



Auto Gear Shift India 2020

Purchase Journey of a **Four-Wheeler** Buyer in India
(New & Used Cars)

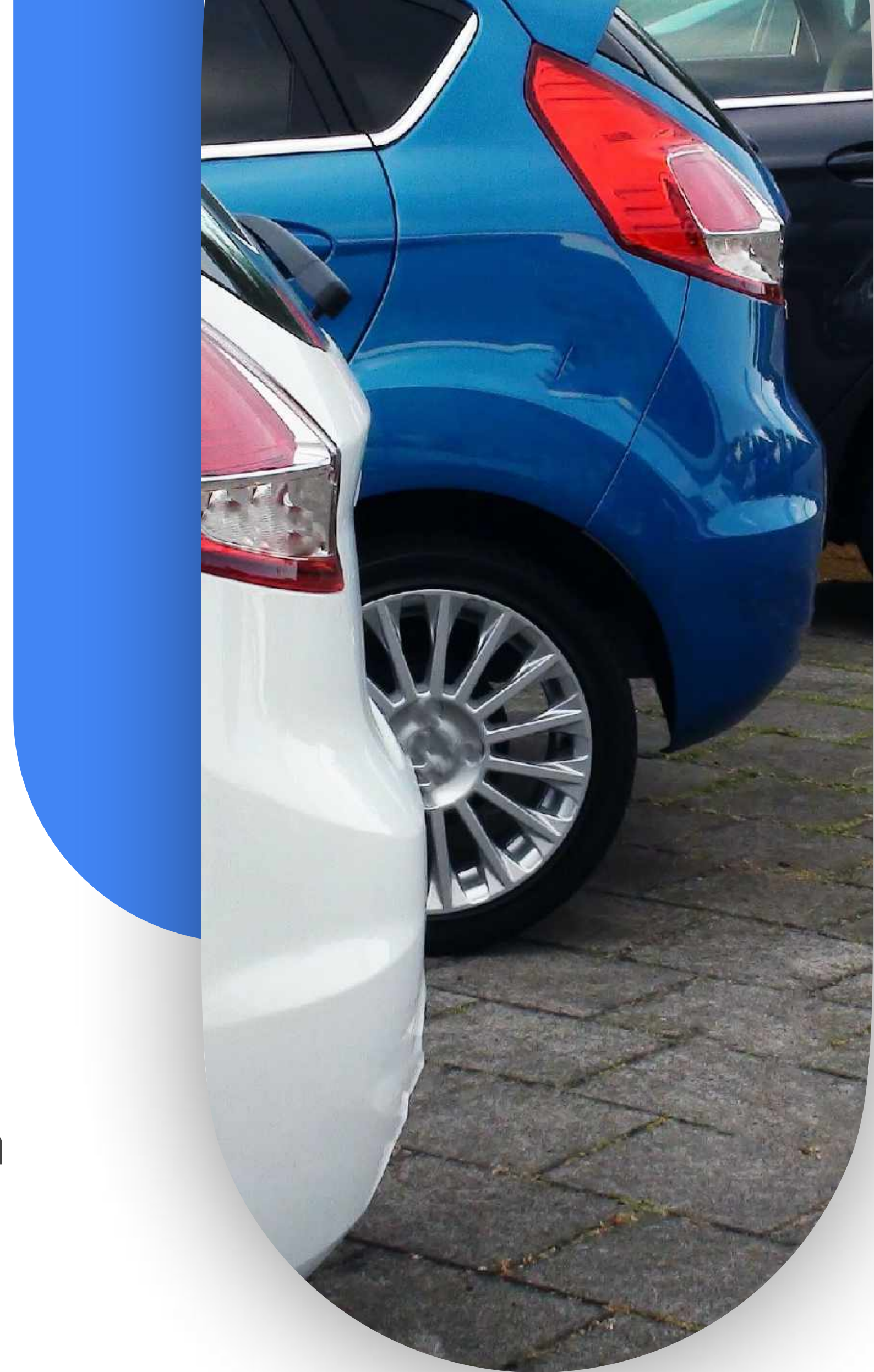
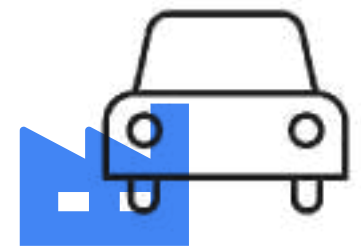
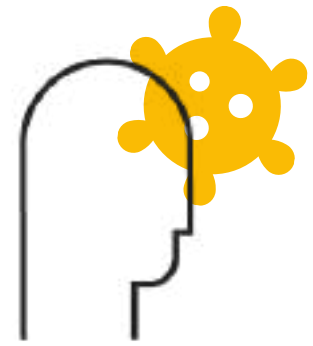


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Digital India



Consumer Insights
New and Used car market



Business Implications



Digital India



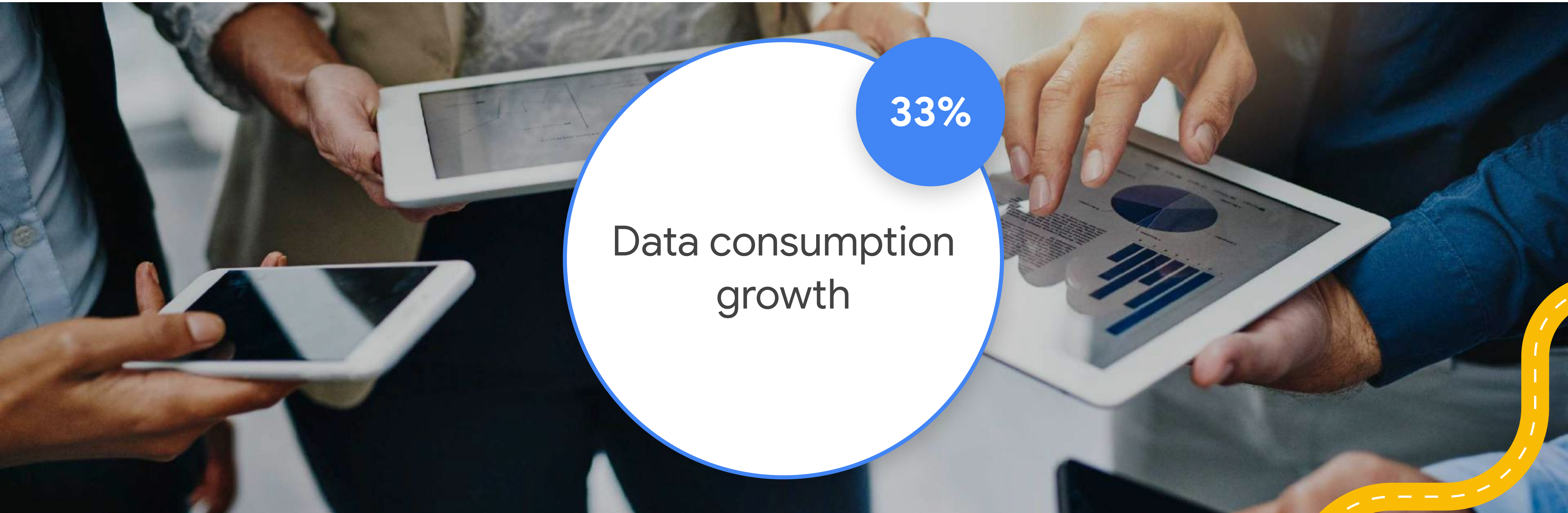
Digital - Gateway to the future

500 million+
Internet users today

Digital - Gateway to the future

India added
100 million+
smartphone users
in 2 years

Digital - Gateway to the future



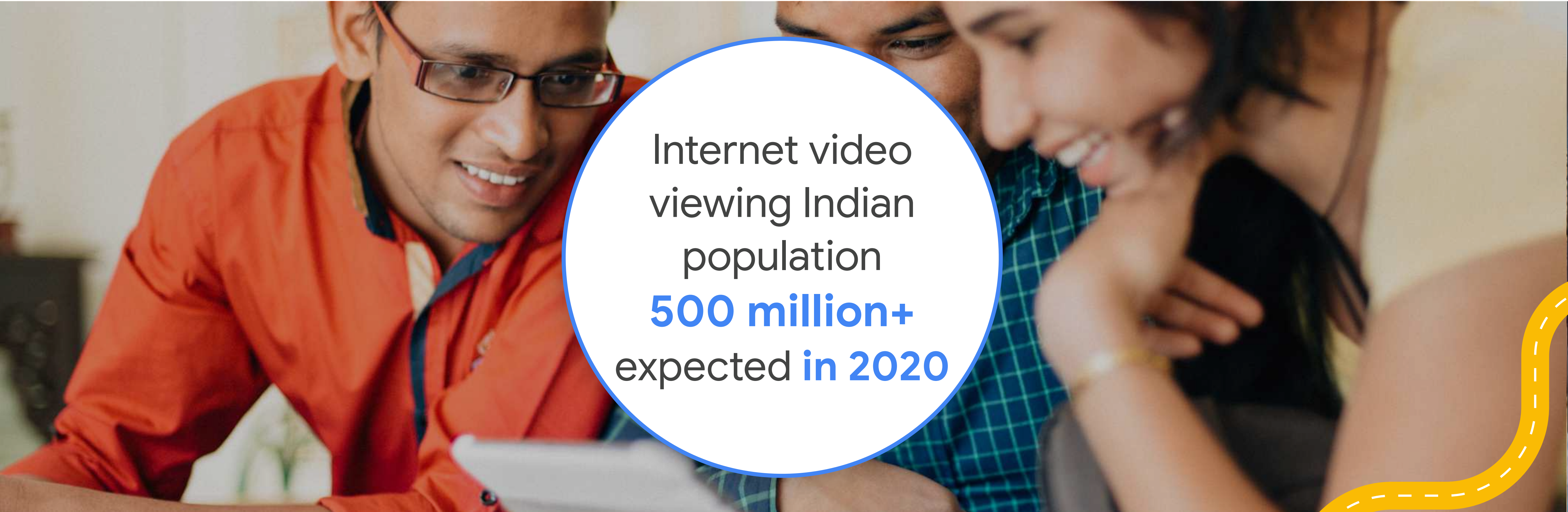
Digital - Gateway to the future



>75%

Growth in
UPI Transactions

Digital - Gateway to the future

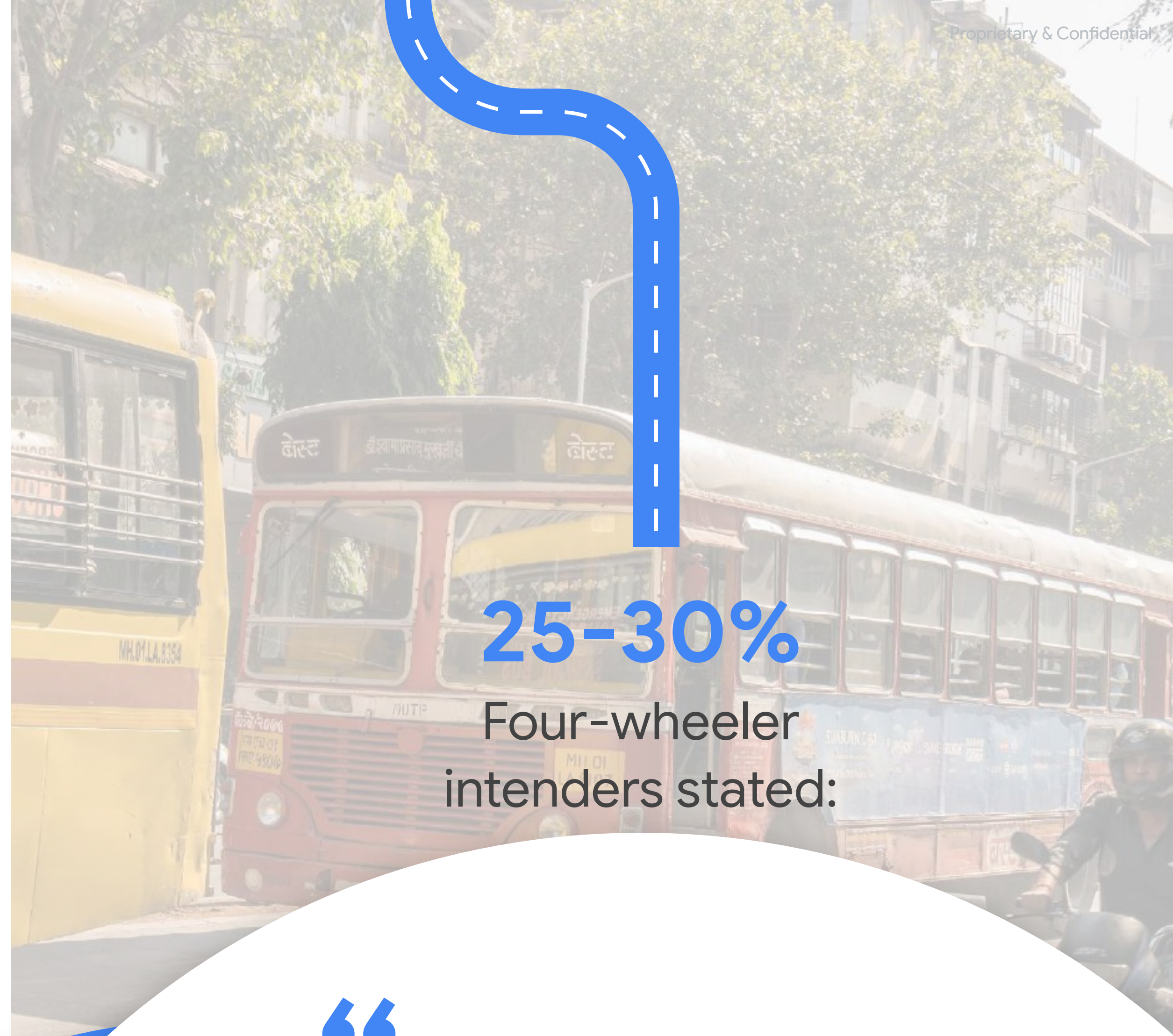
A photograph showing a group of people, including a man in an orange shirt and glasses, looking at a tablet together. A white circular callout with a blue border is overlaid on the image, containing text about internet video viewing population.

Internet video
viewing Indian
population
500 million+
expected **in 2020**

Personal mobility impacted currently



Public transport compared with baseline



25-30%

Four-wheeler intenders stated:

“ I don't want to use public transport or shared mobility ”

Giving rise to multiple opportunities

Electric vehicles refreshed/accelerated

New business models

E-commerce for Auto: Near reality?

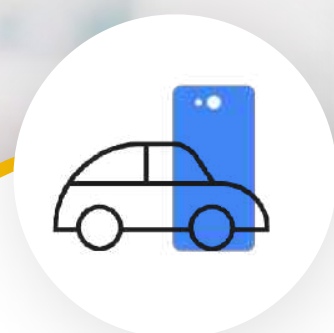
Dealer digitisation



150%
Growth in searches for **Car-on-subscription** Since Unlock



>3x
Searches for EVs over the last couple of years





Searches for **“Buy car online”** for the first time amidst Covid

17

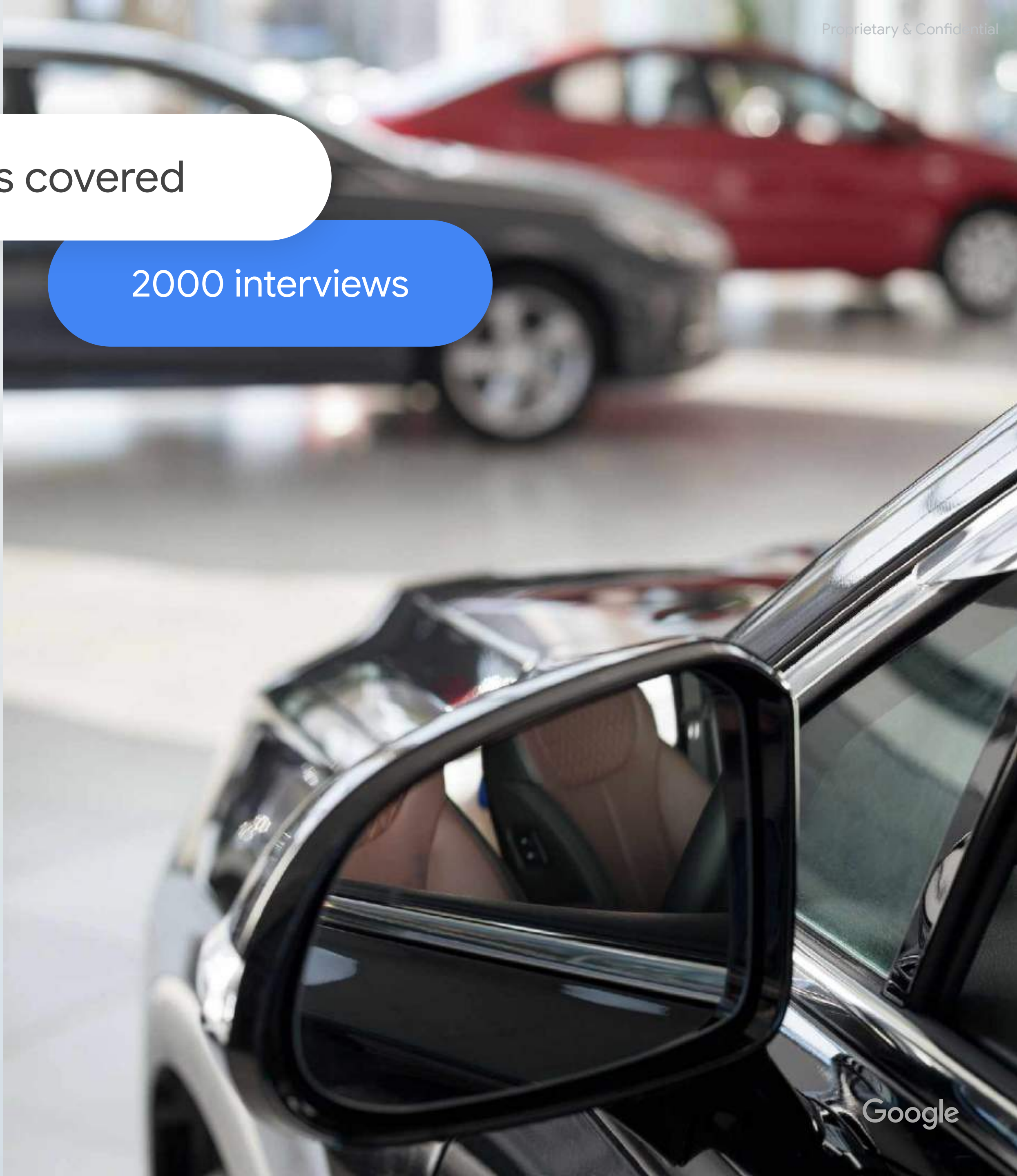
Cities covered

2000 interviews



-  Tier 1
-  Tier 2
-  Tier 3

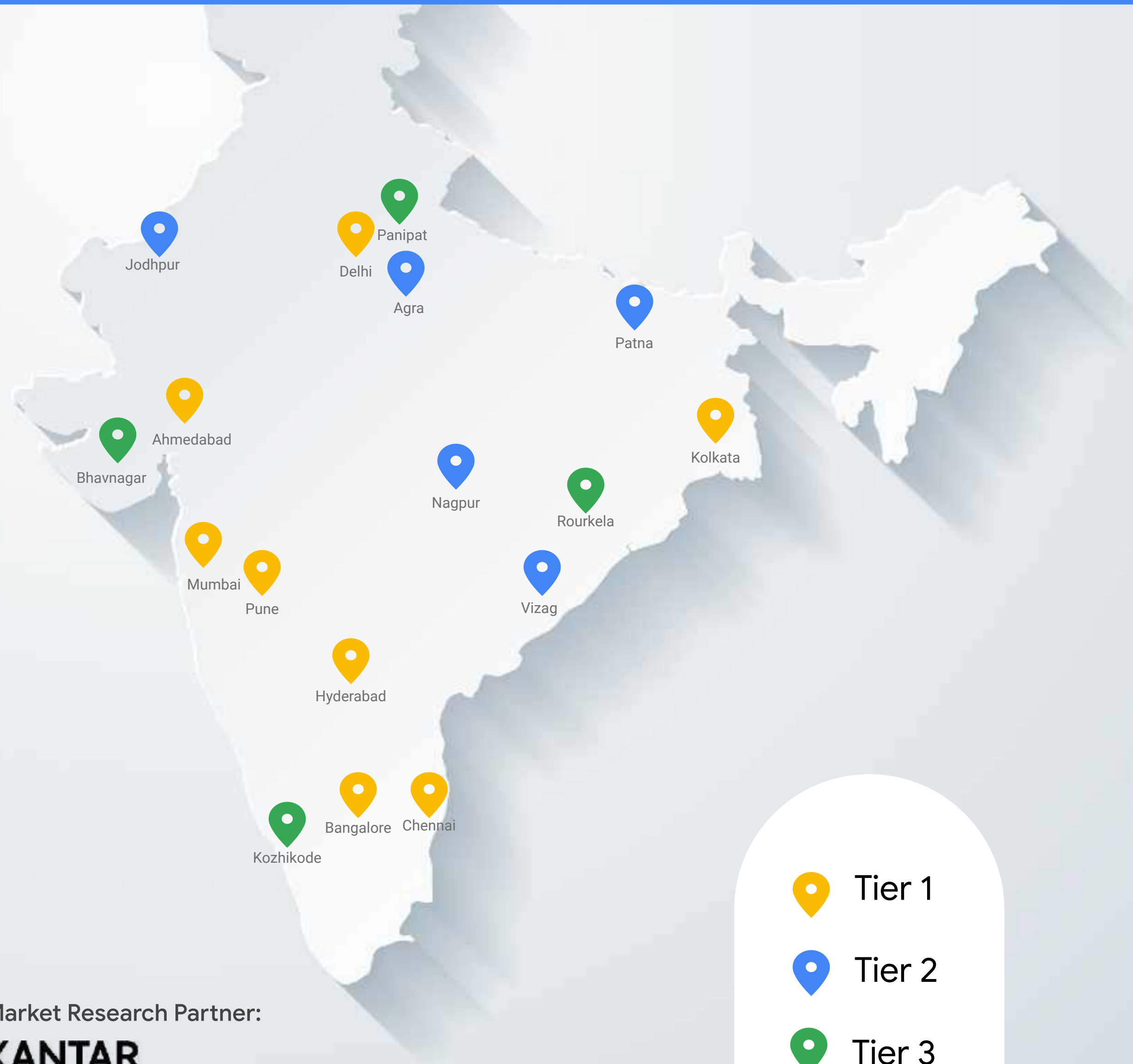
Market Research Partner:






New Car Segments

3

Segments



-  Tier 1
-  Tier 2
-  Tier 3



Hatchback



Sedan



SUV

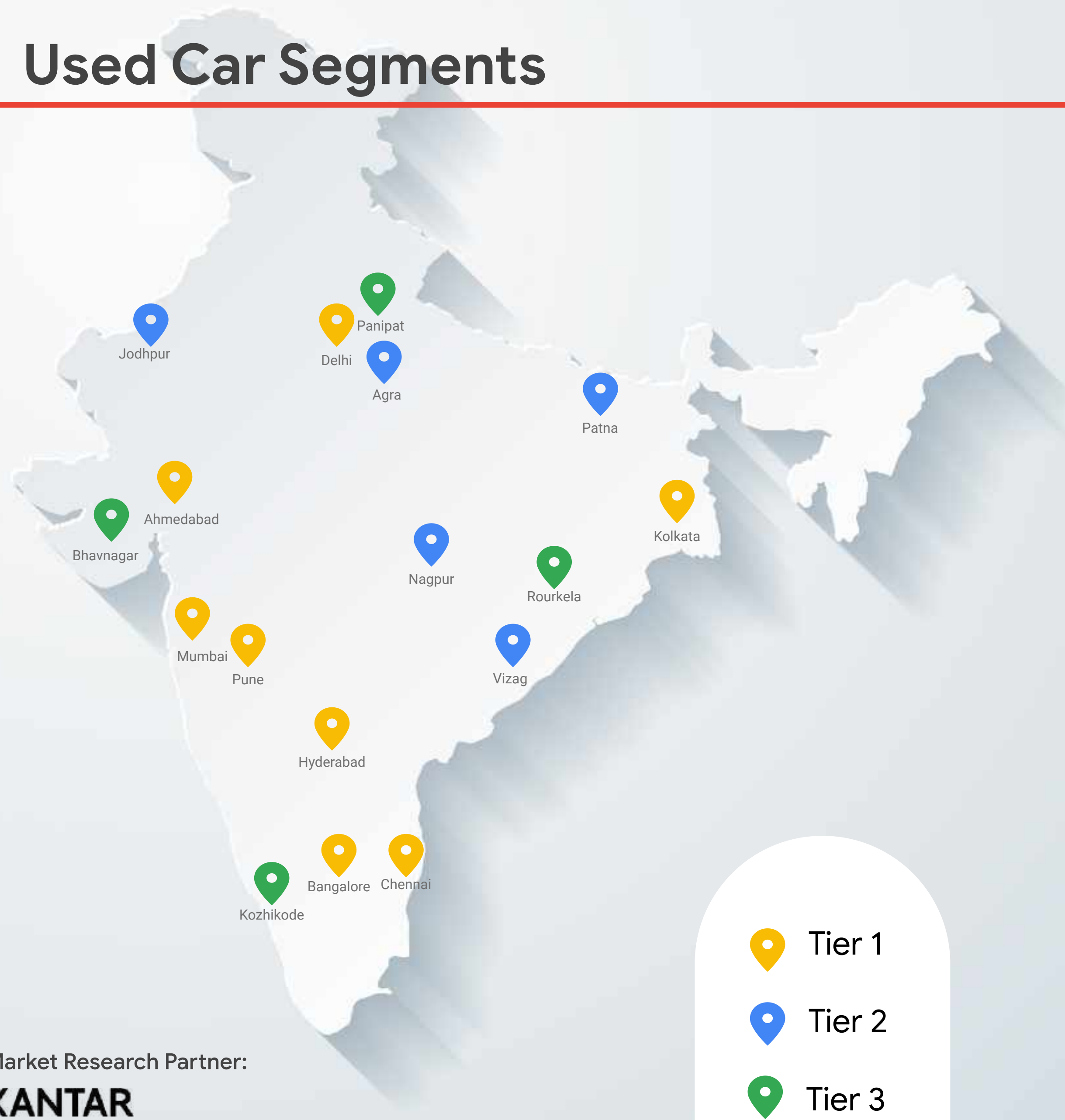
Market Research Partner:






Used Car Segments

2

Segments



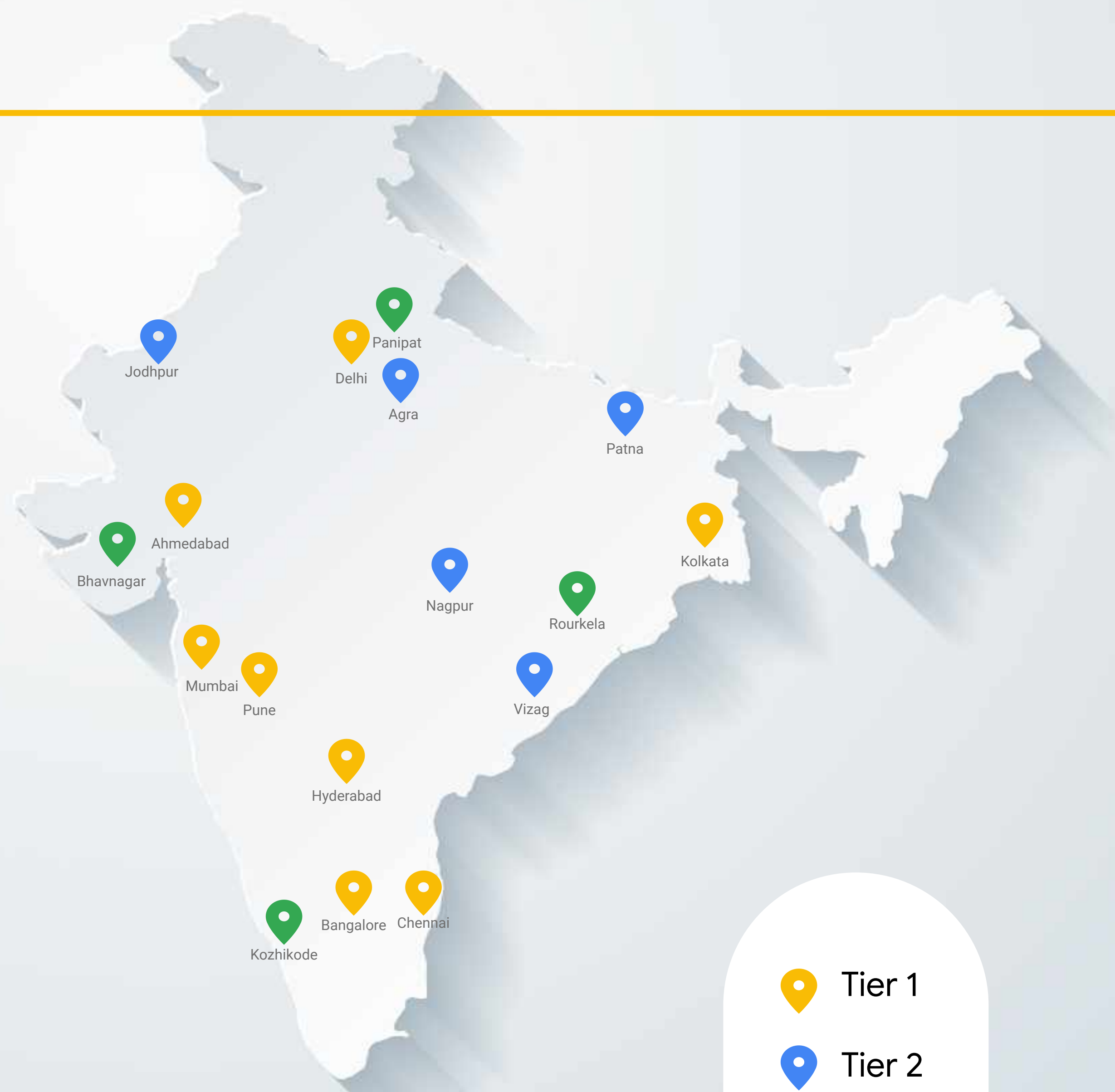
-  Tier 1
-  Tier 2
-  Tier 3






Unorganised



Organised

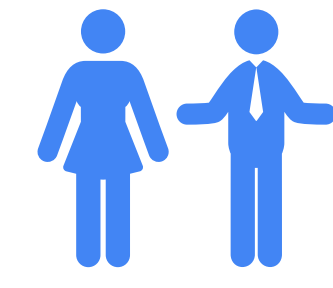


-  Tier 1
-  Tier 2
-  Tier 3

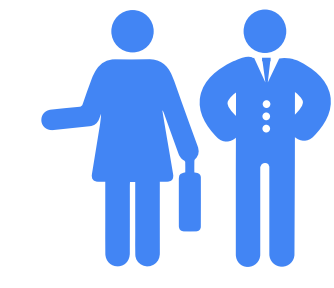
3 Age groups



18 - 29



30 - 39



+ 40

NCCS A

NCCS B

Market Research Partner:



