ACCELERATING DIGITAL TRANSFORMATION

How Servco Pacific Created a 360 View of Its Customer Utilizing a Platform Approach with Amperity and Salesforce
AGENDA

- Introductions
- Servco’s Digital Transformation Overview
- Customer 360 with Amperity
- Marketing Innovation with Salesforce Marketing Cloud
- Advanced Data and Analytics with Tableau
- Frictionless eCommerce with Salesforce Commerce Cloud & Roadster
- Platform Recap
- Q&A
INTRODUCTIONS

Pete Dooher
SVP of Digital Strategy

Sheila Bernardo
Web Project Manager

John McDonald
Product Owner, Customer Engagement

Shawn Taras
Director, Software Engineering

Tausif Islam
Data Analytics Manager

Brian Rothe
Director, Product Management
Customer Behavior
• How people purchase vehicles
• How people use vehicles
• How MaaS fits in

Vehicle Technology
• How will people use connected cars
• Shift toward alternative drive trains
• When will autonomous be real

Dealer Operations
• How will vehicles be serviced
• Commission based sales vs. Relationship management
Innovation + Disruption = SERVCO LABS
OUR GOALS

- Look ahead to what disruptive business models & technologies could impact Servco in the short, mid, and long term
- Focus on becoming an agile and flexible organization that can adapt quickly to changes
- Be a mobility & sustainability leader in the communities we serve
- Create a sense of urgency within the organization for change
FOCUS AREAS

Digital Transformation & CX
Data Analytics
Agile Process
Mobility Solutions
New Business Models
Venture Capital
Gov’t/Community Outreach

Customer Behavior
Vehicle Technology
Dealer Operations
DIGITAL TRANSFORMATION OF THE SERVCO EXPERIENCE

To enable customers and prospective customers to shop *how* they want, *when* they want, and *where* they want through omnichannel shopping experiences and adaptable sales processes

Data driven Personalized Customer Journey

Frictionless Omni-Channel Experience

Platform for Agility & Growth
EMBARKING ON A NEW VIEW OF OUR CUSTOMER’S JOURNEY—AN OMNICHANNEL EXPERIENCE

Pre-Purchase
- Information Gathering
- 1st Contact

Consideration
- Test Drive
- Negotiation
- Trade-In

Purchase
- F&I
- Vehicle Delivery

Post-Purchase
- Service and Maintenance

Loyalty
- Renewal
THE SERVCO EXPERIENCE - OUR PLATFORM FOR AGILITY & GROWTH

Meeting our customers where they want to be met, how they want to and exactly when best to
OUR DIGITAL ROADMAP

Testing. Results. Repeat.

Building Blocks

Click and Mortar Integration

The Servco Experience

Year 1
Year 2
Year 3
BUILDING OUR DIGITAL TEAM

Mission: Deliver significant value to our organization through continued product innovation and enablement
THE SERVCO EXPERIENCE PLATFORM ARCHITECTURE

Unifying the individual customer experience across sales, service, operations and driven by data.
APPLYING A CLOUD FIRST MODEL WITH BEST IN CLASS PARTNERS

We selected best in class partners with deep R&D, along with our own build team to deliver
DEVELOPING OUR SERVCO CUSTOMER 360 AROUND DATA

Unifying disparate data sources into one 360 customer journey

Declared Data
What The Customer Tells Us directly

Observed Data
What We See from behavioral interactions

Inferred Data
What We Can Calculate and model

Predictive Data
Utilizing Artificial intelligence to predict needs
ESTABLISHING A FOUNDATIONAL CDP - AMPERITY

First we had to solve the problem of clearly identifying our customers across every journey point.

- **Intelligent AI Identity Resolution**
  - Advanced machine learning for rapid data processing
  - High accuracy match rate
- **Source data is not changed**
- **Utilized for email segments and ad hoc reporting**
Amperity Customer Data Platform

**Flexible Data Ingestion**
Raw, at-scale ingestion from any source

**Identity Resolution**
Patented machine learning process with universal stable ID

**Customer 360 & Profile Enrichment**
A source of truth for every customer, enriched with transaction, engagement, and demographic insights

**Insights & Segmentation**
Find opportunities and segments that matter

**Automation & Integration**
Direct delivery to dozens of marketing, analytics, and BI tools

**DMS - DealerTrack**
**Web Sales - Roadster**
**CRM - DealerSocket**
**Online Payment - Xtime**
**Loyalty – Lexus Perks**
**Email - Salesforce**
**3P - Demographic Etc..**

**1. Service Churn Prevention**
**2. 1x-2x Vehicle Conversion**
**3. High-Value Cultivation**
**4. Model Affinities / Persona Types**

**Customer 360 database**

**Email**
**Digital Marketing**
**Loyalty Rewards**
**Customer Service**
**Direct Mail**
**POS CRM**
**Display**
**Etc..**
SOLVING SIGNIFICANT DATA QUALITY ISSUES

