

The Automotive Playbook – A Survival Guide for the Future of the Industry

Your game plan for leveraging key trends and digital commerce technology to ensure your business thrives in this rapidly evolving market.



CONTENT

The status quo in the automotive industry

Challenges facing the automotive industry

Structural changes to the sector

Key trends for the future of automotive

Spotlight on five digital commerce solutions for the automotive industry

Insights from Tealium: Using data to improve customer experience in automotive

How Spryker can help

After sales ecosystem

New and used cars

Mobility marketplace

Automotive Commerce Cheat Sheet

Conclusion

Author

Felix Buehner

Felix Buehner is the Global Lead for Automotive and Mobility at Spryker, a leading e-commerce platform provider based in Berlin, Germany. With over 5+ years of experience in the automotive and technology industries, Felix is a recognized expert in the field of digital transformation and e-commerce solutions for the automotive industry.

Felix started his career in the automotive industry working for Salesforce in Germany, where he gained experience in various areas such as sales, marketing, and after sales processes, focusing on digital transformation and e-commerce strategies for automotive clients.

At Spryker, Felix is responsible for driving the company's global automotive and mobility strategy, developing innovative solutions to help automotive businesses adapt to the rapidly changing digital landscape. He is also a frequent speaker and thought leader on topics related to e-commerce, digital transformation, and the future of mobility.



Abstract

The Automotive Playbook is a comprehensive guide to what's going on in the industry for passenger vehicles and [manufacturers](#) right now – and what will happen in the future. From significant challenges you're facing, to key trends and solutions that are developing, this playbook will help you to understand how evolving technology is changing the face of the industry, and how your business can leverage it to stay ahead.



The status quo in the automotive industry

If you think things are changing quickly in the automotive industry today, I promise it will be faster tomorrow. It is evolving at lightning speed, with more changes in the past three years than in the past three *decades*, accelerated in no small part by the disruption to production caused by the Covid-19 Pandemic.

Advancements in technology and shifting consumer preferences are shaping the future of mobility. As we move further into the 21st century, it's becoming increasingly clear that the vehicles of tomorrow will look vastly different than those of today. From electric vehicles to self-driving cars, the future of the automotive industry is awash with exciting possibilities.

“ By 2029, electric vehicles could account for 26% of vehicles produced worldwide. ”

– Reuters

What does all this mean for the industry? The automotive business models of today will not exist in 10+ years. The customers you have today are not the customers of your future. Therefore, every player, from spare part manufacturers to dealers, and original equipment manufacturers (OEMs) to distributors, must rethink their strategies entirely to survive.

Today's consumers expect to be able to purchase and receive what they want, when and how they want it, with maximum convenience. Since the customer is in charge, it's up to brands and retailers to respond accordingly. The convenience economy is all about consumer empowerment and control.

In the automotive industry, this means that the journey of purchasing, owning, and using a car must be a seamless experience, delivered via the aggregation of products and services at all stages. This can only be achieved via digital solutions, and to succeed in digital, automotive companies must invest in new capabilities to adjust their operating models to a new era. With increased digitization, your business will grow closer to the customer, operate more quickly and efficiently, and ultimately result in a more outstanding customer experience.

We understand that such rapid change is scary, but with the right business mindset, you can be one of the players that stands the test of time.



“ Electric light did not come from the continuous improvement of candles. ”

– Oren Harari

As Simon Sinek, author, and prolific public speaker, explains: you've got to play to perpetuate the game, not try to 'win' or 'lose'. Play to be better today than yesterday. Are you ready to jump into the game? Let's go.

Challenges facing the automotive industry

To fully understand the field you're playing on, let's first map out the major challenges currently facing the automotive industry. You can successfully design your game plan only once you understand the threat ahead.

New customer needs and behavior

Customers today don't just want to buy a product or service – they want an experience. As [McKinsey](#) explains, this shift means the **new automotive battleground is customer experience**. More specifically, automotive companies must gather data at every customer touchpoint, and then actively leverage it to improve the customer experience.

The customer journey is no longer centered around the car showroom. In fact, [60%](#) of car buyers under 45 will likely purchase their next vehicle online. Digital portals are not only about making a purchase, but also about research and social proof.

[95%](#) of vehicle buyers use digital as a source of information to help make purchase decisions, while the watch time of "test drive" videos on YouTube has grown more than [65%](#) in recent years. This illustrates that buyers are doing so much more "behind the scenes" work before considering a purchase, so it stands to reason that those dealerships with the best media-rich customer experience will ultimately win the sale.



EV companies like Tesla are lightyears ahead in this arena. Not only do they sell directly to their customers (who can buy online with fewer than ten clicks), but they've shifted the mindset from buying the latest car model, to purchasing a smart device on wheels that is constantly improved by software updates. Tesla customers can rent batteries by the month, order someone to charge their car via an app, and even ask their vehicle for restaurant recommendations. This shift from product to customer-centricity illustrates that their dominant value is customer experience, and the success of this mindset is evident. Keeping pace with Tesla-level customer experience is one of the biggest challenges facing OEMs. Your business needs to be braver, bolder, and ultimately committed to making changes if you want to stay in the game.

Lack of transparency and complexity among players

The automotive market, and therefore the entire customer journey, is incredibly fragmented as things currently stand. There are a considerable number of intermediaries and almost no communication or data sharing between product and service providers. This complete lack of transparency and general complexity among players results in one of the biggest challenges for the industry.

Automotive buyers need to navigate multiple providers for financing, insurance, and maintenance, resulting in a fragmented customer experience. McKinsey reported that [75%](#) of customers felt their automotive retail experience could be more seamless and integrated. This fragmentation results in a sub-optimal customer experience and makes it more difficult for automotive companies to build loyalty and after sales revenue streams.

Suppose you're an OEM and have no data or visibility on what happens to a vehicle a couple of steps further down the journey. In that case, you're missing out on a wealth of potential knowledge you could leverage to make smarter business decisions. With shared data comes actionable customer insights, such as individualized offers to boost revenue. Weak links in the supply chain can be identified ahead of time when there is data transparency, allowing for swift interventions. These are just a couple of examples of some massive benefits automotive companies are missing out on by not consolidating their data into one ecosystem.

Complexity is a significant challenge facing OEMs. As technology advances and the demand for sophisticated features in cars increases, the number of applications and systems within a core area has skyrocketed. It's not uncommon for there to be up to 600 applications or systems in a single area of a vehicle. This complexity presents several issues.

When there are numerous components to consider, identifying and fixing issues that arise in the vehicle becomes increasingly difficult. Multiple systems and applications are not always compatible with one another, adding another layer of complexity. All of this can increase the time and cost of developing and manufacturing vehicles, as well as the maintenance costs for the end users. Therefore, OEMs must find ways to manage the complexity of their vehicles to reduce costs, improve efficiency, and enhance user experience, or they risk being overtaken by new market entrants, such as Lucid, Tesla, or Nio.



“ Companies in the auto industry that have embraced data analytics are experiencing 30–50% higher revenue growth than those that haven’t. ”

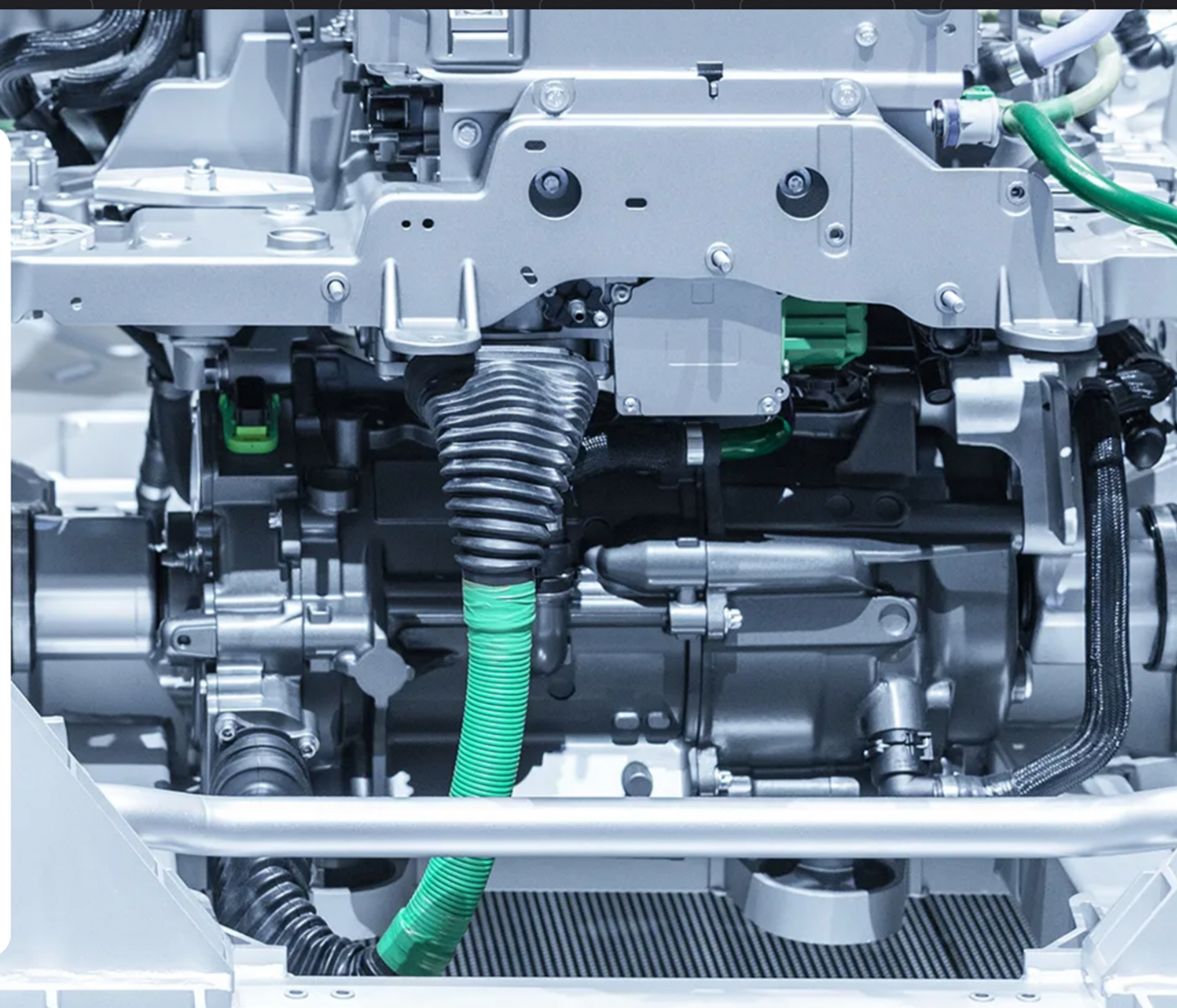
– Capgemini, Insights-driven enterprise: A winning strategy for automotive companies.

Supply chain instability

The last couple of years has been rocky for supply chains, to say the least. A global pandemic, the conflict between Ukraine and Russia, and ensuing soaring energy prices have all contributed to a gigantic headache for the automotive industry – An estimated [3.5 million vehicles](#) were simply not able to be manufactured in 2022 due to production shut-downs according to Auto Forecast Solutions, while the global semiconductor shortage cost the automotive industry [\\$110 billion](#) in lost revenue in 2021 alone. As the automotive industry increasingly moves away from traditional combustion engines to electric vehicles, the need for electrical parts is only increasing.

While there are improvements in the chip shortages and supply bottlenecks, especially with China opening up, the semiconductor and supply chain issues will likely continue to impact the market in 2023 and beyond.

The automotive industry has been attempting to diversify its supply chains to build more resilience against production challenges since the Covid-19 pandemic began. However, many businesses still need to catch up in this arena.



Structural changes to the sector

When Bob Dylan crooned, *'The times they are a-changin'* in the 1960s, little could he know how relevant his lyrics would continue to be almost sixty years later. Practically every industry has experienced what McKinsey coined as ['the quickening'](#) due to the Covid-19 pandemic, where e-commerce and digitization leaped forward decades in a matter of days. For the automotive industry, these tremendous structural changes pose a significant challenge. Technological advancements, shifting consumer demands, and regulatory considerations such as sustainability have all changed the landscape for automotive businesses substantially.

The shift toward [EVs](#) is the most prominent and consequential structural change. Consumer sentiment is leaning heavily towards reducing carbon footprint, while many nations have put emission reduction policies in place, contributing to the rising popularity of EVs.

McKinsey reported that global sales of electric vehicles are projected to reach [27 million by 2030](#), representing nearly 30% of new car sales. New players are entering the market and heating up the competition among old incumbents, meaning that traditional automotive companies must focus on research and development (R&D) more than ever before.

Another significant structural change is the rise of new vehicle ownership models, such as car sharing and subscription services. By 2030, revenues from mobility services are projected to soar to almost [€1.2 trillion](#), according to Accenture. As consumers increasingly move away from traditional car ownership, sophisticated digital solutions and a focus on customer experience become even more critical for the industry.

Digital technologies such as artificial intelligence and machine learning are also making structural waves in the automotive industry. New solutions like predictive maintenance will improve customer experience and provide new revenue opportunities. Reinforcement Learning from Human Feedback (RLHF) is a giant topic right now and one that will continue to grow, with natural language processing platforms such as ChatGPT creating major waves in every market.