*Primarily NCCS A for new cars and NCCS A/B for used cars

Consumer Insights

New & Used



Consumer Insights

The big shift



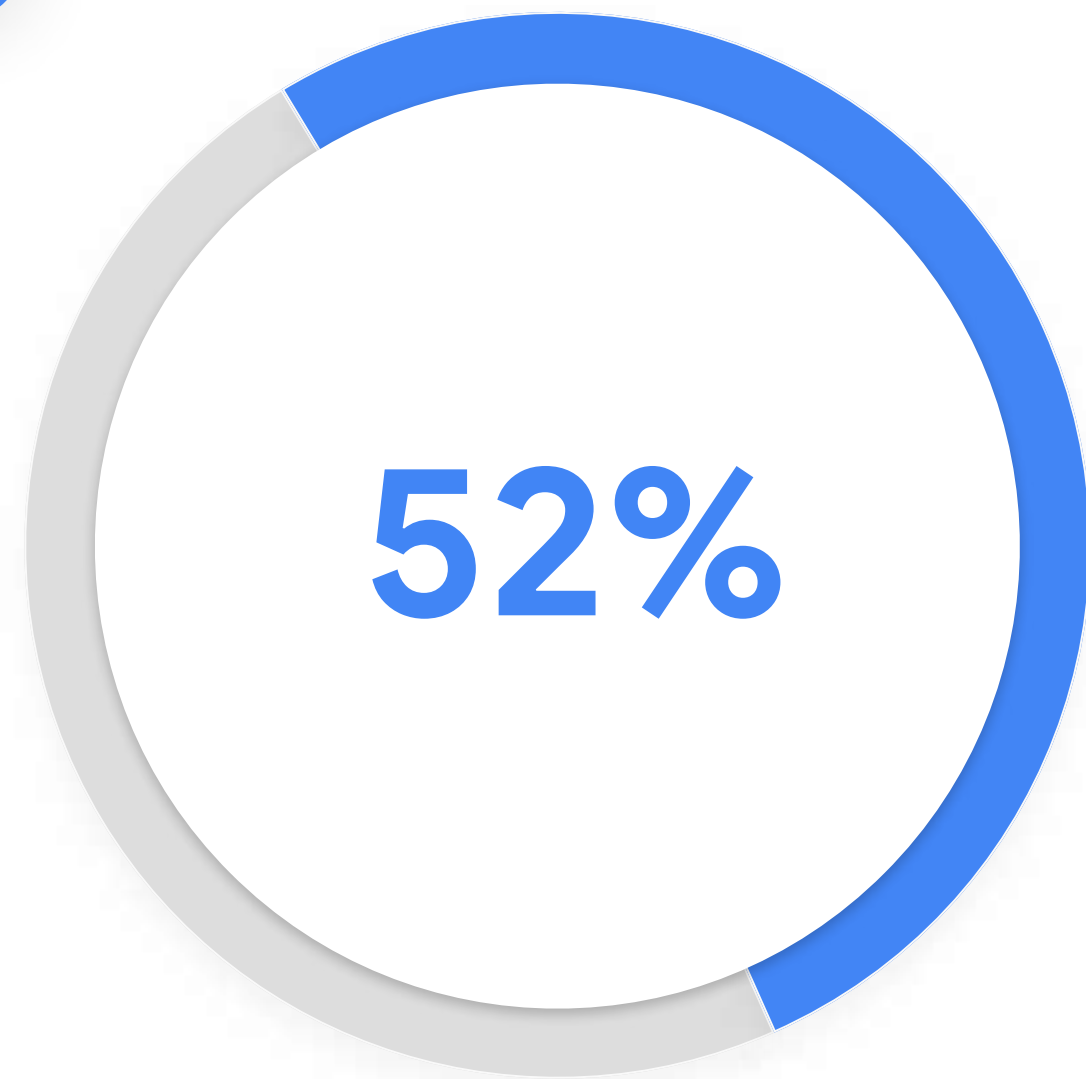
Connecting the dots

Risk of brand replacement

Tech the big catalyst

Consumer life-stages are a trigger

New Cars

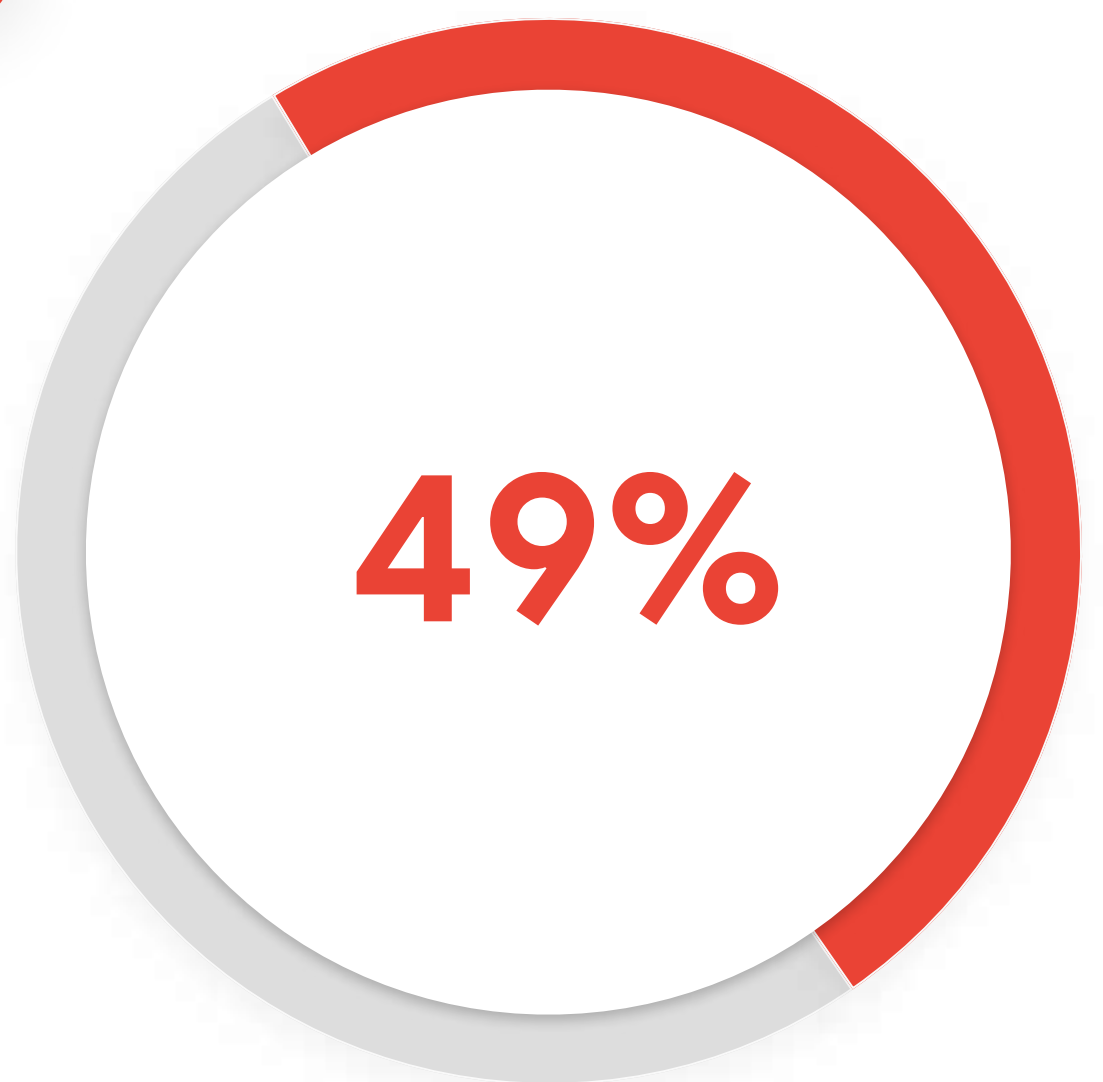


cited “**improvement in Financial situation**” as the biggest common trigger



Consumer life-stages are a trigger

Used Cars

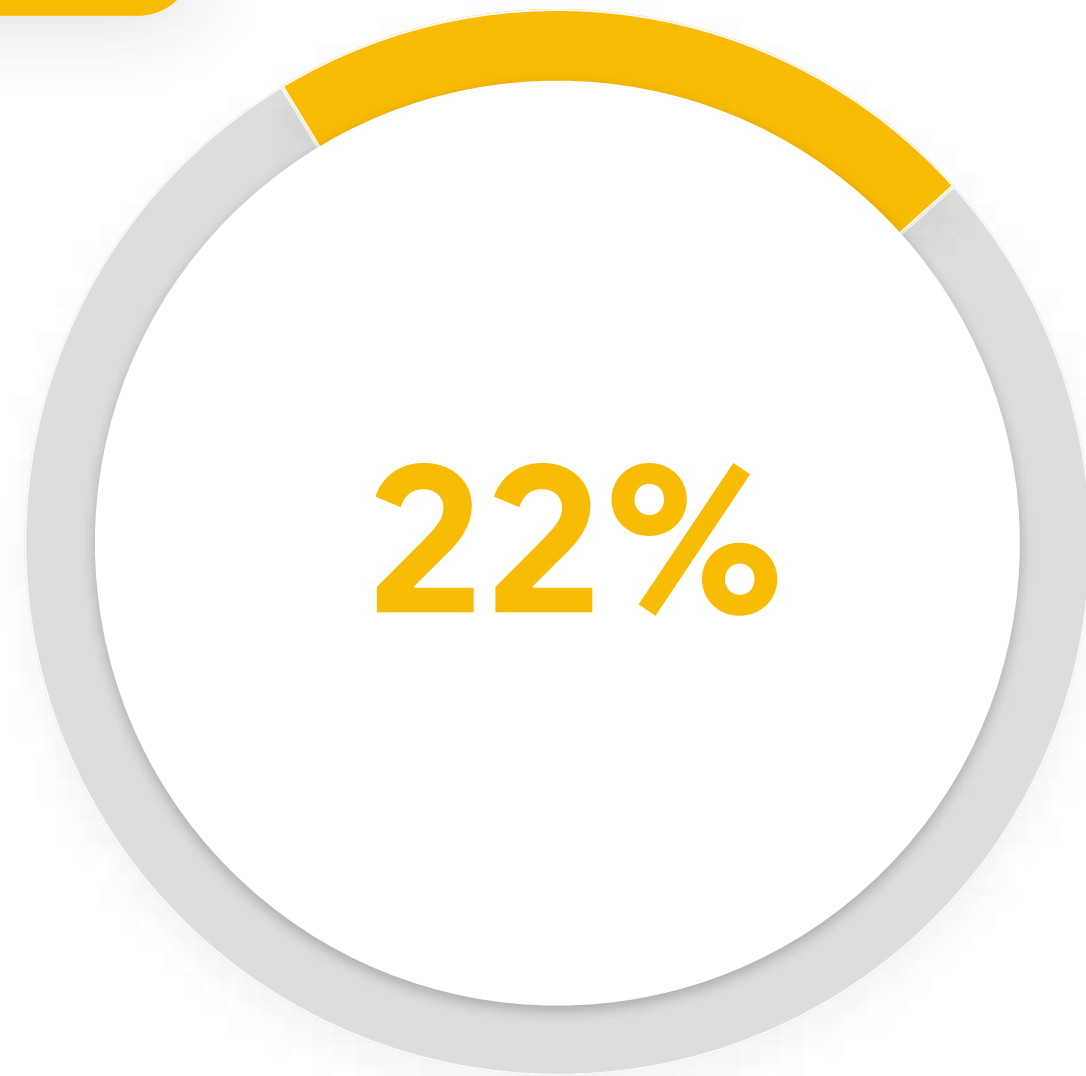


cited **“improvement in Financial situation”** as the biggest common trigger



Consumer life-stages are a trigger

Used Car Sellers

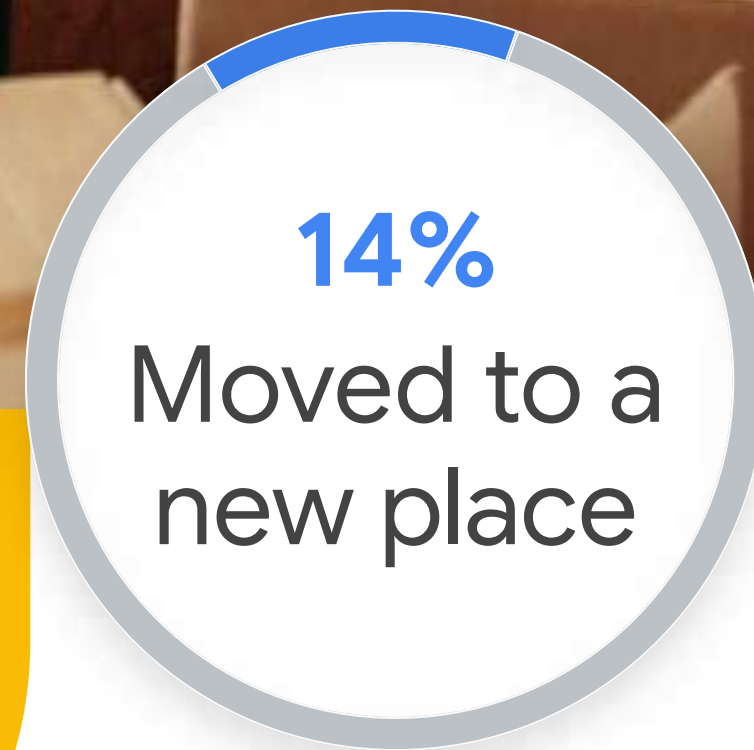
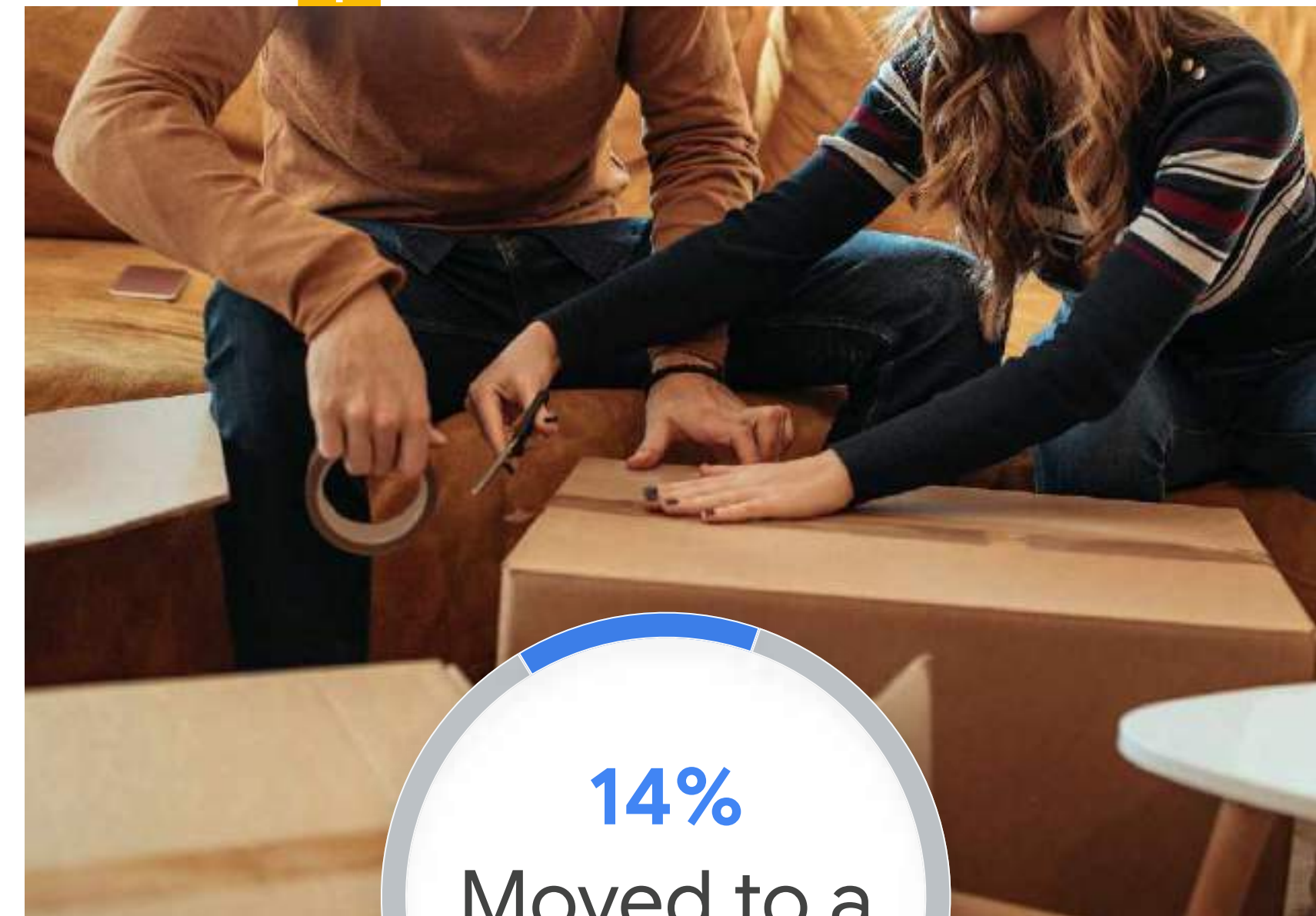
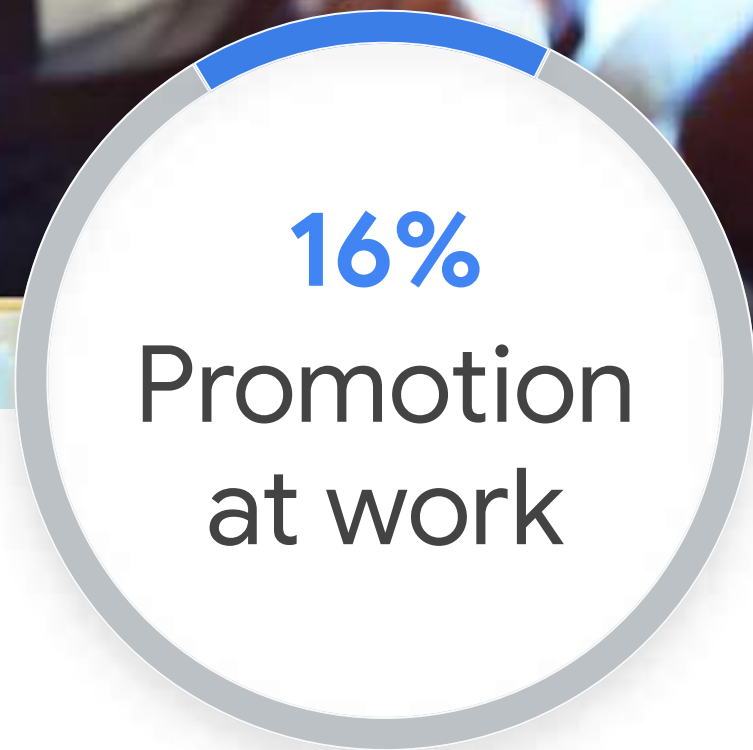
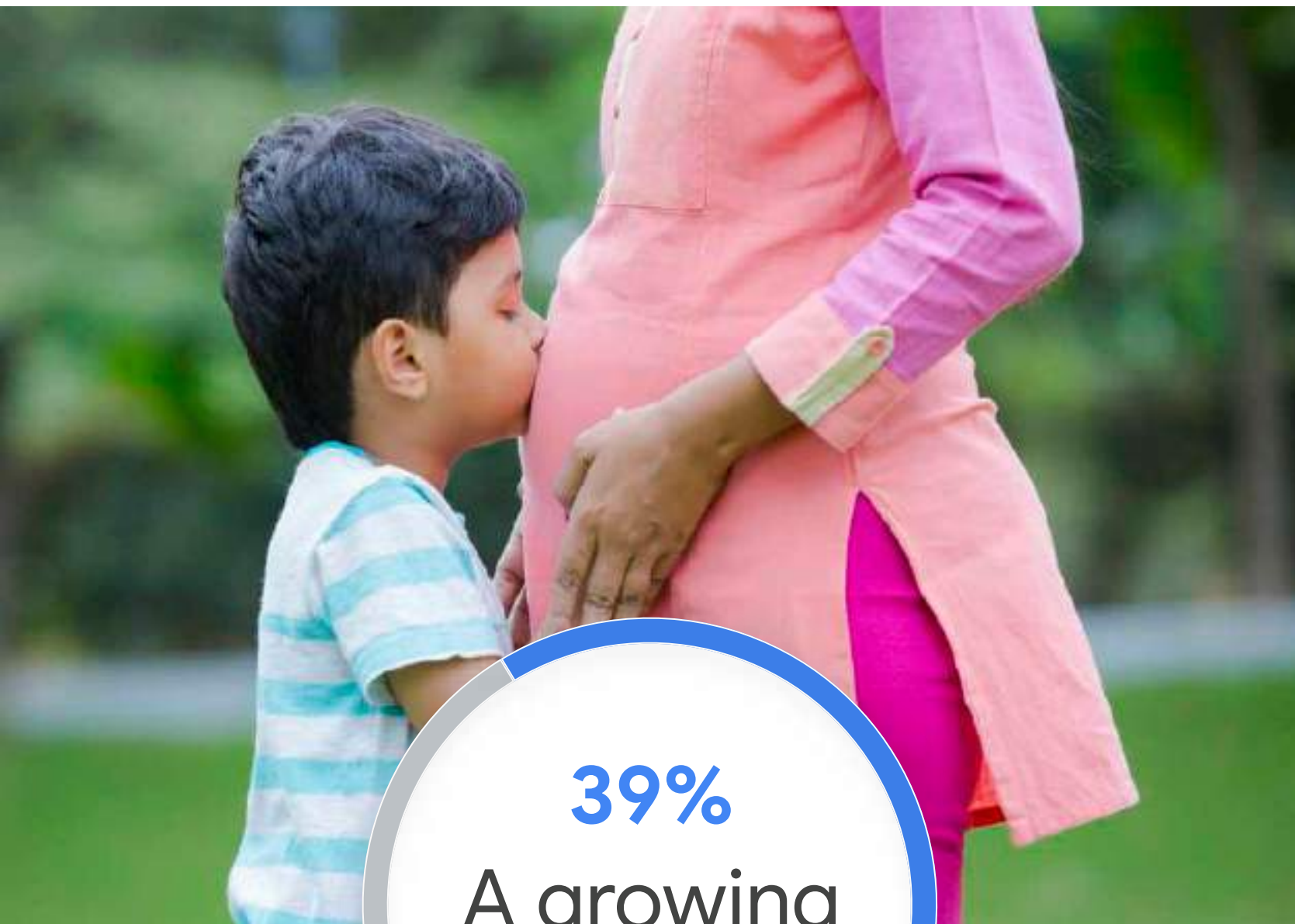


cited “**decline in Financial situation**” as the biggest common trigger



Consumer life-stages and influence

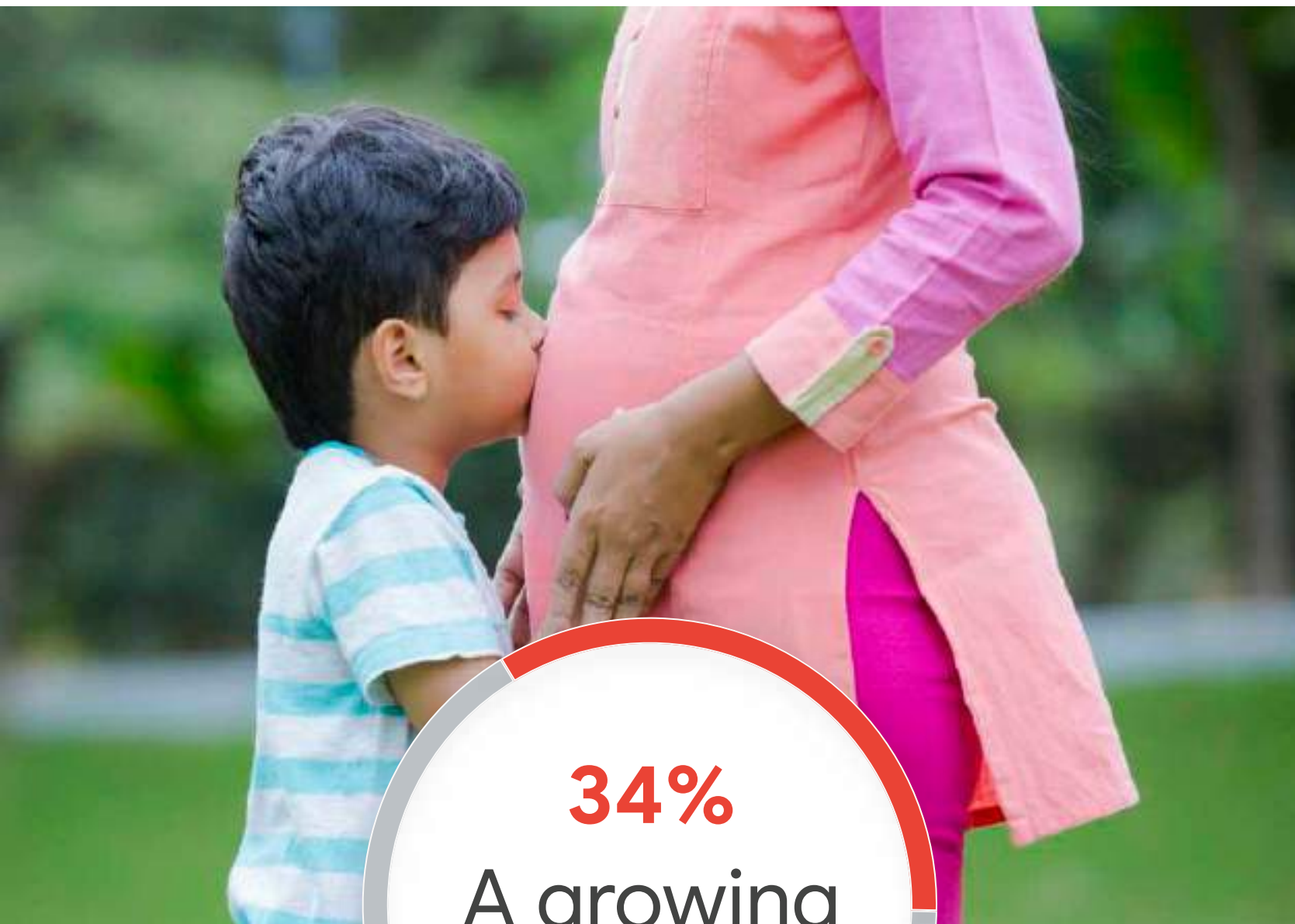
New Cars



The influence of family and friends is comparable

Consumer life-stages and influence

Used Cars



34%

A growing family



17%

Moved to a new place



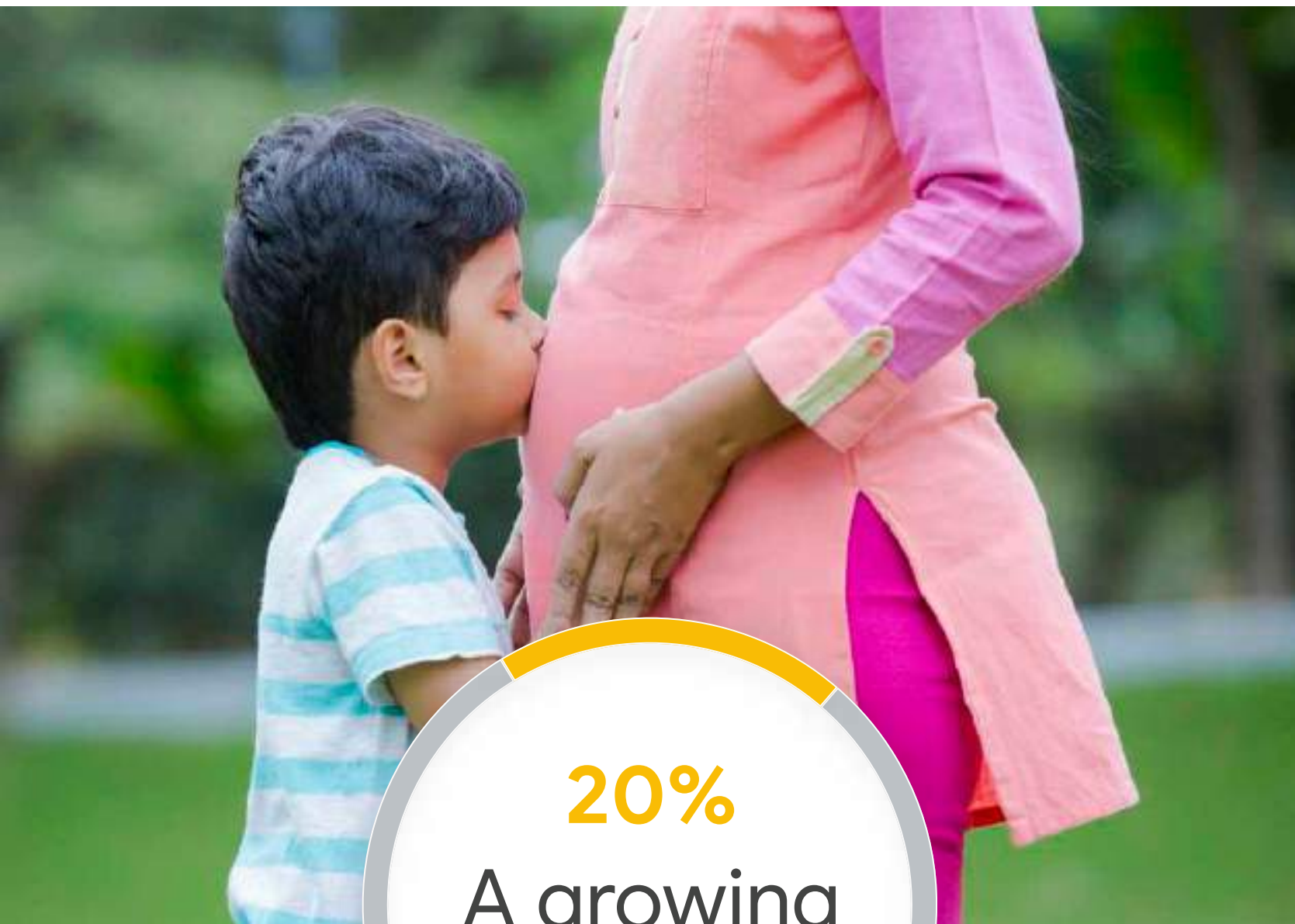
16%

Promotion at work

The influence of friends slightly more, followed by family

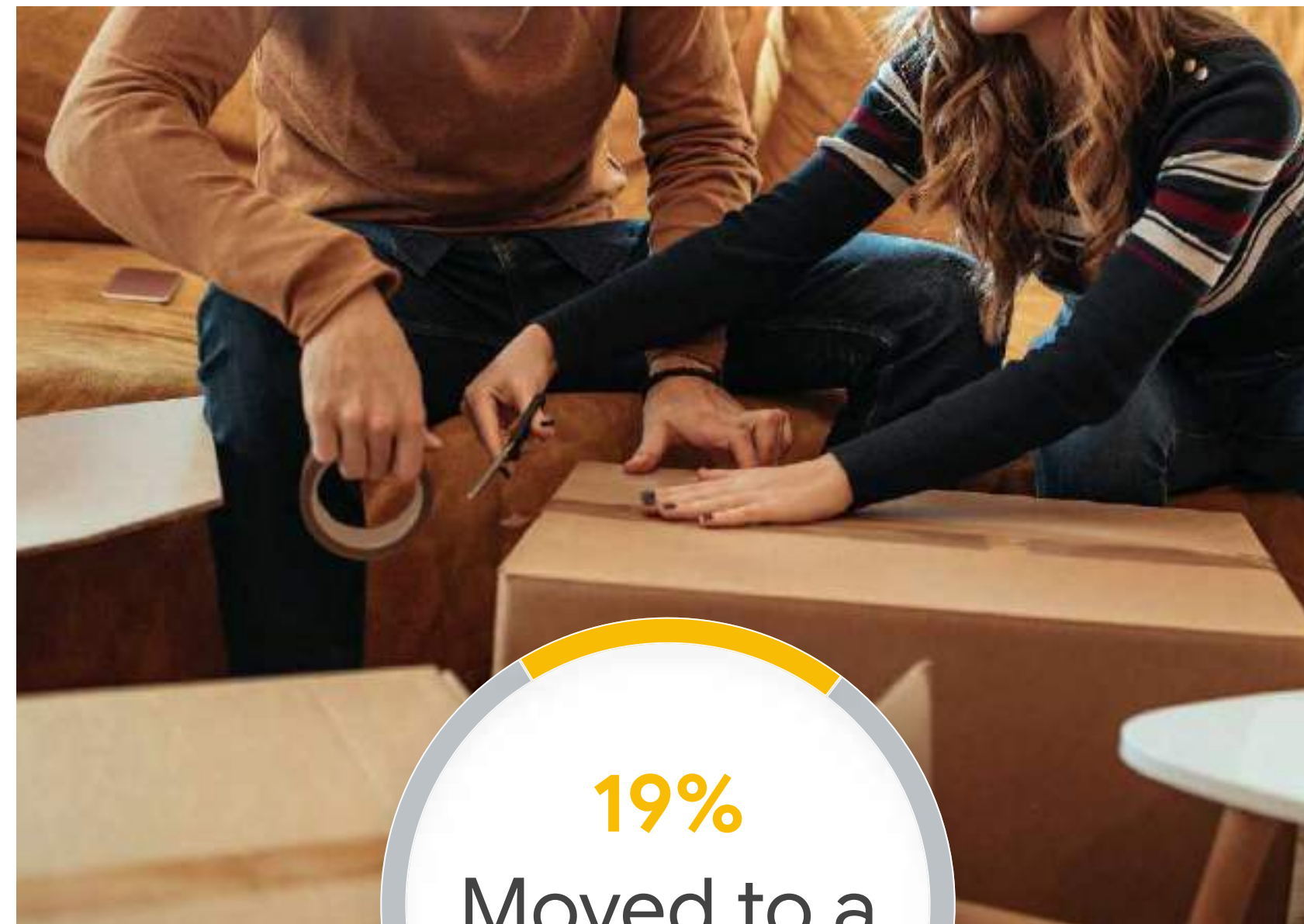
Consumer life-stages and influence

Used Car Sellers



20%

A growing family



19%

Moved to a new place

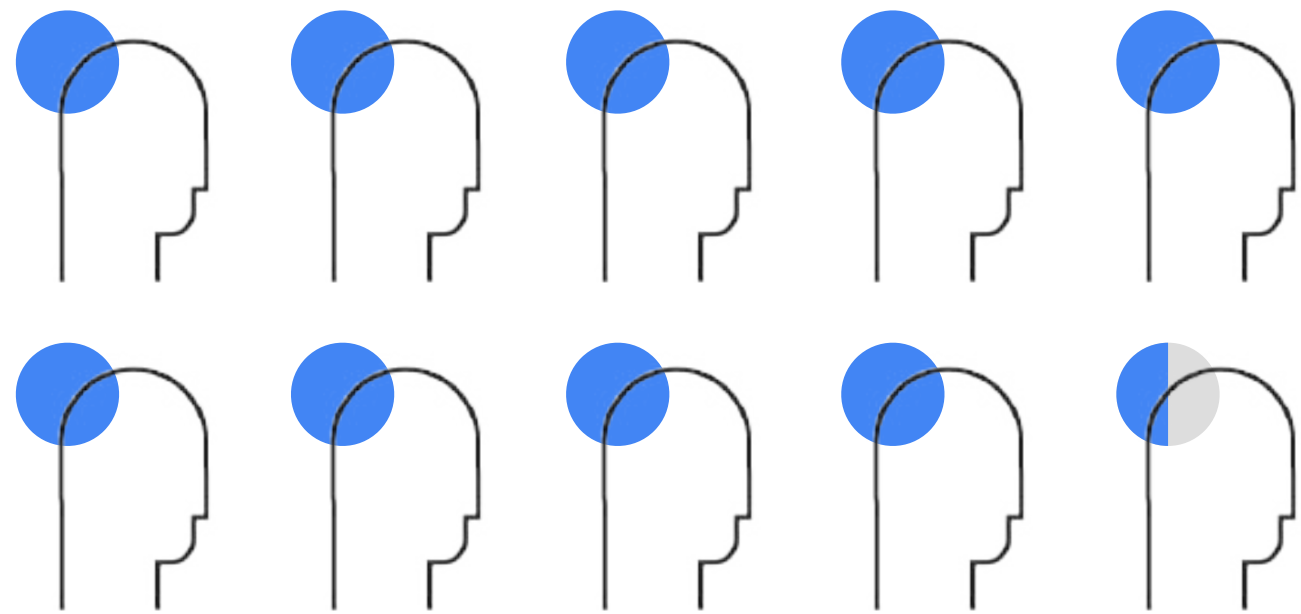


11%

New or changed job

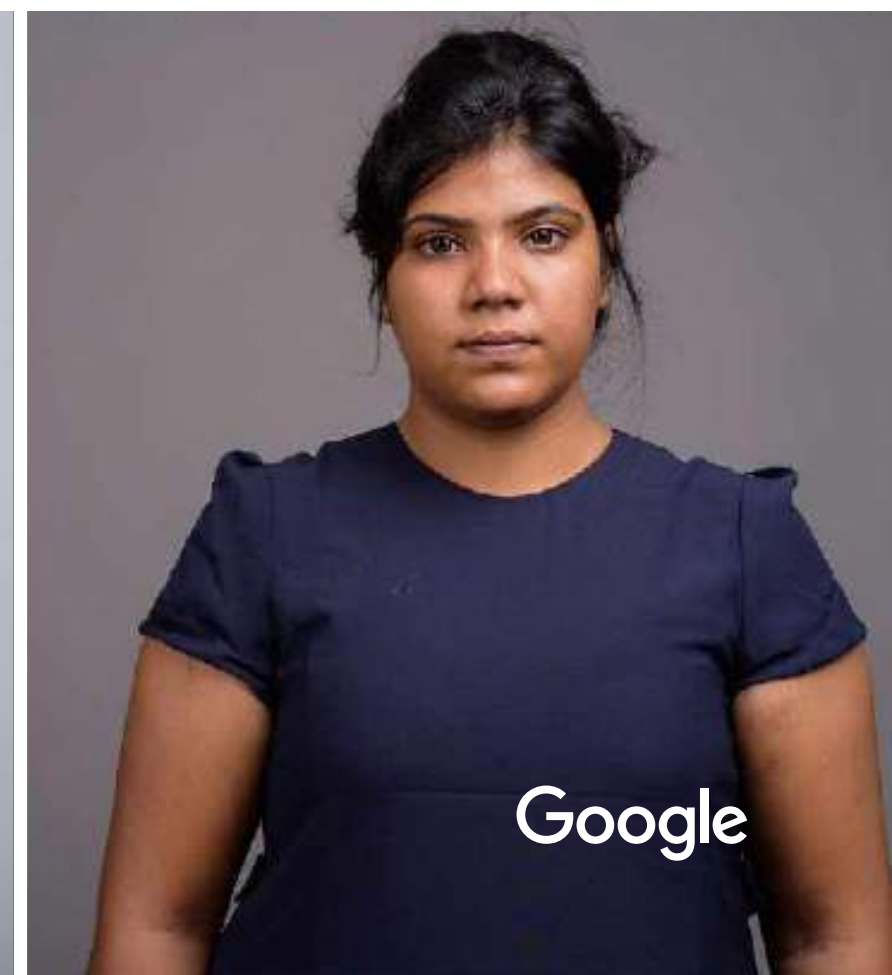
95% of new car buyers research online in 2020

New Cars



▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey
Q023: Search engines used during product research
Q024: Websites/apps used for information during last purchase
Q025: Website/App used to watch videos during last purchase
Overall base: 1238



95% of new car buyers research online in 2020

New Cars



Hatchback

93 %



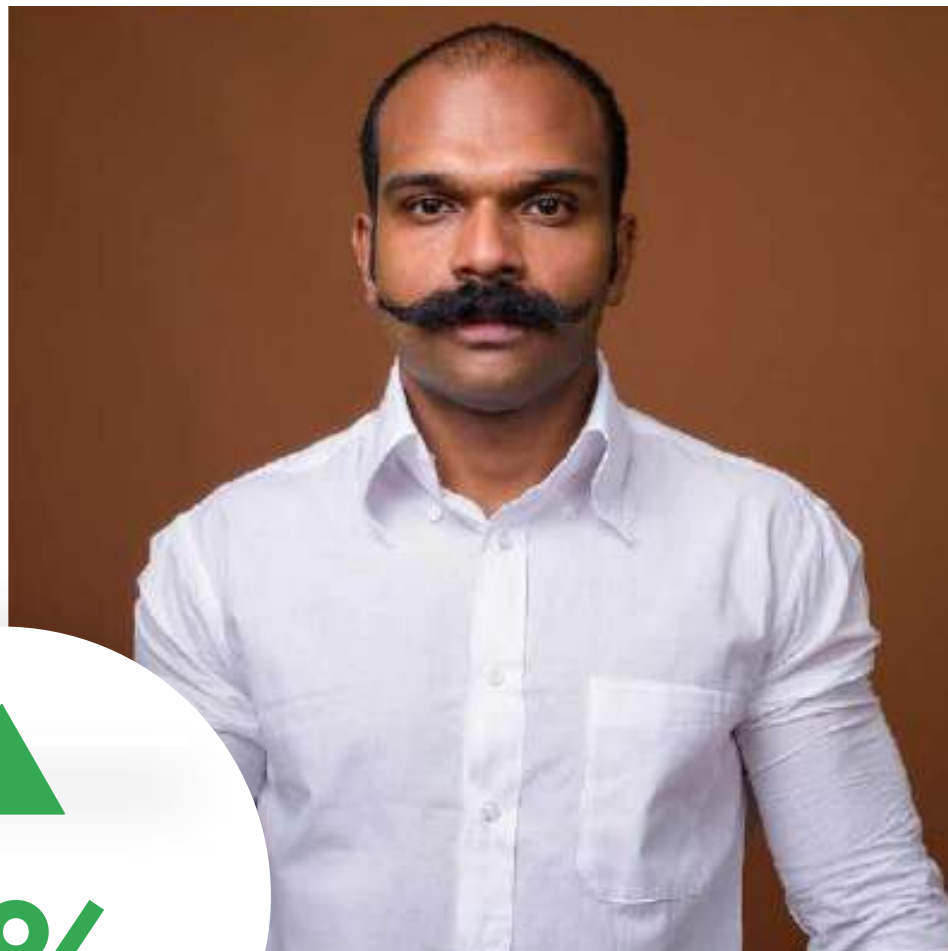
Sedan

96 %



SUV

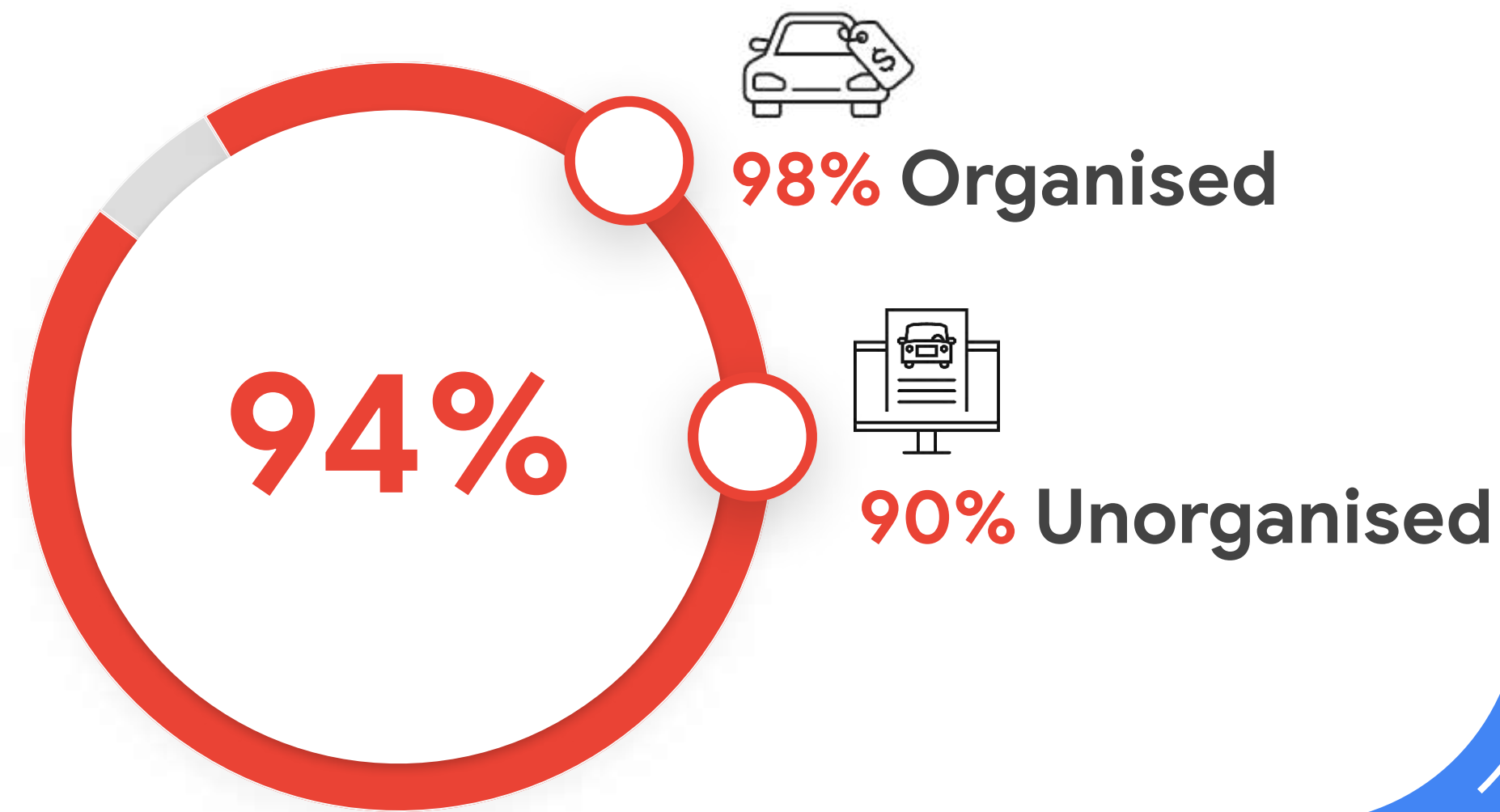
96 %



▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey
Q023: Search engines used during product research
Q024: Websites/apps used for information during last purchase
Q025: Website/App used to watch videos during last purchase
Overall base: 1238

Even higher for the Used car market



Used Cars



Used Car Sellers



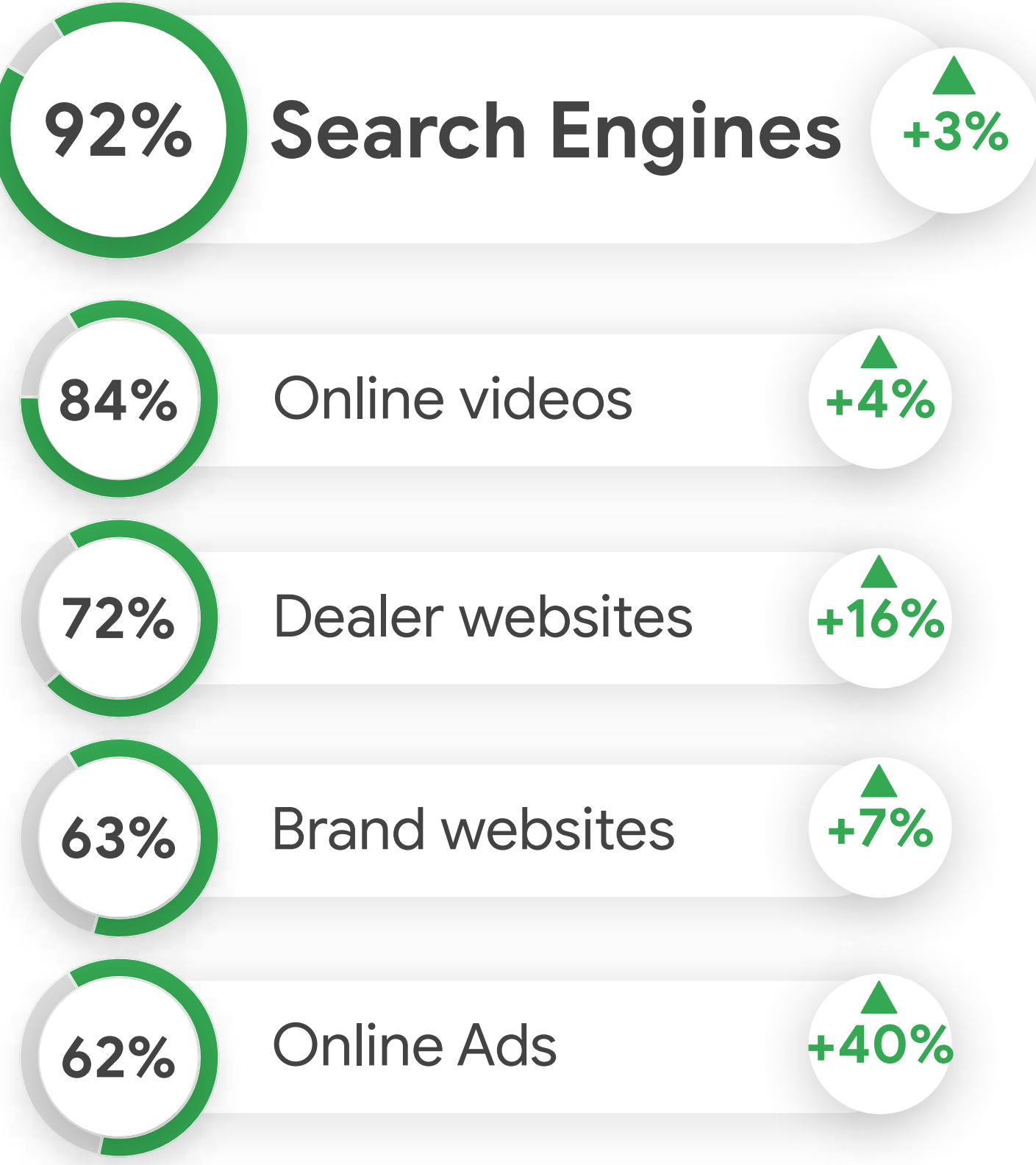
Q022: Online information sources used during the purchase journey
 Q023: Search engines used during product research
 Q024: Websites/apps used for information during last purchase
 Q025: Website/App used to watch videos during last purchase
 Overall base: 477

Q055: Online information sources used during the sale
 Q056: Search engines used during research
 Q057: Websites/apps used for information during last sale
 Q058: Website/App used to watch videos during last sale
 Overall base: 423

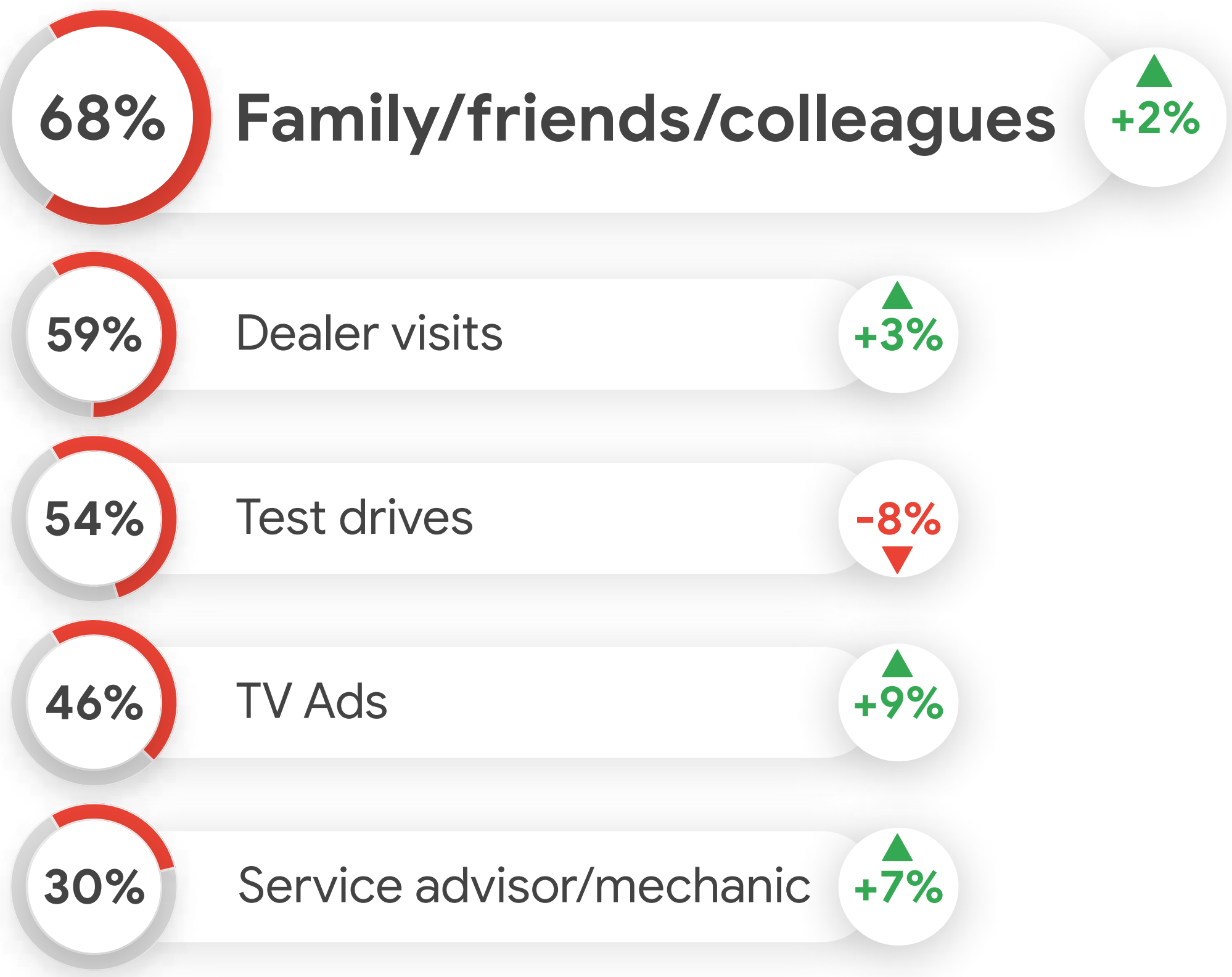
New Car buyers rely heavily on Online resources

New Cars

Online



Offline



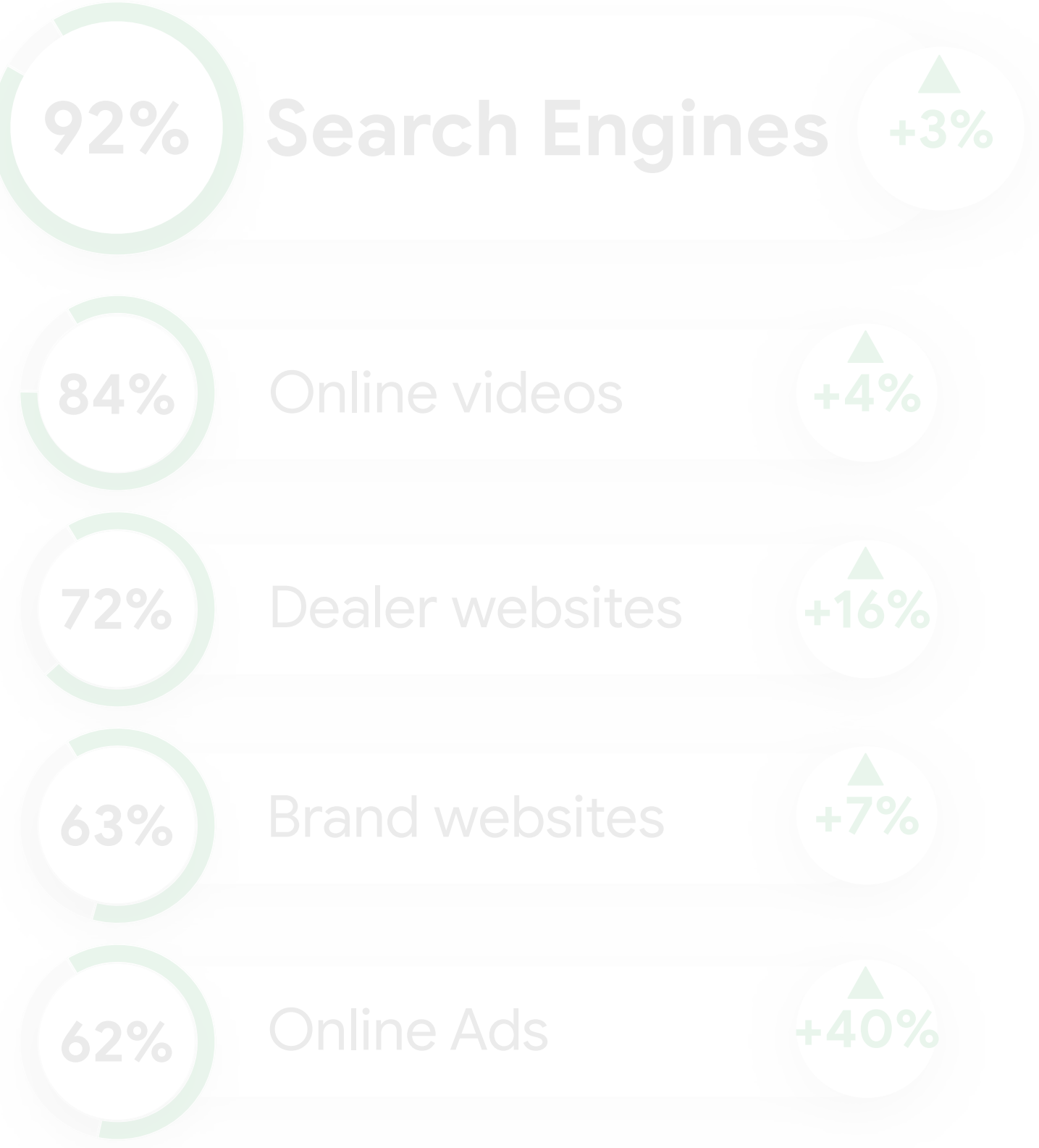
▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey Q024: Websites/apps used for information during last purchase
Q038: Offline information sources used during the purchase journey
Overall base: 1238

