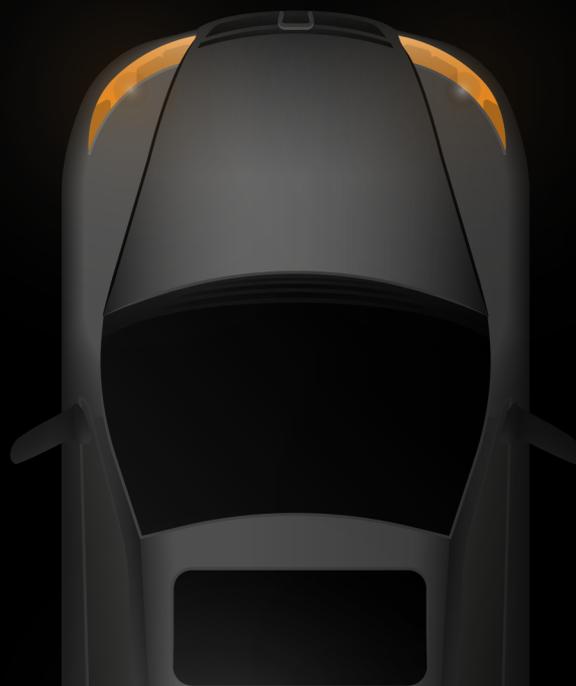


Connected cars.
Disconnected owners.
Four opportunities
to engage drivers.



8,500

interviews

20+

leading car brands

13

countries

1

insightful study

The billion-dollar question

Auto brands have invested and continue to spend billions developing connected car features in an attempt to gain competitive advantage. But is this money well spent? Is the investment paying off? That's a question we wanted to answer.

Turning insights into opportunity

We conducted a new study to explore the attitudes and purchase behaviour of more than 8,500 connected car owners across Europe, North America and China.

What we discovered was both a startling picture of consumer indifference and a huge opportunity for growth.



Failed connection

47%

of connected car owners don't even know that the features they have mean it is classed as a connected car.

We uncovered a sizeable disconnect between connected car owners and the benefits of using the technology. Many were unaware of its existence. Others didn't trust it, while a significant number failed to see how it could benefit their everyday lives. We discovered remarkably different attitudes and results in China.



Real-world opportunity

We identified the need to relate connected car technology from the digital world into the lives of consumers in the real-world at key moments in the driving experience. 'How does it work and how will it benefit me?' are the questions auto brands must answer.

It's a great opportunity to gain competitive advantage by being among the first to rectify an industry-wide weakness.

There are four key areas manufacturers should be addressing to engage drivers with the tech in the cars they make.



