AUTO PURCHASE & USAGE BEHAVIORS

The Impact of COVID-19

May 14th 2020

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SPEAKERS



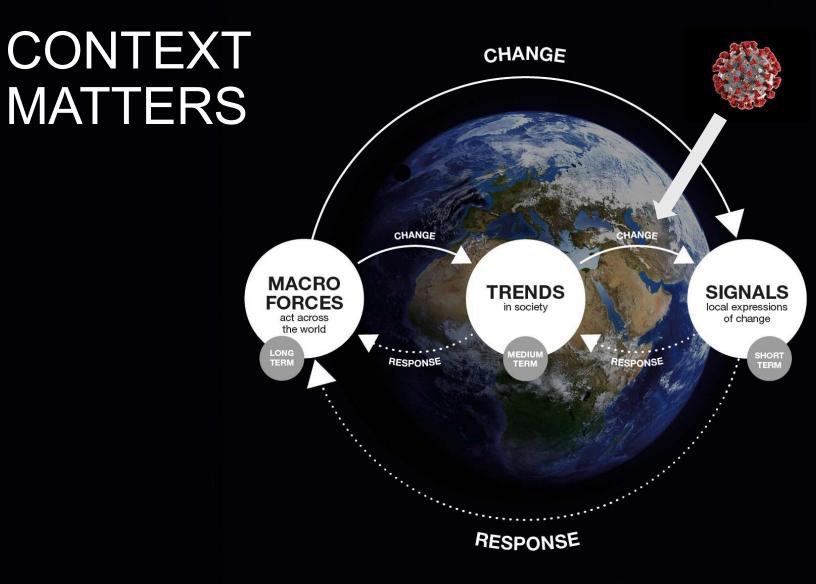
Jim Needell Chief Client Officer – UK London



Peter Otto Chief Client Director –Automotive Munich Pauline Laujac Chief Client Director –Automotive Paris

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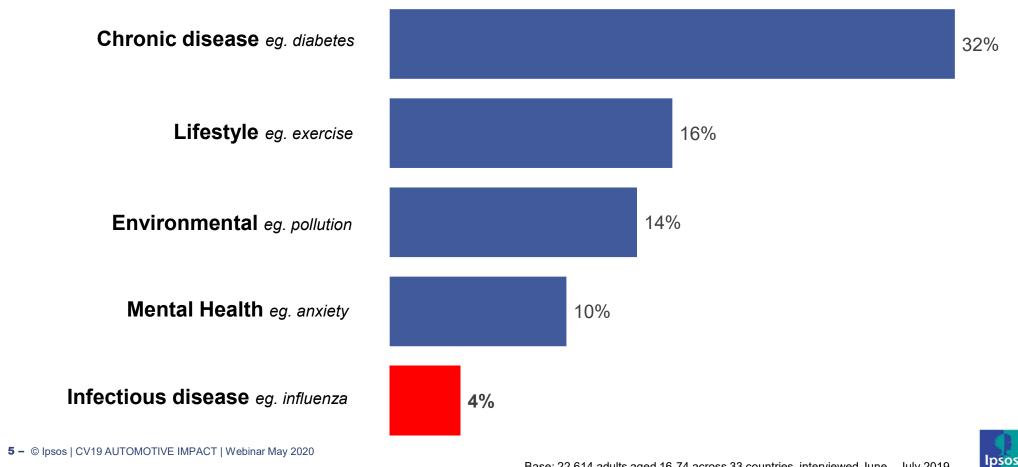


OPINIONS: ripples on the surface of public consciousness, shallow and easy to change

ATTITUDES: currents below the surface, deeper and stronger

VALUES the deep tide of public mood, slow to change, powerful

WHAT PEOPLE BELIEVED TO BE A THREAT TO THEIR HEALTH JUST 5 MONTHS BEFORE COVID-19 HIT...

