Deloitte.

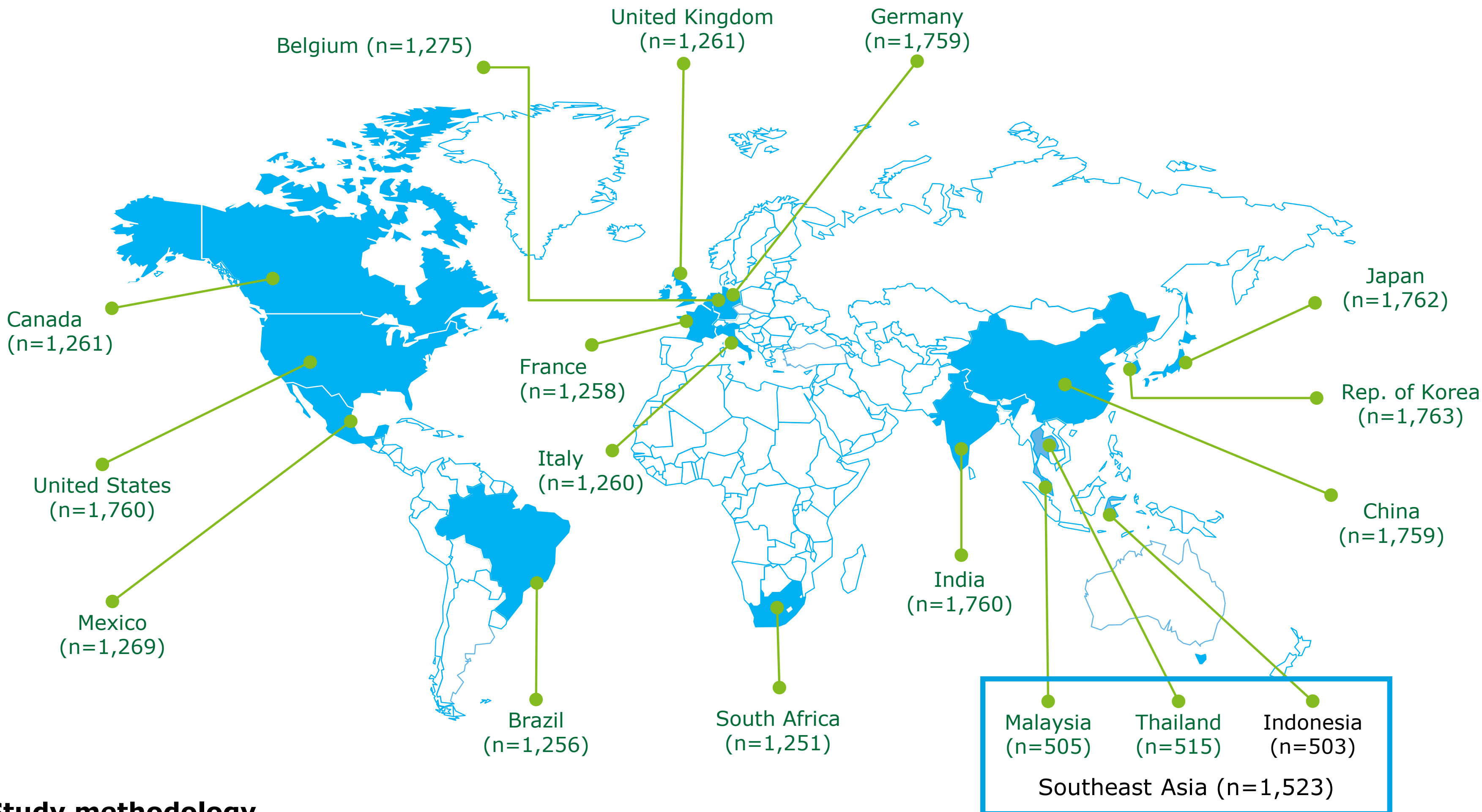
2018 Deloitte Global Automotive Consumer Study

Module 2: Customer Experience & Digital Engagement

Primary Insights: Europe + US Comparison Report

February 2018

The 2018 Deloitte Global Automotive Consumer Study includes 22,177 consumer responses across 15 global markets



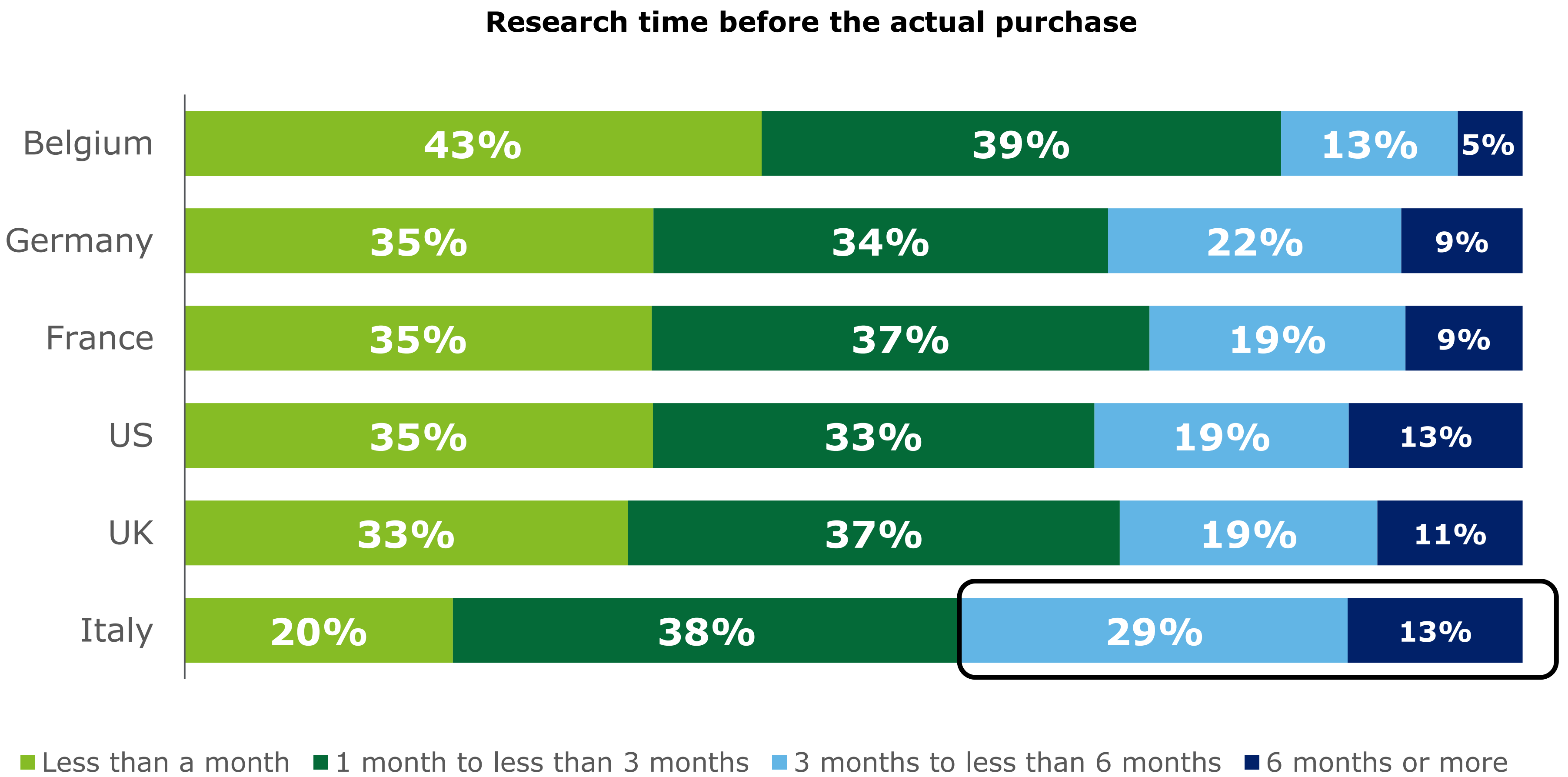
Study methodology

The study is fielded using an online panel methodology where consumers of driving age are invited to complete the questionnaire (translated into local languages) via email. It was fielded in 17 countries and designed to be nationally representative of the overall population in each country.

