

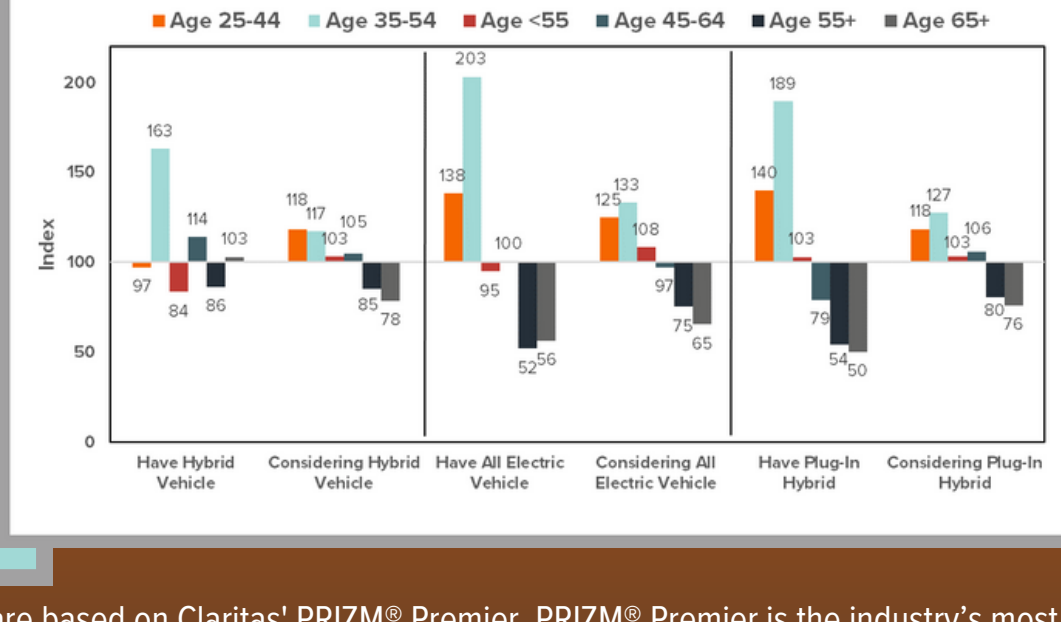
# 4 Top Auto Industry Trends ... and Insights That Will Help Drive Success

US new car sales are expected to finish at nearly **15 million units** in 2023 with new vehicle inventory levels roughly **75% higher** than they were a year ago. Will industry trends be an accelerant or a speed bump?

Source: Cox Automotive

## 1 Electric Vehicles

**PRO TIP:** While the younger audience segments rank highest for owning EV-type vehicles, the under 55 group shows the biggest gap between "considering" and "already owning" for both hybrids and all electric - making them a key target.



The graphs in this infographic are based on Claritas' PRIZM® Premier. PRIZM® Premier is the industry's most widely adopted segmentation solution, providing rich insights into every household in the U.S. – including lifestyle and media preferences, demographics, shopping behaviors and technology usage.



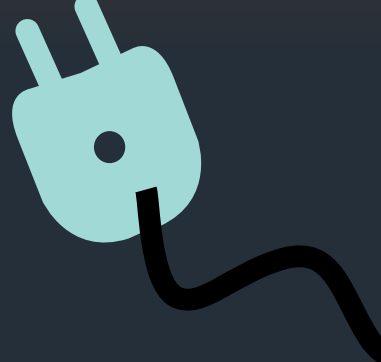
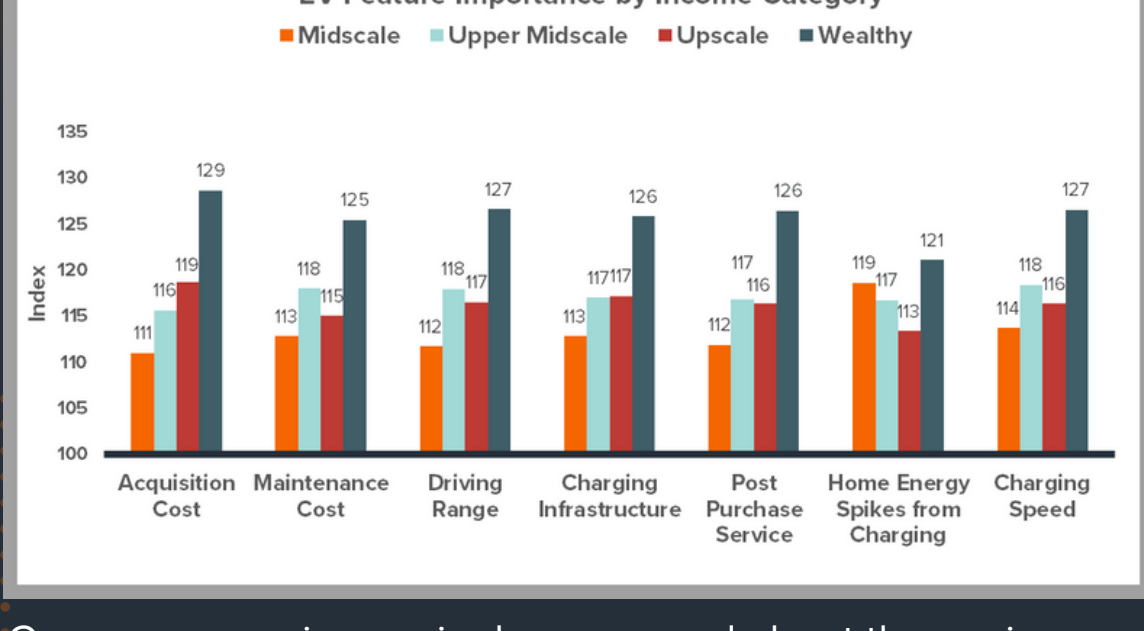
EV penetration in the US is expected to increase from 5% to 40% by 2030