These structural changes bring unique challenges to the automotive industry, but overall they signify a need to increase flexibility and adaptability to stay competitive.



Discover more about how the automotive industry is leveraging AI technology
[Intelligent vehicles](#)

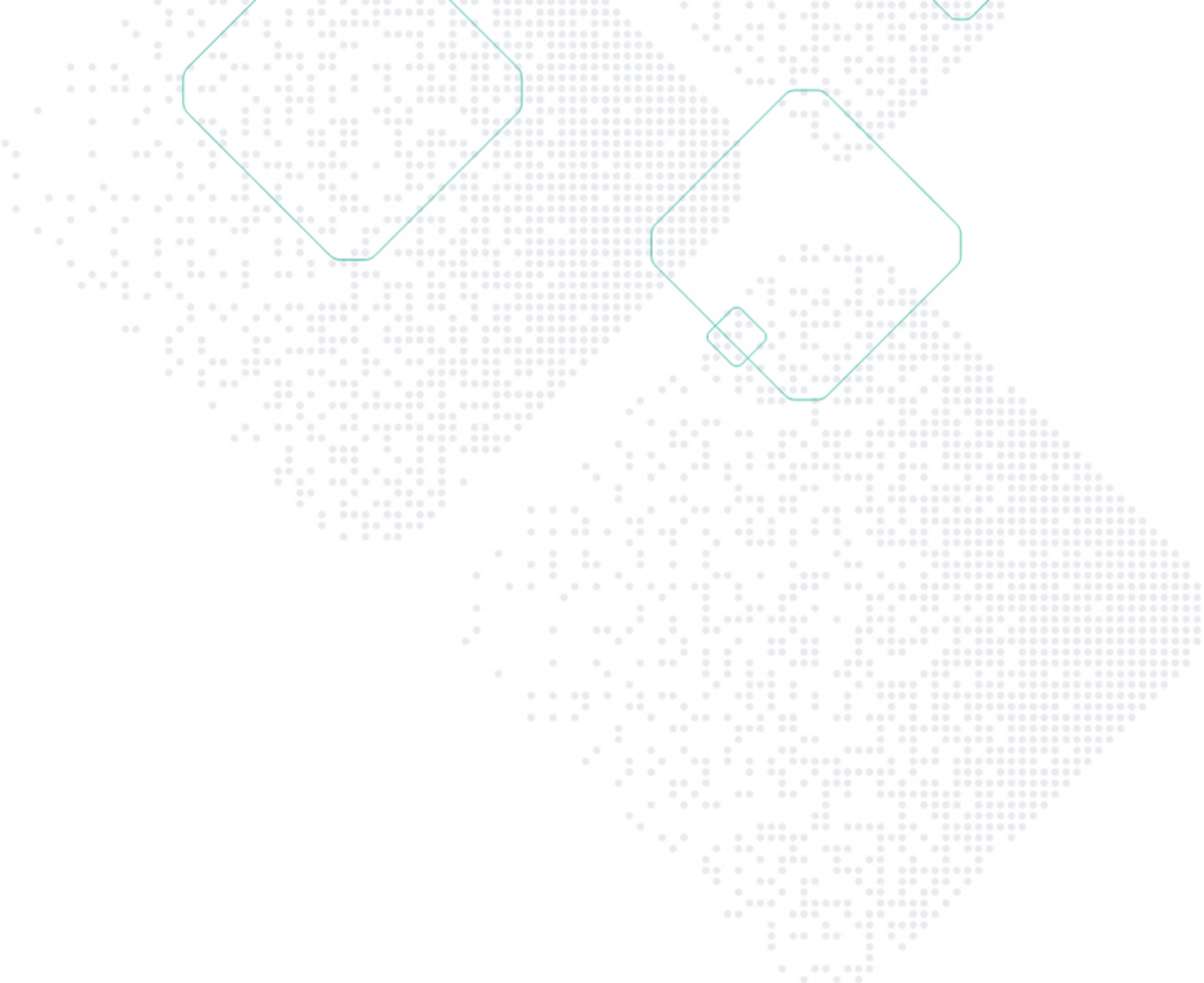
Putting all your eggs in one basket

Much like how investors know not to put all their money into a single asset, automotive companies must also consider the importance of diversification in their business models and revenue streams. The recent market and supply chain turbulence has highlighted the risks of heavily relying on a single supplier or product. However, many businesses still need to learn their lesson about the importance of not putting all their eggs into one basket.

Your business's ability to pivot and explore new areas will help to ensure your future survival. Consider Tesla for a moment – synonymous with EVs and Elon Musk. While the majority of Tesla's revenue currently comes from automotive sales, they also generate income from energy generation and storage, including solar roofs, as well by selling regulatory carbon credits to other automakers. To illustrate, Tesla made around [\\$344 million](#) in carbon credits revenue during Q2 of 2022. This is an example of the ['circular economy'](#).

With new players constantly entering the market, consumer demands evolving rapidly, and the geopolitical landscape rockier than ever, automotive companies must take stock of their resiliency if the main arm of their business were to fail.





Misunderstanding how the digital sphere compares with physical sales

Too often, automotive businesses incorrectly believe that their previously successful physical sales will translate seamlessly into the digital sphere. There are several reasons why this is not the case, and market players need to understand this before embarking on any new digitization projects.

Firstly, the very way that consumers shop has changed dramatically in the past couple of years. Whereas previously, a vehicle buyer might visit a dealership, test-drive a few models, and ultimately take the salesperson's advice, today's buyer prefers to conduct their own research beforehand – online – as outlined in the earlier section about new customer needs and behavior. This means that traditional sales tactics employed with physical sales won't work and must be adapted to this new cohort of digital consumers.

“ Automotive consumers visit an average of 4.2 websites as part of their purchasing process. ”

– Cox Automotive



Much like how traditional sales tactics won't cut it in the digital world, neither will old marketing techniques. While entering the digital market opens up a whole new world of possibilities, it also comes with corresponding challenges. While automotive businesses can now reach a much larger audience than ever, there is also much stiffer competition.

eMarketer predicts that automotive digital ad spend will increase by [11.7% in 2023](#), meaning that the digital landscape is increasingly saturated with offers from your competition. Those who invest in and are smarter with their digital marketing will stand out from the crowd, and put your business into the back corner if you're not doing the same – meaning you can't afford to be left behind in this arena.

For automotive manufacturers and B2B, sales have historically relied on the direct relationship between the manufacturers and the dealership, focusing on building long-term partnerships. Physical sales remain vital to the B2B automotive industry, but digital sales channels are becoming increasingly important, as digital solutions offer more efficient and streamlined purchase processes. These shouldn't be compared directly to physical sales 1:1, as digital sales channels work differently, helping both the manufacturers and the dealerships to reach a wider audience and reduce overall costs.

Finally, while physical car sales did not evolve dramatically over the decades, the digital sphere is constantly changing. If they hope to succeed, automotive businesses need to be agile and willing to experiment and adapt, especially with new sales and marketing tactics.

Challenges – the bottom line

A quick skim of the previous paragraphs, and you will start to notice some key trends emerging. The automotive industry is changing, and quickly. The major challenge facing all automotive players right now is whether they can pick up the pace and learn how to adapt, or risk being left behind.

With this in mind, let's delve deeper into some of the key trends changing the face of the market, so that you can understand where your business should be headed.

Key trends for the future of automotive

The future of the automotive industry is innovative, sophisticated, and bold. We are in one of the most transformative periods the automotive industry has ever experienced, and one of the most exciting. Breakthroughs in electrification, self-driving cars, shared mobility, and more aren't just affecting the industry – they are changing the world.

Successfully navigating the future of the automotive industry requires embracing a new mindset, new products and services, and new ways of working. It's about ecosystems and how to relate with your partners and customers. It's about personalization, efficient use of data, and optimizing and transforming operations. It's also about defining strategic direction and value propositions through profound and coordinated changes in your culture, workforce, and technology.

Technological advancements are constantly evolving, so those in the automotive industry need to have their finger on the pulse of key trends and how they impact the market.

In this section, we're going to highlight the following five major trends:

- Electrification
- Intelligent vehicles
- Shared mobility
- Circular economy
- Future of sales & dealerships

Electrification

Vehicle electrification and its connected infrastructure are among the biggest trends in the automotive industry today. According to Statista, the global EV market size is currently [411 billion USD](#), primarily driven by China, Europe, and the U.S. [Tesla](#) has the largest market cap, followed by two Chinese firms, [Li Auto](#) and [Lucid Motors](#).

A combination of factors has driven EV growth; policy shifts in many countries banning gasoline and diesel vehicles, as well as the continued growing consumer demand for more sustainable vehicles and mobility. The automotive industry at large is now forced to act. OEMs electrifying their vehicle portfolio, creating new partnerships along the supply chain, and generating new business value streams will define the future of mobility.

With battery prices falling and charging infrastructure increasing, EV sales will outpace traditional vehicle sales in the next decade, creating fierce competition for market share in the electric vehicle space. One reason for this rapid development is Tesla, which acted as an accelerator of electrification as a new industry trend. They demonstrated that building EVs with new battery production and manufacturing concepts is possible.

Today, all OEMs struggle to redesign their production and logistics systems, including a different approach to supplier management. Transactional business is proliferating, mainly due to supply chain verticalization, the circular economy, and connected services. The struggle of OEMs is visible: scaling EV production and embracing the latest technology while maintaining the same levels of quality and efficiency.

Alongside this, you have evolving customer interactions related to charging, as well as transaction opportunities along the entire EV customer journey. By redesigning the customer journey around the charging station, there is a huge opportunity to increase customer experience before, during, and after charging. The potential for transactions, such as in-vehicle offers, will increase customer satisfaction and retention, and open up a whole new world of revenue potential for the service provider.

Industry examples

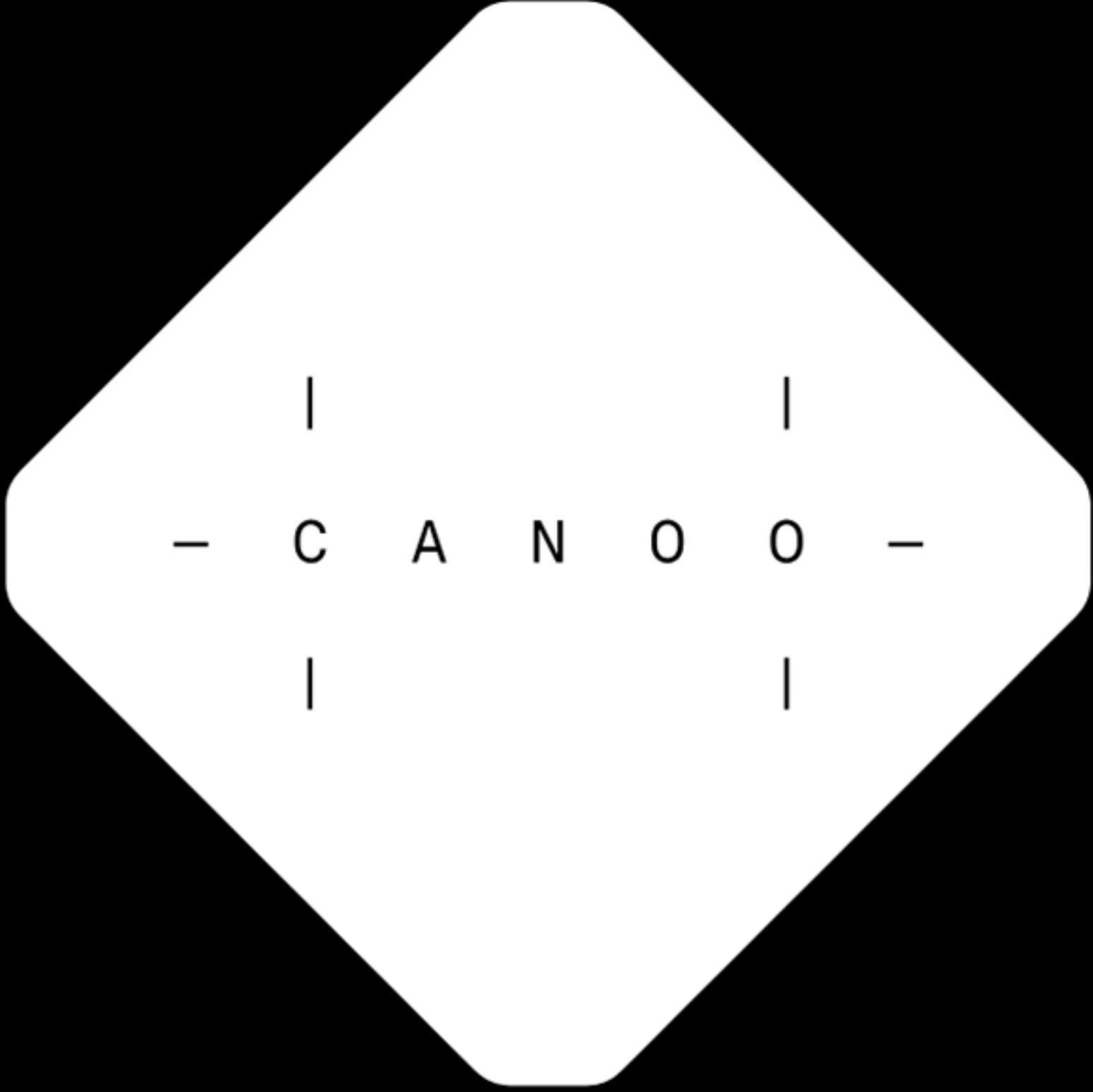
[Siemens](#) has partnered with Ford on a customized EV charger for Ford's All-Electric F-150 Lightning pickup truck. It has been designed to provide fast and efficient charging for retail customers, focusing on convenience and ease of use. The collaboration aims to enhance the overall EV ownership experience, as it can be installed in the customer's home or work, and provides a seamless, safe, and convenient charging solution.

