

THE AUTOMOTIVE INDUSTRY IN TRANSFORMATION

42%

EXTENDED VEHICLE OWNERSHIP

Buyers plan to keep their current vehicle longer, reflecting increased financial discipline

73%

TARIFF IMPACT PERCEPTION

Respondents believe tariffs will increase prices for ALL cars, not just imports

60%

BRAND EXTINCTION EXPECTED

Respondents believe rising competition will lead to the disappearance of some established car brands

76%

CHINA BRAND DEFECTION

Chinese consumers intend to switch brands for their next vehicle purchase - the highest defection rate globally

95%

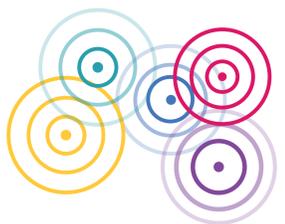
CONNECTED VEHICLES

By 2030, new cars expected to have internet connectivity, dramatically increasing cyber attack surface

82%

DEALERSHIP PREFERENCE

Customers globally still prefer to complete the final transaction at a dealership despite digital tools



ELECTRIC VEHICLE MARKET DYNAMICS & PRICING

1

PRICING

Pricing is #1 purchasing driver across all global markets, with Western markets showing up to 15% higher price sensitivity

2

HOME CHARGING

A strong majority of EV intenders plan to charge at home, suggesting the push for public charging capacity may be overstated in many markets

3

HIGH COST

The high cost of EVs poses a major barrier to adoption, requiring manufacturers to reframe value through price-benefit transparency

CO₂ COMPLIANCE RISK

Carmakers face significant financial risks from the EU's strict CO₂ emission targets. Failure to meet these targets due to slower EV demand could result in penalties estimated to be up to €16 billion.

The value captured by the European economy drops substantially during the EV transition. While 85-90% of the value of a typical Internal Combustion Engine vehicle contributes to the European economy, this drops to only 75% for locally produced Battery Electric Vehicles.

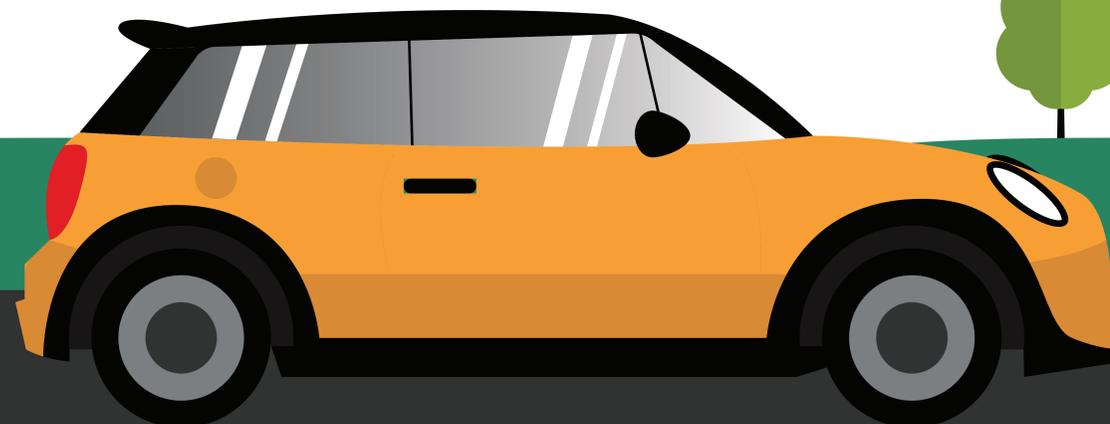
Key Consumer Insights

40 min

Consumers in most markets are willing to wait up to 40 minutes for EV charging - challenging the assumption that charge times need to match fossil fuel fill-ups

49%

of German consumers expect a BEV to have a driving range of 500 km or more before they would consider acquiring one



Sources:

Deloitte 2025 Global Automotive Consumer Study & Simon-Kucher 2025 Global Automotive Study

CHINA MARKET DISRUPTION STATS



26M

ANNUAL VEHICLE SALES

China is the world's largest vehicle market, accounting for 31% of the global 85 million units



\$377B

EV MARKET REVENUE

A strong majority of EV intenders plan to charge at home, suggesting the push for public charging capacity may be overstated in many markets



76%

BRAND DEFECTION RATE

Chinese consumers intend to switch brands for their next purchase - the highest rate globally



72%

PURCHASE INTEREST

Chinese consumers are highly receptive to buying vehicles directly from manufacturers



30%

PRODUCTION COSTS

Overall vehicle production costs in the EU are approximately 30% higher than in China

“ One of the biggest disruptors to the automotive industry will be competition from China. ”
This competition is likely to force traditional manufacturers to close factories, reduce model ranges, share technologies, and even merge to survive!

