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Navigating the customer journey

Italy perspectives from Deloitte's Global Automotive Consumer Study

Key findings

How do consumers feel about autonomous vehicles?

- Consumers are more positive about fully self-driving vehicles
- All generations are fairly confident about AV technology
- Established track record is more important for self-driving vehicles
- Speaking of brand trust, consumers put their faith in OEMs

How do consumers feel about electrified vehicles?

- Fewer consumers want traditional engines going forward
- Lack of charging infrastructure is a significant concern for all battery-powered electric vehicles (BEVs)
- Lower emissions and tax incentives attracts consumers to BEVs

How do consumers research a vehicle purchase?

- Most consumers start researching 3 months before purchase
- There is little difference between men and women on the researching front
- Half of consumers spend 10 hours or less researching vehicles
- Dealer visits help strengthen trust with the dealer salesperson
- Dealer salespeople have significant impact on purchase decision
- The majority of consumers do not use third-party pricing services
- Younger generations are more comfortable with pricing services

In-dealer consumer experience

- 90% of consumers visited their selling dealer more than once
- Customer experience is clearly a key factor in choosing a dealer
- Consumers take their time before finalizing the vehicle purchase
- Salespeople and printed brochures are considered the most useful
- Digital information is more important for younger customers
- Consumers are most concerned with getting a good deal
- Consumers really do not like a lot of paperwork in the process
- Consumers set upper limits on the amount of time for key processes
- The majority of consumers like to inspect the vehicle before buying
- Interaction with a real person is the most important aspect
- Service experience hinges on customer time and convenience
- The majority of digital journey is merely meeting expectations
- And it's the same story with digital servicing touchpoints

Communication from dealers and manufacturers

- Both OEMs and dealers could be missing a big opportunity
- Reasons for contact vary between OEMs and dealers
- Consumers are more satisfied with communication from dealers
- Leading to consumers preferring communication from dealers

Key findings

Are consumers ready to leave the dealer behind?

- Consumers still expect F&I processes to be done at the dealer
- Consumers are only somewhat interested to buy direct from OEMs
- Interest is even lower in buying from an online retail website

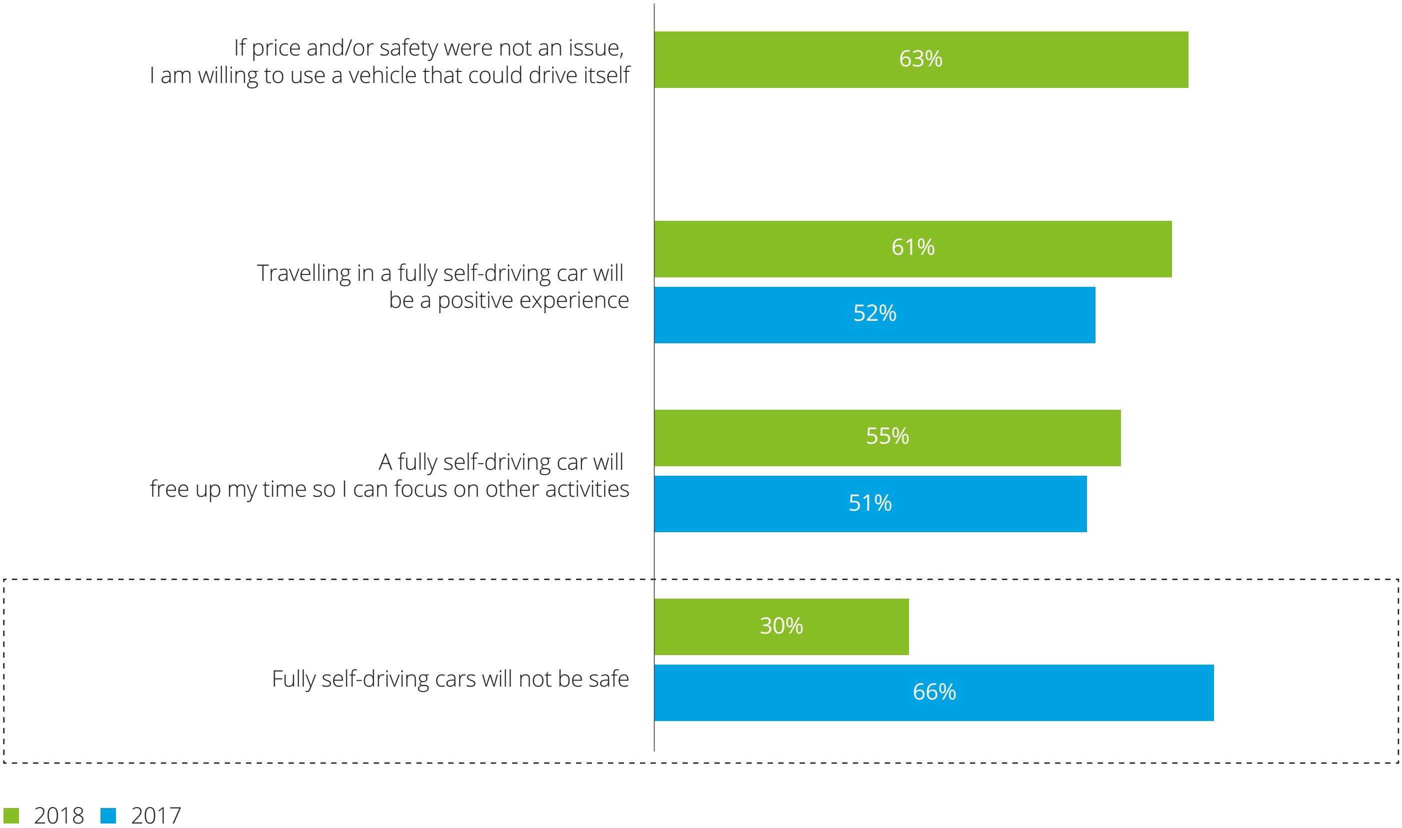
Testing some forward-looking tools and scenarios

- Consumers want a hassle free service experience
- Consumers are most interested in maintenance updates

How do consumers feel about autonomous vehicles?

Consumers are more positive about fully self-driving vehicles
Consumer perception about the safety of full self-driving cars has improved significantly on a year-over-year basis

Consumer opinion on fully self-driving vehicles

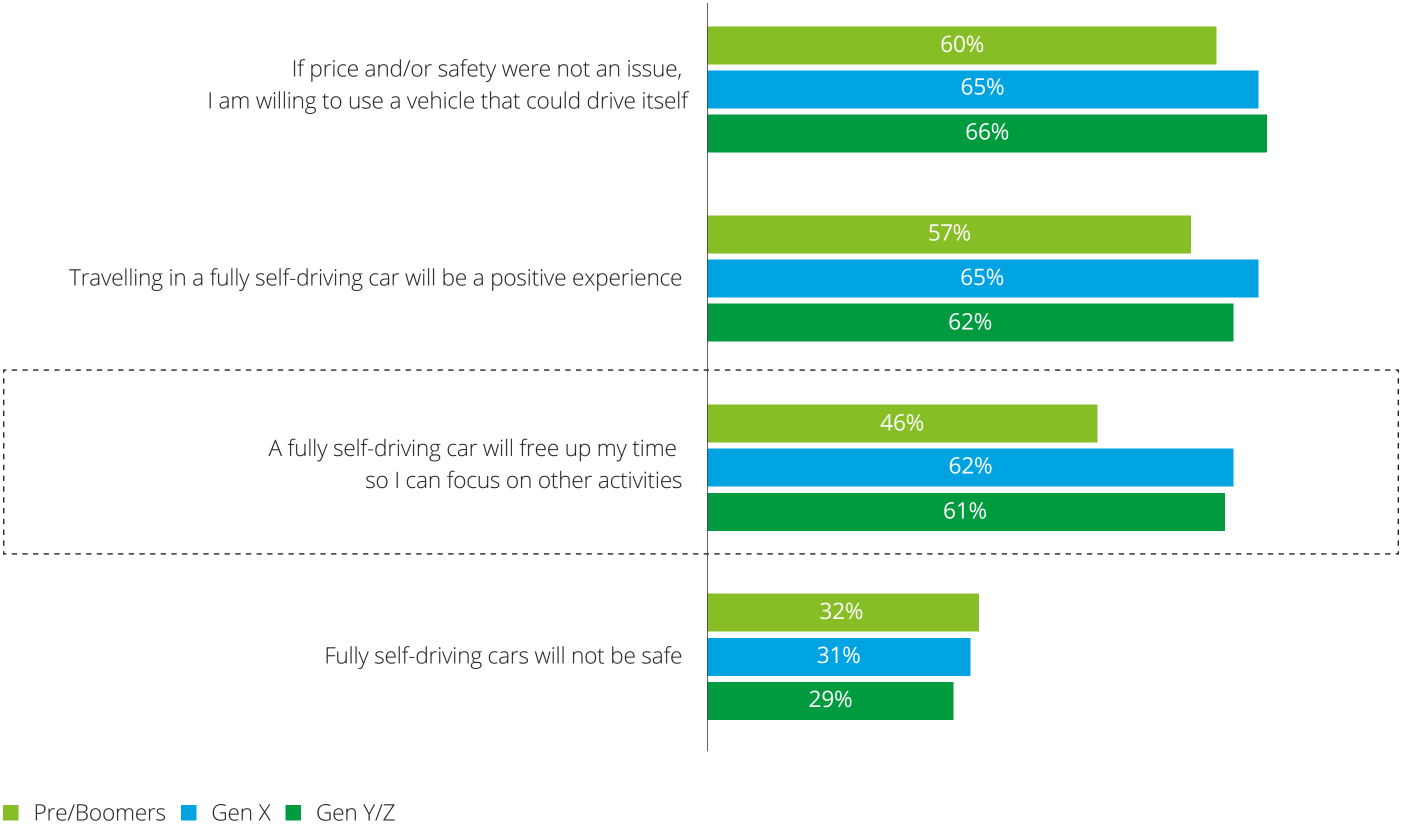


Note: Percentage of respondents who strongly agreed or agreed have been added together
Q1: To what extent do you agree or disagree with the following statements?
Sample size: 1,236 [MOD 2], n= 1,109 [MOD 1]

All generations are fairly confident about AV technology

Survey evidence suggests very little gender effect when it comes to opinions regarding autonomous vehicles

Consumer opinion on fully self-driving vehicles

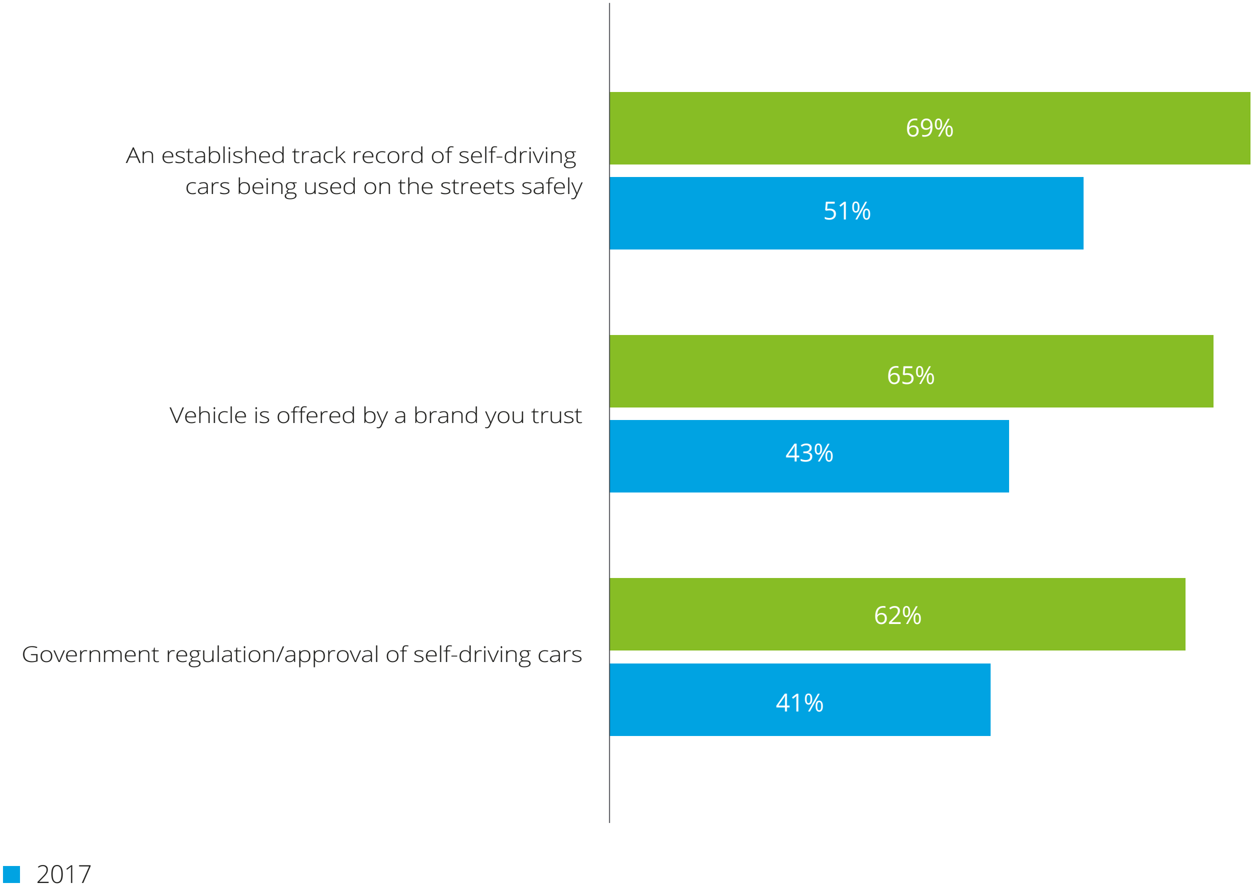


Note: Percentage of respondents who strongly agreed or agreed have been added together
Q1: To what extent do you agree or disagree with the following statements?
Sample sizes – [Pre/Boomers, N= 485; Gen X, N= 311; Gen Y/Z, N= 418]

Established track record more important for self-driving vehicles

Three out of five consumers would also feel better about AV technology if offered by a trusted brand and if there were government regulations

Factors making consumers feel better about riding in a fully self-driving vehicle

