons use the channels to follow friends and public figures whilst with over one third, obtaining information about product and companies holds second place. Private car drivers and company car drivers are almost on the level here with 36 and 37 percent, respectively. The analysis of the actual situation makes it clear that the use of social media can be best deployed in image cultivation and to "excite curiosity".

Just short of ten percent of customers are "followers" or "fans" of car manufacturers, car dealerships or workshops on social media channels but the use for Aftersales purposes is negligible. Only five percent of private car drivers and two percent of company customers get their information about Aftersales offers and services on social media channels. The reasons given by 59 percent of private car drivers and 71 percent of company car drivers are that they are generally just not interested. Just under a fifth qualified this by firmly stating that they do not look for this information on social media channels.

BINDING PRICE INFORMATION

Only dealers with a high affinity for digitalisation already provide binding price information for workshop services

via social media whereby those services offered are mostly within the framework of seasonal promotions and campaigns, for example wheel change. On the whole however, service offers with binding prices for parts and labour time are rarely found on social media channels and only a quarter of the dealers actually disclose binding price information for workshop services on these channels. One major obstacle to binding price information on social media is the lack of technical infrastructure. Social media channels are made available by third-party providers making it almost impossible for a link-up with the dealer and manufacturer systems. Therefore, price information for workshop services is related to a high level of administrative effort.

APPOINTMENT BOOKING OF AFTERSALES SERVICES

Although online appointment scheduling is advertised on social media, customers have to switch to another touchpoint to make that booking. For the data-sensitive topic of booking appointments, social media do not represent the most suitable of touchpoints. To carry out a booking it would be necessary to have a direct link to the appointment-booking system of the retailer, and therefore 25 percent of dealers state that they only use social media for advertising online appointment scheduling.

HOW MANUFACTURERS USE SOCIAL MEDIA CHANNELS FOR AFTERSALES

The expert interviews highlight that the focal use of social media channels in Aftersales should be that of implementing advertising (image and campaign advertising).

In order to be successful, especially locally, manufacturers must capitalise on cooperation with their partners, providing content and presentations for campaigns.

LARS ESSMANN, Head of Service Germany Volkswagen Passenger Cars:

"Image and campaign promotion take place, above all, with the use of advertisements, cooperation with influencers and Volkswagen's own channel, whereby the provision for Aftersales offers plays an increasing role! Support of partners is also an important aspect. We provide content for their social media activities: Image-related themes but also specific service offers with individual prices."

It is also important that the social media involvement of the partners be locally effective and/or relevant. We cannot prescribe this in advance; the partner must develop it for himself."

BAS VIVEEN, Director Customer Care & Aftersales Opel/Vauxhall Europe: "Especially during the lockdown, we did a lot on social media, for example the promotion of wheel change, or the presentation of our summer campaigns. Social media played an important role. This saved our budget and we were still able to maintain intense contact with customers. We were impressed by how well some of the offers were accepted. We will work on this strength in the future."

But always of importance for us is to involve the dealers. It is also about finding the right starting price for the services offered. It makes no sense just to provide a campaign, it can only be achieved with consultation and cooperation."

SIMON SARETZKI, Head of Service Mercedes-Benz Cars Sales Germany: "In addition, many of our contract partners successfully use their own social media channels extensively. We support them with presentations and corresponding tools."

PURCHASE OF DIGITAL SERVICES, PARTS & ACCESSORIES

Users of the social media channels only find advertisements for parts and accessories but no purchase options, however, the customers' willingness to buy through this

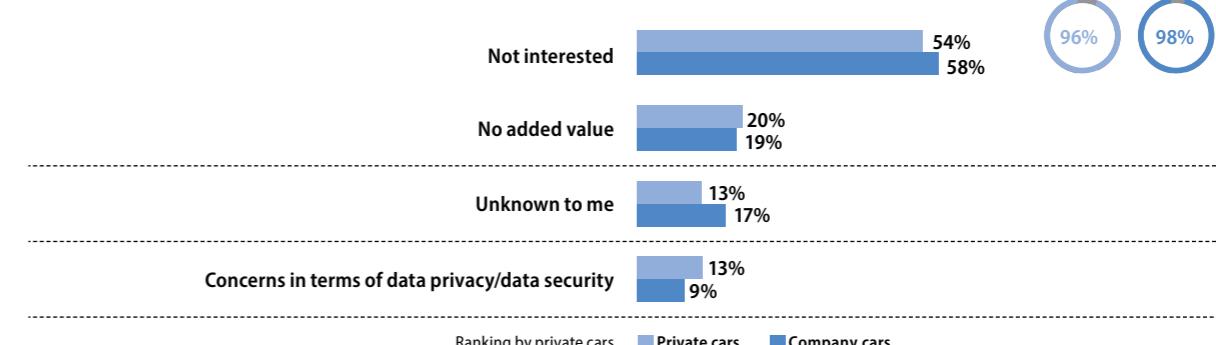
touchpoint is very slight. More than half of the interviewed persons indicate a lack of interest and 20 percent do not see any added value in purchasing digital services, parts & accessories via social media platforms.

