



# Warranty goes Digital !

## Connecting Customers, Merchants & OEMs

We met over 2500 consumers, 100+ dealers and 6 OEM market majors in the durable goods sector during 2014.

This White paper summarizes key pain-points & challenges faced by Consumers & Dealers with possible solutions.



**Digital Strategy White Paper !**

\* Document contains confidential information, strictly meant for select customers of Warrantix.



**Firstly, Team Warrantix wishes you & family a very happy 2015.**

**Warrantix 2015** is ready, to support your Post-sale & Pre-sale Digital Strategy.

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Meetings with you and team had been an excellent learning experience for us at Warrantix. Based on your feedback & inputs along with the market intelligence we acquired over the year, we have the new product version, Warrantix 2015.

This note details as to how Warrantix 2015 offers a flexible digital architecture for you to pursue low risk strategies of 'Going Digital' along with a Roadmap & Options to digitize your Post-sale, Pre-sale & Reverse logistics services, with low TCO.

**Please read on:**

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## Consumer Feedback Summary

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### Safekeeping of invoice/bill, warranty card & manual

"Often, I end up paying for service, particularly for appliances & home electronics". Pain-points: Scheduling service. What's covered? Repair delays. Options?



### Scheduling & tracking of maintenance visits

"We are a working couple. Only time serviceman visits us is during a breakdown". Pain-points: Maintenance visits. Tracking arrival time. Delivery tracking for Vehicles.

A screenshot of a CARFAX Service History Check for a 2009 Honda CR-V EX. The VIN is 5J6RE3H56AL003778. The table shows two service events: one on 08/25/12 at 50,112 miles (Engine flushed, Brakes checked) and another on 04/11/12 at 38,294 miles (Oil and filter changed, Tires rotated).

CARFAX Service History Check™		
2009 HONDA CR-V EX		
VIN: 5J6RE3H56AL003778		
Date	Odometer Reading	Service Performed
08/25/12	50,112	Engine flushed, Brakes checked
04/11/12	38,294	Oil and filter changed, Tires rotated

### Service History & Resale Value

"We normally use products until it's ready for recycling. Resale value is a key factor". Pain-points: Genuine history to enhance resale value. Buyback offers, Marketplace.



### Mobile App Quality & Utility. One App per Product NO WAY

"Use 2/3 Apps other than native. Screen gets too crowded. Would like to have one App for all Services". Pain points: Too Many Apps, Messages & Notifications.



### Services for Gifted & Used Products

"Warranty claims for gifted and used Products?" Pain-points: Proof of Ownership of my assets.



### Rebate, Recall, Buyback & Refurbished products

"Quite often, I get info regarding Product Buybacks & Recalls". Pain-points: Communication with Manufacturers.

## Dealer Feedback Summary



### How can I overcome eCommerce Impact?

"Customers negotiate using Online Prices. We can't meet this pricing. How to overcome?" Pain-points: Improve in-shop experience, customer service, returns & rebates.



### Can Smartphones improve Customer Loyalty?

"Customer relationships, service excellence & recognition are our differentiators". We are ready to pay for services & tools to enhance loyalty & repeat sales?



### Can I draw customers to Shop-front using Internet?

"It's a touch going these days. What's a cheap way to increase customer flow?" Pain-point: Link OEM web activity, online & local search and adverts to pull customers.



### Expensive Local Adverts to draw Customers, cutting into margins.

"Customers hardly use internet services. Mobile App downloads never crossed 10,000". Pain points: Service quality. Ticket tracking issues. Mobile & Digital Strategy.



### How to sell bought back products to other markets.

"During product promotions we offer buybacks. Better sale channels to sell used & refurbished products will help" It's a potential revenue source.



### Online & In-Store differential pricing.

"Retail chains offer differential pricing. Can we setup this using technology" Pain-points: Pricing pressure from Online sales.

Due to confidentiality requirements, we have not presented the OEM summary. Even though individual OEMs have company specific challenges, they are experiencing similar pain-points in the marketplace. The good news is even consumers & dealers are experiencing complementary pain-points. Also, every OEM we met, agree that a strong digital & mobile presence with a 360° connect is the future.

## Feedback Analysis

### General Challenges of OEMs:

- » Product Registrations
- » Service Contract sales
- » Preventive maintenance scheduling
- » Statutory recycling targets
- » Cost to Serve
- » Cross Sale & Direct sale costs
- » Customer Data from Dealers
- » Customer communication & Messaging
- » Digital Strategy – Web & Mobile
  - Poor patronage of web based services
  - Very Low Mobile App downloads
  - Email & SMS Spam Filters
  - Channelling customers from web to shop front



### Fix Customer pain-points to Fix Yours!



#### Customers are equally concerned about registrations.

While manufacturers are concerned about product registrations, customers are concerned about registration processes. Consumers feel that both traditional and online processes are cumbersome. Invoice safekeeping, warranties for gifted or re-use products.