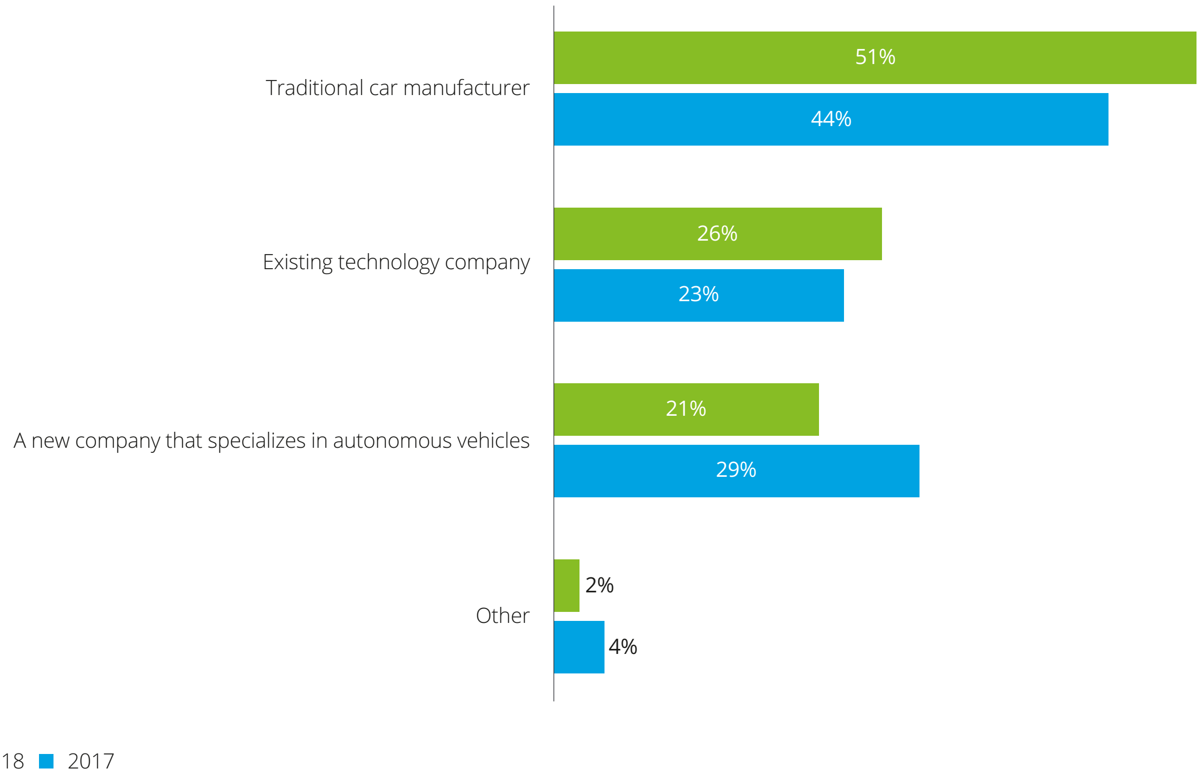


Note: Percentage of respondents who strongly agreed or agreed have been added together
Q2: Would the following factors make you more or less likely to ride in a self-driving car?
Sample size: n= 1,234 [MOD 2], n= 1,133 [MOD 1]

Speaking of brand trust, consumers put their faith in OEMs

However, 49% of consumers would most trust someone else to bring AV technology to market, signaling an opportunity for brand partnerships

Type of company consumers trust the most to bring fully self-driving technology to market



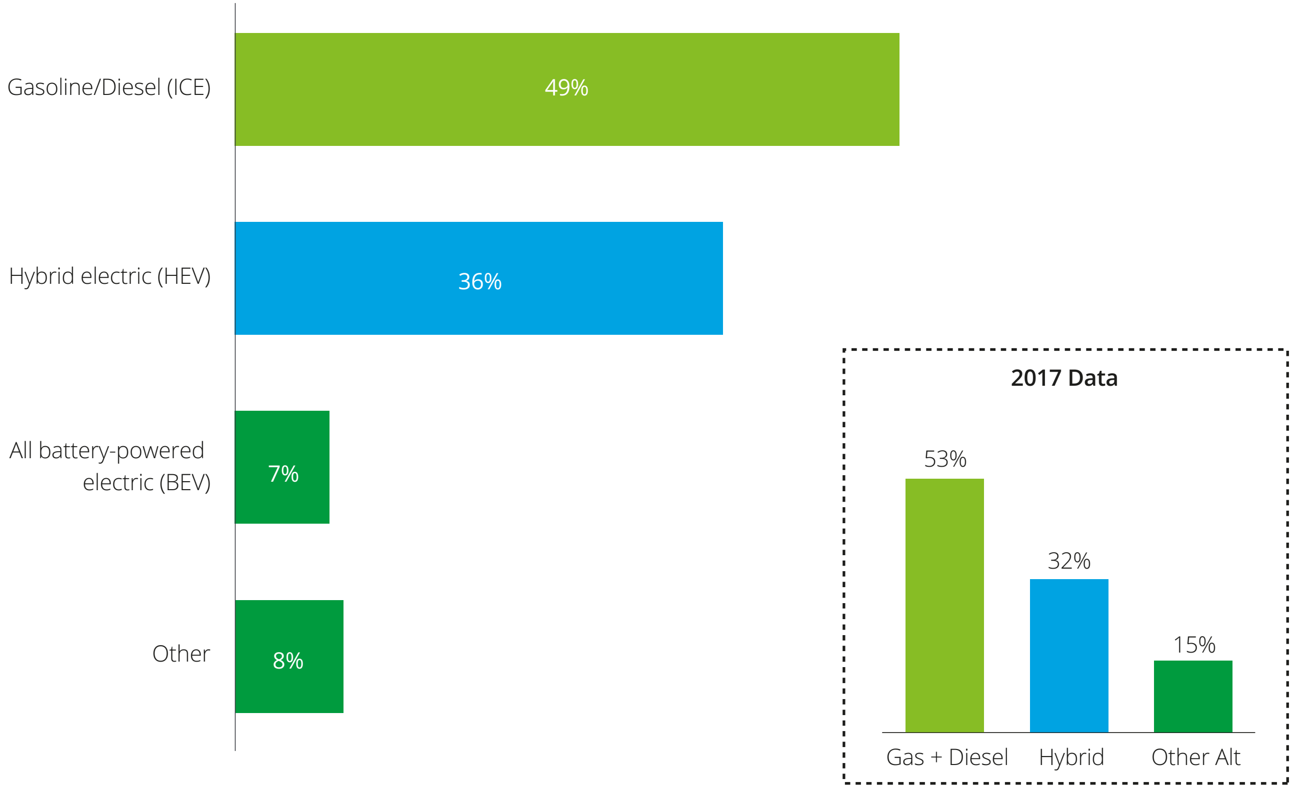
Q3: Would the following factors make you more or less likely to ride in a self-driving car?
Sample size: n= 1,260 [MOD 2], n= 1,249 [MOD 1]

How do consumers feel about electrified vehicles?

Fewer consumers want traditional engines going forward

Evidence suggests consumers may be starting to shift their thinking even more towards alternative powertrain technology

Consumers' expectations with respect to engine type in their next vehicle (2018)

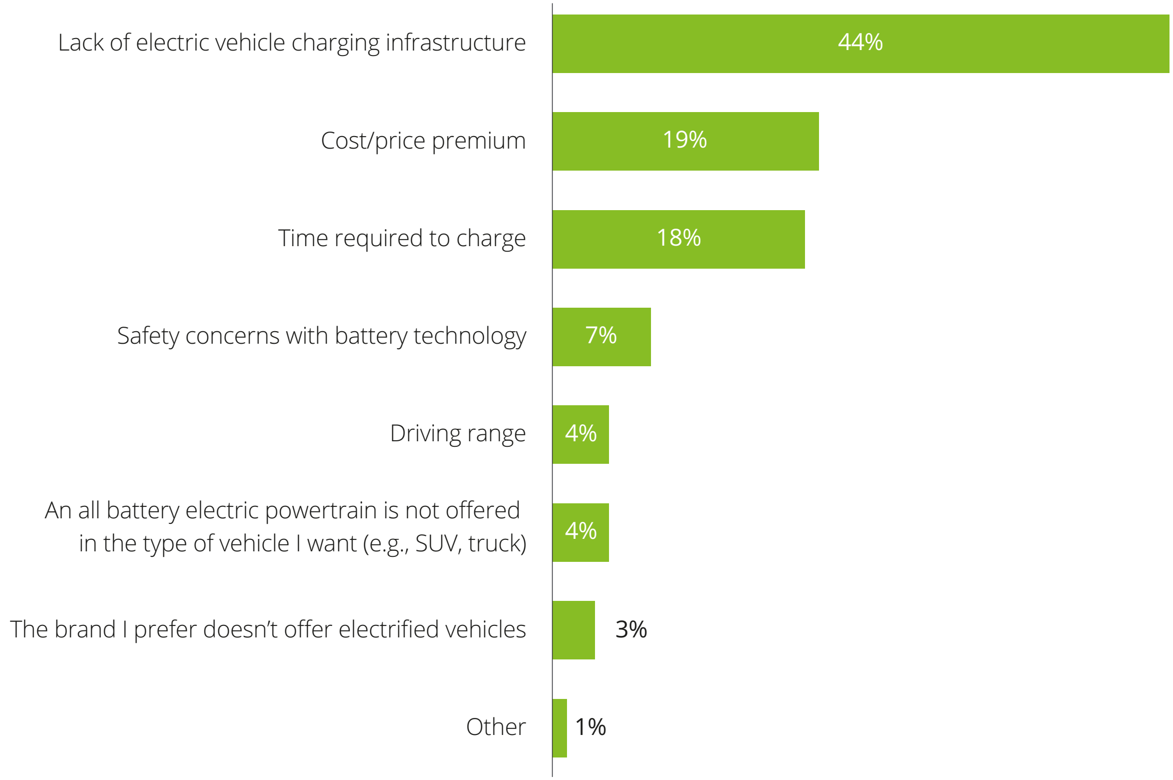


Note: 'Other' category includes ethanol, compressed natural gas, and hydrogen fuel cell.
Q38. What type of engine would you prefer in your next vehicle?
Sample size: n=1,048

Lack of charging infrastructure is a significant concern for BEVs

44% of consumers view lack of charging infrastructure as their biggest concern for BEVs

Greatest concern regarding all battery-powered electric vehicles

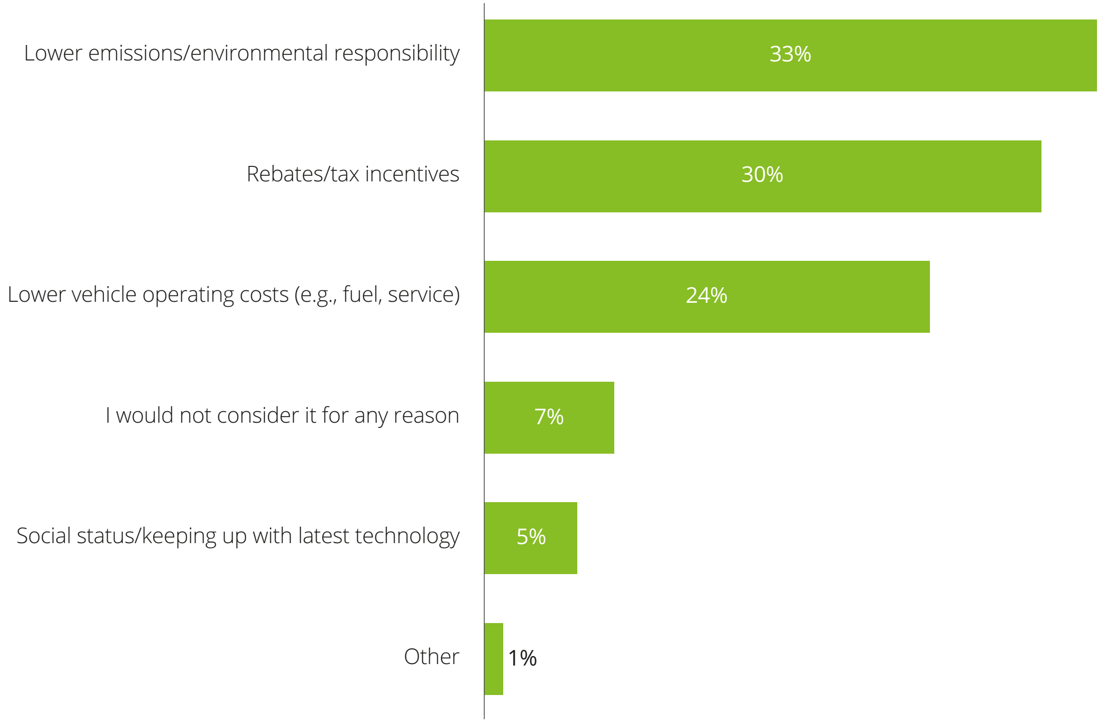


Q39. What is your greatest concern regarding all battery-powered electric vehicles?
Sample size: n=1,048

Lower emissions and tax incentives attracts consumers to BEVs

One third of the consumers are willing to consider these vehicles for lower emissions and tax incentives

Reasons to consider an all battery-powered electric vehicles



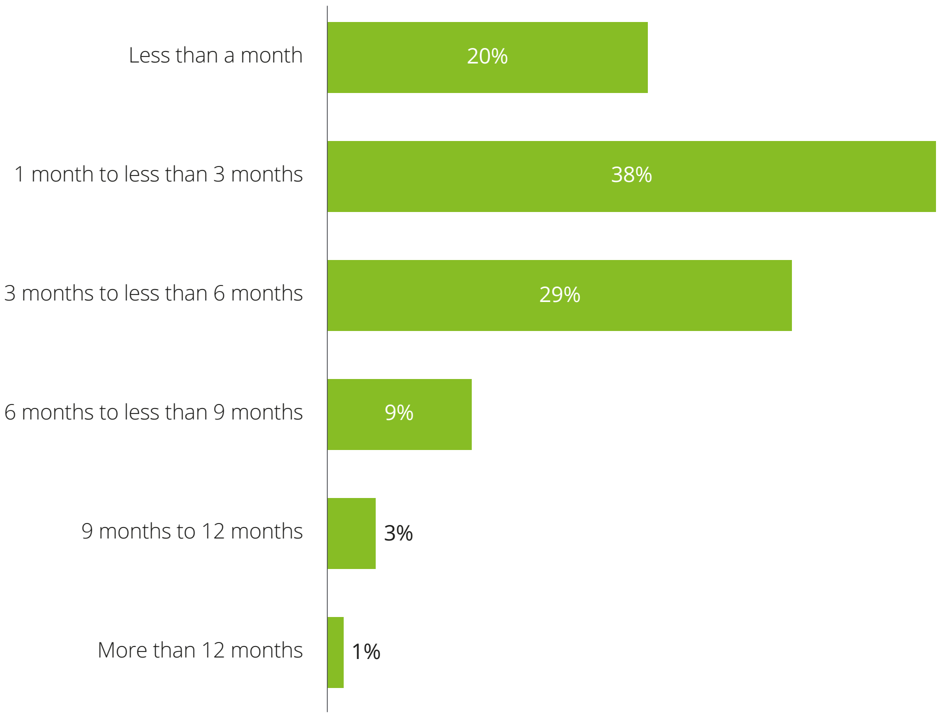
Q40. What would be the main reason for you to consider an all battery-powered electric vehicle?
Sample size: n=1,048

How do consumers research a vehicle purchase?