How do consumers research vehicles?

Most consumers begin researching 3 months prior to purchase

Consumers in Italy spent comparatively more time researching their current vehicle as compared to other markets



Q10. How long before you made the decision to acquire did you start researching your current vehicle?
Sample size: Belgium=969; France=758; Germany=1,336; Italy=908; UK=857; US=1.544

People have the biggest impact on a purchase decision

In European countries the impact of dealer salespeople is still significantly more prominent than websites (in US and UK is the opposite)

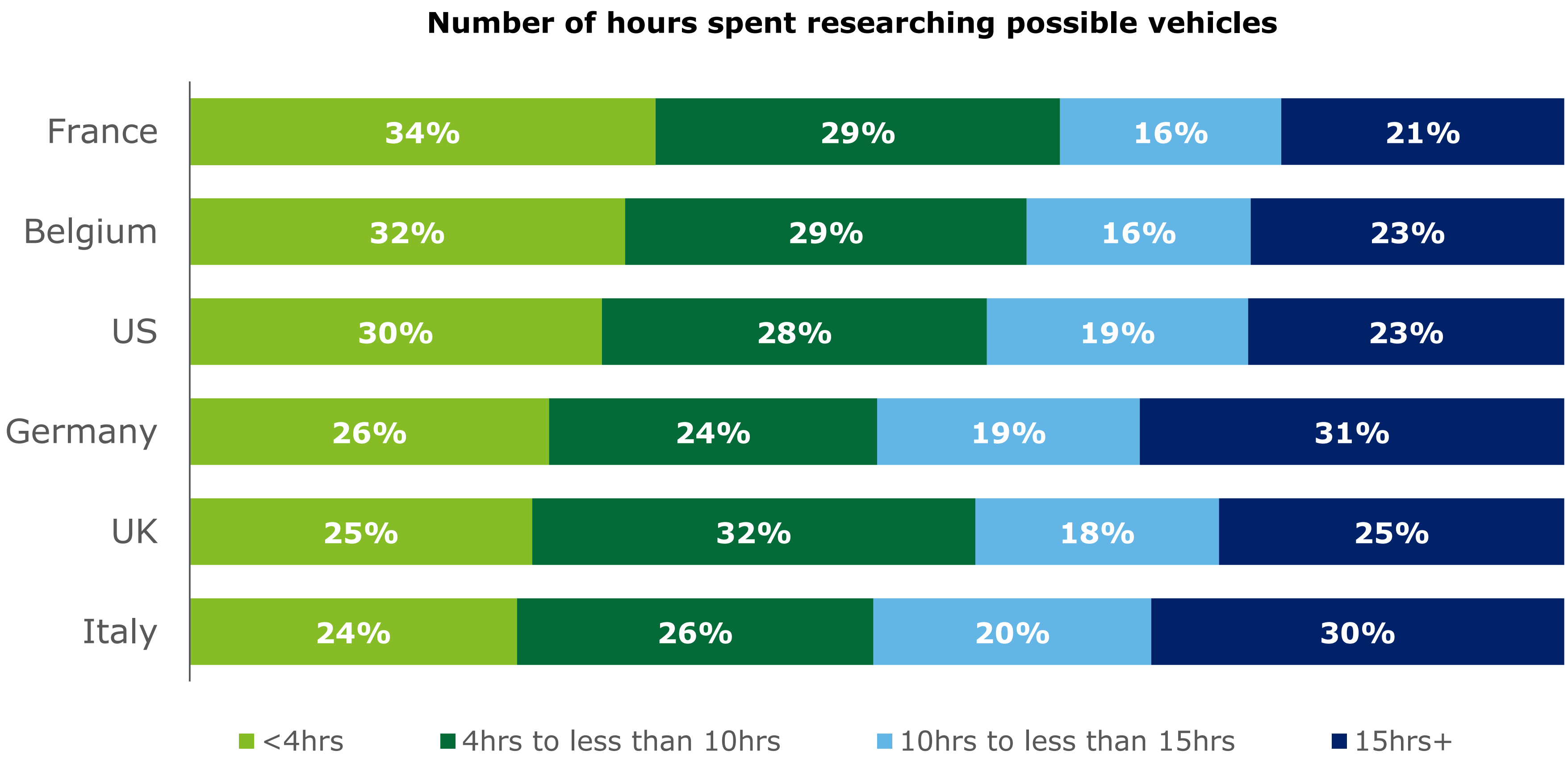
Sources of information	BE	FR	DE	IT		UK	US
Salespeople at the dealership	**1**	**1**	**2**	**1**	**(67%)**	4	5
Family, friends, co-workers	**2**	**2**	**1**	**2**	**(59%)**	**2**	**1**
Manufacturer websites (e.g., ford.com)	3	3	3	3	(55%)	**1**	4
Dealer websites (view inventory, find dealer hours/location)	4	4	4	4	(48%)	3	**2**
Safety-related websites (e.g., Consumer Reports, government crash test ratings)	5	6	6	6	(36%)	6	3
Other (media reviews, magazines)	6	5	7	5	(45%)	8	9
Retail Websites (e.g., eBay Motors, Autotrader, Amazon)	7	7	5	7	(32%)	5	7
Financial provider websites	8	8	9	8	(27%)	9	8
Third-party websites (e.g., Edmunds, Autohome, WhatCar)	9	9	8	10	(25%)	7	6
Social media (e.g., Facebook)	10	10	10	9	(25%)	10	10

Q12. When considering purchasing or leasing your current vehicle, how much of an impact did information from each of the following sources have on your ultimate decision of which vehicle you chose?

Sample size: Belgium=969; France=758; Germany=1,336; Italy=908; UK=857; US=1.544

French consumers spend less time researching vehicles

More than half of consumers across US and Europe spend less than 10 hours; one-third of German and Italian consumers research for 15+ hours



