

About BUSINESS OPPORTUNITIES and the future of AUTOMOTIVE (written by a Product Manager, not a Strategy Consultant)

Andy Cavallini - Version 2019-09-16

How will everybody move from A to B tomorrow?

Automotive is transforming into **Mobility** and for companies around the world it's a fantastic, big, challenging BUSINESS OPPORTUNITY...
...or a missed one, if they don't act promptly!

*Anecdote: I own a German car, a convertible; the same model, different colour, was on display at **Geneva International Motor Show 2019**; thousands of visitors were taking photos of "my" car, and I was as proud as only a father can be...*

Don't hesitate to consider me an enthusiast of this brand.

All that said – believe it or not – never, ever did this carmaker get in touch with me, not even once to promote their new models or some engaging initiative.

What a pity...!

...how many BUSINESS OPPORTUNITIES such as this are carmakers missing?

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Short Intro

What to expect from my e-book...?

Rules of engagement...

The basics

1) ...let me be crystal-clear: this is an e-book, it's free, **I'm not selling anything...**

2) Automotive is a hard business to be in, especially today: this is in fact the most disruptive, dynamic and transformational time I've seen in my career:

- the PRODUCT (the car) is evolving quickly and radically, it's definitely becoming different compared to the PRODUCT of just five years ago
- accordingly, the Automotive BUSINESS MODEL (think of Sales-process, Marketing, Customer-care, etc.) needs to change as well (...again, radically!)
- new PRODUCT + new BUSINESS MODEL
= new valuable BUSINESS OPPORTUNITIES

That's why I'm so excited to get this e-book out, to see if baring it all will inspire significant ideas and valuable BUSINESS OPPORTUNITIES.

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My Call-to-Action

My Call-to-Action is: read this e-book and tell me what you think; I'm looking forward to creating new, beneficial relations with people that are as passionate as I am about Automotive; my personal email address is: andy.cavallini@outlook.com, please do not hesitate to use it.

...and while we're at it, could you pass my e-book along to a colleague who might be interested?

Updates and new content will be posted on **LinkedIn** and on my personal web content repository:

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The Author

Who am I...?

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- I'm Andy Cavallini
- I'm an Engineer and a Product Manager
- I design, implement and manage business solutions for multinational companies

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Chapter One

Fiat Auto and the Barchetta Web sold on the Net... ..in 1999!

Fiat Auto was the first car company ever to sell cars on the Net in a totally disintermediated way.

Fiat Barchetta Web



Photo:

<https://www.quattroruote.it/autofiat/barchetta/barchetta-18-web-048047199908>

Let's start with a short story that ends with [SPOILER ALERT]:
“...actually, we sold a grand total of... ..three cars...”

Fiat Auto (FCA) made history

In 1999 **Duilio Luca Molinari** was a manager at **Fiat Auto** (FCA now), and – as a matter of fact – made history.

[...several years later he was my boss in a leading international consulting company, but that's another story...]

Duilio Luca Molinari:

“It all started as a pilot to try out:

- a new, direct (disintermediated, no dealerships involved) web-based sales channel for new cars
- the redesign of all pertinent commercial, administrative, logistical and post-sale business processes

Just to be clear, our business goal was not so much about selling a lot of cars (sales volumes), but evaluating the feasibility and costs of such an unconventional/untried channel. Consider it was 1999, many years before people started impulse-buying on Amazon: at the time we were talking about selling a real car on the Net, not some cheap gadget.

Furthermore, our experiment was intended to create no unpleasant impacts/side effects on the existing network of **Fiat Auto** dealerships.

That's why:

- we picked a car model with low volumes, the **Fiat Barchetta**, a small convertible (actually, a limited edition purposely named **Barchetta Web**, with special colours and options)
- we sold it just for a limited period (four months from September to December; that's low season for convertibles, of course) and exclusively in Italy

All the business processes involved (even Car-registration and Delivery to the Customer) were purposefully carried out entirely and directly by **Fiat Auto**, without the support of the dealerships.

Wondering what the pilot outcome was...?

...actually, we sold a grand total of... ...three cars...”

The moral

The moral of this story is:

- (direct) selling of cars on the Net is DOABLE, and it can be a valuable BUSINESS OPPORTUNITY
- it's unprofitable if you do it more than 20 years too early...

Nice try, **Fiat Auto**.