#### Customers are concerned about preventive maintenance

Consumers, working couples specifically, have maintenance scheduling issues. This is true for Appliances, HVAC products and Vehicles. Better customer connect will address this shortcoming.

CARFAX Service History Check™		
2009 HONDA CR-V EX		
VIN: 5J6RE3H56AL003778		
Date	Mileage Reading	Service Performed
08/09/10	55,112	Engine Oil, Filter, Fluids (checked)
04/11/10	39,254	Oil and filter changed (1500 miles)

#### Customers want access to service history records

While most durable companies maintain service records of products, customers do not have an on demand access to this information. Authenticated service records create value for used products; in turn creating markets for new and refurbished products.





### Customers want better messaging of Post-sale services

Consumers would like to hear directly from manufacturers about product recalls, buybacks and post-warranty deals. Better messaging methods will improve customer loyalty, service contract sales and end-of-warranty replacement sales.



### Consumers don't like 'Mobile App per Product' approach

Consumers on the average use two/three Apps only, other than mobile's native Apps. Quite a few Apps consumers download gets pushed to 4<sup>th</sup> page, as dead Apps over time. Also, launch screen has frequently used Apps only. Consumers don't like to use a mobile App for each durable product they use.



### Consumers want a connected web & in-shop experience

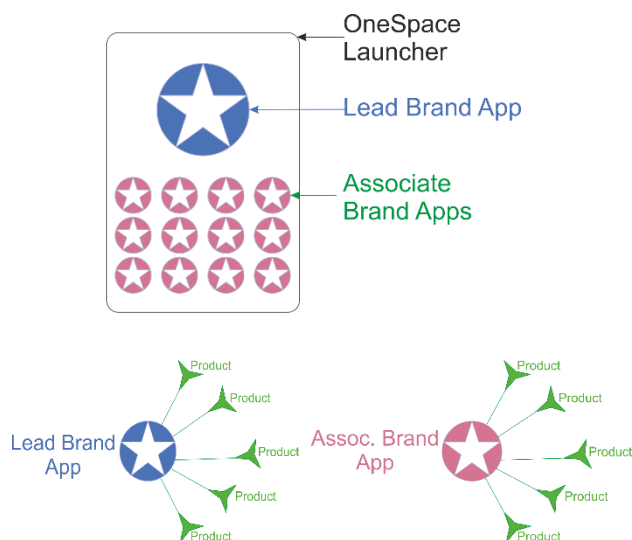
Consumers are looking for an in-shop experience as an extension to the online research, call centre interaction, social reviews and local deal messages. Dealers being aware of consumer needs as they step into the shop will improve sales efficiency and customer experience.

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Given the complementary nature of the feedback received, Warrantix has realized the need to make certain architectural changes to the product. Warrantix 2015 is the result of this effort. Next few pages describe the product details and a roadmap for you to implement the Warrantix Ecosystem.

## WARRANTIX 2015

### OneSpace Launcher Technology



OneSpace Launcher addresses a major roadblock: “Customers don’t like using many Apps to manage all their Durable Assets. Manufacturer wants to have App ownership with multi-product capability”.

- » ‘One space’ for consumers to manage all Products
  - OneSpace App Launcher
  - Auto load ‘Lead Brand’ App
  - Associate Brand Apps & products
- » Lead Brand has free access to Priority Messaging
- » Secure & protected ‘App Container’ for each Brand
- » Product Remote Controls, Support Wizards...
- » Customer-connect Panel: B2C Multimedia
- » Push Messaging

### Component based Cloud Architecture

Warrantix 2015 brings flexibility for manufacturers and merchants to pursue their digital strategy and scale at their own pace with unprecedented security.

Component based architecture arms manufacturers to gradually introduce services, while expanding their ecosystem to merchants, insurance providers, finance companies, marketplaces and other service providers, while keeping TCO under control.

Merchant Retail Suite, with eight freemium modules, helps retailers to connect with consumers and offer services; only large chain stores can afford to offer.

The premium modules of Retail suite helps merchants to go online and offer an omni digital experience for consumers.



## Ecosystem Roadmap

### Global Product Repository



#### Step 1: Update Products Database

Global Database of all durable products helps in 'auto product discovery', when customer scans-in a purchased product. OEM gets email notification of the product registration with purchase date; irrespective of being a subscriber of Warrantix services.

