

A male mechanic with short dark hair and a beard is focused on working on a car's engine. He is wearing a dark blue long-sleeved work shirt and blue nitrile gloves. He is using a yellow-handled tool, possibly a screwdriver or a small wrench, to work on a component within the engine bay. The background is a blurred workshop environment with various tools and equipment visible.

The State of the Aftermarket 2025: How Parts and Integration Drive OEM Profitability

Based on global research commissioned by Synchron



Foreword

In 2025, OEM competitiveness is increasingly defined not by the products they sell, but by the aftermarket experiences they deliver. In a market shaped by economic volatility, trade policy shifts, and rising customer expectations, the aftermarket has emerged as the most reliable engine of profitability and loyalty. Synchron's latest global research reveals where the winners are focusing, and how integration, data, and a relentless focus on parts profitability are reshaping the playing field.

Executive Summary

In today's volatile manufacturing landscape, stability and profitability are more valuable than ever. For OEMs, the aftermarket delivers both, consistently driving revenue, protecting margins, and strengthening customer loyalty.

Synchron's 2025 global aftermarket study, based on insights from 550 manufacturing leaders and 15 in-depth interviews, reveals that:



Parts are the profit engine:

57% of aftermarket revenue comes from parts, and demand predictability makes them a cornerstone of planning and growth.



Integration is the unlock:

Breaking down silos between parts, service, and data functions accelerates revenue growth, improves efficiency, and enables faster, smarter decision-making.



Investment is rising:

81% of OEMs plan to increase aftermarket investment in the next five years, with **1 in 5 targeting >15% growth**.

While servitization remains part of the industry conversation, the fastest growth today is coming from parts-led aftermarket strategies, especially for OEMs that have integrated their operations and embraced better data and technology.

The message is clear: The next five years will belong to OEMs that treat the aftermarket as a core business driver and invest in the integration and intelligence to deliver on its full potential.



#1 Aftermarket Matters More Than Ever



Key Takeaway:

Aftermarket isn't just a lifeline; it's a growth engine that stabilizes revenue when equipment sales fluctuate.



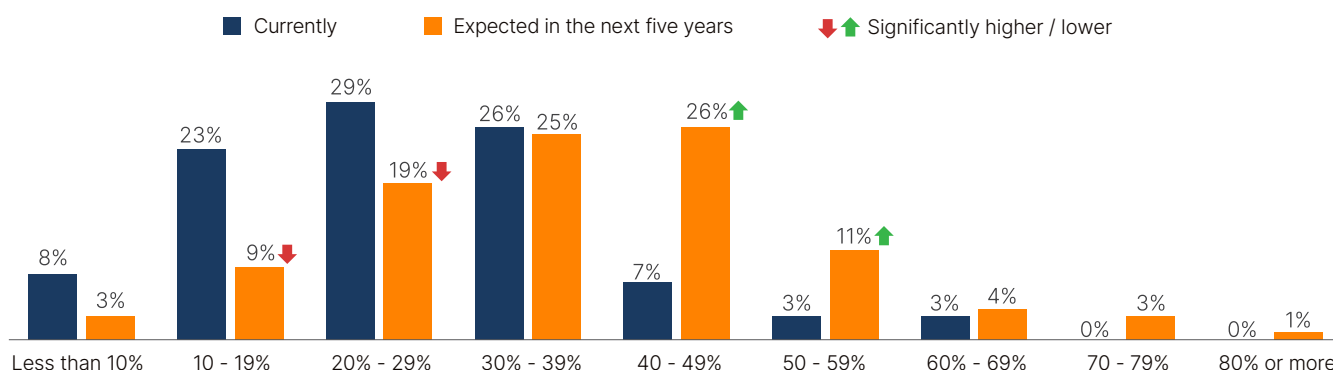
Implication for OEMs:

Treat aftermarket as a boardroom priority, with dedicated investment and cross-functional alignment.

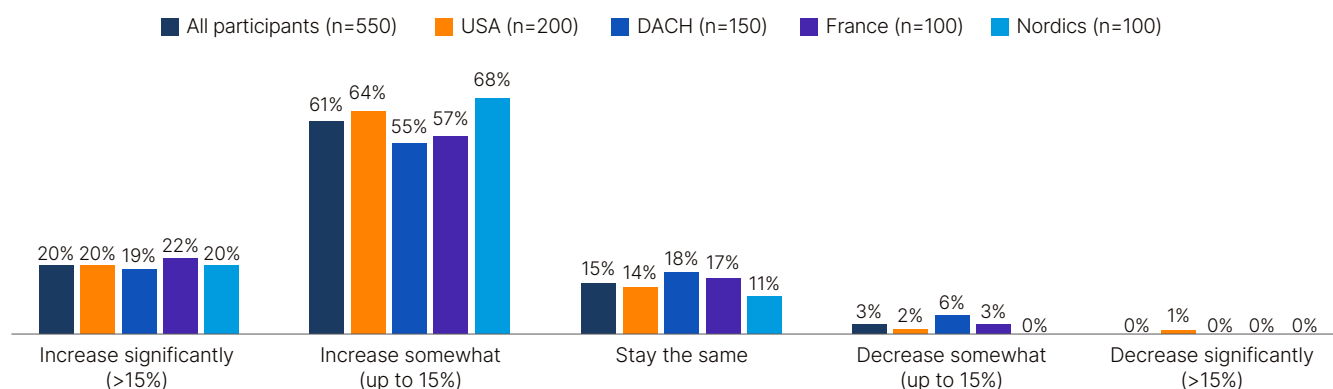
The next big growth story for OEMs isn't in the showroom—it's in the service bay. Aftermarket has shifted from a reactive support function to a strategic, revenue-driving core of the OEM business model.

