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2.0 Specifications/Scope of Work

2.2 Project Specifications/Scope of Work

2.2.1 Methodology

Let's Start at the End

With Company W, every project starts the same way. We begin by making sure we are absolutely clear on what defines success in the end, and we drill into what business decisions will be made as a result of the information requested. This simple approach ensures we are designing your project to deliver the actionable insights that matter most to you. This is the guiding principle we will apply should we be selected to work with YGG on this project.

The following summary outlines what we believe is the best strategy to deliver success based on our understanding of your project.

Brand differentiation is a growing challenge

YGG believes that improving the “overall experiences” of shoppers may distinguish the brand and, thus, increase both consideration and sales. These experiences may include the way information is delivered, how consumers interact with products, sales enablement tools, and a retailer’s process. We anticipate that this may also lead to more galvanizing topics such as fully digital retailing (including online trade appraisals, reviewing F&I products online, and remote document signing) and perhaps even contemplation of a complete overhaul of the traditional retail sales process.

How our experience will make a difference for your project

In the last two years alone, Company W has conducted several studies that are directly applicable to your project including:

- **2016: Cxx Axxxxxxxxx, Dealership Pain Points Study.** Focus: The emotions associated with each step of the buying process. See Attachment 1 for approved article on this study.
- **2016: Cxx Xxxxx, Online Retailing Study – Consumer Perspective.** Focus: Digital retailing—consumer perspective. See Attachment 2 for approved article on this study.
- **2016: Cxx Xxxxx, Online Retailing Study – Dealer Perspective.** Focus: Digital retailing—dealer perspective. See Attachment 2 for approved article on this study.

figure 1 below and Attachment 1 for a summary article). We can apply our knowledge of the emotional drivers that lead to behaviors that support your goal to increase consideration for the YGG brand while simultaneously building stakeholder support for new approaches that create extraordinary customer experiences.



Figure 1. Eight steps of the sale evaluated with the emotions most frequently used to describe each step. (Source: Automotive, "Car Buying." Study conducted by Company W, 2016.)

The Importance of Dealers

We understand that dealers are an important component to the YGG retail solution. This is not about just getting their buy-in, but, more importantly, it's about helping them navigate through change. Having worked for and with dealers for nearly 30 years, we appreciate their challenges and know that most strive to do what is best for the customer, their employees, and their business. We also realize that, like consumers, not all dealers are alike. Some may not feel any need to adjust their process (especially coming off a record-setting year) while others want to change and are looking for guidance on how to do it in a measured, thoughtful way.

To that end, this project requires a delicate balance as we deliver insights that are compelling, respectful, informational, and motivational. Too often, dealers are bombarded with blunt messages to change their process with little or no guidance or support. We have years of experience developing retail training programs designed to help dealers transform, grow, and improve their process—all based on our research—and we will draw upon that experience throughout this engagement.

[Logo Removed]

Some participants will be given an assignment to conduct a test drive at a dealership with a friend or family member, who will use a mobile device to capture in-the-moment reactions and feelings that can support the test drive concept to be tested.

Note: We understand clearly that the emphasis for this study is around brand determination and differentiation elements and that the key focus areas are up to the point where the customer selects the model to purchase and less about the purchase negotiation, finance, and delivery process.

Method by Segment

Long-Term Intenders

Definition. Intend to buy a new vehicle (volume brand) within the next 6 months and are just beginning the shopping process. May have done some research but have not settled on a vehicle or visited dealerships yet.

Method. Six one-hour webcam interviews and six 90-minute in-home interviews.*

Value. Understand attitudes, behaviors, and influencers on the shopping and decision process; explore the underlying emotions associated with the process; explore role of online vs. dealer; anticipated high and low points/frustrations with the process; “over the shoulder” online shopping exercise; show and tell about current vehicle(s) and how they were selected. Reactions to YGG concepts.

Near-Term Intenders (NT)

Definition. Intend to purchase a new vehicle (volume brand) in less than 60 days and have actively started shopping. At least half should have already visited a dealership—may have narrowed their choices but have not made a final vehicle decision.

Method. 12 one-week mobile journals (6 shopping for YGG and 6 shopping for a competitive brand) via a native mobile app that allows for the capture of video, audio, and text responses, both in-the-moment and over time. In addition, three will be selected for in-home interviews, based on review of those journals.

Value. Narrative about what they’ve done so far in the shopping process, what’s next, and what have been the high and low points in the process to date; capture, in-the-moment, any shopper experiences during the duration of the journal; complete a ride-and-drive assignment (to visit a dealership with a friend and video capture key moments of the test-drive experience).

Reactions to YGG concepts.

2.2.1.2 Quantitative Study Design

Quantitative Study Design

Objectives

The objectives of the quantitative phase are to illuminate vehicle shopper pain points up to the point of saying “yes” to a specific vehicle, shed light on what consumers want, identify ways YGG can alleviate pain points and impediments to sales, test specific new concepts, and uncover insights that improve consideration and differentiation of the YGG brand.

Study Design & Research Methodology

Our proposed methodology is an online survey of consumers in the U.S. The survey instrument will involve an approximately 25-minute exercise for respondents that will include pain-point measurement/validation and marketing/sales concept/program testing.