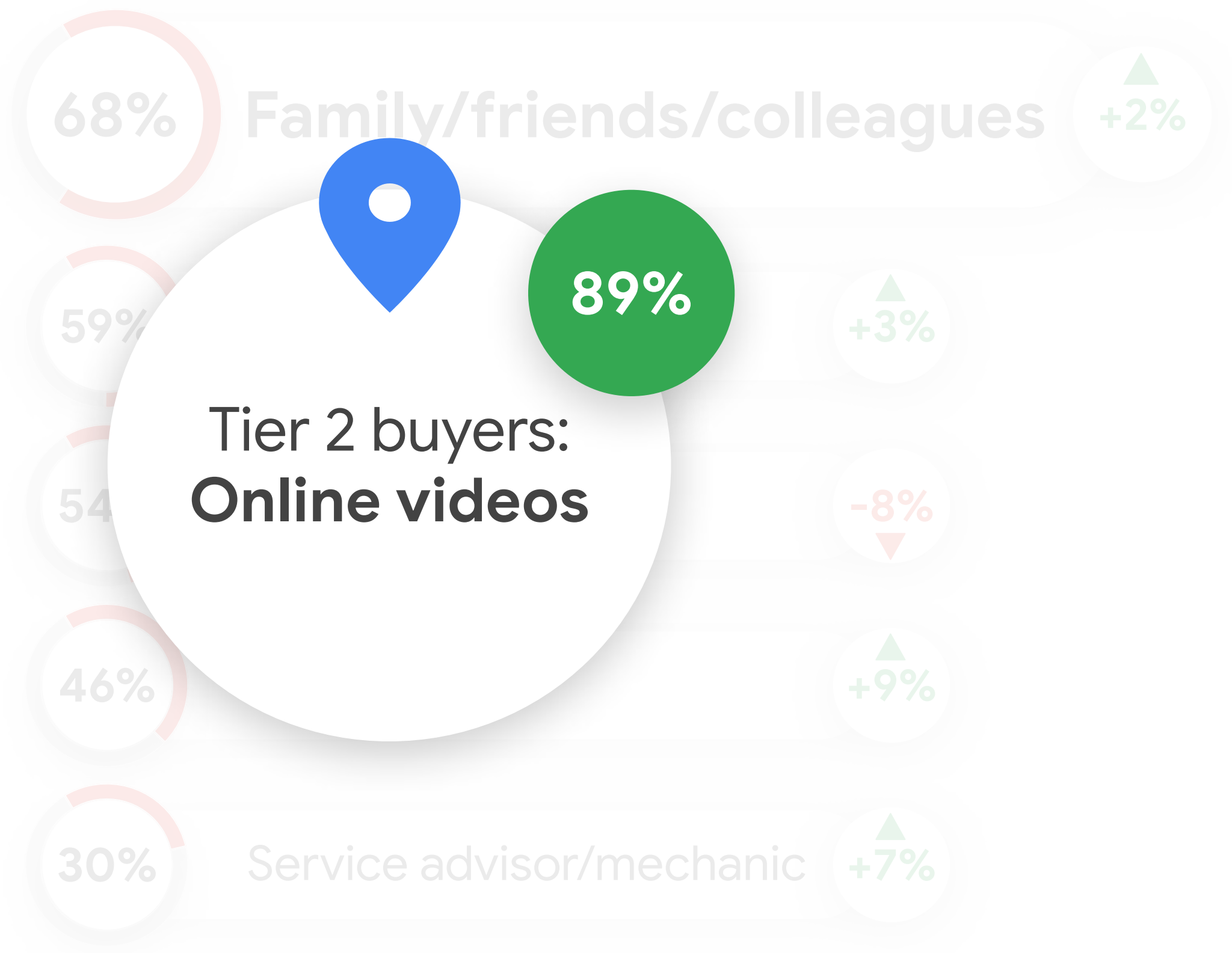
New Car buyers rely heavily on Online resources

New Cars

Online



Offline



89%

Tier 2 buyers:
Online videos

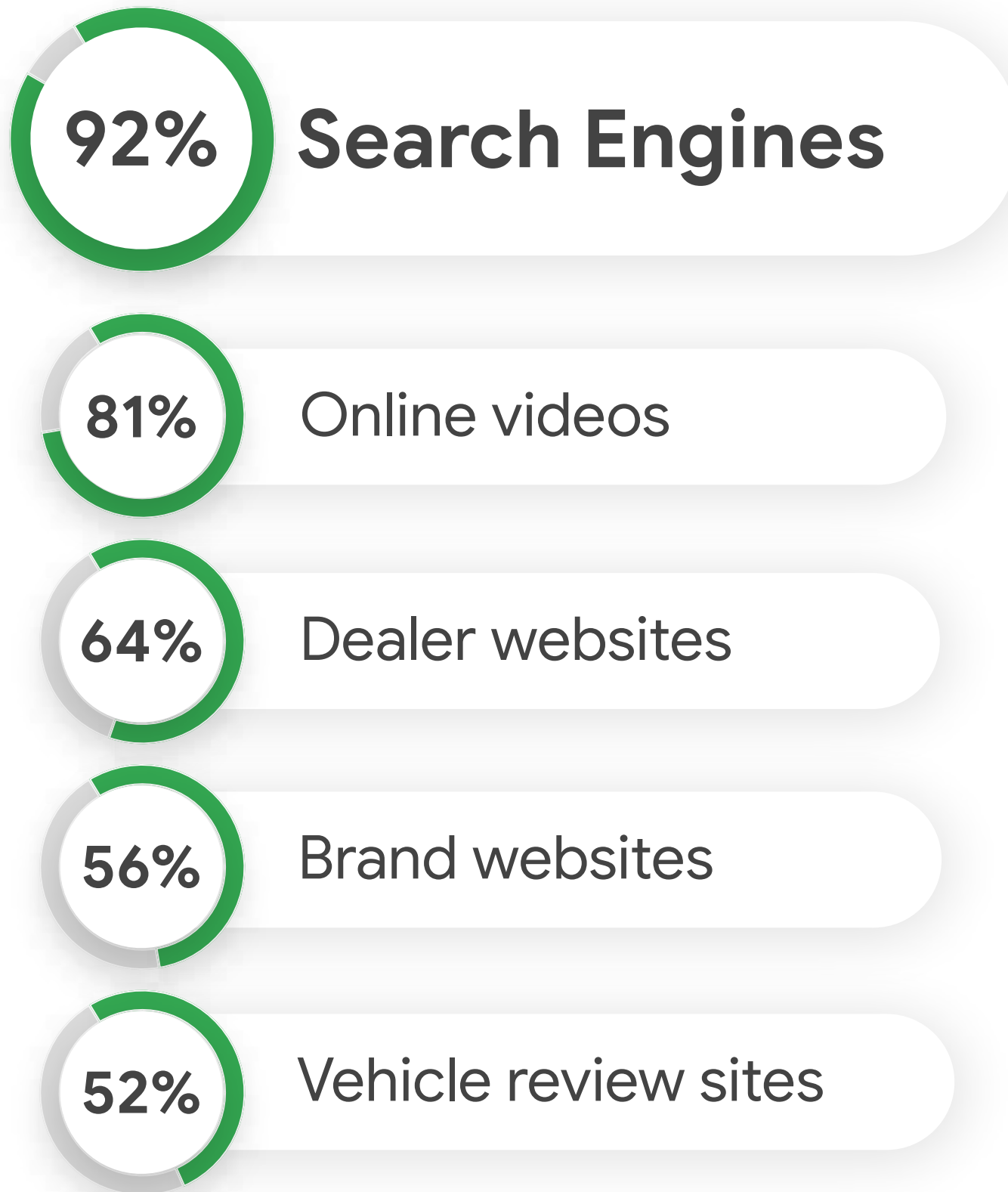
▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey Q024: Websites/apps used for information during last purchase
Q038: Offline information sources used during the purchase journey
Overall base: 1238

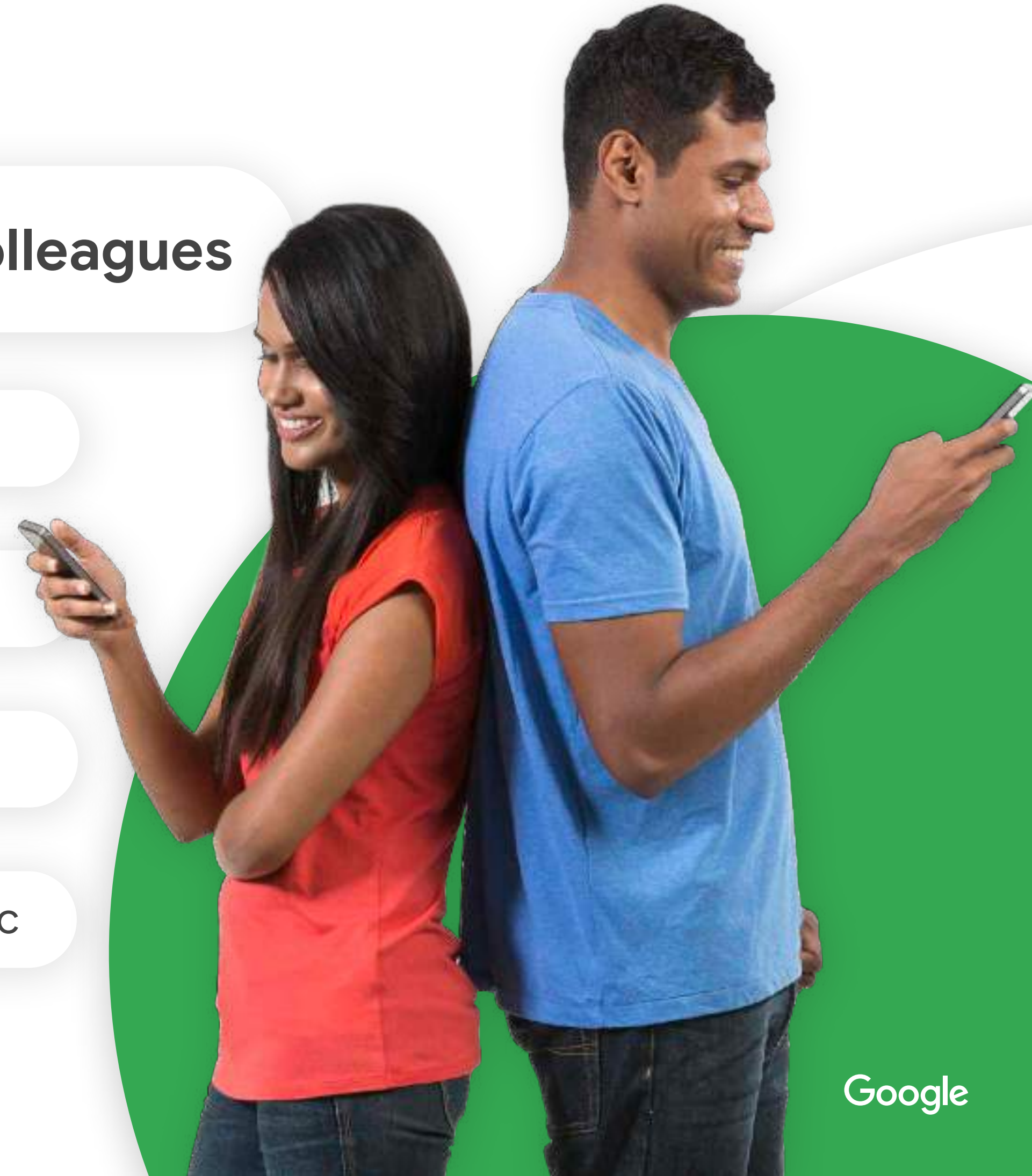
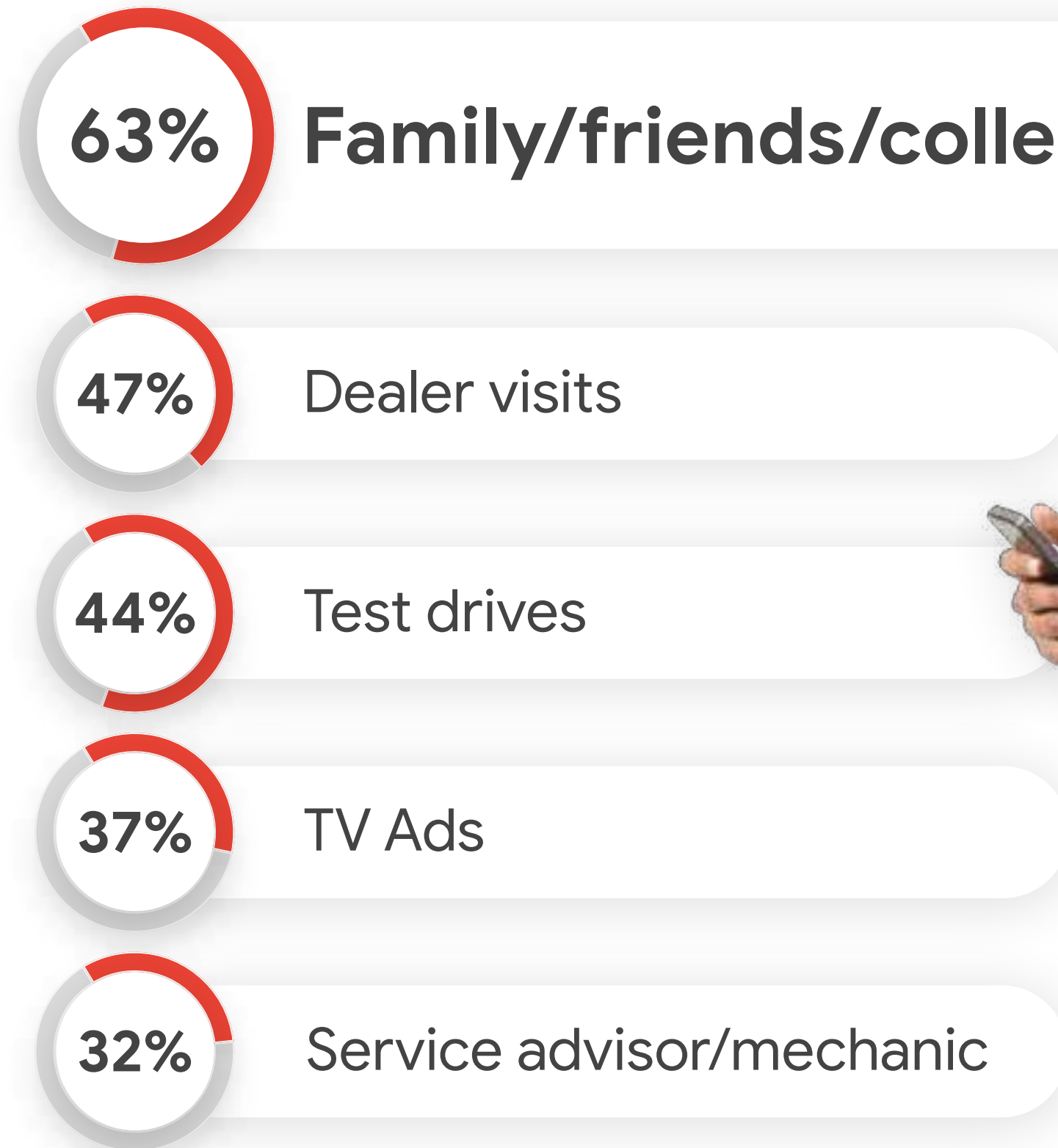
92% of Used car buyers rely on a Search Engine

Used Cars

Online



Offline



▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey

Q024: Websites/apps used for information during last purchase

Q038: Offline information sources used during the purchase journey

Overall base: 477

92% of Used car buyers rely on a Search Engine

Used Cars

Online

Offline



Vehicle review sites & Aggregators websites more important for Used cars



▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q022: Online information sources used during the purchase journey

Q024: Websites/apps used for information during last purchase

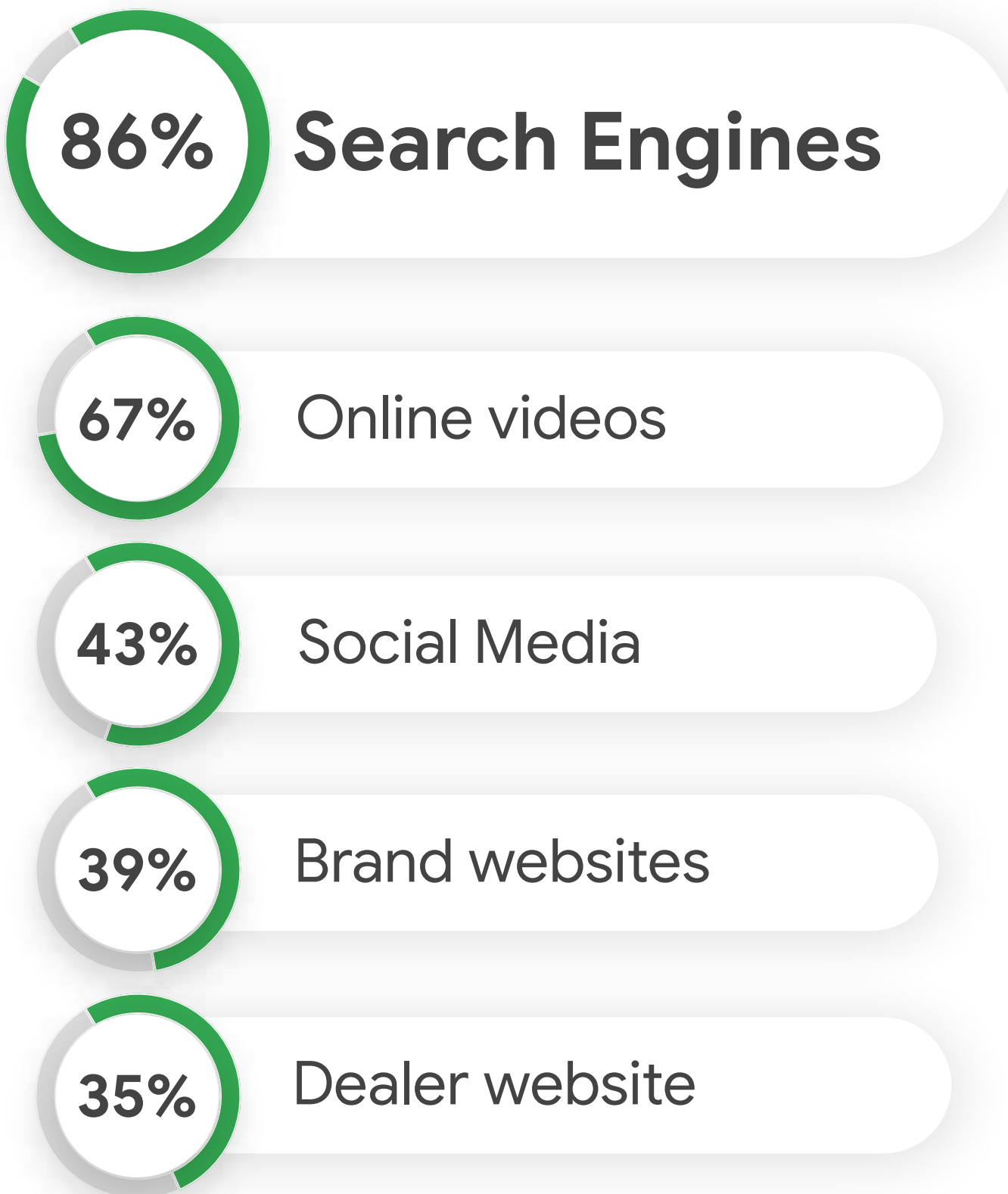
Q038: Offline information sources used during the purchase journey

Overall base: 477

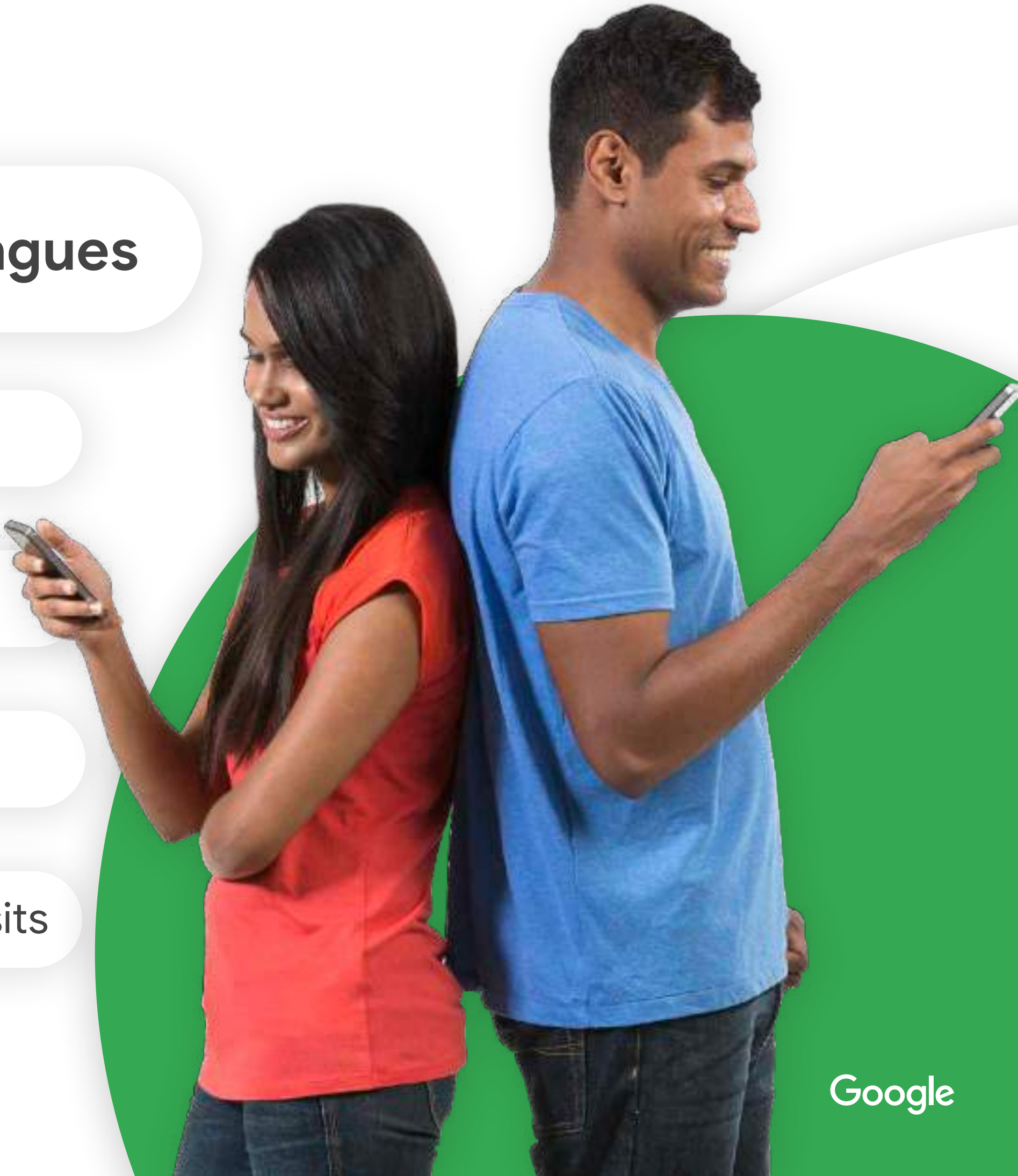
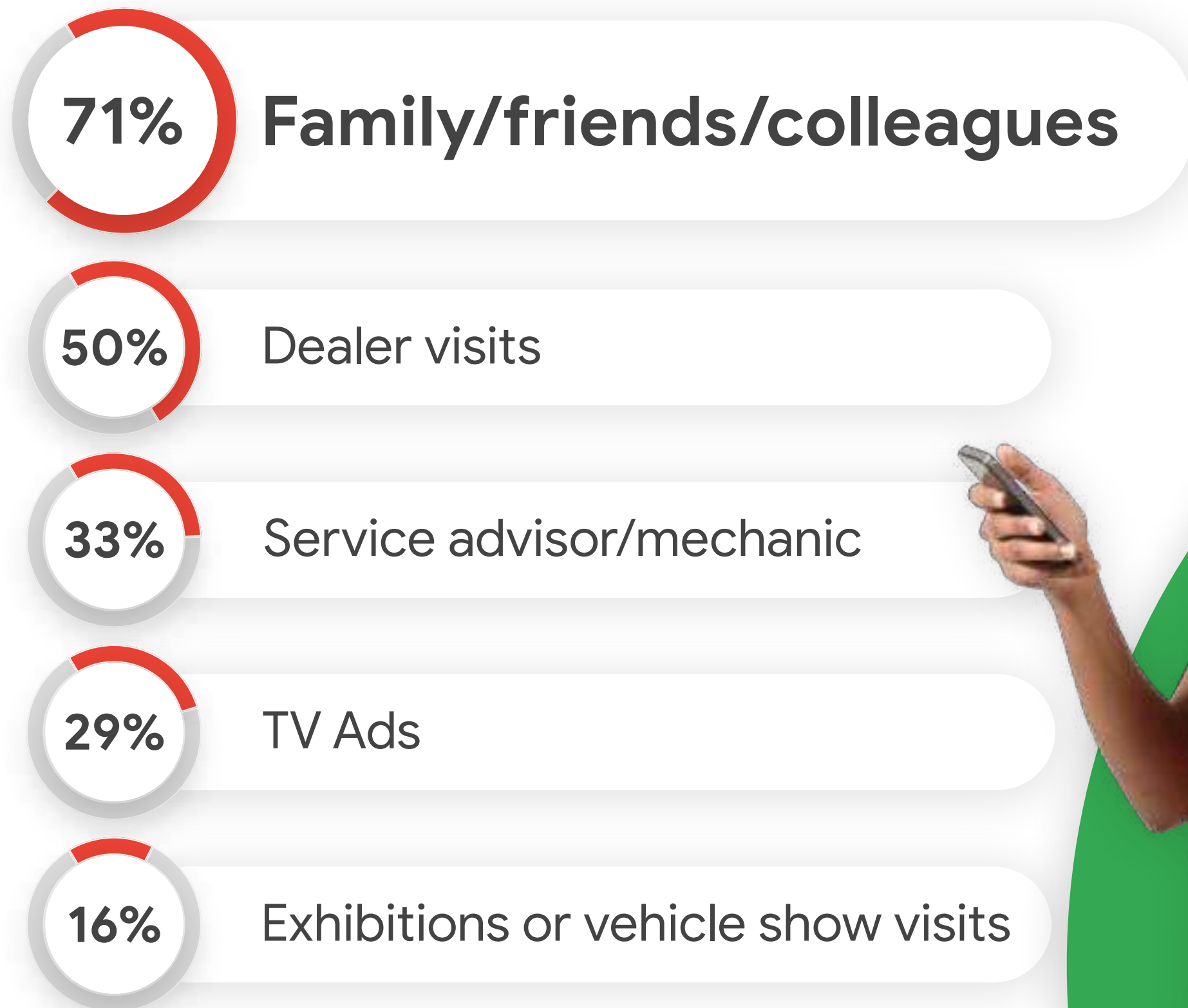
Used car sellers also rely on Online resources

Used Car Sellers

Online



Offline



▲ Increase compared to 2018 ▼ Decrease compared to 2018

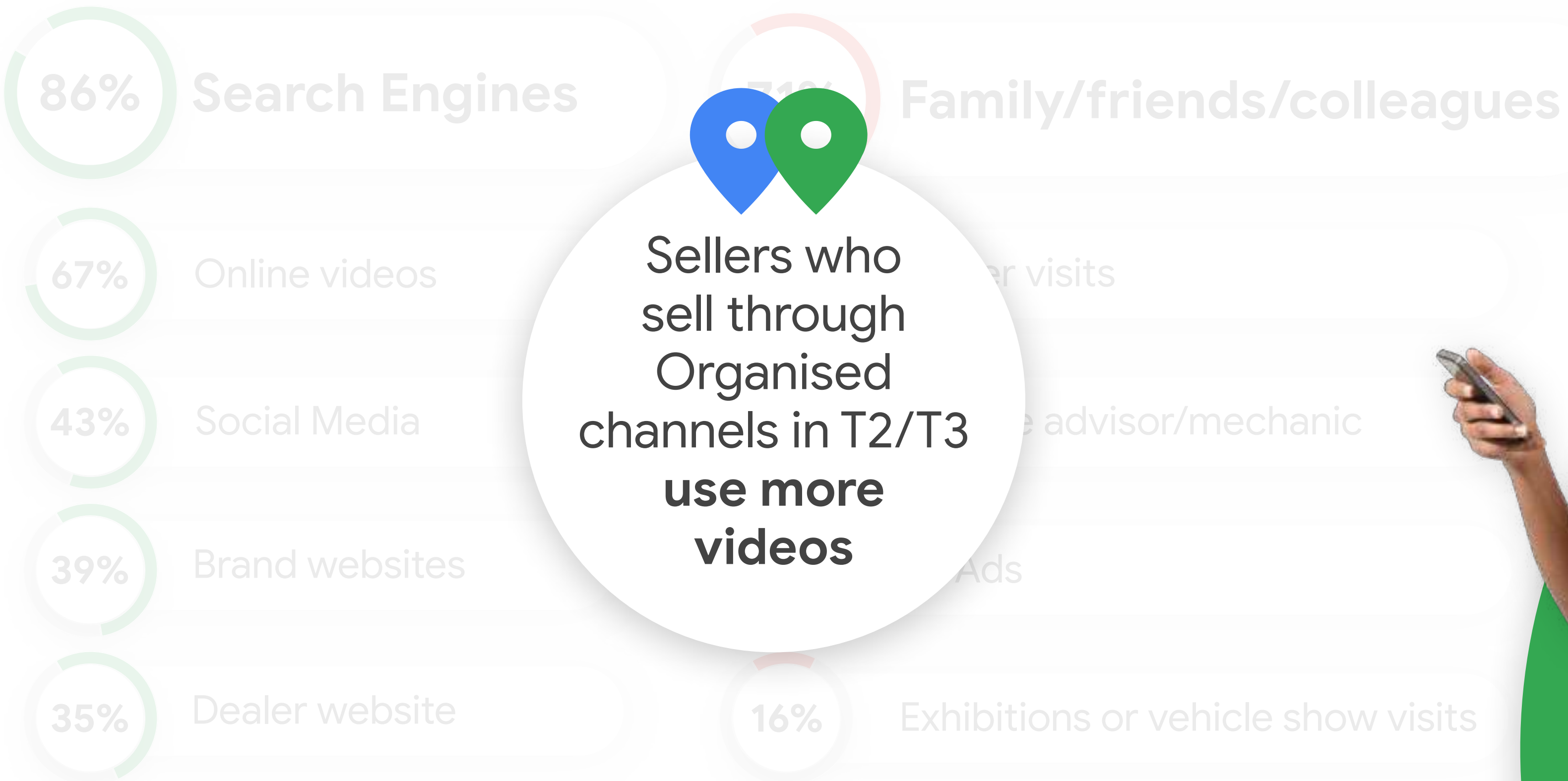
Q055: Online information sources used during the sale
Q057: Websites/apps used for information during last sale
Q065: Offline information sources used during the sale
Overall base: 423

Used car sellers also rely on Online resources

Used Car Sellers

Online

Offline

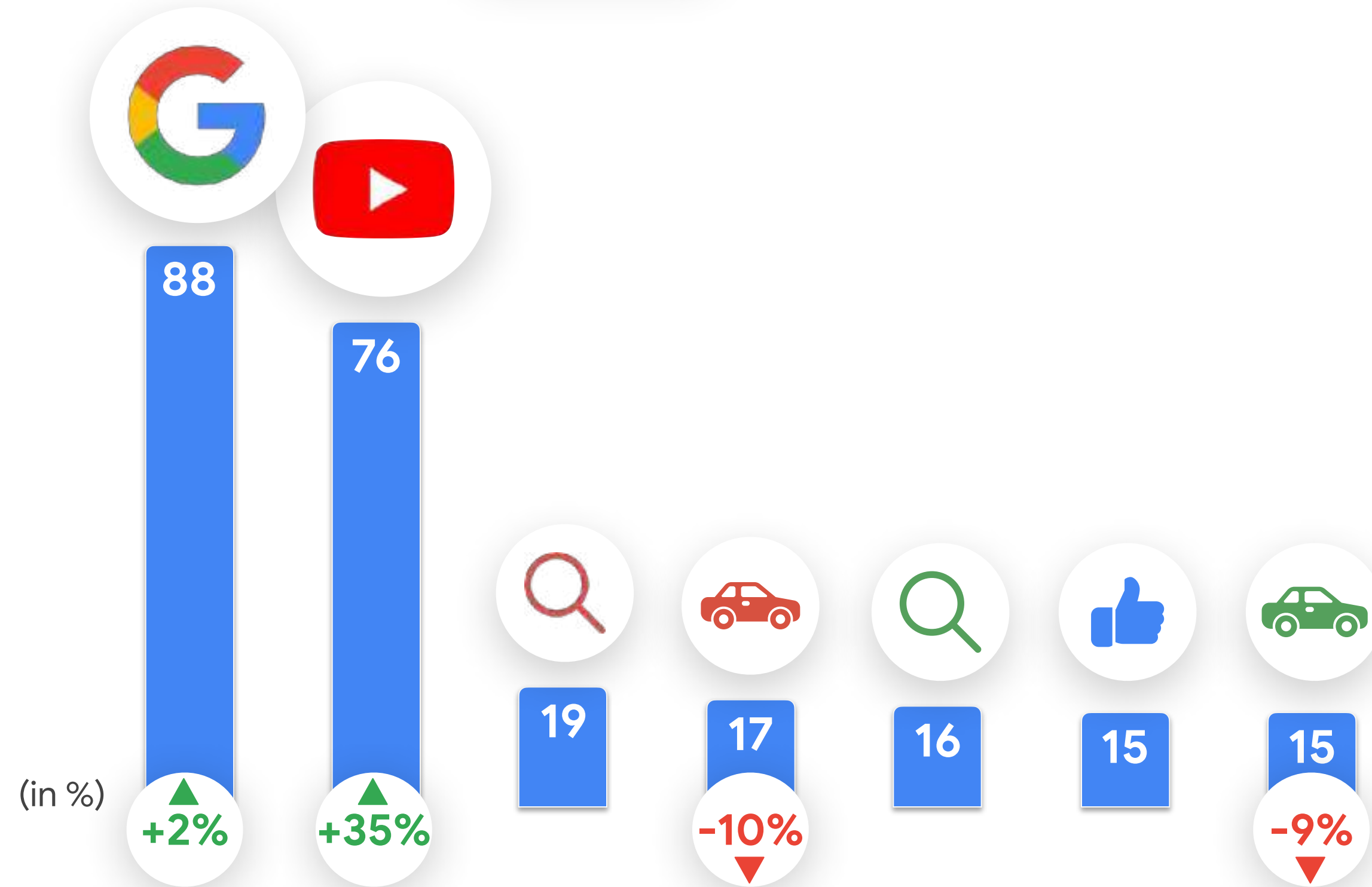


▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q055: Online information sources used during the sale
 Q057: Websites/apps used for information during last sale
 Q065: Offline information sources used during the sale
 Overall base: 423

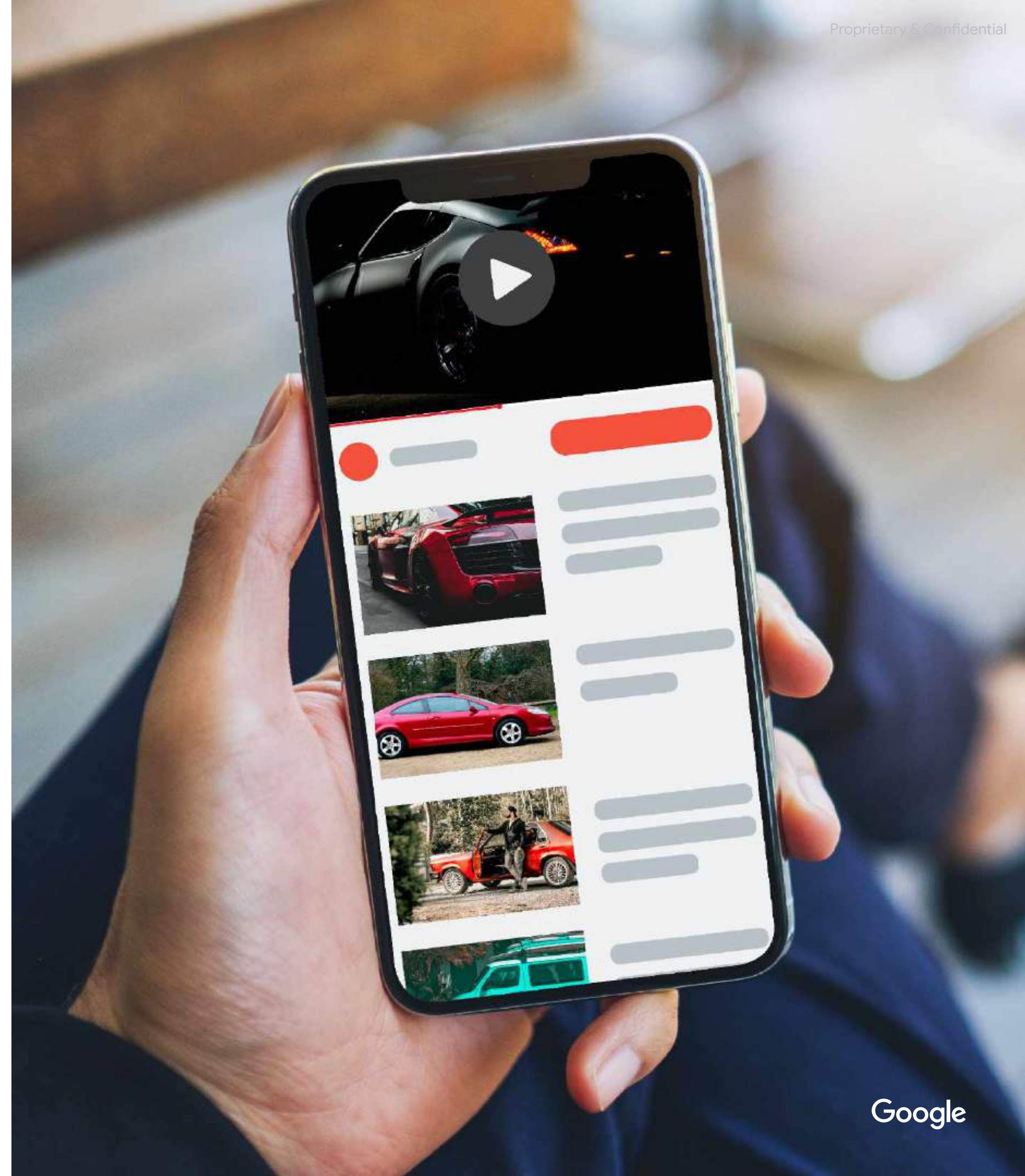
YouTube emerged as the #2 Search engine for new car buyers

New Cars



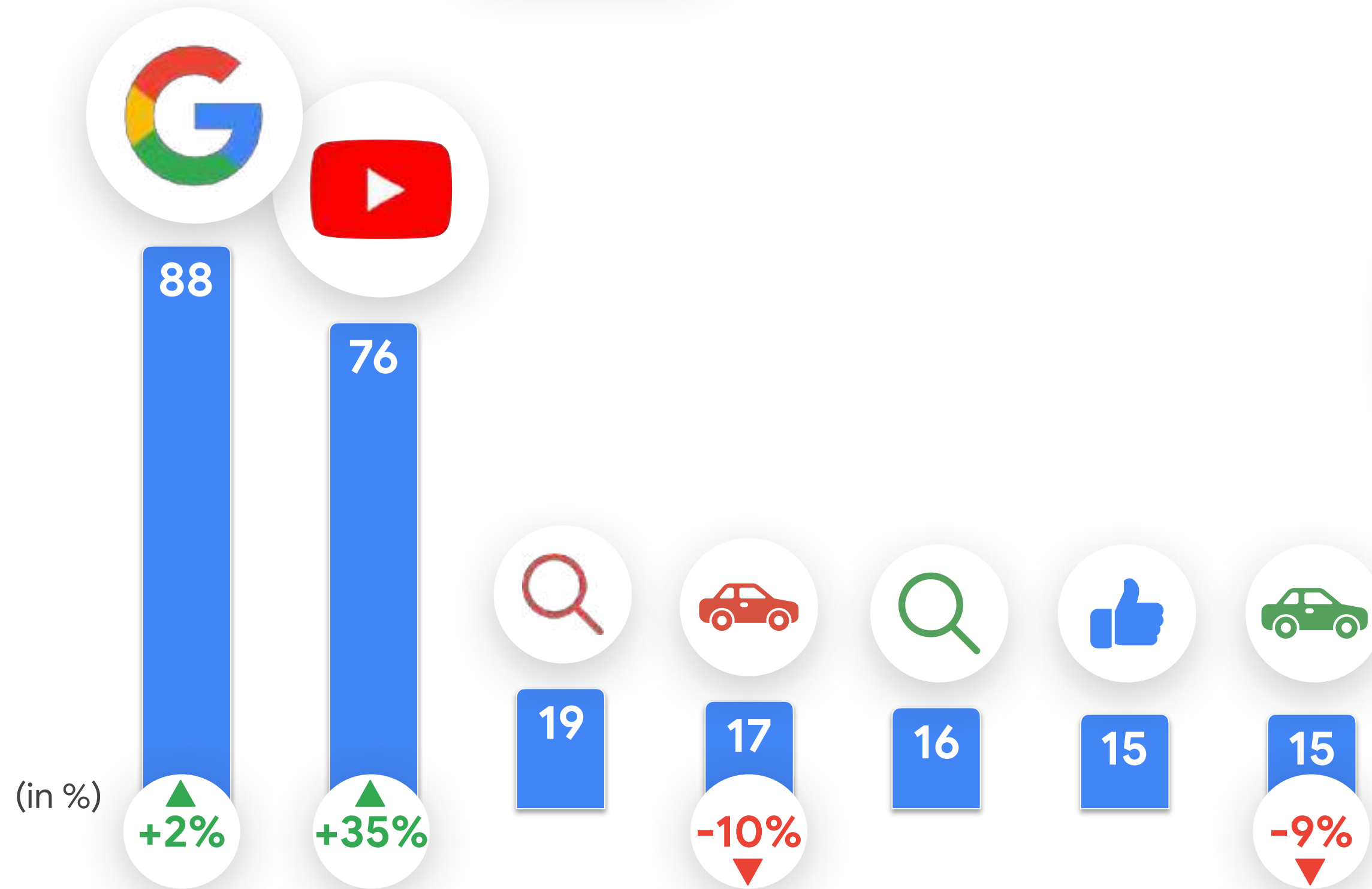
▲ Increase compared to 2018 ▼ Decrease compared to 2018

22 Q023: Search engines used during product research
Q024: Websites/apps used for information during last purchase
Overall base: 1238



