

## Master Thesis Project Proposal

# Tokenization as a Neural Compression Strategy in Automotive Embedded Systems

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# 1 Introduction

- Modern vehicles generate vast amounts of data from multi-modal sensors such as cameras, radar, LiDAR, and in-vehicle networks (IVNs) like CAN and LIN networks.
- Legacy IVNs such as Classical CAN (1 Mbit/s) and LIN (20 Kbit/s) were never designed for continuous high-bandwidth streams.
- To avoid overload, event-triggered or selective logging schemes are used.
- These reduce bandwidth but limit observability and introduce sampling bias, degrading downstream machine learning (ML) performance.
- The proliferation of ADAS and intelligent systems further multiplies data quantity and complexity.
- Hence, there is a pressing need for adaptive and ML-aware logging frameworks that preserve informational value while respecting resource constraints.

# 2 Context

An in-vehicle embedded system is a specialized computer system integrated within a vehicle to perform dedicated functions, often in real time, and is essential for controlling, monitoring, and enhancing various automotive operations. These systems typically consist of both hardware and software components, such as electronic control units (ECUs), sensors, actuators, and communication interfaces, which are responsible for tasks like engine management, safety features, infotainment, and advanced driver assistance systems [Navet and Simonot-Lion, 2017, Fairley, 2019].

Modern vehicles may contain dozens or even hundreds of these embedded systems, interconnected through in-vehicle networks (e.g., CAN, LIN, FlexRay, Ethernet), enabling efficient communication and coordination among different vehicle subsystems [Bello et al., 2019, Navet and Simonot-Lion, 2017, Fairley, 2019]. The design of in-vehicle embedded systems must address strict requirements for reliability, safety, real-time performance, and increasingly, cybersecurity, as these systems are critical to both vehicle operation and passenger safety [Bello et al., 2019, Navet and Simonot-Lion, 2017, Mun et al., 2020].

Event-triggered logging and diagnostic frameworks, which record data only when anomalies or threshold crossings occur, are often adopted to reduce data transmission and avoid bus saturation in complex systems. However, this selective approach can reduce holistic visibility of system health, as it may miss subtle degradation patterns or early warning signs that do not cross predefined thresholds, complicating the detection of incipient faults and comprehensive condition monitoring [Nunes et al., 2023, Jiménez et al., 2020, Azar et al., 2022]. Additionally, the need to carefully tune event thresholds and diagnostic criteria introduces maintenance challenges, as improper settings can lead to missed events or excessive false positives, further complicating system upkeep and reliability [Nunes et al., 2023, Azar et al., 2022].

Two developments in recent years further underline the shortcomings of event-triggered logging in automotive systems: the massive increase in signal-based data in the in-vehicle network and the growing relevance of downstream ML tasks.

Recent industry and research reports indicate that the data quantity generated by ADAS (Advanced Driver Assistance Systems) sensors in vehicles is growing at an extremely rapid pace. According to a 2023 technical paper referencing McKinsey’s 2021 automotive electronics report, by 2030, about 95 % of new vehicles will be connected, up from around 50 % today, and a single car can generate up to 1 terabyte (TB) of data per hour from its sensors [Bertoncello et al., 2021, Samantaray, 2023]. This explosive growth is driven by the increasing number and sophistication of sensors—such as cameras, radars, and lidars—required for advanced safety and autonomous driving features, with the complexity and volume of data presenting significant challenges for storage, processing, and transmission within embedded automotive systems [Samantaray, 2023].

Modern vehicles increasingly rely on data-driven intelligence to enhance safety, reliability and efficiency. Beyond perception and control, downstream ML tasks — those leveraging collected vehicle and sensor data

for offline analysis, optimization and predictive functions — have become central to automotive-system design. These tasks include predictive maintenance [Theissler et al., 2021], anomaly and intrusion detection [Övgü Özdemir et al., 2024], and fleet-level analytics like fuel consumption or maintenance scheduling [Chen et al., 2025].

Recent reviews highlight that while event-triggered and anomaly-based data collection can optimize resource use, they often result in fragmented or incomplete datasets, making it harder to implement robust predictive maintenance strategies and limiting the effectiveness of ML models that rely on continuous, high-resolution data streams [Nunes et al., 2023, Jiménez et al., 2020]. Multi-model and hybrid approaches are being explored to address these limitations, but the trade-off between data reduction and diagnostic completeness remains a significant challenge in both industrial and automotive contexts [Jiménez et al., 2020, Azar et al., 2022].

