



G R O U P
— X P

The Future of Mobility Experience:
Driving the new mobility economy through
innovations in service, design and connectivity.



APRIL
2017

//
By evolving into a mere metal jacket for products of service-orientated tech pioneers such as Amazon, Apple and Google, the vehicle becomes secondary to the experience.

From indifference to engagement.

The time we once spent fighting road rage behind a wheel will soon be a distant memory. Cars are projected to transform themselves from being single-serving modes of transport into hyper-customisable, seamless extensions of living space – one moment living room, the next conference centre; bar; private members club; cinema.

Mark Zuckerberg has already built an AI control for his house, so it's clear that automotive brands don't have long before they'll need to find a way of turning growing indifference towards their product, into engagement. Yet there seems to be a current disconnect between the visions of most marketing departments and the workings of most production lines. It's important to remember that the technological revolution is subject to exponential growth, and as such, in this world of shifting sands, it's imperative that automotive brands, as Jack Welch (retired Chairman and CEO of GE) reminds us, now develop serious strategies to "control [their] own destiny...or someone else will".

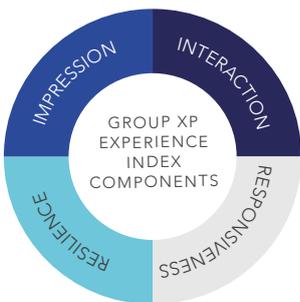
//
Engagement opportunity lies in the provision of great service, design and connectivity experiences.

The mobility industry is on the brink of monumental shift. Autonomous vehicles, machine learning and cloud-based engineering are allowing us to completely re-imagine the process of how we get from A to B. As new experience moments are created, we may soon entirely forget that we are physically moving from A to B at all.

Engagement and experience are like chicken and egg; one undoubtedly leads to the other. But where to start? Top experience brands are engaging by practice, but to maintain customer involvement you've also got to provide superlative experience. The Group XP Experience Index outlines four components of great experience brands – they must stand for something unique, they must deliver on our most important needs, they must provide us with exemplary content, and they must utilize a higher brand purpose to make all of our future lives better. No surprise, therefore, given their attitude to innovation, that Tesla was 2016's highest-ranking automotive brand.

However, as transportation becomes less intrusive, the very automotive brands responsible for easing the once painful experience of travel risk the grave danger of innovating themselves out of the brand equity they have long-invested in securing. By evolving into a mere metal jacket for the products of service-orientated tech pioneers such as Amazon, Apple and Google, the vehicle becomes secondary to the experience. Consumers previously infatuated with suspension, acceleration and torque will focus instead on interacting with the built-in personal assistant that travels with them (think J.A.R.V.I.S. from Iron Man, but along the lines of "We've run out of milk Joe, shall I route us home via Walmart – they've got a two for one deal on dairy right now!").

Brands must use experience to deliver on these four components, and thus maintain relevance in this brave new world of fresh engagement moments. Opportunity lies in service, design and connectivity.



- Impression** - stands for something unique.
- Interaction** - delivers on your most important needs.
- Responsiveness** - has better online services and engaging content.
- Resilience** - strives to make people's future lives better, through higher brand purpose.

// Service Experience Opportunities

//
Succeeding in a service-orientated world requires a thorough understanding of consumer experience.



Technology such as Microsoft HoloLens could mark the downfall of Dealers and the dealership model.

The twin forces of globalization and urbanization mean that the majority of us now choose to live in large cities. With the public transport infrastructure that's developed in-line with this movement, and the astronomical cost of owning a car today (the AAA reports the current average as \$9000 per year in the USA), it's no surprise that car ownership is predicted to decline by as early as 2020. Accordingly, automotive brands are already developing cheap subscription models that open their customers up to an entirely new range of brand experience moments.

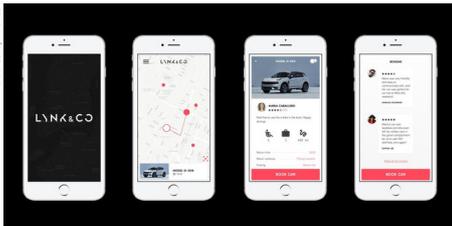
As such, automotive brands must now consider themselves to be service providers, rather than builders. Succeeding in a service-orientated world, where taking advantage of new engagement opportunities is paramount, requires a thorough understanding of consumer experience. Prioritization of consumer touchpoints will become an ever more important driver of business growth; mobility brands must be confident enough to remove outdated and stale sections of the user journey.

