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J.D. POWER

2020 Canada COVID-19 Vehicle Owner Pulse

Wave 6 – June 3rd to July 1st, 2020

Agenda



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- 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

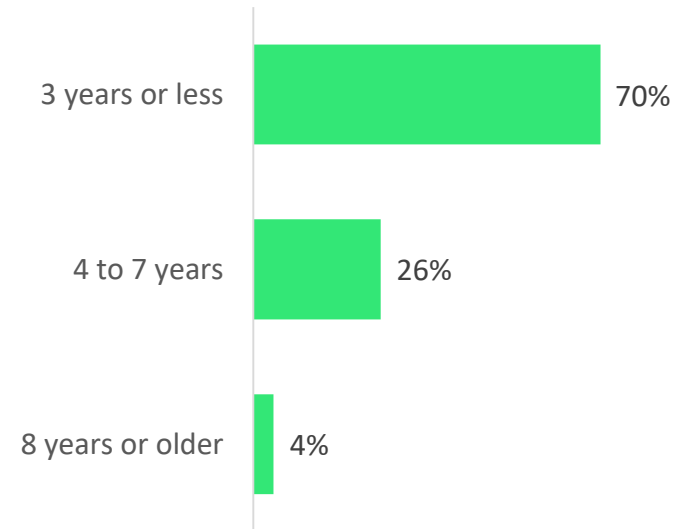
Study Overview

- 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

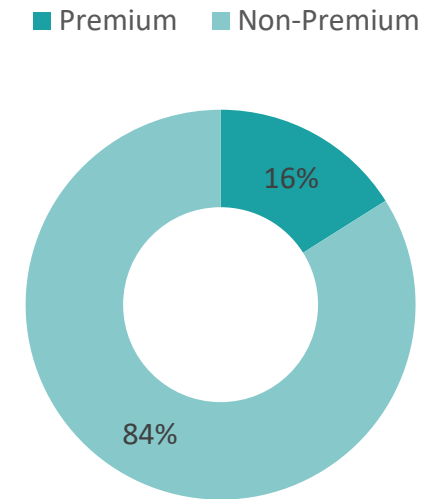
Wave 6

- Total responses collected = 1,454
- Responses for Wave 6 collected between June 3rd and July 1, 2020, with additional e-mail invites deployed on June 26th

