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Automotive product launches in the **Digital Era**

The COVID-19 pandemic has significantly disrupted businesses globally and most organizations are struggling to overcome it. This is particularly pronounced in the automotive sector, where 25% of the companies doubt their continued viability, according to a Capgemini research report. While some car manufacturers decided to delay new launches due to the crisis, some have opted for digital launches. We look at some of the current trends, possible use of technologies, and case studies from across different industries, to understand how automobile companies can adapt and pave the road ahead for digital launches.

COVID-19 has changed the way consumers live, interact with each other, consume information, engage with brands, and shop. Digital has become the mainstay across all touchpoints of a consumer's daily life—be it learning, work, meetings, shopping, healthcare, entertainment, or food, to name a few. According to a recent Capgemini Research Institute report, 62% of consumers expect to increase their use of digital touchless technologies once this crisis subsides.

Offline events have either been cancelled or postponed

Industries have taken cognizance of this consumer behavior and the effect of this is particularly visible when it comes to product launches and events. Many of the conventional offline events around the world have been cancelled, many went digital, and some attempted a hybrid of digital and offline. In the technology space, one of the otherwise most widely attended global meets, the Mobile World Congress was cancelled at the last minute. Similarly, leading automotive events such as the Geneva Motor Show, New York International Auto Show, Auto China 2020, and the Detroit Auto Show 2020 have either been cancelled or postponed to guesstimated post-COVID19 dates.

Digital sessions gain traction, offer convenience…

The annual events of leading technology giants such as Apple WWDC, Salesforce Dreamforce, Microsoft Build & Ignite, VMWorld, HPE Discover, Dell World, and others moved entirely online. While corporates are adapting to online webinars and virtual meetings, education has moved completely online with e-learning sessions and digital education courses. Many organizations have partnered with leading MOOC providers to bolster their Learning & Development activities. Top technology players are using the opportunity to up-skill and cross-skill their workforces using online certifications.

… but webinar fatigue is real.

A large part of consumers' time during this lockdown is spent in front of various screens. With the immense amount of digital content being churned out daily—online courses, webinars, virtual daily stand-up meetings, quick catch-up video calls, entertainment, social life—customers are struggling to process it all. Among many other things, the pandemic has also given us new terms such as Zoom Fatigue, Zoom Gloom, Webinar Coma, and at least one particularly creative "death by webinar" meme. Webinar fatigue is now a medical term used to describe an overall feeling of tiredness or lack of energy towards webinars. Hence, just using digital technologies or having an online presence is insufficient. Organizations need to choose the appropriate way of reaching out to their target audience to ensure that it is most effective.

Building a hybrid experience strategy

While the pandemic may be short-lived, the seismic shift in consumer behavior and expectations will force organizations to offset offline events with a mix of digital in the new normal. Cost optimization, which is an added advantage to moving events and launches online, will also be a significant driver for brands to increasingly move online—especially for B2B events, with sponsors looking to cut down on travel costs. Though moving activities completely online may seem to have significant advantages, digital and virtual experiences will never be able to completely replace real-life experiences. Even the offline component of the overall strategy will have a strong digital play to ensure minimal touch exchange during the interactions. Product events and launches, specifically, will follow a hybrid model—with digital services and technologies playing a significant role.

What does it mean for OEMs looking to launch their latest vehicles?

Online portals have become the primary shopping channels to align with stay-at-home mandates. With the convenience that e-commerce platforms provide, even digital newbies who considered shopping for only groceries and essentials online have now become comfortable enough to explore categories that they earlier would have never considered.

Social media has become the new arena for information and entertainment. According to a Kantar research study across 25,000 consumers in 30 markets, social media engagement has increased by over 61%, while web browsing increased by 70%. Messaging across Facebook, Instagram, and WhatsApp has increased by 50% in countries hardest hit by the virus. Twitter is seeing a 23% increase in daily users than a year ago.

What does this mean for the OEMs?
1. Customers are open to exploring online channels like never before
2. Social media and web consumption have gone up.

OEMs can leverage this online surge to engage customers on social media and digital platforms during the launch. Creative pre-event announcements and teaser campaigns can be used to excite and entice curiosity well ahead of the actual launch. This can be further enhanced using technologies, including AR/VR to provide immersive and personalized experiences for customers such as a realistic and 360-degree view of design, features, and functions of vehicles–right from their homes, and at their convenience.

For an industry that has been traditionally driven by real and live events, interactions, and in-person meets, going primarily online may seem implausible. However, with the right strategy, OEMs could digitize a large part of the customer journey while ensuring offline play wherever feasible.

Let's look at a list of activities that are conventionally created offline and see how some brands are dovetailing elements of digital to provide a feasible online experience or maybe a hybrid one.

