

Driscoll-Wolfe Releases 2003-04 Study on Consumer Interest in Location-Based Services, Navigation and Telematics

LOS ANGELES – Driscoll-Wolfe Marketing & Research Consulting has released a nationally projectable marketing research study on consumer interest in a wide range of location-based applications. The study assesses interest and willingness to pay for location-based services, telematics and GPS navigation systems. It also identifies preferred devices for accessing location-based applications, such as vehicle-installed and portable devices, cellular phones and PDAs. In addition, the study assesses consumer opinions regarding location-based advertising and the potential impact of location-based services on privacy.

This study was partially funded by nine companies, including leading automotive manufacturers, automotive electronics suppliers, digital mapping companies and suppliers of LBS products and technology.

The new *Driscoll-Wolfe LBS, Telematics and Vehicle Navigation Study* is based on a nationwide survey of 20,000 households and a series of focus groups in key U.S. metropolitan areas. The large nationwide sample base allows for comparison of interest and willingness to pay for equipment and services based on a wide range of demographic criteria and other factors, such as gender, age, income, use of cellular phones and cost of household vehicles. *This study uniquely enables subscribers to identify those segments of the population most interested in location-based applications.*

The following are among the applications covered in the study:

- Emergency Notification
- Collision Notification
- Roadside Assistance
- Stolen Vehicle Tracking
- Real-Time Traffic Information
- Points of Interest
- Vehicle Diagnostics
- Navigation Systems
- Navigation Services
- Monitor Family Vehicles
- Locate Family and Friends
- Location-Based Advertising
- Mobile Coupons
- Information on Nearby Entertainment

The *LBS, Telematics and Vehicle Navigation Study* included a nationwide survey of 20,000 households, conducted in collaboration with NFO Research, Inc. Each of two survey questionnaires was sent to 10,000 members of NFO's consumer panel. Each sample of 10,000 was balanced to key U.S. Census demographic variables, such as geographic location, household size, age of head of household, cellular phone ownership and income. Over 6,500 completed questionnaires were returned for each of the two questionnaires.

The survey assessed consumer interest and willingness to pay for location-based applications and devices to access these applications. Respondents indicated their willingness to pay for individual location services, as well as bundled services. The

survey provides projectable data on consumer interest in purchasing navigation and telematics systems for both new and currently-owned vehicles. It also determines interest of cellular phone users in location-based applications, in comparison to a wide range of other cellular applications. In addition, the nationwide survey examines interest and willingness to pay for location-based applications based on frequency of cellular phone use, current use of wireless Internet services, and ownership of household vehicles in different price categories. Interest in LBS is also compared among subscribers to each major cellular network.

In addition to the nationwide survey, the study also included a series of six focus groups, conducted with cellular subscribers in Los Angeles, Chicago and Bethesda MD. The focus groups yielded in-depth qualitative information on consumer opinions regarding location-based applications, preferred devices to access these applications and desired equipment and service features. In addition, the focus groups assessed consumer opinions regarding location-based advertising and the potential impact of location-based services on privacy.

Key findings of the study included the following:

- Nearly two-thirds of motorists surveyed (62%) indicated that they would pay a monthly fee for unlimited access to a package of telematic services. The study specifies the maximum amount motorists are willing to pay on a monthly basis for telematic services.
- Over one-third (37%) of those who own or lease a vehicle favor using a navigation system to find destinations when driving. The study indicates the percentage of motorists who prefer portable navigation systems versus installed systems and the amount consumers would pay for each of these systems.
- The study rates interest of cellular phone users in 16 cellular applications, including personal messaging, transmitting photos, wireless email and several location-based services. Four of the seven top rated applications are location-based services.
- The study assesses consumer interest in using various devices to access location-based services. Of the devices tested, the highest percentage of respondents favor using cellular phones for LBS.

Driscoll-Wolfe Marketing & Research Consulting, with offices in Los Angeles and Palos Verdes Estates, CA, conducts multi-client and private marketing research studies covering wireless communication and GPS products and services. The current study is the company's seventh multi-client study and the sixth emphasizing location-based applications. Charter subscribers to Driscoll-Wolfe multi-client studies have included Alpine Electronics, AT&T Wireless, ATX Technologies, Cingular Wireless, Daimler-Chrysler, General Motors OnStar, Intel, LoJack, Microsoft, Motorola, Navigation Technologies, QUALCOMM, TeleAtlas, Verizon Wireless and other major corporations.

CONTACT:

Clem Driscoll
(310) 544-5046
cdriscoll@driscoll-wolfe.com

Dick Wolfe
(310) 836-4615
dwolfe@driscoll-wolfe.com

WEB SITE: www.driscoll-wolfe.com