



Opportunity Amid Disruption

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14 February 2023

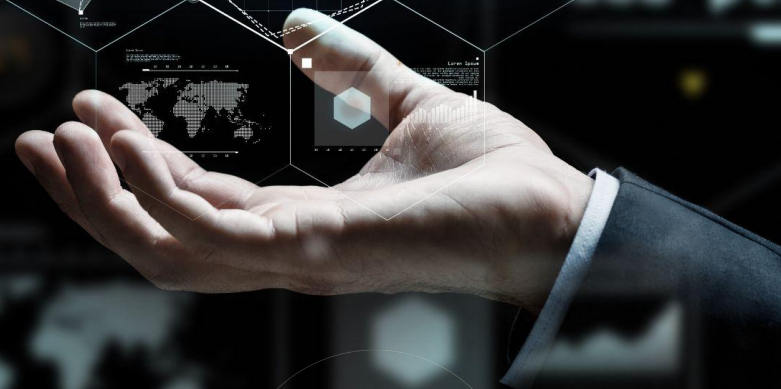


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Agenda

- Disruptive Forces
- Consumer Behaviour
- Implications & Opportunities





Clarify Group

We're a Canadian-based team of recognized automotive CX experts with deep connections to a trusted global network of specialists and technology. Canadian experience. Global insights.

Take informed action

Clarify Group combines research and consulting with innovative technologies. We bring insight and solutions to business challenges across the automotive and mobility ecosystem.