"Together with Ford, Siemens is not only helping accelerate electric vehicle adoption in the residential space but is also empowering drivers to take more ownership of their energy future," said John DeBoer, head of [Siemens eMobility](#) in North America.

"The technology behind this charger is helping make charging at home more sustainable, more reliable, and more accessible. We're incredibly proud to put our experience to work to help usher in a new era for electric vehicles and grid resiliency."

Another example is the EV startup based in Los Angeles, California: [Canoo](#). The company was founded in 2017 by a team of experienced automotive and technology executives, and its mission is to create sustainable, affordable, and user-friendly EVs.

Canoo is primarily focused on developing EVs for the consumer market. Still, they have also explored other use cases for their technology, such as last-mile delivery and subscription-based mobility services. In addition, they have also developed a scalable electric skateboard platform, which can be used as the basis for a wide range of electric vehicles. Canoo also uses advanced software and hardware technology to support autonomous driving and other driver assistance systems.

The Siemens logo is displayed in a teal, sans-serif font, centered within a white diamond-shaped graphic.The Canoo logo is displayed in a black, sans-serif font, centered within a white diamond-shaped graphic. The letters are spaced out, with vertical bars above and below the 'C' and 'O's, and horizontal bars to the left and right of the 'C' and 'O's.

The race for the electric market has just begun

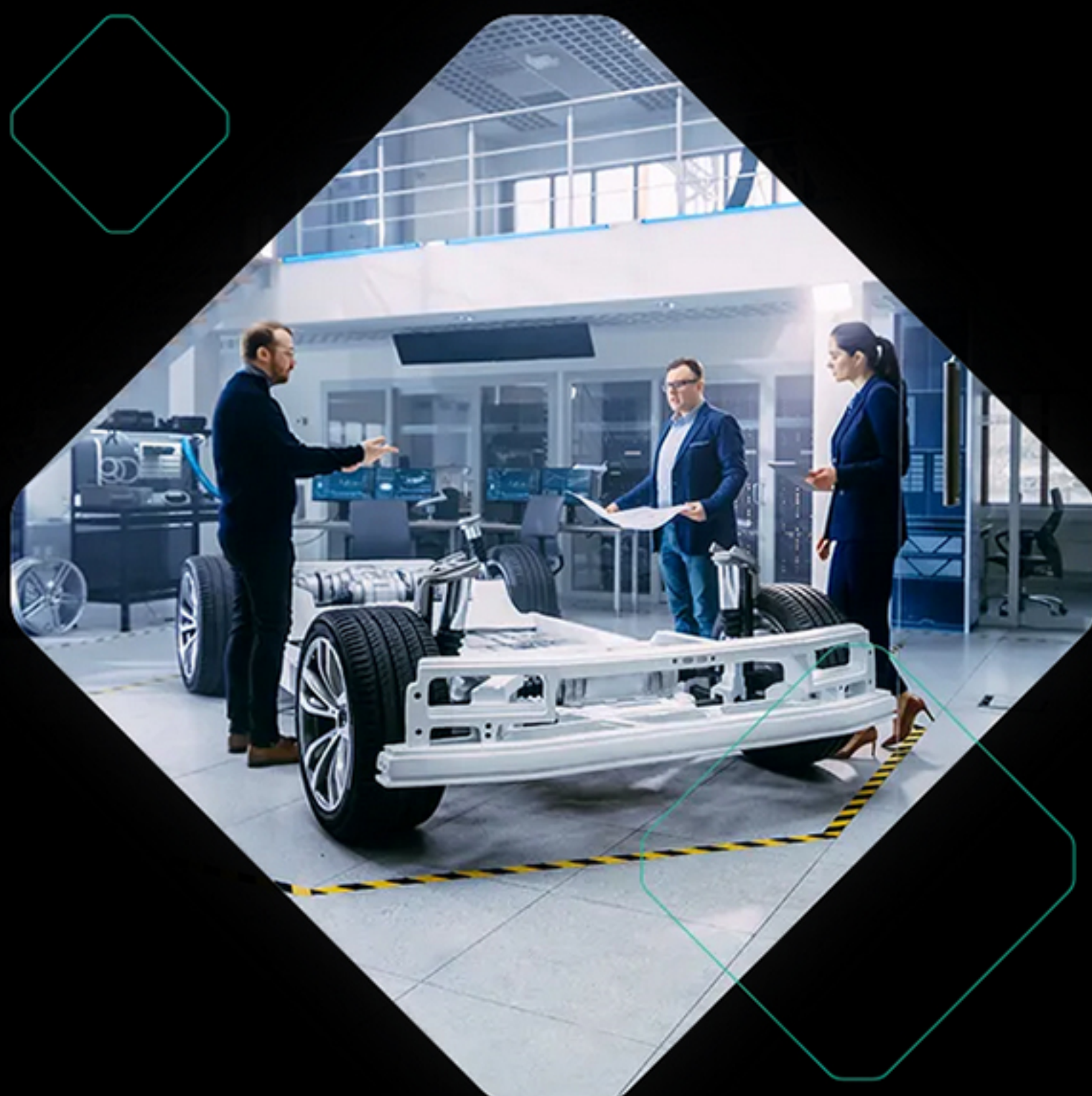
With many factors at play, including the pandemic and the war in Ukraine among them, the global automotive industry has taken a knock in the past couple of years. In 2022, car sales varied significantly among the major markets. According to ING, The US market performed poorly, with sales numbers expected to decline by [7–8%](#) compared to the previous year. Conversely, Germany achieved a small growth of around 1% YoY in FY22 and was among the top performers in Europe. China, too, experienced a positive year-end despite the pandemic's strict measures, thanks to government tax incentives.

In 2023 and beyond, passenger car sales in China are expected to increase by 4%, helped by removing the zero-covid policy. As the largest EV manufacturer, all eyes are on China, where according to Deloitte, sales of new energy vehicles had a penetration rate of [17%](#) at the beginning of 2022, increasing to 27%. This year, annual sales are expected to double to 5.6 million units. In addition, revenues from China's EV market reached approximately [102.2 billion USD](#) in 2021, according to Statista.

One Chinese company, [BYD](#), has emerged as a strong competitor to Tesla in the EV market. With a primary focus on the domestic market, approximately 25% of BYD's sales are electric vehicles. BYD has made significant strides in expanding globally and making substantial profits. The company is highly automated and verticalized, producing its own semiconductors.

While BYD has traditionally focused on the lower end of the market, they are now moving upwards, in the opposite direction to Tesla. They are currently trying to enter Europe; however, they have yet to crack the US market, where Tesla maintains dominance. There are geopolitical issues to consider, such as the American crackdown on Huawei, which may complicate BYD's global assault. Despite these challenges, BYD has accumulated valuable knowledge in its home base and continues to threaten Tesla's dominance in the global EV market.

As China's market share in the industry grows, other automotive players should keep a keen eye on their progress. They could act as a giant disruptor, creating a catalyst for new market competition.



Intelligent vehicles

If you already think your phone might already be smarter than you are, just wait to meet the future of intelligent vehicles. Integrating advanced technology, including AI, machine learning, and the Internet of Things (IoT), intelligent vehicles can talk to each other, instantly analyze data from traffic cameras, and make autonomous decisions about safety, efficiency, and user experience, all without the driver's input.

Features of intelligent vehicles include adaptive cruise control, self-parking, and driver assistance. Self-driving cars have been touted as 'the next big thing' in automotive for years, but have [yet to hit the mainstream market](#). That being said, it's almost certain that the next generations will enjoy such technology. It's projected that in 2030, the autonomous vehicle market will reach the size of over [2.3 trillion US dollars](#), according to Statista.

We previously discussed EVs, considered at the forefront of intelligent vehicles requiring a complex electric architecture and additional software. It's said that engineers designing a single EV power electronics component must create [100 million lines of code](#) to do so.

With more software, there also comes more opportunities to "connect" with the vehicle's ecosystem, meaning that transactions into and from the car are the future business models for OEMs. On the flip side, OEMs are facing a steep rise in engineering complexity due to growing consumer demand for vehicle connectivity. From the consumer behavior point of view, customers expect more than just transportation – they want fast charging, autonomous driving, a personalized experience, and more.



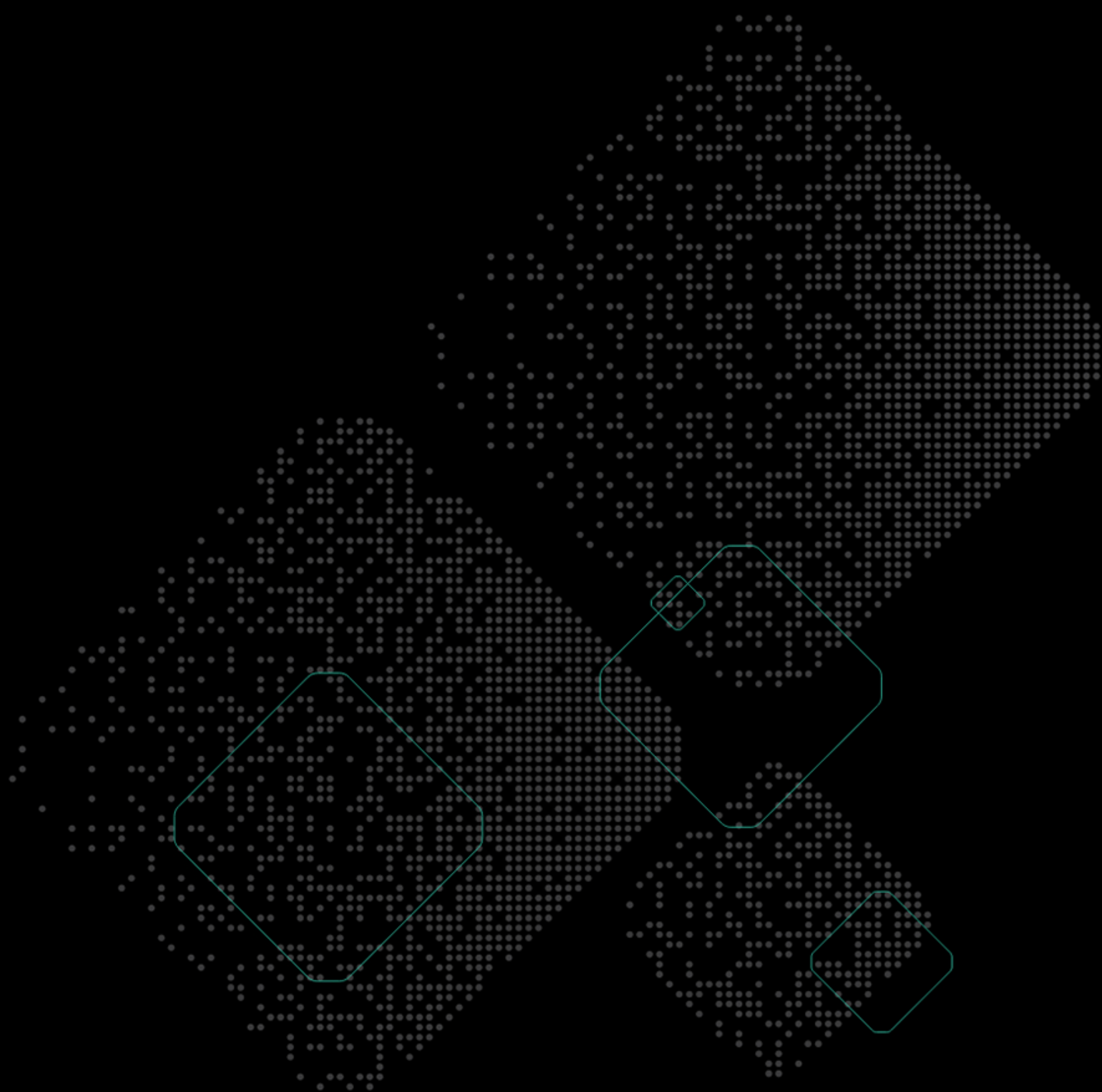
What is a software-defined vehicle?

A software-defined vehicle relies heavily on software and data to operate. In such a vehicle, the software is responsible for many functions that mechanical or electrical components traditionally handle. For example, a software-defined vehicle may use advanced sensors and machine learning algorithms to analyze data from the vehicle's surroundings and decide how to navigate traffic safely. The software may also manage the vehicle's power systems, adjust performance parameters, and provide real-time feedback to the driver or passengers.

One of the key benefits of a software-defined vehicle is that it can be highly flexible and adaptable. The software can be updated and improved over time, which means the vehicle can continue to evolve and improve even after being manufactured and sold.

