

Press release

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Deloitte study : AV's are a game changer for the automotive sector

But 43 percent of Belgium consumers do not believe AVs will be safe

Brussels January 24, 2019 - Consumers' appetite for self-driving vehicles lags the automotive industry's pace of investment in advanced vehicle technology, according to the "2019 Deloitte Global Automotive Consumer Study."

- In Belgium, 43 percent of survey respondents do not believe AVs will be safe.
- Only one-third (33%) of the consumers would question the need to own a vehicle.
- 43 percent of Belgium consumers say that getting to their destination in the least amount of time is the most important aspect of mobility.
- Consumers' trust in traditional automakers who bring AV technology to market continues to slip, from 48 percent in 2018 to 31 percent in 2019. There is more trust in new technology players than the traditional manufacturers.
- 32 percent of Belgians would prefer a nontraditional powertrain compared to 62% who would still trust a gasoline or diesel engine.

Consumer trust in autonomous vehicles (AVs) appears to be **stalling**. In Belgium, 43 percent of survey respondents do not believe AVs will be safe, a slight decrease compared to last year's 50 percent. That is drastically different from consumer sentiment in 2017, when 69 percent voiced concerns about these vehicles' safety.

Eric Desomer, Automotive sector Leader for Deloitte Belgium: *"Autonomous vehicles have begun to enter the real world in pilot testing and have consequently encountered real world challenges. We expected to gain more trust over the last year but a series of high-profile incidents may have contributed to the plateau in consumer trust in this year's study. But there will likely be a longer-term trend toward gradual acceptance. Even so, consumers have a much higher bar for acceptance of fully-autonomous vehicles than for driver assistance safety technology. The population who will and can make use of AV's will be much broader in the future (elderly people, disabled people, younger people etc.)."*

Deciding factors in choosing advanced mobility options

Consumers now have more choices than ever before with regards to mobility, whether they are choosing a car to buy or lease or simply deciding how to get from point A to B. The plethora of choices brings an array of new decisions for consumers:

- **Ride-hailing irregularities:** In 2017, 7 percent of Belgium consumers used ride hailing at least once a week, and another 17 percent used it occasionally. Fast forward to our latest 2019 study and the percentage of regular users decreased to 2 percent, while the proportion of occasional users increases twofold to 27 percent.
- **A generational divide:** Younger consumers are more likely to question whether vehicle ownership is a necessity than older generations. Japan leads the pack, where 60 percent of Generations Y/Z say ride hailing makes them question whether they need to own a vehicle. In Belgium, there is no difference between generations on the question of car ownership. Across generation, only one-third (33%) of the consumers would question the need to own a vehicle.
- **Personal ownership still scores high in several categories:** Other mobility models (e.g. ride-hail, taxi) face some challenges in perception of cost, safety, environmental friendliness and reliability. Majority of consumers (51%) are for instance not interested in carpooling services and consumers are still concerned about sharing a small space with strangers

Along with new transportation options, **connectivity** has unlocked an array of new choices for consumers purchasing vehicles,:

- **Top priorities:** Interest in connected features such as traffic congestion tracking and road-safety alerts is universally high, with 74 percent and 69 percent of Belgium consumers seeking these features, respectively. This strongly aligns with what 43 percent of Belgium consumers say is the most important aspect of mobility: getting to their destination in the least amount of time.
- **Pros and cons of data collection and privacy:** Connected-vehicle sensors can track everything from powertrain performance and operational statistics to geolocation information and occupant wellness. Roughly 40 percent of Belgian consumers are concerned about personal data being captured via a connected vehicle and shared with external parties.
- **Reluctance to pay more for options:** Once consumers are sold on a feature, they are not necessarily sold on the price. One-third (33 percent) of Belgium consumers would be unwilling to pay more for a connected vehicle, and a slightly larger portion (56 percent) would only pay up to 1.200 Euro's more for this functionality.

"Connected, electrified, and autonomous vehicles offer tremendous value for society, but consumers may be slow to adopt these advanced technologies at scale until there is clear and undisputed improvement in safety, cost, convenience, and superior customer experience from a trusted brand," said **Desomer**

Who are consumers trusting?

"As consumers look ahead to the automotive future, they may not always associate emerging technology with traditional car manufacturers. In Belgium, the number of consumers who said they trust traditional original equipment manufacturers (OEMs) to bring AV technology to market continues to slip, falling from 48 percent in 2018 to 31 percent in 2019. On the other hand, a new company that specializes in self-driving vehicles is more and more trusted by consumers increasing from 27 percent in 2018 to 37% in 2019," said Desomer.

With an ongoing lack of trust in the private sector, consumers are looking to governments to increase regulation. An overwhelming percentage of consumers in most countries indicated they wanted "significant oversight," including 63 percent of Belgium consumers.

Hybrid electric and electric vehicles still struggle for attention

People around the globe now see electrified powertrains as viable options, but electric vehicles (EVs) still face some bumps in the road ahead. In Belgium, 32 percent would prefer a nontraditional powertrain compared to 62% who would still trust a gasoline or diesel engine. A low fuel price environment coupled with relaxed emissions standards and fewer available rebates will likely keep EV adoption rates contained for instance in the U.S. market while adoption of EVs will likely play out differently in other regions. European countries including Norway, Britain, France, and the Netherlands have announced plans to ban the sale of conventional gas- and diesel-fueled vehicles over the next two to three decades. While both regions may be poised for

increased EV adoption, change will likely not be immediate. This is because traditional vehicles currently make up the bulk of cars on the road, and these cars boast a life expectancy of more than 10 years.

About the Global Automotive Consumer Study

Deloitte recently surveyed over 25,000 consumers in September and October 2018 across 20 countries around the world to explore 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. Around 1.250 consumers were surveyed in Belgium.

Deloitte in Belgium

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