2011 automotive shopping behavior study

agenda

1 key findings

2 shopping overview

3 digital use

4 search, mobile, video impact

Google

key findings

Google

key findings

today's vehicle shoppers:

1   research and decide faster

2   use an increasingly diverse set of online tools

3   search to navigate and compare

4   expect dealer sites to be as helpful as OEM sites

5   watch videos to discover and compare brands

6   rely on their mobile devices to research on the go

Google

study methodology

Google

methodology- compete/ polk

Phase 1

– Survey automotive consumers who purchased a vehicle in the last 12 months and identify attitudes with respect to:

  • The influence of automotive online video, mobile devices/tablets, social networking, etc. with respect to automotive research, shopping and purchase decisions

  • The importance of in-vehicle technology

  • How different automotive consumer segment (vehicle, price, etc) conducted their research and shopping process prior to purchase

Phase 2

– Compete matched clickstream behavior from its panel of 2 million online consumers to Polk vehicle registration data from January 2007 through December 2010.

– Compete used this matched data set to evaluate the impact of online automotive research on consideration and purchasing decisions.

Google

methodology- compete/ polk phase 1

- **Significance Testing**
  - For 2-variable significance testing, two asterisks (**) indicates significance at the 95% level and one asterisk (*) indicates significance at the 90% level
  - For multiple variable significance testing, uppercase letters indicate significance at the 95% level and lowercase letters indicate significance at the 90% level
  - Base sizes under 30 were removed from the study and any base sizes between 30-50 marked as low sample

Google

methodology- compete/ polk phase 2

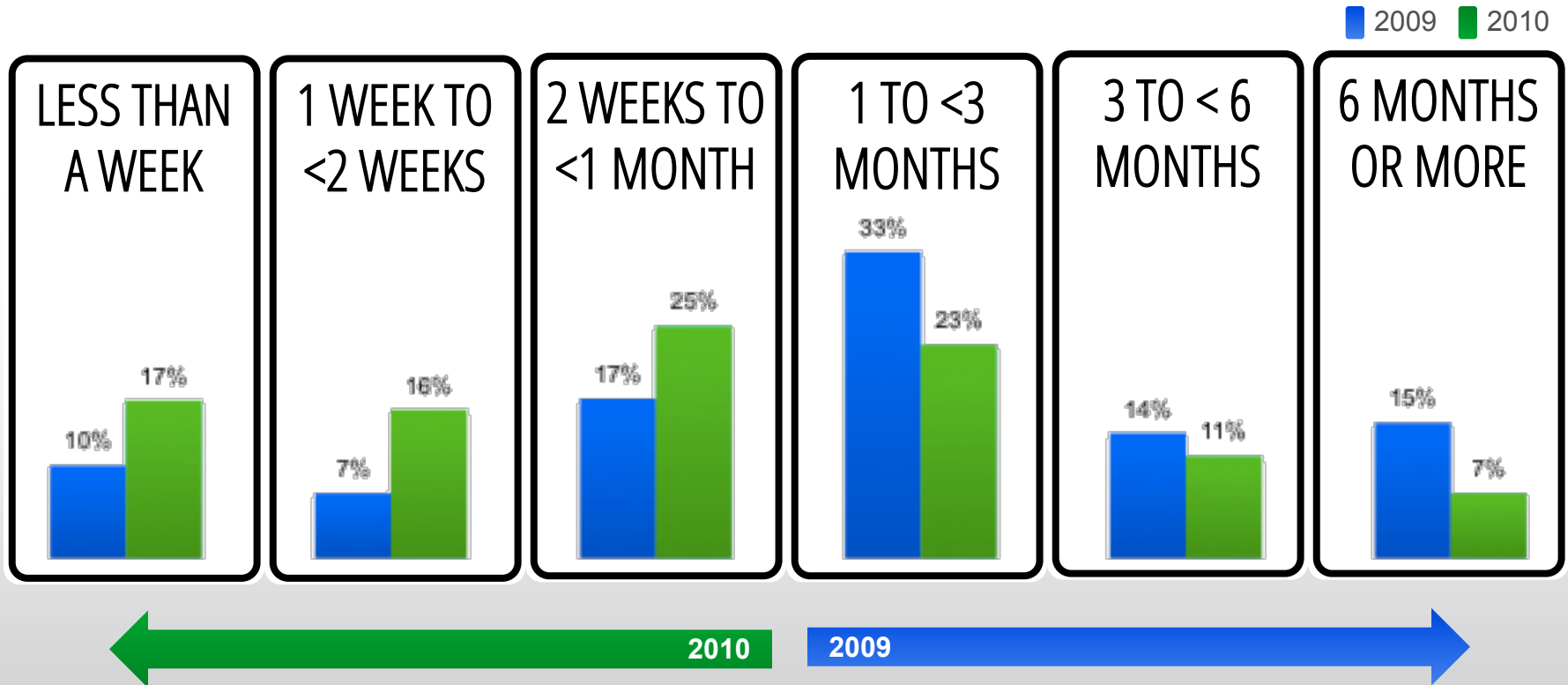Google, R.L. Polk and Compete created a new dataset to study new vehicle retail registrations

Internet Browsers | **New Vehicle Retail Car Registrations**

3rd Party
Household Match

86,241 new vehicle retail car registrations
with **6** consecutive months of clickstream
data from January 2007 – December 2010

Source: R.L. Polk & Co., Compete Inc.

8

Google

shopping overview
compete/ polk study

Google™

81% of shoppers decide within 3 months

The shopping window has compressed

■ 2009 ■ 2010

LESS THAN A WEEK	1 WEEK TO <2 WEEKS	2 WEEKS TO <1 MONTH	1 TO <3 MONTHS	3 TO < 6 MONTHS	6 MONTHS OR MORE
10% / 17%	7% / 16%	17% / 25%	33% / 23%	14% / 11%	15% / 7%

← 2010   2009 →
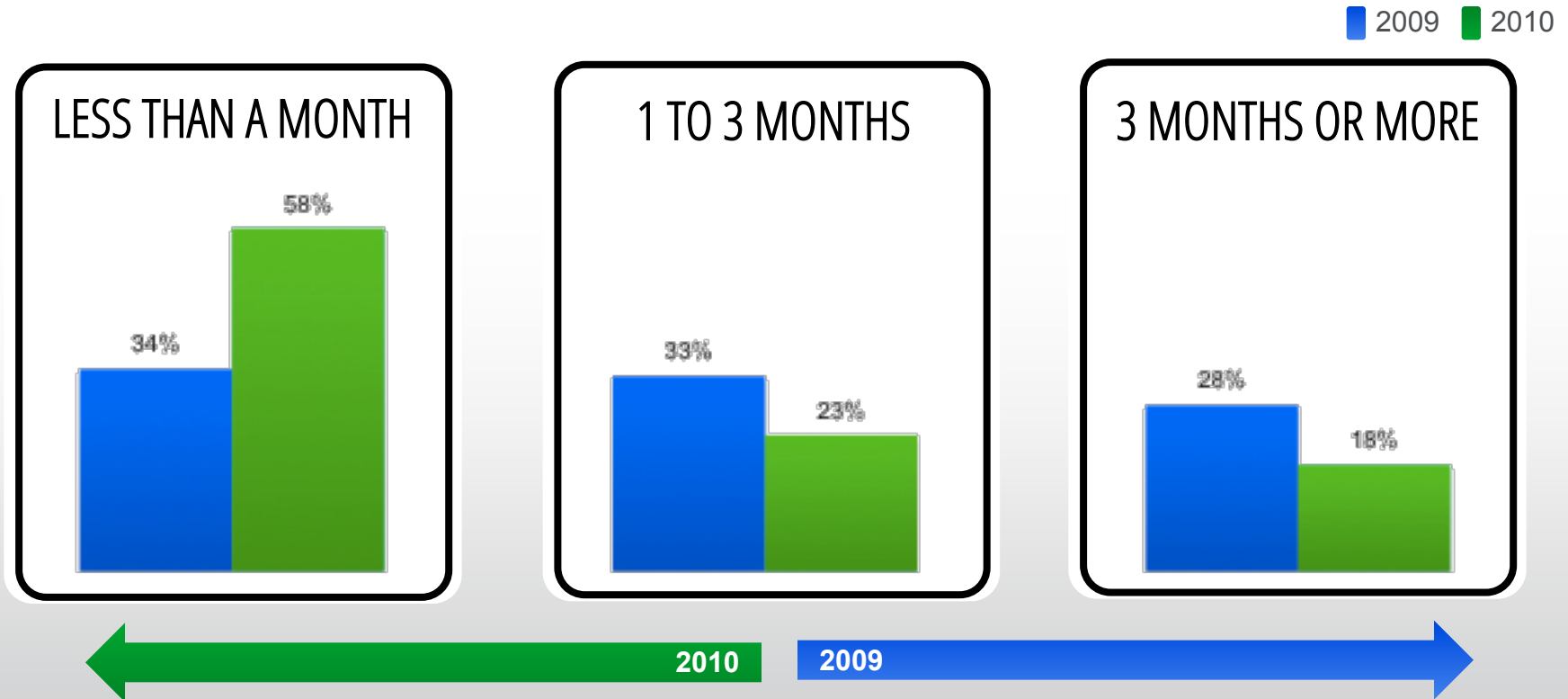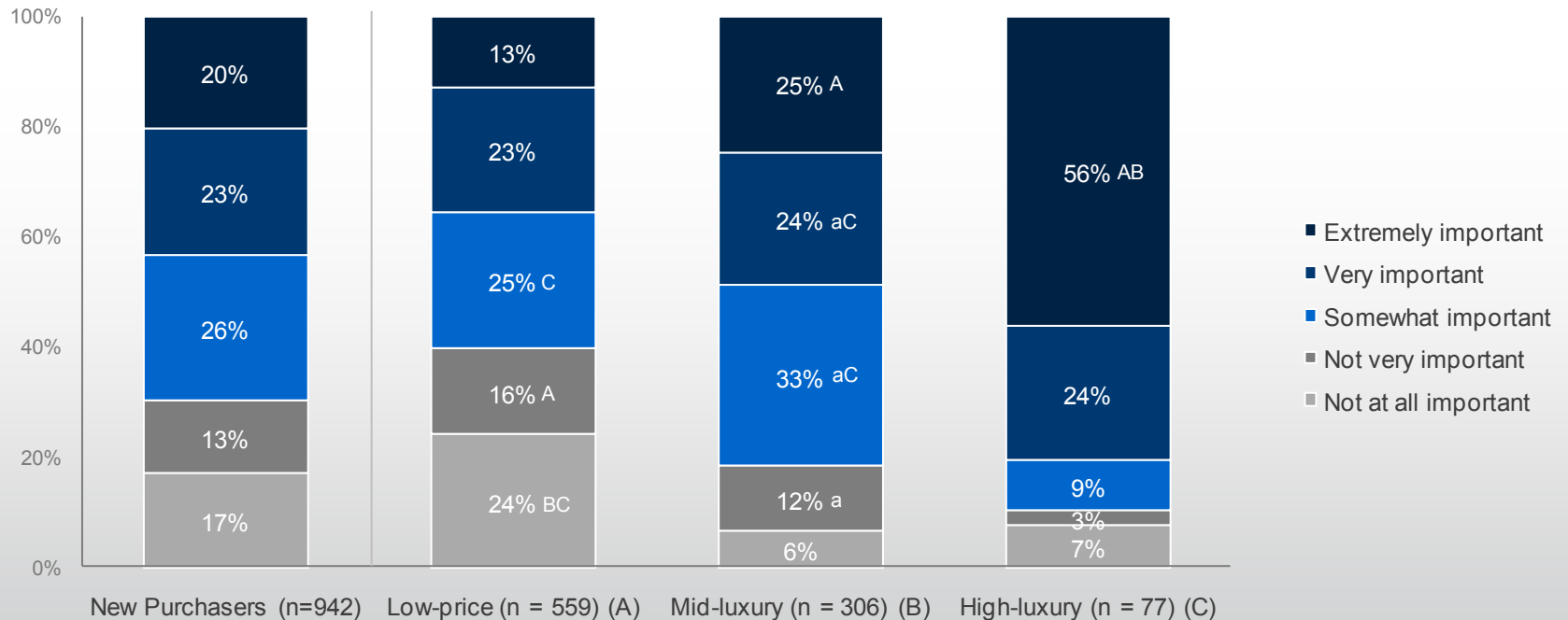
Auto Shopper Behavior Study, Google/Compete, 2011. O8 - How much time passed from when you first started researching or shopping online to when you actually made a purchase? Please select one answer only. Base: New purchasers (n=942) versus used purchasers (n=644)