Source: S&P Global Mobility



EV-only manufacturing plants in the US expected to rise from 9 to 41 by 2029

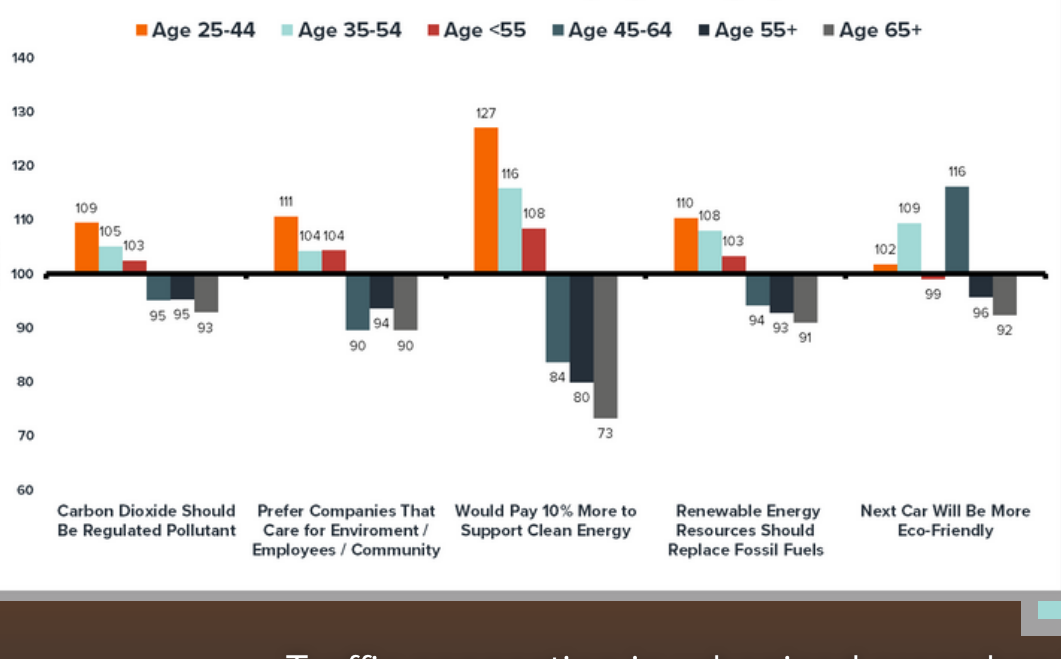
Source: PwC



Consumers are increasingly concerned about the environment, leading to EVs trending above other new-car sales market. As regulations increase and global warming fears grow, automakers will also need to adopt more sustainable manufacturing processes and the use of eco-friendly automotive materials.

## 2 The Environment/ Sustainability

**PRO TIP:** Younger categories again lead the way in these environmental areas, except "My next car will be more eco-friendly". This may be due in part to already owning an eco-friendly vehicle, and/or inclusion of segments which look more closely at overall environmental practices of auto manufacturers.