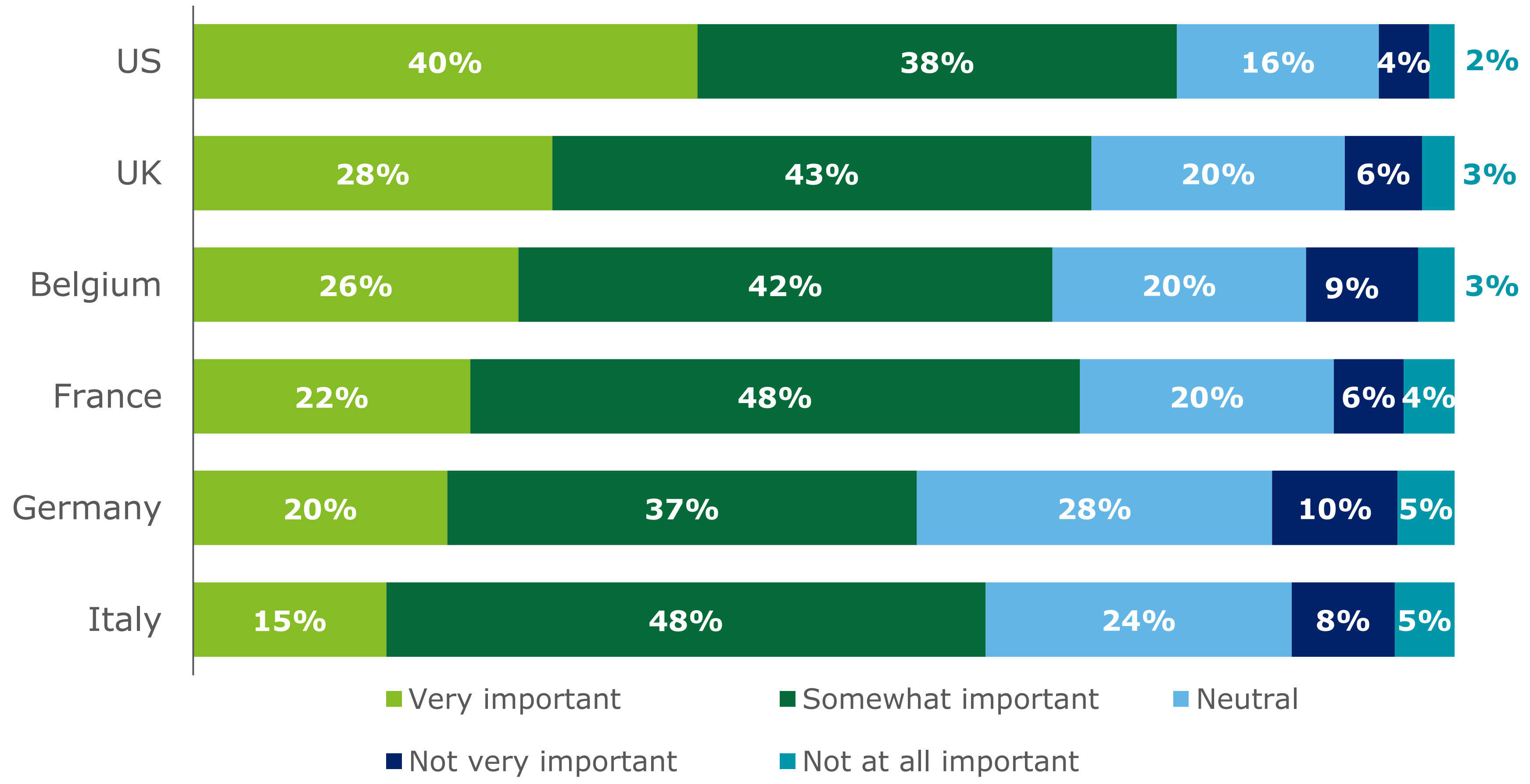
Q13. When considering the acquisition of your current vehicle, how many hours in total would you estimate you spent researching possible vehicles?

Sample size: Belgium=969; France=758; Germany=1,336; Italy=908; UK=857; US=1.544

Customer experience holds the key

Experience at the dealership is an important factor in customer making a choice to buy from a dealership, particularly for US

Percentage of consumers who feel experience is important decision factor

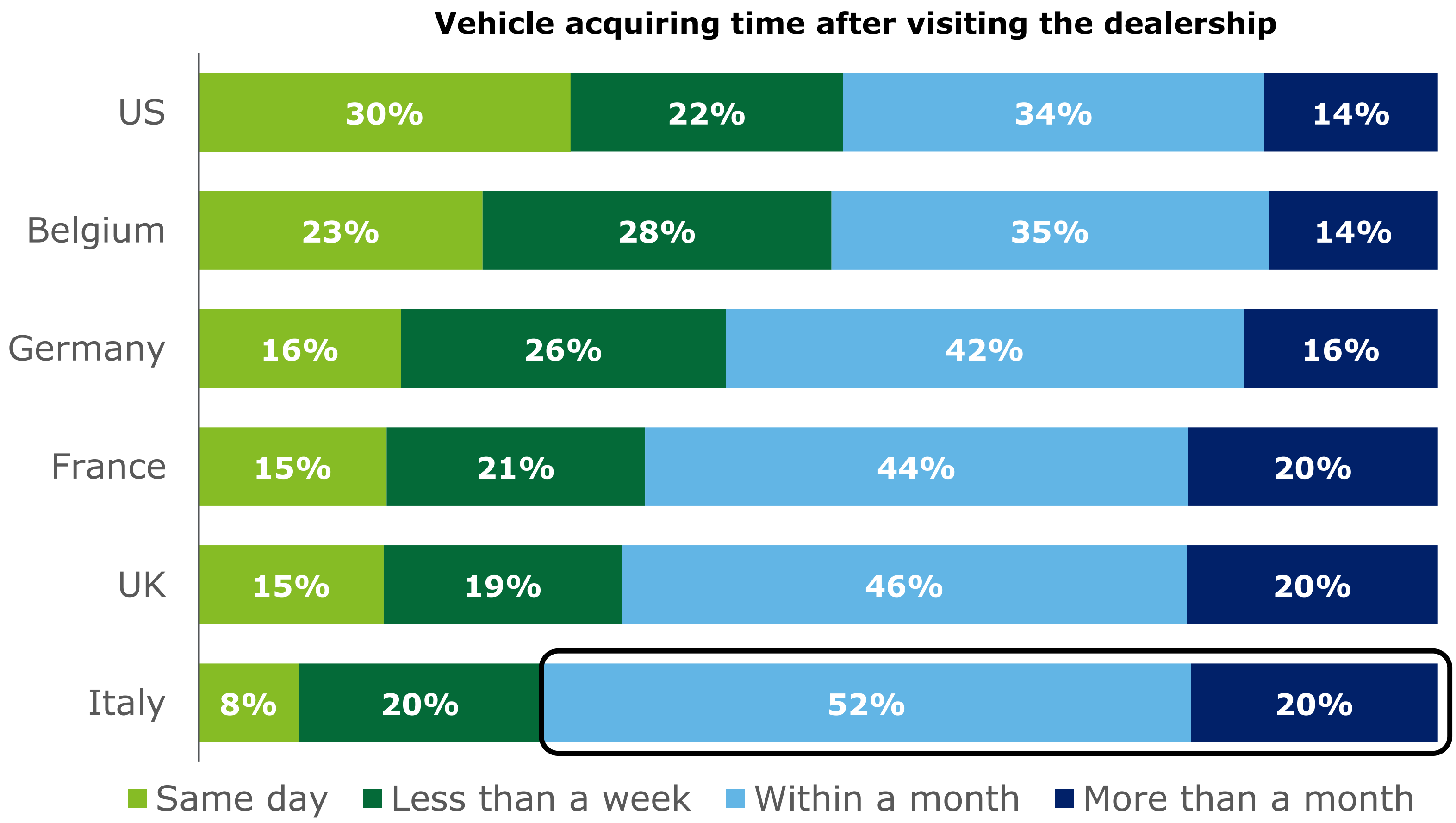


Q18. Thinking about the dealer where you acquired your current vehicle, how important was the customer experience in making the choice to buy there?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

Most consumers wait for more than a week to acquire a vehicle

Less than 36 percent of consumers in France, UK and Italy acquire their vehicle within a week. In contrast, more than half do so in US



