Global Connected Vehicles Industry: Thought Leadership Report

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Executive Summary

$90B

2023 Market Size

Global connected vehicles market value

$275B

2030 Projection

Estimated market growth by 2030

30%

V2X CAGR

Highest growth rate through 2030

The global connected vehicles market is on a steep growth trajectory, expanding from approximately $90 billion in 2023 to an estimated $275 billion by 2030 (Figure 1). Three core subsegments drive this momentum:

1. **Vehicle Data Monetization**
   leveraging in-vehicle telematics and analytics, forecast to reach $35 billion in 2025.
2. **Connected Services**
   encompassing infotainment, predictive maintenance, and remote diagnostics, leading with $60 billion in 2025.
3. **V2X (Vehicle-to-Everything) Communication**
   enabling low-latency safety and traffic services, projected at $25 billion in 2025.

Notably, V2X Communication exhibits the highest compound annual growth rate (CAGR) at 30 percent through 2030 (Figure 3), underscoring emerging priorities in safety and autonomous systems.

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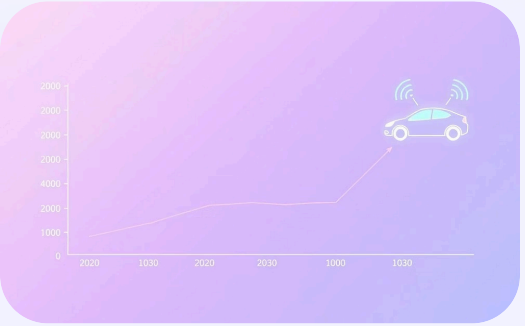
Market Overview



Size & Growth

The connected vehicles market is growing at about 18% CAGR, fueled by regulations, consumer demand, and OEM strategies.

Value Creation

By 2030, OEMs and providers will generate over $400 billion annually through subscriptions, data brokerage, and safety.

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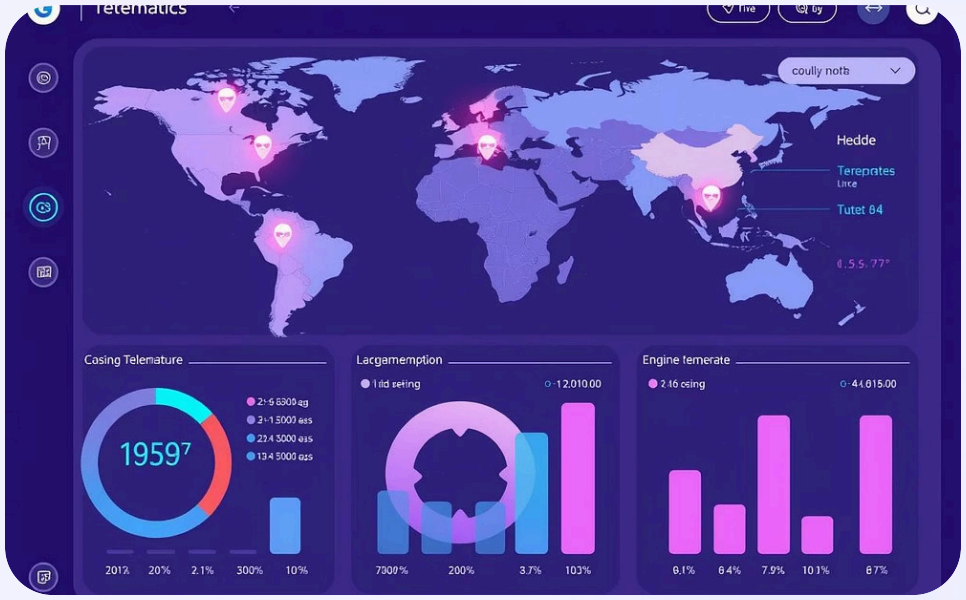

Vehicle Data Monetization

Capturing and commercializing vehicle-generated data on driver behavior and component health. Expected $35B revenue by 2025.

Connected Services

Subscription offerings like over-the-air updates, in-car entertainment, and fleet management, projecting $60B revenue in 2025.

V2X Communication

Vehicle-to-vehicle, infrastructure, and pedestrian communication enabling safety and autonomous driving, with $25B projected revenue.