Most consumers start researching 3 months before purchase

Vehicle brands have reasonable amount of time to connect with consumers and influence a vehicle purchase decision

Duration of research before deciding to acquire a vehicle

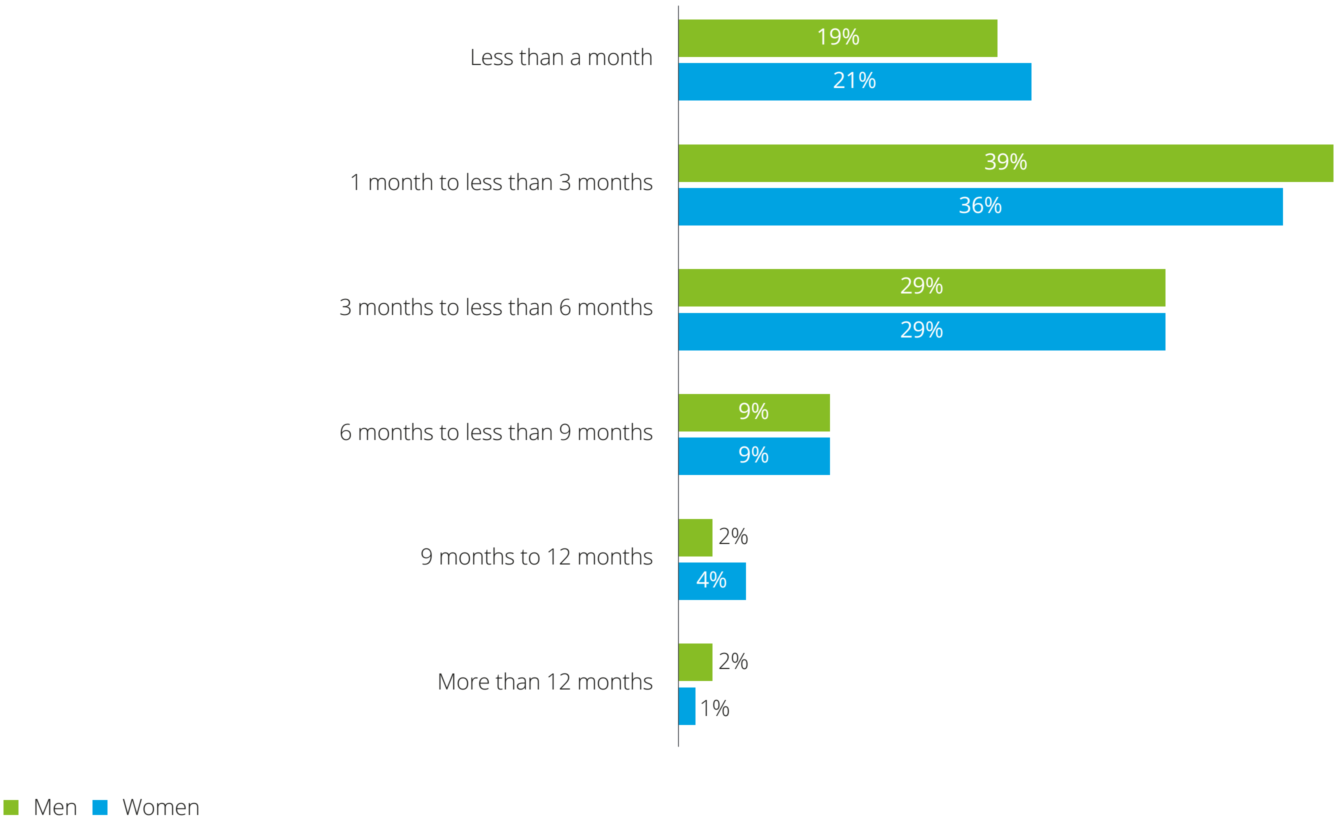


Q10. How long before you made the decision to acquire did you start researching your current vehicle?
Sample size: n=908

Little difference between men and women on researching front

Both genders take about the same length of time in terms of researching a vehicle before the purchase event

Duration doing research before deciding to acquire current vehicle (men vs. women)

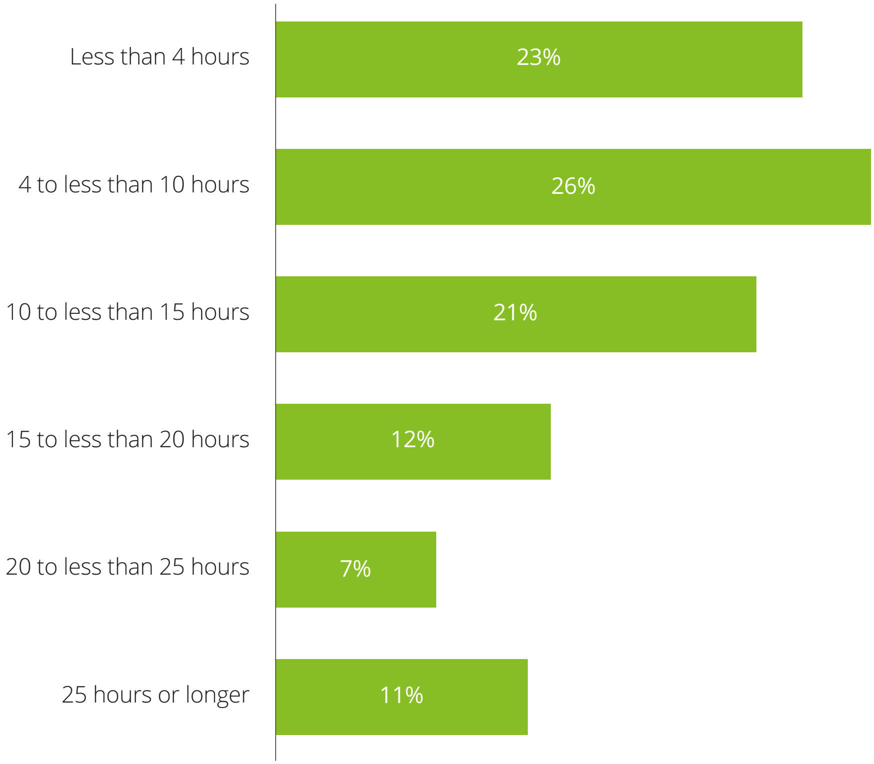


Q10. How long before you made the decision to acquire did you start researching your current vehicle?
Sample size: M=475; W=431

Half of consumers spend 10 hours or less researching vehicles

However, another third of consumers spent 10-20 hours researching their current vehicle before deciding to buy

Time spent by consumers researching vehicles

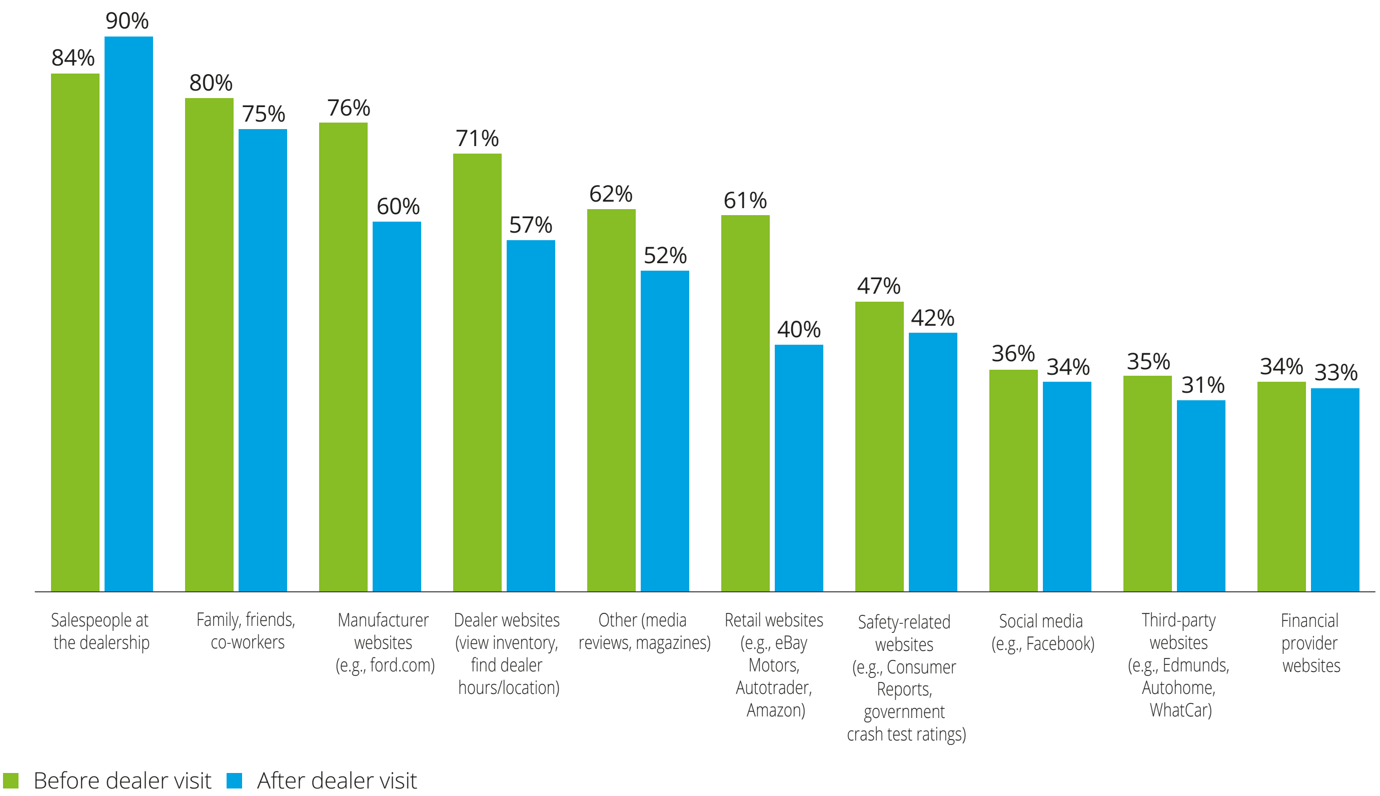


Q13. When considering the acquisition of your current vehicle, how many hours in total would you estimate you spent researching possible vehicles (e.g., through the Internet, consumer publications, automotive magazines, etc.)?
Sample size: n= 908

Dealer visits help strengthen trust with the dealer salesperson

After the dealer visit, consumer reliance on dealer sales staff increases, with all other sources being used less often

Sources of information that were used at least once or more pre and post dealer visit

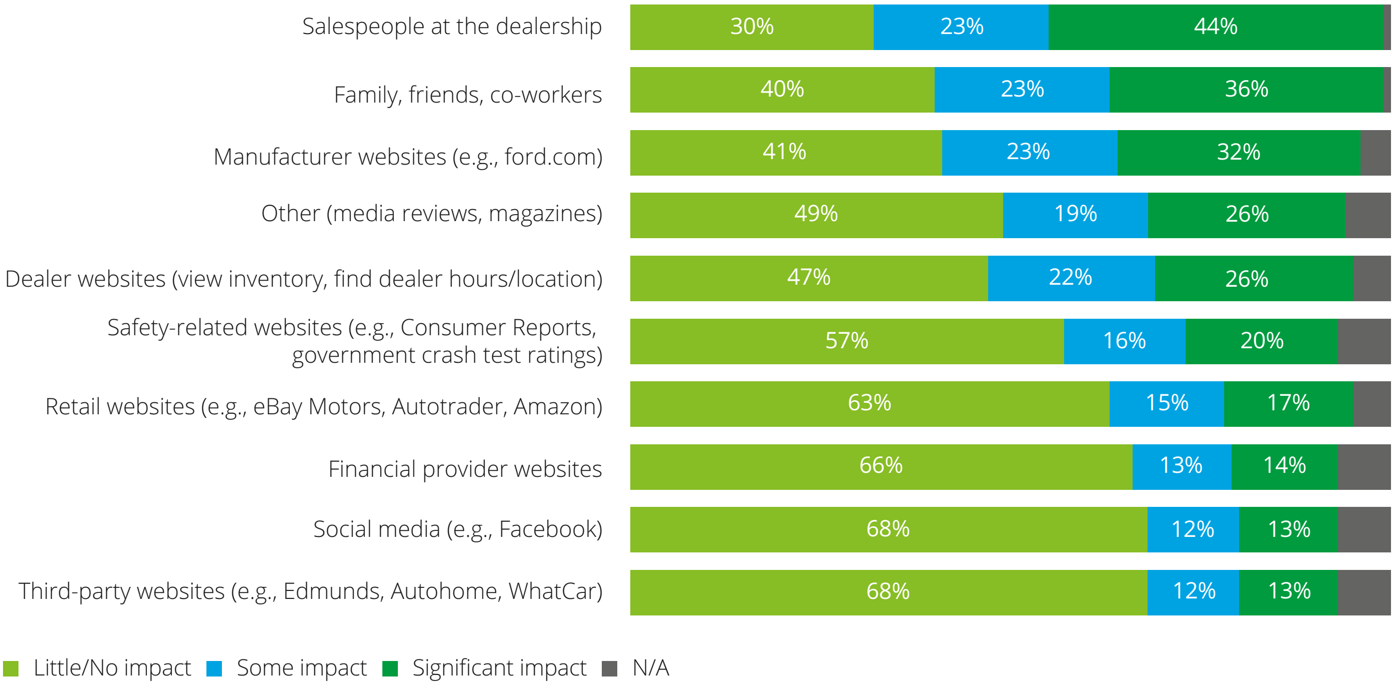


Q11. Before you made the decision to acquire, how many times do you think you accessed each of the following information sources when shopping for your current vehicle?; Q20. After you started visiting dealerships, how many times do you think you accessed each of the following information sources to aid in the shopping process for your current vehicle?
Sample size: n=908; 783

Dealer salespeople have significant impact on purchase decision

Information given by dealership salespeople followed by friends and family have a major influence on the purchase decision of consumers

Impact of information sources on which vehicle is bought

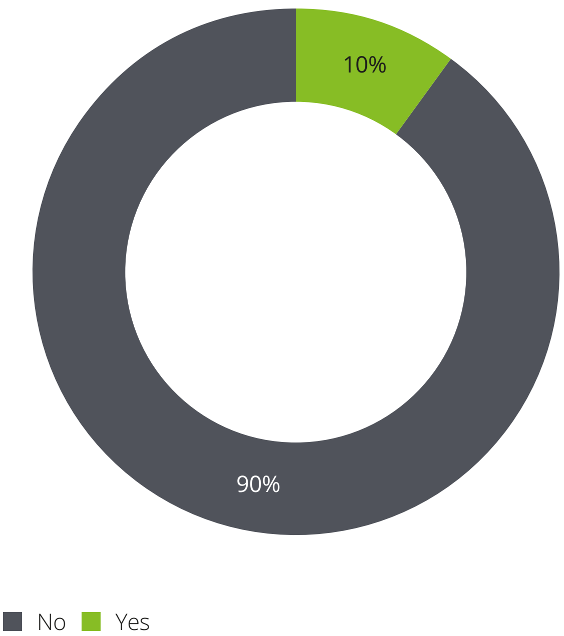


Q12. When considering purchasing or leasing your current vehicle, how much of an impact did information from each of the following sources have on your ultimate decision of which vehicle you chose?
Sample size: n=908

Majority of consumers do not use third-party pricing services

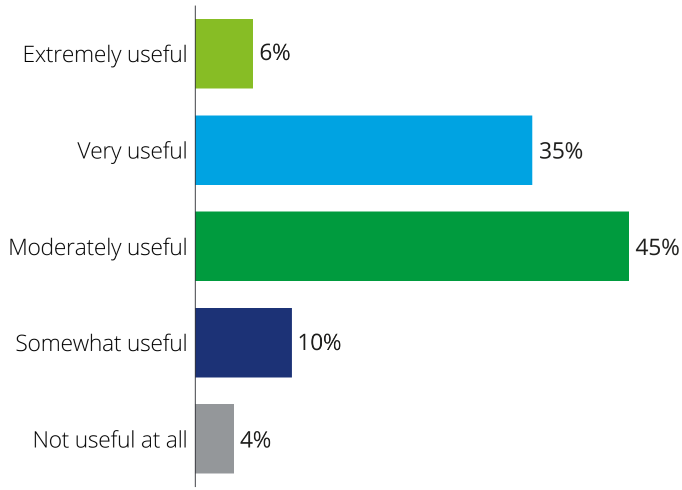
Of those who did use them, 41% found the service either very or extremely useful

