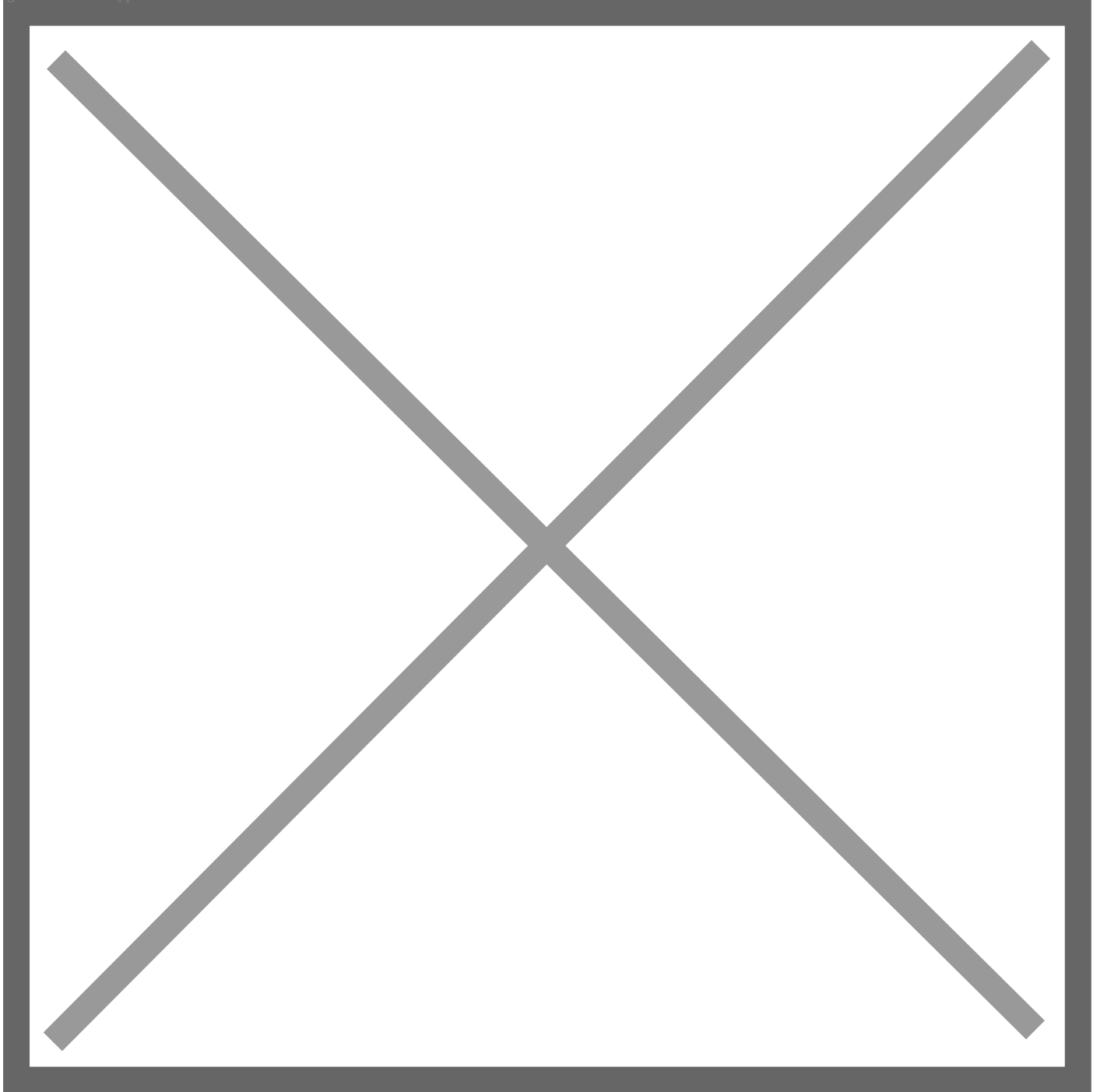


Well Connected

June 15, 2016

Image not found or type unknown



In April, [Toyota Connected was announced](#). The new company, according to the press release, is intended to “significantly expand...capabilities in the fields of data management and data services development.”

While it's clear that Toyota Connected will collect data and find ways to improve the customer experience in myriad ways, that description itself brings up a few questions.

Toyota Connected CEO Zack Hicks explains how he wants to contextualize connected cars and give customers an escape from what he calls the "tyranny of technology."

So what exactly is Toyota Connected?

Pretty much everything we as individuals do today emits data. And we really should be leveraging it to make better cars and create better experiences for our customers. That's Toyota Connected.

Our cars now and in the future will emit and provide us with data. We'll have cameras on the outside. Cars will be capable of telling us what radio stations and songs people actually listen to in their vehicle. Our cars will be able to tell us other things, like customers' travel patterns. And we know whether they are happy or unhappy because of survey data.

