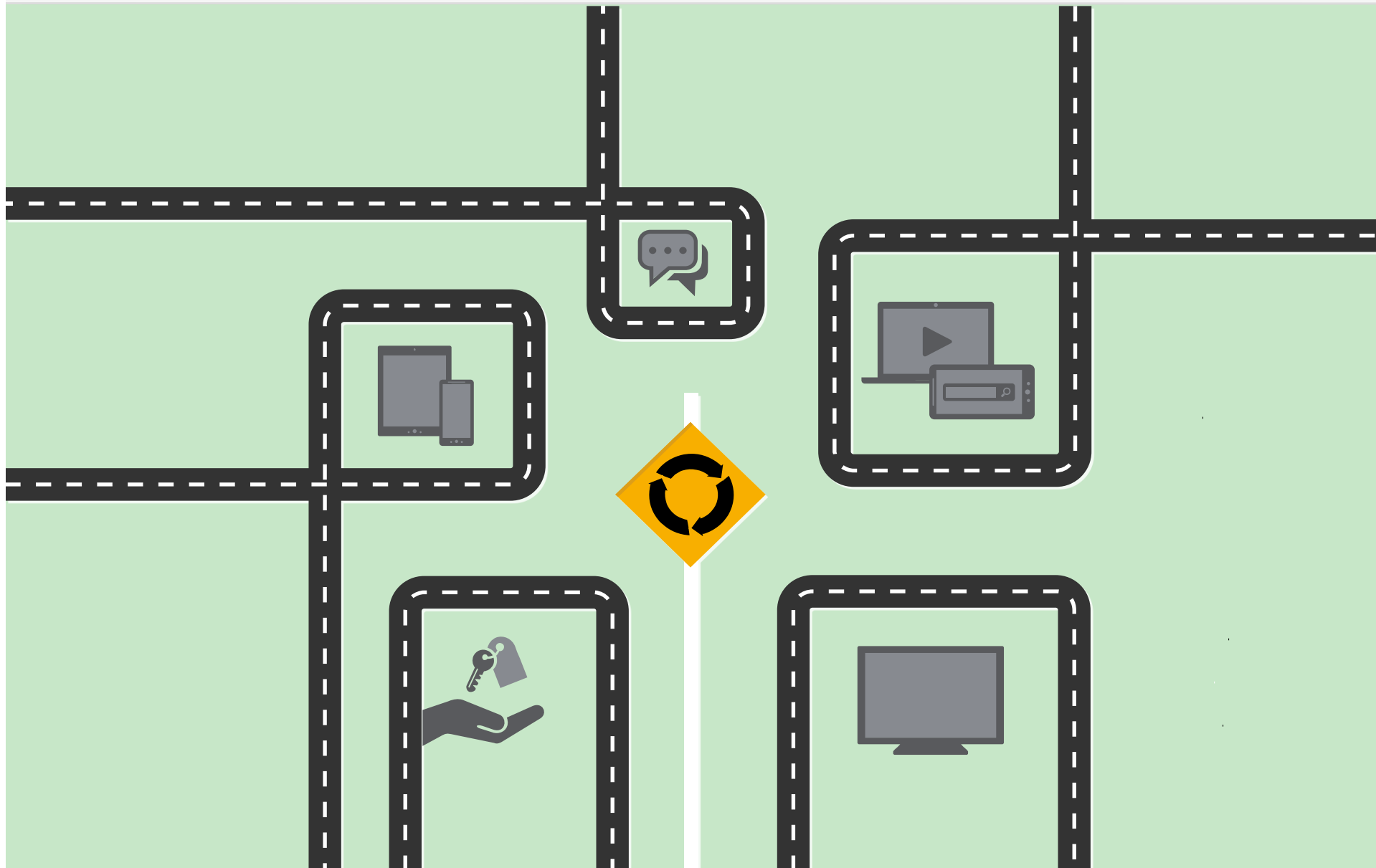


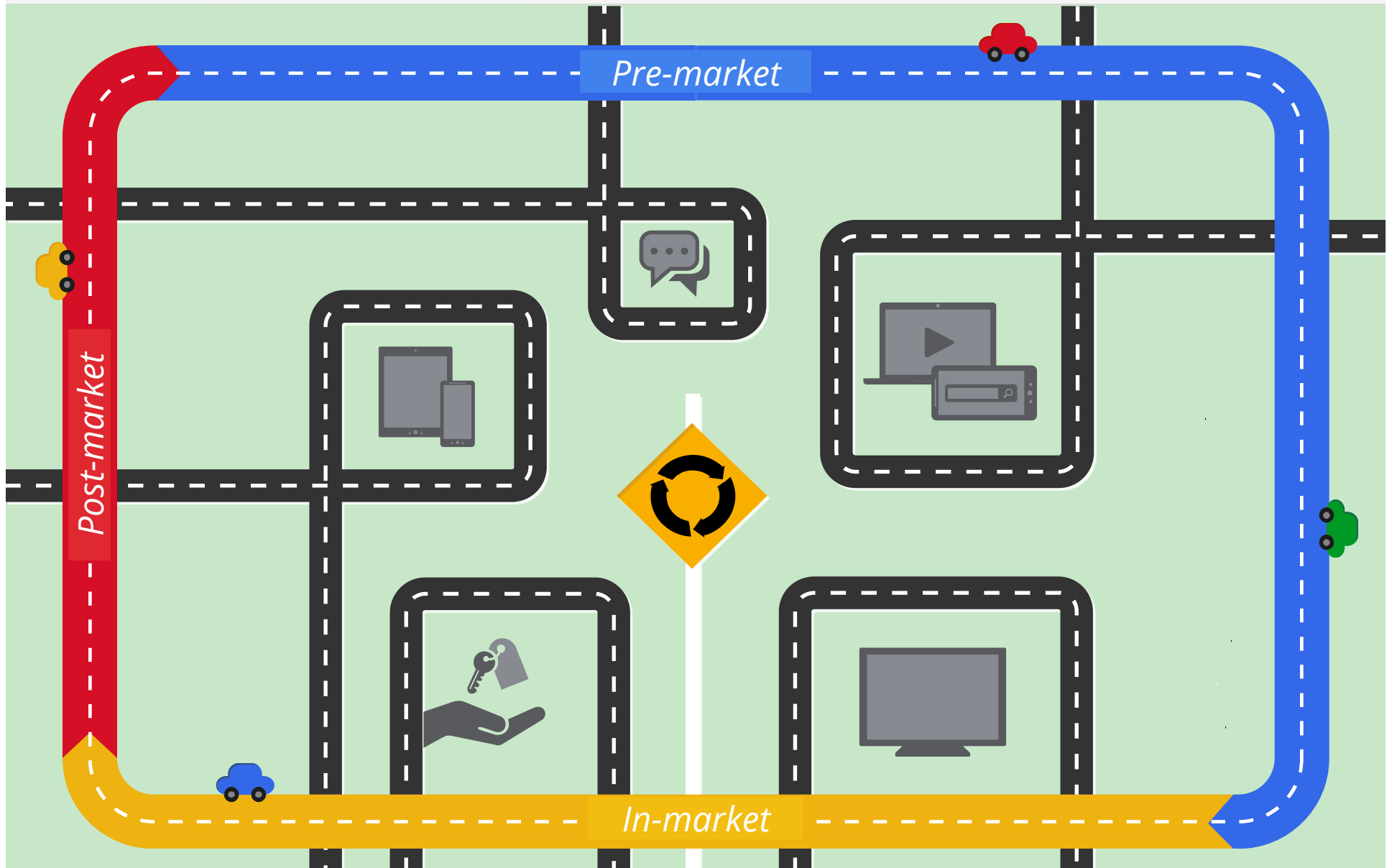


Constant Consideration

Brand choice on the new
vehicle path to purchase

September 2012





Research goals and key findings

Goals

- How do phases of vehicle shopping work together?
 - How do vehicle shoppers discover and choose brands?
 - What are the greatest opportunities for brand influence?
-

Key findings

- Moments of brand consideration occur at each phase
- An initial consideration set is formed pre-market
- Most shoppers switch to or discover the brand they buy while in-market
- Post-market, vehicle service moments are opportunities to drive brand endorsement and loyalty

What did we do?

Clickstream, survey and ethnographic studies



>10,000

Purchaser Digital Paths

- Clickstream analysis of new vehicle purchaser search path within the 6 months prior to purchase
- Matched Compete's panel of 2 million online consumers to Polk new vehicle registration data
- Focus on first query, last query, and overall query volume by keyword type
- 2010 purchasers



>1,000

Surveys

- Online survey
- Fielded to new vehicle buyers who purchased within the past twelve months
- Fielded July– August 2012



10

Ethnography Participants

- 4 day immersive online ethnography
- Tasks included:
 - Visual depictions of purchase timeline
 - Touchpoint placement along purchase timeline
 - Emotional linkages to purchase process
 - Digital media collage
- Conducted July 2012



Agenda

1

Pre-market

- An initial consideration set is formed before a purchase need is identified

2

In-market

- Most shoppers will discover or switch brands in-market
- Digital tools have become the most common research sources
- Influence high potential, open-minded shoppers across screens

3

Post-market

- High satisfaction leads to brand endorsement opportunity
- Ownership milestones can influence the next purchase

