



*Cox Automotive Recognized for*

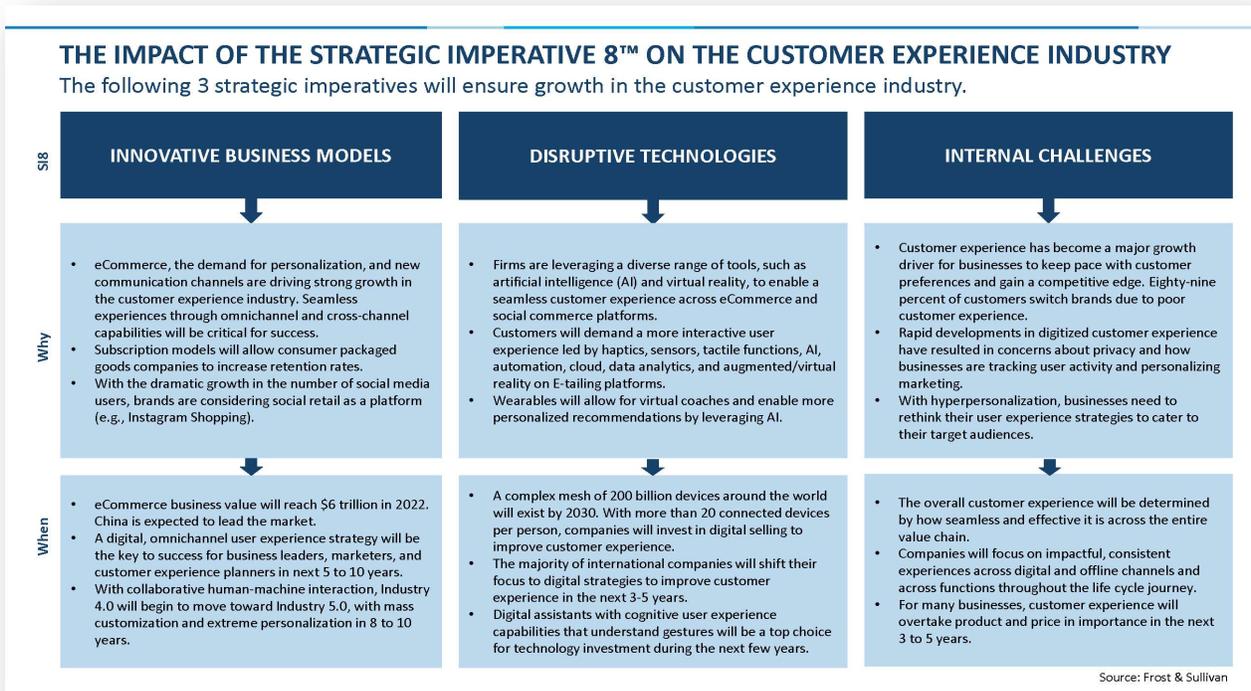
**2021**

**Customer Value Leadership**

North American Omnichannel Customer  
Support Automotive Dealers Industry  
*Excellence in Best Practices*

## Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the customer experience industry: innovative business models, disruptive technologies, and internal challenges. Every company that is competing in the customer experience space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Cox Automotive is a reflection of how well it is performing against the backdrop of these imperatives.



## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Cox Automotive excels in many of the criteria for delivering omnichannel customer support within the automotive dealer space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

**Market Overview**

Digital transformation, driven by artificial intelligence (AI) and autonomous technologies, is rapidly transforming customer support functionality and experiences for businesses across industries. Moreover, the COVID-19 pandemic accelerated the shift in customer behavior by increasing online channels and processes use. As customers move toward messaging channels, such as in-application chat and social media, pressure on enterprise customer service operations intensifies. This uptake of online conversational channels (e.g., virtual agents, chatbots, email, and web messaging) further impacts organizations and their business models. While companies tend to employ additional customer support agents, their staff finds it challenging to keep up with the high volumes yet still rapidly grasp the details of each customer’s situation. Hence, enterprises need affordable AI-based automated solutions, combined with a human intelligence layer, to enable more efficient business outcomes.

Frost & Sullivan’s research<sup>1</sup> shows that customer experience (CX) encompasses the totality of interactions a client has with a brand, including each touchpoint with the sales and production teams, customer support areas, outsourcing partners, the website, and advertising. Since every employee impacts CX, Frost & Sullivan analysts advocate a customer-centric business strategy that provides experiences that are personal (i.e., relevant to each customer), intuitive (i.e., effortless to use), appropriate (i.e., serving clients how and when they need it), and seamless (i.e., offering a consistent experience and a single view of the customer, regardless of the channel or the starting or re-engagement point). With customer engagement changing from a voice-centric approach to include digital and self-service channels, providers must focus on increasing the first-contact resolution for customers and heightening customer satisfaction (CSAT) to improve overall customer engagement.

