![Spryker logo]

Accelerating
Out of the Curve

Capturing More Revenue –
from Purchase to Aftersales

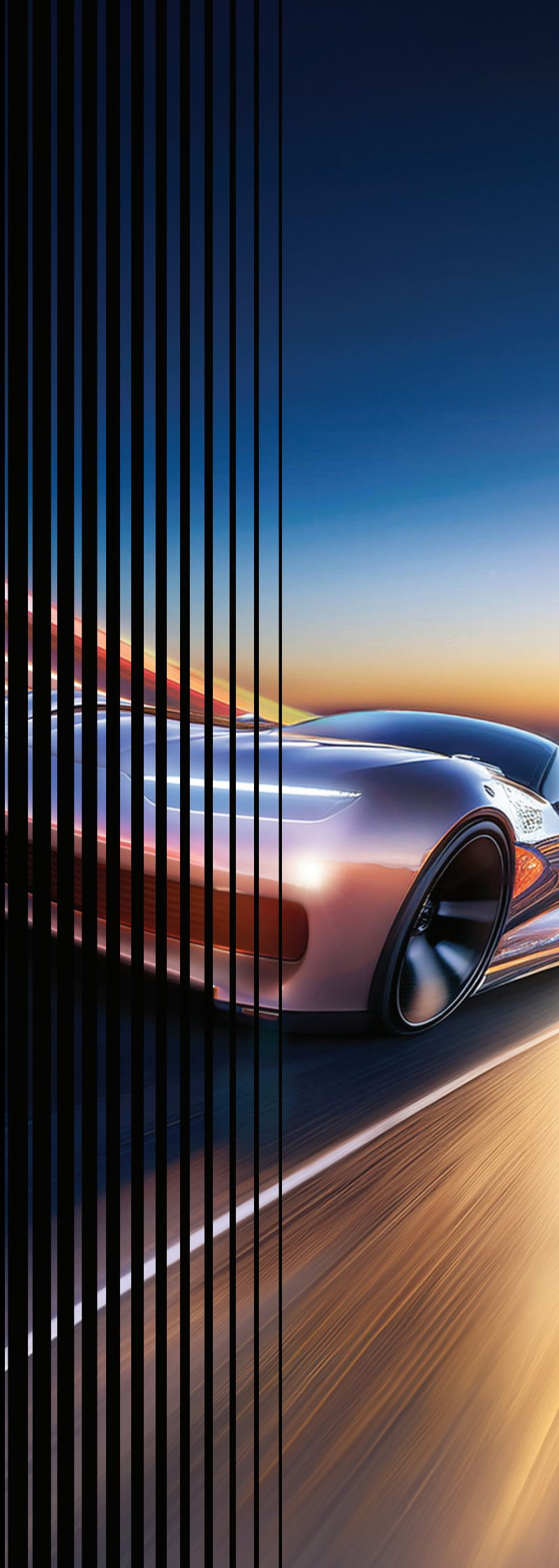**Spryker**

TABLE OF CONTENTS

As the automotive industry undergoes a transformative shift, manufacturers are facing unprecedented challenges.

How will you accelerate out of the curve?

Technological innovations are increasing at a breakneck pace, from software-defined vehicles and electrification to generative AI. Customer expectations continue to soar, demanding simple, frictionless online buying from initial car sales to aftermarket services. To keep pace, automotive manufacturers will have to rethink their existing digital commerce approach, looking for opportunities to deliver more value, increase share of wallet, and create stronger, direct connections with customers by offering a seamless end-to-end customer journey.

These factors put immense stress on automotive companies to be more adaptive, innovative, and focused on driving profitable growth. As the industry's sources of profit shift, leading OEMs must look for opportunities to build long-term brand loyalty.

Industry pressures

- Heightened customer expectations:
  Pressure to optimize the customer journey from initial contact through purchase, aftersales, and repurchase.

- Rapid pace of technological advancements:
  Pressure to integrate new features into existing models and capitalize on new revenue streams.

- Growing costs of sales:
  Pressure to deliver a seamless end-to-end journey that handles the complexities of offering build-to-order vehicles.

- Outdated systems:
  Pressure to rapidly accommodate industry advancements in AI, machine learning, and the software-defined future.

Data on the automotive customer experience reveals:

- Only **52% of global customers** are completely satisfied with their current automotive customer journey.

- 47% of customers **think about changing their automotive brand** after a company fails to deliver a relevant customer experience.

- 71% of consumers would **increase their annual spend on aftersales** if the experience improved.

- 65% of B2B buyers **prefer remote human interactions or digital self-service** for ordering and reordering.

