

根据话题的洞见	INDUSTRY INSIGHTS
在中国汽车行业的客户关系管理	CRM IN CHINA'S AUTO SECTOR
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INTRODUCTION

CRM in China's auto sector is still in its early stages – and different organizations have implemented it in different ways. Successful CRM programs have clearly defined scope and objectives – this document discusses ... a comprehensive definition of Enterprise CRM, the unique requirements of CRM in China's automotive sector and key elements of a CRM service offering...

NOTE – this document is based on the author's 15+ years' experience managing CRM in numerous industry sectors. Some of the assumptions in this document may not be consistent with your company's organizational and business models in China, so some of the recommendations listed below will obviously need to be tailored to your unique situation.

ENTERPRISE CRM

CRM is the management of communication touch-points in an end-to-end consumer life cycle framework. By enhancing the consumer experience, CRM reduces customer acquisition costs, improves marketing spend ROI, shortens decision timeframes and increases total customer lifetime value.

“End-to-end” includes the 4 major stages of the customer journey – awareness, fact gathering, purchasing decision and ownership.

“Touch-points” refers to all interactions, including digital (e.g. web site, social media, etc.) and conventional (e.g. auto shows, dealer visits), as well as after-sale service and spare parts sales, etc.



Figure 1 - CRM Customer Life Cycle and Marketer Activities

Because CRM ensures a consistent experience across all touch-points, it is an enterprise initiative. In many organizations, CRM begins as a marketing function. Organizationally, it needs executive-level support and a highly collaborative relationship with all departments in an organization to successfully enhance the customer experience.

NOTE – CRM does not necessarily own each customer interaction – but it should be an influencer / supporter / integrator of all interactions.

NOTE – Because CRM and digital marketing share many of the same technologies, many organizations treat these two functions as one.

AUTO SECTOR AND CRM – KEY ISSUES

Because of the tri-party relationship between manufacturers, dealers and consumers, CRM in the auto sector has several unique issues:

Lead generation and prospect nurturing is jointly owned by OEM's and dealers. Therefore, prospect data sharing and transparency between OEM's and dealers is critical for effective prospect management. However, OEM's and dealerships may have conflicting agendas and constraints.

OEM's need to pro-actively qualify prospects, manage lead assignment, support test drives, and track and nurture prospects that have been assigned to dealers. **Analyzing dealer conversion rates** are critical to improving these functions.

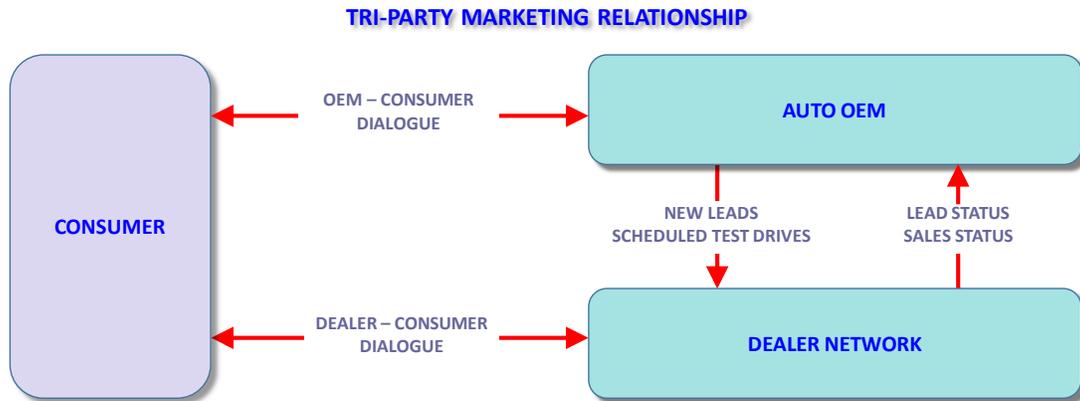


Figure 2 -Consumer-OEM-Dealer Relationship

Because of the relatively long sales cycle of autos (compared to FMCG), CRM and digital marketing interactions play an even more important role in the buying decision phase. Tracking both inbound and outbound customer interactions is a key function in this phase.

NAVIGATING THE CUSTOMER JOURNEY



Figure 3 – Consumer Interactions throughout the Customer Journey

Purchasing decisions for autos in China are increasingly influenced by digital factors, including corporate web sites, third-party social media and other digital content providers. In mature auto markets, 80% of consumers rely on digital content for their auto buying decisions.

More than any other major market, Chinese consumers rely on social media for “unbiased” information during the purchasing decision process. CRM / digital marketing needs to influence key opinion leaders (KOL’s), as well as directly provide credible content through various digital channels (branded web sites, mobile, social media, call centers, etc.).

The after-sales service and parts market in China is expected to grow significantly faster (20%) than new car sales (6%) through 2020. After-sales profit margins are likewise higher. CRM needs to act as a business driver for after-sales financing, service and parts, as well as tracking and responding to customer satisfaction issues (e.g. quality, maintenance and repair).

Supporting and engaging the consumer during the ownership phase can have a material impact on repeat purchase decisions and recommendations to colleagues and family members. Chinese consumers are increasingly sophisticated – loyalty programs have to be genuine and offer real value – superficial or “gimmicky” loyalty programs are not effective in building deep relationships with consumers.