Today, the majority of OEMs report that 10-29% of total revenue comes from aftermarket parts and services. Within five years, that share is expected to climb to 30-49%, as OEMs look to offset plateauing equipment sales in mature markets and volatile order patterns in emerging ones.

Proportion of revenue coming from aftermarket parts and services



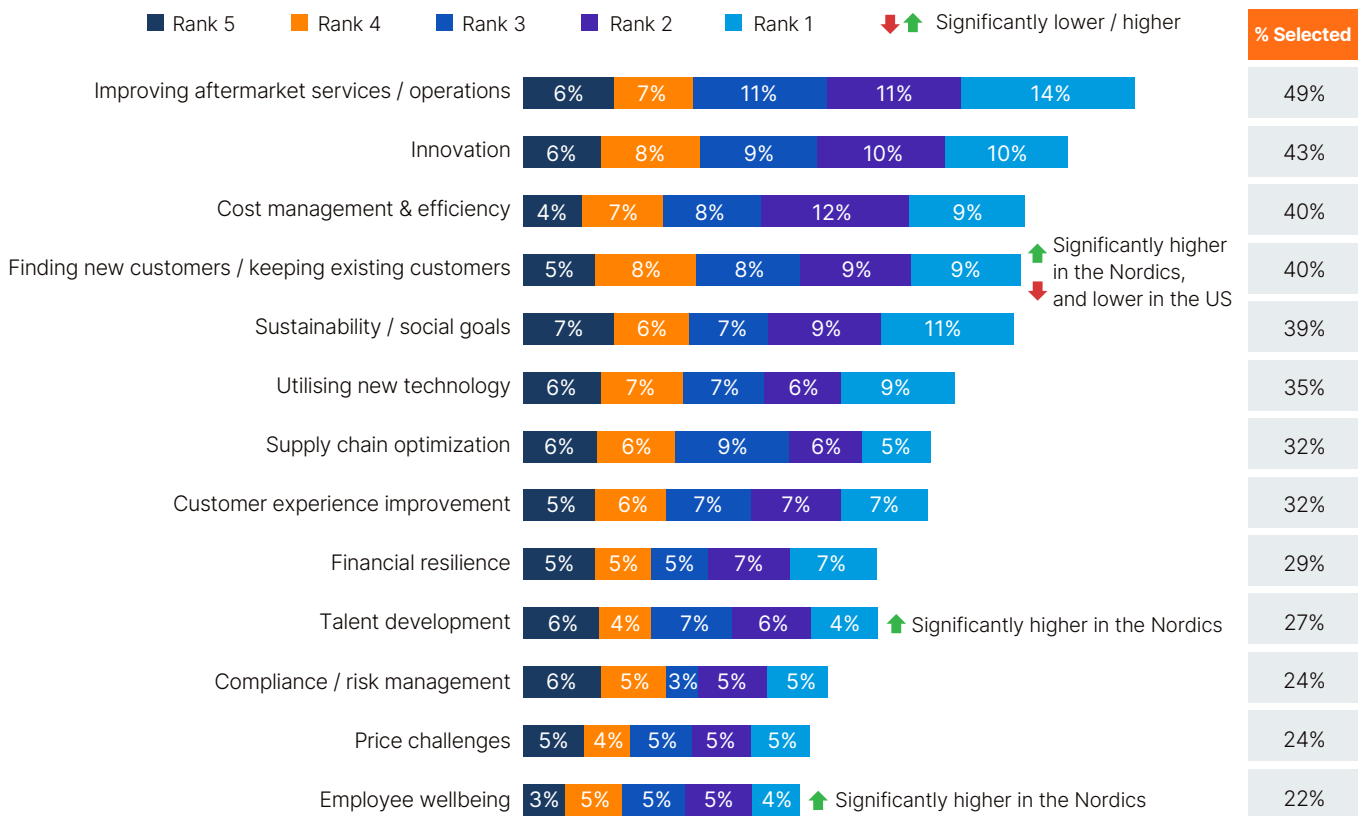
Expect investment in aftermarket function to change over the next five years



This projected rise in aftermarket revenue is matched by growing investment. 81% of OEMs expect to increase aftermarket spending over the next five years, with one in five anticipating a rise of more than 15%. Much of this is earmarked for improving forecasting accuracy, strengthening dealer networks, and expanding technology adoption—targeted moves designed to lock in profitability and build resilience in a volatile market.

