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WITH YOU TODAY



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IN A WORLD WHERE COVID CONTINUES AND VEHICLE
INVENTORY IS DOWN, BRAND LOYALTY IS A TERM FEW
ARE SPEAKING ABOUT POSITIVELY.

TERMS SUCH AS BX, UX, CX, AND NPS ARE ON THE RISE.

THIS PRESENTATION WILL RE-EMPHASIZE THE
IMPORTANCE OF BRAND LOYALTY AND HOW BX, UX, CX,
AND NPS HAVE AN IMPORTANT ROLE IN HELPING
LOYALTY SUCCEED.



THIS PRESENTATION WILL ANSWER FIVE QUESTIONS...

- 1. Why is brand loyalty critical for Chevrolet's success?
- 2. How is Customer Experience tied to building brand loyalty?
- 3. What five elements are essential for effective CX?
- 4. How can effective CX enhance subscription services?
- 5. What are some thought starters/implications for Chevrolet?

Building brand loyalty through effective customer experience

WHY IS BRAND LOYALTY CRITICAL FOR CHEVROLET'S SUCCESS?





WHY DOES BRAND LOYALTY MATTER?

Brand loyalty is best defined as, "a consumer's positive feelings towards a brand, and their dedication to purchasing the brand's products and/or services repeatedly, regardless of deficiencies, a competitor's actions, or changes in the environment."

BUSINESS

According to Harvard Business Review, companies with high brand loyalty scores:

- Grow revenues 2.5 times faster
- Deliver two to five times the return to shareholders over 10-year time frames
- Bring in 65% of revenue from repeat business with existing clients
- Are not dependent on price, which benefits both profit and profitability

BRAND

Data from the Global Brand Market Research team indicates

- Loyalty did drop in 2021 (46.6%), but since recovered in 2022 (49.9%) according to PIN Loyalty who leverage sales data from JD Power and it's sourced through dealer transaction data (retail only)
- Model availability was the most significant Reasons for Rejection in 2021 and 2022 (US)
- Market share has fluctuated between 9.5% and 12.2% since 2013 (US)

CONSUMER

Although brand loyalty is talked more about by brands versus consumers, it is important to consider the number of competitors entering the EV category in the next few years:

- 2019: Saw 25 new EV entries
- 2025: Expecting 110 EV entries
- The U.S. EV volumes are expected to rise from about 500,000 in 2020 to 3,000,000 in 2028



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HOW THREE DIFFERENT "EXPERIENCES" IMPACT BRAND LOYALTY

UX

User Experience

The overall experience of a person using a product, such as a website or computer application, especially in terms of how easy or pleasing it is to use.

Buzzwords: Interactive Design, Visual Design, User Research and Testing, Information Architecture, Accessible, Findable, Usable.



Customer Experience

The impression your customers have of your brand as a whole throughout all aspects of the buyer's journey.

Buzzwords: Valuable, Desirable, Credible, Useful, Customer Service, Content Strategy.



3X

Brand Experience

The feelings, reactions, and ideas that result from the direct or indirect exposure to any branded/brand-medicated interaction influencing a future purchase decision.

Buzzwords: Emotional connection, an ecosystem around the brand that people can fit themselves into



The repeat purchases of a particular brand based on the perception of higher quality and better service than any competitor—not dependent on price. Companies with high scores on brand loyalty grow revenues 2.5 times faster than industry peers.





Building brand loyalty through effective customer experience

HOW IS CUSTOMER EXPERIENCE TIED TO BUILDING BRAND LOYALTY?



"THERE WAS A TIME WHEN CAR MANUFACTURERS

COMPETED LARGELY ON THEIR ENGINEERING
CAPABILITIES: SUPERIOR DRIVING PERFORMANCE AND
VEHICLE RELIABILITY. THESE QUALITIES STILL MATTER
TO TODAY'S CONSUMERS, BUT THEY ARE TABLE STAKES.
THE NEW BATTLEGROUND IS INCREASINGLY ONE WHERE
TECH-ENABLED, DATA-RICH, ELECTRIC VEHICLE (EV)

COMPANIES CURRENTLY HAVE THE UPPER HAND:

CUSTOMER EXPERIENCE."



