

STRATEGY ANALYTICS INSIGHT

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WirelessCar Stands Out with Global Reach, Open Platform

Snapshot

With upcoming deployments in China and North and South America for both large volume passenger vehicles and commercial fleets, Volvo Group Telematics' WirelessCar is distinguishing itself in a growing telematics marketplace. The next steps for WirelessCar include a shift toward app stores and content delivery and as telematics services evolve the company's open platform approach will serve as a competitive advantage.

Analysis

Global telematics adoption by OEMs is finally picking up steam with pending launches lined up like airplanes on the runway from Beijing to Brussels, and from Auburn Hills and Brasilia. These budding deployments promise new business opportunities for a global supplier and service provider eco-system, but one such service provider already stands out, WirelessCar. The company stands alone with existing or pending embedded telematics deployments in Europe, Asia-Pacific, North and South America and the Middle East. While the company built its network on bedrock applications such as safety and security and with commercial fleets, it is now poised to move into the wider world of open platforms and connected applications and services.

The distinguishing characteristics of WirelessCar's value proposition are important to understand as the company competes in a difficult to define market space commonly named "Telematics Service Provider." The challenge for WirelessCar is that no two telematics service providers are alike. And, increasingly, the definition of a telematics service provider is being stretched by wireless carriers and other emerging market players seeking a share of the connected services pie.

Note: Strategy Analytics produces a database of the connected services of the vehicle manufacturers.

<http://www.strategyanalytics.com/default.aspx?mod=reportabstractviewer&a0=6668>

The most important differentiating characteristics for WirelessCar include:

- ➔ **Global scope** – WirelessCar currently supports large volume passenger vehicle and commercial vehicle deployments throughout the world with wireless carrier partnerships that include Claro in Brazil; AT&T in the U.S.; Telenor in Europe, the Middle East and Australia; Docomo in Japan, and China Mobile in China.
- ➔ **Multiple segment solutions** – WirelessCar is perhaps best known for its work in support of both Volvo and BMW telematics services around the world, but the company is equally well known for its support of commercial vehicles, buses and heavy machinery for Volvo, Renault and Toyota.
- ➔ **Multiple platform support** – As a result of its work in support of commercial vehicles, WirelessCar has a strong pedigree in customer relationship and vehicle management along with safety and security. CRM solutions that are just beginning to emerge in the large volume passenger vehicle segment have already been broadly defined and deployed by WirelessCar.
- ➔ **White label positioning** – WirelessCar is both well-known and almost unheard-of in the automotive industry as a white label service provider. This low profile role is well-suited to the back-end systems and services the company provides.
- ➔ **Flexibility** – Thanks to its adoption of NGTP – Next Generation Telematics Platform – WirelessCar is well positioned for emerging connected services and content delivery. This is especially important as the company is taking on telematics deployments in the U.S., Brazil and China with very different requirements.
- ➔ **Track record** – WirelessCar has provided all of these services and supported all of its global deployments with very little controversy or conflict. This achievement is not to be underestimated in view of the emerging challenges related to privacy and security confronting the industry.

All of these elements have added up to successful partnerships with BMW and Volvo that have brought the company global system deployments. The company is also preparing for a North American launch with Chrysler and the anticipated introduction of three separate telematics programs in China – one for commercial vehicles and two for passenger vehicles, according to industry sources. WirelessCar declined to comment on any unannounced telematics programs.

WirelessCar is also supporting Allianz's usage-based insurance offering in Europe and is in position to launch the first Contran 245-compliant system in the Brazilian market, according to the company's recent presentation at Telematics Update Brazil & LATAM. The Contran 245 mandate in Brazil requires the installation of modules for vehicle tracking and immobilization on new vehicles and may see its eighth delay at the end of 2011. But once the Contran 245 plan is adopted, WirelessCar is ready to move forward in support of Volvo with a system built around Actia Volvo OnCall hardware, a Gemalto SIM, and wireless service from Claro.

The company is also preparing to take advantage of the growing connected smartphone phenomenon expected to dominate telematics over the next 3-4 years. Several of the currently planned programs supported by WirelessCar integrate app stores, customer facing Websites and new connected services.

The company's NGTP approach ensures an open, well documented architecture that is adaptable to changing customer requirements. In its own quiet way, WirelessCar has established a global leadership position unmatched in the telematics industry.

WirelessCar may not yet be supporting anywhere the 6M subscribers claimed by GM's OnStar division, but the subscriber base is expected to grow rapidly with its recent customer wins in Brazil and China. Even in Europe the company is seeing renewed vigor as the addition of remote start to the OnCall platform has upped take rates into the 40% range.

Implications

WirelessCar is redefining the telematics service provider as a global supplier of cloud services. In partnership with wireless carriers and hardware providers around the world, WirelessCar is quietly and namelessly supporting safety and security-oriented systems while it prepares for an app-dominated future.

WirelessCar has maintained its focus on the back-end systems that are the company's hallmark, eschewing any vertical integration such as the addition of call centers or a WirelessCar-specific hardware module. The company has also maintained its role as a Tier Two provider, always acting in a supporting rather than a lead capacity.

It is possible that the future may bring a more direct role for WirelessCar, but for now the focus is on execution and customer support. WirelessCar can be expected to continue to evolve with the market charting new territory for telematics service provisioning.

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