

Aftermarket 2030— The Fleet Imperative

June 2023

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At A Glance

Fleet vehicles are capturing a significant and rising share of a growing European aftermarket. By 2030, five countries (Germany, France, United Kingdom, Netherlands, and Poland) alone will account for a fleet aftermarket size of €45 billion (~37% of the total aftermarket). This rising fleet share will bring about a shift in the aftermarket, as more customers will be B2B, fleets will have a significantly higher electrification rate (48% in 2030), while fleet PCs will have an average age of ~2.9 years (in 2030). This will require players to position themselves strategically in this everchanging aftermarket.

Comprehensive Approach

In an extensive study, Boston Consulting Group (BCG) collaborated with the European Association of Automotive Suppliers (CLEPA) to identify fleet aftermarket drivers, forecast the fleet market size within the total aftermarket, and determine strategic recommendations for players within this field. We conducted >30 interviews with aftermarket industry experts and conducted a dedicated survey to medium- and heavy-duty truck fleet managers across Europe to base our extensive forecast model.

The study focuses on five key European countries (Germany, France, United Kingdom, Netherlands, and Poland) and differentiates fleets along passenger cars (PC), light commercial vehicles (LCV), and medium- and heavy duty trucks (MHDT) as well as trailers in specific areas. In certain analysis propulsion types, age groups and fleet types were differentiated.

All market forecasts consider a generalized inflation rate and focus parts prices on the retail level without wages or other cost effects.



The Evolution of the Fleet Business

12 Trends Will Shape the Fleet Industry

As inflation and interest rates continue to drive up costs, and customer demand and loyalty are changing in the mobility sector, institutional offerings for passenger car fleet providers are on the rise. Considering a very slow-growing European passenger car parc, the shift from privately owned cars to fleet cars will have a significant effect on the automotive aftermarket. Customer requirements, car characteristics, and cost pressures will change.

In the commercial vehicle (CV) segment, cost pressures and the rise of e-commerce are causing the demand for

transport to grow, thereby driving up the fleet share. The already high share of fleet-operated LCVs and MHDTs will continue to grow and make use of advanced technologies.

In general, we see four key market developments driving the growth and development of the fleet sector in the aftermarket. In order to both address the needs of fleets as an emerging customer segment and maintain and strengthen their market position, aftermarket players must adjust their strategic focus.

Exhibit 1 | 12 trends that will shape the fleet industry until 2030



Market and Value Chain

- 1 Fleet share growing by ~6pp for PCs and LCVs and ~10pp for HCVs and trailers from 2025 to 2030
- 2 Ongoing market consolidation and entry of new market players
- 3 Increasing regulation with newly published orders on data exchange, design directive, etc.
- 4 Rising pressure on cost as fleets' margins tighten



Fleet Sustainability

- 5 Sustainability factors are becoming a key purchasing criterion for fleet managers
- 6 Rising EV share reaching 62% BEV for PC and 22% BEV for LCV in fleet parc by 2030
- 7 Accelerating H₂ and EV adoption for MHDTs, despite uncertainty regarding prevailing tech
- 8 Tightening need for sustainability transparency (e.g., CO₂ footprint)



Data Exchange

- 9 Rising need for fleet-to-car connectivity driven by cost reasons, w/ 22% of PCs, 27% of LCVs, and 47% of MHDTs connected
- 10 Growing demand for fleet-to-workshop connection



Mobility Transformation

- 11 Shift to holistic mobility solution fostered by 40%–50% of customers asking more frequently for mobility services
- 12 Growing demand for battery management and charging infrastructure services, with 60% of chargers located in four EU countries

Sources: Market Participant Interviews; Market reports; BCG consumer mobility study; BCG Case Experience; BCG Truck Aftermarket Survey; BCG analysis

MARKET AND VALUE CHAIN

While the number of PCs per capita is stagnating, particularly in Western Europe and the Nordics, the fleet parc size is growing, with a compound annual growth rate (CAGR) of 4.8% expected until 2030. In the PC segment, fleet growth is driven by customers shifting from owning to leasing vehicles, thereby mitigating residual value risk (especially for electric vehicles, or EVs), as they demand flexible and convenient solutions. In the CV segment, rising e-commerce and the related growth of the transport business are fueling the fleet market. By 2030, these growth drivers are expected to result in a fleet share of 15% for PCs, 41% for LCVs, 69% for MHDTs, and 79% for trailers. For the aftermarket, this provides the opportunity to increase the number of customers with high volumes of business, expand the service business (rather than just parts), and grow the customer segment within a stagnating market. However, aftermarket players will also need to adapt their businesses to this customer segment, which has substantially different characteristics than the total vehicle parc. For instance, the fleet Battery Electric Vehicle (BEV) share is expected to reach 62% for PCs by 2030. At the same time, fleet vehicles are significantly younger, with an average PC age of 2.9 years (vs. >8 years for the average car parc).

Regulation is increasing in the automotive industry, which already has more than 150 EU regulations.¹ One piece of regulation that has been heavily discussed recently and has a strong impact on the aftermarket is the Data Act, a proposal from the EU that aims to regulate the access and use of data. Current issues include restricted access to data for players other than original equipment manufacturers (OEMs), a lack of data protection, and the absence of fair competition when it comes to repair and maintenance (R&M). While, as a horizontal regulation, the act covers several sectors, some automotive groups are demanding sector-specific regulation that balances cybersecurity needs with ensuring a competitive environment.

Fleets are confronted with tight margins, so, as maintenance is one of the top five total cost of ownership (TCO) components of PC fleets, workshops will be urged to provide cost-efficient solutions. However, as the adoption of BEVs continues to rise, the average spend of R&M within PC fleets is expected to decline by 37% by 2030. Similarly, in the MHDT segment, slim margins are responsible for 85% of fleets across Europe specifying price as one of their top three Key Purchasing Criteria (KPC) when selecting a workshop.

¹ acea. (2022). *The Automotive Regulatory Guide*.

FLEET SUSTAINABILITY

Sustainability factors are becoming more and more important for fleets, especially when they are in line with TCO. For PC fleets, important drivers of purchasing decisions include being “green,” such as through fuel-efficient solutions, emissions, and powertrains. Fleets also view sustainable manufacturing as an important purchasing criterion, including energy-efficient production and the use of sustainable materials. CV fleets view powertrain and other sustainability factors along the value chain as a key priority over the next two years; however, they are not yet a top KPC for selecting a workshop. This indicates that, while they believe sustainability topics will become crucial in the coming years, MHDT fleets have not yet started implementing sustainability aspects into their operations.