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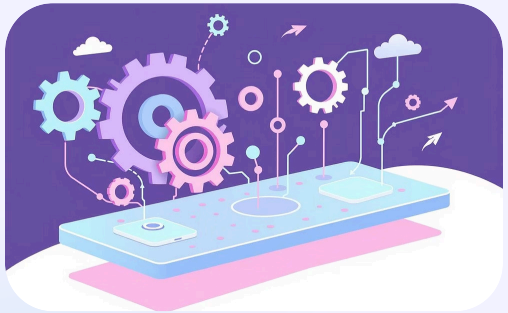
Strategic Implications

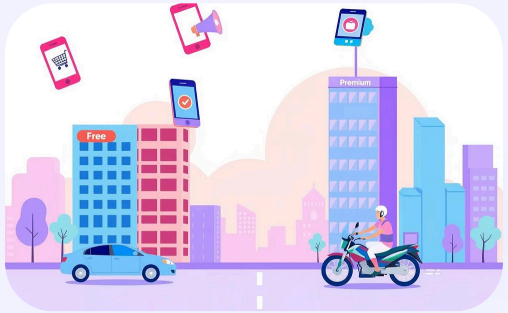


Platform Ecosystems

OEMs must build open, scalable platforms integrating data monetization, services, and V2X on one architecture.

Partnership Models

Strategic alliances with telecoms and municipalities accelerate V2X and ease privacy and interoperability challenges.



Monetization Frameworks

Shift to recurring revenue with freemium models: basic connectivity bundled, premium services upsold digitally.

Technology Investments

Focus on edge computing for low-latency V2X and AI/ML to extract insights from vehicle data.

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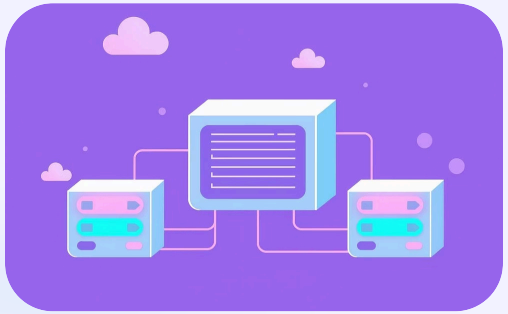
Recommendations for Executive Leadership



Invest in Modular Software Architectures

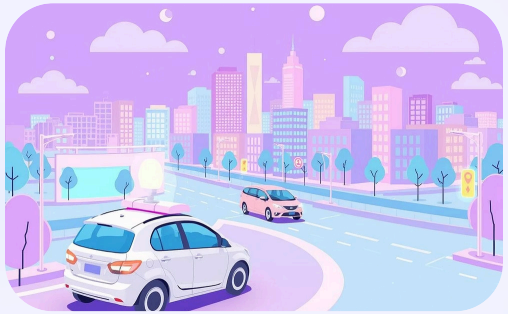
Enable rapid service launches and over-the-air upgrades.

Advance Standards Collaboration

Engage with global bodies (3GPP, SAE) to shape favorable V2X protocols.

Develop Data Governance Policies

Balance monetization with compliance—establish transparent consent mechanisms.



Scale Pilot Programs

Partner with smart-city initiatives to validate V2X applications and generate early ROI.

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Conclusion

Commercial Value

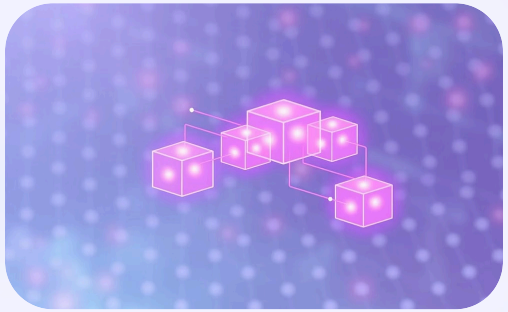
Realize full revenue potential

Data Governance

Embed robust practices

Ecosystem Partnerships

Forge strategic alliances



Open Platforms

Establish scalable foundations

The connected vehicles ecosystem presents a compelling opportunity for OEMs, Tier 1 suppliers, and service providers to capture new revenue streams and enhance road safety. By 2030, success will hinge on establishing open platforms, forging ecosystem partnerships, and embedding robust data governance to realize full commercial value.

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