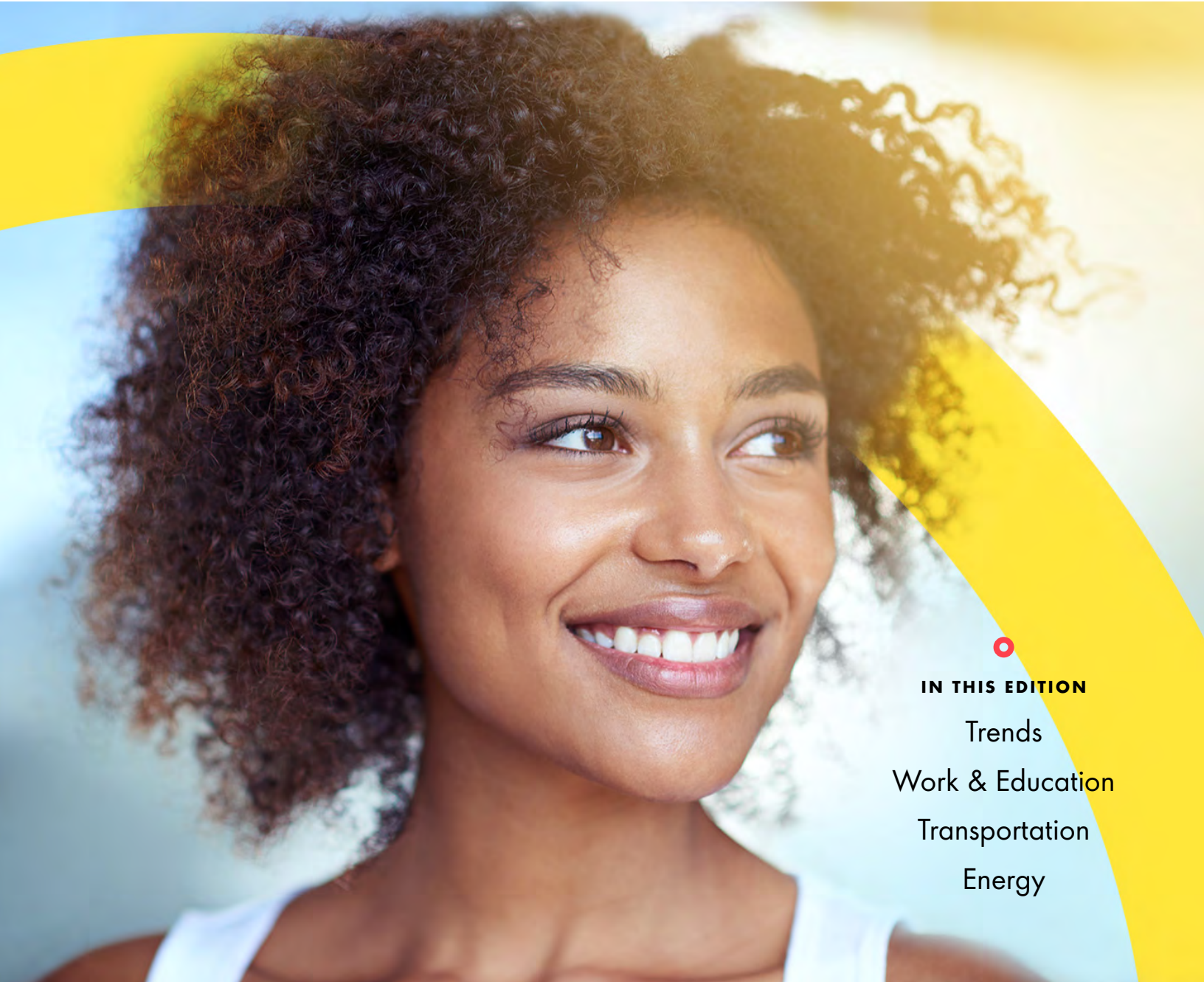


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NOVEMBER 2020 EDITION

A Digital-First, Consumer-Centric View



○
IN THIS EDITION

Trends
Work & Education
Transportation
Energy



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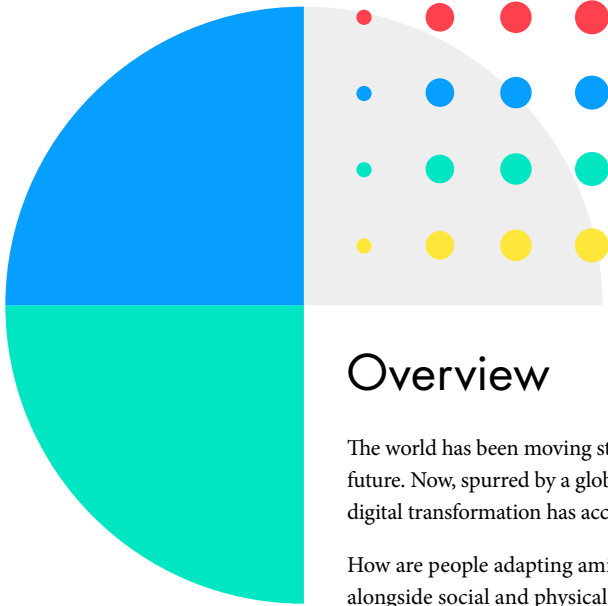
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Overview

The world has been moving steadfastly toward a digital future. Now, spurred by a global pandemic, the pace of digital transformation has accelerated exponentially.

How are people adapting amid extreme uncertainty, alongside social and physical restrictions? What trends have emerged and what behaviors will fall by the wayside? What role does technology play to track with this change – now and in the months to come? How do companies need to respond?

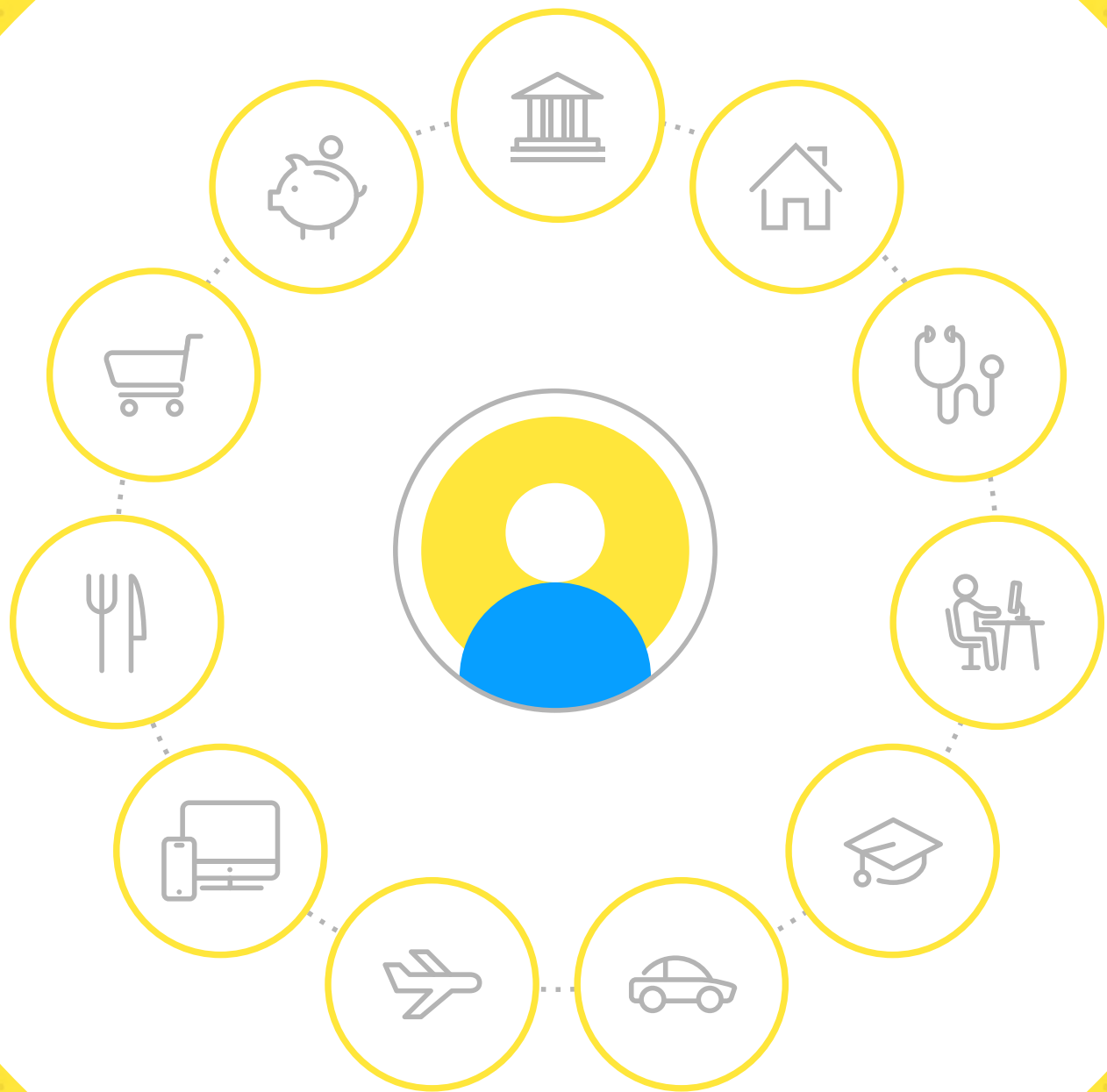
Our research is intended to spark an ongoing dialogue around how outside trends foster new habits, behaviors and mindsets – defining the way

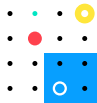
people interact with brands and what they expect – and will expect – from companies. We offer recommendations and actions companies can take to remain relevant, competitive and proactive – solving for an unprecedented Now, and equipping leaders for the unknowns of Next.

The November 2020 installment of our primary research highlights areas that are affected by life at home: Work & Education, Transportation and Energy. In future installments, we will expand our view to include more industries, sectors and ongoing global trends.

The Digital Life Index is an ongoing research initiative designed to help business leaders understand how to make insight-led, data-driven, people-first decisions that anchor their digital strategies – ones that will solve for an unprecedented Now and equip you for the unknowns of Next.

Consumers are people living
in a digital world





In this edition



The stay-at-home revolution

As pandemic conditions stretch on into an uncertain future, life at home is becoming routine – with the socioeconomic effect rippling across industries. Consumers’ diminished foot traffic, infrequent travel and continued reliance on expanded remote work and learning are reshaping how organizations innovate with these shifts in human nature and what they may mean for their business in the long term.



In a not-so-remote future, work and education go digital

Success of remote work programs are changing employee expectations, with many wanting flexibility to work from home in the future. Despite perks, employees are challenged balancing work with day-to-day life and expect employers to provide the digital tools needed to stay connected. For parents, online education is another obstacle, with hands-on classroom activity not always optimized for a digital forum. A return to the office will rely on organizations’ ability to create safe environments at a time when COVID-19 exposure remains a risk.



Convenient connection: High-tech and high-touch in automotive

Concern over COVID-19 is prompting people to lean on personal modes of transportation. When considering new car purchases, drivers remain risk adverse and will look for vehicles that are not only reliable, but match their needs and lifestyles. Digital technologies will be expected to be part of that experience in the vehicles they purchase. Though online options for car buying are emerging, drivers still prefer going to the dealership, challenging automotive companies to create in-store experiences that are both personalized and convenient for buyers.



Leading the charge: The future experience of fuel retail & home energy

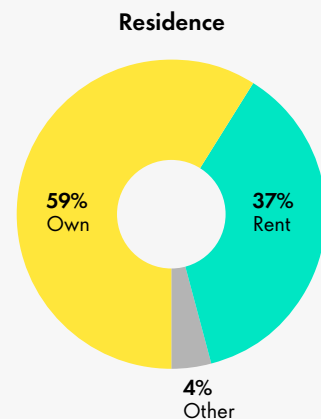
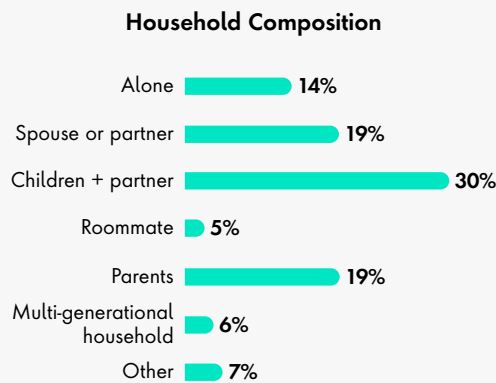
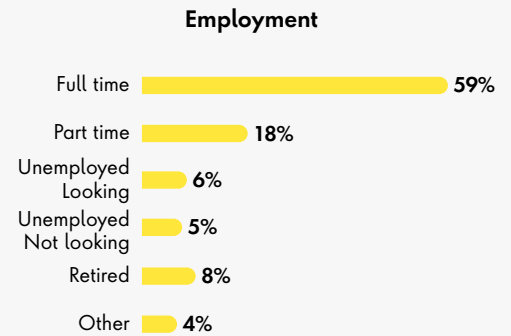
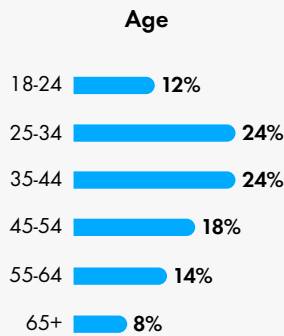
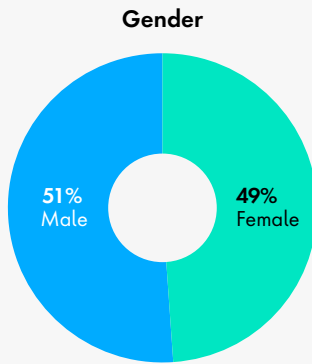
Increased interest in renewable energy, elevated home energy use and growth of the electric vehicle market is affecting how people want to drive and how they want to power their homes. When it comes to energy supply, the race is on between traditional energy suppliers, retailers and disruptors to capture brand loyalty at the onset of adoption. As competitors put pressure on fuel retailers, organizations have the opportunity to expand services beyond refueling – transforming the gas station into something more than just a rest stop.

Methodology

Data was collected through an online survey sent to 7,000 people in 10 countries, including the United States, Australia, Canada, France, Germany, Italy, Japan, Singapore, the United Arab Emirates, and the UK. We supplemented and compared our findings with secondary research from publicly-available sources. AI Labs, a research arm of Publicis Sapient, also contributed to this report.

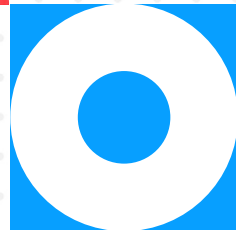


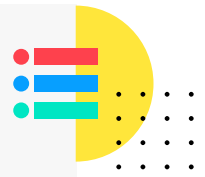
Participant Demographics



TRENDS

The Stay-At-Home Revolution





Key findings

- **People prepare for the long haul.** As pandemic conditions prevail, more people believe COVID-19's effect on their lives will last for a year or more, signaling slower routes to economic recovery.
- **Remote work reshapes businesses.** Remote work stunts foot traffic in commercial areas and limits business travel. With fewer commuters and consumer habits hitting closer to home, retailers and restaurants are changing their approach to engaging and retaining customers.
- **Recapturing travel.** Travelers are beginning to become more open to the idea of taking trips again. For travel and hospitality companies hit by slower business traffic, understanding and delivering the right experiences to customers is key.
- **Online education promotes upskilling.** Adult learners want to continue their education and increase their skills to remain competitive as companies go digital.