- **79% of customers** have trouble accessing their personal/company accounts or service purchases through digital channels.
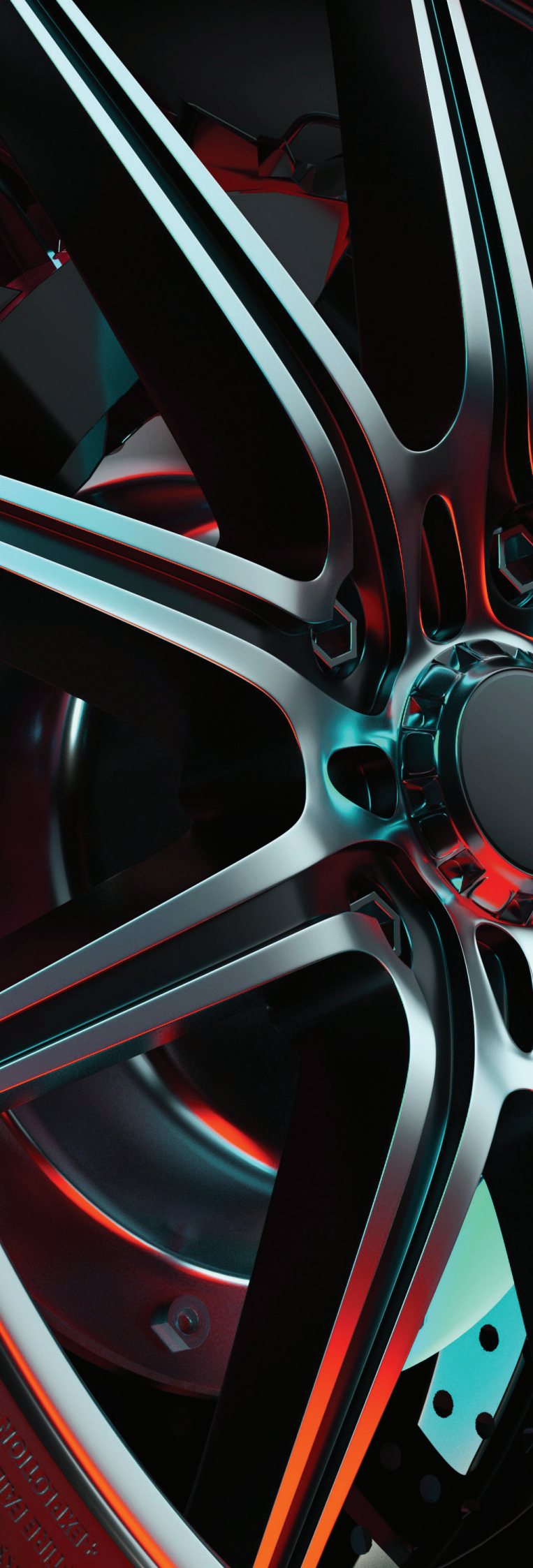
Traditional automotive solutions often fail to meet evolving market demands. By focusing more on the product life cycle than the customer life cycle, they miss opportunities to build long-term relationships. They also struggle to keep pace, failing to integrate advanced software capabilities, introduce AI and autonomous vehicle technology, and effectively monetize aftersales services.

What are analysts saying?

" **The automotive industry is experiencing an accelerating cultural shift, as car companies continue to build in-house software expertise and respond to the growing influence of Chinese automakers.**"

" **When asked what would be 'game-changing' technology in the automotive sector for the next three years, 73% of automaker and Tier 1 respondents to the 2024 Gartner CIO and Technology Executive Survey have chosen some form of AI.**"

– Gartner ® , Inc. Top Automotive Trends for 2024 ; Pedro Pacheco, Mike Ramsey, Jonathan Davenport, Bill Ray, Chris Meering, Gaurav Gupta; 7 February 2024. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.

→ **Spryker Advantage**

Market-leading e-commerce technology

Our commerce solutions enable automotive manufacturers to deliver exceptional customer experiences, embrace industry innovations, and enhance cost efficiency. So that you can unlock new avenues for growth and profitability—and remain at the forefront of the automotive industry.

Deliver the end-to-end buying experiences your customers crave

Imagine a world where your automotive brand can seamlessly integrate all aspects of the customer journey, from initial contact through aftersales, to deliver unparalleled customer experiences at every touchpoint. Where you can offer personalized, build-to-order vehicles and continuously engage customers with software updates and new features.

