

2021 Global Automotive Consumer Study

Key findings: Canada

January 2021



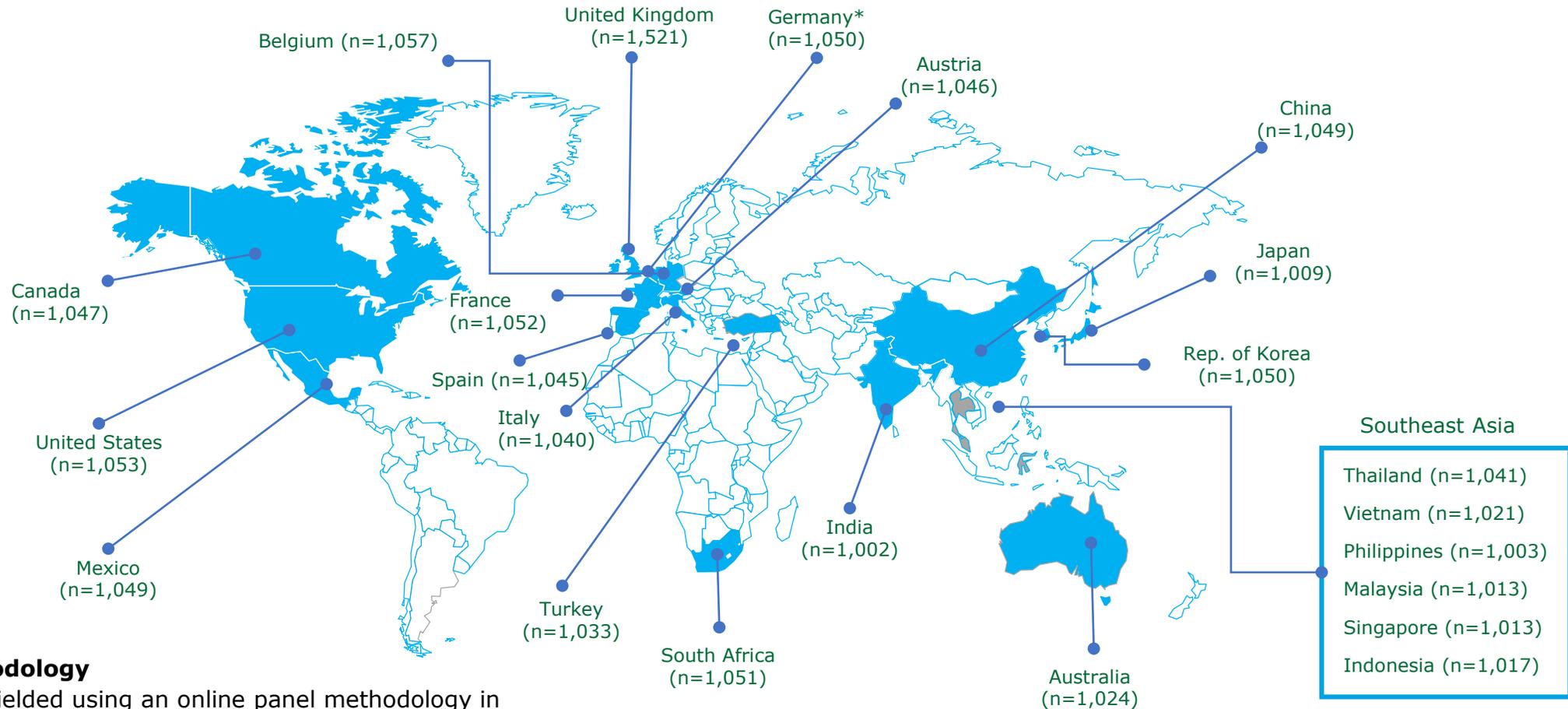
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Agenda

- About the study
- Technology in focus: vehicle electrification
- Vehicle financing trends
- Future vehicle intentions

About the study

The 2021 study comprises more than 24,000 consumer responses across 23 global markets from September through October 2020.



Study methodology

The study is fielded using an online panel methodology in which consumers of driving age are invited to complete the questionnaire (translated into local languages) via email.

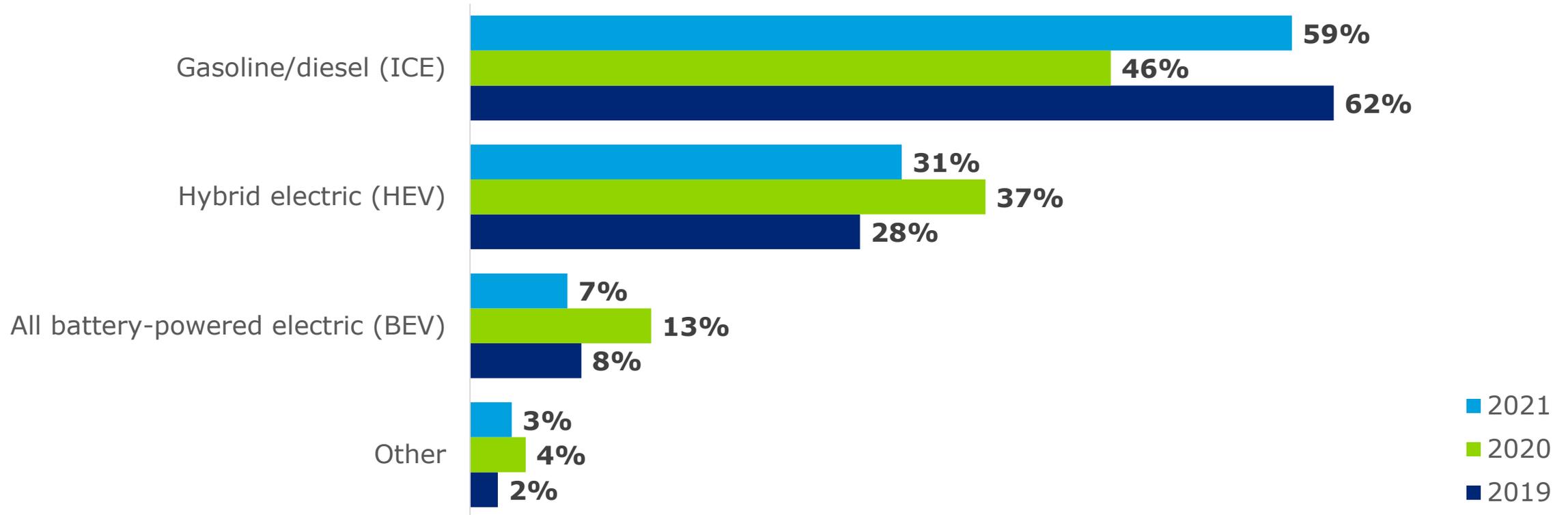
*Data for Germany has been weighted by age group.

Note: "n" represents the number of survey respondents in each country.

Technology in focus: vehicle electrification

Consumer interest in internal combustion engines (ICE) is edging back up, likely due in part to financial concerns caused by the COVID-19 pandemic.

Type of engine in next vehicle purchase



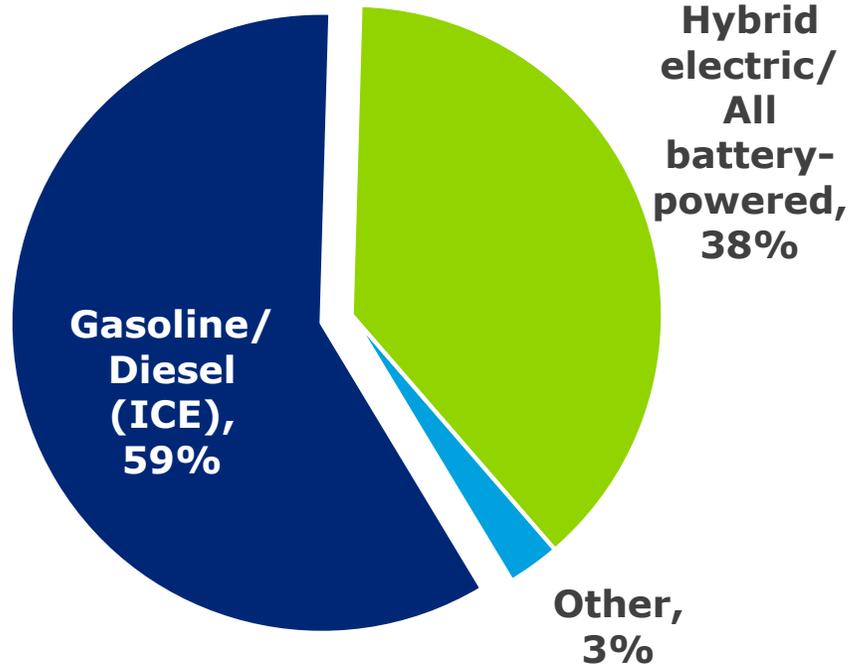
Note: "Other" includes engine types such as compressed natural gas, ethanol, and hydrogen fuel cells

Q42. What type of engine would you prefer in your next vehicle?

Sample size: n= 889 [2021]; 1,128 [2020]; 1,057 [2019]

For people intending to buy an electric vehicle (EV), it's mostly about lowering fuel costs, reducing emissions, and requiring less maintenance.

Type of engine in next vehicle



Note: "Other" includes engine types such as compressed natural gas, ethanol, and hydrogen fuel cells
Q42. What type of engine would you prefer in your next vehicle?

Sample size: n= 889

Ranking of factors in terms of their impact on the decision to acquire an electrified vehicle (highest to lowest)

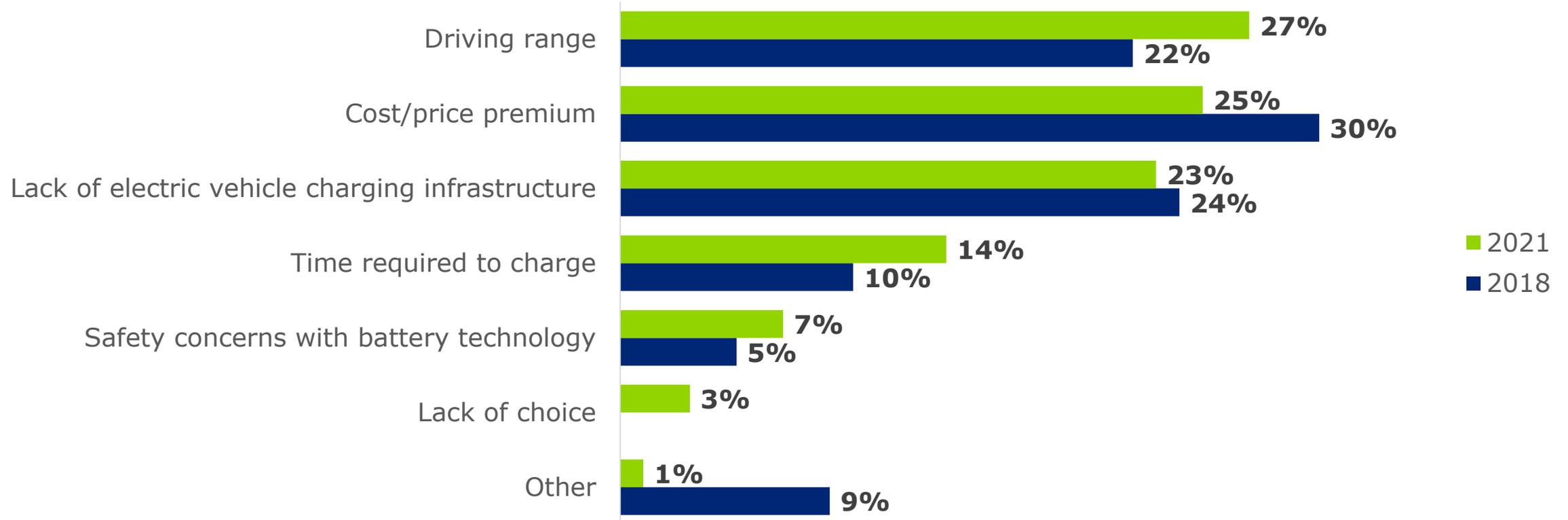
1. Lower fuel costs
2. Concern about climate change/reduced emissions
3. Less maintenance
4. Government incentives/stimulus programs
5. Better driving experience (e.g., quieter, better performance)

Q43. Please rank the following factors in terms of their impact on your decision to acquire an electrified vehicle (highest to lowest).

Sample size: n= 343

Concerns around EV range and charging remain high. While price concerns have fallen, is the cost coming down fast enough?

