

Fostering a culture of hospitality in the auto industry

An interview with Robert Valle, CIO of Mazda North American Operations, by Manuel Rivera, Ph.D.



Robert Valle has been the CIO of Mazda North American Operations since 2017. In an interview with Dr. Manuel Rivera, Rob tells us about the benefits of adopting a hospitality culture in the auto industry, and how research into this field can have a transformative impact on business.

HOW CAN PRACTICING A HOSPITALITY ORGANIZATIONAL CULTURE IN NON-HOSPITALITY ORGANIZATIONS RESULT IN HIGHER CUSTOMER SATISFACTION, LOYALTY, AND IMPROVED OUTCOMES?

I believe real success in business can only come when we listen to and serve our customers, and it applies to any industry. Every interaction with our customers is important, and we need to be careful not to operate in silos. I can't stress this point enough: too many companies operate in silos when interacting with their customers. Eliminating or preventing siloed operations is a critical first step. Next, we must foster a hospitality culture by providing our employees the proper data and tools. We must collect/refine customer data and then leverage that data across the business to drive improved interactions across all

touch points. For Mazda, this includes the sale of a vehicle at a dealership or online, providing service for that vehicle, addressing concerns via our Customer Experience Center, driving safety campaigns, providing useful information via our mobile app and managing how our customers interact with us on our website. Customers want to be recognized and appreciated—and they certainly don't want to continuously re-establish a relationship with the same company. Technology helps us do this with systems such as a CRM (Customer Relationship Management)—but their value isn't fully realized without supporting processes. In summary, you need a culture, processes, and data/tools that work synergistically. Focus those three elements on your customer (as taught by hospitality) and you will increase your company's success through loyalty and growth.

WHAT ARE THE POTENTIAL BENEFITS FROM ADOPTING A HOSPITALITY CULTURE IN YOUR INDUSTRY?

Benefits start with taking better care of the customers we've already gained. Adopting a hospitality culture will lead to a rise in customer loyalty and, of course, that will lead to greater business success. At Mazda, we often use the Japanese term 'omotenashi' to describe our goal to truly serve our customers in a way that extends beyond a transaction. Our goal is to generate a positive emotional response—as a company we strive to make a customer feel connected to, appreciated, inspired by, and trusting of Mazda. This is consistent with a hospitality culture.

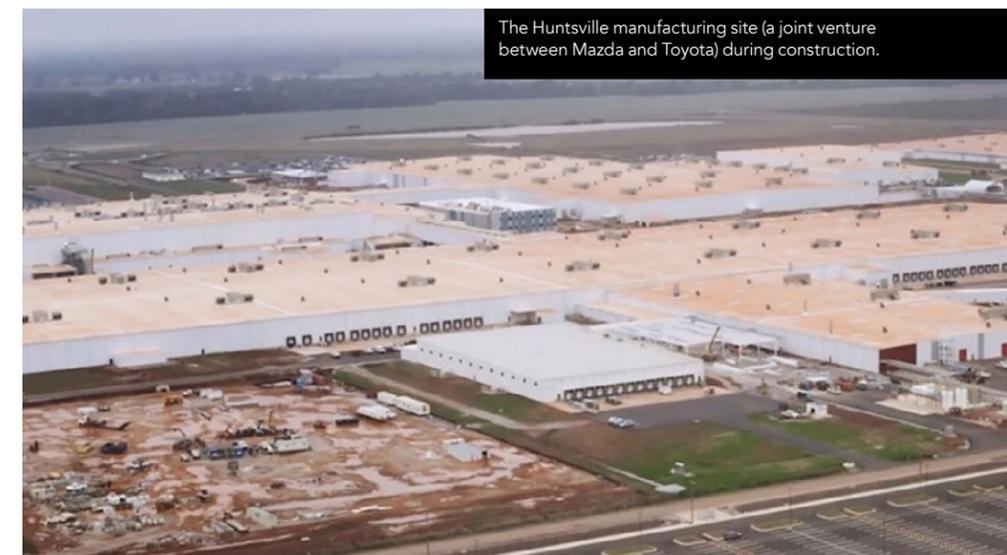
HOW DO YOU SEE THE ROLE OF HOSPITALITY RESEARCH IN TRANSFORMING OTHER



BUSINESS SETTINGS SUCH AS THE AUTO INDUSTRY?