One such example is the dealership model, which up until now consumers have generally found a painful, yet unavoidable irritation. In a technically charged world of innovative connectivity, it seems ridiculous that consumers still have to travel (often by car!) to clinical out-of-town warehouses in order to spend time wheeling and dealing a 10% reduction off their family's new wheels. Dealers and dealerships, as we know them, will ultimately outlive

their purpose as mobility brands take back control of this part of the user journey. They'll move towards offering a greater level of transparency in the purchasing process, as well as a greater diversity in the range of purchase opportunities and formats. Technology will play a fundamental role here, with VR and innovations like Microsoft's HoloLens offering consumers a more comprehensive test-drive (rain, snow, desert, city, mountains etc.) and purchase experience than could ever be offered in the physical world. Partnerships will be similarly important, with brands reassessing the difference (or lack thereof) between a car-rental and a test-drive.

The purchase process is just one moment that a new breed of service brands can craft to ensure delightful, useful and distinctive experience. Especially as brands' interaction with the consumer will no longer end with a successful purchase or subscription sign-up. For instance, brands could craft ways to influence insurance premiums through the design of 'personalised driving-behaviour passports' (insurance that finally reflects your true driving ability!), and begin planning for the day when driving becomes illegal, everything's autonomous and accident rates have consequently dropped significantly. They'd also be wise to improve painful maintenance and break-down processes through the use of predictive tracking - preparing for a world where our cars know that they're going to break-down in a week's time and so proactively book themselves in for a bearing replacement when we're due to play with our kids in the park.

// Design Experience Opportunities



Geely's Lynk & Co is just one of the brands challenging the existing car-ownership model.

//
Automotive brands will only survive if they are generous brands, allowing the design of their space to be beautifully co-created with smartly chosen partners.

Very soon, driving will no longer be about driving, it'll be about how we choose to experience the extra time we've been granted. Following in the path of the mobile phone, cars could become boxes that house third-party service after third-party service. We've seen a certain 'Hondafication' take place across the industry - it's hard to find a poorly made car anymore, in the economically more developed world, anyway. No surprise therefore, that consumers' interest in mechanics and tyre-tread seems to be dwindling. We are instead thrilled by the prospect of traveling hands-free. Multiple studies now point to the fact that experience is now much more valued than possession; what will we gain from all the new moments that autonomous driving will open up to us?

If we, as consumers, choose to continue owning our vehicle, customisation will be infinite. We will step into it as if it were another room in our house. The space will sync to suit our daily routine, and we'll set off. As we soak in the tub (predictive braking will ensure no water flops over the side) watching a holographic news presenter read the latest headlines, we'll drive (or fly!) towards our destination worry-free that our in-car personal assistant will have us clothed, perfumed and looking dashing by the time we arrive.

More likely though, as automotive manufacturers are already walking the path to becoming providers of holistic mobility solutions, we'll choose to subscribe to a mobility service such as Geely's latest game-changing offering, [Lynk & Co.](#), vs. owning a depreciating chunk of

metal. A vehicle will turn up to collect us when we need it, and then move on to its next guest after we've arrived safe and sound. Not owning a vehicle won't limit our ability to design and customise the ones we travel in however, as biometric tracking equipment will instantly read our preferences much more thoroughly than we could ever possibly articulate them ourselves; Spotify will press-play on our 'get up and go' playlist because we're about to go to the gym despite only having slept four hours last night, Fresh Direct will be notified that we'll be needing a protein-based salad (no chili please!) for a 12pm post-gym desk delivery. And a chocolate bar because blood sugar levels are low today.

Ironically, as automotive brands charge towards being the ultimate pioneers of seamless experience, they must also partly cede ownership of the space they once called theirs. It's been projected that consumers will no longer own a singularly branded vehicle, but the product of a collaboration between tens, if not hundreds, of individual service brands with individual agendas. Automotive brands will only survive if they are generous brands, allowing the design of their space to be beautifully co-created with smartly chosen partners that share their higher purpose. In light of "Hondafication" and global aspirations towards seamless movement, automotive brands must ask themselves what the next evolution of differentiation will look like. How will their service-led design and user experience truly set them apart?

