

# Chapter 11

## ITS and marketing

### 11.1 Overview

The ability of traditional marketing media (e.g., newspapers, television, and radio) in establishing brand names is continuously degrading among consumers, who lose their credibility on advertisements and become sceptical about any claims that they cannot validate (Ries & Ries, 2002). Marketing experts now invest more time and effort to reach fewer consumers than in the past and must be better prepared and provide more information in order to attract and persuade company decision makers (Gilmore & Pine, 2017). In this evolving landscape, ITS companies are trying novel approaches to attract customers, combining ICT, and social media. Especially social media (e.g., Twitter, Facebook, Blogs, etc.) are constantly used for increasing the visibility of companies, help them establish a brand profile and at the same time influence consumers' opinion on products.

The advent of ITS is innately correlated with ICT and therefore ITS is inherently affected by this new marketing era which requires new methods for making marketing (even more) effective.

In this respect, this chapter presents marketing as viewed on behalf of ITS solution providers, as well as ITS involved stakeholders who are keen on investing on marketing within ITS, so as to better position themselves in a growing exciting market.

### 11.2 Exploiting ITS solutions

ITS solution providers have in general strong interest in investing and exploiting the solutions they develop, not only because they should fit with their strategic individual plans, but also and mainly because they foresee strong potential for exploitation and the creation of a sustainable position in the market. They all share the vision of an ITS asset (i.e., product, solution, service) marketing in a win–win manner. Although ITS involve novel business and revenue models, building upon the Deloitte's program (Weirens, 2014), the components of articulating an exploitation plan inside an ITS context are as follows:

- **Step 1:** In this step it is important to investigate all the relevant market segments and perform additional research to existing research on account marketing and socioeconomics.

- **Step 2:** This step focuses on the analysis of competition (products and services) and their position in the market and community.
- **Step 3:** The third step involves the set up of deployment scenarios and also focuses on the individual and joint exploitation of the various assets. In this step, it defines the market and business models, specifies the collaboration roles, and the cost and revenues from each collaboration. This enables the calculation of the net return over time for each type of market player, being commercial or public.
- **Step 4:** In this step, the business models are validated by the consortium members and the plans for their deployment are fixed.
- **Step 5:** A set of communication activities follows, which aims in raising awareness of the new products/services and solutions and their goals. The proper organization, scheduling, and implementation of such activities are expected to raise their impact especially among stakeholders that can be interested for joint exploitation.
- **Step 6:** The last step comprises the refinement of the business and exploitation plans, as well as the final agreements on the service level, the joint exploitation models and possibly the establishment of new legal entities (joint ventures) when needed.

## 11.3 Marketing ITS solutions in the automotive market

### 11.3.1 Market potential—OEM point of view

For an original manufacturers of equipment (OEM), the customer, distribution networks, and addressed customer segments are clearly settled (considering only the current situation and not taking into account future ownership opportunities and market possibilities). The OEM key contributions for ITS-related solutions are manifold, ranging from test vehicles and test-tracks, to fleets and fleet data, as well as, supplier management and unique distribution networks and impact on domain and standards. The technology developed in the context of ITS will in return be innovative and unique functionalities and customer services, which can be offered the end customer of automated driving vehicles in general, and automated, connected, and electrified vehicles in particular.

### 11.3.2 Market potential—supplier point of view

Following the automotive supply pyramid, Tier1 and Tier 2 come into play, involving more members of the ITS ecosystem. The strength of the OEM in car design and marketing, in collecting parts and assembling the final product is complemented by the specialization of Tier 1 suppliers in making “automotive-grade” systems. Although they serve many car companies, they strongly cooperate with only a few OEMs. The suppliers of Tier 2 have a wider customer range, including customers out of the automotive industry, demonstrate high specialization and a reduced motivation to produce specifically automotive-grade components.

Sometimes this clear separation is a bit blurry, therefore we analyze the strategy to approach this market from a broader point of view.

For automotive suppliers, key partners are, the semiconductor partners, OEMs, and engineering/tool suppliers, which they are addressing directly via dedicated personal assistance (interaction with customer) or creation of community or via deployment of technology solutions at the customer. Their key contributions within ITS solutions are related to the development of new components and E/E architectures, production of systems, and development of key technologies (e.g., automated driving control strategies). The technology developed within ITS will in return be unique value propositions in their specific business, which can be capitalized via revenue streams component and IP sale and engineering service provision.

ITS innovations in general address all components and subsystems of ADAS/automated driving and thus will have an important impact on margins of European industry. Improvements in AI-optimized native hardware, safe, and reliable platforms as well as cognitive intelligence and noncausal reasoning will enable similar reliability, performance, and cost strides also for the computer platforms that support sensor data fusion and decision making in vehicles (Mak, 2017).

### **11.3.3 Market potential—technology/engineering/tool providers point of view**

A third essential strategy to approach the ITS market is the technology, engineering, and tool provider point of view. As mentioned, the automotive supply pyramid gives a clear structure for the supplier management. Besides this, technology, engineering, and tool provider support on all of these hierarchy levels. Key partners represent the whole automotive supply pyramid, from OEM to Tier x suppliers and addressing directly via interaction with customer or creation of community is a key factor to success. The key contributions of automotive technology, engineering, and tool providers within ITS solutions are clearly related to specific domain know-how, tool development and support, and the variety of engineering portfolio these companies represent on different levels of the development lifecycle.

In return, the technology developed in the context of ITS will further enhance the unique value propositions in their specific businesses or will be added the current product portfolio under the same business model of licensing the technology.

