

Capitalizing on Growth in Vehicle Maintenance and Repairs in Turkey

Presented at



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Agenda

Global Aftermarket Top 6 Predictions



Global Light Vehicles in Operation



Market Size Potential
Global & Turkey



Replacement rates



Turkey Passenger Cars—
Parc Profile



Distribution Channel
Analysis by Region



Competitive Evaluation
of the Service Industry



Mapping according to
brands in Turkey



Retailing
&
Where is Turkey in
association with the
megatrends



Global Aftermarket Top 6 Predictions

Rising vehicles in operation and increasing average car/light truck will continue to drive industry revenue higher in 2015

Total Automotive Aftermarket: Top Six Predictions, Global, 2020



Global Vehicles in Operation is expected to reach 1.34 Billion .



Total Manufacturer-level Parts Revenue to Reach \$470.98 Billion



OES to Account for Less than 30% of Manufacturer-level Parts Revenue



China to Have the World's Youngest Average Car Parc at 3.4 Years



Tire Pressure Sensors to Be the Fastest Growing Product Line



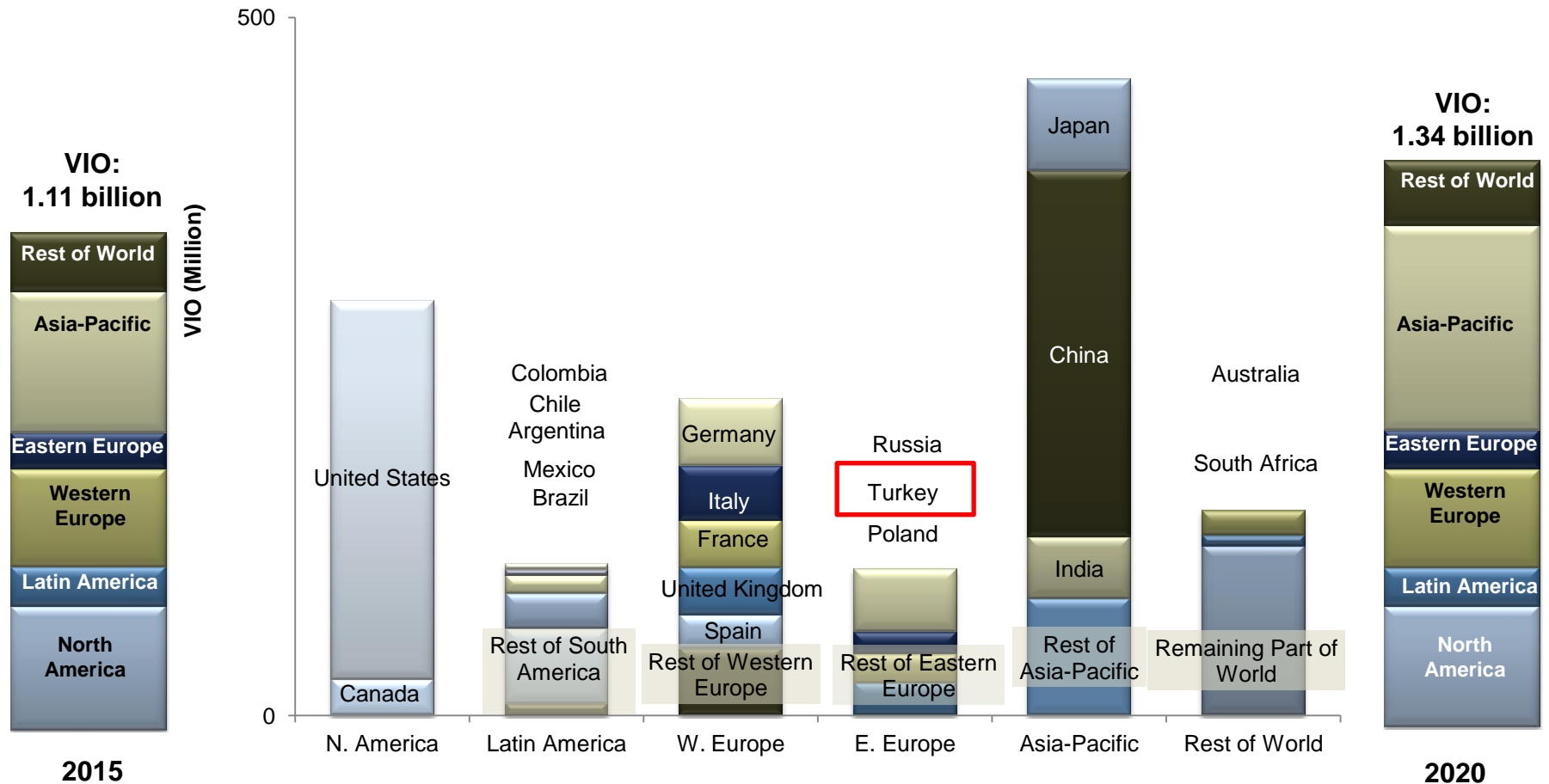
E-retailers to Account for 8% of all Parts Sales Worldwide

. Source: Frost & Sullivan

Global Light Vehicles in Operation

Total vehicle population will increase by more than 20% between 2015 and 2020, driving growing demand for automotive parts and service across the world.

