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546 – Connected Services Guide (Light Commercial Vehicles)

The Connected Services Guide (LCVs) report provides key, up-to date, insights into the connected services available for vehicles in the segment.

In doing so, it details the landscape of these services while identifying the strategies leveraged by service providers to deliver them.

CON

Connected Car

#526

Connected and Digital Services Guide

In recent years, the uptake of service-based applications and solutions by the automotive industry has impacted the ways in which customers interact with their vehicles. Today, consumers can benefit from services spread across the ownership cycle - from the purchase, or leasing, of the vehicle through to its maintenance and repair.

However, as this eco-system grows, so do the risks of implementing the wrong connected service strategy or falling behind competitor offerings. These risks will only increase in the near-future with the advent of software defined vehicles, the proliferation of built-in features hidden behind subscription paywalls, and the continued integration of the user's own ecosystem of services into the vehicle.

With more than 100,000 data points shared with every release, this guide takes a deep dive into the comprehensive landscape of connected services, and examines the strategies adopted by OEMs to enable them. Detailed insights and comparisons of key players, business models, service availability, and more are made throughout the report for multiple countries around the world. It is updated bi-annually for the US, China, and EU regions to account for the development of these services globally and provide up-to-date, accurate, data to aid decision-making.

COVERAGE

GLOBAL NA CHINA EUROPE

FREQUENCY

ANNUALLY BI-ANNUAL ONE-OFF

PUBLICATION FORMAT

PDF POWERPOINT EXCEL ONLINE

PAGES

110+

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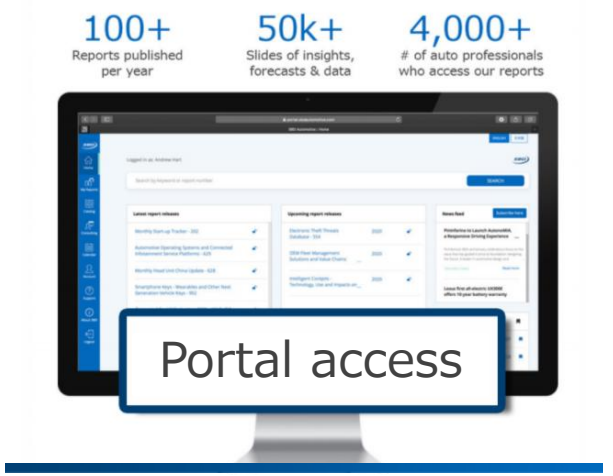
Key questions answered

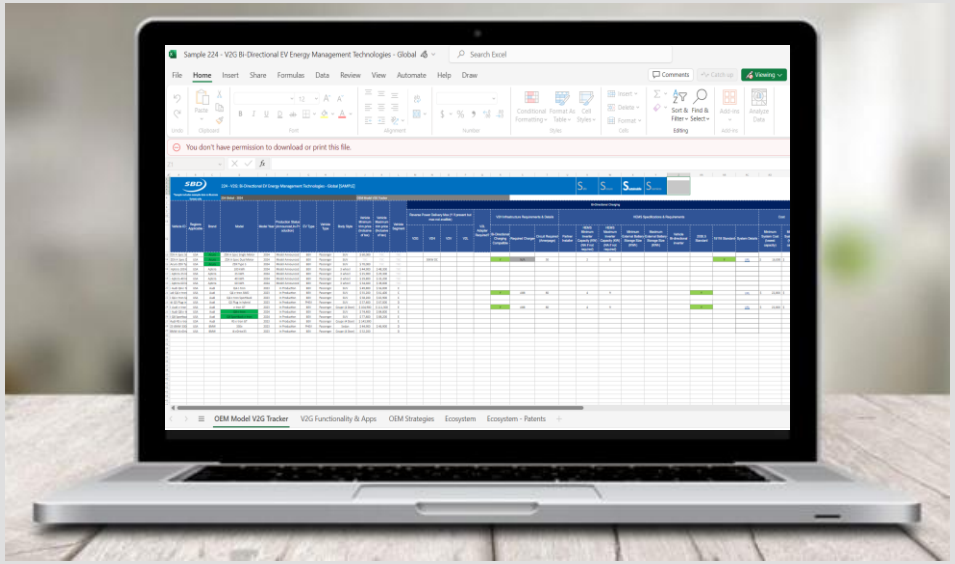
- Which OEMs have the most competitive connected car services/apps offering?
- Which suppliers are OEMs relying on the most for different parts of their connected car eco-system?
- How aggressively are OEMs pricing connectivity?
- How are OEMs fitting connectivity across each of their models?

