Leader in Digital Transformation

Cars Online 2017 – "*Beyond the Car*" Highlights Deck

April, 2017

Capgemini Consulting

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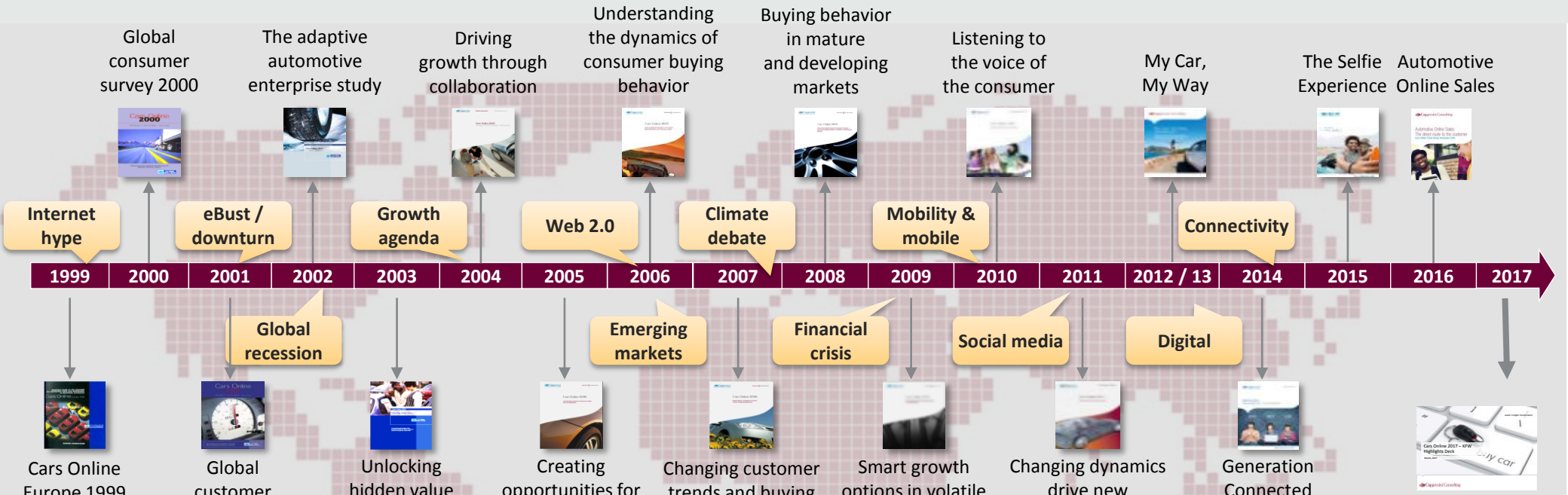
Cars Online – The voice of the consumer since 1999



Purpose & Content

- Cars Online is the "**voice of the customer**" with its main focus on the different phases of the customer life cycle from interest over purchase to owning and repurchase
- The study also covers the "**hot topics**" such as mobility services, autonomous driving, and cyber security

Method

- **Consumer research:** 70 questions in an online questionnaire
- **Country scope:** Brazil, China, France, Germany, India, Italy, UK, US

Frequency

- Every **second year**
- Next issue will be published **16th of May**
- **Trend Studies** focusing on specific topics will support the Cars Online with additional reports (approx. 2 per year)

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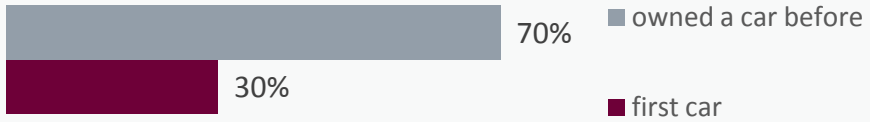
Cars Online Study 2017 – Methodology of the online survey

TOPICS

- General car purchase considerations
- Searching for information / Use of social media
- The customer journey and loyalty
- The future of mobility

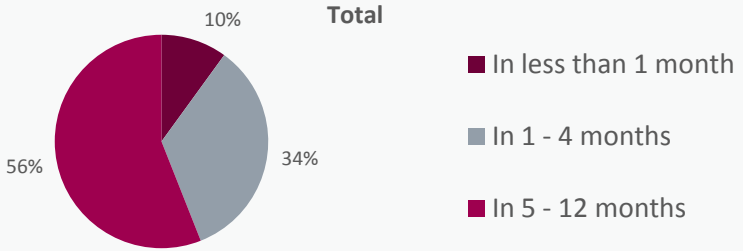
HISTORY OF OWNERSHIP



8101 RESPONDENTS FROM 8 MARKETS

Mature markets					Growth markets		
1010	1001	1005	1013	1011	1020	1005	1036

INTENTION OF PURCHASE



AGE GROUPS AND GENDER:

18-34:	**38%**
35-49:	**38%**
50+:	**24%**

41% female

59% male

The survey took place between16th January and 17th February 2017

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Cars Online Study 2017 „Beyond the Car“ – Executive Summary

1. Dealerships are becoming less important in the Interest phase.
2. Consumers are very interested in additional features for information (e.g. virtual reality).
3. Customers are open to additional offers in the phase between vehicle purchase and hand-over.
4. Consumers are looking forward to new players entering the market for new car sales and used car re-selling.
5. There is a high and growing interest in mobility services.
6. Autonomous Driving is seen as a compelling issue, with consumers willing to pay for it.
7. The “cyber resilience” of a car is seen as having a high impact on the buying decision.
8. The success of electric vehicles depends on many factors beside the vehicle e.g. loading infrastructure.

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Cars Online Study 2017 „Beyond the Car“ - Key Findings Summary (1/2)

Interest

- **Dealerships are becoming less important in this phase, especially in emerging markets**
- Social Media is becoming even more important, especially OEM and dealer sites
- **Consumers are very interested in additional features for information (e.g. Virtual Reality)**

Purchase

- There are less contact points with consumers, especially in the dealership (e.g. test-drive alternatives); more technical help is expected
- The appetite for online sales continues to grow. There is a shift from premium brands (2015) to volume brands (2017)
- **There is a strong desire for more communications – and the ability to modify orders - between purchase and delivery. Consumers are open for cross-selling and up-selling**

Ownership

- There is a high/growing appreciation of authorized service outlets. However, there is a strong decline in support for specialized service shops in Germany
- There is a high/growing interest for buying parts and accessories online. There is a strong interest in being able to buy „digital“ services (in-car apps, functions on demand)
- There are mixed/complicated messages about communications: knowing which customer wants which level/type of comms is key (eg some consumers are never contacted and like this, others hate this)
- Consumers value transparency in data usage. Many do not feel well informed about how their data is being used

Repurchase and Loyalty

- **New market entrants have taken - or are looking to take - market share** (eg online sales of used cars; autonomous cars from Google or Apple)
- Brand loyalty is complex and needs deep analysis to maximize marketing spend: 10% are brand ambassadors, 50% are likely to change brand anyway, 30% would change after bad service experiences, 20% are strongly influenced by image)

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Cars Online Study 2017 „Beyond the Car“ - Key Findings Summary (2/2)

Mobility Services

- **There is a high/growing interest in mobility services, with especially strong growth in the US and Germany**
- Mobility services are seen by most consumers as complementary to owning a car more than as an alternative
- Cars brands are seen as important in car-sharing programs, especially in emerging markets and for premium brand customers

Connected Car Services

- The demand for connected car services is strong, but it is not seen as a compelling issue for consumers
- There is a general openness to share data, especially with OEM’s and dealers

Autonomous Driving

- **Autonomous driving is seen as a compelling issue, with consumers willing to pay for these services**
- Safety is seen as the top benefit with regards to Autonomous driving

Cyber Security

- **The “cyber resilience” of a car is seen as having a high impact on the buying decision**
- Very few consumers are not concerned about cyber security
- Very few consumers are strongly against surveillance whatsoever

Electric Vehicles

- **Many things need to happen before take-up of electric vehicles grows significantly**
- Consumers are interested in electric vehicles, but are not passionate. Many things will need to happen before this becomes a reality

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① Interest Phase

A DEALER VISIT IS NOT THE PREFERRED WAY OF GATHERING INFORMATION ANYMORE, DEALERS MAY RETAIN INFLUENCE BY BEING ACTIVE ON SOCIAL MEDIA

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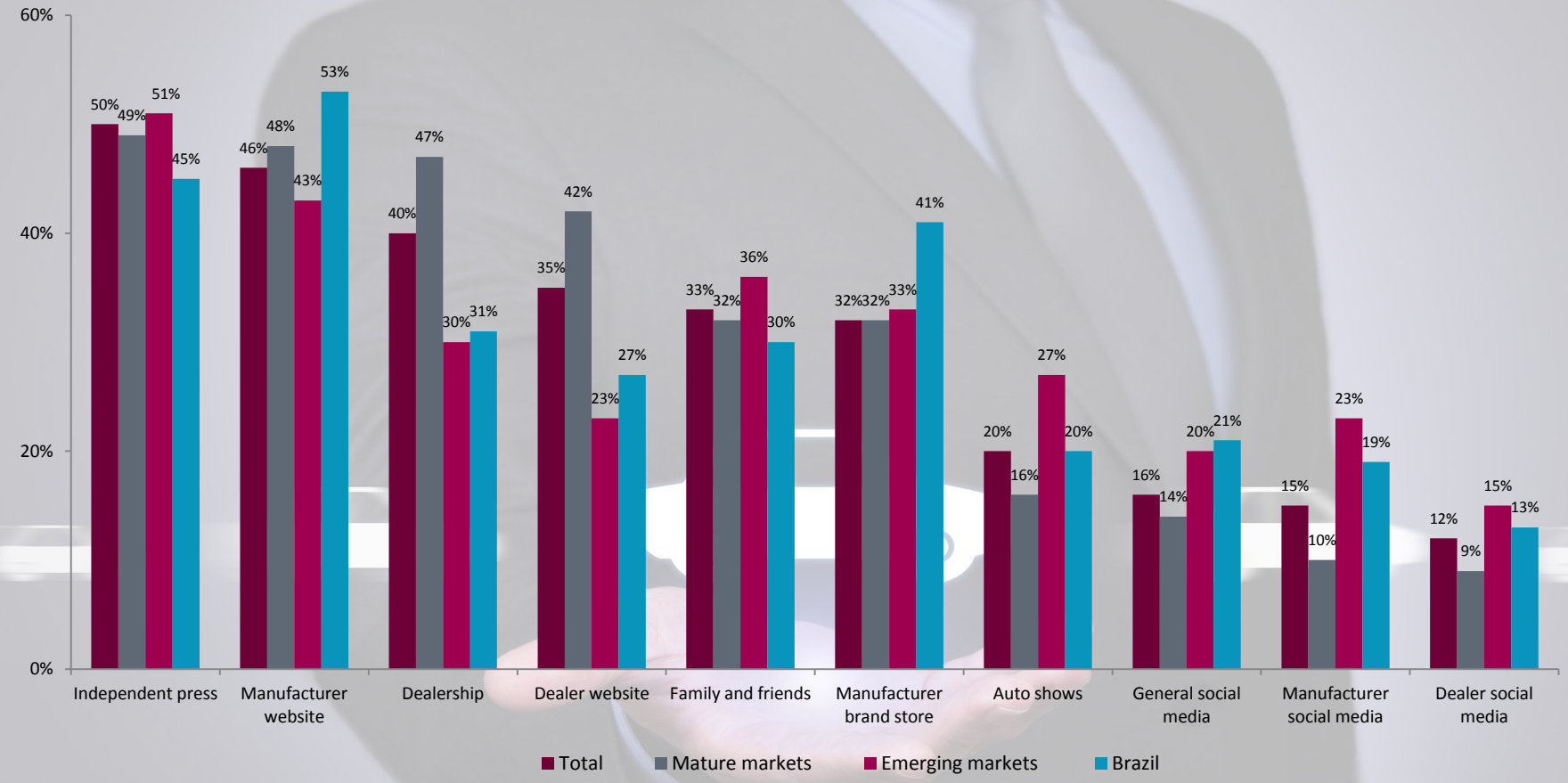
Dealerships are becoming less important in the interest phase, especially in emerging markets

Q: WHICH OF THE FOLLOWING TYPES OF INFORMATION SOURCES AND CHANNELS DO YOU EXPECT TO USE WHEN RESEARCHING YOUR NEXT CAR?



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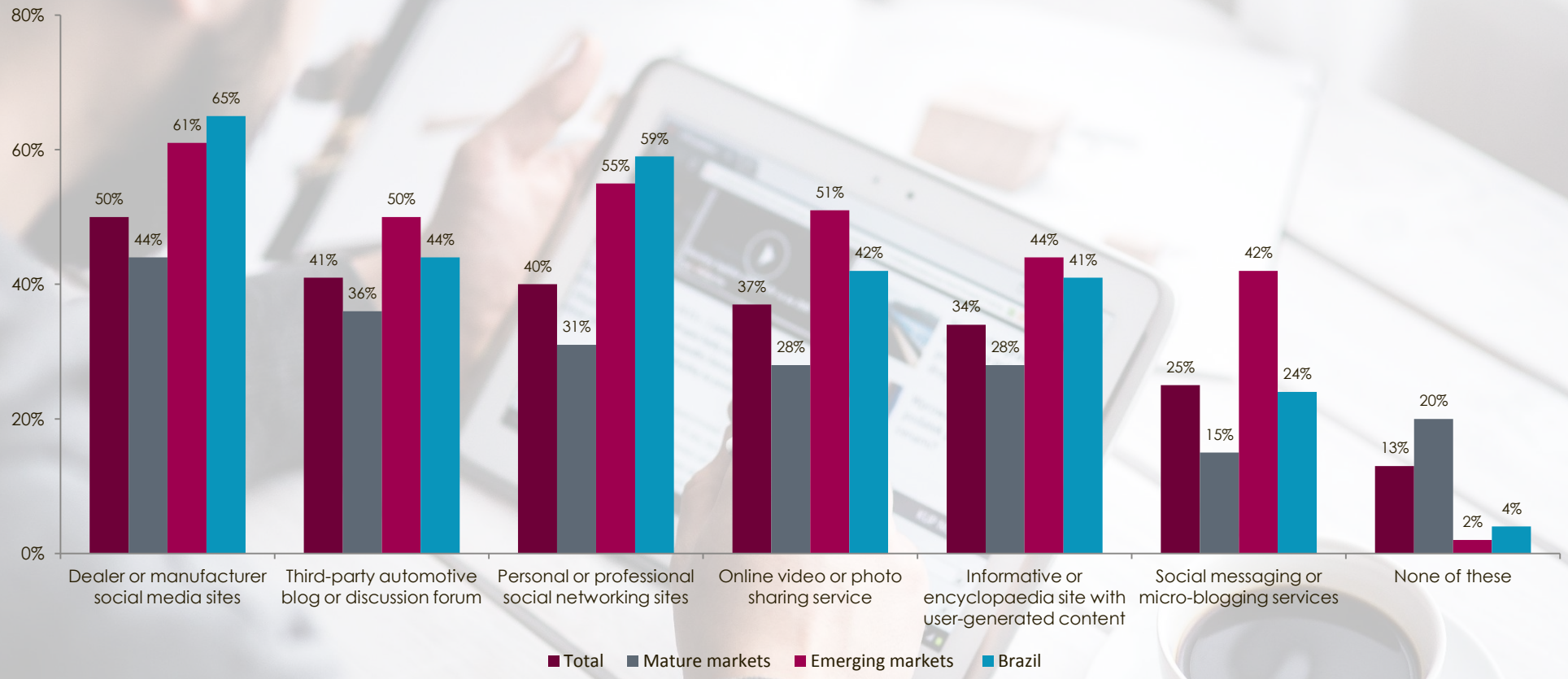
Social Media is becoming even more important, especially when owned by the OEM or dealers

Q: WHEN RESEARCHING YOUR CAR PURCHASE ONLINE, PLEASE INDICATE IF YOU EXPECT TO USE ANY OF THE FOLLOWING:



