

GMAC Transforms its Customer-Facing Online Presence, Gaining a Competitive Edge in the Highly Profitable Consumer Finance Business

Executive Summary

CUSTOMER NAME

GMAC Financial Services

INDUSTRY

Consumer Finance; Subsidiary of General Motors, Automotive Manufacturer

CHALLENGE

- Project a unified online brand image and provide consistent access across all GMAC product lines.
- Increase customer satisfaction and maximize opportunities for cross-selling and customer retention.
- Reduce the cost of servicing customer inquiries and account management.

SOLUTION

Cisco partnered with GMAC to drive an innovative, customer-focused vision of a multichannel [Customer Interaction Network \(CIN\)](#).

BUSINESS VALUE

- Unified presentation to the consumer, easy-to-use GMAC online environment with advanced features and lower costs.
- Better customer information enabling targeted marketing programs and cross-selling throughout GMAC and its subsidiaries.
- Improved customer satisfaction.

General Motors Acceptance Corporation (GMAC) was founded in 1919 to provide the financing **General Motors** dealers needed to maintain their vehicle inventories and to give retail customers the ability to purchase new vehicles easily and conveniently. Over the years, GMAC has evolved from General Motors' captive auto-finance unit into a broad-based, global financial-services powerhouse with 2004 earnings of \$2.9 billion. Today, the company has a diverse portfolio of product offerings and derives half its income from sources other than auto finance.

As the family of products under the GMAC Financial Services umbrella continued to grow, a unified, integrated online presence became a business imperative. Recognizing this need, GMAC requested [Cisco Systems® Internet Business Solutions Group \(IBSG\)](#) to provide a critical assessment and recommend ideas for transformation. The multiyear effort is designed to enhance overall customer service, retention, and cross-selling opportunities while simultaneously reducing operating costs.

BUSINESS CHALLENGE

Unlike a traditional lending institution, GMAC is not chartered to make auto loans directly to consumers. GMAC's primary customers have traditionally been the dealers who ultimately handle the actual transaction with the customer. Therefore, over the years, GMAC made minimal investments in their online customer-facing presence, resulting in functionality that lagged competitors in multiple areas.



Prepared by Cisco Systems, Inc.
Internet Business Solutions Group

The joint project with Cisco began with a thorough analysis of the company's existing online presence and the competitive landscape by IBSG. This analysis specifically defined where GMAC's online presence simply did not stand up to their major competitors' Websites. IBSG competitively assessed 47 attributes at sites for four different automotive financial services and one other leading financial services site. The evaluation included:

- Usability and customer experience
- Customer interaction needs and feature sets (e.g., vehicle load, lease, mortgage, insurance)
- Internet business capabilities (such as click-to-talk)

“WORKING WITH CISCO INTERNET BUSINESS SOLUTIONS GROUP, WE ACCELERATED OUR INNOVATION AROUND OUR ONLINE (GMACFS.COM) CUSTOMER PRESENCE.”

Cherri Musser, GMAC Group Vice President and CIO

According to Les Winograd, director, GMAC Information Systems and Services, the biggest problem was a lack of coordination among GMAC's various customer touch points. “At one point, I counted 16 different phone numbers on our site,” Winograd says. “GMAC Auto Finance had a call center, Insurance had its own, Mortgage had another. In addition, each of the GM brands has a contact center, so customers were being handed back and forth in an uncoordinated fashion.”

Initial goals for the overhaul included the creation of a common look and feel and significant upgrades to the underlying technology and capabilities. As Winograd describes it, “You can't control how consumers think or how they come to the Web to learn about you, so the site design needed to take into account that our customers come in a variety of ways. They could come in as a GMAC mortgage customer and want to check their GMAC lease payment at the same time. They assume we are one company. Unfortunately, in the past, we had a number of completely different Websites, each with a different look and feel, sign-on, and call center.”