- Pain points will be evaluated from a “stated” perspective, using scaled responses and a MaxDiff exercise to prioritize the pain points.
- Marketing/sales concepts will be evaluated from both a “stated” and “derived” perspective.

The study will measure overall concept appeal, likes, and dislikes and will be evaluated against a battery of new product metrics, including uniqueness, unmet need fulfillment, and brand impact.

The impact of marketing/sales concepts on sales (measured as purchase interest/intent) will be derived using a conjoint exercise. Specifically, the conjoint will address the value of bundling and the increase in brand consideration as a function of each concept/concept bundle.

We are recommending conjoint analysis for this study because it is the optimal methodology to use when trying to understand the trade-offs that people make when deciding between products that have different features. Specifically, the proposed methodology is choice-based conjoint (CBC) analysis, where survey respondents will choose between multiple products, as this most closely simulates consumer decision processes.

Questionnaire Design

The questionnaire is intended to be up to 25 minutes in length and will include measures of both direct questioning and indirect questioning/modeling. While there will be a few open-ended questions, the survey will primarily be closed-ended questions.

Deliverables

Deliverables for the video element will include:

- A final seven- to ten-minute video
- A two- to three-minute “topline” summary video
- Sections of the longer video, prepared for inclusion in the final PowerPoint deck
- Hard drive with final videos and raw footage

2.2.2 Sample Plan Recommendation

The following paragraphs provide details of our proposed sampling for both the qualitative and quantitative portions of our research. Both approaches will deliver the segment insights requested by YGG, while also balancing the need to complete the initiative within a reasonable timeframe. We have also included options around samples size and, in the case of the qualitative, market options for you to consider. If we are awarded the project, we will work with YGG and discuss the options further before finalizing the sample strategy.

Sampling Plan—Qualitative

To cover key segments of interest identified in the RFP, we are proposing a robust sample size of 36 interviews. The segments outlined in the table below are defined by three primary segments: time to purchase, generation, and brand purchase intension (YGG vs. competitive brand).

Sample Size	N = X		
	Recent Buyers	Near-Term Intenders	Long-Term Intenders
Competitive Buyers			
Boomers	?	?	?
Gen X	?	?	?
Gen Y	?	?	?
Existing YGG Buyers			
Boomers	?	?	?
Gen X	?	?	?
Gen Y	?	?	?
Optional add-ons (costs in section 4.0 Pricing)	Progressive Dealer Interviews; Social Media Analysis		

In addition to the above, we are proposing to split the sample between three markets, tentatively:

- A West Coast market, LA or San Diego
- A Northeast Coast market, NY or NJ area
- A “Midwest” market, either Dallas or Chicago

Because the qualitative research will be supported by a quantitative survey, we feel that a smaller sample for the qualitative is adequate for this project. However, given the importance of the qualitative component to the delivery of key results via high-quality video, we have elected to propose a sample size of 36. If the cost of what we have outlined is prohibitive, we are happy to discuss ways to reduce it. Doing so would involve making decisions about prioritizing the key segments outlined in the request for proposal.

Sampling Plan—Quantitative

We have two overarching goals for the quantitative sampling plan:

- 1) To provide a readable view of the various subgroups of interest (recent purchasers, near term intenders, vehicle brand, demographics, etc.).
- 2) To have a total level view that is representative of the mass market.

To ensure that the total level view accurately represents the mass market, a sampling practice commonly referred to as “balancing in” can be used to ensure the population of respondents who start the survey matches the U.S. population and, thus, the population left after qualifying criteria reflects the actual mass market. Due to the niche nature of this audience (purchased a new car in the past 6 months, intend to purchase a new car in the next 6 months), we must target to reach qualifying respondents to keep costs from being prohibitively expensive; this is because recent car purchasers and intenders are a relatively small proportion of the general population.

Instead, we propose setting minimum quotas during fielding (e.g., must survey at least 40% male and 40% female) to ensure we have a solid base sample size of each subgroup to be examined during analysis then will weight the final data on demographic targets that reflect the mass market of car buyers to provide a total level data view that we can match the mass market. We will look to third-party resources/existing intelligence to determine those exact targets.

all fit a tighter time frame. The issue to keep in mind is the broad analysis scope and what sample size is needed to be able to cut the data by the subgroups of interest and maintain a robust enough sample to draw **stable and reliable** conclusions.

Simply, feasibility is the main issue. After much thought and discussion, alternative sampling methods to online panel do not provide viable back-up options. From experience, due to the length and complexity of the survey, using non-panelists such as a list or intercept tactics will garner high drop-out rates and/or prohibitively expensive incentive costs.

At the total sample level, we will set minimum quotas for levels of the following demographic variables:

- Region
- Generation
- Gender
- HHI

The following are variables we will measure, but not set quotas for:

- Household composition
- Psychographics, such as tech savviness or mobile use
- Vehicle segment: Compact, Midsize, Subcompact CUV, Compact CUV
- YGG rejecters

2.2.3 Performance Levels

Company W will manage all subcontractors working with us as part of the YGG Research. For more insight into specific areas of responsibilities, please refer to section 3.2.3.

