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# The 2010 Automotive Aftermarket Study

Google/Compete

The Role of the Internet and Search in the Automotive Parts, Tires, Services, and Accessories (PTSA) Research and Purchasing Process  
U.S., Nov 2010

# Background and Methodology

## Background

- The purpose of this study is to quantify consumers' use of the online channel for automotive parts and service research and shopping.

## Methodology:

### Phase 1

- Identify visitors to parts & service websites and report the following analytics:
  - Trended unique visitors, time on site and search referrals to the aftermarket sites: parts, accessories, service and tires
  - Branded vs. non-branded search referrals to aftermarket sites among website visitors and aftermarket purchasers
  - Sponsored vs. organic search referrals to the aftermarket sites among website visitors and aftermarket purchasers
- Compete uses its proprietary tracking of consumer online behavior to identify and analyze visitors

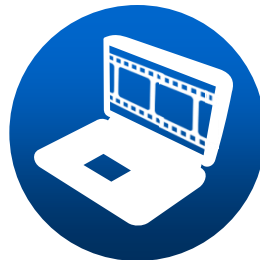
### Phase 2

- Survey visitors to parts & service websites to identify attitudes and intent
- Compete fielded a targeted survey from August-September 2010 with 1,126 respondent completes with the following criteria:
  - Respondents are 18 years of age or older AND
  - Respondents were observed researching parts, tires, services or accessories online or offline within the past six months

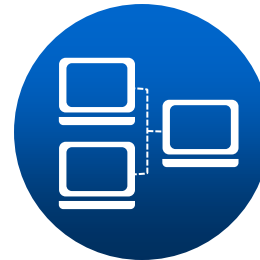
# 2010 Study Key Findings



**Search remains an integral part of the PTSA research & buying process**



**Consumers are utilizing the online channel for price & comparison shopping**

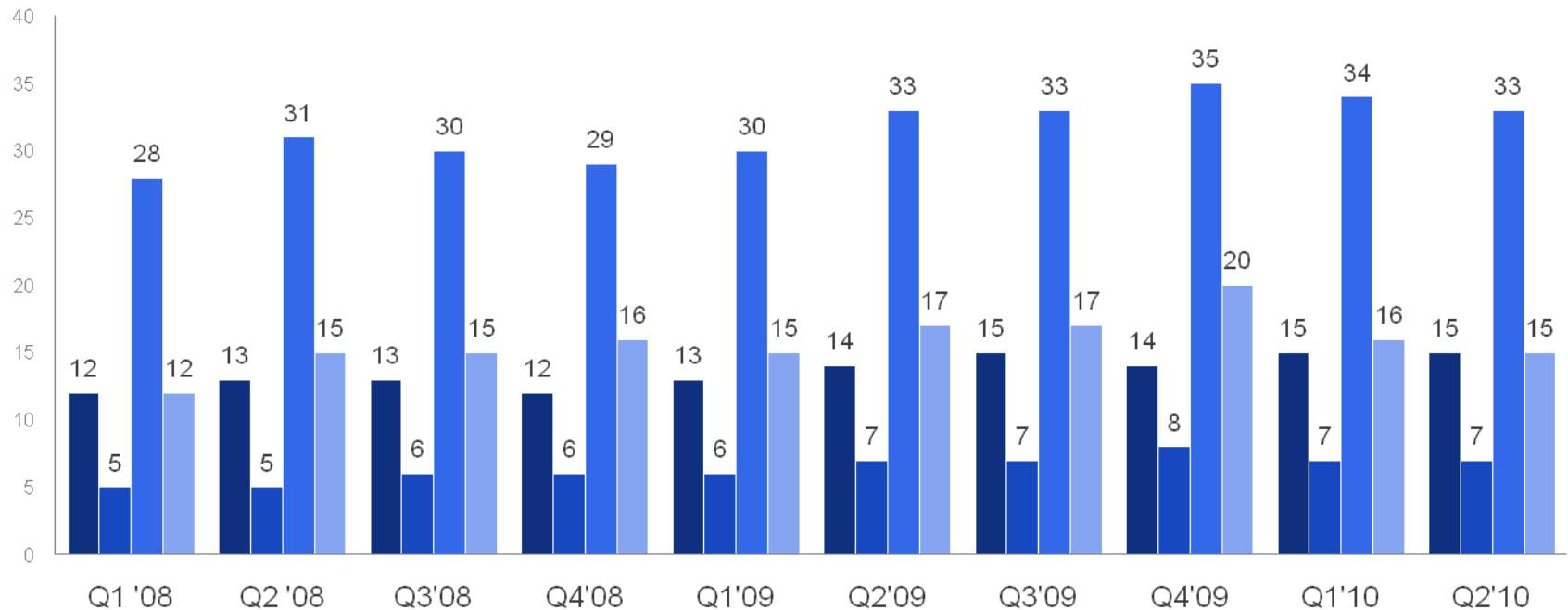


**Retailers are the preferred purchasing outlet over Dealers- both online and offline**

# Traffic To PSTA Sites Increased Year-Over-Year

Service sites had the largest percentage gain in traffic increasing 1.5x to over 7M unique visitors from Q1'08-Q2'10

Industry-Wide Visitors (Millions)  
(Clickstream Data; Unique Visitors, Q1 '08 to Q2 '10)



