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## The Battle for Smart Car Data

- ▶ Detroit is fighting to keep information collected by connected cars away from Google and Apple
- ▶ “There is tremendous value in the data, and they are trying to figure out how to get it”

Crank up one of today’s newest car models, and it will update more than 100,000 data points, from simple tire pressure to pollution levels in your engine’s exhaust. The onboard navigation system tracks every mile driven and remembers your route to work, while the vehicular brain can help you avoid traffic jams or score parking spaces. Today’s cars can even collect some rather personal details such as the front-seat passenger’s weight.

The internet-connected car will be a wonderful convenience or an intrusive nightmare, depending on your tolerance. But for automakers, it could also be a data gold mine. That’s why they are determined to keep the likes

of **Google** and **Apple**—which have profited handsomely by selling connective services and handheld mobile devices—from making more inroads inside cars. The goal of the Silicon Valley giants is to own the coming web-on-wheels experience and leave Detroit with the less lucrative task of simply bending metal. McKinsey estimates that in-car data services and ridesharing could generate \$1.5 trillion of annual revenue by 2030. “Everyone is trying to control the screens in the car,” says Tony Posawatz, chief executive officer of consulting firm Invictus iCar. “There is tremendous value in the data, and they are trying to figure out how to get it.”

Both sides want to secure an early beachhead in the battle for dashboard dominance for a simple reason: Once self-driving cars are the norm, people will have the downtime to become truly mobile consumers. And the detailed data of where and how individuals spend their time on the road—including shopping—will help marketers deliver the kind of sharply targeted ads that are considered the most effective. So **Ford** and others are already angling to limit access to the juiciest data that could be used to sell in-car services or develop ads for seat-belted shoppers.

“We’re not in a position of turning over our vehicles to a Google or Apple experience,” says Don Butler, Ford’s

executive director for connected vehicles and services. "We want to make sure our customers have a chance to give informed consent" about how details concerning their habits are used. "And," he adds, "we want to share in any value created."

Ford, BMW, General Motors, and other automakers have developed or purchased special systems that can host—and limit—in-car apps produced by others. Many brands, including Chevrolet and Ford, have elected to allow drivers to plug in Apple and Google's competing vehicle-screen operating systems, CarPlay and Android Auto, without giving the tech companies access to drivers' personal information or vehicle diagnostics.

Ford's offering, which Toyota also uses, is called AppLink; it enables the car to access 90 phone apps without using CarPlay or Android Auto as a go-between. And BMW, Daimler, and Volkswagen teamed up last year to buy Nokia's digital mapping business, called Here, for \$3.1 billion, giving them a platform for location-based services and, eventually, mapping capabilities for self-driving cars.

GM's OnStar mobile information subscription service is already offering dashboard-delivered coupons for Exxon and Mobil gas stations and the ability to book hotel rooms. Mercedes-Benz's concierge service Mbrace can, at the touch of a button, route a driver around traffic or bad weather. Both cost about \$20 a month.

Asian companies are also getting on board. Alibaba Group, whose YunOS already connects phones, tablets, and smartwatches, is working on deals with Chinese automakers to operate with vehicles. Mazda Motor helped fund development of a network called OpenCar. Bryan Misteale, CEO of software maker Inrix, the company that acquired OpenCar in March, says agreements with other automakers will be announced later this year. All the automakers, he says, "are worried about Google and Apple."

For good reason. The Silicon Valley giants are developing cars and self-driving technology themselves, and both are leaders in connected services.

At the moment, tech companies are out ahead because of the many millions of people around the world who have a smartphone on hand at all times, including while driving.

Leaders among the apps popular with people in cars include Google's Waze, an advertising-supported and crowdsourced program that offers congestion-avoiding directions; Yelp, which provides locations and reviews of local businesses; and music-streaming service Spotify, which is mostly accessed through smartphones.

There's little evidence so far that car companies are as good as the tech giants at developing digital apps and content, says Eric Noble, president of consultant CarLab. "What are the odds that carmakers will come out with anything that will compete with a phone?" he says. "They're chasing a rainbow."

Google spokeswoman Kaori Miyake says the company is eager to work with the auto industry on car connectivity. She says Google isn't interested in data on in-car consumer behavior to use for its own advertising purposes. She didn't address the question of whether Google would like to obtain such information so it can sell it to others.

Waze already digs into personal data in smartphones with users' permission and blasts pop-up ads on the screens of its 50 million global users, says Julie

Mossler, head of brand and global marketing at Waze. That intrusiveness is why David Fuller, a contractor in San Antonio, says he deleted Waze after one day. Plus he doesn't like pop-up ads. "That's as bad as texting," he says.

It's not only tech companies that are interested in car data. The insurance industry would be thrilled to have front-seat knowledge about a driver—it could charge higher rates for proven lead-foots, for instance. Or vice versa. Ford will soon offer drivers a chance to use an app to get a driver score that could reduce their insurance rates if

they have safe habits. GM has a similar feature in its cars.

GM plans to keep its in-car internet offerings linked to motoring, says chief infotainment officer Phil Abram. "We have to be careful about what we push," he says. "It has to be relevant to the vehicle. It's a win-win—up to the point that it becomes spooky." —David Welch

**The bottom line** Today's sensor-laden cars collect huge amounts of data for which marketers may pay dearly. Automakers want to control such sales.

Sports

### What's 'Footballer' In Mandarin?

▶ China is spending big to become a soccer heavyweight

▶ "It's insane. I have never seen anything like this before"

Soccer star Givanildo Vieira de Sousa, popularly known as Hulk, had quite the welcome to China on June 29. Shortly after his plane landed at Shanghai's Pudong International Airport, hundreds of chanting fans mobbed the Brazilian forward as he pushed his way through the crowd. Hulk, who recently inked a record-breaking \$61 million deal with the Shanghai SIPG team, won't be the last player to get a hero's welcome on the mainland.

Long a soccer backwater, China has gone on a buying spree unprecedented in the history of the game. Since the beginning of 2015, Chinese companies have invested \$1.7 billion in sports assets, the vast majority soccer-related, according to data compiled by Bloomberg. As recently as five years ago, that number was zero. "It's insane," says Brazil-based sports lawyer Marcos Motta, who's worked on several player trades to China. "I have never seen anything like this before."

Led by some of the country's richest men, including Dalian Wanda Group founder Wang Jianlin and Alibaba Group's Jack Ma, Chinese ▶

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