Google

81% of shoppers decide within 3 months
The shopping window has compressed

■ 2009   ■ 2010

LESS THAN A MONTH

58%

34%

1 TO 3 MONTHS

33%

23%

3 MONTHS OR MORE

28%

18%

2010   2009

Google

technology is important to luxury purchasers

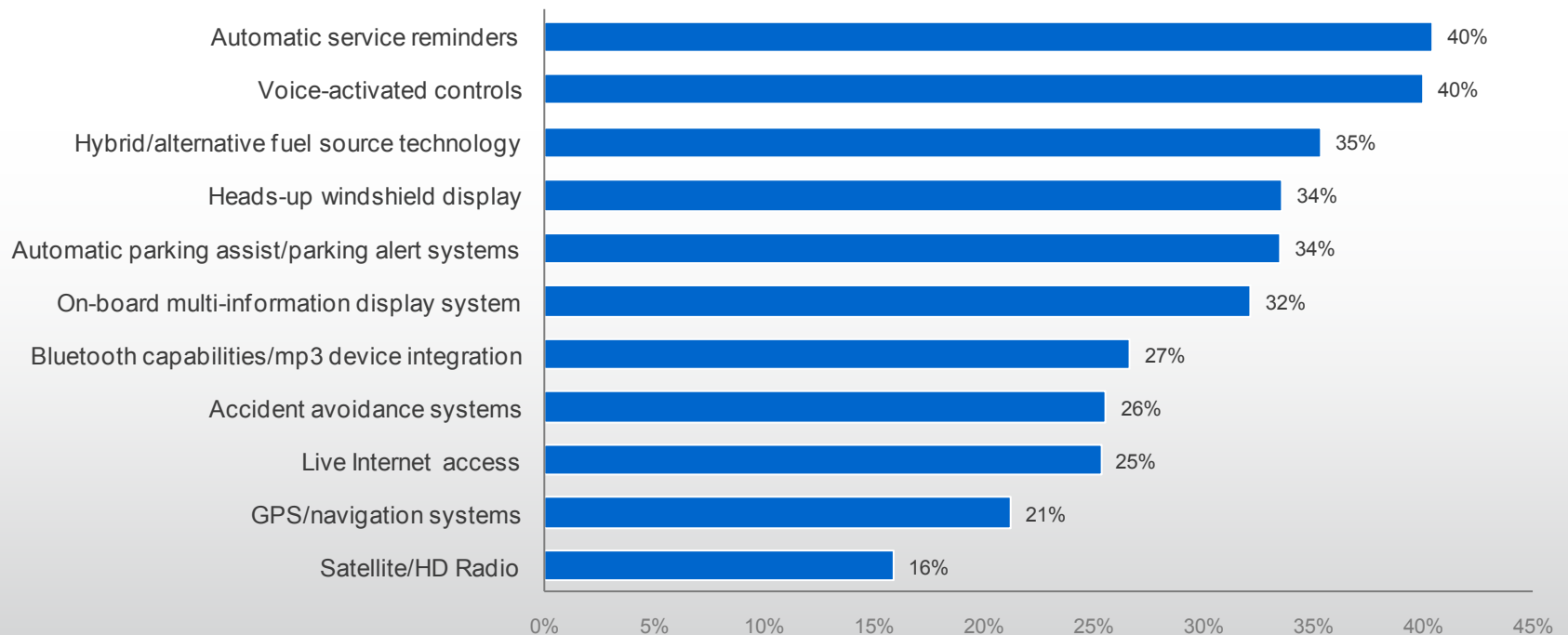**over half of high-luxury purchasers found in-vehicle technology extremely important**

Importance of In-Vehicle Technology

Legend:
- ■ Extremely important
- ■ Very important
- ■ Somewhat important
- ■ Not very important
- ■ Not at all important

New Purchasers (n=942):
- 20% (Extremely important)
- 23% (Very important)
- 26% (Somewhat important)
- 13% (Not very important)
- 17% (Not at all important)

Low-price (n = 559) (A):
- 13% (Extremely important)
- 23% (Very important)
- 25% C (Somewhat important)
- 16% A (Not very important)
- 24% BC (Not at all important)

Mid-luxury (n = 306) (B):
- 25% A (Extremely important)
- 24% aC (Very important)
- 33% aC (Somewhat important)
- 12% a (Not very important)
- 6% (Not at all important)

High-luxury (n = 77) (C):
- 56% AB (Extremely important)
- 24% (Very important)
- 9% (Somewhat important)
- 3% (Not very important)
- 7% (Not at all important)

Google

safety, utility, fuel efficiency gain interest

Importance of Specific In-Vehicle Technology Features

Feature	Percentage
Automatic service reminders	40%
Voice-activated controls	40%
Hybrid/alternative fuel source technology	35%
Heads-up windshield display	34%
Automatic parking assist/parking alert systems	34%
On-board multi-information display system	32%
Bluetooth capabilities/mp3 device integration	27%
Accident avoidance systems	26%
Live Internet access	25%
GPS/navigation systems	21%
Satellite/HD Radio	16%

Auto Shopper Behavior Study, Google/Compete, 2011. T3 - How important were each of the following in-vehicle technologies to you while you researched or shopped for cars/trucks? Please select the one response that best applies to each row. Base: New purchasers (n=942)

Google

shoppers discover in-vehicle technology on OEM sites

Online Sources Used to Research Technology

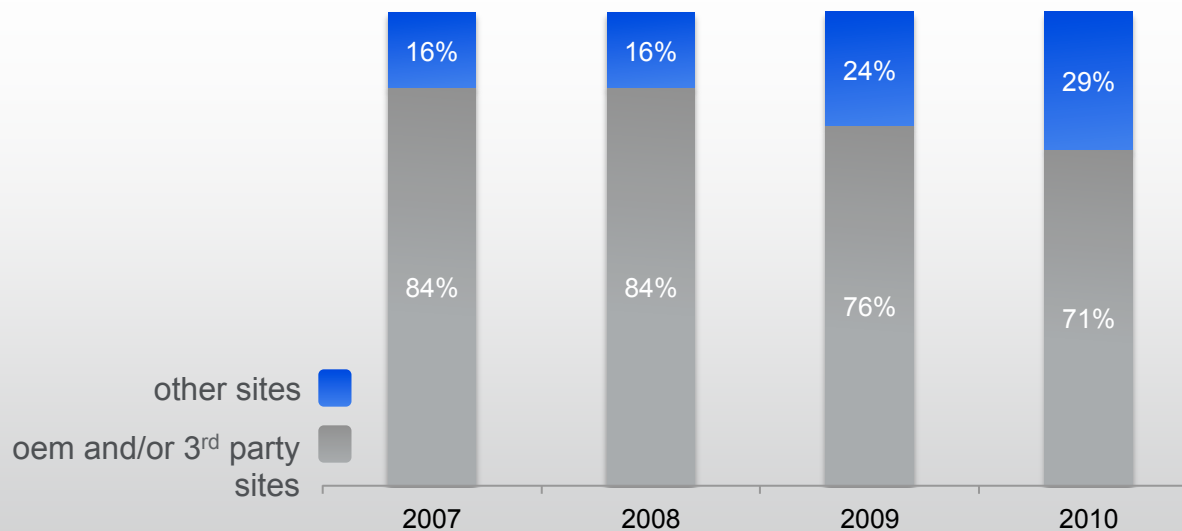| Source	Percentage
Car/truck manufacturer websites	37%
Dealership websites	30%
Professional automotive review websites	26%
Search engines	20%
Third-party automotive websites	18%
Consumer generated online reviews	12%
Video sharing websites	9%
Social networking websites	7%
Newspaper/Magazine websites	7%

Google

role of online research

Google

consumers are moving beyond traditional sites
digital research behavior has diversified

OEM and 3rd Party Site Purchaser Visitation

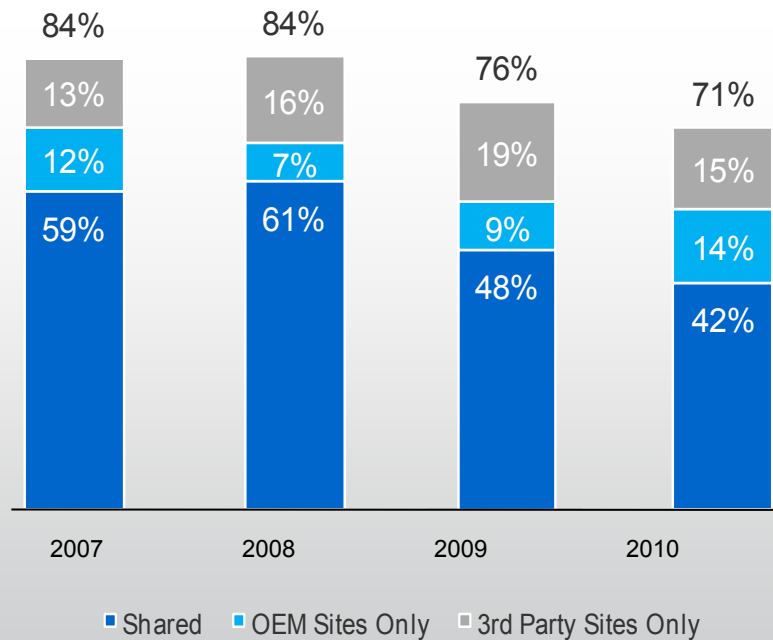(Clickstream Data; Share of Purchasers 6-Months Prior to Purchase)

	2007	2008	2009	2010
other sites	16%	16%	24%	29%
oem and/or 3rd party sites	84%	84%	76%	71%

Google

consumers are moving beyond traditional sites
digital research behavior has diversified

OEM and 3rd Party Site Purchaser Visitation
(Clickstream Data; Share of Purchasers 6-Months Prior to Purchase)

