Deloitte.

2023 Global Automotive Consumer Study

Key Findings: INDIA

January 2023

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Contents

Copyright © 2023 Deloitte Development LLC. All rights reserved.

From September through October 2022, Deloitte surveyed more than 26,000 consumers in 24 countries (including 1,003 respondents in India) to explore opinions regarding a variety of critical issues impacting the automotive sector, including consumer interest in electric vehicle (EV) adoption, brand perception, and advanced technologies. The overall goal of this annual study is to answer important questions that can help companies prioritize and better position their business strategies and investments.

1	**The shift to EVs is happening, but is it moving fast enough?**	Consumer interest in EVs is growing as consumers look to lower their operating costs. However, there are a variety of challenges standing in the way, including availability of charging infrastructure, concerns regarding battery safety, and the price premium required to access EV technology.
2	**An unintended benefit of the vehicle inventory crisis**	Product quality still tops the list of factors driving consumer decisions when it comes to which vehicle brand to buy, but expectations regarding the acceptable length of time to wait for delivery may be starting to stretch out as a lasting by-product of the inventory crisis, potentially opening the door to a new “build-to-order” paradigm.
3	**Dealers engender significant trust among consumers**	When asked who they trust most, surveyed consumers point to their servicing dealer, signaling the important role this stakeholder has in building and maintaining the customer relationship which should be an important consideration for OEMs looking to redefine the retail process.
4	**Subscriptions to connected vehicle services could be a challenge**	Consumer interest in connected vehicle features that provide updates regarding safer driving routes, vehicle health reporting, and road safety are relatively high, but respondents would much rather pay for connected technologies as part of the upfront cost of the vehicle or on a per use basis versus a monthly subscription.

Note: Sum of the values for a few questions in the following slides may not add to 100% due to rounding.

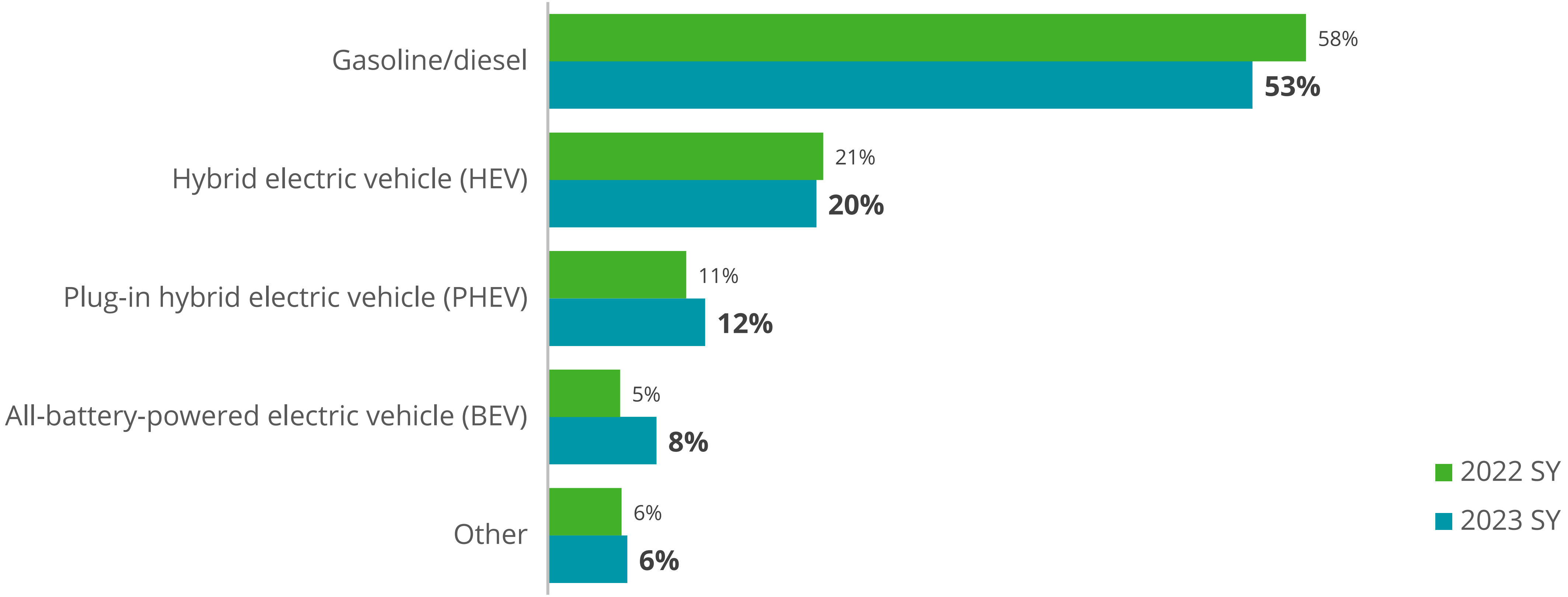
Copyright © 2023 Deloitte Development LLC. All rights reserved.

1

Vehicle electrification

The needle is moving toward an electric mobility future, but are we moving fast enough to achieve the ambitious goals that have been set for global carbon emissions reduction?

Preference for type of engine in next vehicle



Note: Other includes vehicles with engine types such as compressed natural gas, ethanol, and hydrogen fuel cells; don't know responses weren't considered.

Q40. What type of engine would you prefer in your next vehicle?

Sample size: n= 895 [2022]; 948 [2023]

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

The draw for EVs continues to center on the consumer perception that fuel costs will be significantly lower, outweighing the concern for climate change.

Top 5 reasons for choosing an EV for next vehicle

#1
Lower fuel costs

#2
Better driving experience

#3
Less maintenance

#4
Use vehicle as power source

#5
Concern about climate change

Q41. Please rank the following factors in terms of their impact on your decision to acquire an electrified vehicle (highest to lowest).

Sample size: n= 384

Copyright © 2023 Deloitte Development LLC. All rights reserved.

A majority of both ICE and EV intenders are expecting to pay less than INR 25 lakhs for their next vehicle.

Preferred price ranges for next vehicles

	Overall	ICE Intender	EV Intender
Less than INR 5 lakhs	5%	6%	3%
INR 5 lakhs to less than INR 10 lakhs	22%	22%	17%
INR 10 lakhs to less than INR 15 lakhs	24%	23%	25%
INR 15 lakhs to less than INR 25 lakhs	27%	24%	32%
	77%	77%	77%
INR 25 lakhsto less than INR 50 lakhs	16%	16%	18%
INR 50 lakhs or more	5%	7%	4%
Don't know/not sure	1%	0%	1%

Q39. In which of the following price ranges will you be shopping for your next vehicle? (Please indicate what you would expect to pay after any discounts and/or incentives that might be available.)

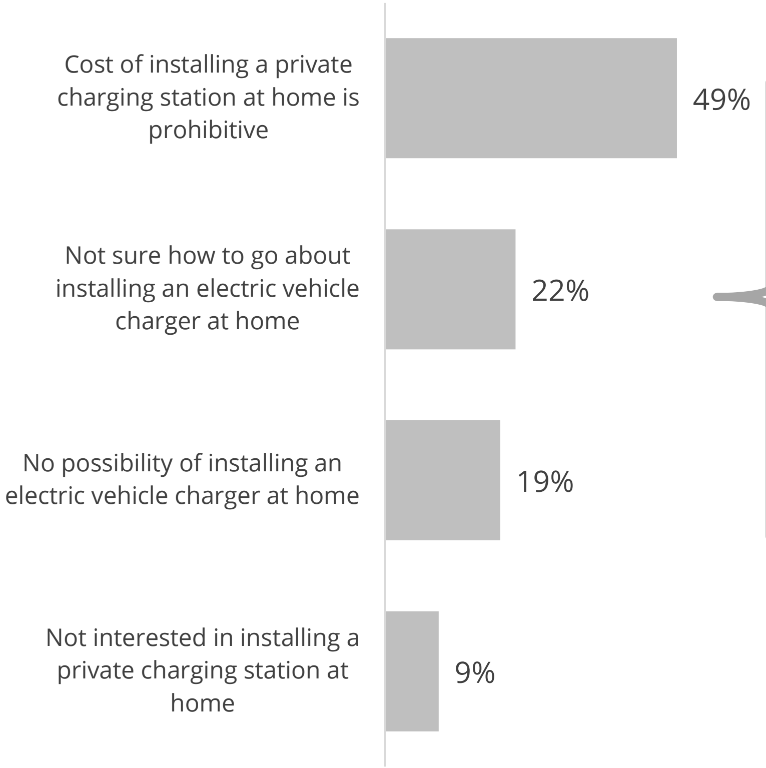
Sample size: [Overall] n= 957; [ICE intender] n= 507, [EV intender] n=384

INDIA

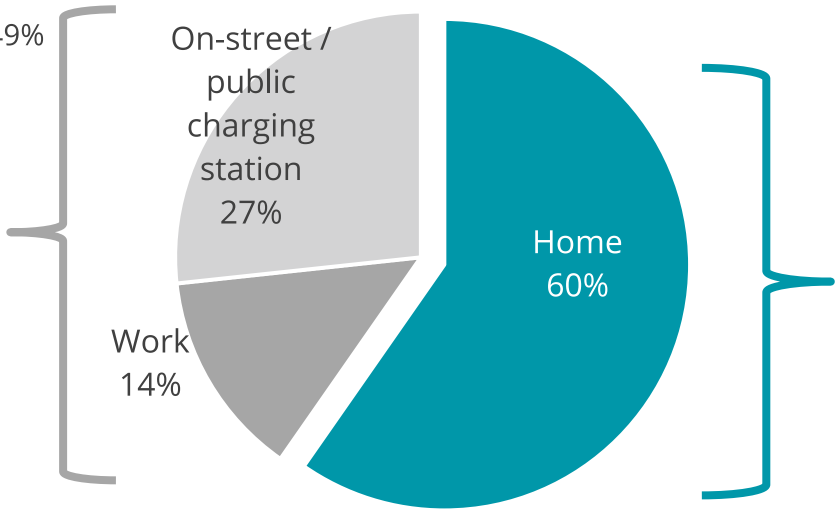
Copyright © 2023 Deloitte Development LLC. All rights reserved.

Most EV intenders plan to charge their vehicle at home by connecting to a regular power grid and/or to an alternate power source. Those not intending to charge at home cite high installation costs, opening the door for finance providers to offer solutions.

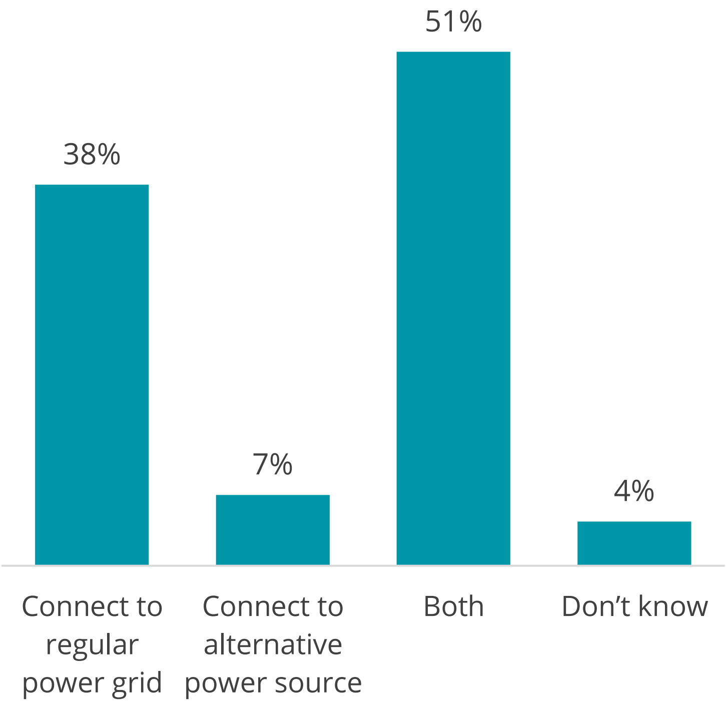
Reasons for not charging an electrified vehicle at home



Expecting to charge electrified vehicle most often at...



Intending to charge electric vehicles at home using...



Q43: Where do you expect to charge your electrified vehicle most often?; Q44: How do you intend to charge your electrified vehicle at home?; Q45: What is the main reason you do not intend to charge your electrified vehicle at home?

Sample size: n= 191 [Q43]; 114 [Q44]; 77 [Q45]

Copyright © 2023 Deloitte Development LLC. All rights reserved.

