

DUCKER  CARLISLE

Automotive Direct Online Appointment Booking

Value Proposition Analysis: AutoMotion Book Online

July 2024

Overview

1. Customer Segmentation

- Automotive segments eligible for AutoMotion Book Online integration
- Each segment's total market share

2. Customer Parts / Service Value

- Total population and total value regardless of if they use AutoMotion Book Online

3. AutoMotion Value

- How much value AutoMotion Book Online can provide to a given segment

4. Total Value by Motivation Type

- How much AutoMotion Book Online is worth to a segment

Customer Segmentation



We selected eight of the most popular automotive industry data collection segments to make our analysis

Segment
0-3 Year Old Vehicles
4-7 Year Old Vehicles
8-10 Year-Old Vehicles
11+ Year-Old Vehicles
18-34 Year Old Vehicle Owners
Electric Vehicle Owners
Premium Vehicle Owners
Non-Premium Vehicle Owners

Vehicle Age and Type are some of the most important factors to consider when determining a value of an automobile end-customer

- **OEMs particularly are interested in vehicle age**
- **18-34 is an area of focus for OEM with most competition coming from chains**
- **EVs are becoming more popular in the industry and a particular area of interest for OEMs on how to keep these customers throughout their vehicle lifetime**
- **Premium vs Non-Premium allows for a higher-level view of industry trends for OEMs to see where they fall in compared to their competitor OEMs**

Within each of the eight segments we also ran the analysis for dealers/OEMs, chains, and IRFs

Segment	Dealer	Chain	IRF
0-3 Year Old Vehicles			
4-7 Year Old Vehicles			
8-10 Year-Old Vehicles			
11+ Year-Old Vehicles			
18-34 Year Old Vehicle Owners			
Electric Vehicle Owners			
Premium Vehicle Owners			
Non-Premium Vehicle Owners			

Dealer

- Franchise or authorized dealer that sells specific manufacturer or brand (BMW, Ford, Honda, etc.,)

Chain

- Stores with multiple repair locations across the country (Firestone, Jiffy Lube, etc.,)

Independent Repair Facility (IRF)

- An independent shop that is not affiliated with any franchise nor chain (Mom & pop shop, “Andy’s Auto Shop”, etc.,)

Market share provides a clear view of where a service provider's opportunity for growth is compared to competitors

Segment	Dealer	Chain	IRF
0-3	84%	8%	8%
4-7	64%	12%	24%
8-10	45%	14%	40%
11+	22%	21%	57%
EV Owners	89%	8%	3%
18-34	56%	24%	20%
Premium	69%	12%	18%
Non-Premium	57%	14%	29%

Dealers dominate the younger vehicle, EV owner, and Premium vehicle owner segments but struggle in 11+ vehicles

Chains see the best market share in the younger customer segments and 11+ vehicles, but struggle with 0-3 vehicles and EV owners

IRFs excel the older the vehicle gets, and amongst the non-premium vehicle owners but struggling in the 0-3 vehicles and the EV owners

- **Focus on the light green groups of each segment** The dark green cells are areas where the provider is already strong and may not need help
 - The whiter cells are areas where the provider is structurally weak and AutoMotion Book Online may not be enough to close the gap

Customer Parts / Service Value



Now that we know the market segments, we need to size each segment

Measurements
Dollars per Repair Order (\$/RO)
Repair Orders per Year (RO/Year)
Total Customers per Segment (Customers)
Share of Customers (Share %)
Total Segment Value
Optional: Individual Customer Value

We use our data to calculate the size of each segment, relying on numbers that the industry trusts

Data points used to calculate these values were collected through two internal Ducker Carlisle sources and one external source

NASB 2024

Ducker Carlisle's North American Service Benchmark Data Book collects annual metrics from all participating OEMs. Metrics used to calculate customer value include:

- Customer pay sales per customer pay repair order (\$ / Repair Order)
- Customer Pay Repair Order per Retained UIO (Repair (Repair Order / Year)
- Percent of UIOs with at least 1 customer pay visit (Share %)

CSS 2024

Ducker Carlisle runs an annual Consumer Sentiment Survey. Metrics used from this survey to calculate customer value include:

- Vehicle owner's age
- Primary Service Provider



Experian provides credit card transaction data. Metrics used from this data source to calculate customer value include:

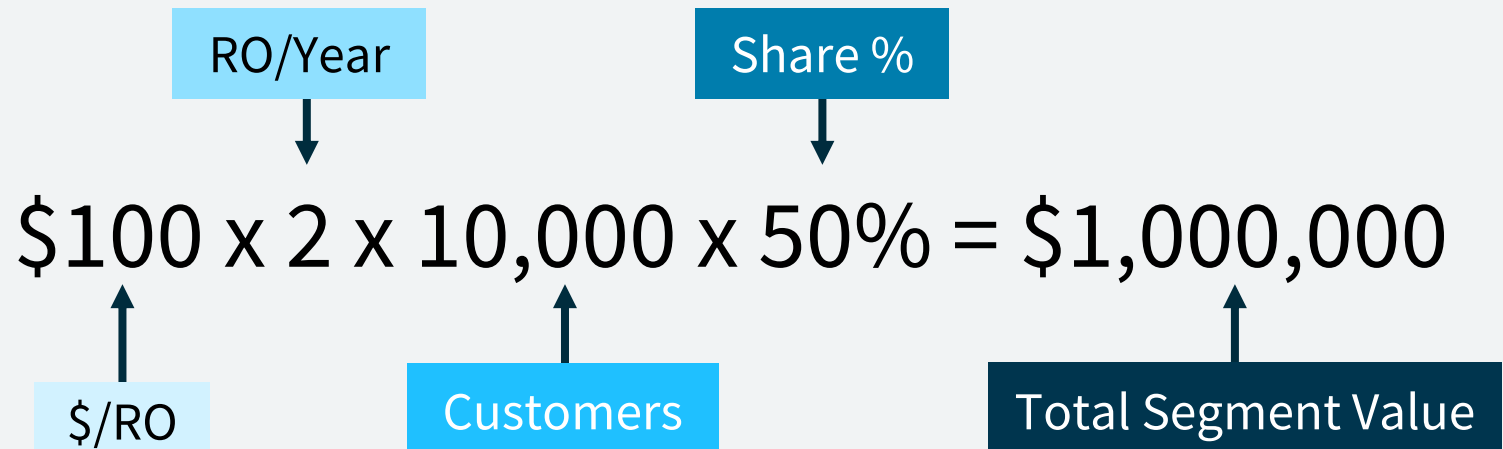
- Number of vehicle types on the road and the age of the said vehicles

We calculate the segment value by multiplying sales (in dollars) with volumes (the customer count)

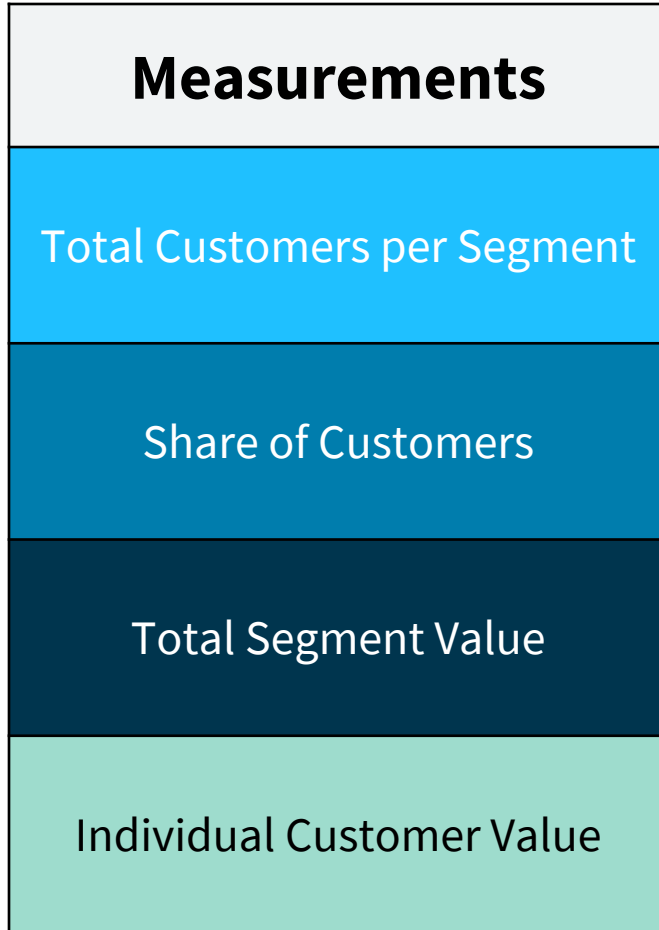
Measurements
Dollars per Repair Order (\$/RO)
Repair Orders per Year (RO/Year)
Total Customers per Segment (Customers)
Share of Customers (Share %)
Total Segment Value