## **11.4 Marketing strategies for ITS solution providers**

### **11.4.1 Overview and phases**

This section sets out the communications methodology for ITS solution providers and other ITS-involved stakeholders. It involves outlining key starting points for the strategy and then testing, validating, and refining them through audience

research and user feedback received after specific dissemination and pilots. The methodology and the implementation plan to be usually executed in such a context will be carefully outlined within this section.

The communication strategy within an ITS context should utilize corporate communication channels. The overall process followed toward development of the communication strategy will be to:

- consider the target audiences;
- ensure that the message is clearly defined and addresses the needs of each target audience (stakeholder);
- select/fine-tune the dissemination/communication activities to pass on the promotion messages relating to the provided ITS solutions/services/products.

Overall our suggestion is for the strategy to be methodologically organized down into four distinct phases:

1. initial phase,
2. inception phase,
3. implementation phase, and
4. monitoring and improvement phase.

In the beginning of the “marketing period,” a primary task will be to identify our audience (stakeholders), their needs and habits. Also, interested parties should focus on (1) refining which are the most effective communication activities that are better tailored to the specific objectives and targeted stakeholders that the solution aims to reach and (2) creating a clear link between the solution’s unique selling points and these needs. The proposed coursework is to iterate as follows:

- Briefly describe the audiences in terms of different classes and what we want to achieve with them (i.e., awareness raising, multiplication of results, etc.).
- Identify and use the most suitable tool per audience.

#### *11.4.1.1 Initial phase*

The suggested communication strategy proposes knowing your audience, segmenting your audience into classes and researching your audience to validate the assumption. To segment our audiences and carry out research, we already need to know something about them. For this reason, ITS providers should kickstart a Brainstorming activity to suggest key audience and made a preliminary attempt to size the audiences in classes and discuss the suggested project unique service propositions (USPs). Structuring our audiences will have real impacts on what communication we produce, and how we write, design, and distribute them.

The unique selling project proposition identifies the key points that make a solution unique and worthy of its audience’s attention. As such, it underlies much more than the communications strategy and is in effect central to the corporate strategy, therefore involving the identification and implementation of a

strategy that positions the product/service as a dynamic, original concept, and clearly communicates its uniqueness.

#### 11.4.1.2 *Inception phase*

A deep understanding of our audiences must form a solid foundation of everything we do, and that can only be achieved through audience research—both explicit (e.g., surveys, interviews) and implicit (e.g., online analytics and other metrics).

The steps suggested are:

- **Audience research:** our recommended approach to filling any gaps in our understanding of our audiences;
- **Full personas:** our approach to distilling the research findings into important personas, used to both guide our work and to be customized for national-level strategies;
- **Full audience personas:** including an understanding of their needs, the obstacles they face and their current behavior (e.g., where they currently get information, their social media habits, their preferred method of consuming information);

Structure and characterize these audiences in great detail, allowing us to connect each audience to Transforming USPs, an audience-product-channel matrix should be then prepared to set out a series of products and activities suited to the various audiences, as well as the channels through which the products can reach them; we set out our audiences in a structure and include goals for each of our audiences.

That is all very well—but if we are to achieve our goals, we have to help these audiences meet *their* goals, and we have to make it clear how we can help. The USPs are therefore the flipside of the audience analysis—solution providers must make a compelling, unique case for the question: why should *each* audience pay attention to a solution?

#### 11.4.1.3 *Implementation phase*

Suggestions here depend on the nature of the promoted solution, but in general the following types of activities can be used to market ITS-related solutions:

**Events-based communication**—Awareness raising is expected to be impacted positively by active presence in international conferences, workshops, and demonstrations is foreseen by all means and tools—and the organization of at least one microlevel event per time period (e.g., month after the solution/product launch).

**Web-based communication**—Online activities designed as central to the solution website and geared completely toward raising awareness and traffic by encouraging more people to visit the website that is dedicated to the particular solution.

**Print-based communication**—Entails newspapers, journals, etc.

**Press-based communication**—To multiply the impact of the solution toward the different target audiences, we will contact local and international media including newspapers, automotive-related magazines, and journals, as well as initiatives and individual journalists specializing in the domains in order to encourage stakeholders to share our vision and common understanding of what an ITS solution is about.

**Audio–visual communication**—Prepare a campaign video (simple, for the general public to understand) promoting the project and upload it to the projects website, as well as to YouTube/Vimeo and other similar platforms.

**Mailings.** Marketing will be supported by the efficient use of tools such as mailing/distribution lists, which can raise awareness and allow regular contact (e-newsletter).

#### 11.4.1.4 *Monitoring and improvement phase*

The aspect of monitoring how effective a strategy is to monitor the impact of all communications where impact indicators and metrics will be monitored and analyzed to improve the cost effectiveness of the communication products and activities via a feedback loop. The different metrics may be monitored in different time cycles. Example metrics include standard website metrics, user behavior metrics, promotional metrics such as backlinks, SEO ranking, etc., quantitative data measured via survey (suggested—under consideration), as well as outreach that covers indicators concerning press coverage, social media, etc.

## 11.5 Conclusions

This chapter has dealt with ITS and marketing. In particular, it has established the fundamentals to exploit an ITS solution; then it has described means to market an ITS solution in the automotive market, whereas in the sequel has presented some specific marketing strategies that ITS solution providers can adopt.

While it is generally accepted that ITS has earned a place in the new marketing era, it is imperative to continuously think and invest in novel marketing practices that are aligned with the latest advances in ITS, so as to be better equipped in trying to position a company/product/service that is related with the newest ITS technologies, in a continuously growing market.

## References

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