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Online consumer journey in Automotive

Premium segment

Prepared by nielsen

February 2016

Methodology and definitions

Study methodology

This study was designed to better understand the online path to new vehicle purchase and change in consumer behavior in current economical situation. To do that we combined the survey data with actual online behavior observed on the metered panel.

METHODOLOGY

Stage 1: "Establishment survey – September 2015"

Online survey of 2111 Internet users aged 18-64 that represent total online population in Russia*

Gender: Male – 49%, Female– 51%

Age: 18-24 – 18%, 25-34 – 32%, 35-44 – 23%, 45-64– 27%

Survey length: 7 min

Stage 2: "Online survey – October 2015"

621 surveys fielded to new vehicle buyers who made a purchase in January – October 2014 (228 interview) and January – October 2015 (393 interview).

Gender: Male – 52%, Female– 48%

Age: 18-24 – 10%, 25-34 – 49%, 35-44 – 26%, 45-64– 14%

Country: Russia

Target sample: new car buyers, foreign cars only

Survey length: 20 min

Fieldwork period: October 10 – 20, 2015

Goal: uncover the role of smartphone and tablets as well as PC and offline behaviors in the path to purchase

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* The survey demographic profile has been selected to closely mirror the demographic profile of Russian online population based on TNS Web Index

* The survey demographic profile has been selected to closely mirror the demographic profile observed for new car buyers in establishment survey

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Study methodology

Stage 3: "Nielsen Clickstream data analysis"

Custom analysis of new vehicle purchaser online paths 6 months prior to purchase

Sample size: 220; sample is weighted according to AEB new vehicle sales data

Panel provider – Wakoopa

Period of analysis January – October 2014 and January – October 2015

Analysis based on :

- Only Internet users that visit the pre-defined Automotive categories and bought a car included
- Audience is split in 2 mutually exclusive categories: Research and Quotation based on their online behavior; Online test-drive request is a part of Quotation group
- An event can only happen once in a single site/session, this avoids double-counting occasions where Lead Generation involves multiple URLs
- A start event is determined as the first Automotive related activity in the period of analysis
- Both search (i.e. Search on Search Engines) and research i.e. visitation to product pages is recorded within this analysis
- Unique search terms categorized according to Google's classification structures (Brand Only Terms, Brand with Other and Generic)
- Analysis within the report excludes Applications

Premium segment highlights

ANALYSIS OF PREMIUM SEGMENT IS BASED ON PEOPLE WHO BOUGHT THE FOLLOWING BRANDS:

Audi
BMW
Infiniti
Jaguar
Jeep
Land Rover
Lexus
Mercedes
Porsche
Volvo

SAMPLE SIZES:

1. Quantitative online survey: n=70
Confidence interval at 95% confidence level – 11%

2. Clickstream data analysis: n=14
4 months of data for each buyer

Both 2014 and 2015 car buyers are included.

LIMITATIONS:

Samples below 50 are marked in ***red** and should be treated as directional.

Not all questions are included in the report due to the sample sizes limitations.

Definition of Internet user segmentation

The audience is segmented into 2 mutually exclusive groups and Test-drives that is a part of Target action group

1

RESEARCH

anyone who has visited an automotive related website but not performed a quotation or transaction

2

TARGET ACTION

anyone who has visited a page related to: car configurator; dealer location; contact page; brochure download; car loan calculator on brand web-site; online chat; test-drive; etc.

3

TEST-DRIVE

anyone who has filled in online form for test-drive.
This group may be presented separately and as a part of Quotation

Executive summary

- The majority of premium car buyers value three buying factors - **exterior design, technical characteristics and well-known brand.** They also rate exterior design as a number one factor of choice.
- Brand is vital for premium car buyers – on average they consider only **2-3 brands** and the majority of premium car buyers start their journey from **determining this set**
- Almost all premium car buyers **(96%)** perform online research during purchase journey and **half of them leverage multiple devices** turning to each of them at different moments.
- Premium car buyers highly value **dealer and test-drive** experience across different stages of decision journey. In addition buyers are strongly influenced by **web-sites with owner reviews, auto reviews in magazines, YouTube , TV ads and auto communities** – over 12% of buyers selected these sources as the most influential.
- **75%** of new car buyers **use search** in their journey and for **26%** of them search is the **starting point in this journey**
- Video influences auto brand discovery and consideration – **65%** of premium car buyers **watched automotive video on YouTube** spending on average **1 and a half hour** with automotive content

