

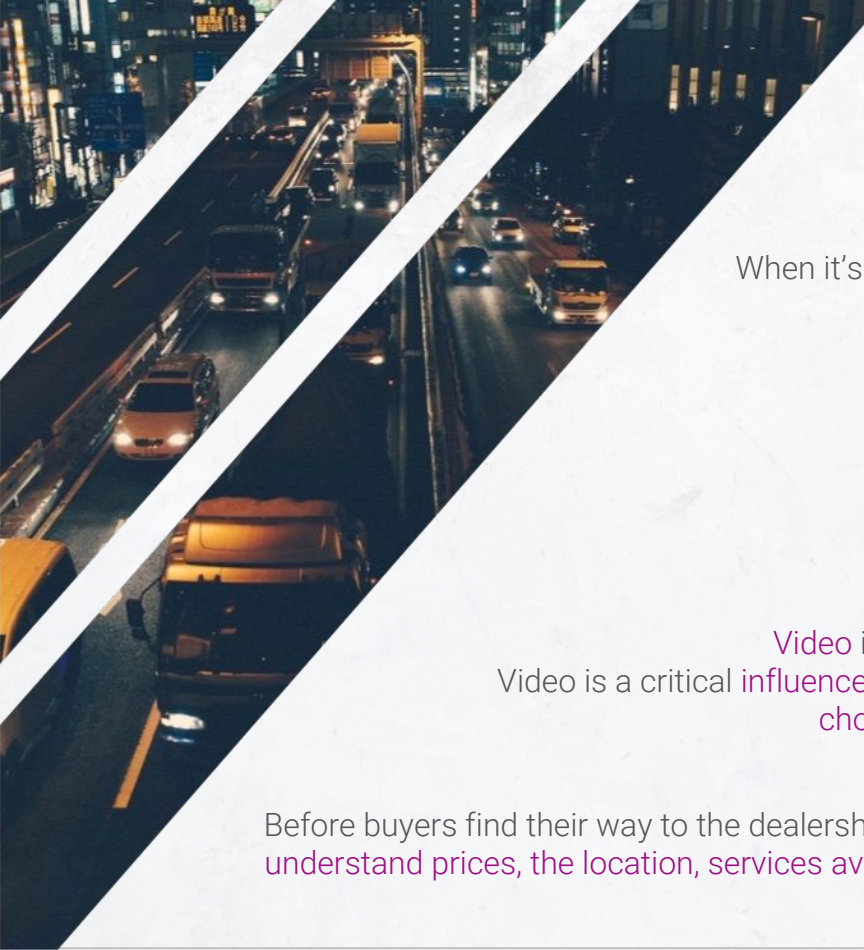


THE DRIVE TO DECIDE

Italy.
2017.

Follow the Route.

- 01 It's time for a new car
- 02 The Modern Auto Shopper
- 03 Online Video
- 04 From Digital to the Dealership



The **decision making process is complex** and requires that **buyers iterate in-between stages** and key questions they need to find answers to.

When it's time for people to decide for a new car potential buyers consider a **set of different makes**. Often, the **purchase process begins online**, with the **search engines** playing an important role.

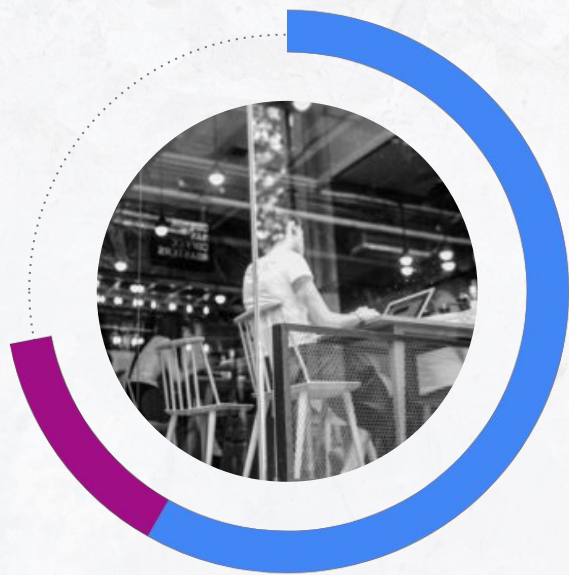
The **Auto shopper** is a good example of a **digitally-connected consumer**. They increasingly exhibit three key digital behaviors: **researching online, using mobile devices, and watching online video**.

Video is a relevant **information source** that enables buyers to explore a new car. Video is a critical **influencer on the buyer's short list** and may well **expand or narrow down the set of choices**. Some audiences may respond more positively to video than others.

Before buyers find their way to the dealership they have most likely looked for **information about this dealer online to understand prices, the location, services available** and other relevant information upfront which **may influence** which dealer they will finally choose.



01 It's time for a new car



14%

Completely undecided

58%

Somewhat undecided

Many buyers are **not clearly decided** about the brand or model when they start researching for a new car

This is an **excellent opportunity for brands** to connect with potential buyers and offer relevant information and guidance.

