AUTO PURCHASE & USAGE BEHAVIORS

The Impact of COVID-19

May 14th 2020

SPEAKERS

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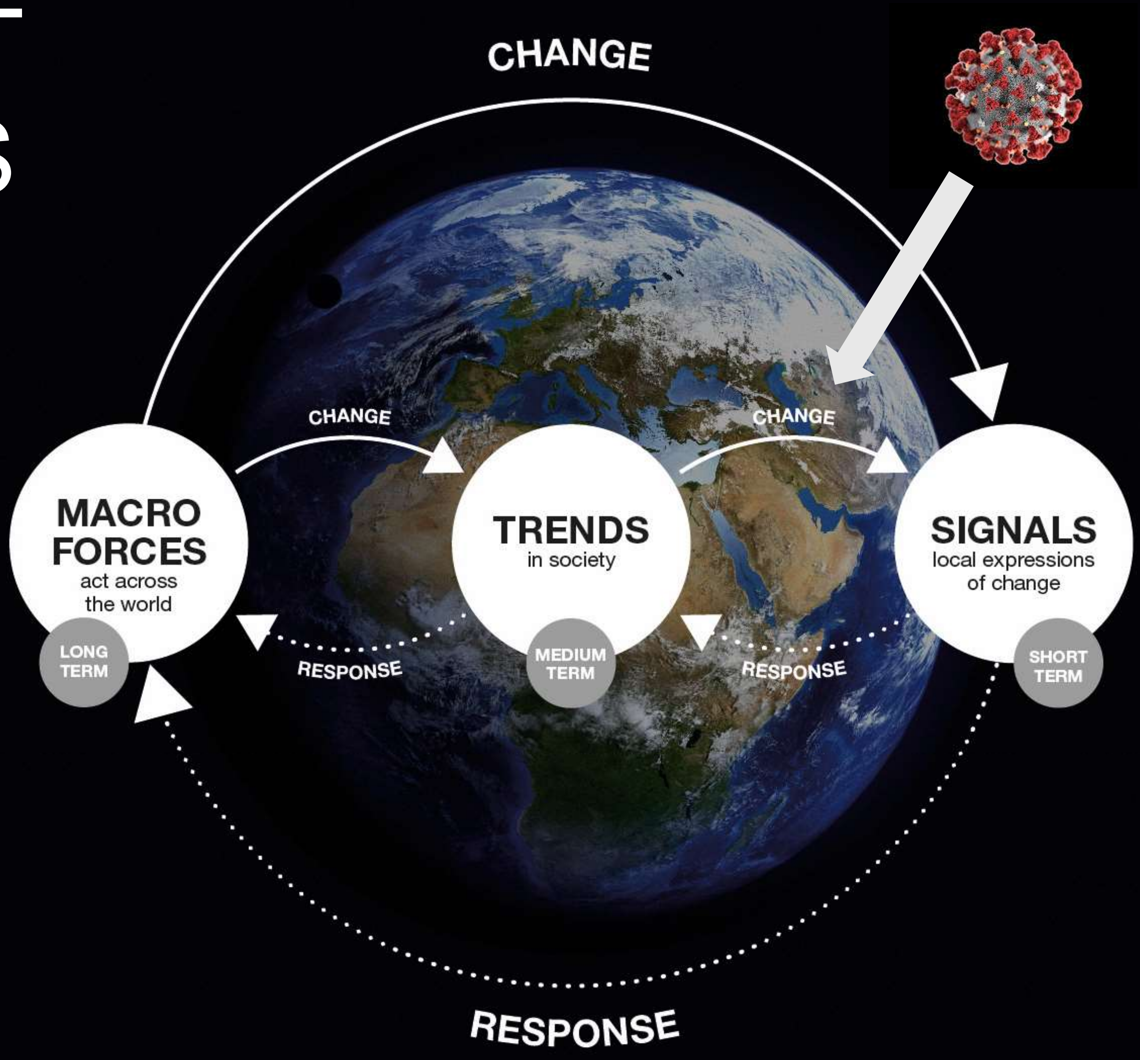
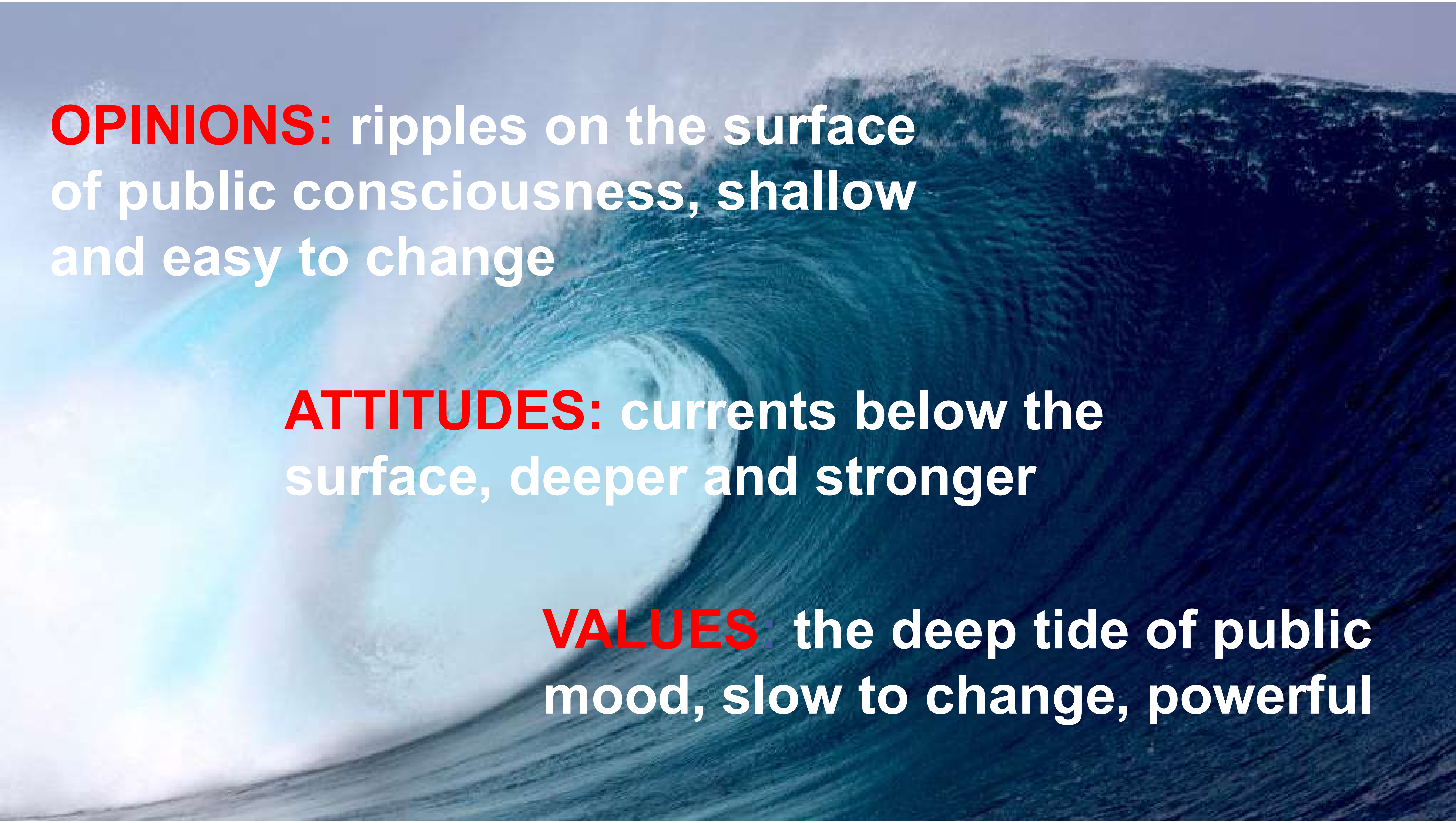
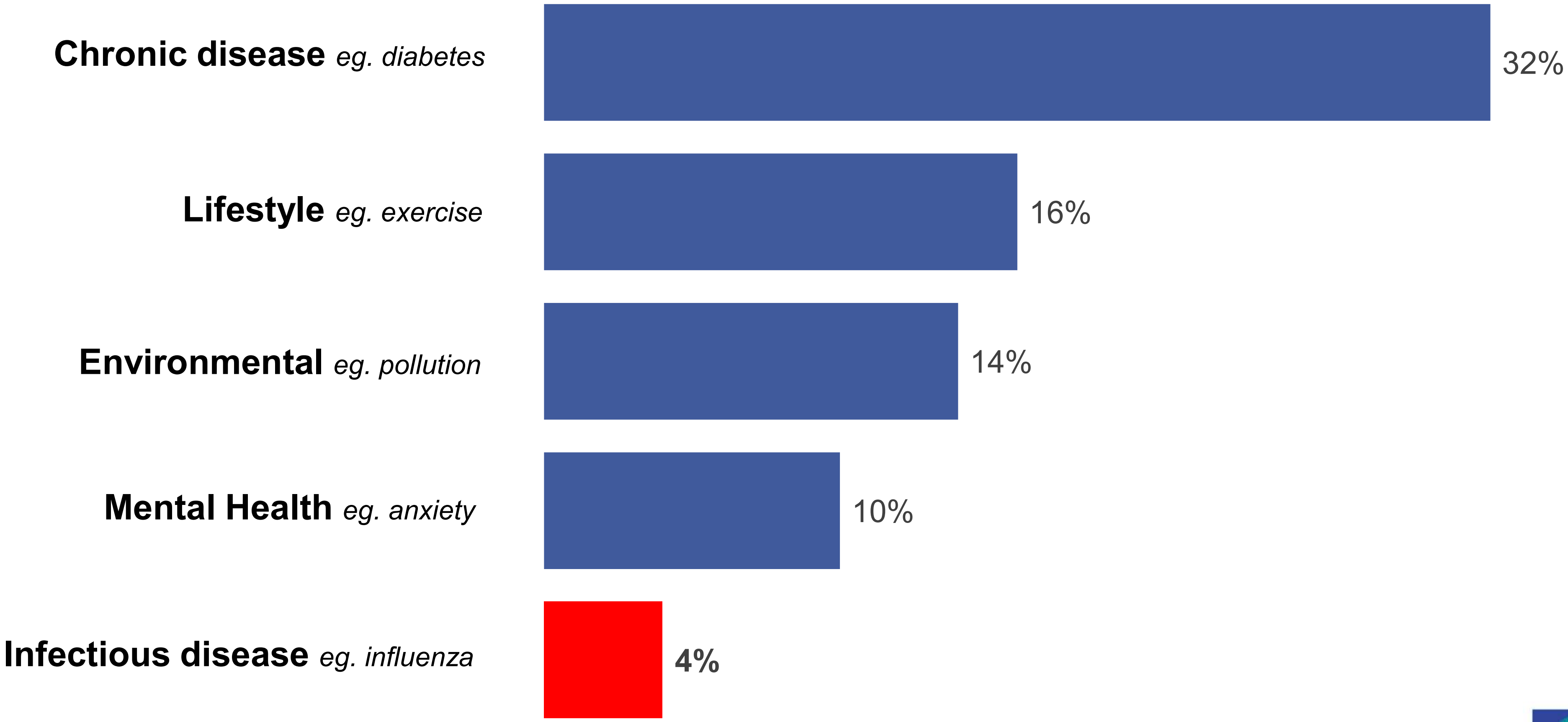
CONTEXT MATTERS




