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Jens Wieland, Program Manager,
Customer Solution Center, Volkswagen AG

VOLKSWAGEN

PUTTING THE CUSTOMER IN THE FRONT SEAT: VOLKSWAGEN DRIVES CUSTOMER SATISFACTION WITH MYSAP™ CRM

Manufacturing and marketing cars used to be relatively straightforward: in a manufacturer-driven market, consumers were content to buy what was being produced. But times have changed. Intense, global competition and increased market transparency have given buyers more choices and more leverage. In this consumer-driven market, manufacturers must make every conceivable effort to please their customers, take their wishes and concerns seriously, anticipate market trends, and respond swiftly. That’s why Wolfsburg, Germany–based Volkswagen AG, part of Volkswagen Group, decided to implement the mySAP™ Customer Relationship Management (mySAP CRM) solution.

Car buyers have fundamentally changed the way they interact with the motor industry. Manufacturers have experienced a dramatic increase of inbound contacts from customers who wish to communicate directly, rather than through a dealership. They inquire about financing options, service matters, and vehicle information, and they voice complaints. The popularization of the Internet as a convenient information and communication platform has contributed to this intensified direct dialogue. In response, the car industry needs to have efficient systems for supporting customer dialogue and ensuring customer satisfaction.

A New Engine for Customer Service and Marketing

Volkswagen is Europe’s largest car manufacturer, with 9.1% of the world’s passenger car market. It responded to these challenges early by expanding its customer-facing activities and adopting a variety of CRM initiatives, including a mix of stand-alone software applications and paper-based processes. But as market competition intensified, these measures fell short of meeting the company’s and customers’ requirements.



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Data and processes for sales, complaints management, campaign management, after-sales service, and lead management were not synchronized, and each revealed only a partial view of a customer’s dealings with Volkswagen. It was impossible to obtain a comprehensive and consistent view of each customer or obtain information to support multichannel communications, which have become increasingly important in reaching customers.

To engage in a more effective dialogue, Volkswagen needed software capable of delivering an integrated, holistic view of current and prospective customers. This was essential if the company was to meet its goals of delivering best-in-class customer service, improving rates of customer acquisition, and boosting loyalty. In specific areas, Volkswagen required functionality for processing customer inquiries, an open architecture for integrating external data, and a strategic marketing tool to help win and retain customers.

Volkswagen had a vision that all this could be achieved with one integrated suite of applications extending across departments to facilitate the sharing of knowledge and encourage collaboration.

On the Road to Meeting the Customer

A key consideration was to implement software applications that would not require the development and support of interfaces between components. Following a review of potential solutions, it became clear that SAP was the vendor best able to provide software with the depth of integration that Volkswagen wanted. Several Volkswagen departments were already running mySAP Business Suite solutions, which offered an excellent platform for expansion.

Volkswagen and its sister brand, Audi, decided to collaborate on the CRM project. They completed a successful pilot implementation of SAP® interaction center software that led to the subsequent decision to implement mySAP CRM enterprise-wide.

mySAP CRM provides full visibility of customer and vehicle information and extensive features to link external data sources. Volkswagen perceived a high degree of investment protection in acquiring solutions from SAP. It recognized that, as the market leader, SAP is quick to adopt and deploy new technology for the benefit of clients.

Volkswagen worked in close partnership with SAP and its implementation partner, syskoplan AG, to build a CRM solution that has become a blueprint for the entire Volkswagen Group.

A legacy complaints management system was replaced with software in mySAP CRM. Jens Wieland, program manager at Volkswagen's customer solution center, describes the process: "Our strategy was to begin with the VIP customer and luxury vehicle segments, then extend each component across the volume car market. This approach proved very successful." syskoplan integrated the carmaker's vehicle-ordering database and customer Web site with mySAP CRM. These data sources were crucial in facilitating an informed and rewarding dialogue with customers.

Volkswagen also implemented the SAP NetWeaver® Business Intelligence component to create a data warehouse to support integrated reporting and analytics. Volkswagen is now exploring new ways to use mySAP CRM to build closer, more profitable customer relationships.

Personalizing Customer Care

To Wieland, the greatest value of mySAP CRM lies in its ability to deliver an integrated, consistent, and holistic view of each customer throughout the enterprise. Customer service agents can quickly and easily see which products a caller has purchased in the past and view all of the customer's interactions with Volkswagen, regardless of when and where contact was made and which communication channel was used. "This comprehensive insight into our business relationship highlights the value of each customer to Volkswagen. We can quickly assess the best approach to take with each caller," explains Wieland.

mySAP CRM answers key questions such as: How much potential does this customer have? Should this person be included in a loyalty program? mySAP CRM identifies family and personal links between customers, allowing Volkswagen to tailor its marketing efforts more effectively. All this is essential for the high-quality, personalized care the company seeks to provide to each customer.

The integration of Volkswagen's vehicle database with mySAP CRM adds a further dimension to the quality of information available about each customer. When a new customer places an order, the customer details, vehicle

purchased, and dealer are automatically replicated in mySAP CRM. That information is then available at every customer contact point. The customer order can be tracked and customers can be grouped for marketing purposes by using flexible segmentation options within mySAP CRM.

Lead-management functionality within mySAP CRM integrates with the Volkswagen dealer management system. When a customer expresses interest in a product through the Internet, a phone call, or mail, and that interest can be addressed by a dealer, the request is entered into mySAP CRM and evaluated by the customer services team. Qualified leads are forwarded to the respective dealer's system.



