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2009 Automotive Buy Flow Study

The Automotive Shopping Process

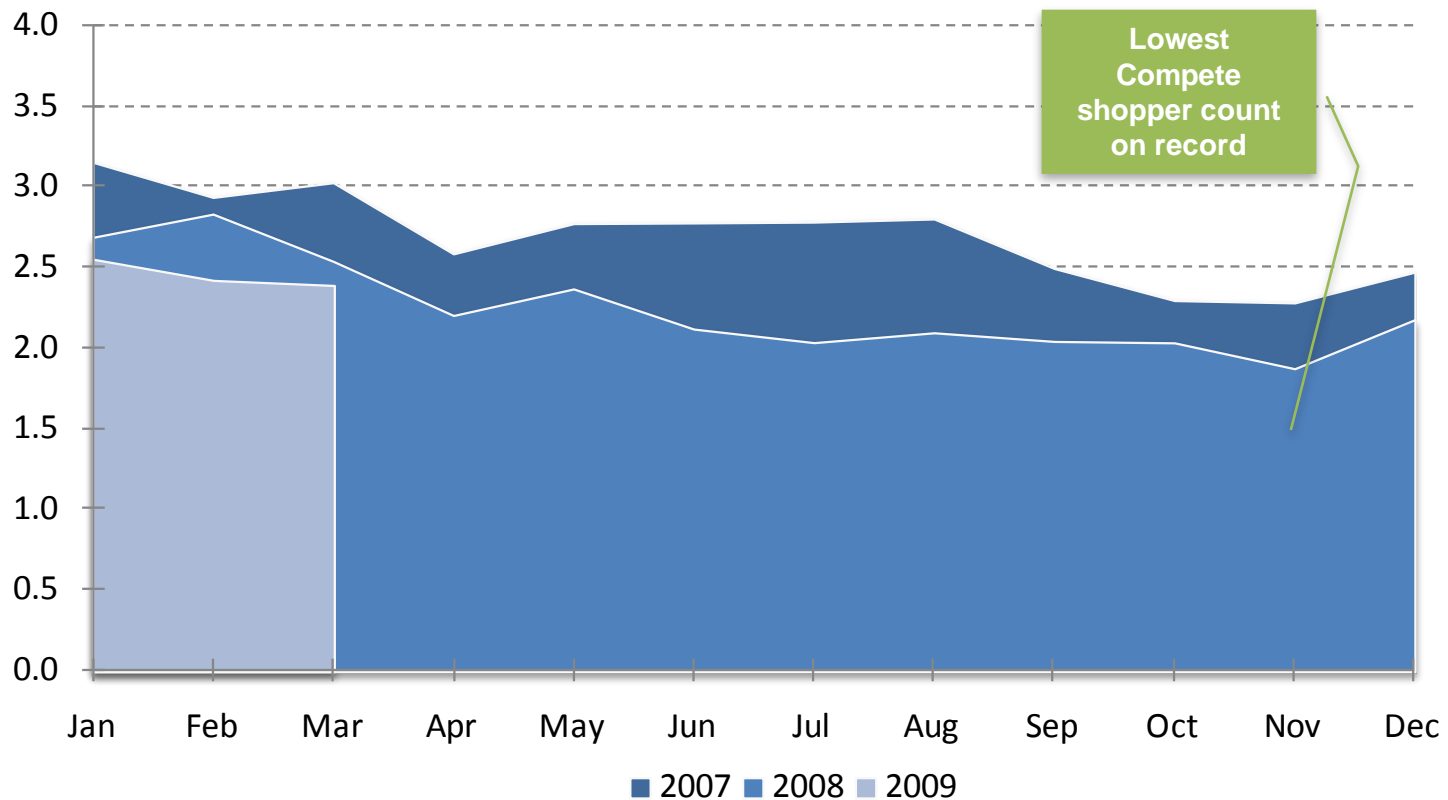
Google/Compete/R.L. Polk
U.S., July 2009

Market demand has started to rebound

Similarly, Consumer Confidence* has started to rebound from a Nov low

Market-wide Shopper Counts

(Clickstream data; unique number of shoppers (millions) by month, Jan 2007 through March 2009)