PC and LCV fleets have a clear ambition to raise EV adoption. Forecasts from the market model show that BEV vehicles will account for 62% of PC fleets and 22% of LCV fleets by 2030. However, several external factors may constrain BEV adoption. In particular, the expansion of charging infrastructure, the residual value of batteries, raw material supply, and battery performance are all major constraining factors. In MHDT fleets, charging infrastructure and battery performance are constraining the adoption of alternative powertrains even more than in PC and LCV fleets due to longer distances traveled. The market is experiencing strong uncertainty regarding which powertrain will prevail in the future, which is delaying new vehicle purchases. Despite these uncertainties, the share of alternative powertrains in MHDT fleets is projected to rise in the coming years, reaching 11% BEV and 4% fuel cell electric vehicle (FCEV) adoption by 2030.

In order to meet demand for BEVs, new EV players will be needed in the European market, which means non-European EV manufacturers will need collaboration models to provide a local network for R&M. For instance, AIWAYS, a Chinese EV manufacturer, has announced a cooperation with the European parts distributor and workshop chain operator ATU. The advantage of cooperating with a local player is the ability to quickly offer strong R&M coverage and enter the European market without having to make significant investments or expend considerable time setting up a service network.

Given that in the EU-27 20% of GHG emissions are from road transport, regulatory requirements on emissions standards for the automotive industry are tightening.

For instance, the EU has released its “Fit for 55” package as a key step to becoming climate neutral by 2050. The package states that carbon dioxide (CO₂) emissions for newly registered PCs need to be reduced by 55% by 2030 and new ICE vehicle registrations, with the exception of e-fuels, will be banned by 2030. The package also includes requirements to increase coverage of charging infrastructure. A similar proposal has been made for reducing CO₂ emissions from trucks, in which the EU proposes to widen the scope of current regulation to also include smaller trucks and set a new target of reducing CO₂ emissions by 90% by 2040. To further improve sustainability, there are plans for 500+ low-emission zones by 2025 and 35+ zero-emission zones by 2030 in Europe.² Despite these regulatory efforts, the interview results show that further commercial and regulatory pressure is needed for structural change. Sustainability reporting will be a key element to ensure regulatory compliance.

DATA EXCHANGE

Currently, ~22% of PCs, ~27% of LCVs, and ~48% of MHDTs in European fleets are connected.³ Via remote diagnosis, a repair estimate can be generated for connected vehicles as soon as they indicate an error. At the same time, parts orders can be triggered directly via remote diagnosis and customers can receive in-car suggestions for specific workshops. Parties with direct and real-time data access have an advantage in serving customers of connected vehicles. Additionally, there is strong optimization potential for aftermarket players with data access by automizing parts-ordering processes, reducing in-person diagnoses of vehicles, and ensuring more-efficient parts delivery.

For fleets, a key challenge in terms of connectivity lies in the integration of different solutions. This becomes more complex with the varying maturity of technology across vehicle generations, different propulsion types for technically advanced EVs, and vehicles from various OEMs using different connectivity tools. A homogenous fleet could solve these challenges; however, fleets have to serve the needs of a variety of customers and fleet managers prefer to have a mixed assortment of vehicles in order to stay independent from specific OEMs.

Having a vast number of IT systems—even within the same workshop chain—remains a key challenge. With a standardized IT backbone, workshops could provide tools such as automatic invoicing, appointment scheduling, a chat tool, and an integration of the workshop with connected vehicles within the fleet. For example, by fully integrat-

ing their IT landscape with fleets’ vehicles, workshops could predict R&M and offer an automatic scheduling tool. On the one hand, this could enhance workshops’ occupancy rates and help avoid clustering of R&M activity. On the other hand, fleets could benefit from higher predictability and spread downtimes of their vehicles over time.

MOBILITY TRANSFORMATION

Traditionally, company cars were offered either as a job requirement (e.g., for salespeople) or as a corporate benefit. Currently, 10%–20% of consumers would consider giving up their car, and 40%–50% of consumers want to use mobility services more frequently. As a result, companies’ mobility offerings are expanding to include car-, scooter-, and bike-sharing opportunities, car rentals, and even public transportation as part of a broader range of services to meet employee requirements for higher flexibility and convenience. This transformation in transportation options also impacts aftermarket players. Workshops, for example, can provide contracts to players that require higher volumes of repairs, such as subscription or rental vehicles, whose users, on average, take less care of the vehicles.

As BEVs gain relevance, and to reap the benefits of the positive environmental impact of this propulsion type, it is necessary to consider the options that exist for batteries after their first life in a vehicle. By 2030, it is expected that ~75% of EV batteries will be recycled, ~15%–20% will have a second life in the form of BEV spares/remanufactured, stationary storage, etc., and ~5% will simply be disposed of. In order to ensure regulatory compliance of a minimum number of recycled materials, the EU will require a battery passport for all EV batteries by 2026. As batteries account for 40% of the value creation for BEVs, and as such are a core TCO driver, this will be particularly relevant for fleets.⁴

As mentioned previously, charging stations currently remain a constraining factor for BEV adoption. Two out of three EV owners have access to charging stations at their home as well as their workplace and tend to use private charging more frequently. However, public charging stations will provide the majority of the energy consumed by BEVs. With more than 60% of the European charging stations currently concentrated within four European countries, and given the requirements of the EU “Fit for 55” package, there is a strong investment need to build up this infrastructure.⁵

Prior to the study, we anticipated certain trends that were ultimately proven to be true based on our analysis.

Myths Regarding Fleet Trends

In terms of market and value chain, we anticipated the fleet share to be well above 50% for PC and LCVs and 90% for MHDT and trailer fleets. However, we found that the fleet share lies at ~15% for PCs, ~41% for LCVs, ~69% for MHDTs, and ~79% for trailers. We were also able to confirm that fleets typically use authorized channels in the first few years when warranties still apply; however, they are also open to using the independent aftermarket (IAM). The study reveals that, within the sustainability trend bucket, fleets are cost driven and preoccupied with the transition to EV, yet they do not emphasize sustainability

along the value chain or the use of remanufactured parts. The study also reveals that fleets do not use connectivity and data analytics to develop business models and improve the customer experience, but rather for TCO optimization. Within mobility transformation, the analysis proves that sharing models have a low margin potential and, hence, are likely to complement a fleet’s product portfolio.

