

BOYLE CONSULTING

NEW VEHICLE SHOPPING INDEX



RETAILING NEW VEHICLES IS TOUGH.

In this age of digital disruption, new vehicle customers can research and shop in so many different ways including social media, online reviews, YouTube videos and manufacturer 'build your car' apps.

These research methods complement traditional research techniques of visiting a dealership, speaking to friends and test driving a potential new car. However, what do today's retail customers consider to be the most 'helpful' research methods in their search for a new vehicle?

This new independent research attempts to answer this difficult question and unpacks the purchasing and buying habits of new vehicle customers, including:

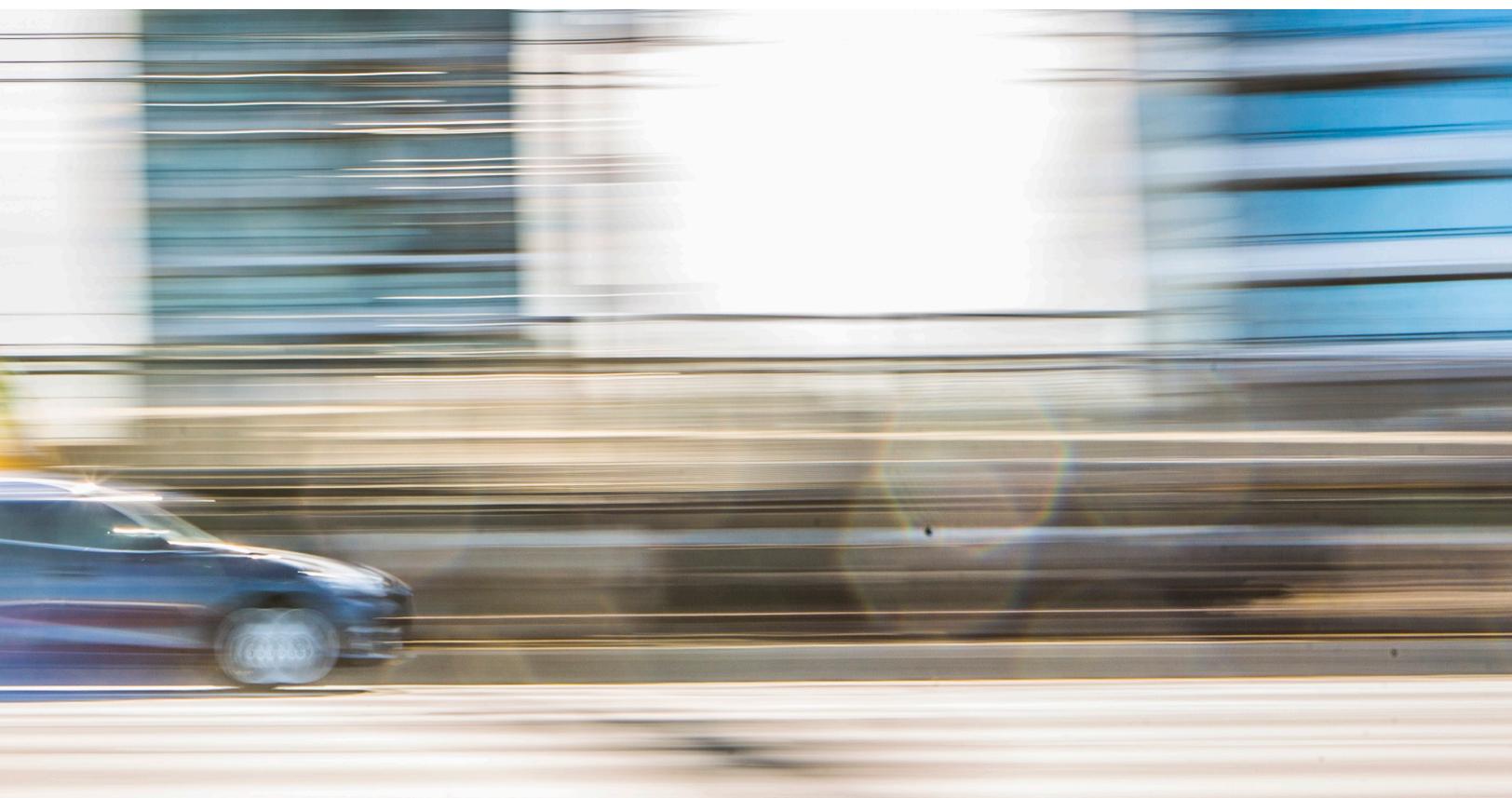
- What research methods do customers prefer and find most helpful?
- Are online research methods preferred to traditional methods?
- How many dealerships do customers visit when shopping for a new vehicle?
- How long is their shopping research phase?
- Does gender or age impact research and buying preferences?

The answers have significant implications in determining the most effective methods of reaching new vehicle customers, whether 'bricks and mortar' investment decisions are still relevant and, how sales consultants can best engage new vehicle customers during the new vehicle shopping and buying phases.



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EXECUTIVE SUMMARY

Boyle Consulting discovered some surprising insights relating to the purchasing and buying habits of new vehicle customers.

PREFERRED RESEARCH METHODS

Despite the prevalence of online new vehicle research methods, customers find visiting a dealership and test drives as the first and second most helpful research methods of the 13 different research methods surveyed.

Information based online research methods including online vehicle reviews and manufacturer or dealership websites were also considered helpful, in stark contrast to opinion based research such as social media. Major and suburban newspapers ranked least helpful of all research methods surveyed.

This key finding justifies dealerships' significant investments in traditional bricks and mortar facilities and floor plan.

RESEARCH PREFERENCES BY GENDER

The research identified some stark differences between the research habits of males and females both before and after purchase.