Fiat Barchetta Web

Fiat Auto is the first carmaker to offer Web users the opportunity to purchase a car online, directly from the manufacturer – even if on an experimental basis and for a specific period.

The **Fiat Barchetta Web** was available only on the Internet (it couldn't be purchased at dealerships) and for a limited time: from 30 August to 31 December of 1999; the price was Lit. 36,290,000 turnkey – considering inflation, it's about EUR 25.200 (or USD 28.100) in 2019.

GenX vs. Millennials
vs. GenZ.

Ownership vs. Service

MOBILITY is not simply a matter of “ownership vs. service” and “efficiency” – that’s just the tip of the iceberg.

Talking about SCENARIOS, some experts say that car sales peaked last year (2018), that Millennials are not keen about buying cars, and that GenZ will buy even less cars than Millennials – if possible.

Maybe this outlook is a tad too radical, anyway it’s quite thought-provoking, isn’t it?

Who are GenX, Millennials and GenZ?

If you are in Automotive, your current (...fading...) customer-base is GenX, that is, people born during the 1960s and 1970s (like yours truly, as a matter of fact).

We GenX consumers consider our cars as an expression of our identities – the car is a status-symbol, like a Rolex or an expensive dress; if the car is *powerful*, its driver is *powerful* too – it’s all very ‘hormonal’ (*...we’ll talk of cars and hormones again, trust me...*).

Who are future car customers? Millennials and, just behind them – just waiting in queue – GenZ:

- Millennials (also known as GenY) are individuals who reached adulthood around the turn of the 21st century; they are significantly familiar with communications, media and digital technologies; they’re big spenders (*...at least those who survived the recent economy downturn reasonably unscathed*)
- GenZ are people born after 1995, and embody the very first digitally native generation; they will represent an appealing (huge) spending power by 2020, so it’s the next car customer-base

Let’s “profile” Millennials&GenZ

Millennials&GenZ are quite similar; they are the most well-informed shoppers, but do not appreciate negotiating: they don’t ask for special conditions, instead they expect a discount to be offered by default.

Why? Because they are used to personalised offers, usually generated by some AI-based online sales systems (think about Amazon, for instance) according to their online “digital trail” (customer-behaviour, shopping history, posts on Facebook and other social networks, etc.).

Additionally, they seem to be quite ephemeral; truth is, they prefer to be able to change idea on the spot, accordingly FLEXIBILITY is a must – that’s why they have the growing aspiration to be free of the hassle of owning things.

Some final thoughts

Millennials&GenZ buy EXPERIENCES rather than items: Mobility for them must be a safe, convenient and comfortable experience that simply allows them to get from A to B; definitely a car is far from being a status-symbol for Millennials&GenZ.

Valuable BUSINESS OPPORTUNITY: sell EXPERIENCES instead of PRODUCTS.

Freedom vs. stress

GenX love cars because they represent freedom, speed and ‘status’.

For Millennials&GenZ, cars epitomise pollution, congestions and stress caused by no available parking.

As the consumer relationship with cars change, Automotive marketers must evolve as well.

Something significant is boiling

If you have been in the Automotive industry for much time, it's hard to imagine that everything could be turned upside down in just a few years; if you just look how quickly new Players enter the market, you realize that something significant is boiling, no doubt.

Automotive radical evolution

The car industry is evolving RADICALLY after many, many years of relatively slow, measured, incremental advancements – “radically” because, at the same time:

- the Automotive PRODUCT – the car – is definitely changing
The Internal Combustion Engine (ICE) is becoming obsolete, while EVs (Electric Vehicles) are gaining popularity; furthermore, cars are becoming “iPhones on wheels”, that is, smart and connected (...and maybe autonomous?).
- the Automotive BUSINESS-MODEL is drastically evolving
Purchasing cars is going out of fashion, while purchasing Mobility-services is 'in'.

What's more challenging for auto makers? ...creating new PRODUCTS or adopting new BUSINESS-MODELS?

If you consider that they usually are pachydermic organizations of hundreds thousands people that have had the same business-approach for decades (building cars and selling them through dealerships), the answer is straight-forward: adopting a new BUSINESS-MODEL in a short time (while working on new PRODUCTS) can prove to be very difficult.

