Joining the race

Automotive's drive to catch up
with customer experience

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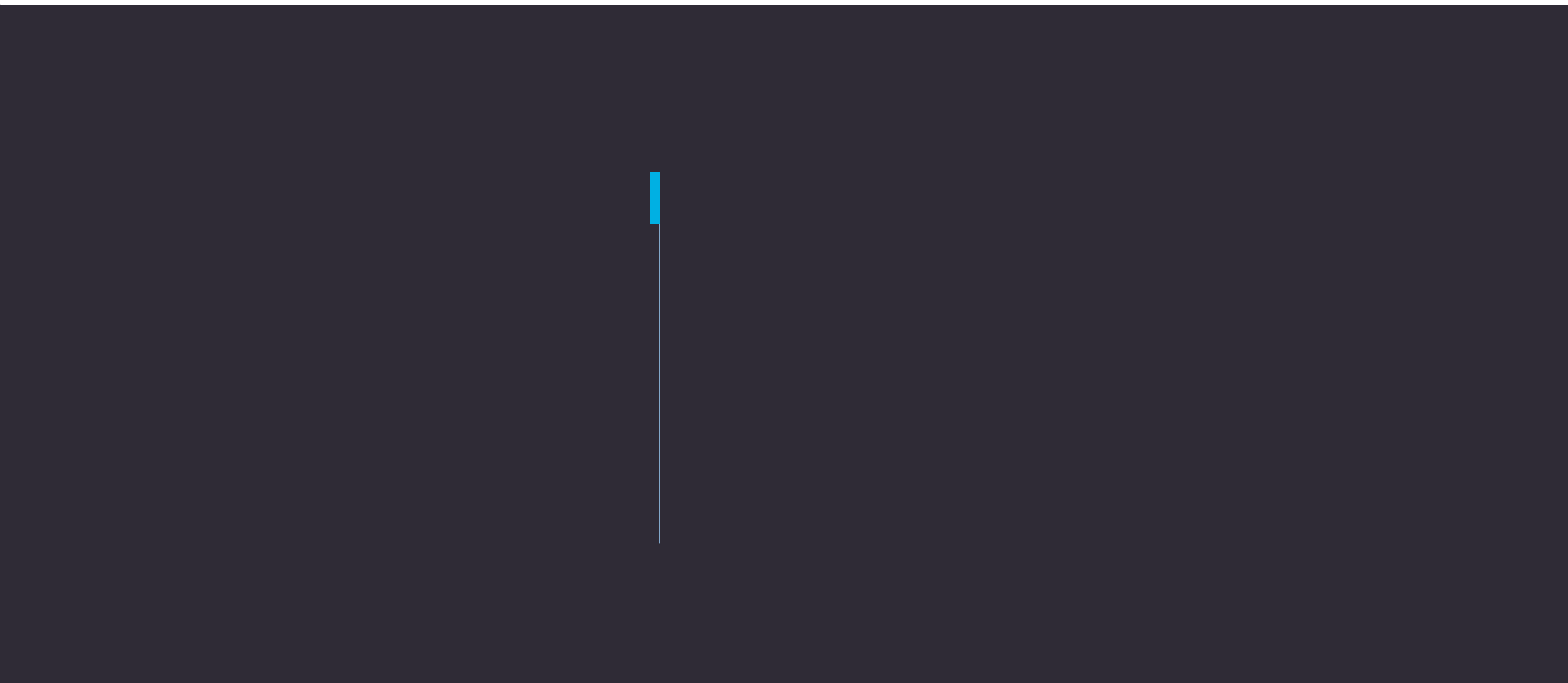
Executive summary

Compared with other industries, automotive offers a substandard customer experience (CX):

- Auto manufacturers are ranked 9th and dealers 11th for CX among 13 major consumer industries.

  - Mobility-as-a-service (MaaS) is ranked 4th, indicating greater satisfaction with the overall experience of using vehicles compared to owning them.

  - High standards set by other industries are raising consumer expectations. Consumers are most satisfied with the experiences provided by online (52%) and physical (58%) retailers.

- Customers give automotive brands an average Net Promoter Score® (NPS®)[1] of 2, while executives estimate this at 14.

- This is significantly lower than other consumer-facing industries, such as retail (61) and e-commerce (62), highlighting ongoing challenges in delivering top-tier CX.

- Vehicle/mobility services users (who don't own their vehicles) are generally more satisfied with the overall experience than are vehicle owners.

Ranked
9th

Auto manufacturers are ranked 9th for CX among 13 major consumer industries

Note: Net Promoter®, NPS®, NPS Prism®, Net Promoter System®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld.

Executive summary

The hassle-free experience that consumers seek is still out of reach:

- Consumers demand an experience that's hassle-free, digitalized, and sustainable.

- 48% of consumers are likely to subscribe to a vehicle or mobility service. However, the industry believes this share to be 33%.

- There are sizeable gaps between consumer preferences and perceptions of automotive executives. For instance, 48% of consumers consider brand reputation as a key factor in vehicle buying decision. However, 73% of executives believe this to be the top factor.

- As a result, a large majority of consumers are unhappy with the experiences offered by their vehicle brands or mobility providers.

  - About three in four consumers are unhappy with bundled services offered by their brands, while nearly as many report inconsistent experience across channels (app, website, in-person, from pre-purchase to aftersales), and half cite lack of ease of use.

Executive summary

Organizations face significant challenges in bridging the gap between CX expectations and reality:

- C-level commitment to CX lacks depth and cohesion, leading to disjointed strategies and customer dissatisfaction.

  - Only 18% of organizations have a coherent and comprehensive CX strategy.

  - Less than one-third of respondents consider CX to be an organization-wide strategic priority.

  - In about 41% of organizations, CX is limited to a few functional areas, such as sales and marketing.

  - The majority still fail to collaborate cross-functionally.

- CX initiatives are disproportionately focused on the pre-purchase and purchase phases.

  - There is a drop in the percentage of organizations with active CX initiatives after the purchase stage. This decline affects post-purchase customer satisfaction.

  - Moreover, most organizations have yet to harness the full CX potential of AI.

Automotive brands stand to lose customers if they fail to elevate CX:

- Among those considering a vehicle purchase in the next 12 months, 52% express uncertainty or dissatisfaction with their brand.

- 57% of consumers who are dissatisfied with their post-purchase service plan to switch brands within 6-18 months.

- Our analysis suggests that by enhancing CX, automotive brands and dealers gain on average $20 million to $70 million annually (assuming 500,000 vehicles sold in a year).

- Additionally, if dissatisfied customers decide to switch their vehicle brands, it could lead to a loss of $125 million on average per year for a mid-size automotive brand or dealer.

  - In total, a mid-size automotive brand or dealer risks losing $145 million to $200 million annually.

Recommendations: How industry leaders can elevate automotive CX:

- We found a small cohort of automotive and mobility players with advanced maturity levels of CX strategy and implementation.

- CX leaders in the automotive industry and beyond follow the practices below:

  - Devise enhanced experiences for the consumer's entire journey from pre-purchase to repurchase

  - Develop comprehensive mobility services that simplify vehicle ownership and usage

  - Use consumer data to improve customer understanding and deepen connections

  - Curate a brand ecosystem that connects with consumers beyond just the vehicle

  - Use community, exclusivity, and relevant rewards to drive loyalty programs

  - Deliver state-of-the-art digital experiences

  - Harness AI for personalized and seamless CX.

Who should read this report and why?

This report is designed for C-suite executives, strategic leaders, and senior managers within the automotive industry, including those in OEMs, fleet management companies, dealers, aftersales services, and MaaS providers. It will also benefit leaders in technology and innovation roles, CX and satisfaction managers, and sales and marketing professionals across automotive and related industries who have responsibility and/or accountability for CX initiatives.

The report offers an in-depth analysis of evolving CX in the automotive industry, driven by the shift from traditional vehicle ownership to modern mobility models such as ride-sharing, micromobility, and subscription services. It provides critical insights into current consumer expectations of seamless mobility, and highlights strategic opportunities to enhance CX.

This report is based on:

- A global survey of **10,000 automotive users and customers** from 11 major countries across Americas, Europe, and Asia-Pacific.

- **Findings from a comprehensive, global survey of 600 senior executives** from diverse segments of the automotive industry, including OEMs, fleet service companies, dealers, aftersales companies, and MaaS providers.

- **In-depth interviews with industry leaders** to gather qualitative insights and perspectives.

All surveyed organizations are significant players in their segments, with surveyed passenger-car OEMs and dealers each with annual revenue exceeding $1 billion, while other participants have revenue over $300 million. The global survey was conducted in August 2024.

For more details on the survey, please refer to the research methodology section at the end of the report.

What is automotive customer experience?

CX in the automotive industry is the sum of all interactions that a consumer or a user has with vehicles, brands, dealers, and mobility companies over time.

Each interaction or individual moment is an opportunity to create competitive advantage, contributing to a superior experience throughout the customer lifecycle (visualized below).

Scope of the study and usage of various terms:

In the context of the report, the term "automotive industry" refers to automotive manufacturers (two- or three-wheelers, cars, trucks, and buses) and dealerships. "Mobility" or "MaaS" provider refers to taxi, ride-hailing, ride-sharing, car rentals and leasing providers, and fleet operators, regardless of their ownership as independent companies or subsidiaries of automotive brands/OEMs.

The report uses the term "customer" in the context of industry-standard terms of "customer experience" or "customer satisfaction" or "customer loyalty," and interchangeably with "consumer." The term "user" generally refers to someone using products (i.e., vehicles, in the context of this report) but not owning them.

Figure 1.
Customer experience framework
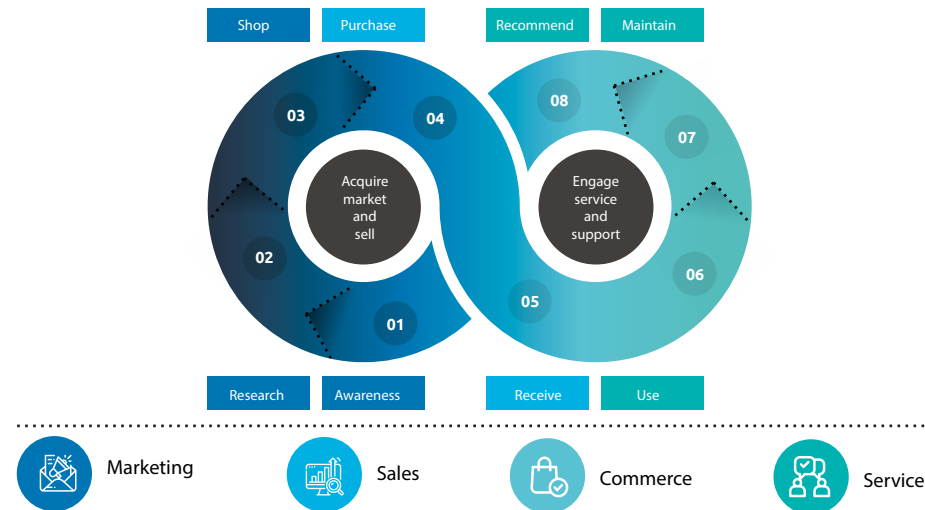
Source: Capgemini

01 | Compared with other industries, automotive offers a substandard CX

Automotive CX is below par

In today's competitive landscape, customer expectations are shaped by exceptional service standards across various industries. Automotive CX frequently falls short of this benchmark.

Morgan Lecoupeur, director, sales and marketing at Stellantis, says: *"If we compare auto brands to companies like Apple, it's evident that there is much to learn. Apple provides a seamless and intuitive omnichannel experience, from the first interaction online to aftersales. The automotive industry has a massive opportunity to integrate digital touchpoints more effectively, to offer customers a connected and satisfying experience across all interactions."*

Our survey reveals that automotive players rank poorly for CX, with manufacturers 9th and dealers 11th among 13 major consumer industries (see Figure 2).
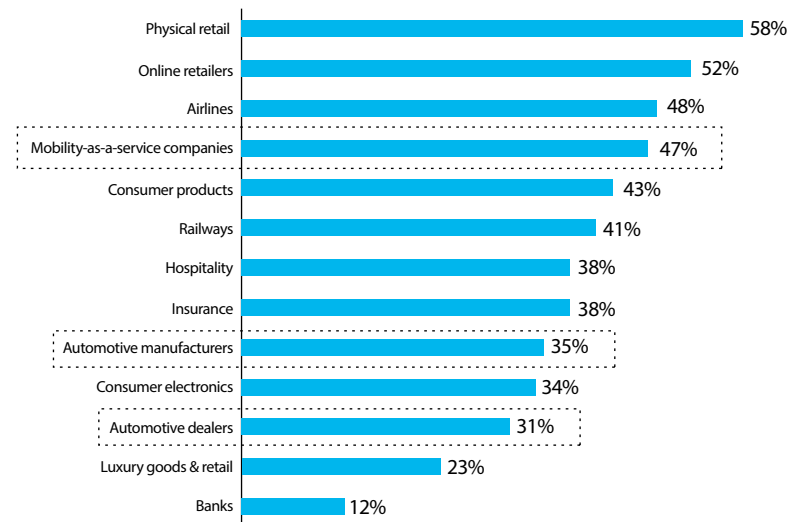
According to Forbes's list of organizations with outstanding CX in 2024, only 10 automotive and mobility brands appear in the top 300. This low representation highlights a significant gap between automotive organizations and industry leaders.[2]

Figure 2.

Automotive manufacturers rank 9th out of 13 major consumer-facing industries

Question asked: Based on your experience, which of the following have offered you the best overall experience from before the purchase/use phase through customer service and aftersales?

Industries ranked on overall experience, from pre-purchase to aftersales

Industry	%
Physical retail	58%
Online retailers	52%
Airlines	48%
Mobility-as-a-service companies	47%
Consumer products	43%
Railways	41%
Hospitality	38%
Insurance	38%
Automotive manufacturers	35%
Consumer electronics	34%
Automotive dealers	31%
Luxury goods & retail	23%
Banks	12%

*Percentage represents share of consumers who ranked that industry in the top five for overall experience
Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

Customers often use non-automotive benchmarks to set their expectations for service quality, drawing from the seamless experiences offered by streaming services such as Netflix; efficient online checkouts on platforms such as Shopify; personalized service at upscale restaurants; and user-friendly fitness apps. Consumers report high satisfaction with physical retail (58%) and online retail (52%), which occupy the top two positions. The retail industry has set itself apart by successfully implementing innovative tools and strategies, including personalized product recommendations, seamless integration of physical and digital shopping, and real-time customer support.

In the US, Target has developed an app that includes a store navigation tool that uses indoor mapping technology, helping customers quickly locate specific items. This streamlines and personalizes the shopping process, boosting efficiency and engagement.[3] Walmart has also advanced online retail by developing voice and text shopping capabilities, allowing customers to add items to their carts and schedule deliveries using smart devices.[4]

Eric Boutin, head of customer experience at Skoda, says: *"We as an automotive industry need to continue to observe and learn from best in-class CX examples from other brands and industries about online or digital experience, exclusive clubs, loyalty rewards, omnichannel engagement. These hold tremendous potential to delight our customers too."*

Tesla mirrors retailers such as Amazon and Walmart by streamlining CX. By selling directly to customers, Tesla eliminates the complexities of traditional dealerships, offering a seamless, transparent process for configuring and ordering vehicles online or in showrooms. Additionally, Tesla uses customer data to personalize the sales experience with tailored recommendations based on browsing history and previous interactions.[5] This data-driven approach enhances the buying experience and boosts customer satisfaction, as Tesla's remarkably high NPS® of 97 reflects.[6]

Speaking about the integration of online and offline experiences, Christian Porseby, head of communications and digital, BMW, says: *"We recognize that CX isn't one-size-fits-all, especially in diverse markets. We're working to create a more unified and standardized approach, while still allowing for the necessary local adaptations that make the experience relevant and personalized to each market."*

Hilary Owen, director of customer success at Penske Automotive, says, *"We've made huge strides in digitalizing the car buying process. Customers can now complete their credit applications and choose their vehicles online, which means when they come to the dealership, it's just about test driving and finalizing the deal. It's a seamless blend of online and in-person experience, which caters to those who want convenience and those who prefer the traditional way."*

34%

of consumers believe their vehicle brand or mobility provider CX offering is among the best in the industry

"We recognize that CX isn't one-size-fits-all, especially in diverse markets. We're working to create a more unified and standardized approach, while still allowing for the necessary local adaptations that make the experience relevant and personalized to each market."

Christian Porseby
Head of communications and digital at BMW

Mobility services provide significantly better customer experience than automotive brands or dealers

Customers rank mobility services 4th, outdoing traditional sectors such as banking, luxury goods (23%), and automotive dealers. This reflects a shift in consumer preferences toward convenience and efficiency. This ranking from customers is irrespective of the ownership of mobility-as-a-service provider. It bodes well for services business of automotive OEMs as well since a number of large automotive OEMs/ brands themselves provide mobility-as-a-service or have a stake in MaaS providers.