Disruptive Forces

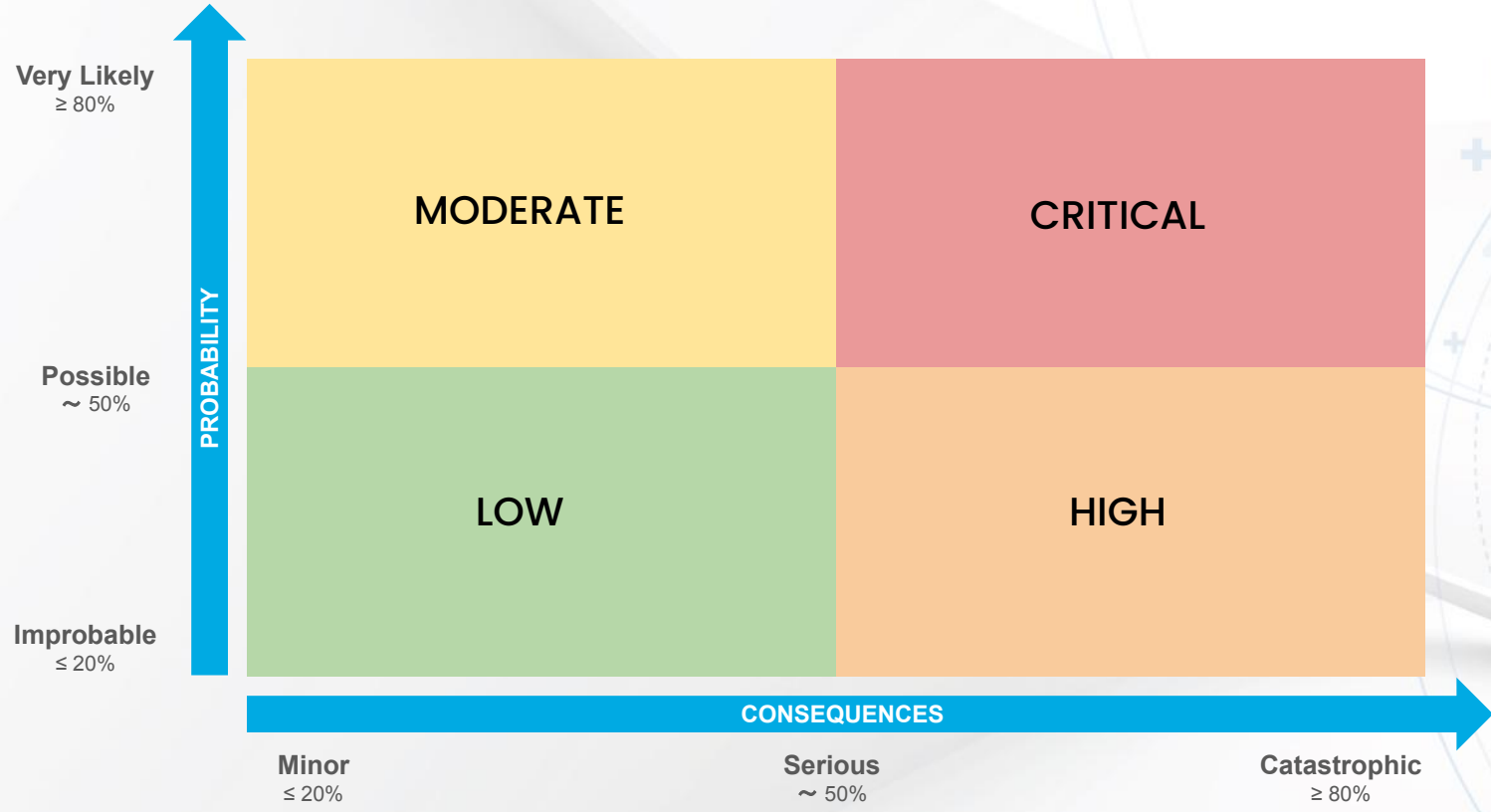
➤ Disruption



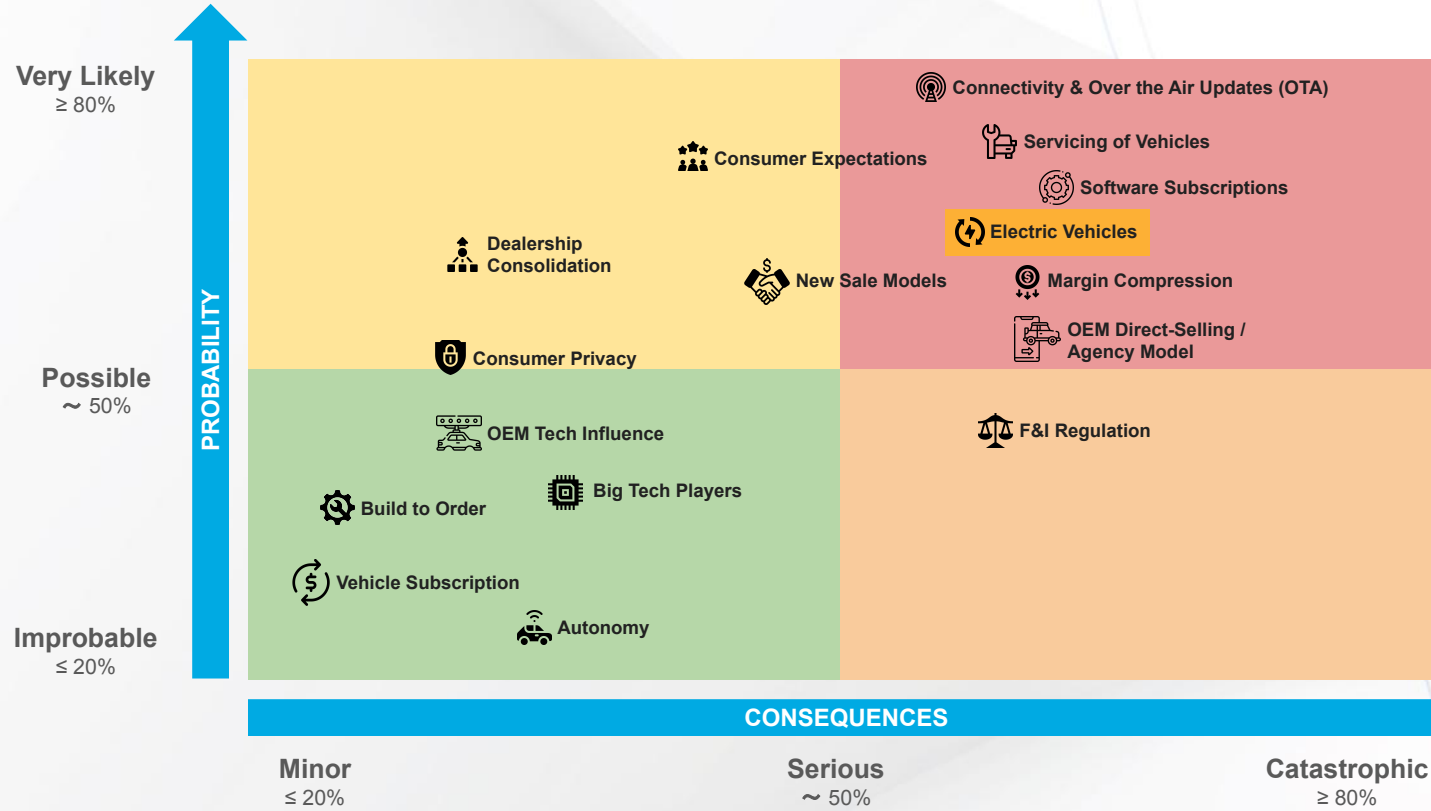
“Disruption is rarely invited... it is almost always forced on us, particularly in a **mature industry**, when some **external circumstance** forces businesses to **react**, usually after trying to **resist** for as long as possible... and there are always **winners** and **losers**.”

July 2019
Forbes

Risk assessment for Canadian dealers



Risk assessment for Canadian dealers





Is this how we're
feeling right now?



Electrification

↗ Is the sky really falling?

Automotive News

SEARCH SIGN UP FREE LOGIN SUBSCRIBE MENU

Hertz to sell 20,000 EVs in shift back to gasoline-powered cars

The rental agency plans to sell a third of its U.S. electric fleet and reinvest in gas-powered cars due to weak EV demand.

January 11, 2024 08:30 AM

Bloomberg

TWEET SHARE MORE

NATIONAL POST Sign In

News / Canada

Interest in EVs is down as Canada aims to convert all new sales to electric: AutoTrader

Only one in 10 Canadians have an EV vehicle. The top reasons Canadians gave for refusing to consider going electric are all economic

Ali Al Ashoor, National Post
Published Dec 21, 2023 • 3 minute read

645 Comments

A woman checks the status of the charge for her 2022 Volkswagen ID.4 EV at a Toronto-area charging station. Searches for electric vehicles account for less than three per cent of overall searches on AutoTrader in 2023. PHOTO BY DOUG IVES/THE CANADIAN PRESS/EIL F