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…



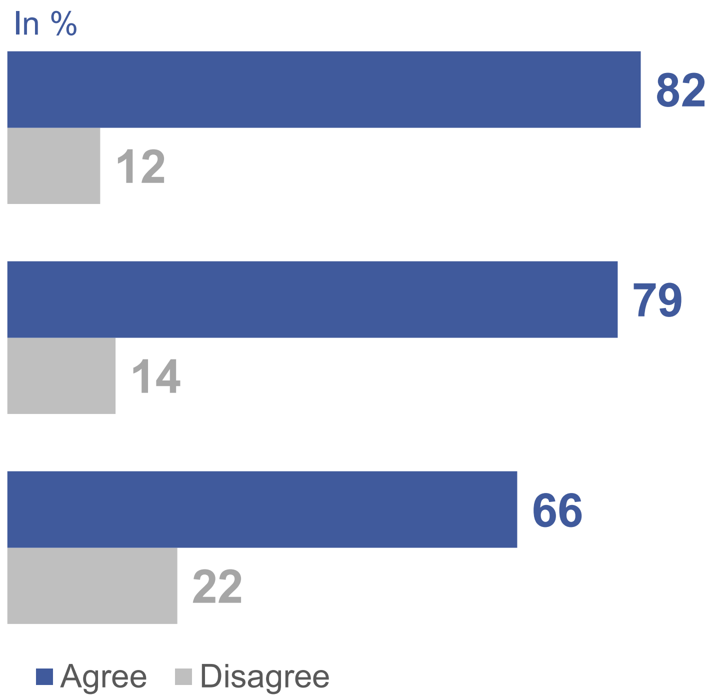
Base: 22,614 adults aged 16-74 across 33 countries, interviewed June – July 2019

