

# **Automotive Voice Recognition System - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)**

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## **Abstracts**

The Automotive Voice Recognition System Market size is estimated at USD 3.06 billion in 2024, and is expected to reach USD 6.09 billion by 2029, growing at a CAGR of 14.77% during the forecast period (2024-2029).

Over the forecast period, the market is expected to be driven by several factors, including increasing automobile production and sales, higher income levels of consumers in most parts of the world, enabling them to spend more on comfort and luxury services, development of infotainment and technology services to provide safety and comfort to the driver as well as the growing preference of young customers for automobiles equipped with the latest connectivity and AI features.

According to the International Organization of Motor Vehicle Manufacturers (OICA), new light commercial vehicle sales touched 19.8 million units in 2022 compared to 18.6 million units in 2021 worldwide, recording a substantial Y-o-Y growth of 7%.

Moreover, rapid enhancement in autonomous vehicles and connected vehicle technology will fuel the demand for advanced automotive voice recognition systems as they assist in providing a hands-free experience to drivers. Coupled with that, the increasing penetration of electric vehicles worldwide is also a major contributor to the rising demand for automotive voice recognition systems.

According to the International Energy Agency (IEA), battery electric vehicle sales worldwide touched 7.3 million units in 2022 compared to 4.6 million units

in 2021, representing a Y-o-Y growth of 58.6%.

Key players in the market are expanding their services by tying up with major automobile original equipment manufacturers (OEMs) to integrate their voice recognition technologies into OEMs' vehicles. For instance,

In August 2023, SoundHound AI Inc. launched its advanced AI technology, including innovative Edge+Cloud connectivity, multiple language capabilities, and a custom-branded voice assistant to be integrated into a new line of smart vehicles from Turkish mobility provider Togg. Further, the company stated that Togg's in-vehicle AI-powered voice assistant can track and understand speech context in real-time (in instances even before the user has finished speaking). Using SoundHound's proprietary Speech-to-Meaning® and Deep Meaning Understanding® technologies, it can also address multiple questions and filter results.

In September 2022, BMW Group announced that it had selected Cerence Inc., a Microsoft Corp. subsidiary, for developing a new voice and AI-powered voice assistant for integration into the latest version of BMW Intelligent Personal Assistant (IPA). These features would be available in the new BMW 7 Series and BMW i7.

Asia-Pacific is expected to become the fastest-growing regional market due to large sales of connected vehicles, young automobile buyers' willingness to opt for the latest connectivity features like voice recognition technology, and a large presence of automakers. Europe and North America are the next largest markets because of the close affinity of car buyers to new-age technologies like voice recognition and high sales of connected vehicles.

## Automotive Voice Recognition System Market Trends

### Passenger Cars Segment to Gain Traction During the Forecast Period

Customers increasingly prefer to purchase a car with advanced connectivity features rather than the mechanical specifications of the vehicle because they demand driving comfort and convenience more than the outright power or torque figures. This trend is increasingly observed in major automotive markets worldwide, which has led to an

increase in the demand for features like in-vehicle voice recognition systems.

According to the International Organization of Motor Vehicle Manufacturers (OICA), new passenger vehicle sales worldwide touched 57.4 million units in 2022 compared to 56.4 million units in 2021, representing a Y-o-Y growth of 1.9%.

Further, the demand for voice recognition systems is being accelerated by the rising sales of connected cars and autonomous vehicles. Both connected as well as autonomous vehicles have voice recognition technology as a standard feature. Voice recognition systems have been seen to reduce the number of vehicle accidents since they free drivers from basic, routine tasks so they can fully concentrate on driving. Luxury and premium passenger cars offered by various automakers, such as Mercedes, BMW, and Audi, are rapidly integrating advanced voice recognition systems in their vehicles to gain a competitive edge in the industry, which, in turn, is positively impacting the surging demand for this segment of the market.

In 2022, BMW, Mercedes-Benz, and Audi were the leading automakers with the highest luxury vehicle sales worldwide. BMW registered sales of 2.4 million units of luxury vehicles, followed by 2.07 million units by Mercedes-Benz and a sales volume of 1.61 million units by Audi in 2022.

