# Executive Summary

Key Findings From the Study

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## Segment Characteristics and Differences

Compared to the consumer segments in Europe, in Russia the percentage of consumers in the functional and advanced segments is greater. This is probably because of the greater overall interest in innovative and advanced technology.

The advanced user segment shows preference for  techno features and significantly greater preference for fixed devices. The basic user segment, however, prefers dedicated portable devices and has fewer requirements from their devices and look for convenience primarily. This has implications for device development and marketing communication.

Furthermore, advanced users report greater satisfaction with their devices compared to basic and functional users. This could be because they have interest to explore and exploit the device features; hence, they are also more satisfied with them, unlike the basic user segment. This has implications on how satisfaction levels can be improved by offering device features that are in accordance with consumer interests and preferences. For example, fewer features for consumers preferring portable dedicated devices and offering technologically advanced multi-featured fixed navigation systems.

## General Characteristics

Half respondents consider navigation devices necessary and very useful. Furthermore, there is general preference for advanced and innovative technology and a strong requirement for vehicle tracking. This preference could be influenced by the fact that the consumers drive to unknown destinations; hence, introducing features to support such driving behaviour will support the uptake of such devices. Besides this category of users, consumers travelling to known destinations also look for convenience and routing information.

## User Characteristics

### <u>Fixed Device Users</u>

In all, 30 per cent fixed device owners report that vehicle purchase preference was influenced by the presence of a navigation device in the vehicle. Further 28 per cent reported purchase of their navigation system from a car dealership with about an equal percentage (approximately 40 per cent), reporting it was a standard feature in the vehicle and that they paid extra for this system. These findings seem to suggest that in-built systems may find at least slight support from consumers preferring fixed devices.

- These fixed device users considered the convenience of not having to carry and store, in-vehicle connections and access as top features influencing decision. These users also travel longer distances and a fully functional fixed device would help them in their travel.
- Significantly greater fixed device users reported they were ‘very satisfied’ with their device, however, about 20 per cent also reported they were unsatisfied and this may be due to the poor satisfaction on features that help in long distance travel, for example, notification in case of accidents, emergency or traffic black spots or limited geographical coverage.

# Executive Summary (Contd…)

**Dedicated Portable Device Users**

A total of 46 per cent non-owners and 60 per cent owners of a dedicated portable system are likely to purchase a dedicated portable system. Those preferring this system mainly fall under the basic or functional user segment.

- They mainly look for portability, convenience, device simplicity and cheaper device.
- They are less likely to travel frequently to unknown destinations and more likely to use their navigation devices for routing purposes.
- A total of 64 per cent reported being 'satisfied' and only about 11 per cent reported being 'very satisfied'. Features important to consumers and which can probably increase satisfaction include a few, but necessary, device functions (because these users are less interested in technology), better device connectivity with MP3, PDAs and so on.

**Phone/PDA - Integrated Device Users**

In all, 29 per cent owners and non-owners are likely to purchase a devise integrated with a phone or PDA . This result suggests that such users can be targeted because they show willingness to purchase alternate types of navigation devices (those interested in a dedicated portable are 39 per cent and fixed 30 per cent)

Satisfaction with their devices was about 66 per cent, with only 14 per cent being 'very satisfied'. About 28 per cent reported being only 'somewhat satisfied' and about 7 per cent unsatisfied. This may be influenced by difficulty to connect to in-vehicle displays and screens.

**Location-based Services**

There is a greatest awareness of mobile TV, real-time traffic information and Internet-related services. Approximately 50 per cent users are aware of e-call and b-call.

- Real-time dynamic information, road condition information, b-call, vehicle tracking and e-call (more than 75 per cent). are the features consumers consider most important.
- Tracking information, real-time information and routing for fuel economy are of greatest benefit. More than 50 per cent of users are willing to pay for tracking (€4.33), and b-call services (€3.50).

# Executive Summary (Contd…)

**E-call**

In all, 42 per cent interested in e-call system through a bluetooth in-car link and 50 per cent prefer this system knowing that it will work only under specific situations. In all, 70 per cent do not care about the type of system it is as long as it works, with about 60 per cent reporting preference for its lower price as compared to traditional e-call.

**Interest in Access and Human Machine Interface (HMI)**

More than 90 per cent interested in real-time traffic information and about two-thirds  search for location by street name and house number. In all, 54 per cent prefer touch-screen devices.

**Pedestrian Only Devices**

Less than 25 per cent are interested in pedestrian devices.

**Privacy**

A total of 58 per cent concerned about privacy of location-based services with about one-third not getting service if the government or TV agencies had access to their driving habits.

**Navigation usage**

About 68 per cent use it to get to unknown destinations and 25 per cent use it to travel to known destinations (Points of Interests , time and distance to destination to avoid traffic). More than 90 per cent interested in real-time traffic information.

# Executive Summary (Contd…)

**Basic Users**

These are navigation customers that are less informed and aware about technologies related to navigation devices. Moreover, they are not interested in e-call if they have to pay and they consider navigation services nice to have on some occasions. They prefer dedicated devices or low-cost portable devices that cannot be used as mobile and other devices.

**Functional Users**

•They are likely to purchase a navigation system for convenience purpose only and are generally less aware about navigation technologies as compared to the technologically advanced users. They are slightly interested in Bluetooth-based e-call system.

**Advanced Users**

•These consumers are aware of e-call, b-call, vehicle tracking and so on and prefer a traditional e-call system. They also report navigation systems as necessary and useful and prefer a fixed system only or a fixed system along with a portable device with multiple functions.