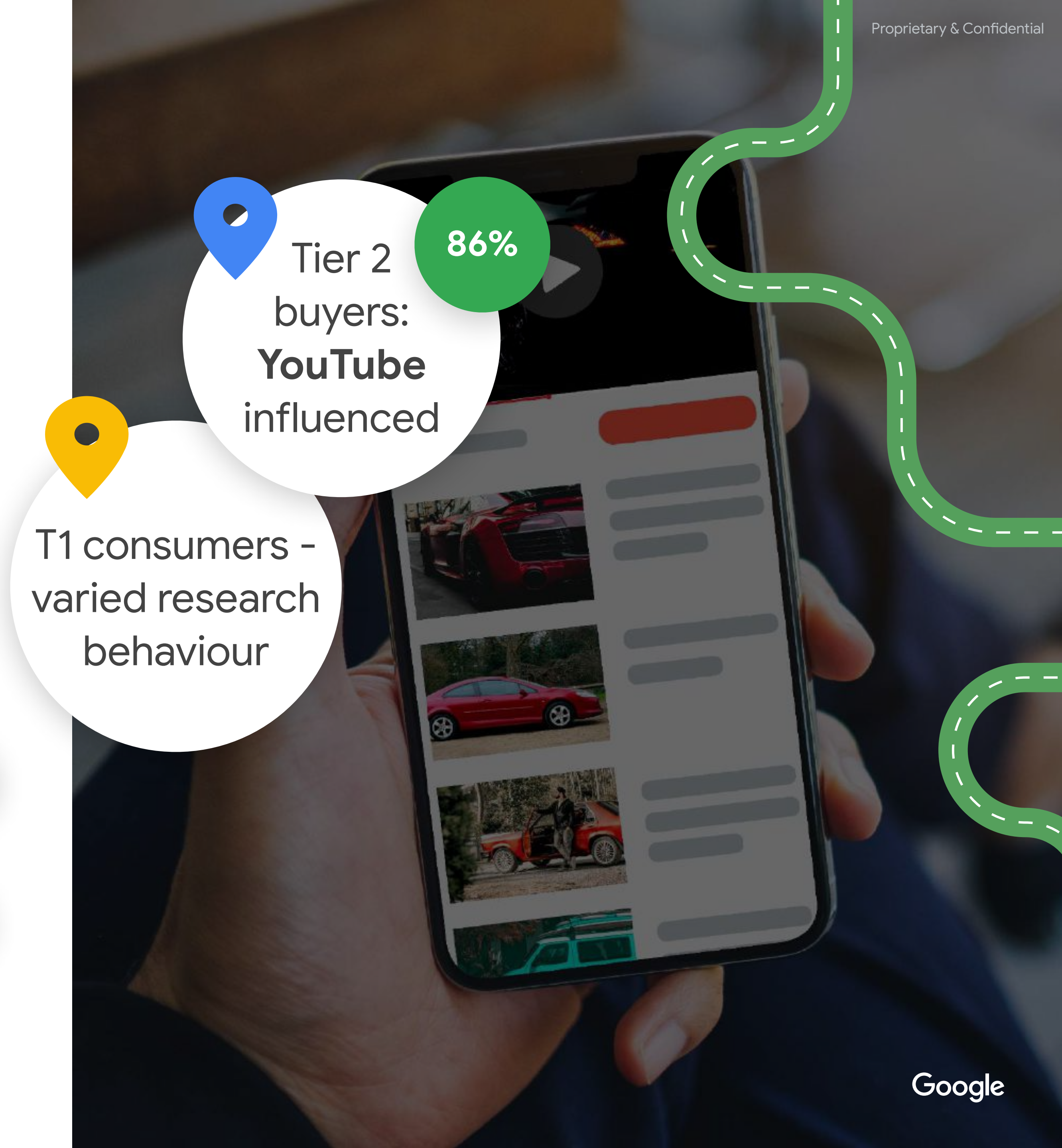
YouTube emerged as the #2 Search engine for new car buyers

New Cars



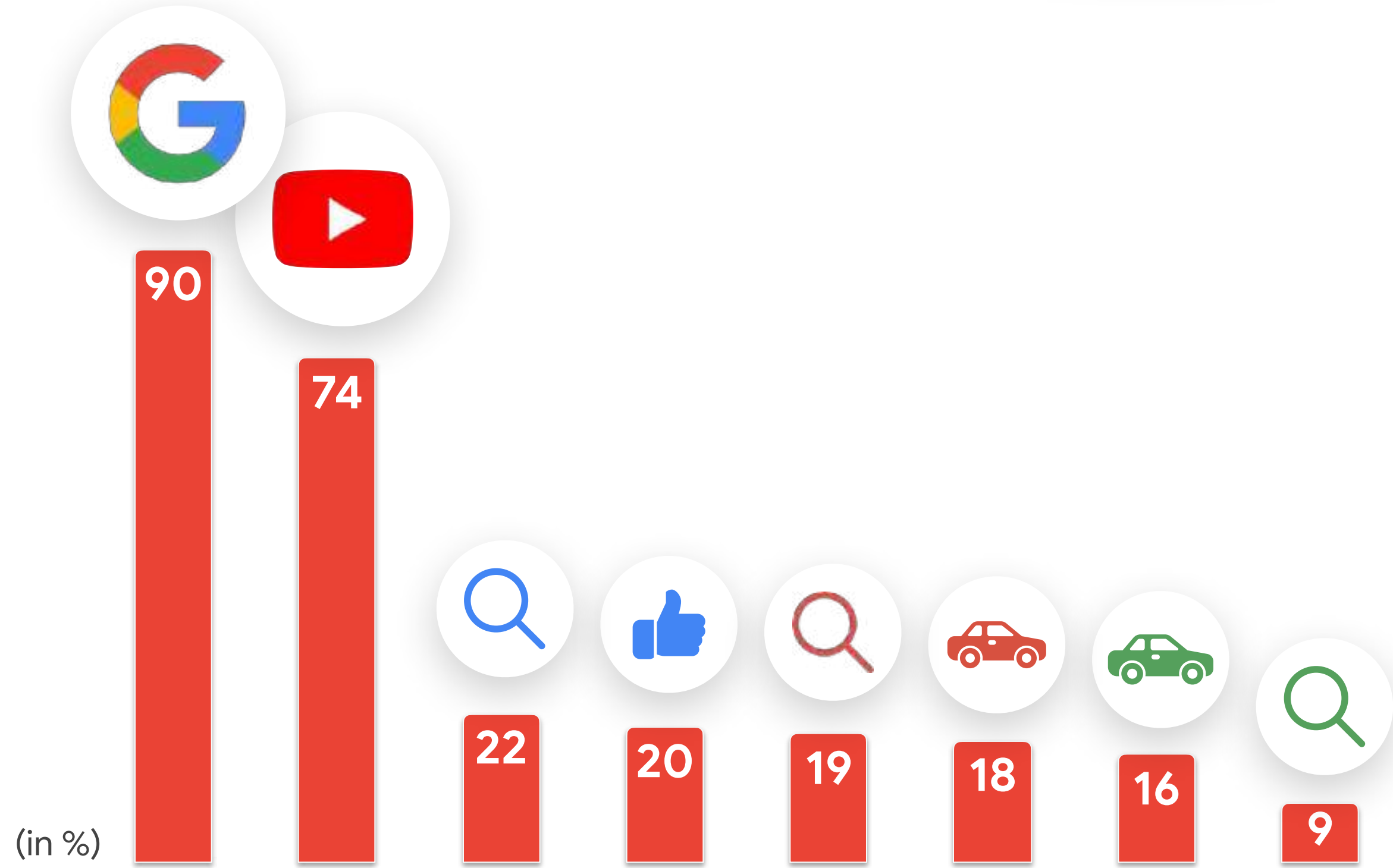
▲ Increase compared to 2018 ▼ Decrease compared to 2018

22 Q23: Search engines used during product research
Q24: Websites/apps used for information during last purchase
Overall base: 1238

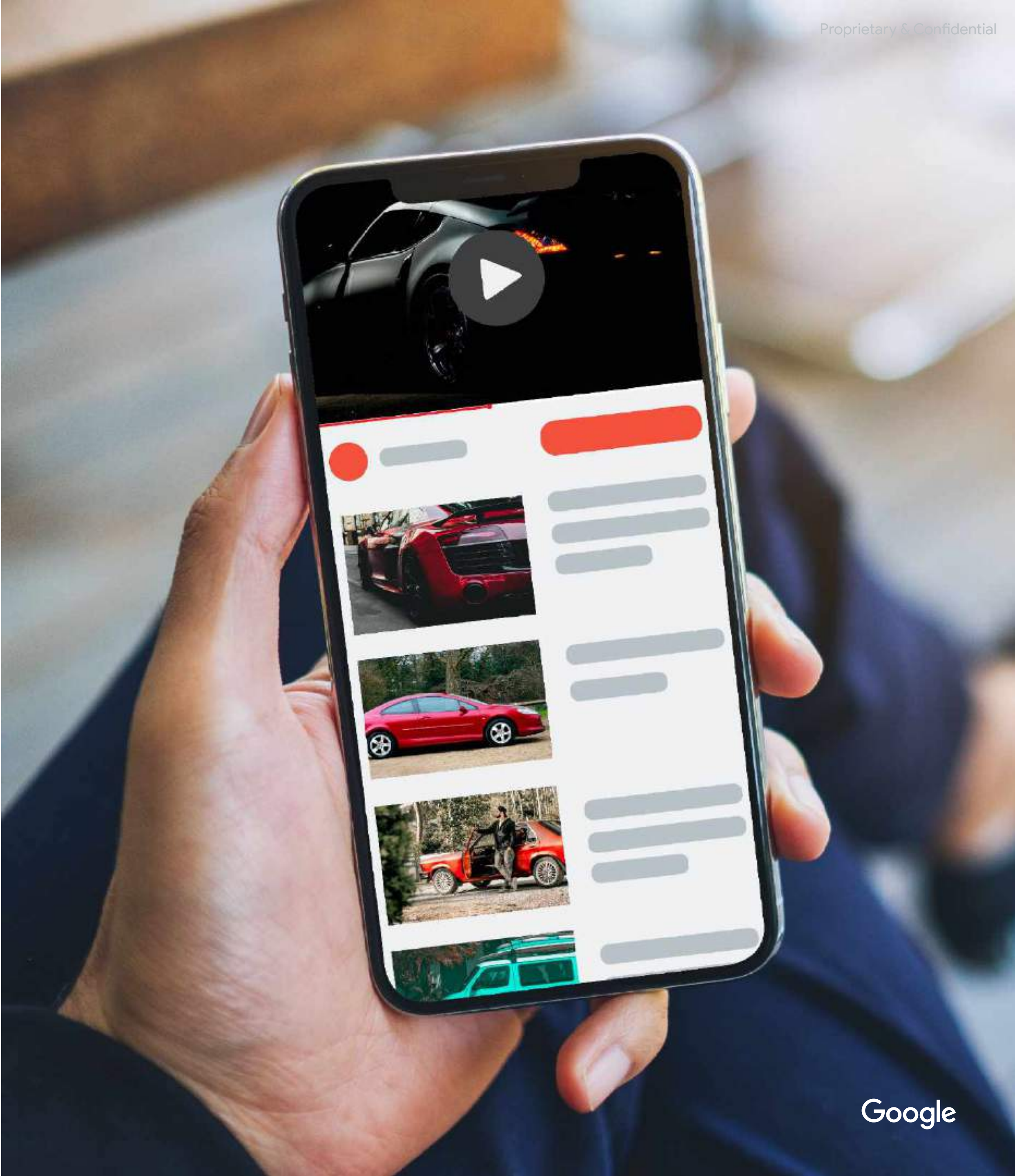


Heavy Google Search & YouTube behaviour even for Used car Buyers

Used Cars



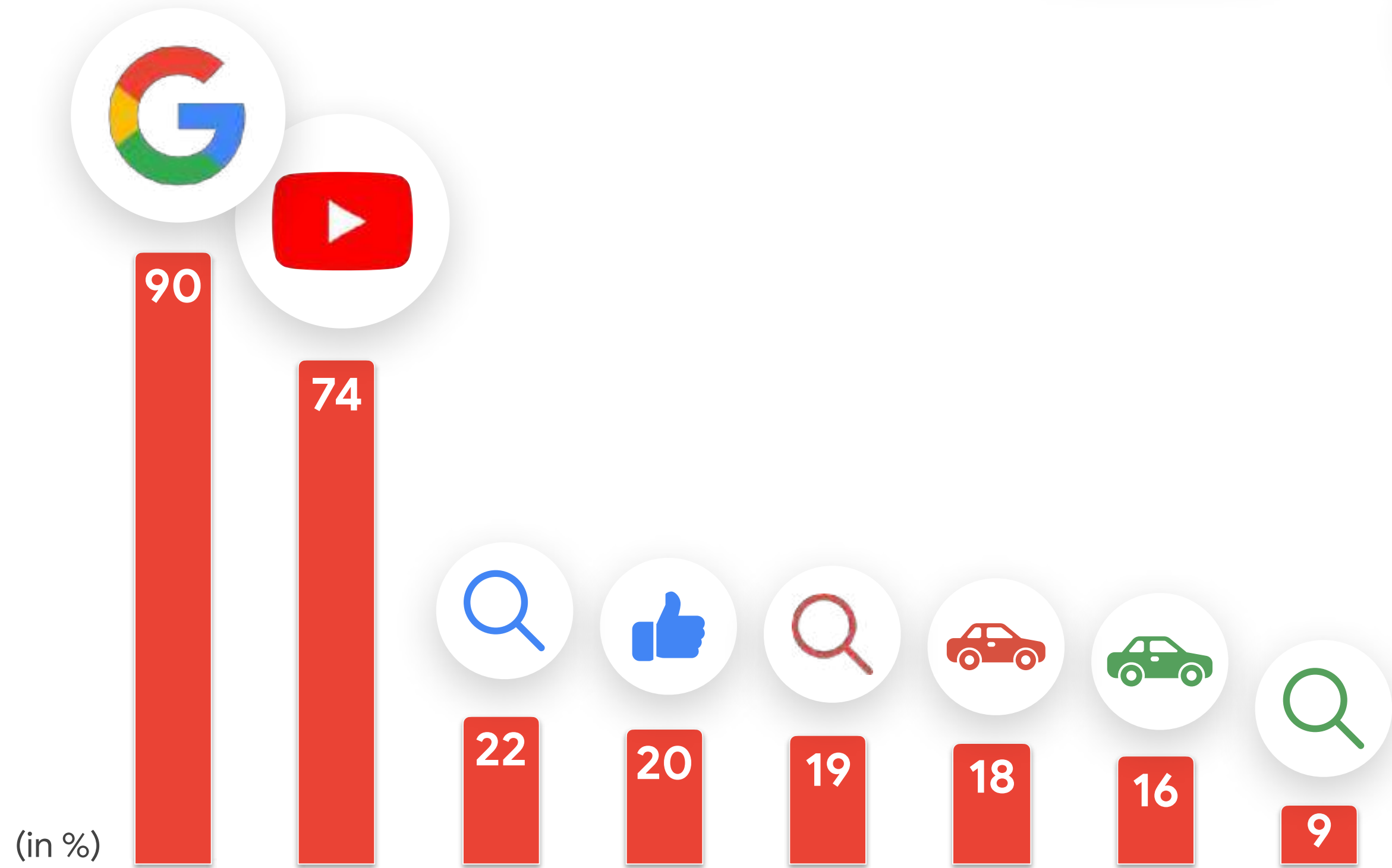
(in %)



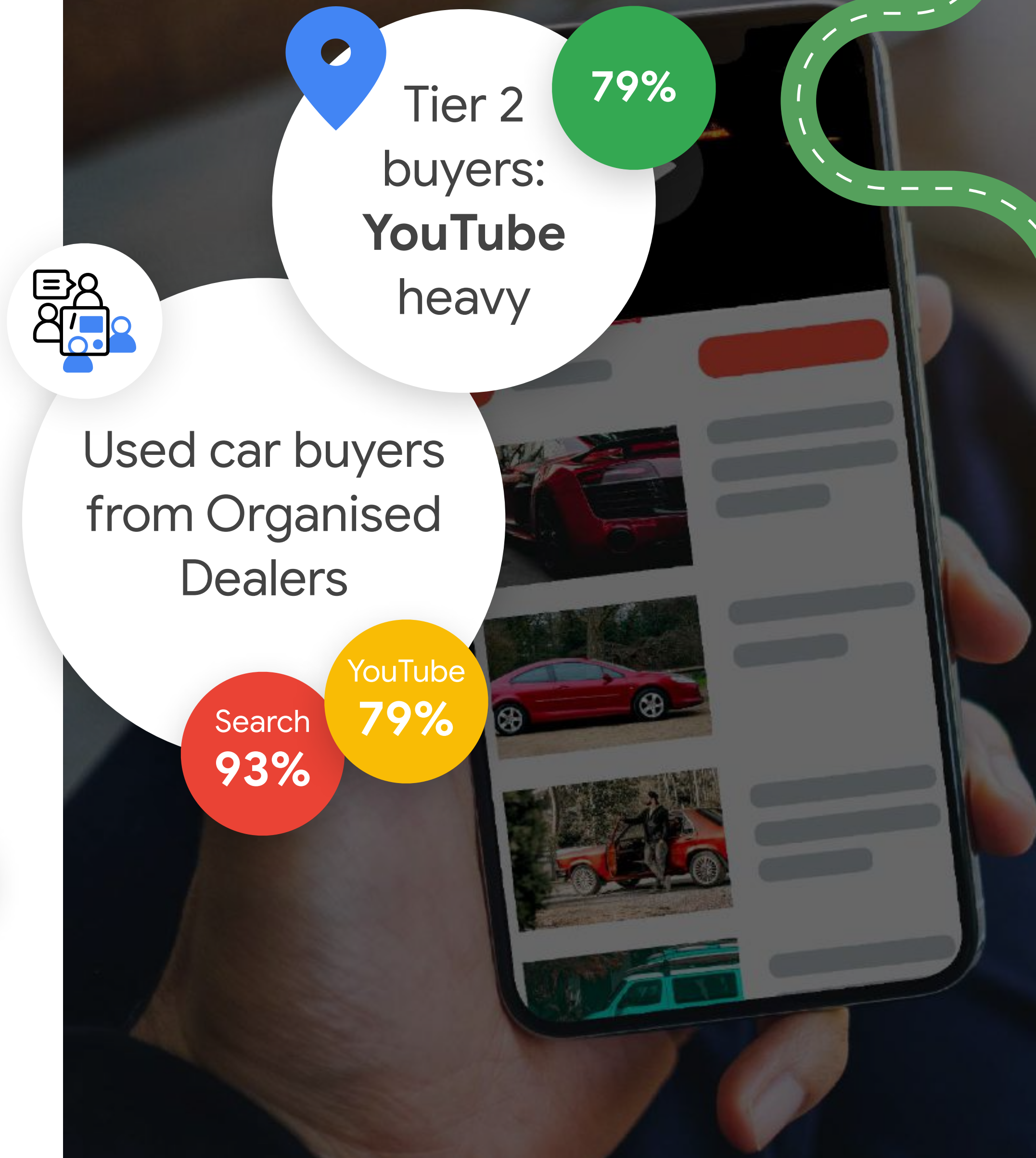
23 | Q023: Search engines used during product research
Q024: Websites/apps used for information during last purchase
Overall base: 477

Heavy Google Search & YouTube behaviour even for Used car Buyers

Used Cars



(in %)



Tier 2 buyers:
YouTube heavy

79%

Used car buyers from Organised Dealers

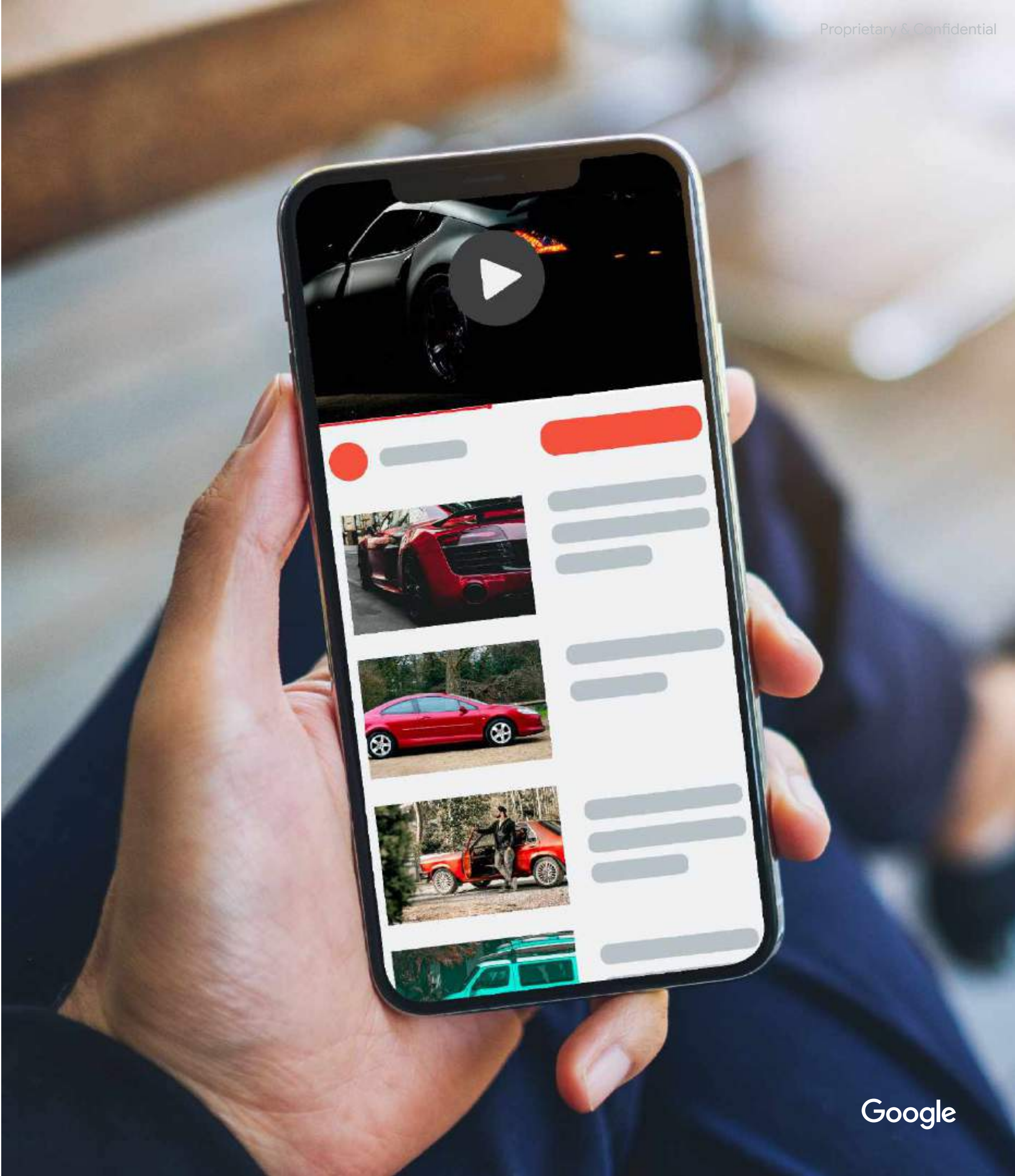
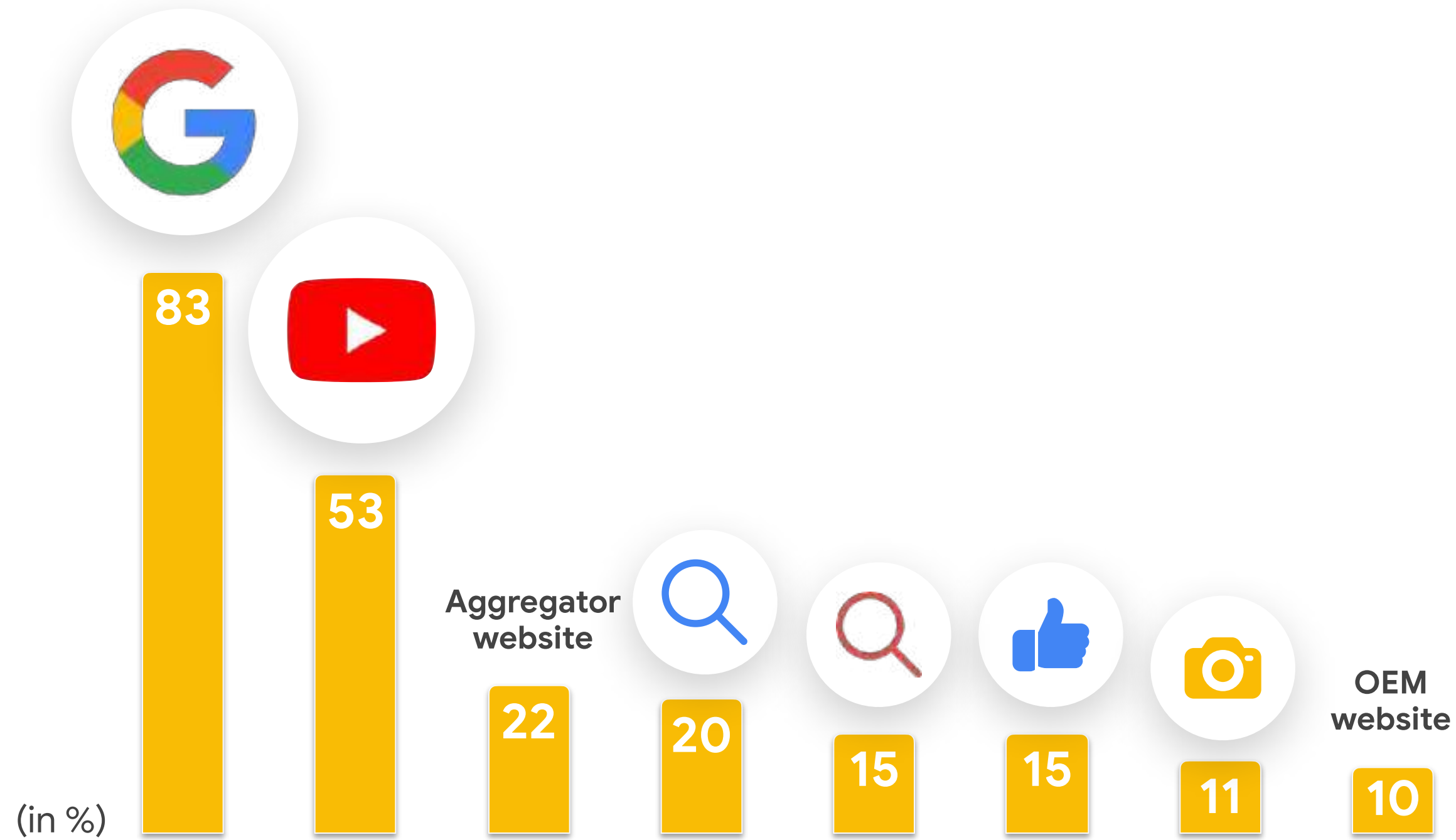
Search
93%

YouTube
79%

23 | Q023: Search engines used during product research
Q024: Websites/apps used for information during last purchase
Overall base: 477

Used car Sellers rely more on Google search

Used Car Sellers



24 Q056: Search engines used during research
Q057: Websites/apps used for information during last sale
Overall base: 423

Used car Sellers rely more on Google search

Used Car Sellers

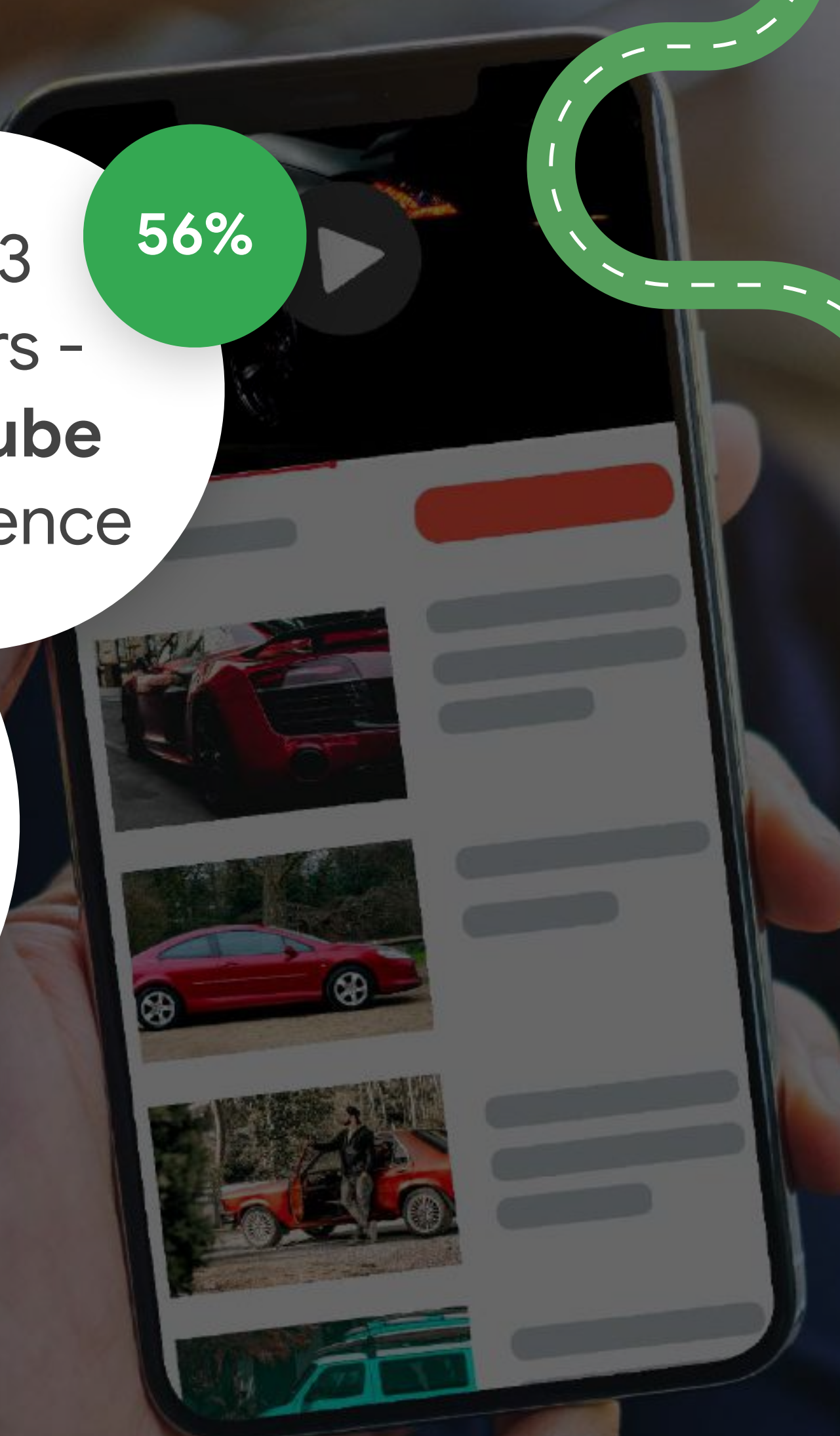


T2/3 Sellers - YouTube preference 56%

Sellers using Organised dealers heavier users of Search 87% YouTube 62%

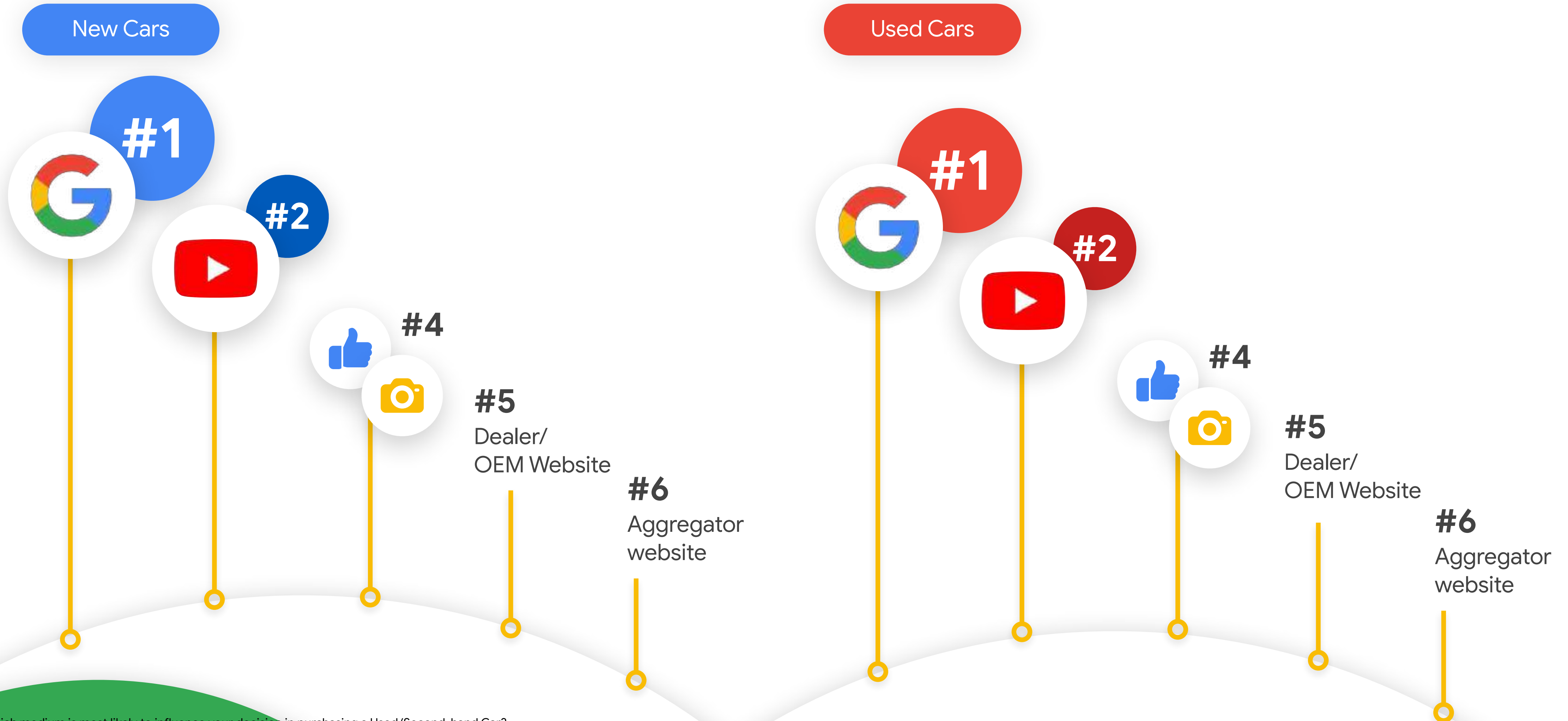
Search 87%

YouTube 62%



24 Q056: Search engines used during research
Q057: Websites/apps used for information during last sale
Overall base: 423

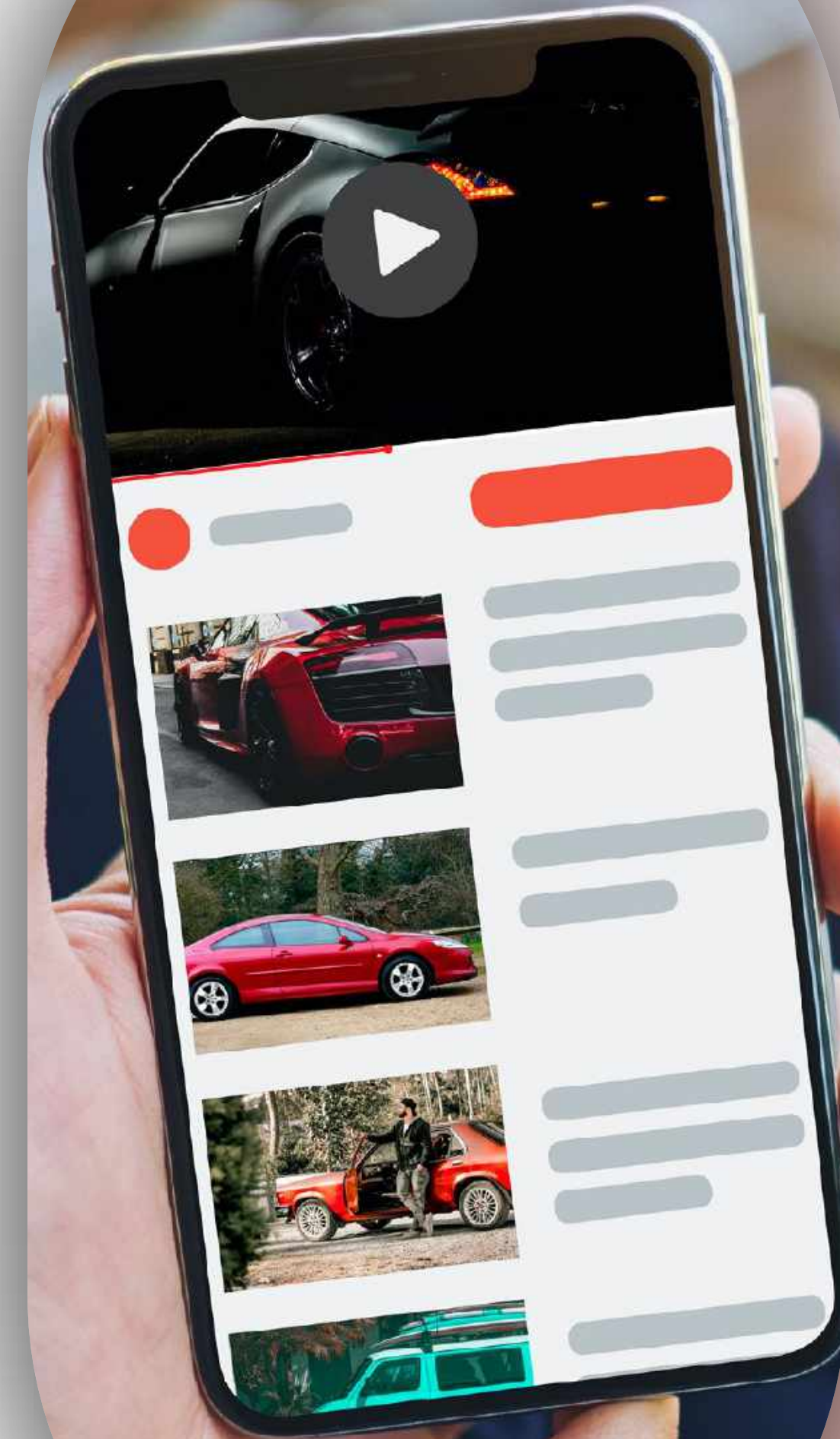
Even amidst Covid, Google search and YouTube rank high



25 Q6. Which medium is most likely to influence your decision in purchasing a Used/Second-hand Car?
Q6. Which medium is most likely to influence your decision in purchasing a new car?
Source: Google Consumer Survey, June 2020