Total Automotive Aftermarket: Light Vehicles in Operation, Global, 2015 and 2020



Note: All figures are rounded. The base year is 2014. Source: Frost & Sullivan

Market Size Potential - Global

The global aftermarket will increase in size by 5% in 2015 annually to approximately \$368.4 billion in manufacturer-level revenue, with routine maintenance parts (tires, filters, and brakes) driving much of it.

Replacement Part Category	2020 Revenue (\$ Billion)	CAGR (2014–2020)
Tires	128.24	9.6%
Batteries	15.58	1.3%
Brake parts	34.03	7.0%
Filters	18.60	11.6%
Collision body	25.92	1.3%
Starters and alternators	9.41	1.6%
Lighting	6.48	0.9%
Wheels	3.92	1.4%
Exhaust components	7.68	10.8%
Spark plugs	3.94	3.4%
Others*	217.19	2.9%
Total	470.98	4.9%

Note: All figures are rounded. The base year is 2014. Source: Frost & Sullivan

Market Size Potential - Turkey

In parallel with global aftermarket, the estimated top 5 revenue of parts are tires, oil, collision body, batteries, and brake parts.

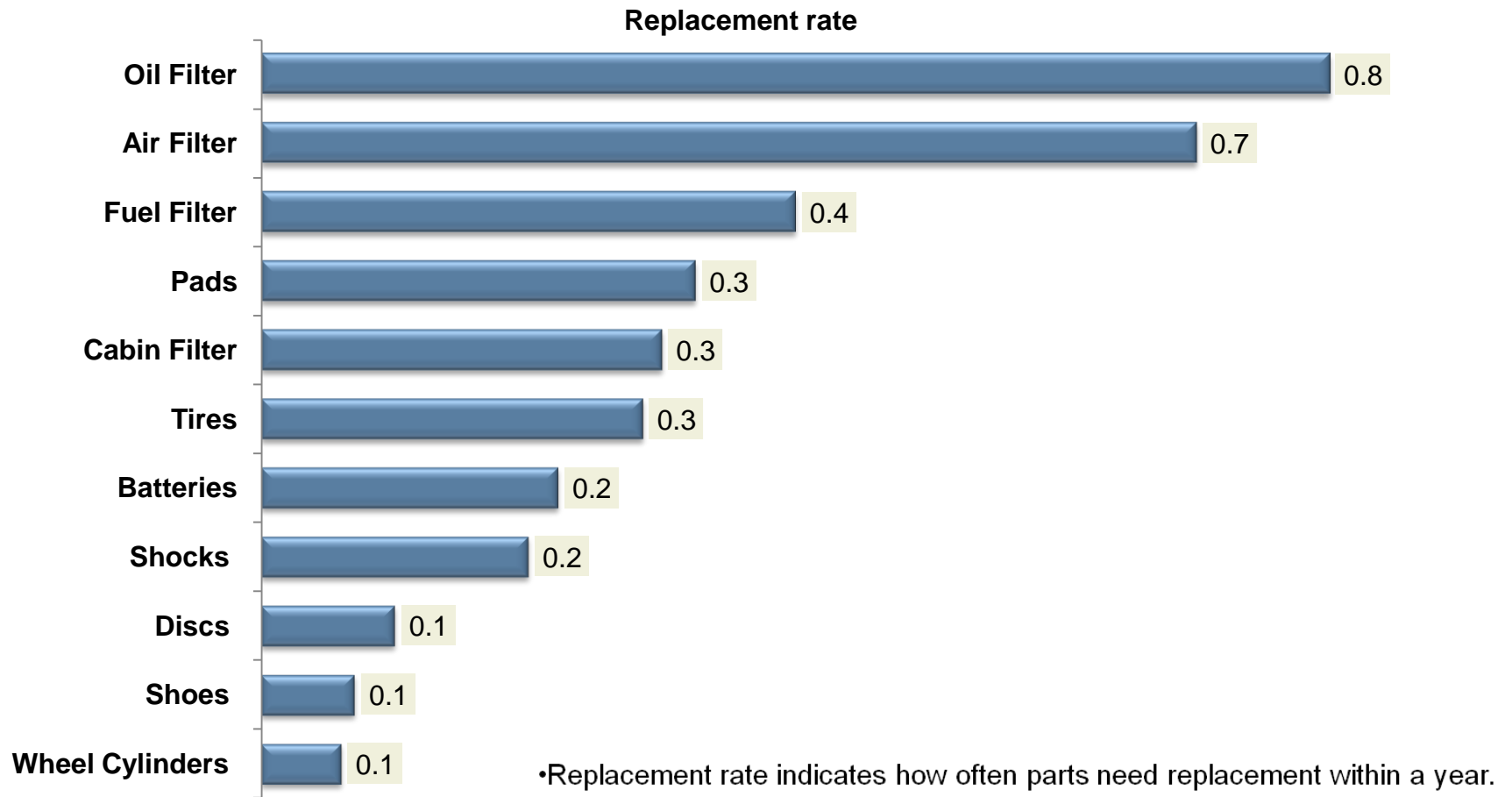
	2021 Revenue (\$ Million)	CAGR (2014–2021)
Tires	1,168.0	5.8%
Batteries	347.6	3.3%
Oil	617.8	5.6%
Brake Parts	368.2	7.4%
Filters	221.9	6.1%
Collision Body	409.5	2.8%
Starters and Alternators	71.6	2.5%
Lighting	49.3	1.2%
Wheels	49.4	2.2%
Exhaust Components	99.3	15.0%
Spark Plugs	39.7	5.3%
Others	2,907.0	4.7%
Total	6,349.4	5.0%

