Remember the 21st Century?

Smart Phones, Social Systems…
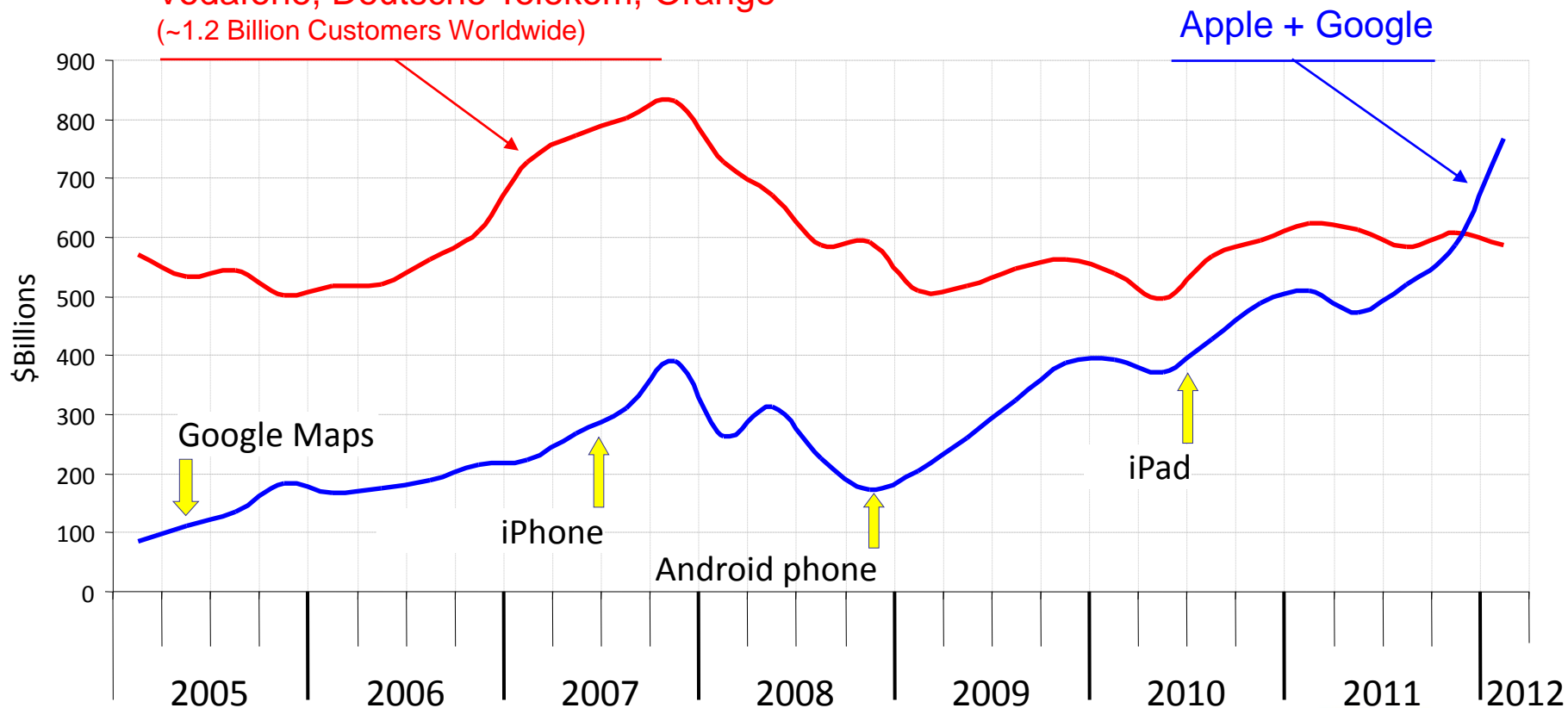
…and Connected Cars?

