AUTOMOTIVE

2025 CX IMPERATIVES

Industry Insights for the Experience Economy

MERKLE

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Successful brands recognize that it's no longer a matter of knowing everything about your customers – it's about knowing the right things, including their preferences and expectations for interacting with your company.

Last year, we reported on what consumers want and how brands rise to the occasion to deliver. Now, we've compiled those insights through an industry lens.

This report addresses the unique challenges and opportunities automotive companies face with data-driven strategies to enhance customer engagement, personalization, and loyalty. See how you stack up against your industry peers and learn how to stay ahead of evolving customer expectations for long-term business growth.

CONSUMER SURVEY

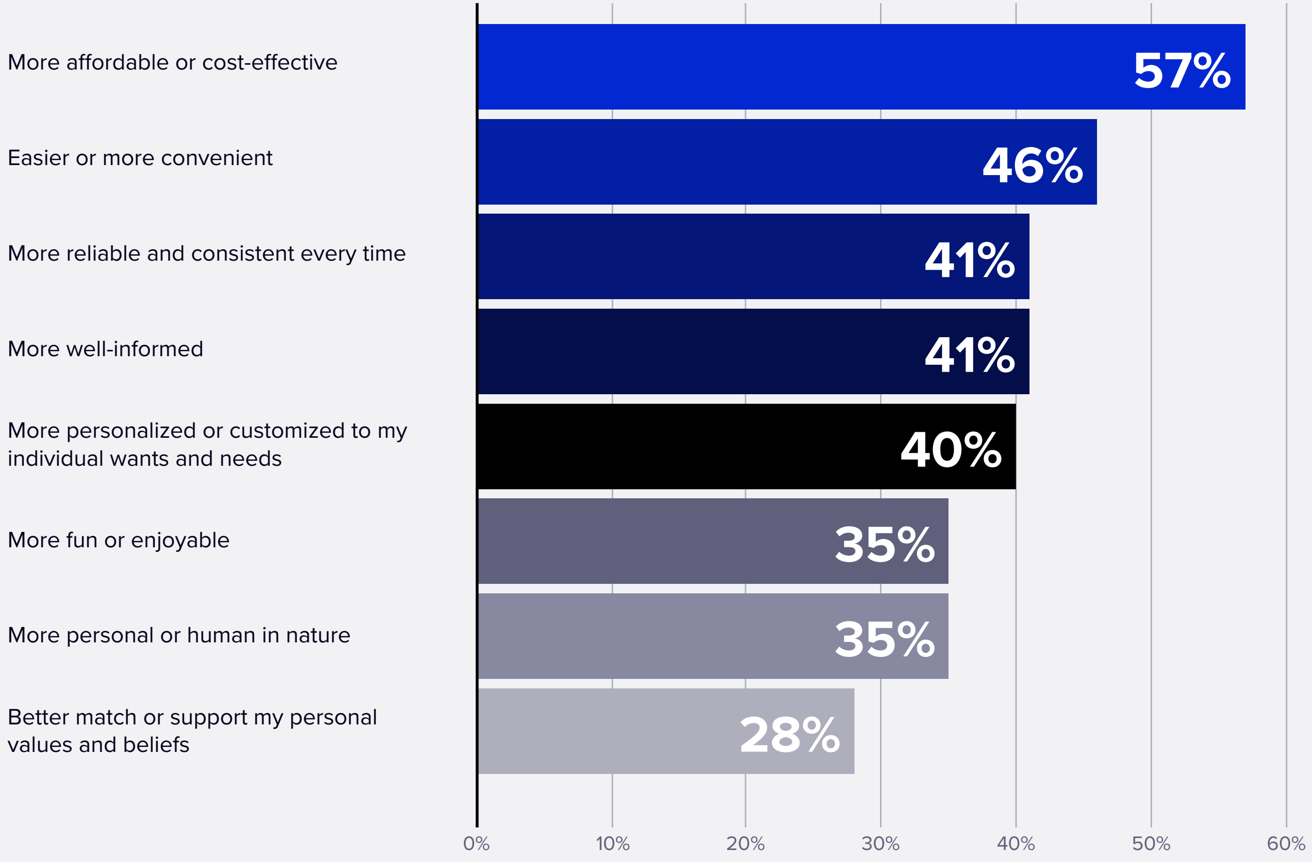
Automotive consumers want **cost effectiveness, convenience, consistency, information,** and **personalization** from their brand experiences.

Our consumer survey found cost-effectiveness, convenience, and consistency to be the most-cited **areas of improvement** for customer experience across all industries, and the same goes for automotive consumers.

In addition to these three areas for improvement, consumers in this industry are seeking experiences that give them **more information** and **personalization** to meet their individual wants and needs.

