

CONNECTED CAR SERVICES NEED CONNECTED CUSTOMERS

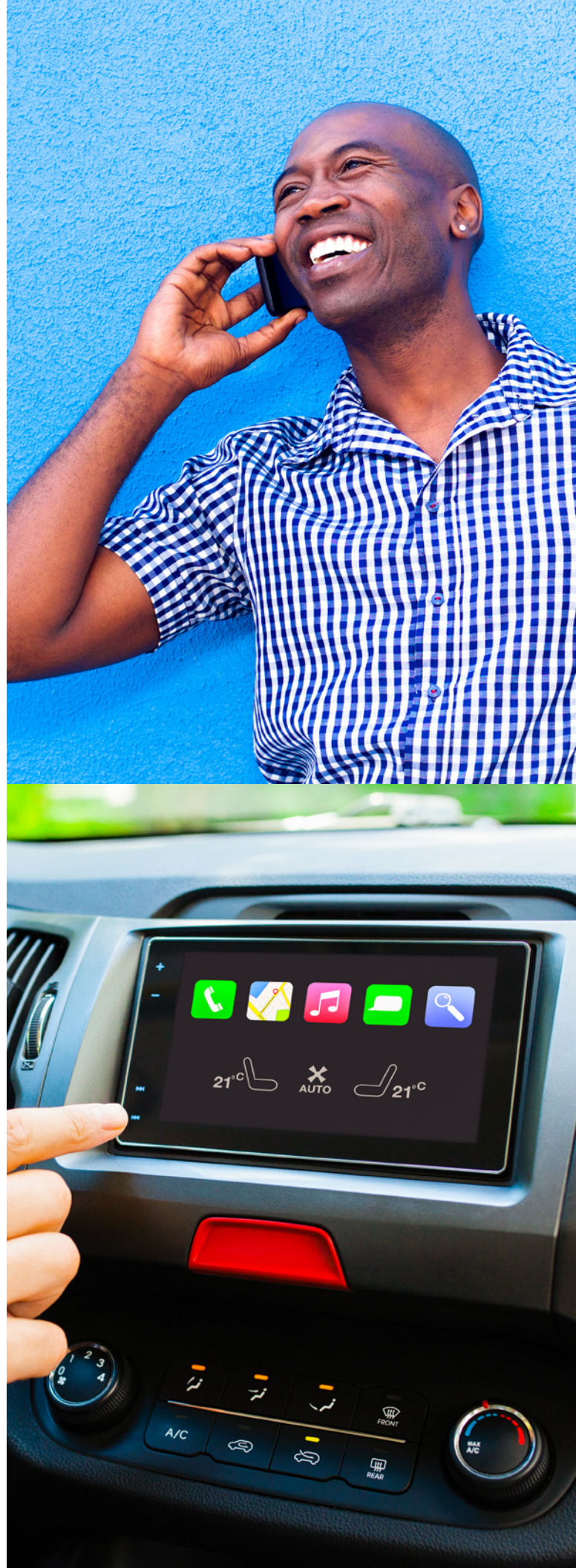


**CONCENTRIX™**

CONNECTED CAR SERVICES NEED CONNECTED CUSTOMERS

The comfort of the modern car perfectly reflects the comfort of our own home. Seating, lighting, air conditioning and interior design in our car is as important an extension of our personality, style and taste as the house we live in.

It's no surprise then that the accessibility of time-saving and life-improving services are as desirable in the car as they are in the kitchen or family room. Manufacturers of connected car systems want to use technology to enhance the customer's experience of their automotive brand, product and supporting services (including warranty, servicing, and upgrades) to drive lifetime customer value and brand advocacy. At the same time, customers want to make their commute or road-trip as productive and entertaining as possible and want the ability to access useful and pertinent services anytime and anywhere along the journey.



Connected Car Customers

A recent Concentrix survey on what in-car connected services customers wanted revealed the following:



87% of respondents are interested in at least one connected service. Given the investment costs related to developing and offering these services, it's important to focus on the most critical first, which are safety features.



In China, 57% wanted help with finding a parking space and 62% wanted vehicle location support.



39% of respondents in North America list digital voice assistants as a feature they would be willing to pay for specifically. Use of digital voice assistants to access vehicle features and to interface with the outside connected world is emerging as a new opportunity to monetize and capitalize on.