84% 84% 77% 84% 76% 71%
71% 72% 68% 68% 67% 67% 56% 57% 71%

2007
- 13%
- 12%
- 59%

2008
- 16%
- 7%
- 61%

2009
- 48% / 19%
- 9% / 15%
- 48% / 42%

2010
- 15%
- 14%
- 42% / 48%

■ Shared ■ OEM Sites Only □ 3rd Party Sites Only
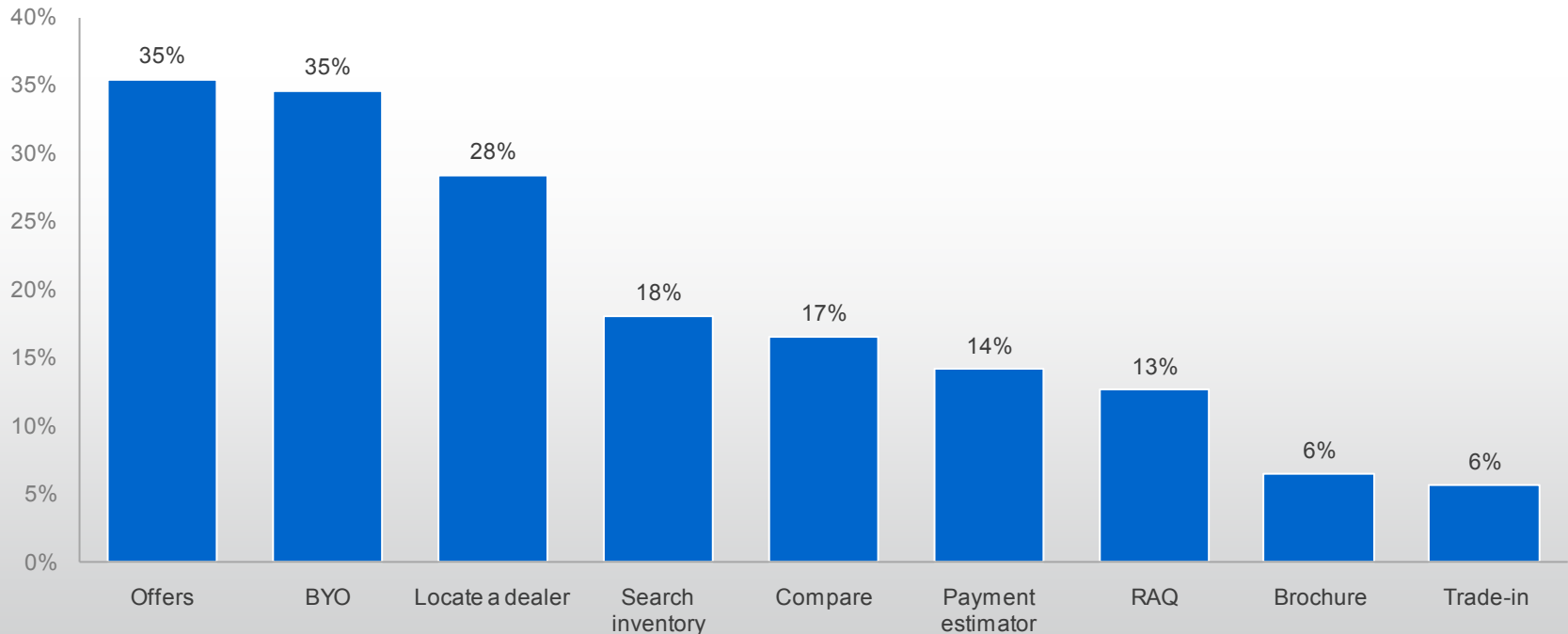
17

Google

oem/ 3rd party visitation peaked during purchase month

OEM and 3rd Party Site Visitation by Purchase Month
(Clickstream Data; Share of Purchasers 6-Months Prior to Purchase)

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2010-December 2010
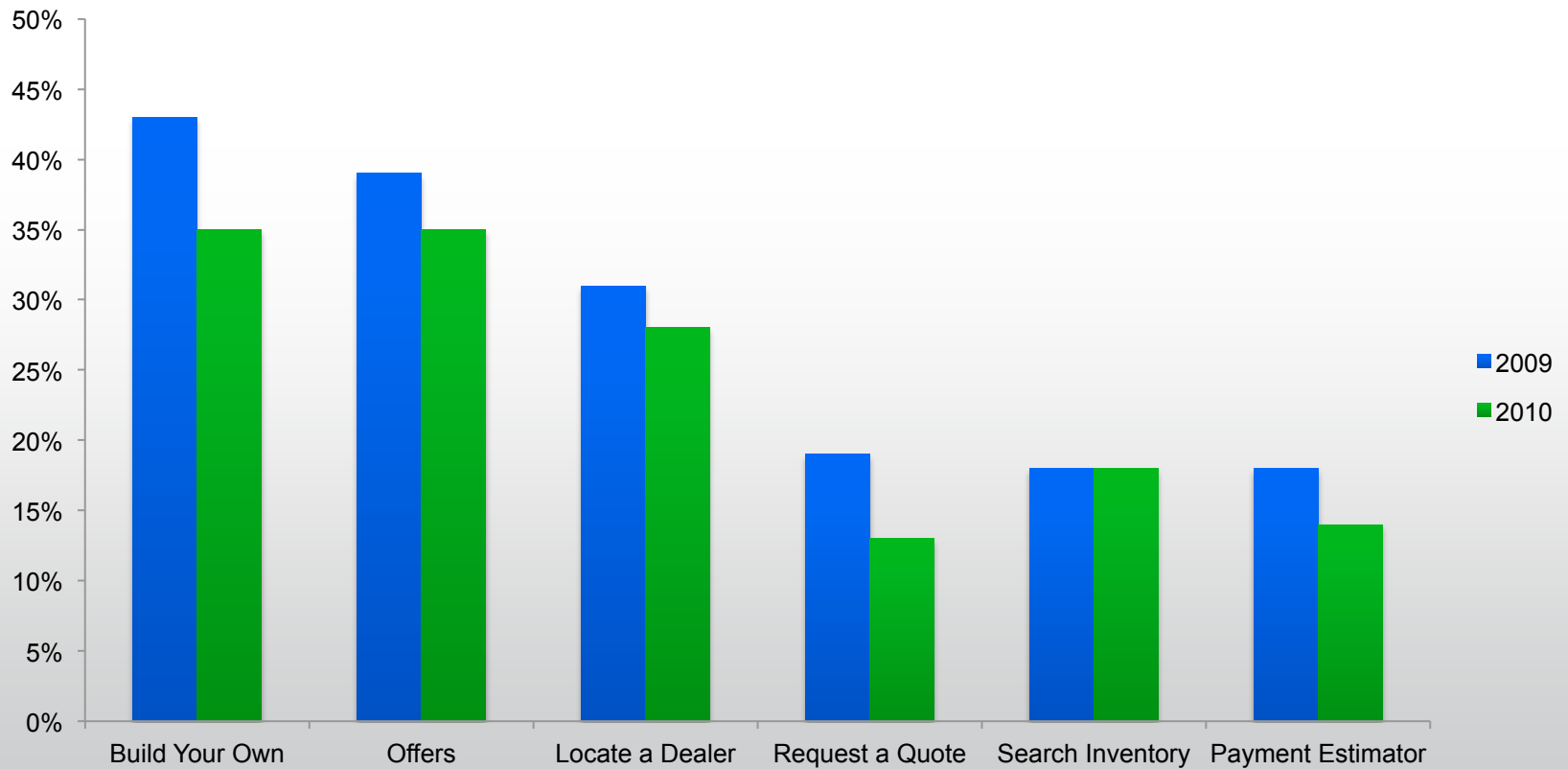
Google
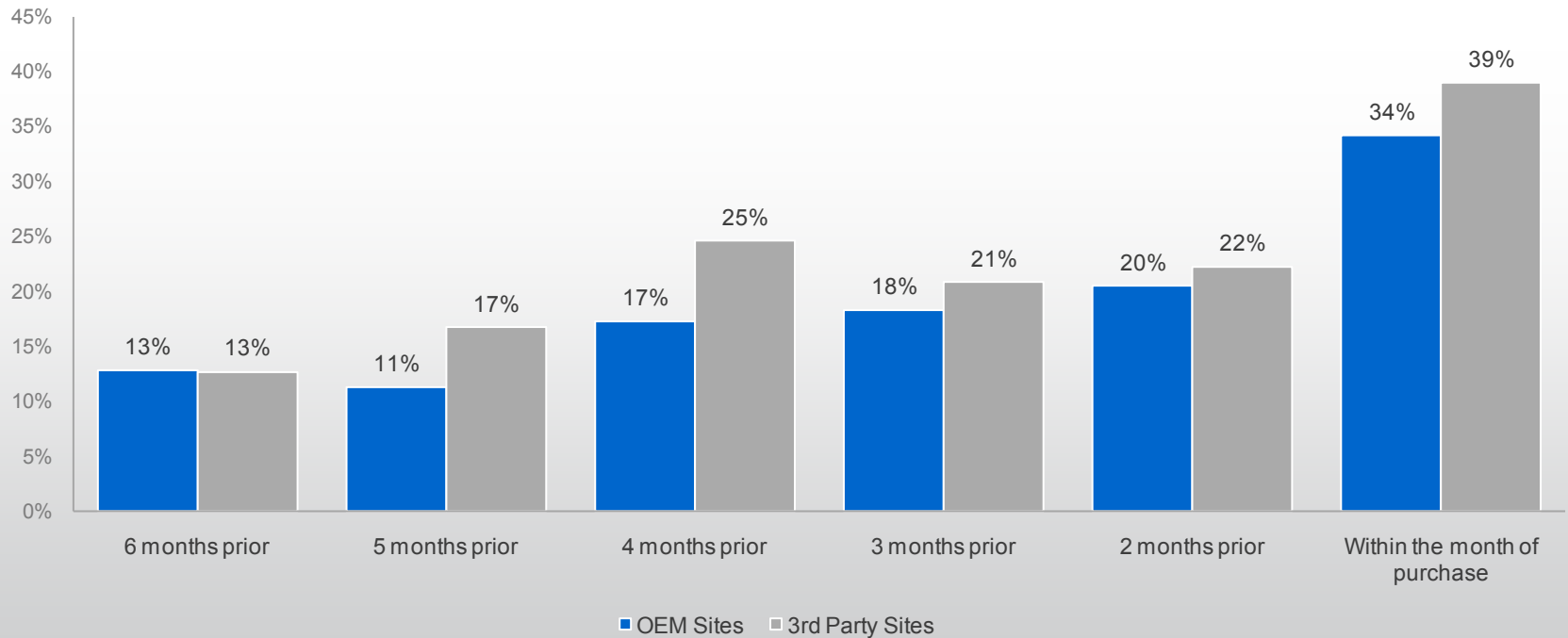
purchasers looked for offers on OEM sites
offers, BYO and locate a dealer are used by about a third of purchasers

OEM KPI Usage
(Clickstream Data; Share of Purchasers Anytime During the 6-Months Prior to Purchase)

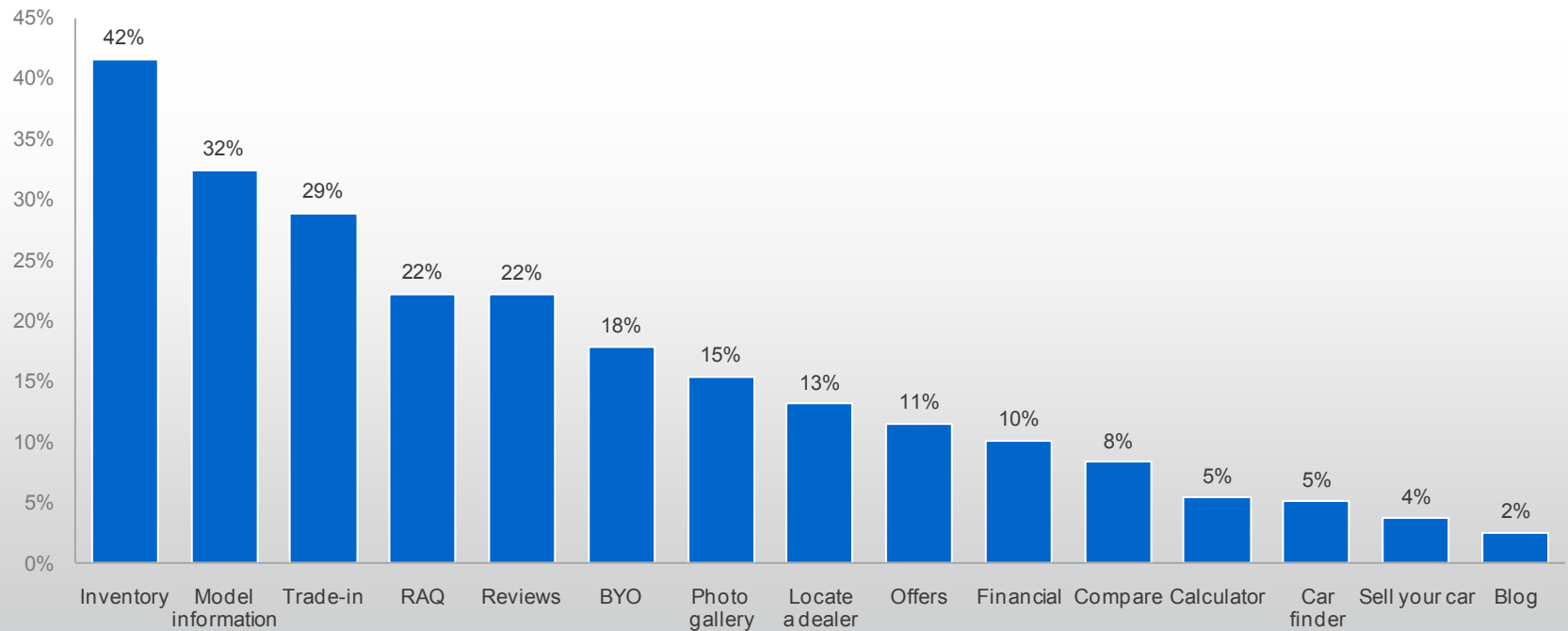| Category	Value
Offers	35%
BYO	35%
Locate a dealer	28%
Search inventory	18%
Compare	17%
Payment estimator	14%
RAQ	13%
Brochure	6%
Trade-in	6%