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



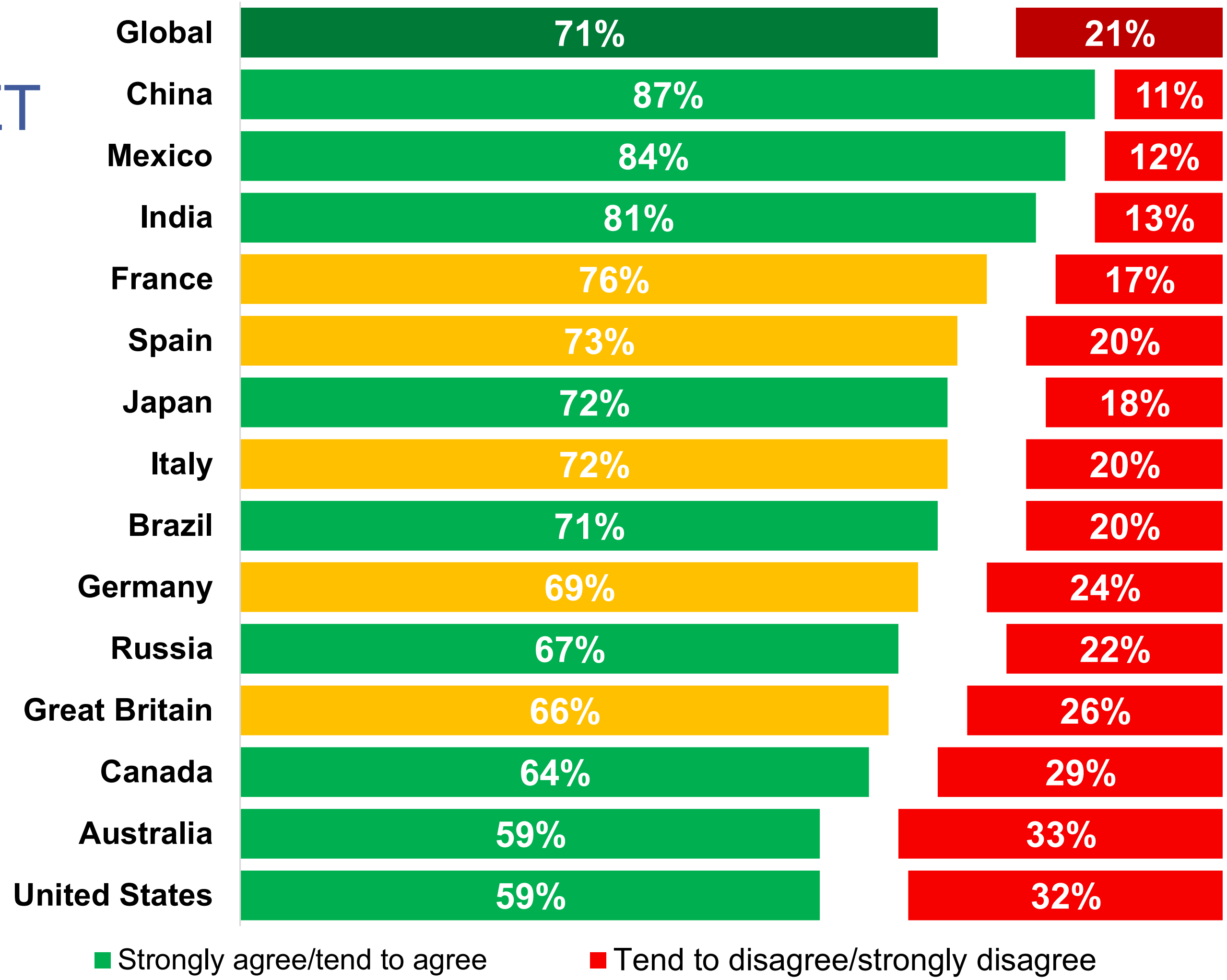
Base: 22,614 adults aged 16-74 across 33 countries, interviewed June – July 2019

SOME LEADING EUROPEAN MARKETS UNDER-INDEX ON NEED TO ELECTRIFY

"Qu: 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

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**"*

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

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

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

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

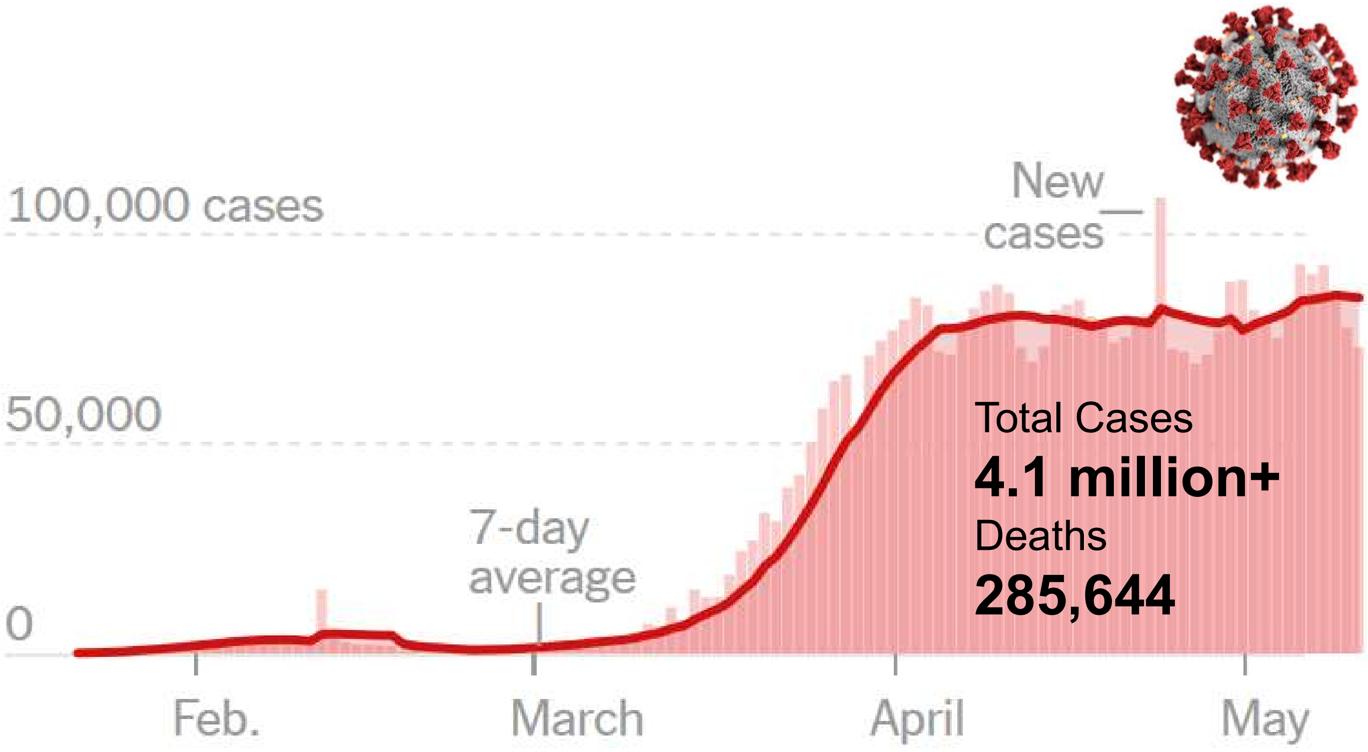
HOWEVER, HALF THE PLANET BELIEVE THAT **OWNING A CAR WILL BECOME LESS IMPORTANT**