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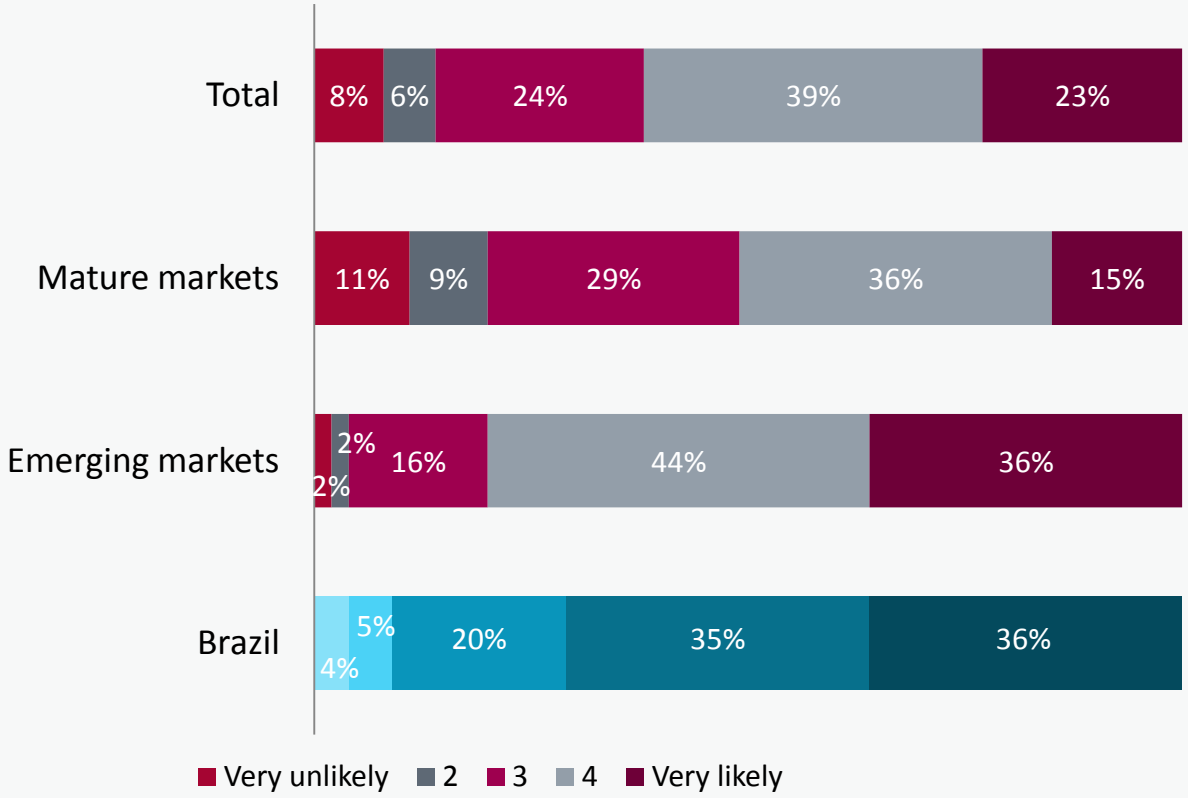
We see a strong influence of social media on the purchase decision

Q: HOW MUCH WILL YOUR PURCHASE DECISION BE INFLUENCED BY POSITIVE COMMENTS ON SOCIAL MEDIA ABOUT A CAR, DEALER OR MANUFACTURER?



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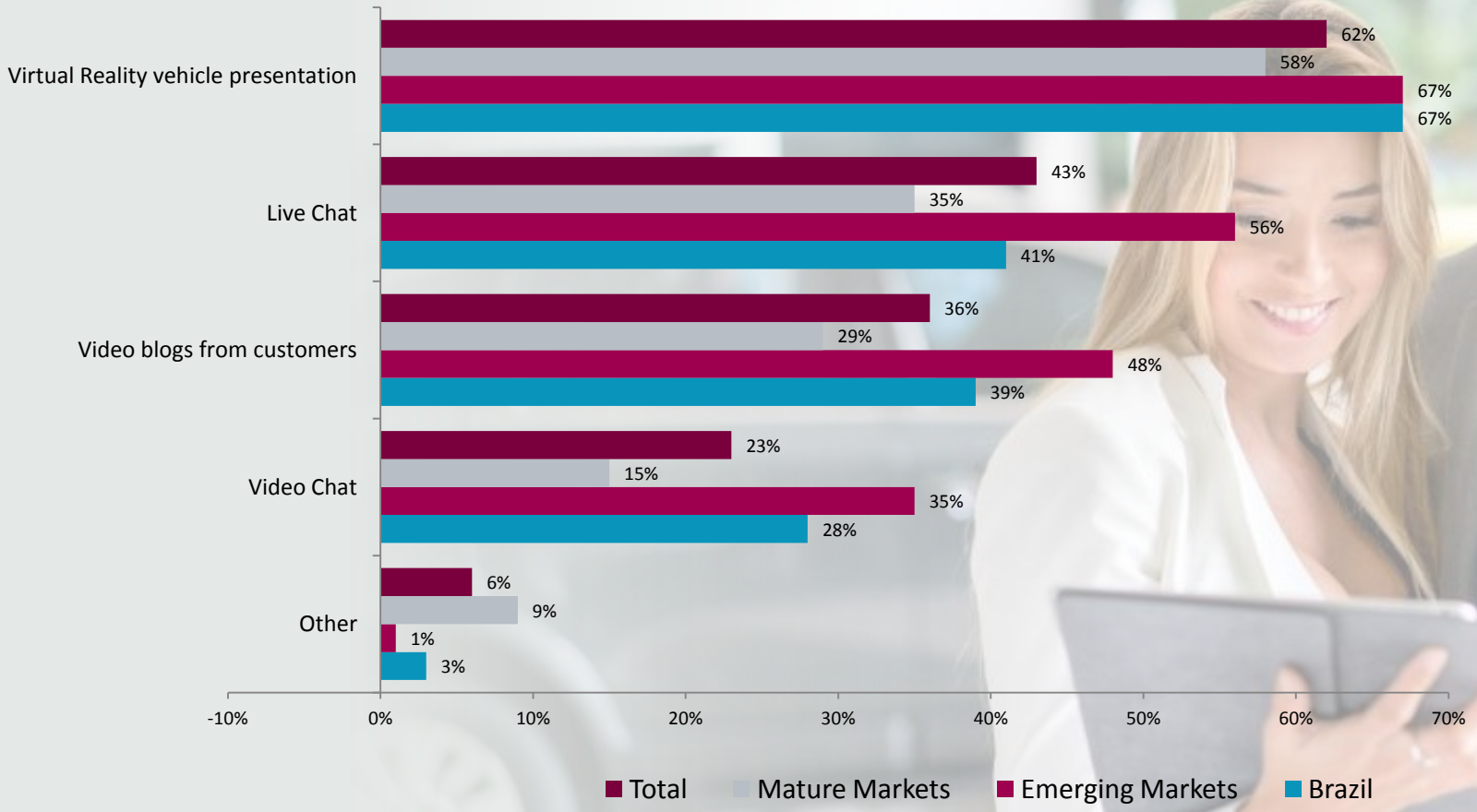
Consumers are very interested in using additional features when searching for information (e.g. virtual reality)

Q: BESIDES TRADITIONAL METHODS OF RESEARCH, WHICH ADDITIONAL FEATURES WOULD YOU LIKE TO USE?



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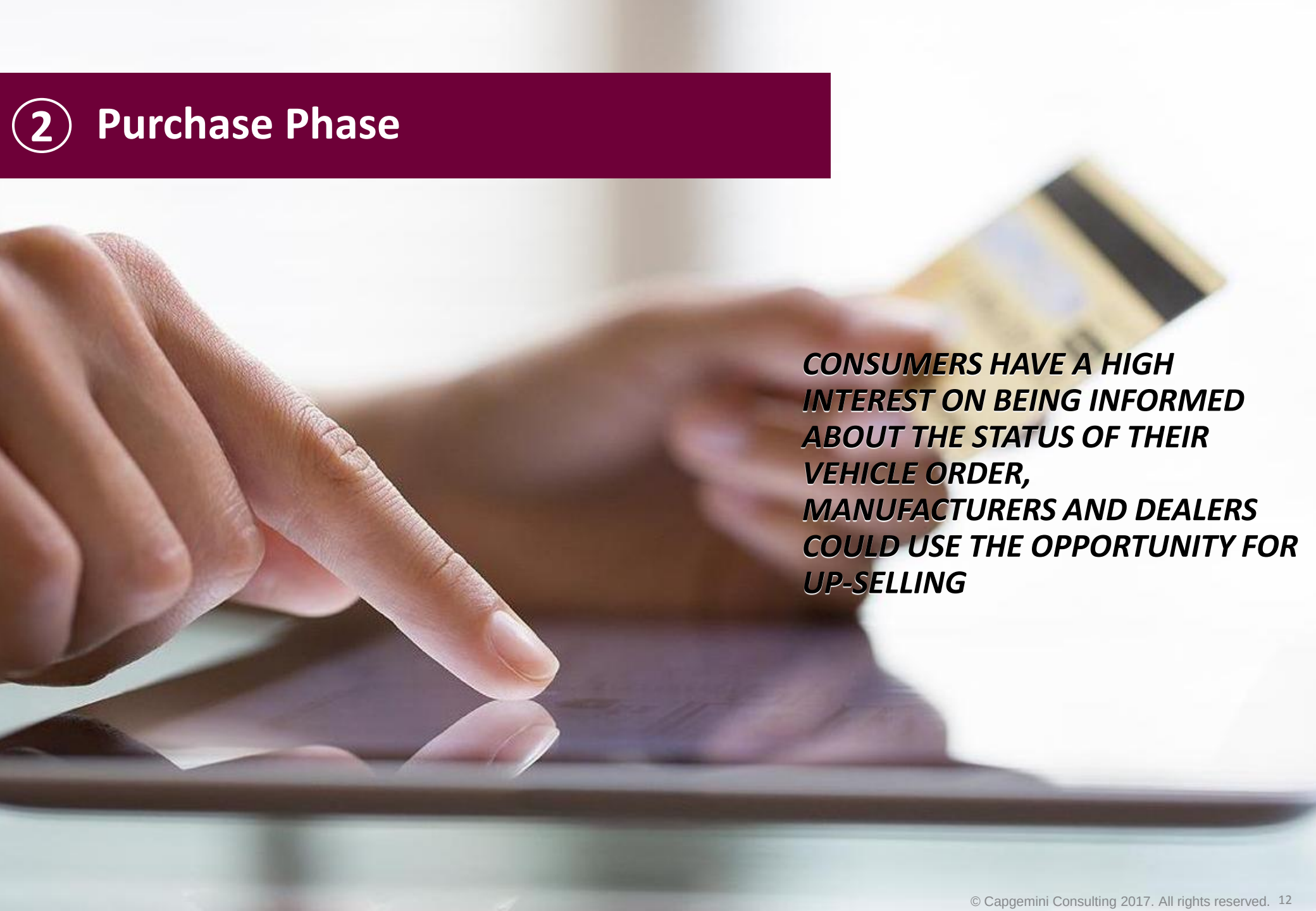
② Purchase Phase



CONSUMERS HAVE A HIGH INTEREST ON BEING INFORMED ABOUT THE STATUS OF THEIR VEHICLE ORDER, MANUFACTURERS AND DEALERS COULD USE THE OPPORTUNITY FOR UP-SELLING

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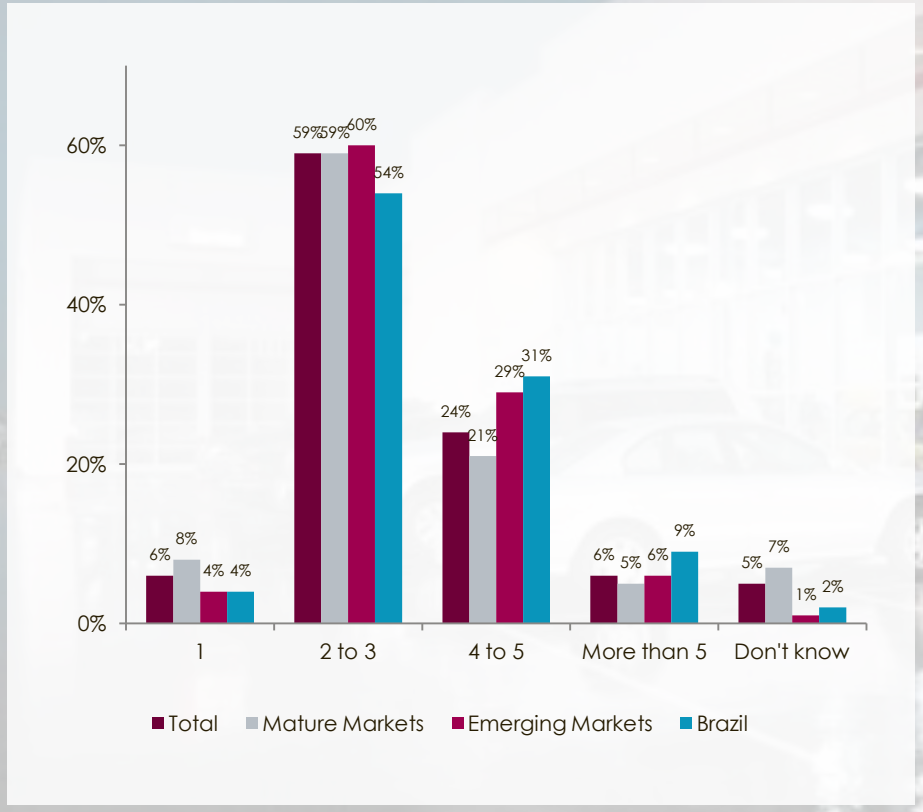
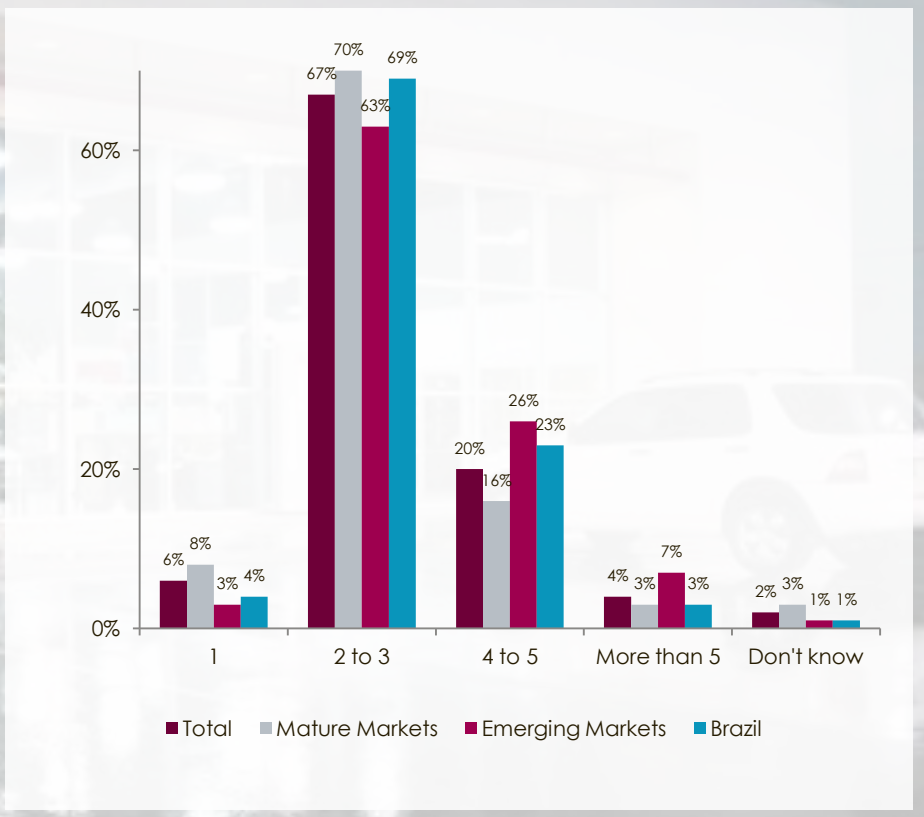
Potential Customers are visiting dealers less often

Q: HOW MANY TIMES WILL YOU VISIT A DEALERSHIP BEFORE PURCHASING YOUR NEXT CAR?

