

GPS Business News Article

How the Connected Car is Altering the GPS Landscape

By Jose Bedolla

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There is little doubt that GPS systems have significantly improved the way we drive and navigate to our destinations. Without it, we would still be fumbling with paper maps, taking our eyes off the road and wasting immeasurable hours, miles and fuel getting lost. Continuing to improve on the technology, the GPS and auto industries have partnered to develop a new generation of GPS navigation: the connected car.

With the connected car, auto manufacturers are moving away from in-dash navigation systems built on static information housed on a DVD. Now, drivers can get real-time, hands-free access to personalized traffic reports, precise turn-by-turn directions and even news, sports and weather reports.

The fourth screen

Today, consumers get their information and entertainment from three primary screens: the TV, computer and smartphone. New to the scene is the fourth screen, which is the connected navigation screen of cars made by progressive auto manufacturers.

Driving demand for this fourth screen is the increasing power of smartphones and faster wireless network speeds. The rapid adoption of smartphones has increased consumers' appetites for connected information on the go and this now extends to the car. In fact, Gartner believes that by 2016, connected GPS systems in cars will be as traditional as power steering is today.¹

Appealing to a new breed of consumers

By bringing Internet connectivity to the car, GPS manufacturers can now provide real-time navigation and traffic information to their customers. It allows them to extend their reach to a greater number of consumers who want more connectivity in their lives. With this innovation, GPS providers allow consumers to stay safe, informed and even entertained in the car.

According to a November 2008 study by CEA, the core market for in-car connected systems represents 44 percent of the U.S. online adult population, which equates to 77 million people. The study categorized this core market into four groups, listed here in size order:

- Young adults (32 million online adults)
- Road warriors or travelling business people (13 million online adults)
- Parents with teens (nine million online adults)
- Parents with young children (eight million online adults)

¹ Car makers care about wireless connectivity, not navigation," Gartner Group, gpsobsessed.com.

Half of these consumers are interested in installed vehicle information and communications systems.²

The power of GPS in the connected car

With such a large market poised to adopt connected car navigation systems, GPS manufacturers can provide significant value to drivers in the form of real-time navigation data, personalized traffic reports and even news, weather and sports information.

One of the newest connected car systems is Ford SYNC with Traffic, Directions and Information, which uses TeleNav GPS navigation services. Together, these companies provide:

- Hands-free interface using voice commands
- Turn-by-turn directions optimized for traffic
- Audio directions provided through the car's audio system
- Real-time traffic information in the case of road closures or unexpected detours
- Automatic rerouting
- Text messages providing the location and severity of accidents or road construction
- Personalized sports reports, zip-code-targeted weather reports and news of all types personalized from the car or PC

Drivers can get this data simply by bringing a Bluetooth-enabled mobile phone into the vehicle. The system works with a consumer's voice plan, so no extra data plan is required. This makes connected car systems more accessible to a greater number of drivers and those who live in an area with limited data coverage or who simply don't yet subscribe to a data plan.

While Ford is breaking new ground with its system, Continental has also announced a solution called AutoLinQ which is based on an open-source platform. The company says the system will enable drivers and passengers to personalize their cars by safely downloading information and content from the Web to the dash.

The ultimate goal: device integration

It's true that many drivers can get much of this real-time navigation, traffic, news and weather information on their smartphones or personal navigation devices today. Yet the motivating factor for connected car manufacturers is greater device integration. Rather than fumbling with their smartphones while driving or using static (and possibly outdated) DVD navigation systems, drivers can now use their connected car navigation system to get all the information they need while keeping their eyes on the road and their hands on the wheel.

Conclusion

Connected car solutions have evolved from basic one- or two-feature systems to fully connected, real-time data solutions that will soon become standard in all vehicles. The latest generation of connected car solutions offers many benefits for drivers, yet the auto

² "The Technology Enthusiast Driver Populations—Driving the Future of In-Vehicle Technologies," CEA, November 2008.

and GPS industries also stand to gain. Providing the greatest that technology has to offer, auto manufacturers will sell more cars and improve customer loyalty. GPS manufacturers will use this innovation to extend their reach, earn new customers and provide users with the connectivity they desire. Ultimately, the connected car has become a new reality that is altering the GPS landscape as we know it.

Jose Bedolla is Director of Automotive Business Development for TeleNav, Inc. Contact TeleNav by calling 1 88 TeleNav 2 (1.888.353.6282) or visit www.telenav.com.