Key metrics

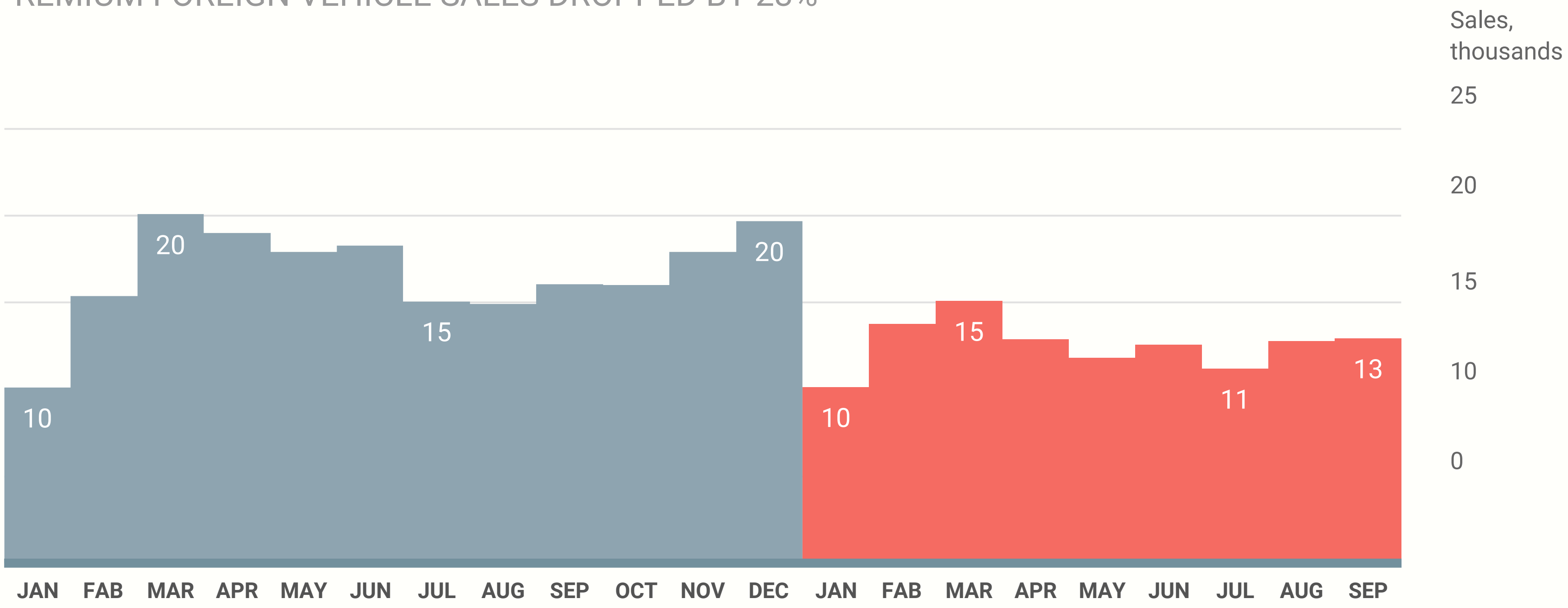
	TOTAL	Premium*
Average journey length (days)	103	96
Unique sites per person	14	9
Site visits per person (per site)	3,8	4,4
Average time spent in market (hh:mm:ss)	8:21:20	7:25:12
Share of audience using search	**86%**	**75%**
Searches per searcher	51	55
Share of audience using sponsored search	34%	25%

*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

Automotive
Setting The Scenes

Automotive industry faced difficult challenges in 2015

PREMIUM FOREIGN VEHICLE SALES DROPPED BY 23%



Source: AEB data

Brands included: Acura, Audi, BMW, Cadillac, Infiniti, Jaguar, Jeep, Land Rover, Lexus, Mercedes-Benz, Porsche, Volvo

What we wanted to know

Did automotive purchasers behavior change last year?

TRUE OR FALSE?

Car buyers' choice became more pragmatic	Buyers became more likely to switch between brands	People are spending less time researching for a car

What role do different media play in automotive shopping?

How does automotive buyer online journey look like?

Are there any differences in consumer behavior across cities?*

* Comparison of Moscow and St. Petersburg car buyers' behavior with other cities in Russia (Y2014 and Y2015 combined)

Emotional triggers are almost on par with rational ones for premium car buyers

TOP REASONS PEOPLE STARTED THINKING ABOUT BUYING A NEW CAR

54%	41%	19%
RATIONAL	EMOTIONAL	FINANCIAL

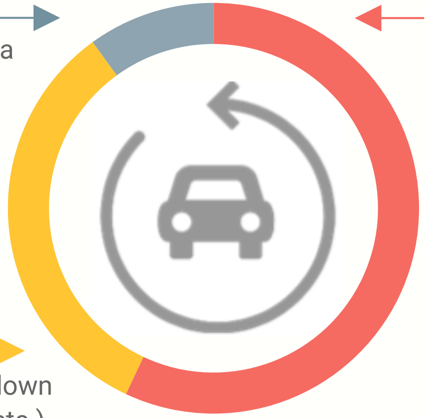
Rational factors: had to change previous car (broken/went off warranty); needed a car for a new life conditions (children/ relocation etc.).
Emotional factors: saw a new model; got interested after I saw a new friend's car; just wanted to buy
Financial factors: bought in order to sell with a profit; saw an interesting offer

Brands play significant role for premium car buyers – every second buyer knew exactly which brand/model they would like to buy at the start of research

INITIAL SITUATION WHEN FIRST STARTING RESEARCH

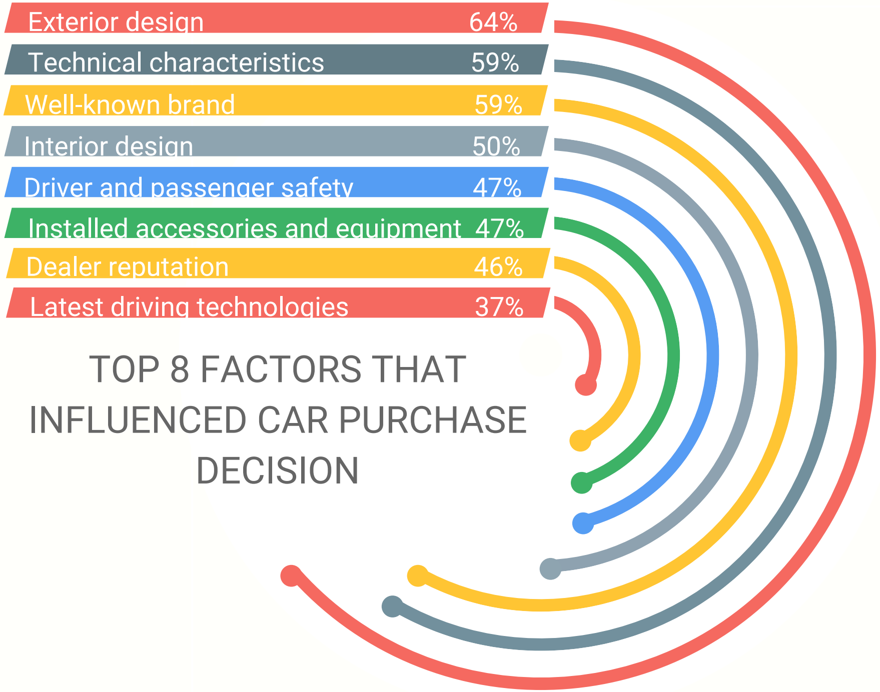
10%
Had general idea (e.g. body type) or no idea