THAT MEANS THAT THE
CONSUMER JOURNEY **OPENS**
UP OPPORTUNITIES TO
INFLUENCE BUYERS

But let's step back for a moment
and focus on the beginning – why
do people buy a new car?



One change can bring about another...

Lifestyle needs can trigger buyers to decide that it's time for something new

Trigger to buy a new car



18%

Financial situation improved



9%

New or changed job



8%

Growing family




6%

Children became eligible to drive



5%

Moved to a new place



Many new
car buyers
are doing
this for the
first time



27%

purchased a new car
for the first time

3.3 is the number of
vehicle brands
buyers typically
consider.



New car buyers
have many options
so it is critical to be
there throughout
the research
process in order to
get a spot on the
short list

number of brands
considered

3.3

New car buyers

3.6

Undecided buyers

2.1

Decided buyers

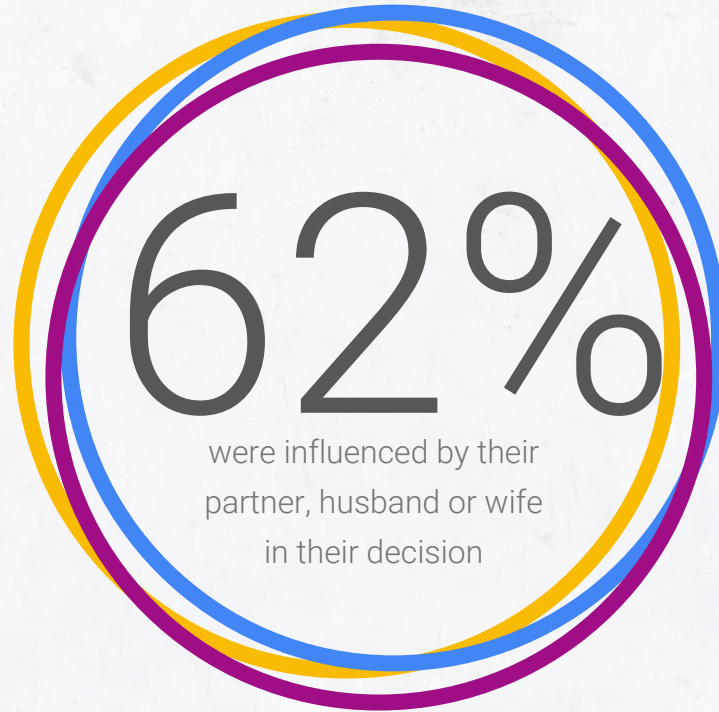
Some buyers will even change their minds during their journey



