

future of mobility

IPSOS
WEB-SESSION

Mobility Behaviours & Automotive Purchase Intentions in troubled times

October 6th, 2020

GAME CHANGERS



Introductions



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Ipsos in Germany



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Ipsos Automotive & Mobility
Development

Agenda

**CHANGES IN
MOBILITY
BEHAVIOURS**

**QUESTIONS &
ANSWERS**

1

**IPSOS AUTOMOTIVE
SESSIONS**

2

3

**RECOVERY PATH OF
CAR SALES IN CHINA**

4

Our 4 Automotive Web-Sessions

“Mobility behaviours and automotive purchase intentions in troubled times”

Tue, October 6, 2020, 11:00 AM – 12:00 PM CEST

“The future of mobility - electrification, connectivity, and automated driving”

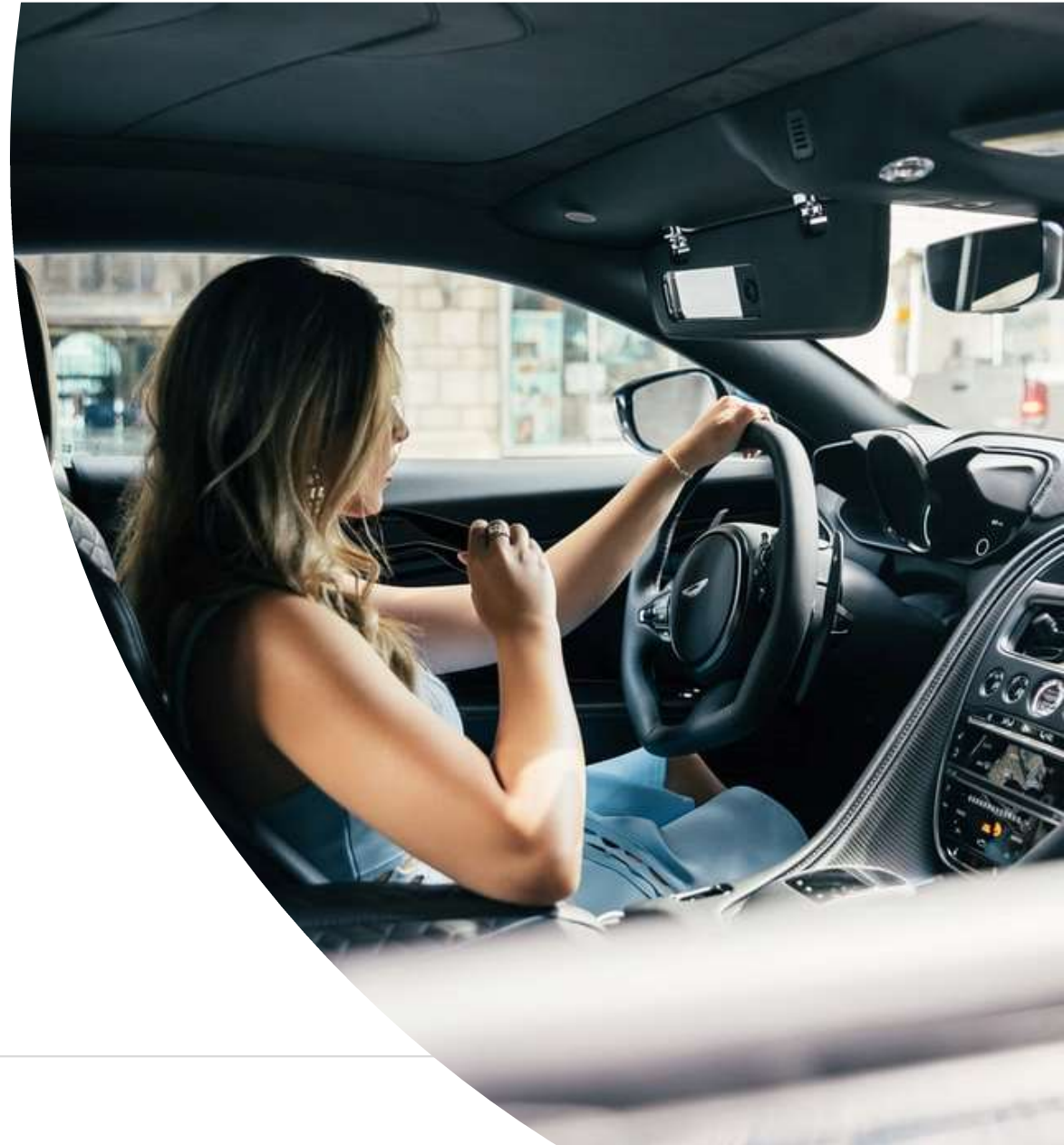
Tue, October 13, 2020, 11:00 AM – 12:00 PM CEST

“Accelerating in digital – the new customer journey”

Tue, October 27, 2020, 11:00 AM – 12:00 PM CEST

“Looking beyond automotive – emotional branding in other sectors”

Tue, November 10, 2020, 11:00 AM – 12:00 PM CEST



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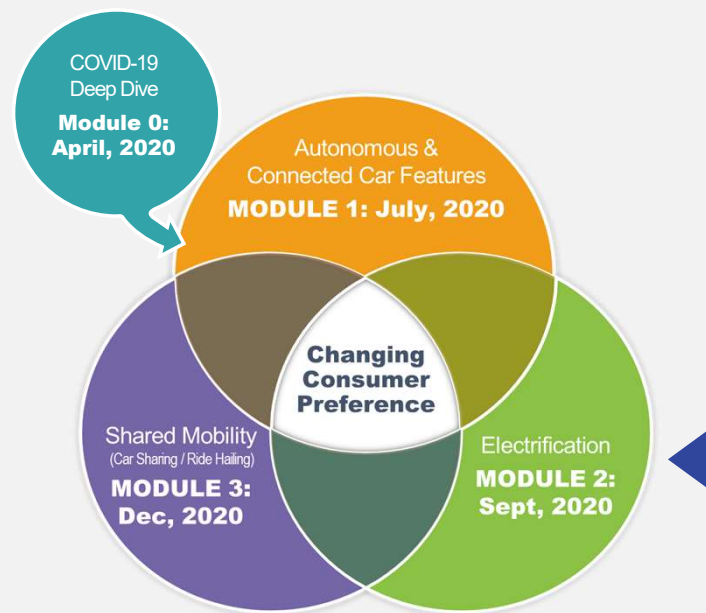
Ipsos sources of COVID-19 information

Global COVID-19 Information Sources at Ipsos



Ipsos Mobility Navigator

a syndicated study focused on the key trends in mobility



How CV-19 is impacting Customers mobility behaviours and purchase intentions?