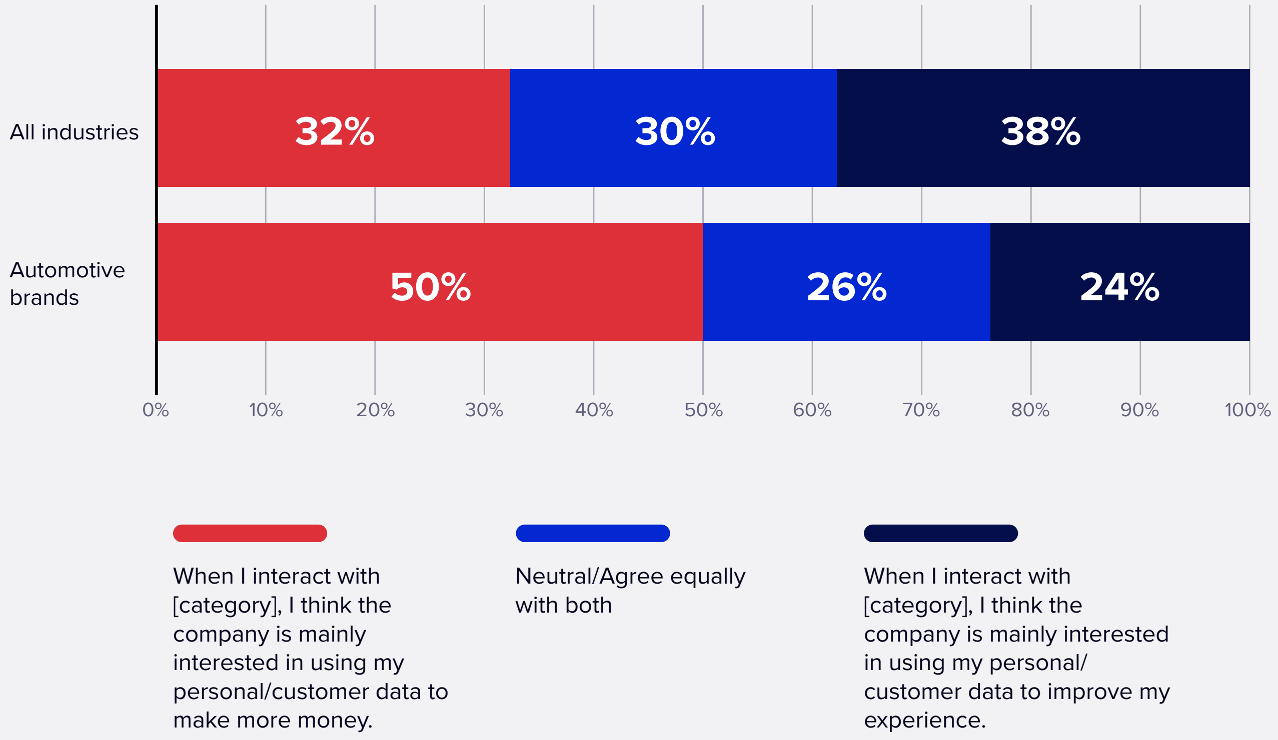
Q: In what ways would you like to see automotive companies improve your overall customer experience in the future?

A: Make my customer experience...



CONSUMER SURVEY

Q: Thinking about all the times you've engaged with, purchased from, and/or donated to [brand], which one of the following pairs of statements do you agree with more?



Consumers are skeptical of automotive brands' use of their personal data.

What's perhaps not surprising, considering the areas for improvement cited above, is that consumers are **more skeptical** of automotive brands' use of their personal data than they are of other industries – and by a significant margin.

This gap is worth unpacking, especially as we get into automotive brands' stated commitment to CX relative to other industries we surveyed.

Automotive consumers prefer **digital research, human purchase** and **support**.

The balance of digital and human is a topic we explored in the first installment of our 2024 CX Imperatives. Even with the conveniences of digital information sources, payments, and virtual spaces, consumers crave a human element, especially where technology falls short.

Automotive is one of the few industries in which brands nearly match consumers' preferences in their execution of this balance, with the exceptions of the evaluation and requesting support stages. It's worth noting that in many other industries, brands were wildly misaligned with what their customers wanted, oftentimes erring on the side of digital.

Consumer respondents

Q: When interacting with automotive brands, which kind of experience would you most prefer?

Researching	Evaluating/Selecting	Purchasing	Requesting Support
More digital (+11%)	Equal split (+/- 5%)	**More human (+20%)**	**More human (+21%)**

Professional respondents

Q: Which kind of experience does your organization typically deliver to customers right now?