Now, given the need for efficient data handling in the context of downstream ML tasks, and the shortcomings of event-triggered logging, one might look to traditional compression methods.

Compression, as originated in information theory by [Shannon, 1948], is the process of encoding information using fewer bits than the original representation. Compression techniques can be broadly categorized into lossless and lossy methods. Lossless compression is based on two principles: distribution modelling, sometimes called entropy modeling, and entropy coding. Entropy modeling involves creating a probabilistic representation of the data, while entropy coding assigns shorter codes to more frequent symbols based on their probabilities, thereby minimizing the average code length. Lossy compression, on the other hand, allows for some loss of information in exchange for higher compression ratios. This is typically achieved through techniques such as transform coding and quantization [Sayood, 2018]. For the purpose of this project, the focus will be on lossy compression as we focus on downstream ML tasks where some loss of fidelity is acceptable as long as the relevant information for the task is preserved.

Unfortunately, traditional compression methods, based on these information theory principles, often fall short in automotive applications, especially as a precursor for downstream ML tasks. For video/image compression traditional methods like JPEG or MP3 are optimized for human perception (e.g., visual quality) rather than ML tasks or efficient downstream data use [Ma et al., 2019]. For time series data, algorithmic approaches like CHIMP or Gorilla depend on manually chosen parameters like window size and are sensitive to data characteristics such as entropy and signal variability. This limits their effectiveness in capturing the nuances required for accurate ML model performance in automotive contexts. These algorithmic approaches were investigated by [Johnsson, 2025] in a previous master thesis project upon which this work builds.

Existing research approaches these challenges from two different angles. First, utility-aware adaptive telemetry methods aim to employ policy learning methods to dynamically adjust telemetry parameters to reduce maintenance costs while preserving data utility for downstream tasks. While not an established practice yet, recent research has shown some promise [Zhang et al., 2023]. Other research focuses on neural compression techniques that learn data representations optimized for both compression efficiency and ML task performance. This research is heavily inspired by deep generative models like GANs, VAEs, and autoregressive models, but focuses on compressing the data, instead of generating realistic data samples [Yang et al., 2022]. Here task-aware approaches have shown especially promising results as discussed in Section 3.

Neural compression techniques extend the introduced lossy compression principles in two key ways. First, they offer an alternative to traditional distribution modelling by leveraging deep neural networks to learn complex data distributions directly from the data, capturing intricate patterns and dependencies that traditional statistical models may miss. Second, they substitute traditional approaches to transform coding and quantization with learned representations [Yang et al., 2022].

### 3 Problem

Constructing downstream ML models for automotive systems, or in fact Internet-of-Things (IoT) systems in general, is a constant trade-off between handling large quantities of data and maximizing model performance [Muniz-Cuza et al., 2024]. Traditional compression techniques can reduce data volume, but often at the cost of losing critical information necessary for accurate ML tasks such as predictive maintenance, anomaly

detection, and fleet analytics. The impact of this trade-off is well-documented in the literature. [Muniz-Cuza et al., 2024] for example study the impact of lossy compression techniques on time series forecasting tasks and observe a constant trade-off between compression ratio and forecasting accuracy.

In the context of this project, two promising developments in this area will be looked at: task-aware compression and neural compression. Neural compression models leverage deep learning techniques to learn efficient data representations to compress data [Yang et al., 2022]. Studies as early as 2019 have shown that neural compression methods can outperform traditional compression techniques for image and video data, especially at low bitrates [Löhdefink et al., 2019]. The same has been shown for time series data [Zheng and Zhang, 2023, Liu et al., 2024].

Task-aware compression techniques, on the other hand, focus on optimizing compression algorithms to retain information that is most relevant for specific tasks [Yang et al., 2022]. This idea has shown promise in handling time-series data more efficiently in IoT systems. [Azar et al., 2020] and [Sun et al., 2025] for example explore task-aware compression algorithms that adaptively prioritize data features based on their relevance to downstream tasks, demonstrating improved performance in resource-constrained environments.

When combining these two techniques task-aware neural compression models, have shown promise in reducing the rate-utility trade-off. These models are specifically designed to retain essential features for ML tasks while achieving high compression ratios [Yang et al., 2022]. Studies that empirically evaluate the performance of task-aware neural compression models are somewhat limited, but they do exist. In one study for example, [Kawawa-Beaudan et al., 2022] use a hierarchical autoencoder-based compression network together with a recognition model and implement two hyperparameters to trade off between distortion, bitrate, and recognition performance.