REUTERS

Sustainable & EV Supply Chain

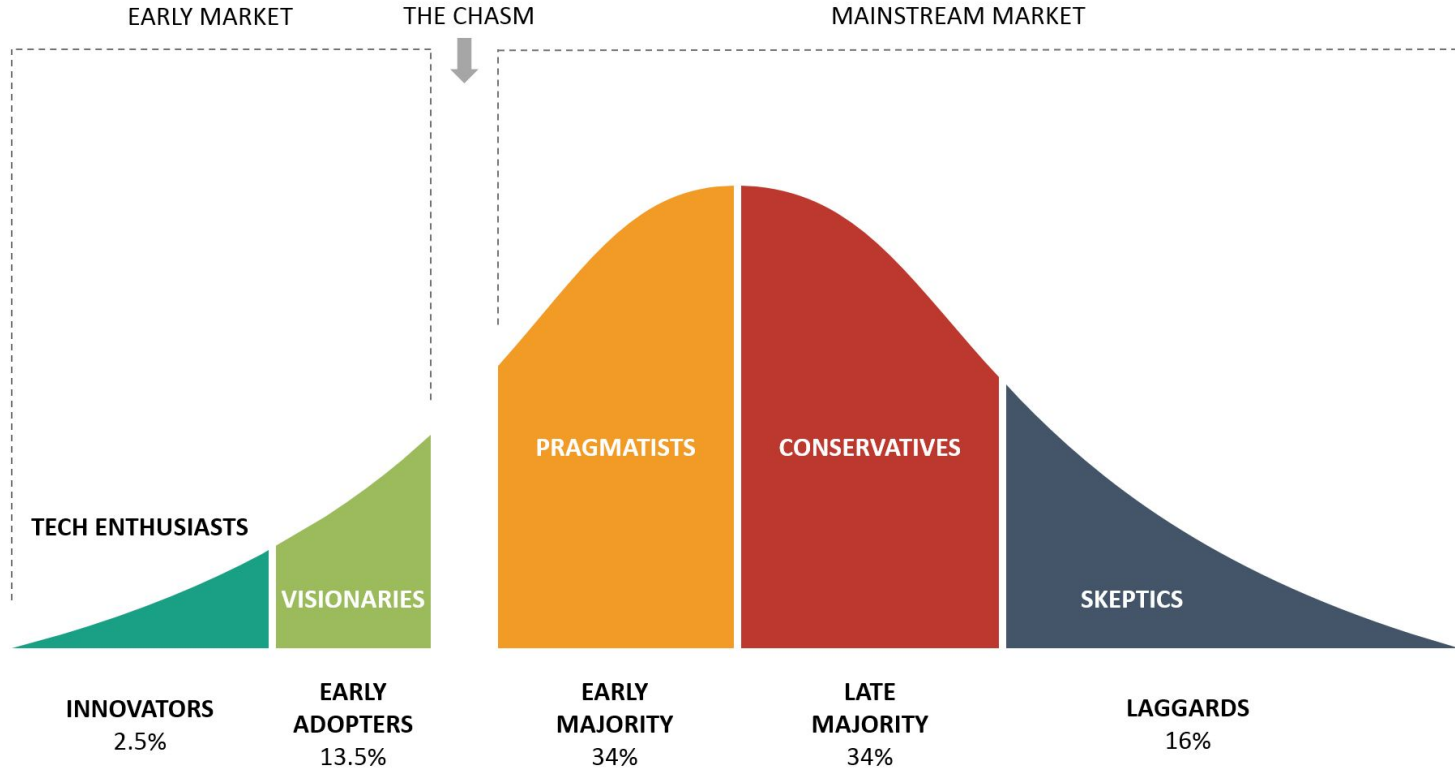
More alarm bells sound on slowing demand for electric vehicles

By Ben Klayman
October 25, 2023 12:01 PM EDT · Updated 3 months ago

Bookmark Font Share

Tesla China-made Model 3 vehicles are seen during a delivery event at its factory in Shanghai, China January 7, 2020. REUTERS/Aly Song/File Photo
[Acquire Licensing Rights](#)

➤ Our transition is playing out like others...

