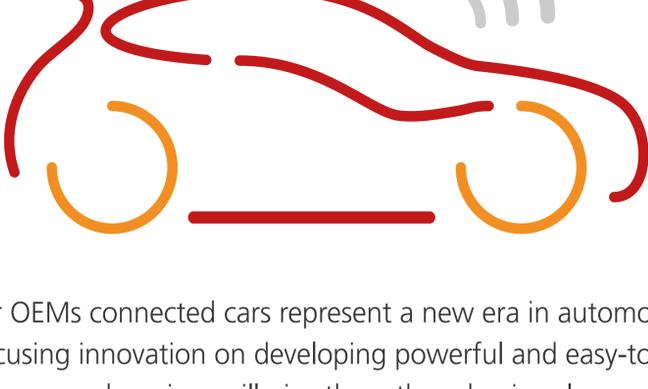


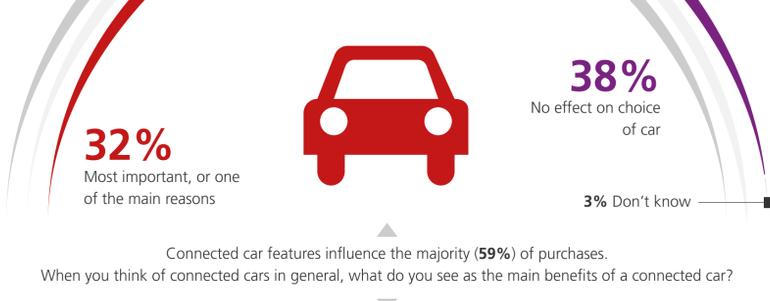
The connected car future has only just begun



For OEMs connected cars represent a new era in automotive. Focusing innovation on developing powerful and easy-to-use software and services will give them the edge in sales, open up new revenue streams and give them a direct relationship with customers. Yet adopting a whole new way of doing business is never going to be easy. To stop the opportunity from slipping away, OEMs need to engage customers.

Evaluating the connected car opportunity

BearingPoint Institute and TNS analysis of the evolving automotive market shows that vehicle manufacturers can open new revenue streams, diversify core activities, and improve profit margins by selling software and connected services. Six out of 10 purchases are already driven in some way by connected features:



Connected car features influence the majority (59%) of purchases.

When you think of connected cars in general, what do you see as the main benefits of a connected car?



"It made me feel like I understand my car better and I like that I have features that could help me when I'm driving."

A survey respondent

Extent to which connected features had an impact on customers' lives. Only one out of four says first use had an impact:



With almost 40% of owners unaware of their connected car features, OEMs need to work harder to drive adoption

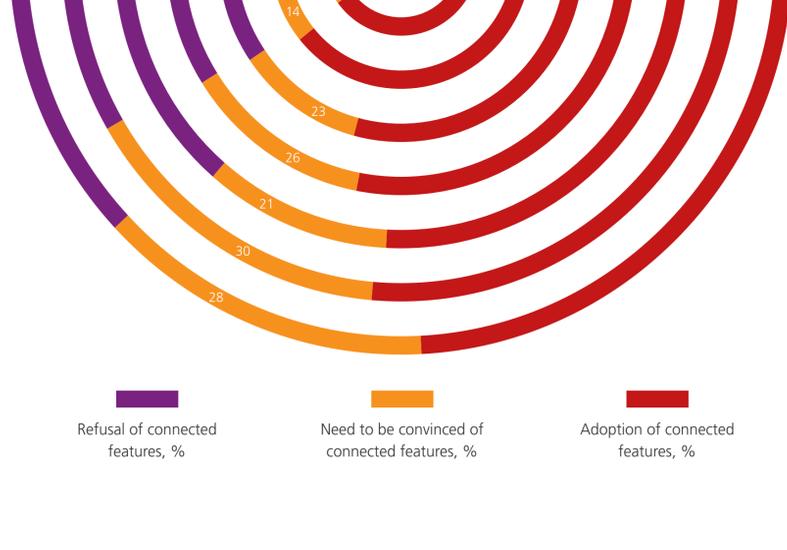
Billions spent on innovation, research and development, and application technologies mean nothing if customers remain in the dark as to whether their connected car is connected. Customer uptake needs to grow to ensure revenues generated by connected features achieve sufficient return on investment and value growth:



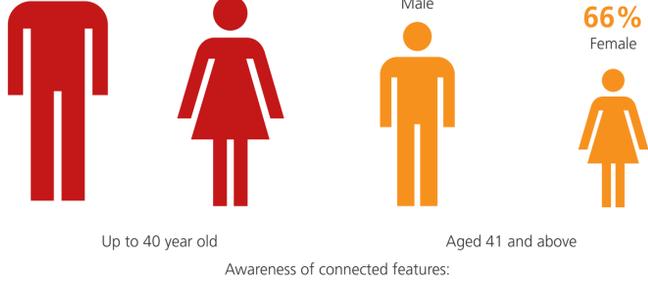
"I have no idea what these features are. They were never mentioned when I bought the car."

A survey respondent

Usage and adoption by market across Europe:



It's time to look beyond young, affluent men. Our findings suggest that connected features are primarily of interest to younger drivers and male drivers. Older drivers and female drivers are more reluctant to embrace connected features, and stand to be 'won' as customers.



Navigation and infotainment is the way forward

Proportion of non-users who say they will use connected features in the future:

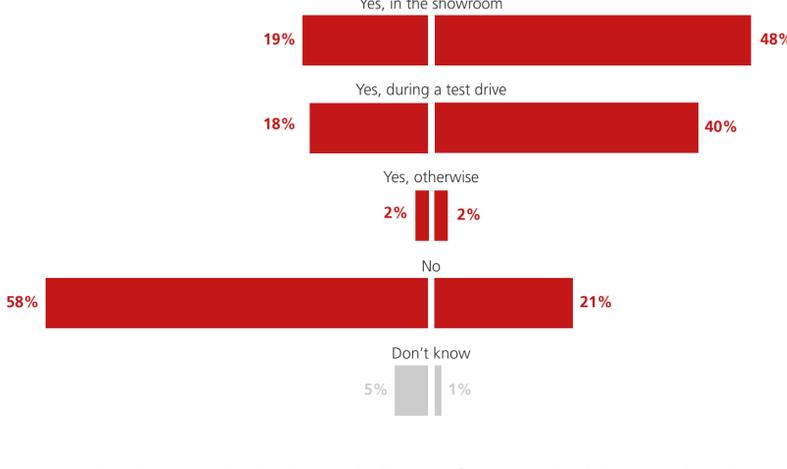


"I still don't understand all that it can do, and the dealer didn't know much more than me."

A survey respondent

Taking action: our recommendations

When you decided to purchase the car, were any of the connected features demonstrated to you?



From developers to dealerships, vehicle manufacturers should ensure that they invest in building simple, easy-to-use and impactful technology. Our research shows that car owners who had a bad experience with connected technology usually put this down to poor design and user experience (UX):



Building simple and impactful technology

OEMs should consider other approaches to open innovation, such as partnering with specialist third-party suppliers to explore and exploit best practice in UX and software development.



Show value to customers

Raising awareness of the benefits of connected features will inevitably drive greater consumer adoption. OEMs should invest in enhanced, targeted marketing to bring attention and highlight how features will provide specific benefits.



Effective on-boarding of customers

48% of connected car owners who are using the features say that the technology was demonstrated to them in the showroom, while 40% say that they were given a demonstration during their test drive. To be successful, dealers should engage and train all buyers at the point of sale.