The Connected Car Will Drive the Evolution of Parking

Did you ever imagine a day when KITT would become more relevant than David Hasselhoff? Well, that day has arrived. KITT, for you non-Knight Rider fans, was TV’s first original ‘connected car’ in the 80s. While some of KITT’s accessories haven’t made their way to the family minivan—think laser weapons system—today’s car isn’t far off.
What is the Connected Car?

While the definition of the connected car continues to evolve, at its core, it is a vehicle with internet access. Of course, like humans, a few words can’t define or encapsulate its existence.

The first connected car most of us encountered had GM’s OnStar, known for its ability to unlock your vehicle when your keys are in it and provide crash notifications.

Since then, automakers have added relevant information such as mapping, turn-by-turn directions, and real-time traffic data. The next step in this evolution is to connect to a broader range of data and services; one of the most important of which will be parking.

Combine this with the fact that cars have begun integrating with consumer devices such as smartphones, and it’s no wonder that cars are no longer just a closed, standalone vehicle, but instead a mobile extension of your home and office.

For example, when using Google Maps at home, there’s no need to print the directions; simply send it to your car. When you turn your car on, the turn-by-turn directions are waiting for you.

Why the Urgency?

According to market research firm Polk, the average age of vehicles on America’s roads has reached an all-time high of 11.4 years. In the eyes of auto manufacturers, they believe the wait is nearing an end and are expecting a surge in car buying over the next 12-18 months.

However, studies have shown that people are driving less today and buying fewer cars. The rationale goes beyond the recession we’ve experienced the past few years. According to the U.S. PIRG, driving by young people decreased 23 percent between 2001 and 2009.

The takeaway? The millennial generation does not value cars and car ownership. Instead, they value technology.

Therein lies the urgency and challenge for car manufacturers. Today’s drivers—and not just millennials—want more from their car, specifically connectivity. Connectivity is becoming the key purchase differentiator.

As a result, car manufacturers and partners are spending big money to support this ecosystem. In fact, Intel recently announced a $100 million fund to invest in the future of car technology, dubbed the Intel Capital Connected Car Fund. And pundits like research firm SBD believe that the global connected car market will grow to nearly $53 billion by 2018.

The Impact of the Connected Car on Parking

In a 2011 study, Cisco reported that just within the U.S., the “real” total cost of personal transportation amounts to $3 trillion per year. That does not include commercial or public vehicles.

Parking and its associated inefficiencies represented a staggering 12.5 percent of this total, or $374 billion.

Car manufacturers like BMW, Toyota and Audi are looking for ways to connect the car and parking together to create greater efficiency.

BMW i8, courtesy of BMW.

The Benefits for Parking

- Real-Time Data Capture
- Demand-Based Pricing
- High Tech Enforcement
- On-Demand Space Reservation
- Seamless Customer Experience

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Currently, the areas of focus include:

- Data (e.g. aggregation across attributes such as location, prices, hours of operation, etc.)
- Discovery (e.g. distribution channels such as Google Maps)
- Transaction (e.g. demand-based pricing)
- Infrastructure (e.g. sensor-based networks to enable discovery, enforcement, etc.)
- Payment Processing

Each of the above bullet points are currently being addressed by a handful of startup and established veteran companies and will continue to evolve in the coming months and years.

The reality is that cars and parking go together like burgers and fries—it’s difficult to imagine one without the other.

In fact, the scenario below very well could be a reality within the next 12 months.

The NFL season is just a few weeks away and Mark and his buddies decide to purchase tickets to their favorite team’s home opener. As Mark completes purchase on his preferred ticket site, he declines the option to purchase guaranteed parking ahead of time. Instead he chooses to send the event information to his car. As Mark approaches the garage, his car is recognized and the parking gate automatically opens, providing Mark a seamless consumer experience.

This time Mark says ‘yes,’ and the transaction is completed directly from his car. As Mark approaches the garage, his car is recognized and the parking gate automatically opens, providing Mark a seamless consumer experience.

It’s an exciting time to be in the in-car technology space. The paradigm shift occurring within the car is going to have long-standing effects on the parking industry that will ultimately impact asset owners, operators and access and revenue control providers for years to come.

“Aashish Dalal is CEO of ParkWhiz and can be reached at adalal@parkwhiz.com. Dalal will speak about the impact of the connected car on parking at NPA’s Convention & Expo. His session, Transportation Disrupted: A Look into the Parking Ecosystem, Present and Future, will be held Thursday, Oct. 10 at 9 a.m.”