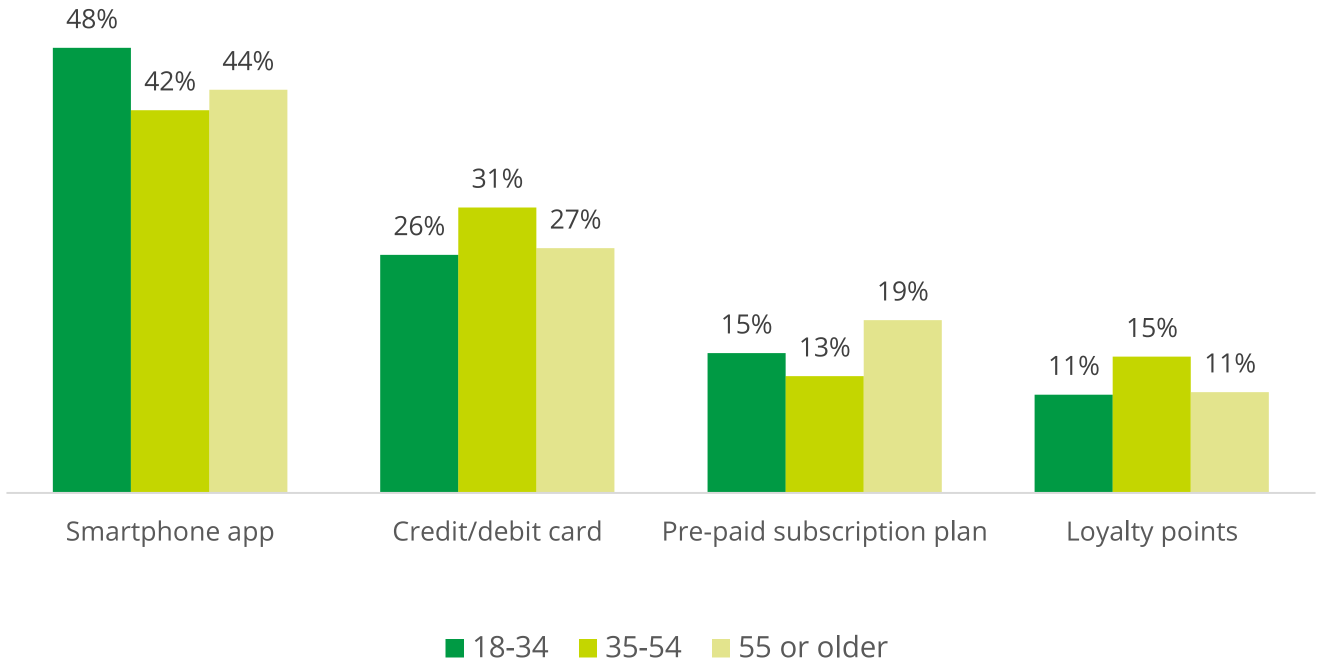
Across all age groups, consumers would prefer to pay for public EV charging via payment apps on their smartphones, signaling the need for easy-to-use digital payment tools.

Most preferred way to pay for public EV charging

Overall

Smartphone app	45%
Credit/debit card	28%
Pre-paid subscription plan	15%
Loyalty points	12%

By age category



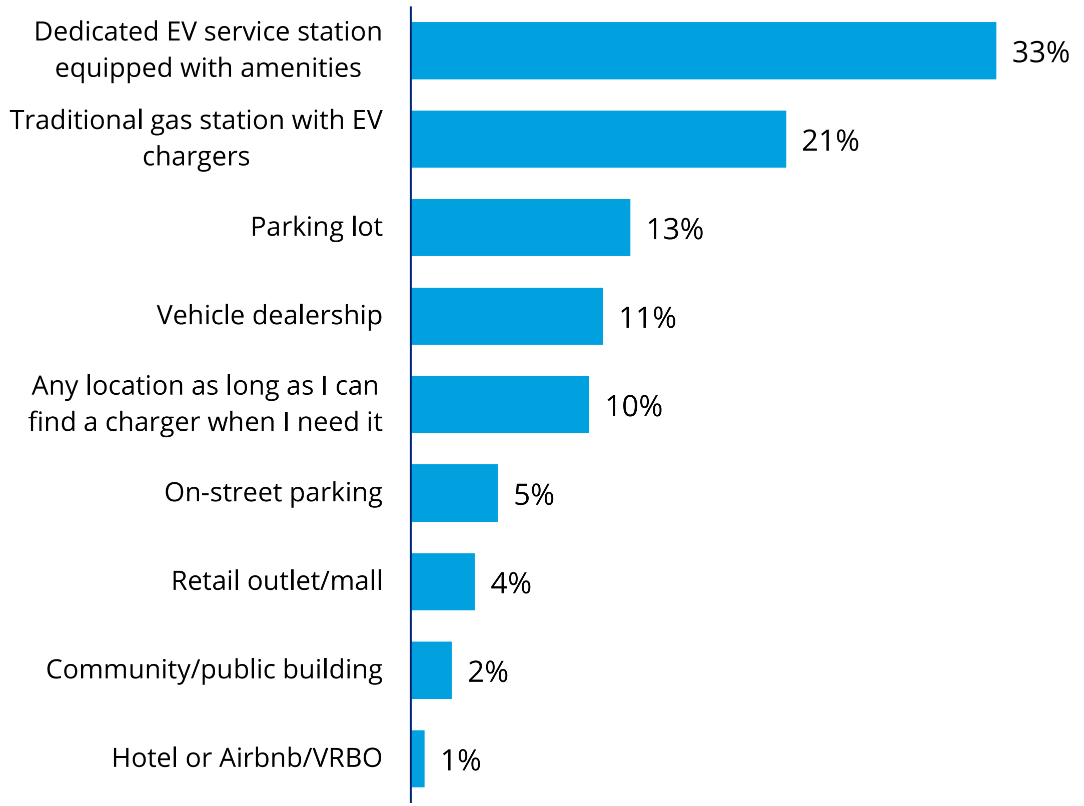
Q49: How would you most prefer to pay for public EV charging?

Sample size: n= 384 [Overall]; 178 [18-34], 142 [35-54], 64 [55+]

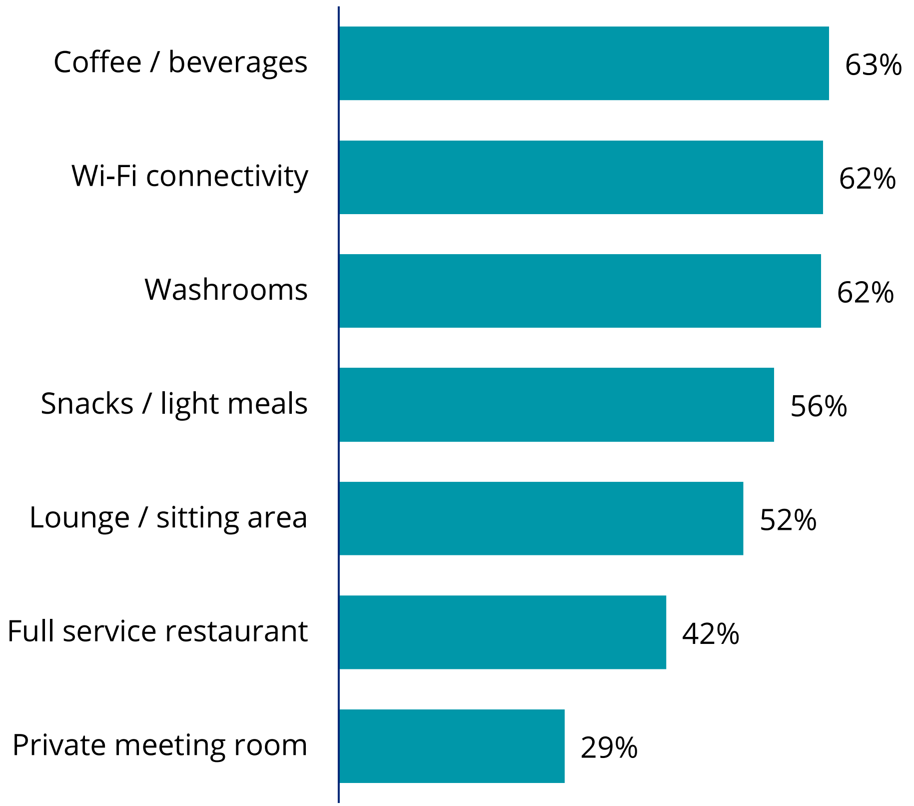
Copyright © 2023 Deloitte Development LLC. All rights reserved.

Consumers would most prefer a dedicated EV charging station with amenities such as quick beverages, Wi-Fi connectivity, and restrooms.

Public locations that the consumers would prefer to charge their EV when they are away from their home



Type of amenities that the consumers want to have access to while their vehicle is charging at a public location



Note: Sum of the percentages in the right-side chart exceed 100% as respondents can select multiple options.

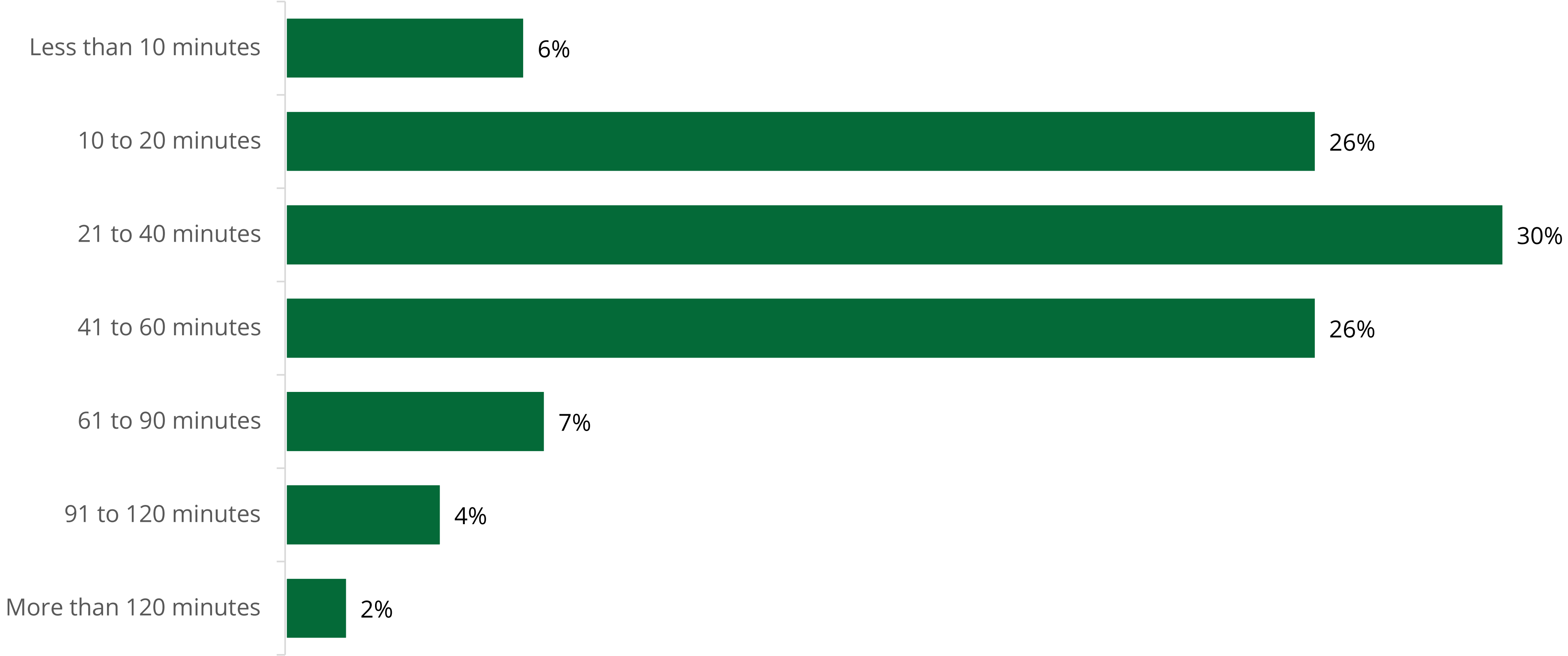
Q46: Which of the following public locations makes the most sense to charge your EV when you are away from home?
Q48: What type of amenities would you want to have access to while your vehicle is charging at a public location?

Sample size: n= 384 [Q46]; 384 [Q48]

Copyright © 2023 Deloitte Development LLC. All rights reserved.

