COVID-19:
CONSUMER & DEALER SENTIMENT TOP 10 TRENDS

Updated: July 28, 2020

COX AUTOMOTIVE™

COVID-19 Top 10 Trends

1. Concern over COVID-19 rises as new cases spike. A growing number of consumers do not anticipate a return to "normal" until next year or beyond.
2. Usage of various types of mobility beyond personal vehicles is unchanged even as much of the country is reopened.
3. The overall number of in-market shoppers has declined. Delay in purchase has dropped slightly after peaking during "Shelter in Place".
4. More than half of shoppers are still reluctant to visit dealers in person and are more likely to complete purchase steps online due to COVID-19.
5. Delay in service has dropped since "Shelter in Place", but some continue to delay due to COVID-19.
6. "Touchless" experiences can help conquest new service customers, with 3 in 4 owners more likely to choose a dealer who offers Service Pickup & Delivery.
7. Many dealers are still not requiring their customers to come into the dealership. However, this percentage is dropping over time.
8. Franchise dealerships are starting to discontinue critical "touchless" services such as Digital Retailing and Service Pickup & Delivery.
9. Low inventory levels are a challenge for dealers, and retail prices are now at pre-COVID levels or higher for many of them.
10. Dealership staffing levels are starting to bounce back, but there is a growing uncertainty among dealers about when or if business will return to "normal".

Concern Over COVID-19 Rises as New Cases Spike

% OF CONSUMERS CONCERNED WITH COVID-19
(EXTREMELY / VERY)

57%
Early Outbreak
(March)*

71%↑
Shelter in Place
(Late March - April)*

65%↓
Reopening
(May - Mid June)*

69%↑
Summer Spike
(Late June - July)*

*Specific survey field dates in appendix

A Growing Number of Consumers Do Not Anticipate a Return to “Normal” Until Next Year or Beyond

% OF CONSUMERS WHO SAY IT WILL BE 2021 OR LATER BEFORE LIFE IS BACK TO “NORMAL”