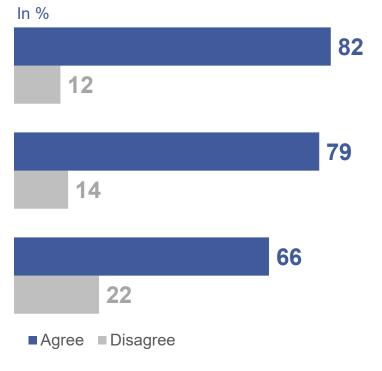


CLIMATE EMERGENCY UNITES THE PLANET

The climate change we are currently seeing is largely the result of human activity

Companies do not pay enough attention to the environment

It is important that people in my country switch to electric motors in cars



Base: 22,614 adults aged 16-74 across 33 countries, interviewed June - July 2019

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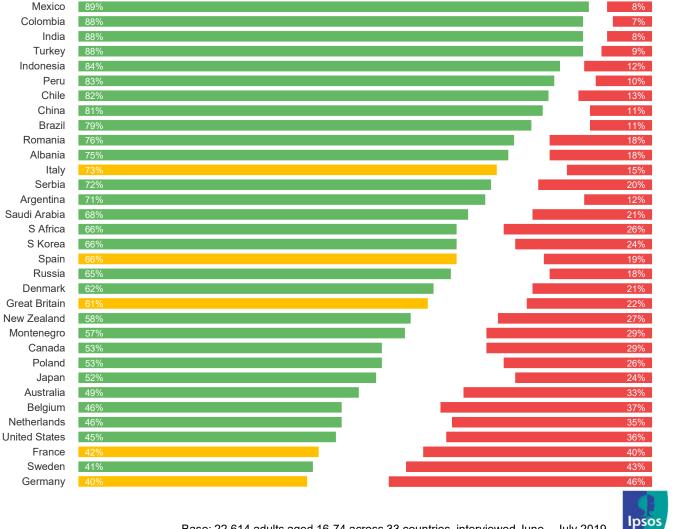
SOME LEADING **EUROPEAN MARKETS UNDER-**INDEX ON NEED TO **ELECTRIFY**

Total

66%

"Qu: It is important that people in my country switch to electric motors in cars"

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22%

Base: 22,614 adults aged 16-74 across 33 countries, interviewed June - July 2019

CLIMATE EMERGENCY STILL UNITES THE PLANET

Qu. To what extent do you agree or disagree with the following: "In the long term, climate change is as serious a crisis as COVID-19"

Global	71%	21%	
China	87%	11%	
Mexico	84%	12%	
India	81%	13%	
France	76%	17%	
Spain	73%	20%	
Japan	72%	18%	
Italy	72%	20%	
Brazil	71%	20%	
Germany	69%	24%	
Russia	67%	22%	
Great Britain	66%	26%	
Canada	64%	29%	
Australia	59%	33%	
United States	59%	32%	
- 01 - 1			

Strongly agree/tend to agree

Tend to disagree/strongly disagree

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Base: 28,039 online adults aged 16-74: Fieldwork dates: Friday 17 to Sunday 19 April.

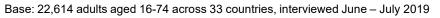


A CAR IS STILLA **STATUS SYMBOL** IN MOST MARKETS

"Qu: I think that successful people tend to travel by car rather than by public transport"

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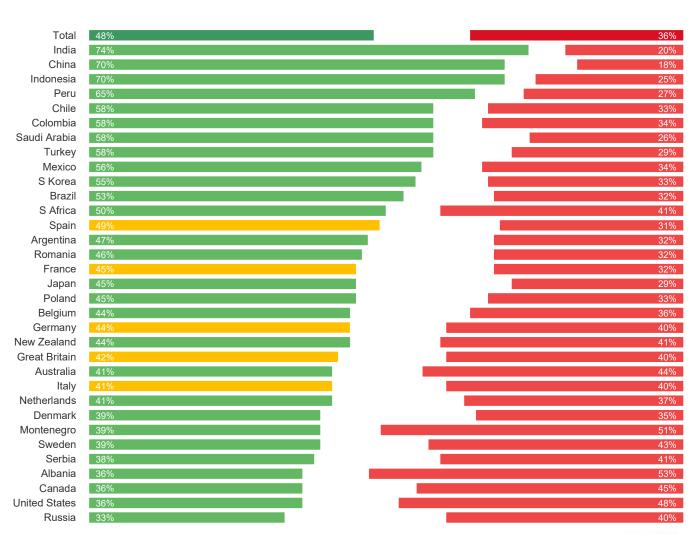
Rese: 22.614 edults area 16.74 across 22 countries interviewed lung _ lulu 2010