57%
Knew exactly which brand and model I was looking for



33%
Had narrowed down (class, budget, etc.) what I was looking for

Design, technical characteristics and brand are the key drivers for premium vehicle purchase



Premium car buyers have a narrow set brands - on average they consider only 2-3 different brands

AVERAGE NUMBER OF CONSIDERED BRANDS

Automotive Research

Premium car buyers spend on average 96 days researching a new car and almost all of them conduct both online and offline research

96

days lasts consumer journey in automotive **

6

different sources* of information people use in the journey

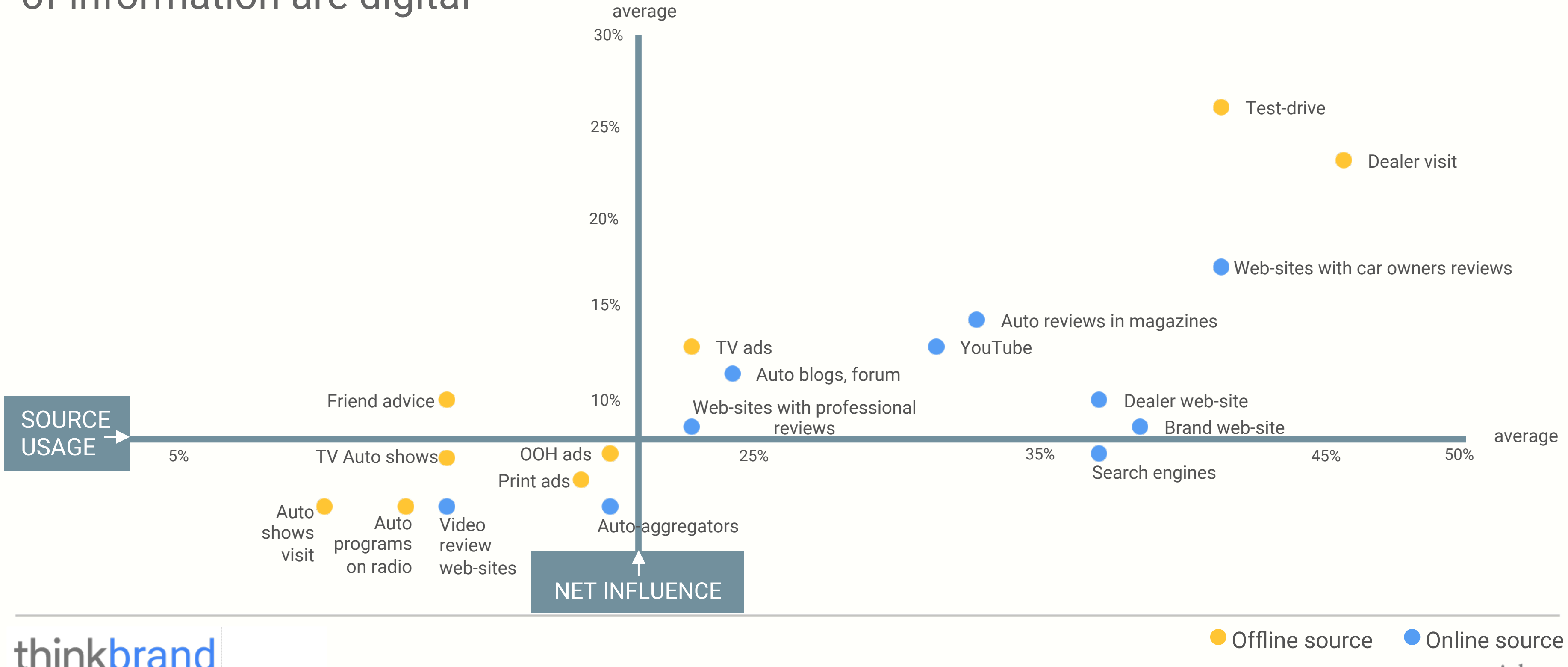
96%

of buyers conducted online research

* Online sources are counted as 1 source - Internet

**Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

While test-drive experience is still the most important step in premium car buyers journey, the majority of other most influencing and widely used sources of information are digital



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Premium car buyers tend to rely mainly on personal experience and online information on every stage of purchase journey

▼ <75 ● 76-124 ▲ >125

Path to purchase decision stages	OOH ads	TV ads	Auto reviews in press	Brand web-site	Dealer web-site	Search engine	Reviews web-sites	YouTube	Dealer	Test-drive	Friend's advice
Getting first info about current car offerings	●	●	▲	▲	▼	▲	▼	●	▼	▼	▼
Clarifying price and characteristics of cars	▼	▼	▼	●	●	●	●	●	▲	▲	▼
Narrowing the set of potential models	▼	▼	●	▲	●	●	▲	●	▲	▲	▼
Defining potential dealers to purchase from	▼	▼	▼	●	▲	●	●	●	-	-	▼
Making a final decision	●	▼	▼	▼	▼	▼	●	●	▲	▲	▼

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Shoppers acknowledge the role of a digital media in the helping them on a specific path to purchase decision stages (index vs. other stages)

