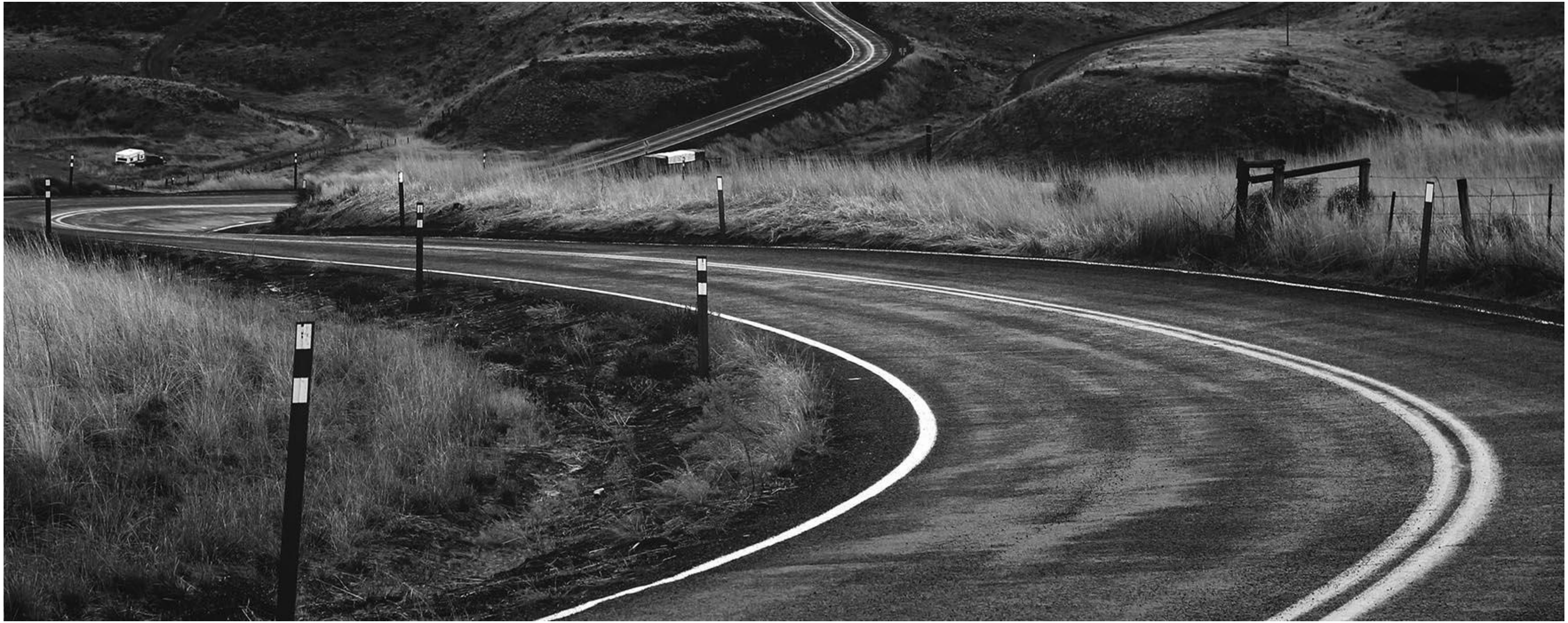


THE DRIVE TO DECIDE

KANTAR TNS // PT // Google

John DeMeo jdemeo@ // Heike Mesarosch hmesarosch@

THE START

Finding the right New car includes preparation, inspiration and research.

Buyers turn to digital in several moments of intent – those moments that prepare the deal.

Expertise and good data help marketers to plan the right engagement at the right touchpoints to impact sales.

This is Gearshift 2018

delivering comprehensive insights for marketers on the New car buyers' purchase journey

Google commissioned Kantar TNS to conduct online surveys with buyers of New cars in 2018 (28 countries, 500 interviews per market)

FOLLOW THE ROUTE

1. FROM INTENTION TO PURCHASE – AUTO DISCOVERY AND THE START OF RESEARCH
2. BECOMING PART OF THE BUYER'S SHORTLIST
3. FROM INTENTION TO PURCHASE – KEY INSIGHTS ABOUT THE AUTO CONSUMER JOURNEY
4. VIDEO AS PART OF THE JOURNEY
5. HOW TO ADD VALUE AND CREATE IMPACT
6. FROM DIGITAL TO THE DEALERSHIP
7. UPCOMING TRENDS
8. THE FUTURE OF CAR SALES

KEY TAKEAWAYS

1 FROM INTENTION TO PURCHASE – THE AUTO DISCOVERY AND START OF RESEARCH

- Online is relevant in very early stages as a discovery channel and is also a 'go-to-channel' for initial research.
- Search and video are initial touchpoints, among others.

2 BECOMING PART OF THE BUYER’S SHORTLIST

- A multi-brand consideration set, short decision cycles and a buyer audience that is partly non-loyal and also partly inexperienced pose an opportunity as well as a risk to brands.
- Brands need to become part of the buyer's shortlist early on to influence those who change their mind on that journey.

3 FROM INTENTION TO PURCHASE – KEY INSIGHTS ABOUT THE AUTO CONSUMER JOURNEY

- Online is an indispensable research source, with video and search being main research destinations.
- Google can add incremental reach in that process. Online presence has to be mobile first as many buyers research on their smartphone.

4 VIDEO AS PART OF THE JOURNEY

- Video matters to buyers, as discovery place but also ‘buyer’s consulting zone' that allows them to explore the car from different perspectives.
- That empowers buyers to take in action in response to videos they have watched.
- YouTube is seen as comprehensive source and buyers appreciate that YouTube offers independent information.
- Successful YouTube ads should highlight relevant features.

KEY TAKEAWAYS

5 HOW TO ADD VALUE AND CREATE IMPACT

- Digital adds value!
- YouTube and video accompany buyers through moments of intent (from upper to lower funnel stages), advanced video technology allows buyers to even consider buying a car without test driving it.
- Providing the right information in those moments adds value, too. All this ensures that brands and manufacturer can count on the impact of search and video.

6 FROM DIGITAL TO THE DEALERSHIP

- The purchase is made at the dealer, with few and focused dealer visits and even fewer test drives.
- Buyers inform themselves in advance (often online) before negotiating with the dealer.
- The smartphone remains an important research tool on the lot.

7 UPCOMING TRENDS

- Buyers become aware of alternative drives, but ultimately buy mostly traditionally.
- A relevant part of those who consider alternative drives finally also buy them.
- In addition to own car, public transport and car-sharing are important mobility options.

8 THE FUTURE OF CAR SALES

- If buyers had the option, many would buy their new car online.
- Drivers for the online purchase: the option to get a good price, convenience and access (to other vehicles or if no dealer is close by).
- Main barrier: lack of physical product experience.

1 FROM INTENTION TO PURCHASE – AUTO DISCOVERY AND THE START OF RESEARCH

LIFE CHANGES TRIGGER NEW CAR PURCHASES

36%

Financial situation improved

11%

Children became eligible to drive

9%

New or changed job

11%

Growing family

9%

Moved in with your partner

Question asked: NQ2 - Life changes as triggers - Did any of these changes in your living situation motivate you to look for a vehicle?
Base: New car buyers (50% sample), n = 251
Source: Auto CB 2018

19%

discovered it
ONLINE

22%

discovered it
ON TV

26%

discovered it
AT THE DEALER

PRODUCT DISCOVERY is likely to also happen online

Question asked: NQ14.1 - First Product Discovery - Where did you notice your vehicle for the very first time; even before you started to actively gather information for your purchase?
Base: New car buyers, n = 501
Source: Auto CB 2018

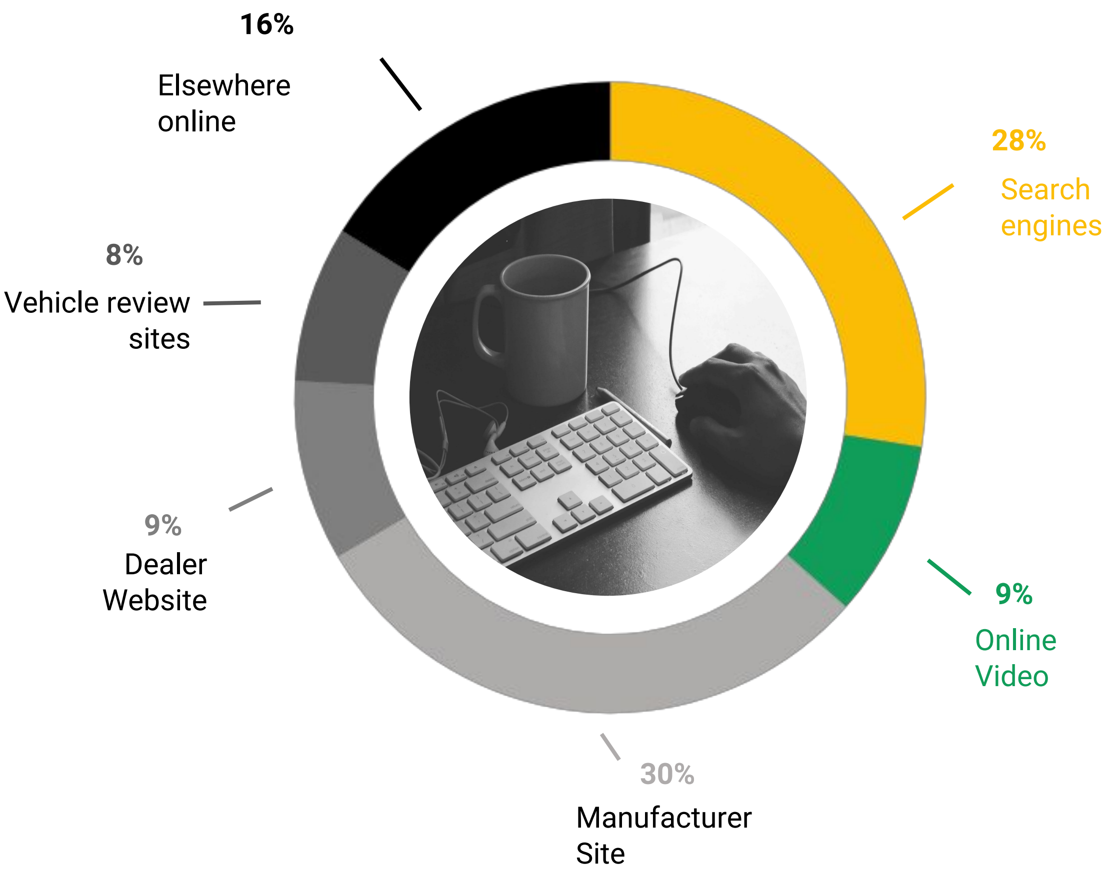
MORE BUYERS START THEIR RESEARCH OFFLINE

