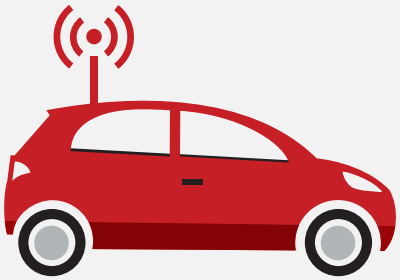
Time to set the connected car free

The connected car has an exciting destination, but it will get there faster if auto brands let others do some of the driving



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If the number of parties benefiting from a technology determines how rapidly it will be adopted, then the development of the connected car can only keep accelerating. Few emerging technologies promise to address so many immediate concerns, and even fewer have the potential to do so within such a relatively short timeframe.

The connected car's willing passengers

For consumers, the connected car is the next menu-item feeding an almost insatiable hunger for connectivity. Systems are already being deployed that will enable drivers to continue interacting with their personal networks, and personalised technology, whilst on the move. They are promised the ability to continue sending emails and texts using voice commands, apps that project graphics non-intrusively onto dashboard screens, and plug-ins that connect their smartphones to their vehicles and upload preferences for wholly personalised driving experiences. But there are plenty of others with even more to gain from connecting cars: safety campaigners are promised huge reductions in traffic accidents; green campaigners get cuts in CO2 emissions through smoother traffic flows; insurance providers and rental services get to tailor their offerings and roll out new pay-per-use models.

The connected car has plenty of passengers eager to come along for the ride, but despite the exciting prospects on the horizon, it will struggle to make progress unless the auto industry first decides who is doing the driving and what their motivation is for doing so.

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The connected car has plenty of passengers eager to come along for the ride, but despite the exciting prospects on the horizon, it will struggle to make progress unless the auto industry first decides who is doing the driving and what their motivation is for doing so. Both technology companies and auto manufacturers have much to gain from driving connected car technology forward, but both stand to lose out significantly if they fail to engineer the right formula. To navigate the significant challenges that still lie ahead for the connected car, they need a clear view of what the real business benefits stand to be – and the best way of securing them.

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Parallel connection strategies
For mobile manufacturers and network providers, the connected car offers an entirely new category in which to play, one in which they can leverage ready-made brands, credibility and expertise. The most immediate challenges and opportunities revolve around securing leadership within the automotive space. Since it is connectivity that consumers prize, mobile services delivered within vehicles will be indivisible from those delivered elsewhere. Auto-compatibility is likely to prove a key differentiator for both smartphone manufacturers and operators, and those who fail to demonstrate it could suffer declining market share as a result.

For their part, auto manufacturers must decide whether the technology that connects up their cars will take the form of wholly owned, integrated systems, each offering a key differentiator from rivals; or a collaborative, open platform that provides a level playing field for brands to build different connected car propositions using the same communications standard.

These two approaches suggest different strategies, and at the moment, auto manufacturers are pursuing both of them simultaneously. On the one hand, they are partnering with smartphone manufacturers and mobile operators to develop collaborative platforms. A group of ten manufacturers have already partnered with Apple, to provide the iPhone-maker with access to in-car screens that could enable apps to be used within their vehicles. The Car Connectivity Consortium, formed by some of the largest manufacturers with Apple's smartphone-making rivals, has developed the common Mirrorlink standard to connect smartphone content to vehicles' dashboard screens via Bluetooth or USB cable. And most recently Google's Open Automotive Alliance (OAA) has signed up Audi, GM, Honda and Hyundai to a common platform for Android integration with connected cars.

At the same time as pursuing such collaborative strategies however, every single major manufacturer is busily preparing its own connected car system: Renault's R-Link, GM's Onstar, BMW's Connected Drive, Audi's Connect and Toyota's Entune. This parallel, proprietary approach protects auto brands from over-dependence on a single smartphone platform, but it also reveals their serious misgivings about giving up control of the in-car environment to technology companies, which may not share their vision of where the connected car should be going.