New Players

New PRODUCTS and new BUSINESS-MODELS are causing a new Mobility ecosystem to emerge, an ecosystem that see many old and new Players interacting:

- carmakers (incumbents and start-ups)
- car dealerships and service shops
- tier1/... suppliers
- aftermarket suppliers
- hardware/software tech giants (Google, Apple, Facebook, Amazon, ...) and start-ups
- regulatory authorities, municipalities and other central/local entities

Automotive time scale vs. Hi-tech time scale

Org-structures, management style, risk profiles, business-culture, etc. of automotive incumbents and of future automotive companies cannot be the same.

For instance, Automotive engineering is on a significantly different time scale (think about YEARS) compared to high-tech development cycles (think about WEEKS/MONTHS).

Silicon Valley mindset is “move fast, make mistakes & fix errors, never stay still”; carmakers – rightly – don't feel that way.

- a plethora of Service providers and Fleet operators (insurance, ride-hailing, car-sharing, car-rent, ...)
- venture-capitalists, etc.
- ...

From a BUSINESS OPPORTUNITY point of view, I suggest keeping an eye in particular on Service providers and Fleet operators– they are not capital-intensive and typically have significant margins, especially if we take PLATFORMS (such as Uber, Lyft, ...) into consideration.

Cooperation vs. Competition

Cooperation between Players is required as new effective/efficient Mobility solutions are developed and marketed; competitive advantage will depend more and more on the strength of collaborations and partnerships: SYNERGIES will certainly be at the base of future business models.

The situation nowadays is quite ‘fluid’...

Carmakers (and Tier-1/... suppliers as well) are currently:

- buying start-ups to gain access to advanced technologies (**GM** bought **Cruise**, **Ford** bought **Argo AI**, **Delphi** bought **Ottomatika** and **nuTonomy**, **Audi**, **BMW** and **Daimler** bought map & location service provider **HERE**, ...)
- developing tech in-house, hiring tons of engineers
- splitting and restructuring to be more efficient/effective; for example, **Delphi** split into **Aptiv** (advanced technologies such as connectivity, autonomy, ...) and **Delphi Technologies** (powertrains, electric traction, ...)

Service providers invest a lot in technology as well: ride-hailing companies such as **Uber**, **Didi** and **Lyft** spend a lot of money/time/effort into autonomous driving technology, for instance.

Tech giants? M&A (Mergers and Acquisitions) is *business-as-usual* for them; for example, **Intel** acquired **Mobileye**, with the goal to become the *one-stop-shop* for the development of turn-key solutions for autonomous vehicles.

Some final thoughts

EVs (Electric Vehicles) have significantly reduced – or even removed – several barriers to entry into the Automotive business – that’ a valuable BUSINESS OPPORTUNITY.

Is it now easy to become carmakers?

Not at all, but – as a matter of fact – it’s easier compared to the past, just ask **Dyson** (famous for its hair dryers and vacuum cleaners) and many Chinese start-ups (such as **Byton**, etc.).

Service providers vs. Manufacturing suppliers

Carmakers can evolve and become vertically integrated service providers that offer full-fledged Mobility solutions.

Or they can regress and become manufacturing suppliers to (“pure”) Service providers such as **Uber** and **Lyft** (as an analogy, what is **Boeing** for **American Airlines**).

Today electric cars cost thousands of euros/dollars more than conventional vehicles.

Tomorrow...?

Evaluating EVs

As a Consumer, how you judge a traditional car is very different compared to how you judge a modern EV (Electric Vehicle).

Electric cars by definition:

- accelerate awesomely (EVs have a lot of torque to spare, this means they accelerate like Porsches)
- are typically fast
- handle exceptionally well
- are very, very quiet
- are 'green' and easily comply to tighter eco/emission regulations and bans

What Consumers pay a lot of attention to is EV range (they suffer "range anxiety") and recharge-time – arguably replacing traditional cars KPIs (Key Performance Indicators) such as horsepower and fuel-consumption.

New BMW 330I M Sport

vs.

2019 Tesla Model 3 Performance

	BMW 330I M Sport	2019 Tesla Model 3 Performance
Price	£39.160	£62.000 (est.)
Engine	4 cyls in line, 1998cc, turbo, petrol	Two AC electric motors, one per axle
Power	255bhp at 5000-6500rpm	444bhp
Torque	295lb ft at 1550-4400rpm	471 lb ft
Gearbox	8-spd automatic	Direct drive
Kerb weight	1545kg	1847kg
Top speed	155mph	162mph
0-62mph	5.8sec	3.4sec
Source:		
<ul style="list-style-type: none"> • https://www.autocar.co.uk • 30 March 2019 		

What about price and TCO (Total Cost of Ownership)?