There are two major limitations with the examples discussed above. First, while there exist some exploration of task-aware neural compression techniques for image and video data [Kawawa-Beaudan et al., 2022], there is a notable lack of research focusing on time series data, which is the predominant data type in automotive and IoT applications. This is supported by a 2022 survey done on the topic of neural compression [Yang et al., 2022].

The second limitation, that most of these papers fail to address, is the computational constraints of in-vehicle embedded or IoT systems. The mentioned papers, if they use neural compression, primarily focus on achieving high compression rates while maintaining model performance. Because of this, computationally heavy neural network architectures like recurrent neural networks (RNNs) or transformers were chosen [Zheng and Zhang, 2023, Löhdefink et al., 2019, Kawawa-Beaudan et al., 2022, Liu et al., 2024].

So while task-aware approaches to modern compression techniques like neural compression have shown promising advancements in balancing the compression and model performance trade-off, there remains a significant gap in analyzing their effects on time series data, specifically in vehicular contexts, where computational resources and bandwidth are often constrained.

## 4 Approach

As introduced in Section 2, neural compression techniques leverage deep learning to enhance data distribution capabilities as well as enable learned transform coding and quantization [Yang et al., 2022]. It has also been discussed, how neural compression methods often rely on computationally heavy architectures like RNNs and transformers [Zheng and Zhang, 2023, Löhdefink et al., 2019, Kawawa-Beaudan et al., 2022, Liu et al., 2024], to solve the task of entropy modeling within the compression pipeline. Continuous latents have dominated historically because they are easier to optimize end-to-end with gradient descent, whereas discrete latent learning used to be unstable or difficult [tobecited, 9999].

An emerging idea is to use discrete latent representations within the transform step of the compression pipeline, which simplify the entropy modeling task and therefore enable more efficient compression. This idea is the main inspiration behind the Vector Quantised-Variational AutoEncoder (VQ-VAE) architecture [van den Oord et al., 2018], which proposes the use of vector quantization as a way to learn discrete latent spaces. While the VQ-VAE architecture and its successors have been successfully applied to image and audio

data, their main focus remains reconstruction [van den Oord et al., 2018, Razavi et al., 2019]. This makes them not ideally suited for task-aware compression. Tokenization emerges as an alternative approach in audio and speech processing research [Schmidt et al., 2024].

Tokenization is traditionally understood as the mapping of high-dimensional, continuous inputs into a sequence of discrete symbols drawn from a finite vocabulary [Grefenstette, 1999]. Tokenization therefore can act as a form of transformation and quantization: it reduces dimensionality, decorrelates, and constrains representations to a compact code space. Additionally, tokenization can be made task-aware so that the retained tokens are maximally useful for prediction or classification. One example of this is the WavTokenizer, which efficiently tokenizes acoustic data for audio language modeling [Ji et al., 2025]. We propose, that this idea can be translated to time series data to enable lightweight entropy modeling architectures. This would allow more computationally efficient compression pipelines, which, as shown, is especially relevant for in-vehicle embedded systems with limited computational resources.

- **Dataset:** Use available automotive sensor and telemetry test-fleet data supporting tasks such as predictive maintenance and anomaly detection.
- **Task 1:** Train downstream ML models on uncompressed data to quantify loss in predictive utility.
- **Task 2:** Implement baseline.
- **Task 3:** Develop a learnable tokenization module that discretizes data into semantically meaningful units optimized for downstream tasks.
- **Task 4:** Develop lightweight entropy modeling and coding schemes tailored to the tokenized representations.
- **Task 5:** Evaluate and compare the methods.
  - Measure rate-utility curves across the methods.
  - Evaluate trade-offs between computational efficiency.
- **Expected Outcome:** Demonstrate that task-aware tokenization achieves comparable rate-utility trade-off to established neural compression approaches, while increasing computational efficiency.

## 5 Goals and Challenges

To achieve this we define the following goals and challenges:

- **Main goal:** Develop and evaluate a *task-aware tokenization framework* for automotive data that balances computational efficiency, compression rate, and ML utility.
- **Sub-goals:**
  - Quantify the loss in predictive utility when training ML models on uncompressed, tokenized and compressed data.
  - ...
- **Challenges:**
  - Agree on a downstream ML task or task type (e.g., predictive maintenance, anomaly detection).
  - Define how computational efficiency will be measured (e.g., inference time, model size).
  - Agree on a subset of the available automotive data.

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