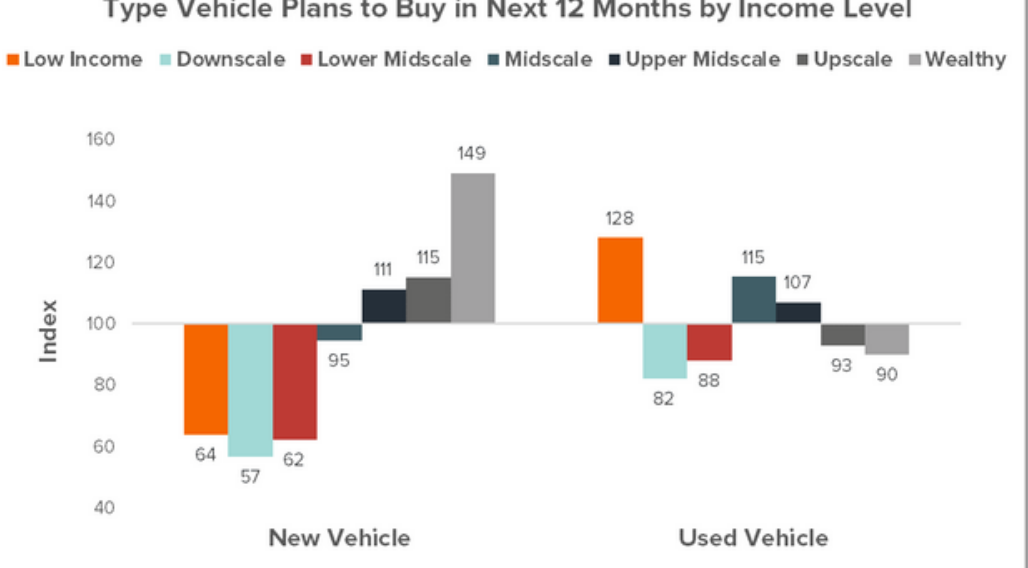
Traffic congestion in urbanized areas has increased 144%, despite > \$500 billion dollars spent to widen/build new U.S. highways – a strategy that apparently entices more people to drive, with demand quickly outpacing the highway capacity.

Source: Transportation for America

## 3 Alternative Ownership

Rising highway congestion, the hybrid work culture, changing needs/preferences, and the rising cost of vehicle ownership are shifting the market:

- The battle between new and used car ownership - who will win?
- Mobility as a Service (MaaS) - it's a thing!
- Alternative forms of transportation - eBikes, scooters, what's next?



Used-car prices are not the bargain they once were - though coming down, they are still about 50% higher than before the pandemic.

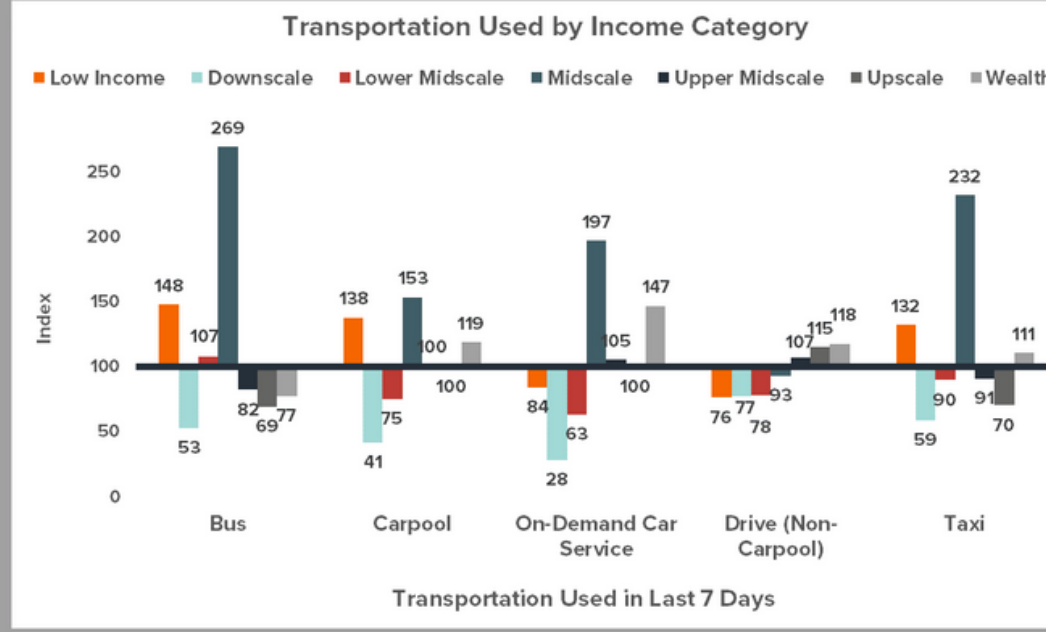
Source: Consumer Price Index

**PRO TIP:** With used car prices higher, vehicles that offer some newer technologies at a lower price tag will attract those in the mid-level income segments.

As a result of a shift to diverse mobility solutions, up to one out of ten new cars sold in 2030 may likely be a shared vehicle.