This research supports

- PRODUCT PLANNERS
- C-SUITE
- MARKETING
- ENGINEERING

Do I have access?





View Excel Data Sheet Sample

Connected and Digital Services Guide

Deep dive into the comprehensive landscape of connected services

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526 Connected and Digital Service Guide

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Data Deep Dive
View and analyze deep data in your own way

Customer Feedback
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Total number of pages - 110

Introduction

Newer Revenue streams is key for Connected Service Evolution

In recent years, the uptake of connected services and connectivity technologies by the automotive industry has impacted how customers interact with their vehicles. Today, in the passenger vehicle segment, the use of connected car services is widespread - with many OEMs reaching a 100% availability rate in various connected service categories. Today, an ecosystem of connected service offerings provides a wealth of benefits for consumers, OEMs and service providers.

This Guide offers a detailed overview of the connected car ecosystem, including OEM offerings, connectivity technologies, existing subscription models, pricing/fitment strategies, upcoming in-car services, and how it is likely to shape up over the next five years. Through these considerations this report identifies the major drivers and barriers for the **FIVE key OEM Business Outcomes for Connected services.**

What are the key questions answered by this report.

- Which OEMs have the most competitive connected car service offering?
- How aggressively are OEMs pricing & fitting connectivity across each of their models?
- Which suppliers are OEMs relying on the most for different parts of their connected car eco-system?
- What digital services are available to automakers, and what can consumers download after the car is sold?

Layer	Section	Conclusion
STRATEGY & IMPACT	Executive Summary	This segment emphasizes upon the types of OEMs based on connected service offerings, regional priority on safety services & the industry's evolving partnership scenario at a global level.
LEARNING & ACTION	The Basics	Definition of all connected service-related terms covered throughout this report.
	What's New?	It highlights new models, key announcements, partnerships, and acquisitions in the Connected Car space.
	Analysis	In-depth information on industry trends and strategies with-in connected & digital service market.
CORE INSIGHTS	Summary Tables	The Summary section goes deeper into each OEM groups connected service adoption and strategies with their technical specifications and the pricing in respective region.
DATA DEEP DIVE IN EXCEL	Dashboard Deep Dive FaaS Key Announcements Ranking	View and analyze deep data in your own way
CONTEXT	Birds Eye View	An overview of the tangential trends to this topic, as identified in SBD's neighboring products
	Future Outlook	Future emphasis of five OEM personas are highlight against industry motivations in the domain of connected and digital services
	Next Steps	Can SBD help you with any unanswered questions?

