The **New Digital Hook** in Automotive

**Ideas and Insights** on how to turn customer satisfaction into brand enthusiasm
The A.T. Kearney Trend Radar

Customer connectivity ("New Digital Hook")

Manufacturing
- Global marketing
- New emerging markets
- Smart data analytics
- Glocal branding

Wholesale
- Global sales
- Dynamic performance evaluation
- Social listening
- Churn prediction

Marketing and CRM
- Social listening
- Fleet services re-engineering
- Omni-channel experience

Channels
- Innovative urban formats
- Science retail

Retail
- Online
  - Finance and insurance
  - Service and repair
- Owned retail
  - New cars
  - Used cars
  - Accessories
  - Mobility
- Franchised retail
  - Brand experience evolution
  - Global captive position
- Adaptive business models
- Trusted advisor
- Digital transformation
- Price perception and positioning

Note: CRM is customer relationship management
Source: A.T. Kearney
“Change is the law of life. And those who look only to the past or present are certain to miss the future.”—John F. Kennedy

This publication is part of our **Ideas and Insights** series in which we highlight trends and game-changing topics in automotive marketing, sales, and distribution. Our research has identified fundamental trends with the potential to not only reshape the industry within the next decade but also revolutionize how automotive players gain competitive advantage.

The A.T. Kearney Trend Radar will continue to monitor the key themes driving transformation in automotive marketing, sales & distribution.
The A.T. Kearney Brand Enthusiasm IndeX (BEX)®

Brand Enthusiasm IndeX (BEX)® = experience intensity per touch point × time spend at touch point

Source: A.T. Kearney
Leverage the digital transformation to turn satisfaction into enthusiasm

A brand’s power is fueled by customers’ brand enthusiasm. It is a function of experience intensity and time spent per brand touch point. The A.T. Kearney Brand Enthusiasm Index operationalizes and measures customers’ brand enthusiasm and helps identifying shortcomings and opportunities.

While consumers have moved away from the traditional automotive channels and toward digital touch points, manufacturers, wholesalers, and retailers are not keeping up by offering a fragmented and incomplete digital brand experience. Opportunities for digital touch points are not captured, thus potentially eroding customers’ brand experience.

In our discussions with senior industry leaders, we sense a strong appetite to innovate and redesign today’s distribution system. Three actions are of utmost importance:

• Turn customer satisfaction into brand enthusiasm by establishing a mutually beneficial value-based connection between brand and customer

• Make the customer a brand addict by fully leveraging a connected brand ecosystem

• Cure the current financial underperformance of the distribution system by using digitalization to reduce cost and improve system performance

The New Digital Hook in Automotive reflects on the opportunities to leverage today’s technologies to excite customers. We suggest a shift, actually a change in mindset, that begins by asking one important question: What is needed to make customers actively seek to connect with your brand?
12 Ideas and Insights how to turn customer satisfaction into brand enthusiasm

How could your future look like?

Brave new world

<table>
<thead>
<tr>
<th>Become truly beneficial to your customers</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imagine a genuinely connected brand ecosystem</td>
<td>2</td>
</tr>
<tr>
<td>Capture a new distribution performance level</td>
<td>3</td>
</tr>
</tbody>
</table>

Why will the brave new world materialize?

<table>
<thead>
<tr>
<th>4 Recognize how customers force industries to go digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Understand that new technologies create connected customers</td>
</tr>
<tr>
<td>6 Acknowledge that today’s distribution system is not sustainable</td>
</tr>
</tbody>
</table>
Where can we learn from others?

**Reality bites**
- **Entice** customers into your brand universe
- **Reinvent** loyalty rewards
- **Launch** a mutually beneficial collaboration model

What do we have to do now?

10. **Understand** tomorrow’s customer today

11. **Develop** the capabilities to better serve your customers

12. **Get** your organization and partners on board

The day after tomorrow
Paradigm shift
Clearing the enthusiasm hurdle

Today: **Customer satisfaction**

Tomorrow: **Brand enthusiasm**

Customers’ willingness to connect (brand experience)

Source: A.T. Kearney
Become truly beneficial to your customers

Most companies today are constantly trawling for customers. Commercials, mailings, and social-media campaigns are the big nets in the ocean of customers. Strategies are defined and measures implemented to catch as many as possible. Unfortunately, the fishing strategy and gear are outdated for catching a smarter breed of customer.