### Customer Services App



#### Step 2: Release Service App [Alt. 1]

The OneSpace launcher comes with a Native Plug-in for manufacturers to adapt by changing its skins, fonts and basic business rules. Manufacturers can quickly launch their services, while they plan custom Apps based on market feedback.

### Deploy App. Server @Warrantix Cloud



#### Step 2: Connect Service Infrastructure [Alt 1]

Warrantix Hub has a 'multi-tenant App Server' component for SME manufacturers. Hosted at Amazon Web Services, the service also acts as a buffer for market majors to quickly extend their current service offerings, while they plan and setup the infrastructure.

### Release Custom Services App



#### Step 3: Release Custom Service App [Alt. 2]

Using OneSpace API, manufacturers can quickly build custom Apps that plugs into App Launcher. Existing Apps can be modified to run in the OneSpace environment. OEMs can also outsource App development to the 'Solutions Partners' of Warrantix.

### Deploy App Server @ 'Own Data Centre'



#### Step 3: Connect Service Infrastructure [Alt 2]

Manufacturer's App Server is designed to rapidly scale with traffic. This freemium product can be integrated with the existing software infrastructure and customised to meet OEM needs. OEMs can also outsource integration & customization to the 'Solutions Partners' of Warrantix.

### Launch 'Service Contract' Sales



#### Step 4: Start selling service contracts

Manufacturer App server, using the payment gateway at Warrantix Hub, facilitates service contract sales. This core service can be activated from day one. Manufacturer's ERP systems are actively updated with the sales data. Payment settlements are done on a daily basis.

### Launch 'Product Protection' Insurance



#### Step 5: Connect Insurance Companies

The minimalist 'OEM-Customer' ecosystem can be expanded to include Insurance Companies to offer product protection insurance to customers. App Server of insurance company is a marketplace and claims processor for product protection insurance.

### Launch Product finance services



#### Step 6: Connect Finance companies

'OEM-Customer' ecosystem can be expanded to include finance Companies to offer product finance services to customers. App Server of finance company is a marketplace and EMI processor of financial services.



### Launch CRM Services



#### Step 7: Customer Managed Relationships

Existing CRM systems for OEM gets integrated with the 'Customer Managed Relationships' module of the App Server, using Warrantix API. This helps in managing the multimedia connect with the customer, while taking care of customer privacy issues.

### Launch 'End of Warranty' Services



#### Step 8: Multimedia notifications

OEMs can introduce direct to customer product buybacks, and refurbished product sale. Customer connect panel in the OneSpace launcher is tightly integrated with the App Servers. OEMs can push multimedia notifications to customers, without privacy infringement.

### Launch 'Used Product' Marketplaces



#### Step 9: Enhance customer value

OEMs, merchants and customers can transact products and services over Warrantix marketplaces. The marketplaces extend the online experience to in-shop experience for customers. Used product buyers have access to authenticated service history.

### Connect 'Online & In-shop' Experience



#### Step 10: Launch OMNI Marketing

Integrating merchant App Servers with OEM ecosystem helps marketplace experience extend to in-shop services. Dealers and OEMs can choose to limit data exposure while enhancing customer experience. 'Customer connect panel' kick-in when consumer starts researching products.

### Warrantix Retail Suite for Merchants



#### Step A: Merchants subscribe to Retail Suite

Retail suite has freemium eight freemium modules that help small merchants control their business processes, using cheap tablets & mobiles. Twenty Premium modules help merchants to scale their business while improving customer loyalty and business profitability.

### Merchants promote OneSpace App



#### Step B: Customer connect thru OneSpace

The Point-of-Sale module help dispense OneSpace Apps and Digital Warranties to customers in-store. Merchants can freely communicate with their customers thru the 'Customer connect Panel' of OneSpace launcher. Shop front is a key promotion channel for OneSpace Launcher.

### Launch 'Local Deals' Services



#### Step C: Dealer–Customer connect

Merchants can communicate with consumers using the B2C connect of OneSpace. Local deal Messaging becomes inexpensive and precise. Merchants can conduct surveys, polls and feedback campaigns to improve customer satisfaction and loyalty.

### Launch Manufacturer – Dealer Connect



#### Step D: ERP connect between OEM, Dealer

As the merchant-customer connect mature, manufacturers can extend their Warrantix ecosystem to merchants. This extends the ERP and service systems to merchants, and improves customer experience. This enables every stakeholder to deliver 360° connect with consumers.