1. Photo shoots

The automotive industry can take inspiration from the fashion industry to deliver virtual photo shoots. Largely done on Apple's iPhones, the trend is now called FaceTime Photography, though it need not involve a specific phone. For example, in the French designer, Jacquemus' Spring/Summer 2020 campaign, top models showcase the brand's latest collection of sunglasses, knitwear, and signature Chiquito bags that were shot entirely in their homes via FaceTime. Brands such as Nike have used images shot over video calls for its sneaker collaboration with Jerry Lorenzo.

Automakers could plan a similar shoot of new vehicles, highlighting salient features that could be showcased and promoted on digital platforms.

2. Vehicle unveiling

Under normal circumstances, OEMs tap into the frenzy of live auto shows to launch their latest vehicles and sometimes even future prototypes. However, with the new normal, companies are envisioning a future where virtual auto shows using virtual reality could be the next normal. Some companies have taken the leap to host virtual auto shows, while others have created individual virtual unveiling events.

However, it is imperative that OEMs must be cautious of transferring everything offline to online and plan a strong digital strategy instead. For example, while OEMs can use social media platforms for engaging with customers, collaborative platforms such as Microsoft Teams or Zoom are a better bet as they can provide a more effective two-way interaction with influencers, active community members, and media. Brands can leverage different platforms to engage with

specific target audiences. Similarly, companies can use their in-house content management platforms to share assets with the media and influencers or even encourage user-generated content. In the absence of a proper CMS, OEMs can consider sharing platforms such as DropBox or Google Drive to ensure ease of content flow across different launch phases.

OEMs can also take the experience to the next level by providing a 360-degree or virtual tour on their website or a mobile app for a more immersive customer experience. Hyundai unveiled its 2021 Elantra with a YouTube live stream from the Lot Studios in West Hollywood. Owing to the cancellation of the Osaka and Tokyo Motor Shows Honda hosted its own virtual show,

in which it unveiled its CBR250RR sportbike and the CB-F concept, along with the company's most expensive moped –the CT125. The company created a dedicated webpage where customers can experience a 360-degree view of the product in a virtual booth. Similarly, BMW revealed its much-awaited R 18 online through a live stream. The event was streamed from a virtual bike garage that provided additional excitement to entice bikers.

OEMs can also take cues from major mobile phone launches that were completely digital. Manufacturers such as OnePlus unveiled their phones digitally using Virtual Reality through a dedicated mobile app that created a radical customer experience. Using a mix of pre-campaign buzz, influencer engagement, and phased revealing of features, the brand garnered four million "notify me" requests on the launch day alone, making it the most anticipated phone ever on Amazon India.
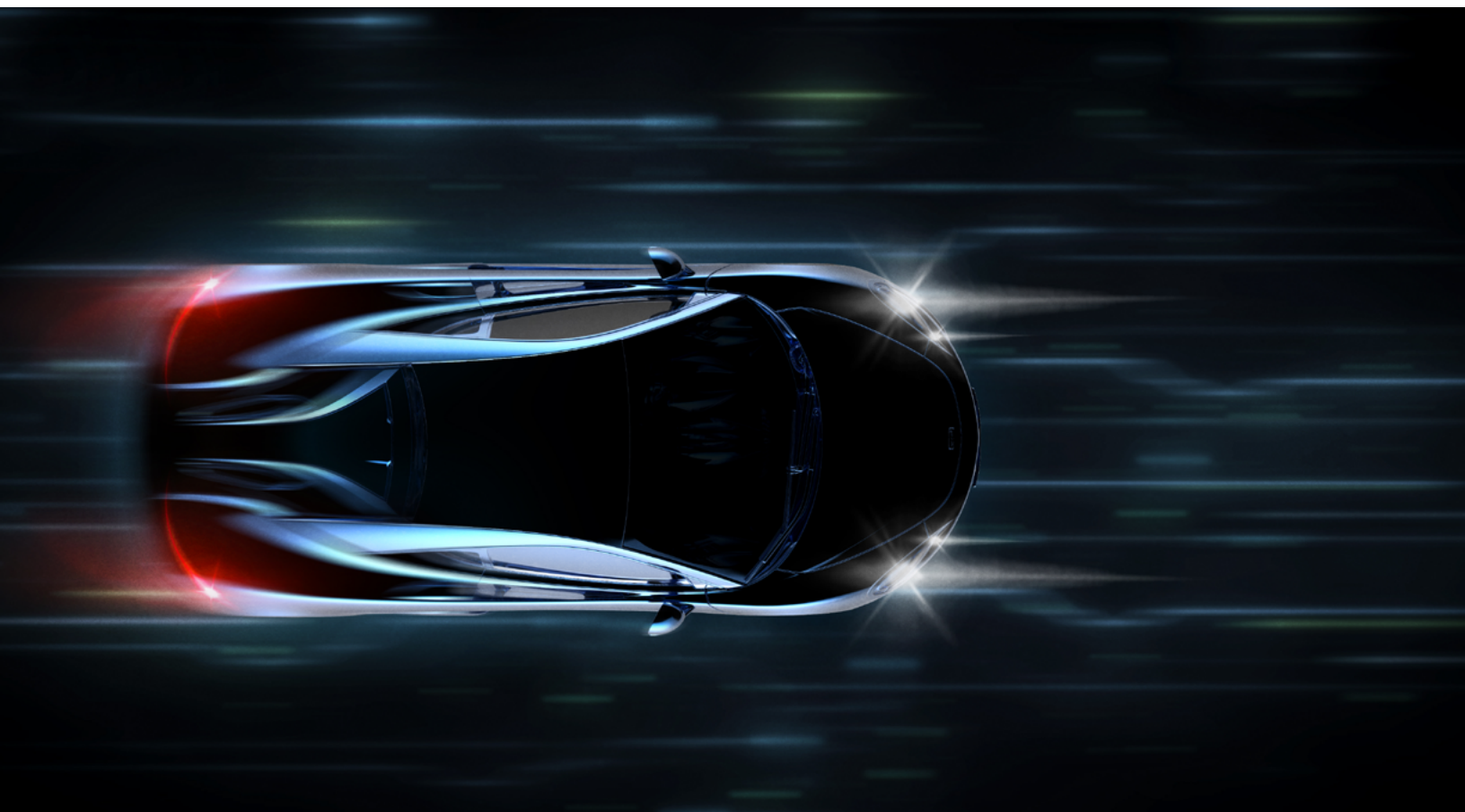
3. Media drives