Example slides from the report

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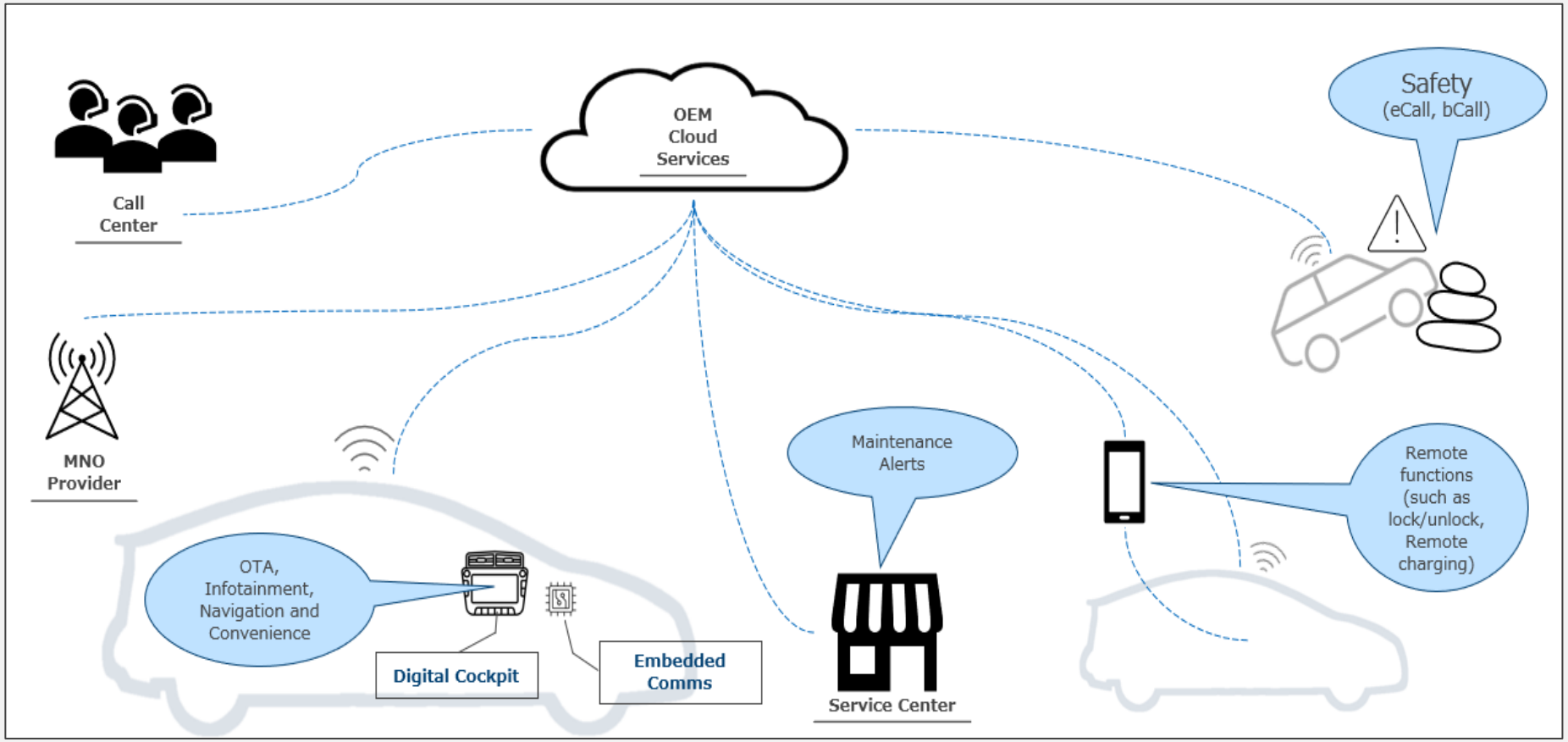
Overview of Connected Services

Connected Services are advanced features in vehicles that leverage internet connectivity to deliver a wide range of connected features, significantly enhancing the in-car experience for users.



Diagrammatic Representation of the Connected Services in vehicles

Connectivity: Vehicle connectivity is a key element of connected services, where data availability enhances the driving experience or streamlines safety, performance, or maintenance. Depending on vehicle compatibility and user preferences, connectivity could be through different channels such as cellular, local, or smartphone.

Connected service architecture: The key components that help structure a pattern that is followed to build an integrated ecosystem where different elements can communicate and share information to streamline the connected service for the benefit of the vehicle/ fleet owners.

Connected Services: The services are distributed in different categories with bundled features based on the nature of the service features. A few examples mentioned in the diagrammatic representation are Safety, OTA, Infotainment, and more.

Upcoming classification of OEMs with Connected Service offering

Minimalist

OEMs that are disruptors or new entrants and rely on lesser but valuable connected services

Characteristics:

UX – Luxury and personalized

Connected Services – Basic yet advanced

Outlook – OEMs in this category are brands with a conscious image, either serve a minimalistic approach in terms of UX and UI, or with majority emphasis on crucial services over convenience, yet staying ahead of the crowd.

Varied

Range of OEMs high in volume/ new entrants that are trying to get up to the mark in terms of growing connected services and model coverage

Characteristics:

UX – Essential

Connected Services – Addressing market demands

Outlook – Primarily addressing the mass consumer market, OEMs in this range largely emphasize on catching up on the evolving market landscape while also enabling flexible range of subscription options such as FaaS to accommodate varying consumer demand.

