



# 10 things you should know about newly empowered automotive consumers

Power and influence in the automotive industry have dramatically shifted from the companies that make and sell vehicles to the consumers who buy them. As a result, automotive suppliers are being forced to change their business strategies.

## What's giving automotive consumers more power?

- 1** Consumers have access to more information. According to Strategy&, "**Consumers are awash in easily accessible information** about automobile specifications, prices, discounts, quality, and performance, giving buyers greater bargaining power."
- 2** Today's consumers are less concerned about performance and more interested in safety. **Three of the top five technologies consumers most prefer in their next vehicle are related to collision protection.**
- 3** More consumers are considering alternatives to owning or leasing vehicles. For instance, **membership in ridesharing programs in the US has increased by more than 400% from 2009 to 2014.**
- 4** While consumers are the driving force behind regulatory pressures to reduce emissions, only **a minority of consumers are actually willing to pay for more environmentally friendly choices such as electric vehicles**, according to Strategy&.
- 5** Communications and connectivity rank among the top considerations for new vehicles. **McKinsey & Company found that 13% of new buyers wouldn't even consider a new vehicle if it didn't have internet access.**

## As an automotive supplier, how do you respond?

- 6** Invest in research. Since the recovery from the 2008 recession started, **the growth in patent filings by tier one automotive suppliers (37%) has outpaced that of OEMs (28%).**
- 7** Invest in new, innovative safety and security features. There is great interest in technologies that enhance the safety of the vehicle and its occupants, according to the **J.D. Power 2015 U.S. Tech Choice Study.**
- 8** Reduce your IT expenses. "**Organizations fully utilizing cloud computing save on average more than 15% in IT spending**, whether measured as a percentage of revenue or on a per-user basis," according to a report in *eWeek*.
- 9** Find partners with expertise and a proven track record in communications and connectivity. **Electronics systems contribute to more than 90% of the innovations and new features in the automotive industry**, according to Strategy&.
- 10** Make your manufacturing more flexible. Look for innovative manufacturing processes to meet the demand for individualized products while maintaining profitability.

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