Peter Coffee

VP & Head of Platform Research
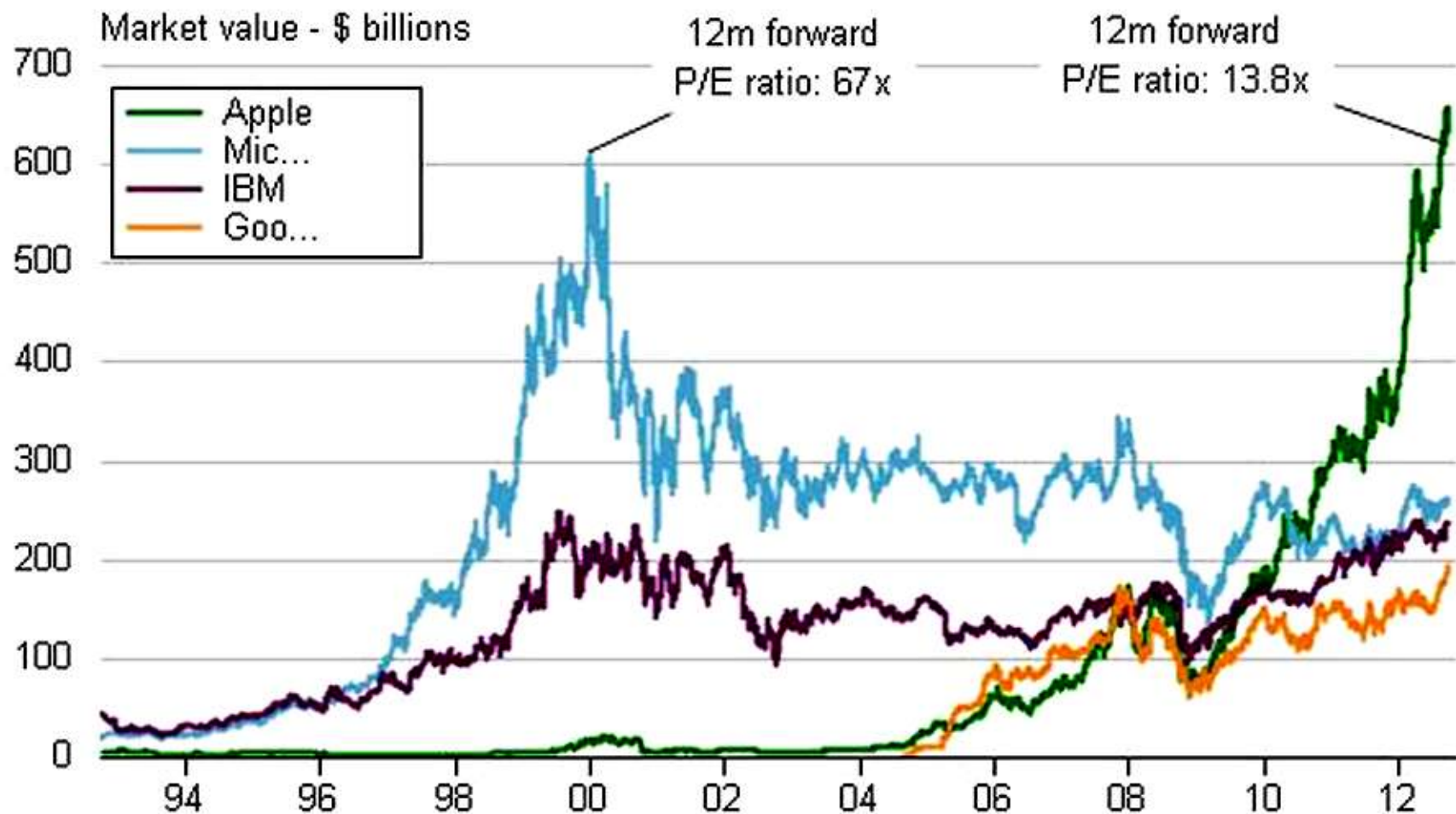CTO for Automotive Industry Initiatives
salesforce.com inc.

Who's Worth More?

Market caps of Apple+Google versus 6 major mature-market TelCos

AT&T, Verizon, NTT Docomo, Vodafone, Deutsche Telekom, Orange (~1.2 Billion Customers Worldwide)

Apple + Google

Google Maps

iPhone

Android phone

iPad

$Billions

Technology company market values

Soft Environments, Smart Devices
Changing the Balance of Power

Soft displays adaptive to urban versus highway, work versus leisure, etc.

Solo Driver and Driver/Co-pilot modes with radically different content delivery opportunities and expectations

Integration with portable devices: **better, and improving more quickly, than built-in systems**

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Deconstructing the Dashboard
Fundamental Trends in Technology, Lifestyle, and Marketplace

- Microsoft has the right trademark: **Surface**
  - **"**Many if not most of the special-purpose objects around us are going to be replaced by apps running on tablets…
  - "In 1938 Buckminster Fuller coined the term ephemeralization to describe the increasing tendency of physical machinery to be replaced by what we would now call software… No one who has studied the history of technology would want to underestimate the power of that force." *– Paul Graham, "Tablets" (December 2010)*

- Corning, not Apple, shows us how it will look
  - Don't think of "tablet" as an iPad-sized device. Think of it as a model of interaction *(See the video at http://www.youtube.com/watch?v=6Cf7IL_eZ38)*
    → Every surface able to render information
    → Every surface able to mediate function
    → **Every environment connected with every relevant resource and relationship**

- "It's not a phone. It replaces your phone." *– Paul Graham*
  - Who you are: representation of identity
  - Where you are: location awareness and environment monitoring
  - What you're doing: motion awareness and calendar connection

The New Corporate 'Home Page'