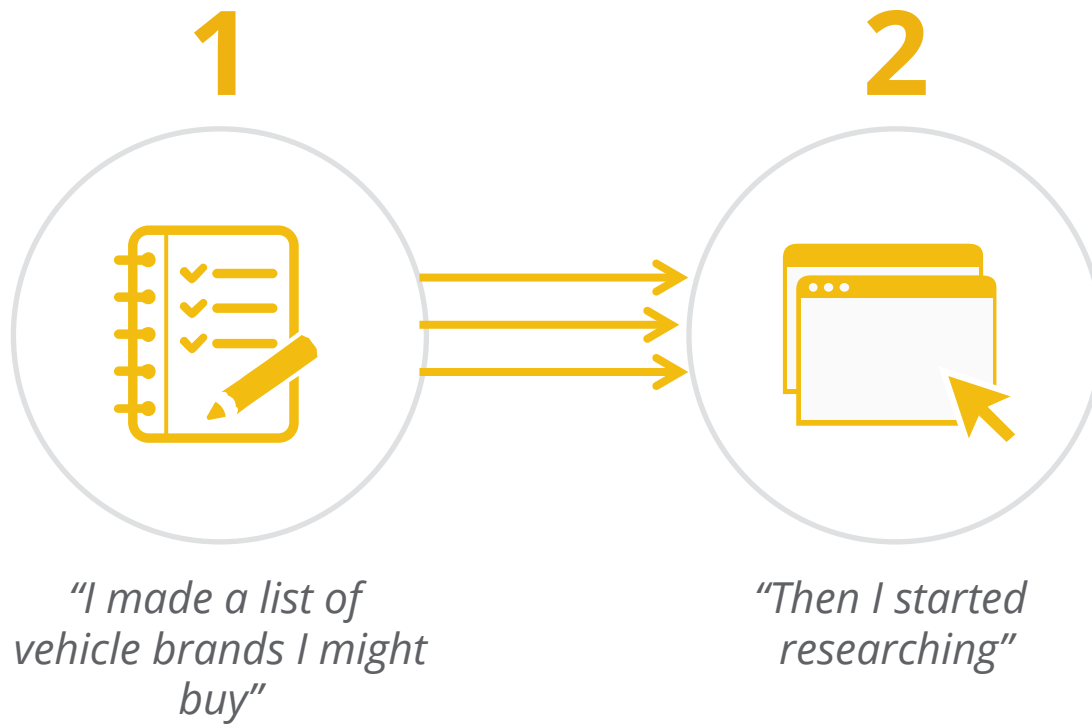
Pre-market

Example pre-market influences

- Road trips
- Car rentals
- Current vehicle
- Maintenance experiences
- Mileage milestones
- Life changes
- Income changes
- Cars in lots
- Cars on the road
- **Memorable brand engagement**

*“There was one commercial that **I think was so good we had to YouTube it as it made its way around my circle of friends.** The commercial was called ‘Swagger wagon’, there was a whole series that was viral with my friends...”*



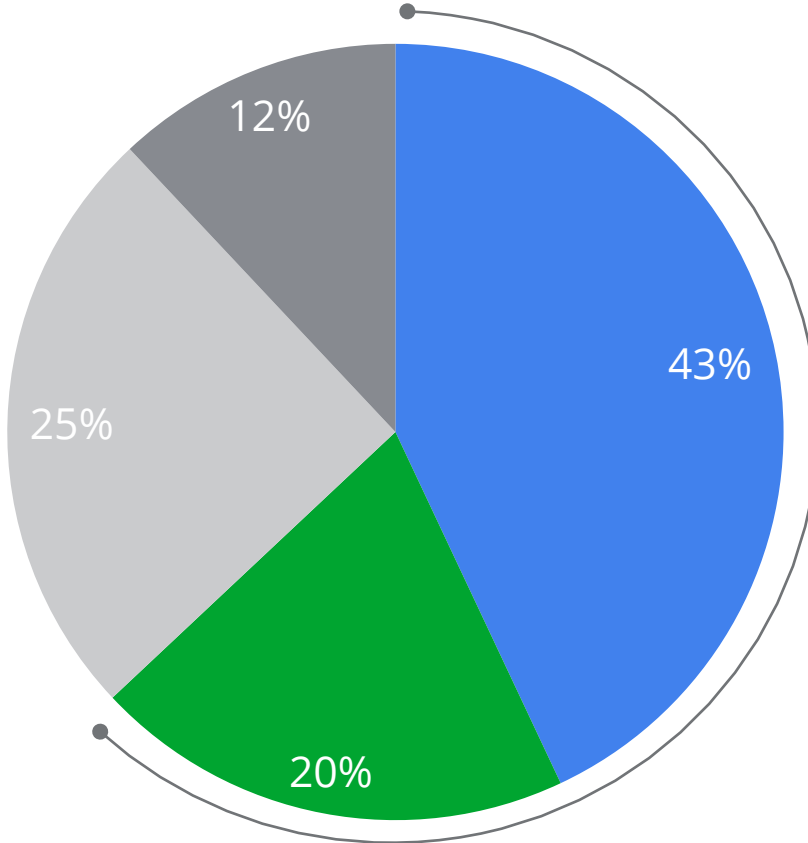


Counterintuitively, consumers have an initial shopping list already in mind before they start researching