# Search By The Numbers....

**40%** Of Parts, Tires, Service, and Accessory  
site referrals come from Search...

**40%** ...of these referrals result in a key  
purchase indicator

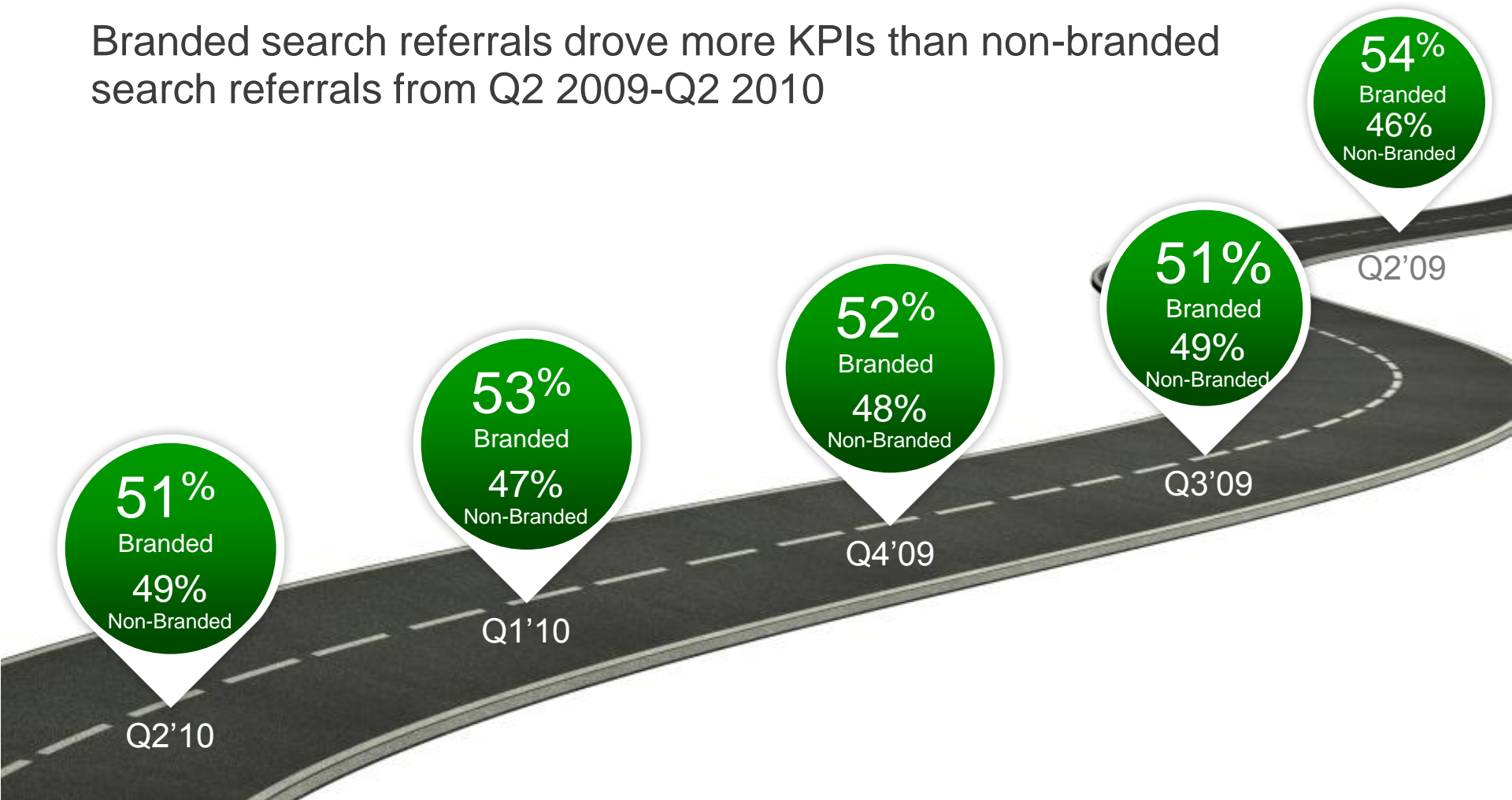
**&**

**20%** ...of these referrals are exclusive



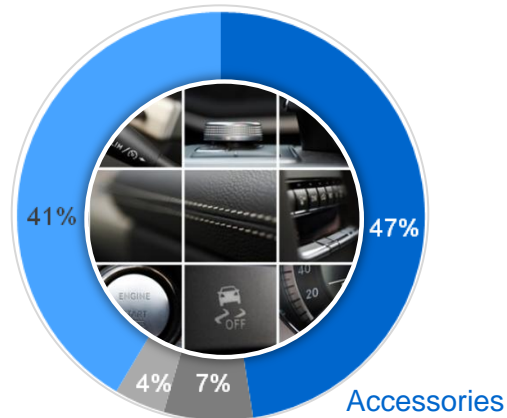
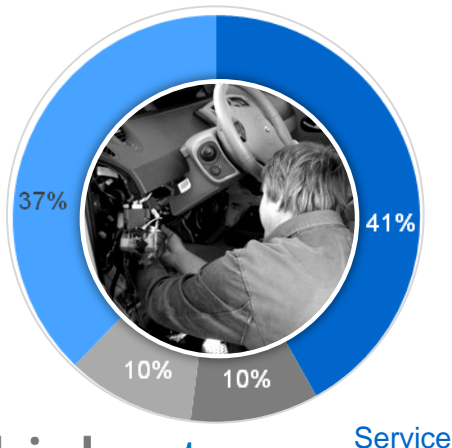
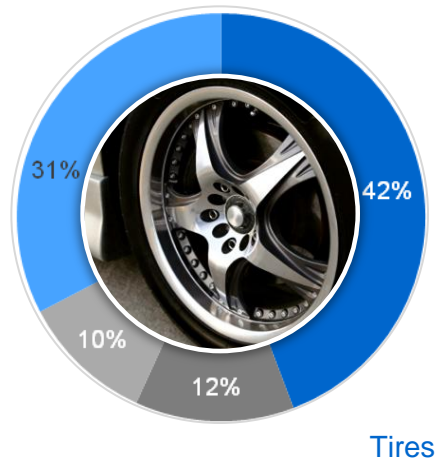
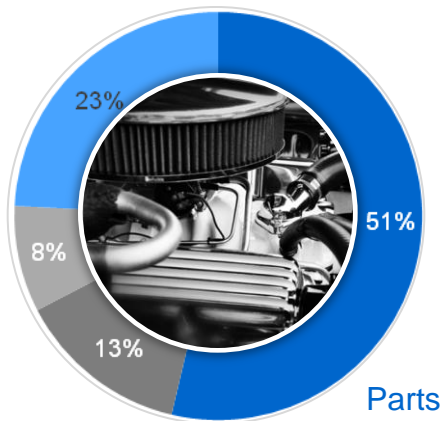
# Branded Referrals Continue to Drive KPIs

Branded search referrals drove more KPIs than non-branded search referrals from Q2 2009-Q2 2010



# Search Was Used Early And Often

Over a third used search throughout the process



## Search Usage During the Research Process

- Used this source at the very beginning of my research
- Used this source in the middle of my research
- Used this source at the very end of my research
- Used this source throughout the entire process



# Mobile Research Usage On The Rise

Over a third of PTSA researchers said they were more likely to use their mobile device for PTSA research than a year ago

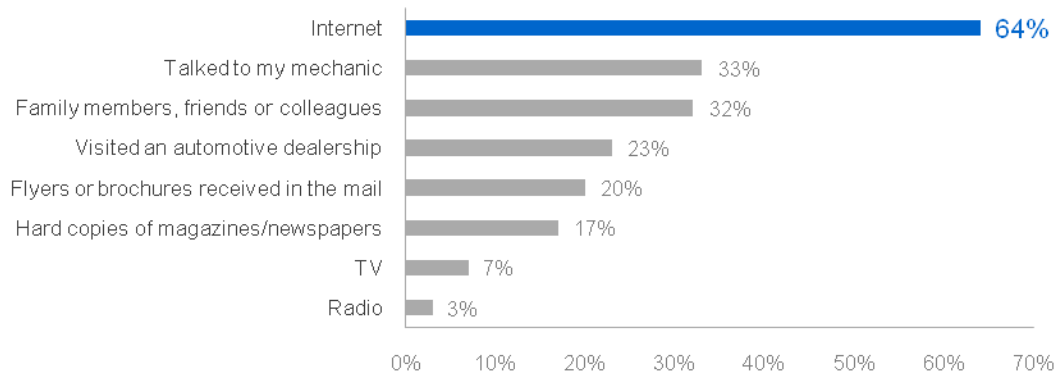
Nearly 20% of PTSA purchasers researched their purchase on a mobile device.



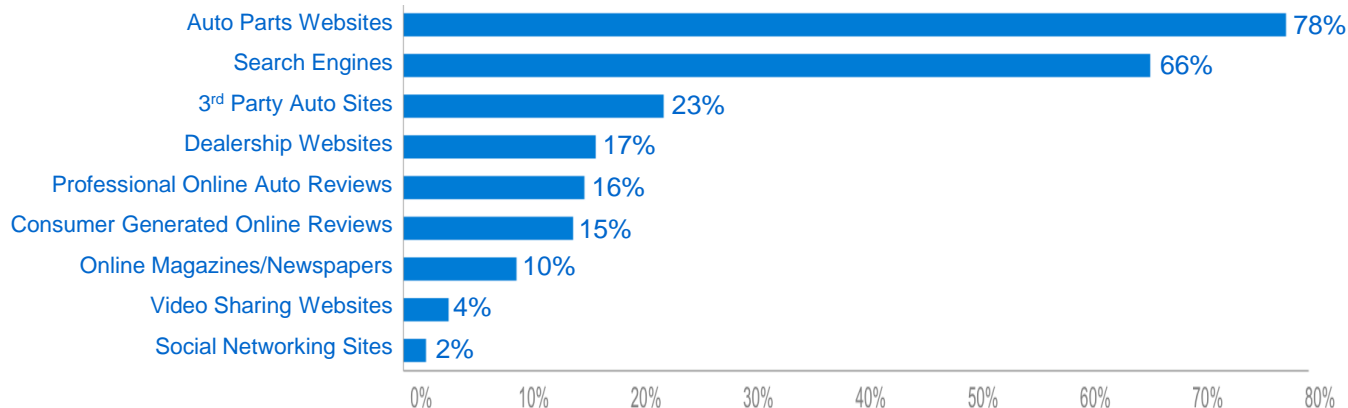
# Automotive Parts Analysis

# Internet Usage Key for Parts Purchasers

## Research Sources Used



## Online Research Sources Used



Source: 2010 Google / Complete PTSA study

Q1. Which of the following sources, if any, did you use to learn about or research parts? Base: All parts respondents (n=580)

Q2. Specifically, which of the following online sources did you use in your research? Please select all that apply.

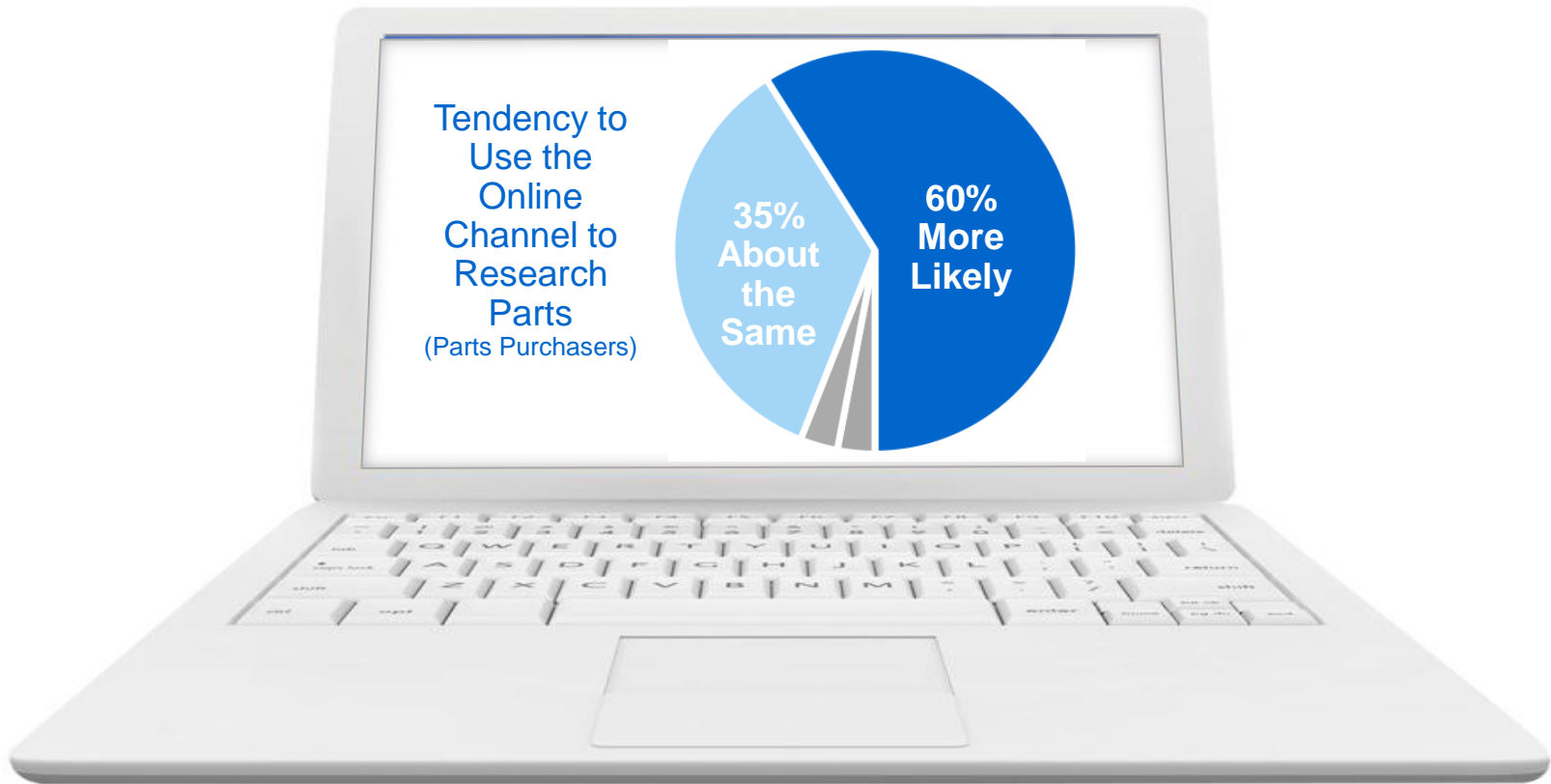
Base: Selected Internet in Q1 (n=376);

Q5. Earlier you mentioned using Social Networking and/or Consumer Generated Online Review websites during your research.