<sup>1</sup> Addressing the Delivery Gap: A Sine Qua Non for Making CX an Organization-wide Priority (Frost & Sullivan, April 2020)

Driven by the objective of workforce optimization, enterprises now require a blend of mobile capabilities, gamification, process automation, knowledge base access, and integration-related modules (e.g., app marketplaces) to improve agent and customer experience. Thus, an integrated omnichannel approach allows brands to close the delivery gap by aligning the experiences they provide with the increasing need for customer hyper-personalization.

### ***The Business and Customer Impact***

Cox Automotive, Inc., a subsidiary of Cox Enterprises, offers a set of solutions to accelerate the automotive dealer's digital transformation journey, addressing the challenges created by changing consumer behavior and demand. With consumers now expecting a car-buying and ownership experience that relies almost entirely on digital tools, Cox Automotive and its brands deliver an end-to-end solution (from inventory and marketing to sales and service) to support a broad spectrum of clients (including dealers, manufacturers, and private sellers). Founded nearly 120 years ago, Cox Enterprises entered the automobile auction business in 1968 when it purchased Manheim, Inc. However, the origin of today's integrated digital buying experience dates back to 1999, when the company launched Autotrader.com as an online automotive classified website, aggregating millions of new and used cars from dealerships and private sellers. Other acquisitions (such as Kelley Blue Book, VAuto, and HomeNet) followed, enabling Cox Automotive to provide software tools and solutions that help car dealers and manufacturers manage their inventory and advertise online. Further transactions include DealShield (for wholesale assurance products), Xtime (a service retention platform), and, more recently, Dealertrack and its subsidiary Dealer.com, which offers marketing and operations tools, support, and services to dealers (including an advanced dealership management system, finance, and insurance solutions, advertising, websites, and search engine optimization capabilities). Hence, Cox Automotive empowers clients to thrive in a fast-developing ecosystem by turning challenges (such as reduced margins and shifting customer expectations) into lucrative business opportunities by creating a connected automotive world.

*“As many automotive dealers do not have the infrastructure to address consumers’ car-buying and ownership expectations, Cox Automotive offers dealerships a complete omnichannel support service, including customer engagement through reviews, advice, comparison tools, originations, contracting, and optimizing titling operations. Ultimately, Cox Automotive delivers white-glove service, which is reflected by its outstanding CSAT scores: 92.8% against an industry benchmark of 82%.”*

***- Alpa Shah, Vice President: CX***

### ***The Ultimate Customer Journey: Cox Automotive Delivers a Superior Support Service***

By bridging the gap between consumers, manufacturers, dealers, and private sellers, Cox Automotive delivers a seamless online-to-offline experience. Many automotive dealers do not have the infrastructure to address current challenges. For example, dealerships grapple with the car pricing process, attempting to accurately manage profit margins and develop a successful inventory management strategy. Questions arise, like: How can I access capital to buy the inventory and afford a customer relationship management system?

Cox Automotive covers every stage of the process. It helps dealerships 1) identify, acquire, and finance cars, 2) plan, price, market the inventory, 3) facilitate in-store sales experiences, and 4) schedule service appointments and foster after-sale relationships. Along with connecting dealers with consumers, Cox Automotive reports an approximate 30% higher internet lead close rate than any other competitor in the market. Also, it is the most-used third-party listing in the industry. Automotive dealers can rely on Cox Automotive for all types of support services, such as utilizing Autotrader.com and Kelley Blue Book for marketing purposes. Apart from generating valuable leads, it addresses password issues, assists

*“Cox Automotive’s marketing performance hub, nVision, provides real-time insights into specific shopper behavior, allowing customers to target and optimize their marketing spend through omnichannel online recommendations. This unique tool delivers a competitive edge that drives both short- and long-term results.”*

**- Riana Barnard, Best Practices  
Research Analyst**

when there is a system breakdown, and sets up email addresses correctly. Email is an effective channel for the dealer; it provides the best way to share details in keeping records as there is an established relationship. The solution also drives customer engagement through reviews, advice, comparison tools, originations, contracting, and it optimizes titling operations. Voice continues to be a critical element of customer care. Despite average call handle times increasing as more challenging calls reach agents, Cox Automotive delivers white-glove service and provides quality checks when customers call in, creating the opportunity to upsell or cross-sell. A formal system ensures that customer

feedback is integrated into other parts of the organization to improve products, services, and customer engagement. Cox Automotive takes the customer's voice very seriously and performs above and beyond the call of duty. As a result, its customer satisfaction scores are outstanding: 92.8% against an industry benchmark of 82%.