Companies such as Uber and Lyft prioritize user-friendly apps that streamline booking, payment, and real-time tracking. Additionally, mobility providers eliminate the need for car ownership by offering on-demand services, allowing users to select the mode of transport best suited to their specific needs. Subscription models offer even more flexibility, enabling users to access a variety of vehicles without long-term commitment. Coupled with transparent pricing structures, these services present a compelling alternative to the often-complex pricing of traditional car dealerships.

Tapan Sahoo, chairman of digital transformation & innovation group at SIAM (Society of Indian Automobile Manufacturers), *"There is shift in the customer preference today, where-in younger generations are embracing a lifestyle that values community & sustainability and pivoting towards shared mobility. Mobility options have brought unparalleled convenience and freedom to consumers. To meet their needs, many companies are offering flexible mobility solutions where customers can subscribe and access a vehicle without ownership, and smart parking options to tackle growing urban challenges of parking. Additionally, smart financial schemes enables customers to make informed decisions about vehicle financing even before stepping into a dealership."*

Around 65% of consumers are open to end-to-end mobility services. Budget is a major concern, with 80% of consumers hesitant to incur high costs associated with personal vehicle ownership. Real-time vehicle access is also important for 68% of respondents, underscoring the demand for responsive services. Furthermore, 66% prioritize on-demand options.
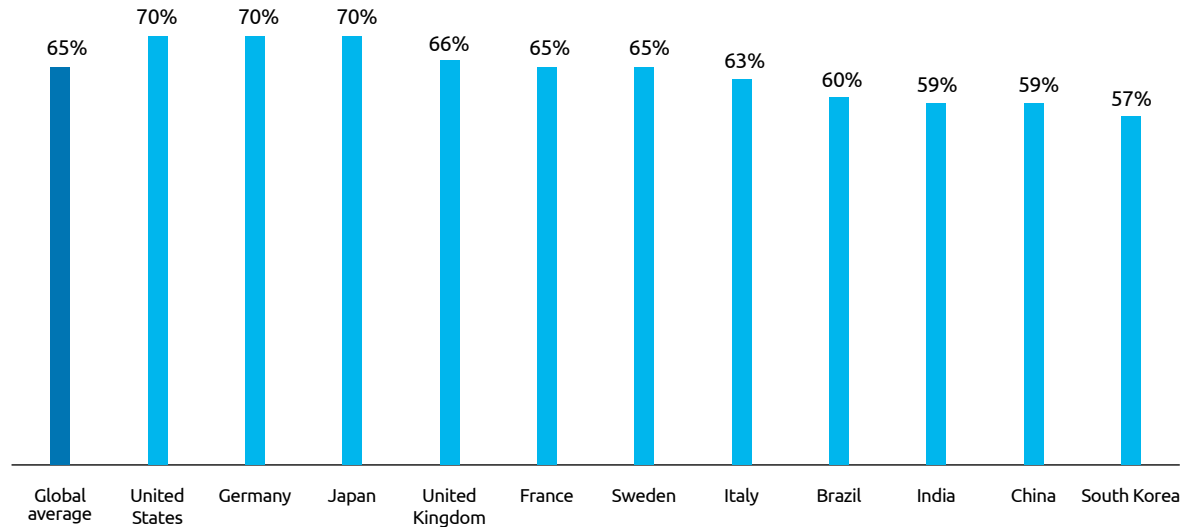
65%

of consumers are inclined to choose comprehensive mobility services over vehicle ownership

Figure 3.

Almost two-thirds of consumers are inclined to choose comprehensive mobility services over vehicle ownership

Share of consumers likely to consider mobility services over vehicle ownership

Global average	United States	Germany	Japan	United Kingdom	France	Sweden	Italy	Brazil	India	China	South Korea
65%	70%	70%	70%	66%	65%	65%	63%	60%	59%	59%	57%

Source: Capgemini Research Institute, customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

"We've made huge strides in digitalizing the car buying process. Customers can now complete their credit applications and choose their vehicles online, which means when they come to the dealership, it's just about test driving and finalizing the deal. It's a seamless blend of online and in-person experience, which caters to those who want convenience and those who prefer the traditional way."

Hilary Owen
Director of customer success at Penske Automotive

In Europe,

- Only 47% of boomers living in large urban centers tend to opt for end-to-end mobility services
  - Typically, they travel 14km on weekends to visit friends or for leisure activities
  - Only 20% use personal vehicles, while over half (54%) prefer public transport, and about 16% opt for ride hailing
- In contrast, 65% of Gen Z individuals in urban areas and 68% in suburban settings are inclined towards these services
  - This trend may be attributed to the younger generation's greater propensity for adopting new solutions and altering their habits.

In America, nearly three-quarters (73%) of Gen Z consumers express interest in such services.

In the Asia-Pacific region,

- 67% of millennials earning less than $35K and residing in suburban areas favor mobility services
- Just 55% of Gen X individuals with incomes between $35,000 and $100,000 living in urban locales prefer these services.

Senior leader at a global car rental company, says: *"A big part of our approach is understanding customer needs in real time. For instance, if someone rents a car for a short trip, we will recommend an EV, but if they're driving longer distances in a shorter time frame, we'd suggest a conventional vehicle for more convenient and efficient travel. This will obviously change over time following the further technical development of (e.g.) battery size, consumption and availability of charging infrastructure for EVs. Ultimately it's about knowing when and how to offer the right product based on the customer's specific use case."*

Uber addresses key customer concerns through several features in its app. Firstly, The Split Fare option simplifies group travel by allowing users to share ride costs with up to three people. Secondly, Scheduled Rides lets users book rides up to 30 days in advance, allowing rescheduling or cancellation up to 15 minutes before the ride. They have also launched a multiple-stop feature, making it easier to pick up friends or modify travel plans on the go. These features enhance convenience, flexibility, and cost-sharing, making Uber a viable alternative to personal vehicle ownership.[7]

48%

of consumers are likely to subscribe to a vehicle or mobility service

The automotive industry receives low NPS®

The NPS® rating for vehicle brands lays bare the low level of automotive customer experience. Consumers report an average NPS® of 2, indicating a very low level of satisfaction, while the executives overall estimate the NPS® for their organizations to be 14 – not too far off from consumer judgement.

Figure 4.

Automotive NPS® ratings are among the lowest across sectors, and the industry agrees

Question asked: Based on your experience, which of the following have offered you the best overall experience from before the purchase/use phase through customer service and aftersales? Rank the top five.

Consumer   Executives

2   14

-100   +100

Net Promoter Score®

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers, executive survey, August 2024, N = 602 organizations.
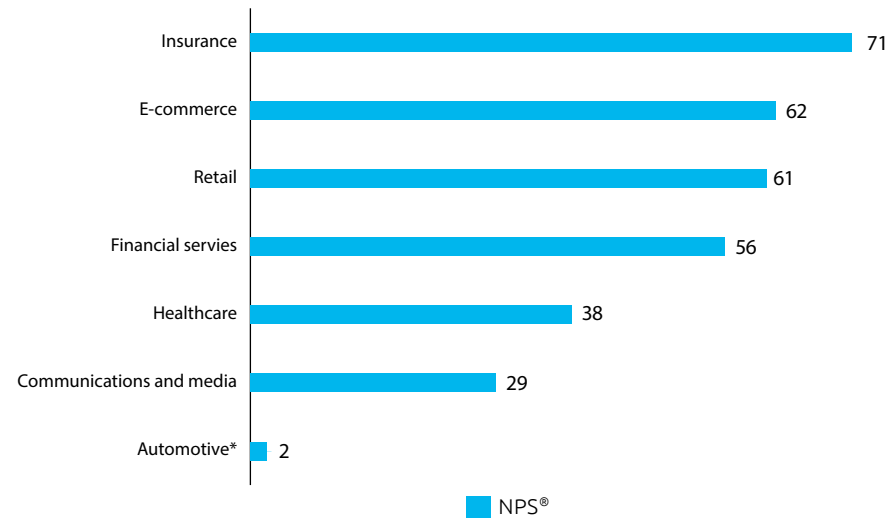
The automotive industry typically has a lower NPS® compared with other consumer-facing industries,[8] reflecting ongoing challenges in providing best–in-class CX.

Highlighting the importance of NPS® in enhancing CX, Senior executive at a leading global consumer electronics company, says: *"Our digital transformation is all about creating user-friendly, data-driven experiences. Whether a customer is shopping online for a home appliance or a TV, we focus on making sure they have all the information they need: accurate, easy-to-find product details, smooth navigation, and transparent pricing. And it doesn't stop there. We send out regular surveys and monitor our NPS® weekly, so we can quickly identify and resolve pain points."*

Figure 5.

Compared with other consumer-facing industries, the automotive industry has a lower NPS®

2023 NPS benchmark

Industry	NPS®
Insurance	71
E-commerce	62
Retail	61
Financial servies	56
Healthcare	38
Communications and media	29
Automotive*	2

Source: QuestionPro, "30+ NPS benchmarks for leading industries in 2024," accessed September 2024.
*Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

Users are generally more satisfied with the overall experience than are vehicle owners

The NPS® data presented in the graph above highlights a significant variation in customer satisfaction across countries and between vehicle owners and users. Notably, developed countries such as Japan, the US and Sweden show higher NPS® scores among vehicle owners whereas emerging markets such as Brazil, India, China and South Korea display negative NPS® for both users and owners, highlighting underlying challenges.

In countries such as Germany and France, the NPS® among vehicle owners is moderate, pointing to a shifting mindset. While these users still value vehicle ownership, there is an increasing openness to MaaS options. The average car subscription customer is around 37 years old. This demographic is drawn to the convenience and flexibility of subscription models.

Florian Ritter Von Klier, executive director, global cooperations/partnerships and special sales at SIXT, says: *"Unlike traditional automotive models, we prioritize flexibility and personalization. Whether a customer needs a vehicle for a few hours or a few months, we can tailor our offering to their specific requirements. This adaptability is a significant advancement in CX, offering a level of service that goes beyond standard ownership or leasing models."*

As the automotive industry rapidly evolves, car subscription schemes are thriving by digitizing CX and bundling services to create profitable cash flows. Analysts predict that, by 2025, 20–30% of new cars will be sold through subscription models. Brands such as Care by Volvo are already seeing significant results, with car subscriptions accounting for 15% of overall registrations in several European markets.[9] Service providers must consider these regional preferences.

Overall, users tend to report higher NPS® scores compared with vehicle owners in almost all countries. It is noteworthy that consumers in our survey ranked MaaS 4th for CX, above car dealers, reflecting a preference for convenience, real-time information, and personalized interactions. Specifically, 9% of consumers surveyed globally use multimodal transportation solutions.

Matteo De Renzi, CEO, Gett, says: *"We use automation and data analytics to anticipate our users' needs and proactively offer solutions. For example, if we predict heavy traffic or adverse weather conditions, we reach out to our regular users, suggesting that they pre-book a ride."*
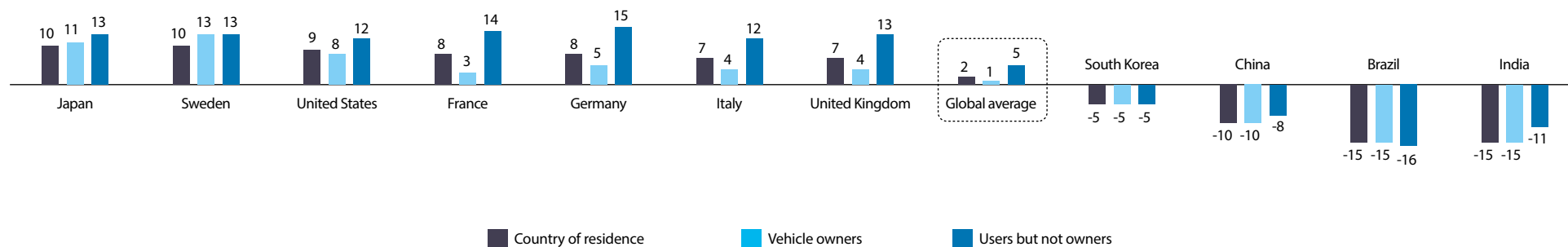
The consumer survey indicates that around 64% of US consumers own a car, compared with around 58% of European consumers. There is a cultural shift underway among European consumers from vehicle ownership to on-demand access to transportation. According to a recently published report, Europe is estimated to account for one-third of the global MaaS market.[10]

2

Global average Net Promoter Score® (NPS®) of the automotive industry, as reported by consumers

Figure 6.

NPS® from vehicle users (who don't own the vehicles they use) exceeds those of vehicle owners

NPS® by country of residence and status of ownership

	Country of residence	Vehicle owners	Users but not owners
Japan	10	11	13
Sweden	10	13	13
United States	9	8	12
France	8	3	14
Germany	8	5	15
Italy	7	4	12
United Kingdom	7	4	13
Global average	2	1	5
South Korea	-5	-5	-5
China	-10	-10	-8
Brazil	-15	-15	-16
India	-15	-15	-11

■ Country of residence   ■ Vehicle owners   ■ Users but not owners

*NPS® by country of residence includes all vehicle owners (both users and non-users) and users who do not own vehicles
Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

Discussion with

Eric Boutin

Head of customer experience,
Škoda

How have user expectations evolved in recent years, and what challenges does Škoda face in meeting these expectations?

User expectations have evolved significantly, with a notable shift towards online purchasing and a more elaborate in-car experience. However, we have observed that the transition to online vehicle purchases has been slower than expected, particularly in Europe. While there is a strong online purchasing trend in China and North America, Europe still relies heavily on traditional retail environments. Early adopters of electric vehicles have high expectations of vehicle performance and overall performance, which is creating new challenges. We are working on addressing range anxiety and improving over-the-air (OTA) experience in order to improve customer satisfaction.

What is Škoda doing to align its product portfolio and services with the growing demand for sustainable and eco-friendly mobility solutions?

We are committed to aligning our entire product portfolio with sustainable practices. This includes expanding our range of electric and plug-in hybrid models to give customers more eco-friendly choices while at the same time offering modern and highly efficient ICE. We are also working on reducing the carbon footprint of our production processes and incorporating more sustainable materials into our vehicles. Beyond the vehicles themselves, we aim to integrate sustainable technologies and practices across our retail network via our GreenRetail initiatives and are committed to reducing environmental footprint in every aspect of our operations. By taking a holistic approach, we aim to not only meet but exceed customer expectations for sustainable mobility.

What are the key initiatives Škoda is currently driving to enhance customer experience?

Currently, we are focusing on several major initiatives to improve customer experience. One of the biggest initiatives is retail network rollout of the corporate identity and design by 2026. This gives us two years to integrate the new corporate and brand identity into our retail network. Additionally, we are working on enhancing our online touchpoints and ensuring a consistent in-car experience and digital experience by harmonizing customer user experience.

02 | The hassle-free experience that consumers seek is still out of reach

Consumers seek seamless digital experiences and advanced features in vehicles

Customers are more likely to choose a vehicle that offers seamless functionality across apps, dashboard screens, battery charging, and insurance claims, with 77% preferring such brands. Additionally, nearly three in five (59%) are drawn to brands that deliver a best-in-class digital experience and 51% favor companies whose products and services they perceive as sustainable, reflecting a growing preference for eco-friendly options.
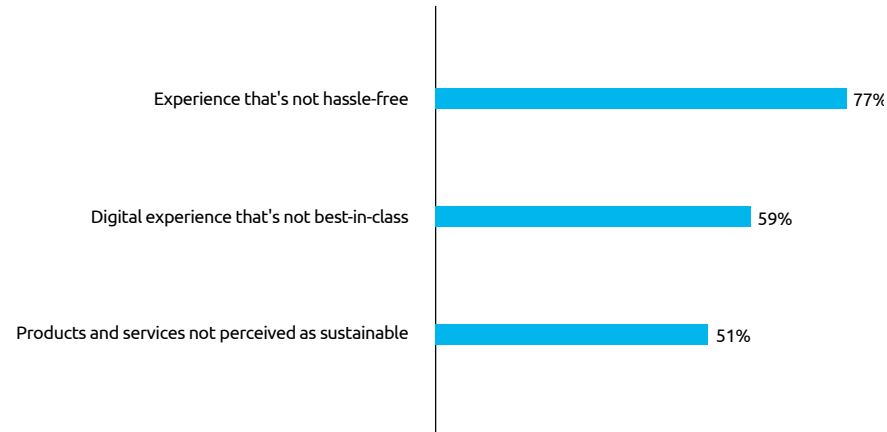
George Ettiyil, senior director, sales, South Asia at Lufthansa Group, emphasizes the growing importance of sustainability: *"Increasingly, sustainability is shaping consumer perceptions and preferences, particularly in Europe. Our introduction of sustainable aviation fuel options has seen a positive uptake, with passengers willing to pay a premium to reduce their environmental impact. This shift underscores the importance of authentic, science-based sustainability initiatives in building trust and loyalty."*

Figure 7.