2.2.4.7 Final high-quality video “Topline” (roughly two (2) to three (3) minutes maximum) that spotlights the most compelling learnings from the project in a quick and compelling manner.	Understood and Agreed
2.2.4.8 Final presentation – May be virtual (e.g., WebEx) to save on travel costs.	Understood and Agreed
2.2.4.9 Data file(s) in SPSS with data map/dictionary.	Understood and Agreed
2.2.4.10 Data tables in Excel.	Understood and Agreed
2.2.4.11 Any recorded material – focus group videos; images, audio and video submitted by respondents.	Understood and Agreed
2.2.4.12 Optional – one (1) page infographic type reference sheet on key findings.	This has not been included in our RFP response but can be bid separately.

2.2.5 Account Management/Staffing Requirements

Meet Our Team

The following personnel from each team will be assigned to the account for the duration of YGG's project. Below, we have provided a table followed by bios and project roles for each team member.

Company	Team Member	Title
Company W	K. Doe	Founding Partner
	E. Doe	Research Director
Company Y	Ka. Doe	President
	C. Doe	Research Lead
Company Z	N. Doe	Project Manager
	S. Doe	Owner & Principal Researcher
Company X	B. Doe	Owner & Data and Analytics
	T. Doe	Owner & Story Strategist
	D. Doe	Editor
	L. Doe	Operations Manager

3.2 Subcontracting

3.2.1 Name and address of subcontractor company

To fulfill the comprehensive needs outlined in the RFP, we have carefully hand selected the following firms to service as subcontractors for the project.

Company Name	Project Role	Address
Company Y	Qualitative Research	XXX XXX
Company Z	Quantitative Research	XXX XXX
Company X	Video	XXX XXX

3.2.2 Ownership Status (per section 3.1.3 above)

Company Y, our qualitative research subcontractor, is a WBE-Certified Woman Owned Business. Furthermore, most of the shares in Company Z, our quantitative research partner, are owned by women and women hold the key management positions; however, the company does not currently have a M/WBE certification. See Attachment 6 for Company Y's WBE certification.

3.2.3 Description and percentage of work to be performed

As the primary bidding company, Company W has primary responsibility in managing all aspects of the YGG Research including overall project management, maintaining schedules and timelines, serving as the primary point of contact for YGG, issuing weekly reports and delivering final reports, videos, and supporting documentation. In addition, as we do for all our research and advisory engagements, Company W provides an important automotive retail expertise “lens” to the research strategy and recommendations that will be produced.

For this research project, we have developed the below table to further illustrate the delineation of roles and responsibilities between Company W and specified sub-contractor partners.

Deliverable	Responsible	Accountable	Consulted	Informed
Research kick off meeting	Company W	Company Y Company Z Company X		
Final research strategy and approach	Company W		Company Y Company Z Company X	
Manage pricing adjustments if needed	Company W	Company Y Company Z Company X		
Facilitate YGG procurement process	Company W			Company Y Company Z Company X
Finalize plan, timeline, and schedule	Company W		Company Y Company Z Company X	
Maintain & update ongoing project timeline and weekly reports	Company W	Company Y Company Z Company X	Company Y Company Z Company X	
Final research design, questionnaires discussion guides, etc.	Company W	Company Y Company Z Company X		
Qualitative phase management	Company W	Company Y	Company X	Company Z
Quantitative phase management	Company W	Company Z		Company Y Company X
Video production management	Company W	Company X	Company Y	Company Z
Mid-point onsite review	Company W	Company Y Company X		Company Z
Video Story board onsite review	Company W	Company X		
Presentation of final research report and video	Company W		Company Y Company Z Company X	
Delivery of all data and tables, video and audio clips, etc.	Company W	Company Y Company Z Company X		

3.4 References

The following includes reference information for each participating team. We encourage you to contact them so you can better understand how we can help you obtain your objectives.

Company W

Reference 1

Company	Contact	Contact Info.
A Automotive	T. XXX, Senior Director	XXX@yyyy.com (xxx) xxx-xxxx
Account Lead: K. Doe		
Project Length: 5 months, 2016		
<p>Scope of Services:</p> <ul style="list-style-type: none"> Automotive Research initiative. Recommended multiple quantitative strategies to uncover the highs and lows of car buying from the perspective of the consumer. Insights used in thought leadership. Utilized max-diff and visual topography techniques. 		

Reference 2

Company	Contact	Contact Info.
X Global	XXX XXX Alternate: P. XXX – Senior Director Market Research	XX@XXX.com (XXX) XXX-XXXX Alternate: XXX@XXX.com
Company W Account Lead: K. Doe		
Project Length: Various studies, ranging from 2 weeks (agile study) to 4 months in duration. 2016 & 2017		
<p>Scope of Services:</p> <ul style="list-style-type: none"> Numerous projects to understand key product solution for market readiness including advisory with product strategy teams and developing quantitative research to understand reception of full online retailing solution from both dealership management and consumers' perspective. Utilized max diff and conjoint analysis. B-C as well as B-B studies of dealer principals, GMs, and dealership management. 		