// Connectivity

Experience Opportunities



eHang's autonomous flying taxis are planned to be hovering above Dubai as early as July 2017.

// Mobility brands that invest in the development of the smart-city ecosystem will see vast improvements in their Impression, Interaction and Resilience scores.

Automotive brands must expand their vision, or face extinction. Ford is already well on the way to creating a full, branded, mobility ecosystem that fundamentally changes the way the world moves. A large number of their existing mobility experiments push the boundaries of contextual responsiveness with Atlanta's Parking Spotter and Johannesburg's Secondary Power Management System being just two examples.

With autonomous buses already driving around Las Vegas, and autonomous flying taxis soon to be soaring above Dubai (eHang plan to launch their revolutionary people-carrying drones by July 2017), it's likely that our cars will be talking to our roads, homes and children's wearable wristbands much sooner than we expect. Before we set off, they'll have calculated the quickest route based on traffic, weather and crowd conditions and will have already engaged in live-bidding for a parking spot at our destination... that is until parking becomes an outdated concept altogether. As our vehicles assume more organisational control of our lives through increased connectivity, we are rewarded with more time to spend doing what we enjoy. There is opportunity for automotive brands in these additional experience moments.

Major urban hubs are striving towards becoming extraordinarily efficient smart-cities. Technology brands such as IBM and GE are literally and figuratively streets ahead when it comes to driving this transition. But mobility brands are perfectly suited to join the movement. Those that invest in development of the smart-city ecosystem will see vast improvements in their Impression, Interaction and Resilience scores. Herein lies a fantastic storytelling opportunity, but as brands define their role in the future of mobility and especially in the future of cities, they will also be forced to refine their brand positioning. Brands that say they stand for power/pleasure ('the ultimate driving machine') or superiority ('the best or nothing') will find themselves eclipsed by brands with a more social outlook ('let's go places').

Automotive brands must also consider their new role as media channel. Constant connectivity allows them to act as a conduit for consumers' access to brands, be this for the purpose of entertainment, promotion or the provision of a service. Will they begin to strike the kind of deals previously reserved for the likes of Comcast and Time Warner?



Source: iInspired



Mercedes EQS, sourced from autoblog.co.uk

New experience moments resulting from the introduction of autonomous driving present an opportunity for automotive brands to see their products as media channels.

// Moving Forward

// Brands are realising that there are better, more targeted, more cost-efficient ways of using experience to reach their audience.

Experience as the key driver to business growth.

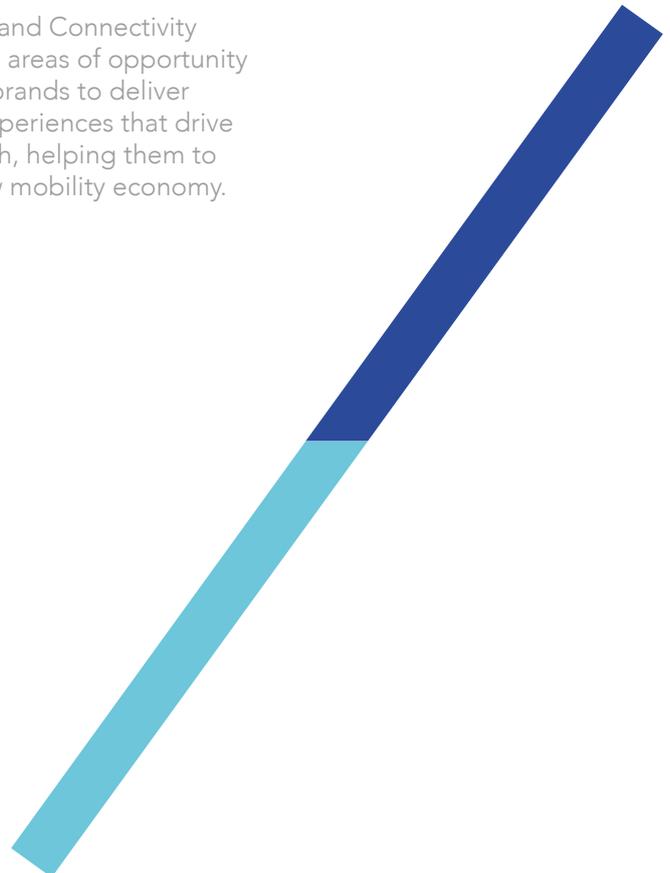
Events like the Geneva International Motor Show have traditionally been, for automotive brands, key opportunities for marketing and press engagement. However, at this year's show, Ford didn't even hold a press conference, realising instead that there are better, more targeted, more cost-efficient ways of using experience to reach their audience. Reactive moves like this are indicative of the immense transformations currently impacting the mobility sector.