Prolific

Established Premium OEMs who pioneer in various domain to provide consumers with state-of-art connected services

Characteristics:

UX – Premium

Connected Services – Innovative technologically advanced services

Outlook – It is crucial for such OEMS to reflect their brand image by integrating state-of the art features such as AI, in-vehicle gaming, video streaming, etc. or differentiating service strategies factor uniqueness over commonality, further driving brand loyalty.

Next-Gen Driving: Smart Cars with Smarter Choices

The automotive industry is undergoing a significant transformation, with software playing an increasingly pivotal role. At the forefront of this digital revolution are tech giants Apple and Google, together in fierce competition for dominance in smartphone duplication and enhancing in-car experience.

- Early mover advantage of capitalizing the automotive OS market with Google Automotive Systems.
- With the presence of GAS, Android Auto might not be getting frequent updates and features to be in level terms with CarPlay 2.0.

- Provides more flexibility with app choices, considering having a Play Store.

- CarPlay supports turn-by-turn navigation in HUD, only when using Apple Maps.
- Dependency on Apple iPhone
- Plans to roll out the new CarPlay 2.0 version in high-end models of brands like Aston Martin and Porsche.

- New features include customization of the instrument cluster, temperature control, EV charge status, tire pressure details etc.

What is the existing Google's Way for the automotive?

- Google's Android Automotive has made significant strides in recent years, positioning itself as a strong contender in the in-car operating system market. Multiple OEMs have already partnered and launched the model in GAS infotainment, and many have announced recent plans to adopt the same.
- Google could update Android Auto in the future, and introduce features that could be equivalent to CarPlay 2.0

What could be the upcoming plan for the automotive?

Google's Way

- Develop Apple CarPlay OS like GAS and then gradually partner with OEMs to introduce it in the market, however, it will take time to catch upon the competitive pace.

Own Unique Way

- Introduce a few more premium features in CarPlay and make it available through subscription to generate revenue.
- CarPlay 2.0 could be offered as a wired connections on lower trims.

"Apple's apparent abandonment of its EV car project suggests a breakdown in their OS development, potentially hindering their ability to compete effectively against Google's Android Automotive System "

OEMs' focus has been on Comfort & Convenience

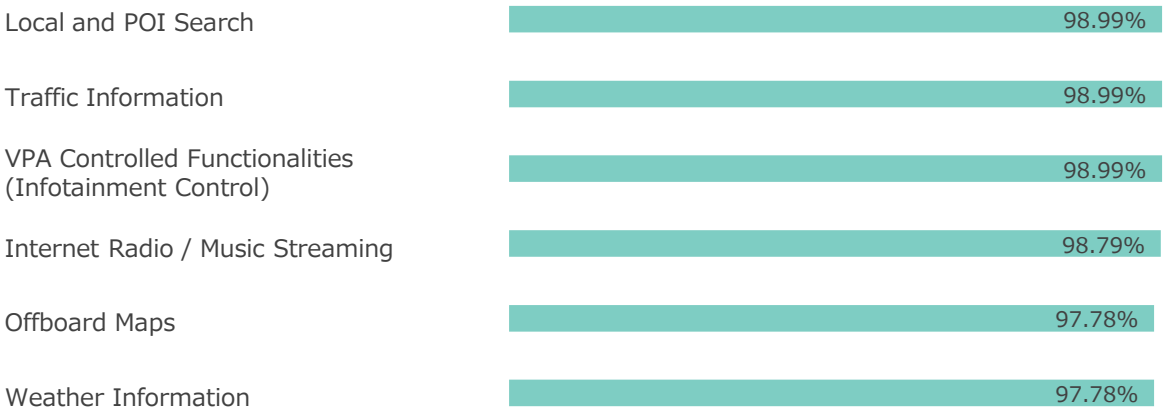
OEMs' focus on connected features development has been on Comfort & Convenience over Safety and Security features. The bar charts show each features within the service category and their respective **standard availability** across the entire market segment.

Comfort & Convenience

43 Features

Comfort and Convenience are the most common connected services being provided currently. Not only the number of features under this category is increasing over time but also the availability among vehicles is high as standard.
Categories considered includes Infotainment, Navigation, Convenience & Remote services and EV-Specific.

