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Connected Car Market Forecasts to 2032 – Global Analysis By Connectivity Type (Embedded, Integrated and Tethered), Communication Type, Vehicle Type, Sales Channel, Application, End User and By Geography

https://marketpublishers.com/r/C782BFC2B3A8EN.html
Date: October 2025
Pages: 200
Price: US$ 4,150.00 (Single User License)
ID: C782BFC2B3A8EN

Abstracts

According to Stratistics MRC, the Global Connected Car Market is accounted for $14.29 billion in 2025 and is expected to reach $38.73 billion by 2032 growing at a CAGR of 15.3% during the forecast period. Connected cars are vehicles integrated with internet connectivity and advanced communication systems, enabling interaction with other vehicles, devices, and traffic infrastructure. Equipped with GPS, sensors, and telematics, these cars deliver real-time data to improve safety, navigation, and driving convenience. They support functionalities such as remote monitoring, software updates over the air, traffic analysis, and predictive maintenance. By connecting with mobile devices and urban infrastructure, connected cars advance autonomous driving capabilities while enhancing fuel efficiency and performance. Moreover, they provide entertainment options, emergency response services, and vehicle-to-everything (V2X) connectivity, contributing to a safer, more intelligent, and efficient transportation network worldwide.

According to the U.S. Department of Transportation (USDOT), the Connected Vehicle Pilot Program has demonstrated that V2X technologies can reduce crash risk by up to 80% in urban intersections. The program includes deployments in Wyoming, New York City, and Tampa, with real-time data exchange between vehicles and infrastructure.

Market Dynamics:

Driver:

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Increasing adoption of advanced driver assistance systems (ADAS)

The widespread integration of Advanced Driver Assistance Systems (ADAS) is a key factor driving the growth of the connected car market. Features like adaptive cruise control, lane departure alerts, and automatic braking enhance safety and minimize collision risks. Rising consumer preference for intelligent and secure vehicles is pushing automakers to incorporate ADAS into their fleets. Connected cars utilize real-time input from sensors, cameras, and networks to improve predictive safety and operational efficiency. Additionally, regulatory measures globally support ADAS deployment. The increasing emphasis on safer roads and accident reduction continues to stimulate demand for connected cars embedded with advanced driver-assist technologies.

Restraint:

High cost of connected vehicle technologies

The elevated expense of connected car technologies poses a major limitation for market growth. Incorporating advanced sensors, telematics, communication modules, and integrated software substantially raises vehicle prices, restricting affordability for many buyers. Manufacturers must navigate the challenge of offering high-tech features while maintaining cost efficiency. Furthermore, ongoing software updates, maintenance, and hardware servicing contribute to higher long-term ownership costs. The high upfront investment and potential repair expenses can deter consumers, especially in markets sensitive to pricing. Consequently, adoption rates of connected vehicles remain constrained, particularly in emerging economies, slowing overall market expansion despite growing interest in smart, connected driving solutions and safety-enhancing technologies.

Opportunity:

Growing demand for predictive maintenance and vehicle analytics

Rising interest in predictive maintenance and vehicle analytics creates a key growth opportunity for the connected car market. Vehicles equipped with sensors, telematics, and advanced analytics can continuously monitor performance, detect potential issues, and provide real-time diagnostic information. This proactive maintenance approach minimizes downtime, reduces repair expenses, and prolongs vehicle longevity, attracting both individual consumers and fleet operators. Automotive companies can

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use this data to offer subscription services, personalized alerts, and performance optimization insights. As efficiency and cost management become priorities, the adoption of connected vehicles with predictive maintenance and analytics capabilities is expected to grow. This trend strongly supports the expansion of the connected car industry worldwide.

Threat:

Cyber security risks and vehicle hacking

Cybersecurity vulnerabilities and the risk of vehicle hacking presents major challenges for the connected car market. With reliance on internet connectivity and communication networks, connected vehicles are exposed to potential cyberattacks. Hackers may gain unauthorized access to personal data, manipulate vehicle operations, or compromise safety systems, creating significant privacy and security concerns. Automakers are required to maintain continuous software updates and implement advanced security protocols, raising costs. Increased awareness of these risks may discourage consumers from adopting connected vehicles. Compliance with cybersecurity regulations further complicates development. These threats can hinder market growth, as buyers remain cautious about adopting connected car technologies without guaranteed protection from hacking incidents.

Covid-19 Impact:

The COVID-19 outbreak had a notable impact on the connected car market, disrupting production, supply chains, and sales worldwide. Lockdowns and restrictions caused factory shutdowns, delays in essential components, and reduced consumer demand for vehicles. Economic uncertainty slowed the adoption of premium connected features, including infotainment, telematics, and autonomous driving technologies. Investments in research, development, and infrastructure for connected vehicles were temporarily delayed. On the other hand, the pandemic emphasized the need for digital connectivity, remote monitoring, and contactless solutions, boosting interest in telematics and V2X-enabled services. This shift created opportunities for market growth and recovery, as demand for connected technologies strengthened post-pandemic.

The vehicle-to-vehicle (V2V) segment is expected to be the largest during the forecast period

The vehicle-to-vehicle (V2V) segment is expected to account for the largest market

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share during the forecast period, primarily due to its essential function in facilitating real-time data exchange between vehicles, thereby enhancing road safety and optimizing traffic management. V2V systems allow vehicles to transmit and receive messages in all directions, forming a dynamic and self-organizing traffic network. This technology enables vehicles to share critical information such as speed, position, and trajectory, providing early alerts about potential collisions or road hazards. The growing implementation of V2V communication is fueled by its capacity to decrease accidents, streamline traffic flow, and aid in the advancement of autonomous driving technologies, solidifying its pivotal role in connected vehicle infrastructure.

