



# Chasing the Customer Experience Gold Rush with Modern Luxury

## AN IN-DEPTH VIEW INSIDE CURRENT ISSUES IN THE AUTOMOTIVE INDUSTRY

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### SOMETHING'S HAPPENING HERE

I can put my finger on the day, time, and meeting where the buzzwords started flying.

### WHERE IT BEGAN

About a year ago, our largest client at the time—a globally renowned European luxury OEM—announced a new direction: “We’re shifting to a high-end premium positioning under a modern luxury strategy.”

At first, it was confusing. This brand was already universally perceived as high-end. The vehicles were clearly ultra-premium. The dealerships were posh. And their clients were undeniably luxury buyers. So, where exactly was there to go from here? More to the point, weren’t they, um...already there?

Within a month, we spoke to another automotive importer who wanted to upskill their front line to deliver a “hospitality-driven experience.” Not long

after, we were invited to bid on a large RFP for a retail rollout tied to another high-line OEM’s “modern luxury” initiative. Almost simultaneously, a mass-market brand reached out for help implementing their “premium customer experience” strategy. Then came another request from a premium luxury marque introducing their “ultra-modern luxury” program.

What in the world was going on? Why was everyone suddenly using nearly identical catchphrases? Did they all attend the same webinar on the same day?

In any case, designing and implementing premium/luxury/high-end customer experience initiatives has now become a vibrant and growing practice within TiER1 Automotive, and we’re emerging as a leader in the area. More on that later. So, what’s driving this sudden “client experience gold rush?” Let’s have a look and consider how you might harness it to tell your own brand story.

“ We’re increasingly living in an “Amazon economy.” Is that good? Bad? It doesn’t matter. ”



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## UNDERSTANDING IT

Product differentiation has never been harder to establish or maintain. That's common to most industries but especially true in automotive.

Many features in today's vehicles—all-wheel drivetrains, active suspension systems, “auto-sensing” safety, and stability or driver alert technologies, to name just a few—are available on many cars, albeit cleverly positioned and communicated as proprietary.

The truth is, many branded automotive technologies are actually licensed or slightly modified from third-party suppliers – such as Bosch, Denso, Aisin, Magna and others—who happily offer them to multiple OEMs. Result: The end-product can start to feel increasingly homogeneous across brands.

This trend is accelerating with the rise of EVs. While internal combustion engines and mechanical transmissions offer engineering complexity and differentiation, modern EV platforms—often built on a shared “skateboard” of batteries, motors, and high-voltage wiring—leave fewer levers for brands to stand apart on specs alone. Meanwhile, new players, particularly from China and Korea, are entering the market with cost-competitive EV components that further compress the space for hardware differentiation.

**Result:** If you can't stun them with specifications, then excite them with experience. This fits today's buyer. Increasingly, they're choosing memorable experiences, highly personalized products, exclusive access, customizable content, social connections, and immediate gratification. Call it the “Amazon Economy.” And whether that's good or bad is beside the point. It's here. And the race to out-serve the client is on!







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## DEFINING MODERN LUXURY

Phrases like “modern luxury” have been tossed around quite a bit lately. But what do they mean?

In short, today’s luxury buyer is distinguished from the legacy luxury consumer in a few important ways. Younger affluent customers are examining the conspicuous “flash and dazzle” consumption of their parents. And they’re moving from “Look what I have... don’t you want one?” toward, “Look what they did for me...don’t you want to be treated that way, too?” Even venerable brands like Gucci and LVMH are feeling it.

There’s a palpable shift from the consumption of stuff toward curated experiences, exclusive access, and extreme personalization. This plays out in forms of

“everyday exclusivity” from Amazon Prime and airline status tiers all the way to members-only VIP credit cards, backstage passes, private meet & greets, and early product access. At the far end of the spectrum are “earned purchase” opportunities - think Birken bag or Porsche 911 GT3 RS: ultra-premium-priced, super low-volume products so exclusive that you must qualify to be chosen as a client.

For the car business in particular, here’s a little chart (on the next page) we devised to describe how the modern buyer expects to be treated by their sales or service consultant (a.k.a., in many ways, the antithesis of the prototypical car dealer).





