

A blurred, high-angle photograph of a multi-lane highway at night, with light trails from cars and streetlights. The image is overlaid with a dark blue geometric shape on the left side.

# EVOLUTION OF MOBILITY: A DEALER'S PERSPECTIVE

OCTOBER 2018



COX AUTOMOTIVE™



# Evolution of Mobility: A Dealer's Perspective

## We Interviewed:

# 430

automotive dealers in management positions or with decision-making responsibility over strategy/business operations

## SAMPLE:

n=229 Franchise  
n=201 Independent

Fielded July 10<sup>th</sup> - July 31<sup>st</sup>, 2018

## Research Objectives:

**Understand** dealer awareness, perceptions, and readiness of emerging mobility trends

**Measure** where dealers fall on the adoption curve for car subscription and car sharing models

**Explore** dealers' future outlook in a world of mobility

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***Strong Growth Expected in Alternatives to Traditional Ownership***

# Nearly Half of Dealers See Consumers Owning Fewer Vehicles in the Future

# 47%

OF DEALERS

Agree that “in 10 years, the number of vehicles per household will DECREASE”



# Dealers Predict a Bigger Impact on Traditional Ownership than Consumers Do

% Who Say “Primary Mode of Transportation for Consumers Will **Not** Be a Personally-Owned Vehicle”

...in 5 years

18%

OF CONSUMERS

28%

OF DEALERS

# Dealers Think Reliance on Ownership Will Continue to Decline in the Future

% Who Say “Primary Mode of Transportation for Consumers Will **Not** Be a Personally-Owned Vehicle”

...in 5 years

**28%**

...in 10 years

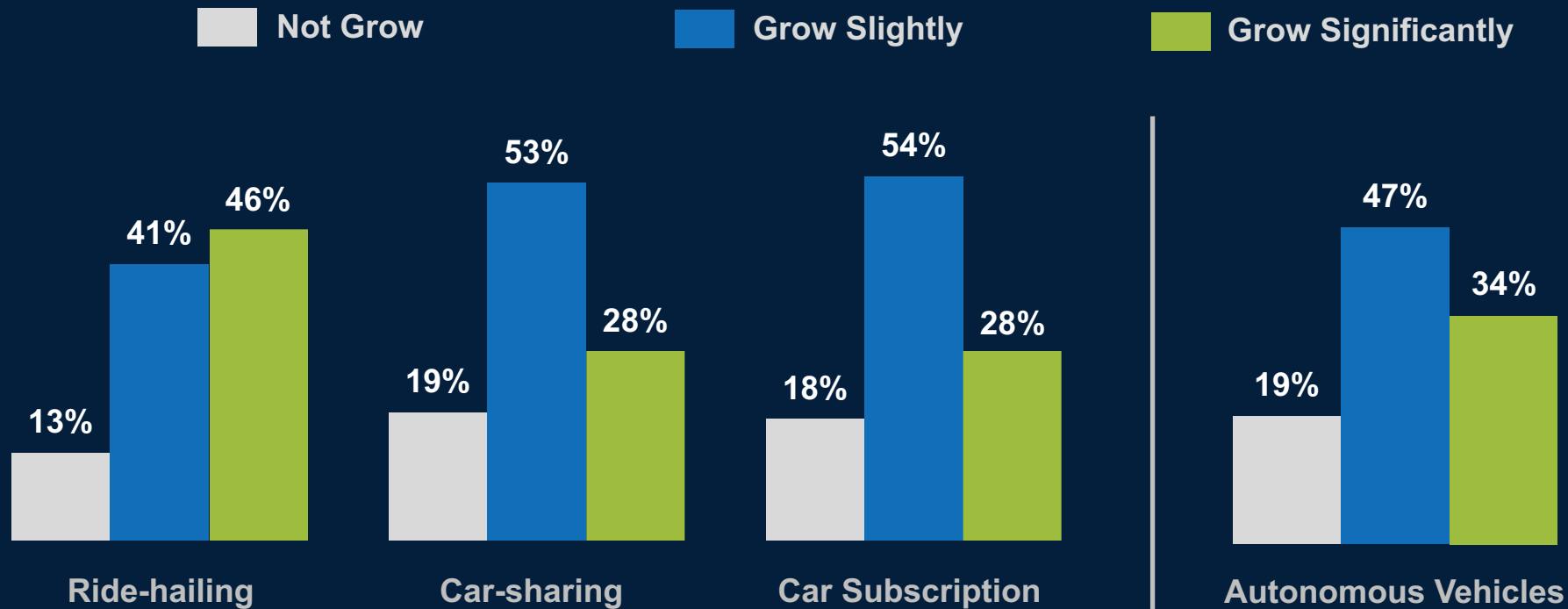
**35%**

OF DEALERS



# Nearly All Dealers Think Consumer Acceptance Will Continue to Grow Over the Next Decade

“In the next 10 years, consumer usage will...”



