

An aerial, high-angle photograph of a multi-lane highway interchange at night. The scene is illuminated by the headlights and taillights of numerous vehicles, creating a dense pattern of light trails and bright spots. The road surface is dark, and the overall color palette is dominated by the blues and greys of the night, punctuated by the warm yellows and oranges of the car lights. The text is overlaid on the upper right portion of the image.

CONNECTED CAR MONETIZATION AND COMMERCE – WHO'S IN THE DRIVER'S SEAT?

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In recent years, subscription commerce has clearly been a fast-growing aspect of the consumer market. Subscription-based Wi-Fi, telecoms, entertainment and ecommerce services generate individually small transactions that add up to significant revenue (by total customer volume) paid monthly to the titans of these industries. Additional paid-for services such as prime time events, bolt-on data packages or enhanced service access further increase the opportunities for growth and profitability, and in many cases – better customer experiences.

Second only to the subscriptions we pay for in our homes are those we can enjoy in our connected cars. Over the next few years, connected car services will continue to evolve and with them, subscription and 'as-a-service' models creating significant new revenue streams for brands.

This year, Concentrix surveyed customers in North America and China to find out what in-vehicle connected services customers are happy to subscribe to.



With the technology already available, connected cars present real-world opportunities for manufacturers and brands. From productivity to infotainment, critical services and efficiency, customers expect connected car services to provide the same access to everything they enjoy in the comfort of their home.



Top of the list for North America customers was Wi-Fi connectivity. 56% said this is a service they would be happy to pay for.

Core benefits of in-vehicle Wi-Fi include access to familiar platforms, social media and service providers. Customers will place orders, update subscription agreements and request additional services generating micro payments and associated data.



Juniper Research anticipates that, by 2023, 775 million consumer vehicles will be connected via telematics or by in-vehicle apps—with the total spend over connected car eCommerce platforms exceeding \$265 billion.



Vehicle location technology proved popular as a paid-for service across all geographies. In addition to the increase in personal data to which a connected car can provide access, simply being able to find your car, stolen or otherwise, is a function with obvious appeal.



Similarly, emergency assistance polled high for all participating customers—47% in North America and 43% in China. The OnStar subscription service from General Motors has been operating since 1996, connecting owners with a GM contact center operators. In Europe since 2018, EU regulations require that all new cars have a system that tells the police when a car has been in an accident. Extending emergency services to include rescue, roadside assistance and alternative transport present clear opportunities for add-on services.



Views differed on the use of voice-assisted features with preference greatest in North America at 38%. Chinese customers scored voice assistance below discounts and navigation at 24%. In a recent webinar, Ford stated that they expect voice-assistant technology to be a core feature of the connected car development with safety in mind, enhanced UX and of course, the ability to 'phone ahead' to purchase services on the go, including parking and dinner.



In China, perhaps reflecting the rate of urbanization in the country, 57% were happy to pay for help finding a parking space.

While the figures were lower at 29% in North America, it is an offering that interests customers with clear opportunities for car park owners to fill spaces and bill for reservations dynamically.



Discounts at stores (for example, where a customer gets their regular coffee) attracted interest in China at 30%. While slightly lower in North America at 25%, the indicators for merchants are favorable, if they can make the right offers to the right buyers – at the right time. Data analytics and telematics will be critical to opening up these opportunities for brands and affinity partnerships.



A navigation functionality in one form or other was perhaps surprisingly lower than expected at 27% in China and 32% in North America. This possibly reflects how well-established the smart phone with apps like WAZE and Google Maps have become as alternative satnav solutions.



The ability to reserve an hotel room or restaurant was low both in North America and China at 10% and 15%, respectively. However, combined with supplementary offers including discounts and parking, it is easy to see the benefits to customers and lucrative opportunities for branded travel and tourism loyalty programs.



Personal data is in the spotlight more and more. And, unsurprisingly, almost 60% of North American customers who took part in the survey stated they would be happy to share data for something in return. In China, with a very different approach to personal information and its use, there was a clear reluctance to share data, with 56% saying they would not be happy to share their data – even in return for a benefit.

Our survey gives clear indication that the right connected car infrastructure combined with customers establishing willingness to pay for subscription-based services will perpetuate a significant new market for brands and affinity partnerships.

The challenge for automotive brands is clear. As 5G rolls out across the world in 2020, they need to ensure they have the necessary technical skills, partnerships in digital design expertise, billing and subscription management as well as the right communications strategies in place to compete in an economy that will become increasingly commercialized and competitive over the next three years.



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At the heart of any connected car implementation is the customer and their experience. Coordinated, cross-functional engagement is key to using technology and tools to the benefit of customer and brand alike.

With more than six years of connected vehicle marketing experience and nineteen automotive clients handling 30M interactions per year, Concentrix has proven solutions and capabilities in automotive customer engagement. Contact us today to find out how we can help you stand out in this growing market.

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