Greatest concern regarding all battery-powered electric vehicles



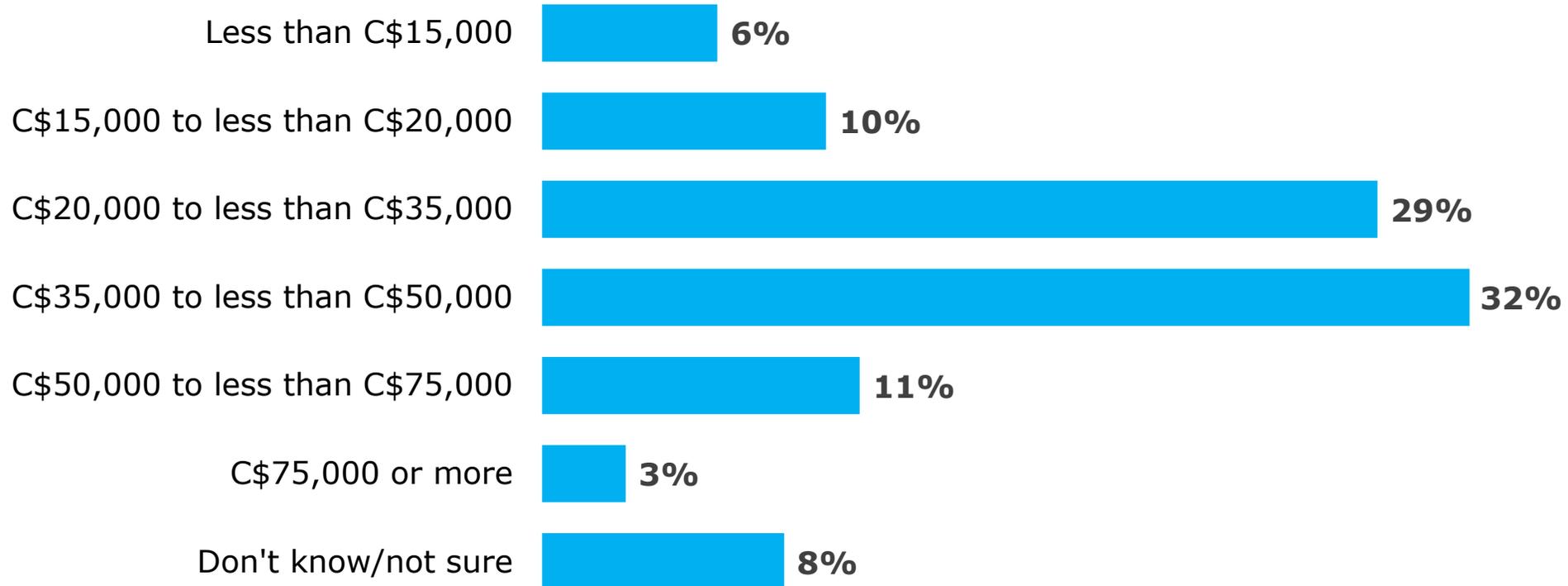
Note: Lack of choice is not provided as an option in the 2018 study

Q47. What is your greatest concern regarding all battery-powered electric vehicles?

Sample size: n= 889 [2021]; 1,093 [2018]

Three-quarters (77 percent) of those intending to buy an EV want to spend less than \$50,000. There's not a lot of choice in this range yet.

Percentage of consumers willing to shop for an electrified vehicle in the price range of...



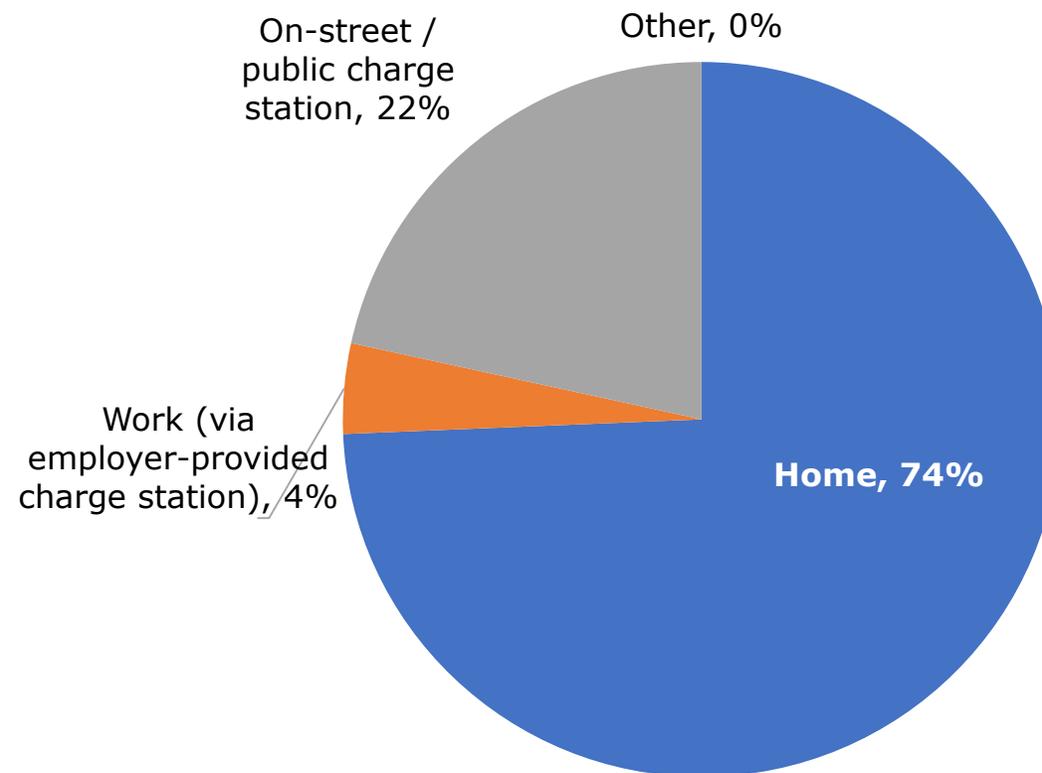
Note: Sum of the %s do not add to 100% due to rounding

Q44. In which of the following price ranges will you be shopping for an electrified vehicle? (Please indicate what you would expect to pay after any dealer/brand or government incentives that might be available)

Sample size: n= 343

Most future owners expect to charge their EVs at home. Only 22 percent plan to use public chargers, amid the persistent overall concern about the availability of a viable charging network.

EV owners expect to charge up most often at...

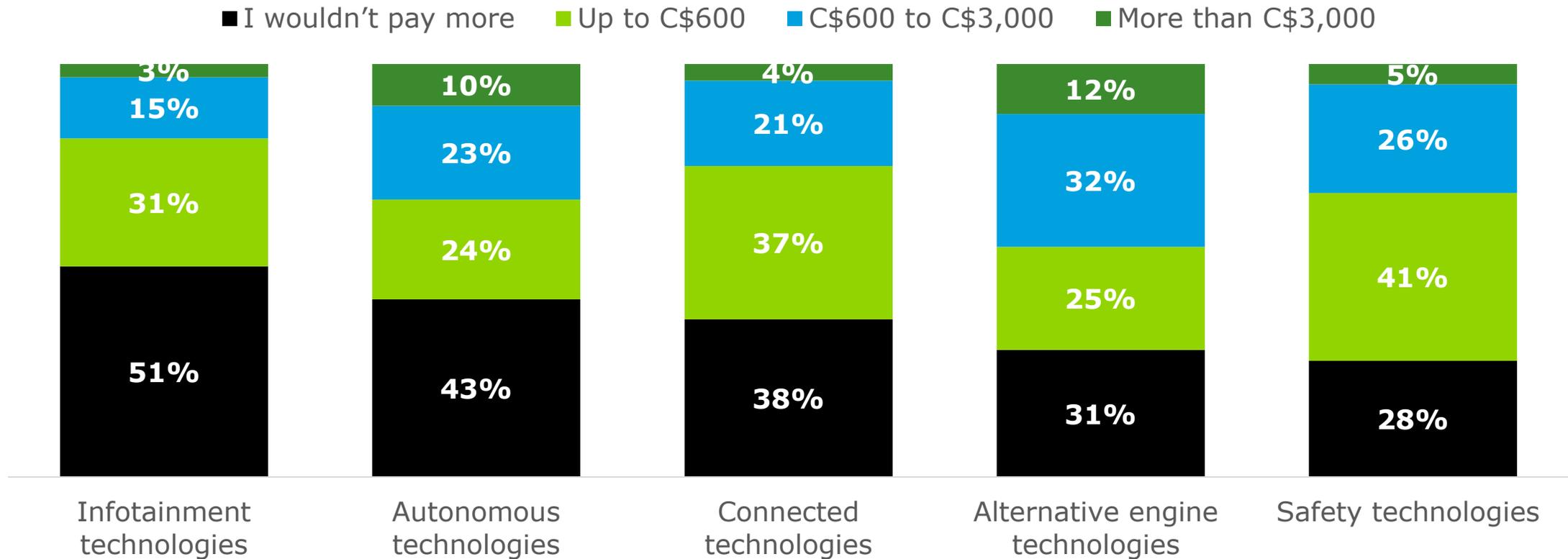


Q45. Where do you expect to charge your electrified vehicle most often?

Sample size: n= 343

One-third of people are unwilling to pay anything extra for an alternative engine, raising questions about near-term demand potential.

Consumer willingness to pay for technologies



Q4: How much more would you be willing to pay for a vehicle that had each of the technologies listed below?

Sample size: n=943

As for other Connected car, Autonomous vehicle, Sharing/Subscription, and Electrification (CASE) technologies, half of consumers still don't think autonomous vehicle (AV) technology will be safe, while 60 percent are concerned about the security of internet-connected vehicles.

Percentage of consumers who agree that ...

With connected vehicles, I fear someone hacking into my car and risking my personal safety

60%

Fully self-driving cars will not be safe

49%

As vehicles become more connected via wireless internet, they are more beneficial for me

44%

Q3: To what extent do you agree or disagree with the following statements?

Sample size: n=1,011

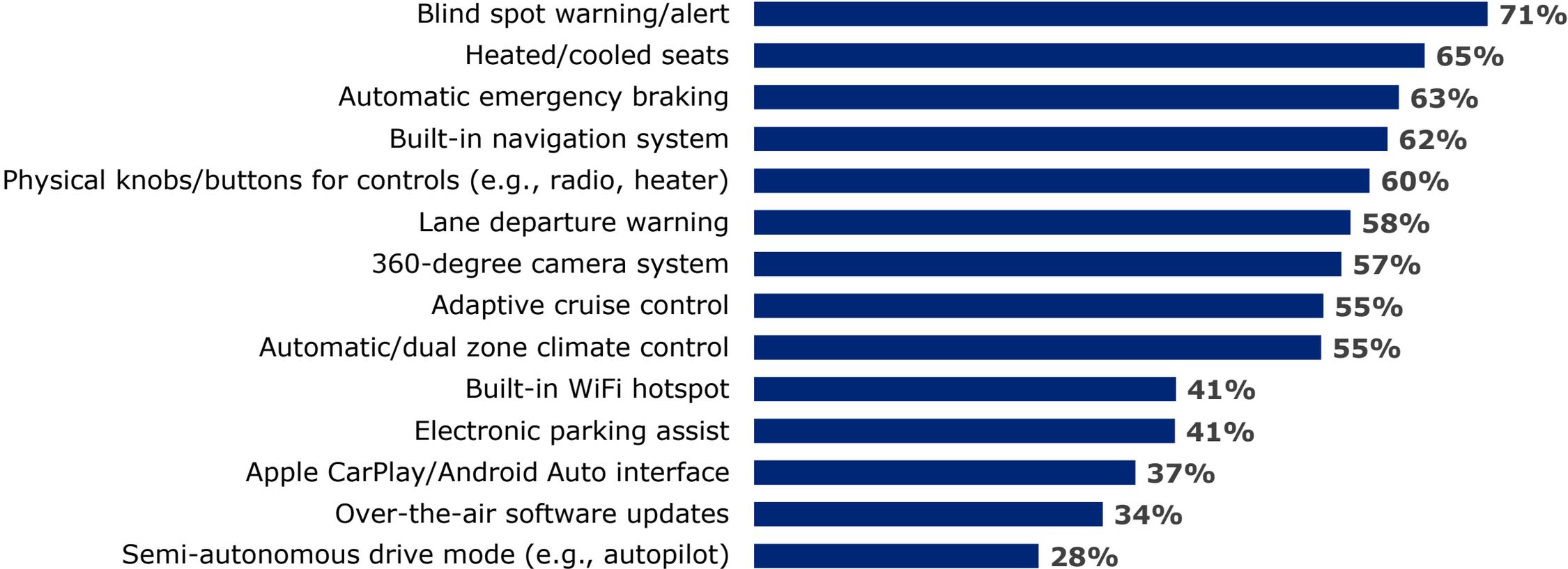
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Canada

2021 Deloitte Global Automotive Consumer Study

Safety technologies are still top of mind, with blind-spot warning and emergency braking features among the most desired.

The importance (somewhat/very important) of various vehicles features for next vehicle purchase



Q26. How important are each of the following features for your next vehicle?

