

3 Innovation Strategies to Help Auto Brands Navigate Tech Disruption and Consumer Demand



by **Paul Donagher**
Managing Director, Radius US



We have discussed several times in this blog how consumer preferences and market dynamics are evolving rapidly in the auto industry due to technological disruption. In response to continued disruption – such as ADAS, advanced connectivity, and workforce training requirements – and various exogenous factors, I wanted to focus this blog on a few ideas to consider from an innovation perspective. When referencing innovation in this regard, I am specifically thinking about how to ensure that potential customers, brand loyalists, and other key segments are heard, as enormous, and in some ways, industry-defining, investments are made. Only in this way will the challenges currently facing every brand in the sector be met confidently.

“

Brands that maintain a strong innovation program will have a reliable infrastructure in place to help them adjust and adapt as market preferences shift, along with the ability to develop and test new ideas for their viability and resonance with consumers.”

In terms of just one of those factors, in November, the auto industry in the U.S. will be front and center in the political debate, either to double down on a path to lower emissions or double down on a policy of promoting U.S. vehicles. Whichever path the electorate chooses, the imperative is still the same for manufacturers: Ensure that the needs of key customer segments are included in long- and short-term decision-making.

Understanding consumer preferences is required at both the strategic and tactical levels. Brands that maintain a strong innovation program will have a reliable infrastructure in place to help them adjust and adapt as market preferences shift, along with the ability to develop and test new ideas for their viability and resonance with consumers.



A strong innovation research program helps brand teams develop customer-focused strategies.

To build and maintain a clear understanding of consumer preferences at both the strategic and tactical levels, we recommend a commitment to customer-focused innovation work. Below are three examples of innovation tools our team leverages to help brands develop long- and short-term plans with a focus on understanding consumer preferences.

1. Explore the fuzzy front end (FFE) to refine ideas for further exploration.

Teams beginning work to develop long-term innovation can leverage consumer preferences by exploring the fuzzy front end (FFE). The FFE combines rational and emotional factors, as well as customer preferences, to create many important outcomes, none more so than opportunity maps. Opportunity maps provide data-driven growth opportunities by offering profiles of target consumers, customer needs, and targeting necessities. These are teased out in powerful workshop sessions where teams consider all relevant areas for growth and then walk through guided exercises to create mapping to guide future thinking and planning.

2. Iterative prototyping creates a valuable hands-on feedback loop.

Iterative prototyping is an important tool in helping brand and product teams develop long-term plans with confidence. Exploring early-stage ideas in hands-on sessions with target consumers helps teams see reactions and hear feedback that impacts early-stage products, concepts, or designs through the visualization or creation of a tangible model. Iterative prototyping gives teams an opportunity to gain feedback and quickly make updates to see how well they're hitting the mark to deliver what customers want. This tried-and-true process can deliver outcomes with unprecedented speed and works with virtual prototypes, functional prototypes, and functional prototypes with embedded electronics.

3. Technical product storytelling and visualization.

There are many applications for technical product storytelling (TPS), but it's a terrific tool when consumer understanding and great technologies both currently exist. TPS is a way to uncover broader possibilities for communicating the connection between consumers and technologies. We have used this approach for commercial innovation, new product innovation, value proposition development, brand positioning and differentiation, and brand messaging and communication. In an era of unique disruption in the auto industry, TPS is a must-have tool in your arsenal to optimize growth for your brand.

Use the right approaches with the right audience to guide you on this bumpy road.

Technological disruptions and consumer sentiment will continue to present challenges in the auto sector. The good news is that there are ways to ensure that your organization addresses these business challenges in the correct ways, with optimal outcomes that guide decision-making.

Customer-focused innovation delivers big advantages over the next few years. Contact us to enhance your program.

Contact Us

< Previous | Back to List | Next >



Our Best Practices for Identifying Quality Respondents for Auto Industry Studies



How Tech-Readiness Insights Helped an Auto Brand Understand EV Customers



How Multi-Phase Research Will Help Auto Brands Adapt to New Customer Demands