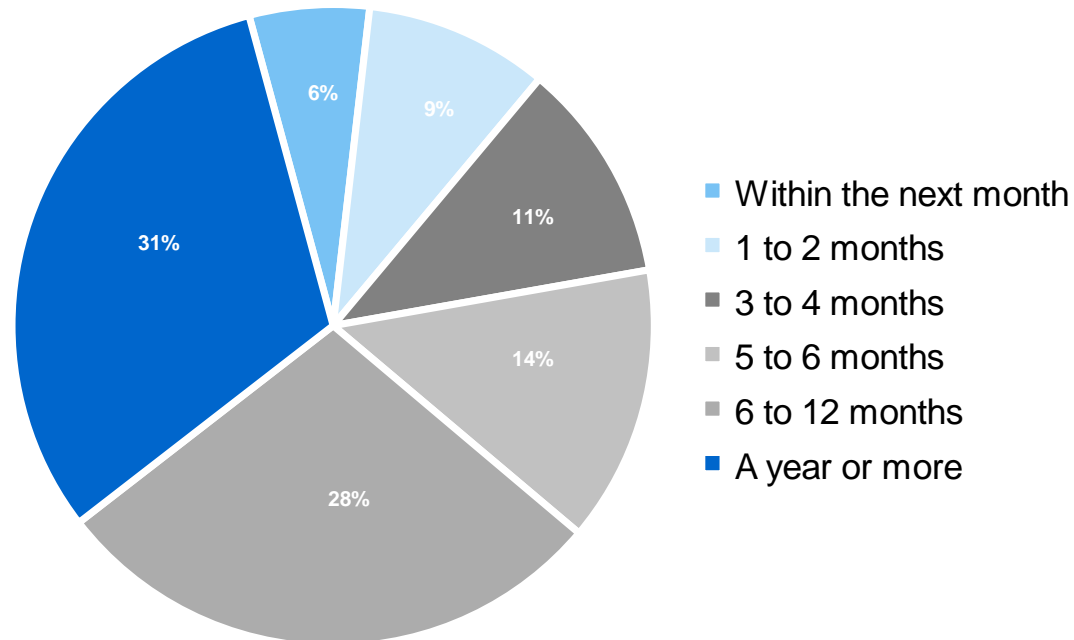


69% of shoppers plan to purchase within the next year

- 40% plan to do so within the next 6 months
- 1 in 4 shoppers plan to buy within the next 4 months

Researcher purchase time horizon

(Google/Compete Buyer Flow consumer survey data; share of question respondents)