Everything about this year has been unexpected. As 2021 dawns, events that have altered everyday life and the ways people have learned to adapt are becoming long-term routines.

According to data from GlobalWebIndex (GWI), global perception of COVID-19's duration has shifted amid uncertainty. As of July 2020, 72 percent of people globally say the outbreak will last for at least a year since the outbreak began, up from the 11 percent who said the same thing in March.

With the road to recovery anticipated to last well into next year, people are learning to balance benefits of reopening with digital habits formed over the last several months. This hybrid world incubated by extended life at home merges online and offline activity, with businesses across industries trying to navigate the socioeconomic effect these changes could bring.



Remote work habits and reimaging storefronts

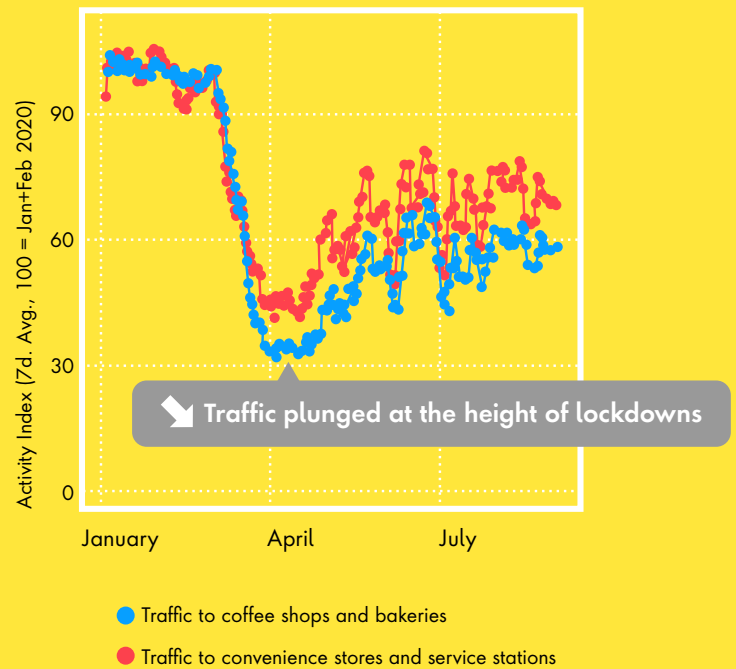
A larger **remote workforce** has come with an array of implications for industries that rely on daily commuters, tourism and business travel. A case study can be found in a cup of coffee.

According to consumer location data from **Publicis Sapient AI Labs**, U.S. traffic to coffee shops and bakeries – a staple of a typical morning commute – plunged at the height of lockdowns in April 2020, with some uptick as physical locations began to reopen. Convenience stores and service stations, frequented by those who may drive to work, see a similar trajectory. Neither have achieved pre-pandemic levels of traffic thus far.

Changing shopper behavior brought on by more time spent at home may also play a role. All of a sudden, that coffee run becomes a quick trip to the kitchen – and a more cost-effective one, too.

The effect on brands is inherent. In July 2020, Starbucks announced a **40 percent** reduction in same-store revenues, pivoting its business to enable **curbside options** for shoppers and travelers who still want a cup on-the-go. On the other hand, **Keurig saw a 9.5 percent growth** in volume for their at-home coffee pods and an 11.6 percent growth in volume for brewing machines, with declines in office demand – reflecting remote work trends.

Traffic to coffee shops, bakeries, convenience stores and service stations



Over the last two months:

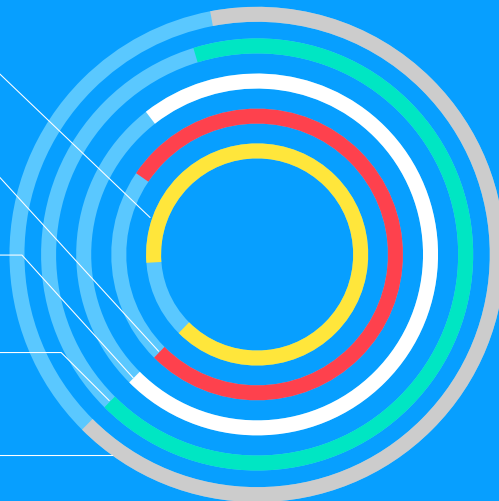
89% have purchased clothing online

78% have researched products online

73% have downloaded an app on their mobile device

67% have used streaming services

66% have managed finances online



Digital tools remain critical for life at home

Those we surveyed continue to integrate digital into every element of everyday life.

In times of lockdown, city living takes new shape

The absence of commuters is prompting cities to reimagine the business district, with additions like outdoor dining, increased shared space [and areas for alternative transport](#), like e-bikes and bicycles. For some, the very notion of whether to spend money on dedicated office space comes into question. For example, companies [like outdoor retailer REI](#) and Pinterest moved away from traditional office space, investing instead in full-remote work capabilities. Retailers and restaurants must consider how to adapt alongside these future landscapes and innovate storefront experiences in a way [that's more digital or experience-oriented moving forward](#).

In the United States, Pew Research finds that [nearly one-fifth of Americans](#) relocated or know someone who has relocated during the pandemic. Among U.S. adults, reasons to move include fear of contracting COVID-19, wanting to quarantine with friends or family and economic insecurity or job loss. The closure of college campuses also prompted mandatory relocation for those who live away from home during the school year. In New York City, for example, the number of properties [sold dropped nearly 56 percent](#), as real estate interests shifted to area suburbs.

Other regions also feel the suburban push. French telecommunications company Orange S.A. [reports](#) that up

to one million Parisians fled the city for the countryside at the start of the pandemic. In Australia, regional searches for property in Western Australia [more than doubled](#) between March and early May.



Ongoing remote work and learning has allowed people to relocate for the time being. However, our research finds that 77 percent of people globally say they have not purchased a home in the last six months, and do not plan to purchase a home or vacation home in the near future, signaling that relocation may only be a temporary measure for many. For companies, long-term or permanent residence changes could lead to compliance and tax regulatory burdens which demand proper internal policy to handle appropriately.



See how a top real estate trust re-envisioned the mall shopping experience by creating a dedicated marketplace that keeps shoppers connected to the brands they love.

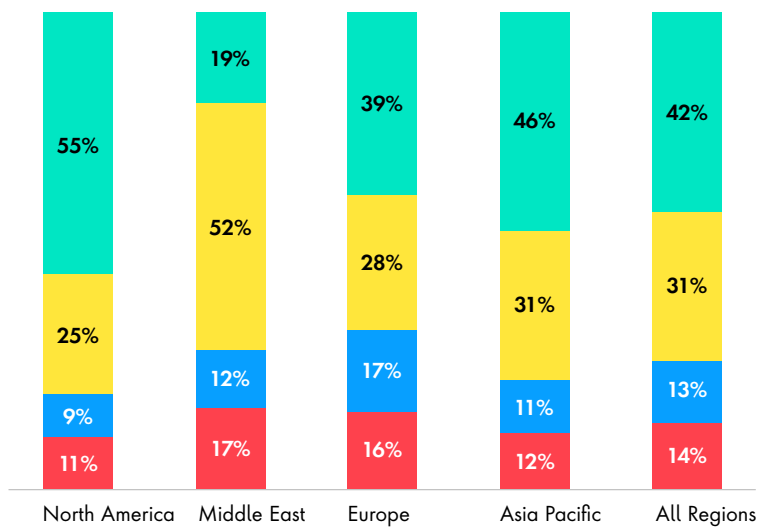
[Read case study](#)

Travelers begin to see bluer skies

According to Bloomberg, business travel accounted for an estimated 60-70 percent of all airline revenues before the pandemic. With remote work enabling connectivity without in-person interactions, a return to regular business travel may not regain the same volume as quickly, prompting airlines to reimagine experiences.

Travelers remain reserved about making plans, but more are considering planning a trip or booking a flight over the next six months. Travelers in the Middle East are most likely to say they are considering traveling again after delaying purchases. Those in Europe are most likely to have planned a trip before and will continue to travel in the near future.

Travel purchases and purchase intent by region



- Purchased a trip in the past 6 months and is considering purchasing in the next 6 months
- Purchased a trip in the past 6 months but is not considering purchasing in the next 6 months
- Considering purchasing a trip in the next 6 months but has not purchased in prior 6 months
- Neither purchased nor considering purchasing a trip



See how Finnair developed a new value proposition and revenue streams that extend beyond the sale of airline seats to create an end-to-end travel experience.

[Read case study](#)

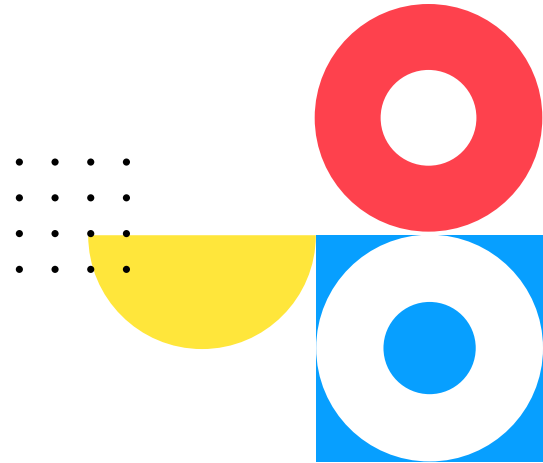
A desire to learn goes beyond the classroom

At the onset of the pandemic, people began to express a desire to try new things and [turned to digital channels](#) to pursue new hobbies, projects and activities to fill free time spent at home.

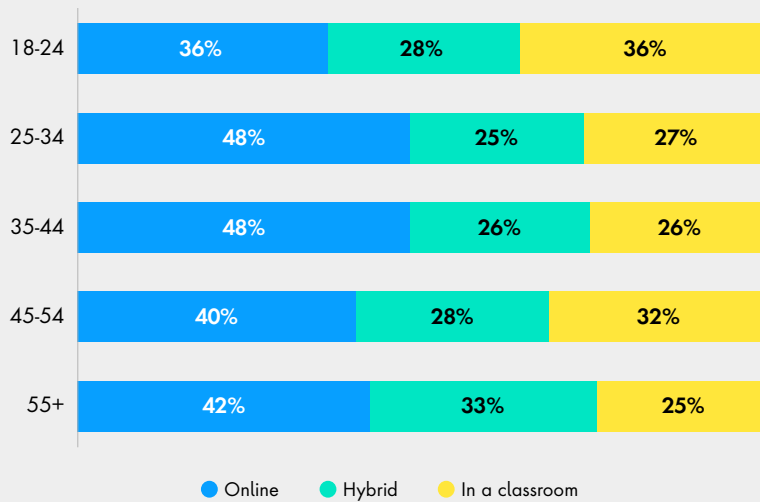
This pursuit of knowledge isn't limited to just hobbies. According to our research, one-fifth of global workers say they're considering going back to school to acquire new skills. While career growth and better pay are top motivators for returning to the classroom, 86 percent also want to grow into roles that better accommodate their lifestyle – [whether it's remote work options](#), flexible schedules, ability to balance work with other

responsibilities, like childcare, or a complete career shift to work in a field they're passionate about. Digital learning options are preferred across generations.

As companies continue to plan for a digital future, workers are turning to employers to help provide the tools and training they need to grow. Forty-seven percent of workers want their employer to provide opportunities for career growth and development or the ability to upskill through in-person or online learning. Younger employees (ages 18-34) are more likely to look for these benefits when searching for a new employer.



Learning environment preferences for adult students or prospective students



The digital life of consumers

Extended periods at home have continued to disrupt everyday life. But as digital continues to play a critical role in how people navigate day-to-day activity, new habits are starting to become more than just a way to acclimate – leaving room for change in the months ahead.

Plan ahead

With perception of full recovery lasting well into next year, businesses need to evaluate capabilities and plan for the long term, prioritizing projects and initiatives that will meet immediate needs, but also anticipate fundamental shifts to achieve profitability.

Find ways to court a new brand of traveler

With business travel slow to return, travel and hospitality companies must focus on building deeper relationships with customers, using data-driven strategies to identify and interact with those looking to travel and providing experiences that meet their needs.

Reimagine the future of the physical store

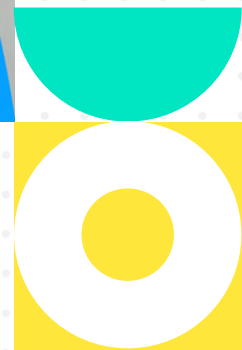
Increased reliance on e-commerce and diminished foot traffic due to extended periods at home could have longstanding impact on physical retail and restaurants – especially those that rely on tourism or day-to-day commuters. Organizations must rethink their store strategy and how e-commerce integrates into these experiences. remain ahead of the curve.

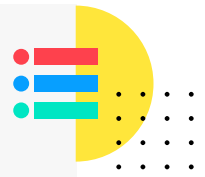
Enable employees to learn and grow

As businesses transform, employees are looking to grow too, leveraging digital tools to gain critical skills needed to excel in a more digital world. Employers should work to connect employees to resources that can help them develop their careers and align skillsets with the changing needs of the organization.

WORK & EDUCATION

In a Not-So Remote Future, Work & Education Go Digital





Key findings

- A fully remote workforce? Not quite yet.** While more people are working remotely in response to COVID, less than a third of workers can do their entire job outside the office, challenging companies to think about the role remote work will play in the future.
- Returning to the office comes with COVID concerns.** COVID risks remain a top concern for employees. They're looking to employers to help keep them safe.
- Remote workers shift expectations.** Remote workers want flexibility to work from home in some capacity after offices reopen and will look for future employers that offer this flexibility.
- Students and caregivers feel the social distance.** Lack of in-person connection negatively affects perception of online learning. For parents, the stress of accommodating remote learning at home changes views on returning to the office.

To reopen, companies face a staggered and complicated process, defined by government guidance enacted as part of regional COVID-19 response. Businesses requiring on-site employees must rapidly adjust to accommodate a safe work environment. Others must accommodate a balance of on-site, hybrid and fully remote teams.

Educators face a similar burden. As schools undergo regional phases of reopening, institutions are developing ways to allow access to quality levels of learning while translating what is typically an in-person experience into digital mediums that provide value and keep both students and teachers safe.

