

## **Telematics Services Market for Passenger Cars: Key Research Findings 2015**

### ◆ **Research Outline**

**Yano Research Institute has conducted a study on the telematics market for passenger cars in Japan, U.S.A, 5 European countries (U.K., France, Germany, Italy, and Spain) and China:**

1. Research period: From November 2014 to May 2015
2. Research targets: Vendors of connected car/telematics terminals for passenger cars and service providers in and outside the country.
3. Research methodologies: Face-to-face interviews with expert researchers, surveys via telephone/email, and literature research

#### **<What is a Telematics Service?>**

Telematics is a coined word that stems from Telecommunication and Informatics. Telematics services in this research indicates services that use a telecommunication system embedded within a moving body, such as an automobile to provide information services within the mobile body in real time. Generally speaking, the telematics services are provided by automobile manufacturers to make the services available in their own vehicles they produced.

#### **<What is a DA (Display Audio)?>**

A DA (display audio) is an automotive device equipped with a display and AV functions (AM/FM radios) with no navigation system. The device can work as a parking assist system if a rear-view camera, optional, is set into the car. By integrating DA with a compatible smartphone, it enables to display the applications on the smartphone, such as music distribution, navigation, SNS, etc.

### ◆ **Key Findings**

#### ■ **Among Various Telematics Services for Passenger Cars, New Business-Related Services can be Provided by Companies from Different Industries**

The telematics services for passenger cars are considered to develop into the following three categories: Entertainment/convenience, driving-related, and new automobile-business-related telematics services. As for the new automobile-business-related telematics services, there may be an inflow of companies from different industries to become the providers.

#### ■ **Telematics Terminals for Passenger Cars May Reach 50.809 Million Terminals in Japan, U.S.A, 5 European Countries and China by 2019, Built into 80% of New Cars**

The total number of terminals for telematics services (car navigation systems, PND, DA, rear-view cameras) embedded in passenger cars is expected to attain 50.809 million in the countries including Japan, U.S.A, 5 European nations (U.K., France, Germany, Italy, and Spain) and China by 2019. It indicates that the telematics terminals are to be installed in 80% of new cars sold in those countries.

◆ **Report format:**

Published report: “Connected Car/Telematics Market for Passenger Cars 2015 - -ITS Survey 2”

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Price: 165,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

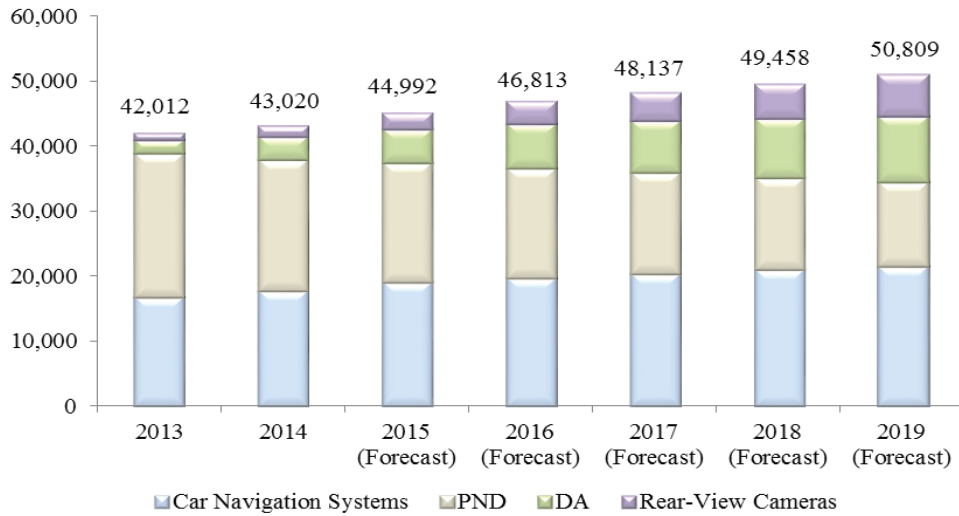
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■ **Table 1: Transition and Forecast of Shipment Volume of Telematics Terminals for Passenger Vehicles**