45% Start their research **ONLINE**

55% Start their research **OFFLINE**

Question asked: Q13 - First used online or offline information source -Which information source did you use first?
Base: New car buyers who started research online or offline, n = 415
Source: Auto CB 2018

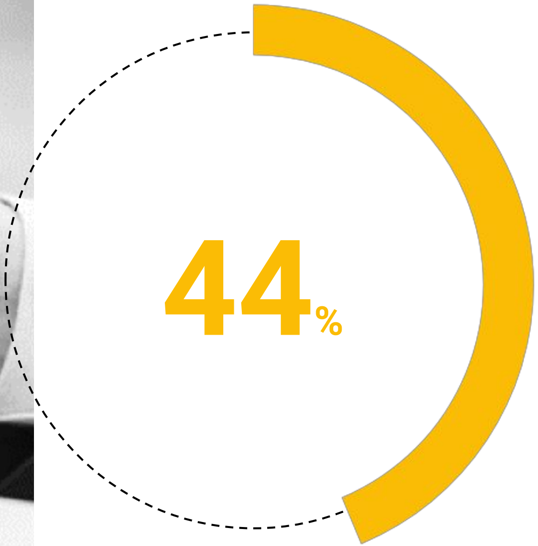
SEARCH AND VIDEO ARE KEY STARTING POINTS



Question asked: Q13 - First used online or offline information source -Which information source did you use first?
Base: New car buyers who started research online, n = 199
Source: Auto CB 2018

2 BECOMING PART OF THE BUYER'S SHORTLIST

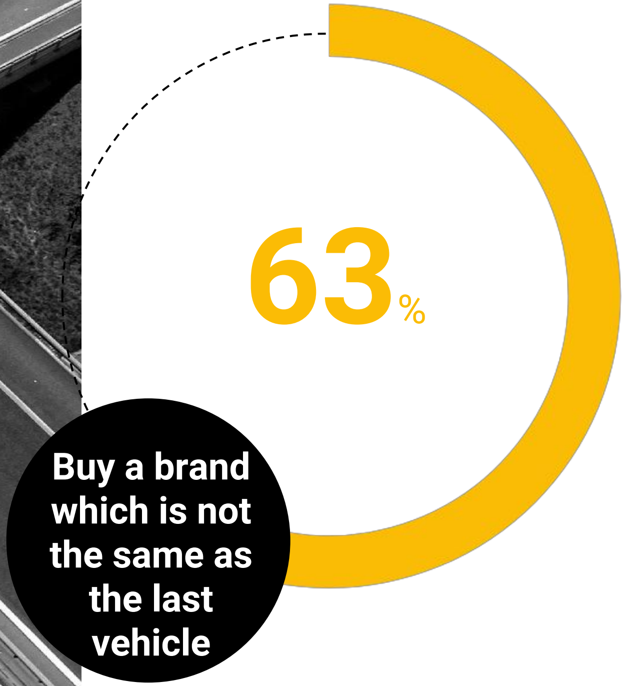
NOT ALL NEW CAR BUYERS ARE EXPERIENCED



Purchased a
NEW CAR
for the
FIRST TIME

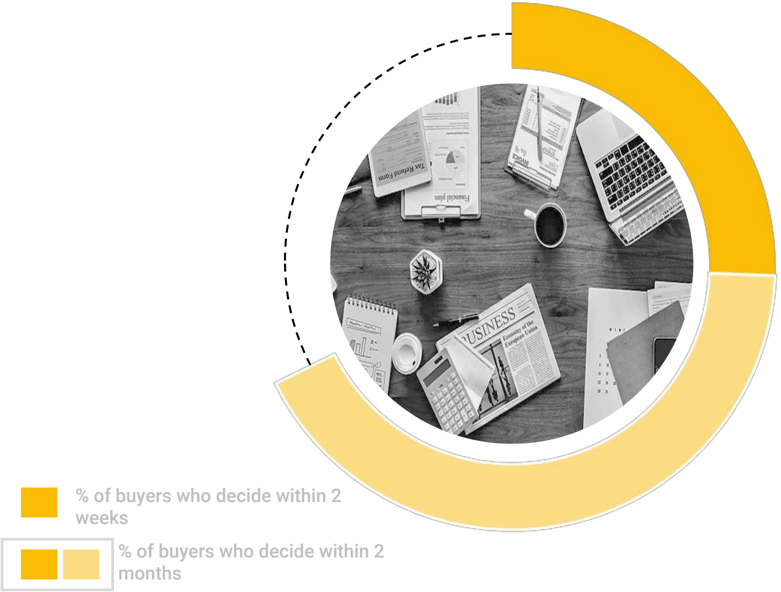
Question asked: Q3 - Identification first time purchasers - Was this the first time you purchased a new vehicle?
Base: New car buyers, n = 501
Source: Auto CB 2018

AND MANY BUYERS ARE NOT BRAND LOYAL



Question asked: NQ4 - Loyals vs. switcher - Have you purchased this make of vehicle in the past?
Base: New car buyers who have already purchase new cars in the past, n = 280
Source: Auto CB 2018

THERE IS ONLY A SHORT WINDOW TO INTERCEPT BUYERS IN THEIR PURCHASE JOURNEY



68% » of New car buyers research all information **within 2 months**, from start to final purchase

26% » decide even quicker, **within 2 weeks!**

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 = 501
Source: Auto CB 2018

3.7

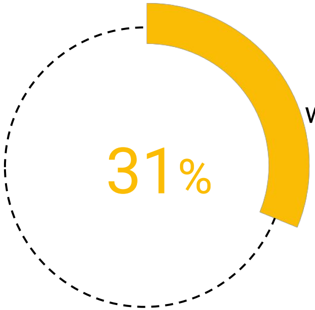
is the average number of brands buyers typically consider.

Question asked: Q35- Considered set of makes - Which makes did you consider, including the one you purchased?
Base: New car buyers, n = 501
Source: Auto CB 2018

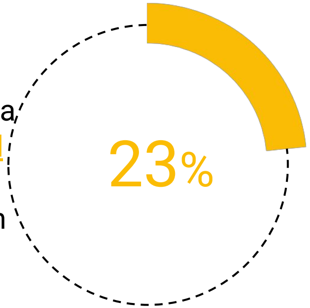
NON-LOYAL BUYERs

FIRST-TIME BUYERs

Non-loyal and first time buyers are likely to change their mind along the way …



% of buyers who purchased a **different brand** than they originally had in mind



… and they have a wider short-list

4.0

number of brands in consideration set

4.3

Question asked: Q37 - Influence of shopping or research phase on final choice - Which make did you ultimately purchase? // Q35 - Considered set of makes - Which makes did you consider, including the on you purchased?
Base Q37: 1) New car buyers who are non-loyal and who have some or a precise idea about the make, n = 300 2) First time New car purchaser who have some or a precise idea about the make, n =189;
Base Q35: 1) New car buyers who are non-loyal, n = 333 2) First time New car purchaser, n =221
Source: Auto CB 2018

Some buyers will even change their minds during their journey

24%

began the process with one make in mind, but bought something different

Question asked: Q37 - Influence of shopping or research phase on final choice - Which make did you ultimately purchase?
Base: New car buyers with some or a precise idea about the make, n = 455
Source: Auto CB 2018

3 FROM INTENTION TO PURCHASE – KEY INSIGHTS ABOUT THE AUTO CONSUMER JOURNEY

The majority of buyers will be exposed to digital information

91% of buyers research online

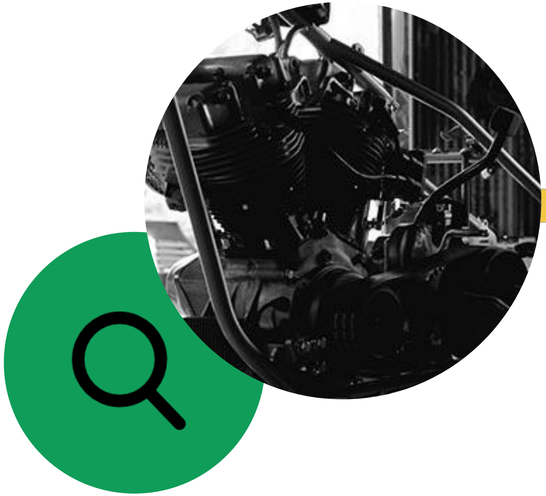
Question asked: Q9 - Which of these online sources informed or influenced your recent vehicle purchase? // Q10 - Which of these websites or apps did you use to inform your most recent vehicle purchase? // Q10a - Which of these search engines did you use to look for information during your research? // Q11 - On which of these websites or apps did you watch online videos during your most recent vehicle purchase?
Base: New car buyers, n = 501
Source: Auto CB 2018