Total	73%	18%
Indonesia	91%	8%
Serbia	91%	6%
Albania	90%	8%
Romania	90%	6%
Turkey	88%	9%
S Africa	87%	11%
Montenegro	86%	12%
Russia	85%	9%
China	82%	11%
Brazil	81%	15%
S Korea	79%	17%
Germany	78%	12%
Sweden	78%	14%
India	76%	21%
Italy	75%	14%
Netherlands	74%	13%
Belgium	72%	18%
Mexico	71%	24%
Chile	68%	27%
Colombia	67%	29%
Poland	67%	21%
Australia	66%	20%
Denmark	65%	21%
France	64%	20%
Argentina	63%	25%
Peru	63%	34%
United States	62%	21%
Canada	61%	24%
Great Britain	61%	28%
Spain	61%	28%
Saudi Arabia	59%	27%
Japan	49%	26%

HOWEVER, HALF THE PLANET BELIEVE THAT OWNING A CAR WILL BECOME LESS IMPORTANT

"Qu: do you think that personally owning a car will be less important than it is now?"

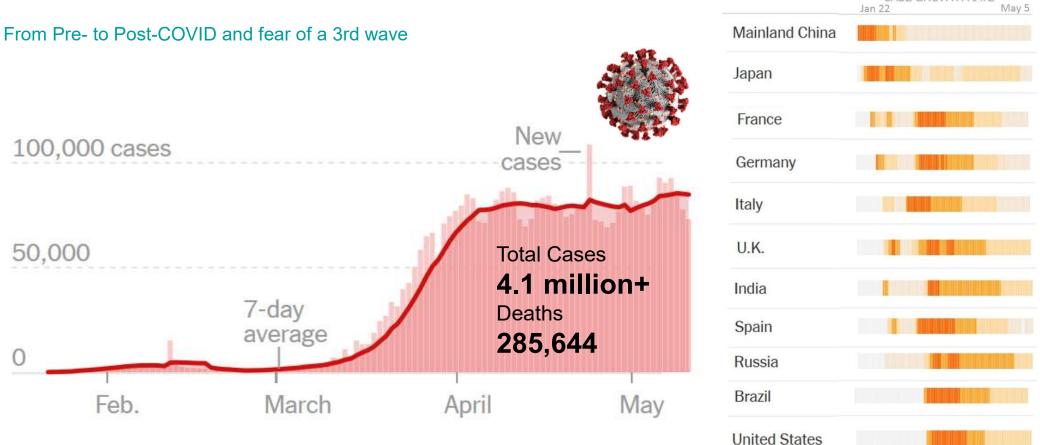


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Base: 22,614 adults aged 16-74 across 33 countries, interviewed June – July 2019



