



Press release from IoT analyst firm Berg Insight:

Embedded car OEM telematics subscribers exceeded 200 million in 2022

Gothenburg, Sweden – June 14, 2023: According to a new research report from the IoT analyst firm Berg Insight, the number of telematics service subscribers using embedded systems will grow at a compound annual growth rate (CAGR) of 16.1 percent from 202.3 million subscribers at the end of 2022 to 426.4 million subscribers at the end of 2027. Moreover, Berg Insight forecasts that shipments of embedded car OEM telematics systems worldwide will grow from 50.3 million units in 2022 to reach 77.3 million units in 2027, which represents an attach rate of 94 percent at the end of the forecast period. New passenger car and light truck registrations increased 0.3 percent to 69.7 million worldwide in 2022. Performance was highly affected by the semiconductor shortage in several markets. Berg Insight still anticipates high growth of OEM telematics subscribers in the next years as connected car services become ubiquitous in all major car markets.

Carmakers are still experimenting with business models for connected car services as renewal rates for telematics subscriptions after the initial free period still remain relatively low. Competition and local regulations will likely lead to that a growing number of brands will offer free basic services such as safety and diagnostics for the lifetime of the vehicle. Carmakers are expected to offer connected car services through a modular sales approach where customers can order services individually and thus generate revenues on value-added services built on top of basic telematics services. Carmakers have also begun selling premium features and enhancing car performance via OTA updates. BMW for example offers a range of vehicle functions in the form of digital after-sales services in the ConnectedDrive store. Other carmakers offering similar services include Tesla, Mercedes-Benz, Audi and Porsche. The increasing adoption of the Android Automotive OS and Google Automotive Services (GAS) is moreover a trend in the automotive industry and will likely have an effect on the connected car value chain in the future. Traditional vehicle-based platforms have also faced intense competition from portable and nomadic devices and have had a severe disadvantage in the longer development cycles.

“Connected car services have evolved from being a differentiating factor to a commodity. To offer more attractive digital experiences, carmakers increasingly focus on incorporating third-party apps into infotainment systems, providing access to the same apps that drivers have in their smartphones”, said Martin Cederqvist, IoT Analyst at Berg Insight. Android Auto and Apple Carplay have

been a way to incorporate third-party apps, but carmakers are more and more focused on providing access to the apps directly through the car infotainment system, without the need for smartphone connectivity. The increasing adoption of Google Automotive Services (GAS) has been a popular mean to achieve this.

General Motors had more than 21.0 million connected cars at the end of 2022 and BMW had about 20.0 million connected cars. Toyota Motor Group, Stellantis and Volkswagen make up the remaining top five carmakers in terms of embedded OEM telematics subscribers. “As many volume brands now offer connected services for free in their main markets it is expected that such players will constitute a large part of the growth of connected car subscriptions in the coming years”, concluded Mr Cederqvist. Additional automotive OEMs with more than 10.0 million active connected cars at the end of 2022 include Ford, Mercedes-Benz and Hyundai.

Download report brochure: [The Global Automotive OEM Telematics Market](#)

About Berg Insight

Berg Insight is a dedicated M2M/IoT market research firm based in Sweden. We have been specialising in all major M2M/IoT verticals such as fleet management, car telematics, smart metering, smart homes, mHealth and industrial M2M since 2004. Our vision is to be the most valuable source of intelligence for our customers. Berg Insight offers numerous market reports, detailed market forecast databases and advisory services. We provide custom research tailored to your requirements including focussed research papers, business case analysis, go-to-market strategies and bespoke market forecasting. We have provided analytical services to 1400 clients in 72 countries on six continents to date. Our customers range from many of the world’s largest mobile operators, IT companies and telecom vendors, to venture capitalists, technology start-ups and specialist consultants.