Percentage of consumers using third-party vehicle pricing support services to purchase a vehicle



Q14. Did you use a third-party, vehicle pricing support service (e.g., TrueCar, Edmunds, BitAuto, CarTrade, etc.) in the process of acquiring your current vehicle?
Sample size: n=908

Percentage of consumers who liked the pricing support received while purchasing a vehicle

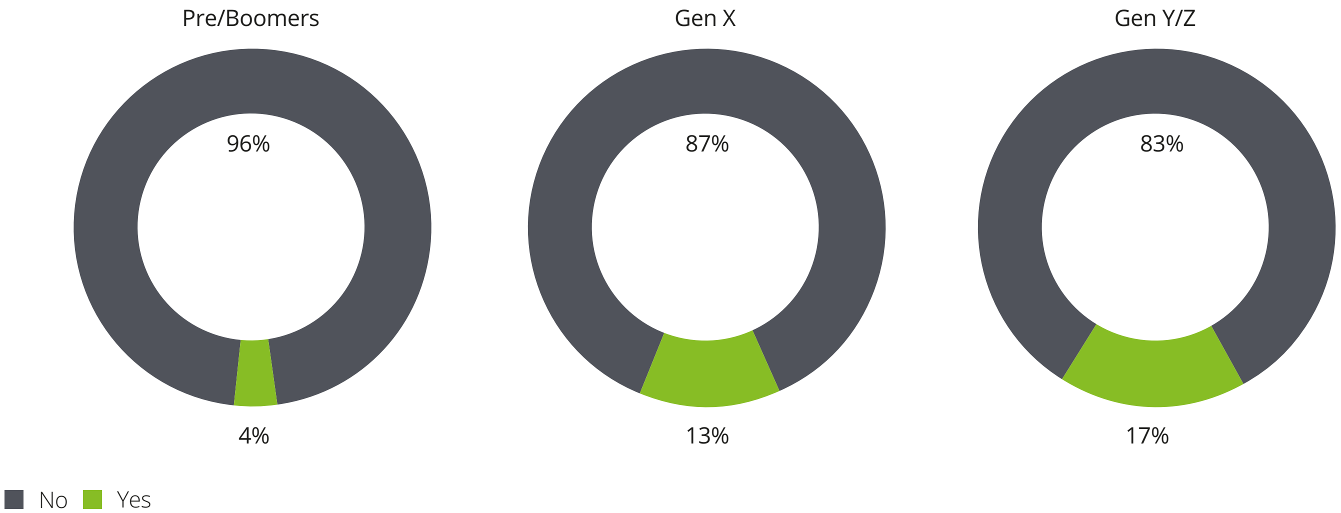


Q15. How useful did you find the vehicle pricing support you received?
Sample size: n=94

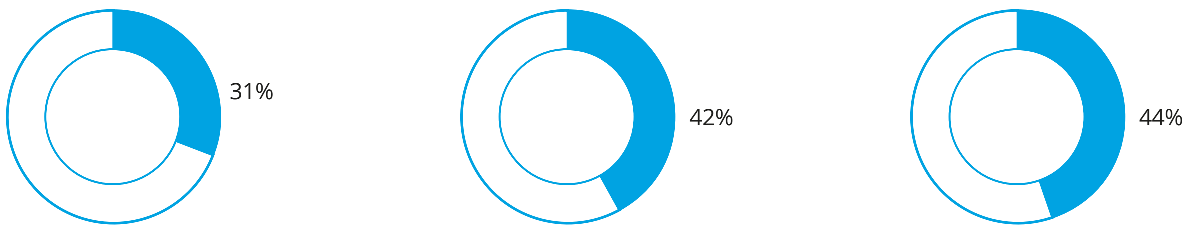
Younger generations are more comfortable with pricing services

However, more than half of the consumers across generations did not find the services useful

Percentage of consumers using third-party, vehicle pricing support services to purchase vehicle



Percentage of consumers who found third-party pricing service extremely/very useful

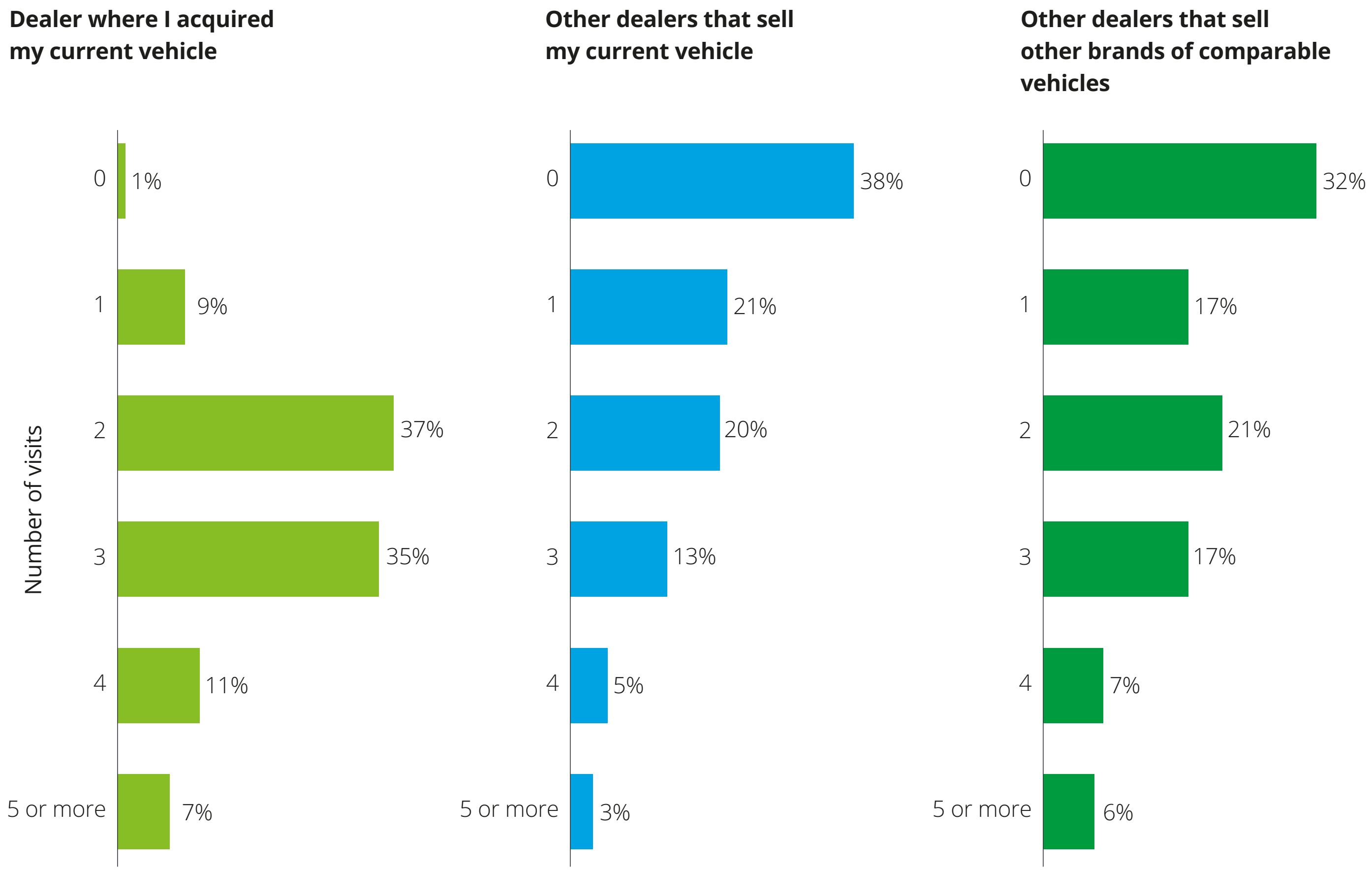


Q14. Did you use a third-party, vehicle pricing support service (e.g., TrueCar, Edmunds, BitAuto, CarTrade, etc.) in the process of acquiring your current vehicle?
Sample sizes - [Pre/Boomers, N= 371; Gen X, N= 234; Gen Y/Z, N= 303]

In-dealer consumer experience

90% of consumers visited their selling dealer more than once

A third of consumers do not visit any other dealers apart from the one where they eventually purchased their current vehicle

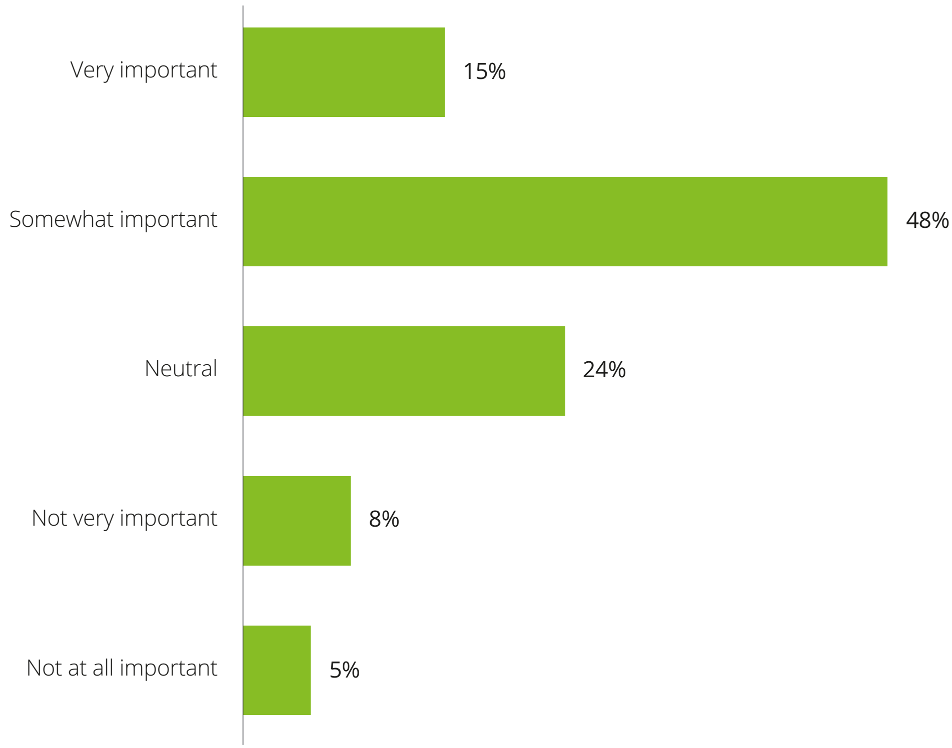


Q17. How many dealer visits did you conduct during the buying process for your current vehicle?
Sample size: n=783

Customer experience is clearly a key factor in choosing a dealer

63% of the consumers rate customer experience as an important factor in choosing where to buy a vehicle

How important is customer experience in choosing which dealer to buy from?

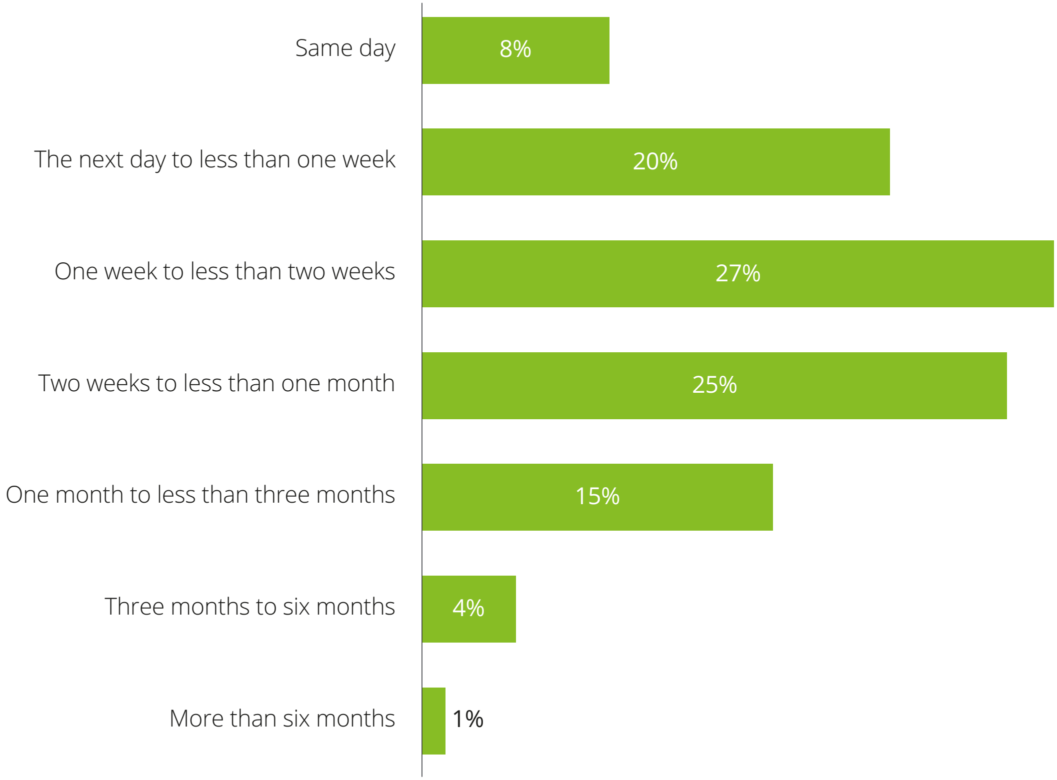


Q18. Thinking about the dealer where you acquired your current vehicle, how important was the customer experience in making the choice to buy there?
Sample size: n=783

Consumers take their time before finalizing the vehicle purchase

In fact, 45% of consumers acquired their current vehicle after more than two weeks of visiting dealerships

Time to vehicle delivery

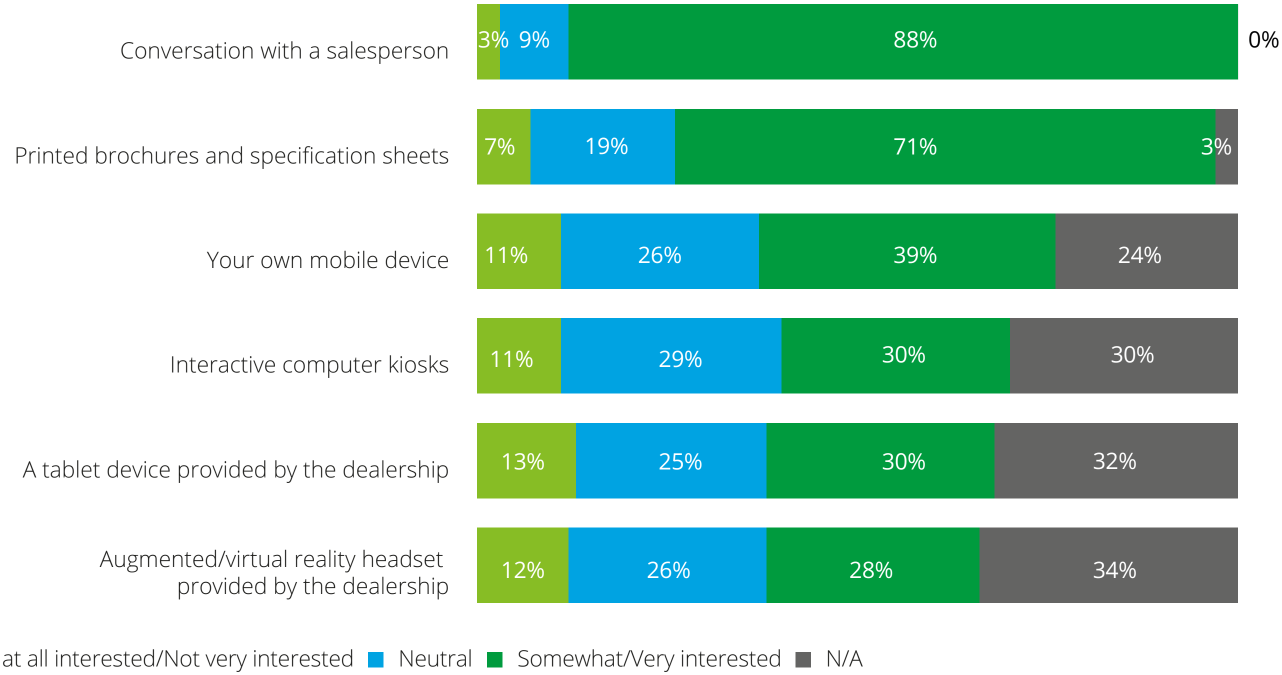


Q19. Once you started visiting dealerships, how long was it before you acquired your current vehicle?
Sample size: n=783

