Digital
Marketing
Transformation

Estudio Gearshift 2020

November 2020

Your Google team

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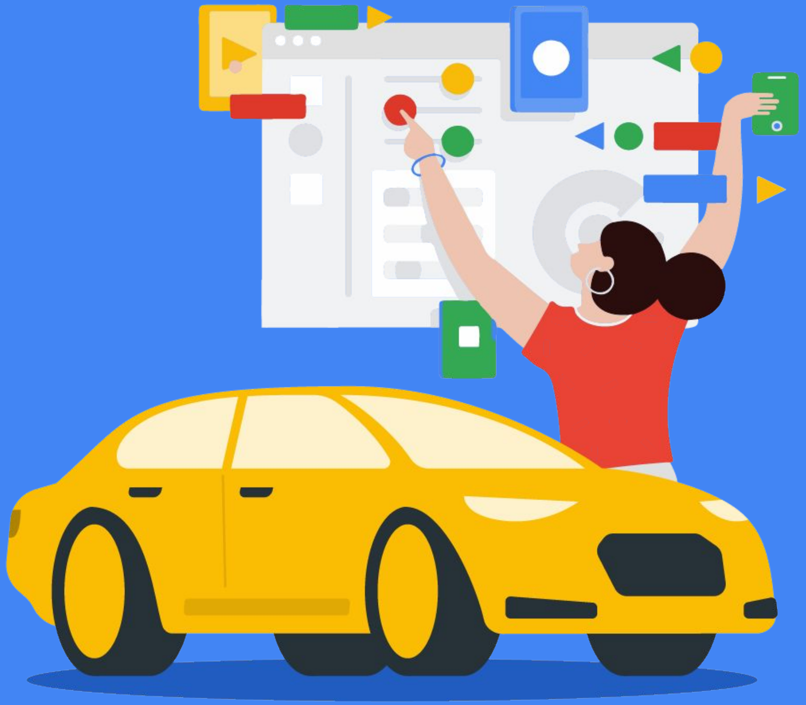
Agenda

- Estudio Gearshift 2020
    - Introduction & Learnings from Covid-19
    - Audiences
    - Journey design: create impact, not noise
    - The modern research journey
    - Dealerships and the rise of online purchase options

Gearshift 2020

New car buyers



Methodology

Sampling and Target KANTAR | Google

- Onliners 18 years and older who have bought a new vehicle within the last 6 months
- Online sampling using the KANTAR online access panels per market (Spain)
- Surveys were administered April – July 2020

Google Search trends and Audience explorer

- Information inferred from Google observed user activity (non declared)
    - Signals from Search, GDN and YouTube
    - Last 30 days of activity (september 2020)

Introduction & Learnings from Covid 19

160.000.000

Búsquedas en España de la industria de Auto* en 2020

Source: Google internal data

* Incluye búsquedas de principales marcas, modelos y términos genéricos

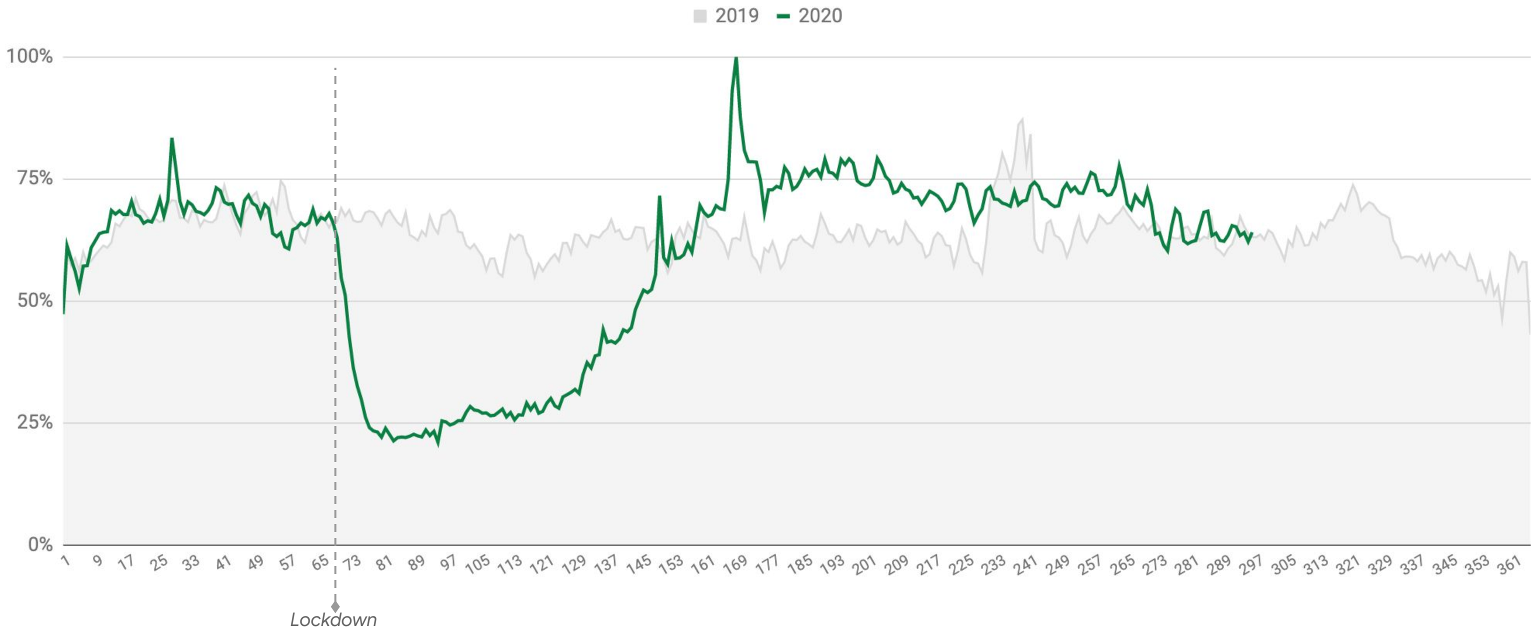
COVID-19 is causing global disruption to people's lives

> "From a business point of view, COVID-19 is a disruption, and disruptions work by clearing the way for underlying trends to find the mainstream and become dominant."

J. Walker Smith
Chief Knowledge Officer, Kantar

After search demand decrease during lockdown, Auto queries in Spain have increased more than 10% since June

Auto industry query volume evolution (Jan 2020 - present)

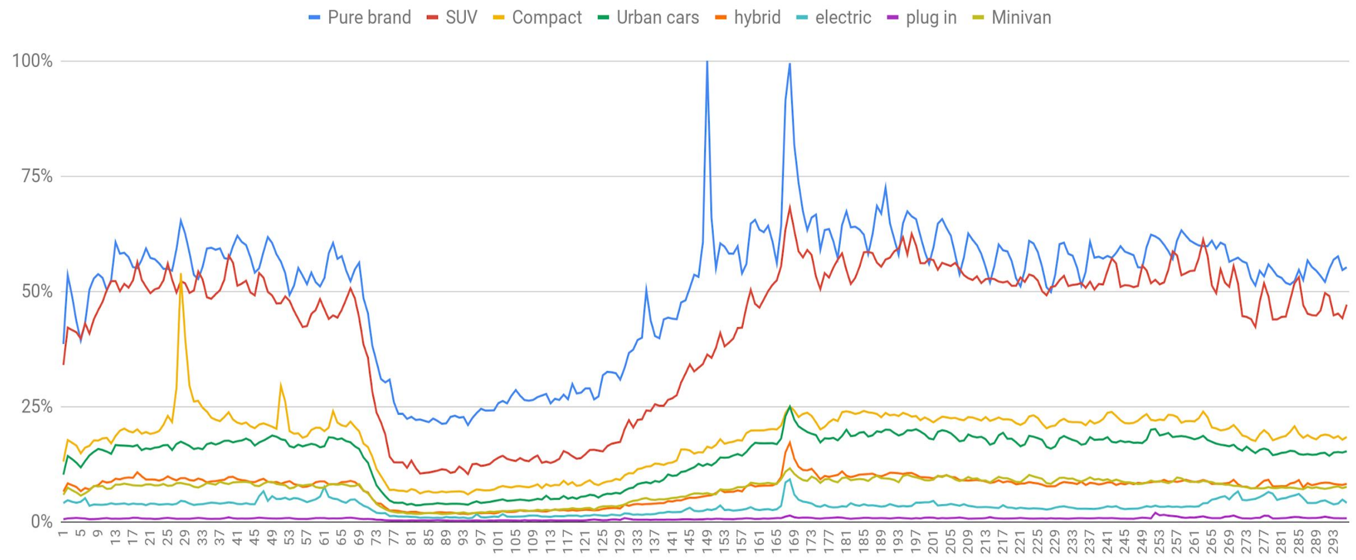


Source: Google internal data

Google

Regarding segments, almost all have followed the same pattern with SUVs and Urban cars leading in terms of growth