Understanding customer ownership and purchasing cycles through predictive analytics will enable OEM’s to engage customers appropriately towards the end of the ownership cycle and influence repeat purchasing decisions.

CRITICAL SUCCESS FACTORS FOR CRM IN CHINA

Executive Sponsorship – as noted above, CRM is an enterprise function. Executive sponsorship is the key to cross-functional buy-in and collaboration to support consumer end-to-end life cycle CRM functions.

Digital Campaign Creative / Innovation Skills – CRM teams must be capable of translating brand requirements into innovative digital campaigns, with creative campaign concepts, visually appealing interactive designs and innovative use of new technologies. Small CRM teams rely on agency partners to provide creative input – choosing the right portfolio of partners is necessary in a rapidly growing market such as China.

Digital Platform – it is not necessary to implement the most expensive CRM / digital marketing platform, but the platform should be scalable and extensible for your company’s future needs. Note that the 5-year total cost of ownership to maintain and

enhance poorly designed CRM platforms can be prohibitively expensive in terms of direct costs and impact on digital campaign ROI.

Data Quality – accurate and complete consumer demographic, interaction and purchasing data is the foundation of CRM. Quality data ensures that consumers are contacted with messages and offers that are consistent with purchasing and ownership cycles. Consumer Data cannot be legally purchased (without consent) in China. Therefore, legal data acquisition is a critical success factor for CRM.

Data Analytics – the ability to provide insights regarding market segments, responses to branding campaigns, dealer conversion rates, loyalty campaigns and service / quality issues is a key contribution of CRM. Even more important is a holistic view of individual consumers and collective market segments across all of these functions.

SCOPE OF SERVICES

We take an integrated approach to provide customers with a comprehensive solution that will sustain the auto manufacturer's relationship with consumers over the entire customer journey.

Infrastructure – these are project-based enhancements to an organization's strategy, processes, systems and data. They are not part of day-to-day operations.

Data Management – CRM is all about knowing prospects and customers and their interactions and experiences with the organization. Ongoing data management includes legal data acquisition, data quality, access and visibility and data analysis.

Operations – depending on the organization structure and culture, these operations can include support for conventional marketing programs, offline and online events, prospect management and loyalty programs. This document assumes CRM directly supports digital functions and indirectly supports conventional functions.

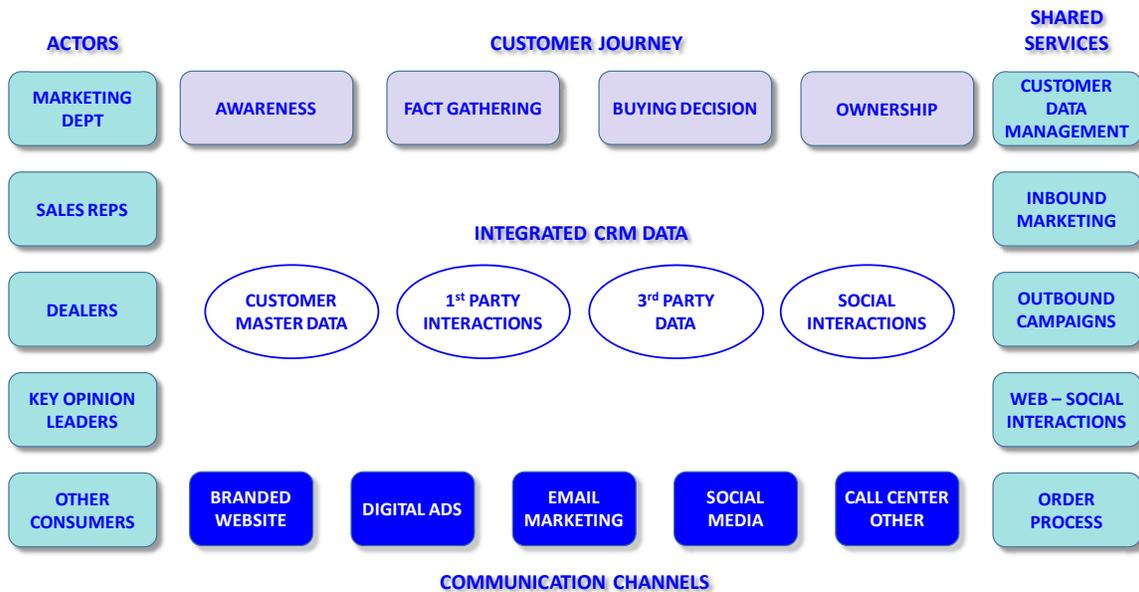


Figure 4 -Omni-channel CRM Architecture

CONCLUSION

Several important factors differentiate the CRM in China from similar programs in the US – translating international branding into meaningful campaigns that appeal to Chinese consumers, identifying agency partners who can deliver innovative and creative campaigns and implementing an end-to-end CRM system that captures and measures touch points at every stage of the customer journey.

ABOUT EASTERN WIND

Eastern Wind is a digital consultancy based in Shanghai, PRC, providing local Chinese and multi-national companies with digital strategy, program management, CRM and digital marketing systems design and integration services in the financial, auto, pharmaceutical, medical devices, luxury goods and FMCG sectors.