● Fortune 100 Facebook Activity
● Fortune 100 Web Activity
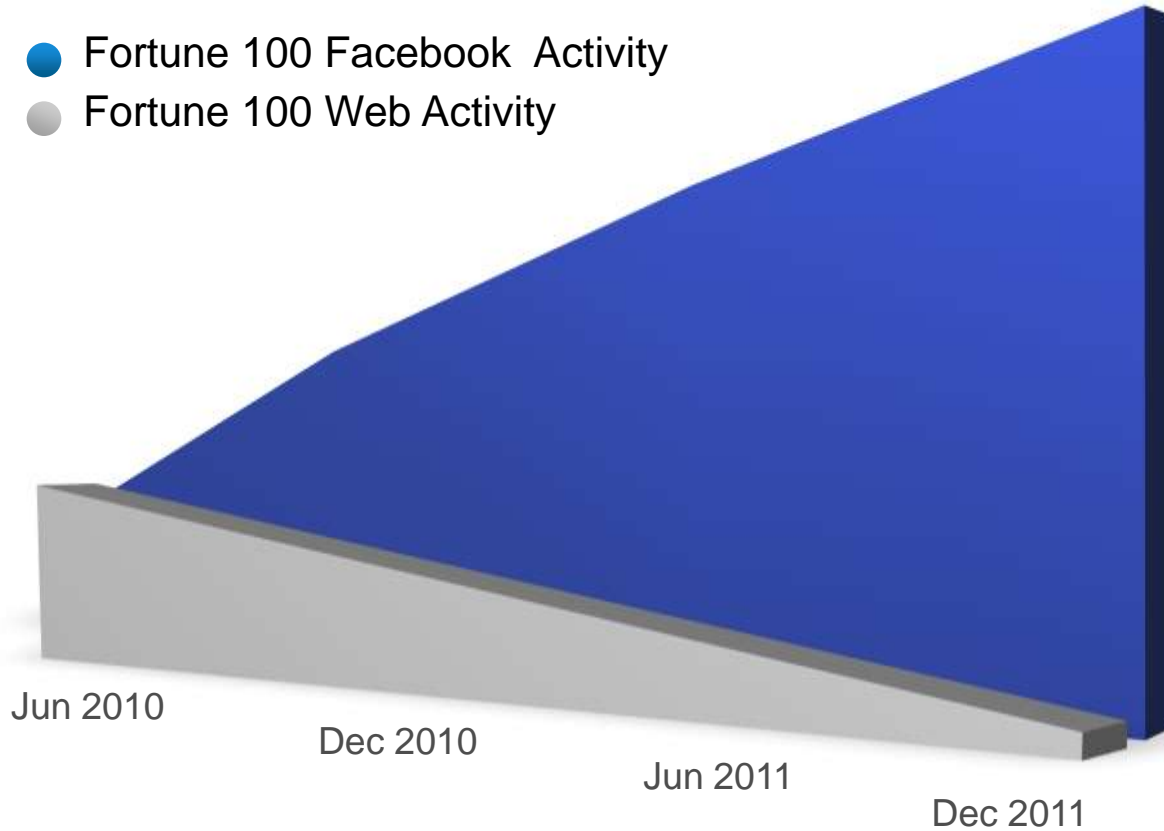
"We analyzed the website traffic of Fortune 100 websites based on 'unique visits'. The study revealed that 68% of the top 100 companies were experiencing a negative growth in unique visits over the past year... 40% exhibited higher traffic to their Facebook page compared to their website."
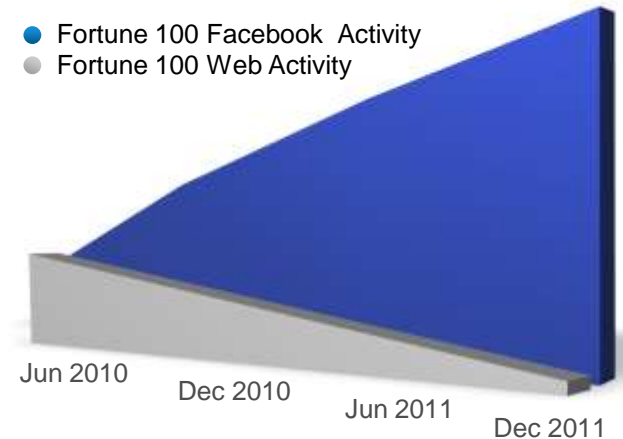
Jun 2010

Dec 2010

Jun 2011

Dec 2011

Sources: Wildfire Social Media Monitor, Compete.com, Webtrends "The Effect of Social Networks and the Mobile Web on Website Traffic"

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This is Not an Opportunity to Lead

*(It's a Requirement to **Catch Up** With the Customer)*

- Old Customers:
  - Prospects get content from Marketing
  - Buyers negotiate terms with Sales
  - Customers raise issues with Support

- Social Customers:
  - Prospects seek insights from customers
  - Buyers collaborate on competitor research
  - Customers tell the world when they're not happy

