



Unlock success in automotive positioning with Monthly Payments Value Analysis

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Value Analysis is the key to automotive positioning

Value optimisation

Differentiate your products from your competitors and enhance its perceived value

Customer satisfaction

Improve positioning of your product in your relevant market segment in line with customer expectations

Success

Improve performance of your product portfolio by optimising your offer and growing your market share

Continuous improvement

Regularly evaluate and improve your product offering. Analyse value of each component and deliver vehicles in line with evolving customer needs and market trends

But it needs a new approach

Traditional Value Analysis uses the **vehicle list price** as the **base...**

However, as consumers are moving to evaluating purchases on a **monthly instalment** value, this needs to change

€32,000 €350/PM



Redefining the “value” in Value Analysis

JATO’s Value Analysis process has been embedded across our global automotive customers since the 1980s

The fundamental principals of the process remain true today

Now, it’s time for JATO to introduce the next generation of analysis...



Monthly Payments Value Analysis

A three step process

each building on the calculations of the last

1

Visual price analysis

Comparing the overall price (total contract cost)

2

Specification adjusted analysis

Adjusting the values for product and service differentiators

3

Market incentives and subsidies

Comparing contributions captured as part of finance offer



Using the above framework provides complete analysis of the competitive position of your product

1 Visual Price Analysis

Total Contract Cost is the foundation for any comparison.

It is the total cost an end-user will pay over their contract period

This is calculated as:

- + deposit
- + first instalment
- + monthly payment fee x # of instalments
- + additional fees

	Benchmark	Competitor 1	Competitor 2	Competitor 3
Currency	EURO	EURO	EURO	EURO
regular monthly instalment amount – MSRP	315.28	349.79	294.35	387.71
Differences		34.51	-20.93	72.43
Regular Monthly Instalment Index	0.00%	10.95%	-6.64%	22.97%
Product description		Additional fees refer to, Application fees - one payment at the start of the contract	Additional fees refer to, Application fees - one payment at the start of the contract	Additional fees refer to, Application fees - one payment at the start of the contract
Deposit - MSRP	2,805.00	3,260.00	3,055.00	3,210.00
First monthly instalment amount - MSRP		411.63		451.75
Monthly payment type	contract purchase	contract purchase	contract purchase	contract purchase
Contract duration (months)	36	36	36	36
# of monthly instalments	35	35	35	35
Yearly mileage (Km)	10000	10000	10000	10000
Total contract mileage (Km)	29167	30000	30000	30000
Interest rate	7.39	9.66	9.37	8.83
Rate type	APR	APR	APR	APR
Final payment (% of price)	49.70	54.95	61.89	52.90
Additional fees – MSRP	395.00	395.00	395.00	395.00
Insurance	no	no	no	no
Total operation packs amount				
Total Contract Cost	14,234.80	16,309.28	13,752.25	17,626.60
Differences		2,074.48	-482.55	3,391.80
Total Contract Cost Index	0.00%	14.57%	-3.39%	23.83%

Note: this graphic is a visual interpretation of a value analysis example in JATO V5.5

2

Specification (and Service) Adjusted Analysis

The next step is adjusting the value for product and service differentiators

Monthly Payments Value Analysis allows for inclusion of the finance elements incurred by the end user

! In this example we can see key parameters of the standard Value Analysis process

	Benchmark	Competitor 1	Competitor 2	Competitor 3
Product value	12,156.19	17,251.19	16,291.19	10,266.19
Differences		5,095.00	4,135.00	-1,890.00
Comfort	3,886.19	4,461.19	4,326.19	3,916.19
Connected Car	60.00	60.00	150.00	60.00
Design	2,320.00	4,795.00	4,235.00	2,435.00
Dynamics	650.00	650.00	2,355.00	650.00
Infotainment	290.00	900.00	240.00	400.00
Safety	4,950.00	6,385.00	4,985.00	2,805.00
Others				
Insurance value	0.00	0.00	0.00	0.00
Yearly insurance coefficient	4.00%	4.00%	4.00%	4.00%
Total operation packs amount	0.00	0.00	0.00	0.00
Total Product and service value	12,156.19	17,251.19	16,291.19	10,266.19
Differences		5,095.00	4,135.00	-1,890.00
Product adjusted Total Contract Cost	14,234.80	21,404.28	17,887.25	15,736.60
Differences		7,169.48	3,652.45	1,501.80
Product adjusted Total Contract Cost Index	0.00%	50.37%	25.66%	10.55%

Note: this graphic is a visual interpretation of a value analysis example in JATO V5.5

3

Market Incentives and Subsidies Analysis

The final step is the review of the analysis based on available offers and contributions captured as part of finance

In this example we can see the impact of **finance related incentives**:

- Public Incentives
- Manufacturer subsidies

This provides the customer with a **complementary analysis** to position the vehicle version being reviewed

	Benchmark	Competitor 1	Competitor 2	Competitor 3
Incentives ATL Total	4,000.00	3,500.00	2,950.00	3,669.00
Differences		-500.00	-1,050.00	-331.00
OEM discount – MSRP	4,000.00	3,500.00	2,950.00	3,669.00
Downpayment allowance – MSRP				
Government contribution – MSRP				
Mandatory dealer contribution – MSRP				
Subventions Total	1,665.71	1,668.83	1,570.43	1,763.30
Differences		3.12	-95.28	97.59
Interest Rate support	347.36	55.13	76.53	190.40
Market reference	10.00%	10.00%	10.00%	10.00%
Residual Value support	1,318.35	1,613.70	1,493.90	1,572.90
Market reference	45.00%	50.00%	57.00%	48.00%
Incentives & Support Total	5,665.71	5,168.83	4,520.43	5,432.30
Differences		-496.88	-1,145.28	-233.41
Incentives & Support Index	0.00%	-8.77%	-20.21%	-4.12%

Note: this graphic is a visual interpretation of a value analysis example in JATO V5.5

Why JATO?

Trusted approach

Known and trusted approach to benchmarking for almost three decades

Bridging the gap

Combining retail and monthly finance analysis across multiple datasets seamlessly

Greater market visibility

Full analysis of public, dealer and finance offer incentives in one simple process



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