



# THE DRIVE TO DECIDE

Italy.  
2017.

# Follow the Route.

01

It's time for a new car

02

The Modern Auto Shopper

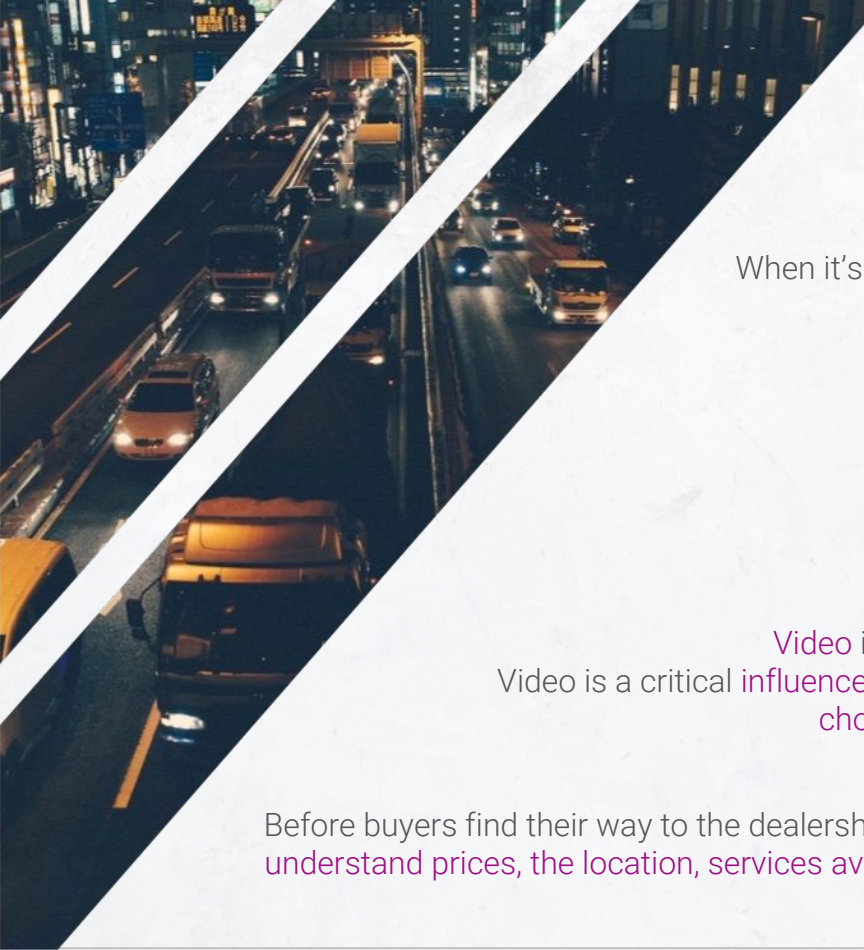
03

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**.

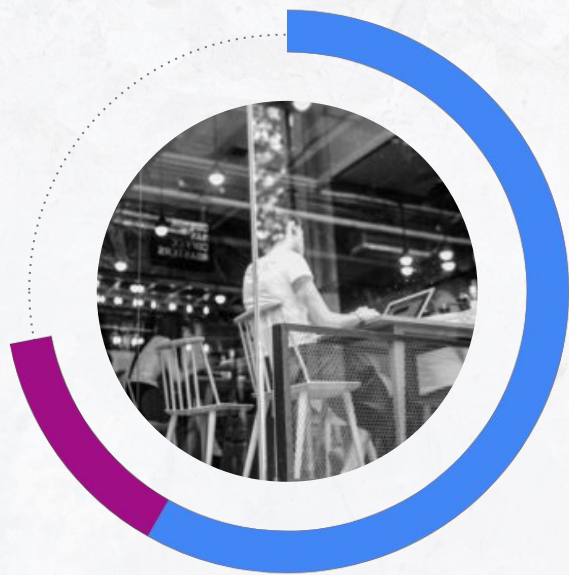
**Video** is a relevant **information source** that enables buyers to explore a new car. Video is a critical **influencer on the buyer's short list** and may well **expand or narrow down the set of choices**. Some audiences may respond more positively to video than others.

