

accenture

THE INVISIBLE SERVICE

**Reinventing
the Automotive
Service Concept**



Autonomous
Sensing
Communication
Battery
Navigation
Mirrorless
Ecology

IT'S TIME TO REINVENT THE SERVICE CONCEPT FOR AUTOMOTIVE AFTERSALES

← 100m

48
mph



Original Equipment Manufacturers (OEMs) and dealer service locations (i.e. workshops) will have to **rethink where and how to create value** in a “service” world where...

- **Service jobs are determined** by a combination of Internet of Things (IoT) sensors and predictive maintenance algorithms, while autonomous driving and collision-free roads will **significantly reduce the need for car body parts**.¹
- **Vehicles are driven most of the time** instead of standing idle, and the majority of miles driven are **in metropolitan areas, reducing the number of vehicles in circulation** and increasing the pressure on **car uptime**.²
- **Electric and hybrid vehicles** with a **significantly lower number of parts** compared to an average ICE (Internal Combustion Engine) vehicle of today, thanks to the simplicity of the electric drivetrain, will **reduce the need for traditional maintenance parts** and **require fewer service visits**.³
- **Customers expect a liquid service experience—tailored** and even **invisible**—the same kind of experience offered by **non-traditional** providers (Apple, Amazon, Airbnb,...).

OEMs and dealerships that can make the inconvenient convenient for their customers will be winners in the aftersales market of tomorrow.

The way forward is already clear—it will entail creating a new service concept: an immersive, end-to-end user journey, enabled by advanced digital technologies and characterized by continuous dialog with the customer to ensure their loyalty during the entire vehicle utilization experience.

THE DRIVERS OF CHANGE

The automotive revolution will be driven by electrification, autonomous driving, connectivity and shared mobility, presenting several new challenges for OEMs and dealerships.

1. Spare parts profit reduction and growing competition from traditional and non-traditional competitors

The new aftersales ecosystem is attracting even more competition from OESs (Original Equipment Suppliers) and IAMs (Independent Aftermarket). Combined with the electrification effect, this means the **OEM aftermarket's share of part sales could fall.**

2. Managing the need for new competencies

Electrification will mean simpler vehicles, requiring less maintenance and with fewer moving parts compared to standard internal combustion engines. OEMs and dealerships will need to **focus on software, sensors and high voltage components rather than mechanical repairs** due to the different maintenance needs of the new generation of vehicles.

3. Moving to data-driven services in an ecosystem of partners

Data insights and analytics generated from connected vehicles will become new sources of value generation for OEMs—from predictive maintenance to location-based services. OEMs will need the right competencies to manage big data flows and will need to be proactive in offering new services, all while collaborating in an ecosystem of partners.

4. Keeping up with evolving car utilization models⁴

Although the rising popularity of shared mobility is expected to slow global vehicle sales, vehicle utilization will increase as shared usage models proliferate. **Higher vehicle utilization means more frequent maintenance. Vehicle uptime** will be more critical than ever because it will be more directly linked with the revenues of car sharing companies or **professional fleet operators.**

The customer too is changing as the boundaries between physical and digital, business and personal continue to blur.⁵

Customers now expect a **fully comprehensive, personalized cross-channel experience in aftersales**.⁶ They also expect “fair exchange”: data for performance. Trust and transparency are increasingly important to them.⁷ In recent years, around one-third of customers have consistently indicated that their expectations for service and support are greater than they were the year before.⁸ Three customer demands are especially critical:⁹

