



KPMG's 20th consecutive

Global Automotive Executive Survey 2019

Seamless Vehicle2Grid transition
is a treasure of islands –
see them sooner with KPMG:



Our GAES heritage

2011

"Within the next decade the **internet will revolutionize private transport**. Web providers and car manufacturers are vying for supremacy."

2012

"New **non-asset based players will increase in significance** in the automotive value chain until 2025."

2013

"Get ready for the **post powertrain ecosystem**. Acceleration is not all that matters in self-driving cars."



"The automotive industry will have to adapt to and shape the converging world of **personalized mobility** and the **internet of everything**."

"OEMs need to think about how to **reshape their business model from a genuinely product-driven approach to a more service- & customer oriented model**."

"**Mobile connectivity**, the value of **customer data** and **self-driving cars** are the next big thing."

2014

2015

2016

"Say goodbye to a complete auto-digital fusion – say hello to the '**next**' **dimension of co-integration**." 2017

"The auto business is part of an open, dynamic & self-organizing ecosystem consisting of physical assets, services and content. Finding **the right balance** between where to **compete, cooperate or consolidate** with industry peers and to wisely co-integrate content from non-asset based digital challengers is key." 2018

For **2019** we would like to provoke your thoughts with the following:

2019

"Seamless Vehicle2Grid transition is a treasure of islands."



20th anniversary

The GAES 2019 is a fully interactive online platform!



What's new in 2019

★ New look

The platform has a completely new look: structured and easy to use!

★ New functionalities

Print-, share- and search function are now integrated!

★ Analyses

More interactive analyses than ever before!

★ Mobile version

A comprehensive mobile version for on the go!

★ Respondents

Most executive respondents than ever!

Explore multiple dashboards within one "story"

For several topics, there will be more than just one analysis! Use the navigation bar to switch between dashboards and click your way through the story with different analyses!

Customize each dashboard

Apply several filters, try correlations and find out more about differences between e.g. regional perspectives or differing stakeholder views! All results displayed on a dashboard are adjusted according to the selection of applied filters. The bottom analysis on a dashboard gives you a detailed split of the upper analysis results. Choose an analytical dimension that best meets your interests and deepens your insight!

Maybe you are able to answer a question we haven't even thought of...

Executive perspective vs. consumer view

Executives and consumers were asked many of the same questions. Compare answers of both respondent groups and also see that they were asked more than just conventional survey questions!

Customize results of an executive view by stakeholder type, job title and revenue segmentation of the company. All data displaying customer views can instead be filtered by age, living circumstances and car ownership.

Directly interact with the dashboard

Apart from the filter function, you can also directly interact with the dashboard if you hover over results for detailed information or if you pick specific areas of interest. Just click on the respective part of an analysis and you will find all displayed results filtered accordingly.

The number on the right tells you how many respondents your selection still counts.

