

# Telematics

Who are our customers?

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Auto (Greek) = self

Fone(Greek) = sound

Mobile (Latin) = moving

Automatos (Greek) = self acting = Automatic

Tele (Greek) = remote

## **Telematics = Remote Acting**

What business are we in?

Who are our customers and what do they want?

What can this possibly have to do with the environment?

Will telematics help to save the planet

Automobile = self moving

Telephone = remote sound

Mobile Telephone = moving remote sound

# What business are we in?

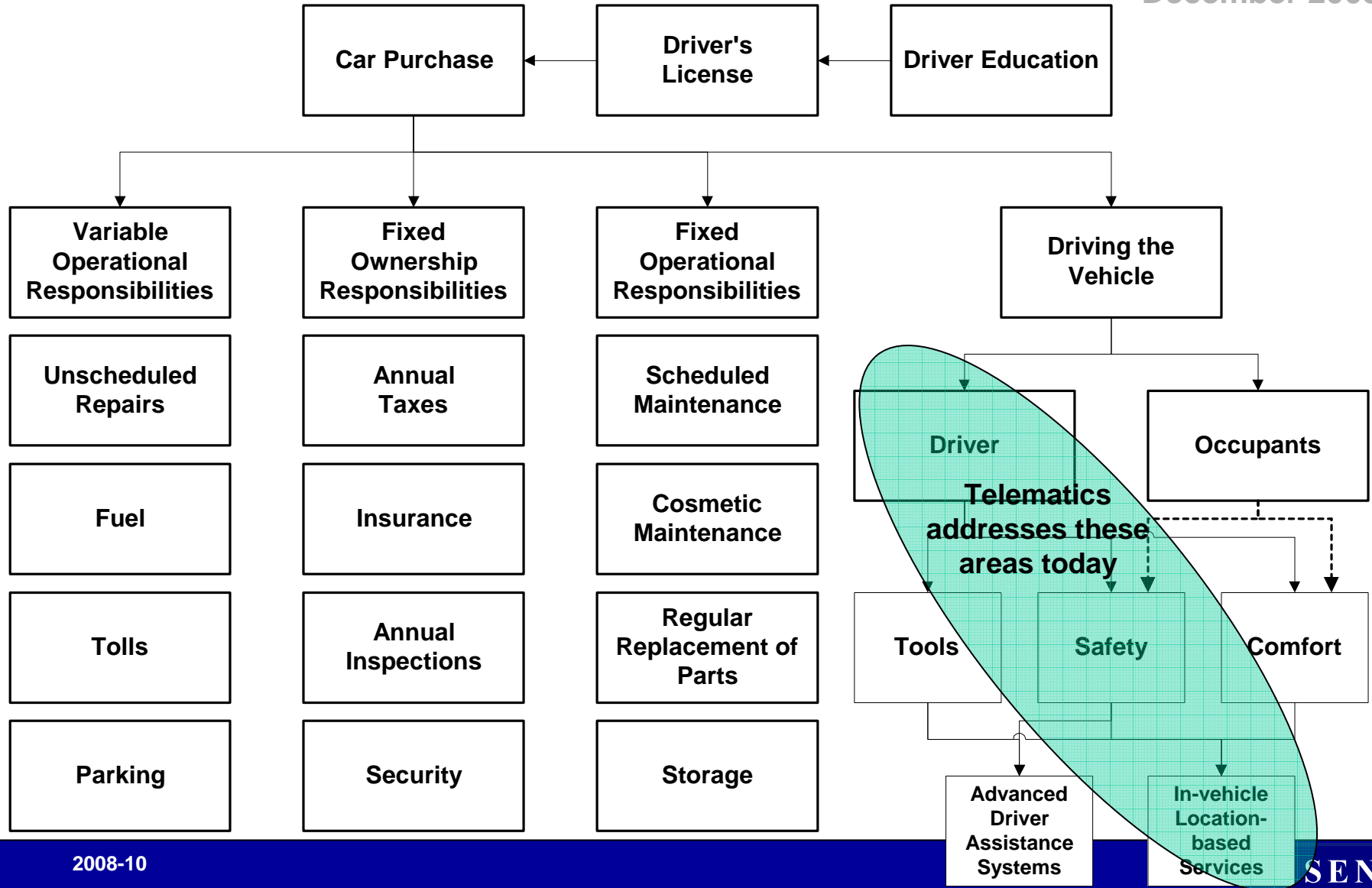
## Remote Functions and Services (for vehicles)

- Making the drive safer
  - Help me not to crash
  - If I have a crash, help me
- Making the drive more secure
  - Protect my car and me from theft and harm
  - If we are violated, help to apprehend the crooks
- Making the drive and everything around car ownership more efficient
  - Save time and money
  - **Reduce my car's negative effects**
- Making the drive more comfortable
  - Give me the information and entertainment I want when and where I want it

I do not want to get a speeding ticket, and if I do get one I want it to be paid immediately and automatically

Lots of functions we have not even touched.