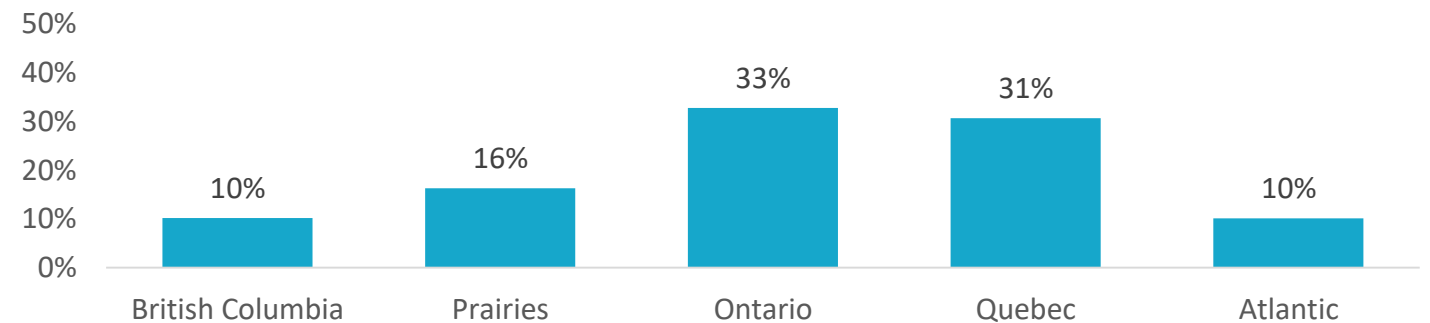
Vehicle Age



Vehicle Class



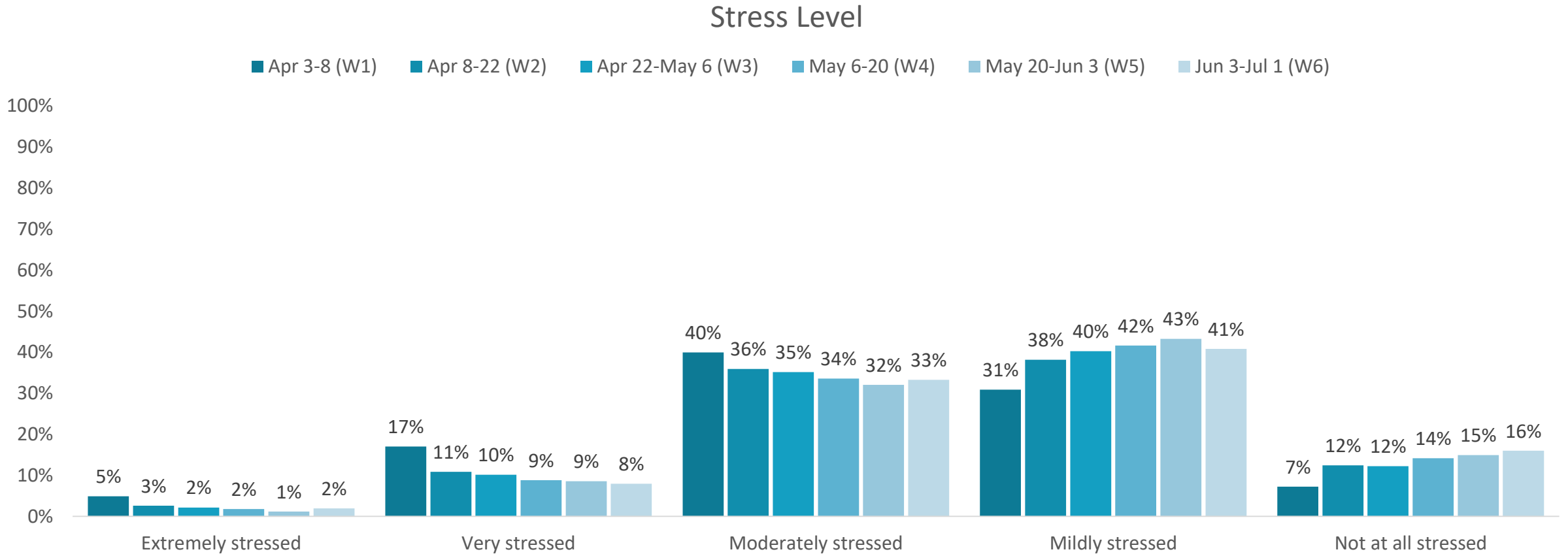
Region



COVID-19 Related Stress Among Vehicle Owners



Now in our fourth month of disruption, stress with the situation remains present and exhibited most prominently in mild to moderate forms.



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

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Purchasing a Vehicle during COVID-19 Crisis

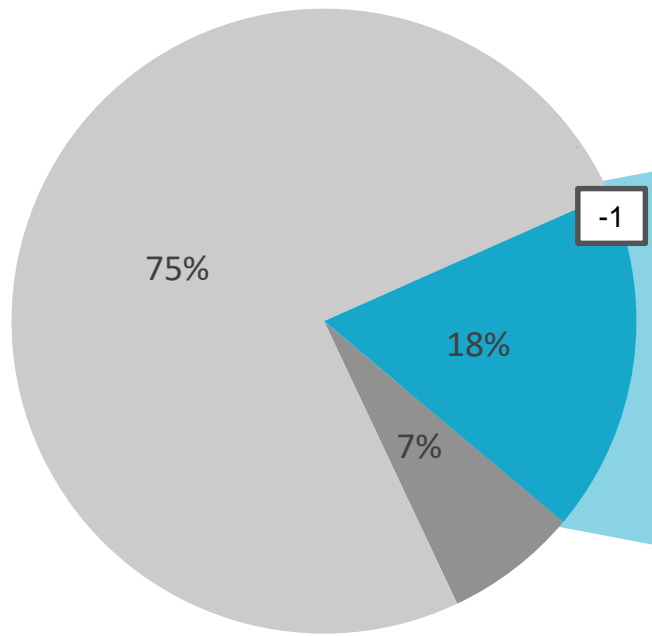
New Vehicle Purchase Deferral Rate



The majority of pre-COVID-19 purchase intenders still plan to make their purchase, which has consistently hovered around the two-thirds mark since Wave 1 in at the beginning of April.

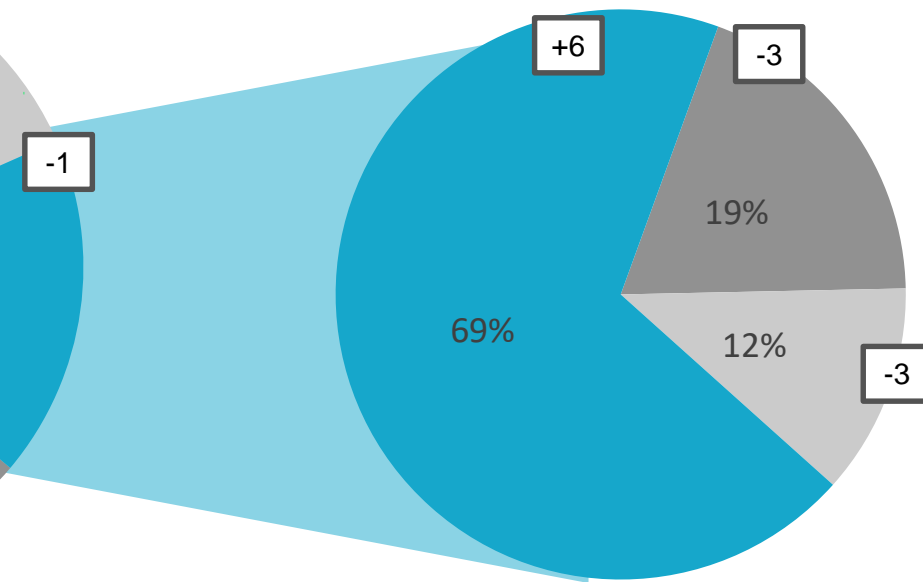
Planned to Purchase Prior to COVID-19?

■ Not sure ■ No ■ Yes



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

■ Not sure ■ No ■ Yes



Data is from June 3 to July 1, 2020 (Wave 6)

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

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Appetite for Online Vehicle Purchasing