Before purchase, females tend to conduct their new vehicle research by referring to a wide range of inputs including friends and family, brochures, social media, dealer visits and test drives. In contrast, males have a greater tendency to review new vehicles online, then visit a dealership for test drives.

RESEARCH PREFERENCES BY AGE

Similar to gender, Boyle Consulting discovered age has a significant impact on the most helpful research activities. The younger the new vehicle customer, the more they are influenced by family and friends, test drives and online research.

RESEARCH TIME & VISITS

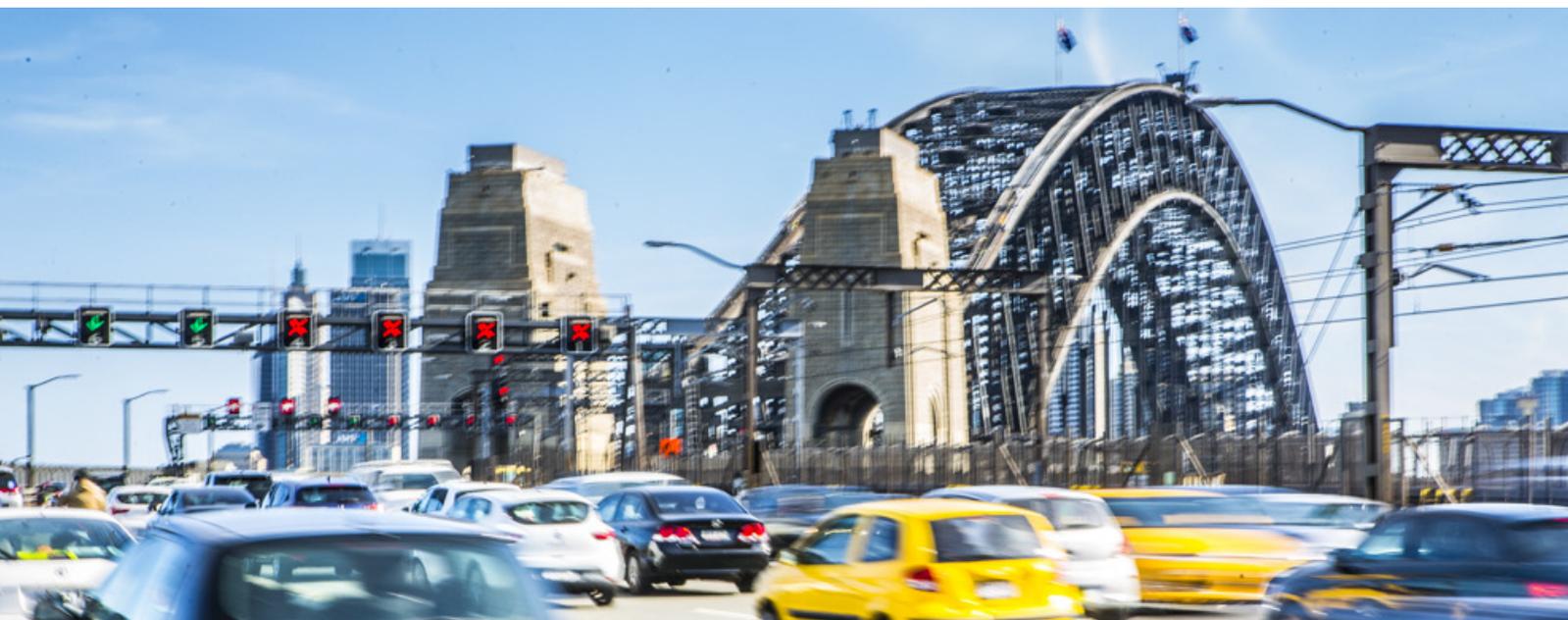
Despite being the second most expensive investment a person will likely make, the majority of customers will take less than a month to shop for a new vehicle and only visit on average 2.2 dealerships.

Once a decision has been made on the make and model, the research discovered things happen quickly with three out of every four customers taking less than a week to purchase a new vehicle.

SALES TEAM

The research also reinforced the value of a professional Sales Consultant.

- Top reasons for customers visiting a given dealership are brand, friendly Sales Consultant and convenient location.
- Top reasons for purchasing from a dealership are professional Sales Consultant, 'a good deal', location and 'you will look after me.'



NINE KEY CONCLUSIONS FROM THIS RESEARCH:



#1 MOST HELPFUL NEW VEHICLE RESEARCH METHODS

Visiting a dealership and test driving are the most helpful new vehicle research methods, ahead of online vehicle reviews and manufacturer websites.



#2 TOP REASONS FOR VISITING A DEALERSHIP

Brand was voted the No.1 reason customers visit a dealership followed by friendly Sales Consultant, location of dealership then dealership reputation.



#3 TOP REASONS FOR BUYING FROM A DEALERSHIP

A professional Sales Consultant is the main reason customers buy from a dealership. A good deal comes second.



#4 SHOPPING AND DECISION TIME

61% of purchase decisions are made within 4 weeks.
83% of customers take less than 8 weeks to shop for a new vehicle.



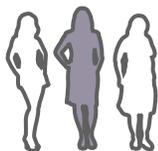
#5 NUMBER OF DEALERS VISITED

Customers visited, on average, 2.2 dealerships whilst deciding on their new vehicle.



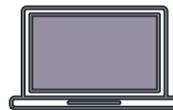
#6 GENDER SHOPPING DIFFERENCES

Females conduct a broader range of research than males, interacting more with many information sources.



#7 AGE SHOPPING DIFFERENCES

Younger customers value test drives, opinions of family and friends, YouTube and social media more than older customers.



