

Are you Capitalizing on the New Automotive Shopper Journey?



Executive Summary

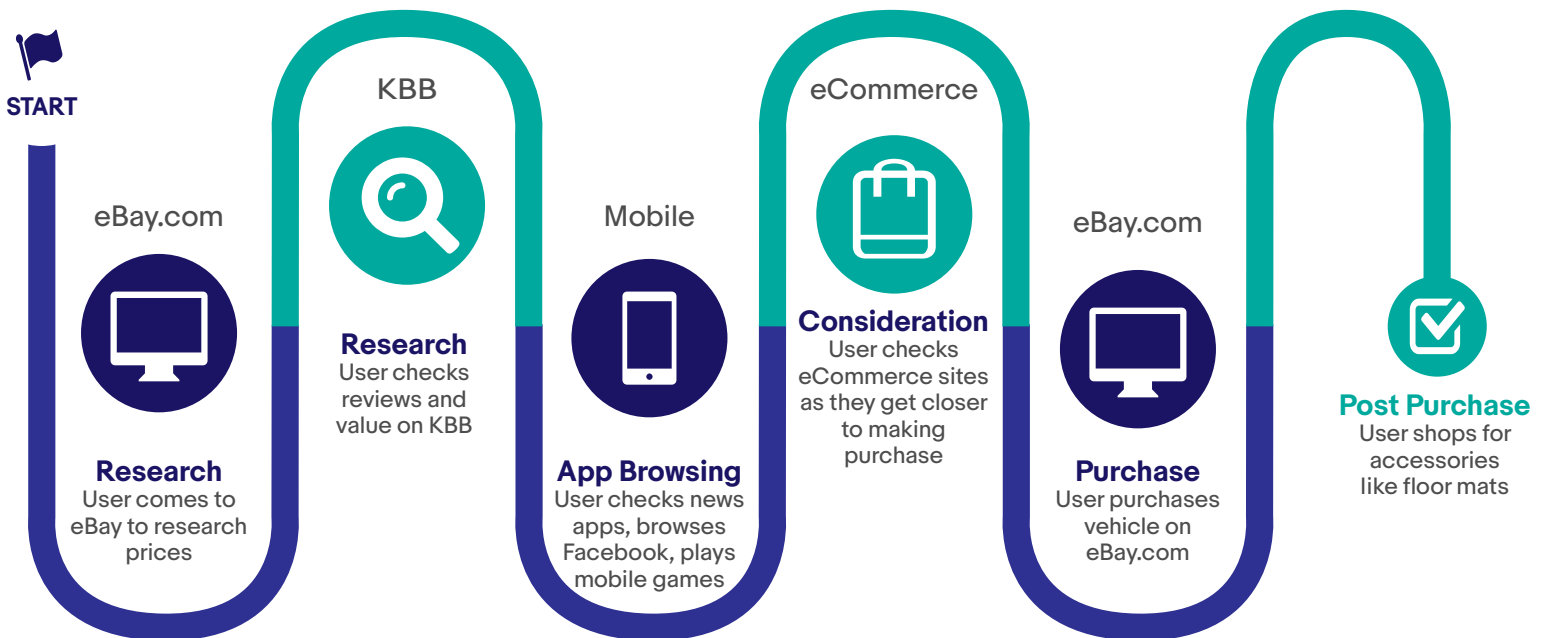
In 2015, the U.S. auto market set a sales record of just under 17.5 million vehicles, according to [PwC](#). While the size of this market is notable, the real story behind the success of the industry is how technology and the internet have completely evolved the automotive shopping journey. While consumers have traditionally gone to dealerships, and traditional brick-and-mortar locations to buy cars, car parts and car insurance, a growing number of buyers are now turning to their digital screens to make the same purchases. According to a recent consumer survey conducted by eBay Advertising, a majority of consumers (63%) are extremely likely/likely to purchase a car online in the future. Consumers are not only more open to purchasing vehicles, parts and accessories, and insurance online; they are looking at online resources for a majority of the research to start their customer journeys. Some auto manufacturers are taking advantage of this trend. For example, in 2017, Ford [partnered](#) with an automotive finance startup to make online car buying more seamless.