Currently electric cars cost thousands of euros/dollars more than conventional vehicles, mostly because of the cost of batteries (we'll get into batteries shortly).

Even if the shift to electric mobility is real, combustion engine's imminent demise is probably exaggerated.

Maintenance is relatively inexpensive, because an EV has fewer moving parts (...and fewer moving parts means more reliability and generally fewer worn parts to be replaced); furthermore, the electric motor, compared to the traditional internal combustion engine, is smaller, lighter, cheaper and practically maintenance-free – no oil changes, for instance.

The most expensive element of an EV

What's the most expensive element of an EV?

The component that has the most significant impact on final price is the battery, by far; fortunately, (modern liquid electrolyte lithium-ion) battery prices have been declining quickly (dropped by half over three years) due to economy of scale and new technologies – with very positive, tangible effects for the Consumer. Consequently, within just a few years, EVs will be far more affordable and competitive.

EV market penetration

Electric cars are coming, that's for sure, but when?

We really do not know how fast Electric Mobility will spread, but we can safely say that:

- EV market penetration will be scattered, depending on regulations, tax-incentives, infrastructure, ...
- traditional vehicles are here to stay for at least 30 years

We currently have a colossal demand problem: everybody says they want EVs, but will they really make a purchase?

Moving too fast toward electric mobility could prove to be overly challenging for carmakers, because the market probably is not ready; anyway, especially in Europe, carmakers have no choice due to the tightening eco-regulations, and EVs are the only solution to be compliant.

In the US? At this time ecology apparently is not a pressing matter, from a political point of view at least, so let's see and wait.

Hybrids?

With the cost of batteries dropping and charging-time plummeting, it doesn't make sense any more to invest in hybrid plug-ins; within the next few years, hybrids will no longer be competitive compared to electric cars.

Some final thoughts

All that said, what we can safely assume is:

- today carmakers lose money on almost every EV sold; the Industry currently absorb the losses, but this situation is clearly unsustainable for long
- converting traditional car buyers into EV buyers takes time and is not for the weak of heart – educating potential customers is always difficult, but it can be a major BUSINESS OPPORTUNITY

Solid State batteries

Solid state batteries are the future; compared to modern liquid electrolyte lithium-ion batteries, they have numerous benefits:

- they generate less heat
- they do not catch fire
- they have higher energy-density (that's more energy and less weight)
- they recharge much faster

Today this technology is in the prototype stage and hopefully will be commercially available in a few years.

Smartphones
vs.
modern cars

What are the most significant features of your **iPhone** or **Samsung Galaxy**?

- 1) it is constantly connected
- 2) it runs (third party) Apps
- 2bis) it has an App-store to monetize applications

Translate the same approach to a modern car, and you'll obtain a SMART CAR.

Pay attention: car Apps are not limited to simple programs; thanks to OTA (Over The Air software updates/upgrades), a connected car owner/driver is able to (pay and) download a permanent or temporary 'feature' such as more power, more range, a more advanced cruise-control, whatever.

In other words, carmakers can sell existing Customers new features that weren't previously available and add them on the fly to their cars.

Some final thoughts

From a Marketer's point of view, it's a BUSINESS OPPORTUNITY to die for: carmakers can copy a page from **Apple's** manual:

- create a valuable, elegant combination of hardware and software
- setup a car App Store
- offer/sell OTA updates/upgrades, Apps, etc.

Hope they do not repeat the same mistakes...

Whoever controls the Customer Interface, can deliver the most superior brand experience.

Carmakers vs. Tech Giants

Carmakers are not happy about having **Google** and other tech giants (**Facebook, Amazon, Apple, ...**) doing business and making money using 'their' cars as Value-Added Service platforms.

For carmakers it's not just a matter of wasting lucrative opportunities; letting tech giants get deep into cars means risking to give up control of their product – partially, at least.

In other words, who owns the INTERFACE, owns the Customer/User, and accordingly owns the PRODUCT: carmakers risk to be degraded to simple hardware providers, while beneficial value creation is monetized by others.