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Keep your eyes on the roadmap

However, in hedging their bets and manoeuvring for position in this way, auto manufacturers could find themselves guilty of taking the future connectivity of their vehicles for granted. Mobile operators, for their part, know better. They can look back with regret at expensive attempts to deliver over-the-top services to consumers when all those consumers really wanted was a more reliable signal. Like them, manufacturers should recognise that simple connectivity is the single biggest priority for their connected car offerings.

Collaboration with technology partners is not only the best hope of securing such connectivity. It is also the best course of navigating the significant regulatory twists and turns that lie ahead for connected vehicles.

Significant improvements in the Human Machine Interface (HMI) are the essential development if connected car technology is to satisfy government regulators and safety campaigners, and enjoy widespread adoption. Much of the requirement for HMI development lies with the auto manufacturers themselves. Their integrated systems have already been able to deliver safety advances such as E-call, which uses a vehicle's systems to detect when a serious accident has taken place, and alerts the emergency services. However, manufacturers must also recognise that the most significant safety advances will require partnership with mobile technology companies. It is these that are best-placed to deliver the voice interfaces that will allow emails and SMS messages to be dictated rather than typed, and the touch gestures that enable more effective, quicker and safer multi-tasking when driving; they may also be the most appropriate companies to take the lead on eye-tracking technology, perhaps the most effective avenue for ensuring that a driver's attention remains focused on the road where it belongs.

Where privacy is concerned, auto manufacturers are likely to benefit from the implicit agreements already established between mobile companies and their customers whereby data is shared in exchange for enhanced services. Ultimately, partnership with established mobile brands may increase the extent to which drivers are willing to have data on their location and driving behaviour shared, in order to deliver intuitive services, safer driving experiences, and more competitive pricing in areas such as insurance. And the experience of technology brands in managing data privacy issues will stand the connected car in good stead when it comes to protecting driver information in a way that satisfies governments and privacy campaigners.