Auto industry query volume evolution by segment (Jan 2020 - present)

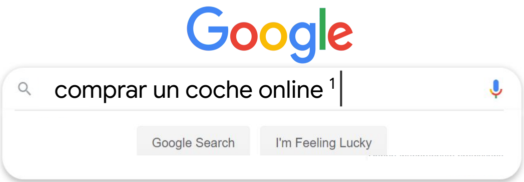


	(Jun - Oct YoY)
Pure brand	-7%
SUV	+15%
Compact	+14%
Urban	+16%
Hybrid	+7%
Electric	-8%
Plug in	+6%
Minivan	+7%

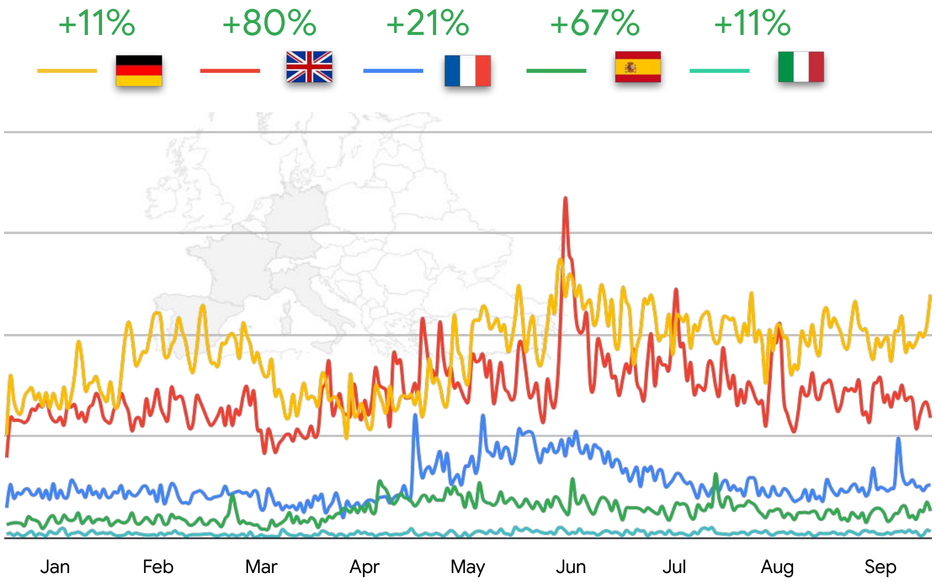
Source: Google internal data

Google

Since the pandemic outbreak, search interest for buying a car online has increased by 67% in Spain



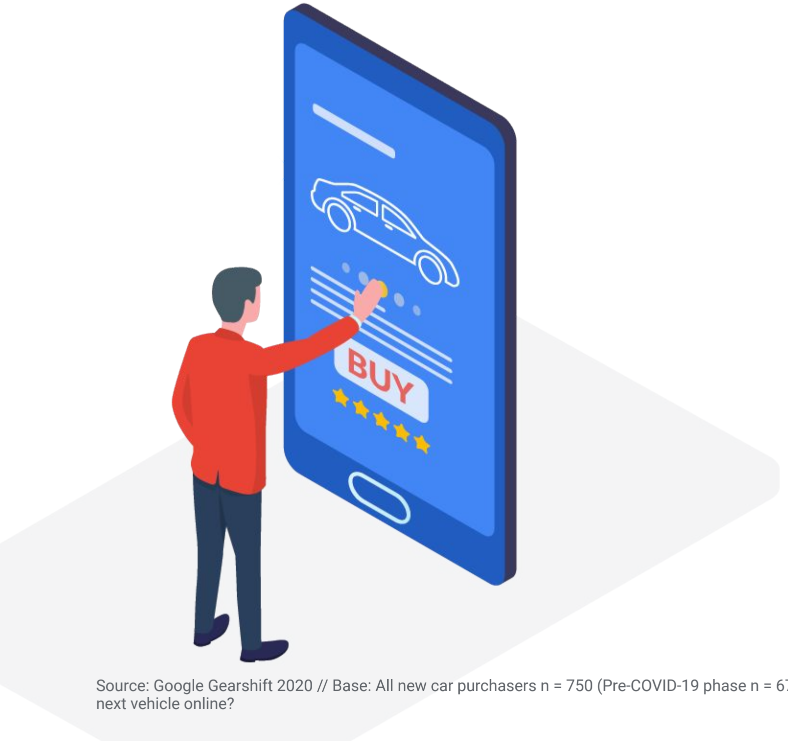
Despite the pandemic outbreak, queries **for *buying a car online* have sustained momentum significantly above last year in Spain (+67%).** All markets showed strong growth since last year with the largest increases in query volume starting in April 2020



Source: Google internal data, Indexed search queries related to buying a vehicle online since Jan 2020; Global average across US, BR, DE, UK, FR, IT, ES, JP.
(1) all search queries related to online purchase intent in the local language; (2) YoY growth: 16 Sep - 13 Oct 2020 vs. same period in 2019

Willingness to order online increased slightly during the pandemic...

Impact of COVID-19 willingness to order online



% of vehicle buyers who would definitely consider buying next car online

if the car will be delivered to your home address	the car will be delivered to a nearby dealership of your choice
27% pre COVID-19	33% pre COVID-19
27% during COVID-19	36% during COVID-19

Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 (Pre-COVID-19 phase n = 675, In-COVID-19 phase n = 75) // Q29: Given the following options, would you consider purchasing your next vehicle online?

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...However, COVID-19 has not accelerated online sales yet

Impact of COVID-19 on online vehicles sales

2%

pre COVID-19

2%

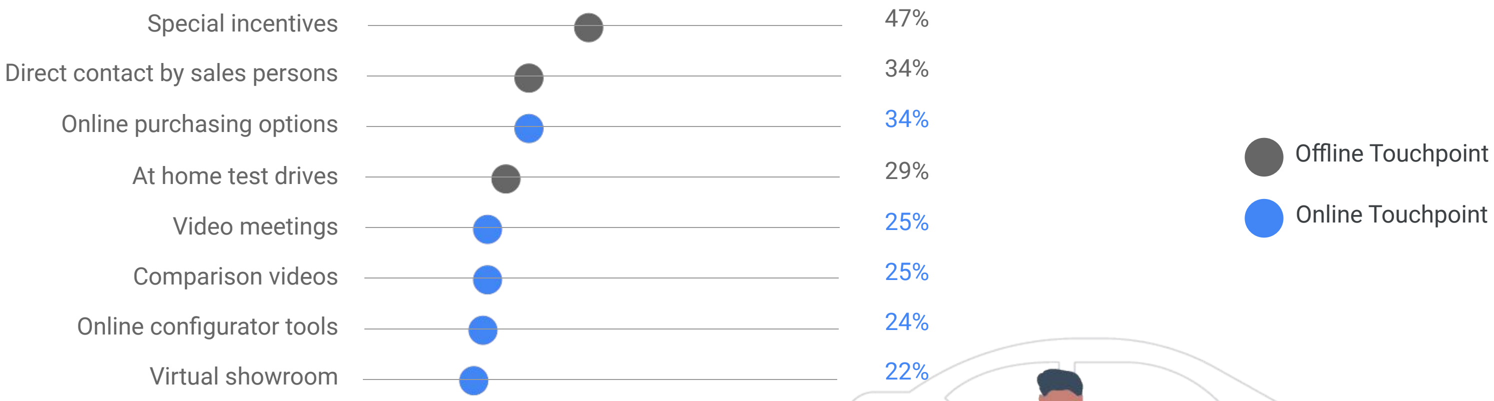
during COVID-19

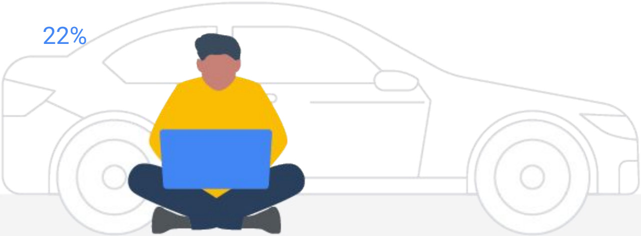
% who purchased recent vehicle online

Source: Google Gearshift 2020
Base: All new car purchasers n = 750 (Pre-COVID-19 phase n = 675, In-COVID-19 phase n = 75)
KPIs: Overview P2P parameters and combinations

Primarily, buyers expect incentives, but the purchase experience will also become more digital

Customer expectations during COVID-19 crisis



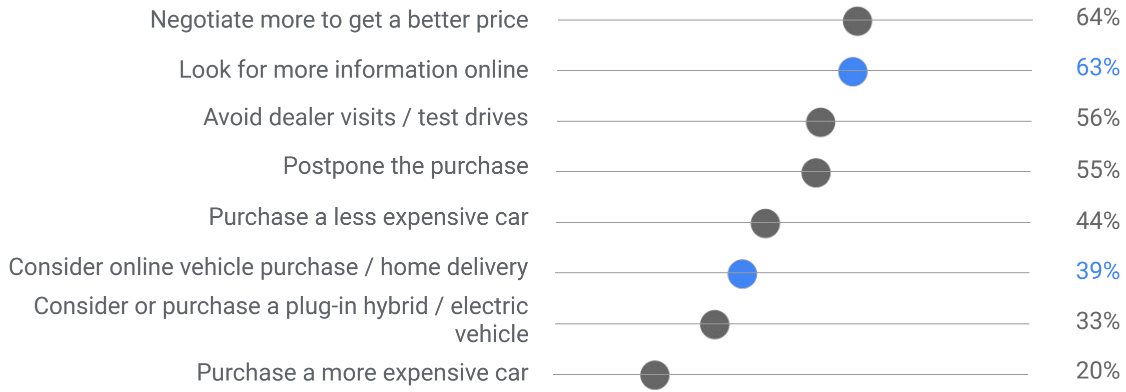


Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // QC01: We are currently facing a critical global situation due to COVID-19. What would you expect as a car purchaser from vehicle dealers and manufacturers in this situation?