Major factors leading customers to avoid purchasing vehicles from a brand

Question asked: Rate the following statements on a scale of 1 to 7, where 1 = "strongly disagree" and 7 = "strongly agree."

Top factors that repel customers

Factor	Percentage
Experience that's not hassle-free	77%
Digital experience that's not best-in-class	59%
Products and services not perceived as sustainable	51%

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

Customers desire a simple, seamless experience, for instance when dealing with vehicle issues. If a problem arises, they appreciate clear communication and access to service appointments. This approach not only saves time but also reduces the complexity often associated with scheduling repairs and ensuring parts availability.

For instance, BMW's Proactive Care service uses data and AI to automatically detect the vehicle's current and future servicing requirements, proactively reach out to customers, and personalize communication through channels such as the My BMW app, in-car notifications, email, or phone. Additionally, it provides self-help tips, adaptable support, and recommendations for dealers, while integrating with BMW's global network to offer features such as instructional videos, online payments, and automated appointment scheduling.[11]

Similarly, Audi is integrating ChatGPT via Microsoft Azure OpenAI Service in its infotainment system to enhance its vehicles' voice-control capabilities. Around 2 million owners of Audi models manufactured since 2021 and equipped with the third-generation modular infotainment system (MIB 3) can interact with their car via natural language while driving. [12]

Consumer interest is shifting from vehicle ownership to subscription-based services, however the industry underestimates it

Nearly half of consumers (48%) are likely to subscribe to a mobility service or product, such as a car or bike, rather than purchasing it. However, automotive OEMs and dealers believe this segment of consumers to be only 33%. The primary reasons for this preference include convenience and affordability. Consumers find subscription-based services appealing due to the flexibility they offer; allowing

for easier upgrades and changes without the financial burden and commitment of a high purchase price and switching costs. Additionally, these services are perceived as hassle-free since they eliminate the need for vehicle maintenance and servicing.

In Europe,

- 66% of boomers in urban areas prefer subscribing to a mobility solution rather than purchasing one.

- However, only about half of Gen Z, millennial, and Gen X individuals show the same preference for subscriptions over ownership.

In America,

- 57% of urban Gen X with incomes between $35,000 to $100,000 prefer subscriptions,

- But only 28% of suburban Gen X with incomes over $100,000 share this preference.

- Approximately 45% of boomers and 50% of Gen Z in the US, regardless of living area or income levels, prefer subscriptions.

Nearly two in three consumers (63%) are likely to try a vehicle subscription with a short trial period (e.g., 1–2 weeks) instead of committing to a longer subscription (e.g., 6–12 months). If guaranteed vehicle availability, particularly during peak hours, along with comprehensive support and maintenance services are provided, consumers are more willing to commit to longer subscription terms. This clearly demonstrates that consumers desire a smooth, hassle-free mobility experience, regardless of whether they choose ownership or subscription-based services.

Benjamin Steinmetz, product experience director Europe at NIO,*"There's a growing demand for cars that can be upgraded over time, similar to how smartphones receive updates. Consumers, particularly those under 40, are looking for vehicles that can evolve with them. They prioritize knowing what new features can be added post-purchase, making this adaptability a key factor in their decisions."*

Figure 8.

Consumers seek convenience and affordability when opting for subscription-based services

Question asked: What are the key reasons behind your strong preference to subscribe to a transportation service or product (e.g., a car or a bike) rather than purchase it?

Key reasons behind the growing interest in subscription-based services
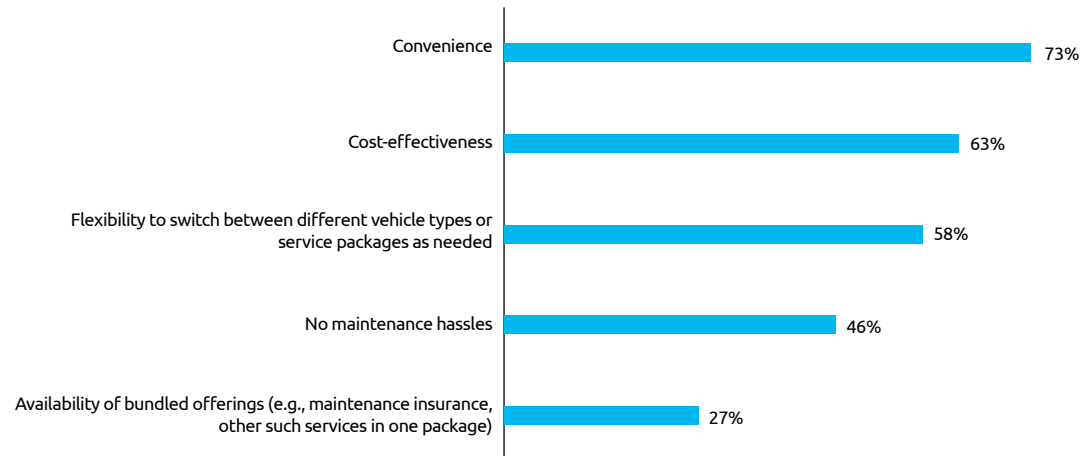
Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers, N=4,792 consumers who are likely to subscribe to a mobility solution rather than purchasing it.

There are sizeable gaps between consumer preferences and perceptions of automotive executives

As Figure 9 shows, while 73% of organizations prioritize brand reputation, only 48% of consumers do. This notable discrepancy suggests that, although companies emphasize reputation, consumers place greater importance on factors such as value and performance.

Similarly, 51% of organizations acknowledge the importance of ease of use and accessibility, but a striking 76% of consumers view these as a top priority. This gap highlights a critical area for organizations to better align with consumer expectations.

Uber has made significant strides in this area, with customers reporting positive experiences of its app's accessibility features, such as voiceover support, larger buttons, and streamlined navigation. These enhancements enable users with disabilities to book rides and communicate their needs more easily.[13]

Consumer preference of after-sales support, service quality, and vehicle performance shows a nearly 12–13% perception gap. For example, Tesla has faced considerable quality-control issues. Many owners have reported defects such as panel gaps, subpar interior quality, and even glass roofs detaching. These concerns have become so prevalent that some buyers now use aftermarket checklists to inspect their new cars upon delivery. Despite the premium prices of models like the Cybertruck, customers are often dissatisfied.[14]

Lastly, emotional connection emerges as a critical area, with only 24% of organizations prioritizing it, compared with 41% of consumers who value this aspect highly. BMW's "Ultimate Driving Machine" campaign underscores the brand's commitment to enhancing the emotional experience of driving. Since the campaign's launch, BMW has seen consistent growth in both sales and market share. In 2023, the organization achieved a record delivery of 2.4 million vehicles globally, demonstrating the lasting impact of a compelling brand message.[15]

Traditional automakers have been slow to adopt CX-enhancing digital solutions, especially post-purchase offerings including maintenance, software updates, and personalized services. Tesla, for example, had already implemented over-the-air (OTA) updates as early as 2012, improving performance and minimizing the need for dealer visits, and showcasing a different level of commitment to customer satisfaction.

In contrast, traditional automakers such as Ford only began equipping most redesigned vehicles in the US with advanced OTA technology in 2020. Overall, this trend underscores how traditional brands have struggled to embrace digital tools that elevate CX, particularly after the initial purchase.

As a result, only one in three customers (34 percent) believe their vehicle brand or mobility provider CX offering is among the best in the industry.
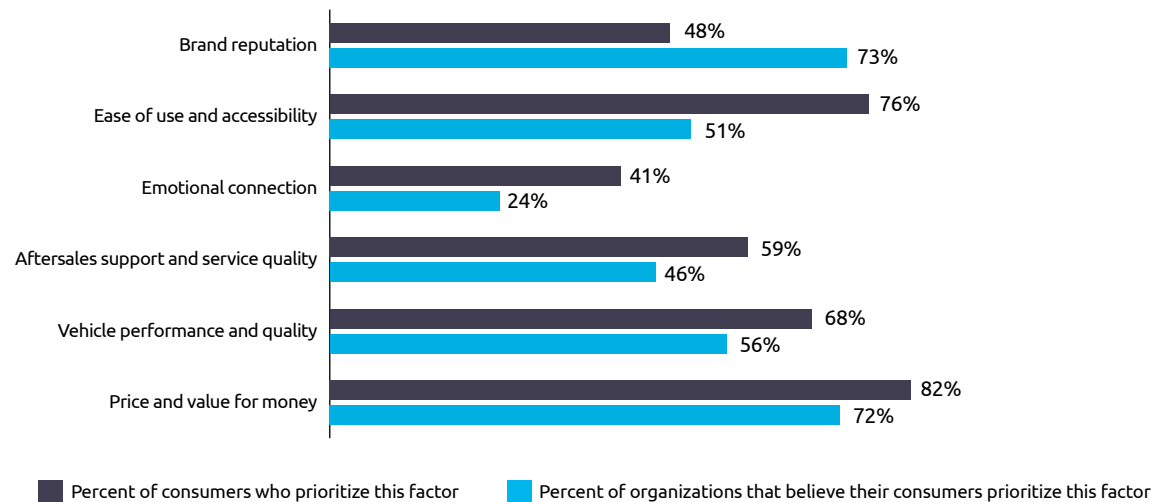
Figure 9.

The biggest gaps between customer preferences and industry perception exist in brand reputation, ease of use and access, and emotional connection with the brand

Questions asked:

Consumer survey: Which five areas do you believe are most important to you and influence your decision to opt for or stay with a vehicle brand or mobility/transportation service?

Executive survey: Which five areas do you believe are most important to customers/users to opt for or stay with a vehicle brand or mobility/transportation service?

Top factors that influence consumers' decision to opt for or stay with a vehicle brand or mobility service, arranged by difference between consumer preferences and industry perception

Factor	Percent of consumers who prioritize this factor	Percent of organizations that believe their consumers prioritize this factor
Brand reputation	48%	73%
Ease of use and accessibility	76%	51%
Emotional connection	41%	24%
Aftersales support and service quality	59%	46%
Vehicle performance and quality	68%	56%
Price and value for money	82%	72%

■ Percent of consumers who prioritize this factor   ■ Percent of organizations that believe their consumers prioritize this factor

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers; automotive executive survey, August 2024, N = 602 organizations.

"Our customer journey mapping revealed a common frustration among customers: the disjointed experience between online platforms and physical dealerships, often requiring them to repeat their preferences in person. By integrating customer-consented data from both channels, dealers now receive preferences submitted online, enabling more personalized communication in store. This initiative not only resulted in a 6% increase in conversion rates and shorter time to sale, but also led to higher customer satisfaction."

Jivesh Juneja
Customer journey director at Nissan

Underlying poor CX is large-scale consumer dissatisfaction with key experiences offered by their vehicle brand or mobility provider

The consumers of automotive brands and mobility services show dissatisfaction with the integrated services provided to them. Consumers' needs are not met in providing a cohesive digital solution for transportation services as only about 2% rate it extremely good. Furthermore, consumers rate consistent experiences across channels and bundled vehicle subscriptions as strikingly low at just 10%, indicating that a significant majority of consumers perceive these services as inadequate.
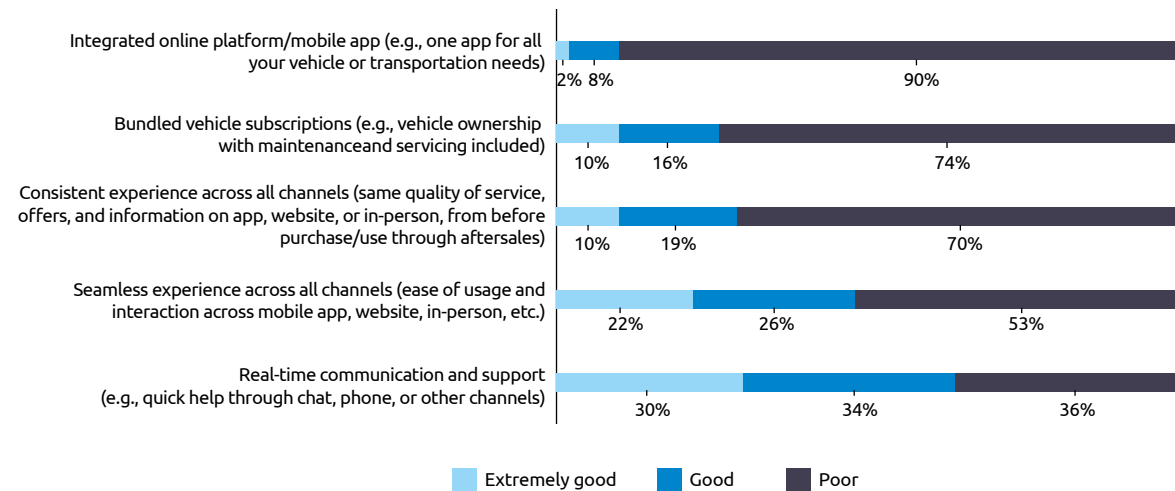
Jivesh Juneja, customer journey director at Nissan, emphasizes a key pain point in achieving a seamless CX: *"Our customer journey mapping revealed a common frustration among customers: the disjointed experience between online platforms and physical dealerships, often requiring them to repeat their preferences in person. By integrating customer-consented data from both channels, dealers now receive preferences submitted online, enabling more personalized communication in store. This initiative not only resulted in a 6% increase in conversion rates and shorter time to sale, but also led to higher customer satisfaction."*

Figure 10.

A large majority of consumers consider the experiences offered by their vehicle brand or mobility provider to be quite unsatisfactory

Question asked: Rate the following integrated services offered by your primary vehicle brand or mobility/transportation service provider. Rate on a scale of 0 to 7, where 0 = "not currently available, 1 = "not good at all" and 7 = "extremely good".

Share of consumers who rate the following services provided by their vehicle brand or mobility provider

Service	Extremely good	Good	Poor
Integrated online platform/mobile app (e.g., one app for all your vehicle or transportation needs)	2%	8%	90%
Bundled vehicle subscriptions (e.g., vehicle ownership with maintenance and servicing included)	10%	16%	74%
Consistent experience across all channels (same quality of service, offers, and information on app, website, or in-person, from before purchase/use through aftersales)	10%	19%	70%
Seamless experience across all channels (ease of usage and interaction across mobile app, website, in-person, etc.)	22%	26%	53%
Real-time communication and support (e.g., quick help through chat, phone, or other channels)	30%	34%	36%

Legend: Extremely good / Good / Poor

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

Discussion with

Tapan Sahoo

Chairman, digital transformation and innovation group of SIAM (Society of Indian Automobile Manufacturers)

What challenges does the automotive industry face in enhancing customer experience journey?

We have seen a shift in customer preferences, wherein the customer experience, especially the digital experience, has taken center stage. We have witnessed a surge in the launch of numerous applications as organizations increasingly adopt a digital-first approach. Convenience today is a key trigger for customers. Quick commerce is emerging as a new and faster mode for last-mile delivery. This shows that customers are looking for instant gratification. The challenge for the automotive industry is to keep pace with these changing customer preferences while maintaining satisfaction.

What key initiatives and strategies has the industry implemented to address these challenges?

To tackle these challenges, the industry has implemented several key initiatives, with the customer at center stage. The customer buying journey no longer begins at the dealership. It now begins at the 'Zero Moment of Truth' when the customer embarks on their journey by searching through digital media. Several OEMs have taken steps to integrate the digital and physical journeys, making it more convenient for customers through multichannel communication and engagements.

What successes and improvements has the industry achieved following the implementation of these CX strategies?

By digitizing customer interactions, the industry is able to offer a more streamlined and convenient experience to consumers. This shift has helped the industry enhance customer experience while also digitizing business operations, resulting in improved efficiency and cost reduction.

The mobility needs and expectations of various consumer personas

Young urban professional
Age: 18–27 (Gen Z)
Income: $34,999–$59,999
Region: North America

- **77%** Likely to consider E2E mobility services
- **88%** Prefer EVs from traditional OEMs over new-age brands
- **54%** Report unsatisfactory after-market services as a reason for upgrading

Millennial commuter
Age: 28–43 (Millennials)
Income: $59,999–$99,999
Region: Europe

- **60%** Use their personal vehicles to commute on weekdays
- **27%** Likely to purchase an EV in the next 12 months

Gen X traveler
Age: 44–59 (Gen X)
Income: $99,999–$149,999
Region: Europe

- **61%** Use personal vehicles for weekday commuting, but 22% on weekends
- **47%** Inclined to subscribe to a transportation service, rather than purchase a vehicle

Retired Boomer
Age: 59+ (Boomers)
Region: APAC

- **77%** Plan to stay loyal to their primary vehicle brand
- **62%** Of the people considering a switch, due to poor servicing & maintenance
- **58%** Show strong resistance to EVs

Source: Capgemini Research Institute analysis. Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers.

