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The Automotive Consumer

Unveiling the Online Habits of Today's Auto Shopper

Google/Compete
May 2010



Agenda

1 2009 in Review

2 2010 Study Methodology

3 Key Findings

4 Q & A

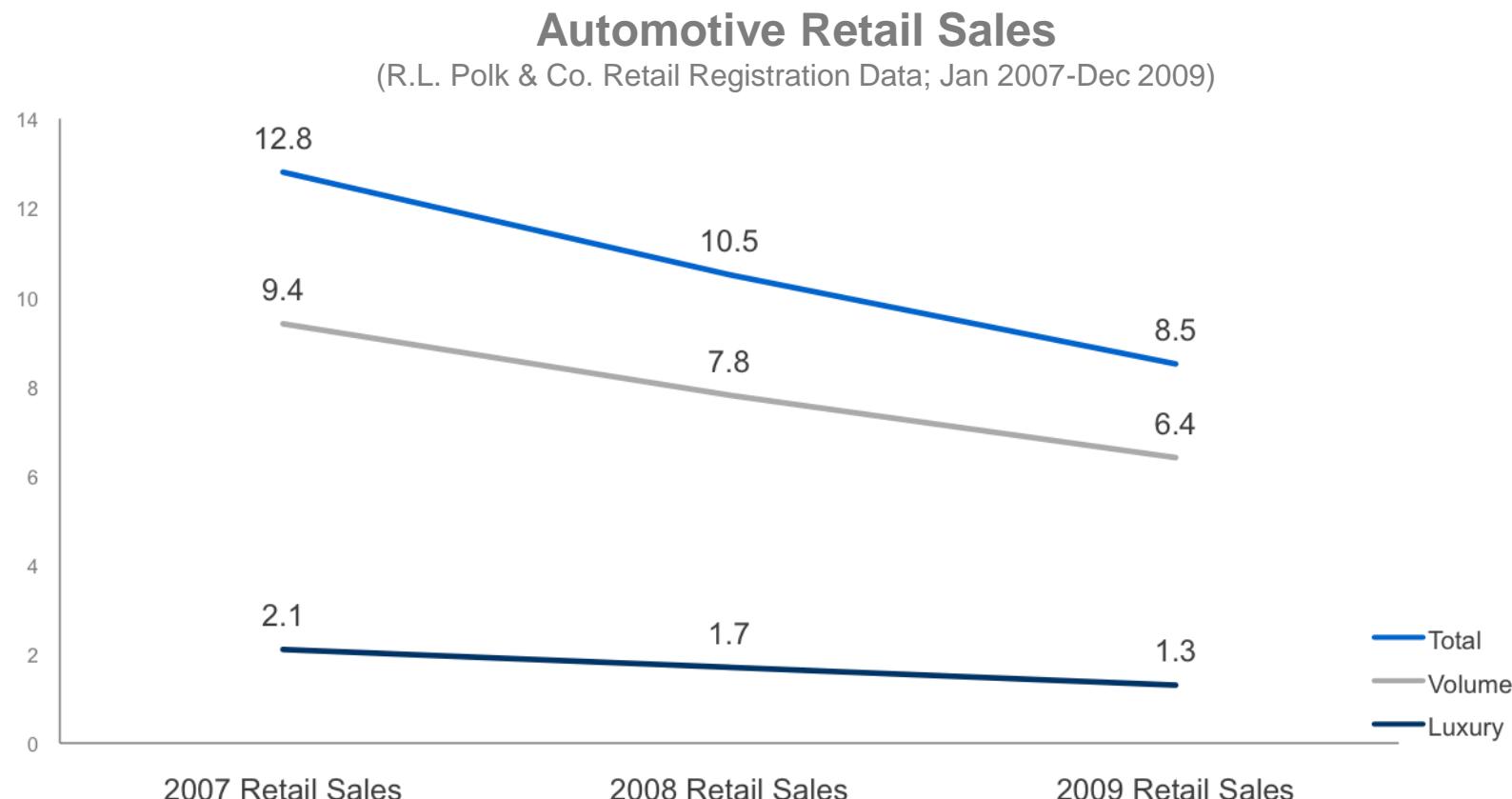


2009 in Review

The impact of the economy on vehicle sales and incentives

2009 Vehicle Sales Down

The recession has taken a toll as retail sales have fallen by one third since 2007