Nearly half of OEM leaders now cite improving aftermarket services and operations as a top strategic priority over the next two years, a clear signal that aftermarket is viewed as a critical driver of competitive advantage.

Strategic priorities for organizations in the next two years

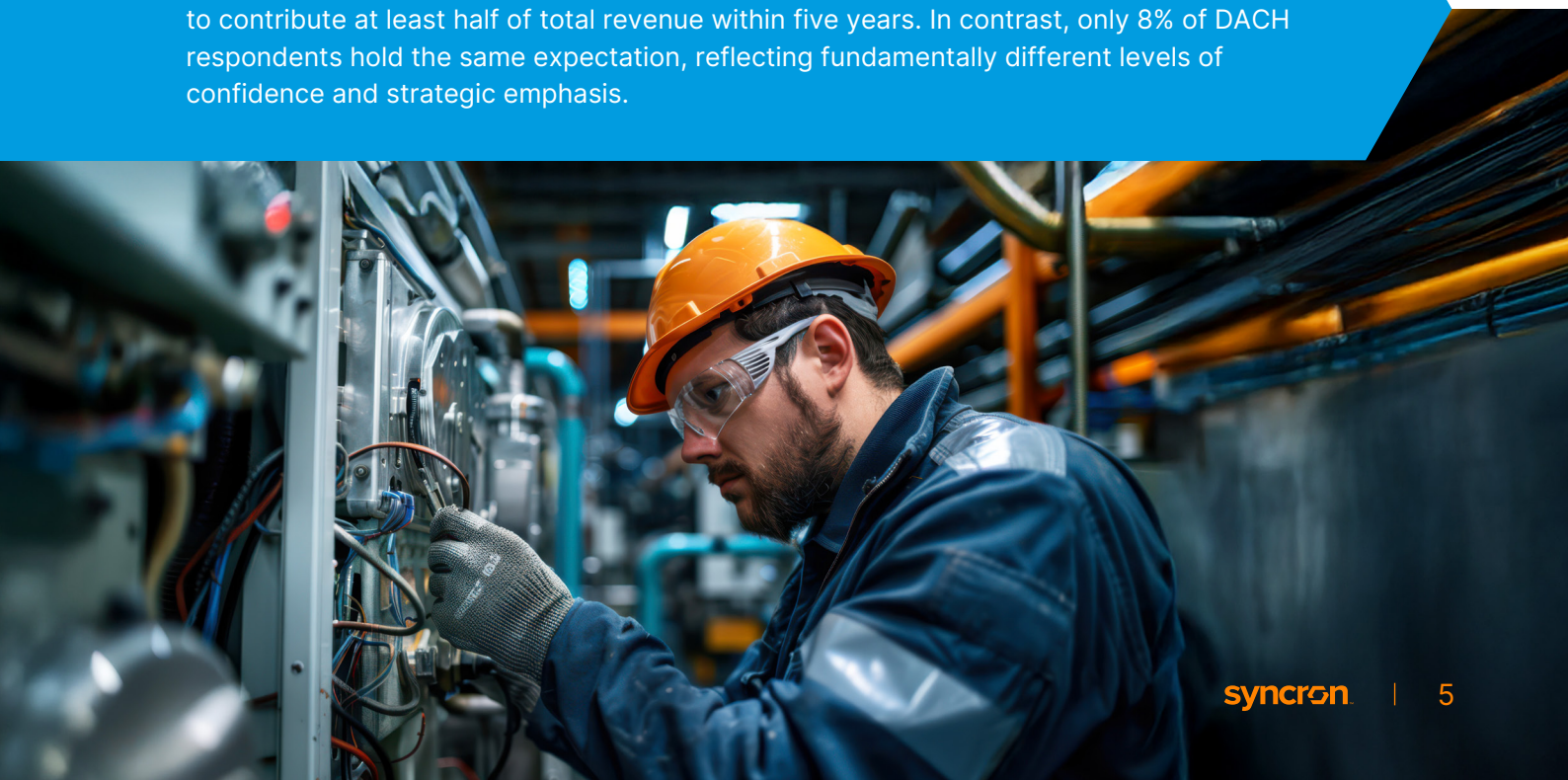


But this growing commitment to the aftermarket is not just about chasing new revenue; it's about building a buffer against the uncertainties that OEMs face in today's volatile environment.



Regional Insight

Expectations vary sharply by region. In the USA, nearly one third of OEMs expect aftermarket to contribute at least half of total revenue within five years. In contrast, only 8% of DACH respondents hold the same expectation, reflecting fundamentally different levels of confidence and strategic emphasis.



