

Automotive Research Topical Report

Navigation, Traffic and Telematics: Service Opportunities in the Future

By Egil Juliussen, Principal Analyst & Fellow and Danny Kim, Analyst & Global Manager

Forecast

Frequency, Time Period

- Yearly forecasts
- 2000-2014

Measures

- Units and revenues

Regions, Markets

- USA, North America, W. Europe, Japan, Korea, China, Asia, Other Regions, Worldwide

Applications/Products Covered

- Traffic information services for 4 navigation device categories:
 - In-vehicle navigation systems
 - PNDs
 - Smart phones
 - Mobile phones
- Off-board navigation service for 2 device categories:
 - Mobile phones
 - Telematic systems
- Telematics monitoring service

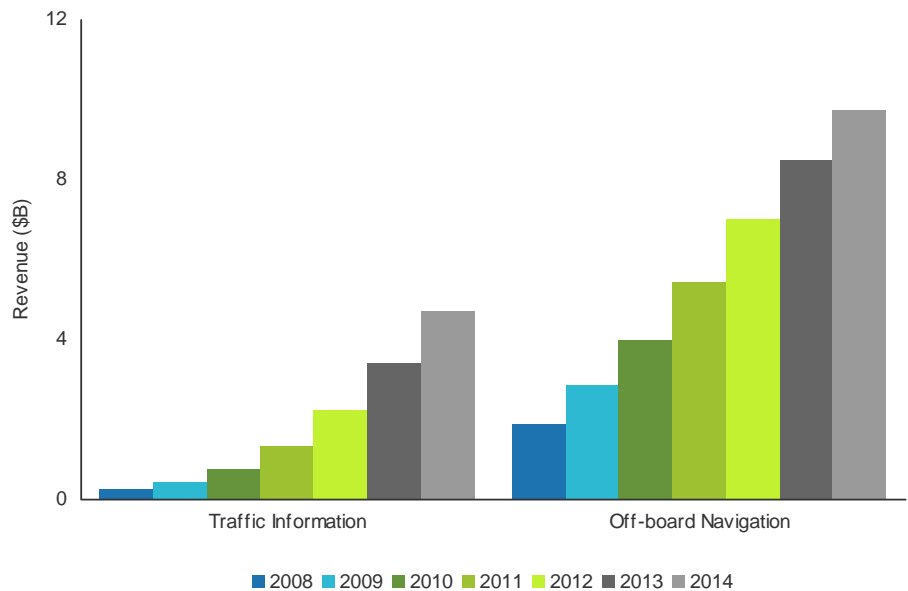
Additional Information Covered

- Traffic information forecast is based on 2 distribution technologies:
 - Broadcast
 - 2-way communication
- Off-board navigation forecast is based on estimating the split between 3 business models:
 - Subscription
 - Pay-per-use
 - Ad-based

Navigation service is a growth business and there are at least two major opportunity segments—traffic information and off-board navigation. Traffic information makes any navigation device more useful. For the vast majority of road trips, we know our way and do not need a navigation device. Real-time traffic information is useful on most trips and expands the need for a navigation device. Traditionally traffic information has been broadcast via FM radio. The business model for broadcast traffic information is primarily a one-time fee, which is very affordable. Traffic information via two-way communication links are emerging and will become a much larger opportunity than the broadcast segment. The two-way segment is currently 60% of the total and will increase its revenue share to 88% in 2014. But the broadcast segments currently account for over 70% of the traffic information users due to its low price in most regions.

The off-board navigation service market is the largest market potential due to the large number of mobile phones that are navigation enabled. Off-board navigation on cell phones include both car navigation and pedestrian navigation. Off-board navigation will have three business models—subscription, pay-per-use and ad-based. The report has estimates for all three segments. The subscription segment is forecasted to be the largest segment and will account for over 65% of the market.

WW Navigation and Traffic Information Services



Critical Questions Answered

- Why is traffic information so important?
- What traffic information segments are most important? By device? By distribution channel?
- Who are the leading traffic information suppliers?
- Why is off-board navigation important?
- Who are the leading off-board navigation suppliers?
- How important is telematics services?
- What is the growth of OnStar, ATX and Hughes Telematics?
- How big are the service markets?

Who Should Read This?

- Navigation device and service suppliers
 - Product planning
 - Competitive analysis
 - Marketing manager
 - Strategic planning
- Telematics hardware and service suppliers
 - Product planning
 - Competitive analysis
 - Marketing manager
 - Strategic planning

Lead Analyst**Egil Juliussen, PhD
Principal Analyst and Fellow**

Egil has more than 30 years experience in the computer, communications, Internet and telematics industries. He has extensive experience in technology forecasting, competitive analysis and market forecasting. Egil was co-founder of Telematics Research Group (TRG), which was acquired by iSuppli in July 2008.