- Companies need new organizations & processes
  - Power to address issues pushed to edge of organization
  - Collaborative response available on demand

● Fortune 100 Facebook Activity
● Fortune 100 Web Activity

Jun 2010   Dec 2010   Jun 2011   Dec 2011

Sources: Wildfire Social Media Monitor, Compete.com, Webtrends "The Effect of Social Networks and the Mobile Web on Website Traffic"

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'Social' Changes What "IT People" Do

- ## Old IT departments allocated scarcity:

  "In the 1960s, programmers were paid under $10 per hour; computer time was measured in hundreds of dollars per hour." *- ZDNet*

- ## Tomorrow's IT departments must **orchestrate abundance**:

  "What happens when cloud services offer nearly unlimited power, essentially on demand, solely constrained by what we're willing to pay?" *- CloudBlog*

- ## Old IT departments strived to achieve control:

  "The IBM Tivoli OMEGAMON family provides a comprehensive performance and availability solution for monitoring, analyzing, and managing mainframe environments" *- software.ibm.com*

- ## Tomorrow's IT departments must **exploit (and contain) chaos**:

  "In more than half the companies surveyed, business leaders other than the CIO control at least 30% of the money spent on IT." *- CIO Insight*

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Redefining 'Upscale Car': Old✓ and New?

- ## Reliable ✓

  – "Nowadays, 100 thousand miles is only halfway through the life of the car."

    - David Champion, Senior Director, Consumer Reports Auto Test Center

- ## Upgradable ✓

  – "In our screen-surrounded world, the on-board computer systems in our cars are increasingly important to us… How do you keep a gadget embedded in a ten-year purchase—a car—feeling new? With a software update, of course."

    - technologyreview.com

- ## Personal ✓

  – "Face recognition can automatically adjust mirrors, seat, steering wheel, and entertainment choices to match profiles of multiple drivers sharing a vehicle"

    - motorauthority.com

- ## Social ?

  – **Connected, Integrated, Eco-friendly, and Engaging**

Toward the Social Car: Connected

- "Autonet Mobile today announced a strategic partnership with Bosch's Car Multimedia Division to manufacture its IP-based telematics control unit (TCU), built to be factory-installed to connect cars to high-speed mobile networks and enable pervasive cloud computing, mobile apps and fleet telematics."

  - "Autonet Mobile Partners with Bosch to Deliver Industry's First App Platform for Cars"
  Press release, 23 April 2012

- "By plugging a USB broadband modem into the in-vehicle infotainment system, CSR's Wi-Linx and CSR6000 can turn a vehicle into a rolling Wi-Fi hot spot that allows multiple occupants to access the Wi-Fi signal. When parked at home, CSR's Wi-Linx and CSR6000 will make it easy to download documents, photos and other media directly into the vehicle's infotainment system from the home media server."

  - "CSR launches WiFi hotspot for cars"
  electronicsweekly.com, 7 June 2011

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Toward the Social Car: Integrated

"Why can't cars use my smartphone's music player, nav system, and even communications apps? Each of us who has a smartphone typically uses it as a constant personal assistant, so why should we switch to a different, often inferior one when we get in a car?

"Why can't the car mirror or subsume what our smartphone does? It's a perfect place for consumerization's 'choose your own technology environment' aspect to take root."

- "Apple's next revolution should be in your car"
infoworld.com, 27 April 2012

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Toward the Social Car: Eco-Friendly (is an opportunity)

- "In the KRC Zipcar survey, 16 percent of 18 to 34-year-olds polled said they strongly agreed with the statement, 'I want to protect the environment, so I drive less.' This is compared to approximately 9 percent of older generations."

  – Colorado Public Interest Research Foundation

- "In the modern city, smaller scale equates to speed and freedom…to slot into gaps in traffic, exploit the smallest parking spaces, consume the least fuel and emit the lowest emissions."

  – netcarshowDOTcom

- "We're already seeing a shift in buying choices as baby boomers change their lifestyle. The next tier of compact cars with premium features is starting to make its way to the luxury end of the market."

  - edmunds.com

- "The numbers appear promising. J. D. Power projects sales of small premium cars to reach 450,000 by 2015, from just 100,000 in 2005. Pint-size models would account for nearly one in five luxury sales, up from one in 20 in 2005."

  - nytimes.com

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Toward the Social Car: Engaging (is a necessity)

- Social influence networks create tomorrow's brand identity: Product placements, affinity-group events and other social contexts will displace conventional advertising in building brand interest.

- Traditional trade-up model to upscale brands is threatened…

    - "An automobile has dropped in importance in the hierarchy of social status since the recession… The need to change your car, to show who you are, has become less important."

        - latimes.com, 21 February 2012

- …but **brands still command**

    - "We have entry-level, or they can buy a certified pre-owned: it gets them into the brand, and that's it. They can't go back to driving a lesser car."