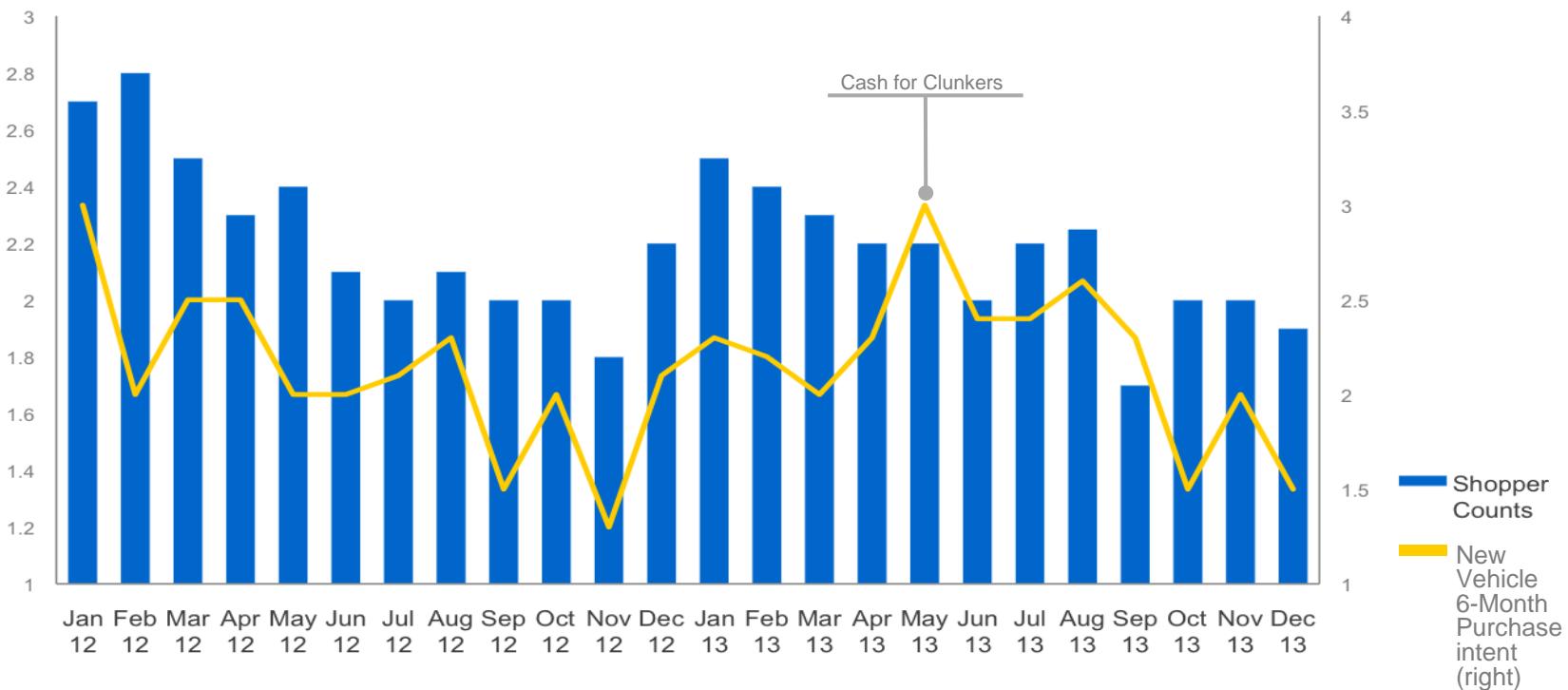


Demand and Intentions Down Through 2009

New vehicle demand as tracked by Compete (columns) declined through most of 2009, falling to near record lows by the end of the year

Market-Wide Shopper Counts and New Vehicle Purchase Intent

(Compete Automotive shopper counts; New Vehicle 6-Month Purchase Intentions)



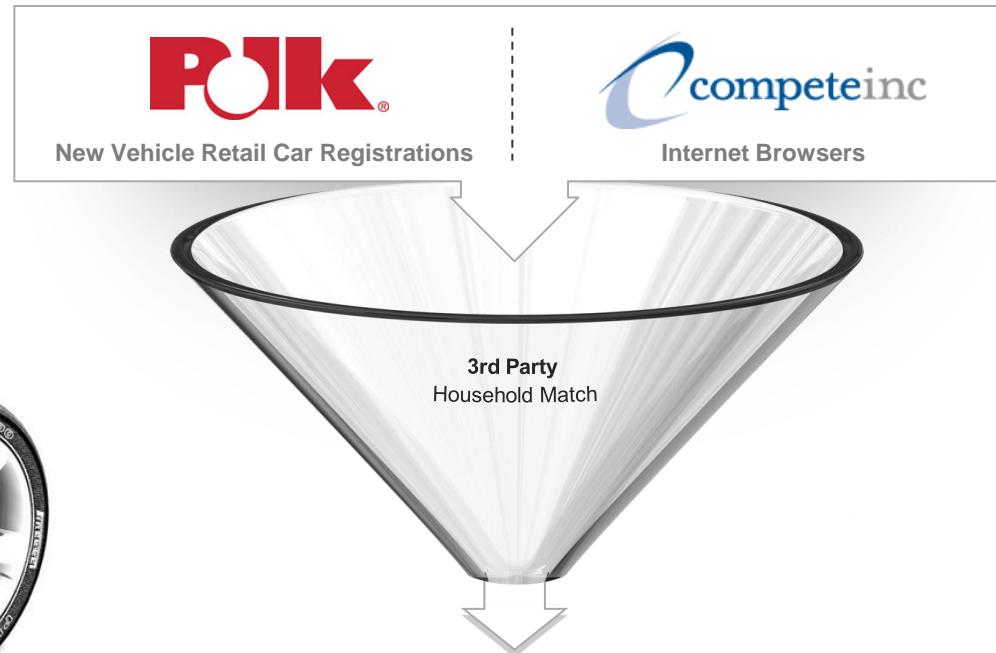


2010 Google Automotive Studies

Methodology

Methodology

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



75,871 new vehicle retail car registrations
with **6** consecutive months of clickstream
data from January 2007 – December 2009



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Key Findings

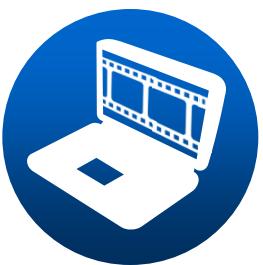
2010 Study Key Findings



Consumers are spending more time researching before purchase



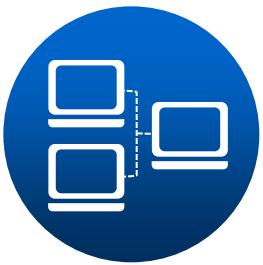
Search is an integral part of the process



