

# HOW TELEMATICS KEEPS CUSTOMERS IN THE LOYALTY LOOP



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# INTEGRATING LOYALTY INTO EVERY INTERACTION

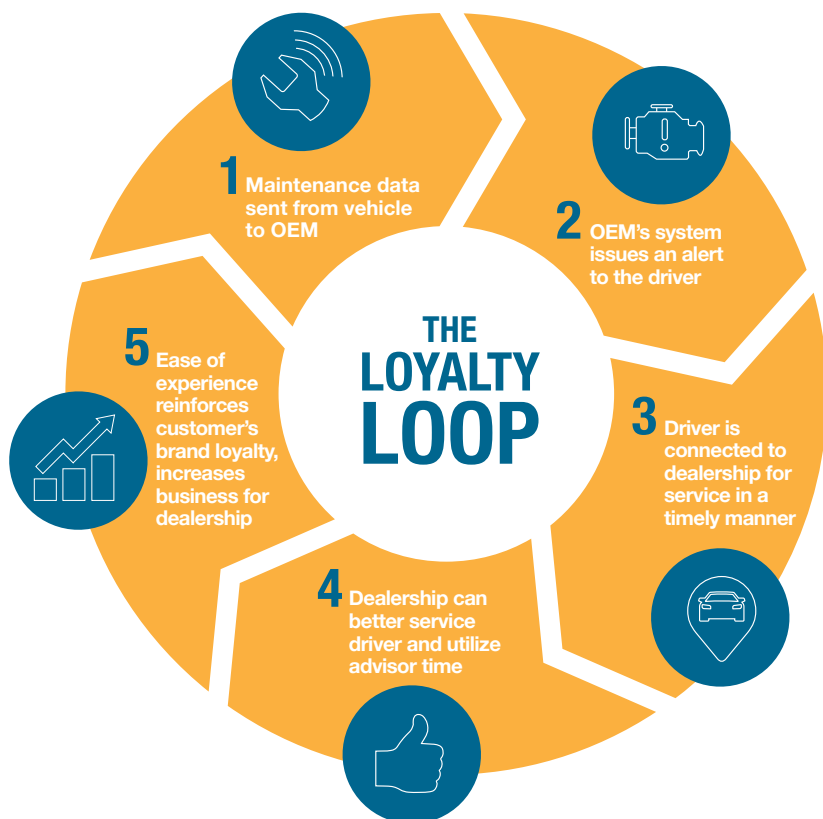
It's no wonder that car owner satisfaction is up around 70%.<sup>1</sup> Over the last decade, vehicle reliability has improved significantly; as a result, individuals are holding onto their cars longer and making fewer service appointments. Customers may be more satisfied than ever, but their interaction with the dealership has become so limited that this satisfaction isn't translating into brand loyalty.

Despite enhanced reliability, routine service and proper repairs are still the best ways to ensure vehicle safety and longevity. But today's drivers have gotten out of the habit of scheduling regular maintenance, and 10% of Americans continue to drive with their "check engine" light on — often for three months or more. Although connected cars automatically communicate maintenance needs, few drivers take these alerts seriously, believing it isn't a serious problem or it's too much of a hassle to bring the car in for service.<sup>2</sup>

If the communication were more direct and detailed, though, drivers could effectively prioritize their vehicles' needs. By integrating the dealership and OEM into the process, maintenance and labor scheduling could be simplified, too. What was once an easily dismissed event becomes an opportunity to re-engage the consumer and reinforce brand loyalty.

The best part is that it's already possible, thanks to vehicle telematics. Well known for its role as a GPS navigation system, telematics can create a mutually beneficial relationship between drivers and dealerships by communicating vehicle status and service options. Research shows that customers who have ongoing relationships with dealerships are more likely to be loyal to that specific brand.

Telematics helps strengthen customer loyalty — and drive incremental business — by streamlining processes to guide vehicle owners into a convenient, trusted service channel. As consumer behavior changes, OEMs and dealerships must leverage this technology to stay competitive in the marketplace.



THE AVERAGE AGE OF VEHICLES ON U.S. ROADS:

**11.4 YEARS**<sup>3</sup>

THE AVERAGE CUSTOMER-PAID RO VALUE:

**\$255K**<sup>4</sup>

THE AUTOMOTIVE AFTERMARKET IS WORTH

**\$190B**<sup>5</sup>

# TELEMATICS ENABLES A TRUSTED CONNECTION WITH CONSUMERS

To stay competitive in a technology-dependent world, cars have essentially become computers on wheels. Yet their dashboard-bound service alerts haven't kept up; they remain forgettable icons that require translation via service manual.

