Unrealistic estimates of the value of Big Data exceeding billions of dollars are floating around in the industry, reminding us of the business model trap that telematics fell into over a decade ago.

In SBD’s latest research we analyse 15 use cases for Big Data and provide a realistic estimate (value per car per year) based on our experience working with vehicle manufacturers on a range of Big Data projects.
As the proliferation of connected cars continues to rise, this connectivity brings an opportunity to harvest vast amounts of data from the car. But it also raises a lot of questions: Should car companies speculatively collect this data and hope to sell it to the highest bidder? Who might those bidders be, and what might they pay? Which data elements do they need? Does the car-buying customer have a say in all of this?

In SBD’s latest research, we analyse 15 potential use cases for big automotive data and provides an estimated value per vehicle for each case.

Total value per car is €95/$130 per year

We believe this estimate is very realistic and there's no hype or exaggerated market valuations – each of the 15 potential use cases is examined by looking at who benefits from the data, the relationships within the value chain and ultimately, a figure is given to the use case for its value per vehicle. In each case, all evidence and assumptions are stated.

Direct & indirect value

Enabling improvements in the way OEMs can know and manage their customers is potentially the most valuable application of big automotive data. What emerged from the analysis of the 15 use cases is that there's direct opportunity for use cases like pay how you drive insurance, which will be suitable for certain customer groups and markets, but there are compelling use cases which provide indirect value to the OEM through knowing the customer’s vehicle usage habits.

Find multiple uses for the same data

Collecting big automotive data is expensive. The cost of embedding connectivity, the network data costs, data storage and processing costs are significant. The way to cover those data collection costs is to ‘stack’ multiple use cases on the same platform and data. OEMs will benefit most when they can successfully launch the direct use cases and align their sales, CRM, warranty and servicing departments to exploit the vehicle data collected from those use cases.

In our recent report on Automotive Big Data, we’ve made every effort to keep our methodology and assumptions transparent to make it as easy as possible for our clients to modify estimates (for example, referral rates for a particular use case) to reflect their business arrangements.
SBD has written this report to begin to answer the question, "What is automotive big data really worth?". We’ve put a number against this question. In arriving at the answer we’ve looked at 15 use cases for big automotive data and have taken a cautious approach in quantifying their value. Wherever we’ve had to make assumptions we’ve documented them. You may want to adjust some of those assumptions to your specific use cases – we hope that you find the transparency of our calculations helpful.

What is big data worth?
To find out, we analysed the following use cases...

### Big Personal

<table>
<thead>
<tr>
<th>PAYD</th>
<th>PHYD</th>
<th>CRM - sales</th>
<th>CRM - service</th>
<th>Prognosis</th>
<th>Advertising - PULL</th>
</tr>
</thead>
</table>

### Big Vehicle

<table>
<thead>
<tr>
<th>Weather</th>
<th>Traffic</th>
<th>Road Maintenance</th>
<th>Warranty</th>
<th>Insurance</th>
<th>Trip Analysis</th>
<th>Advertising</th>
<th>Product design</th>
<th>Advertising - PUSH</th>
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What are OEMs doing already?
We looked at 26 OEMs, and took a closer look at the 14 who are implementing at least one use case each...
This report benchmarks the usability of 7 major European navigation and infotainment systems, using both expert and non-expert methodologies to ensure a balanced and accurate set of results.

In addition to objective and subjective scoring, the report provides videos of 16 consumers using the systems and discussing the strengths and weaknesses during focus groups.

SBD’s latest App Guide has identified 5 high-level use cases that vehicle manufacturers are developing apps for (including buying cars, pre-journey, journey, post-journey and maintenance), along with 29 sub-use cases.

The strategic analysis provides an insight into which OEMs have stronger app strategies and where the potential opportunities for expansion lie. The service, which is updated on a quarterly basis, and covers EU, USA and China.