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





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.

14%

Completely undecided

58%

Somewhat undecided

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



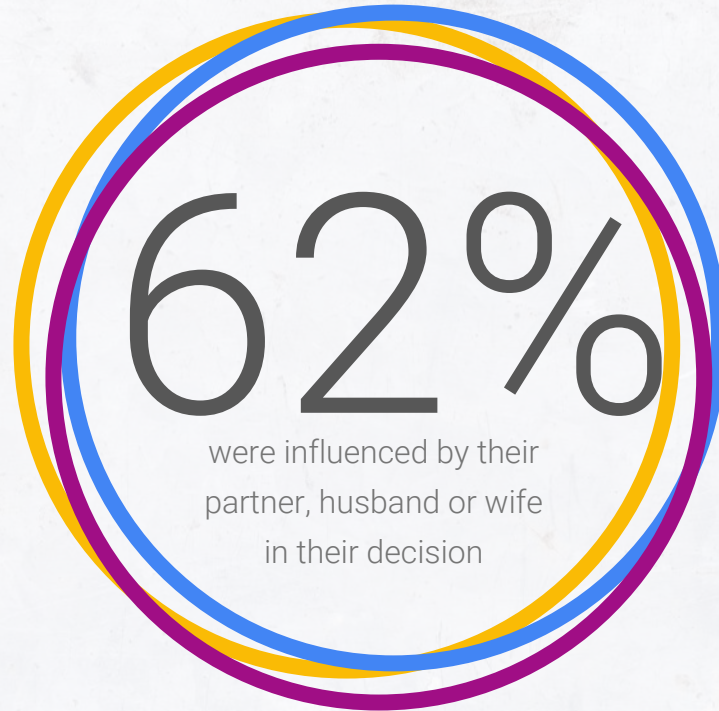
# Some buyers will even change their minds during their journey