        - *Carjacked: The Culture of the Automobile*

- The new differentiation: "Vehicle owners…are turning their attention… toward features and technologies that allow them to be productive, connected and entertained…"

        - J.D. Power and Associates, 26 April 2012

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Productive, Connected, Entertained…and *Driving*

- We've known since the 1960s that future driver environments would become more capable, complex and demanding

- We didn't begin to appreciate the degree of connectivity and the potential for driver distraction

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Expectations Exploding

dailybreeze.com
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Part of the

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Most Views

More News

- Fire hits abandoned Inglewood commercial buildings
- Gov. Brown opens campaign to hike taxes with visit to Hawthorne school
- JK Rowling to build Hogwarts-style tree house
- Yahoo fires bureau chief for Romney/blacks remark

Wolverton: Car software better, but still irritates

By Troy Wolverton, Colu
Posted: 05/07/2012 07:
Updated: 05/08/2012 07:54:43 AM PD

In recent years, "smart" te
houses. And they're startin

[Automakers] see high-tech features as a way of distinguishing vehicles…but the attention drawn to date has largely been negative…

In March, [Ford] **released a free update**… Consumer Reports has praised the update, saying it addresses many previous problems.

Still, there is an overarching problem - it's not safe to interact with a touch screen while driving. To address this concern, MyFord Touch allows you to access many of its features through voice commands. For simple commands, the voice-control feature works well…But once I got beyond simple commands, the voice control system was much less reliable and much more frustrating to use.

Problems such as these made me **glad to be back in my own car**. It may not be smart, but it also isn't so frustratingly dumb.

www.dailybreeze.com/ci_20570084/car-software-better-but-still-irritates

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Easy to Learn? *vs.* Easy to Use?

Ah, well, it's a bittersweet thing. I fumbled and petted and pawed at these panels like it was the eighth-grade picnic and got nowhere. The controls were frequently unresponsive. Mainly my problem seems to be that I was applying too much pressure to the virtual buttons, or else I was missing them altogether as the car bounded down the road, or I was being impatient. In any event, *pas de frisson*.

Photos: 2013 Cadillac XTS A New Touch

Dan Neil/The Wall Street Journal

Click here to view the slideshow

Wow. The Cadillac User Experience is rejection.

In all seriousness, there is nothing wrong with the CUE that a few weeks of practice wouldn't fix, and that tells us something important about the product planners' state of mind. The people who put this cabin together deliberately and knowingly sacrificed some degree of user-friendliness in order to achieve the sleek, nocturnal, obsidian-waterfall look of the center console.

This seems defensible. First, if you had a hard button for all of the car's myriad audio/info/phone/navi functions, the cabin would look like the cockpit of a 707. The CUE system positively sprawls with convenience. Second, while CUE does require some learned dexterity to operate effectively, it's only dexterity. Drivers will learn. Third, post-iPhone, it's reasonable to assume younger buyers will bring their device-savvy e-skills to bear. Fourth, in the new realm where Cadillac operates—call it the lower upper-third of the premium market, just below BMW, Audi and Mercedes-Benz—design innovation makes a huge difference. People

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Innovation In The Drivers' Interest

Mercedes-Benz parent company Daimler is spearheading what it's calling the "first 'social network' for automobiles." The 120 vehicles in the project will be communicating with one another as well as with infrastructure to avoid accidents and traffic jams…

NHTSA's Ann Arbor trial will last an entire year and include 3,000 vehicles…to determine the effectiveness of V2V communication to reduce accidents…

