L'Observatoire Cetelem 2018

Loyalty, warning, fragile

In a world of constant flux, hyper-choice, hard sell and frantic innovation, loyalty to make of car is being severely put to the test.

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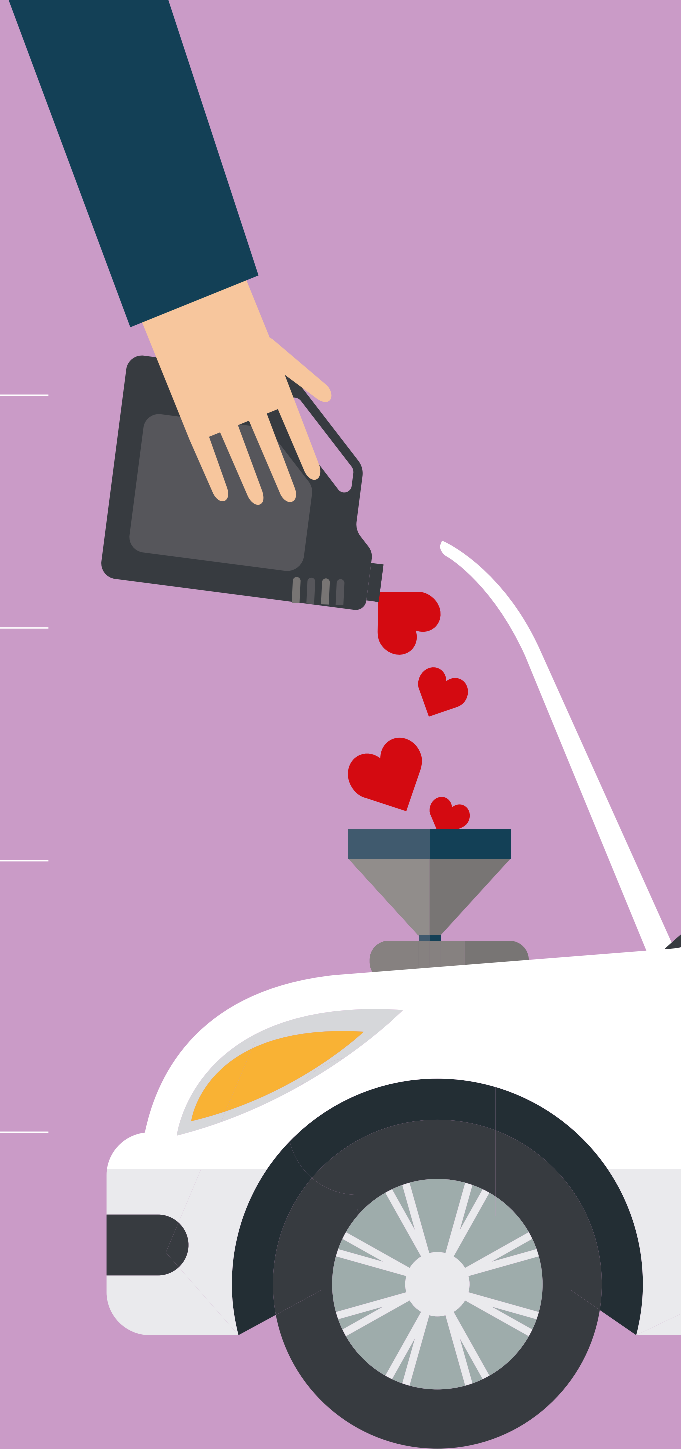

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LOYALTY, WARNING, FRAGILE

Loyal for a day, loyal forever?

Common sense and experience has, for a long time, shown us that it was commercially less expensive and more advantageous to hold onto a current customer than to conquer a new one.

Today, buyers who change their cars represent more than 90% of sales on mature automobile markets. These buyers will soon become a majority in countries where potential for growth still exists. This is the case in China, the leading world market, where the first massive waves of repeat buyers are showing up in dealerships.

Building customer loyalty is therefore a key issue for car manufacturers. These manufacturers who are facing a multitude of challenges (driverless cars, electric cars, etc.) cannot afford to lose customers. Customer loyalty is at the very core of their objectives. Figures and analyses from L'Observatoire Cetelem de L'Automobile 2018 show that stakes are high, the gauntlet thrown. Precious loyalty is not something that can be taken for granted, nor is it a given. More than ever before, it must be nurtured, and deserved.

What does automobile loyalty mean today? How has it developed in the minds of consumers, and in reality? A make of car, a model, or a dealer, what or who are we being loyal to? What are the criteria and reasons put forward for being a loyal customer, or not, for each country and clientele?

In a world of constant flux, hyper-choice, hard sell and frantic innovation, how can we satisfy and hold onto the customers we only see every three or four years in the best of cases? What actions can be put in place? What leverage is there for makes and distributors?

Faithful readers, the answers lie in the following pages.

Wishing you happy reading.

METHODOLOGY

The financial and marketing analyses and the forecasts herein were produced in partnership with C-Ways consulting (www.c-ways.com).

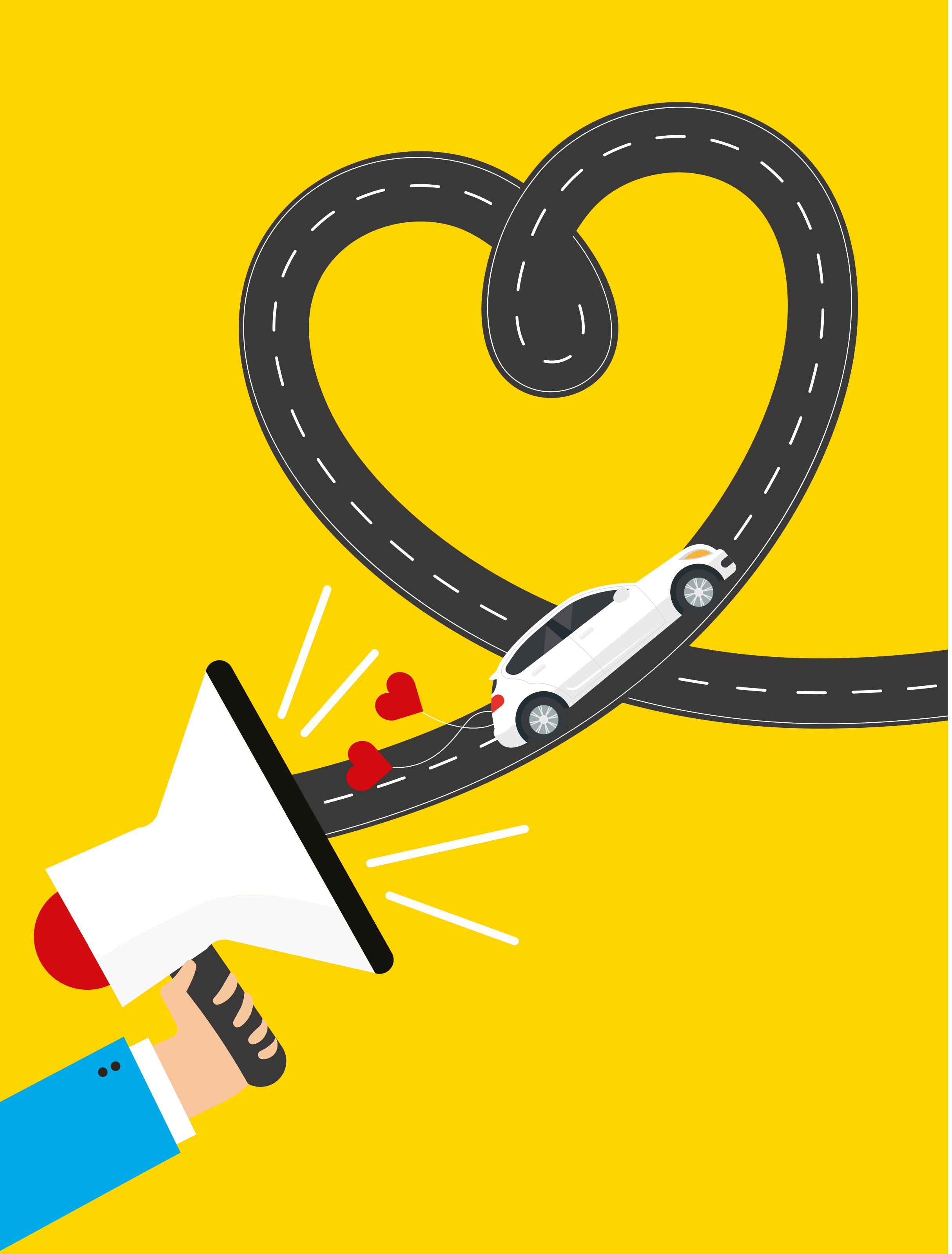
Consumer investigation in the field was led by Kantar TNS from 28 August to 21 September 2017 in South Africa, Germany, Belgium, Brazil, China, Spain, United States, France, Italy, Japan, Mexico, Poland, Portugal, United Kingdom, and Turkey. In total, over 10,600 owners of a new or second-hand car bought in the last five years were questioned on CAWI. These individuals, aged 18 to 50-65 depending on the country, were selected from a representative national sample of each country. Sample representativity was ensured by the quota method (gender, age). 3,000 interviews were carried out France, 1,000 in Spain, and 500 in each of the other countries.

LOYALTY RATE

The loyalty rate is taken to mean the proportion of repeat buyers who buy the same make of car as their previous one.
For example: if among 100 Ford owners who buy a new car, 50 buy a Ford, the loyalty rate for Ford is 50%.

COUNTRY CODES

South Africa (**ZA**), Germany (**DE**), Belgium (**BE**), Brazil (**BR**), China (**CN**), Spain (**ES**), United States (**US**), France (**FR**), Italy (**IT**), Japan (**JP**), Mexico (**MX**), Poland (**PL**), Portugal (**PT**), United Kingdom (**UK**), Turkey (**TR**).



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SELF-PROCLAIMED **LOYALTY**

Loyalty is a touchy subject that involves issues such as self-esteem, ability to keep a promise, and is even moralistic. Indeed, many like to think they are more loyal than the next man. The automotive sector doesn't escape this tacit rule. Nonetheless, behind this loyalty mostly expressed in the first person, lie generational, geographical and economic nuances that are rich in teachings.

PEOPLE'S (HIGHFALUTIN) IDEA OF THEIR OWN LOYALTY

There was a time when motorists and their families were faithful to one make and only one. People "were" Ford, Volkswagen or Citroën, staunchly and forever, sometimes for generations.

Resolutely rooted in the past

In those days, constancy was the rule, inconstancy the exception. Respondents to L'Observatoire Cetelem de L'Automobile 2018 seem to remember this. Two thirds of them said that their parents were loyal to a make of car. 95% of Chinese state this, too. But did they have a choice of car makes until now? On the other hand, only 55% and 51% of British and Japanese people remember their parents' loyalty **(Fig. 1)**.

Results remain significantly similar for people when considering their own past loyalty. 64% of respondents stated they were also loyal **(Fig. 2)**. Respondents from nine countries even think that they were even more loyal than their parents, especially the Portuguese (+ 17 points).

Fig. 1 **Do you think your parents are or were loyal to a make of car?**
Sum of the "very loyal" and "somewhat loyal"
Source: L'Observatoire Cetelem

Average 15 countries 65%

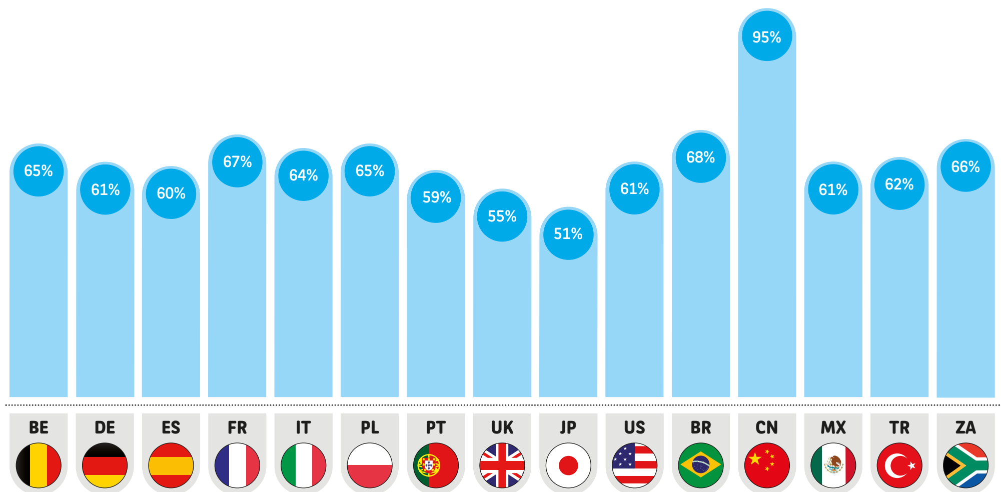
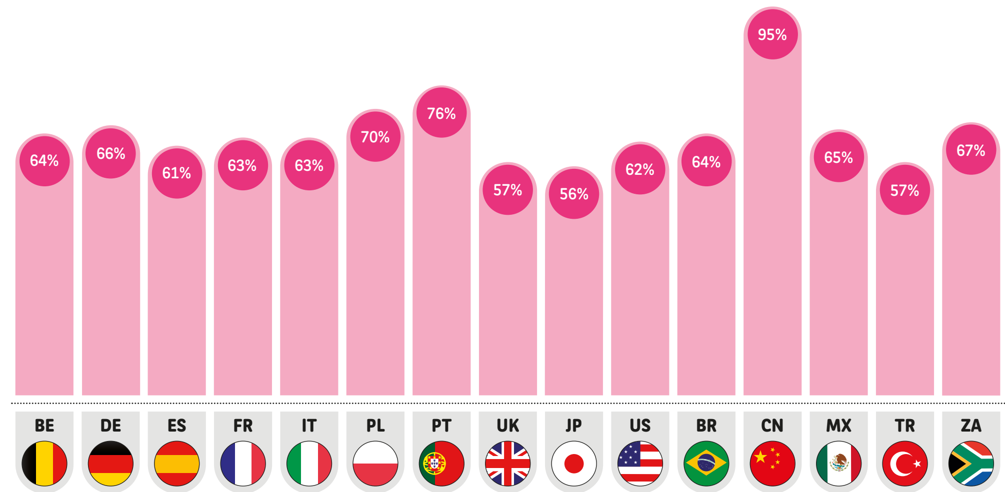


Fig. 2 **In the past, would you say that you were loyal to a make of car?**
Sum of the "very loyal" and "somewhat loyal"
Source: L'Observatoire Cetelem

Average 15 countries 64%



Shadow of a doubt

The temptation to change seems to have emerged later. On markets that were previously closed, access to international car makes, facilitated by a tsunami of advertising and increasingly attractive offers, exacerbated the competition. Indeed, motorists seem to be aware of the fact that past loyalty is crumbling. More than 70% think that buyers are less loyal than before. China is the odd one out once again on this score: only 57% of respondents perceive a loss of loyalty over time **(Fig. 3)**.

The future also seems less prone to constancy. When they envisage their children's loyalty to makes of cars, only 53% of motorists see them as being loyal **(Fig. 4)**. All the western countries foresee that their descendants will approach or come under the threshold of 50% loyalty to the same make. Only the Chinese once again, and the Polish to a lesser degree, predict more stability among future generations (88% and 67%).

Fig. 3 **These days, people are less loyal to car makes than in the past.**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

Average 15 countries 77%

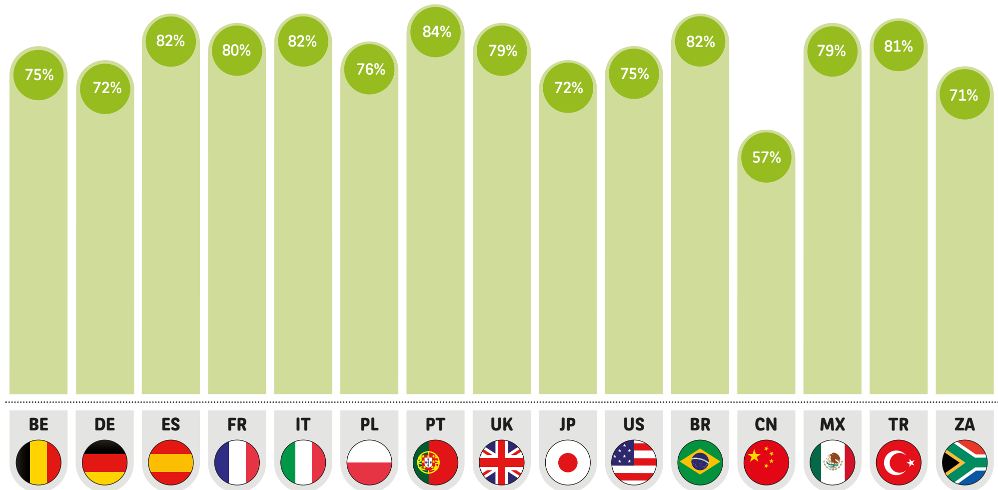
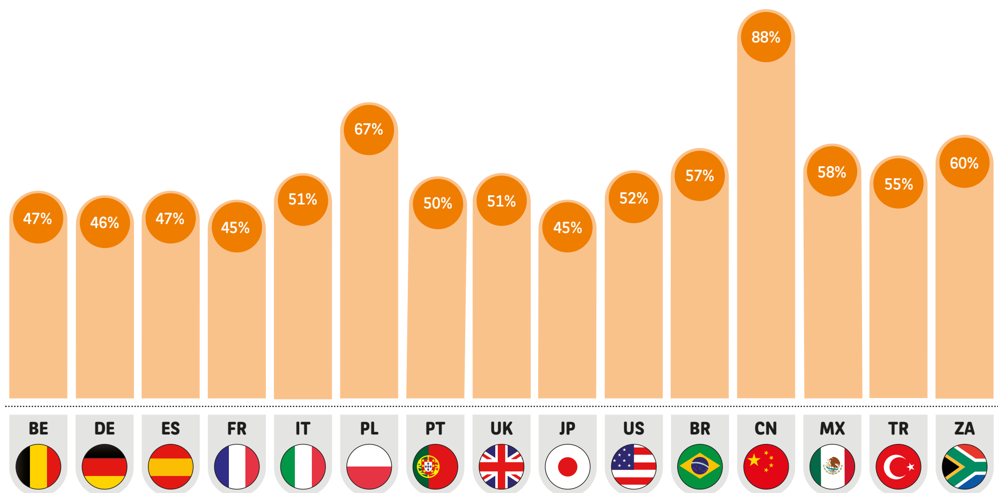


Fig. 4 **Do you think that your children are or will be loyal to car makes?**
Sum of the "very loyal" and "somewhat loyal"
Source: L'Observatoire Cetelem

Average 15 countries 53%

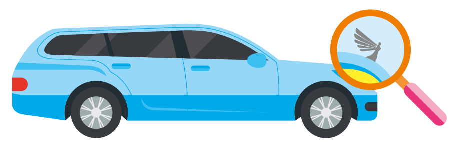


A very strong personal conviction

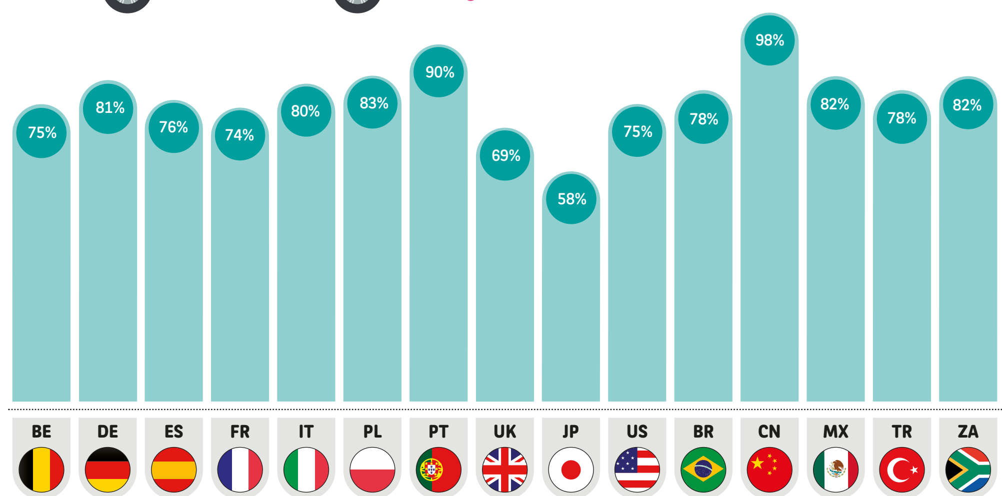
On the other hand, when we ask motorists if they themselves are loyal to car makes, 78% state, loud and clear, that they are **(Fig. 5)**. The Chinese and Portuguese come top at 98% and 90% loyalty. 5 other countries are attached to their make by more than 80%. The British and Japanese almost seem unstable with "a mere" 69% and 58% of declared loyalty.

