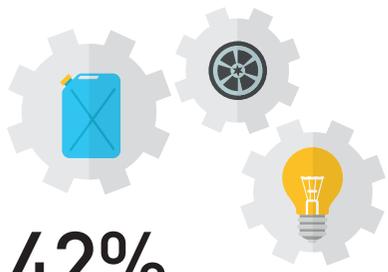


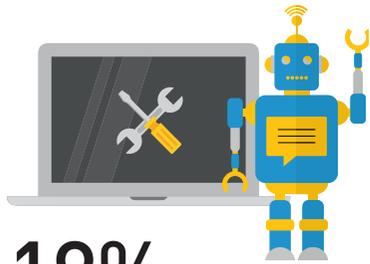
SAP HYBRIS KNOWLEDGE CAPSULE

# Automotive: The New Age of Individual Automotive



**42%**

of respondents to a supplier survey by SAP and the Automotive Aftermarket Suppliers Association believe technology will impact the aftermarket in three to five years.



**19%**

of respondents to the SAP/AASA survey believe technology is already impacting the aftermarket.



**50%**

of suppliers are looking to add transaction capability directly with individual consumers, up from 8% currently.

**47%**

of suppliers plan to increase their capacity to ship to customers "soon."



**10%**

Less than of manufacturers take orders from individual B2C consumers.



**60%** and **80%**

of aftermarket suppliers communicate directly with the service channel, but only **10% to 15%** have or plan to have the capability of taking information requests/inquiries from B2C consumers.

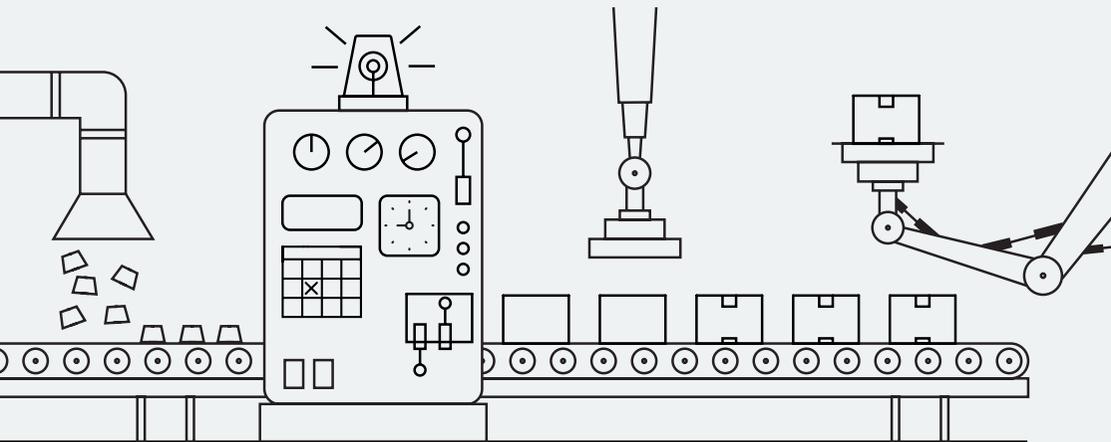


## Reality Check

Every sector of the automotive industry has been impacted by online technologies and changing consumer tastes. Central to this transformation is the proliferation of web-enabled technology, paired with the need to singularize each supplier-customer relationship. Every transaction is now a one-to-one activity, building on data and knowledge specific to each customer.

## This applies equally to:

- Direct sales and automotive sales reps
- Service stations
- Used car dealers
- Self-service channels
- Condition reports
- Pricing and financial services
- Design and manufacture (OEM)
- The dealer ecosystem
- Rental and fleet management
- Third party suppliers
- Aftermarket businesses



## Below is what has changed:



The customer base is more educated and empowered than ever before.



There are better techniques and materials for automotive design and manufacture.



Intelligent technologies play a lead role in all areas of car usage.



New fuel options, like electric and hybrid, have become serious contenders for market share.



Changing legislation for carbon emissions is starting to focus on the entire vehicle life cycle.



New preferences for ownership are emerging, like car-sharing instead of purchasing.



There is a growing demand for a service relationship rather than a product purchase.



Performance and gadgets must be matched by safety and emissions innovations, at no extra cost to the customer.



There is an increased need for interplay between market players who were traditionally at arm's length, like insurers and leasing companies.



Millennials are buying fewer cars than their predecessors.

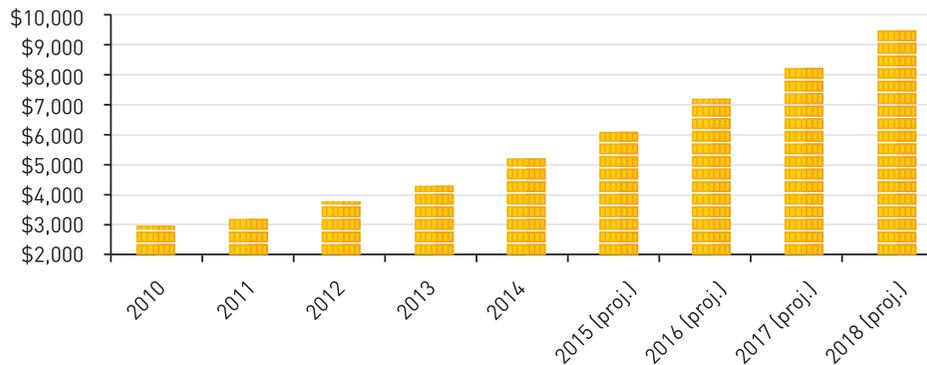


Virtual modeling is helping lower development costs.