03 | Organizations face significant challenges in bridging the gap between CX expectations and reality

Improving CX is a C-level priority but organizations aren't following through

Most organizations (69%) have committed to CX as a C-level priority (see Figure 11). However, most strategies are limited to a few functional areas (41%, the largest group, involves sales, product, and marketing leaders only). Furthermore, fewer than half (41%) aim to lead within the automotive industry, and only 28% aspire to set new benchmarks across industries.
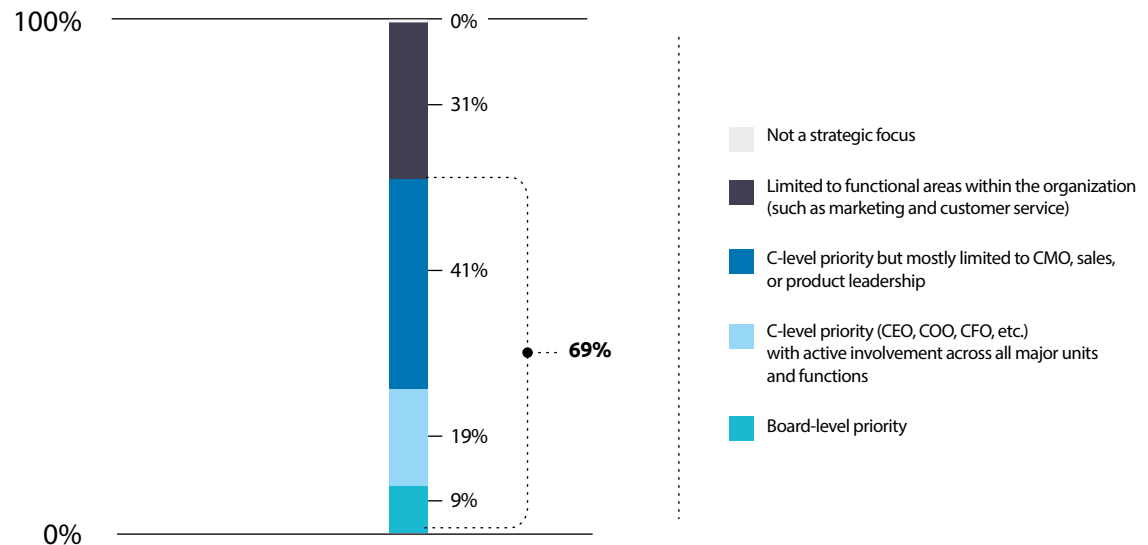
However, as we explore in the upcoming sections, in a large majority of organizations, CX is not a strategic differentiator.

Figure 11.

Seven in ten organizations consider CX as a C-level priority, but less than one-third involve all major business functions

Question asked: How strategically important is customer experience (CX) to your organization?

Strategic significance of CX

100%

0%

31%

41%

69%

19%

9%

0%

Not a strategic focus

Limited to functional areas within the organization (such as marketing and customer service)

C-level priority but mostly limited to CMO, sales, or product leadership

C-level priority (CEO, COO, CFO, etc.) with active involvement across all major units and functions

Board-level priority

Source: Capgemini Research Institute, Customer experience in automotive, executive survey, August 2024, N=602 organizations.

Only 18 percent have a comprehensive CX strategy

As Figure 12 shows, less than one in five surveyed organizations has a comprehensive strategy, vision, and roadmap for improving CX. Over 40% of organizations lack a cohesive approach, with various functions – such as customer service, sales, and marketing – running multiple initiatives independently, often in silos. This fragmented approach leads to inconsistencies and gaps in the CX.

Škoda Auto is prioritizing CX by gathering insights from more than four million customers. The organization is actively enhancing its focus on CX at its Holistic User Experience

43%

of organizations lack a cohesive approach, with various business functions running multiple initiatives independently, often in silos

(HUX) center in Prague, where it is testing more than 100 innovative solutions. Škoda's strategy is guided by the fact that 65% of potential customers prefer to use their mobile phones for interactions. The upcoming MyŠkoda app will integrate charging functions and provide exclusive brand news. Škoda is also introducing various digital services to enhance convenience, including parcel delivery directly to the trunk of a Škoda, a Pay to Park feature for seamless parking payments in nine countries, and access to over 100 location-based offers across six countries. Through these initiatives, Škoda is clearly making CX a strategic priority.[16]

Mercedes-Benz has launched "Best Customer Experience 4.0" as a pivotal aspect of its global sales strategy. The key elements of this initiative are personalization, digital integration, enhanced showroom experience, sustainability, and employee empowerment.[17]
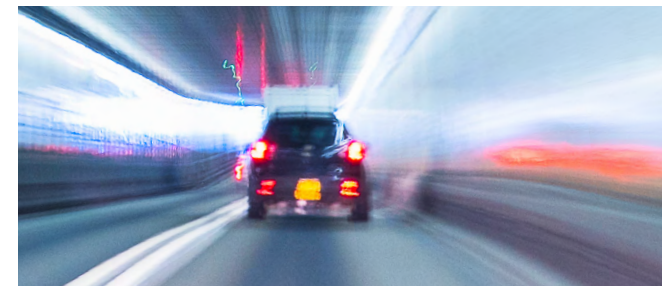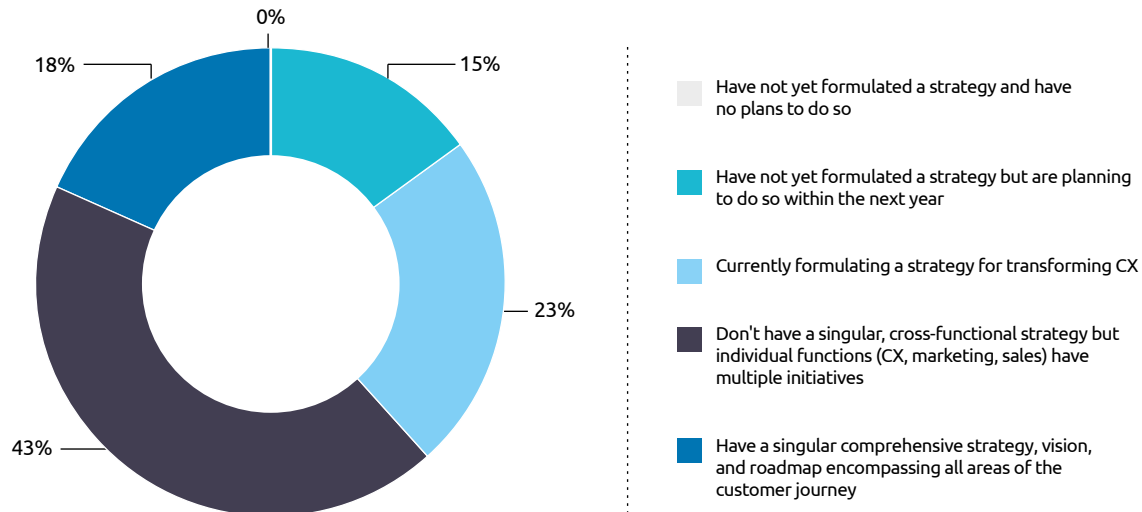
Figure 12.

Fewer than one in five organizations has a well-defined strategy and roadmap for CX

Question asked: Does your organization have a comprehensive customer experience strategy?

Presence of a comprehensive strategy for CX

- Have not yet formulated a strategy and have no plans to do so
- Have not yet formulated a strategy but are planning to do so within the next year
- Currently formulating a strategy for transforming CX
- Don't have a singular, cross-functional strategy but individual functions (CX, marketing, sales) have multiple initiatives
- Have a singular comprehensive strategy, vision, and roadmap encompassing all areas of the customer journey

Source: Capgemini Research Institute, Customer experience in automotive, automotive executive survey, August 2024, N = 602 organizations.

28%

of organizations aspire to set new benchmarks for CX across industries

Most organizations don't collaborate cross-functionally on CX

A majority of organizations have just two functions actively involved in improving CX: sales and customer service and support (see Figure 13). About three in five (63%) organizations actively engage sales teams in CX initiatives from strategy through implementation.

Surprisingly, only less than one-third (27%) involve marketing and communications, which traditionally play a crucial role in shaping CX. Nearly half of organizations involve research and development teams in CX initiatives, suggesting that the automotive industry still prioritizes product innovation over other aspects of CX.
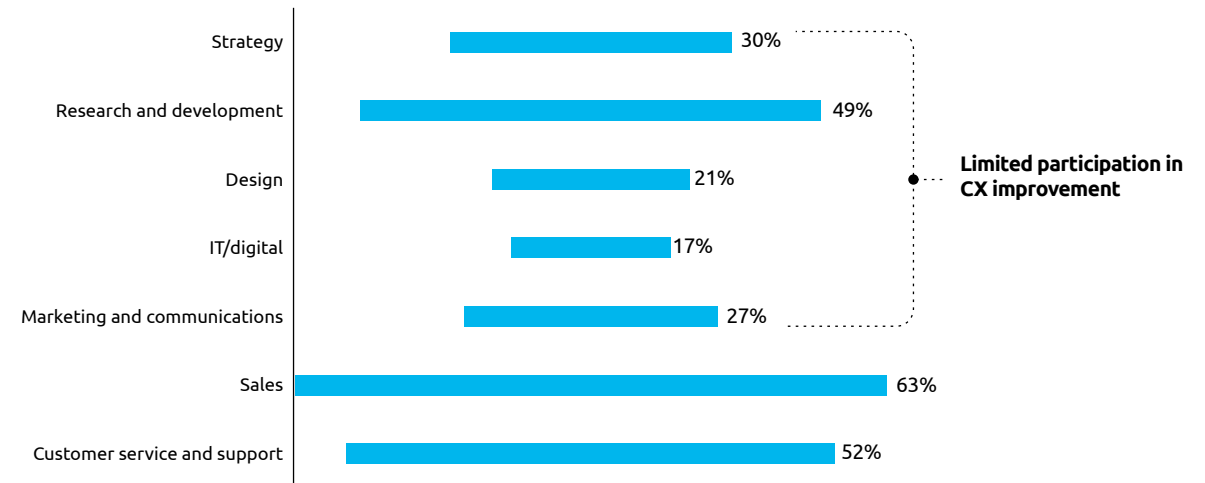
Despite growing emphasis on digital experiences, fewer than one in five organizations involve IT or digital teams

Figure 13.

Organizations fall short in collaborative CX efforts

Question asked: Which of the following functions are actively involved in customer experience initiatives at your organization (from strategy to implementation)?

Business functions actively involved in improving CX

Function	Percentage
Strategy	30%
Research and development	49%
Design	21%
IT/digital	17%
Marketing and communications	27%
Sales	63%
Customer service and support	52%

Limited participation in CX improvement

*Percentage represents share of organizations that involve the specified function or department in CX activities.
Source: Capgemini Research Institute, Customer experience in automotive, automotive executive survey, August 2024, N=602 organizations.

in CX initiatives. This likely contributes to the dissatisfaction with digital experiences expressed by three-quarters of customers. A similar proportion of organizations engage design experts, and only one-third include strategists in their CX efforts. Different teams may have conflicting priorities, and without effective coordination, this can result in a disjointed and lower-quality overall CX.

"We have started utilizing AI to improve the initial acceptance phase, when a customer brings in their vehicle for service. Based on the vehicle's repair history and similar cases, the system can support technicians in troubleshooting steps. This not only accelerates the diagnostic process but also increases the accuracy of repairs, significantly reducing the chances of customers needing to return for the same issue."

Marco Franza
Global head of customer service and
Asia commerical operations at Iveco

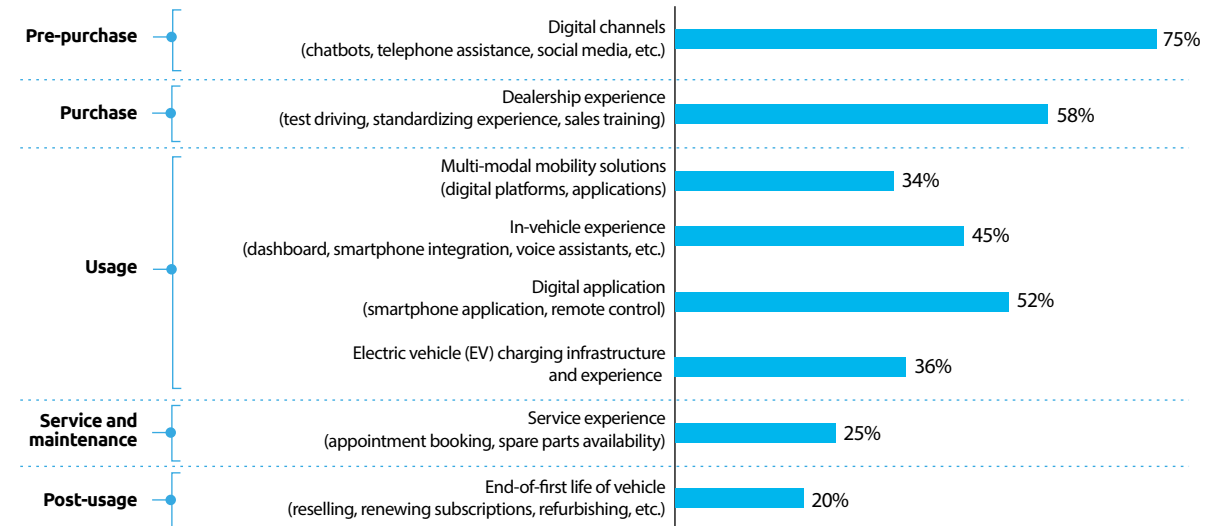# CX initiatives are disproportionately focused on the pre-purchase and purchase phases

Nearly three in five (58%) organizations believe that consumers will refuse to buy a vehicle from an organization that fails to offer a seamless experience. This opinion is validated by the 77% of consumers who feel the same way. Nevertheless, the industry fails to offer a reliably consistent experience across the customer journey. Figure 14 shows a drop in the percentage of organizations with active CX initiatives after the purchase stage. This decline affects post-purchase customer satisfaction, as illustrated in Figure 15.

Figure 14.

Digital channels, applications, and dealership experience receive most attention from automotive executives – at the expense of other areas

Question asked: In which of the following areas does your organization have active CX initiatives?

Share of organizations with active CX initiatives in the following areas

Phase	Area	%
Pre-purchase	Digital channels (chatbots, telephone assistance, social media, etc.)	75%
Purchase	Dealership experience (test driving, standardizing experience, sales training)	58%
Usage	Multi-modal mobility solutions (digital platforms, applications)	34%
Usage	In-vehicle experience (dashboard, smartphone integration, voice assistants, etc.)	45%
Usage	Digital application (smartphone application, remote control)	52%
Usage	Electric vehicle (EV) charging infrastructure and experience	36%
Service and maintenance	Service experience (appointment booking, spare parts availability)	25%
Post-usage	End-of-first life of vehicle (reselling, renewing subscriptions, refurbishing, etc.)	20%

Source: Capgemini Research Institute, Customer experience in automotive, automotive executive survey, August 2024, N=368 organizations that either have a single comprehensive strategy for CX or multiple initiatives across individual functions.

Neglecting the post-purchase phase can lead to missed opportunities for building loyalty and driving repeat business

CX initiatives often concentrate heavily on the pre-purchase and purchase phases, largely due to the immediate impact these stages have on sales and revenue. However, neglecting the post-purchase phase can lead to missed opportunities for building loyalty and driving repeat business. The aftersales service is particularly vital, with profit margins exceeding 20 percent. This phase creates essential customer touchpoints that not only foster loyalty but also enable valuable cross-selling opportunities.[18]

Ford is leading the way in post-purchase engagement by scaling remote services like Pickup and Delivery and Mobile Service to meet customer expectations. In 2022 alone, Ford achieved over 450,000 Pickup and Delivery experiences globally. Their Mobile Service vans perform maintenance at customers' locations, significantly reducing downtime and enhancing productivity. With over 1,000 Mobile Service vans, Ford Pro Service aims to maximize uptime for commercial customers. Notably, remote diagnostics in 2022 secured an extra 301,000 days of uptime, valued at over $150 million, highlighting the critical role of effective customer service solutions in the automotive industry.[19]

Toyota is also elevating the customer experience with innovative service packages like ToyotaCare, a complimentary maintenance program that covers routine services and provides 24-hour roadside assistance for the first two years or 25,000 miles of ownership. This program significantly reduces maintenance costs and offers peace of mind to owners. Impressively, 85 percent of Toyota owners report satisfaction with ToyotaCare, illustrating its positive impact on customer loyalty and retention.[20]

Another notable example is OnStar by General Motors, a subscription-based telematics service designed to enhance customer convenience and safety. With over 16 million connected vehicles, OnStar contributes to projected annual revenues of $2 billion. This service not only improves the ownership experience but also reinforces customer loyalty by providing continuous support and peace of mind.[21]

25%

of organizations have active initiatives to enhance post-purchase service experience

Most organizations have yet to harness the full CX potential of AI

Nearly two-thirds of organizations (64%) are either currently using or planning to use AI-based assistants for purchase, service, and support activities. However, only 15% have adopted them widely, and 50% are using them on a partial scale or are still in the experimental phase. Similarly, only 9% of organizations use AI widely to personalize marketing and sales initiatives, and just 15% have adopted AI at scale to enhance in-vehicle experiences, using voice assistants, gesture control, and climate control features.