What, specifically, did you do on these websites? Base: Selected social networking websites or consumer generated online reviews in Q2 (n=55)

# Purchasers Remain More Likely To Go Online

60% of purchasers are more likely to utilize the web for parts compared to two



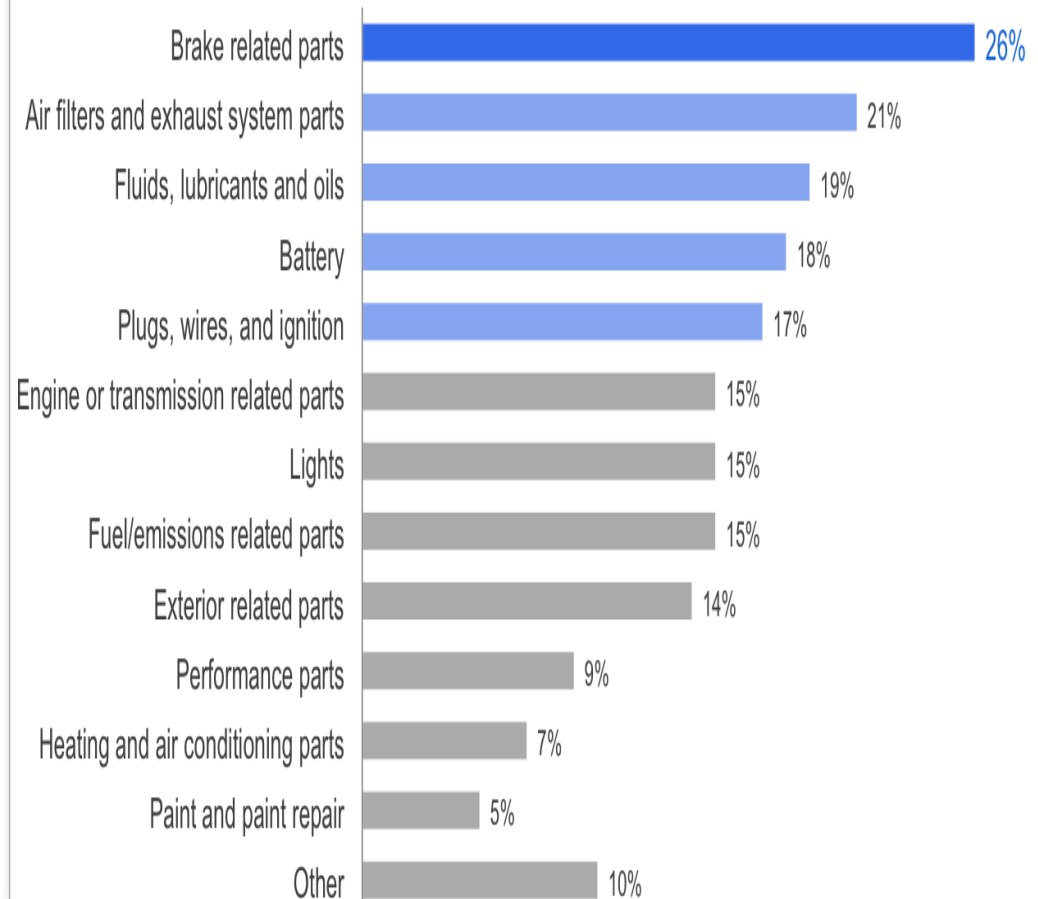
# Online Research Lead to Offline Sales

- The average **online research to offline purchase** conversion rate for parts is **85%**
- While brakes are researched online most, **batteries** have the highest online-offline conversion rate



**thinkauto**  
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Types of Parts Researched Online



Source: 2010 Google / Compete PTSA study

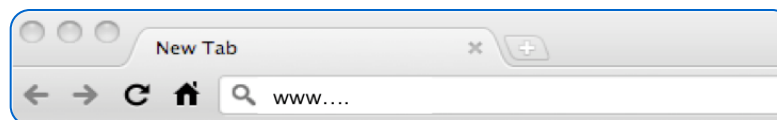
Q12. Which of the following automotive parts have you researched or shopped for online in the past 6 months? Google Confidential and Proprietary 12  
Please select all that apply. Base: All parts respondents (n=580)

# Parts Researchers Looking For Best Deals

- Over **three-quarters of consumers** who were researching parts online were looking for the cheapest prices

Intent of Online Service Research  
(Researched Service Online)

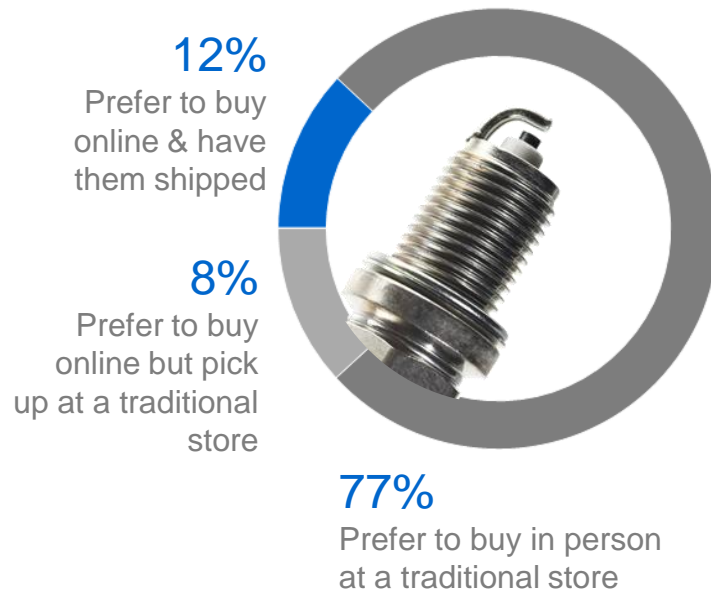
<b>77%</b>	To find the cheapest price	<b>45%</b>	To comparison shop
<b>43%</b>	To determine product availability	<b>36%</b>	To find promotions/discounts
<b>34%</b>	To locate a store	<b>26%</b>	To determine if I could perform the installation myself
<b>15%</b>	To find the best location for installment advice	<b>15%</b>	To find independent reviews



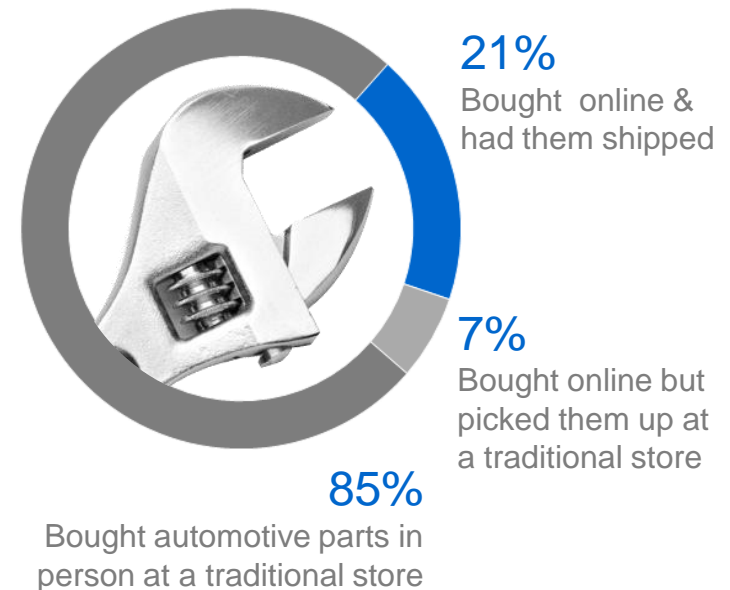
# Majority Prefer To Purchase Parts Offline

- Parts purchasing preferences are in line with their actions
  - However, purchasing parts online and having them shipped appeared to gain momentum at the point of purchase