The mobility-as-a-service (MaaS) providers segment is expected to have the highest CAGR during the forecast period

Over the forecast period, the mobility-as-a-service (MaaS) providers segment is predicted to witness the highest growth rate. This surge is attributed to the growing preference for unified, on-demand transportation services that integrate multiple transport modes into a single, user-friendly platform. MaaS solutions utilize connected vehicle technologies to provide users with streamlined, real-time access to booking, payment, and route planning services. Factors such as urbanization, sustainability concerns, and the move towards shared mobility are accelerating MaaS adoption. Moreover, the deployment of 5G networks and advancements in artificial intelligence are improving the functionality and attractiveness of MaaS platforms, setting the stage for significant growth in this segment in the near future.

Region with largest share:

During the forecast period, the Asia Pacific region is expected to hold the largest market share, owing to its mature automotive industry, advanced infrastructure, and widespread adoption of connected vehicle technologies. Leading countries, including China, Japan, South Korea, and India, have invested significantly in smart city development, 5G networks, and autonomous driving solutions, driving market penetration. The strong presence of top automotive manufacturers and technology providers reinforces its leading position. High consumer awareness and supportive government policies for electric and connected vehicles further solidify the region’s prominence. Collectively, these factors ensure Asia-Pacific remains the largest contributor to the global connected car market in terms of existing share.

Region with highest CAGR:

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Over the forecast period, the Asia Pacific region is anticipated to exhibit the highest CAGR, propelled by developing urban regions, increasing disposable income, and swift adoption of emerging technologies. Expansion of smart city projects, 5G networks, and V2X communication is expected to accelerate connected vehicle uptake. Government initiatives promoting electric vehicles and connected mobility solutions are creating new market opportunities, while rising consumer interest in advanced infotainment, safety, and autonomous driving features drives further adoption. Combined with continued infrastructure development and strategic partnerships between automakers and technology providers, the region’s connected car market is set for rapid growth, emphasizing its strong future potential despite already holding a significant market share.

Key players in the market

Some of the key players in Connected Car Market include AT&T Inc., Audi AG, BMW AG, Continental AG, Ford Motor Company, Mercedes-Benz Group AG, Qualcomm Incorporated, Robert Bosch GmbH, Samsung Semiconductor, Inc., Sierra Wireless, Tesla Inc., TomTom International BV, Valeo, Verizon Communications Inc. and Vodafone Limited.

Key Developments:

In August 2025, AT&T has agreed to purchase certain wireless spectrum licenses from EchoStar for a total of approximately $23 billion, subject to certain adjustments. AT&T and EchoStar have also agreed to enhance their long-term wholesale network services agreement, enabling EchoStar to operate as a hybrid mobile network operator (MNO) providing wireless service under the Boost Mobile brand.

In February 2025, BMW Group expands global partnership with Axalta for Automotive Refinish Coatings. Under the new partnership, Axalta will provide its Fast Cure Low Energy technology paint system to BMW Group's network of dealerships and collision repair shops. The agreement strengthens Axalta's existing relationship with BMW Group, as the company maintains its position as the exclusive ColorSystem supplier in Europe and South Africa.

In September 2024, Continental and Vitesco Technologies have reached an agreement based on their corporate separation agreement regarding the appropriate allocation of costs and liabilities from the investigations in connection with the supply of engine control units and engine control software.

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Connectivity Types Covered:

- Embedded
- Integrated
- Tethered

Communication Types Covered:

- Vehicle-to-Vehicle (V2V)
- Vehicle-to-Infrastructure (V2I)
- Vehicle-to-Network (V2N)
- Vehicle-to-Pedestrian (V2P)

Vehicle Types Covered:

- Passenger Cars
- Light Commercial Vehicles (LCVs)
- Heavy Commercial Vehicles (HCVs)

Sales Channels Covered:

- OEM (Factory-Fit)
- Aftermarket (Retrofit)

Applications Covered:

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- Navigation
- Infotainment
- Safety & Security
- Fleet Management
- Remote Diagnostics & Predictive Maintenance
- Autonomous Driving Support

End Users Covered:

- Individual Consumers
- Fleet Operators
- Government & Municipal Agencies
- Mobility-as-a-Service Providers

Regions Covered:

- North America
  - US
  - Canada
  - Mexico
- Europe
  - Germany
  - UK

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- Italy
- France
- Spain
- Rest of Europe

Asia Pacific

- Japan
- China
- India
- Australia
- New Zealand
- South Korea
- Rest of Asia Pacific

South America

- Argentina
- Brazil
- Chile
- Rest of South America

Middle East & Africa

- Saudi Arabia

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UAE

Qatar

South Africa

Rest of Middle East & Africa

What our report offers:
- Market share assessments for the regional and country-level segments
- Strategic recommendations for the new entrants
- Covers Market data for the years 2024, 2025, 2026, 2028, and 2032
- Market Trends (Drivers, Constraints, Opportunities, Threats, Challenges, Investment Opportunities, and recommendations)
- Strategic recommendations in key business segments based on the market estimations
- Competitive landscaping mapping the key common trends
- Company profiling with detailed strategies, financials, and recent developments
- Supply chain trends mapping the latest technological advancements

Free Customization Offerings:

All the customers of this report will be entitled to receive one of the following free customization options:

Company Profiling

Comprehensive profiling of additional market players (up to 3)

SWOT Analysis of key players (up to 3)

Regional Segmentation

Market estimations, Forecasts and CAGR of any prominent country as per the client's interest (Note: Depends on feasibility check)

Competitive Benchmarking

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Benchmarking of key players based on product portfolio, geographical presence, and strategic alliances

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Note: Tables for North America, Europe, APAC, South America, and Middle East & Africa Regions are also represented in the same manner as above.

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