Sales people and printed brochures considered most useful

More than two-thirds of consumers still find printed brochures and spec sheets very useful in gathering information at the dealership

Presence of channels at a dealership

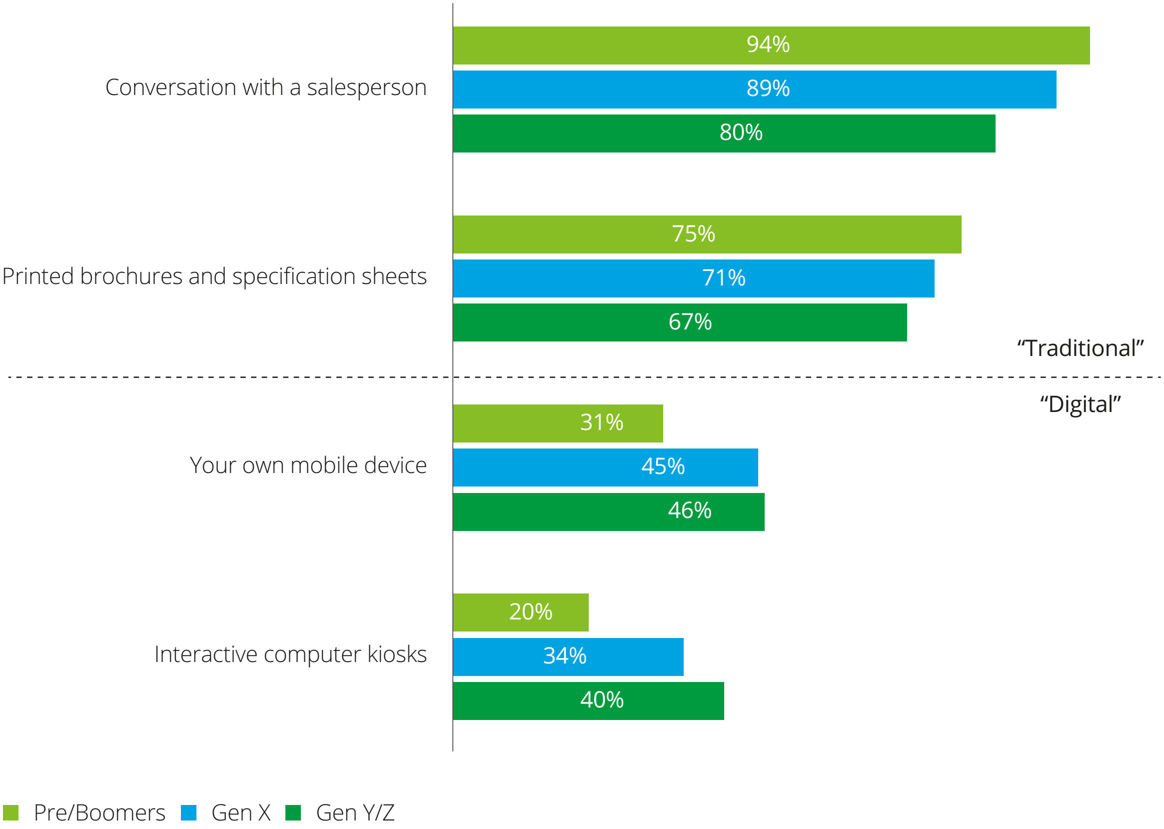


Q23. How useful are each of the following channels in helping you gather information while at a dealership?
Sample size: n=722

Digital information is more important for younger customers

Traditional information sources more useful among older consumers while digital becomes more important for Gen X and Y/Z

Usefulness of information channels at a dealership (% somewhat/very useful)

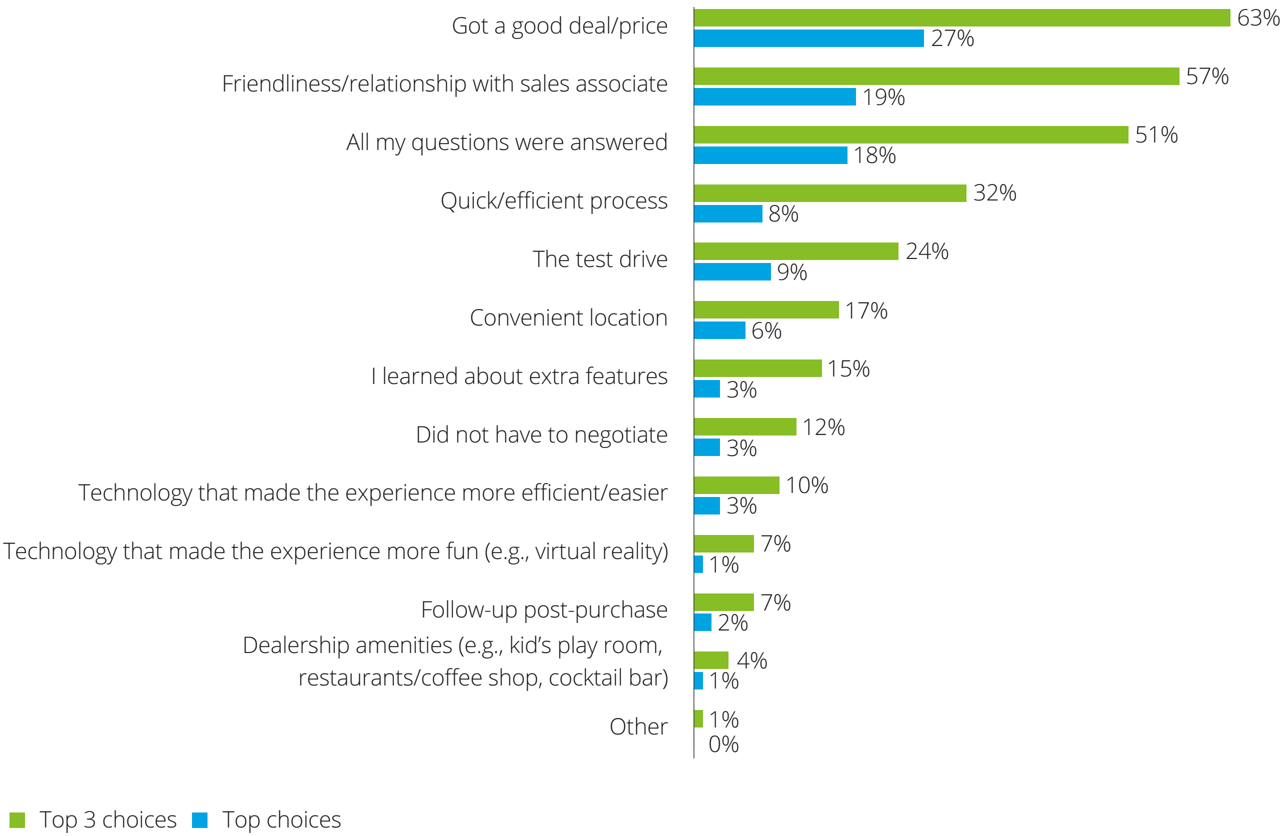


Q23. How useful are each of the following channels in helping you gather information while at a dealership?
Sample size: n=783; Pre/Boomers: n=321, Gen X: n=205, Gen Y/Z: n=257

Consumers are most concerned with getting a good deal

The power of the sales associate to effectively build a relationship with the customer cannot be underestimated

The most *enjoyable* aspects of the dealer experience are…

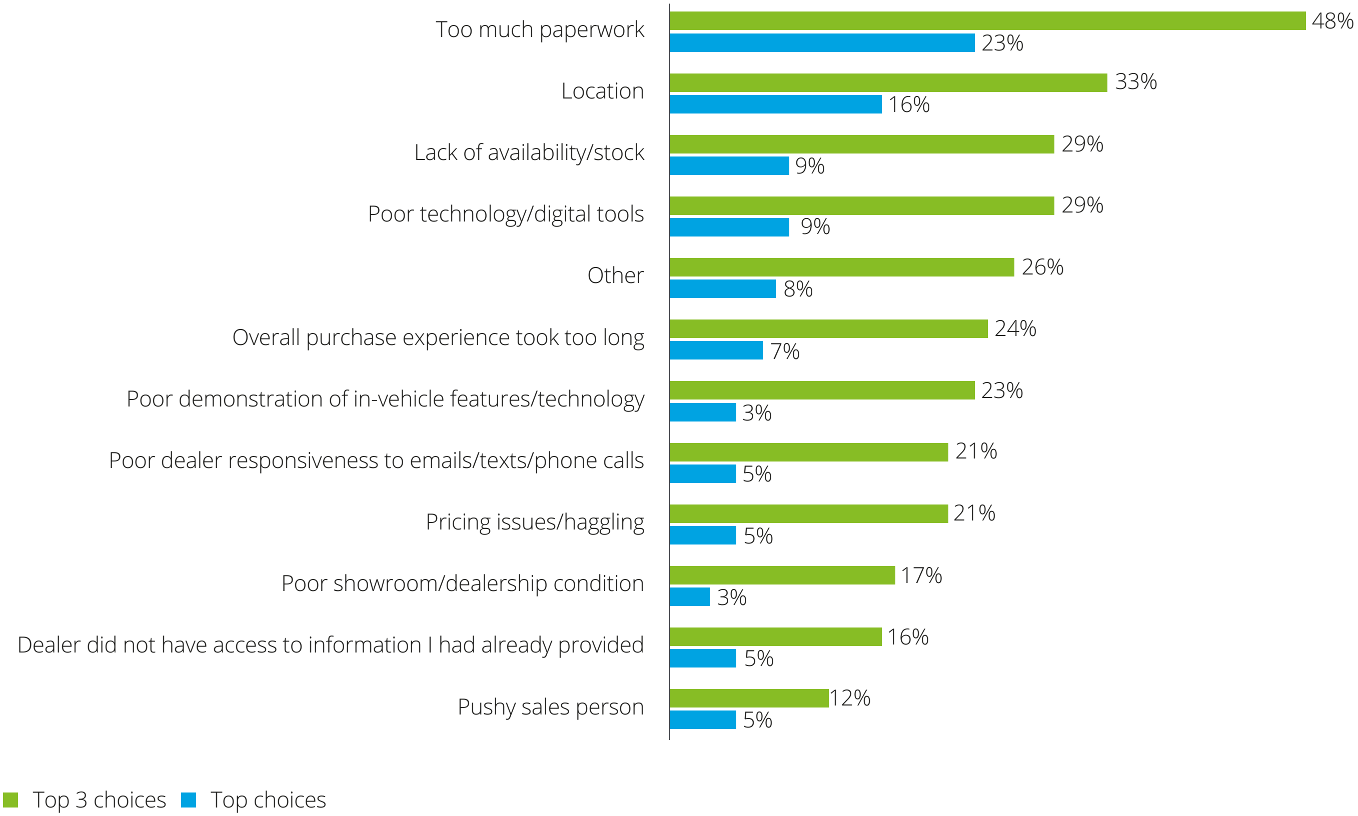


Q24. What are the three aspects of the dealer experience you enjoyed most when you acquired your current vehicle?
Sample size: n=783

Consumers really do not like a lot of paperwork in the process

Consumers also place a great deal of value on the dealership location and the dealer having the right vehicle on hand

The most *disliked* aspects of the dealer experience are...

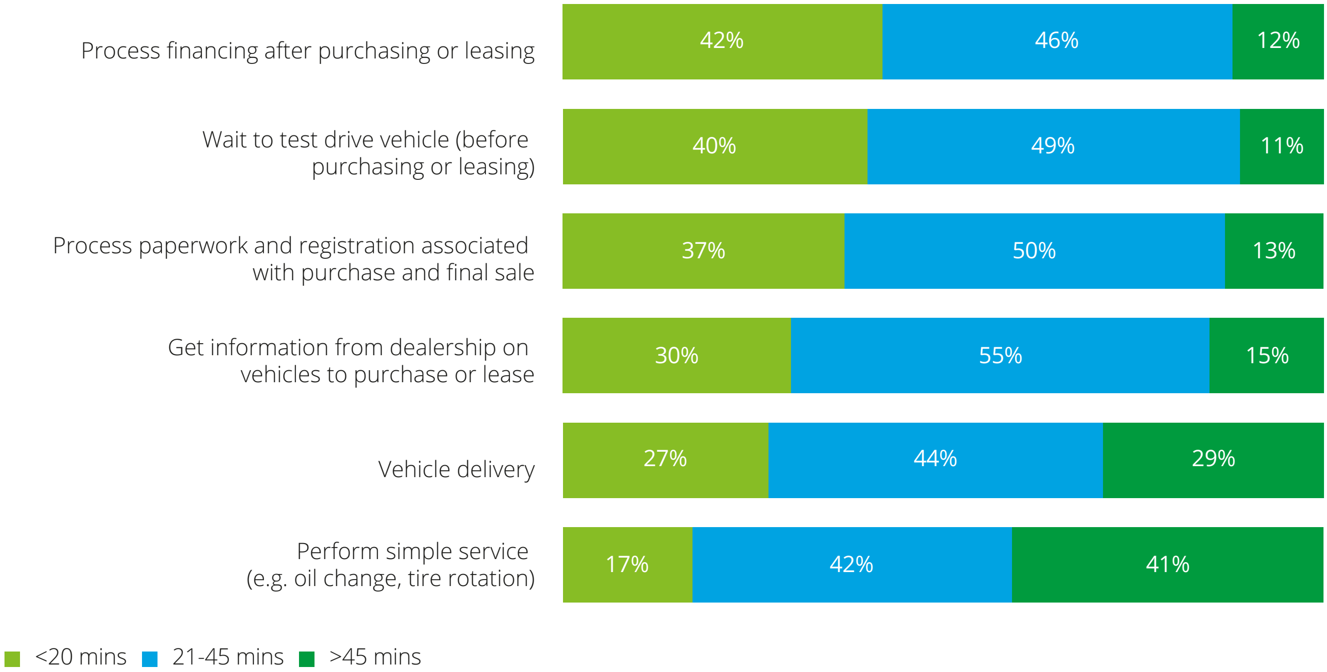


Q25. What are the top three aspects of the dealer experience you disliked most when you acquired your current vehicle?
Sample size: n=783