1. HASSLE-FREE

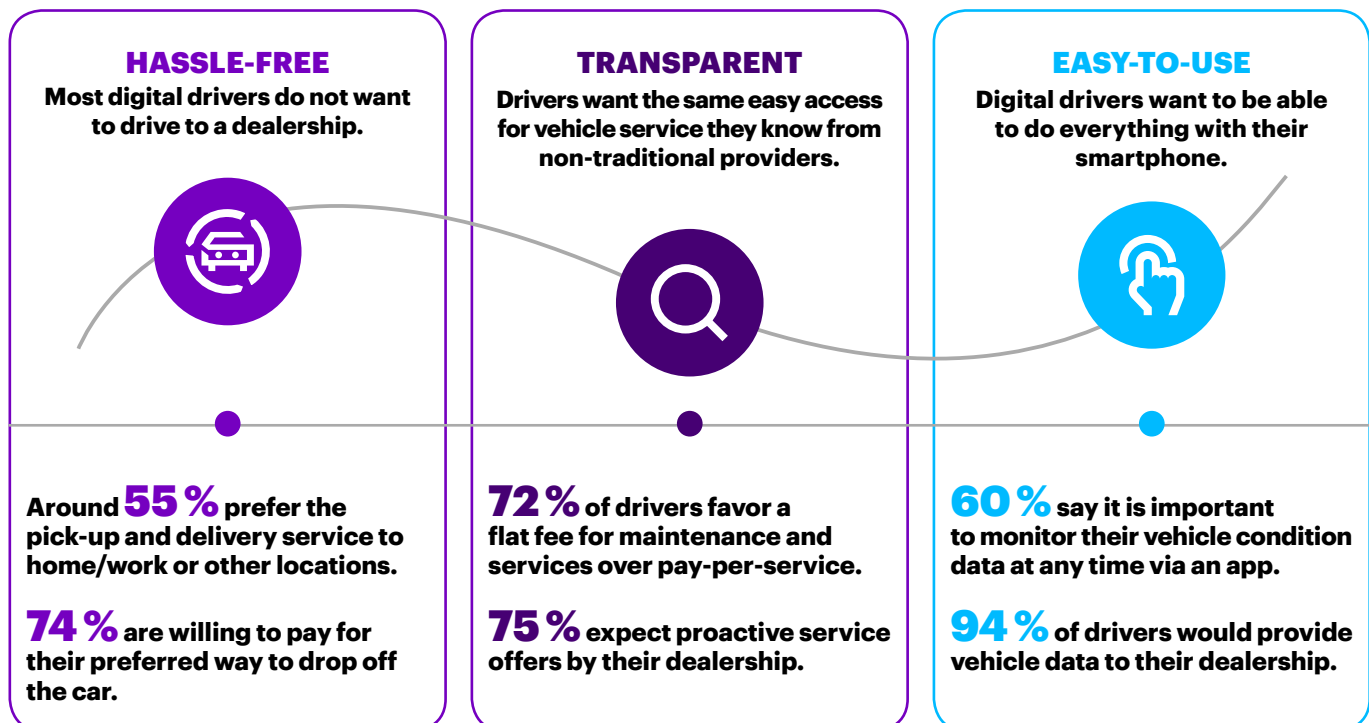
Customers expect service to be fully integrated with their daily lives.

2. TRANSPARENT

Customers want to know in advance how much they'll be paying for service.

3. EASY TO USE

Customers want to monitor their vehicle condition data anytime and anywhere, just by using an app.



Keeping up with these evolving expectations will be key to maintaining and increasing **customer loyalty** for both **OEMs and dealerships** in automotive **aftersales**.

A STRATEGIC SHIFT: THE INVISIBLE SERVICE

With new competitors, such as the big tech players, crowding the evolving aftersales ecosystem, incumbent OEMs and dealerships have no time to lose. Ensuring profitability in this radically new environment requires them to reinvent their product and services portfolios and revamp their execution—now.

Three changes in strategic direction are key

1. Make the inconvenient, convenient

Emulate companies from other industries by developing a hassle-free service experience that will benefit the customer and create new value opportunities for the OEMs and dealerships.

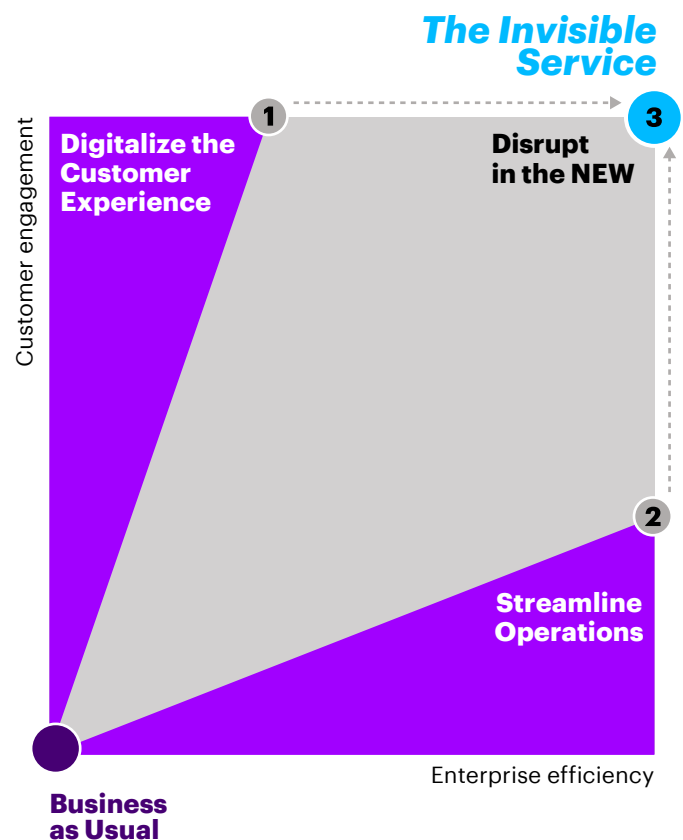
2. Enable the dealer service of the future

