



Understanding Automotive Consumer Expectations

ABOUT ACERTUS

ACERTUS is as a technology-driven automotive logistics and services provider. We believe in enhancing our customers' experience by providing custom, end-to-end solutions throughout the lifecycle of a vehicle including ***vehicle transport, title and registration, vehicle storage, care and maintenance, compliance services and vehicle home delivery.***

Our team has the infrastructure and expertise to help dealers deliver the ultimate car-buying experience. As experts in home delivery and pick up, ACERTUS has been providing these services for more than 24 years.

Our people, process, innovative technology and relentless drive to deliver are just some of the reasons we made Inc. Magazine's list of the 5000 fastest-growing companies in the U.S. for 2 years in a row.

For more information about ACERTUS' vehicle home delivery solutions visit [ACERTUSdelivers.com](https://www.ACERTUSdelivers.com).

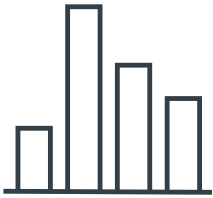
Background & Objectives

Navigating the new automotive sales landscape.

What are the preferences and barriers as it relates to transitioning 100% online?

What are the core characteristics of online car buyers in terms of vehicle profile, demographics, attitudes and behaviors?

Methodology



DATA COLLECTION

Online Survey
November 24 - December 2



SURVEY LENGTH

10 minutes



SAMPLING AND QUALIFICATIONS

n=992

Qualifications

- Must have purchased a vehicle (new or used) in the past 12 months or intend to purchase a vehicle in the next 12 months
- Shared or sole decision maker in purchase decision for the vehicle
- Must be at least open to purchasing a car online (T3B)

Takeaways

1

Shipping costs and vehicle damage are the primary concerns to address.

There is opportunity to further educate consumers about the process of buying a car online and how the shipping and returns processes work to guarantee a worry-free experience.

2

Offering a variety of services is key, as expectations of price is lower than actual price.

The gap between actual price and what consumers are looking to pay is smaller for concierge services and open flatbed delivery, making these services more attractive to consumers.

Make relevant comparisons in marketing communication to put price into perspective.

3

Luxury/exotic and hybrid/electric car buyers are more willing to pay for shipping services.

These car buyers and intenders are more likely to be male, higher income and live in metropolitan areas or in the Northeast and West.

The Market

Most of the car buying market would consider buying a car online.

While openness is high, actual purchasing is still low, with only 7% mentioning they would purchase a car online.

Car buyers open to buying a car online skew male, younger and more likely to live in metropolitan areas or in the South. They are more interested in buying a new economy car.

Openness to Buying a Car Online



80% are at least somewhat open to buying a car online



20% would not consider buying a car online



Among Total Online Car Market

S11: Openness To Buying Car Online / n=1332

Demographics



OPEN
61%
39%

GENDER

Male
Female

NOT OPEN

43%
57%



11%
40%
31%
18%

GENERATIONS

Gen Z
Millennial
Gen X
Baby Boomer+

11%
23%
24%
42%



34%
19%
47%

INCOME

Under \$50K
\$50K - \$75K
\$75K+

27%
18%
55%



S1: Gender / S2: Year Born / S3: Income

Demographics (cont.)



OPEN

54%
46%

METRO AREA POPULATION

Top 20
Not Top 20

NOT OPEN

41%
59%

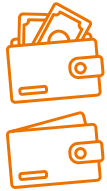


22%
21%
39%
18%

REGION

West
Midwest
South
Northeast

15%
22%
43%
19%



23%
57%
20%

BUYER STATUS

Purchaser
Intender
Both

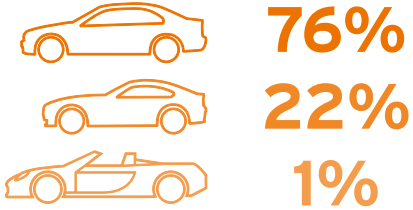
45%
44%
11%



S6: Zip Code / S7: Items Bought Past 12 Months / S8: Items Intending To Buy Next 12 Months

Vehicle Profile

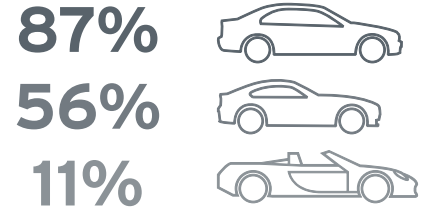
PURCHASERS



VEHICLE CLASSIFICATION

- Economy
- Luxury
- Exotic

INTENDERS*



VEHICLE TYPE



FUEL TYPE



CAR HISTORY



*Intenders were asked to pick their top 5 car makes so their responses will not add up to 100%
P3: New or Used / P4: Vehicle Type / P5: Fuel Type / P6-P7: Car Make

Car Delivery Preferences

Having a great return policy is crucial for people to consider buying a car online.

When consumers are thinking about shipping, damage is the #1 concern followed by shipping costs.

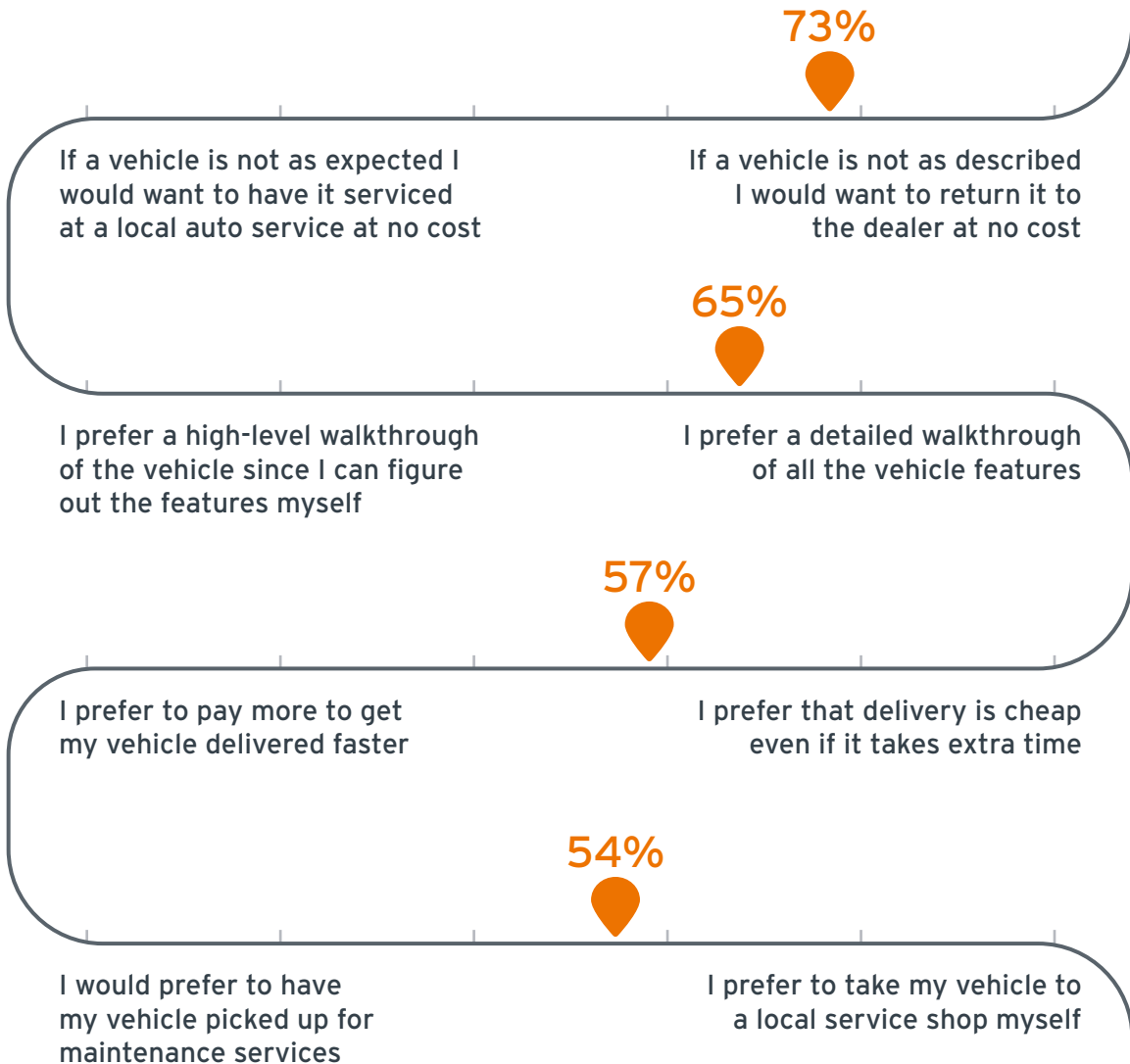
Consumers have many questions about the details of the process, especially for paperwork, cost and returns. In addition, there are also some minor concerns about the person driving the vehicle during COVID-19.

Defining Attitudes

Having a great return policy is crucial for people to consider buying a car online.

Free return is especially important to those 35 years or older, high-income earners (\$100k+) and those buying hybrid/electric cars.

A detailed walkthrough of features is preferred among those buying new cars.