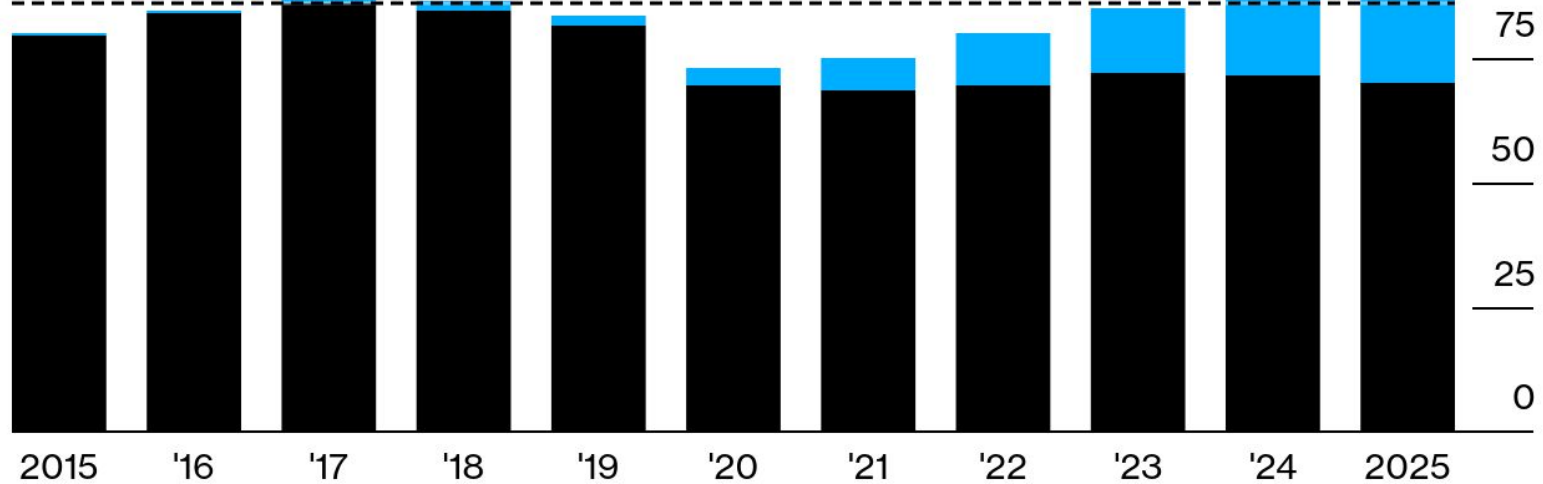


➤ Peak ICE is already behind us...

■ Internal combustion ■ Electric

100 million per year

Internal combustion engine car sales peak

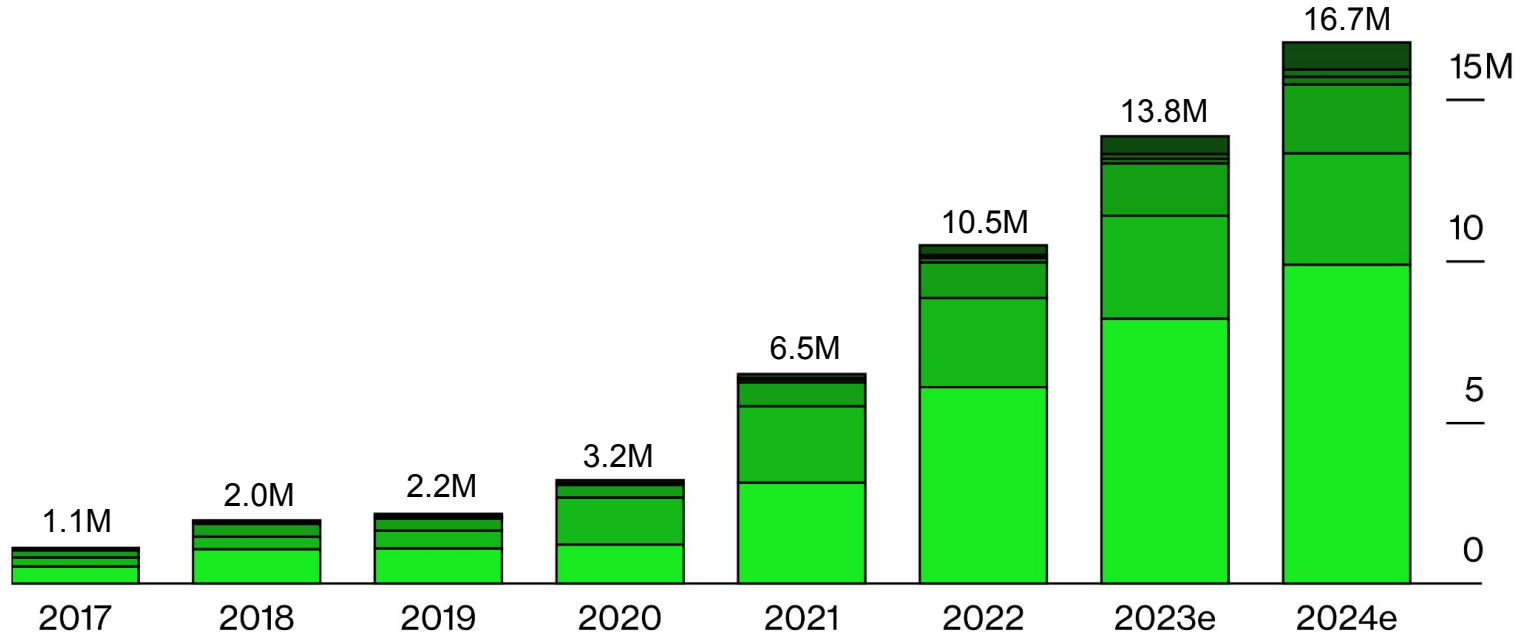


Source: Long-Term Global Vehicle Outlook 2022 (EV = BEV + PHEV)

BloombergNEF

➤ Global ZEV sales approaching 17M this year

■ China
 ■ Europe
 ■ North America
 ■ South Korea
 ■ Japan
 ■ Rest of World



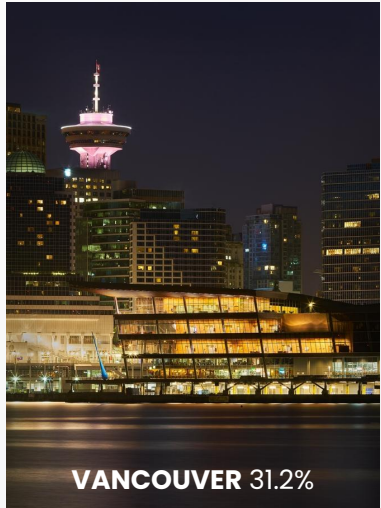
BloombergNEF

Jan 2024, includes BEV and PHEV only
 2023 includes estimated Dec sales for some markets

