



Dial-in Details

+1 (415) 655-0052

Passcode: 611-386-502

J.D. POWER

2020 Canada COVID-19 Vehicle Owner Pulse

Wave 5 – May 20th to June 3rd, 2020

Agenda



J.D. Ney

Automotive
Practice Leader,
Canada



Virginia Connell

Manager,
Automotive
Research (Canada)

- Welcome and study overview
- Stress levels among vehicle owners
- Purchasing a vehicle
 - Rate of deferrals
 - Appetite for online shopping and purchasing
 - Creating a comfortable purchase environment
 - Visiting a showroom today
- Servicing a vehicle
 - Rate of deferrals
 - Appetite for alternative servicing approaches
 - Purchase intent: At-home vehicle pick-up/drop-off
 - Creating a comfortable servicing environment
- Consumer confidence in support from dealerships / service facilities
- Recommended actions

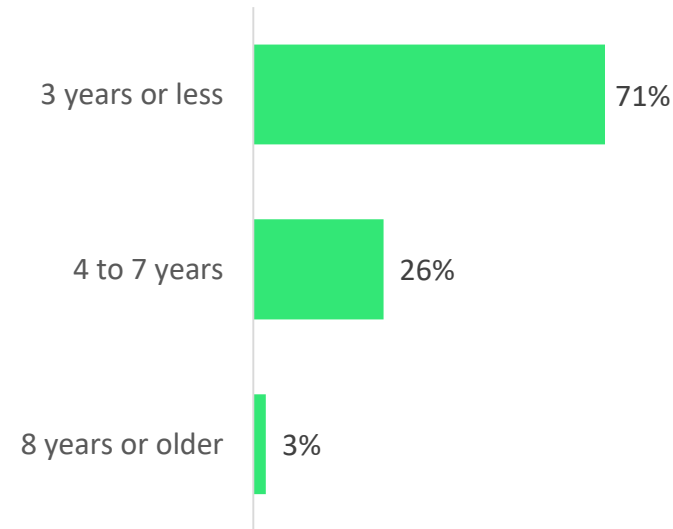
Study Overview

- Fielded continuously with initial field opening for Wave 1 on April 3rd, 2020
- Online survey of approximately 5 minutes distributed using e-mail invitations
- Sample derived from approximately 79,000 vehicle owners who previously completed a J.D. Power Canada CSI or SSI study and opted in for future research contact

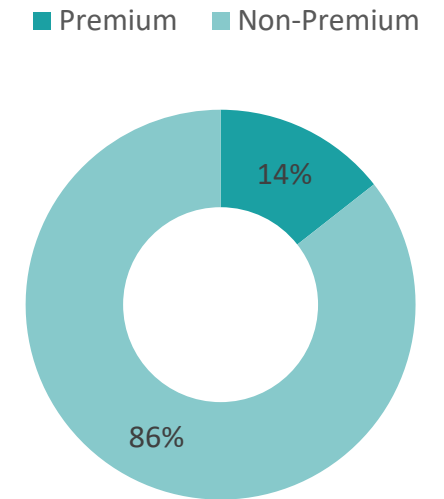
Wave 5

- Total responses collected = 1,534
- Responses for wave 5 collected between May 20th to June 3rd, 2020, with additional e-mail invites deployed on May 29th.

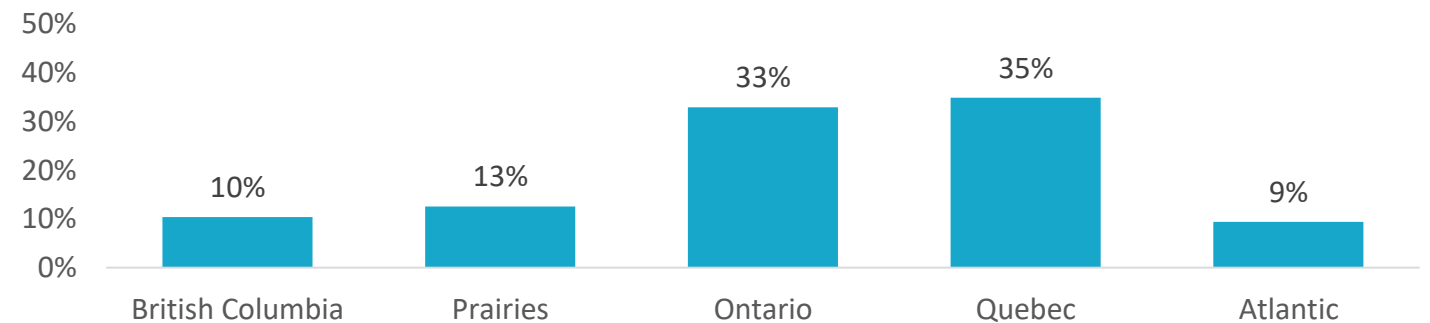
Vehicle Age



Vehicle Class



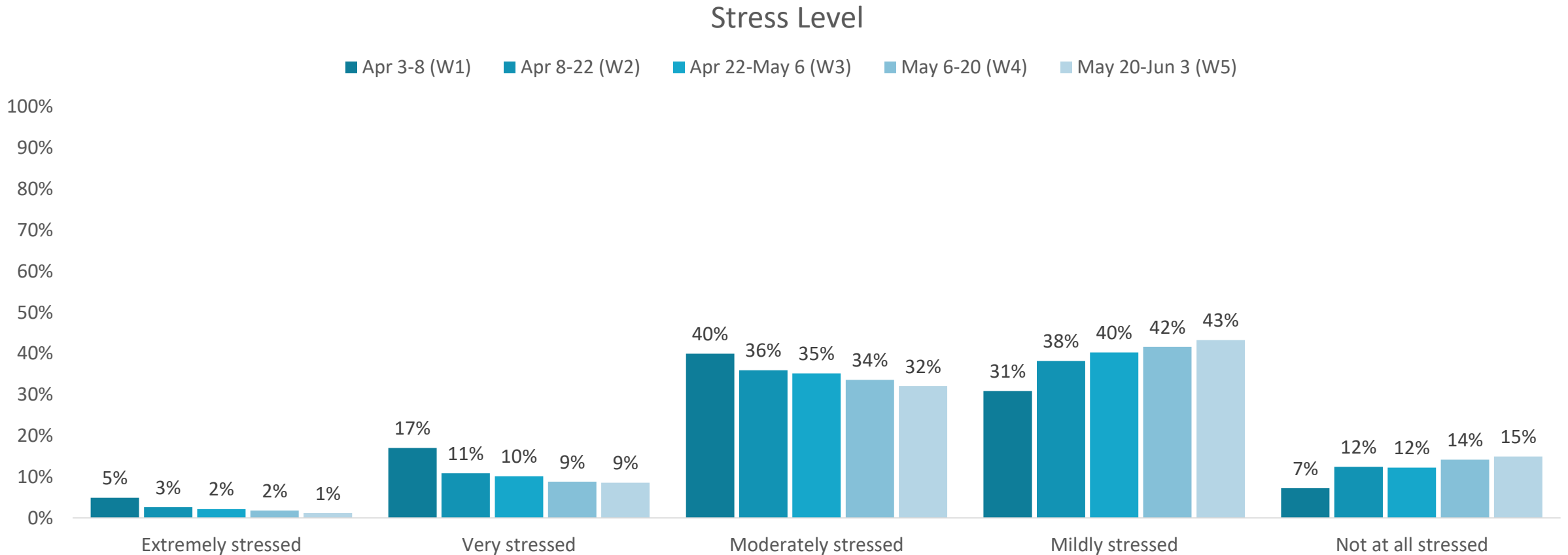
Region



COVID-19 Related Stress Among Vehicle Owners



After three months of emergency measures in Canada, the majority of vehicle owners (85%) still find the COVID-19 situation stressful at some level. Over the span of the lockdown, stress has shifted into milder forms.



