

A man with a beard, wearing a white t-shirt and blue overalls, is working in an auto parts store. He is holding a black car part, possibly a suspension component, and looking at it intently. The background shows shelves stocked with various automotive products like oil and filters. A digital overlay of blue and green dots of varying sizes is scattered across the image, particularly around the man's head and the part he is holding.

# Deloitte.

## Future of retail auto parts: Driving change

**Auto parts retailers at the crossroads  
of innovation and adaptation**





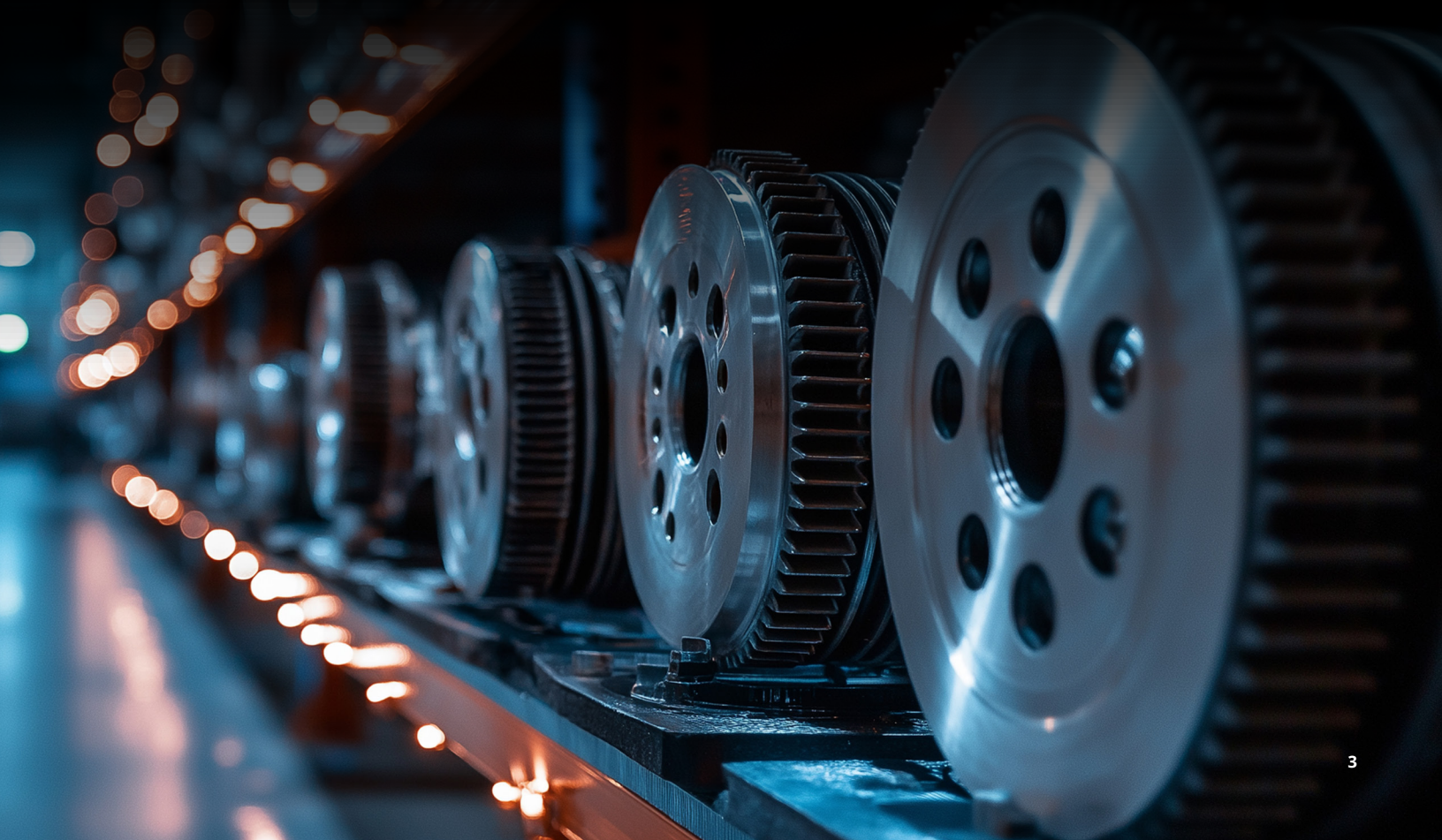
# Introduction

**Buckle up: The retail auto parts industry is not just changing gears; it is transforming into a hybrid of tradition and technology. Beyond the functional utility of auto parts is a promise of dependable and safe transportation for customers, often built on trust that transcends generations. But in today's rapidly evolving automotive and consumer landscape, even well-established retailers may need to adapt their strategies to remain competitive.**