A software-defined vehicle can also be highly customized to meet the needs of individual drivers or businesses, which can help to improve efficiency and productivity, also for the OEM. The release updates of the vehicle software can be performed instantly without the vehicle owner visiting the dealer. In some cases, it might even be executed without the driver noticing, meaning minimum disruption to the user experience.

A software-defined vehicle is an important step forward in the evolution of transportation technology, with advanced software and data analysis tools designed to improve safety, reduce congestion, and provide more freedom for the driver.



Industry examples

[Waymo](#), a self-driving car company from Alphabet Inc, is a leading example of a software-defined vehicle. Their self-driving technology is based on an advanced software platform that uses data from various sensors, including lidar, radar, and cameras, to create a highly detailed 3D map of the vehicle's surroundings.

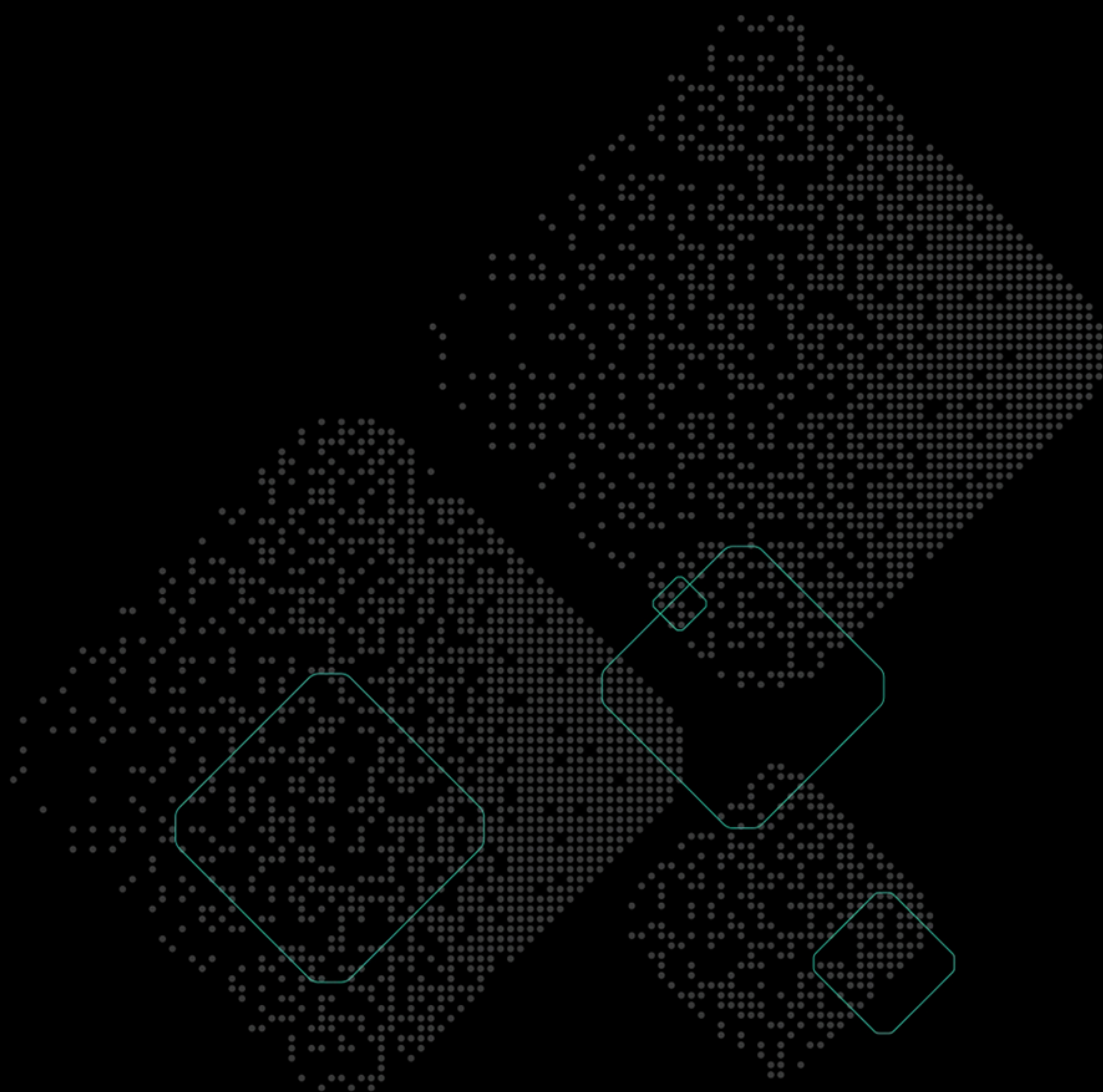
The software platform uses machine learning algorithms to analyze this data and decide how to drive more safely. Waymo's vehicle is designed to be modular, so various system components can be easily updated or replaced as technology evolves.

Waymo's software platform is also designed to be highly secure and resilient, with multiple layers of redundancy to ensure that the vehicle can safely navigate all sorts of conditions. The company has put its vehicles through extensive testing and simulation to ensure they can handle various scenarios and edge cases.

Waymo's software-defined vehicle represents the future of transportation, with advanced self-driving technology designed to improve safety, reduce congestion, and provide a more convenient and enjoyable driving experience.

[Holoride](#) is a start-up that has developed an innovative in-car entertainment system that provides passengers with an immersive virtual reality experience. It uses data from the car's sensors to create a virtual environment that matches the car's movements. Founded in 2018 by a team of engineers and developers from Audi, Holoride has received support from prominent automotive and technology companies.

The system uses a combination of VR headsets and in-car sensors for entertainment apps such as gaming, movies, and educational content. They also aim to reduce motion sickness by creating a comfortable and natural experience – even during long drives. As the vehicle industry shifts towards connected and autonomous cars, Holoride represents an example of how "add-on" features can enhance the overall passenger experience.



Shared mobility

As consumer demands regarding sustainability and convenience have shifted, the automotive industry faces the 'ownership vs. mobility' battle. Shared mobility as a concept essentially means any system where a mode of transportation is not owned by one individual, but 'shared' or rented by many. This includes car sharing, bike sharing, e-bikes, and electric scooters.

The trend for shared mobility has grown in popularity as congested cities have sought ways to reduce congestion from road traffic, and consumers found the new alternatives to car ownership more convenient, more affordable, and in some cases, more fun. Shared mobility can be split into several major categories: ride-sharing, also known as 'hailed-mobility,' has the largest market share, while car sharing and other segments like shared micromobility are gaining popularity.

Mckinsey's Shared Mobility report stated that there were more than 15 billion hailed-mobility trips in 2019, with revenues reaching **\$130 billion**. They predict that by 2030, total revenues from hailed mobility could increase to between \$450 billion and \$860 billion, accounting for 80–90% of consumer spending in shared mobility.

In comparison, the car sharing market may total between \$10 billion to \$15 billion in 2030. As robo-taxis and robo-shuttles gain traction, they will act as stiff competition for car sharing, since drivers have less freedom than in an autonomous vehicle (and they must find parking!).

The rise of apps and smartphone penetration has made it easier for more people to access shared mobility services, while the technology is streamlining the process of finding and using these services. As global trends such as urbanization and moving away from fossil fuels grow, shared mobility will also gain more market share in the automotive space. In fact, the global shared mobility market size was valued at USD 166.3 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of **16.9%** from 2022 to 2030.

Industry examples

[MOIA](#), a mobility company and subsidiary of the Volkswagen Group, focuses on developing and implementing innovative and sustainable transportation solutions in urban areas. Its primary focus is on providing on-demand ride-sharing services, similar to Uber and Lyft, but with a fleet of EVs.

MOIA uses sophisticated algorithms and data analysis to optimize its ride-sharing services, to provide efficient and affordable transportation options to customers. The company has launched pilot programs in several cities worldwide, including Hamburg, Hanover, and London, and continues to expand its operations. In addition to its ride-sharing services, MOIA is also exploring other areas of mobility, such as autonomous vehicles and mobility-as-a-service platforms.

"At MOIA, we believe that ridepooling can make our cities better, safer and more beautiful places to live in. As a partner of the cities, we therefore work closely with public and private mobility partners to make urban mobility so demand-oriented, flexible and convenient that, together, the mobility revolution can succeed."

[Silvercar](#) is a premium car rental company specializing in renting luxury Audi vehicles via their smartphone app. Digital and hassle-free, drivers can use the app to choose, reserve and unlock their car, eliminating long paperwork lines at the rental counter. While more expensive than traditional car rental companies, customers are willing to pay for the convenience and luxury features Silvercar offers, including free Wi-Fi and in-built GPS.

[Porsche Passport](#) is a subscription service that enables customers to access various Porsche models for a fixed monthly fee. The service is designed to give customers the flexibility to drive different Porsche models depending on their needs and preferences. The monthly subscription fee covers all maintenance and insurance costs, and customers can swap vehicles as often as they want.

To use the service, customers download the Porsche Passport app, which allows them to select their desired vehicle and arrange delivery or pickup. The app also enables customers to track their subscription status and manage their account details.

Porsche Passport is seen as an innovative approach to car ownership that offers the benefits of having access to a luxury vehicle without the long-term commitment and upfront costs associated with purchasing or leasing such a vehicle.



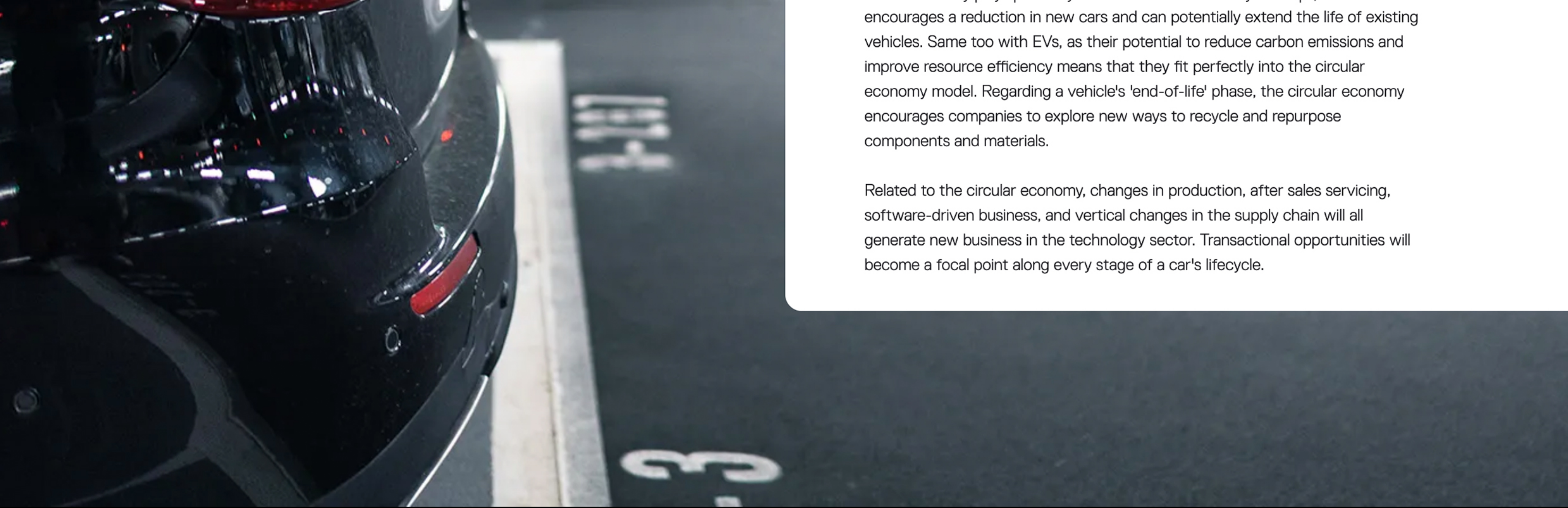
Circular economy

The circular economy is an economic model that aims to keep resources in use for as long as possible, maximizing their value and minimizing waste. It's an alternative to the traditional linear economy, in which resources are extracted, used, and disposed of as waste. In a circular economy, resources are kept in use through strategies such as recycling, remanufacturing, and reuse. Products and materials are designed to be durable, repairable, and recyclable, and waste is minimized using renewable energy sources and more efficient production processes.

Circular economy principles apply to a wide range of industries, from manufacturing and construction to agriculture and energy. It requires a shift in thinking and a new approach to business and design, but offers significant benefits in terms of resource efficiency, environmental sustainability, and economic growth.

The circular economy has a significant impact on the future of the automotive industry, both in terms of how vehicles are designed and manufactured, as well as how they are used and disposed of. As the government places more pressure on companies to reduce CO2 emissions, automotive manufacturers must consider sustainable materials, such as recycled plastics and metal, as well as evolving processes that minimize waste and energy usage. This can also lead to cost savings for manufacturers, so it's not a zero-sum game.

By 2030, the circular economy could account for one-sixth of the total economic growth, with circular models and regulations potentially reducing emissions and material waste in the automotive industry by up to [50%](#). However, the supply chain accounts for [80%](#) of a company's greenhouse-gas emissions, so the onus is on carmakers to find solutions for reducing their carbon footprint.



encourages a reduction in new cars and can potentially extend the life of existing vehicles. Same too with EVs, as their potential to reduce carbon emissions and improve resource efficiency means that they fit perfectly into the circular economy model. Regarding a vehicle's 'end-of-life' phase, the circular economy encourages companies to explore new ways to recycle and repurpose components and materials.