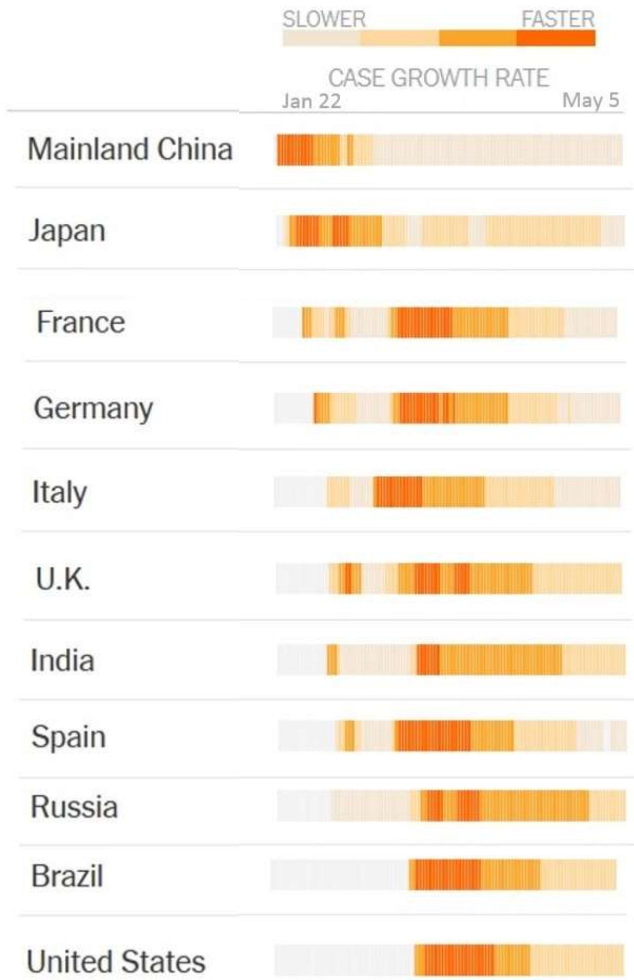
"Qu: do you think that personally owning a car will be less important than it is now?"

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

MANY COUNTRIES ARE AT **VARIOUS STAGES OF THE COVID19 OUTBREAK**

From Pre- to Post-COVID and fear of a 3rd wave

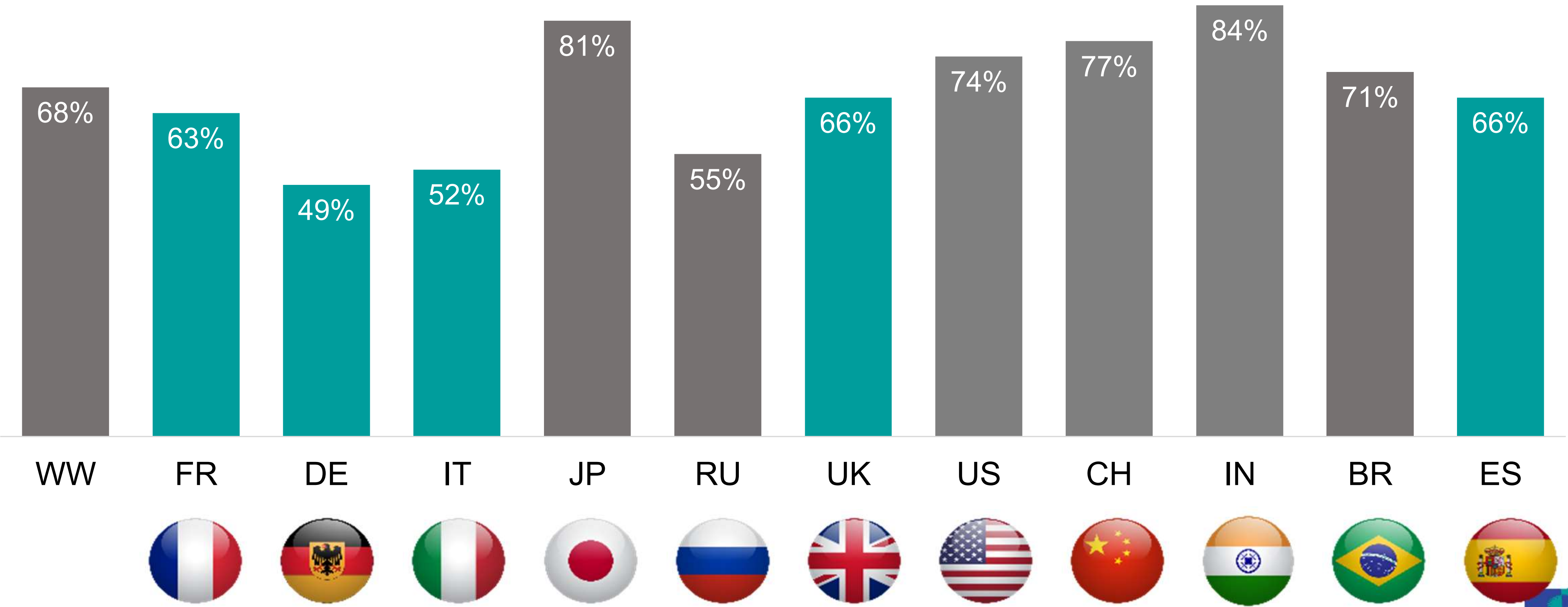




Source: https://www.nytimes.com/interactive/2020/world/coronavirus-maps.html, May 12th, 2020

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

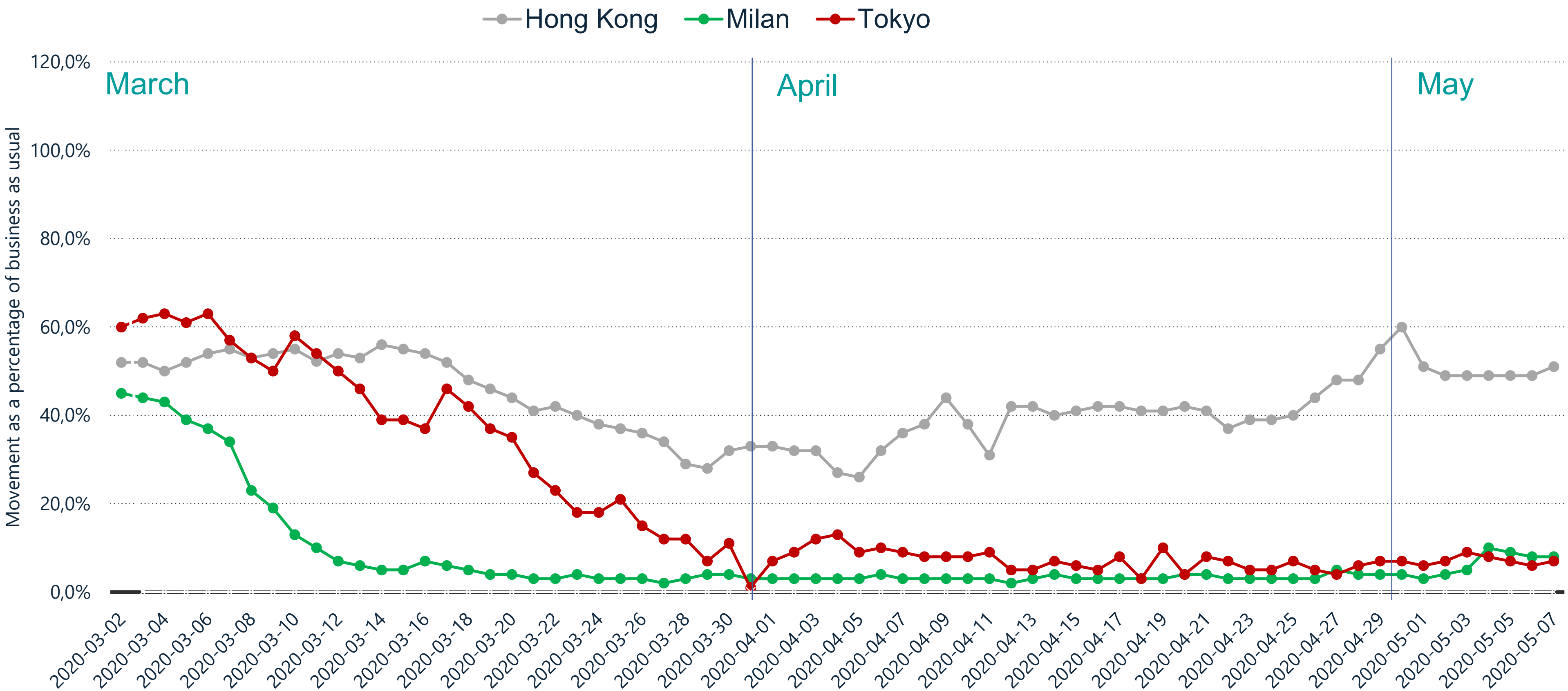
Even if businesses are allowed to reopen and travel resumes, I am going to be very nervous about leaving my home



