Market for Connected Cars Will Reach 40.5 million Unit Sales in 2017, IMS Research Forecasts

Wellingborough, UK, 31 August 2011 – The world market for connected cars will see 650 percent growth from 5.4 million units in 2010, to exceed 40.5 million unit sales in 2017, according to IMS Research, the leading independent provider of market research and consultancy to the global electronics industry. IMS Research qualifies the term connected car as any light vehicle that features a two way data connection either through a cell phone or embedded modem. Services may include, automatic emergency calling, live traffic and weather updates, internet, social media services, among others.

A key driver behind these systems and their features are consumers themselves. IMS Research recently conducted a survey of consumers in the United States and Western Europe, to gather their opinions on connected services in the car. Nearly 60 percent of consumers want a connected system in their next car, and almost half of consumers would be willing to pay for a connected system in their next car. The maximum amount these consumers would be willing to pay was £10 (€10/$15) per month, or around £120 per year for connected services.

The survey found that the services people would use regularly could save time or lives, such as real time traffic, automatic emergency calling and online point of interest searches were the most popular connected services.

“Strong market growth over the coming years will be driven both by consumers’ desire to be always connected all the time – even while driving – and through the potential introduction of a mandatory emergency calling system in Europe in 2015,” said Jack Bergquist, market analyst at IMS Research. “Such systems are already popular in the US and it’s likely that next time you come to buy a new car; it will have a connectivity package in the options list.”

Today in the US OnStar and Ford Sync are the most established brands in terms of consumer awareness according to the IMS Research Survey. In terms of costs, they sit at opposite ends of the spectrum, with Sync services being free for three years then costing $60 per year thereafter. In comparison OnStar packages start at $199 per year after only one year for free. It should be noted that Ford Sync uses the connection from your mobile phone, while OnStar makes use of an in-built modem, so even if you forget your phone the system still works.

“Within the next five years, more vehicle manufacturers will be offering connected systems that allow users to update Facebook, Twitter and other social media using their voice,” Bergquist adds. “Other functionalities will include the ability to dictate emails and text messages, and even control heating functions and the radio with your voice.”

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