Prior to this Egil was president and editor of Computer Industry Almanac, which published eight Computer and Internet Industry Almanac reference books. Dr. Juliussen was Chairman and Co-founder of Future Computing, an information service company that was the first market research and product testing company for the PC industry.

Previously, Dr. Juliussen was with Texas Instruments Inc. where he was a strategic and product planner for MPUs, minicomputers and PCs.

He received B.S., M.S., and Ph.D. degrees in electrical engineering from Purdue University. Egil is a native of Norway and is a member of SAE and IEEE.

**Danny Kim, Analyst and
Global Manager**

Danny came to iSuppli after the acquisition of the Telematics Research Group (TRG) and is currently an analyst and global manager for the Portable Devices and Location Based Services Portal for iSuppli's automotive unit. He is a frequent industry trend column writer on mobile devices and services industry and led a successful launch of the Portable Devices & LBS Portal as an extension of the automotive portal.

Prior to iSuppli, Danny played multiple roles at a Samsung Electronics in-house ad agency in Korea and ACNielsen Korea, where he provided in-depth analysis of the telematics and telecommunication industry. He performed primary consumer research projects on international users for major global electronics clients.

Danny received a Masters degree from University of Illinois. Before he joined the TRG, he spent 2 years at a Ph.D. program in University of Minnesota, Carlson School of Management, majoring in Marketing with minors in Statistics and Psychology.

Table of Contents

- Introduction
- Telematics and Navigation Service Market Overview
- Findings and Implications
- Telematics Services
 - Availability Trends
 - Telematics Service Trends
 - Telematics Service Suppliers
 - Telematics Service Forecast
- Traffic Information Service
 - U.S Traffic Information Status
 - Western Europe Traffic Information Status
 - PND Traffic Information Services
 - TomTom Traffic Information Services
 - Garmin Traffic Information Services
 - Mio and Magellan Traffic Information Services
 - Navigon Traffic Information Services
 - Nextar Traffic Information Services
 - Connected PNDs
 - Connected PNDs - USA
 - Connected PNDs - Europe
 - Connected PNDs - Japan
 - Traffic Information Service Forecast
- Navigation Services
 - Smart-phone Navigation Services
 - Mobile Phone Navigation Services
 - Mobile Carrier Navigation Services
 - Off-board Navigation Software Companies
 - Pedestrian Navigation
 - Off-Board Navigation Service Forecast
 - Conclusion
- Appendix: List of Acronyms
 - Intellectual Property Notice
- Figures**
- USA Monitored Telematics Revenue
- Regional Monitored Telematics Revenue
- Regional Monitored Telematics Subscribers
- Worldwide Traffic Information Subscribers
- Worldwide Traffic Information Revenue
- Worldwide Traffic Information Users by Device Type
- Regional Traffic Information Users
- Worldwide Mobile Phone Off-board Users
- Worldwide Mobile Phone Off-board Revenue
- Regional Mobile Phone Off-board Navigation Users
- Regional Mobile Phone Off-board Navigation Revenue

Tables

- Market Segments
- Telematics Service Availability
- Key Telematics Service Suppliers
- Monitored Telematics Forecast
- Traffic Information Trends
- USA Traffic Solution Overview-Aggregator
- USA Cellular Tracking Solutions Overview
- USA Traffic Solution Overview-Distributors
- Microsoft MSN Direct
- Europe Traffic Solution Overview
- Japan Traffic Solution Overview
- Korea Traffic Solution Overview
- China Traffic Solution Overview
- Major PNDs with Traffic Information Services
- TomTom HD Traffic Partnership by Country
- TomTom Traffic Information Services
- Garmin Traffic Partnerships
- Mio Traffic Partnerships
- Navigon Traffic Services
- USA C-PND
- Europe C-PND
- Japan C-PND
- Traffic Information Forecast
- Smart Phones with Navigation Services
- LG & Samsung's U.S. Navigation Smart Phones
- Mobile Phones with Navigation Services
- USA Wireless Carriers: Navigation Services
- USA Wireless Carriers: LBS
- Germany Wireless Carriers LBS/Navigation Services
- UK Wireless Carriers LBS/Navigation Services
- France Wireless Carriers LBS/Navigation Services
- Japan Wireless Carriers LBS/Navigation Services
- Off-board Navigation Software Suppliers
- Off-board Navigation Forecast

**Appendix Table
Acronyms**