21%

began the process with one car in mind,
but bought something different

The 'inner circle' heavily influences the purchase decision



Customization is important – which is also shown by the use of car configurators



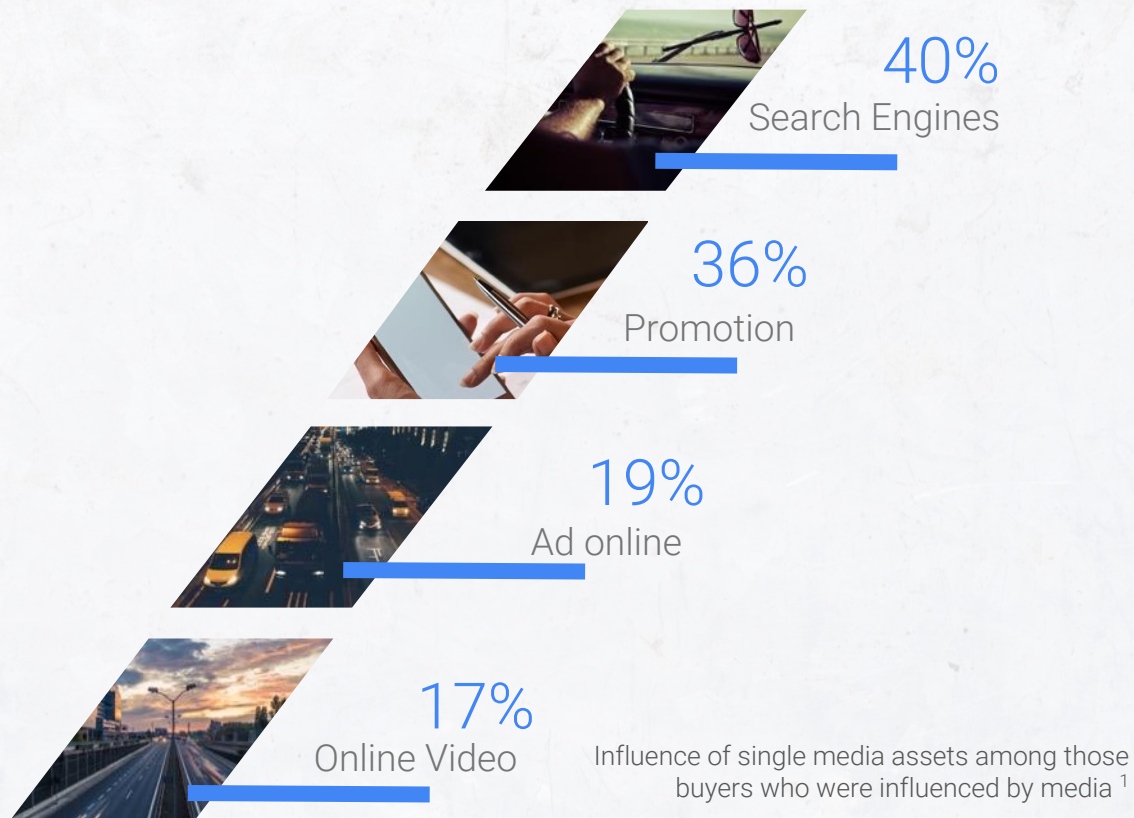
use a car
configurator




assess customization as
extremely or very important

Search engines are a key influencer

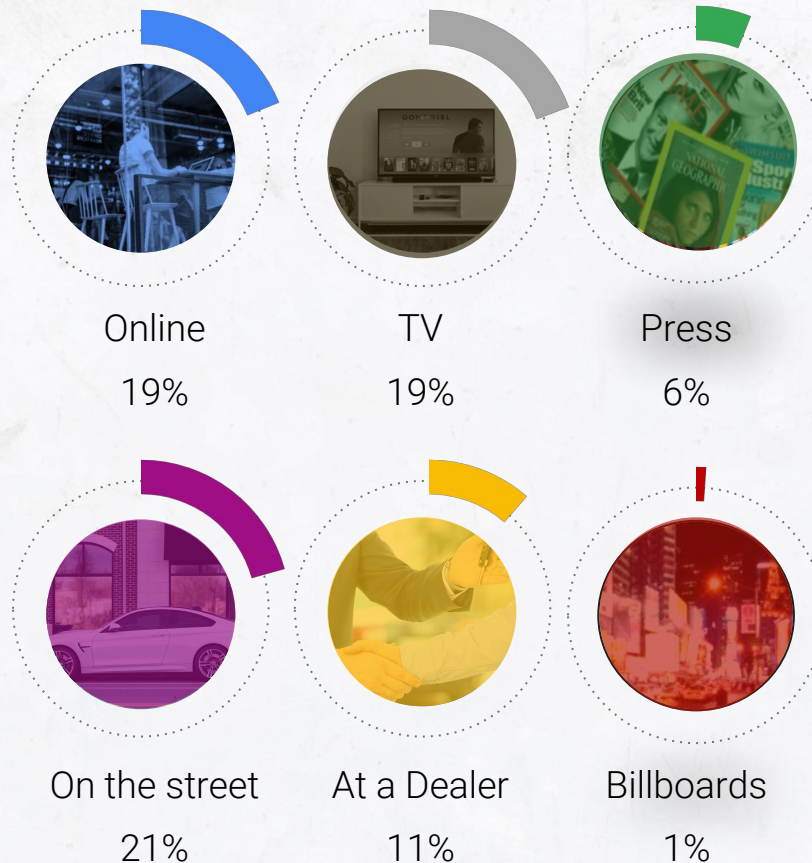
Among those who were influenced by media





53%
began their research
ONLINE

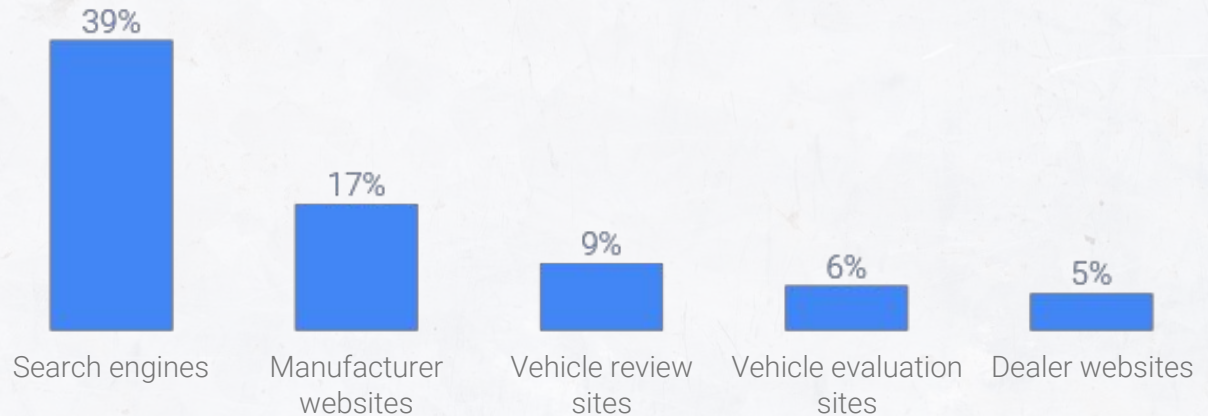
The share of new car buyers who discover their new car online equals the share on TV





Search is where research begins

If people started to research online, they started their online research with ...



