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The Importance of Digital Transformation in the Automotive Industry

Meliha Koyuncuoğlu
melihakoyuncuoglu1@gmail.com

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Abstract: Digital transformation in the automotive industry is undergoing a significant evolution through the use of technological innovations and in particular 3D printing technology. This paper has highlighted the complexity and importance of digital transformation in the automotive industry and discussed in detail the basic principles and advantages of 3D printing technology. By discussing the challenges, needs and adaptation requirements that the industry faces in the digitalization process, the application of 3D printers to automotive spare parts production and its current status and implications are examined. Issues such as cost and process efficiency, local production and supply chain optimization play an important role in addressing the economic and operational impacts of digital transformation in the automotive industry. In this context, reducing environmental impacts and adopting sustainability principles are critical in determining the future role of 3D printer technology. As a result, digital transformation in the automotive industry represents a vision of the future shaped by the use of 3D printing technology. The integration of these technological changes into the industry and a deep understanding of their impact is critical for companies to gain a competitive advantage, and therefore, advances in this field need to be closely monitored and understood.

Keywords: 3D Printer, Digital Transformation, Advantages, Sustainability

JEL Classification: O14, O36

1. Introduction

Today, the automotive industry finds itself in an environment where technological developments are evolving rapidly, consumers' expectations are constantly changing, and competition is more intense than ever before (Cortellazzo et al., 2019). Moreover, digital transformation, which is a multidisciplinary and multivariate issue, has become inevitable for every business. As leaders try to cope with new tools every day and make decisions at different levels according to the data they have access to, they emphasized that future research should focus on this point to shed more light on the impact of digital transformation on leadership at individual and organizational levels (Özmen, 2022).

Under these circumstances, automotive companies are faced with the necessity to review their traditional business models and seek innovative solutions. In this context, digital transformation and technological advances have become one of the most important agenda items of the automotive industry.

Digital transformation is having a profound and lasting impact on every aspect of the automotive industry. From production processes to customer experience, from supply chain management to marketing strategies, this transformation is felt in many areas. In particular, with the development of next-generation technologies and their adaptation to the automotive industry, the industry has entered a major transformation process. At the center of this transformation is 3D printer technology.

Thanks to the lightweight polymers and metals used in additive manufacturing technologies, the parts produced shows the desired performance in terms of durability while at the same time providing advantages in terms of weight. The aim of applications in the automotive sector is actually to reduce weight and increase performance. This goal can be realized thanks to additive manufacturing. With the development of additive manufacturing technologies, polymers (such as ABS or PETG) that are resistant to the engine temperatures of automobiles have been developed (Özel, Zeren and Alp, 2020: 19-20).

On the other hand, 3D printers have rapidly emerged as a technology that allows the production of objects layer by layer, offering many advantages over traditional manufacturing methods. In the automotive industry, 3D printers are used in a wide range of applications, from prototype production to spare parts manufacturing. This technology provides a significant competitive advantage for automotive manufacturers and suppliers, especially with its advantages such as flexibility, speed and cost effectiveness.

In this article, we will take a closer look at the role of 3D printing technology, which is at the center of digital transformation in the automotive industry. In particular, we will focus on the impact of 3D printers on the production of automotive spare parts, discussing the current status of this technology in the industry, its advantages, challenges and future predictions. Later in the paper, we will focus more deeply on the uses and impacts of 3D printing technology in the automotive industry. We will also assess the potential and future development of this technology in the industry.

This article is a guide for readers who want to understand the importance of digital transformation in the automotive industry and the critical role of 3D printers in this transformation.

2. Basic Principles and Advantages of 3D Printer Technology

Today, industrial production processes are undergoing a revolutionary change and 3D printer technology is at the forefront of this change. 3D printers make it possible to produce parts with complex geometries in a faster, more flexible and cost-effective way compared to traditional methods and play an important role in industrial design and production processes. With the widespread use of the 3D additive manufacturing technology mentioned in the study, it is seen that it inevitably affects the automotive industry, defense industry, architecture, design, medicine, aviation and aerospace industry. Developments in the materials used in additive manufacturing, referred to as filaments, and the related improvements in the quality of the final products also increase the usefulness of 3D printing systems in the automotive industry (Özel Ş., Zeren M., Alp Ç., N., "Application Of Layered Manufacturing Technology With 3d Printers In Automotive Industry", Int. J. of 3D Printing Tech. Dig. Ind., 4(1): 18-31, 2020).