# Many Dealers See a Benefit in Adopting These New Models – More so as a Supplement to than a Replacement of Their Current Offerings

## Adoption Motivators For Car-Sharing or Car Subscription

(in descending order)

75%

of dealers believe there is a benefit to offering car subscription or car-sharing services

1	To create <b>NEW</b> revenue streams
2	To appeal to a <b>NEW</b> consumer base
3	To appeal to younger consumers
4	To stay relevant
5	To prepare for the future
6	To have an advantage over the competition
7	To stay on top of industry trends
8	To <b>REPLACE</b> other revenue streams
9	To appeal to my <b>CURRENT</b> customers
10	To appeal to more affluent consumers



# Any Hesitancies Toward Adoption Are Due to Uncertainty Surrounding Operations Rather Than Rejection of the Models Themselves

## Adoption Barriers For Car-Sharing or Car Subscription

*(in descending order)*

1	Not enough knowledge about how to set it up
2	Concern that it would cost more to incorporate than it would be worth
3	It would require too many resources to change the business model
4	Need for outside support to get it off the ground
5	It's too different from the current dealership model
6	Don't see our customers being interested
7	Don't see our market being interested
8	Think it will only be a fad/passing trend

# Over Half of Dealers Agree That Service Will Play a More Important Role

% Believe Dealers Will Need to be More **Service** than Retail-oriented

**59%**

OF DEALERS

*believe dealers will need to be more service than retail-oriented*

**68%<sup>B</sup>**

FRANCHISE (A)

**56%**

INDEPENDENT (B)

Capital Letters indicate significantly higher than identified subgroup

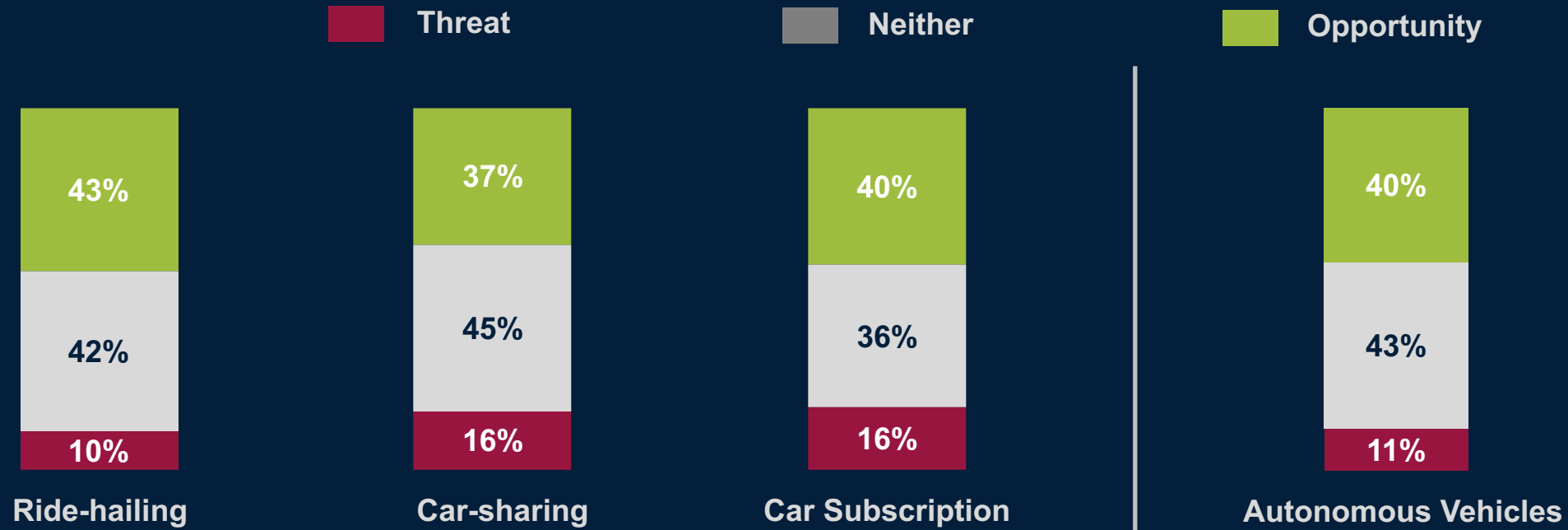
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***New Forms of Mobility Seen as Opportunity, Not a Threat***

# Few Dealers View the Evolution of Mobility as a Threat

“For my dealership, these trends pose a(n)…”

*Among Those Familiar with Each*



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***Current Dealership Model Will Change, but Not Go Away***

*Dealers Do Not See This as  
the End of Dealerships*

**72%**

OF DEALERS

**Disagree that “dealers may  
eventually not be needed”**



*Over Half Think There Will be a  
Need for Fewer Dealerships*

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**57%**

OF DEALERS

**think there will be a  
need for fewer dealerships**



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