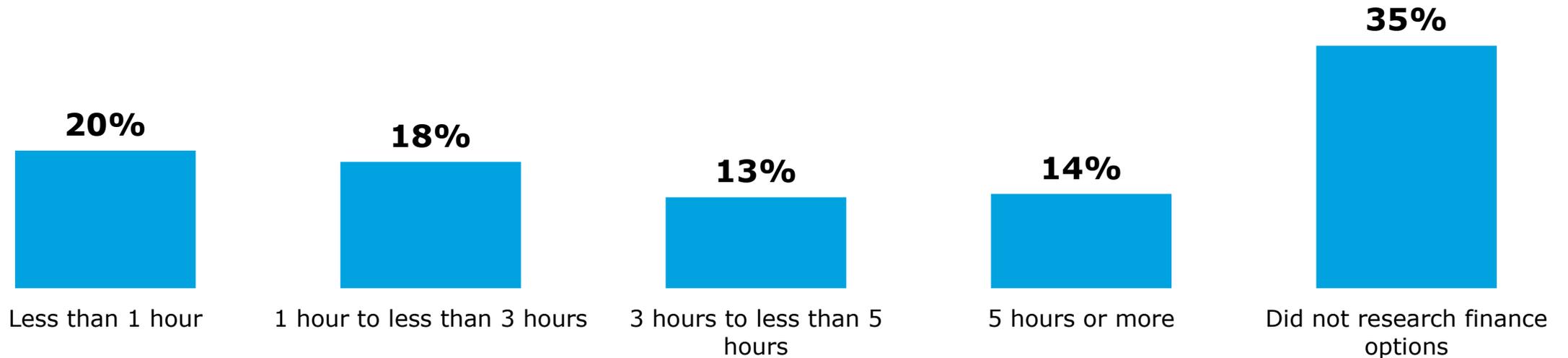
Sample size: n= 913

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Vehicle financing trends

More than a third of current owners said they did not conduct any research on financing options before buying their vehicle.

Time spent by consumers in researching finance options prior to acquiring their current vehicle

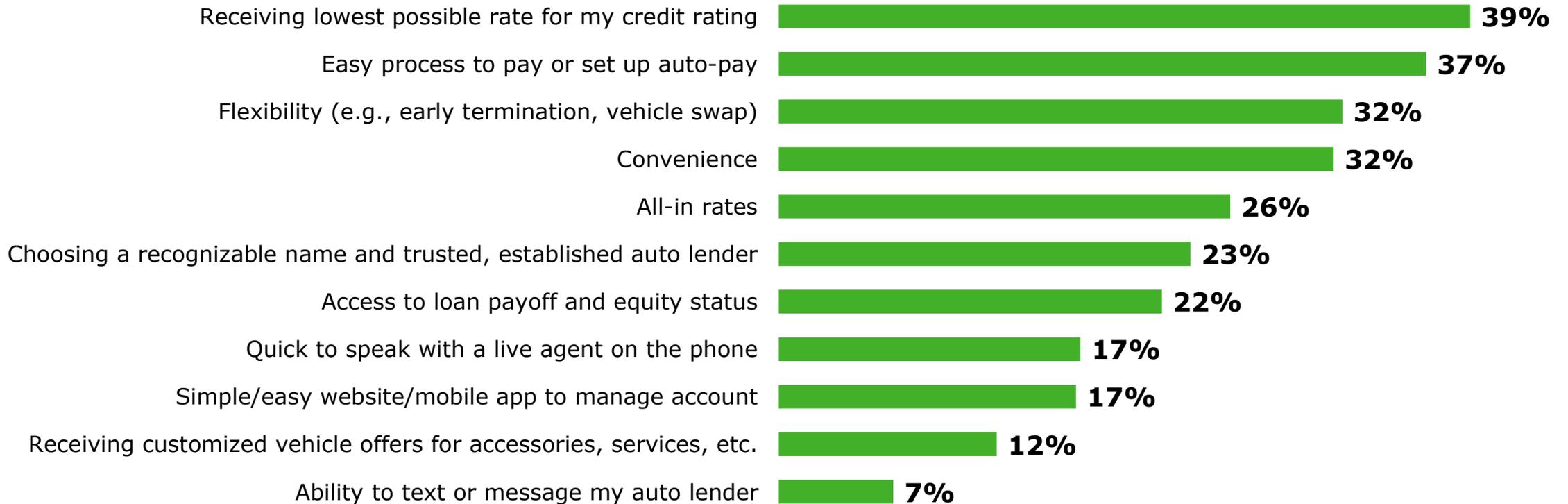


Q13: In total, how long did you spend researching finance options prior to acquiring your current vehicle?

Sample size: n=799

The top three most important factors for financing: the lowest rate, a convenient and easy-to-use payment process, and a flexible loan account.

The top considerations related to loan, lease, and subscription accounts

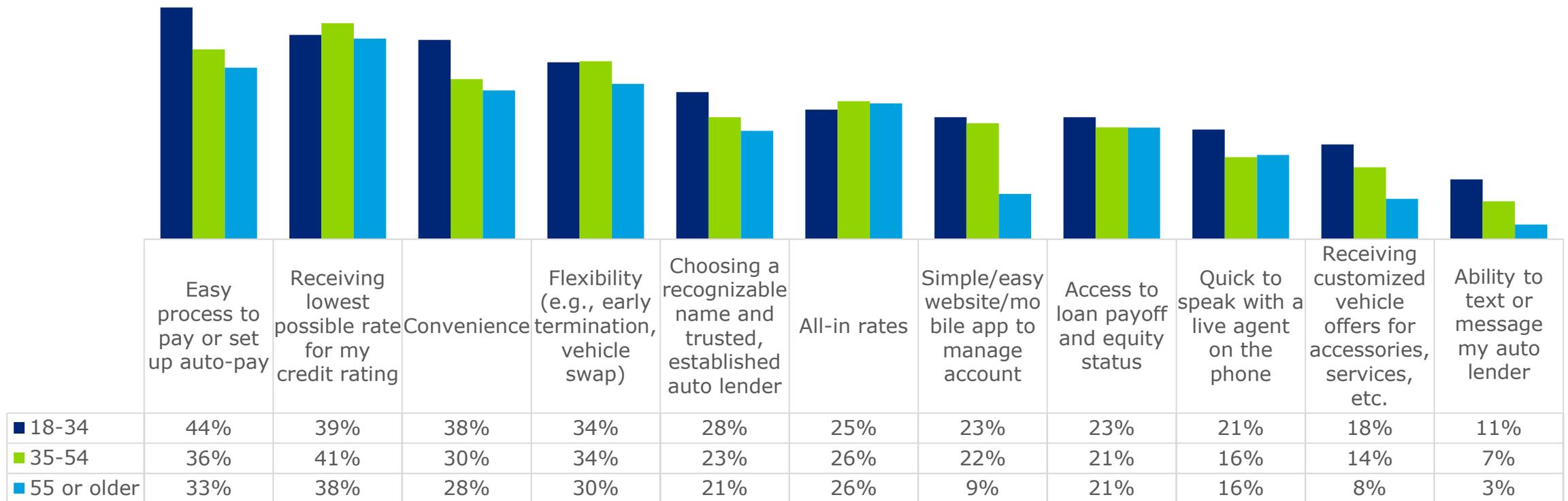


Q14: When it comes to your loan/lease/subscription account, what is most important to you? Please select all that apply.

Sample size: n=799

Younger consumers are more interested in digital account management than their older counterparts.

Most important factors related to loan, lease, and subscription account by age group

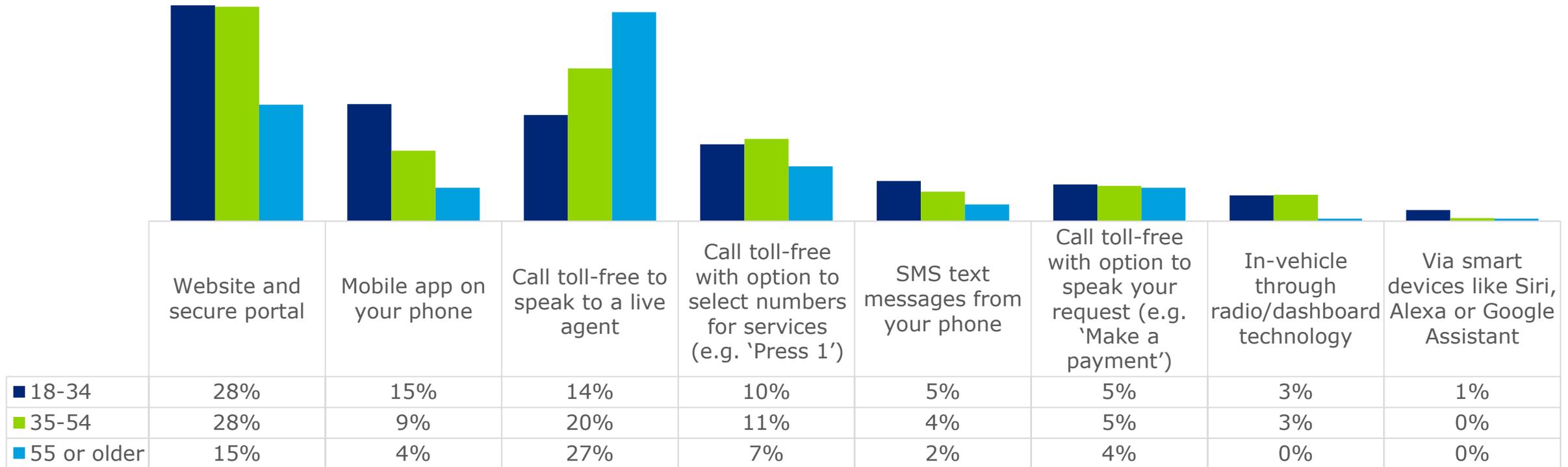


Q14: When it comes to your loan/lease/subscription account, what is most important to you? Please select all that apply.

Sample size: n=211 [18-34]; 263 [35-54]; 325 [55 or older]

Younger consumers prefer to interact with their lender through websites and mobile apps, while speaking with a live agent is preferred by older consumers.

Most preferred way of interacting with auto lender by age group



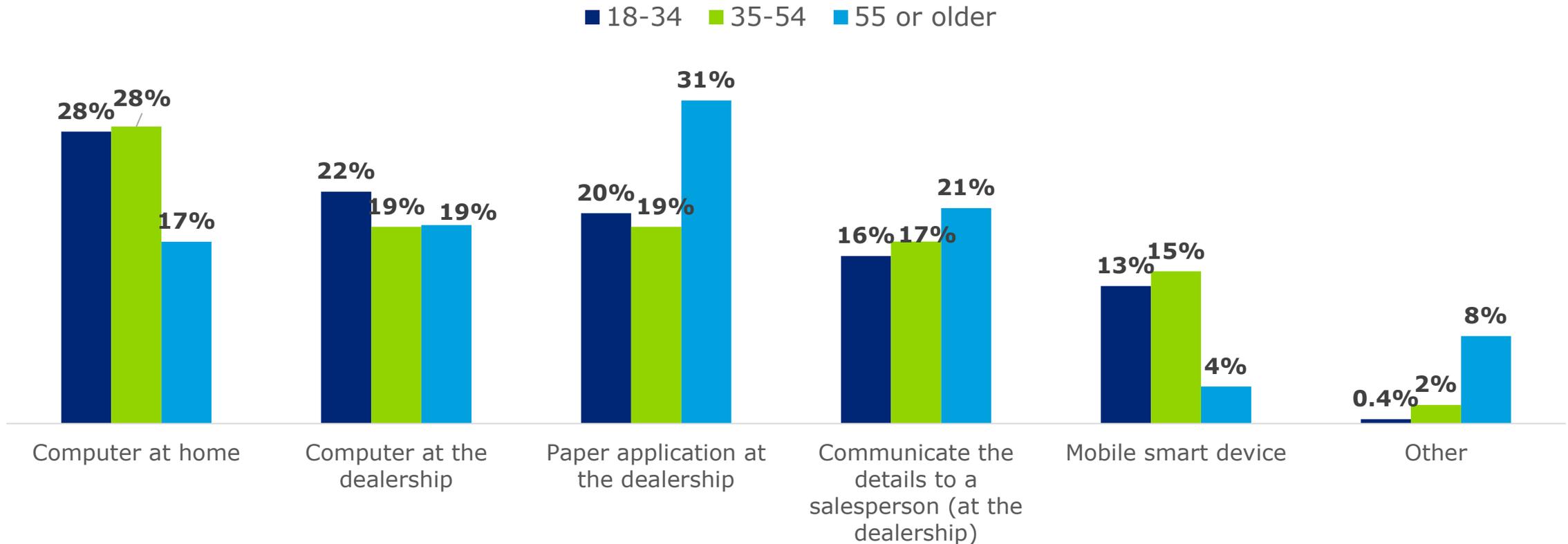
Note: Sum of preferred ways of interacting with auto lender do not add up to 100% as N/A % was not shown

Q15. What is your most preferred way of interacting with your auto lender?

Sample size: n=211 [18-34]; 263 [35-54]; 325 [55 or older]

Younger consumers favour completing a finance application by computer; older buyers prefer paper applications at the dealership.