Buyers set further price pressure, look for more information online - and postpone the purchase

Behavioral impact of COVID-19 on car purchasers

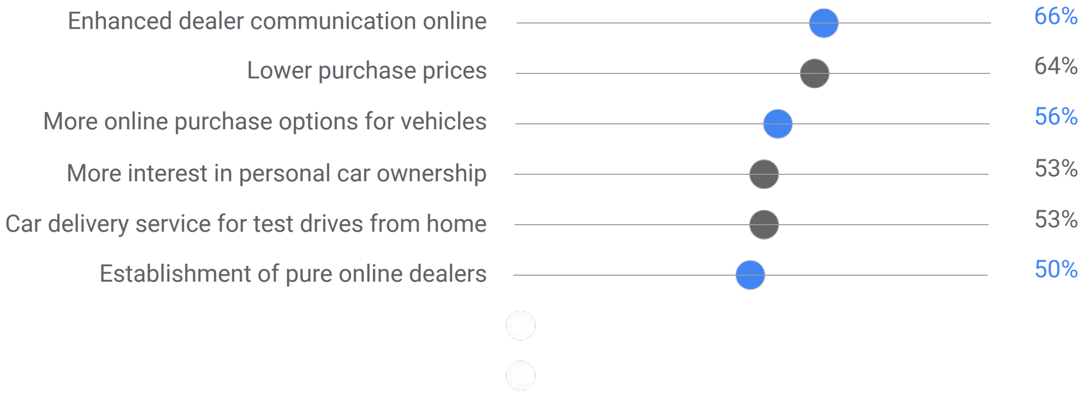
What would buyers do differently



Source: Google Gearshift 2020 // Base: All new car purchasers from months before March 2020 (before Corona crisis in most markets) n = 675 //
QC02: In comparison to your last vehicle purchase, would you do anything differently given the current COVID-19 situation? -- Top Two (Very likely/Likely)

Buyers expect a more digital purchase process and lower purchases prices

How buyers think that COVID-19 will reshape car sales

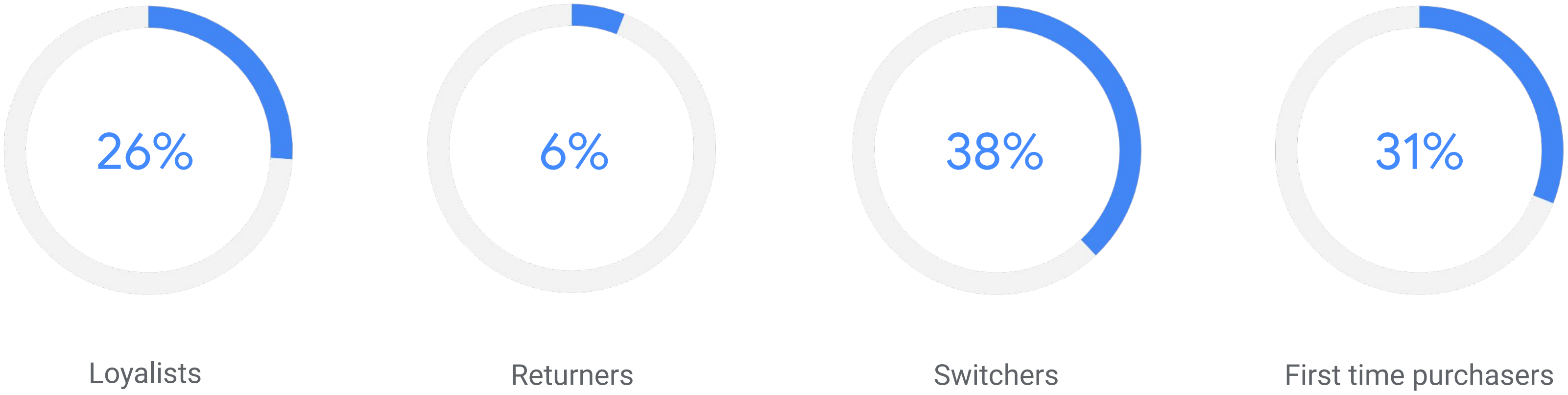


Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // QC03: Thinking about the time after the COVID-19, how will the vehicle market and car purchase process change after the current situation has passed? -- Top Two (Very likely/Likely)

Audiences

The overall buyer profile shows high openness for new brands and more than 30% are first time buyers

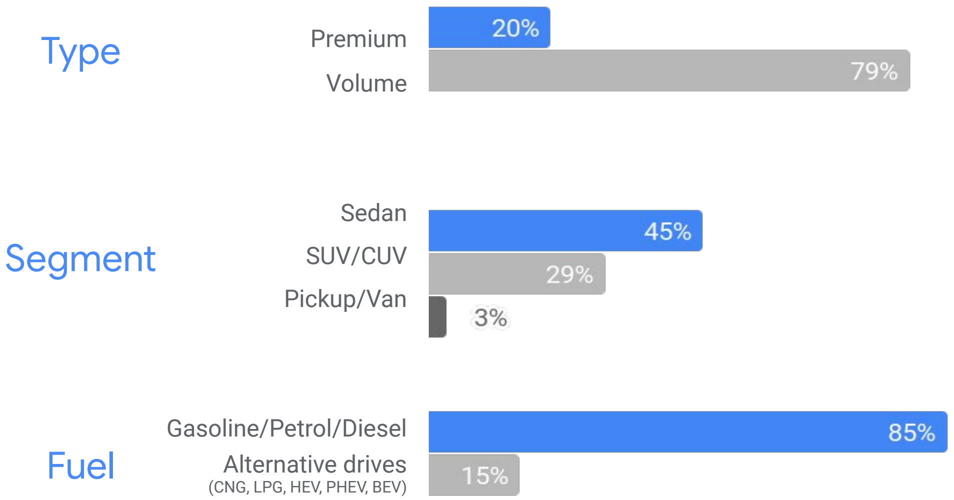
New vehicle buyers - level of brand loyalty



Source: Google Gearshift 2020
Base: All new car purchasers n = 750 // Q5: Was this the first time you purchased a new vehicle / used or certified pre-owned vehicle? // Q6: Which make did you purchase? // Q7: And which model did you purchase?
Base: All new car purchasers who have purchase a vehicle in the past n = 521 // Q9: Have you purchased this make of vehicle in the past?

Volume and combustion engines dominate while 15% have bought an alternative drive (CNG, LPG, HEV, PHEV, BEV)

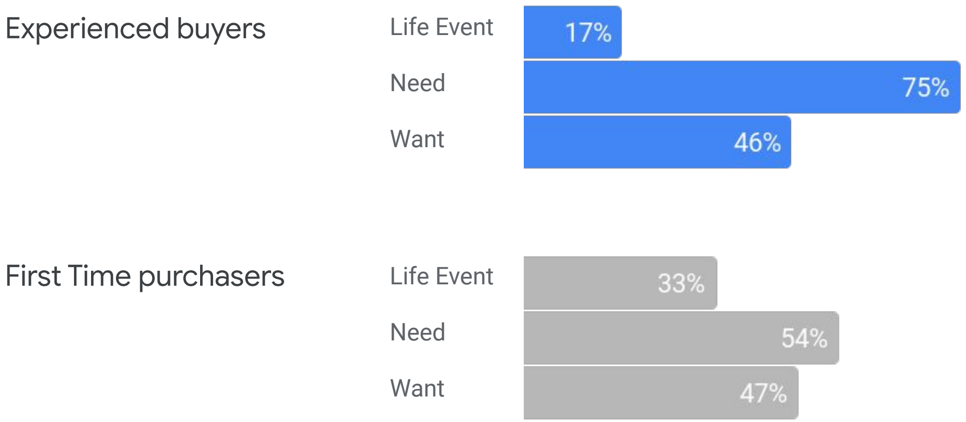
New vehicle buyer - purchases



Source: Google Gearshift 2020
Base: All new car purchasers n = 750 // Q5: Was this the first time you purchased a new vehicle / used or certified pre-owned vehicle? // Q8: What type of car (fuel) did you buy? // Q6: Which make did you purchase? // Q7: And which model did you purchase?
Base: All new car purchasers who have purchase a vehicle in the past n = 521 // Q9: Have you purchased this make of vehicle in the past?