MANY COUNTRIES ARE AT VARIOUS STAGES OF THE COVID19 OUTBREAK



SLOWER

CASE GROWTH RATE

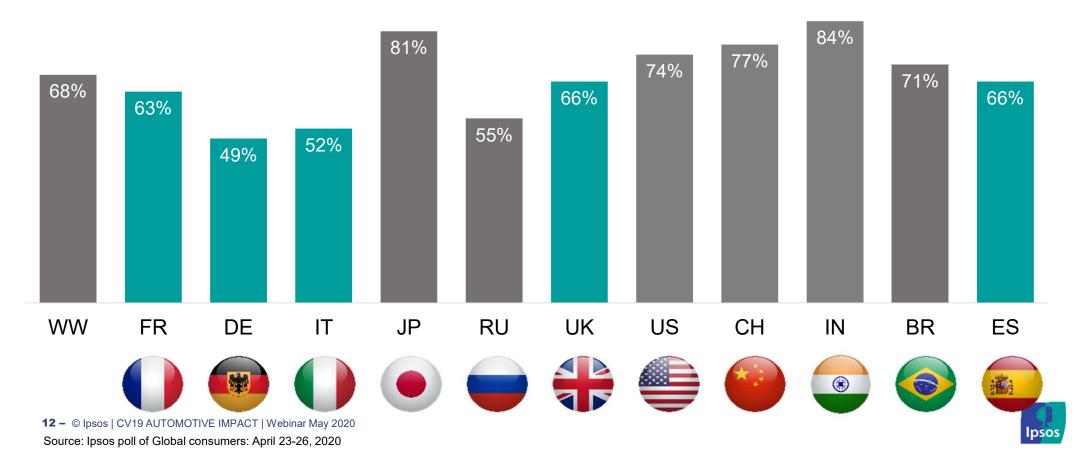
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Source: https://www.nytimes.com/interactive/2020/world/coronavirus-maps.html, May 12th, 2020

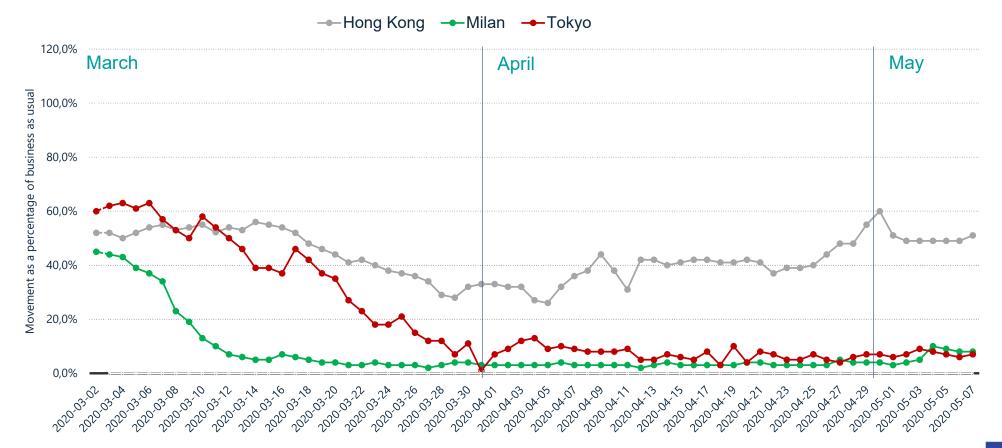
PEOPLE WILL BE **NERVOUS TO LEAVE THEIR HOME**, AT LEAST INITIALLY

Even if businesses are allowed to reopen and travel resumes, I am going to be very nervous about leaving my home



MOBILITY VANISHED IN MOST CITIES AROUND THE GLOBE

Urban mobility compared with movement prior to the CV19 outbreak



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Source: https://citymapper.com/



MOBILITY VANISHED IN MOST CITIES AROUND THE GLOBE

--Berlin --Hong Kong --London --Milan --Paris --Tokyo 120,0% March April May Pars March 22nd Movement as a percentage of business as usual 100,0% 80,0% 60,0% 0 0 0 40,0% 20,0% 0,0% 2020-03-20 2020-03-24 2020-03-26 202003-28 2020.03.30 2020-04-03 2020.04.05 2020-04-09 2020.03.06 2020.03.08 2020-03-10 2020.03.12 2020.03.74 2020-03-16 2020-03-18 2020-03-22 2020.04.01 2020.04.01 2020-04-11 2020-04-13 2020-04-15 2020.04.19 2020.04-23 2020-04-25 2020-04-21 2020-04-29 2020-05-03 2020.05.05 2020.03.02 2020-03-04 2020-04-17 2020-04-21 2020.05.01 2020.05.01