Most preferred way to complete a vehicle financing application

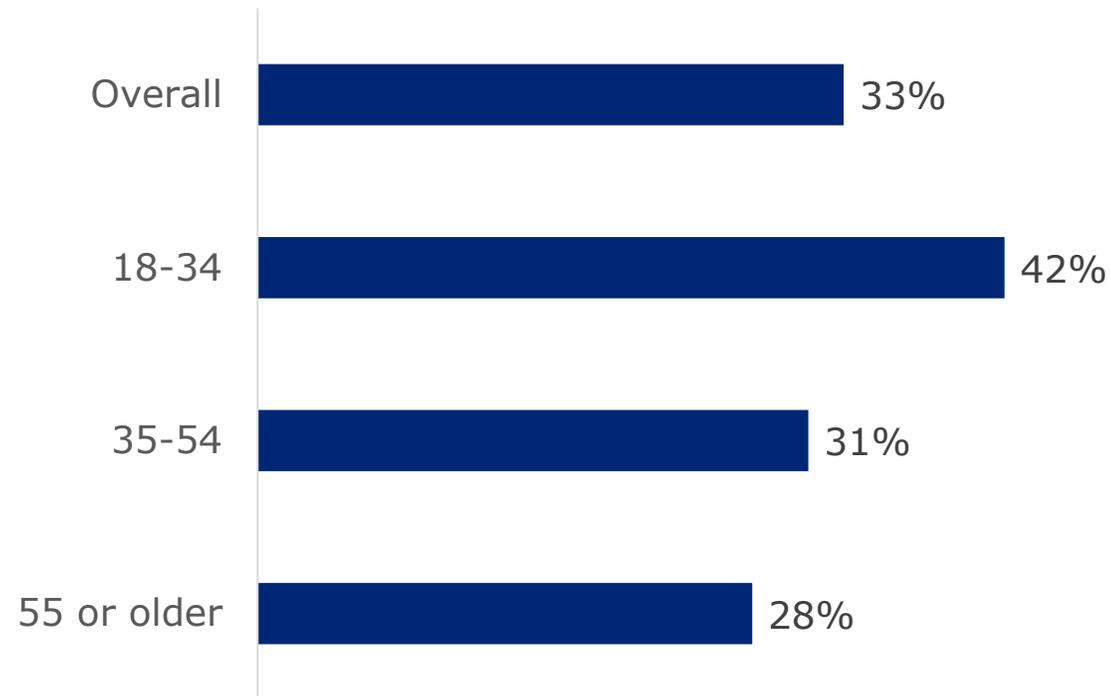


Q38. How would you most prefer to complete a vehicle financing application?

Sample size: n= 243 [18-34]; 281 [35-54]; 310 [55 or older]

Overall interest in additional finance products is somewhat limited, but younger consumers are slightly more likely to consider them.

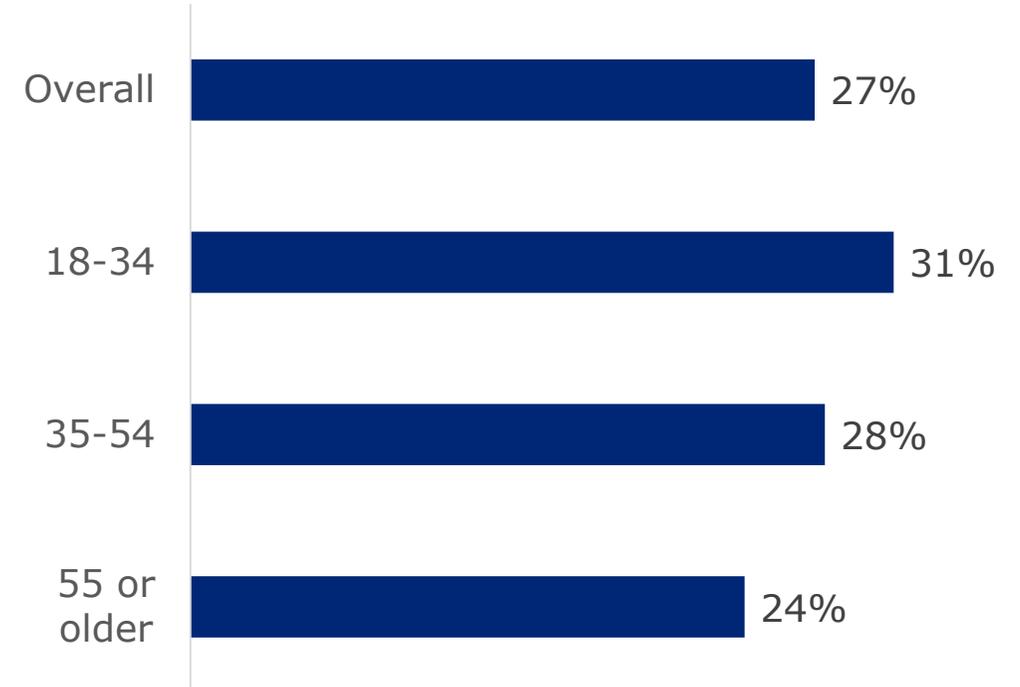
Percentage of consumers who are somewhat or very likely to purchase **additional finance-related products** if they were bundled into the vehicle's single monthly payment



Q36. How likely would you be to purchase additional finance-related products (e.g., insurance, extended warranty) if they were bundled into your vehicle's single monthly payment?

Sample size: n= 786 [Overall]; 226 [18-34]; 265 [35-54]; 295 [55 or older]

Percentage of consumers who are somewhat or very likely to purchase **credit protection** on a new loan or lease

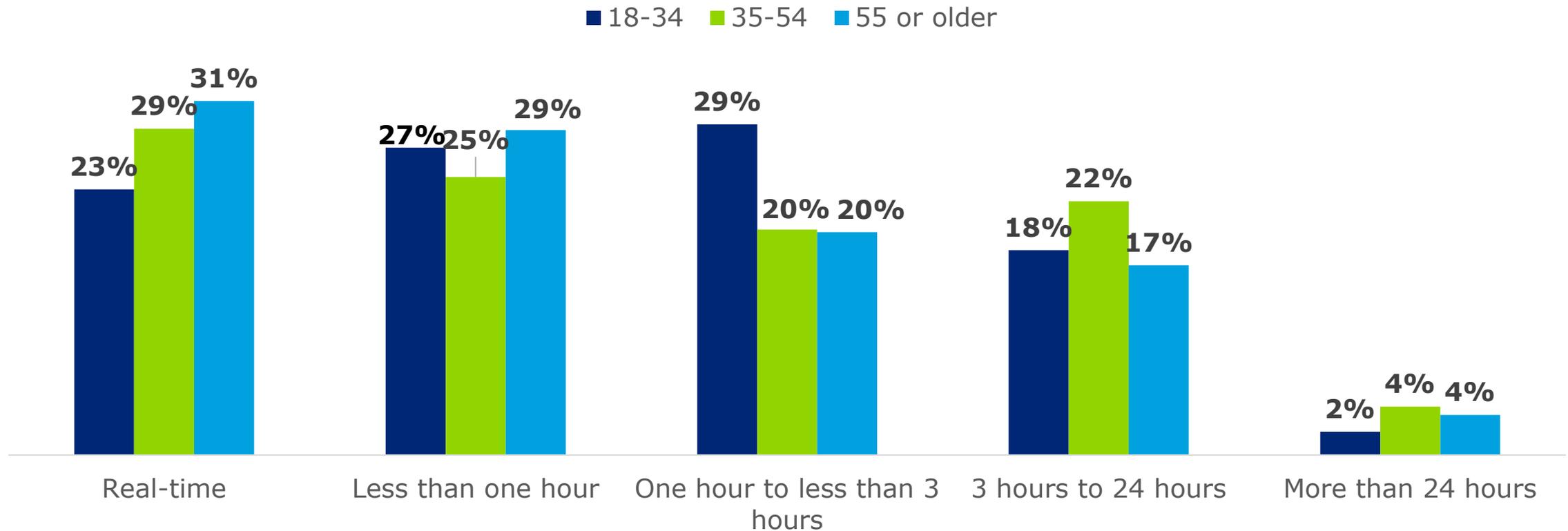


Q37. How likely would you be to purchase credit protection on a new loan/lease (i.e., a small increase in monthly payment for protection that pay offs or reduces your amount owed in the case of disability, death, job loss, etc.)?

Canada

More than half of all consumers, across age groups, are willing to wait up to an hour to receive a decision about a vehicle financing application.

Acceptable wait time for a financing decision

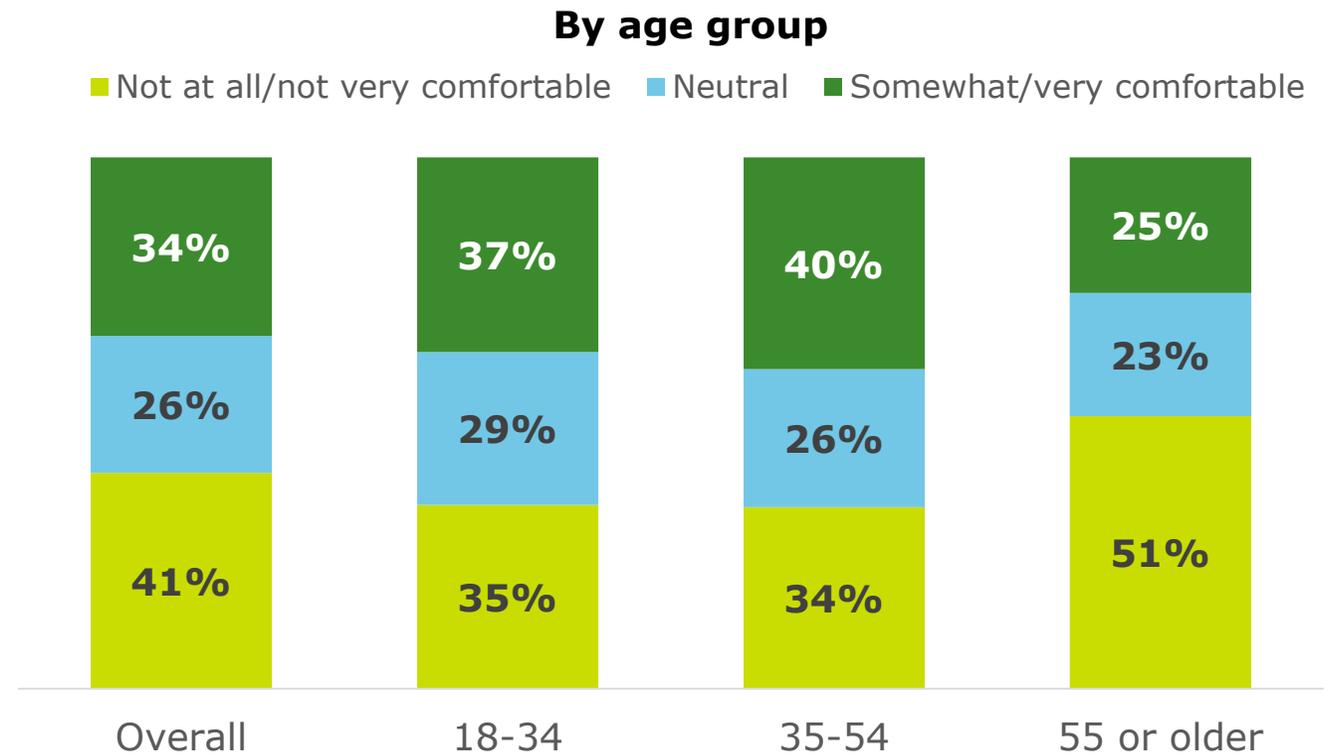
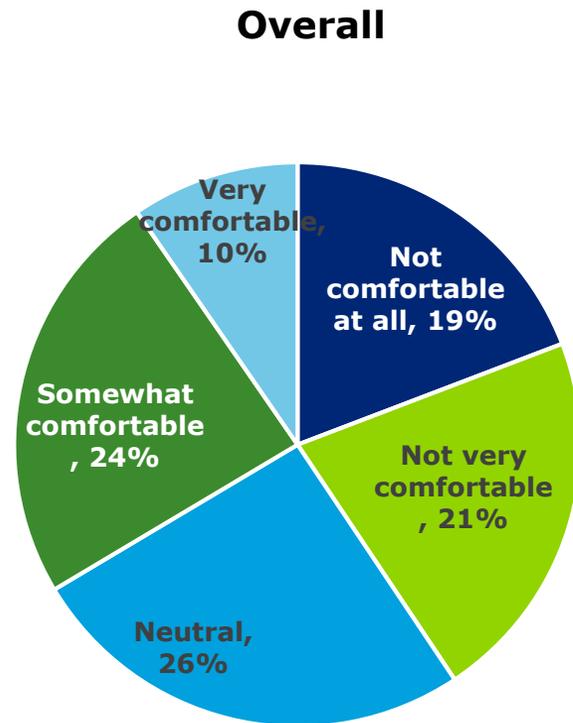


Q39. When applying for vehicle financing, how long is an acceptable wait time to receive a decision?