#2 External Pressures and Challenges



Key Takeaway: External shocks demand region-specific aftermarket strategies.



Implication for OEMs: Tailor responses to local risks while protecting global margins.

From shifting trade policies to supply chain fragility and intensifying competition, external pressures are making aftermarket even more critical as a strategic shock absorber for OEMs.

Those pressures are also testing the resilience of OEM aftermarket operations.



“Aftermarket is really important to us because we have big operations in Germany and in Europe but economic conditions there aren't great for truck sales. Now that we're seeing customers pull back on capital investment for truck purchases, aftermarket becomes a more and more important part of our business.”

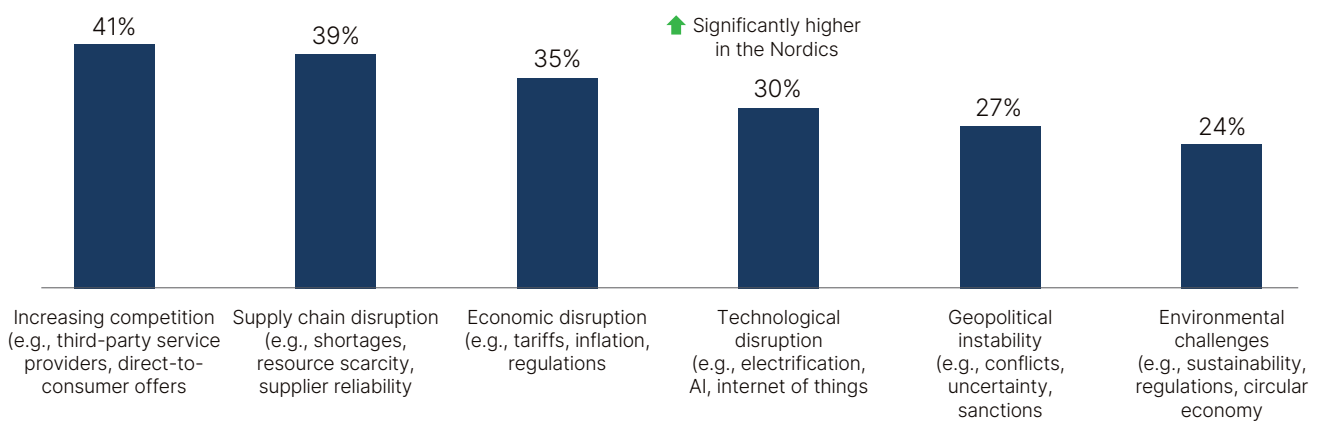
– **Automotive, DACH**



Regional Insight

While the aftermarket opportunity is global, regional challenges vary. In the USA, economic disruption is cited as the top external challenge. In DACH and France, supply chain disruption dominates, while in the Nordics, increasing competition is the leading concern. These differences influence strategic priorities—from investing in supply chain visibility to accelerating competitive differentiation—and underline the need for region-specific aftermarket strategies.