Note: All figures are rounded. The base year is 2014. Source: Frost & Sullivan

Replacement rates - Turkey

The exhibit shows the main vehicle parts that need replacement, namely tires, batteries, filters, brake parts

Automotive Aftermarket: Replacement Rate of Parts, Turkey, 2013

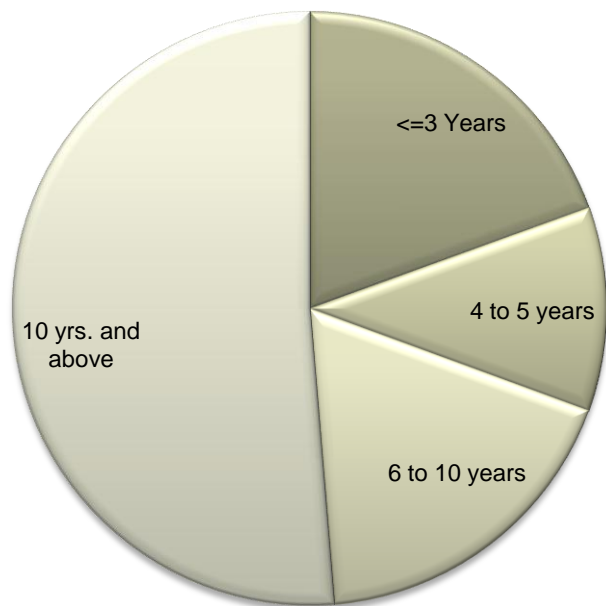


Note: All figures are rounded. The base year is 2014. Source: Frost & Sullivan

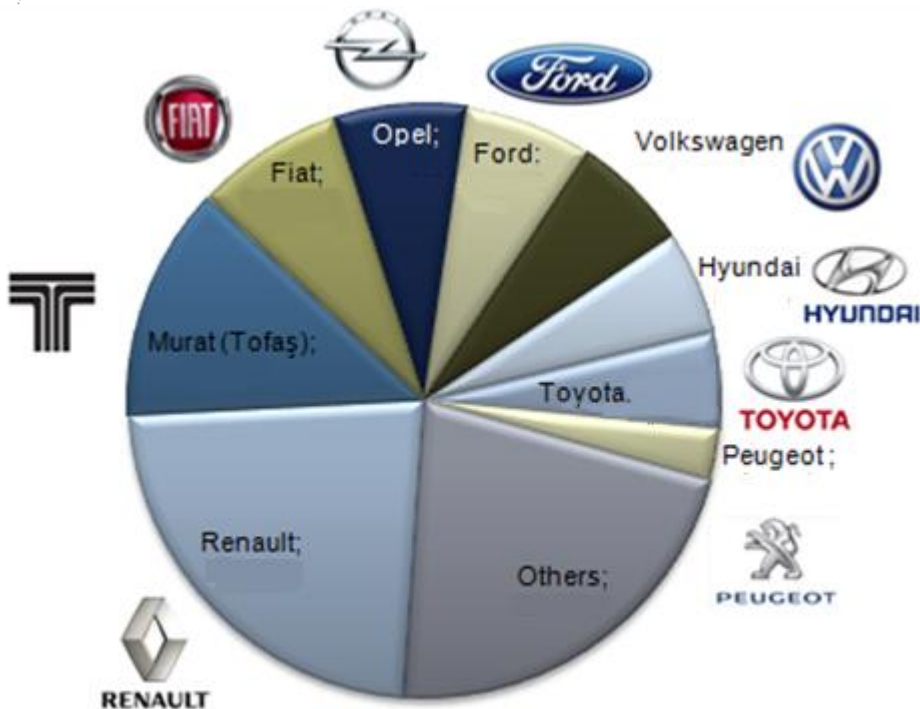
Turkey Passenger Cars–Parc Profile

Average Age of the Passenger Cars in the Parc is 11 years, that pushes the aftermarket revenue to grow.