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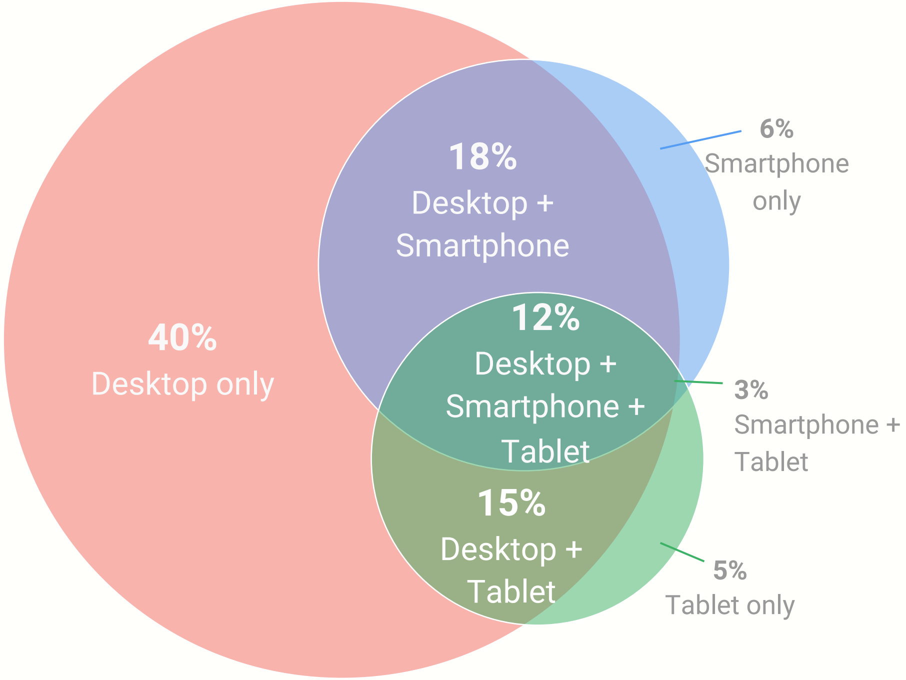
Every second premium car buyer use more than 1 connected device to perform car research

86%
Desktop

40%
Smartphone

35%
Tablet



CROSS-DEVICE JOURNEY EXAMPLE

6 Brand web-sites
2 Dealer web-sites
1 Non-official dealer web-site
5 Auto-aggregators
2 professional auto videos on YouTube
1 Search

100-75 days before purchase

5 Brand web-sites
2 Dealer web-sites
3 Automotive magazine web-sites
4 Auto-aggregators
3 professional auto videos on YouTube
12 Searches

1 Brand web-site
2 Dealer web-sites
1 Brand web-page on Social network
1 Auto-aggregator

75-50 days before purchase

1 Dealer web-site
1 Auto-aggregator
2 Automotive communities
1 Bank web-site
3 Searches

3 Brand web-sites
1 Other aggregator

1 Brand web-site
2 Dealer web-sites
1 Automotive community

50-25 days before purchase

2 Brand web-sites
1 Dealer web-site
4 Insurance company web-site
1 Auto-aggregator
1 professional auto video on YouTube
2 Brand videos on YouTube

1 Brand web-site
2 Automotive communities
1 Auto-aggregator
2 Automotive magazine web-sites

2 Searches –> Dealer location & contacts

25-0 days before purchase

Automotive PC journey

This part is based on directional sample of 14 people.
Use only for qualitative comparison.

New premium car buyers are highly engaged in digital research, but there web-site repertoire is not so wide compared to volume car buyers

7H 25MIN
time spent in automotive category per person

9
unique web-sites

Volume car buyers visit on average **14** unique web-sites

55
searches per searcher

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*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

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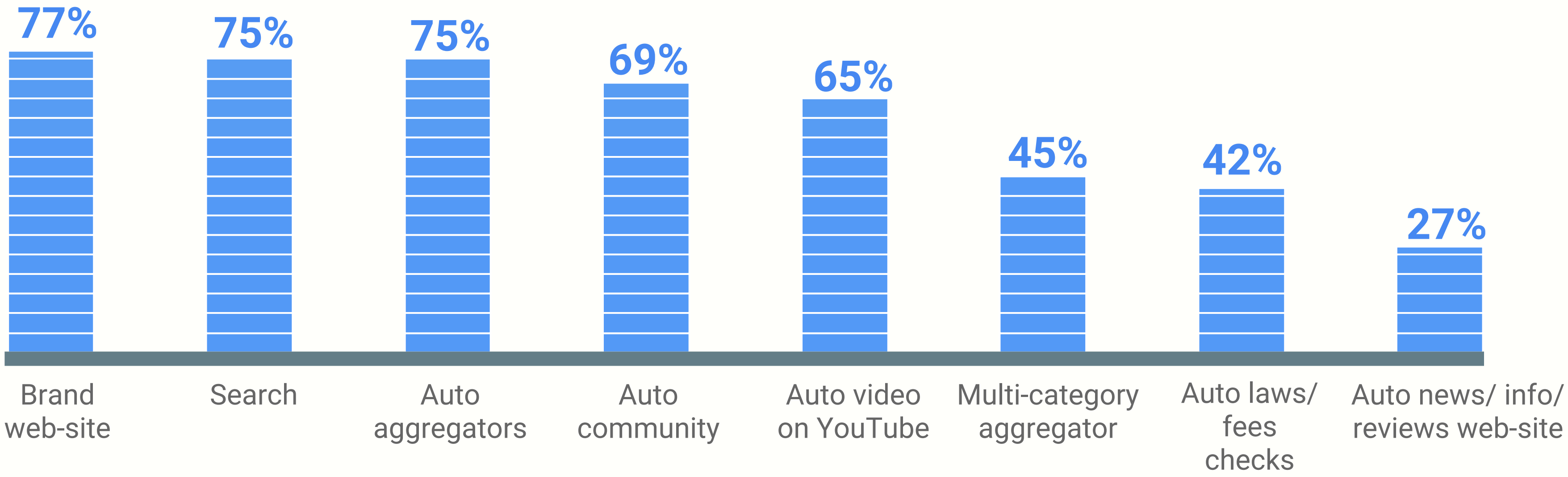
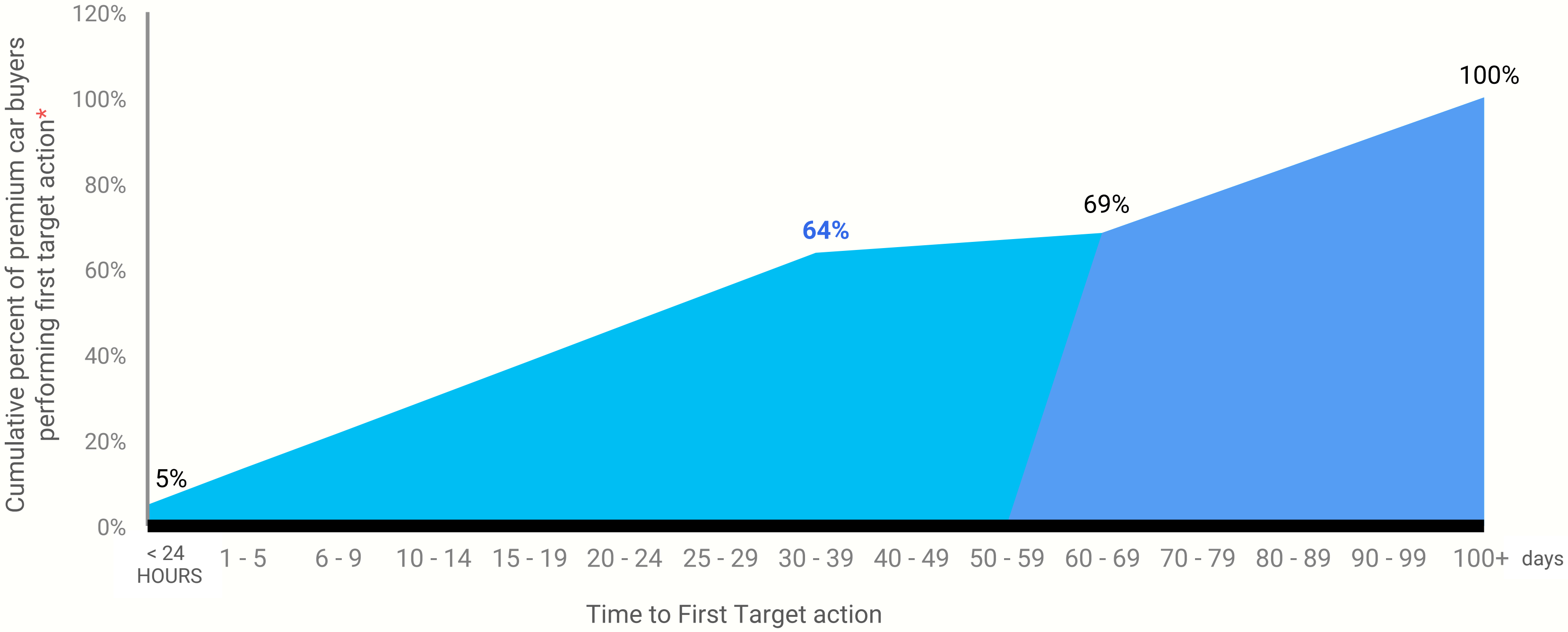
Brand web-sites, Search and auto aggregators are the most popular web-sites in premium car buyers online journey