More than half of surveyed consumers would wait between 10 and 40 minutes for their vehicle to charge from empty to 80% at a public charging station, challenging conventional wisdom that matching the fossil fuel experience is "table stakes".

Expected wait time to charge an EV at public charging stations from empty to 80%



Q47: How long would you expect it to take to charge your EV from empty to 80% at a public charging location?

Sample size: n= 384

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Nearly two-thirds of consumers are concerned about the residual value of a BEV, likely due to lingering questions around long-term battery health.

Percentage of consumers who are concerned about the resale/residual value of an all battery-powered electric vehicle (BEV)

	Overall
Not concerned	12%
Neutral	26%
Concerned	63%

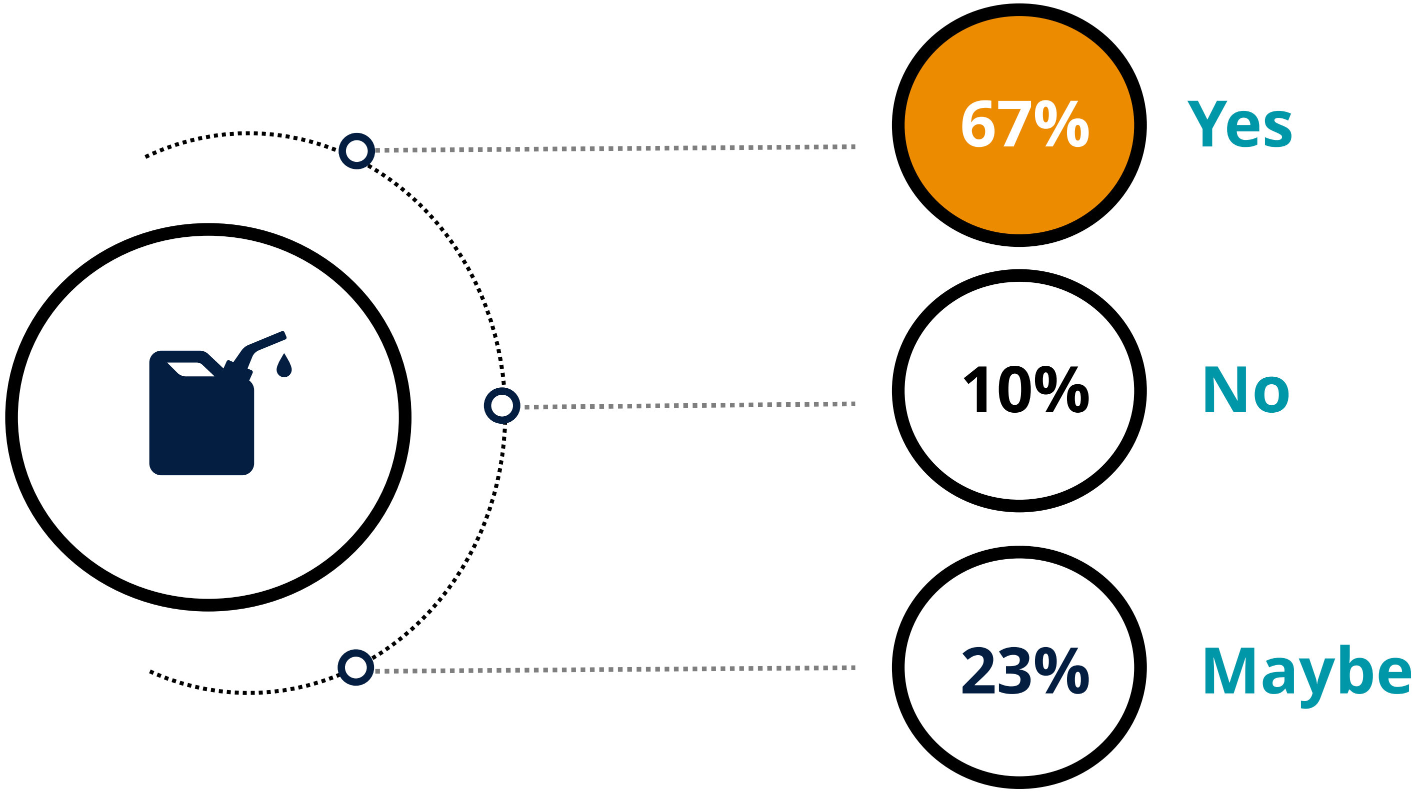
Q50: To what extent are you concerned about the resale/residual value of an all battery-powered electric vehicle?

Sample size: n= 78

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Two-thirds of the consumers would rethink their decision to purchase an EV if an environmentally sustainable, synthetic combustion fuel was available.

Percentage of consumers who would rethink an EV purchase if an environmentally sustainable, synthetic fuel alternative was available for traditional (ICE) engines



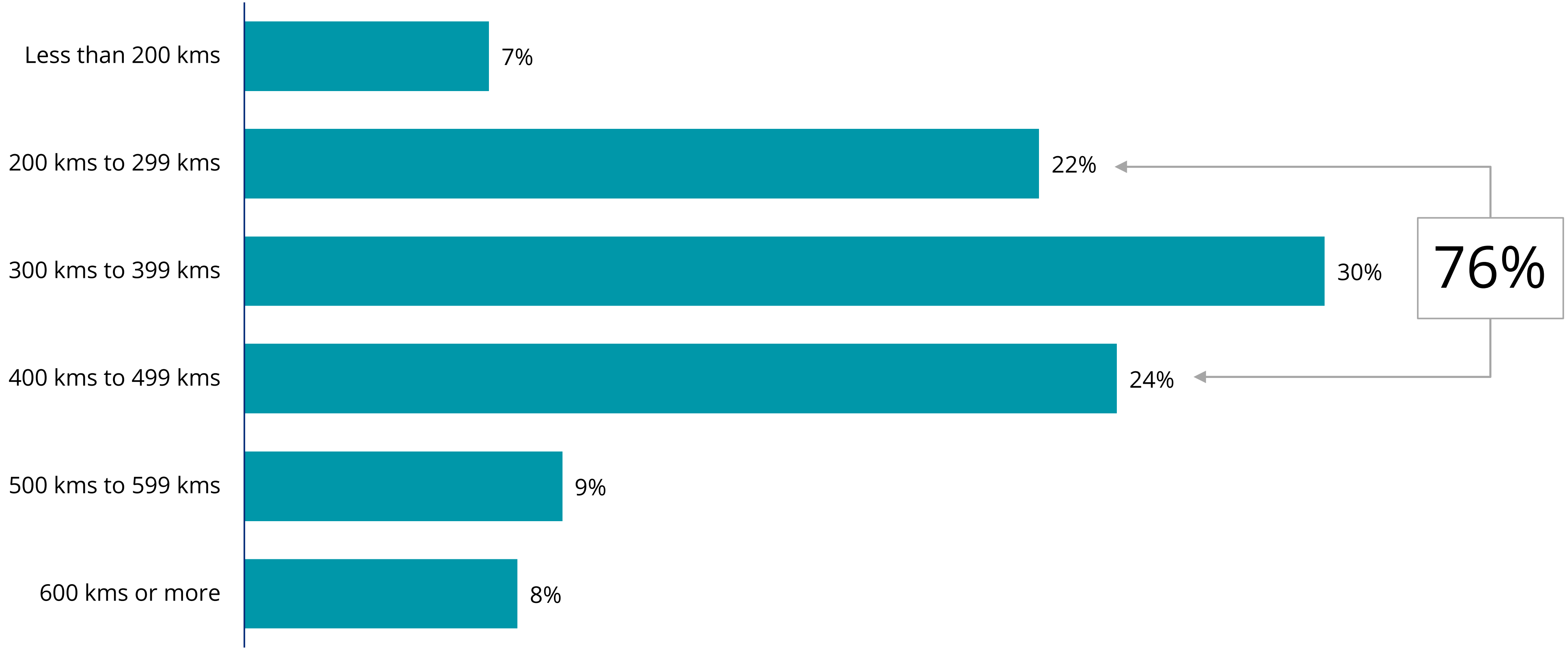
Q42: In a scenario where an environmentally sustainable, synthetic fuel alternative (i.e., carbon-neutral gas) that would work in traditional internal combustion engines was readily available, would you rethink your decision to purchase an EV?

Sample size: n= 384

Copyright © 2023 Deloitte Development LLC. All rights reserved.

76% of non-BEV intenders would expect a fully charged BEV to have a driving range between 200 and 500 kms in order to consider one as a viable option for their next vehicle.

Consumer expectations regarding BEV driving range



Q52: How much driving range would a fully charged all-battery electric vehicle need to have in order for you to consider acquiring one?

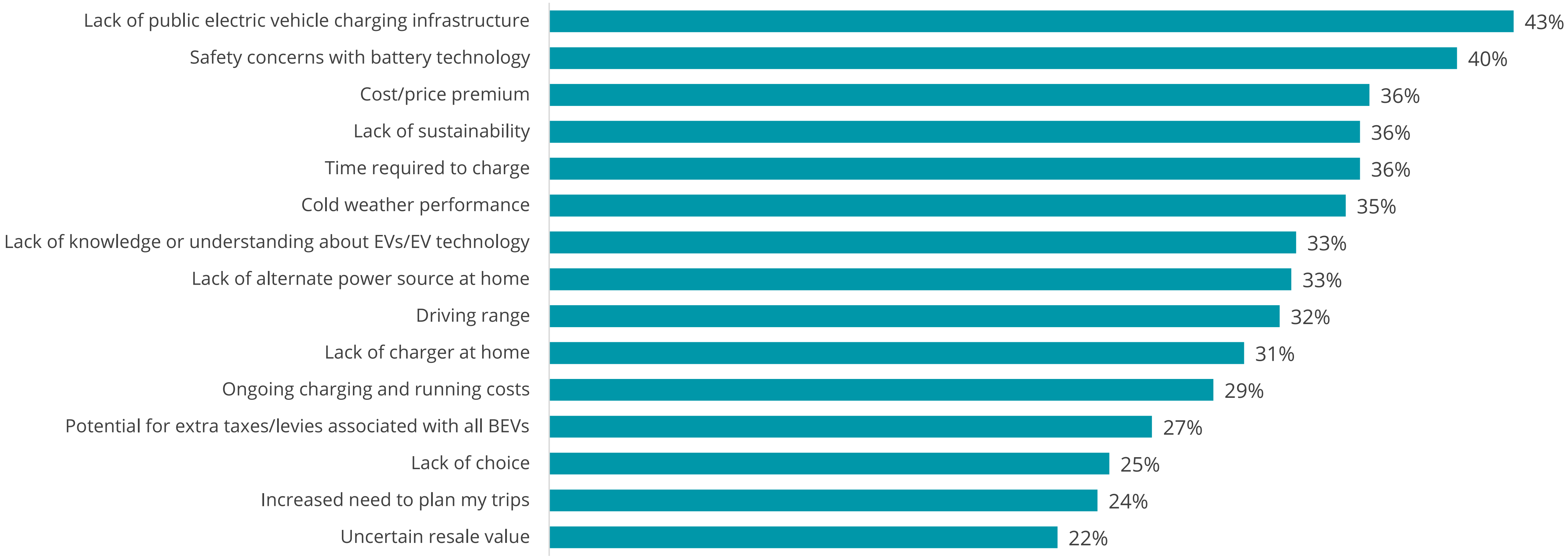
Sample size: n= 879

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

When asked what are the major hurdles to EV adoption, consumers point to a lack of charging infrastructure, battery safety technology, and affordability.

Greatest concern regarding all battery-powered electric vehicles



Note: Sum of the percentages exceed 100% as respondents can select multiple options.

Q51: What are your biggest concerns regarding all battery-powered electric vehicles? Please select all that apply.