Shoppers form an initial shopping list before they are in-market

Vehicle purchasers' first in-market query by term type



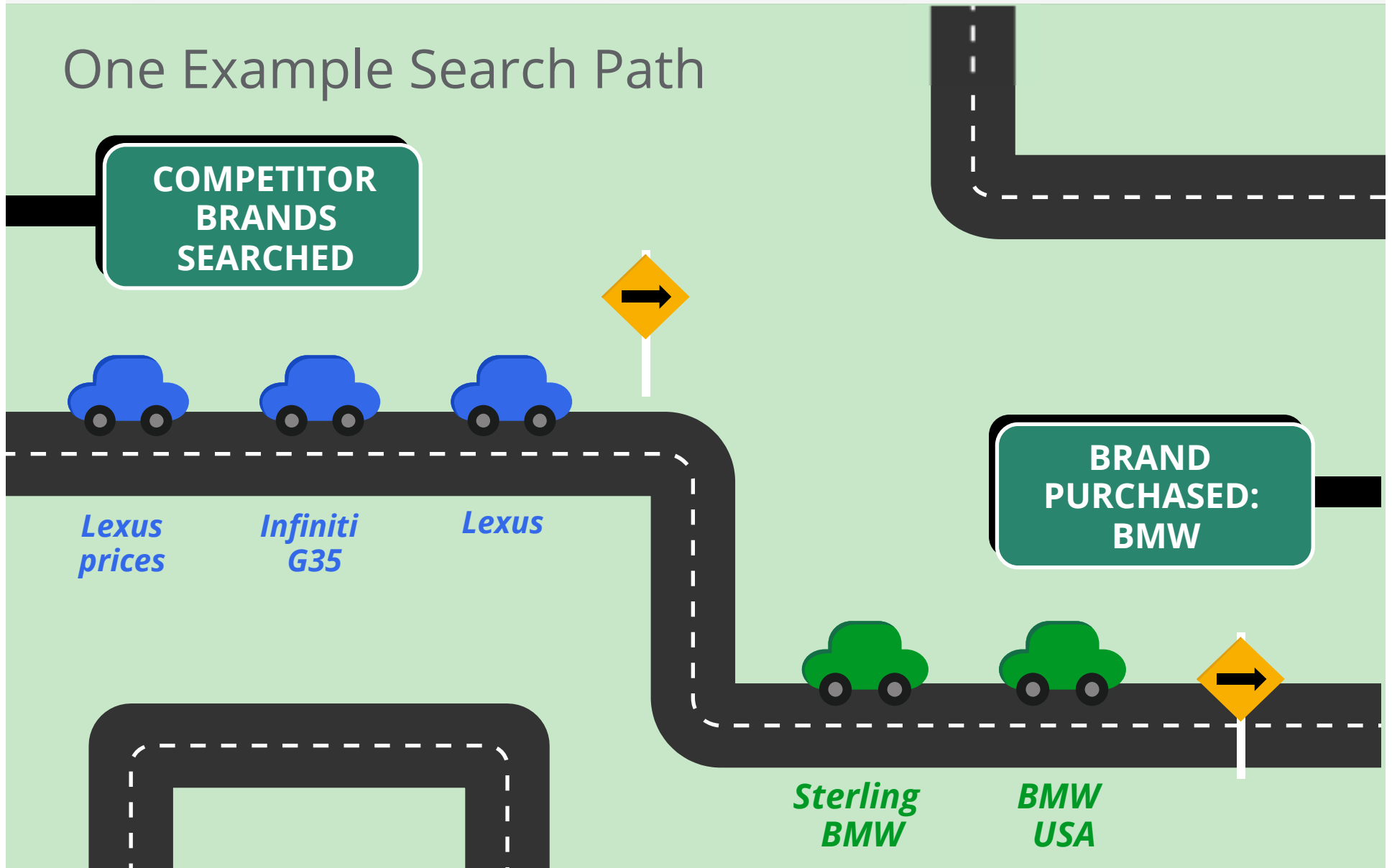
63%

of purchasers start their online research with a brand in mind

- Competitor brand
- Brand purchased
- 3rd party auto site
- Vehicle segment

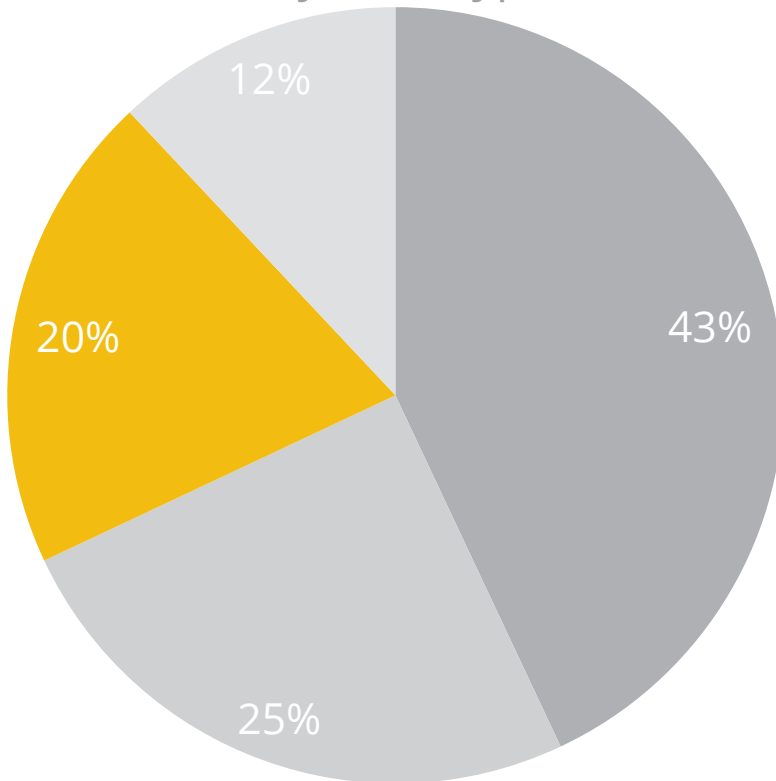
In-market

One Example Search Path



Most shoppers will switch to or discover the brand they buy in-market

Vehicle purchasers' first in-market query by term type



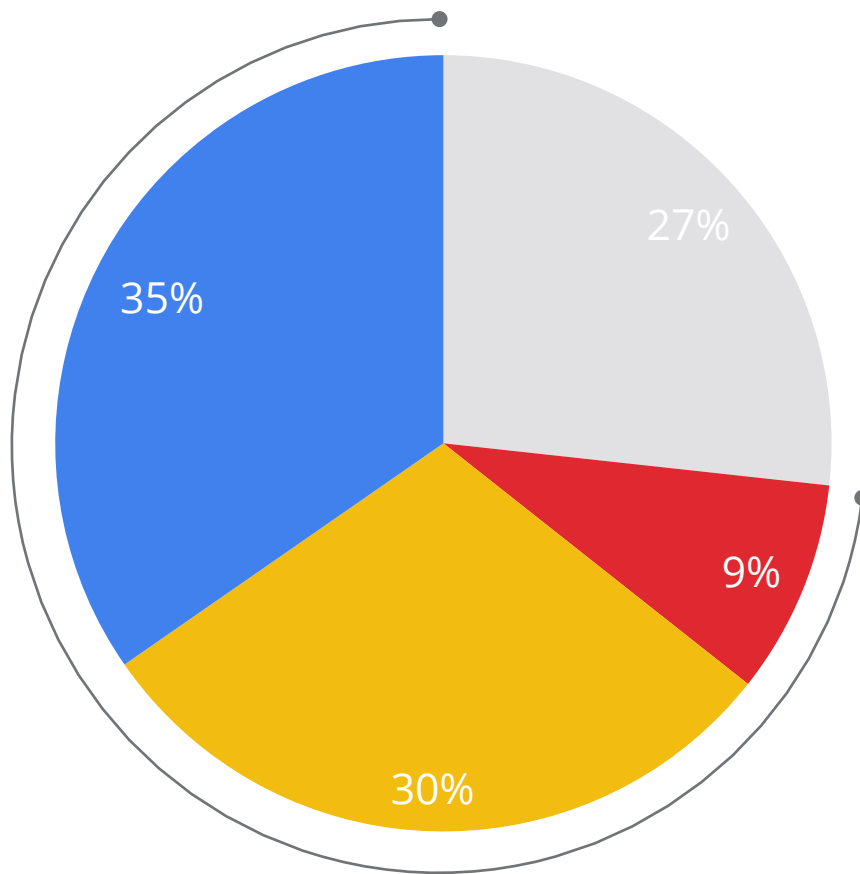
20%

of vehicle purchasers first research the same brand they ultimately buy

- Competitor brand
- 3rd party auto slide
- Brand purchased
- Vehicle segment

Share of purchaser queries by term type

Vehicle purchaser's first in-market query by term type



73%

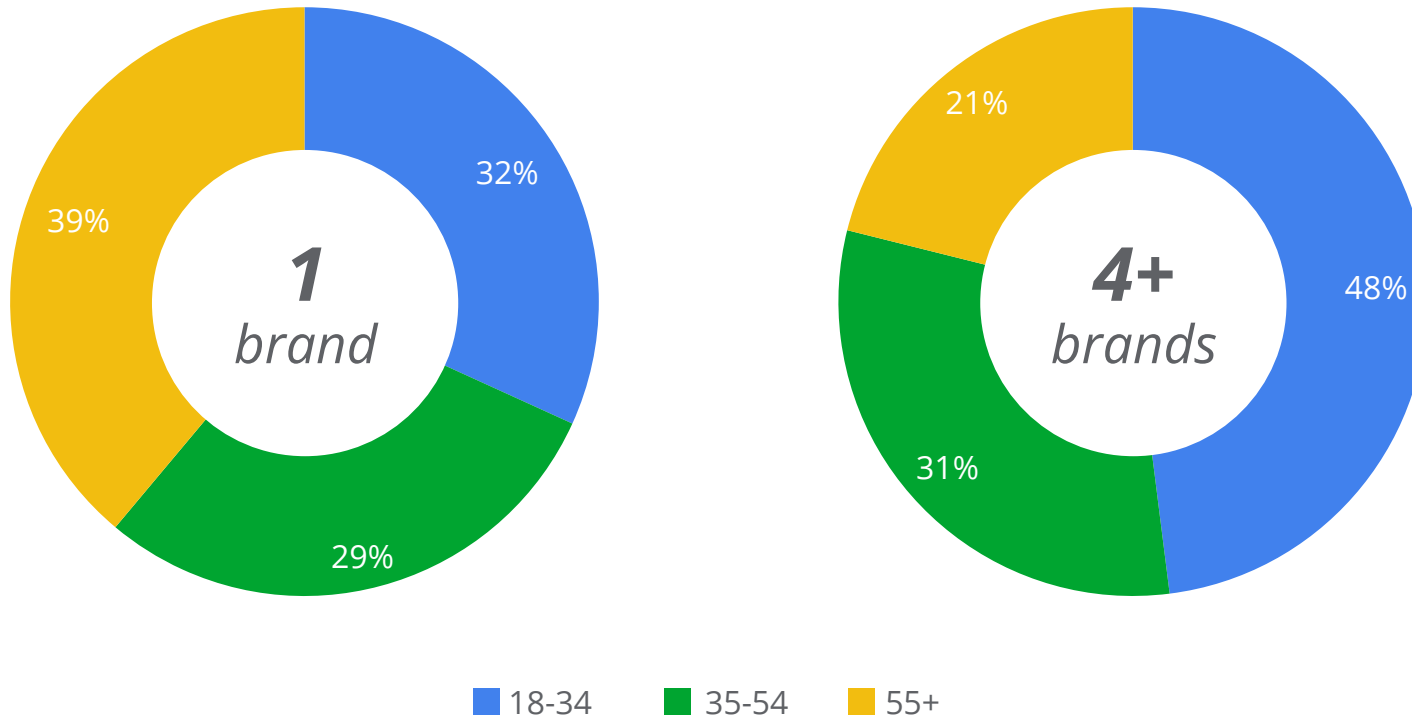
*of vehicle purchaser
search activity
involves cross shopping*

- Brand Purchased
- Vehicle Segment
- 3rd Party Auto Site
- Competitor Brand

Who are the most
open-minded
in-market shoppers?

Open-minded shoppers are often younger

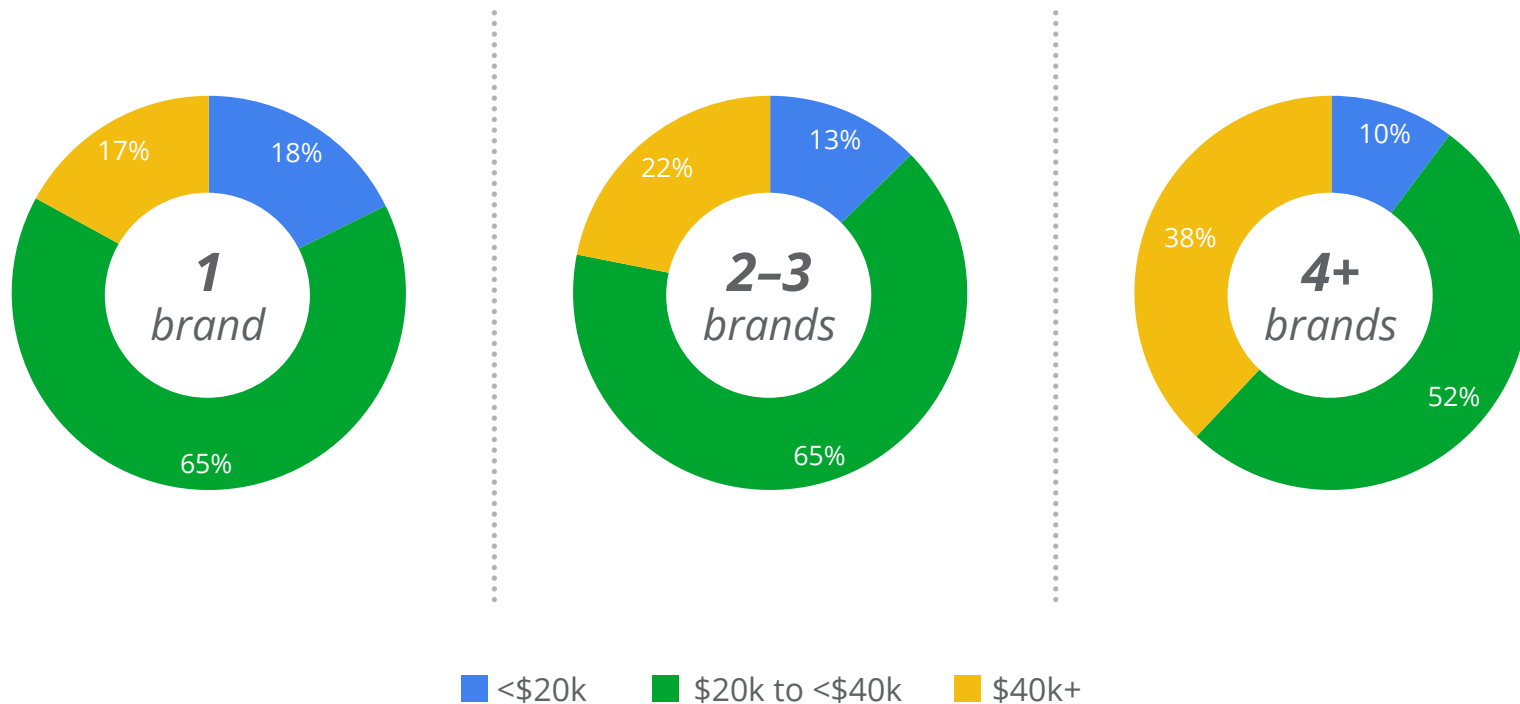
New vehicle purchaser's age by number of brands considered