Today’s customers are well-educated, demanding, experienced with traditional marketing efforts, and more connected and better informed than ever before. They have become the fishermen in pursuit of the best catch. Attracting these customers requires a paradigm shift—from chasing to enticing, from satisfaction to enthusiasm.

Products must be transformed into attractive bait that appeals to customers’ willingness to connect by providing superior benefits. This transformation can help the industry clear the “enthusiasm hurdle,” but it will require a combined approach of OEMs, wholesalers, and retailers covering all channels, utilizing the latest technologies.

In this new world, the rules have changed: Your prey intentionally enters your harbor and chases your bait.
Joint forces

Connecting the brand ecosystem

Be connected to your brand whenever and wherever you are

Brand gateway

Connection devices

Brand touchpoints

Digital dealer
Physical dealer
Brand event
Mobility offer
Test-drive pool
Experience center

Co-branding partner
Webpage
Service hub
Customer hotline
Home presentation

System linkage

Loyalty program
Network collaboration

Source: A.T. Kearney
Imagine a genuinely connected brand ecosystem

Our studies reveal a direct link between the offered value of an integrated brand ecosystem and the share of customers connecting to the brand and accepting a digital hook.

It’s true that OEMs and wholesalers have hit many painful snags when trying to improve their network collaboration. But a brighter future can be built on three cornerstones:

**Brand gateway**
- Customers are demanding easy, anywhere, anytime access
- OEMs need to further exploit opportunities of connected cars, smart apps, and enhanced websites

**Brand touchpoints**
- Customers want to belong to a brand community where they feel valued
- Loyalty programs combine frequent interactions with stringent customer identification at every touch point

**System linkage**
- A powerful brand experience depends on customers feeling at home everywhere in the network
- All network partners participate fully in incentive and reward systems with a common goal to please customers
System profitability

Curing the long-term patient

Impact projection

Today: Customer satisfaction

Tomorrow: Brand enthusiasm

Customer experience

Revenue increase + 6-13% + 6-13% + 5-10%

EBIT margin increase 1.2 to 2.7 PP 0.9 to 1.8 PP 0.7 to 1.5 PP

- Increase brand loyalty
- Gain new customers
- Increase new car price
- Increase aftersales loyalty
- Increase marketing efficiency
- Decrease discounts

OEM Wholesale Retail

Note: EBIT is earnings before interest and taxes. PP is percentage points.
Source: A.T. Kearney
Capture a new distribution performance level

A truly connected offer has benefits for everyone—OEMs, wholesalers, and retailers—and allows the entire system to reach a new profitability equilibrium. Indeed, we project a revenue potential of up to 13 percent and a profit upside of 2.4 percentage points.

Four factors drive top-line growth:

• More brand loyalty as a result of new attractive services
• Higher conversion rates turning more leads into actual customers
• Increased average new car price as a result of improved up- and cross-selling
• Improved post-sale loyalty driven by active service steering and greater convenience

Two factors improve the bottom-line:

• More efficient marketing strategies as enriched customer insights allow for more targeted communication and powerful offerings
• Fewer discounts as a result of superior offerings and better service
Customer pull

Demanding a new connected reality

Impact of digital channels on the customer journey

<table>
<thead>
<tr>
<th>Examples digital uplift</th>
<th>Familiarize and choose</th>
<th>Purchase and deliver</th>
<th>Use and replace</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Visible and accessible nationwide demo vehicle pool</td>
<td>24/7 product configuration adjustments</td>
<td>Real-time delivery status update</td>
</tr>
<tr>
<td>Example 1</td>
<td>Example 2</td>
<td>Example 3</td>
<td>Example 4</td>
</tr>
<tr>
<td>Example 5</td>
<td>Example 6</td>
<td>Example 7</td>
<td>Example 8</td>
</tr>
<tr>
<td>Example 9</td>
<td>Example 10</td>
<td>Example 11</td>
<td>Example 12</td>
</tr>
<tr>
<td>Example 13</td>
<td>Example 14</td>
<td>Example 15</td>
<td>Example 16</td>
</tr>
</tbody>
</table>