## Parts Shopper Preferences (Parts Researchers)



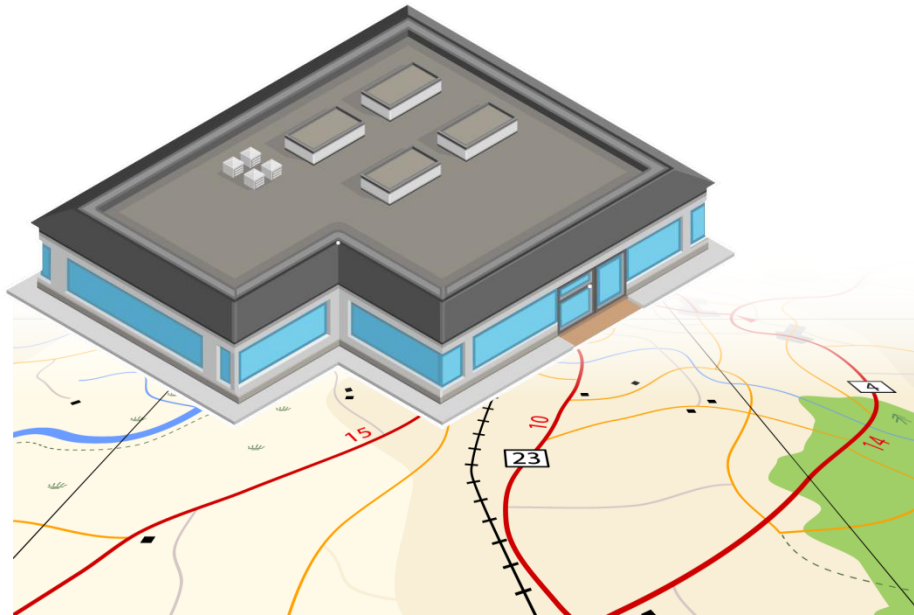
## Actual Behavior (Parts Purchasers)



# Shipping was the most common factor of online purchase rejection among Parts buyers

Both cost of shipping and shipping time were among in the top-3 factors

## Online Purchase Rejection Drivers



Q32. Why did you purchase automotive parts offline (in a store) rather than online? Please select all that apply /

Q15p: Which of the following factors have caused you to buy automotive parts offline (in a store) rather than online?

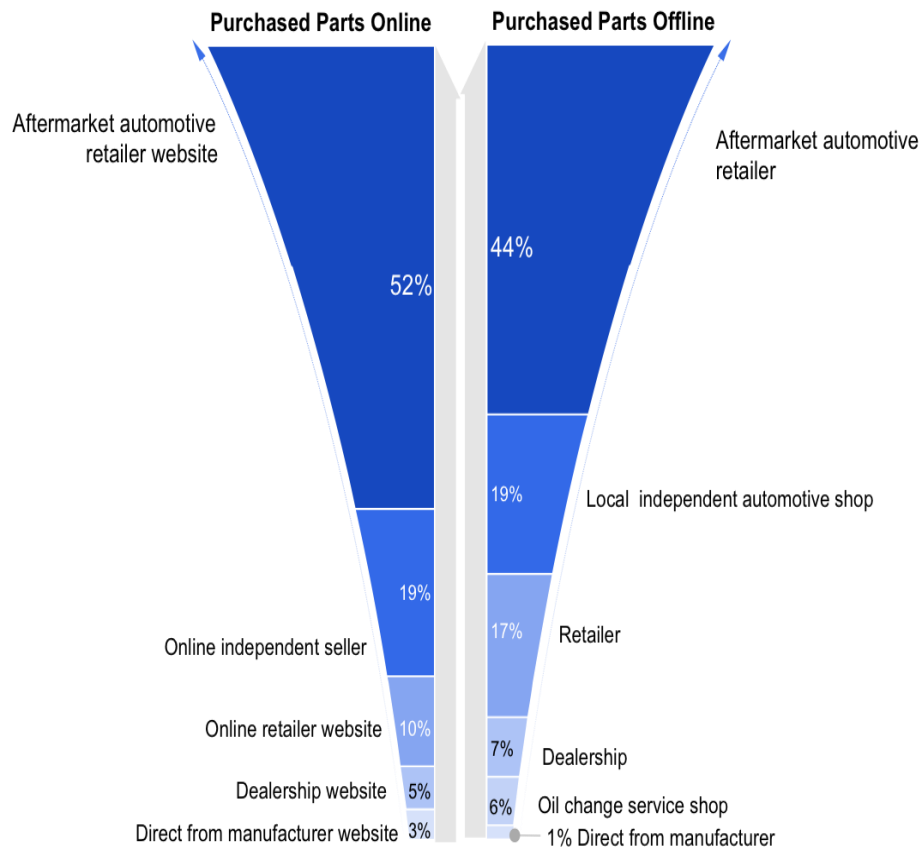
Base: Purchased parts offline; 2010 study (n=489), 2009 study (n=333)

Too long to ship	42%
Cost of shipping too high	40%
Need professional advice	25%
Can't determine correct model or part	10%
No local pickup location	10%
Couldn't find what I need	8%
Installation too tough	8%
Item too big	7%
I don't know where to buy online	5%



# Parts Purchasers Prefer to Buy from Retailers

Price and loyalty were key drivers for consumers to purchase from a 3rd party source versus a dealer or manufacturer, both online and offline



Reasons for Purchasing from 3rd Party Source	Online Purchasers	Offline Purchasers
They had the lowest price	74%	55%
Used them in the past	44%	50%
Most convenient location	n/a	47%
The only place that had what I needed in stock	32%	8%
They had the best knowledge/expertise	n/a	16%
It was the first site I visited	7%	n/a
Referred by Friends/Family	2%	9%

Source: 2010 Google / Compete PTSA study

Q19. Where, specifically, did you purchase your most recent part online?; Q21. Where, specifically, did you purchase your most recent part offline?

Base: Purchased at least one part online (n=116) or offline in Q18 (n=489)

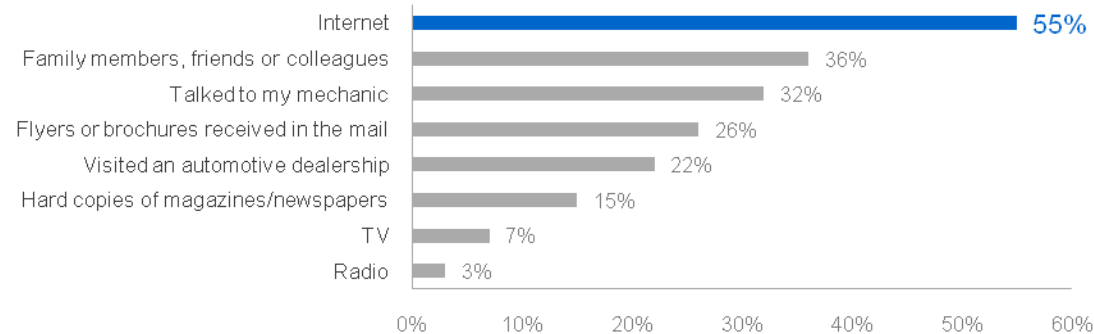
Q20/Q22. Regarding your most recent online/offline purchase, why did you choose to purchase from a 3rd party retailer or independent seller rather than a dealer or manufacturer? Please select all that apply. Base: Purchased at least one part online (n=73) or offline in Q18 (n=420) from 3rd party source versus dealer or manufacturer



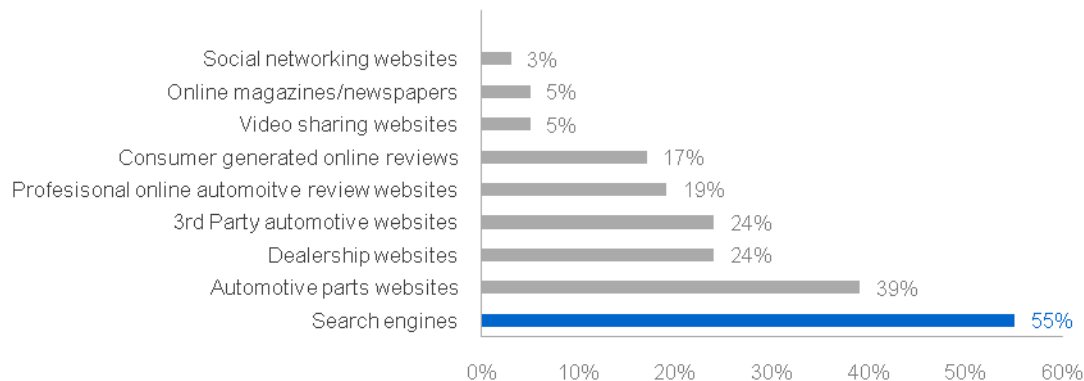
# Automotive Service Analysis

# The Internet is a Key Source for Service Purchasers

## Research Sources Used



## Online Research Sources Used



Q1. Which of the following sources, if any, did you use to learn about or research services? Base: All services respondents (n=635)

Q2. Specifically, which of the following online sources did you use in your research? Please select all that apply.