#8 INTERNET RESEARCH

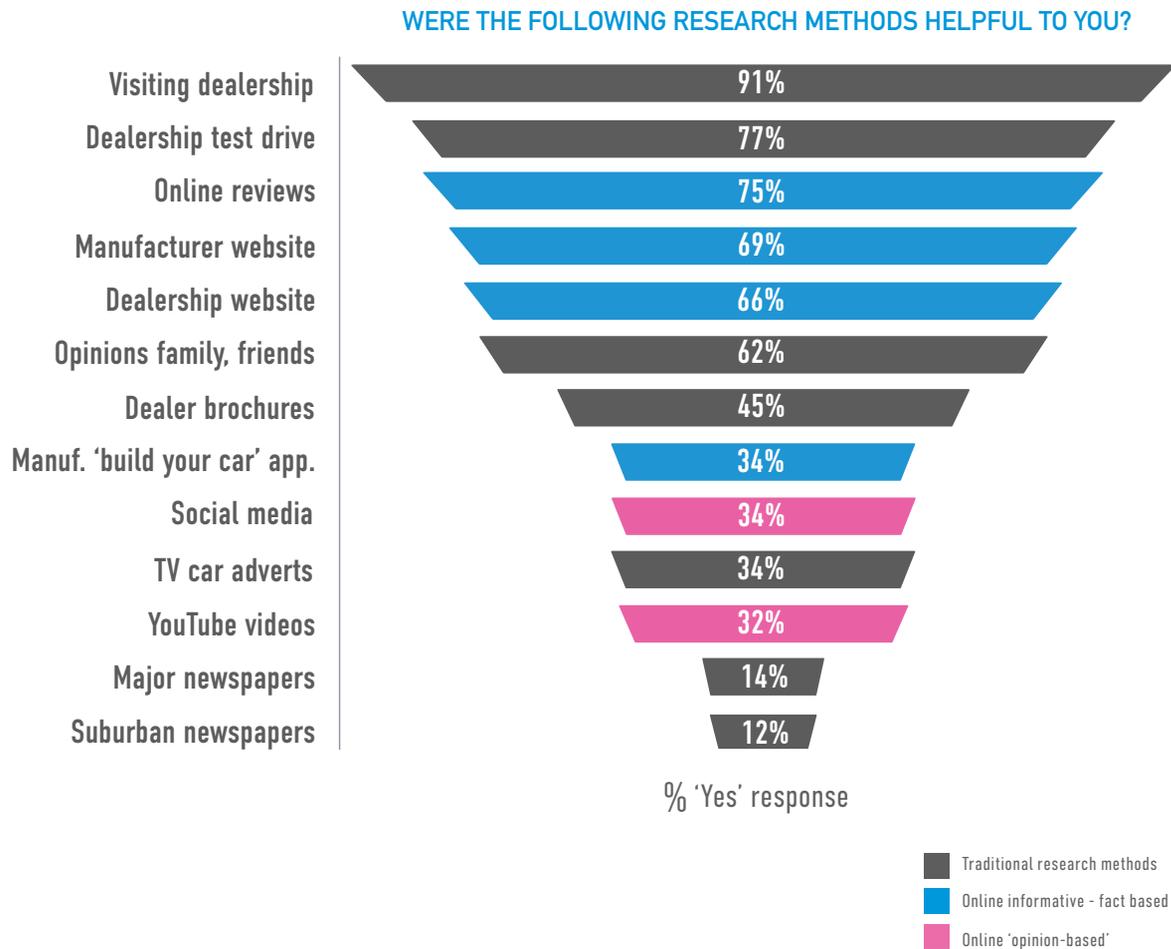
53.6% of customers did not research non franchised, online vehicle sellers at all.
39% searched Carsales.
19.9% searched Cars Guide.
6% searched Gumtree.



#9 NEW VEHICLE DELIVERY

It pays to ask the customer what new vehicle delivery experience they want, with 45% requesting a full detail delivery, 24% are happy with a short summary of features and 9% say, 'Just give me the keys'.

#1 MOST HELPFUL NEW VEHICLE RESEARCH METHODS



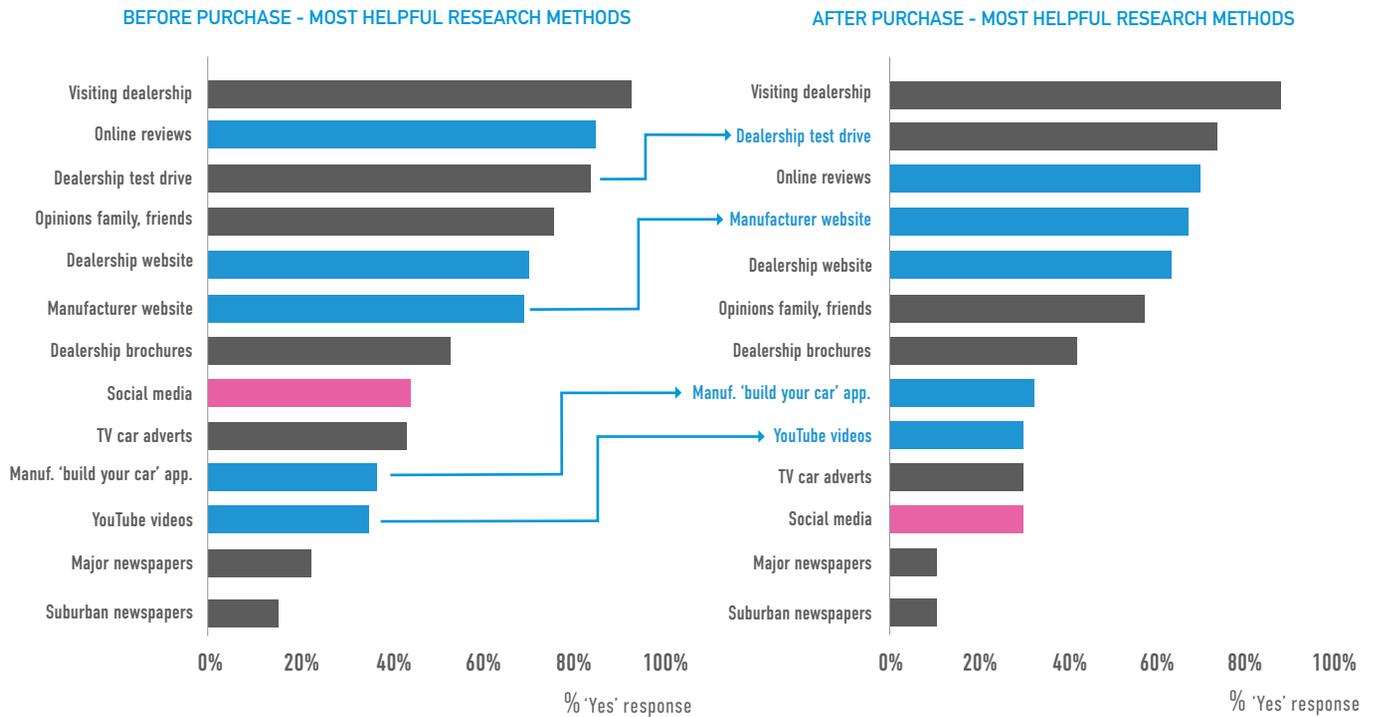
OBSERVATIONS:

- 91% of customers indicated 'visiting a dealership' is the most helpful research method;
- 77% of customers indicated a new vehicle test drive is the second most helpful research method;
- Information based, online research such as manufacturer and dealership websites rated 4th and 5th. Online vehicle configurators ('build your own car' apps) was 8th;
- Social media research and YouTube research rated poorly (9th and 11th out of 13 research options);
- Traditional press (major and suburban newspapers) are the least helpful research method, scoring a lowly 14% and 12% respectively.

#1 MOST HELPFUL NEW VEHICLE RESEARCH METHODS

CHANGES IN OPINION - BEFORE VS AFTER PURCHASE

Before and after purchase customers showed some differences in their opinion regarding the helpfulness of different research methods.

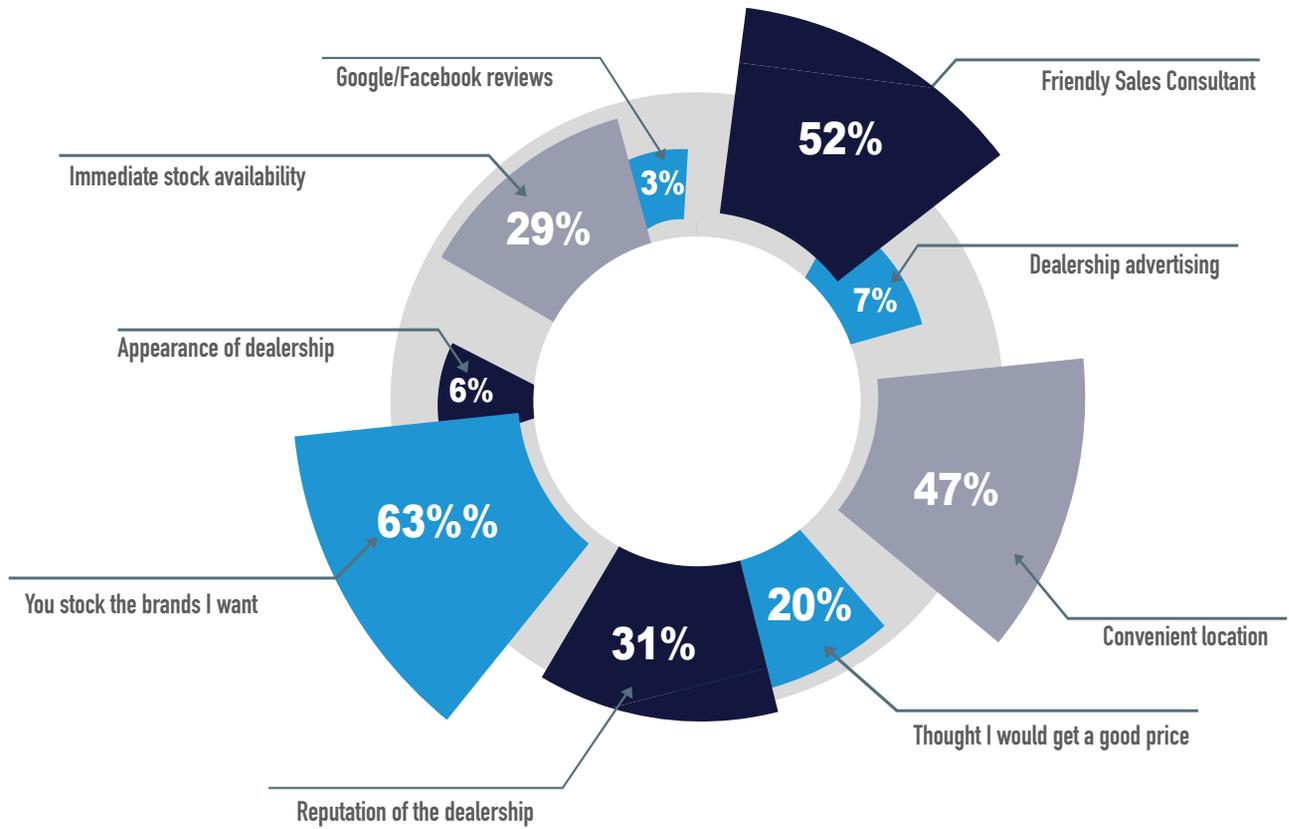


KEY CONCLUSIONS:

CONSIDERED LESS HELPFUL AFTER PURCHASE	SAME RANKING BOTH BEFORE AND AFTER	CONSIDERED MORE HELPFUL AFTER
<ol style="list-style-type: none"> Online reviews #2 to #3 Opinion of family and friends #4 to #6 Social media #8 to #10 TV advertising #9 to #11 	<ol style="list-style-type: none"> 'Visiting a dealership' considered #1 before and after purchase. Dealership website ranked #5 Dealership brochures ranked #7 Major newspapers #12 Suburban newspapers #13 	<ol style="list-style-type: none"> Dealership test drives #3 to #2 Manufacturer websites #6 to #4 'Build your car' app #10 to #8 YouTube video #11 to #9 

- Information based/factual online research has replaced traditional research methods such as the opinion of family and friends and press advertising;
- Overall social media does not rate highly as a helpful new vehicle research tool, though young buyers do value it more than more senior customers.