Source: Ipsos poll of Global consumers: April 23-26, 2020

MOBILITY VANISHED IN MOST CITIES AROUND THE GLOBE

Urban mobility compared with movement prior to the CV19 outbreak



Source: https://citymapper.com/

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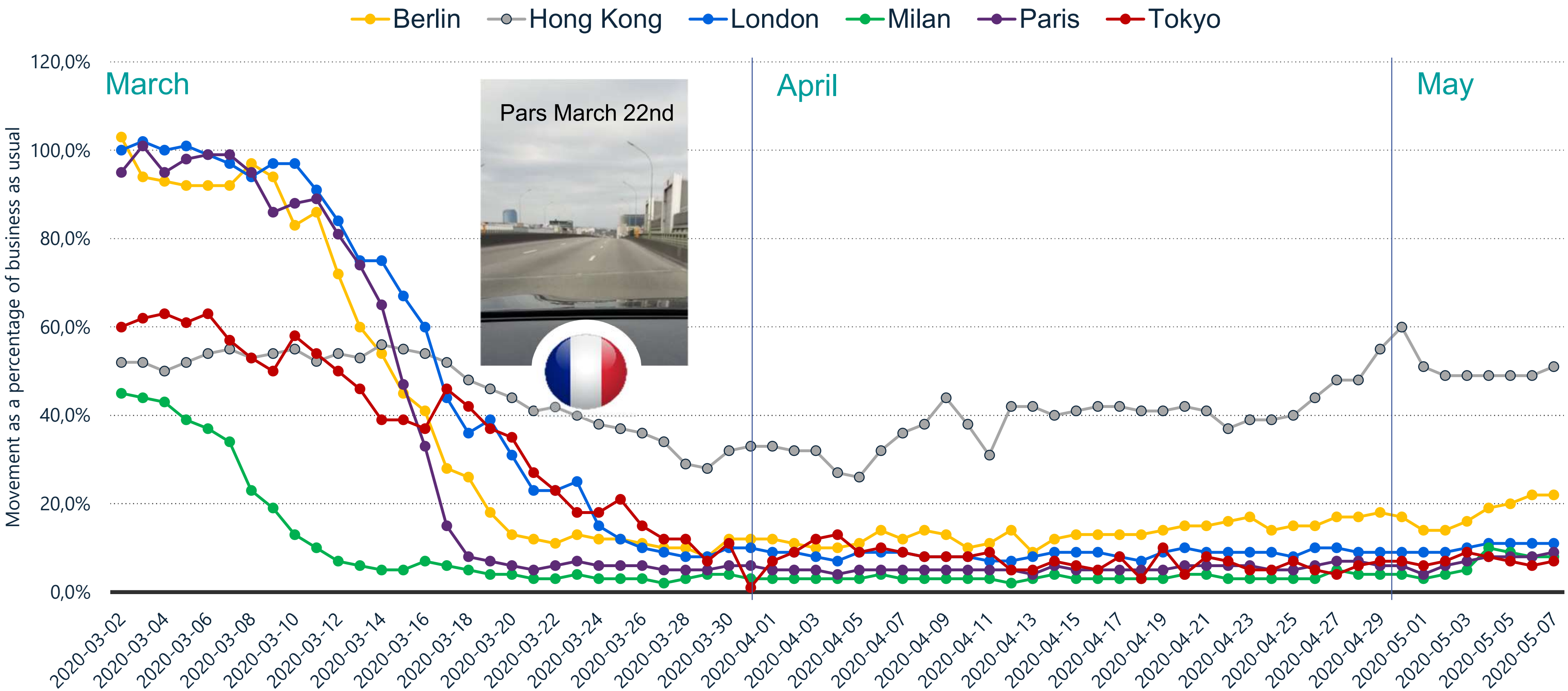

