AMERICAN MARKETER

Business at its best

COLUMNS

A \$30,000 smartphone with four wheels and a motor

December 3, 2014



Andy Maskin is program and platforms director at FCB Garfinkel

By Andy Maskin

If you ask most people to name the most expensive computing device they own, they will likely name their laptop or television. But for most Americans, the answer is actually sitting in their driveway.

Modern automobiles have become increasingly computerized under the hood for decades. In fact, every car sold in the United States after 1996 features an on-board diagnostics (OBD) port that allows external devices to read the data on a computer. This port is most useful for mechanics, but also for drivers using devices such as Automatic, Dash or Mojio.

In recent years, this automotive digital revolution has increasingly come to the fore in the infotainment systems with which cars ship. Where once stood a slot for a CD and a series of buttons, many models now feature touchscreens.

Auto mobile

Internet connectivity can be achieved by tethering a driver's smartphone to the car system using a USB cable or Bluetooth. However, in some cars, they achieve connectivity independently through a SIM card placed directly into the vehicle.

Ford is a prominent example of the former approach, while General Motors' Chevrolet is an example of the latter.

In fact, starting with last year's CES conference in Las Vegas, Chevy has been heavily promoting its connectivity as a major distinguishing feature of the brand's lineup. At this January's upcoming CES, a trade show generally thought of as focusing on traditional consumer electronics, Ford's CEO will give a prominent keynote address.

This is all well and good, but you might wonder what this means for marketers mobile marketers, in particular.

The answer is that these systems are increasingly starting to resemble smartphones in terms of their functionality.

Indeed, they will respond to your voice commands to answer or ignore a phone call, and put the call on speakerphone through the car audio system if you answer it. They have navigation systems that update with traffic data over the Internet. They have Internet radio functions, including such staples as Pandora, Spotify and iHeartRadio.

A major impact of this shift is that it pulls time-spent away from traditional radio and satellite radio, posing a fairly substantial long-term threat to the advertising revenue of these platforms.

The question then becomes, "If consumers are spending time using these new tools, how do we reach them during the captive commuting time of their day?"

. .

Flooring it

Drivers are busy driving. If you want them to use your in-car application, you need to provide them with utility and value.

Ford and Roximity experimented with an app that alerted drivers to deals as they drove by certain locations, as determined by GPS. Think of it as unlocking a secret treasure in a videogame, except in real life.

So, a retailer could have an app responding to your voice commands, letting you know how much various items cost and which items from your shopping list synced from your phone are on sale.

The key thing to keep in mind is that this is not about selling cars.

This is about how to sell everything else to people who drive cars which also happens to be most Americans.

In-car platforms matter to marketers for the same reasons that smartphones matter. It is a connected device that you have with you out in the world.

You are passing retail locations or even headed directly towards one, at which point you will be making purchase decisions.

We try to catch consumers in the right context on whatever platform they are paying attention to and influence their behavior. It is as true for the screen in your pocket as it is for the screen on your dashboard.

THE LANDSCAPE right now is difficult to navigate from a marketer's perspective because there are many competing platforms, both from the carmakers and third parties such as Pioneer, Apple and Google.

Placing radio ads on the various Internet radio apps mentioned earlier is a good start, but it will be a number of years before the stars align for a profitable branded infotainment app to work from a logistical standpoint.

That said, now is as good a time as any for brands to experiment in this space and port their mobile app efforts into the automotive space.

Andy Maskin is program and platforms director at FCB Garfinkel, New York. Reach him at andy.maskin@fcb.com.

© 2020 Napean LLC. All rights reserved.

American Marketer is published each business day. Thank you for reading us. Your feedback is welcome.