Researching	Evaluating/Selecting	Purchasing	Requesting Support
More digital (+31%)	More human (+13%)	More human (+13%)	Equal split (+/- 10%)

Digital experiences strongly preferred (+20% or more net)

Human experiences strongly preferred (+20% or more net)

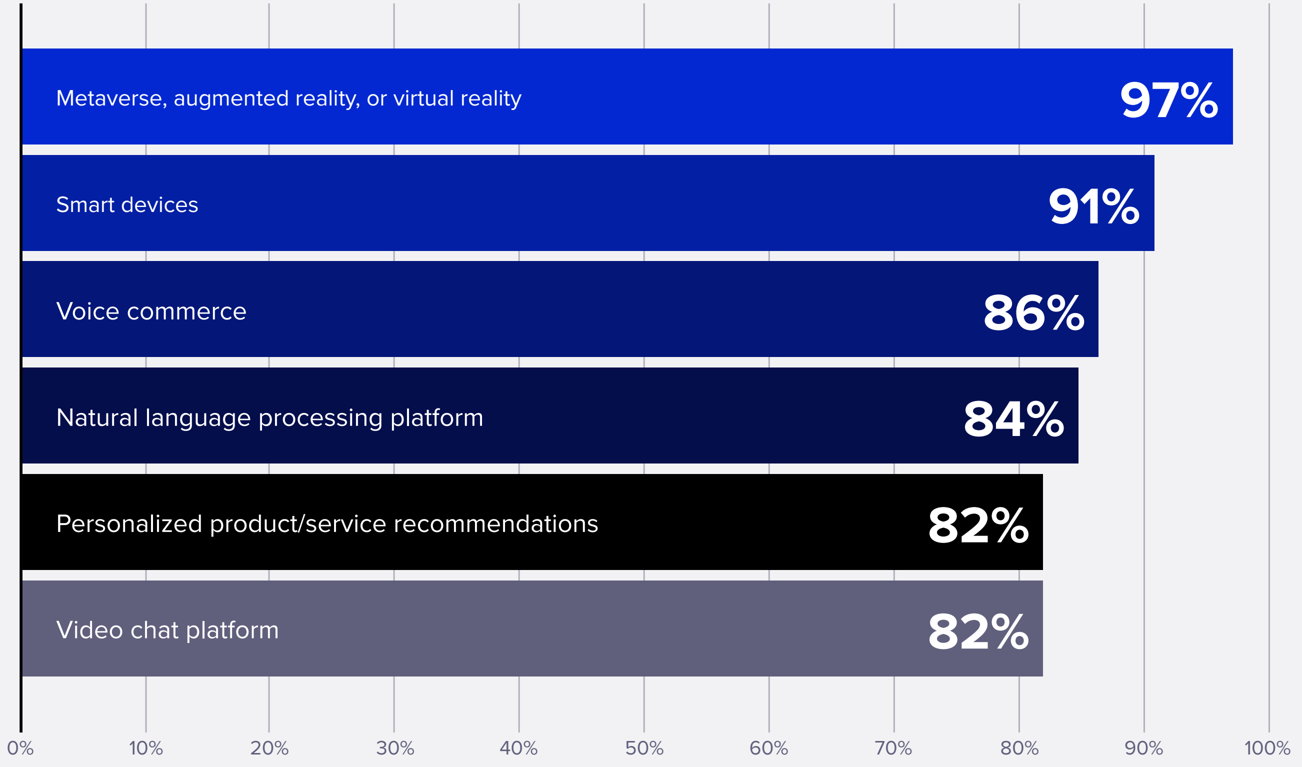
CONSUMER SURVEY

CX technology improves automotive brand experiences.

A high percentage of automotive consumers who interacted with CX technology found it to have a positive impact on their brand experiences.

Q: To what extent did [CX tech] impact your experience (compared to your experience without the technology)?

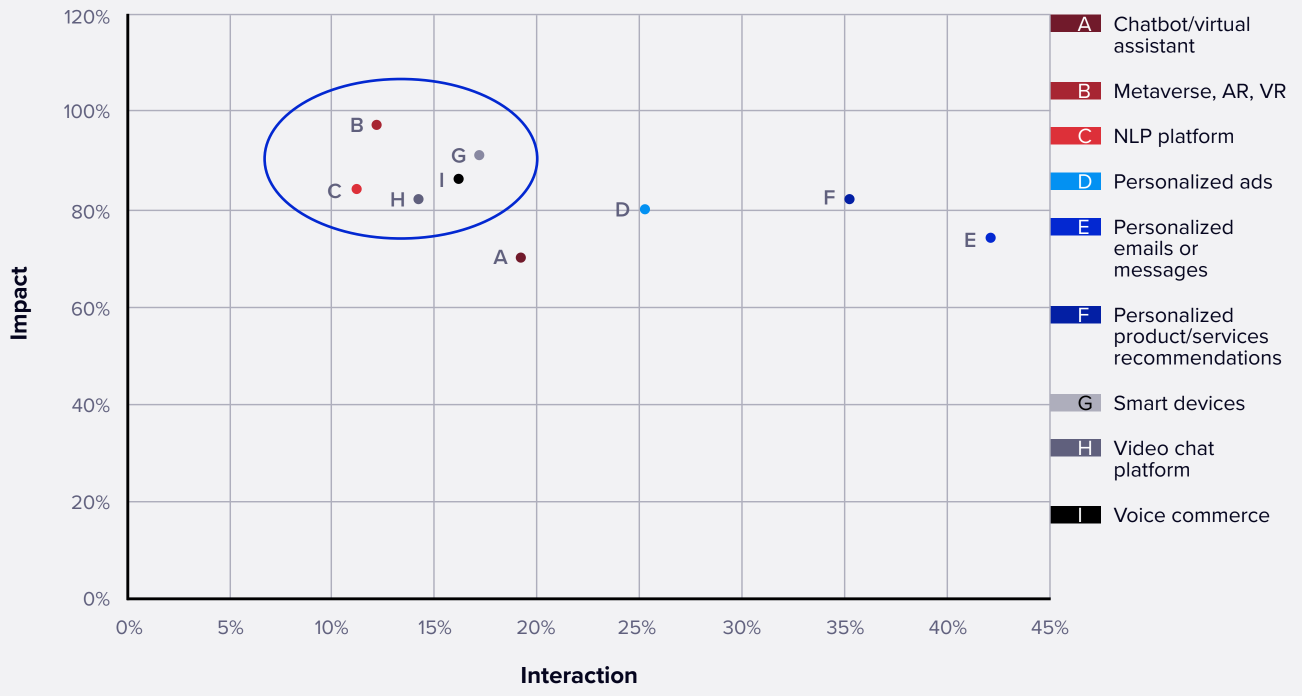
A: % of customers who believe their CX has somewhat or significantly gotten better