PROFILE DATA INGESTED
- DealerTrack | 842k
- Marketing | 500K
- DealerSocket | 2.8M
- Attribution | 33.8 M
- Xtime | 485 K

STITCH

6 M Raw Records to 350 K Accurate Customer Profiles (41.5% Duplicates)

TRANSACTIONS / BEHAVIORS
- CRM
- Service
- Vehicle Sales
- Marketing
- Prospect

FOUNDATIONAL C360
- Connected Customer Data Foundation
  - Account data appended to accurate profiles
  - Automated

CUSTOMER EXPERIENCE
- Multiple emails from one & across dealerships
- Bad CRM experience not knowing holistic journey

CUSTOMER ANALYTICS
- Don’t have accurate view of sales & service retention metrics when over 40% have multiple profiles
- Inability to mine data effectively

SEGMENTS & TARGETING
- Couldn’t readily target customers or segment based on previous purchasing behavior
End-to-end process of Amperity’s intelligent identity resolution

**STEP 1: SEMANTIC TAGGING**
Raw data is assigned semantic labels.

E.g. Strings become emails, names, gender etc.

**STEP 2: PREPROCESSING**
PII data is standardized for matching, extracting new meaning from data (gender, demo); filtering for bad value

E.g. WA becomes Washington

**STEP 3: UNION OF TABLES**
Distinct customer tables turned into a single virtual table, aligning common semantic data types.

E.g. vtable = eComm customers + Loyalty members

**STEP 4: MATCHING**
Records in this virtual table are de-duplicated using machine learning techniques.

E.g. Human = Record 1 + Record 2 + Record 3

**STEP 5: AMPERITY IDs**
Stable Amperity IDs assigned to clusters, representing unique individuals.

E.g. Amp ID 1 = Rebecca = Record 1 + Record 2 + Record 3
HOW WE APPROACHED IT

We took a test and learn approach to pilot the efficacy of the Amperity platform on our customer master data

- 3 Month Proof of Concept
- Scaled to support all Retail marketing segmentation needs
- Evolved to create both a Customer 360 and Vehicle 360
- Foundation for advanced data visualizations on top of Tableau
- Adding in new data sources to continue to build rich customer profiles
OUR CUSTOMER DATA PLATFORM UNLOCKS POTENTIAL
Maximizes our cross functional teams’ effectiveness now and into the future

Marketing
- Accurate, comprehensive customer profiles; refreshed daily
- Valuable attributes appended to every profile for robust segments
- Multiplying the # of targeted, personalized marketing campaigns
- Marketing attribution to measure campaign effectiveness & evolve

Analytics
- Empower analytics resources to efficiently deliver value frequently
- Customer acquisition, retention & churn dashboards automated
- Marketing & sales funnel generated to allocate resources strategically

IT & Digital
- Customer data foundation capable of supporting ALL future initiatives
- Streamlined IT workflows related to all customer domain projects
- Digital growth objectives has access to optimized data assets for personalization
Amperity supports rapid ingestion & unification of future customer data assets across digital initiatives & tech stack transitions.

IT initiatives surrounding the consumer domain (new rooftops, system transitions, cloud adoption) accelerated due to Amperity data foundation.
Amperity creates a unified data source to make customer data readily available for use.

**CUSTOMER360 LOOKUP**

**Primary Contact Info**
TAUSIF ISLAM  
170d95a6-d44a-3f06-8fcb-66db777a5f04  
Email: TAUSIF.ISLAM@SERVCO.COM  
Address:  
Phone: 4254096464  
Vehicles Owned: 2

**DealerTrack Sales History**
Sale Date: 8/4/19  
Dealership: SAH  
Stock Number: K924640  
Sale Type: F  
Price: $21,289  
Primary Salesperson: TREAVOR APPLEBAUM  
F I Manager: MARC NAKAMISHI  
Vehicle: 2019 TOYOTA COROLLA HATCHBACK

**Recent Service History**
Vehicle: 2019 TOYOTA TACOMA 4X2  
Vehicle VIN: 5TFAZ5CN4K0080766  
Service Dealer Recent: SAH  
Recent Service RO Open Date: 6/24/20  
Recent Service RO Close Date: 6/24/20  
Service Mileage Recent: 11,631  
Vehicle VIN: JTNN48BE3K3064461  
Service Dealer Recent: SAH  
Recent Service RO Open Date: 6/5/20  
Recent Service RO Close Date: 6/5/20  
Service Mileage Recent: 11,161
AMPERITY & MARKETING CLOUD – DELIVERING RESULTS

Speed & Scale
Time to ingest & stitch data
Near real time data processing at scale allowing us to build customer segments 140x faster

Workflow Improvement
Data flows & platform access
Automated processing requires minimal manual intervention. We can now ask more detailed questions about our customers and get answers right away

Case Study: Servco Lexus Summer Spectacular Sales Event
New stitched data used for a prospecting A/B test for Lexus vs. the existing customer file.
The time to create the target segment was reduced from three days to 30min.

