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The “Smartphone Moment” of the Automotive Industry: Whoever Owns the Data Wins the Future

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In January 2007, Steve Jobs walked onto a stage in San Francisco and unveiled a device that would permanently alter the balance of power in the technology industry. At first glance, the iPhone looked like a “better” phone, but with hindsight, we know it was something far more disruptive. It marked the moment when hardware stopped being the center of gravity. For the first time, particularly at this scale, the real value of the product didn’t lie with the device itself – it lay in the software, the operating system, the apps, and the burgeoning ecosystem around it.



Companies like Nokia and BlackBerry had spent years perfecting the physical handset, but the real winners of the smartphone era were the ones who controlled the platform. The likes of Google and Apple succeeded because they looked beyond the device, and into the user experience itself and the data that powers it. Hardware lost the battle, and now it looks like the automotive industry is about to have its own “smartphone moment”.

For more than a century, competition in the automotive industry revolved around engineering, manufacturing, and mechanical innovation. Things like horsepower, fuel efficiency, safety, reliability, and design determined who succeeded and who didn't. Those things still matter, of course, but they are no longer the whole story. Today's vehicles are increasingly defined by software, connectivity, and data. They receive updates long after they leave the factory, learn from how they're driven,

connect to cloud services, and generate a continuous stream of information about the vehicle, the driver, and the world around them. According to [McKinsey](#), 95 percent of vehicles sold globally are expected to be connected by 2030. And as that transformation accelerates, automakers are finding themselves confronted by the same question that reshaped the smartphone market two decades ago: In a software-defined world, who really owns the customer relationship?

Cars have become rolling software platforms

For most of the last century, a vehicle left the factory as a finished product – once it rolled off the lot, its capabilities remained largely unchanged for years. Modern vehicles, however, continue to evolve long after they've been sold, with software updates introducing new features, refining existing ones, and shaping the ownership experience in ways that would have seemed unimaginable a generation ago. A driver might wake up to find their vehicle has gained a new feature overnight, had its battery performance optimized, or received safety enhancements without ever setting foot in a dealership. So, what was once a static product has become a rolling software-defined platform that is constantly learning, adapting, and extending its relationship with the people who use it.

Those who control the data and the user journey, rather than just the vehicle itself, will ultimately win the market, and automakers are acutely aware of what's at stake. Across the industry, manufacturers are investing heavily in software platforms designed to give them greater control over the digital experience. These platforms provide a common digital backbone for everything from infotainment and connectivity to advanced driver assistance systems and future autonomous driving capabilities. By owning the underlying software stack, manufacturers aim to move faster and reduce external dependencies. Much like smartphone manufacturers of the last couple of decades, automotive companies are discovering that the future will belong to those who can build lasting digital relationships with their customers rather than simply sell them a product every few years.

Selling an experience rather than a car

Of course, building a software platform and controlling it are two very different things. The smartphone industry learned this lesson the hard way, because while manufacturers like Nokia continued to produce increasingly sophisticated devices, much of the value shifted toward the companies controlling the operating systems, app stores, and digital services that sat between the hardware and the user. Over time, the handset became less important than the ecosystem surrounding it. Consumers weren't choosing between this device or that device; they were considering which digital experience to buy into. When asked which phone they

have, they're far more likely to respond with "Android" or "iOS" than the latest hardware model.

Now apply that to cars. Every time a driver uses a navigation service, streams music, interacts with a voice assistant, or accesses a connected service, another company is competing for a share of that relationship. Platforms such as Apple CarPlay and Android Auto have become hugely popular because they offer familiar, seamless experiences that follow users from their phones into their vehicles. For consumers, that's largely a positive development. For manufacturers, however, it's a bit of a concern. The company that owns the interface increasingly influences how customers interact with the vehicle, what services they use, and ultimately who captures the data generated along the way. That helps explain why automakers are investing so heavily in proprietary software platforms – it's a contest for visibility, influence, and control over the digital relationships that will define the next generation of mobility.

Data is the real battleground

Focusing solely on the software platform, however, also misses the point. The platforms competing for influence in the automotive ecosystem all depend on the same raw material – *data*. Every connected vehicle generates a constant stream of information about its performance, location, environment, and usage. Some of that data helps optimize maintenance schedules. Some support insurance products, charging networks, navigation services, and fleet management platforms. Some of it is used to improve future generations of vehicles. Whatever the end use case may be, the commercial value of a connected car increasingly stems from its ability to generate, exchange, and act upon data at a massive scale.

This is where the conversation moves beyond operating systems and user interfaces and into the world of network architecture. A modern vehicle doesn't exchange information with a central cloud location, but continuously exchanges information between mobile operators, cloud environments, software providers, analytics platforms, and third-party services, often making multiple network "hops" before reaching its destination. As these ecosystems become more complex, manufacturers will struggle to maintain visibility into how *their* data moves and who can access it. That challenge is becoming even more difficult as regulations such as the EU Data Act push the industry toward greater data portability and transparency.

The data economy is opening up

One of the assumptions underpinning the connected vehicle market is that the data generated by a car naturally belongs within the manufacturer's ecosystem. The value

created by that information, whether through maintenance services, software features, insurance products, or future mobility applications, has largely flowed back toward the organizations responsible for building and operating the platform itself. This direction of travel is reflected in regulations such as the EU Data Act, which aims to give individuals and businesses greater control over the data generated by connected products and services. If vehicle data can be accessed and shared more easily across a wider ecosystem of service providers, insurers, fleet operators, and mobility platforms, competitive advantage becomes less about exclusive access to information and more about what can be done with it. So, the ability to generate value from data may ultimately prove more important than simply owning it.

In that sense, the EU data act may actually provide a commercial opportunity. If drivers can choose who accesses certain categories of vehicle data, manufacturers will face the same challenge that has confronted technology companies across other industries – a “subscription economy” where companies compete for engagement rather than relying on ownership. The ability to collect information remains important, but the real differentiator will be creating services valuable enough that customers continue to share that information willingly.

Vehicle manufacturers, software providers, insurers, charging networks, fleet operators, and mobility platforms all stand to benefit from richer access to data. What this will lead to is an environment where value is created not simply by generating information, but by participating in the networks that allow information to be exchanged, enriched, and acted upon. In that respect, the future of automotive data may look less like a traditional manufacturing supply chain and more like the digital ecosystems that emerged around smartphones, cloud computing, and online platforms.

The lesson from the smartphone era is often reduced to software, but the real story was always about control. Apple didn't become one of the world's most valuable companies because it built a better handset, but because it created an ecosystem in which hardware, software, services, and data reinforced one another. The same principle is beginning to shape the automotive industry. As vehicles become increasingly connected, intelligent, and service-driven, manufacturers will need to maintain visibility into the data flowing through their ecosystems and the infrastructure underpinning those exchanges.