Sample size: n= 243 [18-34]; 281 [35-54]; 310 [55 or older]

One-third of consumers are comfortable completing a vehicle financing transaction by live video on their mobile.

Comfort level in completing a financing transaction (i.e., submit application and sign the contract)



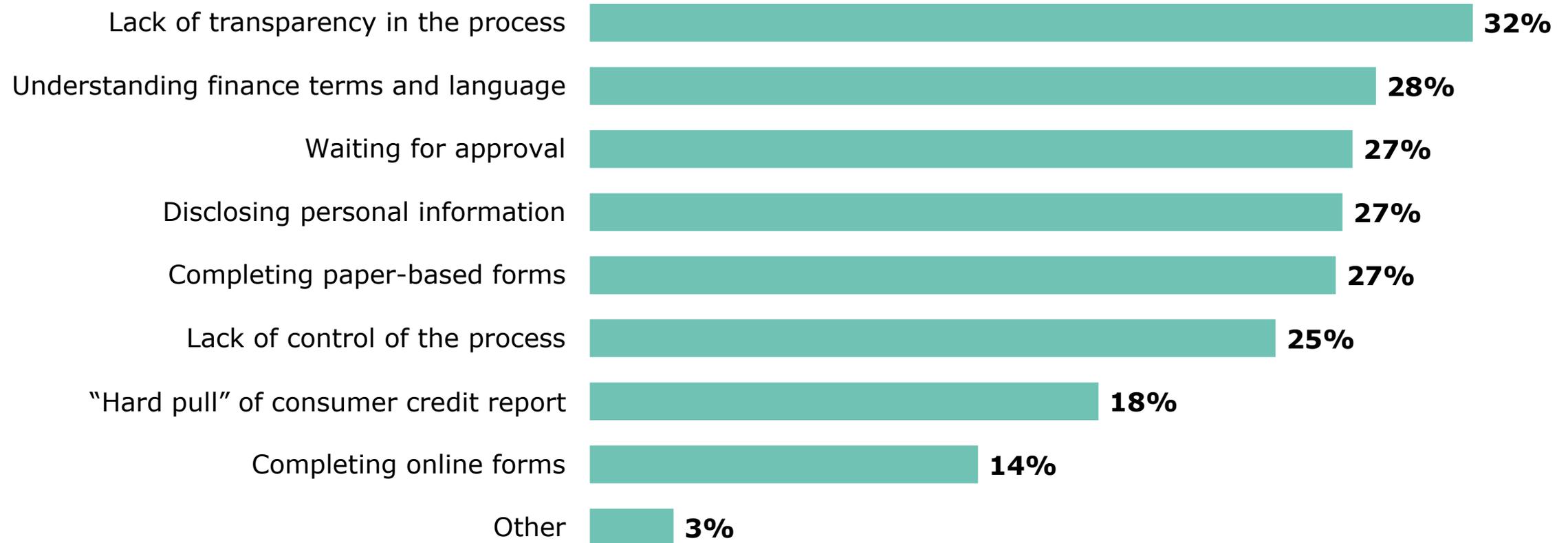
Note: Sum of % "by age groups" do not add to 100% due to rounding

Q40. How comfortable would you be completing a finance transaction (i.e., submit application and sign the contract) via live video on your mobile device?

Sample size: n= 834 [Overall]; 243 [18-34]; 281 [35-54]; 310 [55 or older]

The most disliked aspects of the finance process include a lack of transparency and a lack of understanding about specific terminology.

Most disliked part(s) of the finance process

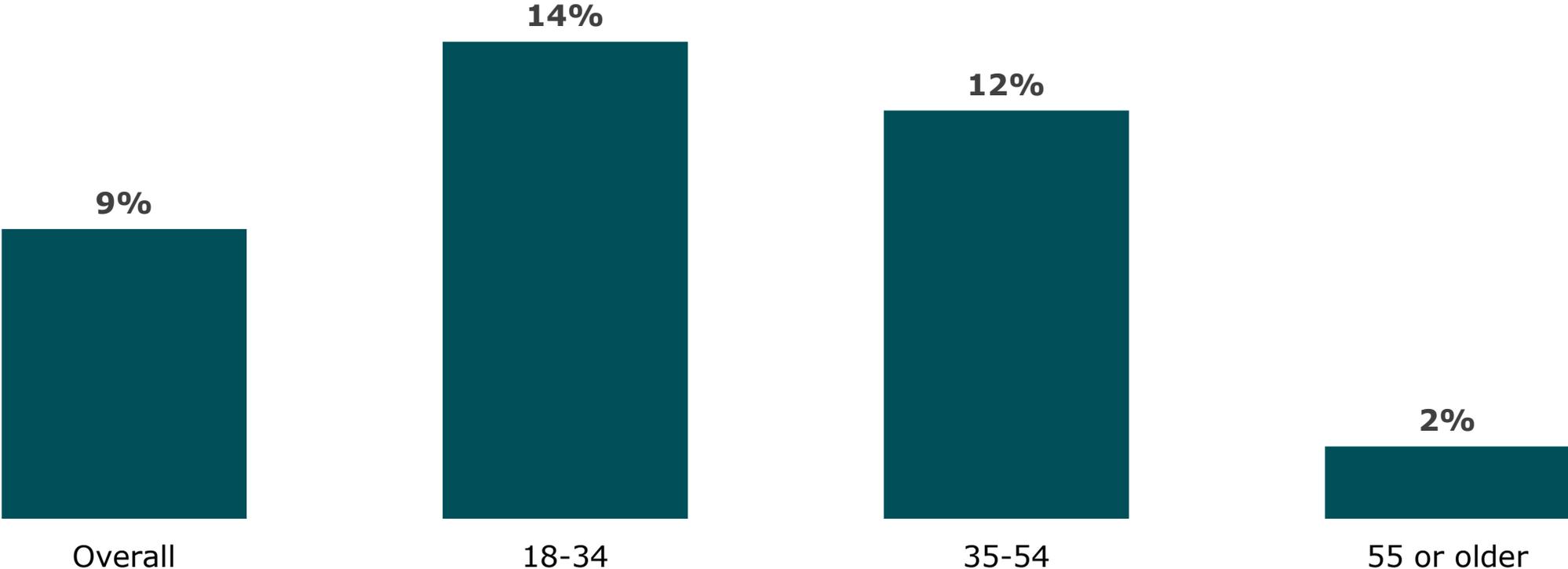


Q41. What part(s) of the finance process do you dislike the most? (Select all that apply)

Sample size: n= 834

Despite the pandemic, only a tenth of consumers asked to defer a vehicle payment in 2020.

Percentage of consumers who requested a payment deferment

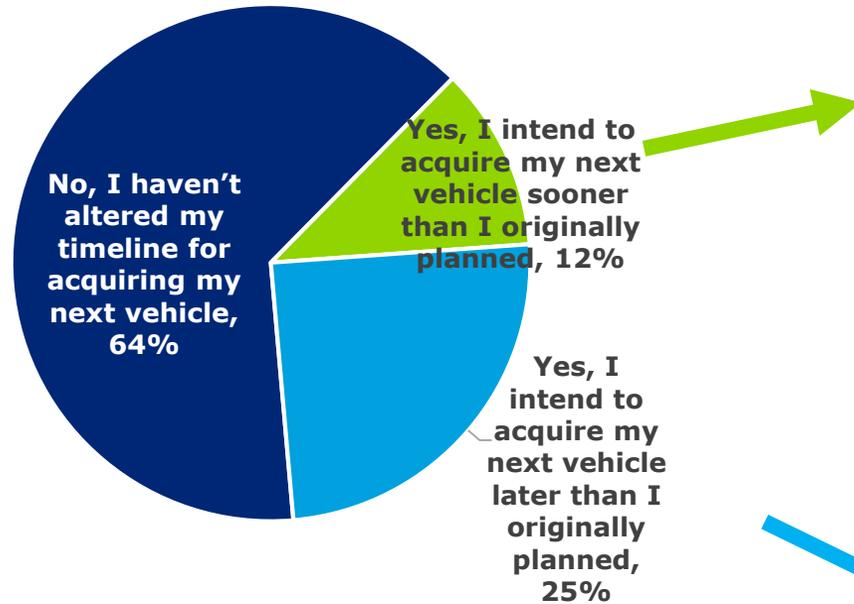


Note: Respondents can select either "Yes", or "No", or "Not applicable"
Q16: Have you requested a payment deferment this year?
Sample size: n= 799 [Overall]; 211 [18-34]; 263 [35-54]; 325 [55 or older]

Future vehicle intentions

More than one-third of people have changed their timeline for acquiring their next vehicle, with a quarter of them thinking of delaying their purchase.

Percentage of consumers who altered their timeline for acquiring next vehicle because of the COVID-19 pandemic



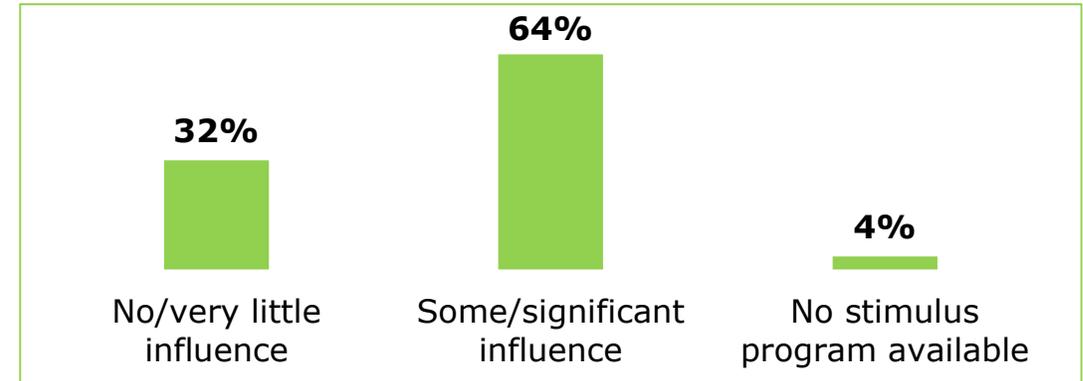
Q23. Have you altered your timeline for acquiring your next vehicle because of the COVID-19 pandemic?

Q24. To what extent has the availability of a government stimulus program influenced your decision to acquire your next vehicle sooner than originally planned?

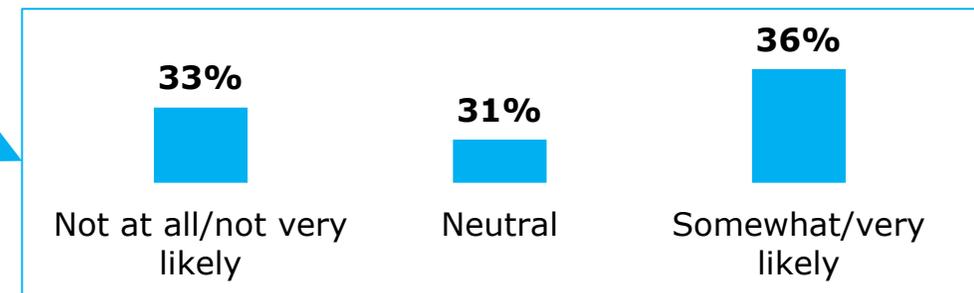
Q25. How likely would you be to acquire your next vehicle sooner if you received a pre-approved special finance rate or lease payment?

Sample size: n= 913 [Q23]; n= 105 [Q24]; n= 226 [Q25]

Availability of a government stimulus program influenced a consumer's decision to acquire their next vehicle sooner than originally planned



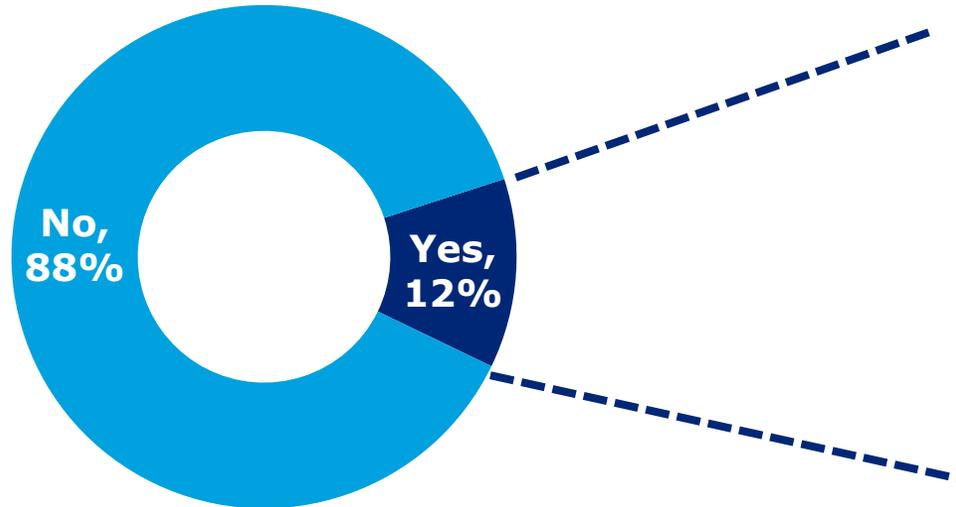
Acquire next vehicle sooner if a pre-approved special finance rate or lease payment is received.