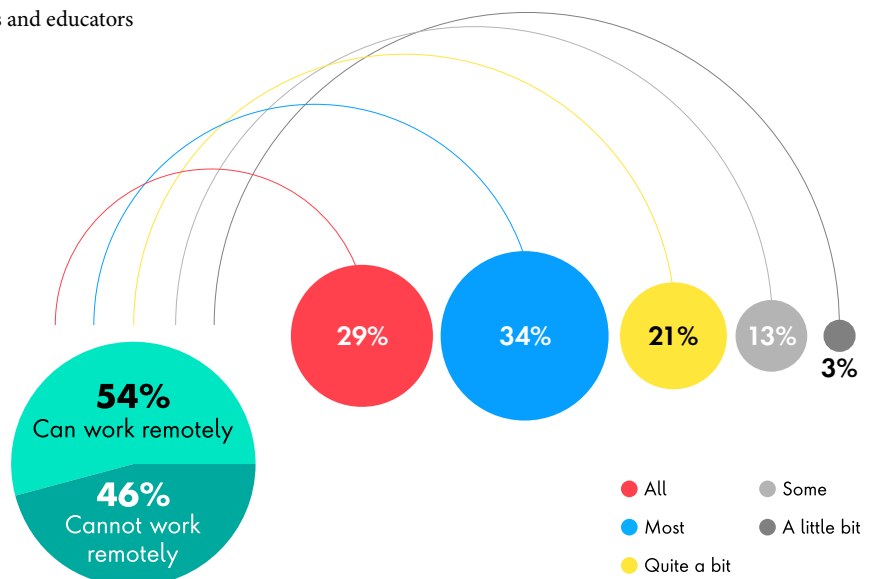
With students and employees often in the same household, remote learning and remote work challenges become interconnected. This time serves as a period of experimentation, with innovation bearing potential to shape what people want from employers and educators in the future.

The transition to remote work

According to our research, employees are mostly satisfied with how their company transitioned to remote work.

However, the transition to a completely remote workforce is still relatively uncommon. While 54 percent of employees can work remotely to some extent, less than a third believe they can do their entire job outside of the office. The divide is greater across regions. Nearly half of workers in North America say they can do their entire job from home, but only 30 percent of European workers and less than 25 percent of workers in the Middle East and APAC feel the same.

How much of your work can you do remotely?



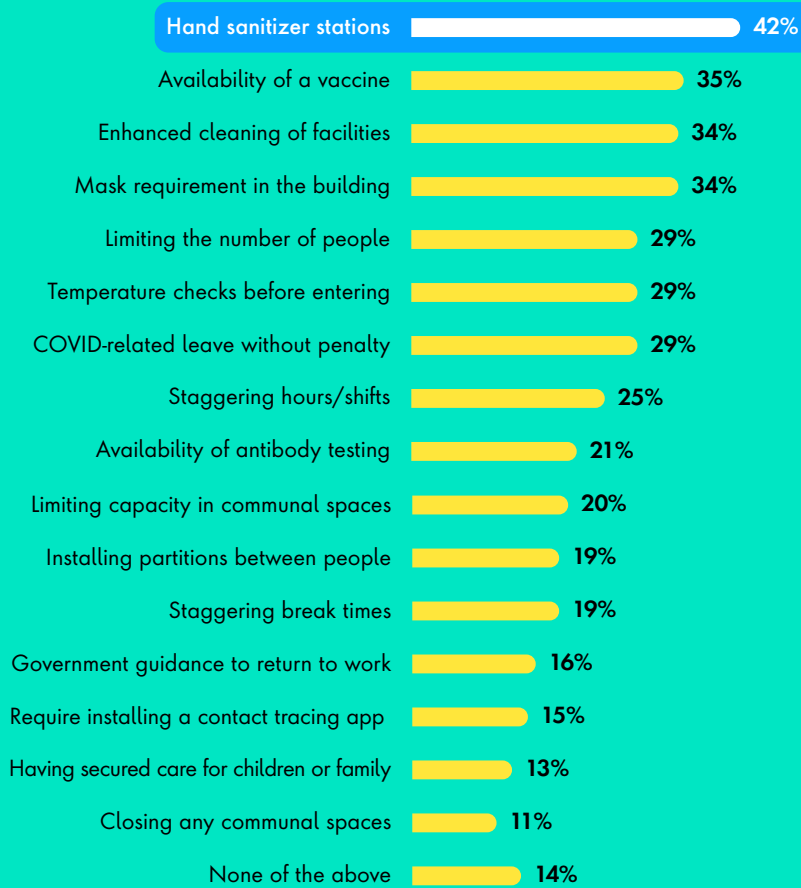
The workplace experience, redefined

Work throughout the pandemic presented different realities for those adjusting to life at home and for others adjusting to a “new normal.” Despite differences, both remote and non-remote workers say that the availability of a global vaccine is one of the most important factors that will make them feel comfortable working on-site in the future.

For non-remote workers, health and safety is a priority

Health and safety is a top concern for those who cannot work from home. For close to half of non-remote employees, something as simple as hand sanitizers at the workplace would make them feel more comfortable going to work every day.

What would make you feel more comfortable going to work? (Multiple responses)



Remote workers see returning to the office as a risk

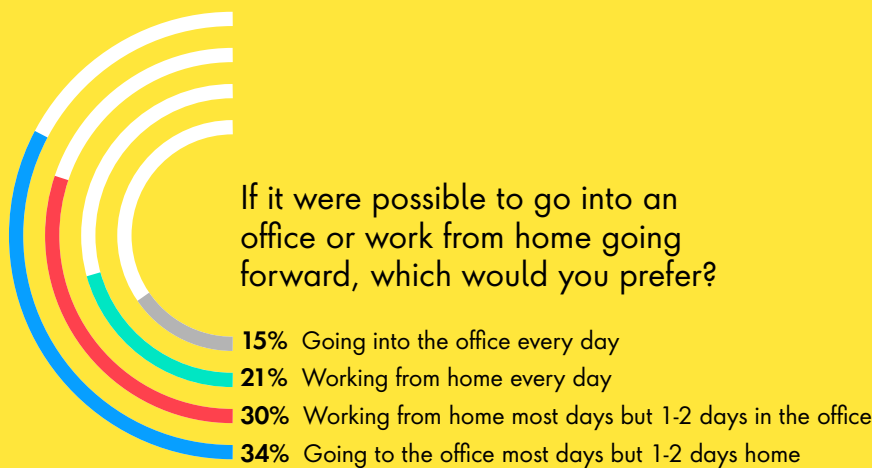
Those who are working from home face a different debate: the efficacy of returning to the office and the potential risks that come with it. Globally, 60 percent of remote workers say risk of COVID-19 exposure at work or commuting to work is a main concern when returning to the office. Older employees (ages 54-65+) are more likely to fear being exposed to COVID-19 at their place of work when compared to younger generations.

Outside of COVID-19 exposure, 67 percent of remote workers are concerned over time lost from commuting and getting ready for work. Over a third worry about spending more money on out-of-office expenses – [like lunch or coffee](#) – when returning to the office.

Silver linings shape employee expectations

It's these unforeseen benefits – the ability to get time back or save a few dollars – that are beginning to change how remote employees view the office. What began as a necessity to adhere to pandemic conditions is now beginning to take shape as a tangible reality as people begin to adapt, readjust and reprioritize how they spend their time and what it takes to be productive.

According to our research, 64 percent of employees want a hybrid work-from-home schedule moving forward. Workers across regions have varying ideas of what that would look like. Employees in the United Arab Emirates (UAE), Singapore, Italy and Japan favor spending a majority of the week in the office. In the U.S. and Canada, employees want to spend more time at home, with close to 40 percent saying they'd rather work remotely full-time.



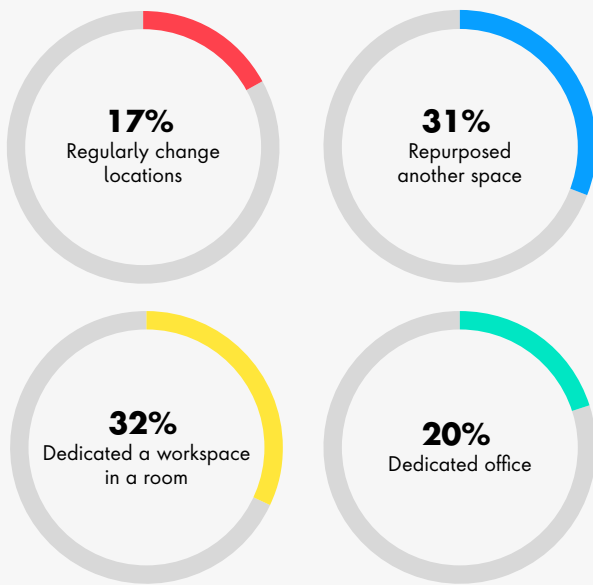
Distractions, distractions...

To work from home, people need a place where they can feel focused and comfortable. Building that ideal workspace, however, is a bit of a challenge. Only 20 percent of at-home workers have a room specifically designated as an at-home office. Instead, a majority have found ways to repurpose space, whether it's setting up a desk in a bedroom or living room, working from a couch, a kitchen table or something in-between.

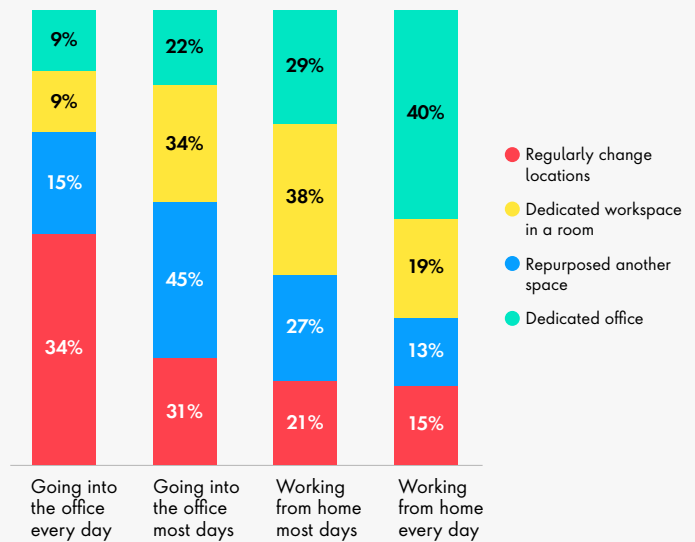
For those who have a space that they can call their own, working from home seems like a viable option. When at-home situations are uncomfortable, inconsistent or just downright distracting, the office seems like a much better place to be.

Distractions at home, staying motivated and unplugging from work are the top three struggles employees face when working remotely, signaling a need for better work-life balance.

Current at-home workspace



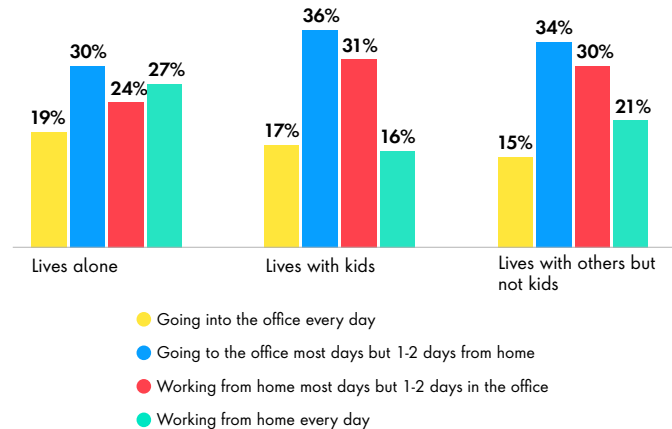
If possible, which location would you prefer to work at?



Having other people at home may also provide unwanted distraction. Workers who live with others are more likely to want to spend more time at the office than those who live alone.

However, people who live alone are more likely to struggle with staying motivated and report feeling more isolated than others. Younger employees (ages 18-34) are also more likely to report feelings of isolation and issues staying motivated when compared to older generations, regardless of living situation.

If it were possible to go into an office or work from home going forward, which would you prefer?



Building a connected workforce

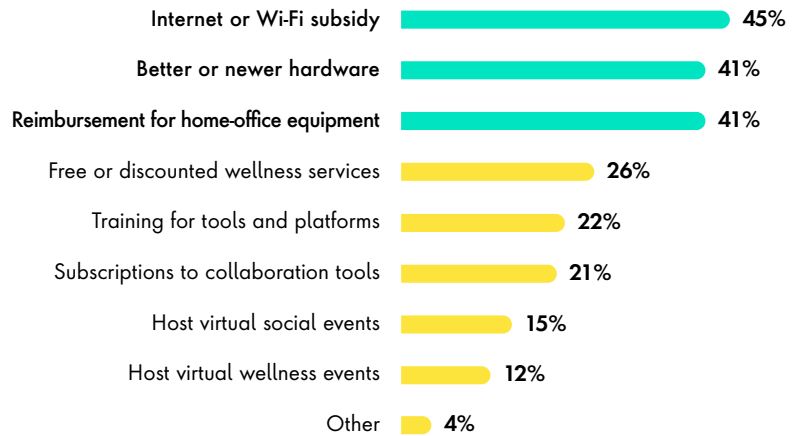
Outside of living situations, employees also face the unexpected. According to network intelligence company ThousandEyes, disruptions in global internet service increased 63 percent in March 2020 as the world began entering various stages of quarantine and rapidly shifting to remote ways of working, studying and living.

Workers need the right tools to get their work done. According to a study from Lenovo Group, 70 percent of global workers bought new technology to help work remotely, with 40 percent partially or fully funding the purchase.

Moving forward, workers are looking to employers to help overcome technological barriers when setting up their at-home work environment, with around 40 percent (respectively) looking for assistance in subsidizing increased Wi-Fi costs, equipment and office supplies.

What would you like your company to do to make remote working a better experience?

(Multiple responses)

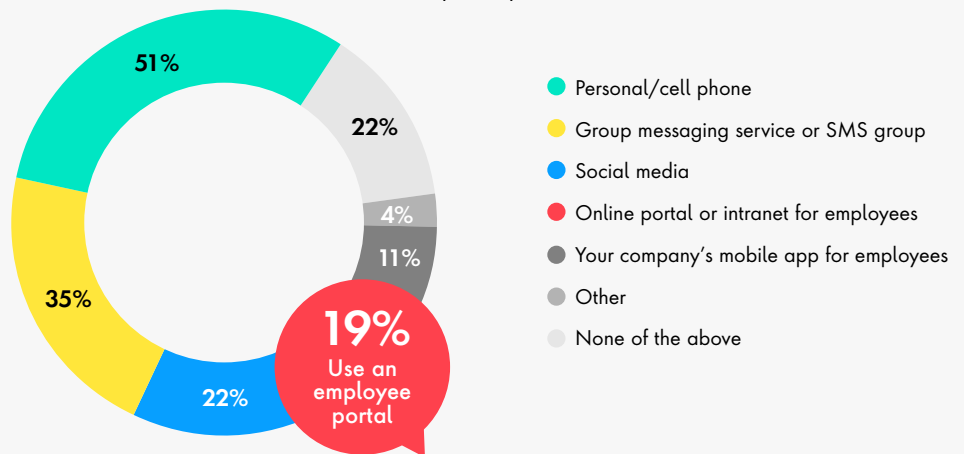


On-site workers lack digital tools

Our research found that a majority of on-site workers do not use company-issued devices, applications or software to manage day-to-day work communications. Less than 20 percent use an employee portal or app to conduct business, instead using personal devices or third-party messaging apps that are not as secure as company-owned systems.