Media drives are an activity that's best conducted offline, where it is most effective. With countries the world over easing lockdown restrictions, companies can attempt to facilitate in-person media and press events in a safer environment by inviting smaller groups of influencers and journalists or conducting multiple sessions in batches. A hybrid model in which test drives are conducted offline in safe and sanitary conditions while media engagement, QnA sessions, and PR-related discussions using a host of collaborative tools are conducted online is also a viable third option.

4. Training and workshops

Every single learning course has moved online—from schools to colleges, international universities to large multinational companies. It is not for nothing that during the pandemic, the EdTech sector is witnessing maximum investments and aggressive M&A activities. As part of the launch, the training activities can be broadly classified into two groups—one, which will continue to serve virtually (call centers, sales executives) and the other, which will have to operate offline (technicians, offline salespersons, dealers).

Virtual staff needs to be, by default, trained in a virtual environment, as companies need to ensure that they are prepared to face the digital-first customers. Investing in the right e-learning platform or creating a series of micro e-learning modules/videos can help meet business requirements. When training technicians, sales leads, and dealers, companies can opt for a hybrid approach. They should be provided with engaging virtual sessions with one-touch, on-call support to experts for any queries, and a collaborative learning platform where they can connect with peers and learn from each other. Secondly, with eased restrictions, companies can follow the train-the-trainer model, where training experts are coached virtually and then impart knowledge to other staff in the offline setup—with fewer attendees and while maintaining social distancing norms. Additionally, OEMs can consider investing in 3D technical illustrations or animations for breaking complex information flows into easy step-by-step processes.

5. City-wide launches

A key element of any automobile launch is the city-wide promotion events that generate huge curiosity around the brand and are immense crowd pullers. Such events were otherwise conducted inside malls and used regional influencers to attract customers. In the face of crowd restrictions and social distancing rules, such live events have taken a backseat, with OEM and brands looking for alternatives. Phygital events—a mix of offline and virtual—seem to work best in regional launches. Geo-targeted digital customized banner ads can be used to target regional audiences. Campaigns that use elements of gamification such as virtual test drives around one's city can engage the interest of the audience. Or, taking that forward, winners of virtual games could be given a special (and safe) live test drive around the city. Targeted hyper-local, invite-only events, with regional superstars or influencers can be conducted in a secluded and safe format, where touch and feel of the vehicle, which is an immensely important element of a car sales cycle, can be enabled.

Coming back to the example from the mobile phone industry, a leading handset brand sent its new phone model to selective or top community members for extensive beta testing. Along similar lines, if not cars, at least bike manufacturers can consider leveraging their top-performing service centers—for display and test-driving new launches. A similar approach can be used to leverage the reach and influence of key opinion leaders, particularly those who are active in digital communities.

