Connected Vehicle Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Connected Cars, Software & Cockpit (Automotive & Transportation)

> **Source:** https://www.mordorintelligence.com/industry-reports/connected-vehicle-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 86.13 billion
Projected Forecast (2031)	USD 86.13 billion
Growth Rate (CAGR)	11.67 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market OverviewStudy Period | 2019 - 2031 |
Market Size (2026) | USD 86.13 Billion |
Market Size (2031) | USD 149.56 Billion |
Growth Rate (2026 - 2031) | 11.67 % |
Fastest Growing Market | Asia Pacific |
Largest Market | Europe |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Connected Vehicle Market Analysis by Mordor IntelligenceThe connected vehicle market size is expected to grow from USD 77.13 billion in 2025 to USD 86.13 billion in 2026 and is forecast to reach USD 149.56 billion by 2031 at an 11.67% CAGR over 2026–2031. Automakers are overhauling business models, monetizing over-the-air features, and forging usage-based-insurance alliances that reward safe driving and generate recurring revenue. Spectrum clarity in the United States and Europe now supports large roadside-unit rollouts, while cellular carriers and tier-1 suppliers race to integrate 4G and 5G modems into zonal vehicle architectures. Cybersecurity mandates, notably UNECE WP.29, are raising the bar for embedded defenses, pushing OEMs toward single-vendor stacks that blend connectivity, compute, and threat detection. Meanwhile, public funding for smart-infrastructure projects in China, the EU, and the United States is lowering deployment risk for V2X applications and anchoring long-term demand for high-bandwidth telematics.

Key Report Takeaways* By technology type, 4G/LTE led with 43.47% of connected vehicle market share in 2025, while 5G/C-V2X is projected to grow at an 11.69% CAGR to 2031.
* By application, safety and security held 38.13% of the connected vehicle market size in 2025, and over-the-air updates are advancing at an 11.77% CAGR through 2031.
* By connectivity, integrated solutions accounted for a 45.52% slice of the connected vehicle market size in 2025, yet embedded architectures are expanding at an 11.79% CAGR.
* By vehicle connectivity, vehicle-to-vehicle dominated with 48.81% of the connected vehicle market share in 2025, while vehicle-to-grid is forecast to accelerate at an 11.84% CAGR.
* By vehicle type, passenger cars captured 73.34% of the connected vehicle market share in 2025, and they also posted the fastest adoption, growing at an 11.72% CAGR to 2031.
* By end market, OEM-fitted systems held 87.13% of the connected vehicle market size in 2025 and continue to rise at an 11.81% CAGR, marginalizing aftermarket retrofits.
* By geography, Europe commanded 34.57% of connected vehicle market share in 2025, whereas Asia Pacific is the quickest climber with an 11.75% CAGR through 2031.

Key Market Trends

Market Trends and InsightsDrivers Impact Analysis of Connected Vehicle Market*Driver | (~) % Impact on CAGR Forecast | Geographic Relevance | Impact Timeline |
Global 5G Roll-Outs Enabling High-Bandwidth V2X Services | +2.8% | Global, led by China, South Korea, United States, Germany | Medium term (2-4 years) |
Regulatory Mandates for Ecall & Safety Telematics | +2.3% | Europe, Russia, India, with spillover to Brazil and ASEAN | Short term (≤ 2 years) |
Smart-Infrastructure Funding | +2.1% | United States (IIJA corridors), EU (C-Roads), China (New Infrastructure) | Long term (≥ 4 years) |
Consumer Demand for In-Car Infotainment & Connectivity | +1.9% | North America, Europe, urban Asia Pacific | Medium term (2-4 years) |
EV-Centric Software-Defined Vehicle Architectures | +1.7% | Global, concentrated in premium and electric-vehicle segments | Medium term (2-4 years) |
Insurance-OEM Usage-Based-Insurance Partnerships | +0.9% | North America, United Kingdom, Italy, with pilots in Japan | Short term (≤ 2 years) |
Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

As semiconductor firms, top-tier integrators, and carriers increasingly converge, competition heats up. In a move set for the near future, Qualcomm, in collaboration with BMW, is set to unveil its Snapdragon Ride Pilot. This innovation melds 5G modems with autonomous computing, offering turnkey Level 3 capabilities. This bold step puts pressure on rivals NXP and Infineon to elevate their integration game. Meanwhile, Continental's 5G Hybrid V2X consolidates modem, GNSS, and firewall functionalities into a single module, streamlining the OEM's time-to-market. Tesla, however, carves its own path, fully owning its over-the-air stack and withholding data. This strategy not only positions Tesla to capitalize on software monetization but also distances it from potential ecosystem collaborations.