The biggest external challenges that are faced by aftermarket teams



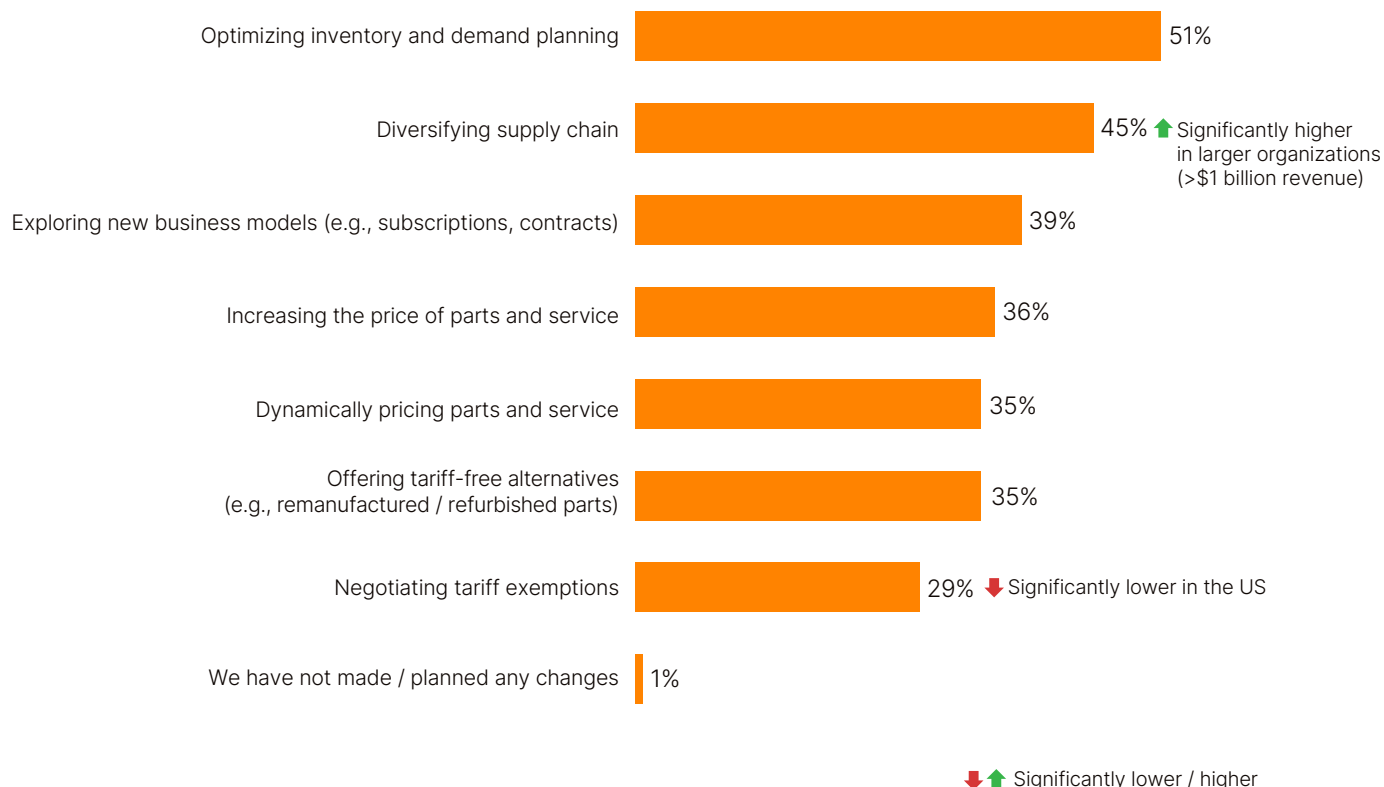
Tariff changes can cause immediate spikes in imported part costs, threatening margins in the parts business faster than in new equipment sales. To mitigate these impacts, OEMs are adopting a range of strategies, from optimizing inventory and demand planning (51%) and diversifying their supply chain (45%), to exploring new business models such as subscriptions or contracts (39%). Other measures include increasing prices for parts and service (36%), dynamically pricing

(35%), and offering tariff-free alternatives such as remanufactured or refurbished parts (35%). Only 29% report negotiating tariff exemptions, a figure significantly lower among US respondents.

These responses highlight that while most OEMs are taking steps to protect margins, the focus often remains on operational levers rather than on influencing policy or trade terms, potentially leaving significant value untapped in high-tariff markets.



Actions that organizations are taking to overcome the challenges faced from new tariffs



Regional Insight

Tariff impacts also vary by geography. US-based production is most exposed to tariff-related disruption, often triggering sourcing and manufacturing shifts. European respondents, especially in DACH and France, express greater concern about the feasibility of reshoring or nearshoring given dependencies on China.



#3 Integration: The Key to Unlocking Aftermarket Performance



Key Takeaway:
Siloed systems waste potential—integrated operations multiply it.



Implication for OEMs:
Unifying parts, service, and data functions enables real-time decisions that drive profitability.

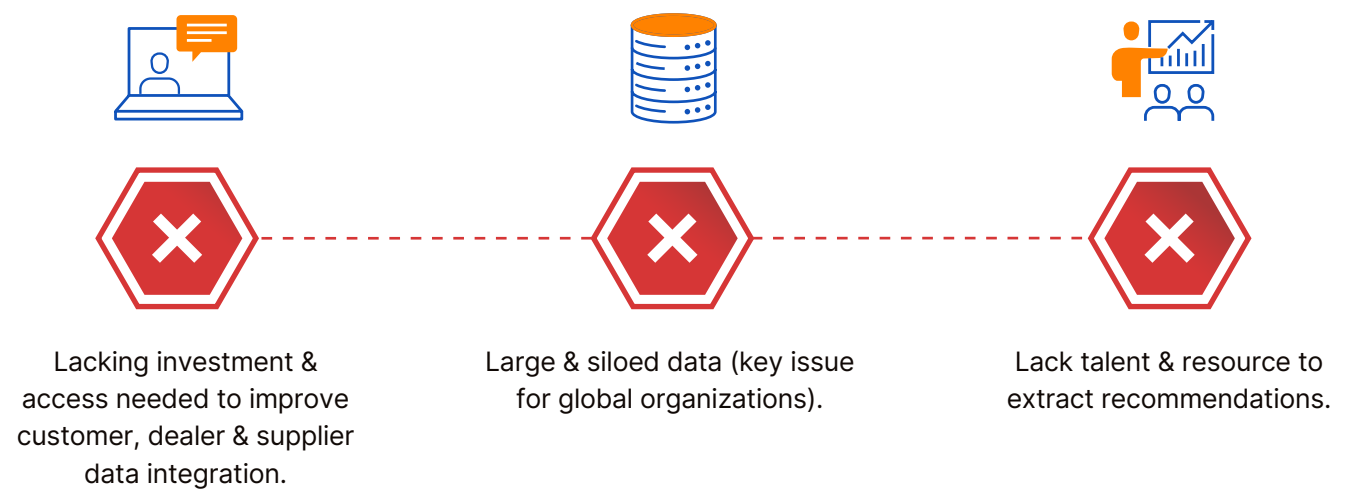
No matter how strong your parts business, disconnected operations can quietly drain its potential. Silos between parts, service, and data functions slow decision-making, fragment the customer experience, and make it harder to respond to sudden shifts in demand or cost.