Experience intensity

Moments of truth

<table>
<thead>
<tr>
<th>Moments of truth</th>
<th>Dealer visit</th>
<th>Configuration and price agreement</th>
<th>Configuration update</th>
<th>Follow-up</th>
<th>Maintenance</th>
<th>Brand event</th>
<th>Car breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dealer visit</td>
<td>Configuration and price agreement</td>
<td>Configuration update</td>
<td>Follow-up</td>
<td>Maintenance</td>
<td>Brand event</td>
<td>Car breakdown</td>
</tr>
<tr>
<td></td>
<td>Online search</td>
<td>Test drive</td>
<td>Purchase decision</td>
<td>Vehicle handover</td>
<td>Driving</td>
<td>Warranty</td>
<td>Complaint</td>
</tr>
</tbody>
</table>

Baseline

Digital uplift potential

Source: A.T. Kearney
Recognize how customers force industries to go digital

Today’s customers follow unique paths when making decisions. The increasing fragmentation of customer touch points represents a big challenge for OEMs, wholesalers, and retailers as the struggle to effectively reach customers across all mediums and channels continues.

At the same time, customers already experience multichannel services supported by digital solutions in other industries—Amazon, Apple, and Nike come to mind. So why shouldn’t drivers expect the same when purchasing and owning a vehicle? Consider the following:

• A nationwide, transparent and easily bookable (through the online channel) pool of test-drive vehicles meeting all customer configurations

• 24/7 adjustments to the new car product configuration after purchase through a secure online channel

• Real-time delivery status updates with pictures of the vehicle as it traverses the production line

While some of these services will be needed simply to keep customers satisfied, others will increase the customer’s emotional involvement (digital uplift). They will help shaping a differentiating experience in all moments of truth and reduce the volatility of the experience within the network.
Technology enablement

Offering boundless connectivity

Number of connected devices

- Fewer than 500 million
- About 10 billion
- More than 50 billion

World population

- 6.1 billion
- 7.1 billion
- 8 billion

Share of internet users worldwide

- 6%
- 39%
- More than 90%

Mobile money market

- 82% CAGR until 2018

Mobile health

- 31% CAGR until 2018

Public cloud services

- 18% CAGR until 2018

Note: Connected devices include mobile handsets, personal computers, laptops, tablets, vehicles, and household appliances. CAGR (Compound Annual Growth rate)
Sources: Cisco Internet Business Solutions Group, World Bank, the International Telecommunication Union, Gartner, Markets and Markets; A.T. Kearney
Understand that new technologies create connected customers

The technology-digital evolution is continuing to have a significant impact on our personal lives, businesses, industries, and governments. Already there are more connected devices worldwide (10 billion) than people and by 2025 almost everybody will have internet access.

Mobile offerings are improving, and respective markets are continuing to grow, often at high double-digit growth rates. Being connected via smartphone, television, and other devices has become an everyday reality. In this environment customers will expect their cars to be connected, too.

To some extent, a myth is still at work in the industry that customers will hesitate to connect and reveal their personal information. Yet the usefulness and convenience of new mobile offerings are helping to moderate fears and people are becoming more trusting and comfortable with connecting to a brand and sharing their personal information. However, this trust must be earned with measures that not only deter data abuse but also avoid inconveniences.
System push

Suffering from poor profitability

Sources: J.D. Power; A.T. Kearney

1. Realize higher average productivity level

2. Reduce downside volatility in times of economic downturn

Retail earnings

Time

USA 1.5%
France 1.3%

GB -0.3%
Italy -0.6%

0.0%
-0.3%
-0.6%

Germany 2007
GB 2008
Italy 2011

2009
2010

+0.7 – 1.5%
Acknowledge that today’s distribution system is not sustainable

Today’s performance in automotive sales and distribution is mostly considered disappointing, unsustainable, and inadequate for the future. As dealers register low to average profitability across markets they create instability in the network. This means most everyone should be open to a redesigned distribution model that unlocks higher margins.

Ensuring that earnings improvements can be realized will be essential to creating a truly connected brand ecosystem. OEMs that spend big on marketing and sales but have limited control of the quality of customer interactions will have much to gain, especially as more direct customer contact means more insights into how and where to improve.

Connectivity will help lessen if not solve such challenges. Yet, while many collaboration efforts have been torpedoed in the past, this next level of integration might actually be embraced due to the financial benefits it brings to all system partners.
Brand gateway

Establishing an inviting entry

**Nike**

It’s not a shoe. It’s a community.