In an era of evolving customer expectations and technological advancements reshaping the industry, Spryker gives you a blueprint for delivering personalized experiences, monetizing aftersales, and fortifying your competitive edge.
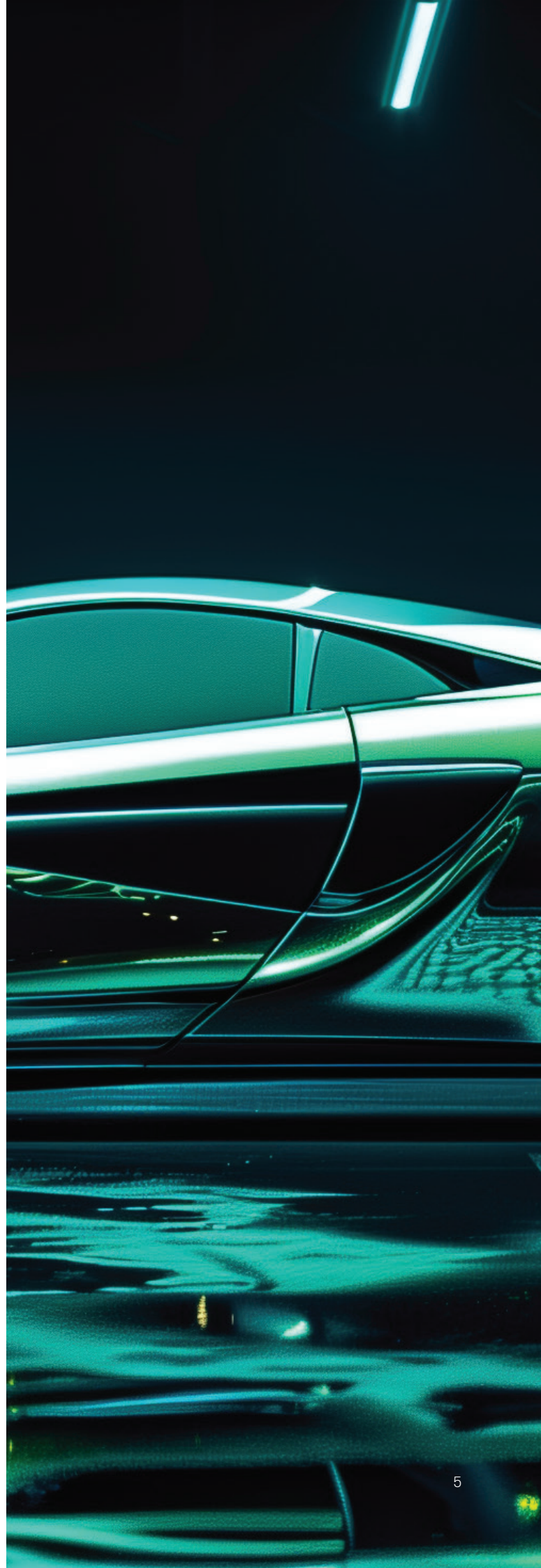
Digitalization, Reimagined

An automotive manufacturer launched a B2B spare parts marketplace to elevate the customer experience

While the automotive sector as a whole is witnessing a substantial shift towards digitization and enhancing the end-to-end customer experience, commercial vehicle manufacturers face unique challenges that have hampered digitalization efforts, including the complexity of their B2B operations and the specialized needs of their commercial clients.

To meet the rising pressure of profitability and customer expectations, a leading commercial vehicle manufacturer decided to bring their dealer transactions from offline to online while transitioning from spare parts to a fully-fledged service business. With no previous e-commerce presence, the overhaul required a solution capable of capturing the project's complexity while streamlining the customer journey and helping to mitigate conflict with their existing dealer network.

Spryker's e-commerce solutions allowed seamless integration with existing system infrastructure, enabling the manufacturer to sell directly to customers with maximum flexibility, scalability, and a faster time to market while protecting existing channel relationships.

Digital-first experiences drive differentiation

Unlock better business outcomes with accuracy and efficiency

With Spryker's e-commerce solutions you get:

- **Best-in-class automotive solutions** combined with Spryker's proven and **unparalleled platform extensibility**
- Solutions that make a big impact—**reducing cost of sales and improving operations** by bringing existing automotive sales processes online
- A **digital self-service portal** that ensures you stay connected with your customers
- An **integrated dealer portal** that enables you to sell direct to customers while mitigating the risk of channel conflict
- Intelligence that gives you deeper insights into customer behavior, **fueling every touchpoint with customized solutions**

Enabling Digital Tranformation

Powering Use Cases Along the Digital Self-Service Journey

Personalized Purchasing Process

New Revenue Models

Marketplace Extension

CPQ

Purchase

Solution Configurator

Loyalty Programs

Search

Retention

Product Finder/Search

End-to-End Self-Service Journey

Software & IoT Solutions

Spryker's Transformative E-Commerce Solutions

What's Possible: Increased Operational and Cost Efficiency

Think of how your business would benefit from optimizing and digitizing your sales processes, leveraging streamlined integrations and workflow automation to minimize cost of sales and reduce total cost of ownership.

What's Possible: Enhanced Customer Loyalty

Think about what your business could achieve if you could amplify your customer journey, delivering personalized experiences that foster long-term relationships and customer loyalty.

What's Possible: Unlocked Revenue Streams

Think of how your business would grow if you could capitalize on new opportunities to monetize digital services and aftersales, driving continuous engagement with your customers.

What's Possible: Unleashed Innovation

Think of how your business could be transformed through digital commerce by embracing leading technology innovations, from generative AI to in-car commerce and more.

Evolving business models, supply and demand volatility, and rising material costs are all putting growth and profit margins at risk.

How will you accelerate out of the curve?

Digital disruptors and shifting business models are increasing direct and indirect competition (and changing the game), straining already razor-thin margins, and raising the stakes in the fight for market share. Automotive companies must identify ways to grow revenue while improving cost of sales and operational efficiencies to protect margins—all without compromising quality or customer experience.