Now that we got the measurements figured out, we first needed to calculate the segment value:

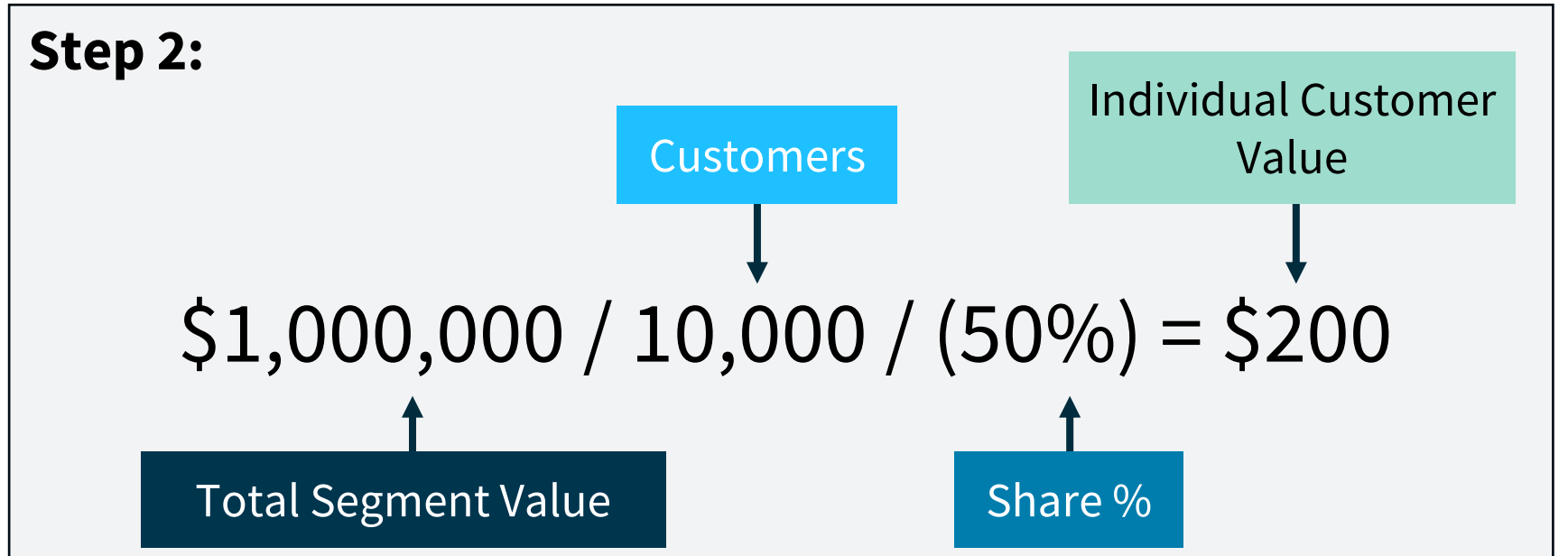
Step 1:



While challenging to communicate to your clients, reversing the calculation shows how much an individual customer is “worth”



And with the entire segment value calculated, we can figure out an individual customer value:



AutoMotion Book Online Value



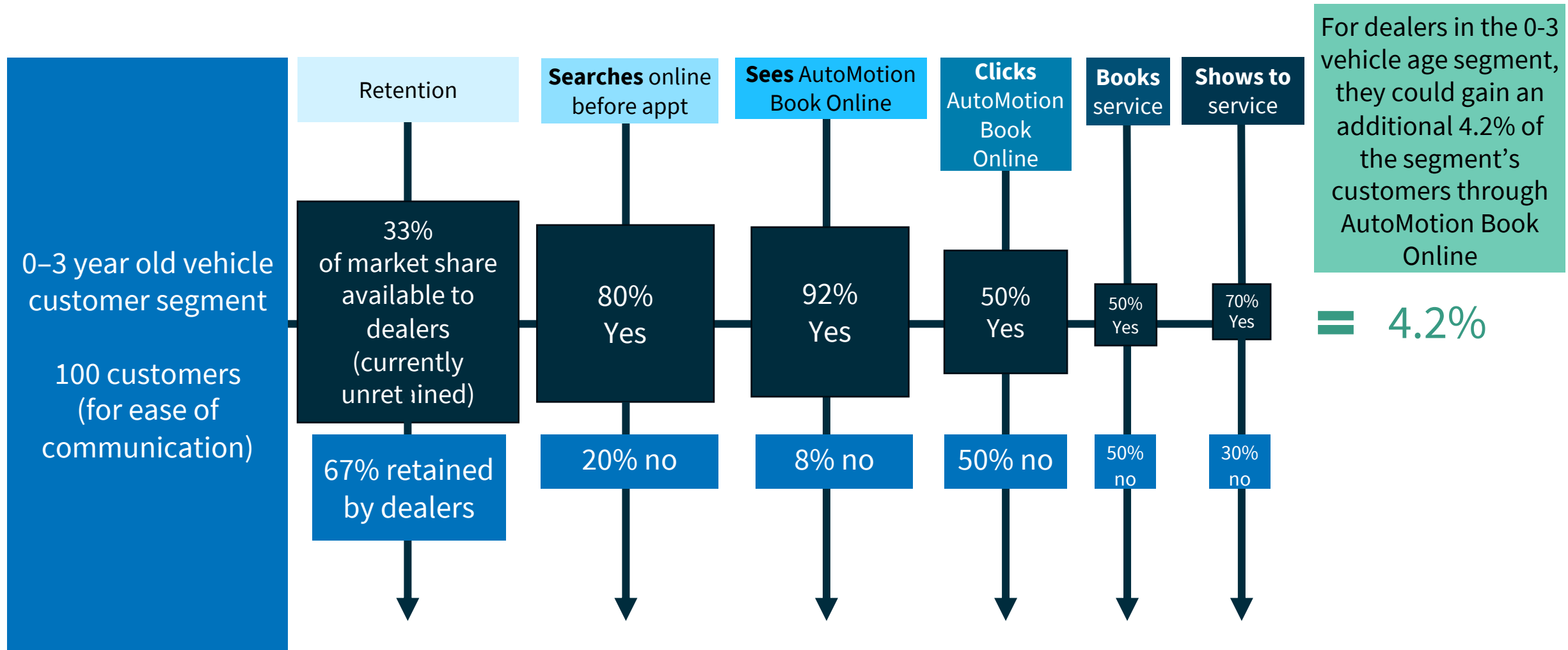
The segment value is only useful if we can assign a value to AutoMotion Book Online – this step delivers that by using probabilities

We have created the segmentation groups, but we have yet to include the value of direct booking into any of these calculations

The first step is to factor in the percent of customers in each segment who will use AutoMotion Book Online to book a service and show up