1

The relevance of relevance



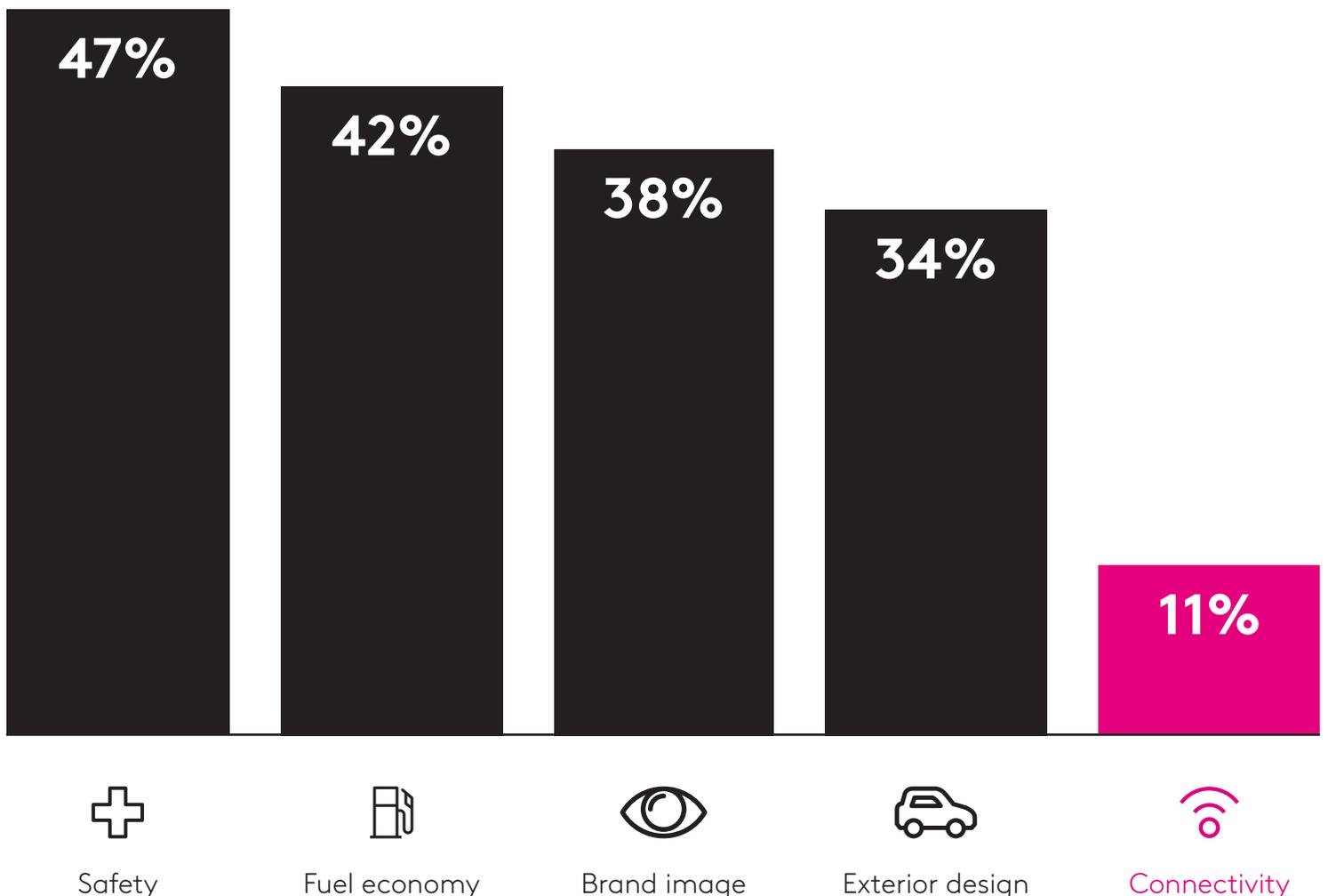
Keep it real

Our study identified the key purchasing considerations of new or nearly new cars. Safety (47%) and fuel economy (42%) were two of the most popular, with connectivity lagging well down the list at just 11%.

Insight to opportunity

Manufacturers need to show the link between connectivity – collision avoidance, weather reports, safer route planning – and the real-world benefits – fuel economy, shorter journey times and more efficient driving styles. Relating car tech to the most popular purchasing considerations at key moments turns it from a ‘nice to have’ into a ‘must have’.

Key purchase considerations



2

Understanding misunderstanding



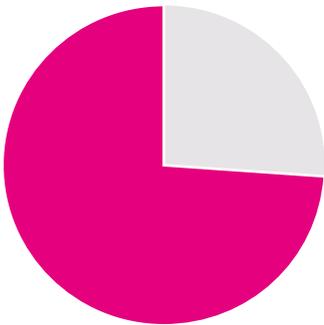
“What is a connected car?”

We believe lack of understanding is at the root of connectivity’s failure to connect with users. After all, people are unlikely to use something if they don’t know it exists, let alone how to operate it. 74% of European car owners said they hadn’t received a demonstration of their car’s features at the moment of purchase. In North America the figure is 68% and it’s 54% in China. Perhaps taking time to explain the features gets in the way of the salesman’s deal-making.

Insight to opportunity

If that’s the case, then pre-loaded in-car tutorials - similar to those found on smartphones and televisions - online explainer videos and even interactive digital user handbooks could be a way to better inform Western buyers. It means the sales person can concentrate on sealing the deal without having to educate at the same time.

