



The service consultant in a digital media environment

New territory for service consultants?



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The changing role of the service consultant

The role of the service consultant as an intermediary between the customer and the service centre has changed dramatically in the past few years, both in its basic characteristics and the tasks involved. And it will be changing even more dramatically in the future. The service consultant is increasingly becoming a customer manager in the sense of comprehensive support of and interaction with the customer, even beyond the simple visit to the dealership.

The drivers of change are shifts in society and technology in the context of digitalisation:

Digitalisation of the workplace

In dealerships, smartphones, tablets and PCs are increasingly being used for digital networking within businesses, as well as with customers and external business partners. Data that was previously recorded and archived mostly by hand (e.g. customer and vehicle documents, invoicing) or was communicated by telephone and fax, is now being recorded and managed directly in digital form (e.g. using an iPad or specialised software solutions). Where information used to be passed on by telephone and fax, communication today is mainly done by e-mail or text message.

Data as a competitive factor

The significance of data (management) in the optimisation and further development of service provisions for customers, such as, for example, providing predictions that are as precise as possible and the associated pre-planning of a service requirement, has markedly increased in recent times. Due to modern hardware and software solutions in vehicles, enormous quantities of data are available, ready to be administered and evaluated. This revolutionises the further development of technology and servicing (for example, predictive maintenance).

Automotive innovation

The further development and technical progress in the automotive sector is particularly visible in areas such as connectivity, in-car internet or self-driving cars. This pushes the use of a car as a pure means of getting around much further into the background. New types of mobility are now stepping forward.

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Increasing customer requirements

Advancements in technological development, both for industry & commerce as well as for customers, have created what seems to be an inexhaustible

world of opportunities. Increasingly, augmented reality applications are used to support dealer workshop staff and serve as a replacement for user manuals or as optimum support for driving safety and navigation for the end customer. These increasing possibilities mean that customers now take the networking of every day objects for granted.

This means that the focus on a more technical background and training for the service consultant is increasingly being expanded with managerial aspects such as customer-oriented communication and leveraging of service opportunities.

Awareness of changes

A survey of service consultants in the course of the Service Consultant Study by NTT DATA & AUTOHAUS (2014) found that:

- More than half of the service consultants questioned indicated that consultation of information obtained beforehand from the internet has significantly increased.
- More than 40% of participants were also of the opinion that e-mail enquiries for repairs are markedly increasing.
- In general, those questioned were of the opinion that, in the future, customers will request more online information and more online communication.

Service consultants are also aware that social media channels, such as WhatsApp, for example, are no longer being used exclusively by younger groups of customers between 18 and 30 as a means of communication, but have also become well-established in all age groups. Therefore, these channels need to be used increasingly to get and remain in contact with customers.

For the service consultants, changed customer demands mean that they must acquire additional skills (e.g. for using a variety of digital communication channels) that had until just a few years ago not played any part in the daily business of a dealership.

Only then can they face the challenge of meeting the increased requirements and continue to provide high-quality service advice.

The results of the study also show that service consultants have recognised that customers have already been using the internet as a source of information and a means of communication for quite some time, and will continue to do so much more in the future. The question remains whether the service consultants have already responded to this customer behaviour accordingly?



02 POTENTIAL FOR SERVICE IMPROVEMENT

Is the service consultant online?

As discovered in the course of the Service Consultant Study by NTT DATA & AUTOHAUS (2014), for service consultants in Germany the internet channel is currently only relevant for the following three use cases:

- Online appointments
- Apps for individual support
- Video advice

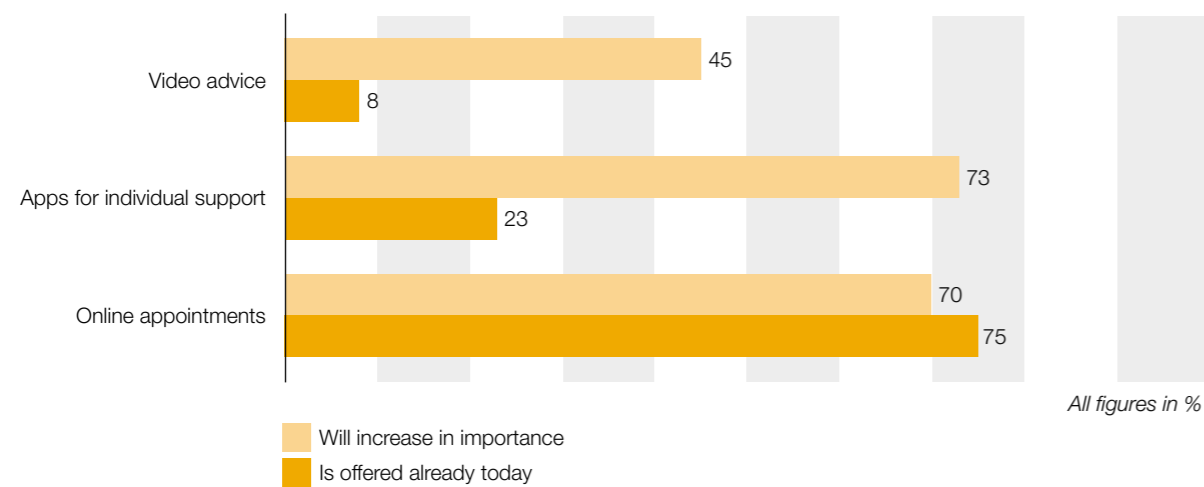


Fig. 1: Future benefits of internet usage for service consultants

The chart shows that service consultants have, up until now, only dealt with the internet medium by way of online appointments. Apps for individual customer advice and time-delayed service advice (e.g. via Skype) currently only play a subordinate role.

Nevertheless, the participants in the study agree that the importance of these areas of activity will increase significantly in the future, focusing strongly on individual advice via apps. But what opportunities do service consultants have when using apps?

Does the service consultant use apps?

The trend towards mobile solutions in the automotive service sector currently offers the greatest potential for the role of the service consultant on the internet at the present time. OEMs have recently started responding to the needs of their end customers with a variety of apps for smartphones etc. The main task for service consultants at authorised dealerships in the future will therefore be to increasingly interact with their customers via service-specific apps and provide corresponding content individually for each customer.

In particular, the technological advances in vehicles in the areas of sensor technology and telematics will, in the coming years, lead to a variety of new and valuable information. This will support the service consultant in being able to offer the customer an even more comprehensive range of services adapted more individually and to the relevant customer situation.

Besides already-existing online services, such as appointment scheduling, presentation of special offerings and promotions via apps, individual services will primarily play an important role in differentiating from independent competitors. Several examples of possible offerings along these lines are:

- Specific instructions for service, maintenance or upkeep
- Information on the progress of maintenance/repairs or parts ordering
- Mobility services for travellers and high-mileage drivers
- Fleet-specific services
- Servicing instructions based on telematics information from the vehicle
- Opportunity (for the customer) to provide feedback or (for the service consultant) to request it

Not only will the variety of services via the internet increase for the customers but also in future, internet services will be available for the vehicle itself.

The next generations of vehicles will provide and exchange information on the internet autonomously and therefore will provide a greater and more varied offering of online services.

For the service consultant, this means a partial shift of service provisioning from the dealership to the internet as, for example, navigation and other software updates can be sent directly to the vehicle without it having to visit the dealership. The provisioning and maintenance of these services expand the service consultant's capabilities to generate additional revenue.





Is the service consultant networked?

Nowadays, the internet is mainly used for the purpose of seeking information and communicating. More and more customers of all age groups prefer to use this medium and so want to be served in this way as well. The service consultants seem at least to have recognised this trend, but to what extent do they already use the internet to contact their customers?

According to an online self-check for motor vehicle companies by ZDK and BBE Automotive, 95% of participating dealerships and service centres use social media channels. A majority of the staff (56%) is itself

responsible for maintaining these channels, spending a half an hour to an hour on this task, primarily for putting images, but also plain text and videos online. In 10% of companies, special software or administration programs are also used to monitor and provide content for the various channels.

