The Automotive Aftermarket

Suppliers View

➢ Global value of 400 bn EUR for spare parts (EU: 123 bn EUR)

➢ Stagnating market for wear and tear parts

➢ New market for mobility services of 34 bn EUR in 2025

➢ Intermediary power– less people decide about larger volumes

➢ Technology favours OEM (software, complexity, connectivity)

➢ Access to data = Access to market

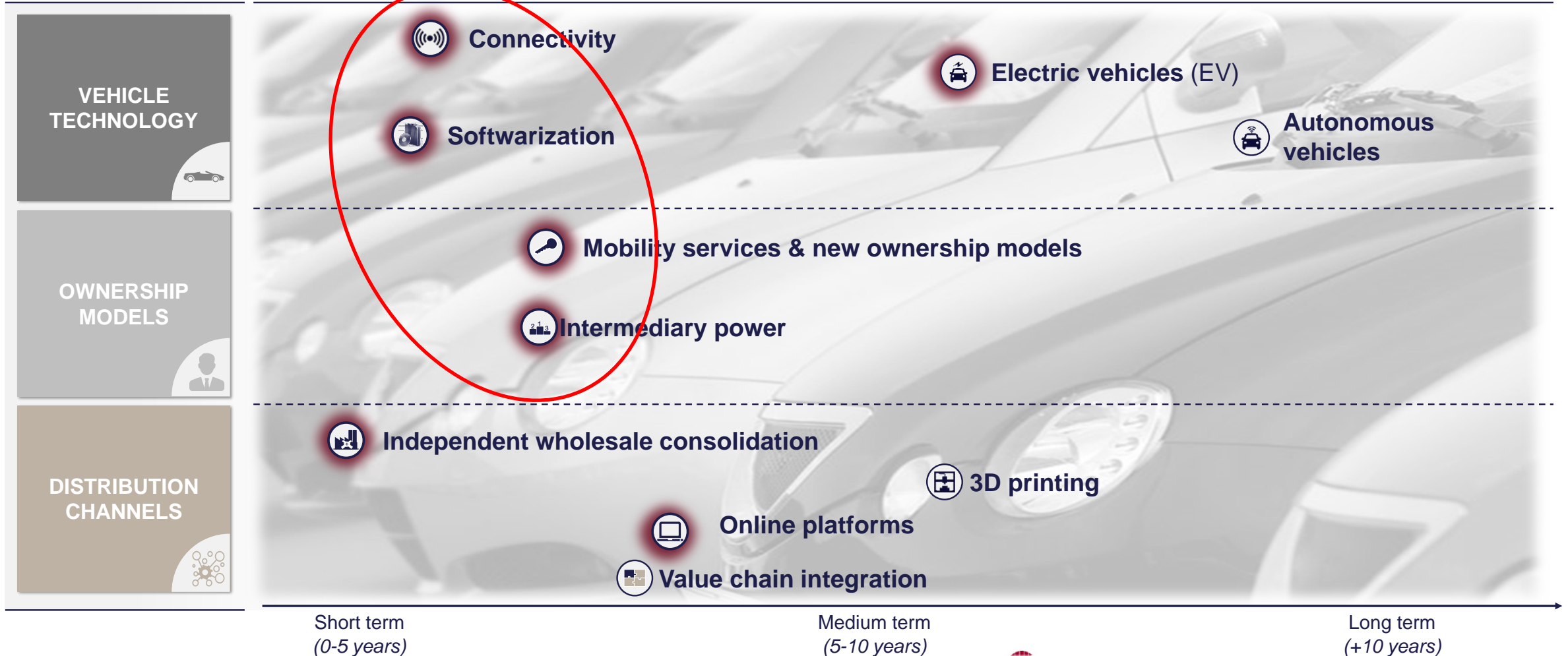➢ Aftermarket -> Mobility service over the vehicle lifetime

Aftermarket – Transformation Drivers

AREAS

TRENDS DRIVING CHANGE

VEHICLE TECHNOLOGY

OWNERSHIP MODELS

DISTRIBUTION CHANNELS

- Connectivity
- Electric vehicles (EV)
- Softwarization
- Autonomous vehicles
- Mobility services & new ownership models
- Intermediary power
- Independent wholesale consolidation
- 3D printing
- Online platforms
- Value chain integration

Short term
(0-5 years)

Medium term
(5-10 years)

Long term
(+10 years)

Stern Stewart & Co.   QVARTZ

Connectivity makes the Difference

Results from Studies

- 20% of revenues of an OEM could come from mobility and connected services (Deloitte, 05.2017)

- «Access to car-generated data» is one of six top trends expected to change the aftermarket game (McKinsey, 06.2017)

- New ownership models, access to fleet business, mobility as a service are key to participate in the market growth (QVARTZ / Stern Stewart & Co, 09.2018)

