TURBOCHARGING CUSTOMER SERVICE:

THE POWER OF AI AND HUMAN EXPERTISE IN THE AUTOMOTIVE INDUSTRY

BCP BETTER CAR PEOPLE
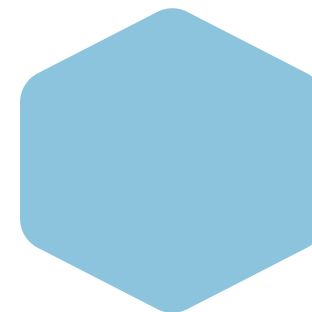
INTRODUCTION: THE RISE OF AI AND ITS ROLE IN THE AUTOMOTIVE INDUSTRY

Artificial intelligence (AI) has quickly become a transformative force across industries. Whether it's powering virtual assistants like Alexa, enabling predictive text on smartphones, or revolutionizing healthcare diagnostics, AI is everywhere. In the automotive industry, AI has become essential to customer service, with tools like chatbots, digital voice assistants (DVAs), and appointment schedulers that help dealerships work faster and more efficiently.

While AI has tremendous potential, it isn't as infallible as it's often portrayed. Gartner predicts that by 2027, only 40% of customer service issues will be fully resolved by AI tools.[1] Moreover, the public is cautious. A recent survey found that just 18% of Americans are more excited than concerned about AI's growing role in daily life, while 37% are more concerned than excited,[2] expressing worries about privacy, misuse, and the loss of human connection. These numbers show why a combination of AI tools and human expertise is the winning formula.

AI will be able to fully resolve just **40%** of customer service issues by 2027[1]
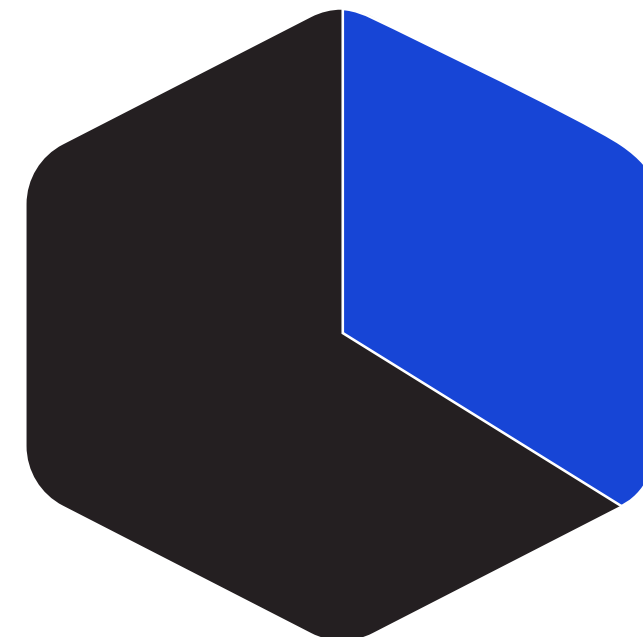
37% of Americans are more concerned than excited about AI[2]

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FASTER, BIGGER, BETTER:
PUTTING AI TO WORK FOR YOUR DEALERSHIP

It's true that AI is revolutionizing how dealerships operate by providing faster, more efficient, and highly scalable solutions. Its ability to automate repetitive tasks and offer around-the-clock support is especially essential for dealerships facing staffing challenges – and that's a lot of them: Since 2020, the overall number of employees at dealerships has dropped 9%, and sales representatives have dropped by a massive 35%.[3] Here are the key benefits for your dealership.

The number of sales reps at dealerships has dropped by **35%** since 2020[3]

SPEED

Regardless of the industry, today's customers prioritize convenience above all else, so speed is everything. With AI, you can respond to inquiries immediately instead of leaving customers hanging. Tools like AI-powered chatbots and digital voice assistants (DVAs) are available 24/7, providing quick answers to questions about hours, inventory, and financing options.

This rapid response sets your dealership apart from competitors. When customers know they'll get quick answers, they're more likely to stay engaged with your business rather than looking elsewhere. Coupled with relevant data about the consumer, AI's ability to instantly process information makes it an invaluable asset when you need to deliver the fast service modern customers expect.