What the data says:

· **10% market share growth** is achieved by companies introducing digital sales tools and experiences.

· OEMs and suppliers see a **31% increase in operational efficiency and increased revenue** when embracing digital transformation and automation.

· **50%–60% of future profits** may be at stake if mobility providers continue their business as usual.

By embracing digital transformation, automotive companies can drive profitable growth by unlocking new revenue sources, uncovering operational and cost inefficiencies, and accessing a broader range of suppliers, products, and service capabilities.

SPRYKER BENEFIT

Grow profitability and drive cost efficiency

Accelerating time-to-value and reducing total cost of ownership with Spryker

Traditional Solutions	Spryker Solutions
Manual handling of complex orders, slowing down sales cycles, and increasing cost-to-serve	**Enhance operational efficiencies** through scalable infrastructure and workflow automation, leveraging industry-leading extensibility
Inability to capture incremental growth opportunities due to limited use cases and lack of scalability	**Unlock revenue by tapping into new sources**, from cross-selling and bundling to value-added services, with Spryker's modular architecture
Outdated systems and slow adoption of innovation due to platform incompatibility and high costs	**Quickly and cost-effectively embrace new technology** and extend your tech stack by leveraging Spryker's composable platform

Customer Experiences, Reimagined

An automotive manufacturer aimed to create a seamless buying experience by launching an all-in-one marketplace solution, taking customers from test drives to workshop appointments.

Amidst skyrocketing customer expectations, an automotive manufacturer saw the need to prioritize customer lifetime value by building a continuous customer journey that would revolutionize car retailing online. Taking into account varying dealer interests, they built a customized marketplace that would offer retail partners a platform for mapping vehicles, additional offers, and comprehensive services online, offering a smooth and efficient customer journey that improves dealer relationships.

Spryker's digital commerce platform delivers seamless end-to-end digital commerce experiences across any touchpoint, from discovery to aftersales—supporting customization and enabling personalization that helps foster long-term relationships and customer loyalty.

Automotive companies grapple with the need to identify and capitalize on new revenue streams in the software and aftersales markets.

How will you accelerate out of the curve?

The automotive industry is becoming increasingly focused on the entire customer life cycle rather than just the product life cycle, prioritizing customer lifetime value over one-time transactions. This shift is opening up opportunities to monetize digital services and aftersales, but companies must keep up with the rapid pace of technological advancement and feature integration if they hope to compete.

> **What the data says:**
>
> · 72% of automotive executives believe that new revenue streams from digital services will be **crucial for future profitability**.
>
> · Within the next two decades, digital services could generate as much as **US$3.5 trillion in additional revenue for the automotive industry** globally. Yet only 3% of global automakers' revenue accounts for digital services today.
>
> · **50% of the profit contribution comes from aftersales**, such as maintenance, parts, or even accessories.

"Aftermarket is actually a very interesting segment because it's an area where brand counts. And it's an area also where margins are normally higher, in the double digits. Therefore, it shouldn't come as a surprise that OEMs, even tier-one suppliers, are focusing on this."

– Mauro De Micheli, Business Development Executive Automotive & Manufacturing, AWS

By capitalizing on digital services and the aftermarket with a coordinated lifecycle management approach, automotive manufacturers have the opportunity to build longer-term relationships with customers and ensure their brand remains relevant throughout a vehicle's lifecycle.