Competing demands, such as maintaining affordability and value while simultaneously adopting new technologies and satisfying customer expectations, can be challenging for auto parts retailers. There is a growing list of competitors: national chains, online marketplaces, independent stores, and even original equipment manufacturers and other manufacturers selling direct. Customers have access to more and more information that continuously shapes their shopping behaviors, requiring retailers to adapt and evolve. In addition, influence has become a dialogue guided by expert advisers and online communities, amplifying trends and shaping demand in real time. As a result, auto parts retailers should balance the need for immediate action with longer-term business model choices to ensure future success.

Deloitte has invested in an ongoing effort focused on understanding the Future of Consumer. This future is marked by complexity, speed, and converging economic and social factors that will likely drive change in the retail marketplace and could disrupt the retail auto parts industry.

The [Future of Consumer](#) research has culminated in the identification of six forces that represent changes that could reshape consumer-facing companies and also reveal how the retail auto parts industry is evolving at an unprecedented pace.



To help them thrive under these conditions, auto parts retailers should have an understanding of not only these six forces but also these dimensions:

- **Issues:** The ways in which the six forces are manifesting today and creating a set of challenges presently confronting businesses.
- **Strategic imperatives:** The decisive actions that can enable businesses to better navigate the issues they are facing today and position themselves to thrive in the markets of tomorrow.

While the six forces span a broad range of challenges that consumer-facing companies may need to confront in the coming years, these forces represent an initial wave of transformation for auto parts retailers. This emerging wave appears to be driving change and creating a unique set of issues that are shaping the future of the industry.

## The six forces reshaping the future of the consumer



### The unprecedented customer

Like most retailers, the shift to a new generation of highly connected and digitally literate consumers is pushing auto parts retailers to a new level of service, blending digital convenience with automotive advice. Empowered by readily available online resources, they may expect seamless omnichannel experiences, transparent pricing, and personalized solutions, whether they're seasoned DIYers or professional mechanics. In meeting these demands, many parts retailers are enhancing their online platforms with VIN scanning, parts lookup, and repair guides as well as investing in expert multichannel support and compelling loyalty programs.



### Exponential xTech

Much of the world stands on the cusp of a technological revolution, with the convergence of multiple technology domains. Advancements in artificial intelligence, robotics, 3D printing, and new materials are reshaping the sector. Retailers must strategically leverage these advances to create new services, boost efficiency, and enhance customer experience. Simultaneously, evolving vehicle technologies (ADAS, self-driving, EV, connectivity) are impacting the auto parts market, demanding new retail strategies for future growth.



### Environmental pressures and the energy renaissance

Rising emissions, temperatures, and extreme weather are a current reality for the auto parts industry. Consumer concern about environmental challenges is growing, requiring retailers to adapt. Retailers should consider scaling sustainable auto parts adoption, prioritize transparency and ethical sourcing, and build consumer confidence in product sustainability. By prioritizing responsible sourcing, waste reduction, and the support of a low-carbon mobility ecosystem, industry leaders can help steer their businesses toward a more sustainable future.



### An evolving society and culture

The retail auto parts industry isn't immune to broader societal shifts. Declining trust, evolving values around brand purpose, and shifting engagement preferences, particularly with younger, digitally native generations, demand that retailers reimagine their relationships with consumers. Building trust through transparent practices, emphasizing safety and reliability, and authentically engaging with customers' evolving values will likely be critical for long-term success. Retailers should understand the various needs and preferences of an increasingly multifaceted consumer base.



### Radical industry upheaval

Auto parts retailers face pressure from a market saturated by national chains (which continue to consolidate the smaller ones), online retailers, independent stores, and direct-to-consumer manufacturers. Labor shortages, new customer demands, and new supply chain challenges are pressuring the industry to deliver greater efficiencies and automation. Auto parts retailers should adapt to the rise of the gig economy and on-demand services, and leverage digital technologies to enhance efficiency, effectiveness, and customer experience.