### ***Translating Marketing Spend into Sales with Real-time Analytics***

Frost & Sullivan's independent research finds that AI-based technologies will not replace humans but rather enhance the agents' work, build strong customer connections and brand loyalty. nVision, Cox Automotive's marketing performance hub, illustrates how the company adds value with a unique tool, enabling dealers to analyze, forecast, and plan end-to-end marketing strategies. Access to real-time actionable data allows customers to improve the consumer's online journey, while insights into specific shopper behavior lead to better results through targeting and optimizing marketing spend through omnichannel online recommendations. In 2021, Cox Automotive will extend this capability to its consumer marketplace and release other enhancements, such as a secure chat functionality that will enable a buyer and a seller to communicate directly, thereby improving the consumer experience, adding a competitive edge, and driving both short- and long-term results. Intelligent automation (e.g., contract entry automation) and more advanced attributes are a significant future investment theme for Cox Automotive.

### *Adding Value through Employee Engagement*

The cornerstone of outstanding customer experience is Cox Automotive's relentless focus on employee engagement. Employees who feel valued deliver higher client value. Metrics from the company's client operations teams confirm this critical success factor:

- 87.5% would recommend Cox Automotive as a great place to work;
- 82.6% are comfortable being themselves at work;
- 82.6% feel that when they speak up at work, their input is valued;
- 78.3% feel that their work gives them a sense of personal accomplishment; and
- 73.9% feel energized by their work.

Verbatim responses to a typical statement ("I would recommend Cox Automotive as a great place to work because . . .") shed more light on the reported statistics:

- "Cox gives ample opportunity for growth and achievement across the board. Plus, there's an initiative to get people to the right place for them within the company."
- "Cox is the best job I've ever had, they really care about their employees and they make sure we are happy with our job."
- "I truly love how inclusive EVERYONE is. This company is truly my second family. The support and teamwork I receive here make me feel like this is my company as well."
- "They really take care of their people with programs and opportunities to excel."

To establish and cultivate CX as a core priority in dealerships, Cox Automotive offers retail operations training and leadership development programs through its university. Customized learning opportunities for talented employees (i.e., new and current staff, managers, contact representatives, and industry partners) helps dealerships to create a workplace culture that promotes employee retention, leading to reduced costs (i.e., less recruiting and training expenses) and improved continuity with customers, which boosts the bottom line. The SHIFT leadership development program prepares leaders to drive adoption, equipping teams with the much-needed professional knowledge and skills to grow, innovate, and thrive in an environment that continually changes. The company's learning center provides access to cutting-edge research information (e.g., whitepapers and industry insights) while its courses apply interactive learning methods (such as gamification, scenario-based role-plays, and action plan development and assessments).

## Conclusion

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Digital transformation, accelerated by the COVID-19 pandemic, is fundamentally changing consumer behavior and dealership operations within the automotive industry. Consumers now expect a car-buying and ownership experience that relies primarily on digital tools, impacting all the interactions a client has with a brand (including each touchpoint with the sales and production teams, customer support areas, outsourcing partners, the website, and advertising). Despite substantial investments in artificial intelligence-based technology and automation intelligence, dealerships struggle to meet the increasing need for customer personalization in a fast-changing and connected automotive ecosystem.

Cox Automotive offers dealerships, manufacturers, and private sellers a set of solutions covering every stage of the process, from inventory planning and marketing to after-sales relationships and service scheduling appointments. Through its superior omnichannel support service, Cox Automotive delivers white-glove service, which is reflected by its outstanding customer satisfaction scores: 92.8% against an industry benchmark of 82%. The company's marketing performance hub provides real-time analytics and actionable insights into specific shopper behavior (including omnichannel online recommendations), enabling customers to improve business outcomes by targeting and optimizing their marketing spend. Along with continued intelligent automation investments to sustain its competitive edge, Cox Automotive also offers retail operations training and leadership development that helps dealerships strengthen employee engagement and agent retention.

For its innovative set of digital and software solutions offering outstanding end-to-end support services through a chain of reputable brands and propelled by a deeply-rooted customer-centric focus, Cox Automotive is recognized with Frost & Sullivan's 2021 Customer Value Leadership Award for omnichannel customer support in the automotive dealer market.

## What You Need to Know about the Customer Value Leadership Recognition

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Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

### Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. [Learn more.](#)

### Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