Google

YOY Comparison- OEM Site Behavior

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2010-December 2010
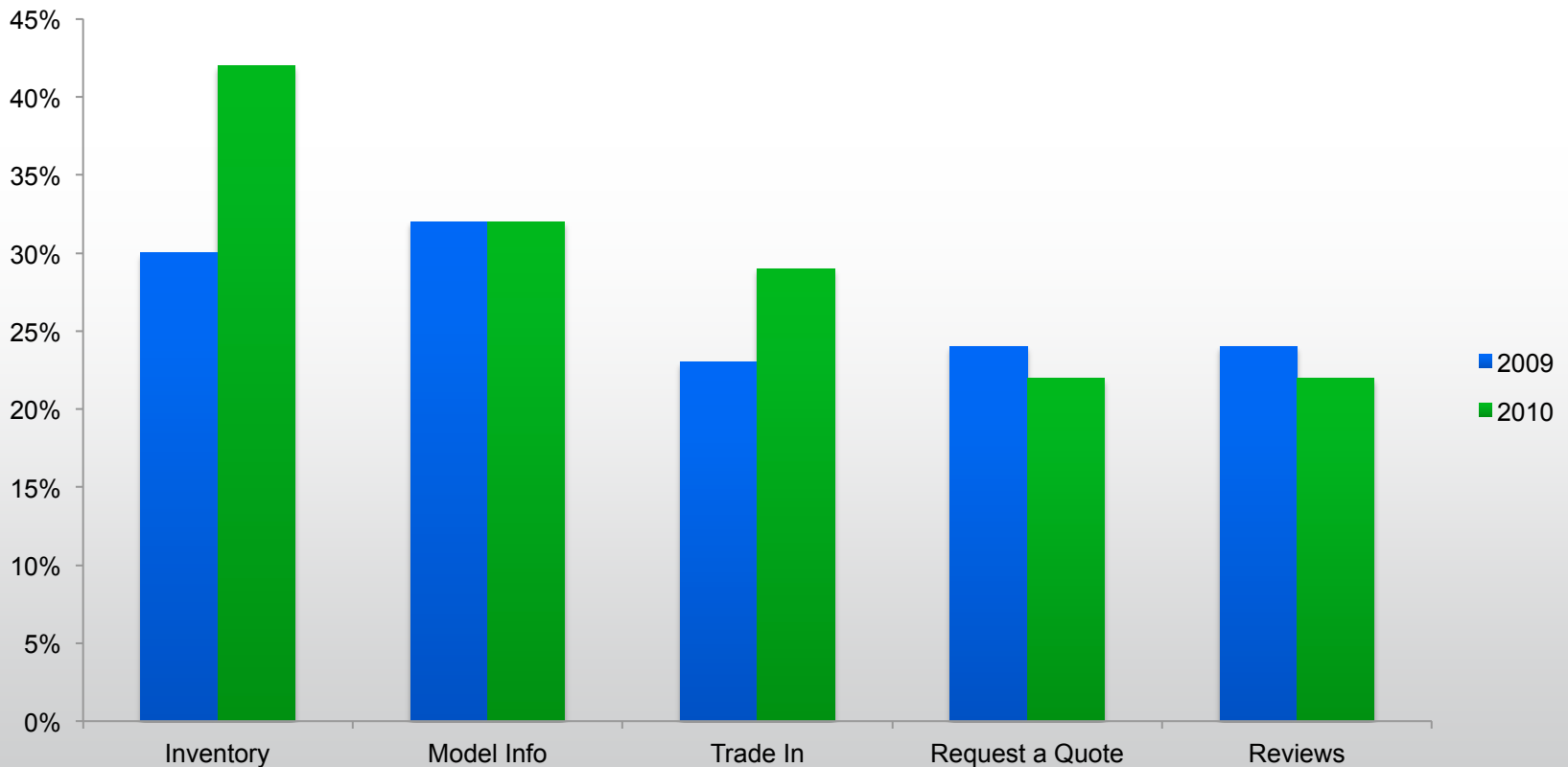
Google

search inventory most-used 3rd party tool
a greater portion of shoppers searched inventory on 3rd party sites than OEM sites

3rd Party KPI Usage
(Clickstream Data; Share of Purchasers Anytime During the 6-Months Prior to Purchase)

Bar chart values:
- Inventory: 42%
- Model information: 32%
- Trade-in: 29%
- RAQ: 22%
- Reviews: 22%
- BYO: 18%
- Photo gallery: 15%
- Locate a dealer: 13%
- Offers: 11%
- Financial: 10%
- Compare: 8%
- Calculator: 5%
- Car finder: 5%
- Sell your car: 4%
- Blog: 2%

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2010-December 2010

Google

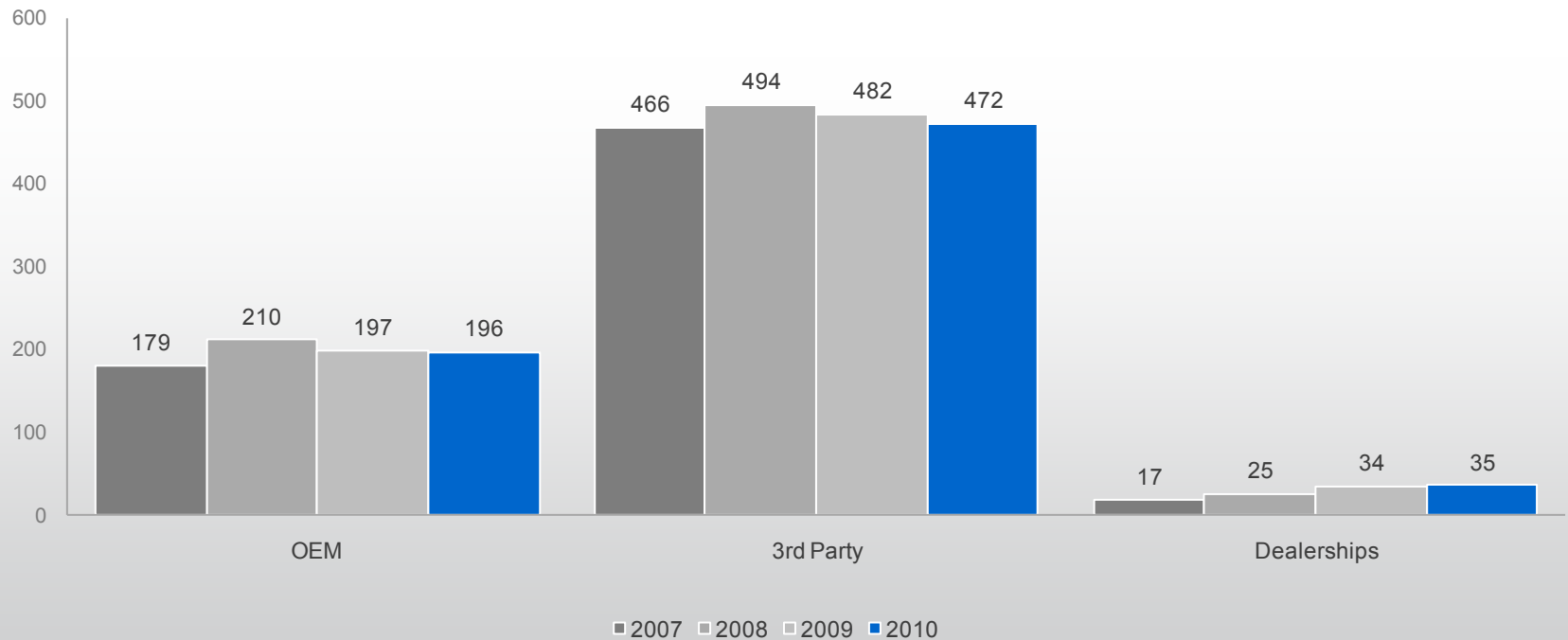# YOY Comparison- 3rd Party Site Behavior

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2010-December 2010

dealer site visitation continues to climb
usage has doubled to 35m since 2007

OEM and 3rd Party Site Overall Visitation
(Clickstream Data, Millions of Visitors; January 2007-December 2010)

Legend: ■ 2007 ■ 2008 □ 2009 ■ 2010

OEM: 179, 210, 197, 196
3rd Party: 466, 494, 482, 472
Dealerships: 17, 25, 34, 35

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2007-December 2010, Millions of Visitors

