

Fine-Tuning Automotive Financing for a New Reality

ING investigated the potential market for car sharing across Europe by canvassing nearly 13,000 people in 13 countries. It found that 30% of European drivers surveyed were interested in using car sharing schemes. Moreover, 60% of those polled were prepared to share their car in return for money.¹

Automotive companies are awash in data from original equipment manufacturers (OEMs), dealerships, customers, suppliers, and the vehicles themselves. This valuable data is key to accelerating the pace of innovation, growth, and profitability. The ability to manage and govern it wherever it resides to glean actionable insights that support timely, well-considered business decisions will mean the difference between leaders and laggards in today's digitally transformed marketplace.

By combining fit-for-use data with the agility of modern cloud infrastructure and applications, automotive companies can build profitable mobility-as-a-service programs. While vehicle ownership still dominates consumer preferences, alternatives to it are on the rise. Leasing has been around for a while as a solid option for those who prefer to drive newer vehicles and whose driving patterns don't exceed their contractual mileage limits.

Subscription Services and Car Sharing Are Reshaping the Market

People are becoming interested in subscription-based, vehicle-as-a-service models—vehicle usage vs vehicle ownership—for a variety of reasons. Someone who owns a small commuter vehicle, or perhaps no vehicle at all, may need a truck to pick up a big item from the home store, or a comfortable sedan for a weekend getaway. From the dealership perspective, subscription services are an opportunity to stay in touch with customers (and gather even more experience-enriching data) while putting idle inventory to work. Subscription services empower dealers to combat competition upstarts, fleet operators, and rental companies that operate mobility-as-a-service models already.

For most automakers, capitalizing on new opportunities necessitates a much more sophisticated approach to the way they utilize and safeguard customer data. Subscription services require companies to manage personal data, which must be protected and maintained in compliance with regulations; obtain a 360-degree view of each customer to maintain consent records and accepted use policies; and provide the necessary data governance and compliance to manage payments and handle contracts. Underlying it all is trust in the quality of the data and the assurance that the privacy of customer data will be protected.

¹ The future of car ownership, comparethemarket.com

About Informatica

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Updating Finance and Insurance

Subscription service models require a different approach to data for financing and insuring vehicles. The contracts and payment processes for owned vs. leased vehicles aren't the same, and neither are those for customers who wish to use a vehicle only periodically. For instance, the finance arm of an automotive firm may be a separate legal entity, so data governance capabilities are required to sort the data that can be shared between them from the data that cannot. The same goes for insurers. In a car sharing situation, how do you know who's driving when, and how do you insure them?

The financing entities themselves need an omnichannel approach. Consumers need financing solutions that fit their budget and lifestyle, and they need to be able to access information and payments online, on their mobile devices, and at the dealership. The data governance, personalization, and ease of use that intelligent data management provides are key to automakers' ability to take advantage of new vehicle-as-service models as demand for them increases.

Case Study: How an Industry-Leading Automotive Company Is Advancing Next-Generation Mobility

An OEM wanted to enable its business users to tap into data to engage customers, empower employees, optimize operations, and transform products. They deployed a machine-learning-based discovery engine with intuitive search capabilities—an enterprise data catalog (EDC). With the EDC in place, the process of finding, understanding, and trusting data went from days or weeks down to minutes, reducing research time by 70%. Business users were able to quickly create timely, accurate reports and dashboards the sales, marketing, and products teams could use to understand where the market was going. For example, the buyer and demographic insights they gleaned enabled them to take advantage of the mobility trend by offering targeted dealer incentives to interested prospects. As well, full data lineage tracking helped them adapt to compliance requirements such as GDPR in Europe with confidence.

Next Steps

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