

Published 2015

www.RelevateAuto.com

sales@relevateauto.com

CONQUESTING WITH OFFLINE AND ONLINE DATA ON THE AUTO CONSUMER'S PURCHASE JOURNEY

The automotive industry has enjoyed a relatively strong period of growth over the past several years, reaching prerecession levels. Yet, the industry is ever-evolving and the future remains uncertain. According to the AlixPartners Global Automotive Outlook 2015, “Over the next five years the global automotive industry faces a reduced market growth, down from an annual 3.1% (between 2007 and 2014) to an annual 2.6% (between 2015 and 2021).”¹

In an age of more robust technology, larger data sets, and shifting consumer behaviors, the automotive industry needs to transform their marketing strategies to acquire today’s multi-channel and more empowered auto consumers. By integrating both offline and online data, OEMs, suppliers, dealers and agencies can navigate these changes in the short term to increase profitability and overall market share, as well as in the long term to position themselves for future success.

This white paper will address several ways that data solutions can enhance automotive conquering throughout the purchase journey and through both offline and online channels.

Customer Acquisition Begins with Good Data

Data today is bigger and more pervasive than ever before, and the automotive industry can no longer rely on internal data alone. Information that is sitting in CRM systems, billing and shipping databases, or customer service centers is a great starting point, but in order to step up their competitive advantage, automotive companies must apply third-party sources of highly specialized automotive intelligence.

Consumers produce mountains of data every day. Digging through the piles of available information to find the data that truly can make a difference often leads to a state of “analysis paralysis.” Automotive companies are increasingly turning to data solution providers who have already sifted through thousands of data sources, aggregating the most comprehensive automotive intelligence and marketing data that will have a direct impact on the bottom line.

10 CRUCIAL DATA ELEMENTS THAT AUTOMOTIVE MARKETERS SHOULD ADD TO THEIR DATABASES

01. DEMOGRAPHIC DATA

A successful, targeted acquisition strategy begins with knowing who your customers and best prospects are, beyond contact and location information. Data solutions have made it possible to integrate numerous details into

consumer and prospect databases in order to gain a better understanding of consumers on a more personalized level.

Information such as households with new children (may upgrade to a larger vehicle), teenage drivers (may purchase a first car), or



10 CRUCIAL DATA ELEMENTS THAT AUTOMOTIVE MARKETERS SHOULD ADD TO THEIR DATABASES

lifestyle attributes such as environmentalism or an interest in the outdoors (hybrids or four-wheel drive) can take targeted marketing to the next step.

Income, marital status, occupation, hobbies, lifestyle, and age are just some of the demographics that can be used to create targeted marketing messages to which consumers are most apt to relate.

02. CONTACT DATA

In an omni-channel world, it's imperative to be able to contact consumers via a variety of mediums. Consumer information with missing fields, such as email address or phone number, can be appended with the omitted data. This means more channels for contact, which increases the likelihood of a new sale. Email and phone append services can also replace inaccurate, outdated data with current information.

03. SPECIALIZED AUTO DATA

Several specialized data solution providers can provide detailed information on vehicles and their owners. Ideally, the data solution should include:

- Make, Model and Year as derived directly from VINs
- Fully populated database in which all lead records include name, address, make, model and year
- Premium selects such as in-market for a new vehicle, consumer demographics, segmented wealth modeling, email addresses, and full VIN
- Selections such as engine size, fuel type, drive train, engine block, and engine cylinders
- Validated emails and directory assistance validated phone numbers

04. IN-MARKET MODEL DATA

Dealers can target consumers who may be ready to purchase a car within the next several



10 CRUCIAL DATA ELEMENTS THAT AUTOMOTIVE MARKETERS SHOULD ADD TO THEIR DATABASES

months with statistically modeled values that indicate a household's inclination to purchase a vehicle. This means targeting the consumer before they head to a competitive dealership. In combination with other consumer variables, this brings dealerships closer to finding the ready to buy, sell, or lease prospects in a targeted geographical area.

05. FOLLOW THE CAR DATA

Follow the Car data identifies cars that a dealership sold or performed regular service on after they are sold to a new owner, so the dealer can contact the new owner with service offers. This means less wasted marketing efforts sending vehicle specific pieces to consumers who may not own that car anymore, new service prospects by targeting new owners of vehicles that the center is familiar with, and optimized audience targeting with enhanced data and consumer insights.

06. NEW MOVER DATA

Allows companies to know when customers move away in order to retain them at another location. New mover data can also be used to welcome new prospects who have just moved to the area, before they go somewhere else.