Availability of the sub-feature in the category (Top 6 - Model level availability)

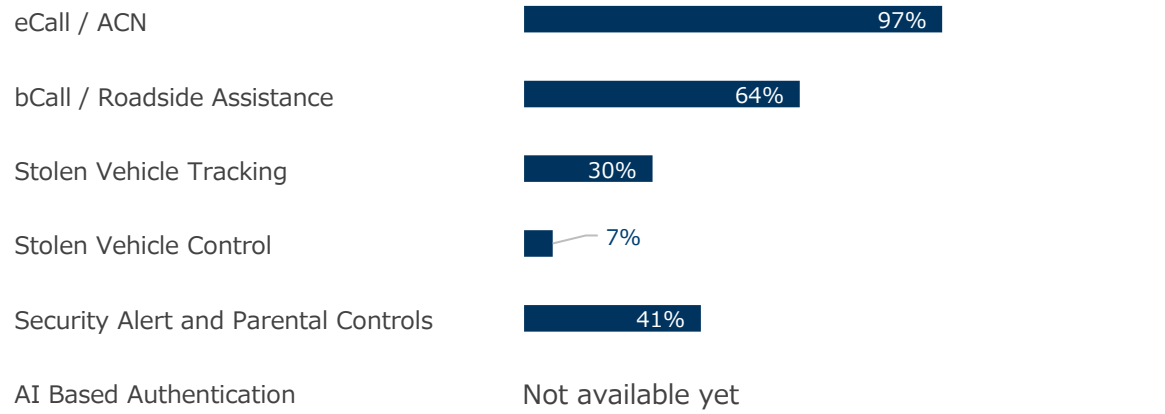


Safety and Security

6 Features

Safety and security are vital service categories. These features help the vehicle owner in case of accidents, emergencies, and vehicle theft. These features must be standard for connected cars.

Availability of the sub-feature in the category (Model level availability)



Note

Although the focus is on the Comfort & Convenience service category, SBD foresees a shift toward Safety and Security services in the coming years due to increasing regulations making safety features (i.e., e Call and b Call) mandatory and stressing the importance of reliability. The remaining service categories include Maintenance, OTA, UBI, and Driver behavior coaching which all together provide 7 features.

Supplier Strategy

Open Ecosystem
(OEMs open to partner with any suppliers)

Pros

- Accelerated Innovation
- Cost Reduction
- Increased Revenue

Cons

- Data Security and Privacy
- Over reliance on suppliers

Hybrid Ecosystem
(OEMs rely on in-house development and select set of supplier partnership)

Pros

- Consumer Data Ownership and Control
- Revenue Generation
- Long Term-Cost Efficiency
- Competitive Advantage (Uniqueness)
- Easy Integration with vehicle systems

Cons

- Significant Initial Investment
- Hiring eligible personnel
- Staying competitive

Closed Ecosystem
(OEMs developing everything in-house)

Pros

- Control and Efficiency
- Customer Reliability
- Consumer Data Ownership and Control

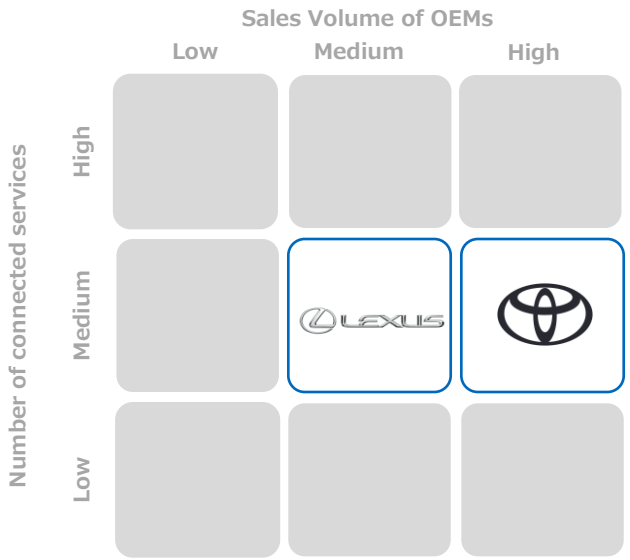
Cons

- Low Innovation – domain-specific personnel
- Low Profitability

"Unlike in the US, European OEMs strongly adopt hybrid supplier structure, encouraging in-house expertise while also relying on tier-suppliers ensuring full-proof service strategy."