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



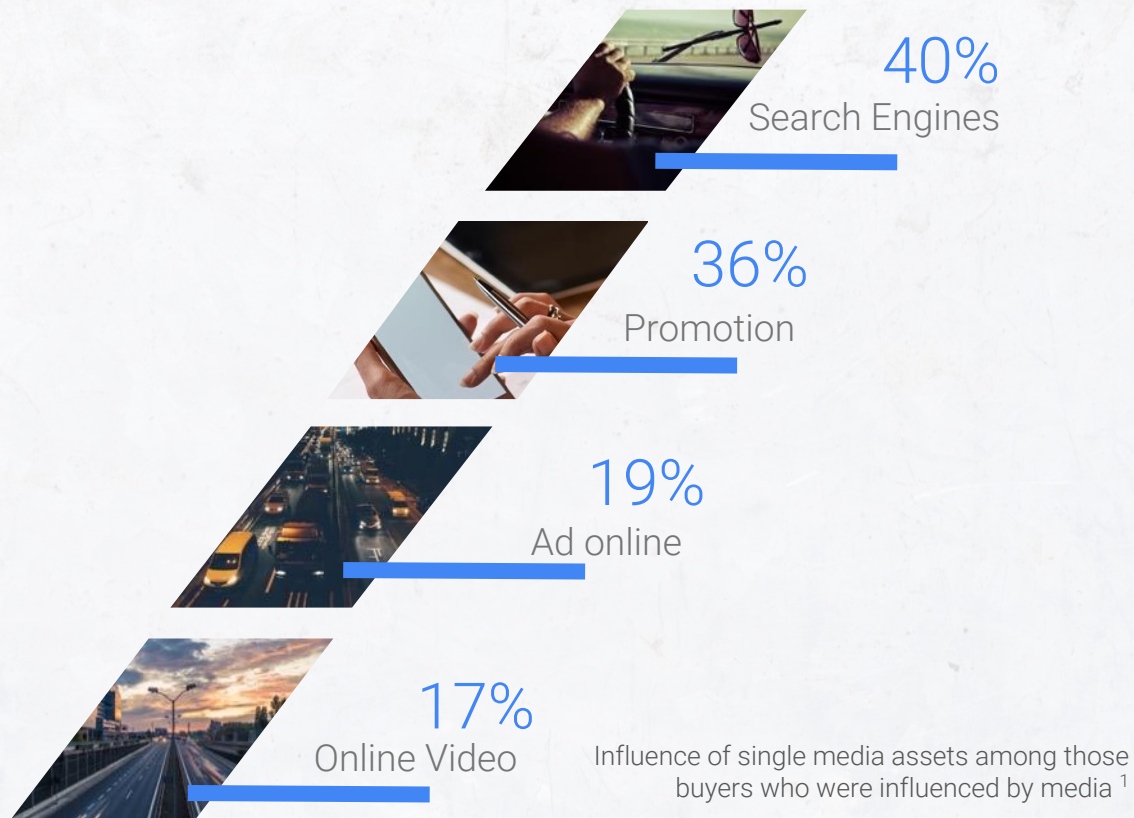
use a car  
configurator




assess customization as  
extremely or very important

# Search engines are a key influencer

Among those who were influenced by media

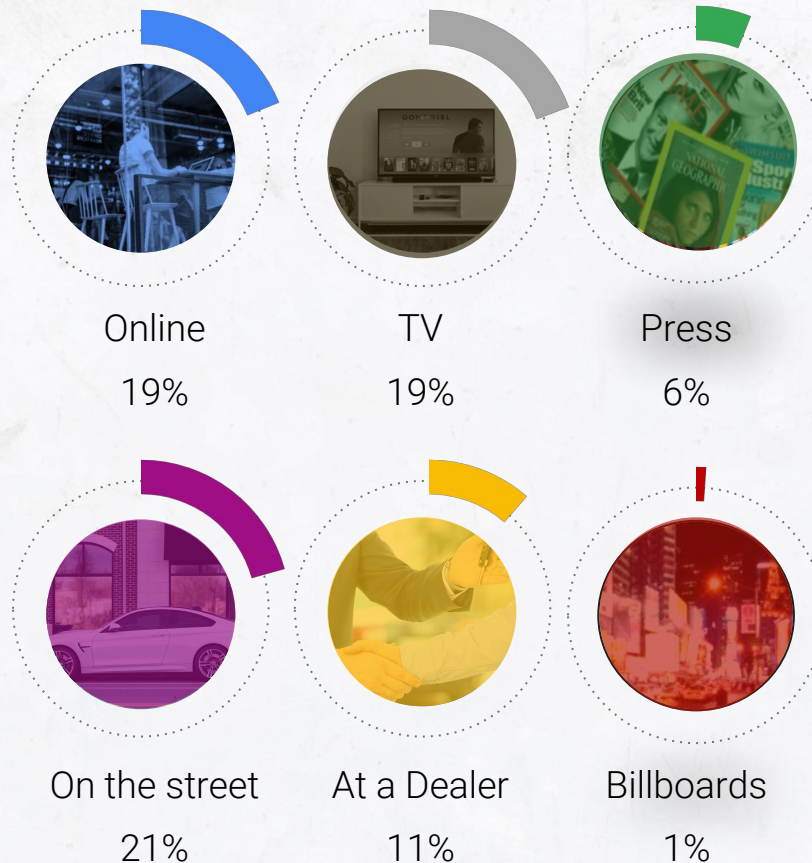






53%  
began their research  
ONLINE

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

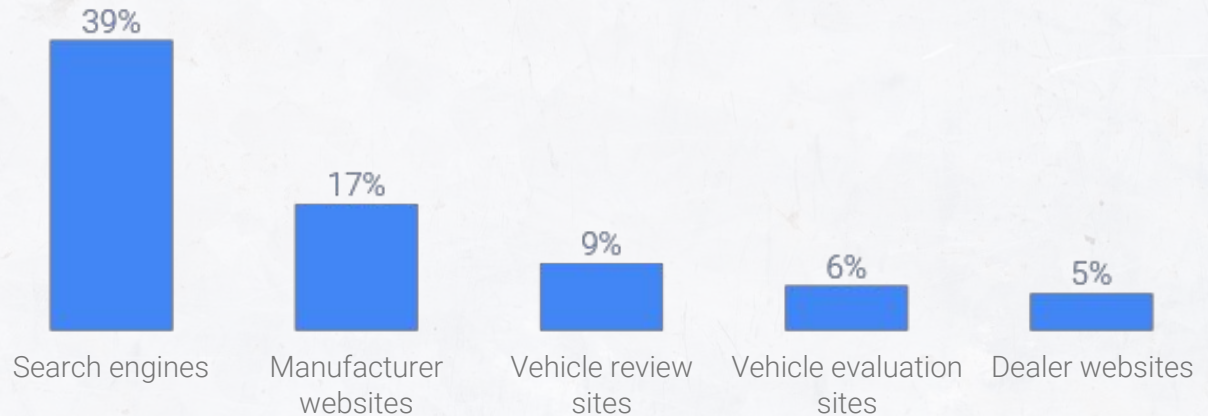






