AUTOMOTIVE DIAGNOSTIC SCAN TOOLS MARKET

BY GEOGRAPHY (U.S., Europe, Asia-Pacific & ROW) & PRODUCT TYPE (Diagnostic Equipment, Diagnostic Software, & Repair & Diagnostic Data)

— Industry Trends & Forecast to 2018
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Automotive diagnostic tools are almost used in every automobile workshop, service station, by professionals, etc. in order to diagnose faults and repair them.

Factors such as the growing complexity in the vehicles’ electronic and electrical architecture, the less time taken to diagnose faults, and the growing importance of emission norms have increased the demand for automotive diagnostic scan tools.

Earlier, a passenger car consisted only a single ECU, but the current generation vehicles have up to XX ECUs in a single vehicle. Diagnosing any faults in such cars manually or with less advanced tools would take a very long time. However, with the advancement in the diagnostic scan tools, the detection of faults in such complex vehicles has been eased.

Also, with the current generation diagnostic scan tools, one can diagnose faults in more than XX vehicle models using a single scanner.
1.3 Glance at the Markets

Figure 2: Automotive Diagnostic Scan Tools Market

- By Country:
  - U.S.
  - Germany
  - France
  - U.K.
  - Rest of Europe

- By Product Type:
  - Diagnostic Equipment
  - Diagnostic Software
  - Published Repair & Diagnostic Data

Source: MarketsandMarkets Analysis
Market drivers are forces that are pushing the market towards growth. These forces may arise due to technical innovation, legislations, rules and regulations, etc. These drivers have a varied impact on the market as time progresses. The market drivers for automotive diagnostic markets have been identified as follows:

- Growing role of electronics in automobiles
- Reduced diagnosis time increases run time
- Stringent emission norms

The figure below provides an impact analysis of the drivers on the market in the coming years.
Growing Role of Electronics in Automobiles

- **1970s**
  - Electronic Fuel Injection
  - Electronic Ignition
  - Check Control
  - Cruise Control
  - Locking

- **1980s**
  - Electronic Gearing
  - Electronic Air Conditioning
  - ASC: Anti Slip Control
  - ABS
  - Seat Heating Control
  - Automatic Mirror Dimming

- **1990s**
  - Navigation System
  - Bus systems
  - ACC: Active Cruise Control
  - Airbags
  - DSC: Dynamic Stability Control
  - Adaptive Gearing
  - Roll Stabilization
  - Xenon Lighting
  - RDS/TMG
  - Emergency Call
  - Servotronics
  - Electric Shock Absorber Control

- **2000s**
  - Advanced MMI
  - ALC
  - AFS
  - Night Vision
  - TLC
  - ACC Stop & Go
  - Force Feedback Pedal
  - Lane Departure Warning
  - Int. Energy Management
  - Local Hazard Warning
  - CO2 Reduction
  - Telematics
  - Online Services
  - Integrated Safety Systems
  - Fuel Cell/LH3
  - Individualization
  - Software...

- **Beyond**
  - Electromechanical Valves
  - Tire Pressure Sensors
  - 42 Volt System
  - Collision Avoidance
  - Steer-by-wire
  - Brake-by-wire
  - Throttle-by-wire
  - Black Box
  - Bluetooth
  - On-board Multimedia
  - Wireless Connectivity
  - Unified Chassis Controller
  - MOST Ring
  - HCCI
  - LED Headlight

Source: MarketsandMarkets Analysis
2.6 PESTLE Analysis: U.S.

- **Political**: The political situation in the U.S. is stable and a lot of emphasis is being given to the environment. Several political parties as well as NGOs have made saving the environment their prime agenda.

- **Economic**: The economic scenario in the U.S. has stabilized after the recession of 2008 and is highly conducive to the growth of this market.

- **Social**: The U.S. society is deeply concerned with the health of their vehicles as it is one of the key contributors to the growing deterioration of the environment and is therefore conducive in nature.

- **Technological**: The country’s automotive industry has been at the forefront in terms of technological advancements and this has fueled the market for automotive diagnostic tools in the country. Hence, the technological scenario in the country is rated as highly conducive.

- **Legal**: The mandates necessitating the OBD-II compliance for all vehicles in the region have been highly conducive for the market in the country.