http://www.wired.com/autopia/2012/08/two-connected-car-studies
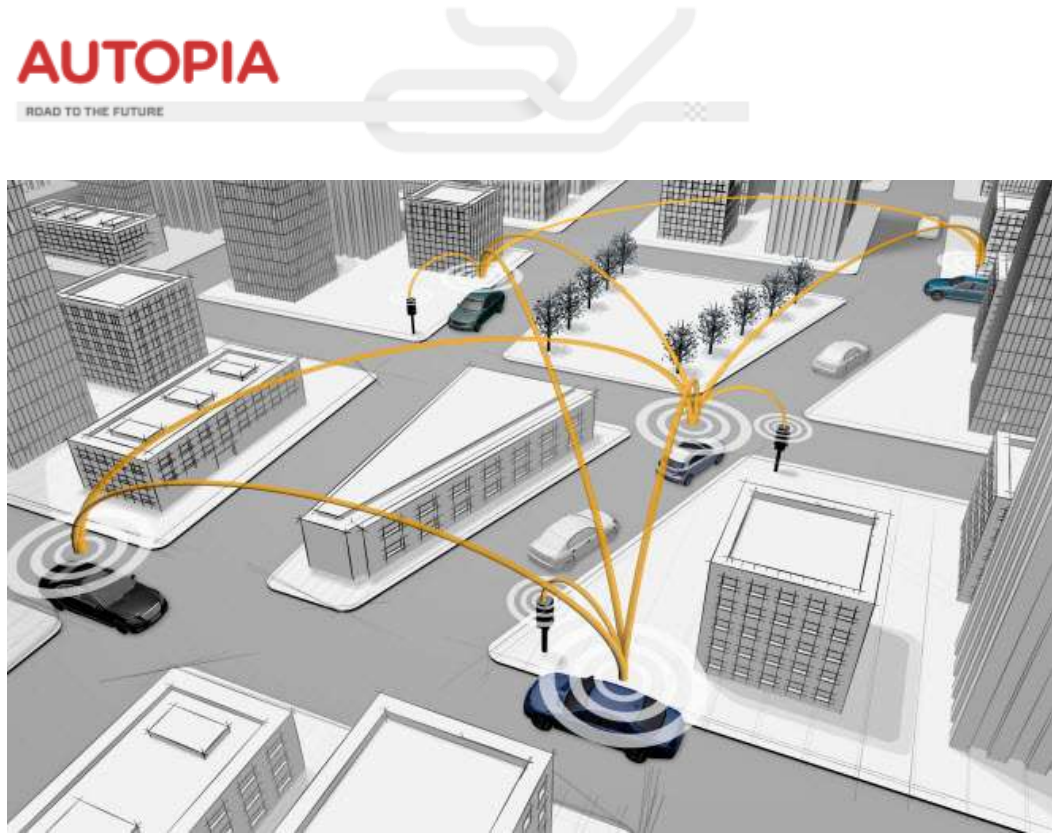
Driving the Customer Experience

"I'm not used to GPS at all," Ms. Latshaw says. A former BMW owner, she confesses she "worked on daylight-saving time all year last year" because she couldn't figure out how to reset the German car's clock.

Customers like Ms. Latshaw are why Sewell [Lexus] has Alex Oger, the dealership's first "technology specialist."

THE WALL STREET JOURNAL.
WSJ.com

EYES ON THE ROAD | May 8, 2012, 6:26 p.m. ET

New Driver's Ed: Tutors to Decode High-Tech Dashboards

By JOSEPH B. WHITE

Paula Latshaw is eager to get behind the wheel of her new Lexus CT 200h hybrid at Sewell Lexus in Dallas. But first, she needs some training.

Her new car isn't the most technologically advanced car Lexus sells, but the navigation system, the voice-controlled hands-free phone system and the multiple radio options are challenging enough.

"I'm not used to GPS at all," Ms. Latshaw says. A former BMW owner, she confesses she "worked on daylight-saving time all year last year" because she couldn't figure out how to reset the German car's clock.

Customers like Ms. Latshaw are why Sewell has Alex Oger, the dealership's first "technology specialist." Mr. Oger, a is on the leading edge of new efforts by auto makers and dealers to close the skills gap that prevents many customers from appreciating the sophisticated digital systems on board many new cars.

Auto dealers are using tech tutors, sometimes hiring them from the Apple genius bar, to help train car buyers on how to use a car's infotainment system and other technology. Joe White on Lunch Break looks at how the tutorials are going. Photo: Lexus.

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Vehicles Need Social Profiles, Too

Shoppers purchase used recalled cars that aren't repaired

Los Angeles Times

May 11, 2012 | By Jerry Hirsch

The editors of Edmunds.com's online auto forum recently noticed a wave of complaints about engine fires in older-model GM vehicles…**these were all vehicles that had been recalled at least three years ago**…

An analysis of the two GM recalls examined by Edmunds.com showed a "completion rate" of just 52.5% as of December 2011. GM says that its recalls generally reach a completion rate of about 70%. No other automaker would provide Edmunds.com with a completion rate…

Used-car buyers should register their vehicles with the automakers… They should also check out the U.S. Department of Transportation's www.safercar.gov, a database where a car buyer can look **to see if the model they are looking at was part of a recall**.

A system that would allow buyers **to use specific vehicle identification numbers** to check if the car they are considering has been repaired is under development but there is **no word on when it will be ready**.

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Vehicle

Shoppers
cars that

May 11, 2012 | By

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engine fires in ... **:called at**
least three ye ...

An analysis of ... n rate" of
just 52.5% as ... ion rate of
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Used-car buy ... lso check
out the U.S. D ... car buyer
can look **to se** ...

A system that ... to check if
the car they a ... **word on**
when it will b ...

Reframing "What the Customer Buys"

CITY INSIDER
The people, politics & places of San Francisco

BMW moves into parking, car-sharing

BMW is shifting into a higher gear in San Francisco, drifting away from simply selling fancy and pricey cars.