Base: Selected Internet in Q1 (n=376); Note: ^ denotes low sample

Source: 2010 Google / Compete PTSA study

# Purchasers Remain More Likely To Go Online

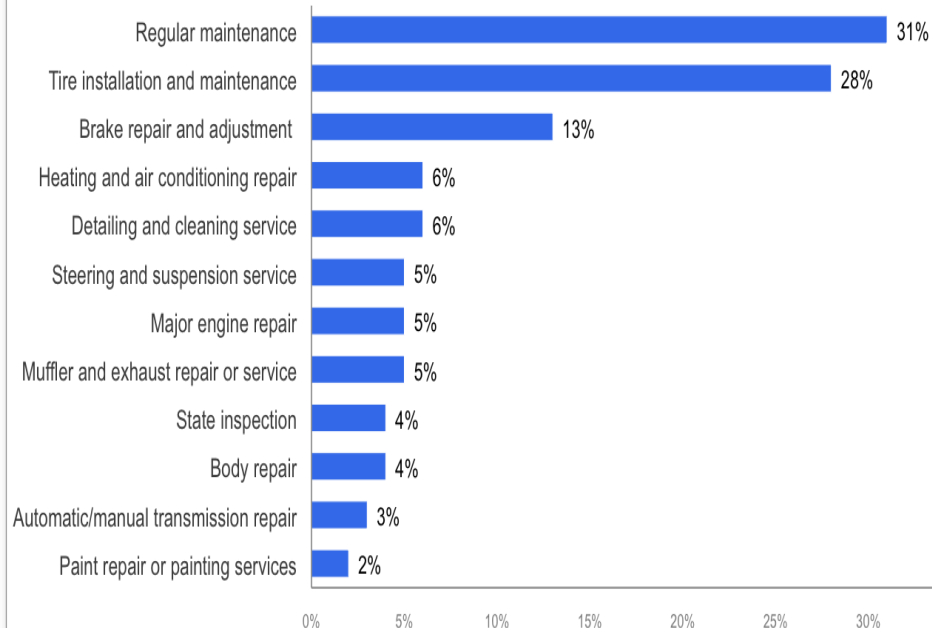
55% of purchasers are more likely to research service related items using the



# Regular Maintenance Drove Service Research

The average conversion rate for **online research** to **offline scheduling** for the services mentioned below is **94%**

Types of Services Researched Online

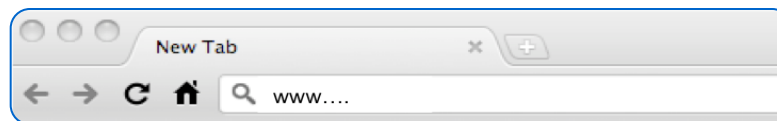


# Over Half Researched For Price Or Discounts

- Price and discounts led reasons for researching online
  - However, one-third were looking for a local store/service location

## Intent of Online Service Research (Researched Service Online)

<b>65%</b>	To find the cheapest price	<b>53%</b>	To find out about promotions/discounts
<b>33%</b>	To find a local store	<b>29%</b>	To find the best service location
<b>20%</b>	To compare service locations	<b>16%</b>	To determine if I could perform the service myself
<b>14%</b>	To find independent review	<b>11%</b>	To determine if dealer service is required

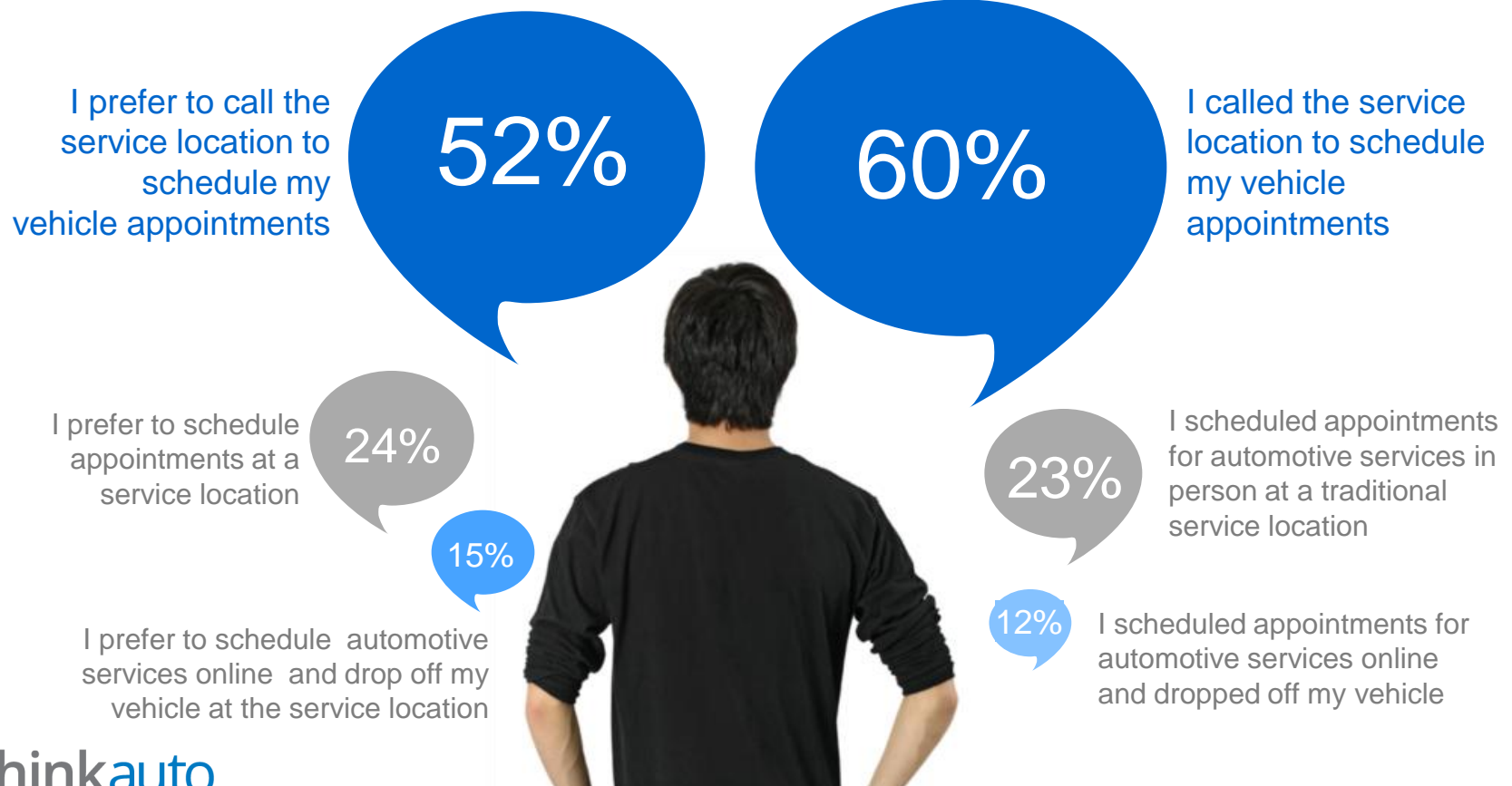


# Research Intentions In Line With Purchase

The majority of service appointments were made over the phone or in person

## Services Shopper Preferences

## Purchaser Behavior for Services



# Consumers Lacked Online Scheduling Awareness

Similar to 2009, consumers do not know where or how to book service appointments online



## Online Scheduling Rejection Drivers

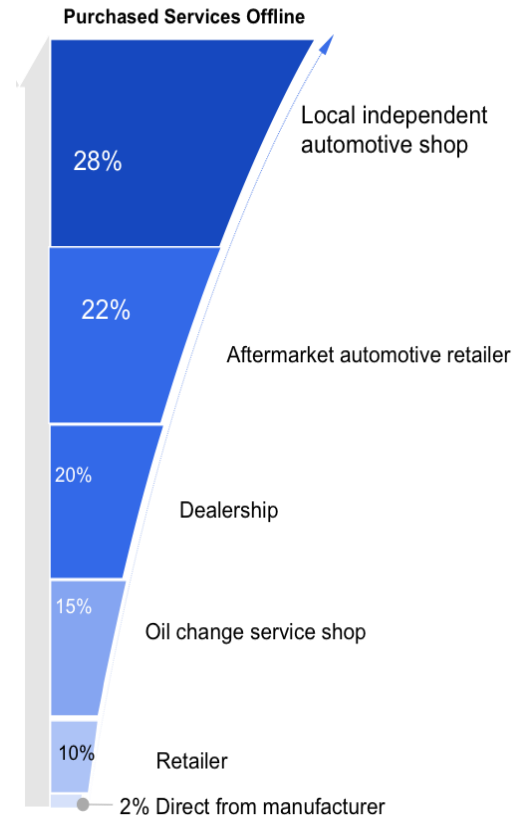
I didn't know I could schedule appointments online	30%
Need professional advice	28%
Didn't know where to schedule online	19%
Scheduling appointments online was too difficult or time consuming	15%



# Service Purchasers Prefer Independent Shops

When choosing where to purchase services offline, consumers prefer **dealerships** for their knowledge and expertise and **3<sup>rd</sup> party sources** to get the lowest price

Reasons for Purchasing	Dealership Purchasers	3 <sup>rd</sup> Party Purchasers
They had the best knowledge/expertise	55%	19%
Used them in the past	48%	56%
Most convenient location	36%	37%
To get the lowest price	12%	53%
I was referred by friends/family	7%	11%
Other	13%	4%



Source: 2010 Google / Compete PTSA study

Q19. Where, specifically, did you purchase your most recent service online?; Q21. Where, specifically, did you purchase your most recent service offline?

Base: Purchased at least one service online (n=43) or offline in Q18 (n=555);

Q22. Regarding your most recent offline purchase, why did you choose to purchase from a 3<sup>rd</sup> party retailer or independent seller rather than a dealer or manufacturer? Please select all that apply.