Urban mobility compared with movement prior to the CV19 outbreak

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Source: https://citymapper.com/



MOBILITY VANISHED IN MOST CITIES AROUND THE GLOBE

--Berlin --Hong Kong --London --Milan --Moscow --Paris --Tokyo 120,0% March April May Milan May 4th Movement as a percentage of business as usual 100,0% 80,0% 60,0% 40,0% 20,0% 0,0% 2020.03.12 2020-03-18 2020-03-20 2020-03-24 2020-03-26 202003-28 2020:03:30 2020-04-01 2020-04-03 2020.04.05 2020-04-09 2020-04-29 2020.03.06 2020.03.08 2020.03-10 2020.03.74 2020-03-16 2020-03-22 2020-04-07 2020-04-11 2020-04-13 2020-04-15 2020.04.19 2020-04-21 2020-04-23 2020-04-25 2020.04.21 2020.05.01 2020-05-03 2020.05.05 2020-03-02 2020-03-04 2020-04-17 2020.05.07

Urban mobility compared with movement prior to the CV19 outbreak

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Source: https://citymapper.com/



WALKING, USE OF 2-WHEELERS AND PERSONAL VEHICLES HAVE SEEN THE SMALLEST DECREASE SINCE THE CV19-OUTBREAK

	<u>A</u>				DELTA	
Personal vehicle	6-0		52%	20%	-32%-points	28%
Public transportation		82%		5%	-77%-points	13%
Walking	Ŕ		43%	31%	-12%-points	26%
Bicycle/eBike	A.C		43%	24%	-19%-points	33%
Traditional taxi	 	78%		7%	-71%-points	15%
Ride hailing service) 	76%		10%	-66%-points	13%
Motorbike/motorcycle	Ĩ		53%	24%	-29%-points	23%
Traditional rental car service	Ê	74%		11%	-63%-points	15%

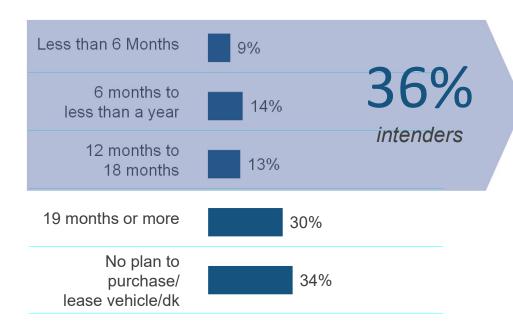
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Source: Ipsos Navigator Module 0 - CV19 Impact on Automotive, fielded April 8th - 14th, 2020

PRE COVID-19, MORE THAN 1 IN 3 CONSUMERS WERE INTENDING TO PURCHASE A VEHICLE

Purchase Timeline <u>Prior</u> to COVID-19 Outbreak [Total]



15% used vehicle 16% consider both 65% new vehicle

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POST COVID-19, INTENDERS IN THE VARIOUS MARKETS WILL REACT DIFFERENTLY ON **THEIR LIKELIHOOD TO BUY**

Purchase Plan Change <u>After</u> the COVID-19 Outbreak [Intenders]

				* * *
More likely to purchase new/used	63%	40%	32%	21%
No change/ same as before	30%	31%	52%	46%
Less likely to purchase new/used	7%	29%	16%	33%

100

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FINANCIAL CONCERNS ARE THE MAIN BARRIERS

Reasons for Purchase Intention Decrease After the COVID-19 Outbreak [European Intenders]

62% Financial impact / don't want to incur expense



40% Concern over the economy



37% Job Status changed or concerned it will change



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FINANCIAL CONCERNS ARE THE MAIN BARRIERS, SAFETY AND PROTECTION OF A PERSONAL VEHICLE THE REASON BEHIND PURCHASE INTENT