In the automotive aftersales sector, primarily the known social media channels such as Facebook, Google Plus, Twitter, YouTube and Xing are used. Social media channels are sometimes used very differently by brand businesses and independent servicing businesses.

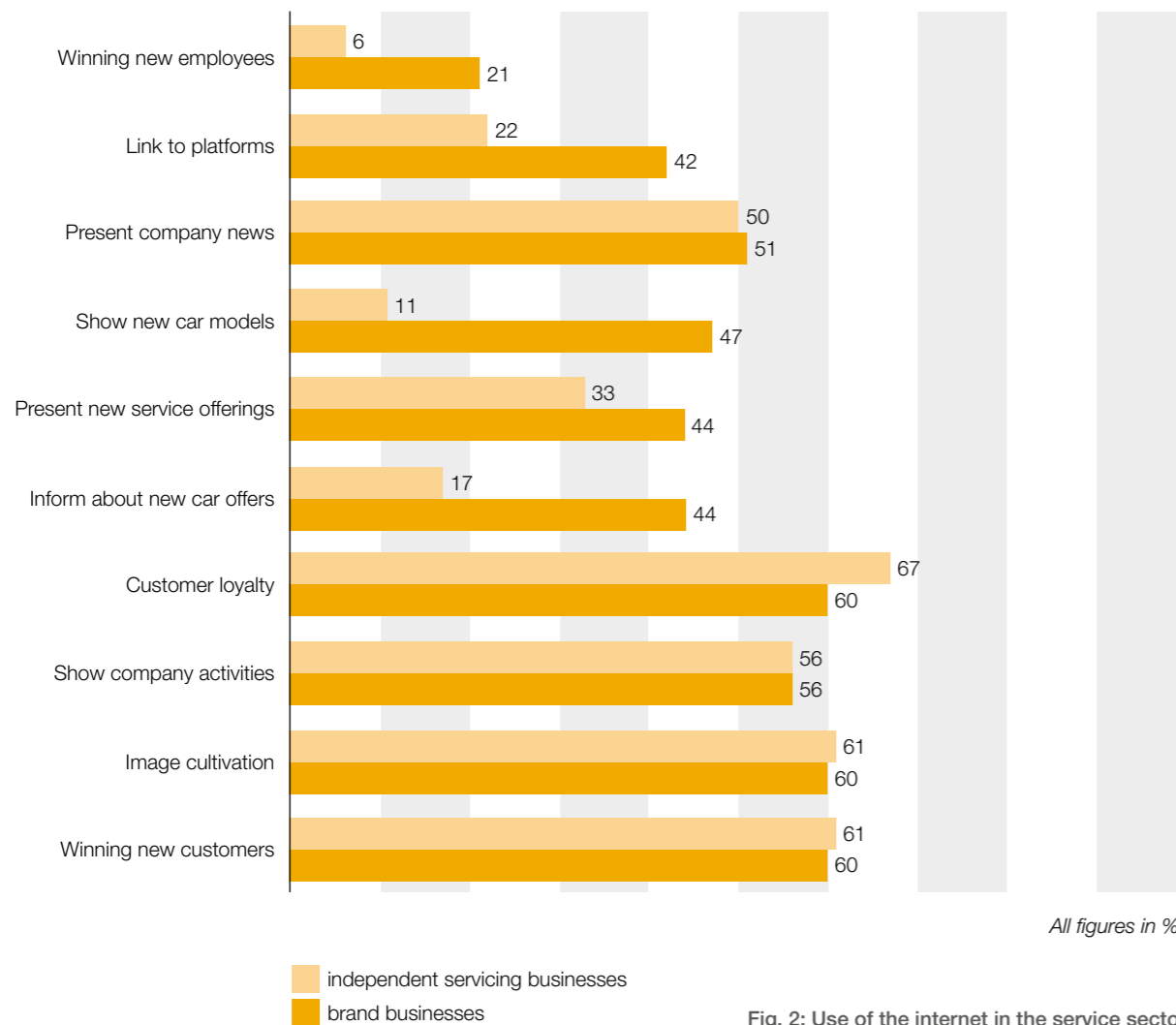


Fig. 2: Use of the internet in the service sector

The service adviser in a digital media environment

Focus issues for the service consultant are the following:

- Winning new customers
- Image cultivation
- Additional sales and campaigns specific to the dealership such as cross-selling or active selling
- Customer loyalty (e.g. via feedback)
- Presentation of service offerings

In this context it must be borne in mind that particularly the target group "younger customers" increasingly uses online communication channels such as WhatsApp, Facebook, Twitter or e-mail. This means that the service consultant also has to use these communication channels in order to be reachable not only by telephone but also online.

The use of social media channels for everyday tasks thus makes sense for service consultants, especially considering the low investment in time and material. The

use of these new channels also makes sense within the dealership, for example with a text message chat for quick information exchange between service consultants and workshop employees.

When using a variety of digital communication channels, keeping track of them all quickly becomes a major challenge for the service consultant. To that effect, a systems technology solution such as those already used

on smartphones (e.g. Hotsuite or IFTTT) should be implemented.

In this subject matter area there are still too few quantifiable findings. Yet this topic provides interesting approaches for conducting further research, particularly due to the constantly increasing significance of social media in aftersales.

Quantitative advantages such as handling more customer issues in less time or qualitative advantages such as simplifying communication for the service consultant could thus be made measurable.

This means that the service consultant also has to use these communication channels in order to be reachable not only by telephone but also online.





Does the service consultant use google?

As well as communicating through social networks, searches on aftersales issues and comparing with the competition on the internet are becoming increasingly important for the service consultant. Customers are increasingly getting information themselves on the internet about parts, services provided and prices, before they approach the dealership. Therefore, the service consultant must also have comprehensive knowledge of the online

market, for example, of parts and service portals, and also always keep this level of information up to date or extend it.

Without this headstart in information, the service consultant runs the risk of not being able to provide customers with individual added value for their issues and thus fail in loyalising them to the dealership.

The sources most used for this research on the internet are the following portals:

dealership portals/ car repair marketplaces

AutoScout 24, FAIRGARAGE, werkstars, AUTOSERVICE.COM, reparaturFUXX.de, etc.

Marketplaces for parts

Ebay Motors, kfzteile24.de, rexbo.de, autoteiledirekt.de, kfzteile.com, etc.

Assessment portals

autoaid, meinewerkstatt.de, deineautoreparatur.de, AutoWerkstatt.de, etc.

Auctioning and dealer portals such as eBay, Alibaba, Amazon and others have revolutionised the industry for a while now and moved it onto the internet, but have service consultants already discovered this sales option for themselves?

Does the service consultant sell online?

According to Google, every second, four interested parties use their search platform to look for spare parts. And the trend in these markets shows significant growth. Market experts forecast that the online share in the spare parts market (except tyres) for vehicles in Germany will grow to about 20% by the year 2025, corresponding to a sales volume of € 3.6 billion. In the tyre industry, the trend is even bigger: in this case, an online share of about 28% is expected by 2020.

According to Google, every second, four interested parties use their search platform to look for spare parts.

In spite of this forecasted positive trend in the online parts business, this potential still appears to be unattractive to the majority of dealerships because, according to a survey by kfz-Betrieb magazine, only 17% of the branded businesses and just 7% of the independent servicing businesses advertise spare parts and accessories on the internet.

This may also be due to the fact that the business potential in the market for online parts and accessories can only be exploited when dealing with a high-profile brand and by creating individualised offerings.

For the service consultant, however, the creation of individualised offerings provides the opportunity to also advise customers online and therefore provide them with decisive added value. In turn, that reinforces customer loyalty and prevents them from changing over to third-party providers.

