

**TECHNOLOGY**

How is the auto sector keeping up with the millennials?

For the modern consumer, a car is an extension of their house, workplace and personality. Carmakers are therefore looking at connected ecosystems for millennials who are constantly on the move.

By **PRERNA LIDHOO**, Dec 19, 2018

3 min read



India's automotive industry has come a long way since 1983, when the boxy little Maruti 800 changed the way people commuted. At the time, a car was seen merely as an upgraded mode of transport from the two-wheeler. But as auto companies begin to understand what makes millennials tick, the humble car is becoming more than just a mode of transport. Today's consumers want everything from hi-tech infotainment systems, ambient internal lighting, push button start, smartphone integration, wireless charging and more from their cars.

Maruti Suzuki India's senior executive officer (marketing & sales) Randhir Singh Kalsi says understanding the changing customer has helped the country's largest carmaker change its approach in the last few years—leading to new-age cars like the new Swift, Vitara Brezza, Ciaz and Baleno from Maruti's stable.

“Today's customer considers a car as an extension of his house, and also an extension of his own personality. They want features even in an entry level product. In the future, technology is going to play a major role in customer's connectivity while he's on the move,” he says.

Kalsi agrees that since millennials are gadget-friendly people, it will lead to the market moving towards premiumisation even at the entry level. At Maruti Suzuki, he says, innovation will move towards infotainment—like voice actuation, inter-connected home gadgets like lights, AC, refrigerator etc.

“We have to create a car as a big gadget for them [millennials]. And it will have to be power-packed and accessory-packed. The car now reflects your personality and acts as an extension of your drawing room or your office. That is the way they will look at it,” Kalsi says.

Another carmaker which is aiming at millennial consumers is Tata Motors. Its recent launches like Tiago, Nexon and Tigor have helped the company regain its strength in the passenger vehicle segment. For Pratap Bose, the company's global head of design, connectivity means convenience for millennials.

“The car is almost like a computer on wheels now. It's about mirroring your apps on the screen. Most of us feel uncomfortable when we are disconnected. There are so many electronic modules that a car has today, not only infotainment—but also safety and body control modules,” he said.

While automakers are on course to deliver what millennials want from their cars, auto component makers are not prepared for any such disruption in the sector.

“I am not critical of the future of the industry but apprehensive,” says Vinnie Mehta, director general, Automotive Component Manufacturers Association of India (ACMA). “In many of the standard luxury cars, there is a lot of infotainment—car memory systems, safety actuators, tyre pressure management, controlled room speaking to you etc. And all that requires lot of electronics. And we don't have that.”

Mehta wants technology to percolate down to the auto ancillary sector as well. “In the future, the battle is going to be fought on technology. In the next, 5-7 years, 35% to 40% of the value of the car is going to be electronics, are you going to miss that opportunity out? We do not have any electronic manufacturing capability in the country. And because of this the automotive industry is going to suffer,” he adds.

Auto experts believe that in the near future, the use of electronics within cars is only going to go up.

“Most manufacturers now have some kind of a connected car platform that they are offering. Of course that functionality of the connected car platform will keep increasing over the years. It will drive increase in electronics and they will have to offer a lot more in a connected car which will be beyond the basics,” said Rakesh Batra, partner and national leader (automotive sector), Ernst & Young.

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