Sample size: n= 957

INDIA

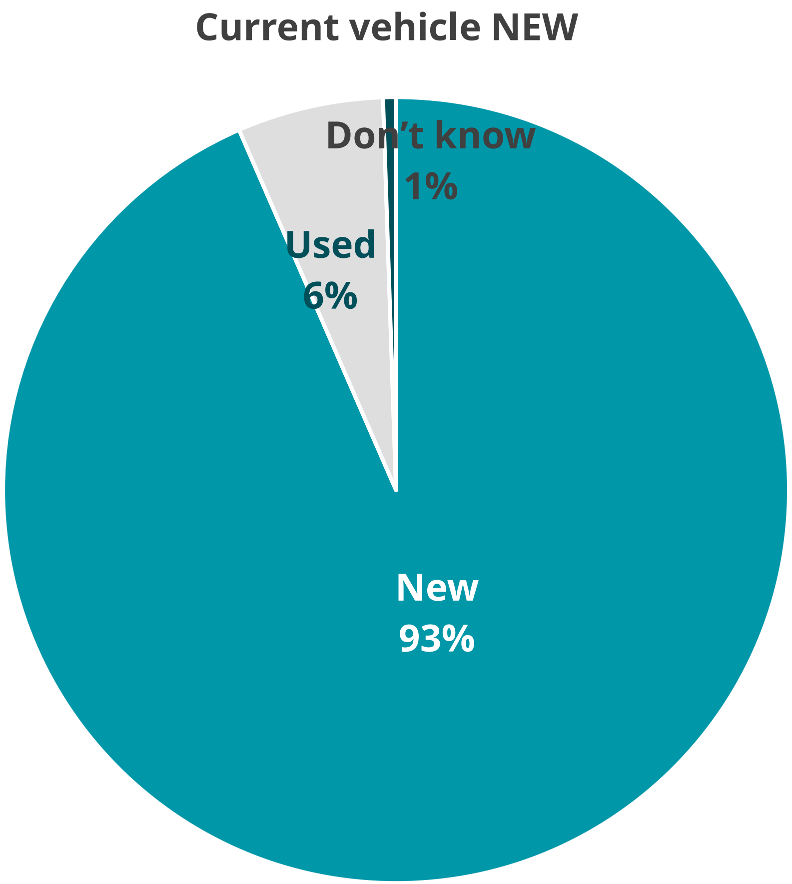
Copyright © 2023 Deloitte Development LLC. All rights reserved.

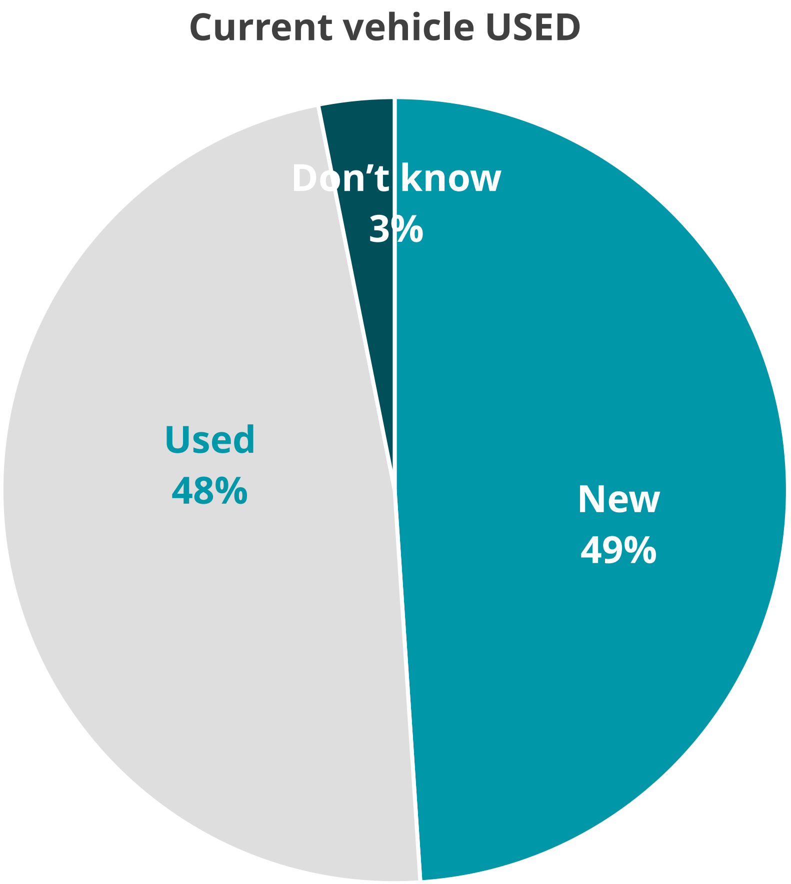
2

Future vehicle intentions

Almost all the vehicle owners who acquired their current vehicle new intend to buy a new vehicle again while only 5 in 10 people who acquired their vehicle used said the same.

Next vehicle type by current vehicle type





Q30. Will your next vehicle be new or used?

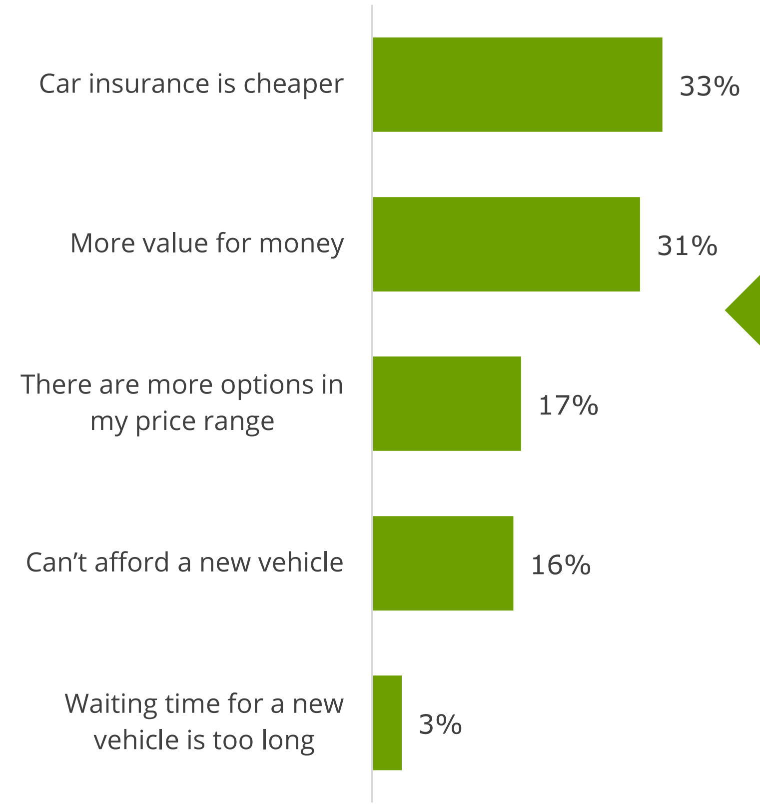
Sample size: n= 748 [New], 96 [Used]

INDIA

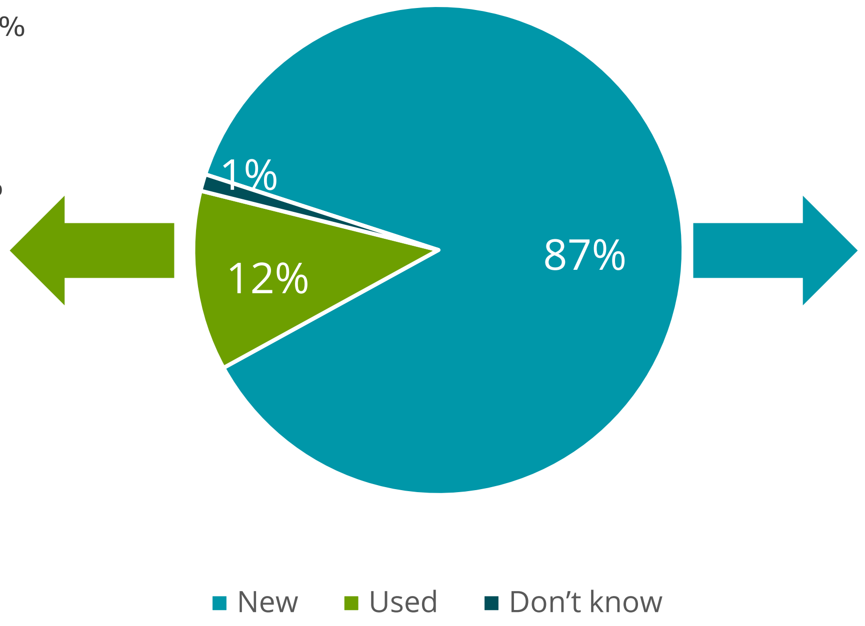
Copyright © 2023 Deloitte Development LLC. All rights reserved.

Access to the latest vehicle features is the primary reason for choosing a new vehicle. Those planning to buy used cite lower insurance costs and value for money as the main reasons.

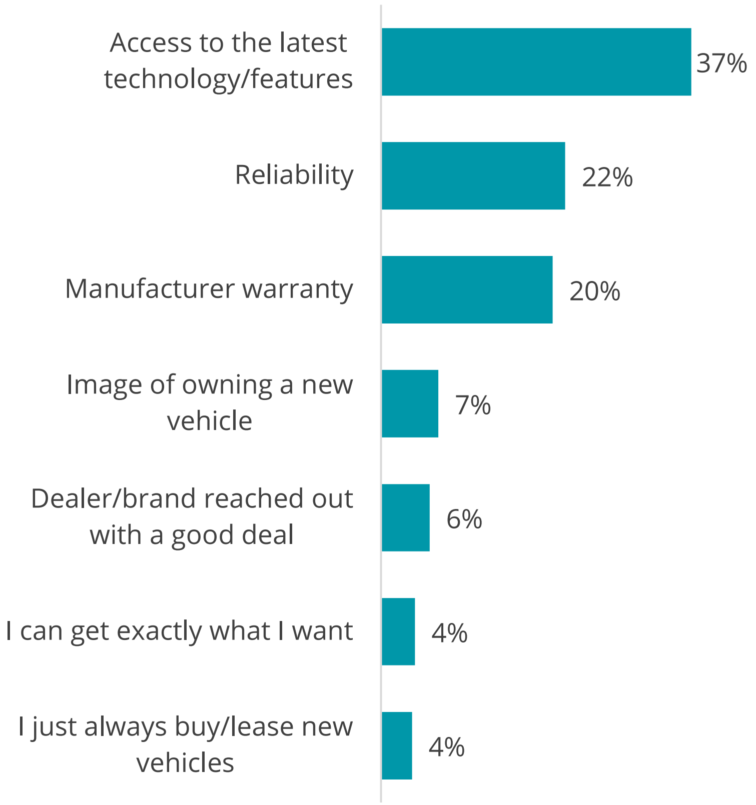
Reasons for choosing used vehicle



Kind of next vehicle



Reasons for choosing new vehicle



Note: Used includes nearly new/certified pre-owned and other used vehicles.

Q30: Will your next vehicle be new or used?; Q31/32: Considering your intent to buy a new/used vehicle, why is this preferred?

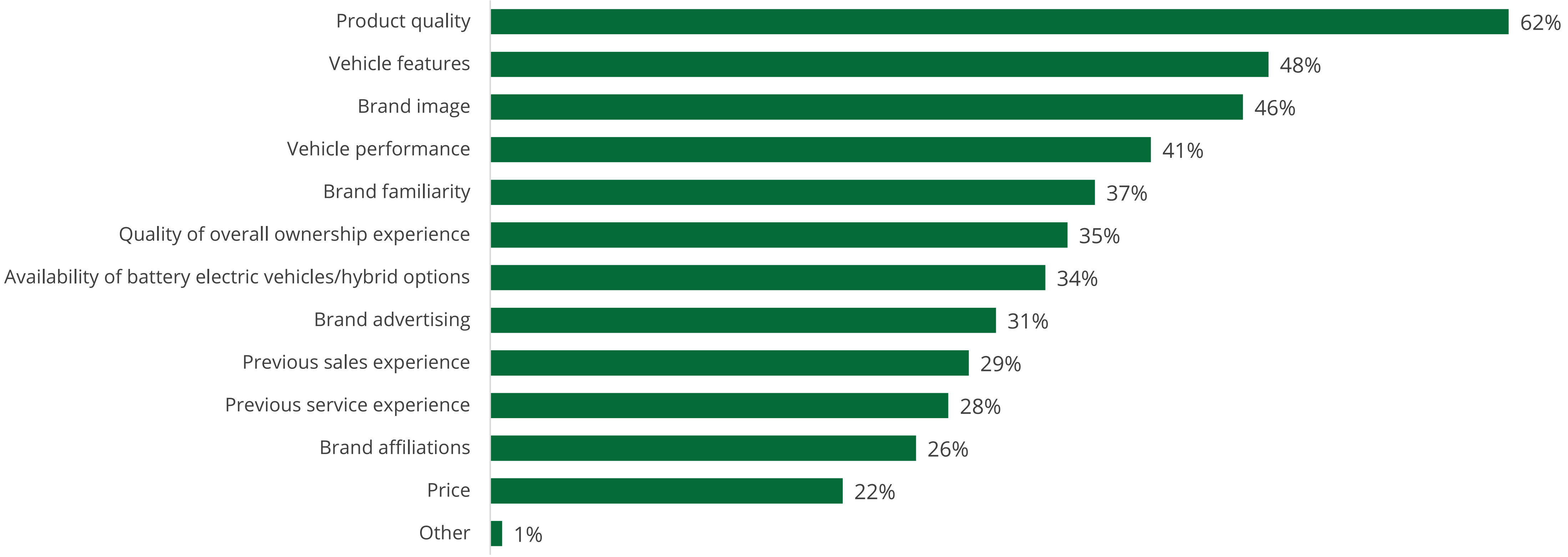
Sample size: n= 993 [Q30]; 864 [Q31]; 118 [Q32]

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Vehicle product quality is the defining factor for consumers when choosing one brand over another. The availability of EV options rates much lower in terms of importance.