Which of the following do you use to manage your workday or communicate with colleagues?

(Multiple responses)



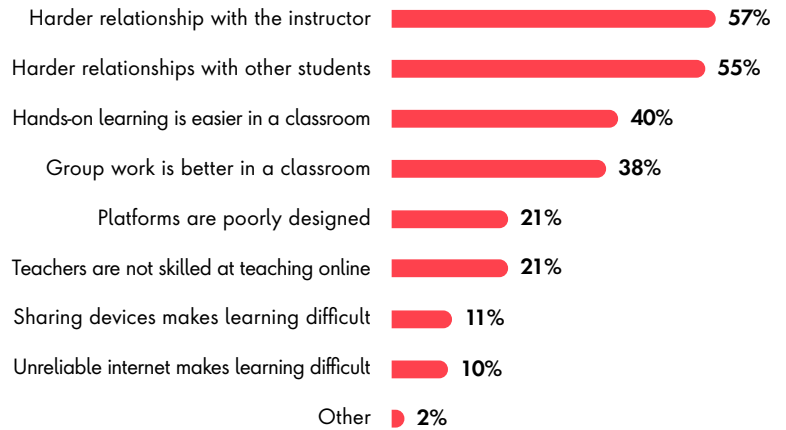
Online learners feel the social distance

Like remote work, students are beginning to blend digital tools into their learning environments. Students in the U.S. (62 percent) and UAE (68 percent) report the highest levels of remote-only learning programs. In Japan (72 percent), France (65 percent), Germany (64 percent), Singapore (60 percent) and Australia (56 percent), a majority of children are back in school full-time, with hybrid learning programs in place to support in-school efforts. Students in Italy, Canada and the UK remain divided between fully remote, hybrid and full in-person learning programs.

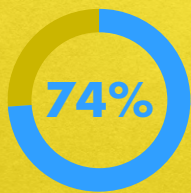
Though 71 percent of people prefer some type of remote learning program, 74 percent say online classes provide either the same or worse learning experiences. People still want in-person activity to feel productive, with a majority saying it's harder to ask questions, work collaboratively and participate in hands-on learning while at home.

Why do you feel in-person learning is better than online learning?

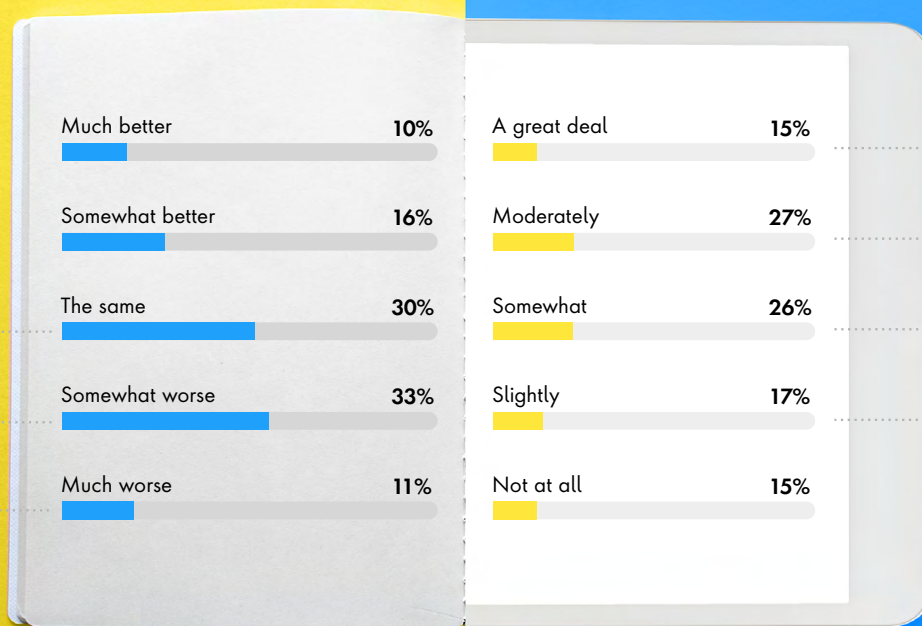
(Multiple responses)



How does online education compare to in-person learning?



say online classes provide either the same or worse learning experiences



How much have you been negatively impacted academically due to online or remote learning?



of parents say there has been some degree of negative impact on their child's academics due to remote learning

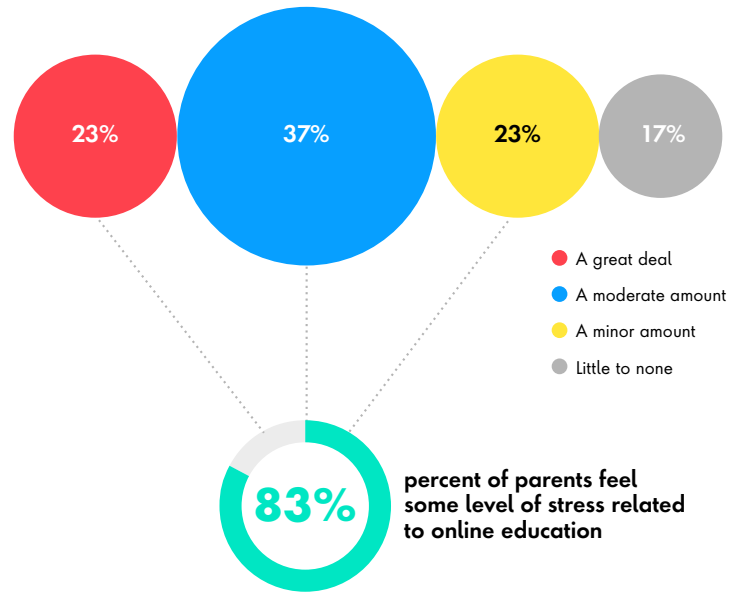
Remote learning puts pressure on parents

Parents are also feeling the pressure of remote education, with at-home situations influencing how they structure time at work. Of parents surveyed, 53 percent either reduced or adjusted their hours to help support online learning. This number was higher in the UAE (70 percent), Singapore (64 percent) and Germany (56 percent) when compared to other regions. Five percent of parents globally left their jobs completely to help their children with remote learning.

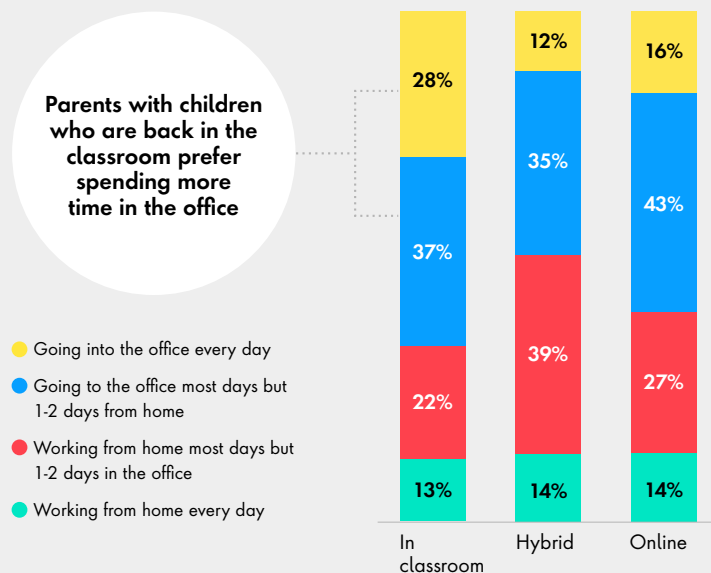
Eighty-three percent of parents feel some level of stress related to online education. Parents in the UAE and Singapore are more likely to report higher levels of stress around remote education when compared with other regions.

Parents with children who are back in the classroom are also more likely to prefer spending more time in the office in the future, perhaps signaling a need for normalcy in the household to feel comfortable returning to more traditional work settings.

How much stress or anxiety do you/your children have related to online learning?



Preference for working at home vs. in the office by the type of school setting for the children



The digital life of work and education

Digital tools have allowed employers and educators to continue to operate despite pandemic conditions that otherwise would have prevented growth. As students and workers continue to rely on digital means to learn and remain productive, organizations have the opportunity to create new ways to keep people connected and provide elevated experiences.

Understand how and where remote work fits within the organization

The ability to work remotely largely depends on job responsibility and the type of work an organization supports. But as remote work becomes a more tangible option, employees who can work from home will want the ability to do so in the future. This sets the stage for a new type of hybrid workforce and employers must be ready to embrace new work needs to attract and retain the right talent. Employers must continue to figure out how remote work fits into their organization and invest in the digital tools needed to foster an environment that's collaborative, inclusive and productive for employees both inside the office or at home.

Make education accessible and collaborative

Educators are struggling to make in-person experiences digitally friendly. Establishing the right set of digital tools that allow for better collaboration, the ability to ask questions and complete hands-on work will be critical for educators looking to provide better learning experiences for students.

Keep the workforce connected

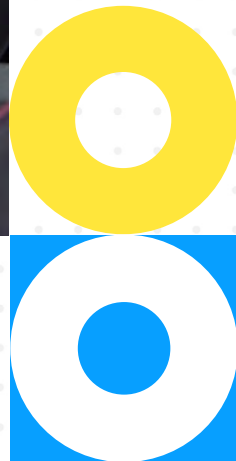
Whether working remotely or on site, workers need a way to communicate with employers in a way that doesn't put company or employee privacy at risk. Strengthen employee portals and mobile applications to help employees keep track of their schedules, report instances of illness, provide training and communicate with leadership. A strong communications platform can also help companies ensure critical messaging reaches employees at the right time, keeping the workforce up-to-date in times of crisis.

Create a workplace experience that makes employees feel safe

With COVID-19 still a concern, employers must reimagine the workplace to focus on health and safety. These precautions could be physical, like installing partitions between desks, ramping up cleaning procedures and leveraging contactless technologies to streamline in-person interactions. It also comes down to people management, like staggered shifts and limiting the amount of people in the workplace until it's safe to increase capacity. Employees must evaluate their physical workspaces and provide an environment that provides this type of experience for both employees and customers.

TRANSPORTATION

Convenient Connection: High Tech and High Touch in Automotive



Key findings

- **A temporary change in routine.** People rely more on personal or solo modes of transportation during the pandemic, but they will not go so far as buying a car if they didn't already have one.
- **Drivers prefer to buy new.** While cost is a major factor in purchasing a car, most consumers remain risk averse and prefer the reliability that comes with a new car.
- **Convenience is king.** Consumers plan to buy cars that align with their lifestyles and values, more so than cars that align with their budgets.
- **Consumers require connectivity.** Drivers of all ages expect the same level of connectivity from their cars as they do from their smartphones.
- **Dealerships retain relationships.** Shoppers prefer to visit dealerships – a big commitment requires a high touch experience.

People will always need to get around, even as remote work and learning become the norm and retailers and restaurants master delivery. Lock-downs and restrictions due to COVID-19 have affected how often and which modes of transportation people take, but in the end, we can expect people to return to the routine method of transport they relied upon pre-pandemic.

And when it comes to their cars, people crave connectedness – within the vehicle itself, to their lifestyle and the world around them – and with their dealers. As technology progresses, people expect their car to do the same. They believe automakers are committed to making greener vehicles. Many people require fuel efficiency in their vehicles and comfort levels with hybrid and electric vehicles continue to grow. Globally, people still prefer to rely on dealers to help them learn about, compare, test and pay for vehicles.

The transportation and automotive industry can foster and deepen relationships with their riders and drivers by demonstrating that they know and understand their customers, integrating online and offline experiences and providing a high level of personal service.

When it comes to their cars, people crave connectedness – within the vehicle itself, to their lifestyle and the world around them – and with their dealers.



People get in their cars or on their feet due to fear of virus exposure

Throughout the pandemic, personal vehicles see the largest increase in use compared with all other modes of transportation. Thirty-nine percent of people report using their cars more, but only seven percent of people who didn't use a car prior to the pandemic have started using a car during. The second most common mode of transportation right now? Walking.

Sixteen percent of people who walked as a mode of transportation before the pandemic report walking more, and an additional 16 percent of people who didn't walk before now do. This trend is seen across all countries surveyed except

Singapore, where 39 percent of people report using public transportation more during the pandemic, with personal vehicles and walking close behind.

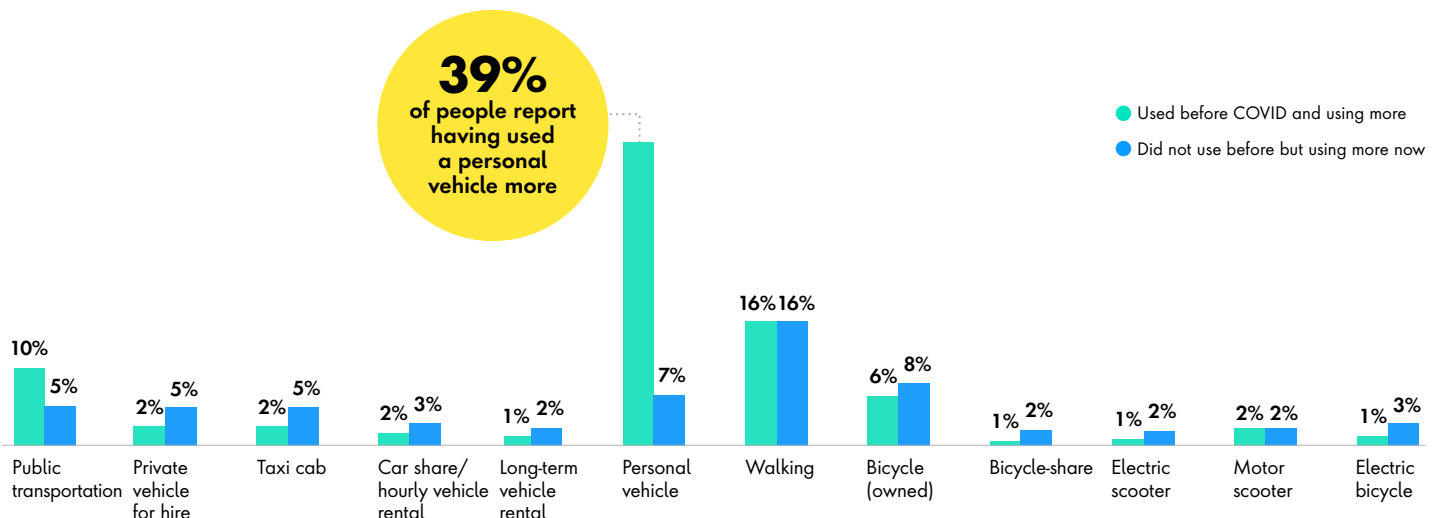
While the use of personal vehicles has increased during the pandemic, the low number of people who report driving as a new form of transportation and the increase in those who are walking signals that people may be holding off on investing in a personal vehicle despite the fear of virus exposure.