What's more, this incredible degree of declared loyalty is something people are proud of. Only 8% of the people questioned turn out to be less loyal to cars than in other consumer areas **(Fig. 6)**. In 32% of cases, car loyalty is higher than for other products. More than 40% of Turks and South-Africans think this is true, and this even goes for 1 out of 2 Chinese people. These figures suggest that the car is still a product unlike others. Although some people still buy on impulse, we can safely say that choosing a make of car does not just happen on the spur of the moment. It is, more often than not, the result of a long decision-making process, especially on the issue of price. So why is this important?

Fig. 5 **Generally speaking, concerning the makes of your vehicles, what is your degree of loyalty?**
Sum of the "very loyal" and "somewhat loyal"
Source: L'Observatoire Cetelem



Average 15 countries 78%



Declarations of (almost) eternal love

In point of fact, as the question process delves deeper, people's certainties do not buckle. Intentions to purchase the same make of car are still 77% for all countries considered **(Fig. 7)**. In many cases, loyalty strengthens over time. British, Spanish, American, Brazilians, Mexicans, and Japanese state that they will be more loyal when they come to change their vehicle. In Belgium, Italy, Poland, Turkey, and South Africa, these intentions are more conservative and are closer to the general statements. It's only the Portuguese, Chinese, Germans, and French who foresee a decline in loyalty on their next visit to a dealership.

Fig. 6 **Would you say that you are more loyal to a make of car than, say, to a brand of domestic appliances, Hi-Fi or mobile phone for instance?**
Source: L'Observatoire Cetelem

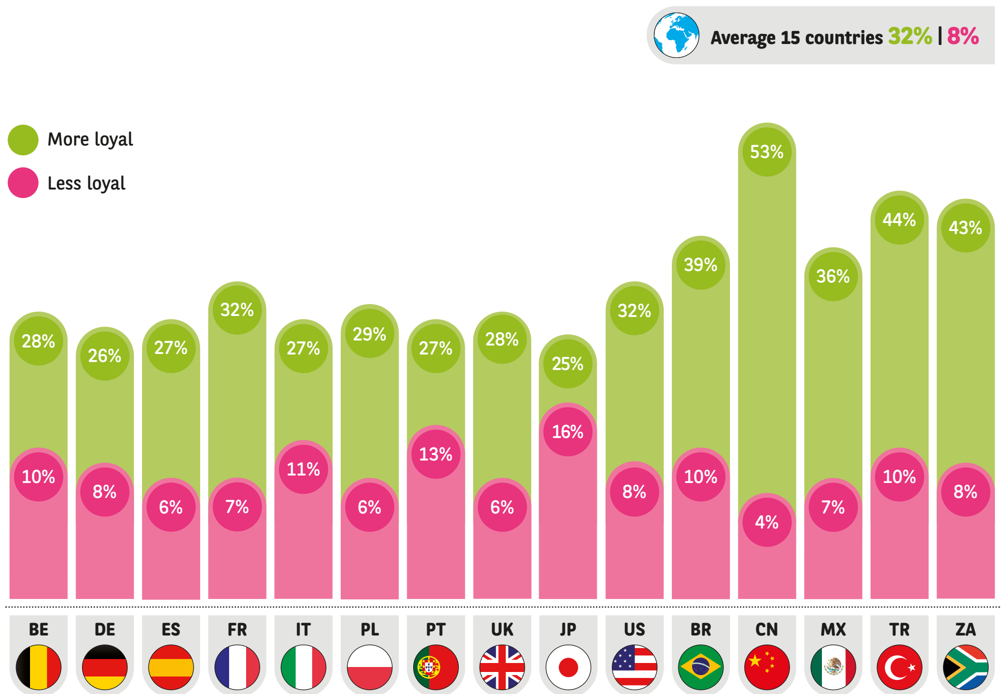
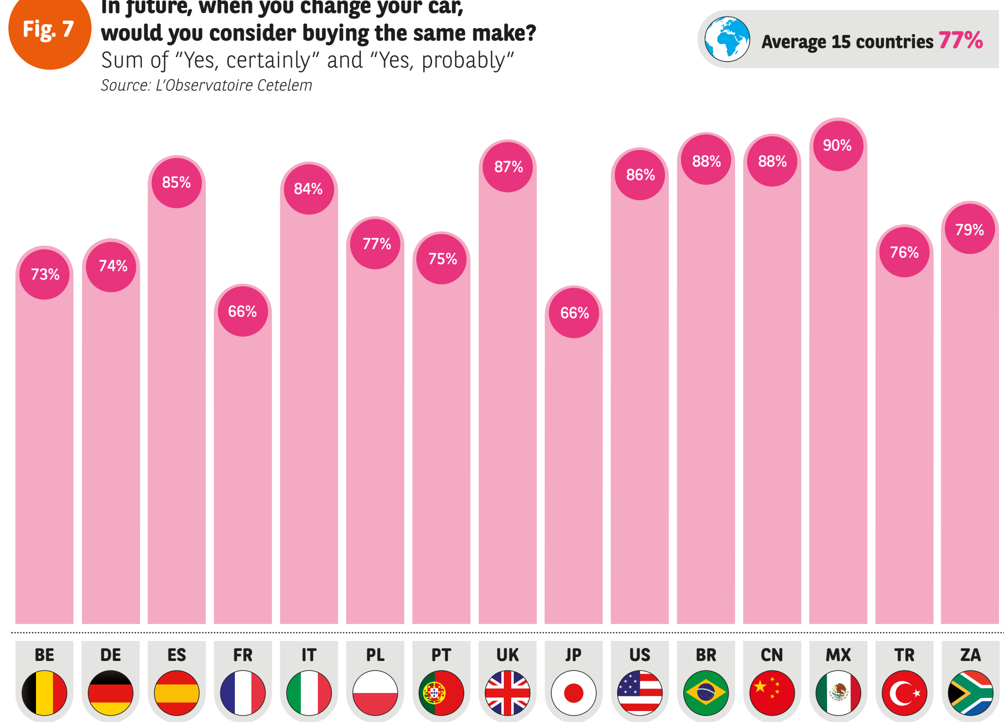


Fig. 7 **In future, when you change your car, would you consider buying the same make?**
Sum of "Yes, certainly" and "Yes, probably"
Source: L'Observatoire Cetelem



LOYAL CUSTOMER PROFILES

So who are these self-proclaimed loyal customers?

The income factor

Geographically speaking, we find them in low-income countries, or in countries that have been through deep financial crises: Mexico, Brazil, South Africa, Italy, Spain, and Portugal **(Fig. 8)**. In these countries, people with the lowest incomes say that they are more loyal to makes of car. This is astonishing since these customers tend to frequent the second-hand market, which creates significantly less loyalty.

If you take into account all the countries in the survey, it's the higher income bracket that shows a higher level of stability.

Chinese and Japanese households are much more loyal the higher their income (China: 98% vs. 52%; Japan 69% vs. 52%). This behaviour, in these two leading automobile manufacturing countries, can be explained by a clear preponderance for the new car market, notoriously more loyalty-oriented.

Equality of the sexes

Regarding loyalty, men and women have the same perspective by nearly 78% **(Fig. 9)**. Polish women (89%) and German women (86%) show up as significantly more loyal than their male counterparts (77% in both cases). A Japanese man on the other hand will consider himself more loyal than his female counterpart (63% vs. 52%).

A steady youth

Loyalty does not wait for maturity in years. The younger people are, the more they see themselves as loyal **(Fig. 10)**. A surprising result when you consider that first-time buyers are more inclined to try out the second-hand market, which is much less implicated by loyalty. And inconsistent with the previous observation which holds that future generations will be inveterately fickle.

Fig. 8 **Generally speaking, concerning the makes of your vehicles, what is your degree of loyalty?**
Sum of the "very loyal" and "somewhat loyal" by income group
Source: L'Observatoire Cetelem

Average 15 countries 79% | 73%

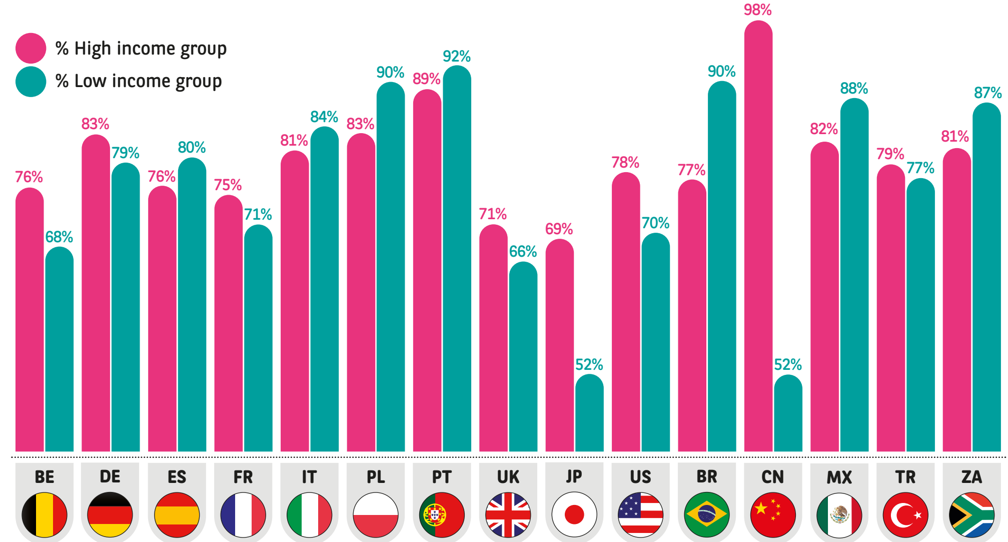


Fig. 9 Sum of the "very loyal" and "somewhat loyal" by gender

Average 15 countries 78% | 77%

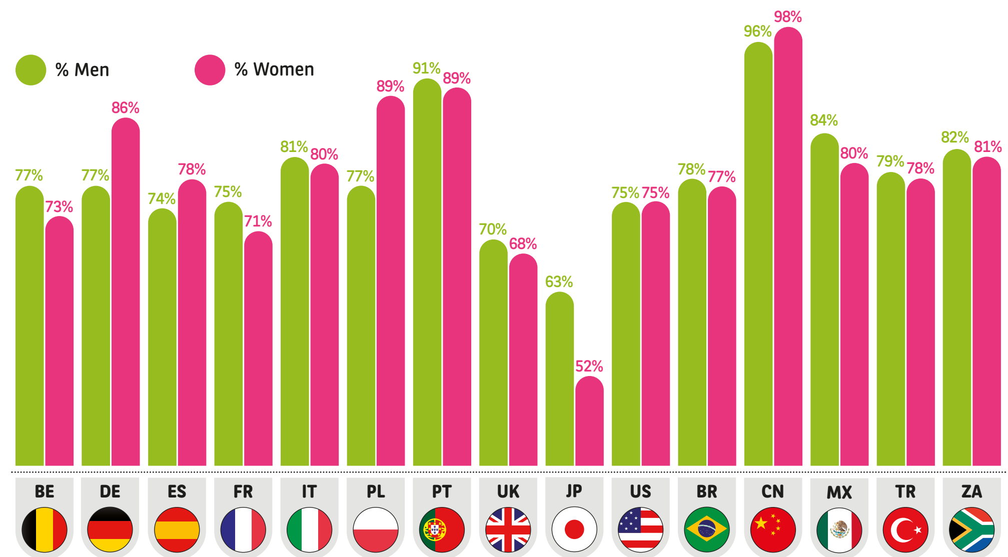
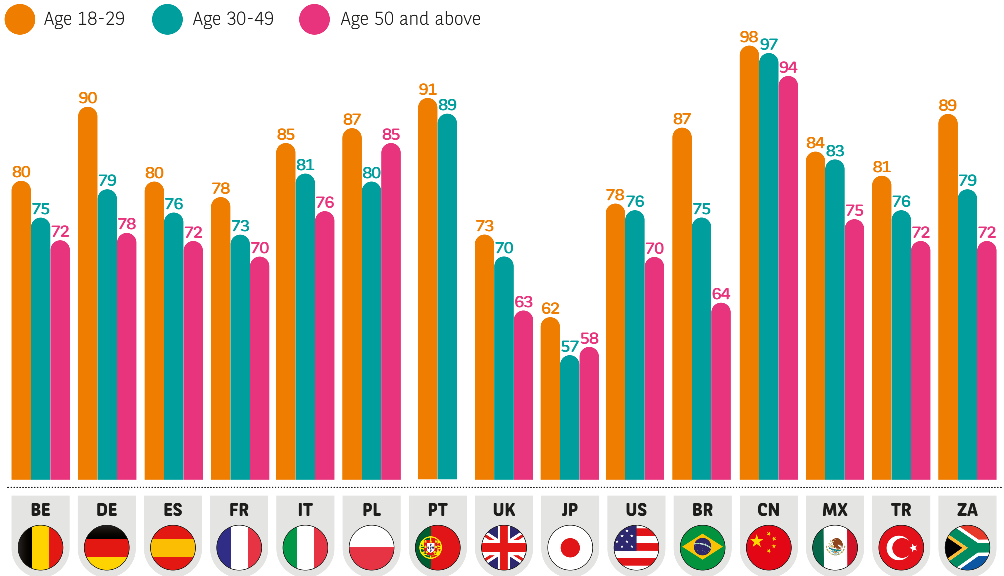


Fig. 10 Sum of the "very loyal" and "somewhat loyal" by age, in %

Average 15 countries 82% | 77% | 72%

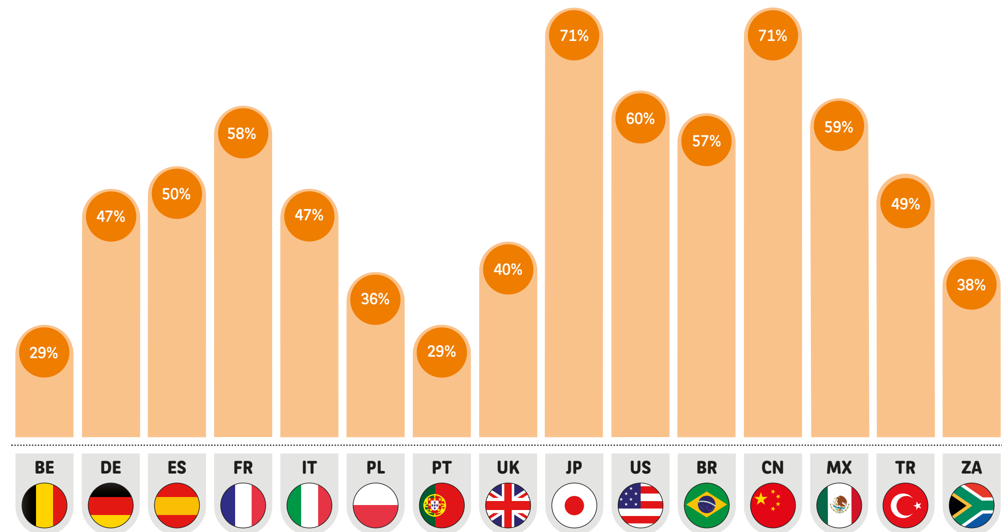


A rather neutral national marker

Localism is a long outdated concept, the entire planet now being the playing field for international car manufacturers. Despite the excesses of globalisation, 1 out of 2 motorists state that they are not particularly attached either to car makes from their own country, nor to the principle of local manufacture **(Fig. 11)**. In Belgium and in Portugal, where there are no local makes and few assembly lines, only and logically 29% feel concerned about this issue. Respondents in Japan, China, USA and France, automotive strongholds where temptations and protectionist messages are abundant, are the most concerned about the future of their factories (respectively 71%, 71%, 60% and 58%). Surprisingly, other historically high seats of the automotive industry, like Germany, Italy, United Kingdom and Spain, seem less concerned about their makes and local factories. *Brexit or no Brexit*, the British are a mere 40% concerned about local production.

Fig. 11 **Do you feel attached to the car makes produced in your country?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

Average 15 countries 51%



New methods of acquisition and usage are no more decisive

If you believe what respondents say, full entry of the automobile into the service era should not profoundly affect loyalty. Although leasing and long or medium-term car hire offers with or without a purchase obligation, something Anglo-Saxons have been doing for a long time now, is encountering increasing success, people don't think it will necessarily have a radical impact on motorists' loyalty. Indeed, 55% think these offers will increase loyalty, and the Chinese and Polish are still the most affirmative on this score (75% and 63 %) **(Fig. 12)**.

Having said this, in France, loyalty in the context of car hire offers with a purchase option was measured at 90%, generating an increase in the rate of car make loyalty by 30 points!

More globally, motorists no longer believe that the generalization of services, like one-off car hire, carsharing or carpooling, will cause disloyalty. Only 4 out of 10 consider that it will incite people to be less loyal **(Fig. 13)**. Only Turkey shows a slight majority in this sense (51%). It is in Germany that people consider that nothing will change (28%), France classing itself in the average (43%).

Fig. 12 **Do you think that with the multiplication of car-hire offers, loyalty to car makes will increase?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