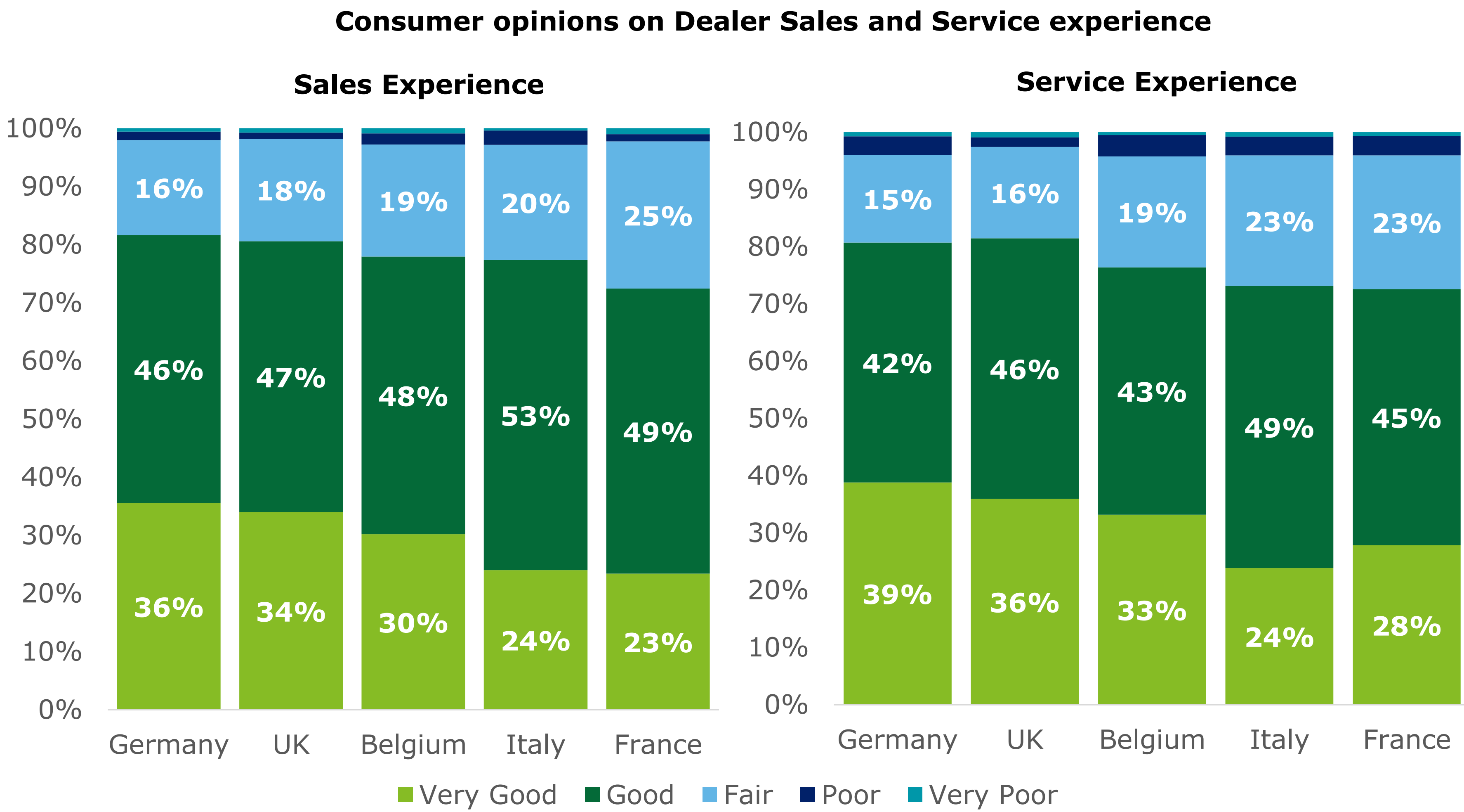
Q19. Once you started visiting dealerships, how long was it before you acquired your current vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

The in-dealer experience

Dealers score high on sales/service experiences

Majority of consumers rated their experience with dealers as good/very good. However, France and Italy scores are comparatively lower



Q29. On a scale from 1-5 where 1 is very poor and 5 is very good, how would you rate your overall experience with the dealer you visit most often?

Sample size: Belgium=779; France=569; Germany=1,028; Italy=767; UK=669

Getting a good price is what consumers cherish the most…

Relationship with sales associate is also important for an enjoyable experience at the dealership. For UK and US consumers, test drive is the second most important feature

Three aspects of dealership experience consumers enjoyed the most during their purchase

	BE	FR	DE	IT	UK	US
All my questions were answered	**50%**	**50%**	**42%**	**51%**	34%	35%
Learned about extra features	10%	17%	8%	15%	11%	11%
Test drive	28%	43%	38%	24%	**43%**	**41%**
Dealership amenities (e.g., kid's play room, restaurants/coffee shop, cocktail bar)	3%	5%	4%	4%	7%	7%
Friendliness/relationship with sales associate	**49%**	**56%**	**40%**	**57%**	35%	**37%**
Technology that made the experience more efficient/easier	7%	7%	8%	10%	6%	8%
Technology that made the experience more fun (e.g., virtual reality)	3%	5%	4%	7%	6%	7%
Convenient location	13%	6%	23%	17%	30%	28%
Got a good deal/price	**70%**	**50%**	**70%**	**63%**	**66%**	**63%**
Did not have to negotiate	10%	11%	11%	12%	14%	19%
Quick/efficient process	34%	30%	29%	32%	**38%**	35%
Follow-up post-purchase	21%	21%	21%	7%	8%	7%

Q24. What are the three aspects of the dealer experience you enjoyed most when you acquired your current vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

..while too much of paperwork is what consumers dislike

Other issues consumers are not happy about include haggling around the final price, and unavailability of preferred stock. Time-consuming purchase experience is especially critical for US consumers

Three aspects of dealership experience consumers <u>disliked the most</u> during their purchase

