

Press release

Contact: Isabel Box
Title: Marketing & Communications Manager
Tel: +32 (0)2 302 25 51
Mobile: +32 (0)485 31 79 63
Email: ibox@deloitte.com

Consumer Trust in Autonomous Vehicles on the Rise

- 50% of Belgian consumers still feel autonomous cars will not be safe
- Belgian consumers favor traditional car manufacturers over technology companies
- Youngsters more willing to adopt self-driving technology

Brussels, Belgium – January 17, 2018

Consumers are warming up to the concept of fully self-driving vehicles, but some roadblocks may lay ahead for automakers, according to the "[2018 Deloitte Global Automotive Consumer Study](#)."

Safety first

Consumers have a brighter outlook on the safety of autonomous vehicles, though concerns remain. Significantly fewer people in the 2018 study feel that autonomous cars will not be safe, with half (50 percent) of Belgian consumers holding this view — a dramatic decrease from 2017, when 69 percent felt autonomous vehicles would not be safe.

"Overall acceptance of autonomous technology has grown rapidly in just a short time," said Eric Desomer, Belgium automotive leader. "However, driverless cars are still in an experimental stage, and the industry is at the front-end of a long capital investment cycle required to bring autonomous vehicle technology to the mainstream market. To complicate that cycle, automakers recognize an immediate need to invest in areas including electrified powertrains, advanced lightweight materials, connectivity and mobility services. While the returns will be farther out, it is important that automakers continue allocating resources to autonomous driving technology. Those who settle for a reactive mindset rather than preparing for the long term will be at greater risk as consumer acceptance for autonomous technology further accelerates."

Building trust

Many people agree they would trust autonomous vehicles with a proven track record for safety. Taking that a step farther, more consumers are turning to trusted brands for reassurance around the safety of autonomous technologies. 58 percent of Belgian consumers report they would be more likely to ride in an autonomous vehicle if it was from a brand they trust, compared to 42 percent in 2017. Consumers' faith in brands appears to strengthen with younger consumers, as 64 percent of the Gen Y/Z population reported they would be more likely to accept a self-driving vehicle from a trusted brand, compared to 55 percent of Gen X and 49 percent of Boomer/Pre-Boomer consumers. "The auto industry battle between brands for consumers' trust is on in a new and heightened way," said Eric Desomer.

In most regions, consumers favor traditional car manufacturers to bring fully autonomous vehicles to market. In Belgium, nearly half of consumers (48 percent) would put their trust in a traditional car manufacturer,

compared to roughly one-fifth that would trust a technology company (21 percent) or a new-to-market autonomous vehicle maker (27 percent).

Not completely trusting the industry, many consumers would put their trust in the regulator. More than half of BE consumers (54 percent) reported they would feel better about riding in self-driving cars if governments would implement standards and regulations.

Powertrain preferences

While consumers appear more apt to embrace emerging technology in the form of autonomous vehicles, many are brushing off newer powertrain options in favor of traditional engines. Most Belgian consumers (64 percent) still favor either a gasoline or diesel engine and only 23 percent said they would choose a hybrid engine in their next vehicle. Gasoline having the preference for Belgian consumers (43%) while Diesel drops to 21%. "The economics of electric vehicles compared to traditional powertrains are presently not favorable enough for either consumers or automotive companies," said Eric Desomer. "However, two significant trends could move us closer to the tipping point: battery cost reduction and government regulation. The trend toward mandating electrified powertrains — not merely demanding increased fuel efficiency or better carbon footprints, especially in Europe lays out a 'must-do' path for global car makers. Also, as automakers simultaneously begin to broadly partner on building out the electric charging infrastructure and developing other value-added services that increase the convenience factor for consumers, electric vehicles can become a desirable alternative for most consumers."

Deloitte's research also finds that consumers are not willing to pay much more for autonomous vehicles. 45 percent of the BE consumers were unwilling to pay extra money for these vehicles. The findings were even slightly higher for alternative powertrain, where 55 percent of consumers are unwilling to cover additional costs to get alternative powertrain technology.

Eric Desomer notes, however: "As exciting as autonomous-vehicle technology looks to be, and despite the current higher interest and acceptance of autonomous technology versus electric vehicles in consumers' minds, government regulations look to be forcing the investment in electrified vehicle technology. At the same time, consumers around the world are consistent in saying they do not want to pay anything extra for either autonomous vehicles, leaving automakers with some difficult capital allocation and business model decisions if they expect to make any money at all."

Deloitte's study suggests that auto manufacturers developing and bringing advanced vehicle technology to market, such as autonomous vehicles, should simultaneously create new business models that can sustain an appropriate return on investment. Finally, given the over 1 billion conventional vehicles on roads around the world today, and the tens of millions that continue to be sold on an annual basis which are all expected to last well over a decade, the transformation to greater adoption of autonomous driving and electric powertrains will take quite some time to reach a tipping point. Automakers must balance ongoing innovation and new business models with the need to sell, service and delight today's consumers with improved technology they are most willing to pay for in the near term, such as safety.

####

About the Global Automotive Consumer Study

As part of a continuous assessment of consumer behavior, Deloitte recently surveyed over 22,000 consumers in 17 countries around the world to shed light on consumer preferences regarding a variety of critical issues impacting the automotive sector. The overall goal of the study is to answer important questions that can help companies prioritize and better position their business strategies and investments.



Deloitte in Belgium

A leading audit and consulting practice in Belgium, Deloitte offers value added services in audit, accounting, tax and legal, consulting and financial advisory services.

In Belgium, Deloitte has more than 3,800 employees in 11 locations across the country, serving national and international companies, from small and middle-sized enterprises, to public sector and non-profit organisations. The turnover reached 480 million euros in the financial year 2017.

Deloitte Belgium CVBA is the Belgian affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited. We are focused on client service through a global strategy executed locally in more than 150 countries. With access to the deep intellectual capital in the region of 263,900 people worldwide, our member firms (including their affiliates) deliver services in various professional areas covering audit, tax, consulting, and financial advisory services. Our member firms serve over one-half of the world's largest companies, as well as large national enterprises, public institutions, and successful, fast-growing global companies. In 2017, DTTL's turnover reached over \$38.8 billion.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.