Adopt and scale new technologies to disrupt dealer service operations through:

- Connected equipment/workers
- AI-driven operations
- Seamless dialogue among OEMs and dealership applications “zeroing” the administrative effort

3. Provide a data-driven service experience

Get the right position in the ecosystem and collaborate with partners to rapidly ideate and industrialize new business models and services offered to a more loyal customer base.



Moving toward a data-driven service reality

The customer service journey is the opportunity to continuously enrich the available data about the customer.

Compared to the standard data collected during the typical aftersales journey, usually limited to the basic driver profile and vehicle data, OEMs have now the opportunity to switch to an integrated set of data that can be used to rethink their business model.

The Invisible Service dataset can include variables like:

Extended driver profile such as lifestyle, hobbies, agenda, geolocation.

Vehicle data such as owned cars, vehicle location, vehicle usage.

Dealer service data including provided services, service history, dealer agenda.

External variables like season, weather conditions.

The adoption of best-of-breed analytics techniques enables the translation of such data richness into value areas from OEMs, dealerships and customers.

The invisible service “data tank”



Enabled value areas

MAKE THE INCONVENIENT, CONVENIENT

- Brand-driven virtual assistant
- Personalized maintenance plans
- Express services
- New sales channels

ENABLE THE DEALER SERVICE OF THE FUTURE

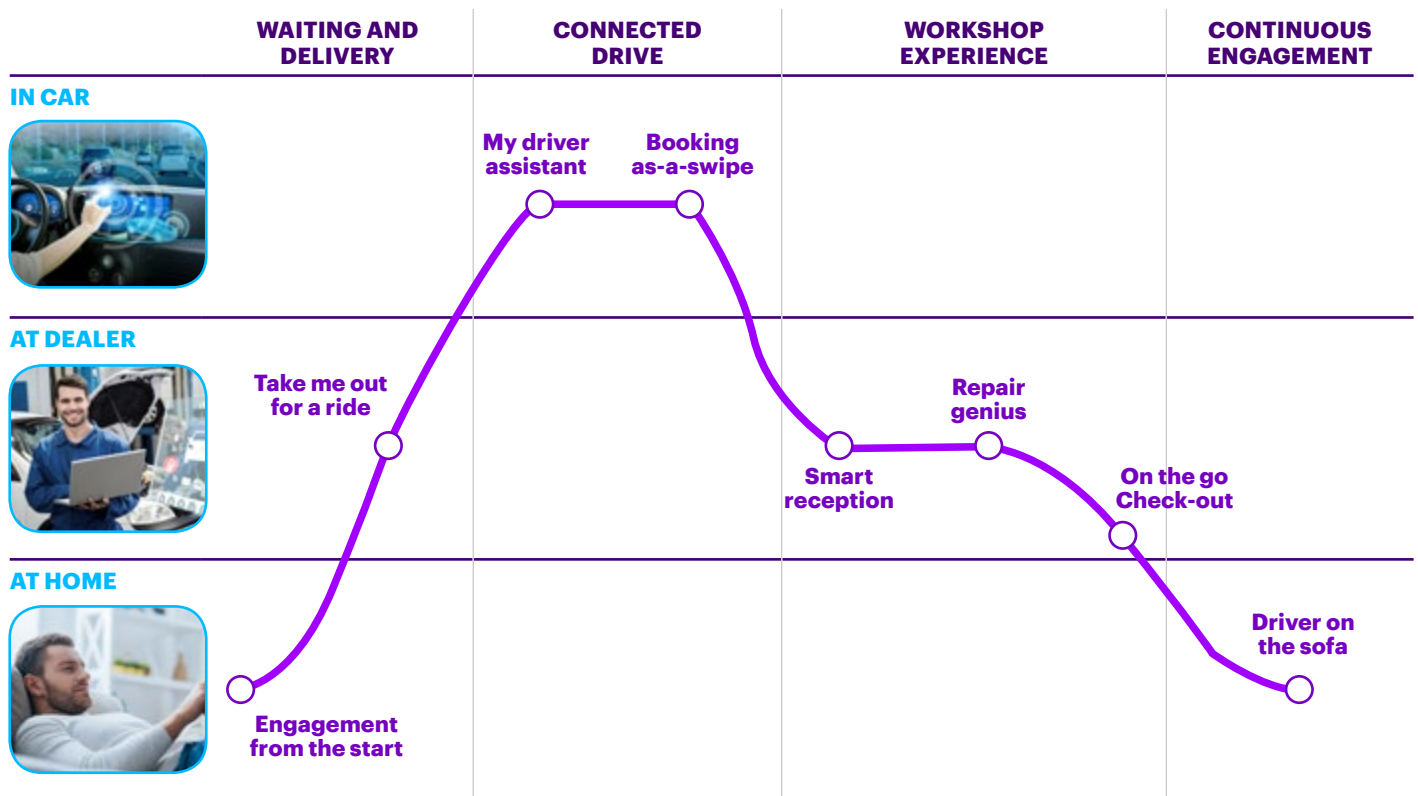
- Predictive maintenance
- Connected worker
- Data-driven supply chain
- Parts 3D printing