On the other hand, the usage of car repair marketplaces/ dealership portals for creating and presenting quotations via the internet is now well-established. Yet according to a survey by kfz-Betrieb, 41% of the brand businesses and approximately a third of independent servicing businesses offer maintenance and repair work online. To do this, customers are provided with both complete price quotations (e.g. for maintenance and servicing) as well as individual quotations and marketing actions.

Service consultants have the opportunity, as members of a service portal, to create, maintain and present online quotations actively via the portal. They can also passively respond to individual queries from customers passing on a query for individual services via the portal to the dealerships involved.

The major advantage for the service consultant consists of being able to provide a large number of quotations and/or serve a large number of customers at a relatively low expense. A comparative personal consultation in the dealership would not be achievable to this extent at all. Furthermore, the service consultant can also approach a new customer group without taking up a lot of time and expense. The online presence therefore helps to increase turnover and productivity and at the same time improve utilisation of the workshop capacity through the additional sales channel.



03 CROSS-SECTOR APPROACHES

What can the service consultant learn from other business areas?

With respect to their online presence and provisioning of online services, other lines of business have often reached a level that customers now view as a matter of course. Therefore, it seems plausible that a similar development will also occur in automotive aftersales. Thus, service consultants also have to follow the examples from other lines of business in order to remain competitive.

Sales & Marketing

Online trading via Amazon, Alibaba, Ebay and others has increasingly optimised online purchasing for consumers over the past few years. Amazon and Paypal, for example, provide their customers, via 1-Click® or PayPal Express, with the opportunity to make an online purchase in the shortest possible time and with minimal effort.

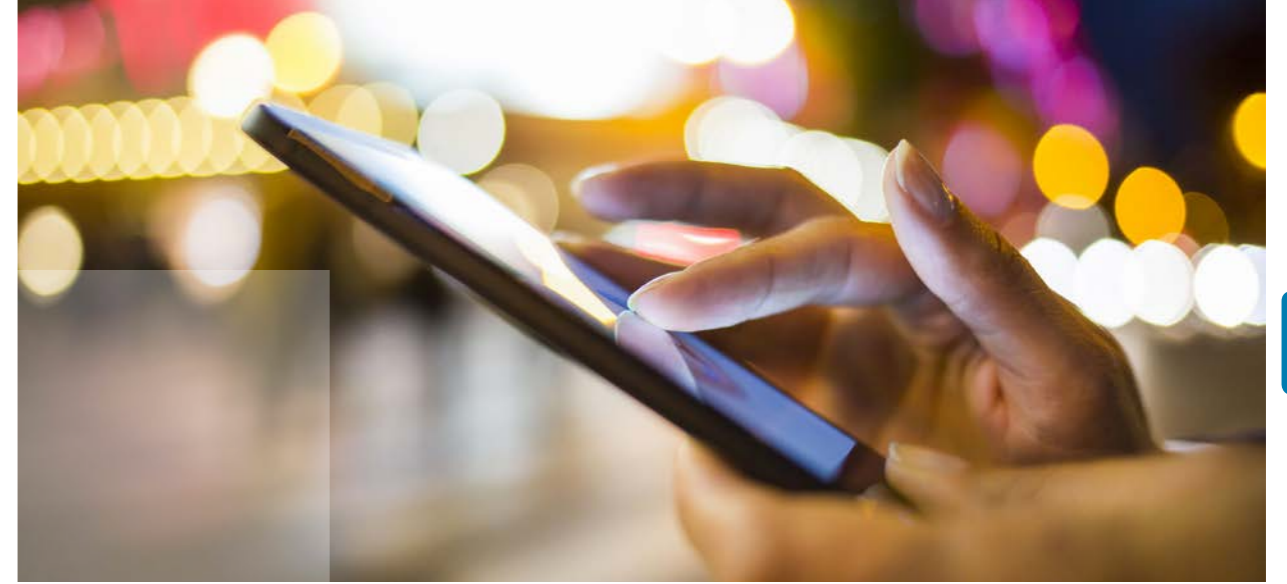
A further strength of the large online platforms is the ability to recommend and market additional products and services. By analysing the behaviour of a visitor to a website, personalised offerings can be presented to the customer. This happens during the entire time that the customer is on the site. In addition, for example,

after a purchase, additional services or other products can be provided via e-mail, newsletter or message via the smartphone app. By analysing the behaviour that the visitor to a website shows, personalised offerings can be presented completely automatically to the customer. Precisely in the area of expensive and premium products, these extended scopes of service are expected by the customer.