2015



2017



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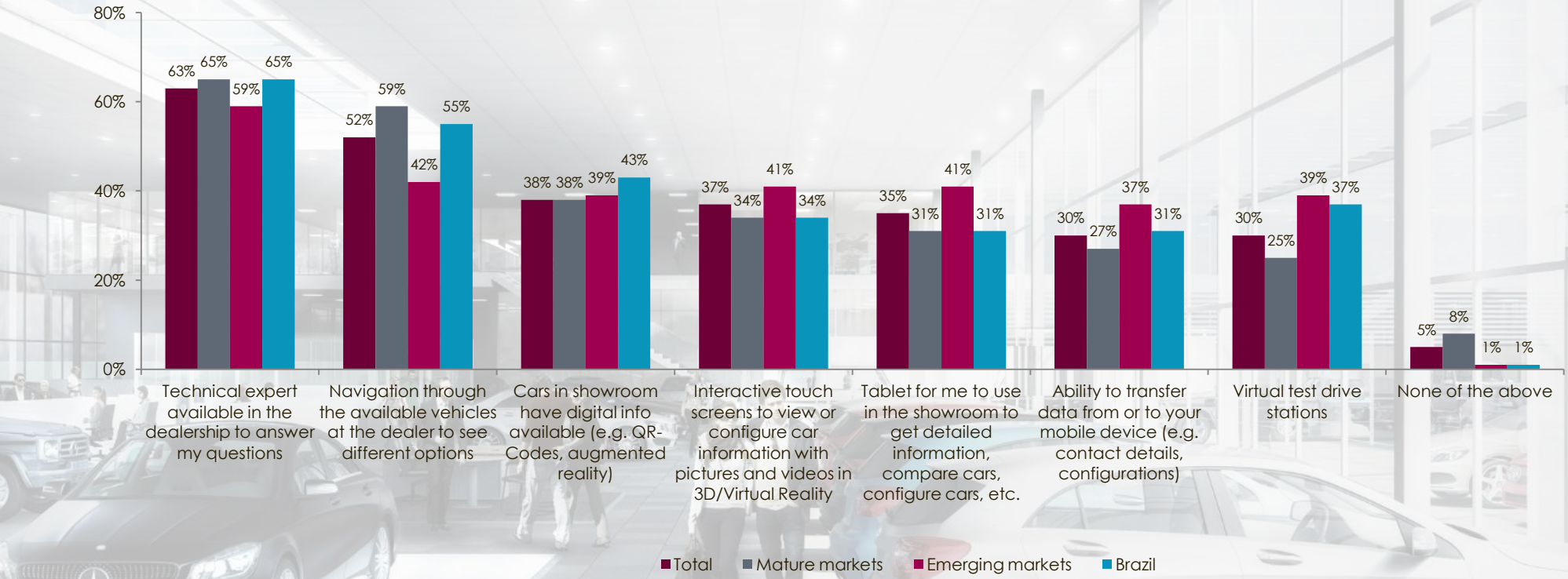
When consumers visit a dealership, they are looking for technical help and assistance in navigating through the showroom.

Q: WHAT SERVICE ITEMS DO YOU EXPECT WHEN VISITING A DEALER BEFORE PURCHASING OR LEASING A CAR?



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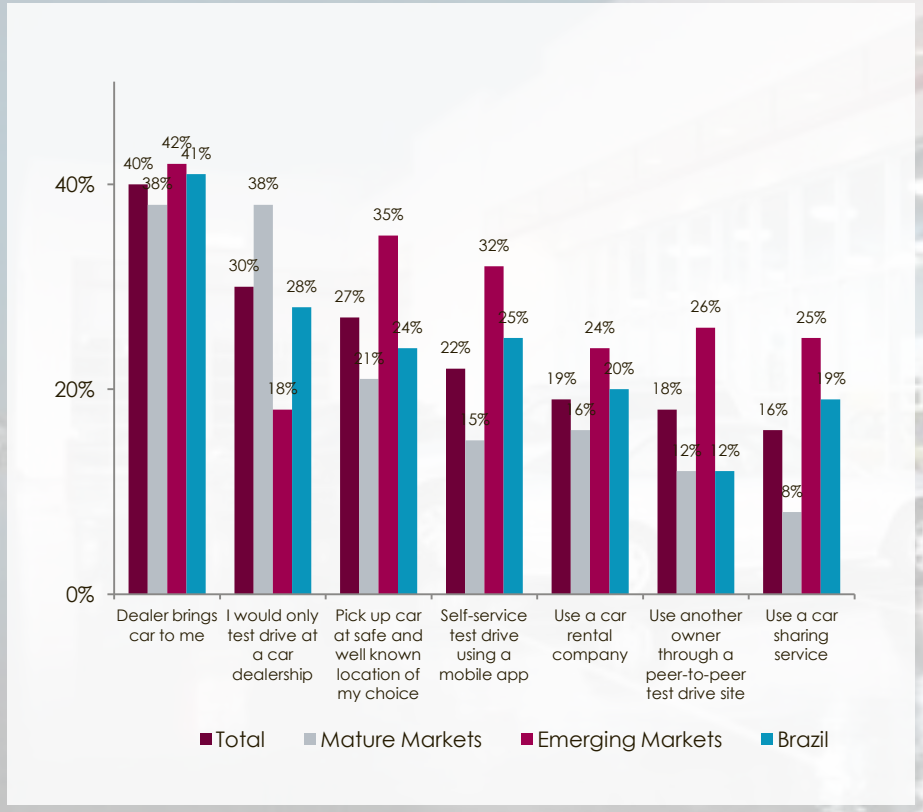
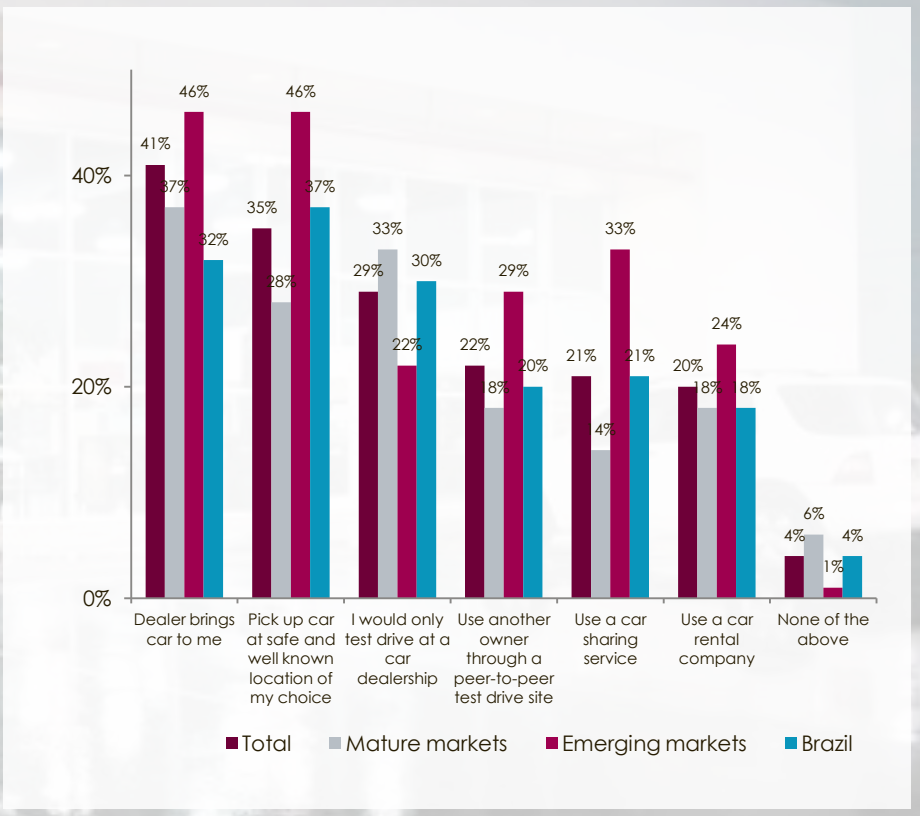
Customers are interested in alternatives to a dealer when looking for a test drive

Q: INSTEAD OF VISITING A DEALER FOR A TEST DRIVE, WHAT ALTERNATIVES WOULD YOU CONSIDER IF THEY OFFERED THE CAR OF YOUR CHOICE?

2015



2017



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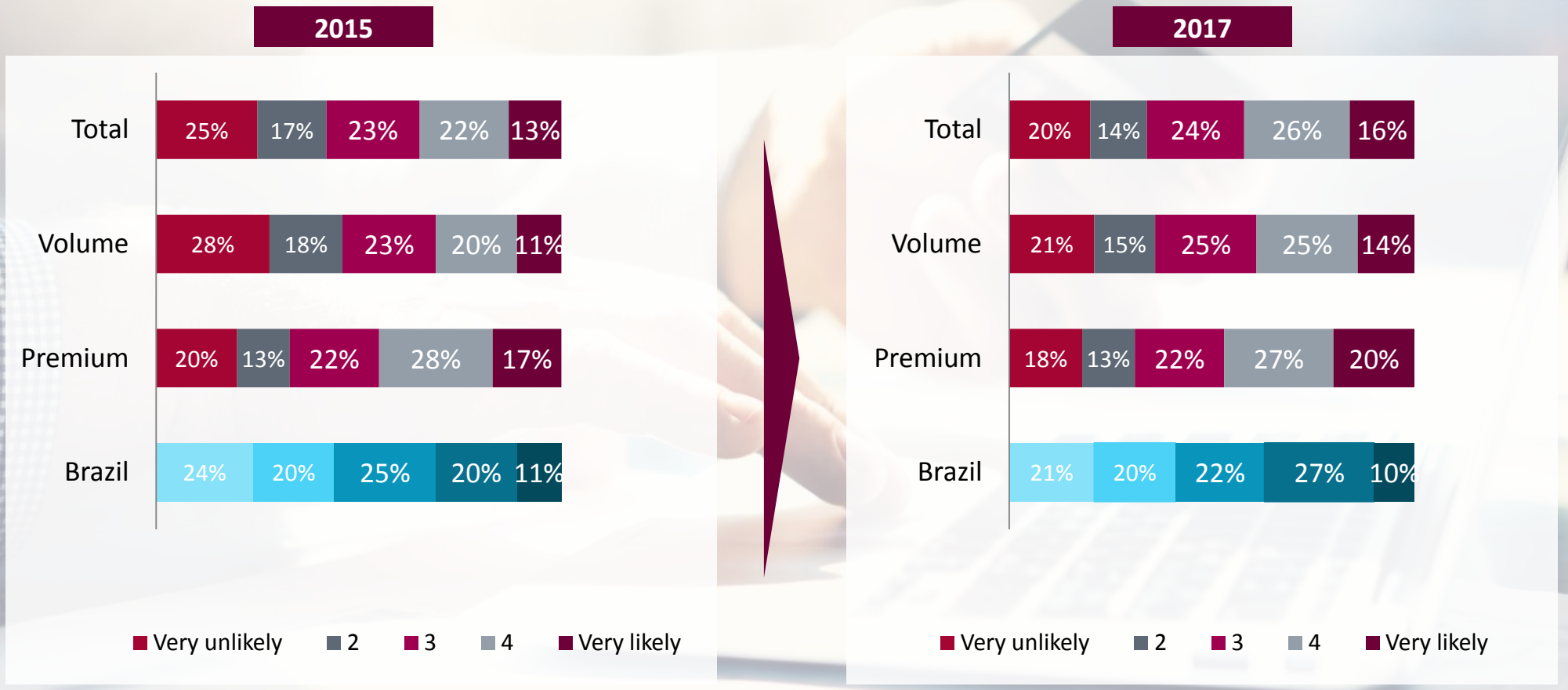
The appetite for online sales continues to grow. There is a shift from premium brands (2015) to volume brands (2017)

Q: HOW LIKELY ARE YOU TO PURCHASE YOUR NEXT CAR OVER THE INTERNET?

BY THIS WE MEAN THE COMPLETE TRANSACTION, EXCEPT DELIVERY OF THE CAR, THROUGH AN INTERNET CAR DEALER OR MANUFACTURER INTERNET SITE OR A SALES OR AUCTION SITE (E.G. EBAY).



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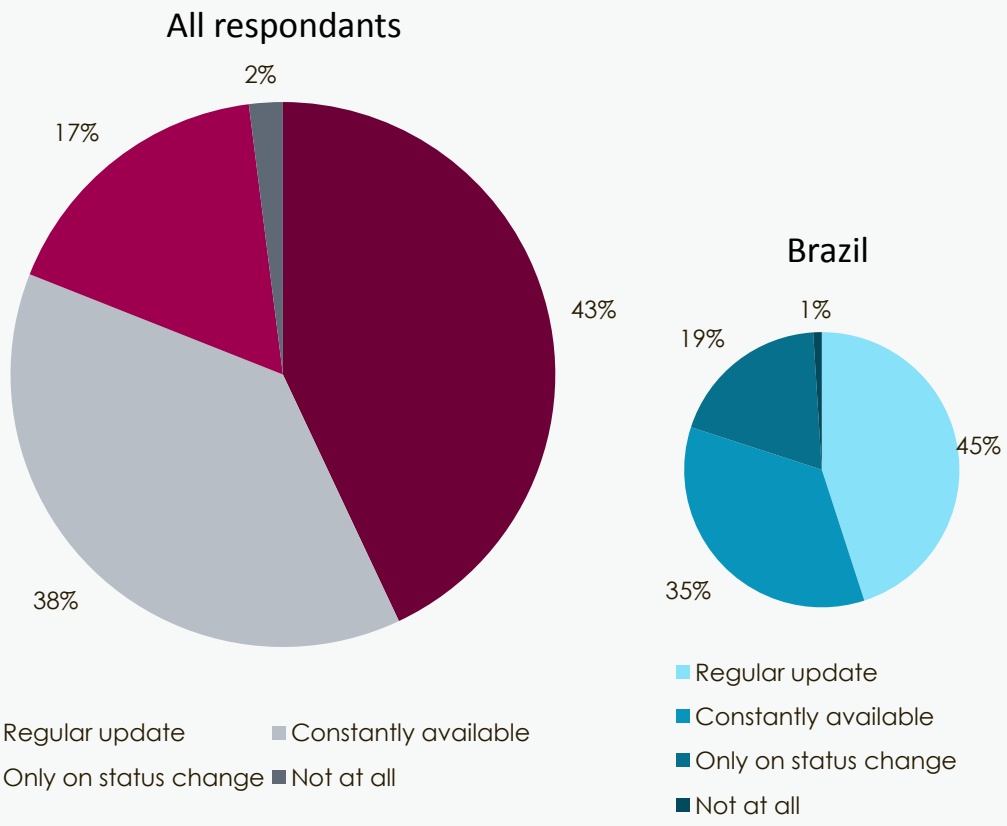
There is a strong desire for more communications between purchase and delivery

Q: WHEN WOULD YOU LIKE INFORMATION FROM YOUR CAR MANUFACTURER OR DEALER DURING THE PHASE BETWEEN PURCHASE AND DELIVERY?