TODAY'S CUSTOMERS EXPECT A GREAT CUSTOMER EXPERIENCE WHEN INTERACTING WITH BRANDS



In 2025 about 45% of car buyers will be millennials (1981 to 1996)

- Used to a fluid, one-on-one relationship with brands.
- Used to dealing with companies such as Amazon, Airbnb, and Uber, companies that employ the best digital strategies and rely heavily on the Customer Experience.
- Table Stakes: 24/7 support, a strong and well-studied presence on social networks, a perfectly omnichannel and mobile-first approach, and a growing focus on personalization is expected

Source: McKinsey <u>Driving the automotive customer</u>



The customer experience need to begin from the first brand interaction

- Most customers are in the car-buying market for 89 days
- They spend more than 9 hours just researching vehicles
- The car-buying process takes even longer if you do not have the right paperwork or if financing takes longer than expected.

Source: Cox Automotive Research & Market Intelligence 2020



Loyalty is built on the service interaction the owner has with the brand

- It's easier to sell a new car to a customer who has already had a satisfactory experience with the brand and the dealer.
- Yet, 90%+ of loyal customers still consider at least one other automotive brand in their subsequent shopping journey.

Source: Think with Google and McKinsey Driving the

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WHAT FIVE ELEMENTS ARE ESSENTIAL FOR EFFECTIVE CX?



EFFECTIVE CUSTOMER EXPERIENCE REQUIRES...



A Customer-Centric Approach



A Deeper Understanding of the Customer



A Personalized Customer Experience



An Ability to Make Connections and Develop Relationships

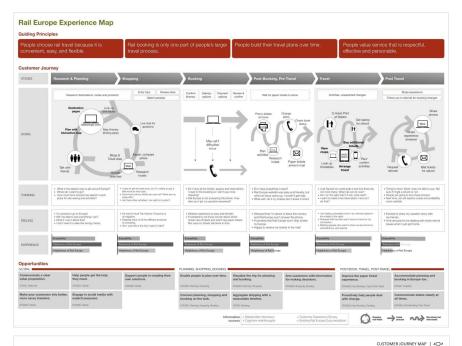


Innovation That Provides Value, Not Distraction

A CUSTOMER-CENTRIC APPROACH

Customer centricity is the ability to understand consumers and make business decisions based on their needs.

Customer Mindset:	A brand that understands my pain points and solves it with ease.	A brand that is always there, whenever I choose to interact with it.
Consideration for Chevrolet:	Develop customer journey maps that visualizes all your touchpoints so you can better understand your customer – their pain points and where positive experiences are being delivered through the buying journey. Leverage existing data from each vehicle interaction or through channels like MOVP, social media, etc.	







A DEEPER UNDERSTANDING OF THE CUSTOMER

This is best fulfilled by putting all your data in one place you're able to get a 360 view of your customers.

Customer Mindset:	I don't want to keep introducing myself or my concern of a brand every time I engage with one of its channels – I just don't have the time.	I expect a brand to know what I like and don't like after a few interactions with their channels – real, digital and meta worlds.
Consideration for Chevrolet:	CX Trends Report revealed: 92% of customers will spend more with companies that ensure they won't need to repeat information. Customer data collected becomes even more powerful when paired with AI technology. Loyalty software can use machine learning to identify customer lifetime value, predict churn and uncover micro audiences.	Data is exceptionally valuable when it comes to marketing vehicles to consumers. With data analytics, automakers can analyze their existing customers to identify characteristics that predict a purchase. Ability to integrate AI to understand what is most important to their customers. This can then be used to anticipate customer needs – something that will make them stand out from competitors.





McDonald's leverages data to enhance their customers' experience:

- When anyone uses their mobile app or orders anything, they store their data for further recommendations, offers and promotions.
- Collects in-store traffic, customer interactions, ordering patterns, point-ofsale data, video data, and sensor data.
- I Through drive-thru, they can even know at what time customers are more likely to go and this will help them to prepare and improve efficiency for the spike in demand ahead of time.
- By continuously tracking and analyzing the customer's behavior, they can use this information to make further changes to the menu.





A PERSONALIZED CUSTOMER EXPERIENCE

Customers expect companies to understand their unique tastes and preferences and engage them as individuals rather than customer types or segments. A personalized customer experience makes this possible by delivering tailored messaging, offers, and products to each person.

Consideration for Chevrolet: Chevrolet: Considering that the average online reader loses interest after about 15 seconds, personalizing your content is an effective approach. 70% of brands that rely on advanced personalization bagged 200% ROI and more from their efforts. (KO Marketing) 63% of marketers have observed
48% of marketers have provided or expect to provide enhanced customer experiences by using conversation intelligence data to enhance ad targeting, segment email campaigns, serve personalized website experiences,

Vidyard is the key to making remote selling easy. From prospecting to proposals, record and send videos that add a personal touch at all stages of the sales cycle. And while this sort of personalization is memorable, it's also extremely time-consuming. So if you set out to create it, be absolutely sure you're targeting the right people.

and more, based on the content of

phone conversations. (Source: Forrester)



AN ABILITY TO MAKE STRONG CONNECTIONS AND DEVELOP LONGER RELATIONSHIPS

Determine the value each interaction with a customer brings.