# The Car Ownership Experience





## Who are our customers? Us, to start with.

- Fins – After the depression and WWII, “It’s my turn to enjoy life.”
- Chrome and wood panel – I can afford this luxury
- Van – Baby boomer kids having the perfect kids of their own (Baby on Board).
- SUV – Escape (from the bad guys, to the mountains, to anywhere but here).
- Hybrid – I want to keep on driving, but I don’t want to pay the high price.
- ? – O.K. You got my attention. What are we going to do now?

Someone got the bright idea for the next new car and everyone just followed along.

### My cars through the years. There were good reasons why I bought my cars.

- ‘61 VW
- ‘63 VW
- ‘71 Ford Cortina Estate
- ‘XX US Post Office Jeep
- ‘77 Jeep Cherokee
- ‘83 Saab 900 Turbo
- ‘88 Saab 9000 S
- ‘93 Volvo 945
- ‘95 Volvo 945 (Green Horse)
- ‘08 Toyota RAV4

### Why did you buy your cars?

# Our Future Customers aren't going to follow the leader – they will engage

- Net Generation boys and girls (baby-boomers' kids born between '78 and '94 known as **Net Geners\***) have grown up with **free access** to information being a birthright.
- They participate in multiple social networks in order to obtain the best information that is available, and they **don't like paying** for it.
- Proprietary platforms (e.g. iPod) and formats are accepted only if the benefits are immediately obvious, but they still don't like paying for them.



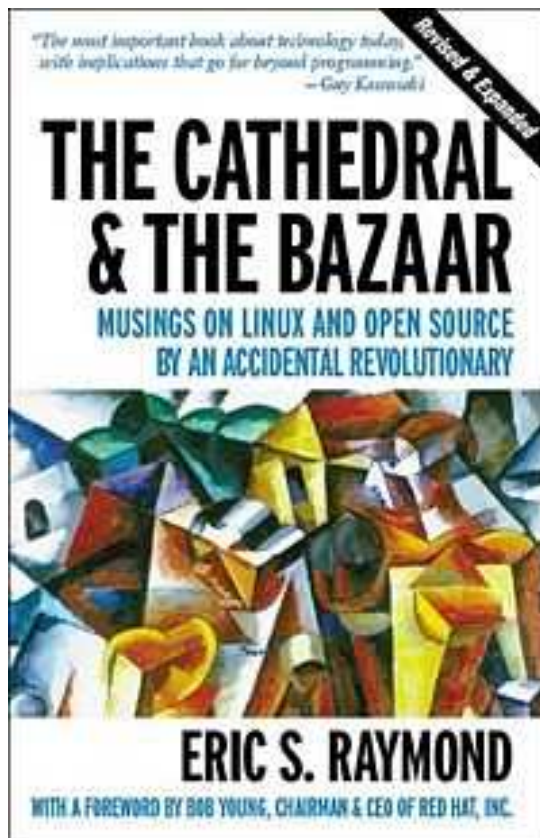
Xgen – '65-'81

Ygen – '82-'94

Zgen – '95-

\***Net Generation** coined by  
Don Tapscott in *Growing up  
Digital* (1997)

## From consumers to **pro**(ducers/con)**sumers**: Cocreating goods and services



- The *Cathedral* model, in which source code is available with each software release, but code developed between releases is restricted to an exclusive group of software developers.
- The *Bazaar* model, in which the code is developed over the Internet in view of the public. Raymond credits Linus Torvalds, leader of the Linux kernel project, as the inventor of this process. Raymond also provides anecdotal accounts of his own implementation of this model for the fetchmail project.

## Net Geners will force a new business model

### The Eight Norms of Net Geners\*

1. Net Geners value freedom and choice in everything they do.
  2. They love to customise and personalise.
  3. They scrutinise everything.
  4. They demand integrity and openness, including when deciding what to buy and where to work.
  5. They want entertainment and play in their work and education, as well as in their social lives.
  6. They love to collaborate.
  7. They expect everything to happen fast.
  8. They expect constant innovation.
- ...and their attitudes are beginning to affect their parents, grandparents, uncles and aunts.