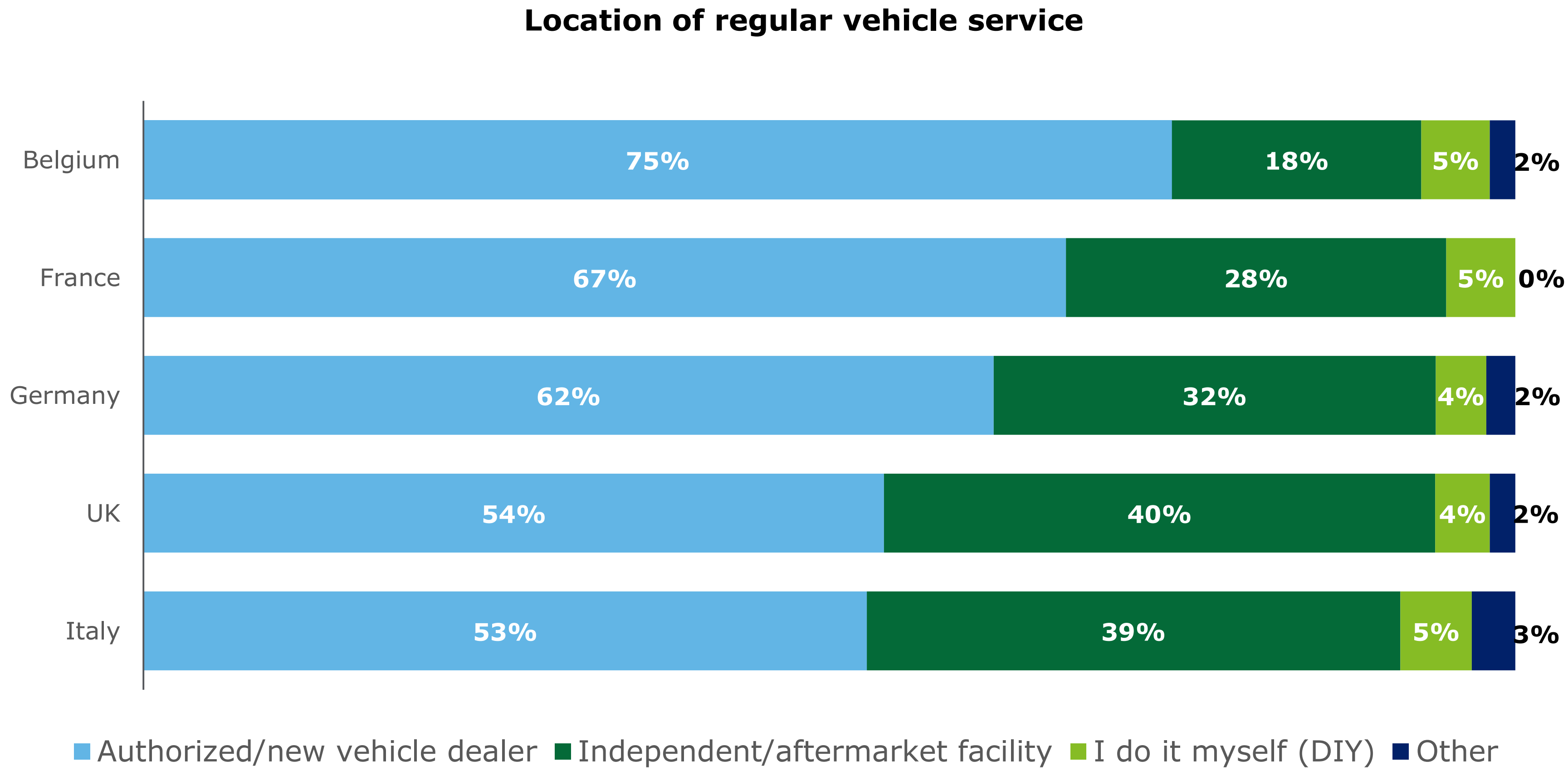
	BE	FR	DE	IT	UK	US
Pushy sales person	21%	23%	14%	12%	27%	28%
Poor showroom/dealership condition	10%	18%	10%	17%	15%	10%
Lack of availability/stock	**45%**	**39%**	30%	**29%**	31%	30%
Dealer did not have access to information I had already provided	13%	13%	15%	16%	14%	11%
Poor dealer responsiveness to emails/texts/phone calls	17%	16%	15%	21%	15%	10%
Poor technology/digital tools	19%	25%	9%	29%	19%	11%
Overall purchase experience took too long	25%	24%	27%	24%	28%	**42%**
Poor demonstration of in-vehicle features/technology	18%	18%	19%	23%	18%	15%
Too much paperwork	**48%**	**50%**	**52%**	**48%**	**48%**	**57%**
Pricing issues/haggling	22%	**28%**	**36%**	21%	**31%**	**40%**
Location	**30%**	20%	**37%**	**33%**	**33%**	27%
Pushy sales person	21%	23%	14%	12%	27%	28%

Q25. What are the top three aspects of the dealer experience you disliked most when you acquired your current vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

Dealerships are the preferred place for vehicle servicing

But, at least one-third of consumers in Germany, Italy, and UK service their vehicle at an independent/aftermarket facility



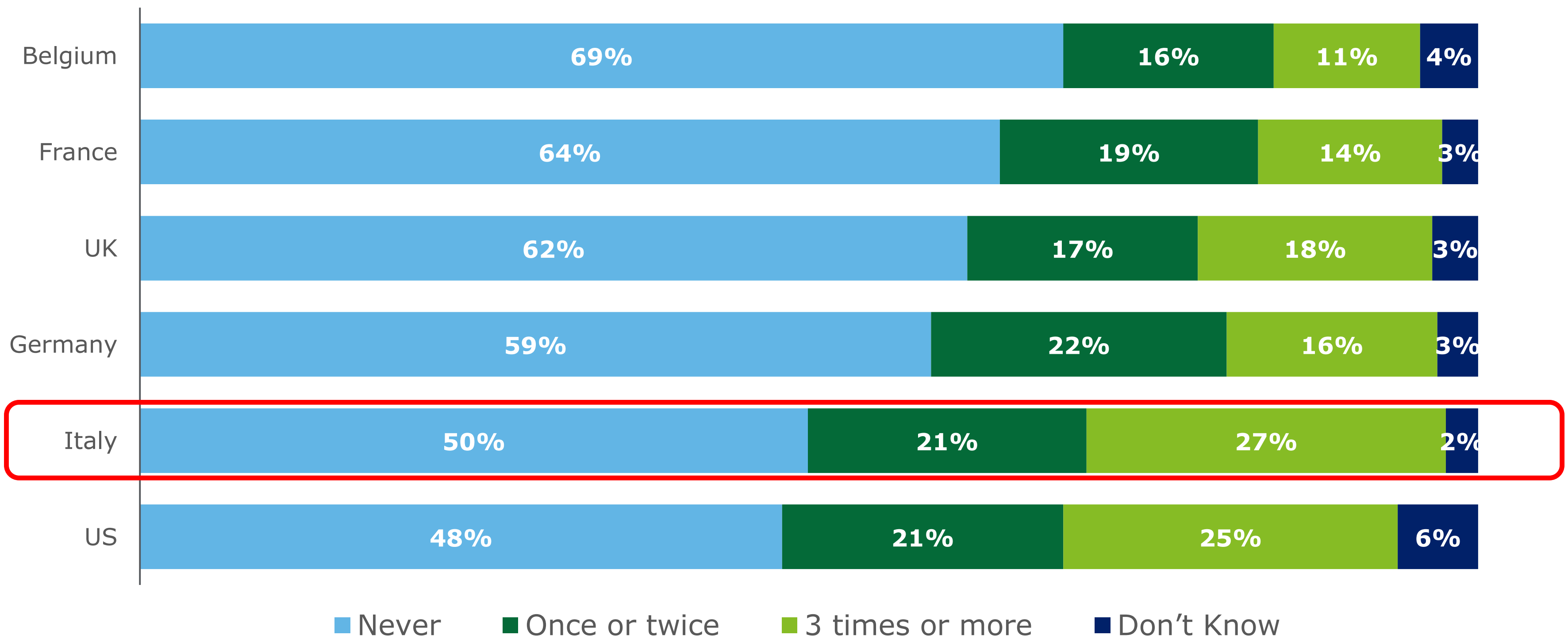
Q27. Where do you normally service your vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702

Auto OEMs are missing out on potential opportunities…

Majority of the consumers in Belgium, France, UK, and Germany were never contacted by the auto manufacturer post vehicle purchase. Italy and US have the highest frequency of touchpoints