Customer Mindset:	Another communication from this brand– I wonder what they want from me?	Another communication that is focused around wanting me to buy more of their stuff.
Consideration for Chevrolet:	Important to consider each touchpoint through the lens of the customer and ask if the content/ask is going to provide value to the customer. If not, then perhaps reconsider the engagement strategy even if the content is personalized.	Consider the tone of every communication. Understand the emotional outcome you want to illicit or the action you want the customer to take. Anticipating and creating this in a positive manner will make stronger connections and develop longer relationships. The time to respond to messages, queries across platforms will also be evaluated by the customer.



The Whopper Detour

Encouraged hungry customers to park within 600 feet of a McDonald's lot, order a Whopper on the Burger King app, and enjoy lunch for the meager price of a single red cent.

In return, BK saw:

- 1.5 million app downloads and the #1 spot across all categories on both iOS and Android
- 3.5 billion social media impressions
- 37:1 ROI



Jeep's Weather Responsive Ad Unit

Brand awareness campaigns perform just as well with weather-triggered advertising as direct response. Jeep's weather-responsive ad unit performed an amazing 600% above the standard click-through rate of a mobile 320x50 banner ad.





INNOVATION THAT PROVIDES VALUE, NOT DISTRACTION

A brand that is pushing, sometimes even trialing, better customer experiences for the future.

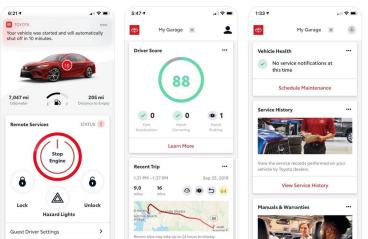
Customer Mindset:	I would love to be a beta-tester for a new brand that is trying new things and wants to make my life easier. Even if it's not perfect, the effort they are making counts for something.
Consideration for Chevrolet:	Whether it is AR technology, the metaverse or innovative technology, the value to the customer is critical in developing the experience. Outside of entertainment and awareness, that can be short-term goals, leveraging innovation to build a long-term relationship based on value. In addition, technologies that bridge the gap between our digital and physical offerings should be a high priority — NFC/proximity information, AR overlays as a part of new product onboarding, better use of video content for demonstrations, etc.



Delta's Parallel Reality

A futuristic new screen can show dozens of travelers their individual flight information at once.

Called Parallel Reality, the screen can display personalized information to 100 people simultaneously. Delta is testing the screen in Detroit's airport.



The Connected Analytic Services, LLC (CAS) helps Toyota **Processes Data from Toyota** vehicles

Includes advanced driver assistance systems information, to develop innovative products that cultivate greater customer satisfaction, refine the insurance pricing process, and help encourage and reward safer driving



MEASURING EFFECTIVE CUSTOMER SERVICE



A Customer-Centric Approach



A Deeper Understanding of the Customer



A Personalized **Customer Experience**



An Ability to Make Connections and **Develop Relationships**



Innovation That Provides Value, Not Distraction

- NPS is a metric that is based on a single survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.
- Customer satisfaction score (CSAT) gauges the quality of customer service and product experiences, making it a good starting point for measuring customer centricity.
- Customer churn rate is the percentage of consumers that stop doing business with you over a specified time frame. If your efforts aren't paying off, your churn rate will either hold steady or increase.
- Customer lifetime value (CLV) tracks the amount of money a consumer spends throughout their relationship with a brand. If your company is customer centric, your buyers will stick with you longer, which means your CLV will be higher.

Building brand loyalty through effective customer experience

HOW CAN EFFECTIVE CX ENHANCE SUBSCRIPTION SERVICES?



TO ENHANCE SUBSCRIPTION SERVICES YOU NNED TO CHANGE YOUR MARKETING MINDSET FROM BEING A PRODUCT COMPANY TO THAT OF A SERVICE-ONLY COMPANY

IT IS "A POTENTIAL GAME-CHANGER FOR DELIVERING SUBSCRIPTION SERVICES THAT CREATE RECURRING REVENUE ... (IT'S) SIMILAR TO HOW YOU MIGHT THINK ABOUT YOUR IPHONE OR ANDROID PHONE...WE'RE WORKING TO CREATE EXPERIENCES AND SERVICES, LEVERAGING DATA IN THE VEHICLES AND BEYOND THE VEHICLES." — ALAN WEXLER, GM'S SENIOR VICE PRESIDENT OF INNOVATION AND GROWTH.