While there are still some barriers to stronger online car buying adoption, such as the inability to test drive a vehicle before purchase, advanced technologies, such as virtual reality, have the potential to lessen these barriers and further drive the shift to online purchasing.

Beyond the purchase, advertisers can seize immediate opportunities. Understanding the data and nuances of the new shopper journey is critical to advertising success. While digital ad spend targeting has [increased](#) dramatically over the last several years, brands are still unsure of the best places to target consumers shopping for cars and insurance who are ready and willing to purchase.

Armed with multiple consumer surveys and proprietary eBay Motors marketplace data, this white paper will examine the changes in this new purchase journey for automotive vehicles, parts and accessories, and insurance. We'll look at how auto and insurance brands can leverage insight on these new consumer preferences to optimize their advertising campaigns in order to reach the right consumer at the right time.

The New Automotive Shopper Journey



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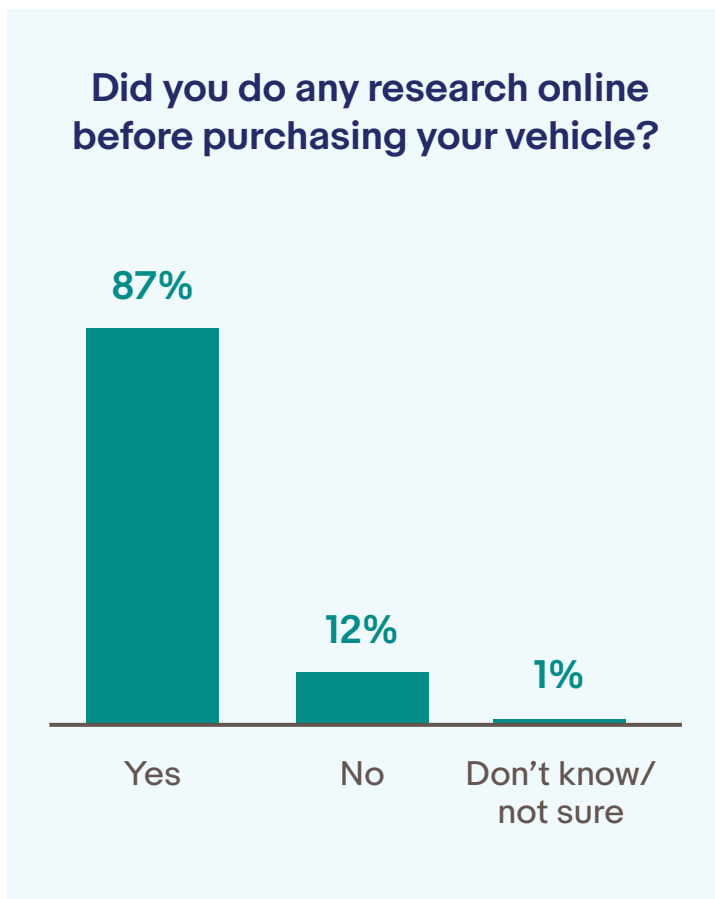
The Research Phase



The Research Phase

Similar to consumer purchase cycles for many products, the new automotive shopper journey for automobiles starts with research. As noted in the graph below, 87% of consumers are using the internet to research a vehicle prior to purchase, including conducting price comparisons, ratings and current reviews.¹ This initial research marks the start of what is typically a two to three-month purchase journey for buying cars online.² It is interesting to note that consumer trust has also evolved with the car buying process; buyers on eBay Motors now rely more on customer and professional reviews than informational dealership visits.²

The move towards leveraging online resources for such an expensive and important purchase is not surprising. Consumer acceptance of ecommerce channels has steadily grown, and this notion has extended into the automobile industry. The main reasons mentioned by consumers for purchasing cars online include convenience, as well as the feeling of security that having access to available information and low prices have.¹ Consumers do not only conduct research on mobile devices as 40% of consumers surveyed who bought a car on eBay Motors made the purchase on a mobile device as well.²