Examples of Value-Added Services:

- free suggestions about where to stop and spend money using promotions/discounts/... (filling/recharge stations, diners, stores and shopping malls, ...)
- free navigation (**Google Maps, Waze, ...**), with free traffic conditions
- free parking indications
- free games for your children during long trips
- free music
- ...

Additional, MORE INTERESTING examples of Value-Added Services:

- when low on fuel, a smart notification appears on your car display to inform you that in 6,2 miles you'll reach an **Exxon** filling-station and, just for you, there is a discount on Premium Unleaded – just use the following discount-code...
- order your cheeseburger while still five minutes away from your favourite fast-food restaurant: your meal will be ready for pickup when you arrive – no more waiting at the drive-thru

- usage-based insurance, where ‘usage’ metrics can be a combination of ‘Pay how you drive’ (...are you a *dangerous* driver? do you keep to speed limits? do you brake too hard?) and ‘Pay as you drive’ (...are you driving 500 km every day? More km = more risk...)

Consumers are used to getting free services (email, navigation, ...) in return for DATA and ATTENTION; as a matter of fact, monetization is not necessarily about “selling a service”, it can be done through Data-collection and displaying Ads (just ask **Google** or **Facebook** for more details...).

Automakers are running for cover

Automakers are running for cover because:

- neither gathering/elaborating/selling data, nor selling advertising is their core competence
- they lack the experience regarding Consumers interaction

Hardware as a commodity

The competition for the Customer Interface is a big issue, very well known by smartphone manufacturers.

When you use your **Android** smartphone, the customer interface – that is, the interaction – is offered by **Google** through **Android** and its add-ons (e.g. the **Play Store**); is it really a big deal if your smartphone is manufactured by **Huawei** or by **Samsung**?

Well, I don’t think so – that’s why hardware in general is becoming more and more a commodity.

Some final thoughts

A winning strategy for carmakers?

Pick ‘reliable’ bedfellows (a mix of strategic Partnerships and Merger & Acquisition) and hire tons of Computer engineers and Digital marketers.

The implementation of the “smartphone on wheels” paradigm is not for the faint of heart, anyway one thing is for sure, valuable BUSINESS OPPORTUNITIES will surely come from the creation of the ecosystem around “smart cars”.

All of us are leaving a broad, high-definition, data-rich *digital exhaust* anywhere we go.

Car data ownership is a very delicate matter...

In-car generated data

The most significant value of the 21st century is your DIGITAL SELF, the pool of data that thoroughly defines you in a way that makes it possible to model your current behaviours and to predict (...and influence...) how you will behave in the future.

Accordingly, “on the road” consumer data (behaviour, location, preferences, ...) can be gathered, cleaned, aggregated and profitably sold.

Car data ownership

First of all, there is a car data ownership issue, a matter that needs to be clarified: different categories of data may belong to different users: the driver, the owner of the car, the fleet manager, the leasing company, the carmaker, ...

For instance, who has the right to be informed if I drive my company car too fast? My company? The car-owner? None of the above?

My take about access to car data: the only person who should control car data is the car owner (or lessee); he/she should be aware of the data the car transmits, have control over it and determine who can see it.

Car data customers

Car data can be employed for predictive maintenance, emergency services, in-vehicle delivery, insurance, marketing/selling stuff, etc.

For example: constant, real-time car data allows carmakers to forecast maintenance needs and so to plan servicing more efficiently and effectively – parts can be manufactured “just-in-time”, before being shipped where and when they are needed.

Car data customers are retailers, banks, fast-food joints – whoever would like to know when you are likely to buy your next meal, beer, coffee, ...

Weather station on wheels

Are you using the windscreen wiper? Your car knows that in a specific location it's currently raining; by the way, the car knows the outside temperature as well, and maybe barometric pressure too; it's a weather station on wheels, connected in real-time to the Cloud.

Whoever wants to profit from your vehicle, driving-behaviour and location data – that is, insurance companies, gas/recharging stations, banks, car service companies, retailers in general, ...

The economic value of car data

Today there is no “open” market that allows to transparently cross Demand and Supply to define a known price; on the contrary, it's usually a closed-door, private negotiation: in other words, data is not oil, at least for now.

Let's think about it, it could be a valuable BUSINESS OPPORTUNITY, but first ask yourself: who owns the keys to automotive data? Definitely the carmaker, because cars are designed as closed systems.

As expected, the willingness of carmakers to grant access to their cars' data is very limited.

Some final thoughts

Things are **tentatively** changing, actually.