Basic Principles of 3D Printer Technology:

3D printers are based on a manufacturing process that starts with the creation of a digital model using computer-aided design (CAD) software or through a 3D scanner. The created digital model is a description of geometric information in a computer-understandable format. This digital model is then transferred to a 3D printer and the manufacturing process is initiated. 3D printers build the object in layers, usually using filament or powdered materials. The layers are added to the platform where the print head stores the layer of material and assembles it with extreme precision. This process is controlled by a predetermined mold or machine. Finally, the created object is cleaned and assembled through the necessary processes, so that it is ready for use.

Advantages of 3D Printers:

3D printers offer a number of advantages, such as freedom of design, rapid prototyping and personalized production. Some of the main advantages are listed as follows:

- Reduces complexity in supply chain processes (Jansenn et al., 2014, p. 13),
- With 3D printers, only the products to be sold are manufactured, thus significantly reducing overstock in storage (Çetinkaya and Özceylan, 2015, p. 650).
- Rapid design and prototyping of complex shaped parts is possible,

- Significant reduction of material waste,
- Reducing the number of manufacturing steps,
- Reducing the number of manual assembly operations and labor,
- Full control of the microstructure of the produced parts,
- Reduction in time and costs (part delivery in less time),
- Opening the way to more market opportunities

Given these points, freedom of design enables parts and structures with complex geometries to be produced independently of the limitations of traditional manufacturing methods. This gives designers and engineers the chance to design and develop their products in a more creative and innovative way. Rapid prototyping enables a physical prototyhpe of a design to be produced in a short time and at low cost, which speeds up the product development process and reduces costs. However, 3D printer technology also has some limitations and challenges. Factors such as material selection and quality, printing speed, surface roughness can in some cases pose disadvantages compared to traditional manufacturing methods. Regardless of these disadvantages, it is expected to be at the forefront of digital transformation in the automotive industry.

3. Needs and Challenges of Digital Transformation in the Automotive Industry

The automotive industry is one of the sectors experiencing the effects of digital transformation. The rapid development of digital technologies and the complexity of automotive production processes make it necessary to transform the industry. In this section, the challenges in the automotive industry are investigated in a broader view.

3.1. Data Management and Analytics

The automotive industry faces a complex and vast data ecosystem. Data from production lines, vehicle sensors, customer relationship management (CRM) systems, marketing campaigns and point-of-sales are collected in various forms at every stage of the business. These datasets can be in structured, semi-structured and unstructured data formats. Data management enables automotive companies to collect, store, process and analyze data from these different data sources.

Production data can be used in operational processes such as quality control, productivity analysis and supply chain management. For example, real-time data analysis can be used to monitor the performance of production lines, detect faults in advance and optimize production processes.

Customer relationship management (CRM) data can improve marketing strategies and product development processes by analyzing customer behavior and preferences. This data can be used to design and target personalized marketing campaigns to increase customer satisfaction and strengthen loyalty.

Big data analytics is playing an increasingly important role in the automotive industry. Machine learning and artificial intelligence techniques can be used to extract meaningful information from large data sets and predict future trends.

However, the automotive industry has some challenges related to data management and analytics. These challenges include ensuring data integrity, harmonization of different data sources, data security and confidentiality, availability of skilled data analytics professionals, and adequate infrastructure and resources.

Moreover, the automotive industry is required to comply with stringent regulations and standards, which affects the design of data management and analytics strategies. Therefore, automotive companies should adopt a strong strategic approach to data management and analytics and develop appropriate technologies and capabilities to meet their needs.

3.2. Cyber Security and Data Privacy

With digitalization, the automotive industry is facing greater connectivity and data sharing. This means vehicles becoming connected to the internet and the integration of in-vehicle systems with other devices and infrastructure. However, this increased connectivity and data exchange also raises cybersecurity threats and data privacy concerns.

Automotive companies must take strong cybersecurity measures to securely protect their digital systems and keep customer data confidential. These can include technical measures such as strong encryption methods, firewalls, intrusion detection systems and security software. It is therefore important that companies adopt strong cybersecurity measures and pay attention to data privacy.

3.3. Business Process Transformation

Digital transformation can lead to profound changes in business processes in the automotive industry. Traditional production and supply chain management processes must be integrated and optimized with digital technologies.

