



What These 3 Car Trends Mean For Brands

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As the car industry undergoes transformational change, old assumptions about consumer habits are being challenged. Looking at the latest search data and recent Google Consumer Survey results, here are the three most pronounced shifts.

think with **Google**

The car industry is at a crossroads. At no other point have there been so many paths to purchase open to consumers – and yet car-sharing services challenge the very idea of car ownership. Even in this moment of new uses and rapid technological innovation, however, the biggest developments are still being driven by the consumer. We pored over recent Search data and Google Consumer Survey results to determine where consumers are going – and how marketers can meet them there.

People who use car-sharing also buy cars

There is a lot of discussion around the impact of car-sharing services on the car industry, and for good reason. Industry watchers and futurists alike have predicted that, eventually, cars may no longer be privately owned. As measured by Google query trends, searches for car-sharing services are up 59% year over year.¹ And yet today, being in-market for a new vehicle may not necessarily preclude consumers from using car-sharing. In fact, it may make them even *more* likely.²

In August, we asked consumers about their car-sharing behaviour. Twenty-two per cent of respondents who reported having used a car-sharing service within the past month planned to buy or lease a vehicle in the next year,³ while 80% of those respondents said they already owned or leased.⁴ Meanwhile, of consumers who had not used a car-sharing service in the past month, just 14% planned to buy or lease,⁵ and 71% currently owned or leased.⁶

This suggests that using car-sharing does not preclude consumers' interest in buying or leasing. Rather, the two might be complementary.



Of consumers who reported having used a car sharing service within the past month, **22% planned to buy or lease a vehicle** in the next year, and **80% currently owned a leased.**

At the same time, millennials name price as the most important factor when buying a car, ahead of fuel efficiency, design, safety features and vehicle technology.⁷

This speaks to pronounced shifts in how consumers regard the car itself. Like other technologies, cars enable experiences – they’re becoming more like services than status symbols. Long term, this shift has the potential to disrupt the driver-as-owner model, but for the time being, consumers prize utility and affordability – whether they manifest in their driveway or at the tap of an app.

Takeaway: Consumers prize convenience. As car-sharing grows in popularity and practicality, consumers will increasingly regard cars as a *service*, asking which solution – a privately owned car or a shared car – is most useful in the moment. Marketers have to be attuned to consumers’ ever-more-fluid priorities, and adjust their messaging and targeting accordingly.

Consumer behaviour is changing – and video is leading the drive

In years’ past, a consumer might have read reviews in magazines, asked friends and relatives for advice and visited any number of dealerships before settling on a vehicle. That practice has gone the way of the in-car tape player.

Leveraging YouTube and Search, consumers are positively bingeing on digital content before making their purchases – and multiplying opportunities for marketers to be there in shoppers’ which-car-is-best moments. Last year, consumers spent on average three hours more time researching than they did in 2013.⁸ They also performed 75% of that research on digital.⁹

All that research has huge ramifications for the bricks and mortar showroom. With shoppers armed with so much information, dealerships have moved from being places to shop and explore – as they were in the days of in-car tape player – to mere points of sale. The average in-market shopper makes just two visits to a dealer before making a purchase.¹⁰

There's no substitute for sliding into the driver's seat, but consumers increasingly turn to YouTube before a test drive. In fact, one in three adults in the US watches car content on YouTube once per month.¹¹ Research shows that consumers are gravitating particularly towards five video styles: test drives, walk-around, feature highlights, reviews and safety tests.¹² Mobile video particularly drives in-market consumers to take action; after watching content about cars, trucks or racing on a smartphone, one in four will visit a dealer.¹³

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These tendencies highlight an opportunity to attract viewers to brands' official channels. Mercedes-Benz recently responded to audiences' research behaviour with a suite of videos that scratched viewers' walk-around itch, as well as offering feature demos of its redesigned E-Class sedan.

Takeaway: As a resource to whittle down a car shopper's consideration set, video is invaluable. Consider creating content around the five popular video styles (test drives, walk-around, feature highlights, reviews, safety tests), which allows shoppers to research by simply hitting play, and make sure it's optimised for mobile. Mercedes-Benz's example illustrates how marketers can be there in shoppers' which-car-is-best moments in creative, digital-first ways.

Bold brands think digital first

What do Volvo Cars, Tesla Motors and Jaguar Cars have in common? Aside from manufacturing some of the most desirable vehicles on the planet, they're pursuing bold, digital-first marketing strategies that resonate.

Volvo's introduction of its redesigned XC90 was punctuated by a 100% digital launch, where 1,927 First Edition models of the SUV were available online to reserve – the number echoing the year of Volvo's founding. The Swedish car maker was also first to utilise Google Cardboard: a low-cost video-immersion solution that provided a 360-degree viewing experience of the XC90 – months before the SUV arrived in showrooms. Tesla, meanwhile hosted a livestream of its Model 3 launch in March, logging over 300,000 online orders in the first week alone. And Jaguar broke through with a "dedicated day of digital" aligned with its new F-Pace SUV, with homepage takeovers of espn.com, YouTube, Spotify, nytimes.com and others.

These brands' strategies illustrate a truth of online marketing: It's not enough to be digital-first; a brand must be digital-savvy.

Takeaway: The digital landscape has leveled the playing field. Consequently, marketers don't need a big budget to see big impact; a well-thought-out digital strategy that meets shoppers at each moment of intent allows it to punch above its weight. And because consumers are increasingly treating dealerships as mere points-of-sale, it's that much more critical to target them during their research. Consumers who think they've made up their minds might still be swayed by an alternative: you.

Sources

¹ Google Data, US, Jan.-Jul. 2015 vs. Jan.-Jul. 2016, searches related to top car-sharing services.

² Google Consumer Survey, US, n=1,500 US consumers who reported having used a car-sharing service within the past month; n=1,508 US consumers who reported they had not used a car-sharing service within the past month, Aug. 2016.

- ³ Google Consumer Survey, US, n=1,500 US consumers who reported having used a car-sharing service within the past month, Aug. 2016.
- ⁴ Google Consumer Survey, US, n=1,504 US consumers who reported having used a car-sharing service within the past month, Aug. 2016.
- ⁵ Google Consumer Survey, US, n=1,508 US consumers who reported they had not used a car-sharing service within the past month, Aug. 2016.
- ⁶ Google Consumer Survey, US, n=1,522 US consumers who reported they had not used a car-sharing service within the past month, Aug. 2016.
- ⁷ Google Consumer Survey, US, n=1,003 US consumers aged 18-34, Sept. 2016.
- ^{8,9,12} Millward Brown Digital and Polk, "Automotive Shopper Path to Purchase", US, Sept. 2015.
- ¹⁰ Google/TNS, Auto Shopper Study 2015, US, consumer barometer n=500.
- ¹¹ Google/Ipsos Connect, Mobile Video Study, US, n=2503, among adults aged 18-54 who go online at least monthly, Feb. 2016.
- ¹³ Google/Ipsos Connect, Mobile Video Study, US, n=195, among adults aged 18-54 who watch cars, trucks and racing content on YouTube at least monthly, and recently watched cars, trucks and racing content on YouTube on their smartphones to gather information for the purchase of a product/service, Feb. 2016.