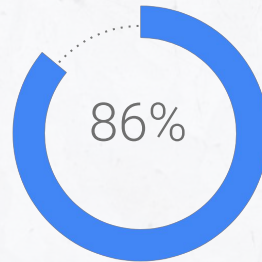


02 The Modern Auto Shopper

Car buyers are digitally savvy and connected. They use 3.7 connected devices on average

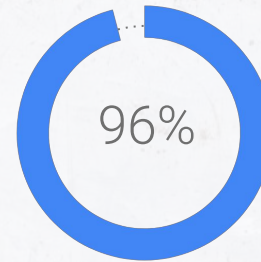
Onliner 18+, 2017: 3.2

Private internet
usage of Car Buyers 18+ ¹



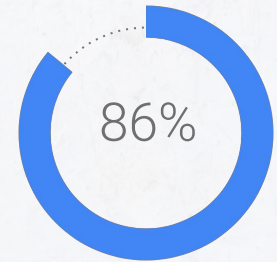
Total
population
18+, 2017:
77%

Smartphone
usage of Car Buyers ²



Onliner 18+,
2017:
92%

Internet usage
mainly via smartphone of
Car Buyers ²



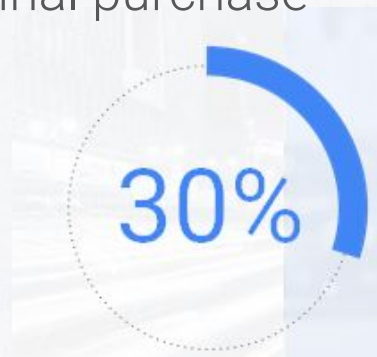
Onliner 18+,
2017:
80%

65% of smartphone users researched for their new car on their smartphone (first time buyers 87%)



65% of new car buyers collect all needed information within 2 months, from start to final purchase

Sometimes it does not take a test drive to make a decision



Question asked: Q21 - Devices used for online research - Which of your devices did you use at any stage of your online research?

Base: New car buyers who use a smartphone, n = 483 New car buyers who purchased a vehicle for the first time n = 150

Question asked: Q16 - Length of research cycle - How much time passed between starting to collect information and actually purchasing a vehicle? Base: New car buyers, n = 512

Question asked: Q39 - Number of test drives - How many test drive(s) did you take prior to your purchase?

Base: 1) New car buyers, n = 512; 2) New car buyers who have an exact idea about the make and model, n = 107

Source: Auto CB 2017

Micro moments
are non-linear
and occur
spontaneously



23%

of new car buyers researched
on their smartphone
for their new car while
watching TV



18%

of new car buyers researched
on their smartphone after
seeing something interesting