The eBay auto journey is 2-3 months



Research Sessions

83 sessions actively vehicle shopping



Visit other categories

147 visits to non-motors categories



Purchase

104 Days average purchase cycle

Source: eBay First Party Data, US 2016

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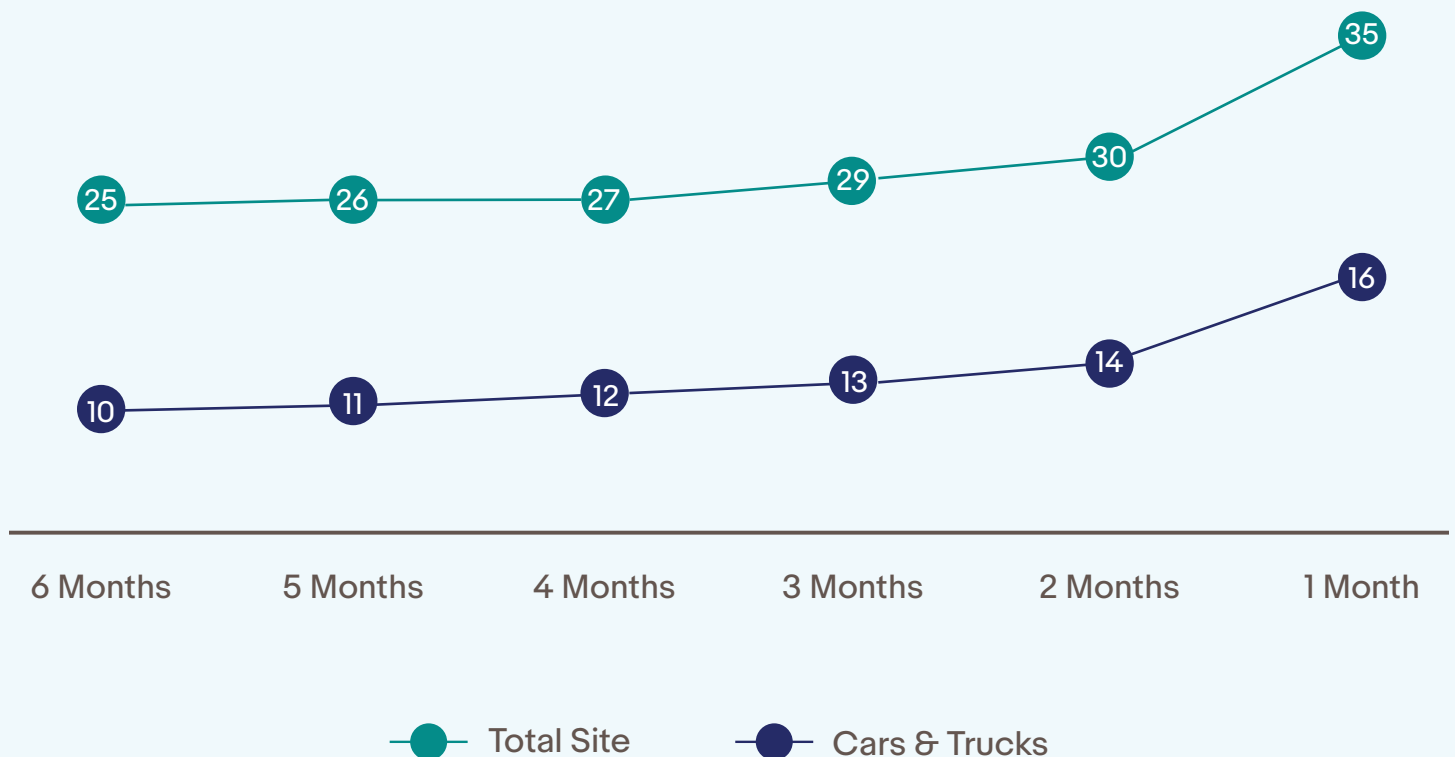
The Purchase Decision Phase



The Purchase Decision Phase

After the initial research phase, consumers continue to educate themselves ahead of their buying decision. This is evident by their online behavior; in the month leading up to a car purchase on eBay Motors, the frequency of a customer's visits to the site doubles, as seen below.² This presents an opportunity for advertisers to increase visibility, engagement and influence during this process. Consumer survey respondents felt that promotional offers and financing options (mostly from dealerships) prompted more price research; ads helped them determine what brands they liked and what features were most important to them. They also stated that ads were most remembered if they were relevant, interesting and grabbed their attention.¹