Sources:

Deloitte 2025 Global Automotive Consumer Study & Simon-Kucher 2025 Global Automotive Study

CHINA MARKET DISRUPTION STATS



54%

Lower Price

42%

Advanced Technology

35%

Modern Innovative Design

Why Chinese OEMs Impress Consumers

Perceived Quality Issues **44%**

Safety Concerns **45%**

Reliability & Resale Doubts **44%**

Concerns About Chinese Brands

STRATEGIC IMPERATIVES FOR SURVIVAL

CO-OPETITION

Traditional OEMs must adapt, collaborate and transform to compete in the new automotive landscape.

Some are recognising they cannot maintain their competitive momentum alone, signalling a new era of CO-OPETITION to optimise limited resources for mutual benefit while lowering their risk exposure.

1

PRIORITISE PRICE & TRANSPARENCY

Reframe value by making price-benefit transparency the lead message across all segments. Price is the #1 purchasing driver across all global markets, with Western markets showing significantly higher sensitivity.

2

LOCALISE BRAND NARRATIVES

Tailor positioning to address sensitivities regarding tariffs, quality, and trust in each market. One-size-fits-all global messaging is no longer effective in diverse consumer landscapes.

3

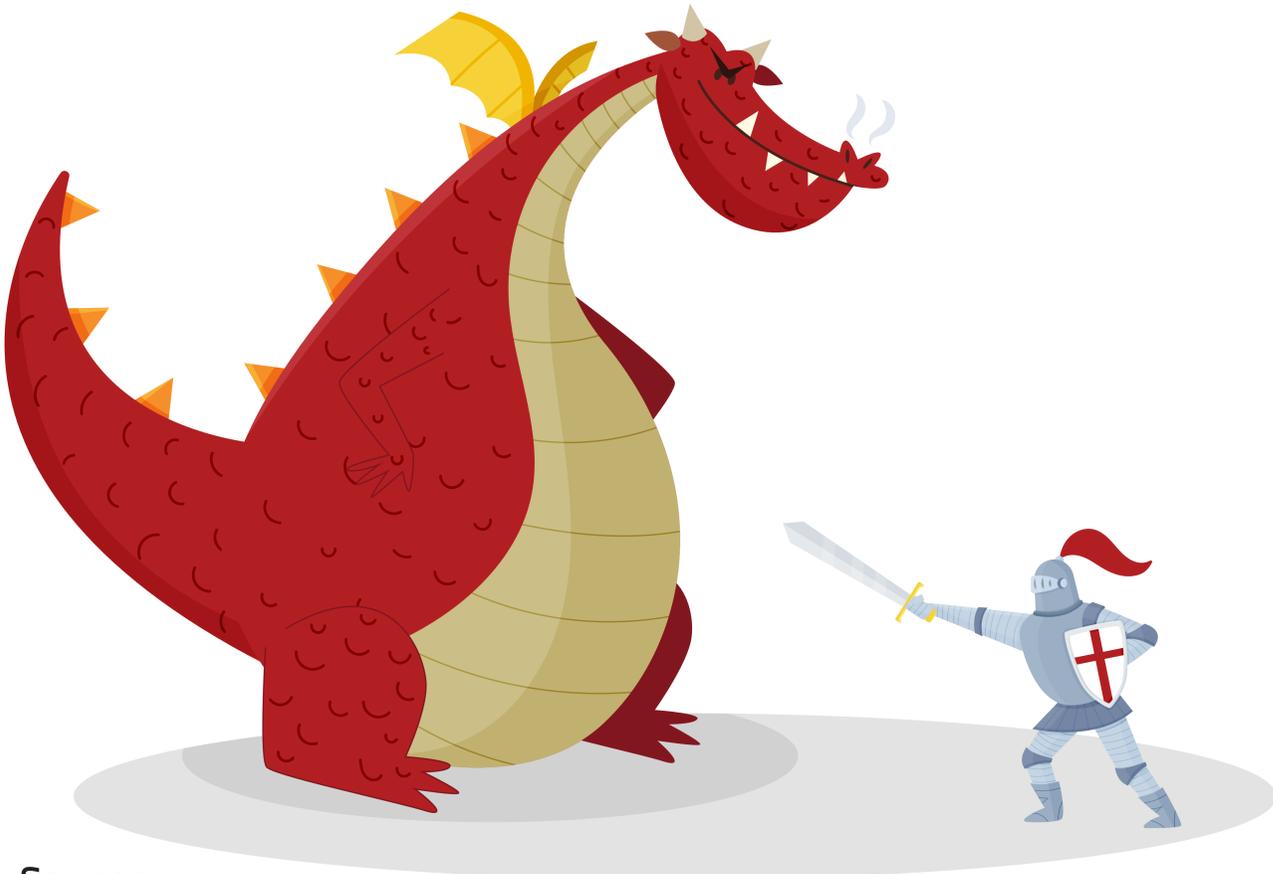
MAINTAIN HUMAN TOUCH IN SALES

Despite digital tools, 82% of customers globally prefer dealership transactions. Adopt the "AI + Human Sales Symphony" - let AI start the journey but empower dealers to close with credibility.