5% Deliverability
36% Open Rates
68% Click Through Rates
62% Conversion on leads generated
SOLVING A NEED FOR PERSONALIZED MARKETING JOURNEYS

We selected Salesforce Marketing Cloud to overcome many hurdles to effectively communicate:

- Multiple, disjointed email campaigns
- Use of multiple Email Service Providers
- Dependency on 3rd Party Vendors
- Inability to track impact of email campaigns
- Inability to personalize messaging due to underlying data issues
- No automation capabilities, including retargeting
- Lack of test and learn (A/B testing and optimization)
HOW WE APPROACHED IT

Marketing Cloud

- Built a solid Marketing Cloud foundation in summer 2019
- Scaled across automotive brands
- Automation Studio used for scheduled sends
- Beginning to use Journey Builder for more sophisticated automation
- Growing with Advertising Studio and Commerce Cloud integration
MARKETING CLOUD AUTOMATION

Multi-Step Journey

Single Send Journey

Transactional Send Journey
AUTOMATION BUILDING BLOCKS

Entry Sources
- Data Extension
- API Event
- Audience
- CloudPages
- Salesforce Data
- Event

Activities
- Push Notification
- Inbox
- LINE Message
- In-App Message
- SMS
- Email

Flow Control
- Wait By Duration
- Wait Until Date
- Wait By Attribute
- Decision Split
- Path Optimizer
- Engagement Split
- Random Split
- Join
- Einstein STO
HOW WE ARE USING AUTOMATIONS
## PURCHASE ANNIVERSARY AUTOMATION

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get purchase info from 1 year ago</td>
<td>Send Anniversary Email to 1 year ago audience</td>
<td>Archive today's 1 Year Anniversary Email Info</td>
<td>Get purchase info from 5.5 months ago with no service record</td>
</tr>
</tbody>
</table>

### Step 1
- **1.1 SQL Query**
- **Purchase-Anniversary-Y1**

### Step 2
- **2.1 Send Email**
- **Daily_TOY_Post-Purchase-Year-01-No-Service**

### Step 3
- **3.1 SQL Query**
- **Purchase-Anniversary-Y1-Archive**

### Step 4
- **4.1 SQL Query**
- **Purchase-6-Month-No-Service**

### Step 5
- **Send 6 mo Service Email**

### Step 6
- **Archive 6 mo Email Info**

### Step 6.1
- **6.1 SQL Query**
- **Purchase-6-Month-No-Service-Archive**
HOW WE ARE USING AUTOMATIONS
EMAIL MARKETING FUNNEL

Taking our Resolved Customer Data and Making it Actionable

- Utilizes Amperity data
- Tracks engagement throughout the marketing funnel
- Better understanding of customer behavior
- Measure & analyze results
- Can track vehicles sold and trades
Supports ad hoc reporting
- Can quickly develop an MVP

Robust reporting platform
- Allows users to download to CSV or email/PDF subscription
- Provides aggregated metrics whereas our platforms are set up for dealership reporting
- Mobile friendly

• Utilizes Snowflake and SQL Server as data source
HOW WE APPROACHED IT

Data and Analytics

- Identified laborious reporting tasks and opportunities for new KPIs
  - Utilized Amperity and Salesforce Marketing Cloud data
- Selected the most impactful metrics and built mobile and desktop dashboards
  - Built dashboards to track the impact of COVID
    - Service cancellations
    - Vehicles Pending
- Created self service dashboards for analysts
- Trained the BI team on basic design principles
- Automated data tasks to free up analysts
ROBOTIC PROCESS AUTOMATION WITH ALTERYX
Reducing reporting time and maximizing employee utilization

- GUI based data analytics tool
- Excels in automation tasks
- Creates automation flows quickly, like SSIS
- Versatile and easy to use tool for power users
- Self-service analytics tool

<table>
<thead>
<tr>
<th></th>
<th>Old Process</th>
<th>New Process</th>
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</thead>
<tbody>
<tr>
<td>Processing Time</td>
<td>8hr</td>
<td>20min</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>832hr (twice a week)</td>
<td>35hr (twice a week)</td>
</tr>
<tr>
<td>Work Year Commitment</td>
<td>40% Full Time Equivalent</td>
<td>1.7% Full Time Equivalent</td>
</tr>
</tbody>
</table>
NEXT GEN RETAIL ONLINE EXPERIENCE WITH SALESFORCE COMMERCE CLOUD & ROADSTER