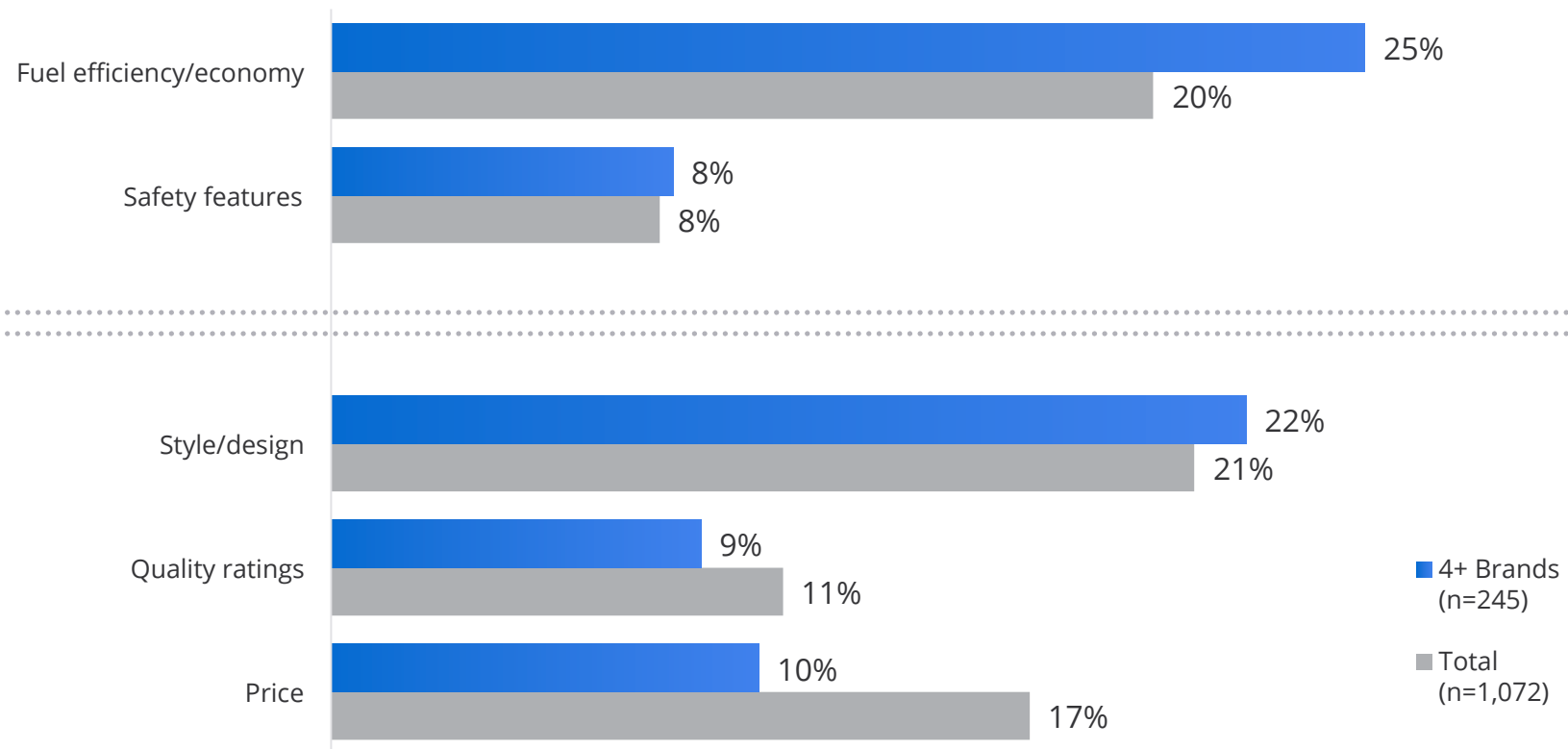
They are likely to buy more expensive vehicles

Open-minded shoppers are twice as likely to spend over \$40K

New vehicle purchase price by number of brands considered

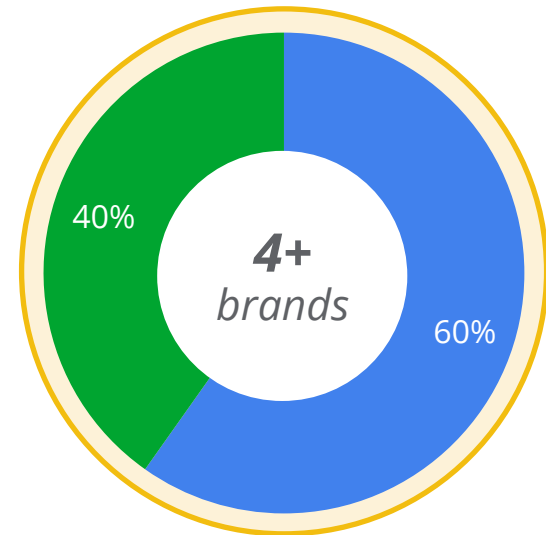
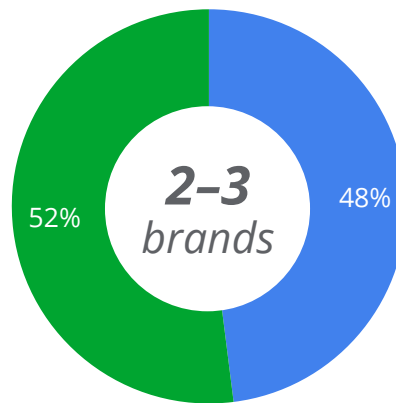
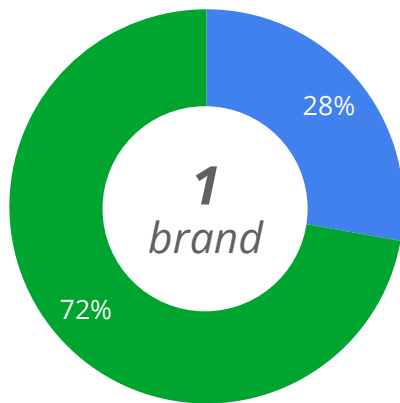


Those considering more brands are less price sensitive and look to recoup on fuel efficiency



They are more likely to have switched from another brand

Was this the first time you ever purchased this brand?



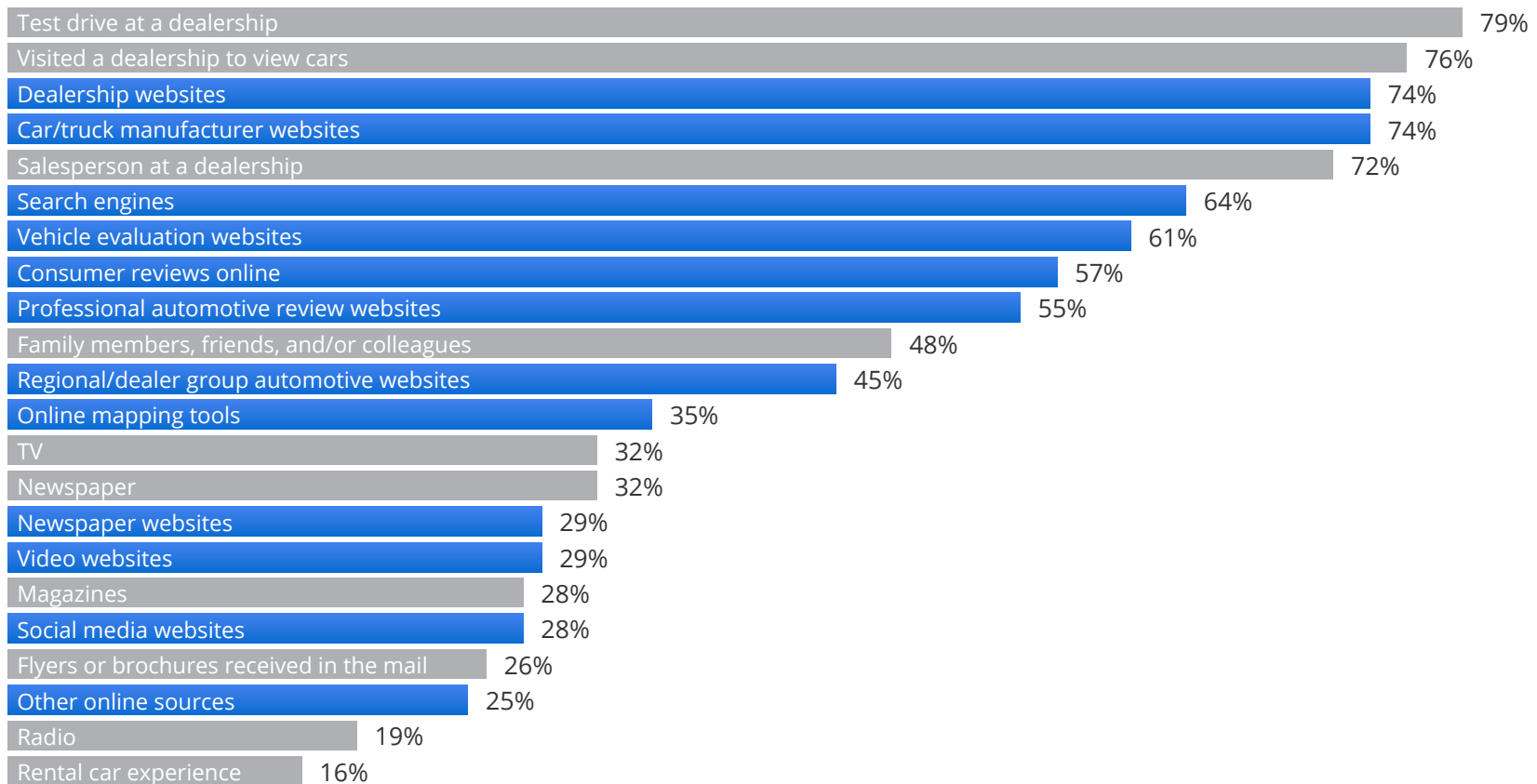
■ Yes ■ No

How do you reach these
open-minded shoppers?