Cultivate stronger relationships

Supporting the full customer life cycle with Spryker

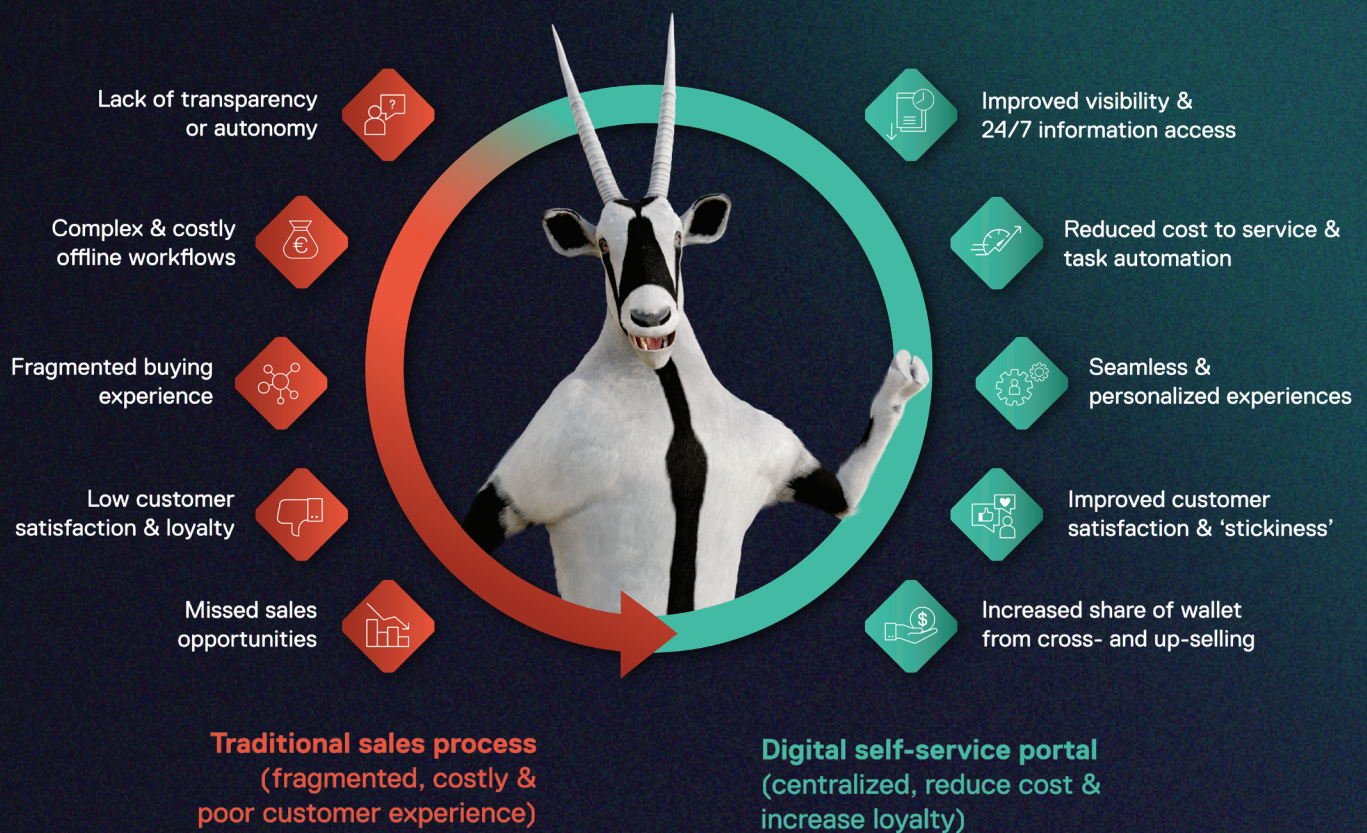| Traditional Solutions	Spryker Solutions
A disjointed customer experience that deteriorates customer satisfaction and loyalty	**Increase loyalty and market share growth** by delivering exceptional digital sales experiences with out-of-the-box capabilities
Cart abandonment and lost sales when customers cannot find what they need	**Increase share of wallet with a one-stop shop**, leveraging Spryker's Enterprise Marketplace solution to expand assortment without added inventory cost or risk
Lost market share due to lack of seamless, data-driven self-service solutions, enabling 'anywhere, anytime' buying	**Optimized customer lifetime value** with a digital self-service portal that supports the end-to-end buying journey—from initial purchase to aftersales products and services

Digital Self-Service Portal: Transforming the Customer Journey

Lack of transparency or autonomy

Complex & costly offline workflows

Fragmented buying experience

Low customer satisfaction & loyalty

Missed sales opportunities

Improved visibility & 24/7 information access

Reduced cost to service & task automation

Seamless & personalized experiences

Improved customer satisfaction & 'stickiness'

Increased share of wallet from cross- and up-selling

Traditional sales process (fragmented, costly & poor customer experience)

Digital self-service portal (centralized, reduce cost & increase loyalty)

→ The Nagarro and Spryker Advantage

About Nagarro

Nagarro is a global digital engineering and consulting leader with a full-service offering. Harnessing the power of our Fluidic Enterprise vision and thinking breakthroughs framework, Nagarro helps clients become human-centric, digital-first organizations, augmenting their ability to be responsive, efficient, intimate, creative, and sustainable. Their client-centric, agile, responsible, intelligent, non-hierarchical, global values come together to form their CARING superpower, which denotes a humanistic, people-first way of thinking with a strong emphasis on ethics. Nagarro has a broad and long-standing international customer base, primarily in Europe and North America. This includes many global blue-chip companies, leading independent software vendors (ISVs), other market and industry leaders, and public sector clients. At Nagarro, over 18,300 experts across 37 countries are helping our partners succeed today.

The Nagarro and Spryker Advantage

As a strategic partner of Spryker, Nagarro brings unparalleled knowledge and experience in consulting, implementing, and managing Spryker solutions across industries to deliver successful, tailored solutions that meet organizations' business needs.

Discover more about our partnership through the link below.

LEARN MORE

Spryker ✕ nagarro
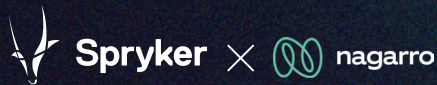
Nagarro's PoV –
The Road to Digital
Transformation

In today's fast-paced automotive industry, manufacturers are increasingly focused on building digital platforms to elevate customer experiences, streamline operations, and unlock new revenue opportunities.

A leading global commercial vehicle manufacturer faced challenges in driving a significant business transformation.