Instead, they are likely choosing wait until the pandemic subsides to resume modes of transportation they relied upon previously.

LA Metro aimed to help address the region's most notorious challenge by increasing the relevance and usefulness of public transportation. They wanted to better serve citizens who had higher expectations, and more alternatives, than ever before. Publicis Sapient provided LA Metro with TAPforce, an engagement layer that turns traditional fare cards into digital accounts, giving patrons access to more mobility options like bike share, parking and microtransit more easily. Now, more consumers can traverse the region more efficiently than ever before, and LA Metro is looking to expand rider options even further through more useful and unexpected partnerships.

[Read case study](#)

Increase in use of transportation methods during COVID

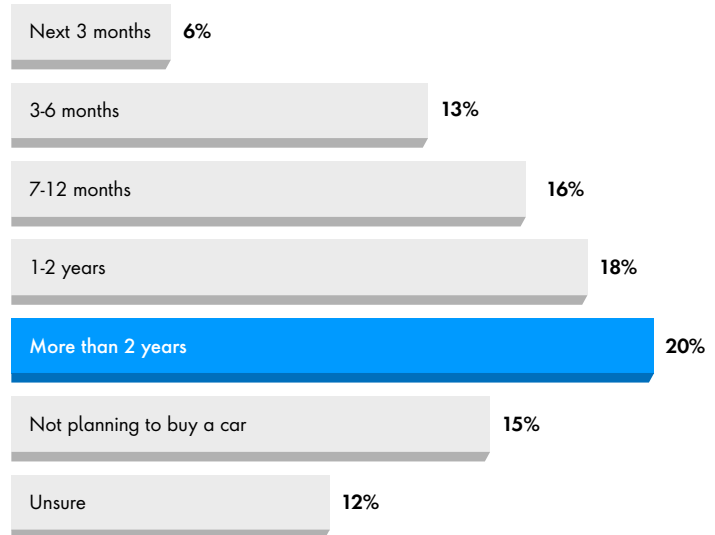


Driving speeds up while buying stays the course

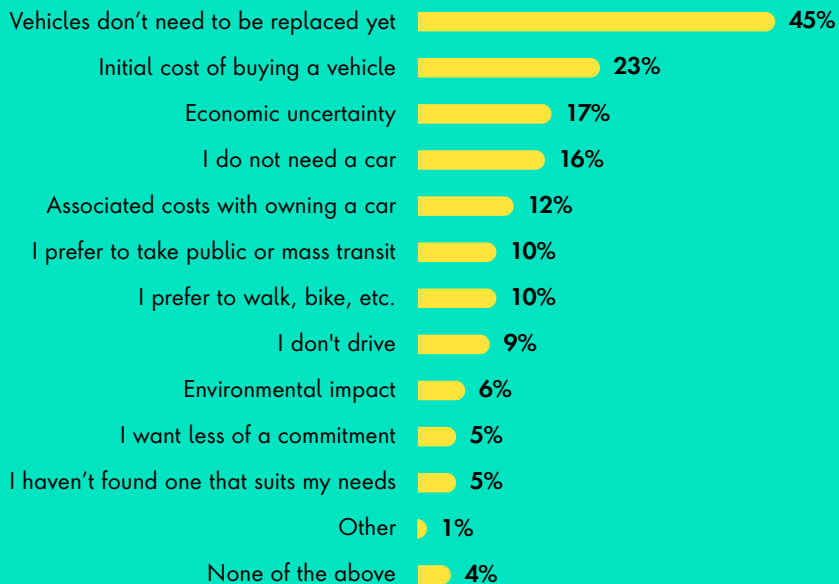
Twenty percent of people say they delayed purchasing a vehicle during the spring of 2020. However, more than half plan to buy a vehicle in the next two years and of those, 34 percent plan to buy a vehicle in the next year. Those in the UAE and Italy are most likely to buy a car in the next two years, while those in Japan are least likely to purchase within that time frame. While there's no doubt COVID-19 has delayed purchasing in many cases, those delays will not be indefinite.

Of the 46 percent of people who don't plan to buy a car in the next few years, most already have new cars or their car doesn't need to be replaced yet. Cost and economic uncertainty are the second most common reasons globally with the exception of Singapore, where 49 percent cite these as their main reasons for not buying a car in the next few years.

Approximately when will you buy or lease a vehicle next?

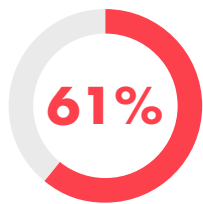


Reasons for not buying a vehicle in the next few years

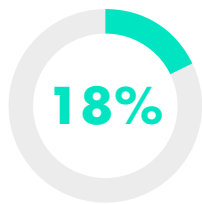


Globally, the majority of respondents who buy a vehicle will purchase new (61 percent). Eighteen percent will buy preowned, 10 percent will lease and the rest are undecided. In the United Arab Emirates (UAE), Singapore, Japan and Italy, more than 70 percent of people plan to buy a new vehicle. With people driving more in the medium term, lease mileage caps may be unwanted obstacles. New cars may also present less risk for the dealer and the driver. Those in France, Germany and the UK are least likely to report wanting to buy new and have more of a desire to lease compared to other countries.

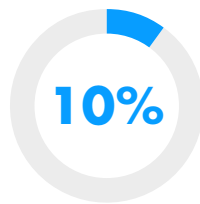
In the U.S., [sales of preowned vehicles have spiked](#) due to demand as people avoid public transportation and ride sharing while remaining cost conscious. However, with an increase in demand and decrease in supply (people have delayed purchasing cars, which in turn has limited trade-ins and lease cancellations), used car prices have reached levels not seen in years. This new interest in preowned vehicles may continue through the pandemic, as long as the cost savings outweighs the risk of unexpected maintenance and virus exposure.



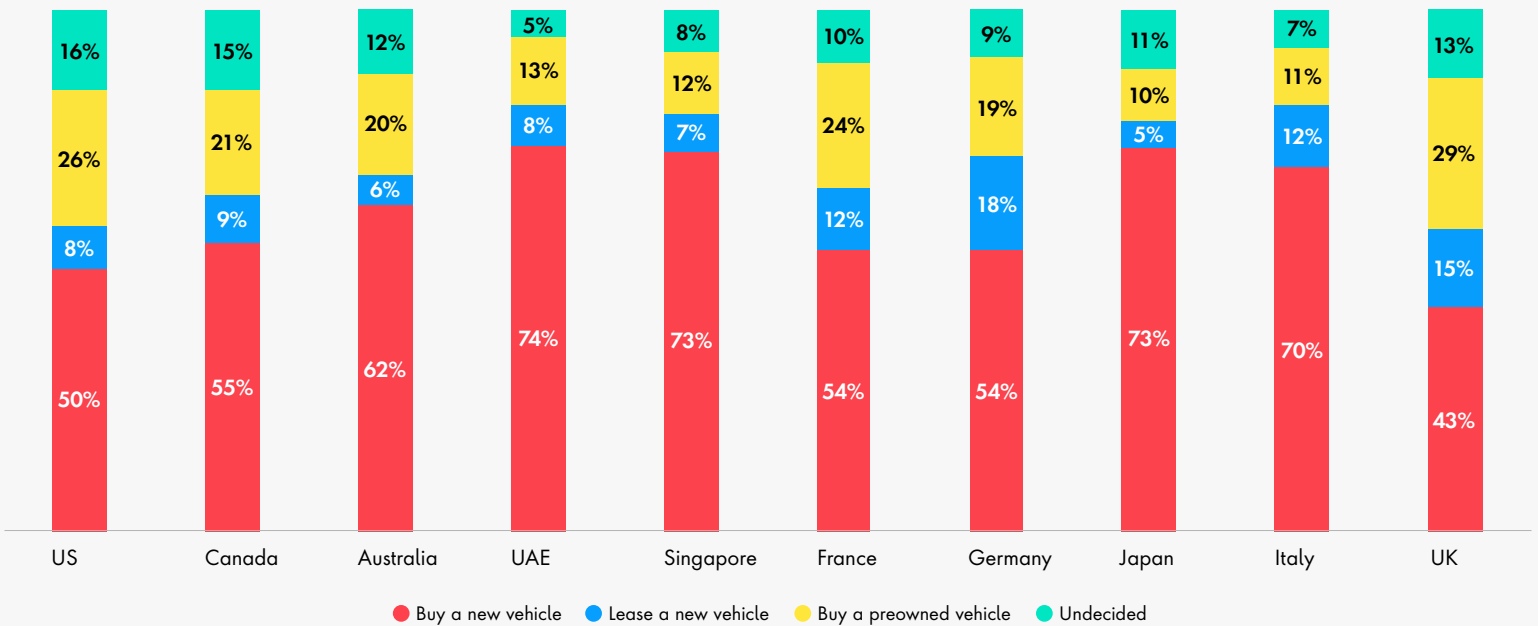
will buy a new vehicle



will buy a preowned vehicle



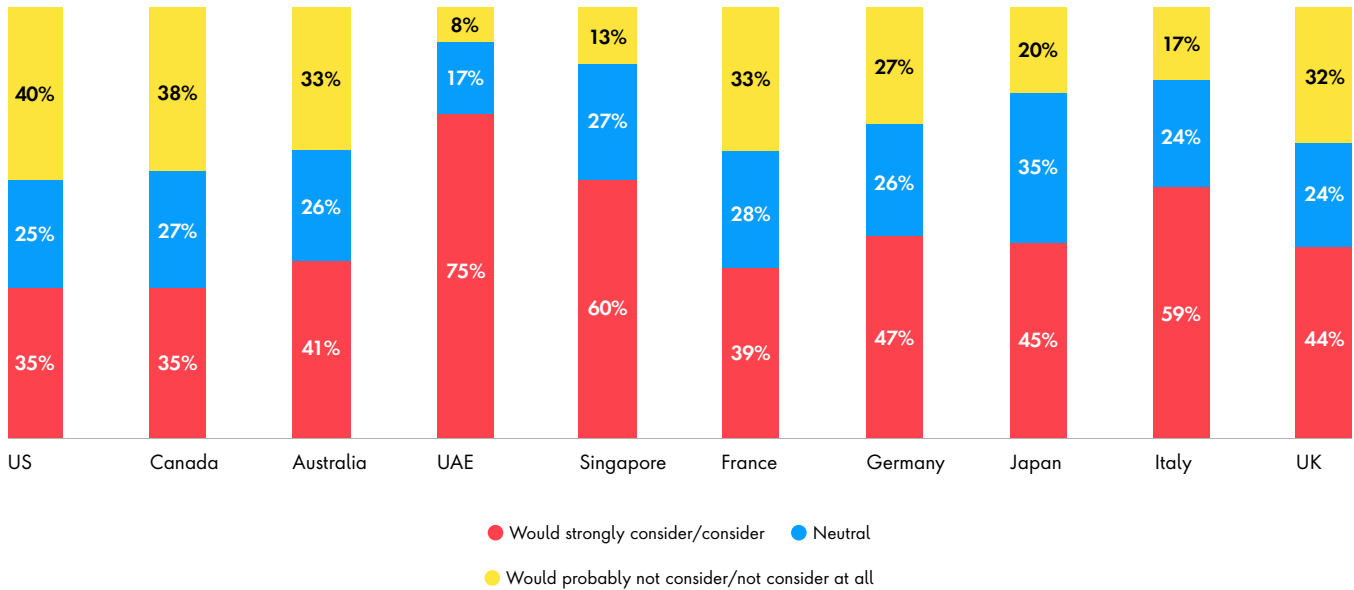
will lease a vehicle



As consumer preferences change and Gen Z enters the car buying market, OEMs are supporting the shift from ownership to usership. Forty-eight percent of people would consider a vehicle subscription program when shopping for a vehicle, whereas only 26 percent would not. Drivers report minimizing total cost of ownership and the ability to

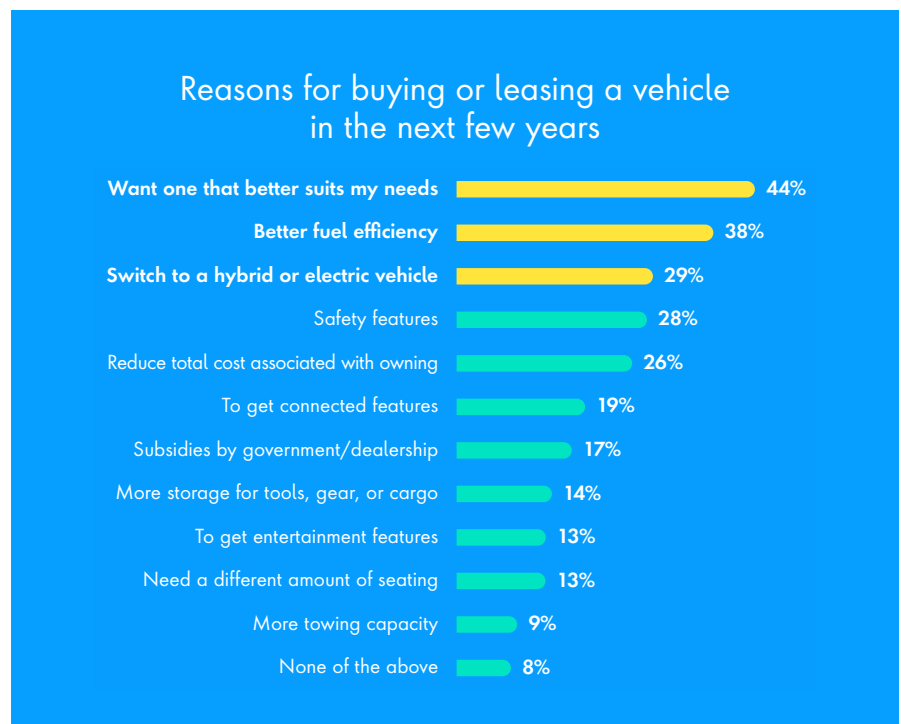
exchange or return cars more frequently as the most appealing aspects of subscription services. The rise of flexible solutions like subscription services requires an optimized, seamless customer experience via the likes of digital tools for sign up, model selection, payment, insurance and even home delivery.

How strongly would you consider a vehicle subscription program when shopping for a vehicle?



A car with values to match

Respondents who plan to buy or lease a vehicle in the next few years want their new car to better match their values. The most common reason for buying is to own a vehicle that better suits their needs or lifestyle, followed by fuel efficiency and the desire to switch to a hybrid or electric vehicle (EV). However, there are some marked differences between countries. Those in the U.S., Australia, the UAE, Singapore and Japan are considerably less likely to buy because they are interested in switching to a hybrid or EV – they care more about a vehicle that suits their needs or lifestyle, has better fuel efficiency and has safety features. On the other hand, Europeans report switching to a hybrid or EV as the top or one of their top reasons for buying a new vehicle.