Manufacturer touchpoints with consumers post vehicle purchase

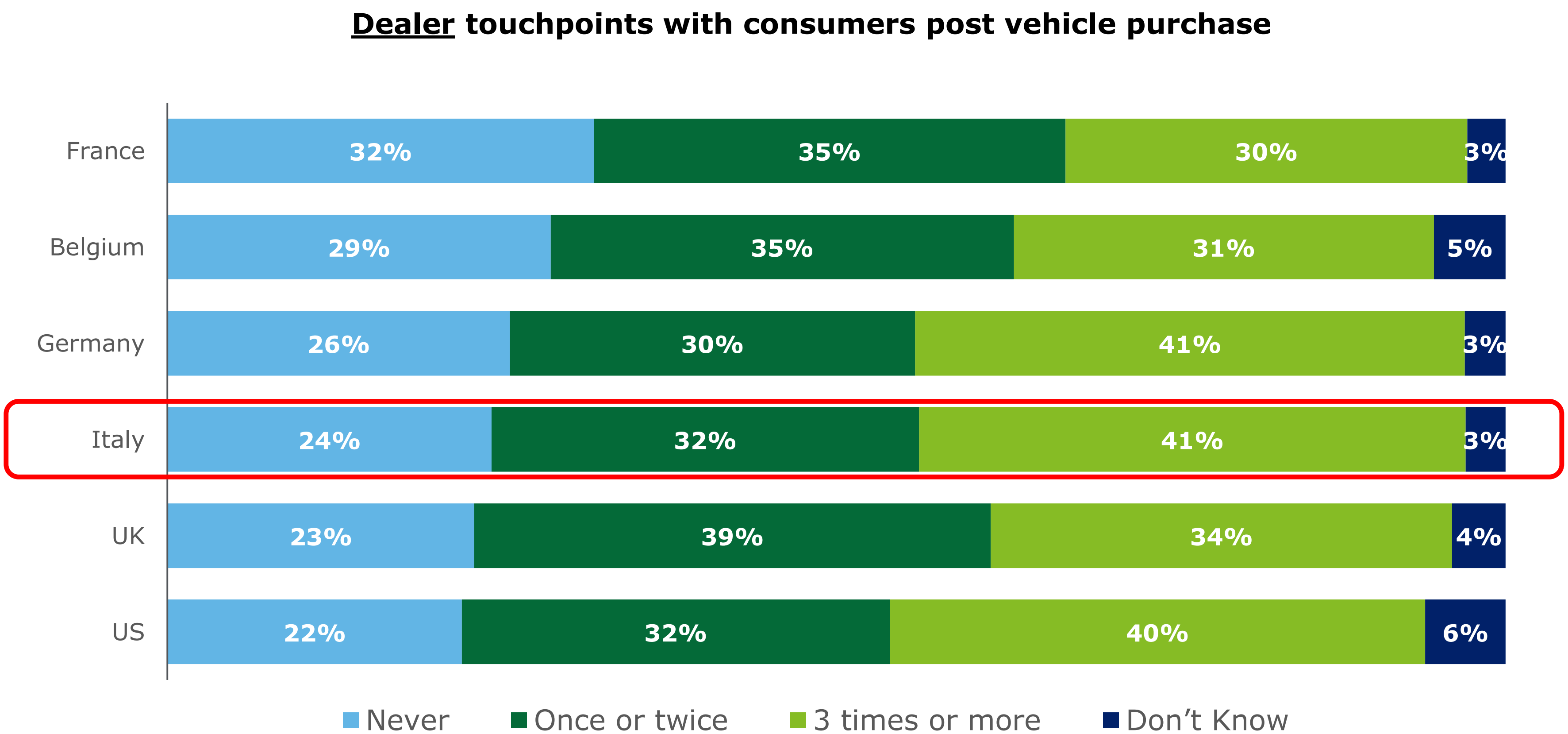


Q31. How many times has either the manufacturer or dealer contacted you (for any reason) after acquiring your current vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

…even dealers could be upping their communication game

One third of consumers in France have never been contacted by their dealer, suggesting an opportunity to deepen customer relationships

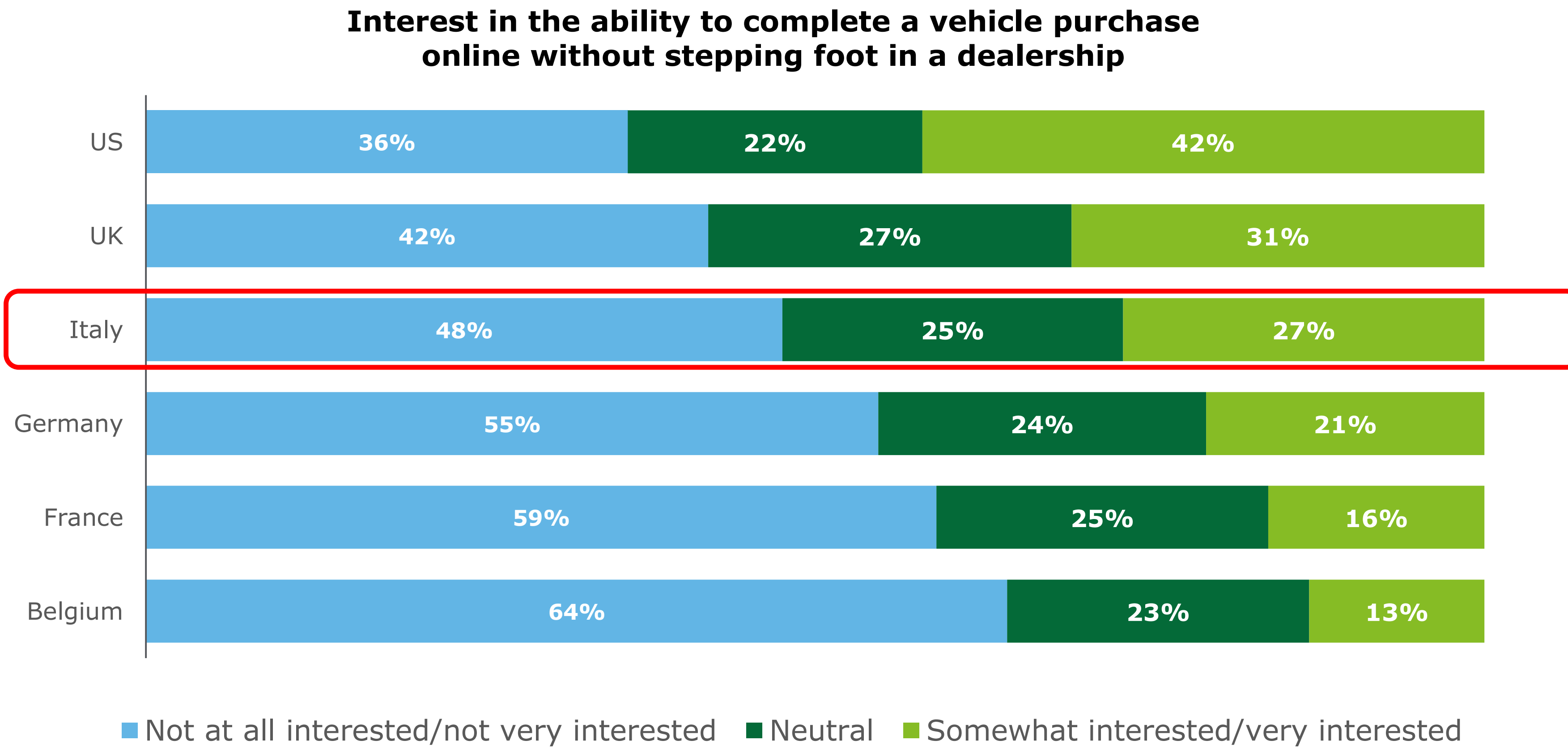


Q31. How many times has either the manufacturer or dealer contacted you (for any reason) after acquiring your current vehicle?