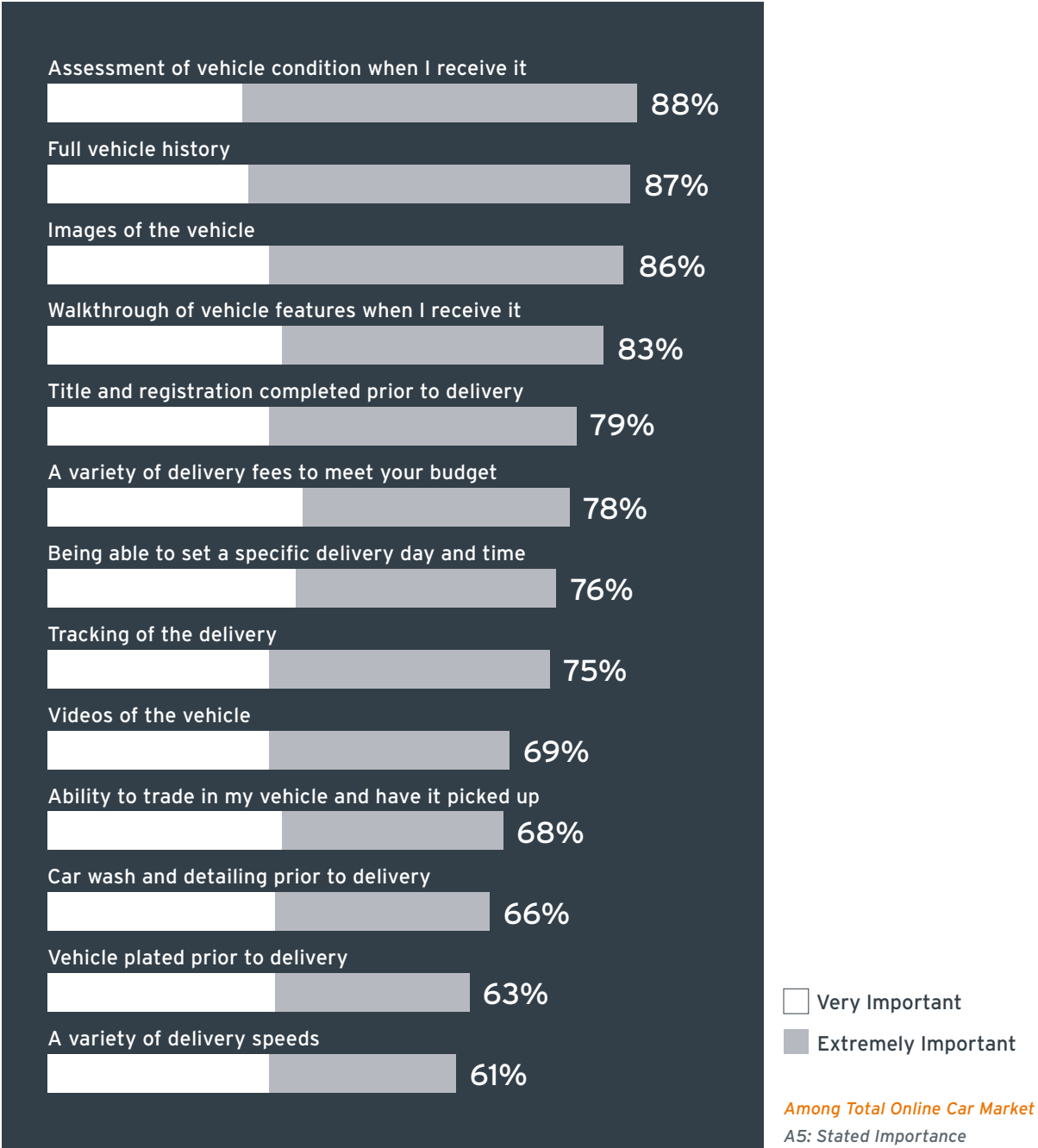


Among Total Online Car Market
A6: Bipolar Statements

Most Important Features of Online Car Buying

Assessment of vehicle is especially important for females.

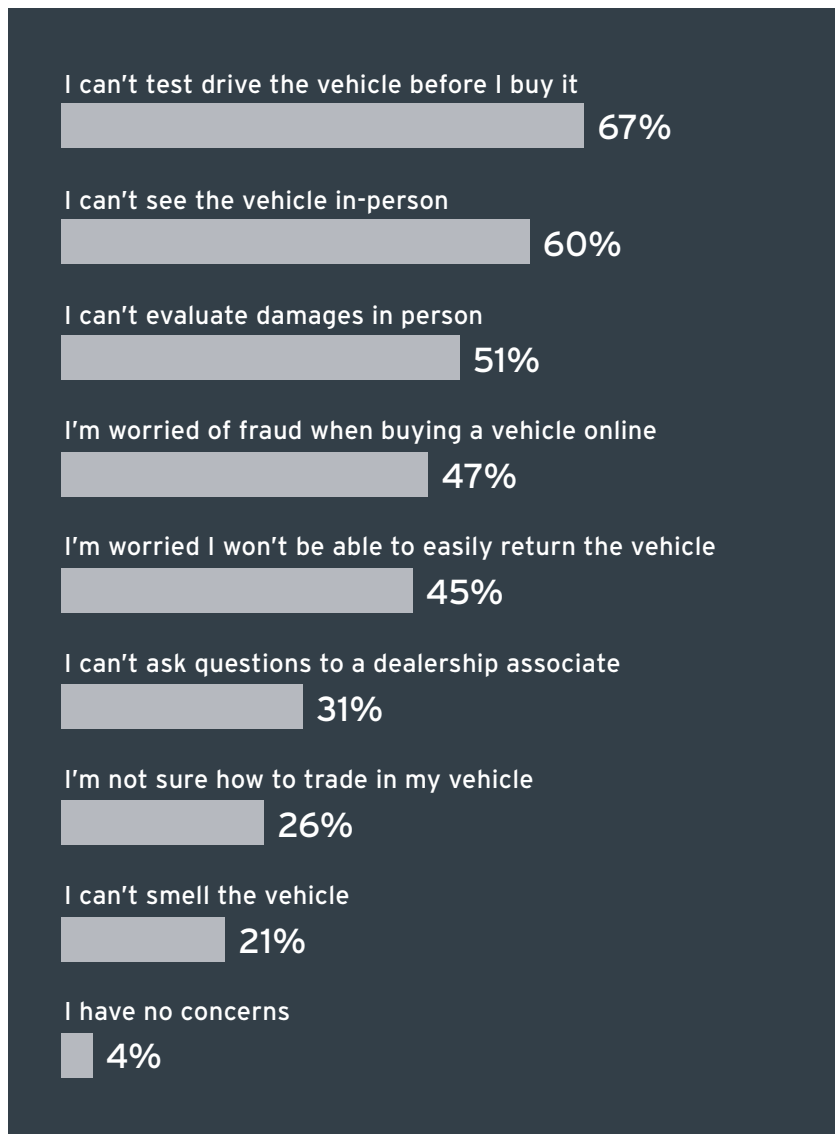
Tracking of delivery, costs and timing are also important but secondary to ensuring the customer feels secure in their purchase.



Top Concerns with Online Car Shopping

Items related to shipping are not top of mind for car buyers.

Not being able to test drive and evaluate damages in person is a much bigger barrier among used car buyers.



How do I know if anything is wrong with a vehicle, if I bought one online, if I don't get to test drive it? Will I have a return period if something ends up being wrong with the vehicle? Is there a test drive period before I decide to buy a vehicle online?

-Female, Gen X

Among Total Online Car Market

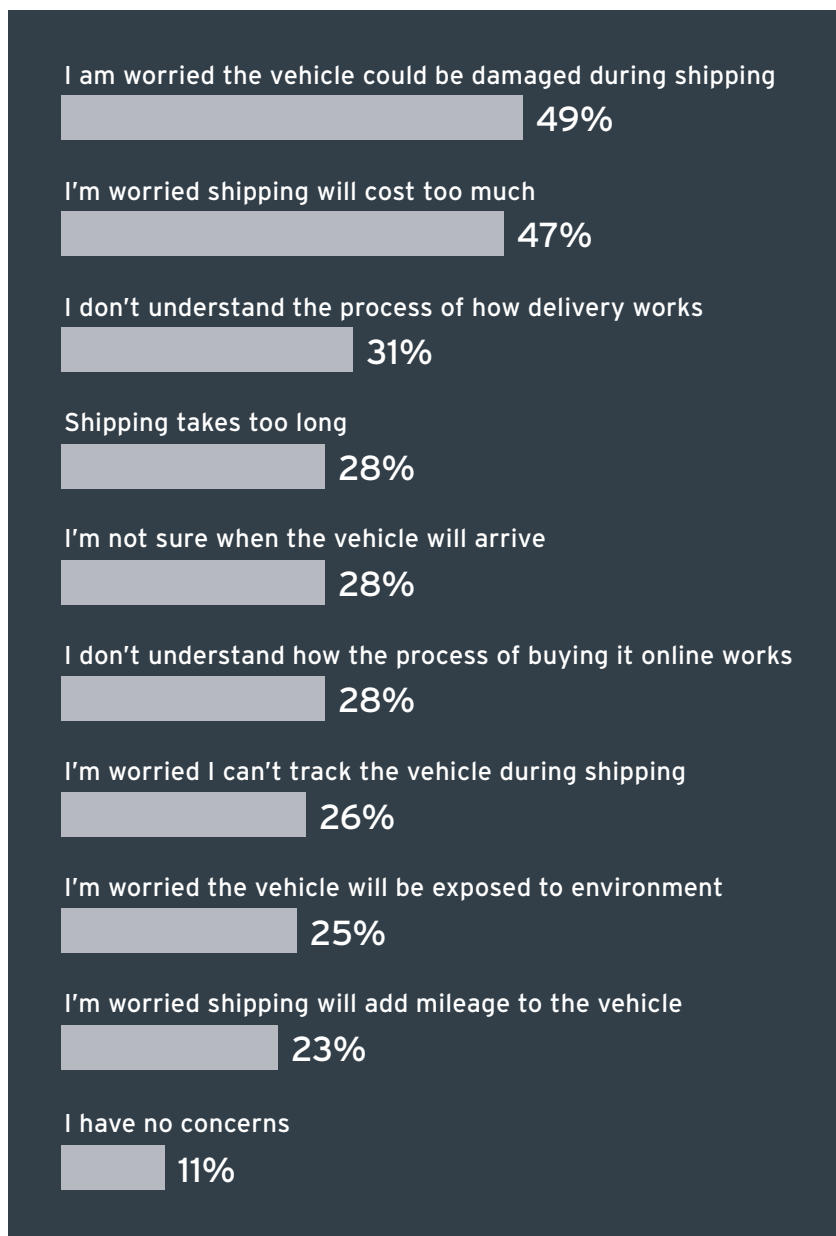
A1: Unaided Online Buying Concerns

A2: Aided Online Buying Concerns and Barriers

Top Concerns with Shipping

When consumers are thinking about shipping, damage is the #1 concern followed by shipping costs.