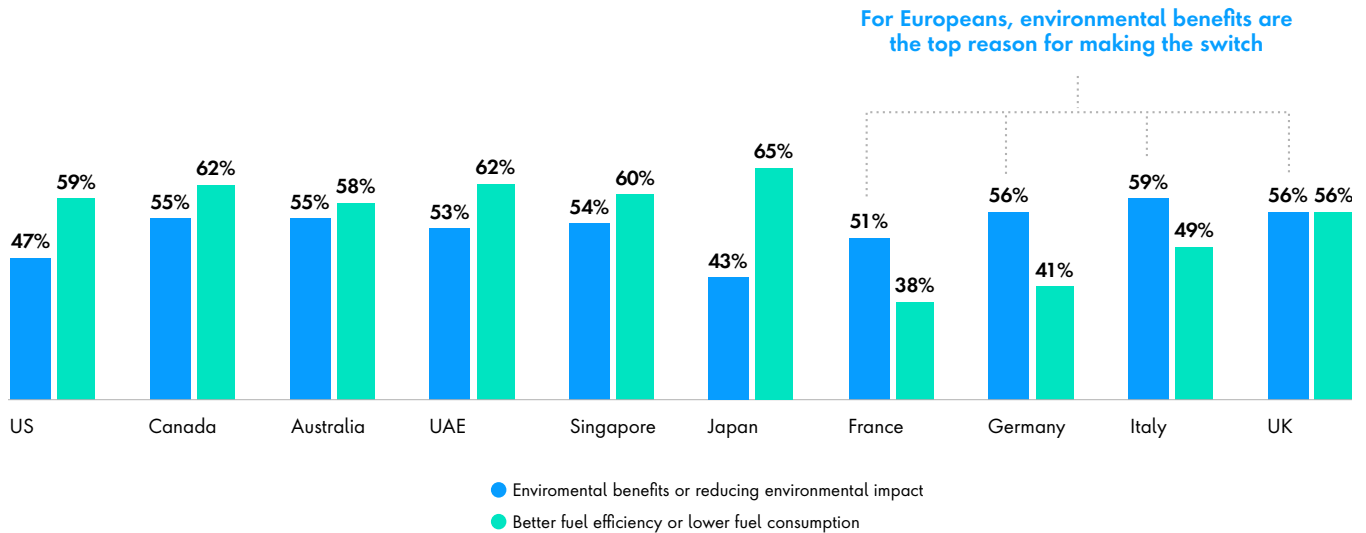
Consumers' continued anxiety around EV cost and battery range

The top two drivers of EV and hybrid vehicle consideration by far are environmental benefits and fuel efficiency. Europeans say that environmental benefits are their top reason for making the switch, while in the rest of the countries surveyed, people report fuel efficiency as their top reason for considering an EV or hybrid.

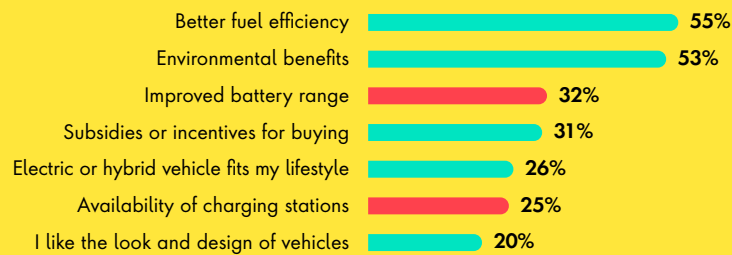
However, cost and range anxiety are the biggest concerns people have when it comes to the purchase of an electric vehicle globally,

followed closely by limited charging stations. At the same time, about a quarter of people cite that increased availability of charging stations and improved battery range are reasons they would consider a hybrid or EV. While there is room to improve in both of these areas, automakers would benefit from providing consumers tools and resources to better understand what EV ownership looks like to make them more comfortable with the switch.

Top two reasons for considering an EV or Hybrid by country



Reasons for considering an EV or hybrid





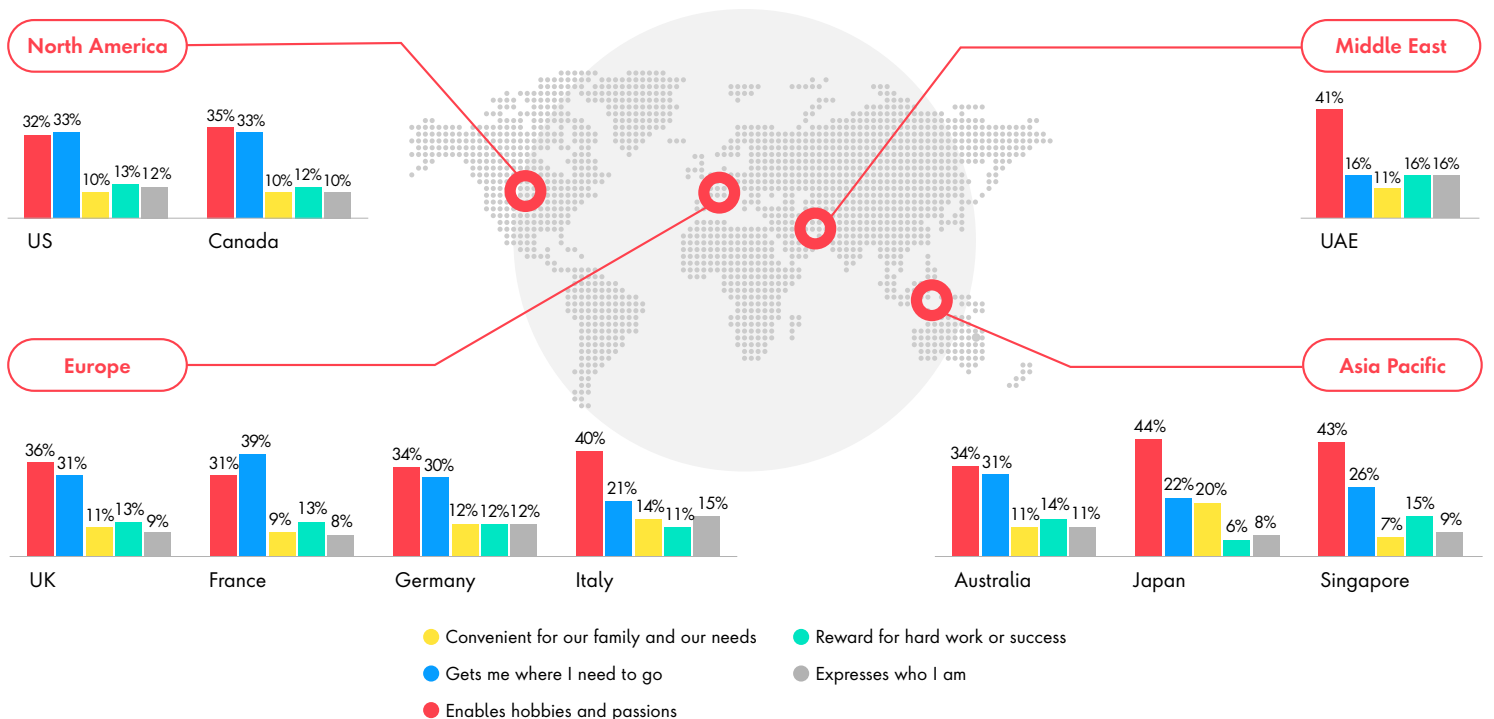
From A to B: Convenience is king for car owners

Sixty-five percent of people view their vehicle in a utilitarian way – as a way to get where they need to go or convenient for their family’s needs. Forty-five percent of people consider their vehicle as part of their lifestyle – as a reward for their success, to enable their hobbies and passions or express who they are. This sentiment appears across the board. Fifty-seven percent of those in the UAE report their vehicle as convenient for their family and their needs and gets them to where they need to go. Seventy percent of those in France report the same, with the rest of countries surveyed falling somewhere in between.

This presents an opportunity for automakers to move vehicle perception from utilitarian (“my car gets me from A to B”) to indispensable (“my car is an extension of me”). According to [Yotpo’s latest poll](#), consumers characterized brand loyalty as repeat purchasing, followed by “love” for the brand and preference despite price. To deepen customer relationships, auto brands must focus on providing the best possible customer experience across digital and physical channels. Younger consumers in particular expect exceptional experiences, but they’re also more likely to remain loyal, make repeat purchases and recommend brands to their friends.

Audi City’s digital showroom allows customers to experience the full range of its product line. Using multi-touch tables, buyers pick the options and color they like, then with a swoop of their hand, throw a life-size image of their Audi onto the showroom wall, which can be rotated and viewed from every angle. Enthusiasts can even peek under the hood and chassis to experience Audi engineering. Connections to backend systems provide price and availability. Audi City resulted in a 70 percent rise in unit sales, of which 90 percent of customers were new to the brand and 65 percent purchased without a test drive.

[Read case study](#)



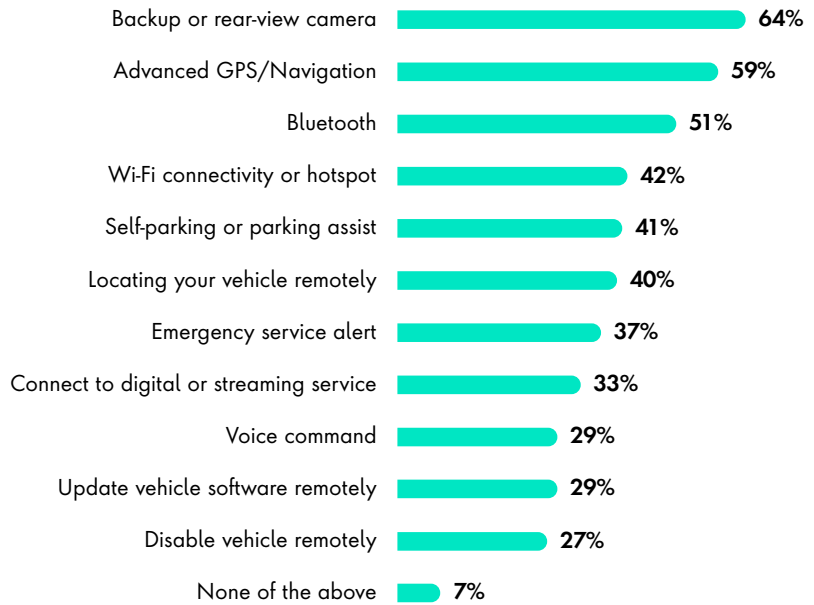
Drivers require connected tech

The vast majority of people want at least one connected feature in their next vehicle, and more than half of people also believe this technology should come standard. Fifty percent of people are willing to pay for it, 20 percent are not and another 30 percent are most likely in the “it depends” camp when it comes to price, value and functionality. Familiar features like backup cameras, navigation and Bluetooth top the list. However, at least 40 percent want features that are less common on base models, such as Wi-Fi, remote vehicle location and self-parking technology. Those in the UAE, Singapore and Italy report requiring the highest number of connected features in their vehicles.

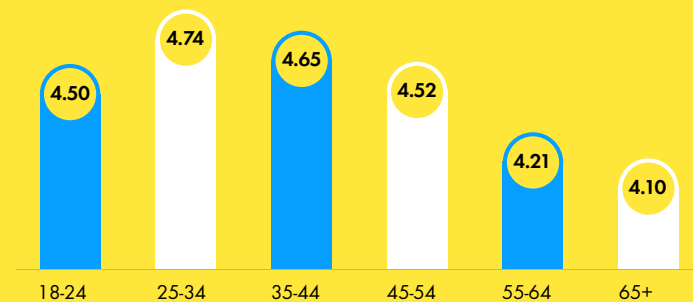
While younger people tend to prefer a slightly longer list of connected features, their older counterparts aren't far behind. This proclivity towards vehicle technology may be due to the popularity of smartphones among all age groups. As people become more comfortable with smartphone technology, they come to expect the same level of connectivity from other products and services as well.

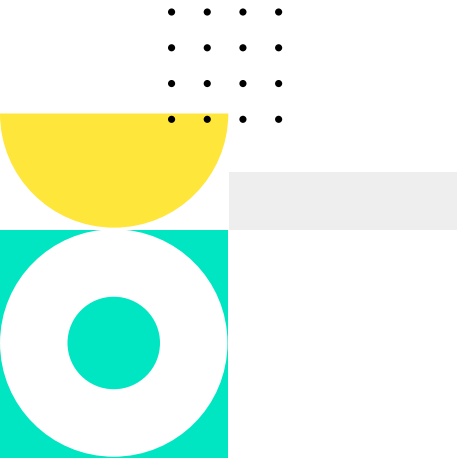
With vehicle connectivity comes a wealth of data for OEMs. With this data, manufacturers can better understand how their cars are behaving and how their cars are used in order to optimize their product, drive efficiencies and provide a better driver experience. Services like predictive maintenance and insurance packages based on driving behavior and patterns can provide more value for customers while forging new revenue streams (and lower risk) for OEMs. But connectivity also means complexity. OEMs will require a single data platform and tools to store, process and analyze that data, and draw insights and make decisions from it.

Connected features important to have in next vehicle



Average number of “must-have” features



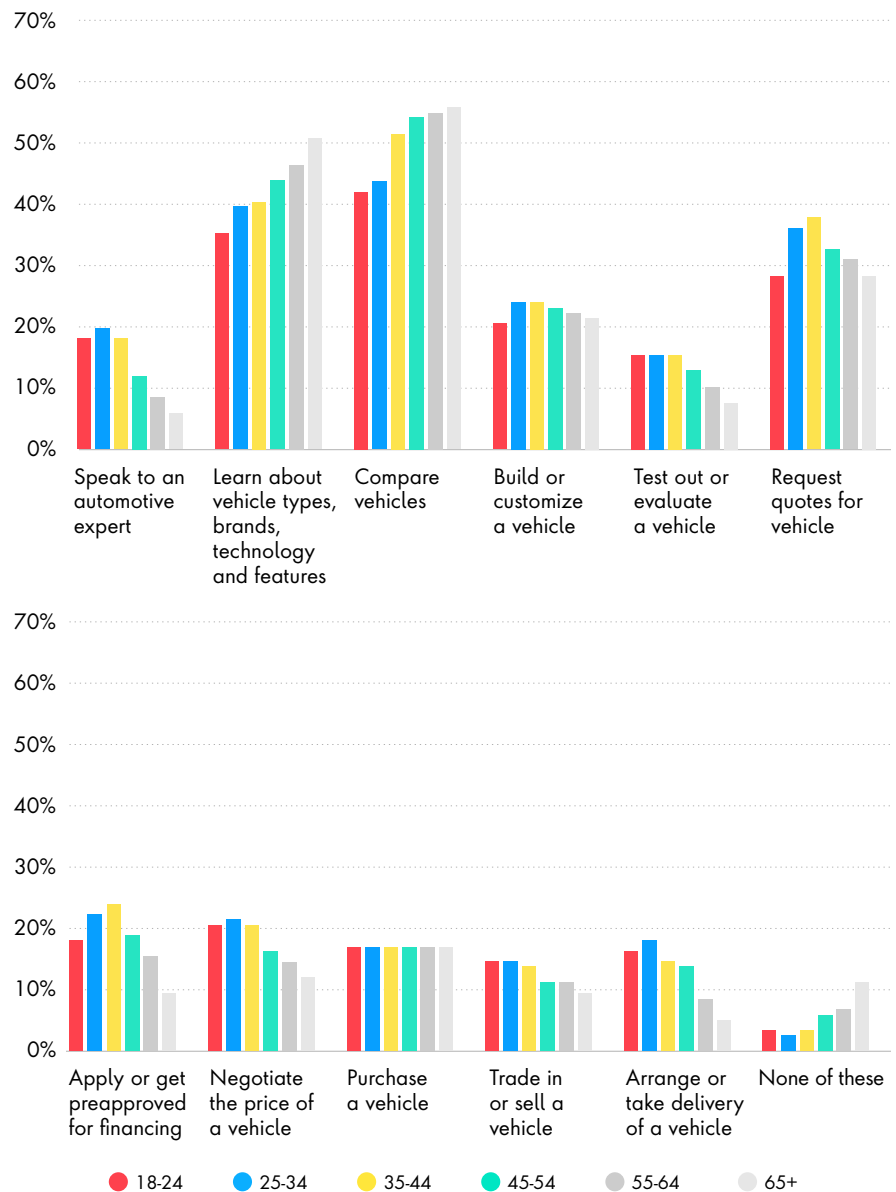


The dealer is here to stay – for now

While many of those surveyed reported doing initial vehicle research online, most people prefer to do the majority of the car buying process at the dealership. When it comes to initial research, globally, about half prefer to compare vehicles and learn about vehicle types, brands, technology and features online.