Exhibit 2 | Myths in the fleet aftermarket until 2030

 Industry Myths	 Market Facts
<div style="display: flex; align-items: center; margin-bottom: 10px;">  <div> <p>Fleet share for PCs and LCVs will be well above 50% and for MHDTs and trailers above 90% in 2030</p> <p>Fleets strongly focus on using the authorized channel</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p>Fleet share ~15% for PCs and ~41% for LCVs and ~69% for MHDTs and 79% for trailers in 2030</p> <p>Fleets are open to collaborate with the IAM, driven by digitalization and spend</p> </div> </div>
<div style="display: flex; align-items: center; margin-bottom: 10px;">  <div> <p>Fleets demand sustainability of parts and in process steps along the value chain</p> <p>Growing sustainability requirements will drive strong growth of remanufactured parts</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p>Fleets are cost-driven and are preoccupied with the transition to EV; sustainability if helping TCO</p> <p>Remanufactured parts are mainly demanded to reduce spend on repair costs</p> </div> </div>
<div style="display: flex; align-items: center; margin-bottom: 10px;">  <div> <p>Fleets want fleet management solutions provided by wholesalers and Tier-1's</p> <p>Fleets want standardized solutions to reduce complexity</p> <p>Data transparency and connectivity is used to develop new business models and raise customer satisfaction</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p>Fleets use their own fleet management tools</p> <p>Although fleets want standardization, independence from OEMs and the shift to EV are prioritized</p> <p>Main motivation to use connectivity solutions is TCO optimization</p> </div> </div>
<div style="display: flex; align-items: center; margin-bottom: 10px;">  <div> <p>Sharing models are the future of fleet providers</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p>Sharing models have a low margin potential</p> </div> </div>

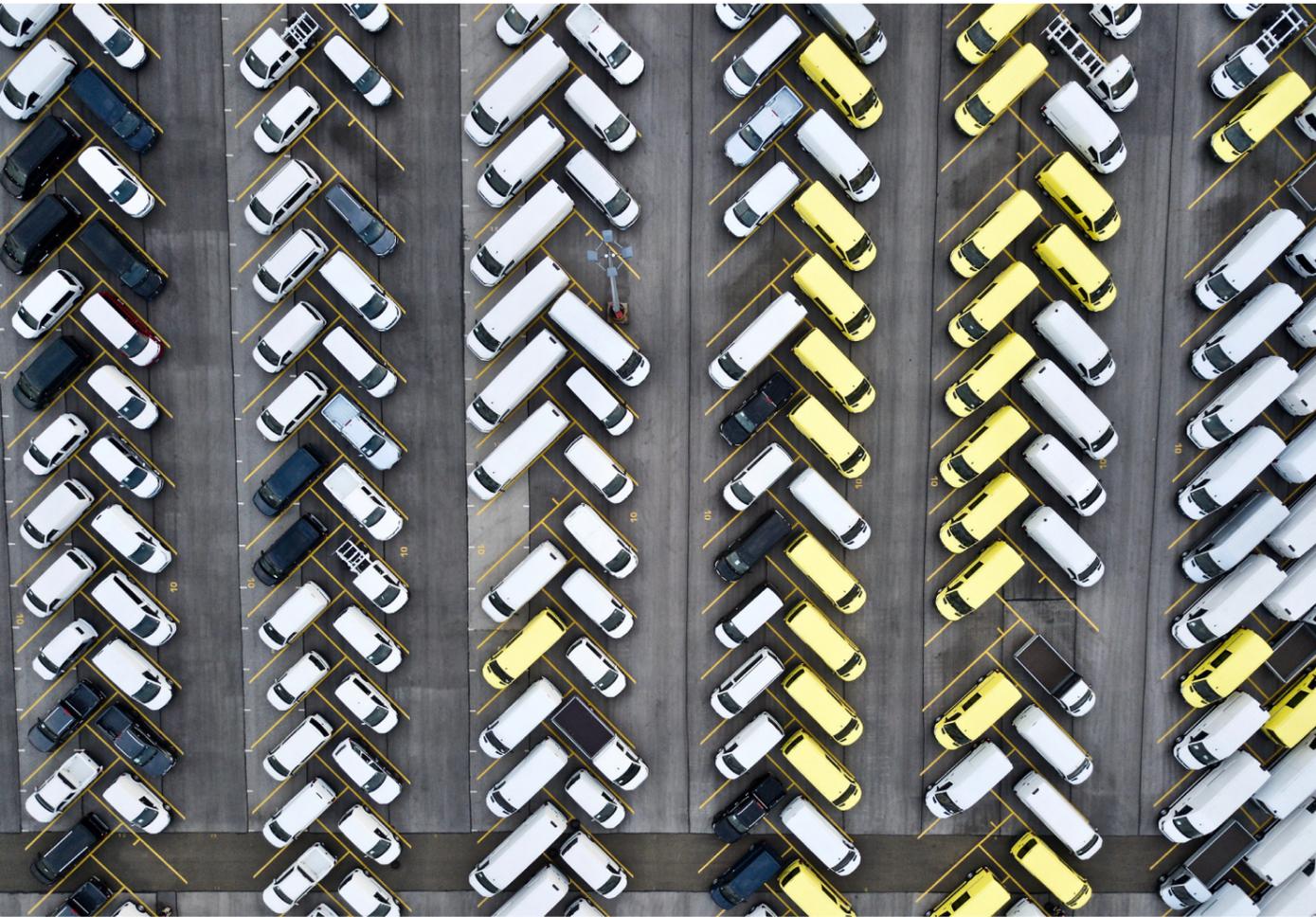
Sources: Market Participant Interviews; Market reports; BCG Case Experience; BCG analysis

² Clean Cities. (2022). *The development trends of low and zero-emission zones in Europe*.

³ Arval Mobility Observatory. (2022). *Mobility and Fleet Barometer 2022: Global Report*.