Reasons for Purchase Intention **Decrease** <u>After</u> the COVID-19 Outbreak [European Intenders]

62%

Financial impact / don't want to incur expense



40% Concern over the economy

P

Reasons for Purchase Intention Increase / Remained the Same <u>After</u> the COVID-19 Outbreak [European Intenders]

50%

Feel safe/protected in personal vehicle

Not letting outbreak

Impact vehicle plans



23%

25%

Assume there will be great deals





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37% Job Status changed or concerned it will change

Source: Ipsos Navigator Module 0 - CV19 Impact on Automotive, fielded April 8th - 14th, 2020

FINANCIAL CONCERNS ARE THE MAIN BARRIERS, SAFETY AND PROTECTION OF A PERSONAL VEHICLE THE REASON BEHIND PURCHASE INTENT

Reasons for Purchase Intention **Decrease** <u>After</u> the COVID-19 Outbreak [European Intenders]

62%

37%

Financial impact / don't want to incur expense



40% Concern over the economy

Job Status changed or concerned it will change

Waiting for prices going down / great deals expected

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Reasons for Purchase Intention Increase / Remained the Same <u>After</u> the COVID-19 Outbreak [European Intenders]

50%

Feel safe/protected in personal vehicle



25%

Not letting outbreak Impact vehicle plans

23%

Assume there will be great deals





WITH FINANCIAL CONCERN BECOMING KEY, HIGH EXPECTATION ON GOVERNMENT INCENTIVES AND SPECIAL FINANCING SCHEMES



Which Incentives Motivate Purchases/leases [EURO5 INTENDERS]



41% 0% financing

10% Free WiFi for your vehicle for a period of time





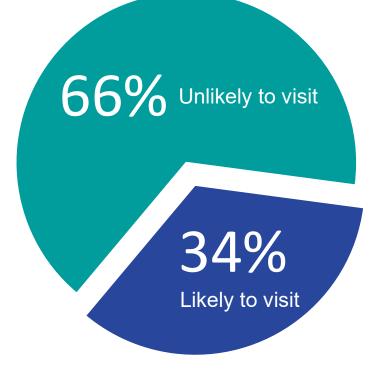


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INTENDERS ARE NOT COMFORTABLE GOING TO THE DEALER TO PURCHASE A NEW CAR



Likeliness to visit your dealer to purchase a NEW car in the next month [EURO5 INTENDERS]



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Consumer Beliefs About: [% Strongly/Somewhat Agree] [EURO5 INTENDERS]

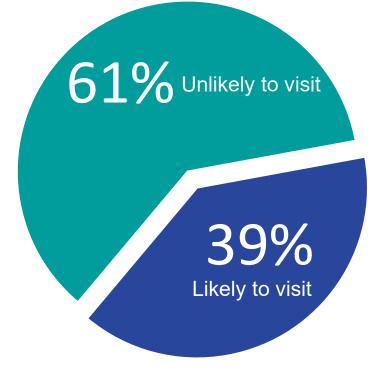
21% My dealer has communicated to me directly about how to purchase/lease a new vehicle during the outbreak



FOR **SERVICE/MAINTENANCE CAR OWNERS ARE IN DOUBT** AS TO VISIT OR NOT THEIR DEALER



Likeliness to visit your dealer for service/maintenance in the next month [EURO5]



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My dealer has communicated the steps they are taking to ensure I don't catch COVID-19 if my vehicle is at the dealership for service (e.g., disinfecting vehicle before returning)

20%

My dealer has communicated to me directly about how to get my vehicle serviced during the outbreak



ONLINE CHANNEL GETTING TRACTION AMONG INTENDERS

Interest in Completing Tasks Online [%Extremely/Somewhat Interested] [EURO5 INTENDERS]

69%

43% Purchasing/leasing a vehicle

Obtaining insurance for your vehicle

50% Communicating with salesperson using a video chat approach (e.g., Zoom, WhatsApp, etc.)

