

Autonomous Technology in the Automotive Industry

Q&A session with automotive industry expert John McElroy



Blue Sky Productions

**Blue Sky Productions President and
Host of “Autoline Daily,” John McElroy**

Continued from the [May 2015 P2R Perspectives](#) issue, here is part two of the John McElroy interview.

Q: What effects will autonomous vehicles have on the aftermarket?

A: The interesting thing is, not in terms of autonomy but in terms of connective car technology, is that much of this can be retrofitted to existing cars. In fact, it may even well turn out that much of this retrofitting can be done via your smartphone. Where you will be able to put your smartphone with a camera on your dashboard of your car, and now you'll get most of the benefits of connective car technology. So, that's one thing to keep in mind.

The second thing is that some people think autonomous cars can only exist if all cars are autonomous. They wonder how autonomous cars will interact with other vehicles: What about motorcycles, what about bicyclists? It doesn't matter at all. Google has racked up nearly a million miles testing its autonomous cars with no problems whatsoever. It's not going to be an issue.

Q: States that have enacted legislation for autonomous cars include: California, Florida, Nevada and Michigan, as well as Washington, D.C. Do you see any other states enacting legislation in the near future?

A: The states that have enacted legislation pretty much have only allowed autonomous cars to be tested, so there will probably be more legislation to come. In Michigan, interestingly enough, if you're a carmaker and have a manufacturer plate, you're pretty much legally allowed to run anything you want. Nevada and California were among the first to enact it and then Michigan jumped in. I think we'll see other states enact it soon. The point of the matter is that in roughly

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49 states, even before any of this legislation was enacted, if there is no law prohibiting it, it actually is legal.

Q: Some say this autonomous technology is a breach of privacy — is it?

A: This has been an argument ever since black boxes appeared in vehicles in the 1990s. When these boxes first appeared, a big human cry arose over ‘Big Brother.’ I think as long as there is some sort of offset that consumers really want, they’ll go for it. They’ll give up a certain amount of their privacy.

For example, some insurance companies allow you to plug in a recorder into the OBD-II port in the car. It monitors your driving: do you obey the speed limit, that sort of thing. If you do, they’ll take the device out of your car, review the data and if they determine you are a good driver, they give you a discount. I think the same will happen with autonomous cars: people can sleep in their cars, work in their cars, etc. My belief is the vast majority of people will happily go with an autonomous car, even if there might be a slight breach of privacy.

Q: What Kind of infrastructure will these autonomous cars need to accommodate such advanced technology?

A: Well, at the most basic level, they don’t need any infrastructure whatsoever. As I already pointed out, Google has racked up nearly a million miles and there is no infrastructure out there. Except, of course, it uses GPS, but that infrastructure is already there. The Google approach relies heavily on Google Maps. Having said that, if we can put down a certain amount

of infrastructure, where not only the cars are autonomous and intelligent, but also traffic lights, draw bridges, toll roads, etc., we will gain more efficiency.

But if something like a natural disaster or emergency happens, people are going to want to know they can count on their autonomous car to get them out of there, and to be able to do so even if the infrastructure goes down. Infrastructure enhancement will make it even better, but these cars will operate just fine without it.

Q: Do you see any cultural challenges with autonomous cars?

A: Initially yes, but I think we’ll get over that very quickly. We’re going to see a keen interest and a lot of demand with paying customers right from the beginning. I especially see elderly people who are in danger of having their licenses taken away from them: many seniors who do not like driving at night or on the freeway, but are not going to give up their freedom. While elderly people are among the most wary of the technology, once they see these machines work well and that they can maintain their independence, they’re going to be among the first in line to buy them.

I can see anybody who has an alcoholism problem — those with DUIs and perhaps their licenses taken away, but still need to get around — being among the first in line to buy them. In fact, I could see courts mandating that DUI drivers have to buy an autonomous car. There will also be plenty of early adapters who want to be first on their block to have one of these things. Let’s put it this way: autonomous cars will be adopted by the market far faster than hybrids or electrics.

Q: Sergio Marchione of Fiat recently made comments to the effect of a car company merger partner coming from outside the automotive industry. With Google already enmeshed in autonomous vehicles, perhaps it could come from the tech sector. Do you see this happening?