Life events are a relevant trigger for 1st time purchases; while experienced buyers are more triggered by need and wish

Trigger to buy a new vehicle



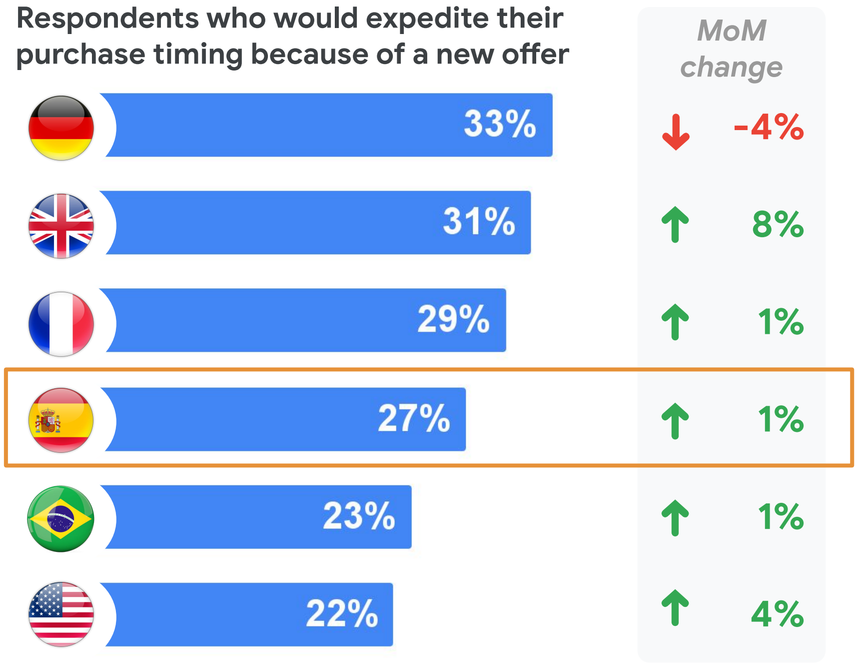
Life Event: Marriage or moved in with partner // Growing family // Children became eligible to drive // New job / promotion // Graduation from college or professional training // Relocation // Retirement
Need: Leasing contract ran out // Need to replace old car // Need for second or additional car
Want: Wish for new vehicle // Wish for reward / dream car // Good price / offer / incentive // Noticed ad for the vehicle // Contacted by dealer // Contacted by brand

Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q4: Did any of the following motivate you to look for a vehicle?

Auto Intenders maintained their appeal for new offers & incentives as a catalyst to expedite their vehicle purchases

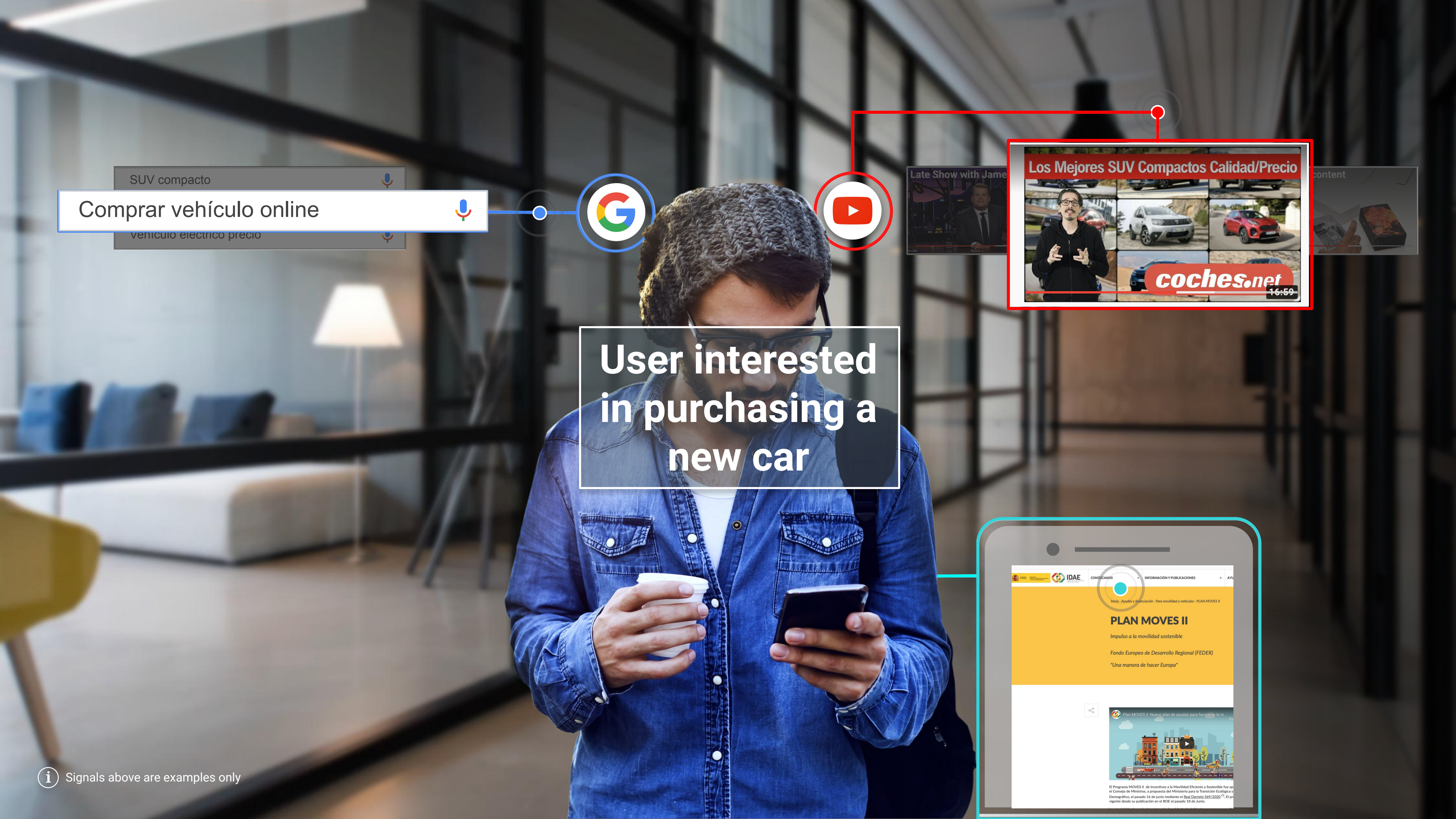
1-in-4 respondents (25%) across markets indicated that this would lead to them purchasing sooner.

Respondents in all markets, except **Germany signaled an increase** in this accelerating their purchase decisions



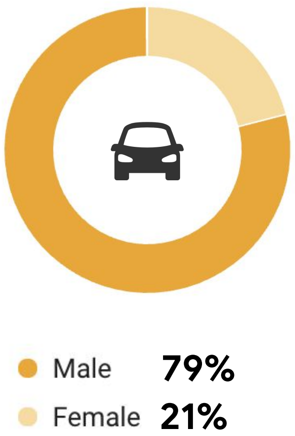
Source: Google Survey, May - Aug 2020, Question 5: "Which of the following factors has impacted any changes to your decision making and timing in relation to your planned vehicle purchase?"; Filtered responses for those who answered 'Intend to purchase sooner than planned' from Question 4. Global average across US, BR, DE, UK, FR, ES.


