GPS-Enabled iPhone: The Future of Automotive Navigation? - 23 July 2008

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The release of the new Apple iPhone 3G was met with enthusiasm around the globe, with over one million of the GPS-enabled phones sold in the first weekend of its release. As the number of people with GPS-enabled phones increases, Personal Navigation Device (PND) makers are wary of the threat to their booming sales numbers that iPhone navigation could present.
Garmin, the leader in the North American navigation market, currently offers its navigation software for smartphones and has planned the launch of its own smartphone, the Nuviphone, in the fourth quarter. Mobile phones offer consumers the ability to have the most up-to-date maps and points of interest (POI), as well as access to location-based services.

The iPhone would appear well suited for navigation, partly due to Appleâ€™s ability to produce an easy to use interface. â€œTh iPhone could be well positioned to take market share from PND makers due to its large screen, low price and expected high penetration of the mobile phone market,â€• notes Brian Henry, an analyst at IMS Research. â€œYet this new version of the iPhone has come to the market as one of the only smartphones without turn-by-turn navigation.â€•

Currently, Appleâ€™s SDK agreement prohibits development of applications that provide driving directions. This has led to much debate about Appleâ€™s plans to create their own software or sign an agreement with one of the major players in the navigation market. Apple continues to be silent on their plans for navigation, but it is likely they have a product in the works.

Many companies have bet on the future of mobile phones as a navigation device, but their usefulness in the automobile has yet to be proven. Cell phones tend to have certain inherent limitations for automotive navigation applications â€“ screen size, ease of use and battery life. So it continues to be unlikely that cell phones will be able to make a dent in the market share of leading PND makers.

The market for automotive navigation is in the middle of a serious surge of growth: sales of devices used for car navigation passed about 43 million units last year and are heading towards 90 million a year by about 2012. But it is estimated that mobile phones account for only 10% of the automotive navigation market.

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