

How growth in connected cars impacts marketing opportunities

Article



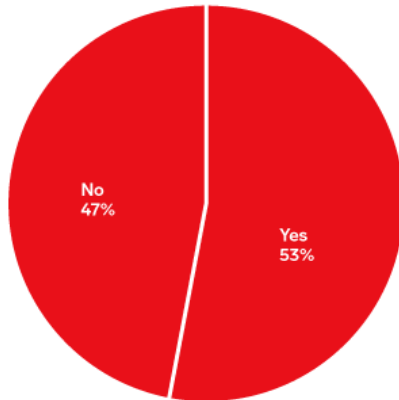
Most drivers will be connected in their cars within four years. By 2026, nearly three-fourths of the US population aged 14+ (72.3% of licensed drivers) will be driving a connected car.

In 2022, 145.5 million people, over half of the US population (52%) and 63.3% of licensed drivers, will drive a connected vehicle, a 4.1% increase from last year. We expect to see continued growth as most new cars produced are connected.

Consumers are open to in-car ads. The in-car advertising ecosystem still has a long way to go in user adoption and ad targeting, but 53% of consumers consider themselves open to in-car ads, per a survey conducted by Simon-Kucher & Partners.

Openness to In-Car Ads According to Customers Worldwide, April 2022

% of respondents



Source: Simon-Kucher & Partners, "Global Automotive Study 2022," April 16, 2022

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InsiderIntelligence.com

Advertising has already found its way onto car apps. Apps like Waze are regularly incorporating location-based advertising for drivers along their journey.

In-car payments have taken off in recent years as restaurants and other service providers grapple with streamlining digital ordering. For instance, Panera has teamed up with Apple CarPlay to enable in-car ordering.

Improved wireless networks will drive expansion of service offerings and improved quality. 5G's fast, reliable connectivity will be one imperative method of connectivity for the connected car ecosystem's success. 5G will also pave the way for vehicle-to-everything applications and data-rich services, including autonomous driving.

At the same time, connected cars are expected to drive significant growth for the telecom industry as providers roll out new varieties of data plans to accommodate consumers. Major cellular providers AT&T, Verizon, and T-Mobile all offer data plans for vehicles, and new players like Starlink are also working on in-vehicle offerings.

- AT&T announced a plan earlier this year that bundles unlimited in-car WiFi with an HBO Max subscription. Moves like this will become more common as streaming content begins to play a prominent role in the car.

Connectivity doesn't always translate to subscriptions. Some manufacturers are using connectivity to make a case for monthly subscriptions for every feature; BMW tacked on a charge for heated seats, but it has had less luck convincing consumers to pay for services that are free elsewhere—like its past attempt at a monthly \$80 fee for Apple CarPlay and Android Auto.

[Read the full report.](#)

Report by Jessica Lis Nov 03, 2022

Connected Cars 2022