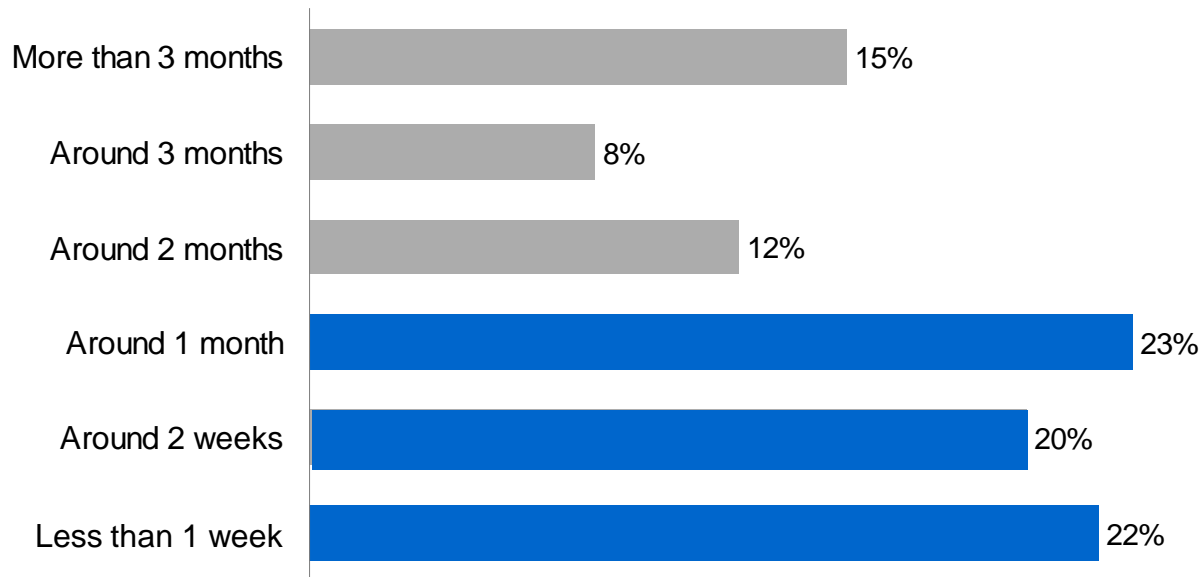


Buyers are shopping for a month or less before purchasing

65% of purchasers researched vehicles for 1 month or less

Length of Research Time before Vehicle Purchase

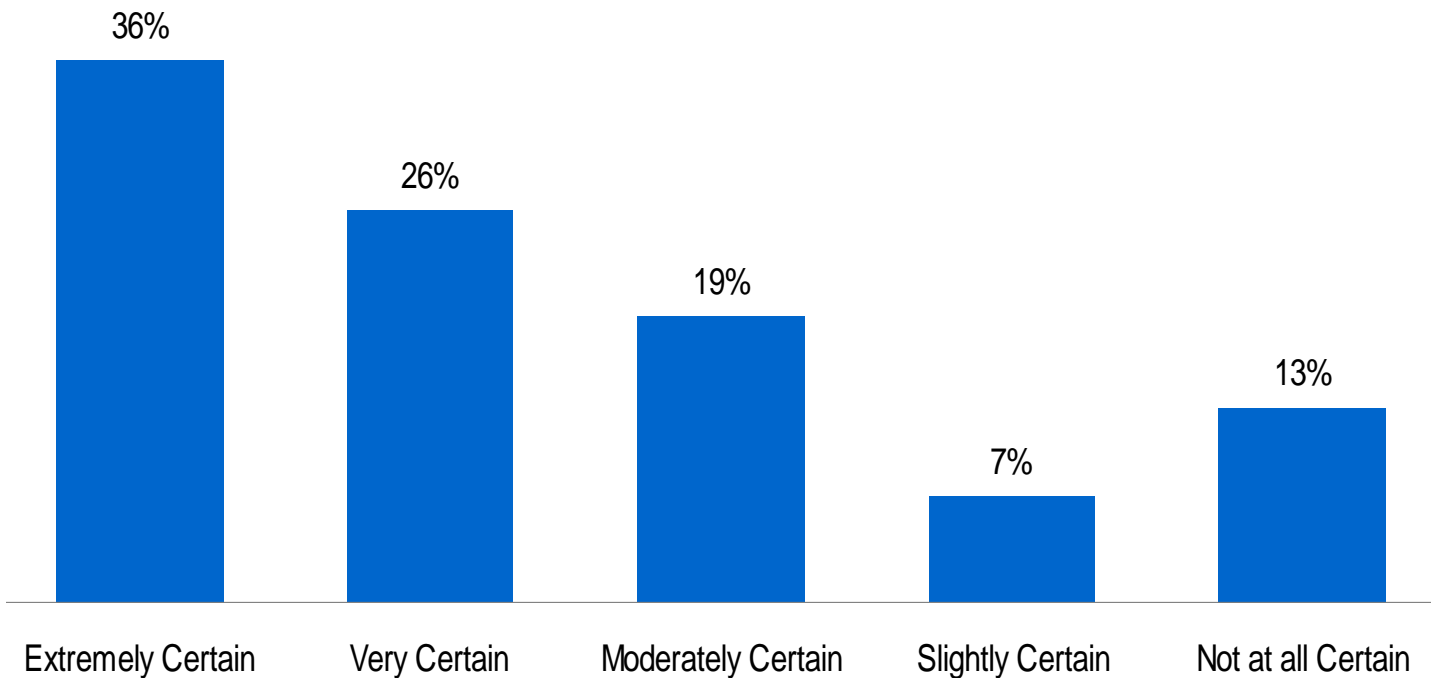
(Google/Compete Buyer Flow consumer survey data; share of question respondents, purchasers)



Most buyers are interested in a specific brand early in the shopping process

Vehicle Certainty

(Google/Compete Buyer Flow consumer survey data; share of questions respondents)



Q7/9: Which of the following best describes how certain you were about which [7: brand] of vehicle you would purchase at the beginning of your research?