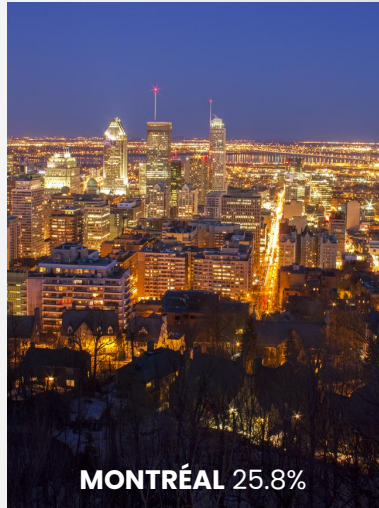
➔ ZEV Adoption Q3 2023

 **CANADA 13.3%**

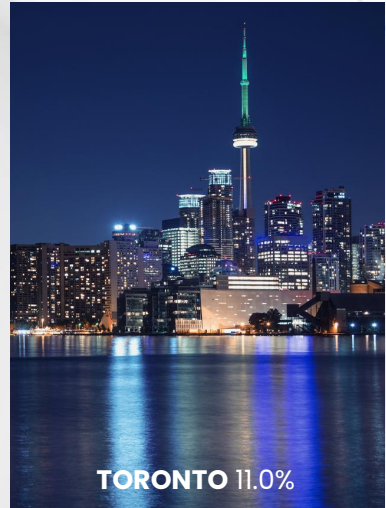
 **BRITISH COLUMBIA 26.4%**



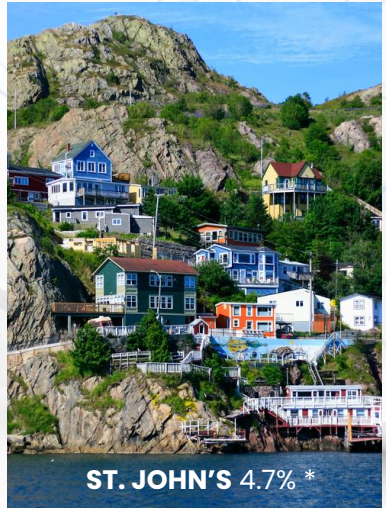
 **QUÉBEC 22.8%**



 **ONTARIO 8.7%**



 **NEWFOUNDLAND AND LABRADOR 3.7%**



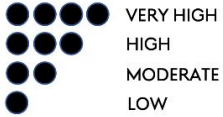
Source: **S&P Global**
Mobility

➤ The consumer is changing...



"... We've been selling [EVs] to the early adopters. **The equation for an early adopter is very different** because they are buying it for a different reason... maybe they have strong feelings from an environmental standpoint... they're technologically forward... or they're just excited about it. So **they're prepared to make concessions that as we move forward into the majority, consumers won't be**".

➤ Different customers = different expectations



INNOVATORS
2.5%



EARLY ADOPTERS
13.5%



EARLY MAJORITY
34%



EV CHARACTERISTICS	INNOVATORS	EARLY ADOPTERS	EARLY MAJORITY
SENTIMENT	●●●●● Fan	●●● Focused	●● Curious
KNOWLEDGE	●●●●● Love new technology want "standout" features	●●● Informed but still have broader questions	●● Still learning, may hesitate to ask
CONFIDENCE	●●●●● May know more than Salesperson Often STEM background	●●● Need some reassurance especially if first-time EV buyer	● Need a "facilitated" experience (features, charging, range, ownership etc.)
PRICE SENSITIVITY	● Priority is being first	●●● Price sensitive	●●●●● Seek ICE parity or better Cost of Ownership important
GREEN MOTIVATION	●●● Not primary motivation	●●●●● Eco sensitive	●● Rational buyers (yes, but...)

➤ Different skills needed to help customers with...



EV technology



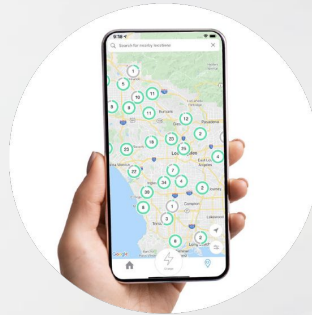
Driving dynamics



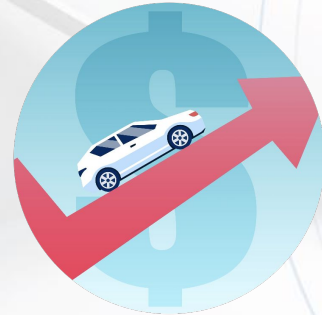
Home charging



Public charging



Apps



Cost of ownership

➤ Canadian International AutoShow



AUTOSHOW
THE REVOLUTION
PRESENTED BY
TORONTO STAR





PRESENTED BY



*Data shared with the
permission of CIAS*

2023 Canadian International AutoShow

Visitor Experience Survey Final Report

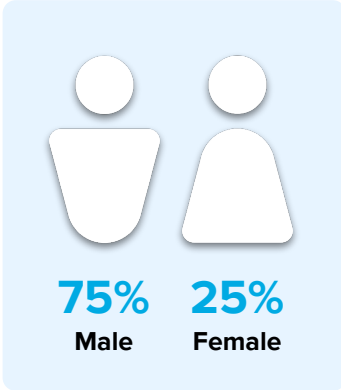
20 April 2023

Research powered by



Who attends?

