

IN-CAR ENTERTAINMENT (ICE) & INFORMATION SYSTEM MARKET (2011 – 2016)

GLOBAL FORECAST & ANALYSIS BY OEM & AFTERMARKET

**BY PRODUCTS (AUDIO, DISPLAY, GPS,
SOFTWARE PLATFORM, SERVICE, ACCESSORIES),
BY APPLICATIONS (ENTERTAINMENT, LOCATION
BASED SERVICES, COMMUNICATION)**



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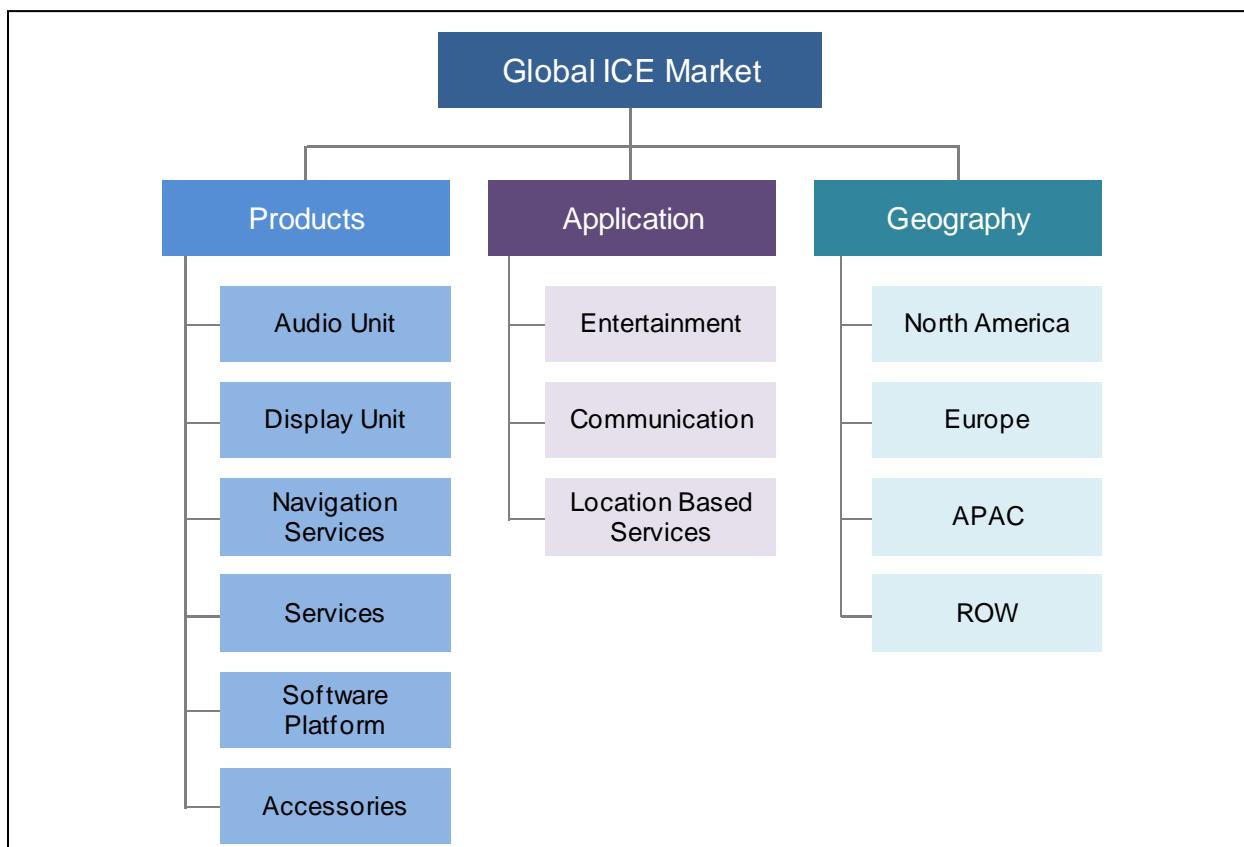
1 INTRODUCTION

1.1 MARKETS COVERED

The market for global in-car entertainment and information is segmented by product type, application, and by region. The following chart illustrates the same.

