

Connected cars: transforming aftermarket engagement

 By [Michael Frans](#)

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Connected cars give vehicle manufacturers an incredible opportunity to move from the current state of limited and indirect contact with customers - to proactive, direct customer contact that forges stronger relationships and creates better customer experiences.



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While helping manufacturers to embed after-market customer engagement into their offerings over the entire lifespan of a vehicle, the concept of the connected car also breeds new partnership models for the manufacturer - in sectors like technology, telecoms, insurance, entertainment, and more.

With more than 152 million connected cars expected to be on the roads by 2020, companies in the automotive sector have boundless opportunities to create new digital services that improve the safety and enjoyment of driving.

Brand loyalty

Over the coming few years, those auto manufacturers that cater for connected services to provide new entertainment, information and geo-location services will differentiate themselves from their competitors. In fact, a 2014 study by Autotrader.com revealed that 56% of car owners would consider switching to a different vehicle, based on its digital features. A recent McKinsey paper revealed an even more heartening finding: that over 80% of car buyers consider connectivity as 'important' or 'very important'. Clearly, manufacturers can increase loyalty to their brand by delivering connected services.

Safety and maintenance

With real-time diagnostics reporting issues with the car's performance or sending emergency alerts in a case of an accident, customers will benefit from a safer driving experience, as well as benefitting from reduced maintenance costs. For manufacturers, fitment centres and workshops, there are opportunities to remotely diagnose vehicle problems and provide competitive quotes to fix any problems, and improve the service experience in general.

Car2X

The concept of 'Car-to-Anything' ('Car2X') refers to the ability for cars to communicate with one another, with public infrastructure like traffic management systems, and with the vehicle owner via a smartphone or tablet, for example. Car2X promises an exciting vision where the car becomes truly embedded in the driver's digital life - allowing the driver to automatically synch car services with her calendar, upload driving log-books into their tax software, or remotely switch on the heating in the house. The possibilities are, literally, endless.

Usage-based insurance

Automobile insurers can quantify risk far more accurately, and create tailor-made insurance packages for their customers by observing driving behaviour. While stand-alone tracking devices with this functionality are already starting to enter the South African market, by consolidating this type of service within a broader 'connected car' suite of offerings, we expect the adoption of usage-based insurance to rise.

Personalised marketing

Data from one's driving habits can be merged with other information - like spending patterns or social media activity - to give marketers rich insights into customer behaviour. With connected car services that give consumers relevant and unobtrusive messages, based on where they are and what they are doing, marketing can become far more targeted and effective.

Traffic management and the Smart Cities vision

Ultimately, having thousands of connected cars in one city will produce a wealth of real-time information about traffic patterns and congestion, road conditions, weather conditions, and accidents. Cities will be able to plan new urban transit routes and develop traffic management systems, as well as work out how to integrate new forms of public transport into the existing systems.

To bring all of this to life, manufacturers will rely on a quality connected car platform. This is the foundation on which every connected service can be delivered. At a technical level, the process involves taking raw data (Who's driving? How fast? When was their last stop? What service partners do they have? What are the car's oil levels?), and then refining this data into useful knowledge that can lead to new business models, new products and services.

Enhance the driving experience

T-Systems' approach is to create a technology backbone that links OEMs, to the various third-party connected car solution providers. This carrier-grade infrastructure encompasses end-to-end security, identity management, device management, car lifecycle management, business activity reporting, and billing. By owning this crucial layer, the manufacturer can then integrate into a broader ecosystem of partners - in areas like dealerships, workshops and fitment centres, fleet operators, insurers, logistics companies, and more.

However, while the connected car opens up exciting new opportunities for manufacturers, it also poses a great number of difficult technology questions: How to manage the terabytes of customer data being generated by connected vehicles? How to ensure the growing array of digital services do not distract drivers and cause safety hazards? How to develop cyber-security measures to prevent the risks of hacking? How to accelerate the cadence of their product development cycles to cater for the faster rhythm of the high-tech world.

By partnering with the right technology provider, car manufacturers can navigate their way through these tough issues, and remain focused on their core competencies, while providing customers with integrated, digital features that enhance the driving experience.

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