Prior to
CV19

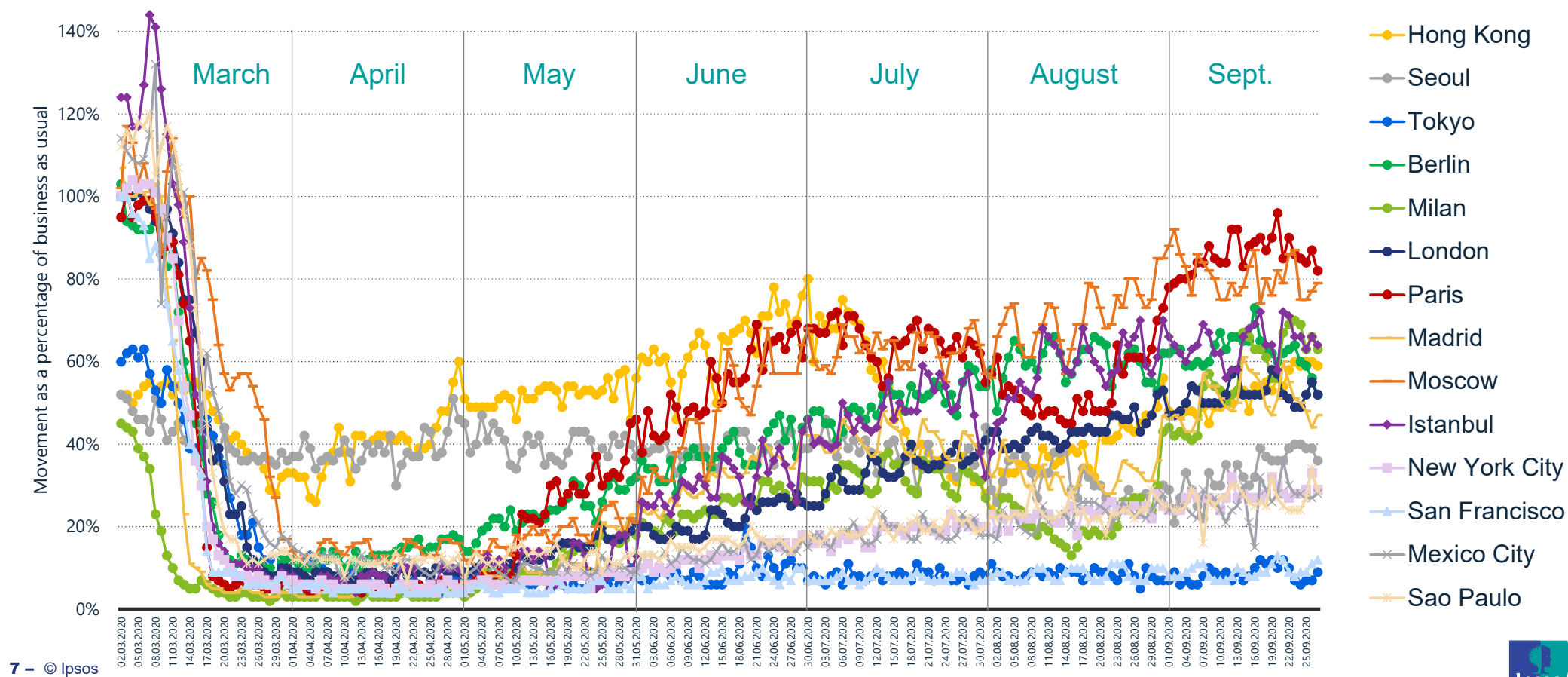
CV19
Impact on
Mobility

Dealership
& CV19

General
CV19
Impact

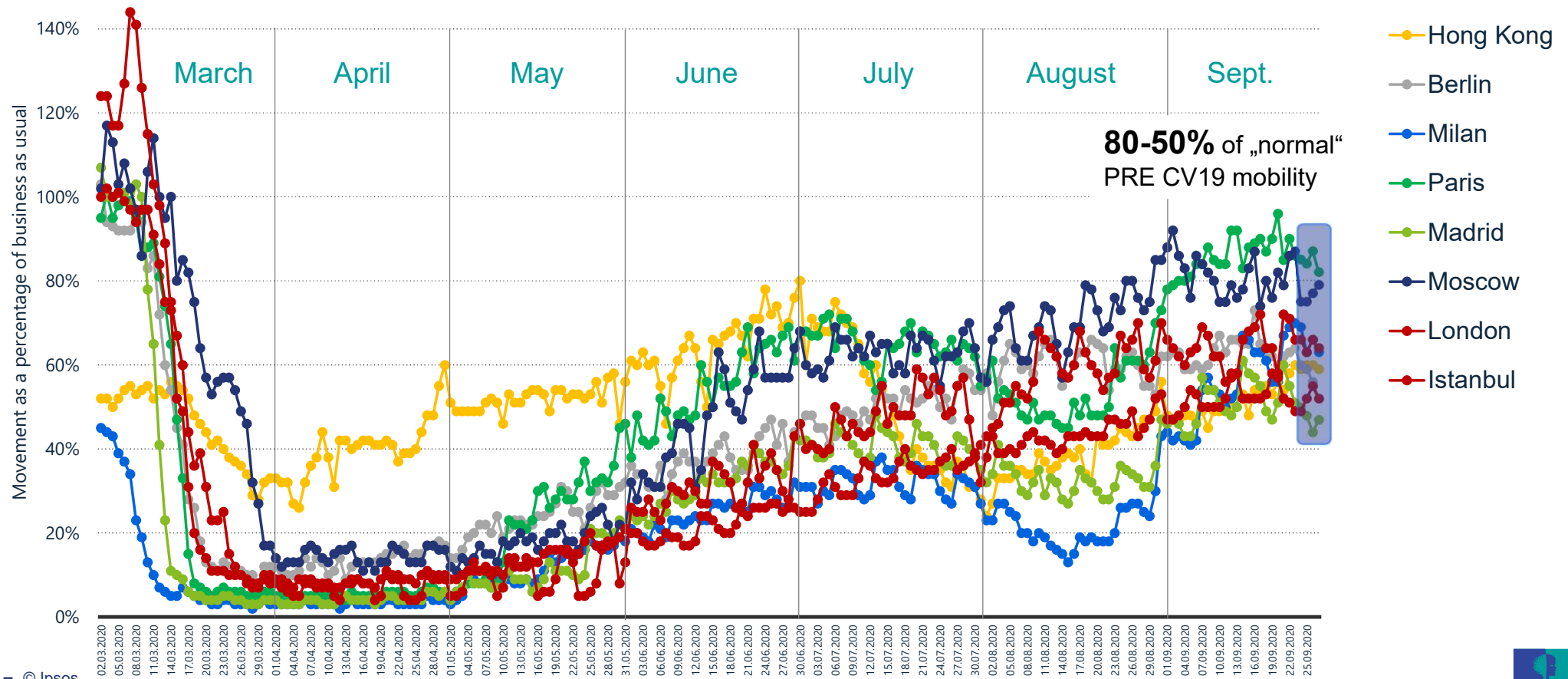
How has Mobility been impacted by CV-19?

Urban mobility since March 2020



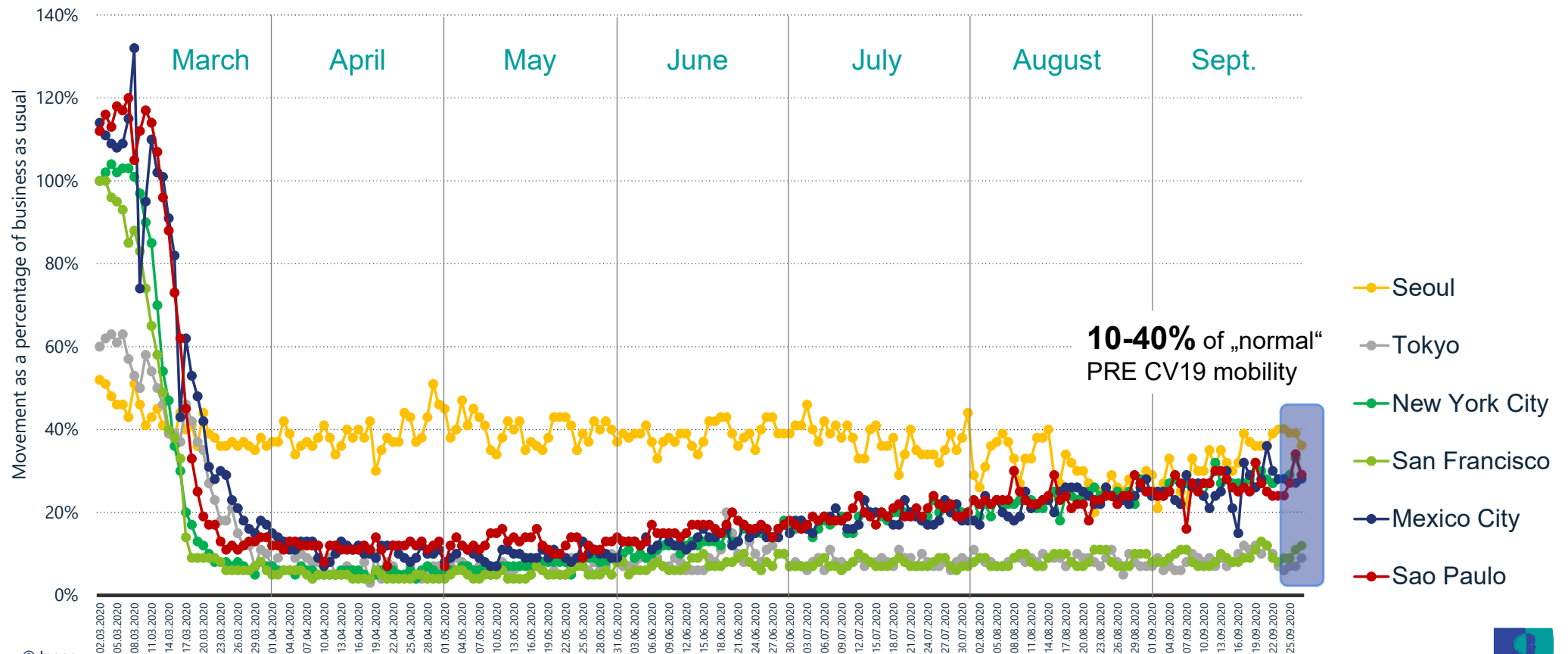
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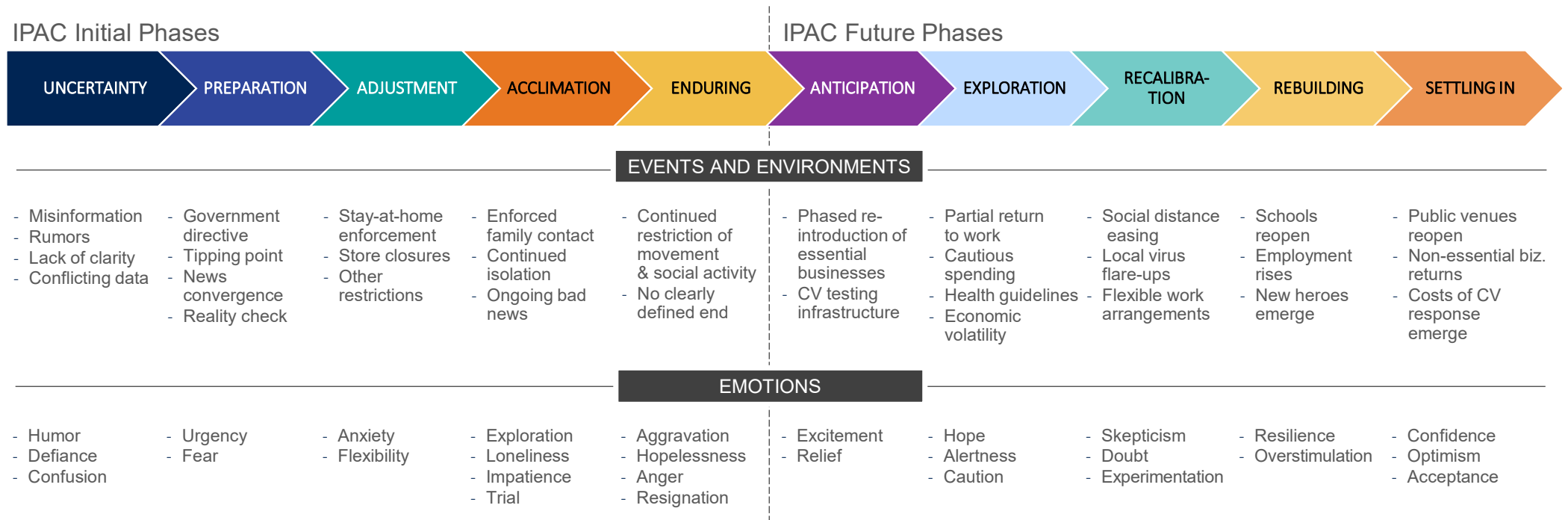
How has Mobility been impacted by CV-19?