Category	Service Name	Service Contents
Entertainment/Convenience-related Telematics	IP Radio/Music Distribution	Programs categorized by artists, automatic music distribution services, etc.
	Map Distribution	Services to distribute a map updated/modified real time from probe services and other analytics,
	SNS//Life log	By using an in-vehicle sensor, it connects the user, maker, and dealer of the car through SNS and enables them to use the services.
	Hands-Free Devices	A system service available for those prohibited to use mobile phones when inside the car.
	Agent	A service that moves an application during the conversation with a driver so that the driver can feel that he/ she has a someone to talk to.
Driving-related Telematics	Probe Services	A traffic information service to let the driver know about the traffic jam information generated through position and speed of the car.
	Remote Diagnosis /Repair Service	A service that the maker or the dealer remotely diagnoses a user's mal-functioned car through the internet and troubleshoots by updating software.
	eCALL	In Europe, eCall system or a system to automatically inform emergency at the time when a serious accident occurs is scheduled to be mandatory to be embedded from October 2015
	Energy Management	A service that aims to optimize energy efficiency and improve fuel efficiency according to the driving status of the car.
	Automatic Drive Assist Service	A safe travel support service which is often used at the time when the car shifts from the auto-cruise function to the driver function.
New Automobile-Business-related Telematics	Telematics Insurance	Automobile insurance that applies telematics functions so that some reflect driving distance and some analyze risks that may lead to an accident by way or the driver's behavior.
	Car Sharing Services	A service that enables reservation of car sharing, certification of membership, opening and closing of door locks, etc
	Taxi Delivery Services (Taxi Sharing Service)	A service that dispatches a taxi, apply to omni bus, provides information on arrival time, confirms the fees, and settles the payment.
	In-vehicle NFC Services	A service that settles payment using NFC within the car, locks the key, customizes the driver's seat and audio devices, all of which are expected to develop further in the future.
	Big data Using Services (Smart City Services)	Services that use owner's private information such as a guide service that takes the driver's interests or hobbies into account.

Estimated by Yano Research Institute

■ **Table&Figure 2: Transition of Number of Telematics Terminals for Passenger Vehicles (Car Navigation Systems, PND, DA, Rear-View Cameras) in Japan, U.S.A, 5 European Countries and China**



Unit: 1,000

		2013	2,014	2015 (Forecast)	2016 (Forecast)	2017 (Forecast)	2018 (Forecast)	2019 (Forecast)	CAGR (2013 - 2019)
Japan/U.S.A/5 European Countries/China Car Navigation	Number of terminals embedded	16,692	17,777	18,921	19,712	20,365	20,893	21,365	4.2%
	Y-o-Y	-	106.5%	106.4%	104.2%	103.3%	102.6%	102.3%	-
	Embedded ratio	31.6%	31.1%	32.0%	32.8%	33.3%	33.6%	33.7%	-
Japan/U.S.A/5 European Countries/China PND	Number of terminals embedded	22,100	20,100	18,400	16,900	15,500	14,240	13,040	-8.4%
	Y-o-Y	-	91.0%	91.5%	91.8%	91.7%	91.9%	91.6%	-
	Embedded ratio	41.9%	35.1%	31.1%	28.1%	25.3%	22.9%	20.6%	-
Japan/U.S.A/5 European Countries/China DA	Number of terminals embedded	2,220	3,643	5,231	6,821	7,952	9,065	10,204	28.9%
	Y-o-Y	-	164.1%	143.6%	130.4%	116.6%	114.0%	112.6%	-
	Embedded ratio	4.2%	6.4%	8.9%	11.3%	13.0%	14.6%	16.1%	-
U.S.A Rear-View Cameras	Number of terminals embedded	1,000	1,500	2,440	3,380	4,320	5,260	6,200	35.5%
	Y-o-Y	-	150.0%	162.7%	138.5%	127.8%	121.8%	117.9%	-
	Embedded ratio	1.9%	2.6%	4.1%	5.6%	7.1%	8.4%	9.8%	-
Japan/U.S.A/5 European Countries/China Number of telematics	Number of terminals embedded	42,012	43,020	44,992	46,813	48,137	49,458	50,809	3.2%
	Y-o-Y	-	102.4%	104.6%	104.0%	102.8%	102.7%	102.7%	-
	Embedded ratio	79.6%	75.2%	76.1%	77.8%	78.6%	79.4%	80.2%	-

Estimated by Yano Research Institute

Notes

1. The numeric values are based on the number of systems or devices embedded within passenger vehicles in Japan, U.S.A, 5 European Countries and China.
2. Embedded ratio is calculated based on the sales of new passenger cars sold and number of each of telematics terminals (Car Navigation Systems, PND, DA, Rear-View Cameras) embedded in Japan, U.S.A, 5 European Countries and China.
3. The figures of Japan is based on the fiscal year.