Passenger Car Parc Breakdown by Age Groups, Turkey, 2014



Passenger Car Parc Breakdown by Brands, Turkey, 2014

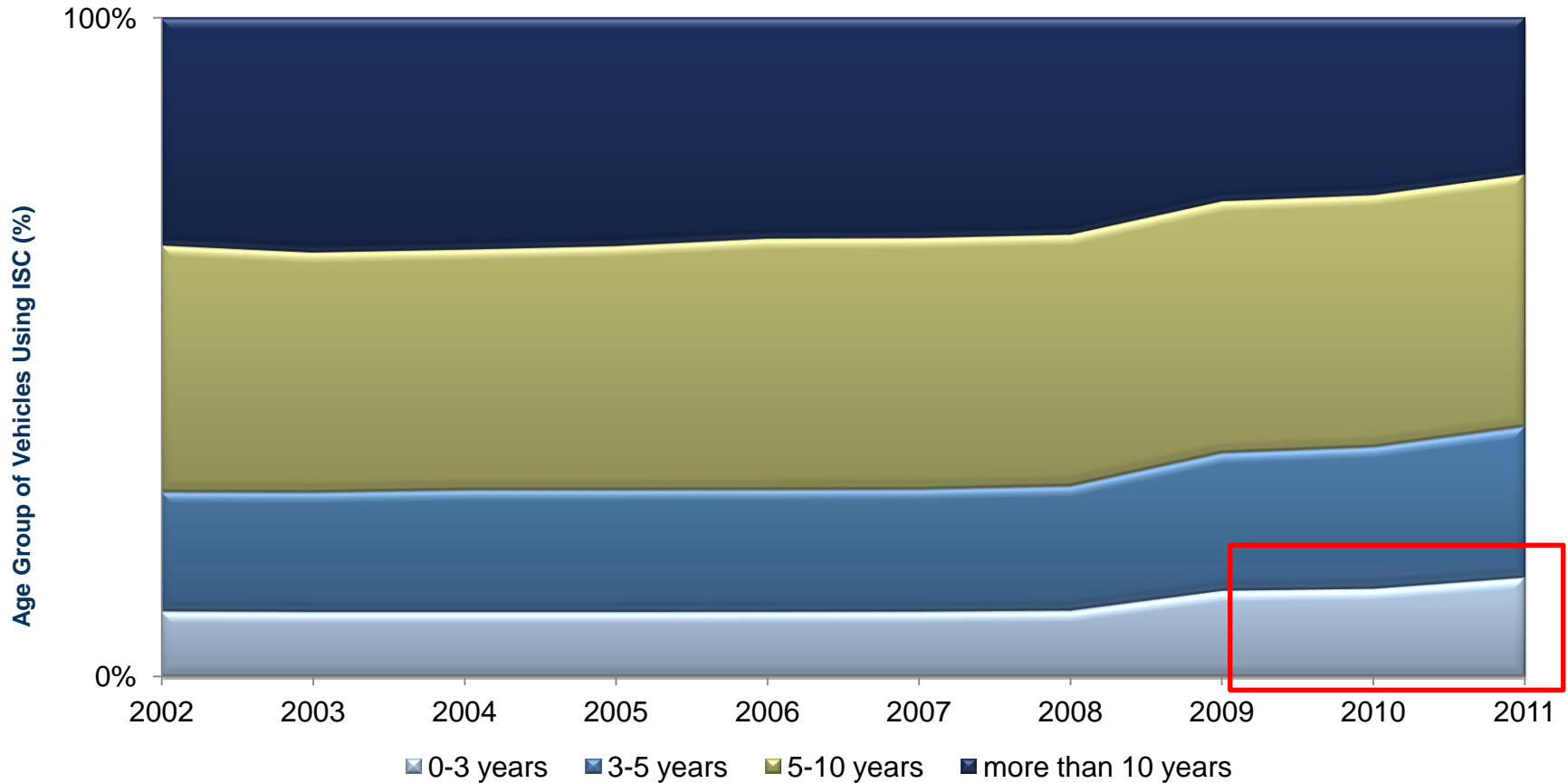


Source: Frost & Sullivan

Competitive Evaluation of the Service Industry

In recent years the percentage of drivers who use independent services up to 3 year old cars is increasing .