Related to the circular economy, changes in production, after sales servicing, software-driven business, and vertical changes in the supply chain will all generate new business in the technology sector. Transactional opportunities will become a focal point along every stage of a car's lifecycle.

Industry examples

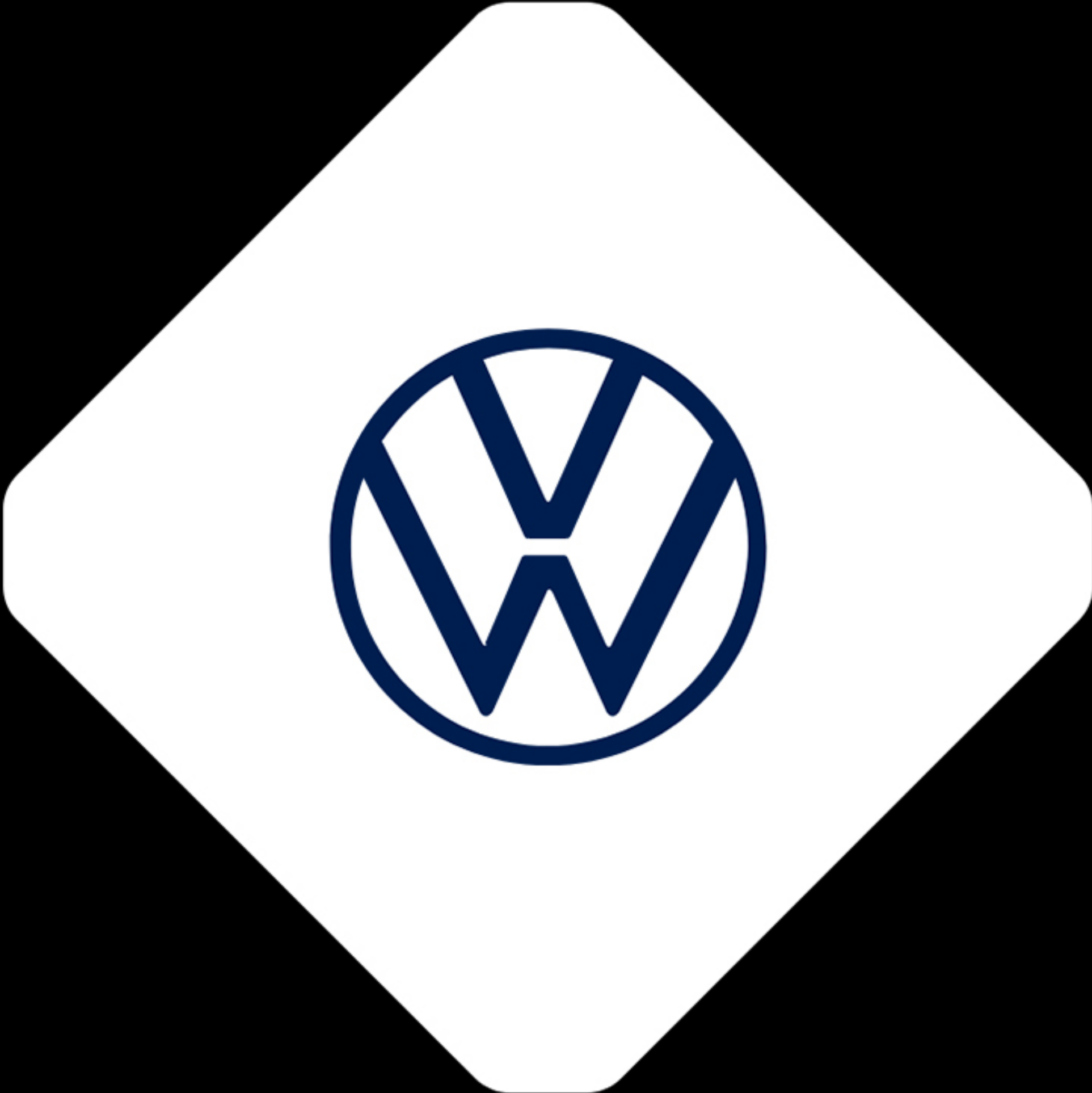
In response to the circular economy, [Volkswagen](#) has taken steps to vertically integrate its supply chain, which involves bringing more stages of the production process in-house. This approach aims to create a more closed-loop system in which waste is minimized, materials are used more efficiently, and the overall environmental impact is reduced.

One way Volkswagen has verticalized its supply chain is by investing in its own battery production facilities. The company has established a joint venture with Swedish [Northvolt](#) to build several factories for batteries used in Volkswagen's EVs. This approach ensures that Volkswagen has a reliable and sustainable supply of batteries, and allows the company to have greater control over the production process, from sourcing raw materials to recycling used batteries.

Volkswagen has also vertically integrated its plastics production, producing its own recycled plastic components for its vehicles. This reduces the company's reliance on external suppliers and ensures a steady supply of high-quality recycled plastics.

While the electrification trend has pushed Volkswagen to focus on redesigning its logistics, manufacturing, and supply chain processes, it has also embarked on new ventures into industries previously untouched, such as chemistry. Partnering with Canadian company [Xanadu](#), Volkswagen has launched a multiyear research program designed to develop battery materials that are safer, lighter, and more cost-effective.

"With its NEW AUTO strategy, Volkswagen enters new territory, especially when it comes to exploring opportunities along the battery value chain. Next-generation high-performance materials and electrochemical processes are key ingredients of this expedition," says Dr. Nikolai Ardey, [Head of Volkswagen Group Innovation](#). "Working together with cutting-edge companies like Xanadu is like hopping on a speed boat heading at the next big thing: Quantum Computing might trigger a revolution in material science and optimization, key competencies to grow our in-house battery expertise."

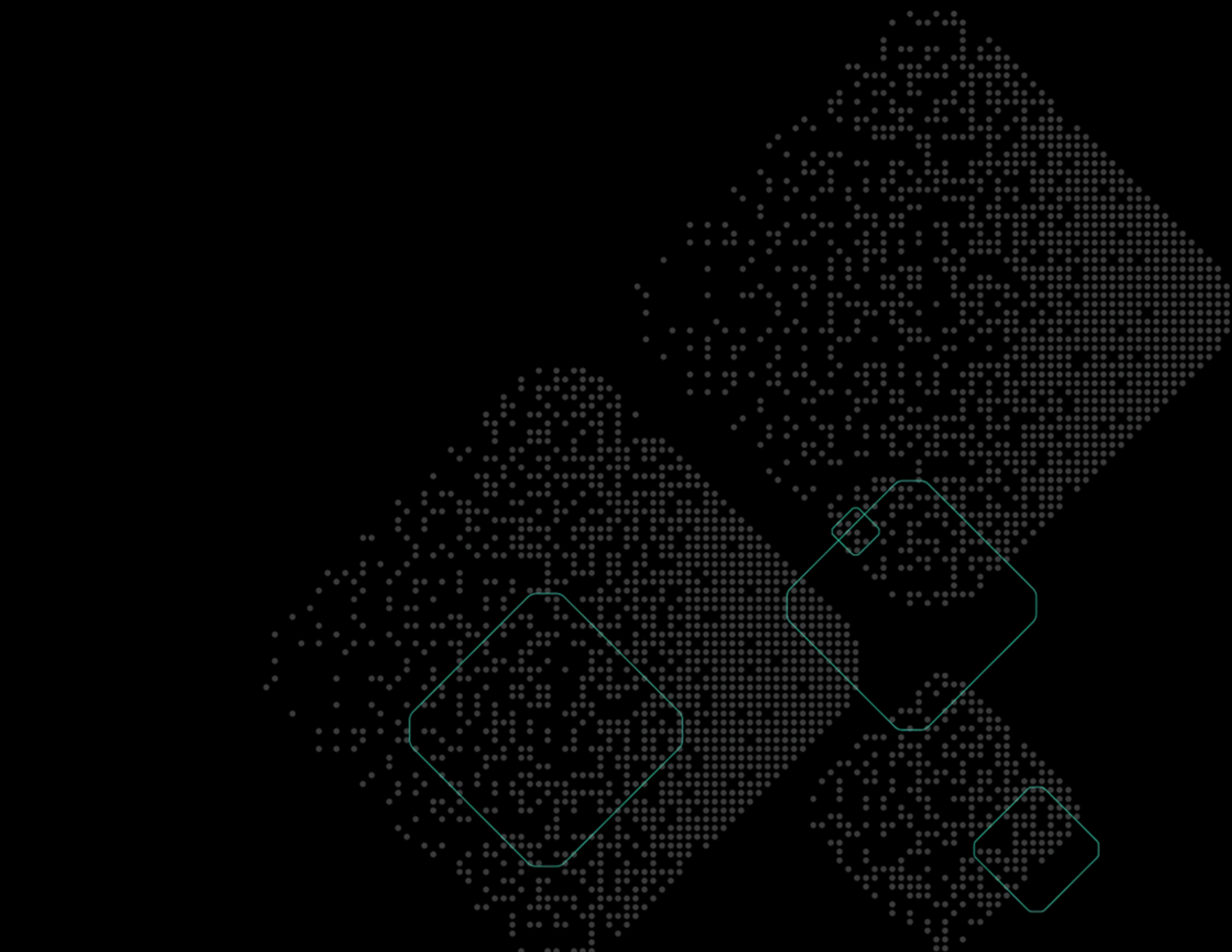


The future of sales & dealerships

The future of sales will be defined by personalization, bold customer interactions and experiences, and the convenience of a seamless customer journey throughout all channels and touchpoints, including dealerships.

The automotive industry needs to define new standards and collaboration models to achieve this, as the current retail network approach will soon cease to exist. Dealerships will generally continue to exist, but in a different quantity and capability. How this will shift depends on the growth of the key automotive trends already discussed, such as shared mobility, electrification, after sales services, and improved customer and brand experiences.

For OEMs to achieve the ultimate goal – customer loyalty – experiences must be integrated from every angle, from internal (employee, vehicle, and brand experience) to external (dealer and final customer experience). However, to achieve this experience-led shift successfully, OEMs must re-structure and streamline their back-end systems and differentiate their front ends, which is easier said than done.





Dealers must also redesign themselves to find value in the automotive industry's supply chain. It's not enough to just sell vehicles any longer. Dealers must understand their position in the market and service the customer, the manufacturer, and a possible new ecosystem differently. They must also think out-of-the-box to collaborate with vertical or horizontal partners to gain profit pools and diversify their business models.

Dealer tasks and responsibilities are strictly regulated, and many OEMs are scared to touch any new business models due to these legal constraints, such as direct sales. This will change in the future with new entrants in the market that have nothing to do with the traditional dealer network. The relationship between OEMs and suppliers may improve to foster innovation jointly along the vertical supply chain.

Visionary dealership groups who understand the future trends of the automotive industry and prepare themselves gradually for business around second-hand cars, shared mobility services, and enhanced customer experiences will ultimately be the ones who survive.

Let's take a deeper look into some of those trends and changes that are likely to shape the dealership of the future:

Digitization

The dealer of the future will need to fully embrace digital technologies to improve customer experience and streamline operations. This will include offering online purchasing options, such as buying, leasing, financing, and subscribing.

There will also be digital showrooms for embracing the customer at the point of sale, such as unified commerce, physical product experiences, and virtual reality (VR) vehicle presentations.

"In 2025, the global automotive AR and VR market is forecast to reach about 673 billion US dollars." – [Statista](#)

The service area within the dealership also has enormous potential for transactional marketplaces where the dealership can incorporate its end-to-end processes and also include partners.

Personalization

Dealerships must offer personalized experiences to their customers, leveraging data and analytics to tailor their offerings to individual needs and preferences. This will include personalized marketing, tailored financing options, and customized vehicle configurations.

Each transaction within the dealership and its future partner ecosystem should be understood and ideally monitored (following data protection regulations). Customer driving experiences should delight customers far more than today's standard test drives.

Sustainability

Environmental concerns and regulations will drive dealerships to adopt more sustainable practices. This will include offering electric and hybrid vehicles, implementing green initiatives in *their operations, and leveraging renewable energy sources.*

The dealership of the future won't look like they do currently, with big buildings and more than ten vehicles. Soon, dealerships will be urbanized pop-up stores with fewer vehicles, leading to fewer capital costs.

Mobility services

Dealerships will need to expand beyond just selling vehicles to offering a range of mobility services. This will include subscription-based services, ride-sharing and car sharing, and other forms of mobility.

Partnerships and collaborations

Dealerships will need to forge partnerships and collaborations with other companies and service providers to offer their customers a more holistic and integrated experience. This could include partnerships with technology companies, finance providers, mobility service providers, parts suppliers, and even the OEM. The challenge will be providing the customer with a seamless experience by integrating different partners.

Industry examples

[Lynk&Co](#) is a Chinese-Swedish automotive brand that offers a unique ownership model and innovative connectivity features to appeal to a younger, tech-savvy demographic. The company's vehicles are designed to be shared among a community of users and come equipped with advanced technology that allows for seamless integration with the internet and other digital devices.