At Mazda, we are heavily focused on business process reengineering. Our goals include the common reengineering aspirations of driving efficiencies and eliminating waste, but also on using reengineering to apply our strategy of improving every customer touchpoint and personalizing the experience. Many lessons here come from our research into and understanding of hospitality. We are guided by a comprehensive 'customer journey map' which identifies every possible customer interaction. Technology plays a large role in supporting this goal. CRM tools have been with us for many years and are as important as ever. But we must ensure our CRM is properly maintained, and that it is connected and leveraged across company processes. CDPs (Customer Data Platforms) continue to be popular in the world of marketing

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The Huntsville manufacturing site (a joint venture between Mazda and Toyota) during construction.



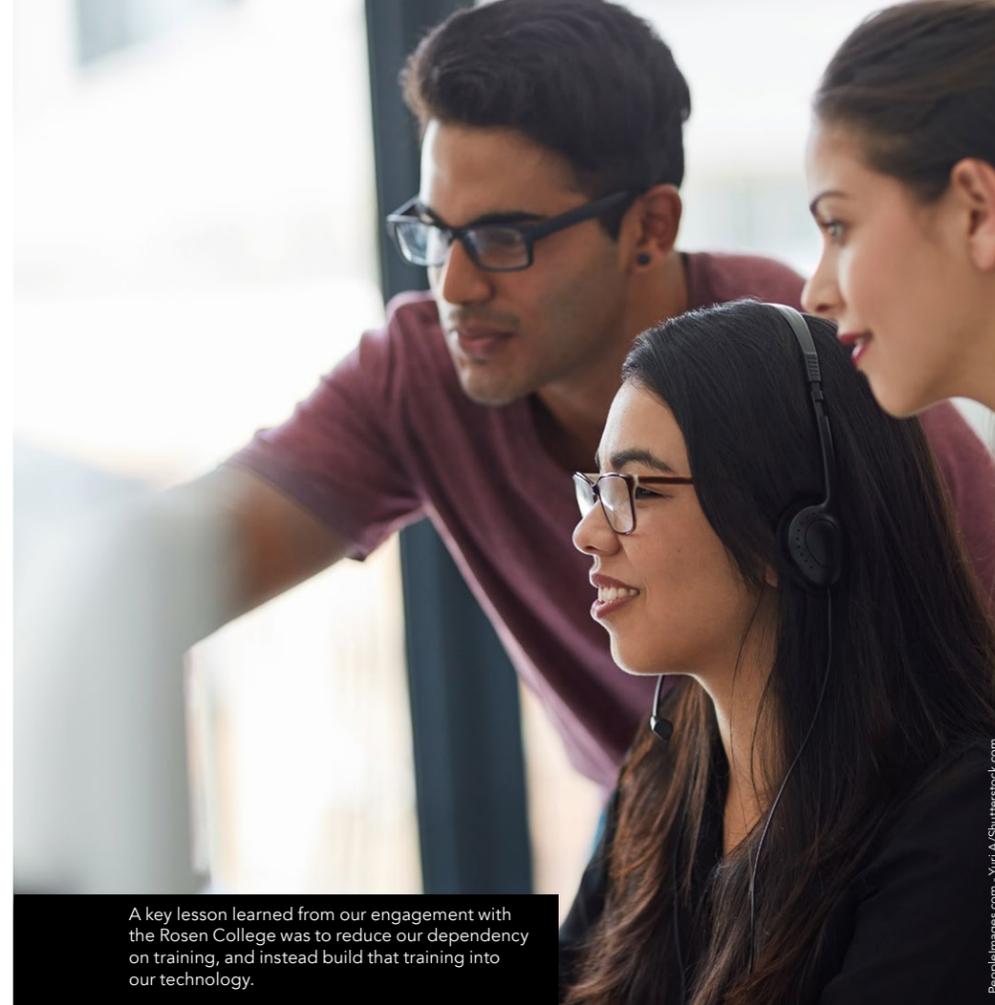
The off-road capable Mazda CX-5, built in Huntsville.

technology, and help us drive more meaningful, personalized messages. Personalizing the experience is key and supporting such an interaction in a hospitality culture is made possible by applying data and technology. Speaking of personalization, it's also important to

implement a strong DAM (Digital Asset Manager). When assets are properly tagged, they can feed into a personalization communications process. Across these tools are our processes, and hospitality research has helped us refine those processes to maximize the customer experience.