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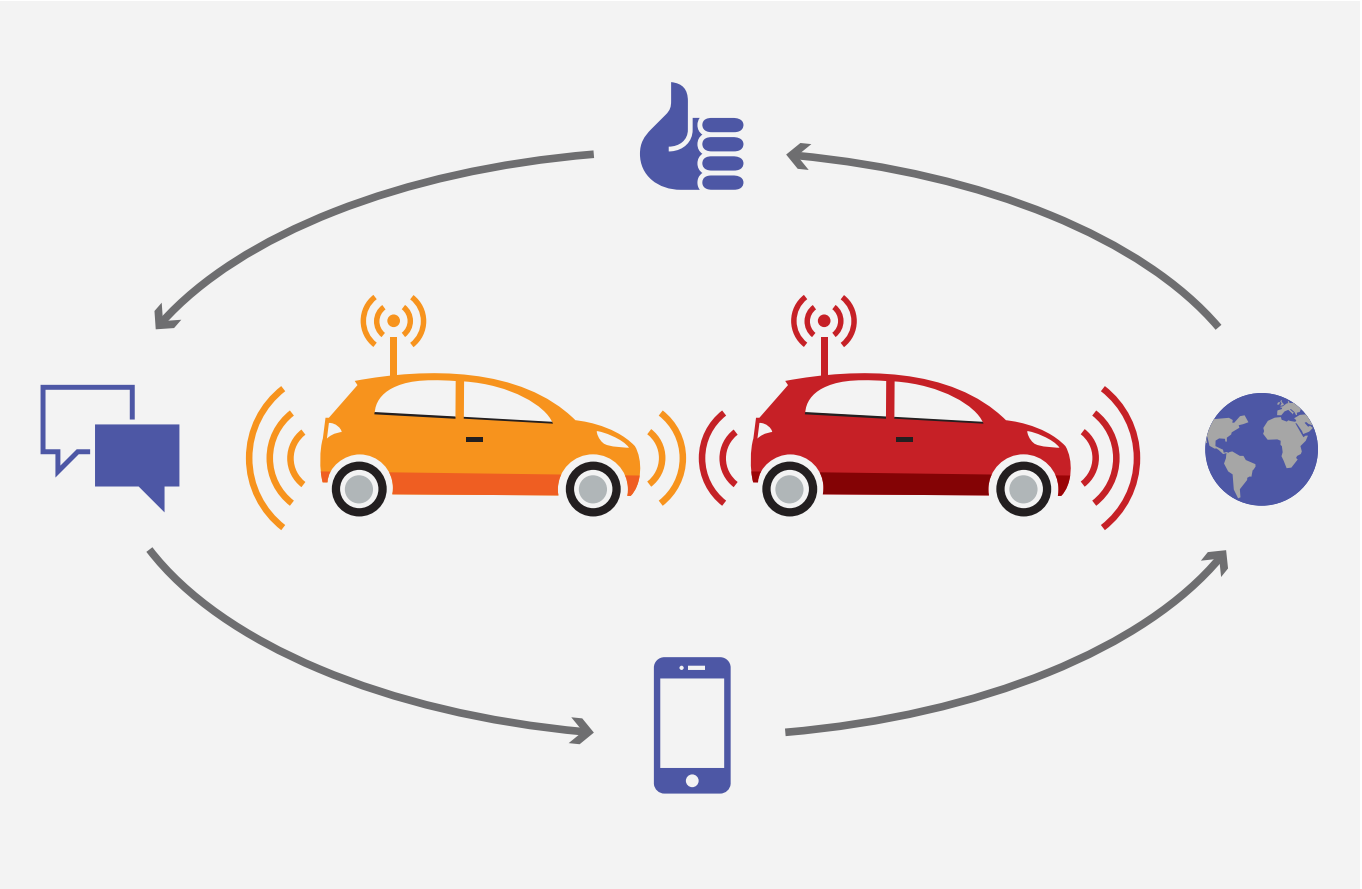
The drive towards social cars

Collaboration is not just a handy means of addressing concerns over safety and privacy, however; it is also an essential prerequisite for the most important aspects of connected cars' potential. Ultimately, both drivers and the brands they drive will benefit most when their vehicles are able to talk directly to one another, sharing information freely. The ambition for auto manufacturers should not simply be for cars to be connected; they must strive for them to be social as well.

Cars that can communicate using a common technological standard have far more sources of data available to them to help guide their drivers and keep them safe. When it comes to maintaining the balance between staying constantly connected and driving safely, the ability for cars to communicate freely with the vehicle coming to a sudden stop up ahead, the traffic light about to change, or the mobile map which knows exactly where on the road the vehicle is, stands to be hugely important.



Collaborative, common platforms that draw their strength from the fact that all vehicles have access to them should be the priority for the industry's key players.

For manufacturers though, social cars are not just a means of enhancing driver safety. They also point towards the most important benefits that auto brands can gain from the advance of connected car technology. Rather than seeking to parcel off and own different aspects of the connected car (often at great cost in terms of budget and resources), manufacturers should focus on encouraging shared platforms for the free exchange of data – and turn their attention to developing new services and offers to take advantage of that data. They should focus on forging collaborative strategic partnerships that enable data sharing, not just because this is the best strategy for the future of the connected car, but because it is the best strategy for the future of their businesses.

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Let big data be the driver

Auto brands stand on the threshold of a motoring age when individual car components are able to communicate levels of wear and tear via the web, enabling remote diagnostics, preventative alerts, more efficient servicing and significantly improved customer loyalty. Combining vehicle and dealership experiences over customer lifecycles will power more predictive retention models. And with a flood of data showing exactly how individuals drive, product development can deliver the precise features and designs that drivers need, judging how different types react in different conditions, how they make use of their vehicles' features, and how the different components perform when they do.