This enables businesses to create more efficient and flexible production systems. In particular, digital technologies such as artificial intelligence (AI), the internet of things (IoT) and cloud computing offer automotive companies the opportunity to increase production efficiency, optimize inventory management and improve supply chain management.

However, adapting existing business processes to the digitalization process can face a number of challenges. Training and upskilling of employees is critical in this process. The technical knowledge and skills of staff need to be strengthened for effective use of new digital technologies.

However, resistance can be encountered within the organization because new technologies and business processes can take time to be accepted and adopted. Automotive companies should take a strategic approach to effectively manage this transformation process and encourage their employees to adopt new digital business processes.

In conclusion, digital transformation in the automotive industry can lead to fundamental changes in business processes. However with the right strategies and management approach, these changes can provide competitive advantage and make companies better prepared for the future.

3.4. Regulation and Standards

In the digital transformation process, the automotive industry is heavily confronted with stringent regulations and industry standards. In this process, automotive companies need to ensure that new digital technologies and applications are fully compliant with legal regulations and designed in accordance with industry standards.

These requirements must be taken into account both in product development and marketing. The rapid pace of technological innovation makes it difficult for the automotive industry to adapt to these regulations and standards.

In particular, new technologies emerge rapidly and existing regulations need to adapt quickly to these technological developments. This requires automotive companies to continuously monitor regulations and update their practices.

Moreover, different regulations and standards in different countries can pose additional challenges for international businesses. Automotive companies operating in international markets have to comply with the regulatory bodies of different countries.

This can result in a wide range of regulatory compliance requirements from product design to manufacturing and marketing processes. In this context, the automotive industry needs to develop an effective regulatory compliance strategy to gain sustainable competitive advantage and maintain its leading position in global markets.

This strategy should include continuous monitoring of regulations and standards, assessing the compliance of the business's current practices with the regulations and revising them when necessary. Regulations and standards are therefore an issue that requires significant attention in the digital transformation process for the automotive industry.

To comply with these requirements, companies need to develop an effectively managed regulatory monitoring system and a flexible structure that quickly adapts to regulatory changes. And it is important for companies operating in international markets to effectively cooperate and comply with the regulatory authorities of different countries.

4. Application of 3D Printers to Automotive Spare Parts Production: Current Status and Trends

Technological developments in the automotive industry are leading the transformation of traditional production processes.

4.1. Current Situation

When the current status of 3D printer technology in the automotive industry is examined, it is seen that the technology is being adopted more and more. In particular, the use of 3D printers in the production of complex geometry parts and prototyping processes is becoming widespread. automotive companies aim to optimize their production processes and reduce costs by taking advantage of 3D printing technology. However, with the widespread use of this technology, some challenges also arise. In particular, technical factors such as material selection, production time and quality control are important factors affecting the use of 3D printers in automotive spare parts production.

4.2. Trends and Future Prospects

In the future, the use of 3D printers in the automotive industry is expected to increase further. In particular, with the advancement of technology, the impact of 3D printers on production speed and part quality is expected to increase. This could allow automotive companies to further optimize their production processes and respond faster to customer demands. Furthermore, with the development of new materials and technologies, the use of 3D printers in the automotive industry is expected to expand. However, in this expansion process, uncertainties around regulatory compliance and standards also need to be addressed.

5. Cost and Process Efficiency: Impact of 3D Printers in the Automotive Industry

In the automotive industry, the management of costs and the efficiency of production processes are critical for the sector to gain a competitive advantage. Keeping costs under control and optimizing production processes are vital to increase the profitability of companies and offer more competitive products to customers. In this context, the integration of 3D printer technology into the automotive industry offers significant potential for reducing costs and improving production processes. In this chapter, the impacts of 3D printers on cost and process efficiency in the automotive industry will be discussed, analyzed and explored in depth.

5.1. Cost Reduction Potential

Production with 3D printing is projected to become more cost-effective than traditional methods, even for high-volume production. In addition, additive manufacturing does not require bulky tools or mold revisions, so there is no loss of time or extra production costs for production changeover. In the time it takes to make one part using traditional manufacturing methods, the same part can be made more than 20 times with 3D printing. This makes 3D printing advantageous in terms of saving time. (Hakan Ölekli, Serkan Ercin, Ruhican Özen, KPMG)

While traditional production methods are often associated with high costs, the manufacturing process with 3D printers can enable costs to be significantly reduced. Firstly, 3D printers offer an optimized approach to material usage. Material wastage and cutting waste, which is often experienced in traditional manufacturing, is minimized in production with 3D printers. Furthermore, the manufacturing process of parts produced with 3D printers requires less labor and human intervention, leading to a reduction in

labor costs. As a result, production costs are often reduced with the use of 3D printers, providing a competitive advantage for the automotive industry.