Consumers set upper limits on amount of time for key processes

Consumers expect minimum time for processing financing and test driving the vehicle

Longest amount of time for specific sales processes



Q21. Please indicate the longest amount of time you would find acceptable to **spend at a dealership** on each of the following steps
Sample size: n=783

Majority of consumers like to inspect the vehicle before buying

More than 8 out of 10 consumers like to see the vehicle and interact with people before they buy it

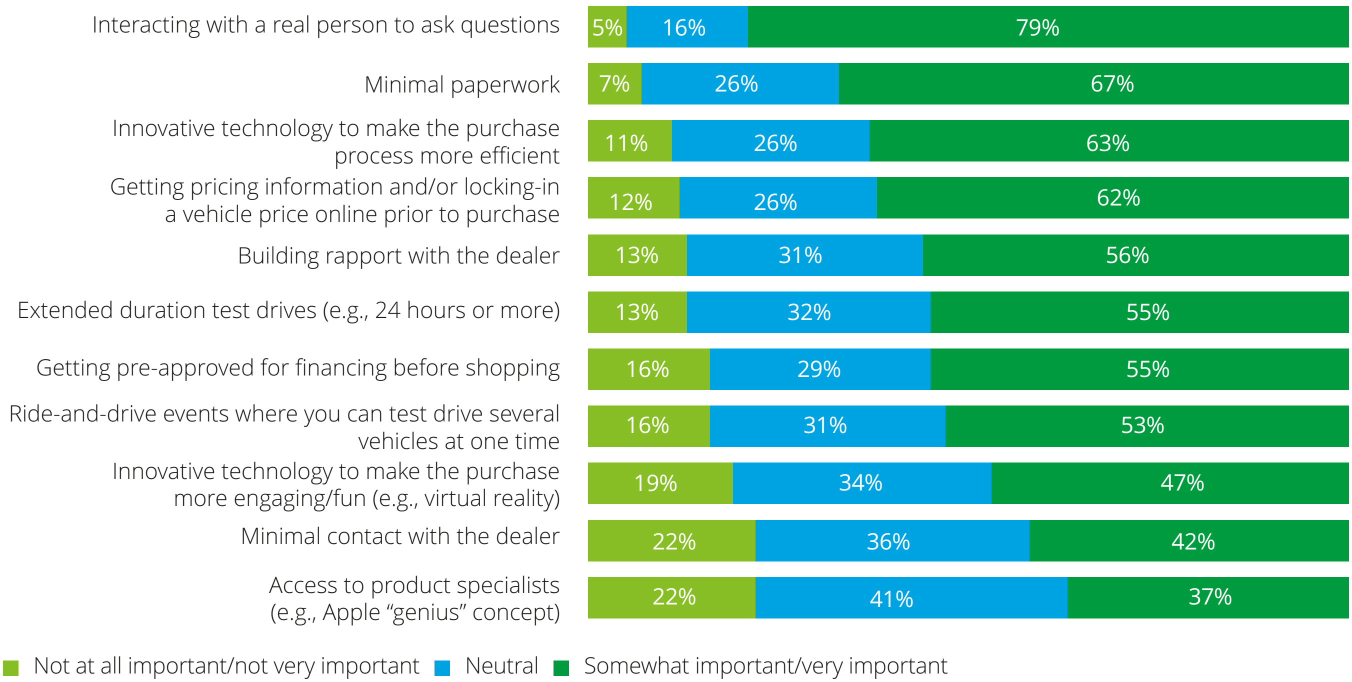
How do people feel about their experiences at a dealership?

Note: Percentage of respondents who strongly agreed or agreed have been added together
Q26. Thinking about your experience with dealerships, to what extent do you agree/disagree with the following statements?
Sample size: n=783

Interaction with a real person the most important aspect

Minimal paperwork, innovative technology for efficient purchase process, and getting pricing information are also important aspects

Consumer opinions on important aspects of a vehicle buying process

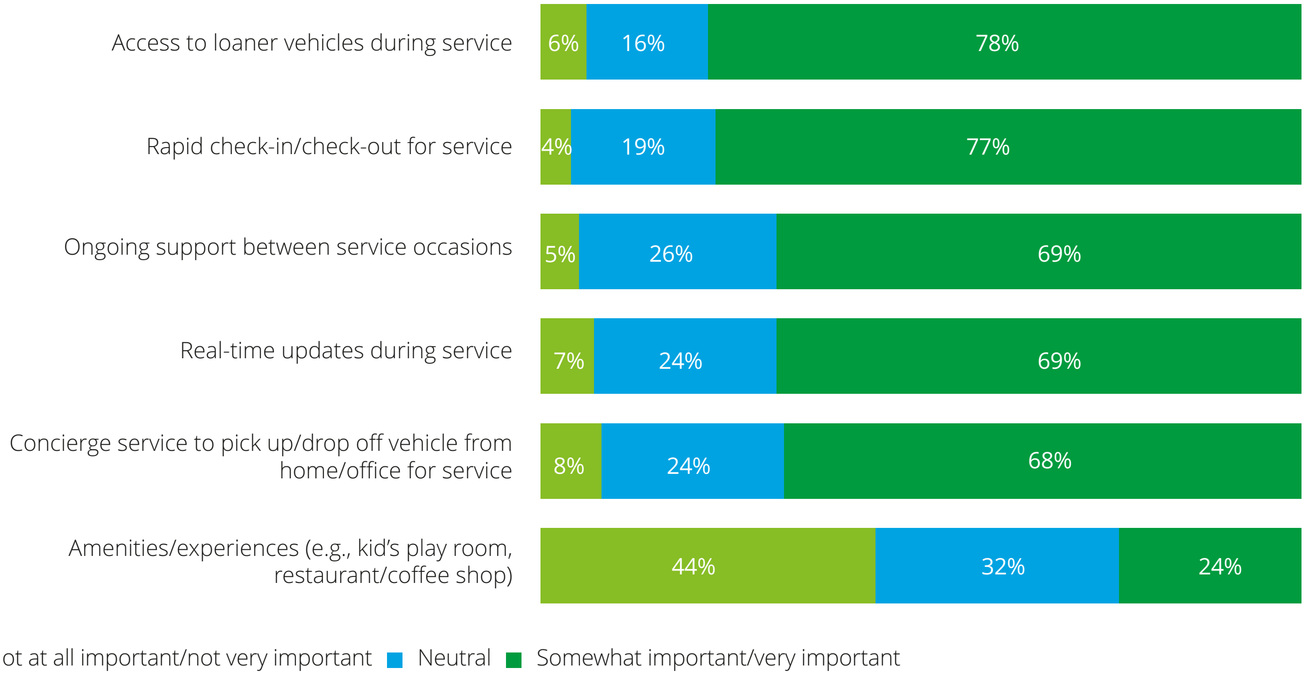


Q45. How important are each of the following items related to the vehicle buying process?
Sample size: n=900

Service experience hinges on customer time and convenience

More than 70% of the consumers consider availability of loaner vehicle and rapid check-in/check-out the most important service aspects

Consumer opinions on important aspects of a vehicle service process

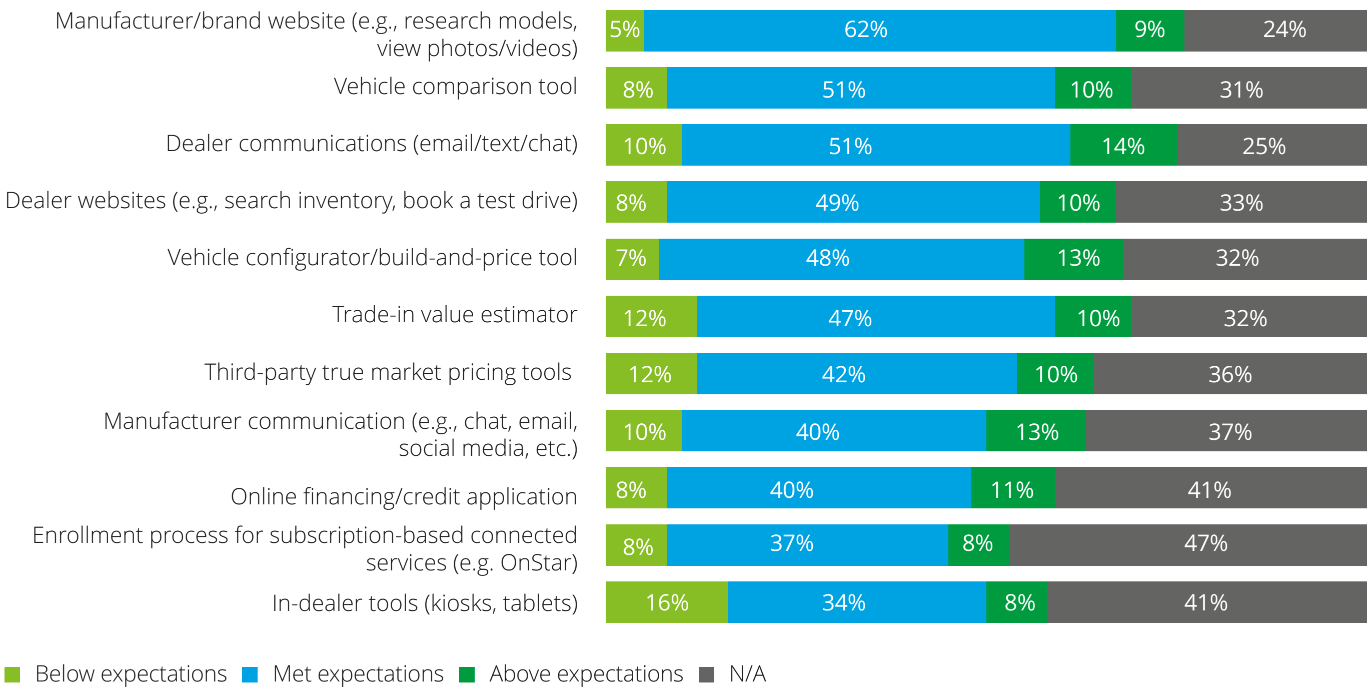


Q46. How important are each of the following items related to the vehicle service process?
Sample size: n=1,048

Majority of digital journey is merely meeting expectations

Percentage of digital touchpoints that are below expectations is quite low, but no one is really hitting a homerun either

Evaluation of digital servicing touchpoints

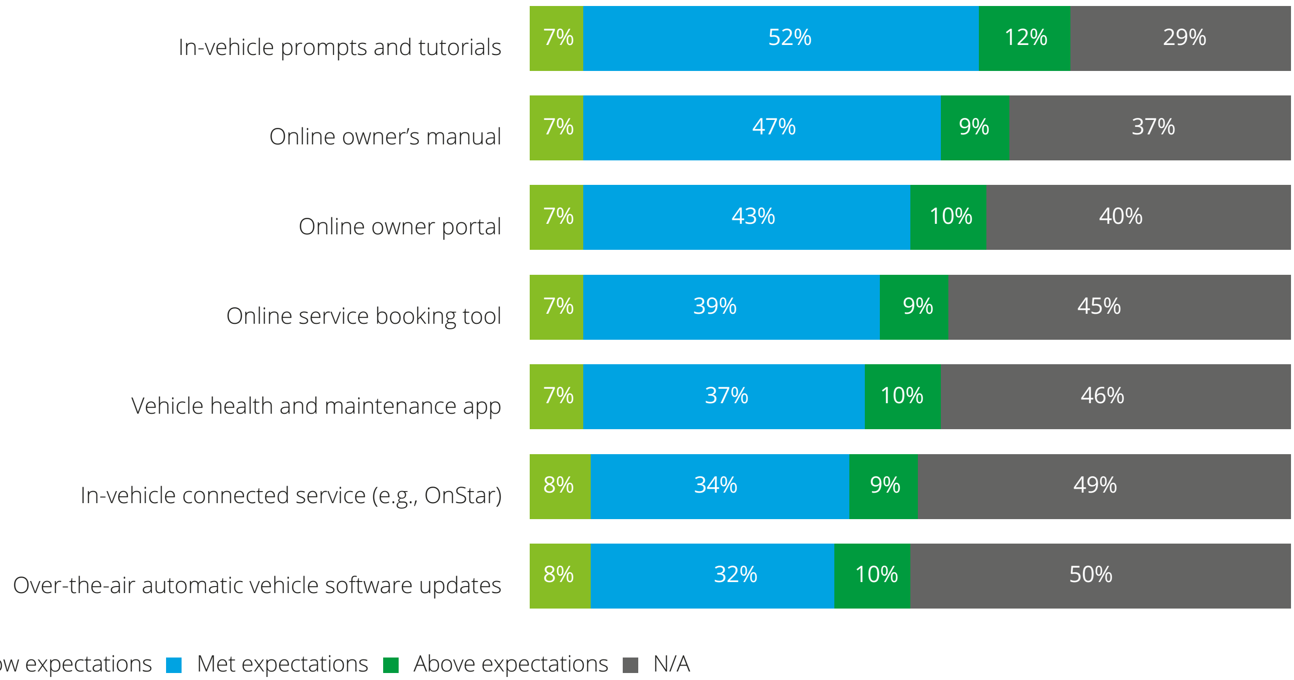


Q30. Considering your current vehicle purchase and ownership journey, please tell us whether or not each of the following digital experiences met your expectations.
Sample size: n=783

And it's the same story with digital servicing touchpoints

Services such as tutorial apps and online owners manuals are available, but consumers want more out of them

Evaluation of digital servicing touchpoints

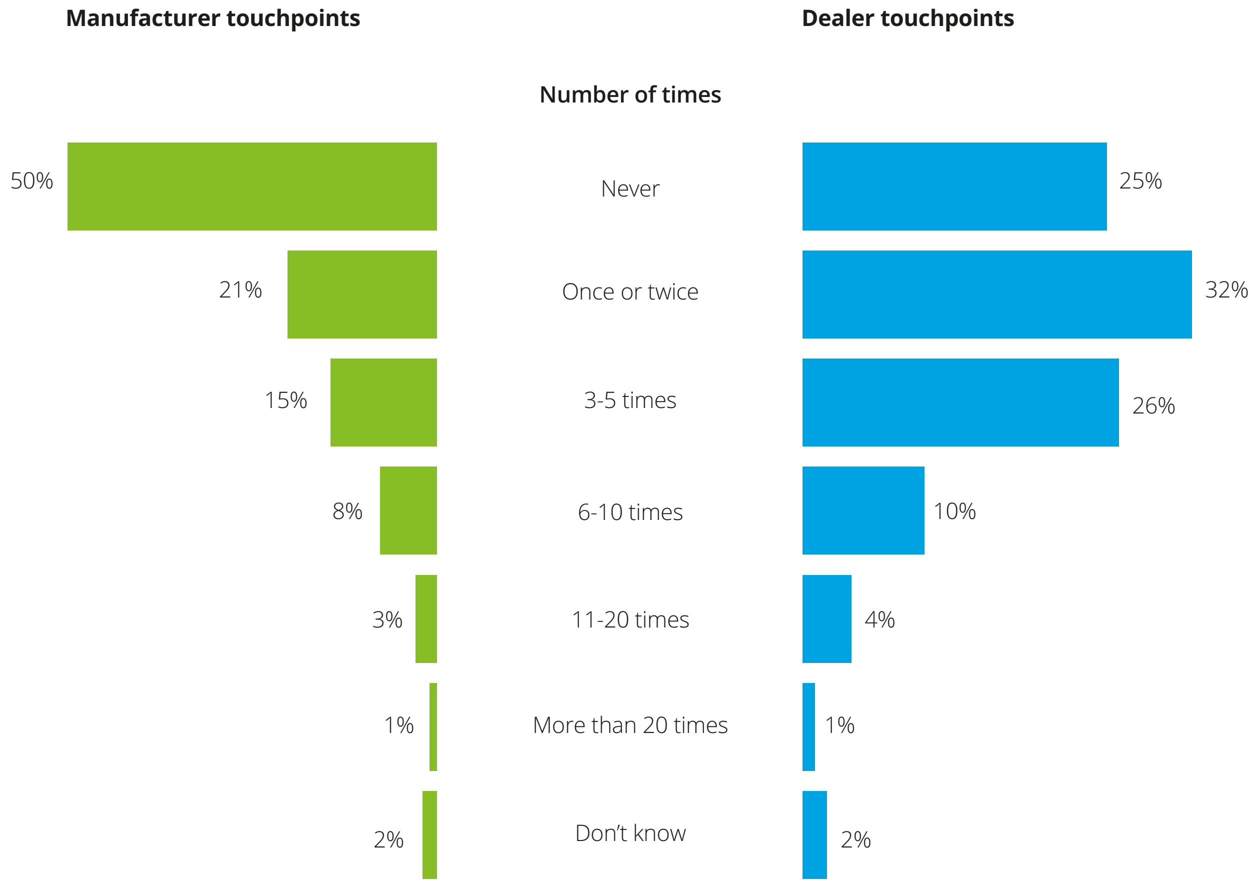


Q30. Considering your current vehicle purchase and ownership journey, please tell us whether or not each of the following digital experiences met your expectations.
Sample size: n=783