Highlighting regional challenges with data quality and accessibility

	Overall (n=167)	USA (n=48)	DACH (n=69)	France (n=24)	Nordics (n=26)
Lack of data skills and expertise	49%	40%	61%	54%	27%
Meeting security and compliance requirements	46%	54%	42%	46%	46%
Data is not easily accessible	46%	48%	48%	67%	19%
Data is poor quality (i.e., inaccurate, unreliable)	41%	46%	42%	33%	38%
Data being siloed across multiple systems	40%	46%	39%	46%	27%
Lack of real-time data visibility	36%	23%	38%	38%	54%
Limited integration with dealer/suppliers/networks	34%	38%	33%	29%	31%

Significantly higher vs other regions

Overall data quality and accessibility challenges



Top integration challenges include:



Data silos across multiple systems, especially in global organizations.



Limited dealer and supplier integration, restricting real-time insight into demand and performance.



Manual processes resulting in a lack of real-time data visibility in planning and service operations that slows responsiveness.

OEMs with higher aftermarket maturity (characterized by proactive or autonomous operations) report stronger revenue growth. Integration is a clear prerequisite for reaching those levels, because it doesn't just streamline processes; it amplifies the value of every investment in people, technology, and inventory by ensuring they work in concert.



Regional Insight

Regional differences also emerge in integration maturity. Respondents in the USA and Nordics report higher levels of integration between parts, service, and data functions compared to DACH markets, where silos remain more entrenched. This variation may influence the speed and scale at which OEMs can realize the benefits of integration.

“There’s a lot of ‘stitching together’ going on with our internal data. Then the fact that we don’t really have unfettered access to our dealers’ sales data makes it really hard to get that end-to-end picture that we would want from a dashboarding perspective. You want to know how many parts we sold to our dealers yesterday? I can give that to you. You want me to tell you how many they sold? I have no clue.”

– Automotive, USA



The takeaway is clear:

In an era where a tariff change can rewrite your cost base overnight, **real-time integration isn't optional; it's survival.**

#4 Parts: The OEM Profit Engine



Key Takeaway:

Proprietary parts protect market share and margins.

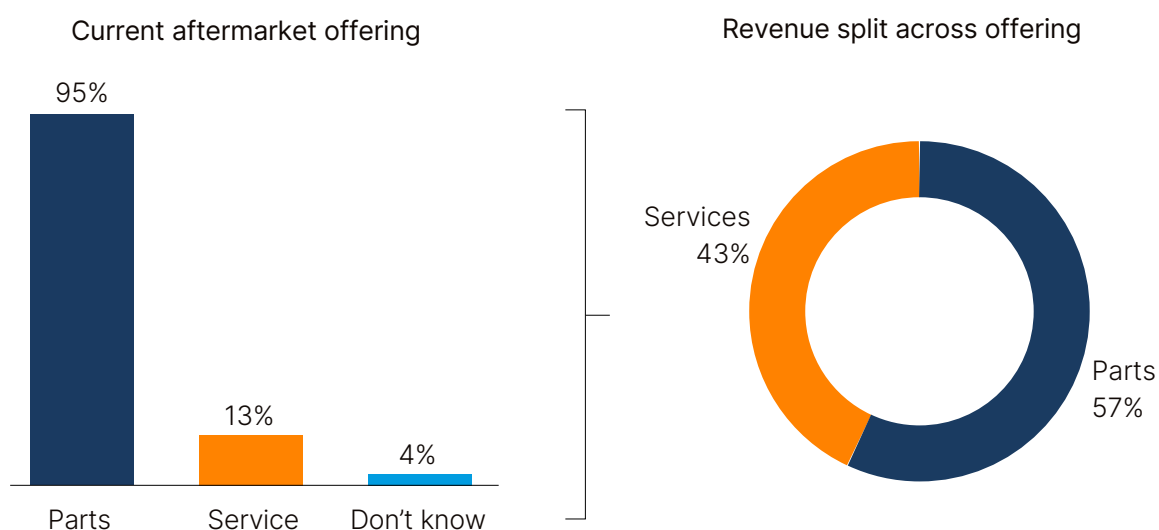


Implication for OEMs:

Invest in forecasting accuracy and supply chain agility to keep high-margin parts flowing.