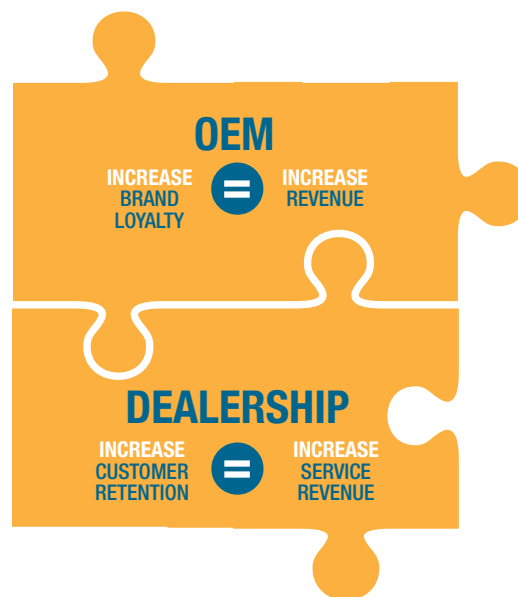
**By giving drivers greater insight into their vehicles' welfare, telematics builds trust and strengthens the relationships between owners, dealerships and OEMs.**

Through the seamless connection that telematics provides, dealership service departments can fill that gap and remain first in line to provide service. By giving drivers greater insight into their vehicles' welfare, telematics builds trust and strengthens the relationships between owners, dealerships and OEMs.

Through telematics technology, diagnostic trouble code notifications are simultaneously sent to the dealership and the driver, and vehicle owners can easily schedule service via convenient in-dash, multi-

line radio, in-vehicle voice or mobile applications. Alerts and recommendations appear across many customer touch points, including when the driver visits the dealership.

By keeping everyone on the same page, telematics engenders trust throughout the service experience, ensuring the vehicle owner continues to choose the dealership service department over the aftermarket.



## What is telematics?

Originally invented as a means for tracking commercial fleets, telematics is now commonplace in personal vehicles. From GPS navigation to infotainment, today's telematics-equipped vehicles are able to monitor and transmit data on location, vehicle condition and driver behavior in order to enhance the driving experience.

Although telematics' safety, performance and infotainment benefits are well documented, little attention has been given to the technology's ability to enhance the customer service experience. Only now are OEMs beginning to explore the opportunities telematics offers for better connecting drivers and dealerships.

# THE SIGNIFICANCE OF SERVICE RETENTION

Drivers tend to delay maintenance or repairs for a number of reasons, including:

- Lack of time
- Underestimating the seriousness of the alert
- Fear of the true nature of the problem
- Cost considerations

Meanwhile, dealerships attempt to reach out to customers via email, phone messages and direct mail hoping to prompt a return visit for service — but they don't always follow up:

- 57% of emails to dealers are unresponsive.
- 27% of phone calls to a dealer go unanswered.

This results in a frustrating experience for customers and an inefficient use of service staff. Customers end up giving their business to the closest independent shop while dealership service technicians are underutilized.

To draw customers back into the loyalty loop, OEMs and dealerships have to make vehicle servicing as simple as possible. The simpler it is to schedule an appointment, the more likely a customer is to keep it or reschedule in a timely fashion.



Service and parts represent 11% of a dealer's total revenue and

**46%**  
**OF GROSS PROFIT.**<sup>3</sup>

15% of OEM revenue comes from aftersales business, which represents

**70%**  
**OF OEM PROFIT.**<sup>5</sup>



Further, aftersales such as service and parts not only increase profits; they increase brand loyalty as well.



# THE FUTURE IS NOW

Vehicle telematics can do more than just provide GPS directions and infotainment, but due to its success in these roles, the potential for developing it into a customer retention tool was largely overlooked by OEMs — until the introduction of Xtime's ServiceTelematics.

ServiceTelematics is a cloud-based system that connects vehicles with the OEM's dealership network. A connected car identifies and communicates to the driver any vehicle issues; Xtime then assists the driver in scheduling a service appointment and transmits diagnostic details to the selected dealership. Once the order is confirmed, the service advisor can schedule labor according to demand. Upon customer arrival, the technicians have all the necessary details regarding the customer and vehicle service needs.

ServiceTelematics enables the OEM network to deliver the enhanced experience that vehicle owners demand, boosting consumers' perception of the network and the OEM. As a result, the consumer is more likely to consider the brand when purchasing their next vehicle.

Dealerships need a better way to retain customers, ensure their loyalty and earn more service opportunities. Customers need a reason to return. Now they both have one: ServiceTelematics.

To learn more about how Xtime ServiceTelematics can help you keep customers in the loyalty loop, please call (888) 463-3888.



# 4 OEMs

ARE ALREADY TAKING  
ADVANTAGE OF THE  
SERVICETELEMATICS  
PLATFORM.



SERVICETELEMATICS  
INCREASED SERVICE  
RETENTION FOR MAJOR  
MANUFACTURERS BY UP TO

# 13 PERCENTAGE POINTS

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