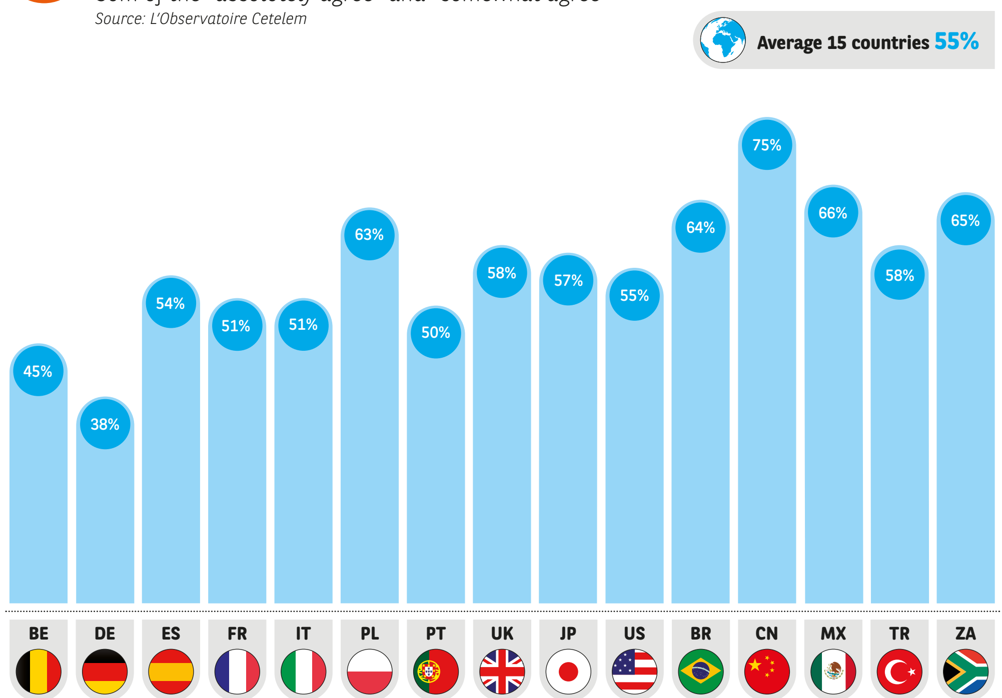
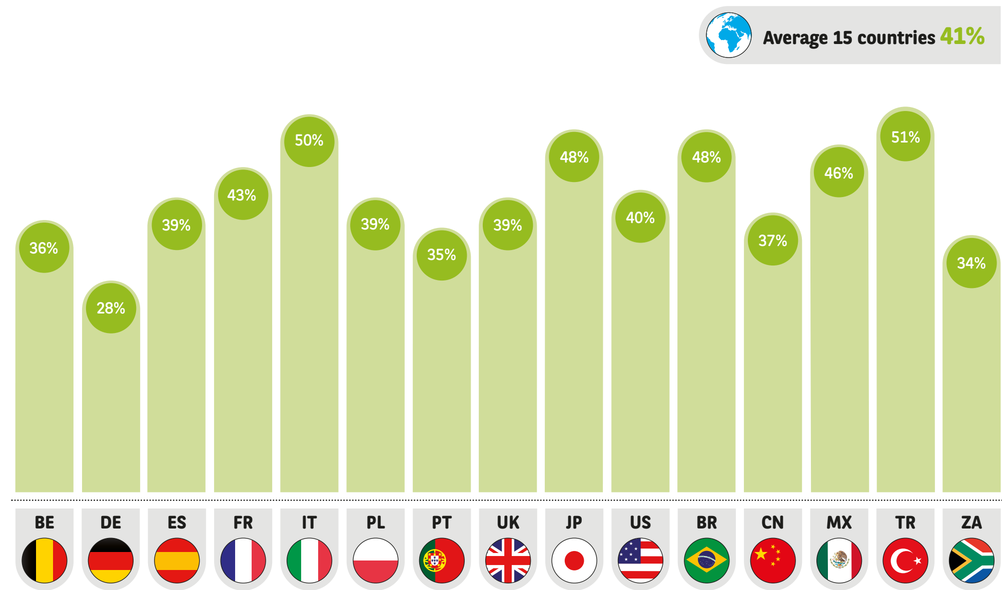
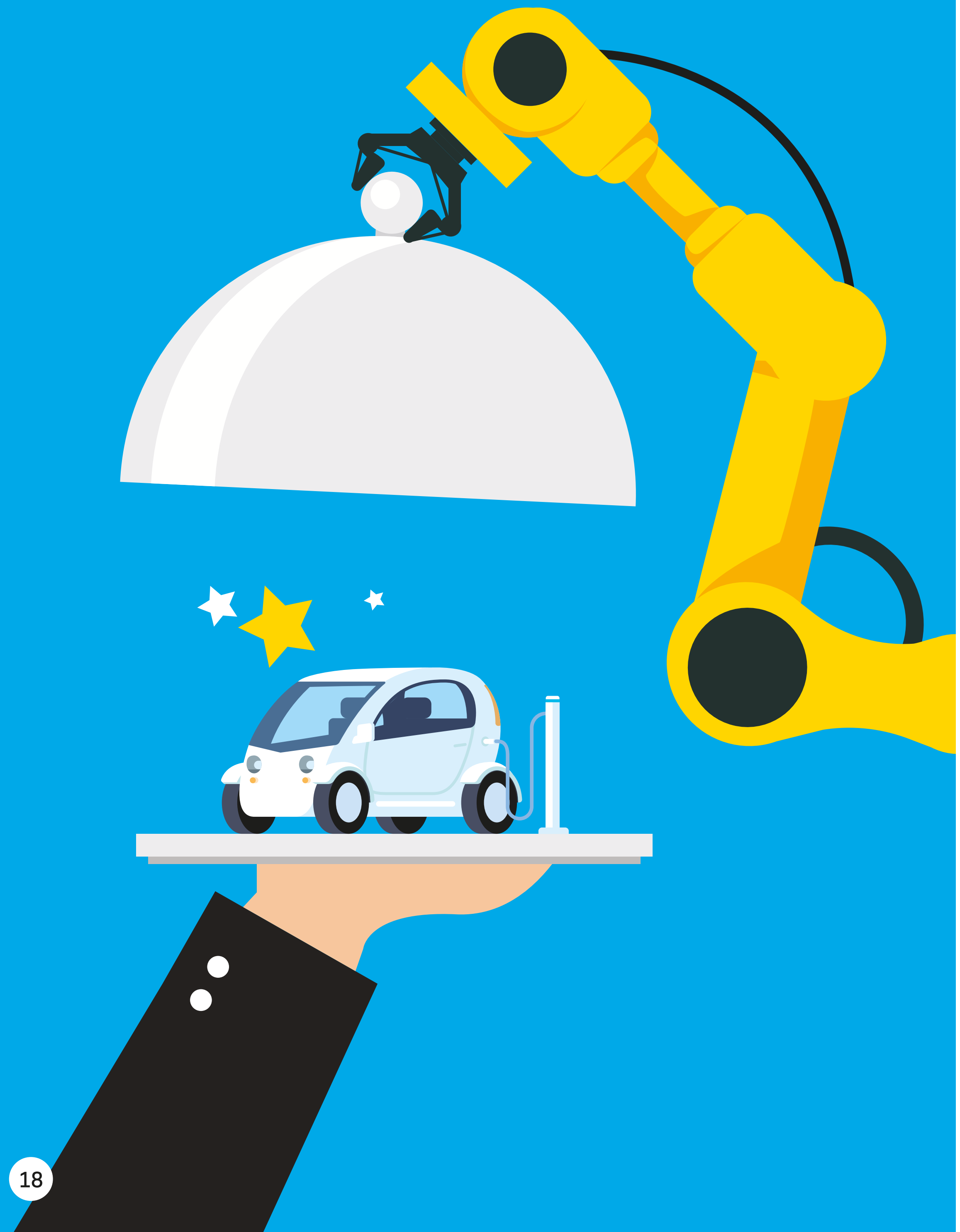


Fig. 13 **Do you think that people will soon stop buying cars, and rather go for carsharing and carpooling services, which would thereby cancel the notion of loyalty to a make of car?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem





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A VERY NUANCED **REALITY**

In the automobile world like everywhere else, loyalty is often challenged by constant innovation, new offers and breakthroughs, and a desire to change. It is difficult to resist all these temptations even though people often think long and hard before buying an expensive product. Loyalty also depends on innovation and an impeccable quality of service. Loyalty is therefore impacted by all levels of the automotive world: from manufacturers to distributors.

LOYAL, YES, BUT...

ntentions may be one thing, reality quite another.

Intentions that are not really binding

Only 34% of respondents bought the same make of car on their last purchase **(Fig. 14)**. Although we are used to seeing that customers are increasingly inconstant when it comes to consumerism, the gap between what people say they do and what they actually do is huge. It amounts to 44 points on average for all of the countries covered. It is in Portugal and China where confirmed loyalties are only at 21% and 34%, that these discrepancies between stated loyalty and actual loyalty are the highest with 69 and 64 points. Then come Poland, Italy and Spain, which also show very low actual loyalty rates. The Japanese are the only ones to show strong coherence between what they say and what they do, with only an 8% discrepancy; the British are just behind them with 26 points.

Fig. 14 **Is your car the same make as your previous one?**
Sum of the "yeses" by countries
Source: L'Observatoire Cetelem

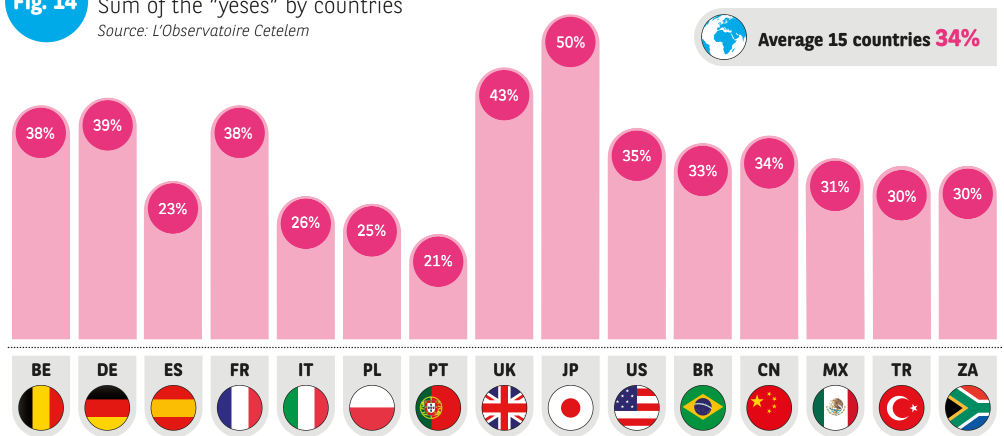


Fig. 15 Sum of the "yeses" by age (15 country perimeter)

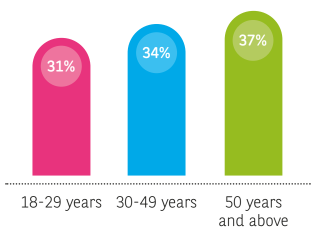
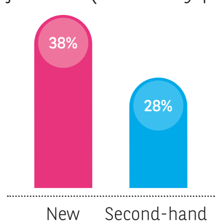


Fig. 16 Sum of the number of "yeses" by category of vehicle (15 country perimeter)



Objective factors that explain the discrepancies observed

However, there are several downsides. L'Observatoire Cetelem de l'Automobile survey caps the age of its sample at 65. But, in actual fact, car loyalty very clearly increases with age **(Fig. 15)**. If we were to include repeat buyers aged 65 and above, a far from negligible number, the loyalty rate would go up significantly. Moreover, the survey measures the loyalty of new and second-hand car buyers. We know that the former are much more loyal than the latter. Within a 15 country perimeter, there is a 10 point difference between the two categories **(Fig. 16)**.

Statistics for objective loyalty as shown by the Observatoire Cetelem de l'Automobile are therefore slightly more severe than the reality. And yet, according to manufacturers' survey sources, 2016 loyalty rates for purchasers of new cars, of all ages, amount to 55% in the United Kingdom, 34% in Italy and 25% in Spain, and less than 50% in Europe. Actual loyalty is unquestionably low and very far from the idea householders have of it.

Manufacturing countries in the lead

If we focus only on the confirmed loyalty rates among repeat purchasers of new cars, Japan, United Kingdom, United States, Germany and France are in the lead (respectively 54%, 51%, 47%, 39% and 38%)[1], in other words, the strongholds of car manufacturing where production is high.

We could be surprised to note that Spain and Italy are not in this group. Spain hasn't really got its own make to speak of, Seat being under the German wing for a while now. As for Italy, we are now talking about an Italian-American make when we refer to the Fiat Chrysler Group. Not to mention the fact that the concentration of sales on a single model, the Fiat 500, even if you take into account the different models of bodywork, does not provide enough diversity and breadth of range to raise the national loyalty rate.

Loyalty rates in China can also be surprising, not only because the Chinese see themselves as loyal by 98%, but also because it is the world leading car manufacturer. Nonetheless, although it is huge, the Chinese automotive market is only 10 years old. Just a short while ago it was limited to state-owned brands, but the market has literally exploded in favour of foreign makes. Chinese brands have evolved and progressed at an exponential speed. Cheaper than their foreign competitors, they are seducing clienteles through increasing cost effectiveness. The trend over the past two to three years is clearly showing an increase in their market shares, which inevitably causes a decline in loyal rate. From 2015 to date, the market share of Chinese brands gained more than 5 points, placing it henceforth at over 43%. It was at a mere 27% in 2013.

[1] *Manufacturers' surveys rather indicate 2016 loyalty rates, all ages considered, at above 50% for France and Germany.*

REASONS FOR BEING LOYAL

This discrepancy between intention and reality makes it all the more relevant to find out and understand what feeds loyalty.

An inseparable make-model duo

More than 55% of motorists emphasise, more than any other reason, trust in the make, followed by satisfaction with the model evoked by 48% of them **(Fig. 17)**. Whereas more than 2 out of 3 Brazilians, Germans, and Portuguese work on trust, the Polish, South Africans, and British place more stock in the choice of their previous model. Japan and Turkey stand out by significantly lower rates than the average, satisfaction with the previous model being extremely low priority in Japan (22%) **(Fig. 18)**. These two criteria highlight a sort of commercial evidence: nothing can beat a seductive brand and models to satisfy the clientele.

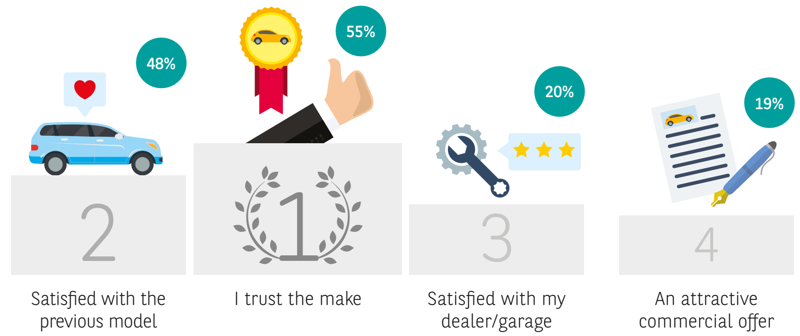
Weight of the car dealership

The 3rd reason for being loyal is satisfaction with the car dealership. There again, there's no getting away from the need for buyers' trust when it comes to committing to a financially onerous, long-term product. When the car dealer, the spearhead of the make, plays their role correctly, it works. Loyal customers stay loyal and the hesitant are won over. In Belgium, France, Germany, Japan, and the United States the car dealer has the highest impact.

A financial reality

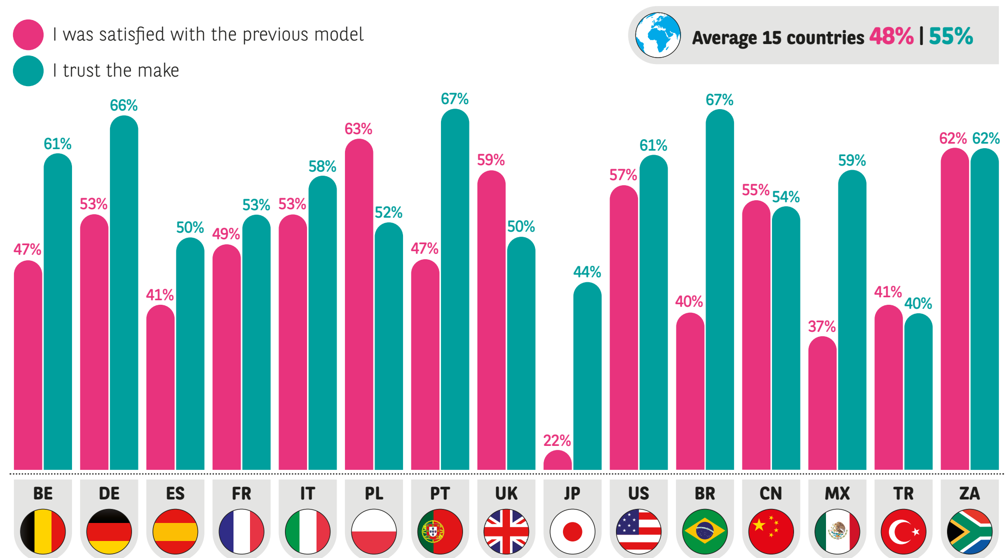
The notion of price and an attractive commercial offering is only in fourth place. It is no less decisive in the loyalty process. Because, if we consider the reasons for being loyal in absolute terms, without a new car purchase in view, the financial dimension is of the essence. This can be seen in the desire for an extended warranty (1st), a loyalty programme with special benefits in terms of maintenance and repairs (3rd) and cheaper cars (4th). Let us once again underline the fact that a high quality service provision on the part of the car dealer comes second place, following close behind the first reason given above.

Fig. 17 **Why did you choose to buy the same make of vehicle as your previous one?**
15 country perimeter, several answers possible
Source: L'Observatoire Cetelem



More practical due to proximity to the dealer	10%	Car dealer: attractive replacement offer	8%	Don't want to take any risks by changing dealer	6%
Don't want to take any risks by changing make of car	9%	Car make: attractive replacement offer	7%	Quite simply to renew my car hire contract	5%
Don't want to waste time looking for a new make	9%	Not enough money to invest in my favourite make	6%	My favourite make of car was too expensive	4%

Fig. 18 **The main reasons for satisfaction by country**
Source: L'Observatoire Cetelem



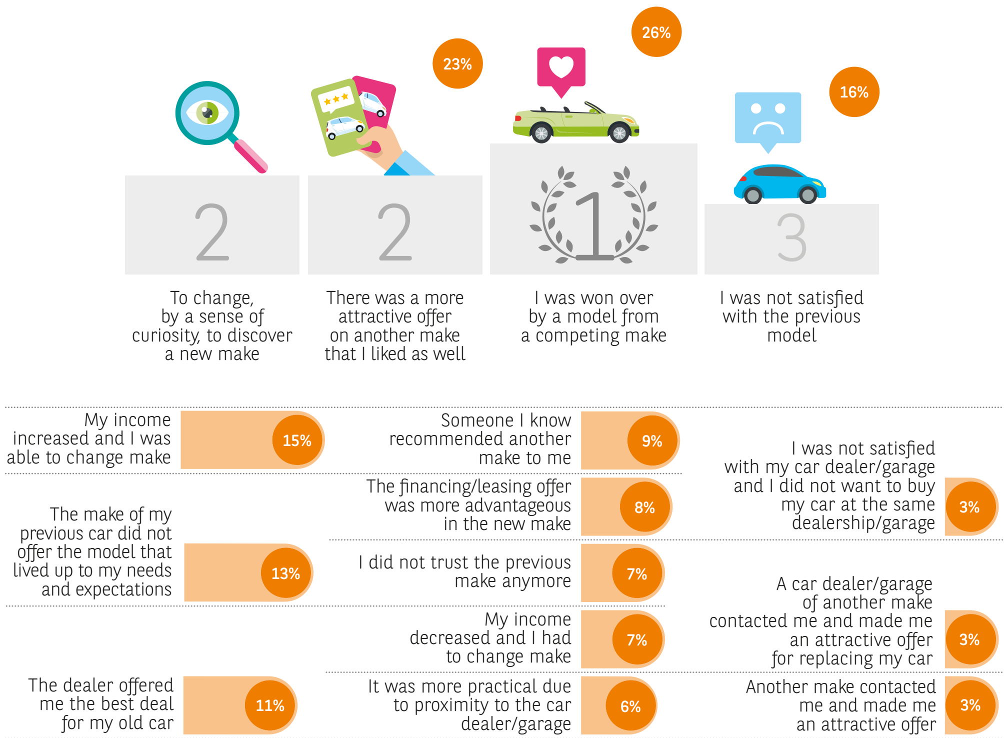
REASONS NOT TO BE

There is no shortage of reasons for not being loyal.

Grass is greener

The first and undeniable factor for non-loyalty is the competition that wins over customers through branding via classical and digital media (26%) **(Fig. 19)**. The second reason evoked is similar to the previous one (23%). It is curiosity, a desire for change, to discover a new make. The second neck-and-neck reason for non-loyalty is a more attractive offer made by another make, marking up as many votes. Like a mirror-effect for having remained loyal, the third reason for not remaining loyal resides in dissatisfaction with the previous model (16%). These results show that loyalty is won through trust in the make and lost through attraction to other makes.

Fig. 19 **Why didn't you buy the same make of vehicle as the previous one?**
15 country perimeter, several answers possible
Source: L'Observatoire Cetelem

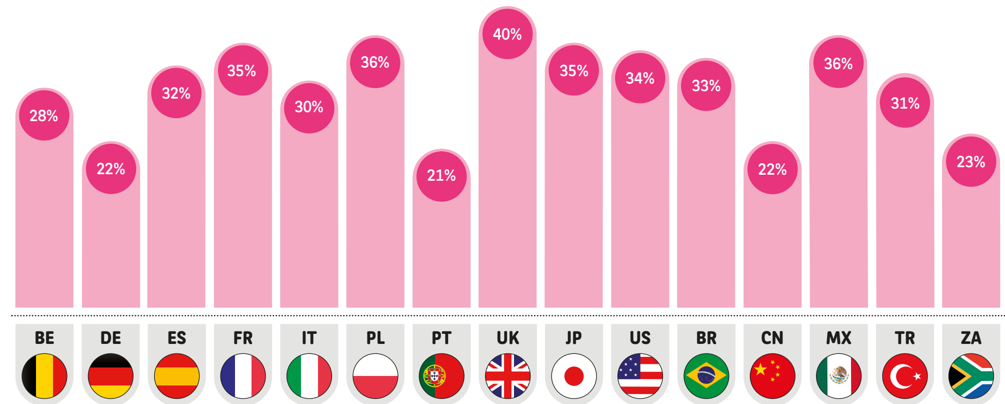


Notable differences

The good news is the question of makes is not seen as trivial. It could be tempting to believe that they were sacrificed on the altar of the multitude of offers and popular clichés that put them all on a par, or almost. But this is not the case at all. Nearly 80% of Germans, Portuguese, Chinese, and South Africans are convinced that car makes are not created equal **(Fig. 20)**. Whatever the country, they still seem to have their own rank and reason for being. In this time of ferocious competition both price-wise and range-wise, this is a very encouraging sign for marketers.

Fig. 20 **Do you think that all makes are the same?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

Average 15 countries 31%



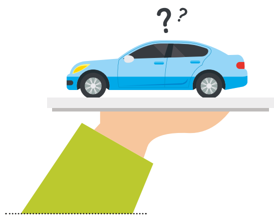
Deliberate inconstancy

Motorists who want to change cars are therefore somewhat elusive, more so since they affirm, in 3 out of 4 cases, they are willing to buy a car they have never actually driven before **(Fig. 21)**. This proportion is almost exactly the same from country to country, with Japanese, Americans, Turks, and South Africans being hardly more careful (65% on average). Initially limited to the television, channel-surfing seems to have created a lot of followers. In the consumer world, this is referred to as consumer fickleness.