Service, Design and Connectivity offer three great areas of opportunity for automotive brands to deliver extraordinary experiences that drive profitable growth, helping them to thrive in the new mobility economy.

Contacting Group XP

To discuss how we can assist you in creating experiences that maximize business growth, and for a copy of the Group XP Experience Index and mobility-specific insights, please contact:

ksenia.starikova@group-xp.com



// Contributors

Iain Ellwood

// Chief Growth Officer
// Group XP

At Group XP, Iain provides deep expertise in helping clients accelerate brand-driven, profitable business growth.

Iain has been the key driver behind the Experience Index's data and analytics and is a true ambassador of its strategic thinking and application.

Tim Greenhalgh

// Chief Creative Officer
// Group XP & FITCH

As Global Chairman and CCO of FITCH, Tim has driven the creative output of the world's leading retail & brand consultancy.

A relentless advocate of design as a business tool, Tim now also leads the creative vision of Group XP's promise to deliver seamless experience.

Ksenia Starikova

// Head of Growth & Innovation
// Group XP

After 7 years managing some of FITCH's largest accounts, Ksenia joined Group CEO Simon Bolton to establish XP's proposition in the market.

Ksenia leads all XP activity and is responsible for driving growth through innovative means of collaboration across the Group.

Aaron Shields

// Strategy Director
// FITCH

As Strategy Director at FITCH, Aaron takes pride in evolving brands and re-tailing in the face of dramatic change.

He maps out entirely new ways to experience brands, stirring emotion whatever the channel.

Tim Gosman

// Strategy Director
// Brand Union

Tim has been with Brand Union for 5 years, working for both the London and now New York offices.

He is passionate about the role that brands can play in driving dramatic business growth, and becoming an 'overnight expert' to help clients solve complex challenges.

Guy Tremlett

// Executive Creative Director
// SET Live

Guy drives the creative department at SET Live, a brand experience agency specialising in live audiences.

He works with all the agency's clients, including Google, Bentley and Heineken.

Callum Cheatle

// Business Development Strategist
// Group XP

As Business Development Strategist, Callum explores opportunities for growth through experience, using Experience Index data as the basis for category and market insights.

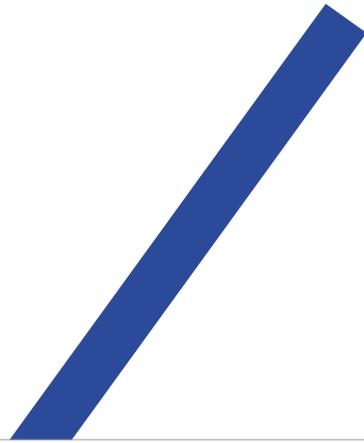
He has previously worked for Ogilvy & Mather in Shanghai, and Grey in London.

Laura Krpata

// Senior 3D Designer
// FITCH

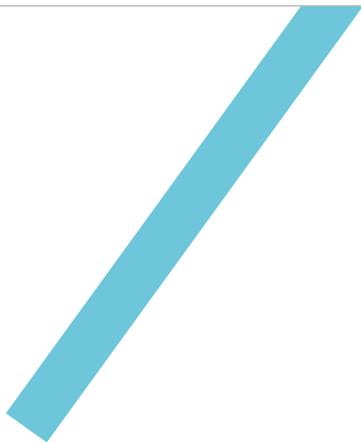
Laura is a consumer advocate and brand herald for the exploration and creation of purposeful design solutions.

She has contributed extensively in strategy, design, detailing and implementation work for the automotive industry and mobility market.



Group XP is a unique consulting model formed through the partnership between Brand Union, FITCH, SET and SET Live. We believe that great customer experience is the key driver of business growth.

Together, we are over 1000 strategic and creative thinkers located across 40 studios worldwide. By connecting diverse perspectives and skills in our network, we bring a holistic view of experience to create transformative interactions between brands and people. //



www.group-xp.com

