
Keeping ahead in a complex market

The automotive industry is more complex than ever before. With new technology constantly entering the market, from electrification to advanced features, there is increasing pressure on original equipment manufacturers (OEMs) to keep track of market changes, combined with what customers want. As vehicles evolve and advance, JATO, the leading global specialist in automotive business intelligence and insights, discusses the importance of the benchmarking process and how it needs to keep up-to-date with industry advancements to enable OEMs to stay ahead.

Changing technology

Global targets to reach net zero and the deadline fast approaching to end the production of internal combustion engines (ICE) has pushed OEMs to evolve processes, technology and innovation faster than any other time in the automotive industry. This new shift in focus towards a more sustainable future, whilst meeting current ICE demands and battling availability challenges, is making it harder than ever to keep track of product position, pricing, new innovations and consumer behaviour.

Consumers today have a plethora of choice when it comes to buying a new vehicle. With more advanced features now being offered as standard, and huge incentives in some countries to choose a more energy efficient car, it's an extremely competitive market. And the digital boom has only accelerated consumers' ability to make informed choices with all of the information available to them at their fingertips.

More informed consumers

Historically, consumers would find out about new vehicles by visiting a showroom, advertising or on recommendation. Today, the internet is the first stop; with everything from reviews to price and feature comparisons, drivers can make an informed choice about what they want, how much they want to spend, if it meets their lifestyle requirements and how it compares to similar competitor models, without even stepping into a showroom.

This more informed consumer has more power and control, they have the information they need to make the choice that is right for them and their budget/lifestyle. As OEMs add more features and technology as standard in order to compete, the consumer expects more technology for less.

But is it a case of ploughing more features into new vehicles to become the more attractive choice? Is it what consumers actually want to buy or are there unnecessary features being added? And, importantly, are OEMs keeping track of product position within the market and staying aligned to product objectives?

Product position: perception versus reality

It can be easy in a competitive market to lose track of product position and be perceived for something entirely different to the brand or vehicle's initial objectives. So, in a constantly changing market, how can OEMs understand their value and position, whilst benchmarking against similar models?

Typically, this has always been done through business intelligence using market data. However, as the market has become more complex, so has the data. The insights need to be more than just what has been sold, but also what has been sold, with what specifications, in which country. It needs to view the global market as a whole but be flexible enough to drill down into the finer details, country by country, model by model and specification by specification. OEMs need to understand based on consumer buying behaviour what are the 'must have' and the 'nice to have' features. And, importantly, they need to understand their position and perceived value to ensure it aligns with their overall strategy.

Whilst this information is available from various sources, it's time consuming to pull together and instantly out of date. It is these challenges that led JATO experts to revolutionise the current benchmarking process to give OEMs an instant view of the market easily and quickly in a more dynamic online way, taking into account not only the OEMs' view but the consumers' too. The market has changed drastically over recent years, and OEMs require business intelligence that continues to evolve in line with the complex automotive landscape.

Staying ahead

In a market that is showing no signs of slowing down, OEMs need to remain competitive whilst keeping their business strategy and product objectives on track. Through utilising effective business intelligence, that helps them to understand the full picture of today's market changes, only then can they make more informed decisions on tomorrow.

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