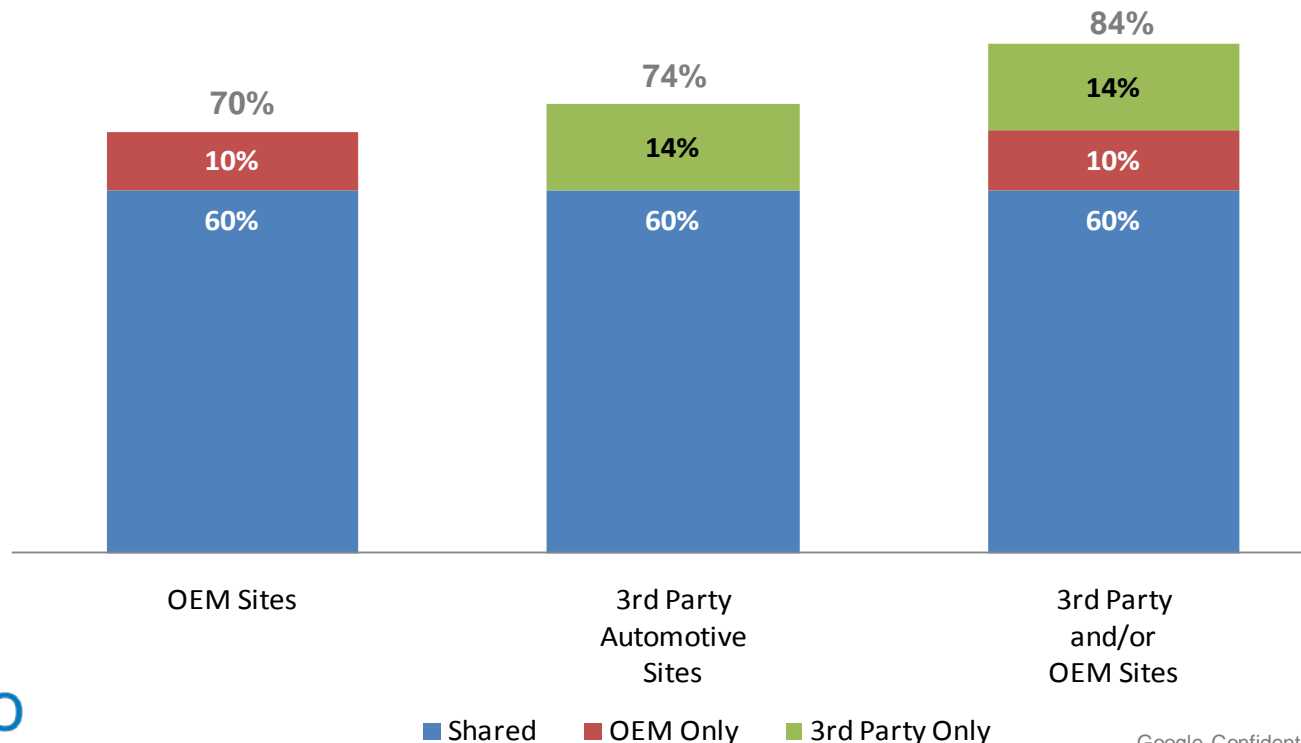
Asked of Vehicle Buyers in the prior 6 months , April, 2009, $n=1,026$

Nearly every buyer used the automotive online channel

- 84% of new vehicle buyers visited an OEM and/or 3rd Party site within 6 months of purchase
- Compared to 2007, 3rd party sites saw increased visitation by vehicle buyers in 2008 (+23%), while OEM sites saw a decrease (36%).

Pre-Purchase Automotive Category Visitation

(Clickstream data; share of New Vehicle Buyers visiting the site category during the 6 months prior to purchase)