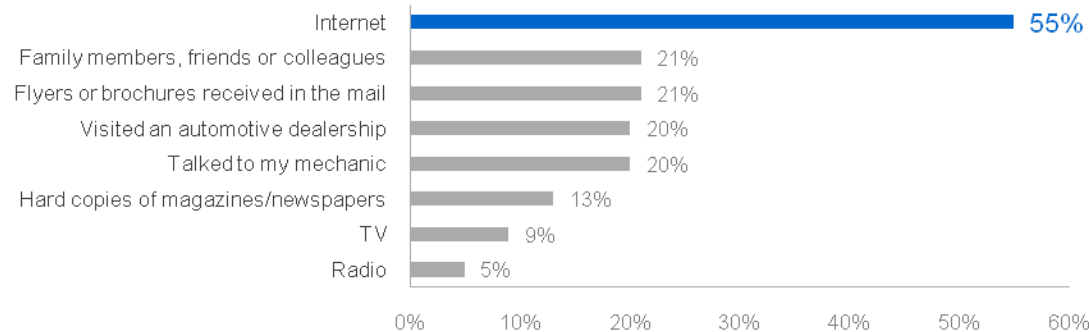
Base: Purchased at least one service offline from dealer/manufacturer or 3<sup>rd</sup> party (n=535)



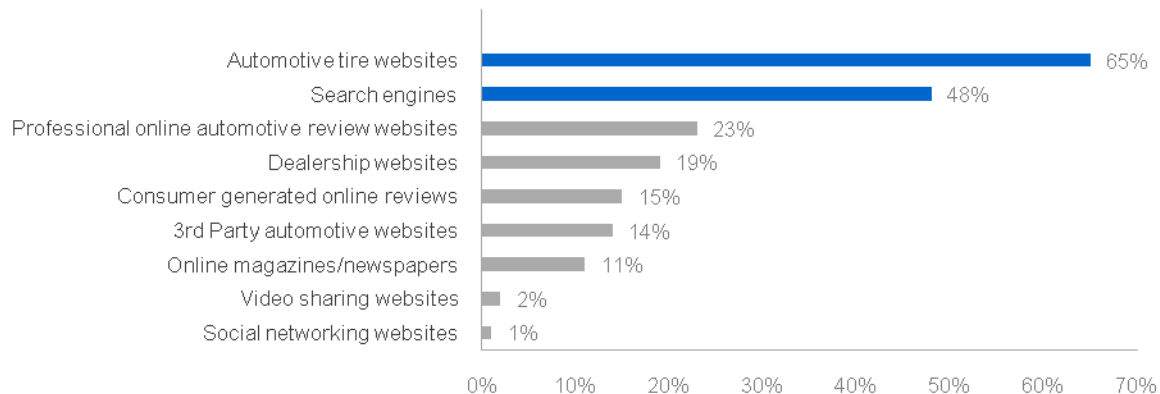
# Automotive Tires Analysis

# More Than Half of Tire Buyers Use the Web

## Research Sources Used



## Online Research Sources Used



Q1. Which of the following sources, if any, did you use to learn about or research tires?

Base: All tires respondents (n=286)

Q2. Specifically, which of the following online sources did you use in your research? Please select all that apply.

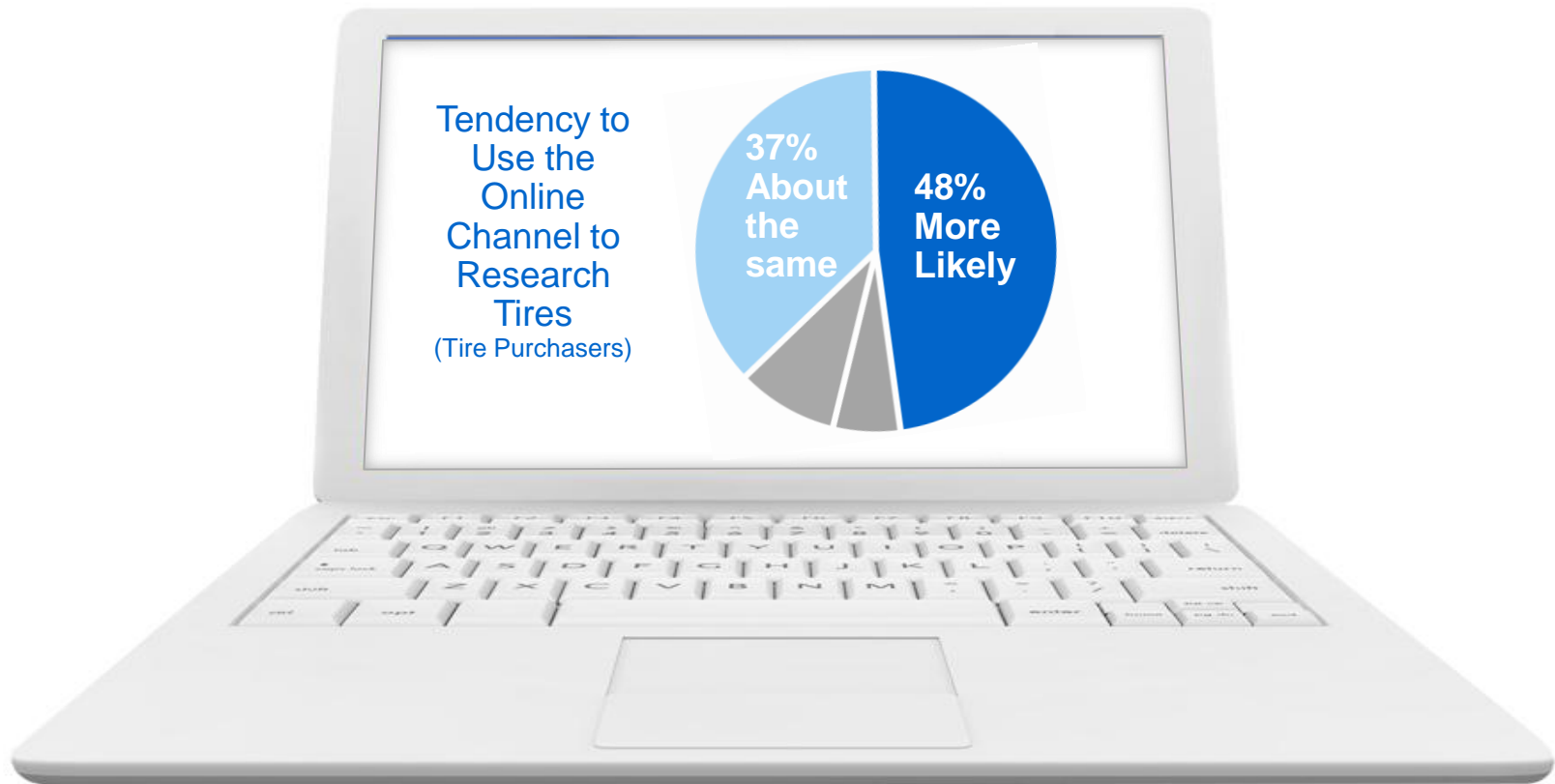
Base: Selected Internet in Q1 (n=161)

Source: 2010 Google / Compete PTSA study

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# Purchasers Remain More Likely To Go Online

Nearly half of purchasers are more likely to research tire items using the online

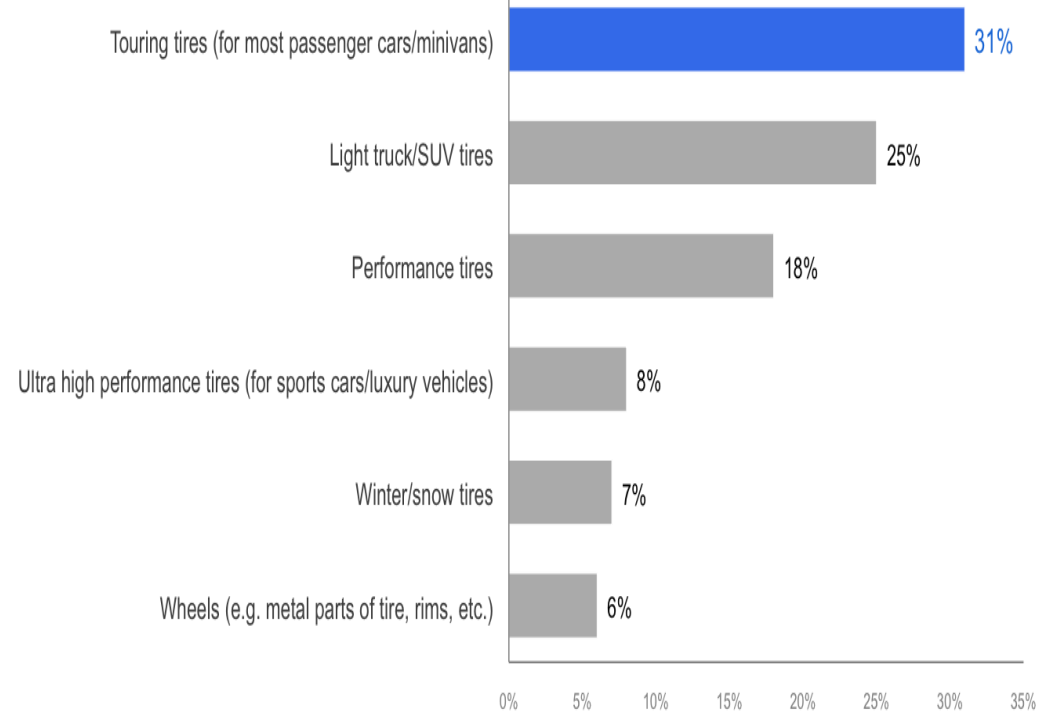


# Online Tire Research Leads to Offline Sales

- 2 out of 3 online tire researches purchased tires offline
  - Representing a 32% increase in the online to offline conversion rate



