



## **CE Automotive Newsletter**

Q2 2024

### **[Revolutionizing the Automotive Supply Chain: Harnessing the Power of On-Demand Talent](#)**

The automotive industry landscape is rapidly changing, with supply chains experiencing turbulence and increased financial pressures caused by inflation and rising capital costs. A shift in labor utilization has emerged as a solution to these challenges: On-Demand Talent. This paradigm-changing approach allows businesses to hire skilled professionals on a project basis, addressing several key challenges traditional employment models are struggling to overcome.

On-demand talent enhances operational agility in the automotive supply chain— a determinant of competitive advantage according to 72% of automotive executives. On-demand talent not only closes capability gaps but also optimizes demand fluctuations, quality, and cost. This flexible model is utilized by “Orchestrators of Value”, companies that outperform others by leveraging open talent models at twice the rate of follower companies. Teams that skillfully blend work-based and talent-based approaches gain a significant competitive advantage. Internally, the versatility of on-demand talent eliminates the need for training, allowing resources to be adapted to each organization's unique needs and successfully resolving complex challenges like delivery disruptions and crisis leadership responses.

Deloitte's Automotive Taskforce demonstrates how harnessing the power of on-demand talent can revolutionize the automotive supply chain. Practical, efficient, and result-driven support to the automotive industry can only be achieved by the right pool of versatile and highly skilled professionals. Furthermore, engaging on-demand talent brings substantial financial benefits as companies reduce overhead costs, optimizing resource allocation, and potentially saving up to 30% on labor costs. Embracing this innovative model, automotive companies can readily thrive in an increasingly competitive and dynamic market. [Discover more about](#) how the on-demand talent model is changing the game in the automotive industry.

## Deloitte latest analysis and studies

### **2024 Global Automotive Customer Study**

The "2024 Global Automotive Consumer Study" by Deloitte surveyed consumers from 26 countries to determine global automotive consumer trends.

[2024 Global Automotive Consumer Study](#)  
[| Deloitte US](#)



One significant finding of the report is that consumers, particularly in developing markets, are showing a high level of interest in connected vehicle features even if it entails sharing personally identifiable information (PII). The perceived benefits include maintenance updates, traffic information, suggestions for safe routes, over-the-air vehicle software updates, and efficient methods to minimize service expense. However, the willingness to pay for these connected services varies significantly across surveyed markets.

In terms of vehicle selection, the study reveals that price, product quality, and vehicle performance are the top three factors driving brand choice. Moreover, while there's a strong sentiment towards home-grown brands specifically in Japan and South Korea, consumers elsewhere exhibit lesser affinity towards domestic

manufacturers.

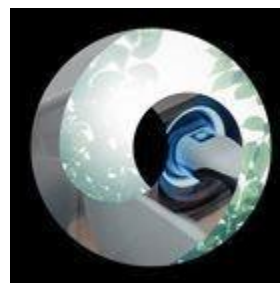
Concerning the sustainability issue, a sizeable percentage of consumers, notably more in some markets, consider a brand's commitment to sustainable manufacturing practices as an essential factor for their next vehicle. When delving into electric vehicles (EVs), consumers cite lower operating costs as the main reason to switch to EVs, but they also harbor concerns about aspects like charging time, range anxiety, and cost. Additionally, issues related to EV battery's life-cycle sustainability resonate with a majority of surveyed consumers.

The report also reveals a mixed reaction towards the emerging concept of vehicle subscriptions. Consumers value the convenience and predictability of this service. Main concerns include availability of vehicles, overall cost, and potential higher monthly fees. Despite this, a significant number of younger consumers were interested in giving up vehicle ownership for a subscription model, notably more in India, China, and Southeast Asia.

Lastly, there's a strong consumer preference for locally manufactured vehicles in several markets. This is more so among consumers in India, China, and Republic of Korea. Overall, the dueling trends of valuing cutting-edge technology and sustainability versus cost and brand familiarity present a challenging landscape for the automotive industry going forward.

## **The Pathways to Decarbonization**

By 2050, the automotive industry aim for a 90% reduction in CO2 emissions to align with the Paris Agreement goals. Achieving this ambitious target necessitates decarbonizing the entire supply chain. Discover how industry leaders describe "Pathways to Decarbonization" which explores a range of strategies that the automotive sector can implement to meet these environmental commitments.



[The Pathways to Decarbonization | Deloitte US](#)

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