Fragmented business models, disconnected dealer systems, limited stock visibility, outdated payment methods, and the absence of a centralized platform to track sales and customer preferences led to lost orders and hindered growth.

The Spryker marketplace solution was utilized to develop a unified portal for customers and merchants. Merchants gained a user-friendly interface for managing catalogs, pricing, customer data, inventory, offers, and orders. Customers were empowered with a self-service portal for streamlined onboarding, product discovery, price comparisons, dealer location search, shopping journey, payment processing, and order & invoice tracking. Additionally, personalized product recommendations and promotional offers created a tailored shopping experience for customers.

Spryker's modular packaged business capability (PBC) architecture enabled an API-driven, headless implementation that integrated a unified middleware for seamless data exchange across disparate dealer management systems. This approach achieved faster time-to-market, reduced total cost of ownership (TCO), robust ROI, and a highly scalable solution.

Future Roadmap

With the automotive sector undergoing transformative shifts, including the rise of mobility services, subscription-based ownership, and the entry of electric vehicles, Spryker's API-driven architecture offers the agility to support these emerging models. This flexibility empowers manufacturers to rapidly adapt to market changes without incurring substantial costs. Manufacturers can efficiently introduce new features and scale their services with minimal disruption, ensuring they stay ahead in a dynamic landscape.

Traditional commerce solutions are struggling to keep up with the demands of modern consumers and the complexities of the digital economy.

How will you accelerate out of the curve?

While distributors have historically served as the primary and necessary intermediary between manufacturers and buyers, manufacturers—looking to increase their market presence, brand loyalty, and 'share of margin'—are exploring direct-to-customer business models. In an effort to turn potential channel conflict into collaboration, the marketplace model is rapidly growing in importance.

By embracing a marketplace approach, manufacturers, dealers, and third-party service providers can collaborate and improve the overall customer experience by better anticipating customer needs, enhancing personalization, and building stronger, more direct relationships with buyers.

What the data says:

- Businesses that launched a marketplace **experienced remarkable growth**, including a 44% increase in customers, a 42% boost in revenue, and a 36% rise in average order value (AOV).

- By 2025, **10% of B2B organizations** will have deployed total solution marketplaces spanning across physical, digital, and service offerings to increase revenue and customer loyalty.

- About **50 percent of companies** have either already built or have plans to build their own marketplace.

Empower your network

Direct-to-customer without channel conflict

Traditional Solutions

Fear of selling direct due to risk of channel conflict with dealers, limiting growth opportunities, and putting margins at risk

Poor site performance and high customer acquisition cost due to lack of product data

Inefficiency managing a diverse set of dealers, each with their own expectations and SLAs

Spryker Solutions

Sell direct while mitigating channel conflict by onboarding dealerships as merchants to your platform to foster stronger connections by including them in part of the value chain rather than cutting them out

Drive more online traffic with an expanded catalog and **gain valuable insights** into sales trends, customer behavior, and order patterns

Automate back office and administrative tasks, streamlining operations while setting dealers up for success

Manage payments and pay-outs to your merchants from one app

Managing complex payment flows across suppliers, dealerships, and customers presents unique challenges in the automotive industry:

- **Customer experience**: With automotive OEM brands evolving their service models, delivering a seamless customer experience is critical to maintaining brand loyalty

- **Setting up fund flows**: It is difficult to onboard partners and move money across suppliers and dealerships effectively

- **Delivering products**: Managing multiple parties through each automotive payment process is challenging and resource-intensive

Revolutionize your payment acceptance process

Stripe Marketplace Payments, available through the Spryker App Composition Platform, enables you to onboard merchants to your marketplace faster, delivers a comprehensive view for merchants to manage their transfers and payouts, and supports 135+ currencies. Marketplace operators can reconcile payments, manage near real-time payouts, and configure transfer rules directly within the Spryker Marketplace platform, enabling faster onboarding, efficient payments, and global scalability.