07. DIGITAL AUDIENCE DATA

Digital ad targeting allows marketers to focus on in-market buyers by brand, category and more. Consumer information may be based on data such as vehicle make, model, and year; intent to purchase; geographic locations; and demographics such as age, income, profession, ethnicity, and known interests. This data is often sourced from dealers, service centers, co-registration, and other national sources.

08. RESPONSE PERFORMANCE INDICATOR MODEL DATA

Dealers can use these models to quickly and cost-efficiently predict front-end response and back-end performance. These models use credit data on a Zip+4 level and thus does not



10 CRUCIAL DATA ELEMENTS THAT AUTOMOTIVE MARKETERS SHOULD ADD TO THEIR DATABASES

require a firm offer of credit. Response models can also be used to access information on who is likely to respond, and who is likely to pay.

09. TRIGGER DATA

Trigger data sets provide access to the vast data market place for insights based on imminent purchase signals such as:

- New births
- Home purchases
- Credit triggers
- Social signals
- New teen drivers

10. AUTO EQUITY DATA

These programs provide dealers with daily, “hand-raising” consumers that are in positive equity and willing to trade their cars in on newer models. Traditionally, many automotive marketing programs have used pre-screen credit data as a starting point to identify consumers, which requires a firm offer of credit and often entails mountains of paperwork.

More advanced auto equity programs are based on proprietary algorithms built upon thousands of data points including summarized credit information, consumer demographics and psychographics and other types of data to determine ranking of consumers in the best equity positions. This allows dealers to identify equity hand raisers and then determine the best sales and lending package. ■



Understanding the Auto Buyer's Journey

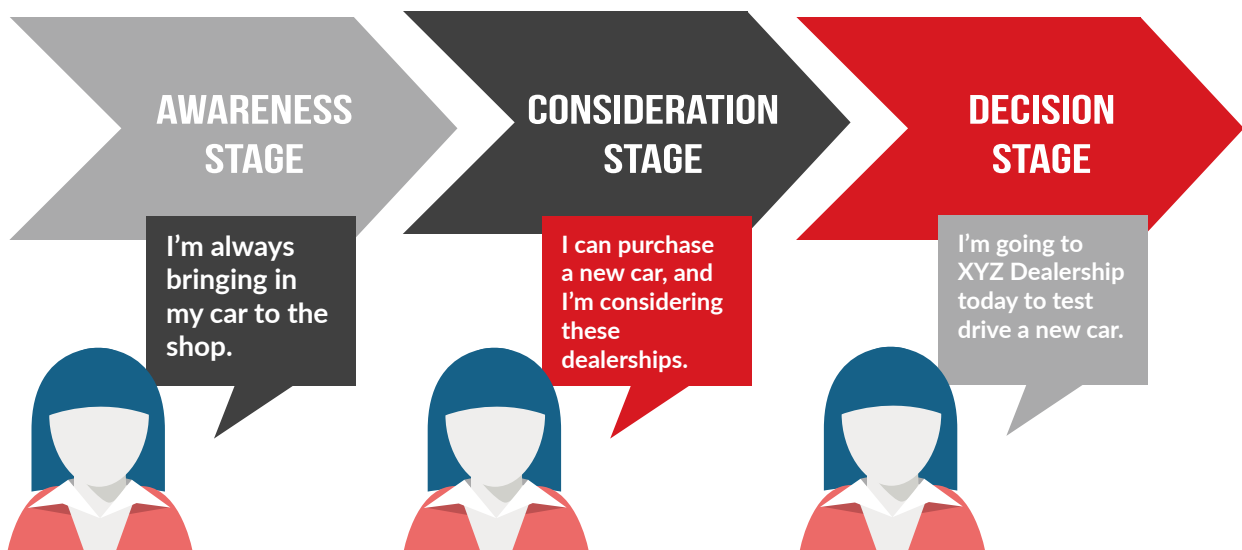
Today's consumers are more empowered with information and choices than ever before.

From awareness to purchase, automotive consumers take a multi-channel journey before stepping into a dealership, ready to sign. This journey can take weeks or even months before a purchase decision is made. Marketers who understand this process and target consumers throughout every phase can ensure they will rise to the top and make the short-list when it's time for the final decision.