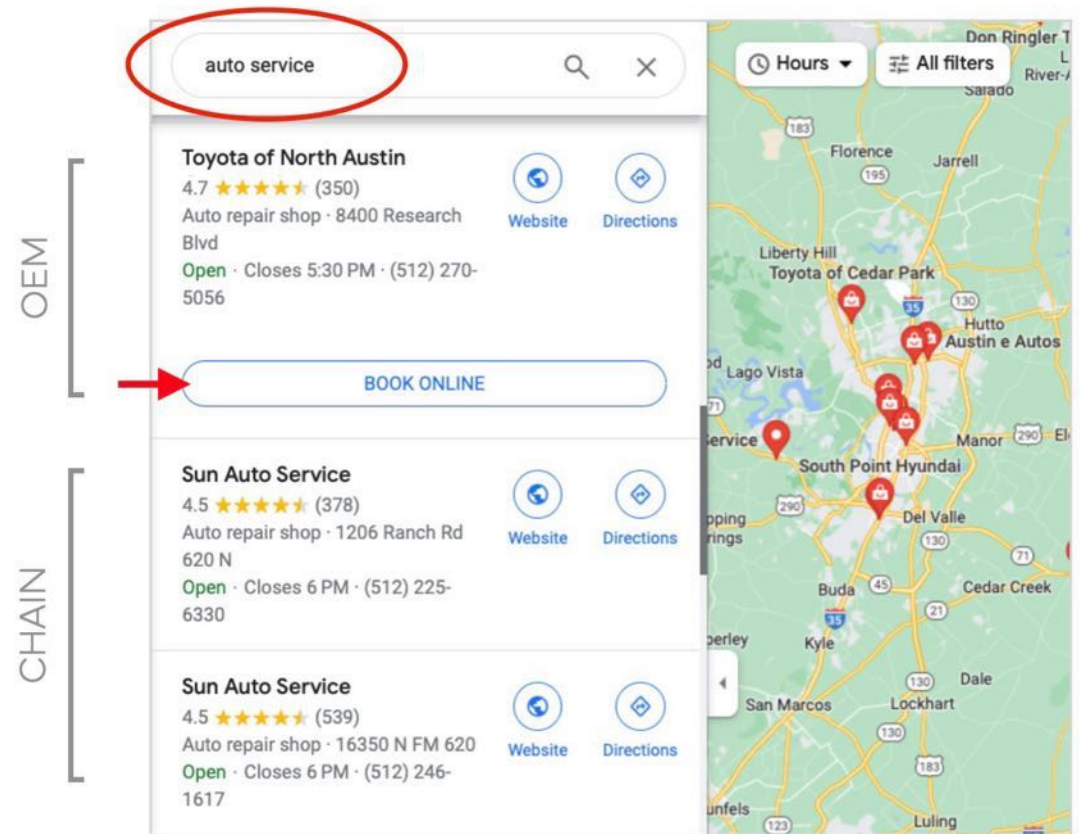
Factors:
Retention in the segment
Likelihood of searching for service before appointment
Likelihood of AutoMotion Book Online to show up
Likelihood of searchers to click AutoMotion Book Online
Likelihood of those who click to book a service
Likelihood of those who book to show up to service
Outcome: Percent of Segment to book and show for a service

In the 0-3 vehicle age segment, the likelihood of customers within a segment to book online and complete service appointment



Through direct booking, OEMs/Dealers have the opportunity of gaining multi billions of dollars in service sales over their competitors

0-3 Year Old Unretained Vehicle Market	OEMs could win these customers over Chains/IRFs	
	Likelihood	Market Share
Retention	-	33%
Searches online before appt	80%	26%
Sees AutoMotion Book Online	92%	24%
Clicks AutoMotion Book Online	50%	12%
Books service	50%	6%
Shows to Service	70%	4.2%
Total Dollars	Dollars won over Chains/IRFs \$4.5 Billion	