Chinese chip manufacturers, led by Huawei's HiSilicon, leverage the Kirin 990A to undercut competitors on pricing. Yet, stringent export controls hinder their access to advanced nodes, limiting performance enhancements in high-end vehicles. Mobile network giants, such as AT&T, which now cater to a significant number of connected cars, are broadening their horizons. They are delving into analytics, forecasting battery failures, and orchestrating firmware updates, encroaching on territory traditionally dominated by OEM telematics.

Certification emerges as a pivotal pricing strategy. Suppliers adept at securing ISO/SAE 21434 and UNECE WP.29 compliance can command notable premiums, due to their ability to expedite OEM homologation cycles. Patent holdings play a crucial role too: Qualcomm's portfolio boasts a substantial number of granted C-V2X patents, paving the way for consistent licensing revenues that extend well beyond mere silicon sales.

Connected Vehicle Industry Leaders* Continental AG

* Robert Bosch GmbH

* Qualcomm Technologies Inc.

* Harman International (Samsung)

* Visteon Corporation

* *Disclaimer: Major Players sorted in no particular order

Scope Methodology P Space

Our study defines the connected vehicle market as all factory-built passenger and commercial vehicles that communicate bi-directionally with external networks through embedded, integrated, or tethered solutions covering V2X, telematics, infotainment, diagnostics, mobility, and over-the-air update services.

Scope exclusion: Pure aftermarket dongles and stand-alone navigation devices are outside the definition.

Segmentation Container

* By Technology Type* 5G / C-V2X
* 4G / LTE
* 3G
* 2G

* By Application* Driver Assistance (ADAS)
* Safety and Security
* Telematics & Diagnostics
* Infotainment & HMI

* Mobility & Fleet Management
* Over-the-Air (OTA) Updates

* By Connectivity* Integrated
* Embedded
* Tethered

* By Vehicle Connectivity* Vehicle-to-Vehicle (V2V)
* Vehicle-to-Infrastructure (V2I)
* Vehicle-to-Pedestrian (V2P)
* Vehicle-to-Cloud (V2C)
* Vehicle-to-Grid (V2G)

* By Vehicle Type* Passenger Cars
* Light Commercial Vehicles
* Medium and Heavy Commercial Vehicles

* By End Market* OEM-Fitted
* Aftermarket

* By Geography* North America* United States
* Canada
* Rest of North America

* South America* Brazil
* Argentina
* Rest of South America

* Europe* Germany
* United Kingdom
* France
* Italy
* Spain
* Rest of Europe

* Asia Pacific* China
* India
* Japan
* South Korea
* Rest of Asia Pacific

* Middle East and Africa* United Arab Emirates
* Saudi Arabia
* South Africa
* Turkey
* Rest of Middle East and Africa

Frequently Asked Questions

What is the 2026 value of the connected vehicle market?

The connected vehicle market is valued at USD 86.13 billion in 2026 and is proje
cted to expand to USD 149.56 billion by 2031, growing at a CAGR of 11.67% over t
he forecast period (2026-2031).

Which region leads adoption of vehicle-to-infrastructure services?

Europe leads thanks to 1,200 C-Roads roadside units and strict eCall and cyber-s
ecurity mandates that encourage continuous investment in V2X corridors.

How fast is Asia Pacific expanding in connected vehicles?

Asia Pacific posts the fastest 11.75% CAGR through 2031, propelled by China's LTE-V2X mandate and large public spending on smart-transport projects.

Why are embedded telematics growing faster than integrated units?

ISO/SAE 21434 and UNECE WP.29 cyber-security rules favor stand-alone gateways that isolate safety-critical networks, pushing OEMs toward embedded designs that grow at an 11.79% CAGR.

What business model dominates connected vehicle deployments?

OEM-fitted systems account for 87.13% of 2025 deployments, giving automakers end-to-end control over hardware, software, and post-sale data services.

How does 5G improve connected vehicle capabilities?

5G enables sub-20 millisecond sidelink communication and high-bandwidth firmware streaming, supporting advanced driver assistance and bidirectional charging services that 4G cannot reliably sustain.