⁴ Bundesministerium für Wirtschaft und Klimaschutz. (25. April 2022). *Darum geht's beim Batteriepass für Elektroautos*. <https://www.bmwk.de/Redaktion/DE/Artikel/Industrie/Batteriezellfertigung/batteriepass.html>

⁵ European Commission. (2021). *European Alternative Fuels Observatory*.



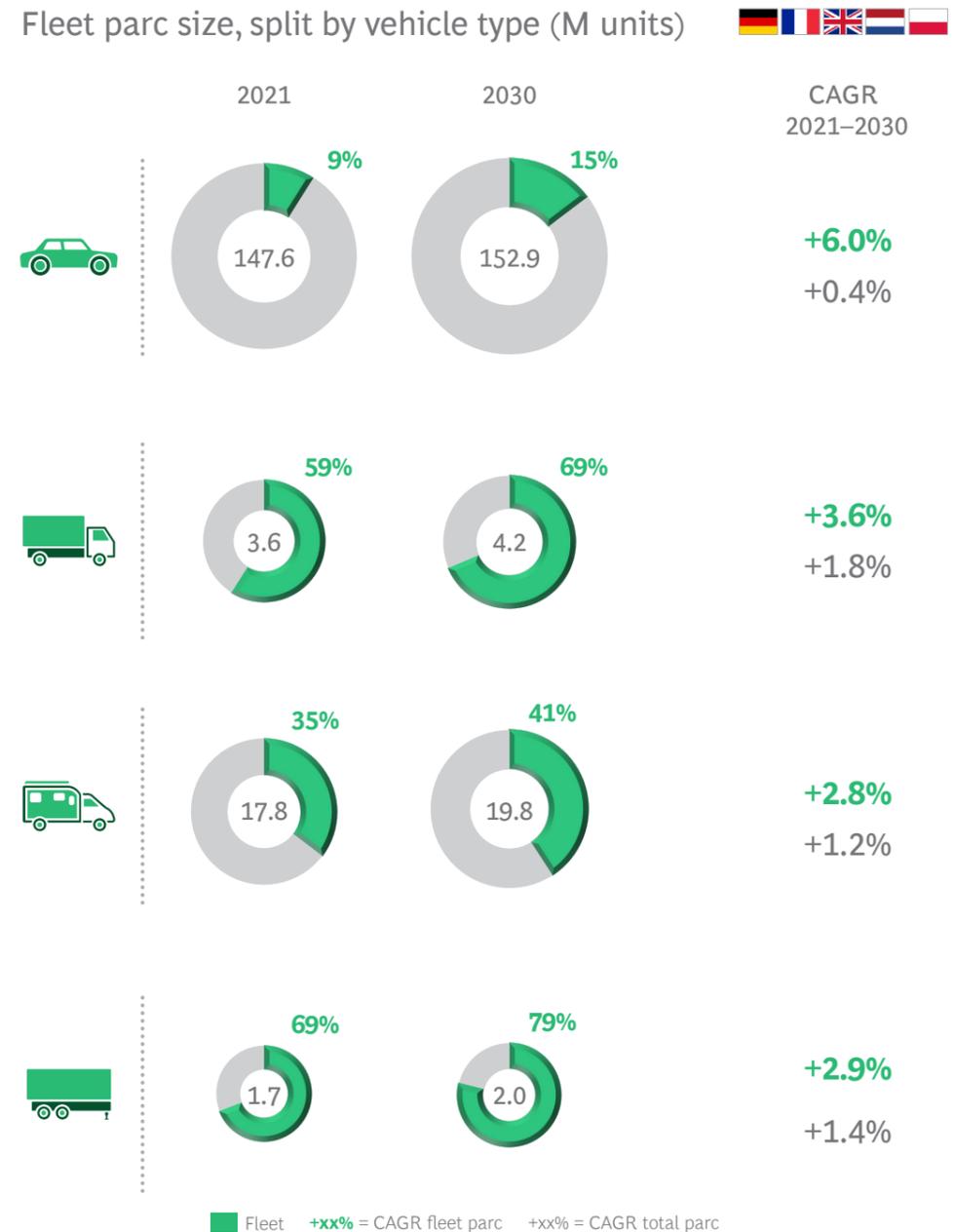
The Fleet Business is Growing in the European Aftermarket

Within the five European countries studied, the total vehicle parc is slowly growing across all four vehicle types (see Exhibit 3). The fleet share within these vehicle parcs is gaining momentum, outgrowing the total market. In the PC segment, the fleet parc is forecast to increase by 9.2 million vehicles by 2030. As such, the PC fleet parc will reach 22.4 million vehicles by 2030, constituting a fleet share of 15%. Core drivers of this growth are fewer personal miles driven in combination with increased demand for sharing models. Alternative mobility solutions are particularly favorable due to the high-interest-rate and high-inflation environment. Similarly, the LCV parc size is expected to increase by 1.8 million vehicles, resulting in a fleet parc of 8.1 million LCVs in the five selected European countries. Core drivers of LCV fleet growth include increased last-mile delivery, as e-commerce and delivery options continue to grow. At the same time,

the fleet share for MHDTs is forecast to reach 69% in 2030, while the total MHDT parc is considerably smaller than for PCs. This assumes that the number of MHDTs will rise by 0.8 million, totaling 2.9 million fleet MHDTs by 2030. The fleet share for trailers is even higher than for MHDTs, with an expected share of 79% in 2030. To reach this share, the fleet trailer parc is anticipated to grow to 1.5 million trailers by 2030. The accelerating MHDT and trailer fleet parc shares are a result of increasing e-commerce and cost pressures in the transport market.