A: Google is in the lead when it comes to autonomous technology. I don’t believe they are interested in making cars; they would rather sell their technology to every car company in the world. They want to become the dominant operating system, if you will, of autonomy. They’ll get involved to start the movement, and they already have, but I believe at the end of the day, they’re not going to want to buy an automaker. They may not even want to partner with an automaker. What they likely want to do is set themselves up like any other Tier 1 supplier and dominate the global technology and connectivity involved with autonomous vehicles.

For more of John’s work, visit www.autoline.tv.

New York Times Business Best-Sellers: as of June 2015

“**Elon Musk**,” by Ashlee Vance (Ecco/HarperCollins, \$21.03). A technology writer follows Musk’s life from his difficult childhood to his involvement with Internet start-ups, such as SpaceX, Tesla and Solar City

“**Get What’s Yours**,” by Laurence J. Kotlikoff, Philip Moeller, and Paul Solman (Simon and Schuster, \$10.48). A guide to deciding when to claim Social Security benefits and how to get all of what you’re eligible for.

“**When to Rob a Bank**,” by Steven D. Levitt and Stephen J. Dubner (Morrow, \$15.59). Celebrating 10 years of the landmark book “Freakonomics,” with a collection of curated economic blog posts from its companion website.

“**Outliers**,” by Malcolm Gladwell, (Back Bay/Little, Brown, \$18.59). Why some people succeed — luck, opportunities and talent all play a role.

Putting Brand Front and Center in Digital Videos is Essential for Marketers



According to a recent study by Visible Measures, branded video ad sales rose from 2.48 billion to 4.19 billion between Q1 2014 and Q1 2015. That's a 70 percent rise and an enormous increase that underscores the growing importance and demand for video – not only in advertising, but in online communications across the board.

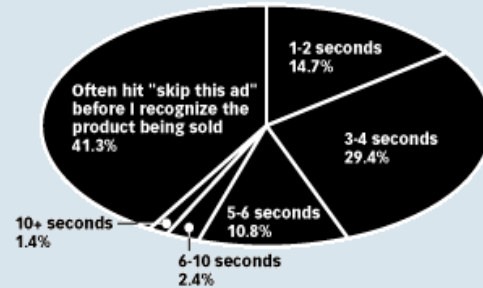
With the dramatic rise in usage come the “growing pains” of how to best manage, combine and utilize the new tool in concert with a company's other outreach activities.

On a tactical level, a more fundamental question revolves around online video style and technique – and with technology pushing the envelope and constantly re-inventing itself, simply knowing what works and what doesn't is a challenge.

One of the most important things marketers can do when using video is to present the brand immediately. A recent Strata study found that 56 percent of digital video viewers click on “Skip this Ad” in the first two seconds. That number swells to more than 85.4 percent after four seconds. Many respondents said they often opt to “Skip this Ad” before they even recognize the product being sold.

Chart Sources: Strata, emarketer.com

Length of Time It Takes to Recognize the Brand/Product Being Advertised in a Digital Video Ad According to US Digital Video Viewers, April 2015
% of respondents



Note: n=632 ages 18+
Source: Strata as cited in press release, May 21, 2015
190338 www.emarketer.com

The study also looked at primary reasons for skipping digital ads among U.S. digital video viewers (April 2015).

Fully, 39.4 percent said they skip ads because they're in a hurry and only wanted to watch the video they intended to watch. Other reasons for skipping ads that were cited less frequently included:

- Repeating ad: 19.6 percent
- Too lengthy: 14.8 percent
- Not targeted properly: 11.5 percent
- Too long to load: 7.5 percent
- Boring: 6.1 percent
- Not functioning properly: 1.2 percent

Sources: Strata, emarketer.com

According to the data, more often than not, a viewer chooses to skip ads in digital videos, often times before he or she even recognizes the product .

These findings illustrate several things marketers and communicators should keep in mind:

- It is vital to reveal the brand immediately in digital video advertisements;
- You're fighting for time – so keep it short;
- Remember “inverted pyramid?” Use it... put your most important and compelling info first;
- Numbers, numbers, numbers... It's a numbers game and you'll always have more “Skips” than click-throughs so develop and place enough ads with enough frequency to generate the pipeline volume you need;
- Everyone likes and responds to clever, creative content and people enjoy a heartwarming thought – so be creative;
- Targeting – don't waste valuable ad dollars or viewers' time — get the right ads to the right audience;
- Make plenty of ads – create an ongoing stream of new ones – the messaging can be similar or the same – but the visual “hook” needs to be fresh



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