- Best in class eCommerce platform to replace our legacy automotive sites
- Sets the foundation for a 360 degree personalized online commerce experience
- Agility and scalability to respond quickly to our customers and business needs
- Innovative use of AI and segmentation to maximize customer engagement
- Endless aisle and end to end customer lifecycle management
ROADSTER SEAMLESS OMNICHANNEL BENEFITS

We partnered with Roadster to transform the new and used car purchase process

- Transparent online express store
- Live at all Servco Dealerships through COVID
- Enable buy online and home delivery
- Increased lead opportunities
- Improved closing ratio
- Happier Customers
## Salesforce Commerce Cloud – Anticipated Benefits

### International Multi-Site Examples

5 brands growing and innovating with Commerce Cloud

<table>
<thead>
<tr>
<th>Brand</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>L’Oreal</td>
<td>123 sites on Commerce Cloud across the globe amongst many brands.</td>
</tr>
<tr>
<td>Wolverine Worldwide</td>
<td>70 international sites across 15 brands in 18 months</td>
</tr>
<tr>
<td>Crocs</td>
<td>50 countries 40 currencies 35 languages 50% increase in mobile conversions</td>
</tr>
<tr>
<td>Adidas</td>
<td>39 sites 43 countries from $50M to $1B+ GMV growth</td>
</tr>
<tr>
<td>Deckers Outdoor Corp</td>
<td>32 sites across the globe 80% increase in YOY traffic and revenue 100% increase in mobile sales</td>
</tr>
</tbody>
</table>

### Key Benefits
- **Dynamic Content Management Platform**
- **Traffic improvement from best in class SEO**
- **Increased conversion from personalized merchandising/site experience**
- **Increased Revenue from AI driven product & promotions**

### Conversion Rate Improvement
- **40-60%**

### YoY GMV Improvement
- **25%**

### Traffic Volume Improvement
- **20%**

### AdV Improvement
- **4.5%**

### Einstein – revenue increase per visitor
- **5-15%**

*Please note that the metrics for the global clients referenced on this slide reflect an average snapshot as of December 2017.*
HOW WE APPROACHED IT
Salesforce Commerce Cloud & Roadster

- Market research and discovery for leading edge omnichannel platforms across industries
- Went through a rigorous platform selection process with 10 platform providers
- Presented unique solution of Roadster + Salesforce Commerce Cloud for approval
- Accelerated Roadster delivery roadmap from 12 months to 3 months when COVID hit
- Trained internal team of developers on Salesforce Commerce Cloud to lead implementation directly with Salesforce
- Utilizing Agile Methodology throughout to deliver continuously, emphasis on speed to value and speed to learn
JUST LAUNCHED - SALESFORCE WEB PLATFORM
Re-platform of toyotahawaii.com followed by Subaru and Lexus later this Fall

- Lift and shift from costly legacy platforms to modern best in class platform
- Faster and more flexible site enhancements
- Drive traffic more efficiently from distribution to retail
- Improved usability features (mobile, performance)
- Foundation for future personalized customer 360 experience
PLATFOR M IMPACT THUS FAR

- Customer Data Platform provides clear actionable insights and opportunity to drive enhanced engagement
- Robust marketing cloud delivers efficiency, test and learn and personalization in real time
- Foundation on data and analytics – ensures we are measuring everything and using data as action
- Automation delivers efficiency end to end
- Enabled personalized omnichannel customer purchase journey
- Enhanced agility to pivot quickly and meet customer needs
# PLATFORM ALTERNATIVES

<table>
<thead>
<tr>
<th>CDP</th>
<th>Marketing Automation</th>
<th>Data Visualization &amp; Analytics</th>
<th>Ecommerce</th>
<th>Team Collab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amperity</td>
<td>Salesforce Marketing Cloud</td>
<td>Tableau / Alteryx</td>
<td>Salesforce Commerce Cloud</td>
<td>Slack / Jira / Aha/ MS</td>
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<tr>
<td>Salesforce 360</td>
<td>MailChimp</td>
<td>Excel</td>
<td>Shopify</td>
<td>Trello</td>
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<td>Segment</td>
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<td>Power BI</td>
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<td>Tealium</td>
<td>HubSpot</td>
<td>Python</td>
<td>Magento</td>
<td>Basecamp</td>
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<td>Apache Unom</td>
<td>Drip</td>
<td>Google Analytics</td>
<td>Bigcommerce</td>
<td>Flock</td>
</tr>
</tbody>
</table>
HELPFUL RESOURCES

We are happy to help in any way

Contact us for any follow up questions & Deep dives

– Digital Transformation peter.dooher@servco.com
– Data Visualization and Analytics tausif.islam@servco.com
– Salesforce Marketing cloud brian.rothe@servco.com, john.mcdonald@servco.com
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– Product Management brian.rothe@servco.com
– Data Security & Privacy chi.kwok@servco.com