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“mySAP CRM tracks inquiries and applies escalation procedures to ensure that each lead is processed efficiently,” Wieland explains. “It acts as a quality assurance system that ensures the customer receives the highest quality of service and response through our dealer channels.”

By automating processes across functions, mySAP CRM has allowed Volkswagen to extend the concept of personalized customer care into the volume market. “This is a critical achievement,” says Wieland. “It helps us maximize customer lifetime value by meeting customer expectations, being more attentive to concerns, and reacting to issues promptly.” His implementation team has already identified plans to extract

further value from mySAP CRM. “We are using mySAP CRM to enrich the dialogue with customers making inbound communication with Volkswagen. It is only a small step to use the same integrated information systems for proactive customer care activities. We will be taking that step in the very near future.”

Many Ways of Listening to the Customer

“There are many ways for us to listen to the voice of the customer,” Wieland continues. “Our mySAP CRM complaints management system is a most valuable source of customer feedback. We don't sell directly to end customers, so contact points are few. That is why the complaints management system is so important to us. We take what we hear very seriously.”

Using SAP interaction center software, customer service agents capture requests for information; positive feedback; and many comments, ideas, and suggestions for improvements. Each call is routed quickly and efficiently to the most qualified customer service representative. The topics addressed are matched according to a detailed tree structure, allowing Volkswagen to evaluate feedback by vehicle model or other relevant criteria. Standard or customized reports and flexible analytics functionality within mySAP CRM help pin down root causes of issues, and the results are forwarded to the relevant departments. Opportunities for improvement in vehicle design or service quality quickly become evident, and improvements can be monitored for effectiveness. “Using mySAP CRM as an additional early warning system for technical, dealer-specific, and other issues, the complaints management system, as an accompanying measure, supports Volkswagen's quality assurance efforts and enables timely intervention. It has become a strategic tool for improving customer satisfaction,” says Wieland.

Turning Information into Knowledge

When a call comes into Volkswagen's customer care center, mySAP CRM immediately presents the agent with a comprehensive profile of the customer. Extracting data from multiple sources, intelligent analytics software within mySAP CRM consolidates information for on-screen presentation and evaluation. “mySAP CRM helps the agent quickly understand the customer, respond knowledgeably to the

call, and is a potential source to identify up-selling or cross-selling opportunities,” Wieland continues. “mySAP CRM gives us intelligence for positively influencing customer satisfaction and retention. It reveals market trends that can be used for proactive campaign planning and satisfies information needs at all levels of decision making.”

Volkswagen’s internal operations also benefit from the new CRM solution. mySAP CRM reports help management assess the effectiveness of its customer services, answering questions such as: How long does it take to respond to a customer inquiry? How many inquiries are open at any given moment? Which teams are most effective? This information helps the carmaker define strategic targets in customer service management and measure performance to verify that they have been met. “We have barely begun to explore the full potential of mySAP CRM to improve selling effectiveness,” says Wieland.

Bringing People Together

mySAP CRM has been a catalyst for improved collaboration across departments. “All departments that access the CRM solution share the same information and are encouraged to collaborate,” says Wieland. “mySAP CRM brings our people together, making it easier for them to communicate, exchange experiences, share best practices, and work efficiently for the benefit of Volkswagen and our customers.”

The benefits derived from mySAP CRM by Volkswagen and Audi have been received enthusiastically by management across the group. “The company is gaining huge value from having full visibility of each client. We plan to extend our use of SAP software and see enormous potential in standardizing on this integrated solution to replace legacy applications and complex interfaces and profit from synergies in different areas of the business,” Wieland concludes.

Simplification, higher data quality, exchange of business information, transparent licensing, and greatly improved customer care are strong arguments supporting this agenda. “Quality customer service means the many parts of Volkswagen need to collaborate and share information through an integrated application architecture,” Wieland concludes. “mySAP CRM fits neatly into that concept.”

AT A GLANCE

Summary

Headquartered in Wolfsburg, Germany, Volkswagen AG is a world-leading automobile manufacturer – the largest in Europe. To improve customer communications, retention, and satisfaction, Volkswagen chose the mySAP® Customer Relationship Management (mySAP CRM) solution.

Web Site

www.volkswagen.com

Key Challenges

- Changes in customer behavior
- Departmentalized internal structure
- Paper-based processes
- Disparate stand-alone solutions
- Need to improve customer acquisition and loyalty

Project Objectives

- Obtain a consistent, integrated view of the customer across departments
- Integrate external applications and databases
- Improve and leverage complaints management
- Deliver best-in-class customer service
- Enable sophisticated lead management

Solutions and Services

- mySAP CRM
- SAP NetWeaver® Business Intelligence component

Why SAP® Solutions

- Open platform
- Integration with existing mySAP Business Suite solutions
- Stable solution provides investment protection

Implementation Highlights

- Improvement in inter-departmental collaboration
- Integration of key external data sources
- Successful pilot implementation, encouraging enterprise-wide deployment

Key Benefits

- Holistic view of customers and vehicles
- One-to-one marketing through powerful analytics
- Integrated environment for effective data exchange
- Ability to speak to the customer with one voice

Implementation Partner syskoplan AG

Existing Environment

Stand-alone and function-specific legacy applications; some mySAP Business Suite solutions

Database

Oracle 9.2

Hardware

IBM

Operating System

IBM AIX