Used car buyers are even more concerned about shipping costs and they feel they don't understand how the process works.



One of my biggest questions in a delivery is how much is it going to cost to have it delivered to me and am I going to be getting the vehicle that I bought online.

-Male, Baby Boomer

My biggest concern is that the vehicle would not be delivered or may be damaged during the shipping process.

-Female, Millennial

*Among Total Online Car Market
A3: Unaided Delivery Concerns
A4: Aided Delivery Concerns and Barriers*

Top Concerns with Delivery

Many questions arise for consumers about the details of the process, especially for paperwork, cost and returns.

In addition, there are also some minor concerns about the person driving the vehicle during COVID-19.

“

If I didn't like the car, once I review it after it's arrived, how would I go about returning it and what would be the cost associated with all of this. What paperwork would be involved if I decided to keep the car, the cost and fees of financing the vehicle, etc.

-Female, Gen X

“

How can I return it if it's not what I wanted?

-Male, Millennial

“

What would be the process, how would I see the vehicle, how would I pay for the vehicle, how would I get the necessary paperwork and title.

-Female, Baby Boomer

“

Vehicle has to be clean and no one has COVID traces.

-Male, Gen X

“

The delivery person might drive it carelessly or not loading it carefully.

-Female, Gen Z

“

How do I return it if it's not what I wanted? Germs in car, contact with driver during COVID.

-Female, Baby Boomer

Among Total Online Car Market

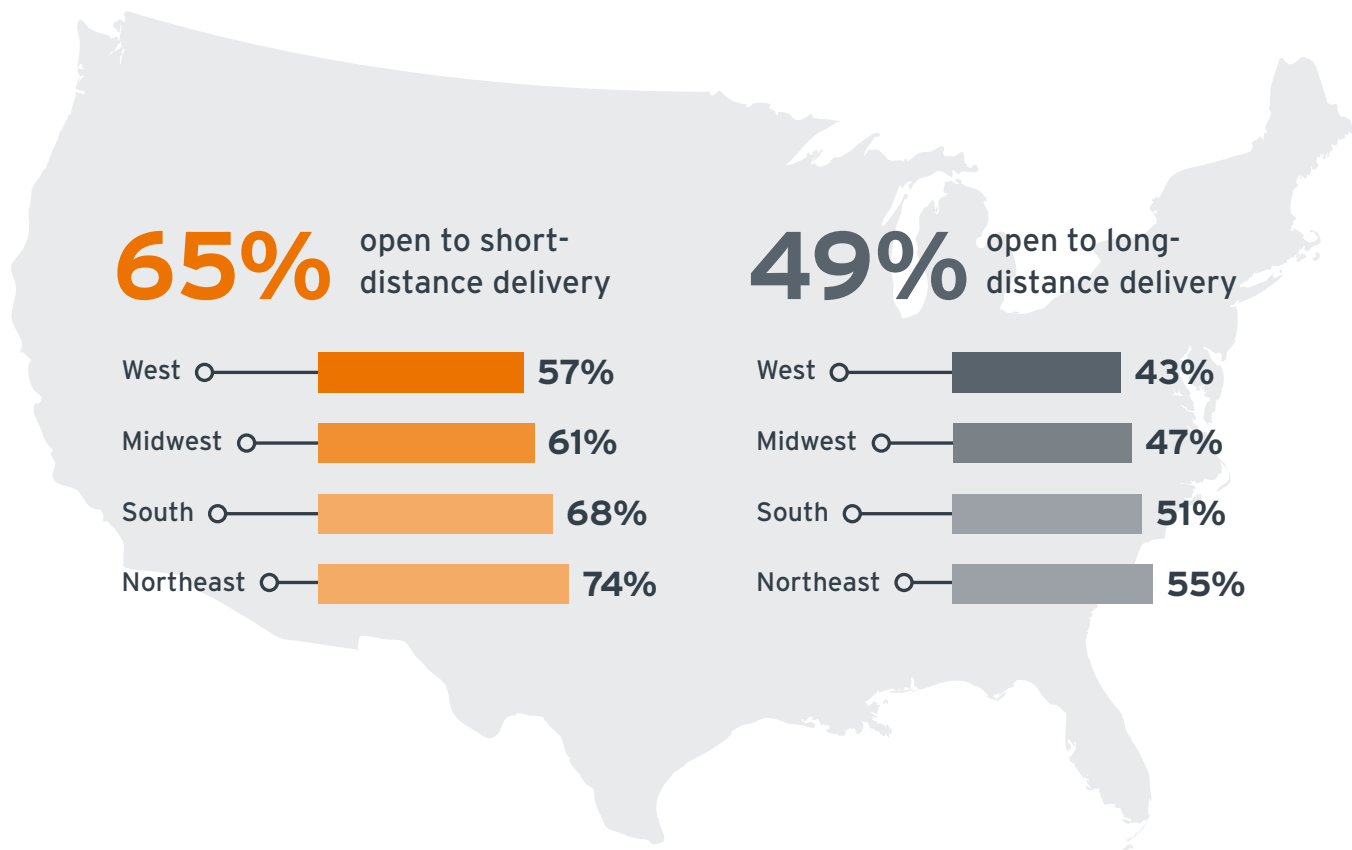
A1: Unaided Online Buying Concerns

A3: Unaided Delivery Concerns

Openness to Delivery Options

Most car buyers are open to short-distance delivery, while half of them would consider a long-distance delivery.

People in the Northeast are the most open to short-distance delivery, while people in the West are less likely to consider it.



Among Total Online Car Market

A7/A8: Openness to Short-Distance and Long-Distance Delivery

Customer Expectations

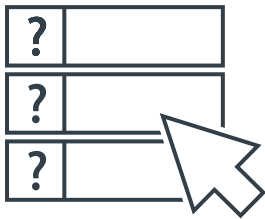
When exposed to the price, most car buyers will select the cheaper options for delivery.

Most consumers would want to pay around \$100 for any car delivery service. Around \$200-\$300 starts to feel expensive depending on how protected the car is during delivery.

Consumers buying luxury/exotic cars or hybrid/electric cars are more willing to pay for services compared to economy car buyers.

Methodology

VAN WESTENDORP WAS USED TO DETERMINE CONSUMER PRICE PREFERENCES FOR VEHICLE DELIVERY SERVICES



DATA COLLECTION

Respondents were shown a specific delivery method without a price point and were asked three questions:

At what point would the price for this delivery service be low enough that it starts to feel like a good deal?

At what point would the price for this delivery service start to feel expensive for what it is?

At what point would the price for this delivery service be so high that you would not even consider buying it?



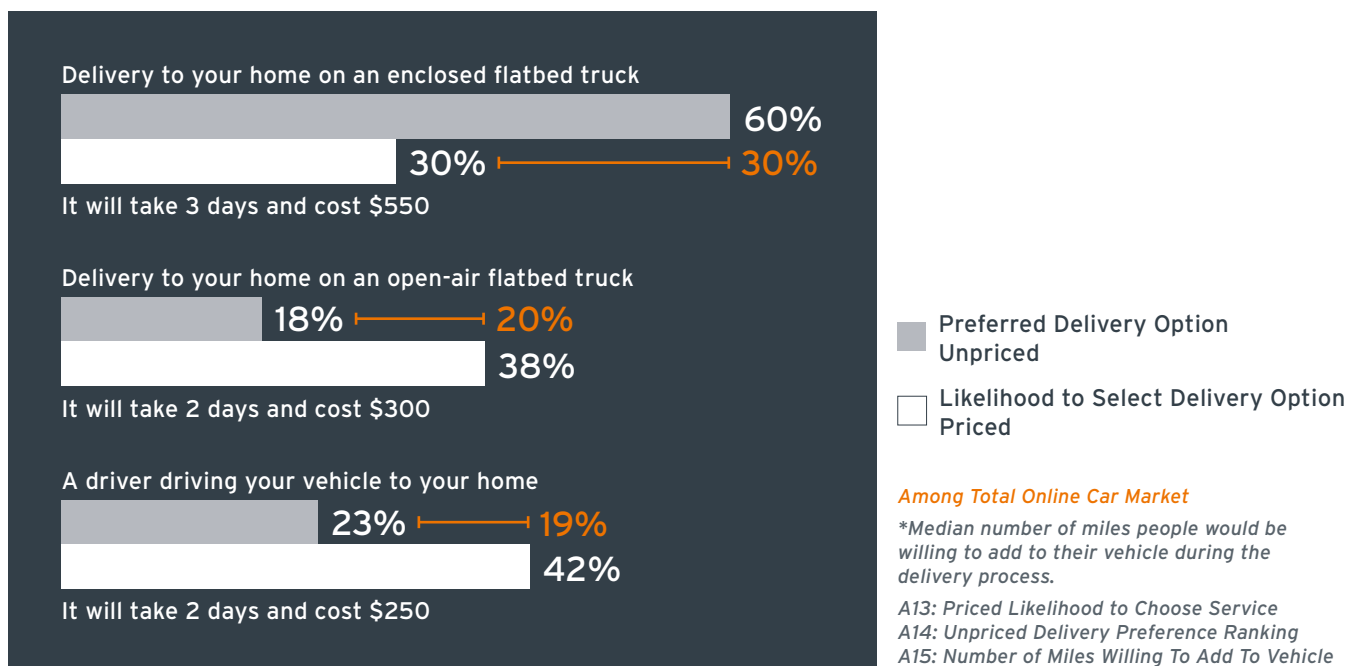
DATA ANALYSIS

Based on ingoing customer expectations, their answers were plotted on cumulative frequency charts as seen on the following pages and analyzed to determine preferred price points.