And in this case, preferences don't vary much by age. In fact, the majority of those between the ages of 18 and 24 prefer carrying out all car buying activities at the dealership, rather than online. Those over the age of 45 are most likely to complete the beginning of the journey online and the rest of the journey at the dealership. And those between the ages of 25 and 44 are most likely to be comfortable dealing with aspects around cost online, like configuring their vehicle, requesting quotes, negotiating price and applying for financing. While the dealership is still preferred for the majority of activities, there is growing comfort with online services due to the [proliferation of e-commerce](#) and brands like Tesla, which allow customers to configure and purchase their vehicles online.

Preference for online activities

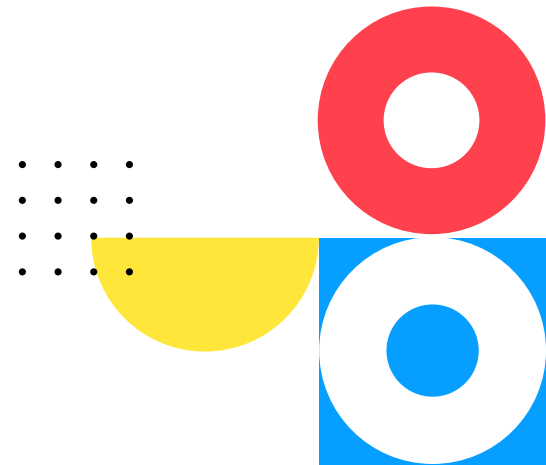


Regionally, those in Italy, Germany, Singapore and the UAE are most likely to report having completed several steps of the buying process online. In the UAE, 32 percent have negotiated price online and another 22 percent have purchased a vehicle online—higher than any other country surveyed. While the dealer is still seen as the preferred point of purchase, those in the UAE and Singapore are more open to purchasing online from the OEM or via an OEM showroom. Globally, 42 percent are willing to purchase online from a dealer, online from the manufacturer, from an online vehicle marketplace or via brand showroom. Twenty-five percent would prefer to purchase from the OEM—either online or by visiting a brand’s showroom.

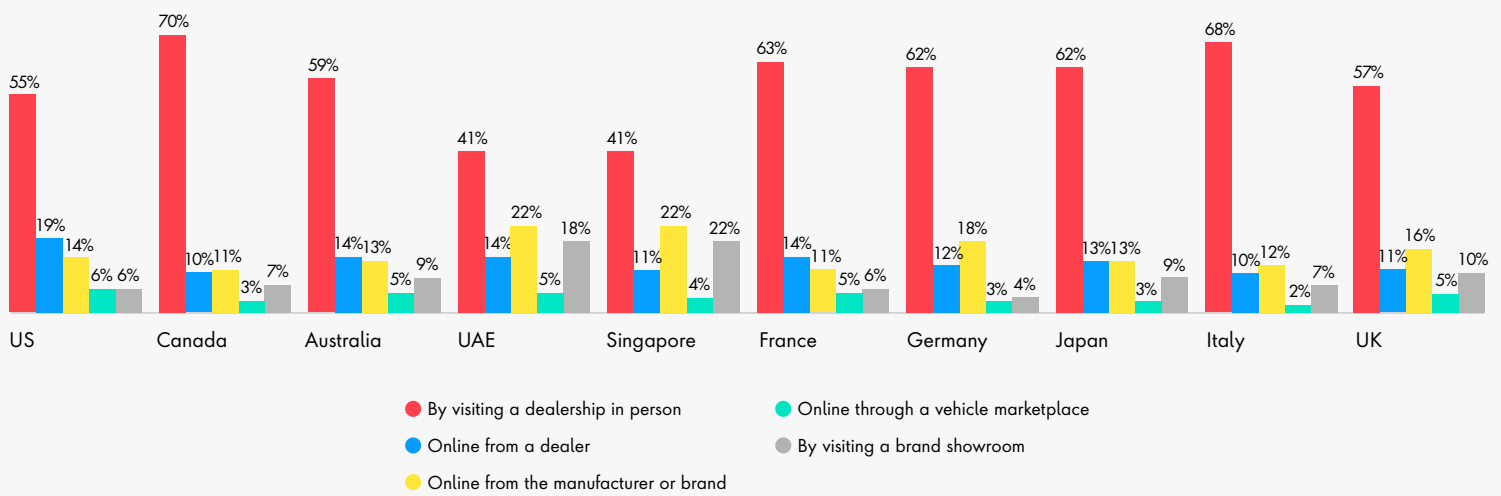
These trends present an opportunity for OEMs and dealers to bridge the gap between the physical and digital experiences they provide. In many cases, data does not flow between OEM, national sales company and dealer.

By breaking down these siloes, these parties can usher those researching online more seamlessly down the sales funnel so by the time they visit in person, the dealer knows the customers’ preferences. As the experience improves and car buyers expect more services to go online, the three tiers of automotive sales and marketing will already be ahead of the game.

Shortening the buyer journey will also allow shoppers to skip the dealer and purchase directly from the OEM. While dealer contracts and traditional distribution models often prevent OEMs from doing so, there are alternate methods of going direct-to-consumer. For example, OEMs can work with dealers to set up a central e-commerce hub that integrates into their own website, or establish second brands (like Volvo’s Polestar or BMW’s i) that aren’t beholden to dealer contracts.



Purchase channel preference by country



The digital life of drivers

2020 has come with major disruption to the way people move about their daily lives. As people shift to different modes of getting around – mass or solo – routines they had pre-pandemic will likely return in the long-term with an emphasis on convenience and lifestyle. Automakers have the opportunity to improve the end-to-end driver experience from pre-sales, sales and aftersales across offline and online channels.

Unify data

As drivers require a high level of service on top of more connectivity, OEMs have the opportunity to gather invaluable data to better serve their needs. One data platform will allow OEMs to gather, understand and make better decisions.

Provide resources on EVs

Consider providing consumers with more education and tools to increase their comfort levels and ease anxieties around cost, battery range and charge points.

Shift perception

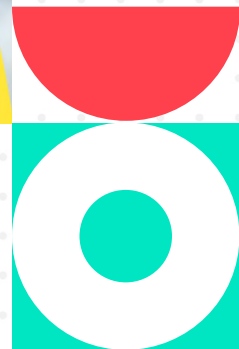
Use data to drive better experiences, build loyalty and shift driver vehicle perception from utilitarian to indispensable. Equip dealers with the tools to provide the highest level of service possible.

Streamline sales

Break down operational and data siloes between OEM, national sales companies and dealers to integrate physical and digital channels. Consider moving more services online to shorten the buyer journey.

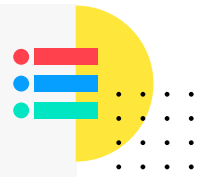
ENERGY

Leading the Charge: The Future Experience of Fuel Retail and Home Energy



Key findings

- **Residents expect digital experiences as they consider energy alternatives.** Consumers are likely to choose energy from green sources if their utility offers them the choice and key data like prices and electricity volumes.
- **Supplier competition heats up.** The market to capture brand loyalty among EV drivers and green energy is heating up, with energy companies and fuel retailers shifting focus to provide new services and personalized experiences to remain competitive.
- **Range anxiety remains a major barrier.** EV buyers need to know they can charge their vehicle at a car park, traditional fuel station or publicly provided charging station.



The pandemic is a reminder of how essential home energy is to domestic life – nobody would like to imagine quarantine life without electricity.

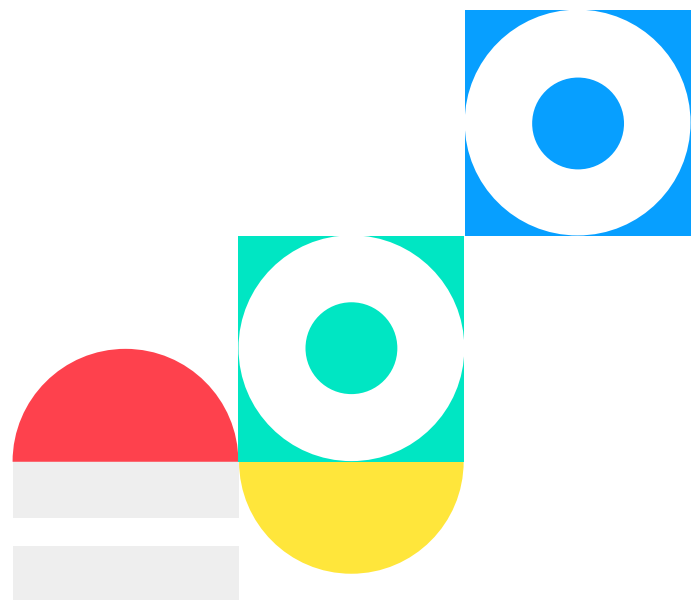
When commercial power users like offices, schools, shops and factories closed due to shutdowns, utilities witnessed how lockdown life affected their electricity supply. Weekday patterns of consumption started to [resemble a quiet Sunday](#). Offsetting the silence that fell across trade and transport was a demand spike in the residential sector.

Home energy usage in the U.S. [increased 22 percent overall since COVID-19](#) and total residential demand is up throughout the day. Mid-day energy consumption increased 35 percent compared to 2019, and the

“duck curve” typically seen in home energy consumption on an average weekday flattened as people shelter in place.

Not only did households use more electricity, consumption patterns shifted noticeably. For example, UK utility National Grid found that [TV pickups made a comeback](#) – the Queen’s address on April 5, 2020 attracted 24 million viewers. This viewing figure affected electricity usage with a 500-600MW pickup at the end of the Queen’s address.

As consumers become central actors in the energy market, they will expect flexibility and new types of services integrated alongside other digital services they receive via apps or online.



Residents choose green power

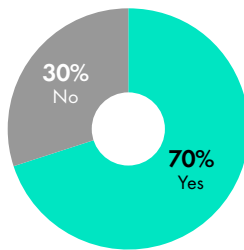
Lockdowns have fired up a significant rise in low-carbon energy. Across all major regions, power usage [has shifted towards renewables](#) due to lower electricity demand, low operating costs and priority access to the grid through regulations.

Our research shows that if a utility offers energy from green sources, 70 percent purchase energy from that program.

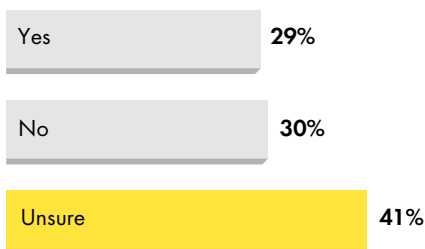
Ongoing favorable weather conditions in Europe over the first six months of 2020 saw renewable generation levels increase substantially compared to 2019. The impact of lockdown measures and this higher renewable production drove demand for non-renewable generation down.

In the U.S., natural gas remains the leading source of electricity and renewables have outpaced the contribution of coal-fired power plants as stay-at-home orders took hold and demand decreased. In May, renewables consolidated their second position after natural gas. In June, as wind generation decreased due to seasonal cycles and as stringency of government response softened, natural gas consolidated its leading position. With progressive release of lockdown measures in China starting in the second half of March, the coal share recovered slightly, while renewables maintained a high share in the mix.

Do you purchase energy from renewable sources from your utility provider?

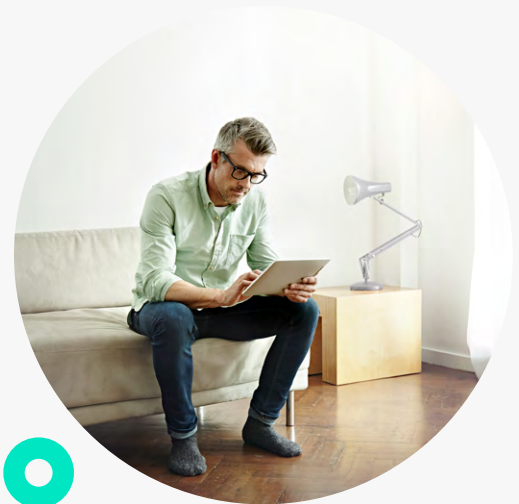


Does your utility provider offer options to buy energy from green sources?



See how British Gas implemented an app that helps its customers transition to a lower carbon future.

[Read case study](#)



See how Uniper re-energized its business model for the future and how energy companies can turn proven business models into resilient revenue streams in the wake of COVID-19.

[Read case study](#)

Electric vehicle demand soars

The demand for electric vehicles (EVs) is increasing exponentially. In Germany, registrations of e-passenger cars increased by 21 percent in May 2020, compared to May 2019. Potential buyers that are on waiting lists for new EV models find that cars are often sold out on the day of release. For example, when Volkswagen unveiled its ID.4 electric SUV in September 2020, it garnered so much interest that the official reservations website in the U.S. [crashed](#).

However, potential EV customers are concerned with keeping their vehicle juiced up for long trips with a still-nascent infrastructure of publicly available charging stations. Urban dwellers without garages and home-charging units are dependent on the availability of charging stations.

While more than 170,000 public charging stations [exist in Europe](#), the U.S. has just over 24,000 charging stations and 78,000 charging outlets. Japan [reports](#) having over 30,000 publicly available chargers.