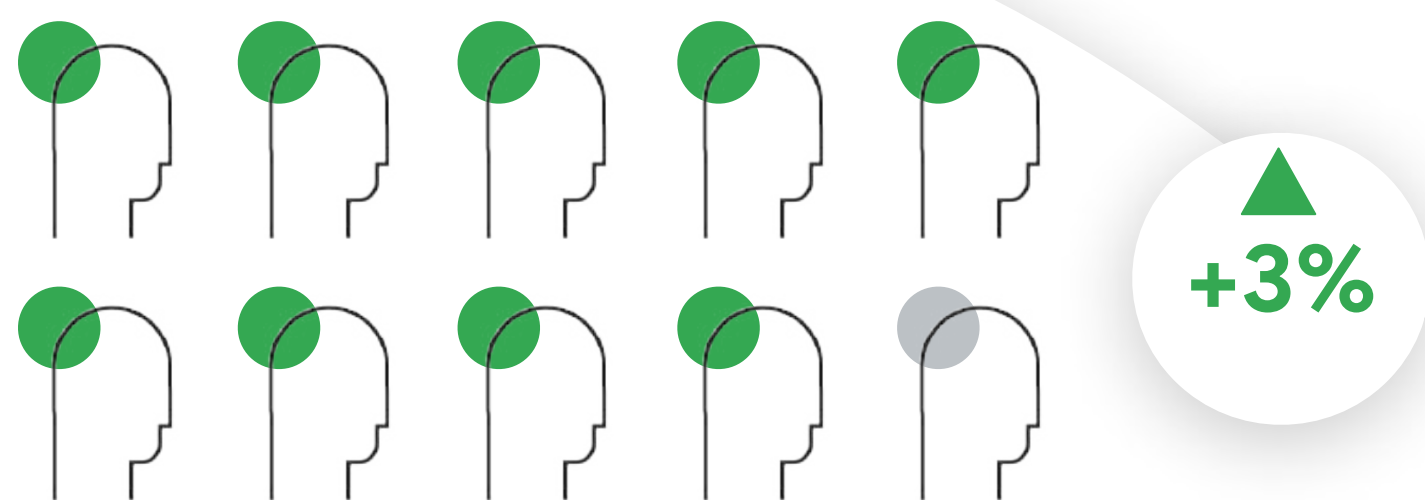
Online Video

The new sales consultant



Video drives action

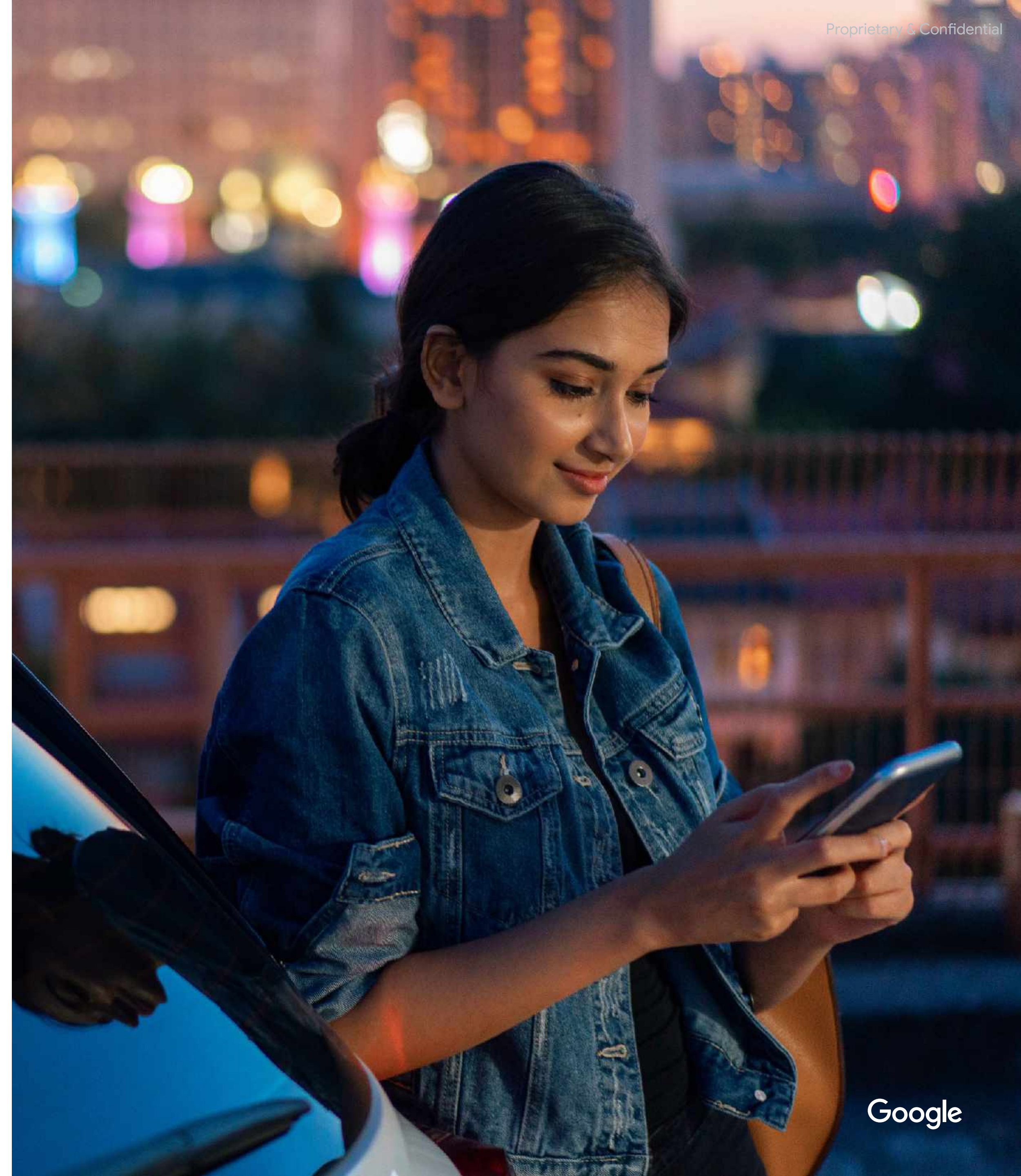
New Cars



9 out of 10




did **at least 1 follow-up** action triggered by what was shown in **the video**

▲ Increase compared to 2018 ▼ Decrease compared to 2018



Video drives action

New Cars

	Hatchback	87 %
	Sedan	91 %
	SUV	91 %

▲ Increase compared to 2018 ▼ Decrease compared to 2018



48% **Visit a dealer website**



47% **Locate a dealer**



44% **Schedule a test drive**



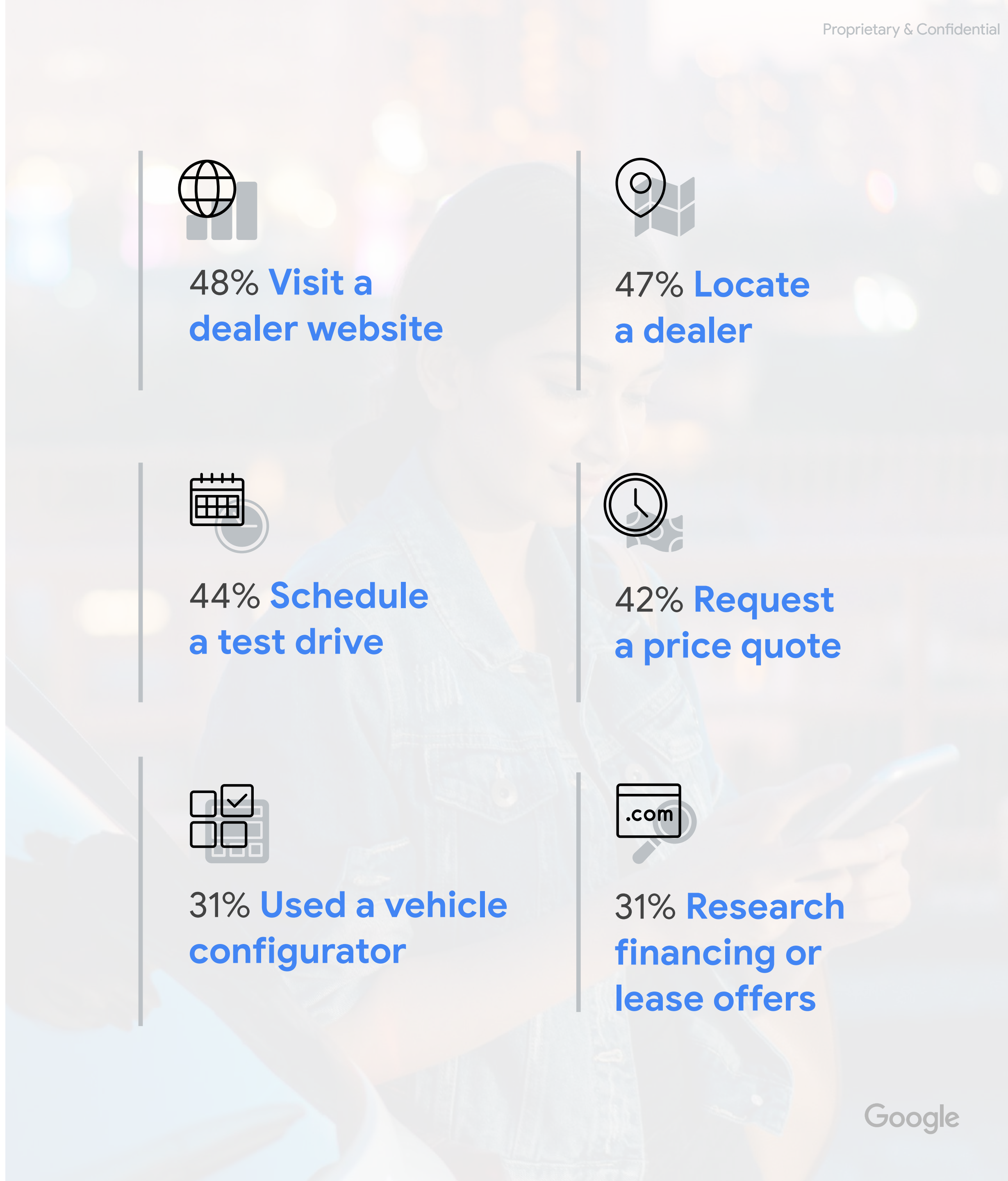
42% **Request a price quote**



31% **Used a vehicle configurator**

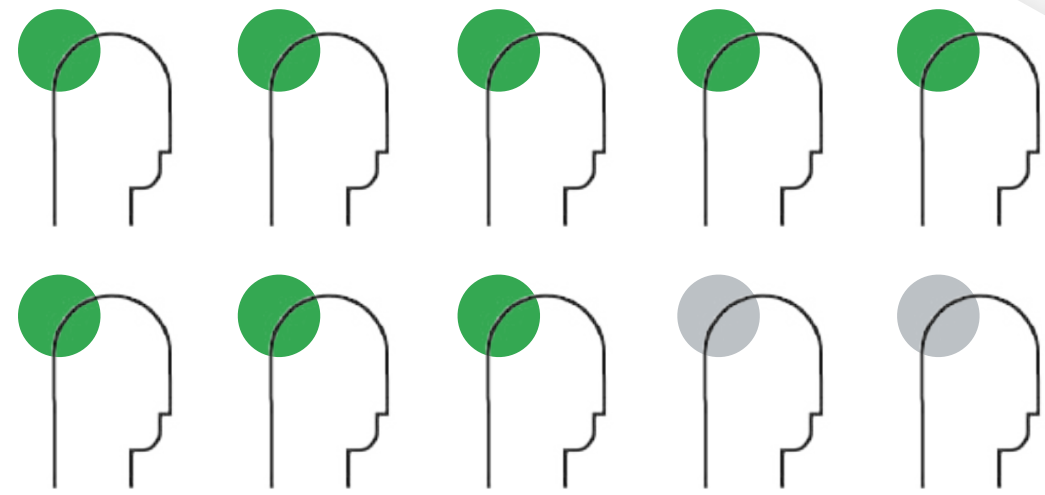


31% **Research financing or lease offers**



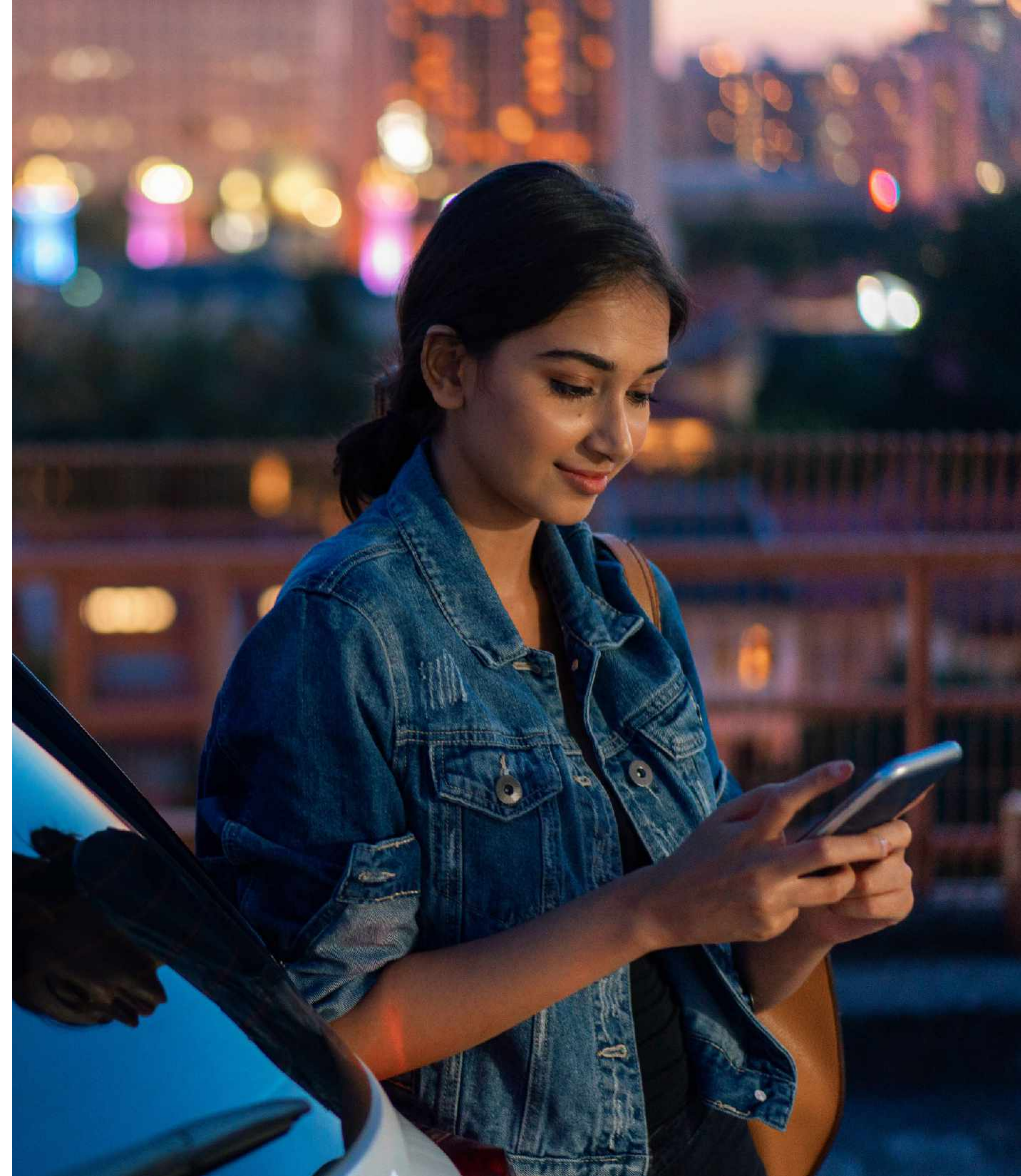
Video drives action

Used Cars



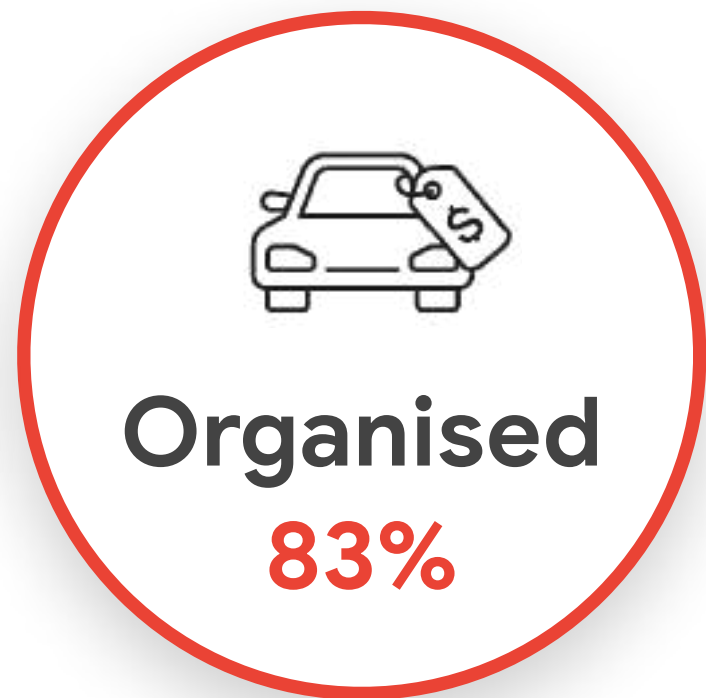
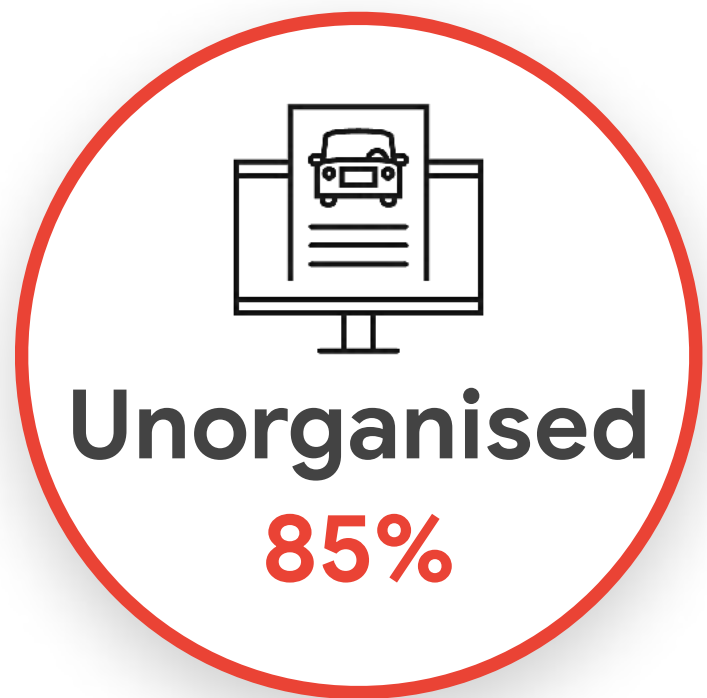
8 out of 10

did **at least 1 follow-up** action triggered by what was shown in **the video**



Video drives action

Used Cars



53% **Locate a dealer**



49% **Request a price quote**



48% **Visit a dealer website**



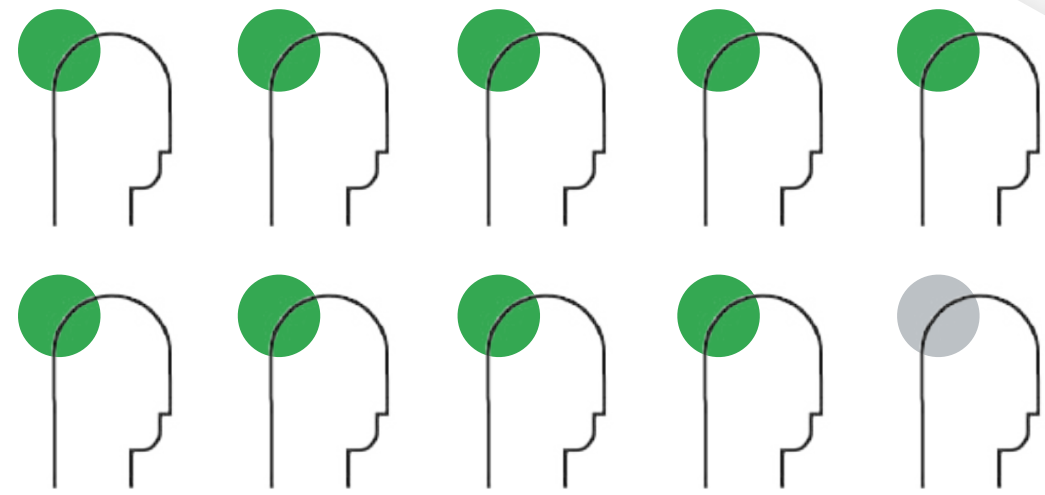
43% **Schedule a test drive**



39% **Research financing or lease offers**

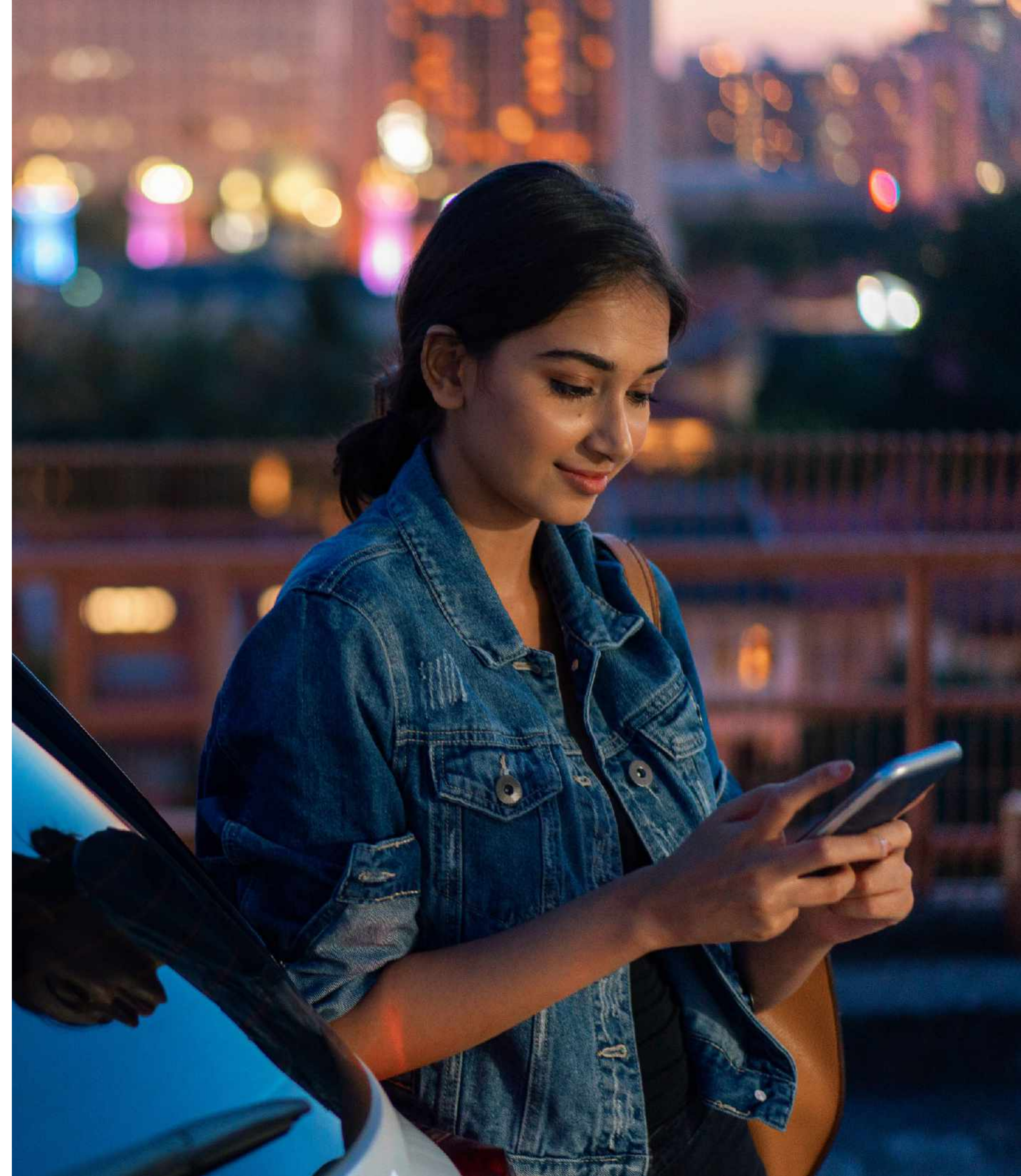
Video drives action

Used Car Sellers



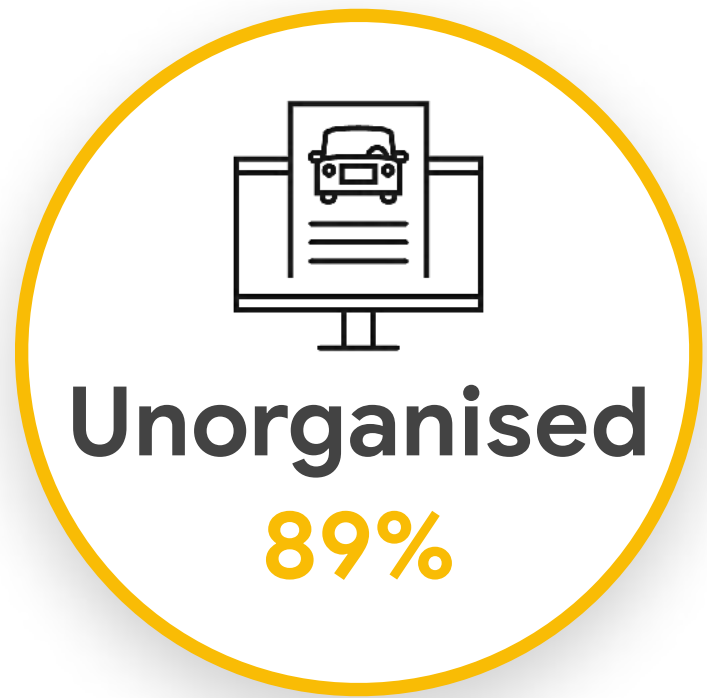
9 out of 10

did **at least 1 follow-up** action triggered by what was shown in **the video**

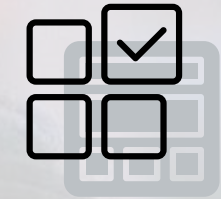


Video drives action

Used Car Sellers



51% **Locate a dealer**



50% **Found the way for evaluating best Resale Value**



45% **Visit a dealer website**



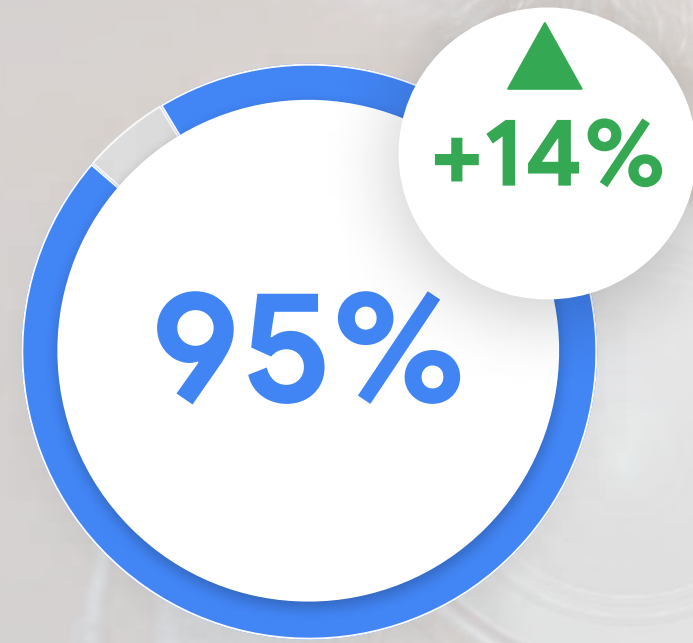
43% **Found a New Platform to do resale listing**



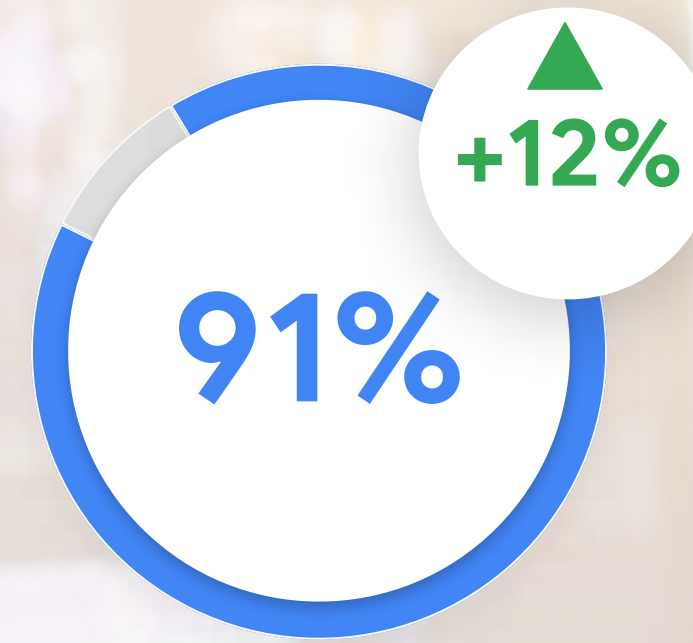
37% **Used a Car Calculator for assessing resale value**

YouTube is used to...

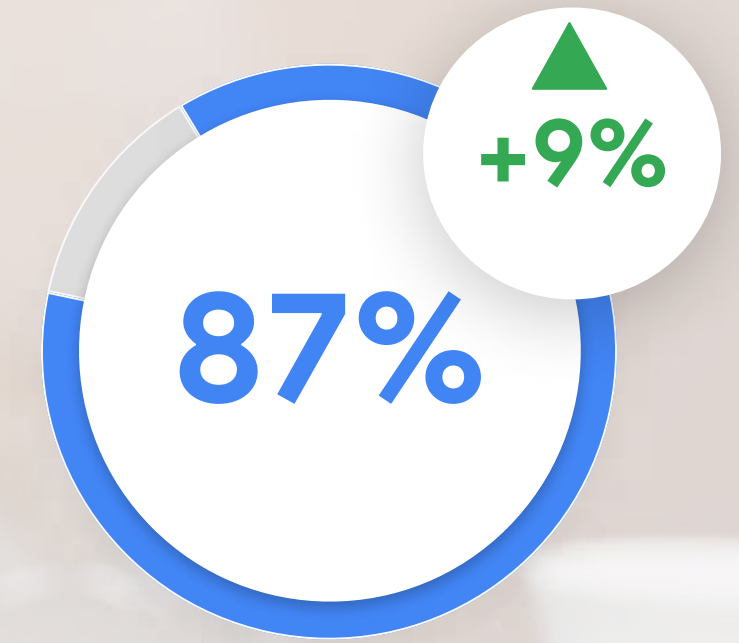
New Cars



“ I can find **independent and credible videos** about vehicles



“ I can find **answers to the questions** I have about vehicles



“ I like when **dealers in my area post videos** to YT

▲ Increase compared to 2018 ▼ Decrease compared to 2018

Q105: Contribution of Youtube in the decision making process

T2B- Top two box (strongly agree and agree)

New car buyers who watched YouTube, Base: 638

YouTube is used to...

Used Cars

89%

“ I can find **independent and credible videos** about vehicles

89%

“ I can find **answers to the questions** I have about vehicles

87%

“ I like when **dealers in my area post videos** to YT

YouTube is used to...

Used Car Sellers

85%

“ I can find **independent and credible videos** about vehicles

85%

“ On YT I can find **answers to the questions** I have about reselling vehicles

84%

“ YT is the **primary source** I rely on to view videos about reselling vehicles

Q105: Contribution of Youtube in the decision making process
■ T2B- Top two box (strongly agree and agree) of a 5 point rating scale from 1 strongly disagree to 5 strongly agree
Base: 157, those who used youtube to get information about their vehicle

Diverse, local & relevant content

New Cars

Used Cars

Design

Vehicle feature/technology highlight videos, walk-arounds-interior & exterior & 360° video - exterior

In-Action

Vehicle safety tests, performance videos & augmented/virtual reality content

Reviews and Ads

Consumer reviews or testimonials, third party reviews/ test drives/comparison tests, ads or commercials



Diverse, local & relevant content

Used Car Sellers

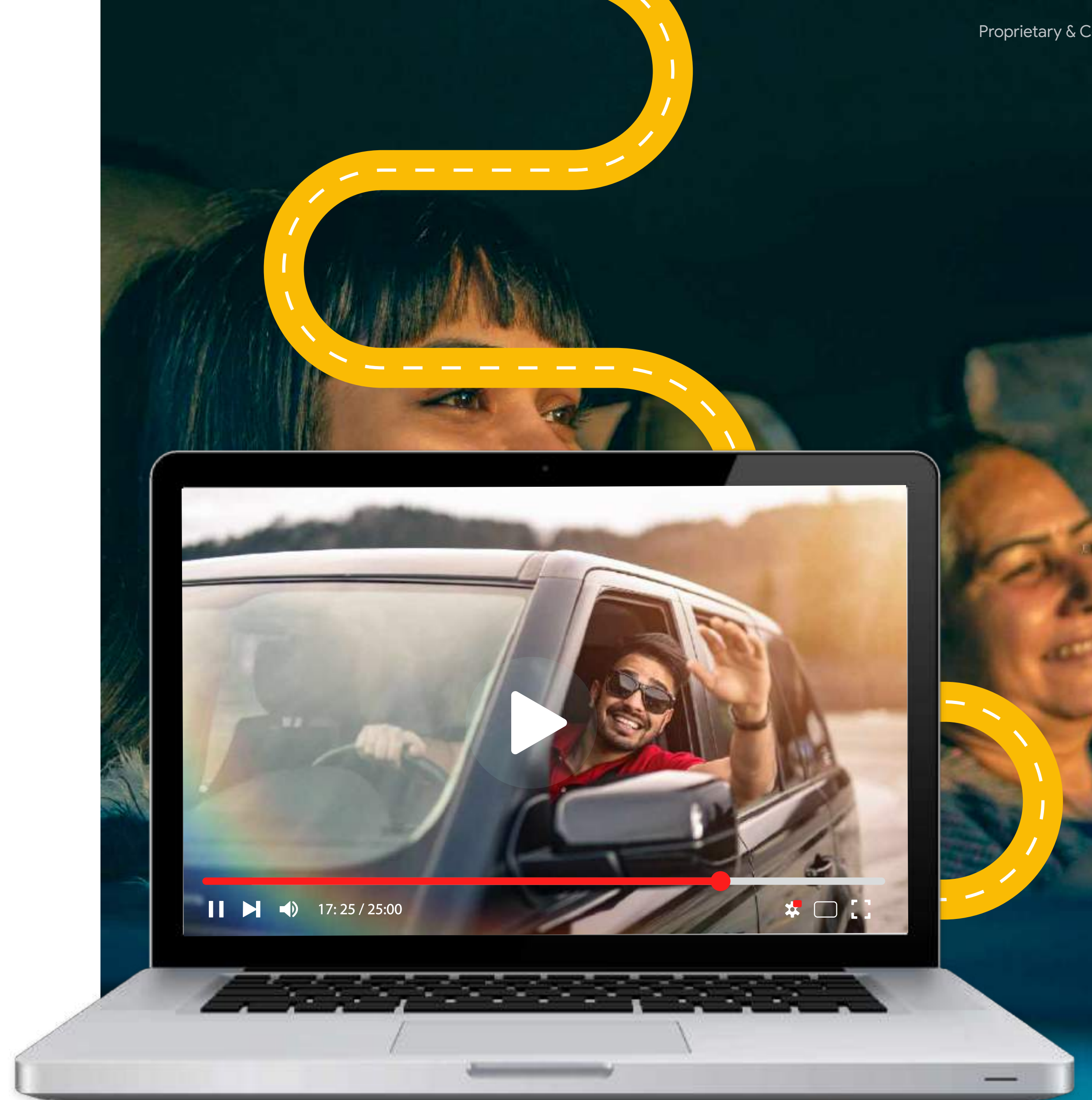
Tips for getting the best value

How dealers evaluate resale value of the vehicle

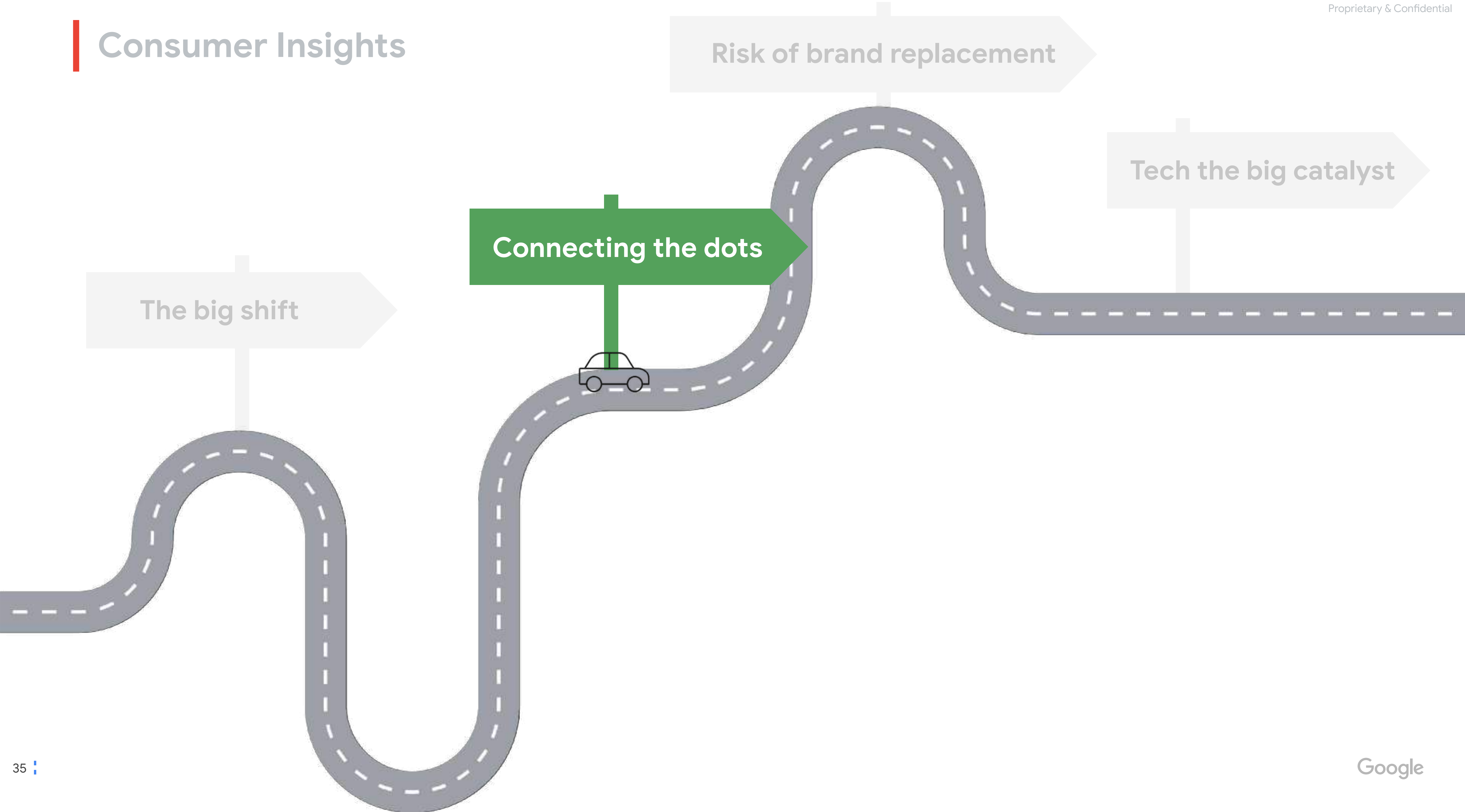
How to sell it on various platforms

Ads or commercials

360° video
Interior & exterior

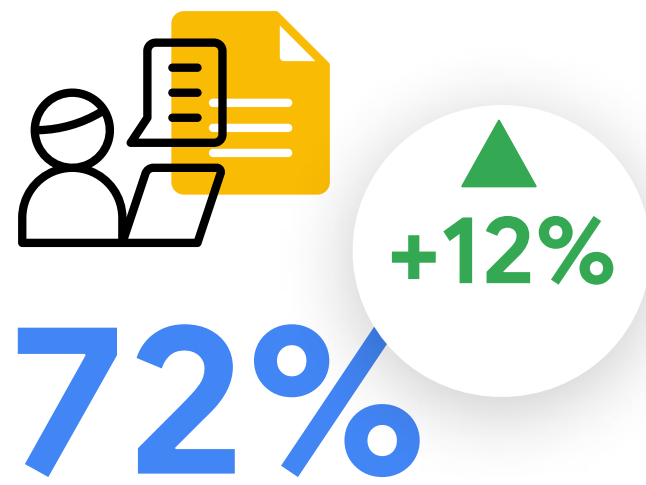


Consumer Insights



Car buyers discover their dealer online

New Cars



72%

researched online to find their dealer



Car buyers discover their dealer online

New Cars



+12%

72%

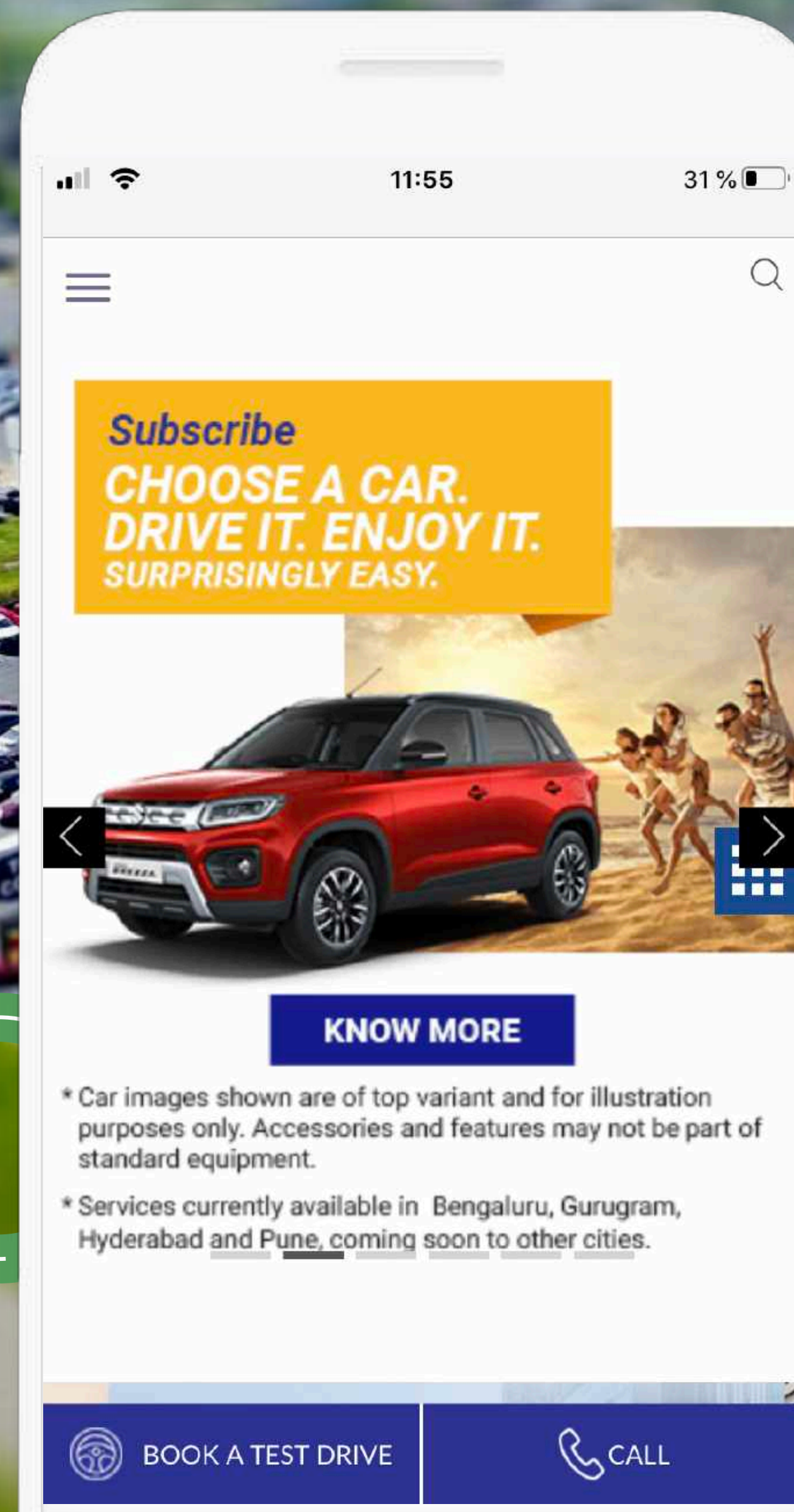
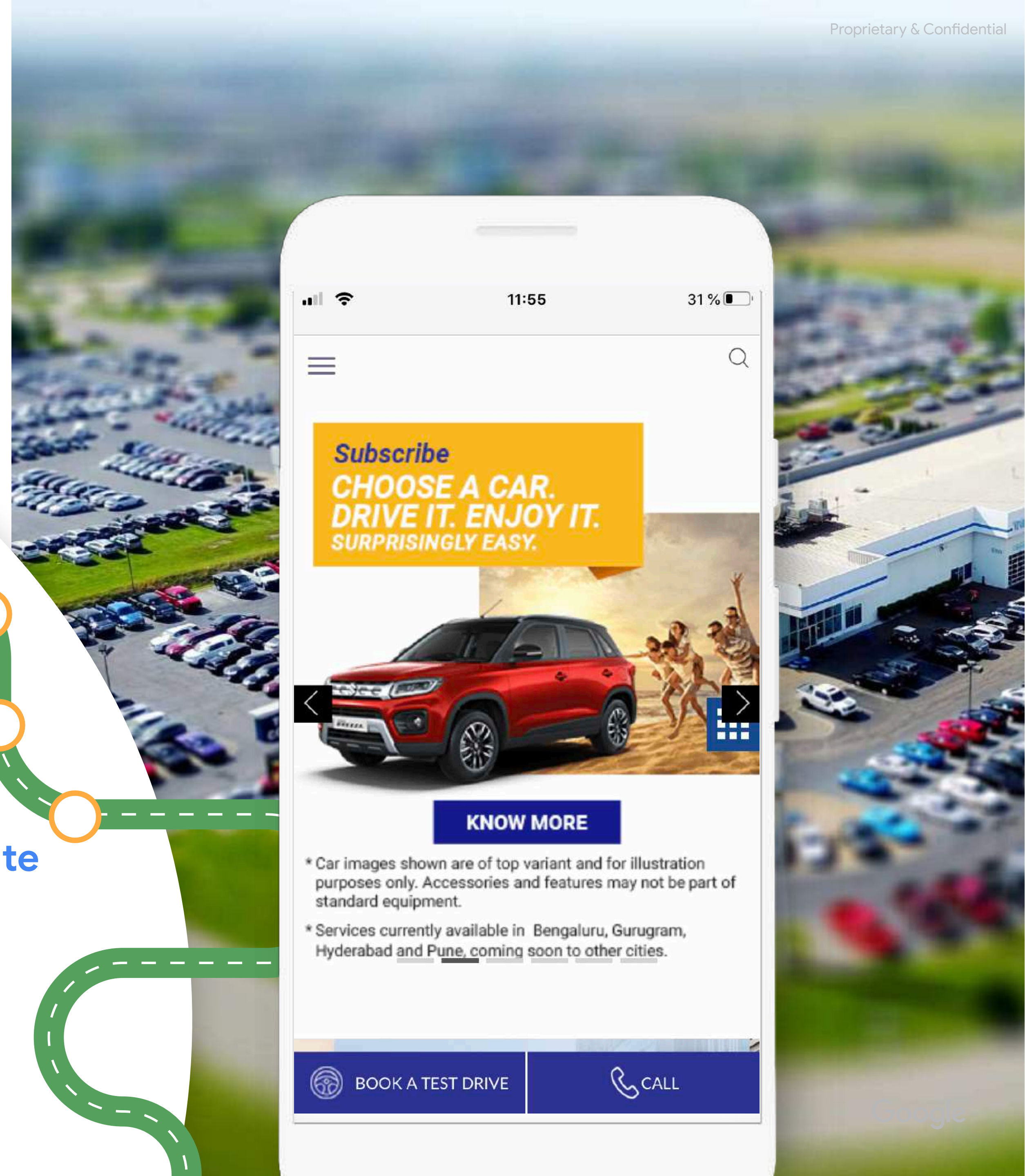
researched online to find their dealer

Through ...

