

Post-order Optimization for Automotive Dealers

Post-order optimization – “next-product-to-buy”-algorithm and digital interface for automotive dealers achieved success rate of 30-50%

What is new

- **Behavioral psychology:** “Next product to buy” algo-rithms provide customers with meaningful enhancement options
- **Big Data and Next Product to Buy Logic:** Customers willing to spend additional money on options and accessories
- **Enablement of Sales Force:** digital tool solution significantly upgrades sales performance of frontline
- Post-order optimization is one of the first **build-operate-transfer** cases in Sales & Channel:
 - Build **pilot tool with MDL**, productionizing with **software partner**
 - Fully **operated tool during** roll-out
 - Transferred tool **ownership to client IT**



What we did

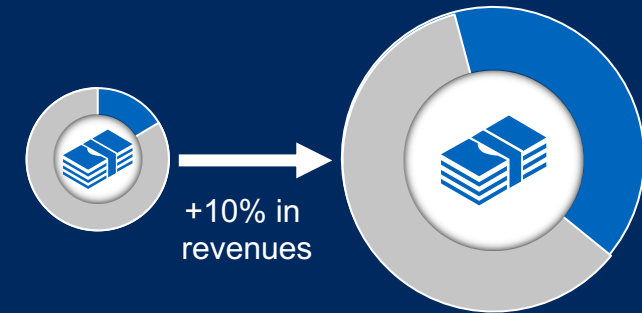
- Developed **advanced analytics algorithm** based on industry and client-specifics (e.g., buildability rules, business logic to allow country organization to over-index on e.g., high-margin products)
- Ran **initial pilot with 3 automotive dealers** in one market to trial and refine concept
- Rolled out tool to **10 European markets** and trained initial outlet sales reps in each market
- Developed **software solution** according to **client IT blueprint**
- Transferred **further roll-out across whole network by client**



Impact

Growth of retail sales
Percent

Observed **success rate**
between **30% and 50%**



with significant contribution margin effect

Where is impact opportunity ...

- Upsell of **additional options/ features** after the initial purchase
- Approach can be used for **upselling through-out the product lifecycle**
- For **high-value sales**, 10% higher success rates were achieved when sales reps amended the initial proposal by the advanced analytics engine
- For **low-value sales**, upsell process should be fully automated

Post-order optimization combines advanced analytics with sales rep's tacit knowledge

ILLUSTRATIVE

Advanced analytics engine ...



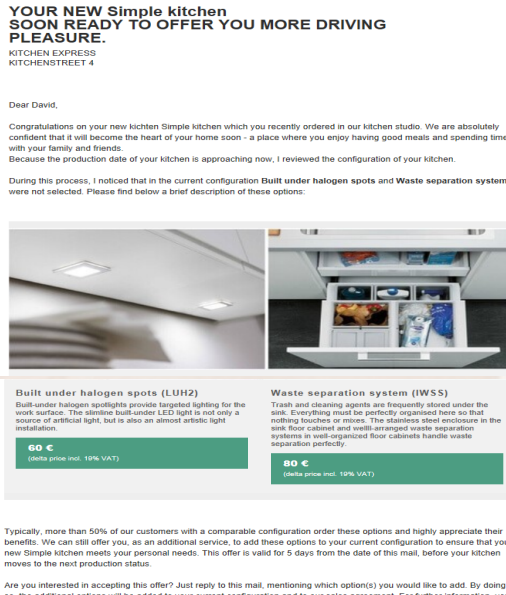
Advanced analytics algorithm generates up-selling proposals based on configurations that are similar to customer's order (... similar customers also bought ...)

... combined with sales rep's tacit knowledge of customer preferences ...



Sales rep picks 2 options in web application based on his superior knowledge of the individual customer

... results in customer tailored, premium upselling approach.



Customer receives truly premium upselling email with additional options proposed