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Gartner Says By 2020, a Quarter Billion Connected Vehicles Will Enable New In-Vehicle Services and Automated Driving Capabilities

Connected Cars Will Form a Major Element of the Internet of Things

By 2020, there will be a quarter billion connected vehicles on the road, enabling new in-vehicle services and automated driving capabilities, according to Gartner, Inc. During the next five years, the proportion of new vehicles equipped with this capability will increase dramatically, making connected cars a major element of the Internet of Things (IoT).

Gartner forecasts that 4.9 billion connected things will be in use in 2015, up 30 percent from 2014, and will reach 25 billion by 2020.

"The connected car is already a reality, and in-vehicle wireless connectivity is rapidly expanding from luxury models and premium brands, to high-volume midmarket models," said James F. Hines, research director at Gartner. "The increased consumption and creation of digital content within the vehicle will drive the need for more sophisticated infotainment systems, creating opportunities for application processors, graphics accelerators, displays and human-machine interface technologies," said Mr. Hines. "At the same time, new concepts of mobility and vehicle usage will lead to new business models and expansion of alternatives to car ownership, especially in urban environments."

Gartner forecasts that about one in five vehicles on the road worldwide will have some form of wireless network connection by 2020, amounting to more than 250 million connected vehicles. The proliferation of vehicle connectivity will have implications across the major functional areas of telematics, automated driving, infotainment and mobility services.

Gartner made a series of further IoT predictions, including:

By 2020, the connected kitchen will contribute at least 15 percent savings in the food and beverage industry, while leveraging big data analytics.

The connected kitchen has received less attention and drawn less focus along the IoT value chain compared to other IoT use cases and digital business opportunities. However, the connected kitchen will deliver significant benefits across industries spanning retail, healthcare and insurance, in addition to significantly addressing sustainability issues.

"The connected kitchen creates digital business opportunities at several levels in the food supply chain and retail food service," said Satish R.M. "A real-time inventory data collection from sensors related to kitchen ingredients enables automated generation and ordering of shopping lists, resulting in a streamlined and efficient inventory and optimized supply chain management."

Through 2018, there will be no dominant IoT ecosystem platform; IT leaders will still need to compose solutions from multiple providers.

While companies are busy building out their IoT ecosystems, there is still no coherent set of business or technical models for the IoT. Standards remain nascent and most IoT projects will entail custom elements. This is further complicated by the lack of dominant technology service providers (TSPs) in the IoT.

"Many standards and ecosystems for the IoT are still in development and some of the vendors and ecosystems may fail during the working lifetime of current IoT projects," said Alfonso Velosa, research director at Gartner. "CIOs will need to ensure their prime system integrator has a strategy to future-proof their project. This is especially critical if the project involves infrastructure that may be in the field for decades. A gateway-based architecture will be a key approach to future-proofing IoT projects."

More detailed analysis is available in the Gartner report "Predicts 2015: The Internet of Things." The report is available on Gartner's website at <http://www.gartner.com/document/2952822>.

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