Both in the total parc as well as the fleet parc, BEV adoption and the age of vehicles will be critical factors. Within the PC fleet parc, 62% of vehicles will be BEV in 2030, compared with 16% in the total PC parc. The Nordics and Western Europe lead in BEV adoption. In terms of age, PC fleets are significantly younger than the total parc, with an

Exhibit 3 | European fleet parc size across vehicle types until 2030



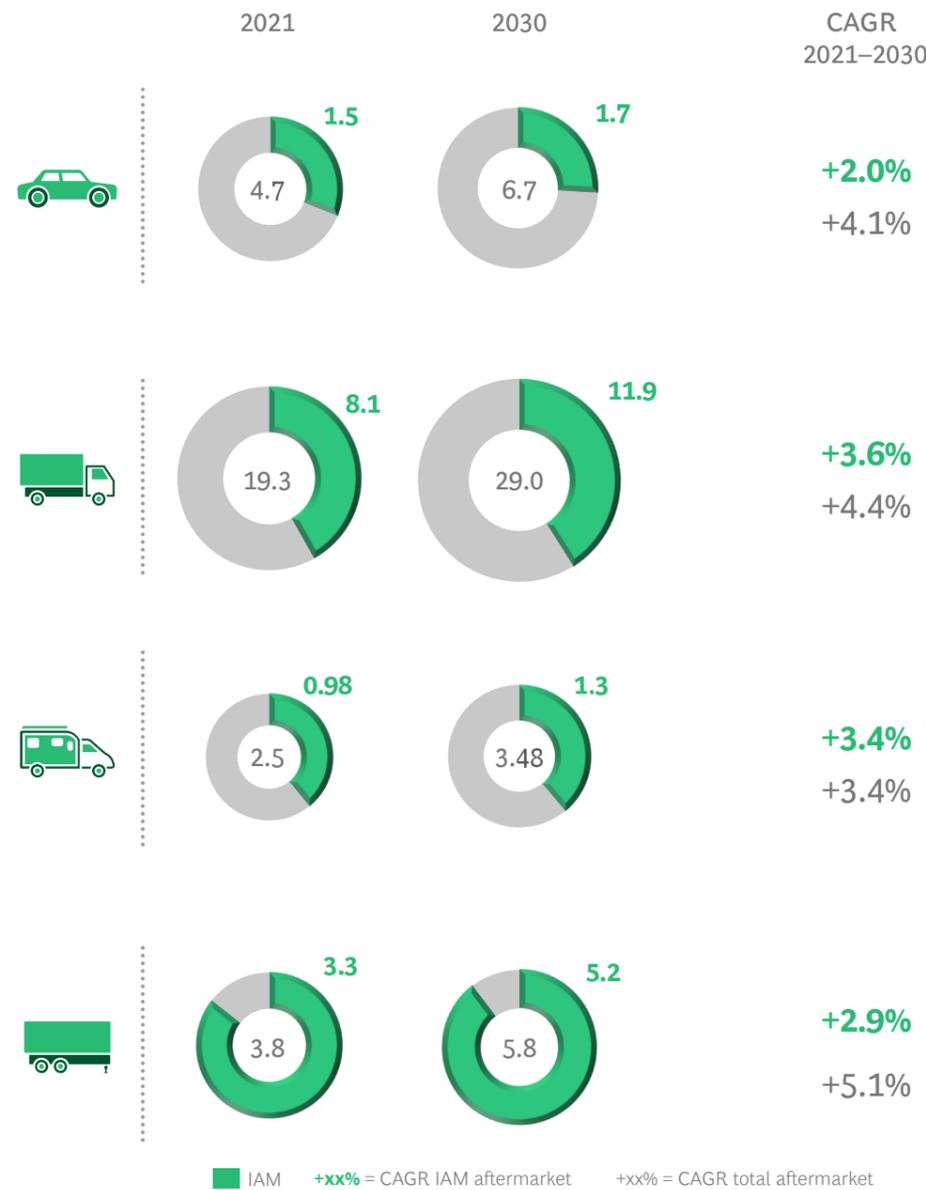
Source: IHS data; CLEAR data; KBA data; UK vehicle registration data; Market Participant Interviews; Market reports; BCG analysis

anticipated average of 2.9 years versus 11.1 years in 2030, respectively. In the LCV segment, a similar but less-strong trend can be observed. As 22% of LCV fleet vehicles are expected to be BEVs, this will resemble a challenge for an aftermarket that still needs to become BEV ready. A slightly aging LCV fleet parc will have favorable effects on the aftermarket. By 2030, the LCV fleet is forecast to have an average age of 4.9 years; however, on average, this is still significantly younger than the total LCV parc age of 10.1 years. In the MHDT fleet, BEV adoption will only start to pick up by the end of the decade, reaching 11% BEV and

4% FCEV in 2030. Due to the high fleet share, these characteristics do not strongly divert from the total MHDT parc, where BEV adoption is expected to be 9% and the FCEV share 3% in 2030. Both the total MHDT fleet and the MHDT parc are aging, reaching an average age of 7.8 years and 10.1 years by 2030, respectively. Similar to MHDTs, a high trailer fleet share results in a similar age for fleets compared with the parc, amounting to 10.7 years versus 11.1 years. Overall, both the high BEV adoption in fleets as well as their lower vehicle age will be a challenge for the aftermarket, especially the IAM.

Exhibit 4 | European fleet aftermarket size across vehicle types until 2030

Fleet IAM aftermarket size, split by vehicle type (€B)



Note: Numbers refer to retail level (parts only, excl. labor)

Source: IHS data; CLEAR data; KBA data; UK vehicle registration data; Market Participant Interviews; Market reports; BCG analysis

Cumulatively, the growing fleet parc, which has substantially different characteristics from the total aftermarket, is expected to reach an aftermarket value of ~€45 billion in 2030, whereas the IAM generates ~€20 billion (see Exhibit 4). This corresponds to a CAGR of 4.5% in the fleet aftermarket until 2030, compared with 1.7% in the total aftermarket. Specifically, the PC fleet aftermarket value is projected to be €6.7 billion in 2030, with €3.3 billion in R&M spend. The IAM is expected to capture 26% of this market in 2030, a value of €1.8 billion. Despite a slightly higher average spend for LCVs, the smaller fleet size will

result in a somewhat lower fleet aftermarket size of €3.4 billion in 2030, including €2.0 billion in R&M. The IAM is forecasted to cover a share of 29%, slightly higher than in the PC segment. Due to more costly repairs and more frequent inspections, the average spend for MHDs is ~35x higher than for PCs. This leads to a fleet aftermarket value of €29 billion, including €17 billion in R&M. The IAM will account for 41% of the fleet aftermarket in 2030, leading to a market value of €11.9 billion. The aftermarket size for trailer fleets is expected at €5.8 billion, with €2.5 billion in R&M. For this vehicle type, the IAM captures a share of