Auto category visits increase 2X the month of purchase



Source: eBay First Party Data, US Q4 2016

While many consumers are using the internet in their car purchases, today 71% of consumers surveyed still prefer to make the actual purchase in person.¹ Within this crowd of in-store buyers, female survey respondents say it's because they want to be able to take a test drive, while male survey respondents want to be able to check out the condition of the car.¹

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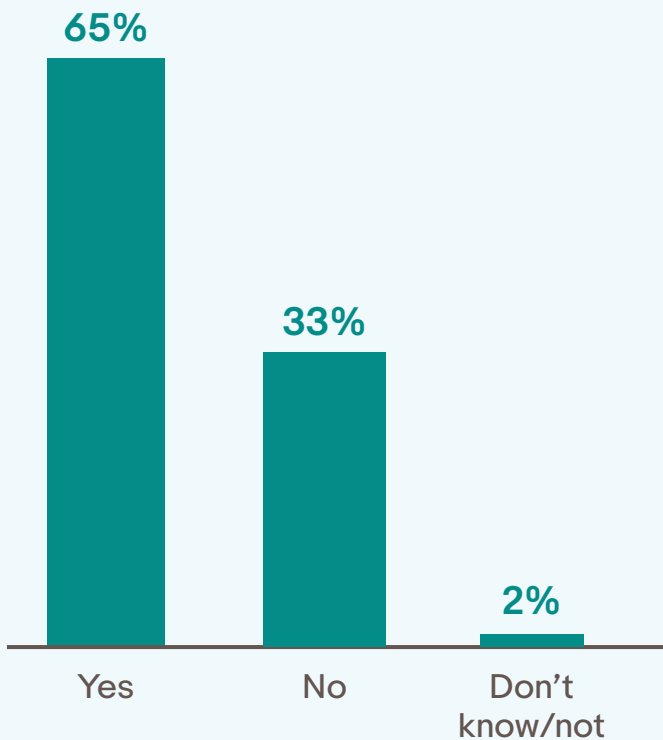
The Insurance Purchase Process



The Insurance Purchase Process

Naturally, consumers consider insurance during their car buying journeys. The Internet plays a key role in the decision process as well, with the majority of consumers saying they research insurance providers online during the vehicle purchase process. They do this via social media channels, email, insurers' websites and consumer review sites.¹ Additionally, two thirds of customers research insurance providers during the vehicle purchase process.¹

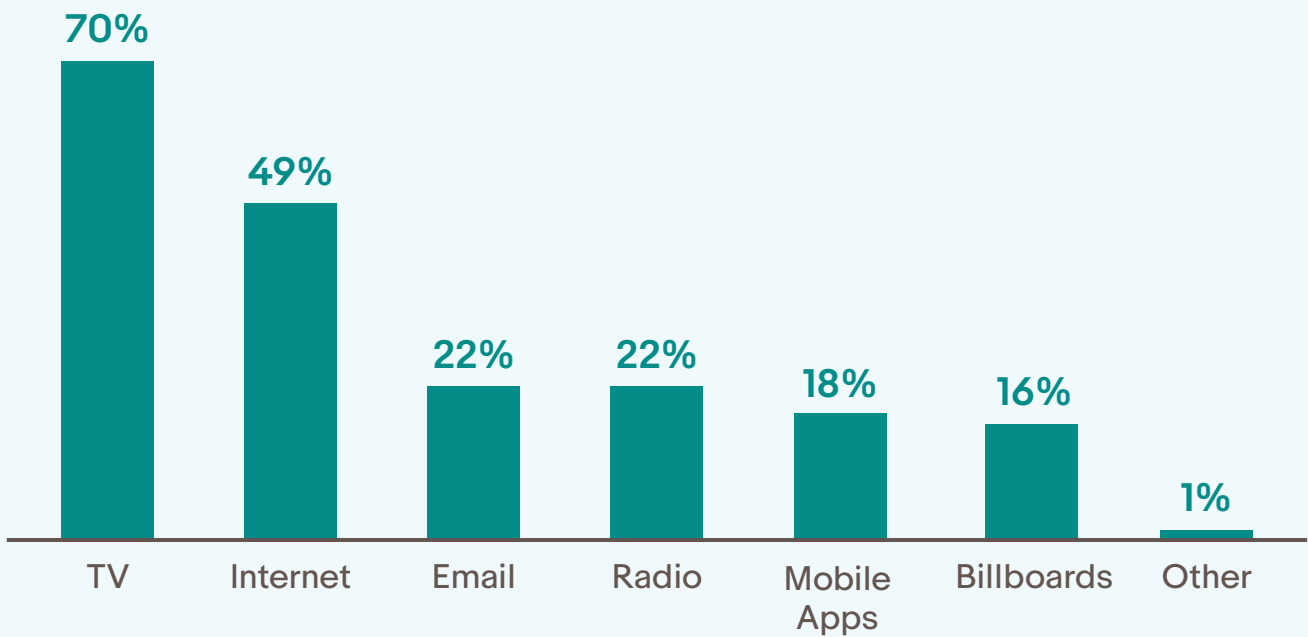
Did you research insurance providers during the process of purchasing your vehicle?