› 60%

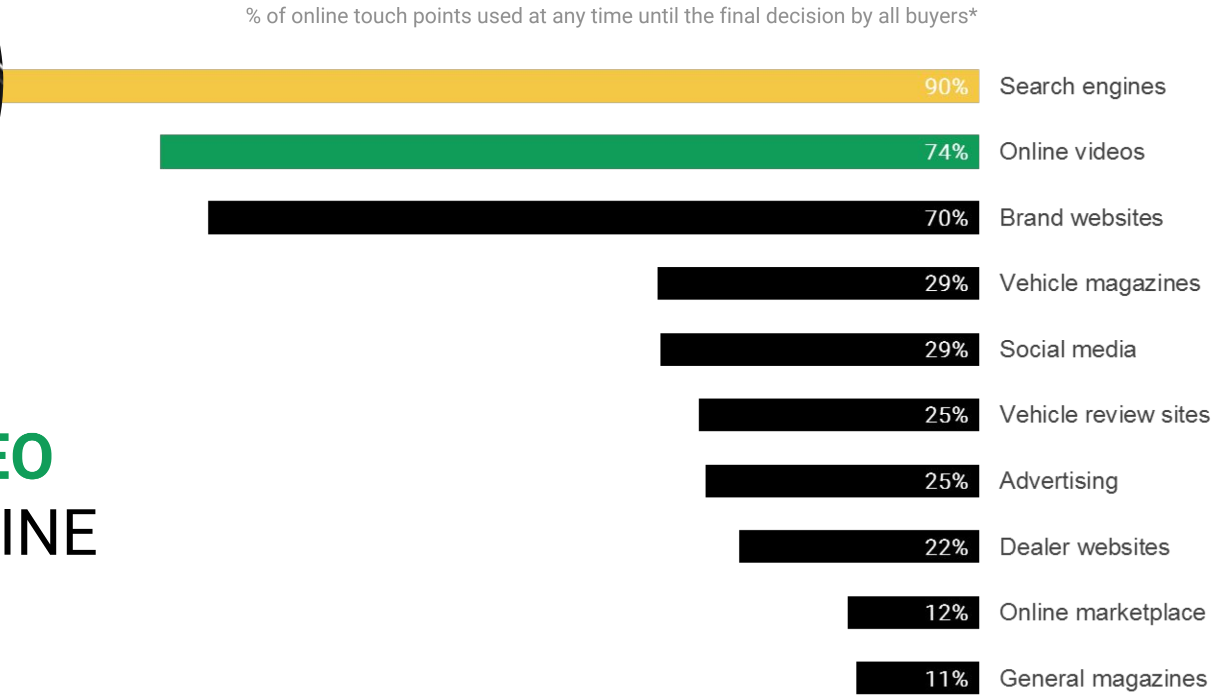
Smartphone Research
is an essential touchpoint

Smartphone research influences purchase decisions

Question asked: Q21 Which of your devices did you use at any stage of your online research? // Q22 For which of these activities did you use your smartphone while you were at a dealer (or vehicle lot)?
Base: New car buyers, n = 501
Source: Auto CB 2018



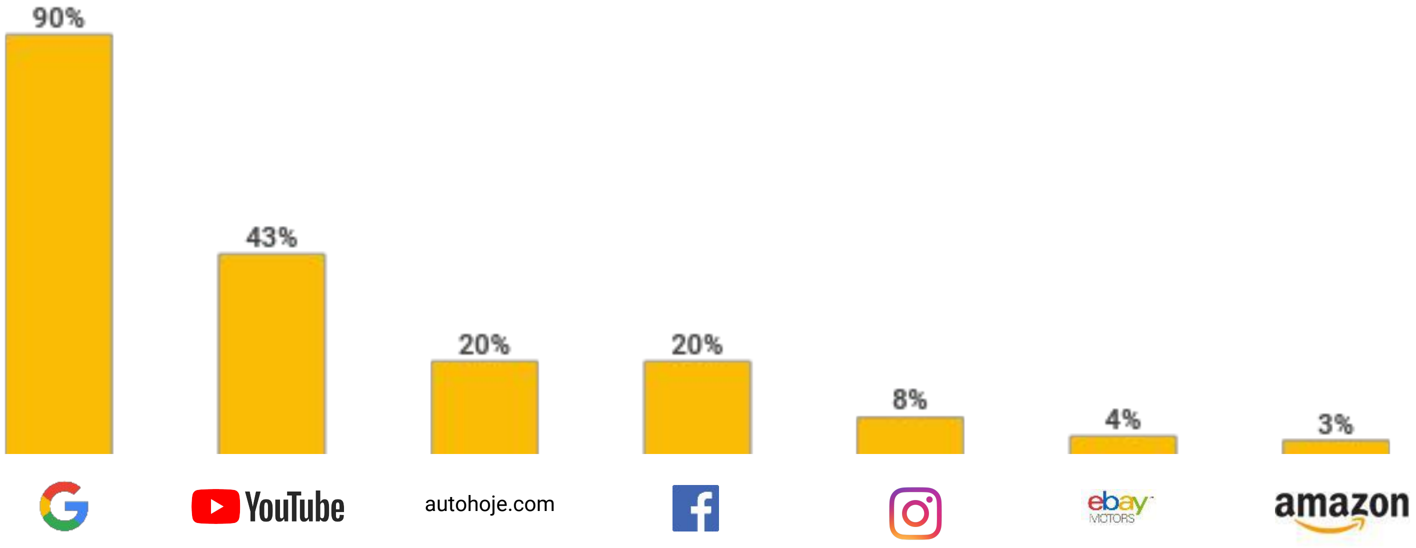
SEARCH AND VIDEO ARE LEADING ONLINE RESEARCH DESTINATIONS



* As all touchpoint lists have been changed significantly, a YoY comparison 2017 vs. 2018 is not recommended

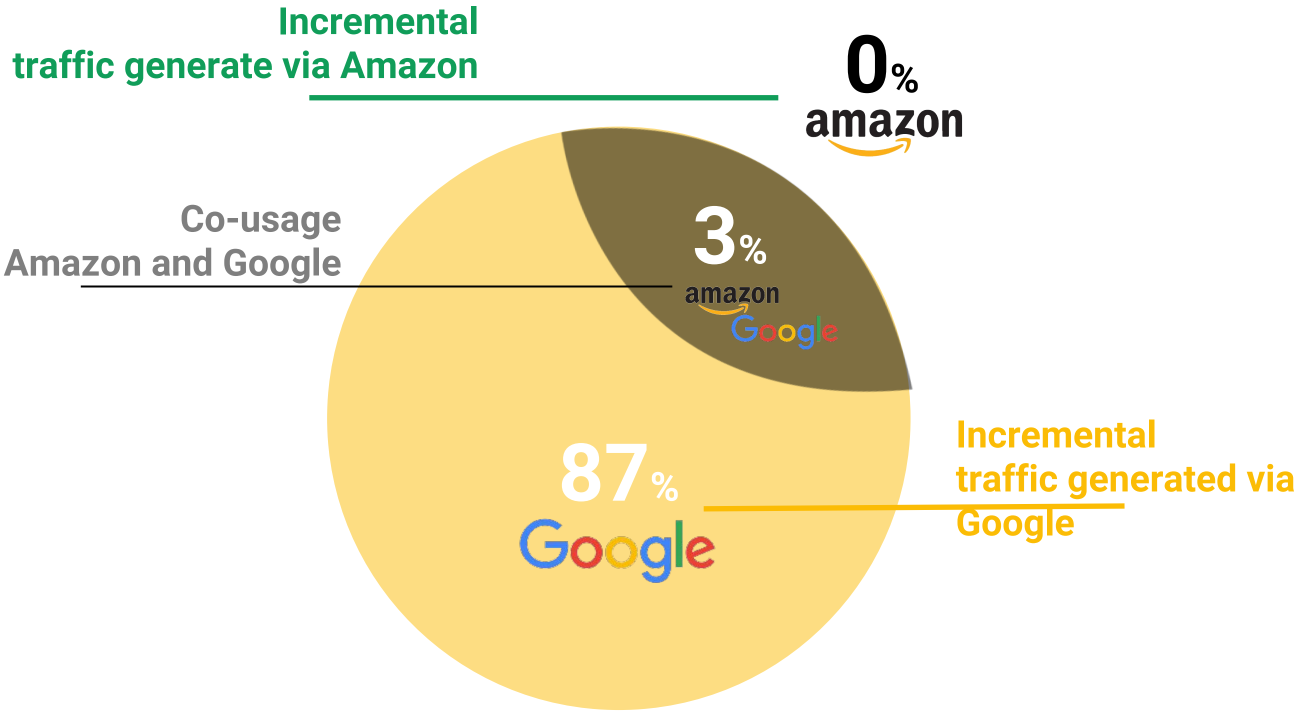
Question asked: Q9 - Used online information sources - Which of these online sources informed or influenced your recent purchase at any stage (from initial research to final decision)? //
Question asked: Q10 - Search on dedicated websites - Which of these websites or apps did you use to inform your most recent vehicle purchase?
Base: New car buyers, n = 501
Source: Auto CB 2018