Now you can pay BMW to borrow a car to run an errand across town or to find and reserve a parking space.
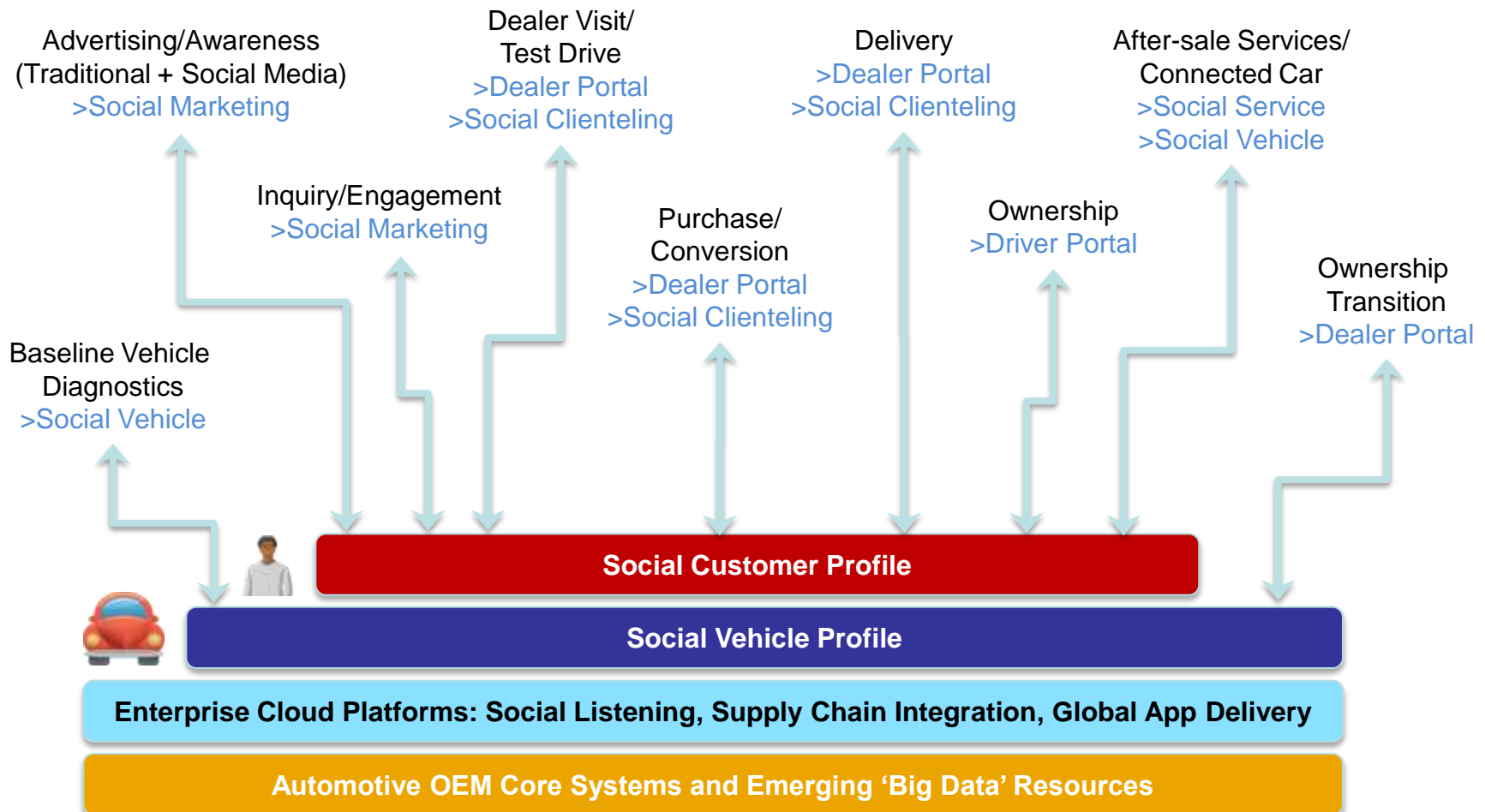
At a press conference in front of City Hall, BMW officials joined Mayor Ed Lee and city environmental officials to announce two new programs that aim to establish the German luxury car-maker's credentials as a company that supports sustainability as well to broaden its reach into other parts of the transportation market.