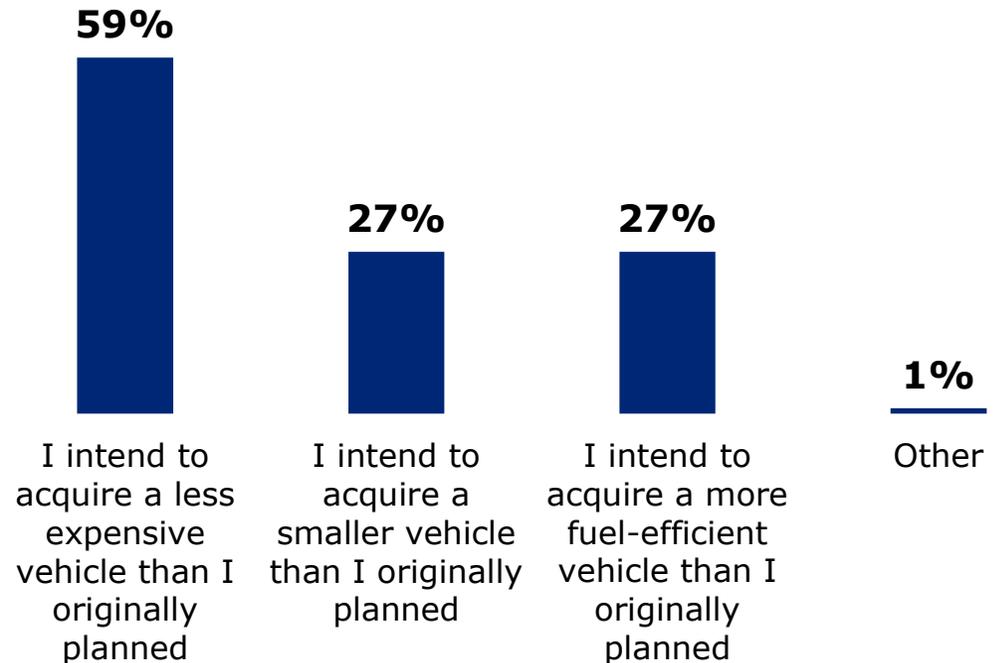
Canada

Only 12 percent of consumers are thinking about a different kind of vehicle because of the pandemic; half of these want to spend less money.

Percentage of people who changed their mind about the type of vehicle they'd most like to buy next because of COVID-19



The kind of vehicle consumers who changed their mind are now planning to buy



Q30. Has the COVID-19 pandemic caused you to change your mind regarding what type of vehicle you would most like to acquire next?

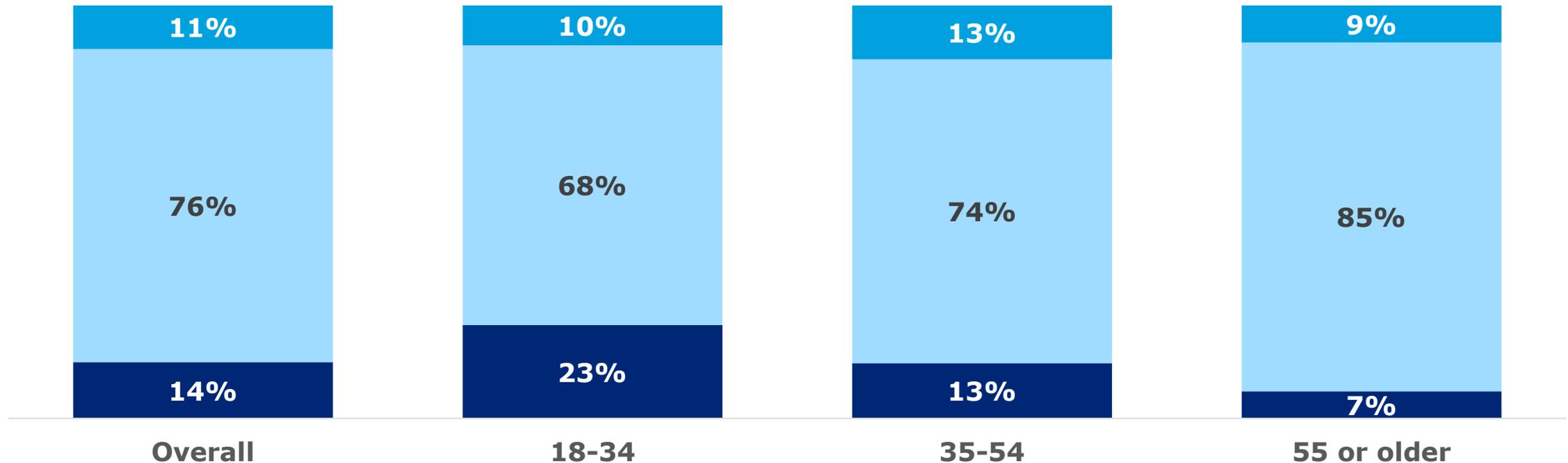
Q31. How have you changed your thinking about what kind of vehicle you will acquire next? (Select all that apply)

Sample size: n= 913 [Q30]; n= 111 [Q31]

Pandemic-induced social distancing is a somewhat important factor pushing younger consumers to think about vehicle ownership.

Percentage of consumers planning to acquire next vehicle primarily due to the need to maintain social distancing

■ Yes ■ No ■ Not sure



Note: Sum of %s for Overall, 18-34, and 55 or older do not add to 100% due to rounding

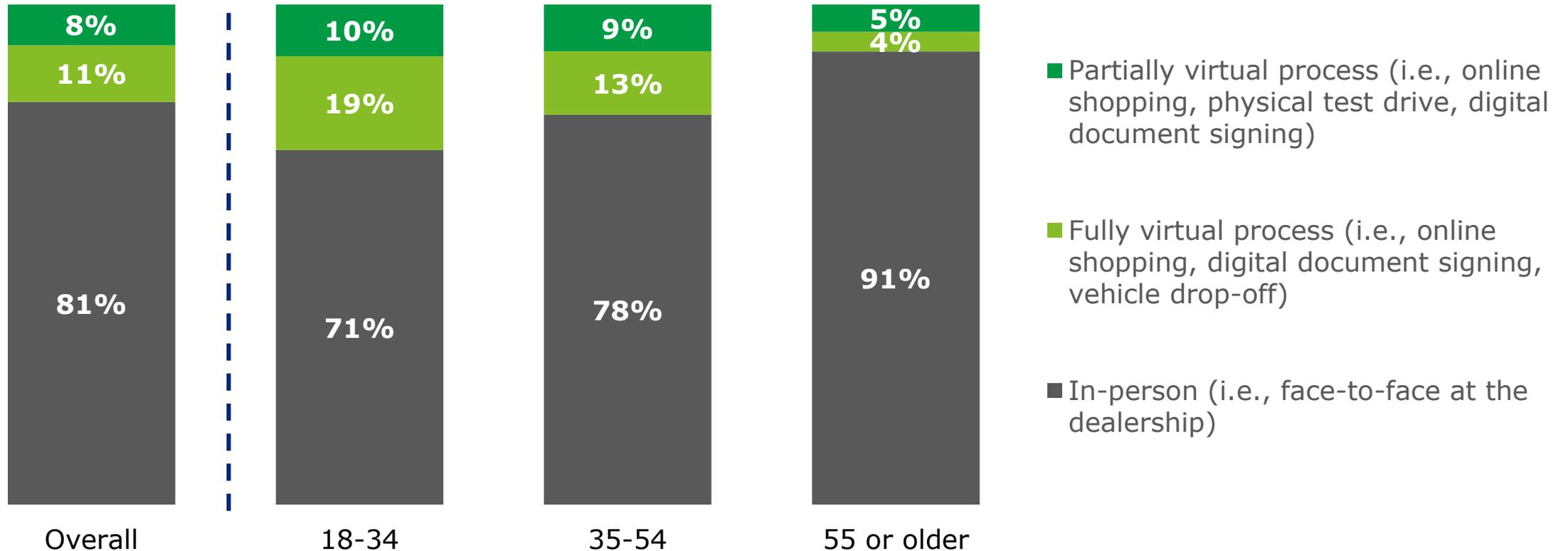
Q28. Are you planning to acquire your next vehicle primarily due to the need of maintaining social distance while traveling?

Sample size: n= 913 [overall]; 270 [18-34]; 307 [35-54]; 336 [55 or older]

Canada

Will vehicle sales become virtual? Yes, but a significant number of people still want to get their next vehicle in person at the dealership.

Most preferred way to acquire next vehicle

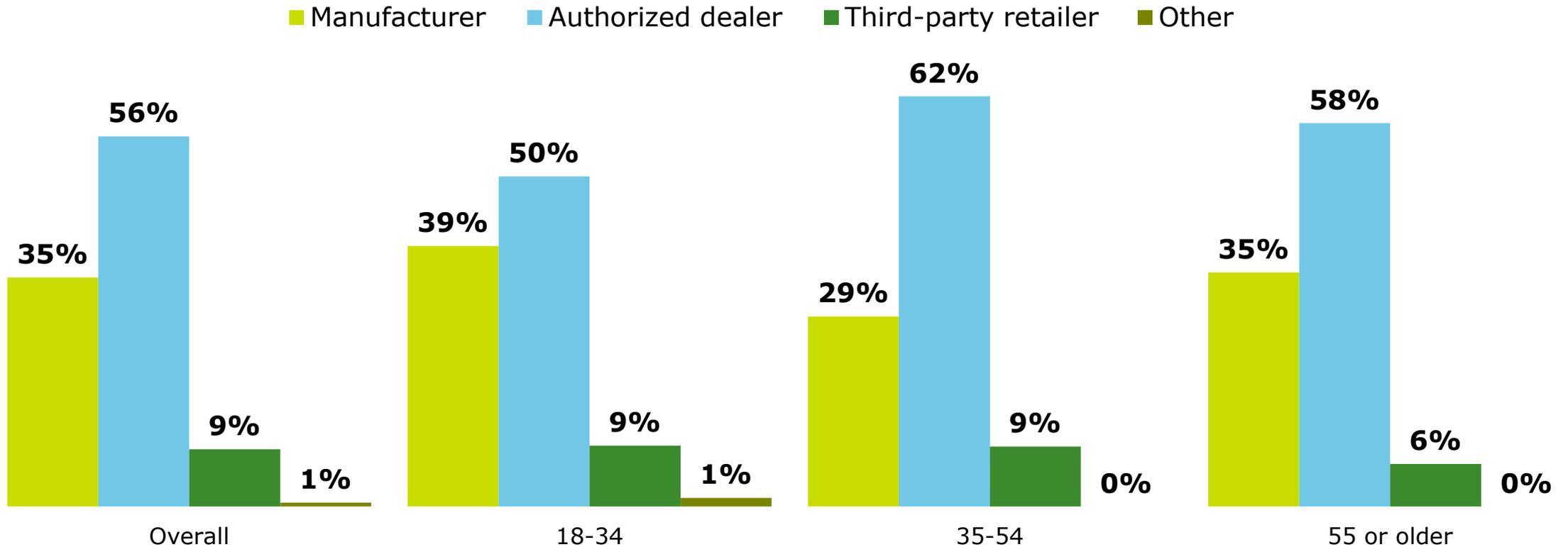


Q48. How would you most prefer to acquire your next vehicle?

Sample size: n= 889 [Overall] ; 261 [18-34]; 299 [35-54]; 329 [55 or older]

Even if people are looking for a virtual sales experience, a majority would still prefer to acquire their next vehicle from a dealer.