Urban mobility since March 2020



IPAC: understand and anticipate **how consumers feel** at each phase of the crisis, and **how they're likely to behave**

Mapping how people are dealing with COVID-19

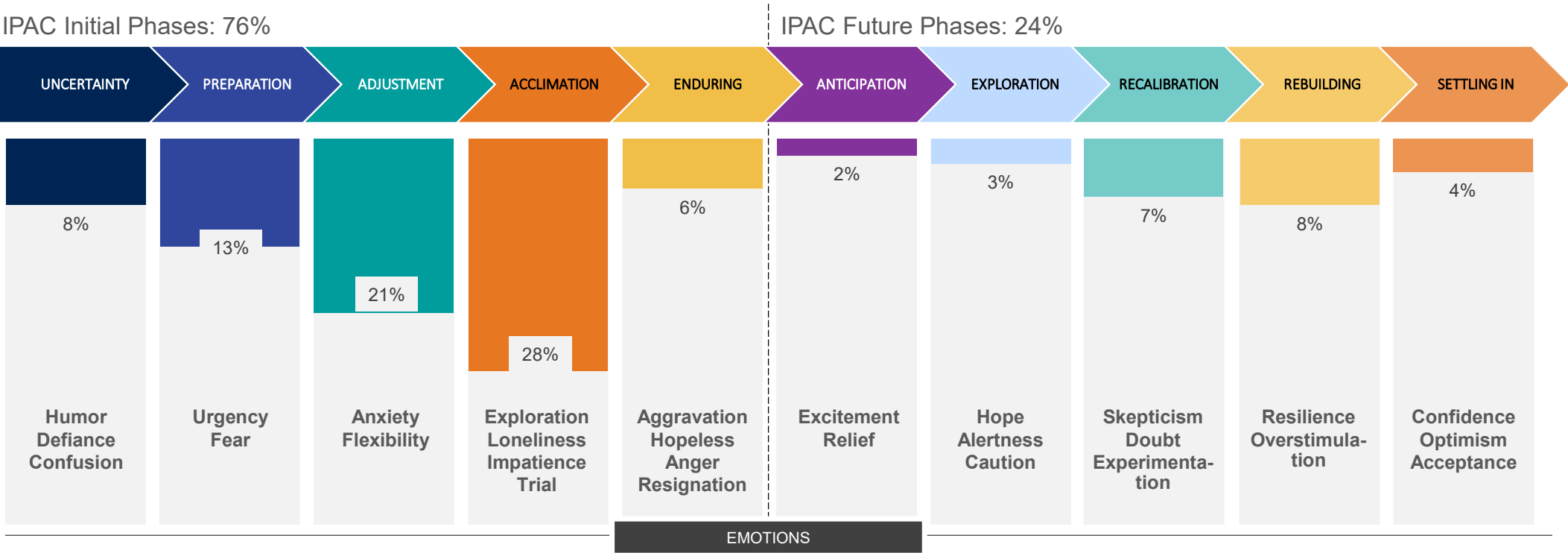


IPAC = Ipsos Pandemic Adaptability Continuum

Three in four new car owners remain in the IPAC initial stages as they get used to living in a prolonged pandemic



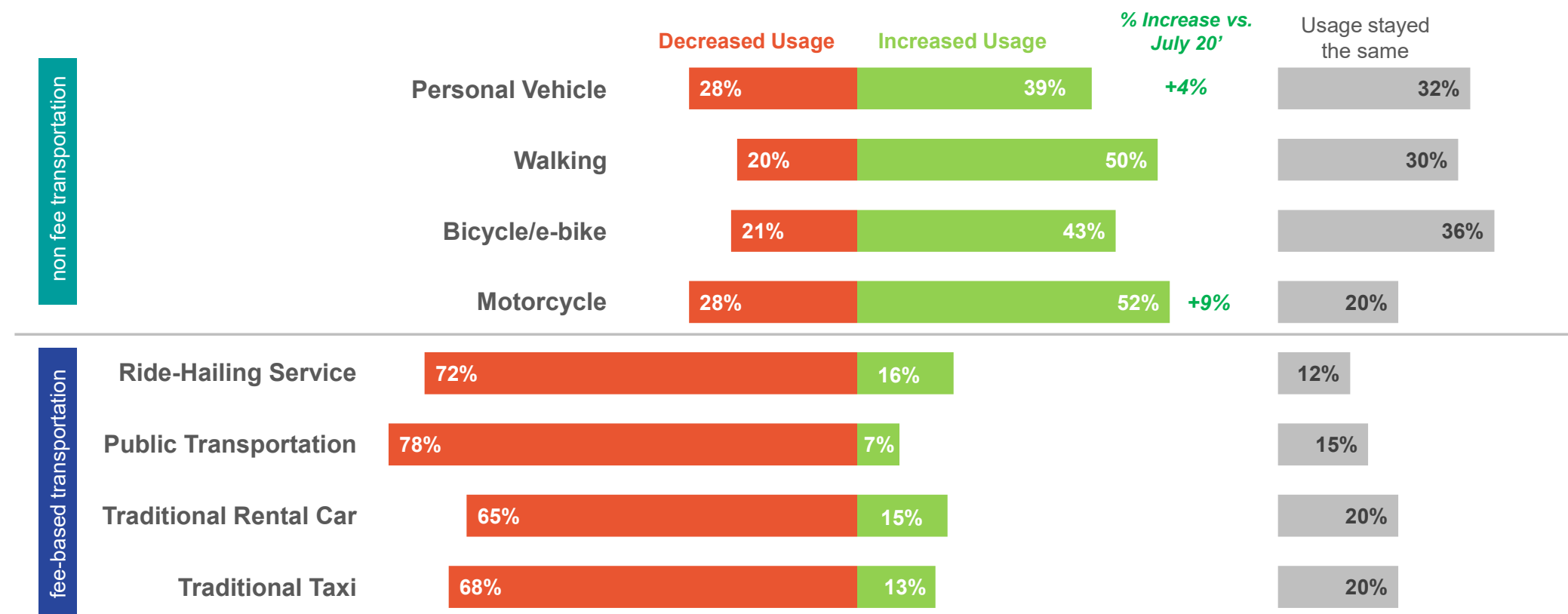
Mapping how new car owners are dealing with COVID-19