Communication from dealers and manufacturers

Both OEMs and dealers could be missing a big opportunity

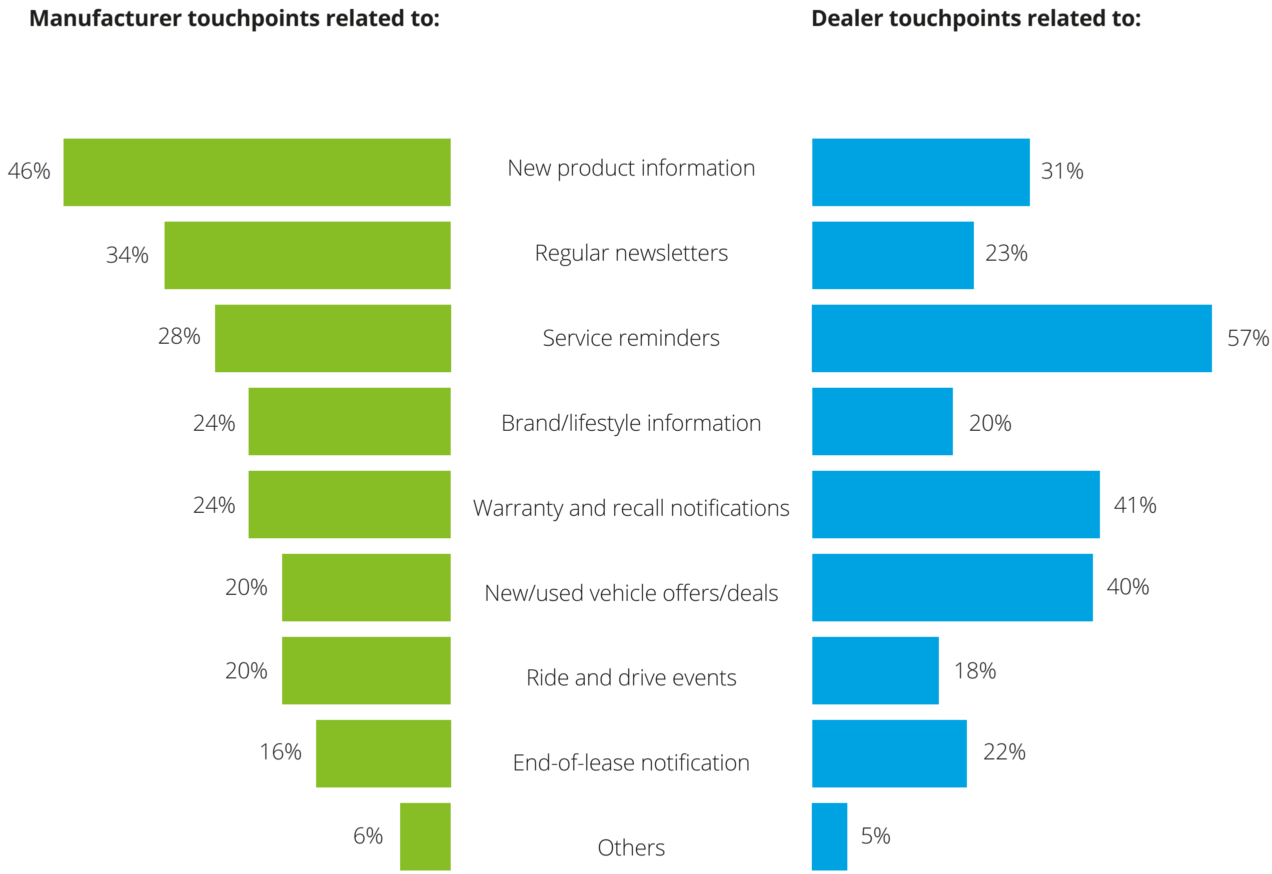
50% of the consumers say they were never contacted by the manufacturer after acquiring their vehicle



Q31. How many times has either the manufacturer or dealer contacted you (for any reason) after acquiring your current vehicle?
Sample size: n=783

Reasons for contact vary between OEMs and dealers

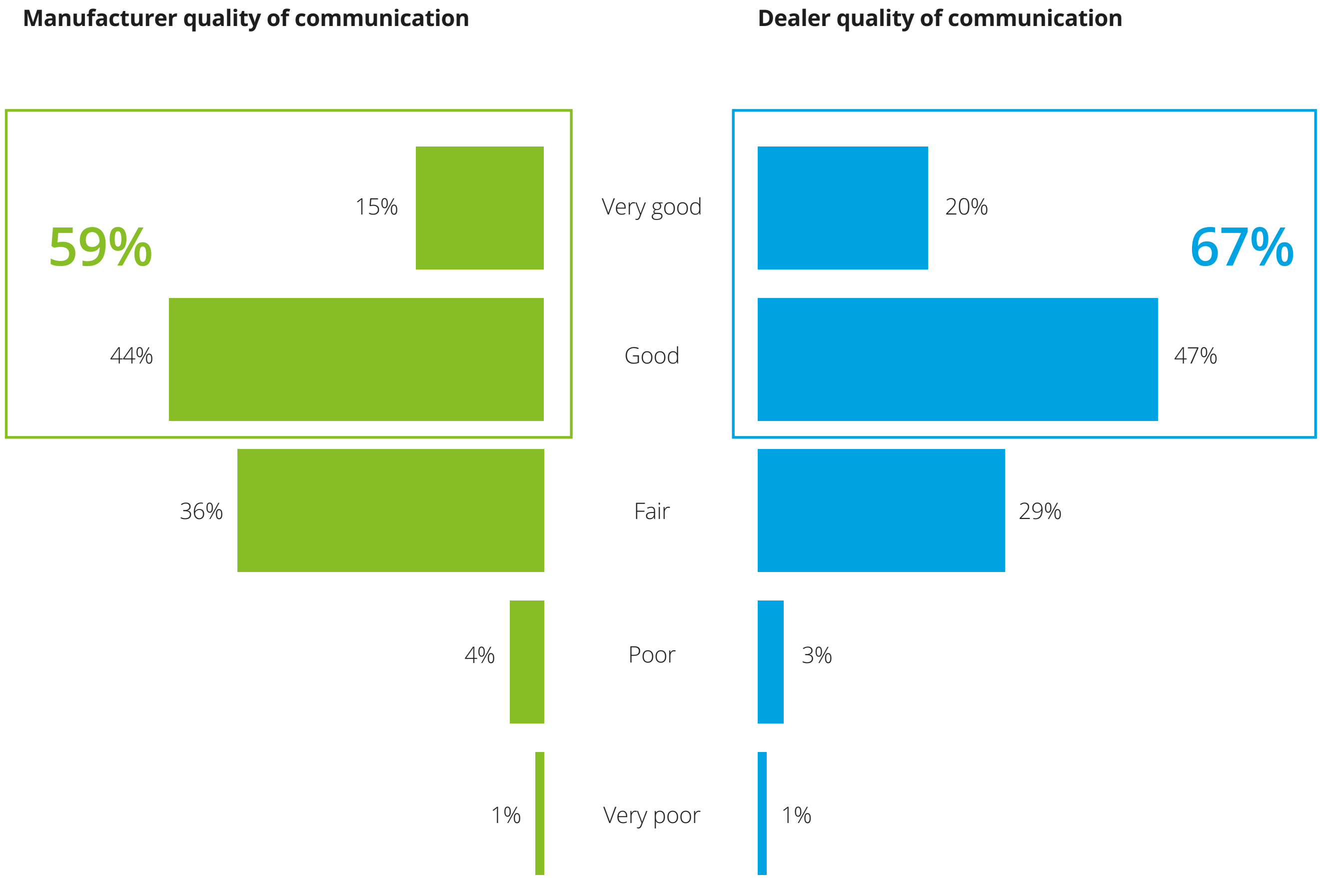
Dealers contact consumers mainly for service reminders while manufacturers contact mostly for new product information



Q32. What have you been contacted about? (Select all that apply)
Sample size, average for manufacturer and dealer: n=390, 592

Consumers more satisfied with communication from dealers…

67% of consumers said dealer communications are good/very good

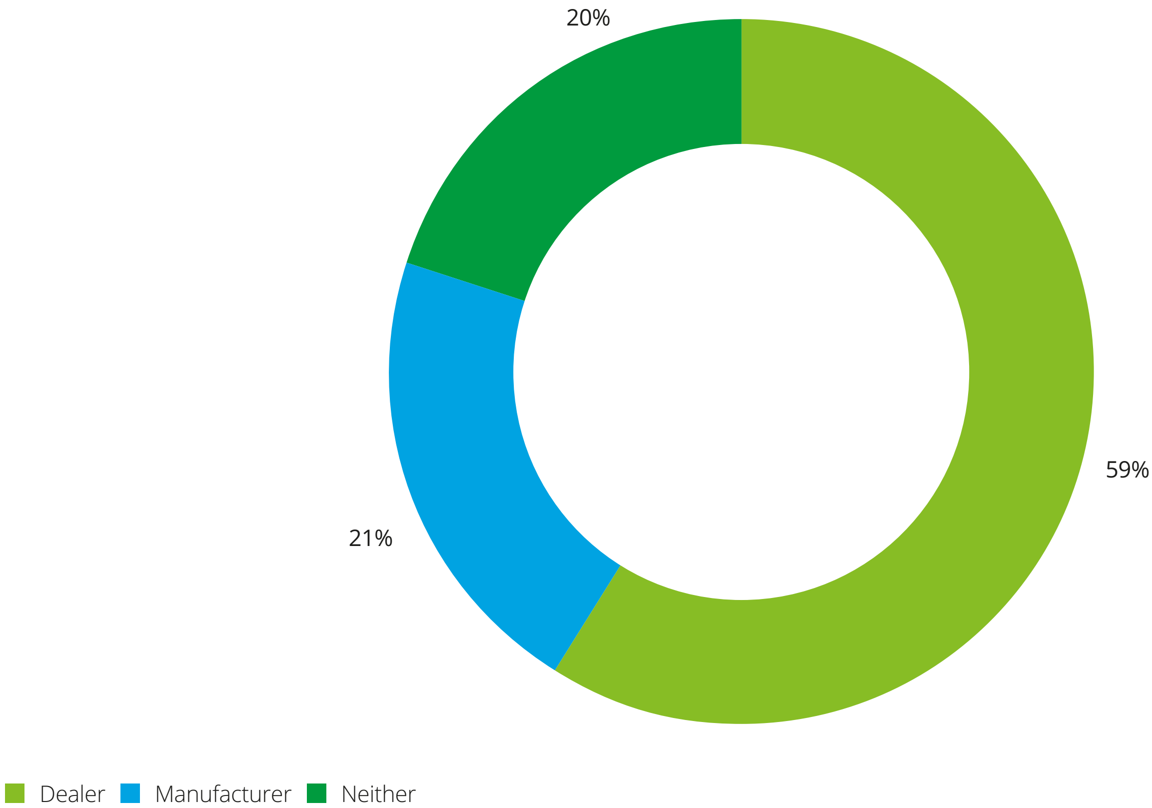


Q33. How would you rate the quality of the communication you have received from both the manufacturer and dealer since acquiring your current vehicle?
Sample size, average for manufacturer and dealer : n=480

...leading to consumers preferring communication from dealers

59% of consumers prefer communication from dealers compared to only 21% from manufacturers

From whom would the consumer prefer hearing in future?

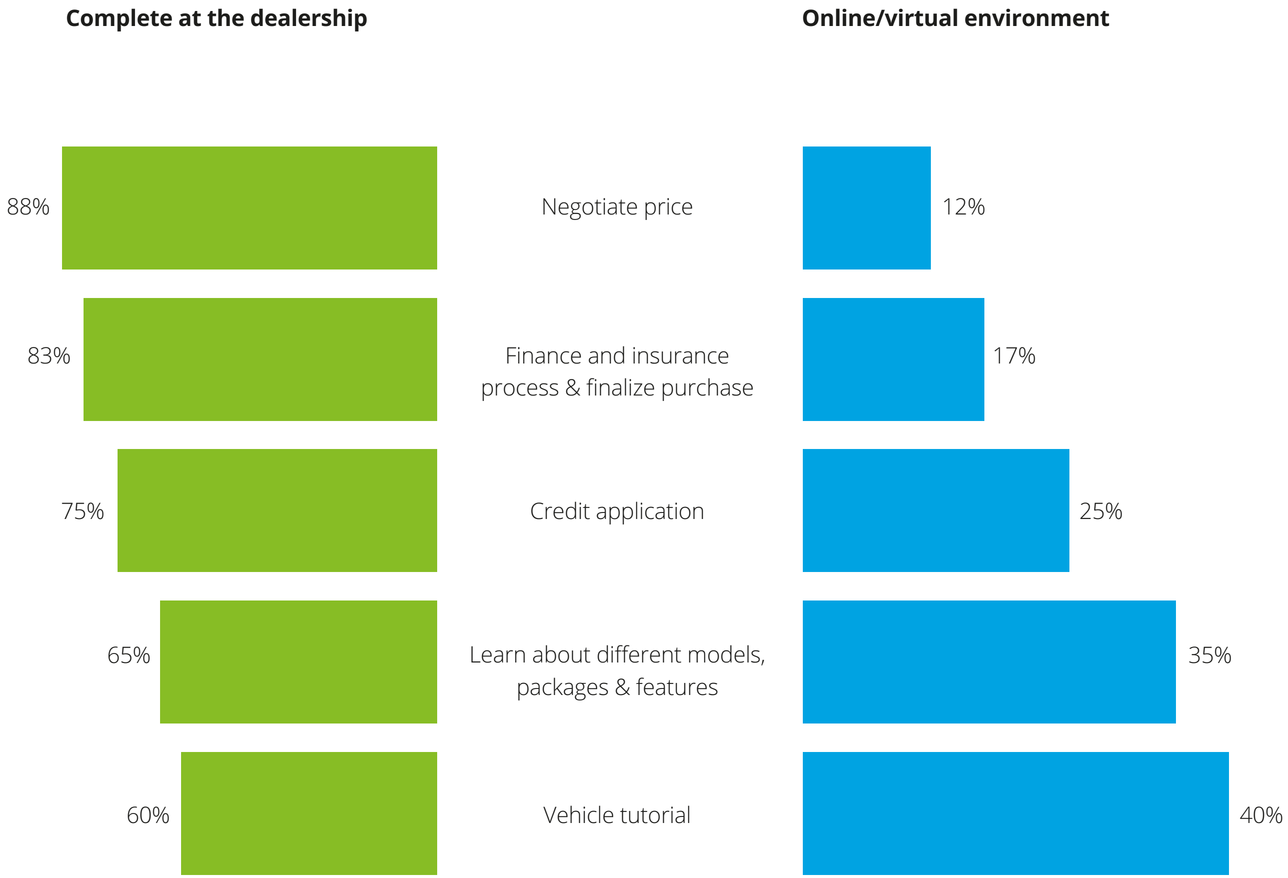


Q34. In general, who would you rather hear from going forward?
Sample size: n=783

Are consumers ready to leave the dealer behind?