Search engine

Dealer website

Brand website



Car buyers discover their dealer online

Used Cars



70%

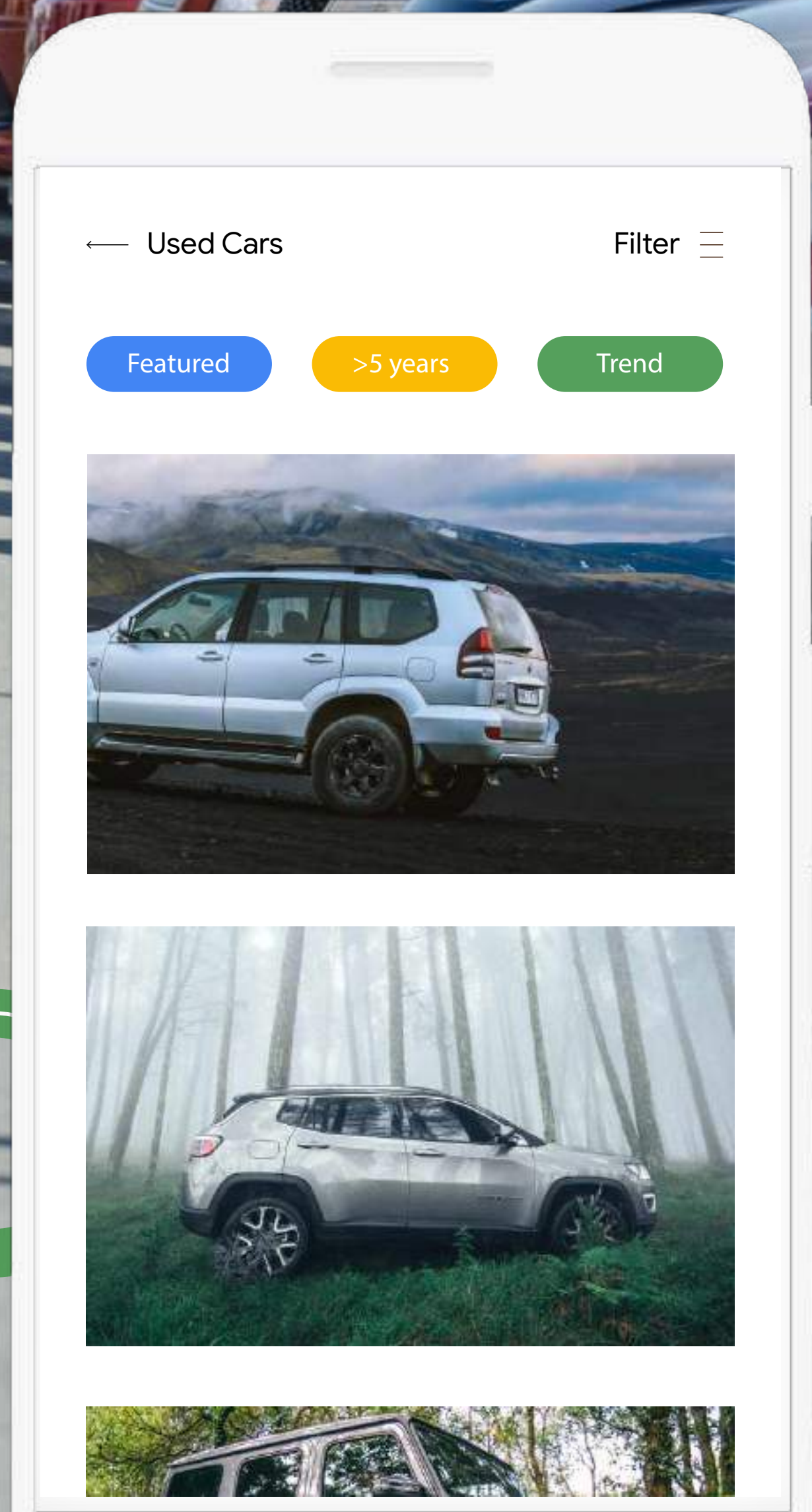
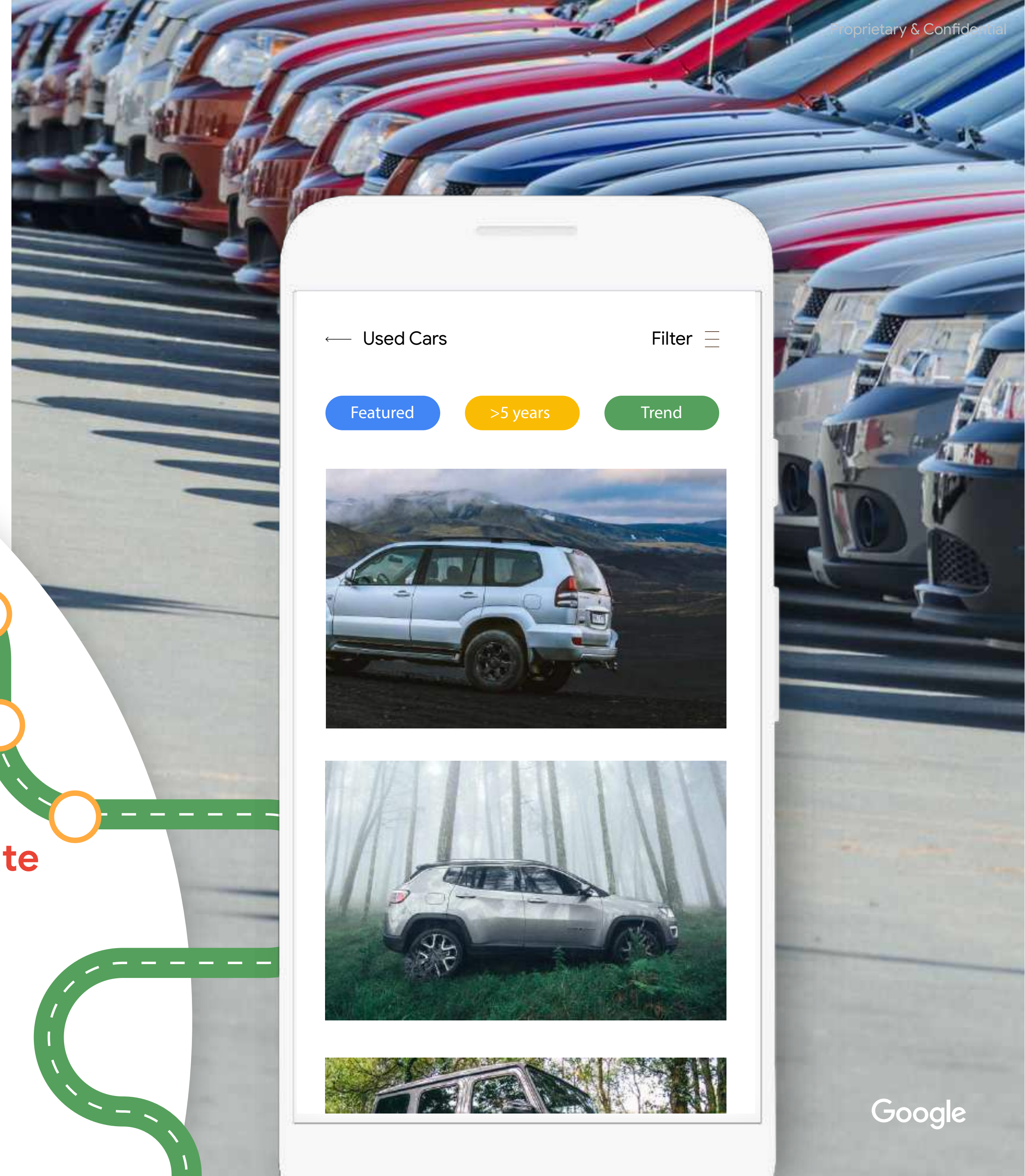
researched online to find their dealer

Through ...

Search engine

Dealer website

Brand website



Q020.How did you find your dealer
Overall base: 477 Base: 336
Q053.How did you find your dealer/ aggregator
Overall base: 423 Those who researched online:297

...as do Used car sellers

Used Car Sellers



70%

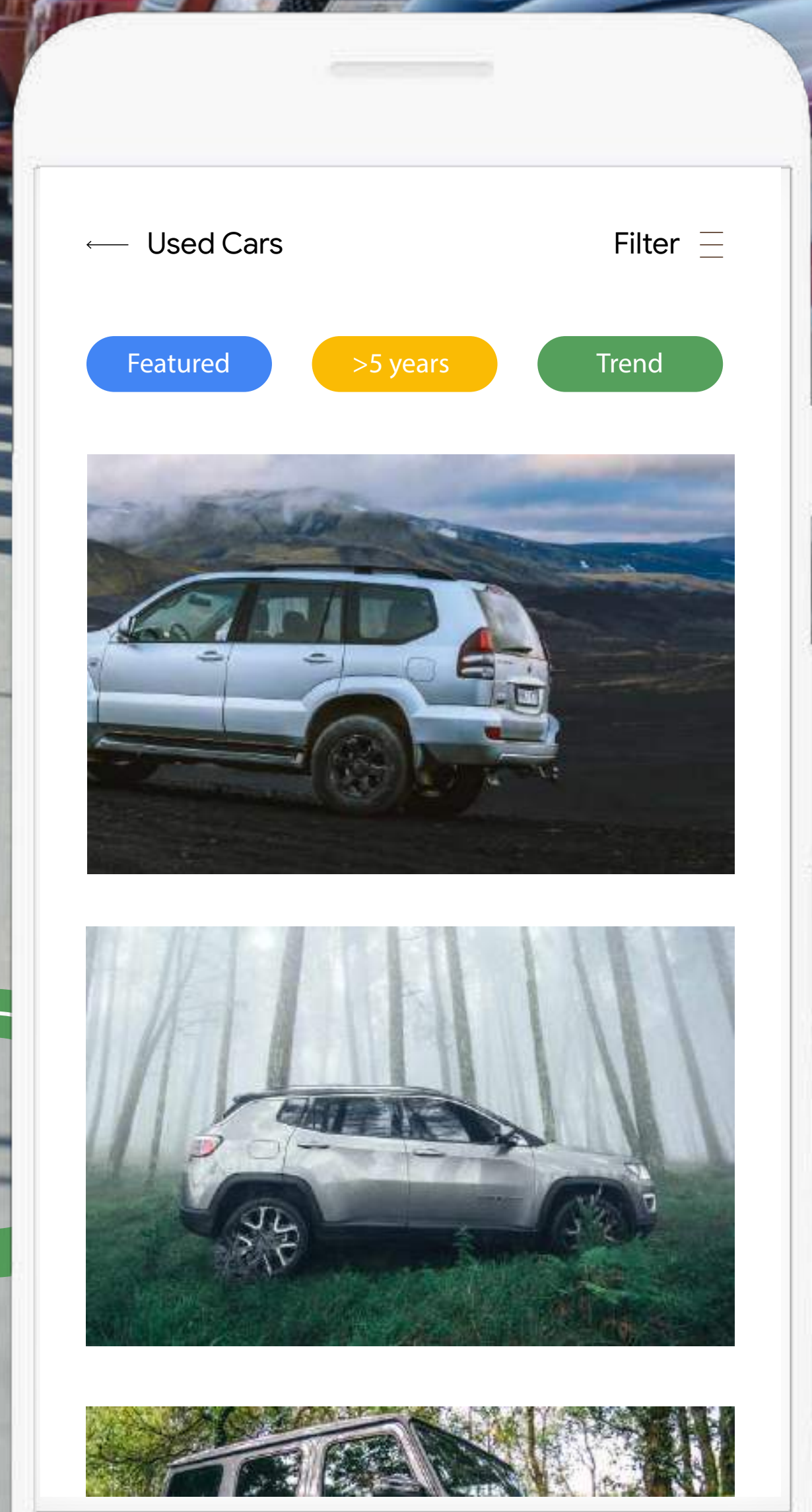
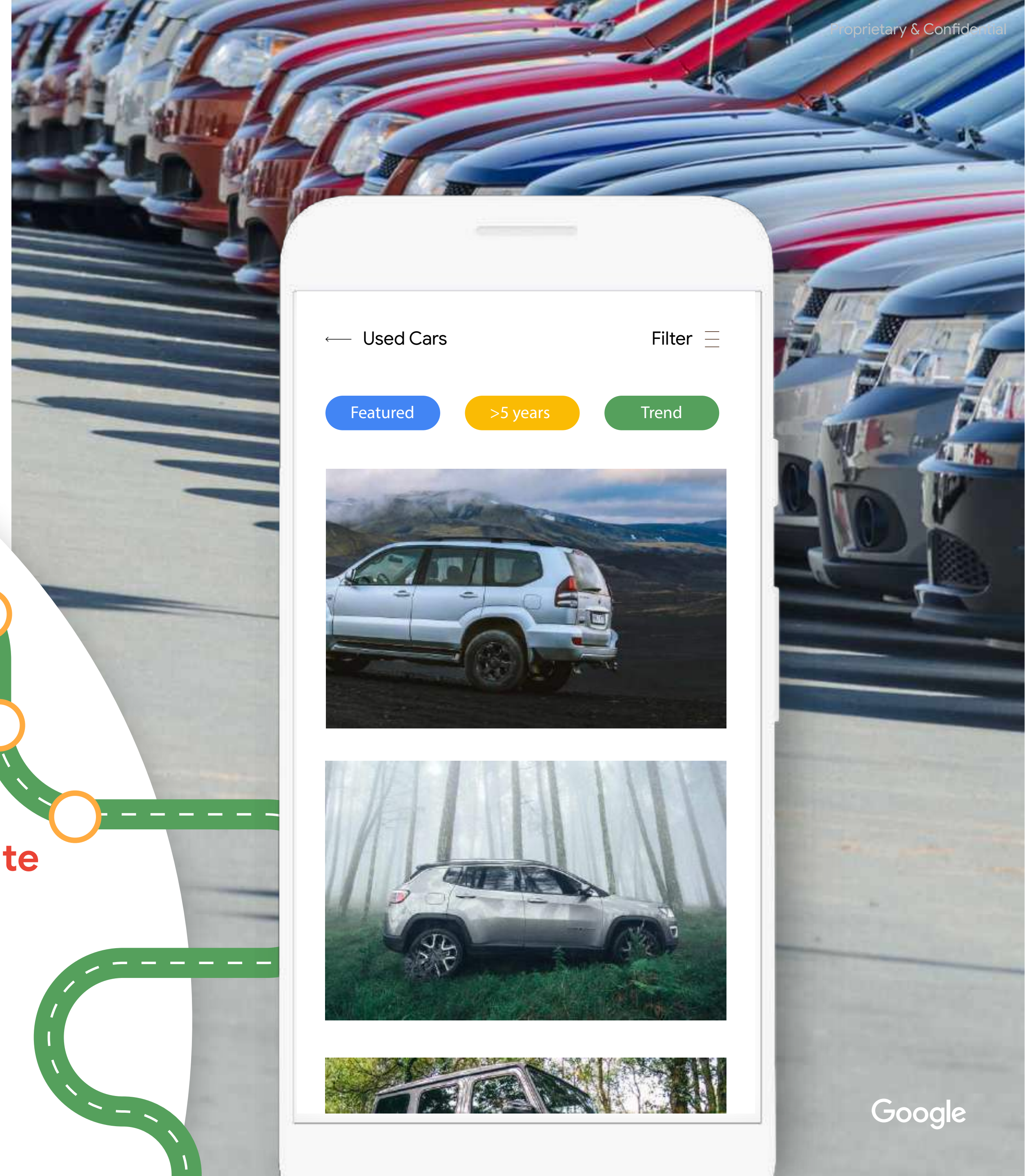
researched online to find their dealer

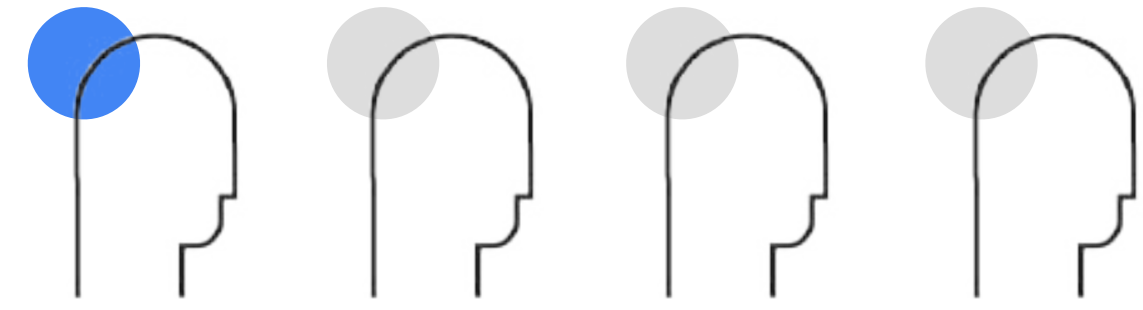
Through ...

Search engine

Aggregator website

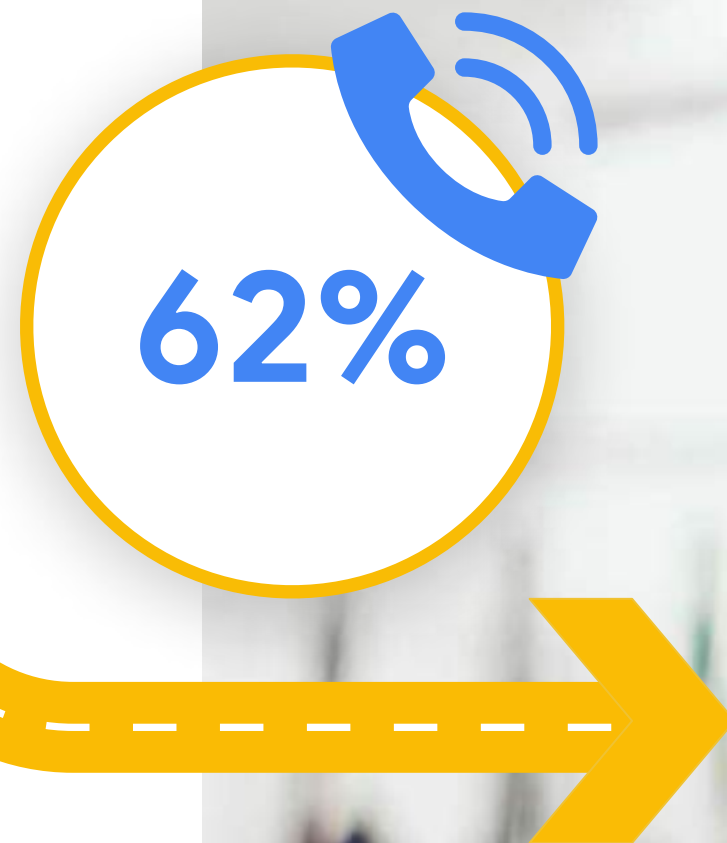
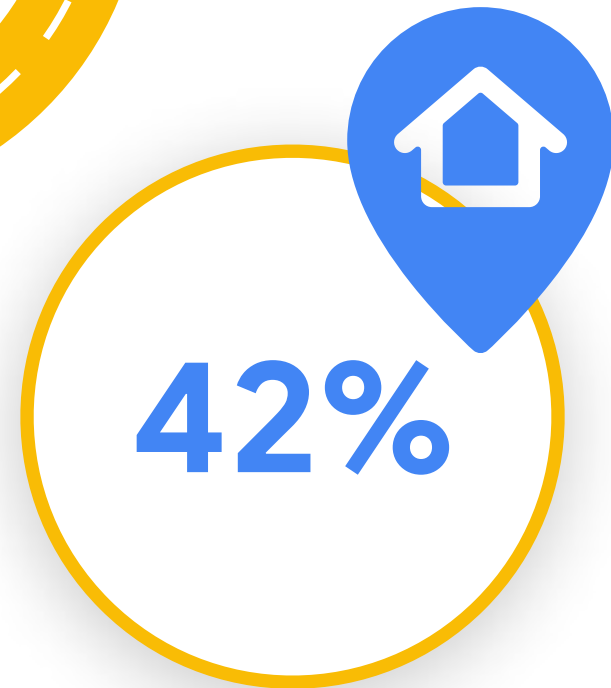
Brand website





1 in 4 took an action on the website to reach the dealer

New Cars



38 Q139: Action taken on website to reach the dealer
Overall base: 1238 Buyers who take an action on the website to reach the dealer: 526
*online lead forms as a % of overall car buyers



2 in 5 took an action on the website to reach the dealer

Used Cars



Q139: Action taken on website to reach the dealer
 Overall base: 477 Buyers who take an action on the website to reach the dealer: 186
 *Online lead forms as a % of overall used car buyers

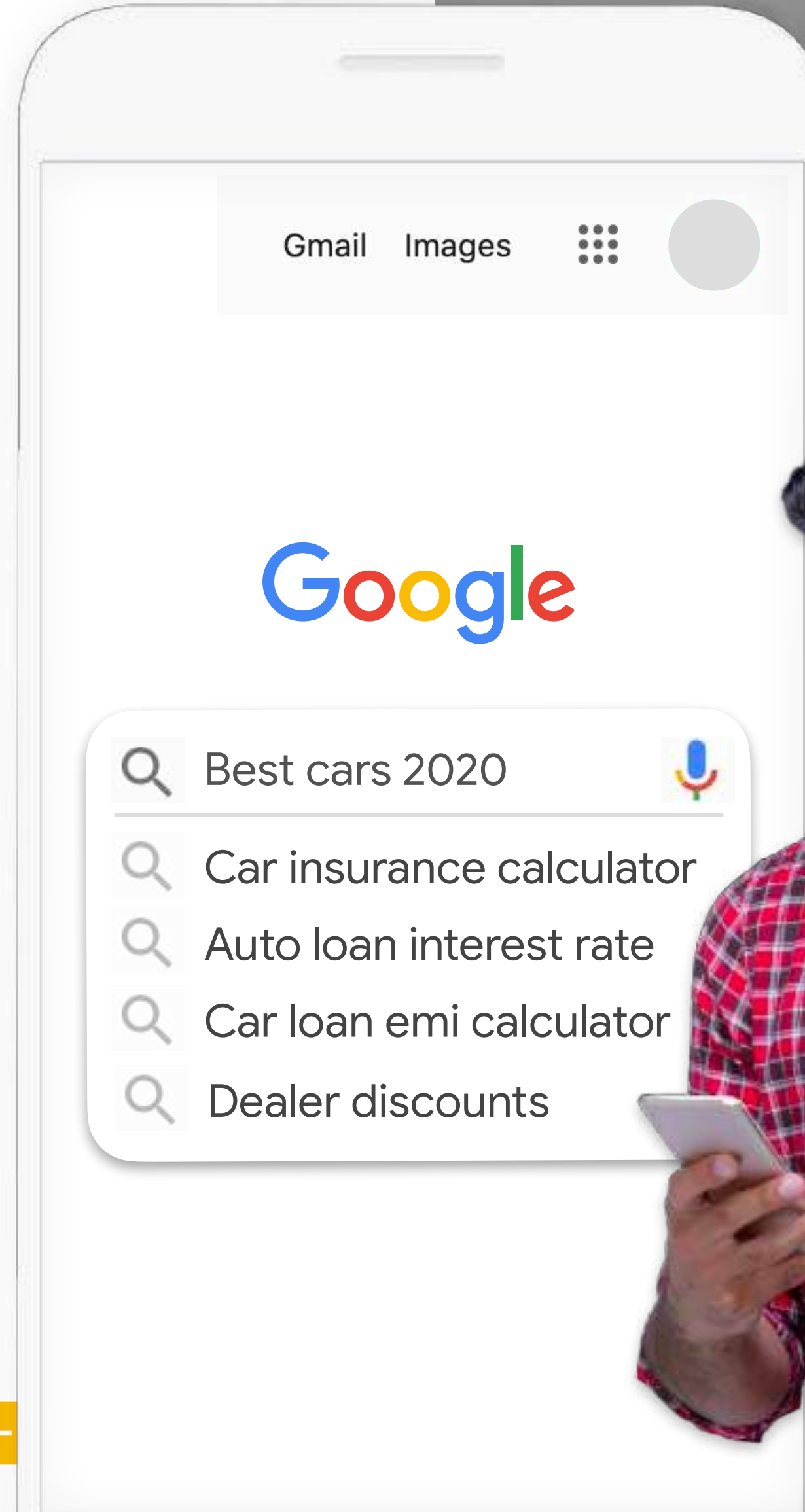
Smartphones continue to be a storefront for car buyers

New Cars

▲
5%

70%

Research on their smartphone
while at the dealer



▲ Increase compared to 2018 ▼ Decrease compared to 2018

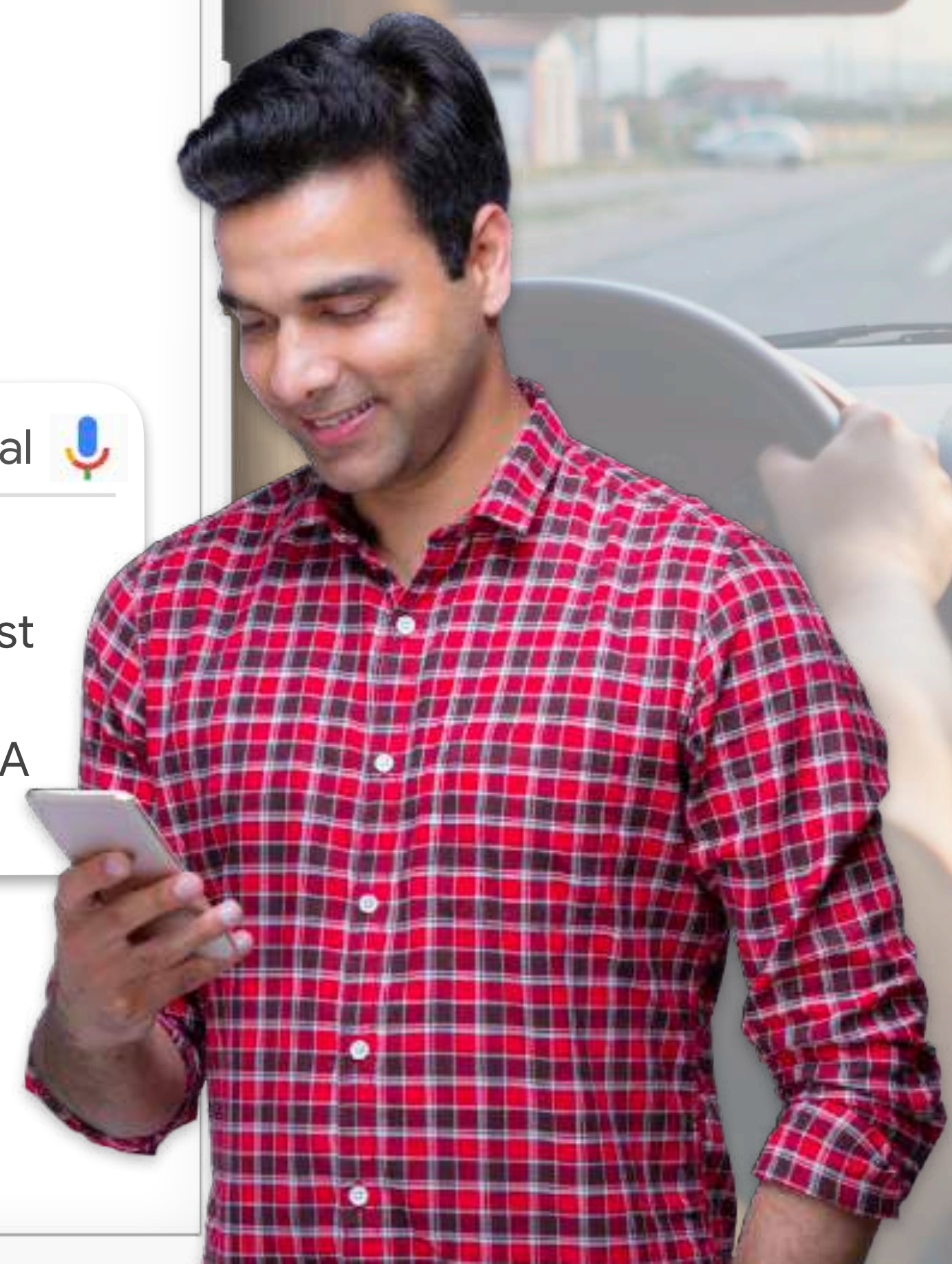
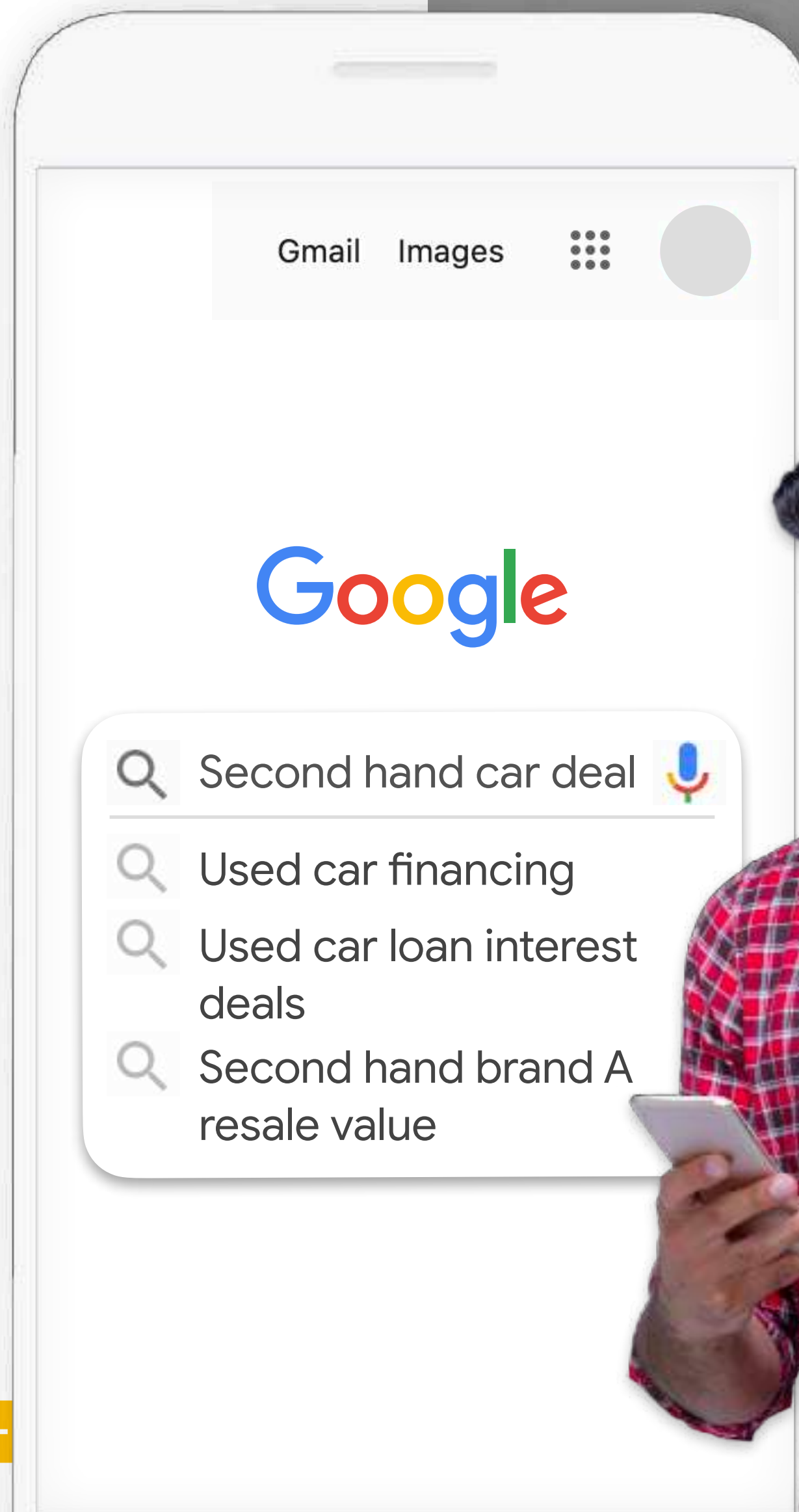
Q098: Smartphone research while at the dealership
Base: 1231, (Smartphone owners)

Smartphones are also a storefront for used car buyers...