Samit Gorai, head of consumer digital & MarTech at Hero Motocorp, says: *"We launched a 3D configurator, allowing customers to visualize bikes in their own spaces using AR, and implemented a generative AI chatbot to guide users through the buying process, enhancing both convenience and engagement."*

Marco Franza, global head of customer service and Asia commerical operations at Iveco, says: *"We have started utilizing AI to improve the initial acceptance phase, when a customer brings in their vehicle for service. Based on the vehicle's repair history and similar cases, the system can support technicians in troubleshooting steps. This not only accelerates the diagnostic process but also increases the accuracy of repairs, significantly reducing the chances of customers needing to return for the same issue."*
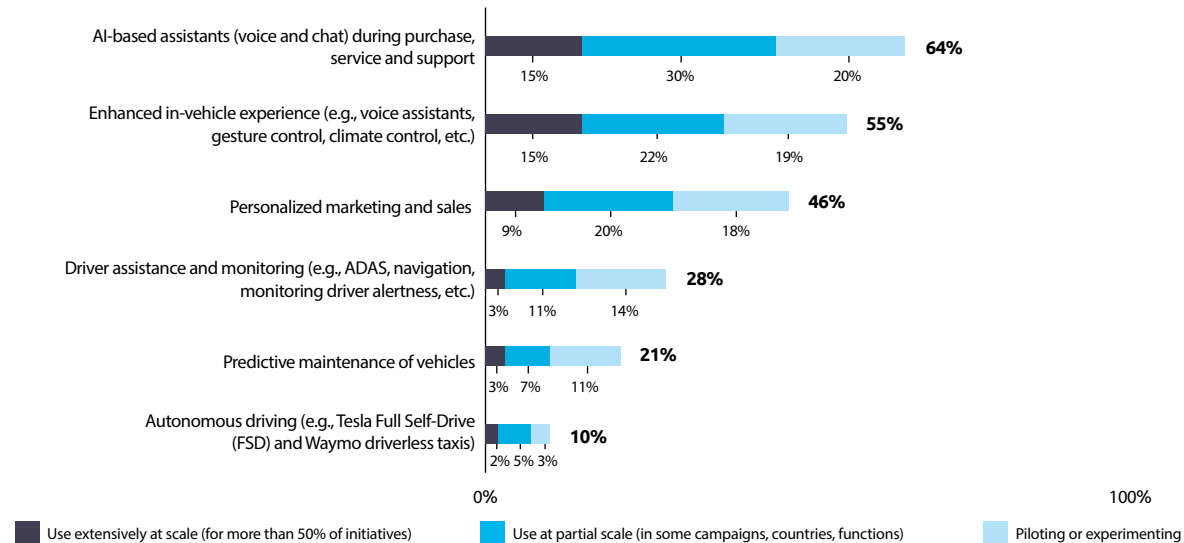
Tapan Sahoo, chairman of digital transformation & innovation group at SIAM (Society of Indian Automobile Manufacturers), says, *"Consumers today want to have their queries solved or problems addressed with as little friction and confusion as possible. Removing silos and consolidating data could potentially enable auto manufacturers and dealers to serve consumer interests in a seamless manner. Data consolidation, integration, and personalization with the use of AI can support in improving efficiencies and redefining the customer experience in unimaginable ways. We believe AI's influence will be on the entire spectrum of the value chain, from logistics though production and retail, and it is here for the long haul. The journey to explore the full potential is just beginning."*

Toyota has been using AI in its Safety Connect system, which automatically alerts call center agents in case of a collision. More recently, they have integrated Gen AI, enabling vehicles to predict and notify drivers about potential maintenance needs before issues arise.[22] GM uses AI-powered virtual assistants to enhance driver interaction and provide personalized recommendations based on driving patterns and vehicle data.[23]

Figure 15.

The automotive industry has not yet fully harnessed the potential of AI

Question asked: Which of the following AI use cases does your organization employ with the objective of enhancing customer experience?

Share of organizations that use or plan to use AI

Use case	Use extensively at scale (for more than 50% of initiatives)	Use at partial scale (in some campaigns, countries, functions)	Piloting or experimenting	Total
AI-based assistants (voice and chat) during purchase, service and support	15%	30%	20%	64%
Enhanced in-vehicle experience (e.g., voice assistants, gesture control, climate control, etc.)	15%	22%	19%	55%
Personalized marketing and sales	9%	20%	18%	46%
Driver assistance and monitoring (e.g., ADAS, navigation, monitoring driver alertness, etc.)	3%	11%	14%	28%
Predictive maintenance of vehicles	3%	7%	11%	21%
Autonomous driving (e.g., Tesla Full Self-Drive (FSD) and Waymo driverless taxis)	2%	5%	3%	10%

0% ——— 100%

■ Use extensively at scale (for more than 50% of initiatives) ■ Use at partial scale (in some campaigns, countries, functions) ■ Piloting or experimenting

Source: Capgemini Research Institute, Customer experience in automotive, automotive executive survey, August 2024, N = 602 organizations.

"We use automation and data analytics to anticipate our users' needs and proactively offer solutions. For example, if we predict heavy traffic or adverse weather conditions, we reach out to our regular users, suggesting that they pre-book a ride."

Matteo De Renzi
CEO at Gett

Figure 16.

Most automotive and mobility companies have yet to implement Gen AI CX use cases

Question asked - In which of the following areas are you using generative AI and what is the current level of adoption?

Top five Gen AI use cases
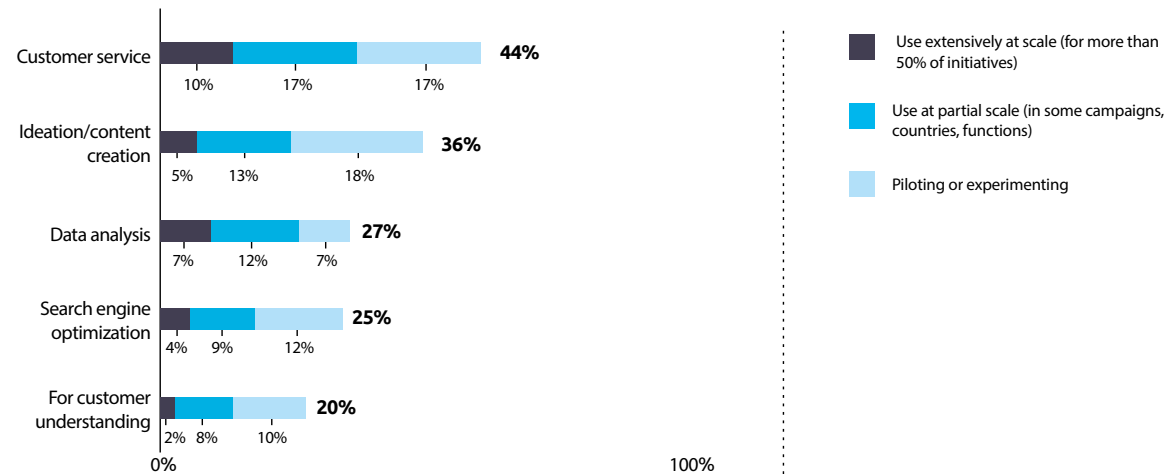
Customer service — **44%** (10%, 17%, 17%)
Ideation/content creation — **36%** (5%, 13%, 18%)
Data analysis — **27%** (7%, 12%, 7%)
Search engine optimization — **25%** (4%, 9%, 12%)
For customer understanding — **20%** (2%, 8%, 10%)

Legend:
- Use extensively at scale (for more than 50% of initiatives)
- Use at partial scale (in some campaigns, countries, functions)
- Piloting or experimenting

Source: Capgemini Research Institute, Customer experience in automotive, automotive executive survey, August 2024, N = 602 organizations.

Addressing infrastructural hurdles and elevating customer experience in the EV transition

Infrastructural challenges hinder EV adoption

Over three in five automotive companies believe that consumers are very keen to buy EVs. These organizations estimate that the share of EV sales will grow from 24% to 35% of total sales by 2030. Meanwhile, 29% of all consumers indicate they are likely to purchase or consider subscribing to an electric vehicle for their daily transportation needs in next 12 months.

However, the EV CX still features several gaps. Our research reveals that low performance reliability, limited maintenance services, and high upfront costs are the top factors preventing customers

from purchasing EVs. Senior director of marketing at a major automotive retail company, remarks: *"EVs are a new frontier, and there's still a lot of education needed. Customers have concerns – range anxiety, charging cost, and ease of maintenance [are key among these]. Our job, especially from a marketing standpoint, is to help them understand the benefits, including tax incentives and savings on fuel, and how the technology makes EVs more convenient in the long run. It's all about reducing those barriers to adoption."*

Figure 17.

High cost and limited battery lifespan are top concerns that hinder EV adoption

Question asked: According to you, which factors are preventing you from buying an electric vehicle?

Key barriers to EV adoption among consumers

Barrier	Percentage
High up-front cost	50%
Limited battery lifespan and replacement cost	48%
Low reliability of performance	43%
Low battery range	42%
Limited maintenance services	40%
Limited charging infrastructure	28%
Long waiting times	21%
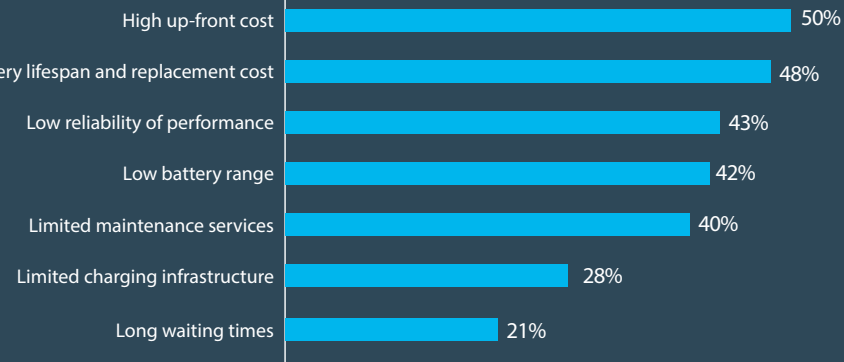
*Percentage represents share of consumers who perceive these factors as a barrier to EV adoption

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N = 10,000 consumers, N = 6,026 consumers who are not likely to purchase an electric vehicle or consider subscribing to an electric vehicle for their daily mobility needs in the next 12 months.

"Increasingly, sustainability is shaping consumer perceptions and preferences, particularly in Europe. Our introduction of sustainable aviation fuel options has seen a positive uptake, with passengers willing to pay a premium to reduce their environmental impact. This shift underscores the importance of authentic, science-based sustainability initiatives in building trust and loyalty."

George Ettiyil
Senior director of sales, South Asia at Lufthansa Group

As Figure 18 shows, there are critical gaps in customer support, service quality, functionality, and availability of charging infrastructure.

The shift from ICE to EV is a holistic transformation, elevating customer experience

The shift from internal combustion engines (ICE) to electric vehicles (EVs) is more than a technological transition; it fundamentally transforms the customer experience (CX). Inside an EV, the absence of a conventional engine results in significantly reduced noise levels, and spacious interiors crafted from high-quality materials prioritize ergonomics. Besides supporting environmental goals by reducing emissions and minimizing carbon footprint, technologies like regenerative braking capture energy during braking, extending range; for instance, Volvo's VNR Electric truck can recapture up to 15 percent of its energy, highlighting efficiency and cost savings.[24]

Figure 18.

Very few consumers are satisfied with availability and accessibility of EV charging infrastructure

Question asked: How satisfied are you with the availability and accessibility of EV charging infrastructure in your area?

Share of consumers who are satisfied with availability and accessibility of EV charging infrastructure
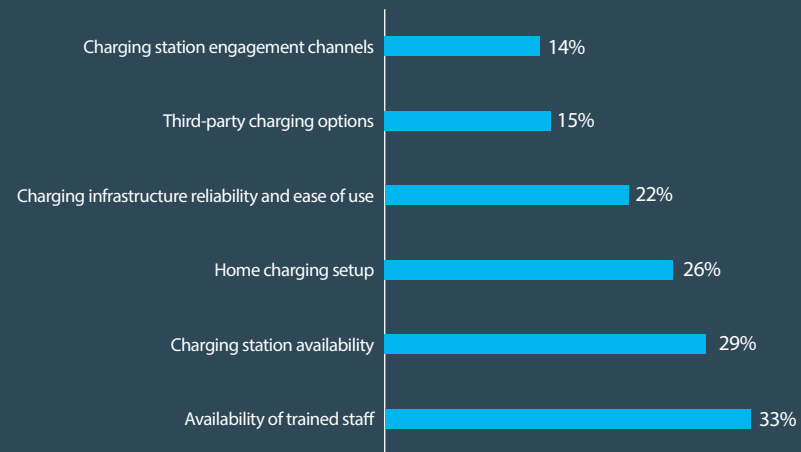
Charging station engagement channels	14%
Third-party charging options	15%
Charging infrastructure reliability and ease of use	22%
Home charging setup	26%
Charging station availability	29%
Availability of trained staff	33%

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N = 10,000 consumers, N = 4,570 consumers who already own or plan to purchase or subscribe to an electric vehicle in the next 12 months.

Owning an EV offers significant financial benefits. A typical owner fueling at home can save $800 to $1,000 annually compared to gasoline vehicles. Maintenance and repair costs are about half that of ICE vehicles, leading to lifetime savings of around $4,600, enhancing the overall ownership experience.[25]

Chinese EV makers are leveraging customer experience to gain a foothold in Europe

NIO is establishing a premium brand experience in Europe through a community-focused marketing campaign. As it expands, it tailors its approach to local markets with outdoor adventures and cultural events, collaborating with local designers and entrepreneurs to enhance regional integration.[26] NIO is enhancing convenience for European users with battery swap stations that reduce range anxiety and foster

community. They have established 50 swap stations and 19 charging stations across Norway, Germany, Denmark, Sweden, and the Netherlands, plus access to over 600,000 third-party charging points. It aims to expand its charging infrastructure further.[27]

BYD vehicles boast advanced features like long-range batteries and smart connectivity. The BYD Atto 3 offers a user-friendly infotainment system with over-the-air updates. Its Vehicle to Load (VTOL) function lets it power appliances up to 3.3kW, while a 360° Holographic Imaging System[28] eliminates blind spots for a complete view around the car.[29]

04 | Automotive brands stand to lose customers if they fail to elevate CX

Most dissatisfied consumers plan to switch their vehicle brand soon

Among consumers considering a vehicle purchase in the next 12 months, a majority (52%) express uncertainty or dissatisfaction with their vehicle brand or mobility service provider (see Figure 19). This sentiment is reflected in the finding that 57% of consumers who are planning to switch brands within the next 6–18 months are dissatisfied with their post-purchase service and maintenance experience. Besides poor servicing, the other primary reasons for considering a brand change include plans to upgrade vehicle segments or price points, low residual value/depreciation, and insufficient vehicle utility and functionality.

Figure 19.

Over half of customers planning to buy a vehicle within the next year express uncertainty or dissatisfaction with their vehicle brand or mobility service provider

Level of satisfaction ↓	Intent to purchase →	Not planning to purchase a new vehicle (83%)	Undecided about purchase (8%)	Planning to purchase a new vehicle (9%)
Dissatisfied customers		Not planning to purchase but are dissatisfied (18%)	Undecided but also dissatisfied (2%)	Planning to purchase but also dissatisfied (2%)
Neutral customers		Not planning to purchase and are neutral about their current brand (24%)	Undecided but are neutral about their current brand (2%)	Planning to purchase but are neutral about their current brand (3%)
Satisfied customers		Not planning to purchase and are satisfied with their current brand (41%)	Undecided but are satisfied with their current brand (4%)	Planning to purchase but are satisfied with their current brand (4%)

■ Low risk of losing customers   ■ Moderate risk of losing customers   ■ Highest risk of losing customers

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N = 10,000 consumers.