14% ↑
Shelter in Place
(Late March - April)*

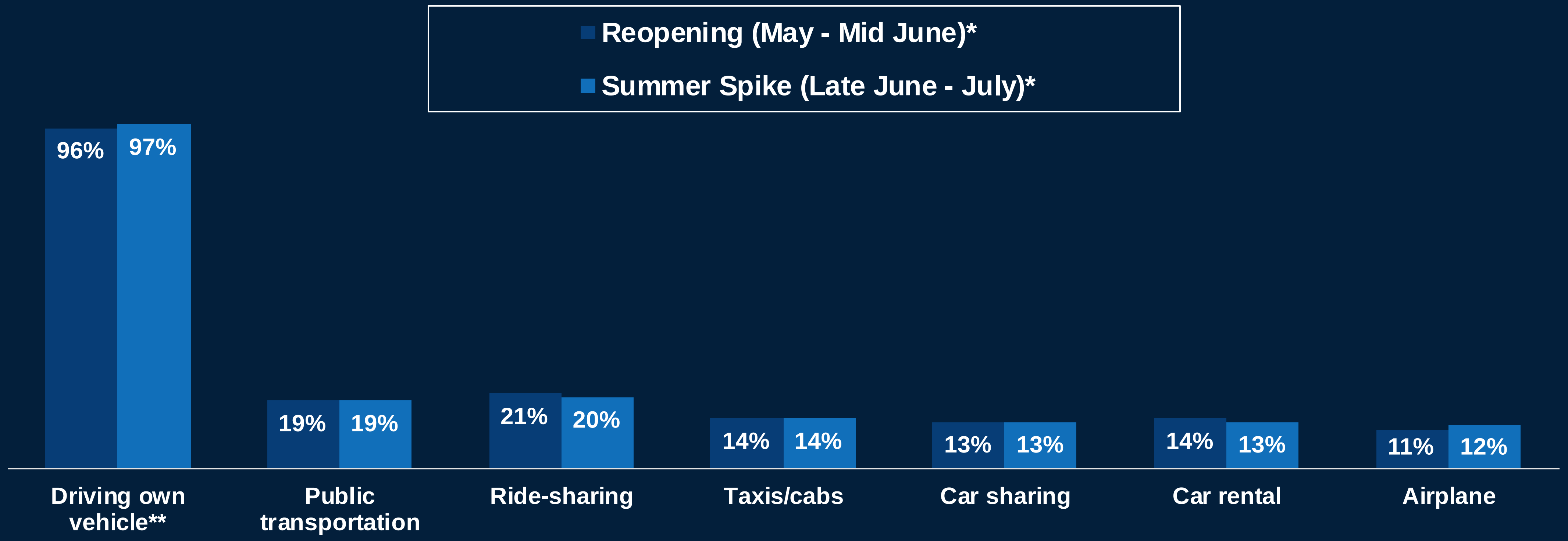
32% ↑
Reopening
(May - Mid June)*

47% ↑
Summer Spike
(Late June - July)*

**Specific survey field dates in appendix*

Usage of Various Types of Mobility Beyond Personal Vehicles is Unchanged Even as Much of the Country is Reopened

PAST MONTH TRANSPORTATION USAGE



↓↑ Indicates significant difference since last wave
**Specific survey field dates in appendix*
***Among vehicle owners*

Source: 2020 Cox Automotive COVID-19 Consumer Impact Study

The Overall Number of In-Market Shoppers Has Declined Since “Shelter in Place”

% OF CONSUMERS IN-MARKET TO PURCHASE A VEHICLE WITHIN THE NEXT 6 MONTHS

20%
Early Outbreak
(March)*

20%
Shelter in Place
(Late March - April)*

17%↓
Reopening
(May - Mid June)*

16%
Summer Spike
(Late June - July)*

*Specific survey field dates in appendix

Delay in Purchase Has Dropped Slightly After Peaking During "Shelter in Place"

% OF SHOPPERS DELAYING PURCHASE DUE TO COVID-19

17%
Early Outbreak
(March)*

34%↑
Shelter in Place
(Late March - April)*

33%
Reopening
(May - Mid June)*

29%
Summer Spike
(Late June - July)*

**Specific survey field dates in appendix*

Half of Shoppers Are Still Reluctant to Visit Dealers in Person Due to COVID-19

% OF SHOPPERS LESS LIKELY TO VISIT A DEALERSHIP IN-PERSON DUE TO COVID-19

41%
Early Outbreak (March)*

60%↑
Shelter in Place (Late March - April)*

54%↓
Reopening (May - Mid June)*

51%
Summer Spike (Late June - July)*

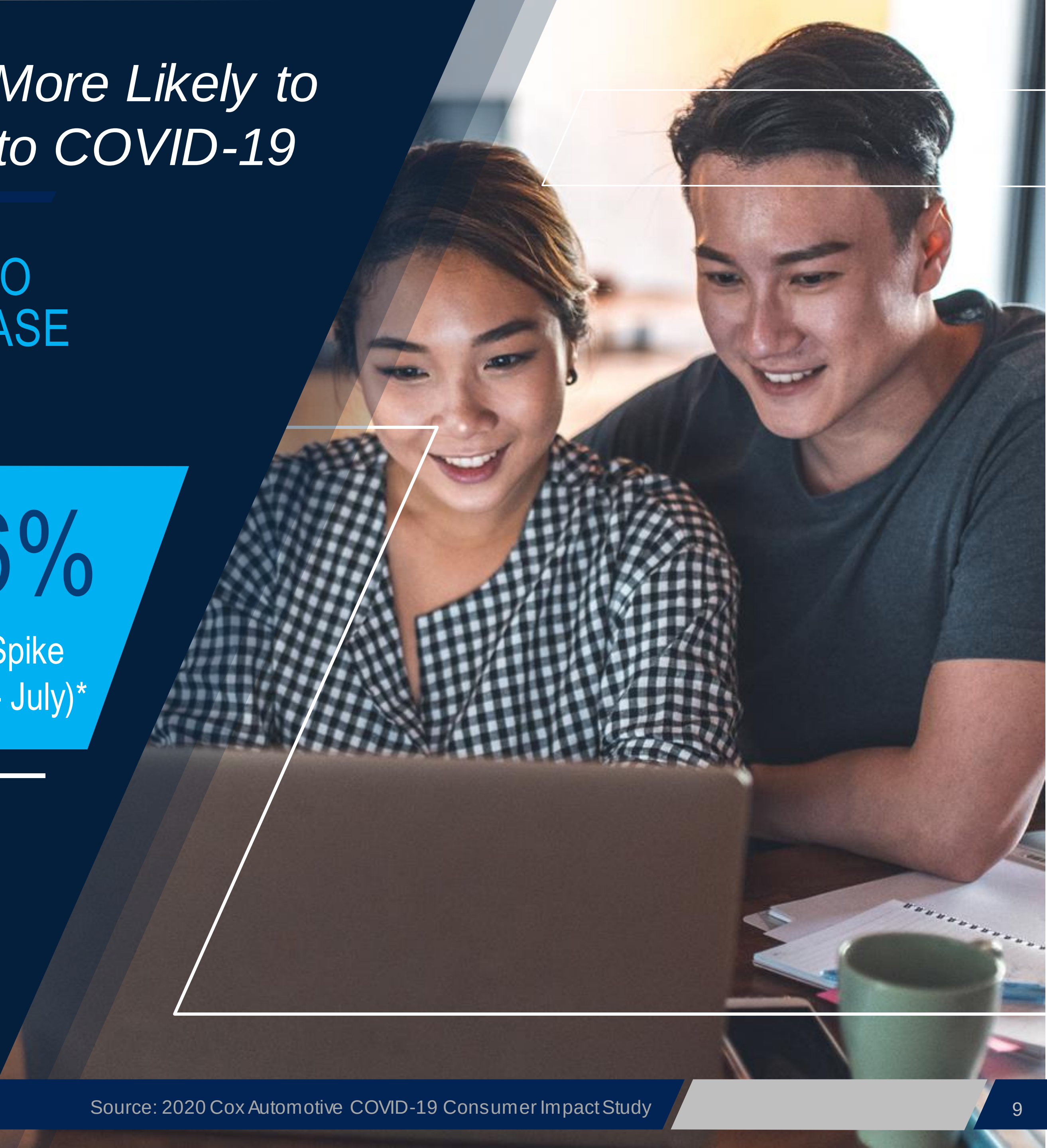
**Specific survey field dates in appendix*

