



EMBRACING THE NEXT GENERATION

IN-VEHICLE- INFOTAINMENT

BY DR NEALE FOSTER, CEO, ACCESS EUROPE

EXECUTIVE SUMMARY

- **IVI and connectivity are key buying criteria (especially for millennials) that will grow with the arrival of autonomous vehicles.**
- **IVI and linked mobile apps offer powerful two-way communication for OEMs to finally engage directly with vehicle owners that transcend the dealer network.**
- **Embracing digital services – such as an in-car streaming solutions – will allow for new types of engagements and revenue streams.**
- **A dual strategy of supporting key mobile device brands – such as Google and Apple – while still retaining control of the in-vehicle experience offers the most benefits for the automotive industry.**
- **This approach will allow the automotive industry to capitalise on new partnerships with content and service providers while strengthening customer engagement and brand loyalty.**

For most consumers, purchasing a car is the second largest capital outlay after buying a house.

There are a host of reasons that people choose the car they buy, ranging from ‘curb appeal’ to what the brand means to the driver. Does it feel special sitting in the driver’s seat? Will the kids love sitting in the back? Does it come with all the extras I want at the right price? Of course, all these factors matter, but increasingly the in-car entertainment system can be the decider. So, getting the IVI system right really matters for OEMs.

Although increasing showroom sales are critical, a connected OEM branded In-Vehicle-Infotainment (IVI) system also helps to build longer-term relationships with the driver and passenger along with generating new, recurring revenue streams. At the same time, it enables the OEM to define the in-car experience rather than ceding control to Silicon Valley media tech giants. All of which means that the in-car entertainment experience has never mattered so much to people in cars and those that make them.

Capturing the market

Research companies report that in-vehicle infotainment and connectivity capabilities are becoming a major requirement; according to [2016 IHS Automotive research](#) (which focused on the US market), up to 40% of millennials said they wanted in-car IVI based apps that ‘help to enhance the driving experience.’ Additionally, Gartner L2 reported in 2016 that 40% of surveyed consumers would switch their car brand for more connectivity, up from [20%](#) in 2014. As autonomous vehicles start to emerge – freeing the driver to participate in more activities – IVI will take on an ever more important role in the vehicle purchasing decision making process.

The connected age

The overall vehicle experience has evolved in recent years through the arrival of more advanced in-vehicle technologies. The simple radio and cassette decks from the 1970’s have been updated in modern vehicles with cellular enabled in-car Wi-Fi offering streaming audio, GPS-based location services, and for rear passengers, the option of live and on-demand video.

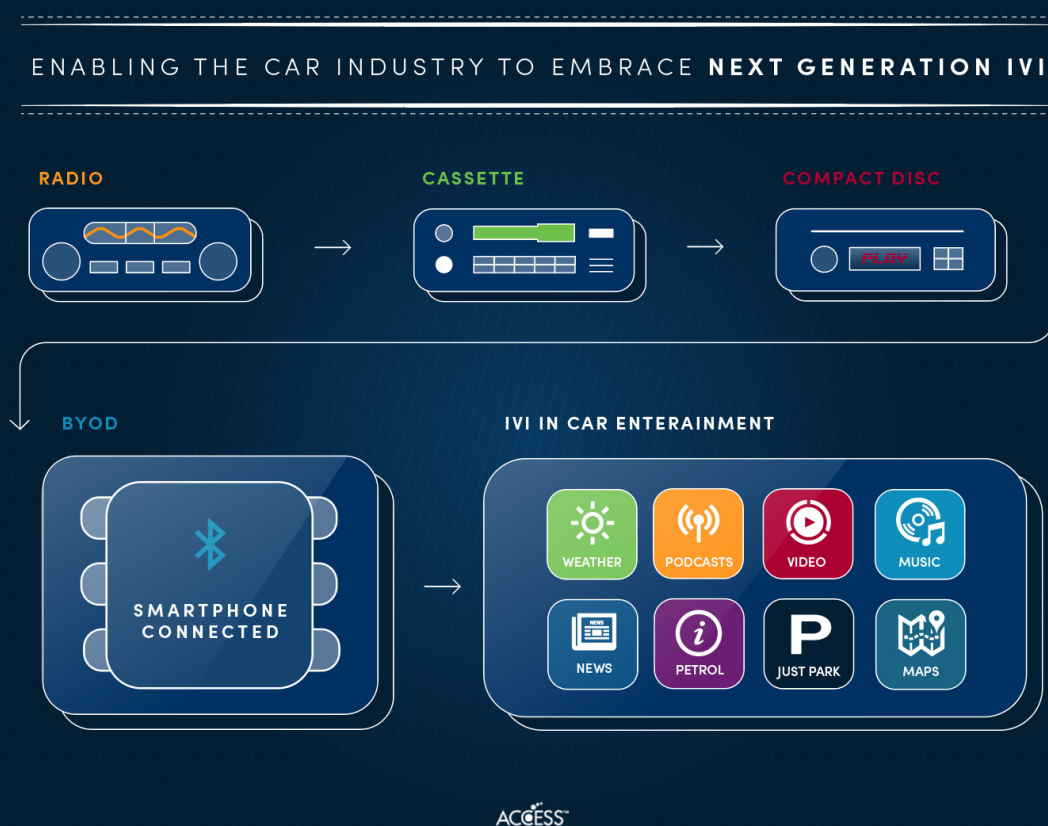
But IVI is more than just a consumer benefit. With the combination of touchscreen and voice-based interface, on-board software and cellular communications; automotive brands will finally have a powerful touchpoint direct to the car owner. This two-way interaction goes beyond the dealer network relationship and allows brands to engage directly with end-customers to share information, collate data and provide additional value-added services.