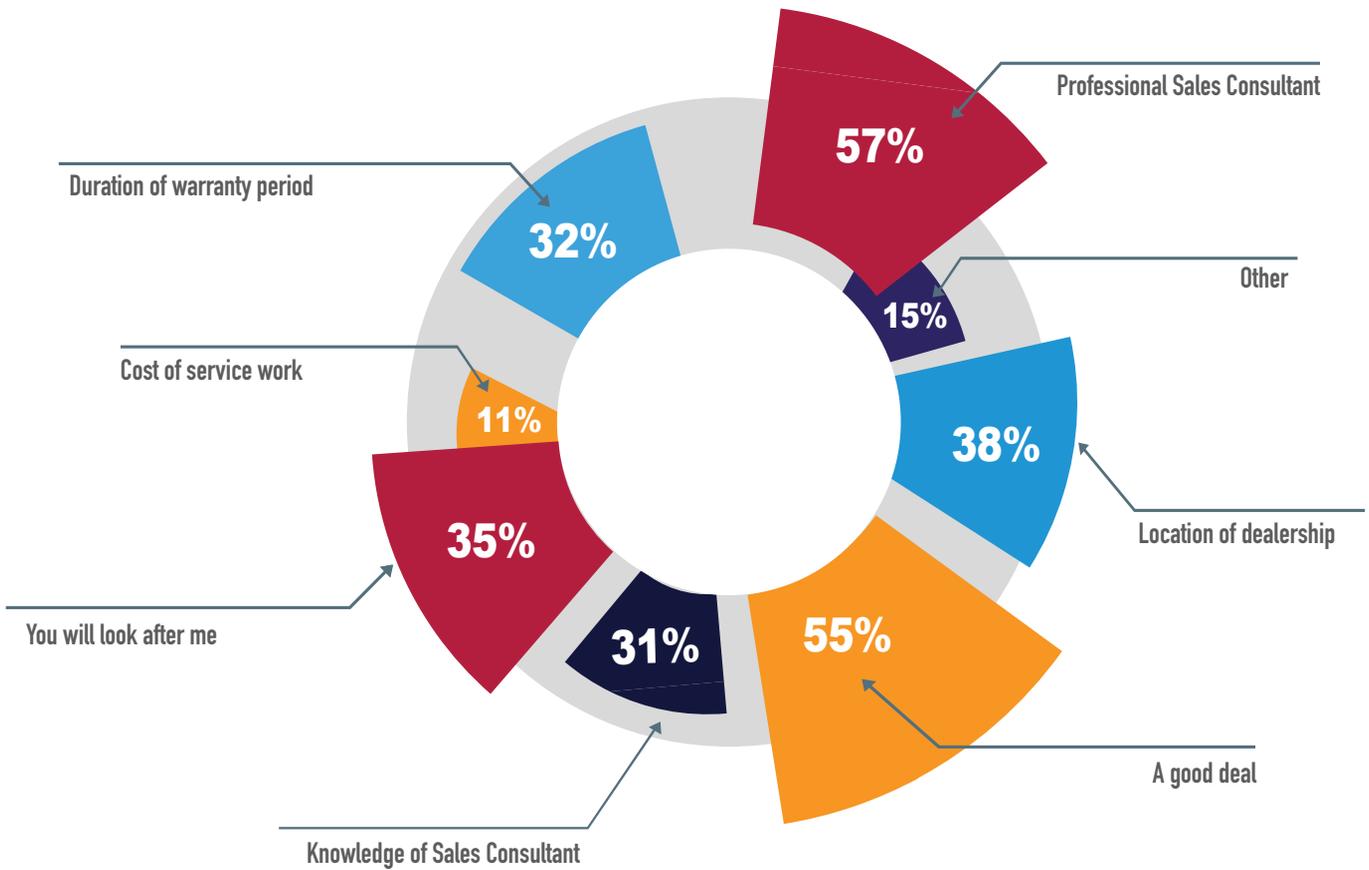
#2 TOP REASONS FOR VISITING A DEALERSHIP