Lynk&Co's dealerships are a world away from traditional ones. Calling them 'clubs', they feature modern, Scandi furniture and are designed to be social hubs where customers can interact with the brand and other members. Everything is digital, with customers able to personalize and buy a vehicle online. Lynk&Co also offers services beyond that, with car sharing and charging stations. With a focus on creating a community-oriented brand experience, Lynk&Co's dealerships are at the forefront of convenience and connectivity.

[Casa Seat](#) is a dealership concept from Spanish car manufacturer SEAT that aims to reimagine the traditional car-buying experience. At Casa Seat, customers are offered a unique, personalized experience that puts them in control of their purchase journey. They can browse and configure their vehicle online, book test drives at their convenience, and receive personalized advice from a dedicated "Casa Seat expert" who can guide them through the process.

In addition to the traditional dealership experience, Casa Seat also offers a range of lifestyle services designed to enhance the customer experience. These include a coffee bar, a co-working space, and a retail store selling SEAT-branded merchandise. By focusing on creating a comprehensive and personalized customer experience, Casa Seat is redefining the dealership's role, moving away from a transactional model to one focused on building long-term relationships with customers. Ultimately, Casa Seat's approach aims to create a sense of community around the SEAT brand and provide customers with a one-stop-shop for all their automotive needs.

LYNK & CO

SEAT

Watch this YouTube clip to see Lynk & Co's opening of its Antwerp Club: Inside the car dealership of tomorrow.



Key trends – the bottom line

When you look at the key trends shaping the automotive industry from a bird's eye view, several key themes emerge: you've got technology, customer experience, and sustainability. Many of the trends we've just discussed intersect across all three of those themes. Digital solutions play a significant part in driving these trends, and deciding which players will ultimately win market share in the future of automotive.

While countless digital commerce solutions are available, in the next section, we focus a spotlight on five to show you practically what benefits they would bring to your business.

Spotlight on five digital commerce solutions for the automotive industry

For each of the following five digital commerce solutions, we'll outline the concept, how it works, and the key benefits for your business.

Platform consolidation

For automotive companies with multiple brands or business models, consolidating everything into a single platform improves the customer experience, cuts costs, and streamlines operations. This solution helps solve the issue of a fragmented user journey and enables new models to go to market more quickly – a vital capability among the top players right now, where agility is at a premium.

How?

A digital commerce provider can enable automotive companies to create one interface or platform with which the end customer interacts. Within the single platform, processes are standardized for increased efficiency, while still allowing multiple brands to be customized. Different brands can share resources, such as products, warehouses, and processes, etc.

Key benefits?

- One tech stack allows new features to be developed more quickly and effectively, resulting in a **faster time to market**.
- Each brand has the option to utilize certain building blocks in the platform, or not, enabling a **high level of individualization**.
- Consolidating all brands onto one platform **saves money** by reducing development and production costs, as well as opening up the opportunity to make larger, and therefore more economical, part purchases.
- The ability to add or remove components for different brands results in greater **flexibility**



Mobility Platform

One of the key trends discussed earlier in this playbook, shared mobility means big business for the future of automotive. Launching a mobility model is one way for automotive companies to tackle several of the challenges previously outlined: changing consumer behavior, diversification, and structural changes relating to sustainability and the environment. As the very concept of traditional car ownership is morphing before our eyes, it's imperative that players look to the next generation of mobility to stay in the game.

How?

Digital commerce technology enables automotive companies to become full-service mobility providers through a platform that combines all data inputs into applications for different connected use cases. These could include:

- Ride booking
- Automatic service appointments
- Predictive maintenance
- Ordering spare parts
- Managing payments
- Generating invoices
- Usage statistics

All of this data is used to establish a pay-per-use or subscription business model, such as car sharing and ride-hailing.

Key benefits?

- A mobility platform with one backend lets you **quickly and easily access all relevant information** as the service provider.
- Offering a mobility solution **improves your customer and brand experience**, widening the potential customer base and offering more opportunities for personalization and engagement.
- The mobility sector is set to soar in the coming years, resulting in a **high revenue potential**.
- Launching a pay-per-use or subscription business model increases the **diversification of revenue streams**, contributing to increased resilience in a fluctuating market.
- As sustainability becomes increasingly important in the market, having a mobility model is a way to **future-proof your business**, especially if you incorporate EV technology.



Service integration through customer portal

Automotive companies are solving the issue of a fragmented customer journey by launching a digital customer portal that acts as the single touch-point for both end consumers and brands. Within this portal, it's possible to create service marketplaces that allow customers to connect seamlessly to certified resellers. By enabling customers to connect to additional services whenever engaging with your ecosystem, you provide enhanced convenience for your end users and full integration of your network of partners.

How?

A customer portal creates a full value chain experience by integrating partners or resellers and their services into a single platform. Examples of the kind of services or experiences this could enable include:

- Service planning based on contractual agreements or telemetrics
- Scheduled services carried out by certified partners
- In-vehicle commerce enabled via an app
- Geo-tracked offers allow the integration of local vendors

Key benefits?

- By offering services and information along every step of the value chain from one portal, you **increase customer experience and satisfaction**.
- You can offer personalized and quick offers to end customers along any journey, **increasing revenue potential**.
- You can **strengthen the relationship with your network** of partners and resellers by integrating them into your portal.



In-vehicle commerce

This solution falls under the intelligent vehicles trend, with tremendous opportunities for automotive companies. Part of the next generation of commerce revolving around customer experiences, in-vehicle commerce allows drivers and passengers to buy goods and services from the comfort of their seats. Integrating both in-house and external offers, it increases customer satisfaction and experience while generating new revenue streams. From ordering a cup of coffee and paying for parking to booking hotels and requesting recommendations, in-vehicle commerce allows the mobility provider to stay with the customer along their entire vehicle journey, giving them access to all the valuable data and insights that comes with it.

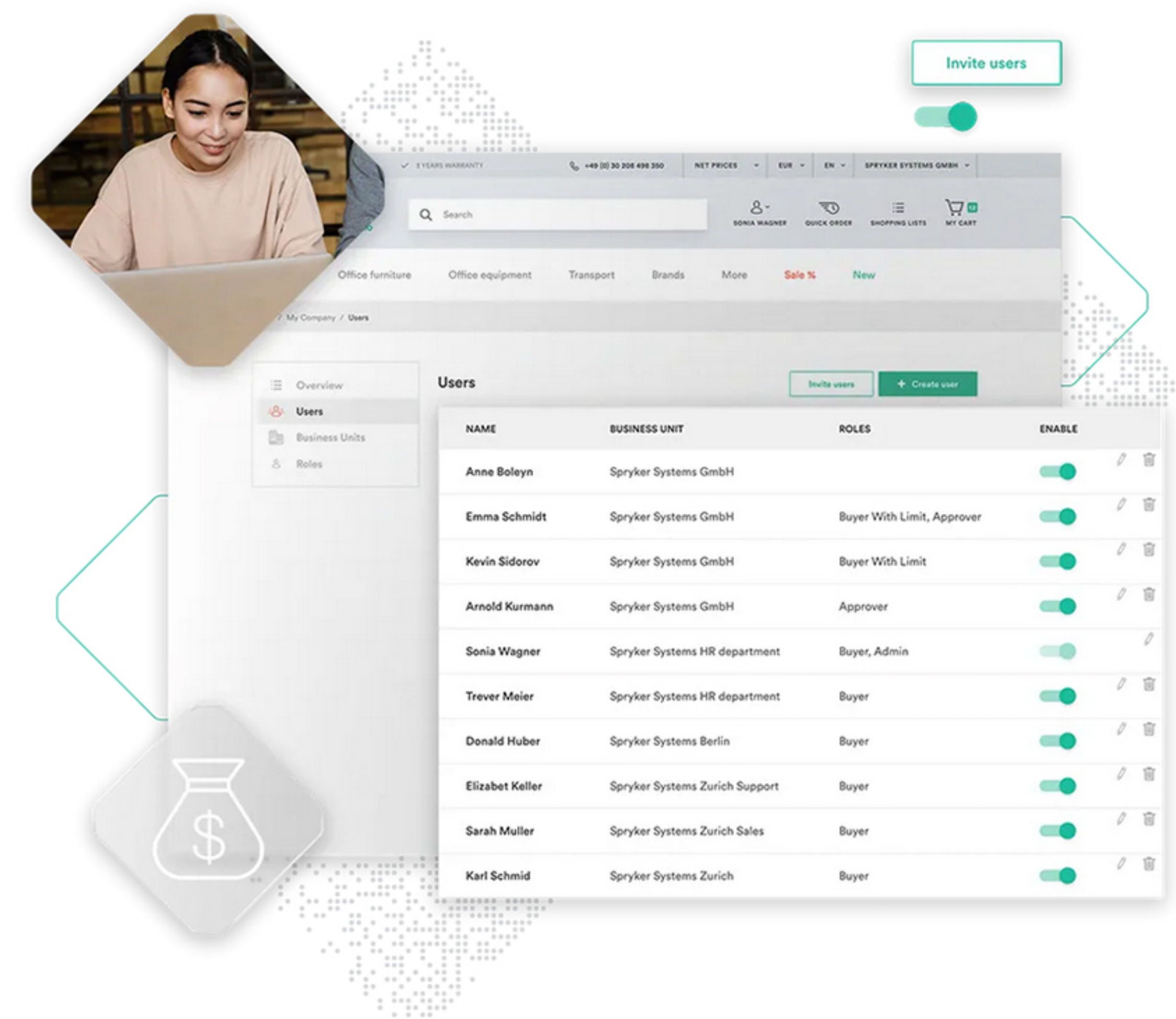
How?

In-vehicle commerce integrates a vehicle's infotainment system with external apps, payment gateways, and delivery services. This allows drivers to benefit from the seamless experience of receiving quick and relevant offers while on the road. These offers can be directly from the company or a partner provider, which can all be pre-customized and pre-approved. They are geo-tracked to suggest the most relevant recommendation to the driver. All steps of the process are executed via the in-vehicle system, allowing the driver to set up payment methods, track the progress of a transaction, and see when their order is ready.

Key benefits?

Enhanced customer experience sits at the heart of in-vehicle commerce, as well as the increased revenue potential from staying connected to the customer after the initial vehicle purchase.

- Partnering with businesses to offer new products and services to drivers results in **new revenue streams**.
- The data and insights from in-vehicle commerce can contribute to a more personalized and **engaging customer experience**, ultimately helping build brand loyalty and increase customer satisfaction.
- This customer data can also be leveraged to **inform future R&D and marketing strategies**, due to consumer behavior and preferences insights.



Second-hand solution

Tying into the trend for a circular economy, launching a platform for used vehicles or parts allows automotive companies to participate in the full lifecycle of their products, as well as offer a solution for customers with lower budgets. With manufacturing issues leading to fewer new cars on the market, second-hand vehicles, and spare parts are becoming hotter commodities. By offering a safe and controlled environment, the customer's brand loyalty and trust increase, while the company acquires a new segment of second-hand buyers.

How?

After used vehicles are acquired, they will be inspected, repaired, or refurbished if necessary. The cars can then be sold on as entire units or as individual spare parts, with authenticity confirmed with serial numbers by the manufacturer. These will then be sold either through a 1st-party platform or a marketplace.

Key benefits?

Ultimately, launching a second-hand sales channel creates new revenue opportunities and capitalizes on the ability to follow the car purchase journey further down the funnel.

- With the new vehicle market as it stands, the second-hand segment stands to create a **strong new potential revenue stream**.
- **You can increase customer loyalty and retention** by providing a solution along the entire vehicle life cycle.
- It attracts a **new segment of customers** seeking more affordable vehicles.
- Offering certified refurbished vehicles **enhances a brand's reputation** and builds customer trust.
- A second-hand car solution opens up the **opportunity for cross and up-selling** through related products and services.



Insights from Tealium: Using data to improve customer experience in automotive

Christian Stein, Director Technical Partnerships EMEA at Tealium

[Tealium](#), one of Spryker's partners, provides a customer data platform (CDP) to help businesses unify and leverage their customer data across various channels and devices. Our platform enables companies to collect, manage, and activate their data in real-time, providing a complete view of their customers and enhancing their ability to personalize customer experiences. Our solutions also help businesses comply with data privacy regulations and improve their overall data governance. This is especially important in the automotive industry, as intelligent vehicles gather more data about drivers than ever.



Challenges for Automotive

We see two significant challenges facing the automotive industry where a CDP could be part of the solution. The first challenge is data integration, and the second is legal considerations for customer data and consent.

The data integration challenge has been primarily driven by rising customer expectations post-pandemic and younger generations who prefer to do their own research rather than speak to a salesperson.

It's a big challenge due to the need for horizontal and vertical integration, including wholesale/retail, online/offline, manufacturing, sales, different IT systems, and micro-conversions like catalog, test drive, and appointment. Currently, only about 20% of companies have a well-organized data structure in place, which makes it extremely difficult to integrate data from many sources – and then use it effectively.

To address this, the industry needs to collect data in the car and then process it in the cloud. However, this process raises essential questions about precisely what data to process and where while respecting privacy concerns.

Concerning legal considerations and consent, customer data now requires time-consuming legal processes if marketing and sales want to leverage the information. Automotive companies must include comprehension management of consent across all new and arising channels.

When it comes to customer identification, it's particularly tricky for automotive companies as multiple people often drive the same car. This makes it challenging to personalize services and offers for individual drivers. In the same vein, determining the end-user of a vehicle where ownership changes, such as in a rental or shared mobility scenario, is also tricky.

