

Cognizant optimizes data-driven customer service for the automotive industry



Manufacturers benefit from lower service costs and improved customer loyalty in the after-sales process

Digitalization has a profound impact on the way customer relationships are shaped in the automotive industry. In the future, the collection, analysis, and use of data will determine the quality of interaction with the customers and the customer experience to an even greater extent. To optimally support automotive manufacturers in this regard, [Cognizant](#) has developed a holistic solution for data-driven customer service. The main objective of this is a thoughtful approach with a clear end-to-end strategy to better serve and engage customers throughout the entire customer lifetime phase.

The way in which customers are addressed is changing fundamentally. Customers today have significantly higher service expectations, more prior knowledge about products and want to be informed more selectively about specific offers. In the future, a consistent and long-term customer relationship - from consulting to sales, but especially throughout the entire product usage phase, right up to service and maintenance - will be crucial to business success. Automobile manufacturers are not yet fully prepared for these requirements. There is often a lack of integration of IT systems and data within an organization. This leads to different departments working in isolation, which in turn affects collaboration and results. In such cases, for example, there is a lack of consistent, reliable, and transparent data - this makes cooperation between sales, marketing, and service (dealers) more difficult. In addition, many vehicles do not yet have sufficient data collection options. This makes it virtually impossible to establish a consistent link between vehicle and customer data.

Increase customer loyalty and reduce after-sales costs

The Original Equipment Manufacturer (OEMs) must take action in order to remain competitive in the future. Therefore, data-driven customer services, such as those offered by Cognizant, are becoming one of the elementary drivers of future business models for the automotive industry. Both parties - customers and manufacturers - benefit from this approach: context-sensitive service offers improved customer experiences. Furthermore, a positive influence on satisfaction and willingness for brand loyalty can be measured. For OEMs, this means an increase in the customer lifetime value, i.e., the monetary value of a customer relationship throughout the lifecycle of using the manufacturers' products and services. Efficient processes in the post-sales phase can also reduce overhead costs and optimize warranty expenses.

Successful implementation of data-driven customer service requires consistent organizational alignment to introduce and leverage new digital technologies. Cognizant offers in-depth consulting, IT and systems expertise to deliver the right digital transformation solutions for the automotive industry. This provides the foundation for building a networked end-to-end service process: OEMs can use a consistent vehicle and customer database as well as intelligent pattern recognition to contact customers in advance and suggest suitable service measures.

Identify vehicle defects proactively and avoid damage

Example: Once sensors detect a specific fault pattern on a customer vehicle and transmit information to the manufacturer's service organization, they will be able to organize the preparation and implementation of the fault rectification at an early stage. Before any damage occurs, the OEM checks the availability of spare parts and possible deadlines. The OEM coordinates with possible service partners and can then contact the customer to point out the problem via the preferred channels and agree on the next steps. Customers are thus protected from breakdowns and major damage, remain mobile and benefit from a personal and courteous service. Customer satisfaction and loyalty is increased, the manufacturer keeps warranty costs under control through early repairs, and the service company also can take advantage of cross-selling potential for upgrade and update opportunities.

"By investing in data-initiated customer care, automakers benefit from entirely new opportunities for customer interactions. This ensures a consistent service workflow and paves the way for value-added services as well as an increase in customer lifetime value. As a result, customers benefit from a better customer experience in the event of a problem," explains Otmar Kratzer, Head of Automotive Consulting Global Growth Markets at Cognizant.

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