- The access to data model should *mitigate the risk of concentration of power with one group of market participants* and prevent the situation of a distorted market to the detriment of consumers before competition law can be applied. (TRL, 09.2017)

- Policy makers could consider measures to promote more competition in these markets and *reduce the OEMs monopolistic hold on car data* and service delivery channels (JRC, Digital Economy Working Paper 09.2018)
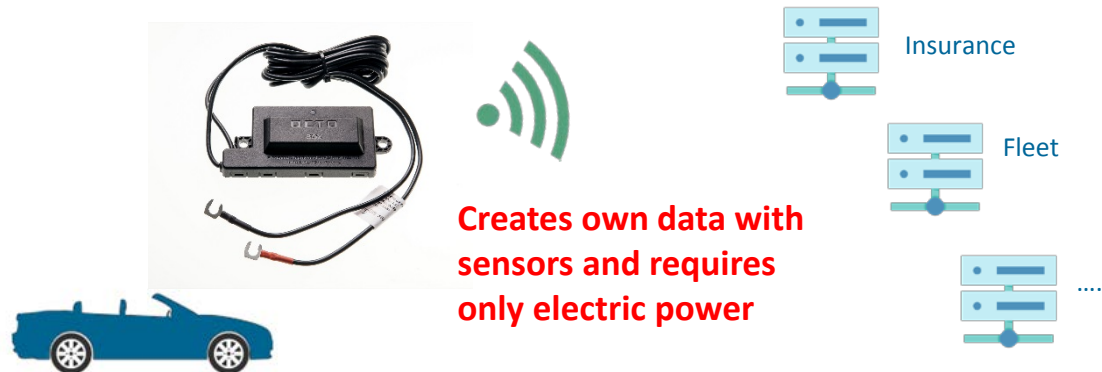
Data and Connectivity based Services

Examples for Mobility Services – Just the Beginning

- Predictive maintenance services
- Parts design optimisation
- Driver style surveillance (insurance use case)
- Vehicle functions on demand (aux. heating, engine power, ..)
- Software updates over the air
- Fleet management services
- Smart access (delivery services, car sharing, ..)
- Remote diagnostics
- Concierge services (parking, payment, ….)
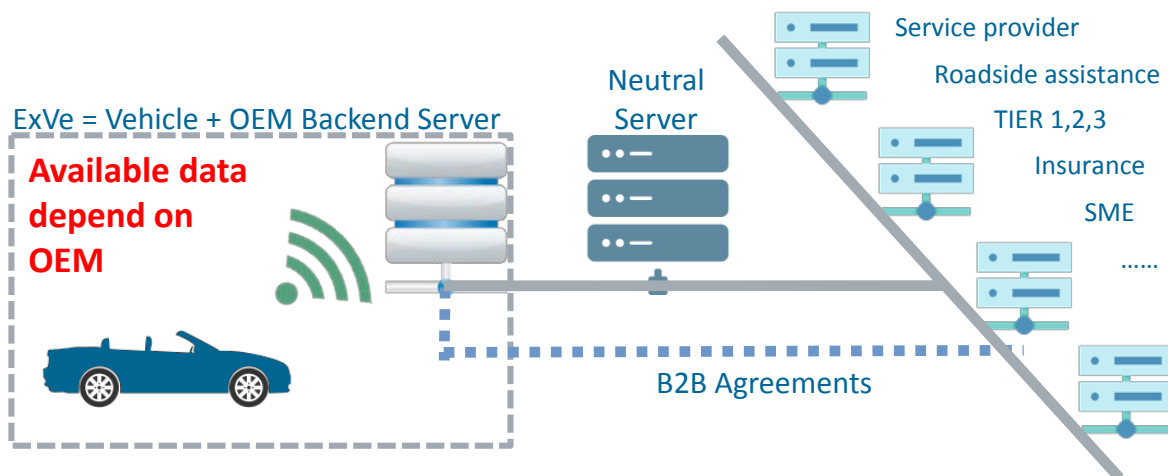- Information and entertainment offers
- …

Connectivity Technologies

Retrofitted Black box

Creates own data with sensors and requires only electric power

Insurance

Fleet

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Retrofitted Dongle on the OBD Port

Uses available data on the diagnostic port

Service provider

Roadside assistance

TIER 1,2,3

Insurance

SME

Extended Vehicle Solution (NEVADA)

ExVe = Vehicle + OEM Backend Server

Available data depend on OEM

Neutral Server

Service provider

Roadside assistance

TIER 1,2,3

Insurance

SME

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B2B Agreements

Direct Access

➢ **Direct bi-directional communication** with a vehicle via a secure vehicle interface (SVI).

➢ **Real-time** access to all data

➢ Full **access to vehicle resources** (e.g. display, data processing,..) via an On-board Telematics Platform (OTP)

Requires design changes by OEM!

Thanks for your attention

Frank Schlehuber
Sen. Consultant Market Affairs

CLEPA
European Association of Automotive Suppliers