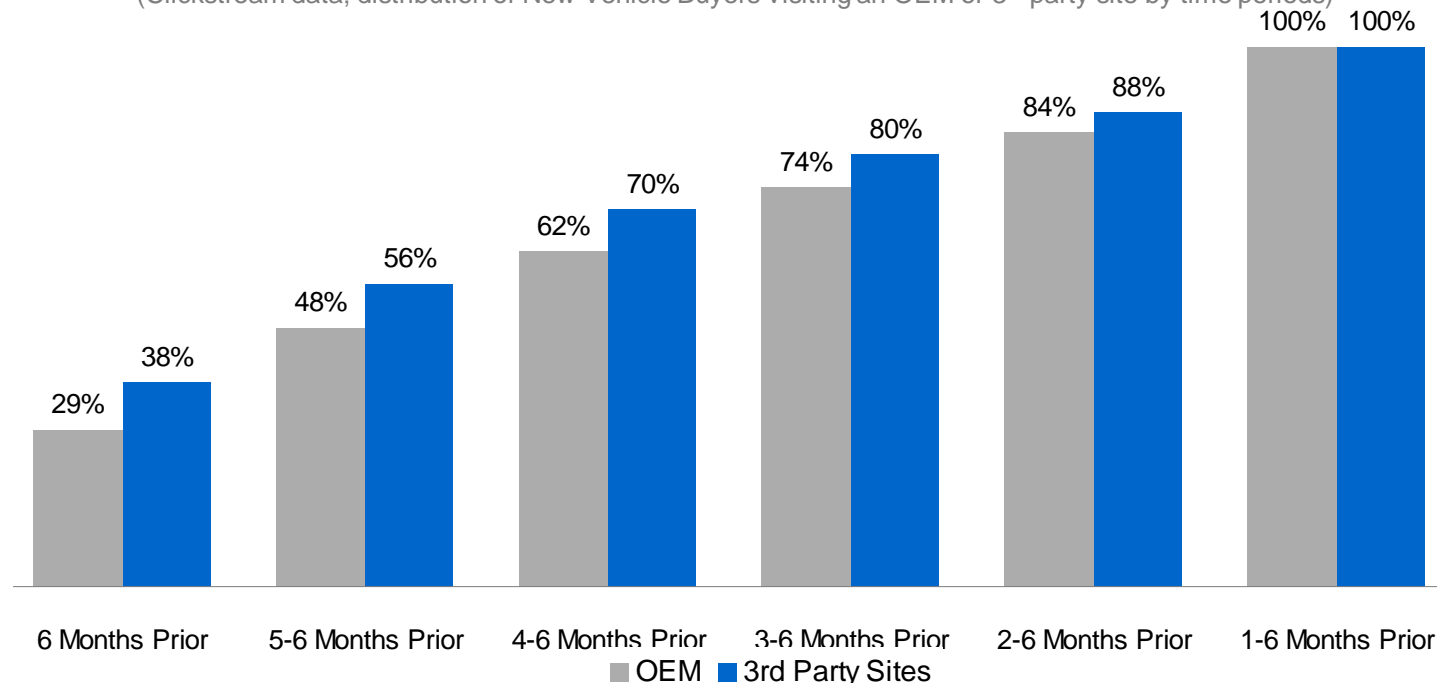


Site visitation increases closer to purchase dates

- Nearly half of all new vehicle buyers visiting OEM & 3rd party sites did so 5 to 6 months prior to their purchase date
- 16% of new vehicle buyers that visited OEM sites waited until the month of their purchase
- 12% of new vehicle buyers that visited 3rd party sites waited until the month of their purchase

OEM & 3rd Party Site Visitation by Pre-Purchase Periods

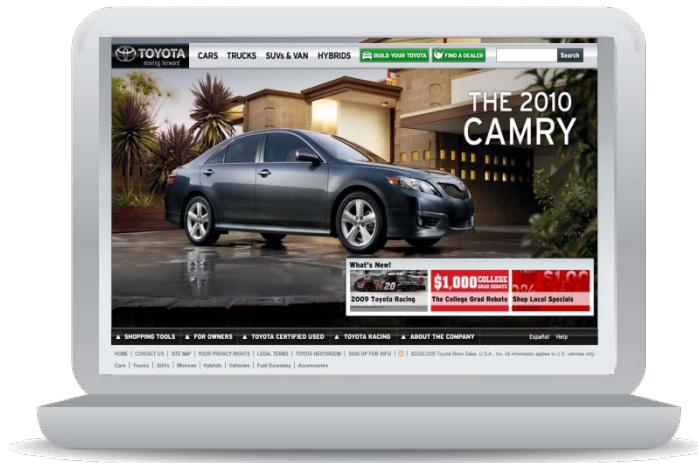
(Clickstream data; distribution of New Vehicle Buyers visiting an OEM or 3rd party site by time periods)



During the month of purchase, buyers are increasingly engaged with OEM and 3rd Party Sites

- New Vehicle Buyers view more pages and spend more time on OEM sites and 3rd Party sites within the month of purchase as compared to six months prior to purchase