OBSTACLES FOR PURCHASING VIA SOCIAL MEDIA

Over half are not interested in buying parts & accessories via social media channels.

Reasons against buying parts & accessories via social media channel

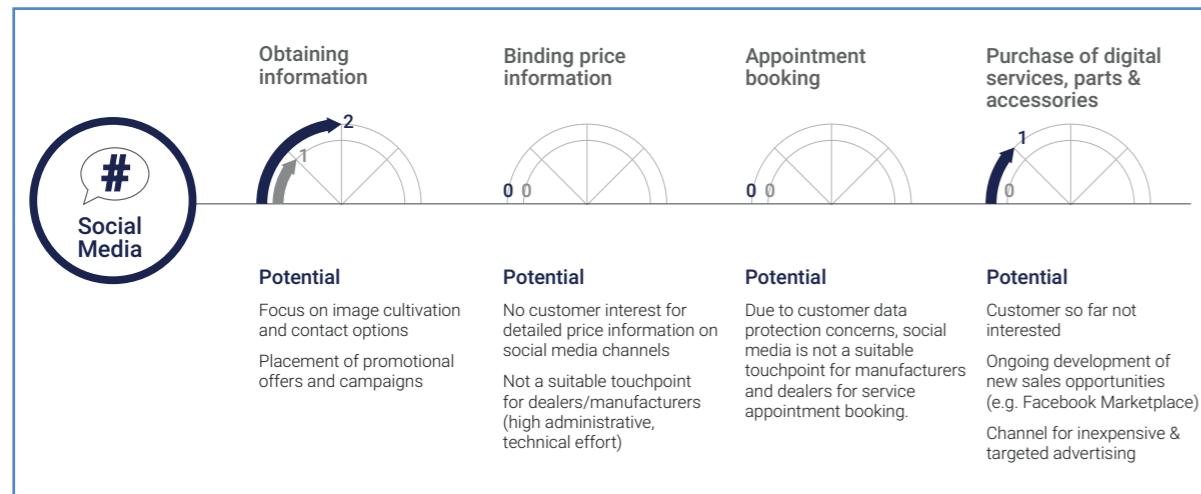
Q 27.0: Which app functions do you use regularly?



Basis: Private cars=203, Company cars=215 | Data displayed as %



POTENTIAL FOR AFTERSALES



The advantage of social media lies at present in image promotion and arousal of curiosity. When real purchase interest arises, this is usually followed by a redirection to another digital touchpoint. Potential for digitalising the purchase decision process in Aftersales is currently still very limited. The greatest opportunities social media offer lie in communicating information about Aftersales, this, however, does not necessarily have to contain specific offers. Customers can also be made aware of the dealership and its services through an inside view of the workshop or as regards the provision of workshop services. In addition, individual seasonal offers such as the springtime-check can be advertised inexpensively and well targeted.

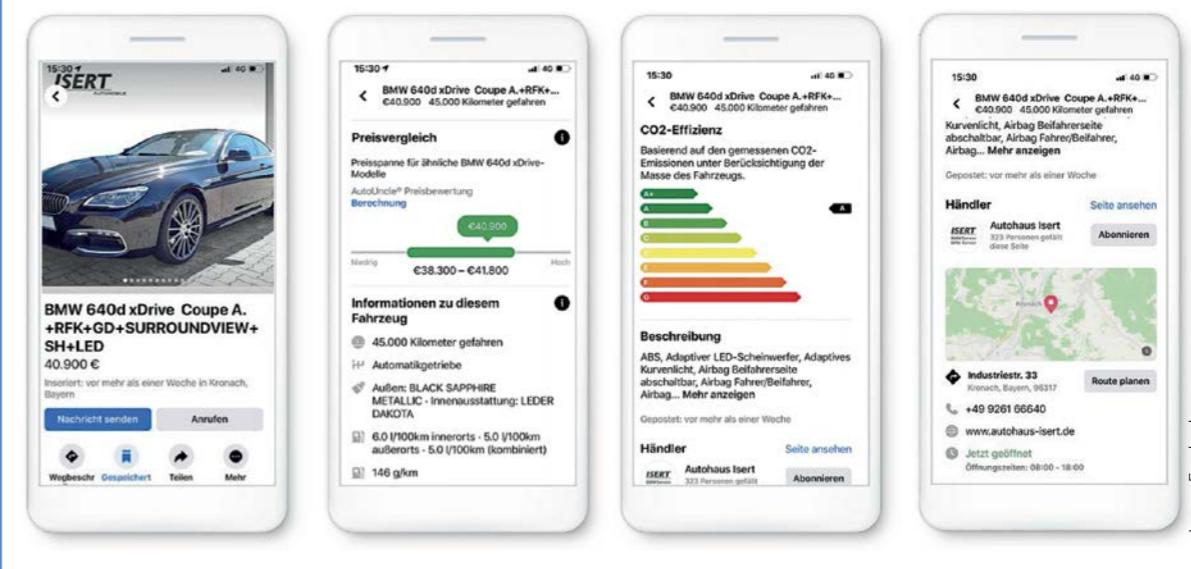
A quarter of the dealers state that they actively draw their customers' attention via social media to the possibility of online appointment scheduling. And the OEMs? The interviewed experts plan to increase support to their dealers in generating content for Aftersales. The opportunities in Aftersales are also seen by the dealers with 18 percent of the dealers, especially of import brands, wanting to develop their Aftersales activities via the social media touchpoint. The greatest potential in the medium term could lie in the sale of parts and accessories, the first specific approach being namely via the Facebook Marketplace.

