Putting a value on experience

Delivering the connected cars that consumers want

Autovista
Group

May 2020

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Introduction

Connected vehicles can offer consumers an enhanced driving experience, but even with numerous features and options available, consumers still feel that their car isn't a seamless aspect of their digital lives. This will have to change. **Stéphane Lagresle, Senior Marketing Director, Connected Car and Connected Services**, **Harman International** *explains why to Dr Sarah Walkley, Chief Research Officer at Autovista Group.*

Finding meaningful ways to incorporate the latest technology has always been fundamental to advances in vehicle design.

The challenge for automakers is navigating how to enable today's connected consumer, instead of just adding technology for technology's sake.

Many cars in the market today already include all the technology a driver needs. They have a big screen on the dashboard and 4G connectivity. And yet, drivers cannot get into their car and access Spotify, WhatsApp or any of the other apps that they customarily use. They have to do these things on their smartphone, an action that is inherently safer and more convenient when accessing a service via an integrated vehicle interface.

How to deliver the experience consumers demand is 'not purely a technology innovation question,' maintained Stéphane Lagresle.

'If you want people to embrace and trust technology, you need to create experiences that deliver real value to consumers. There are incremental improvements to be made using the technology itself, but the real leap forward is to be found by using the technology we have in a smarter way.

Stéphane Lagresle was scheduled to speak at Auto Mobility LIVE 2020. While we are unable to bring you the face-to-face event, Autovista is still committed to bringing you the same great insight from our speakers. To stay up-to-date with all of Autovista's speaker insights and plans for future events, register at: www.automobilitylive.com.

The need for collaboration

To put the consumer at the heart of vehicle design requires a radical shift in industry mind-set. Automakers may need to rethink how they're organised and how they operate in order to address this transition, but this ought to be seen as a positive change.

Connected teams

As a supplier to the automotive industry, Harman regularly sees great opportunity for OEMs in becoming more collaborative across departments.

> **To put the consumer at the heart of vehicle design requires a radical shift in industry mind-set**

'Ubiquitous connectivity reshuffles the cards,' explained Lagresle. Areas that typically had no need to collaborate now work together. For example, at some manufacturers the car door locking system might have been managed by the bodywork team alone. Now, if you want to enable consumers to unlock their car using their smartphone, the locking system is connected to the cloud and therefore the teams responsible for telematics and infotainment might also be involved in development.

Another example is the area of advanced driver assistance systems (ADAS). ADAS technologies today require access to the cloud, to navigation systems, to large amounts of data coming from multiple sensors positioned throughout the vehicle. As a result, ADAS teams have to increasingly collaborate with other technology teams to develop and deliver a cohesive ADAS experience. This is a great shift from a time when cars comprised a patchwork of programs developed by different teams.

From tech to UX

This shift from single teams deploying the technology for which they are responsible to multiple teams collaborating to develop an experience has had a direct effect on how cars are promoted.

A few decades ago, Lagresle commented, manufacturers would feature a car's 'Cx' – a highly technical measure of vehicle aerodynamics – in their marketing materials. 'If you think about it, this is purely an engineering measure that has no impact on the user experience of the car.'

History has indeed proved this is irrelevant to consumers and Cx is no longer part of the information being used to promote cars. Selling a car purely on the basis of the technology fitted will also become irrelevant.

Instead, the in-cabin experience is what is important to consumers.

Asked about how big an issue branding was in this process, Lagresle explained that here too, things are changing.

'Traditionally – with the exception of audio systems – the only brand present in the car and in its marketing was the automaker's. The problem with this is that consumers today expect to be able to access the connected services they use regularly on *all* their devices, including their car. This inevitably means that more brands will be present.

'Automakers will need to extend their collaboration throughout the mobility ecosystem to include outside technology partners,' he claimed.

The power of partnerships

Automakers have apprehensively approached how they leverage Apple CarPlay and Android Auto because they have grown into strong brands in their own right. But their strength also comes from the fact that, so far, they have served as a 'short cut' for consumers to get the kinds of digital services they want in their car.

