Stanford eCorner

Go Dual-Purpose with Your Data

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Former Ford director John Viera points to data as a significant opportunity for car manufacturers. He describes how data generated by automotive technology could be used to provide services that increase profit margins, while simultaneously helping cities finesse 21st century infrastructure challenges.

Transcript

- There is so much data being generated right now.. And when you think about the goodness of how that data can be used, right? And Raj touched on a lot of different elements, right? It could be the element of data use in terms of smart vehicles for lower emissions.. Clearly, from a con activity standpoint.. Vehicle to vehicle, vehicle to infrastructure.. You could really address safety concerns and address the accidents.. When you talk about vehicle to infrastructure, how are you linking in with other entities outside of the industry to ensure that that data is being used by cities to help out with congestion? So I think that there's huge opportunities from a social standpoint to use data moving forward.. From a business standpoint, just to throw some numbers out there.. So to produce the box, automakers throughout the world, and you name it.. If it's US automakers, or European, or Asian automakers.. 6%-12% profit margin is considered at the high end..

12% is considered really good, right? In terms of building that box.. When you talk about getting into the services, and I know Raj is probably not going to divulge the profit margin of Lyft.. But I'll tell you what.. When we look at the profit margin associated with the use of the vehicles, right? It's 20% profit margin, easily, and higher.. So when you think about that, if people are moving more toward those types of vehicle uses, the profit margin's a lot higher.. We have all this data available to do some amazing things for customers and for services.. The industry is really starting to say, "we want to get on that right-hand side." Really use that big data to our advantage...