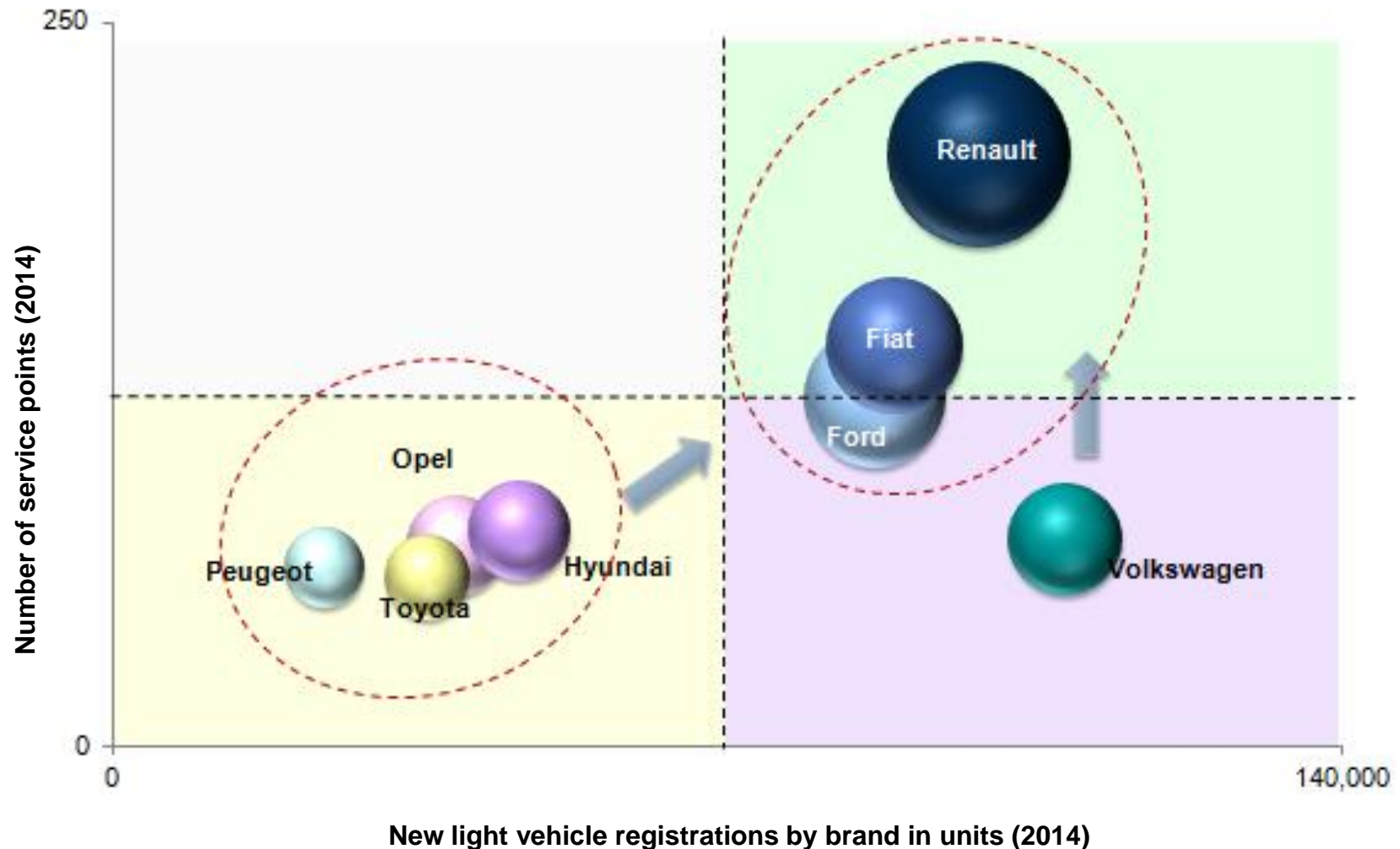
Automotive Aftermarket: Use of IAM According to Vehicle Age, Turkey, 2002–2011



Source: Turkish Competition Authority Motor Vehicles Sector Report, Frost & Sullivan

Mapping according to brands in Turkey

Volkswagen should increase their service points to cater to the increasing vehicle sales that gets added to the parc



*Size of the bubble represents number of vehicles in the road by brand (2014)

Source: Frost & Sullivan

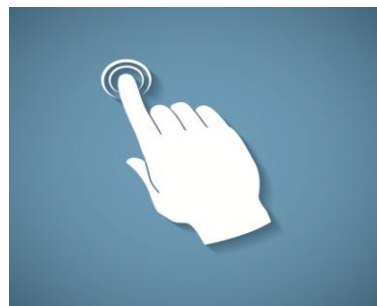
Top Transformational Shifts Expected to Shape the Future of Retailing:

Social trends, and the ability to share and analyze large amounts of data quickly, will continue to change how consumers shop for automotive parts and service in 2015.