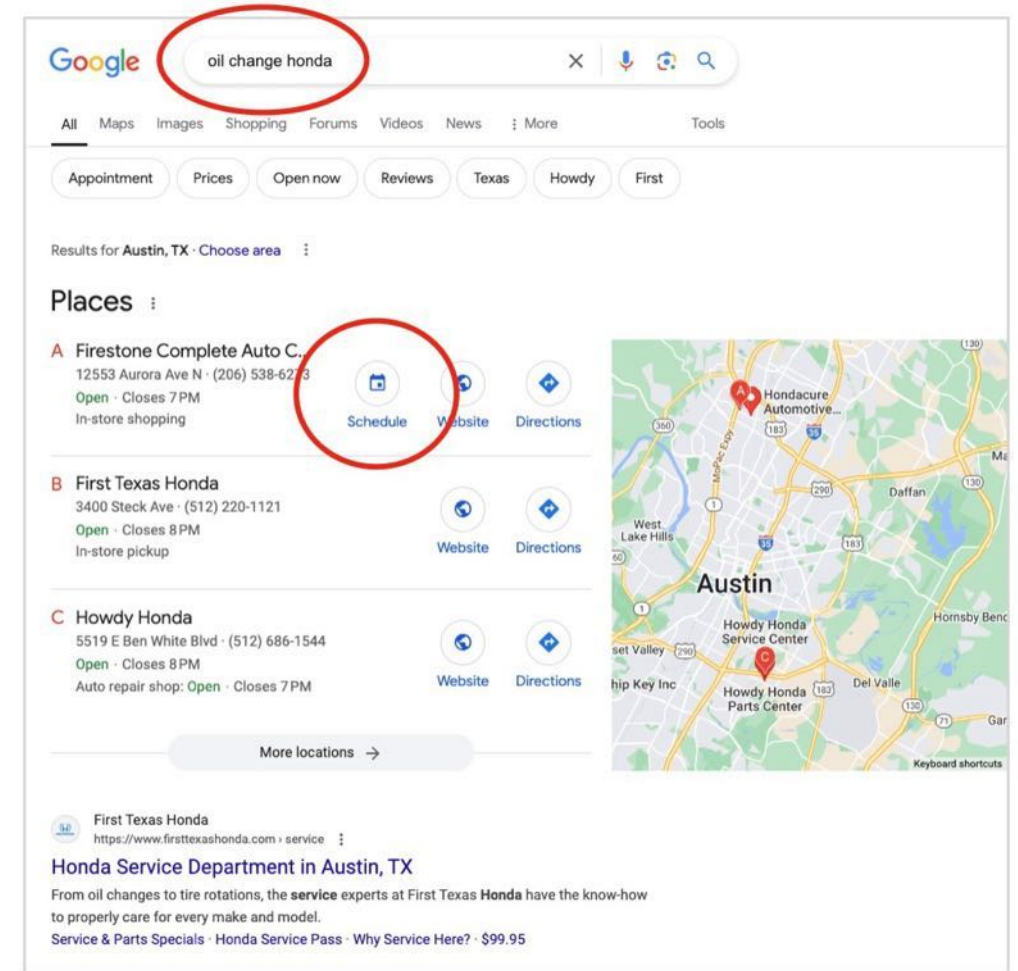


However, by not having a direct booking presence, OEMs/Dealers could lose over \$3B from existing customers to Chains/IRFs

0-3 Year Old Retained Vehicle Market	Chains/IRFs could steal these customers from OEMs	
	Likelihood	Market Share
Retention	-	67%
Searches online before appt	80%	54%
Sees AutoMotion Book Online	92%	49%
Clicks AutoMotion Book Online	30%	15%
Books service	50%	7%
Shows to Service	70%	5.2%
Total Dollars	Dollars lost to Chains/IRFs \$3.3 Billion	

CHAIN

OEM



In the 0-3 year old segment for OEMs/Dealers, the total dollar impact for the retained and unretained vehicle market is \$7.8B

	0-3 Year Old Retained Vehicle Market Chains/IRFs could steal these customers from OEMs		0-3 Year Old Unretained Vehicle Market OEMs could win these customers over Chains/IRFs	
	<u>Likelihood</u>	<u>Market Share</u>	<u>Likelihood</u>	<u>Market Share</u>
Retention	-	67%	-	33%
Searches online before appt	80%	54%	80%	26%
Sees AutoMotion Book Online	92%	49%	92%	24%
Clicks AutoMotion Book Online	30%	15%	50%	12%
Books service	30%	7%	50%	6%
Shows to Service	70%	5.2%	70%	4.2%
Total Dollars	Dollars lost to Chains/IRFs \$3.3 Billion		Dollars won over Chains/IRFs \$4.5 Billion	
Total dollar impact for the 0-3 year old segment: \$7.8B				

This methodology allows us to calculate the “new customer” count, and then apply our market size and sales figures to see AutoMotion’s value

New Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles				
4-7 Year Old Vehicles				
8-10 Year-Old Vehicles				
11+ Year-Old Vehicles				
Electric Vehicle Owners				
18-34 Year Old Vehicle Owners				
Premium Vehicle Owners				
Non-Premium Vehicle Owners				

For each segment, we'll show:

- The % of the segment that AutoMotion Book Online could convert
- The total number of people this represents
- The amount of dollars this generates

A caveat: No single brand could possible obtain all of this money! The next section re-sizes based on a typical OEM/chain/IRF

New Customers: Dealers/OEMs can gain over \$10B in incremental revenue in some segments

New Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	Dealer	4%	2,093,532	\$ 4,530,068,440
4-7 Year Old Vehicles	Dealer	6%	3,828,725	\$15,555,037,234
8-10 Year-Old Vehicles	Dealer	1.3%	545,929	\$1,940,855,284
11+ Year-Old Vehicles	Dealer	0.6%	754,652	\$10,990,302,272
Electric Vehicle Owners	Dealer	9%	278,343	\$2,513,706,248
18-34 Year Old Vehicle Owners	Dealer	12%	1,358,503	\$11,489,820,253
Premium Vehicle Owners	Dealer	9%	3,249,442	\$47,747,191,207
Non-Premium Vehicle Owners	Dealer	3%	7,162,477	\$63,604,571,131

New Customers: Chains can pick up of over \$15B of incremental revenue in certain segments

New Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	Chain	22%	10,781,699	\$6,297,597,852
4-7 Year Old Vehicles	Chain	20%	12,569,944	\$13,785,191,554
8-10 Year-Old Vehicles	Chain	5%	2,132,342	\$2,046,333,275
11+ Year-Old Vehicles	Chain	7%	8,565,529	\$33,672,822,986
Electric Vehicle Owners	Chain	14%	411,383	\$1,002,866,459
18-34 Year Old Vehicle Owners	Chain	14%	1,560,381	\$3,562,426,328
Premium Vehicle Owners	Chain	12%	4,365,090	\$17,313,897,347
Non-Premium Vehicle Owners	Chain	19%	46,105,263	\$110,519,307,584

New Customers: For IRFS, see multi billions of dollars in incremental revenue for multiple segments

New Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	IRF	3%	1,319,887	\$2,039,408,894
4-7 Year Old Vehicles	IRF	2%	1,460,682	\$4,237,553,215
8-10 Year-Old Vehicles	IRF	0.4%	187,290	\$475,459,395
11+ Year-Old Vehicles	IRF	0.2%	301,807	\$3,138,593,289
Electric Vehicle Owners	IRF	0.7%	20,255	\$130,619,925
18-34 Year Old Vehicle Owners	IRF	0.6%	65,021	\$392,687,295
Premium Vehicle Owners	IRF	15%	5,257,093	\$55,160,381,594
Non-Premium Vehicle Owners	IRF	0.5%	1,215,184	\$7,705,658,591

Existing Customers: For dealers/OEMs, we see billions of dollars in incremental revenue can be picked up from existing customer segments

Existing Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	Dealer	3%	1,531,567	\$3,314,065,108
4-7 Year Old Vehicles	Dealer	5%	3,231,435	\$13,128,417,005
8-10 Year-Old Vehicles	Dealer	0.5%	226,685	\$805,897,170
11+ Year-Old Vehicles	Dealer	0.08%	102,517	\$1,493,003,353
Electric Vehicle Owners	Dealer	24%	715,740	\$6,463,816,066
18-34 Year Old Vehicle Owners	Dealer	6%	648,894	\$5,488,154,367
Premium Vehicle Owners	Dealer	9%	3,186,371	\$46,820,428,533
Non-Premium Vehicle Owners	Dealer	2%	4,485,721	\$39,834,315,080

Existing Customers: For Chains, we see billions of dollars in incremental revenue can be picked up from existing customer segments

Existing Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	Chain	7%	3,437,561	\$2,007,881,602
4-7 Year Old Vehicles	Chain	9%	5,504,066	\$6,036,193,291
8-10 Year-Old Vehicles	Chain	7%	2,988,720	\$2,868,168,298
11+ Year-Old Vehicles	Chain	5%	6,630,832	\$26,067,140,559
Electric Vehicle Owners	Chain	4%	132,256	\$322,412,007
18-34 Year Old Vehicle Owners	Chain	15%	1,651,454	\$3,770,350,044
Premium Vehicle Owners	Chain	6%	2,070,723	\$8,213,411,679
Non-Premium Vehicle Owners	Chain	10%	23,473,309	\$56,268,063,762

Existing Customers: IRFs also have opportunity to pick up over \$1B in incremental revenue in certain existing customer segments