Over Half of Shoppers Continue to Be More Likely to Complete Purchase Steps Online Due to COVID-19

% OF SHOPPERS <u>MORE</u> LIKELY TO COMPLETE STEPS OF THE PURCHASE ONLINE DUE TO COVID-19

63%	57% ↓	56%
Shelter in Place (Late March - April)*	Reopening (May - Mid June)*	Summer Spike (Late June - July)*

70% of shoppers want to do more of the purchase steps online compared to the last time they purchased a vehicle



**Specific survey field dates in appendix*

Delay in Service Has Dropped Since "Shelter in Place", But Some Continue to Delay Due to COVID-19

% OF OWNERS DELAYING SERVICE DUE TO COVID-19

16%
Early Outbreak
(March)*

36%↑
Shelter in Place
(Late March - April)*

28%↓
Reopening
(May - Mid June)*

25%↓
Summer Spike
(Late June - July)*

**Specific survey field dates in appendix*

“Touchless” Experiences Can Help Conquest New Service Customers

SERVICE PICKUP & DELIVERY

*SUMMER SPIKE (LATE JUNE - JULY)**

72% of consumers are likely to choose one dealer over another based on them offering this service

55% of consumers who do not currently service their vehicle at a dealership would be more likely to consider a dealer who offered this service

*Specific survey field dates in appendix

Source: 2020 Cox Automotive COVID-19 Consumer Impact Study

A Majority of Dealers Are Still Not Requiring Their Customers to Come Into the Dealership. However, This Percentage is Dropping Over Time.

% OF DEALERS CONDUCTING BUSINESS BEYOND THEIR PHYSICAL LOCATION

FRANCHISE DEALERS

	Shelter in Place*	Reopening*	Summer Spike*
Retail	87%	85%	83%
Service	70%	66% ↓	61% ↓

INDEPENDENT DEALERS

	Shelter in Place*	Reopening*	Summer Spike*
Retail	76%	82% ↑	77% ↓
Service	44%	44%	40%

↓↑ *Indicates significant difference since last wave*
**Specific survey field dates in the appendix*

Franchise Dealerships Starting to Discontinue Critical "Touchless" Services

% OF DEALERS OFFERING THESE SERVICES…

FRANCHISE DEALERS

	Reopening*	Summer Spike*
Digital Retailing	78%	73% ↓
Purchase Vehicle Delivery	60%	58%
Service Pick-Up & Delivery**	63%	58% ↓
At-Home Maintenance**	8%	8%