Preferred Delivery Options



Enclosed delivery is preferred, but when exposed to the price, most car buyers will select the cheaper options.

For concierge services, the maximum number of miles a car buyer would be willing to add to their vehicle is **100** miles.*



Median Amount Considered a Good Deal

Most consumers would want to pay around \$100 for any car delivery service.



 <i>short distance</i>	\$100 Open Flatbed Delivery	\$100 Enclosed Flatbed Delivery	\$100 Concierge Driver
 <i>long distance</i>	\$100 Open Flatbed Delivery	\$150 Enclosed Flatbed Delivery	\$100 Concierge Driver

Among Those Assigned To Rate Each Scenario

A10: Van West Good Deal

Median Amount Considered Expensive or Too High

Around \$200-\$300 starts to feel expensive depending on how protected the car is during delivery.

 <i>short distance</i>	\$250 Open Flatbed Delivery	\$250 Enclosed Flatbed Delivery	\$200 Concierge Driver
 <i>long distance</i>	\$200 Open Flatbed Delivery	\$300 Enclosed Flatbed Delivery	\$150 Concierge Driver

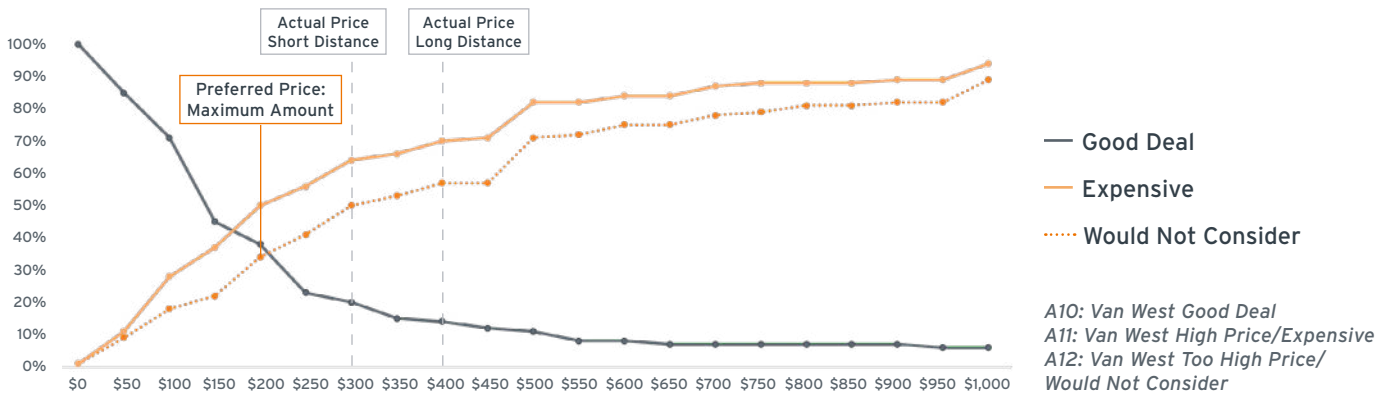
Among Those Assigned To Rate Each Scenario

A11: Van West High Price/Expensive

A12: Van West Too High Price/Would Not Consider

Van Westendorp: Open Flatbed Delivery

At the current price, half of the car buying market would reject the open flatbed delivery service, while the preferred price is \$100-\$200 less.



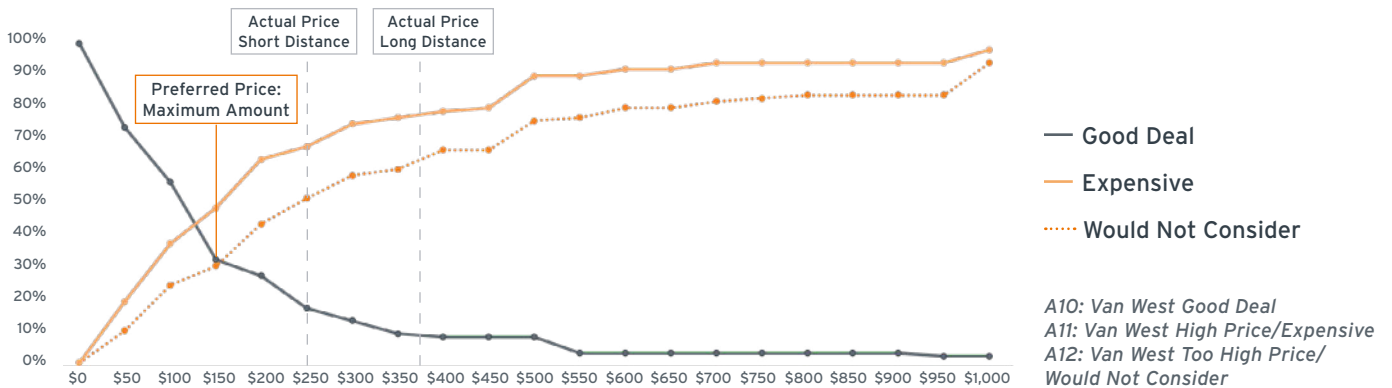
Van Westendorp: Enclosed Flatbed Delivery

Similarly, consumers would want to pay a similar price of \$250 for enclosed delivery, creating a bigger gap and higher rejection rate.



Van Westendorp: Concierge Driver Delivery

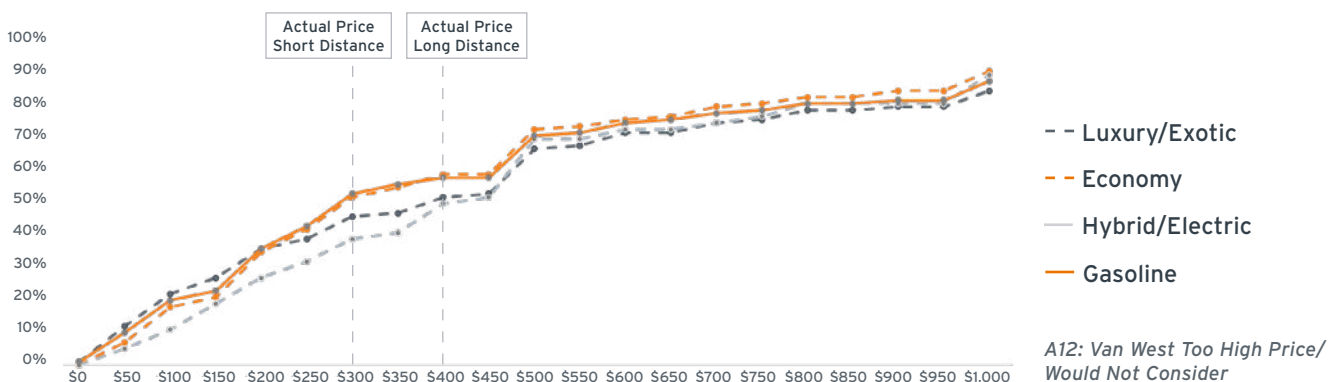
The preferred price and current rate is lower for concierge services, but rejection rates are similar with half the market rejecting current price.



Open Flatbed Delivery: Rejection of Services Among Different Car Types

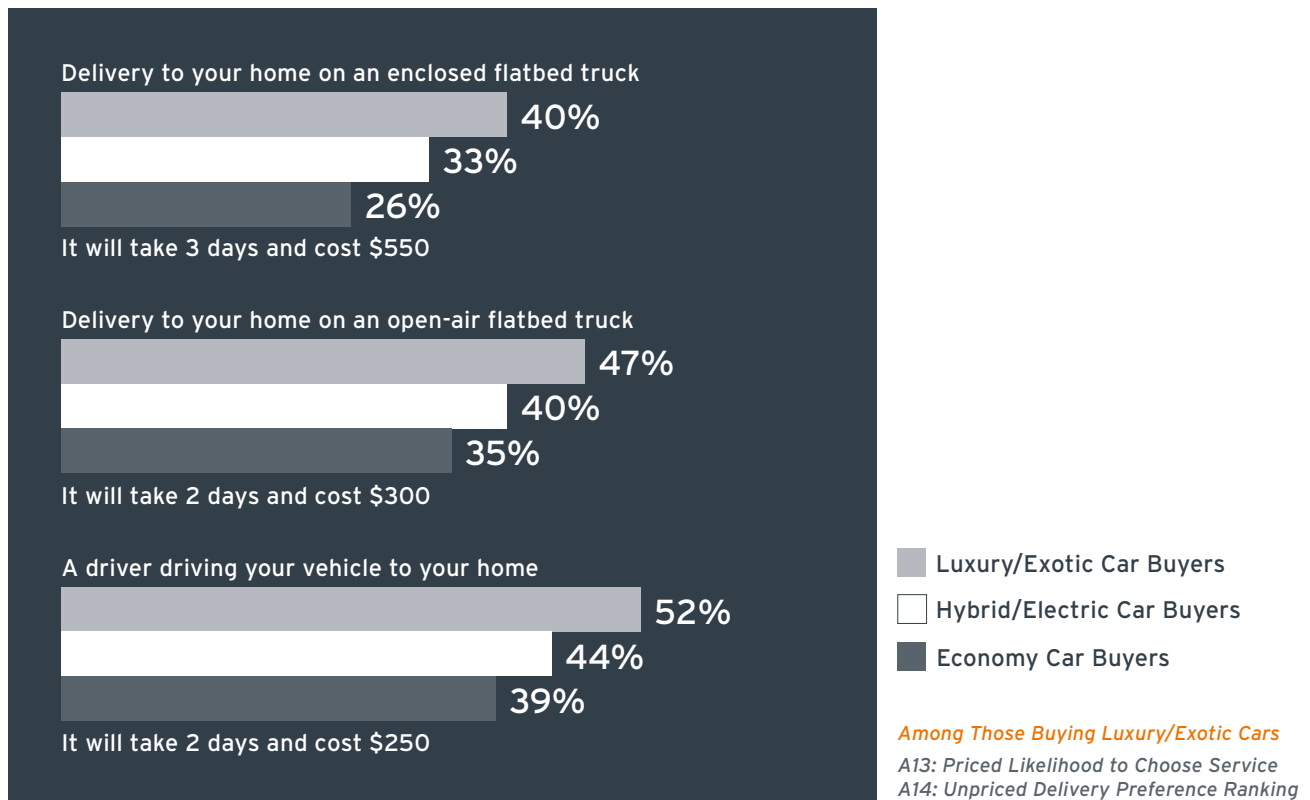
The rejection rate is slightly lower for car buyers looking for luxury/exotic or hybrid/electric cars.