EFFICIENCY

One of AI's biggest benefits is its ability to handle routine and repetitive tasks, freeing up your team for more complex and high-value work. For instance, AI-powered DVAs can schedule service appointments, answer FAQs, and provide details about routine maintenance.

By automating these tasks, your dealership's business development center (BDC) can focus on creating value where it matters most. Teams have more bandwidth to engage with customers personally, leading to better appointment rates, increased revenue per repair order, improved margins, and a more productive work environment.

SCALABILITY

AI's scalability is a game changer for dealerships dealing with fluctuating demand. Whether it's a busy holiday weekend or a staffing shortage, AI tools can scale up to handle increased call volumes or inquiries without missing a beat. When the rush subsides, they can scale back down and remain cost-effective.

This flexibility makes AI an ideal partner for dealerships struggling with unpredictable staffing needs. Instead of overburdening your team during peak periods, let AI handle the overflow, so your human agents can focus on building relationships and closing deals.

REALITY CHECK: CHALLENGES OF AI IN THE AUTO INDUSTRY

AI tools have undeniable strengths, especially when it comes to data processing, automation, and efficiency. But as powerful as AI is, it isn't perfect. It's great at repetitive tasks and processing vast amounts of data, but its limitations become clear when the unexpected happens or when a customer asks for something beyond the norm.

The capabilities of AI tools are limited to what they've been trained to handle. They can answer common questions and make simple recommendations, but they can't go beyond what they've been programmed to do and the data set they've been trained on.

When faced with unexpected changes – like industry shifts or global events – AI systems falter. As Matthew Belk, Founder and Chief Innovation Officer at Better Car People, says, "Computers are not good with change. They're good at predicting the same thing that's going to happen repeatedly."

"COMPUTERS ARE NOT GOOD WITH CHANGE. THEY'RE GOOD AT PREDICTING THE SAME THING THAT'S GOING TO HAPPEN REPEATEDLY."

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Yet perhaps the most important challenge of using AI in the automotive industry is that AI lacks the empathy and intuition of humans. AI tools often still need human intervention to address unique inquiries, empathize with customers, and adapt to changing circumstances – and they likely will for a long time. Plus, there are still times when a consumer simply wants to talk to a live person. Ultimately, the best customer experiences come from a partnership between technology and human expertise.

THE HUMAN TOUCH: WHY PEOPLE CAN'T BE REPLACED

AI's efficiency is invaluable, but it can't replicate the human touch. People bring empathy, creativity, and adaptability to customer service, offering something AI can't: real relationships. Here's why human expertise is still a cornerstone of dealership operations.