Multiple temptations

The multitude of car makes and hyper-choice is enough to make heads spin. Spanish (78%), Italians (77%), Brazilian (71%), Mexicans (72%), and Turks (72 %) are the most inclined to change, declaring that there are too many makes out there to remain loyal to one **(Fig. 22)**. German rigour and the Chinese penchant for belonging to a group, unless it's to do with an aversion to risk, make them more conservative (respectively 49% and 52%).

Fig. 21 **Would you be willing to buy a car you have never driven before?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem



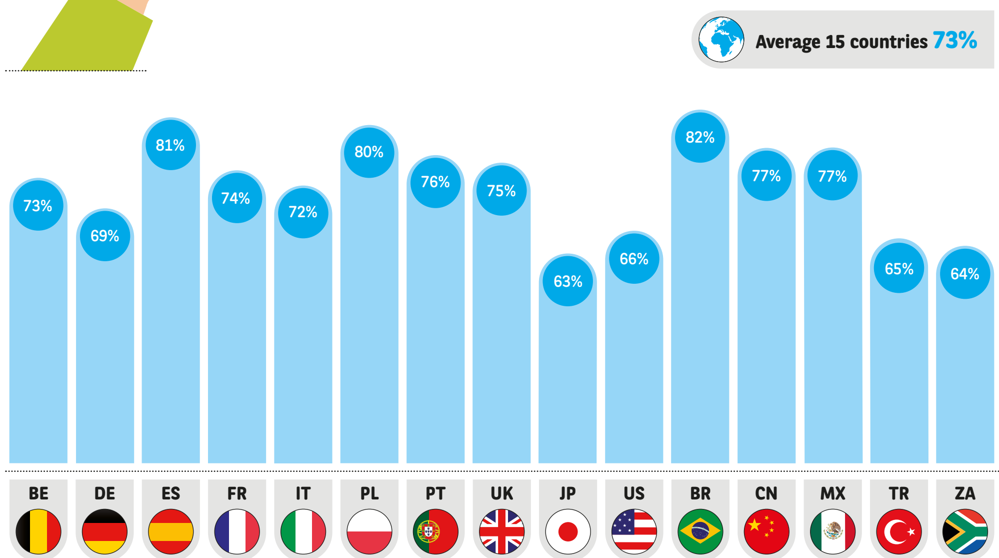
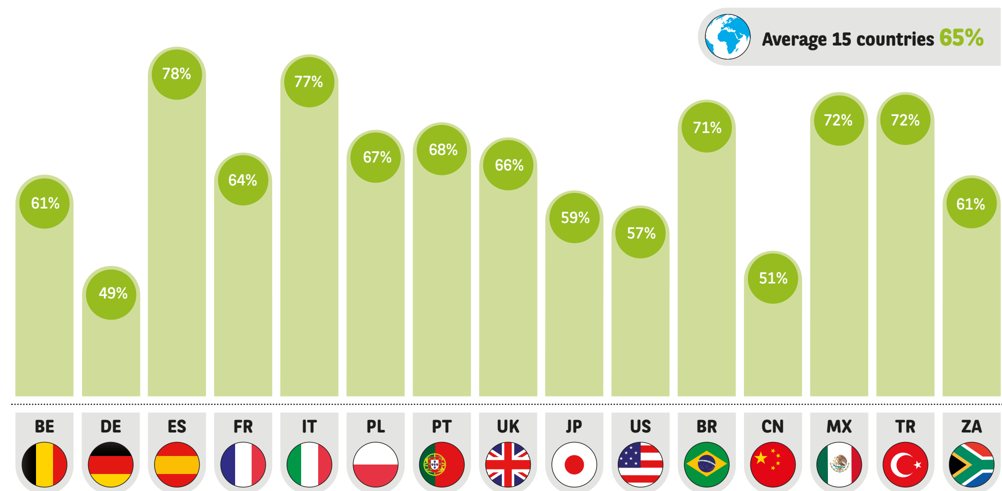


Fig. 22 **Do you think there are too many makes of car out there to remain loyal?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem



Not missing a good deal

On the other hand, Germans and Chinese are clearly similar to the other nations regarding the issue of motoring experience. The fear of missing a better deal, something new or breakthrough make 72% of respondents state that they could not remain loyal because there are so many changes happening especially in the quality of offers, technology and services offered by car manufacturers **(Fig. 23)**.

Exploring a new automotive horizon

Yielding to temptation is not limited to these aspects alone. The Observatoire Cetelem de l'Automobile on low cost, showed, as from 2010, that expectations of some consumers had shifted towards more features and less status. In 2014, in the discussion on "shared transportation in the future", they highlighted shared usership, and recourse to occasional or long-term car leasing. 3 out of 4 Europeans were in favour of carsharing and carpooling 10 years from now, associating the car with freedom of use, independence and autonomy.

Consumer habits are changing, subscription-based usership is also increasingly popular, giving rise to many new experiences and thereby increasing the risk that car manufacturers will see their clientele going off to the competition. Hence, nearly 2 out of 3 motorists state that they would take advantage of a leasing **(Fig. 24)** or carsharing opportunity to buy another make of vehicle. In this domain, only the Germans are less adventurous **(Fig. 25)**.

Fig. 23 **Do you think that the quality of offers, car technology, and services provided by car manufacturers are changing too much for people to stay loyal over time?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

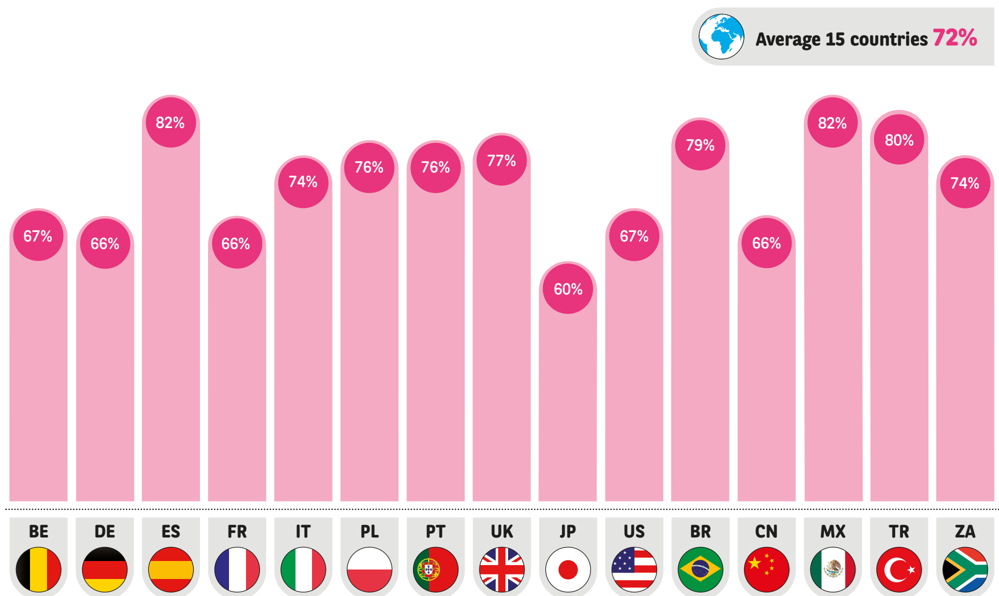


Fig. 24 **Could using a hired car incite you to buy a make of car that you wouldn't have otherwise thought of buying?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

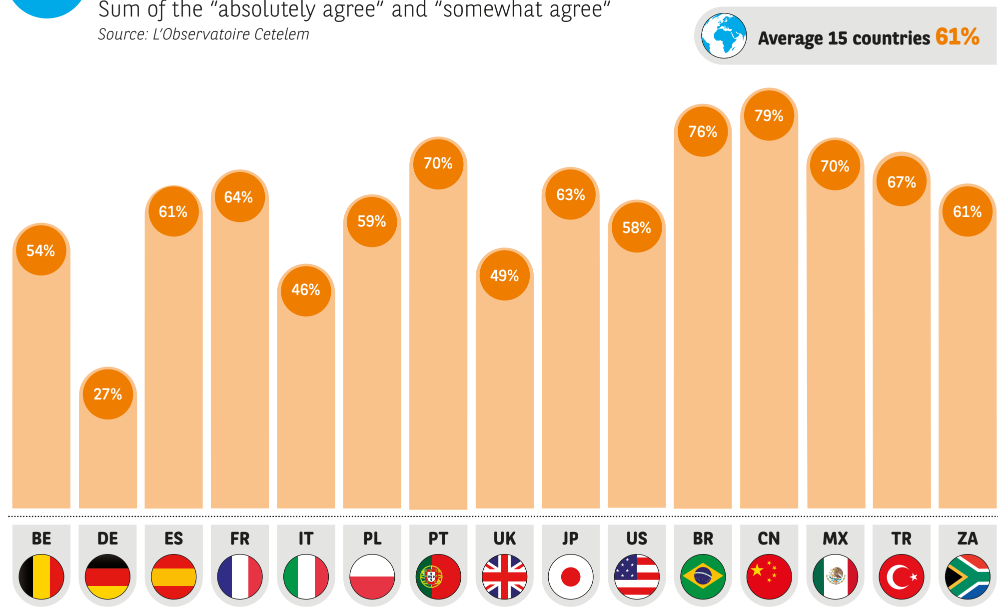
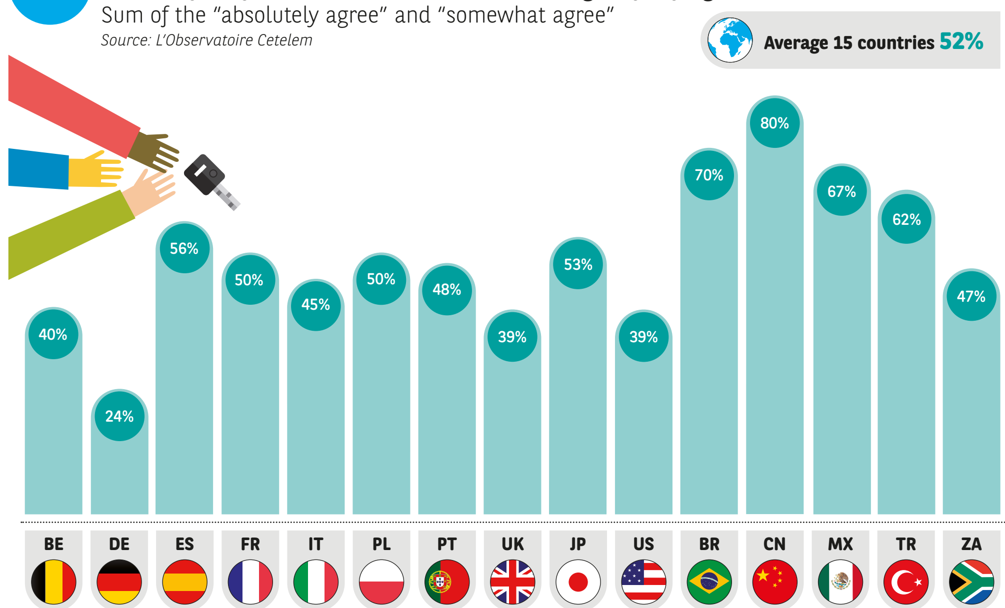


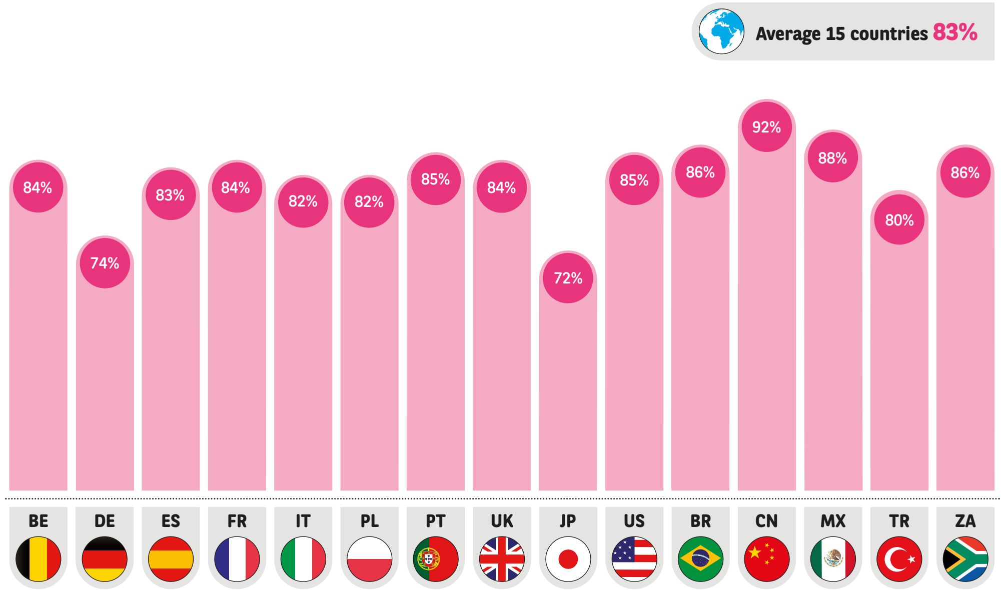
Fig. 25 **Would using a car in a carsharing context incite you to buy a make of car you wouldn't have otherwise thought of buying?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem

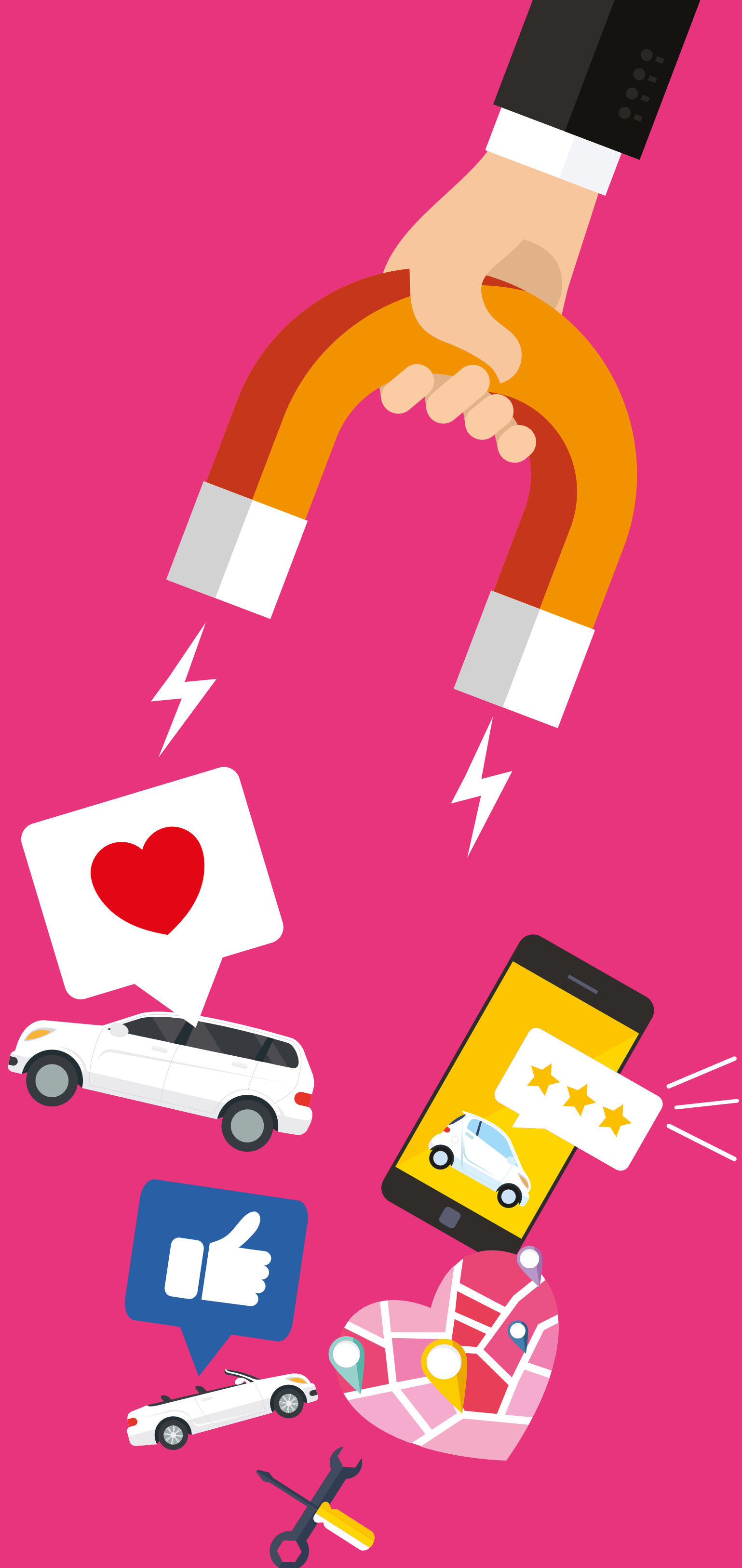


No room for mistakes

Even though motorists can be easily tempted by a new model, they are categorically intransigent in the event of a disappointment **(Fig. 26)**. 83% of interviewees state that there is no possible recourse if they lose trust in a make of car. Behind this strong unanimity, the Japanese and the Germans leave the most room for forgiveness (respectively 28% and 26%): two countries that are very attached to their national car makes, both of which have recently veered off the straight and narrow. However, if you look at market data following Dieselgate, the reality seems to be catching up on our motorists, and peremptory assertions are sounding hollow. Worthy of note are the figures that are totally consistent with other studies on consumer products where, in 90% of cases, people questioned state that they are not loyal after the failure of a first experience/encounter. Results are even more worrying when you consider that for every declared dissatisfied customer, there are 25 dissatisfied customers who remain silent.

Fig. 26 **Does a make of car that disappointed you definitively lose your trust?**
Sum of the "absolutely agree" and "somewhat agree"
Source: L'Observatoire Cetelem





3

CUSTOMER LOYALTY **WAYS AND MEANS**

Inconstancy is the most common thing in the world today. Individuals are fickle, choppers and changers, unfaithful... However, when it comes to cars, like in any other financial sector, there are better ways and means, or “recipes” for promoting trust and gaining favour from your car clientele. Simple or sophisticated solutions that announce better tomorrows.

BACK TO BASICS: EVERYONE GETS WHAT THEY NEED

Whether winning new customers or creating loyalty, the offer must first meet the needs and expectations of the demand. The make must of course inspire trust, especially in the quality of their models, but they must also make sure that prospects and customers buying a new car find what they are looking for in the choice offered.

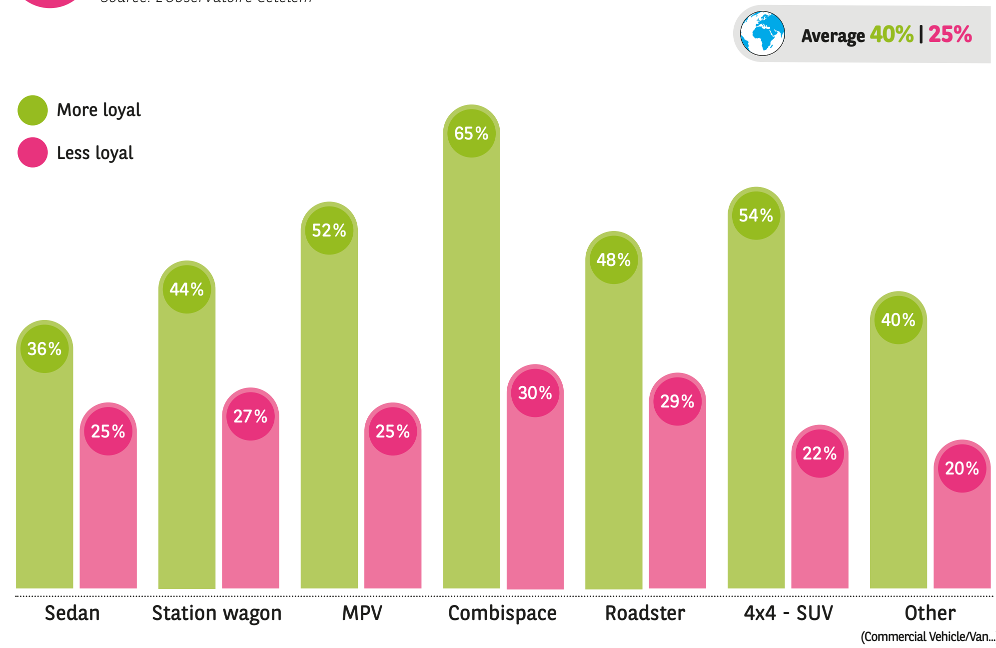
The right model at the right price

In this sense, the range breadth and diversity, in terms of pricing, outline or powertrain, play a decisive role in loyalty among customers whose needs and desires change regularly. At each phase of life (moving home, having children, changing jobs, etc.), car needs change. And even if their first reflex is to go back to their own make, the make in question has to be able to offer the right model at a suitable price. We have seen how top German makes invested and competed in increasingly compact segments (BMW Series 1 and Mini, Audi A3-A1 and new A Class) to win, and keep new clienteles.