There's an opportunity for automotive companies to **expand the use** of underutilized but **impactful technology**.

We asked automotive consumers if they had knowingly engaged with specific pieces of CX technology in the past three months, and if they had, how impactful these technologies were on their brand experiences. Notably, five of the six most impactful pieces of tech were reportedly experienced by less than 20% of respondents.

% of auto and manufacturing consumers whose CX was improved by AI-driven tech and % who experienced said tech



PROFESSIONAL SURVEY

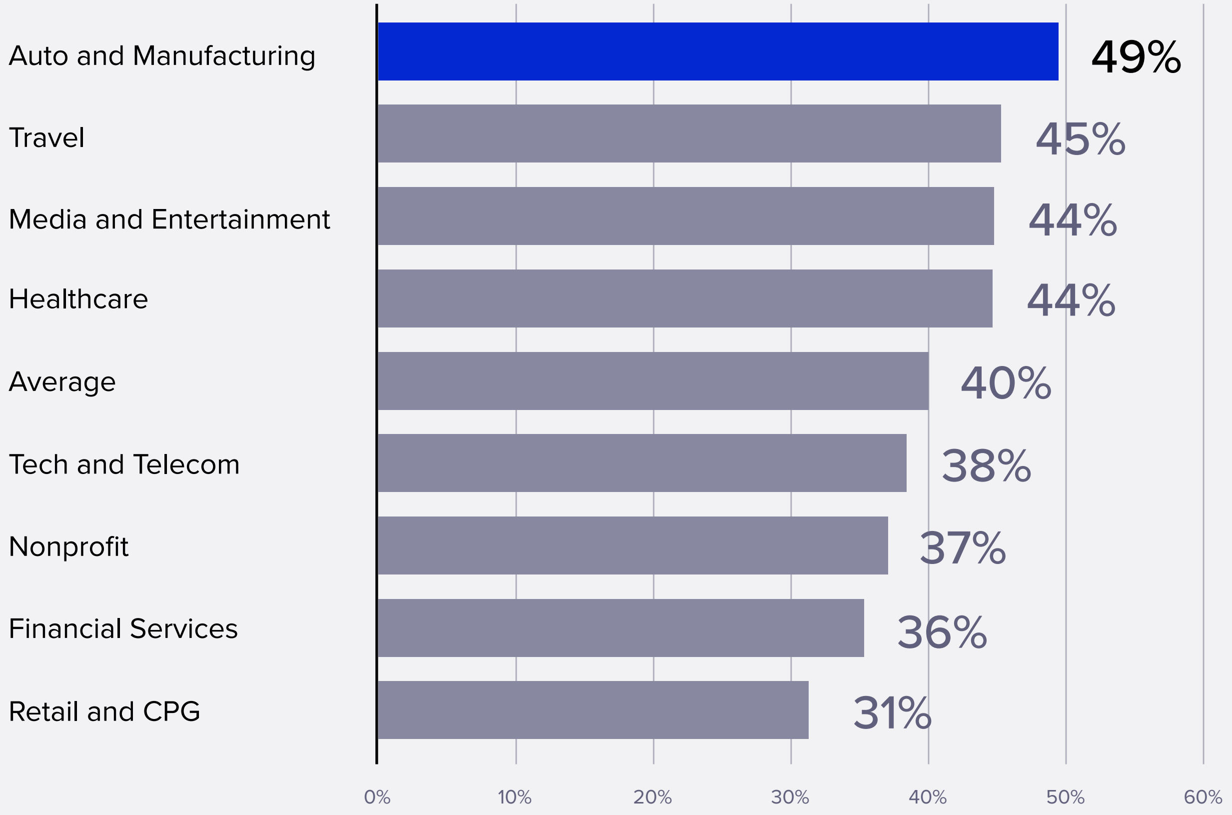
Automotive is more mature than other industries in laying the foundation to deliver new experiences.

