

A large, stylized orange chevron pointing to the right, serving as a background for the text.

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# Axel Schmidt @Car Symposium 2016

## Video Transcript

Axel Schmidt, Managing Director, EALA Auto Lead, Accenture

Question 1: How would you view the future of the connected vehicle market in China?

I would expect that in a pretty short time all cars are connected, and around this connectivity that will be a lot of new business models be implemented. The interesting question of course will be who will own the platform. Is it an OM-based platform? Is it a third-party independent platform for one of the

tech giants? Or is it a mix of everything? But nevertheless, connected car will open and enable many new business models around mobility, and also help to add value services to the car itself.

Question 2: How do you view the China auto after-sales market?

After the first wave of selling new cars, after-sales, as well as used cars, is becoming an important factor. And China is becoming a more mature market instead of a merchant market. So after-sales is definitely a pocket of additional revenues, profit margins, and an important part of the dealer services

itself. So, I would expect a hybrid after-market market as well as on-parts sell as well as used cars.

Question 3: How can we seize the younger generation of auto consumers?

The value system of younger Chinese consumers will change. Not owning a car will be the true dominant factor. It's more around using mobility. And here buying a car, using a free car, or using mobility services will definitely be an asset. In combination with the connected vehicle, there is also, let's say, the tendency enablement to be attractive for the younger

generation, and become part of the community. Of course, if you are a premium brand and a premium segment brand, images are still of high value for the younger generation. So I would not expect the dramatic change, but I would expect evolution will pass to more convenient mobility, instead of buying and owning a car.