Source: https://citymapper.com/

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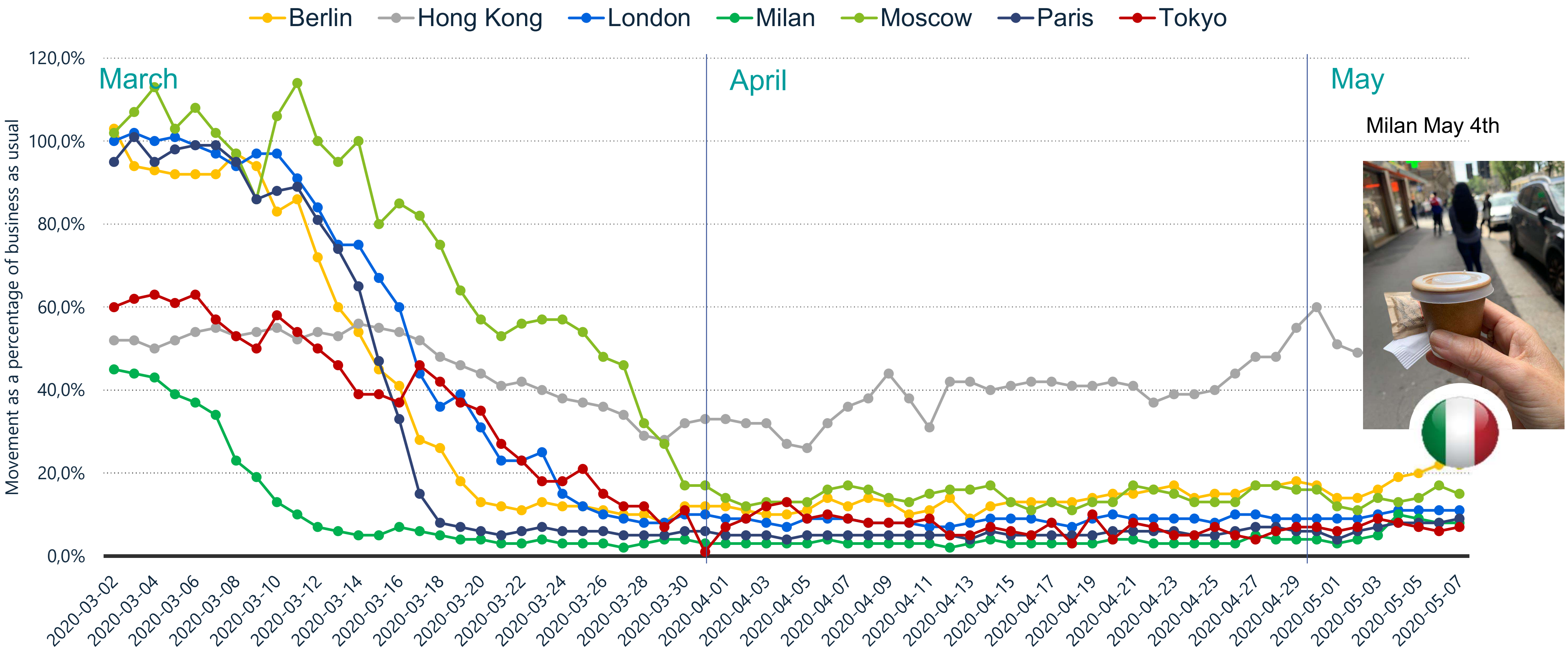
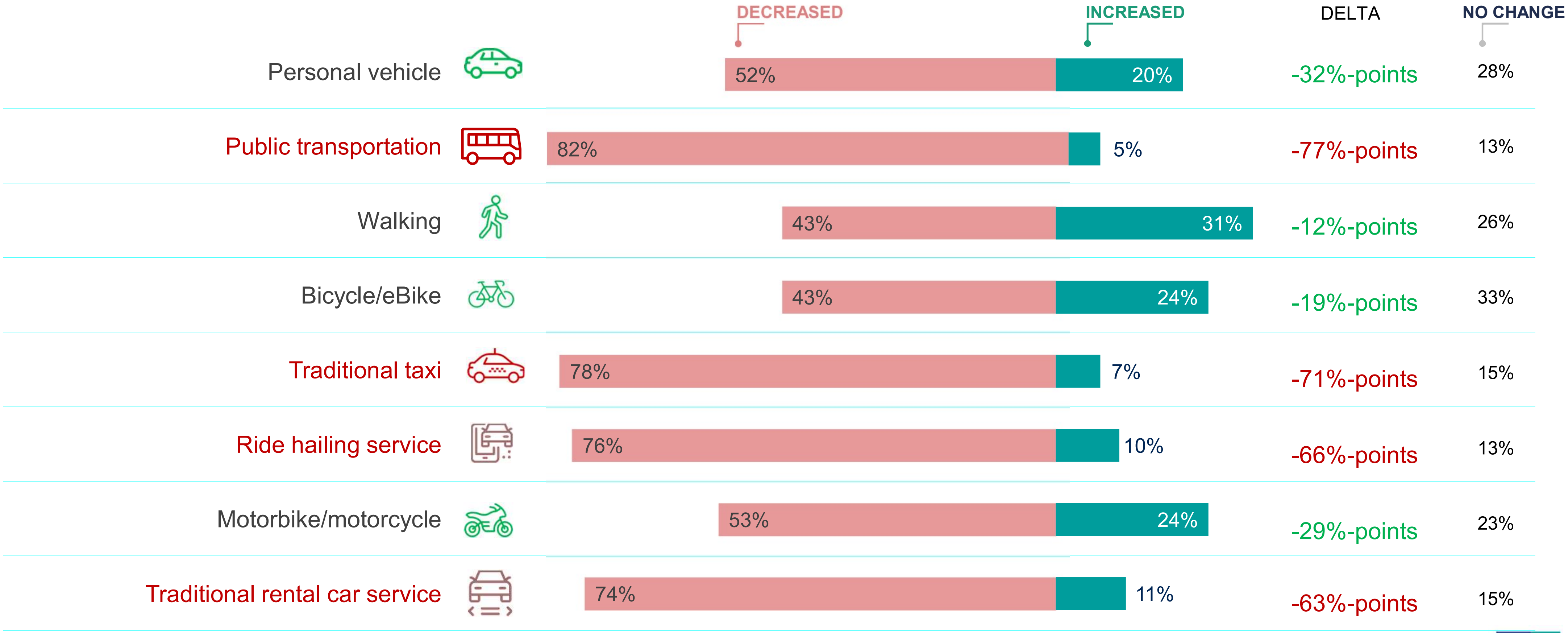


Source: https://citymapper.com/

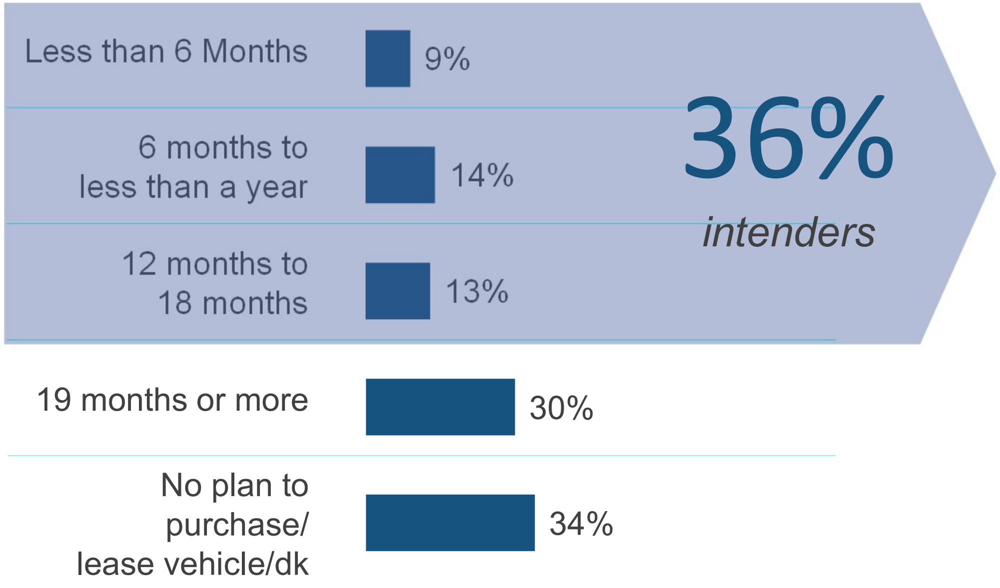
WALKING, USE OF 2-WHEELERS AND **PERSONAL VEHICLES HAVE SEEN THE SMALLEST DECREASE** SINCE THE CV19-OUTBREAK