5.2. Increased Efficiency in Production Processes

The intensive use of 3D printers in the prototype production phase created in the vehicle design process for the purpose of testing cars is becoming one of the trends in the automotive manufacturing sector. By applying small retouches to the materials coming out of the printers, the surfaces of the materials can be produced smoother and error-free. In this way, production can be made in the desired size by combining even the processed partial materials. Considering these features of printers, it is seen that they save time and costs for vehicle manufacturers as they increase efficiency in the vehicle prototyping process. (Hakan Ölekli, Serkan Ercin, Ruhican Özen, KPMG)

3D printers offer several opportunities to increase the efficiency of production processes in the automotive industry. Firstly, the direct production of parts with 3D printers enables the reduction of intermediate steps and waiting times in production processes. Steps required for the production of parts in traditional manufacturing methods, such as mold design and production, become unnecessary with 3D printers, making production processes faster and more efficient. In addition the flexibility and customization possibilities in the design of parts produced with 3D printers enable production processes to be managed more efficiently. This allows for optimized production processes and more efficient use of time and resources in the automotive industry.

5.3. Gaining Competitive Advantage

Reducing costs and increasing the efficiency of production processes gives automotive companies a competitive advantage. Offering products at more competitive prices is critical for increasing customer satisfaction and gaining a stronger position in the market. The integration of 3D printers is emerging as an important tool in achieving these goals. Increasing cost effectiveness and process efficiency increases automotive companies' profit margins while enabling the development of more innovative and competitive products.

5.4. Future Perspective

The use of 3D printing technology in the automotive industry will continue to become more widespread in the future. The continuous development and improvement of this technology allows the automotive industry to become more sustainable and competitive. However, to fully exploit the potential of this technology, automotive companies need

to establish the appropriate infrastructure, capabilities and strategies. In the future, it is expected that the use of parts produced with 3D printers will become even more widespread and production processes in the automotive industry will be further optimized.

6. Local Production and Supply Chain Optimization: The Role of 3D Printers

In the automotive industry, supply chain management and optimizing production processes are critical to gain competitive advantage. In this context, the use of 3D printing technology plays an important role by increasing local production possibilities and reducing dependency on the supply chain. Three-dimensional printing technology enables personalized production at the closest point to the place of consumption upon customer demand (Niaki and Nonino, 2017; Barz et al., 2016; Schniederjans, 2017; Şahin and Turan, 2018).

Local production reduces the length of the supply chain, lowering logistics costs and shortening delivery times. Compared to traditional production methods, manufacturing with 3D printers eliminates intermediate stages in the supply chain and enables products to reach the consumer directly. This allows inventory to be reduced and the supply chain to become more flexible. In particular this flexibility is critical to meet the rapidly changing demands in the automotive industry.

Furthermore, production with 3D printers provides flexibility on demand and allows customized parts to be produced quickly. This customization capability is extremely valuable in the automotive industry to increase customer satisfaction and gain a competitive advantage.

Flexibility in the design of 3D printed parts enables automotive companies to respond quickly to customer demands and adapt to the changing needs of the market.

In conclusion, the role of 3D printers in local production and supply chain optimization enhances the competitiveness of the automotive industry and creates a sustainable supply chain management strategy. The effective use of this technology helps automotive companies reduce costs, optimize production processes and increase customer satisfaction. In the future, it is expected that the use of parts produced with 3D printers will become even more widespread and the supply chain will be further optimized.

7. Environmental Impacts of 3D Printer Technology and Sustainability

Compared to traditional manufacturing methods, 3D printers offer advantages such as reduced material usage and flexible production processes. However, the environmental impacts of this technology require an in-depth assessment on factors such as material selection, energy consumption and waste management. At the same time, the impacts of 3D printing technology on sustainability should be examined across a wide range of issues, from industrial applications to consumer use.