CONSUMERS ARE NO STRANGER TO THE SUBSCRIPTION MODEL

- Millions of people regularly pay to use services such as <u>Netflix</u>, Amazon Prime and <u>Spotify</u>, as well as subscribe to deliveries of groceries. This familiarity will smooth the transition for manufacturers as they look to recreate that model within their vehicles.
- OEMs want to maximize their revenue, and customers want to use the hardware that's already fitted to their vehicles. However, if the subscription model could offer a personalized and dynamic driving experience, owners might be open to such an offering.
- Regular software updates offered by OEMsallow the enhancement of existing features and the addition of new ones. These upgrades strengthen the relationship between OEMs and used vehicle owners.
- I Subscription features also make the car more configurable for subsequent owners, allowing them to specify features as they would with a new car but without the associated high purchase price of a new vehicle.
- Additionally, customers switching between vehicles could have their subscribed features move with them, with options activated according to each driver's subscription package. These packages represent an opportunity for OEMs to "lock in" customers to a personalized subscription, encouraging brand loyalty.

SOURCE: JUST AUTO COULD OEMS 'LOCK IN' BRAND LOYALTY WITH SUBSCRIPTION SERVICES, OCTOBER 2022

Switching Between Stronger Industry The Tension Relationships Subsequent Owners Vehicles Millions of people OEMs want to maximize Regular software updates Subscription features **Customers** switching regularly pay to use their revenue, while offered allow the also make the car more between vehicles could have their subscribed services such as Netflix, enhancement of existing configurable for customers want to use Amazon Prime the hardware integrated subsequent owners, features move with features. and Spotify, as well as into their vehicles as long allowing them to specify them, with options These upgrades can subscribe to deliveries of features as they would activated according to as they can. strengthen the with a new car but groceries. The subscription model relationship between each driver's subscription This familiarity will needs to offer OEMs and owners. without the associated package. This is an smooth the transition for personalized and high purchase price of a opportunity for OEMs to manufacturers as they An added benefit for new vehicle. "lock in" customers to a dynamic driving look to recreate that personalized experience, owners customers buying used model within their might be open to. vehicles. subscription, vehicles. encouraging brand loyalty.

ALL THESE ELEMENTS STILL APPLY TO SUBSCRIPTION SERVICE



A Customer-Centric Approach



A Deeper Understanding of the Customer



A Personalized Customer Experience



An Ability to Make Connections and Develop Relationships



Innovation That Provides Value, Not Distraction



IN ADDITION, THERE ARE OPPORTUNITES TO ENHANCE SUBSCRIPTION SERVICE



Cross-selling and Upselling Opportunities

Cross selling requires:

- Personalized recommendations
- Experimenting with segmentation
- Making the adding of products easy

Upselling requires:

- Making your upgrades reasonable
- Communicating any cost savings
- Don't offer too many choices



Subscription Flexibility

By making your offerings as flexible as possible—throughout the entire subscription life cycle—you can encourage your customers to spend more with your business and increase trust in your brand.

- Product swaps
- Subscription management



Benefits for Loyal Subscribers

Incentivize your subscribers to spend more by offering benefits once a minimum order amount is met. Be sure to communicate these benefits as clearly as possible to entice customers to hit the minimum dollar

- Discounts beyond a usage threshold
- Gift cards or discounts for other products (insurance, etc.)
- Free trials or complimentary upgrades for a more premium subscription plan



Product Bundles

By strategically packaging together an assortment of items, often at a discount to the customer, you can incentivize subscribers to spend more in a single transaction while increasing customer satisfaction and brand loyalty.

Building brand loyalty through effective customer experience

THOUGHT STARTERS/IMPLICATIONS FOR CHEVROLET



NEXT STEPS FOR CHEVROLET

As data plays a key role in the building of the customer experience determine what the future state experience will be and what data is required to achieve that vision.

Continue to develop personas and customer journey that include nameplates but perhaps include trims to drive a personalized experience.

Test new innovations (AR, Metaverse etc) to drive not only engagement but build long term relationships with customers (owner content).

Consider developing a content strategy around educating potential EV prospects about the ease of electrification (feature based) that will increase the consideration of Chevrolet EV vehicle.



WHAT HAVE WE LEARNED...

ARE YOU LOYAL TO A SPECIFIC BRAND?

- CX means so many thing to so many brands and companies
- For Chevrolet:
 - Help drive loyalty revenue
 - Improve UX, digital space and product development
- Learn how to gain revenue from Super Cruise, Wallpapers, OnStar, etc.

Because it just works better than anything else I've used

Because they know how to pronounce my name