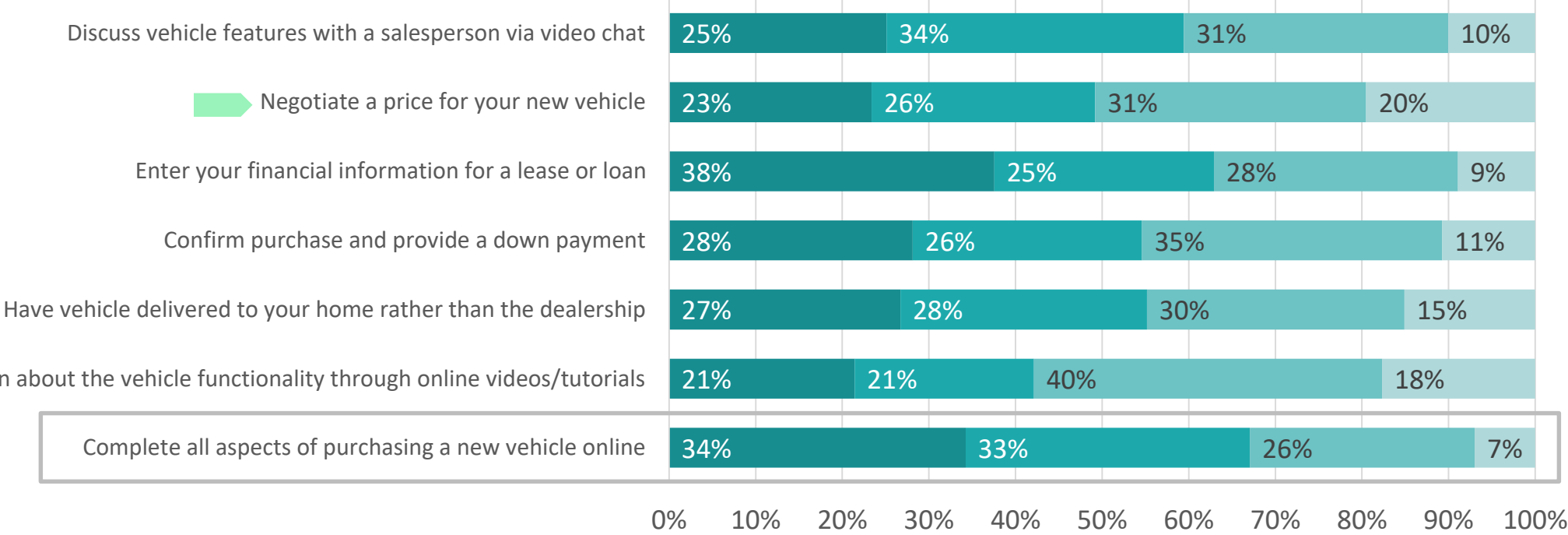


Significant declines in likelihood to use for all purchase process steps except confirming purchase/providing down payment online.

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 20-Jun 3
(W5)



Data is from June 3 to July 1, 2020 (Wave 6)

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

Data may not sum due to rounding

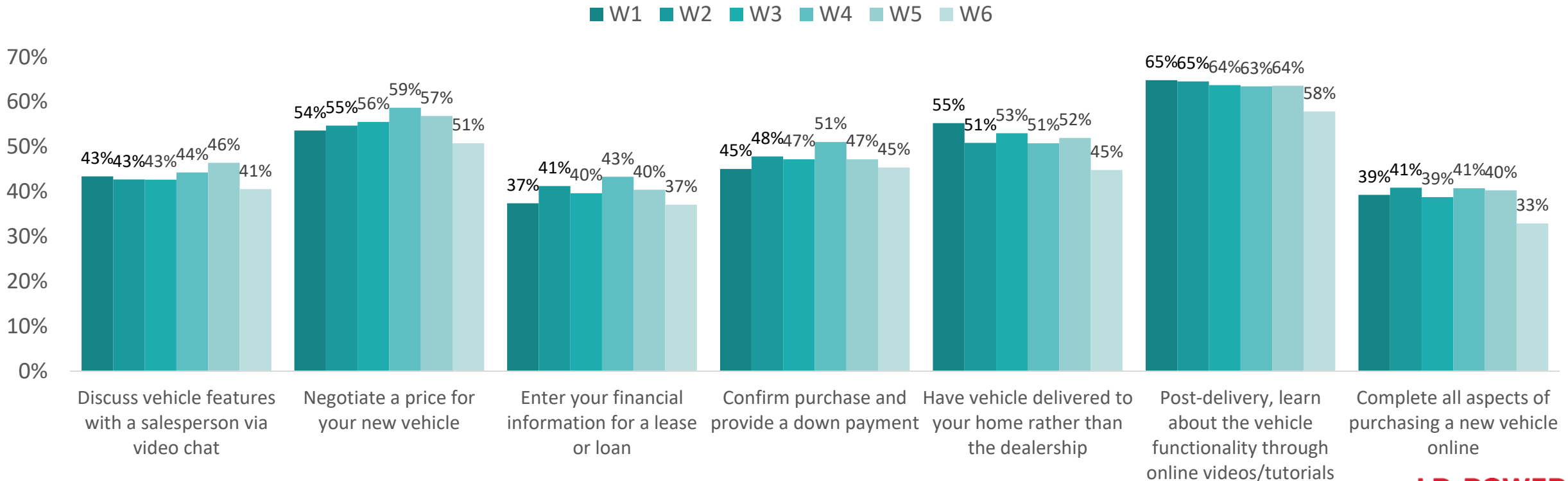


Appetite for Online Vehicle Purchasing - Trend



At-home options for vehicle delivery and the completion of a full purchase online see the lowest levels of likelihood of use since the pandemic began.

How likely would you be to use the following online options when vehicle shopping?
(% Top 2 Box – Probably would or Definitely would)