Thus, increasing sales of connected and autonomous vehicles, the trend toward greater vehicle safety, and the availability of voice recognition systems in mid-priced vehicles like family sedans and compact SUVs are some of the factors anticipated to drive the market in the forecast period.

### Asia-Pacific Expected to be the Fastest-growing Regional Market During the Forecast Period

The Asia-Pacific is expected to be the fastest-growing regional market, followed by North America and Europe. Asia-Pacific is a huge market for passenger vehicles. India and China are some of the largest markets for passenger vehicles in the world, contributing to almost 30% of the global passenger vehicle sales, thus making Asia-Pacific the most lucrative regional market for automotive voice recognition systems.

According to the Society of Manufacturers of Electric Vehicles, electric four-wheeler sales touched 48,105 units in FY 2023 compared to 19,782 units in FY 2022,

representing a Y-o-Y growth of 143.1%.

According to the Japan Automobile Dealers Association, in October 2023, the new vehicle market in Japan made a strong recovery, with sales rising by 10.7% to 397,672 units from 359,159 units in October 2022.

Major auto manufacturers in Asia-Pacific countries are increasingly preferring to integrate advanced solutions in their vehicles to enhance customers' convenience. The incorporation of artificial intelligence and virtual assistant-enabled voice recognition systems in their vehicle fleets is among the innovative technological features that these players are relying on. Major automakers are forming long-term partnerships with voice recognition system suppliers and are investing hefty sums in the development of advanced voice recognition systems that can cater to the increasing demand. For instance,

In November 2023, Renault Korea Motors announced that it had signed a memorandum of understanding (MOU) with Tmap Mobility Co. for future infotainment collaboration. As part of the new car development project "Aurora Project," Renault Korea plans to equip the mid-size hybrid sports utility vehicle (SUV) with "Tmap Infotainment," which is capable of providing in-car voice recognition "NUGU Auto," Tmap Store, in-car easy payment, and electric vehicle-specialized services.

In April 2023, Cerence Inc. announced that Chinese smart car supplier Banma had tapped Cerence to bring advanced in-car conversational AI and voice recognition technology to Banma's automaker customers, including Shanghai Volkswagen Automotive Co. (SVW) and FAW-Volkswagen (FAW-VW). Cerence's flagship conversational AI enables in-car assistants to function as proactive, trusted co-pilots, leading drivers through their daily journeys while staying safe, informed, and comfortable.

Thus, with rapid advancements and innovations in this segment, the market for automotive voice recognition systems is expected to grow over the forecast period for both the commercial and passenger vehicles segment across Asia-Pacific countries.

## Automotive Voice Recognition System Industry Overview

The automotive voice recognition system market is fragmented and highly competitive

due to various incumbent players and new entrants operating in the ecosystem. The market is characterized by the presence of considerably large players who have entered into collaborations with major auto manufacturers. These players also engage in joint ventures, mergers and acquisitions, new product launches, and product development to expand their brand portfolios and cement their market positions. For instance,

In January 2024, Volkswagen announced that starting in spring 2024, the Cerence Chat Pro systems that are part of the infotainment in the VW 1D3, ID4, ID5, ID7, Tiguan, Passat, and Golf would integrate ChatGPT to assist with parsing voice requests and enabling a variety of functions. This includes controlling the infotainment, navigation, and climate functions.

In June 2023, MG Motor India, the Indian unit of British car maker Morris Garages, announced its partnership with Jio Platforms to offer unique voice solutions as part of its connected car features in its newly launched smart electric vehicle in India. As per the agreement, Jio's Hinglish voice assistant system, HelloJio, will offer versatile in-car voice assistants to Indian users driving the Comet EV.

In July 2022, LG Electronics Inc. collaborated with SoundHound AI Inc. to incorporate SoundHound's advanced AI-based voice recognition platform into LG's IVI infotainment systems for automobiles. The partnership will enable LG Electronics Inc. to offer SoundHound Inc.'s advanced voice-based AI that offers conversational voice controls to ensure a very high degree of convenience for drivers and passengers of the vehicle.

The market is anticipated to witness the integration of advanced technologies such as artificial intelligence and virtual assistants like Alexa in automotive voice recognition systems over the coming years.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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