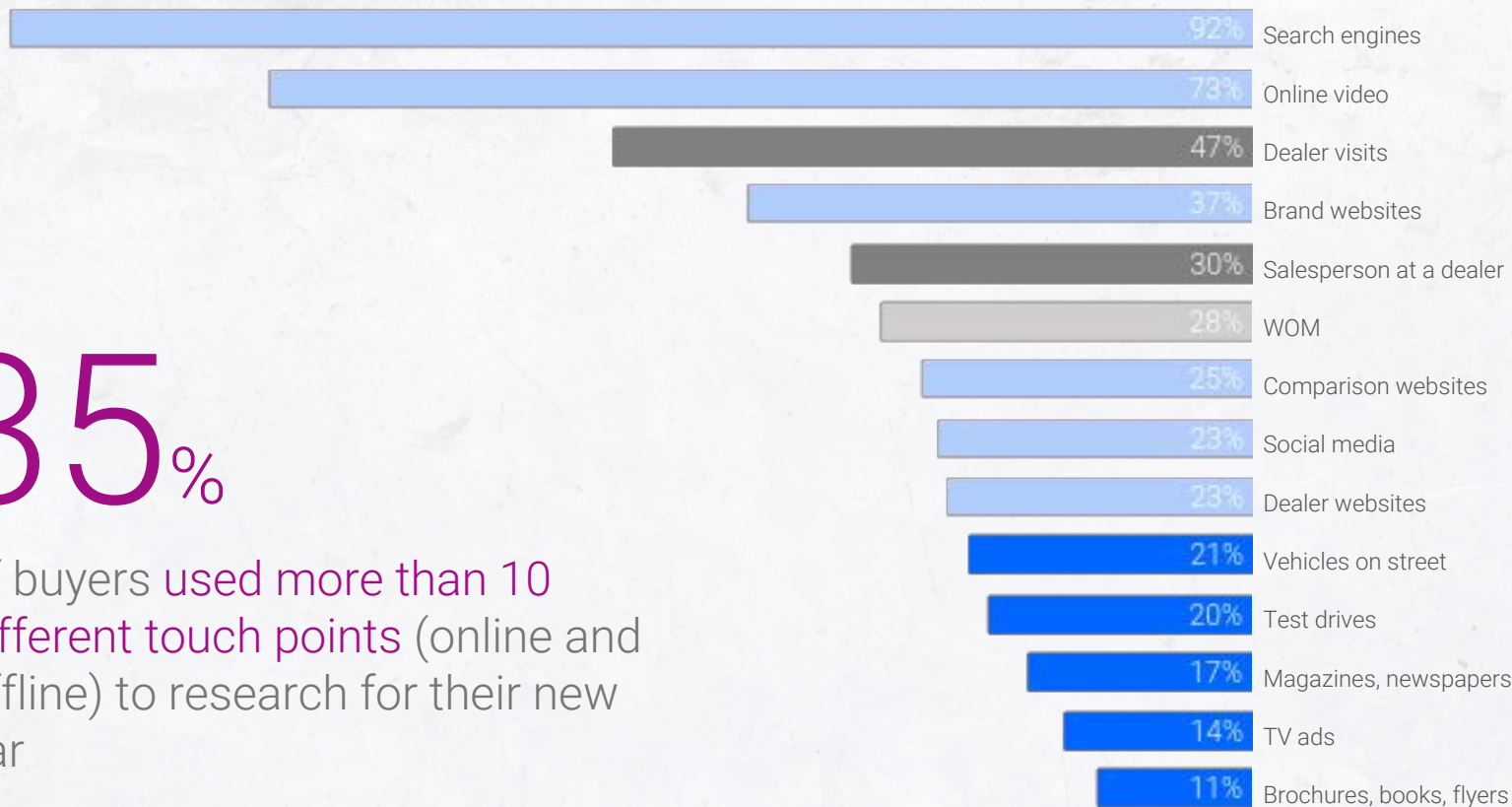


34%

of new car buyers researched
on their smartphone while
waiting

35%

of buyers used more than 10 different touch points (online and offline) to research for their new car



Online touch point

Offline touch point

Research In-person (dealer)

Research In-person (WOM)

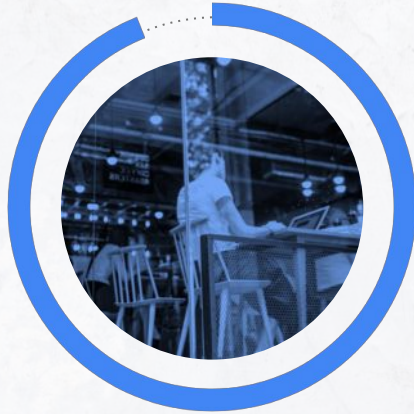
Question asked Q8 / Q9: Which of these offline / online sources informed your recent vehicle purchase, at any stage?

Q10: Which of these websites or apps did you use to inform your most recent vehicle purchase? / Q11: On which of these websites or apps did you watch online videos?