59% of respondents in North America would provide personal data if they get something in return.



THE CHALLENGE FOR AUTOMOTIVE ORIGINAL EQUIPMENT MANUFACTURERS (OEMS) IS TWOFOLD:

- 1 They must offer and maintain relevant services via familiar channels, including virtual assistants their customers already use.
- 2 They must also ensure customers are signposted to key features and benefits of paid-for services to encourage the uptake and 'power use' of subscription-based propositions.

CONNECTING DRIVERS TO FEATURES

With a high percentage of automotive customers cancelling their digital subscriptions, our connected car client needed to connect them with features they'd actually use.

Using telematics data, we identified patterns in feature usage and cancellations, then targeted at-risk drivers with educational videos.

We achieved an almost 300% increase in feature usage among at-risk drivers.

The results:

300%

INCREASE IN FEATURE USE AMONG
AT-RISK DRIVERS



WHERE SHOULD OEMS FOCUS THEIR EFFORTS FOR GREATEST RETURN?

Without doubt, automotive manufacturers need to focus on the connected car opportunities presented by voice activation and the services to which customers can subsequently connect. Concurrently, they must formulate ongoing communication strategies and tactics to educate, empower and engage customers with these connected car services.

On a webinar broadcast in April 2019, hosted by Ford and Strategy Analytics, it was agreed the most dominant form of in-vehicle voice interaction in the next five years is expected to be a hybrid of Alexa and Google to control all functions. Ford revealed that 55% of vehicles now come with voice capability, up from 37% in 2012. This presents a significant opportunity for OEMs to customize and provide a great user experience and to keep control of the overall customer experience.

Key areas of focus for vehicle manufacturers need to include:

- Catching up with customer trends and expectations of voice in-vehicle to mirror smart devices
- Using voice to simplify UX of vehicle features
- Enhancing voice interactions to make them less distracting – safety #1
- Improving natural language capability to provide a less complicated way of interacting with vehicle

This also presents a challenge—partnership vs. competition between OEMs and technology companies—which requires a delicate balance to advance customers' in-vehicle user experience. Incorporating third-party solutions may mean sharing customer data, the life-blood of every business, and with it, opportunities for monetization and growth.

TAKING THE WHEEL WITH SUBSCRIBERS

With the goal of a flexible, fully integrated, connected platform, our automotive client wanted direct control over promotions and to offer a seamless customer experience.

We developed a dedicated, white-label billing and subscription management platform with integrated marketing and customer education services.

The results:

28%

INCREASE IN SUBSCRIPTION ENROLLMENTS

A GOOD CUSTOMER IS A CONNECTED CUSTOMER

In whichever way the OEM and technology companies engage one another, ongoing education communications and campaigns detailing the benefits of these services will be fundamental to connecting customers with connected car features. Alexa users, for example, receive regular 'keep up with Alexa' emails to encourage take-up of new functionality and propositions.

Car owners already expect basic driver-related services that include finding parking, traffic information, route planning and proximity to service stations, eateries, and accommodation. Voice interaction through apps like WAZE is setting the customer's expectation of what's possible. OEMs need to meet and exceed these expectations. Regular information updates will be crucial to keeping customers excited and increasing their use of services.

OEMs will need to build comprehensive communication strategies to support customer adoption of subscription services that offer a clear value-add to the driver. Service explainers or "how to" videos, as well as email, in-app alerts and SMS will be critical to achieving ROI on platform development, affinity partnerships, and ongoing technical and operational support of systems infrastructure. Fleet providers will require the same approach to grow and sustain fleet customer use of monetized core services.

DEFECTION PREVENTION CAMPAIGNS DRIVES SUBSCRIPTION ENROLLMENT AND RENEWALS

Our automotive client was struggling to increase enrollment and renewal of connected car services subscriptions.