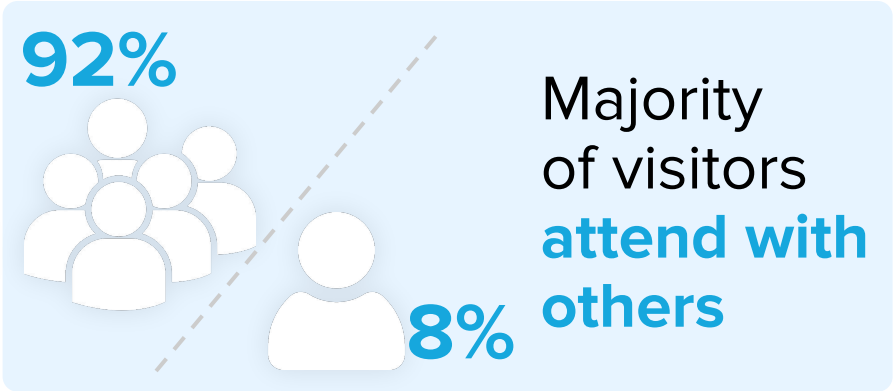
The study represents the voices of
15,599 visitors



2 in 5 visitors under age 40

Who says Millennials & Gen Z only care about digital experiences?

7 in 10 visitors have HH incomes \geq **\$100,000**



Top 3 reasons for visiting

1 See new models and brands

75%



3 in 4 visitors

2 Discover new innovations in the auto and mobility markets

45%



Nearly 1 in 2 visitors

3 Help make up my mind on new vehicle purchase or lease

38%



Nearly 2 in 5 visitors

5 Learn more about EVs

30%



3 in 10 visitors

7 Take part in the EV Test Track

10%



1 in 10 visitors

➔ Purchase Funnel = In-Market Shoppers

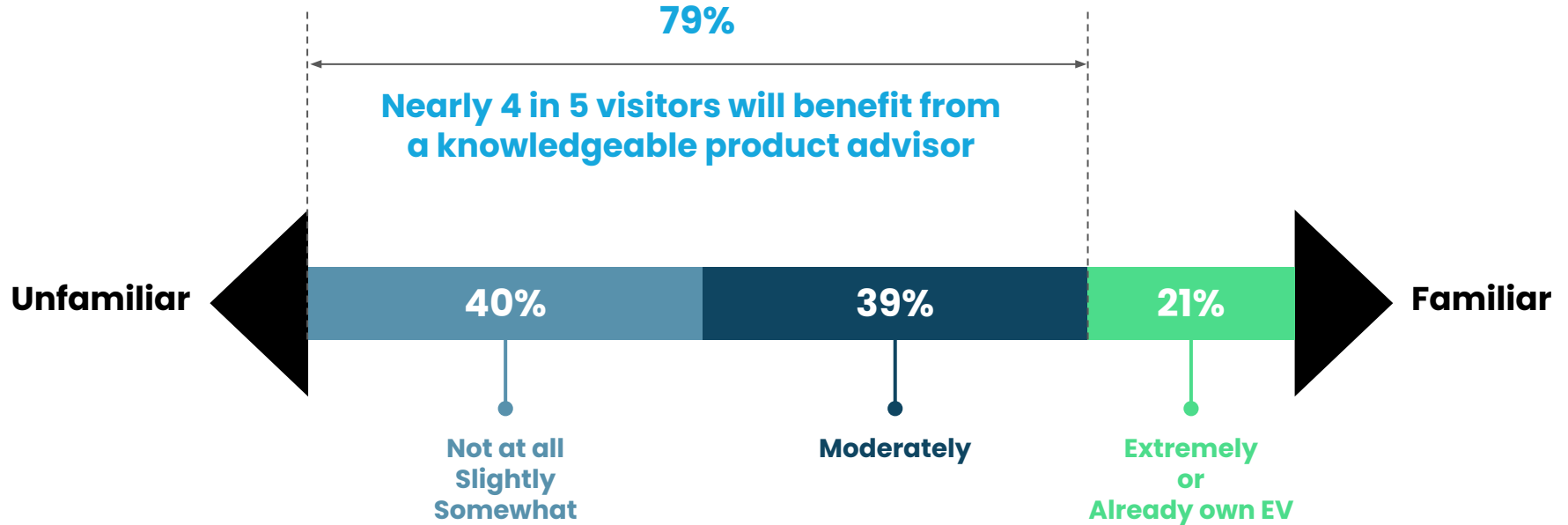


2 in 3 visitors are in the new vehicle purchase funnel

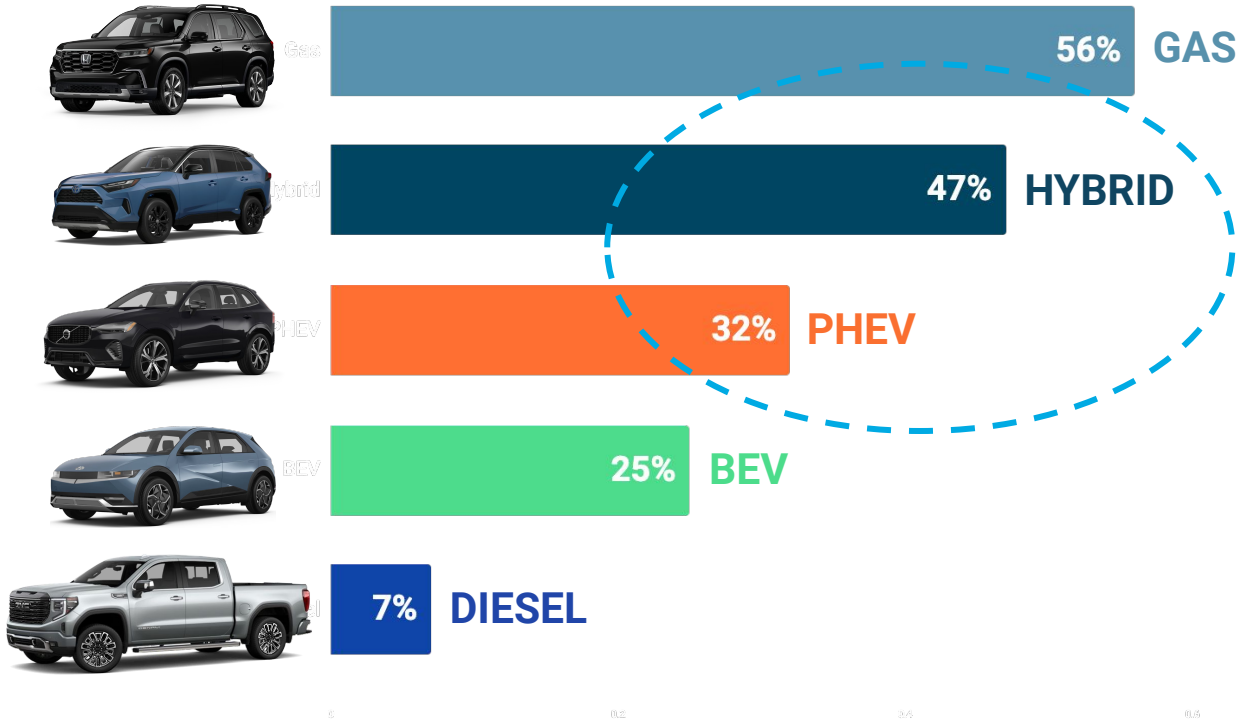
Top 3 Next Steps

- Go online to learn more **47%**
 Nearly 1 in 2 visitors
