

The automotive sector has a bright future

Automotive brands find themselves at a fascinating watershed in society's evolution. As is typical of periods of dramatic change, this presents many opportunities and new innovations in the way brands communicate and engage with their customers.

 By Trevor Hill 15 Mar 2018



Vehicle manufacturers have had to innovate in developing more integrated mobility solutions and invest heavily in technology and innovation across the entire automotive value chain. These new innovations form part of the digital revolution within the automotive industry.

The application of artificial intelligence (AI) opens up a new dimension of performance for both the product and the entire value chain. As a digital car company we are digitising all processes at the company: from product development with virtual reality; creating a factory environment with intelligent robots and to retail showrooms with the latest digital technology.



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Since 2003, we have been using virtually created 3D models as a firm element of its vehicle development process. We are now also testing a so-called 'virtual reality holodeck' so that the design of new automobile models can be virtually assessed at an early stage.

With the VR holodeck, a realistic impression of the proportions of future Audi models is obtained and allow employees from development and production to virtually assess the structure of a vehicle before it goes in production.

Additional areas in which virtual-reality technologies are already applied include virtual training for employees in packing logistics and the Audi VR experience for customer advice. The latter allows potential customers to virtually configure their desired car and to experience all optional equipment in a realistic way.

These digital advancements have presented an exciting time for automotive companies who are prepared rise to the challenge within the retail environment.

Process of purchasing a car needs to be re-evaluated

The process of purchasing a car, for instance, needs to be completely re-evaluated. The old ways of driving out to a showroom on the edge of town to ask a dealer for his advice are numbered.

Today, thanks to the internet, we can all educate ourselves about our options, our price range, and our preferences before we even set foot in a dealer showroom. The average customer is quite knowledgeable by the time he or she meets a salesperson for the first time.

The role of company staff has thus changed from being providers of information to being brand experience custodians.

We know that when customers come to us, they already have some experience of our brand. Now they're looking for a heightened level of engagement with us. They want to feel and live the brand. We learned some years ago that this can mean a lot more than going for a test drive around the block.



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An example of this is the Audi City showrooms or the Audi Customer Private Lounge concept. These showrooms, currently in London, Beijing, Berlin, Paris, Moscow, and Istanbul, are interactive experiences that reinvent how a customer goes about buying a car.

The virtual, digital nature of these showrooms means that they can be located in the heart of central business districts, where space is at a premium and can recreate every one of the hundreds of millions of design combinations offered, as the client customises the car of his or her choice.

Floor-to-ceiling screens – called power walls – produce an immersive experience as the customer creates the car of their dreams in photo-real detail, selecting the model variant and every specific detail with the assistance of a professional.



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You can create your dream vehicle on a tablet device, and then see it projected before your eyes.

Test drives can be arranged for a later date, but the power of the virtual brand experience is such, that a significant percentage of customers already choose to purchase their cars without ever having driven a test vehicle!

At our Berlin showroom, we find that customers spend on average of 25% more on their purchases of Audi cars, as the showroom brings their custom specifications to life. The digital showroom concept has already

been integrated into many of the dealerships worldwide.

The big idea

“ *The idea is to move towards seamlessly integrated automotive shopping, buying and owning – across whichever channel the customer prefers.* ”

This all serves to enhance the brand experience, which has now been effectively separated or used to support the physical brick-and-mortar terminal.

The traditional dealership will also have to evolve and expand on as brands prepare for the introduction of fully electric vehicles. Dealerships would need to accommodate for charging station infrastructure and the subsequent storage facilities for the vehicles.

The rise of the sharing economy has seen an increase in ride-hailing and car-sharing services, which mean - among other things - that fewer customers are feeling the need to own a car.



AUTOTECH

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Many automotive manufacturers are also looking beyond traditional ownership models, and investing in “shared mobility” alternatives.

“ *In the future, the success of our companies will be measured in “kilometres travelled” as opposed to “vehicles sold”.* ”

The digital revolution is tangible at Audi. For us, Vorsprung goes far beyond the car. With everything we do, we want to make our customers' lives easier.

ABOUT TREVOR HILL

Trevor Hill is the head of Audi South Africa. With over 20 years of global experience with Audi, Hill joins the South African team after spending two years at the head office in Germany heading up the global strategic project of Internationalisation.
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