7.1. Material Utilization and Waste Management

In traditional substrate manufacturing processes, material waste is high as the product is over-grinded, scraped and sanded. Even if these waste materials are recyclable, they require additional processing to make them ready for manufacturing again. 3D printing technology has an environmental advantage here, as it reduces material usage and waste processing due to the layer-by-layer addition of material. Depending on the technology used, 3D printers work very efficiently with entry-level materials (Faludi, 2013; Jansenn, 2014, p.11). 3D printers use a variety of materials to build parts layer by layer. These materials include a wide range of plastics, metals, ceramics and bioprinting materials. With advancing technology, 3D printers also enable the use of more complex materials and hybrid material combinations. This increases design freedom and provides a significant advantage in terms of diversity and functionality.

Compared to traditional manufacturing methods, 3D printers can use less material. 3D printers minimize waste by using only the material required for part production. In particular, in the production of parts with complex geometries, traditional methods can result in a large amount of material loss, whereas 3D printers minimize these losses. This increases resource efficiency and allows natural resources to be used more effectively.

Optimizing material use and managing waste effectively plays a critical role in reducing the environmental impact 3D printer technology. Therefore, industrial users and designers need to be careful in material selection and waste management and act in accordance with sustainability principles.

7.2. Energy Consumption and Carbon Footprint

Based on various different studies, Rogers et al. (2016) predicts that the technology will reduce carbon emissions and carbon footprint due to fundamental changes such as more

efficient resource utilization and reduced logistics movements. Improvements in processes are also expected to have direct environmental impacts such as less waste generation and improved use of recycled materials (Mohr and Khan, 2015).

Modern 3D printers are equipped with various technological advances to improve energy efficiency. These advances include features such as optimized processing algorithms, energy-efficient components and sleep modes. Thanks to these features, 3D printers can achieve higher productivity with lower energy consumption.

However, energy consumption is not only limited to the working process of 3D printers. Energy consumption also plays an important role in logistics processes such as transportation and storage of the produced parts. Compared to traditional manufacturing methods, the lighter weight of parts produced with 3D printers and the use of less material can reduce transportation and storage costs. This can be an important factor in reducing the carbon footprint. However, a more comprehensive analysis of the energy consumption and carbon footprint of 3D printers is needed. This analysis should assess both the amount of energy consumed by 3D printers during use and the environmental impacts of the manufactured parts throughout their life cycle. In this way, the net impact of 3D printer technology on environmental sustainability can be better understood and contribute to the development of sustainable manufacturing practices.

7.3. Flexibility and Optimization in Production Processes

Firstly, the manufacturing process with 3D printers can require less labor and energy consumption. Compared to traditional manufacturing methods, producing parts layer by layer with 3D printers minimizes labor requirements. Furthermore, thanks to optimized process algorithms and automation systems, production with 3D printers can be made more efficient, which reduces energy consumption.

In addition, local production of parts produced with 3D printers can shorten the supply chain and reduce logistics costs. The time and cost savings in bringing and transporting parts from different countries is just one of the advantages of 3D printer technology with local production. Reduced logistics needs make a positive contribution to sustainability by reducing greenhouse gas emissions and environmental impacts.

Design freedom is also an important factor; 3D printers offer more design freedom compared to traditional manufacturing methods. This increases flexibility in the manufacturing process and allows customized parts to be produced more easily. Especially in the automotive industry, this flexibility in the production process with 3D

printers is crucial as the demand for customized parts for different vehicle models increases.

8. Conclusion

Digital transformation in the automotive industry is undergoing a significant evolution through the use of technological innovations and in particular 3D printing technology. This paper has highlighted the complexity and importance of digital transformation in the automotive industry and discussed in detail the basic principles and advantages of 3D printing technology. The challenges, needs and adaptation requirements faced by the industry in the digitalization process are discussed, and the application of 3D printers to automotive spare parts manufacturing and its current status and implications are examined.

Issues such as cost and process efficiency, local production and supply chain optimization play an important role in addressing the economic and operational impacts of digital transformation in the automotive industry. In this context, reducing environmental impacts and adopting sustainability principles are critical in determining the future role of 3D printer technology.

As a result, digital transformation in the automotive industry represents a vision of the future shaped by the use of 3D printing technology. The integration of these technological changes into the industry and a deep understanding of their impact is critical for companies to gain a competitive advantage and, therefore, advances in this field need to be closely monitored and understood.

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