Developed **devoted cult communities and brand** followers using social media (first branded YouTube channel, most active social-media sports brand), personalized products and services, and digital customer interaction (NIKEiD, Nike+, and FuelBand).

**Burberry**

Social transformation of traditional luxury

Established a **unique customer connection** in luxury fashion with active digital marketing (Burberry World, Art of the Trench social-media website, and active social-media account management), live streaming of fashion shows, and live chats.

**Macy’s**

Cross-channel integration

Created a **seamless, integrated, and highly interactive customer experience** throughout the customer journey covering in-store, website, mobile, and app and combined it with social-media promotions and intelligent customer loyalty programs connecting off- and online worlds.

**Automotive industry**

A sleeping beauty

A high-technology, highly emotional product capable of connecting users, a high-visibility use case with strong social implications, a national passion for many—and **yet no customer-connected brand in sight**.

Source: A.T. Kearney
Entice customers into your brand universe

There are numerous innovative approaches to entice customers into a brand relationship. When reaching out to customers using attractive combinations of traditional and digital channels, we recommend adherence to four basic principles used by top companies worldwide:

**Create an exciting entry.** Nike has built a valuable, unique, and exciting entry to attract customers to connect and expand their relationship with the brand. The company uses YouTube to broadcast commercials and has more than one million Twitter followers and 12.6 million Facebook likes.

**Keep the conversation going.** Burberry’s digital channel tells stories and ignites conversations about the brand. The luxury fashion brand often tweets images of a new collection before a show, giving Twitter followers a sneak peek before front-row celebrities. And its “Art of the Trench” website showcases both models and customers wearing its iconic trench coats.

**Transform digital leads into sales.** Macy’s builds a customer experience digitally and physically in a push to convert potential customers into actual buyers. The Macy’s mobile app helps shoppers find stores, view specials, and create shopping lists. Once they arrive in the store, the app directs them to where each special is located.

**Be responsive to the voice of the customer.** Each of these brands takes its audience seriously and acts fast on customer responses to exploit positive multiplicator effects and avoid negative spirals.

But what about automotive brands? Cars are ideal products for creating a devoted and connected customer base, and yet most players are not capitalizing on the opportunities. Now is the time to learn from best practices and reel in buyers.
Loyalty programs
Honoring devoted customers

Source: A.T. Kearney
Reinvent loyalty rewards

Intelligently rewarding loyalty provides opportunities to interact with customers, tighten bonds with your brands, and sustainably secure and increase a revenue stream. Many industries, including hospitality, fashion, and airline, have profitable loyalty programs combining monetary and non-monetary benefits in an effort to increase customers’ total spending. The importance of non-monetary benefits rises with every new level a customer reaches. The airline industry provides an excellent example. Non-monetary benefits for high-value customers like proprietary access to restricted catering lounges, priority parking and fast check-in procedures play a vital role in sustaining and increasing customer loyalty.

The auto industry has largely failed to use loyalty programs to strengthen its customer bonds. Across brands and countries, loyalty rates for new car purchases are around 50 percent, and repeat purchases are not systematically rewarded. In fact, after-sales loyalty is shattered after the first few years, with average loyalty rates as low as 40 percent after four years and 10 percent after eight years.

**Two aspects make or break loyalty programs:**

- **Significant benefits.** Monetary and non-monetary incentives must be perceived as significant relative to customer spending. Otherwise, programs will fail to be recognized or even backfire.

- **Frequency of interaction:** Customers need to feel they are a valued part of the brand community. New touch points have to be intelligently created.
Network collaboration

**Fostering tangible partnerships**

<table>
<thead>
<tr>
<th>Collaboration element</th>
<th>Industry</th>
<th>Status quo automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-branding partner</td>
<td>Food</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td>Original equipment manufacturers</td>
<td>Food</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td>Financial services</td>
<td>Food</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Food</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td>captive retail</td>
<td>Food</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td>independent dealers</td>
<td>Food</td>
<td>Not implemented</td>
</tr>
<tr>
<td></td>
<td>Airline</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>Comprehensively implemented</td>
</tr>
<tr>
<td></td>
<td>Fashion</td>
<td>Comprehensively implemented</td>
</tr>
</tbody>
</table>

*Source: A.T. Kearney*
Launch a mutually beneficial collaboration model

Deep collaboration and true partnerships are generally missing in today’s automotive distribution model. In fact, the retail network continues to be characterized by strong intra-brand competition with rivaling partners.