Toyota Motor Corporation

Connected Services Vs Sales Volume



Key Highlights

- Toyota has a higher sales volume in the EU market than Lexus.
- Toyota Group has three connected service categories whose functional mapping differs from the common ones.
- Lexus has added a couple of electrified models that get EV-specific services, such as charging station information. The Remote Charging Control feature is only provided to the bZ4X model via the MY T app in Europe.

Functional Mapping Difference

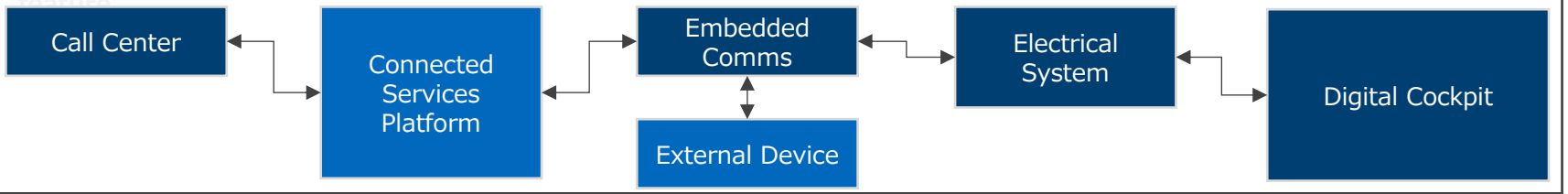
Available in all the sub features of the connected services

Available in some of the the sub features of connected services

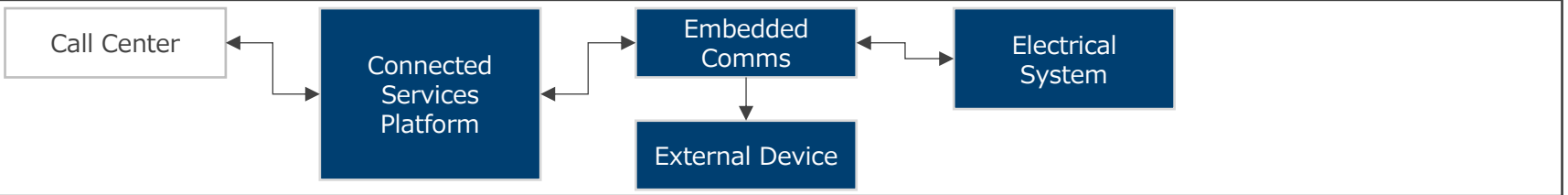
Map element Not available in the group

The following table highlights the differences from the common functional map of the services used by the OEMs. There are a few unavailable features among the categories making some map elements different from the common mapping.

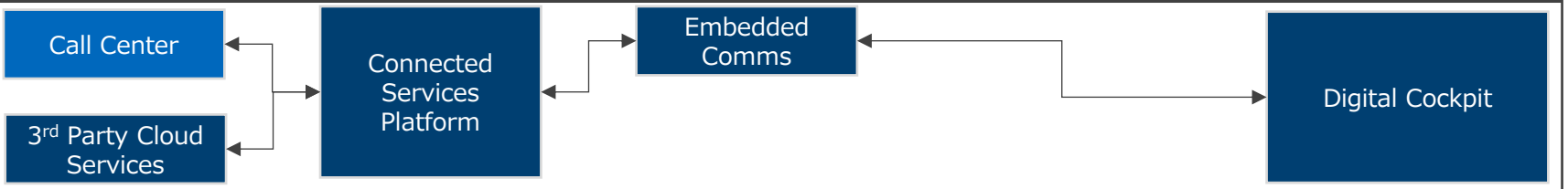
Safety – includes both eCall / CAN and bCall / Roadside Assistance, but might not require CSP for the eCall/CAN



Maintenance – includes only has Proactive alerts feature only



Infotainment – includes User Reviews / Reservations feature which require Call center element



Please note, For all other services Toyota Group follows common functional mapping

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Contact SBD Automotive

Do you have any questions?

If you have any questions or feedback about this research report or SBD Automotive's consulting services, you can email us at info@sbdautomotive.com or discuss with your local account manager below.

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