

# Consumers Take the Wheel: How Digital Is Changing the Australian Automotive Industry

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Consumers are doing more and more of their shopping online, impacting the way even big-ticket items such as cars are researched and purchased. We independently surveyed 700 car buyers to learn more about their online behaviour and how automakers can take advantage of new online purchase paths.

think with **Google**

**A**s the digital world continues to expand into the physical world, industries that once relied on selling traditional forms of advertising, such as television and radio, need to adapt and evolve. The same is true for ad-buying industries as well. The automotive industry, in particular, has seen a huge shift in consumers' paths to purchase, as they eschew traditional and sometimes lengthy purchase paths in favor of the ease and immediacy of digital.

We recently partnered with Netpop Research to learn more about the automotive purchase behaviours of Australians by surveying 700 consumers who had purchased a vehicle in the previous 12 months. The data revealed some interesting new consumer behaviours, underscoring the persuasive power of digital among prospective car buyers. For instance, more than half of the surveyed buyers would consider buying a vehicle online. Let's dig into more of these findings, and we'll share insights into how your brand can make the most of your online presence.

## **Car buyers are making decisions faster**

A car is one of the biggest purchases most consumers will ever make, and buying such a big-ticket item has traditionally involved multiple in-person interactions between the consumer and the seller. Consumers looked to car dealerships to gain information about brands and prices and then did the legwork necessary to make a purchase decision (visiting several dealerships to comparison shop, for example).

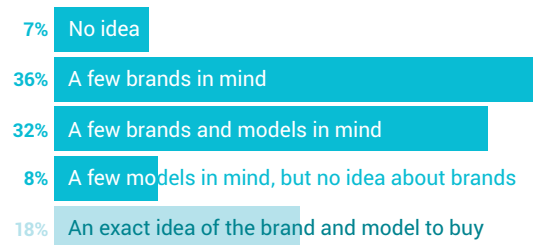
Digital channels can replicate or supplant much of that purchase process, however. Research can be done faster, as online channels offer a wealth of expert and buyer reviews. It's easy to compare many car models based on many factors instead of relying solely on the word of a local car dealer.

In fact, the survey showed that 90% of car buyers turn to Google Search for a shorter, more efficient research process and are now taking less time to decide on a final purchase. From the beginning of their research

to their final purchase, consumers now take, on average, 2.3 months to decide which car to buy. That's down from 4 months in 2011 and 2.9 months in 2013.

Four out of five of those surveyed were undecided on the brand or model they wanted when they began their research journey. And the internet has only widened the breadth of their search. One in four individuals purchased a brand they discovered during their research (up from one in ten in 2011), and half of purchasers bought a brand that hadn't been a favourite at the start. Take note, auto brands that want to break into a buyer's consideration set: That list isn't as locked as you might think.

**4 out of 5 car buyers** were undecided on the brand or model they wanted when they began their research journey



Source: Netpop Research, "Global Auto Shopper Study: Australia," November 2014.

And buyers' consideration sets are growing, too. In 2014, the number of brands consumers considered initially has increased to four, up from 3.6 brands in 2013.

What this means for automakers is that visibility during the research phase is critical. A brand's placement in search results and the online experience it presents to potential buyers as they search can be the difference between inclusion on a shortlist or getting overlooked.

## The dealer's role has changed

That speedy, largely digital research phase doesn't mean dealers don't have a role to play. As consumers increasingly go online to do

research, they expect car brands (and their dealers) to have strong online presences and be available to offer guidance on purchase options.

Fifty-one percent of buyers attempted to contact dealers online in 2013. This number increased to 64% a year later. What's surprising (and a big area for improvement) is that 50% or more of buyers said that responses to their online inquiries were unsatisfactory. This caused almost half to switch dealers and/or brands.

In order for brands and dealers to stay top of mind and not risk losing consumers to competitors, think of how a dealership interacts with customers; it's all about providing a welcoming, helpful experience and a lightning fast response to inquiries.

## Research happens everywhere, especially on mobile

Car buyers are using multiple devices to help make decisions, with an increasingly large amount of research activity happening on mobile devices. Almost 60% of auto buyers surveyed indicated they used a smartphone during their research process. That number increased to 79% for luxury auto buyers.

And they're not just doing their research on the go. Half conducted research using a mobile device while they were physically at the dealership. Instead of taking a dealer's claims at face value, consumers are validating these claims by using their phones.

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Source: Netpop Research,  
"Global Auto Shopper Study:  
Australia," November 2014.



**50% of car buyers**

do research on their smartphones  
while at car dealerships.

It's important that consumers have access to the information they need in the moments they need it. Consumers look to multiple devices to make purchase decisions, and your brand's online presence should be consistent across platforms.

## Online video makes research easy, informative, and social

As Australians continue to turn to the internet when contemplating car purchases, they're increasingly looking for easy, entertaining ways to gain information quickly. YouTube has emerged as a prominent resource for consumers and an ideal platform for branded video content. The study found that 53% of buyers used YouTube to watch auto videos, and that number surged to 75% for luxury auto buyers.

Just as consumers use their mobile devices on-site to confirm car dealers' verbal claims, they're also using YouTube videos to validate their purchase decisions. Of the buyers surveyed, 83% indicated that watching YouTube videos made them feel more confident about their purchase decisions.

### What car buyers do on YouTube:



67%

Evaluate offers in automotive ads



65%

Search for brands/models



50%

Read/post reviews

Source: Netpop Research, "Global Auto Shopper Study: Australia," November 2014.

When auto buyers visit YouTube, they're not just watching car ads and reviews. They watch an average of 4.5 other types of video content (including news, comedy, cooking, and animation); this is proof that they're spending time on the platform and potentially exploring other

brand offerings. It's essential that auto brands are active on YouTube because 77% of buyers stated YouTube helped them stay in touch with the brands they like. Brands that create compelling, useful content for YouTube will stay top of mind among consumers and retain their loyalty.

The survey responses are simply a snapshot of current car-buying behaviour, and we can expect further shifts as technologies, web access, and consumer behaviours evolve. The automotive industry can adapt to these changes by identifying them early and responding to overarching consumer trends. A good place to start is with the above findings. Having recognized the change in online purchase habits, in addition to the growing popularity of mobile and online video, brands can leverage these insights to reach buyers and satisfy their growing digital demands.

## Methodology

Google partnered with Netpop to uncover insights about online automotive purchase behavior. From Oct. 9 to Oct. 28, 2014, an online survey was conducted of 700 Australian car buyers who had purchased a new automobile in the previous 12 months. The survey was conducted globally in 20 countries. Weighting was applied to correct online bias (based on the market's internet population).



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