Types of Tires Researched Online

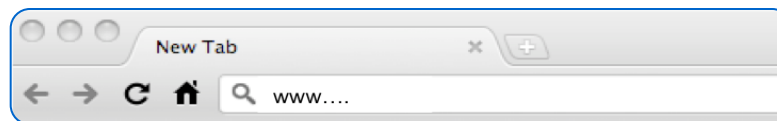


# Online Channel Used To Price and Compare

- Over half of all tire researchers were looking to find the **lowest price** or **compare similar items**

## Intent of Online Tires Research (Researched Tires Online)

<b>68%</b>	To find the cheapest price	<b>54%</b>	To compare similar items
<b>42%</b>	To find out about promotions/discounts	<b>29%</b>	To find a local store
<b>29%</b>	To determine if an item is in stock/available	<b>17%</b>	To find independent reviews
<b>10%</b>	To find the best location for installation advice	<b>1%</b>	To determine if I could perform the installation myself



# Majority Of Tire Purchases Made Offline

- Tire buyer intentions are in line with actual purchase behavior

Tires Shopper Preferences  
(Tires Researchers)



Actual Purchaser Behavior  
(Tires Purchasers)



# Tires Purchased Offline to Facilitate Installation

Purchasers indicated **installation** as the main driver to purchase offline

Cost of shipping and length of shipping time remained important factors in choosing between offline versus online



## Online Purchase Rejection Drivers

Installation too difficult/time consuming	34%
Need professional advice	26%
Cost of shipping too high	22%
Shipping takes too long	20%
Item too big	9%
I didn't know where to buy online	8%
Couldn't find what I need	7%
No local pickup location	6%
Couldn't determine the correct size or type of tire	6%

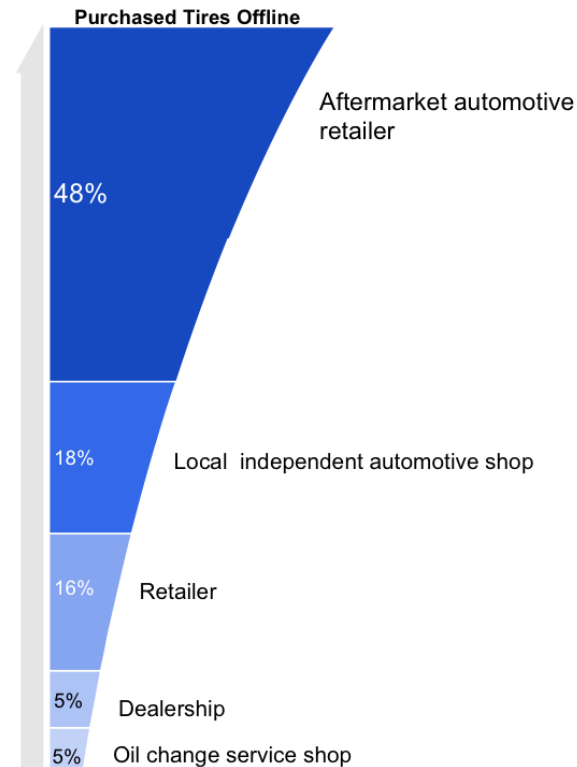


# Tire Buyers Prefer to Purchase from 3<sup>rd</sup> Parties

- Price and Loyalty were leading factors for 3<sup>rd</sup> Party purchases vs Dealer purchases

## Offline 3<sup>rd</sup> Party Purchase Drivers

Find the Cheapest Price	53%
I've used them in the past	51%
It was the most convenient location	36%
They had the best knowledge/expertise	21%
It was the only resource that had the item I needed in stock	21%
I was referred by friends/family	8%

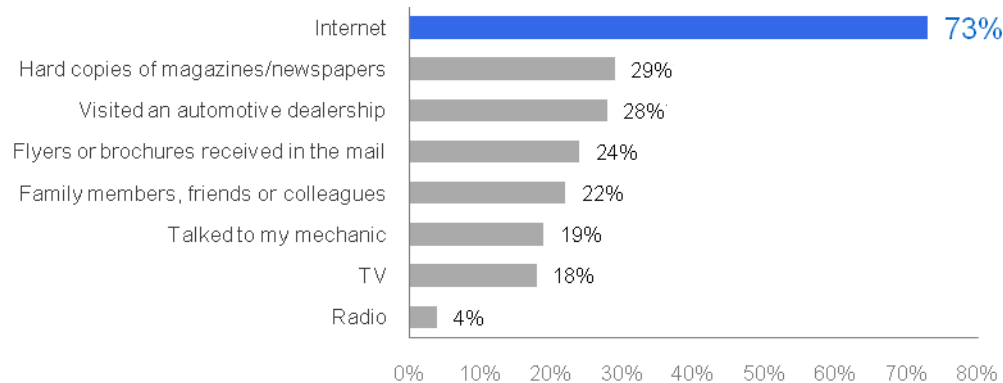




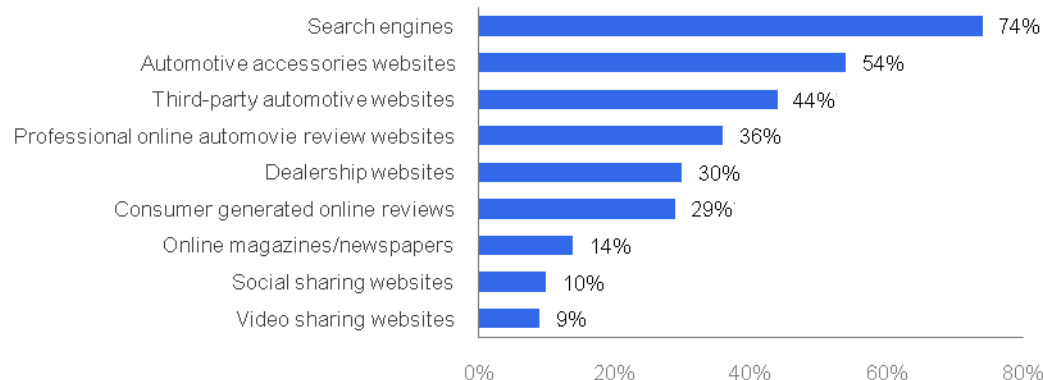
# Automotive Accessories Analysis

# Accessory Purchasers Utilize the Web

## Research Sources Used



## Online Research Sources Used



Source: 2010 Google / Complete PTSA study

Q1. Which of the following sources, if any, did you use to learn about or research services? Base: All services respondents (n=635)

Q2. Specifically, which of the following online sources did you use in your research? Please select all that apply.

Base: Selected Internet in Q1 (n=167)

# Accessory Purchasers More Likely to Go Online

56% of purchasers are more likely to research accessory related items using the online channel compared to two years ago.



# Accessory Category Research Varies

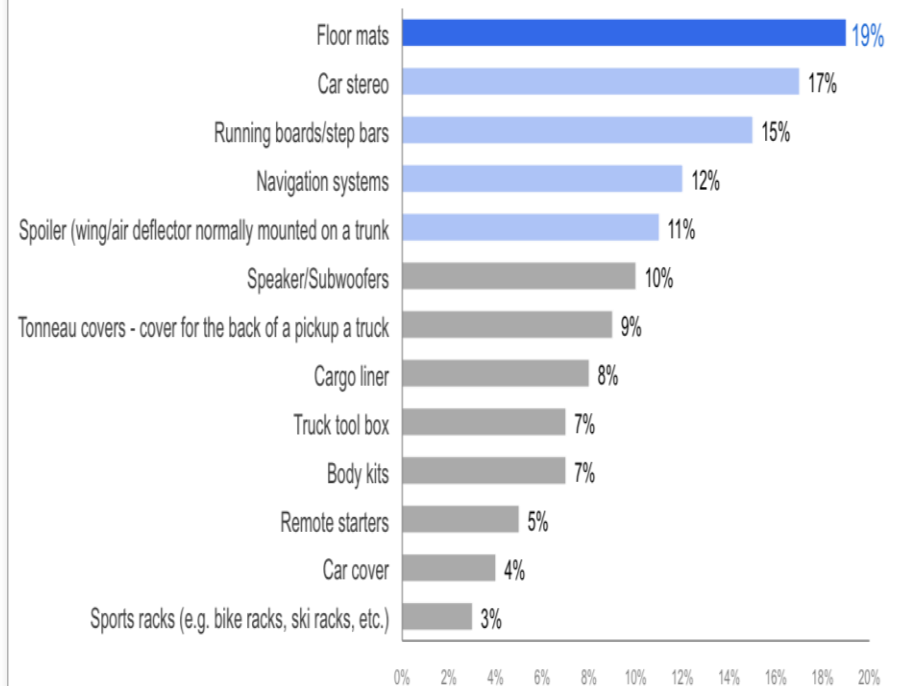
With a wide array of automotive accessories, 'other accessories' were researched the most online (not shown – 23%)

–Electronic accessories were the most cited from this category

The average conversion rate for online research to offline sales for the accessory category is 40%



Types of Accessories Researched Online

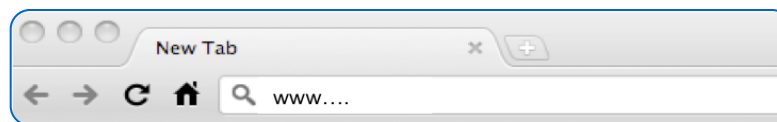


# Online Channel Used To Price and Compare

- Most accessory researchers were looking to find the **lowest price** or **compare similar items**

## Intent of Online Accessory Research (Researched Accessories Online)

<b>67%</b>	To find the cheapest price	<b>51%</b>	To compare similar items
<b>31%</b>	To determine if an item is in stock/available	<b>31%</b>	To find promotions/discounts
<b>31%</b>	To find a local store	<b>27%</b>	To determine if I could perform installation myself
<b>20%</b>	To find independent reviews	<b>8%</b>	To find the best location that offered installation advice



# Over Two-Thirds Purchased Online

In contrast to parts, tires, and services, the majority of accessories purchasers bought online rather than in person



Q27/Q31. Thinking about automotive accessories purchases in general, do you prefer to make/how have you typically made your purchases online or through a traditional store or service location?