In this way, a considerable amount of additional sales opportunities is created. Disappointment for the customer occurs when these additional services are not provided.



The service adviser in a digital media environment



Communication & Additional Services

Banks and insurance companies have, in the meantime, moved their conventional branch-based business to the internet and provide their customers with various online channels such as video-conferencing and chats, for example, for communication or personal consultation even outside normal office hours. This shows that online services are demanded by customers not only in connection with consumer goods but also for sensitive topics and products, such as money or assets, for example.

A further development in online service consultation are the virtual advisers, so-called avatars, who for example provide the customer with support services, in a similar way to FAQs, or with guidance during a visit to the company homepage and with helpful instructions for specific problems. A known example of this is "Yello-Eve" on the yellostrom.de website.

Many automotive aftersales businesses are already working with computer-based solutions, such as electronic reception terminals. Therefore, the virtual service consultant also provides an attractive opportunity for advising such customer groups preferring a local or unpersonalised service.

With reference to immediate assistance on products, companies such as Apple and O2, for example, provide what are known as communities and blogs to customers with a high internet affinity, in which frequent problems are discussed with other customers, as well as experts within the company, and suggested solutions are provided. For simpler problems, a customer can intuitively click through a guided-troubleshooting directly on the company site and thus obtain possible solutions in a quick and simple way.

Service consultants in the automotive sector using such online help channels have the opportunity to reduce the complexity of problem-solving for their customers and to advise them more effectively at the same time.

As the complexity of products is constantly increasing in the automotive sector, this form of rapid troubleshooting is becoming increasingly relevant. Service consultants in the automotive sector using such online help channels have the opportunity to reduce the complexity of problem-solving for their customers and to advise them more effectively at the same time, seeing as a larger customer base can be advised using communities/blogs etc.

One example of additional services for creating customer loyalty are the tracking services provided by logistics companies such as DHL and UPS. This gives the customer the opportunity to stay informed on the status of package delivery and sometimes to adjust the delivery according to personal wishes.

A service consultant in the dealership can use such solutions, such as, for example, following up on the status of a repair order using an app on an Apple Watch, in order to inform the customer about the course of the service visit, a repair or a parts order in real time. In this way the customer is offered more transparency, which is one of the most important sales arguments in the premium sector.



Conclusion

Using the internet has become indispensable for the service consultant, due to the fact that customers now take online services such as online appointments or e-mail and social media contact for granted.

However, the online presence of the service consultant is not only an important competitive factor, but also allows a more efficient organisation of daily tasks in the dealership.