In general, auto shoppers increasingly rely on digital tools

Percentage of new vehicle buyers who used each source



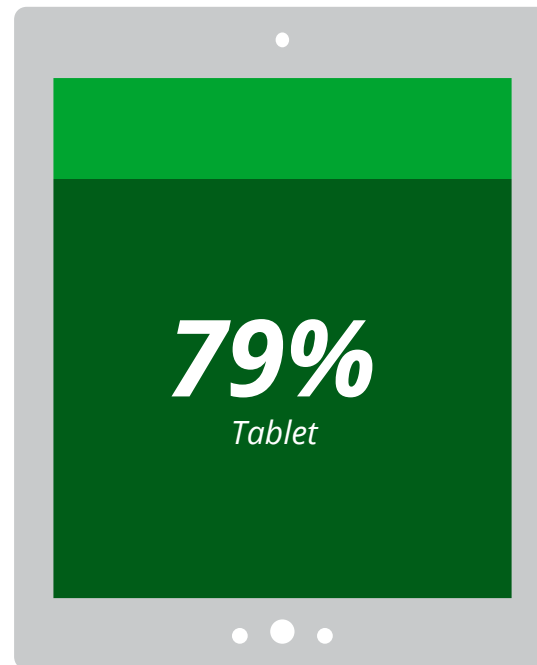
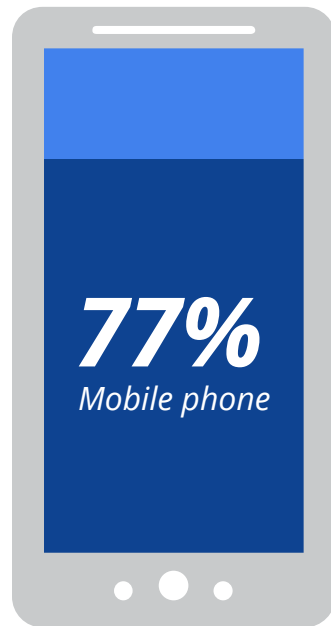
Source: Constant Consideration: New Vehicle Path to Purchase, Compete/Polk/TNS September 2012.

RT1: Which of the following online sources, if any, did you use to look for information on cars/trucks using these types of devices? n=1072. Inclusive of computer, mobile and tablet usage. Digital sources are aggregated, inclusive of mobile, tablet, desktop. RT2: Besides using the internet, which of the following sources, if any, did you use to look for info on cars/trucks?

Mobile shoppers use their devices very regularly

Tablet users slightly more likely to use the device daily or weekly

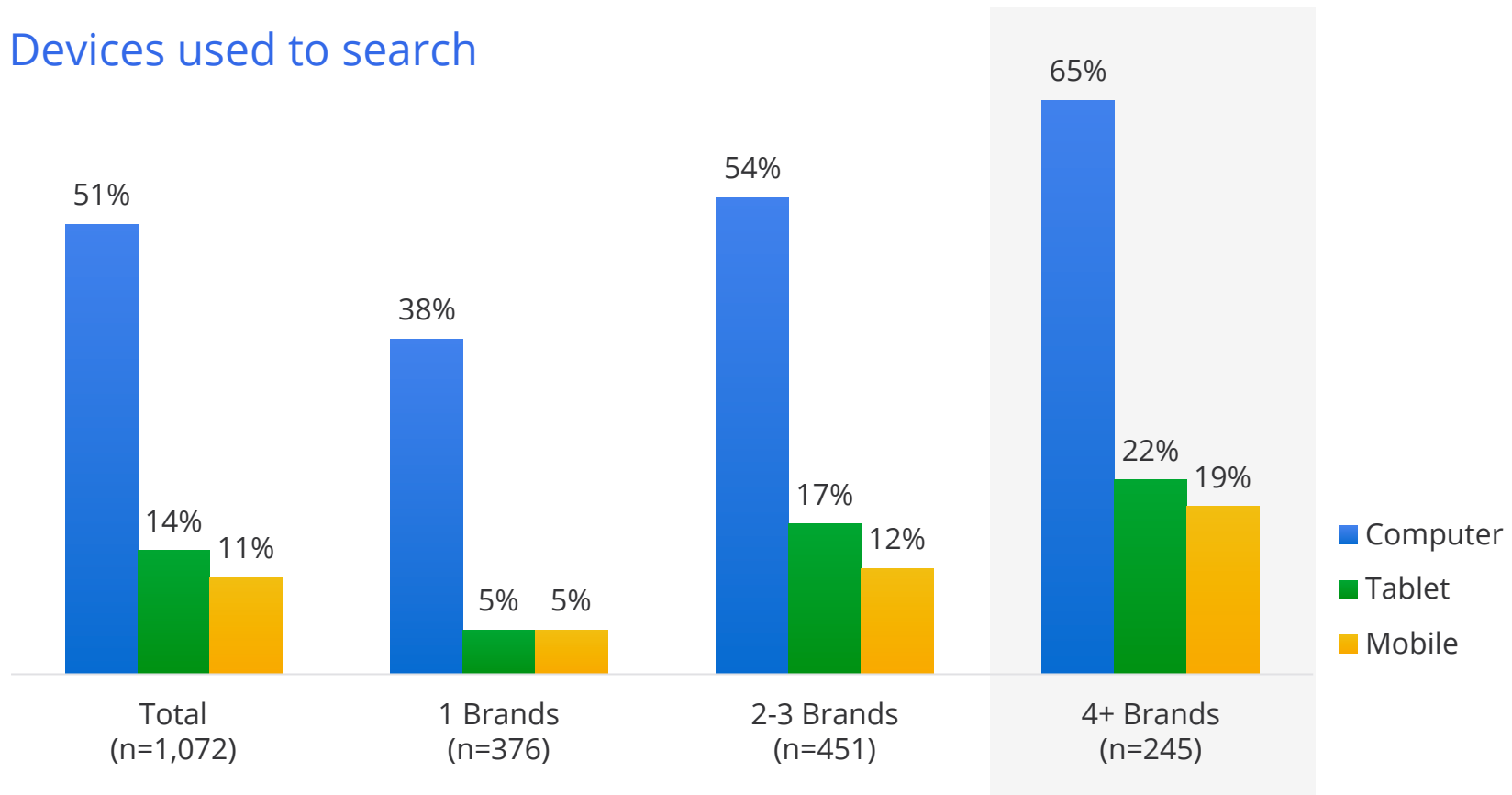
Daily or weekly usage of devices, among mobile/tablet shoppers



Brand agnostic shoppers are multi-screeners

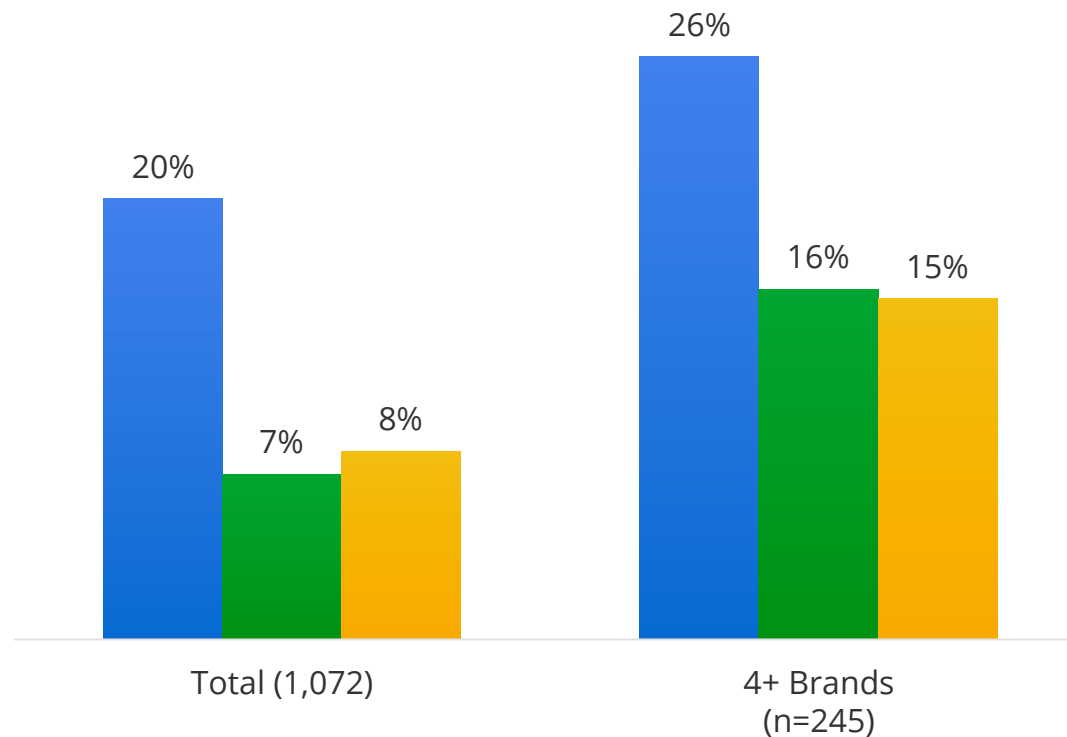
Almost twice as likely to research on mobile/tablet