# Search is where research begins

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





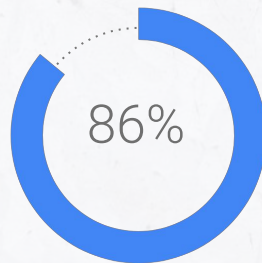
## 02 The Modern Auto Shopper



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

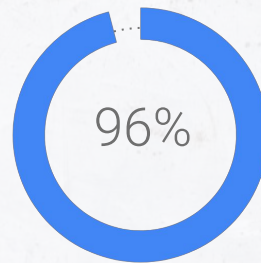
Onliner 18+, 2017: 3.2

Private internet  
usage of Car Buyers 18+ <sup>1</sup>



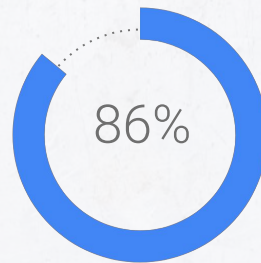
Total  
population  
18+, 2017:  
77%

Smartphone  
usage of Car Buyers <sup>2</sup>



Onliner 18+,  
2017:  
92%

Internet usage  
mainly via smartphone of  
Car Buyers <sup>2</sup>



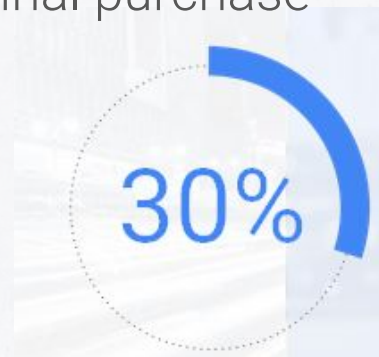
Onliner 18+,  
2017:  
80%

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

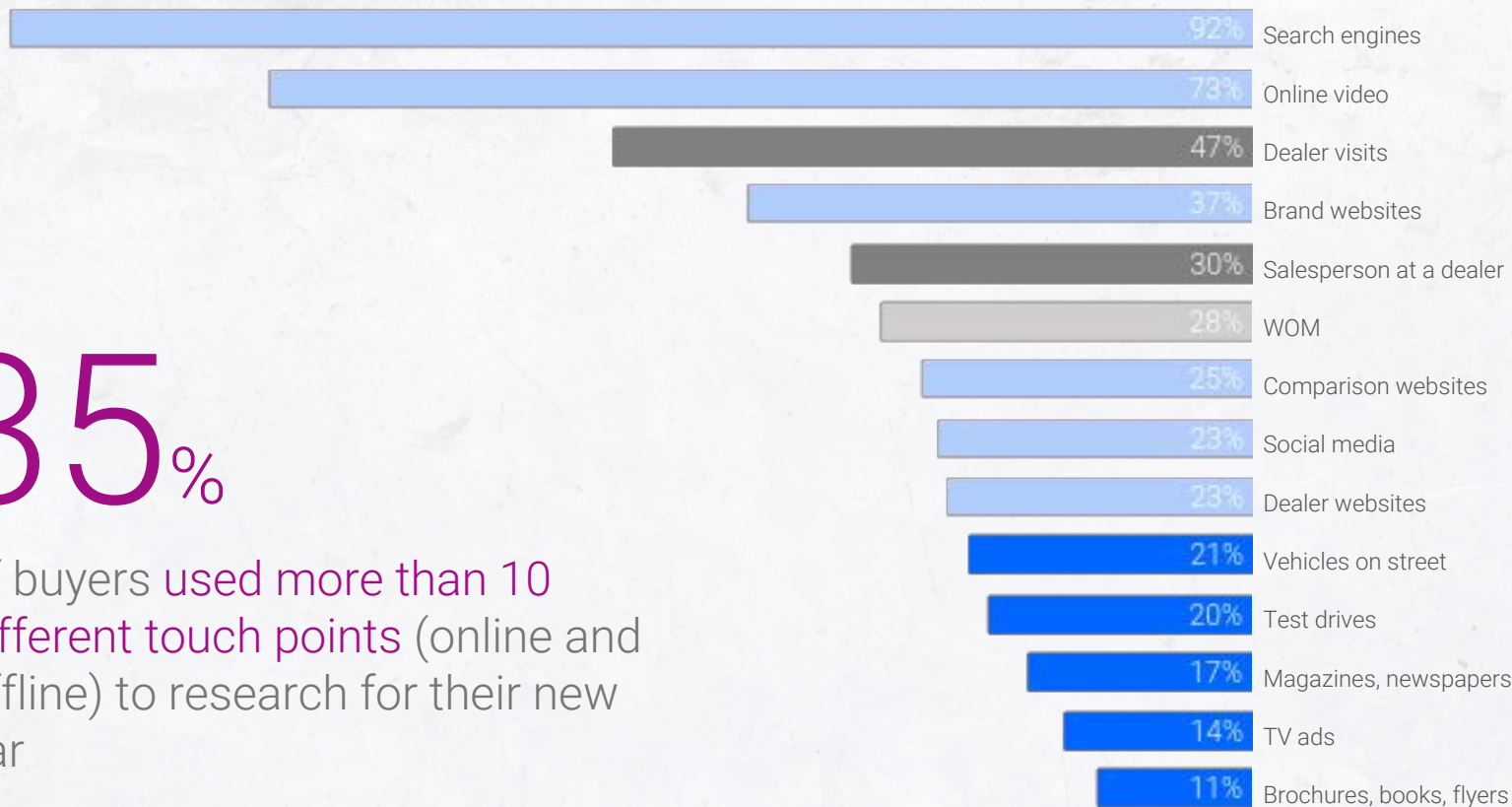


34%

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?

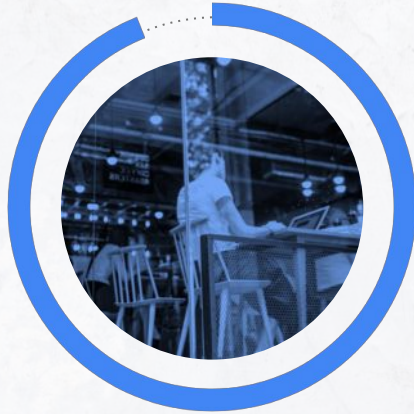
Q10: Which of these websites or apps did you use to inform your most recent vehicle purchase? / Q11: On which of these websites or apps did you watch online videos?