PROVIDE A DATA-DRIVEN SERVICE EXPERIENCE

- Mobility services
- Multi-modality
- In-car payment
- Location-based services

THE INVISIBLE SERVICE IN ACTION

The Invisible Service is the cornerstone of aftersales transformation. It describes an immersive journey, enabled by the total integration of all touchpoints (on- and off-line), which engages the customer in a continuous process: at home, at the workshop or dealer service location, and in the vehicle.



DIGITAL ENABLERS

Connected Vehicle		■	■	■	■	■	
Analytics & Machine Learning	■		■		■	■	■
AI-powered Voice Interaction		■	■	■		■	■
Extended Reality (AR/VR)		■			■	■	
Blockchain							■

Core elements of the new service concept

A continuous dialog with the customer through the entire vehicle usage experience.

An omnichannel, Siri-style, digital assistant where the driver can interact by voice both inside and outside of the vehicle.

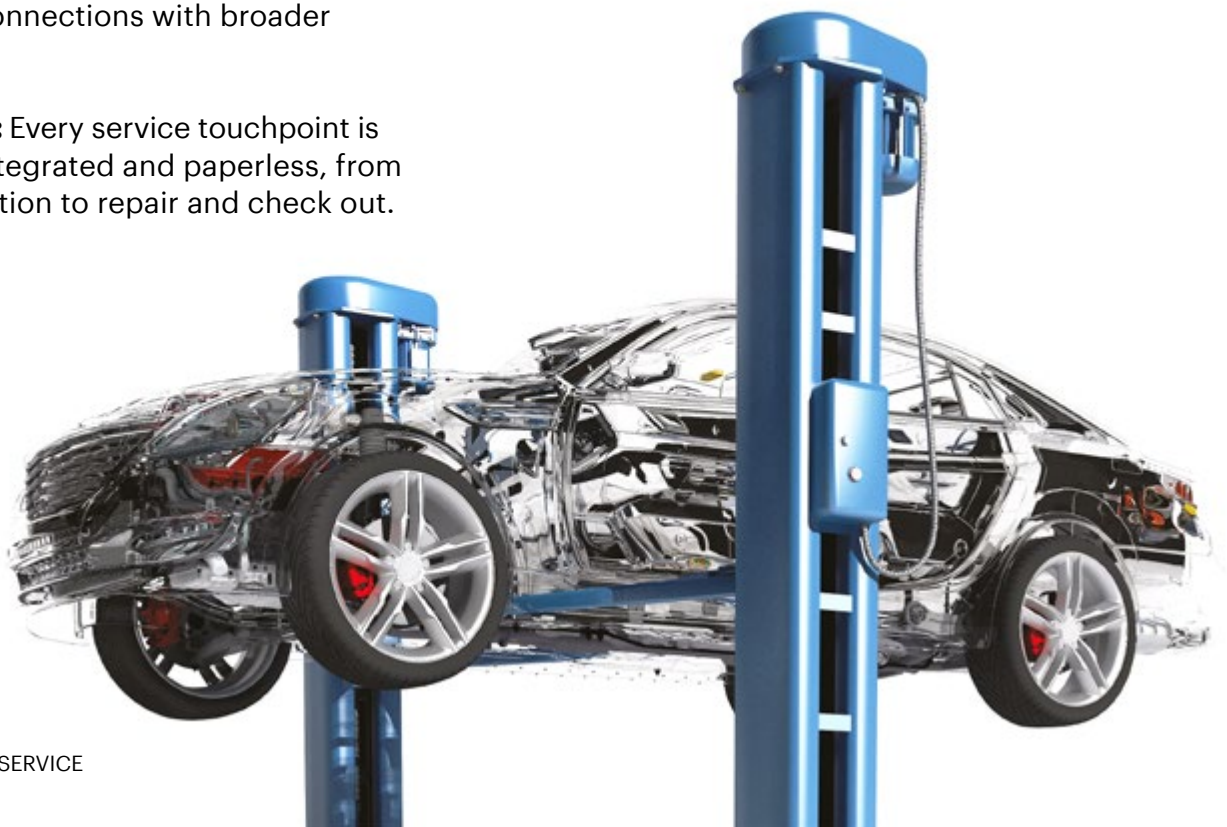
A personalized, “invisible”, one-on-one service, based on data-driven insights: “I know you” (driving style, mobility needs/ plans, priorities); “I know your vehicle” (real-time conditions, product behavior, external conditions); “I know the vehicle repair-points” (service offering, availability, location, parts supply); and “You can access all this with a simple swipe of your smart phone”.

