

Software Monetization: The Emergence of Vehicle Features On Demand

The Features On Demand (FOD) Study was conducted from December 2022 to January 2023 with over 2,000 respondents who are in-market new vehicle shoppers looking to purchase within the next 2 years. The key study objectives are to gauge consumer awareness, consideration, and sentiment on features on demand.

Target subscriber profile



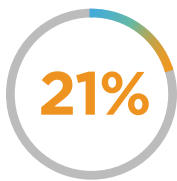
Gender	Likely Male
Median Age	41
Avg HHI	\$95K
Vehicle Pref	Luxury & EVs

Subscription experience: veteran
(Current subscriptions)

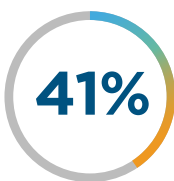


Features on demand are not widely known, but there's sizable interest

Familiarity
(Top Box)



Interest
(Top 2 Box)



Top benefits of features on demand among shoppers

Try out features and turn them off if I don't like/need them (vs. long-term commitment)



Upgrade or downgrade my vehicle as needed



Allows me to access new technology all the time



If upfront vehicle price is lower



If they offer 'free' trial period



Source: 2023 Features On Demand Subscription Research

Pricing and data privacy are top concerns

Too expensive

 **58%**

Not good value

 **41%**

Data security

 **41%**

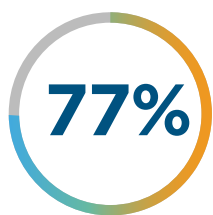
Privacy Issues

 **40%**

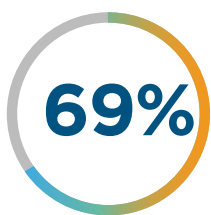
Consumers prefer free trials and tend to be resistant to brands that require features on demand

Impact on OEM perceptions

(% completely/somewhat agree)



Features on demand allow OEMs to make more money



If I was required to subscribe to features on a specific brand, I would not consider buying that brand



If a brand were to offer me a free trial of on demand subscription, I would be more likely to buy from them*



Nearly half would keep their vehicles longer if features on demand are available



Likelihood of purchasing next vehicle from brands that offer features on demand**



Considerers of these brands are more likely to purchase next vehicle that offer features on demand



Jeep

DODGE

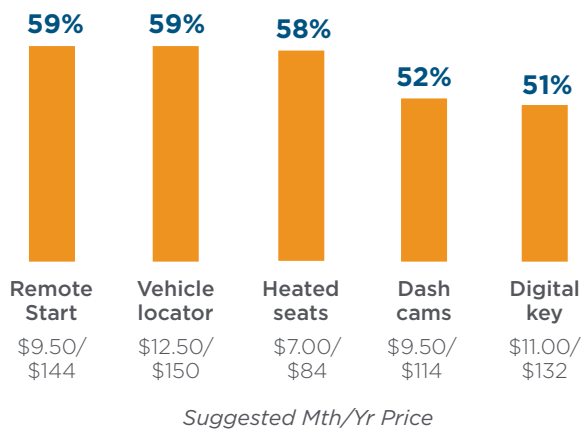


Source: 2023 Features On Demand Subscription Research. *Tesla considerers are more likely to agree with this statement. **Among those highly likely - rated 8-10.

Top 5 features consumers are interested in

(assuming features do not come standard)

Interest in **current** features

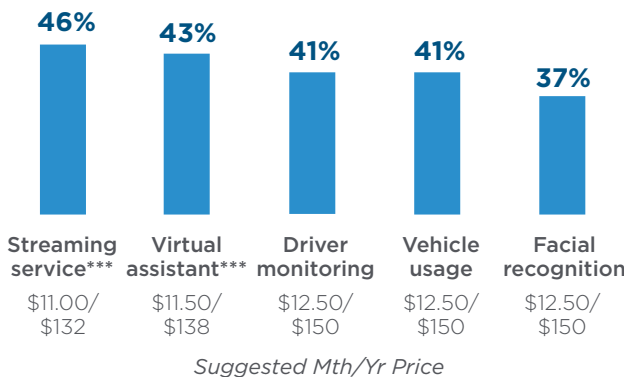


Features with greatest revenue opportunity

(higher price, higher interest)

- Stolen vehicle location recovery system
- Parking assist
- Digital key
- In-vehicle wi-fi

Interest in **future** features



Features with greatest revenue opportunity

(higher price, higher interest)

- Streaming service***
- Virtual assistant
- Driver monitoring system
- Vehicle usage alert
- Self-driving vehicle

Source: 2023 Features On Demand Subscription Research
***In-vehicle

Reach out to your Cox Automotive representative if you would like to learn more about the consumer insights from this research study.