Feature demonstrations are uncommon



74%

of European car owners didn't receive a demonstration



68%

of North American owners didn't receive a demonstration



54%

of Chinese owners didn't receive a demonstration

3

Users or losers



Users stick around

Usage of connected car features drives real-world relevance and provides 'sticky' elements that keep people loyal to the auto brand. Users are also far more likely to pay for access to the features. Non-users are inevitably less likely to pay for something they don't already use. For example, 71% of safety feature users (emergency call; roadside assistance etc.) are willing to pay, compared to 55% of non-users. It's also a similarly contrasting picture for other connected features.

Insight to opportunity

Achieving that initial real-world experience of the features in action is critical. It's also the most powerful way to convince cynics and sceptics. Remember when we thought iPads and apps were a ridiculous idea? That was until you got one in your hands and tried it out. Then we couldn't get enough of it. That's what we're talking about here - users are willing to spend more and they stay loyal. Non-users represent a missed opportunity and a loss of repeat business.

Willingness to pay for connected features

Safety features

e.g. emergency call and roadside assistance



Driving style features

e.g. speed alert and lane departure warning



4

Trust is a must



Their life in your hands. Your future in theirs.

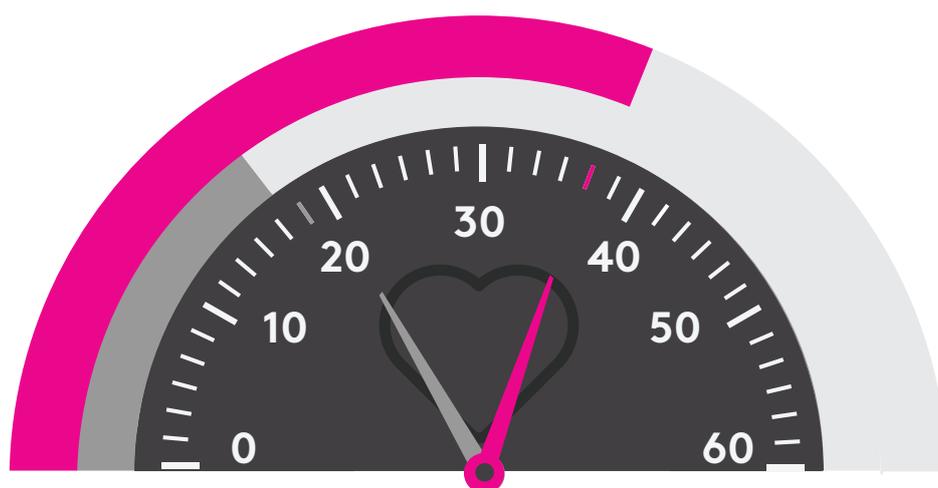
Trust has always been incredibly important when introducing anything new.

A connected car emits millions of data points every day about journeys taken, time travelled, locations visited and even driving style. It might even know financial details and passwords if subscription payments form part of the connectivity offer. The good news for auto brands is that drivers trust car manufacturers to treat their private data more respectfully than major tech giants.

Insight to opportunity

Auto brands that put an emphasis on protecting the private information of their customers, such as BMW with their Car Data Initiative, are by association decent, honest and believable in everything else they do.

Drivers trust car brands more than tech brands



18%
Tech brands

37%
Car brands

Out-of-this-world features need down-to-earth benefits

In the minds of many car owners, connectivity is complex. Rather than following the 'build it and they will buy' model, auto brands have an opportunity to grow their market share by simplifying their interfaces and aligning their features with people's lives.

Four insights. Four opportunities.

- 1 Making the features relevant in the real world will help everyone to grasp the benefits of connected car tech.

- 2 The best way to increase that understanding is at point of purchase. Even if it's not a deal-maker, it's certainly a long-term loyalty creator.

- 3 It will encourage greater use of the features, making them an intrinsic part of people's automotive lives.

- 4 And with greater use and familiarity comes trust – the most powerful emotion any brand can leverage.

Connectivity is complicated, but its success depends on some real-world simplicity.

Connected cars. Disconnected owners.

Our study is a rich source of information about where opportunities exist to fix the broken links between auto brands' tech genius and car buyers. It also examines how thriving economies like China are capitalising on a different buyer mind-set and level of market maturity.

To find out more by market, region or brand, get in touch with your usual contact or email us at the address below.



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