Q. How would you rate your level of stress about the overall coronavirus situation?

J.D. POWER

Purchasing a Vehicle during COVID-19 Crisis

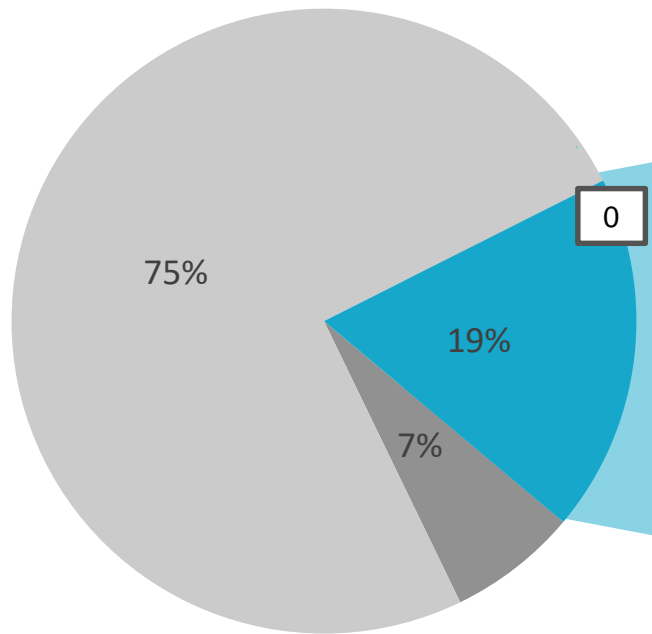
New Vehicle Purchase Deferral Rate



Consistent with earlier waves, the majority of pre-COVID-19 purchase intenders still plan to make their purchase, though compared to mid-May, a larger group are undecided.

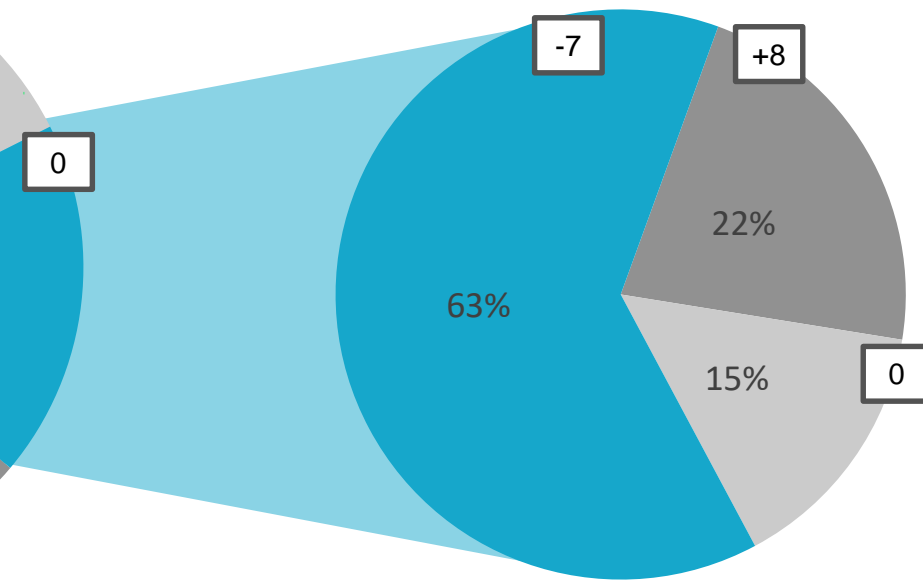
Planned to Purchase Prior to COVID-19?

■ Not sure ■ No ■ Yes



Of those with a prior plan to purchase:
Currently Plan to Purchase?

■ Not sure ■ No ■ Yes



Data is from May 20 to June 3, 2020 (Wave 5)

Q. Had you planned to purchase or lease a new vehicle in next 12 months before the coronavirus situation developed?

Q. Do you plan to purchase or lease a new vehicle in next 12 months?

Data may not sum due to rounding

Percentage point change from previous wave

J.D. POWER

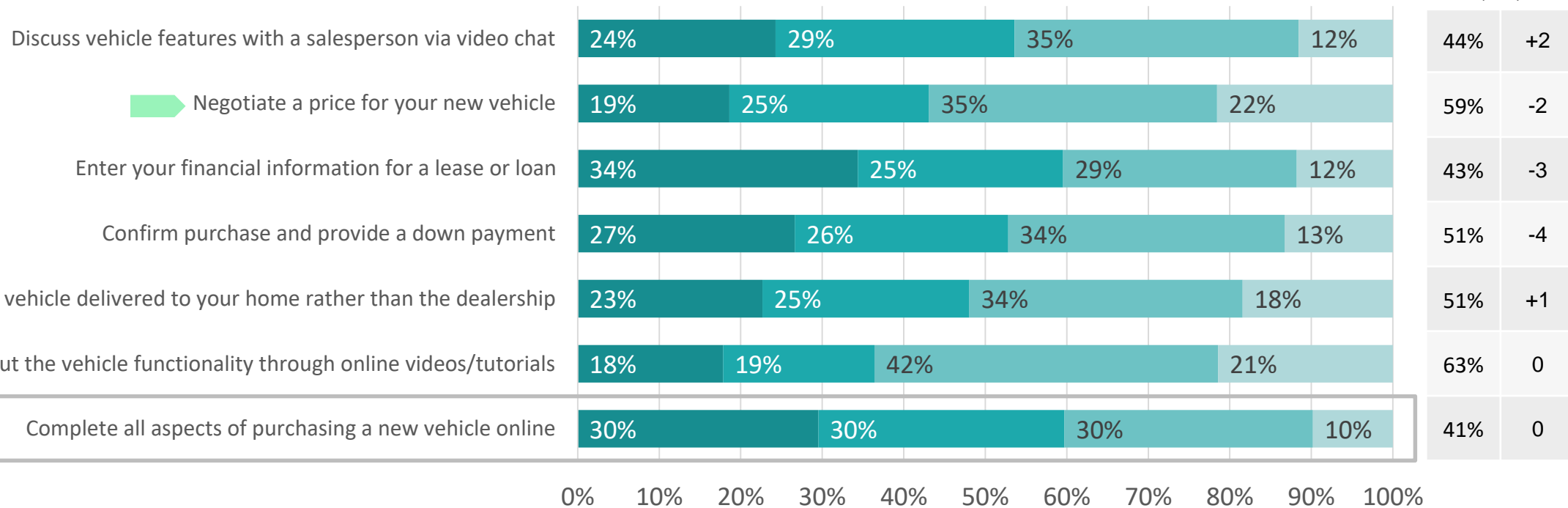
Appetite for Online Vehicle Purchasing

A fully online vehicle purchase remains a polarizing consideration, with little consensus on likelihood to use. As capabilities for fully online purchasing are introduced, a strategy to spur usage outside of the early adopters will be important.