Base: New car buyers, n = 512

Source: Auto CB 2017



# Three major topics affect the auto path to purchase



Online

94%  
research online



Mobile\*

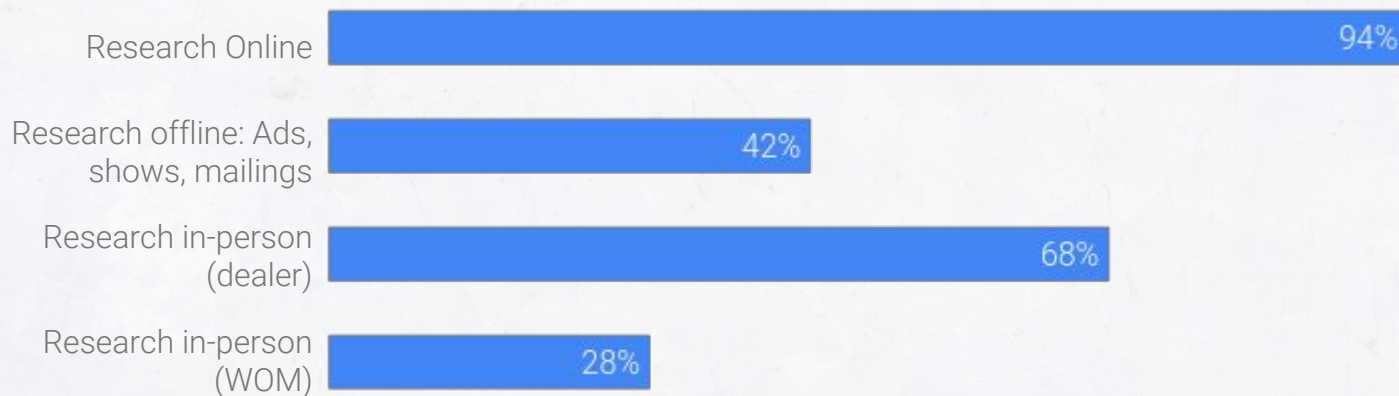
65%  
research on their smartphone\*



Video

73%  
watch online video

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

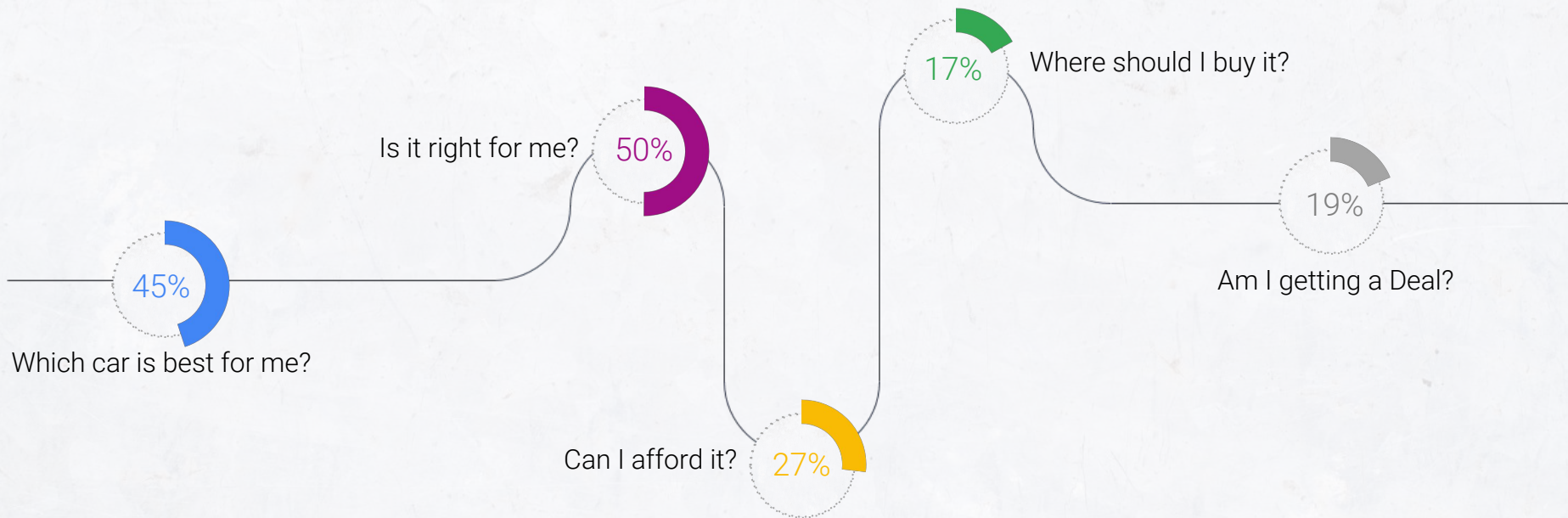


Online research is important and is accompanied by different offline sources





# Value of smartphone research to answer the key questions



Question asked: Q24 – Value of smartphone research to research key questions – For which of these steps was it helpful to do research on your smartphone?  
Base: New Car Buyers who do active research to answer the above mentioned key questions AND research on their smartphone, Which car is best for me, n = 322,  
Is it right for me, n = 325, Can I afford it, n = 290, Where should I buy it, n = 311, Am I getting a deal, n = 242  
Source: Auto CB 2017