The role of online video is growing in importance



Social networking sites and mobile are emerging as viable auto shopping resources



3rd Party Sites continue to play a key role in the purchase process

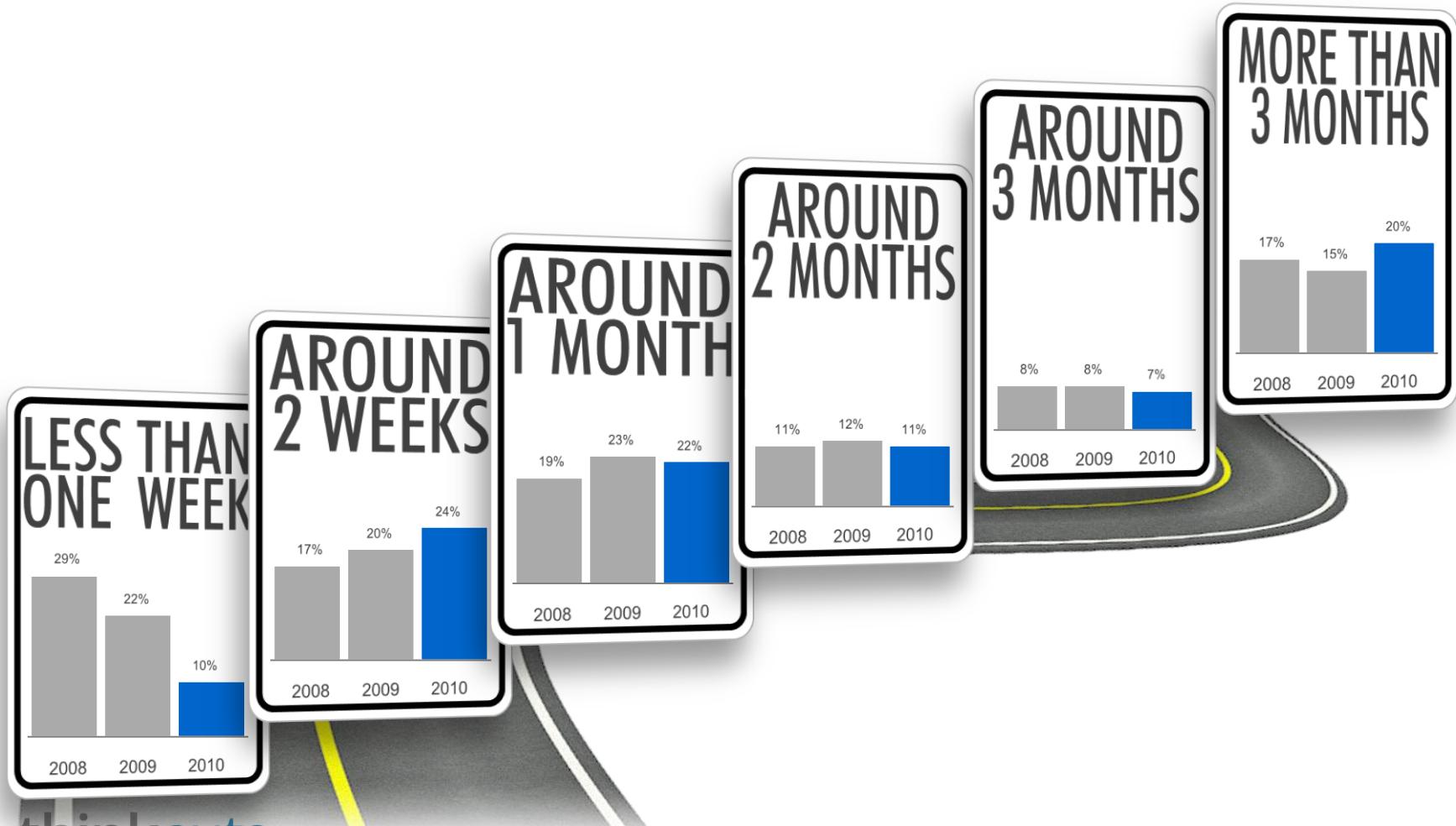


2010 Google Automotive Studies

The Research Process

Purchasers are Spending More Time Shopping

2010 purchasers started researching earlier than those from prior years



Consumers are Waiting to Make Their Next Purchase



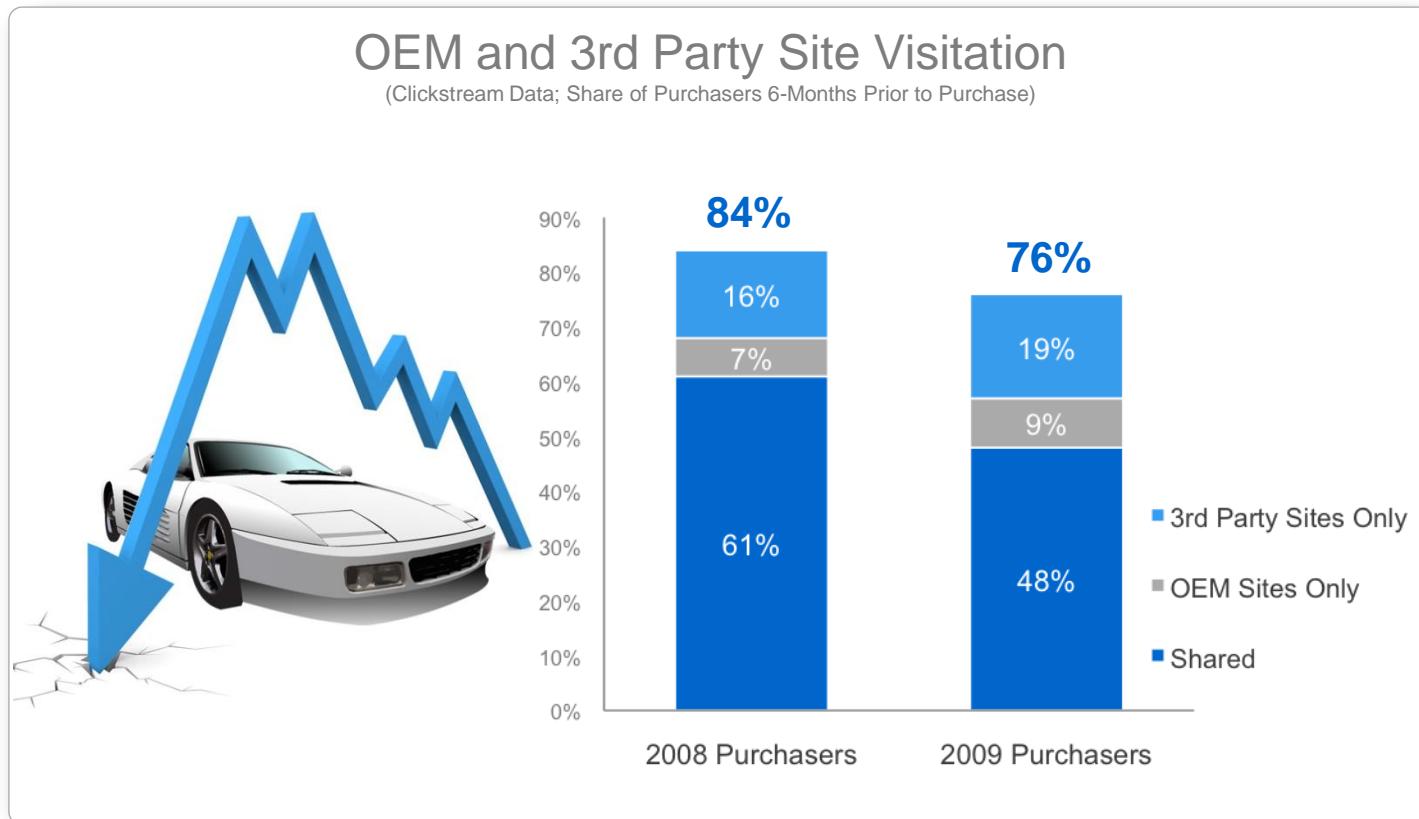


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3rd Party Sites and Online Research

Traditional Auto Sites Less Visited in 2009

The declines may be driven by greater use of/better dealer sites, or increasing use of non-traditional sites for automotive information—including social media



OEM Visitation Highest Within Month of Purchase



Visits to OEM sites among purchasers
nearly doubled in the month of purchase

52%



Clickstream data, January 2009-December 2009; Share of all purchasers who visited an OEM site during the 6-months prior to purchase

Source: Compete/R.L. Polk

Third-Party Site Visitation Remains Steady Throughout Purchasing Process



Purchasers used third-party sites **more consistently** in the research process than OEM sites

42%

Average throughout 6, 5, 4, 3, 2 months prior and within month of purchase



Source: Compete/R.L. Polk

Clickstream data, January 2009-December 2009; Share of all purchasers who visited a 3rd party site during the 6-months prior to purchase

Build Your Own Most Used Tool on OEM Sites

OEM visitors are focused on purchase activities – build and price, current offers and dealer locations