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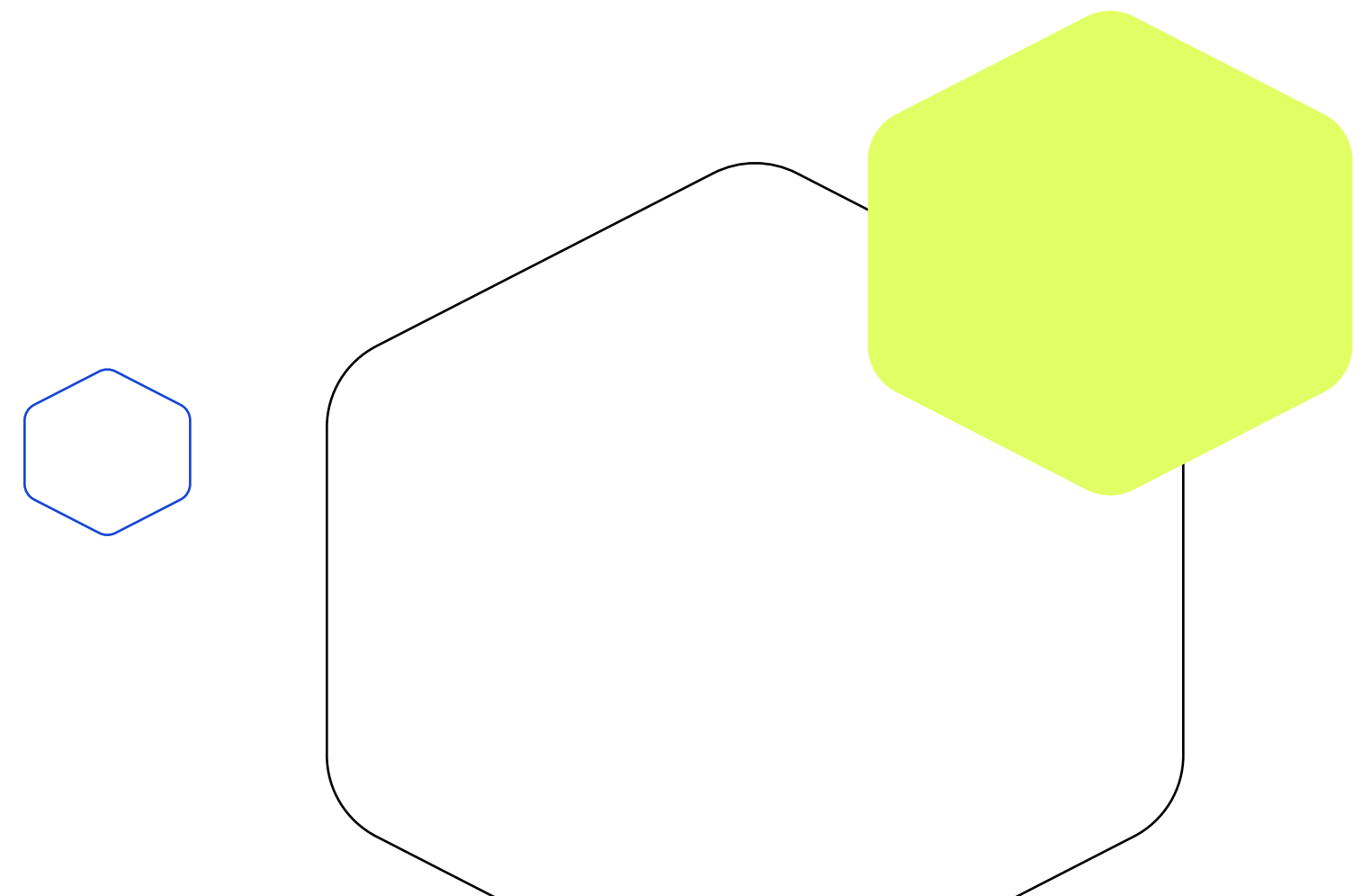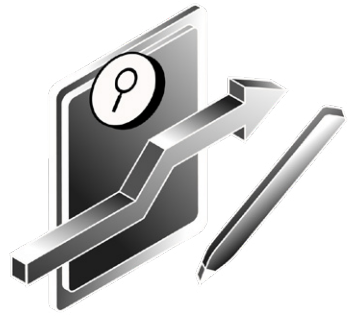
COMPLEX PROBLEM-SOLVING

BUILDING RELATIONSHIPS

While AI is excellent at handling straightforward tasks, complex issues often require human understanding. For example, a customer might have questions about combining multiple financing options or need advice on a unique trade-in situation. Even simple appointment setting may involve detailed questions that a person can better handle. In these scenarios, human agents can provide personalized solutions that AI might not know about.
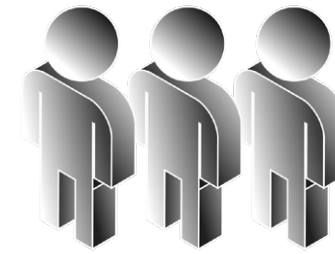
Plus, your customers simply don't trust AI in complicated situations: According to research, 44% of Americans trust human advice for complex decisions, compared to just 26% who trust AI.[4] And as you likely know, trust is everything when customers are making large purchases like autos.

Successful dealerships know that trust and loyalty ultimately require real, human connection. Human agents excel at building rapport with customers, taking the time to understand their needs and concerns. These personal interactions build trust and encourage repeat business.

When customers feel valued, they're also more likely to recommend your dealership to others, turning a one-time sale into a long-term relationship. Even in the age of AI, one common sales saying remains true: "People buy from people they like."

People still buy from people they like.

44% of Americans trust human advice for complex decisions[4]

Only **26%** trust AI[4]

DE-ESCALATING
TOUGH SITUATIONS

AI doesn't have feelings. For analytical tasks, this is a good thing, but sometimes, a lack of empathy causes trouble. When customers are frustrated or angry, a generic chatbot response can exacerbate the issue.

