S&P Global
Mobility

AutoTechInsight Insights
SDV: Connected Car
January 2026

A conversation with Cerence AI at CES

06-Jan-2026 10:23 GMT

Matthew Beecham
S&P Global
Supply Chain and Technology, Automotive

Q&A with Cerence

Source: Getty Images

Conversational artificial intelligence is rapidly reshaping the in-car experience, transforming vehicle systems into intelligent, voice-driven companions. Today's platforms combine advanced speech recognition with generative AI to enable seamless, hands-free control of navigation, entertainment, climate and more. What was once limited to simple commands has evolved into multi-step dialogue, proactive suggestions and interactions that blend voice, visuals and contextual cues.

The industry has now reached a pivotal moment with the rise of hybrid AI architectures. By combining embedded intelligence with cloud connectivity, these systems deliver fast, reliable and privacy-conscious responses. Increasingly, in-car assistants are also becoming more specialized — integrating with productivity applications and vehicle management tools to deliver value well beyond traditional infotainment.

Looking ahead, the focus is on making interactions even more natural and intuitive. Multimodal capabilities that interpret gestures, gaze and situational context promise to reduce driver distraction and create a more seamless digital experience. As AI continues to mature and vehicles become more connected, conversational assistants are poised to play a central role in personal mobility, safety and the broader digital ecosystem — fundamentally redefining how we interact with our cars.

To explore these developments further, we spoke with Nils Schanz, EVP of Product & Technology at Cerence AI. At the Consumer Electronic Show 2026 (CES 2026), Cerence AI is unveiling its latest hybrid platform, Cerence xUI. The platform features domain-specific AI agents, multimodal edge AI and advanced audio capabilities. Highlights include proactive vehicle management, dealership automation and voice-first productivity tools — all designed for flexible integration and continuous innovation across the automotive ecosystem.

Key takeaways:

- CES enables Cerence AI to engage directly with global original equipment manufacturer decision-makers, facilitating hands-on demonstrations and accelerating partnership formation and commercial execution.
- Cerence xUI, the showcased innovation, is a hybrid, scalable AI platform designed for flexible integration across hardware, software and language models, supporting diverse automotive development needs and expanding Cerence AI's reach beyond the vehicle.

- Cerence AI's generative AI strategy prioritizes modular, edge-based intelligence over cloud-only solutions, allowing OEMs to optimize cost, responsiveness and privacy while avoiding vendor lock-in.
- Multimodal interaction and power-efficient architecture are core to Cerence AI's roadmap, enhancing intuitive in-cabin experiences and supporting OEM sustainability targets through embedded AI and strategic hardware partnerships.

The following is an edited transcript of the conversation.

S&P Global Mobility: How does CES uniquely advance Cerence AI's strategic priorities compared to other industry events?

Nils Schanz: CES is the central meeting point for global automakers and technology companies shaping the next generation of user experiences.

For Cerence AI, CES is uniquely valuable because it brings together OEMs from every market we serve in one place. That concentration of decision-makers enables deeper conversations about real production timelines, platform strategies and deployment challenges.

Most importantly, CES allows us to show rather than tell. In-car AI experiences are difficult to evaluate on slides, but there is an immediate understanding when you experience them firsthand. When customers can sit in a vehicle, interact with the technology themselves, and see how it behaves under real-world constraints, discussions quickly shift from ideas to execution. That ability to put the future directly in customers' hands is what consistently makes CES a catalyst for meaningful partnerships and commercial momentum.

What core innovations or launches are you highlighting at CES 2026, and how do they align with your current roadmap?

We are showcasing the latest advancements for Cerence xUI, our hybrid, agentic AI platform that we developed to advance the in-car experience and meet the realities of today's automotive development cycles. OEMs want to deliver LLM-based experiences while also facing growing pressure to innovate quickly, avoiding rigid technology stacks or single-vendor dependencies. Cerence xUI is built to scale across diverse hardware, software and language models.

From an end-user perspective, xUI advances the in-car assistant from a reactive system into a more natural, proactive, and context-aware companion. Multi-step conversational threads, multimodal inputs, and deeper personalization allow drivers to interact in ways that better reflect real-world intent.

We are also highlighting our expanding ecosystem of purpose-built, domain-specific AI agents. This includes our mobile work agent, developed with Microsoft, which brings voice-first access to Microsoft 365 Copilot into the car; the dealer assist agent that supports automotive dealerships with intelligent automation across sales and service workflows; and the ownership companion agent that proactively helps drivers manage vehicle health, service needs and feature adoption.

Together, these demonstrations reflect a roadmap focused on continuity of experience across the broader automotive lifecycle — an important push for Cerence as we expand beyond the vehicle.

How is Cerence AI integrating generative AI and large language models into its in-car assistant platform, and what new value does this create for OEMs?

The industry's early enthusiasm for generative AI has been largely cloud-centric, but that approach does not fit the realities that OEMs are grappling with. Running LLMs entirely in the cloud introduces rising operational costs, inconsistent latency and growing privacy concerns — all of which become more pronounced as AI usage increases across millions of vehicles.