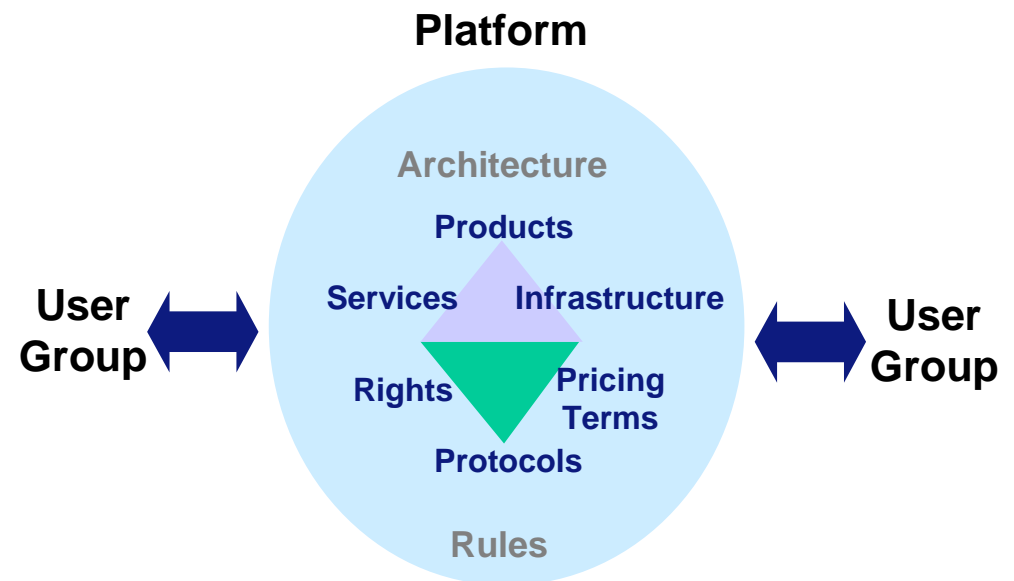
**\*Eight Norms of Net Geners** found in *Grown Up Digital: How the Net Generation is Changing Your World* by Dan Tapscott (2008)



## The New Business Model – Two-sided Network

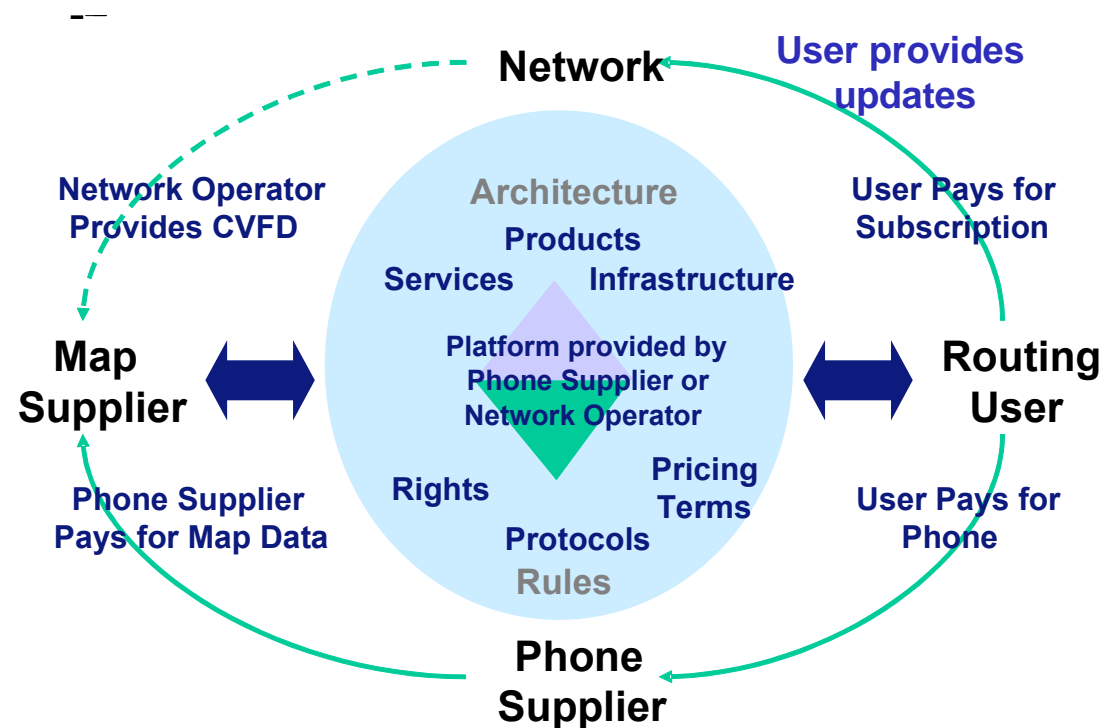
- In the two-sided network, two user groups interact through a platform.
- The platform is provided by a third party who sets the rules for the user parties, including the prices.
- Some networks benefit from same-side effects: more computer program users results in more program developers writing more programs.
- Cross-side effects: more buyers in auctions benefits sellers, but disadvantages buyers.

A Two-sided Network



## The New Business Model in Practice

- Both Nokia and TomTom are attempting to revolutionise the delivery of mobility assistance by creating a platform that is a virtuous circle.
- Customers buy their phones from Nokia because “maps and routes come with it”.
- Customers buy their PNDs from TomTom because they become part of a sharing community.



Thank you

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