How likely would you be to use the following online options when vehicle shopping?

■ Definitely would not
 ■ Probably would not
 ■ Probably would
 ■ Definitely would

Top 2 Box
May 6-20
(W4)



Data is from May 20 to June 3, 2020 (Wave 5)

More than 50% likely to use online/alternative vehicle shopping options

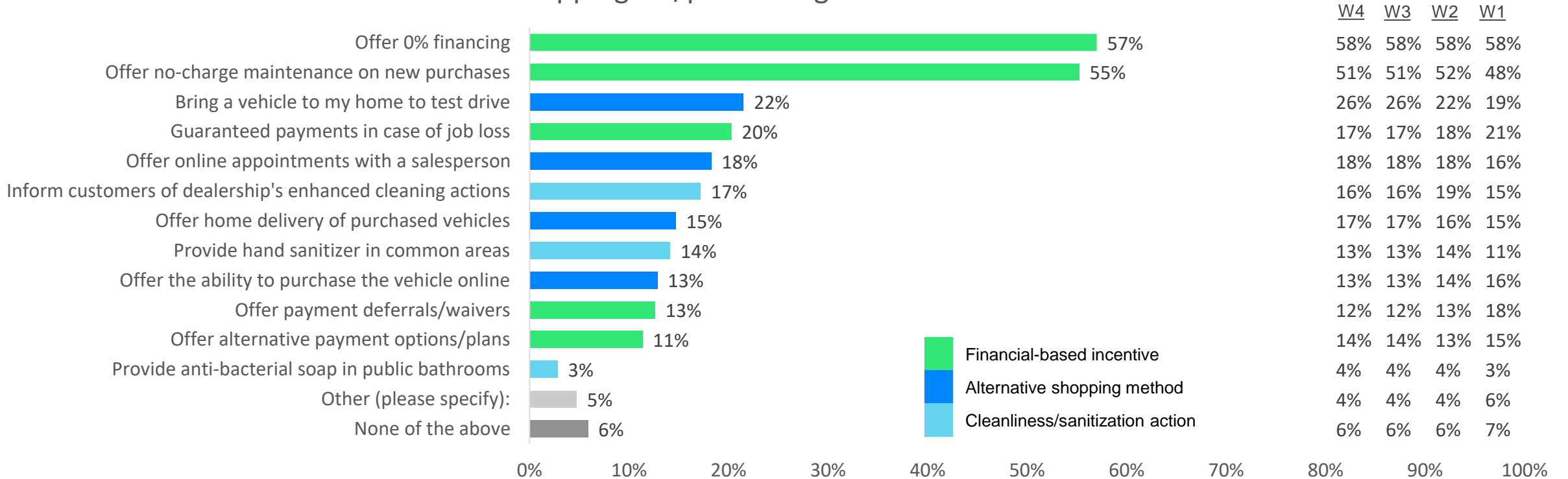
Data may not sum due to rounding

J.D. POWER

Creating a Comfortable Purchase Environment

Despite the rapidly changing nature of the situation, the actions for creating a comfortable purchase environment have remained largely consistent. It's clear that financial-based incentives are important to most vehicle owners.

What are the 3 most important actions that dealerships could take to make you feel more comfortable about shopping for/purchasing a vehicle now or in the near future?



Data is from May 20 to June 3, 2020 (Wave 5)

Wave 1: Apr. 3 – 8; Wave 2: April 8 – 22; Wave 3: April 22 – May 6, 2020; Wave 4: May 6 – 20, 2020

J.D. POWER

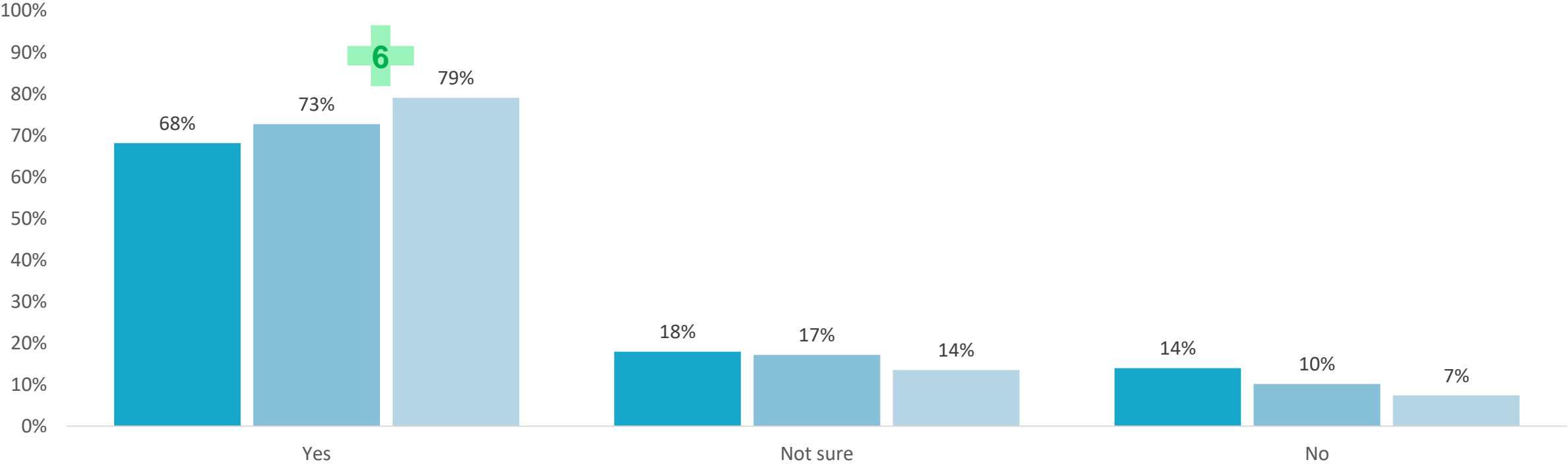
Visiting a Showroom Today



Over the past month, significantly more customers have begun to feel comfortable with the idea of visiting a dealership showroom.

Would you feel comfortable visiting a dealership showroom today if it were open for business?