Multiplying makes

To increase their chances of being in phase with the fluctuating needs of demand, without having to multiply the number of models they put out, manufacturers have chosen to widen their range of makes through acquisition (Volkswagen has bought 8 makes in the automotive sector alone), or by creating new makes to satisfy needs for premium advantages (DS for PSA Peugeot-Citroen), or more functional ones (Dacia for Renault-Nissan).

Fig. 27 **If you have replaced your car, is it the same make as the previous one?**
Sum of the "yeses" by vehicle
Source: L'Observatoire Cetelem



One platform, several vehicles

However, with needs, desires also change, and accumulating makes is not enough to continue pleasing the customer. Ranges including completely new models or "restyled" old models have to be presented on a regular basis. To conjugate long-term repeat buying and economic performance, industries have found a solution: platforms - single production lines that produce several models with different types of bodywork without having to multiply investments in the industrial tool and assembly lines.

New models, new trend

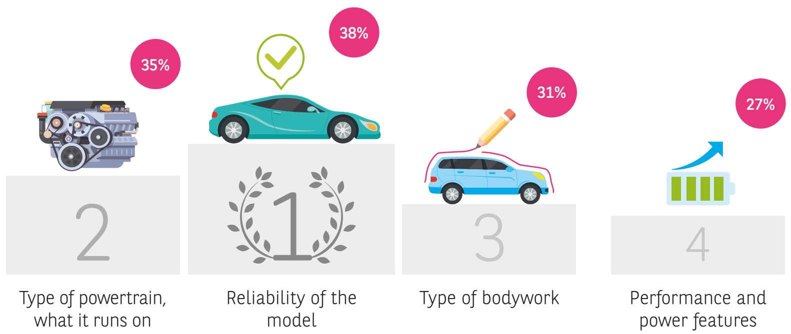
For instance, how could you imagine keeping your loyalty rate high without proposing the famous SUVs or Crossovers, which have become the darling of motorists in the last few years?

Changing a vehicle's outline is a high risk area for makes. Only 25% of repeat customers who change their car and car outline at the same time will stay loyal to their make compared to 40% who choose not to change outline **(Fig. 27)**.

Knowing what to count on

Change is happening in a kind of continuity. When it is time to change cars, customers base their choices on certain values in this world of frenzied choice. Reliability (38%), type of powertrain (35%) and outline (31%) are the triptych of these values sought by the motorists interviewed **(Fig. 28)**. It's worth pointing out that the Italians, Portuguese, Turks, Mexicans, and French are the most attached to the powertrain.

Fig. 28 **If you had to change your car, what are the three features you would really want to keep?**
15 country perimeter, several answers possible
Source: L'Observatoire Cetelem



The make	22%	Length of warranty	17%	Number of places	15%
Options	18%	Size of the boot	16%	Interior features	15%
Gearbox	18%	Ease of maneuvering, parking the car	15%	Color	8%

SETTING AN EXAMPLE

Being exemplary is even better than being liked. 71% of the people surveyed say that loyalty to makes that are involved in environmental scandals will lessen.

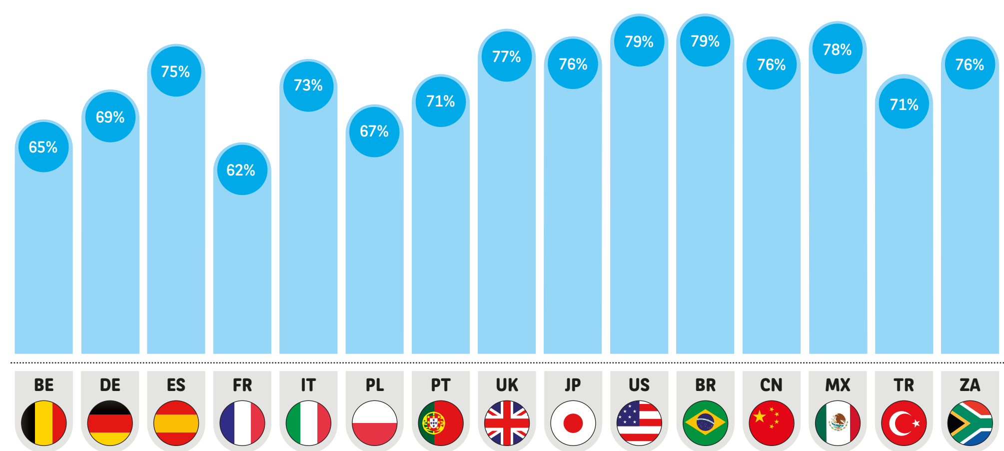
In every country, the score is fairly close to this average, with the French showing the highest degree of indulgence (62%) **(Fig. 29)**. This judgement is severe, even more so than the results of the Observatoire's 2017 survey, when only 56% of respondents expressed a negative opinion on the makes involved.

Statements moderated by reality

But once again, these statements are moderated by reality. From 2015 to late 2016, Volkswagen stock certainly dropped 63%, but between 2015 and the first half of 2017 its market share only declined by some 3 points in Germany. The slump was restricted to 2 points in Europe, where Volkswagen remained number one, way ahead of the pack. All other makes, also involved in the scandal, recorded higher volumes and market share over the same period. Dieselgate and its cortege of glib press statements did leave some traces... until the next survey was conducted. In 2017 Observatory, only 1 respondent out of 2 planned to rule out the incriminated makes. Clearly, not all of them did, and will not do so in the future.

Fig. 29 **Do you believe that loyalty for makes involved in environmental scandals or anti-competitive arrangements will diminish?**
Sum of "absolutely agree" and "somewhat agree" scores
Source: L'Observatoire Cetelem

Average 15 countries 71%

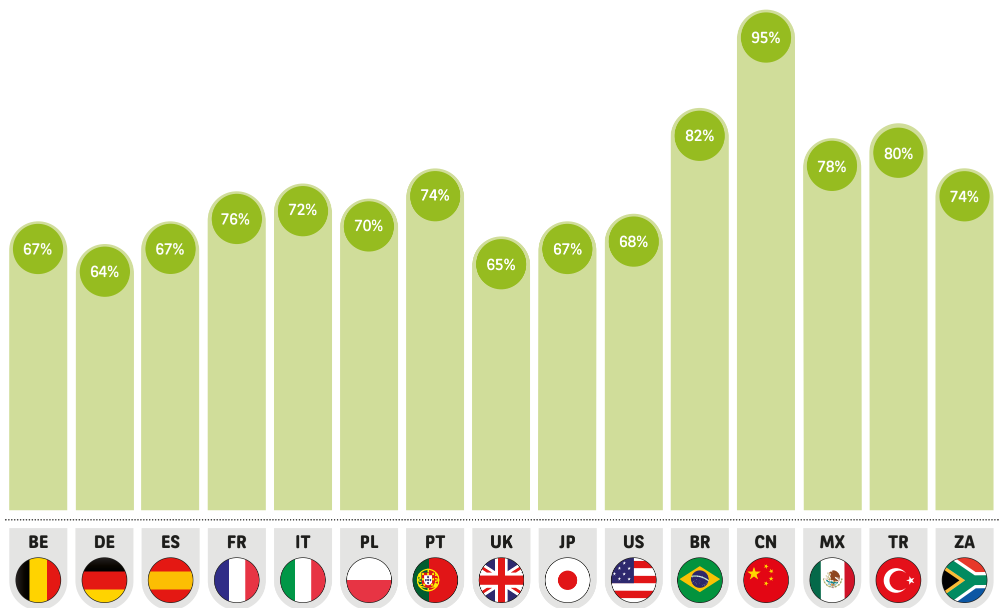


Energetic reactions

It is also true that the makes generally react fast and powerfully. Caught in the act on the environmental front, Volkswagen counter-attacked. The group announced an investment of 20 billion euros to bring no less than 80 electric models to market by 2025 with the aim of reaching 25% of its future sales based on this energy source. This redemptive race for eco-friendly cars now being run willy-nilly by all manufacturers will be costly, but is sure to be profitable. 3 motorists out of 4 say they are attentive to the environmental efforts made by the makes, with the Chinese showing the highest degree of concern (95%) - and the worst urban pollution **(Fig. 30)**. Profitable it will be, especially since the alternative models brought to market will sacrifice nothing to reliability or design, while remaining competitive. Tesla, which has already won its bets regarding design and quality, will attempt to prove this with its upcoming model 3. This stylish and widely accessible electric car may just be the touchstone of a massive disloyalty event.

Fig. 30 **Are you attentive to your make's efforts towards environmental friendliness?**
Sum of "absolutely agree" and "somewhat agree" scores
Source: L'Observatoire Cetelem

Average 15 countries 73%



ALWAYS GOING BEYOND EXPECTATIONS

Manufacturers and makes have a lot of work to do on product design and vitalisation, which must then be backed up by promotion and PR campaigns, but are efforts recognised?

Makes that live up to expectations

For 70% of people surveyed, the makes are doing what it takes to make them loyal **(Fig. 31)**. This is true even for 60% of French and German consumers, the two populations least convinced by these efforts. However, given the actual loyalty rate, one wonders whether the makes are really doing what it takes. So, should the lack of loyalty observed by the survey and the dealers be blamed on the dealership channels and distributors who intervene at all stages of the car experience (pre-sale info, quotes and sales, after-sales servicing and repair services, etc.)? This traditional role, however, has tended to decrease at both ends of the purchase pipeline.

Fig. 31 **Do you think car manufacturers and makes are doing what it takes to keep their customers loyal?**
Sum of "absolutely agree" and "somewhat agree" scores
Source: L'Observatoire Cetelem

Average 15 countries 70%

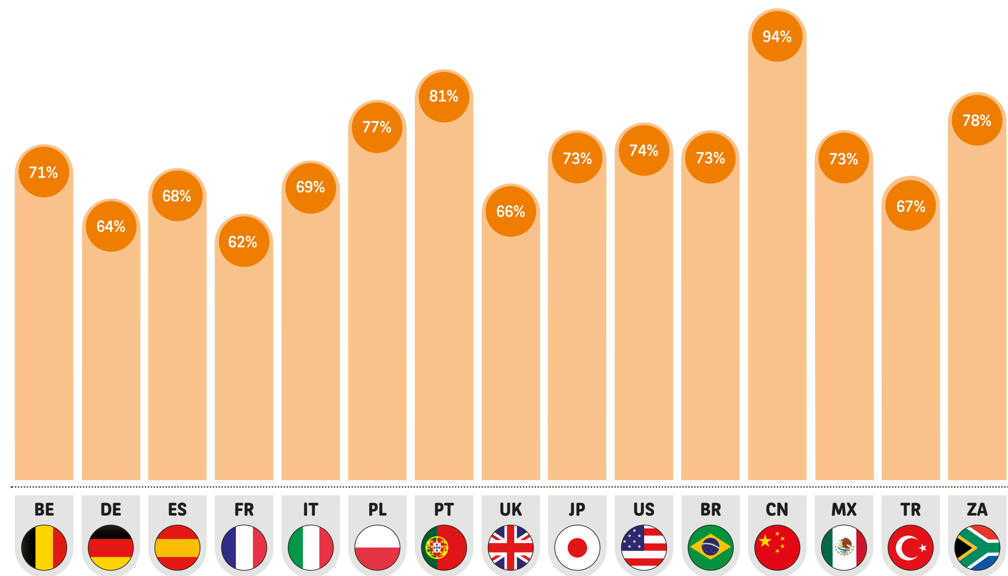
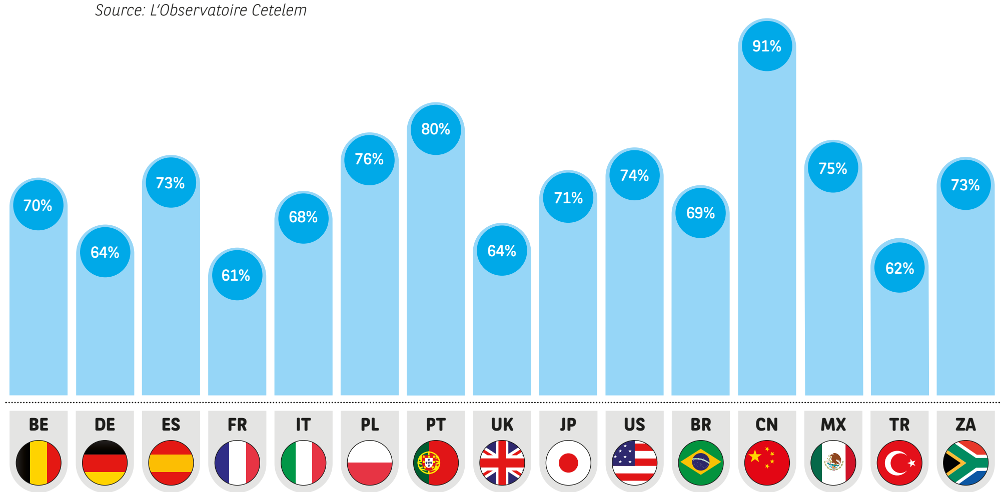


Fig. 32 **Do you think dealers and garage owners are doing what it takes to keep their customers loyal?**
Sum of "absolutely agree" and "somewhat agree" scores
Source: L'Observatoire Cetelem

Average 15 countries **69%**



A changing role

The Google Cars online 2016 survey shows that, on average, buyers now only test drive cars 1.3 times on the dealer's premises vs. 2.6 times in 2010. Social networks, online videos, and expert forums are increasingly taking over from actual test drives. After the purchase, make dealerships suffer from competition by automotive centres and other fast repair specialists waging a price war to attract customers, whether they supply warranties or not.

Now, we know that loyalty is twice as high in customers habitually using a make's own distribution channels for their servicing and repair needs. In the United States, the makes even reward their dealers not only on the basis of sales volumes, but also on their loyalty performance. The aim is to create a true and long lasting relationship of trust.

Responsive professionals

The 2018 survey conducted by L'Observatoire Cetelem de l'Automobile shows that 69% of respondents state that dealers/garage owners are also doing what it takes to secure their loyalty **(Fig. 32)**. They have succeeded in innovating in response to changing commercial practices: new services (short rentals, doorstep delivery, customer clubs with exclusive benefits and services, etc.), brand-new showrooms, experience pathways with virtual reality configurators, etc. The commercial communication style has become more specific with regular, direct follow-up and contacts (calls, mail, and e-mails), especially across the social networks. Online sales websites and platforms run by the dealerships are there to back up the manufacturers' own versions of them. The business is changing along with society and customer trends. Although these actions are definitely real, they are not an absolute guarantee of seduction. 64% of motorists begin their customer journey without the slightest idea of the make they will eventually buy (*Google Cars online 2016 survey*).

PULLING MORE THAN ONE LEVER

Good products, good dealerships... What else do you need to win over and keep your customers loyal?

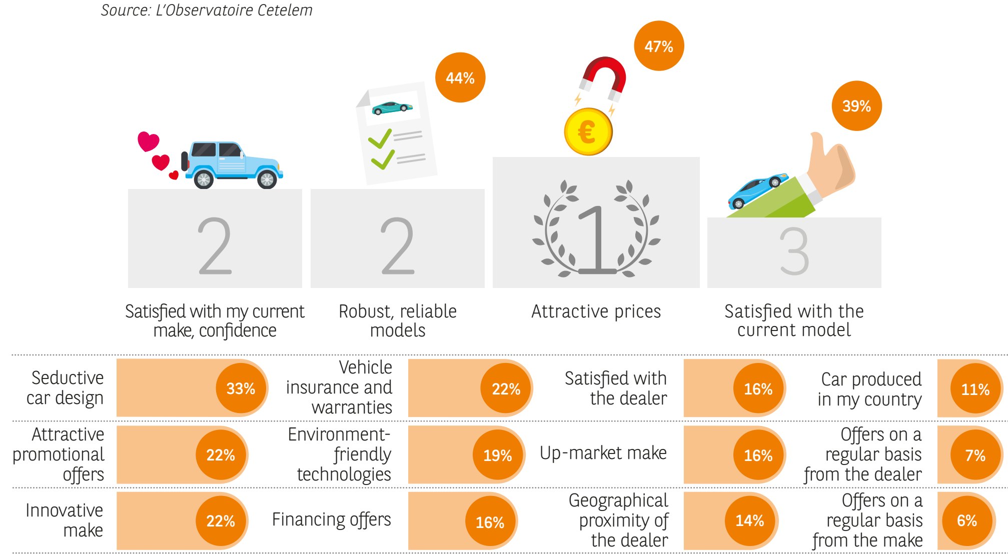
The right price, of course

The formula may seem trivial, but loyalty also depends on price. When motorists are asked to rank their loyalty criteria, price comes top of the list with 47% of votes ahead of robustness and brand confidence **(Fig. 33)**. This top-ranking criterion is quoted by more than 1 respondent out of 2 in South Africa, the United States, Brazil, Turkey, and also in Germany where households often pay considerable prices for cars.

Because the transportation budget is the second biggest budget item after housing almost everywhere in the world, it's no wonder that price is a decisive factor when it comes to buying. What's more, vehicle sophistication, taxation, and running costs (fuel, servicing, insurance, parking, etc.) have for a long while been on a steady upward trend that has outstripped purchasing power.

With the low cost trend and longer ownership and vehicle lifetimes, resorting to the second-hand market is one of the most tangible signs of the quest for cost performance, especially through transactions among private individuals, which provide the advantage of sidestepping distribution costs. In this respect, the distribution channels can take advantage of untapped progress resources.

Fig. 33 **What are the most important criteria to keep you loyal to your make of car?**
15 country perimeter, several answers possible
Source: L'Observatoire Cetelem



Second-hand cars: the first chance to aim for loyalty

The second-hand car trade has long remained the neglected stepchild of the automotive business. Today, the ranks of recent second-hand vehicles swelled by leasing returns have earned their badges of honour. But older cars in the 3 to 5 year bracket are often left to the CtoC (Consumer to Consumer) sector with the majority of transactions occurring on online platforms. While this market does involve certain difficulties (cars need reconditioning, higher breakdown risk, etc...), it's also the main doorway into the automotive market for youth and low income categories. One day, these customer groups will switch to the new car market with loyalty-enhancing fond memories of their first make and their first vendor.

Long-term leasing, long-term relationship

While lowering prices appears to be a sure-fire lever for loyalty, it's not the easiest. The temptation of an all-out special offer is strong, but a discount can't do everything. This is because the customers seek overall savings, optimised total ownership cost over time and the ability to manage this cost dependably. A magic formula appears to exist for this budgetary control for better car running costs. A loyalty-enhancing formula. Otherwise known as leasing, hire-purchase or long-term rental.

The growing appeal this formula exerts on households, especially (and above all) for hire-purchase, seems to back this assumption up. They are switching to the subscription economy just like the business world did before them. The formula is developing in the new car market, and if the advertisements of several makes are to be credited, the second-hand market will soon follow suit. Although they may not be more present, leasing households are set to feature more regularly and more predictably on this market. This is clearly an opportunity for building loyalty. The C-Ways survey conducted in France in 2017 shows that loyalty rates for leasing customers at the end of their contract stands at 37 points above their classic ownership counterparts.

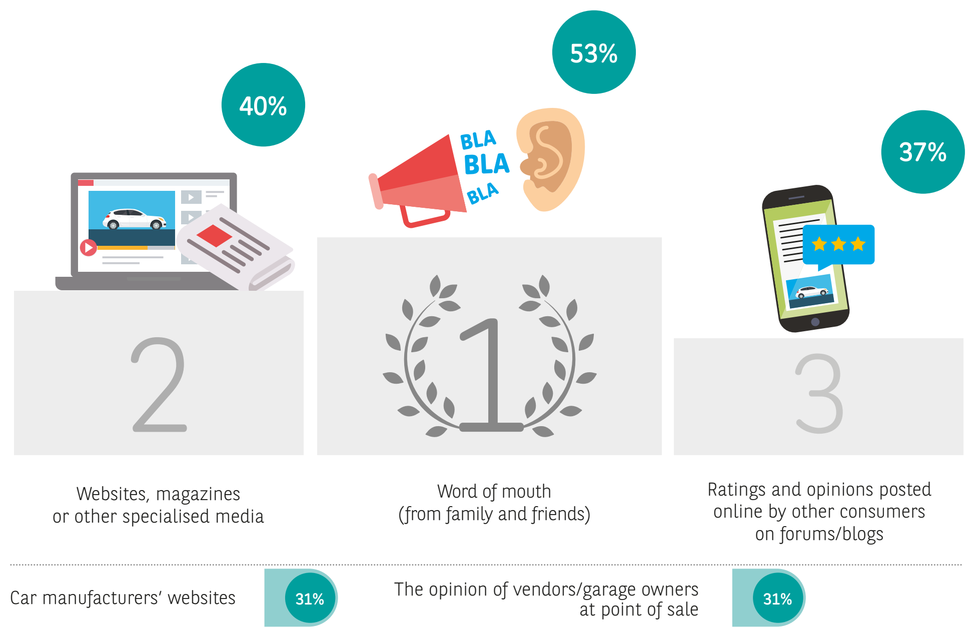
This grassroots movement towards abandoning car ownership appears to be the unavoidable next step. All makes are now using this concept to different extents. Polestar is an extreme case: Volvo's 100% electric make rolled out its new model exclusively to orders under a two to three year subscription scheme.