Most important factors driving the choice of brand for your next vehicle



Note: Sum of the percentages exceed 100% as respondents can select multiple options.

Q35. What are the most important factors driving the choice of brand for your next vehicle? (Please select all that apply).

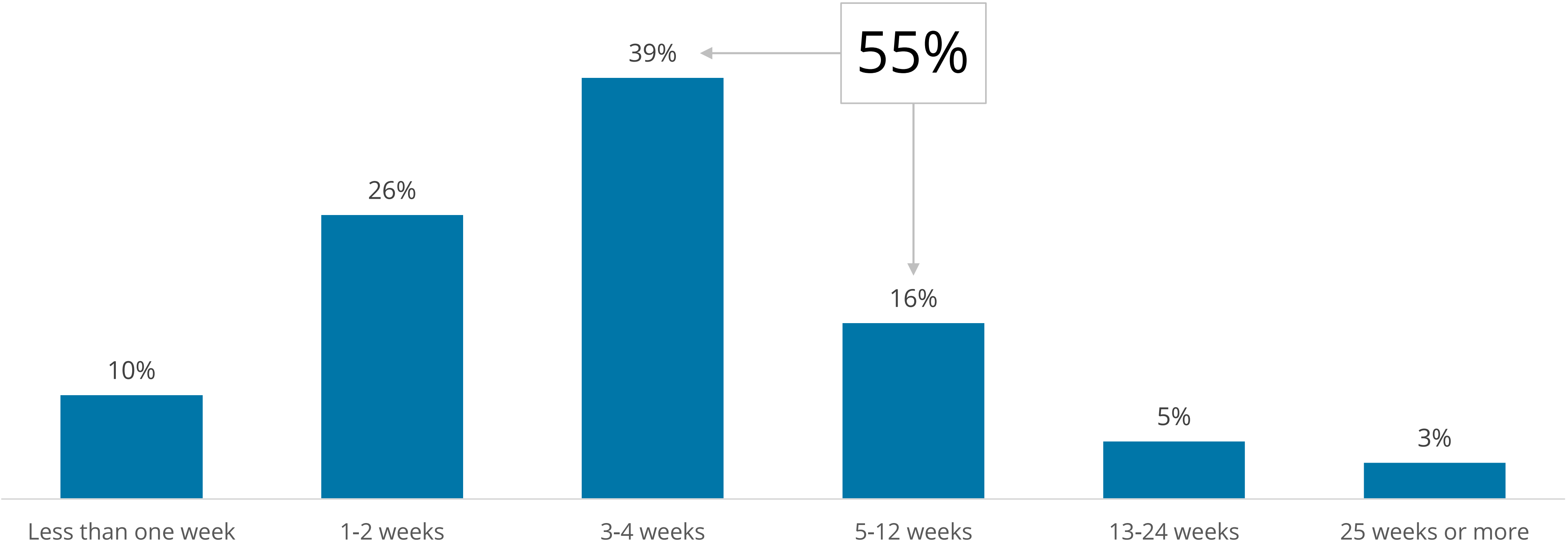
Sample size: n= 957

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Current vehicle inventory issues may be training consumers to expect longer wait times for delivery of a new vehicle, opening the door to a more "build-to-order" retail paradigm.

Acceptable length of time to wait for delivery of next vehicle



Q37: In your opinion, what is an acceptable length of time to wait for delivery of your next vehicle if it meant you got exactly what you wanted (i.e., features, color, etc.)?

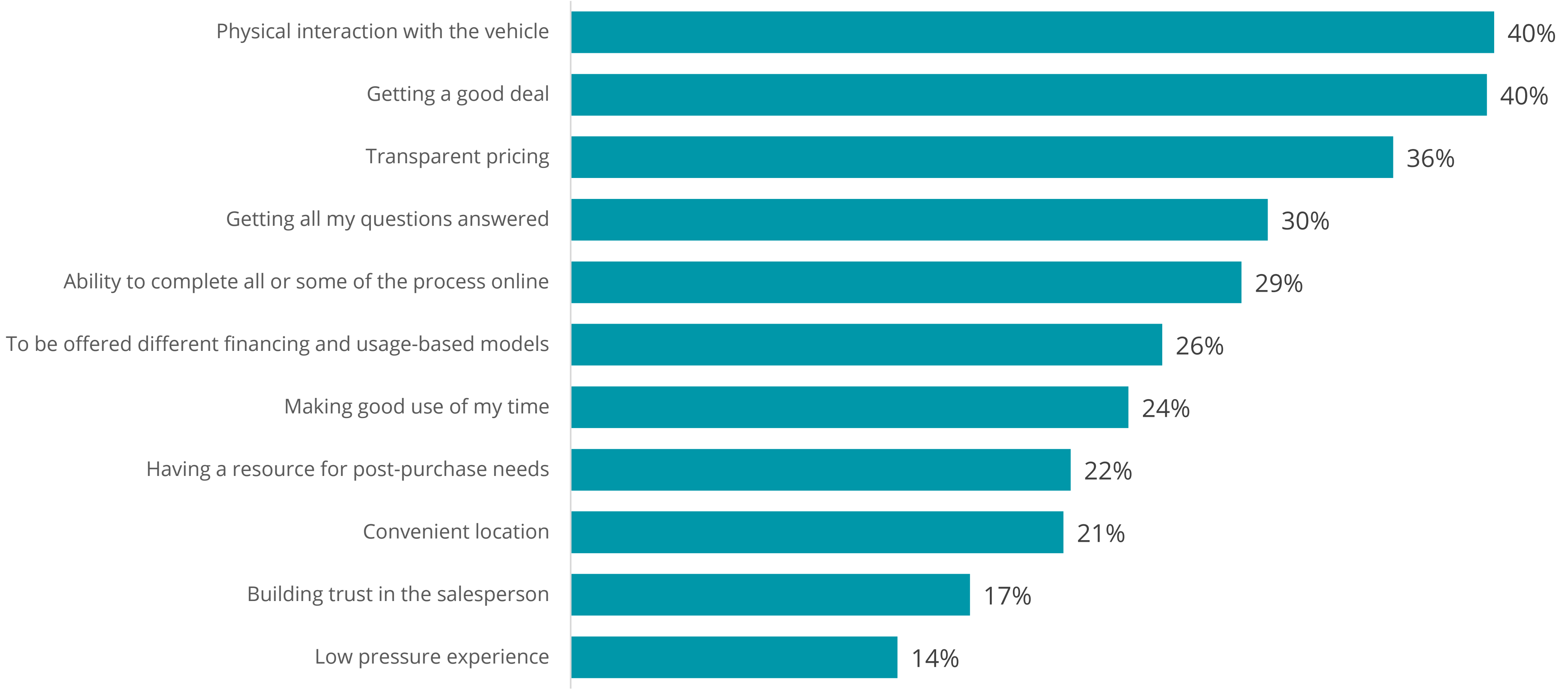
Sample size: n=957

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Having said that, some things never change as consumers still want an in-person interaction along with a good deal and transparent pricing before they commit to buying a vehicle.

Most important aspects of the vehicle purchase experience



Note: Sum of the percentages exceed 100% as respondents can select multiple options.

Q59: When looking to acquire your next vehicle, what are the top three most important aspects of the purchase experience?

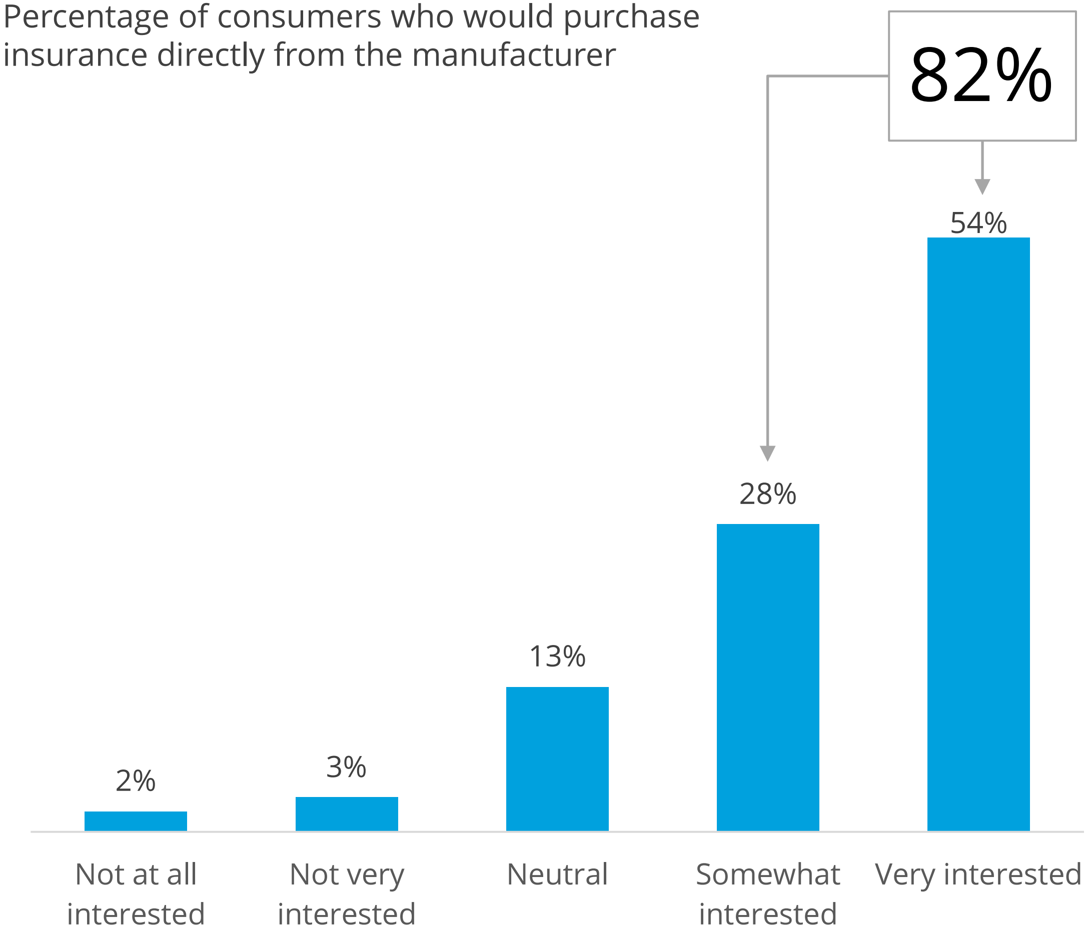
Sample size: n= 957

INDIA

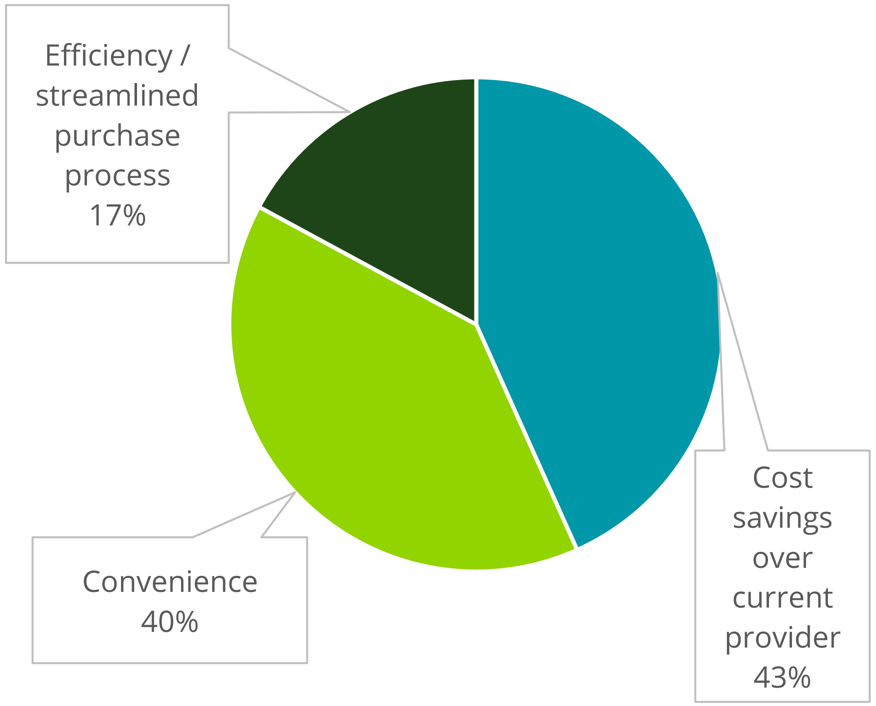
Copyright © 2023 Deloitte Development LLC. All rights reserved.