Sample size: Belgium=803; France=596; Germany=1,086; Italy=783; UK=702; US=1.309

Majority of consumers not that interested in online purchasing

US consumers are the most interested in this ability. Consumers in UK and Italy also show the highest level among European countries, but still not an overwhelming trend



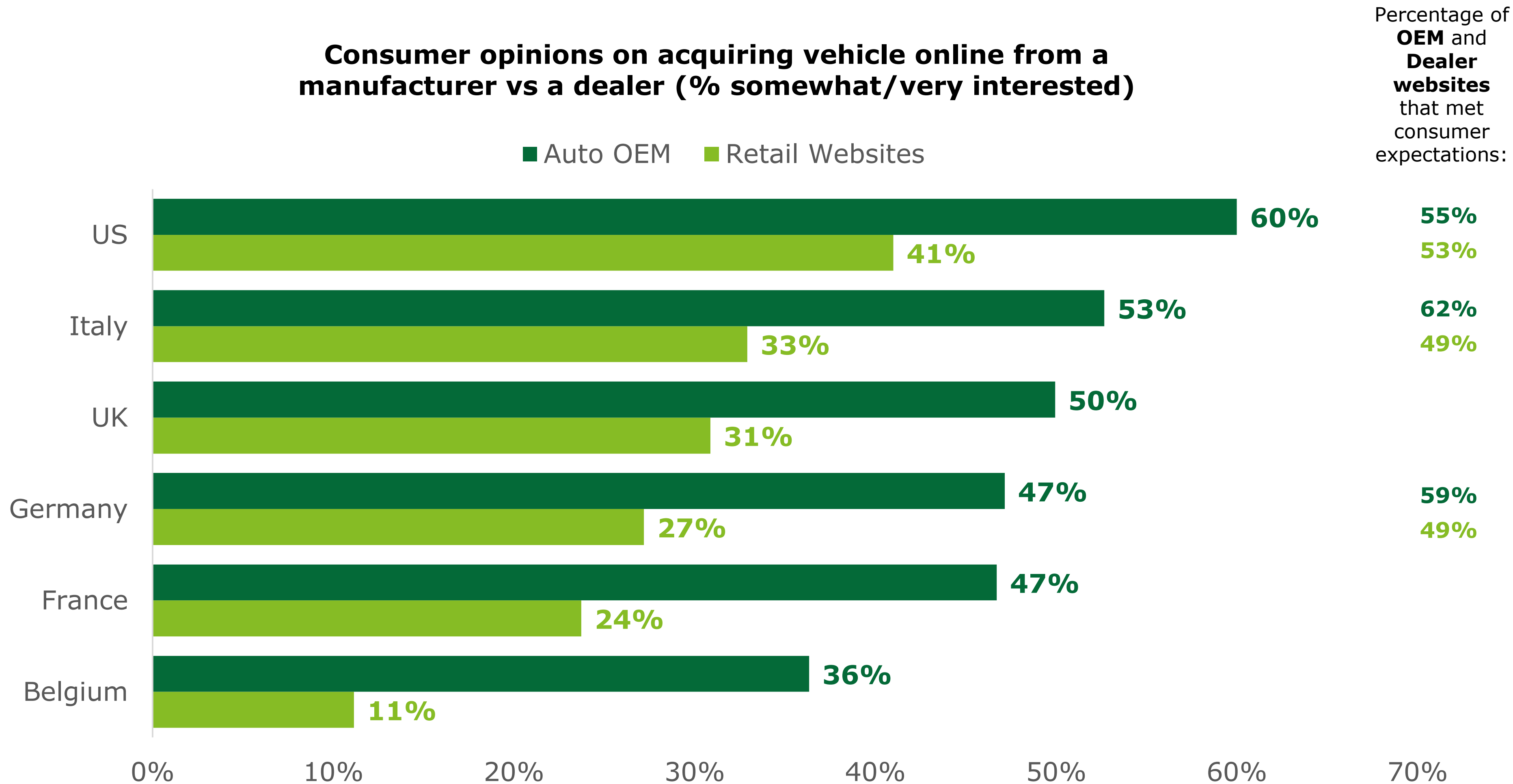
Q44. How interested would you be in each of the following scenarios?
Ability to complete a vehicle purchase online so you never have to step foot in a dealership

Sample size: Belgium=878; France=875; Germany=1,029; Italy=900; UK=766; US=1,296

Consumers would rather buy from OEM than retail site

Across the board, consumers show an elevated level of interest to acquire vehicles online from an automotive OEM over a retail site

Consumer opinions on acquiring vehicle online from a manufacturer vs a dealer (% somewhat/very interested)



Q47. If you had the option to acquire your next vehicle directly from the manufacturer (via online process), how interested would you be?
Q48. If you had the option to acquire your next vehicle through an online retail website (e.g., Amazon), how interested would you be?

Sample size: Belgium=1,032; France=1,083; Germany=1,287; Italy=1,048; UK=965; US=1.513

Vehicle connectivity = maintenance and traffic updates

Vehicle maintenance and traffic congestion updates emerge among the top three most important connectivity benefits