In addition to budget visibility, packaged and built-in services plus the attraction of always driving a recent model, the leasing formula caters to motorists' appetite for change. Almost ¾ of them renew their leasing contract for a new vehicle before its term. Changing cars, not makes.

Converging opinions

When the aim is to inform, motorists often sidestep the make issue because of information from a "neutral" third party. 53% of motorists first ask their relatives and acquaintances for their opinion about a make **(Fig. 34)**. This opinion is then tweaked and confirmed with people who really know and test cars. 40% then consult the Internet, magazines or specialised media. The forums are worth a visit for 37% of the people surveyed, with vendor opinions and official manufacturer websites coming next (31%). As L'Observatoire Cetelem 2017 said, "gone is the time when consumers listened to just one opinion. What is now emerging is a cross-channel approach whereby they gain confidence by gathering a range of different viewpoints."

Fig. 34 **Which information sources do you trust the most for choosing a car make?**
15 country perimeter, several answers possible
Source: L'Observatoire Cetelem



From mass media to one-to-one

Results show that experience and the real world come first. Brands and dealers have to play inside the consumer ballpark, explore its roots, inform it, win it over as far as possible and then bank on the ricochet effect. It is crucial for them to replicate into the digital arena, across the forums and social networks to introduce their ranges, offers, and initiatives.

The most accomplished form of this social vitalisation probably lies in a make's communities of customers or fans and the lifestyle it stands for. My Audi, Me Connect – Mercedes, My Renault, My Peugeot are all online communities set up by the makes and allow customers to stay in contact with them... and vice versa. Potentially quasi-permanent digital contact is a fundamental issue in the emerging era of the connected car.

While it does involve investments, both economic and human, this contact is necessary to continually provide informational and experiential content and to vitalise the community. The viral effects and benefits of this communication are extremely positive for loyalty. To capitalise on the greatest outreach and effects, even indirect ones, the omni-channel approach has become the standard.

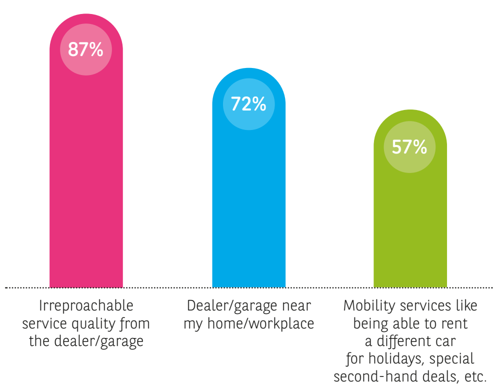
The human factor

With their ECUs recording vehicle data (location, mileage, consumable levels, imminent breakdowns, etc.) sent back to the make, the distributors, or repair specialists, tomorrow's connected cars will empower potentially permanent contact. This contact could become contextual and tailored for servicing, car value trends, promotional offers, etc. A sign of the capital importance of data, the relevant access and usage rights are today being fought over in regulatory battles.

Nonetheless, makes and car distribution professionals should not despair of the roles they will play in the physical world. Indeed, Google tells us that in 2017, 75% of Chinese, American, and German buyers are ready to purchase their next car on the Internet. But if they don't, this is mainly because of the impossibility of establishing direct human contact with the vendor to negotiate a price, option or related service.

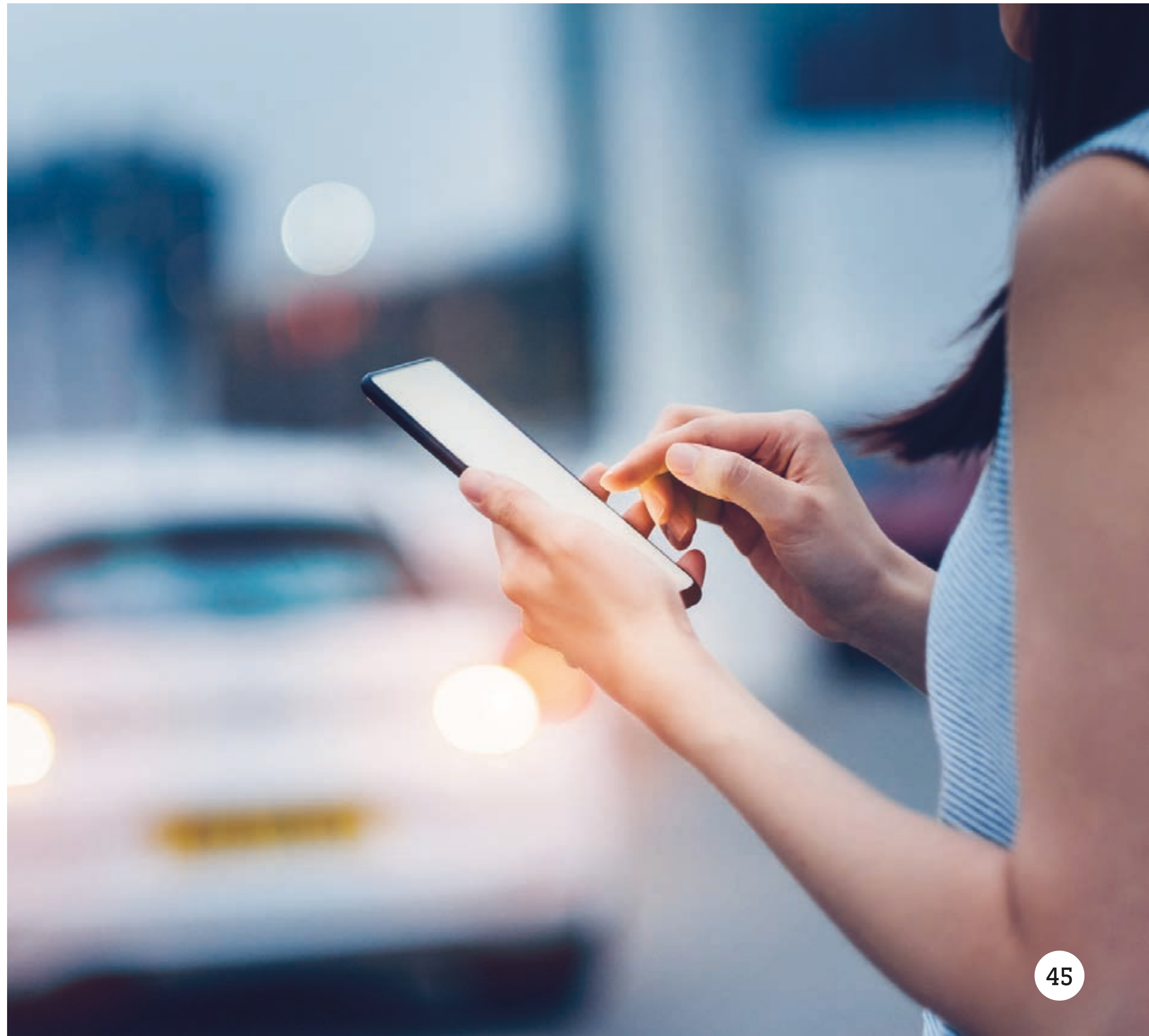
Therefore, although the tenants of the all-digital car trade might not like to admit it, 87% of motorists make a direct link between loyalty and a dealer's service quality, as well as with geographical proximity (72%) **(Fig. 35)**. The development of the dealership network, prime locations and controlled catchment zoning remain the essential components.

Fig. 35 **Which of the items below are important to secure your loyalty to a car make?**
15 country perimeter, sum of "Very important" and "Somewhat important" scores
Source: L'Observatoire Cetelem



Long-life action

As "long-life" products with their specific modes of ownership and usage, cars require a number of contact points between a make and its customers, especially through the distributors. From the loan and purchase onwards, through servicing end repairs, there is no shortage of opportunities to transform purchases/servicing into positive, gratifying and engaging experiences for the consumer. These are all levers to understand and contact the customers, reassure and reinsure them, until they are placed in the best possible mindset. These actions, as long as they are delicately and timely implemented, will not be experienced as pushiness or invasive advertising. Of course, investment in terms of manpower, material means and communication is necessary to achieve this result. But the recipe does need to be applied, because the marketing world has long since shown that to gain market share, winning clients over to a make costs six times the price of keeping them loyal.



Proximity and mobility

Customer proximity is all the more decisive as more and more related mobility services are rolled out. While today's major urban centres provide a plethora of mobility solutions and alternatives (public transport, car and bicycle sharing, chauffeur-driven cars, etc.), rural and peri-urban areas are generally poorly served. Distributors who manage to transform into mobility providers, for instance by converting some of their second-hand or new car inventories into ultra-short duration hire or share fleets, will reap profits from more than just the mobility trade. They will develop their notoriety with future buyers who, having used their services and are confident in them, will return when their needs and means permit them to buy a car. Loyal even before their first purchase!

Recap: loyalty is an endless quest that is built carefully and with perseverance

Often placed on the pedestal of virtue, loyalty is a fairly relative value in which professions of faith and reality exhibit variable geometry. In fact, loyalty is on the decline in the automotive world. Much more so than some would like to admit.

The customers enjoy and seize more and more opportunities to change, for a better or different car, or to discover and experiment further, etc. Commitment to a make has eroded with the ability to exercise freedom of choice, the limits of which are continuously being pushed back by the competition principle.

While disloyalty does not necessarily penalise dissatisfaction (it is sometimes only the result of a whim or the need to try something else) - loyalty does reward satisfaction. Clearly, one is more inclined to show constancy in the choice of makes, products or services that satisfy us and manage to gain and cultivate our trust. We are loyal to who and what we trust. We are loyal to those who keep their promises of quality and reliability regarding their products and services. To those who communicate regularly and accurately. To those who deserve it. After all, faithfulness and confidence have the same root, *fides*, meaning faith.

And to be deserved, loyalty must be cultivated at each stage of the car consumption cycle: before, during and after the buy. Keeping abreast permanently with repeat buyers' expectations and requirements is the task ahead of all the automotive professions, from the makes to the distributors: designers, engineers, marketers, communicators, salespeople, etc. From the design stage to arrival on the market, everyone has to be playing the same score, on beat and in tune with each other.

The makes and the distributors still need to make progress in this area. For instance, why don't loyalty incentives exist in the car market, as they do in other sectors? If we compare it to the air travel, luxury goods or fashion sectors - all major expense items - it becomes clear that the automotive sector hardly rewards loyalty. From the economic standpoint, while the air travel and luxury goods sectors offer discounts approximating 10% of the annual budget, the automotive sector hardly offers 1%: clearly not enough to motivate and retain a customer.

While disloyalty is standard consumer behaviour, loyalty is a value. To achieve it, loyalty needs to become a philosophy rather than a mere marketing or commercial policy.

4

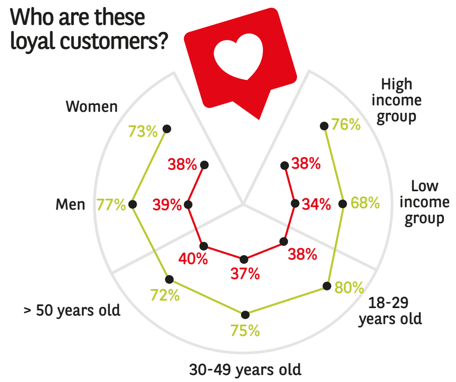
COUNTRIES OF L'OBSERVATOIRE CETELEM

The survey on motorist loyalty for their vehicles was conducted across 15 countries, in Europe and elsewhere in the world. The results are given below by country.
The survey provides a better view of driver loyalty in the past, present, and future.

BELGIUM

With no national makes, Belgium is nonetheless one of the most loyal nations. Highly practi-cally-minded - price and robustness are the main drivers behind their loyalty - Belgians are nonetheless very open to dialogue and relations with distributors.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
75%	38%	34%

A certain idea of their own loyalty in the: past, present, future

	Belgium	Average 15 countries
Loyalty passed down by their parents	65%	65%
Their loyalty in the past	64%	64%
Their loyalty in the present	75%	77%
Their children's future loyalty	47%	53%

Why were they loyal?*

	Belgium	Average 15 countries
Confidence in the make	61%	55%
Satisfied with the previous model	47%	48%
Satisfied with the dealer	31%	20%
Attractive commercial offer	21%	19%
Point of sale proximity	13%	10%

Why weren't they loyal?*

	Belgium	Average 15 countries
Won over by another model	25%	26%
A more attractive offer	24%	23%
Changed due to curiosity	18%	23%
No suitable model	18%	13%
Unsatisfied with the previous model	12%	16%

Why wouldn't they remain loyal?

	Belgium	Average 15 countries
Price	50%	47%
Sturdiness, robustness	45%	44%
Confidence in the make	39%	44%
Satisfied with the current model	37%	39%
Style/design	35%	33%

Why would they remain disloyal?

	Belgium	Average 15 countries
Doesn't mind first times	73%	74%
Too many expe-riences out there	67%	72%
Too many makes to discover	61%	65%
New mobility solutions	53%	61%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

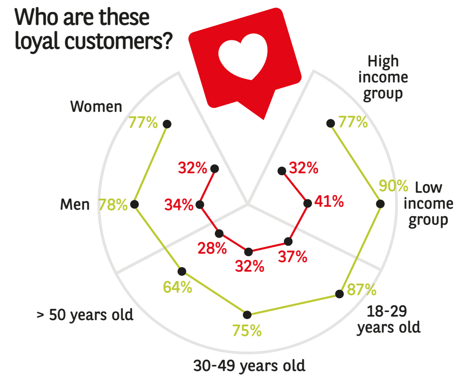
Belgium 41,8% — Average 15 countries 52,3%

RENAULT	10,4%
	9,8%
	7,5%
	7,1%
PEUGEOT	7%

BRAZIL

Only one third of Brazilian motorists remain loyal to a make when changing cars. Brazilians are inquisitive and like novelty. They nonetheless remain consumers for whom trust means something even if they are very sensitive to the competition's commercial offers (price and promotions).

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
78%	33%	34%

A certain idea of their own loyalty in the: past, present, future

	Brazil	Average 15 countries
Loyalty passed down by their parents	68%	65%
Their loyalty in the past	64%	64%
Their loyalty in the present	78%	77%
Their children's future loyalty	57%	53%

Why were they loyal?*

	Brazil	Average 15 countries
Confidence in the make	67%	55%
Satisfied with the previous model	40%	48%
Attractive commercial offer	22%	19%
Didn't want to risk the change	19%	9%
No attractive renewal offer	15%	7%

Why weren't they loyal?*

	Brazil	Average 15 countries
A more attractive offer	30%	23%
Won over by another model	29%	26%
Changed due to curiosity	29%	23%
Improved financial situation	23%	15%
Unsatisfied with the previous model	23%	16%

Why wouldn't they remain loyal?

	Brazil	Average 15 countries
Price	54%	47%
Confidence in the make	52%	44%
Sturdiness, robustness	43%	44%
Insurance and warranty	40%	22%
Style/design	40%	33%

Why would they remain disloyal?

	Brazil	Average 15 countries
Doesn't mind first times	82%	74%
Too many expe-riences out there	80%	72%
New mobility solutions	76%	61%
Too many makes to discover	71%	65%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

Brazil 59,9% — Average 15 countries 52,3%

GM	18%
FIAT	11,3%
	11%
HYUNDAI	9,9%
Ford	9,7%

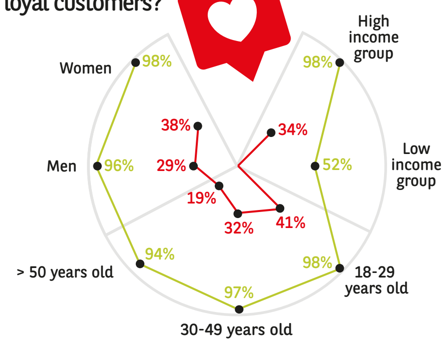
CHINA

Today still mainly a first-time buyers' market, China is fast becoming the world's biggest car renewal market. Leanings towards loyalty are definitely there, mainly motivated by attachment to local makes, but the overwhelming desire for novelty and experience will certainly weigh heavily on the final choice.

A certain idea of their own loyalty in the: past, present, future

	China	Average 15 countries
Loyalty passed down by their parents	95%	65%
Their loyalty in the past	95%	64%
Their loyalty in the present	97%	77%
Their children's future loyalty	88%	53%

Who are these loyal customers?



Declared loyalty to a make: 98%
Actual loyalty to a make: 34%
Average 15 countries: 34%

Why were they loyal?*

	China	Average 15 countries
Satisfied with the previous model	55%	48%
Confidence in the make	54%	55%
Easier just to renew my lease	36%	5%
Attractive commercial offer	19%	19%
Attractive renewal offer	15%	7%

Why weren't they loyal?*

	China	Average 15 countries
Improved financial situation	50%	15%
Changed due to curiosity	41%	23%
Won over by another model	35%	26%
No suitable model	23%	13%
Recommended by an acquaintance	22%	9%

Why wouldn't they remain loyal?

	China	Average 15 countries
Sturdiness, robustness	56%	44%
Style/design	46%	33%
Confidence in the make	43%	44%
Satisfied with the current model	39%	39%
Environment-friendly	38%	19%

Why would they remain disloyal?

	China	Average 15 countries
New mobility solutions	79%	61%
Doesn't mind first times	77%	74%
Too many experiences out there	66%	72%
Too many makes to discover	52%	65%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

China: 32,8% — Average 15 countries: 52,3%

VW	Buick	Honda	Changan	Hyundai
12,8%	5,2%	5,1%	4,9%	4,8%

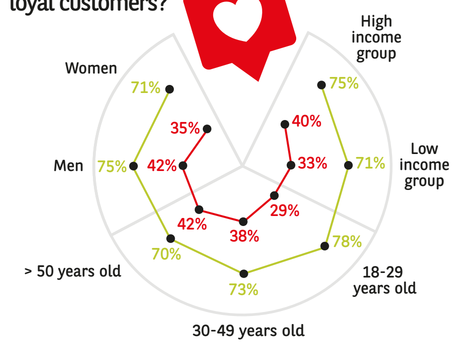
FRANCE

French motorists are the most loyal of all 15 countries analysed. However, they only put a moderate degree of trust in the makes. But they do appreciate their relations with the salesperson and their direct contacts and remain highly attached to the intrinsic qualities of their cars. Attentive to detail, they are not very forward looking with regard to future mobility trends.

A certain idea of their own loyalty in the: past, present, future

	France	Average 15 countries
Loyalty passed down by their parents	68%	65%
Their loyalty in the past	63%	64%
Their loyalty in the present	73%	77%
Their children's future loyalty	46%	53%

Who are these loyal customers?



Declared loyalty to a make: 74%
Actual loyalty to a make: 38%
Average 15 countries: 34%

Why were they loyal?*

	France	Average 15 countries
Confidence in the make	53%	55%
Satisfied with the previous model	49%	48%
Satisfied with the dealer	25%	20%
Attractive commercial offer	17%	19%
Out of habit	9%	9%

Why weren't they loyal?*

	France	Average 15 countries
Won over by another model	33%	26%
Changed due to curiosity	22%	23%
A more attractive offer	16%	23%
No suitable model	15%	13%
Unsatisfied with the previous model	13%	16%

Why wouldn't they remain loyal?

	France	Average 15 countries
Sturdiness, robustness	47%	44%
Price	43%	47%
Satisfied with the current model	42%	39%
Confidence in the make	39%	44%
Style/design	35%	33%

Why would they remain disloyal?