Google

nearly 1 in 3 purchasers visited dealership sites
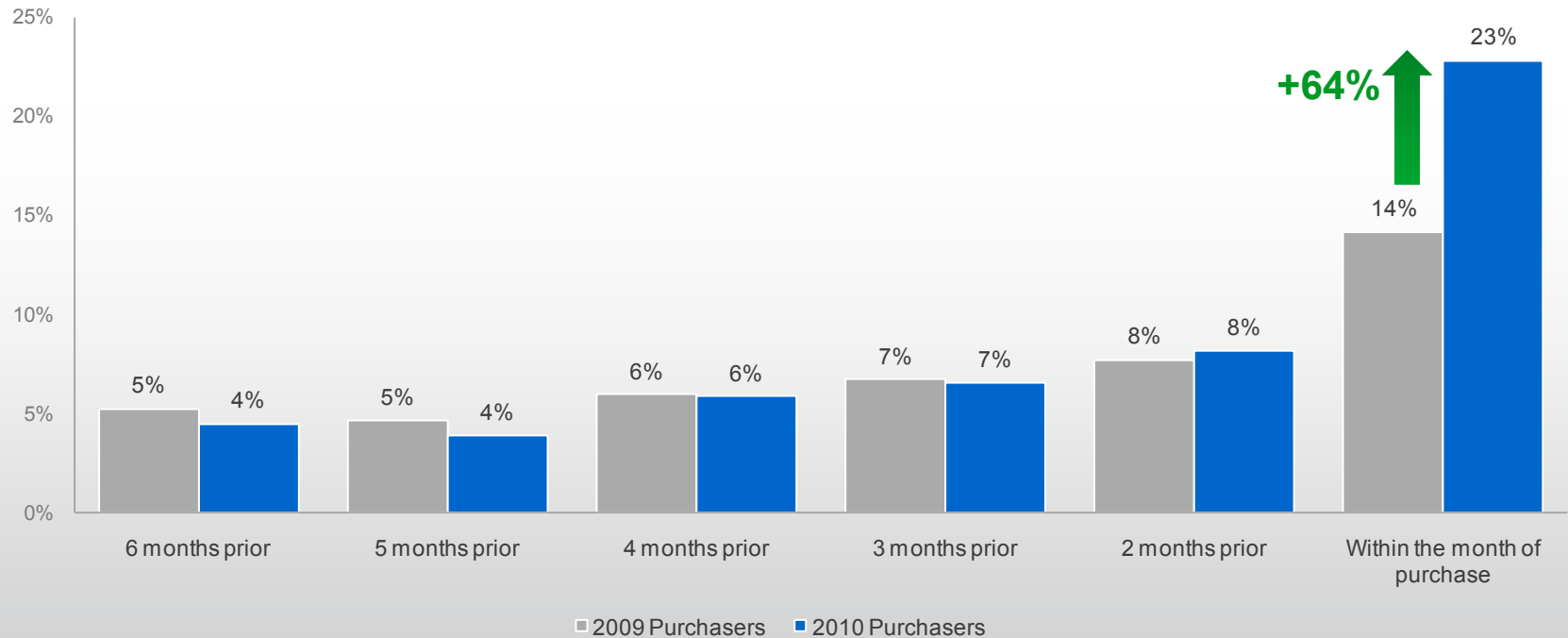
Dealership Site Visitation by Purchase Year
(Clickstream Data; Share of Purchasers Anytime During the 6-Months Prior to Purchase)
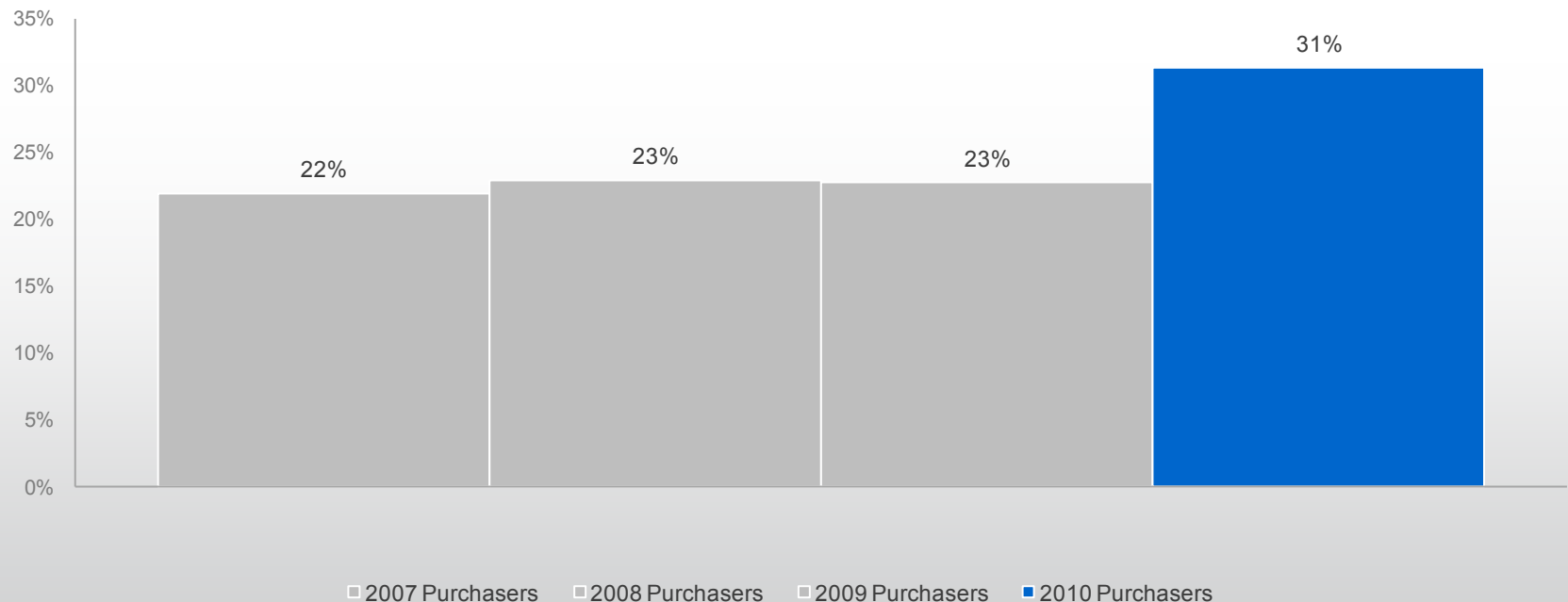
			31%
22%	23%	23%	

- □ 2007 Purchasers
- □ 2008 Purchasers
- □ 2009 Purchasers
- ■ 2010 Purchasers

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, January 2007-December 2010

Google

dealership visitation peaked in purchase month

Dealership Site Visitation by Purchase Month
(Clickstream Data; Share of Purchasers 6-Months Prior to Purchase)

+64%

	6 months prior	5 months prior	4 months prior	3 months prior	2 months prior	Within the month of purchase
2009 Purchasers	5%	5%	6%	7%	8%	14%
2010 Purchasers	4%	4%	6%	7%	8%	23%

■ 2009 Purchasers ■ 2010 Purchasers

Google

search impact

Google™

purchasers search to navigate to online sources
search directs at least a third of traffic within 3 months of purchase

share of new buyers referred to OEM sites by search

	2010	2009
6 Months	30%	25%
3 Months	37%	37%
2 Months	**42%**	36%
1 Month	**48%**	40%
1 Week	38%	34%

Funnel stages: awareness, interest, consideration, test-drive, purchase

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data, by time periods, discrete months, January 2010-December 2010.

Google

search helps shoppers discover and compare
search engines were helpful for upper funnel activities

How Search Engines Were Helpful
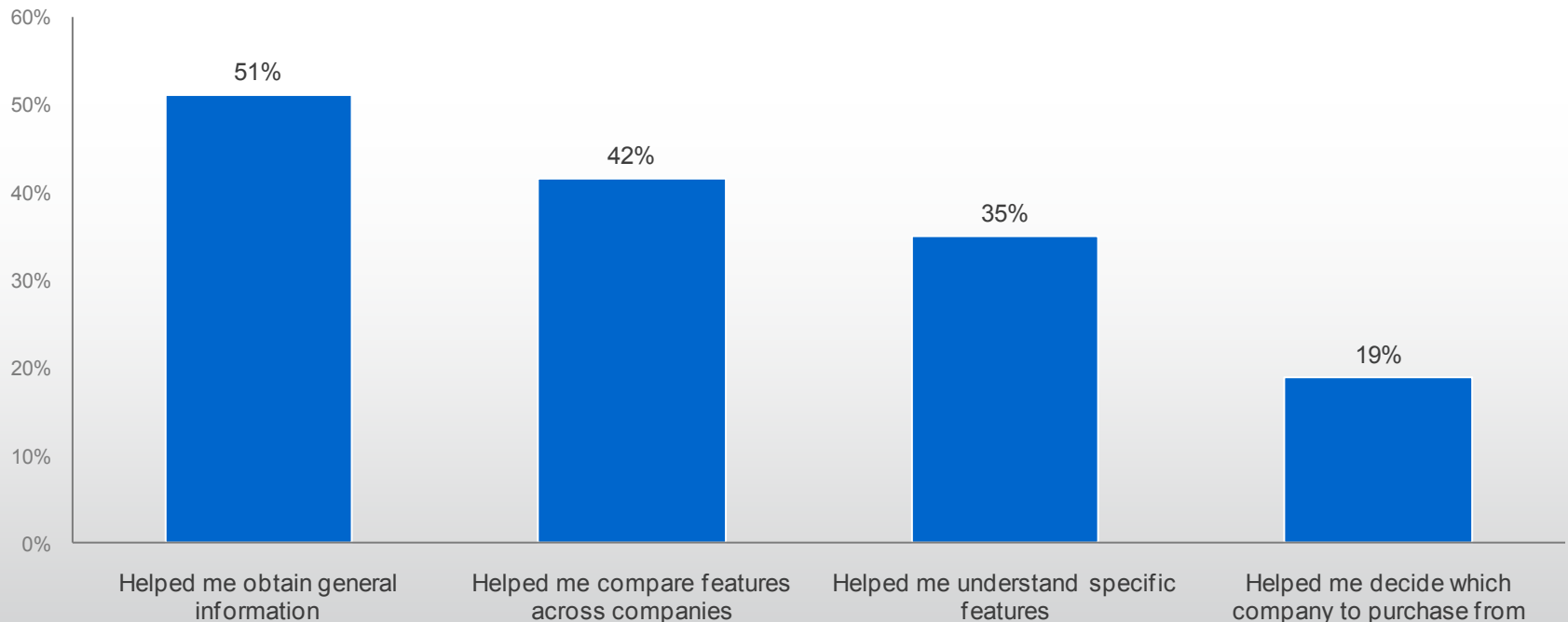
|	
51%	Helped me obtain general information
42%	Helped me compare features across companies
35%	Helped me understand specific features
19%	Helped me decide which company to purchase from

Auto Shopper Behavior Study, Google/Compete, 2011. RT5 - How did each of the following source(s) help you while you researched or shopped for cars/ trucks? Please select all of the responses that apply for each source. Base: New purchasers that selected search engines in RT1/RT2 that received a rating of 2-5 in RT3 (n=364)