While calling for a unified look and feel for the multiple Websites and coordination with the various call centers, the IBSG evaluation effort also highlighted important functional issues. Most serious from the customer perspective were the inability to complete a pre-application for credit online and obtain a specific monthly payment, and the lack of tools to manage personal and account information. In addition, response to e-mail queries was slow and search functionality was poor. For GMAC internally, a lack of monitoring and content management tools and an inability to engage in target marketing or cross-selling on the site(s) were serious functional deficits.

SOLUTION

Working with GMAC, IBSG developed a three-phased roadmap for a comprehensive upgrade of the customer experience. The first phase, launched in July 2005, addressed a number of critical issues and essentially transformed GMAC's online presence from industry lagging to leading. In fact, an independent analysis by a leading industry analyst rated the revised GMAC site as number one (by a wide margin) among the seven competitive sites evaluated. The leading industry analyst called the new site a "huge step forward" with "logical flow, consistent templates and streamlined navigation."

"CISCO HELPED US CLOSE THE COMPETITIVE GAP WITH THE COMPETITION. THE VISION REALLY RAISED THE BAR AND WENT BEYOND JUST FIXING OUR WEBSITE."

Les Winograd, GMAC Information Systems and Services Director

The redesign included a complete overhaul of the style guide, navigation scheme, and content of the GMAC customer portal. In addition, a number of technical improvements were made, including content management tools, single sign-on infrastructure, and other architecture changes to facilitate future upgrades and enhancements such as online credit applications capability.

A follow-on phase two, scheduled to go live in October 2005, will implement a range of self-service features including online customer access and update capabilities. The new capabilities will drive down costs and further improve the online experience. At that point, a single sign-on will also be implemented for North American auto finance customers which will facilitate integration with [GM Owner Center](#) and other GMAC subsidiaries such as [Mortgage](#) and [Insurance](#) in future phases.

The ultimate vision is a state-of-the-art interaction with the customer, featuring click-to-call and integration across multiple channels, including all the call centers and the GM Brand sites. This will allow superior customer service, efficiently delivered in an interactive environment where it does not matter what channel the customer chooses for the interaction.

"We're turning our online shopping experience into something that models the consumer's natural behavior—a seamless process between the finance side and the car side. The ultimate objective is to get the customer into the showroom to buy a GM vehicle and to finance it through GMAC," says Les Winograd, Director Information Systems and Services, GMAC

BUSINESS VALUE

Fully implemented, the revised GMAC online presence represents a unified, interactive relationship with the customer with a complete range of self-service capabilities. This will improve customer satisfaction throughout the "Learn, Shop, Buy" process of a new car purchase, as well as the other highly profitable financial transactions that are a part of today's GMAC. Lower account service costs are also an important result of the enhanced online interaction and technical upgrades. Perhaps most important, customer cross-selling and targeted marketing will be facilitated along with the introduction of Web analytical tools for continuous site improvement.

“WE’RE TURNING OUR ONLINE SHOPPING EXPERIENCE INTO SOMETHING THAT MODELS THE CONSUMER’S NATURAL BEHAVIOR—A SEAMLESS PROCESS BETWEEN THE FINANCE SIDE AND THE CAR SIDE. THE ULTIMATE OBJECTIVE IS TO GET THE CUSTOMER INTO THE SHOWROOM TO BUY A GM VEHICLE AND TO FINANCE IT THROUGH GMAC.”

Les Winograd, Director Information Systems and Services, GMAC

NEXT STEPS

Winograd believes that once the technical upgrades necessary to bring GMAC sites up to state-of-the-art have been implemented, future improvements will come from analytics. “With the analytics, we can better understand our customers, who they are, and how many products and services they buy from us,” Winograd says. “We will be able to look for patterns and trends, such as how people are accessing our site and what features are resonating. And that means we can develop strategies for further improvements.”

MORE INFORMATION

For further information on Internet business solutions, visit <http://www.cisco.com/go/ibsg>



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