GOOGLE AND YOUTUBE AMONG MOST RELEVANT TOUCHPOINTS

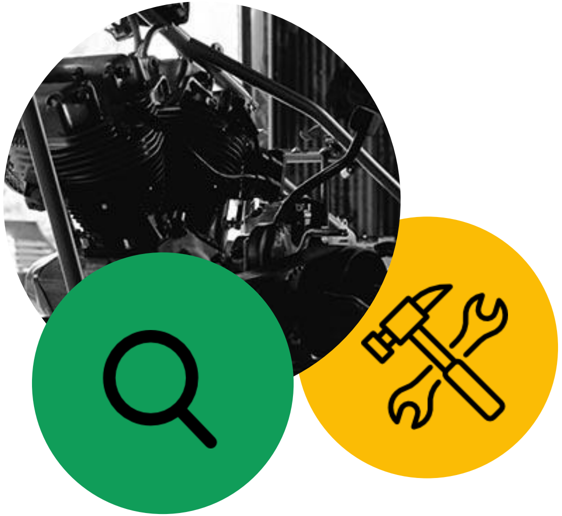


Question asked: Q10 - Search on dedicated websites - Which of these websites or apps did you use to inform your most recent vehicle purchase
Q10A - Search engine usage - Which of these search engines - if any - did you use to look for information during your research?
Base: New car buyers, n = 501
Source: Auto CB 2018

GOOGLE ADDS INCREMENTAL TRAFFIC

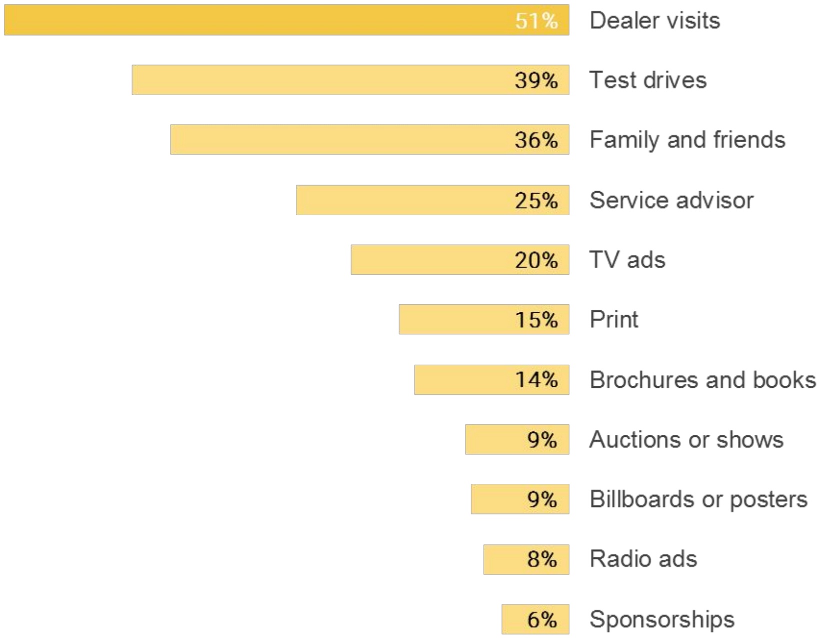


Question asked: Q10 - Search on dedicated websites - Which of these websites or apps did you use to inform your most recent vehicle purchase?
Q10A - Search engine usage - Which of these search engines - if any - did you use to look for information during your research?
Base: New car buyers, n = 501
Source: Auto CB 2018



DEALER VISITS ARE KEY OFFLINE TOUCH POINTS FOR RESEARCH

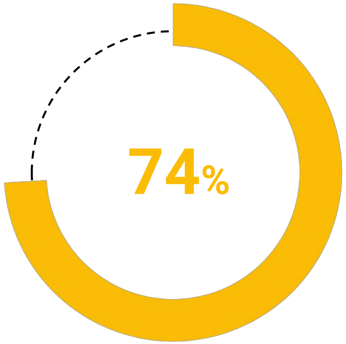
% of offline touch points used at any time until the final decision by all buyers



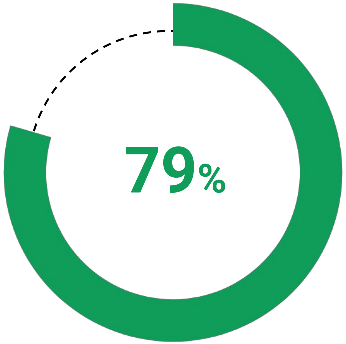
Question asked: Q8 - Used offline information sources - Which of these offline sources informed or influenced your recent purchase at any stage (from initial research to final decision)?
Base: New car buyers, n = 501
Source: Auto CB 2018

4 VIDEO AS PART OF THE JOURNEY

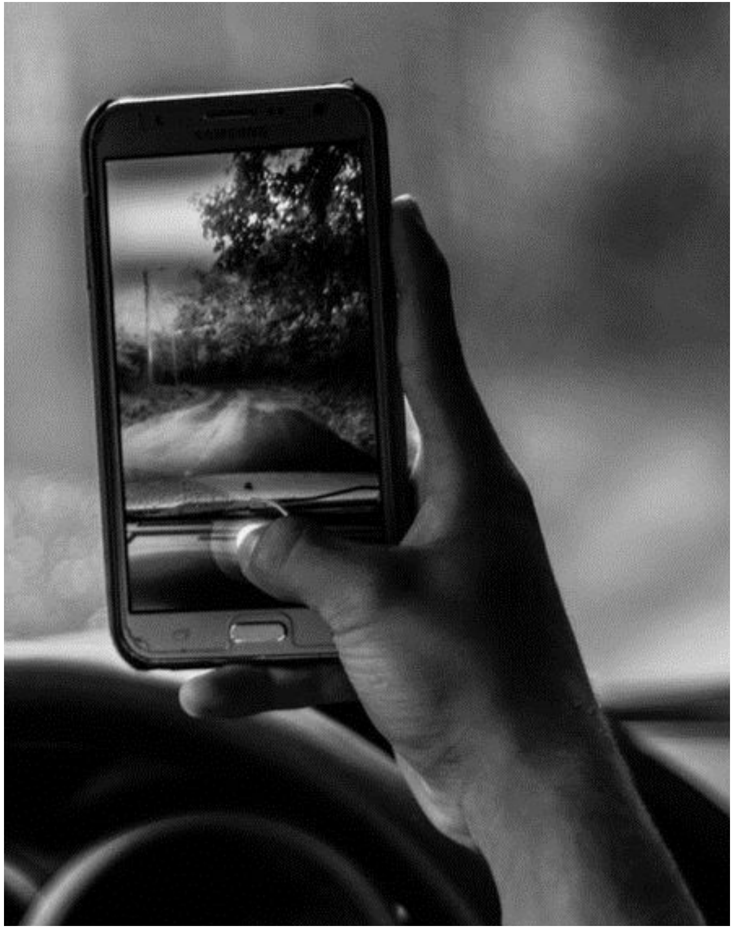
BUYERS - ESPECIALLY FIRST TIME BUYERS - WATCH ONLINE VIDEOS TO RESEARCH



Online Video usage 1



Online Video usage of first time buyers 2



* As all touchpoint lists have been changed significantly, a YoY comparison 2017 vs. 2018 is not recommended

Question asked: Q9 - Used online information sources - Which of these online sources informed or influenced your recent purchase at any stage (from initial research to final decision)? // Q10 Search on dedicated websites - Which of these websites or apps did you use to inform your most recent vehicle purchase? // Q11 - Online video usage - On which of these websites or apps - if any - did you watch online videos during your most recent vehicle purchase?

Base:1) New car buyers, n = 501; 2) New car buyers who purchased a New car vehicle for the first time n=221

Source: Auto CB 2018

ONLINE VIDEOS LET BUYERS EXPERIENCE CARS FROM DIFFERENT AND UNIQUE ANGLES

Shown is the % of buyers who watched theses types of videos

Car Design

43%	Feature highlight videos
29%	360 degree videos
54%	Vehicle walk-arounds (interior and exterior)

Car in Action

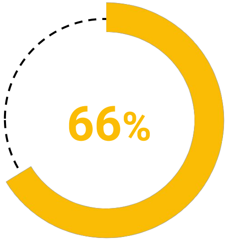
18%	Vehicle performance videos
11%	Augmented / virtual reality content
31%	Vehicle safety tests

Reviews and Ads

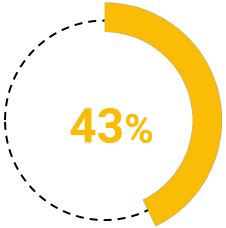
31%	Consumer review or testimonials
38%	3rd party reviews / test drives / comparisons
31%	Ads

Question asked: Q27 - Watched online video content - What type(s) of content did you watch?
Base: New car buyers who watched online video, n = 382
Source: Auto CB 2018

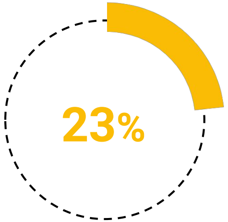
PROFESSIONAL VIDEO CONTENT IS MOST RELEVANT TO THE CAR BUYER