Preferences on EV charging station locations

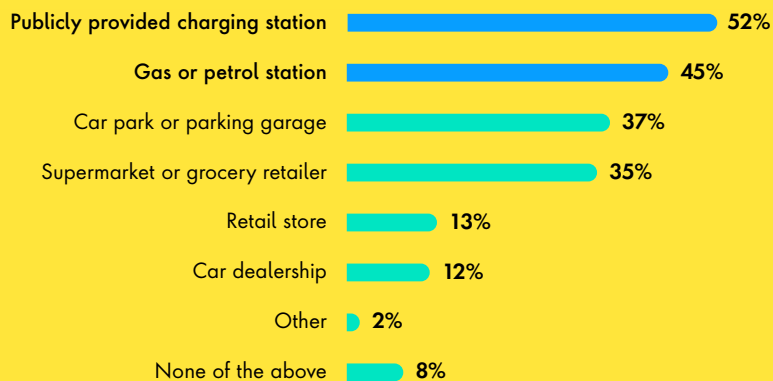
According to our research, more than half of drivers say they would most likely charge a vehicle at a publicly provided charging station while away from home, and 45 percent are likely to charge their EV at a gas or petrol station.

Preferences on EV charging location vary by region. Drivers in the U.S. and United Arab Emirates (UAE) say they would most likely charge at publicly provided charging stations or fuel retailers. The majority of German (50 percent) and French (55 percent) drivers seek publicly available charging stations. In the UK, grocery retailers are a preferred place to charge a vehicle while away from home.



Where would you be most likely to charge a vehicle while away from home?

(Multiple responses)

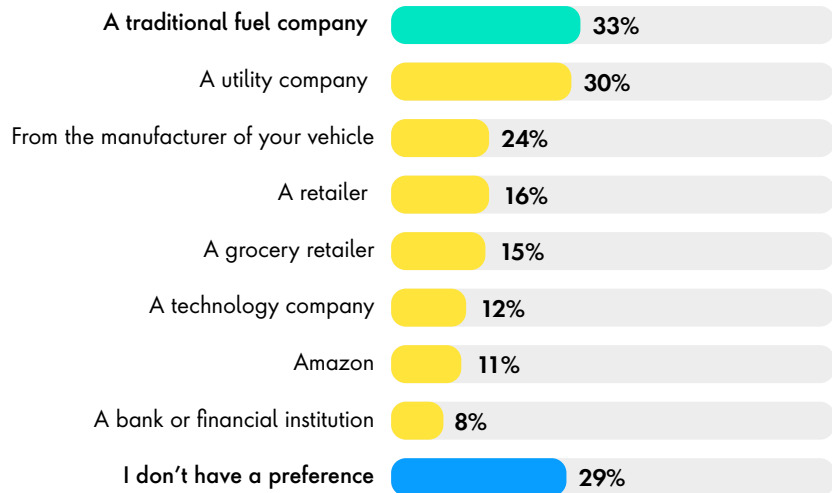


Emerging EV interest sparks competition at the pump

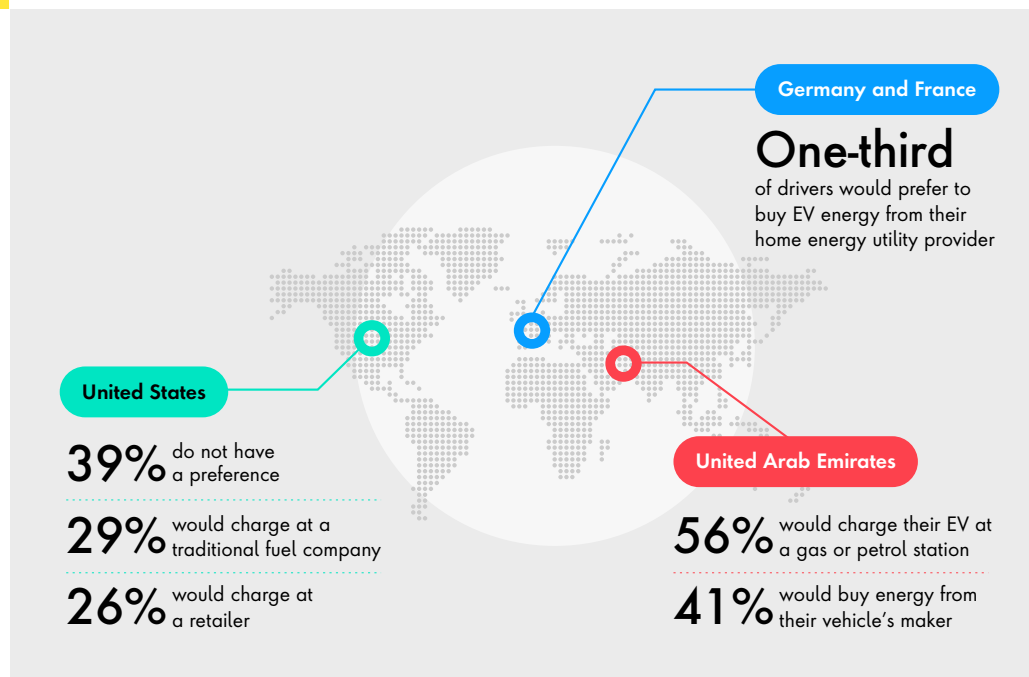
When it comes to suppliers, only a third of customers want to buy energy from a traditional fuel company. This means that competition from suppliers is heating up. Traditionally, companies in the fuel retail business are not dominating, as 29 percent of drivers do not have a preference or brand loyalty.

Other companies that typically don't play in an energy space, like retailers and tech companies, are viable energy providers for EV charging stations. Amazon operates huge fleets of trucks, so it's easy to see how it could become a charging supplier, with customers paying for an EV charge through a Prime account. In fact, our research finds 13 percent of U.S. drivers would buy energy from an Amazon charging station away from home. Of UAE drivers, 18 percent would choose Amazon as an EV charge supplier.

Who would you buy energy from at charging stations away from home?



Preferences for EV charging providers vary by region



Non-fuel purchases at fuel stations

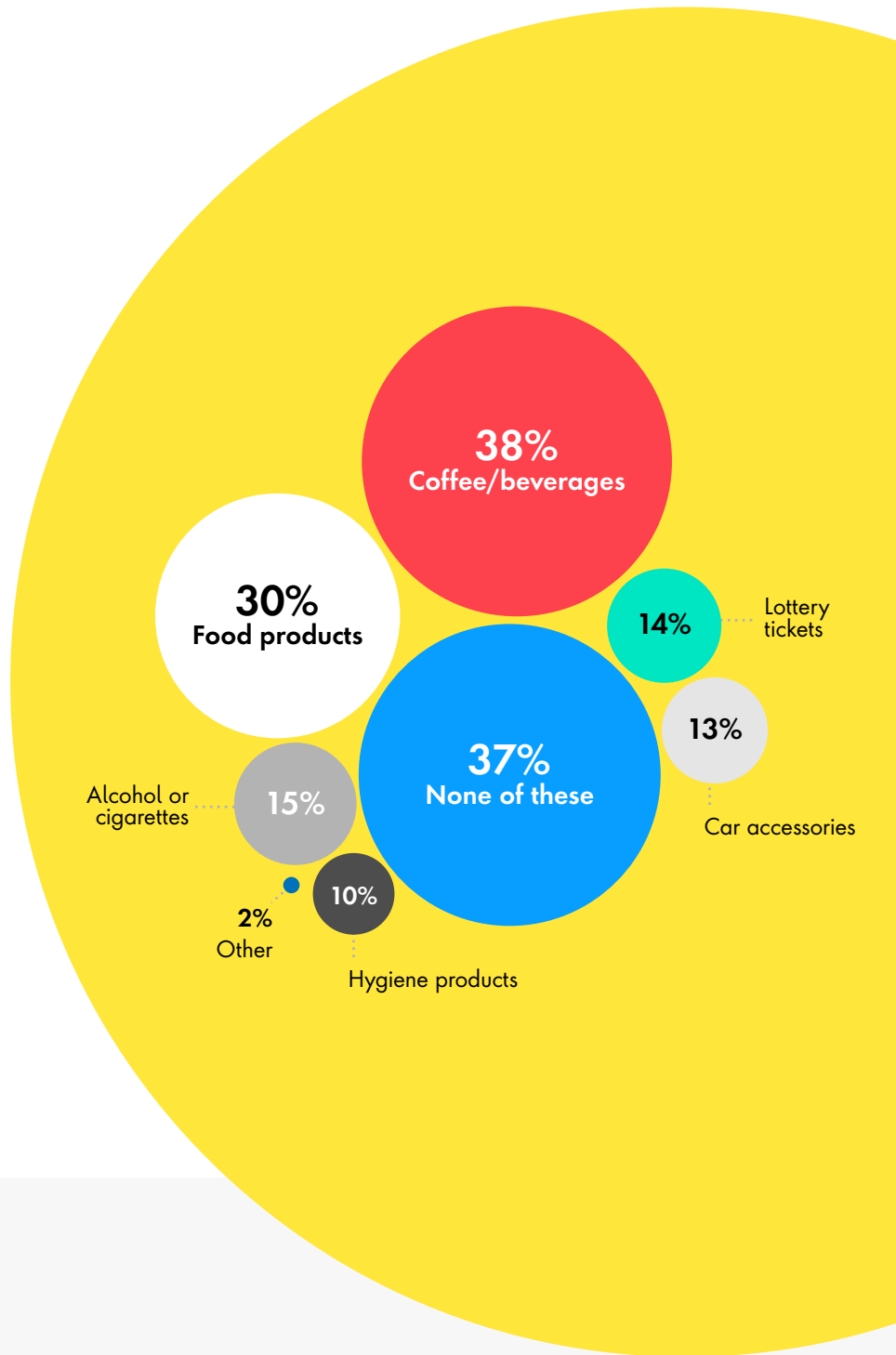
Pandemic shoppers are minimizing trips out of the house by combining tanking up their vehicle with shopping at a fuel station's convenience store.

In fact, during COVID-19, convenience stores in the U.S. saw grocery sales **increase substantially**. To meet customer demands, many are adding cleaning products and ready-to-eat meals or showcasing multi-pack or bulk items. Some brands, such as 7-Eleven, are working with companies like UberEats to offer delivery of convenience store products to customers.



Travel centers like Pilot Flying J are adapting to changing shopping needs by introducing fresh and made-to-order food products and connected digital experiences.

[Read case study](#)



What the fuel station customer wants

Among non-fuel purchases, shoppers are more likely to purchase coffee or other beverages and food at convenience stores. Our research shows that 36 percent of EV owners or those considering buying an EV would like fuel stations or convenience stores to offer charging stations.

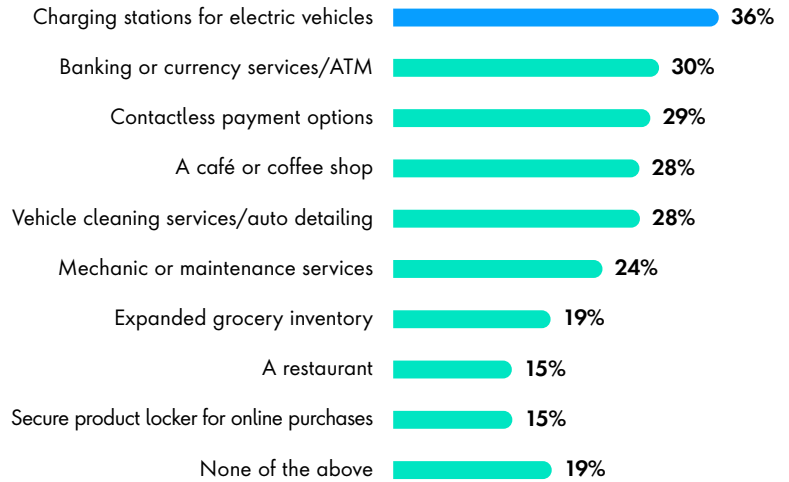
In the U.S., contactless or scan-and-go payment options and charging stations for EVs top the list of services or experiences that people most want a fuel station to provide. Half of shoppers in the UAE are interested in banking or currency services and ATMs at fuel stations.

In France and Germany, most are interested in EV charging facilities. In Italy, 42 percent are interested in coffee shop or café services. In Japan, vehicle cleaning services and auto detailing, banking services and charging stations are the top three services of interest.

This trend indicates that fuel stations with convenience stores are well-placed to expand and diversify their product and service offering to capture the changing needs of customers, particularly drivers with EVs that have longer waiting times when charging their vehicle.

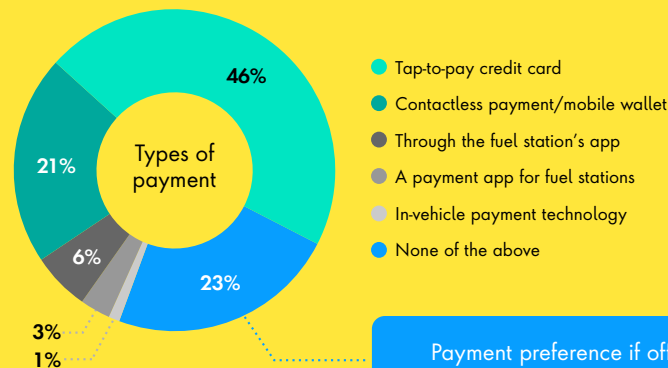
Other products and services wanted at fuel stations or convenience stores

(Multiple responses)

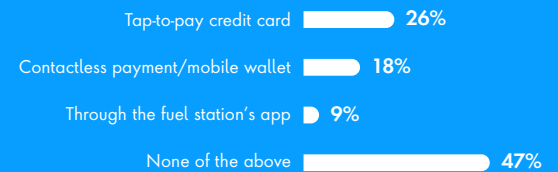


How shoppers pay at fuel stations

Most shoppers report using tap-to-pay cards or contactless payment while visiting a fuel station. However, about 50 percent would still opt for another method of payment.



Payment preference if offered by a fuel retailer



The digital life of energy users

Alternative home energy and EVs are in high demand and potential vehicle owners are open to buying energy from a range of suppliers. To improve experiences, traditional energy companies and fuel stations must work to offer customers personalized, digitally driven experiences when powering their homes, charging their EVs or making a purchase at a retail store.

Make green energy alternatives more accessible

While favorable weather conditions and decreased energy use during lockdowns accelerated low-carbon energy, utilities can make the most of changing conditions and be part of creating a green energy future. Home energy consumers will play a key role in how energy is distributed and used. For energy companies, this means making consumers aware of green energy options that may work best for them and offering digital tools and services to keep them connected.

Consider the role of the charging station

Many potential EV buyers worry about the lack of a robust charging network, either public or privately owned. Traditional fuel retailers can alleviate this barrier by offering charging solutions alongside their existing products and services. Shoppers have less preference for fuel brands, so convenience stores, coffee shops and other businesses have potential to emerge as competitors in the sector by offering charging infrastructure.

Expand products and services beyond the pump

Diversifying products and services can capture consumer demand at the fuel station. With the average EV battery taking 20-30 minutes to charge, companies have a chance to create new experiences while they wait or offer additional services like banking or car maintenance to cater to a new generation of buyers. Fuel sellers can also collaborate with a network of retailers and expand their real estate into coffee shops, co-working spaces or other shopping experiences.



GET IN TOUCH

to discuss how you can apply these learnings to your own digital business initiatives.



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