6. Test drives

Given the circumstances, customers would welcome most activities related to vehicle buying to being offered online. However, the act of physically inspecting a vehicle before saying yes is something that would be hard to accept if not offline. Technology can play a big part in digitizing features and aspects of the car for an "almost real" look and feel, but OEMs would still need to find a way to offer test drives in a connected way.

Here again, a hybrid model, wherein some activities offered online could help facilitate a smooth process. Online appointment systems can help streamline customers to prevent in-store crowds. OEMs can alternatively, arrange for home pickup-and-drop service for road test-drives with maximum safety and minimum physical interaction.

In Los Angeles, Glaeser is doing selective, masked one-on-one test drives with customers from their homes in the Pacific Palisades. MG Motor India launched its Disinfect and Deliver initiative which ensures car deliveries and test drive to customers at home under a completely sanitized process. Suzuki Motorcycle India has launched its online sales platform called "Suzuki at your doorstep." This service will be available for customers through their website, which enables purchases, test-rides, and after-sales services, right at their doorstep. Using its virtual reality platform, Porsche claims to have facilitated 2.2x more virtual test drives than actual test drives from the United States.

7. Automobile bookings

Though automobile companies have, over the years, been investing in digitizing the booking processes, the pandemic has helped accelerate this initiative. However, given the nature of the business, a vehicle-buying experience will never completely become virtual for most customers. Even in a digitally literate country like the US, online sales accounted for just 10–15% of total sales in 2019. Vehicle manufacturers will need to accelerate digital initiatives and infrastructure and provide enticing customer experiences to get more people to adopt digital processes. Companies will need to provide the digital infrastructure to ensure minimum interaction between the in-store salesperson and the customer. For this to happen, OEMs need to ensure that their digital investments are capable of doing the initial heavy lifting without breaking the customer experience.

Several companies are already rolling out such initiatives. Audi India recently launched a platform providing a complete suite of online services, ranging from product demonstration to booking, payment, documentation to delivery of the car to the customer's doorstep in a touch-free manner. Hyundai India, with its recently upgraded "Click to Buy" platform, is said to have received over 700,000 visitors and over 15,000 registrations within the first two months of launch. The platform is designed to provide contactless purchase experience over the complete range of Hyundai cars and covers all the stages of the customer purchase journey. Mahindra & Mahindra has also launched two digital platforms–SYOUV and With You Hamesha, to enhance the overall ownership experience of its automotive prospects and customers at all the points of the customers' journey, including pre-sales, sales, and post-sales.

All is not lost for the brands

There are challenges, and then there are opportunities.

Though the lack of physical and offline events is a huge setback for the automobile industry, the pandemic is providing new opportunities for companies to revisit their strategies. Companies can align digital technologies with their traditional models to bring in new initiatives that will not just help revive the industry in the current scenario but can be hugely advantageous moving forward.

		Launch phases		
		Pre-launch	Launch/unveil	Post-launch
External	**Customers**	Social Media	Youtube/Facebook Live + Mobile Apps/Dedicated Website	Social Media + Website Offline Test-drives & Closures
	Community / Influencers	Social Media + Collaborative Platforms (e.g Zoom/Teams) + Content Management Platforms	Video Conferencing + Collaboration Platforms + Content Management Platform	Social Media + Collaboration Platforms + Offline Connect for Select Few
	Media / PR / Analytics	Social Media + Collaboration Platforms (e.g Zoom/Teams)	Video Conferencing + Collaboration Platforms (Zoom/Teams)	Social Media + Offline Media Drives
Internal	**Dealers**	Collaborative Platforms + Content Management Teams	Video Conferencing + Collaboration Platforms + Content Management Platform	Collaboration Platforms + Content Management Platform
	Customer Support Executives	Social Media + E-Learning Platform	Social Media + Content Management Platform + E-Learning Platform	
	Technician & Service Center	Collaboration Platforms + E-Learning Platform + Offline Workshops	Collaboration Platforms + E-Learning Platform	

Figure: Leveraging Digital across Launch Phases

The Capgemini framework provides Automobile manufacturers and OEMs a hybrid approach that can help engage customers and dealer partners more closely, scale up for a larger audience when required, and most importantly, personalize the customer experience.

Companies can choose a [platform that aligns to their purpose and business objective](#) – be it a full-fledged virtual show, a live-streaming event, or just a video-conferencing tool. Content management and collaboration platforms can enliven stakeholder engagements through simple and streamlined information flow.

However, companies need to be cognizant of the fact that going digital requires a strong strategy that should align with their business plans. Customer–centricity needs to be at the heart of any strategy. The road ahead is wide open -let your digital drive begin.

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