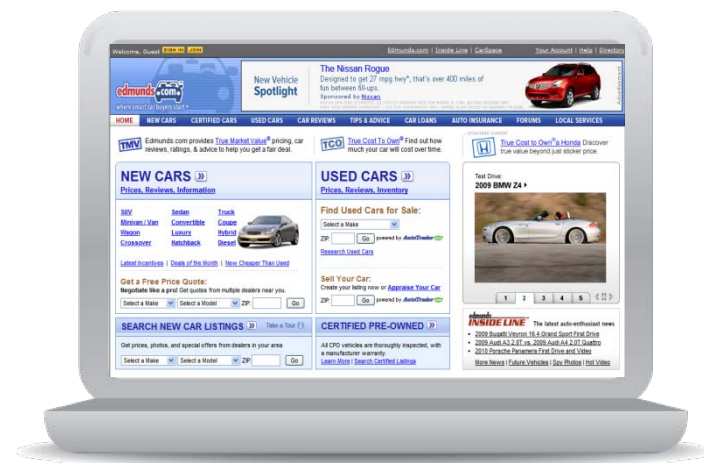
OEM Sites



Month of Purchase vs. 6 Months Prior

- 78% more page views
- 87% more time spent

3rd Party Sites



Month of Purchase vs. 6 Months Prior

- 49% more page views
- 64% more time spent

46% of all vehicle purchasers visit a dealer website

- This represents a 5% increase in purchaser visitation from 2007-2008
- There is a large opportunity for dealers to increase their share of voice among purchasers online

The image displays three overlapping screenshots of car dealer websites. The top-left screenshot is for Jim Causley Pontiac GMC Truck, featuring navigation links for RESEARCH, FIND, BUY, and SERVICE, along with contact information for sales and service. The middle screenshot is for Toyota, highlighting a 'HOT CAR LIST' for a 2010 Toyota Prius and providing search filters for Type, Make, Model, and Year. The bottom-right screenshot is for Mercedes-Benz of Ann Arbor, featuring a 'Economic Stimulus Benefit' promotion and a search inventory form with fields for First Name, Last Name, Email, and Home Phone.

A wide variety marketing channels exist to influence today's consumer



Online marketing channels are important to new vehicle buyers

Over 60% of vehicle purchasers said online video and search engine ads were very or extremely important

Importance of Ad Sources by purchasers

(Google/Compete Buyer Flow consumer survey data; share of question respondents, top 2 box)

Online Search Engine Ad	61%
Online Video Ad	61%
Radio Ad	60%
Outdoor Billboard Ad	53%
Online Banner Ad	49%
Print Ad	49%
TV Ad	18%
3 rd Party Site	37%

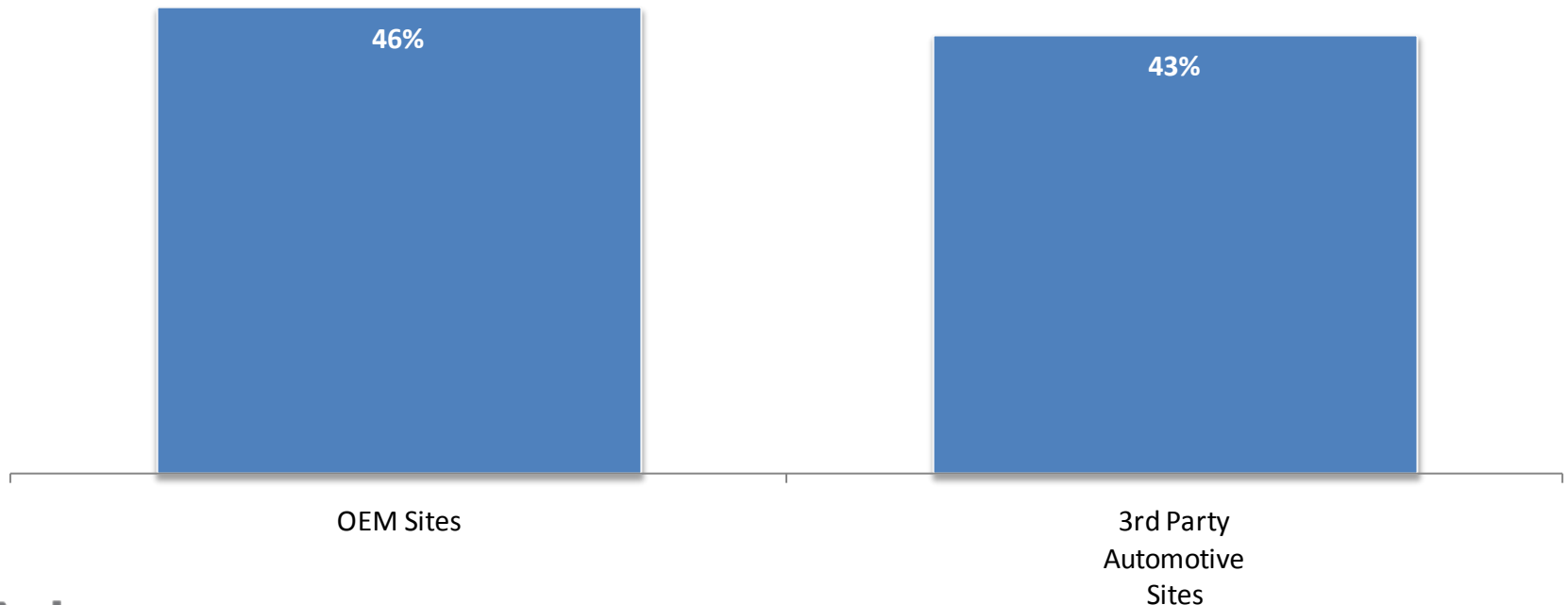
Q20: Among the ads you indicated, please indicate the relative importance of each:
P.make & model purchase n = 1,026

