

Why car manufacturers need to change their outlook on the future

By [Morne Bekker](#)

5 Mar 2018

The world is changing. We are living in a new era and the new age calls for business re-invention, particularly for car manufacturers.



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The way we live, consume and communicate is increasingly shaped by three global trends:

- globalisation and booming populations lead to much denser urban areas;
- diminishing resources increase the focus on sustainability; and
- mobile devices and the Internet of Things (IoT) mean people are more connected than ever.

These three factors combine to spark a fundamental change in the things consumers place value on.

The shift away from status symbol

There has been a huge priority shift from ownership to access – and things that used to be seen as status symbols are no longer prioritised in the same way.

A good example of this is the car.

The maxims of the sharing economy have reached one of our most loved status symbols, as the meteoric rise of car sharing schemes like Uber are already impacting the automotive and transport industries. A study at UC Berkeley showed that vehicle ownership among car sharing users has halved. As a consequence, sales of new cars, on the one hand, might stagnate and force companies to refine its business models.



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On the other hand, the on-demand business model of car sharing creates opportunities to reach new target groups: people who mainly used public transport in the past due to cost reasons might now occasionally appreciate the freedom of a car ride. That means today, essentially everyone has access to a car.

How can the automotive industry benefit from these disruptions?

Similar to the music industry, car manufacturers in the future will not make money by selling the product, but through value-added services. And when we look at the car of the future – the driverless, autonomous and connected car, services will become even more important, with car manufacturers increasingly turning into service providers. They will be able to answer questions like: where is the next parking lot? How environmentally friendly is my driving style compared to the average driver?

Modern vehicles are rolling computers. They constantly collect data from the environment and their inner life. Datasets such as tyre pressure, GPS position, and motor temperature are sometimes more, sometimes less visible to the driver. The smart and reasonable analysis of this huge amount of gathered data can provide new insights to the fleet operator.

Car data management

The use of vehicles in a short-term rental model provides high value for car manufacturers, too. The vehicle sees a new driver with a different driving profile several times a day which exponentially increases the volume and the diversity of the data.

These vehicles are unlike their privately owned equivalents as they are in continuous operation and lead to new challenges and opportunities for the automotive maintenance and engineering industries.



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The high value of the data demands high availability and efficient data management. In a rapidly changing business climate, a solid IT infrastructure and the ability to offer performance and consistency is crucial. Seeing a continuous growth of data which needs to be stored and managed, it is obvious that companies need to thoroughly review their existing data management strategy and make it future-proof.

To be prepared for both current and future business as well as legal requirements, organisations should consider migrating their data to more cost-effective and agile public, private or hybrid cloud-based storage solutions. Not only as this allows faster innovation, but also as data can be managed according to specific business insights. Using cloud services, chief information officers (CIO) have to keep control over the company data to avoid vendor lock-in and to comply with changing

data protection regulations.

Connecting public and private clouds

To realise the full benefits of a hybrid cloud strategy, CIOs need to manage the dynamic nature of the environment – seamlessly connecting public and private clouds – so they can move their data where and when they want with complete freedom.

This brings up the question of how to integrate these cloud resources into the existing environment. It's a challenging task that has traditionally been a roadblock for companies seeking a simple, seamless and secure entry point to the cloud.

Companies can use cloud resources from different vendors, by retaining full control over its data. NetApp, for example, offers data management for car manufacturers with its Data Fabric concept. It provides a solution for implementing a multi-cloud infrastructure for big data.

The use of cloud resources will put companies in a position to integrate the most powerful data analysis engines without investing big money in a new on-premise IT infrastructure.

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