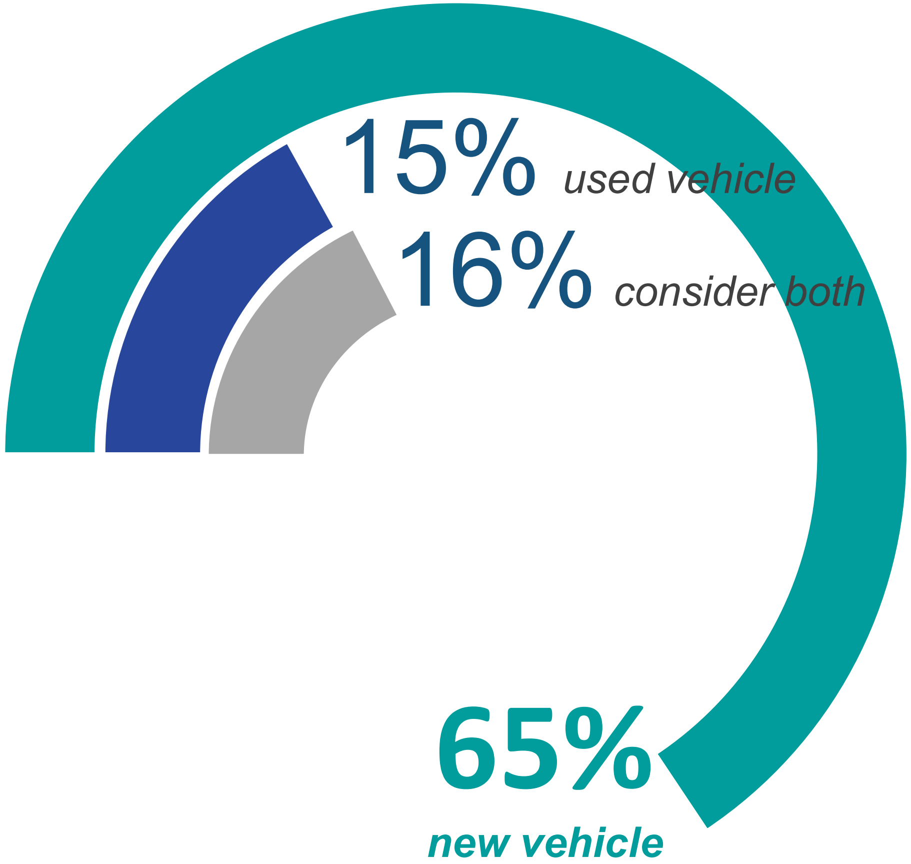


Source: Ipsos Navigator Module 0 – CV19 Impact on Automotive, fielded April 8th – 14th, 2020

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

Purchase Timeline Prior to COVID-19 Outbreak
[Total]





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

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

Purchase Plan Change After 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%

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

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

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**
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

Reasons for Purchase Intention **Increase / Remained the Same** After 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

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** 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

17% Waiting for prices going down / great deals expected

Reasons for Purchase Intention **Increase / Remained the Same** After 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

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

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

Which Incentives Motivate Purchases/leases
[EURO5 INTENDERS]

49% Government incentives or other benefits

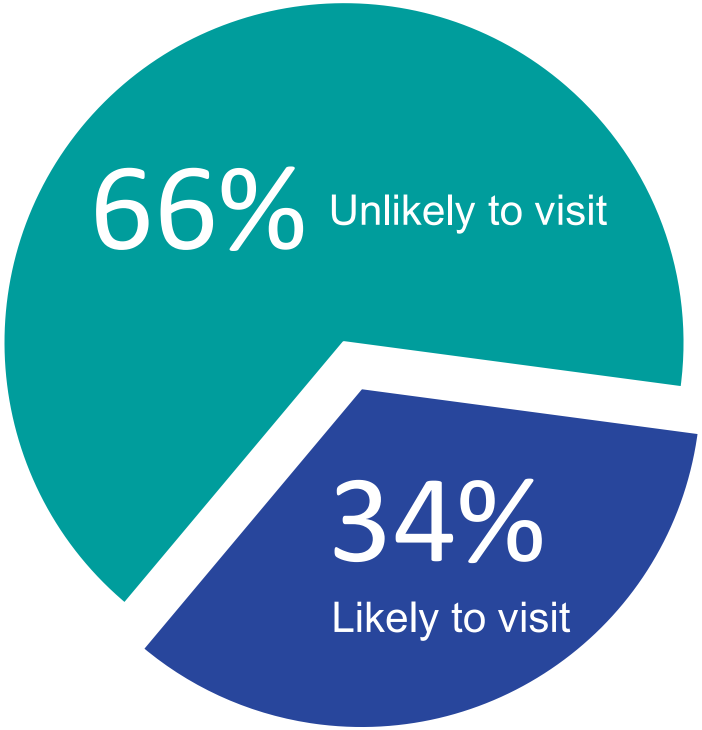
41% 0% financing

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

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

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]



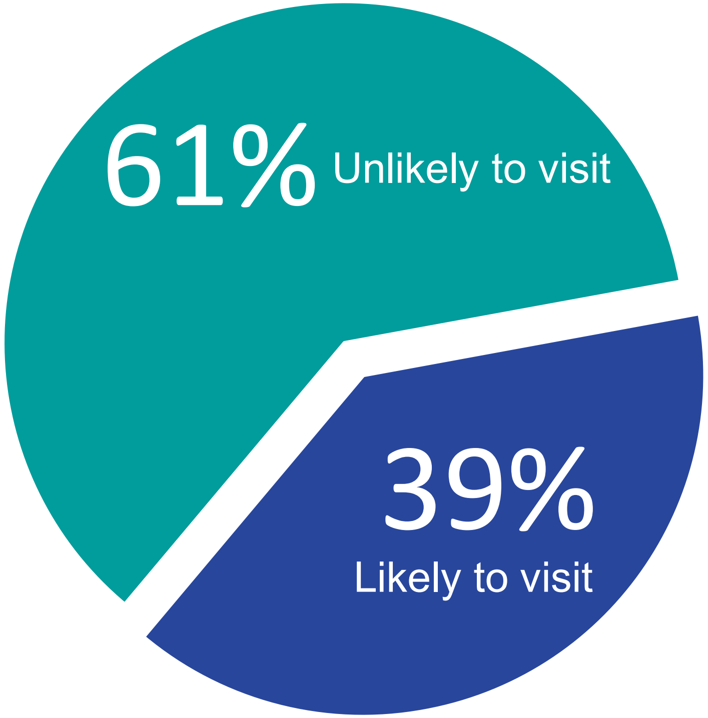
Consumer Beliefs About:
[% Strongly/Somewhat Agree]
[EURO5 INTENDERS]

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

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

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]