OEMs are looking at every potential profit pool going forward, including bringing insurance products in-house, signaling a significant disruption for the traditional value chain.

Percentage of consumers who would purchase insurance directly from the manufacturer



For those consumers who are interested in purchasing insurance directly from the manufacturer, primary benefits are..



Q60: The next time you acquire a vehicle, how interested would you be in purchasing insurance directly from the vehicle manufacturer?
Q61: What do you expect the primary benefit of buying insurance directly from the manufacturer to be?

Sample size: n= 957 [Q60]; 783 [Q61]

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

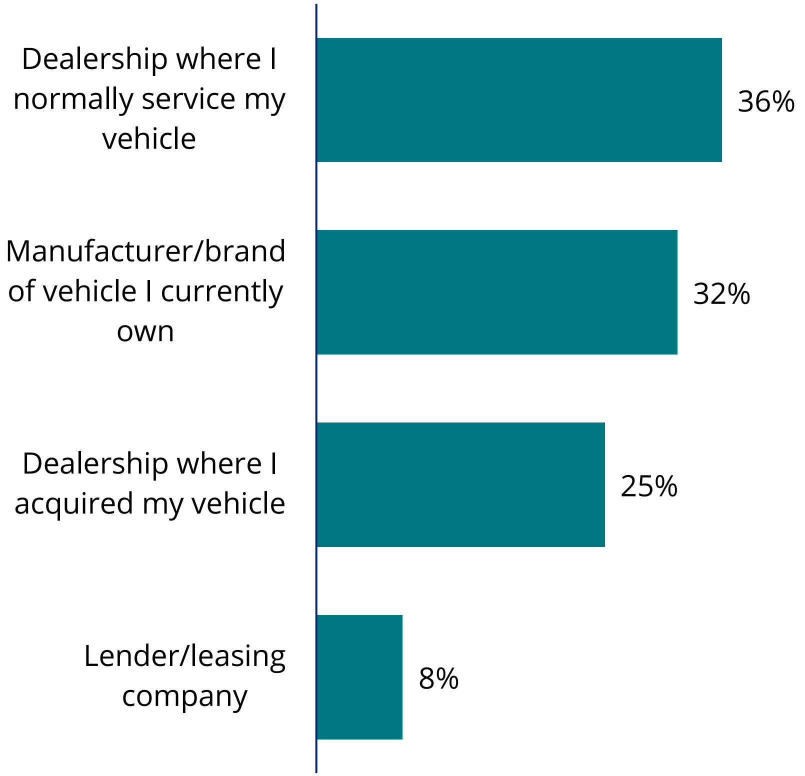
3

Vehicle brand and service experience

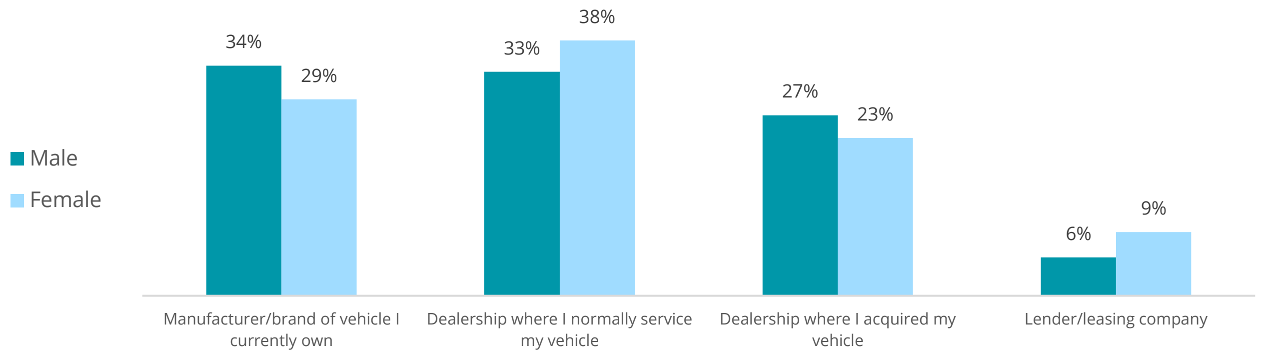
When asked who they trust most, consumers point to their servicing dealer and the manufacturer, signaling the importance each stakeholder has in the customer relationship.

Consumers have the most trusted relationship with…

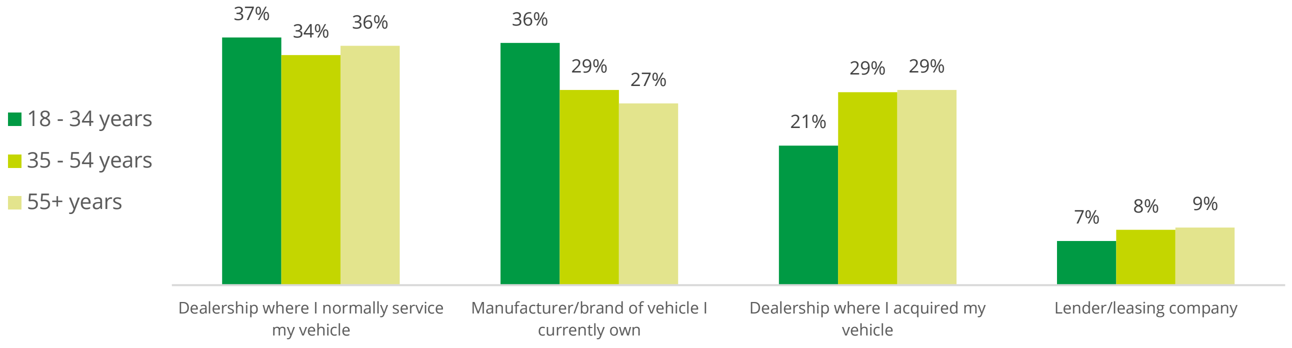
Overall



By gender



By age group



Q27: With whom do you have the most trusted relationship?

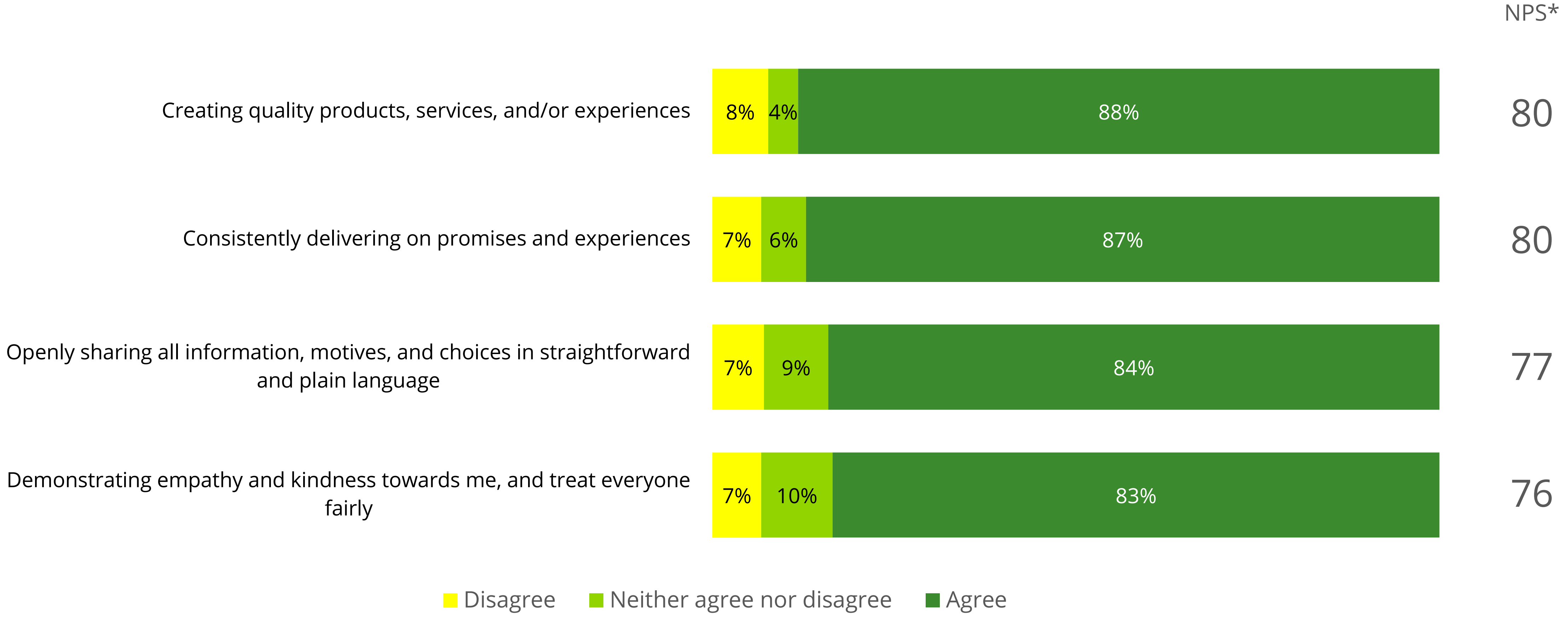
Sample size: n= 847 [Overall]; 436 [Male], 401 [Female]; 367 [18-34], 328 [35-54], 152 [55+]

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

A reason for high trust in brands likely stems from the fact that consumers believe their OEM brand creates quality products, delivers on promises, shares info, and treats everyone fairly.

Consumer opinions on the brand of vehicle they currently own



*Net promoter score (percentage agree minus percentage disagree).

Note: Disagree includes strongly disagree, disagree, and somewhat disagree values; Agree includes strongly agree, agree, and somewhat agree values.

Q18: To what extent do you agree or disagree with the following statements relative to the brand of vehicle you currently own?

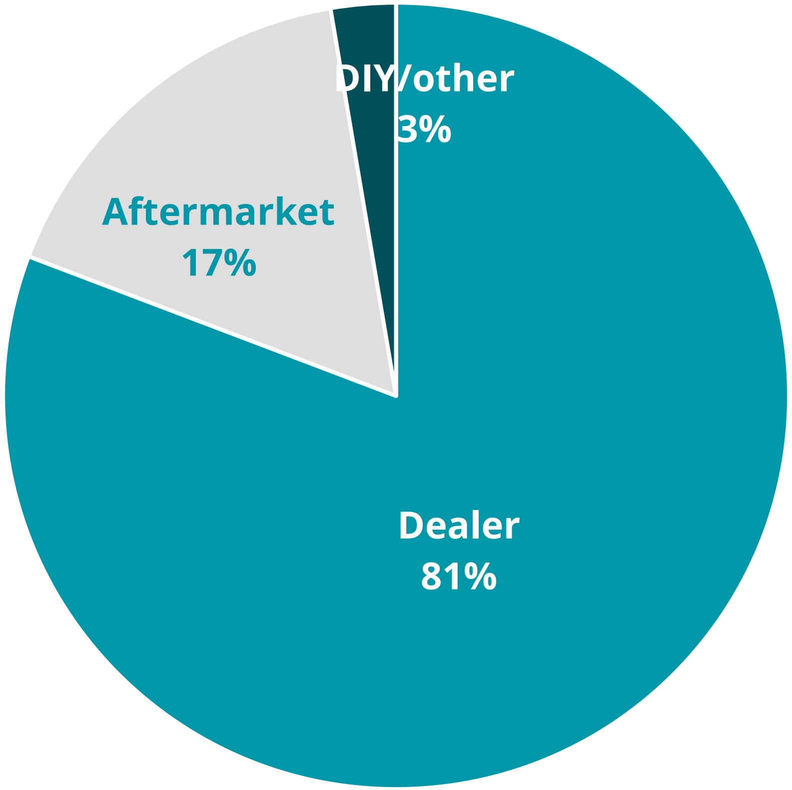
Sample size: n= 847

Copyright © 2023 Deloitte Development LLC. All rights reserved.