4

IMPROVE SHARED TECH

Traditional European and North American auto groups will need to dramatically improve shared technology, platforms, and manufacturing efficiency, particularly for next-generation EVs.



Competition from China Will Force...

OPERATIONAL CHANGES:

- Close factories
- Reduce model ranges
- Optimise production

STRATEGIC SHIFTS:

- Share technologies
- Form partnerships
- Consider mergers

Sources:
Deloitte 2025 Global Automotive Consumer Study & Simon-Kucher 2025 Global Automotive Study



CONNECTED VEHICLES & CONSUMER TRUST



95% of new cars are expected to have internet connectivity by 2030. This vast connectivity dramatically increases the cyber attack surface, creating unprecedented security vulnerabilities...

26%

GERMANY

Do Not Trust ANY Entity

30%

U.K

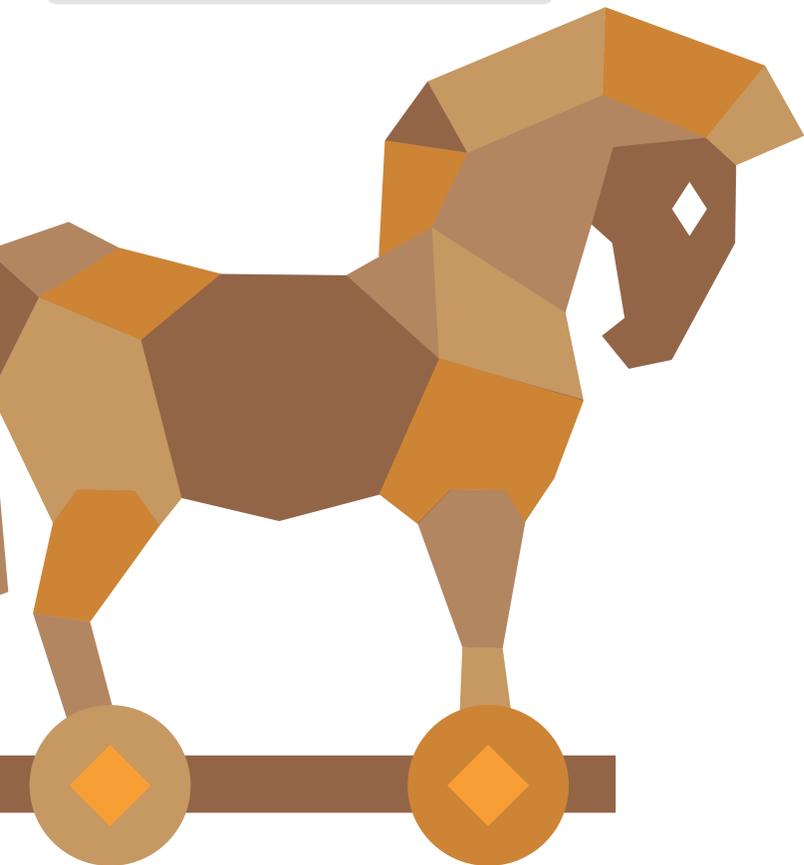
Do Not Trust ANY Entity

31%

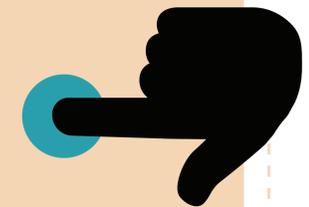
USA

Do Not Trust ANY Entity

A significant portion of consumers in major markets do not trust ANY listed entity (car manufacturer, vehicle dealer, insurance company, etc.) to access and manage the data their vehicle generates



The Human Touch Remains Critical



82% of customers globally still prefer to complete the final transaction at a dealership, showing that trust remains anchored in personal interaction.

Software-Defined Vehicle Lag: European carmakers are struggling to keep pace in the key differentiators of the EV era, in-vehicle user experience, connectivity, and Advanced Driver Assistance Systems.

EV consumers are more than twice as likely to switch brands for better in-vehicle technology, confirming that software is a competitive battleground where European OEMs are currently falling behind.

Sources:

Deloitte 2025 Global Automotive Consumer Study & Simon-Kucher 2025 Global Automotive Study