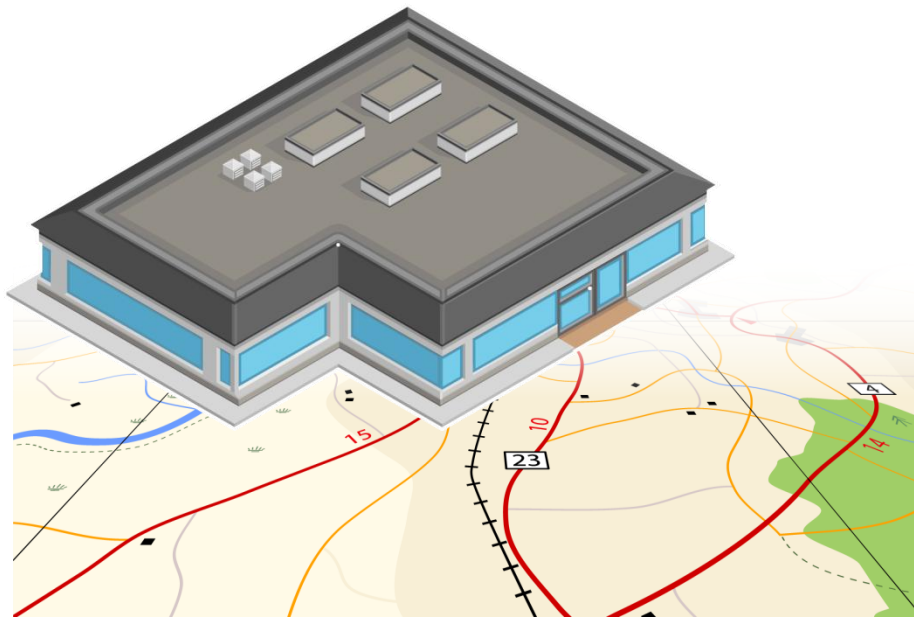
Base: Researched accessories (Q27) (n=218); Purchased accessories (Q31) (n=107)

Source: 2010 Google / Compete PTSA study

# Finding Accessories Online Is Key To Shoppers

**27%** of purchasers indicated they made their purchase offline because they did not know where to purchase online

Decline in cost of shipping as a rejection driver may have reflected increased use of “free shipping” to encourage purchases



Q35. Why did you purchase automotive accessories offline (in a store) rather than online?  
Please select all that apply.;  
Q15a: Which of the following factors have caused you to buy automotive accessories offline (in a store) rather than online?  
Base: Purchased accessories offline; 2010 study (n=64), 2009 study (n=117)

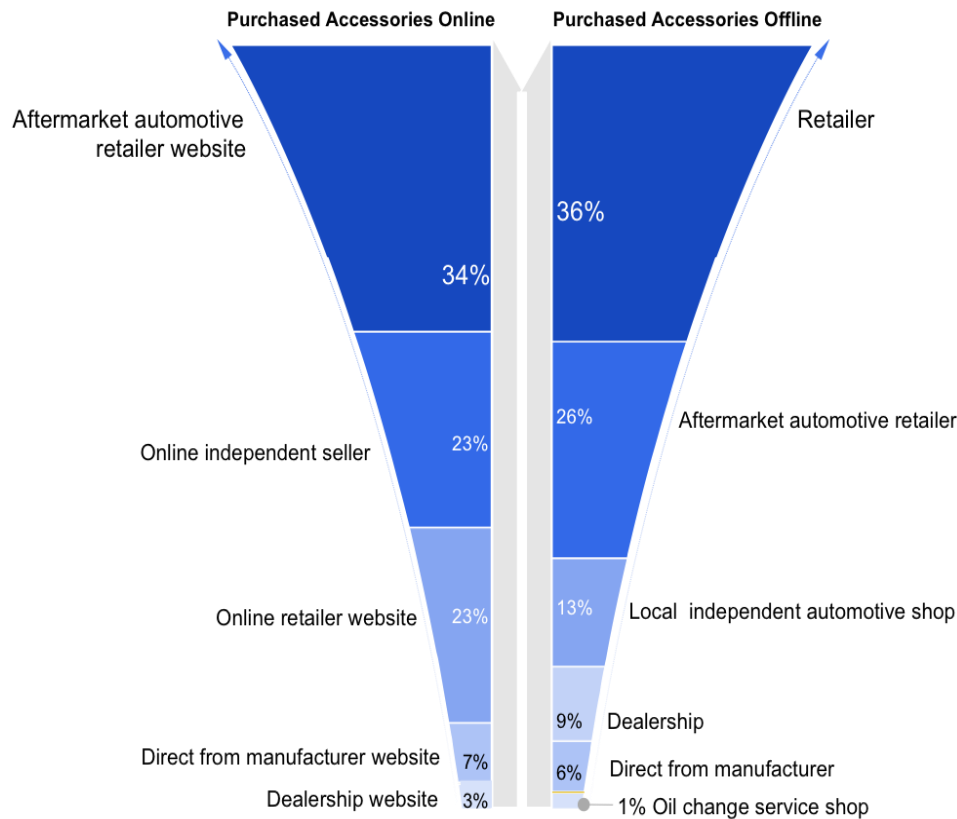
## Online Purchase Rejection Drivers

Cost of shipping too high	35%
I didn't know where to buy online	27%
Need professional advice	25%
Shipping time too long	23%
Couldn't determine correct model or accessory	18%
Item too big	14%
Installation too tough	14%
I couldn't find what I need	12%
No local pickup	5%



# Accessory Purchasers Prefer 3<sup>rd</sup> Parties

Location & price were key drivers for consumers to purchase from a 3<sup>rd</sup> party source versus a dealer or manufacturer



## Reasons for Purchasing from 3<sup>rd</sup> Party Source

## Offline Purchasers

Most convenient location	48%
To get the lowest price	48%
I've used them in the past	27%
I was referred by friends/family members	26%
They had the best knowledge/expertise	15%
It was the only resource that had what I needed in stock	11%

\* Not enough sample to breakout online responses

Q19. Where, specifically, did you purchase your most recent accessory online?; Q21. Where, specifically, did you purchase your most recent accessory offline?

Base: Purchased at least one accessory online (n=51) or offline in Q18 (n=64)

Q22. Regarding your most recent offline purchase, why did you choose to purchase from a 3<sup>rd</sup> party retailer or independent seller rather than a dealer or manufacturer? Please select all that apply. Base: Purchased at least one accessory offline in Q18 from 3<sup>rd</sup> party source versus dealer or manufacturer (n=49)

Source: 2010 Google / Compete PTSA study

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# 2010 Aftermarket Study Recap

Search continues to remain an integral part of the PTSA purchasing process

Consumers are utilizing the online channel to find the best deals, prices, and for comparison shopping.

Aftermarket purchasers prefer to buy from Retailers rather than from Dealers or directly from Manufacturers.



# Appendix

# Sites / Brands Included In Study

## Parts Sites Included

1Aauto	Motorcycle Superstore
Acdelco	Napa
Auto Anything	Pep Boys
Auto Body Toolmart	Plus Brakes
Auto Zone	RightWayATV
Autohaus Arizona	Rock Auto
Autoparts Warehouse	Summit Racing
Bike Bandit	The Car Part Warehouse
Cherry Auto	The Steering Store
Clearly Auto	Tirerack
Cskaap	Transamerican Auto Parts
Ebay Motors	Truck Add Ons
EverDrive	Us Auto Parts
Ford	L.O.F
GM Performance Parts	Roll Masters
Jc Whitney	K2 Motor Corp.
Jegs	US Speed
K&N Engineering	Palm Beach Motoring
Minipocketrockets	

## Accessories Sites Included

Auto Anything	Onstar
Auto Body Toolmart	Peragon Truck
Auto Truck Toys	Plus Brakes
Autohaus Arizona	Rack Attack
Bike Bandit	RightWayATV
Clearly Auto	Stylin Trucks
DiamondBack Truck Covers	The Car Part Warehouse
E-Trailer	Toyota
Ford Accessories Store	Transamerican Auto Parts
Glass Doctor	Truck Add Ons
Honda	Wooddash Experts
Lincoln	Xtreme Diesel
Mercury	L.O.F
Minipocketrockets	K2 Motor Corp.
Mopar	Auto Part Nexus
Motorcycle Superstore	Palm Beach Motoring
Auto Anything	Onstar
Auto Body Toolmart	Peragon Truck
Auto Truck Toys	Plus Brakes

## Tire Brands

BF Goodrichtires
Bridgestone
Continental
Discount Tire
Dunlop
Goodyear
Just Tires
Michelin
Motorcycle Superstore
RightWayATV
Tirerack
Transamerican Auto Parts
Truck Add Ons
Uniroyal

## Services Brands

Ford
Genuine Service
GM Goodwrench
Jiffy
Meineke
Midas
Transamerican Auto Parts
Cybert Tire Corp

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