■ Apr 22-May 6 (W3) ■ May 6-20 (W4) ■ May 20-Jun 3 (W5)



New question beginning in Wave 3



Servicing a Vehicle during COVID-19 Crisis

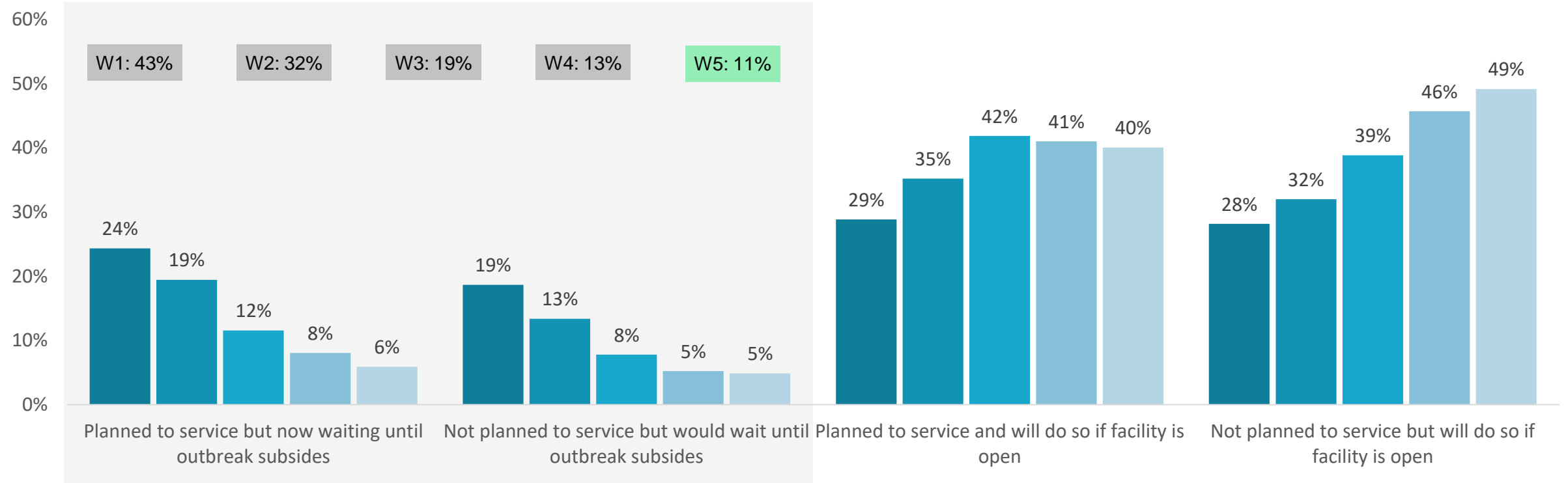
Service Deferral Rate



Fewer and fewer owners will defer needed service work, a consistent improvement from the substantial share who planned to defer work near the beginning of the lockdown.

Which of the following best describes your current situation for servicing your vehicle?

■ Apr. 3-8 (W1) ■ Apr. 8-22 (W2) ■ Apr. 22 - May 6 (W3) ■ May 6-20 (W4) ■ May 20-Jun 3 (W5)



Data may not sum due to rounding

J.D. POWER

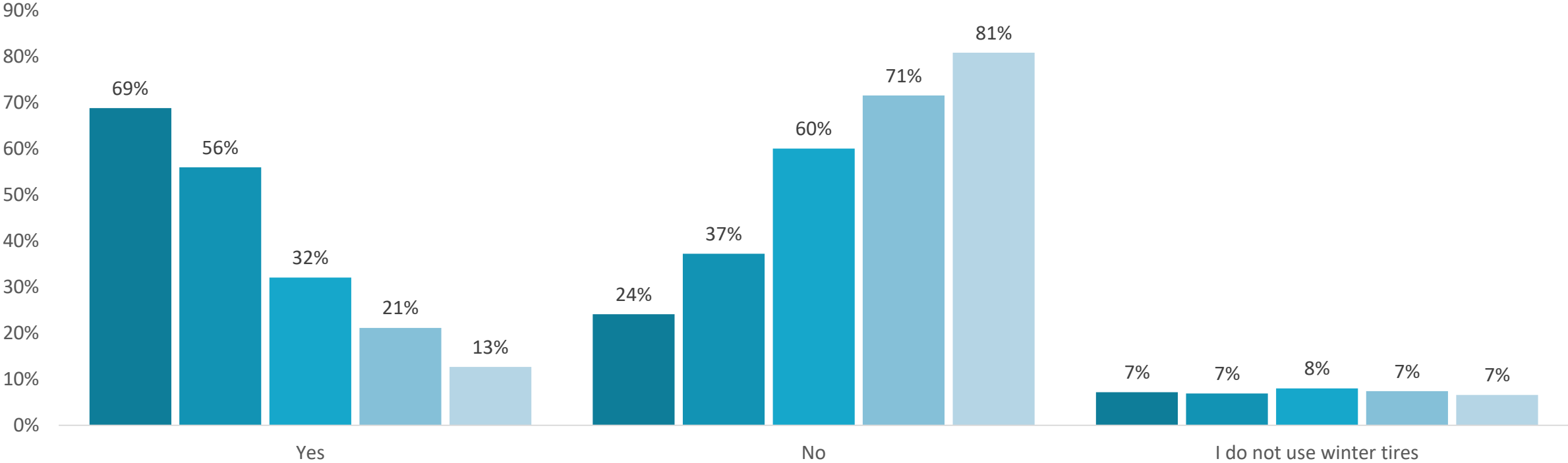
Winter Tire Change-over during COVID-19



Winter tire change-over work continues despite stay-at-home orders, with most now uninstalled for the summer.

Does your vehicle currently have winter tires installed on it?

■ Apr. 3-8 (W1) ■ Apr. 8-22 (W2) ■ Apr. 22 - May 6 (W3) ■ May 6-20 (W4) ■ May 20-Jun 3 (W5)