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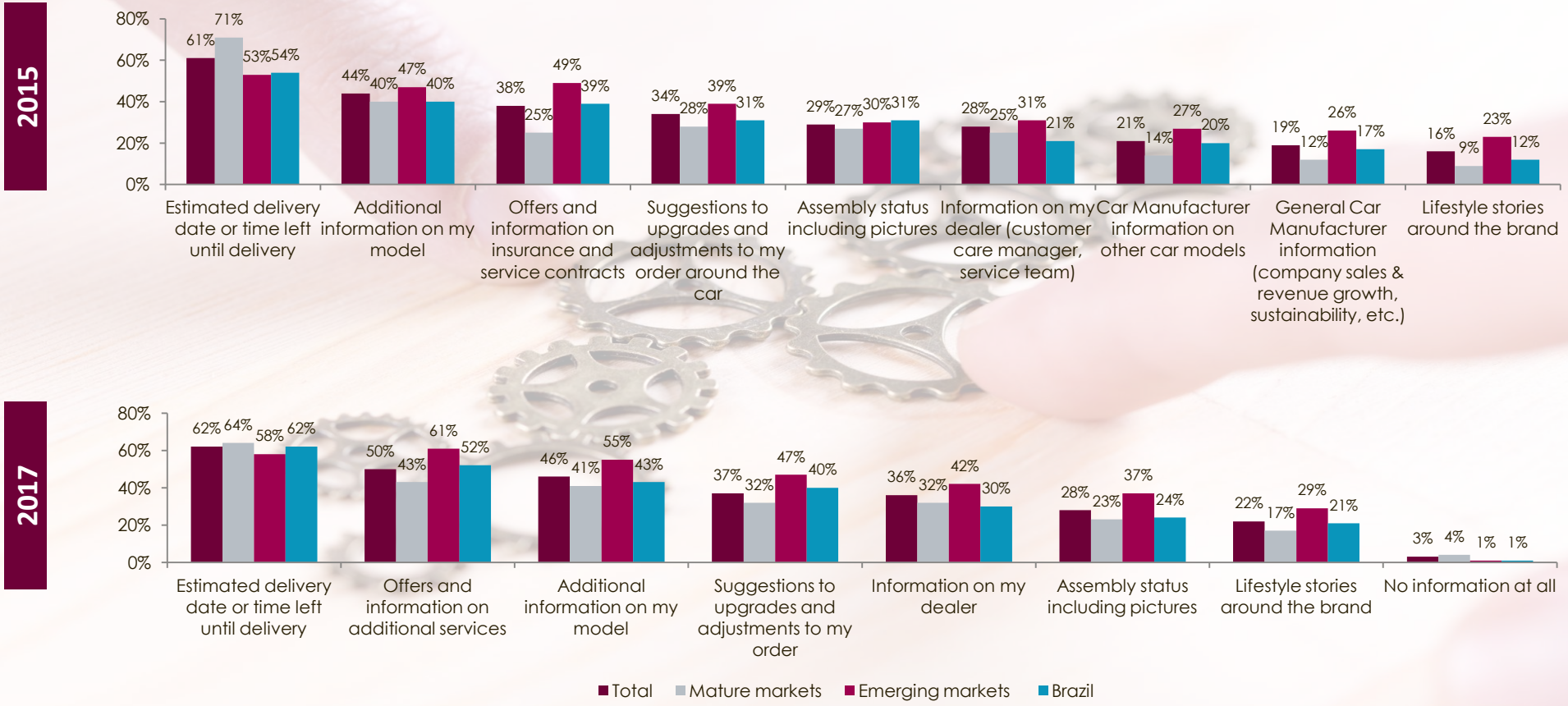
Customers wish to receive more information and are open to additional offers

Q: WHAT KIND OF INFORMATION WOULD YOU LIKE TO RECEIVE FROM YOUR CAR MANUFACTURER OR DEALER DURING THE PHASE BETWEEN PURCHASE AND DELIVERY?



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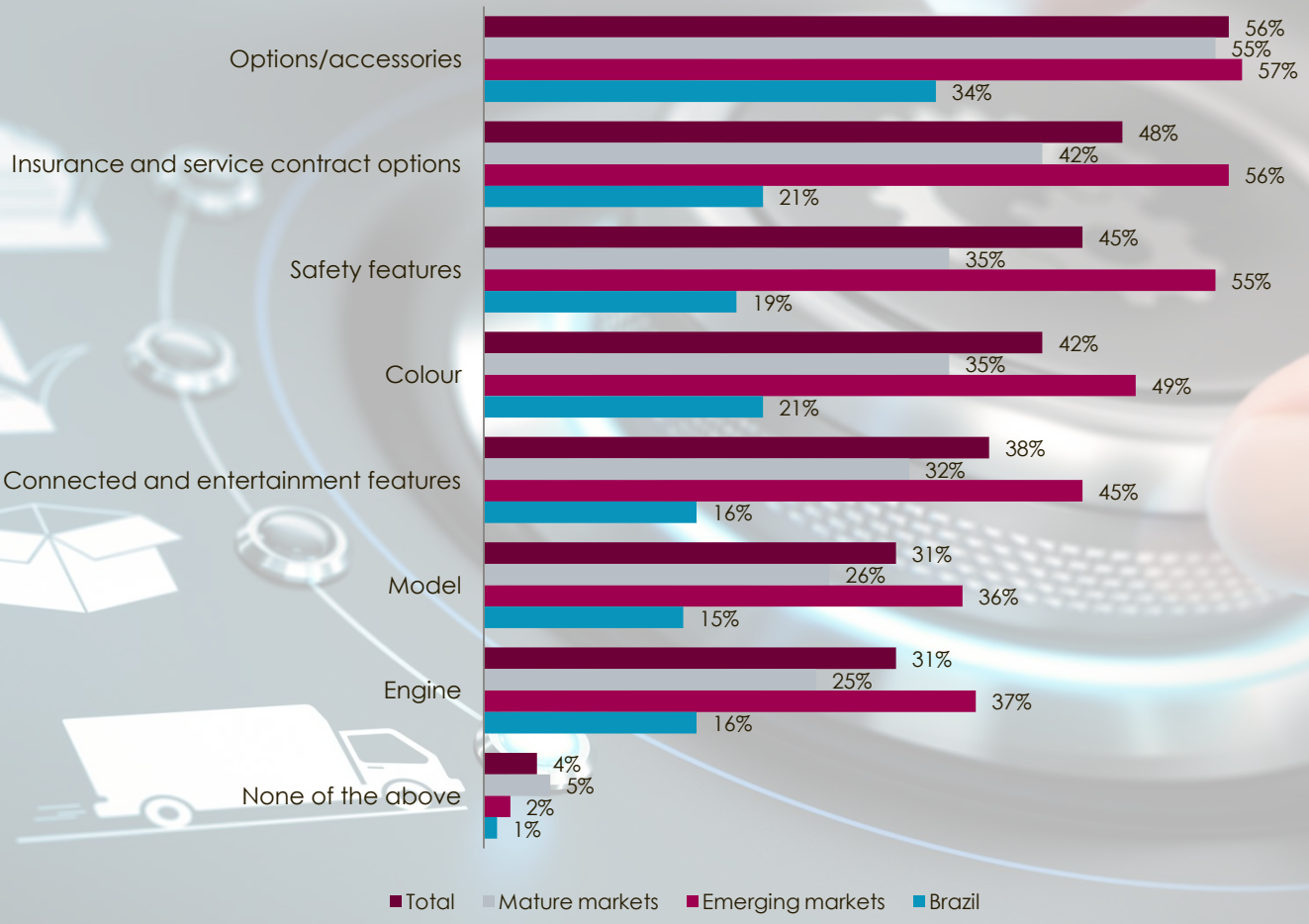
There is a strong desire for the ability to modify orders between purchase and delivery

Q: AFTER SIGNING THE CONTRACT, WHICH OF THE FOLLOWING WOULD YOU EXPECT TO BE CHANGEABLE?



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③ Ownership

BUYING PARTS AND ACCESSORIES ONLINE IS A COMMON BEHAVIOR, CONSUMERS ARE ALSO READY TO PURCHASE DIGITAL SERVICES ONLINE

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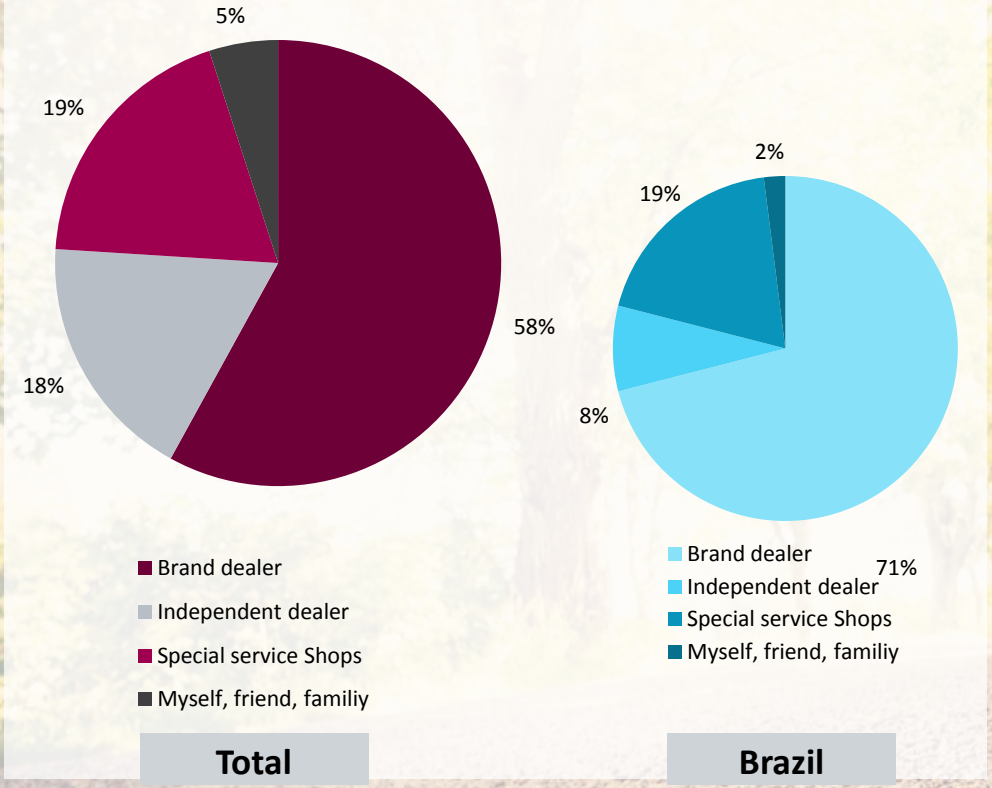
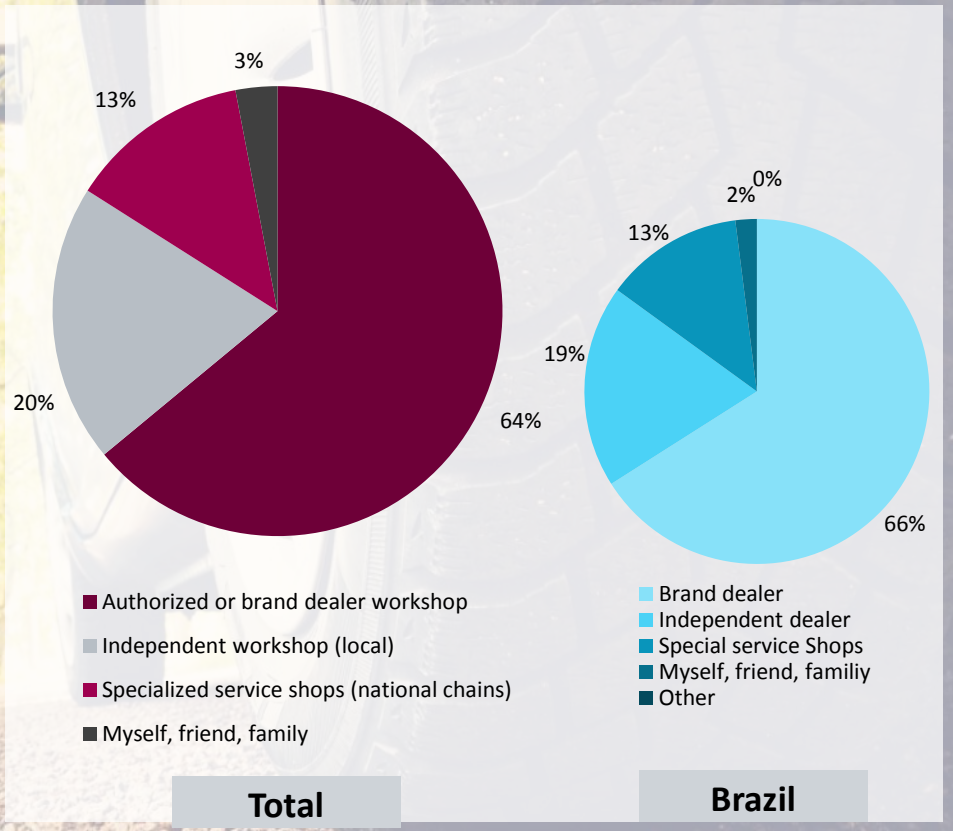
There is a growing appreciation of authorized service outlets

Q: WHERE WOULD YOU EXPECT TO HAVE YOUR CAR SERVICED?

2015



2017



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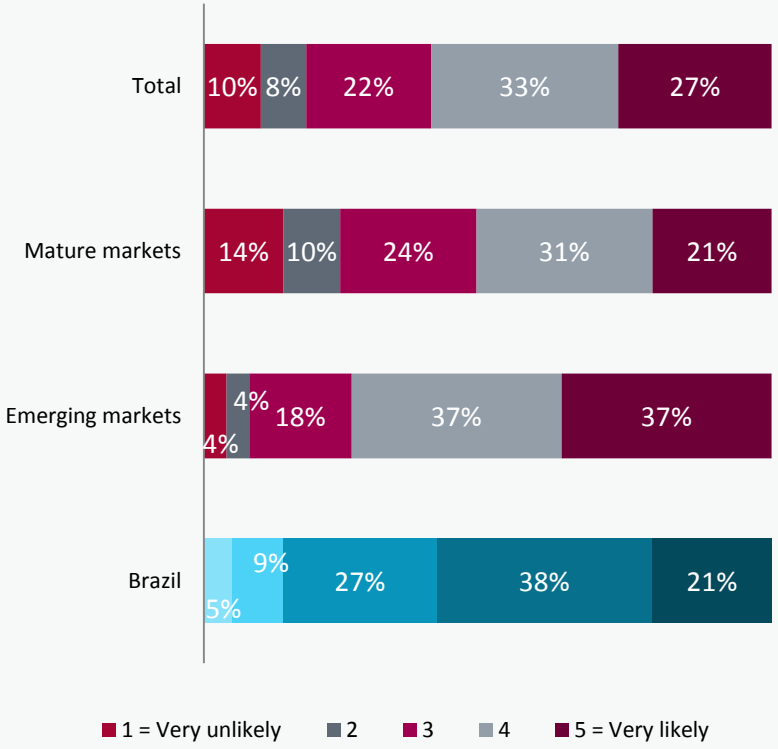
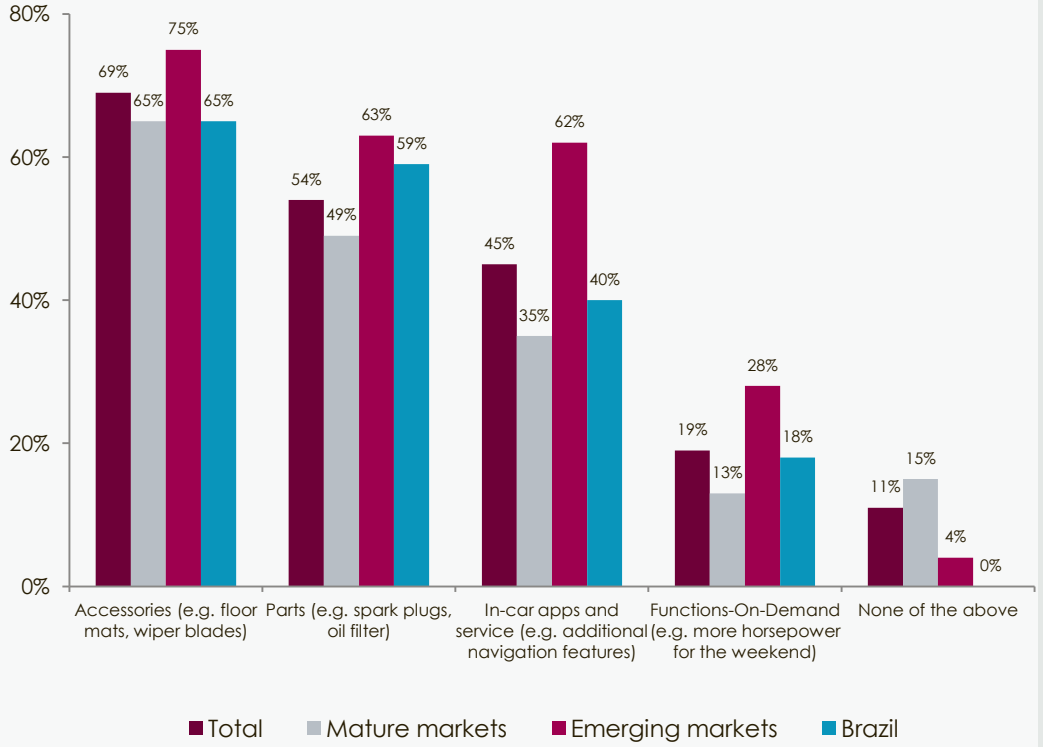
There is high interest for buying parts, accessories and digital services online

Q: HOW LIKELY ARE YOU TO PURCHASE CAR PARTS AND ACCESSORIES OVER THE INTERNET ?



Q: WHAT PARTS AND ACCESSORIES WOULD YOU LIKE TO BE ABLE TO BUY ONLINE?