Spryker ✕ stripe
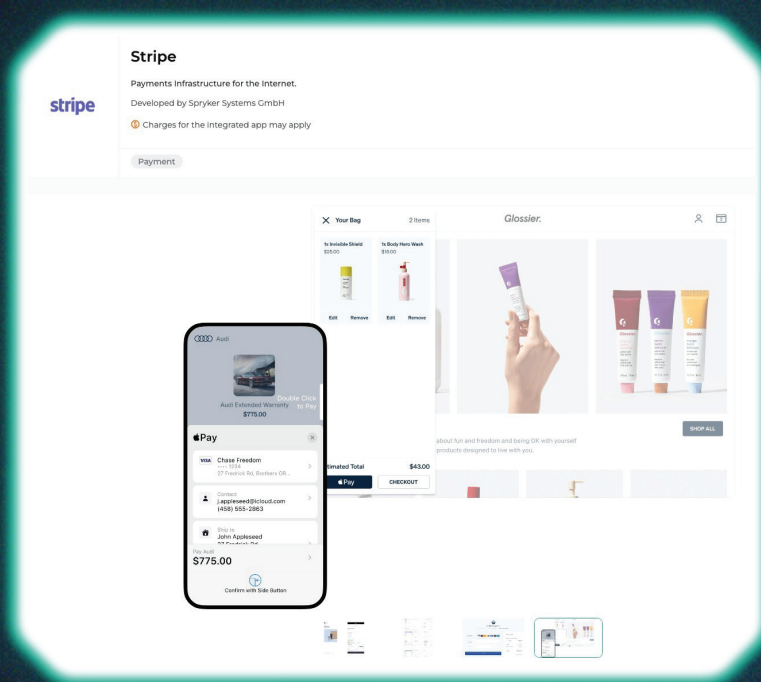
Innovation, Reimagined

Industry powerhouses strive to shake up the future of automotive software

The market for automotive software is expected to double in the next decade. As the industry experiences a revolutionary shift towards software-defined vehicles, automotive businesses will need to transition from a hardware-defined to a software-defined vehicle approach, enabling the availability of new features to consumers more rapidly.

To address this industry challenge, three automotive manufacturers launched a first-of-its-kind B2B 'matchmaking marketplace' focused on the commercialization of automotive software with the aim to foster collaboration and accelerate the adoption of software-defined vehicles.

With Spryker's automotive capabilities and composable platform, the software marketplace accelerated their time to market, saving development time and costs while focusing on delivering differentiating features.

Automotive companies need to be equipped to drive growth today while preparing for the innovations of tomorrow.

How will you accelerate out of the curve?

Automotive leaders are constantly facing combinations of market dynamics at unprecedented speeds. To turn volatility into a competitive edge, they must find and scale value quickly today—while building for a future where vehicles act as autonomous customers, generative AI fuels everyday interactions, and electrification becomes the standard.

By incorporating composability into their digital commerce approach, automotive companies can digitize and scale their unique business processes now and in the future, armoring themselves to turn volatility into value at every market turn.

What the data says:

- AI in the automotive market is projected to grow from **$2.3 billion in 2020 to $27 billion by 2030**, at a CAGR of 29.5%.

- The automotive software market is projected to reach **$43.5 billion by 2027**, growing at a CAGR of 14.4%.

- McKinsey projects that more than **90% of vehicles sold in 2030 will be connected**, up from 50% today.

Fuel future growth

Embracing cutting-edge technologies with Spryker

Traditional Solutions	Spryker Solutions
High cost-of-ownership and maintenance pull focus from innovation	**Confidently extend and customize commerce capabilities** to meet your unique needs with Spryker's upgrade-safe platform extensibility
Expensive, rigid, and time-consuming development	**Adapt swiftly and cost-effectively to changing market conditions** with a composable platform that integrates seamlessly with your existing tech stack
Inability to scale and slow site performance, especially during periods of high traffic	**Respond to peak traffic with improved efficiency and scalability,** supported by event-driven, cloud-native infrastructure

→ AWS and Spryker Advantage

Growing companies need a platform to grow with them

Through the synergy of AWS cloud services, serverless technology, and Spryker's composable commerce platform, Spryker and AWS enable companies to achieve maximum flexibility and scalability and capture more profitable growth.

Leveraging the breadth of AWS services and Spryker's commitment to growth, together, we can deploy anywhere in the world, helping our customers transform their businesses and shape the future of automotive innovation.

Spryker ✕ aws

Spryker Advantage

Next-Generation Digital Commerce Solution

Fundamentally improve your digital commerce by taking your existing capabilities to the next level

Optimize Efficiency & Reduce Costs

- Test, launch, and scale new digital business models, enabling new pathways to value creation
- Quickly extend your tech stack with modular architecture and cloud-native capabilities
- Tailor solutions to your needs, driving efficiencies and reducing cost of sales through workflow automation

Foster Long-Term Customer Relationships

- Combine physical and digital commerce, delivering a seamless, hybrid sales experience
- Enable unified touchpoints for test drives, trade-ins, and aftersales services
- Drive loyalty and increase sales with personalized recommendations

Capture New Revenue Opportunities

- Drive more online traffic with an expanded catalog and by gaining valuable insights
- Increase share of wallet with a one-stop shop or selling direct
- Unlock revenue by offering more value-added services

Operationalize Cutting-Edge Tech

- Integrate the latest digital innovations with increased speed and agility
- Embrace AI and machine learning to further optimize the end-to-end customer experience
- Stand at the forefront of electrification and the software-defined future of automotive

BOOK A DEMO

Ready to transform your business?

Start driving growth today while preparing for tomorrow

In a world where customer expectations are higher than ever and technological advancements are rapid, Spryker is the partner you need to unlock new avenues for growth and profitability so that your brand remains at the forefront of the automotive industry. It's time to optimize costs, drive revenue, and enhance customer experiences so that you can respond quickly to market volatility and leapfrog your competition in the race to capture market share.

