

AUTOMOTIVE

Automakers turn to tech to streamline production, sales amid pandemic

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The Lexus ARPlay app is an augmented reality immersion into the exterior and interior features of the newly launched 2021 Lexus IS 350 sport sedan. Image courtesy of Lexus

By ELLEN KELLEHER

Luxury automakers are leveraging digital methods to improve the production, marketing and sale of new vehicles as a way to navigate the ongoing disruptions of COVID-19.

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In a break from the past, [Jaguar Land Rover](#), [Rolls-Royce](#), [Mercedes-Benz](#), [Audi](#) and other automakers are getting around COVID-19 complications by using technology to digitize showrooms and expand car buying services online. Their efforts have worked, as U.S. new car sales are set to hit 15 million in 2020, just shy of the 17.1 million new vehicles sold in 2019, according to data from The Car Coach.

"Manufacturers are learning to use online technology to do the purchase and process of new and used vehicles," Lauren Fix, automotive expert at [The Car Coach](#), Lancaster, New York, said. "They are way behind the curve, as other sites such as Cargurus and Carvana have been ahead of them for years.

"But this is the only way for manufacturers to directly sell to customers," Ms. Fix said.

Digital revolution arrives

While the pandemic has had serious consequences for the auto industry, manufacturers are bucking the negativity with the embrace of digital innovation in various respects. The use of new technology extends to design and development as well as operations and training.

Automakers are facing pressure to fire on all cylinders due to tight inventory and manufacturing not being fully up to speed. For instance, British automaker Rolls-Royce only resumed full two-shift production at its Goodwood production facility in September, four months after initially reopening from the government-mandated COVID-19 lockdown ([see story](#)).

"COVID-19 has hugely accelerated the adoption of digital technologies across product lifecycles in a manufacturing set up, from design and development, operations and training to customer-facing functions," said Dijam Panigrahi, cofounder of tech consultancy [Grid Raster](#), San Francisco. "As the pandemic situation evolves, [manufacturers] are

also investing in technology capabilities that can allow them to speed up experimentation and innovation as they desire to come out stronger from the crisis."



The Land Rover online configurator is heavily used, a behavior that may accelerate under the ongoing COVID-19 lockdown. Image courtesy of Jaguar Land Rover

In other news, augmented and virtual reality methods are being used by U.S. automaker Ford and others to train workforces and keep vehicle design and development on track as they work from home. Technology is also being used to assist in the operation of the shop floor and remote repair and maintenance of equipment and machinery, given the restricted travel environment.

The results of the digital pivot have been impressive as the design process for a new car has shrunk from months to weeks, according to Mr. Panigrahi. Entry-level technicians are performing at expert levels using augmented reality assisted work instructions.

The new tech advances also include virtual showrooms, allowing car retailers to remain open for business even if their doors are shut.

British automaker Jaguar Land Rover began piloting its online and remote ordering system in May 2019 ([see story](#)).

Online customers interested in either configuring a new vehicle or browsing the stock at U.K. retailers can go through the process of picking engines, trim levels and most other options for any Jaguar or Land Rover model prior to purchase. They can also get valuations on current vehicles for part exchange, make finance applications or put down a deposit.

"Every step of the car-buying journey can be completed remotely and safely, from a virtual appointment through to a contactless vehicle handover via click and collect," said Rawdon Glover, managing director at Jaguar Land Rover U.K., in a statement. "Having been actively trialling a variety of new technologies and services, we're extremely well-placed to support our retailers with running their sales operations during this lockdown period and beyond."

Similarly, British automaker Rolls-Royce is upgrading its virtual showroom offering for its London flagship as it

relocates its boutique and aims to reach more digitally-savvy drivers. Clients will now be able to commission bespoke Rolls-Royce vehicles from home ([see story](#)).



Rolls-Royce is digitizing its bespoke commissioning process. Image credit: Rolls-Royce

German automaker Audi is in on the act as well. It has introduced Audi At Your Door, an online shopping service that provides test drives at home as well as online purchases and virtual trade-in appraisals.

Additionally, Mercedes-Benz now offers clients in the U.K. the chance to book home test drives and deliveries through its updated online showroom, which retails new and approved used cars from participating dealers ([see story](#)).

Lastly, in a bid to entice buyers, Japanese automaker Lexus also introduced an augmented reality app designed to let users explore its newly launched 2021 Lexus IS 350 compact sport sedan.

The Lexus AR Play app is the first of its kind for the Toyota Motor-owned brand, keeping in mind the constraints arising from global social distancing measures. The 3D augmented reality app offers consumers a realistic close-up view of the new car ([see story](#)).

The expectation is that auto manufacturers will continue to invest in augmented and virtual reality, robotics and artificial intelligence to strengthen both production and consumer-facing efforts.

2021 brings hope

Although premium car sales in the U.S. have yet to return to pre-pandemic levels, the automotive industry is trending in the right direction as it commits to digitalization.

All things considered, premium car sales have performed decently over the course of the pandemic. Year-over-year, retail sales of premium sports cars and super premium cars are up 6 and 10 percent, respectively outperforming all other vehicle segments, including premium SUVs in different size classes ([see story](#)).

Amid a sluggish economy, some consumers will need help to purchase a new car. Not surprisingly, automakers and dealers have been offering more generous financing options and ease of payments ([see story](#)).

The advances made this year by auto manufacturers are helping to cushion the blow of the pandemic and put them on solid footing for 2021.

"The demand has been higher than expected for new vehicles with over 1 million vehicles being turned in each month from leases ending," Ms. Fix said. "2021 should be a good auto sales year."