- **Environmental**: Rising environmental concerns were the earliest drivers for the inception of these tools and have ever since played a major role in the development and evolution of this market.

### Market Overview

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3.1 Evolution of Electric Vehicle Diagnostics

The above figure provides a brief outline of the evolution of on-board diagnostics.

- The role of electronic vehicle diagnostics started with the introduction of computerized fuel injection systems in Volkswagen's Type III models. These systems used an ECU to control the fuel injection rate in the vehicles. The U.S. government passed the Clean Air Act in 1970 which was the first step towards the modern day emission standards and proved to be the foundation for today's EPA.
4.2 Automotive Diagnostic Scan Tools Market, By Country

The combined value of the U.S. and European automotive diagnostic scan tools market is expected to grow from $XX million to $XX million over the five years.

U.S. is expected to be the largest country level market with a CAGR of XX% pushing the market over the five years. The major driver for this growth are the highly stringent emission norms prevailing in the country.

U.K. is expected to be fastest growing market as new emission regulations are expected to come into effect over the course of the next 2-3 years.

Figure 19: Automotive Diagnostic Scan Tools Market: Value Share, 2013 & Value, 2011-2018, By Country ($Million)
Diagnostic equipment is expected to account for $XX and $XX million in 2013 and 2018 respectively.

The overall market for these products is estimated to grow at a CAGR of XX% over the course of 2013 to 2018.
5.2.1 U.S. Diagnostic Scan Tool Market, By Product Type

Diagnostics equipment is expected to be the slowest segment in the market with a CAGR of XX%. The slower growth in the segment is attributed to the commodity nature of hardware equipment.

The overall market for diagnostic equipment is expected to grow from $XX million in 2013 to $XX million in 2018.

U.S. is expected to lead the market with a dominant share of XX% in 2013 with the market growing from $XX million in 2013 to $XX million in 2018 at a CAGR of XX%.

Figure 25 U.S.: Automotive Diagnostic Scan Tools Market Value, By Product Type, 2011-2018 ($Million)

Source: MarketsandMarkets Analysis
5.2.3 Asia-Pacific & ROW Diagnostic Scan Tool Market: Prospects for the Future

**Figure 31** Asia-Pacific & ROW Diagnostic Scan Tools Market: The Road Ahead

**Pros:**
- Vehicles are becoming computers on wheels
- Asia-Pacific, largest region in terms of vehicle manufacturing and sales, is attracting interest from global automotive OEMs
- Growing vehicle fleet and entry of highly advanced technologies
- Higher average age of vehicles, thus more focus on independent after-market
- Advanced workshops and chains of workshops coming up in developing nations

**Cons:**
- Absence of Right to Repair Act
- While equipment is available, relevant diagnostic data and repair information is not provided to the independent aftermarket
- Cost of tools still high to make them available to smaller scale garages
- Lack of skilled technicians
- Lack of awareness among consumers regarding electronic diagnostics

Source: MarketsandMarkets Analysis
### Company's Relative Market Positions

#### Figure 34: Automotive Diagnostic Tools: Manufacturers, By Geography

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<th>Company</th>
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Source: Company Websites, Company Annual Reports, Press Releases, and MarketsandMarkets Analysis

- Robert Bosch GmbH being the leader in the automotive diagnostic tools market, has a very strong presence in Europe; whereas, it has strong presence in the U.S. Its very strong presence in Europe can be attributed to its excellent products and wide & robust supply and distribution network in the region.

- Actia Group is identified as the second-largest players with strong presence in the European region and moderate presence in the U.S. However, Snap On Inc., a established player in the U.S., has strong presence in this region; whereas it has moderate presence in Europe.

- Considering both the regions, Bosch has very strong presence in the diagnostic tools market followed by Actia Group and Snap On with strong presence. Softing Group and Denso have moderate presence in the market considering both U.S. and Europe together.
Company at a Glance

2012

- Founded: 1851
- Headquarters: Toulouse, France
- Employees: 2,768
- Revenue: $XX Million
- R&D: $XX Million
- Ownership: Listed

Recent Financials

- Total Revenue ($Million)
- Operating Margin (%)

Geographic Presence

- *Production Facilities

Business Revenue Mix

- XX%

Source: MarketsandMarkets Analysis

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1.3 SWOT Analysis

Source: MarketsandMarkets Analysis
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