Future Stores

Express service stores,
mobile



Omnichannel Retailing

'Bricks and Clicks' models



Connected Retailing

Gamification, LBS, in-vehicle



New Business Models

Social commerce



Engaging Retailing

Era of customized
targeting, peer reviews



Last Mile Retailing

Click 'n' collect; one-hour
delivery



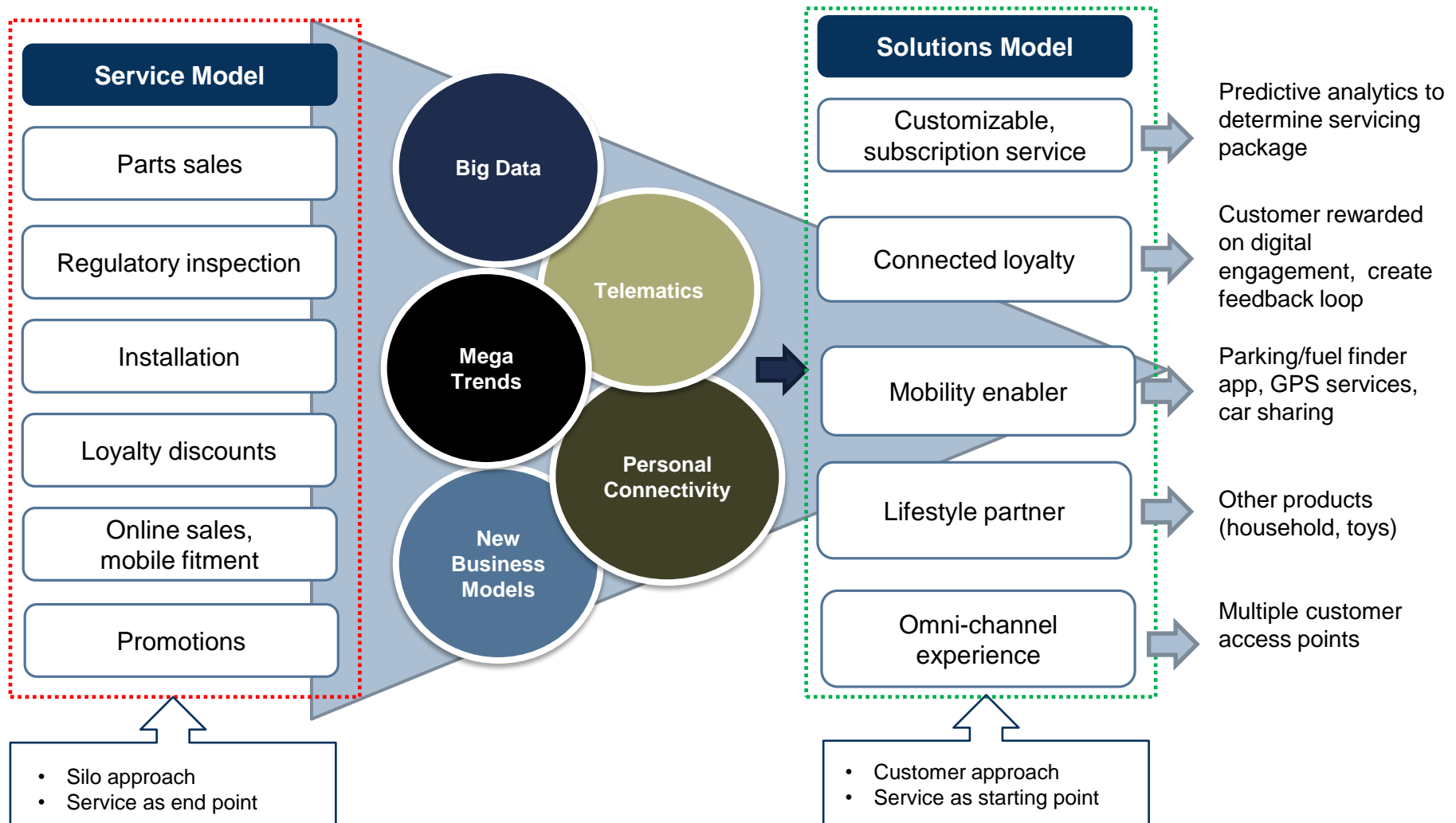
Big Data Retailing

From selling products to
selling information

Source: Frost & Sullivan

Shifting from Service Model to Solutions Model

Retailing will continue to evolve from a service to a solutions model, with Mega Trends, such as Big Data and connected vehicle technologies, driving changes.



Source: Frost & Sullivan

Key Parts eRetailers and Marketplaces in the European Aftermarket

Global marketplaces such as Amazon.com and eBay will face increased competition from more specialized e-tailers, with tire companies driving much of the business today.