INDEPENDENT DEALERS

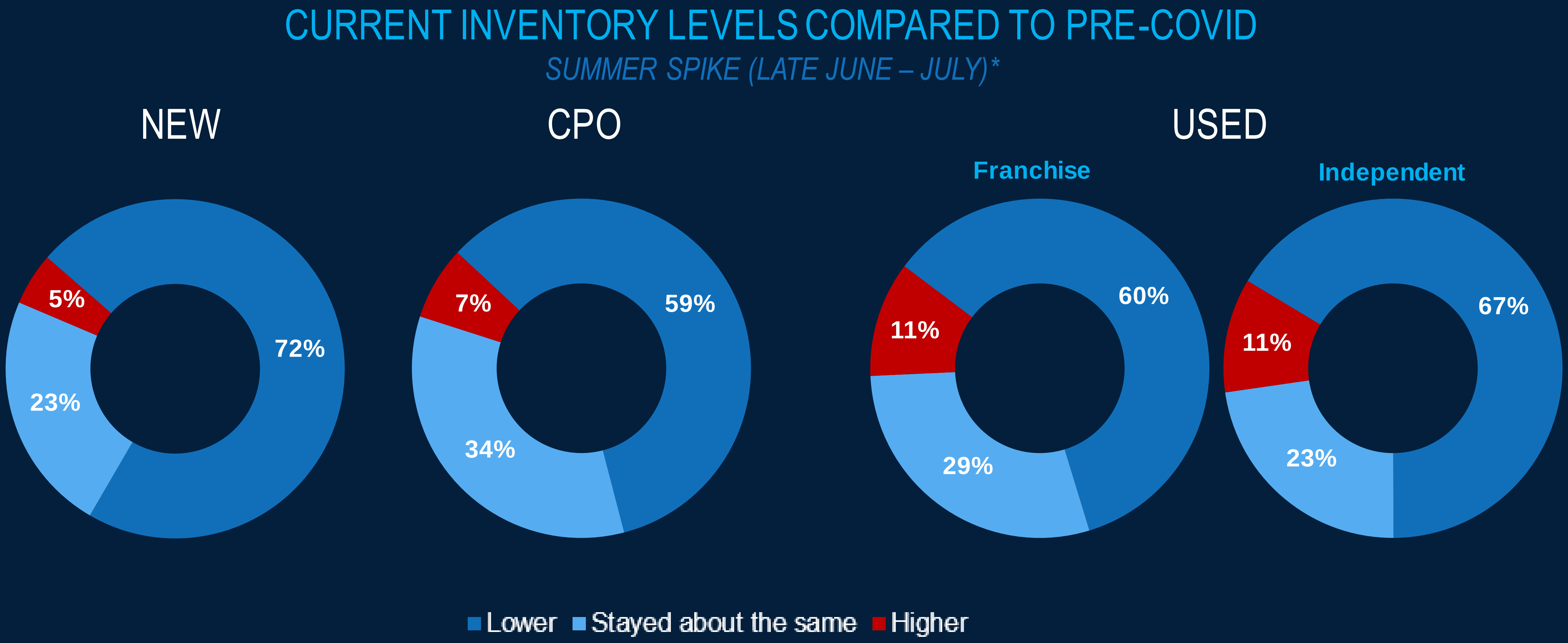
	Reopening*	Summer Spike*
Digital Retailing	46%	45%
Purchase Vehicle Delivery	27%	26%
Service Pick-Up & Delivery**	16%	17%
At-Home Maintenance**	5%	5%