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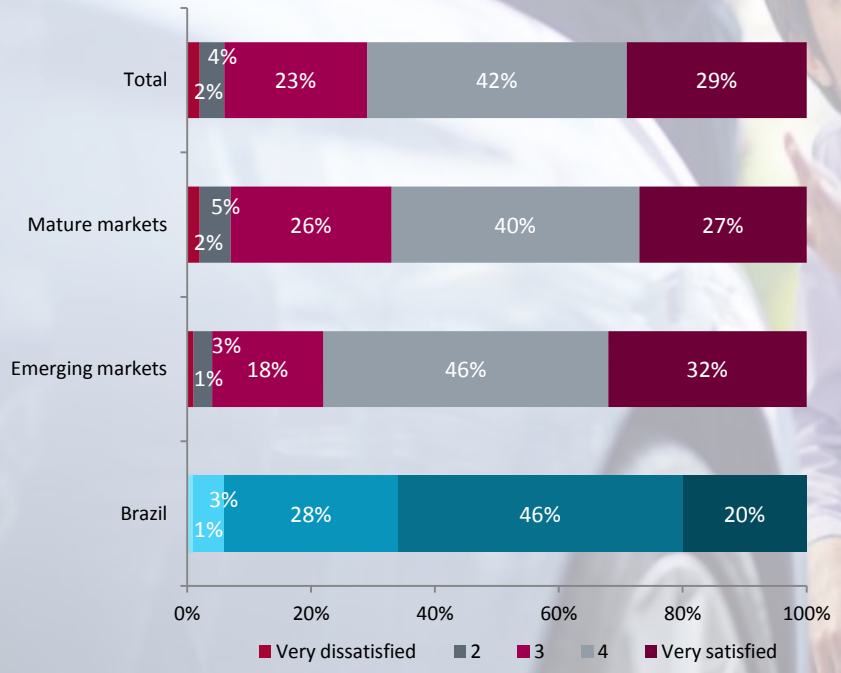
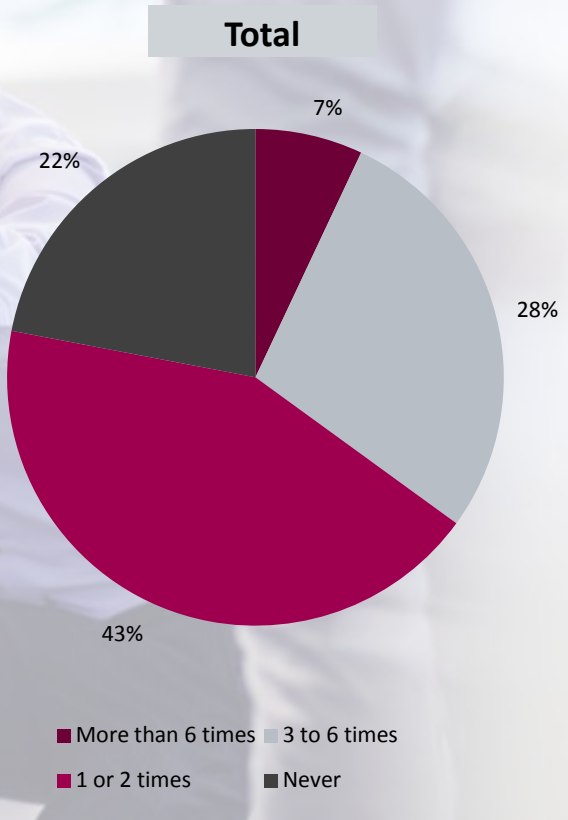
It is important to get to know your customer, and which level and type of communication he expects

Q: HOW SATISFIED ARE YOU WITH THE COMMUNICATIONS WITH YOUR DEALER AND MANUFACTURER ?



Q: HOW OFTEN HAS YOUR DEALER OR MANUFACTURER PROACTIVELY CONTACTED YOU IN THE PAST?



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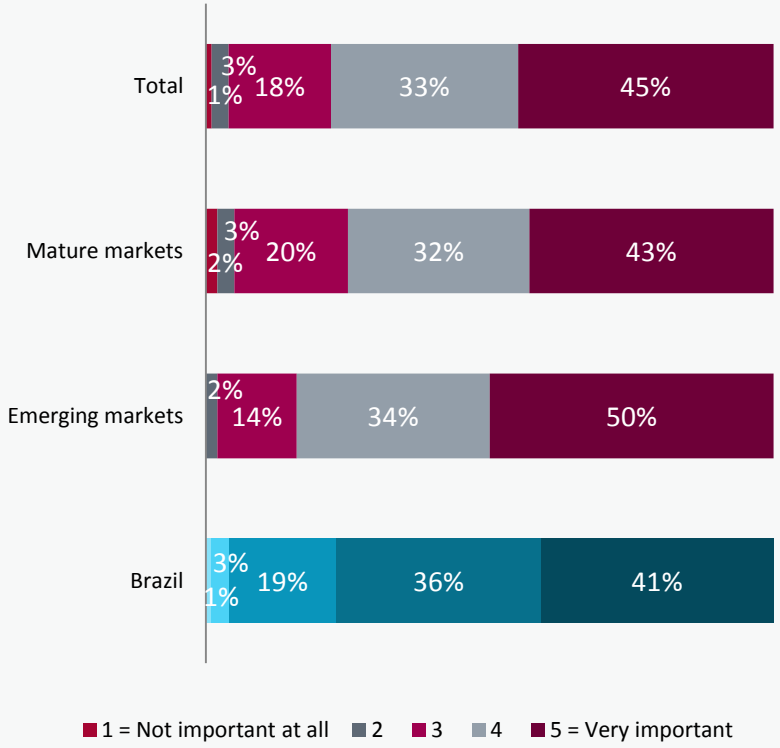
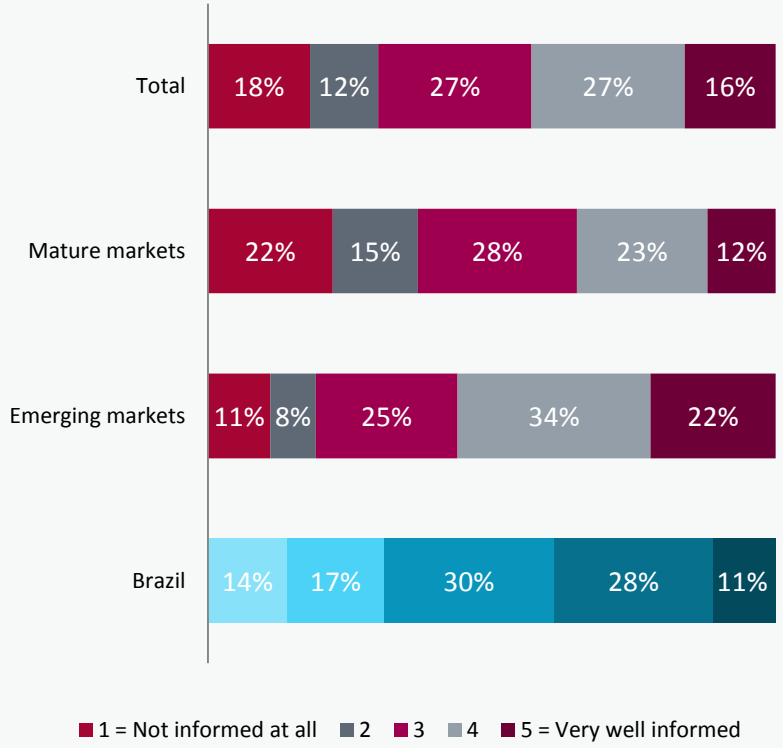
Consumers value transparency in data usage although many do not feel well informed about how their data is being used

Q: HOW IMPORTANT IS TRANSPARENCY ON THE USAGE OF YOUR PERSONAL DATA TO YOU?



Q: TO WHICH LEVEL ARE YOU INFORMED ABOUT HOW THE DEALER OR MANUFACTURER USES YOUR PERSONAL DATA?



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④ Repurchase and Loyalty

NEW COMPETITORS ARE GAINING SIGNIFICANT MARKET SHARE IN PROFITABLE AREAS, LIKE THE PRE-OWNED CAR BUSINESS

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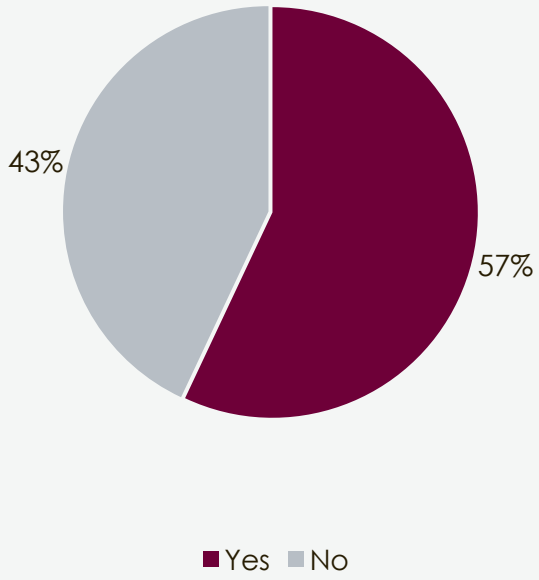
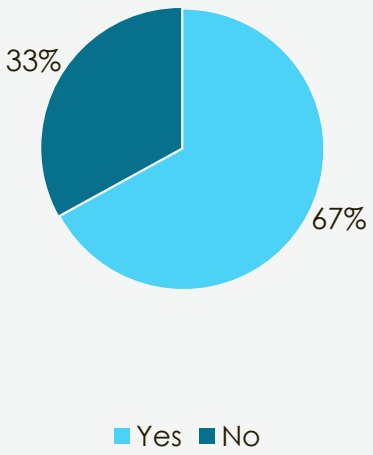
Customers are open to buy a vehicle from a tech company

Q: IF TECHNOLOGY COMPANIES (E.G. APPLE, GOOGLE) PRODUCED A CAR, ARE YOU LIKELY TO SWITCH FROM YOUR CURRENT BRAND?

Total



Brazil



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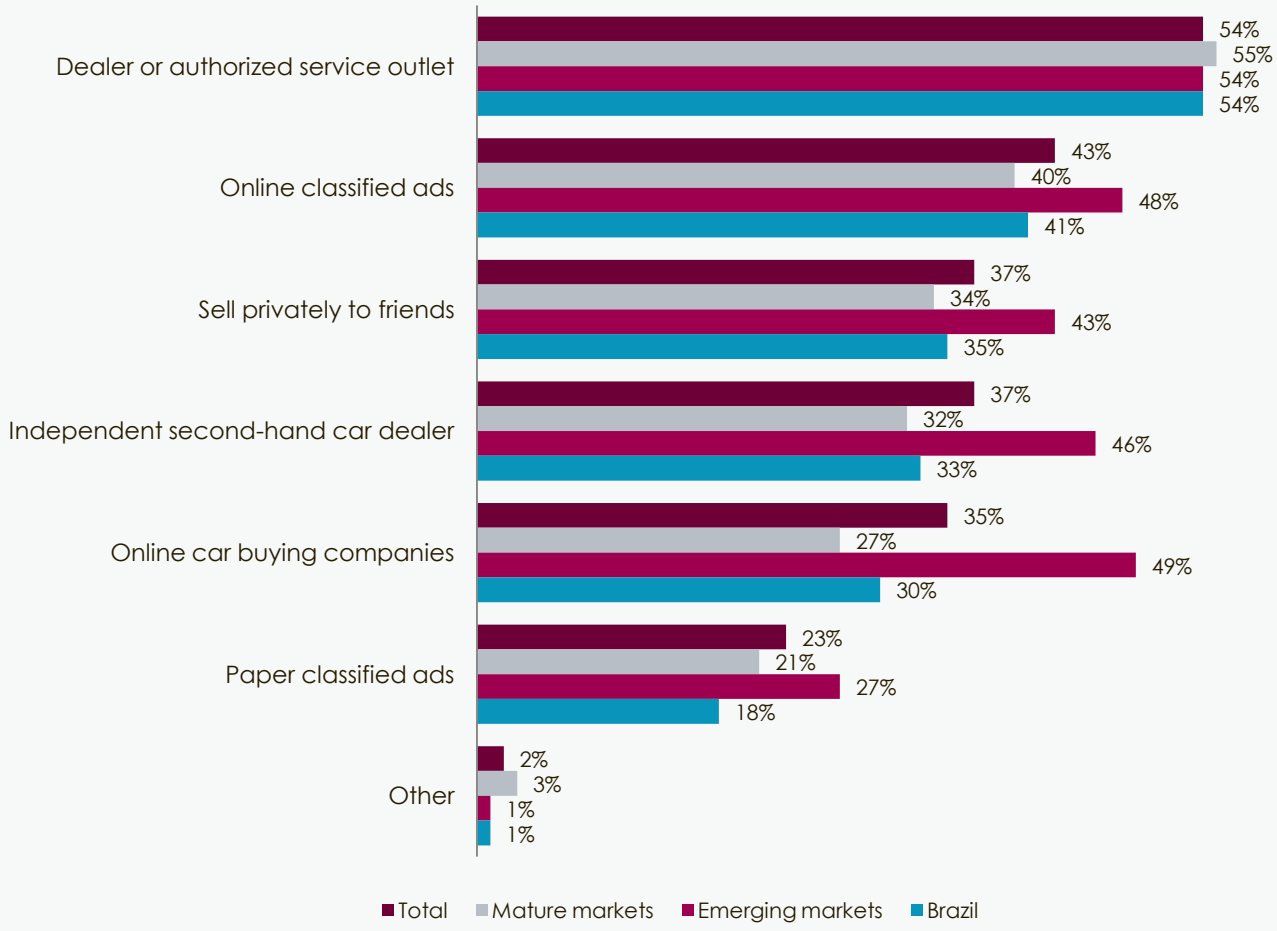
New market entrants are looking to take market share

Q: IF YOU WANT TO SELL YOUR CAR, WHICH CHANNELS WOULD YOU PREFER TO USE?



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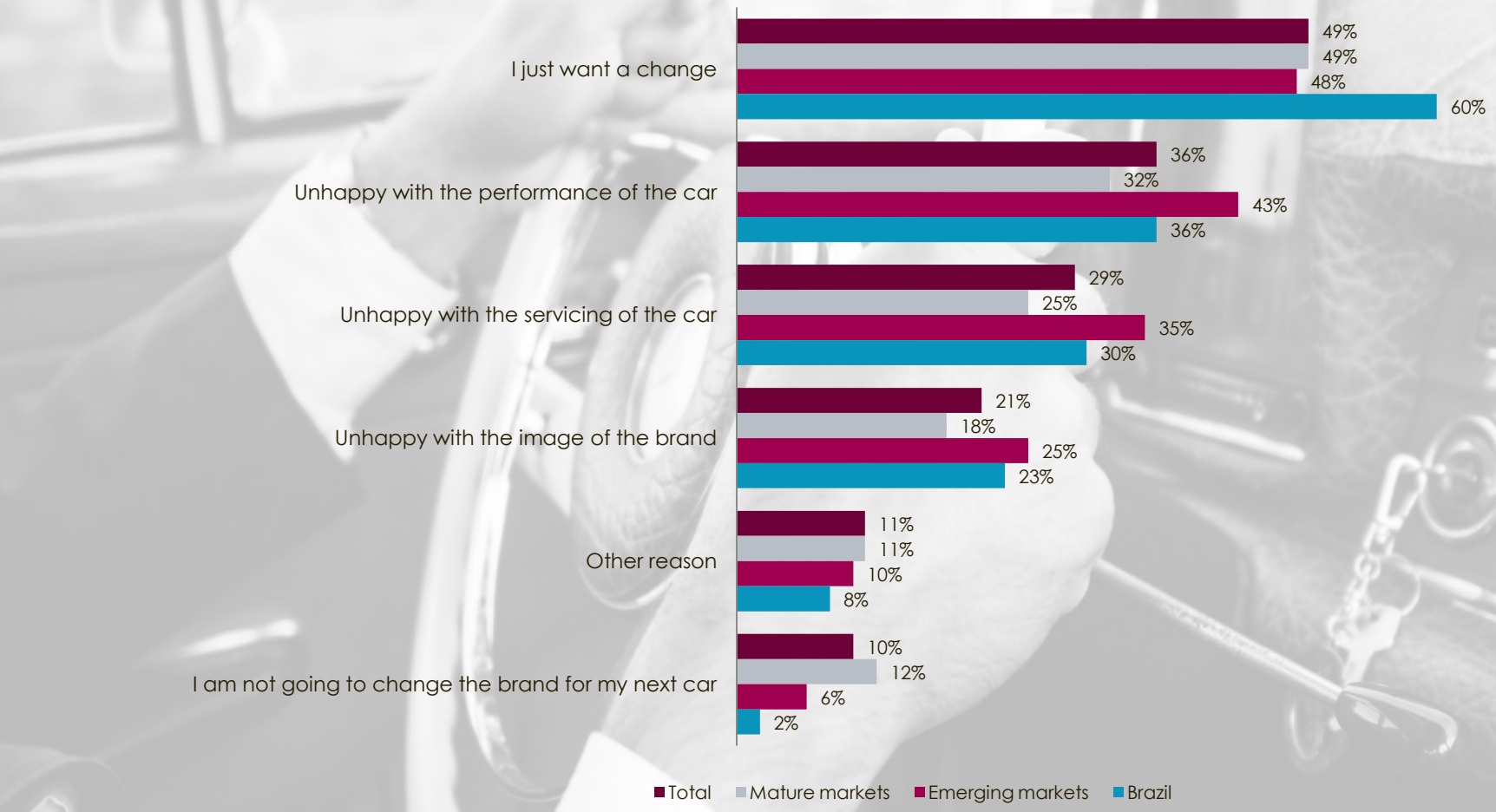
Brand loyalty is complex and needs deep analysis to maximize marketing spend

Q: WHAT WOULD MAKE YOU CHANGE THE BRAND FOR YOUR NEXT CAR PURCHASE?