Fee-based vs. non fee-based transportation, globally



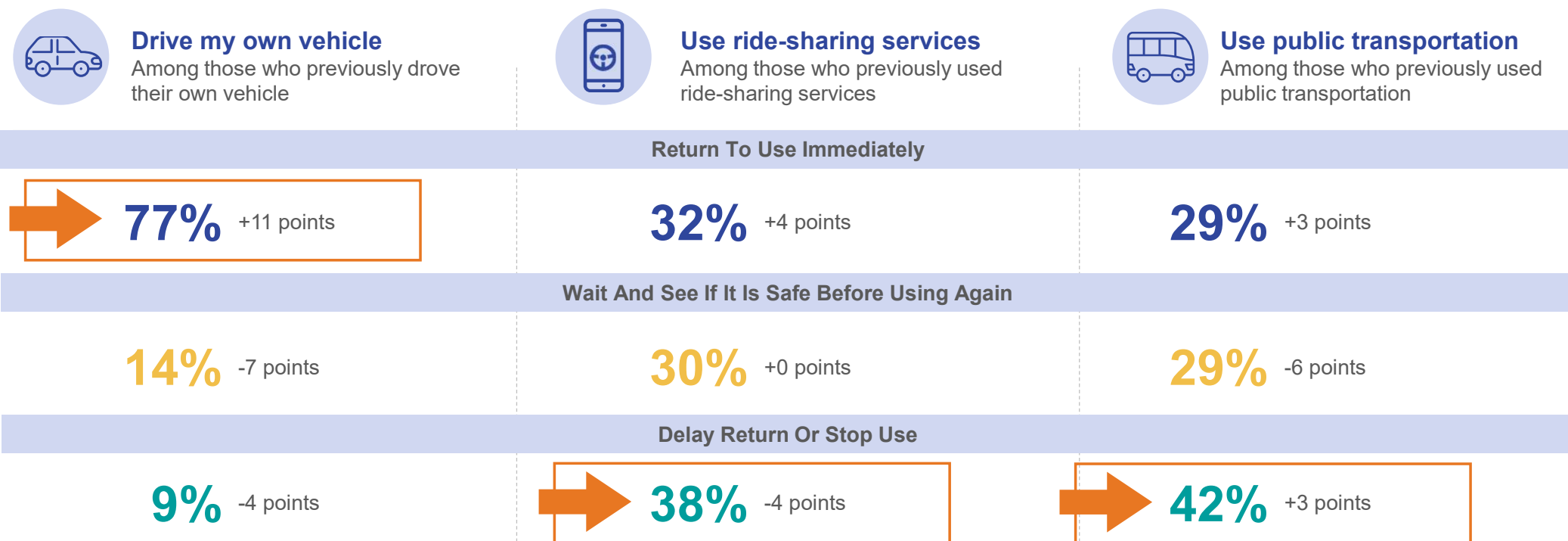
How has your usage of the different modes of transportation changed since the start of the Covid-19 outbreak? – September 2020



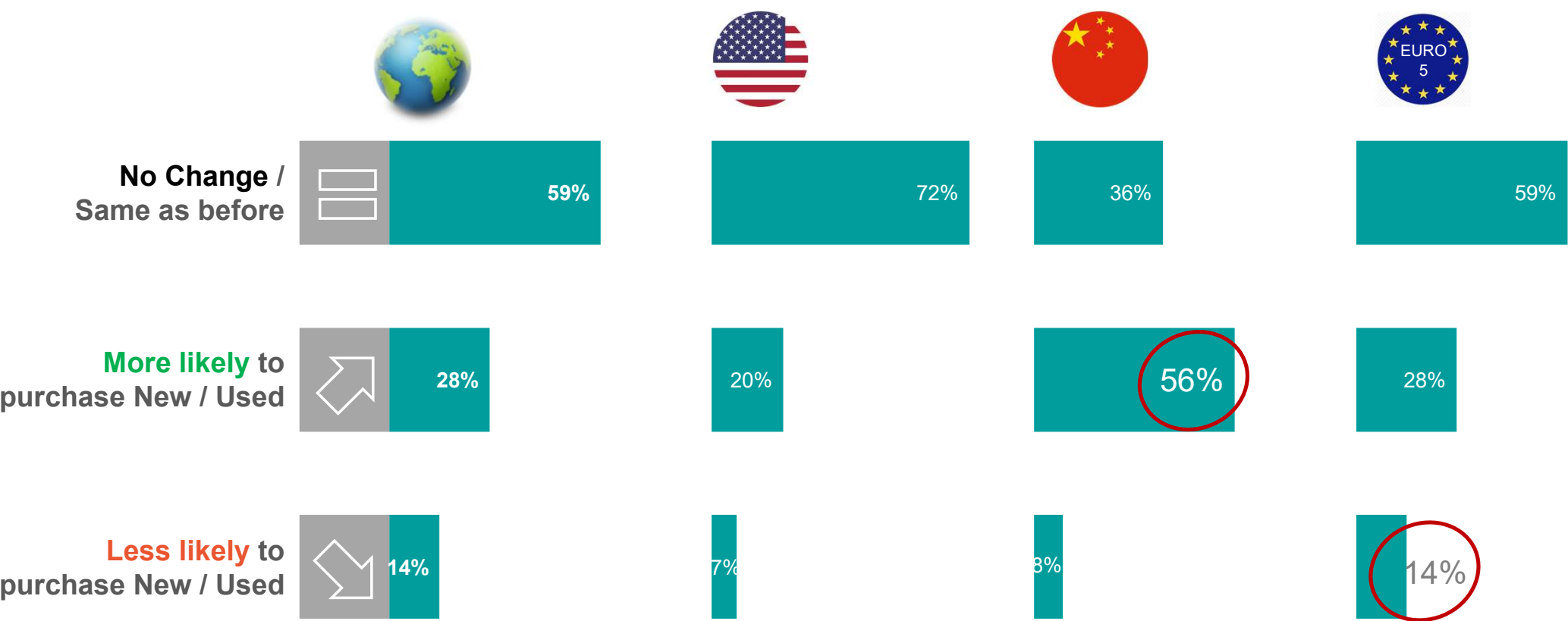
In the last 6 weeks, there has been a large increase in the intent to drive a personal vehicle post-COVID-19



Thinking about when COVID-19-related closures and restrictions end, how will you proceed in using...?



Impact on vehicle purchase intentions: significant variations by market, but overall slight increased interest in car ownership



Impact on vehicle purchase intentions: new trend for Generation Y/Z?

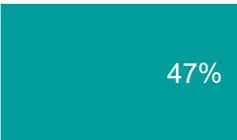


Gen Y/Z
(18 to 39)

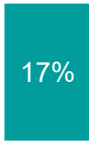
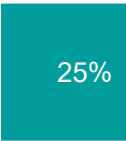
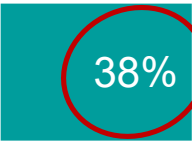
Gen X
(40 to 54)

Boomers
(55 to 74)

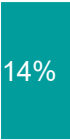
No Change /
Same as before



More likely to
purchase New / Used



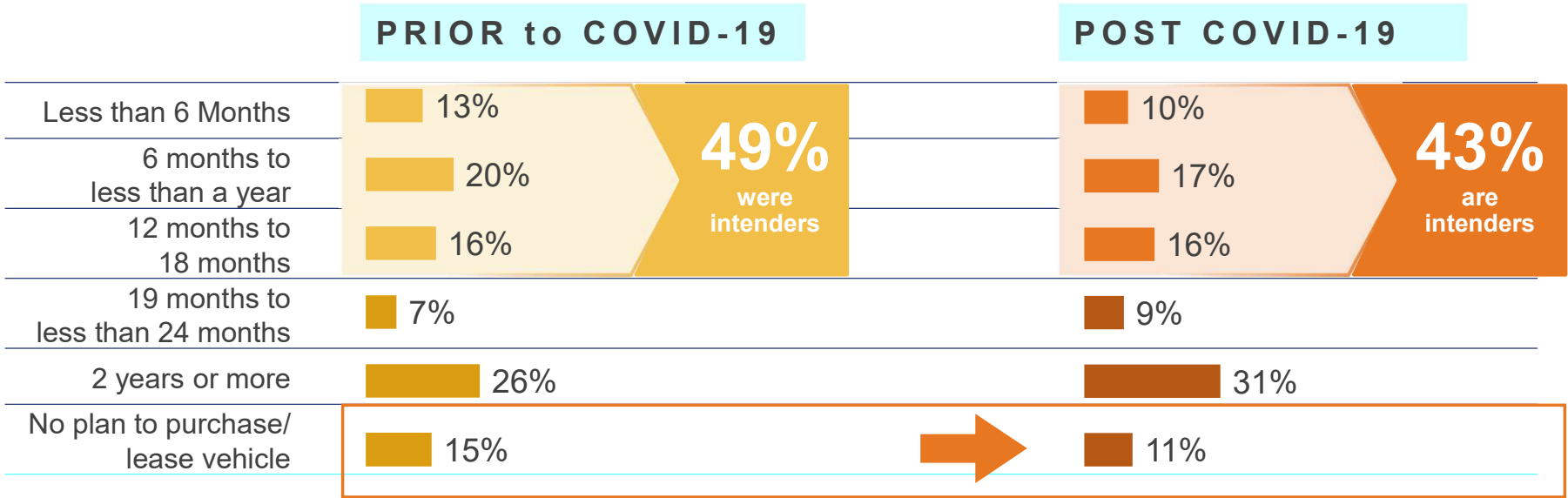
Less likely to
purchase New / Used



While most will maintain their vehicle intent, we do see a slight decline of purchase intentions in the next 18 months as a direct result of COVID-19