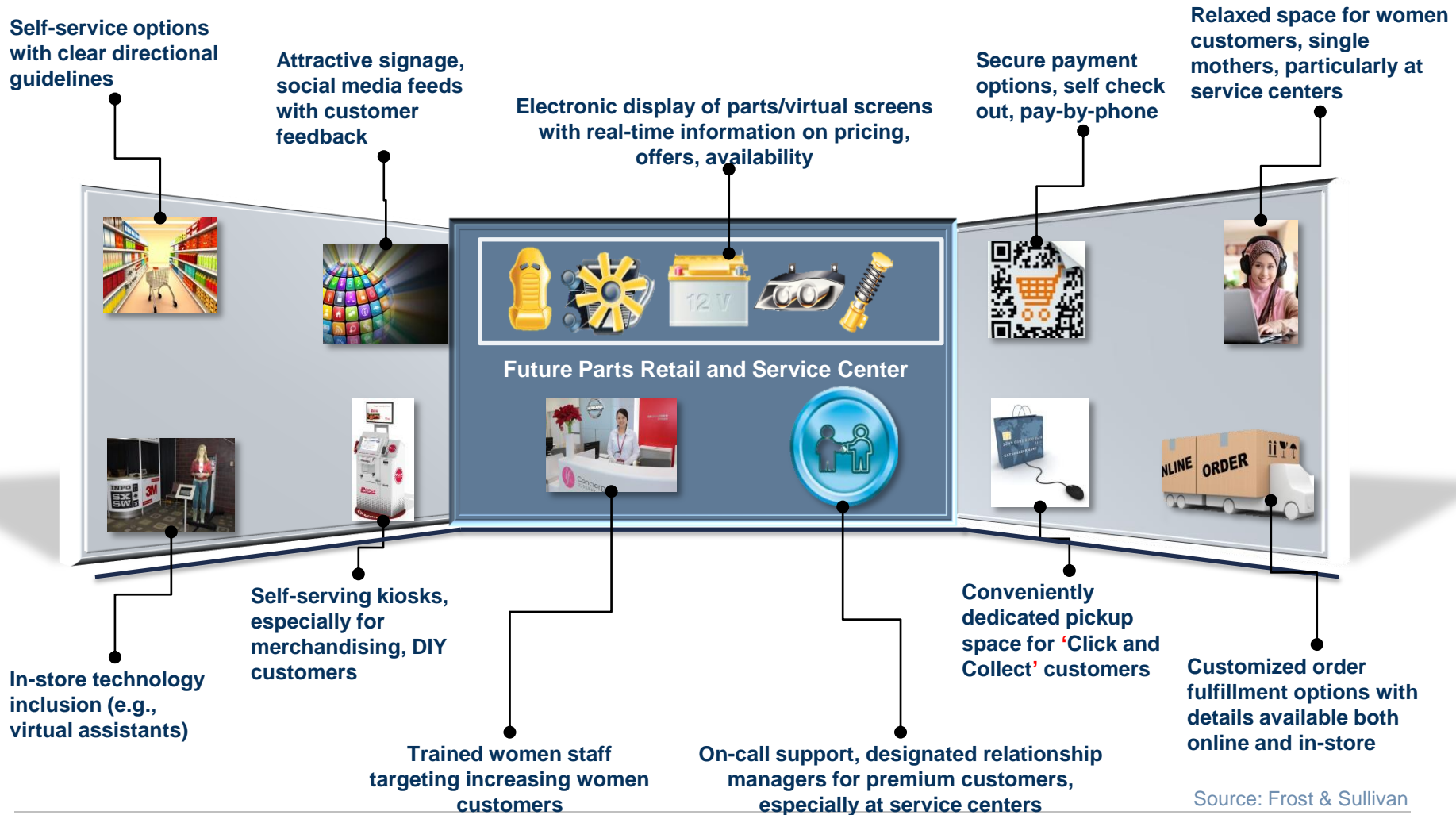
	Business Type	Geographic Coverage	Est. 2012 Parts Revenue	Key Competitive Strengths/Strategies
Amazon	Mass eRetailer/ Marketplace	Global	--	Largest global online shopping portal; Automotive category among highest growing across portfolio
eBay	Marketplace	Global	--	Automotive 3 rd largest category; dedicated digital strategy (website, app, AR features) for automotive
Rakuten	Mass eRetailer/ Marketplace	US, UK, Germany, France, Spain	--	Strong global presence
Oscaro	Automotive eRetailer	France, Spain; limited global	~\$180.0 million	1.5 million unique visitors a month; leading independent eStore in EU
MicksGarage	Automotive eRetailer	Ireland, UK; limited global	--	Expanding eStores to mainland Europe – France, Germany, Sweden
BlackCircles	Tire eRetailer	UK; limited EU	~\$40.0 million	Strong alliance with tire repair centers; Joint venture with Tesco
Delticom	Tire eRetailer	Global	~\$600.0 million	More than 35,000 service partners globally
Pneus Online	Tire eRetailer	EU, North America	~\$30.0 million	Partnership with over 13,000 tire fitting centres in EU/Eastern Europe