 - Visit a dealership **32%**
 Nearly 1 in 3 visitors
 - Test drive **23%**
 Nearly 1 in 4 visitors
-
- Buy or place an order **15%**
 More than 1 in 7 visitors

EV Familiarity Before Visiting = Not Very



↗ What are visitors looking for next?



Forbes

FORBES > LIFESTYLE > CARS & BIKES

GM Does A U-Turn: Plug-In Hybrids Are Coming Back

CNBC WATCH LIVE

AUTOS

Why automakers are turning to hybrids in the middle of the industry's EV transition

PUBLISHED FRI, DEC 8 2023 3:45 PM EST | UPDATED FRI, DEC 8 2023 5:14 PM EST

FORTUNE

LEADERSHIP · TOYOTA

Toyota's chairman doubles down on his electric car skepticism, forecasting that EV adoption will peak at just 30%



Implications and Opportunities

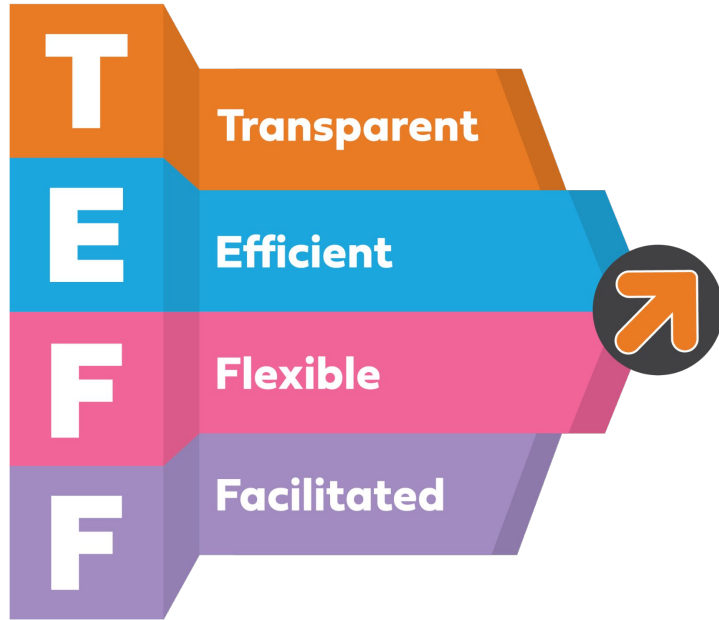


Are You **TEEFF** Enough?

Transparent, **E**fficient, **F**lexible, **F**acilitated.

Clarify

↗ The dealer's new playbook...