SUV compacto
Comprar vehículo online
Los Mejores SUV Compactos Calidad/Precio
coches.net
16:59
IDAE
PLAN MOVES II
Impulso a la movilidad sostenible
Fondo Europeo de Desarrollo Regional (FEDER)
"Una manera de hacer Europa"
Signals above are examples only

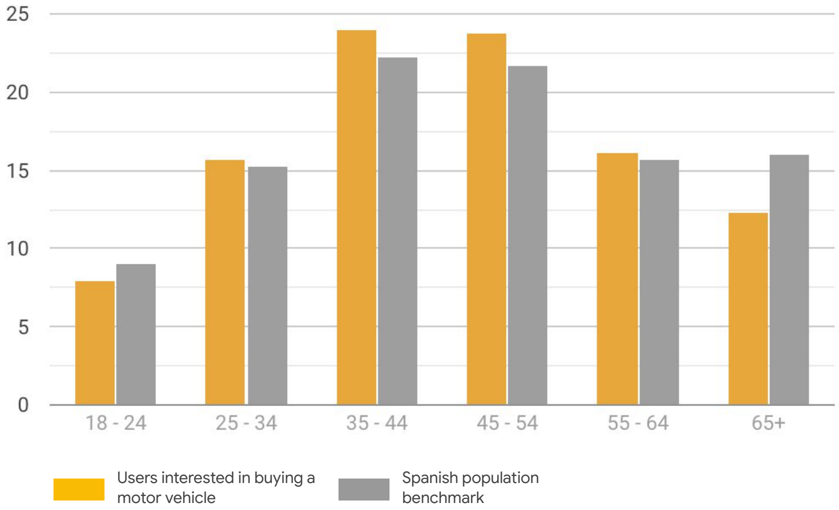

SUV compacto
Comprar vehículo online
Los Mejores SUV Compactos Calidad/Precio
coches.net
16:59
User interested in purchasing a new car
IDAE
PLAN MOVES II
Impulso a la movilidad sostenible
Fondo Europeo de Desarrollo Regional (FEDER)
"Una manera de hacer Europa"
Signals above are examples only

Users interested in buying a motor vehicle in Spain are predominantly male and similar to benchmark regarding age

Gender distribution for users interested in buying a motor vehicle and benchmark, inferred from Google observed user activity



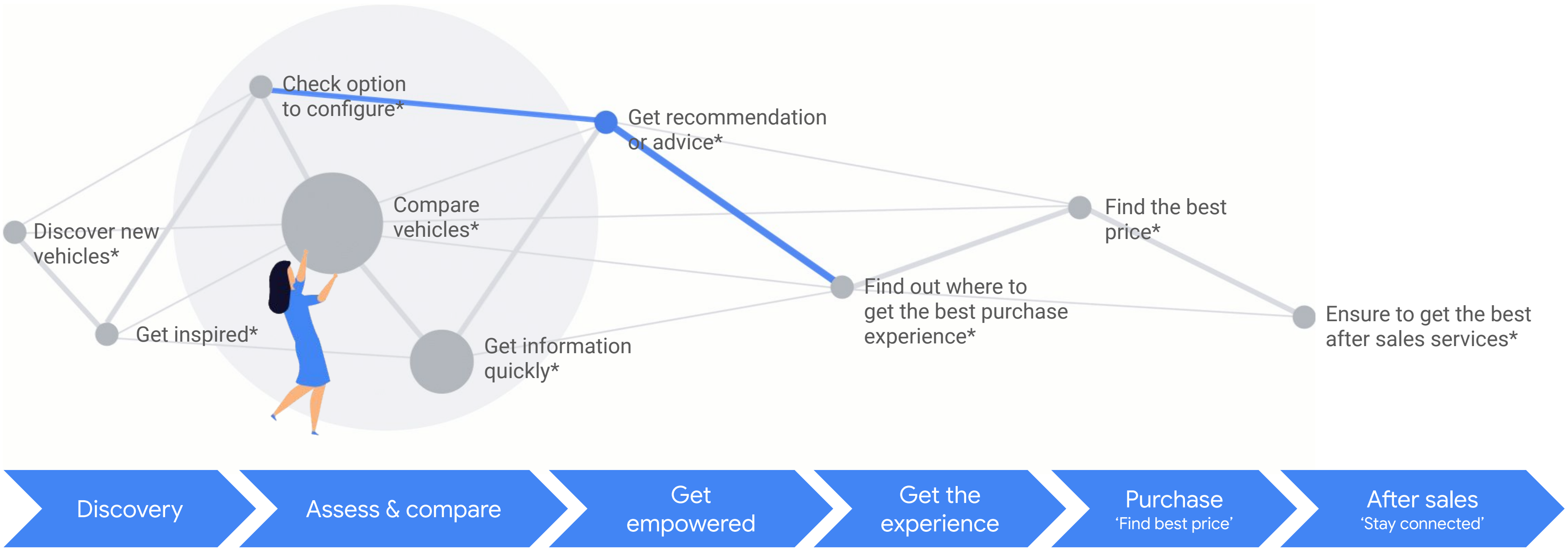
Age distribution for users interested in buying a motor vehicle and benchmark, inferred from Google observed user activity



Journey design: create impact, not noise

Modern journey models demystify the research phase

The research phase is a non-linear series of impact points reflecting buyer's key information needs. Effective comms seeks to provide relevant information at key impact points.



*'Impact point' of vehicle consumer journeys. Each one represent a key need and brands that know and appreciate them will be able to add value

Each impact matters and shows the complexity of the journey. Checking & advice matter as much as getting the best price

Relevance of impact points

74%
Discover new vehicles

86%
Get inspired

94%
Check option to configure

92%
Compare vehicles

92%
Get information quickly

95% ★
Get recommendation or advice

89%
Find out where to get the best purchase experience

97% ★
Find the best price

95% ★
Ensure to get the best after sales services

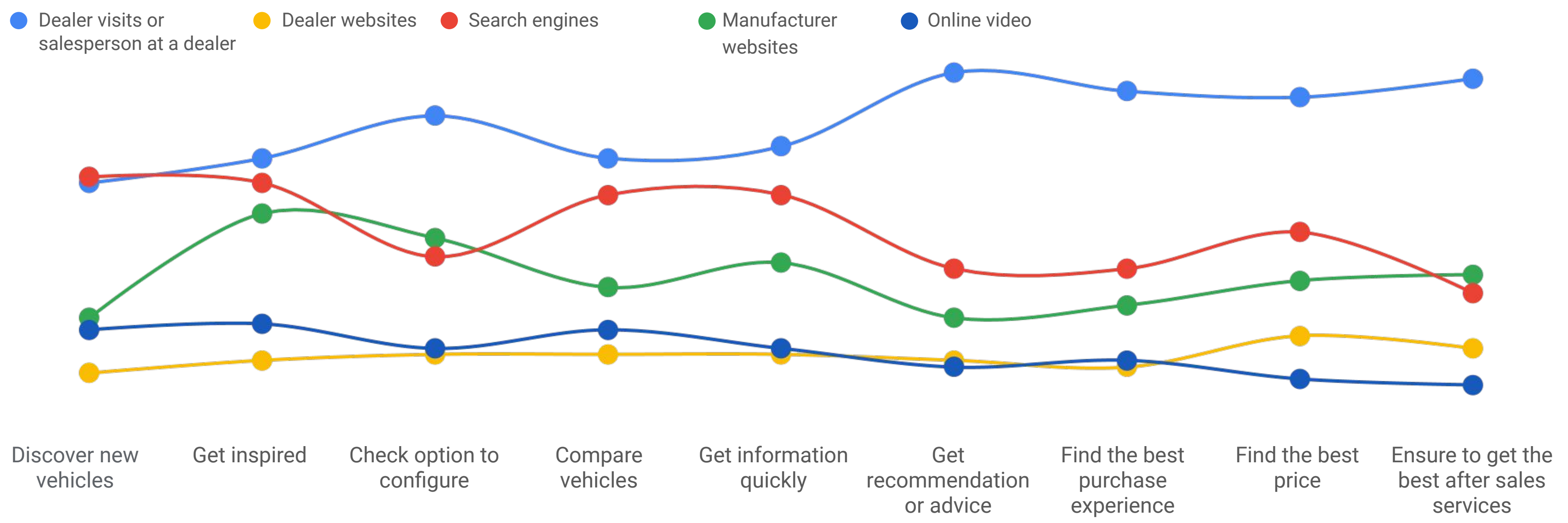
Discovery → Assess & compare → Get empowered → Get the experience → Purchase 'Find best price' → After sales 'Stay connected'

Importance of impact points - (very) relevant

Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q25: When purchasing a vehicle, how important are these experiences for you?

Search matters especially in early stages, brand websites support inspiration & config. and dealer visits provide advice & after sales

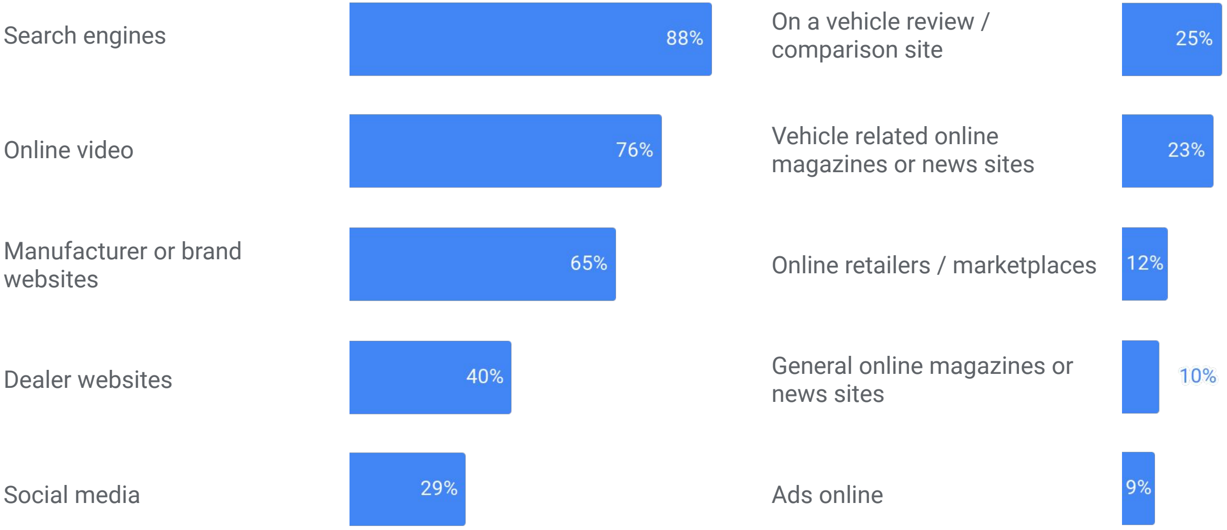
5 relevant touch points used at each impact point



Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q26: At which of these touchpoints below do you gather information on each of these steps, if at all?