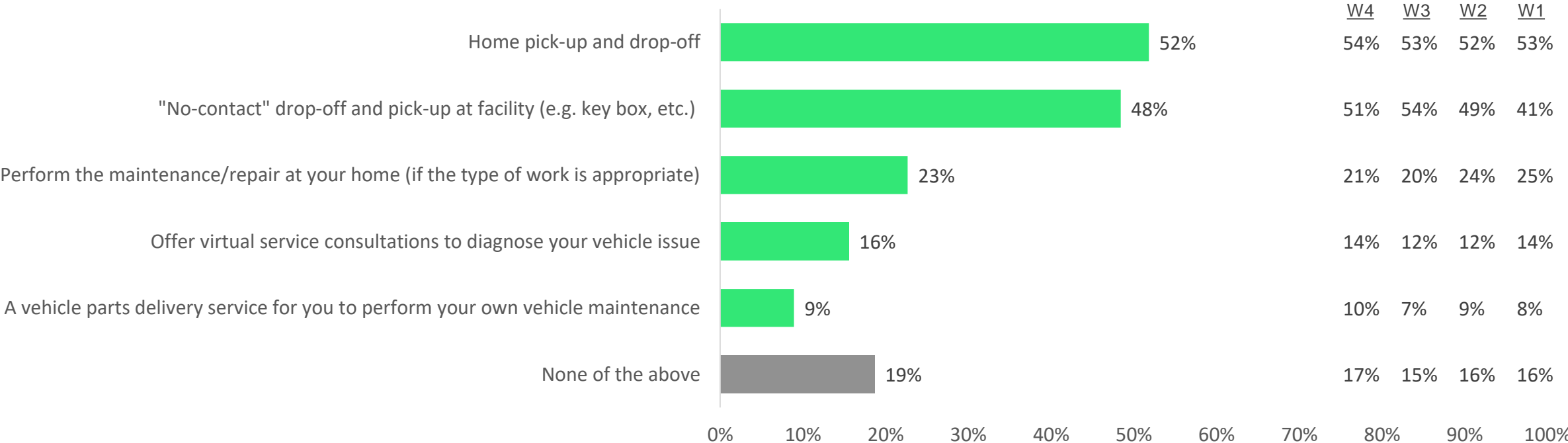


Alternative Vehicle Servicing Approaches



While “contactless” approaches to getting a vehicle in for service consistently show the strongest likelihood of use, throughout the past 8 weeks, close to 1 in 5 would not use any alternative approaches.

If your dealership/service facility were to offer service in one of the following ways, would you feel comfortable servicing your vehicle? Select all you'd be likely to use if offered.



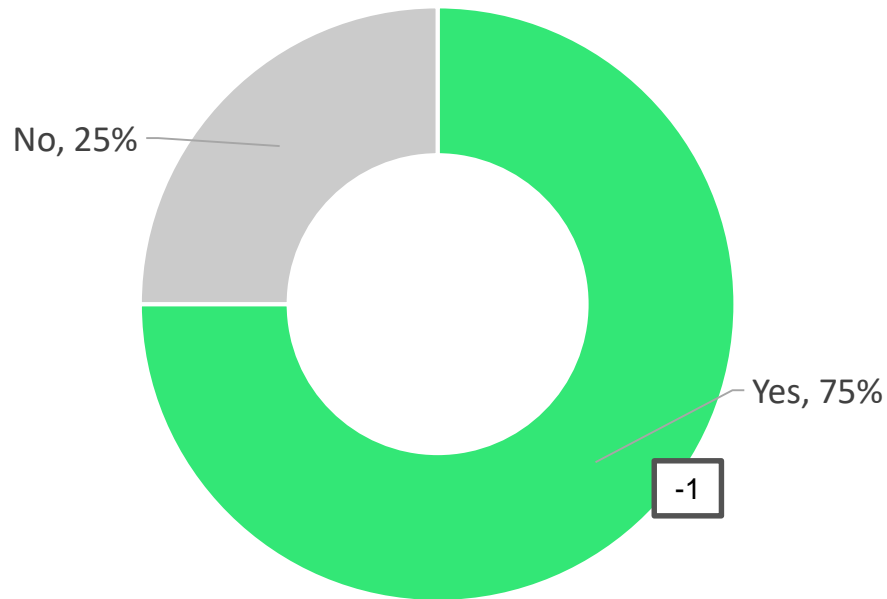
Data is from May 20 to June 3, 2020 (Wave 5)
 Wave 1: Apr. 3 – 8; Wave 2: April 8 – 22; Wave 3: April 22 – May 6, 2020; Wave 4: May 6 – 20, 2020



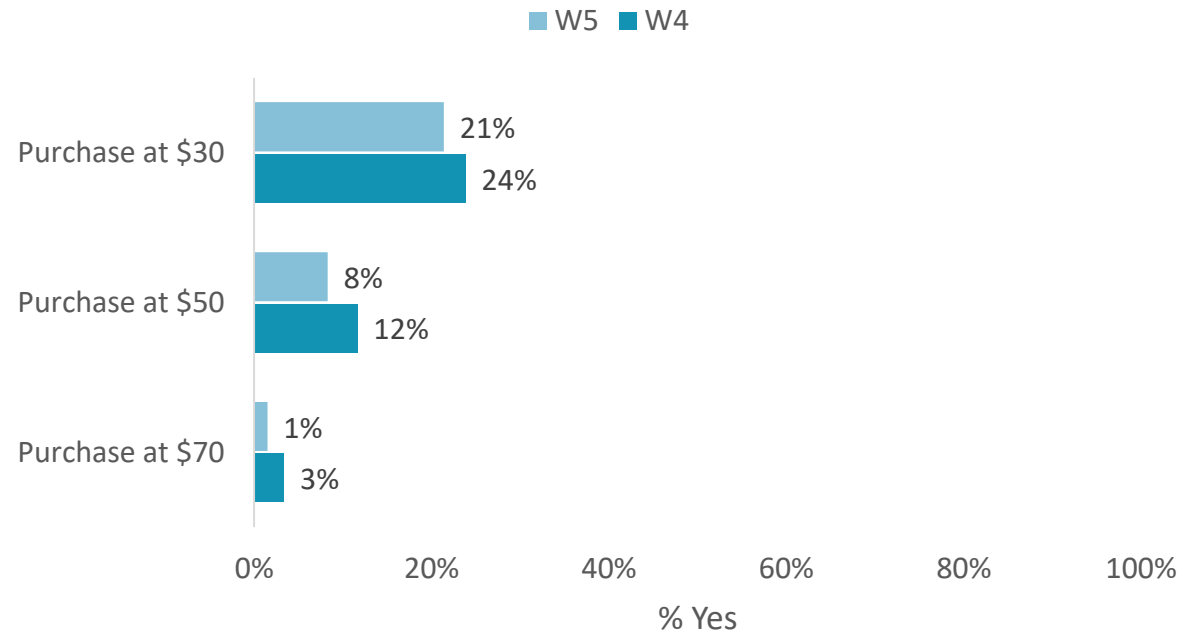
Purchase Intent: At-Home Vehicle Pick-up/Drop-off for Service

Willingness to purchase vehicle pick-up and drop-off for service appointments is low, despite the majority showing interest in the concept.

Interest in contactless vehicle pick-up/drop-off
(at facility or at customer's home)



For your next service visit, would you purchase contactless vehicle pick-up and drop-off at your home?