### Shifting economics, policy, and power

Geopolitical tensions, tariffs, and currency fluctuations will likely have an impact on costs of auto parts and retailer margins. Simultaneously, inflation and high interest rates may push consumers toward maintaining older vehicles rather than buying new ones. This increased wear and tear creates higher demand for parts, resulting in a volatile market where retailers should navigate complex global forces to help them maintain share and profitability.



# Auto parts retailers face a new set of issues

## Fragmentation redefined

The retail auto parts industry is confronting fragmentation, often moving beyond traditional segmentation to a mosaic of micro markets each uniquely influenced and inspired. Forces such as income inequality, the rising popularity of electric vehicles (EVs), technology, and new cultural values appear to be splintering the market into different consumer segments with their own distinct values, identities, and purchasing behaviors. The once dominant bell curve of the “average” consumer is giving way to a polycentric world that includes classic car restorers, EV enthusiasts, off-road adventurers, fleets, and others demanding tailored solutions.

This fragmentation is evident across the entire industry landscape, as a variety of consumer segments emerge with specific technical needs, vehicle preferences, and service expectations

The new reality asks retailers to consider shifting their approach to consumers and their go-to-market strategies, balancing the need for specialized expertise and a wide variety of new parts while simultaneously maintaining the supply chain of parts for older cars with different maintenance and repair needs.

In fact, results from Deloitte’s 2025 [Global Automotive Consumer Study](#) suggest that the longer people own their vehicles, the more likely they are to service those vehicles at independent maintenance and repair facilities.

Navigating this complexity should include more than just localized marketing. Retailers should delve deeper into the unique needs and aspirations of each micro market, tailoring product assortments, service offerings, and even store formats to resonate with their specific preferences. Customer segmentation is a critical skill for auto parts retailers who want to reach the right customer with the right offering at the right time. The retailers that create a seamless and helpful experience, building community through online forums or in-store workshops, and offering specialized expertise can cultivate loyalty and capture share of their chosen niches.

To help them succeed in this fragmented environment, auto parts retailers should master the art of translation, reinterpreting their core value proposition for new customers, contexts, offerings, and channels without losing sight of their fundamental brand identity and value.

**Figure 1. Vehicle servicing location by length of vehicle ownership**

Length of ownership	OE dealer	Independent/ aftermarket	DIY/other
<3 years	60%	26%	13%
4–7 years	52%	38%	10%
8–12 years	41%	49%	9%
13+ years	27%	58%	15%
<b>Total</b>	<b>53%</b>	<b>35%</b>	<b>12%</b>

Source: Deloitte 2025 Global Automotive Consumer Study

# Auto parts retailers face a new set of issues

## Seamless solutions: Beyond parts, a complete auto care ecosystem

The retail auto parts industry has traditionally been defined by the tangible: components bought and sold across a counter. However, in an era increasingly dominated by online marketplaces, a focus solely on parts could risk commoditization and disintermediation.

Creating a value-added experience via a robust array of services can help transform a retailer from a parts supplier into a comprehensive auto care partner, offering solutions that extend beyond what an algorithm or a shipping box can provide.

This “seamless solution” can transcend the traditional boundaries of Do it Yourself (DIY) and Do It for Me (DIFM), offering a one-stop approach to auto care. For the knowledgeable DIY enthusiast, the retailer can provide value through a combination of online resources, expert advice, tool rentals, and even in-store workshops. The digitally native independent retailers have access to an array of options that can offer ease, speed, and knowledge.

For those seeking a more hands-off experience, an integrated service model featuring professional installation and repair can be important. This can go beyond simply bolting on a part; it can include offering trusted diagnostics, a curated selection of qualified technicians, and a worry-free solution that addresses the customer’s complete automotive needs. The addition of services can help to maintain relationships with legacy customers through trust and convenience. Furthermore, as vehicles grow in technological complexity and DIYers rely on shop owners for technical expertise and computer-aided diagnostics, more customers may become DIFM than ever before. Parts retailers can leverage these opportunities to retain market share. To that end, the service component could ultimately serve to help these organizations be more accessible than their competitors.

Retailers who embrace a holistic approach to automotive care, seamlessly integrating digital and physical channels with the added expertise that online pure plays simply cannot provide, can help cultivate customer loyalty and build sustainable growth.