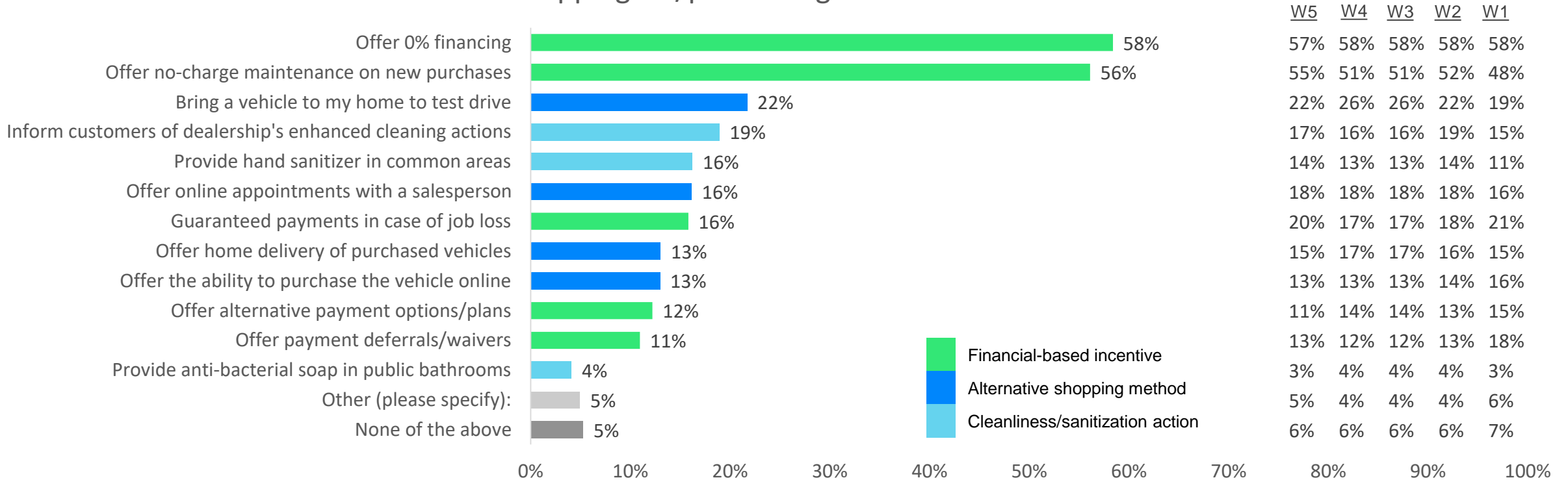
Wave 1: Apr. 3 – 8; Wave 2: April 8 – 22; Wave 3: April 22 – May 6; Wave 4: May 6 – 20; Wave 5: May 20 – June 3; Wave 6: Jun 3 – Jul 1

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Creating a Comfortable Purchase Environment

For the past two waves, offering no-charge maintenance packages on new purchases has been on par with 0% financing as an action of top importance, where in prior waves, 0% financing was of higher importance.

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 June 3 to July 1, 2020 (Wave 6)

Wave 1: Apr. 3 – 8; Wave 2: April 8 – 22; Wave 3: April 22 – May 6, 2020; Wave 4: May 6 – 20, 2020; Wave 5: May 20 – June 3

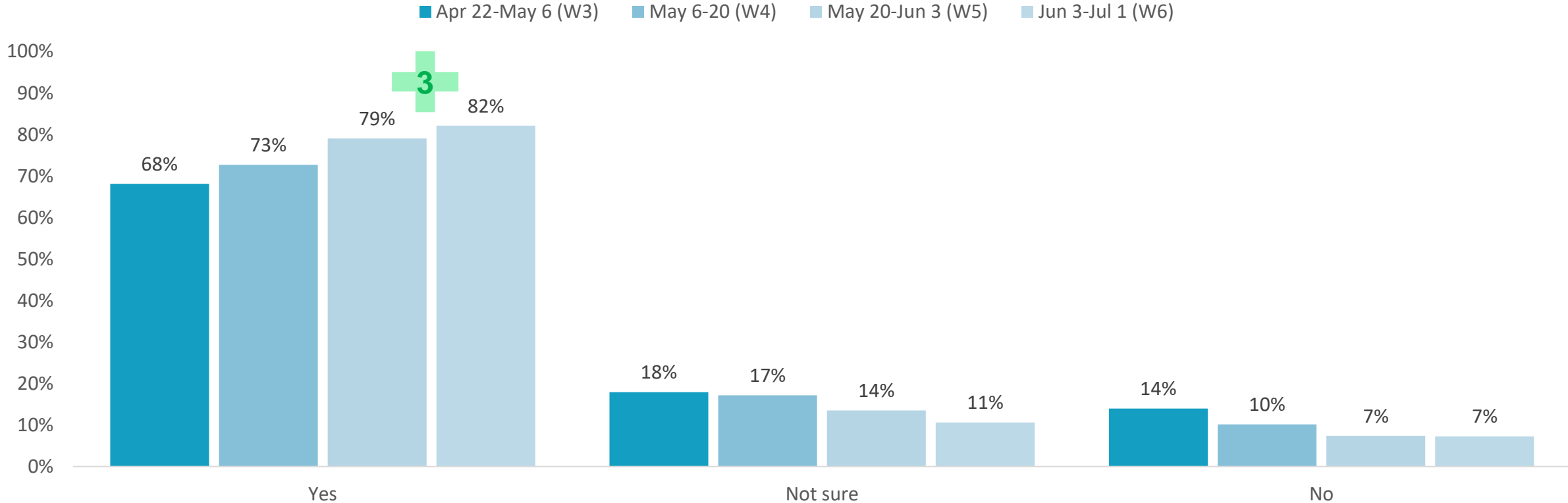
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Visiting a Showroom Today



Compared to the end of May, June sees a significant increase in customers feeling comfortable visiting a showroom today, as the country continues to enter new phases of loosened restrictions.

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



New question beginning in Wave 3



Reasons for Lack of Comfort with a Showroom Visit

Q. For what reasons are you not comfortable visiting a dealership showroom today?

Dependent on health and safety measures in place

COVID-19, in general

It's unnecessary trip / possibility for exposure

Lack of trust in executing health and safety measures

"I do not know how many other customers would be there re physical distancing and also dealership protocol re cleaning public areas"

"Would need to know what safety steps they have taken re COVID-19"

"all depends how they are set up for social distancing and sanitizing all touch points in and out of the vehicle"

"too soon in the covid19 course of events and too many people don't seem to take the situation seriously enough"

"It would depend on local pandemic conditions and rates of infection."

"because of the uncertainty of the current situation"

"I am not comfortable going to places that are not essential at this time."

"Unnecessary interaction with other people, not worth the extra COVID risk."

"Do not consider this trip to be essential given the current pandemic."

"I just took my car for an oil change at my local dealership and not one person in the dealership was wearing a mask other than myself. If you are a service industry representative and are dealing with customers on a daily basis, you should be wearing a mask."

"Their expertise is with vehicles, not control of viruses."

"Went in for software update a month ago, didn't seem like COVID was even a concern"

"We are afraid all the precautions are just lip service."