Parts are the financial backbone of the aftermarket, delivering higher margins and more predictable demand than service alone. Almost all OEMs (95%) include parts in their aftermarket offering, with **parts accounting for 57% of total aftermarket revenue**.

Proportion of revenue coming from aftermarket parts and services



OEMs view proprietary parts as a competitive moat, protecting market share from third-party and direct-to-consumer providers. Because OEM-branded parts often carry higher margins and customer trust, they can also be a decisive differentiator against low-cost alternatives.



If I can get [parts] to you, and we have a relationship with one another, you're going to buy from me. And strategically, that's going to give us a lot more revenue.



- Construction Equipment, USA

Near-term priorities for parts businesses include:



Reducing lead times



Improving availability



Enhancing planning accuracy



Priorities reinforced by Service Council™

Service Council™, a dedicated community of service-led organizations, recently surveyed 131 participants to explore emerging industry trends. Its **2025 State of Service Supply Chain report** revealed that the five most frequently identified focus areas for parts business over the next 12 months are:



Trade policy changes add another layer of complexity. A single tariff adjustment can alter landed costs overnight, forcing OEMs to recalibrate pricing and sourcing, and putting pressure on aftermarket leaders to respond faster than competitors.

A strong parts business not only secures revenue today. It lays the foundation for customer retention, brand loyalty, and recurring sales in the future.



The more advanced we get at planning spare parts... the better we'll get at forecasting and ordering appropriately.



– Life Sciences, USA



#5 Technology and Data: Enablers of Integration and Parts Excellence



Key Takeaway:

Data quality is the backbone of aftermarket agility.



Implication for OEMs:

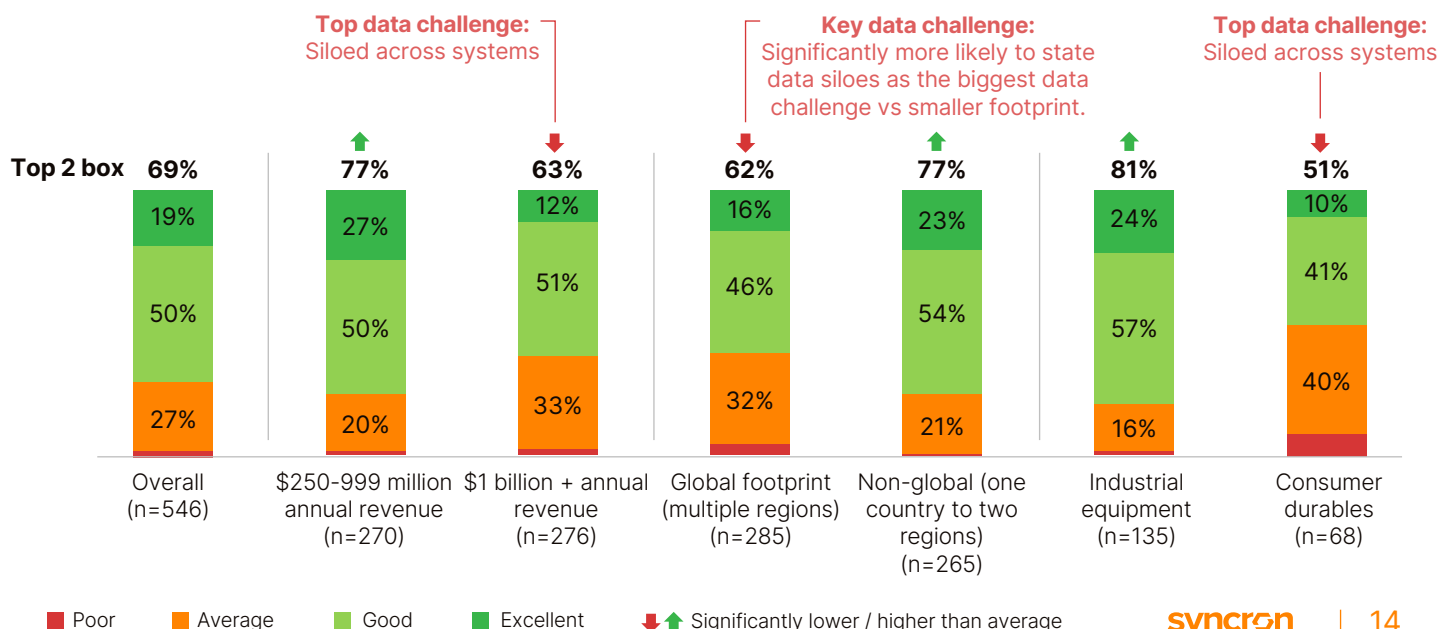
Consolidate systems and standardize processes to enable real-time responsiveness.

Data is the connective tissue of a high-performing aftermarket, but only if it's accurate, accessible, and actionable.