There is not only one global answer:
> 2 million different views

Navigate through the story and click to see the next analysis

1 Filter for various attributes

2 Choose regional cluster

3 Choose country

4 Filter for various attributes

5 Identify respondent group

- Executive view
- Consumer view

6 Hover over results for detailed information

7 Number of respondents

8 Interact with the dashboard and pick a specific segment

9 Choose analytical dimension

9 Choose analytical dimension

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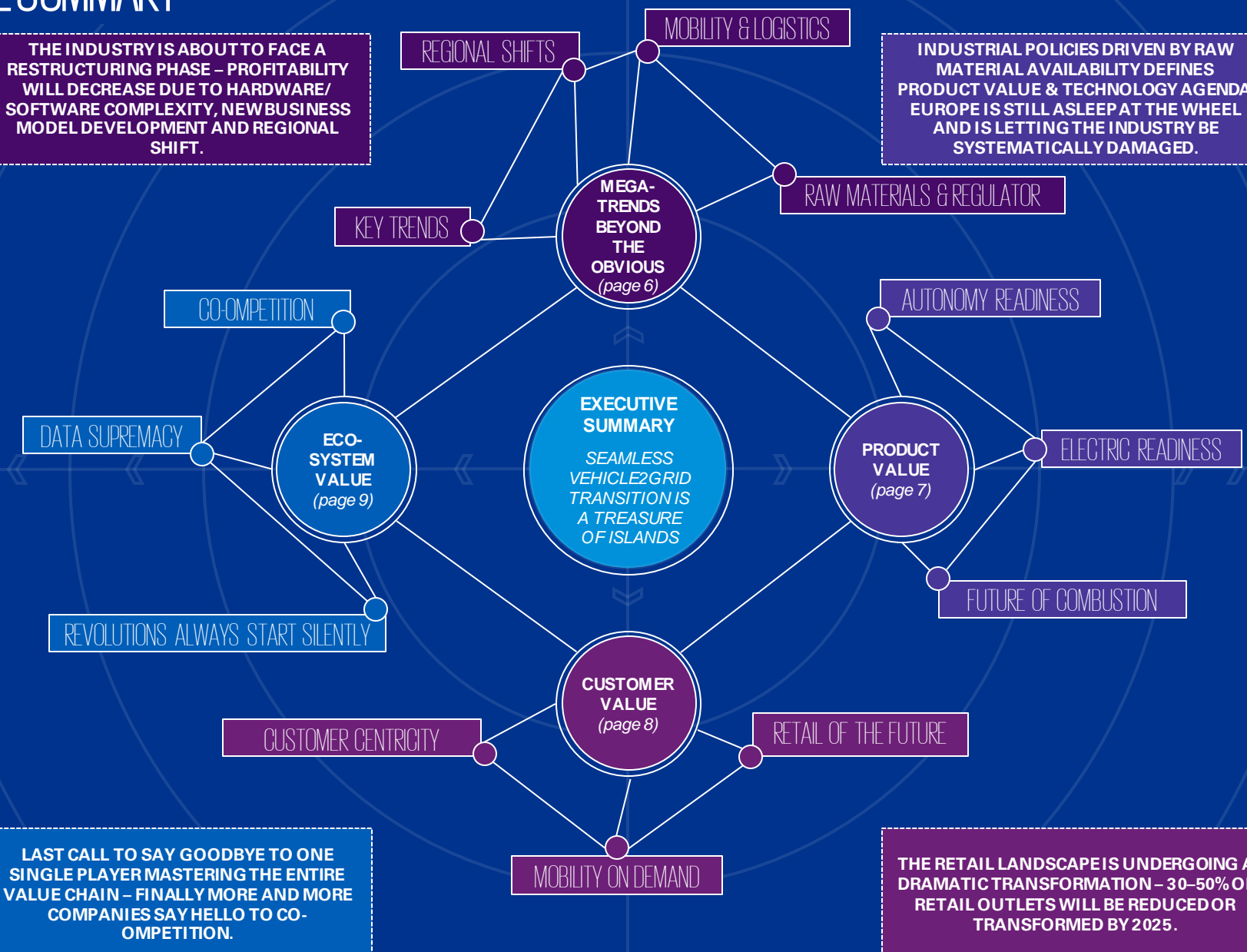


Click here to get platform access!

THE EXECUTIVE SUMMARY

THE INDUSTRY IS ABOUT TO FACE A RESTRUCTURING PHASE – PROFITABILITY WILL DECREASE DUE TO HARDWARE/SOFTWARE COMPLEXITY, NEW BUSINESS MODEL DEVELOPMENT AND REGIONAL SHIFT.