Open-end responses

New question in Wave 6, based to those answering "no" or "not sure" on previous slide's question "Would you feel comfortable visiting a dealership showroom today if it were open for business?"

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Servicing a Vehicle during COVID-19 Crisis

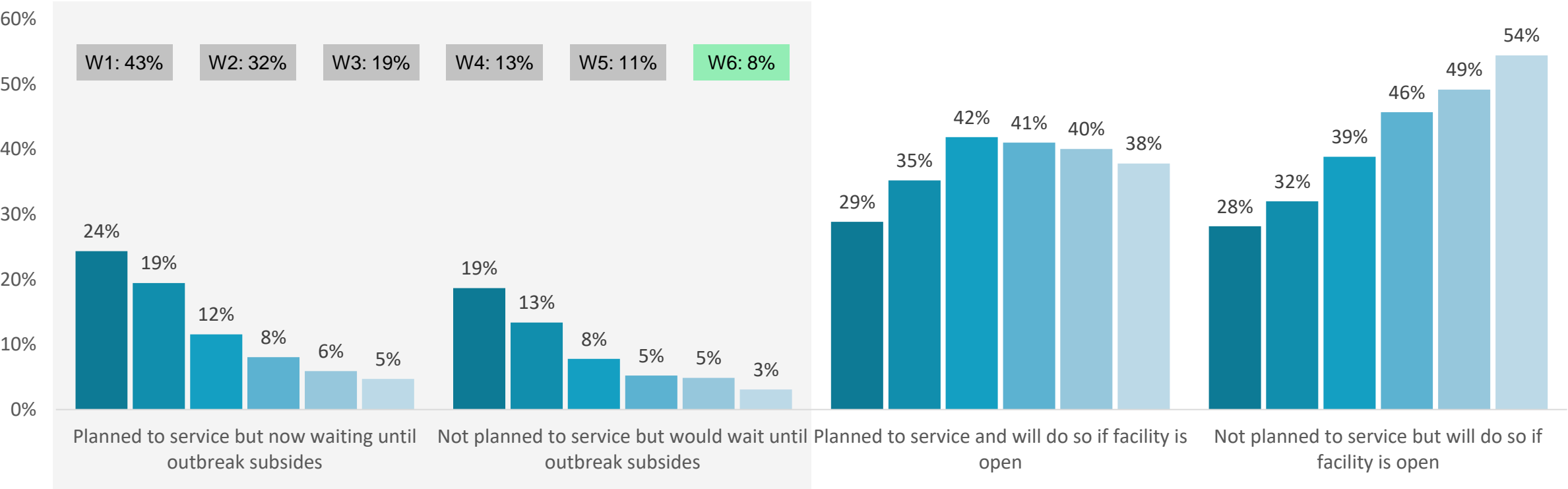
Service Deferral Rate



Following the trend seen in each prior wave, now fewer than 1 in 10 vehicle owners would defer needed service work to a later time.

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) ■ Jun 3-Jul 1 (W6)



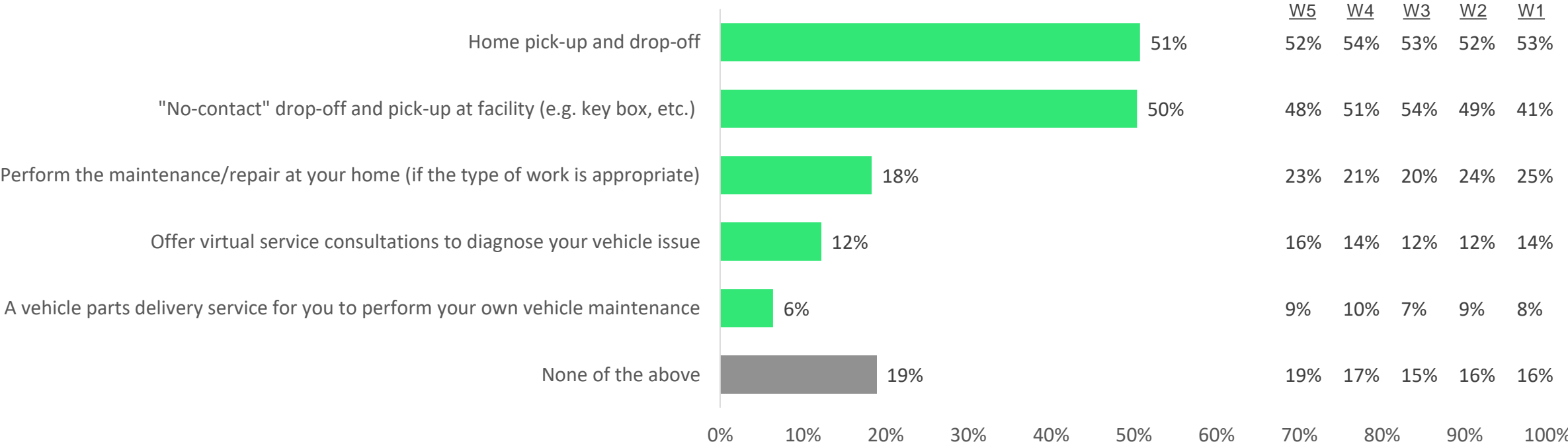
Data may not sum due to rounding

Alternative Vehicle Servicing Approaches



Dealerships would be remiss to not have a “contactless” approach to getting a vehicle in for service on offer, as half of vehicle owners are likely to use one of these 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.