Most preferred source from which to acquire next vehicle through a virtual process, by age group



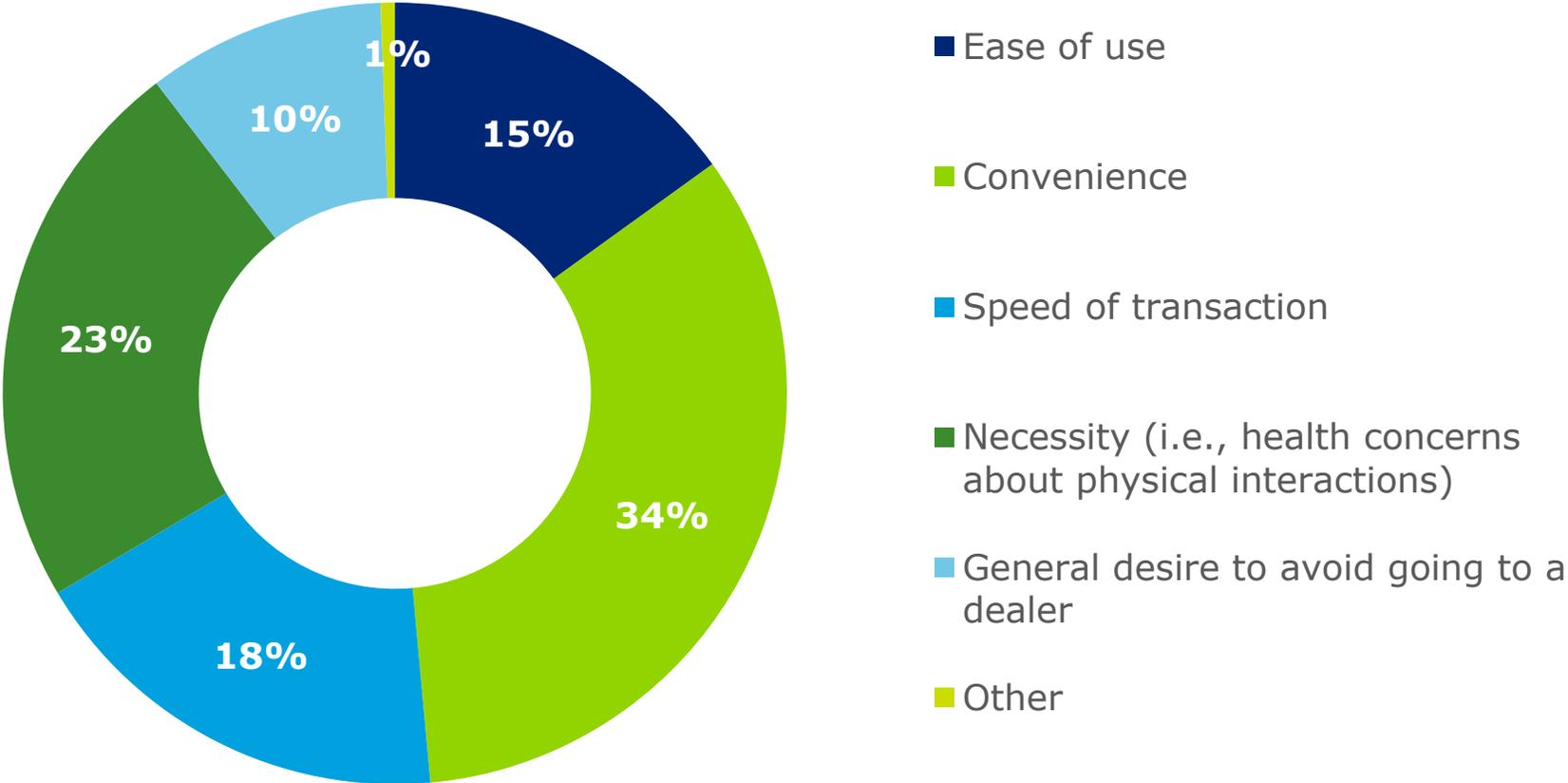
Note: Sum of %s for Overall, 18-34, and 55 or older do not add to 100% due to rounding

Q49. From whom would you most prefer to acquire your next vehicle via a virtual process?

Sample size: n= 173 [Overall]; 76 [18-34]; 66 [35-54]; 31 [55 or older]

Convenience and the need to avoid physical meetings are why consumers are considering using a virtual process to acquire their next vehicle.

Main reason to acquire next vehicle through a virtual process



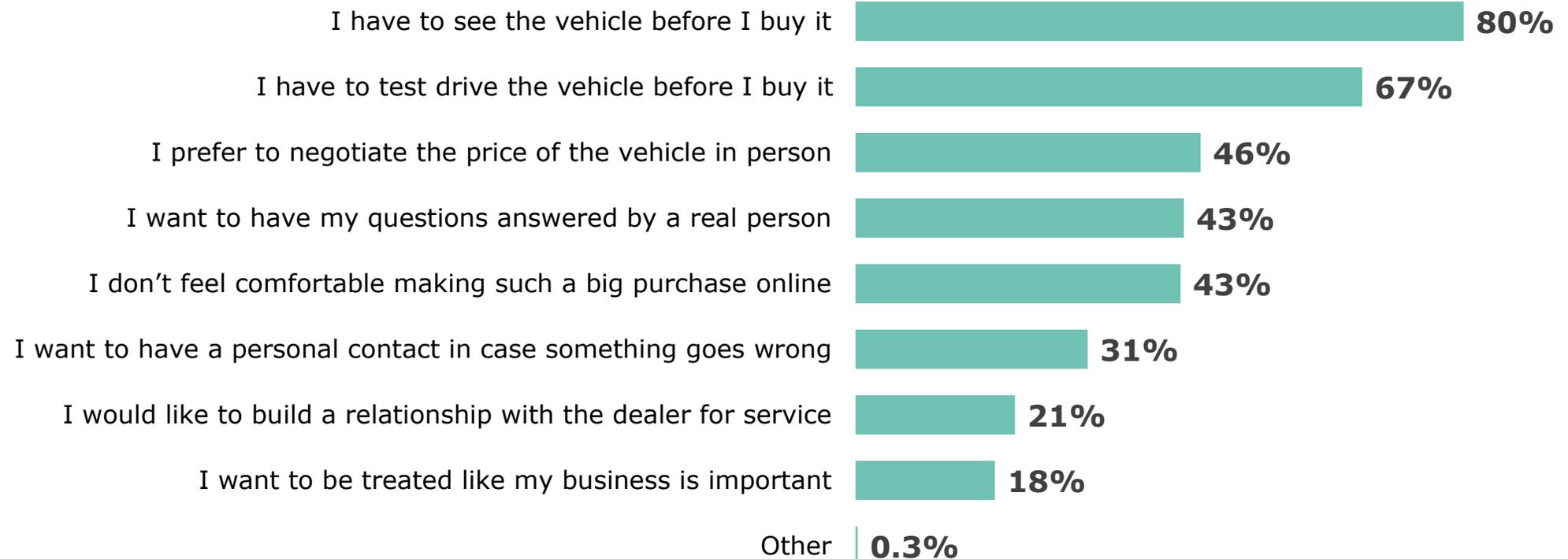
Note: Sum of %s do not add to 100% due to rounding

Q50. What is the main reason you would prefer to acquire your next vehicle via a virtual process?

Sample size: n= 173

But, at the end of the day, some things are simply hard to digitize—people still want to see and drive a vehicle before they buy it.

Main reasons for being not interested in acquiring next vehicle via virtual process



Q51. What are the main reasons you are not interested in acquiring your next vehicle via virtual process? (Select all that apply)

Sample size: n= 716

And, some things never change: consumers still want a good deal, with transparent pricing and a test drive before they commit to buying a vehicle.

Most important aspects of the purchase experience, in order

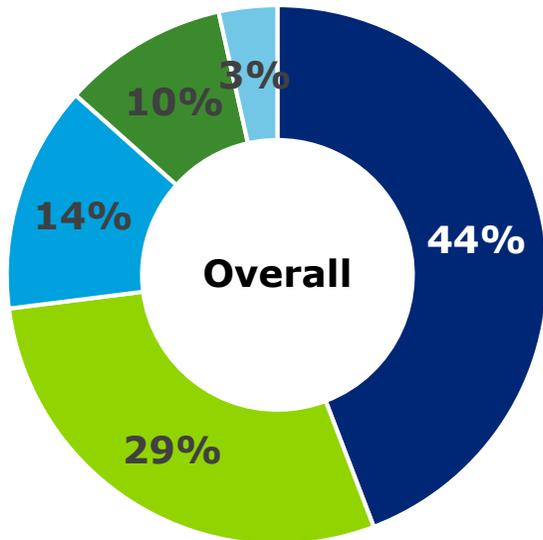


Q52. When looking to acquire your next vehicle, what are the top three most important aspects of the purchase experience? (Select top three)

Sample size: n= 889

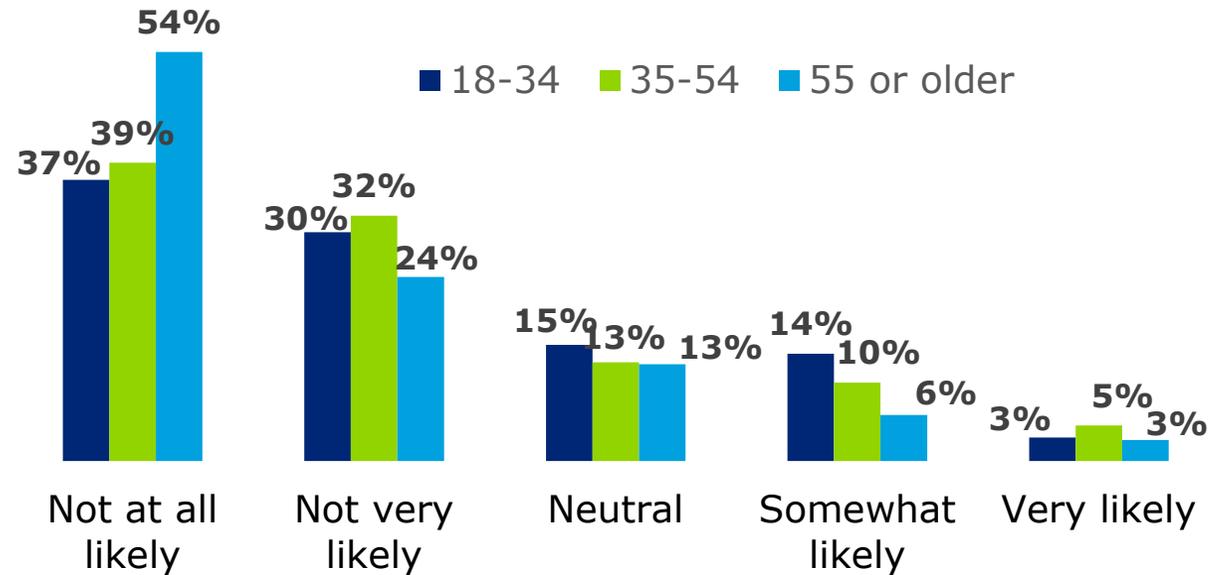
In fact, only 13 percent of consumers are either somewhat or very likely to buy their next vehicle without a test drive.

Likelihood of acquiring vehicle without a test drive



■ Not at all likely
 ■ Not very likely
 ■ Neutral
 ■ Somewhat likely
 ■ Very likely