Search and video are leading research sources in general, as well as brand websites

Online research sources

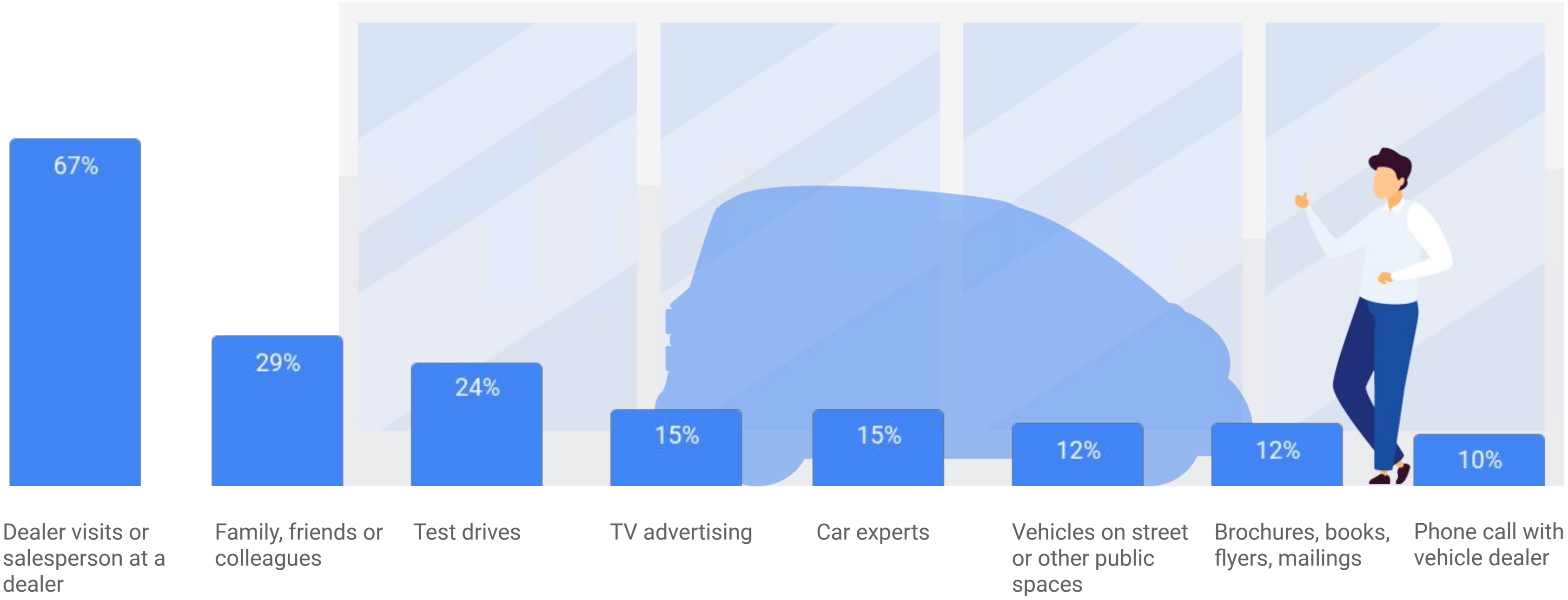


93% of buyers research online, at #6 different online touch points

Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q14: Which of these online sources informed or influenced your recent vehicle purchase, at any stage (from initial research to final decision)?

Dealers and recommendations from friends & family make up the majority of offline research

Offline research sources



Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q18: Which of these offline sources informed or influenced your recent vehicle purchase, at any stage (from initial research to final decision)?

The modern research journey

Almost 50% of buyers spend less than 1 month in market before the car purchase

Length of research cycle

46%

8%	15%	23%	23%	13%	9%	6%
Less than one week	1 week to less than 2 weeks	2 weeks to less than 1 month	1 month to less than 2 months	2 months to less than 3 months	3 months to less than 6 months	6 months or longer

Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q24: How much time passed between starting to research and actually purchasing a vehicle?

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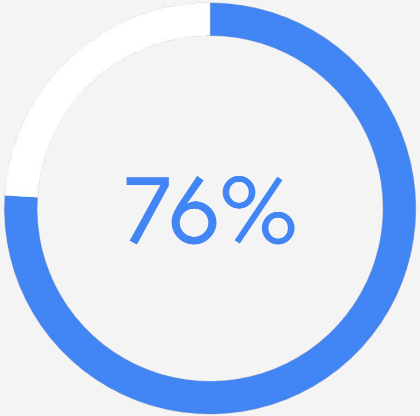
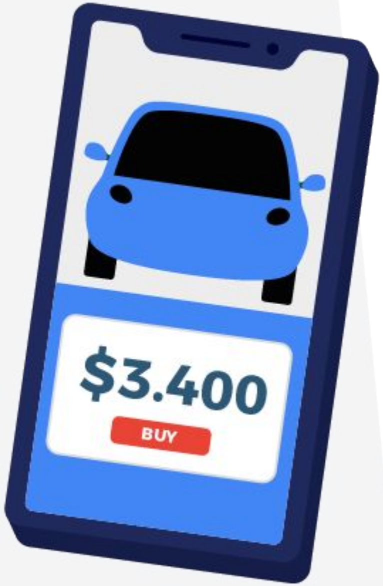
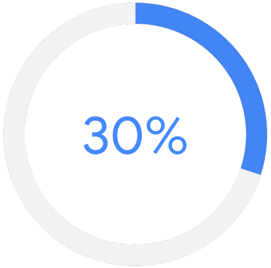
Vehicle discovery happens online

Underscoring the value of dealer websites in the research process

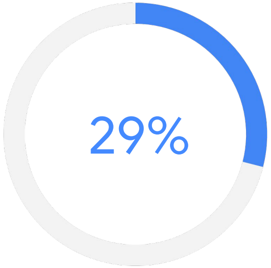


First product discovery online





On a dealer website

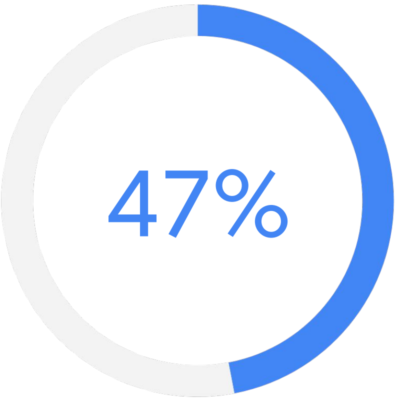


On a brand or manufacturer website

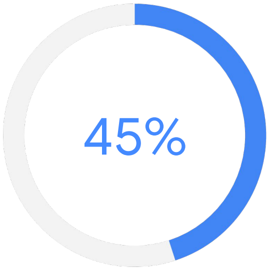
Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q13: How did you discover the vehicle you most recently bought?