As highlighted in our business leaders' report, well-integrated marketing technology lays the groundwork for introducing emerging technologies quickly and successfully.

Why? Because this integration allows for the consolidation of data from disparate sources (e.g., digital channels, call centers, offline channels, etc.). **Automotive respondents were the most likely to report having well-integrated tech, at 49%.**

Q: How well do you think the following statement describes your organization?

A: % strongly agree "Our marketing technology platforms are very well-integrated (versus disjointed or siloed)"



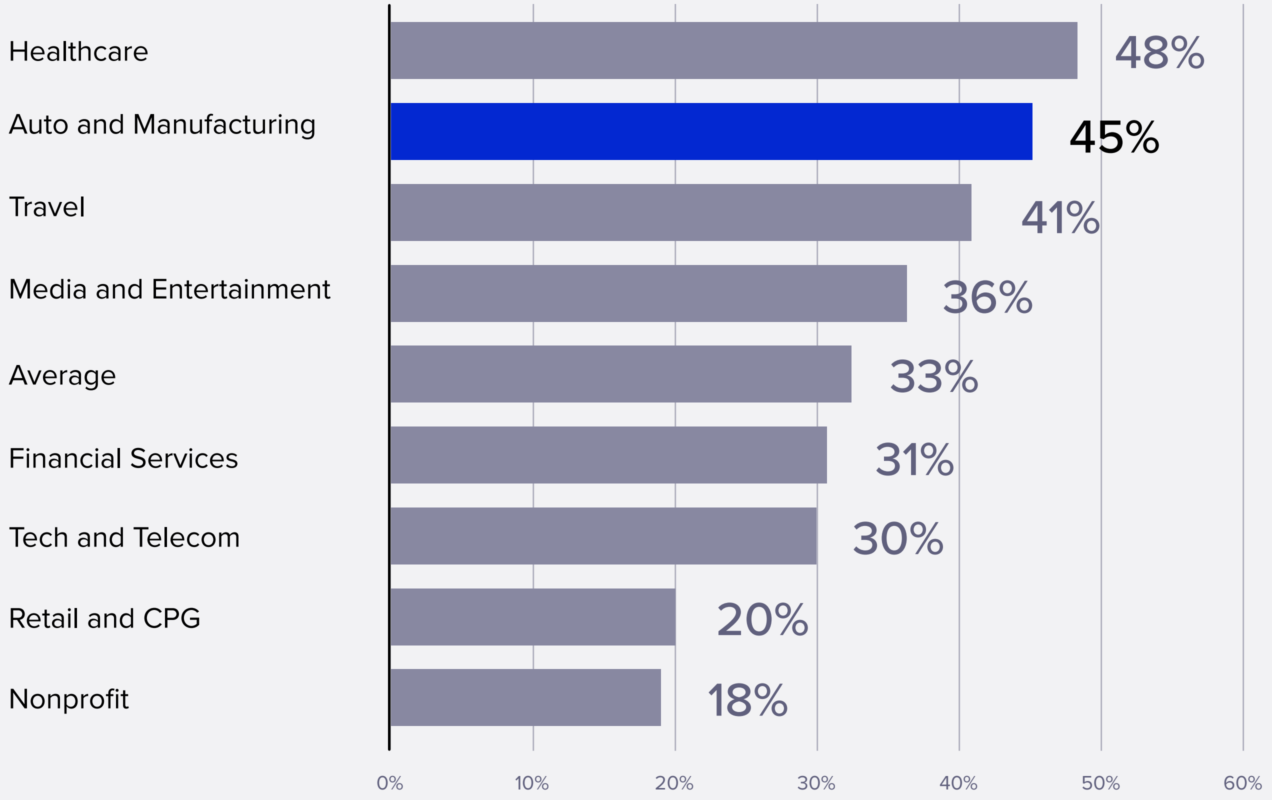
PROFESSIONAL SURVEY

Automotive brands **outpace** other industries **with AI-enabled CX.**

Unsurprisingly, automotive brands are implementing AI-enabled technology at a higher rate than most other industries. There is room for improvement, however, for under half of surveyed automotive brands have yet to implement AI in their CX.

Q: How would you describe your organization’s approach to adopting AI-driven customer experience solutions?