The dealership visit as a customer “golden moment”: Tailored offerings that enrich the service experience, such as mobility services, wait and work/childcare facilities, digital view of the car repair, pick-up/delivery at home, embedded connections with broader ecosystems.

Digitization: Every service touchpoint is digitalized, integrated and paperless, from vehicle reception to repair and check out.

Less-is-more upselling: An AI-driven recommendation engine where both internal and external data help give customers what they want before they know they want it or where they want. This can dramatically boost conversion rates while reducing “communication-noise” for the customer.

An un-intrusive attitude toward customer engagement: Make it fast and easy to provide feedback and combine with online reviews, since customers are likely already telling you what you need to know. Loyalty programs should suggest how to spend points (such as a free courtesy car) and make every customer interaction an occasion to get points.



WHAT'S IN IT FOR OEMS, DEALERSHIPS AND DRIVERS

All parties—not only OEMs and dealerships, but also vehicle owners and drivers—can benefit from the new aftersales journey. Main benefits include:

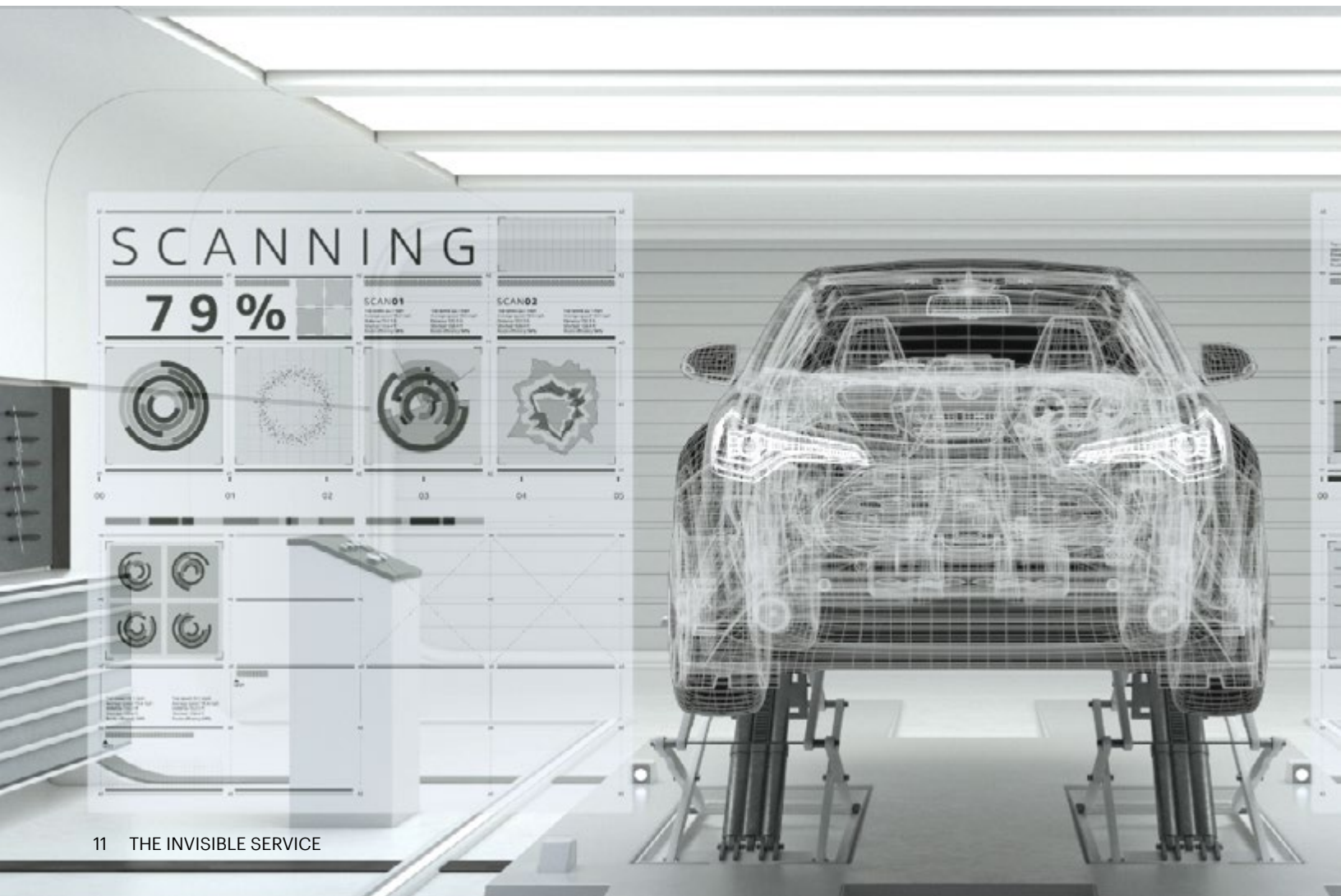
- Higher customer loyalty, thanks to simplified, digital interaction with OEMs and dealerships that will help ensure retention in the OEM authorized service network and its ecosystem.
- Improved customer satisfaction and a simultaneous reduction in repair costs, thanks to telematics data and predictive maintenance algorithms.
- A revenue boost for OEMs and dealerships, fueled by an ecosystem of players providing new differentiating services based on a driver's profile and location.
- Higher dealership operational efficiency due to new technologies that can guide dealer personnel to retrieve and follow the correct repair procedure.
- Better service transparency with the dealership that is able to provide a quotation and update it while the vehicle is being repaired, sharing real-time information with the customer, including pictures and videos.