Source: Consumer McKinsey

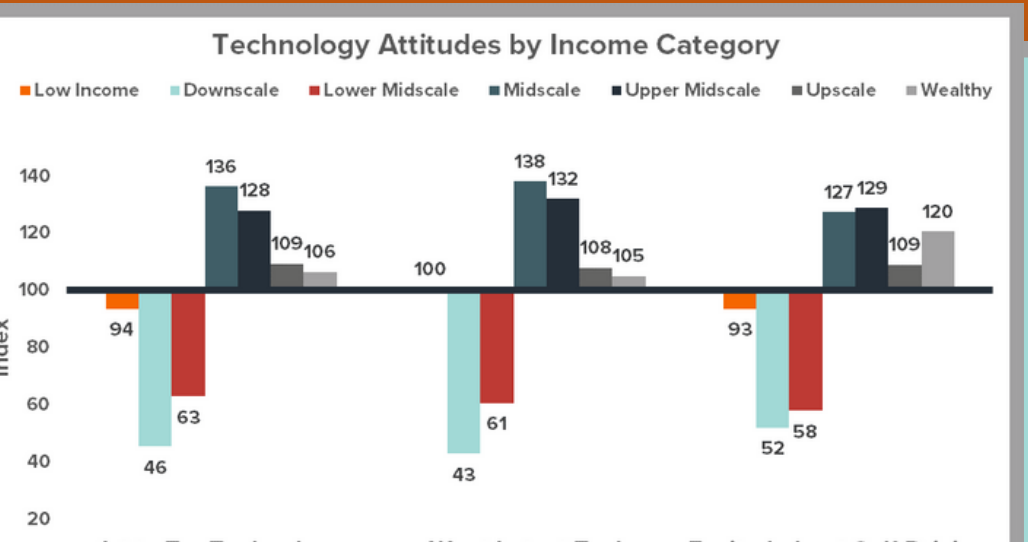
**PRO TIP:** As consumer preferences evolve towards these types of services, getting close to the customer is vital. Midscale income and more urban/suburban audience segments will drive this trend, so concentrate on learning their behaviors and marketing channel preferences.



MaaS is a transportation concept that integrates multiple modes of transportation services into a single platform. It includes technology platforms that enable smooth integration of services such as payment systems, trip-planning apps and data analytics with solutions like ride-hailing, public transit, and car-sharing.

## 4 Advancing Technology

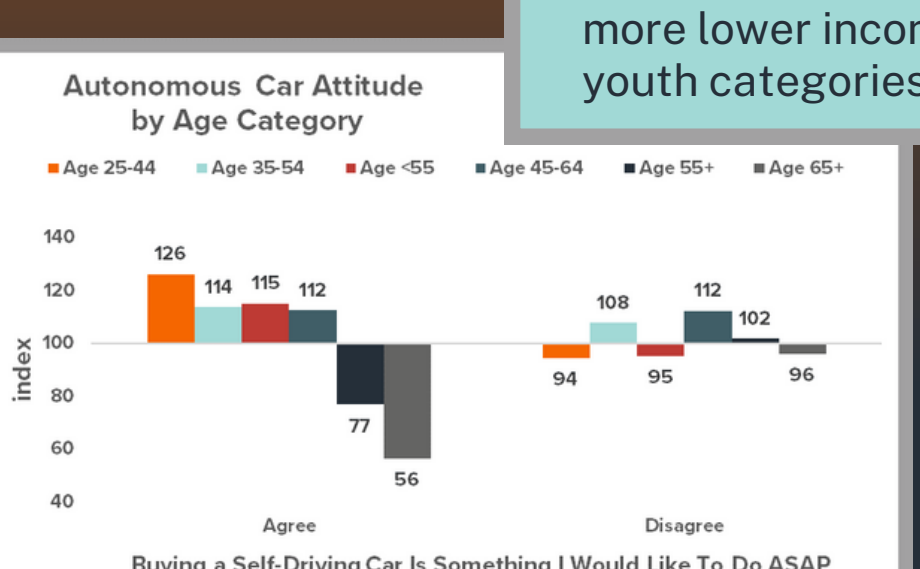
Virtual shopping, connected cars, predictive maintenance, 3D printing, self-driving cars ... what will the next 10 years bring to the automotive industry and how do auto manufacturers react in order to remain relevant and profitable? Knowing the trends and the audience segment preferences will be key.



**PRO TIP:** As is typical, younger, higher income audience segments will lead the way in new technologies. In order to maintain interest, and reach the ultimate new-car buying goals, the price of technologies such as self-driving cars must come down to reach more lower income youth categories.

Advanced driver assistance and autonomous-driving systems could generate \$300 - \$400 billion in the passenger car market by 2035.

Source: Consumer McKinsey



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