Used Cars

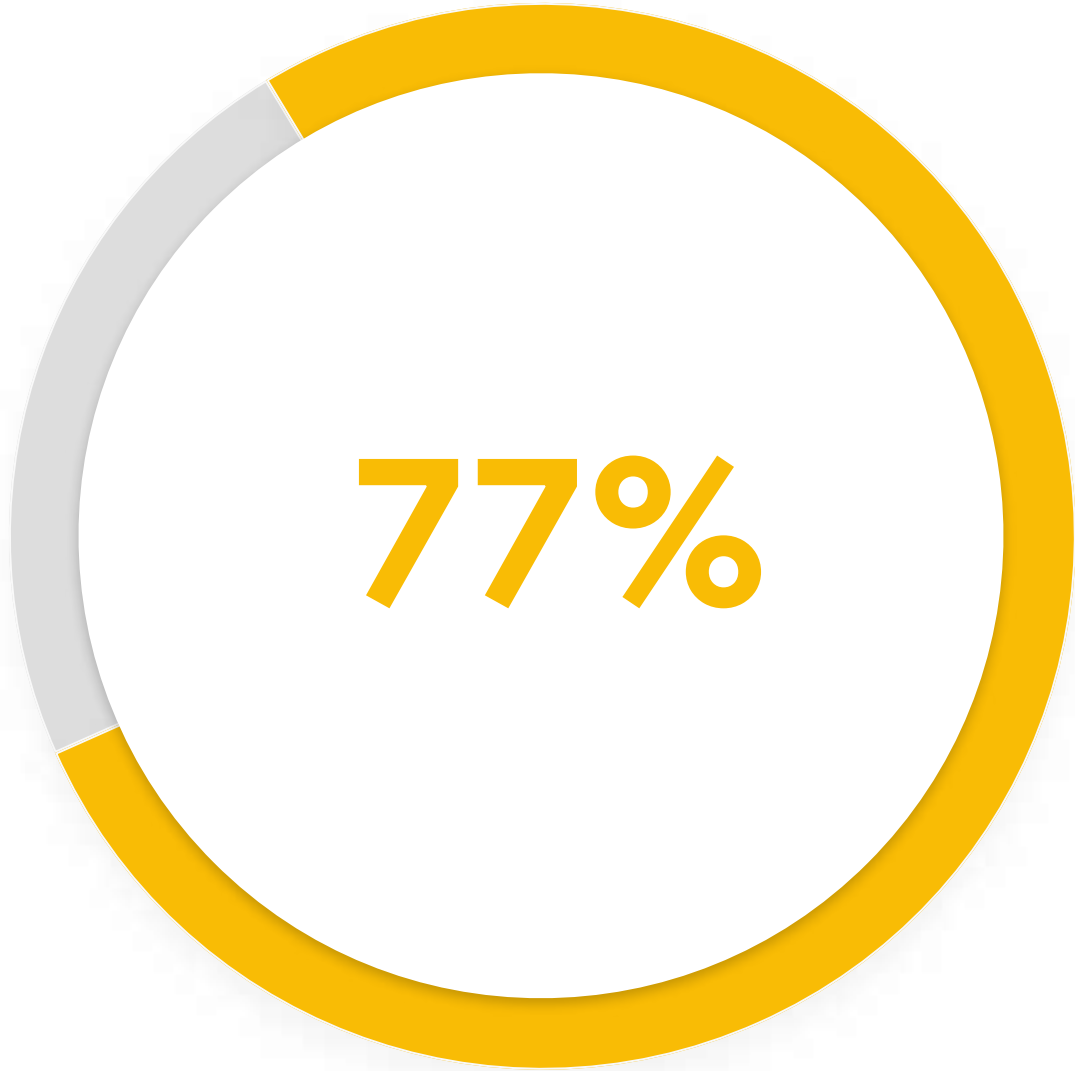
72%

Research on their smartphone while at the dealer

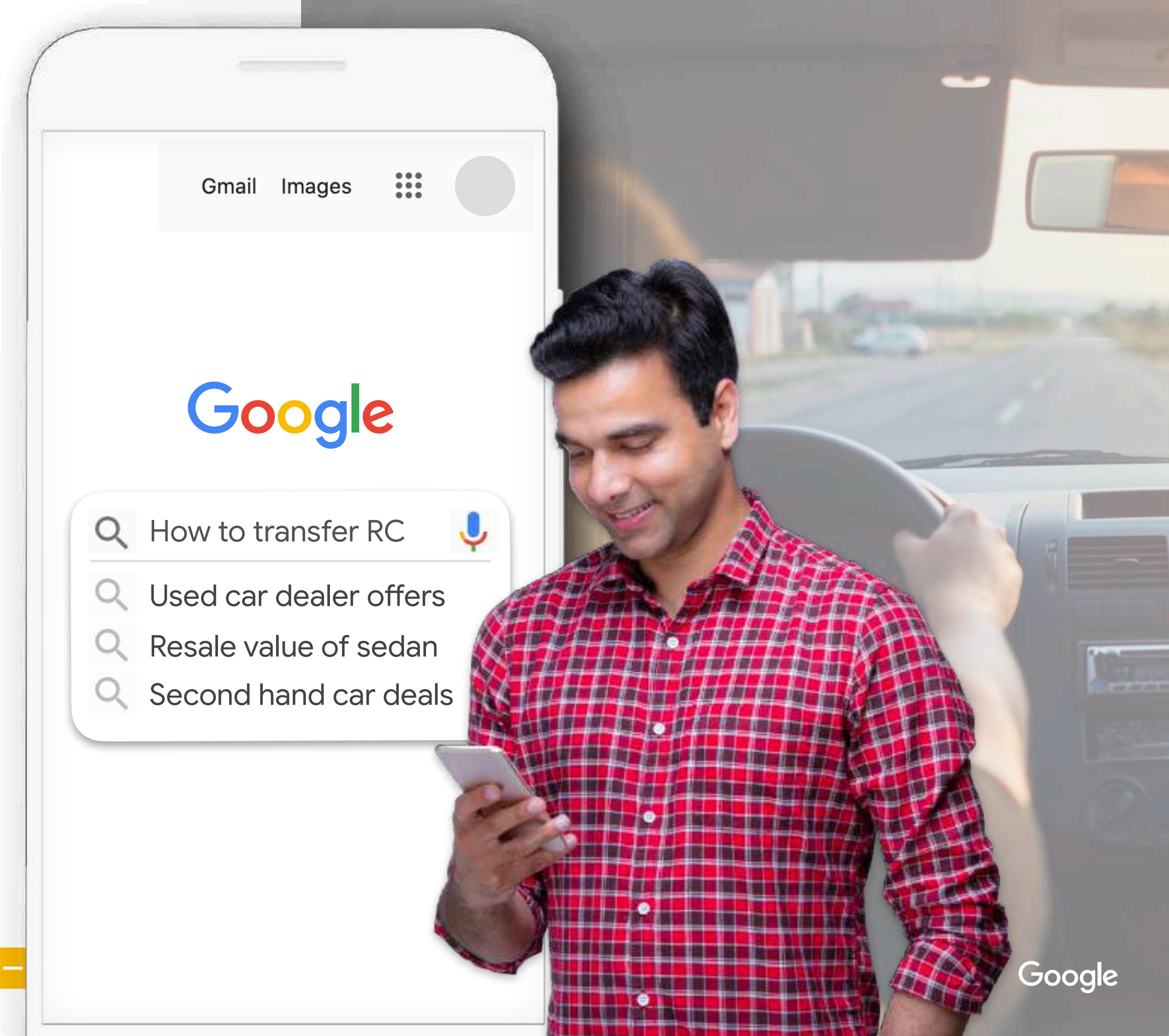


...and used car sellers

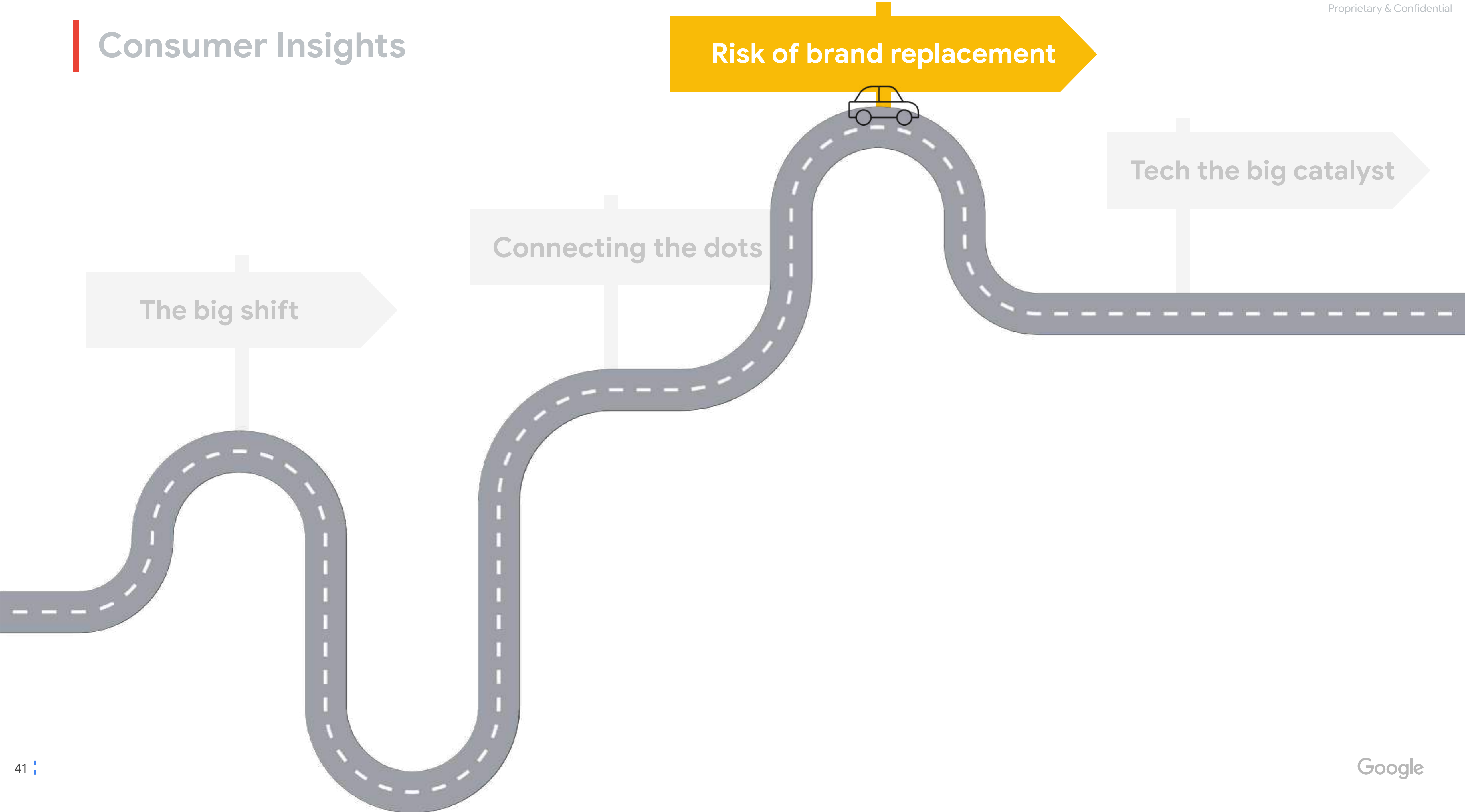
Used Car Sellers

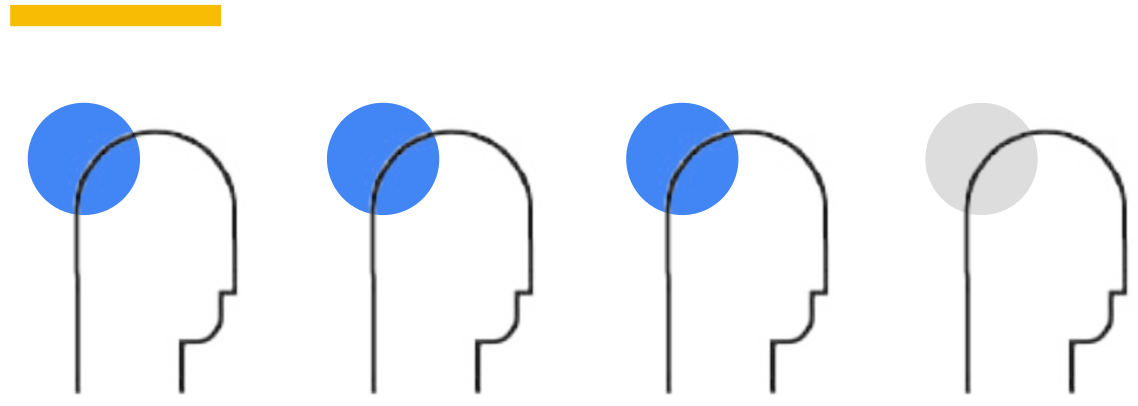


Research on their smartphone
while at the dealer



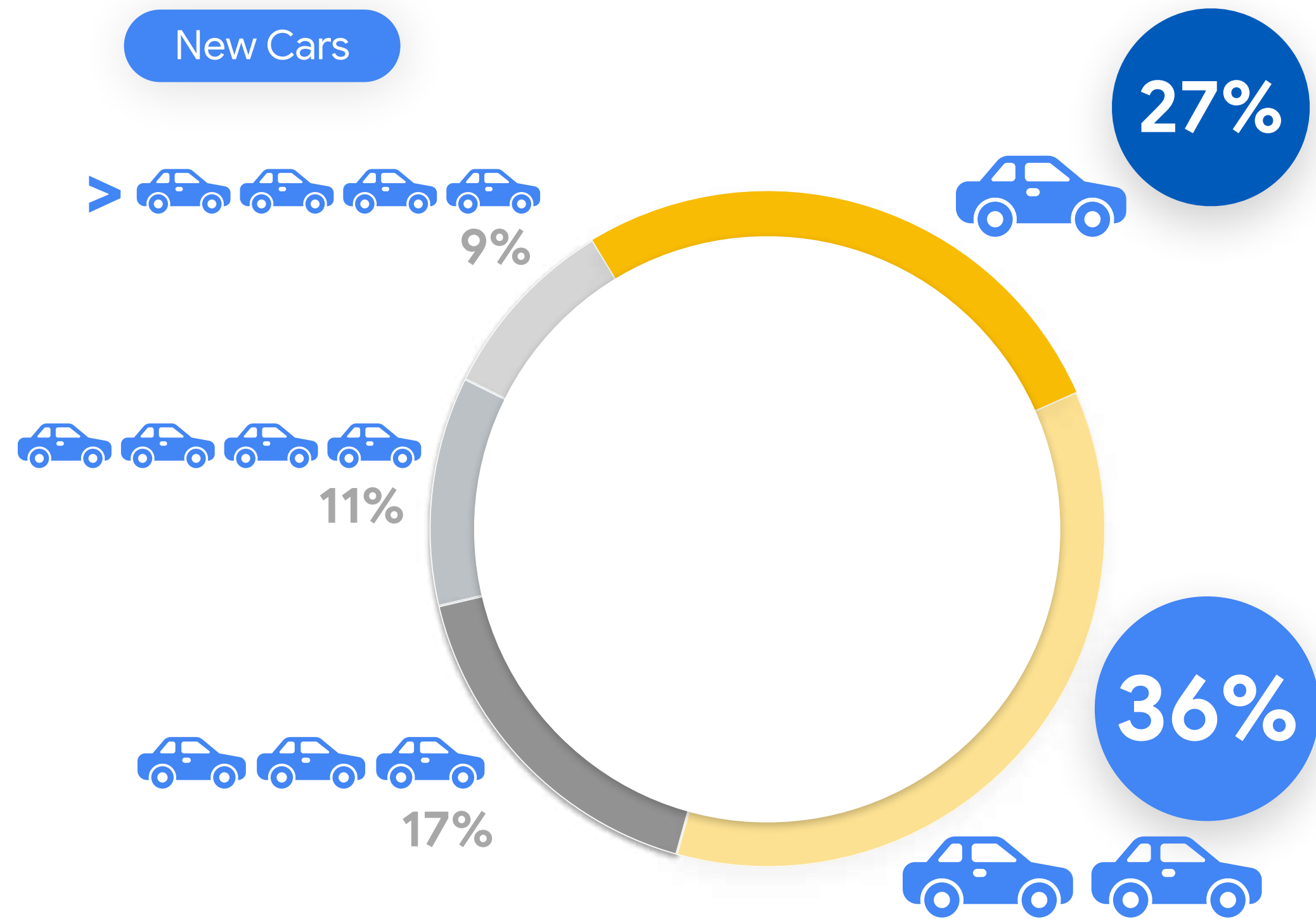
Consumer Insights

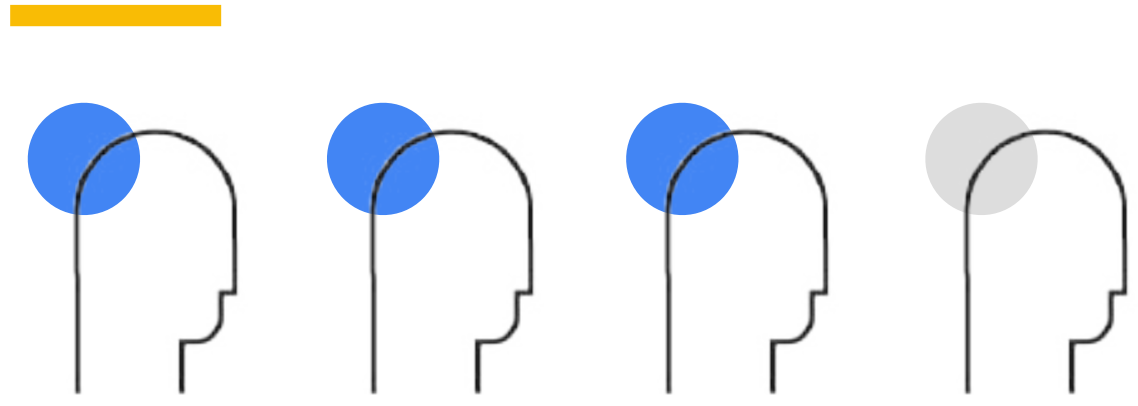




3 in 5 consider an average of >2 brands

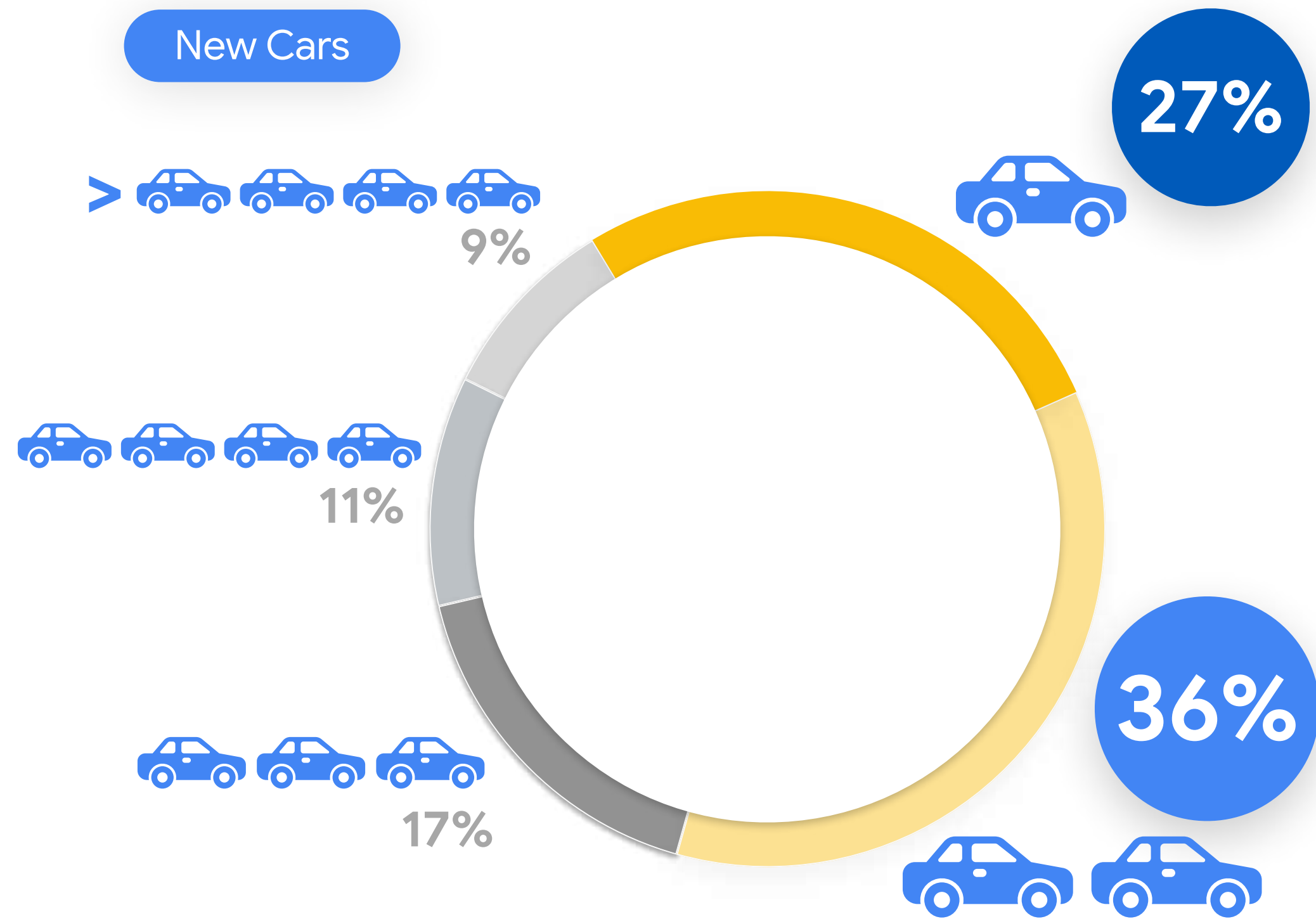
New Cars





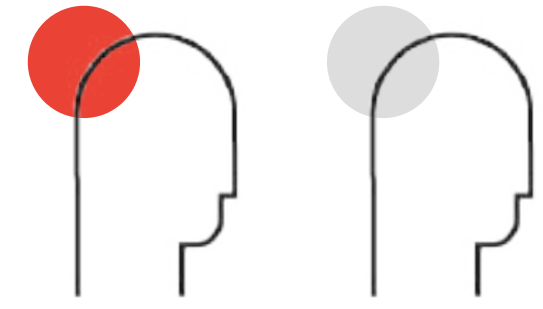
3 in 5 consider an average of >2 brands

New Cars



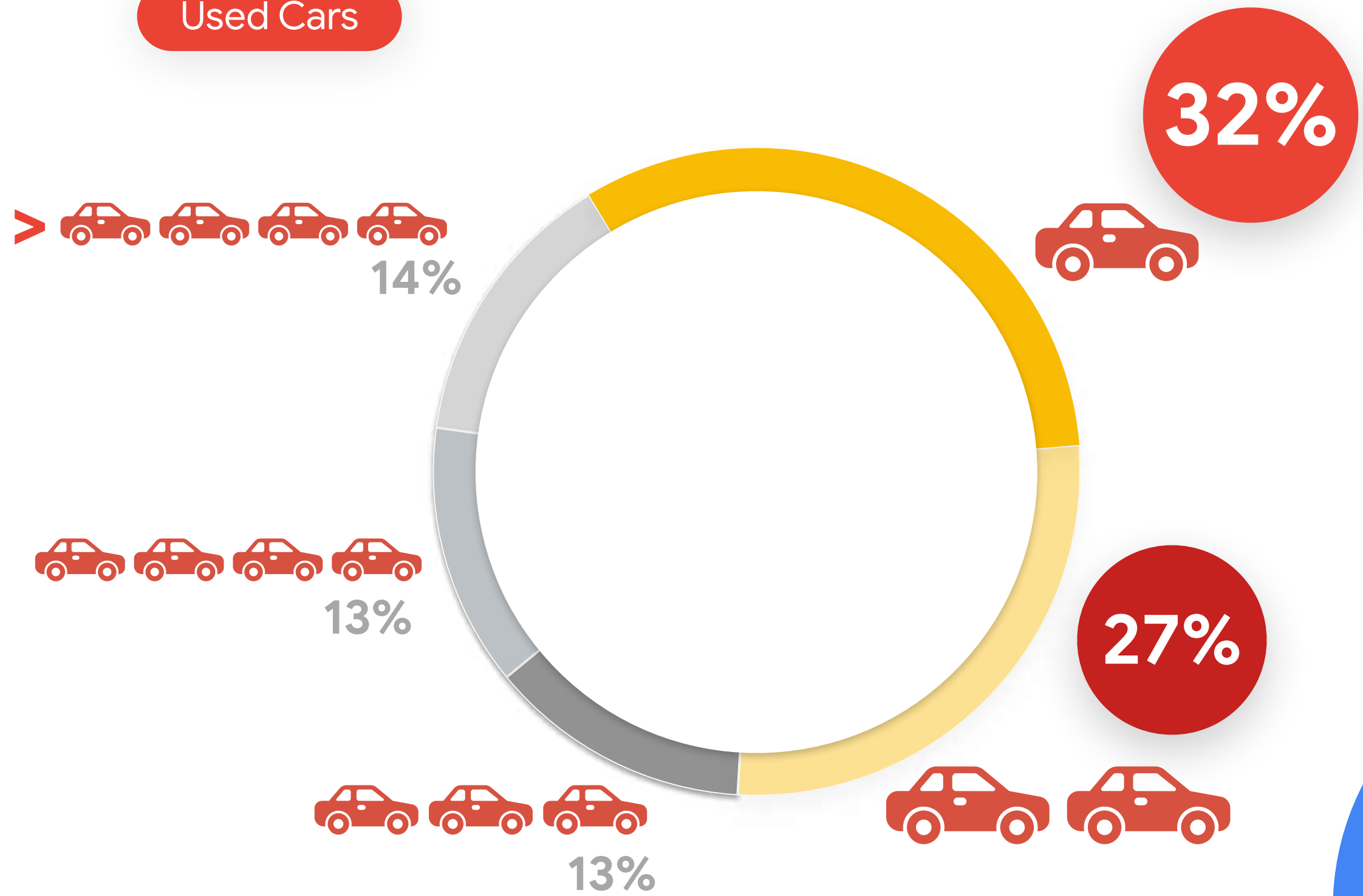
>50%
 Have **no/little idea** about
 the **brand/model**





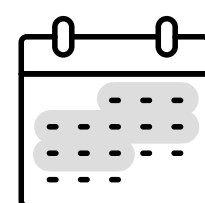
1 out of 2 used car buyers consider ~3 brands

Used Cars

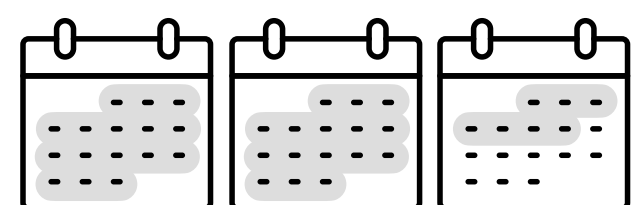


The window of influence and decision is short!

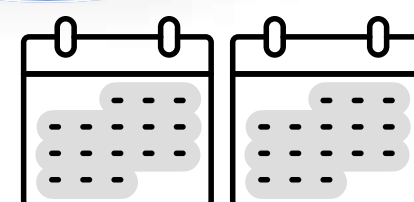
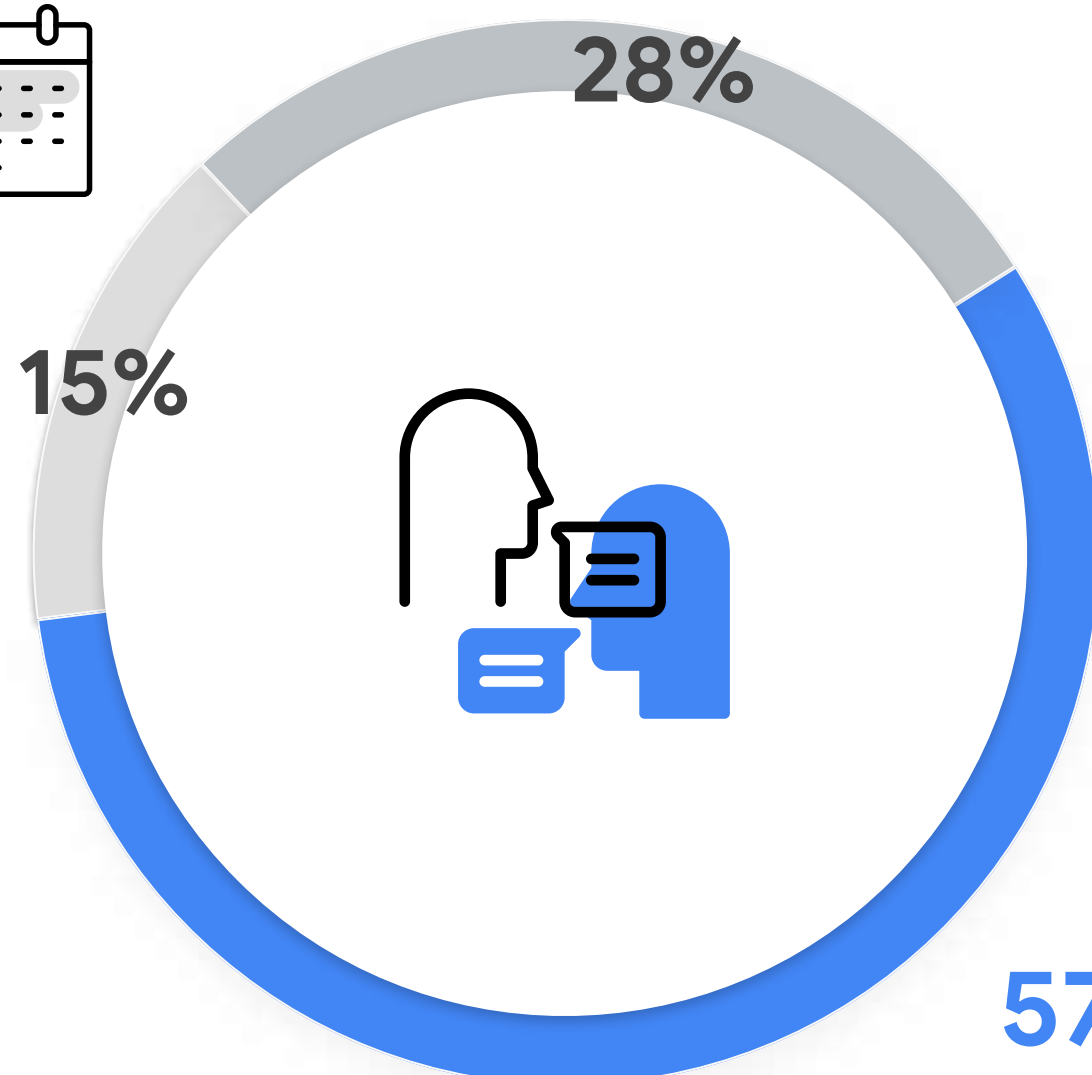
New Cars



Less than 2 weeks



More than 2 months 15%



57%
2 weeks to 2 months

85% ▲ +18%
decide within
2 months

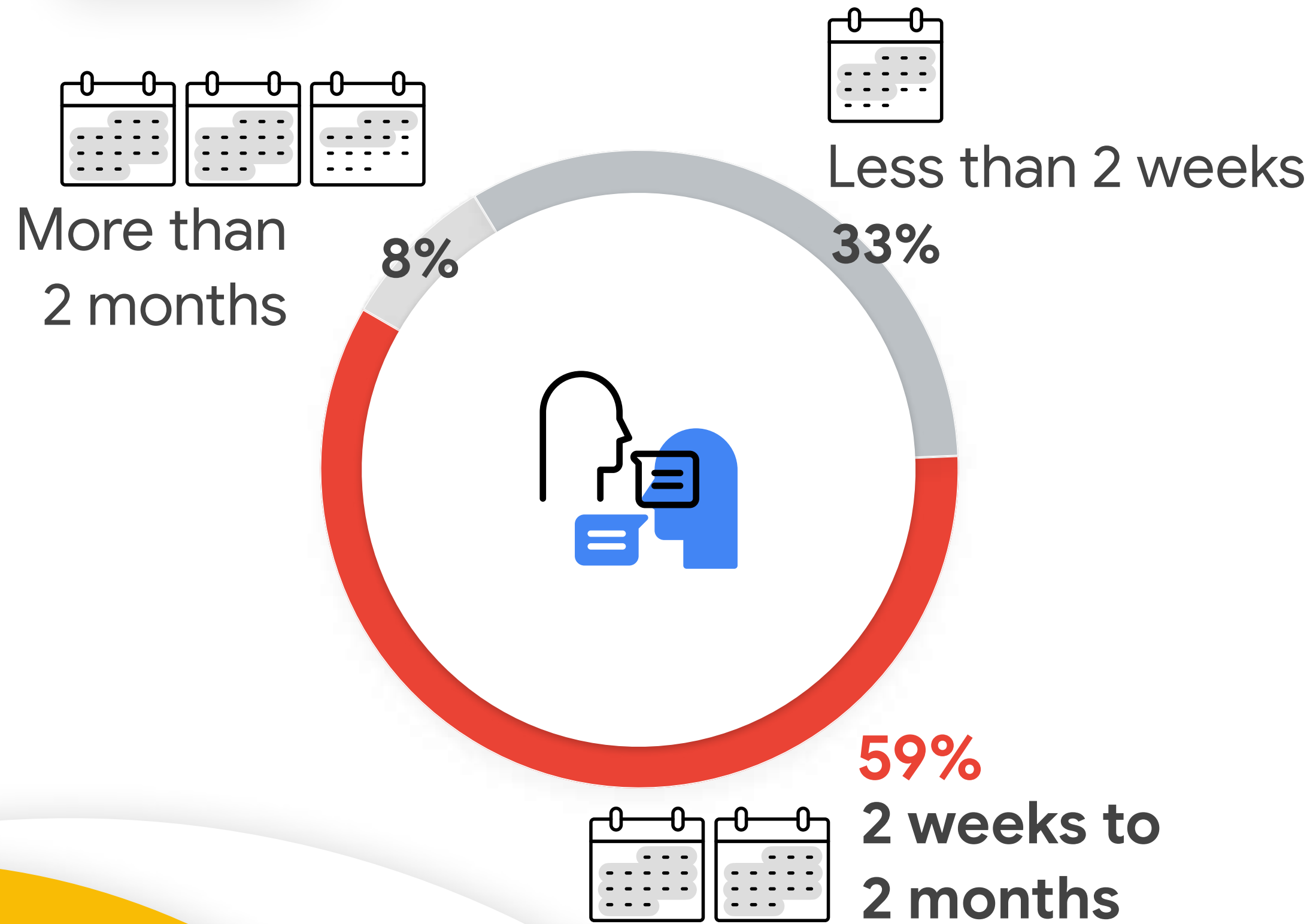
91% 📍
Tier 2
buyers:
took 2
months

▲ Increase compared to 2018 ▼ Decrease compared to 2018

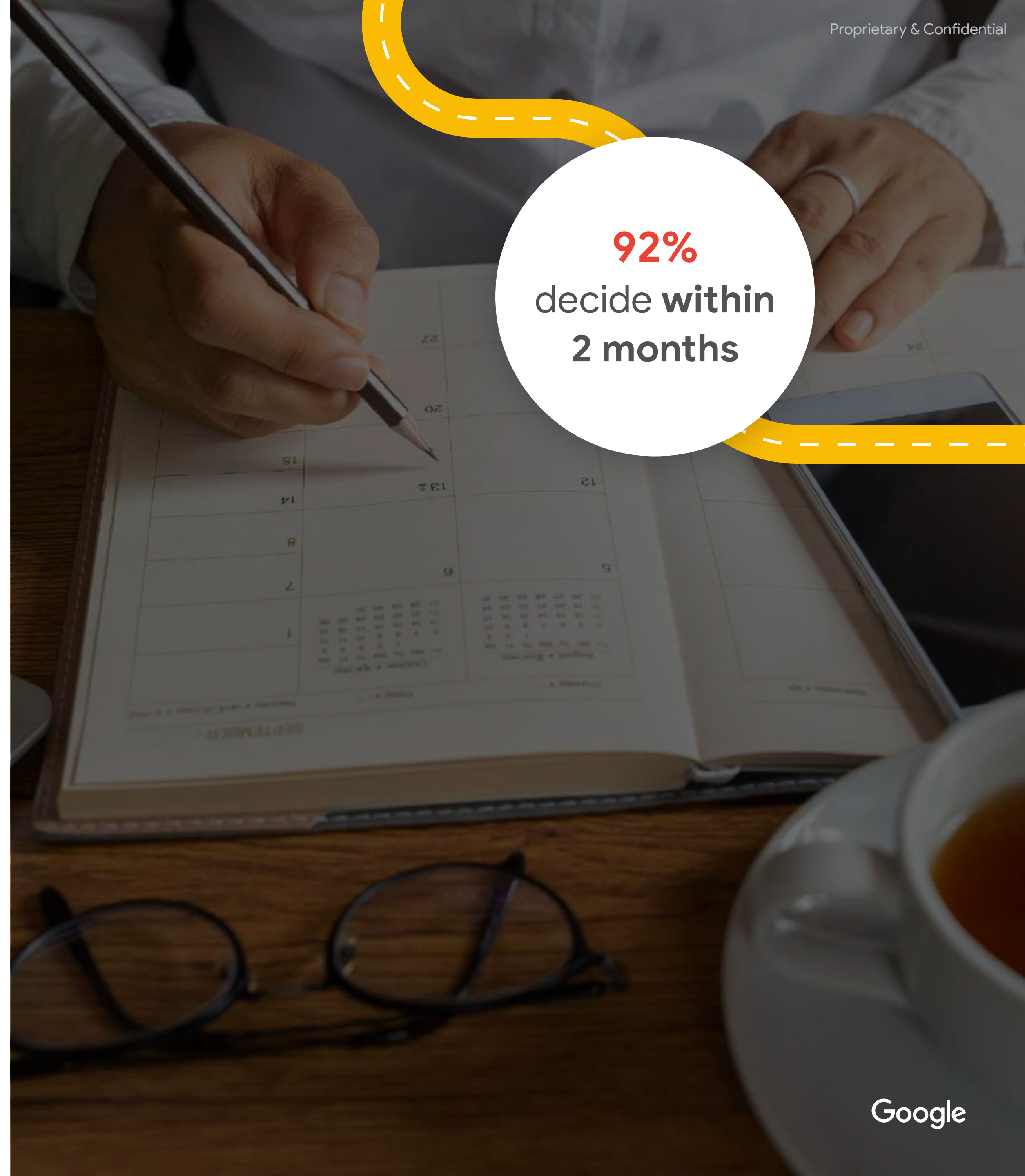
44 Q096: How much time passed between starting to collect information and actually purchasing a vehicle?
Purchased in last 6 months: Overall:443, T1:236, T2:143, T3: 64

The window of influence and decision is short!

Used Cars

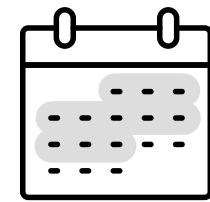


92%
decide within
2 months

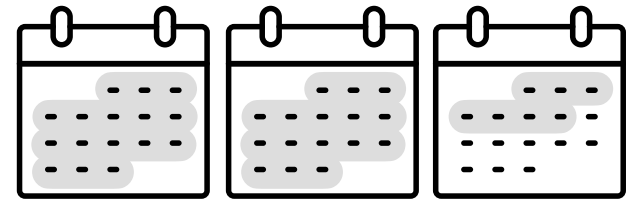


The window of influence and decision is short!

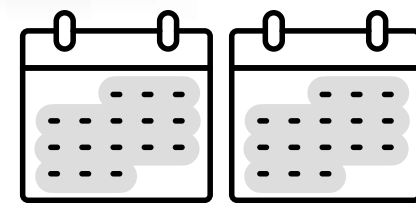
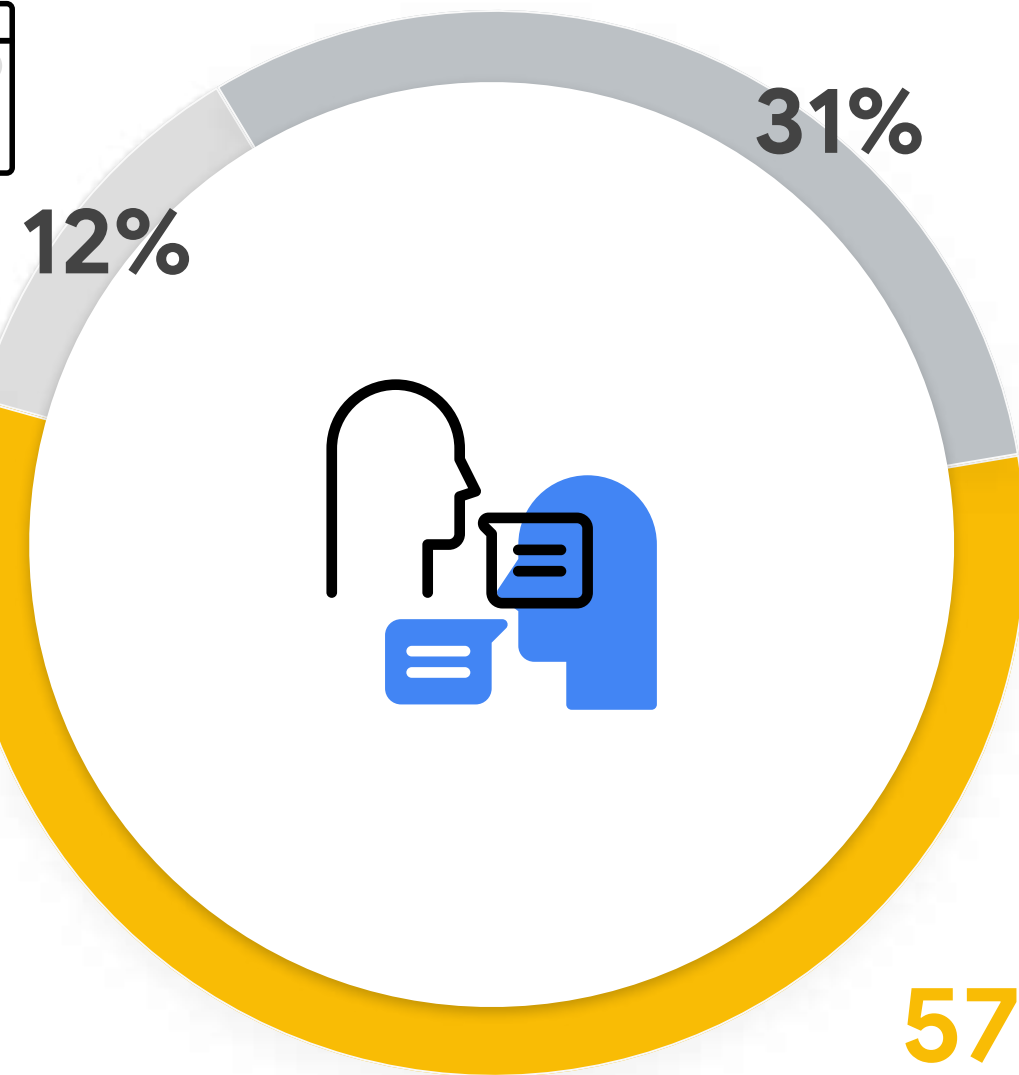
Used Car Sellers



Less than 2 weeks

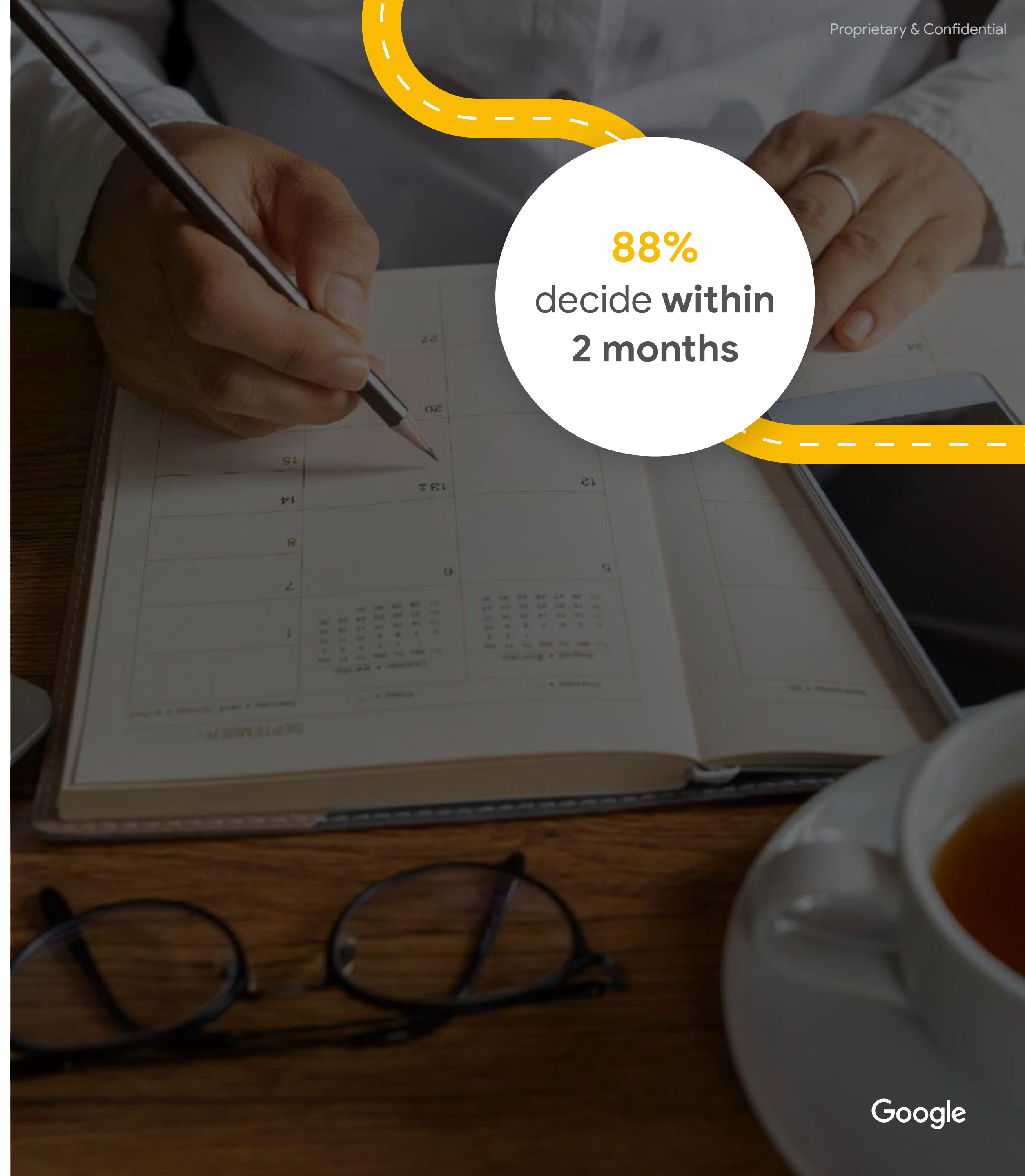


More than 2 months



57%
2 weeks to 2 months

88%
decide within
2 months



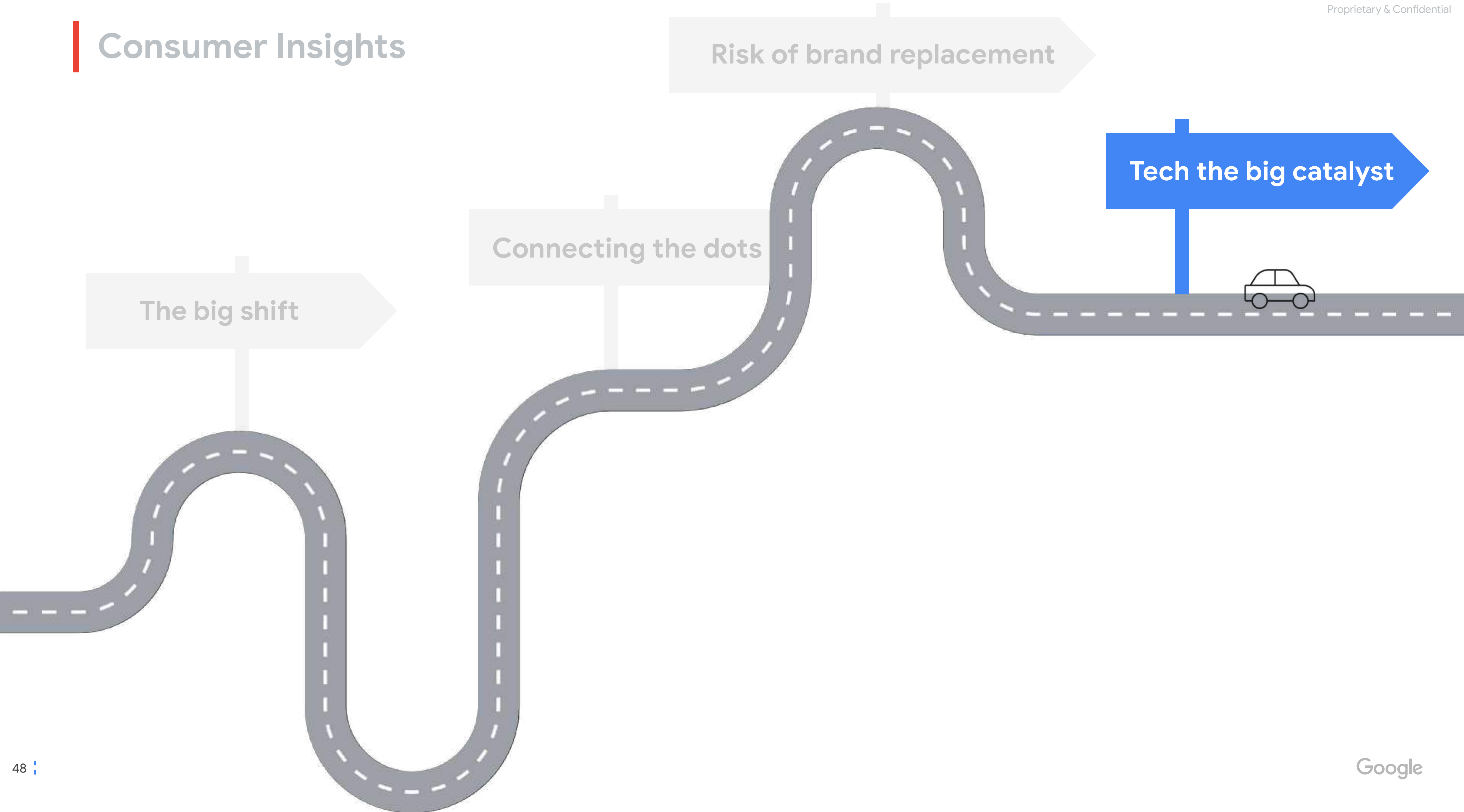
New Cars



61%

Decide after **1 test drive**

Consumer Insights



The big shift

Connecting the dots

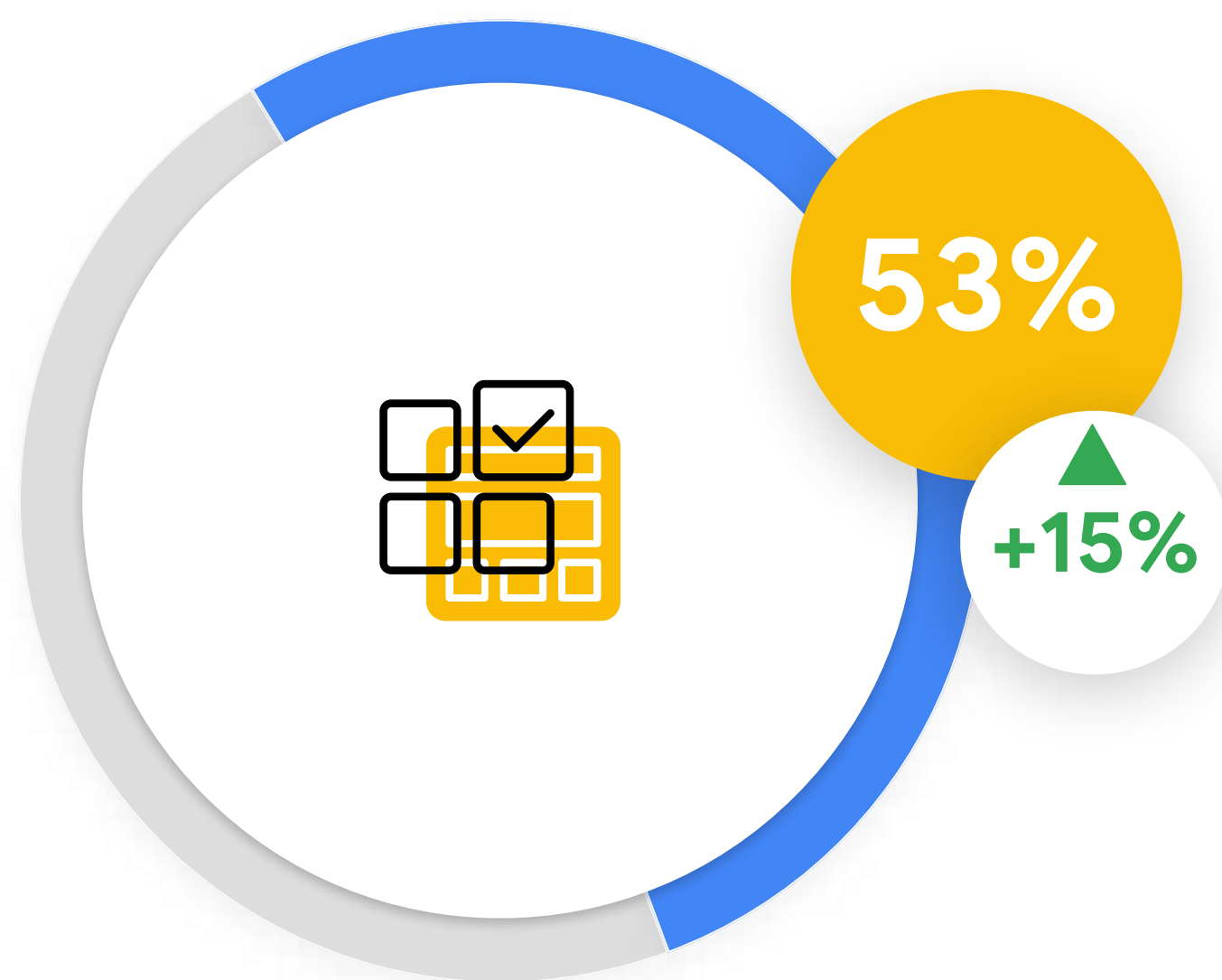
Risk of brand replacement

Tech the big catalyst

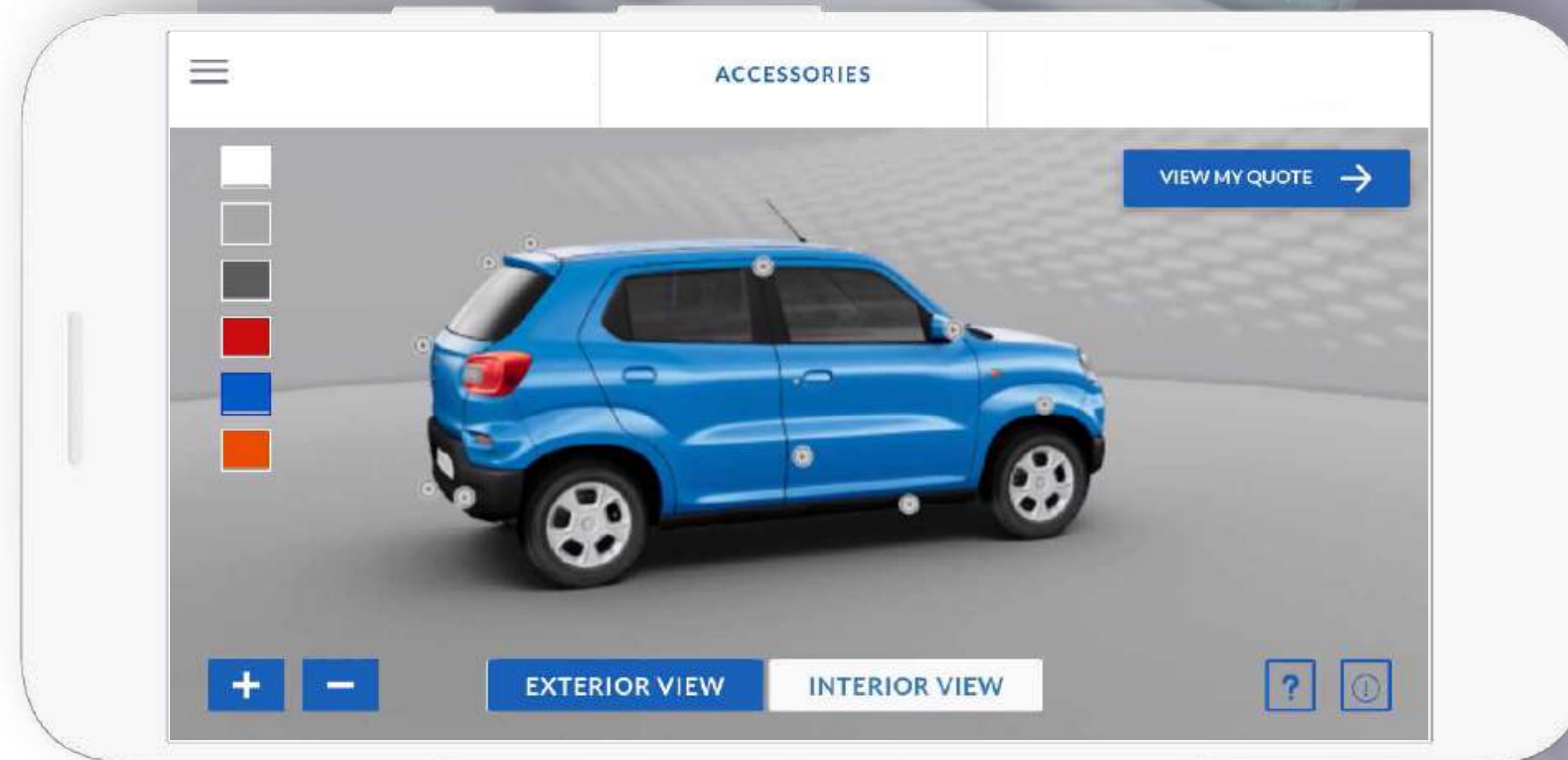


Era of technology and personalisation

New Cars



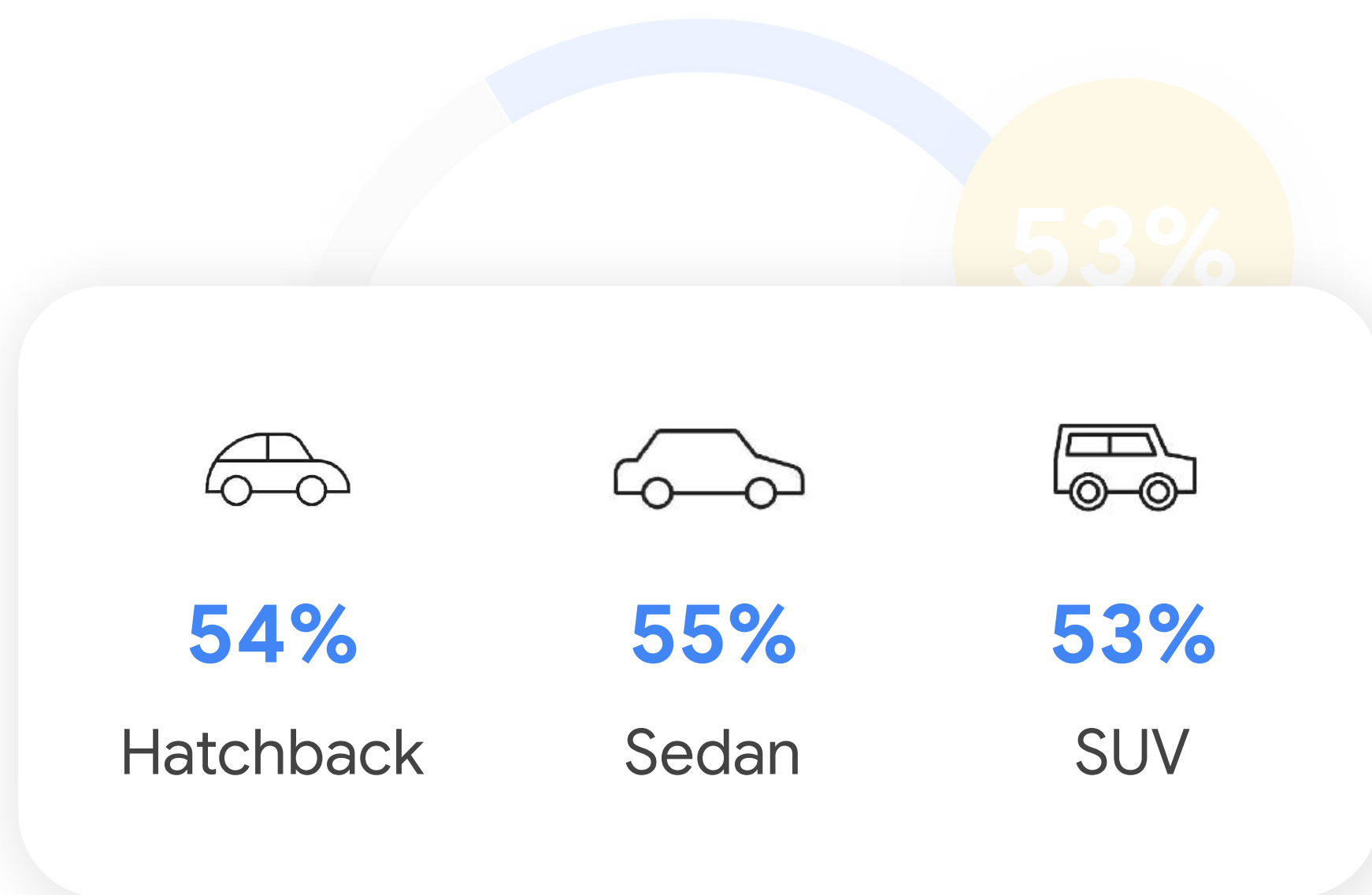
Use a car **configurator**



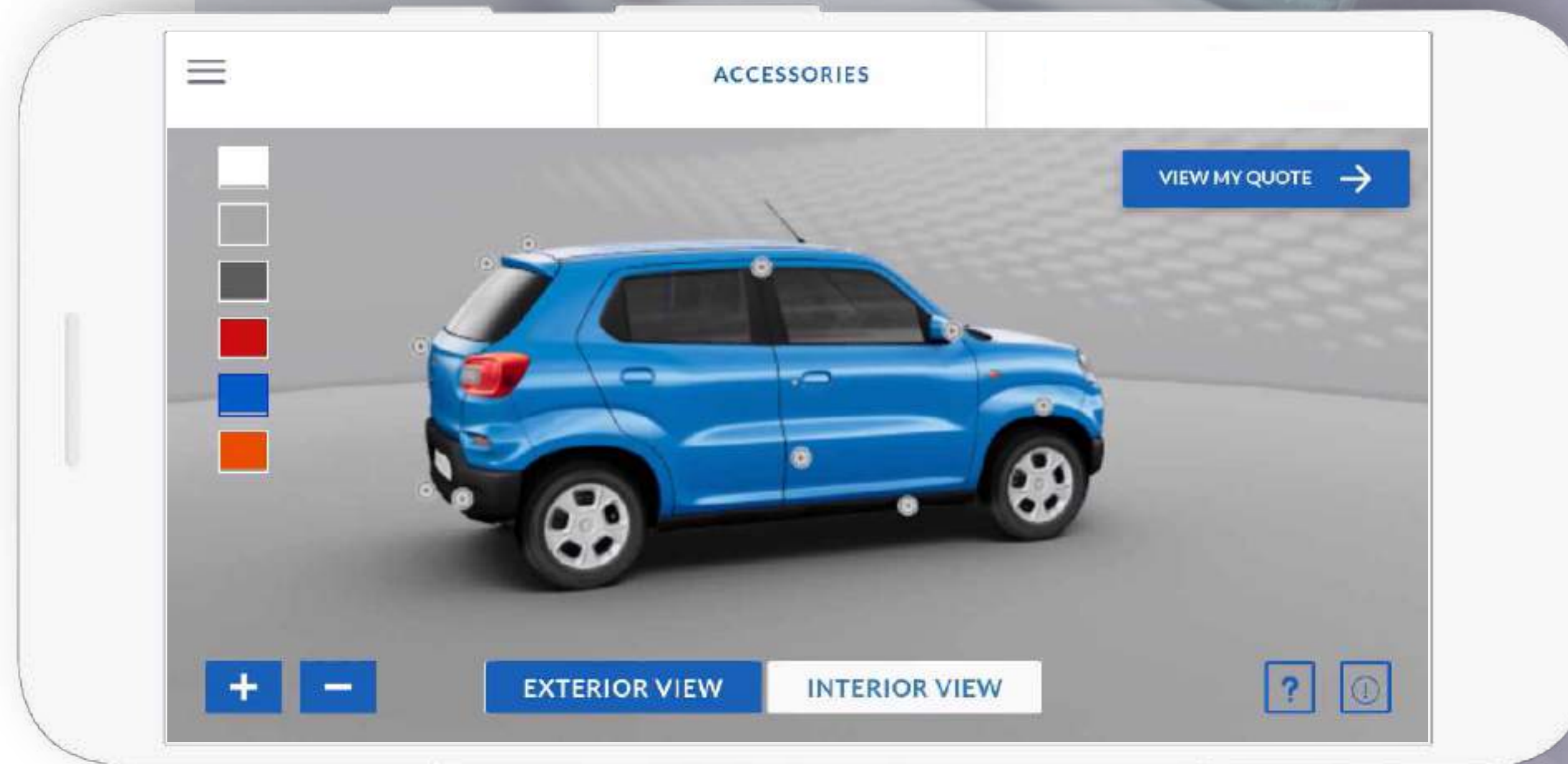
▲ Increase compared to 2018 ▼ Decrease compared to 2018