Intention to purchase a vehicle in the next 18 months

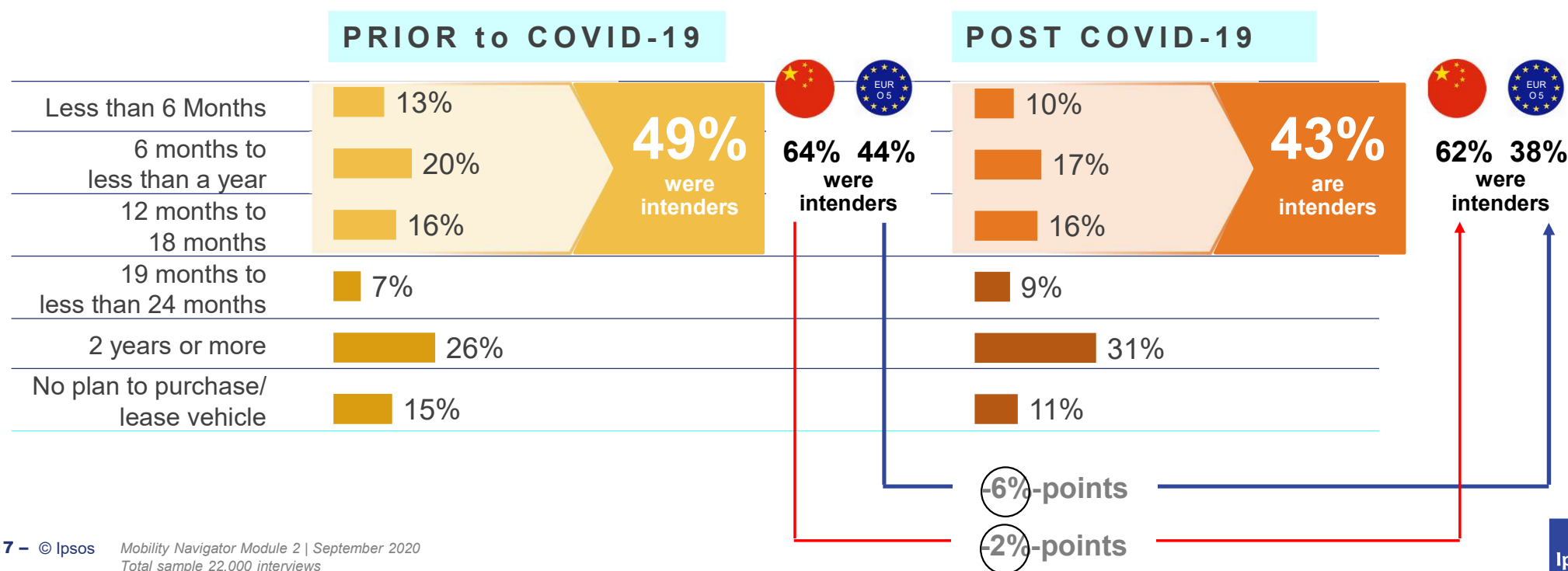
Purchase Timeline
[New Vehicle Owners]



While most will maintain their vehicle intent, we do see a slight decline of purchase intentions in the next 18 months as a direct result of COVID-19

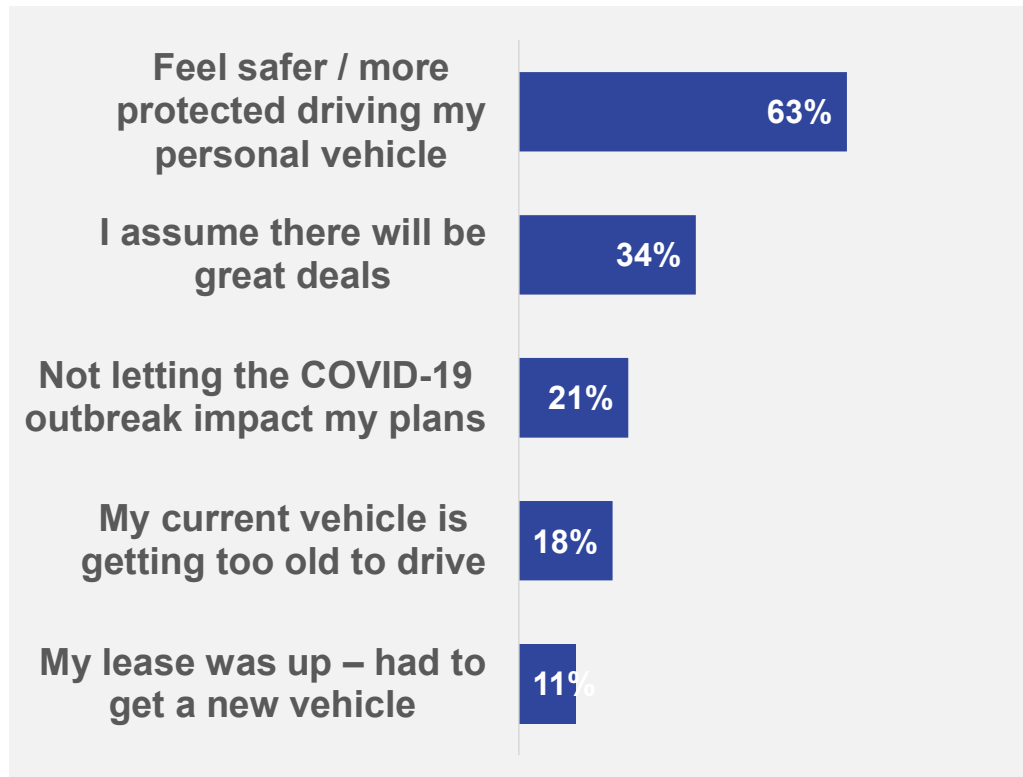
Intention to purchase a vehicle in the next 18 months

Purchase Timeline
[New Vehicle Owners]

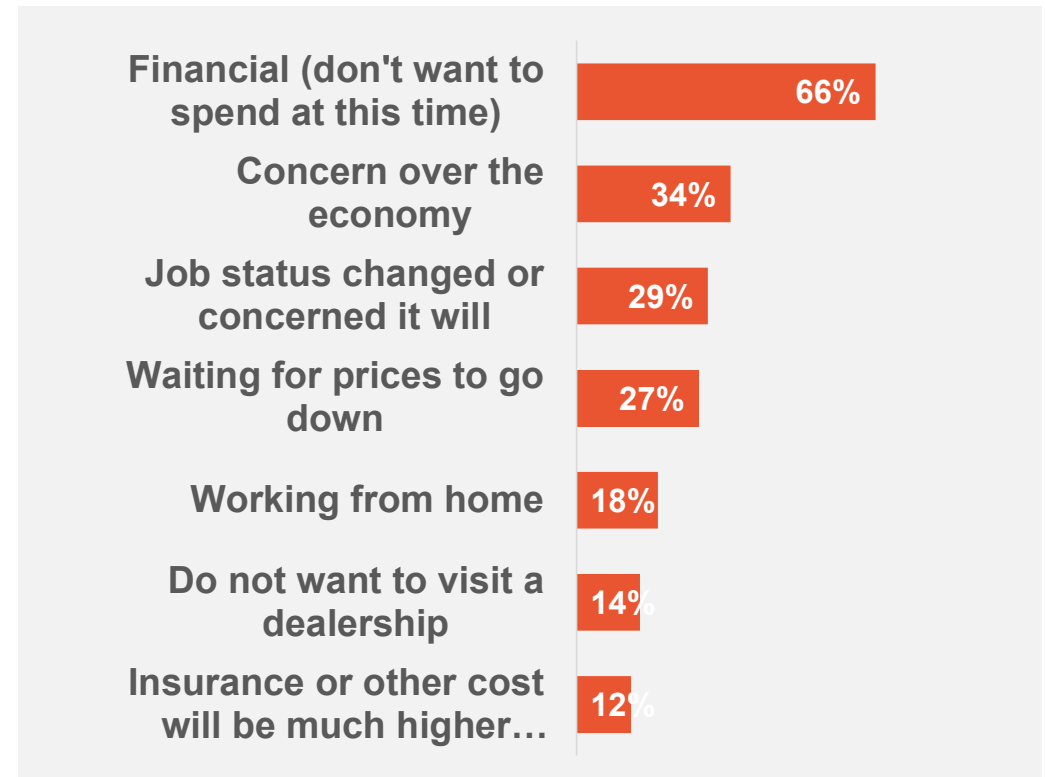


Reasons for Purchase vs. delaying Purchase

Top Reasons for Purchase Intention Increased / Maintained



Top Reasons for Purchase Intention Decreased



Car Brands and Car Dealers' communication and preparation



Post-covid-19 outbreak, indicate your level of agreement with the following

Consumer Beliefs About:
[% Strongly/Somewhat Agree]

COVID-19

82% Take COVID-19 Risks into account

90% 

Auto Manufacturers

29% Believe **manufacturer** has done a lot to help people during the outbreak

76%

Dealer Sales

31% Believe **dealer** has communicated how to purchase a new vehicle during the outbreak

69%

40% Agree dealer **has steps** in place to ensure you don't catch COVID-19 if I purchase a vehicle

84%

Dealer Service

38% Agree **dealer** has communicated how to get vehicle serviced

76%

46% Agree **dealer** has steps in place to ensure you don't catch COVID-19 if vehicle in for service

81%

KEY TAKEOUT...