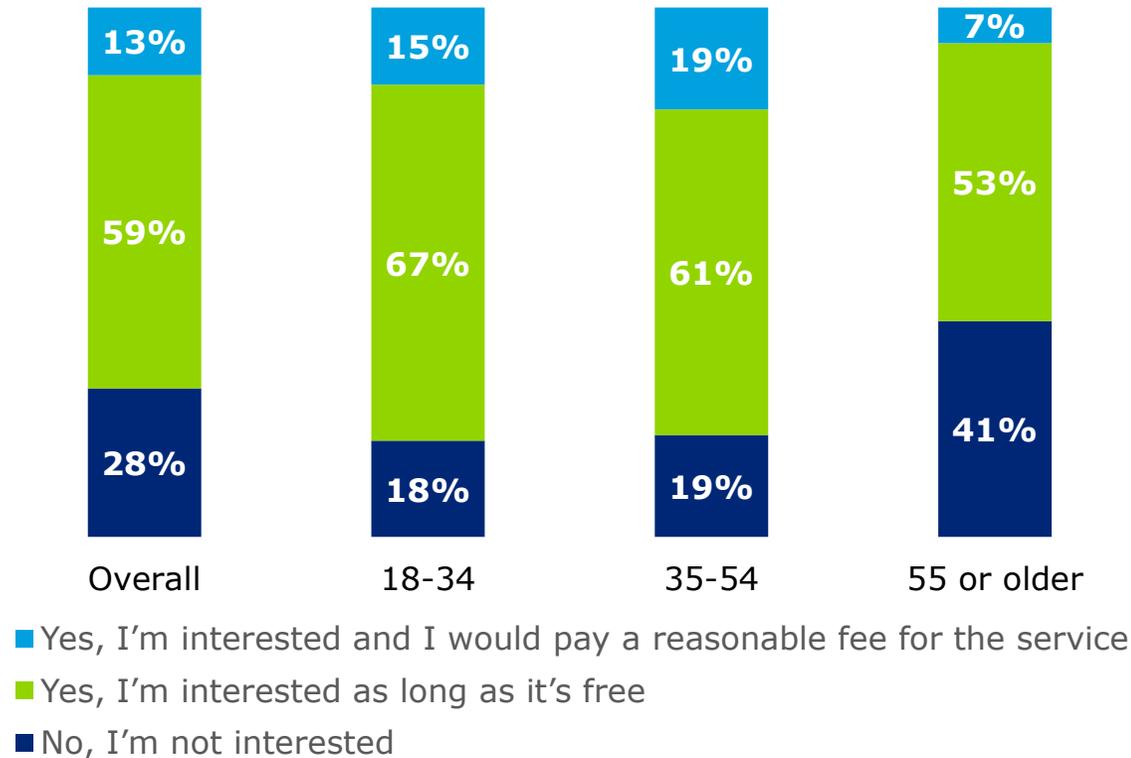
By age group



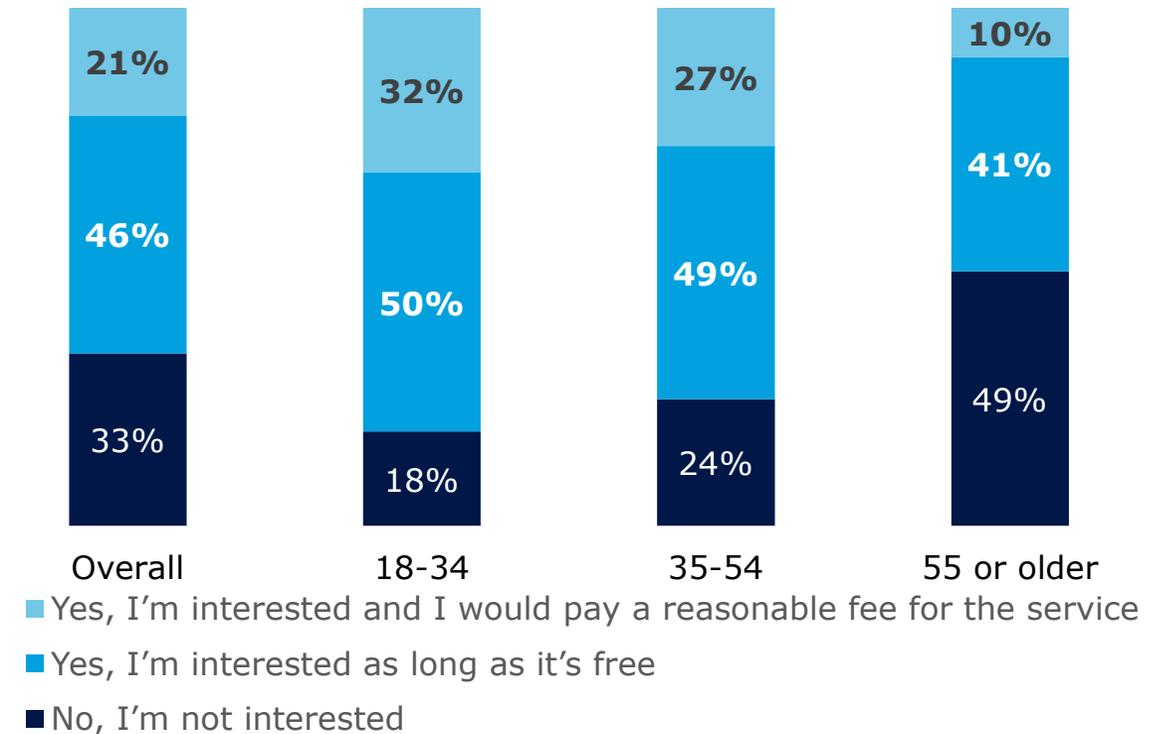
Q53. How likely are you to acquire your next vehicle without a test drive?
 Sample size: n= 889 [Overall]; 261 [18-34]; 299 [35-54]; 329 [55 or older]

What about “virtual servicing”? Consumers are interested as long as it’s free, but this may be a difficult or costly option to maintain post-pandemic.

Percentage of consumers interested in having their vehicle picked up from their home or office when it needs service



Percentage of consumers interested in having a technician come to their home to perform the required service



Q20: To what extent are you interested in the following services?

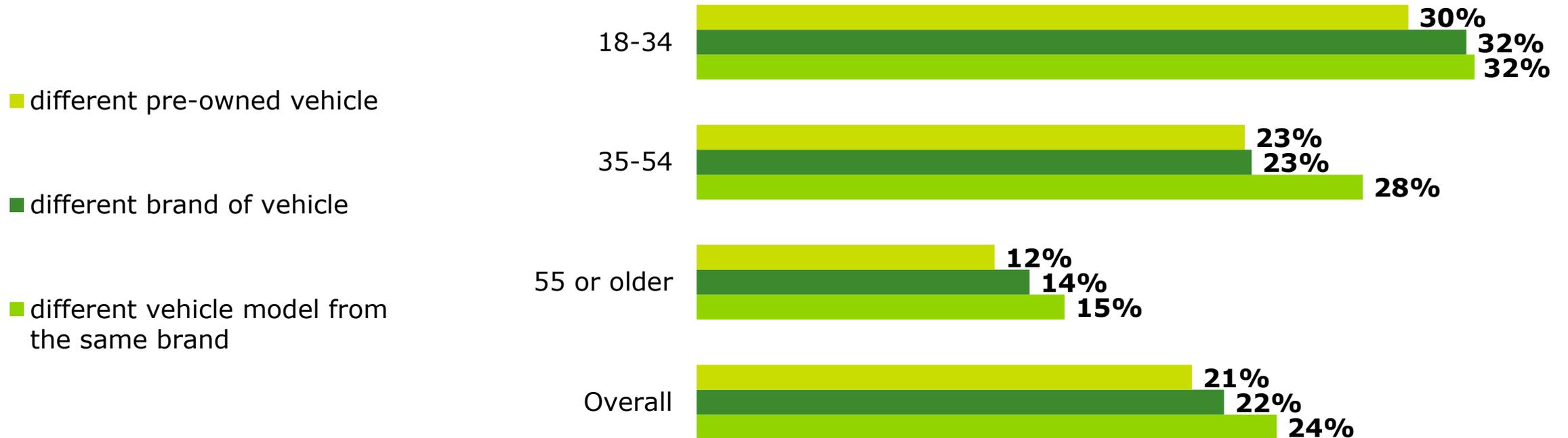
Sample size: n= 424 [Overall]; 110 [18-34]; 135 [35-54]; 179 [55 or older]

Note: Sum of %s for “picked from home/office” for 35-54 and 55 or older do not add to 100% due to rounding

Canada

Overall interest in subscription services is being somewhat masked by older consumers, as 30 percent of 18- to 34-year-olds are at least somewhat interested.

Percentage of consumers who are somewhat or very interested in a subscription service where they have the convenience and flexibility to periodically opt for a...

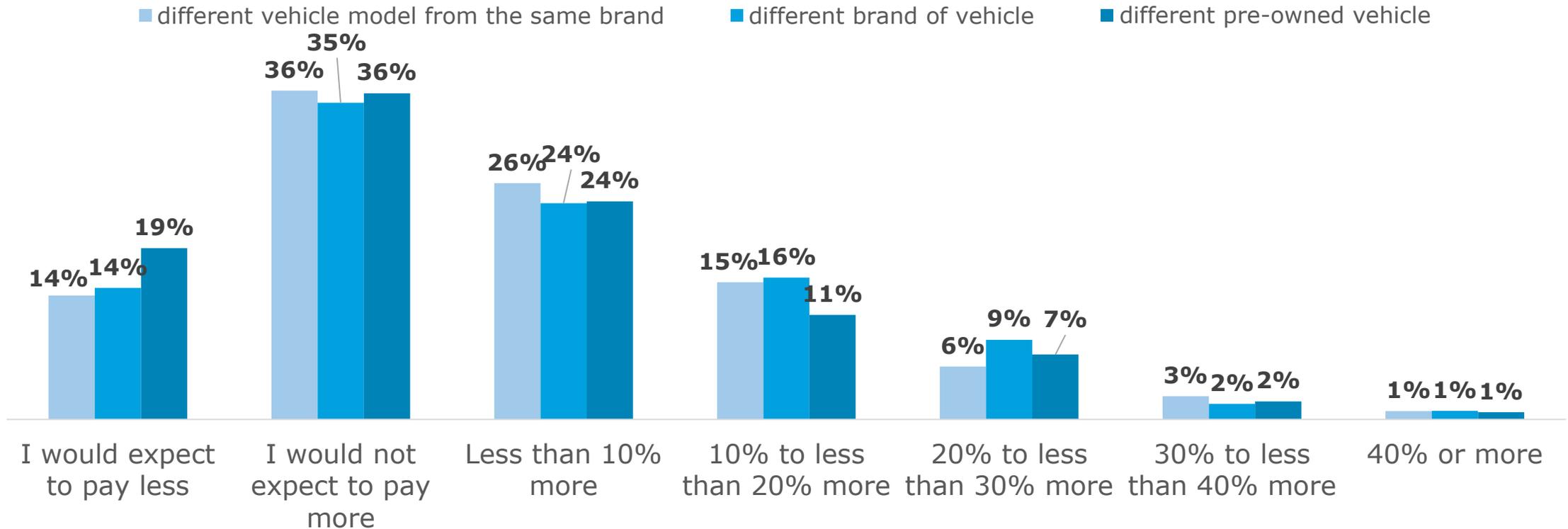


Q59. How interested are you in each of the following scenarios?

Sample size: n= 1,047 [Overall]; 290 [18-34]; 346 [35-54]; 411 [55 or older]

Consumers interested in a subscription are reluctant to pay more for it, with half saying they either expect to pay less or at least not pay more.

Percentage of consumers who are willing to pay for a...



Q60. How much would you be willing to pay for each of the following services? (A subscription service where you have the convenience and flexibility to periodically opt for a different vehicle model from the same brand?)

Sample size: n= 551

Q60. How much would you be willing to pay for each of the following services? (A subscription service where you have the convenience and flexibility to periodically opt for a different brand of vehicle?)

Sample size: n= 526

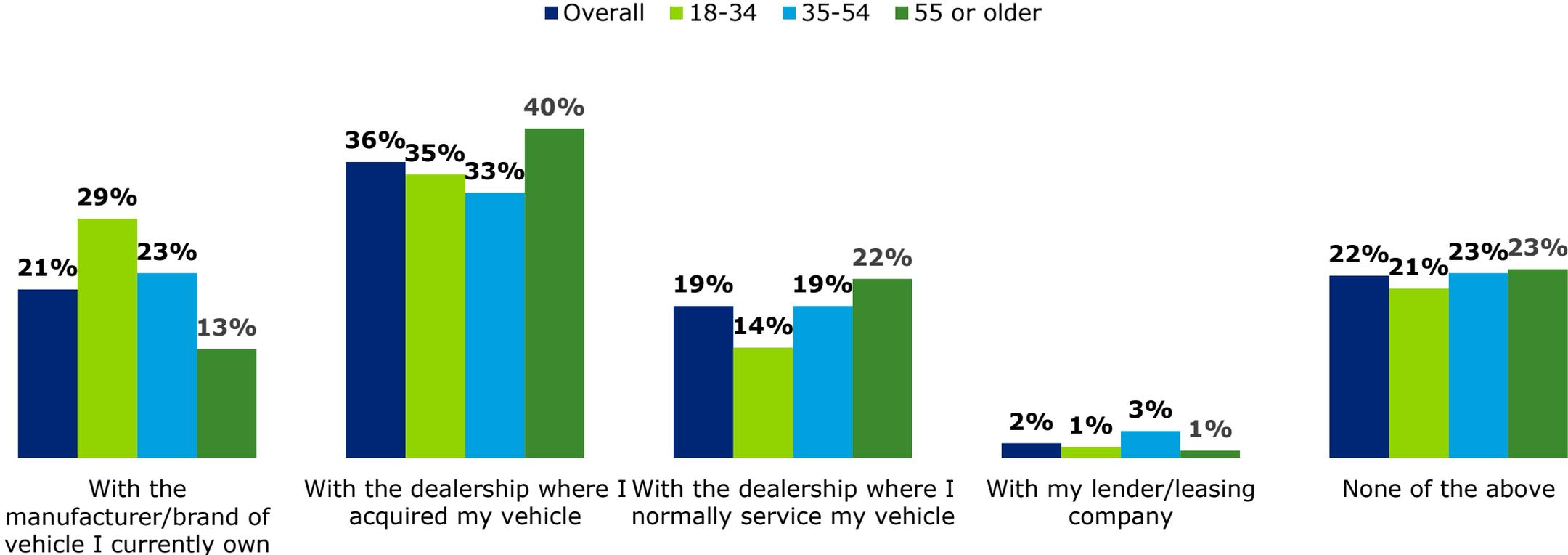
Q60. How much would you be willing to pay for each of the following services? (A subscription service where you have the convenience and flexibility to periodically opt for different pre-owned vehicles?)

Sample size: n= 505

Canada

Finally, consumers seem to have the most trusted relationship with their selling dealer—but a troubling number say they don't trust anyone.

Consumers have the most trusted vehicle-purchasing relationship



Q21: With whom do you have the most trusted relationship?
 Sample size: n= 830 [Overall]; 221 [18-34]; 273 [35-54]; 336 [55 or older]



Contacts

Jelle Donga

Automotive Leader, Canada
Deloitte Canada
jdonga@deloitte.ca

Ryan Robinson

Automotive Research Leader
Deloitte LLP
ryanrobinson@deloitte.ca

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