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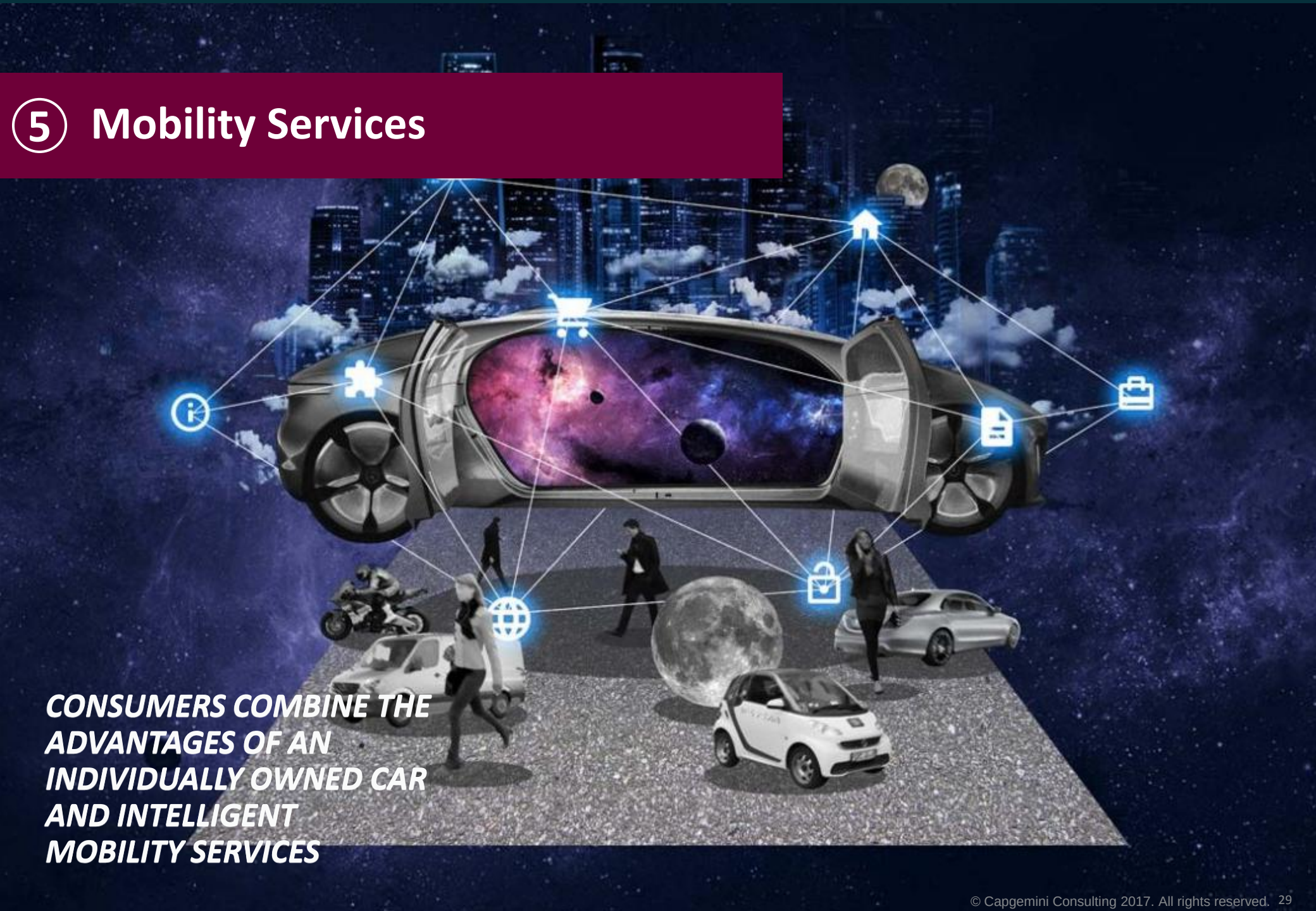
⑤ Mobility Services



CONSUMERS COMBINE THE ADVANTAGES OF AN INDIVIDUALLY OWNED CAR AND INTELLIGENT MOBILITY SERVICES

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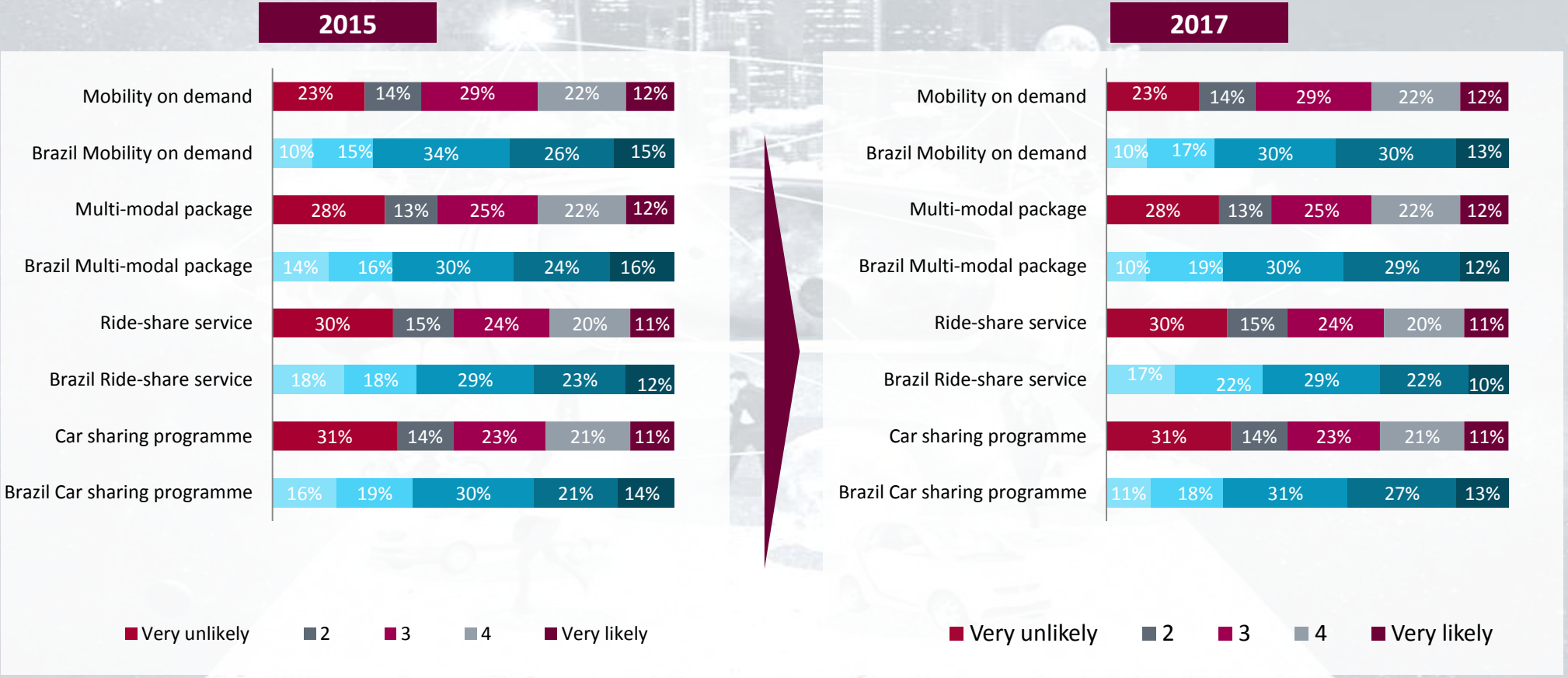
There is a high and growing interest in mobility services

Q: HOW LIKELY ARE YOU TO CONSIDER EACH OF THE FOLLOWING ALTERNATIVE MOBILITY SERVICES?



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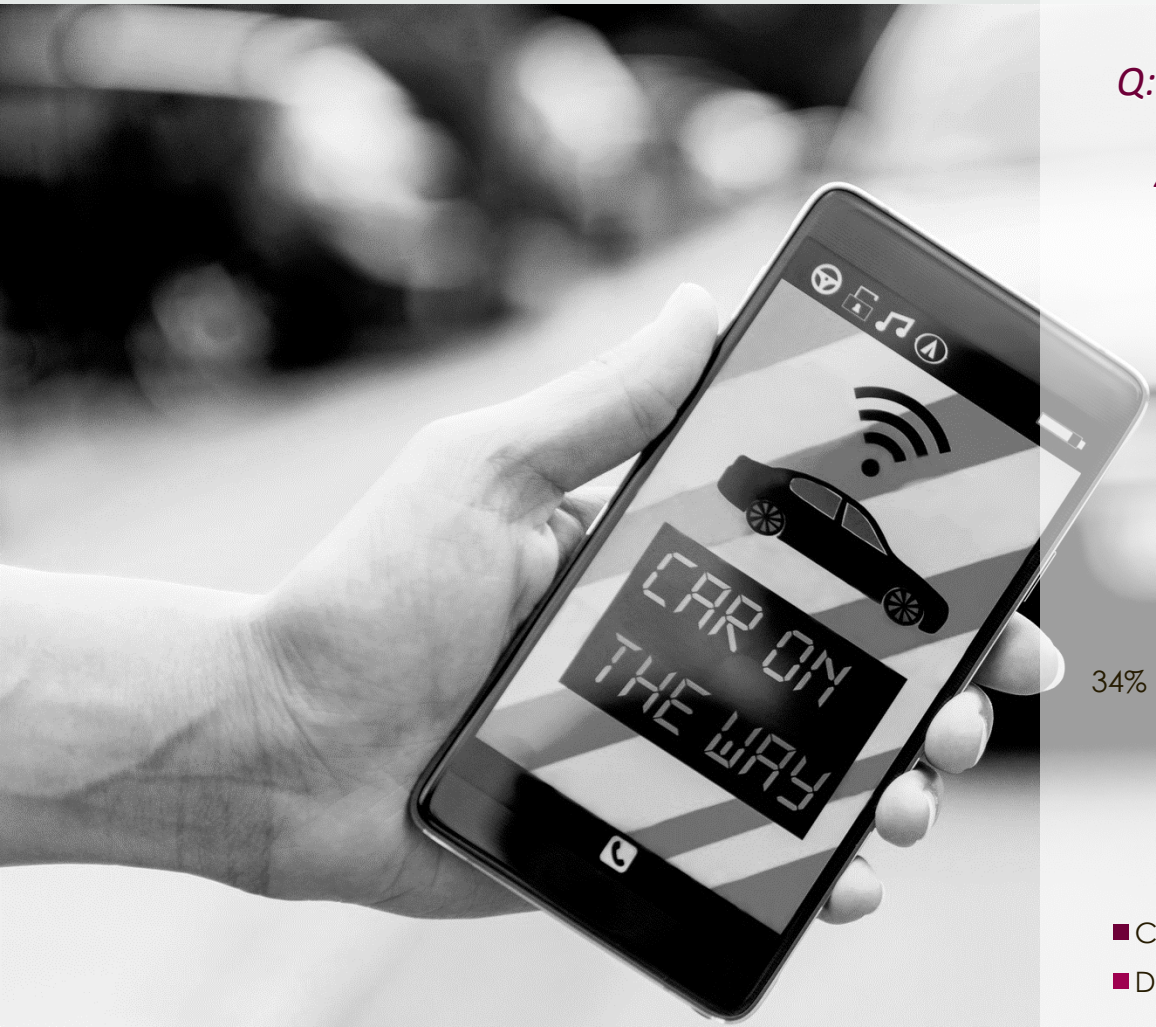
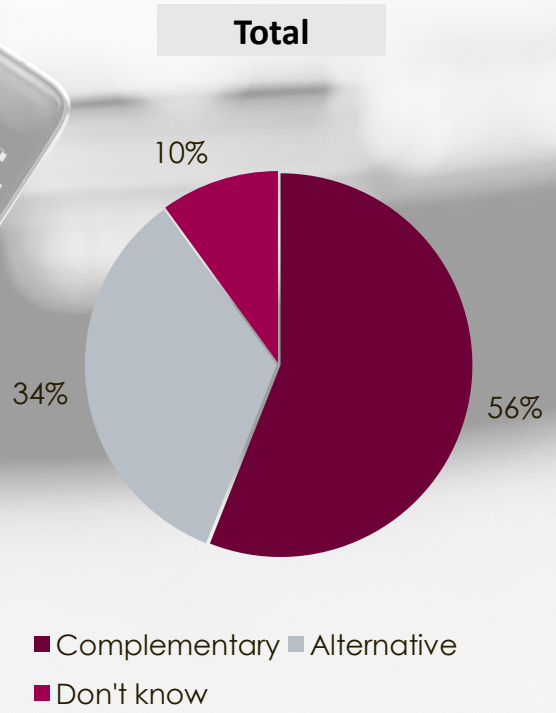
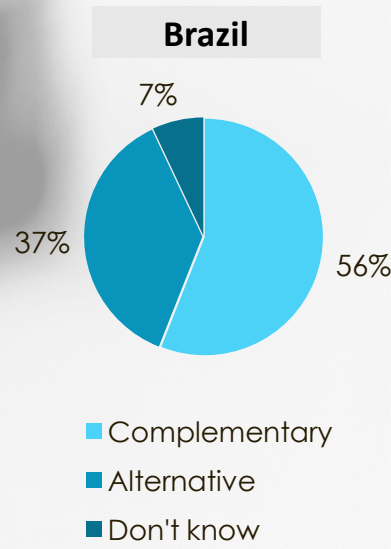
Mobility services are widely seen as complementary to owning a car



Q: DO YOU SEE MOBILITY SERVICES AS COMPLEMENTARY OR AS AN ALTERNATIVE TO AN OWNED OR LEASED CAR?