## 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% 

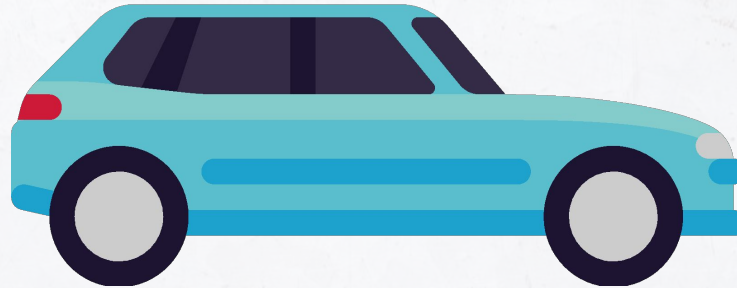
360 degree video - interior and exterior

17% 

Ads or commercials

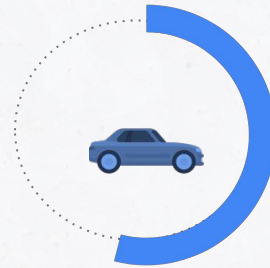
37% 

Vehicle walk-arounds - interior and exterior



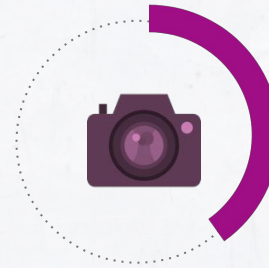
Type of videos watched before deciding about a new car

# 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

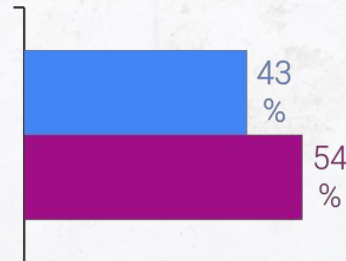


10%

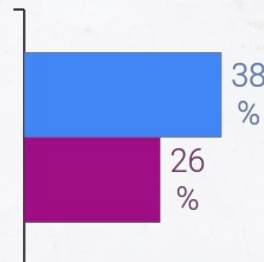
... used online video to save trouble of going to test drive