Search plays a critical role in the automotive purchase process

46% of New Vehicle Buyers who visited an OEM site were referred by search at least once during the 6 months prior to their purchase

Pre-Purchase Share of Buyers Referred by Search

(Clickstream data; share of New Vehicle Buyers visiting the site category that were referred by search during the 6 month period)



Buyers use search during the upper and lower funnel

Share of New Buyers Referred by Search



Search is a critical activity at every stage of the buying process

Auto consumers use Search for a variety of reasons

% of new vehicle purchasers who used search engines to ...

31%

To discover vehicles I was unfamiliar with

49%

To find the best deals

49%

To find a local dealership

68%

To find comparisons of similar vehicles

53%

To find the vehicle brand's website

59%

To find independent reviews of vehicles



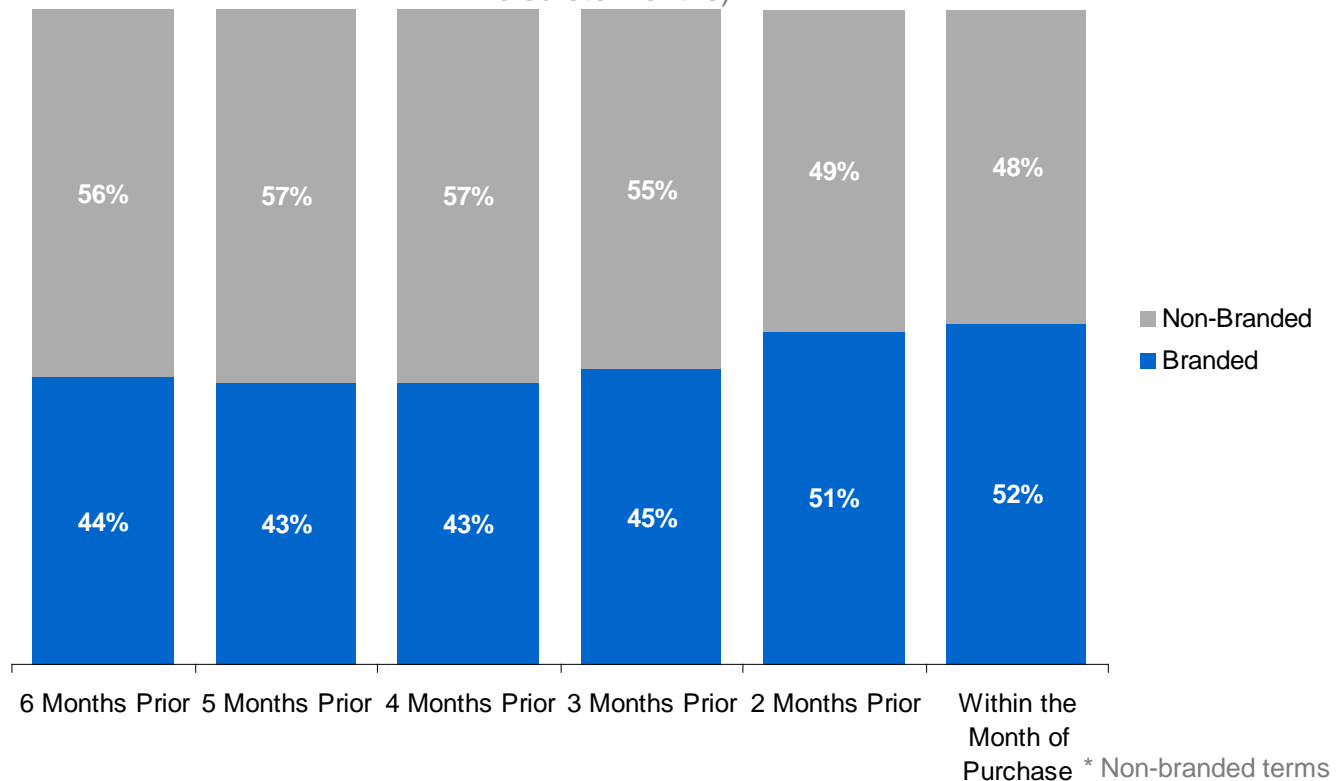
Q18P: You mentioned earlier that you used a search engine to learn about or research cars before making your recent purchase. Please indicate whether a search engine helped you to do any of the following. Asked of recent vehicle purchasers, Asked of new vehicle purchasers, n = 140