- Higher customer retention thanks to blockchain technology that enables certification of the service history on a digital vehicle passport, updated through the entire vehicle lifecycle at every service occasion.

START NOW TO REINVENT YOUR SERVICE CONCEPT

The Accenture Customer Innovation Network (ACIN) provides a global ecosystem of physical spaces where OEMs can leverage customer-centric design thinking to launch and test real-world solutions and prototypes.

The Invisible Service offering is already a reality at ACIN, showcasing live demos and real solutions showing Accenture's perspective on the future service concept for automotive aftersales.

Join us at one of our ACIN locations and see for yourself how the Invisible Service could make you a winner in the aftersales of tomorrow.



CONTACTS

AXEL SCHMIDT

Managing Director and Global Automotive Lead, Accenture

axel.schmidt@accenture.com

TEODORO LIO

Managing Director, Accenture

teodoro.lio@accenture.com

ALBERTO SERNIA

Managing Director, Accenture

alberto.sernia@accenture.com

GIANLUCA MOZZAQUATTRO

Managing Director, Accenture

g.mozzaquattro@accenture.com

Contributors:

DANIELE BURDESE

Accenture Consulting

daniele.burdese@accenture.com

BENEDICT BAUR

Accenture Consulting

benedict.baur@accenture.com

JORGE AMPUDIA

Accenture Consulting

jorge.ampudia@accenture.com

PABLO CASTILLO FERNÁNDEZ

Accenture Consulting

p.castillo.fernandez@accenture.com

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 482,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

REFERENCES

¹ IHS Markit—Autonomous Vehicle Sales Forecast, 2018

² Morgan Stanley—Shared Mobility on the Road of the Future

³ Bloomberg New Energy Finance, 2019

⁴ Accenture, Mobility as a Service, 2018 | The New Automotive Dealer: Designed for Me

⁵ Accenture, The New Automotive Dealer: Designed for Me, 2018

⁶ Accenture, Why automotive needs to rehaul aftersales. Now., 2018

⁷ Fjord Trends 2019, 1) “Silence is gold” and 3) “Data minimalism”

⁸ Global Consumer Pulse Research, Accenture Strategy 2017

⁹ Accenture Survey “What Digital Drivers Want from Aftersales”, 2018