Q: % chose “We have already invested in and implemented AI-driven CX solutions”



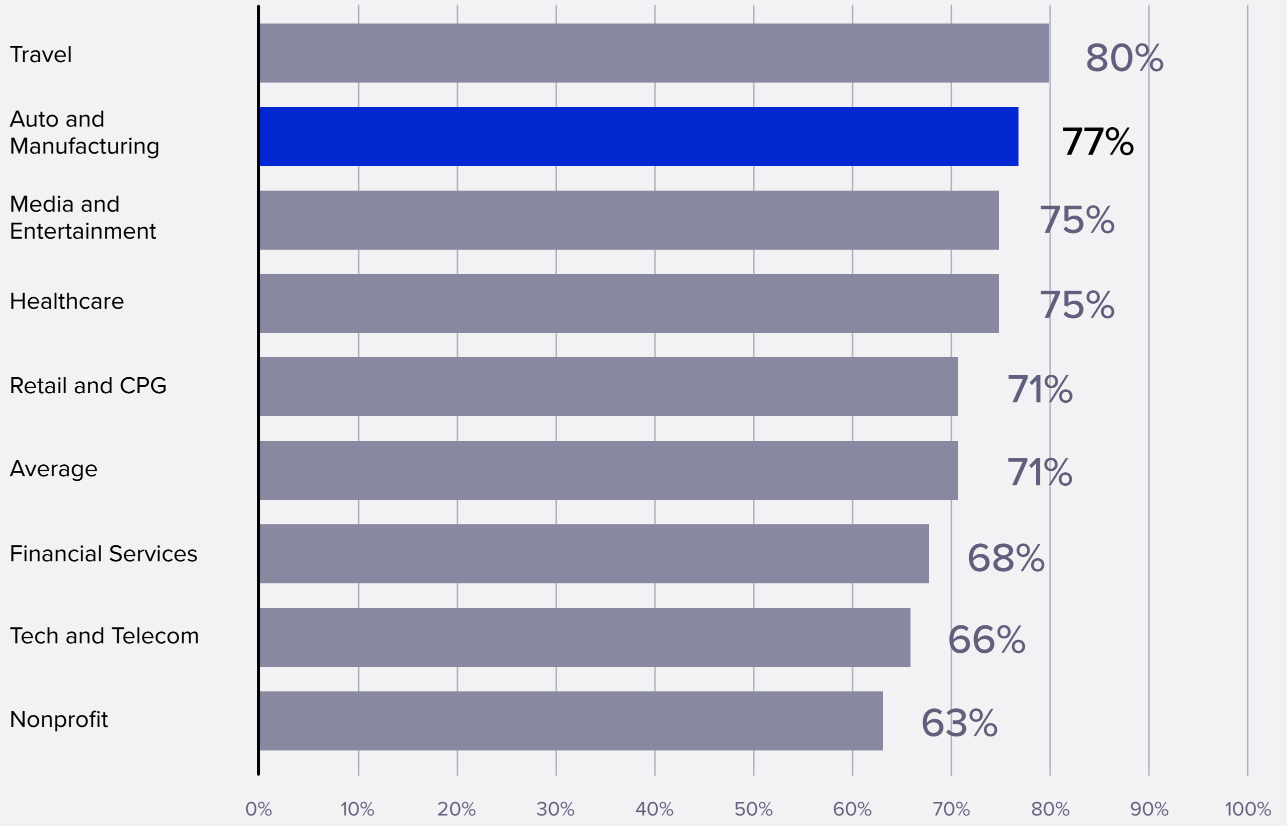
PROFESSIONAL SURVEY

77% of automotive brands have long-standing, codified CX strategies.

Automotive and manufacturing ranked second in its likelihood to have long-standing, codified CX strategies, with 77% of respondents selecting this option.

Q: Which of the following best describes your organization's customer experience strategy?

A: % chose "We have had a formal, codified customer experience strategy in place for several years"