Google
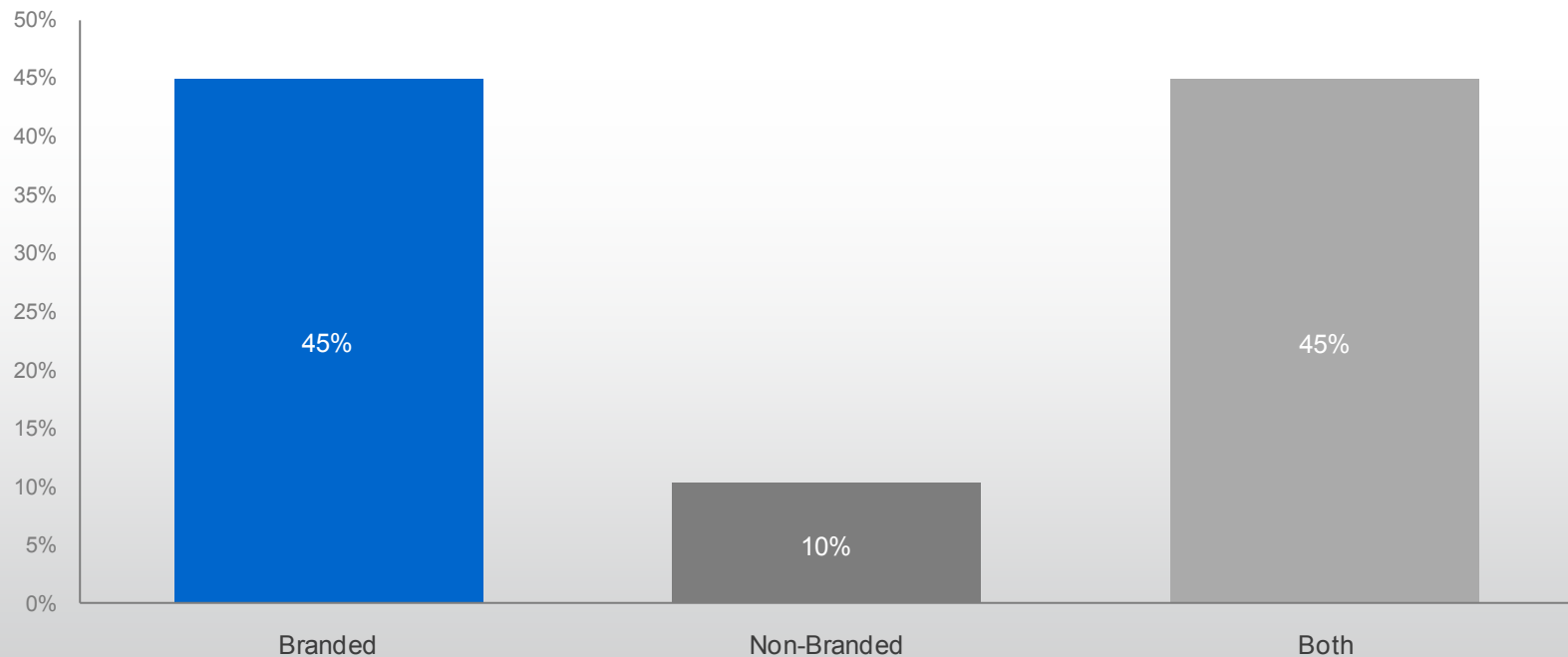
purchasers search repeatedly

84% searched more than once

Number of Automotive Search Queries
(Purchasers; Jan-Dec 2010)
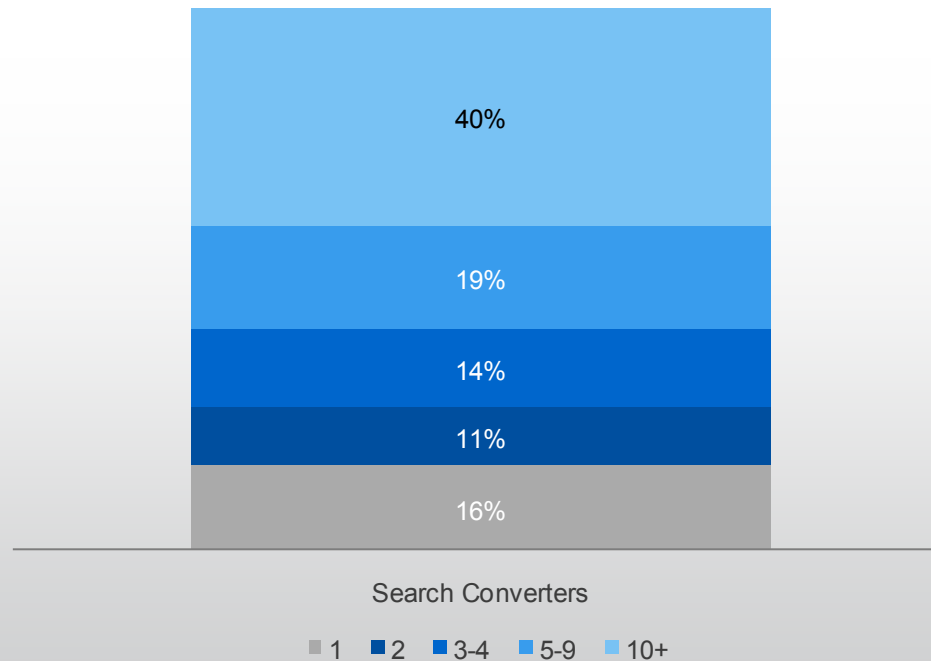
40%
19%
14%
11%
16%

Search Converters

■ 1 ■ 2 ■ 3-4 ■ 5-9 ■ 10+

Google

shoppers use both branded and non-branded terms

Share of Converters by Query Term Type Used
(Purchasers; Jan-Dec 2010)

Branded: 45%
Non-Branded: 10%
Both: 45%

Auto Shopper Behavior Study, Google/Compete, 2011. Clickstream data

Google

as search usage increases, keyword type varies

Branded Versus Non-Branded Search, by Number of Queries
(Purchasers; Jan-Dec 2010)

Number of Queries	Branded Only	Non-Branded Only	Both	Query Volume ('000s)
10+	16%	13%	71%	17,100
5-9	48%	4%	48%	1,340
3-4	57%	5%	38%	487
2	75%	9%	16%	220
1	83%	17%		156

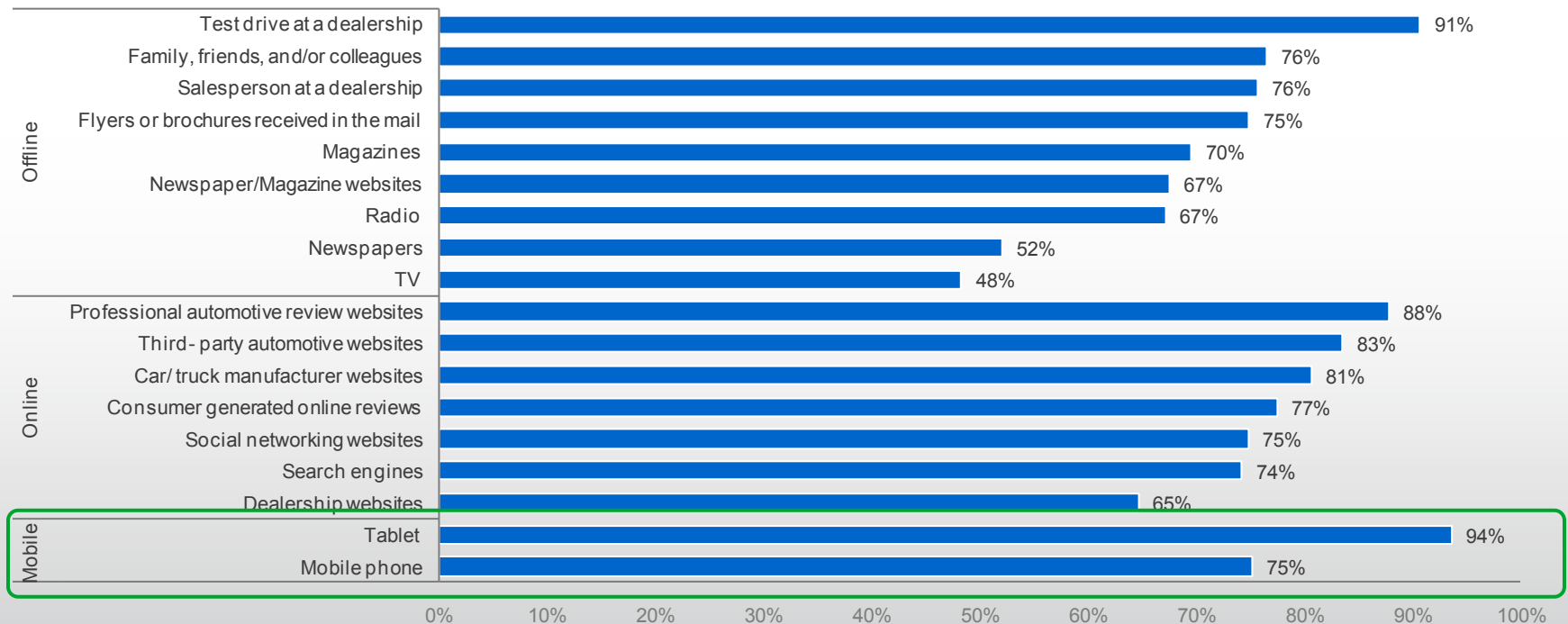■ Branded Only ■ Non-Branded Only ■ Both
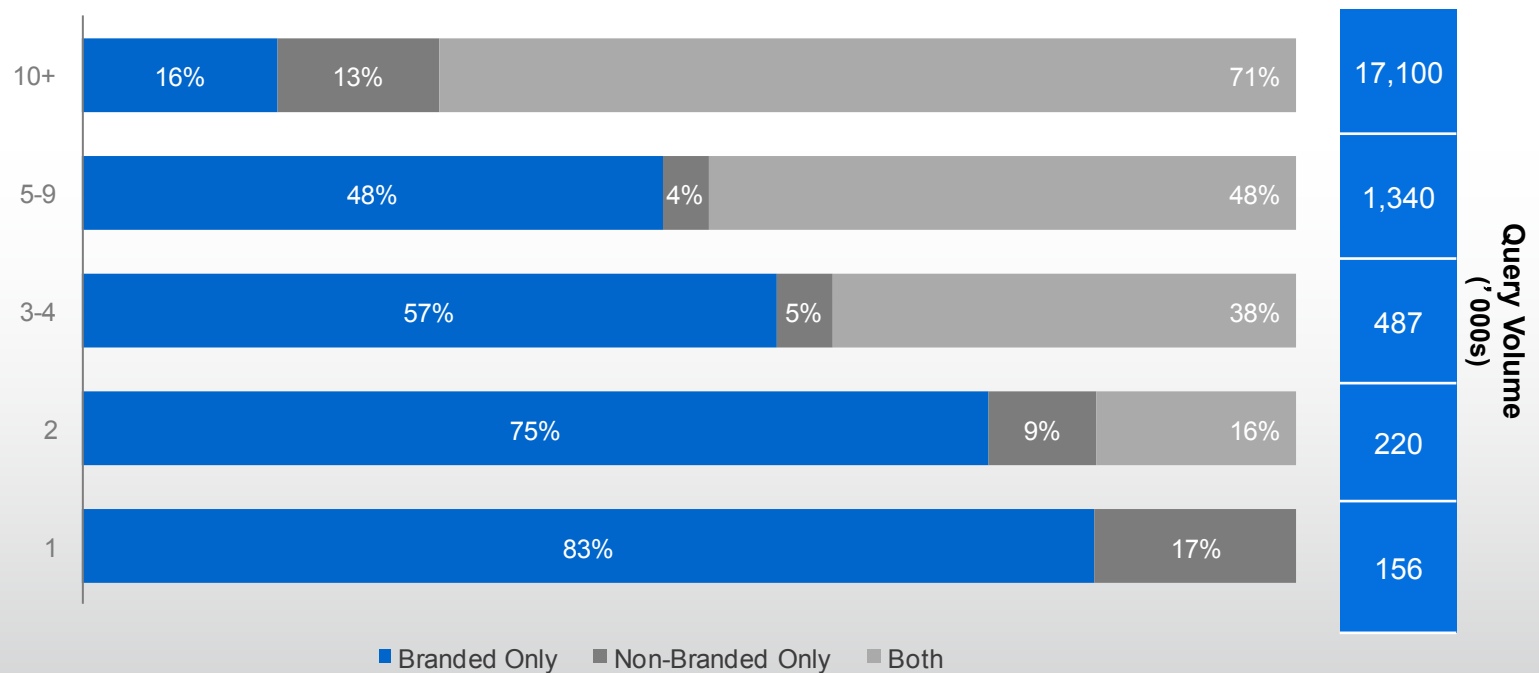
Auto Shopper Behavior Study, Google/Compete, 2011. Base: Converters from Jan-Dec 2010;
total query volume among converters: 19.3M; Clickstream data

