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Transport



## 10 key challenges of the Connected Car

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The Connected Car Industry Report takes a deep look into an ever-growing industry that alongside the vast opportunities it offers will have to face a series of challenges. As seen in the report, these can be summed up in the following 10 points.

[You can download the Connected Car Report 2013 in English, Spanish and German.](#)

### **There is a disconnect between mobile and automotive industry lifecycles**

Automotive OEM manufacturers work on 5 year cycles as opposed to the constant operating system upgrades and new applications we have at our disposal. The difference in lifecycles between both industries is starting to be tackled by some manufacturers through taking a modular approach to the technologies they have deployed in their vehicles.

### **Automotive OEMs fully prepared for connectivity regulation**

Vehicle manufacturers are already prepared to comply with regulation mandates such as the e-Call, although to what extent and when these requirements will be implemented remains unknown.

### **Built-in vs brought-in connectivity**

The Connected Car industry is still divided between dedicated connections or smartphone tethering. The pros and cons of built-in vs brought-in connectivity or a combination of both are still fueling a debate about how to connect the car.

### **Collaborative business models must be developed between operators and OEMs**

Mobile operators are key to supporting automotive OEMs with connectivity solutions. However, objectives between the two vary creating challenges such as overcoming the permanent roaming prohibition in some countries.

**Connected car will cause an upheaval in the traditional dealership model**

It is of utmost importance to continue working on the relationship between automotive manufacturers and dealers to ultimately benefit the customer.

**Connected car will lead to new types of ownership model being developed**

Car sharing is just one example of the many forms of mobility and car ownership models that the connected lifestyle and Connected Car will bring.

**Autonomous vehicles are not on the immediate agenda for most OEMs**

Semi-autonomous vehicles are certainly on the horizon, but autonomous vehicles based on autonomous driving technologies or vehicle-to-vehicle and vehicle-to-infrastructure solutions are still on the long-term roadmap.

**Payment models for how consumers pay for connected car services are still not yet developed**

Connected Car services entail added costs which automotive OEMs will need to justify to the customer who is used to a one-off payment when purchasing a car.

**Manufacturers remain cautious towards the open app ecosystem**

Due to security and reliability issues, innovation in Connected Cars will be more restricted in comparison with the smartphone app market.

**A connected lifestyle is a given**

The report stresses that the Connected Car is no longer an option but a necessity which meets customers' expectations of continuous connectivity.

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