PROFESSIONAL SURVEY

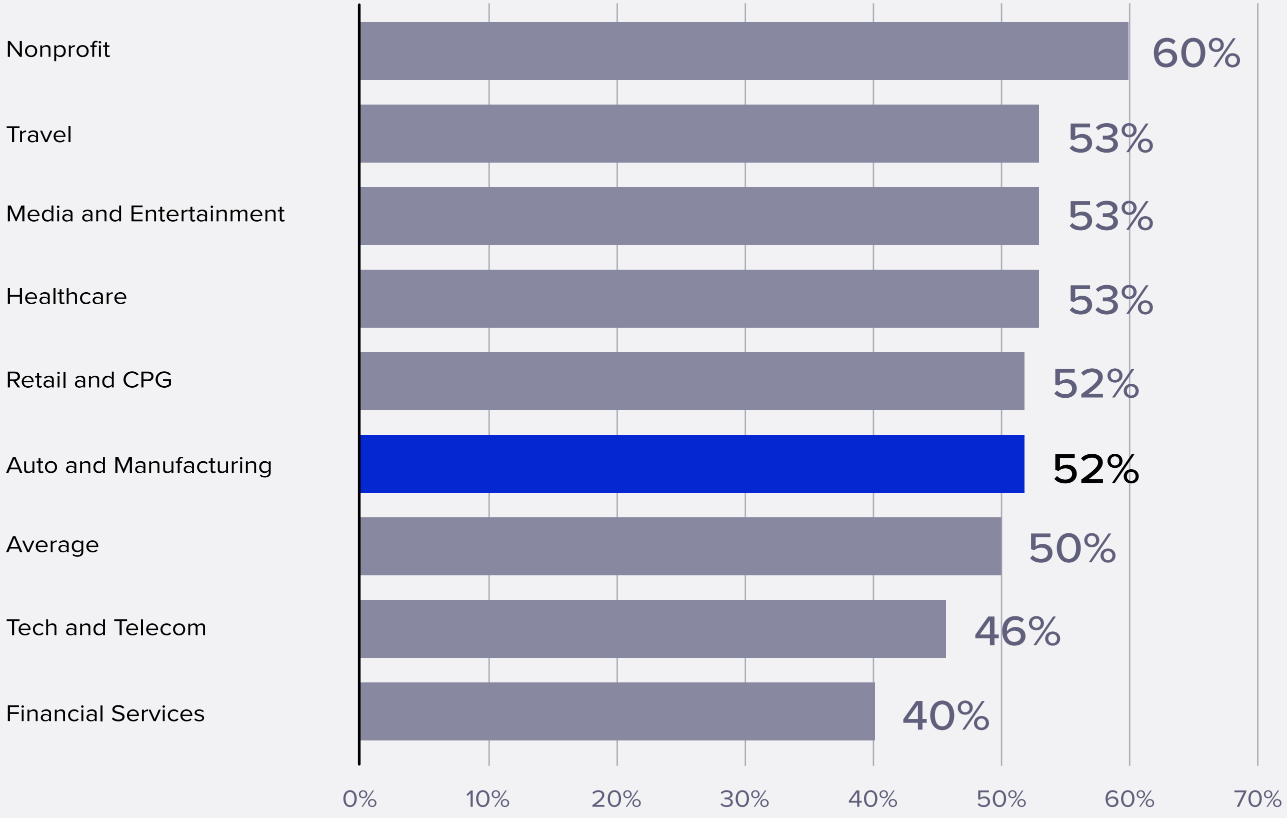
But **only about half** of automotive brands **have customer-first cultures.**

Organizations with customer-first cultures have internal alignment around the goal of delivering excellent customer experience. This alignment transcends all departments.

Automotive and manufacturing were in the lower half of surveyed industries in their commitment to customer-first cultures. Fifty-two percent of respondents reported that their companies met this criterion.

Q: How well do you think each of the following statements describes your organization?

A: % strongly agree with the statement "Our organization has a customer-first culture in which all functions and departments are committed to delivering a great customer experience"



PROFESSIONAL SURVEY

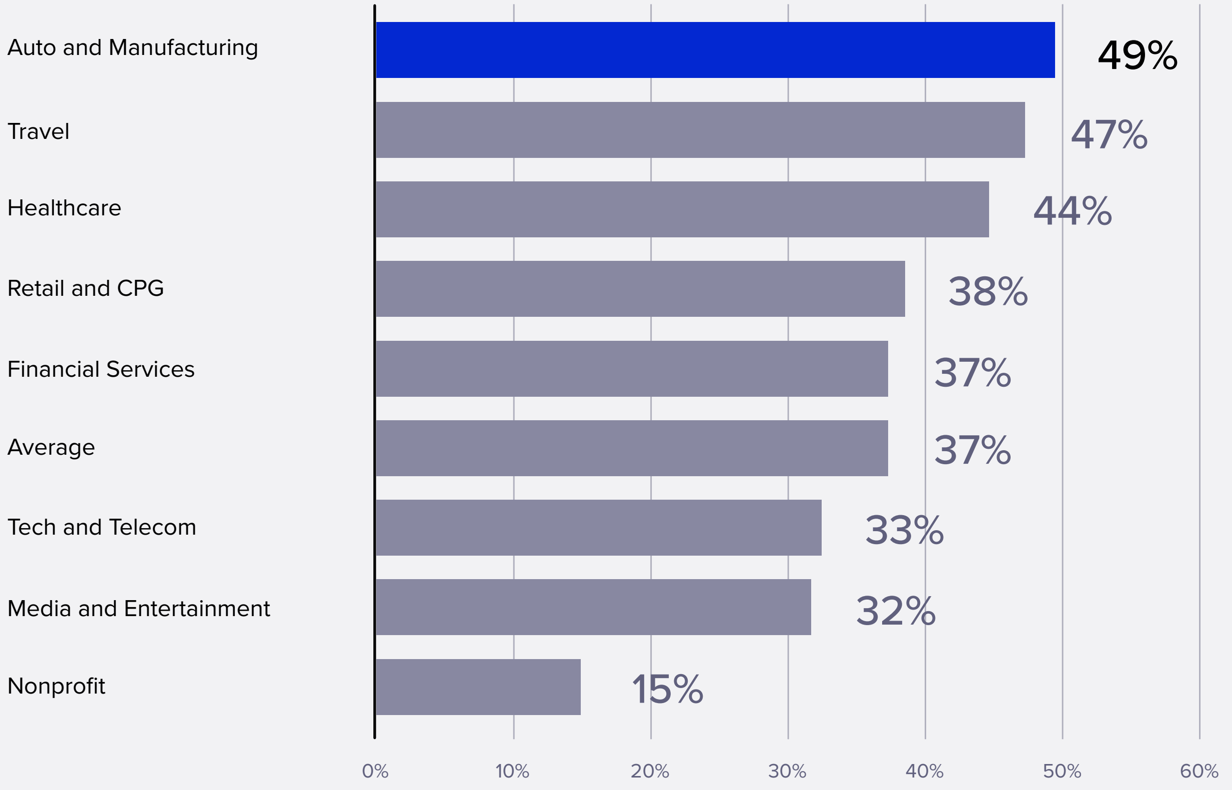
Automotive respondents **prioritize competitor activity** over customer feedback.