TOP 8 MOST VISTED WEB-SITES IN AUTOMOTIVE JOURNEY*



*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

36% of the audience make the first target action only 30 days after the start of the research



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*Directional sample.
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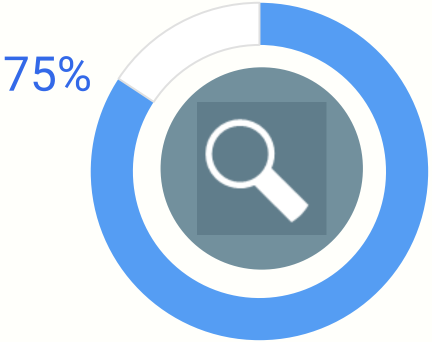
26% of premium car buyers started their online journey from search engine and in total 75% of buyers turned to search at some point of their journey

STARTED CAR PURCHASE ONLINE JOURNEY WITH SEARCH

USED SEARCH ANYTIME DURING THE JOURNEY

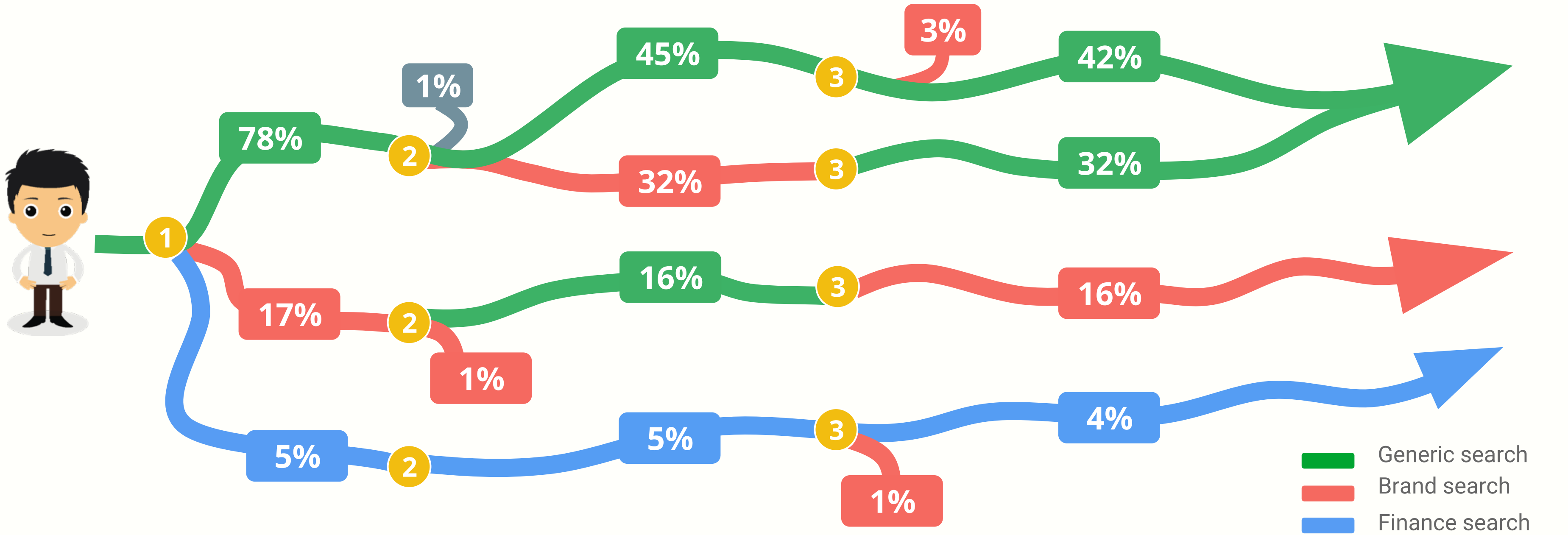


SEARCHERS THAT USED SPONSORED SEARCH ANYTIME DURING THE JOURNEY

* Sponsored search is narrowed to UTM only

*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

At the start of the journey majority of premium car buyers used generic searches, but these also inspired brand searches, and vice versa