Top three benefits of internet connected vehicles

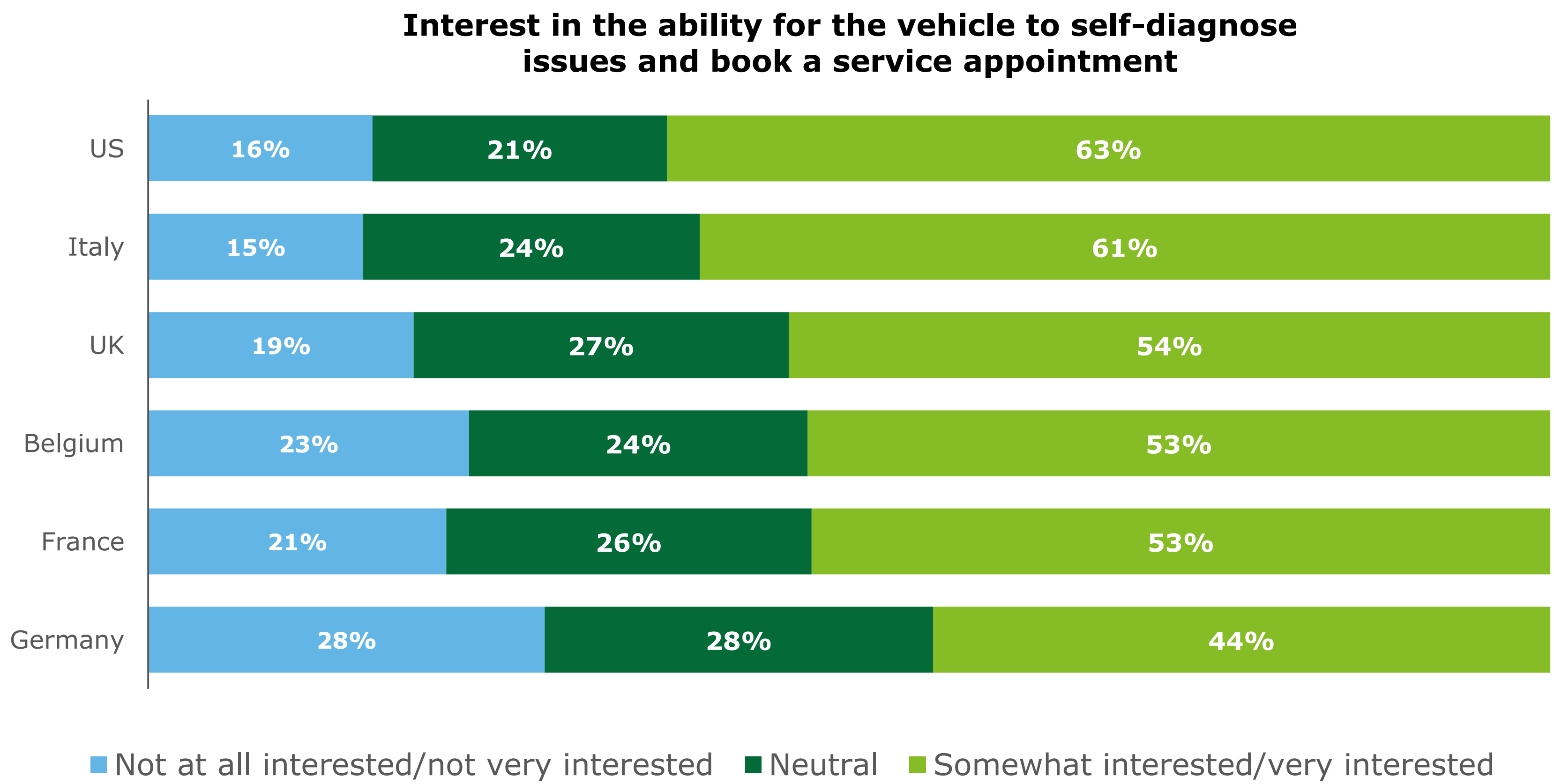
Benefits	Belgium	France	Germany	Italy		UK	US
Maintenance updates/vehicle health reporting	**2**	**2**	**1**	**1**	**75%**	**2**	**1**
Traffic congestion updates/suggest alternate routes	**1**	**3**	**2**	4	70%	**1**	**2**
Maintenance cost forecasts based on driving habits	4	**1**	4	**2**	**73%**	**3**	**3**
Customized suggestions to minimize service expenses	**3**	4	5	5	69%	4	4
Wi-Fi connection access in your vehicle	9	8	7	6	62%	6	5
Customized/optimized vehicle insurance plan	8	6	8	**3**	**71%**	7	6
Over-the-air vehicle software updates	7	5	**3**	8	62%	8	7
Parking access (i.e., availability, booking, and payment)	6	9	6	7	62%	5	8
Increased vehicle autonomous capability	5	7	9	9	56%	9	9
Special offers regarding non-automotive products and services related to your journey or destination	10	10	10	10	48%	10	10

Q50. As vehicles become more and more connected via the Internet, how interested are you in the following benefits if it meant sharing the operational data your vehicle collects with the manufacturer and/or third parties?

Sample size: Belgium=1.032; France=1.083; Germany=1,287; Italy=1.048; UK=965; US=1.513

Consumers interested in vehicles with self-diagnose abilities…

Majority of the consumers are interested in vehicle that can not only identify issues but also book service appointments

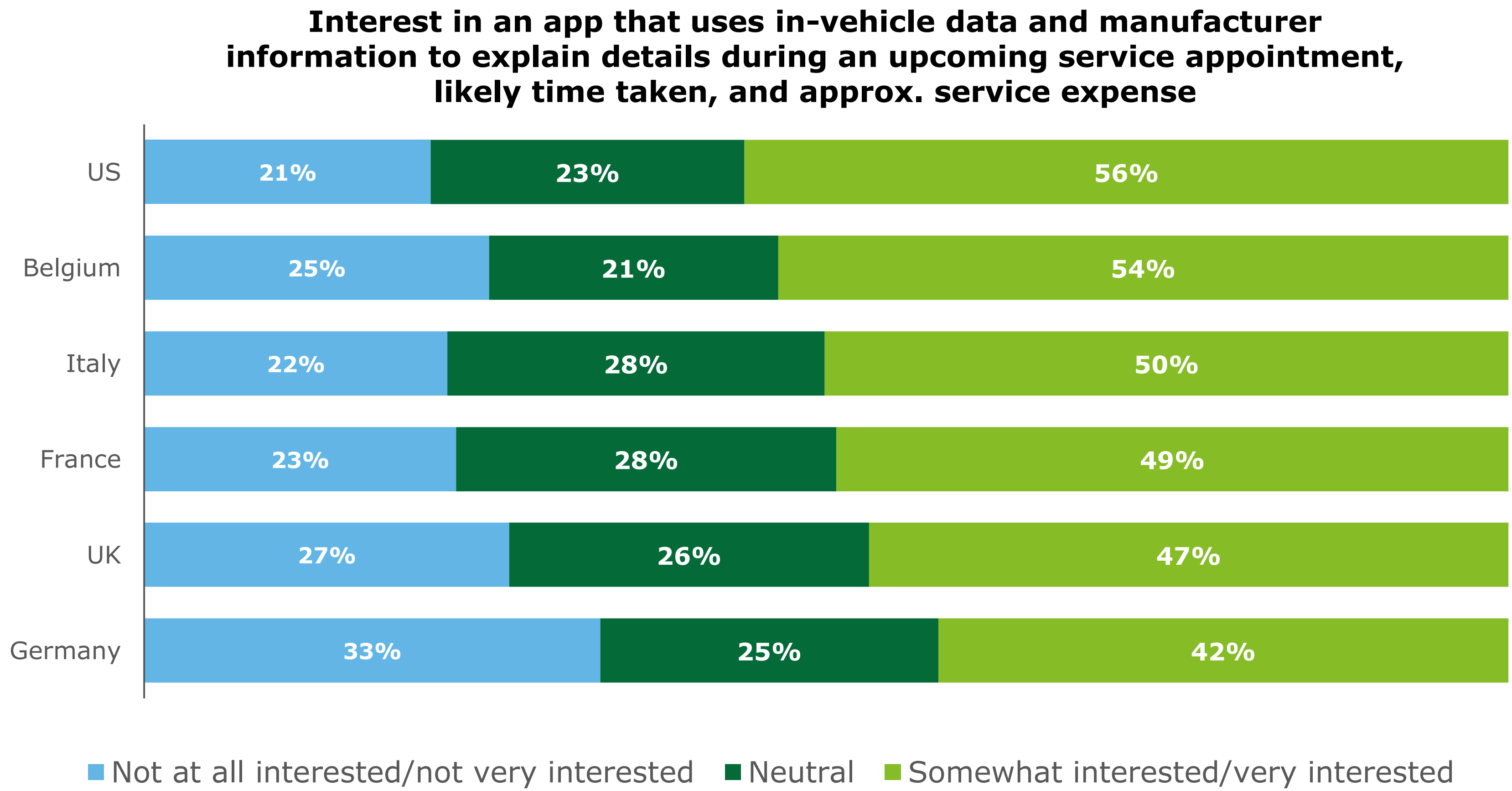


Q44. How interested would you be in each of the following scenarios?
Ability for my vehicle to self-diagnose issues and book a service appointment

Sample size: Belgium=878; France=875; Germany=1,029; Italy=900; UK=766; US=1,296

…along with an app that explains service time and cost

Consumers also show an interest in an app that explains what is going to be completed during the upcoming service



Q44. How interested would you be in each of the following scenarios?
An app that uses in-vehicle data and manufacturer information to explain to you what is going to be completed during an upcoming service appointment, how long it will likely take, and approximately what it will cost

Sample size: Belgium=878; France=875; Germany=1,029; Italy=900; UK=766; US=1,296

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