Automotive and manufacturing companies are more likely than those in other industries to base investment decisions on customer feedback. While they rank highest of all industries surveyed in our study, they still prioritize competitive activity when making CX investments, at 52%.

As highlighted in our Business Leaders Study, **leading CX organizations are more likely to prioritize customer feedback** than competitor activity.

Q: What are the biggest drivers or factors that influence your organization's customer experience investments?

A: % chose "Customer feedback/demands"



Key considerations

Don't overlook the obvious.

It should come as no surprise that cost-efficiency is a key area of improvement for automotive brand experiences, as consumers face high loan interest rates, and the average new car transaction is 13% higher than it was in 2021[1].

It's also important to incorporate consumers' preferences into both their digital and human touchpoints, and to provide easily accessible information for what is ultimately a very costly and often personal purchase. Post-purchase, information about a vehicle can be personalized to personas (e.g., commuters, road-trippers, carpool families), or fed through the vehicle's infotainment system.

Provide a value exchange for customer data.

The reward for handing over one's information should be a great experience. You can spend years building trust with a consumer that can be lost in a moment.

Automotive consumers want to research online, but to buy and receive support in person.

The challenge is to make the transition from online to offline environments seamless. Combining zero-, first-, and second-party data in an identity resolution platform is one way to create a 360-degree view of your customer. When a salesperson is armed with this information, they're able to better anticipate and personalize the service of customers, removing some of the frustration many associate with dealerships.

Robust customer profiles also enable better relationships between OEMs and dealerships, and between OEMs and customers – especially as they are pursuing DTC sales models.

Explore underutilized but impactful emerging tech, but only if you have the technological infrastructure to pull it off.

Exploration of emerging tech could give you a leg up on the competition, as few consumers recall having experienced innovations such as virtual reality or smart devices in their automotive journeys. However, it's imperative that your martech is well integrated before introducing new channels or avenues for engagement.

Your CX strategies are only as strong as your organization's commitment to the customer.

Automotive scored well in having longstanding CX strategies but fell short in its commitment to customer-first cultures. Automotive companies are also more likely to prioritize competitor activity than customer feedback when making CX investments. While the complexities of the auto industry make the brand-customer relationship difficult, it's worth considering long-term signals of brand health, such as customer lifetime value (a metric only 36% of surveyed automotive respondents use to evaluate customer experience).

[1]Kelley Blue Book, "When Will New Car Prices Drop?" 9/20/24

For further reading

REPORT
Customer Experience Imperatives
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REPORT
CMO Navigator, CX Edition
Read now

REPORT
Content Supply Chain
Read now

BLOG
Finding Value in AI: A Framework for Practical Adoption
Read now

Methodology

Primary research comprised online surveys of N=820 CX professionals with decision-making influence on customer experience at their organizations and N=2,100 consumers who had a qualifying consumer interaction with one or more brand categories in the past 3 months. Surveys were administered in six languages to professionals and consumers based in 18 countries across North America, Europe, and the Asia Pacific region. Survey fieldwork conducted October-November 2023.

Representation of categories by CX professionals: 18% retail & CPG; 17% tech & telecom; 16% financial services & insurance; 15% automotive and manufacturing; 12% healthcare; 9% media and entertainment; 9% nonprofit; and 9% travel.

Representation of categories by consumers: 73% retailer; 64% restaurant or food service; 60% healthcare provider; 55% financial services; 48% packaged goods; 44% clothing or textile; 44% technology or telecoms; 43% travel or transportation; 43% hospitality; 34% insurance provider; 33% entertainment; 33% electronics or technology; 31% household goods; 31% media brand; 26% nonprofit organization; 21% vehicle manufacturer; 21% software company; 15% outdoor equipment.

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