While some in the auto industry struggle to believe cooperating at a higher level is possible, innovative approaches in the food, airline, hospitality, and fashion industries suggest that substantial progress can be made. There are numerous examples of players stepping over stringent industry boundaries to orchestrate an alliance of business partners to cross-fertilize their offerings for the better of the customer and all chain partners. Airlines once again serve as a successful example. Across corporate boundaries all system partners make sure that customers are being served, regardless of the partner in charge.

To build a winning, profitable brand ecosystem, automotive OEMs and wholesalers need to support true network collaboration.
The A.T. Kearney Foresighting Blade

Identifying future scenarios

40-50 Top themes

Cluster

1 Hot spot
Trend combinations which have a high likelihood to reinforce each other

2 Blind spot
Trend combinations which most likely will not influence each other

Source: A.T. Kearney
Understand tomorrow’s customer today

Thinking about the future sounds easy, but it is not always the case. While brainstorming can shed some light on numerous aspects of the future, it can be difficult to find a commonly shared vision.

With this in mind, A.T. Kearney takes a unique approach called strategic foresighting, which is based on the following:

- “Top themes” are derived by creatively considering technologies, applications and regions not yet in scope. The structured linking and aggregation of top themes results in trends serving as the foundation of alternative future scenarios.

- The foresighting blade structures ideas on promising future trends. It identifies “hot spots” every company should be well prepared for and “blind spots”, naming developments that might have game-changing impact or will only be of relevance in certain regions or for certain technologies and/or customer clusters.

Foresighting has interesting implications for the automotive industry. For example, gauging whether or not older consumers will become technology-savvy and comfortable using connected car features, or determining how and why younger people are less concerned about sharing personal information with a trusted brand.

Strategic foresighting can help assess the future and offer a head start in a competitive race that is about to start.
Capability assessment

Building the required knowledge and skills

**Stage 1: Traditional**
- Customer segments are defined and current needs roughly known
- Current and selective future automotive technologies understood
- Different channels provide customers with information but no or limited exchange of customer information across chain
- Dealers rarely use other channels to inform customers
- Selective cooperation with industry players

**Stage 2: Emerging**
- Deep understanding of current customer needs and first insights about upcoming changes
- Current technologies beyond automotive scope are known
- Information across channels is consistent, and digital channels are used to generate leads
- Dealers actively use other channels to communicate with customers
- Event-driven cooperation with cross-industry partners

**Stage 3: Leading**
- Clear understanding of changing customer segments and preferences
- Excellent understanding of current and future technologies
- Targeted content per customer segment in each channel, and customer information is shared real-time across the chain
- Dealers actively use other channels to engage with customers
- Close cooperation with several partners, selectively cross-industry

**Stage 4: World-class**
- Clear understanding of current and future customer needs as well as priorities
- Technology landscape of the future is actively shaped to better serve customers
- True interaction with the customer across all channels; insights are comprehensively captured
- Complete sales and service process across and in each channel possible
- Extensive cooperation with cross-industry partner network

Source: A.T. Kearney

The New Digital Hook in Automotive  28
Develop the capabilities to better serve your customers

Understanding customers’ current and evolving needs in each target group is a core competence that includes identifying which needs are most relevant to customers and should therefore be addressed first. This level of customer connectivity is established by embracing state-of-the-art technological solutions and building multi-pronged avenues for communication. Leading companies not only understand these technologies but also actively shape them to meet their own needs.

The use of technologies across channels means more customer insights can be captured and used to develop improved products and services—for example, technologies that allow centralized sharing of customer and product information and advanced analytics to develop more targeted offers.

OEMs, wholesalers, and dealers that join forces can make such connectivity a reality, with additional partners added as necessary to address changing customer needs.
Transformation management
Making change happen

Change elements

**Create case for change**

**Align, engage, and mobilize partners**

**Establish business processes and technology**

**Control and sustain change**

**Classic top-down approach**

- Centralize concept development (OEM only)
- Develop top-to-bottom approach and determine impact
- Implement the approach (danger of not reaching client-facing retail staff)

**Change from the middle approach**

- Involve and empower everyone across the value chain (including management and staff of all partners)
- Increase personal ownership as part of concept development
- Ensure transparency of results
- Enable continuous improvement process

Source: A.T. Kearney
Get your organization and partners on board

Making change happen is an ambitious process that is best undertaken in four stages.

