



THE ANATOMY OF AN EFFECTIVE DIGITAL STRATEGY

The digitization of the automotive industry is one of the most challenging topics facing vehicle manufacturers. While the pace of change driven by digitization is accelerating across all sectors, automakers have only just started to make this fundamental paradigm shift. The open question is: How can an automaker embrace digitization effectively? From a retail perspective, the digitization of the car-buying process already is well underway. In the future, it will become the standard channel used for car purchases. This is also true for all transactions related to the portfolio of mobility solutions that automakers will offer.

As the “mobility paradigm” edges closer, digital will be an essential part of any strategy for building enduring customer relationships across the automotive experience. As far as the car is concerned, it will increasingly act as a platform for connected services and on-demand content. The challenge for automakers will be in determining how they can create brand differentiation based on a proprietary mobility experience.

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DIGITAL CAN'T EXIST IN ISOLATION

The word digital can be misleading because, in reality, there is no digital any more. The challenge is actually about creating completely integrated customer experiences. That means strategy, platform, and analytics must work in total harmony. When we look at disruptive digital businesses across all sectors, success has coincided with the level of seamless integration they offer.

Today, most brand engagement starts in the digital channel, and the majority of communication takes place here. In automotive, the sales, service, mobility, and connected in-car technology all need to be able to talk to each other to create a seamless customer experience. However, achieving this will require automakers to change their thinking. They will need a solution that transcends customers' silos and stretches traditional organizational boundaries.

There is a lot at stake as studies show that 39 percent of drivers value in-car technology above all other factors when purchasing a new vehicle. The key to success here is creating real differentiation in that experience. To do this, however, the automaker has to put the user at the center, which is a big change because for more than 100 years the product has been at the center. In the future, carmakers won't just think about products, sales, and service experiences, instead they will direct most of their attention to offering integrated human, product, and digital interactions across the entire experience.

FOUR STEPS TO SUCCESS

So what makes a successful experience strategy that incorporates digital? The four points below answer that question.

1. PROVIDE AN EXPERIENCE VISION, NOT A DIGITAL VISION

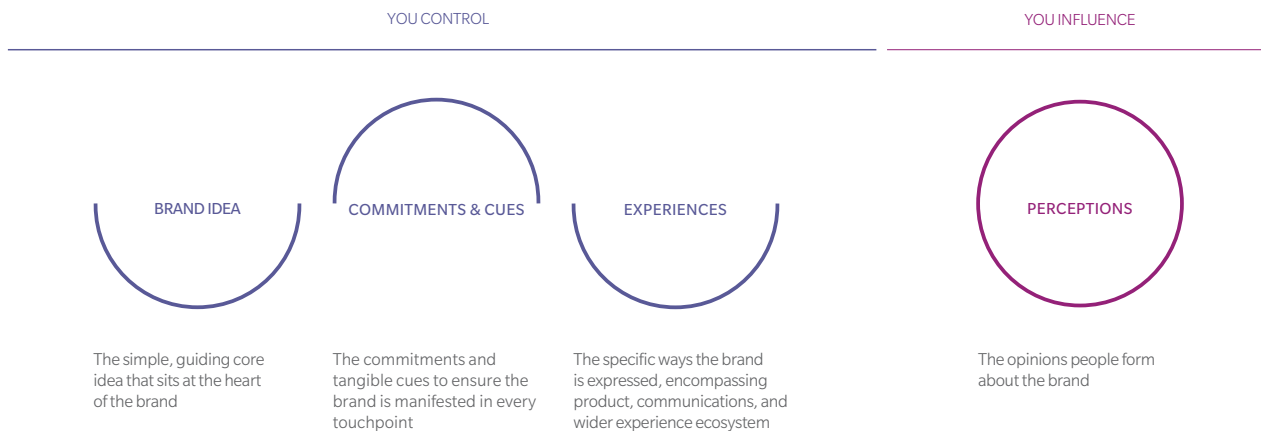
It is essential to conceive the experience first and then work backward because the technology should be used as an enabler. Developing a complete experience vision requires looking across siloes to understand and determine what the optimal overall experience should be like. This experience should be one in which everything from the in-car interfaces to mobility apps to the entire sales journey is designed to be integrated and holistic.

2. BUILD IN TESTING, LEARNING, AND EVOLUTION FROM THE START

Automakers are accustomed to long development cycles where consumers are prepared to wait five to seven years between product generations. In the future, however, it will be essential to embrace perpetual "beta" in the experience. Automakers will need to develop a willingness to take risks so that they can pilot new ideas that will allow them to innovate and evolve more rapidly. Carmakers have been good at internal experimentation, but in the future fast innovation cycles will demand strategies that embrace the beta state, with a measurement framework that enables ongoing optimization.

THE BRAND PERCEPTION JOURNEY

Strategy to action: translating strategy into brand perception



Source: Lippincott

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4. RESPOND TO CUSTOMERS, BUT LEAD WITH THE BRAND

In the future, creating a digitally enabled experience will be something every carmaker pursues. The key will be creating a truly branded experience. Automakers will need to establish the design principles that guide the entire experience, not just the car. Ultimately, as the car becomes just one part of a broader mobility experience, delivering the brand across every touchpoint will become the key to building lasting, emotional connections with customers. ●

3. INTEGRATE WITH THE WIDER ECOSYSTEM

The car has long been a relative “walled garden” – a complete, integrated product using proprietary systems and interfaces. In the future, the automotive experience will need to effectively integrate third-party software and services – as Ford recognized when they opened up its interface to outside developers. Many brands and service providers will be eager to participate as automakers open themselves to new opportunities and ideas. As communication, information, and entertainment opportunities in and around the car increase, a strategy that helps drive seamless integration of these services will be essential.