Cerence AI has taken a different view: edge intelligence is not optional, it is foundational. xUI is designed as a hybrid, modular platform that enables meaningful LLM-powered reasoning to run directly in the vehicle via an SLM, or with the cloud. This allows OEMs to better control costs, ensure responsiveness and design privacy-first experiences that do not depend on constant connectivity.

Overall, our approach to generative AI is grounded in flexibility and long-term viability. xUI is hybrid, modular and technology-agnostic by design, allowing OEMs to integrate LLM-powered intelligence into vehicles without being locked into a single model, vendor or deployment strategy.

What progress is Cerence AI making in multimodal interaction, and how will these capabilities enhance the in-cabin experience?

Multimodal interaction is a critical step toward more intuitive in-car AI, and xUI is designed from the ground up to support these capabilities. By combining voice, visual context and environmental inputs, the in-car assistant can better understand both the user's intent and the situation in which a request is made.

Cerence AI is advancing these capabilities through partnerships with multiple chipmakers, enabling multimodal processing directly on-device. This allows the assistant to respond faster, operate reliably without constant connectivity, and maintain automotive-grade safety and privacy standards.

For drivers and passengers, multimodality reduces friction. The assistant can reference what is visible on the screen, understand situational context and adapt responses accordingly, minimizing the need for repeated commands or clarifications. Over time, these capabilities help shift in-car interaction away from task-by-task voice commands toward more natural, exchanges that align with how people expect digital systems to behave.

How is Cerence AI improving the efficiency and sustainability of its solutions to support OEM environmental goals?

Efficiency is increasingly central to OEM decision-making, and power consumption is one of the most common concerns we hear from customers. Drivers expect intelligent features to work everywhere, but cloud-only approaches increase connectivity dependence, latency and energy usage.

Cerence addresses this through a hybrid AI architecture that balances embedded and cloud intelligence. With embedded AI handling time-critical interactions and privacy-sensitive processing, and the cloud enriching experiences when connectivity allows, OEMs can deliver consistent performance without unnecessary energy overhead.

A key example is our collaboration with SiMa.ai, which brings CaLLM Edge — our automotive-grade embedded small language model — to the SiMa.ai Modalix MLSoC. This enables conversational AI experiences that are responsive, resilient and significantly more power-efficient than cloud-dependent approaches.

By aligning software architecture with power-efficient hardware, Cerence helps OEMs meet their

sustainability goals while still delivering advanced AI capabilities that are production-ready and scalable across vehicle platforms.

CONTACTS

The Americas
+1 877 863 1306

Europe, Middle East & Africa
+44 20 7176 1234

Asia-Pacific
+852 2533 3565

www.spglobal.com/mobility

Copyright © 2025 S&P Global Inc. All rights reserved.

These materials, including any software, data, processing technology, index data, ratings, credit-related analysis, research, model, software or other application or output described herein, or any part thereof (collectively the "Property") constitute the proprietary and confidential information of S&P Global Inc its affiliates (each and together "S&P Global") and/or its third party provider licensors. S&P Global on behalf of itself and its third-party licensors reserves all rights in and to the Property. These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable.
Any copying, reproduction, reverse-engineering, modification, distribution, transmission or disclosure of the Property, in any form or by any means, is strictly prohibited without the prior written consent of S&P Global. The Property shall not be used for any unauthorized or unlawful purposes. S&P Global's opinions, statements, estimates, projections, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security, and there is no obligation on S&P Global to update the foregoing or any other element of the Property. S&P Global may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. The Property and its composition and content are subject to change without notice.

THE PROPERTY IS PROVIDED ON AN "AS IS" BASIS. NEITHER S&P GLOBAL NOR ANY THIRD PARTY PROVIDERS (TOGETHER, "S&P GLOBAL PARTIES") MAKE ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE PROPERTY'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE PROPERTY WILL OPERATE IN ANY SOFTWARE OR HARDWARE CONFIGURATION, NOR ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS ACCURACY, AVAILABILITY, COMPLETENESS OR TIMELINESS, OR TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE PROPERTY. S&P GLOBAL PARTIES SHALL NOT IN ANY WAY BE LIABLE TO ANY RECIPIENT FOR ANY INACCURACIES, ERRORS OR OMISSIONS REGARDLESS OF THE CAUSE. Without limiting the foregoing, S&P Global Parties shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with the Property, or any course of action determined, by it or any third party, whether or not based on or relating to the Property. In no event shall S&P Global be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including without limitation lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Property even if advised of the possibility of such damages. The Property should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

The S&P Global logo is a registered trademark of S&P Global, and the trademarks of S&P Global used within this document or materials are protected by international laws. Any other names may be trademarks of their respective owners.

The inclusion of a link to an external website by S&P Global should not be understood to be an endorsement of that website or the website's owners (or their products/services). S&P Global is not responsible for either the content or output of external websites. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process. S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global Ratings' public ratings and analyses are made available on its sites, www.spglobal.com/ratings (free of charge) and www.capitaliq.com (subscription), and may be distributed through other means, including via S&P Global publications and third party redistributors.