Google

mobile impact

Google™

tablets ranked highest in usefulness
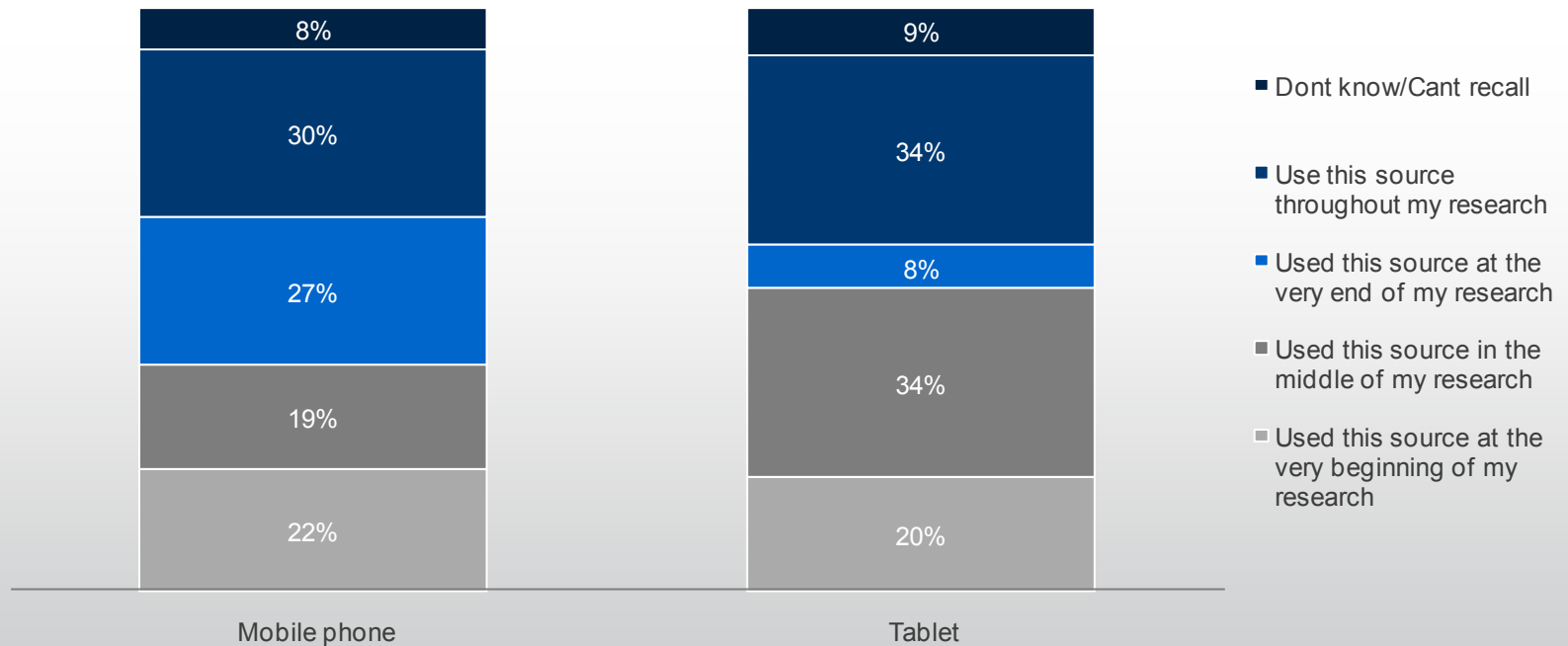
Usefulness of Research Tools Used

Offline
- Test drive at a dealership — 91%
- Family, friends, and/or colleagues — 76%
- Salesperson at a dealership — 76%
- Flyers or brochures received in the mail — 75%
- Magazines — 70%
- Newspaper/Magazine websites — 67%
- Radio — 67%
- Newspapers — 52%
- TV — 48%

Online
- Professional automotive review websites — 88%
- Third-party automotive websites — 83%
- Car/truck manufacturer websites — 81%
- Consumer generated online reviews — 77%
- Social networking websites — 75%
- Search engines — 74%
- Dealership websites — 65%

Mobile
- Tablet — 94%
- Mobile phone — 75%

(axis: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%)

Google

mobile and tablet used throughought research
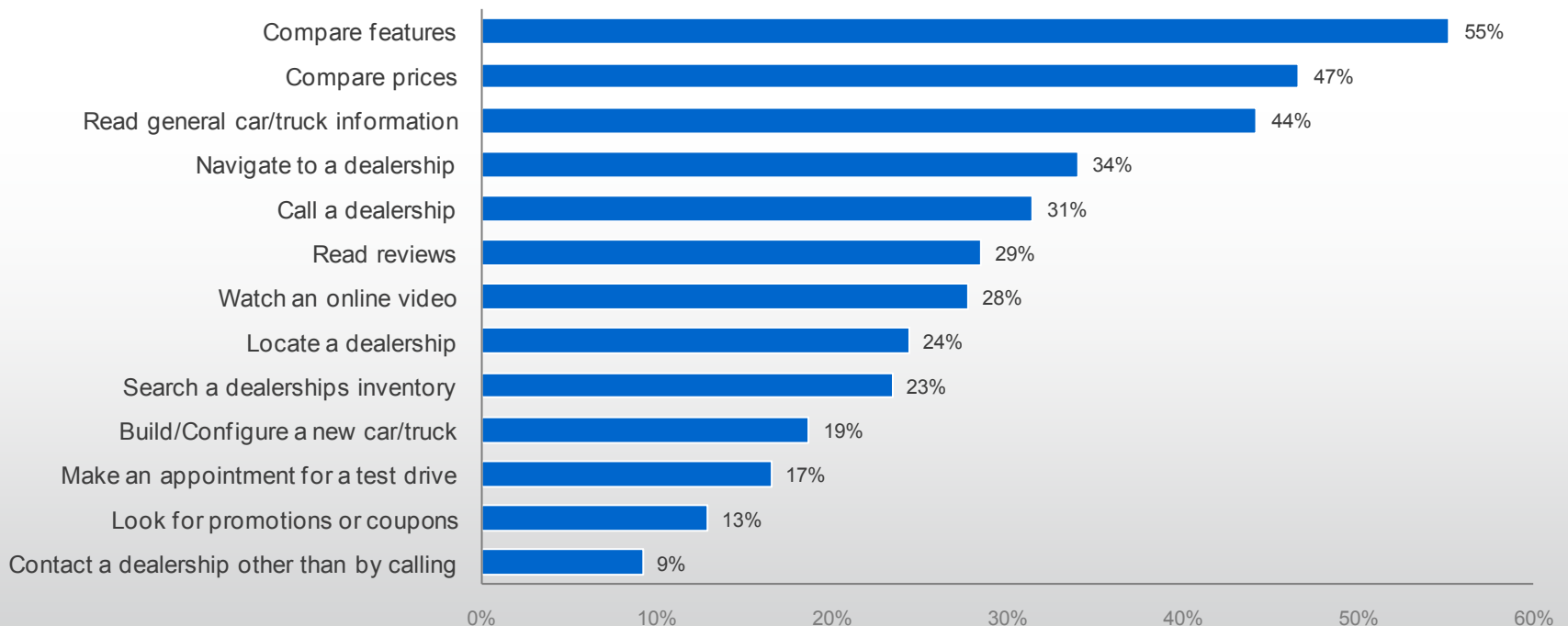## mobile shoppers are more likely to use mobile throughout or in the beginning, than at the end

When During the Shopping Process Did You Use Research Tools

Mobile phone:
- 8%
- 30%
- 27%
- 19%
- 22%

Tablet:
- 9%
- 34%
- 8%
- 34%
- 20%

Legend:
- Dont know/Cant recall
- Use this source throughout my research
- Used this source at the very end of my research
- Used this source in the middle of my research
- Used this source at the very beginning of my research

Auto Shopper Behavior Study, Google/Compete, 2011. RT4 - For which parts of your research process did you use each of these in researching or shopping for cars/trucks? Please select all responses that apply for each source. If you used a source throughout your research, please only select that option. Base: New purchasers that selected source used in RT1/RT2 (n=942)

Google

mobile phones used to compare models

Types of Research Conducted on Mobile Phone
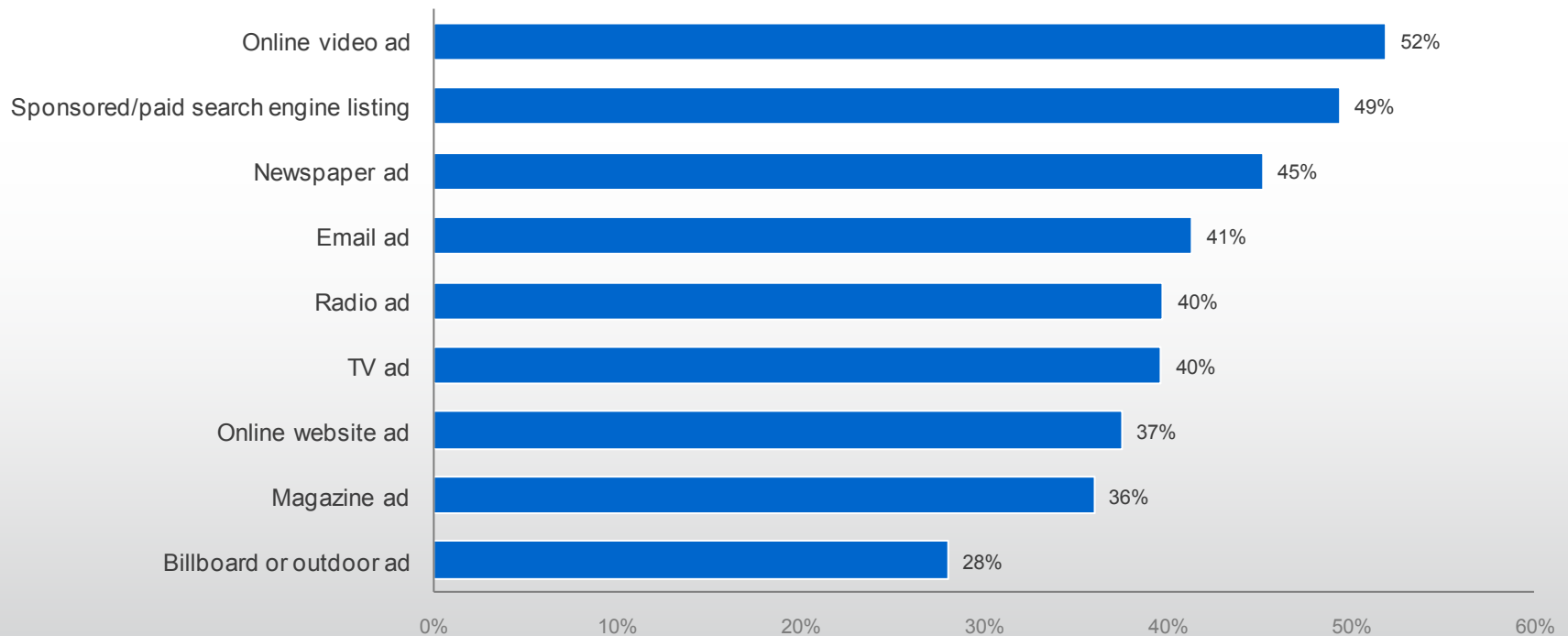### (New Purchasers That Selected Mobile or Tablet in RT1, n=98)

Type of Research	Percentage
Compare features	55%
Compare prices	47%
Read general car/truck information	44%
Navigate to a dealership	34%
Call a dealership	31%
Read reviews	29%
Watch an online video	28%
Locate a dealership	24%
Search a dealerships inventory	23%
Build/Configure a new car/truck	19%
Make an appointment for a test drive	17%
Look for promotions or coupons	13%
Contact a dealership other than by calling	9%

Google

video impact

Google™

online video ranked most useful ad format

Usefulness of Advertisements Seen or Heard
(New Purchasers That Selected Ads in MI1, Top 2 Box, n=942)