TOP REASONS FOR VISITING A DEALERSHIP - SUMMARY



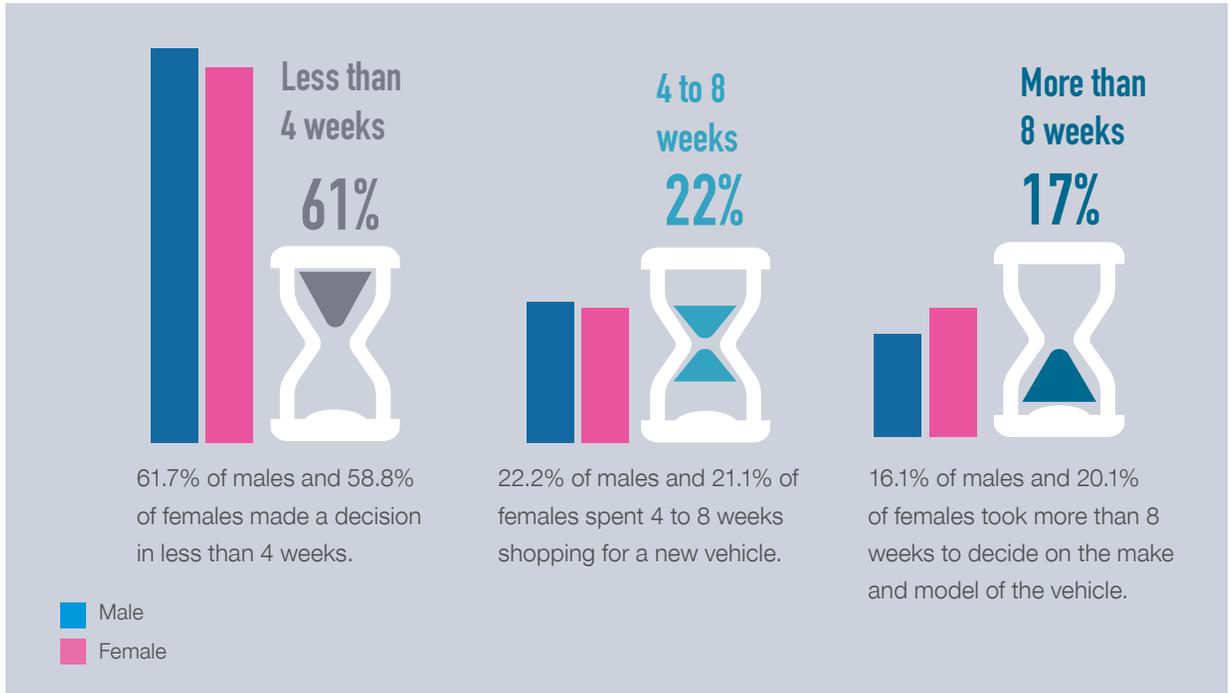
#3 TOP REASONS FOR BUYING FROM A DEALERSHIP



TOP REASONS FOR BUYING FROM A DEALERSHIP - SUMMARY



#4 NEW VEHICLE SHOPPING TIME TO DECIDE MAKE AND MODEL



KEY CONCLUSIONS:

#1 Customers decide which vehicle they will purchase very quickly;

#2 Gender has minimal impact on the time customers take to shop for a new vehicle.

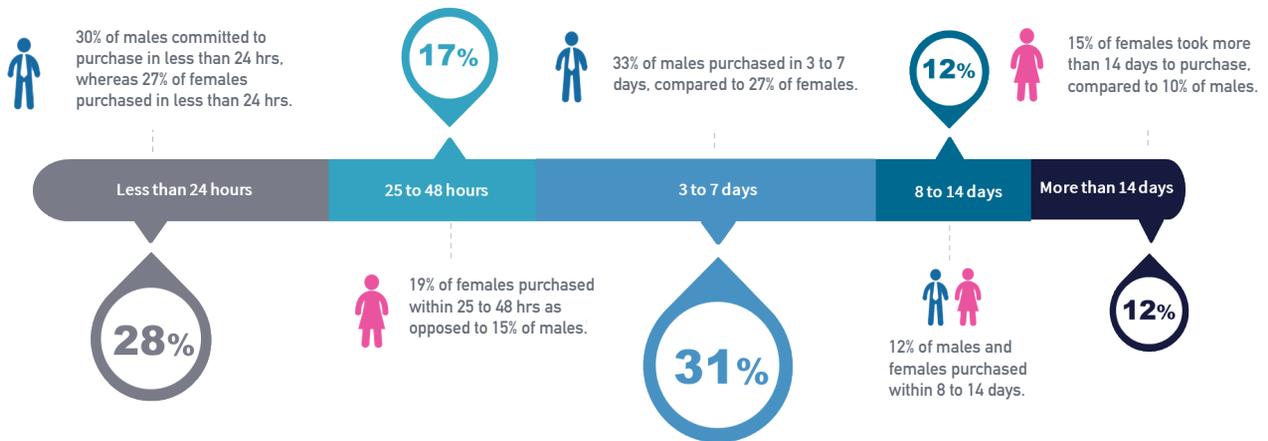
61% of new vehicle customers take **less than four weeks** shopping for a new vehicle.

83.1% take **less than eight weeks** to shop for a new vehicle.

#4 NEW VEHICLE SHOPPING TIME TO DECIDE MAKE AND MODEL

Once a decision has been made on the make and model, 28% of customers will commit to purchase their new vehicle in less than 24 hours.

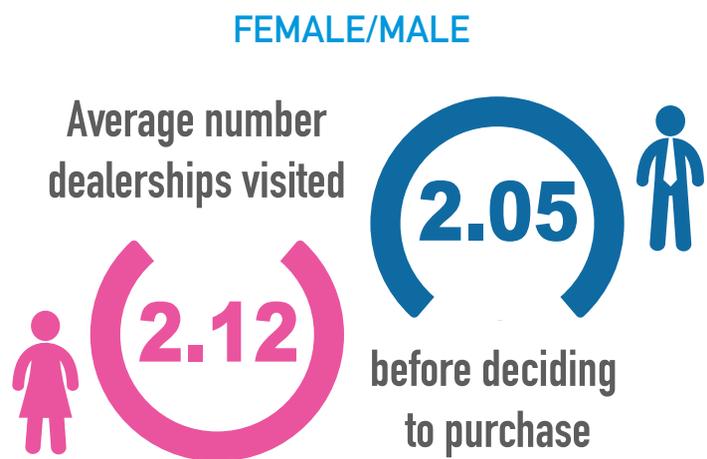
ONCE MAKE AND MODEL IS DECIDED





#5 NUMBER OF DEALERSHIPS VISITED

Customers visit a surprisingly small number of dealerships as they shop for a new vehicle.