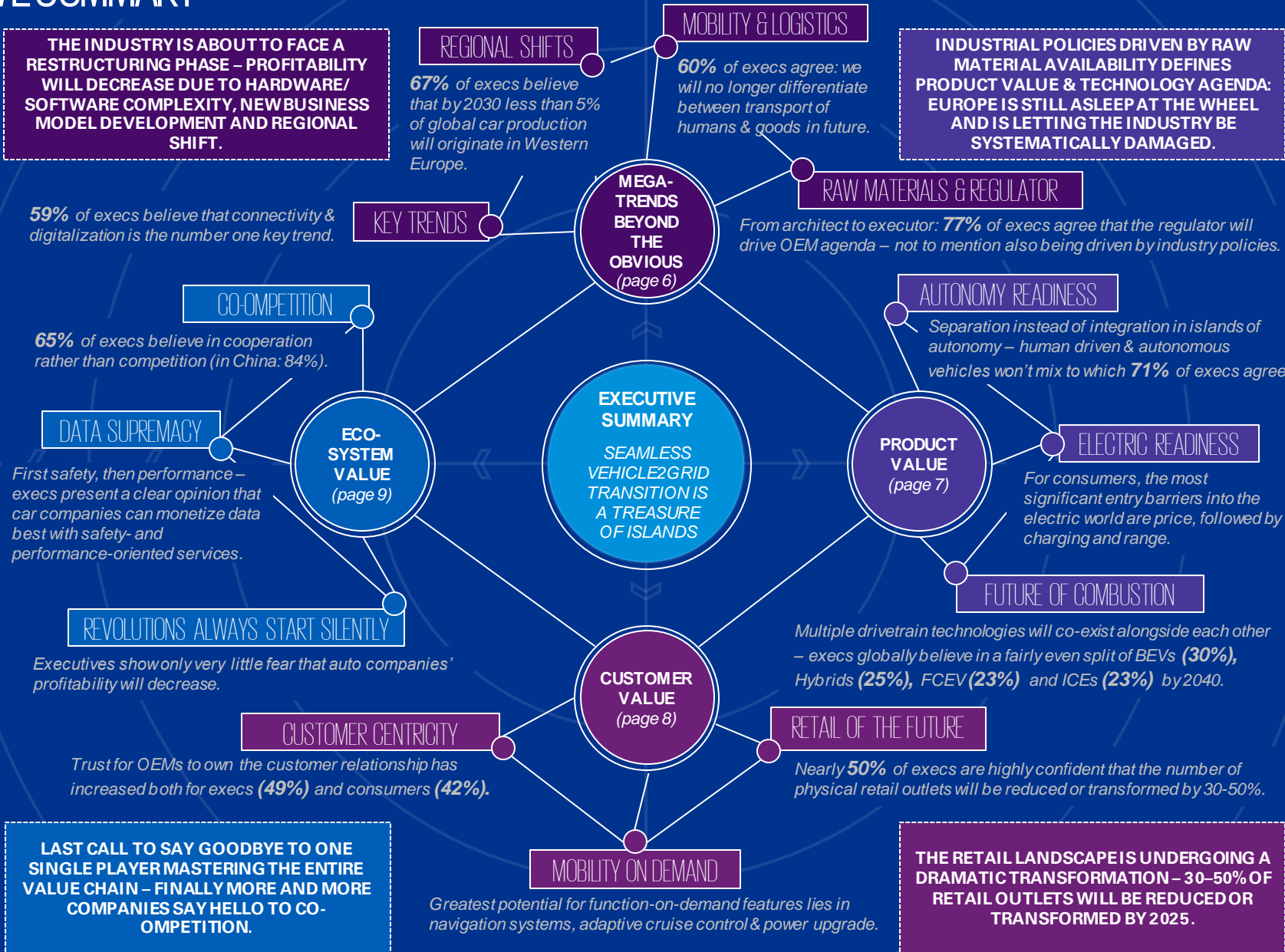
INDUSTRIAL POLICIES DRIVEN BY RAW MATERIAL AVAILABILITY DEFINES PRODUCT VALUE & TECHNOLOGY AGENDA: EUROPE IS STILL ASLEEP AT THE WHEEL AND IS LETTING THE INDUSTRY BE SYSTEMATICALLY DAMAGED.



LAST CALL TO SAY GOODBYE TO ONE SINGLE PLAYER MASTERING THE ENTIRE VALUE CHAIN – FINALLY MORE AND MORE COMPANIES SAY HELLO TO CO-OMPETITION.

THE RETAIL LANDSCAPE IS UNDERGOING A DRAMATIC TRANSFORMATION – 30-50% OF RETAIL OUTLETS WILL BE REDUCED OR TRANSFORMED BY 2025.

THE EXECUTIVE SUMMARY



MEGATRENDS BEYOND THE OBVIOUS

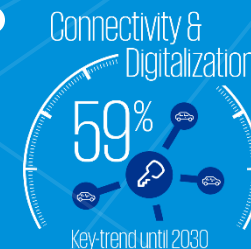
PRODUCT VALUE

CUSTOMER VALUE

ECOSYSTEM VALUE

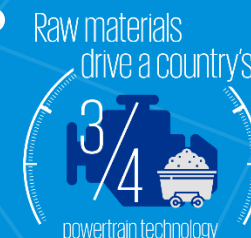
AUTOMOTIVE KEY TRENDS

- Seamless into the grid: Connectivity & digitalization is back as the #1 key trend
- There is not one global answer – the world is a combination of islands
- The perfect storm: the auto industry is about to run into a restructuring phase