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*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 10 people behavior

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BRANDED QUERIES

87% include Brand name

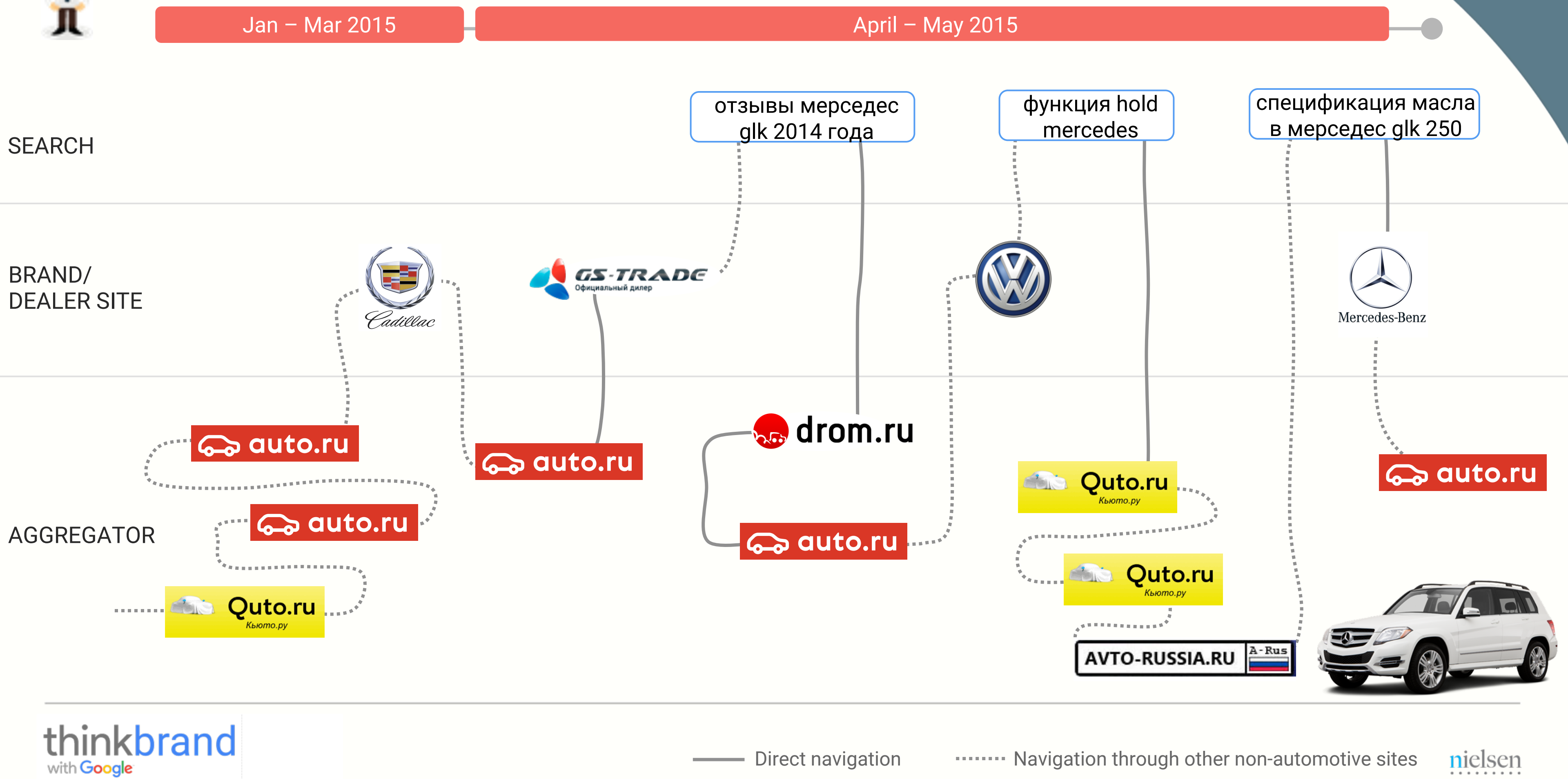
72% - Model

GENERIC QUERIES

33% include Location

*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 10 people behavior

Automotive Journey example

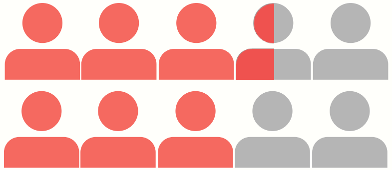


Automotive YouTube activity

This part is based on directional sample of 14 people.
Use only for qualitative comparison.

Over half of premium car buyers watched automotive video on YouTube during research

65%



WATCHED AUTOMOTIVE VIDEO ON YOUTUBE

1 H
41 MIN

AVERAGE TIME SPENT ON AUTOMOTIVE VIDEO ON YOUTUBE

84%

of premium car buyers **plan to watch auto videos on YouTube** next time they shop for a new car