Base: New car buyers, n = 512

Source: Auto CB 2017

Three major topics affect the auto path to purchase



Online

94%
research online



Mobile*

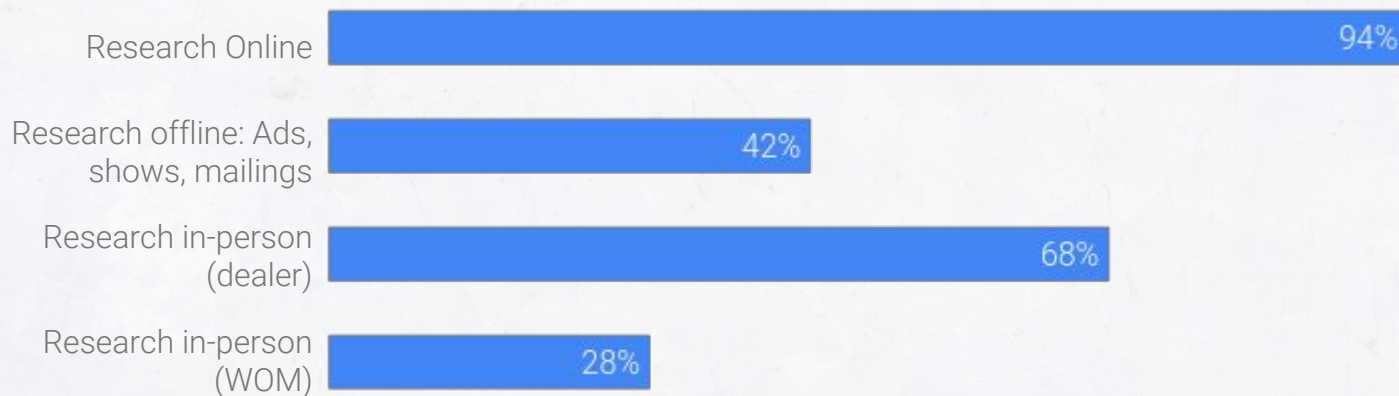
65%
research on their smartphone*



Video

73%
watch online video

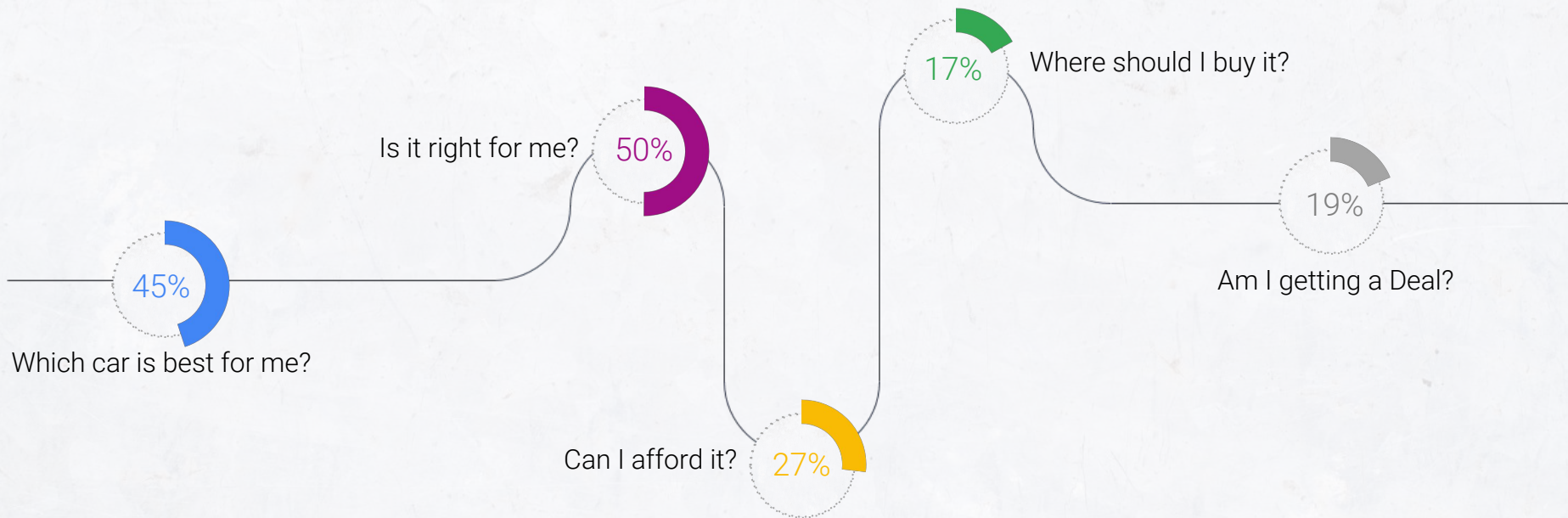
Cross-media research online and in-person - both relevant



Online research is important and is accompanied by different offline sources



Value of smartphone research to answer the key questions






03 Online Video

Videos help to explore vehicles from different perspectives

26% 


Third party reviews / test drives / comparison tests

22% 


Vehicle safety tests

21% 


Consumer reviews or testimonials

10% 


Augmented/virtual reality content

36% 

Vehicle feature/technology highlight videos

19% 


Vehicle performance videos

28% 

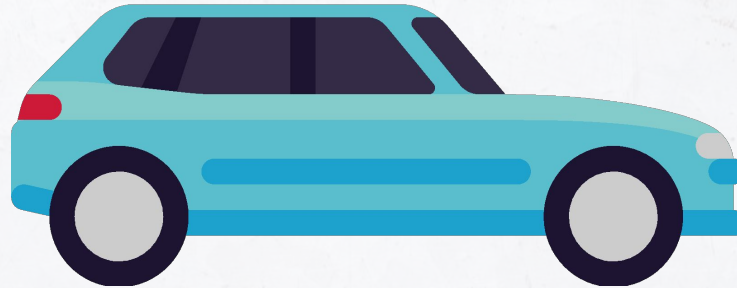
360 degree video - interior and exterior

17% 

Ads or commercials

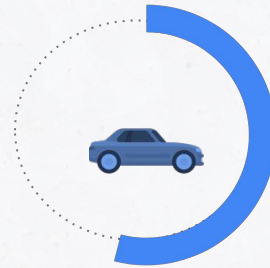
37% 

Vehicle walk-arounds - interior and exterior



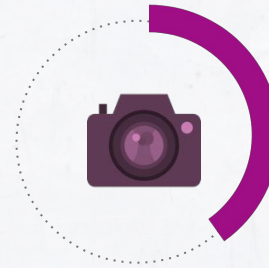
Type of videos watched before deciding about a new car