↓↑ *Indicates significant difference since last wave*

***Base: total dealers*

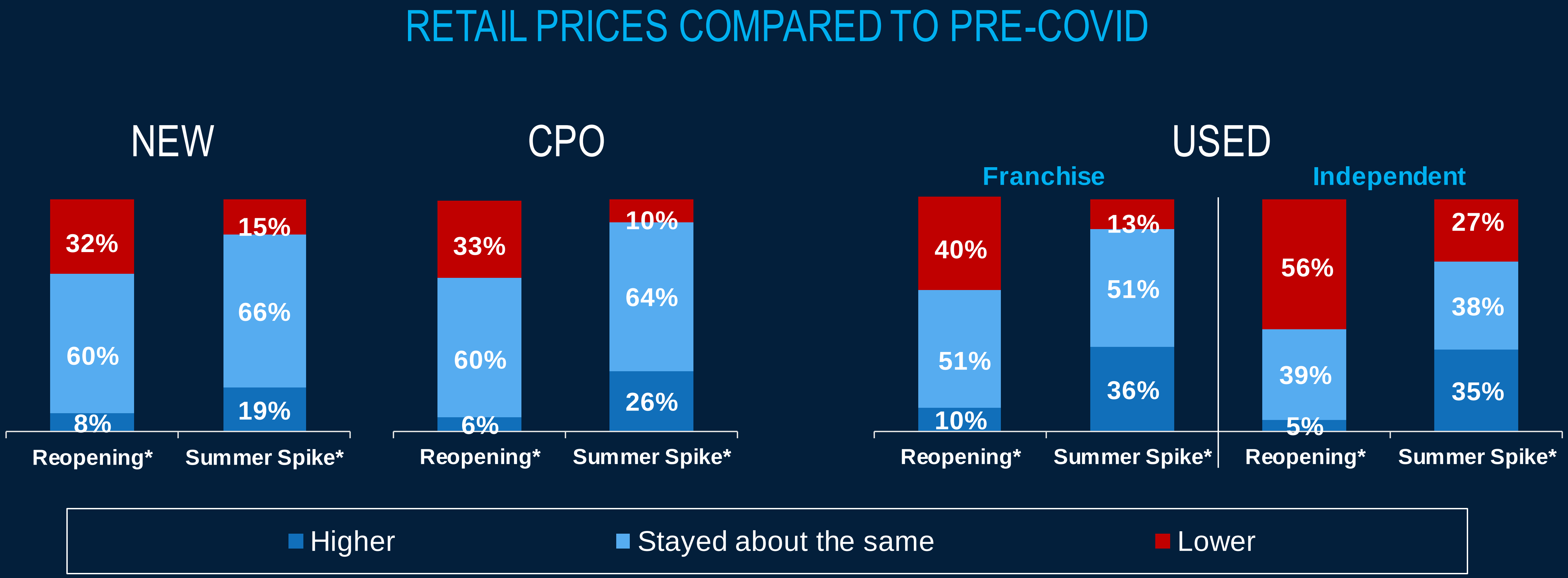
**Specific survey field dates in appendix*

Low Inventory Levels Are a Challenge for Dealers



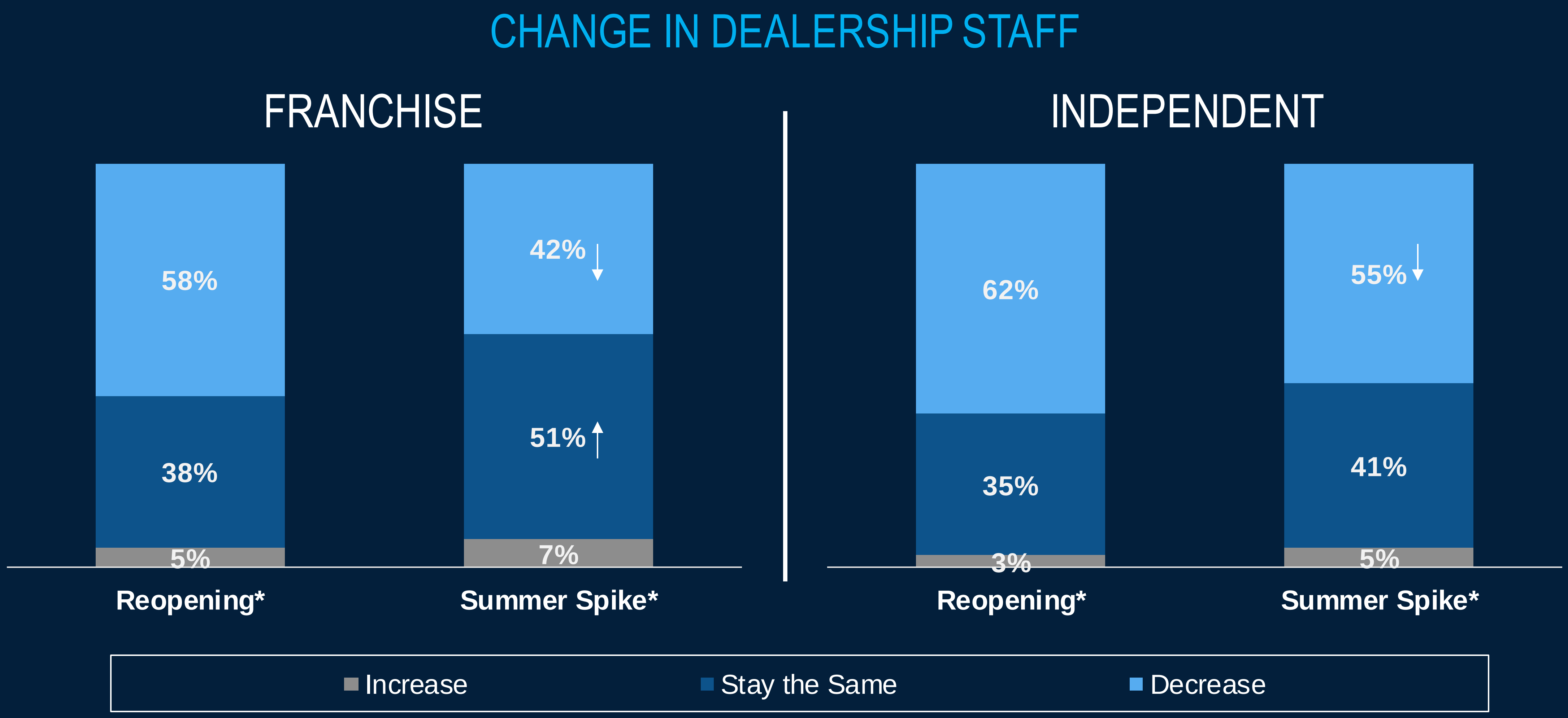
*Dates: Specific survey field dates in appendix