Buyers value the ability to get detailed information and to compare vehicles from online research

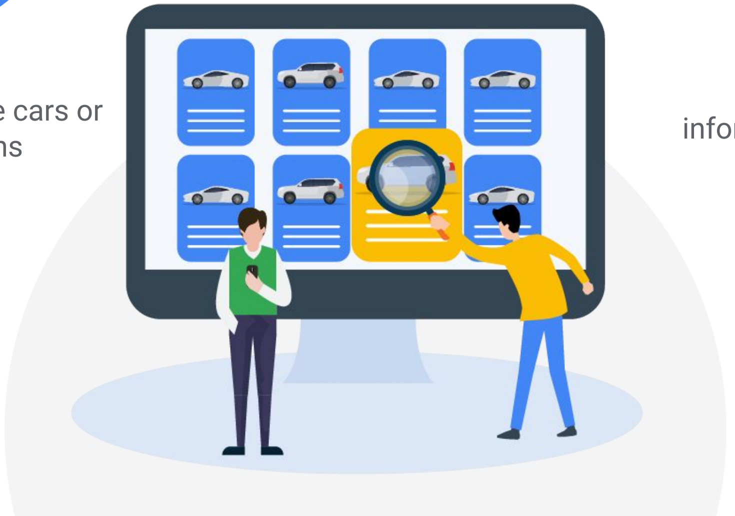
Buyers value the ability to get detailed information and to compare vehicles

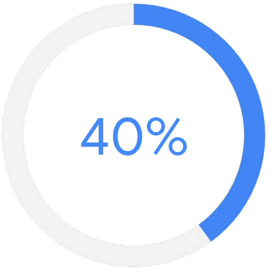


Detailed vehicle descriptions, pictures or videos are available



I can easily compare cars or look for options



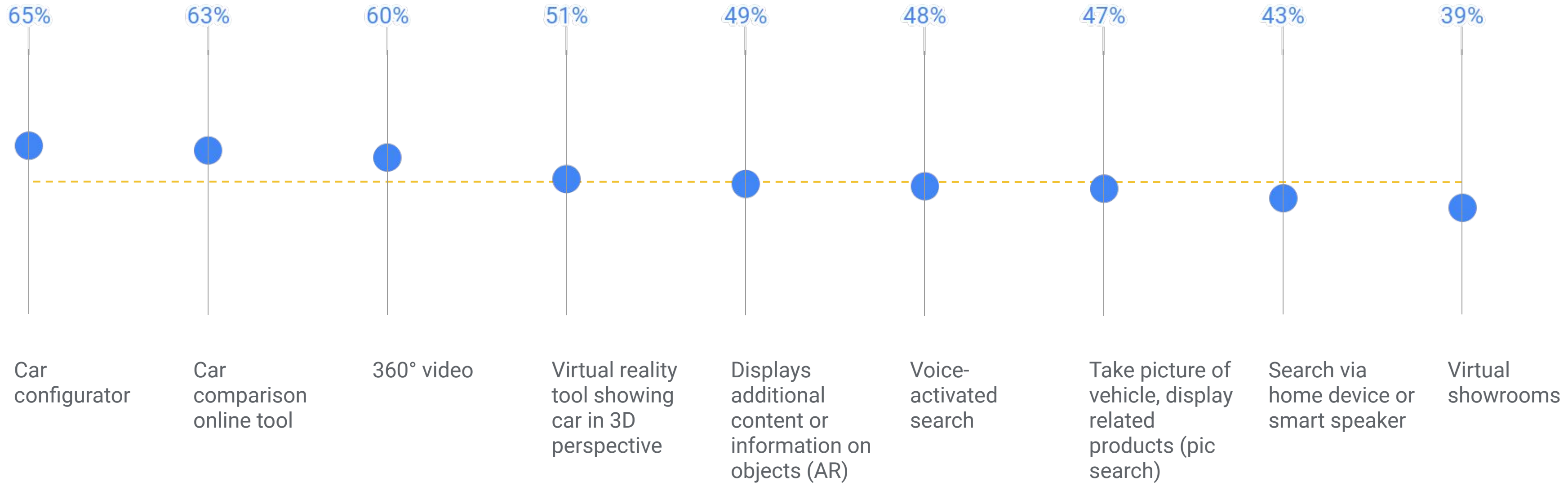


Always up-to-date information about the latest models

Source: Google Gearshift 2020 // Base: All new car purchasers, who did online research n = 694
Q27: What are the advantages of online research for vehicle purchases?

Buyers are increasingly embracing higher tech online experiences during their purchase journey

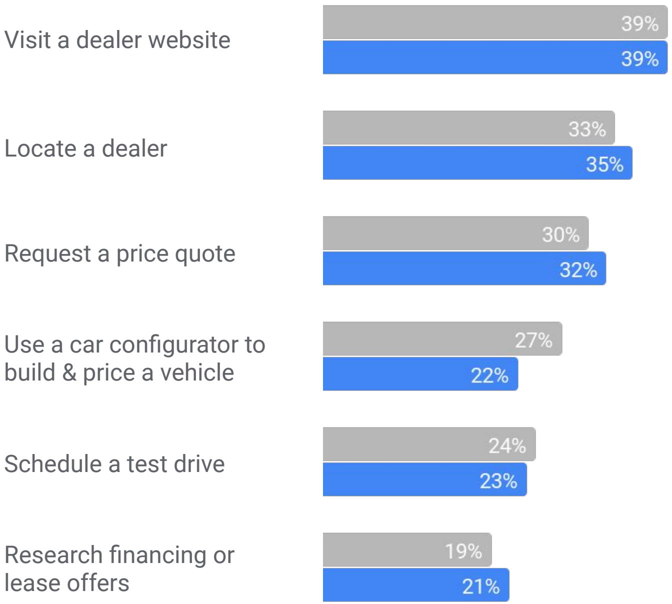
Interest / engagement with digital tools



Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q28: Have you tried or or used one of the following tools or new technologies in connection with your last car purchase?

Consumers, especially first time buyers, move down the funnel after viewing online video content

Online video leads buyers to take action



83%

of those who watched an online video completed at least one follow-up action

Online video used

First time buyers

Source: Google Gearshift 2020 // Base: All new car purchasers, who watched online video n = 569 / and are first time buyers n = 195 // Q36: Did something you saw in an online video lead to any of the actions below?

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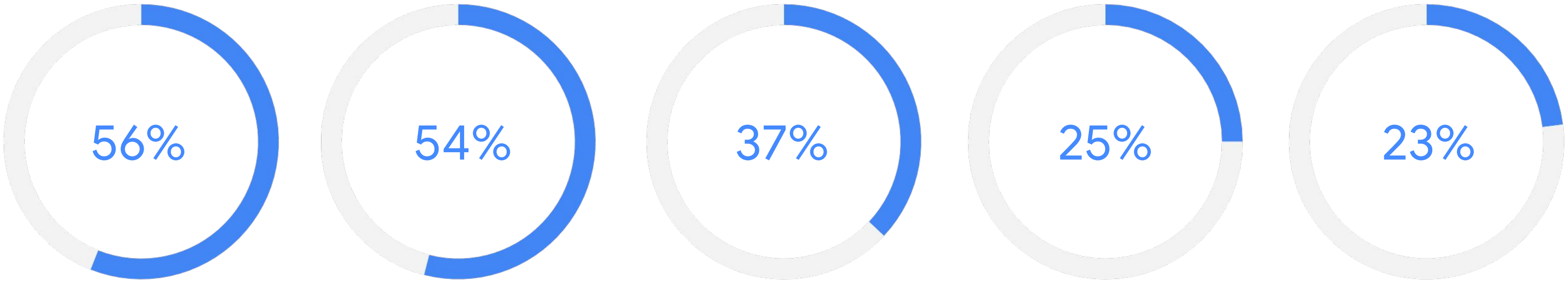
Independent reports from experts and owners are highly preferred, supplemented by content from the brand

Preferred video content to engage with vehicle brands



Videos produced by independent experts / professional reviewers

Videos produced by vehicle manufacturer

Videos produced by vehicle users/owners

Videos produced by dealerships

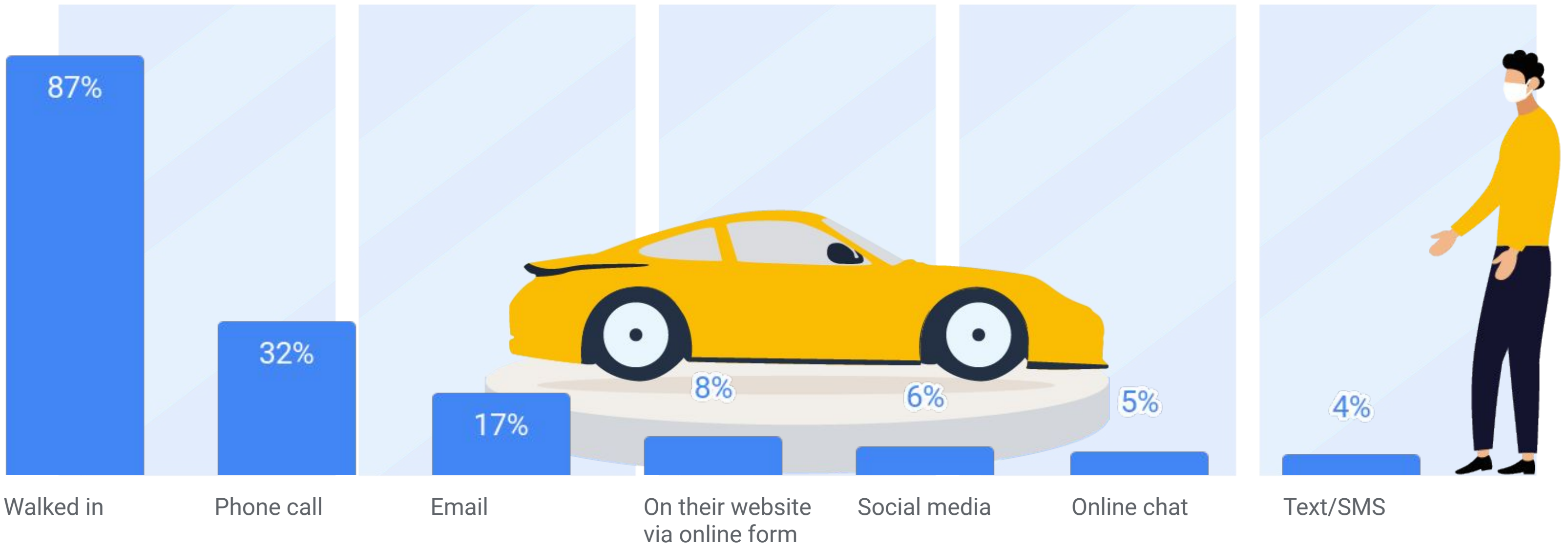
Videos of bloggers, influencers or celebrities

Source: Google Gearshift 2020 // Base: All new car purchasers, who watched online video n = 569 // Q33: What types of online videos would you watch to engage with vehicle brands?