This does not discount the importance of television advertising. Consumers are most likely to see auto insurance advertising on TV, followed by the internet.¹

Cost and previous experience are the most important factors for consumers when choosing an insurance provider, indicating that insurance companies must heavily promote these attributes when marketing to consumers.¹ Insurance companies should also keep in mind how their online customers frequently consult their own personal networks, as they design their advertising strategies. Online auto insurance purchasers are most likely to research options online via friends and family (social media, email, etc.) and offline purchasers are most likely to start their research online via an insurer's website.¹

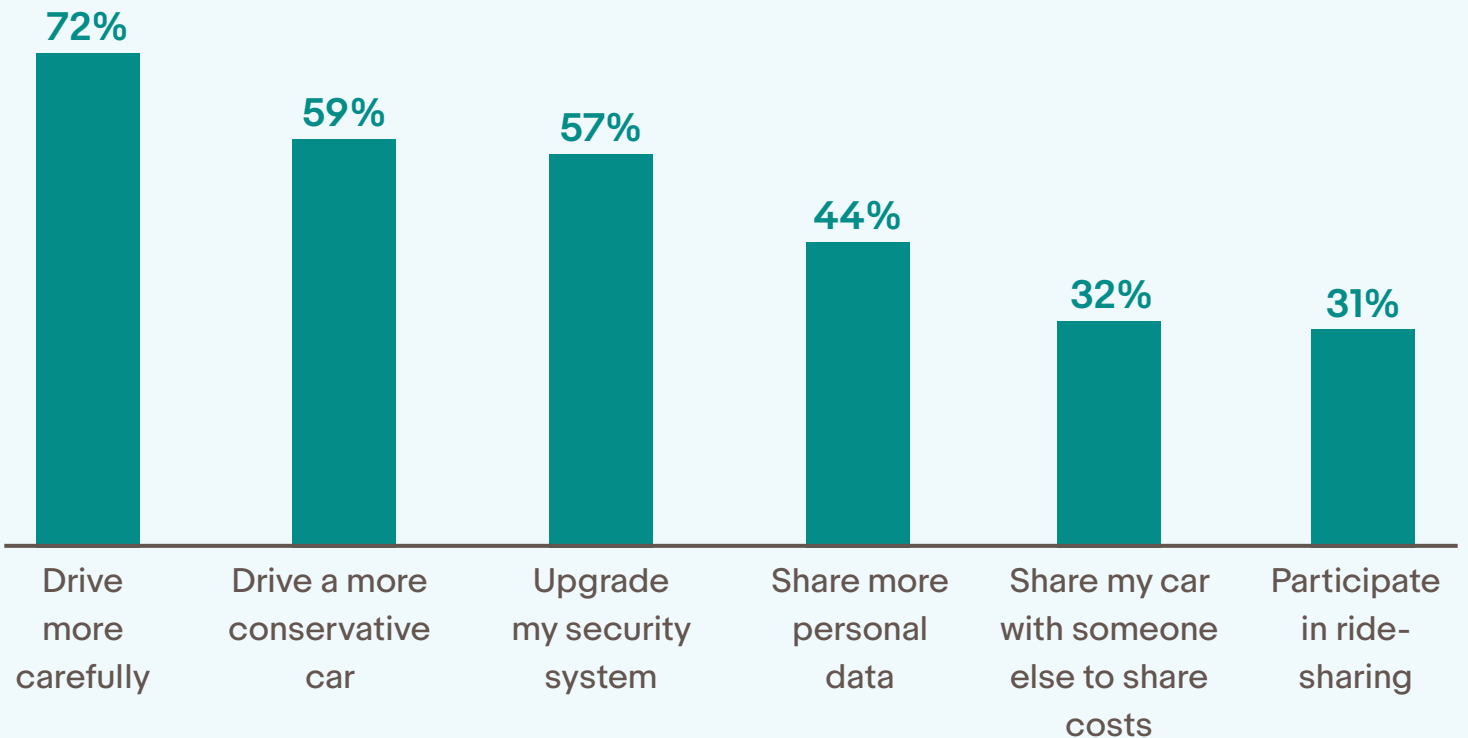
On what medium(s) do you notice the most auto insurance advertising?



