

automechanika

Let's talk business: Experts discuss connectivity and data as a form of currency

Frankfurt am Main, 14 June 2021. A web talk on the topic of 'Connectivity, data-based business models and the legal framework' held by the organisers of Automechanika was the third instalment in the 'Let's talk business' series. Representatives from various sectors of the automotive industry got together to discuss the latest developments in this area.

Forecasters expect one of every two cars in Europe to be connected by as early as 2025.¹ As the number of connected cars increases, so too does the volume of data collected. These can include location data, information on the condition of the vehicle, and safety-related traffic data. But who can access these data, and who owns them? Will these data change existing business models? And: is there a need for European market regulations to ensure that everyone enjoys equal access to the data and to promote new data-based business models?

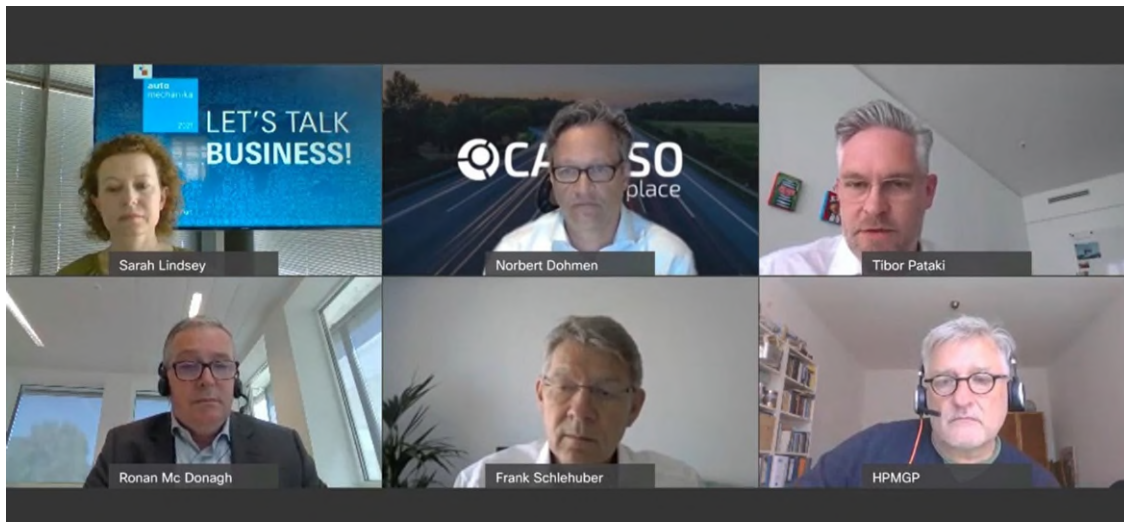
These are some of the questions concerning connectivity that the panel's guests discussed on 2 June 2021. "With our 'Let's talk business' series, we want to do more than simply offer key stakeholders the chance to engage in dialogue – we want to tackle key issues for the broad audience served by our international Automechanika and Hypermotion platforms," said Sarah Lindsey, Director Business Development Automotive, Transport and Logistics at Messe Frankfurt, who moderated the talk.

The panel included Gerd Preuss, Product Manager at ADAC; Norbert Dohmen, Managing Director of Caruso Dataplace; Frank Schlehner, Senior Consultant Market Affairs at CLEPA – European Association of Automotive Suppliers; Dr. Tibor Pataki, Head of Motor Insurance / Motor Vehicle Technology at the German Insurance Association (GDV); and Ronan McDonagh, Technical Director of Figiefa – The European Federation of Automotive Aftermarket Distributors.

Every industry segment represented here was in agreement that connectivity would bring far-reaching changes for future business models throughout the automotive industry. Norbert Dohmen, Managing Director of Caruso Dataplace, put it like this: "I think that connectivity has a high disruptive potential and can change the entire value chain in different industries. This opens up entirely new opportunities for us. As a result, I think that future business will be far more dependent on data access than ever before." According to Gerd Preuss, Product Manager at ADAC, connectivity will also play a key role in roadside assistance: "This will change our business from top to bottom. That is because connectivity and the data that is evaluated in advance allow us to know beforehand which kind of breakdown we are dealing with, so we can offer much better services."

¹ The 2020 Digital Auto Report from Strategy&, PwC.

From the parts distributor's point of view, knowing in advance exactly which vehicle part needs to be replaced also has its advantages. "After all," said Ronan McDonagh, Technical Director of Figiefa, "the logistics of the spare parts business are quite challenging. With new technologies such as data-based 'predictive maintenance', it is even possible to anticipate spare parts requirements and ensure that the right part arrives at the workshop at the right time. This would reduce or optimise the number of deliveries and help facilitate efficient and green logistics."



Participants in the 'Let's talk business' web event moderated by Sarah Lindsey (top left).

Frank Schlehuber, Senior Consultant Market Affairs at CLEPA, also sees new opportunities for the automotive industry resulting from connectivity: "One is that, as suppliers, we get more information on the use of components, which means we can get field information on the behaviour of components and translate this into better designs. On the other hand, we also recognise the threat to an existing market, which is the repair and maintenance market, where connectivity is simply a game changer. Anyone who can access the data can also access the business."

All of the talk participants were of the opinion that a legal framework was necessary to create transparency and offer equal access to data for all stakeholders – be they service providers, insurance companies or data platforms. "We need clear market regulations from the European Commission. A few years ago, OEMs said that all data in the car are of technical nature and these data belong to the OEMs. But that has changed because of pressure from stakeholders who are saying that consumers should be able to decide for themselves," said Dr. Tibor Pataki, Head of Motor Insurance / Motor Vehicle Technology at the German Insurance Association (GDV). Ronan McDonagh feels the same way: "Today vehicle manufacturers have positioned themselves as unique gatekeepers for access to the vehicle and its data resources through their unregulated control of the extended vehicle platform. They can decide what data is made available to which service provider at what cost – which is a clear impediment to effective competition in the market for automotive services."

However, a solution to this dilemma may be at hand: "The EU-Commission has added this important topic to their agenda and they are clearly committed to coming up with a proposal for a legal framework by November this year," said Frank Schlehuber.

You will find the entire talk in English on our website at www.automechanika.com/lets-talk-business.

Automechanika

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*Preliminary figures for 2020