TRANSPARENT

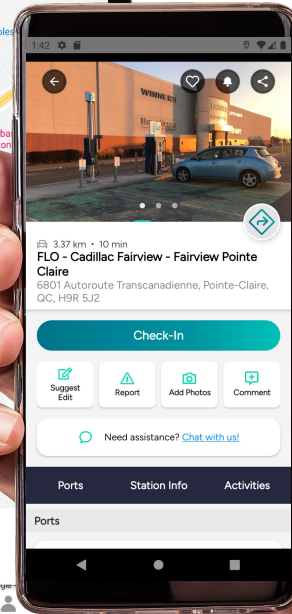
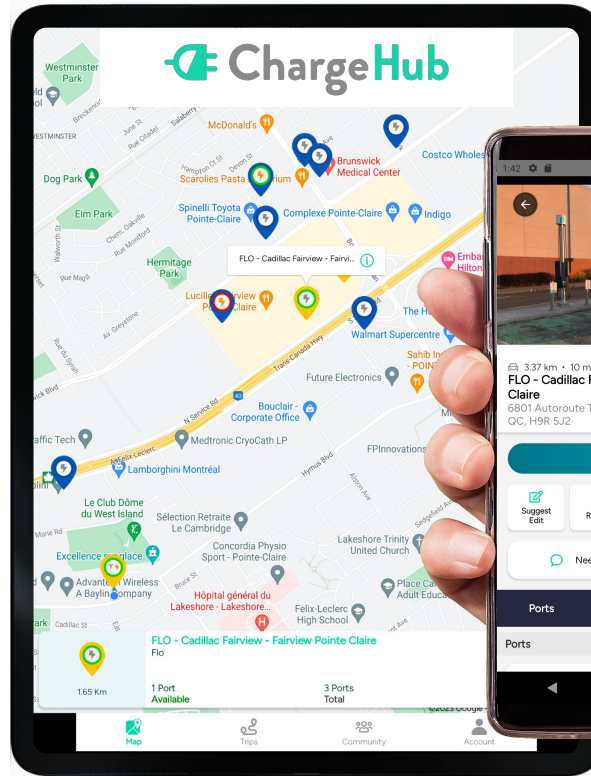
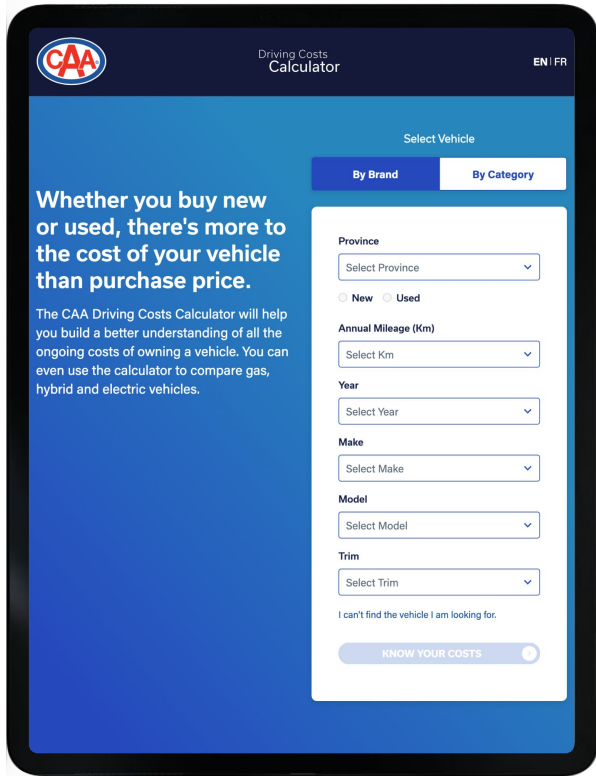
Customers expect their dealer to be transparent in all dealings including consistency between online and in-store pricing with full

FACILITATED

Today's customers are looking for their dealer to help them **acquire** their new vehicle, not to sell it to them. The origin of the word is *facile*, the French verb **"to make easy"**, and especially true when acquiring an **EV**.

facile, the French verb "to make easy", and especially true when acquiring an EV.

➔ Trusted Advisor Tools



➤ Trusted Advisor: Cost of Ownership

[FAQ](#) [Eco Choice](#) [EN](#) | [FR](#)

Estimated Total Annual Driving Costs for:
2024 Hyundai Ioniq 5 Preferred LR Ult 4D Utility AWD

\$10,093.22/Year*

Total Cost per Kilometre	\$0.50
Average Electricity Economy (kWh/100km)	22.03
Fuel Cost per Year (Electricity)	\$546.24

*Cost is representative of owning or leasing a vehicle for 5 years.

Estimated Total Annual Driving Costs for:
2024 Hyundai Tucson Trend 4D Utility AWD

\$10,062.01/Year*

Total Cost per Kilometre	\$0.50
Average Fuel Economy (L/100km)	8.85
Fuel Cost per Year (Gas)	\$2,511.77

*Cost is representative of owning or leasing a vehicle for 5 years.



Trusted Advisor: Cost of Ownership continued

Detailed Costs

Annual Mileage (Km)
20 000 km

City Vs Highway Mileage
50/50%

Depreciation Cost
\$ 4,498.71

Maintenance Cost
\$ 1,370.12

Insurance Costs
\$ 1,834.24

Monthly Car Payment
\$ 753.86

Detailed Costs

Annual Mileage (Km)

City Vs Highway Mileage

Current National Fuel Price (Per Litre)
\$1.42

Depreciation Cost

Maintenance Cost

Insurance Costs

Monthly Car Payment
\$ 631.06



➤ Key takeaways

1. Auto shows

- a. Send your sales team to work the show
- b. Follow-up on all leads

2. As we progress beyond Early Adopters...

- a. Your customers want (and expect) a **trusted advisor**
- b. Sell the **full range of electrified vehicles**: Hybrid, PHEV and BEV
- c. **Use trusted third-party tools** like CAA Driving Cost Calculator
- d. **Sell the product on its merits**: fast, quiet, refined, tech-enabled etc.

Dealer response to disruptive forces?
Level the playing field.



Are you

TEFFF

Enough?



THANK YOU

For more information, or a copy of this presentation, please contact:

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Please send us your questions



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