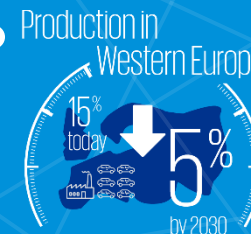
UNDERESTIMATED DRIVING FORCES

- 3/4 execs agree to raw materials driving the preferred powertrain technology of a country
- From architect to executor: 77% of execs agree that the regulator will drive OEM agenda – not to forget also being driven by industry politics
- Results show that industry policies in Asia & USA seem to be far more advanced than in Europe



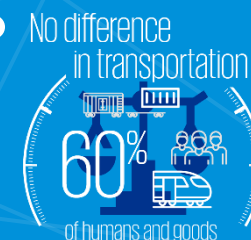
REGIONAL SHIFTS

- 2/3 of execs believe that by 2030 less than 5% of cars will be produced in Western Europe
- China is the e-mobility market to be – more than ever before, execs agree that China will leapfrog the market with its battery electric vehicles



MOBILITY & LOGISTICS

- 60% of execs agree: we will no longer differentiate between transport of humans & goods in future
- Companies combining applied thinking (city, rural, countryside) with an ecosystem-driven technology set-up (CASE) and infrastructure joint ventures (5G, electricity grid,...) will be leaders in mobility



PRODUCT VALUE

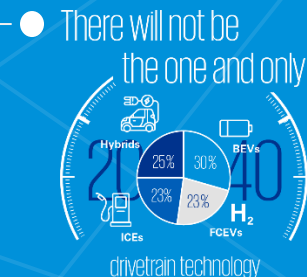
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CUSTOMER VALUE

ECOSYSTEM VALUE

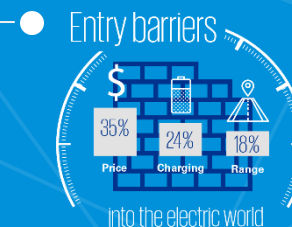
FUTURE OF COMBUSTION

- Multiple drivetrain technologies will co-exist alongside each other – execs globally believe in a fairly even split of BEVs (30%), Hybrids (25%), FCEV (23%) and ICEs (23%) by 2040
- Fuel cells have the least investment priority among execs



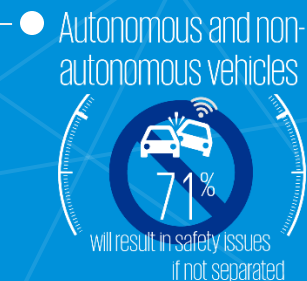
ELECTRIC READINESS

- For consumers, the most significant entry barriers into the electric world are price, followed by charging and range
- We believe Tesla will be one of the most significant brands in vehicle-to-x technology



AUTONOMY READINESS

- Separation instead of integration in islands of autonomy – human driven & autonomous vehicles won't mix to which 71% of execs agree
- Why not think in separate lanes for autonomous & electric vehicles and incorporate necessary infrastructure for seamless charging and at the same time setting clear rules for behavior?
- 88% of execs agree to a product line by application (city, urban,...) than by class



CUSTOMER VALUE

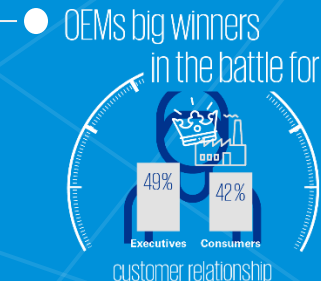
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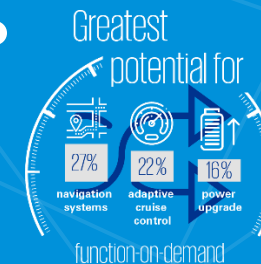
CUSTOMER CENTRICITY

- Trust for OEMs to own the customer relationship has increased both for execs (49%) and consumers (42%)
- Data privacy & security remains the number one purchasing criteria, but transparency of TCO is catching up too



MOBILITY ON DEMAND

- Greatest potential for function-on-demand features lies in navigation systems, adaptive cruise control & power upgrade – those being the features consumers are most willing to pay for in order to individualize their vehicles



RETAIL OF THE FUTURE

- Retail landscape transforms – nearly 50% of execs are highly confident that the number of physical retail outlets will be reduced by 30-50%
- 82% of execs strongly agree that the only viable option for physical retail outlets will be the transformation of becoming service factories, used car hubs or focus on ID-management
- The product continues to be the driving force behind retail strategy – 80% of execs view the retail landscape mainly as product-driven
- 92% of execs agree that the aftermarket is most likely to become part of the OEM business



