

Re: New car retailing industry market study

Established in 1999, (C-i-C) is a worldwide provider of an aftermarket automotive diagnostics solution that enables mechanics within independent repair shops to quickly identify faults in vehicles and ultimately, repair cars faster. Employing 150 people, with customers in over 120 countries, (C-i-C) provides support for complex European brands including: BMW, Mini, Jaguar, Land Rover, Mercedes-Benz, Volkswagen, Audi, Skoda, Volvo, Renault, Peugeot and Citroen.

(C-i-C) provides a comprehensive fix and support solution for complex European-brand vehicles, from our (C-i-C) centres in the United States, United Kingdom, Australia and Germany. (C-i-C) unrivalled solution, (C-i-C) is the industry's first fully-integrated diagnosis support system combining dealer-trained technician expertise with state-of-the-art technology and access to online databases of third party vehicle information via the companion (C-i-C) device.

Diagnostic devices, often referred to as scan tools, have been an essential asset to workshops for over 10 years. They enable technicians to correctly identify issues with vehicles in relation to the customers concerns. Over the years the number of Electronic Control Units (ECUs) has increased with every new model produced; these mini computers control a variety of functions within the car from emissions to infotainment and display fault codes (on sophisticated diagnostic scan tools) when they are not working correctly. Diagnostic devices enable technicians to identify these fault codes and track down the area of the vehicle where the fault lies, which may require thorough investigation, via live graphing data, adaptations, or wiring tests. In essence, diagnostic scan tools enable technicians to locate vehicle problems and repair them faster and more accurately, to increase productivity, profitability and customer retention.

The automotive industry is evolving rapidly, with manufacturers (VMs) increasing the levels of technology within vehicles as well as diversifying ranges and increasing model variants. It is not unusual for modern-day cars to contain more than 40 ECUs, potentially containing up to 100,000,000 lines of software. Given this level of complexity and the protocols now employed by VMs, the validation of programming files and the delivery of new flash file updates can only securely and accurately be delivered via manufacturer applications, which are available via Pass-Thru.

Each day that passes, drives more repairs to dealerships, potentially eradicating the welfare of the independent sector. The assumption that aftermarket scan tools are capable of filling the void when it comes to programming and updates data is only true in relation to older vehicles. For multi-modular complex ECU programming this must be carried out with access to OE approved data via the VM's appropriate platform, available via Pass-Thru.

(C-i-C) has been pro-actively promoting Pass-Thru in the US and Europe since early 2015, as this is the only **accurate, secure and safe** method of programming new modules within modern vehicles. In the past 12 months' VMs have been updating module codes more rapidly and frequently, some have also extended the range of modules that meet 'security' criteria, requiring technician or workshop authentication. With the acceleration of change in the automotive sector, driven by VMs adoption of the latest available technologies, it is crucial that independent repair shops in Australia have access to OE data – they need Pass-Thru now!

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The VMs increased use of telematic systems are attributes of the 'connected car'. The Connected Car is in production now! It has its own IP address so can be tracked and monitored remotely over the internet. By the end of next year, the next generation could, in theory, self-diagnose imminent performance issues relating to security or safety, whilst sitting on the driveway, connected via a domestic broadband connection. The following morning it will inform the driver (via infotainment dashboard, text, email, Mobile phone app) to go immediately to the nearest dealership to resolve the issues detected. This is the type of car that will be in the independent workshop within the next 2 – 3 years!

As proven in the US and Europe there is now a protocol delivered with VM approval, that provides independent repair shops 'the right to repair' with a controlled gateway to access their data. We have increasingly been made aware of incidences where warranties on replacement parts are not being honoured by the manufacturer, because the parts have not been coded or programmed using the latest OE Platform which can only be accessed via Pass-Thru. As vehicles become more complex, so the size of data increases, requiring authenticated access to the VMs platform and may require an Ethernet connection due to the size of the files.

The voluntary agreement has had limited meaningful impact on the availability of information in Australia, as it would appear that VMs are reluctant to release data to the independent sector without being regulated to do so.

The EU and USA regulatory models are providing a successful way of addressing this issue. The VMs will continue to push owners to their dealerships, but have the assurance that that independent workshops have access to the latest data to programme parts accurately and securely, whilst deriving an additional revenue stream.

The car manufacturers that operate in the Australian market already share digital information in the EU and US markets, so with possible minor adjustments for Australian model variants, there is no major investment required on their part, making regulation and conformance a 'no brainer'. The result is a vibrant well-functioning service and repair sector that supports consumer choice and competition.

(C-i-C) will continue to provide pioneering premium products and services that provide independent repair shops with solutions to improve efficiency and increase profitability, through ease of use, speed of diagnosis and vehicle diagnostic support via the award-winning (C-i-C) team. We have also launched (C-i-C) Support (in the territories where Pass-Thru exists) to assist in the set up and implementation of OE applications via compatible Vehicle Communications Interface (VCIs) and computer terminals. Depending on the auto marque this can be a complex task, especially for those less computer literate, so our guidance is often essential and has been highly commended by appreciative customers.

Australia's delay in legislating VMs to conform to the Choice of Repairer, will further affect the independent repair shops over the coming years, with the launch of the 'connected car' which most manufacturers are introducing from 2017 model year vehicles – that's not light years away, it's in a few months' time!

Yours faithfully

(C-i-C)  
General Manager  
(C-i-C)