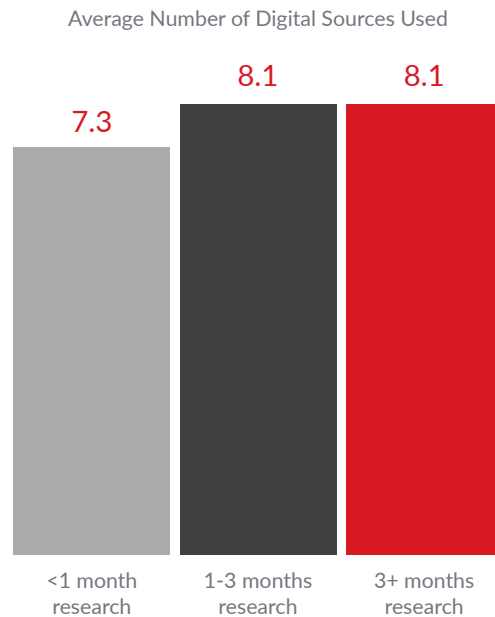
The Three Stages of Purchase: Awareness, Consideration, Decision

The buyer's journey is the process a consumer goes through from awareness of a need, to consideration of different options, and finally to the decision to act. As a consumer goes through each of these stages, dealerships must ensure they have a strong presence through multiple channels and are reaching consumers with the right messages and offers.

THE AUTO BUYER'S JOURNEY



82% of car buyers are in the market for three months or less and use 7-8 digital sources on average.³



Awareness

In this stage, buyers are aware of a need.

More trips to the repair shop may trigger the decision to purchase a new vehicle to offset accumulating repair costs. A new teen driver may be ready for their first car, a new baby may mean a larger family vehicle, or a newly retired couple could be ready for an upgraded model with advanced safety features.

Whatever the reason, a consumer is in market for a new vehicle and they are most likely unaware of your dealership. This means that as prospects begin to search for options, auto companies need to have a strong digital presence. According to a study by AutoTrader.com, the internet is by far the most influential channel leading to a dealer.²

According to Google stats, 82% of car buyers

are in the market for three months or less and use seven or eight digital sources on average.¹²

Additional research by Driverside and

Dealer.com points out the importance of social media as a research channel. Thirty-eight percent of consumers said they will consult social media before making their next car purchase, while 23% of car buyers use social channels to talk about their experience when making a purchase.⁹

This initial phase of awareness is the ideal time to make a solid impression. A robust, website, valuable content on multiple sites, and a social media engagement strategy are integral to giving auto companies a competitive edge.

More information on the importance of digital presence and social media is provided in section 4.



Consideration

At this stage, consumers have narrowed down their search. They have plenty of information on what they are looking for including: price points, important features, and which dealerships they are considering.

Just as important, the dealership has also collected information about ideal prospects. A consumer may have called to ask for information, which provided name and phone number, or completed a web form, which provided an email address.

Using this information the auto marketer can send an email blast announcing the latest deal or make a phone call to set an appointment. But, every other dealer is more than likely doing the same thing. It's not simply who shouts the loudest; it's who makes the best offer. A highly personalized offer based on targeted data insights can quickly cut through the clutter and make a real impression.

Third-party data enhancements, such as previously mentioned, can quickly be appended to prospect lists, arming marketers with real intelligence to make an impact. Records with only a phone number can be reverse appended to provide name and address. Similarly, records

with only an email address can be appended with additional contact information. In addition to contact details, other important information can be added to a prospect record such as exact make, model, and blackbook value of their current vehicle being driven.

Third-party data enhancements can also help marketers segment consumers by detailed demographics, such as: presence of children, age, income, and occupation, or by life stage.

Life stage segmentation requires looking at a combination of demographics, lifestyle and real-time data to determine where consumers are in their life cycle. Different marketing techniques will appeal to different segments. Targeting a graduating college student will be much different than targeting a family with children or a two-career family with more discretionary income.

EXAMPLES OF LIFE STAGE SEGMENTS

01. Family Needs

A family with children may use their vehicle for kids' sporting events, carpooling, family vacations, road trips, and more. They will be looking for a larger, dependable family vehicle to meet their needs.



02. Social Status

An executive who recently received a raise or large promotion may celebrate their achievement with a luxury or high status car that communicates their career and business success.

03. Environmentally Conscious

A growing number of consumers are considering environmental factors which make a hybrid or electric car with lower fuel consumption more appealing than a large gas-guzzling SUV. By appending demographics to your customer database, such as lifestyle, involvement with environmental organizations, education, and so on, these consumers can be identified and targeted with the right offers.

04. Just Need to Get Around

A consumer who is only looking to get from point A to point B will be less interested the bells and whistles of a more expensive luxury car. Consumers in this group may just need transportation for neighborhood errands or getting to work and back. They tend to not be interested in paying for anything extra, and just want a dependable vehicle for transportation device. To send them a message on a high-end vehicle could send them running to the competition.

The only way to achieve real, targeted intelligence is by integrating data to create a 360-degree customer view, applying third-party data enhancements, and utilizing analytics to determine distinct customer purchase segments.