According to one study, fully AI engagement can lead to disappointing outcomes with upset customers: "When customers enter a chatbot-led service interaction in an angry emotional state, [the chatbot has] a negative effect on customer satisfaction, overall firm evaluation, and subsequent purchase intentions."[5]

Human agents, on the other hand, can listen, empathize, and de-escalate situations, turning negative experiences into positive outcomes. This human touch is often the difference between a lost customer and a loyal advocate.

> **"When customers enter a chatbot-led service interaction in an angry emotional state, [the chatbot has] a negative effect on customer satisfaction, overall firm evaluation, and subsequent purchase intentions."**

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COLLABORATIVE INTELLIGENCE:
TECH PLUS TALENT WORKING TOGETHER

Solutions that solely use AI can be less expensive, but at what cost? In a world where we know 43% of consumers aren't happy with AI chatbots,[6] you risk losing customers without a human touch. So how do you bring it all together?

Collaborative intelligence combines the strengths of AI and human expertise to deliver exceptional customer experiences. While AI excels in speed and efficiency, human agents bring empathy, problem-solving, and adaptability to the table. Together, they form a seamless partnership that enhances every aspect of customer service.

This approach resonates with today's consumers: 77% of respondents in a recent survey said they'd rather interact with a human using AI in the background than with a fully automated system.[7] That's collaborative intelligence in action.

43% of consumers aren't happy with AI chatbots[6]

77% of consumers prefer to interact with a human using AI in the background[7]

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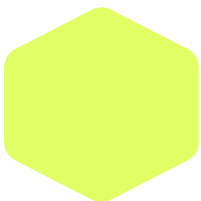
AI SPEED AND SCALE

24/7/365: Always on, always available

Lightning-fast lead response

Never misses a follow up or loses track of a lead

Automates routine tasks like appointment setting

Quickly spots trends and opportunities

Instantly recalls available inventory, details, and pricing

HUMAN HEART AND SKILL

Empathy that builds trust and rapport

Creative problem solving

Quick thinking to solve problems AI hasn't seen before

Experience to know when to bend the rules

Personal touch to customize responses

Emotional intelligence to turn around frustrated customers

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YOUR DREAM TEAM: POWER UP YOUR STAFF WITH AI SUPPORT

Collaborative intelligence is all about working together: AI is the ultimate assistant for your dealership, handling repetitive tasks, speeding up operations, and freeing up your team to focus on what matters most. Here's how AI supports your team at every stage.

SPEED TO LEAD: AI IS YOUR PINCH HITTER

In the automotive industry, a good speed to lead is 10 minutes or less for most channels, and a one-minute response time can increase conversions by up to 391%.[8] When using live chat or chatbots, customers expect immediate replies. On any channel, delays can lead to lost opportunities.

Despite this, more than 66% of leads go unanswered within 24 hours, and 37% are mishandled, ignored, or forgotten entirely.[9] To complicate matters, 56% of dealership leads arrive after hours,[8] making it difficult to provide timely responses.

A one-minute response time can increase conversions by up to

391%[8]

Yet more than

66%

of leads aren't answered within 24 hours[9]

AI offers a solution by ensuring fast, consistent responses around the clock. However, its abilities are limited to what it's been trained on and the data customers provide. Questions outside its programming or those that require emotional intelligence can quickly expose its weaknesses.

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This is where collaborative intelligence steps in, pairing AI's speed with human expertise. AI delivers instant responses and handles repetitive tasks, while human agents manage complex inquiries, empathize with customers, and build relationships. Together, they ensure a fast, professional, and personal lead response, 24/7/365.
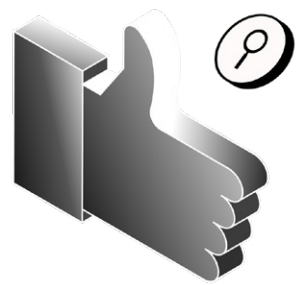
READING MINDS: AI IS YOUR SALES AND SERVICE WHISPERER

AI is like a sales and service assistant, automating repetitive tasks like appointment scheduling and targeted marketing campaigns. For example, AI can analyze CRM and DMS data and generate personalized outreach, then hand off hot leads to sales or service.