43%

Build Your Own



39%

Offers



31%

Locate a Dealer



19%

Request a Quote



18%

Search Inventory



18%

Payment Estimator

Third Party Sites Used to Find Model Inform

Third Party Site visitors more focused on shopping activities



32%

Model information



30%

Search Inventory



24%

Request a Quote



24%

Reviews

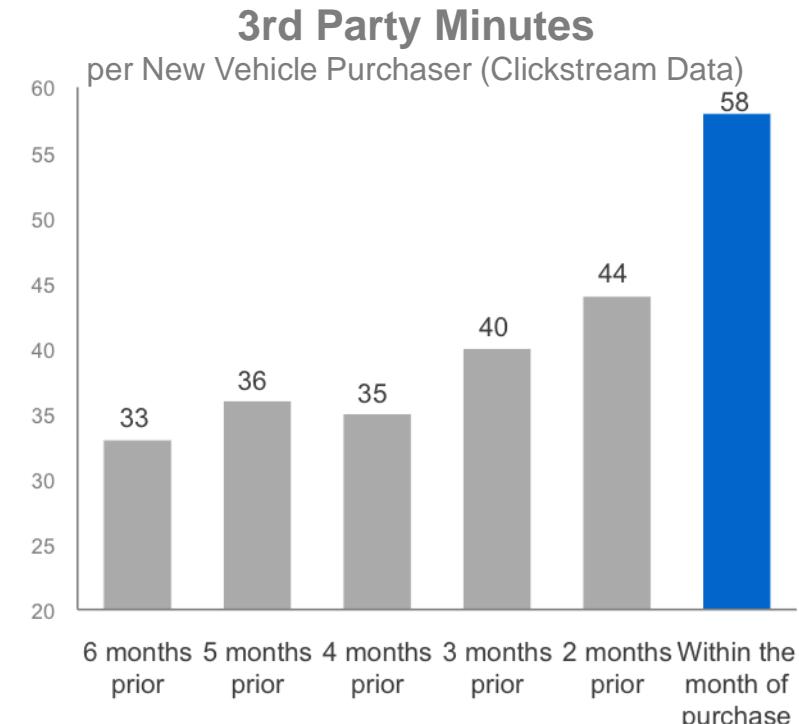
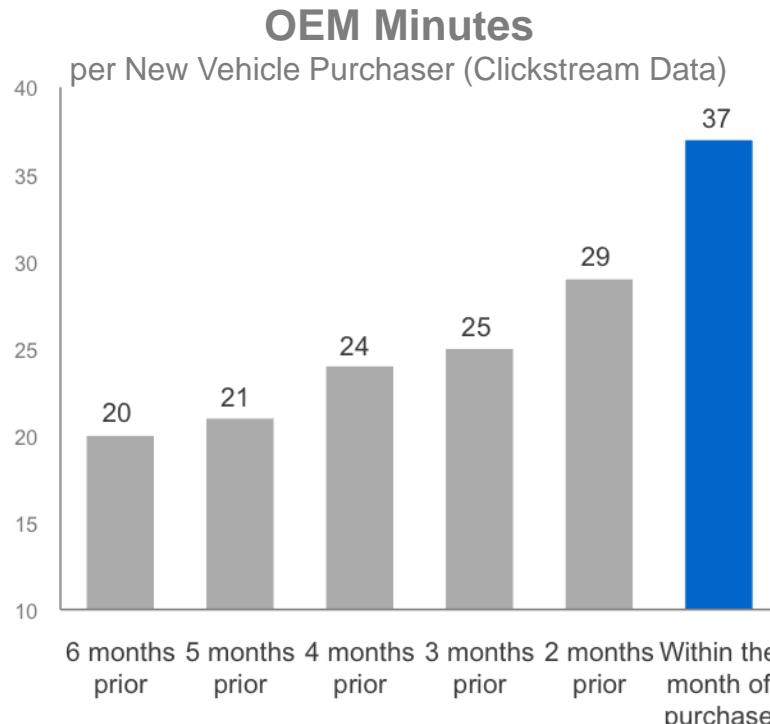


23%

Trade-in

Time Spent on Sites Increases Closer to Purchase

- Time spent on 3rd party sites continued to outpace time spent on OEM sites
- Purchasers spent the majority of their time on both OEM and 3rd party sites within the month of purchase





2010 Google Automotive Studies

The Role of Search in the Purchase Process

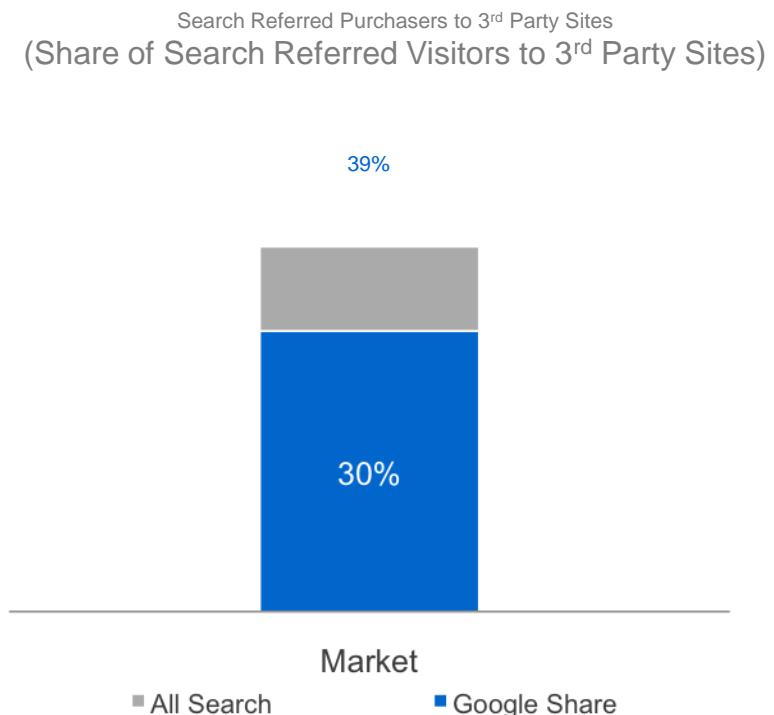
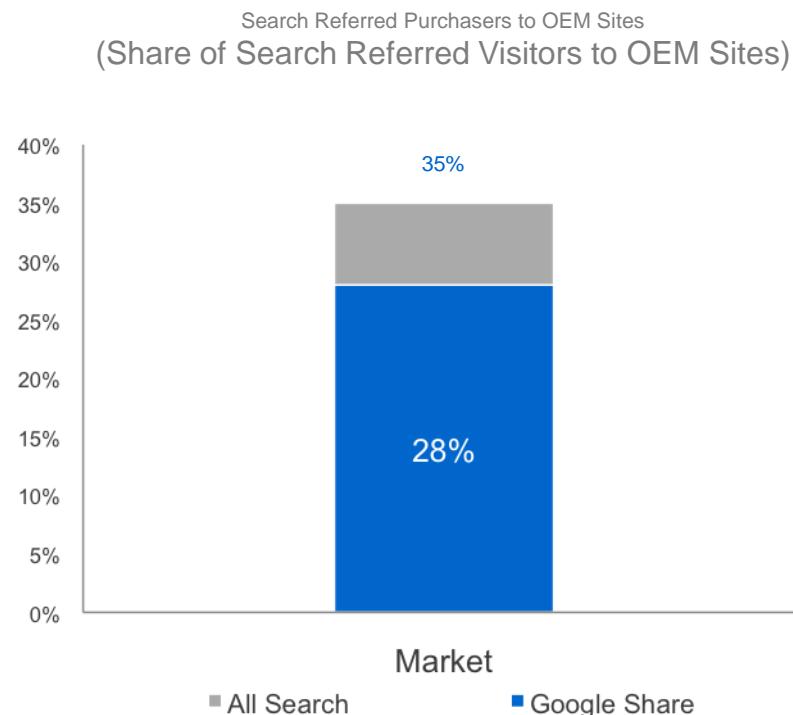
Upper & Lower Funnel: Purchasers Use Search