FIGURE 1

MAJOR SEGMENTATION OF ICE MARKET



Source: MarketsandMarkets Analysis

2 EXECUTIVE SUMMARY

Conventional car entertainment was redefined by infotainment solution by having offered products like digital and internet radio. These radios offer unlimited music to customer from the external world. Prior to infotainment system, navigation system like Global Positioning System (GPS) was available to customer as an independent product. By integrating the navigation system in ICE solution, collectively it offers more value to the user.

In future, features like hi-speed internet, seamless telephone connectivity, and connected cars are expected to be introduced in an ICE system.

Auto-OEM and infotainment suppliers are working together to introduce ICE solution in the mid-segment cars. With huge volumes, mid segment cars offer a huge market with high growth to ICE market.

ICE solutions are accepted and appreciated worldwide. Luxury cars are mainly sold in North America and Europe; however, APAC and Middle East are also becoming large customer base markets. The car manufacturers and infotainment solution suppliers are focusing on APAC region as a manufacturing base and market to sell their products as well.

The major players in the ICE system market are as follows:

- **ICE System Integrators:** Harman International (U.S.), Pioneer (Japan), JVC-Kenwood (Japan), Delphi (Japan), Denso (Japan), Alpine (Japan), and Bosch (Germany).
- **Audio & DVD Player Manufacturers:** Harman International (U.S.), Pioneer (Japan), JVC-Kenwood (Japan), Delphi Corp. (Japan), Denso (Japan), Alpine (Japan) and Bosch (Germany).
- **Navigation System Manufacturers:** TomTom (The Netherlands) and Garmin (U.S.).
- **Software (Platform) Developers:** Intel (U.S.), KPIT (India), Luxoft (Russia), and Nuance (U.S.).
- **Service Providers:** Aha – Harman (U.S.), Meego (U.S.).

The ICE system market is in the introduction phase and has a limited market size; it was estimated to be \$XX million in 2011 and is expected to reach \$XX million in 2016. Based on the present economic conditions and the optimistic future conditions, the overall market is expected to grow at a CAGR of XX% from 2011 to 2016.

TABLE 1

**GLOBAL ICE SYSTEM MARKET REVENUE, BY PRODUCTS,
2011 – 2016 (\$MILLION)**

| Product | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | CAGR% (2011-2016) |
|-------------------|------|------|------|------|------|------|------|----------------------|
| Audio | XX |
| Display | XX |
| GPS | XX |
| Software platform | XX |
| Service | XX |
| Accessories | XX |
| Total | XX |

Source: MarketsandMarkets Analysis

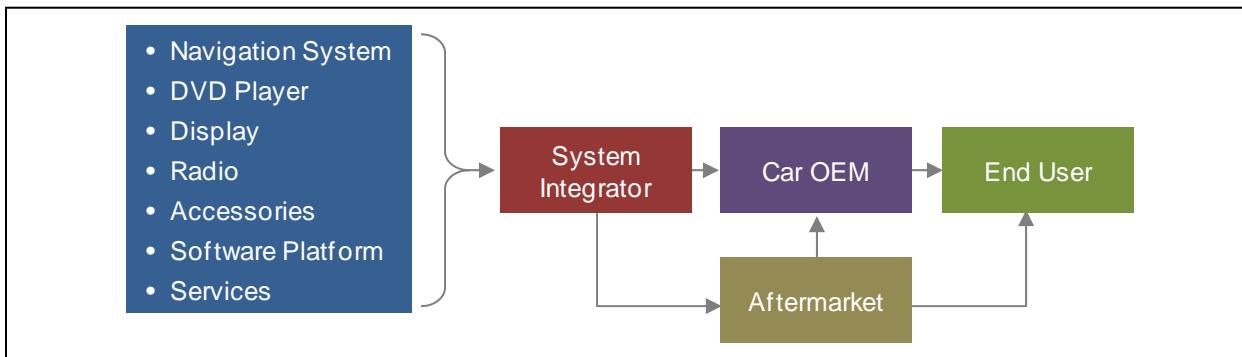
The global ICE system market was estimated to be worth \$XX million in 2011 and is expected to reach \$XX million in 2016 at a CAGR of XX% from 2011 to 2016. GPS contributed XX% in the system in 2011. However, by looking at the fall in the GPS prices, it is expected that GPS will contribute only XX% in 2016. It will be reflected in its market and expected to maintain the CAGR of XX%.