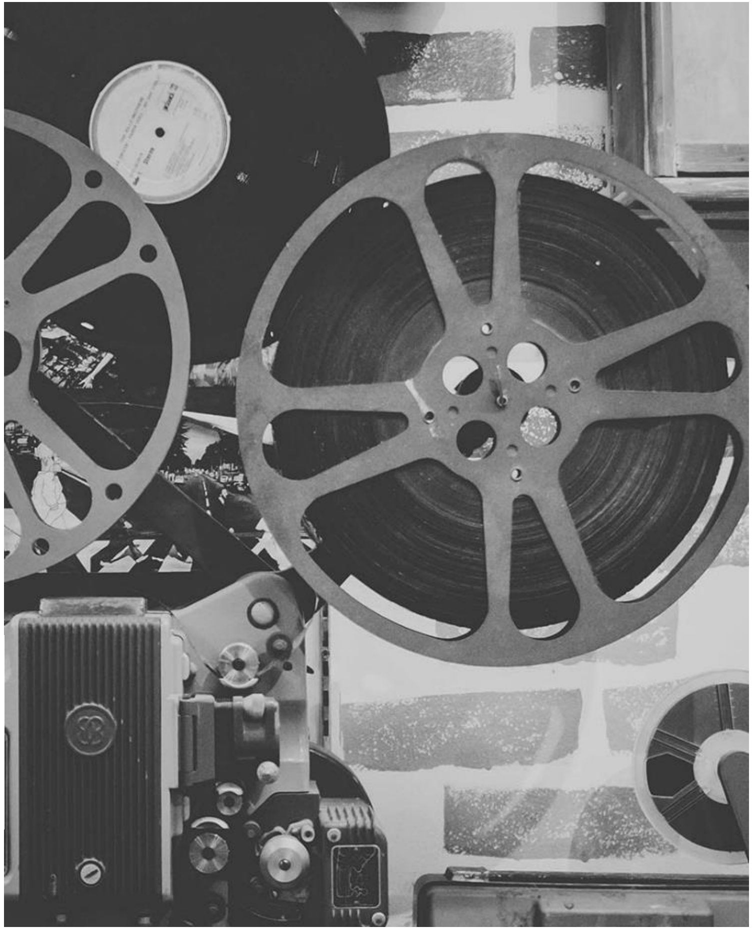
Watched videos professionally produced by vehicle manufacturer



Watched videos professionally produced by independent 3rd party



Watched amateur videos produced by private person



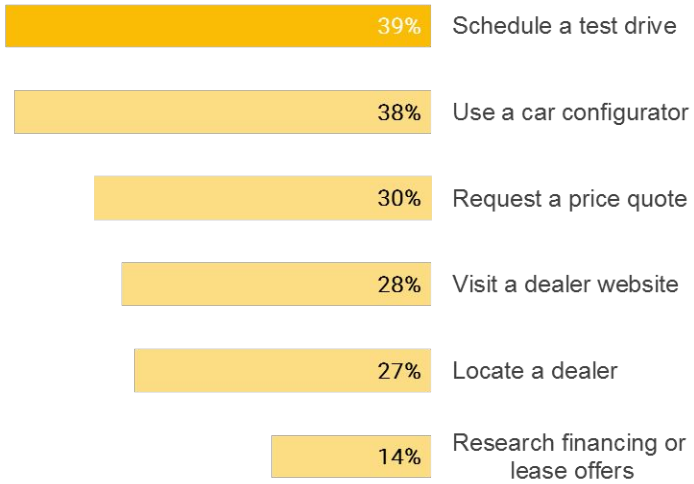
Question asked: Q26 - Watched online video format -What type(s) of online video did you watch during your purchase process)?
Base: New car buyers who watched online video, n = 382
Source: Auto CB 2018

ONLINE VIDEO LEADS BUYERS TO TAKE ACTION

85%

Of those **who watched an online video** actually **did at least one follow-up action** triggered by what was shown in the video

Shown is the type of follow-up action among those who have done at least one follow-up action

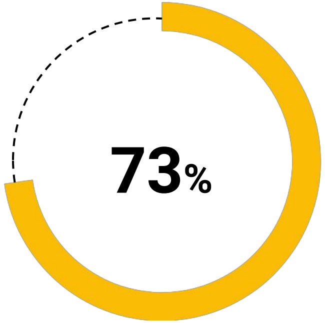


Question asked: Q31 - Follow up action after watching online video - Did something you saw in an online video lead to any of the actions below?
Base: New car buyers who watched online video, n = 382; New car buyers who did at least one follow-up action after a video, n = 316
Source: Auto CB 2018

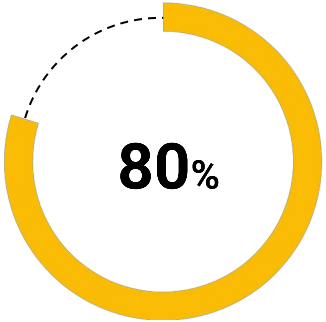
BUYERS APPRECIATE YOUTUBE AS A RICH SOURCE OF INDEPENDENT INFORMATION

YouTube

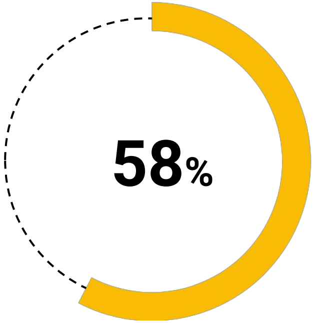
Share of buyers who watched YouTube agree to the statements:



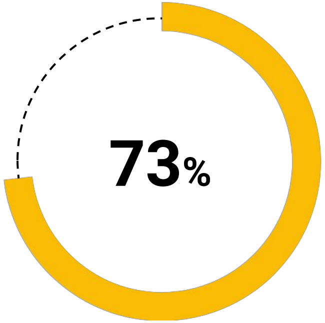
On YT I can find answers to the questions I have about vehicles



On YT I can find independent and credible videos about vehicles



YT is the primary source I rely on to view videos about cars



I like when dealers in my area post videos to YT

Question asked: NQ23.2 - YouTube contribution to decision making process - How much would you agree to the following statements about YouTube?
Top 1 = Strongly agree Top 2 = Agree
Base: New car buyers who watched YouTube, n = 236
Source: Auto CB 2018

SUCCESSFUL YOUTUBE ADS HIGHLIGHT CAR FEATURES OR PRESENT AN OFFER OR PROMOTION TO BUYERS

What makes an ad for a vehicle on YouTube relevant to you?

19%
It showcases vehicle awards or consumer testimonials

37%
It presents me an offer or promotion

59%
It highlights vehicle features that are important to me

34%
It inspires me or appeals to my emotions

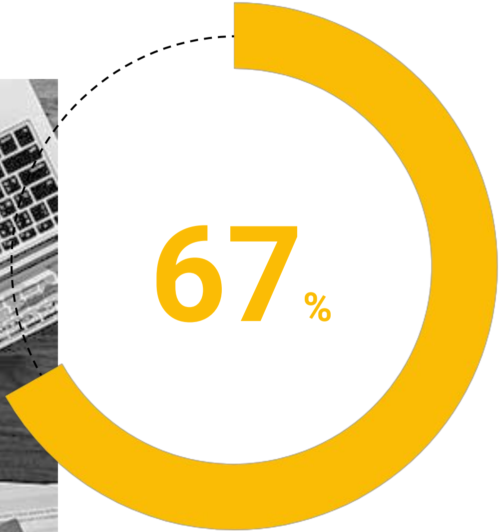
24%
It fits in with other videos I'm watching before or after seeing the ad

32%
It introduces me to a new brand or model

Question asked: NQ23.3 - General Attitude towards advertising on YouTube - What makes an ad for a vehicle on YouTube relevant to you?
Base: New car buyers who watched YouTube, n = 236
Source: Auto CB 2018

5 HOW TO ADD VALUE AND CREATE IMPACT

DIGITAL TOOLS ENHANCE THE CONSUMER JOURNEY AND ARE VALUABLE IN DECISION MAKING



use a car configurator

Question asked: NQ14 - Car configurator usage - Did you use an online ‘car configurator’ to customize a vehicle that interested you with specific colors, features, etc.?
Base: New car buyers, n = 501
Source: Auto CB 2018

ADVANCED VIDEO TECHNOLOGY LIKE 360° VIDEO COULD FOR MANY EVEN REPLACE A TEST DRIVE

56%

Would definitely / probably convince me to buy without test drive

18%

Probably not convince me to buy without test drive

26%

Video could never replace a test drive

Question asked: NQ23.1a - New video formats as mean to skip the test drive - Which of these new video formats would motivate you to buy a vehicle without test driving it?
Base: New car buyers who watched online video, n = 382
Source: Auto CB 2018

ADVANCED VIDEO TECHNOLOGY LIKE VR VIDEO COULD FOR MANY EVEN REPLACE A TEST DRIVE

53%

Would definitely / probably convince me to buy without test drive

19%

Probably not convince me to buy without test drive

28%

Video could never replace a test drive

Question asked: NQ23.1a - New video formats as mean to skip the test drive - Which of these new video formats would motivate you to buy a vehicle without test driving it?
Base: New car buyers who watched online video, n = 382
Source: Auto CB 2018