A centralized function for customer identity and consent management provides a solution to these challenges for automotive. By enabling the stitching and un-stitching of customer profiles across various channels, it generates a comprehensive view of each customer's interactions and preferences. This helps you to avoid conflicting data across different channels and to personalize your customer experiences more effectively. The centralized function can also include consent management, to help you comply with data privacy regulations, where customers have control over their data and can give or withdraw consent easily.



How customer data is evolving for the future of automotive

In the future, the automotive industry will see a significant increase in customer data due to the growing number of channels used to engage with customers. This will require more customer identifiers and stitching techniques to create a comprehensive view of each customer.

New business models that focus on establishing a long-term relationship with customers will create a stream of new business opportunities, as opposed to the traditional approach of selling once and then servicing and re-selling.

The importance of a customer data platform for the automotive industry

A CDP is essential for automotive businesses to provide personalized services, improve customer experience, and adapt to changing market trends. Our [researchers at Tealium](#) found that the vehicle search process can begin 18 months before purchase, with 98% of site visitors utterly anonymous during this time. A CDP enables personalization for these anonymous visitors and then stitches together customer profiles once they become known, allowing for targeted advertising and channel orchestration. This results in more efficient media spend and reduced cost per acquisition.

In addition, a CDP provides a single view of the customer and central identity and consent management, facilitating easy integration of growing channels, platforms, and technologies over the customer's lifetime. With real-time visibility into consumer behavior and vehicle status, you can provide relevant offers and improve customer experience. By having customer data available centrally and in an actionable way, businesses can make informed decisions and adapt quickly to changing customer needs, helping your business to stay agile.



How Spryker can help

Spryker is here to help you future-proof your business. Every digital commerce solution outlined in this automotive playbook, from in-vehicle commerce to shared mobility, can be achieved with our sophisticated commerce technology. Our industry experts are here to guide you through the challenges facing automotive to ensure you stay agile in this rapidly evolving market.

Compose Outcomes Beyond Technology

Spryker's vision statement – to power the world's sophisticated transactions with an intelligent composition platform – will support you in achieving your business goals.

As Spryker was recently ranked 1st in [Gartner's Critical Capabilities for Digital Commerce Composable Commerce Use Case](#), Spryker could be your right partner to accelerate your digital transformation journey. Composability solves your business challenges with out-of-the-box capabilities. These increase your enterprise innovation footprint with speedy and small deliveries, resulting in a low overall time-to-market.

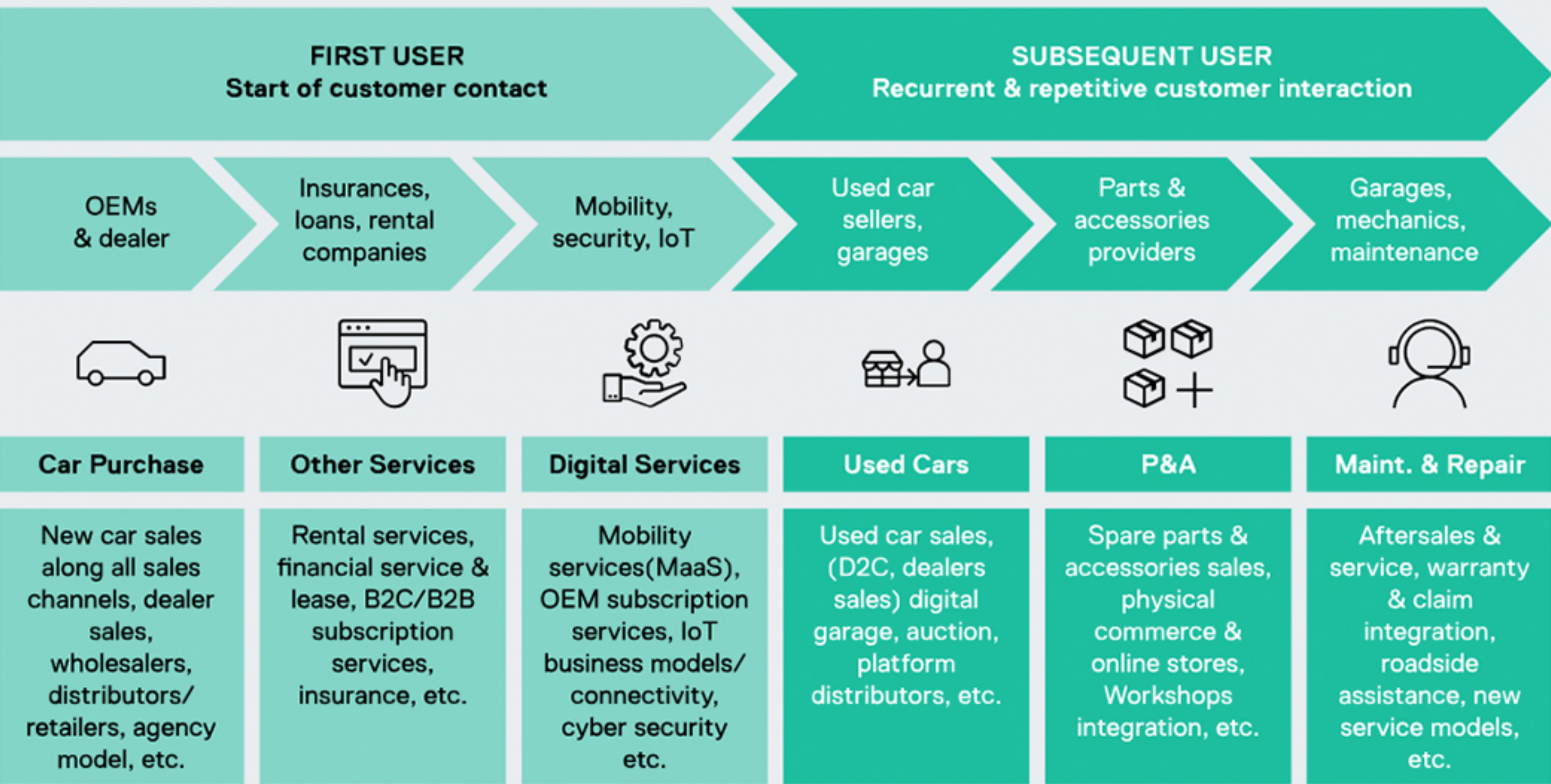
The advantage of our composable approach is that you can learn, fail, and iterate quickly. You can understand the customer's needs by using their feedback to improve and enhance their experience. This means that you only deliver what your customer needs and where it adds the most measurable value to your business, for instance, to generate ROI, increase service retention or even generate a new digital company mindset.

A transactional ecosystem within the "Future of Sales" is supported by Spryker's complete and composable marketplace capability. We offer one platform for all your business models, so it doesn't matter if you implement B2C, B2B, D2C, B2B2C, marketplace, or unified commerce – they can all live in one single platform.

We understand automotive

The customer & vehicle lifecycle

A fragmented journey of product & service providers

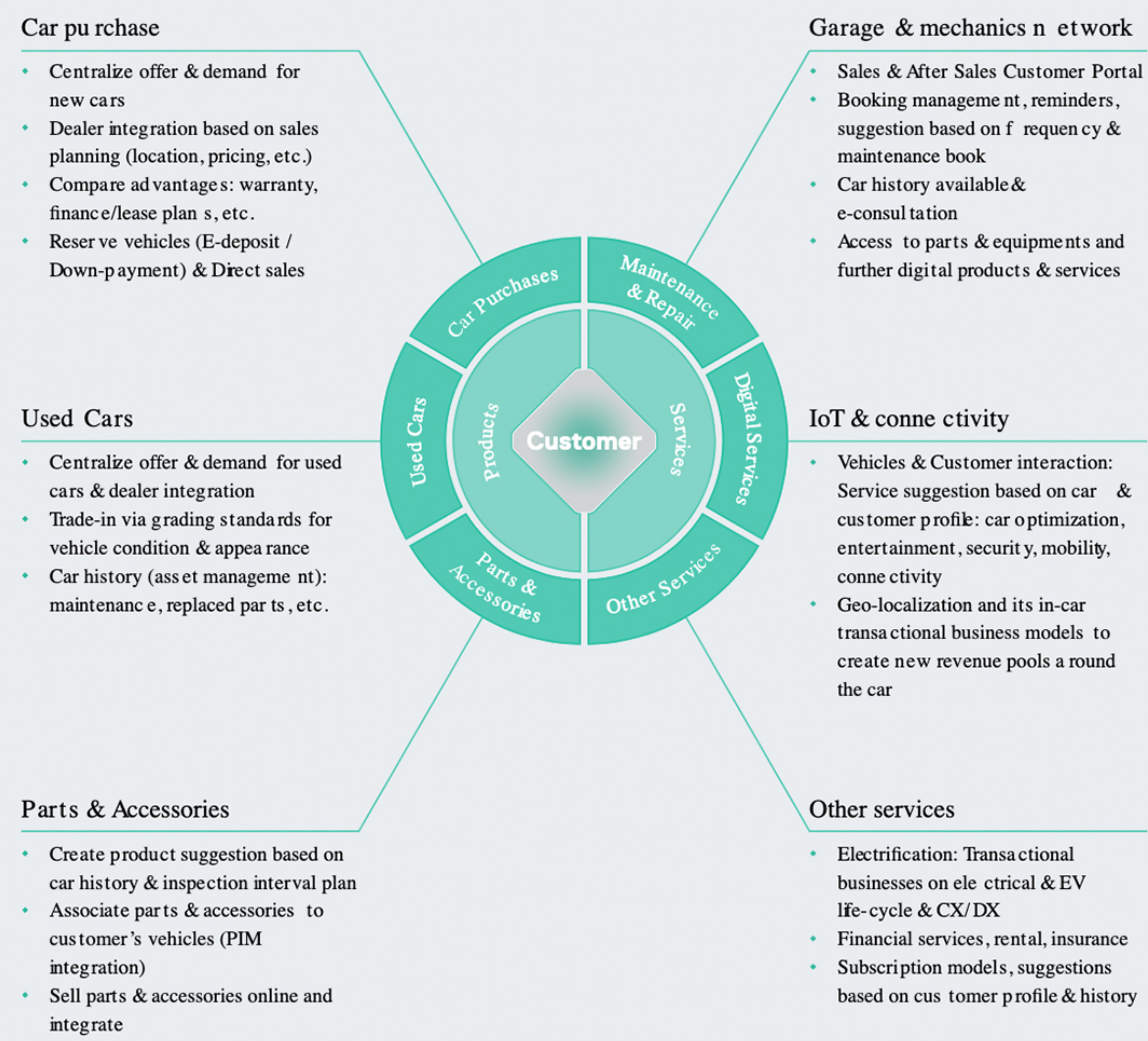


At Spryker, we understand that the current customer and vehicle lifecycle is a fragmented journey of product and service providers. These are broadly split into two categories: The "first-user" touch points along the customer journey, such as the vehicle purchase, and the "subsequent user" interactions, such as spare parts services. Different providers vary from touch point to touch point, but this illustrates the complex lifecycle of a vehicle.

OEMs play a huge role in capturing data, performing transactions, and providing a unique and personalized customer experience. Spryker can help OEMs to leverage their position with a sophisticated, transactional ecosystem.

Sophisticated, transactional business

Unified journey + centralized data = value to the journey



For over a decade, the automotive industry has demanded an ecosystem where customers can interact with all the other participants. At Spryker, we see this trend as a huge opportunity to serve not only the customer as the final consumer but also the dealers, partners, employees, insurance companies, rental companies, etc.

The ecosystem becomes the portal for every transaction, and you, the one owning the ecosystem, will also own each transaction. This way, you participate in all of your partner's business models and have access to their data, further enhancing your understanding of the ecosystem better than any other participant. By leveraging the power of a marketplace capability that Spryker provides, your business will be able to both sell products (new and used cars, parts, and accessories) and services (IoT/connectivity services, in-car services, insurance, sharing mobility) along the entire customer journey and vehicle lifecycle.

To illustrate the possible ways that Spryker can help an automotive business to future-proof its success, we've highlighted three potential MVP ideas. However, keep in mind that with our composable approach, anything is possible.

After sales ecosystem

Leveraging one ecosystem can be the key to providing your partners with a unified marketplace. This ecosystem can connect dealerships, workshops, sellers, distributors, and logistic providers on one interactive portal, making managing your business easier and streamlining customer service. Your customers can easily book service appointments through the app and be serviced through the whole end-to-end process until they pick up or receive vehicle delivery. By empowering your staff to drive innovation and change towards a more "digital" mindset, you can enable new business models and conquer new value streams and profit pools.

To stay competitive in the automotive industry, it's crucial to innovate in the area of after sales. Increasing your throughput and reducing costs can improve your supply chain through predictive planning and effective logistics forecasting. Investing in innovative technology and processes will help you stay ahead of the curve and provide exceptional customer service. With the right tools and resources, you can take advantage of digital solutions to improve your operations and create a better customer experience.

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Customer example

ESA, a B2B wholesale cooperative, that supplies consumer and capital goods to the automotive industry, wanted to increase customer centricity and revenue. With around 70% of their sales transacted via their E-shop, it remains their most important sales channel. Almost every customer has an individual price for every item. ESA migrated to Spryker to optimize their customer journey and increase their customer focus. The goal is to increase sales from an improved range, thereby increasing customer satisfaction. You can read more about our customer ESA [here](#).



