

Navigation And The Connected Car

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Disclaimer

The following slides are a subset of the full analysis presented at the 2009 PNT Symposium in Palo Alto. The full analysis is available to Gartner IAS clients.

Gartner Viewpoint

“To achieve future financial objectives with vehicle navigation offerings, solutions providers and automotive companies must redefine their strategies, prepare for radically different business models and expand their technology choices.”

Key Automotive Focus Areas Over Next Five to Seven Years

- Emerging Markets
- Sustainability
- Digital Convergence
- Changing Demographics
- New Business Models
- Diverse Regulations

**Connected
Vehicle**



Navigation Commoditization Trends Will Accelerate (Gartner 2006)

Gartner

Industry Research

Publication Date: 31 March 2006

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Vehicle Navigation Must Evolve or Face Commoditization

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Vehicle navigation technologies have been a high-profit item for vehicle manufacturers, automotive suppliers, telematics service companies and device manufacturers; competition and technology advancements will make navigation applications ubiquitous but will increase the chances of commoditization. To avoid this risk, vehicle manufacturers, automotive suppliers and device manufacturers must decide how to expand the value proposition of navigation applications and prepare for external factors; traffic applications, in particular, promise to provide daily relevance in combination with navigation systems, but combined offerings must focus on influencing the drivers' routing choice.

Key Findings

- Consumers' and fleet operators' interest in vehicle navigation technologies continues to grow, but companies are not providing the right offerings.
- As vehicle navigation becomes ubiquitous and prices fall, the risk of commoditization grows.
- Traffic applications can improve the value proposition of vehicle navigation systems, but the value chain is still emerging, and applications must focus on automating customers' decision-making processes.

Predictions

- The evolution of navigation technologies and applications will occur in three phases — functional improvements, a focus on personalization and legislative requirements.

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Navigation Evolution Will Occur In Three Phases

- 1. Platform Diversity and Appearance/Functionality Enhancements:**
Location-enabled devices and the Vehicle-Hub
- 2. Navigation as a Service:** PND vs. PNS; Content vs. devices;
Connected services
- 3. From Luxury to Mandate :** Traffic & energy management; Fiscal applications; Car-to-x communication

Gartner Prediction

“By the end of 2009, at least one application or consumer electronics company will offer a free GPS-enabled, voice-guided navigation solution to the consumer market”

- Gartner 2007

Recommendations

- ✓ **Select a strategic direction:** Device diversity, vehicle-hub, navigation as a service and/or connected service offerings?
- ✓ **Focus on HMI & UI:** It's a key competitive differentiator, if you don't have the expertise in-house, obtain experts from outside
- ✓ **Seek partnerships to create content & service offerings:** If you can't offer your own services you should partner with service providers who have the expertise and an installed user/platform base.
- ✓ **Provide value-feedback to subscribers** (e.g., traffic appl. really saved time) and **focus on better targeting** (e.g., consumer expertise has matured)
- ✓ **Create contextual intelligence and capabilities**

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