Understanding the need and creating a persuasive case for change is the first stage of the transformation. All partners within the brand ecosystem have to be convinced of the connected benefits.

Aligning, engaging, and mobilizing all partners is of utmost importance. So following a traditional top-down approach often falls short of creating the necessary buy-in for change. Retail dealers often express concern, especially the fear of losing entrepreneurial freedom.

We therefore suggest a “change from the middle” approach, actively integrating all participating parties (from top-management to staff) to increase mental ownership. This is an important pre-requisite for the subsequent successful implementation.

Establishing the brand ecosystem requires new processes and technologies to deliver on the promised connectivity offerings.

Finally, a control mechanism is essential to sustain change. Making results transparent is crucial to secure and gain change momentum. It also supports an early identification of weaknesses and paves the way for continuous improvement.
Escape velocity

In physics, escape velocity is the speed at which the kinetic energy plus the gravitational potential energy of an object is zero. It is the speed needed to break free from a gravitational field without further propulsion.

In business, escape velocity is the breaking free from competitors with the profound understanding that merely keeping pace with peers will not provide a competitive edge. Today, moving faster than the competition and creating a differentiating customer experience will reel in the full benefits of a digitally enabled, connected brand ecosystem. Those that pick up enough speed to break free from the gravitational pattern of the average industry evolution will not only improve profitability but also turn customer satisfaction into brand enthusiasm along the way.
A.T. Kearney is a global team of forward-thinking partners that delivers immediate impact and growing advantage for its clients. We are passionate problem solvers who excel in collaborating across borders to co-create and realize elegantly simple, practical, and sustainable results. Since 1926, we have been trusted advisors on the most mission-critical issues to the world’s leading organizations across all major industries and service sectors. A.T. Kearney has 57 offices located in major business centers across 39 countries.

<table>
<thead>
<tr>
<th>Americas</th>
<th>Atlanta</th>
<th>Detroit</th>
<th>San Francisco</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Calgary</td>
<td>Houston</td>
<td>São Paulo</td>
</tr>
<tr>
<td></td>
<td>Chicago</td>
<td>Mexico City</td>
<td>Toronto</td>
</tr>
<tr>
<td></td>
<td>Dallas</td>
<td>New York</td>
<td>Washington, D.C.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asia Pacific</th>
<th>Bangkok</th>
<th>Melbourne</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beijing</td>
<td>Mumbai</td>
<td>Sydney</td>
</tr>
<tr>
<td></td>
<td>Hong Kong</td>
<td>New Delhi</td>
<td>Tokyo</td>
</tr>
<tr>
<td></td>
<td>Jakarta</td>
<td>Seoul</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kuala Lumpur</td>
<td>Shanghai</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Europe</th>
<th>Amsterdam</th>
<th>Istanbul</th>
<th>Oslo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Berlin</td>
<td>Kiev</td>
<td>Paris</td>
</tr>
<tr>
<td></td>
<td>Brussels</td>
<td>Lisbon</td>
<td>Prague</td>
</tr>
<tr>
<td></td>
<td>Bucharest</td>
<td>Ljubljana</td>
<td>Rome</td>
</tr>
<tr>
<td></td>
<td>Budapest</td>
<td>London</td>
<td>Stockholm</td>
</tr>
<tr>
<td></td>
<td>Copenhagen</td>
<td>Madrid</td>
<td>Stuttgart</td>
</tr>
<tr>
<td></td>
<td>Düsseldorf</td>
<td>Milan</td>
<td>Vienna</td>
</tr>
<tr>
<td></td>
<td>Frankfurt</td>
<td>Moscow</td>
<td>Warsaw</td>
</tr>
<tr>
<td></td>
<td>Helsinki</td>
<td>Munich</td>
<td>Zurich</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Middle East and Africa</th>
<th>Abu Dhabi</th>
<th>Johannesburg</th>
<th>Riyadh</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dubai</td>
<td>Manama</td>
<td></td>
</tr>
</tbody>
</table>

The signature of our namesake and founder, Andrew Thomas Kearney, on the front of this document represents our pledge to live the values he instilled in our firm and uphold his commitment to ensuring ‘essential rightness’ in all that we do.