Professional content is most relevant to the auto shopper



54%

Watched videos professionally produced by vehicle manufacturer



40%

Watched videos professionally produced by independent 3rd party



16%

Watched amateur videos produced by private persons



Online video helps car buyers narrow down their options

Video watchers.....➡➡



50%

... used online video to narrow down their consideration set



31%

... used online video to expand their consideration set

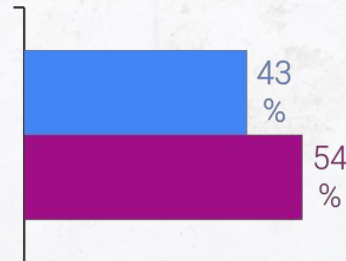


10%

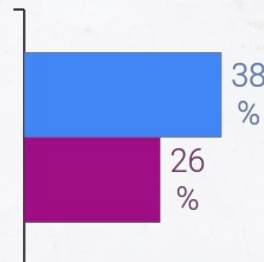
... used online video to save trouble of going to test drive

The influence of video differs between loyal and non-loyal buyers

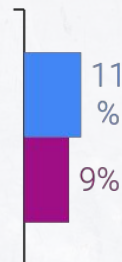
Influence of online video on short list



narrowed down the set of choice



expanded the set of choices



saved the trouble of test driving the cars

Loyal¹⁾
Non-Loyal²⁾



Question asked: NQ23 – Influence of online video on consideration set and test drives - How did online videos help you making your purchase decision?
Base: 1) New car buyers who are loyal and who watched online video, n = 140, 2) New car buyers who are non-loyal and who watched online video, n = 235
Source: Auto CB 2017

Online Video is an influencer

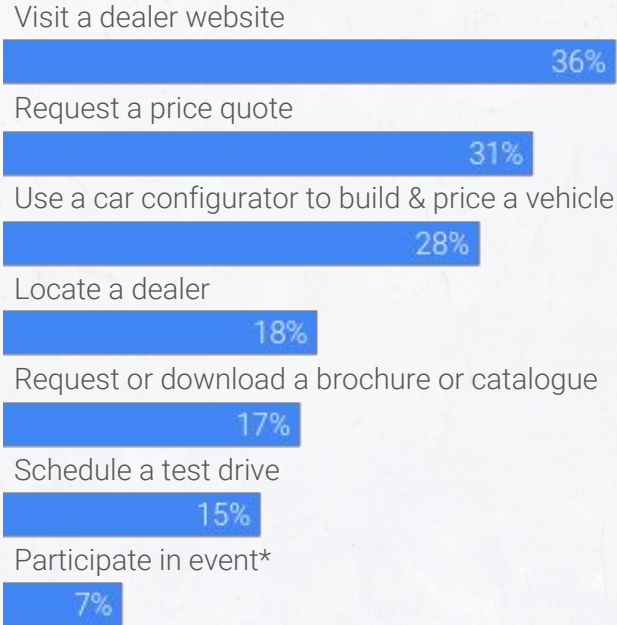
Video watchers...>>

49% said that online video introduced a vehicle previously not considered

60% said that online video positively changed their mind about a car or manufacturer

Online video creates signals of intent

87%
Actively did a
follow-up action



Question asked: Q31 – Follow up action after watching online video - Did something you saw in an online video lead to any of the actions below?

Base: New car buyers, who watched online video, n = 375

Source: Auto CB 2017

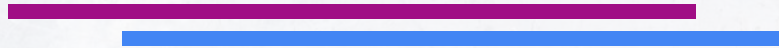
* IN SALES EVENTS OR ACTIVATE PROMOTION OR OFFER