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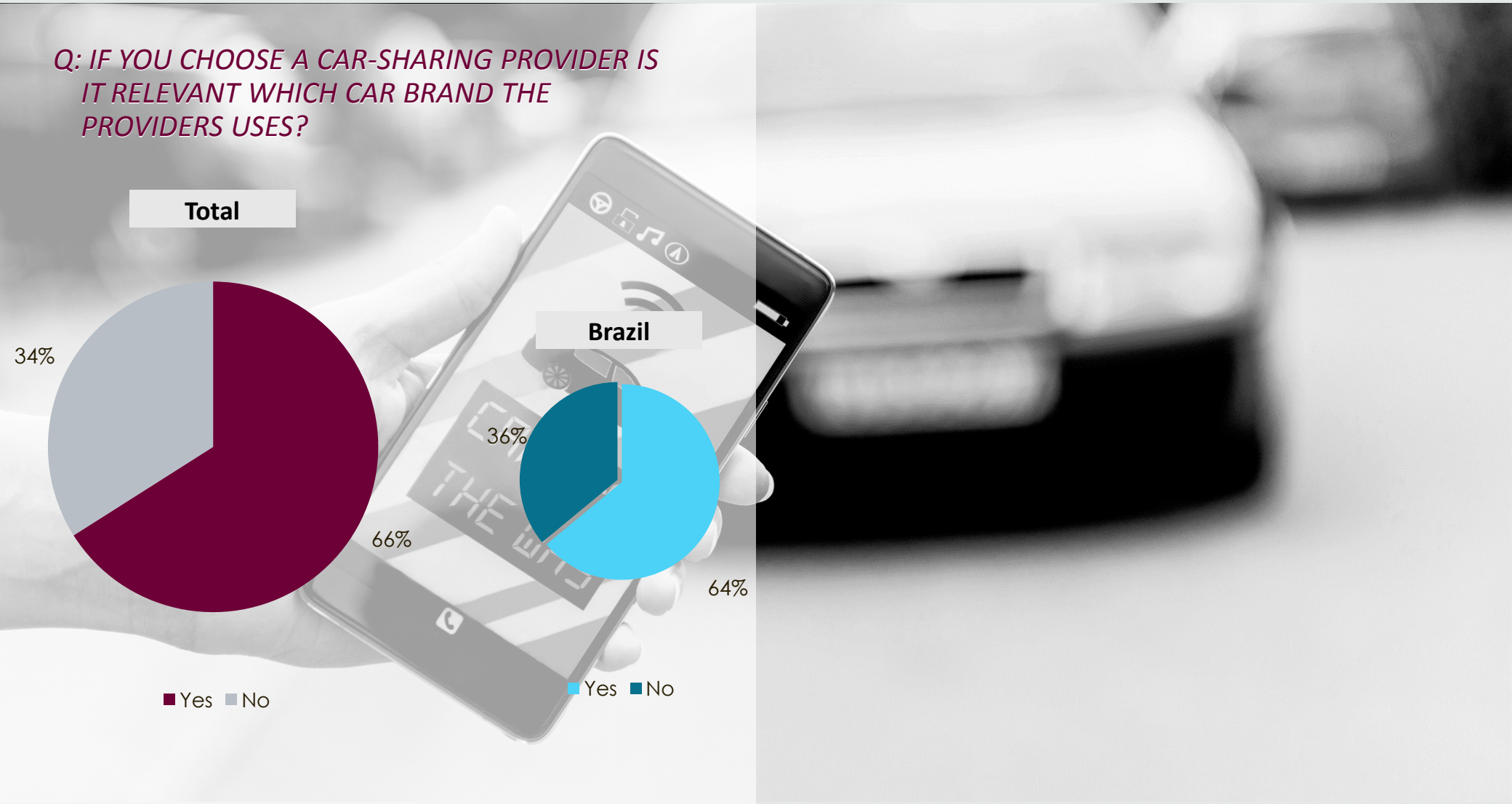
Car brands are seen as important in car-sharing programs

Q: IF YOU CHOOSE A CAR-SHARING PROVIDER IS IT RELEVANT WHICH CAR BRAND THE PROVIDERS USES?



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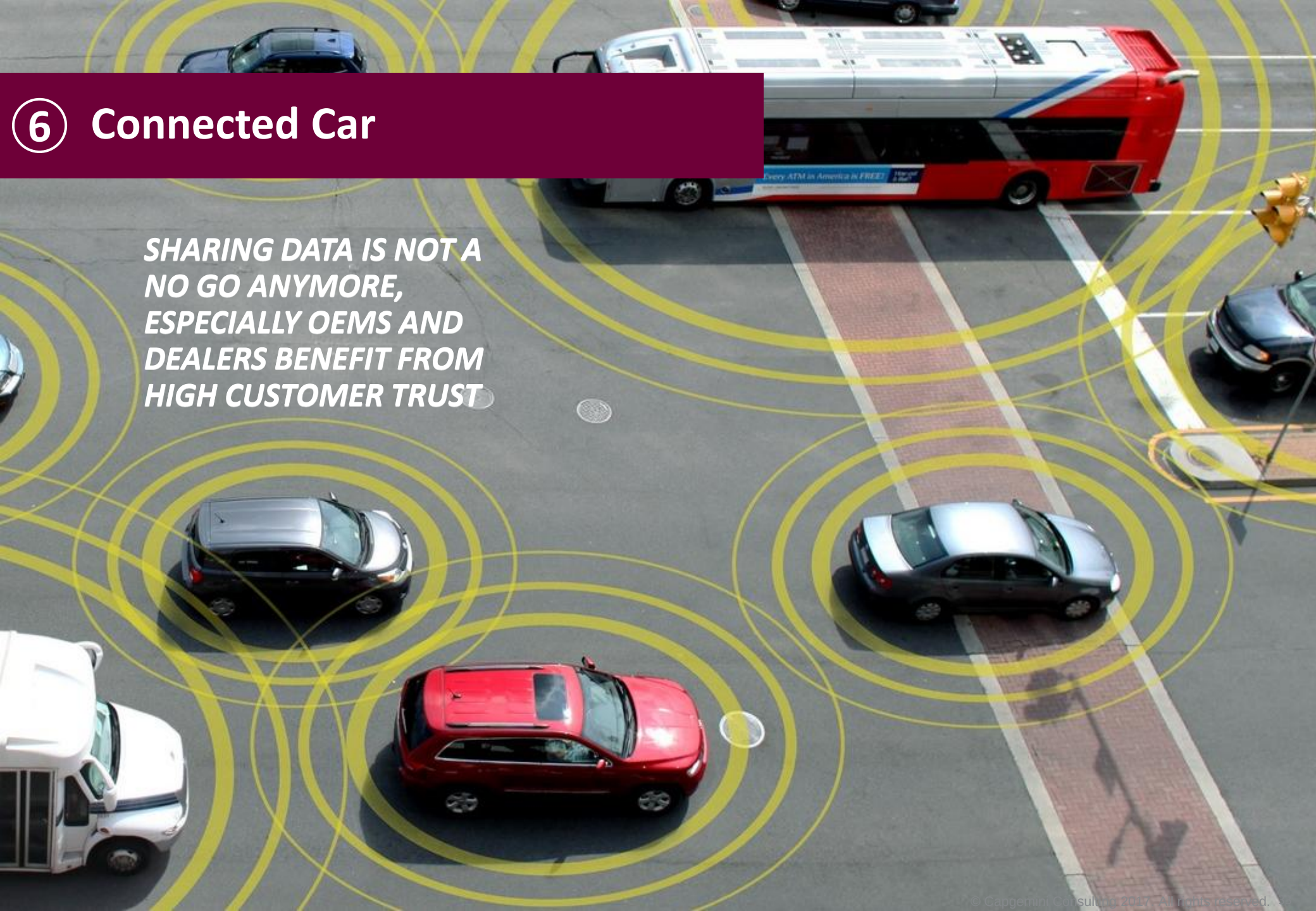

⑥ Connected Car

SHARING DATA IS NOT A NO GO ANYMORE, ESPECIALLY OEMS AND DEALERS BENEFIT FROM HIGH CUSTOMER TRUST

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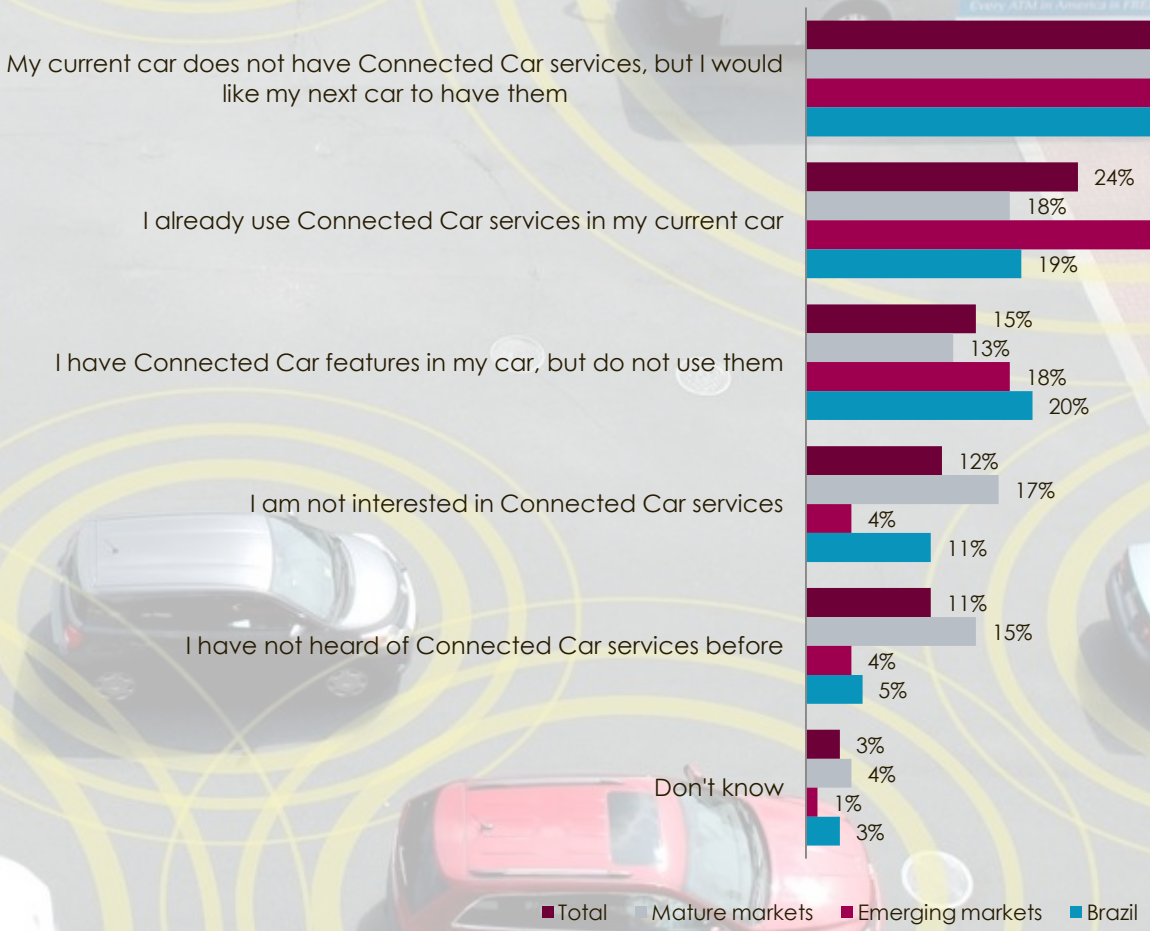
The demand for connected car services is there, but it is not seen as a compelling issue for consumers

Q: PLEASE INDICATE YOUR USAGE OF CONNECTED CAR SERVICES



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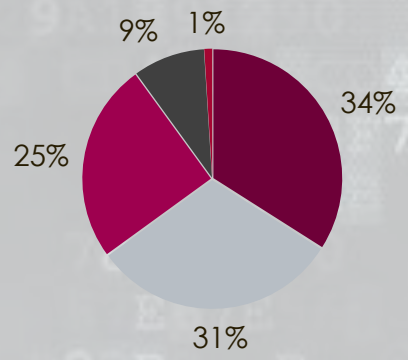
Customer are generally open to share vehicle data

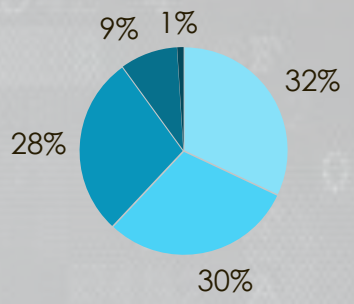
Q: WHILE THE CAR IS CONNECTED, WHICH OF EACH OF THE FOLLOWING TYPES OF DATA WOULD YOU BE WILLING TO SHARE? - VEHICLE DATA

Total



- Yes, if necessary for an incentive or a service I want to get
- Yes, but only anonymous data for research and statistics purposes
- Yes, without restrictions
- No data sharing
- Don't Know

Brazil



- Yes, if necessary for an incentive or a service I want to get
- Yes, but only anonymous data for research and statistics purposes
- Yes, without restrictions
- No data sharing

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⑦ Autonomous Driving

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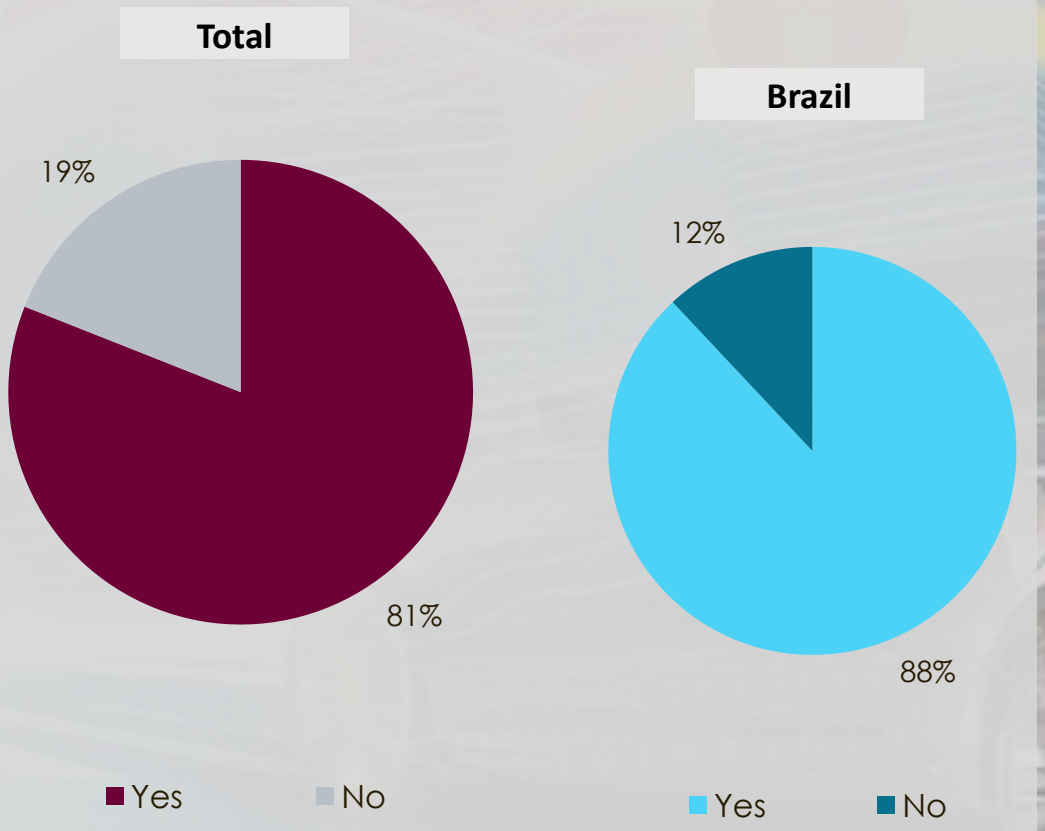
Autonomous driving is seen as a compelling issue, with consumers willing to pay for these services

Q: ARE YOU WILLING TO PAY AN ADDITIONAL PRICE FOR AUTONOMOUS DRIVING FEATURES?