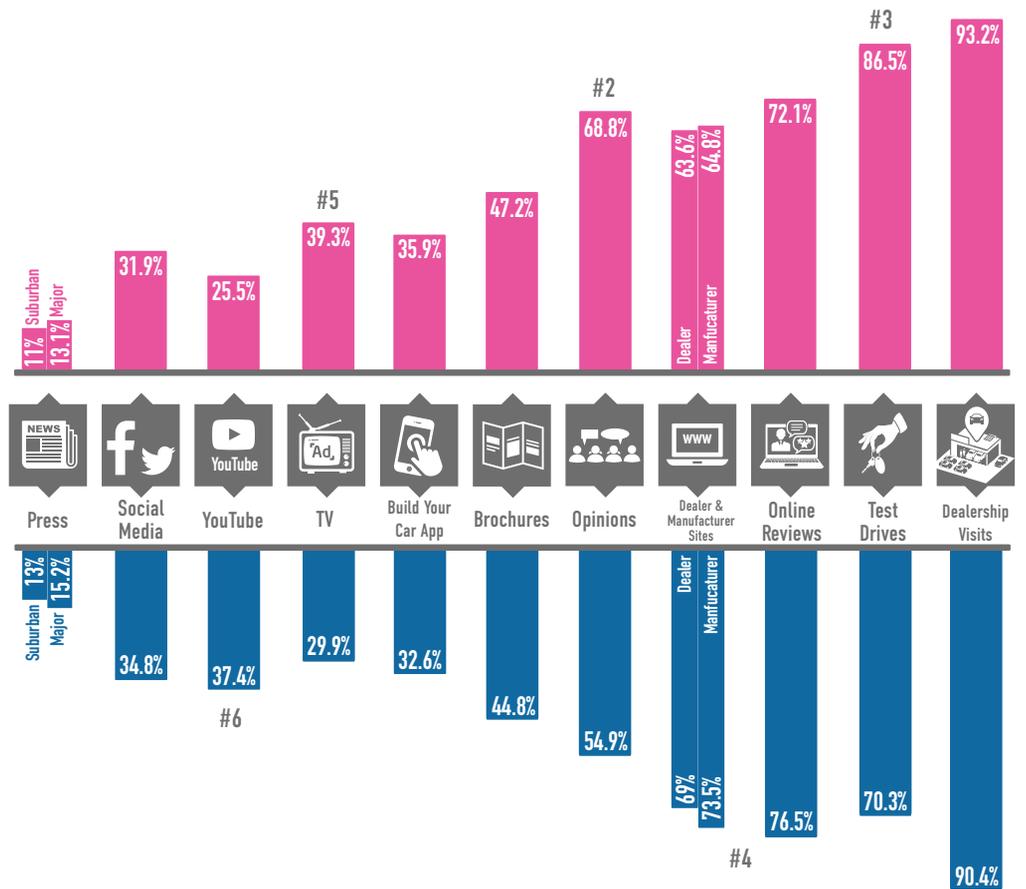
Irrespective of gender, 85% of customers visited less than three dealerships.

#6 DOES GENDER IMPACT RESEARCH & BUYING PREFERENCES?

 Females found dealership test drives and the opinions of friends and family significantly more helpful than males.

NEW VEHICLE RESEARCH METHODS

 Males considered online research tools (dealer or manufacturer websites and reviews) more helpful than a test drive.



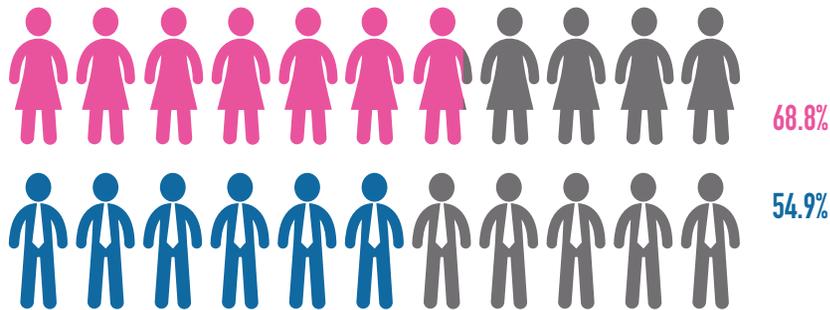
The graph above summarises the 'helpfulness' of various research methods by gender.

KEY CONCLUSIONS:

#1 Females rate a broader range of research methods as helpful;



#2 68% of females find the opinions of family and friends as helpful, compared to 54% of males;



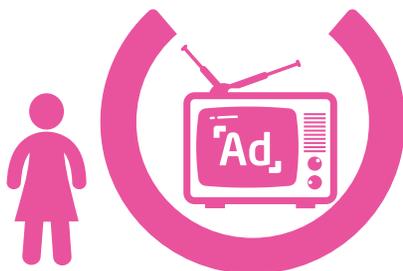
#3 86% of females find a test drive helpful compared to 70% of males;



#4 Males rate factual online research (online reviews, dealer and manufacturer websites) as more helpful than females;



#5 Females are 25% more likely to value TV ads than males;



#6



Males are ~30% more likely to use YouTube to evaluate a purchase.

#7 DOES AGE IMPACT RESEARCH PREFERENCES?

HOW HELPFUL?