While 50%-60% of economy and gasoline car buyers would not consider using the services with the current price, the number is much lower for hybrid/electric and luxury/exotic car buyers.



Preferred Delivery Option: Priced

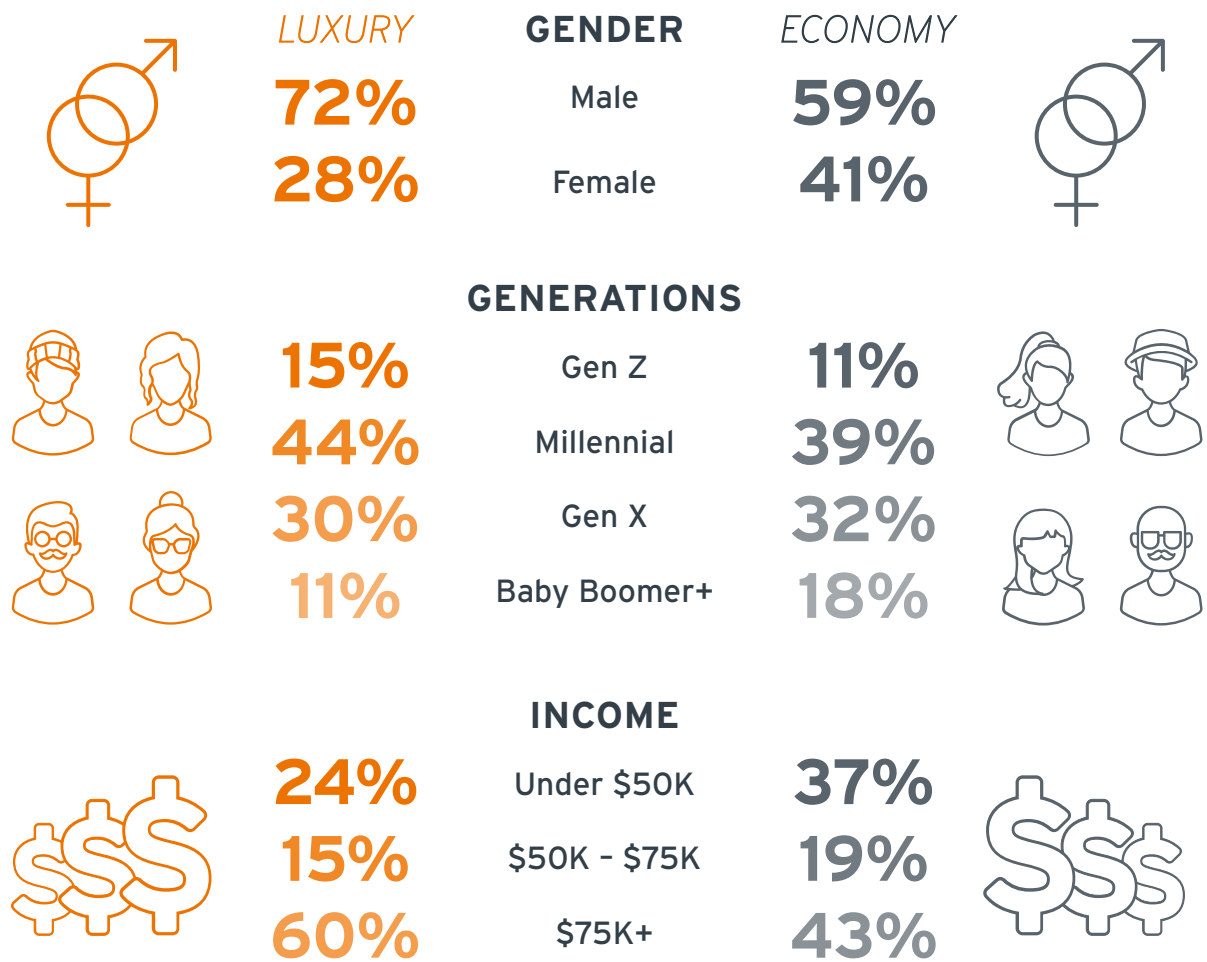
Consumers buying luxury/exotic cars or hybrid/electric cars are more willing to pay for services compared to economy car buyers.



Luxury/Exotic Car Buyers vs. Intenders

Luxury car buyers and intenders are more likely to be male, higher income and live in the northeast or metropolitan areas.

Demographics



S1: Gender / S2: Year Born / S3: Income

Demographics (cont.)



LUXURY

65%
35%

METRO AREA POPULATION

Top 20
Not Top 20

ECONOMY

51%
49%



REGION

West
Midwest
South
Northeast

23%
15%
38%
23%

22%
22%
39%
16%



BUYER STATUS

Purchaser
Intender
Both

9%
70%
20%

22%
60%
19%

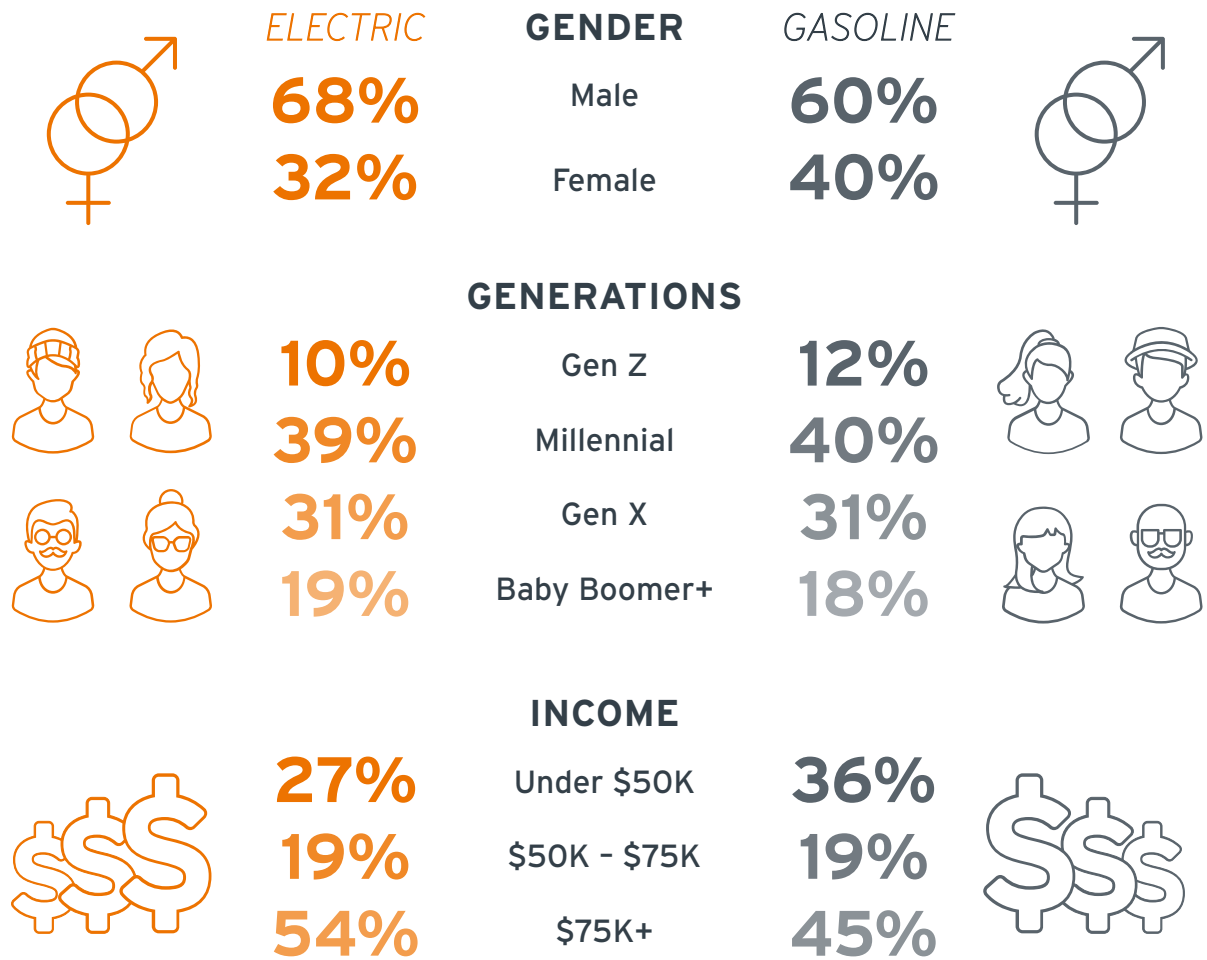


S6: Zip Code / S7: Items Bought Past 12 Months / S8: Items Intending To Buy Next 12 Months

Hybrid/Electric Car Buyers vs. Intenders

Those interested in hybrid/electric vehicles are more likely to live in the West.