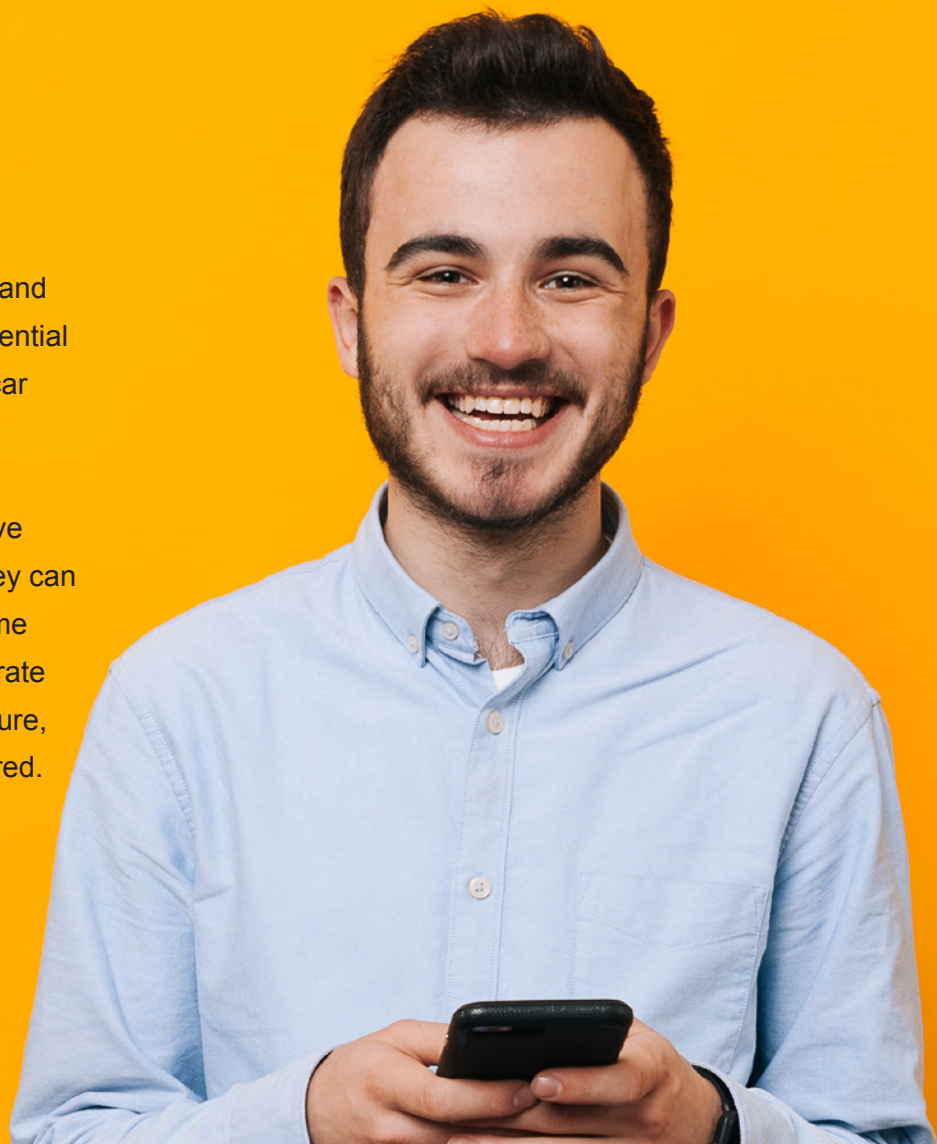
By studying defection patterns, we identified that customers who failed to use their connected features within certain timeframes post-purchase were more likely to defect from their subscription.

We launched a campaign that identified customers who were not using their connected car features and triggered a communication that featured educational content and videos. The increase in feature usage was visible almost right away. **The subscription renewal increases were seen year-over-year—74% renewal for connected services and 29% increase in subscription enrollment—from defection prevention campaigns.**

GAME CHANGERS

Over the next three years, the roll out of 5G and smart city infrastructure will create an exponential increase in the opportunities for connected car services.

The ultimate prize for OEMs in the automotive industry is the increased consumer value they can gain as customers make better use of the time spent in their vehicles – if they can demonstrate their capability and capacity to engage, capture, and retain customer interest in services offered.





PARTNER FOR SUCCESS

At Concentrix, we support clients' connected car monetization efforts by increasing connected car enrollment and retention, and by upselling service packages and ad-hoc service offerings.

We build solutions that coordinate cross-functional engagement, utilizing technology and tools to the benefit of the customer experience.

Contact us today to continue the discussion and to see how we can help you maximize your connected car opportunities.