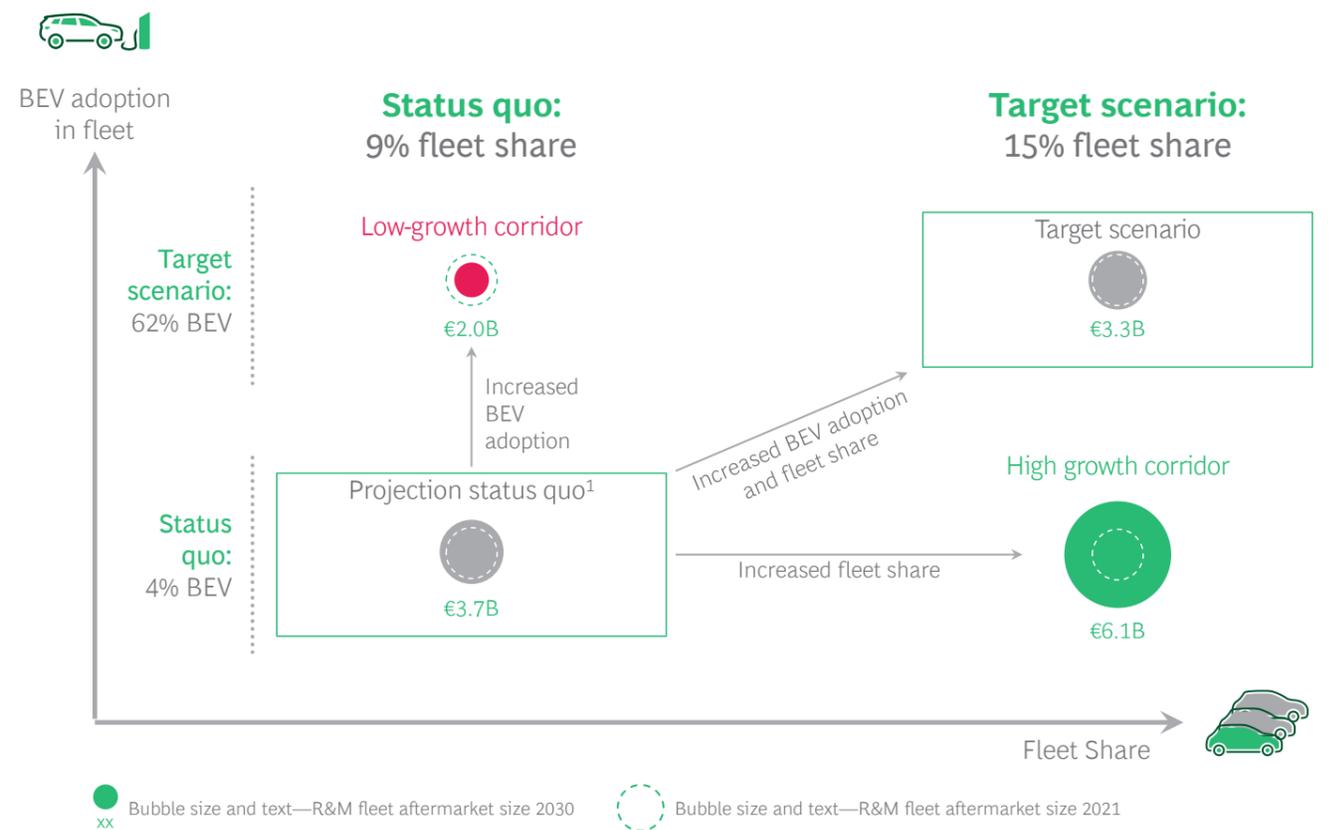
90% due to its long use times. This results in a trailer IAM market size of €5.2 billion.

These results confirm that the fleet business provides a strong opportunity for the aftermarket. However, a scenario analysis (see Exhibit 5) for the PC fleet aftermarket shows the sensibility of the forecast market size. In 2021, the PC fleet aftermarket had an R&M market size of €3.1 billion. Assuming the fleet share and BEV adoption for PCs remain at their 2021 levels (9% fleet share and 4% BEV), the PC fleet R&M aftermarket is expected to grow to €3.7 billion by 2030. The reason for this growth is price levels increasing with inflation, additional price growth, and the continued growth of the total parc—even if slow. In the market model, we assume that the fleet market will reach a share of 15% and BEV-powered vehicles will constitute a 62% share by 2030. By looking at these assumptions separately, the individual effects can be seen more clearly. For instance, in a scenario in which the fleet share grows to 15%

in 2030 while BEV adoption remains at the 2021 level, the R&M aftermarket growth will accelerate, with an anticipated market size of €6.1 billion. In another scenario wherein the fleet share remains at 9%, as in 2021, and BEV adoption rises to 62% in 2030, the R&M fleet size decreases from €3.1 billion in 2021 to €2.0 billion in 2030. This shrinking market is mainly caused by the high adoption of BEVs, which have a lower R&M spend. By combining these two scenarios, the target scenario with a BEV share of 62% and a fleet share of 15% can be forecasted. The converse effects of an increasing volume of fleet vehicles in combination with a larger number of BEVs results in an R&M fleet aftermarket size of €3.3 billion. This indicates that the market will experience slow growth from today's level of €3.1 billion to the target scenario in 2030. However, the expected market size could be even higher, as shown by the forward-projected market from 2021, when fleet share and BEV adoption remained constant (€3.7 billion).