*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

Automotive content made by professional bloggers attracts the highest attention

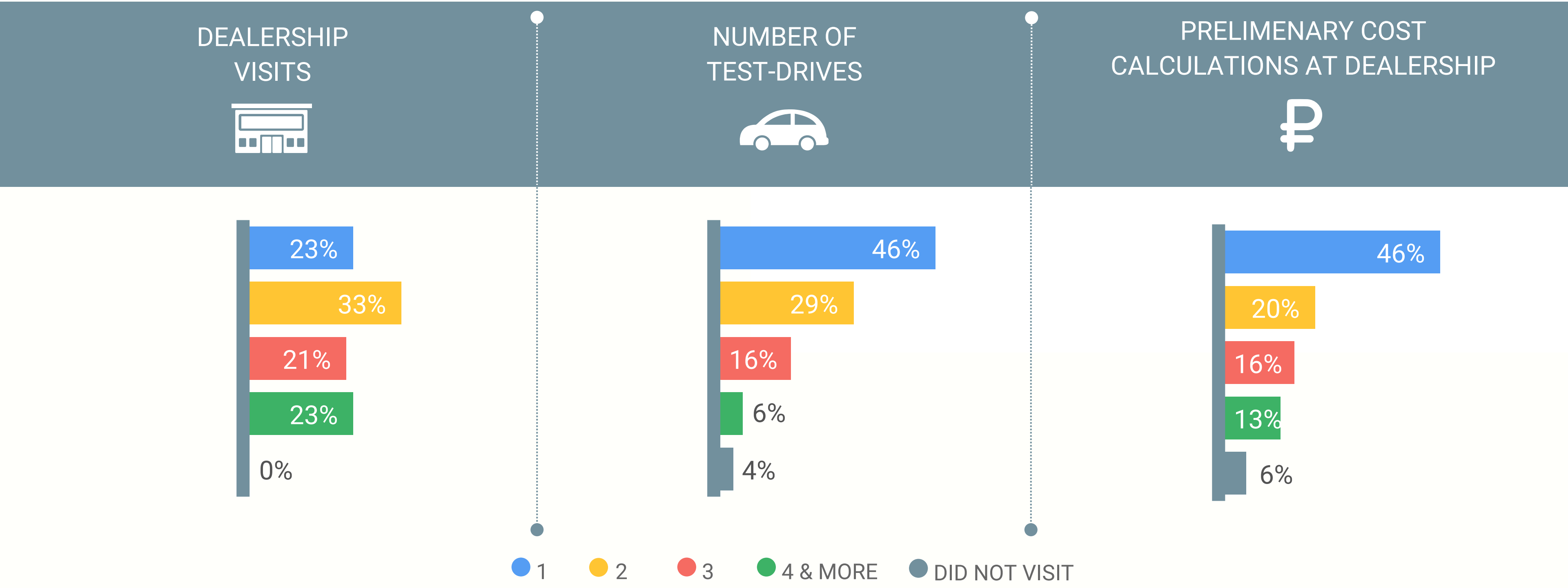
SHARE OF PREMIUM CAR BUYERS WHO WATCHED CONTENT DURING PURCHASE JOURNEY

	Auto content made by car owners	Auto content made by professional bloggers
SHARE OF PREMIUM CAR BUYERS WHO WATCHED CONTENT DURING PURCHASE JOURNEY	43%	29%
TIME SPENT WATCHING VIDEOS	18 MIN	2 H 11 MIN

*Directional sample.
Use only for qualitative comparison. Metrics are based on evaluation of 14 people behavior

Automotive Purchase

Premium car buyers tend to visit several showrooms within their journey, but almost half of them test-drive a car o calculate final price only once



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1 out of 2 premium car buyers got a discount on their new car from dealer