Existing Customers				
Segment	Service Provider	Total % of Segment Population who will book and show up	Segment Population (#s) to book and show up to a service	AutoMotion Book Online Value through booking and showing up to a service
0-3 Year Old Vehicles	IRF	0.3%	127,431	\$196,898,242
4-7 Year Old Vehicles	IRF	0.4%	273,388	\$793,120,201
8-10 Year-Old Vehicles	IRF	0.3%	106,304	\$269,865,467
11+ Year-Old Vehicles	IRF	0.2%	241,067	\$2,506,933,078
Electric Vehicle Owners	IRF	0.03%	772	\$4,979,384
18-34 Year Old Vehicle Owners	IRF	0.1%	12,623	\$76,232,748
Premium Vehicle Owners	IRF	3%	1,178,719	\$12,367,783,423
Non-Premium Vehicle Owners	IRF	0.2%	466,815	\$2,960,143,462

Total Values by Segment

New Customers, Retained Customers



The following section provides value examples per level of OEM size and type and Chain size that can be referenced

We have collected all the necessary information to now provide a specific value AutoMotion Book Online will obtain for a segment

First, there are two main aspects that AutoMotion Book Online adds value with:

- 1. Gaining new customers (who were not already previously with the brand)**
- 2. Ensuring existing customers are retained (this is similar to brand awareness and more reliably quantifiable)**

For new customers, we show:

- How many customers can an OEM gain through AutoMotion Book Online?**
- How much extra will they sell to these new customers?**

For existing customers, there's also value – customers may book simply because AutoMotion Book Online makes it easy. This is the brand awareness aspect. We break this down the same way

Small OEMs can gain over \$100MM in incremental revenue in certain segments

Small OEM Example	Population gain of New Customers through booking and showing up to a service	Value gain of New Customers' Value through booking and showing up to a service	Population gain of Existing Customers through booking and showing up to a service	Value gain of Existing Customers through booking and showing up to a service
0-3	45,990	\$99,514,360	33,645	\$27,727,288
4-7	75,022	\$304,792,332	63,318	\$136,239,023
8-10	8,920	\$31,710,507	3,704	\$8,487,767
11+	11,142	\$162,268,407	1,514	\$16,891,671

Medium sized OEMs can see over \$500MM in incremental revenue in multiple sub-segments

Medium OEM Example	Population gain of New Customers through booking and showing up to a service	Value gain of New Customers' Value through booking and showing up to a service	Population gain of Existing Customers through booking and showing up to a service	Value gain of Existing Customers through booking and showing up to a service
0-3	107,983	\$233,658,944	78,998	\$65,103,456
4-7	283,547	\$1,151,973,561	239,313	\$514,920,279
8-10	41,364	\$147,053,509	17,175	\$39,360,956
11+	36,912	\$537,566,217	5,014	\$55,959,085

Large OEMs can pick up over a billion dollars in incremental revenue in certain segments

Large OEM Example	Population gain of New Customers through booking and showing up to a service	Value gain of New Customers' Value through booking and showing up to a service	Population gain of Existing Customers through booking and showing up to a service	Value gain of Existing Customers through booking and showing up to a service
0-3	215,176	\$465,606,779	157,417	\$129,730,153
4-7	504,560	\$2,049,884,649	425,847	\$916,277,259
8-10	79,001	\$280,859,496	32,803	\$75,176,026
11+	125,754	\$1,831,400,080	17,083	\$190,643,440

And looking at a generic premium (or non-premium) OEM we see the real value of AutoMotion Book Online – billions of dollars in extra service sales

Type of OEM	Population gain of New Customers through booking and showing up to a service	Value gain of New Customers' Value through booking and showing up to a service	Population gain of Existing Customers through booking and showing up to a service	Value gain of Existing Customers through booking and showing up to a service
Premium	471,933	\$6,934,575,028	462,773	\$3,423,312,131
Non-Premium	273,771	\$2,431,152,625	171,457	\$883,753,407

Keep in mind, Premium and Non-Premium numbers are large, as we assume the customer will stay in the channel for 10 years

Chains see similar success, with multiple billions of dollars in incremental sales for medium and large chains

Size of Chain	Population gain of New Customers through booking and showing up to a service	Value gain of New Customers' Value through booking and showing up to a service	Population gain of Existing Customers through booking and showing up to a service	Value gain of Existing Customers through booking and showing up to a service
Small	373,687	\$612,415,994	195,621	\$389,735,791
Medium	1,868,435	\$3,062,079,972	978,107	\$1,948,678,955
Large	3,736,871	\$6,124,159,945	1,956,213	\$3,897,357,911



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