# Auto parts retailers face a new set of issues

## Technology in the driver's seat

Technology is no longer a supporting player in the retail auto parts industry; it's often becoming the central architect of new business models.

Digital innovation is reshaping the value chain, enabling data-driven agility and fundamentally transforming how retailers operate and interact with customers.

From predictive diagnostics to personalized recommendations, technology can help auto parts retailers optimize inventory, enhance the customer experience, and unlock new levels of efficiency.

The integration of data analytics and artificial intelligence (AI), especially Generative AI, is poised to revolutionize the industry. By analyzing parts purchases and repair trends, retailers can identify predictive signals to anticipate demand, optimize product assortments, and proactively engage customers with relevant solutions. Moreover, AI-powered tools can automate tasks ranging from parts identification and diagnostic troubleshooting to customer service interactions, freeing up human expertise for more complex tasks and building customer loyalty.

Particularly in the aftermarket and spare parts sectors, 3D printing solutions are also revolutionizing the auto parts industry. On-demand production can eliminate the need for extensive warehousing, reducing inventory costs and lead times.

This can be beneficial for older or niche vehicle models where parts are scarce and expensive. Additionally, the technology's ability to create complex geometries and lightweight designs can open opportunities for personalized and high-performance parts, potentially changing the landscape of customization in the automotive aftermarket. Having said that, the auto parts retailer should be vigilant regarding potential liability issues that could arise from the failure of an on-demand, 3D-printed product.

Embracing the technology revolution has become a key theme for auto parts retailers.

This could mean not only investing in user-friendly online shopping platforms and robust loyalty programs but also integrating digital technologies into physical stores to help enhance the customer experience. Interactive kiosks with access to online resources, augmented reality (AR) apps for parts visualization, 3D printing services, and seamless mobile payment options can transform the brick-and-mortar experience, making it more informative, convenient, and engaging.

# Auto parts retailers face a new set of issues

## Navigating supply chain turbulence

The retail auto parts industry has been significantly influenced by global supply chain disruption. Automotive parts manufacturers and suppliers are facing challenges such as extended supply chain vulnerabilities and cost increases.

Building brand strength and expanding inventory can help address the increased burden on retailers.

To help optimize inventory and support an increasingly complex product landscape, retailers can consider leveraging supply chain management software and logistics solutions. This can include streamlining operations and incorporating digital and agentic capabilities into the supply chain.

Efficient supply chains are important for the retail auto parts industry, particularly in regard to cost considerations. As economic and inflationary pressures increase, retailers may want to focus on improving the supply chain to help them maintain affordable prices. Doing so can attract new customers and retain them while staying cost competitive.

The supply chain should be resilient and agile, able to withstand disruptions and adapt to changing demand patterns.

Strong supplier relationships and efficient logistics will likely be critical for success. To help streamline the process, AI can be adopted to monitor the supply of parts and allow a more effective integration into logistics tech for the warehouses and facilities.





# Auto parts retailers face a new set of issues

## The EV and ADAS revolution

The growth of electric vehicles and the proliferation of advanced driver-assistance systems (ADAS) are reshaping the US auto parts retail industry. This shift has the potential to disrupt customer demand with internal combustion engine parts giving way to specialized EV and ADAS components over time. Beyond individual parts, there appears to be a growing need for integrated solutions including calibration services, diagnostic tools, and software updates. Consequently, retailers should diversify their supply chains, while forging new partnerships for aftermarket components.

The rise of EVs and ADAS underscores the growing importance for auto parts retailers to adapt their strategies to remain competitive and relevant. In response, some are overhauling inventory with new parts and predictive analytics, expanding services using advanced diagnostic tools, and upskilling technicians with specialized skills. Some retailers are also embracing digital transformation to offer enhanced e-commerce and customer education while unlocking new revenue models like subscriptions.

Although traditional vehicle service technologies are expected to persist in the near term, investing in the specialized talent and tools to support the longer-term inertia toward electrification and software-defined vehicles should be considered.

Consequently, parts retailers who proactively become experts in EV and ADAS technologies, offering specialized components and service solutions, can be well positioned to capture growth opportunities on the horizon while remaining competitive in a rapidly evolving market.

