

The Risk in Outsourcing the Voice of Your Brand

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It's no secret that the modern car buying process is no longer only a test of gas mileage, body style and engine type. In-car technology and the experience it empowers for drivers has become critical for OEMs to differentiate their brands.

Today's conversational AI systems allow the car to be deeply integrated into the lives of drivers – lives that have become more tied to technology than ever before as consumers' digital ecosystems expand. This opens massive opportunity for automakers. Giving a voice to the car itself and owning the connection point between the driver and the digital world around them can be hugely meaningful when it comes to driver safety, the in-car experience and brand equity. On the other hand, OEMs who don't prioritize the in-car experience – or who or outsource it to the large technology players who do not necessarily have drivers' best interests at heart – will miss the opportunity to connect with their drivers and differentiate themselves from their competition.

Consumers want continuity and simplicity - on their terms

Consumers want their digital lives to extend to their cars. This seems simple enough, but if you were to ask your family and friends what smartphone and smart home devices they use, would they all give the same answer?

Likely their answers would be different based on personal preferences and where they live in the world. Most individuals use a mix. I may use Apple for my smartphone, Amazon for online shopping, Google for my smart home devices, and Microsoft for my work. I want my car to connect to all four.

By owning the conversational AI system within the car, OEMs ensure drivers do not have to choose. Instead, the flexibility to seamlessly integrate the applications of their choice provides drivers with the continuity they want, on their terms. It also ensures the OEM owns the in-car experience and does not confuse drivers by bringing in voice assistants and digital interfaces that are not representative of their brand.

If an OEM decides to outsource their conversational AI to a closed, single-tech provider system, their drivers may step into that OEM's car, but they quickly step out of their brand experience the moment the dashboard screen lights up. And if a driver is like me, with a digital life spread across multiple tech ecosystems, the clunky or often inexistent integrations are likely to cause frustration.

Keeping drivers safe and their data secure

Connectivity is directly tied to safety. With vehicle sensors and smart cities continuing to push the limits on what is possible, when an OEM owns the connected experience, the opportunity to improve driver safety is exponential. Direct connections between the in-car systems and sensors built into the vehicle allows for endless applications, especially in an autonomous future.

Using a big tech platform instead of owning the system takes the opportunity to improve and ensure driver safety out of the hands of the OEM. Perhaps equally concerning, it also requires giving up access and ownership of critical customer data. Large tech players monetize data they collect through conversational AI systems, and their motivation in doing so is likely not to improve the in-car experience for drivers. When the OEM owns its conversational interface, that rich data stays in a closed, secure system and is used to benefit the driver through in-car software updates, new features and services, and even vehicle recalls.

Don't lose your voice... or your brand may be next

Because of connectivity, the driver/brand relationship now extends far beyond the dealership, having shifted to real-time, intelligent in-car engagement throughout vehicle ownership. Drivers are buying branded experiences – not just a body on four wheels. If they buy a <u>Mercedes</u>, they want to feel like they are driving a Mercedes. And that means they do not want to get in and be greeted by Alexa. Using their own in-car voice assistants, OEMs can bring their brand essence to life within the car, deepening the relationship with drivers while better understanding what those drivers need and when and how their experiences can be improved.

At Cerence, we provide innovative solutions for OEMs to bring their brand promise to life through advanced conversational AI technology – connecting with hundreds of sensors deep inside the car and integrating with various consumer tech ecosystems to deliver a harmonious, intuitive in-car experience. To learn more, visit <u>www.cerence.com/cerence-products/core-technologies</u>.