Demographics



S1: Gender / S2: Year Born / S3: Income

Demographics (cont.)



ELECTRIC

60%
40%

METRO AREA POPULATION

Top 20
Not Top 20

GASOLINE

52%
48%

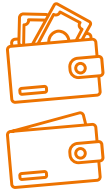


33%
18%
31%
18%

REGION

West
Midwest
South
Northeast

20%
21%
41%
18%



11%
71%
19%

BUYER STATUS

Purchaser
Intender
Both

26%
54%
21%



S6: Zip Code / S7: Items Bought Past 12 Months / S8: Items Intending To Buy Next 12 Months

Appendix

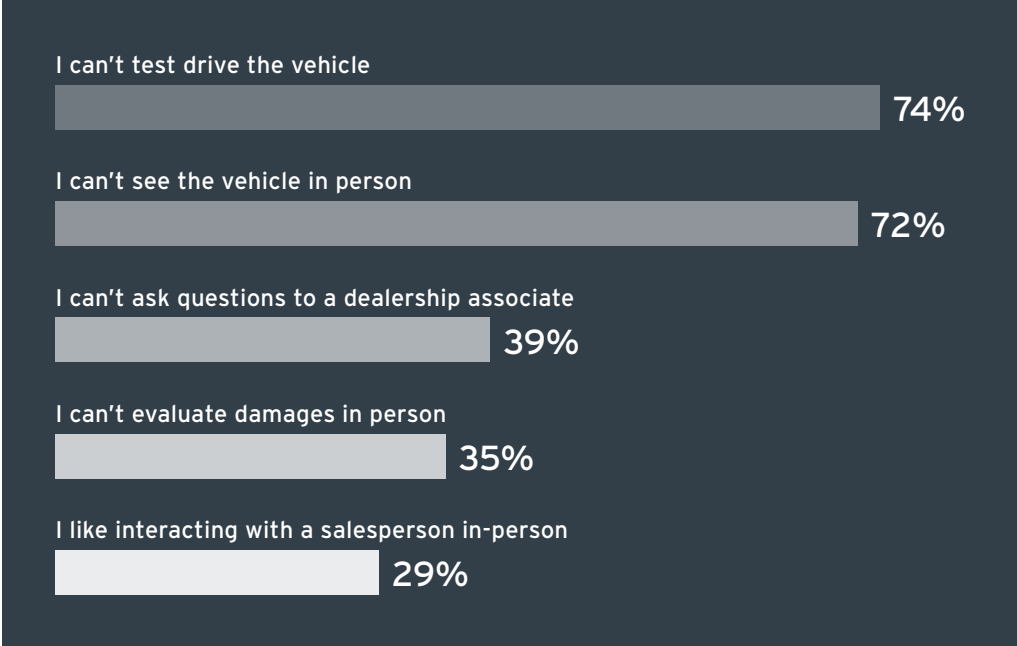
The biggest barriers to people buying a car online are not being able to test drive or see the vehicle in person.

Most consumers are open to having their car picked up for maintenance service.

Additional services are all appealing to car buyers, but especially title and registration as more people would be willing to pay for these services.

Top Barriers to Buying a Car Online

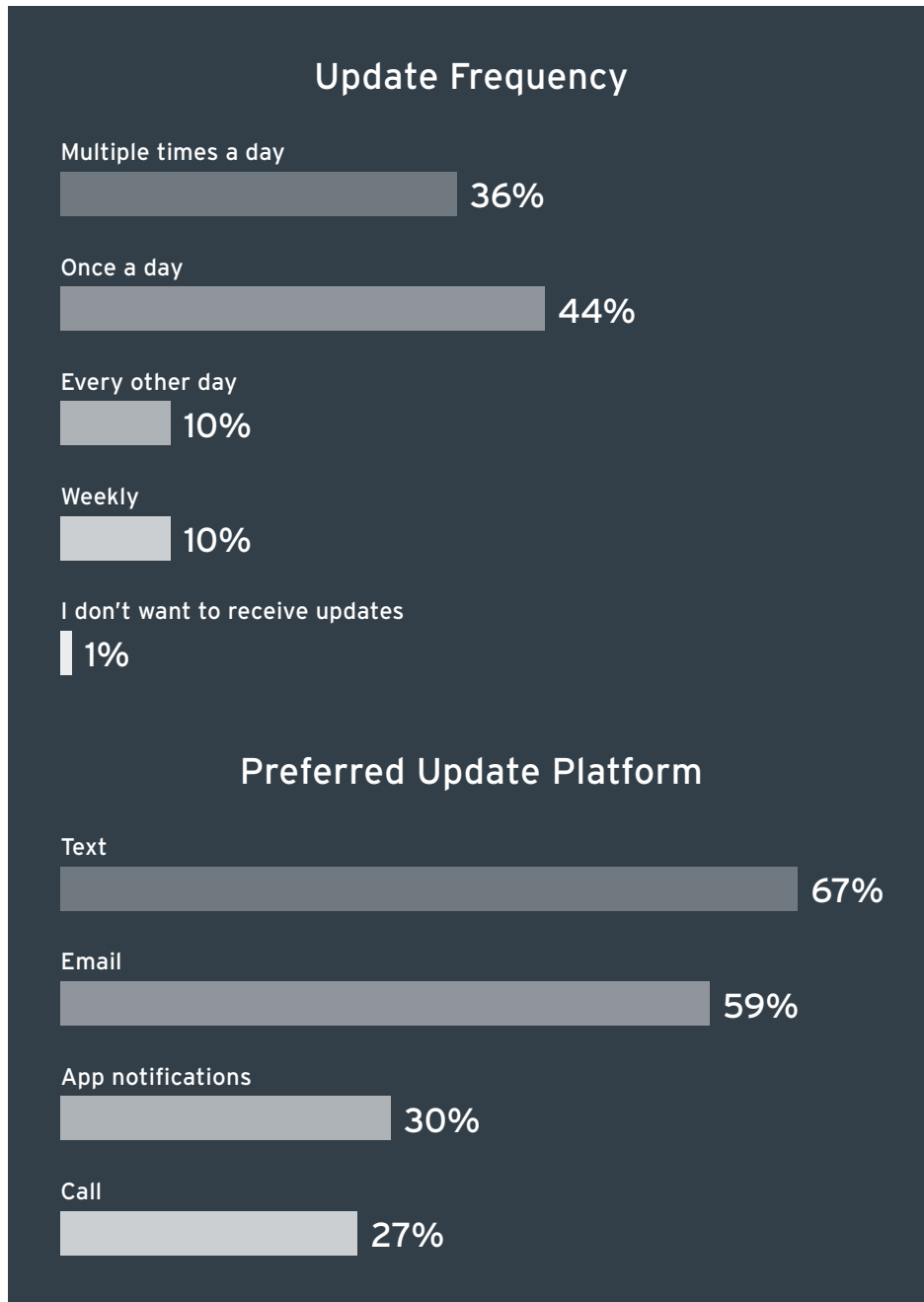
The biggest barriers to people buying a car online are not being able to test drive or see the vehicle in person.



Among Those Who Would Not Consider
S12: Barriers to buying a car online among those that do not consider buying online.

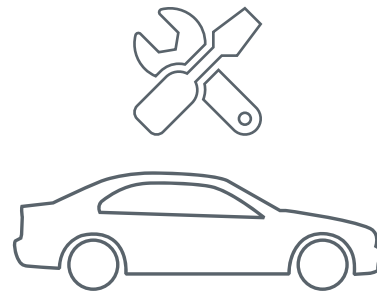
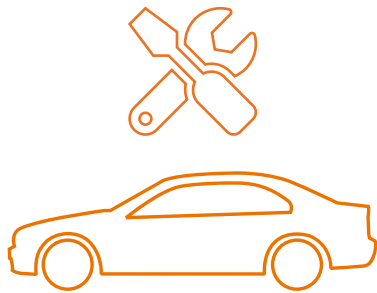
Update Frequency and Preferred Platform

Consumers ideally want updates once a day over text or email.



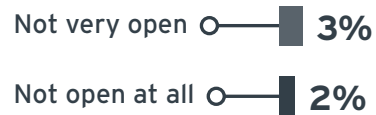
Openness for Pick-up Services

Most consumers are open to having their car picked up for maintenance service.



95% are at least somewhat open to having their car picked up for maintenance

5% are not open to having their car picked up for maintenance



A19: Openness For Pick Up Services



Median Amount Considered Expensive or Too High

Around \$200-\$300 starts to feel expensive depending on how protected the car is during delivery.