Figure 20.
Bad servicing significantly impacts brand loyalty in the automotive industry

Top five factors driving customers to switch their primary vehicle brand
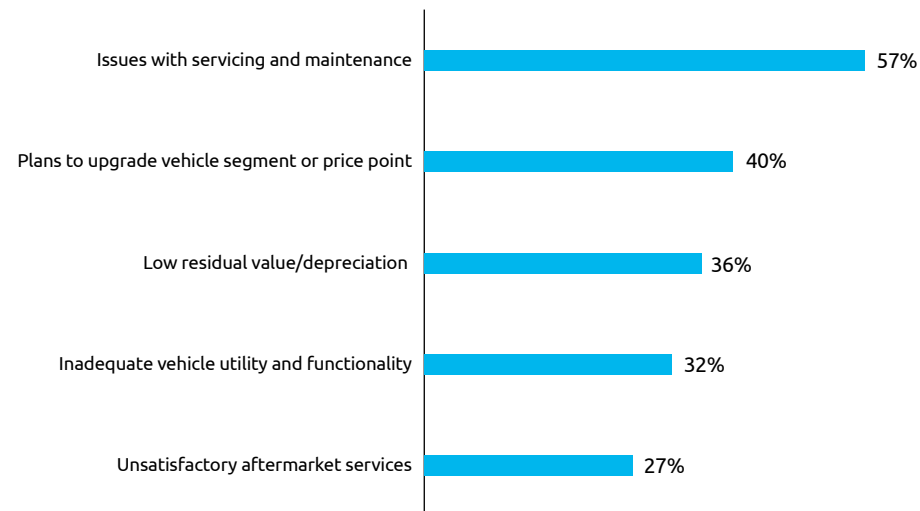
Factor	Percentage
Issues with servicing and maintenance	57%
Plans to upgrade vehicle segment or price point	40%
Low residual value/depreciation	36%
Inadequate vehicle utility and functionality	32%
Unsatisfactory aftermarket services	27%

Source: Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers, N=1,437 consumers who plan to switch brands within the next 6 to 18 months.

Automotive brands risk losing $150 million per year on average to poor CX

Superior CX can earn extra revenue, while poor CX risks losing revenue from dissatisfied customers who switch to other brands. We call the sum of these two values the "**value at risk**" for automotive OEMs and dealers.

We assessed the willingness of three broad income groups to pay more for better CX (using very conservative estimates of what these groups of customers would pay). Our analysis reveals that, on average, automotive organizations can generate an additional $241 to $857 per vehicle sold, per year, by offering superior CX (detailed calculation in Appendix). Assuming an average of 500,000 vehicles sold per year (estimated average numbers vehicles sold for a mid-size automotive OEM or dealer), it amounts to $120 million to $428 million of additional revenue over six years or **$20 million to $71 million** annually. This additional revenue results from greater affinity of customers to spend more for receiving better customer experience during sales and service, and greater loyalty with the vehicle brand leading to longer lifespan with the same brand.

But organizations will also lose revenue due to dissatisfied customers who are likely to purchase vehicles from other brands in the next 12 months (detailed calculation in Appendix). Our analysis shows that a mid-size automotive manufacturer stands to lose **$125 million** per year due to this.

This shows that the average total value at risk (lack of new revenue plus loss of current revenue) stands at **$145 million to $196 million** annually. For context, it is about 3% of the annual revenue of a mid-size automotive OEM or dealer with an annual revenue between $1 billion to $20 billion.

Smaller OEMs and dealers have greater value at risk

If they fail to meet consumer needs and expectations, smaller OEMs and dealers risk losing on average $63 million annually, around 11% of their annual revenue. Larger brands are relatively secure as their value at risk is only 0.5% of their revenue. With extensive service networks and ample resources, they are well-positioned to improve CX and retain customers. Larger automotive OEMs and dealers are therefore at lower risk given their greater ability to increase their CX investments and prevent loss of customers.

Figure 21.
Smaller OEMs/dealers risk losing more due to poor CX

Average value at risk, by size of organization
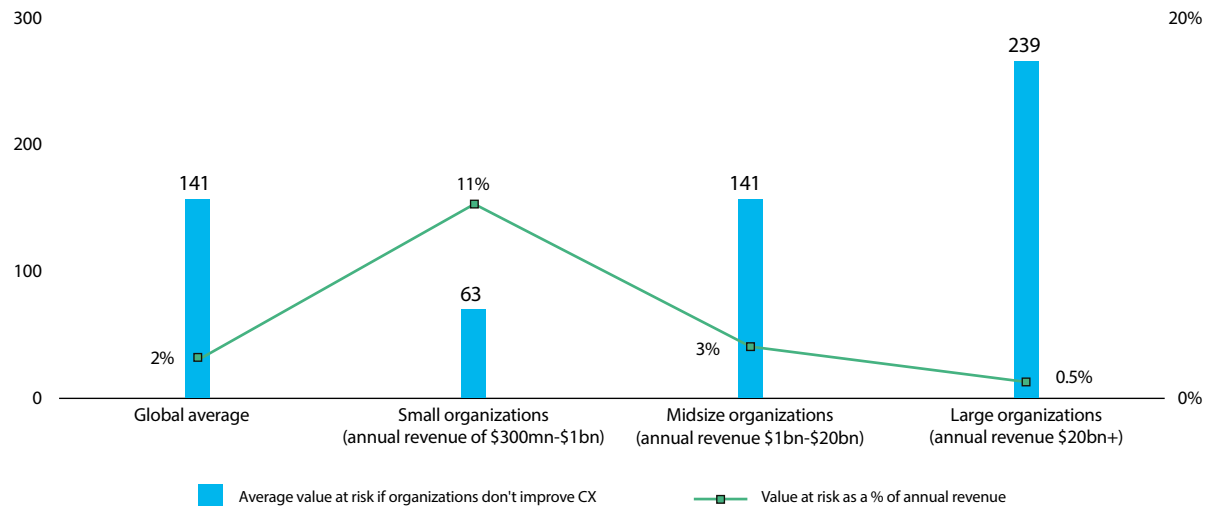
Source: Capgemini Research Institute analysis. Capgemini Research Institute, Customer experience in automotive, consumer survey, August 2024, N=10,000 consumers; automotive executive survey, August 2024, N=602 organizations.
Note: The calculation assumes that large organizations sell an average of 1 million vehicles, mid-sized organizations sell 500,000, and small organizations sell 100,000 units on average per year.

The strategic value of CX investments

Our analysis also found that an average automaker invests nearly $110 million every year to improve CX. The "value at risk" calculated above ($145-196 million per year) compares well with this investment. Purely from a return on investment perspective, automakers are recovering their investment in CX in less than a year. Additional CX investment from this level will likely increase the revenue upside while reducing the downside, further improving ROI.

For mass-market auto manufacturers, a one-point increase in customer experience can generate over $1 billion in additional revenue, largely by encouraging repeat purchases and ensuring that customers return for service. Similarly, auto and home insurers can expect an impact of around $370 million from improved customer experience.[30] In this context, the aftersales service market plays a vital role, boasting profit margins exceeding 20 percent. It creates essential customer touchpoints that not only foster loyalty but also enable valuable cross-selling opportunities.[31]

Previously discussed examples of Ford Pickup & Delivery Service, Toyota's ToyotaCare, and GM's OnStar demonstrate the importance of effective customer service solutions in the automotive industry, and their positive impact on customer engagement and loyalty.

$145-196 million

Average annual "value at risk" due to poor CX

05 Recommendations: How industry leaders can elevate automotive CX

Automotive business models must pivot towards a greater emphasis on CX. OEMs should prioritize customer engagement throughout the entire ownership journey, from pre-sale research to after-sales support. This shift involves investing in seamless experiences and addressing customer needs at every touchpoint to enhance loyalty. Organizations must adapt their strategies to focus on customer lifetime value, ensuring that CX remains central.

3%

of surveyed organizations have mature CX strategy and implementation practices

A small cohort of automotive firms are leading the industry in the maturity of their CX strategies and implementation

We assessed the maturity of CX strategies and their level of implementation for each surveyed organization, based on the following dimensions:

Maturity of CX strategy

- Comprehensive strategy and roadmap

- Clarity of vision

- Strategic significance of CX within the organization

- Cross-functional involvement in CX initiatives

Level of implementation

- Loyalty programs

- Criteria for customer segmentation and level of personalization

- Maturity of data foundations

- Level of integration of platforms and channels that enable seamless experiences

- Use of AI and Gen AI

Leaders have made significant progress along both dimensions. Based on this analysis, we found that only about three percent of surveyed organizations have mature CX strategy and implementation practices. We classify these organizations as automotive CX leaders.

Figure 22.
Only three percent of automotive firms have a mature CX strategy and implementation

Leaders versus others

3%

Source: Capgemini Research Institute analysis. Capgemini Research Institute, Customer experience in automotive, Executive survey, August 2024, N=602 organizations.
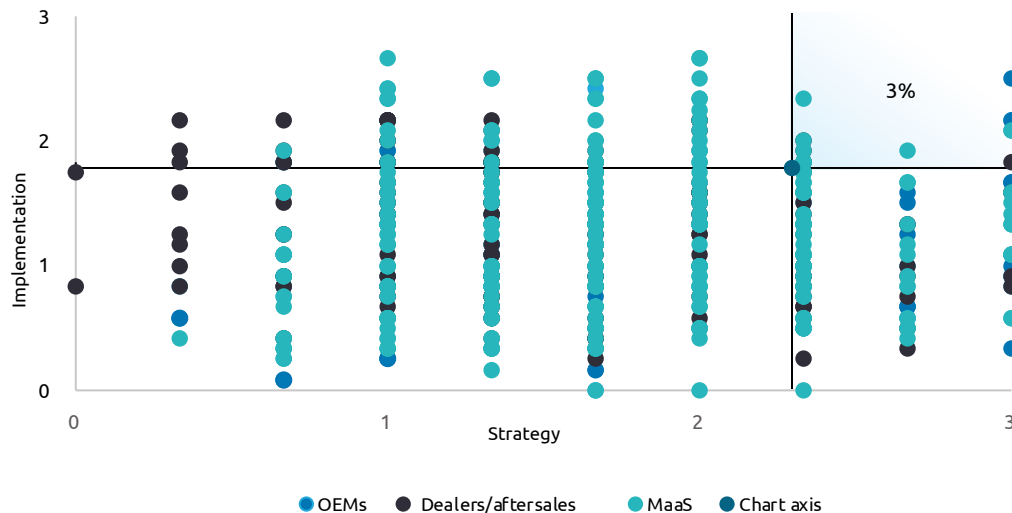
We see that leaders are channeling their efforts in the right direction to meet evolving consumer expectations. Leading organizations report a higher NPS® of 47 compared with others' rating of 13.

CX leaders deploy a host of best practices

Devise enhanced experiences for consumer's entire journey from pre-purchase to repurchase

As seen previously (in Chapter 3), automotive firms' CX initiatives largely focus on the pre-purchase and purchase phases of consumers' journey, leaving other phases relatively out of focus. These other phases which include usage, service and maintenance, and reselling and repurchase, constitute "high-touch" service moments with high potential to offer personalized experiences and at higher frequency than the previous stages of the journey. However, for consumers, this experience is often sub-par. Indeed, for a majority (57%) of consumers, issues with servicing and maintenance is the top reason why they want to switch their vehicle brand. 75% of automotive firms do not currently trace the end-to-end

lifecycle of their vehicles – leaving customers on their own towards the tail-end of the journey.

Our analysis of leading organizations reveals that:

• 37% of automotive CX leaders have active initiatives in servicing and maintenance (e.g., appointment booking, spare parts availability etc.) – the area with one of the least active CX initiatives overall, as compared with 15% for the rest of the organizations.

• Nearly half (47%) of automotive CX leaders have active CX initiatives across the customer journey on average as compared with just 28% of the rest of the organizations. It indicates that the leaders are more committed to providing a consistent overall experience across the major consumer touchpoints.

Automotive brands and dealers should reassess their priorities and reallocate budget to boost not only product innovation and sales but also downstream parts of the customer journey, including maintenance, customer support, roadside assistance, and connectivity services like OTA updates and subscription-based features. This means looking beyond the vehicle itself to ensure that every touchpoint along the customer journey delivers a positive, cohesive experience. By doing so, organizations can sustain strong relationships with consumers throughout the ownership

period, as the value is no longer concentrated solely in the initial sale but runs throughout the customer journey with the brand.

Senior director of sales of an American automotive and technology company speaks about the importance of human touch at every step of the consumer journey, *"It's not just about the transaction; it's about providing a personalized and human touch at every step. We have learned that customers value a strong human component, whether it's through a phone conversation or a face-to-face meeting. That's why we emphasize personal contact, even as we incorporate digital solutions, because it adds significant value to the overall experience."*

Develop comprehensive mobility services that simplify vehicle ownership and usage

Comprehensive mobility services that integrate various aspects of vehicle ownership and usage can vastly improve customer experiences. Convenience and flexibility are highly desired by consumers, as noted in earlier sections. Services like subscription-based models and on-demand maintenance services can make vehicle ownership more flexible and convenient. When it comes to accessing an end-to-end mobility service, about 65 percent of consumers

are open to consider it instead of owning a personal vehicle, given certain conditions. However, mobility services as a business segment have not been a profitable venture for automotive OEMs in the past owing to several reasons including – lack of customer interest, willingness to pay, local travel complexities making it difficult to integrate different transportation modes etc.

With the generational and economic shifts that society is undergoing, we believe that a segment of users could warm up to leveraging end-to-end mobility services more, creating a potential for these services to be profitable. We found that high-earners and vehicle owners are more willing to consider mobility services instead of owning a private vehicle. Given their disposable income, this segment of users is also likely to be willing to pay for mobility services if their expectations are met. If automotive firms can build a strong proposition that addresses the needs of this segment, it could have a significant bearing on profitability.

As Figure 23 shows, top factors that influence willingness to opt for mobility services include predictability of monthly costs, on-demand availability of vehicles, and customization and flexibility of mobility solution. Automotive OEMs must consider developing mobility services for a segment of consumers that are willing to opt for and pay for these, keeping in mind their needs and preferences.

Figure 23.

Users of mobility services seek personalized, convenient and affordable on-demand options

Question asked: What are the top factors influencing your willingness to opt for an end-to-end mobility service (e.g., subscribing a car, car-sharing, ride-hailing) instead of owning a personal vehicle?

Top factors influencing your willingness to opt for an end-to-end mobility service
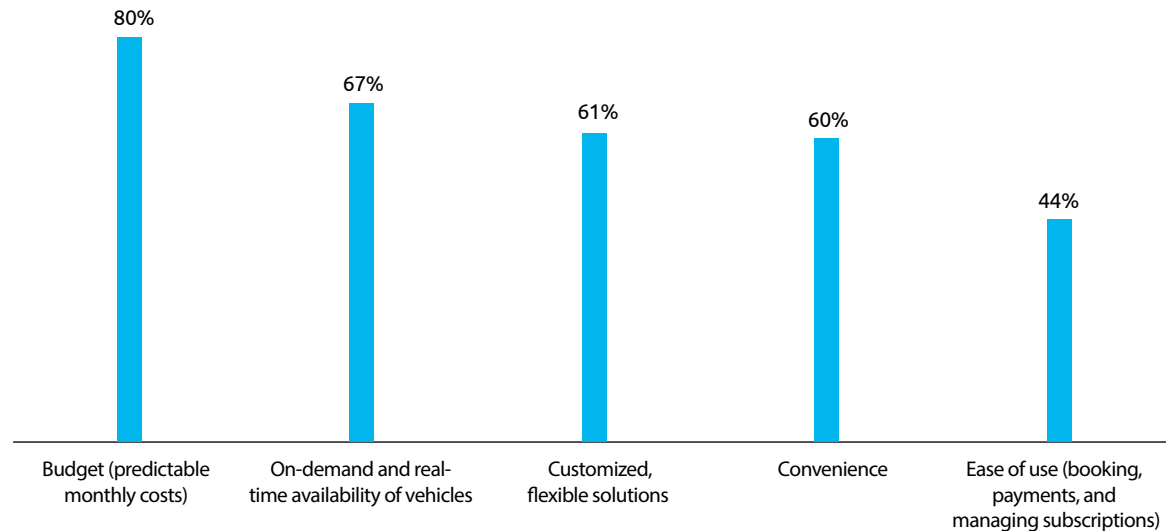
Source: Capgemini Research Institute, Customer experience in automotive, Consumer survey, August 2024, N = 10,000 consumers, N=6,456 consumers who are willing to opt for an end-to-end mobility service instead of owning a personal vehicle.