Retail Prices for Used Vehicles More Impacted by COVID-19



**Dates: Specific survey field dates in appendix*
Note: No significance testing because question changed between waves

Dealership Staffing Levels Are Starting to Bounce Back



↓↑ *Indicates significant difference since last wave* **Dates: Specific survey field dates in appendix*

Summer Spike Causes Uncertainty to Grow Among Dealers About When or if Business Will Return to "Normal"

% OF DEALERS UNCERTAIN ABOUT WHEN OR IF BUSINESS WILL RETURN TO "NORMAL"

FRANCHISE DEALERS

Shelter in Place*	Reopening*	Summer Spike*
22%	17%↓	31%↑

INDEPENDENT DEALERS

Shelter in Place*	Reopening*	Summer Spike*
29%	27%	39%↑

↓↑ *Indicates significant difference since last wave*

**Specific survey field dates in the appendix*

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2020 Cox Automotive COVID-19 Consumer & Dealer Impact Studies

We surveyed a nationally representative sample of US consumers ages 18+ during the following timeframes:

- Early Outbreak - Wave 1: March 5-6, 2020 (n=1,000); Wave 2: March 13-14, 2020 (n=999) ; Wave 3: March 20-22, 2020 (n=1,000)
- Shelter in Place - Wave 4: March 27-28, 2020 (n=1,000); Wave 5: April 3-4, 2020 (n=1,000); Wave 6: April 10-11, 2020 (n=1,000); Wave 7: April 17-18, 2020 (n=1,000); Wave 8: April 24-25, 2020 (n=1,000)
- Reopening - Wave 9: May 1-3, 2020 (n=1,000); Wave 10: May 15-16, 2020 (n=1,000); Wave 11: May 29-30, 2020 (n=1,000); Wave 12: June 12-13, 2020 (n = 1,000)
- Summer Spike – Wave 13: June 26-27, 2020 (n=1,000); Wave 14: July 10-11, 2020 (n=1,000); Wave 15: July 24-25, 2020 (n=1,000)

We surveyed a sample of automotive dealers about their general level of concern:

- Shelter in Place - Wave 5: April 15-17, 2020 (n=691); Wave 6: April 22-24, 2020 (n=642)
- Reopening - Wave 7: April 29-May 1, 2020 (n=648); Wave 8: May 11-15, 2020 (n=555); Wave 9: May 26-29, 2020 (n=470); Wave 10: June 8-12, 2020 (n=700)
- Summer Spike – Wave 11: June 22-26, 2020 (n=725); Wave 12: July 6-10, 2020 (n-782); Wave 13: July 20-24, 2020 (n=794)

The objective of this research was to understand the impact of Coronavirus (COVID-19) on US Consumers & Dealer attitudes and behaviors:

- Awareness & Familiarity of COVID-19
- Level of Concern over COVID-19
- Impact on Everyday Behaviors & Business Operations
- Impact on Current Auto Shoppers & Commuters
- Actions to Mitigate Any Negative Impact