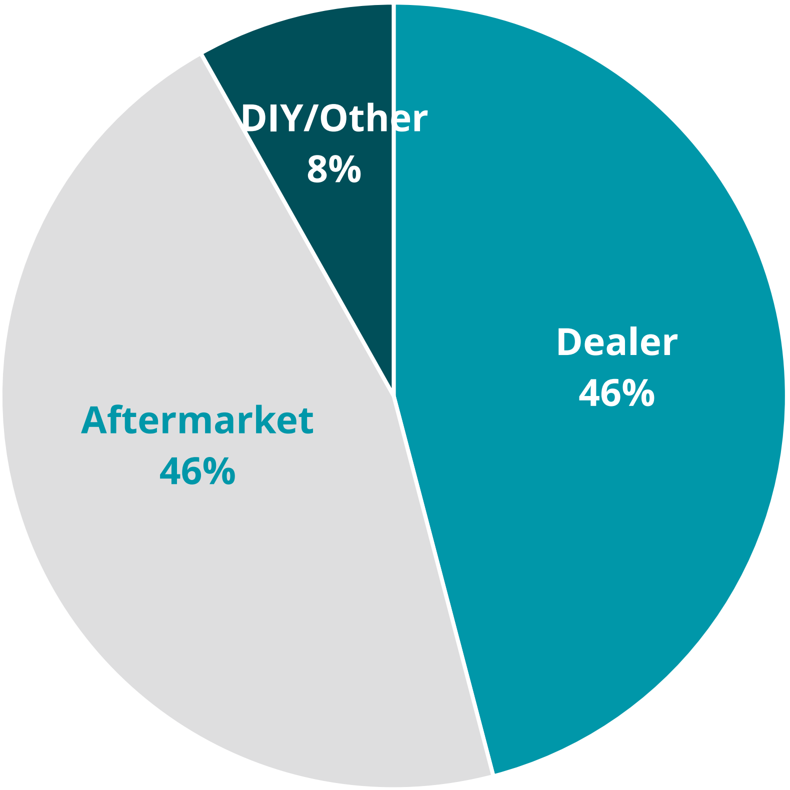
8 in 10 consumers who originally acquired their vehicle new routinely take it back to the dealer for service, whereas less than half of used vehicle owners do the same.

Preferred vehicle service provider by how current vehicle was acquired

Vehicle acquired NEW



Vehicle acquired USED



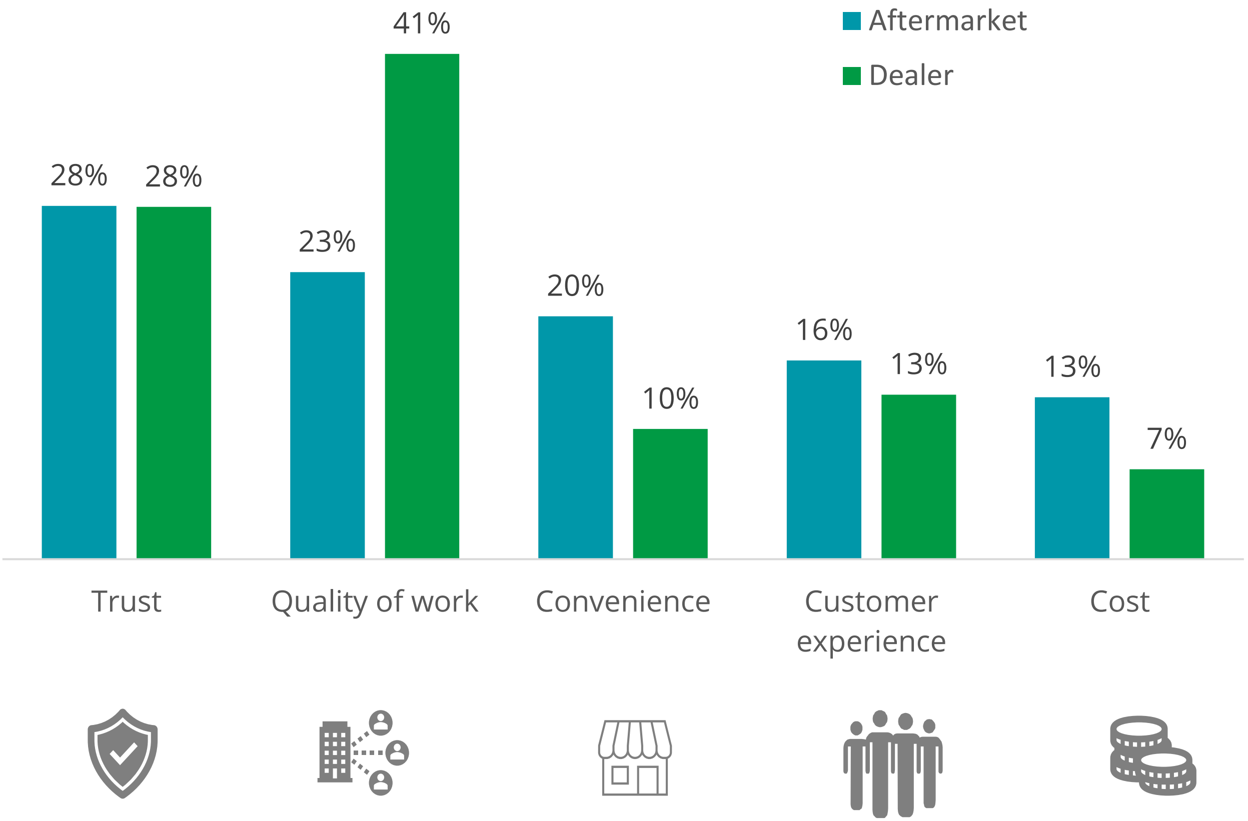
Q24: Where do you normally service your vehicle?

Sample size: n= 749 [New], 98 [Used]

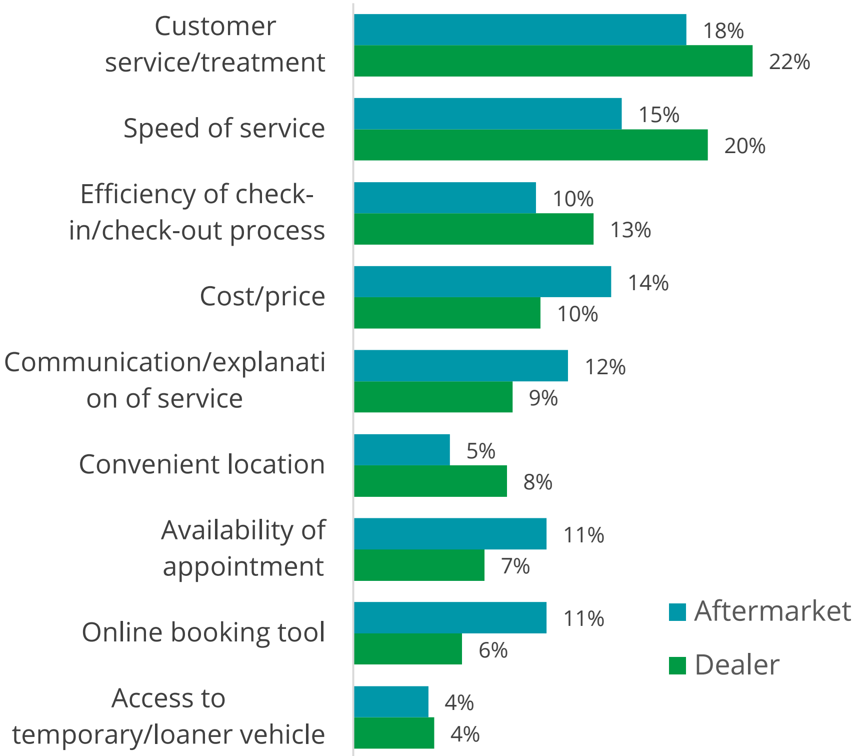
Copyright © 2023 Deloitte Development LLC. All rights reserved.

Quality of work and trust are the main reasons for consumers when choosing a vehicle service provider. When it comes to the experience, customer service and speed rank at the top.

Reasons for choosing vehicle service provider (by preferred provider)



Most important aspect of the vehicle service experience (by preferred provider)



Note: "Other" reasons not shown for choosing a vehicle service provider.

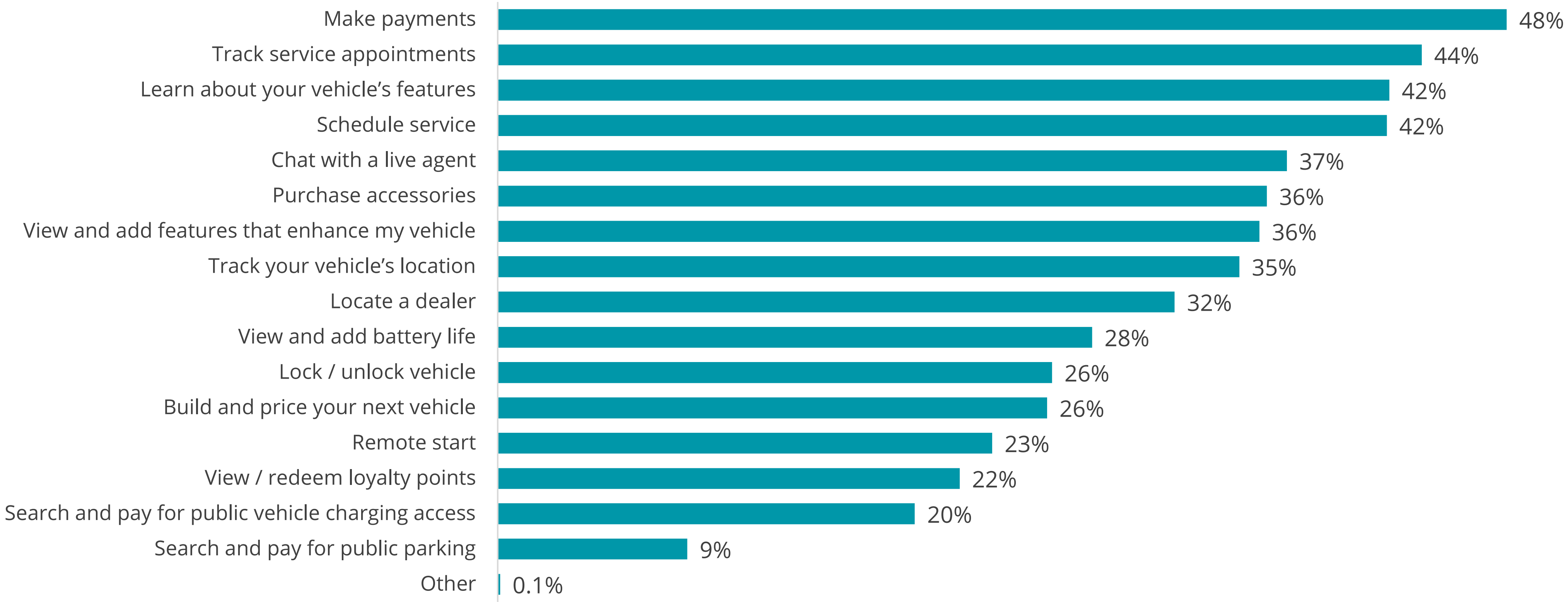
Q25: What is the most important reason for your preferred choice of vehicle service provider?; Q26: What is the most important aspect of a vehicle service experience?

Sample size: n= Dealer [650], Aftermarket [169] for Q25 and Q26

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Consumers most prefer to access features/applications that help them make payments, schedule/track service appointments, and learn about their vehicle's features.

Important features of a vehicle brand app



Note: Sum of the percentages exceed 100% as respondents can select multiple options.

Q28: What are the most important features of a vehicle brand app? Please select all that apply.