Some carmakers (**BMW**, ...) are setting up their own car data monetization platforms – and some companies (**Otonomo**, ...) are creating platforms that integrate car data from different carmakers; valuable BUSINESS OPPORTUNITIES lay with high-value data elaboration/management, for instance:

Where does car data come from?

- sensors (GPS, lidar, cameras, radars, ultrasonic, ...)
- communications (V2X – Vehicle-to-Everything)
- diagnostic systems (power-electronics, batteries, charging technology, electric motors, ...)
- driver/passengers actions (change radio channel, ...)
- ...

- data normalization (due to many different data formats and no accepted standards)
- data anonymization (due to GDPR, privacy issues, ...)
- data elaboration
- data presentation
- data marketplaces
- ...

“Brain”, “Heart”, “Hormones” and the car showroom of the future

How you buy a new car

Maybe you don't realize it, but you typically buy a new car using:

- your brain

AND

- your heart

AND

- your 'hormones'

“Brain” is all about value and logic, effectiveness and efficiency – looking at car tech-specs and facts&figures, doing your evaluations and analysis, comparing results, etc.

“Heart” is involved when you think about your dear ones (“I need a safe and comfortable car for my wife and my children”) or humanity as a whole (“I need a 'green' car that won't pollute our world”) – it's all about selflessness and do-good.

“Hormones” have to do with your *Status*: if you buy a big, expensive, fast car, you'll get laid with beautiful women, your neighbours will envy you, etc.

The role of the Showroom

The showroom is the place where:

- you try the leather seats and touch the steering-wheel of your next car
- you kick the tires and look under the hood, discuss about options and accessories, etc.
- you do a test drive, negotiate the final price, discuss about trading-in your old car and arrange financing

It's where “Brain”, “Heart” and “Hormones” conspire to reach a final purchase decision.

Showrooms will sell more than just cars, they will sell a 'Mobility' lifestyle.

That's why the showroom needs to evolve and become a BRAND BUILDING tool, the place to:

- bring a community of passionate car owners (or "would-be-owners") together
- host "motor" events
- learn something new about cars every day
- personalize your car with your hands, supported by expert mechanics
- ...

**"Brain", "Heart",
"Hormones" and
Maslow's Hierarchy of
Needs**

"Brain" is the rational factor, "Heart" is the ANGEL emotive factor (that involves your loved ones), "Hormones" is the DEVIL emotive factor (that involves reproductive instinct and esteem – please refer to "Maslow's Hierarchy of Needs" below).

Maslow's Hierarchy of
Needs:

1. Physiological (*lower level needs*)
2. Safety
3. Social
4. Esteem (that is, the desire to be respected by others)
5. Self-actualisation (*Higher level needs*)

Some final thoughts

More and more carmakers are adding cafes, kids areas, spaces for events and to have fun (e.g. digital screens for viewing parties around F1 races, ...), boutiques for merchandising (polo shirts, watches, ...), etc. to showrooms; in other words, spaces that immerse people into the car brand's DNA and celebrate car models of the past, the present and the future.

That's absolutely the way to go, and a valuable BUSINESS OPPORTUNITY for Retail experts.

Real estate is expensive, more so downtown, where affluent, potential buyers are. That's why it is important to separate Sales and Service.

In the future, car showrooms will:

- become smaller
- be located inside Malls or downtown
- be separated from Service shops

Showrooms

In the near future, car brand promotion and sales will take place in an elegant, upscale showroom in the centre of your city, next to **Prada**, **Valentino** or **Bulgari**; or they will be brand-spaces in elegant shopping malls, next to your favourite **Apple Store**; occasionally they will be temporary Pop-up stores during important sport events or concerts.

The goal is to put the brand and the product in the path of potential buyers as they go about their everyday lives, for instance while out shopping for groceries or for a new pair of shoes, going to the cinema, etc.

Dealerships traditionally take a lot of space to show all the available car models; showrooms of the future will be smaller because they will employ advanced technologies such as Augmented Reality, Virtual Reality, huge displays, ... to effectively engage potential customers.

Service shops

Service shops will be positioned on the outskirts of cities, in locations that are more easily reachable by car, and where real estate is significantly cheaper.

Car servicing today is quite a nuisance: think about arranging your appointment, waiting times for car drop-off and for pick-up, unplanned costs, "...we'll let you know when it's ready...", etc.