MOMENTS OF INTENT

KNOW THE KEY MOMENTS TO ENHANCE VALUE AND IMPACT

Discover relevant vehicles

Learn more about features

Decide If Affordable

Decide where to buy

Find the best deal

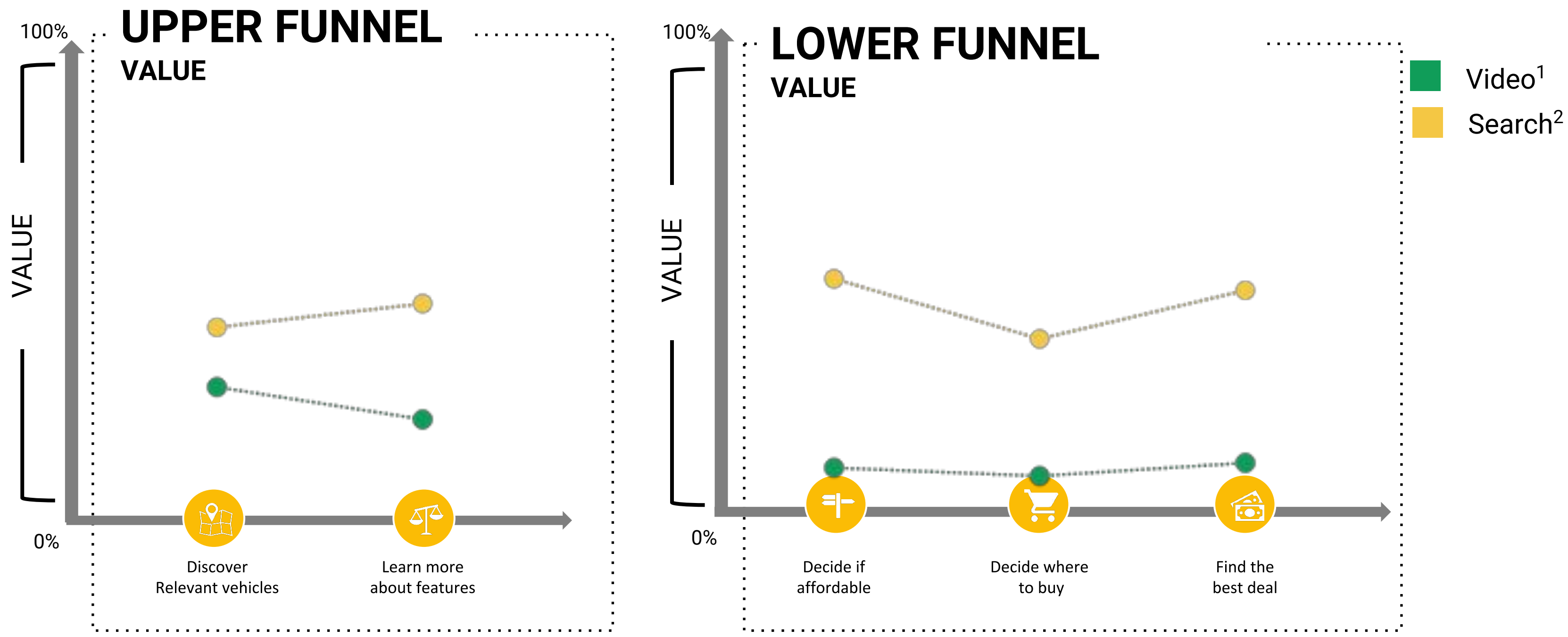
UPPER FUNNEL

Some moments of intent might be linked to the upper funnel stages, where the decisions aren't fixed. Inspiration and widely spread information is needed

LOWER FUNNEL

Some moments of intent are clearly linked to lower funnel stages, when at least part of the decision is being made

SEARCH IN PARTICULAR, BUT ALSO VIDEO ADD VALUE IN ALL MOMENTS



Definition of value: % of buyers who are online video users / search engine users and who rate search or online video as helpful source of information in each moment of intent

Question asked: Q12.1.A-E – Value of online touchpoint groups - Please assess now which online information sources were helpful for the following steps in your most recent vehicle purchase journey:
Base: 1) New car buyers, who used online video, n = 382; 2) New car buyers, who used a search engine, n = 461
Source: Auto CB 2018

GIVING THE RIGHT INFORMATION IN THE RIGHT MOMENTS ADDS VALUE FOR BUYERS

Information needs in moments of vehicle discovery

50%	Vehicle reviews or ratings
46%	Perception of safety and durability
41%	Brand or reputation of vehicle
39%	Vehicle size, type or segment
38%	Handling and driving experience

Information needs in moments of learning about features

62%	Quality, reliability
54%	Exterior design and styling
49%	Interior design and styling
48%	Space (trunk, interior space, etc.)
46%	Performance

Question asked: NQ6 – Search extensions - What information did you look for before you went to the dealership? // NQ9, NQ10, NQ11, NQ13 – Information needs - What information did you look for during your product research at any stage?
Base: New car buyers, n = 501; Source: Auto CB 2018

GIVING THE RIGHT INFORMATION IN THE RIGHT MOMENTS ADDS VALUE FOR BUYERS

Information needs to decide if affordable

48%	Fuel efficiency
47%	Warranty
46%	Purchase costs (retail price, taxes, etc.)
30%	Ownership or maintenance costs
23%	Financing rates or options

Information needs to decide where to buy

48%	Prices
35%	Business hours
26%	Contact information
25%	Location/directions to the dealership
23%	Reviews or recommendations

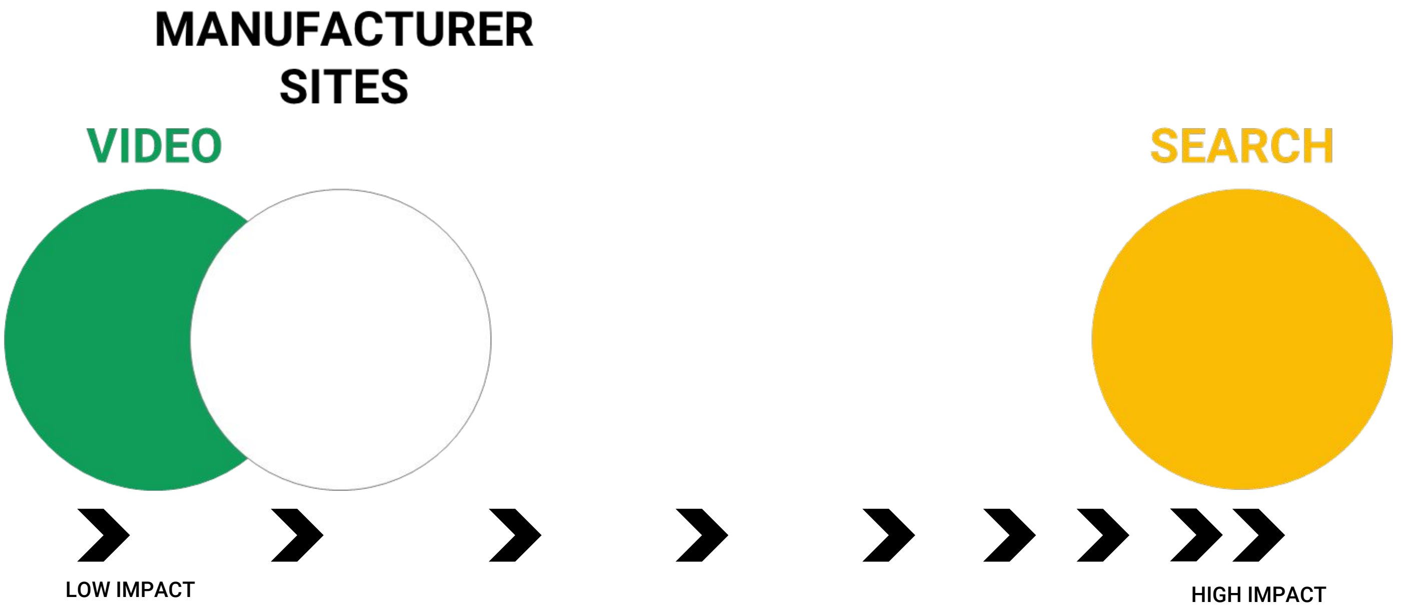
Information needs to Find the best deal

63%	Vehicle sticker price
60%	Promotional offers, deals etc
15%	Projected resale value

Question asked: NQ6 – Search extensions - What information did you look for before you went to the dealership? // NQ9, NQ10, NQ11, NQ13 – Information needs - What information did you look for during your product research at any stage?
Base: New car buyers, n = 501; Source: Auto CB 2018

SEARCH, VIDEO AND MANUFACTURER WEBSITES ARE IMPACTFUL TOUCH POINTS

The extent to which a touchpoint can positively impact business results correlates with usage and value: the higher the reach and the higher the value of a touchpoint the more impactful will it be. Search and also video are used and valued touch point and hence, impactful tools for brands and manufacturers.