ECOSYSTEM VALUE

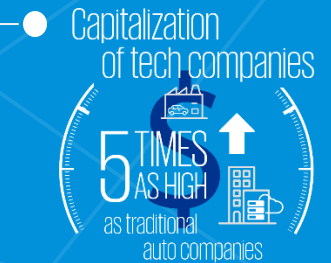
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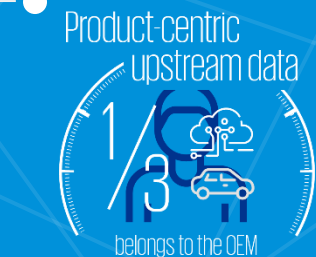
CO-OMPETITION

- Gravity further shifts towards the ICT companies: In 2018, market capitalization of the top 15 mobile tech and web digital companies is ~5 times as high as that of top 50 auto players
- Cooperation of auto and ICT players becomes more realistic than ever – 2 out of 3 execs believe in cooperation rather than competition



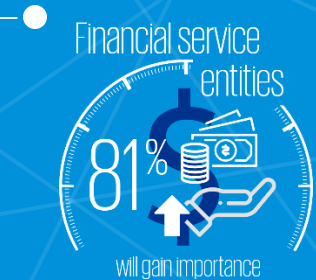
DATA SUPREMACY

- For vehicle data there is growing evidence for OEMs being the winner
- First safety, then performance – executives present a clear opinion that car companies can monetize data best with safety- and performance-oriented services



REVOLUTIONS ALWAYS START SILENTLY

- Executives show only very little fear that auto companies' profitability will decrease
- Execs expect the number of transactions to boost over the next years (69%) – most likely dominated by China
- 81% of execs show confidence that a shift from traditional unit sales towards mobility service offers and fleet management may lead to an increase in debt levels of OEMs
- Toyota is the undisputed leader with the highest prospects for success, followed by BMW & Tesla



BE INSPIRED BY THE KEY HEADLINES

SEAMLESS VEHICLE2GRID TRANSITION IS A TREASURE OF ISLANDS

“Connectivity & digitalization is back as the number one key trend. This is followed by battery electric vehicles, while last year’s number one key trend, fuel cell electric vehicles, ranks third.”

INDUSTRIAL POLICIES DRIVEN BY RAW MATERIAL AVAILABILITY DEFINES PRODUCT VALUE AND TECHNOLOGY AGENDA: EUROPE IS STILL ASLEEP AT THE WHEEL AND IS LETTING THE INDUSTRY BE SYSTEMATICALLY DAMAGED.

“From architect to executor: 77% of execs agree that the regulator will drive OEM agenda – not to mention also being driven by industry policies.”

“Western Europe continues on a downward spiral – 2 out of 3 (67%) execs still believe that by 2030 less than 5% of global car production will originate in Western Europe (~15% today).”

THE RETAIL LANDSCAPE IS UNDERGOING A DRAMATIC TRANSFORMATION – 30–50% OF RETAIL OUTLETS WILL BE REDUCED OR TRANSFORMED BY 2025.

“Nearly 50% of execs are highly confident that the number of physical retail outlets will be reduced or transformed 30-50% by 2025.”

THE INDUSTRY IS ABOUT TO FACE A RESTRUCTURING PHASE – PROFITABILITY WILL DECREASE DUE TO HARDWARE/SOFTWARE COMPLEXITY, NEW BUSINESS MODEL DEVELOPMENT AND REGIONAL SHIFT.

“As predicted in last year’s survey: the gravity further shifts towards ICT companies: in 2018, market capitalization of the top 15 mobile tech and web digital companies is almost 5 times as high as that of top 50 traditional auto companies (OEMs & suppliers). – In comparison to 2017 this was only 3,5 times as high.”

LAST CALL TO SAY GOODBYE TO ONE SINGLE PLAYER MASTERING THE ENTIRE VALUE CHAIN – FINALLY MORE AND MORE COMPANIES SAY HELLO TO CO-OMPETITION.

“Complete mindset change: cooperation of auto companies and ICT players becomes more realistic than ever – 2 out of 3 executives (65%) believe in cooperation rather than competition; Chinese executives absolutely lead this opinion at 84%.”