Based to all vehicle owners

Data is from May 20 to June 3, 2020 (Wave 5)

For your next service visit, would you purchase contactless vehicle pick-up and drop-off at your home? (New question in Wave 4)

Percentage point change from previous wave

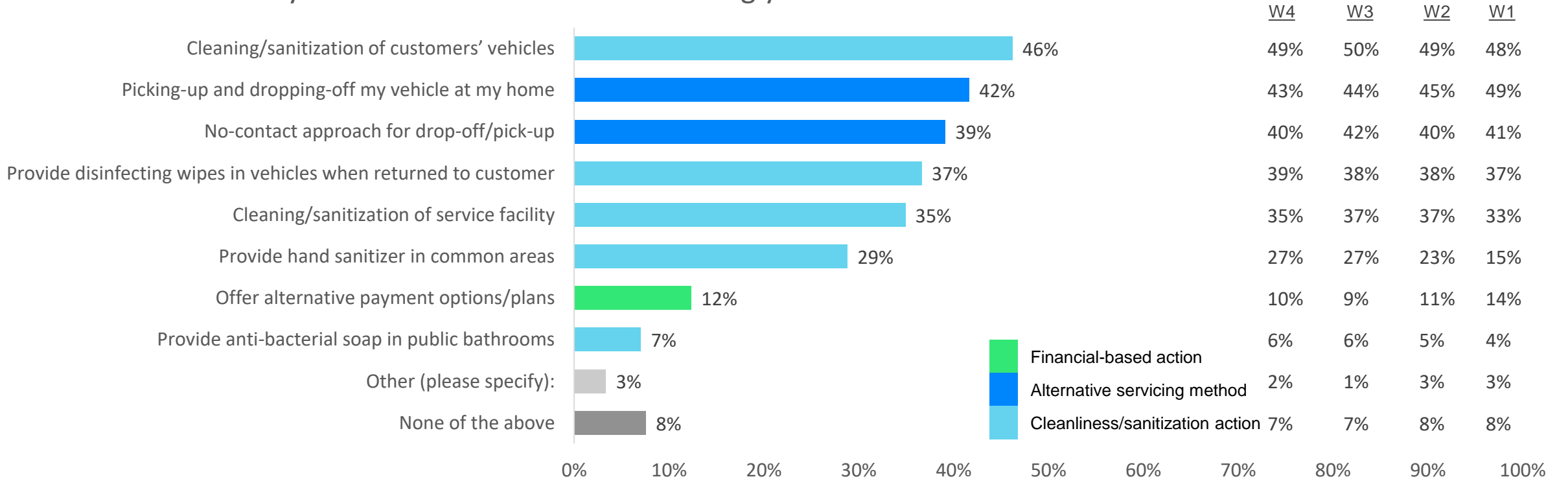
J.D. POWER

Creating a Comfortable Service Environment



Following the guidelines of our public health authorities is critical, and it's clear customers are looking for their vehicle to be cleaned and little contact required around pick-up/drop-off.

What are the 3 most important actions that dealerships/service facilities could take to make you feel more comfortable servicing your vehicle now or in the near future?



Data is from May 20 to June 3, 2020 (Wave 5)
 Wave 1: Apr. 3 – 8; Wave 2: April 8 – 22; Wave 3: April 22 – May 6, 2020; Wave 4: May 6 – 20, 2020

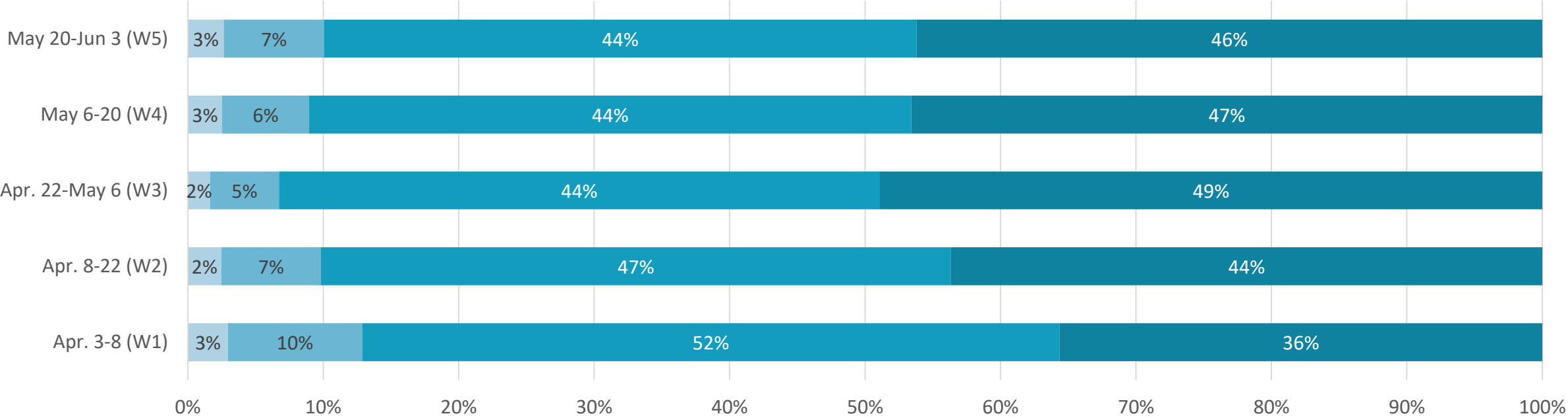
Vehicle Owner Needs Fulfillment Confidence



Owners continue to be largely confident in their needs being met by their dealership or service facility while we face the crisis.

How confident are you in the ability of your dealership/service facility to meet your evolving needs during this time of uncertainty?

Not confident at all Not very confident Partially confident Extremely confident

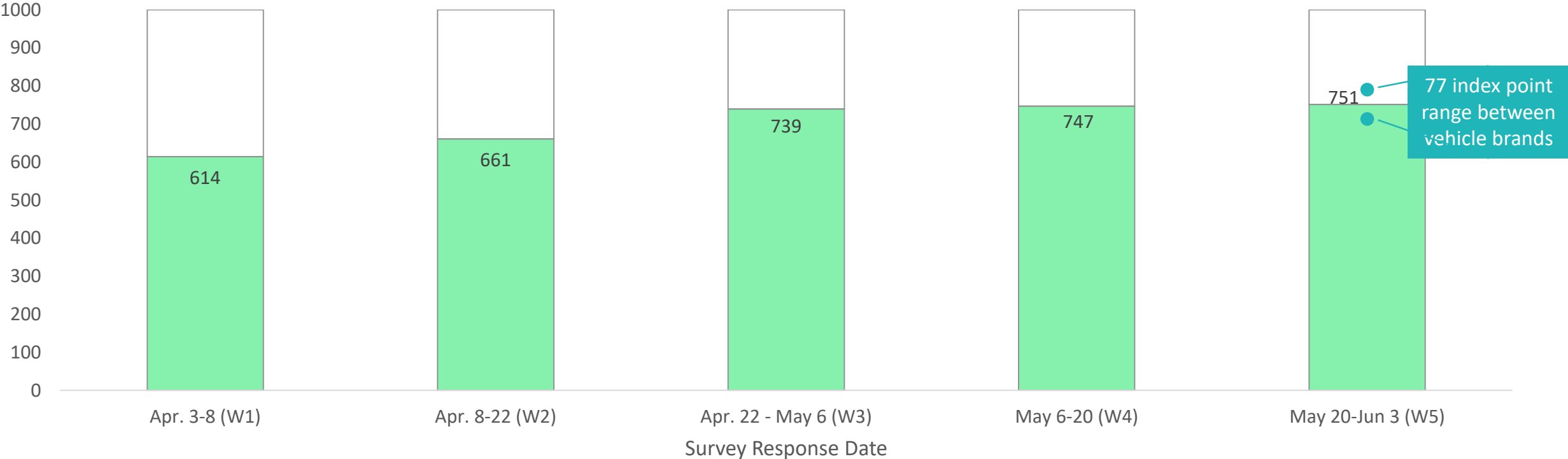


Vehicle Ownership Confidence Index



Owner confidence remains steady as service deferrals level out at low rate.