Question asked: Q9 - Which of these online sources informed or influenced your recent 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 during your most recent vehicle purchase? // Q12.1.A.E - Which online information sources were helpful?
Base: New car buyers n =501; Source: Auto CB 2018

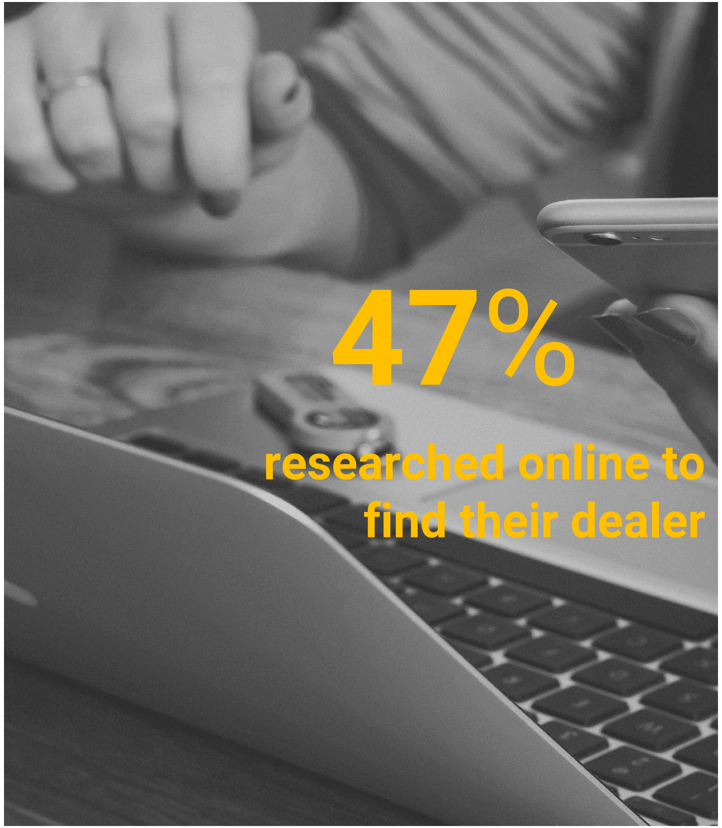
6 FROM DIGITAL TO THE DEALERSHIP

PURCHASES STILL HAPPEN AT THE DEALERSHIP

98%
Purchase Offline

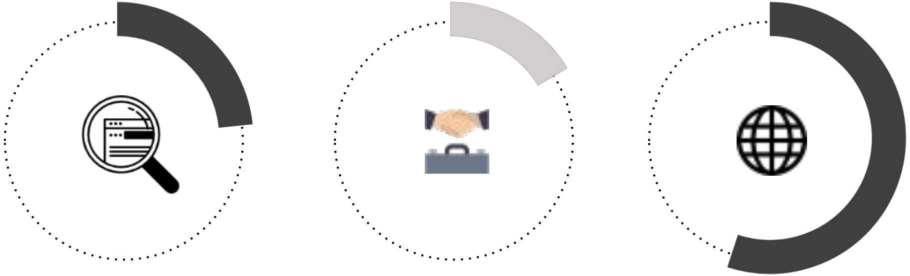
2%
Purchase Online

Question asked: Q6 - Method to purchase - Where did you purchase your vehicle?
Base: New car buyers, n = 501
Source: Auto CB 2018



BUT MANY GO ONLINE TO FIND THEIR DEALERS

Share of buyers who found their dealer online, found it on...



23%
found dealer via **search engine**

16%
found dealer via **online advertising**

55%
found dealer via **website of make**

Question asked: NQ5 - Location of dealer - How did you find your dealer?
New car buyers who bought their New car at a dealer and who found it online, n = 239
Source: Auto CB 2018

IT DOES NOT TAKE MANY DEALER VISITS OR TEST DRIVES TO DECIDE

2.6

IS THE AVERAGE NUMBER OF DEALER VISITS

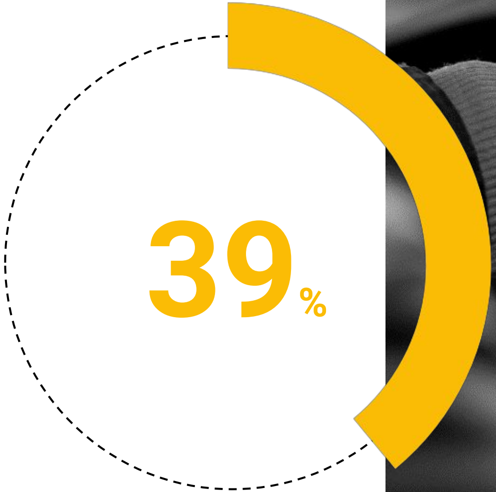
1.3

IS THE AVERAGE NUMBER OF TEST DRIVES

Question asked: Q38 – Number of dealer visits - Overall, how many times did you visit a dealer of any make until you made your most recent purchase? // Q39 – Number of test drives - How many test drive(s) did you take prior to your purchase?-
Base: New car buyers, n = 501; Source: Auto CB 2018

TODAY MANY BUYERS EVEN DECIDE AFTER JUST ONE TEST DRIVE

Shown is the share of buyers who decided after only one test drive



Question asked: Q39 - Number of test drives - How many test drive(s) did you take prior to your purchase?
Base: New car buyers, n = 501
Source: Auto CB 2018

RESEARCH HELPS TO GET FAMILIAR WITH THE DEALERSHIP BEFORE ACTUALLY VISITING IT

Shown is the % of buyers who research for the below shown details before visiting a dealership

5% | **Videos of the dealership facilities**

11% | **Listings of current vehicle inventory/availability**

23% | **Maintenance programs and services**

11% | **Videos of the vehicles in inventory**

25% | **Location/directions to the dealership**

35% | **Business hours**

26% | **Contact information**

23% | **Reviews or recommendations**

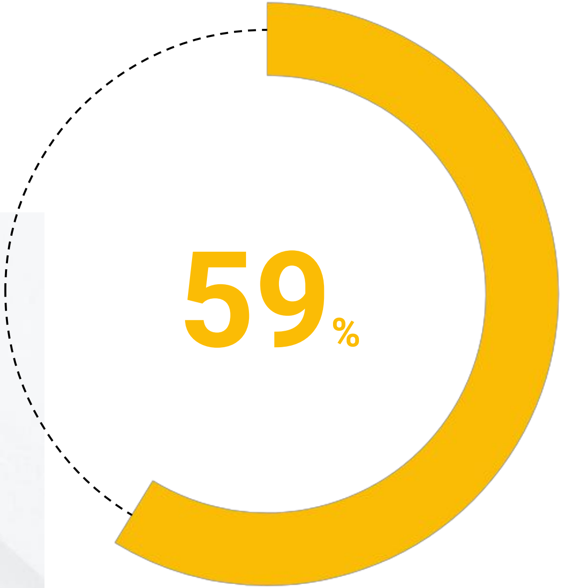
48% | **Prices**

47% | **Promotional offers, deals etc.**

15% | **Leasing or loan /financing options**

Question asked: NQ6 - Search extensions - What information did you look for before you went to the dealership?
Base: New car buyers, n = 501
Source: Auto CB 2018

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



of New car buyers
research on their smartphone
while on the lot

Question asked: Q22 - Smartphone research while on the lot - For which of these activities did you use your smartphone while you were at a dealer (or vehicle lot)?
Base: New car buyers who use a smartphone and who visited a dealer, n =251
Source: Auto CB 2018

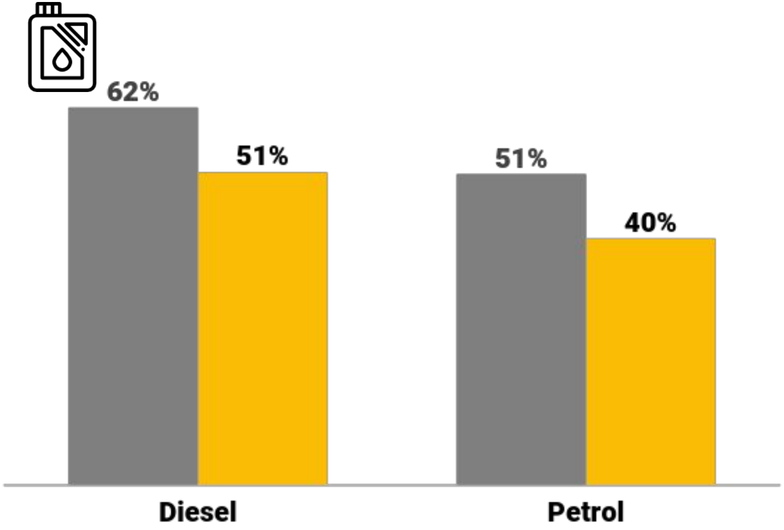
7 UPCOMING TRENDS

MANY CONSIDER ALTERNATIVE DRIVES BUT MOST BUY TRADITIONAL IN THE END

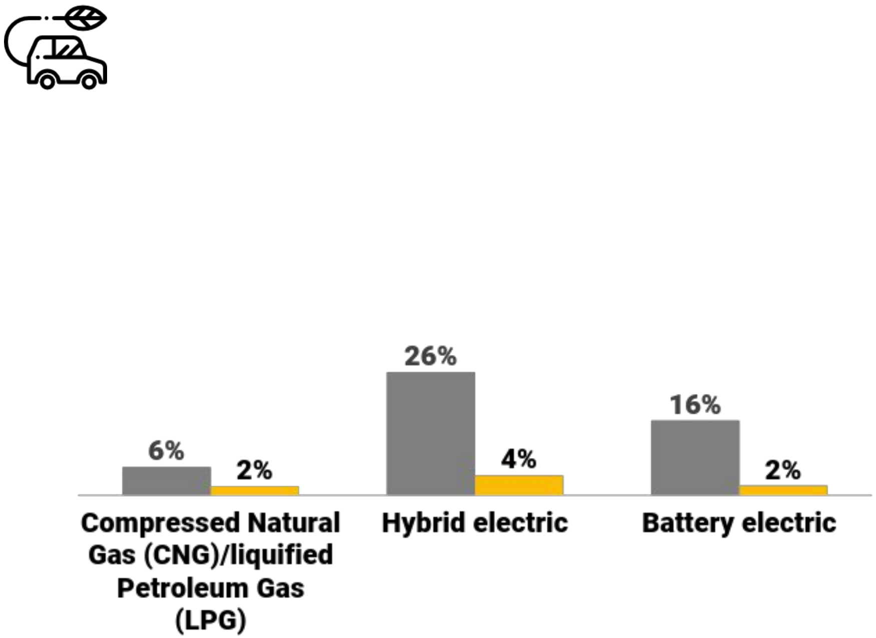
What type of car (fuel) did you consider?