Era of technology and personalisation

New Cars



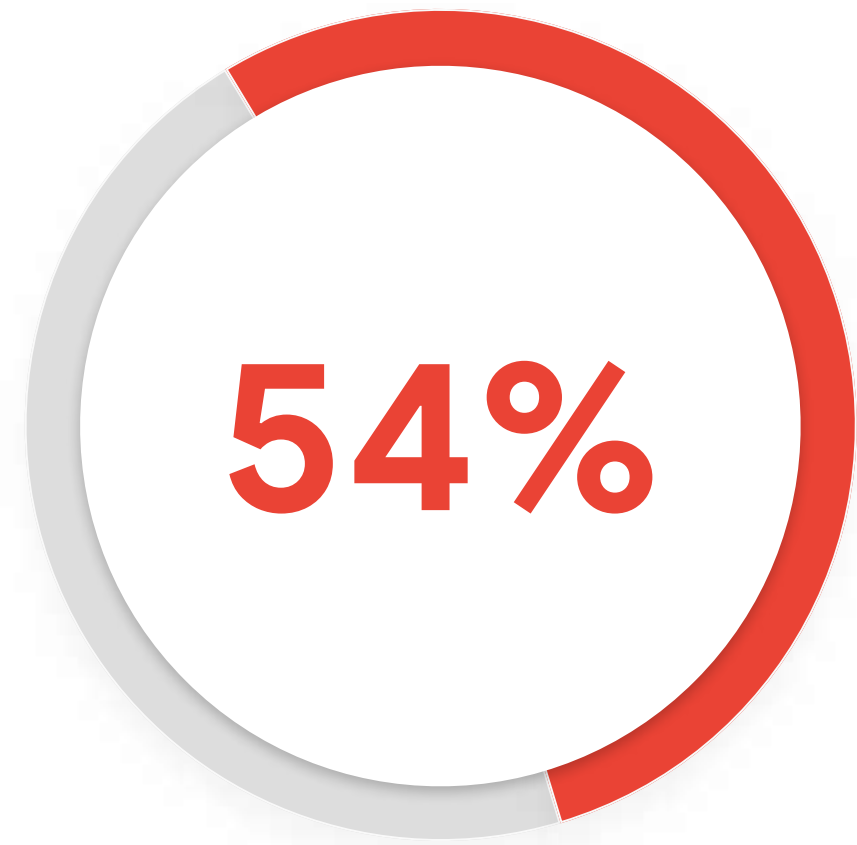
Use a car configurator



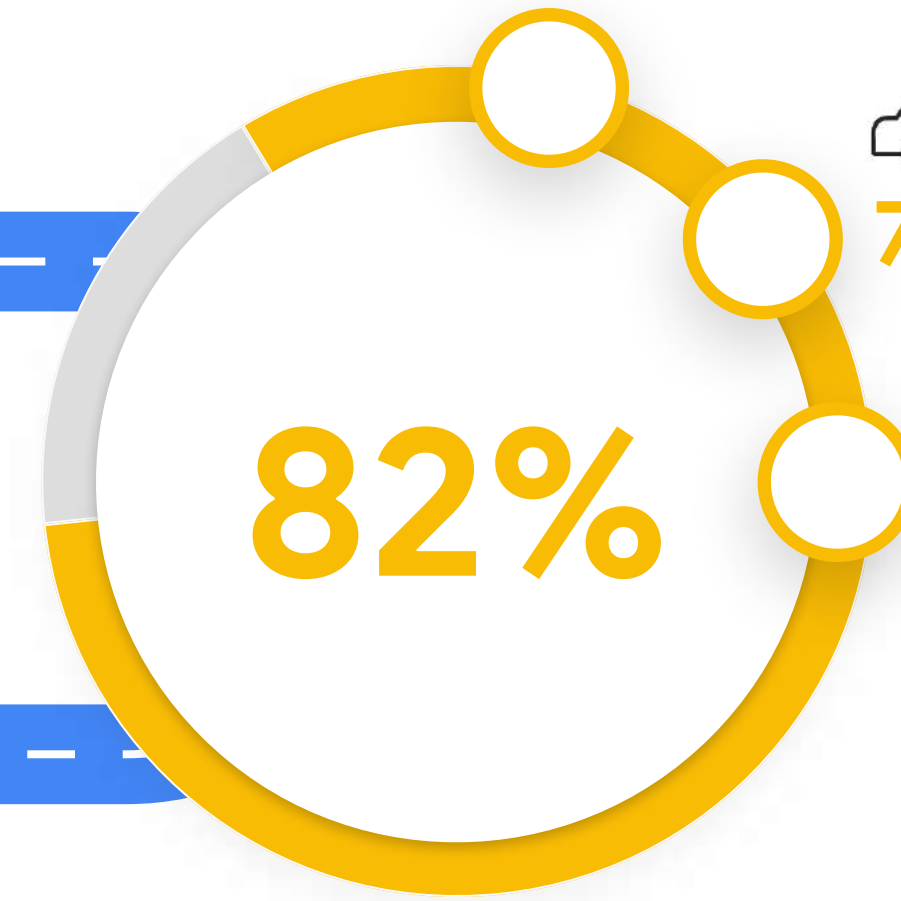
▲ Increase compared to 2018 ▼ Decrease compared to 2018

Car buyers are willing to pay for “connected” technology

New Cars



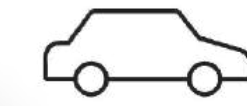
buyers are aware of **connected vehicles**



buyers are **extremely/somewhat likely** to **pay premium**



82% Hatchback



79% Sedan



85% SUV

Advanced Technologies could replace Test drives

New Cars



▲ Increase compared to 2018 ▼ Decrease compared to 2018

51 ■ Q104: New video formats (360° video & VR videos) to help purchase without test drive.
■ Online video usage base: 1010

Advanced Technologies could replace Test drives

New Cars



▲ Increase compared to 2018 ▼ Decrease compared to 2018

Advanced Technologies could replace Test drives

Used Cars



7 out of 10

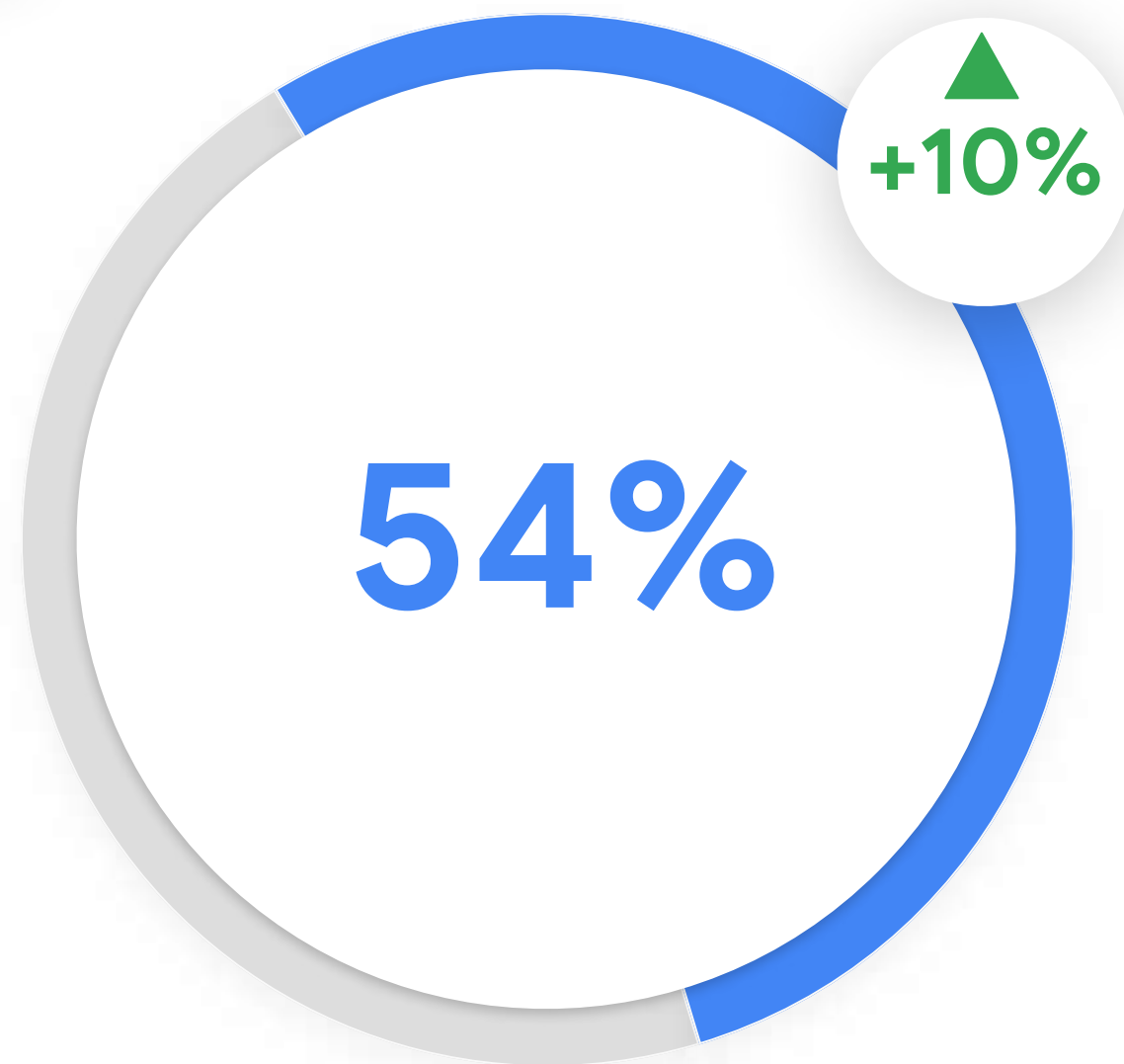
Said that 360° videos and VR Videos would definitely/probably convince me to buy without test drive

▲ Increase compared to 2018 ▼ Decrease compared to 2018

51 ■ Q104: New video formats (360° video & VR videos) to help purchase without test drive.
■ Online video usage base: 1010

Consumers ready to BUY ONLINE

New Cars



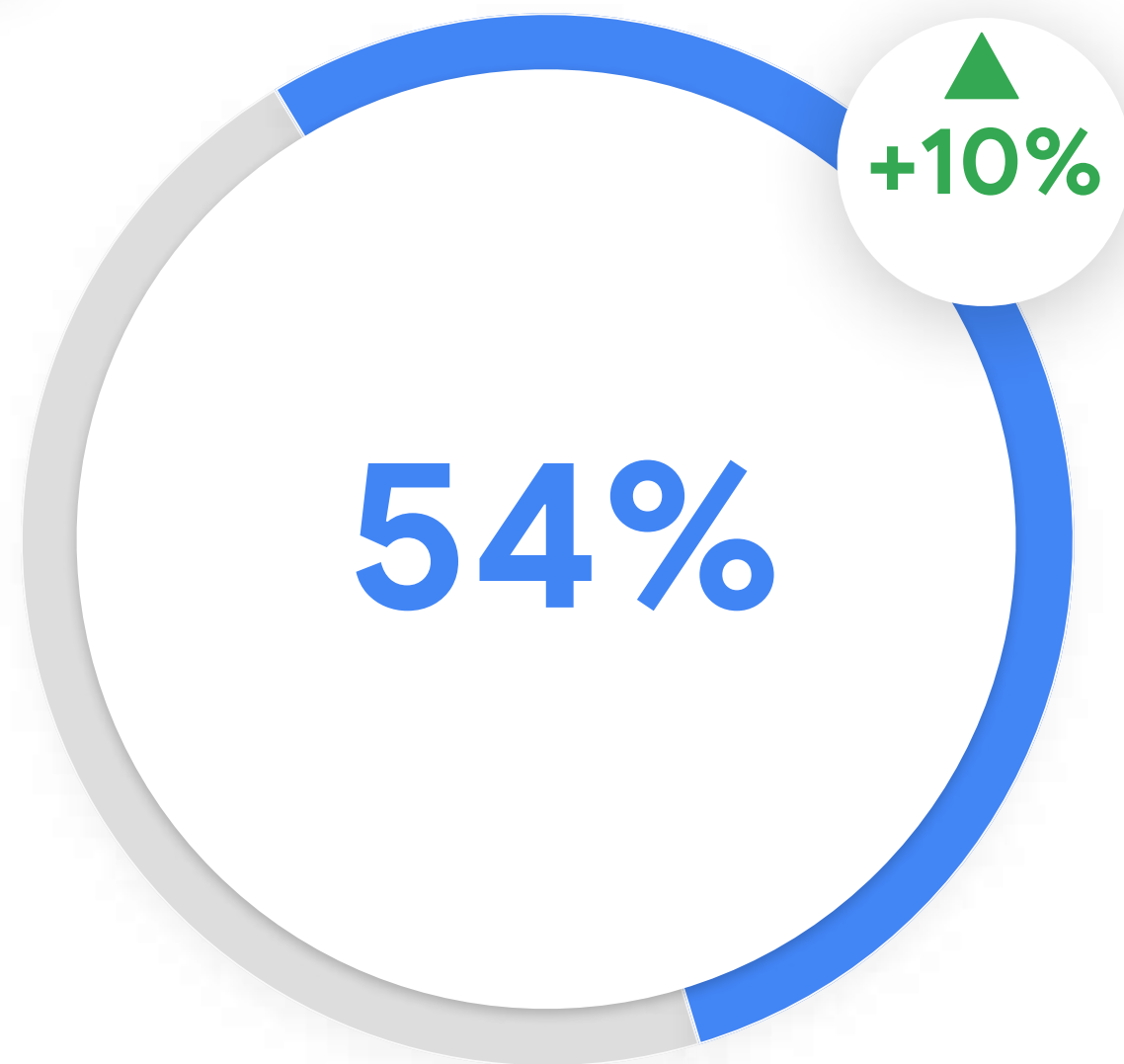
Buyers would **consider to buy online** if given the option

▲ Increase compared to 2018 ▼ Decrease compared to 2018



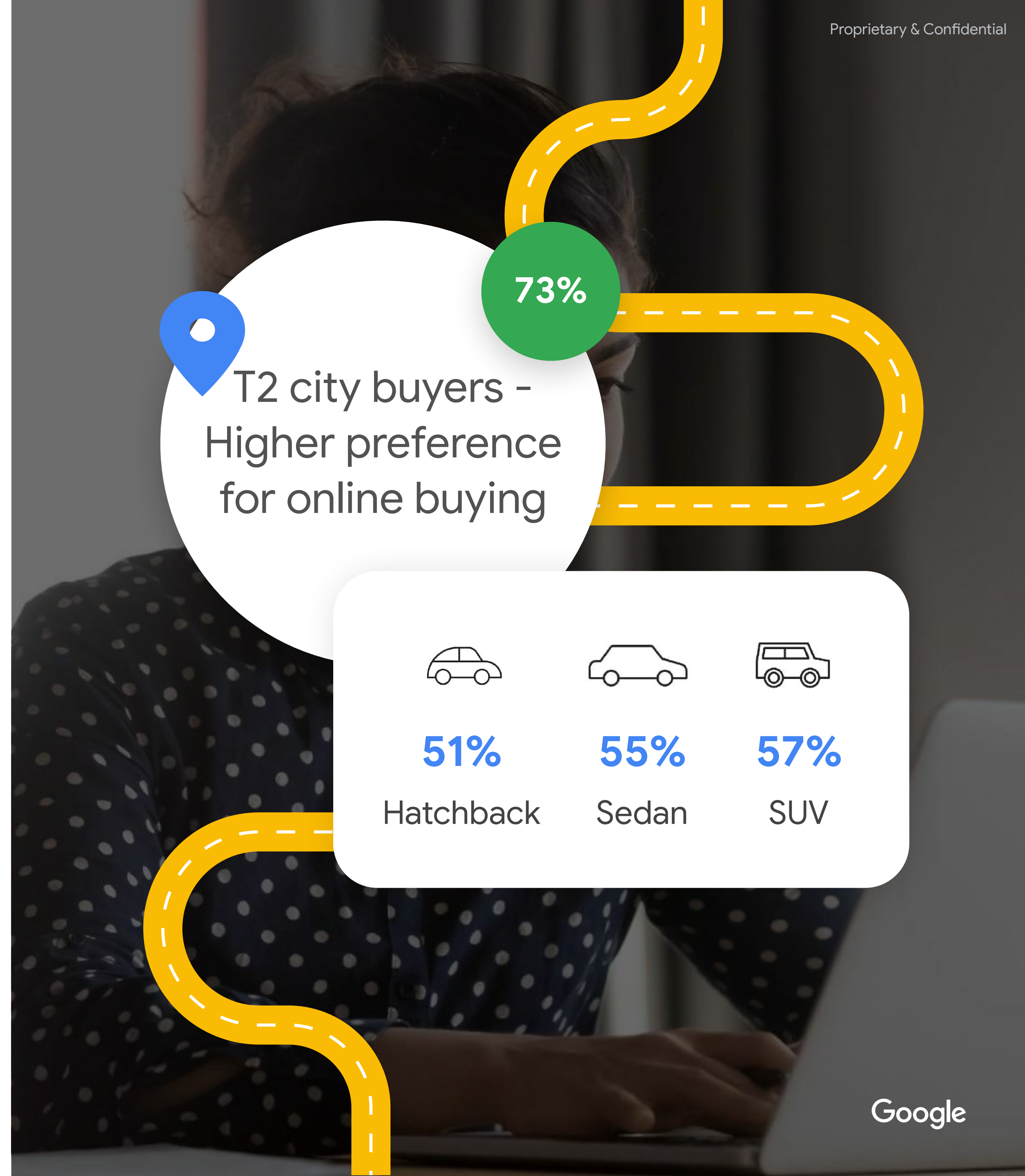
Consumers ready to BUY ONLINE

New Cars



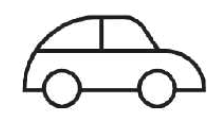
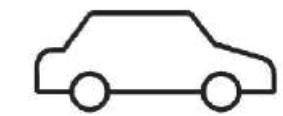

Buyers would **consider to buy online** if given the option

▲ Increase compared to 2018 ▼ Decrease compared to 2018



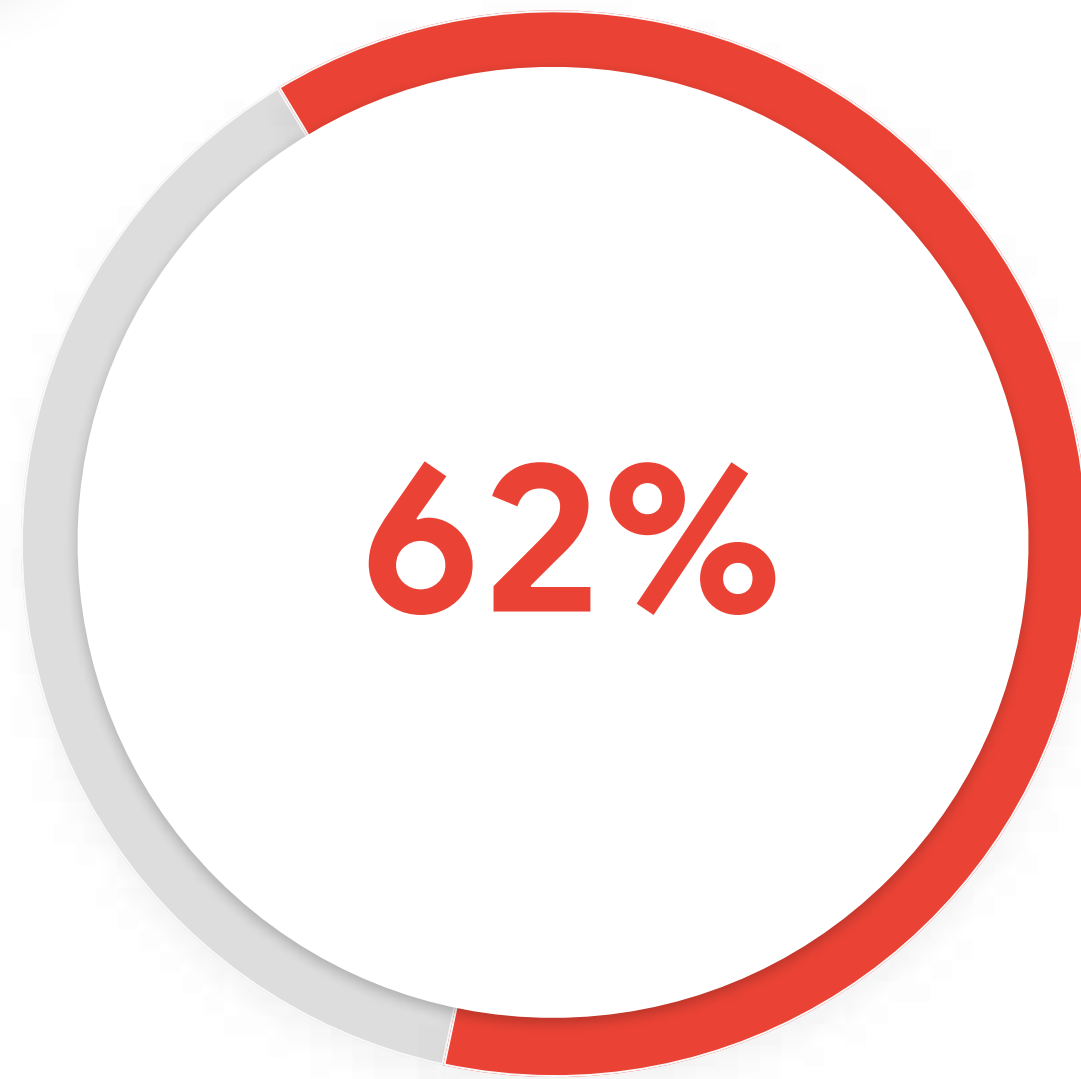
T2 city buyers - Higher preference for online buying

73%

		
51%	55%	57%
Hatchback	Sedan	SUV

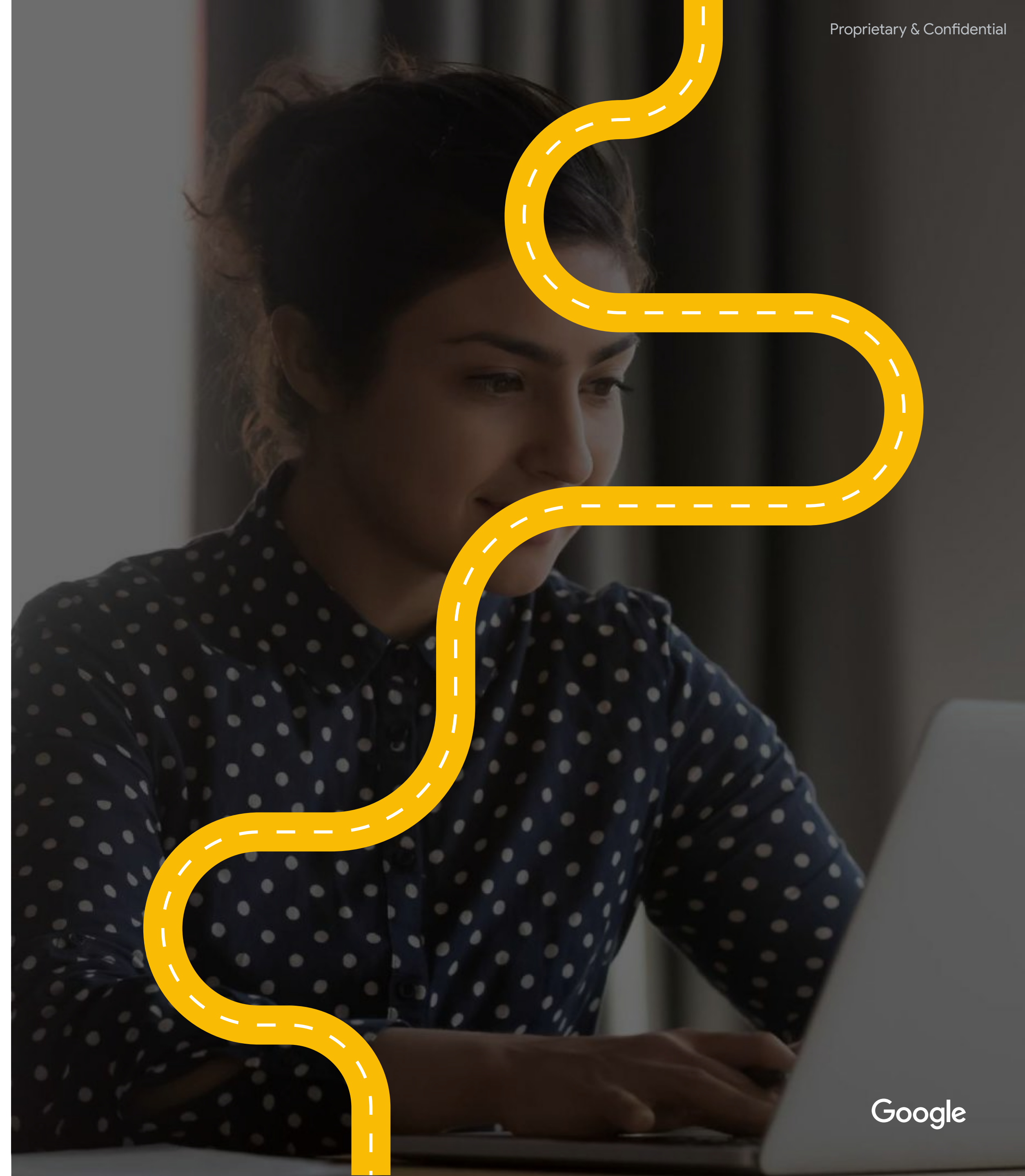
Consumers ready to BUY ONLINE

Used Cars



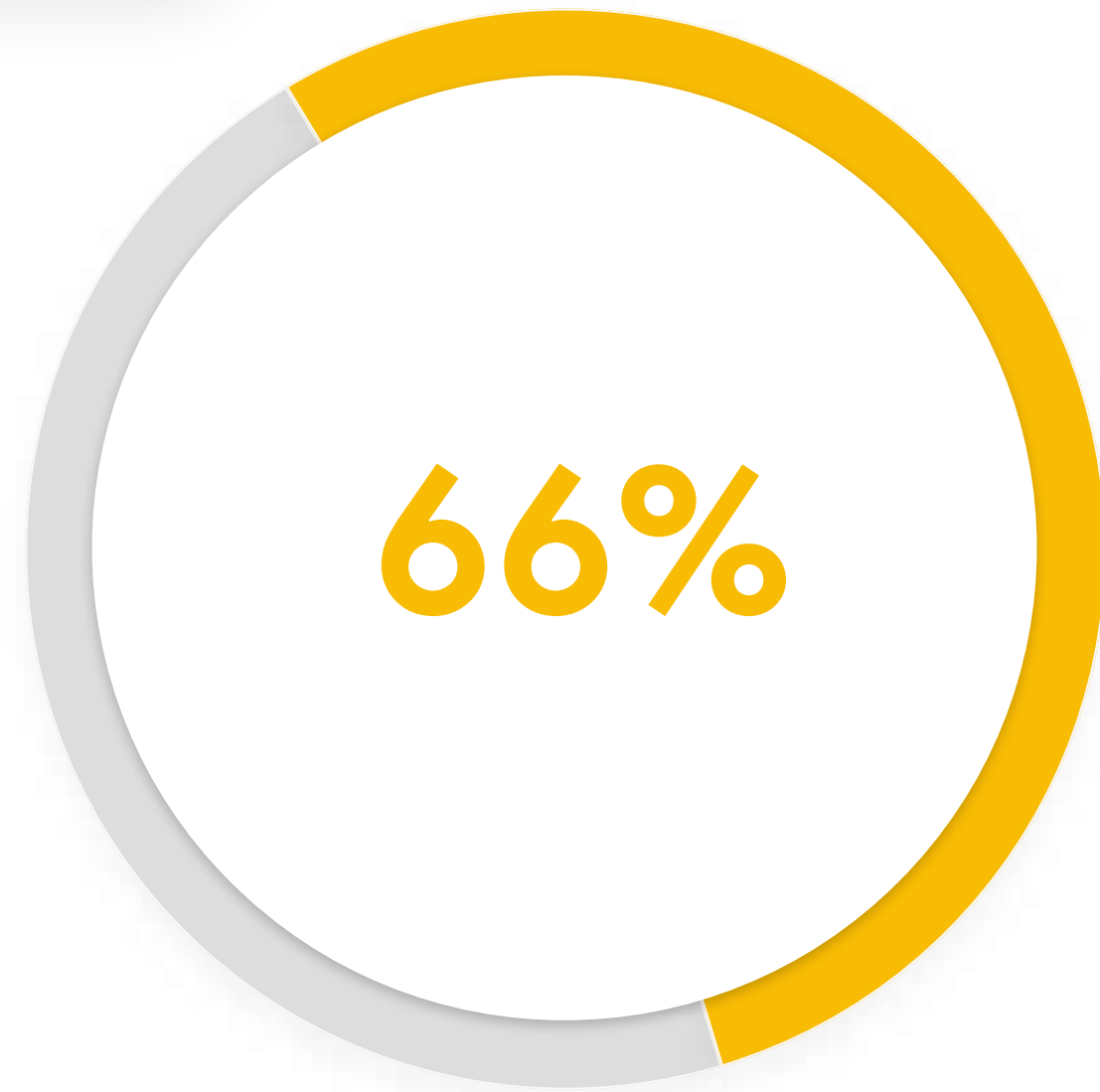
Buyers would **consider to buy online** if given the option

▲ Increase compared to 2018 ▼ Decrease compared to 2018



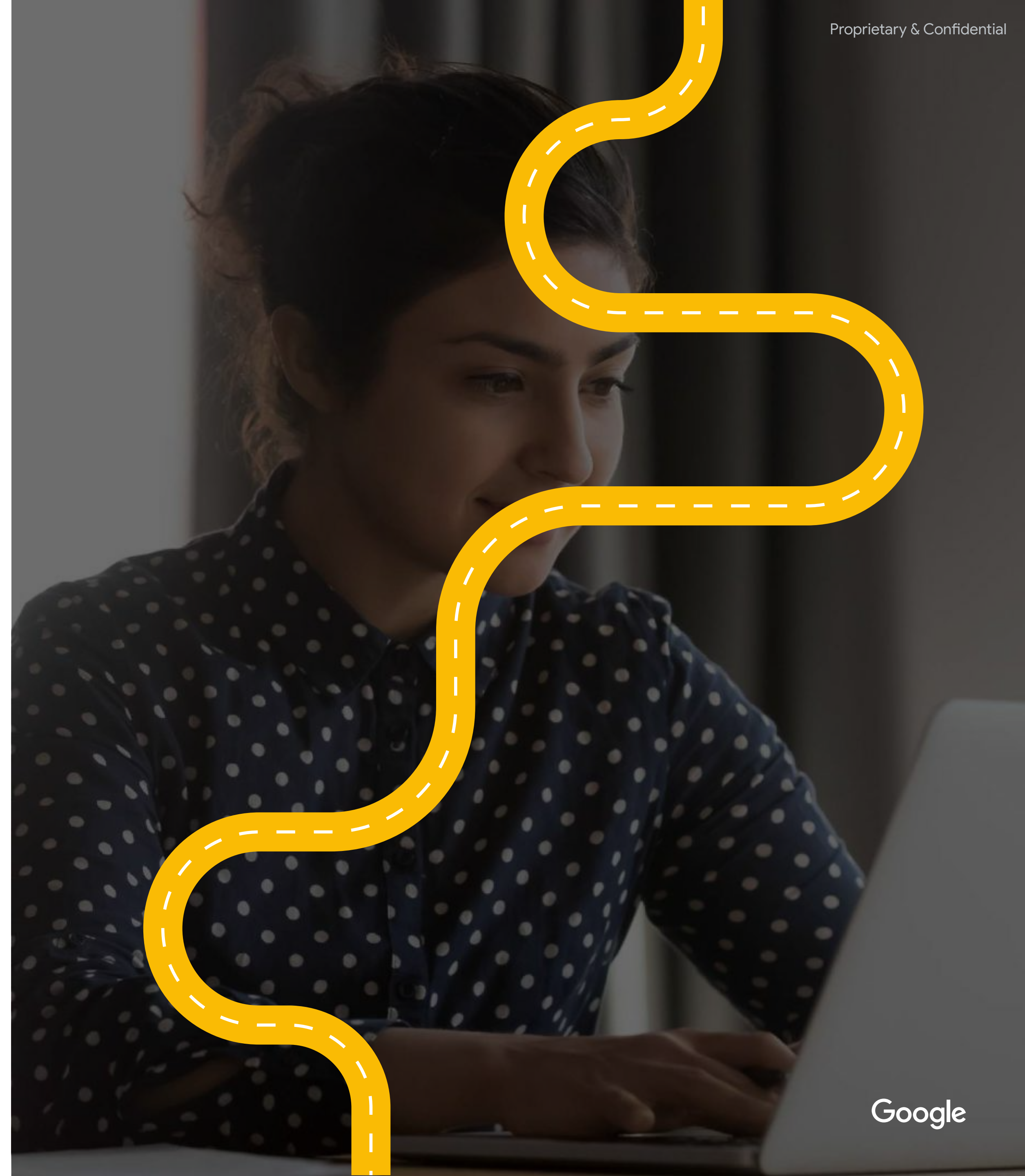
Consumers ready to BUY ONLINE

Used Car Sellers

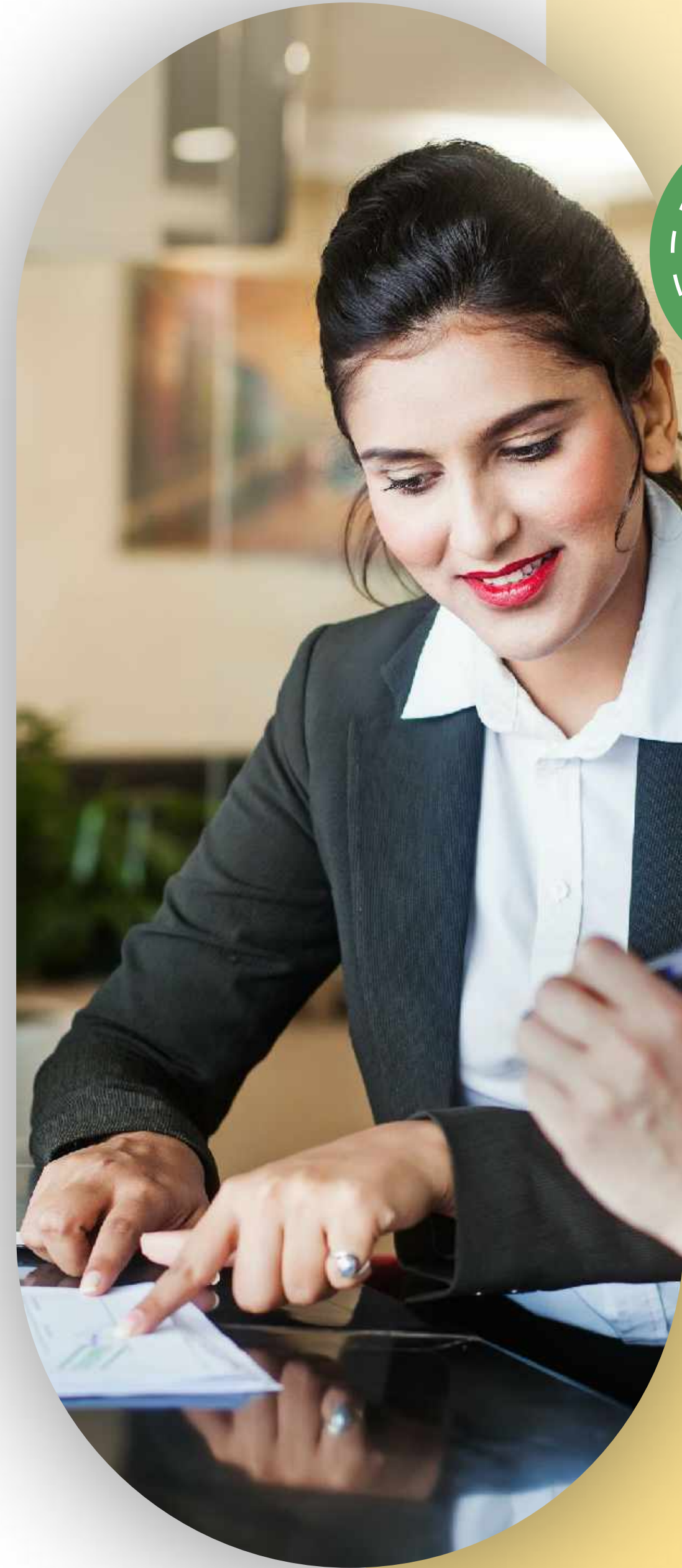


Buyers would **consider to sell online** if given the option

▲ Increase compared to 2018 ▼ Decrease compared to 2018



Business Implications



Key Takeaways

Insight



95% car buyers (new & used) and 100% used car sellers go online; 1 out of 2 have no or little idea about the Brand or Model



>80% of car buyers watch online videos;
9 out of 10 take an action after watching an online video



T2/T3 car buyers are strongly influenced by digital today across new and used cars



7 out of 10 discovered their Dealers online, and then contacted/walked in to a showroom



> 50% car buyers and used car sellers willing to buy online even pre-covid; This behaviour is amplified by Covid

Business Implication

Be where your consumer is - ONLINE
Influence through a cross-funnel strategy

Are you as digital as your consumer? How are you enabling them to navigate multiple touchpoints? How will you win brand loyalty today?

Be video-first

How are you reaching out to this audience through relevant content and driving action?

Differentiation strategy to capture consumer SOW

Are you reaching them through the right media channels?

Bring the dealer online. Bring the dealer showroom to the consumer

Are dealers ready to provide an end-to-end online seamless experience?

Structural re-think with tech-driven business models

Are you nimble and ready to adopt rapidly?

Acknowledgements

About the author

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.....

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Head - Consumer & Market Insights, Google India



Shailendra Gupta

Executive Vice President, Kantar



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Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. We help our clients understand people and inspire growth.



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