# Strategic imperatives for auto parts retailers

## Create a connected customer journey

Retail auto parts companies have a role to play when facing industry issues. While leadership should continue to run the business, they should also be prepared for the future. We have identified a set of strategic considerations executives can keep in mind to help position their company for competitive advantage in a new and more complex future.

For increased profitability in the evolving auto parts retail landscape, prioritizing the connected consumer is key. This can include next-gen loyalty programs and a cutting-edge digital infrastructure, creating a fully integrated omnichannel ecosystem powered by AI personalization and offering high-margin digital goods and services. Elements include:

**Seamless omnichannel experience:** Unified experience across touchpoints via robust mobile apps (VIN scanning, parts ID, repair tutorials), personalized websites, and convenient buy online, pick up in-store (BOPIS)/curbside pickup options, seamlessly merging online and offline experiences.

**Next-gen loyalty programs:** Tiered programs with exclusive perks, personalized offers (based on purchase history and vehicle data), early access to specialized parts and accessories, members-only events, and gamification to foster community engagement.

**AI-assisted customer support:** Leveraging AI for hyper-personalized product recommendations, targeted promotions, and proactive service reminders (e.g., oil changes, brake replacement).

These initiatives can cultivate stronger customer relationships, drive loyalty, and boost profitability, helping to transform retailers from parts suppliers into trusted automotive partners, providing valuable solutions and fostering long-term engagement.



# Strategic imperatives for auto parts retailers

## Reinvent the workforce in an age of AI and automation

The retail auto parts industry stands on the cusp of a workforce revolution. A critical reassessment of the role humans should play, the knowledge they require, and new talent acquisition strategies are all necessary amid the rise of AI and automation.

Retailers should address fundamental questions about how to attract and develop talent in this new landscape, fostering collaboration between humans and AI while enhancing employee capabilities through ongoing learning.

Auto parts retailers can consider pivoting toward predictive insights, personalized experiences, and optimized operations that all come with AI. By deploying a data analytics platform to follow the key performance indicators and applying AI to personalize campaigns, as well as pricing, auto retailers could help enhance performance in the retail industry. Integrating AI and automation can enhance productivity, increase the bottom line, and improve the worker experience.



# Strategic imperatives for auto parts retailers

## Build unprecedented supply chain resilience and adaptability

Supply chain management in the retail auto parts industry may need a reinvention. To navigate geopolitical instability, evolving regulations, and the complexity of the modern marketplace, auto parts retailers should prioritize agility, flexibility, diversification, and real-time visibility.

Gaining required efficiency could be accomplished by diversifying sourcing to hedge against disruptions and implementing predictive analytics.

To help them unlock efficiency, auto parts retailers should implement data-driven logistics that can better optimize the inventory management of warehouses. Innovation can help drive both productivity and profitability in the retail auto parts sector.





# Strategic imperatives for auto parts retailers

## Achieve breakthrough efficiency and effectiveness to drive margins

Navigating a landscape of intense competition, complex supply chains, and shifting economic tides, auto parts retailers may be asked to achieve breakthrough levels of operational efficiency and effectiveness to help ensure not just survival, but sustained growth and market leadership.

They may concentrate on supply chain and inventory management. This can involve optimizing logistics through diversified carrier networks, insourced routes, expanded in-house fleets, and new delivery locations to improve fulfillment. Some retailers are also restructuring supply chains by consolidating distribution centers, establishing regional hubs, and using nearshoring or reshoring to minimize global disruption risks.

Additionally, advanced inventory systems leveraging AI, predictive analytics, radio frequency identification, and automated robotics are being implemented to accurately forecast demand, optimize stock levels, lower carrying costs, and prevent stockouts.

Some retailers are heavily investing in digital platform enhancements to help streamline customer experiences and enhance digital ordering.

AI adoption can extend to demand forecasting and dynamic pricing, helping with real-time adjustments based on sales data and consumer behavior

Furthermore, integrated enterprise resource planning and customer relationship management systems can provide a unified operational view of inventory, sales, and customer interactions, thereby reducing manual errors and improving overall throughput.

Plus, some retailers are pursuing strategic partnerships, collaborations, and market adaptation. This includes forming alliances to bolster supply chain resilience and diversifying supplier bases. Some are also adapting to industry consolidation to gain scale advantages. One focus is prioritizing customer-centric solutions, such as personalized services, predictive maintenance, and real-time diagnostics, complemented by robust omnichannel strategies that integrate digital and physical retail experiences.