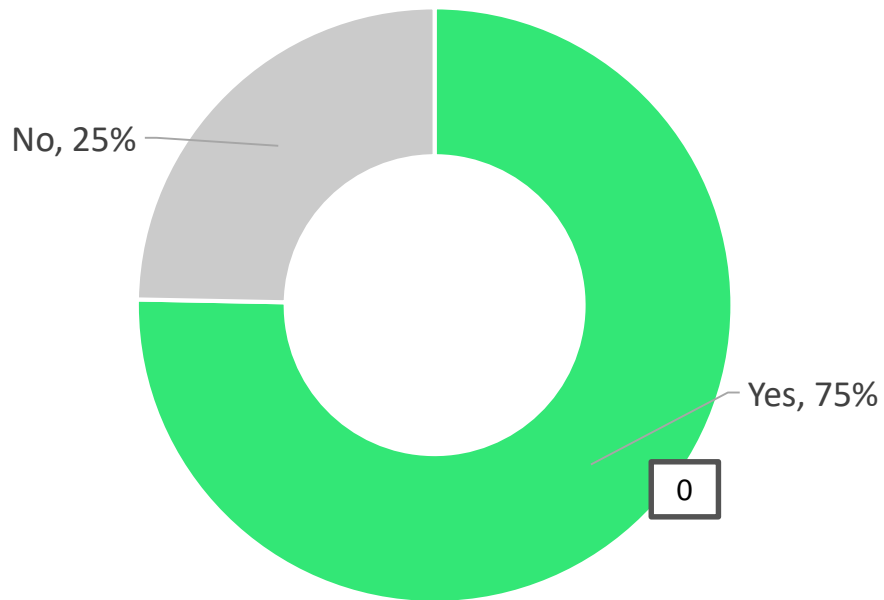
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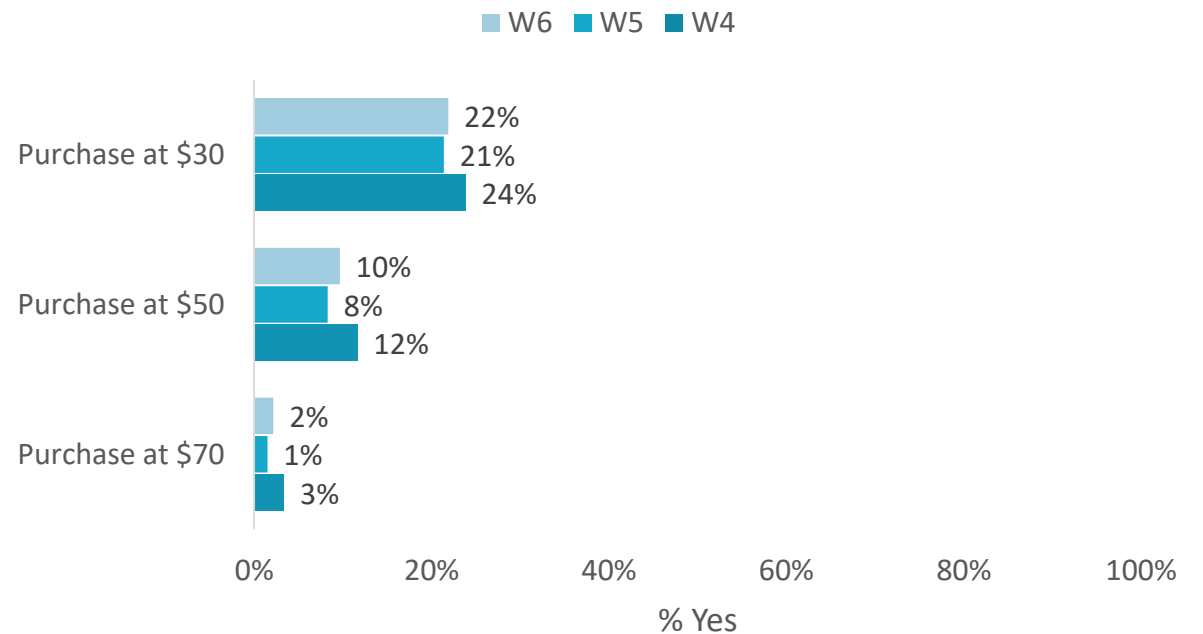
Purchase Intent: At-Home Vehicle Pick-up/Drop-off for Service

Introducing a fee for at-home vehicle pick-up/drop-off would lower the number of customers likely to make use of the service, but 1 in 5 willing to pay \$30 far exceeds any usage of this type of service prior to the pandemic.

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 June 3 to July 1, 2020 (Wave 6)

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

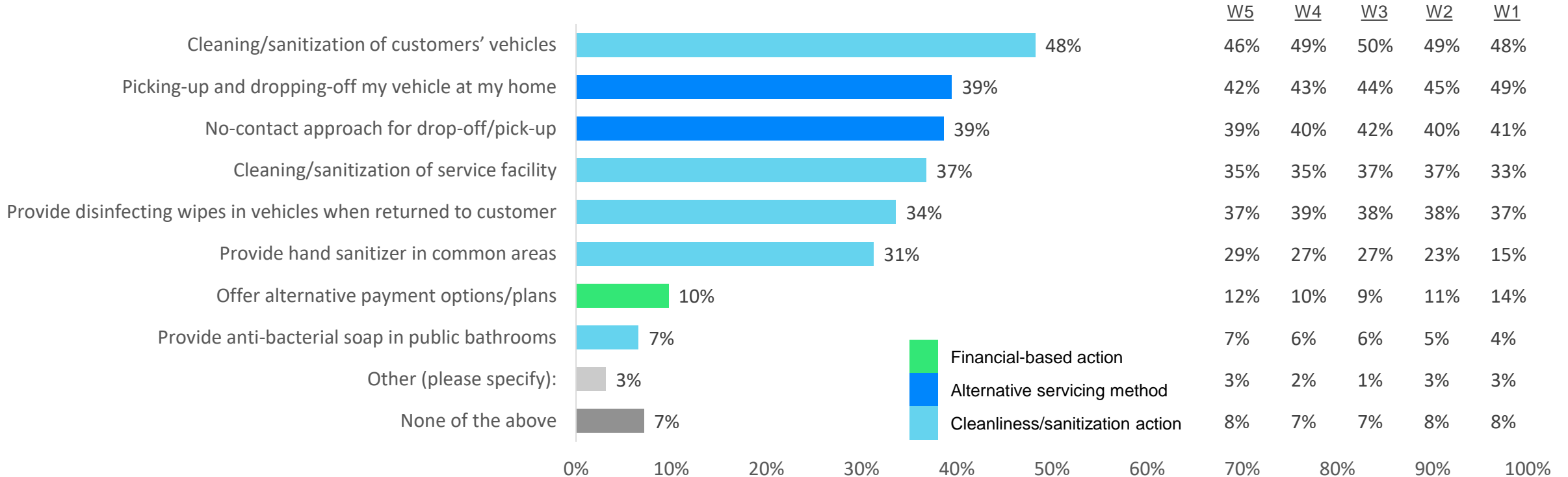
Percentage point change from previous wave

