

## Digital music trends and their impact on the automotive industry

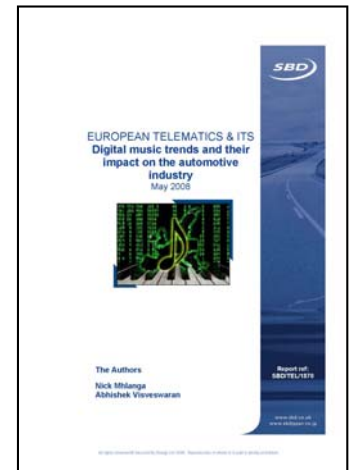


The changes occurring within the music industry have a clear impact on the development of in-car entertainment and connectivity systems. The way in which people discover, purchase and listen to music has been revolutionised by the ability to store large quantities of digital music on portable devices and share files over the internet.

SBD's latest report provides a vital focus on **Digital Music Trends and their impact on the automotive industry**, giving an assessment of the growth in new digital media types, the adapting business models of selling digital music and the challenges of Digital Rights Management against illegal piracy.

### This new report will help you to:

- **Realise** the impact of digital music trends on the development of entertainment systems and connectivity in the car
- **Understand** the direction of the music industry in terms of technological advances and business models
- **Gain** an insight into what the consumer needs are for connectivity and digital music device compatibility
- **Overcome** development challenges with recommended strategies for a successful digital future



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Alternatively, you can telephone Juanita on +44 (0)1908 305107.

### Who should buy this report?

This report will be of interest to organisations who want to understand consumer demand for in-car connectivity and the “buyer behaviour” of consumers when choosing digital music media. **It is of particular relevance to the marketing, product planning, and development functions of Vehicle Manufacturers and System Suppliers seeking to adapt their own solutions to satisfy customer demand.**

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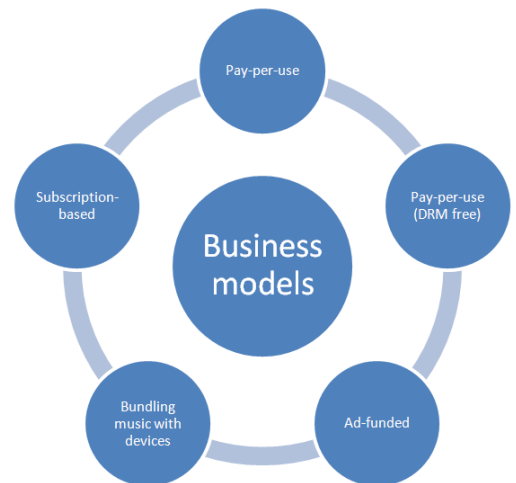
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## Moving towards a digital age

The rapidly changing consumer trends for acquiring and listening to music threatens to make automotive infotainment systems redundant before they even reach the market. To overcome this challenge, vehicle manufacturers will need to adapt their strategies to support a growing number of media types, formats, encryption technologies and connectivity solutions.

The evolution of the music industry and the new approaches to selling and delivering music presents a range of opportunities to provide new, exciting and value added infotainment experiences for motorists. SBD believes that in the long term vehicle manufacturers will adopt and adapt many of the approaches that are now being considered within the consumer electronics market. Many vehicle manufacturers and tier one suppliers are increasingly interested in when they will eventually be able to offer vehicles without CD players, reducing costs and releasing valuable dashboard space in the vehicle.

Online stores and mobile phone operators are now developing new business models to attract a larger customer base, moving away from simply offering the traditional pay-per-use approach to digital music sales. The adoption of new business models has mixed implications for the automotive industry. However, the growth in new media types is set to continue, particularly with the increasing use of removable flash media, such as SD cards, in portable music players. Mobile phone suppliers in particular are increasingly fitting flash memory slots on their devices, enabling users to expand the storage capacity of their phones.



## Related Reports



### *Bridging the connectivity gap - developing automotive platforms*

Analyses the changing relationship between the automotive and consumer electronics industries, as vehicle manufacturers shift away from simply reacting to the latest trends by fitting simple connectors, and instead start developing more flexible software-based platforms.



### *Bringing Digital Music into the Car - Storing music on HDDs*

Gives an overview of the HDD music systems offered by vehicle manufacturers in Europe. It also identifies the advances being made in other global markets, the technical and usability challenges that remain to be solved and the market position of HDD systems compared to integration kits for portable music players.

For more information about either of these reports please contact [jappleby@sbd.co.uk](mailto:jappleby@sbd.co.uk)

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## About the report authors



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