That's stuff we're doing now?

It's stuff we have the capability to do now. We've proven the capabilities internally, but now it's time for us to do something amazing with it.

This is about taking that data and making it work for the customer in ways that the customer wants. And customers will have to, as they do today, *explicitly* opt in.

So one example that comes to mind, every time I get into my car, my phone...

Your phone tells you where you're going!

Is that kind of a model for Toyota Connected?

It's a great example. And, you opted in for that on your navigation app. You may not know you opted in, but you did. With Toyota, it's going to be more explicit to opt in. But otherwise, it's the same concept – but we're going to make it even better.

When you get in your car, you shouldn't have to program in a destination. Based on your driving patterns and preferences, we probably know where you're going, we should just guide you there and help you avoid traffic. So that's how we can use data to make a customer's life better, and it's not intrusive.

We can also tell when you're driving outside your normal patterns. We can guess with 80 percent accuracy when you're not going home. So how we can make that worthwhile? If we know you really like the Dallas Cowboys, and we know there's a game that day, and you're traveling in the general direction of the stadium, we can predict with 80 percent accuracy that you're going to the Cowboys game. We can say, "Looks like you're going to AT&T stadium, do you want us to route you around traffic and prepay your parking?"

How are we going to know if I like the Cowboys?

Well, if we have access to your public social media posts, we might know that.

So Toyota is going to analyze our customers' social media?

Public social media posts tell us a lot. Consider LinkedIn. We may be able to learn things like you've changed jobs or are actively looking for jobs. It also tells us where you might be in the purchase cycle for a vehicle. On Facebook, if your page is public, you might be posting that you just had a baby, or you just got married. We have access to that public information. If we know that you're shopping for a car and you just had a baby, you're probably not looking for a sports car. With that information, maybe we know you're an avid cyclist, so if you come in for service, we know to give you a loaner vehicle with a bike rack.

We can subscribe to social media feeds, and we do that now. That way we can hear the voice of our customer. These are the public feeds we can get. Now, if somebody posts something private, we won't see that at all.

The ultimate destination is getting this one-on-one relationship with the customer through marketing or throughout the ownership experience. In the future as we're building new apps, we won't shove every app on everybody. But if we know you're a Cowboys fan or you're really into the arts, maybe we give you apps that are specific to those types of things that can make your life easier, instead of apps that you don't really care about.

So it's just using the information customers volunteer to give us?

Right. Many of the music-streaming companies and radio stations are doing that today. They're monitoring how long their customers are on a station or on a certain song. And if the customer changes the channel during the same song, a lot of music streaming services will just stop playing that song for you. So it's the same type of technology.

How do we communicate that this is not going to be intrusive, but will be helpful?

Toyota subscribes to the privacy principles that we've partnered with the U.S. government and the FTC on.* Part of that commitment is being very transparent about opting in or out on us using this data. But I also think we have to tell the value story. People are willing to share their data if they're going to get something that's a better value in exchange. But we also have a responsibility to not do something damaging with that data. We can't just give it to somebody else. And the customers have to know that if we're going to give it to somebody else, it's for value. Today when you get a flat tire and you push the SOS button, we're sending data to either AAA or another service provider. But we don't want to give it to a marketing firm and have them do something that betrays our customers' trust.

The term "tyranny of technology" was the big headline-grabbing part of your comments during the launch. What does that mean?

We want to make technology easier for people. Today, there are so many apps and devices, and it's overwhelming. Our devices should be a means to an end versus being the destination. In restaurants, you see families staring at their devices and not even talking to each other. That's the tyranny of technology.

We aim to take the available technology and put it in the background, and then making it more of a digital concierge. Then we're taking the device away from the person and giving them the answers that they need and more time back in their day.

We've talked about all these things we can do, what is the role for Toyota Connected in making them happen? Are you the doers or are you the thinkers?

We're the doers. I think we have to be able to deliver on these ideas. Otherwise we'll just be another think tank and we'll quickly have to close our doors. So right away we'll be delivering capabilities for TIMS, we'll also be delivering data and connectivity for Dr. Gill Pratt's organization (Toyota Research Institute) for autonomous driving. And we'll be building services to be delivered in the vehicle.

Where are we compared to our competitors?

This is going to push us forward and give us a leg up on our competitors because they haven't organized around the data yet. We still have a real opportunity to deliver some exciting services nobody has done before.

** The Consumer Protection Privacy Principles is a self-regulatory framework that Toyota was instrumental in moving forward. The Principles require clear and meaningful disclosures about data handling and also, consumer express consent for the use and sharing of certain types of sensitive.*