# Strategic imperatives for auto parts retailers

## Win the race for relevance: From mass to micro

The era of relying solely on broad-based inventory and marketing strategies appears to be fading for the retail auto parts industry. Retailers can consider creating organizations and operations capable of competing at a granular level to help them thrive. By embedding data-driven, consumer centricity, retailers can better serve the increasing segment-based focus of the industry, better cater to specific and unique customers, and provide a level of support and trust to those who wish to do it themselves. As a shift is made from DIY to DIFM, auto parts retailers should look to provide the best service for their customers and cater to these groups.

One example of a “micro” approach lies in optimizing product assortments. AI-powered analytics can identify the most popular parts and accessories within specific vehicle segments, geographic regions, or even within individual zip codes. This can help retailers to tailor their inventories to local demand, maximizing sales and minimizing carrying costs. Think, for example, of offering more EV parts in areas with high electric vehicle adoption.

Beyond optimized product assortments, a micro-market approach can allow for highly personalized marketing campaigns and targeted community-building initiatives.

Data-driven customer profiles can allow retailers to tailor product recommendations, service reminders, and even promotions to individual needs and preferences. This can not only help drive sales but also foster stronger relationships and cultivate a sense of community.

Online forums, in-store workshops, and even partnerships with local car clubs can further cement these relationships and make the retailer a trusted resource for auto enthusiasts of all stripes. By investing and shifting the strategies, retailers could reach consumers that can help their company to thrive.



# Strategic imperatives for auto parts retailers

## Building community and loyalty through lifestyle experiences

As traditional customer segments dissolve into micro markets driven by unique automotive passions, auto parts retailers should look to evolve beyond the transactional and embrace the power of community.

By curating iconic lifestyle experiences tailored to diverse interests, retailers can not only acquire new customers but also cultivate long-term loyalty and brand advocacy.

This can mean shifting from simply selling parts to fostering a sense of belonging and shared enthusiasm around the automotive lifestyle, whether you're into classic cars, off-roading, low riders, and more.

Delivering these distinctive and connected experiences should include a multifaceted approach.

Insights gleaned from customer data and online communities can inform the creation of relevant events and content.

Local car shows, repair clinics, performance tuning workshops, and off-roading meetups can bring enthusiasts together in physical spaces, while online forums, social media groups, and virtual events can extend the community's reach and foster ongoing engagement.

These engagements and offerings should be culturally relative, with new tech used to enable precision targeting.

For the emerging EV and ADAS markets, auto parts retailers are also likely to encounter increasing their capabilities to build long-term customer relationships and value streams. By unlocking the new growth horizons through new offerings, such as strategic ecosystem partnerships, and innovative omnichannel retail experiences, auto parts retailers can build a new and sustainable marketplace.

By building a passionate community, auto parts retailers can tap into a powerful engine for brand awareness, customer retention, and sustainable growth, positioning themselves as more than just parts suppliers but as an integral part of the automotive lifestyle.