Vehicle Owner Confidence Index



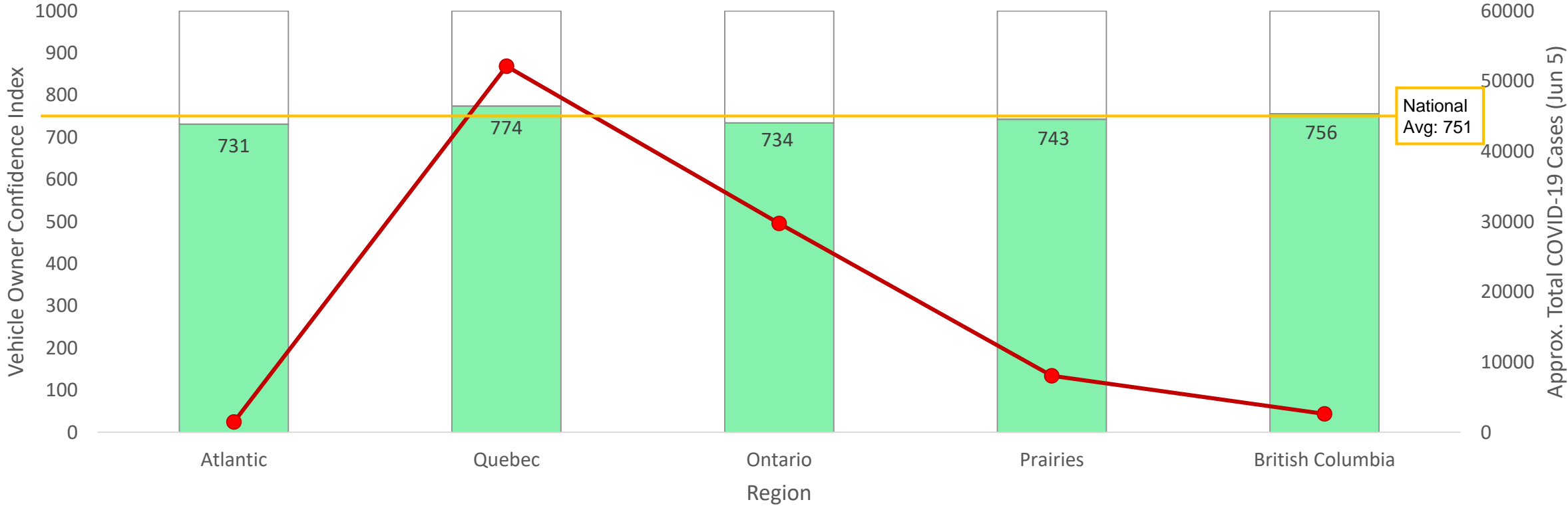
Vehicle Owner Confidence Index takes into account whether respondents will defer a purchase, service or both, along with their level of confidence in their needs being met during this time of uncertainty.

Vehicle Owner Confidence by Region



Despite very different numbers of COVID-19 cases across regions, confidence is not necessarily lower in areas with more cases.

Vehicle Owner Confidence Index



Vehicle Owner Confidence Index takes into account whether respondents will defer a purchase, service or both, along with their level of confidence in their needs being met during this time of uncertainty.