NEW POTENTIAL FOR THE AFTERSALES MARKET

"In Germany, approximately 33 million people are on Facebook at least once a month, of which approximately 24 million are on Facebook at least once a day". (Facebook Quarterly Report 02/2020).

Such a high number of users has an immense potential for companies which many industries, including the automotive industry, have recognised. They are already successfully advertising their products on the relevant Facebook company profiles. For social network members Facebook Marketplace opens up an additional option of making contact with potential buyers and leads directly to the sale of products. The automotive sector is already benefiting from the expansion of the platform: the automotive sector has

now a very strong presence on Facebook Marketplace and is growing into one of the largest categories. Currently, large numbers of used motor vehicles and spare parts are offered for sale on the platform. An exchange between buyer and seller about the offered product can occur in real-time via the established Facebook Messenger or alternatively, a classic form of contact can also be used. The social media touchpoint will, therefore in the future become of increasing importance for the automotive industry. Given the high number of users and the low inhibition levels for the use of this social network, Facebook with the Marketplace can almost certainly take on a significant role in the sale of used cars and spare parts.





RECOMMENDATIONS FOR ACTION

→ Present Aftersales offers.

The dealer can maintain social media presence with manageable effort. In addition to local offers, this touchpoint should also be used for presenting special Aftersales services via videos or customer experience reports, however when displaying the entire portfolio dealers should switch to other touchpoints.

→ Seize new market opportunities.

The Facebook Marketplace demonstrates just how important it is to follow-up new market developments (see page 45). Using this channel, dealers can place parts and accessories inexpensively and well targeted. Similar developments can soon be expected from eBay motors and Amazon.

→ Stay tuned!

The constant change in social media demands sustained attention, but this is precisely where the great opportunity for the automotive industry lies. Dealers must consistently observe developments, so immediately picking up new trends and using them beneficially to their own advantage.

→ Use other touchpoints for price information and appointments.

Customer acceptance and user behaviour do not speak positively for pushing the areas of price information and appointment booking. The reasons are that up-to-date price information is difficult to implement for manufacturers and dealers, and that appointment booking is considered complex due to data sensitivity and the associated uncertainty on the side of the customer. Adding digital services is also difficult to implement due to data protection issues.



Image: sdecoret/Adobe Stock

A WORD IN CONCLUSION



ebsite, app, connected car and social media – these touchpoints allow the customers to get to know the brand and depending on their experience there, they will be inspired with enthusiasm or disappointed. However, the less differentiated the products are, the more the customer experience or customer journey gains in importance. For OEMs and dealers, this means that services tailored to exact customer requirements are now at least as important as the vehicle itself - if not more so, thus taking automotive Aftersales to the centre of importance.

User-friendliness. The study shows that in automotive Aftersales at the most important digital touchpoints, there is still large "room for improvement" particularly on the side of dealers and manufacturers. Customers would like much more online communication if options were there. These are often available, but not necessarily user-friendly and will therefore only be used when improved – this is the problem! The central knowledge gained from the automotive Aftersales study is therefore: Please be user-friendly - offer your customers real added value!

Change of perspective. Customer interviews show furthermore that they do not differentiate between manufacturer and dealer, and certainly not between manufacturer, dealer, national company or importing company. From the customers' perspective, there is only interaction with the brand. The message the brand conveys, for example in terms of innovation, exclusivity or sportiness, should be experienced by customers at all touchpoints equally. This can only be achieved by consistently seeing things from



a customers' point of view and applies to all recommendations for action that have been gained from the study. Only in this way is it possible to overcome organisational boundaries and the resulting deficits perceived by the customers.

Act now! A change of perspective is also necessary when it comes to all processes examined in the study: Obtaining information, price information, appointment booking and purchasing digital services, parts and accessories. These must match up to the customers' requirements. The study has brought to light what customers want in each separate case. The dealers and manufacturers now know where the untapped potential in automotive Aftersales is still to be found, and what they should do to inspire their customers with enthusiasm at the digital touchpoints. ■

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IMPRINT

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