None of these benefits will require unique, manufacturer-specific integrated systems; instead, all of them will be enhanced by open communication platforms that enable different components and different potential data sources to speak the same language.

The key to unlocking the full potential of connected vehicles lies in our ability to put these new data streams into context, connecting them to other relevant sources, and providing new and revealing perspectives

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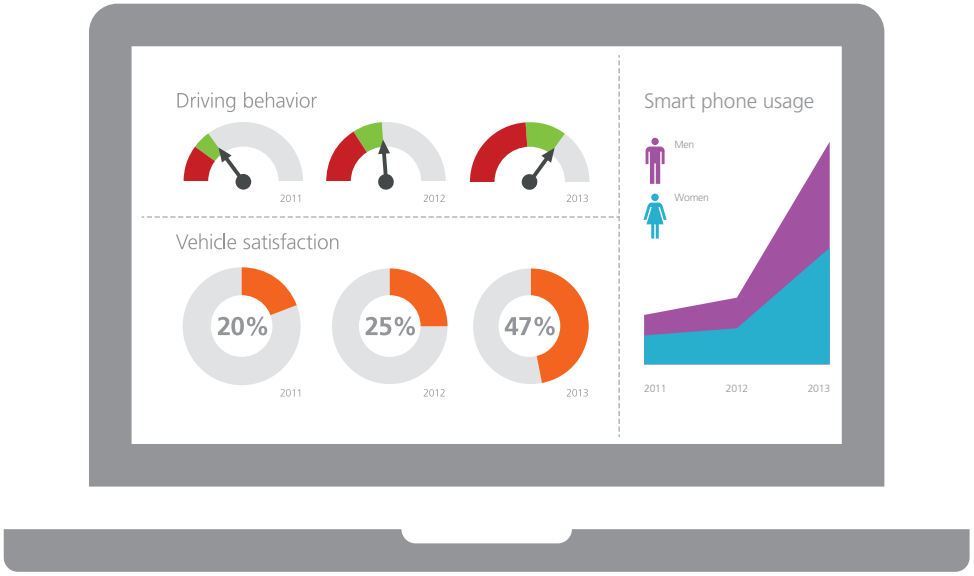
Yet the big data generated by connected cars will not be able to speak for itself. It requires a new relationship between manufacturers and technology partners to generate it, but it will also require a new relationship between manufacturers and research agencies to take advantage of it.

Researchers are uniquely qualified for developing the analytics platforms and capabilities that can transform the data emitted by connected cars into meaningful and rapidly actionable insights. The key to unlocking the full potential of connected vehicles lies in our ability to put these new data streams into context, connecting them to other relevant sources, and providing new and revealing perspectives. Data on driving behaviour, driving conditions and vehicle responses takes on far more meaning when combined with vehicle satisfaction information, spend data, aftercare experiences and perceived quality ratings.

In TNS's experience, integrating big data in this way can transform the role of research for clients: delivering insights that can be plugged directly into advertising, media and CRM strategies to deliver an immediate competitive advantage. When we combine the trends and patterns revealed by the connected car's observations with traditional CRM data, we create sophisticated statistical models with a vast range of applications. We can understand customers as complete individuals, integrating spending patterns with attitudes, driving behaviour and experiences. And we can use geo-location to distribute CRM information to the right dealerships at the right time, ensuring a seamless, personalised experience wherever a customer's connected vehicle takes them.



The ultimate destination

The auto industry's main product is about to become its ultimate source of consumer insight. Social vehicles have the potential to transform drivers' experiences of products and brands, before and after purchase, building new types of profitable and loyal customer relationships. In doing so they will establish a wholly new playing field on which manufacturers will have no choice to compete. Those that leverage the huge quantity of localised and personalised data that results from connected cars to deliver tangible value to consumers will gain a powerful competitive edge over those that do not.

The manufacturers that finish on top in the new connected landscape will share one key characteristic. They will have understood that who owns the technology within the connected car is ultimately far less important than where that technology can take them.

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