"We've moved beyond traditional segmentation based on demographics. Our user segmentation is based more on values and lifestyle choices rather than just age or income. For instance, two households with similar incomes might have completely different car preferences - one may prioritize luxury while the other prefers car sharing. Understanding these nuances is crucial to designing cars that truly meet diverse user needs."

Benjamin Steinmetz
Product Experience Director Europe, NIO

"Unlike traditional automotive models, we prioritize flexibility and personalization. Whether a customer needs a vehicle for a few hours or a few months, we can tailor our offering to their specific requirements. This adaptability is a significant advancement in CX, offering a level of service that goes beyond standard ownership or leasing models."

Florian Ritter Von Klier
Executive director, global cooperations/
partnerships and special sales at SIXT

The rise of robo-taxis is set to revolutionize urban mobility by reducing congestion and enhancing accessibility. Major players like Waymo have launched its latest generation of self-driving technology, featuring a new electric robotaxi developed with Geely, offering improved performance and reduced costs.[32] Tesla is expected to unveil its Cybercab Robotaxi at the "We, Robot" event in October 2024.[33] Meanwhile, Cruise, GM's self-driving unit, plans to resume robotaxi services in California this fall after a previous suspension following a pedestrian accident.[34] Customer response is also positive. Our survey found that 62% of consumers feel relatively comfortable with autonomous driving features in the vehicles they use (e.g., ADAS, cruise control, and Tesla Full Self Drive etc.), indicating a growing acceptance and trust in these innovations. We also found that 16% of consumers are willing to try a paid driverless taxi in the next 1-2 years provided safety and legal concerns are taken care of.

Use consumer data to improve customer understanding and deepen connections

The retail industry offers important lessons for automotive. Key strategies, such as focusing on customer convenience, maintaining competitive pricing, creating seamless omnichannel experiences, and utilizing loyalty programs, can all be transferred.

However, the challenges of personalizing CX vary by vehicle segment and geography. For instance, small business owners, tradespeople and craftspeople regularly use their vehicles for commercial as well as personal reasons. It is important to also consider consumer concerns around security and privacy of their data – in our survey we found 30% consumers with these concerns. Rising cyberthreats, tightening regulation, and increasing public scrutiny will demand automakers to pay special attention to this aspect. For example, organizations must obtain explicit user consent for data collection and processing to comply with regulations such as GDPR and California Consumer Privacy Act, which might impair their data-driven customer experience initiatives.[35] Consumers

are much more likely to share vehicle performance data (72%) rather than data on their personal interests and values (34%). Organizations in countries without strict data protection regulations might have an edge when it comes to collecting and processing consumer data for customer experience initiatives. However, increasing public concern and sovereign concerns of governments globally means that data protection regulations are likely to get only stricter.

Director of Product management from a multinational retail corporation gives an insight into personalizing CX: *"We collect and analyze data to provide customers with a tailored shopping experience. For example, if a customer bought coffee in store last week, we might send them a notification when that coffee is on sale online. It's all about creating convenience and value for our customers."*

In the media and entertainment industry, **Netflix** enhances CX by using data, testing, and feedback to fine-tune personalization. Through advanced algorithms, Netflix analyzes user behavior, including viewing habits, time spent watching, and content preferences, to offer highly customized recommendations to consumers, hence increasing customer satisfaction.[36]

Director of digital experience for a global hospitality brand, highlights: *"Modern consumers prioritize speed and convenience, particularly when using mobile devices, from which more than 70 percent of our bookings originate. They desire a process that allows them to find what they need and complete their transactions in just a few clicks. This is why we focus heavily on personalization – to present them with relevant options instantly, avoiding repetitive searches."*

The consumer products industry focuses on customer segmentation by attitude and lifestyle, rather than simple demographics. For example, **Nike** focuses on customer behavior, athletic interests, and lifestyle, rather than age or gender. Nike also creates a sense of community for its customers through initiatives such as Nike Membership[37], where it offers exclusive benefits such as early access to products, personalized training content, and invitations to member-only events.[38]

Benjamin Steinmetz, Product Experience Director Europe, NIO says, *"We've moved beyond traditional segmentation based on demographics. Our user segmentation is based more on values and lifestyle choices rather than just age or income. For instance, two households with similar incomes might have completely different car preferences - one may prioritize luxury while the other prefers car sharing. Understanding these nuances is crucial to designing cars that truly meet diverse user needs."*

Curate a brand ecosystem that connects with consumers beyond just the vehicle

Leading organizations focus on creating robust brand ecosystems and omnichannel strategies that cater to consumer preferences across a variety of touchpoints. **Apple** is well-known for its highly integrated brand ecosystem. Whether a customer engages with Apple through an Apple store, online chat, the Apple website, or an iOS device, the brand ensures a unified experience. This cohesive ecosystem and omnichannel presence ensures that users remain immersed in Apple's world.[39]

On the importance of creating a comprehensive brand ecosystem, Stacey Nevel, vice president, voice of the customer at Prudential, says: *"Creating a strong brand ecosystem involves more than just selling products. It's about building a network of services and support that surrounds and enhances the CX. For us, this means coordinating efforts across various business units, from life insurance to investment services, ensuring that every part of the ecosystem speaks the same language and delivers a unified message."*

Increasingly, automotive brands are exploring comprehensive ecosystems that extend beyond vehicle ownership. **NIO** is a prime example, having built a brand ecosystem that includes NIO Life, a lifestyle brand offering clothing and home goods that reflect its ethos. The NIO app serves as a central hub for owners and enthusiasts, providing vehicle management, social networking, and access to exclusive events. Additionally, NIO House locations function as exclusive clubhouses where users can relax, work, and socialize, often featuring cafés, libraries, and children's spaces. Together, these elements foster a deeper connection between brand and customer and enrich the overall NIO experience.[40]

In our survey, 57% of automotive CX leaders versus just 25% of their peers, are putting efforts into creating comprehensive brand experiences that go beyond just selling vehicles and integrating all aspects of customer interaction, including customer service, digital presence, community engagement, insurance, servicing and maintenance, upgrades etc.).

"We integrated AI-powered image recognition in our app to enhance the in-store experience. For example, a customer who couldn't find the exact bolt they needed could take a picture of the bolt, and the app would direct them to the exact aisle and shelf location. This innovation reduces the time customers spend searching for products and is particularly beneficial for professional contractors on tight schedules."

Sara Richards
Former senior director of merchandising
strategy and planning at The Home Depot.

Use community, exclusivity, and relevant rewards to drive loyalty programs

Certain industries, such as luxury goods and hotels and hospitality, focus on creating an exceptional experience for consumers by going beyond just the minimum requirements. For **Ritz-Carlton**, providing an unparalleled exclusive CX is a top priority, with employees playing a pivotal role in its success. Empowered to make independent decisions, staff members have the authority to spend up to $2,000 per guest per day to resolve issues, without needing managerial approval. This approach grants employees the authority to craft personalized, exclusive experiences that cater to the individual preferences of each guest.[41] Players such as Louis Vuitton, Chanel, and Rolex use limited-edition products and invite-only events to create 'exclusive' experiences for consumers. Louis Vuitton's limited-edition handbags, for example, are highly sought-after.[42]

Starbucks' Rewards stands out as a prime example of a successful loyalty program, where customers accumulate 'stars' (points) for every purchase made at participating Starbucks stores. These can be redeemed for various rewards, such as drink customizations, complimentary food items and drinks, exclusive deals and merchandise. They use customer data to deliver tailored offers and recommendations. Starbucks continually adapts this program, with features like double-star days and mobile wallet integration, keeping it relevant and appealing to new customers.[43]

Caroline Oheix, customer experience and retail education director at L'Oréal, says: *"Luxury consumers want something unique, something that feels like it was made just for them. Whether it's a limited-edition fragrance or a custom-engraved product, the ability to personalize their purchase is a key factor in delivering a luxury experience."*

The E-list loyalty program by **Estée Lauder** offers customers exclusive access to new products before they are available to the public, making recipients feel privileged, and enhancing their shopping experience. Similarly, **Lululemon's** Sweat Collective program entices fitness pros, athletes, and influencers to join its community by offering exclusive discounts, product trials, and access to brand events.[44] These programs deepen connections with consumers, building lifetime loyalty.

Gareth Hughes, technology director, Estée Lauder, emphasizes the importance of providing meaningful value to consumers: *"It's not enough to just accumulate points; there has to be a meaningful reward. Consumers are more likely to engage in loyalty programs when they see clear benefits, such as exclusive discounts or early access to new products."*

"It's not enough to just accumulate points; there has to be a meaningful reward. Consumers are more likely to engage in loyalty programs when they see clear benefits, such as exclusive discounts or early access to new products."

Gareth Hughes
Technology director, Estée Lauder

Deliver state-of-the-art digital experiences

The consumer electronics industry has embraced cutting-edge digital technology to provide more intuitive interactions with customers. **Dell**'s next-gen AI/ML platform, Contact Connect AI (CCA), enhances customer service by predicting and resolving complaints through natural language understanding, delivering faster resolutions.[45]

In our survey, a large majority of CX leaders have initiatives to improve CX in digital channels (71%) and in-vehicle experience (64%) versus 43% and 25% of the rest of the organizations respectively.

Disney harnesses cutting-edge technologies to deliver seamless, immersive, and highly personalized experiences, creating an outstanding customer journey. Disney's MagicBand (RFID technology), a wearable device that functions as a room key, park ticket, and payment tool, enables visitors to move effortlessly through the parks while enjoying tailored experiences. Disney's AI chatbots deliveraround-the-clock customer service, providing real-time help across its digital platforms.[46]

Sara Richards, former senior director of merchandising strategy and planning at The Home Depot, gives an example of the CX benefits of AI integration: *"We integrated AI-powered image recognition in our app to enhance the in-store experience. For example, a customer who couldn't find the exact bolt they needed could take a picture of the bolt, and the app would direct them to the exact aisle and shelf location. This innovation reduces the time customers spend searching for products and is particularly beneficial for professional contractors on tight schedules."*

Brands including **LG**, **Samsung** and **Sony** are creating seamless smart-home experiences, where devices are interconnected via the Internet of Things (IoT). Clients can control these AI-powered products remotely via smartphones or voice assistants, offering greater convenience and enhancing user satisfaction.

Apple CarPlay and Google Auto are transforming the driving experience by providing seamless integration for smartphone users. These operating systems offer a host of features to connect users' smartphones and digital devices

to the car's infotainment system, allowing hands-free control of navigation, messaging, and music via voice assistants. According to our survey, 23 percent of users indicated a preference for voice assistants to control vehicle systems and perform hands-free actions. Nearly 3 in 5 (56 percent) consumers in our survey expressed a desire for real-time traffic updates and alternative route suggestions.

Cars are increasingly integrating smart home features, creating a seamless ecosystem that enhances convenience, safety, and comfort for users. **Kia**, **Hyundai**, and **Tesla** are advancing in-car smart home control through a partnership with Samsung's SmartThings platform. This integration allows drivers to manage smart home devices directly from their vehicles, enhancing convenience and connectivity. Consumers can control lighting, thermostats, and security systems while on the go, creating a seamless experience between home and car. The collaboration signifies a growing trend in the automotive industry to merge smart technology with vehicles, making them more versatile and user-friendly.[47]

"We launched a 3D configurator, allowing customers to visualize bikes in their own spaces using AR, and implemented a generative AI chatbot to guide users through the buying process, enhancing both convenience and engagement."

Samit Gorai
Head of consumer digital & MarTech at
Hero Motocorp

Harness AI and generative AI for personalized and seamless CX

Several companies across industries are using AI to enhance CX. Google Assistant adapts to user behavior, offering personalized responses and predictions that improve efficiency. Such AI-driven personal assistants see an estimated 35 percent boost in user engagement, highlighting the impact of tailored interactions.[48] **Sephora**'s Virtual Artist app combines AI and augmented reality (AR) to deliver personalized product suggestions based on users' skin tones and facial features, enabling customers to find the perfect products without the need for in-store trials.

Automakers must promote greater AI adoption to enhance areas such as predictive maintenance and personalized marketing. However, our analysis found that only 9 percent of organizations are using AI effectively in digital interactions. One of our recent studies on use of generative AI in organizations has found that 19% of organizations are implementing generative AI use cases in marketing and 25% of organizations are implementing gen AI in sales and customer operations.[49]

Generative AI is transforming marketing campaigns by enabling brands to create personalized, engaging, and innovative content at scale. **L'Oreal** leverages generative AI to streamline and enhance its marketing efforts by using Nvidia's Omniverse platform for creating 3D models of products. This approach reduces the need for traditional photoshoots and allows for rapid creation of product images and backgrounds in diverse settings.[50] **Heinz's** "A.I. Ketchup" marketing campaign used AI-generated visuals from DALL-E 2 to illustrate "ketchup," producing images that closely resembled their iconic bottle.[51]

Some automotive players, such as Mercedes-Benz, are leading this shift. **Mercedes-Benz**'s advanced user interface features a human-like virtual assistant powered by Gen AI, enabling tailored interactions based on driver preferences. This assistant understands natural language, adjusts vehicle settings, and offers personalized recommendations, aiming to enhance user satisfaction and transform the in-car experience into a highly customized journey.[52]

Toyota is also exploring Gen AI to enhance its engineering processes and customer interactions. At the New York International Auto Show, Toyota launched a Gen AI activation that allowed attendees to create personalized images of its Lexus luxury marque in various settings. Additionally, the organization plans to simplify the owner's manual experience, enabling drivers to quickly understand dashboard icons using AI, reducing the need for extensive paper manuals and supporting sustainability efforts.[53] Through more effective use of AI tools, automakers can create digitally personalized CX, a key differentiator in a competitive market.

Conclusion

In summary, the automotive industry stands at a significant crossroads, driven by the imperative for end-to-end customer experiences and comprehensive mobility solutions. The focus must shift towards ensuring seamless and hassle-free interactions throughout the customer journey. This necessitates reassessing strategic priorities and reallocating budgets to enhance service offerings that extend beyond the initial vehicle sale, aiming to deliver cohesive and positive experiences throughout the customer lifecycle. Our research highlights widespread customer dissatisfaction with omnichannel and digital experiences, pointing to issues such as poor ease of use and access, lack of real-time support, and insufficient post-purchase services like servicing and maintenance. Moving forward, integrating new mobility solutions and focusing on personalized, responsive, and consistent end-to-end experiences is essential for retaining customers over the long term.

Appendix

Calculation of additional revenue owing to superior CX

	Description	Low income (<$35000)	Moderate income ($35000 to $100000)	High income: (>$100000)
A	Current average holding period *(survey data)*		5 years	
B	Estimated holding period with better overall experience *(survey data)*		6 years	
C	Average vehicle purchase price[54]		$28,610	
D	Average cost of servicing and maintenance over holding period[55]		$1,200 to $1,500	
E	% of reported value consumers will actually pay (conservative assumption*)	5%	10%	20%
F	Reported % of purchase price consumers are willing to pay on top for better overall experience *(survey data)*		16%	
G	Actual % of purchase price consumers will pay on top (= E * F)	0.8%	1.6%	2.9%
H	Estimated purchase price with better overall experience (= C * (G+1))	$28,844	$29,055	$29,444
I	Reported additional % consumers are willing to pay for better post-purchase servicing and maintenance experience *(survey data)*		8%	
J	Actual additional % consumers will pay for servicing and maintenance (= E * I)	0.4%	0.8%	1.5%
K	Estimated cost of servicing and maintenance with better overall experience (= D * J)	$1,205 to $1,507	$1,210 to 1,512	$1,219, to 1,523
L	Customer experience (CX) premium (= H+K-C-D)	$239 to $241	$455 to 457	$852 to 857
M	Average number of vehicles sold per year (assumption)		500,000	
N	Additional revenue owing to CX premium over six years (= L * N)		$120 million to $428 million	
O	Additional annual revenue (= O/B)		$20 million to $71 million	

Source: Capgemini Research Institute analysis.