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

21% 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

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

ONLINE CHANNEL GETTING TRACTION AMONG INTENDERS

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

43% Purchasing/leasing a vehicle

69% Obtaining insurance for your vehicle

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

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**

23% An app or website provided by your **local dealer**

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

SUMMARY

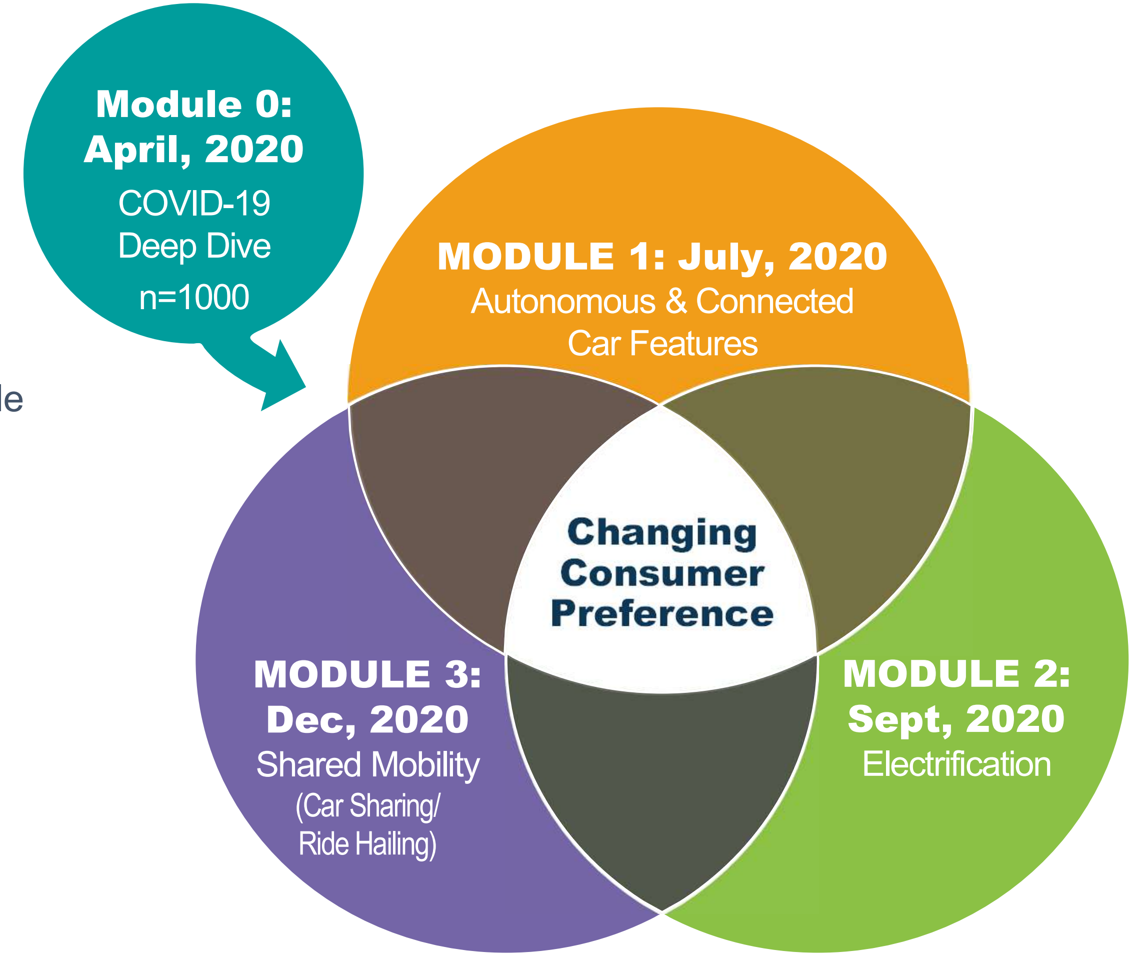
- GLOBAL FORCES & TRENDS WILL CONTINUE TO IMPACT THE POST- (& 2nd WAVE PRE-) COVID WORLD
  - CONSUMERS WILL RETAIN MANY OF THEIR CORE VALUES OVER THE MEDIUM-TERM EG. CLIMATE EMERGENCY
  - UNCERTAINTY ABOUT ADOPTION OF ELECTRIC VEHICLES WILL CONTINUE
  - OWNERSHIP vs SHARED MOBILITY WILL CONTINUE TO BE 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



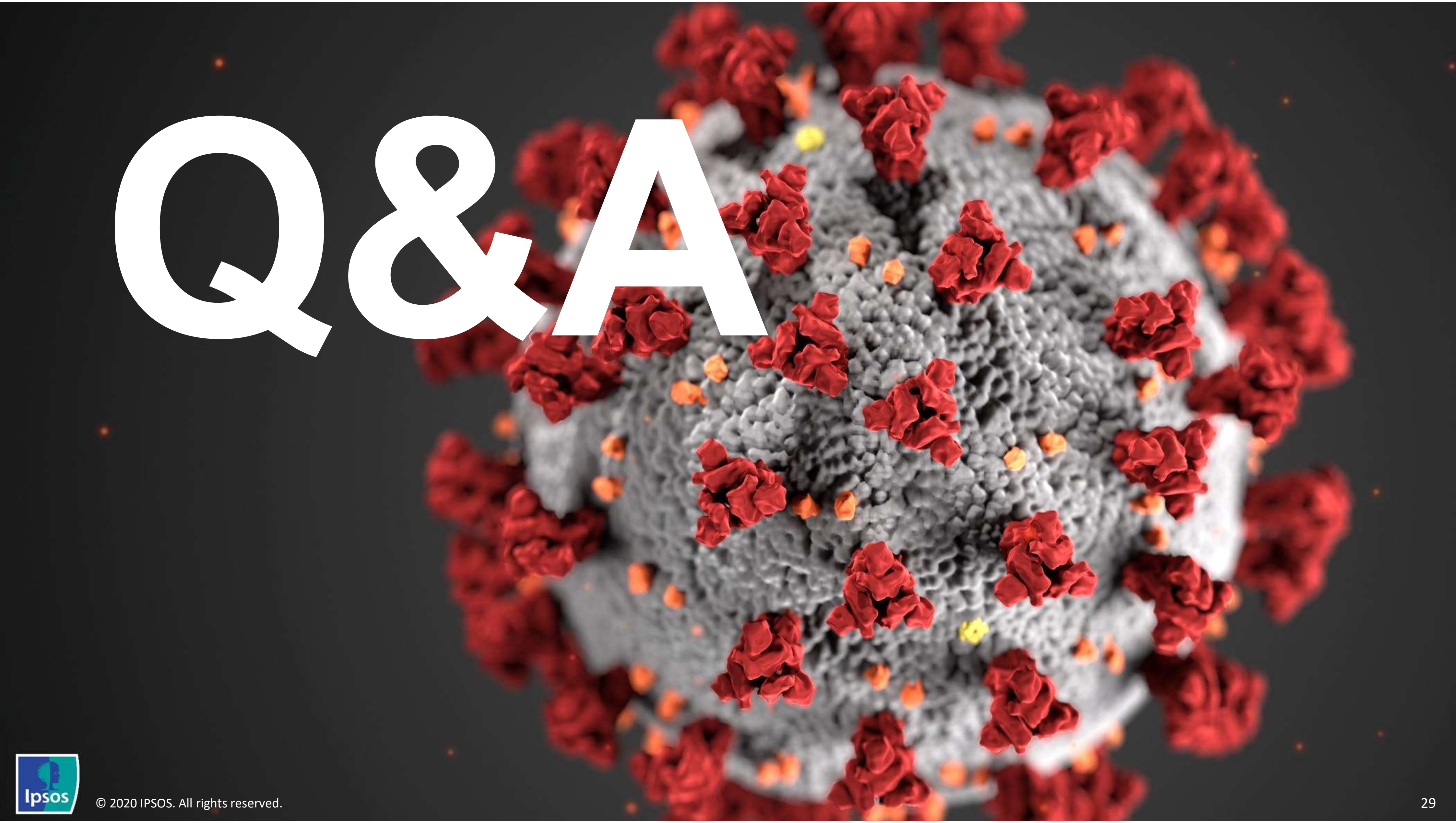
IPSOS MOBILITY NAVIGATOR

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 test-drives, etc.
- Impact of miles driven
- CV19 impact on finance, priorities in life, social & economical organizations, car manufacturers, etc.

Q&A



THANK YOU

GAME CHANGERS

Ipsos