	France	Average 15 countries
Doesn't mind first times	74%	74%
Too many experiences out there	66%	72%
Too many makes to discover	64%	65%
New mobility solutions	64%	61%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

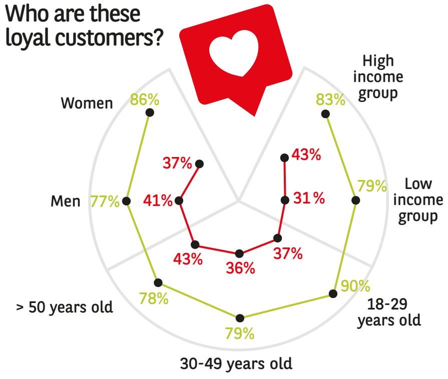
France: 59,2% — Average 15 countries: 52,3%

Renault	Peugeot	Citroën	VW	Dacia
20%	16,7%	9,7%	7,1%	5,5%

GERMANY

As the worldwide automotive stronghold, Germany experiences a higher level of loyalty relatively to the rest of the world. The make or production nationality criterion is not the admitted reason behind this loyalty. By far, the real reason for German loyalty is attachment to a make.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
81%	39%	34%

A certain idea of their own loyalty in the: past, present, future

	Germany	Average 15 countries
Loyalty passed down by their parents	61%	65%
Their loyalty in the past	66%	64%
Their loyalty in the present	81%	77%
Their children's future loyalty	46%	53%

Why were they loyal?*

	Germany	Average 15 countries
Confidence in the make	66%	55%
Satisfied with the previous model	53%	48%
Satisfied with the dealer	25%	20%
Attractive commercial offer	23%	19%
Point of sale proximity	11%	9%

Why weren't they loyal?*

	Germany	Average 15 countries
A more attractive offer	33%	23%
Changed due to curiosity	23%	23%
Won over by another model	19%	26%
Unsatisfied with the previous model	14%	16%
No suitable model	14%	13%

Why wouldn't they remain loyal?

	Germany	Average 15 countries
Confidence in the make	55%	44%
Price	54%	47%
Sturdiness, robustness	49%	44%
Satisfied with the current model	47%	39%
Style/design	33%	33%

Why would they remain disloyal?

	Germany	Average 15 countries
Doesn't mind first times	69%	74%
Too many experiences out there	66%	72%
Too many makes to discover	49%	65%
New mobility solutions	26%	61%

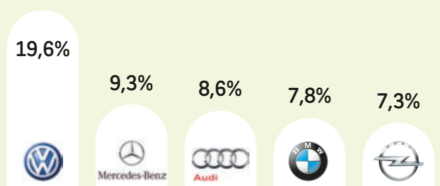
Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

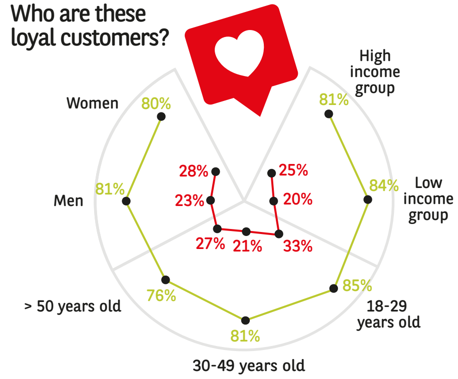
Germany 52,6% — Average 15 countries 52,3%



ITALY

While the illusion of loyalty is very strong in Italy, the reality dictates that it is far less widespread. The Italians enjoy new experiences and easily succumb to the charms of competing commercial offers. Loyalty, when it does exist, is explained by a trustful relationship with a make.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
80%	26%	34%

A certain idea of their own loyalty in the: past, present, future

	Italy	Average 15 countries
Loyalty passed down by their parents	63%	65%
Their loyalty in the past	63%	64%
Their loyalty in the present	80%	77%
Their children's future loyalty	50%	53%

Why were they loyal?*

	Italy	Average 15 countries
Confidence in the make	58%	55%
Satisfied with the previous model	53%	48%
Attractive commercial offer	25%	19%
Attractive renewal offer	11%	8%
Didn't want to risk the change	10%	9%

Why weren't they loyal?*

	Italy	Average 15 countries
Changed due to curiosity	33%	23%
Won over by another model	24%	26%
A more attractive offer	23%	23%
Unsatisfied with the previous model	19%	16%
No suitable model	12%	13%

Why wouldn't they remain loyal?

	Italy	Average 15 countries
Confidence in the make	44%	44%
Sturdiness, robustness	43%	44%
Price	37%	47%
Satisfied with the current model	29%	39%
Style/design	25%	33%

Why would they remain disloyal?

	Italy	Average 15 countries
Too many makes to discover	78%	65%
Too many experiences out there	74%	72%
Doesn't mind first times	72%	74%
New mobility solutions	46%	61%

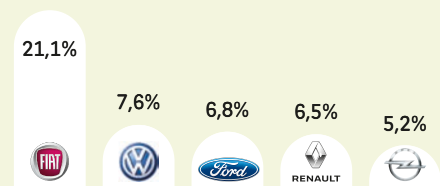
Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

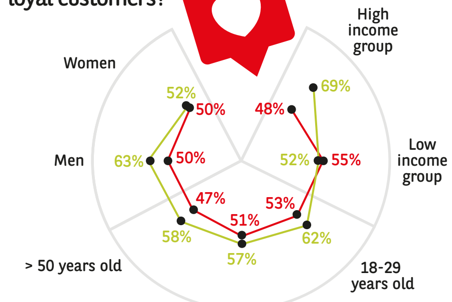
Italy 47,3% — Average 15 countries 52,3%



JAPAN

Loyalty to a car make is at its highest in Japan. It is mainly characterised by confidence in the makes used by Japanese motorists, who are sensitive to new usages. Price hardly interferes with the decision to look elsewhere, and the motivation of the disloyal resides more in the appeal of change.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
58%	50%	34%

A certain idea of their own loyalty in the: past, present, future

	Japan	Average 15 countries
Loyalty passed down by their parents	51%	65%
Their loyalty in the past	57%	64%
Their loyalty in the present	58%	77%
Their children's future loyalty	44%	53%

Why were they loyal?*

	Japan	Average 15 countries
Confidence in the make	44%	55%
Satisfied with the previous model	22%	48%
Satisfied with the dealer	22%	20%
Attractive commercial offer	18%	8%
Point of sale proximity	12%	10%

Why weren't they loyal?*

	Japan	Average 15 countries
Changed due to curiosity	31%	23%
Won over by another model	19%	26%
A more attractive offer	16%	11%
No suitable model	16%	13%
Unsatisfied with the previous model	13%	16%

Why wouldn't they remain loyal?

	Japan	Average 15 countries
Price	43%	47%
Style/design	38%	33%
Confidence in the make	30%	44%
Satisfied with the current model	27%	39%
Preference for locally made cars	19%	11%

Why would they remain disloyal?

	Japan	Average 15 countries
Doesn't mind first times	63%	74%
New mobility solutions	63%	61%
Too many experiences out there	60%	72%
Too many makes to discover	58%	65%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

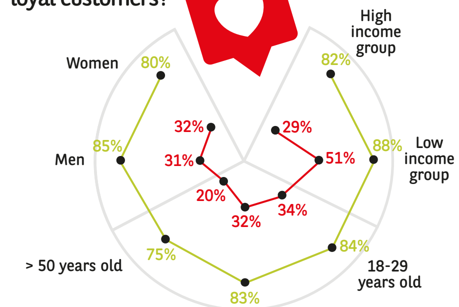
Japan: 82,2% — Average: 52,3%

TOYOTA	HONDA	SUZUKI	DAIHATSU	NISSAN
32,8%	16,6%	11,6%	10,8%	10,5%

MEXICO

Mexico is a country with a relatively low level of loyalty to car makes. Renewal is often an occasion to affirm a newly acquired status due to enhanced purchasing power. The temptation to change car make is then strong. This desire is clearly encouraged by a marked taste for automotive technology.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
82%	31%	34%

A certain idea of their own loyalty in the: past, present, future

	Mexico	Average 15 countries
Loyalty passed down by their parents	60%	65%
Their loyalty in the past	65%	64%
Their loyalty in the present	82%	77%
Their children's future loyalty	58%	53%

Why were they loyal?*

	Mexico	Average 15 countries
Confidence in the make	59%	55%
Satisfied with the previous model	37%	48%
Attractive commercial offer	25%	19%
Out of habit	17%	9%
Didn't want to risk the change	15%	9%

Why weren't they loyal?*

	Mexico	Average 15 countries
Won over by another model	29%	26%
Improved financial situation	24%	15%
Changed due to curiosity	24%	23%
Recommended by an acquaintance	24%	9%
A more attractive offer	22%	23%

Why wouldn't they remain loyal?

	Mexico	Average 15 countries
Price	49%	47%
Confidence in the make	48%	44%
Sturdiness, robustness	46%	44%
Style/design	44%	33%
Insurance and warranty	40%	22%

Why would they remain disloyal?

	Mexico	Average 15 countries
Too many experiences out there	83%	72%
Doesn't mind first times	77%	74%
Too many makes to discover	72%	65%
New mobility solutions	71%	61%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

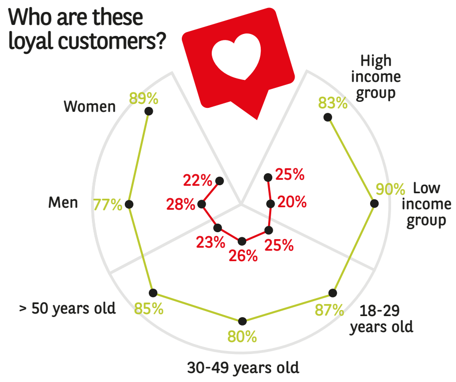
Mexico: 70,4% — Average: 52,3%

NISSAN	GM	VW	TOYOTA	Ford
25,6%	19,2%	12,9%	6,5%	6,2%

POLAND

Only 1 Polish repeat buyer out of 4 is loyal to a car make. While the make is not a factor of satisfaction, the model selected is. Polish motorists appreciate the advantages models provide. But the financial aspect remains a decisive factor when choosing a car, and can even override clear intentions towards loyalty.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
83%	25%	34%

A certain idea of their own loyalty in the: past, present, future

	Poland	Average 15 countries
Loyalty passed down by their parents	65%	65%
Their loyalty in the past	70%	64%
Their loyalty in the present	83%	77%
Their children's future loyalty	67%	53%

Why were they loyal?*

	Poland	Average 15 countries
Satisfied with the previous model	63%	48%
Confidence in the make	52%	55%
Attractive commercial offer	18%	19%
Out of habit	13%	9%
Didn't want to risk the change	11%	9%

Why weren't they loyal?*

	Poland	Average 15 countries
A more attractive offer	38%	23%
Improved financial situation	36%	15%
Changed due to curiosity	27%	23%
Won over by another model	22%	26%
Recommended by an acquaintance	16%	9%

Why wouldn't they remain loyal?

	Poland	Average 15 countries
Price	47%	47%
Confidence in the make	41%	44%
Satisfied with the current model	41%	39%
Sturdiness, robustness	39%	44%
Insurance and warranty	20%	22%

Why would they remain disloyal?

	Poland	Average 15 countries
Doesn't mind first times	80%	74%
Too many experiences out there	76%	72%
Too many makes to discover	68%	65%
New mobility solutions	59%	61%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

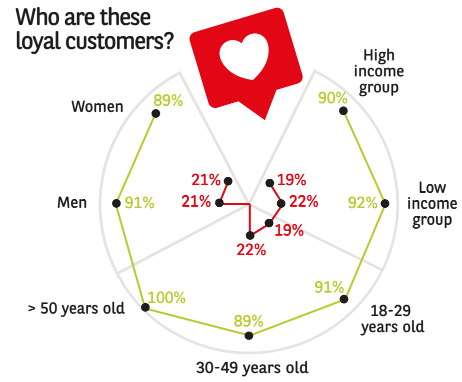
Poland	Average 15 countries
47,9%	52,3%

12,8%	10,2%	9,7%	8,2%	7%
		TOYOTA		

PORTUGAL

Only 1 Portuguese repeat buyer out of 5 chooses the same make of car. This is the lowest scoring country out of all 15. Confidence in a make encourages their loyalty. However, the plethora of the consumer vehicle market distracts Portuguese motorists from their clearly established loyalty intentions.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
90%	21%	34%

A certain idea of their own loyalty in the: past, present, future

	Portugal	Average 15 countries
Loyalty passed down by their parents	59%	65%
Their loyalty in the past	76%	64%
Their loyalty in the present	90%	77%
Their children's future loyalty	51%	53%

Why were they loyal?*

	Portugal	Average 15 countries
Confidence in the make	67%	55%
Satisfied with the previous model	47%	48%
Attractive commercial offer	25%	19%
Satisfied with the dealer	13%	20%
Preferred make too expensive	9%	6%

Why weren't they loyal?*

	Portugal	Average 15 countries
Attractive commercial offer	28%	23%
Won over by another model	23%	26%
Unsatisfied with the previous model	19%	16%
Changed due to curiosity	17%	23%
Improved financial situation	16%	15%

Why wouldn't they remain loyal?

	Portugal	Average 15 countries
Confidence in the make	52%	44%
Price	48%	47%
Sturdiness, robustness	45%	44%
Satisfied with the current model	39%	39%
Style/design	35%	33%

Why would they remain disloyal?

	Portugal	Average 15 countries
Too many experiences out there	76%	72%
Doesn't mind first times	76%	74%
New mobility solutions	69%	61%
Too many makes to discover	69%	65%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

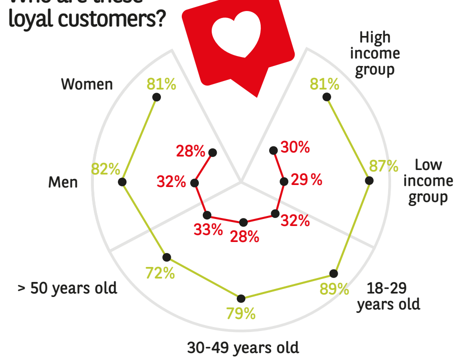
Portugal	Average 15 countries
44,7%	52,3%

12,3%	9,5%	8,4%	7,5%	7,1%
RENAULT	PEUGEOT		Mercedes-Benz	

SOUTH AFRICA

The loyalty of 1 South African repeat buyer out of 3 is motivated by a strong sense of satisfaction. Satisfaction with the model, satisfaction with the make. However, the prospect of acquiring a better-equipped, better suited or higher end car, encourages switching to the competition for a new purchase.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
82%	30%	34%

A certain idea of their own loyalty in the: past, present, future

	South Africa	Average 15 countries
Loyalty passed down by their parents	66%	65%
Their loyalty in the past	67%	64%
Their loyalty in the present	82%	77%
Their children's future loyalty	61%	53%

Why were they loyal?*

	South Africa	Average 15 countries
Satisfied with the previous model	62%	48%
Confidence in the make	62%	55%
Attractive commercial offer	19%	19%
Point of sale proximity	14%	10%
Satisfied with the dealer	14%	20%

Why weren't they loyal?*

	South Africa	Average 15 countries
Improved financial situation	32%	15%
Won over by another model	30%	26%
Changed due to curiosity	25%	23%
A more attractive offer	23%	23%
Unsatisfied with the previous model	18%	16%

Why wouldn't they remain loyal?

	South Africa	Average 15 countries
Price	61%	47%
Confidence in the make	61%	44%
Sturdiness, robustness	46%	44%
Satisfied with the current model	40%	39%
Insurance and warranty	35%	22%

Why would they remain disloyal?

	South Africa	Average 15 countries
Too many experiences out there	75%	72%
Doesn't mind first times	65%	74%
New mobility solutions	61%	61%
Too many makes to discover	61%	65%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

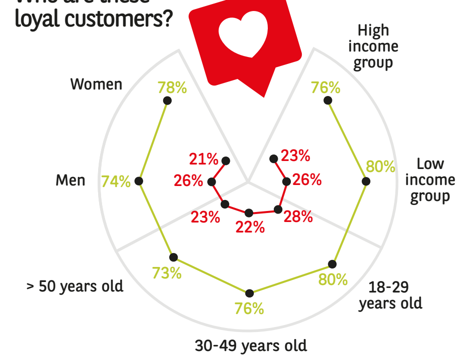
South Africa: 60,9% — Average: 52,3%

TOYOTA	Volkswagen	Ford	Nissan	Chevrolet
21,6%	14,2%	14,2%	7%	3,9%

SPAIN

Out of the 15 countries analysed, the Spaniards are the least loyal car buyers. Their confidence in the make and their level of satisfaction with the model they own have been shaken. In addition, they welcome change, while not neglecting to open the market to competition, and are not wary of the unknown.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
76%	23%	34%

A certain idea of their own loyalty in the: past, present, future

	Spain	Average 15 countries
Loyalty passed down by their parents	60%	65%
Their loyalty in the past	61%	64%
Their loyalty in the present	76%	77%
Their children's future loyalty	48%	53%

Why were they loyal?*

	Spain	Average 15 countries
Confidence in the make	50%	55%
Satisfied with the previous model	41%	48%
Attractive commercial offer	26%	19%
Satisfied with the dealer	18%	20%
Didn't want to risk the change	16%	9%

Why weren't they loyal?*

	Spain	Average 15 countries
A more attractive offer	31%	23%
Won over by another model	18%	26%
Attractive trade-in offer	16%	11%
Unsatisfied with the previous model	16%	16%
Changed due to curiosity	15%	23%

Why wouldn't they remain loyal?

	Spain	Average 15 countries
Price	48%	47%
Sturdiness, robustness	47%	44%
Confidence in the make	42%	44%
Style/design	38%	33%
Satisfied with the current model	32%	39%

Why would they remain disloyal?

	Spain	Average 15 countries
Too many experiences out there	81%	72%
Doesn't mind first times	81%	74%
Too many makes to discover	77%	65%
New mobility solutions	61%	61%

Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

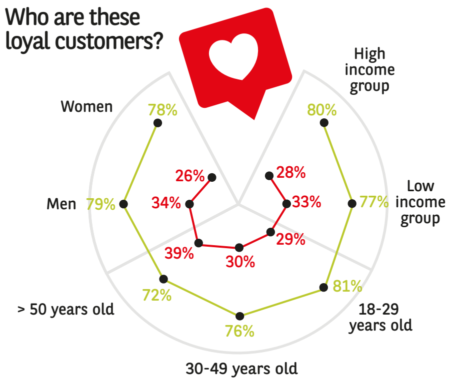
Spain: 37,5% — Average: 52,3%

RENAULT	Volkswagen	Opel	PEUGEOT	SEAT
7,9%	7,8%	7,8%	7,3%	6,8%

TURKEY

Nearly one third of Turkish motorists are loyal to their car makes, without showing any special degree of satisfaction with their models, or being deeply involved in a trustful relationship with the make. Price and reliability are the main loyalty-enhancing criteria, but the appeal of novelty exerts a strong pull on repeat buyers towards the competition.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
78%	30%	34%

A certain idea of their own loyalty in the: past, present, future

	Turkey	Average 15 countries
Loyalty passed down by their parents	62%	65%
Their loyalty in the past	57%	64%
Their loyalty in the present	78%	77%
Their children's future loyalty	55%	53%

Why were they loyal?*

	Turkey	Average 15 countries
Satisfied with the previous model	41%	48%
Confidence in the make	40%	55%
Attractive commercial offer	19%	19%
Didn't want to risk the change	16%	9%
Attractive renewal offer	14%	8%

Why weren't they loyal?*

	Turkey	Average 15 countries
Improved financial situation	30%	15%
Changed due to curiosity	25%	23%
Unsatisfied with the previous model	20%	16%
No suitable model	18%	13%
A more attractive offer	18%	23%

Why wouldn't they remain loyal?

	Turkey	Average 15 countries
Price	54%	47%
Sturdiness, robustness	52%	44%
Style/design	44%	33%
Confidence in the make	41%	44%
Innovative make	34%	22%

Why would they remain disloyal?

	Turkey	Average 15 countries
Too many experiences out there	80%	72%
Too many makes to discover	72%	65%
New mobility solutions	67%	61%
Doesn't mind first times	65%	74%

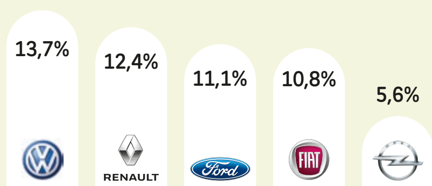
Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

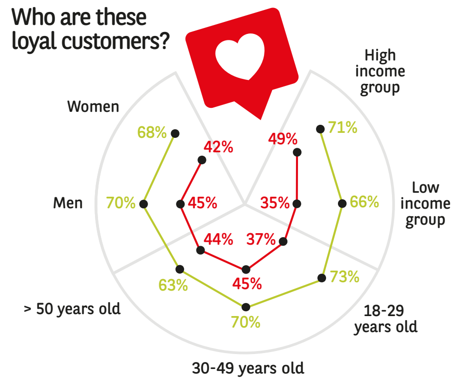
Turkey 53,6% — Average 52,3%



UNITED KINGDOM

The British are significantly more loyal to car makes than the other 14 countries considered by the Observatory. As car connoisseurs, their loyalty is above all supported by deep satisfaction with the model they own. The indecisive are curious and quite inclined to change, thereby opening a door to the competition.