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Likeliness to use the following app or website for people interested in Online purchasing [EURO5 INTENDERS]



33% An app or website provided by your car manufacturer

An app or website provided by your **local dealer**



SUMMARY

- GLOBAL FORCES & TRENDS WILL CONTINUE TO IMPACT THE POST- (& 2nd WAVE PRE-) COVID WORLD
 - CONSUMERS WILL RETAIN MANY OF THEIR CORE VALUES OVER THE MEDIUM-TERM EG. CLIMATE EMERGENCY
 - UNCERTAINTY ABOUT ADOPTION OF ELECTRIC VEHICLES WILL CONTINUE
 - OWNERSHIP vs SHARED MOBILITY WILL CONTINUE TO BE DEBATED
- DURING THE CV-OUTBREAK MOBILITY VANISHED, BUT RELEVANCE OF INDIVIDUAL TRAFFIC INCREASED
- INTENTION TO BUY NEW CARS WILL REMAIN (ALTHOUGH AT A VARIABLE PACE BY COUNTRY)
- PERSONAL FINANCIAL SITUATION WILL IMPACT SALES...
- ...SO, FINANCIAL INCENTIVES WILL BECOME MORE RELEVANT
- DEALERS NEED TO IMPROVE THEIR CV19-RELATED COMMUNICATION ("IT'S SAFE TO VISIT")
- INTENDERS ARE OPEN TO DIGITAL & ONLINE PROCESSES. SALES WILL FOLLOW.
- FIRST SIGNS OF CHANGING CUSTOMER BEHAVOUR CAN BE SEEN... AND THERE IS MUCH MORE TO EXPLORE



IPSOS MOBILITY NAVIGATOR

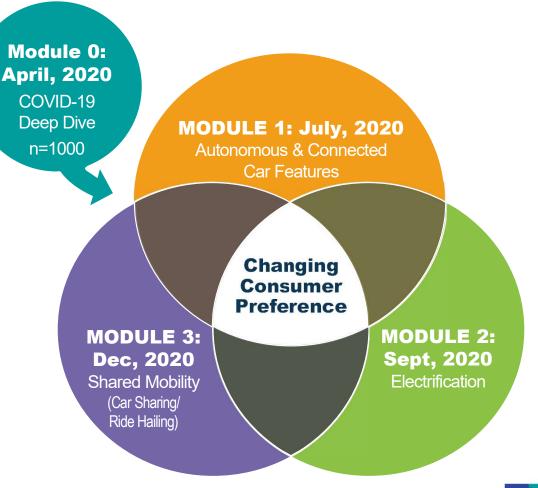
Overview

Syndicated study focused on the key trends in mobility & Impact of COVID-19

11 markets each n=2000 online interviews per module USA, China, Japan, Brazil, Russia, India and Euro5



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IPSOS MOBILITY NAVIGATOR

Additional Topics

Module 0 COVID-19 deep dive on Automotive & Mobility



- Transportation ownership / usage
- Comfort in various activities as it relates to shopping / visiting a dealer / transportation usage
- Purchase consideration of vehicle and reasons why/why not and when
- Vehicle preference shift / key attributes for new vehicle / expected changes in intention (used instead of new, vehicle size, body-type, engines, etc.) / changing relevance of purchasing factors
- Acknowledgement of car manufacturers CV19 related support
- Early signs of "new normal"
- Brand loyalty / Importance of trust
- Impact of different incentives to purchase / lease
- Levels of dealer support / Dealer communication during the outbreak / Ease of dealer processes (making appointments, servicing cars, etc.)
- Willingness to consider virtual / digital purchase of vehicles / Acceptance and preference of digital communication
- Sources of information used for new vehicle shopping
- Likelihood to visit dealers for sales / service, door-to-door testdrives, etc.
- Impact of miles driven
- CV19 impact on finance, priorities in life, social & economical organizations, car manufacturers, etc.





THANK YOU