The car-sharing program, known as DriveNow, allows people who enroll to use BMW's 70-car fleet of ActivE all-electric cars, now parked at 14 locations around the city. The cars cost $12 for the first half hour and 32 cents for each additional minute.

blog.sfgate.com/cityinsider/2012/08/20/bmw-moves-into-parking-car-sharing/

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Customer, Car, Dealer, OEM – Social Platform

Advertising/Awareness
(Traditional + Social Media)
>Social Marketing

Dealer Visit/
Test Drive
>Dealer Portal
>Social Clienteling

Delivery
>Dealer Portal
>Social Clienteling

After-sale Services/
Connected Car
>Social Service
>Social Vehicle

Inquiry/Engagement
>Social Marketing

Purchase/
Conversion
>Dealer Portal
>Social Clienteling

Ownership
>Driver Portal

Ownership
Transition
>Dealer Portal

Baseline Vehicle
Diagnostics
>Social Vehicle

Social Customer Profile

Social Vehicle Profile

Enterprise Cloud Platforms: Social Listening, Supply Chain Integration, Global App Delivery

Automotive OEM Core Systems and Emerging 'Big Data' Resources

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'Social' Changes What "IT Skills" Are

- Traditional skills remain necessary – but aren't sufficient

  "The old way of looking at IT is gathering requirements, buying the equipment and turning it on… I'm looking for people who can take us to the next technological level. "
  - *Senad Hadzic, CIO, KaMin LLC*

- Linkage & architecture understanding is key

  "While there are still roles requiring deep technical experience, for most corporate IT workers their role will shift from implementation to architecting."

  - *Patrick Gray, President, Prevoyance*

- Leadership needs more than technical mastery

  "Innovative thinking and leadership abilities are the two top attributes wanted in a CIO from 362 business executives surveyed... higher than 'deep experience in running IT ops'"
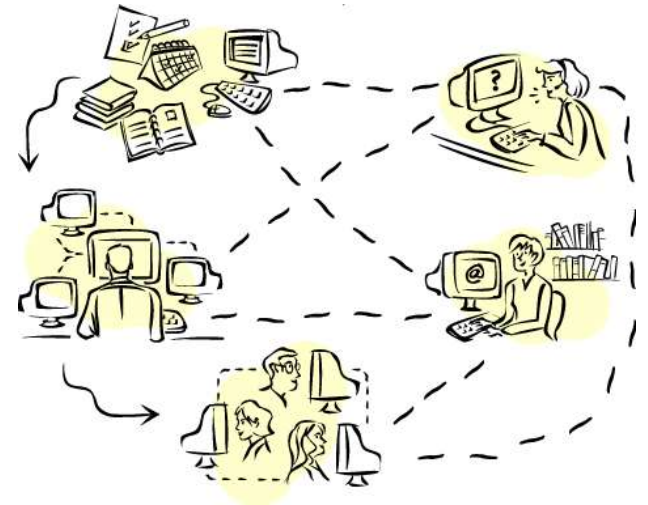 - *Diamond Management "Digital IQ" Survey*

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'Digital' → Better, Faster Cheaper Box
'Connected' → **Blow Up the Box**
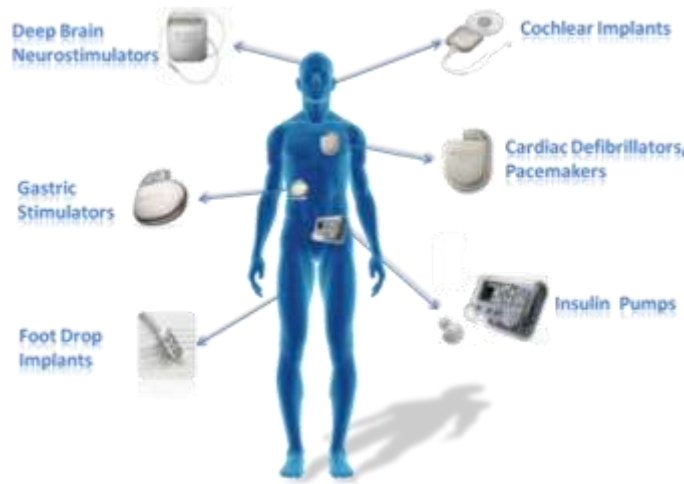
Medicine: sensor-equipped patients & homes reduce office & hospital visits

Education: students in external settings learn by practice

Verbs for Your Nouns: Your Industry Here

Verbs for Your Nouns: Your Industry Here

'Social' Changes How "IT" Leads

- Trust

  Dynamic threat environments; rising community awareness and expectations

- Governance

  Global markets; narrow perspectives; 'crown jewel' data

- Mobility

  Productivity improvement; BYOD challenges

- Social Interaction

  External communities; internal collaboration; high-velocity operations

- Talent Development and Technology Change

  Where will we get tomorrow's programmers? How will practices change?

  "In 2011, there were still five unemployed people for every job available. Yet American businesses in 2011 reported more than three million job openings they have been unable to fill because of a skills shortage." – Edward Luce, *Financial Times*

'Social' Changes How "IT" Leads

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> "In a survey of CRM decision makers, Nucleus found that providing sales people with mobile device access to CRM drives a 14.6 percent productivity increase, and adding social drives an additional 11.8 percent productivity boost. Given the significant ROI opportunity, all organizations should consider mobile and social CRM adoption."
>
> - Nucleus Research, Market Focus Report - Mobile and Social CRM, March 2012

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