The OEMs can increase the possibility of success in IVI by working with telcos to create multiple data plans to cater for differing levels of content access. Additionally, new content and data models in which certain services are already included in the cost of the car could be interesting and popular in some markets.

Adding value

According to the [2018 Deloitte Global Automotive Consumer Study](#), between 50% and 63% of car owners would be interested in additional connected services provided by car manufacturers. The list includes maintenance updates and vehicle health reporting; updates regarding traffic congestion and suggested alternate routes; and access to parking information, including availability, booking and payment. The same study suggests that 59% of consumers were not contacted by the manufacturer after purchasing their vehicle.

Yet most new cars sold are still not equipped with a modern 'connected' IVI. Although this is changing, many existing car owners and passengers still rely on bring-your-own-device (BYOD) offerings based on smartphones and tablets to broaden their in-car entertainment experience beyond the radio and CD player. This option is far from ideal; it suffers from intermittent connection, can be poorly integrated with the car's entertainment systems and does not provide experiences tailored to individual journeys. It is important when specifying next-generation IVI that OEMs and Tier-1s look for integrated BYOD solutions that provide greater benefits for both automotive brands and the consumer.



Integrated apps

Developing integrated apps that can span both IVI and BYOD is critical. Tighter integration between vehicle functions, such as satellite navigation, cellular Wi-Fi, audio systems and rear passengers' screens, enables advanced in-vehicle features such as instrument cluster integration and rear seat casting to be much more streamlined for the enjoyment of all car occupants.

By offering value-added features, brands can retain control of the user experience through car owners obtaining a superior experience by installing the OEM's IVI equivalent app on BYOD devices. This dual strategy offers brands a way to keep direct contact with owners as vehicles are resold into the secondary markets, especially if the sale is outside the dealer network.

At the same time, this model also builds stronger relationships and greater loyalty amongst the next generation of car buyers. Offering a branded, value-added app tied to each vehicle creates a direct touch communication path which is directly in the control of the OEM. This means the OEM can reach every car owner, globally, with localised content.

Vehicle app stores

The opportunity to have a set of apps that not only span multiple models and devices but can also be made available from a dedicated vehicle app store, represents an innovation that car brands can use to avoid a dependence on either the Google or Apple app store. The combination of the manufacturer branded IVI alongside integrated branded apps on BYOD, provides the ability to deliver additional value-added services that are both simplified and more reliable.

Alongside popular streamed music applications such as Pandora and Spotify, brands can now look at offering additional content services such as Video-on-Demand (VOD), live TV and premium content that can be delivered as part of a monthly subscription or within an advertising supported model. Global brands such as Amazon, Hulu and Netflix – along with regional champions such as iROKOTv in Nigeria, Hotstar in India and ClaroVideo in Brazil – are all vying for subscribers and are looking at the in-car market as an intact space for business growth.

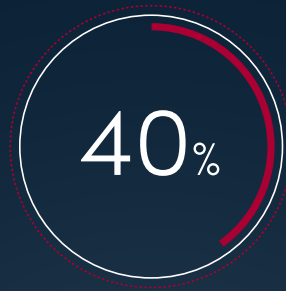
A world of content

It will be vital for OEMs to create content propositions which entail both large international SVOD and streaming services with local broadcaster content across several countries. ACCESS has built a substantial partner portfolio for automotive, which allows for a mix of content in a white-label product. This allows for an OEM to hold the customer relationship across all its facets.

Are you ready?

By 2040, there will be over 2 billion cars in use and it is likely that autonomous vehicles will make up most new car sales. Brands that can deliver true value-added benefits to drivers and passengers will be able to capitalise on an untapped market. Those that don't will be letting a great opportunity slip through their fingers.

IN CAR ENTERTAINMENT



of drivers would switch cars for greater connectivity

Source: Gartner L2



of millennials want IVI apps to enhance the driving experience

Source: IHS



of car owners want OEMs to provide additional connected services

Source: Deloitte

Access Insight

The car industry is embracing next generation IVI through standard-based application and connectivity platforms. Leading this shift is ACCESS Twine™ for Car (Twine4Car), which enables automotive OEMs to provide branded Infotainment services on the car head-unit (HU) and rear-seat entertainment (RSE) displays. With software development kits for Android, iOS, QNX and Linux, OEMs can now also extend their branded IVI experience to customer brought in devices (BYOD) to form a seamless offering. Twine4Car spans the gap between the automotive and the content industries by enabling a content portfolio, helping to increase the safety, the comfort, and the flexibility of content consumption for drivers and passengers. Through our extensive contacts and experience, ACCESS can also act as the single point of contact for the OEM, engaging with app store providers, broadcasters, media owners and the OEM's Tier-1 suppliers to enable the integration and provisioning of state-of-the-art content and streaming services.