- The market is changing **very rapidly**. So, what do we know?
- **Shared forms of transportation are being largely avoided by customers.** Return to public transportation or ride hailing services will not be automatic or natural.
- There is an **increased interest for private vehicle ownership**.
- However, **concerns over financial situation** are also **leading customers to postpone vehicle purchases**.
- New behaviours and attitudes are emerging. So, be ready for **new risks & opportunities**:
 - Have the right processes to meet customers' expectations in terms of **CV-19 protocols**.
 - Offer a great **digital purchase experience**.
 - Rethink **new mobility concepts** – especially for young and urban customers.
- More than ever you need to **restart to understand your customers**.

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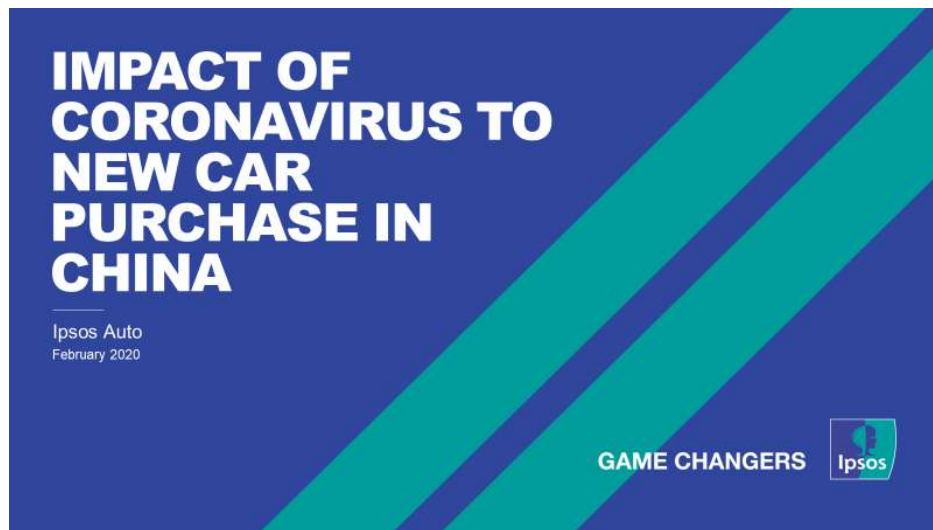
3

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THE STORY STARTS IN JANUARY...

- Only 500 cases on 23 January when I left Shanghai for Chinese New Year Holiday.
- Over 37,000 cases when I returned to Shanghai on 9 February.
- No one knew what the world would be in 2020...

IPSOS CHINA LAUNCHED A QUICK SURVEY IN THE END OF FEBRUARY



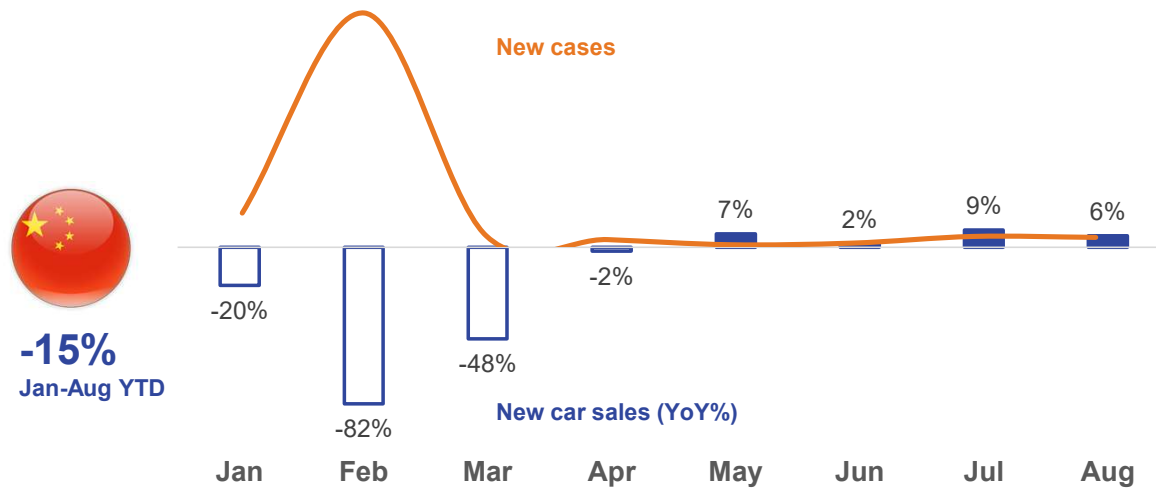
+32% Use Private Car
after Pandemic

72% Strengthening
Purchase Intention

66% Would Like to Purchase
a Car within 6 months

Source: White Paper on Impact of Coronavirus to New Car Purchase in China (February 2020)

COVID19 HAS -15% IMPACT ON NEW CAR SALES IN CHINA



11.01 million of new car sold (Jan-Aug 2020)



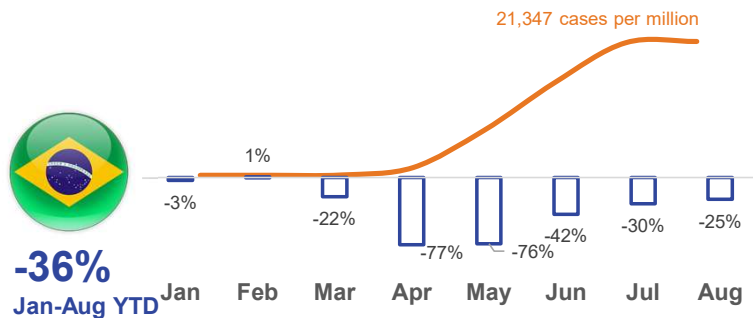
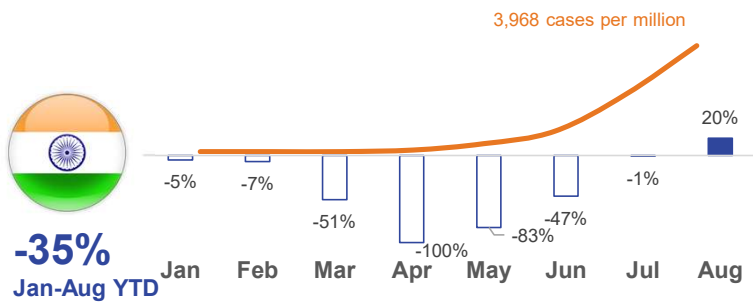
-15.2% decrease from same period last year



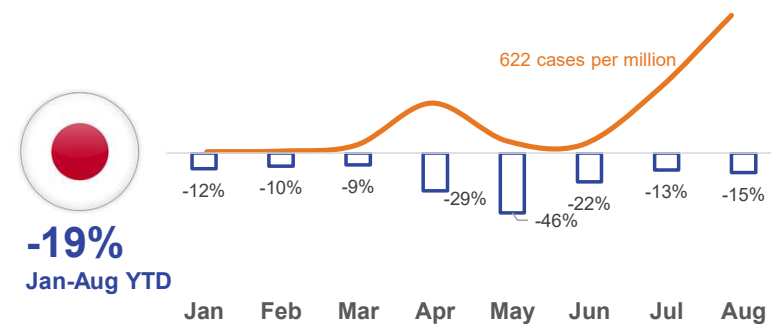
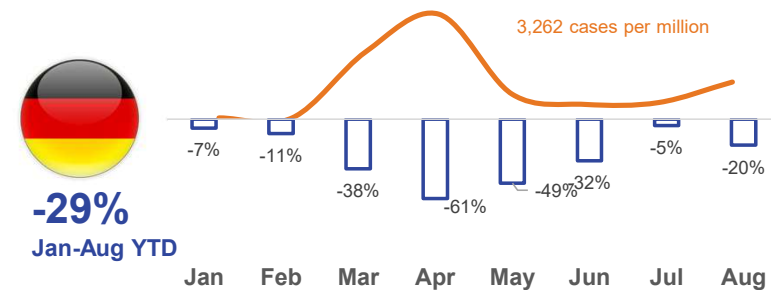
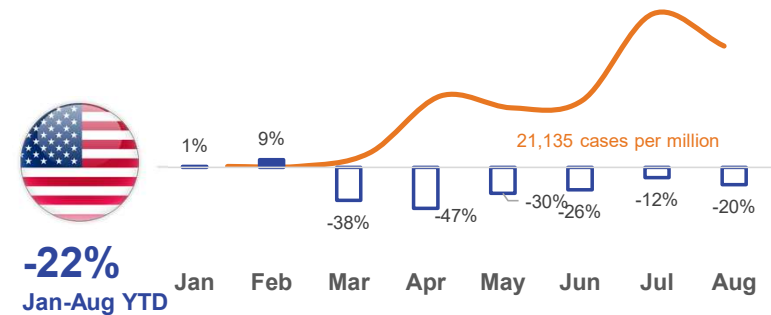
-2 million units decrease in production