LEARN MORE
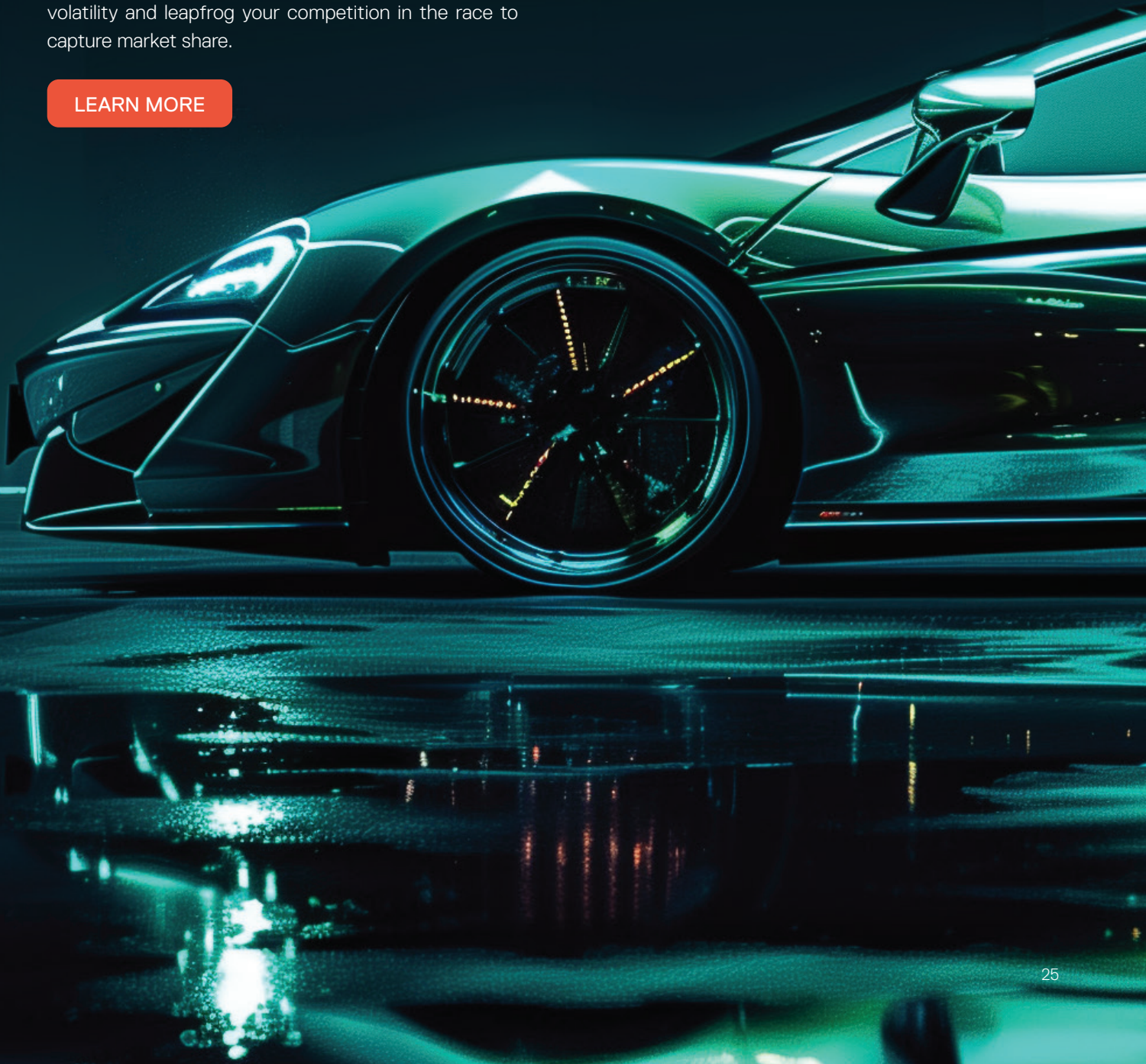
About Spryker

Spryker Systems GmbH is a privately held technology company headquartered in Berlin, Germany and New York, USA. Founded in 2014, Spryker enables companies to build sophisticated transactional business models in unified commerce including B2B, B2C, and Enterprise Marketplaces. Spryker is the most modern, fully composable platform-as-a-service (PaaS) solution with headless & API-based architecture that is cloud and enterprise-ready and loved by developers and business users worldwide. Spryker customers extend their sales reach and grow revenue with a system that allows them to increase operational efficiency, lower the total cost of ownership, expand to new markets and business models faster than ever before: Spryker solutions have empowered 150+ companies to manage transactions in more than 200 countries worldwide and is trusted by brands such as Aldi, Siemens, Hilti, and Ricoh. Gartner® recognized Spryker as a Leader in the 2024 Magic Quadrant™ for Digital Commerce and has also been named as a major player in B2B e-commerce by IDC. Finally, it is the only commerce platform to provide full B2B, B2C, D2C, and Marketplace capabilities out of one stack. Find out more at spryker.com

Spryker Systems GmbH
Heidestraße 9–10
10557 Berlin / Germany

T   +49(0) 30 208 49 83 50
M   hello@spryker.com
W   spryker.com