04 From Digital to the Dealership

Many buyers **don't have a strong relationship** to their dealer

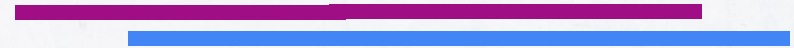
53%



Bought from a dealer with whom they had no prior relationship or familiarity

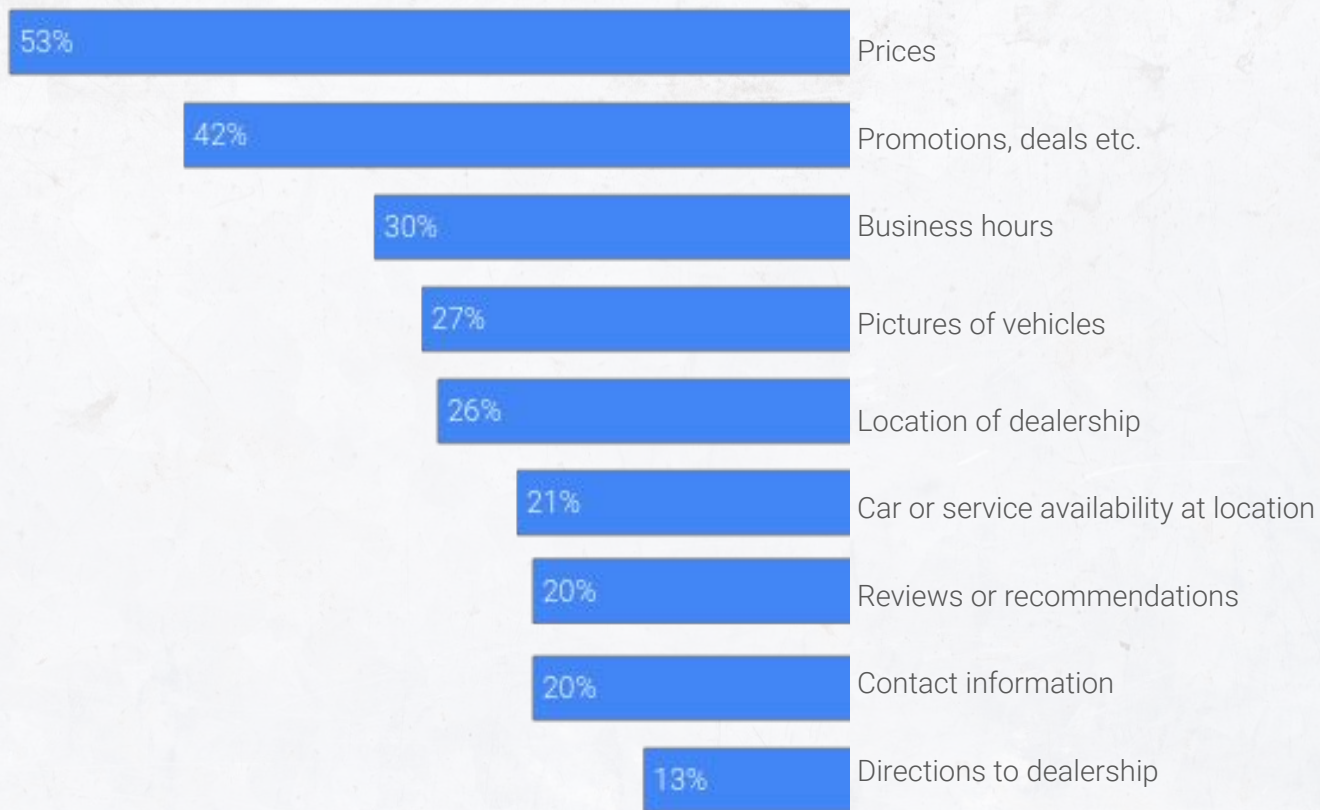
Many offline buyers **find their dealers online...**

36%

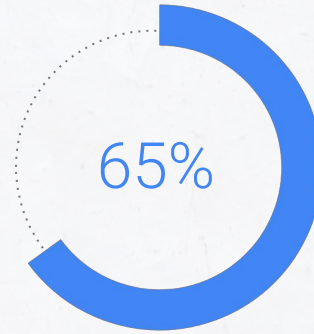


Researched online to find their dealer

Buyers actively
look for
information
before they visit
a dealer



Buyers use their smartphone to research – even when at the dealership



Smartphone Research₁



Smartphone Research on the lot₂



The decision making process is complex and requires that buyers iterate in-between stages and key questions they need to find answers to.



The Auto shopper is a good example of a digitally-connected consumer. They increasingly exhibit three key digital behaviours: researching online, using mobile devices, and watching online video.



Video is a critical influencer on the buyer's short list and may well expand or narrow down the set of choices. Some audiences may respond more positively to video than others.



Before buyers find their way to the dealership ,they have most likely looked for information about this dealer online to understand prices, the location, services available.



Everywhere the consumer looks for information, there is an opportunity to engage them.



Invest in digital experiences that set your brand apart. Align your touchpoints and content to create a consistent brand experience



Build search programs and deliver video content to respond to customer needs and to address groups (such as first time buyers or other relevant audiences)



Train your salesmen to respond to this empowered consumer.
Spread digital culture among dealers



THE DRIVE TO DECIDE

Italy.
2017.



Appendix

Weighting Methodology

Gearshift 2017 does not use any global weighting methodology. However, we do weight data at the local level to help eliminate survey bias.

Instead of applying global weighting methodology to the survey responses, we use a straight average from each market. A global weighting approach could have been helpful to correct for differences in relative market sizes (e.g. China and New Zealand both have 500 respondents, but the Chinese market is about 100X bigger and weighting would compensate for this to make China "speak louder" in the survey output). However, it also makes cutting & aggregating data a lot more cumbersome -- and by forgoing global weighting, we decided to retain that flexibility.

We have, instead, weighted in each local survey to correct for smaller deviations from preset quotas (a standard procedure in market research). The samples have been designed with quotas being set on age, gender, region, education, profession, device usage and new car purchase shares. TNS uses external validation (e.g. vehicle registration data as well as data from the [Google Connected Consumer Study](#)) to serve as the basis for setting the quotas and run a weighting afterwards.