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Creating a Comfortable Service Environment

Throughout the pandemic, a thoroughly sanitized vehicle returned after service has been of top importance for vehicle owners. Providing hand sanitizer as an important action has doubled since April.

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?



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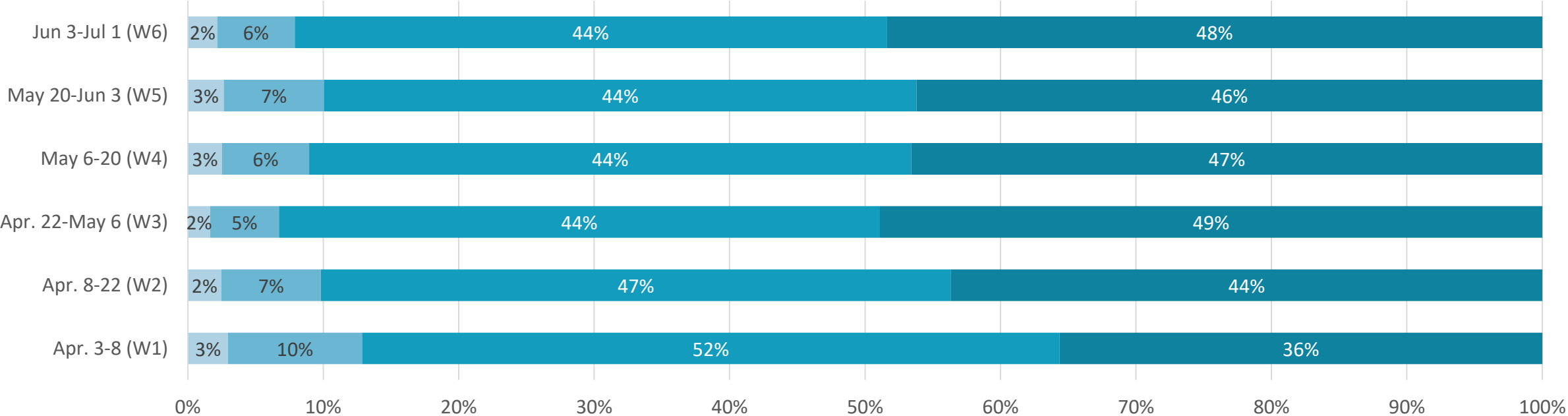
Vehicle Owner Needs Fulfillment Confidence



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

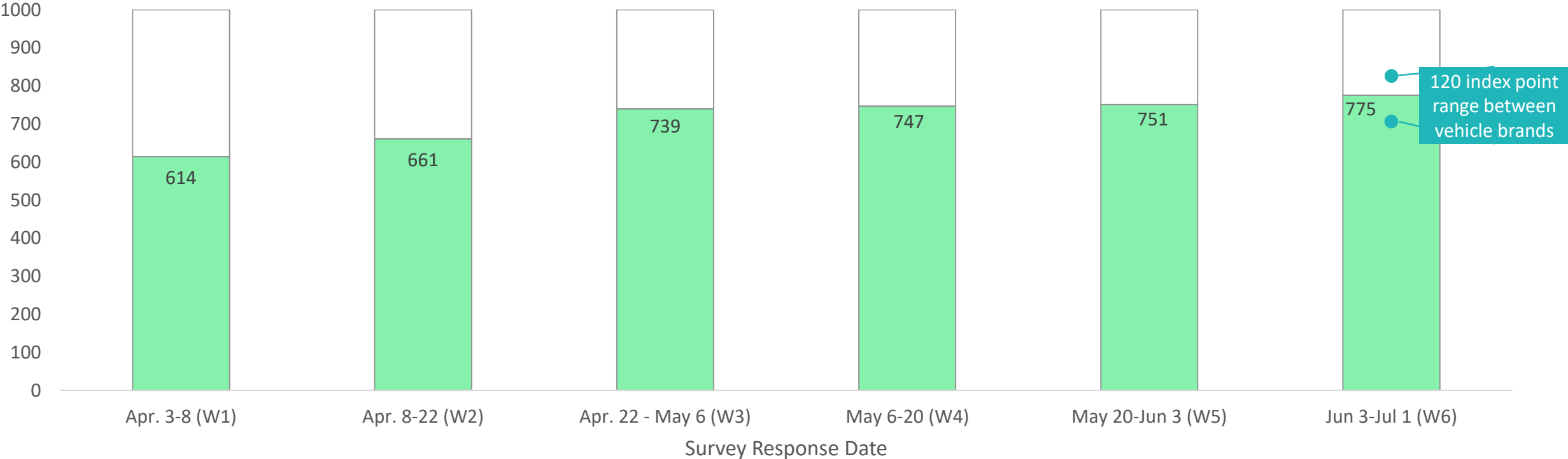


Vehicle Owner Confidence Index



In June, the vehicle owner confidence index saw its greatest improvement since the beginning of May, thanks to lowering rates of sales/service deferrals.