New Vehicle Buyers are just as likely to use non-branded terms vs. branded terms

- However, New Vehicle Buyers have a slightly higher propensity to use branded search terms during their vehicle purchase month

Type of Keyword Phrase Used by Buyers Before Purchase

(Clickstream data; share of New Vehicle Buyer search referrals to automotive sites during the 6 month period, discrete months)

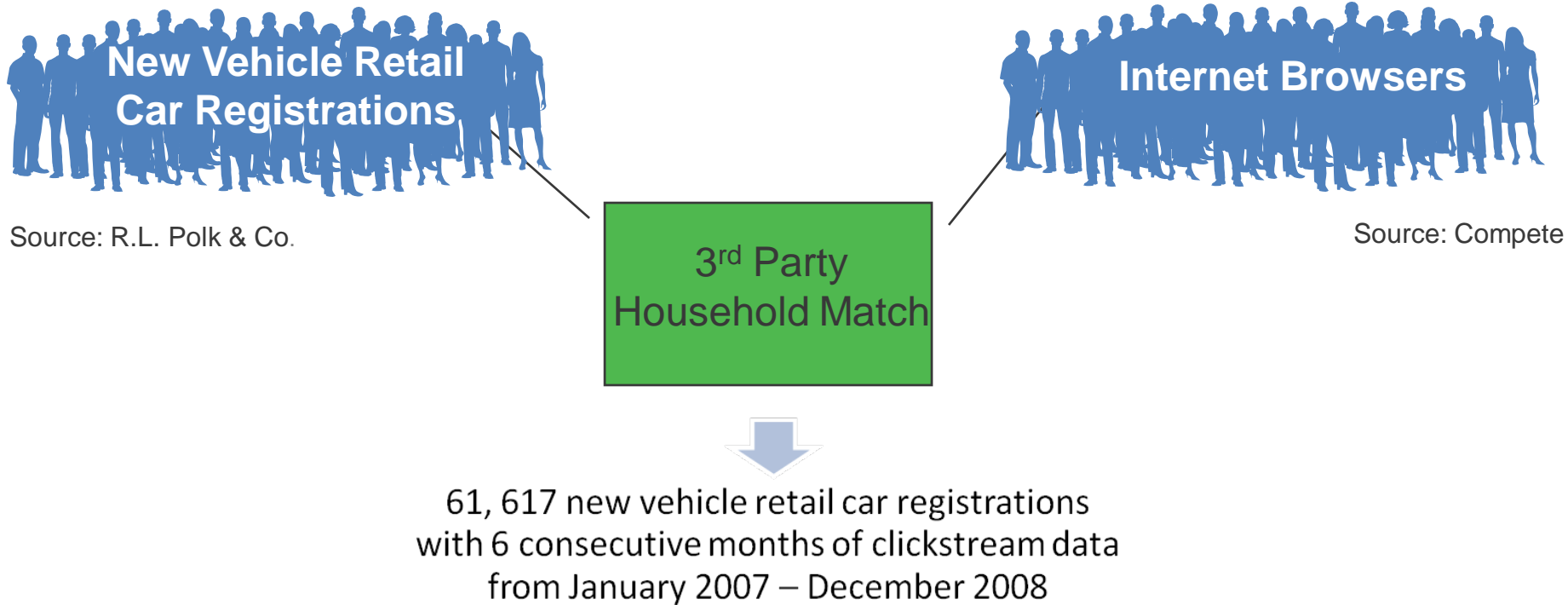


Appendix

Google, R.L. Polk & Co. and Compete created a new dataset to study new vehicle retail registrations

Purpose of Study

Understand consumers' use of the online channel for automotive vehicle research, shopping and purchase



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