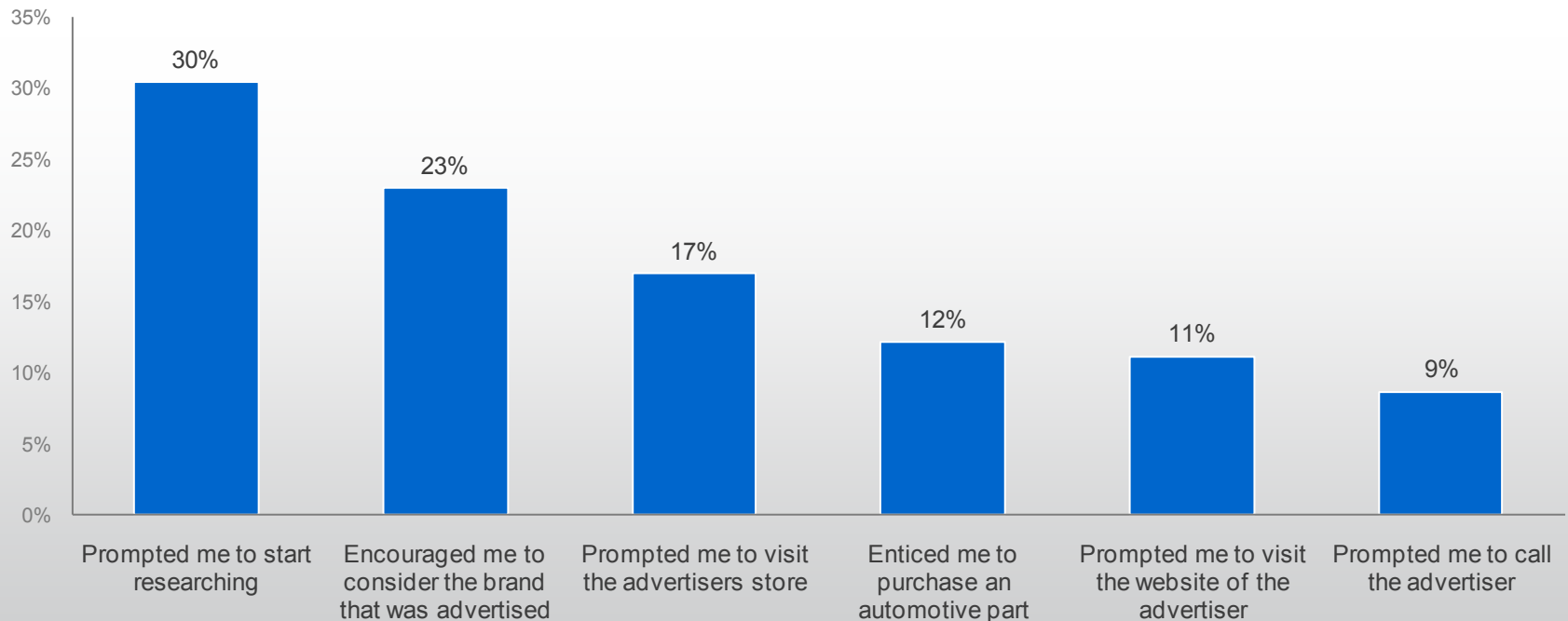| Ad Format	Percentage
Online video ad	52%
Sponsored/paid search engine listing	49%
Newspaper ad	45%
Email ad	41%
Radio ad	40%
TV ad	40%
Online website ad	37%
Magazine ad	36%
Billboard or outdoor ad	28%

Auto Shopper Behavior Study, Google/Compete, 2011. MI2 - How useful were each of the following types of advertisements in helping you decide whether to purchase a car/truck? Please select the one response that best applies to each type of advertisement. Base: New purchasers that selected ads in MI1 (n=942)

Google

video ads drove initial interest
30% were encouraged to start researching after viewing online video ads

Result of Seeing Online Video Advertisements

| Category	Value
Prompted me to start researching	30%
Encouraged me to consider the brand that was advertised	23%
Prompted me to visit the advertisers store	17%
Enticed me to purchase an automotive part	12%
Prompted me to visit the website of the advertiser	11%
Prompted me to call the advertiser	9%

Auto Shopper Behavior Study, Google/Compete, 2011. MI3 - What role did each of the following play while you were researching or shopping for a car/ truck? Please select all of the responses that apply for each type of advertisement. Base: New purchasers that selected Video Ads in MI1, (n=163)

Google

video influences brand choice

40% of video viewers indicated that online videos were helpful in deciding which brand to purchase

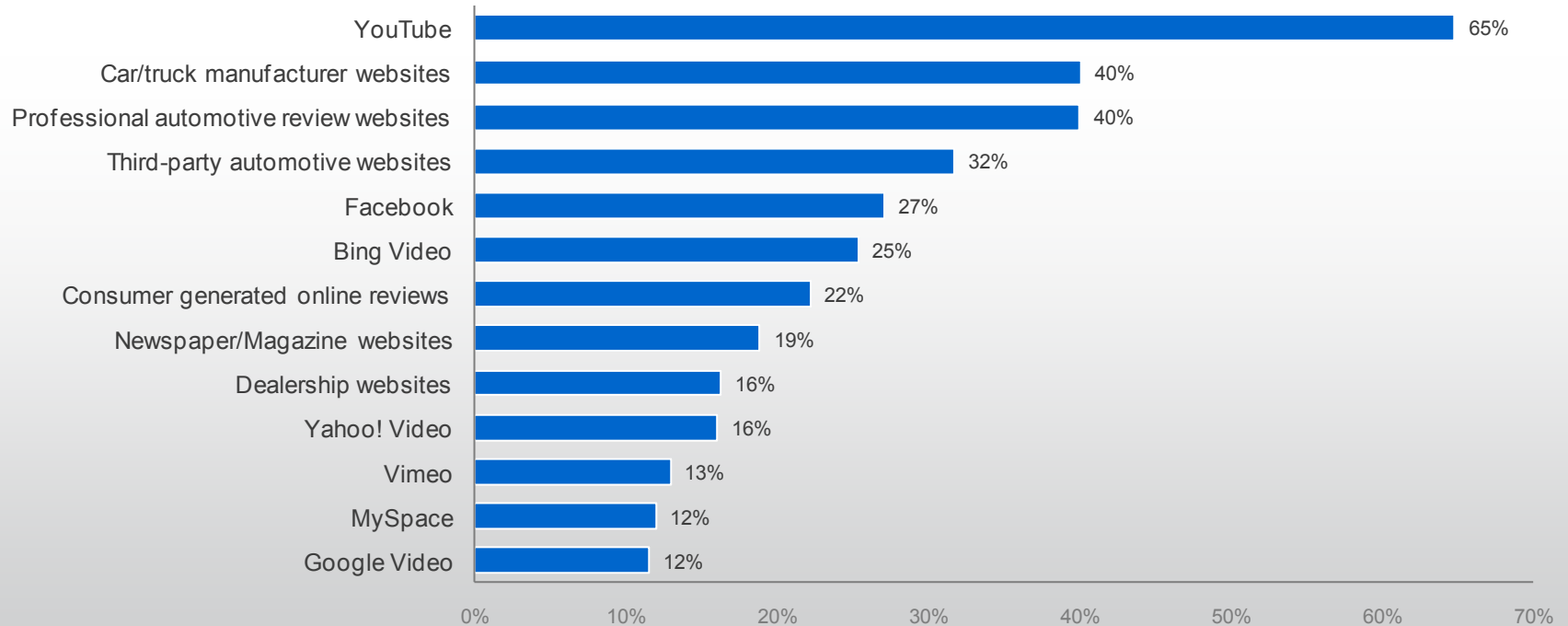How Automotive Videos Were Helpful
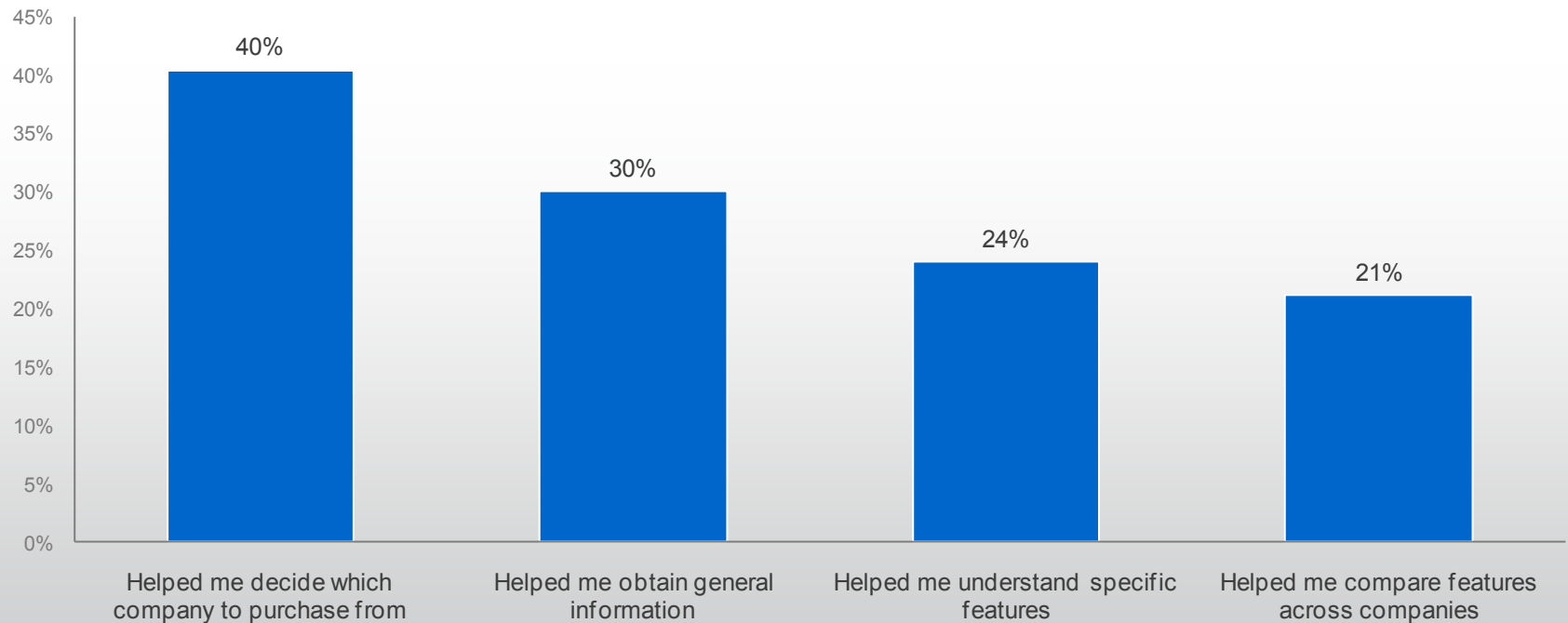
Auto Shopper Behavior Study, Google/Compete, 2011. RT5 - How did each of the following source(s) help you while you researched or shopped for cars/ trucks? Please select all of the responses that apply for each source. Base: New purchasers that selected video sharing used in RT1/RT2 that received a rating of 2-5 in RT3 (n=90)

Google

youtube leads all auto video research sites

2 of 3 purchasers who viewed automotive online videos did so on YouTube

Websites Visited to Watch Online Automotive Videos

Website	Percentage
YouTube	65%
Car/truck manufacturer websites	40%
Professional automotive review websites	40%
Third-party automotive websites	32%
Facebook	27%
Bing Video	25%
Consumer generated online reviews	22%
Newspaper/Magazine websites	19%
Dealership websites	16%
Yahoo! Video	16%
Vimeo	13%
MySpace	12%
Google Video	12%

Auto Shopper Behavior Study, Google/Compete, 2011. VI1 - Which of the following websites did you use to watch videos while researching or shopping for cars/trucks? Please select all that apply. Base: Selected video sharing websites in RT2, new purchasers only (n=95)

Google

opportunities

Google™

opportunities & considerations

to align to today's automotive shopping behavior:

1 follow shoppers through an increasingly complex path to purchase versus relying on traditional online destinations alone

2 reconsider media use for discrete parts of the funnel and explore strategies for each platform by research stage

3 examine dealers' digital presence and coordination with brand-level strategy based on rise in spontaneous shopping and dealer site use

4 navigation becomes more important as research diversity increases. is search getting the attention it deserves?

5 develop mobile specific strategies to prepare for continued growth and specialization

6 produce and distribute video to compete for early interest

Google

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www.thinkwithgoogle.com/insights