Source: Frost & Sullivan

Future of Parts and Service Retailing: Connected Store Realized

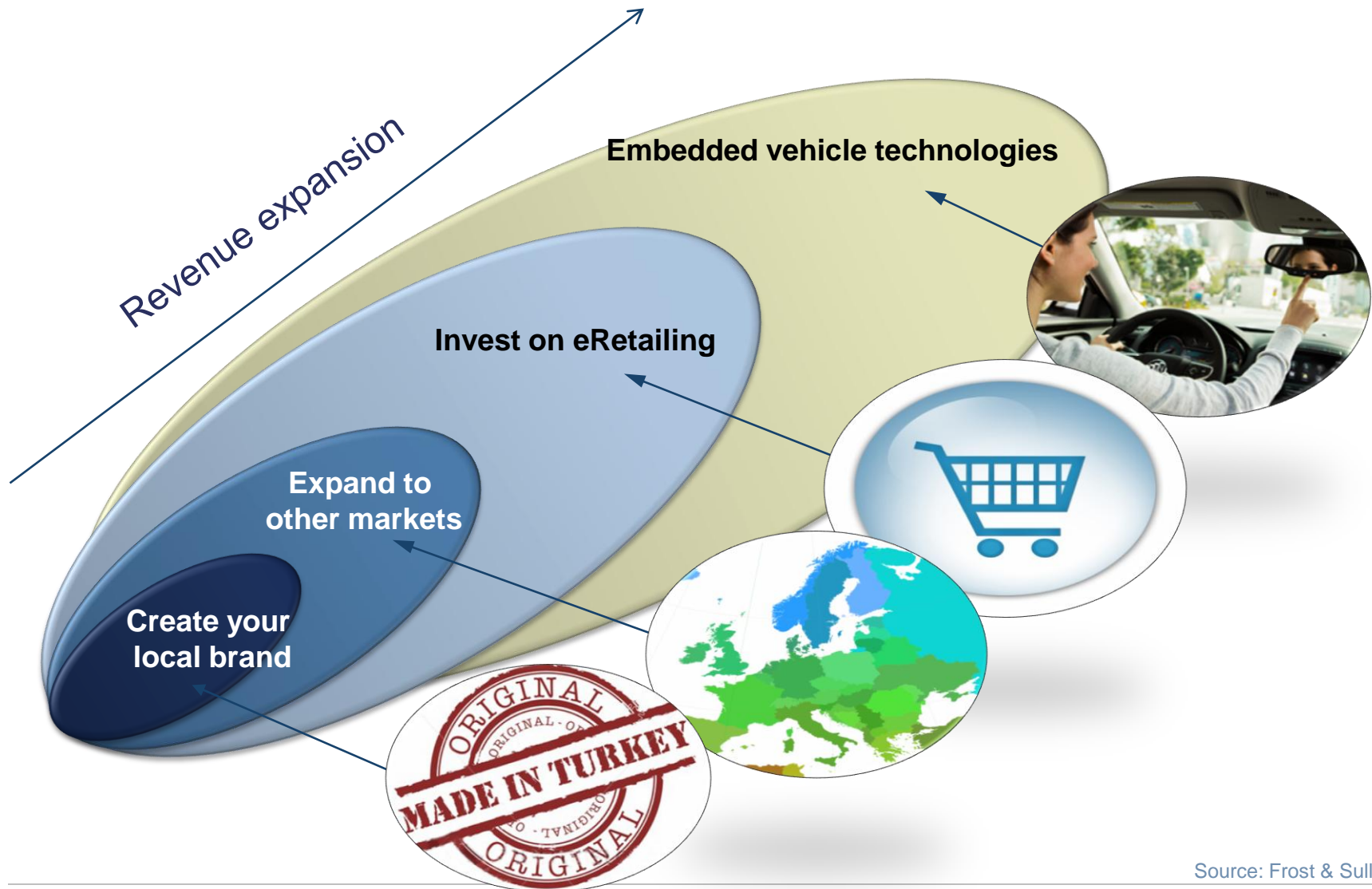
In 2015, the connected store will move closer to reality, featuring self-service kiosks and customized order fulfillment options.

Future Auto Parts Retail and Service Centre, Global, 2025



Source: Frost & Sullivan

To Conclude...



Source: Frost & Sullivan

Contact Us

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Check out our Future of Mobility Video on Youtube, and join our LinkedIn group