3 MARKET OVERVIEW

3.1 VALUE CHAIN

FIGURE 2

VALUE CHAIN OF IN-CAR ENTERTAINMENT & INFORMATION SYSTEM



Source: MarketsandMarkets Analysis

3.1.1 NAVIGATION SYSTEM

GPS is the best example of navigation system. It has been an integral part of entertainment & information system for quite a long time. It serves the purpose of location based services. TomTom (The Netherlands) and Garmin (U.S.) are the largest players in navigation system market.

3.1.2 DVD PLAYERS (REAR SEAT ENTERTAINMENT)

There are many players supplying the DVD players for entertainment purpose by audio and video mode. It has evolved from cassette players to DVD player and been a long journey with many changes over the last few decades. DVD players are easy to install and the most popular part of entertainment & information solution. Harman International (U.S.), JVC-Kenwood (Japan), Pioneer (Japan), Sony (Japan), Delphi (U.S.), Denso (Japan) etc are the major players of DVD player suppliers.

4 PRODUCTS CHAPTER

4.1 INTRODUCTION

The global ICE system market is segmented by products as display, navigation unit, audio unit, digital communication, services, and accessories. The ICE product market faces two problems. First, for auto manufacturers it is not economical to embed all the consumer electronic technologies in cars. So suppliers must target only a few specific sectors such as entertainment and information. The adoption rate of new technologies like car telephony in the auto industry is also relatively slow, and hence resulting in a smaller market size. Second, the fact that information and entertainment are not driving factors for car sales, unlike fuel economy, engine power, style, and price cannot be ruled out. As a result, the introduction of a new technology into the car entertainment system requires a certain acceptance level, which needs to be predicted well in advance.

TABLE 2

GLOBAL IN-CAR ENTERTAINMENT & INFORMATION MARKET REVENUE, BY PRODUCTS & SERVICES, 2010 – 2016 (\$MILLION)

| Product & service | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | CAGR% (2011-2016) |
|-------------------|------|------|------|------|------|------|------|-------------------|
| Audio | XX |
| Display | XX |
| GPS | XX |
| Software platform | XX |
| Service | XX |
| Accessories | XX |
| Total | XX |

Source: MarketsandMarkets Analysis

The global ICE system market is expected to grow from \$XX million in 2011 to \$XX million by 2016, at a CAGR of XX% from 2011 to 2016. Display unit constitutes head rest screens, DVD players, and rear seat entertainment, so it accounts for the largest share of the overall the ICE system market generating \$XX million in 2010 and is expected to generate \$XX million by 2016 at a CAGR of XX% from 2011 to 2016. However, ICE system services are expected to grow at a relatively higher CAGR of XX% for the same period.

5 GEOGRAPHIC ANALYSIS

5.1 INTRODUCTION

The major market for ICE is North America, which is focused on safety and security features; whereas Europe and East Asia are focusing on navigation features. In Asia, Japan is the largest ICE system market followed by China, South Korea and India.

The rate of ICE usage is increasing globally and more number of vehicles is being embedded with these systems. Premium ICE systems are in place in countries like U.S., Germany, Japan and China. ICE system market globally has not reached to its potential and is expected to increase with the rising luxury automobile sales.

TABLE 3

IN-CAR ENTERTAINMENT & INFORMATION MARKET REVENUE, BY GEOGRAPHY, 2010 – 2016 (\$MILLION)

| Region | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | CAGR% (2011-2016) |
|---------------|------|------|------|------|------|------|------|----------------------|
| North America | XX |
| Europe | XX |
| APAC | XX |
| ROW | XX |
| Total | XX |

Source: MarketsandMarkets Analysis

The global ICE system market is expected to grow with a CAGR of XX% from \$XX million 2011 to \$XX million 2016. As of 2011, North America held-largest share of the ICE system market with revenues of \$XX million. Europe is expected to hold largest share, XX%, by the end of 2016. APAC region is expected to grow with relatively higher CAGR of XX%.

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