Devices used to search



Find open-minded shoppers watching video across screens

Usage of video sharing site



29%
research using video

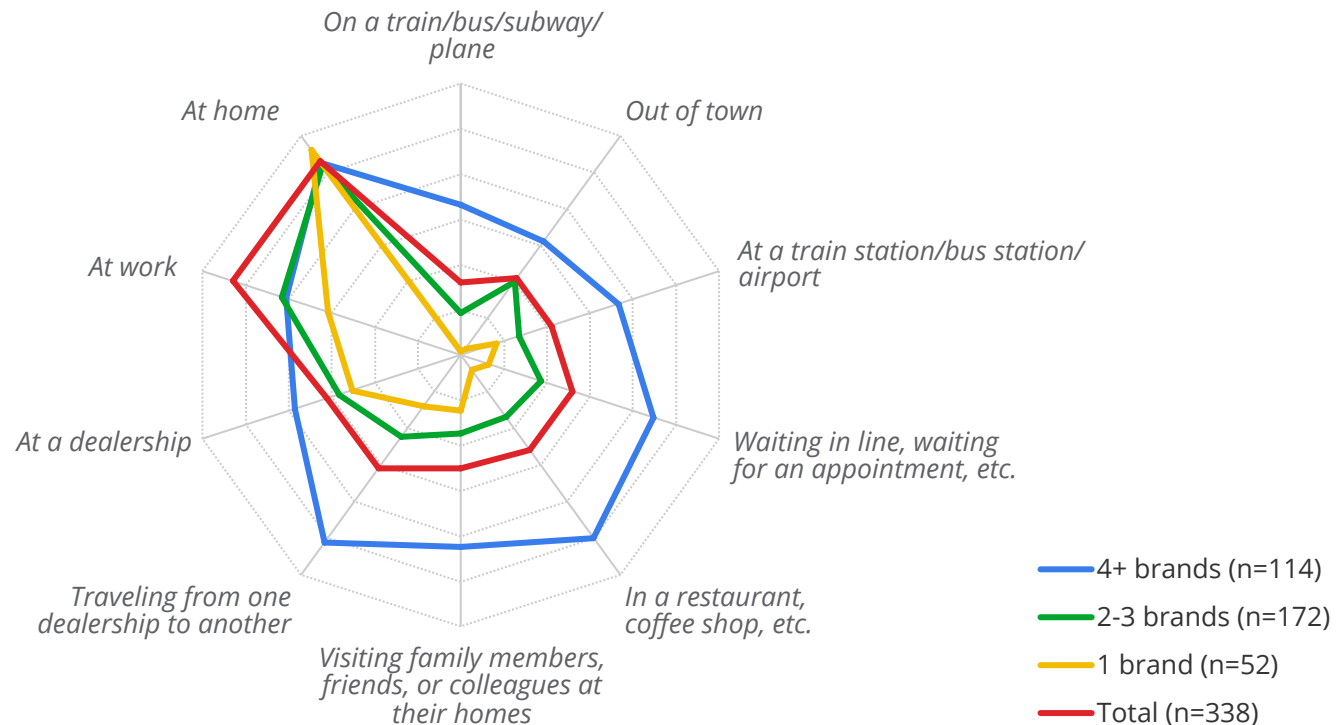
43%
who are open to many brands watch online video, with most of the incremental viewing coming from mobile and tablet

- Used this source on a computer
- Used this source on a tablet
- Used this source on a mobile phone

Those considering more brands shop more places

Mobile devices enable constant consideration behavior

Mobile research locations by number of brands considered



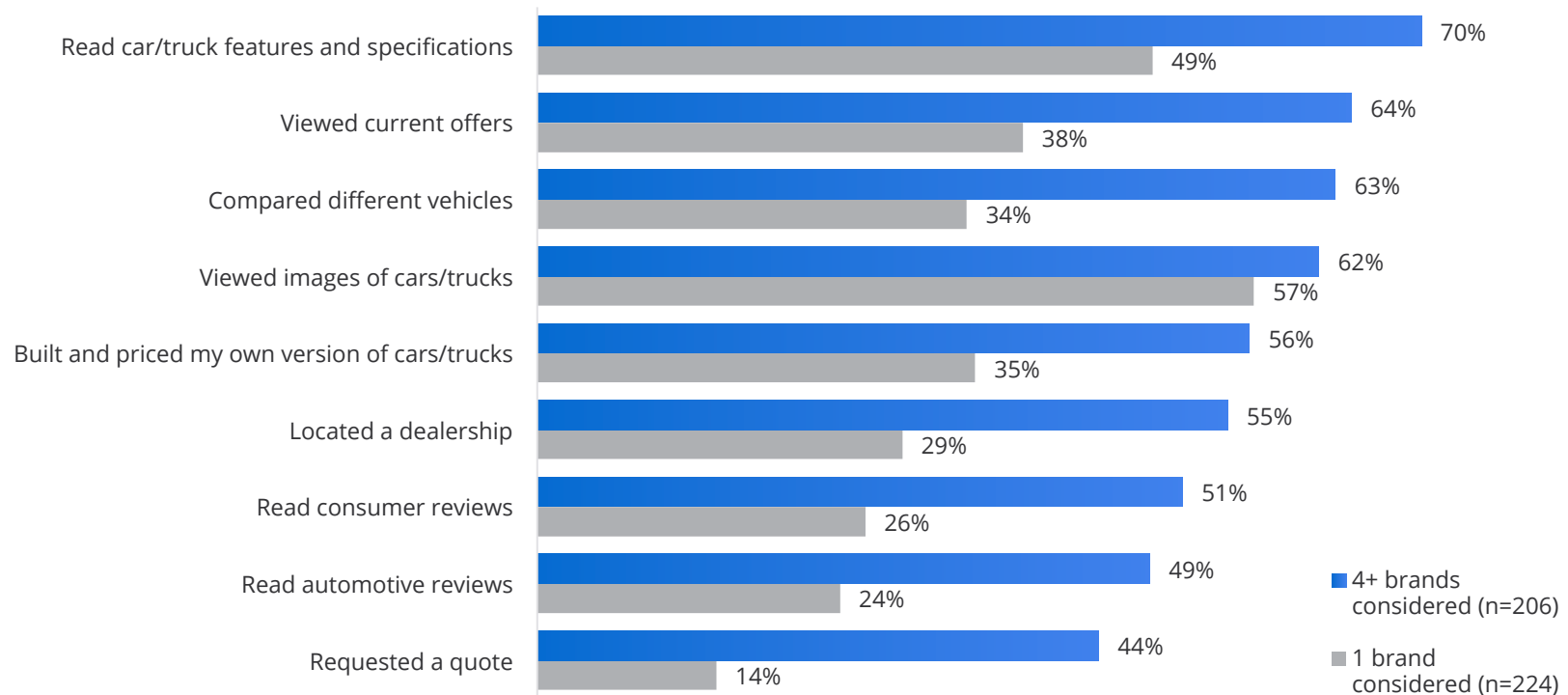
Source: RT13. From which of the following locations did you use your mobile device(s) (e.g., tablet and/or mobile phone) to shop for cars/trucks? Please select all that apply. N= varies by segment.

Source: Constant Consideration: New Vehicle Path to Purchase, Compete/Polk/TNS September 2012.