What type of car (fuel) did you buy?

Traditional



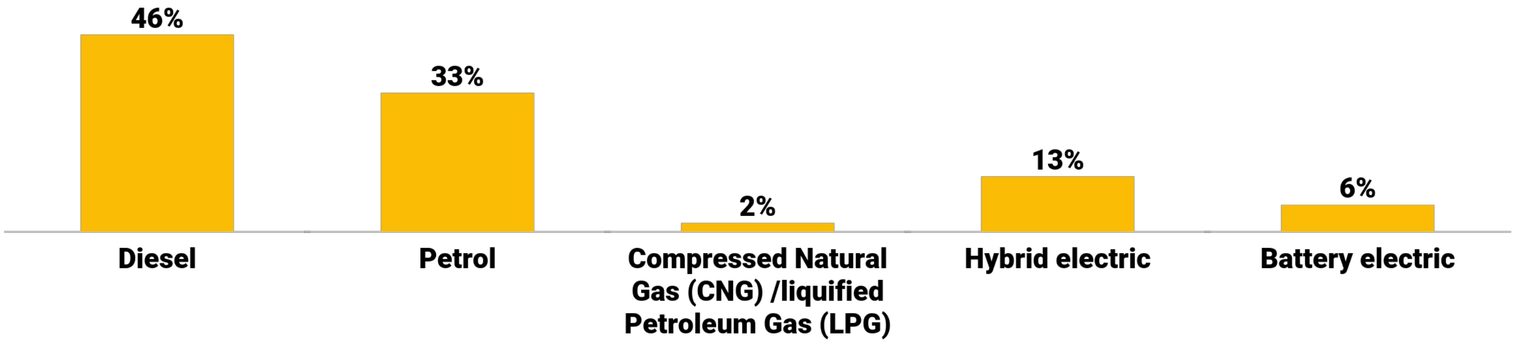
Alternative



Question asked: Q4_1 - Type of drive - What type of car (fuel) did you buy? // Q35_1 Type of drive - What type of car (fuel) did you consider?
Base: New car buyers, n = 501
Source: Auto CB 2018

A RELEVANT SHARE OF THOSE WHO CONSIDER A HYBRID OR BATTERY ELECTRIC VEHICLE, BUY A HYBRID VEHICLE

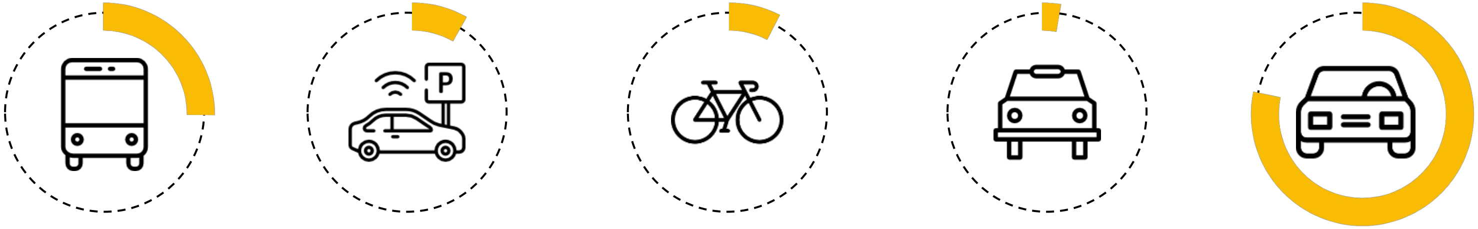
Share of buyers who considered a hybrid or battery electric vehicle, bought…



Question asked: Q4_1 - Type of drive - What type of car (fuel) did you buy? // Q35_1 Type of drive - What type of car (fuel) did you consider?
Base: New car buyers, who considered a hybrid or battery electric vehicle, n = 180
Source: Auto CB 2018

PUBLIC TRANSPORT AND CAR SHARING ARE MOST RELEVANT FOR MOBILITY NEXT TO DRIVING OWN CAR

Shown is the % usage in an ordinary week

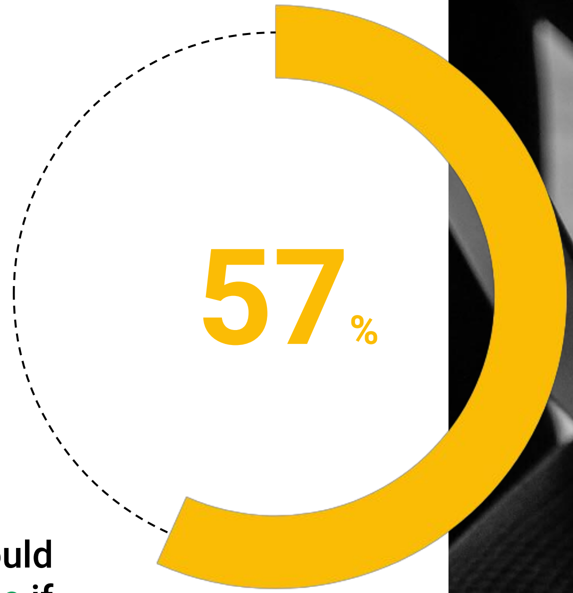


25%	8%	8%	3%	78%
Public transport	Car sharing service	Riding a bike or a scooter	Taxi, cab or similar driver service	Drive my own car

Question asked: Q42 - Mobility patterns - Which means of transport do you usually use in an ordinary week?
Base: New car buyers, n = 501
Source: Auto CB 2018

8 THE FUTURE OF CAR SALES

CAR PURCHASE MAY SHIFT TO ONLINE IN THE FUTURE



Of buyers would
consider to buy online if
given the option

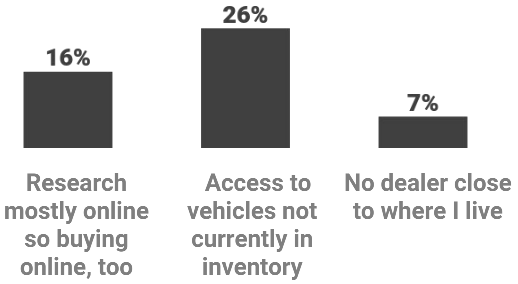
Question asked: Q40 - Preferred method to purchase - If given the option, would you consider purchasing your next vehicle online?
top 1 = yes , top 2 = not right now, but consider it in the future
Base: New car buyers, n = 501
Source: Auto CB 2018

CONVENIENCE, PRICES AND EASY ACCESS CAN DRIVE ONLINE PURCHASE INTENT

CONVENIENCE
ONLINE PURCHASE DRIVERS

PRICE
ONLINE PURCHASE DRIVERS

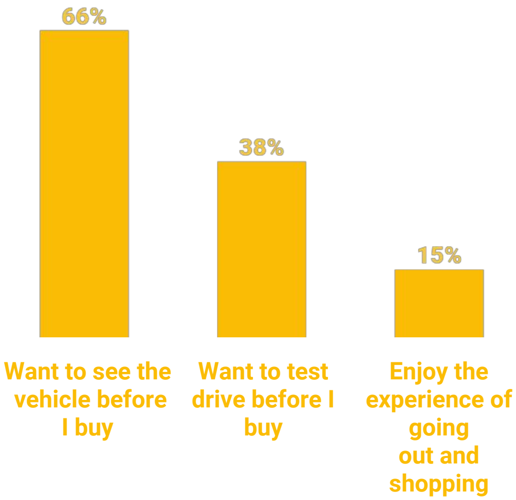
ACCESS
ONLINE PURCHASE DRIVERS



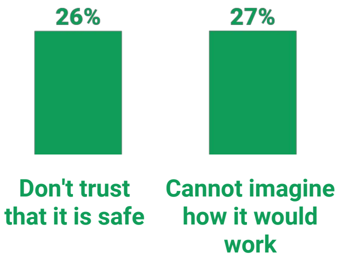
Question asked: Q41 - Drivers for online purchase - What would give you a reason to purchase online?
Base: New car buyers who considered to purchase online, n = 291
Source: Auto CB 2018

LACK OF PHYSICAL PRODUCT EXPERIENCE AMONG MAJOR BARRIERS FOR ONLINE PURCHASE

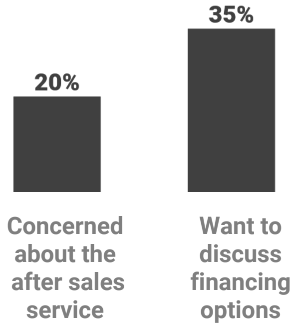
PHYSICAL EXPERIENCE
ONLINE PURCHASE BARRIER



TRUST
ONLINE PURCHASE BARRIER



ASSURANCE
ONLINE PURCHASE BARRIER



Question asked: Q41.2 - Barriers for Online Purchase of a vehicle - Why wouldn't you consider purchasing your vehicle online?
Base: New car buyers who did not consider to purchase online, n =208
Source: Auto CB 2018

THANK YOU