The importance of price as it relates to insurance costs remains high for consumers. Consumers say they are willing to make serious changes in order to reduce insurance costs, including driving more carefully (72%); driving a more conservative car (59%); and upgrading their security system (57%).¹



What would you be willing to do to lower your insurance costs?



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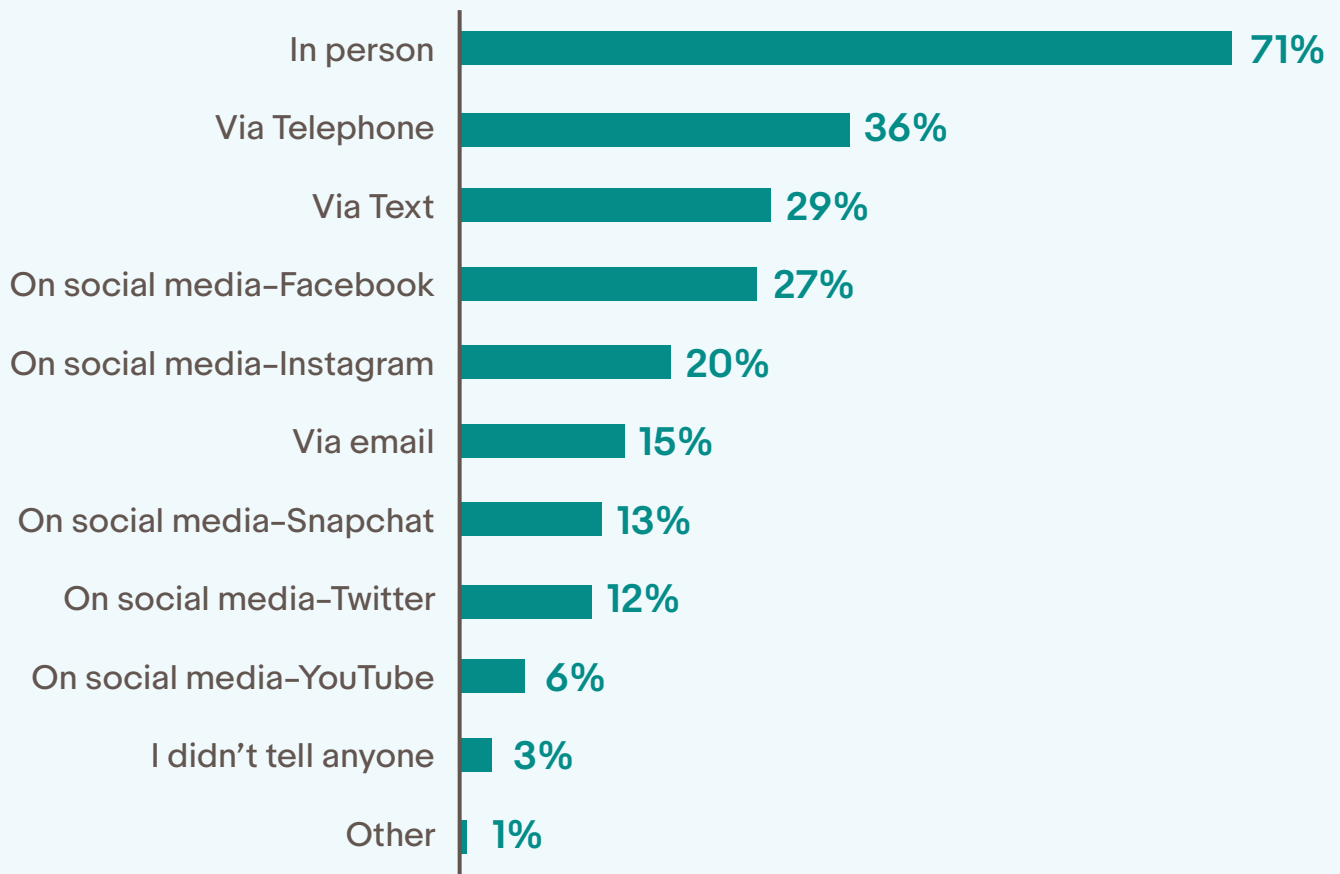
After the Purchase