Undecided shoppers are more likely to engage with your site

All activities are more often used by those considering many brands

Usage of OEM site features

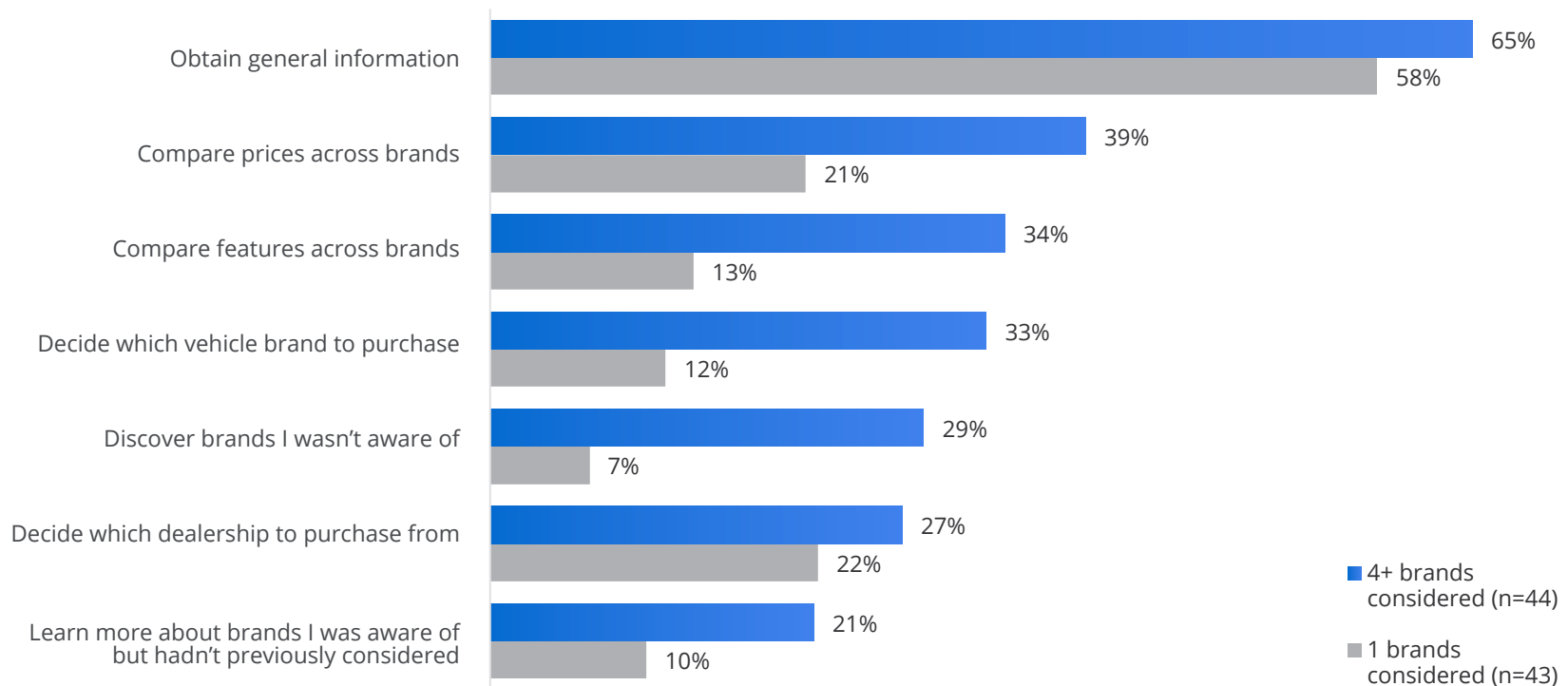




Brand agnostic shoppers search to discover and cross-shop

They're 3 times as likely to discover new brands through search

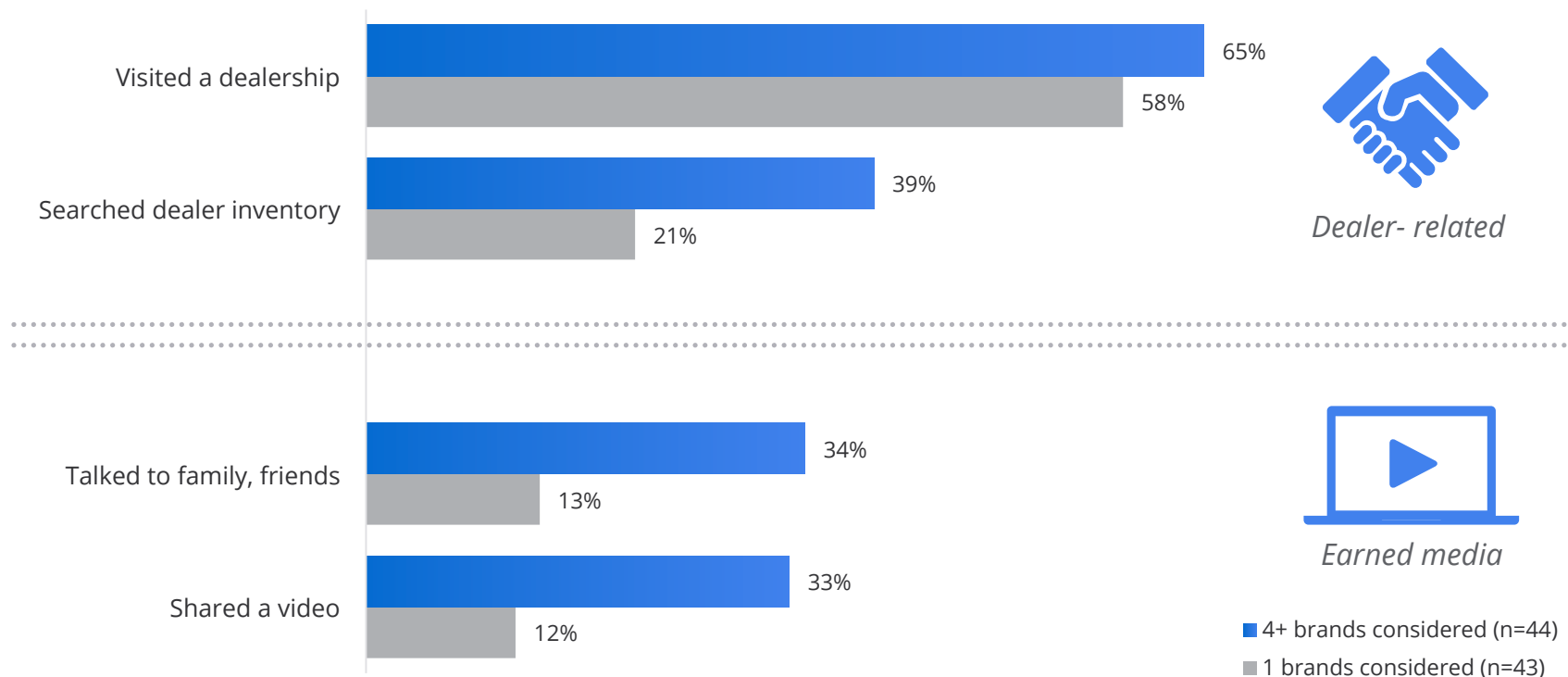
How search helped with research



Drive earned media and dealer engagement with video

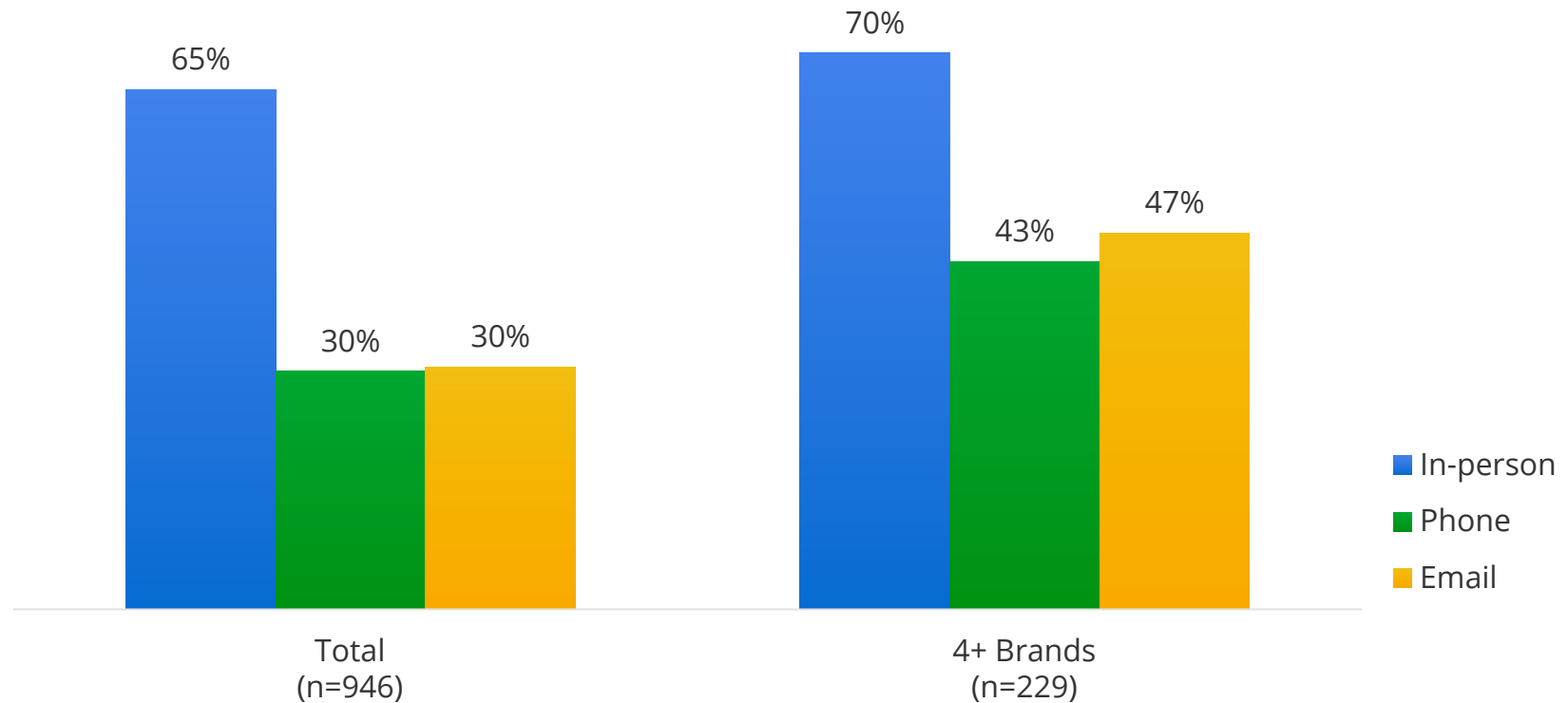
After watching a video, open minded shoppers are more likely to visit a dealer and search dealer inventory

As a result of watching an online video, which actions did you perform?



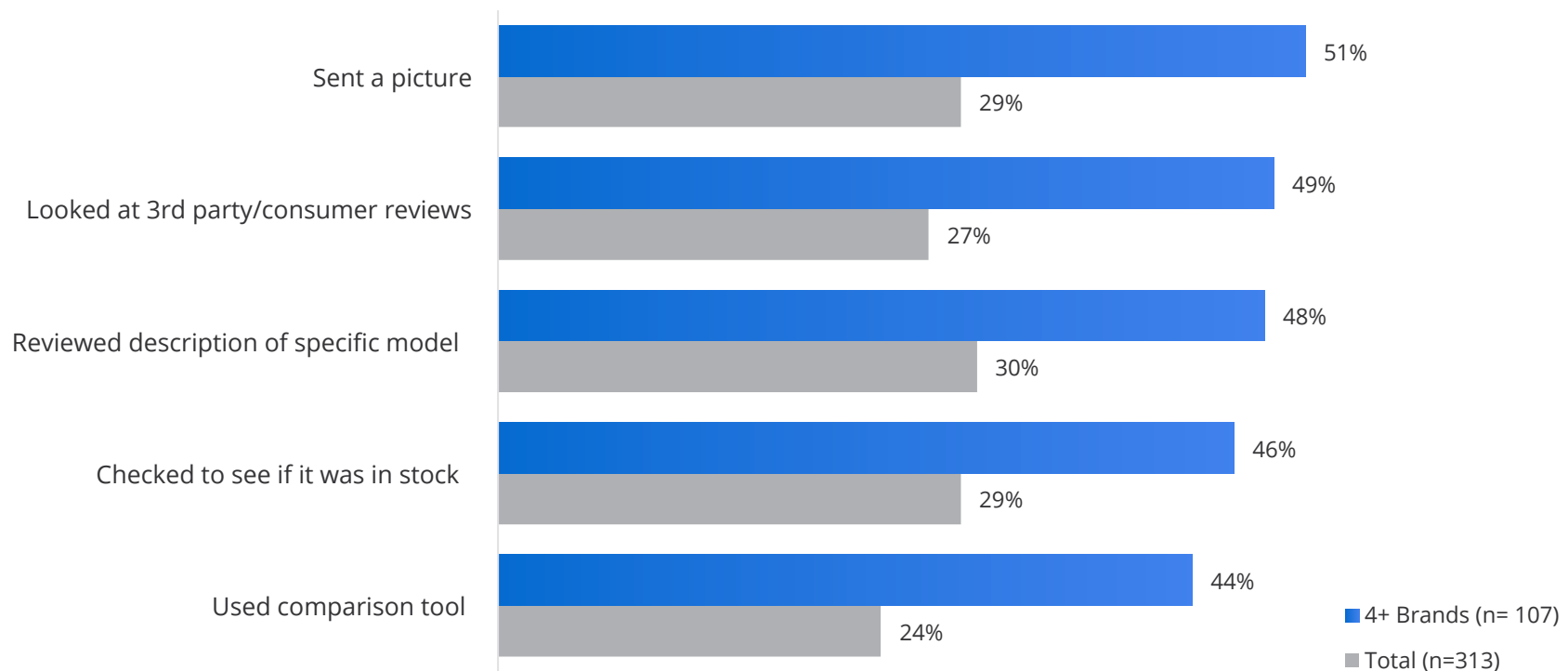
Those considering more brands are more likely to interact with dealers, both in person and digitally

How did you engage with dealers?