EXPENSIVE

 <i>short distance</i>	\$250 Open Flatbed Delivery	\$250 Enclosed Flatbed Delivery	\$200 Concierge Driver
 <i>long distance</i>	\$200 Open Flatbed Delivery	\$300 Enclosed Flatbed Delivery	\$150 Concierge Driver

WOULD NOT CONSIDER

 <i>short distance</i>	\$300 Open Flatbed Delivery	\$400 Enclosed Flatbed Delivery	\$250 Concierge Driver
 <i>long distance</i>	\$350 Open Flatbed Delivery	\$500 Enclosed Flatbed Delivery	\$250 Concierge Driver

Among Those Assigned To Rate Each Scenario

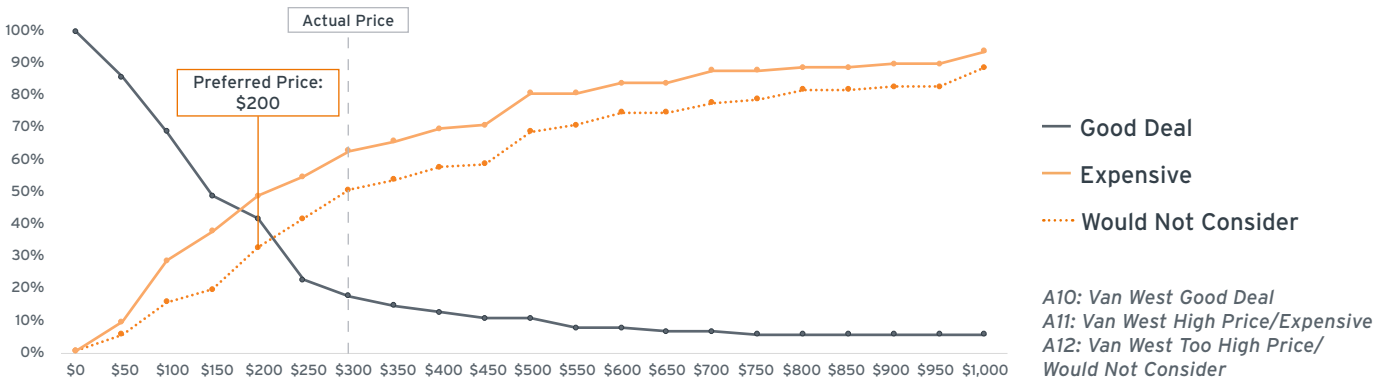
A11: Van West High Price/Expensive

A12: Van West Too High Price/Would Not Consider

Open Flatbed Short-Distance Delivery

The optimal price for an open flatbed short-distance delivery is \$200, \$100 short of current price.

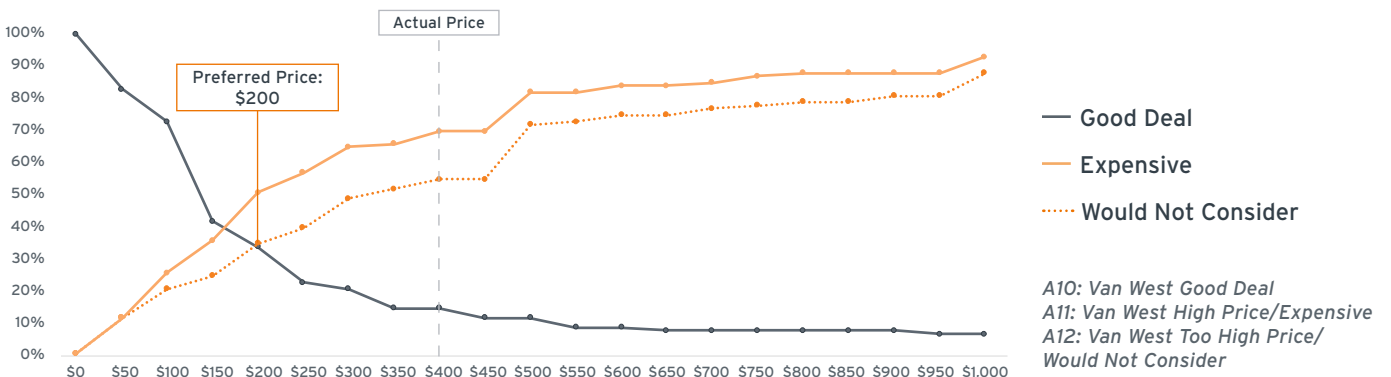
Expected delivery time: 5 days
Actual Price & Delivery Time: \$300 & 2 days



Open Flatbed Long-Distance Delivery

Similarly, car buyers would prefer to pay \$200 for long-distance delivery as well, creating an even bigger gap with current price.

Expected delivery time: 5 days
Actual Price & Delivery Time: \$400 & 2 days



Enclosed Short-Distance Delivery

For enclosed short-distance delivery, consumers stretch their preferred cost to \$250, still creating a \$300 gap.

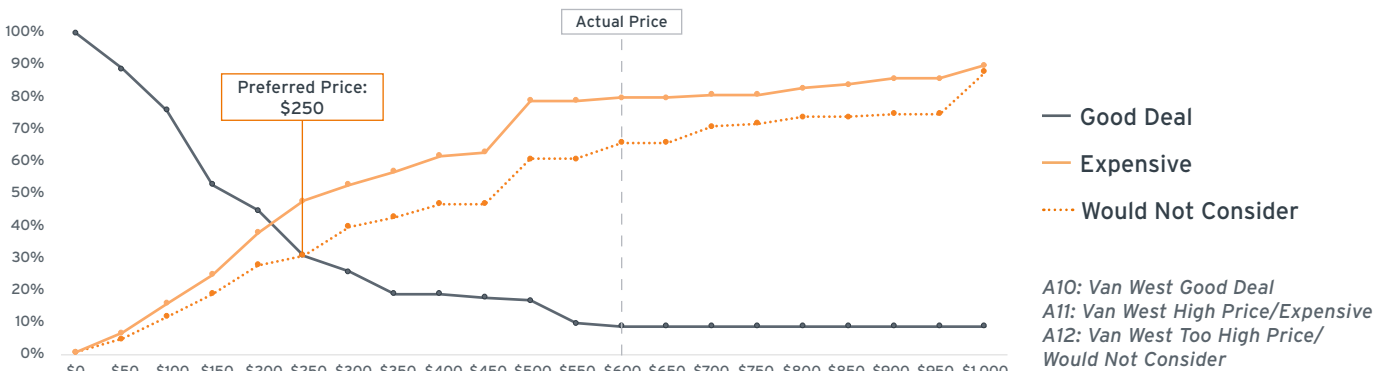
Expected delivery time: 6 days
Actual Price & Delivery Time: \$550 & 3 days



Enclosed Long-Distance Delivery

For enclosed long-distance delivery, car buyers would ideally want to pay \$250, creating a big gap with the current price structure.

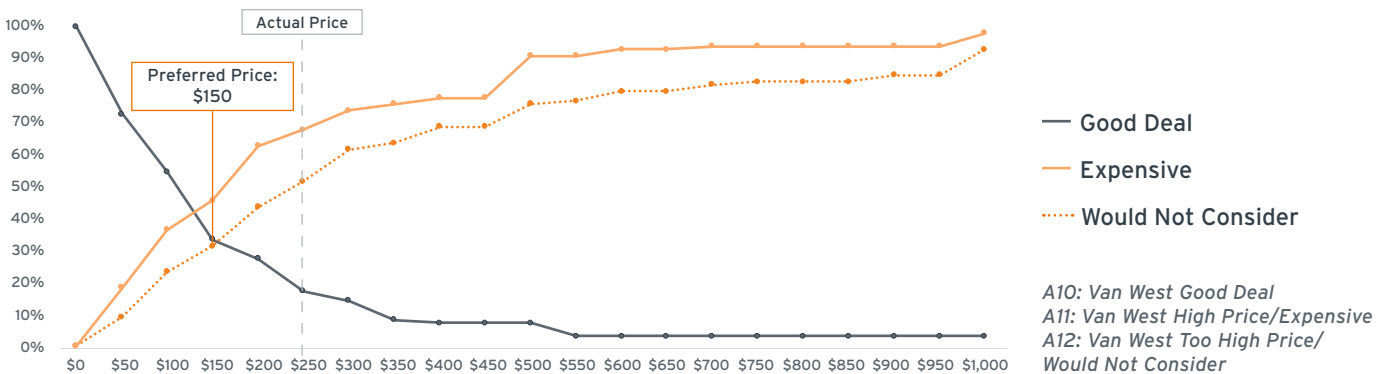
Expected delivery time: 6 days
Actual Price & Delivery Time: \$600 & 3 days



Concierge Driver Short-Distance Delivery

The gap is much smaller for concierge short- distance delivery, but still a \$100 difference.

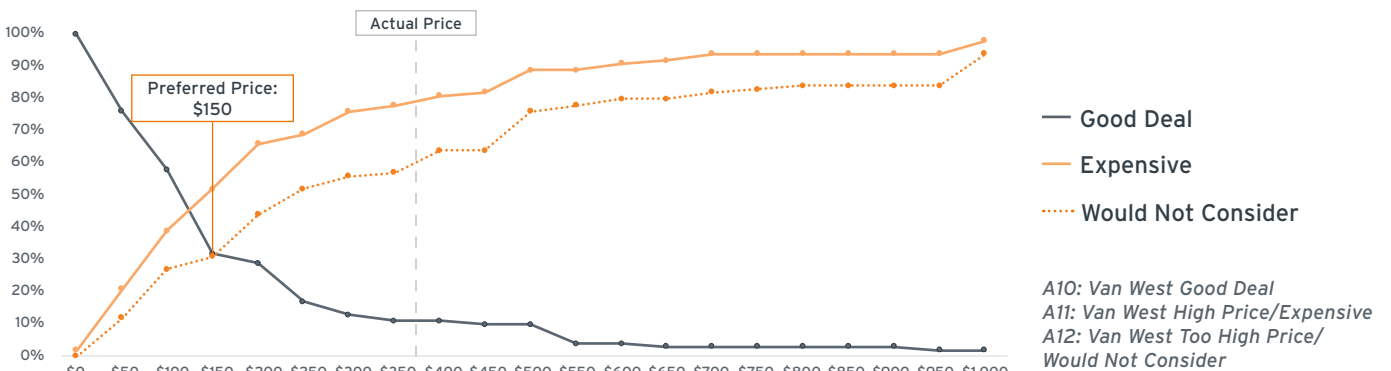
Expected delivery time: 4 days
Actual Price & Delivery Time: \$250 & 2 days