Some manufacturers have invested heavily to develop their own user-facing software applications and systems in an effort to maintain brand value, and yet despite this, consumers still tend to use their phone.

It is rarely efficient or effective for manufacturers to develop their own equivalent of Spotify or a restaurant review app, like The Fork. And moreover, consumers are not necessarily asking them to do so. However, consumers do expect their preferred restaurant app and the navigation system in their car to work in tandem to ensure they get to the restaurant in time for their booking. 'Even further, perhaps their car can

automatically WhatsApp or mobile message, the other diners to inform them that their host will be five minutes late' speculated Lagresle.

Automakers will need to extend their collaboration throughout the mobility ecosystem

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In this world, automakers must view cars as another digital device in order to enable seamless mobility and connectivity, not just something that moves us from point A to point B, and this inevitably requires partnering with the technology providers that consumers favour.

Safety first

A fundamental consideration when identifying and fostering the right technology partnerships is safety, said Lagresle.

Consumers have extremely high expectations when it comes to vehicle safety and security. They expect to get access to the apps they love in their cars in the safest way possible and this requires tight technology integration.

Again, Lagresle saw opportunity for OEMs in changing how they work. 'Technology partnerships are an efficient, powerful way to deliver a safe and enjoyable experience to consumers. What's more we have found that they can be established with a degree of customisation and flexibility that feels comfortable to the automaker'.

Making a car your own

Consumers deliberately buy a Samsung or an Apple iPhone or a Huawei phone and then they personalise it with their favourite apps and services, which should of course work whatever their chosen device.

When you buy a new phone, the first thing you do is set the login details, download your favourite apps, change the backdrop, customise the menus… 'Within a week or two of taking the phone out of the box, it is no longer *a* phone, it is *your* phone.'

Lagresle predicted that 'in the future, automotive consumers may behave similarly, moving between car brands and models more fluidly, fully expecting a hyper-personalised infotainment experience with effortless access to all the apps and services they love'. At present, however, even months after you buy a new car, it is still a car; you have very few options to make changes and personalise it to how you want it.

An emerging trend

Lagresle felt that the explosion in different shapes and sizes of vehicles over the past decade is testament to this trend towards personalisation. 'Luxury – or convenience – don't mean the same thing from one person to the next,' he said.

The ideal car for an urban consumer may be a small electric vehicle, while someone living in the country may want a large SUV. The range of models – and optional equipment – has exploded in recent years because consumers want to pick the vehicle that suits them best.

Customisation and features on demand represent the next stage in this process of choice and personalisation. Lagresle acknowledged that this could have far reaching consequences for used vehicles.

The impact on RV

In the past, the residual value of a vehicle was determined purely on tangible criteria that were shared across a wide range of vehicles – age, mileage, specification and colour among others. How will values begin to change when it is possible to activate or deactivate features on demand? The features that one driver has enabled are not necessarily the ones that the next vehicle owner will value.

How do you put a value on a vehicle when what matters most is the experience rather than the vehicle? In other aspects of life, experience is increasingly dictated by the crowd. Very few people would book a hotel or restaurant these days without looking on The Fork or Tripadvisor. Star ratings and purchaser reviews are a huge part of the purchasing decision for any item bought through Amazon.

But, while there is no shortage of reviews for any new model of car that comes out, this form of crowd evaluation is not integrated into the purchasing process. It will come – for both new and used cars.

> *How do you put a value on a vehicle when the sentiment around a model is more important than mileage or emissions?*

Again, how do you put a value on a vehicle when the sentiment around a model is more important than its mileage or emissions?

That is an important question that needs to be thought through over the coming years. However, Lagresle concluded by saying that whatever the ultimate value of a car, the models that will command the highest value will be those where manufacturers and their technology partners have worked together to leverage the technology in a smart way that really responds to consumers' needs.

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