Exhibit 5 | Scenario analysis for European PC fleet parc in 2030

Fleet R&M Aftermarket size by fleet share and EV adoption (PC) (2030, €B)



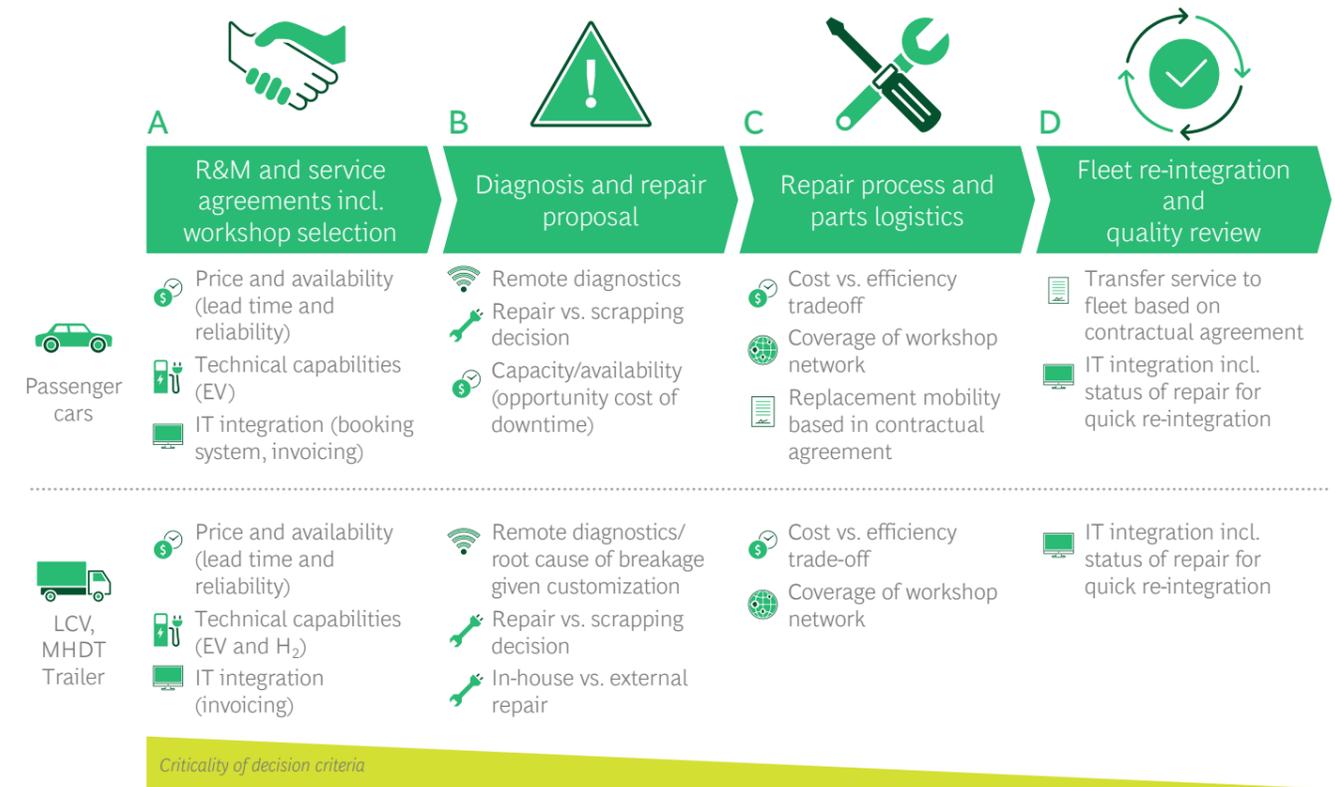
1. In NL, BEV share in 2030 is 1.1x as high as in base case 2. Higher total market vs. today due to inflation, additional price developments, etc.

Note: R&M - Repair and Maintenance; Numbers refer to retail level (parts only, excl. labor)

Source: IHS data; Market Participant Interviews; Market reports; BCG analysis



Exhibit 6 | Four control points in the European fleet aftermarket



Note: R&M – Repair & Maintenance
Source: Expert interviews; BCG analysis

Four Critical Decisions Along Control Points

When looking at the process of a fleet receiving services from the aftermarket, four essential control points can be identified (see Exhibit 6). With an increasing fleet share—and hence, a growing customer segment—aftermarket players will need to use key strategic levers to position themselves within the market. A rising BEV share and a significantly younger fleet parc will challenge aftermarket players’ ability to succeed in the market.

The first, control point A, resembles service agreements between aftermarket players and fleets, which also include workshop selection. Control point A has the highest criticality, as it provides the opportunity for aftermarket players to set up contracts that will secure business in the subse-

quent steps of the value chain. In both the PC and CV segments, three decision factors prevail: price and availability of workshops, technical capabilities (especially for alternative powertrains), and IT integration. Our analysis shows that OEMs are in a particularly strong position in this first decision point, given the opportunity to combine sales with service contracts and the ability to leverage their data advantages. Similarly, insurances typically have directly negotiated contracts securing collaboration with fleets. In the MHDT segment, Tier-1 tire suppliers have a particularly high influence due to their specialized product portfolio and ability to offer packages specifically compiled for fleets. Workshop chains are in a good position due to their service offerings, including a dense network and the ability to perform fast repairs. Wholesalers can benefit from both

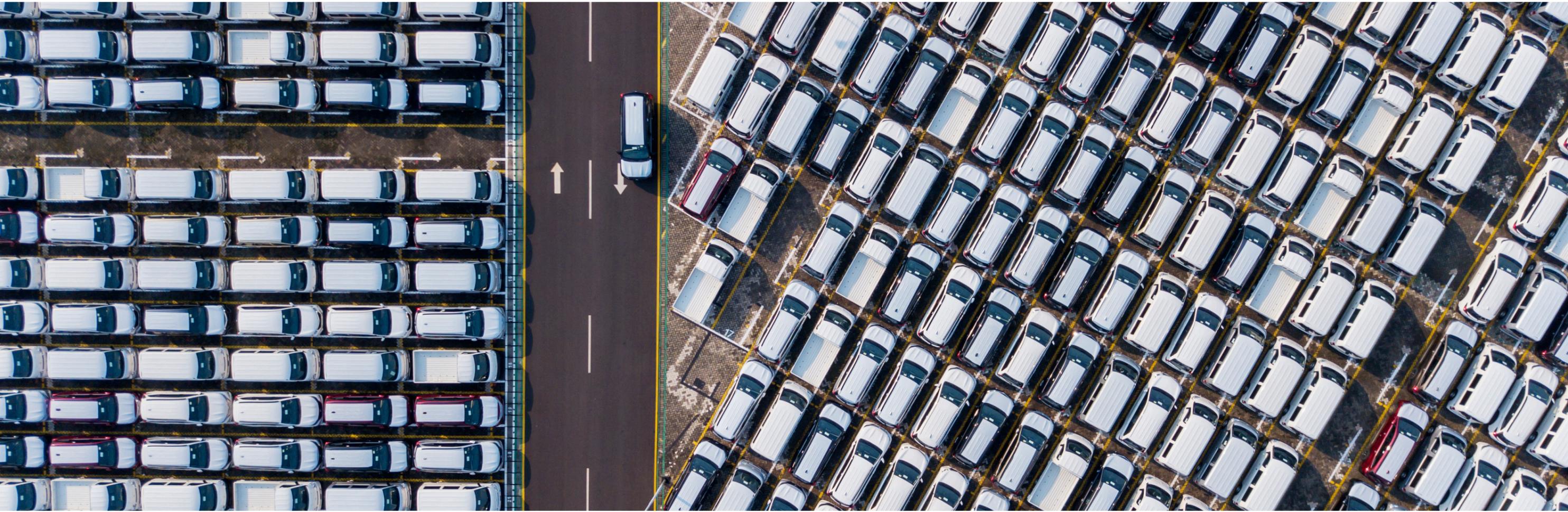
their service offerings for affiliated workshop chains and key accounts as well as their ability to optimize parts costs via bundled offerings across brands. Part suppliers, however, partly lag behind in setting up contractual agreements despite their specialized product portfolios and strong TCO offerings.