After the Purchase

Immediately following a car purchase, consumers are generally eager to share the exciting news. Despite the continued growth of social media and texting, 71% of respondents said they prefer to share the news of a new vehicle purchase with their friends and family in person, rather than via the phone, text, and social media.¹

After purchasing your vehicle, how did you tell your family and friends?



Advertising and Marketing Takeaways

For companies looking to reach consumers actively researching to purchase vehicles and insurance, integrated advertising at key moments during the shopper journey are crucial to online sales success. Platform integration with partners who understand these new patterns of consumer buying habits and have the captive high intent audience is the first step to capitalizing today's ecommerce digital first research world.

By leveraging insights from consumer surveys and eBay Motors, one of the world's largest online marketplaces for vehicles and parts and accessories, brands can gain a stronger understanding of how the ecommerce experience has redefined auto-related purchases. With eBay Advertising, these brands can deploy programs that uniquely allow them to influence their target buyer in the right place at the right time during the purchase journey.

eBay Advertising is the only commerce partner that drives consideration for brands and sellers by providing unique data that delivers the deepest insights and influence throughout the consumer shopping journey. eBay's premium, high-impact placements, cross-device buying programs and targeted solutions offer auto brands and insurers unique opportunities and high-impact results.

As new ways to reach buyers become part of the auto and insurance advertising arsenal, such as improved geo-targeting and CRM methods, eBay Advertising will continue to partner with these brands to unlock the true value of their campaigns.



The eBay Advantage

- 2.6 million auto related searches are conducted every day¹
- There are 958 million auto searches every year¹
- A car or truck is purchased every 3 minutes¹

¹Source: eBay first-party data, Q1 2017





Data Methodology

eBay Advertising executed a two-party survey consisting of a general consumer survey¹ and eBay Motors advertising data.² eBay Advertising surveyed more than 1,000 U.S. consumers between the ages of 18 and 65 who had purchased a vehicle in the last six months.

The company also analyzed eBay Motors data based on approximately 1,000 consumers who had either made purchases from the 'cars & trucks' category on eBay Motors, or who had browsed through eBay Motors in 2016.

About eBay Advertising

eBay Advertising, a division of eBay Inc. (Nasdaq: EBAY), helps brands understand and influence the shopping journey of 171M active buyers worldwide.¹ With 1B live listings consisting of the most diverse selection of new, luxury, rare and collectible items in the world, eBay offers unrivaled insights into the shopper's motivation and intent. eBay Advertising data tells a story about what fuels users' actions during each stage of the shopping journey, from product research to purchase. A powerful suite of tools combined with scientific shopping data translates into actionable insights that help brands influence their target market's path-to-purchase and achieve brand and sales goals.

¹Source: eBay Fast Facts, Q2 2017

To learn more about eBay visit ebayadvertising.com or contact us at ebayads@ebay.com.

ebay advertising