Vehicle Owner Confidence Index



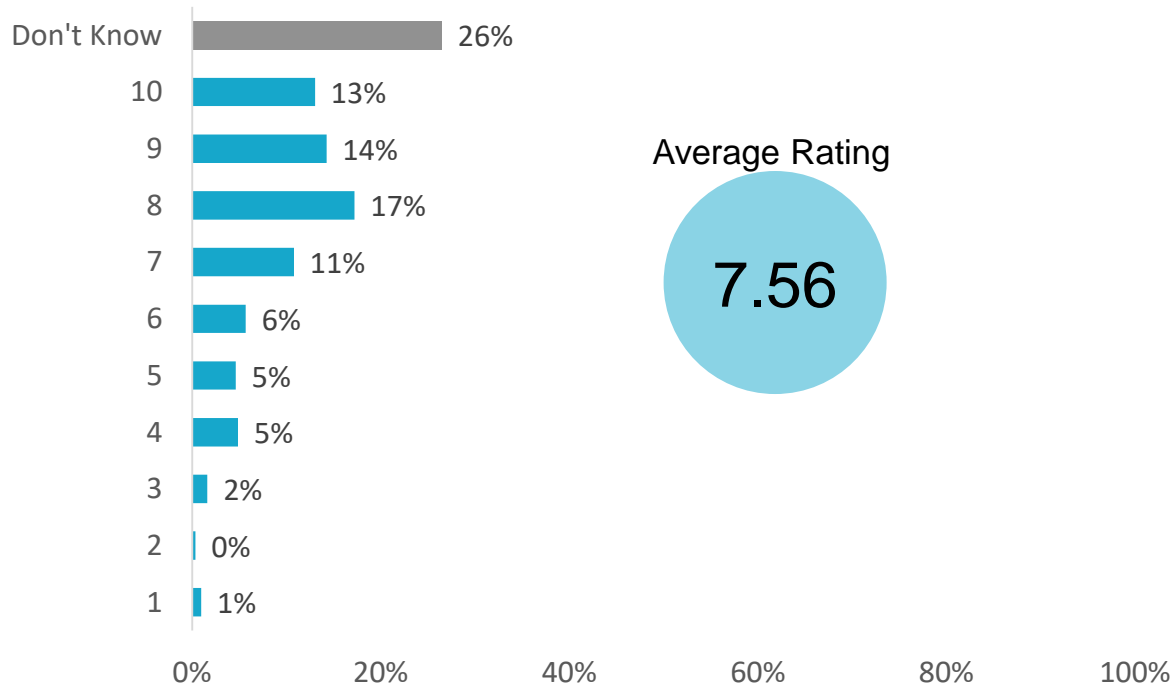
Vehicle Owner Confidence Index takes into account whether respondents will defer a purchase, service or both, along with their level of confidence in their needs being met during this time of uncertainty.

OEM Response to COVID-19



Vehicle owners who don't know enough about their brand's response to the pandemic to provide a rating has declined from 34% in the beginning of May.

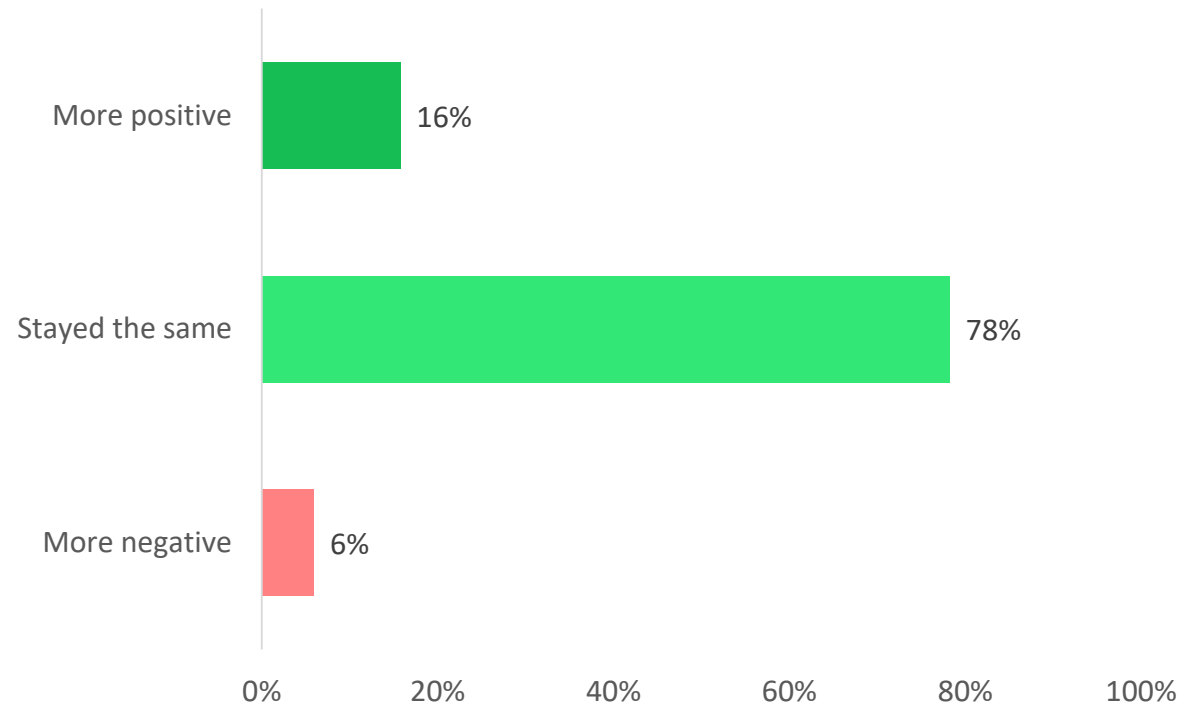
Rating of [BRAND]'s response to the coronavirus (COVID-19) outbreak



Data is from June 3 to July 1, 2020 (Wave 6)

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?

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



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

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Recommended Actions

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:

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