DISCOUNT/GIFT EXPERIENCE IN DEALERSHIP

GOT PRICE REDUCTION

50%

GOT FREE ACCESSORIES/ SERVICE

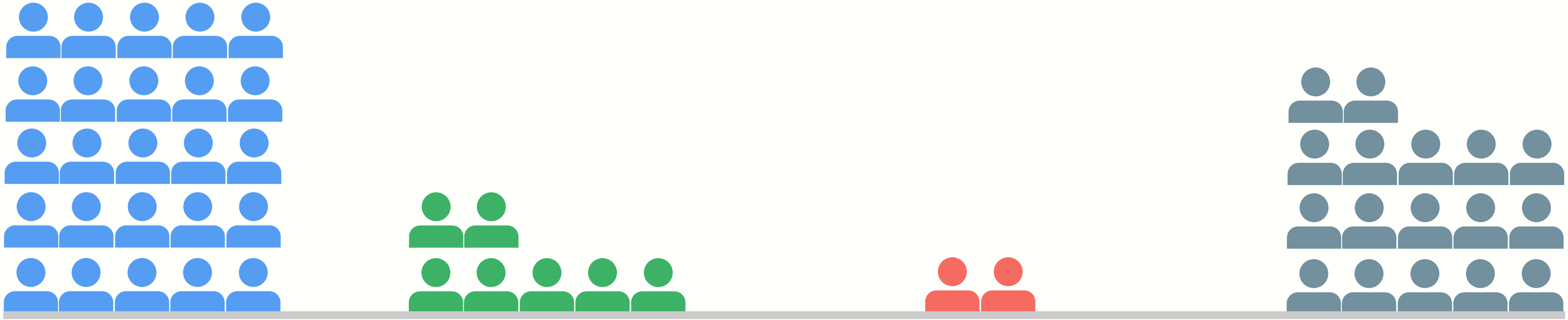
13%

TRIED TO GET, BUT DID NOT RECEIVE A DISCOUNT

4%

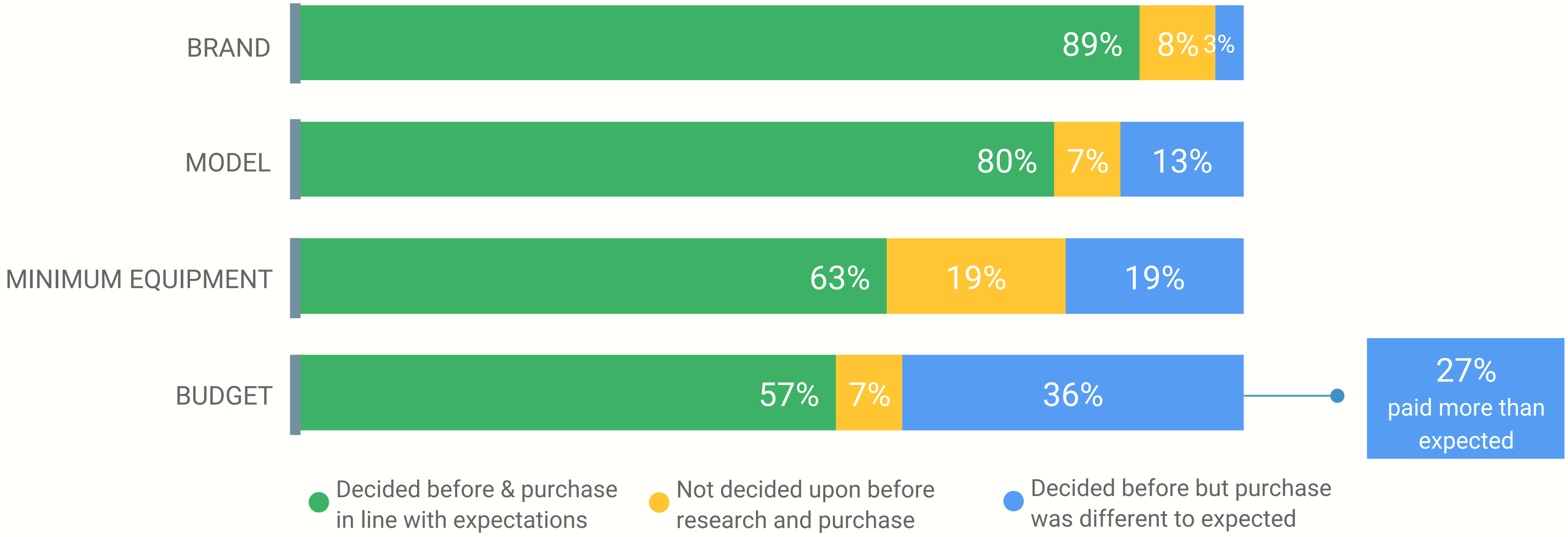
DID NOT BARGAIN

33%

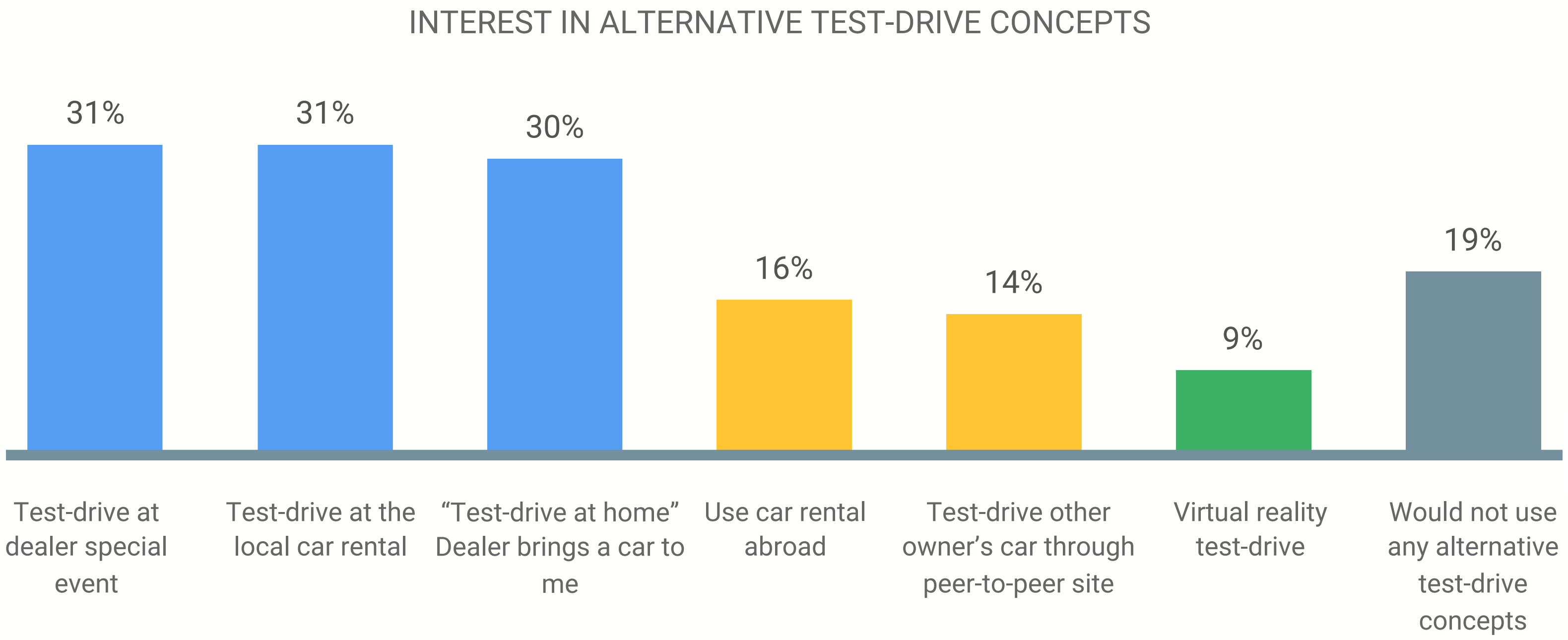


Almost all premium car buyers know exactly which brand they would like to buy, but only half of them fall within the desired budget

PRIOR DECISIONS MADE AND DIFFERENCE TO ACTUAL PURCHASE



4 out of 5 premium car buyers consider alternative ways of test-driving a car, but virtual reality is not yet an option for them



1 out of 3 of premium car buyers are likely to consider buying next car online

29% of today's buyers are likely or very likely to buy next car online

Car buyers (especially the younger ones) are quite open to share their purchase experience online

41% of premium car buyers shared their purchase experience online

19%	14%	9%	7%
POSTED DEALER REVIEW	POSTED PHOTO ON SOCIAL NETWORK/ FORUM	POSTED CAR REVIEW ON SOCIAL NETWORK/ FORUM	WROTE A POST ABOUT PURCHASE EXPERIENCE ON SOCIAL NETWORK/ FORUM

Thank you!

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