Who are these loyal customers?



Declared loyalty to a make	Actual loyalty to a make	Average 15 countries
69%	43%	34%

A certain idea of their own loyalty in the: past, present, future

	United Kingdom	Average 15 countries
Loyalty passed down by their parents	55%	65%
Their loyalty in the past	57%	64%
Their loyalty in the present	69%	77%
Their children's future loyalty	51%	53%

Why were they loyal?*

	United Kingdom	Average 15 countries
Satisfied with the previous model	59%	48%
Confidence in the make	50%	55%
Satisfied with the dealer	16%	20%
Attractive renewal offer	12%	8%
Point of sale proximity	11%	10%

Why weren't they loyal?*

	United Kingdom	Average 15 countries
Changed due to curiosity	25%	23%
Won over by another model	25%	26%
Unsatisfied with the previous model	22%	16%
A more attractive offer	19%	23%
Improved financial situation	15%	15%

Why wouldn't they remain loyal?

	United Kingdom	Average 15 countries
Price	48%	47%
Confidence in the make	46%	44%
Satisfied with the current model	45%	39%
Sturdiness, robustness	37%	44%
Attraction of special offers	22%	22%

Why would they remain disloyal?

	United Kingdom	Average 15 countries
Too many experiences out there	78%	72%
Doesn't mind first times	74%	74%
Too many makes to discover	66%	65%
New mobility solutions	49%	61%

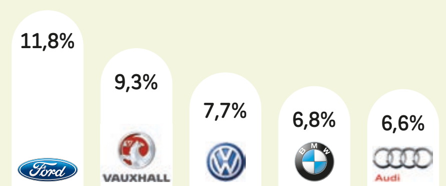
Average 15 countries

* at the last renewal

What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

United Kingdom 42,2% — Average 52,3%



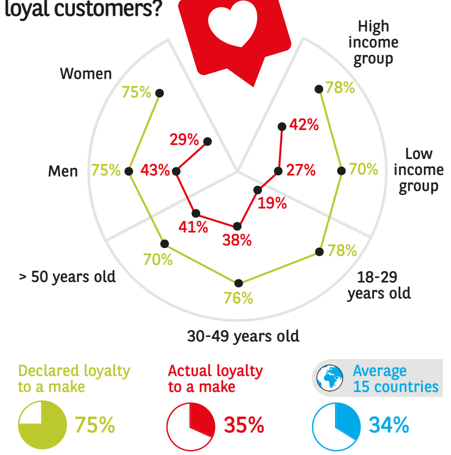
UNITED STATES

More than one third of Americans are loyal to their make of car, a proportion that grows significantly with age. On this mature market where repeat buyers are thoroughly used to changing cars, loyalty is fostered by strong confidence in a make and affirmed satisfaction with a model. Curiosity alone explains why they leave for the competition.

A certain idea of their own loyalty in the: past, present, future

	United States	Average 15 countries
Loyalty passed down by their parents	61%	65%
Their loyalty in the past	62%	64%
Their loyalty in the present	75%	77%
Their children's future loyalty	52%	53%

Who are these loyal customers?



Why were they loyal?*

	United States	Average 15 countries
Confidence in the make	61%	55%
Satisfied with the previous model	57%	48%
Attractive commercial offer	27%	19%
Satisfied with the dealer	20%	20%
Point of sale proximity	11%	10%

Why wouldn't they remain loyal?

	United States	Average 15 countries
Confidence in the make	56%	44%
Price	53%	47%
Satisfied with the current model	43%	39%
Sturdiness, robustness	38%	44%
Attraction of special offers	24%	22%

Why weren't they loyal?*

	United States	Average 15 countries
Changed due to curiosity	25%	23%
A more attractive offer	24%	23%
Won over by another model	24%	26%
Unsatisfied with the previous model	19%	16%
Improved financial situation	12%	15%

Why would they remain disloyal?

	United States	Average 15 countries
Too many experiences out there	67%	72%
Doesn't mind first times	67%	74%
New mobility solutions	58%	61%
Too many makes to discover	57%	65%

Average 15 countries

* at the last renewal

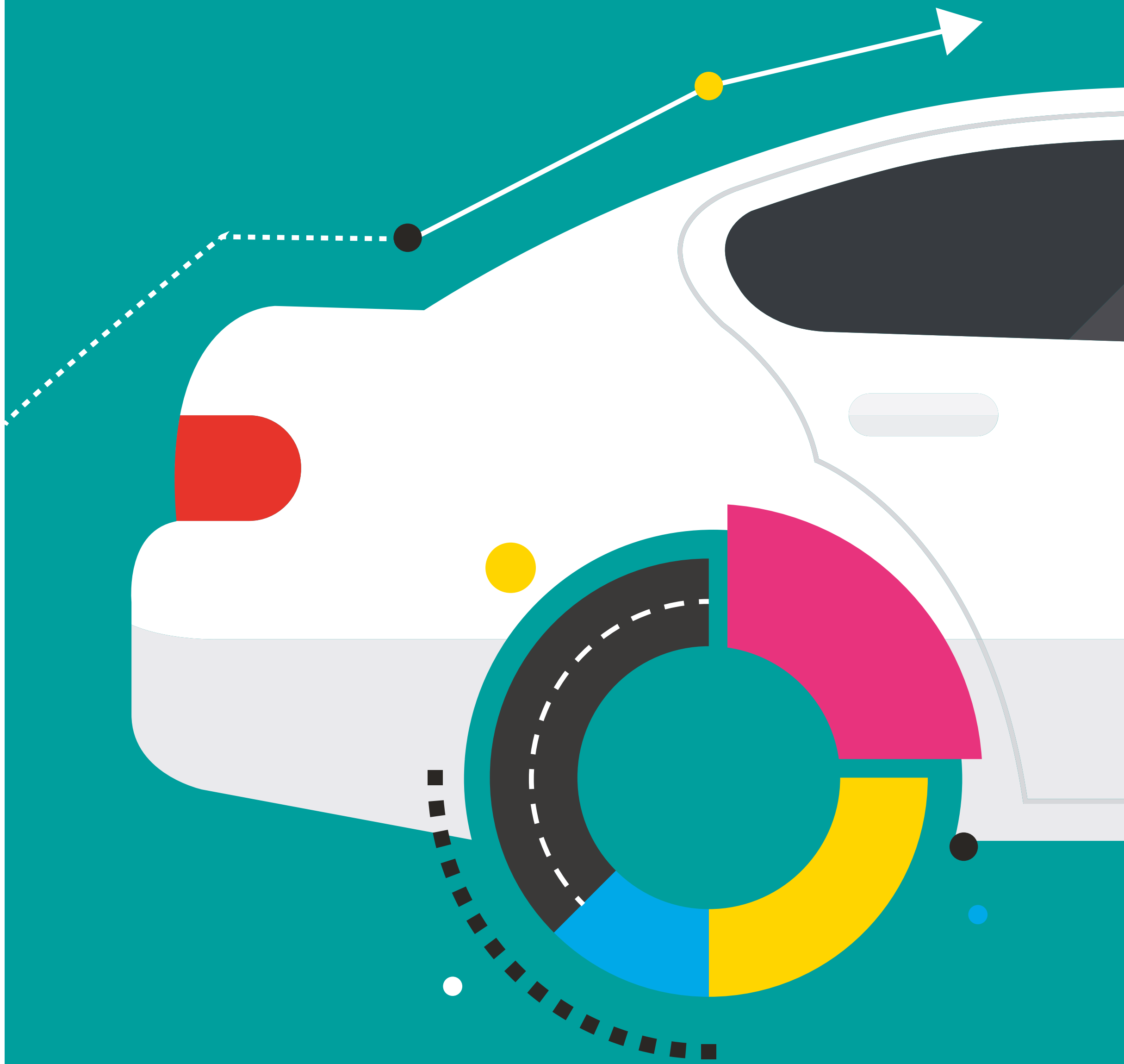
What environment does their loyalty require?

Market concentration measured by aggregate penetration of the top five makes into 2016 new light vehicle sales

United States	Average 15 countries
56,6%	52,3%

TOYOTA	HONDA	CHEVROLET	NISSAN	Ford
14,5%	11,2%	10,7%	10,7%	9,5%

APPENDICES



The new passenger vehicle market

	2015	2016	2017*	Changes 2017 vs. 2016	2018*	Changes 2018 vs. 2017
France	1917226	2015177	2120000	5,2%	2200000	3,8%
Italy	1575923	1824968	2000000	9,6%	2080000	4,0%
Spain	1041276	1147007	1230000	7,2%	1250000	1,6%
Portugal	178496	207345	224000	8,0%	231000	3,1%
Belgium-Luxembourg	579205	590080	608000	3,0%	608000	0,0%
United Kingdom	2633503	2692786	2572000	-4,5%	2445000	-4,9%
Germany	3206042	3351607	3425000	2,2%	3460000	1,0%
Netherlands	449393	382825	435000	13,6%	410000	-5,7%
Poland	354972	416123	480000	15,4%	460000	-4,2%
Czech Republic	230857	259693	260000	0,1%	250000	-3,8%
Slovakia	77968	88165	94000	6,6%	91000	-3,2%
Hungary	77171	96552	103000	6,7%	105000	1,9%
13-country total	**12322032**	**13072328**	**13551000**	**3,7%**	**13590000**	**0,3%**
EU-28 + EFTA(1)	14202024	15160239	15750000	3,9%	15790000	0,3%
Japan	4215889	4146459	3850000	-7,1%	3920000	1,8%
United States(2)	17351362	17865773	17500000	-2,0%	17150000	-2,0%
China	21146320	24376902	24950000	2,4%	25575000	2,5%
Brazil	2122657	1676722	1840000	9,7%	2025000	10,1%
Turkey	725596	756938	735000	-2,9%	715000	-2,7%

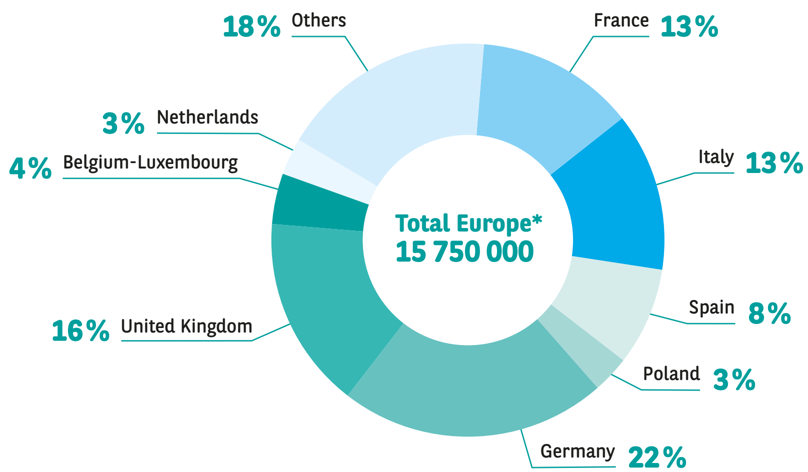
** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
(1) EU-28 (excluding Malta) + Norway, Switzerland and Iceland
(2) United States: including light trucks
Sources: OICA, ACEA, Observatoire Cetelem de l'Automobile

The new passenger vehicle market

	2015	2016	2017*	Changes 2017 vs. 2016	2018*	Changes 2018 vs. 2017
World	87011000	91950000	94530000	2,8%	96400000	2,0%

** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: l'Observatoire Cetelem de l'Automobile

New passenger vehicle registrations in Europe* in 2017



** EU-28 (excluding Malta) + Norway, Switzerland and Iceland*
Sources: ACEA, l'Observatoire Cetelem de l'Automobile

Household purchasing rates in 8 countries

Calculated strictly on the basis of household registrations only

	Total new passenger vehicle registrations in 2017	Private purchases	Business purchases	Household registrations	Number of households	Household purchasing rates
France	2120000	48,0%	52,0%	1017600	28920400	3,5%
Italy	2000000	56,0%	44,0%	1120000	25788600	4,3%
Spain	1230000	49,5%	50,5%	608850	18376000	3,3%
Portugal	224000	46,0%	54,0%	103040	4082700	2,5%
Germany	3425000	35,0%	65,0%	1198750	40257800	3,0%
United Kingdom	2572000	44,7%	55,3%	1149684	28218500	4,1%
Belgium-Luxembourg	608000	47,4%	52,6%	288192	4848200	5,9%
TOTAL	**12 179 000**	**45,0%**	**55,0%**	**5 480 550**	**150 492 200**	**3,6%**

Sources: ACEA, l'Observatoire Cetelem de l'Automobile

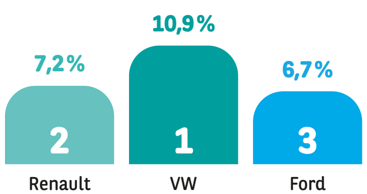
Main car makes in Europe

	Market share 9 months 2016 in %	Market share 9 months 2017 in %		Market share 9 months 2016 in %	Market share 9 months 2017 in %
VOLKSWAGEN	11,4%	10,9%	VOLVO CAR CORP.	1,9%	1,9%
RENAULT	7,1%	7,2%	MAZDA	1,6%	1,5%
FORD	7,0%	6,7%	MINI	1,5%	1,4%
PEUGEOT	5,9%	6,0%	SUZUKI	1,2%	1,4%
MERCEDES	5,7%	5,9%	OPEL/VAUXHALL	0,0%	1,2%
AUDI	5,7%	5,6%	LAND ROVER	1,1%	1,0%
FIAT	5,2%	5,5%	HONDA	1,1%	0,9%
BMW	5,5%	5,4%	MITSUBISHI	0,8%	0,7%
GM	6,7%	5,0%	JEEP	0,7%	0,7%
TOYOTA	3,8%	4,1%	SMART	0,7%	0,7%
CITROEN	3,8%	3,8%	ALFA ROMEO	0,4%	0,6%
NISSAN	3,7%	3,8%	PORSCHE	0,5%	0,5%
SKODA	3,4%	3,5%	JAGUAR	0,5%	0,5%
HYUNDAI	3,2%	3,1%	LANCIA/CHRYSLER	0,5%	0,4%
KIA	2,8%	2,9%	DS	0,5%	0,3%
DACIA	2,4%	2,6%	LEXUS	0,3%	0,3%
SEAT	2,3%	2,6%	LADA	0,0%	0,0%

Source: ACEA

TOP 3 makes en Europe

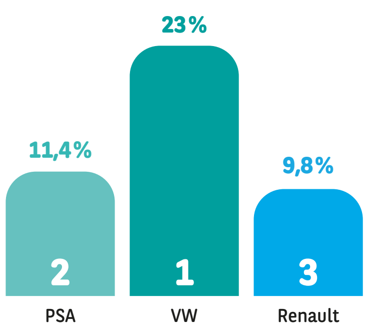
Market share for the first nine months 2017



Source: ACEA

TOP 3 groups in Europe

Market share for the first nine months 2017



The new vehicle market in France

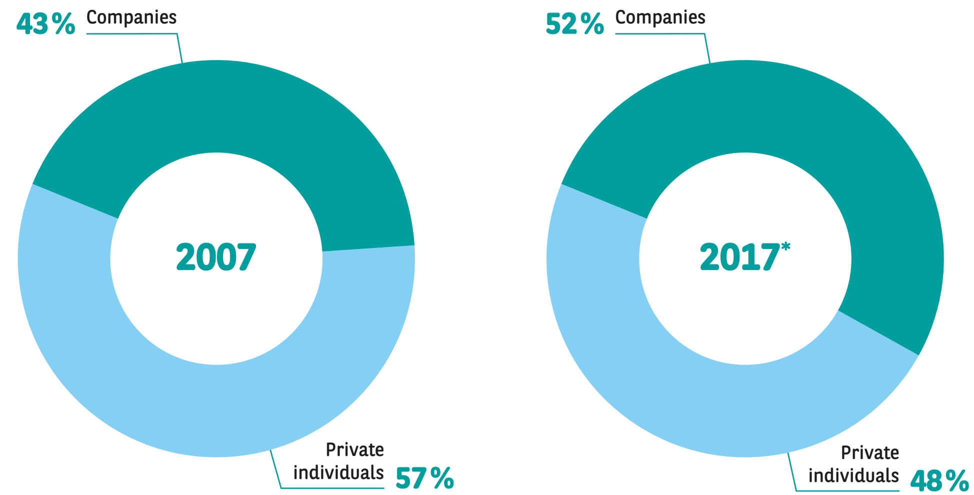
Number of registrations

	2013	2014	2015	2016	2017*
NPV New private vehicles	1 790 456	1 795 885	1 917 226	2 015 177	2 120 000
LUV Light utility vehicles	416 917	415 042	427 866	463 295	495 000

** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: CCFA

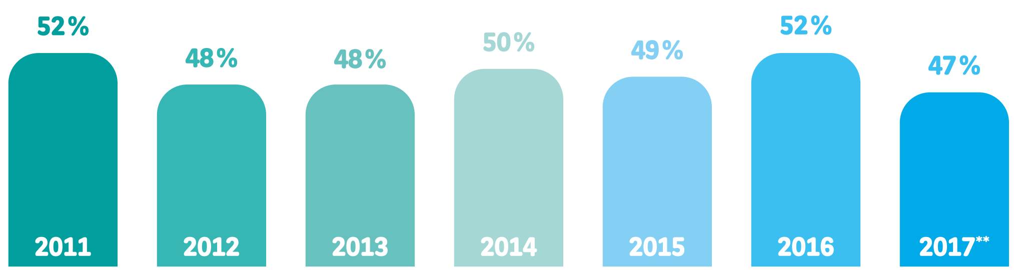
New private vehicle market structure in France

In %



** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: CCFA

French make* market share in mainland France for NPV



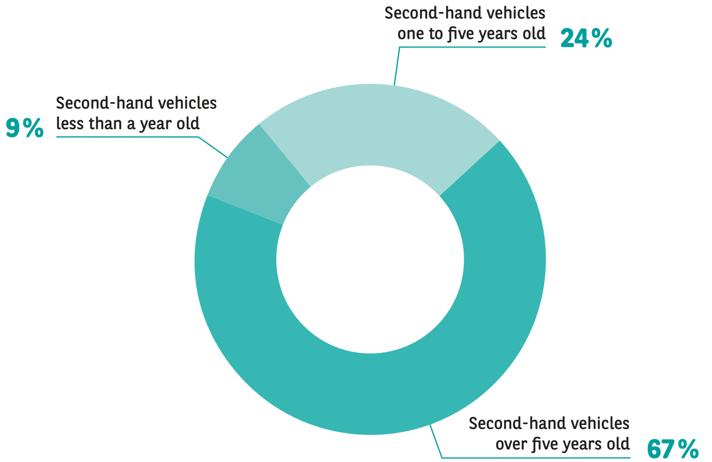
** Citroën, Peugeot, Renault*
*** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: CCFA

The second-hand vehicle market in France
In number of registrations

	First 9 months 2017	Changes 2017 *vs.* 2016	Estimate 2017*
Second-hand vehicles less than a year old	385 223	13,2%	535 000
Second-hand vehicles one to five years old	1 021 549	1,0%	1 365 000
Second-hand vehicles over five years old	2 917 984	1,7%	3 887 000
TOTAL Second-hand vehicles	**4 324 756**	**2,5%**	**5 787 000**

** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: CCFA

Second-hand vehicle market structure in France in 2017*
In %



** Estimates and forecasts by Observatoire Cetelem de l'Automobile*
Source: CCFA

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For more than 30 years, L'Observatoire Cetelem has conducted economic surveys in a number of areas, including the automotive sector and consumer spending. By publishing two surveys each year, one on the global automotive industry (15 countries), the other on European consumer spending 17 countries), L'Observatoire Cetelem has emerged as a leading light when it comes to knowledge and understanding of these sectors of activity.

The international nature of the surveys produced, bolstered by a presence in 24 countries – South Africa, Germany, Austria, Belgium, Brazil, Bulgaria, China, Denmark, Spain, United States, France, Hungary, Italy, Japan, Mexico, Norway, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Sweden and Turkey – also contributes to its global reach.

L'Observatoire Cetelem also provides analysis and consumer trend monitoring services with:

- *l'Œil: casting a light on the latest consumer developments.* A look at new ways of addressing the market and new consumer attitudes,
- *les zOOms, a glimpse of today's lifestyles.* Triple-level surveys for an in-depth view of a given topic.

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Design: agencecosmic.com
Written by: Luc Charbonnier
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