When shopping for new vehicles, younger customers tend to:



18-24



25-34



35-54



55+

Use social media



47.1%

43.3%

37.2%

21.8%

Research YouTube



47.1%

38.3%

35.6%

22.1%

Speak to family and friends



76.5%

70%

59.9%

54.8%

Value test drives



100%

78.3%

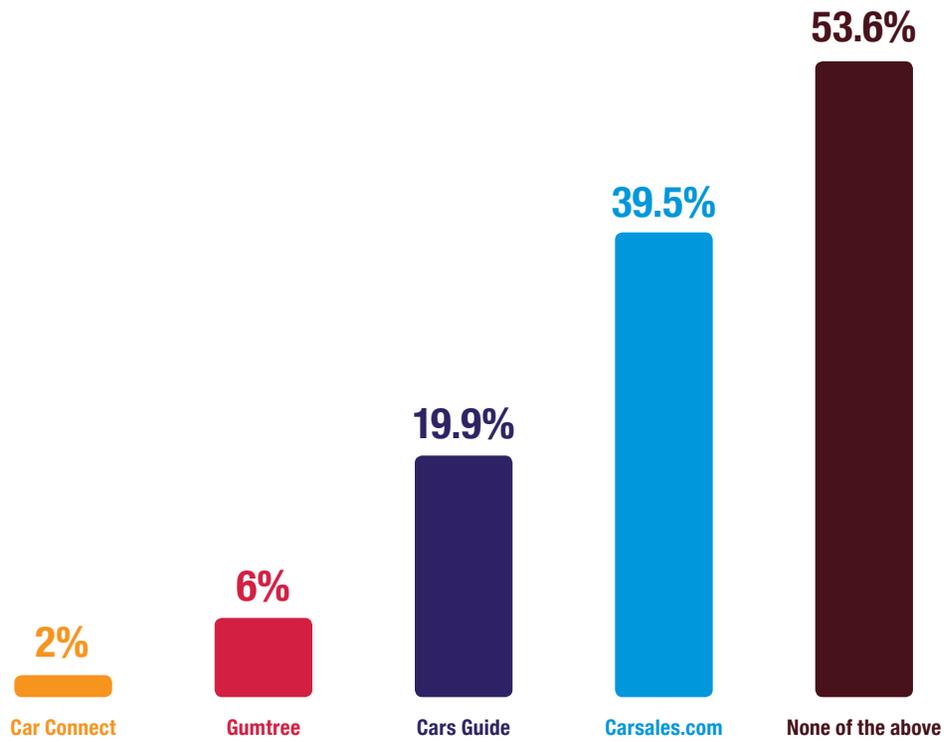
79.1%

71.3%

% of helpfulness



#8 WHAT CAR SITES DID YOU VISIT?



What online car sites did you visit?

KEY CONCLUSIONS:

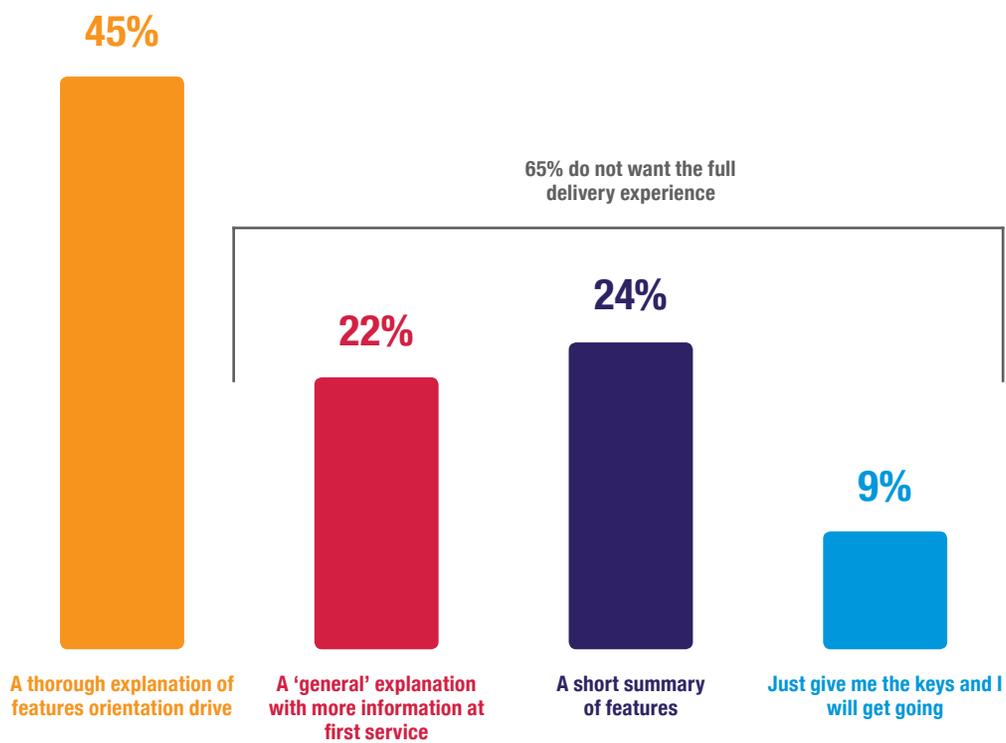
#1 Carsales.com (39.5%) and Cars Guide (19.9%) were the most visited sites;

#2 53.6% of customers did not visit Australia's two major new vehicle websites when purchasing a new car.

#9 WHAT DELIVERY METHOD DO YOU PREFER?

Customer preferences on how their new vehicle is delivered and the detail provided varies considerably.

New Vehicle Delivery Preferences



KEY CONCLUSIONS:

#1 Almost half prefer a full delivery experience;

#2 One third just want the essentials.

RESEARCH METHODOLOGY

We recognise the ubiquitous nature of online research for new vehicle purchasing, however for this research, we chose to ask prospective shoppers and recent new vehicle buyers, '*...what they found to be the **most helpful** research method to them.*'

Final results came from 364 new vehicle customers. Research was conducted in the 2nd quarter of 2018. The conclusions in this report are pioneering yet promising and form a base for future research.

ACKNOWLEDGMENT

To conduct this research, Boyle Consulting needed to survey current new vehicle shoppers and buyers. We greatly appreciate Motorama's assistance in distributing the research instrument to their customer base, in order to execute this new research.

RESEARCH CONCLUSIONS

Conclusions in this report have been developed independently by Boyle Consulting, based on its analysis of research data. Conclusions will be validated in future research.

Dealerships who wish to participate in this new research can contact:

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