Our primary aim was to use the latest technology to become quicker: quicker on the market, quicker in experimenting. ”

– Gérard Georges, Division Manager Marketing & Business Development, ESA

New and used cars

The digital revolution means that both new and used cars are now being sold online. By leveraging one ecosystem to provide your partners with your own marketplace, you can streamline your sales process and make buying all kinds of vehicles easier for customers. With a robust online presence, you can reach customers in future sales channels and build your online customer interaction. By integrating online sales with relevant content, such as product information and customer reviews, you can enhance the buying experience and improve customer satisfaction. Payment options, such as cash transfer, leasing, financing, subscription, etc., can be offered to give customers greater flexibility and convenience.

By enabling new business models to conquer new value streams and profit pools, you can stay ahead of the competition and create new growth opportunities. Providing exclusive experiences on the same platform, such as extended test drives, can help you gather customer data and feedback and understand their preferences. This data can inform advanced demand and sales planning, allowing you to optimize your sales strategy and improve your bottom line.

Connecting cross-functional areas in one ecosystem, such as sales and after-sales, can help you to integrate customer journeys. For example, by combining vehicle sales, servicing, buy-back, and used car sales on one platform, you can create a seamless customer experience that enhances customer loyalty and increases revenue.

Customer example

[Alles.Auto \(AVAG\)](#) is one of the leading automotive retail groups in Europe. The platform's primary goal is to simplify the car buying process by offering a one-stop-shop for all automotive needs, from finding the right vehicle to securing financing and insurance. They chose Spryker to build a used car marketplace with a simple and convenient shopping experience and end-to-end services across the entire customer journey. Alles.Auto chose Spryker because of our vision, out-of-the-box functionalities, and flexibility for both their current and future business models.

LEARN MORE



Mobility marketplace

According to Statista, revenue in the shared mobility segment is projected to reach [1.56 trillion USD](#) in 2023, illustrating its vast potential for automotive players. The mobility marketplace is a rapidly growing sector within the automotive industry, driven by changing consumer behaviors and demand for personalized mobility solutions.

As [Lynk&Co's](#) slogan "Leave the ownership behind" suggests, customers are looking for flexible mobility options that don't require owning a vehicle. Mobility marketplaces can combine various services, including car sharing, rental services, subscription models, and ride-hailing, creating a one-stop-shop for customers. However, managing customer interactions and understanding their diverse needs will be challenging for businesses operating in this space.

To succeed in the mobility marketplace, companies must embrace digital commerce solutions enabling seamless customer experiences. B2C and B2B marketplaces for car sharing and fleet management, as well as AI and IoT-based features like keyless cars, can help solve logistical challenges and improve efficiency. Integration with CRM systems can enable add-ons based on customer preferences, while in-vehicle commerce and partnerships with cross-industry companies can provide additional revenue streams. As the mobility landscape continues to evolve, businesses must be prepared to adapt and innovate to stay competitive.

Looking to the future, autonomous vehicles, and advanced connectivity are set to transform the mobility experience even further. In-car entertainment and commerce, such as Holoride's customer entertainment platform, will become increasingly important as customers spend more time in their vehicles. By creating new business models and embracing digital solutions, automotive players can capitalize on the considerable potential of the shared mobility market and provide customers with the flexibility and convenience they demand.

Industry example

[Zipcar](#) is a car sharing company with a network of self-service vehicles located in cities around the world. Zipcar allows members to reserve and access cars on demand, paying only for the time they use. They offer a range of vehicles to suit different needs, from compact cars for city driving to larger vehicles for transporting goods or people. Members can book and manage their reservations through the app, and fuel, insurance, and maintenance costs are included in the rental fee. By enabling flexible and sustainable transportation options, Zipcar aims to reduce congestion, lower emissions, and make urban living more accessible for everyone.



AUTOMOTIVE COMMERCE CHEAT SHEET



Digital Commerce Terms Explained To Non-Commerce People

DIGITAL COMMERCE

The activity of electronically buying or selling of products on online services or over the Internet on various channels.

UNIFIED COMMERCE

An approach that provides consistent experiences across all sales channels, from in-store shopping to online purchasing.

IoT COMMERCE

Including IoT technologies into traditional commerce, fostering new business models and enhancing customer experiences.

COMPOSABLE COMMERCE

A method that allows businesses to select ideal solutions to construct a custom tech stack meeting unique needs.

HEADLESS COMMERCE

A system that decouples e-commerce front and back ends, enabling limitless creation and better customer experiences.

MARKETPLACE

A digital platform for third-party vendors to sell goods or services, facilitating business growth while mitigating risks.

D2C

A model that sells products directly to customers, bypassing intermediaries like retailers or wholesalers.

B2B2C

A model where a company collaborates with another organization to sell directly to the end customer, retaining its brand visibility.

PBCs

Packaged Business Capabilities are assemblies of independent functionalities, each carrying essential information and databases.

BEST-OF-BREED

The practice of selecting the most suitable vendors or services for specific tasks or company functions.

MODULAR ARCHITECTURE

Software architecture built from independent, self-contained modules, providing flexibility and adaptability to market changes.

MVP

Minimum Viable Product, a basic version of a product or service released for feedback crucial in e-commerce for market testing.

Digital Commerce Skills

Digital Marketing

Search Engine Optimization

(PPC) Advertising

Social Media Marketing

E-mail Marketing

E-commerce Management

Platform Expertise

UX Design

Web Analytics

Conversion Rate Optimization

Sales & Customer Service

Online Sales Strategy

Customer Management

Customer Support

Returns & Refunds Management

Data Analysis

Data-Driven Decisions

Key Performance Indicators

Data Visualization

A/B Testing

Product Management

Product Listing Optimization

Inventory Management

Pricing Strategy

Product Photography

The Customer And Vehicle Lifecycle

First User

OEMs & dealers

Insurances, loans, rental companies

Mobility, security, IoT

Car Purchase

Other Services

Digital Services

New car sales along all sales channels, dealer sales, wholesalers, distributors/retailers, agency model, etc.

Financial service & lease, B2C/B2B subscription services, insurance, etc.

Mobility services (MaaS), rental services, OEM subscription services, IoT business models / connectivity, cyber security ...

Subsequent User

Use car sellers, garages

Parts and accessories providers

Garages, mechanics, maintenance

Use Cars

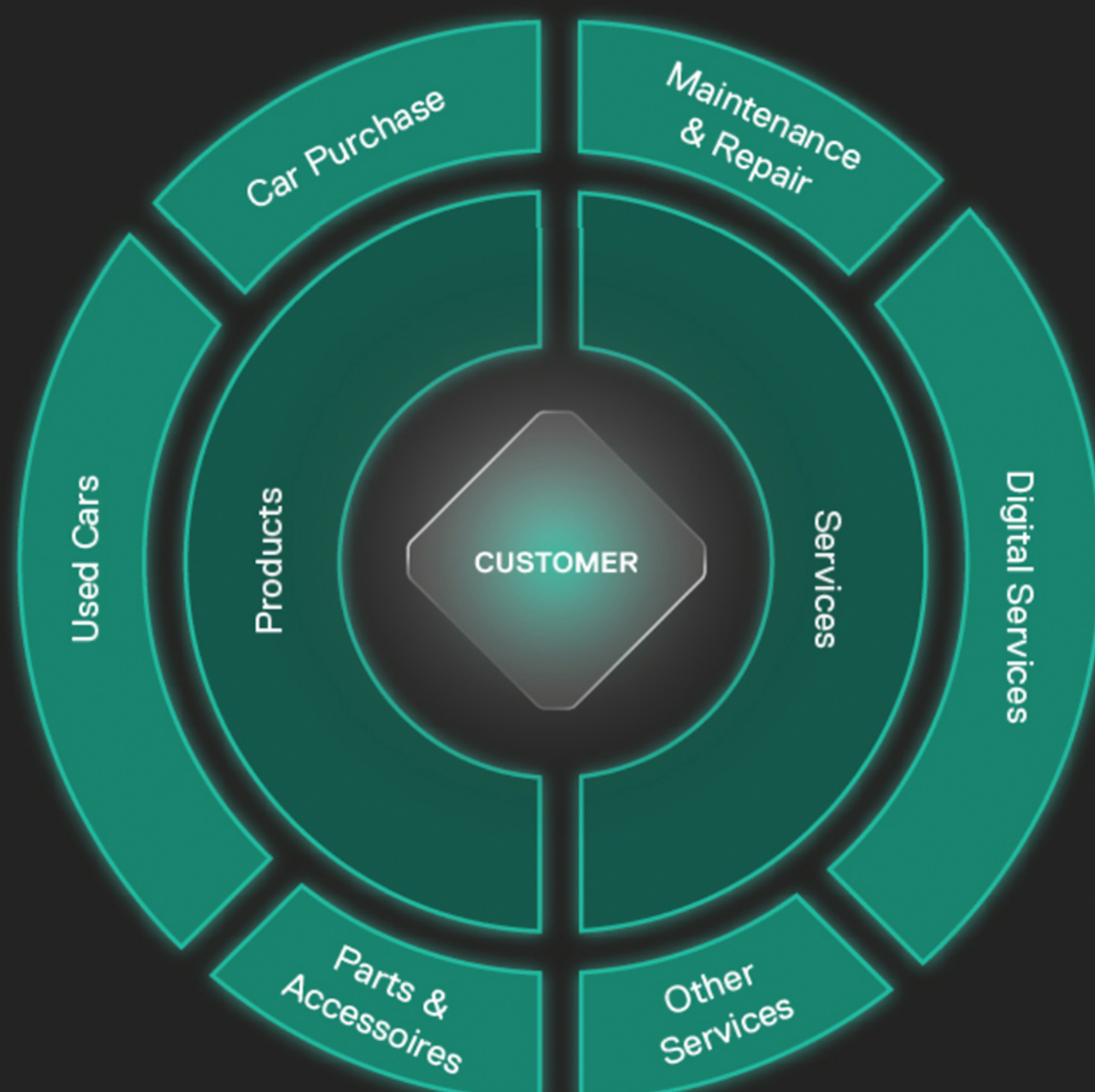
P&A

Maintenance & Repair

Use car sales (D2C, Dealers sales), digital garage, auction platform, distributors, etc.

Spare parts & accessories sales, Phygital Commerce + online stores, Workshops integration, etc.

Aftersales & service, warranty & claim integration, roadside assistance, new service models, etc.



Emerging Technologies & Use Cases

Composable Commerce

A modular approach to building e-commerce platforms, enabling businesses to select and integrate best-of-breed technologies, offering flexibility and customization.

Online Marketplaces

Digital platforms where multiple vendors can sell their products, like Amazon or Walmart Marketplace, expanding CPG reach and simplifying customer access to products.

Headless Commerce

Separation of the front-end user interface from the back-end e-commerce functionality, enabling faster and more flexible web design and user experience improvements.

Use Cases And Their Benefits

After Sales Ecosystem

Create a B2B2C Parts and Accessories (P&A) Marketplace, connecting OEMs, dealers, and vehicle owners. Build your own comprehensive ecosystem for genuine parts, reliable services, and trusted networks to enhance the automotive experience for all stakeholders.

Navigate the complex landscape

Reduce variety of applications & connect existing group systems!

New Cars

Build a cutting-edge reservation platform that includes stock availability from your extensive dealer network. With integrated features such as test drive booking, down-payment options, and a B2B Dealer Marketplace, you can provide a comprehensive one-stop-shop solution to your customers. Revolutionize the automotive industry by streamlining the buyer journey.

Mobility Marketplace

Unleash the potential of financial services with new business models. Offer subscription/leasing, flexible financing, and sharing/fleet management services. Empower customers with customized solutions, stay ahead in the automotive finance landscape, and tap into untapped revenue streams. Revolutionize automotive finance for a successful future.

Used Cars

Seamlessly connect dealers and vehicle owners with an Auction & Bidding Platform, facilitating the buying and selling of used cars/vehicles in the B2B, B2C, and B2B2C sectors.

Improve Digital ROI

Measure Project KPIs and pay as a service!

Overcome market challenges

Understand customer needs, reduce time to market!

Fast forward to digital maturity

Improve transactional business with end-customer & partners!

Lower Cost

Increase projects efficiency, and lower your TCO!

About Spryker

Spryker is the leading composable commerce platform for enterprises with sophisticated business models to enable growth, innovation, and differentiation. Designed specifically for sophisticated transactional business, Spryker's easy-to-use, headless, API-first model offers a best-of-breed approach that provides businesses the flexibility to adapt, scale, and quickly go to market while facilitating faster time-to-value throughout their digital transformation journey. As a global platform leader for B2B and B2C Enterprise Marketplaces, Thing Commerce, and Unified Commerce, Spryker has empowered 150+ global enterprise customers worldwide and is trusted by brands such as ALDI, Siemens, Hilti, and Ricoh. Spryker was recognized by Gartner® as a Visionary in the 2023 Magic Quadrant™ for Digital Commerce and was also ranked as a Strong Performer in The Forrester Wave™: B2B Commerce Solutions, Q2 2022. Spryker is a privately held technology company headquartered in Berlin and New York. Find out more at spryker.com

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