AI can also assist customers using self-service tools, helping them book appointments or find information. Without support, a frustrated customer might abandon the process entirely, leading to lost business.

Beyond automation, AI backs up your sales and service teams by delivering real-time customer insights during calls. From vehicle preferences to

service histories, it can provide data that sets agents up for success – because when AI and humans collaborate, dealerships win.

BEHIND THE SCENES: AI IS YOUR SILENT BUSINESS PARTNER

Many sales teams focus on inbound inquiries, leaving outbound opportunities untapped. AI addresses this gap by identifying warm leads and reaching out with personalized messages. It works tirelessly behind the scenes, mining manifest lists and analyzing data.

For example, it can make lists of customers getting toward the end of their lease or who may be interested in an upgrade based on their sales history and re-engage those accounts. With collaborative intelligence, AI knows just when to hand these leads over to the sales team, who can spring into action.

It can do the same for service, targeting customers who are due for maintenance with proactive reminders that encourage appointments and decrease no-shows. By automating these outbound tasks, AI ensures no opportunity slips through the cracks, while allowing your team to focus on delivering personalized, high-value interactions.

THE HANDOFF: AI KNOWS TO QUIT WHILE IT'S AHEAD

AI excels at delivering quick, accurate responses but struggles with complex, emotional, or nuanced interactions. Customers often get frustrated when they're stuck in a loop of canned responses, unable to get the answers they need. But AI can be trained to know its limits and provide a seamless transition to a human agent.

Collaborative intelligence enables AI to flag interactions that require a human. Whether it's a frustrated customer or a highly specific question, human agents can step in to provide empathy and resolve the issue. With effective training and well-defined handoff processes, AI and human agents work together to create a smooth customer experience that builds trust and loyalty.

EXPERIENCE THE BEST IN
COLLABORATIVE INTELLIGENCE

At Better Car People, our solutions leverage collaborative intelligence that brings together AI and dedicated live agents to create personalized, effective interactions that drive leads, engagement, and sales.

NEXT-GEN AI

Collaborative intelligence won't work in siloes: AI tools and humans need to follow the same playbook. That means AI needs to be trained using real dealership conversations and customized to follow your business guidelines. Our fully customizable AI is powered by over a decade of data and millions of leads and calls. With all that information, it can be trained for just about anything.

LIVE, LOCAL AGENTS

Most traditional call centers use offshore agents, while AI-only solutions don't have any human backup. Neither option leverages collaborative intelligence. Better Car People is different. Our proprietary platform combines powerful AI with the skills of live, local agents who are automotive experts and trained in your specific business.

PROACTIVE, NOT REACTIVE

It's not enough to buy software and call it a day. Even if you have an IT team – which many dealerships don't – integrating AI into your day-to-day processes can be complex. Better Car People offers comprehensive training for both AI systems and human agents, including initial training and ongoing support, so they truly learn how to collaborate.

READY TO SEE COLLABORATIVE INTELLIGENCE IN ACTION?

BOOK A DEMO TODAY

1 https://www.gartner.com/en/newsroom/press-releases/2024-12-16-gartner-predicts-unofficial-third-party-tools-powered-by-genai-will-resolve-40- percent-of-customer-service-issues-by-2027
2 https://www.pewresearch.org/internet/2022/03/17/how-americans-think-about-artificial-intelligence/
3 https://www.cdkglobal.com/sites/cdk4/files/CDK_Friction_Points_2.0_Study.pdf
4 https://finance.yahoo.com/news/talkdesk-survey-finds-half-consumers-130000947.html
5 https://journals.sagepub.com/doi/10.1177/00222429211045687
6 https://www.statista.com/statistics/657148/united-states-consumer-satisfaction-with-chatbot-service/
7 https://www.businesswire.com/news/home/20240805178692/en/Cogito-Research-Finds-Customers-Prefer-AI-Powered-Selling-Ushering-in-a-New- Era-for-Contact-Centers
8 https://www.nada.org/nada/research-and-data/nada-dealership-workforce-study
9 https://www.bettercarpeople.com/industry-updates/2023-dealer-benchmark-report