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

Search Drives Purchasers to Auto Sites

- More than 1/3rd of all purchasers that visited an OEM or 3rd party site were referred by search
- Google accounted for approximately 80% of total search referrals to OEM and 3rd party sites

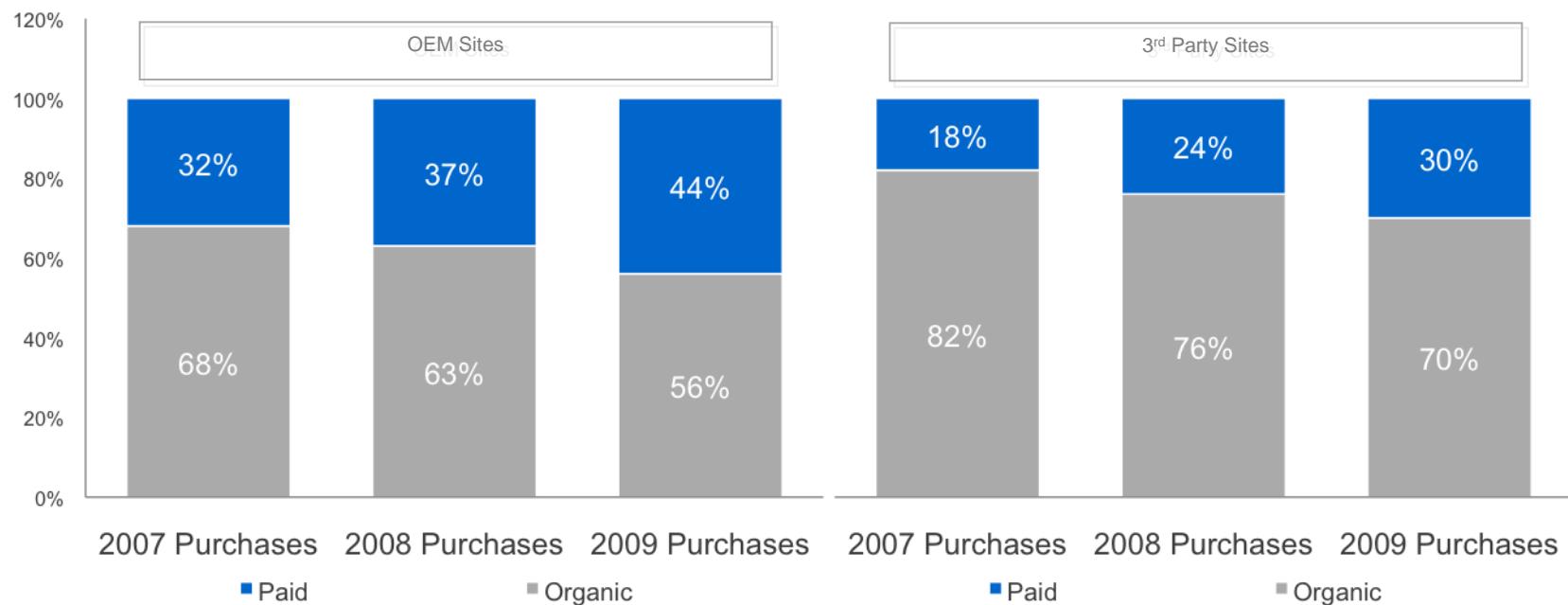


Paid Search Increasingly Important

- Almost half of all search referrals to OEM sites from 2009 purchasers came through paid search
- Third party paid search referrals nearly doubled from 2007 to 2009

Organic vs. Paid Search Referrals to Automotive Sites

(Clickstream data; Share of New Vehicle Buyer Search Referrals)





