AT&T Puts Data in the Driver's Seat

Andrew Berg

The family minivan is quickly becoming as connected a device as your smartphone. AT&T recently announced that you can add your General Motors (GM) OnStar-enabled vehicle to your existing Mobile Share plan for $10 per month. In many instances, navigation, music and video streaming, even the quick in-dash search on Yelp! for the nearest In-N-Out Burger are all fueled from the same bucket of data that your smartphone and tablet utilize.

Chris Penrose, senior vice president of AT&T’s Emerging Devices business, said that there's a lot of flexibility in how data is priced behind the driver's wheel.

"Each individual automaker will decide what's the best choice for them," Penrose said, noting that while GM is leaning heavily on AT&T's existing offerings-including day passes for those that don't want to commit to using data all the time-other automakers, like Tesla, have decided to include, or subsidize data, in the purchase price of the car.

Penrose also said that AT&T's new Sponsored Data initiative, which allows companies to subsidize the data needed to view or interact with their content, could also play into the automotive space.

"I think you're going to see a lot of activity in that area," Penrose said.

AT&T's work with GM is an example of the opportunity that the connected car represents for wireless carriers. Penrose said that by the end of the year, GM will offer 30 models with AT&T embedded LTE connectivity and it has plans to eventually include the technology in all of its cars. That's representative of an overall trend. Research firm SBD forecasts that almost 36 million new cars will be shipped globally with embedded telematics by 2018, which would mean 31 percent of the total number of cars shipped in that year. That's compared to just 5.4 million in 2012. SBD says that part of that growth in embedded connectivity will be driven

at least in part by regulations in the European Union and Russia making it mandatory for new vehicles to ship with systems that are able to automatically alert emergency services in the event of an accident.

But bringing connectivity to cars will have its challenges. Automakers for the most part operate on a 5-year design cycle, while carriers may add new functionality or software updates to hardware every 12 to 18 months.

Penrose said that part of treating a car like a connected device is ensuring that it can be updated like one.

"Once you put that broadband pipe into the vehicle, you now have the ability to update that vehicle over the air, similar to what we're familiar with on a smartphone," Penrose said. "That capability set, which has been out there for a while, will now be used with much greater frequency in the automobile space. Not only to update the head unit but also other sub-systems inside the vehicle."

Another challenge in the connected car space is ensuring that drivers keep their eyes on the road. With the entirety of the Internet available at 80 MPH, the kinds of distractions we're talking about go way beyond texting behind the wheel.

Penrose notes AT&T's "It Can Wait" campaign as evidence of his company's commitment to implementing in-car technology in a safe manner. He said that while awareness is important, real-world solutions are also a must, and AT&T's Drive Studio is part of that mission.

"We're actually using Drive Studio to bring forth the new technologies that are going to evolve this from awareness to creating the true solutions that we're going to be able to bring to market that will really minimize driver distraction and make it a safer experience."

If challenges like these can be overcome, AT&T sees the car as yet another gateway to its Digital Life platform, which seeks to integrate everything from your house to your dog's connected collar.

"One of the things we're working on is how can we take that connected car and link it up with other AT&T services," Penrose said. "How do we tie in the car with our new Digital Life home automation system so that when you do pull up to the house, you can kick off programs just by the fact that it identifies you and you've broken the geofence."

From bringing uVerse content into the car to leveraging wearables, Penrose says the parameters of what is connected and where of blurring as AT&T continues on the road to connecting all of its services.

"We're very excited about what's going on in the industry...and I'm really excited to be able to show everyone more of what we're up to at CTIA in couple of months and going into next year."

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