Concierge Driver Long-Distance Delivery

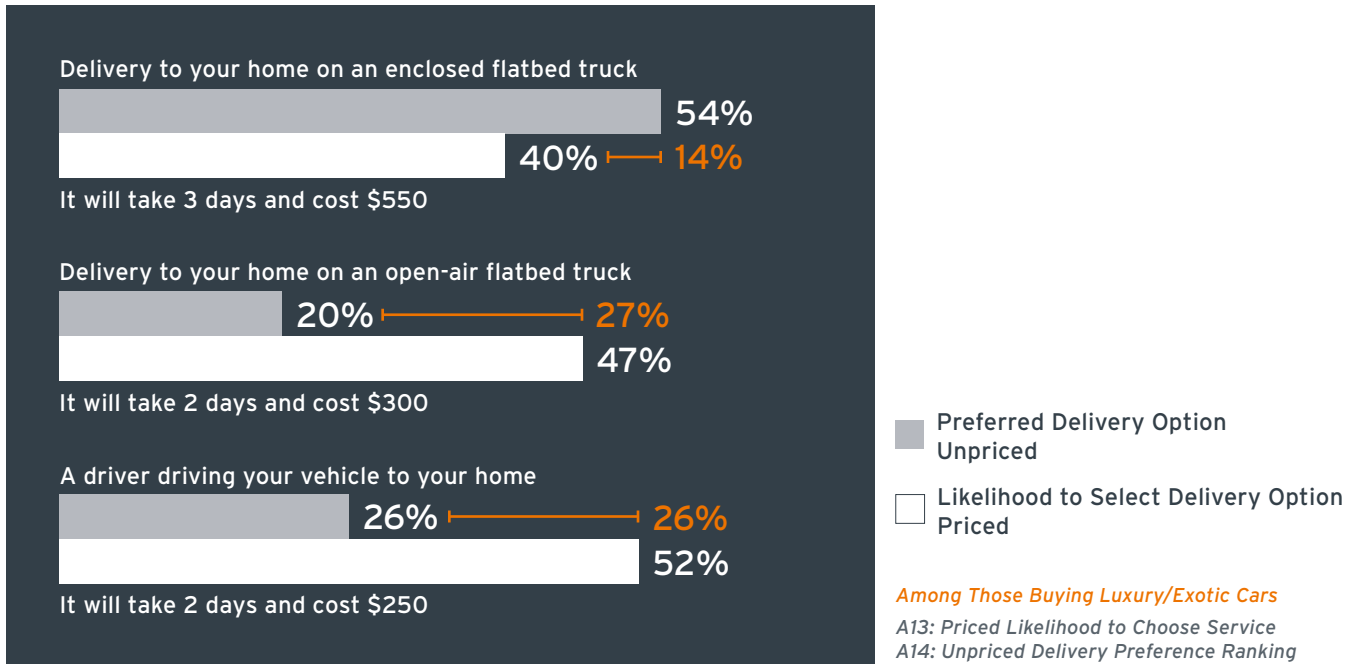
Consumers have a similar preference for long-distance delivery services, creating a bigger gap.

Expected delivery time: 4 days
Actual Price & Delivery Time: \$375 & 2 days

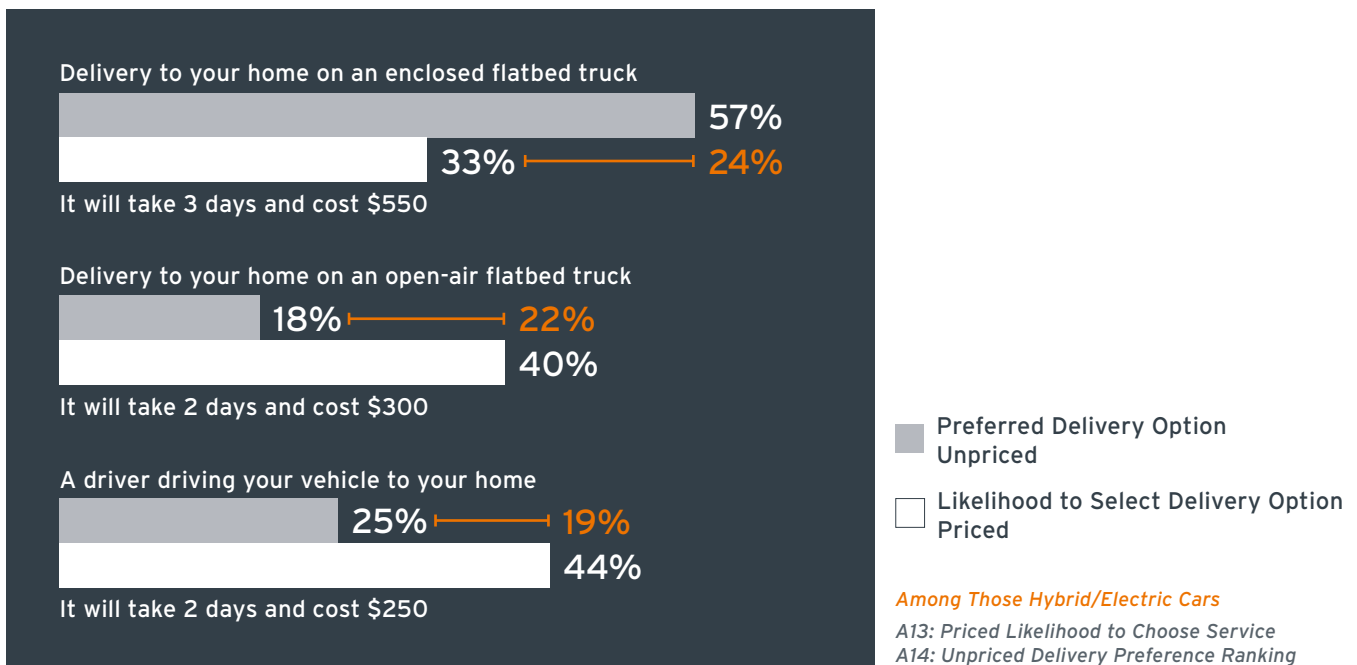


Preferred Delivery Option

Consumers buying luxury/exotic cars prefer enclosed flatbed delivery and are willing to pay for it at similar levels.

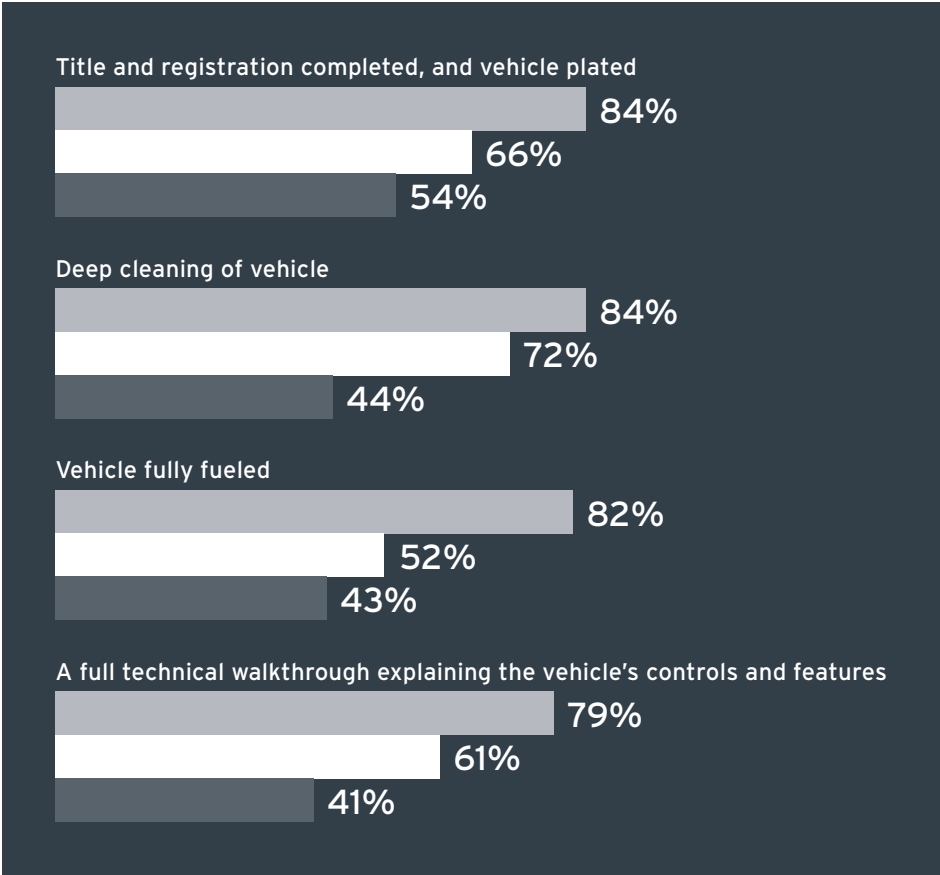


Consumers looking for hybrid/electric vehicles are slightly more price conscious and they will more likely pick the cheaper option.



Additional Services: Appeal and Willingness to Pay

Additional services are all appealing to car buyers, but especially title and registration as more people would be willing to pay for these services.



- Appealing**
(Extremely/Very Appealing)
- Time Willing to Add**
(1-3 Days)
- Willing to Pay**
(Extremely/Very Likely)

Among Total Online Car Market
 A16: Additional Services Appeal
 A17: Time Willing to Add For Services
 A18: Likelihood to Pay For Services



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