



## **LUV Solar Powered Light Utility Vehicle Consumer Tested December, 2020**

To balance reduction of risk and demonstration of opportunity, VOCAL evaluates concepts in a competitive context to demonstrate market traction - short of asking for a down payment. The measure is percent who are Acceptors, defined as those who after careful consideration prefer and will likely substitute the idea for their present solution in the market space, and express willingness to pay the proposed price. Methodology and Norms are attached.

Tested Unpriced and Priced with all-inclusive \$109 monthly subscription fee including private vehicle.

### **PROJECTION:**

**1.4 - 1.5 Million Potential Buyers U.S. National  
Priced at \$109/Mo. Subscription**

**Key Segment: Age 25-42, HHI \$100,000 Plus**

Following find Linescale Acceptor Scores, Quotient scores representing potential high (Q1 Max) and median (Q2 Med) shares of target markets with and without price adjustments

<b>Sample/Market Segment</b> <b>U.S. National</b>	<b>Acceptors</b>	<b>Q1 Max</b>	<b>Q2 Med</b>
<b>TEST 1 - Identify Target</b>			
<b>Gen Pop, Unpriced n=512</b>	37%	<b>32%</b>	<b>22%</b>
<b>Target 1, 25-52, \$75k+, Unpriced n=145</b>	56%	<b>51%</b>	<b>41%</b>
<b>TEST 2 - Evaluate Target</b>			
<b>Target 1, 25-42, \$75k+, With Price n=460</b>	43%	<b>38%</b>	<b>28%</b>
<b>Target 2, 25-42, \$100k+ With Price n=332</b>	47%	<b>42%</b>	<b>32%</b>
<b>Analysis</b>			
After further price deliberation with Van Westendorp Quantitative Established Price Point... Sample/Market Segment U.S. National Concept Price \$109/mo.*	<b>PRICE ADJUSTMENT</b> (% Acceptors Willing to Pay \$109/mo.)	<b>Q1 Max Price Adjusted</b>	<b>Q2 Med Price Adjusted</b>
<b>Target 1, 25-42, \$75k+, With Price</b> 12.6MM U.S. population	35% of Acceptors	<b>38%<math>\times</math>35%= 13%</b>	<b>28%<math>\times</math>.35%= 10%</b>
<b>Target 2, 25-42, \$100k+ With Price</b> 9.5MM U.S. population	38% of Acceptors	<b>42%<math>\times</math>38%= 16%</b>	<b>32%<math>\times</math>38%= 15%</b>
		<b>X pop</b>	<b>X pop</b>
<b>Target 1, 25-42, \$75k+, With Price</b> 12.6MM U.S. population		<b>1.6mm</b>	<b>1.25mm</b>
<b>Target 2, 25-42, \$100k+ With Price</b> 9.5MM U.S. population		<b>1.5mm</b>	<b>1.4mm</b>

**Q1 Max (Acceptors -5 percentage point correction) represents the share of choice and substitution likely by the Market Segment if well executed and supported.**

**Q2 Med (Acceptors -15 percentage point correction) represent a more pessimistic and minimally achievable share of choice and substitution by the Market Segment.**

**\*Price Adjustment: Price is tested two ways. (1) Monthly subscription price shown in concept presentation as \$109/mo. Acceptors have factored in price shown to some extent. (2) A Van Westendorp price test explicitly focuses on demand elasticity to price. A downward Price Adjustment is made to Q1 and Q2 to exclude those Acceptors resistant to proposed price.**

## Linescore Methodology:

- Linescale Evaluates Concepts in full marketspace competitive context. Current usual solution/behavior in the marketspace of interest is identified and rated.
- Impression of available alternatives in the marketspace generally is rated by each person.
- These ratings act as personal benchmarks for evaluating the new idea.
- The concept representing the new idea is exposed and rated twice; first for an immediate impression.
- A second exposure with more information is presented, and after a more considered judgment is then rated.
- Then concept is rated for (a)Believability, (b)Uniqueness/Distinctiveness, (c)Relevance/Importance to the person and (d)Likelihood of Recommending.
- Algorithmic score is calculated and displayed to the person for agreement/disagreement. Most agree.

### Key Measure: Identification and Percentage of Acceptors

**Acceptors** prefer the concept to what they are using today and to other available alternatives.

**Acceptors** prefer a second, more considered exposure over their first impression.

**Acceptors** rate the concept Believable, Distinctive, Important and would Recommend to others.

### Key Quotient Calculations: Q1 Max and Q2 Med

**Q1 Max** is calculated by a downward adjustment of Acceptor percentage by 5% points to account for residual positive bias, sampling error and some execution shortfalls in product - Optimistic.

**Q2 Med** is calculated by downward adjustment of Acceptor percentage by 15% points to account for considerably more executional shortfalls - Pessimistic.

**Q1 and Q2 Price Adjustment is % of Acceptors willing to pay Concept as priced multiplied by Q1 and Q2.**

Further variance due to marketing, distribution and competitive reaction are tactical issues to be factored into a more exact forecast. Linescale method and algorithm have been empirically refined over decades and many product introductions by major brands and new entrants.

### **PERFORMANCE NORMS\* — MARKETSPACE CONCEPT TEST**

60 + Acceptor Score — extremely highly rated, undertake product development.

40 - 59 — very highly rated, undertake product development.

30 - 39 — well rated — consider further concept development or possibly move to product development.

22 - 29 — above par — consider further concept development, unless this is a highly fragmented market where small share is on strategy.

15 - 21 — about par rated, after careful analysis, decide whether this concept can be improved.

10 - 14 — below par rated, either modify or abandon this concept.

0 - 9 — poorly rated, either modify or abandon this concept.

**\* Validated through thousands of tests and hundreds of market calibrations. Acceptor scores have ranged from 0 (a credit card) to 84 (Underoos).**

## **Marketing and Sales Process Guidance**

### **DRIVER ANALYSIS - Key Target:**

**Younger Affluent “Power People” with Safety and Simplicity Needs**

**Premium Private Ride, Power in Traffic, Easy to learn/use, Simplify Transportation Mix with Safety**

**Climate Action simple, everyday**

### **SOURCES OF BUSINESS:**

**Reduced Auto Use**

**Uber/Lyft replacement**

**Car sharing**

**Subway/other rail**

**Taxi/Car Pool**

**Shared Subscription Bicycle**

**Bus**