Sample size: n= 847

INDIA

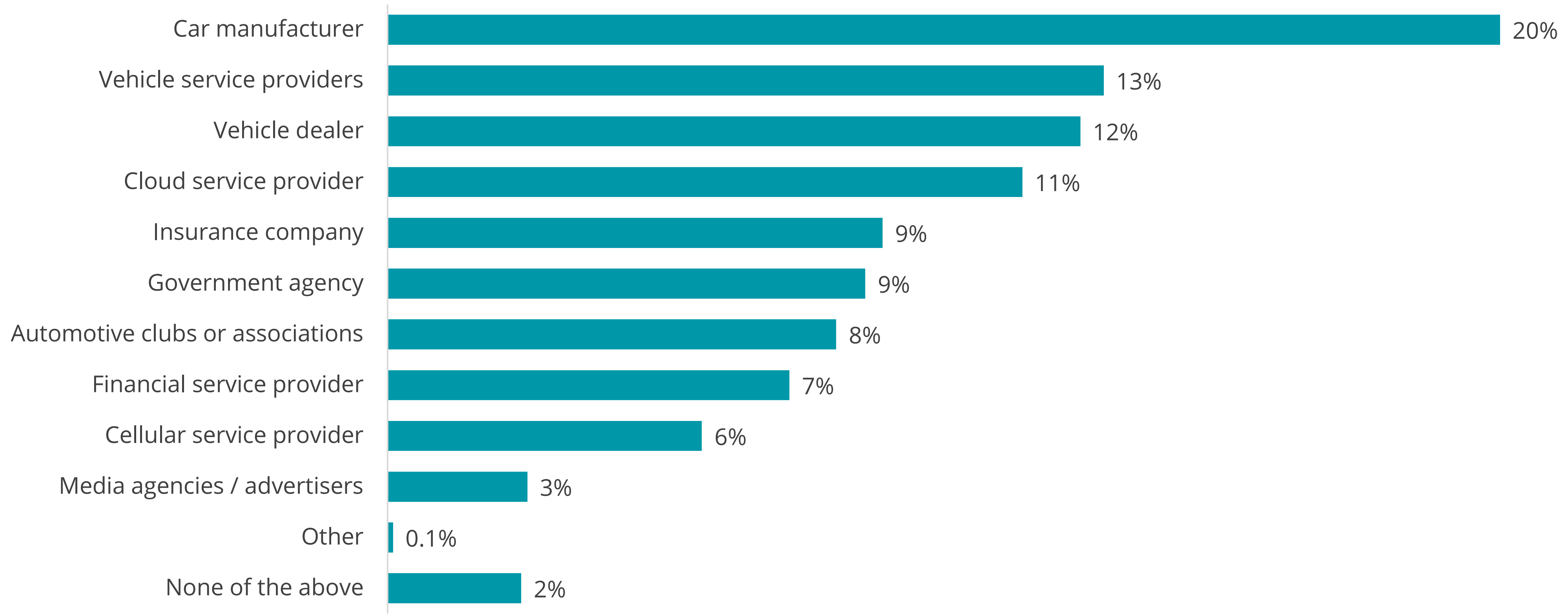
Copyright © 2023 Deloitte Development LLC. All rights reserved.

4

Connectivity

Consumers most trust their vehicle manufacturer to manage the data being generated by the operation of their vehicle but trust also spreads to a wide variety of other industry stakeholders.

Consumer opinions on whom they trust the most to manage data generated/collected by their vehicle



Q57: In a scenario where you owned a connected vehicle, which of the following entities would you most trust to have access to the data your vehicle generates?

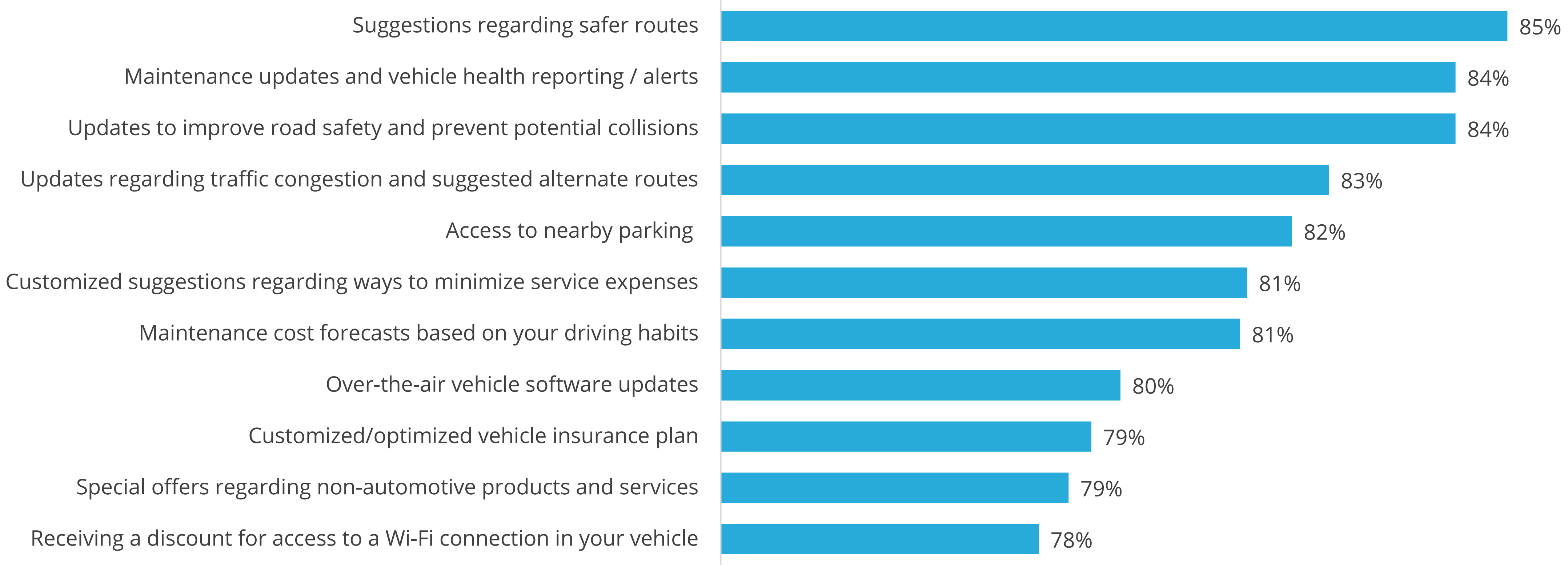
Sample size: n= 957

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Consumers are ready to share PII* if it helps them get suggestions for safer driving routes, maintenance updates, and road safety alerts to prevent collisions.

Consumer opinions on benefits of connected vehicles



*Personally identifiable information.

Q55: How interested are you in the following benefits of a connected vehicle if it meant sharing your own personally identifying data and/or vehicle/operational data with the manufacturer or a third party?

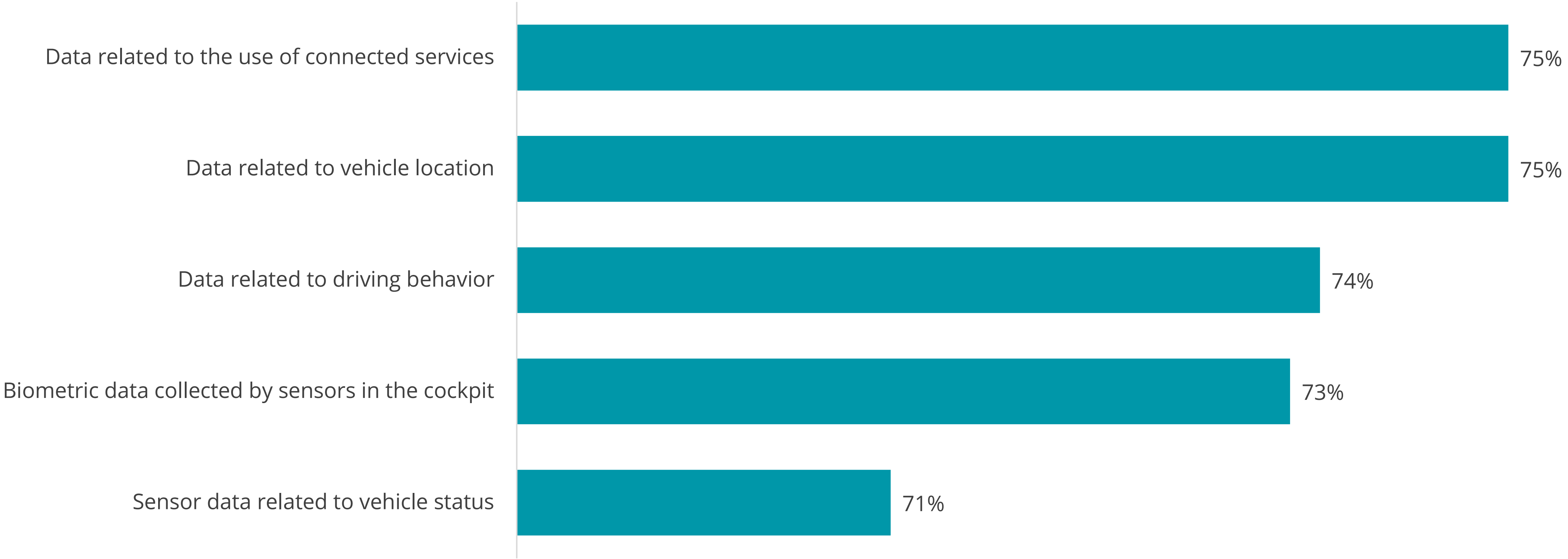
Sample size: n= 957

INDIA

Copyright © 2023 Deloitte Development LLC. All rights reserved.

At the same time, three-quarters of consumers are concerned if data related to the vehicle's location, connected services usage, and driving behavior is shared.

Percentage of consumers concerned in sharing the data with vehicle manufacturer, dealer, insurance company and/or other third parties



Q56: As vehicles become more and more connected to the internet, how concerned would you be if the following types of data were shared with your vehicle manufacturer, dealer, insurance company and/or other third parties?

Sample size: n= 957

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Half of surveyed consumers would prefer to pay for connected vehicle features and technology upfront as part of the purchase price, representing a challenge for OEMs looking to build new revenue streams via monthly digital subscription services.

Consumers preferred ways to pay for additional connectivity technologies

49% Up front as part of the vehicle purchase price

38% Charged on a per use basis

13% As part of a monthly service to which I subscribe

Vehicle buyers prefer to pay for added tech features up front

Q58: How would you prefer to pay for additional connectivity technologies in your vehicle?

Sample size: n= 957

Copyright © 2023 Deloitte Development LLC. All rights reserved.

5

About the study

About the study

Survey timing

September 21 to September 29, 2022

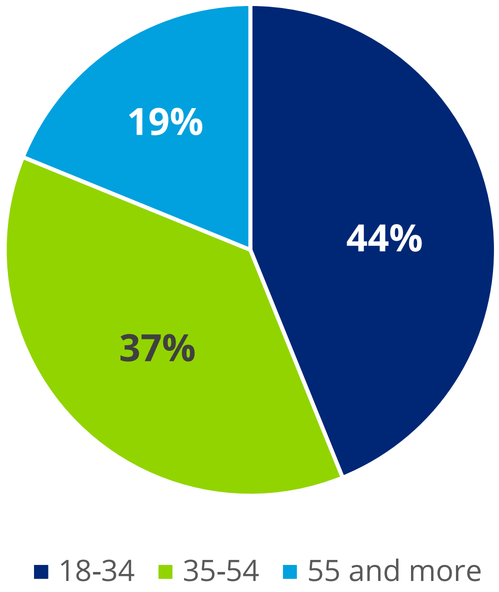
Sample

The survey polled a sample of 1,003 consumers in India. The survey has a margin of error for the entire sample of +/-3.1%

Methodology

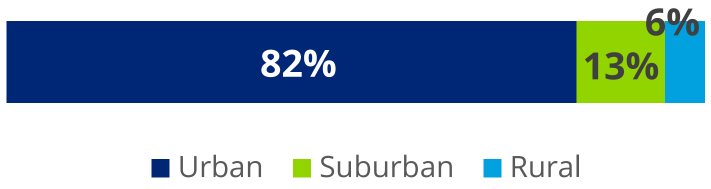
The study is fielded using an online panel methodology where consumers of driving age are invited to complete the questionnaire (translated into local languages) via email.

Age group



Gender

Location



Copyright © 2023 Deloitte Development LLC. All rights reserved.

Deloitte.

Contacts

Rajeev Singh
Automotive Leader, India
Deloitte Consulting LLP
rpsingh@deloitte.com

Ryan Robinson
Automotive Research Leader
Deloitte
ryanrobinson@deloitte.ca

Acknowledgments

We would like to thank Srinivasa Reddy Tummalapalli, Srinivasarao Oguri, Dinesh Tamilvanan, Ben Boyer, and Kelly Warner for their important contributions to the research.

This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this presentation.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.