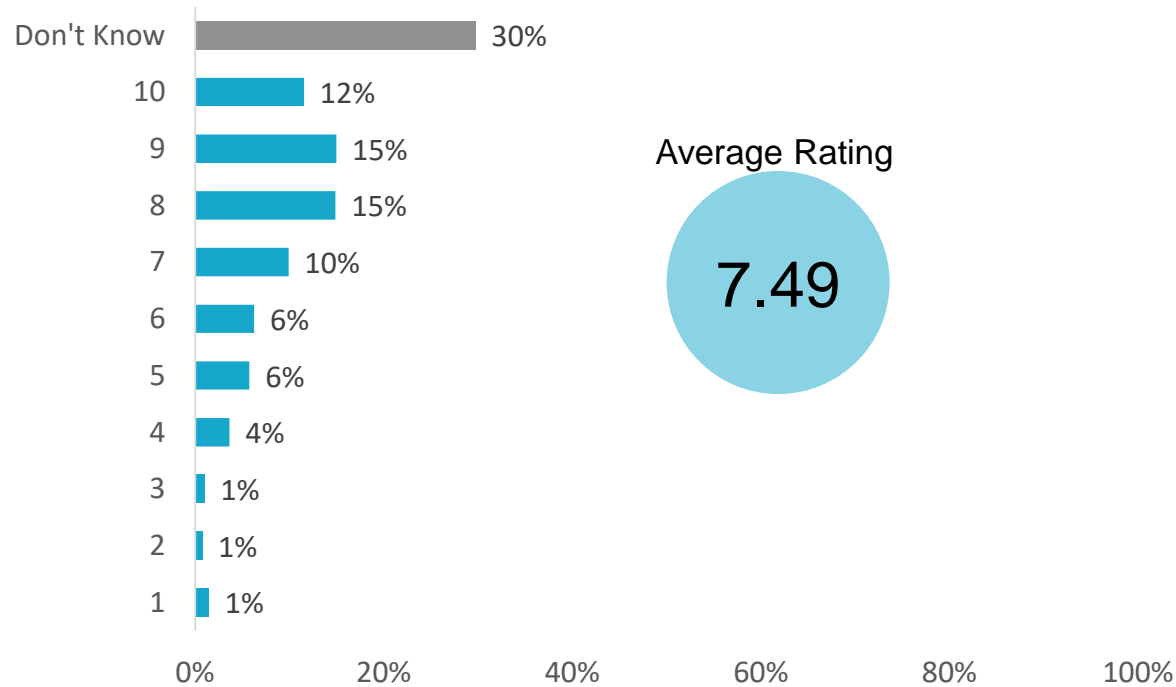


OEM Response to COVID-19

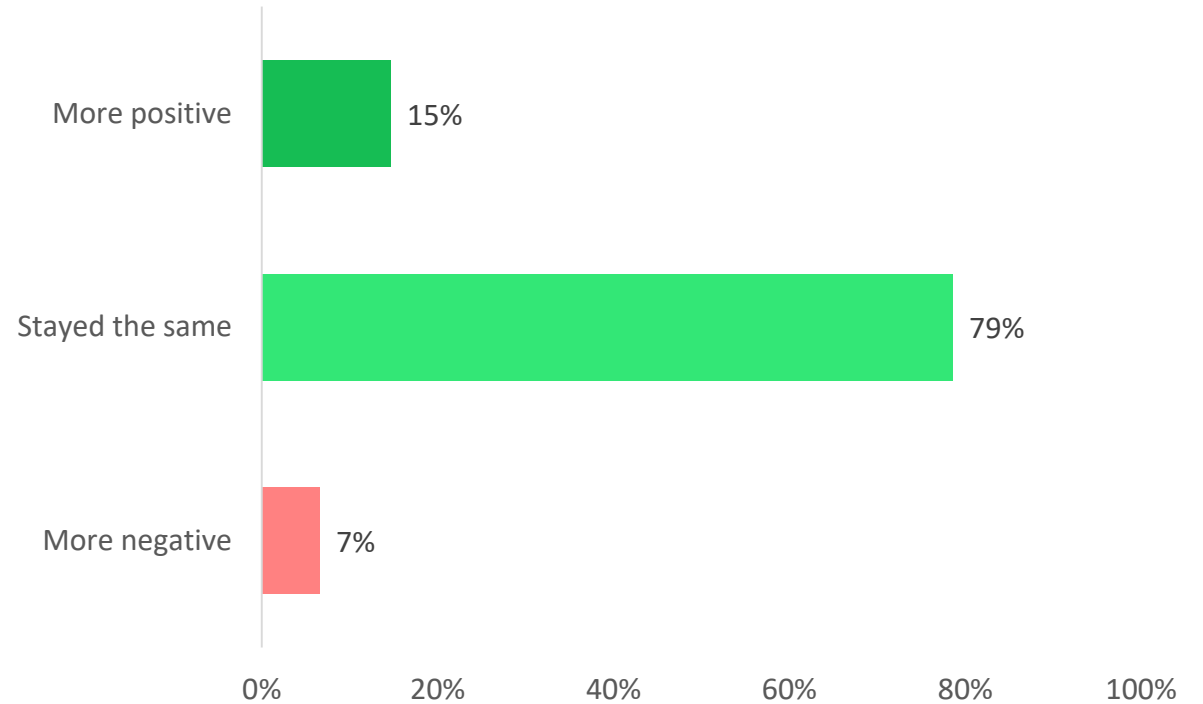


There's still an opportunity to reach a larger group of vehicle owners who are don't know enough about their brand's response to the pandemic. Efforts made by OEMs continue to have a largely neutral impact on brand impressions.

Rating of [BRAND]'s response to the coronavirus (COVID-19) outbreak



Change in impression of vehicle brand owned due to brand's response to COVID-19



Data is from May 20 to June 3, 2020 (Wave 5)

Q. How would you rate [BRAND]'s response to the coronavirus (COVID-19) outbreak using a 1 to 10 scale, where 1 is Unacceptable, 4 is Average, 7 is Outstanding, and 10 is Truly Exceptional?

Q. How has the response from [BRAND] to the coronavirus (COVID-19) outbreak changed your impression of them?
Based to those who provided a rating in prior question in left chart

J.D. POWER

Recommended Actions

Customer Expectations from Dealerships

Q. How can your dealership or service facility best support you during the evolving COVID-19 situation?

Follow the appropriate health regulations

“Adopt and maintain long-term a thorough and effective strategy for minimizing infection transmission.”

“Train the staff on changing their behaviour so as to minimize the risk of transmitting COVID to customers. Also encourage their staff to stay home or get tested if they have symptoms.”

“Follow the public health guidelines for cleaning and distancing at dealership. Sanitize my vehicle before to protect employees and the after the service was done to protect me.”

Communicate transparently about dealership protocols

“Keep communicating, demonstrate safety procedures”

“Implement the strategy and follow it and communicate it to clients. Stores at the moment seem to be random and disorganized about customer access and in general...”

“Limit my need to leave my home while not taking advantage. Everything has increased costs these days in order to support contactless and while that is understandable the number of hidden charges present makes it unpalatable. Be transparent about how much it costs to provide a service and don't bury it in line items.”

Don't forget about customer experience

“I know that they can not supply a vehicle when my is getting fixed at this time, even the waiting room is off limits, but at least put some chairs outside so they can sit down and wait, this is over 1 hour long waiting outside standing around.”

“Just continue to provide good reliable service...this COVID situation should not result in loss of good professional service even though we have to wait longer for appointments.”

Be open for business

“...During COVID it has been extremely frustrating getting through; not receiving call backs when leaving message; and then having to go through discussion of when those services are available.”

“by staying open for service and repairs and providing the information either by email or/and their website”

“Stay open. Provide service that allows me to have my vehicle serviced while employees are safe.”

Open-end responses

J.D. POWER

Customer Expectations from Manufacturers

Q. How can your vehicle manufacturer best support you during the evolving COVID-19 situation?

Financial support

“Defer lease payments on my vehicle until the end of the declared lock down.”

“Penalty free deferral for people who need it. Not limited to 3 months. Possibility to walk away from a lease without penalty if job loss happens.”

“Provide incentives for purchasing of new vehicles, 0% financing if chosen and very good deals to help keep economy moving.”

“Contact for payment assistance.”

Communicate transparently

“Be transparent with what they are doing to protect their employees.”

“Show leadership in their approach to COVID-19 and how it can relate to their vehicle owners.”

“Proactive communications of issues and procedures on vehicle service, both at the network and my dealer level.”

Service schedule adjustments

“Understand that regular scheduled maintenance may not happen on time. Some vehicles are not being driven much and the mileage is not anywhere near where recommended service is required.”

“My car is not used often during this emergency. Manufacturers should make allowances in their warranty service interval requirements to allow for longer time between mandatory service visits.”

Digital offerings

“Continue to improve online interactions and offer more virtual shopping experiences.”

“Deal direct with me mostly in an online experience. I have no use for the dealership “sales” process, and will only go to the dealership to view a vehicle, get the payment/financing explained, and take delivery of the vehicle.”

“Adding on-line arrangements for service appointments. I believe that at present one has to phone.”

Customer Experience Recommendations

Customer Experience Program Recommendations

- Continue collecting customer feedback to determine whether changes to sales and service operations are making an impact and how those changes can be improved (e.g., digital sales, service valet, etc.).
- Consider adding an open-end question to capture verbatims on how the dealer is responding to the pandemic.
- Evaluate the measurement system to ensure that the survey metrics are still applicable (e.g., minimal/no traffic in the service waiting area).

Communication to Customers

- OEMs should provide guidance and structure to dealers on what to communicate with their customers (examples: alternate transportation options, remote payment options available, etc.).
- To cut through the clutter, messaging should emphasize key, meaningful tactics and/or points (versus a general letter from the CEO).
- The communication should come directly from the dealership as a personalized, concise message to keep customers informed.

Tactical Improvements

- Heavy focus on digital leads and the digital experience.
- Expand service valet offerings (i.e., vehicle pick-up/drop-off at customer's home) to mitigate the need for customers to physically visit the dealership for maintenance or repair.
- Emphasize the care taken with cleaning the vehicle interior post service.
- Make customers aware of remote or online payment options minimizing in-person required activities.

Thank you!

Please feel free to reach out with questions or suggestions for future waves:

J.D. Ney – jd.ney@jdpa.com

Virginia Connell – virginia.connell@jdpa.com