The second, control point B, refers to the diagnosis and repair estimate. Crucial decision factors for PC and CV fleets include the ability to diagnose remotely and make repair-versus-scrapping decisions. Additionally, MHDT fleets need to determine whether to perform R&M in-house or use external parties. Within this control point, OEMs can leverage their data access and pre-established service contracts from control point A to steer customers to the authorized workshop channel. For other aftermarket players, the ability to influence fleets will depend on access to data.

Control point C includes the repair process and parts logistics. Decision factors for all fleet types include a cost

versus efficiency tradeoff and the coverage of workshop networks. PC fleets may additionally seek replacement mobility offers, depending on the use cases. Within this control point, both the authorized reseller (AR) and the IAM can leverage the coverage of their workshop network. The authorized channel has an additional advantage, as fleet customers are prone to do R&M at an AR in the first years due to warranty coverage. Wholesalers can use their technical expertise and speedy logistics solutions to strengthen their position.

Finally, control point D refers to fleet re-integration and quality review. Both PC and CV fleets value IT integration, including the status of repair for quick re-integration. Additionally, PC fleets may have transfer services back to the fleet based on contracts. For most aftermarket players, the influence on this control point is limited, as they are typically not part of the finalization process. OEMs and workshop networks have a medium level of influence, but can foster end-to-end IT integration.



Strategic Implications for Aftermarket Players

Based on the four trend categories defined, the market and value chain are evolving, sustainability is gaining momentum, data exchange will define competitive dynamics, and mobility transformation will transform the aftermarket. While these trends are relevant for the entire market, fleets will be affected sooner. Aftermarket players that want to address this growing customer segment can improve their position along the four control points by anticipating the transition in the market. Additionally, partnerships and alliances between different stakeholders can strengthen an aftermarket player's ability to use key levers in each control point, which also supports both building an integrated value chain and steering customers.

OEMs are already in a strong position, especially across the first three control points (see Exhibit 6). To secure this position, OEMs should strengthen their fleet customer relationships, specifically beyond initial sales, to secure a greater share of the aftermarket via an AR. Core elements to strengthen their position in the fleet aftermarket include offering fleet-specific products and services. By preparing for a shift in the EV and hydrogen fuel cell (H₂) components market, OEMs can secure a larger share of the fleets that lead the EV adoption.

Part suppliers have the opportunity to strengthen their position, particularly in control points A and B, including to

support workshops to become fleet ready. By doing so, workshop chains could proactively push into contractual agreements between fleets and independent workshops. Further, direct collaboration with fleets, especially in the MHDT segment, would enable parts suppliers to directly capture a part of the fleet aftermarket. And by anticipating the shift to EV and H₂, Tier 1s can support fleets with the transition to alternative propulsion types.

Tire Tier 1s already have a very strong position in the MHDT fleet segment due to their specialized product portfolio and packaged offerings for fleets. To maintain this position and potentially increase their presence in control point B, tire Tier 1s can push for direct collaboration with fleets. Additionally, they can expand their fleet-specific packages with a focus on costs and elaborate their offering of tires for EV and H₂ MHDTs.

Wholesalers have a particularly strong position in control point C, given their logistics solutions. Although they are already in a good position in the first control point thanks to their bundled offerings with optimized parts costs, wholesalers can proactively strengthen their position via strategic partnerships and direct collaboration agreements with fleets in order to steer end customers.

The IAM has an advantage over the AR given its dense workshop network and lower price levels. In order to further leverage this strength and steer end customers, IAM players could consider employing a joint approach toward fleets (e.g., with service bundles, etc.). Fleets could benefit from a collaboration of workshops with wholesalers to build a more integrated value chain. Workshops should also actively seek direct collaboration agreements with fleets in order to steer customers.

Exhibit 7 | Our vision of the fleet aftermarket in 2030



Our Conclusion:

Aftermarket Players must Prepare for the Growing Fleet Business

The fleet automotive aftermarket will be driven by strong growth until the end of the decade. This growth will be fueled by trends along the market and value chain, sustainability, data, and mobility transformation. The target scenario is a fleet aftermarket size in 2030 of €6.7 billion for PCs, €3.4 billion for LCVs, €29.0 billion for MHDs, and €5.8 billion for trailers. Overall, this means aftermarket players that want to address the growing fleet customer

segment need to anticipate the shift taking place in the market. Specifically, there are four main actions aftermarket players should take:

1 Offer an EV-specific product portfolio. As fleets have an especially high EV share, aftermarket players need to be EV ready and offer EV-specific parts and services.

2 Introduce a cost-focused product portfolio/solutions. As fleets have slim margins, aftermarket players need to offer products and services or fleet-specific product bundles that focus on cost.

3 Develop digital solutions and prepare for connectivity. Fleets seek to integrate their IT systems with that of workshops and track connected vehicles to reduce costs and increase efficiency.

4 Team up with aftermarket players. Aftermarket players need to collaborate in order to provide a more integrated value chain, strengthen their position in terms of the previous three actions, and enhance services for fleets.

By considering these four strategic recommendations, aftermarket players can prepare for a growing fleet customer segment while developing a fleet-specific product portfolio. As such, aftermarket players will have the opportunity to strengthen their position within the control points and secure a growing customer segment in a slow-growth market.

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06/23