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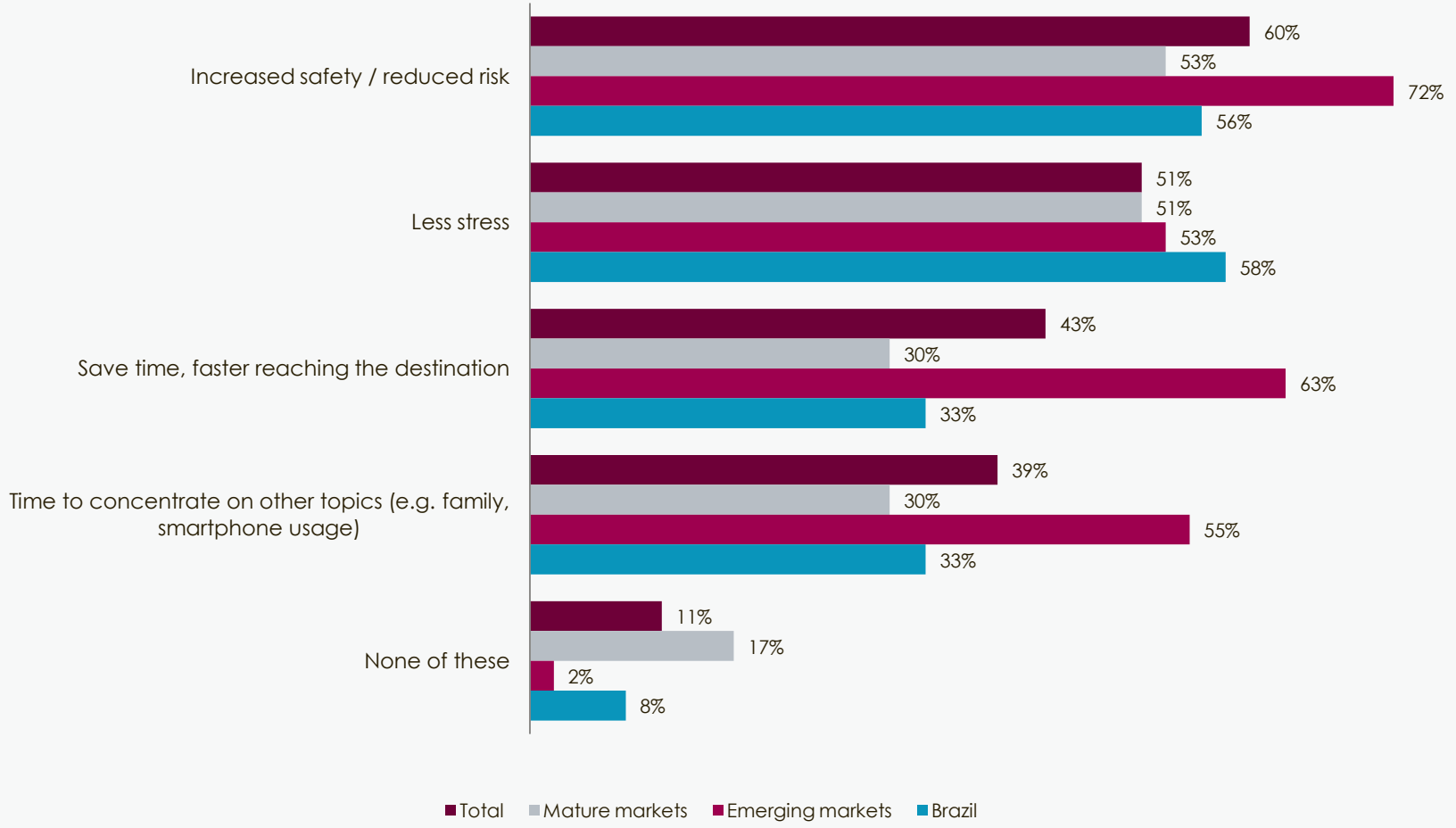
Increased safety is highest among many strong expectations in regards to Autonomous Driving

Q: WHAT DO YOU EXPECT FROM AUTONOMOUS DRIVING?



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⑧ Cyber Security

CYBER SECURITY HAS A HIGH INFLUENCE ON THE BUYING DECISION

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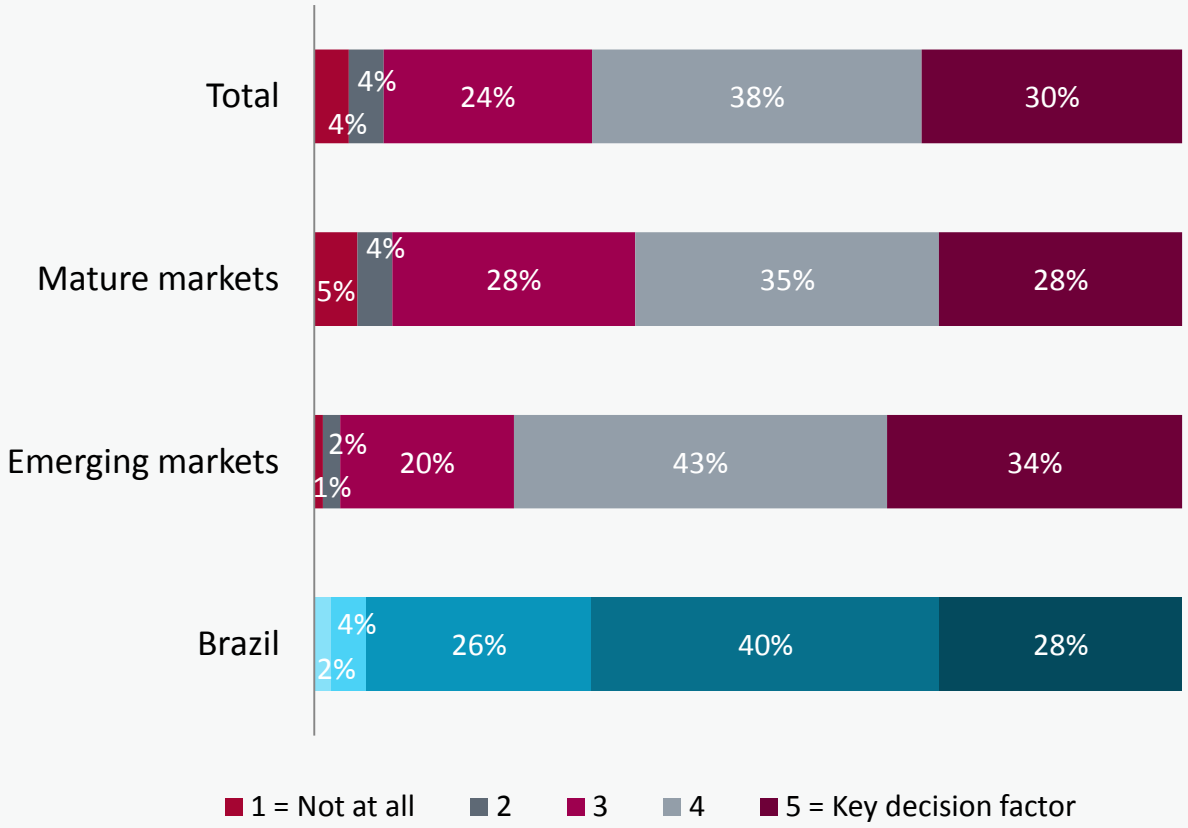
The protection against cyber fraud has a high impact on the buying decision

Q: TO WHAT DEGREE THE CYBER RESILIENCE OF A VEHICLE WOULD INFLUENCE YOUR PURCHASING DECISION ?



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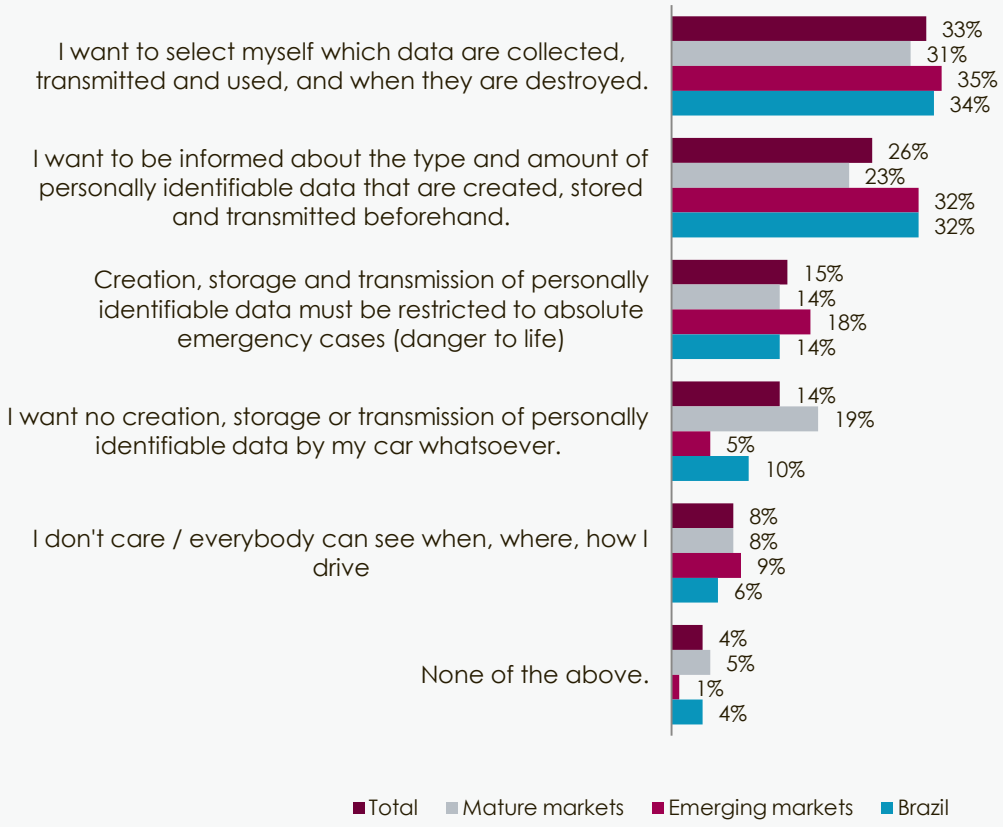
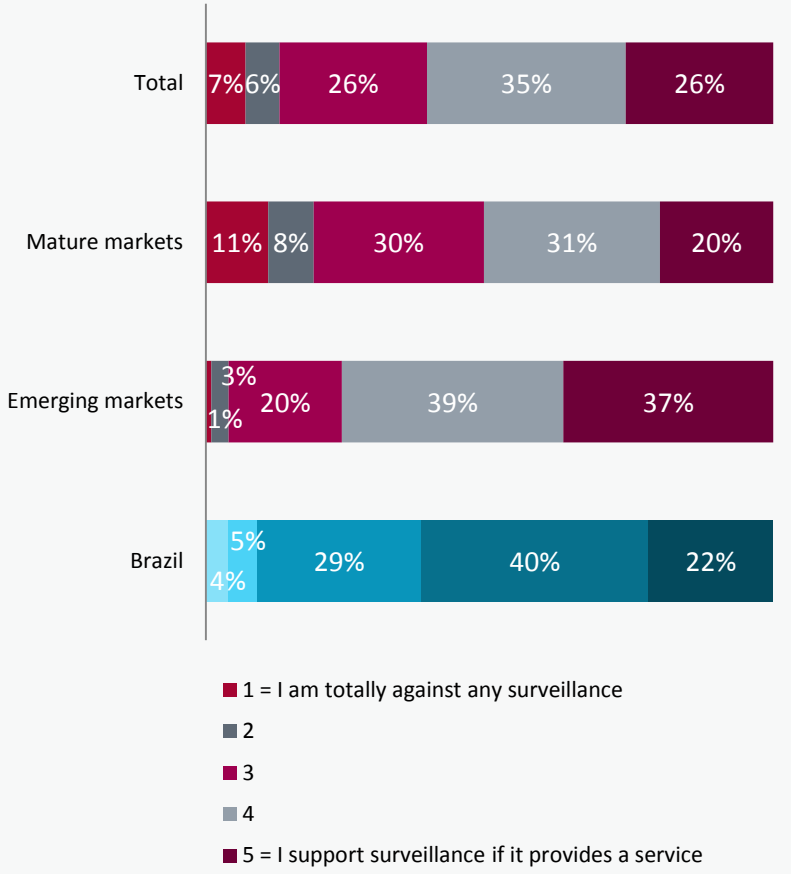
Very few consumers are not concerned about cyber security

Q: HOW DO YOU WANT TO CONTROL THE PERSONALLY IDENTIFIABLE INFORMATION FROM YOUR VEHICLE?



Q: HOW WOULD YOU CONSIDER SECURITY SURVEILLANCE OF YOUR VEHICLE?



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⑨ Electric Vehicles

OEMS AND THE SOCIETY NEED TO SOLVE SEVERAL ISSUES BEFORE ELECTRIC VEHICLES MAY BECOME A SUCCESS

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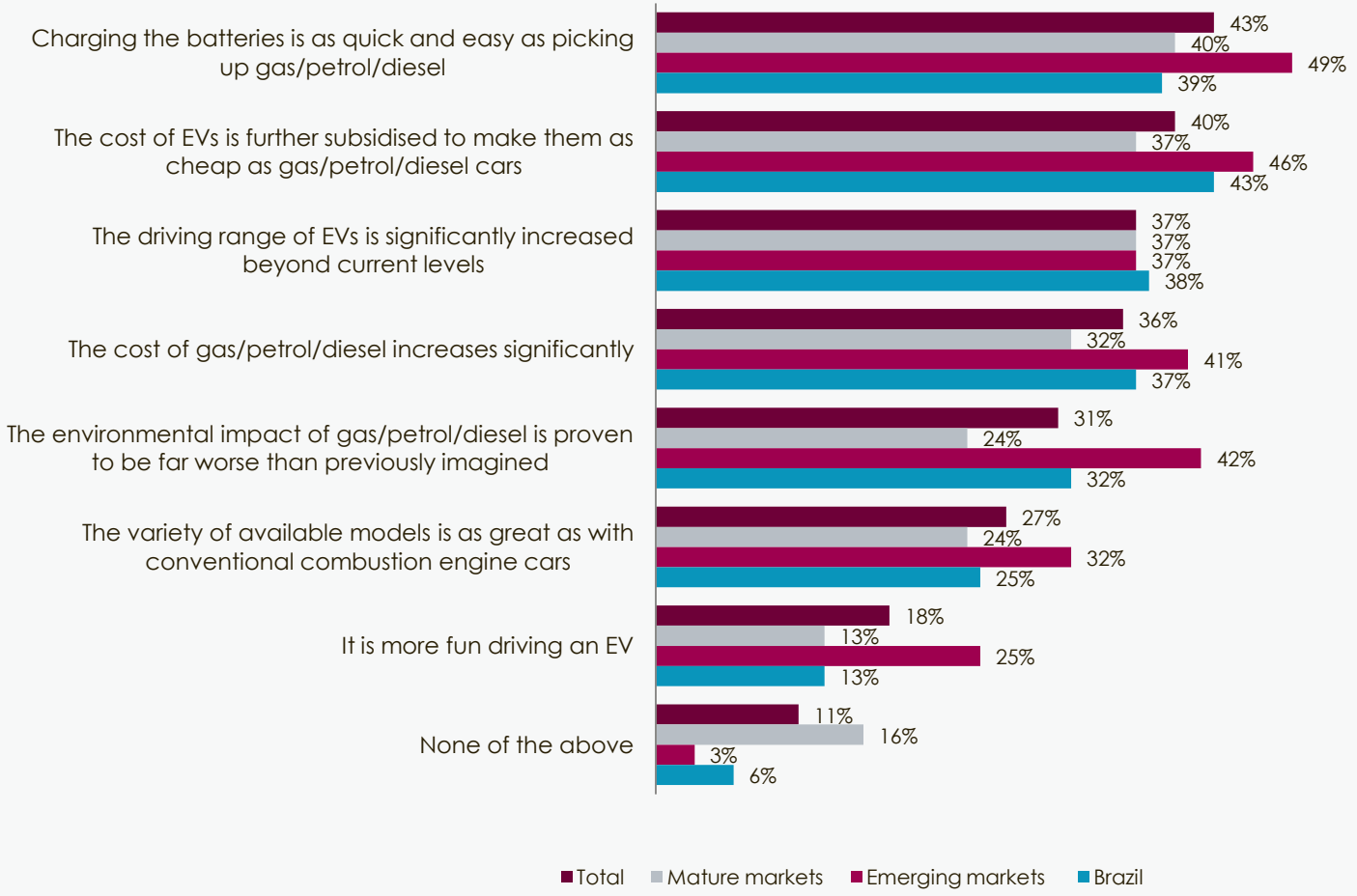
The success of electric vehicles depends on various open aspects

Q: WHAT WOULD DRIVE YOU TO BUY AN ELECTRIC VEHICLE FOR YOUR NEXT CAR PURCHASE?



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Based on our study, six key recommendations have been derived for OEMs and dealers to be successful in the future

1. Improve the (digital) customer experience by providing social media content and using digital tools to stay part of the game
2. Provide additional offers and services between purchase and hand-over of the vehicle.
3. Be aware of new competition for car sales and pre-owned car (re-)sales. Provide services as convenient as the new ones.
4. Get to know and leverage your brand ambassadors.
5. Make use of mobility services as a complementary offer to car possession.
6. Make your cars cyber resilient and promote this, as it will affect the buying decision.

Customers are looking for more – Provide products and services that go beyond the car

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THANK YOU!