Decision

In this last stage of the buyer's journey, the consumer has made a decision to visit a dealership and try to make a deal. Of course, the work is far from over. During this crucial 48-72 hour period, shoppers often visit



multiple dealerships, continue to research online, and come to their ultimate decision. Consumers expect a seamless journey across the purchase cycle. They want the same experience at a physical location as they received during the consideration process

when choosing which vendors to visit. In the next section we explore the important role that customer experience plays in the purchase journey. ■

How Relevate Auto Reaches Shoppers in the Decision Stage

A revolutionary new way to sell cars and conquest customers, V12 Signals targets **in-market consumers while they're in the final stage of their car buying decision.**

Unlike traditional mobile marketing, which only targets the device, V12 Signals targets the actual individual during the crucial 48-72 hour period when they're making a buying decision. This means dealers know which customers and prospects are visiting competing dealerships and which dealerships consumers are using for service.

This innovative solution matches mobile devices to actual people complete with demographics, contact information, and VIN data. V12 Signals is different from traditional mobile marketing or lead products, because Signals Leads represent real people who are actively shopping at a dealer lot.



[CLICK HERE TO LEARN MORE.](#)

■ V12Signals

Customer Experience: The New Deciding Factor

Numerous factors contribute to overall customer experience, but it generally comes down to whether or not a consumer feels valued and treated fairly. This is imperative, because research shows that when choosing between dealerships consumers don't always purchase on price alone. Price is always a factor, but according to a study by Walker, the customer experience is so important that

by 2020, it is expected to overtake price and product as the key competitive differentiator.¹⁷

Car manufacturers and dealers have historically focused on product quality and the driving experience to acquire new customers and encourage brand loyalty. But as technology allows for dramatically improved product quality across the board these factors are losing value as a key brand differentiators.

Consumer experience is key to closing the deal and creating a lasting customer relationship.



70% of buying experiences are based on how the customer feels they are being treated. (McKinsey)



74% of consumers have spent more due to good customer service. (American Express)



67% of auto consumers expect a confirmation within eight hours of sending a request for a test drive (eConsultancy)



According to a report by Medallia, “Over a ten-year period, from 2003 through 2012, reliability has improved so much that the top 20% of models available in 2003 would fall to the bottom 20% in 2012.”¹³

In regards to the driving experience, new car models are sporting all sorts of new features including voice activated controls, internet-enabled navigation, personal assistant service, vehicle internet connectivity, and vehicle mobile applications. According to a 2015 study by Nielsen, vehicle to driver communication is the most popular feature for connected drivers.¹⁵

As more and more vehicles tout a range of exciting features, better safety, and the next best thing in car design, manufacturers and dealers will need to focus more on customer experience to set them apart from the competition. Here are two ways to start.

Connect with Consumers from the Comfort of Their Home

Before heading to a dealership, most consumers head to the internet to research and they expect every piece of information about the vehicle they plan to purchase to be at their fingertips. At this point in the digital

revolution dealers not only need a strong web presence, they need an interactive one. Consumers want to schedule appointments online, access paperwork, and receive immediate responses to their inquiries. If you don't meet these expectations, your prospects are more than likely going to find a dealership that can deliver.

Connecting to online consumers to deliver superior experiences is no longer an option, but a matter of competitive survival.

Entertainment While You Wait

Consumers want to shop for products and be catered to with entertainment and first-rate experiences. A good example of a company that has been doing this for years is Home Depot, which holds in-store workshops for Do-it-Yourselfers. Jordan's Furniture is a popular furniture retailer that has an IMAX theater in their showroom, as well as attractions such as dancing water fountains, a sky ropes course, and high energy light shows. In 2012, Audi opened the first interactive car showroom in which the brand's entire universe of models can be experienced in one digital space. A number of retail locations also feature cafes, salons, and spas.



Dealers don't necessarily need to go to the length of installing interactive light shows and dancing fountains, but retailers across all industries are increasingly implementing innovative experiences as a way to build more brand loyalty. Children's playrooms and entertainment while parents shop is commonplace at many dealers.

In the future, dealerships will become more and more creative to gain the competitive edge on the consumer experience.

The Ultimate Goal: Build Brand Loyalty

A single transaction has the potential to turn into a lifetime relationship. Digital options for

interacting with a dealership and providing entertainment are good incentives to get new prospects in the door, but building brand loyalty means truly understanding individual consumers and providing highly personalized experiences. Rich opportunities exist to cultivate more revenue from a single purchase – if you show customers that they matter.