Dealerships and the rise of online purchase options

Walk-ins and phone calls are still the most common points of contact

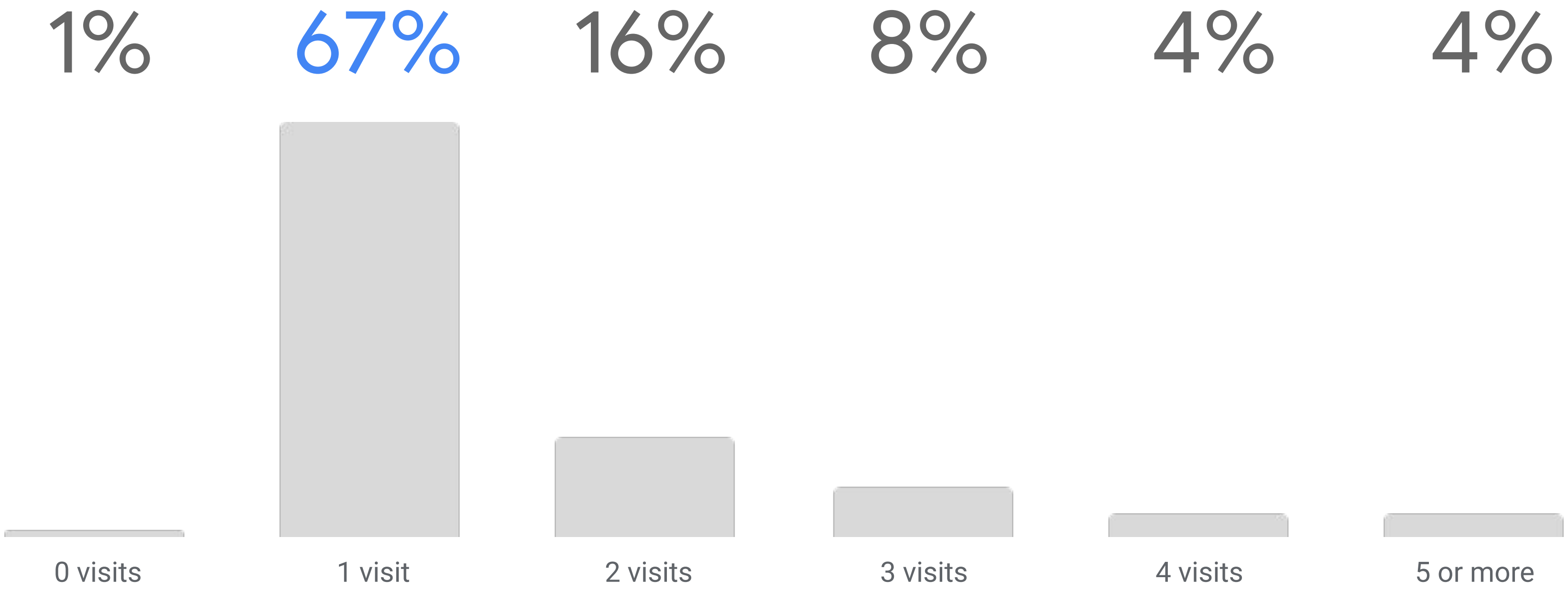
How buyers contact their dealer



Source: Google Gearshift 2020 // Base: All new car purchasers, who visited a dealer n = 734 // Q20: Which, if any, of the following ways did you contact a dealership or car lot?

Number of dealer visits

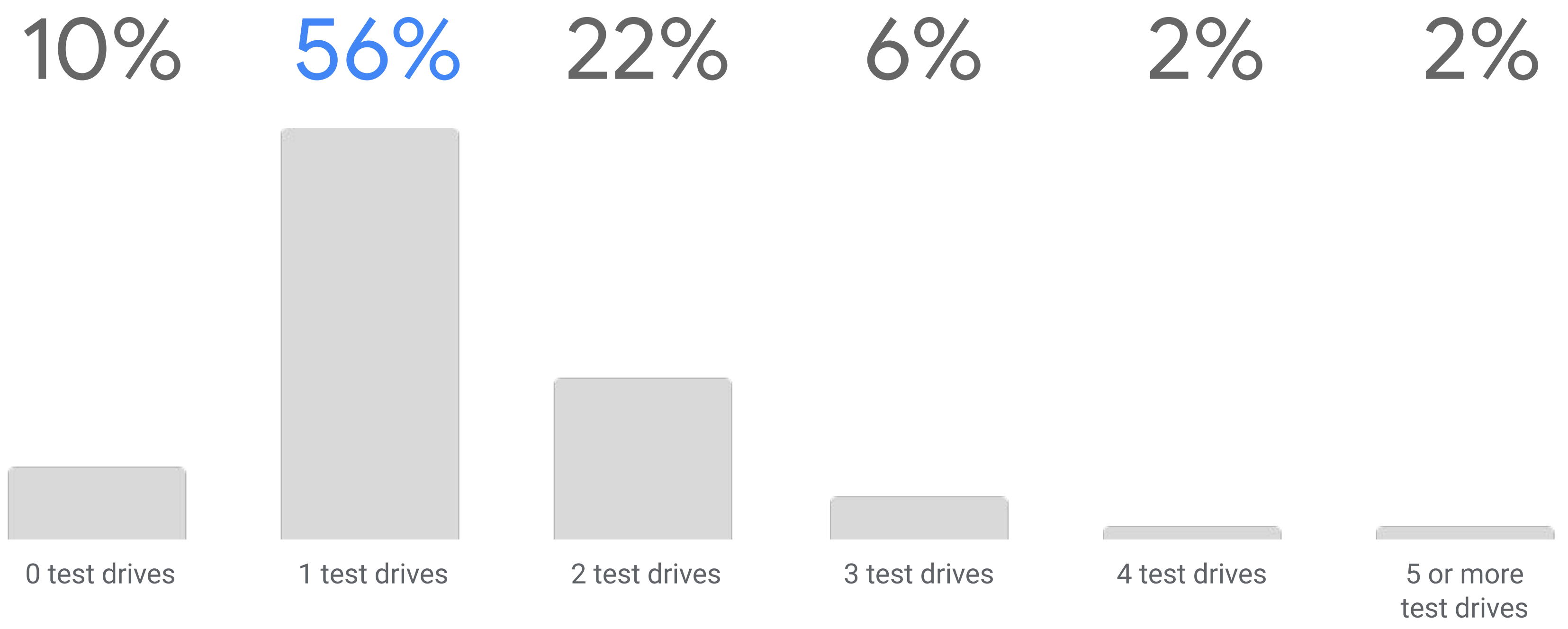
Customers who visit a dealership are highly likely to convert



Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q19: How many different dealership locations did you visit prior to purchasing?

Number of test drives

Just one test drive often seals the deal



Source: Google Gearshift 2020 // Base: All new car purchasers n = 750 // Q23: How many different test drives did you take prior to your purchase?

Conclusions

Conclusions

Auto demand rises after lockdown with outstanding interest in buying a car online

- After search demand decrease during lockdown, Auto queries in Spain have increased more than 10% since June and those related to buying a car online have increased by 67%

The ability to tailor offers and incentives to different target audiences is critical

- High openness for new brands and more than 30% are first time buyers
- Life events are a relevant trigger for 1st time purchases; while experienced buyers are more triggered by need and wish
- Auto Intenders maintained their appeal for new offers & incentives as a catalyst

Today's journeys are complex, hyper-individual and non-linear

- Dealer visits show massive impact, especially on configuration, advice and (after) sales touch points
- Search matters especially in discovery, inspiration and comparing stage
- Manufacturer websites inspire & support configuration

Despite the complexity: decisions are made quickly

- Online product discovery is relevant and an easy-to-access
- Advanced digital tools enable buyers to comprehensively engage with vehicles of their choice
- Video encourage buyers to take follow up action

The car dealer is and will remain the main point of sale

- Only few dealer visits seal the deal - which gives dealers only a short window to shine

¡Gracias!

Déjanos tu opinión >>

Descargate las slides y dejanos tu opinión!