HOW CAN A HOSPITALITY CULTURE PERSPECTIVE BENEFIT EMPLOYEE-CUSTOMER INTERACTIONS AND THE DEVELOPMENT OF NEW TECHNOLOGIES TO SUPPORT CUSTOMERS IN NON-HOSPITALITY ORGANIZATIONS?

We've already touched on the importance of the CRM and how a CDP can improve marketing, though I must stress, they must be supported by proper data governance. But now consider how you are leveraging these tools, along with additional data stored in data warehouses, data lakes, etc. We need to work across our employees and processes to make this data accessible and meaningful. And with employee turnover, we need tools that are intuitive. A key lesson learned from our engagement with the Rosen College was to reduce our dependency on training, and instead build that training into our technology. Let the technology suggest the customer action based on the wealth of data that's been captured. That data goes far beyond any single employee and can sometimes represent decades of experience with a particular customer. An employee can't quickly absorb and apply that information to maximize a customer experience without the help of technology. I would also say that for our employees, being part of an organization that truly values and serves its customers is very rewarding.



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PeopleImages.com - Yuri A. Shusterman.com



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Interview conducted by **Dr. Manuel Rivera**, Assistant Dean; Associate Professor, Rosen College of Hospitality Management; Editor in Chief *International Journal of Hospitality Management*.

that is being actively used to guide further development. Candidly, I serve as a reference for very few companies or institutions—UCF Rosen is one of those few.

HOW CAN A CULTURE OF HOSPITALITY EXPAND TO OTHER INDUSTRIES TO SPIRIT VERY POSITIVE OUTCOMES?

The principals I discussed above and the ways we are applying technology are pretty much universal. Consider the platforms I mentioned above—CRM, CDP, and DAM—they apply to pretty much any industry. It's fine to collect and refine customer data, but the hospitality industry teaches us how to better leverage that data to improve customer service, create an emotional connection, and ultimately grow brand loyalty. Also, let's get away from Mazda's external customers and talk about my role as a CIO and my own internal customers. The same principles apply here too. I strive to really understand the teams I support—both the people and their processes—and I treat them as my customers. I hope to make every interaction positive and consider myself successful only if I can make them successful. The principals of hospitality work here too, and the adoption of these principals leads to better customer interactions and ultimately, to improved loyalty and business growth.

HOW WOULD YOU DESCRIBE YOUR COLLABORATION WITH THE ROSEN COLLEGE?

In one word—inspiring! Our goal was to improve our customer interactions, and we were sure that better leveraging our wealth of customer data through technology across our employees was a key component. We considered the hospitality industry and the classic example of a hotel guest being greeted upon check-in and how their loyalty is recognized. This doesn't happen because the individual receptionist knows that particular customer, but because the interaction is supported by data, technology, and a process geared to drive a positive interaction. We knew that Rosen College was a leader in hospitality, and we looked to their experts to help us reassess how we could better leverage our data. We literally gained insights in our first conversation with Rosen. It only got better when we were introduced to a team of experts that included deep experience not only in hospitality, but in data and analytics as well. The end result of our project was a professional, thoughtful, and impactful study

EXAMPLE: PERSONALIZED MESSAGING AROUND THE MAZDA CX-50 MERIDIAN EDITION

Plan to launch the CX-50 with special Meridian outdoor trim

Design a campaign which targets outdoor enthusiasts

Identify ideal customers based on their interests, etc. using CDP

Select assets from the DAM whose tags map to interests

Send personalized messages via marketing automation



The progression from planning a new product launch through the delivery of personalized messages—made possible by data and technology.

Find the best media to match individual customers (for example, a winter image for a skier, a forest image with trailer for a camper, rocky terrain for a mountain climber, etc.)

Send a personalized message with images selected for them via the customer's preferred channel