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Situation	The Shift	The Modern Luxury Dealer says:
Information	Not that long ago, buyers had to visit a dealership to learn about features, pricing, availability, options, and financing or even to test drive. Today, NONE of that is true.	I respect the information and research you've already done. I'll pick up from there and help ensure you wind up in the exact right vehicle, with the right options and services to match your needs.
Experience Economy	Today, we can buy nearly anything we want, in nearly any configuration we want, from wherever we want, and have it now—all on our terms. I'll do business with whoever treats me best, making things efficient, pleasant, and painless.	I'll get to know you as an individual and create a buying (and owning) experience that you'll want to repeat over and over and brag to your friends about. You'll get special access to opportunities and experiences only afforded to those who do business here (driving schools, boutique/apparel, events, etc.).
Vehicle Electrification	ICE powertrains are being hybridized or replaced. Buyers run the gamut from excited to confused, to hesitant, to militantly resistant.	I am an expert in this area and can guide you through the process, not "pushing the new thing," but instead helping you into this new world. But if the time isn't right or your lifestyle isn't ready for it, that's ok too.
Competitive Pressure	With lower barriers to entry and fewer points of true product differentiation, today's market is more crowded—and confusing—than ever.	I get it. The brands you're comparing are all strong. Here's where we separate ourselves and how that fits your unique needs.
Mobility vs. Ownership	With the rise of Uber, Lyft, Zipcar, Turo, Waymo, Tesla Robotaxi, etc., buyers are asking real questions about whether owning a car at all is worth it.	I want you to see all this brand has to offer, on whatever terms are best for you, whether that involves buying a car or engaging with the brand in some other way.
Possession vs. Experience	Millennials/Gen Z are coming in hot, and their definitions of luxury are different. It's less about "joining the in-crowd" and more about personalized ways to express individuality.	I take you seriously. You're driven, successful, and part of a generation redefining what luxury looks like. I'll listen closely and craft an experience that's uniquely yours.
Omnichannel	The dealership is no longer the center of the car-buying universe. It's just one part of a "networked experience" that often begins online, may include a marketing event, could continue somewhere else, and perhaps NEVER includes a physical visit to the dealer.	I value our relationship, even if our time together is brief. I'll support your journey, wherever it starts and wherever it goes from here.



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## IMPLEMENTING IT

Years ago, UPS ran a very clever TV spot. It opened with two young, sharp-dressed executives confidently finishing their presentation to a boardroom with, “So... that’s our proposal. What do you think?” Cut to the grizzled executive at the head of the table who stares back, sits silently for a moment, strokes his chin, then nods, smiles, and says, “I like it. Do it!” With that, the whippersnappers look nervously at each other, then around the boardroom stammering, “Ah...um...right, well. We just...propose things. We don’t actually DO them.” (Punchline: UPS can help you envision a better logistics system...AND literally deliver it.)

The car industry has been operating pretty much the same way for over a century – and with good reason. It’s built on processes that work. But as expectations evolve, so must execution. Proposing a new way of engaging clients is relatively easy. Doing it is something entirely different. Most OEMs are talking about this. The ones who lead will be those who invest in making it real. Put another way, here’s how to be more like UPS.



### Mindset

This may be the hardest and most important part for OEMs and retailers alike. Since the first car arrived at the first dedicated car dealership (for the record, it was 1889 in Reading, PA), the guiding question has been, “Did I sell a car today?” That’s fine. The salesperson’s livelihood depends on it. But the modern client expects something more. They don’t want to be sold to, they want to be guided, respected, and understood. Instead, the modern question might be, “Did I move this person closer to my brand today?” That’s much less tangible but no less observable. It’s also a lot more sustainable than simply pushing one more unit over the curb to hit this month’s stair-step.



### Commitment

This is an ultramarathon, not a 40-yard dash. The brands that succeed will continue to invest five and ten years from now...and at every level. (See the next bullet point.) The brand we’ve seen do this best has spent tens of millions of dollars on retail customer experience training over a decade and a half. They’ve also enjoyed 10+ years of industry leadership in sales and service satisfaction.



### Practicality

New initiatives like a modern luxury strategy (or whatever you’re going to call it) inevitably begin as high-level ideals, models, and frameworks. That’s OK - it’s important strategy work that lays the foundation. But if that strategy can’t be expressed in terms of clear, practical to-do items that reflect “retail reality” and show how it will make front-line work easier, more engaging, or profitable, it won’t work.



### Modeling

Organizations tend toward top-down activation. As in, “Here’s this new thing we need everyone to do. Now, go get your managers to implement it with the front line. Oh, and hit these KPIs on the way, or you’re fired.” Hey, it’s clear and accountable, right? But what if, instead, we treated our managers the way we want our customers treated? And they treated their direct reports the same way? It’s human nature to reflect what we see. Engage your people with respect, trust, empathy, and transparency; then, watch how they engage their customers.







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### THE FINAL WORD (ON HOSPITALITY. AND FISH.)

Are you ready to put your stamp on the experience economy and raise the bar on customer delight? Great! First, know this: Organizational misalignment is the number one initiative-killer in corporate America.

Here's why: picture taking a sickly-looking fish out of a murky, polluted stream. Place it in a tank of fresh, aerated water. Give it healthy food to eat. Balance the pH so its eyes clear up and scales grow back bright and shiny. Then...toss it back into the same stream where you found it.

Without full buy-in, activation, and alignment from headquarters to the field to dealership GMs, departmental managers, and front-line/customer-facing team members, your enthusiastic program launch, focused skills training, meticulous process implementation, and strategic change management efforts will come to nothing more than expensive, time-consuming “fish-washing.”

If you really want lasting change, don't just clean the fish—fix the stream. We can help you do both. 



### DROP US A LINE

Not sure where to start? How about we have a conversation? We'll bring some of our industry experts, you bring your vision, and we can explore how to bring it all to life. [Click here](#) to connect with us. Let's fish around for new ideas together.