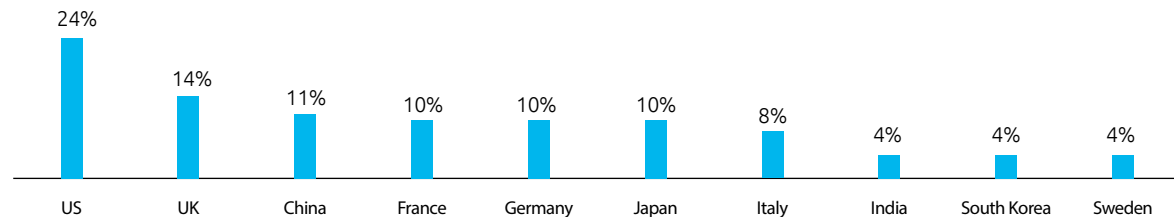## Calculation of potential loss of income owing to poor CX

	Cost of losing customers to poor CX	
a.	Consumers who are planning to purchase a new vehicle in the next 12 months	9%
b.	Those that are dissatisfied and/or undecided	51%
c.	Those who are looking to purchase a new brand (different from the current brand)	14.4%
d.	Those who are uncertain about changing brands	8%
e.	Assuming that about half of the undecided consumers tend to switch brands	4%
f.	% share of overall customers who are dissatisfied with their current vehicle brand and are planning to purchase a new one (a x b x (c+e)	0.8%
g.	Customer lifetime value per customer (C+D from the table above)	$30,110
h.	Average vehicles sold per year (assumption)	500,000
i.	Customers expected to churn over next year (f x h)	4,181
j.	Total CLV loss (over five years) (g x h)	$629,508,464
k.	Annual CLV loss (j/5)	$125,901,693

Source: Capgemini Research Institute analysis.

Research methodology

We surveyed 600 senior executives from large automotive OEMs (including passenger cars, two- and three-wheelers, trucks, and buses), fleet service organizations, dealers, aftersales organizations, and MaaS providers (e.g., car rental, taxi, and ridesharing providers). The surveyed automotive passenger-car OEMs and dealers each have an annual revenue exceeding $1 billion, while the OEMs producing two- and three-wheelers, trucks, and buses, as well as the fleet service and aftersales organizations, and MaaS providers each have annual revenue over $300 million. These executives are based in 10 countries across North America, Europe, and Asia-Pacific. The global survey took place in August 2024. The distribution of executives and their organizations is shown in the following figures.
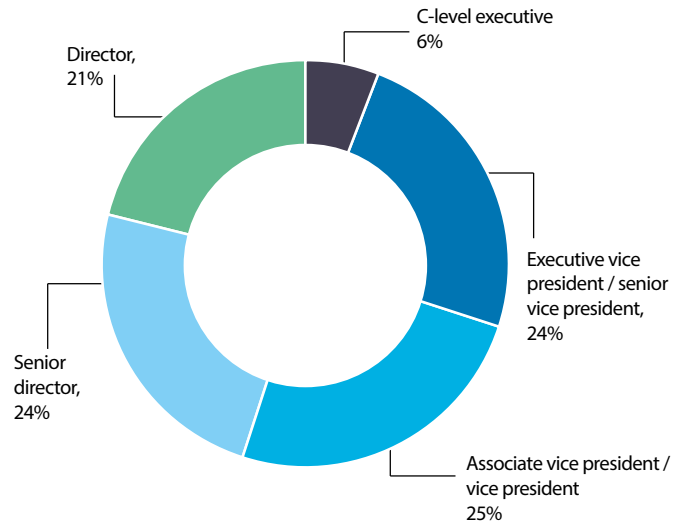
Organizations by country

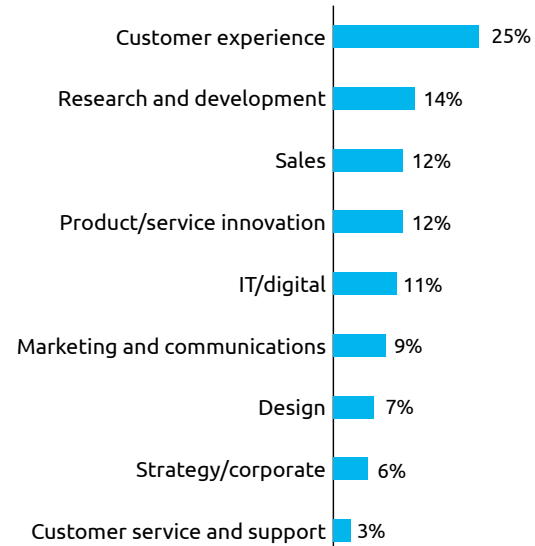| US	UK	China	France	Germany	Japan	Italy	India	South Korea	Sweden
24%	14%	11%	10%	10%	10%	8%	4%	4%	4%

Organizations by sector

- Passenger cars (OEM), 14%
- Trucks and buses (OEM) 6%
- 2- and 3-wheelers (OEMs), 3%
- Fleet service organizations 13%
- Dealers, 18%
- Aftersales organizations 8%
- MaaS organizations, 37%
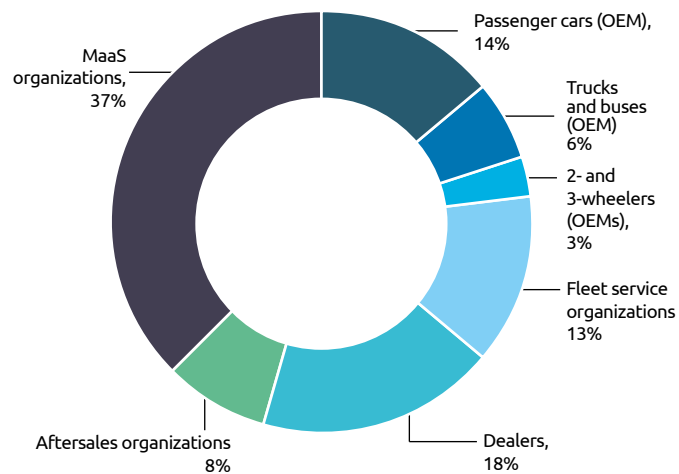
Organizations by revenue

- More than US $50 billion 6%
- US $300 million - $500 million, 12%
- US $500 million - $999.99 million, 19%
- US $1 billion - $4.99 billion, 40%
- US $5 billion - $9.99 billion 8%
- US $10 billion - $19.99 billion 8%
- US $20 billion - $49.99 billion, 7%

Executives by job title

C-level executive
6%

Director,
21%

Executive vice
president / senior
vice president,
24%

Senior
director,
24%

Associate vice president /
vice president
25%

Executives by function

Customer experience	25%
Research and development	14%
Sales	12%
Product/service innovation	12%
IT/digital	11%
Marketing and communications	9%
Design	7%
Strategy/corporate	6%
Customer service and support	3%

We also conducted a global survey of 10,000 consumers over the age of 18 across 11 countries.

Consumers by age group

- Gen Z, aged 18-27: 25%
- Millennials, aged 28-43: 33%
- Gen X, aged 44-59: 24%
- Boomers, aged 59+: 18%
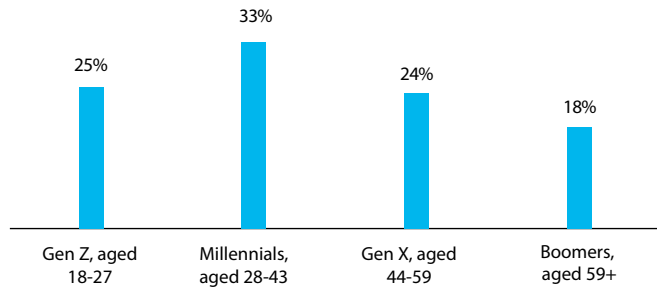
Consumers by gender identity

- Woman: 50%
- Man: 49%
- Non-binary: 1%
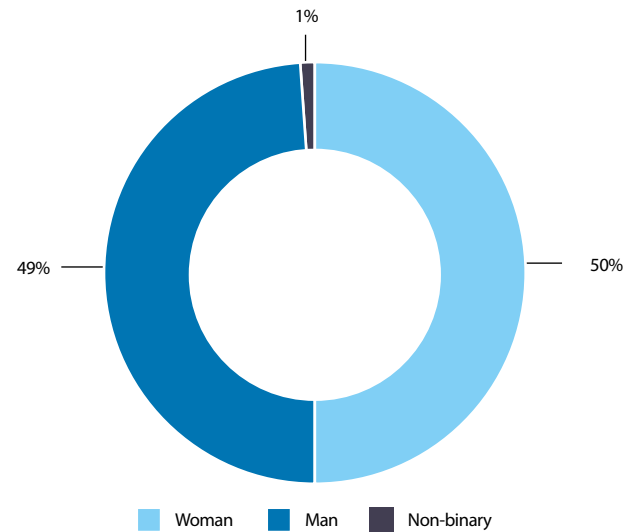
Consumers by country of residence

Country	Percentage
United States	15%
United Kingdom	10%
Germany	10%
France	10%
China	10%
Sweden	8%
South Korea	8%
Japan	8%
Italy	8%
India	8%
Brazil	5%
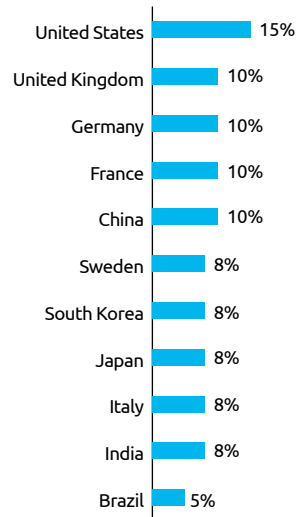
Consumers by primary mode of transportation

Mode of transportation	Percentage
Personal vehicle	26%
Mass transit (e.g., metros, trains)	25%
Other public transport (e.g., buses, shuttles)	15%
Ride-hailing (e.g., Uber)	12%
Walking/cycling	10%
I use multiple modes of transport on a frequent basis	9%
Ride-sharing	2%
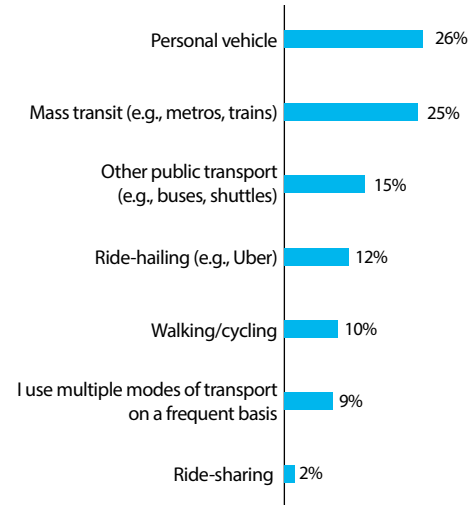
To complement the survey findings, we conducted **in-depth discussions** with 32 CX experts from automotive and MaaS organizations, as well as from other consumer-facing industries, such as hospitality and hotels, consumer products and retail, luxury goods and retail, consumer electronics, airlines and transport, and banking and insurance. We would like to extend our special thanks to executives from the following organizations who took part in the in-depth interviews for this research:

- Accor
- Auchan Retail
- AutoNation
- AXA
- BMW
- Dell Technologies
- Estée Lauder
- Gett

- Henkel
- Hero MotoCorp Ltd.
- Hertz
- Hilton
- Iveco
- JPMorgan Chase
- L'Oréal
- Lucid Motors
- Lufthansa Group
- Michelin
- NIO
- Nissan
- NJ Transit
- Ola Electric

- Penske Automotive Group
- Prudential Financial
- Samsung Electronics
- SIXT SE
- Škoda
- Sonic Automotive
- Stellantis
- The Home Depot
- Walmart
- Society of Indian Automobile Manufacturers

The study findings reflect the views of the respondents to our online questionnaire for this research and are intended to provide directional guidance. Please contact one of the Capgemini experts listed at the end of the report to discuss specific implications.

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Meet the experts

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Laurence Noël is a distinguished
professional with a robust background in
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across management of business units,
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Laurence empowers clients to shape
profitable and successful strategies, achieve
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several influential Board positions in the
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With 22 years of strategic and operational
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Elise Arnout is a customer experience expert at
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Since joining Capgemini in July 2022, Elise has been
a transformative force in enhancing customer
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major events, leveraging the full capabilities of the
Group and its partners to deliver impactful results.

Combining industry knowledge, analytical acumen,
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Christina Schehl is Executive Vice President
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Pascal is an expert in customer journey management, strategy, innovation, and business transformation, with extensive experience in the automotive and mobility sectors. His career spans research, strategic marketing, and leadership roles, including senior positions at PSA Groupe, where he redefined global customer segmentation, repositioned the Peugeot, Citroën, and DS brands, and integrated customer expectations into digital innovation processes. He also led urban mobility projects at the Institute for the City on the Move and now heads the Business Transformation Team at Capgemini Engineering, focusing on large deal origination. Pascal's deep industry knowledge is complemented by his expertise in foresight, sales, and supply chain transformation.

Darshan is globally accountable for directing and building the Capgemini Group's capabilities, delivery, service and portfolio for its 25,000 strong Digital Customer Experience (DCX) Practice. He has over 30 years of industry experience, including 15 years in Digital and Mobile. With his vast knowledge of business consulting, domain, and technical implementations, he has successfully led many large CX transformation programs.

With close to 30 years of consulting experience, Alex has extensive experience in the digital space and built a reputation in Services, Consumer Goods, Retail, Utilities, and Healthcare. His specialties include areas such as customer strategy, personalized CRM and marketing, cloud computing, social media, digital transformation, and joint ventures. His ability to integrate strategy, consulting, technology, and outsourcing has made him a trusted advisor for organizations looking to drive customer-centric digital transformation.

Christian is a trusted leader in the automotive industry with more than 20 years of experience and a deep commitment to innovation, sustainability, and global collaboration. As the Global Head of Automotive at Capgemini Invent, he has played a pivotal role in guiding clients through transformative changes, leveraging cutting-edge technologies such as generative AI and fostering data-driven solutions. With expertise in marketing, sales and organizational development, Christian brings a forward-thinking approach to shaping intelligent, connected, and sustainable futures for the industry. His passion for turning visionary concepts into reality has made him a key contributor to driving innovation in the automotive sector on a global scale.

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About the Capgemini Research Institute

The Capgemini Research Institute is Capgemini's in-house think tank on all things digital. The Institute publishes research on the impact of digital technologies on large traditional businesses. The team draws on the worldwide network of Capgemini experts and works closely with academic and technology partners. The Institute has dedicated research centers in India, Singapore, the UK, and the US. It was recently ranked number one in the world by independent analysts for the quality of its research.

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Capgemini offers end-to-end support For your transformation into a "customer first" business

It is now time for mobility players to understand that customer experience (CX) is as important as the physical product – perhaps more so in terms of competitiveness – and that it needs to extend across the entire customer journey. As customers become service buyers, companies must differentiate themselves via both online and offline experiences, at many physical and digital touchpoints, from presales to end-of-life or -lease. Competition in this area will intensify with increasing connectivity, the emergence of AI-powered in-car companions, and the ability to deliver services and features "over the air."

The issues uncovered by our research point to two major challenges for mobility players. First, customers' needs and expectations are not being met – in particular, they are not getting the seamless experience they want, which can lead them to switch brands. Second, day-to-day mobility is tending to shift from ownership to usage.

Whether you're a mobility player or a supplier to this industry, Capgemini can help you undergo the business and technology transformation needed to overcome these challenges and offer world-class CX.

Helping you deliver business outcomes by putting your customer first

In collaboration with our partner network, we support our clients in continuously reinventing their businesses to put the customer first, the key to success in this new era. This means creating products and services that are relevant, hyper-personalized, and built efficiently and cost-effectively to create economic, social, and environmental value.

Uniquely, we have the end-to-end capabilities needed to support clients on a global scale from creation to execution, and right along the value chain. We empower mobility players to imagine, make, scale, and run new products and services, bringing human experiences to life through AI, technology, and digital experience platforms to deliver exceptional business value. We work hand

in hand with them to co-create their future, upskill their team, and embed change.

We offer frameworks for CX transformation, plus a range of accelerators and solutions to address mobility players' specific challenges. For example, our Gen AI-enabled customer service hub enhances post-sales CX across all channels, enabling clients' agents to handle increasing volumes of requests, speed up resolutions, boost upsell, and offer new services, while reducing operating costs.

Our 35,000+ automotive experts worldwide provide deep industry understanding and expertise. Our competences and research in emerging technologies such as Gen AI are complemented by our collaborative network of technology partners, from major hyperscalers to the most innovative startups.

Today's customers are in the driving seat, with heightened expectations about the organizations they engage with. Capgemini supports you in meeting these expectations by putting customers

first. We'll accompany you at every stage of your transformation, from strategy and the design of a new end-to-end customer journey through to implementation and live running. With you, we can create a strong customer value proposition, design innovative in-car experience for drivers and passengers alike, define new ways to market with hyper personalization, propose unique agency sales

models, offer innovative products and services in and around the car. We can ensure your customers are connected and use these services along with those from their dealers, across the whole mobility journey, including warranty, repairs and more. Fundamentally we can help transform the mobility experience that OEMs and other mobility players will provide their customers.

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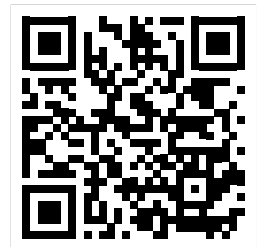
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Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

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