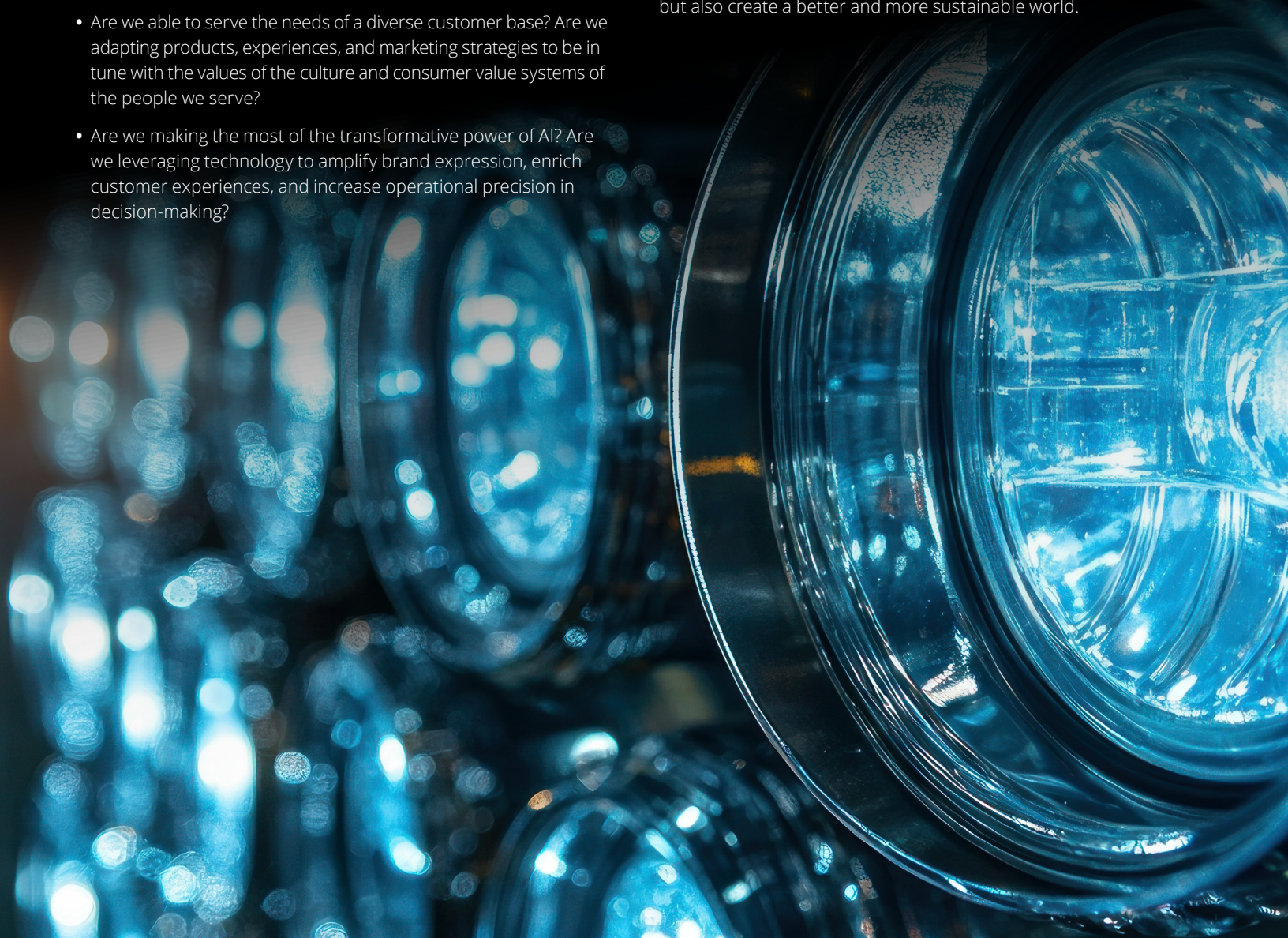
# Conclusion: Seizing the wheel

The auto parts retail industry is more than just the sum of its components. It underpins mobility, helps ensure driver safety, and can champion environmentally responsible practices. As societal expectations evolve, auto parts retailers should reflect changing values, addressing pressing issues like technological disruption, economic accessibility, and environmental impact. Some consumers increasingly look to brands for not just product, but guidance and leadership on complex challenges. To help ensure a prosperous future for their employees and customers, industry leaders can consider the following questions:

- Can our business model evolve to adapt to the speed of change? Are we able to anticipate disruption in the market and adjust our operations with efficiency?
- Are we able to serve the needs of a diverse customer base? Are we adapting products, experiences, and marketing strategies to be in tune with the values of the culture and consumer value systems of the people we serve?
- Are we making the most of the transformative power of AI? Are we leveraging technology to amplify brand expression, enrich customer experiences, and increase operational precision in decision-making?

- How can we build predictive capabilities? Are we leveraging information and new tools to anticipate and make effective strategic decisions across the value chain?
- Are we prioritizing trust? How are we incorporating ethical practices to help protect consumers from safety violations, ensure better supply chains, and promote sustainability?
- In the age of AI, are we keeping in mind the role of humans to ensure customer trust as we move into the technological world? How do we keep that level of customer trust, ensuring brand authenticity while also meeting growth aspirations?

By thoughtfully addressing these questions and embracing a future-oriented approach, the retail auto parts industry can not only thrive but also create a better and more sustainable world.



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# Endnote

1. Brian Straight, "[Disruptions remain a cog in the automotive supply chain wheel](#)," *Supply Chain Management Review*, January 22, 2024.









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