Fig. 3: Example uses of digital media

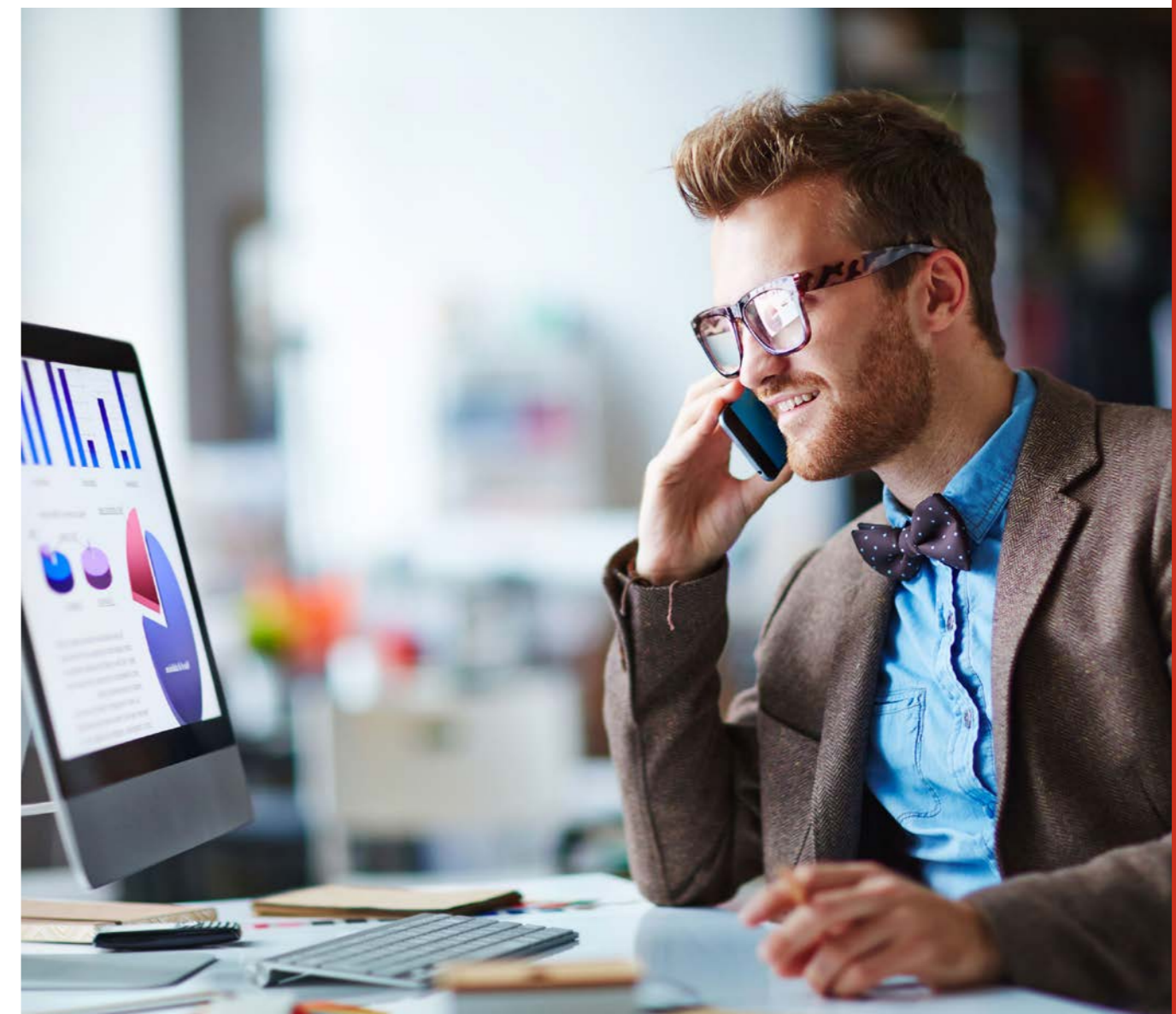
NTT DATA Automotive provides customer-oriented and future-oriented solutions to support service consultants in the best possible way. The following areas are in focus:

- Awareness
- Process optimisation
- System technology solutions

- 1 Creating awareness for the need for and added value of the use and mastery of digital media and make people aware of the individual areas of application.
- 2 Carrying out a status analysis or "fitness check" and working out concepts for sustainable process optimisation building on this.
- 3 Developing individual system technology solutions and platforms for trading organisations and OEMs.

Fig. 4: Working steps to finding the solution

Using these solutions, the service consultants are optimally enabled to face the challenge of digital media. However, at the same time, they also get the opportunity to update the professional image of the service consultant and to help them in creating a modern and future-oriented image in a multilayer environment.



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ABOUT THE AUTHOR



Johannes Stahlhofen

Senior Consultant in the Automotive and Manufacturing division in the Competence Center for Aftersales, Service & Warranty.

#outstanding: His passion is the optimisation of customer-oriented service processes in and around car dealerships and the formation and integration of innovative IT solutions and technologies in this area.

E-mail: Johannes.Stahlhofen@nttdata.com



#outstanding

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