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

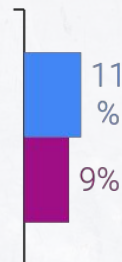
Influence of online video on short list



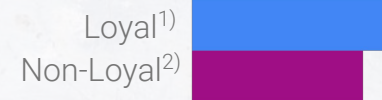
narrowed down the set of choice



expanded the set of choices



saved the trouble of test driving the cars





# Online Video is an influencer

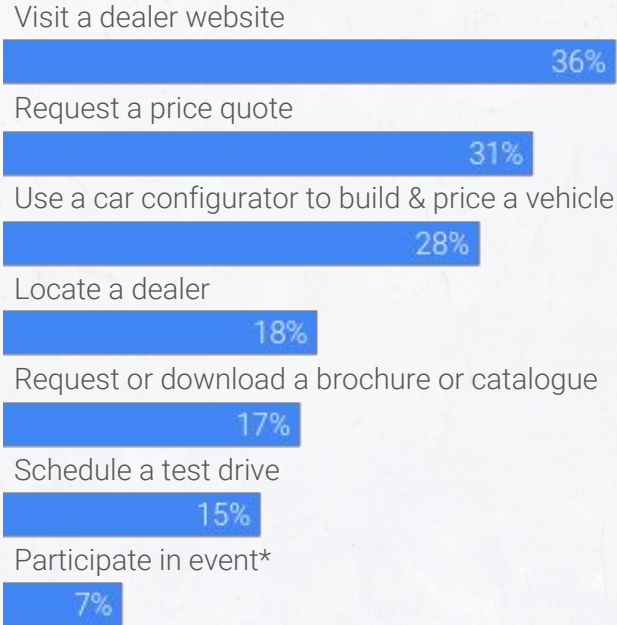
Video watchers...>>

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

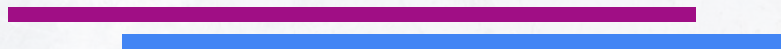




## 04 From Digital to the Dealership

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

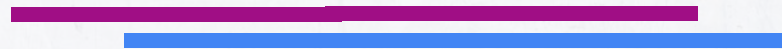
53%



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

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

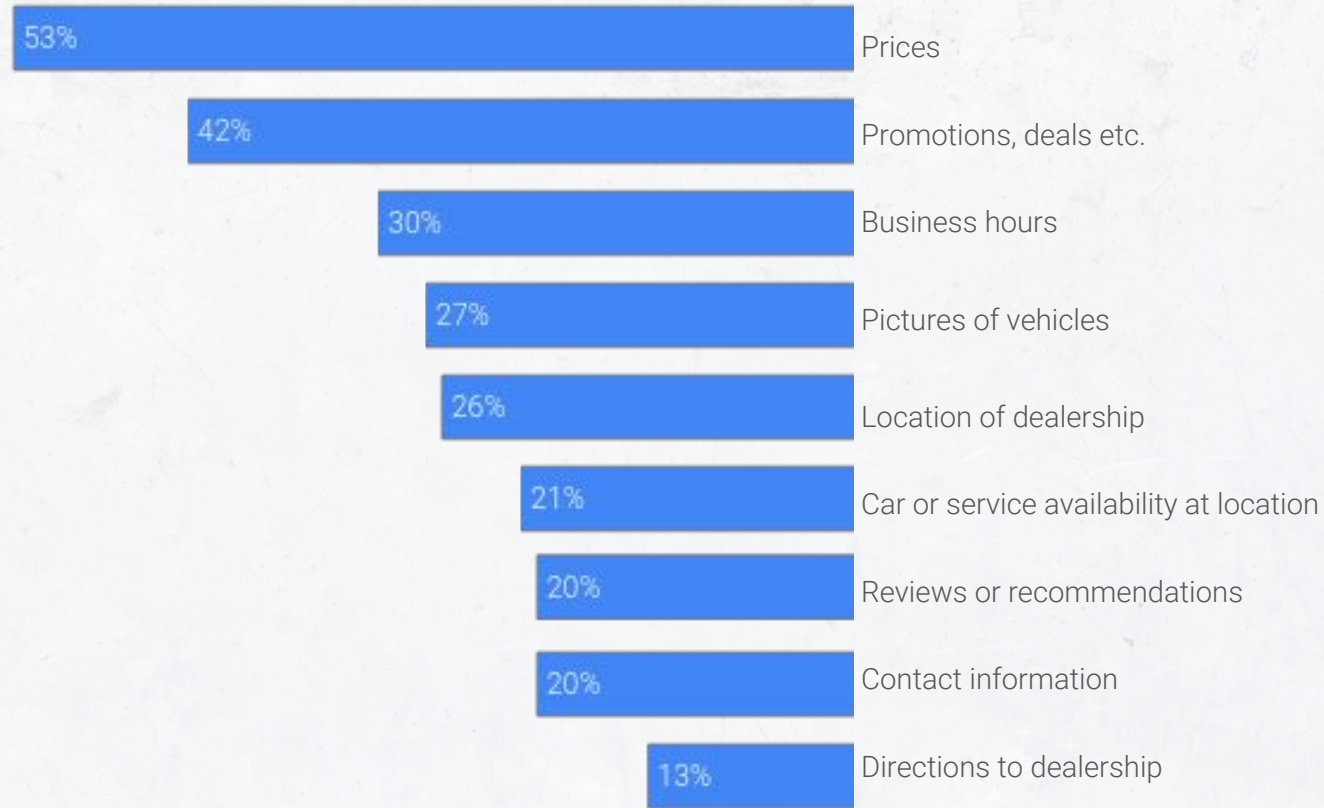
36%



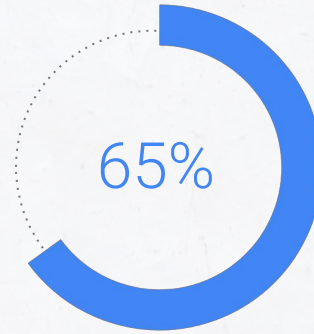
Researched online to find their dealer



Buyers actively  
look for  
information  
before they visit  
a dealer



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



Smartphone Research<sub>1</sub>



Smartphone Research on the lot<sub>2</sub>





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.