2010 Google Automotive Studies

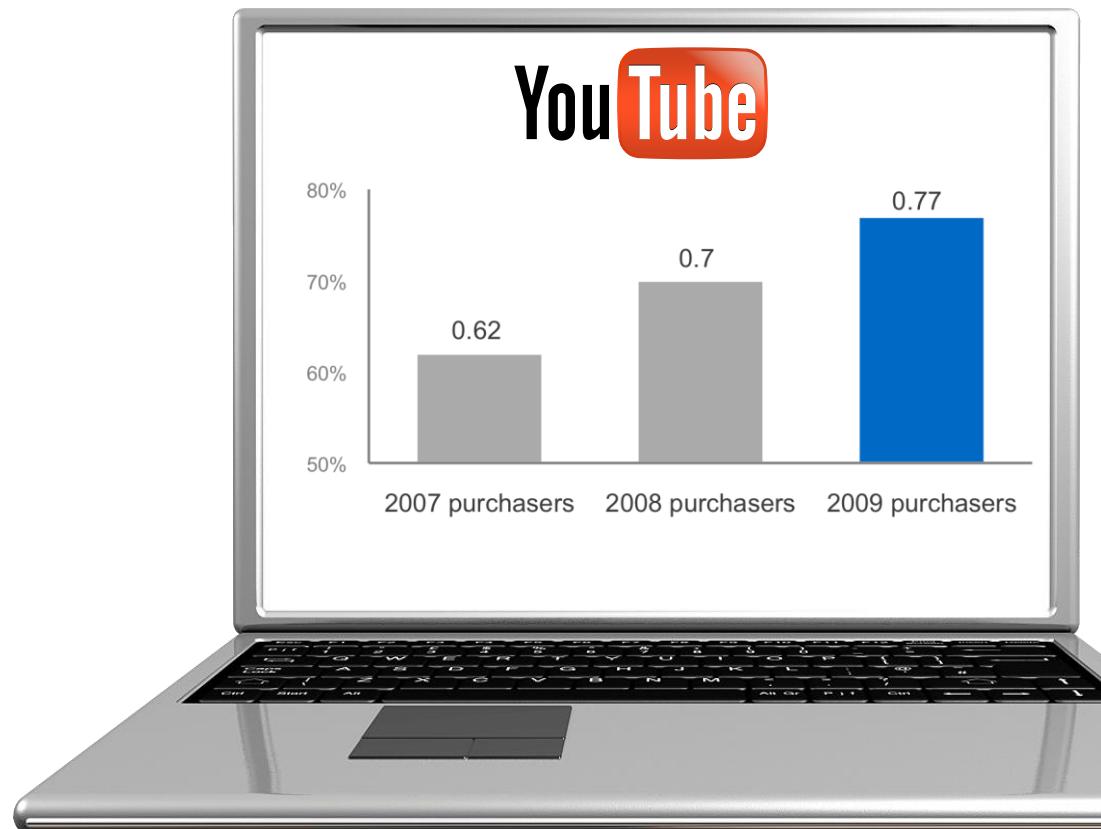
Online Video, Social Media & Mobile Usage and Trends

Purchasers Find Online Video Important



YouTube Visitation Continues to Rise

Purchaser visitation to YouTube increased 25% from 2007-2009, while Social Media begins to become mainstream



360%
increase 2007-2009

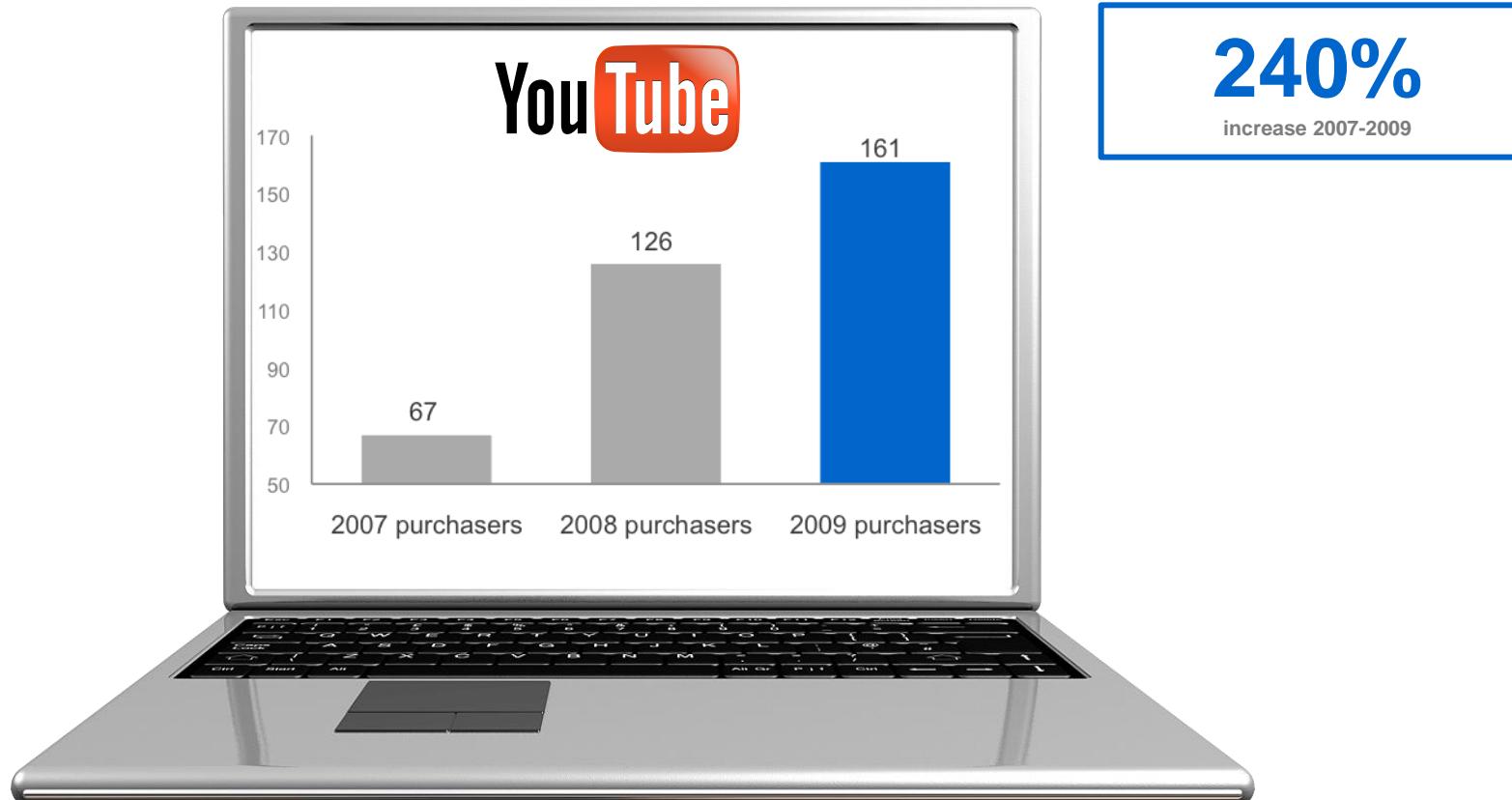


3000%
increase 2007-2009



Time Spent on YouTube Doubling

Purchasers spent three hours on YouTube and nearly ten hours on facebook



A Quarter of Purchasers Using Mobile

Percent
Researching on
Mobile Phone
(Share of all Purchasers and
Researchers, 2010)