Source: ECDC (2020)


DEVELOPING COUNTRIES HAVE MORE SERIOUS IMPACT




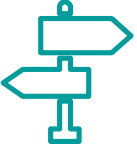
Source: ECDC (2020)



4 FACTORS CONTRIBUTING TO POSITIVE RECOVERY OF NEW CAR SALES IN CHINA

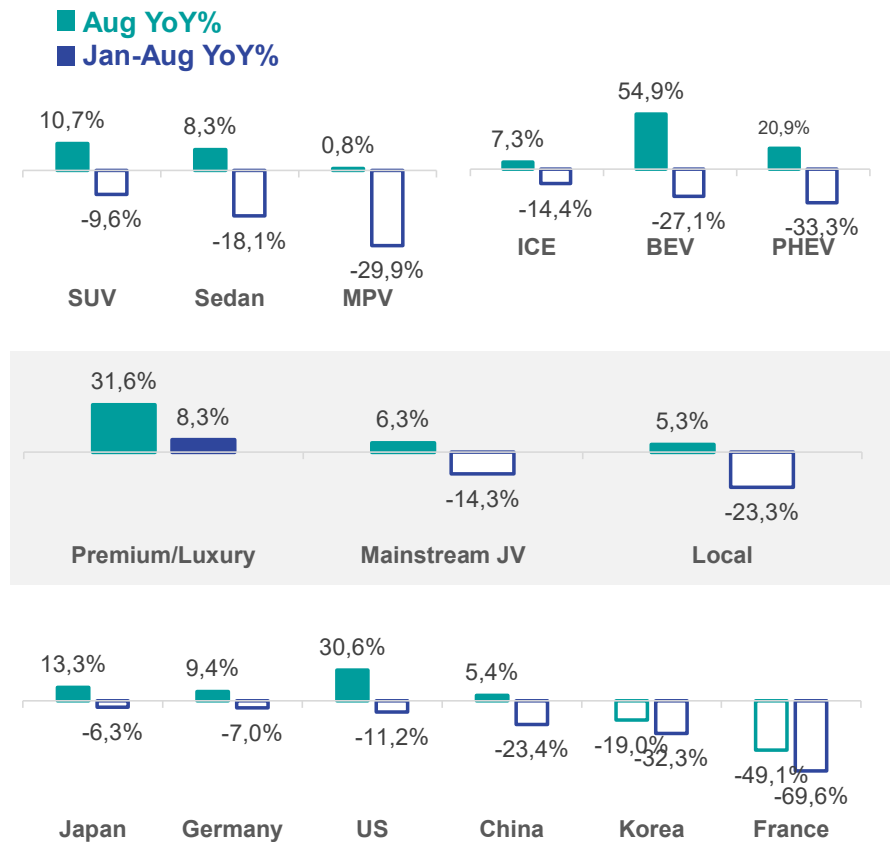
1  Better economy than expectation.

2  Safer to commute by private cars instead of public transportation.

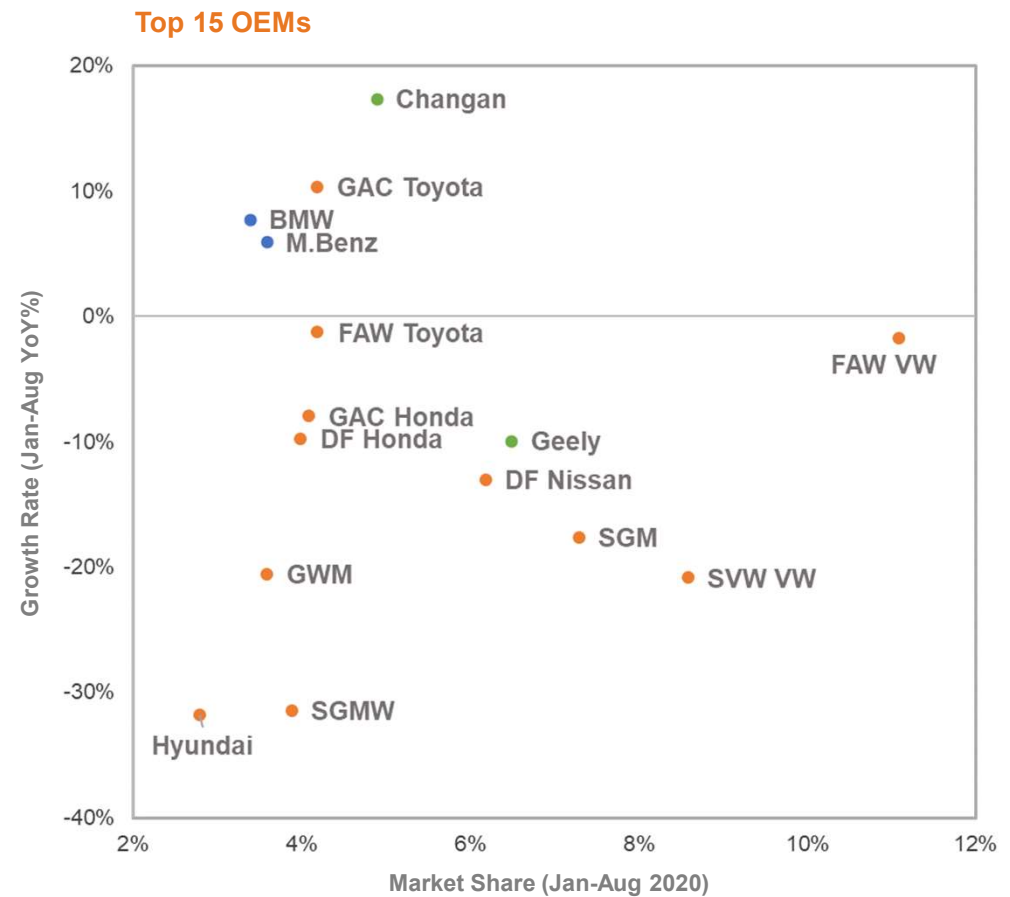
3  Increasing inbound travelling.

4  Government subsidies.

PREMIUM BRANDS AND SUV ARE LESS AFFECTED BY COVID-19

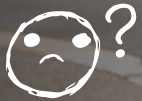


Source: CPCA (2020)