Open-minded shoppers are more active when they get to the lot

Top 5 activities performed on mobile device while at a dealership?

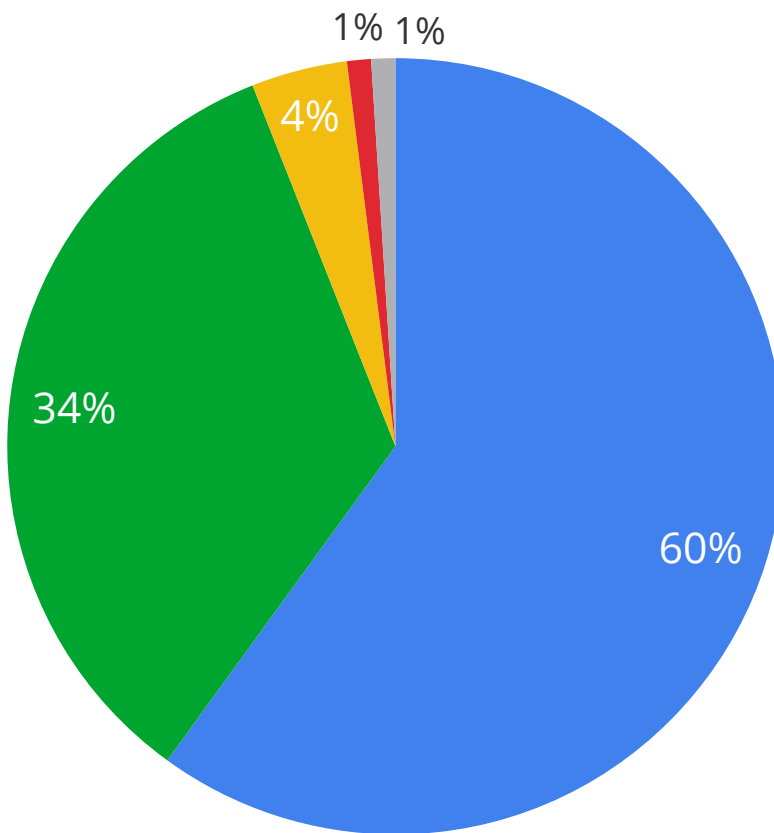


O5. Which of the following activities, if any, did you perform on a mobile device (e.g., tablet and/or mobile phone) while shopping for a car/truck at a dealership. N= varies by segment.

Source: Constant Consideration: New Vehicle Path to Purchase, Compete/Polk/TNS September 2012

Post-market

New vehicle purchasers are overwhelmingly satisfied



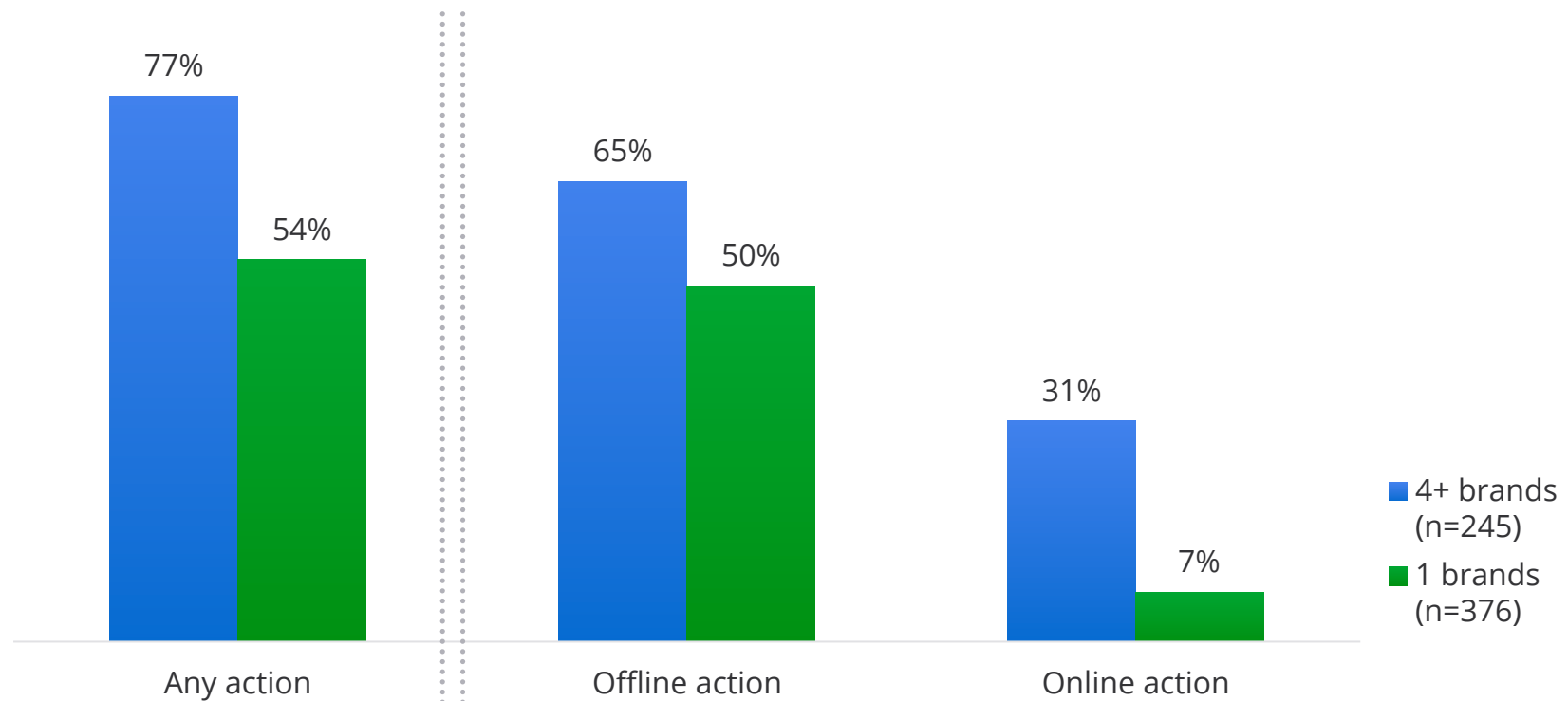
94%

*of new vehicle buyers
are initially satisfied
with their purchase*



Open-minded shoppers become engaged owners

Digital engagement increases 4X



Owners cite influential loyalty moments

Service experiences play a role in post-market brand opinion

87%

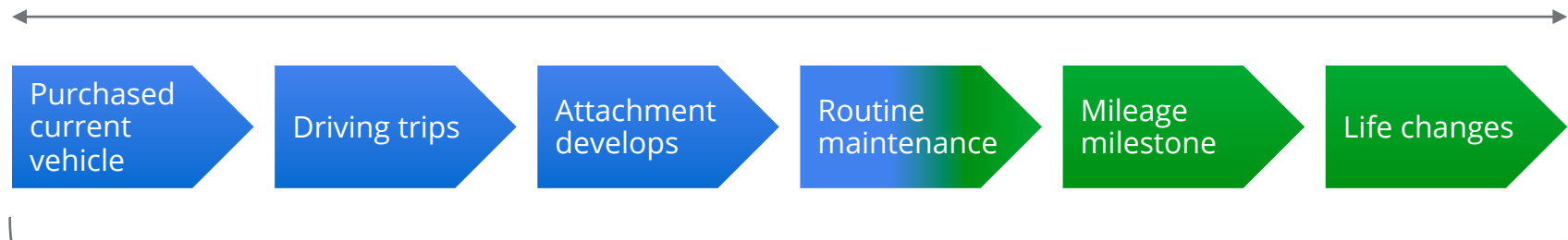
likely to
purchase the
same brand

Post-market

56%

are repeat
purchasers

Pre-market



Influential Brand Moments Cited by Owners

Constant consideration



Implications and opportunities

The constant consideration cycle

Customers form brand opinions during each phase, indicating that **brand-building should be a shared responsibility of the brand, in-market, and service teams.**

Pre-market

Customers **form an initial consideration set before they are in-market.** With years between purchase in the post-to-pre market phase, marketers should create **memorable brand experiences** to influence shoppers during this lengthy time.

In-market

The most common brand choice path involves switching from the initial brand searched to the brand ultimately purchased, indicating **that competing for awareness and favorable opinion is just as important in the in-market phase.** Drive consideration and purchase intent in-market **across screens** to reach the most open-minded shoppers. Evaluate your in-market strategy against both consideration and sales goals.

Post-market

Open-minded shoppers become the most engaged owners. **Enable digital endorsement** at the dealership, and through social, review, and maps channels. Owners cite service moments as brand influencers. **Treat maintenance moments as branding opportunities** to amplify the attachment.



Thank you