Consumers still expect F&I processes to be done at the dealer

Majority of consumers would prefer to negotiate the vehicle price and complete the finance and insurance process at the physical dealership

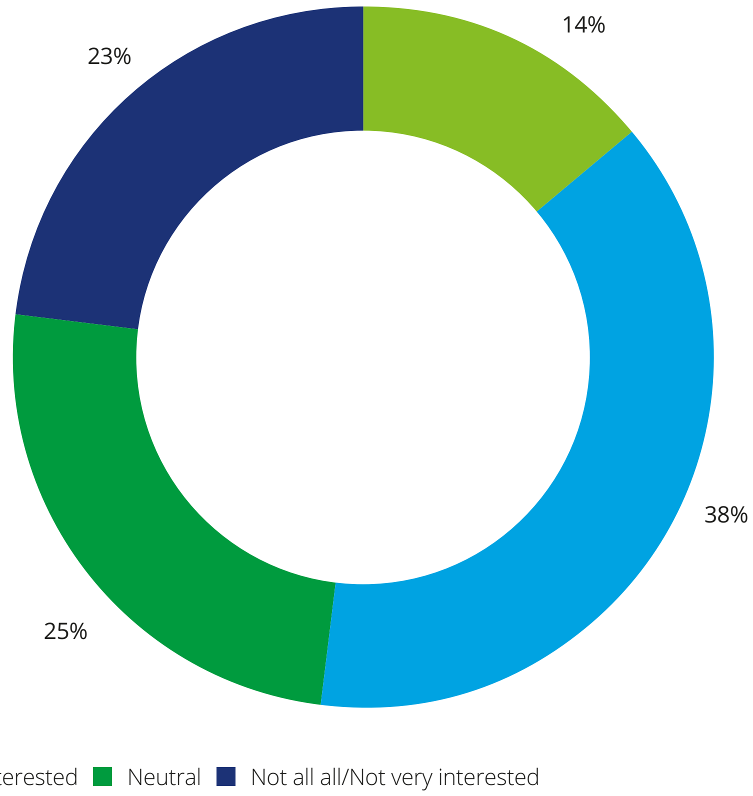


Q43. When you are ready to acquire your next vehicle, what aspects of the vehicle buying experience would you want to do at the dealership versus an online/virtual environment?
Sample size: n=900

Consumers only somewhat interested to buy direct from OEMs

Only 14% of consumers are very interested in acquiring their next vehicle directly from the manufacturer via an online process

How interested are consumers in by-passing the dealer?

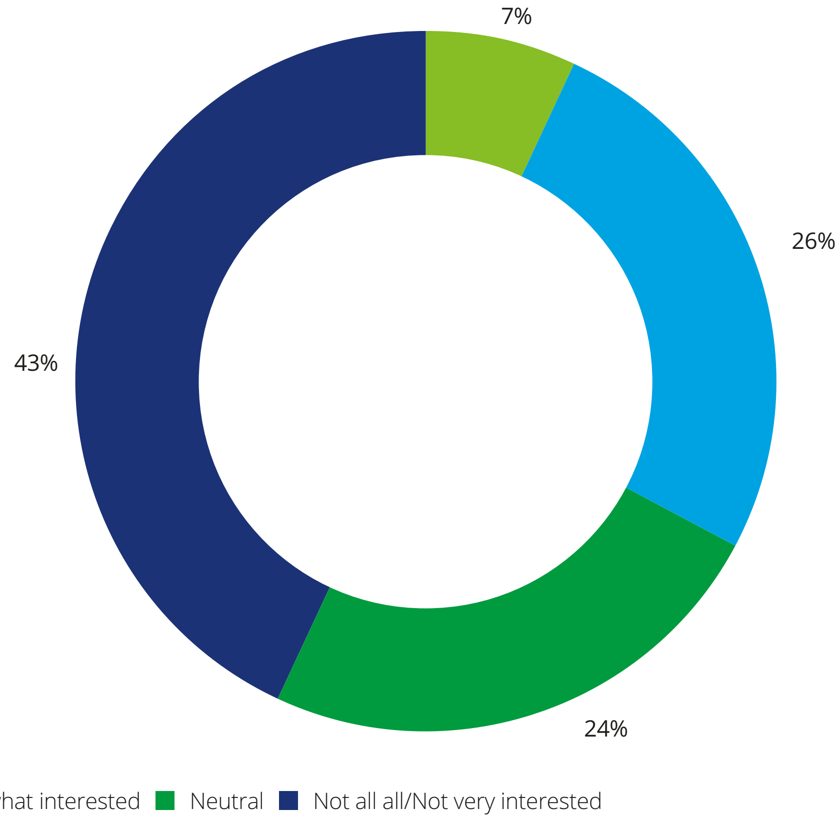


Q47. If you had the option to acquire your next vehicle directly from the manufacturer (via online process), how interested would you be?
Sample size: n=1,048

Interest even lower in buying from an online retail website

Only 7% of the consumers are very interested in buying their next vehicle from an online retail site

How interested are consumers in buying a vehicle from an online retail site?



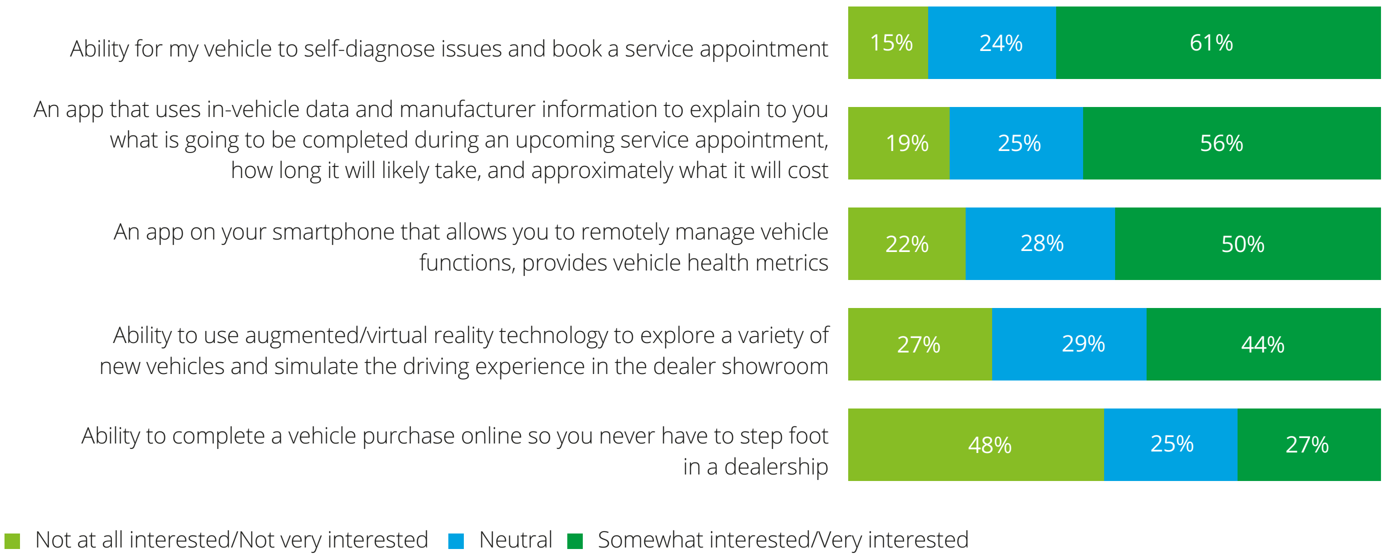
Q48. If you had the option to acquire your next vehicle through an online retail website (e.g., Amazon), how interested would you be?
Sample size: n=1,048

Testing some forward-looking tools and scenarios

Consumers want a hassle free service experience

More than half of the consumers are interested in technology that makes the service experience easier

Consumer opinions on futuristic scenarios

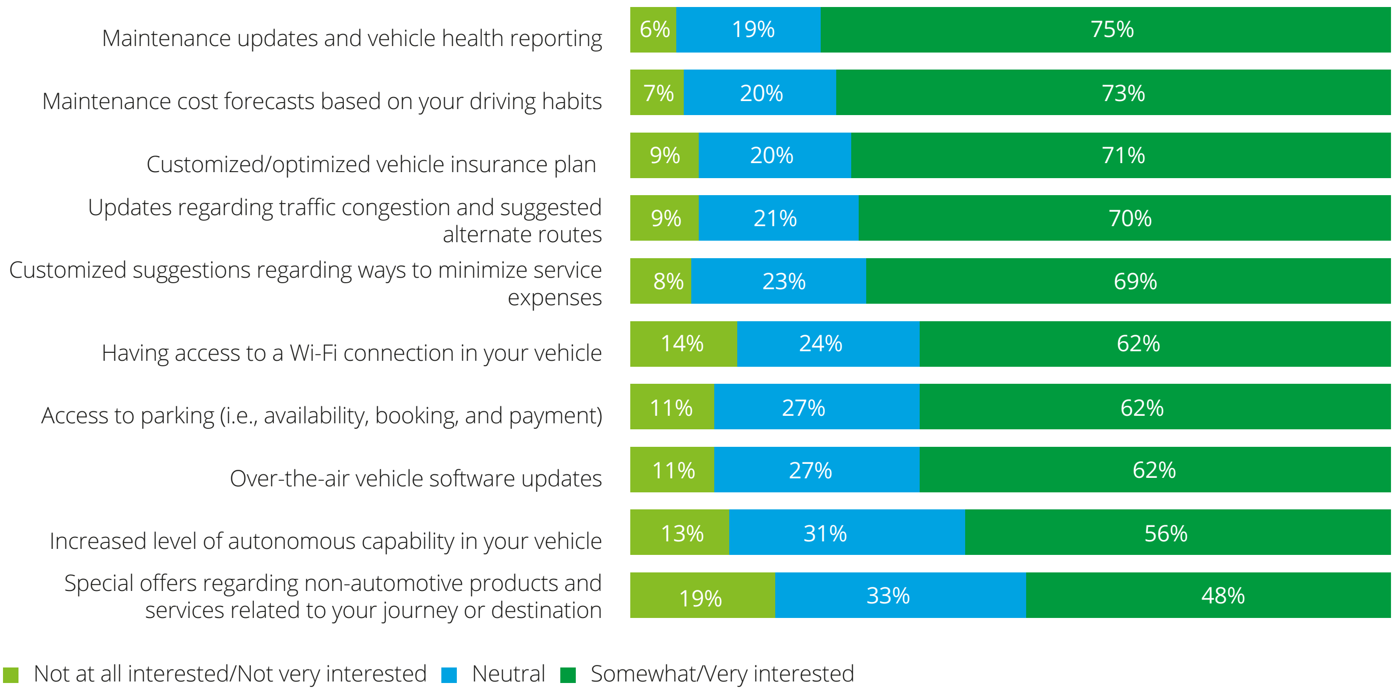


Q44. How interested would you be in each of the following scenarios?
Sample size: n=900

Consumers are most interested in maintenance updates

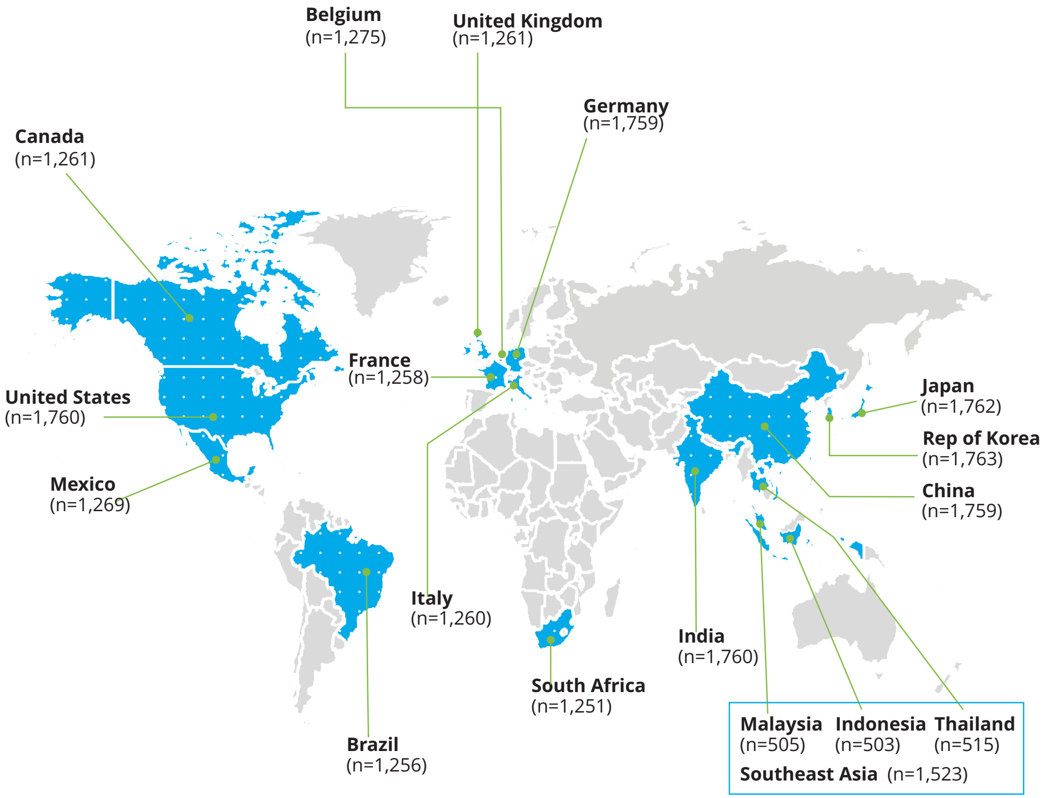
More than 70% of the consumers are looking for benefits such as maintenance updates, cost forecasts, and customized insurance plans

Consumer opinions on benefits of connected vehicles



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: n=1,048

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.

Designed and produced by The Creative Studio at Deloitte, London. J15164