Servicing could be improved significantly; is it so difficult to offer one-click service-appointment? 24/7 car drop-off or pick-up, etc.?

Maintenance will be more flexible and "frictionless"; instead of dropping the car at the Service shop, car owners will be able to have it picked up from a location of their choice (home/office, airport, wherever...); or maybe have

maintenance performed curb-side, thanks to mobile repair-shops.

There are so many low hanging fruits to be picked (that is, valuable BUSINESS OPPORTUNITIES) for Customer-care experts.

Some final thoughts

With modern vehicles more and more service activities will be executed via Internet – consider remote diagnostics, for instance. Or think about OTA (Over The Air) software updates.

...Tesla owners know perfectly well what I'm talking about.

Online vs. Offline?
Online AND Offline!

The Car Customer journey

Nowadays potential car buyers invest quite a lot of time on the Net, gathering info, downloading brochures, looking at photos of cars, etc., BEFORE visiting a dealership.

Accordingly, the dealership visit – today more than ever – is not a starting point, but just one of the touchpoints of the Customer journey.

More and more, the digital world and the real world intersect multiple times – let's consider a generic example of a car Customer journey:

- start online, to gain knowledge before entering the showroom
- visit a showroom, to see the car “for real”
- get into the details online
- talk on the phone to the showroom salespeople to ask some questions
- do a test-drive at the showroom
- start the purchase online (downloading some forms to fill-in, for example)
- finalize it at the dealership, negotiating financing, trade-in, etc.

Some final thoughts

As a matter of fact, a car purchase is neither 100% online (especially when you're going to invest several thousands of euros/dollars), nor 100% offline – it's an intricate, 'fluid' mix of two worlds.

Connecting/integrating these two worlds – that is, managing the Customer journey – is a valuable BUSINESS OPPORTUNITY for Digital Marketers.

Get in your car and take a nap while reaching your destination

Self-driving technology generates a lot of attention because it is such a fascinating topic: get in your car and take a nap while reaching your destination – fantastic...!

According to some experts (included many Marketers, Elon Musk of **Tesla**, etc.), *fully* autonomous vehicles are just around the corner, and probably will be available in a year or two.

According to many other experts, we are “decades out”.

My take is, if we consider self-driving as an improvement over existing Cruise-control, I’m sure we will be able to experience it very soon.

If we regard it as a way to snooze or read a book while “driving” from A to B, then I think we need to be very (VERY) patient.

Some final thoughts

A healthy dose of scepticism is needed: today full autonomous driving is still a myth, a marketing-saga kept alive to gather investments and visibility.

Tomorrow? It will be an awesome, incredible, valuable BUSINESS OPPORTUNITY, provided you have a team of hundreds of very capable engineers...

PS: I read it on the Net...:

“Many drivers regard autonomous cars as a pervert technology, like sex robots or Nespresso machines.”

Automation levels:

- **Level 0**
No Automation
- **Level 1**
Driver Assistance
(adaptive cruise control, lane keeping assistance, ...)
- **Level 2**
Partial Automation
(this is where the real fun begins)
- **Level 3**
Conditional Automation
(the driver must remain available to take control of the vehicle in case of an emergency)
- **Level 4**
High Automation
(the driver is no longer needed)
- **Level 5**
Full Automation
(no steering wheel)

Epilogue

A final (...?) consideration

This is the end!

This is not the end, it's just the beginning...

I believe that we live in a world where, as a rule, having the technological edge makes the difference between success and failure; you can be sure that the adoption of new technologies will truly shift our Automotive landscape, and I can't wait to see what lies ahead.

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PS: I started this e-book talking about the **Geneva International Motor Show**, so let me come full circle...

In 2019 I visited **Geneva International Motor Show**: a lot of cars, a lot of people snooping around and taking photos.

The show is fantastic, it's glamorous, it's huge, in one word, it's HEAVEN for car fans – but it is static, there is no experience, no interaction.

Shows in the future need to be far more engaging: visitors will be able to test cars – using virtual reality or a track in the parking lot; they'll be able to talk with engineers that design the car they plan to buy.

How many valuable BUSINESS OPPORTUNITIES we can think of...?!?

The sky is the limit...

PPS: ...probably this is a good moment to:

- send me an email with your feedback about my e-book
- pass my e-book along to a colleague who might be interested.

The web address is: andycavallini.com