Integrated systems and advanced forecasting tools enable OEMs to proactively model scenarios such as tariffs in real time, adjusting pricing, sourcing, and inventory positioning to protect profitability in the face of sudden trade policy changes.

Yet challenges remain. One third of OEMs rate their data quality and accessibility as less than “good”, with larger organizations especially prone to silos and fragmented systems. This lack of real-time visibility isn't just an operational hurdle; it's a barrier to competitiveness, slowing response to market shifts and leaving OEMs exposed when sudden events like tariff changes or supply chain disruptions demand immediate action.

Perceptions of operational data quality



Leaders are addressing these issues by:



Consolidating systems into a central platform



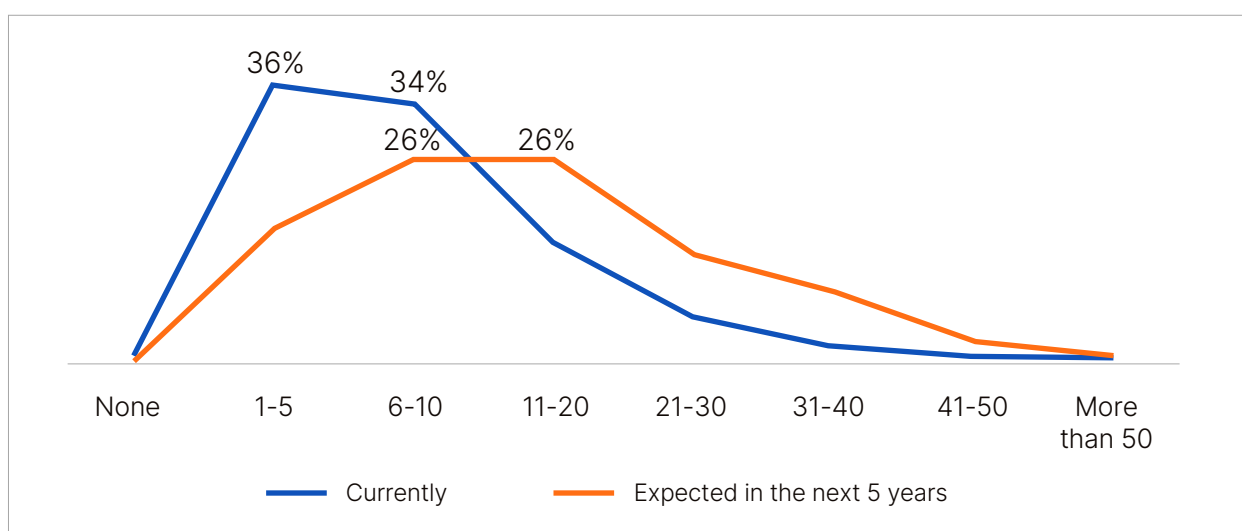
Standardizing formats and processes across regions



Expanding AI-enabled forecasting and planning tools

OEMs using a greater number of software solutions report higher confidence in their data, underscoring the link between technology adoption and aftermarket maturity. Looking ahead, many expect to further increase the number of solutions they use over the next five years to support continued progress.

Software solutions used to support aftermarket operations



Those with **average** or **poor** quality data expect to use...

+3 More solutions in five years



Those with **good** or **excellent** quality data expect to use...

+7 More solutions in five years



Regional Insight

The appetite for advanced technology adoption is highest in the USA and Nordics, where respondents report stronger plans to implement AI-driven planning and integrated data systems. DACH and France show more measured adoption curves, often citing skills gaps and change management as barriers.



The Road Ahead

The aftermarket is no longer the quiet contributor to OEM success; it's the profit engine, the stabilizer in volatile markets, and the foundation for long-term customer relationships. But its full potential will only be realised by OEMs willing to break down silos, invest in enabling technology, and adapt to shifting market and policy conditions.

This research makes one thing clear: growth will favor those who act decisively. Nearly half of OEM leaders cite improving aftermarket services and operations as a top strategic priority over the next two years; a signal that competitive intensity is about to rise. Those that move first will set new benchmarks for availability, responsiveness, and value creation.

The next five years will belong to the OEMs that treat aftermarket as a core business driver, integrate parts and service into a seamless ecosystem, and harness real-time data to anticipate change rather than react to it. For those ready to make that leap, the opportunity isn't just incremental growth—it's market leadership.

Put the insights into action.

Connect with us to explore how leading OEMs are turning aftermarket intelligence into long-term competitive advantage.

Appendix: Research Methodology



This research was conducted by B2B International, an independent specialist agency.

- 550 quantitative online interviews + 15 qualitative depth interviews.
- Targeting a relevant senior aftermarket decision-makers from organizations with annual revenue of \$250M+.
- Conducted across the following regions: USA, DACH, France, Nordics.
- And those operating within the following industries: Automotive, Industrial Equipment, Heavy Equipment, Life Sciences, and more.

If you have any questions regarding this research please get in touch:



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