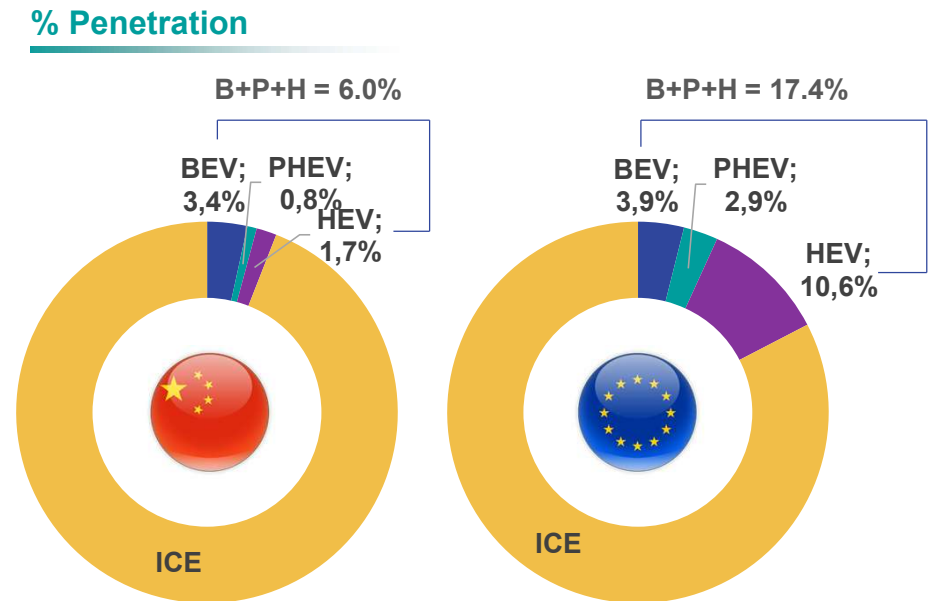
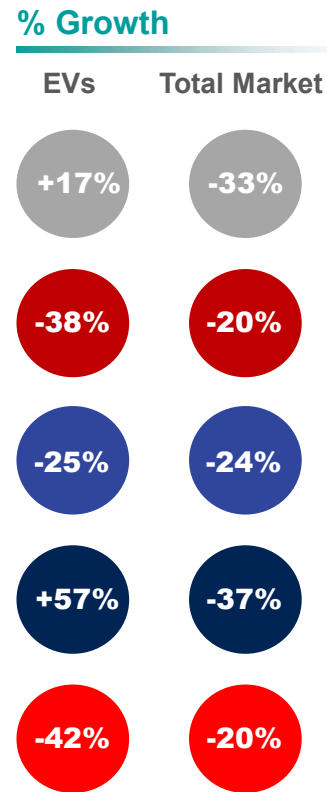
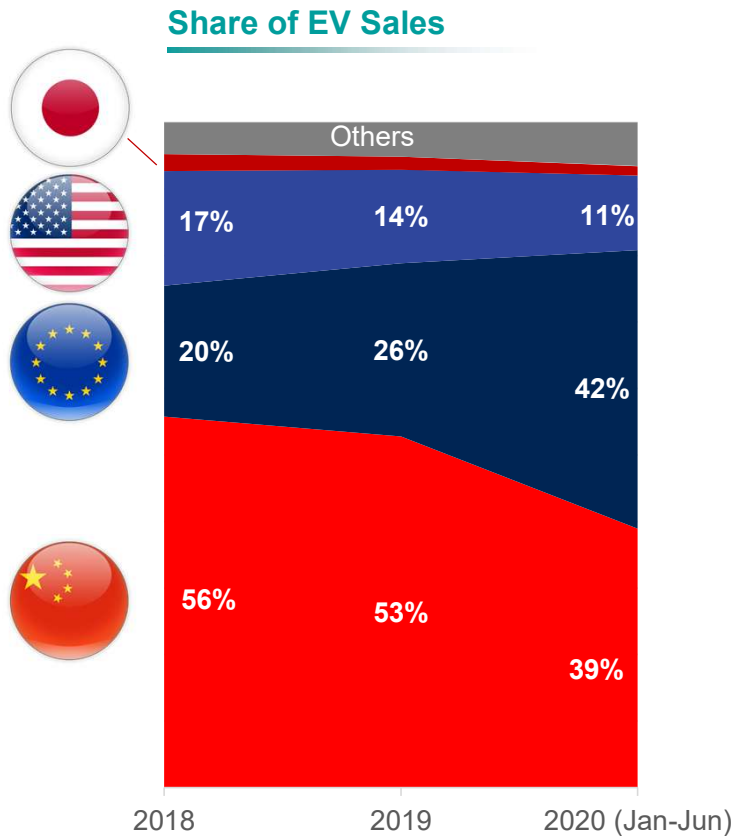
CHINA IS THE LEADING
NEV MARKET GLOBALLY

1.02 million of NEV
sold in 2019



Will NEV continue to grow in China?

CHINA'S EV SALES DECLINE DUE TO LESS SUBSIDIES



China's NEV Penetration is only 1/3 of European countries, indicating a room for future growth.

Source: EV Volumes & CPCA

NIO IS ONE OF A LEADING EV BRAND IN CHINA

NIO was founded in 2014 – a Chinese local EV startup based in Shanghai, with investors from Tencent, Temasek, Baidu, Sequoia, Lenovo and TPG.

First SUV (ES8) was launched on 2018. NIO was listed on the NYSE in September 2018 too.



TESLA STARTS TO PRODUCE CARS IN CHINA

Tesla started building its Gigafactory on December 2018. The initial assembled Model 3 were first delivered in December 2019.

Model Y will be delivered in January 2021 from Tesla Giga Shanghai.



DIRECT COMPETITION BETWEEN NIO AND TESLA...

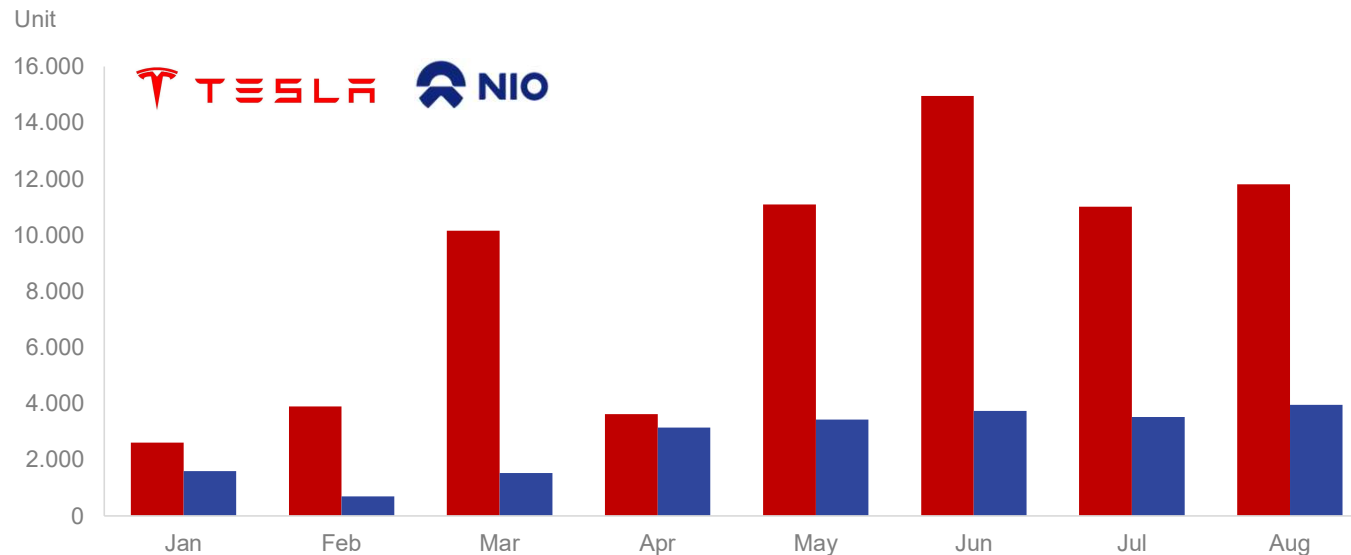


	NIO ES6	NIO ES8	Tesla Model 3	Tesla Model Y*
Price (k USD)	52.7 - 77.4	68.9 - 91.9	43.0 - 61.8	71.8 - 78.8
Body type	SUV	SUV	Sedan	SUV
Size (cm)	4850*1965*1758	5022*1962*1756	4694*1850*1443	4751*1921*1624
Seats	5	7	5	5
Range per charge (km)	420 - 610	415 - 580	445 - 668	480 - 505

* To be launched in 2021

Source: Auto Home

TESLA SELLS MORE CARS THAN NIO AFTER THE GIGAFACTORY IN OPERATION IN 2020



- Tesla may sell over 100k units in 2020.
- Tesla will be the 3rd largest NEV brand in China, right after BYD & BAIC.
- Meanwhile, some local EV startups admitted difficulty to raise funds - Byton, Bordrin and Saleen.

Source: CPCA (2020)

TESLA OWNS GOOD BRAND REPUTATION AND QUALITY PERCEPTION BETTER THAN NIO

Tesla Model 3



Purchase Reasons



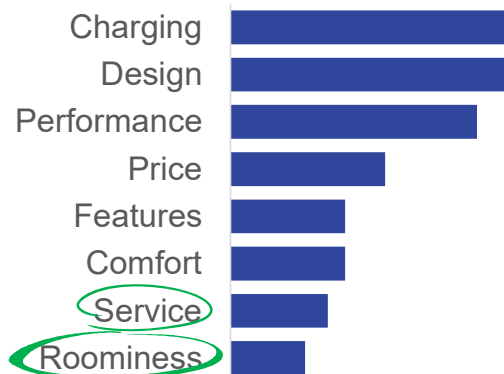
Satisfaction

- ✓ Driving performance
- ✓ e-range
- ✓ ADAS and OTA
- ✓ Convenient charging
- ✗ Low premium-ness of interior
- ✗ System crash

NIO ES6 & ES8



Purchase Reasons



Satisfaction

- ✓ Dealer service
- ✓ Vehicle safety
- ✓ Driving performance
- ✓ Operating system
- ✗ e-range



KEY TAKEOUT...

- **Premium + SUV** is the key growing segment.
- Except product design, OEMs need to invest more on **branding**, enhance **product quality** and offer excellent **customer experience**.
- China still have potential to grow NEV. **Government's policy and subsidy** are the key to grow NEV.
- If international brands would like to sell more NEV in China, **local production** should be considered.

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**BE
SURE.
MOVE
FASTER.**

**QUESTIONS &
ANSWERS**

GAME CHANGERS



THANK YOU.



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