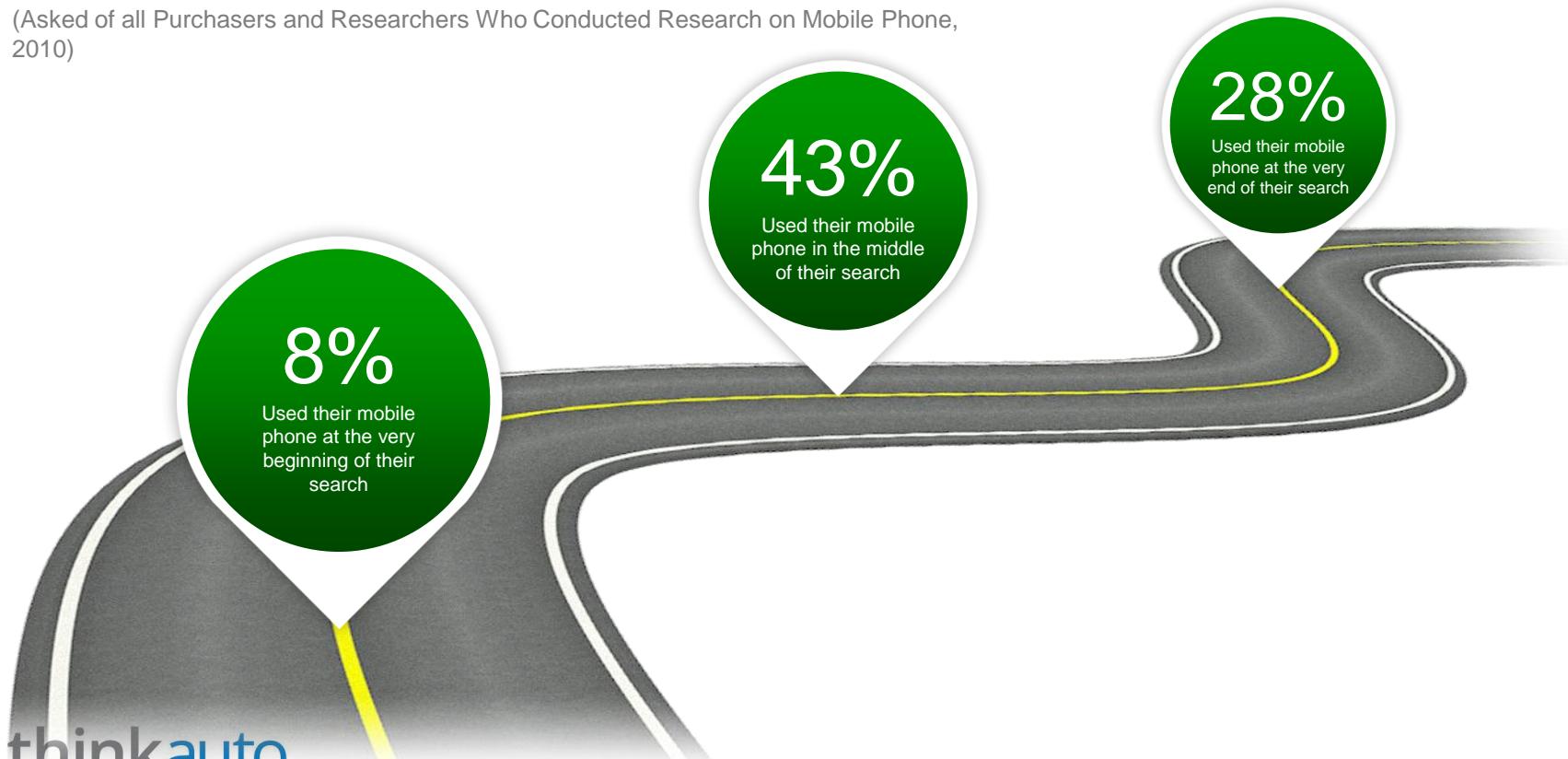


Purchasers Use Mobile Closer to Purchase

Mobile was used more in the lower funnel among purchasers, especially luxury buyers

Purchaser Research Stages and Mobile Usage

(Asked of all Purchasers and Researchers Who Conducted Research on Mobile Phone, 2010)



Mobile Usage Is on the Rise

Nearly half of all respondents who used mobile indicated they were more likely to use it to research than compared a year ago

More Likely to Use Mobile to Research

(Asked of all Purchasers and Researchers Who Conducted Research on Mobile Phone, 2010)



2010 Automotive Study Recap

- Consumers are spending more time researching before purchase
- 3rd Party Sites continue to play a key role in the purchase process
- Search is an integral part of the process
- The role of online video is growing in importance
- Social networking sites and mobile are emerging as viable auto shopping resources

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