## Digital Disruption is Forcing Automotive Organizations to:

- Extend and monetize deep loyalty by adding services to what were once just product-sale relationships
- Use data and technology to provide innovative solutions
- Change the relationship into one based on listening, responding, and being proactive
- Harmonize business processes around customer-centricity and engagement
- Focus more aggressively on online sales of vehicles and parts

## Online Sales of New Auto Parts & Accessoires, Excluding Online Auctions (\$Millions) copyright 2014, HedgesCompany.com



**15%**

capability gap between "Importance" and actual "Coverage" of Supply Chain Management and Inventory Deployment tools among Aftermarket manufacturers.

Study by SAP and AASA, 2016

# ACTIONS YOU NEED TO TAKE



## Leverage data

Focus on up-to-date engagement tactics.



## Know Your Customer

Data will help understand what your customers want.



## Help Your Customer

Enable contextual and personalized omni-channel experiences.



## Serve Your Customer

Let each customer feel they are receiving full and complete service from you.



## Innovate Your Business Models

In a fast-changing economy, innovation is vital. Staying rooted in the past leads to stagnation.



## Revive the Aftermarket:

Leverage the holy grail of continuous monetization



## Break the Mold

Look beyond traditional automotive manufacturers to embrace new-age technologies



### Leverage data

- Capture customer data and analytics everywhere: when customers browse online, when they shop in-store, when they talk via social media, when they use your call center, when they register their purchase/join owners' clubs online or when they download your app



### Know Your Customer

- Build a 360-degree perspective of each customer – understand situational context and reach out with only relevant information, and use what you learn to intelligently up-sell and cross-sell
- Align your solution portfolio with evolving customer preferences and innovative technologies



### Innovate Your Business Models

- Own a blended portfolio of business models that combine products and services.
- Simplify the configuration process to speed up the sales cycle.
- Leverage a single sale into multiple incidences for long-term monetization.
- Bundle products and services to deliver more value at a favorable price.
- Offer relevant upgrades, freemiums, and cross-sells through a well-maintained communication channel.
- Give customers direct access to your products and technical expertise – this will help drive down total cost of ownership.
- Use multi-sided business models by enriching the experience and service capabilities you offer customers by partnering with compatible businesses for mutual benefit.



### Help Your Customer

- Be everywhere your customers are.
- Enable B2B/aftermarket customers to research and order parts and upgrades.
- Offer up more of your own data by giving customers access to inventory availability, delivery information, and anything that will make the relationship more attractive and convenient.



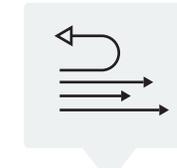
### Serve Your Customer:

- Focus on real-time service and response.
- Give customers the freedom to help themselves with guided self-service.
- Use predictive analytics to anticipate problems or re-supply requirements.
- Empower service reps with actionable intelligence across all relevant channels including telephone, Web, chat, mobile, and in person.
- Build business portals for direct, personalized sales.
- Empower direct sales, resellers, and distributors.



### Revive the Aftermarket

- Bring aftermarket sales back under your roof, rather than leaving them to third parties.
- Develop strategies that initiate aftermarket loyalty at the first moment of sale.

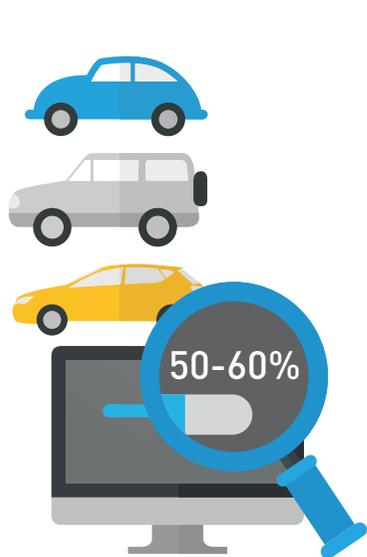


### Break the Mold

- Partner with innovators and disruptors who are bringing leading-edge technologies and IOT intelligence to vehicles.
- Recognize and embrace the concept of a vehicle as being part of a larger, data-driven relationship.
- Envision the vehicle and mobile apps in symbiosis.

# CALL TO ACTION

The new era of business exists for automotive companies, with mobile data as its core. Products must become services, customers become sources of data, and service must be direct, personal and omni-channel. Your reputation for innovation depends on real-time agility and a shift from vehicles and parts to an economic ecosystem.



**50% to 60%** of automotive sales leads expected to come through digital in 2016 compared to **15%** in 2014.

*Source: A commissioned study conducted by SAP and AASA, 2016*



**89%** of business leaders believe that customer experience will be their primary basis for competition by 2016.

*Source: Gartner*

Up to **33%** non-traditional sites for research such as consumer marketplaces, search engines and business marketplaces.

*Source: A commissioned study conducted by Forrester Consulting on behalf of SAP-Hybris and Accenture, Sept, 2015*



## About SAP Hybris

SAP Hybris enables businesses to transform how they engage with customers, innovate how they do business, and simplify their technology landscape. With a comprehensive approach to customer engagement and commerce, our solutions unlock opportunities to optimize your customers' experience and transform your business. We help you drive relevant, contextual experiences across all of your customer touch-points in real-time, so that you can create strong differentiation and build competitive advantage in the Digital Economy.

SAP Hybris has helped some of the world's leading organizations transform themselves in response to changing market conditions and customer expectations – delivering exceptional experiences, adding new channels, evolving their business models, and entering new markets. How can we help you?

Explore SAP Hybris solutions today. For more information, visit [www.hybris.com](http://www.hybris.com).

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