Power has shifted to today's consumers, and manufacturers and dealerships can no longer compete on product quality and the driving experience alone. A truly exceptional customer experience has the potential to win new customers every time. ■



Digital Marketing is Dominating the Auto Industry

Car shopping 20 years ago involved checking out ads in the local newspaper, taking a day to drive from dealer to dealer, and learning about hot deals through television commercials.

Fast forward to today – Consumers shop on Amazon, read the news online, research and comparison shop for their favorite products across channels, use mobile banking, chat on social, and so on. Shopping for cars has also gone digital.

According to a Google auto shopper study, 95% of vehicle shoppers use digital channels to research. They're also using 24 research touch points and 35% research on their mobile device.¹² When a shopper visits a dealership, it's almost guaranteed that they have done

their research and the majority of their purchase decision has already been made.

According to an AutoTrader.com study, three of the top five ad formats which prompted research into a potential car purchase are digital.²

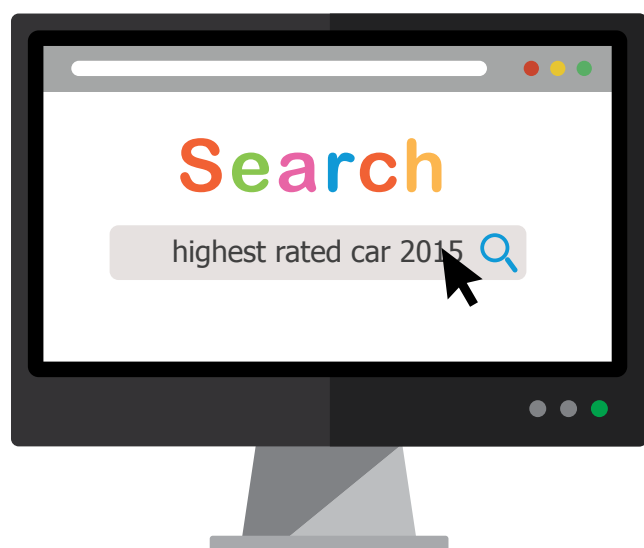
Four digital channels that dealers can't ignore are websites, email, digital advertising, and social media.

Websites

As we covered in the Awareness stage discussion (pg 6), websites and a strong online presence are at the center of the digital experience for customers and prospects.

Ad Types That Prompted Consumers to Start Researching.⁹





New car buyers spend
10 out of 13½ hours
(73%) shopping online.



Used car buyers spend
11¼ of 15¼ hours
(77%) shopping online.

Auto Trader & Polk ²

The majority of digital content, such as: emails, videos, and social posts, should drive traffic to the website. Website landing pages are still one of the top ways prospects provide information or show interest in your products and services. This means it's important to continually optimize websites with fresh content and share to third-party sites.

According to research by Millward Brown Digital/Google, in addition to your dealer site consumers use manufacturer sites, third-party sites, professional review sites, consumer review sites and regional dealer sites when conducting car research.

Email

Email continues to reign as one of the most effective forms of digital marketing and is

used across all industries as a primary means of customer engagement, acquisition, and retention.

Email must be personalized and relevant to produce results and cut through the clutter. With the explosion of so much data, auto dealer marketers have more access to data insights than ever before – which in turn means more ability to deliver highly targeted campaigns based on a customer's demographics, interests, lifestyle and other segmentation of their choosing.

According to statistics gathered from automotive dealerships nationwide, those who use email marketing are seeing tangible results – increased ROI, sales and customer bases. According to the research, “Email campaigns



have on average a 9%-to-12% open rate, and of those, as much as a 14% click through [rate].”¹¹

Digital Advertising

The U.S. automotive industry will spend \$7.3 billion on digital advertising in 2015 and reach \$12.08 billion by 2019, according to eMarketer.¹⁰

This spike in spend can directly be attributed to the auto consumer’s changing path to purchase. As consumers turn to digital channels for a huge percentage of their research before heading to a brick-and-mortar building, automotive marketers are doubling down on their efforts to target these

consumers and gain top-of-mind recognition.

While 20 years ago, newspaper and television ads were the only way to go, a variety of solutions now exist to target and acquire today’s more evolved car shopper. Car consumers are digitally connected – it’s time for the auto industry to also plug in and ultimately, move more cars off the lots.

Social Media

Social media marketing isn’t going anywhere and dealerships are taking notice.

According to an Automotive Social Media Study by Digital Air Strike⁸:

- 32% of car buyers have seen Facebook ads and 16% have clicked on them

The Modern Digital Consumer

According to a study by PWC¹⁶



90% trust peer recommendations posted on social sites

71% more likely to make a purchase based on social media referrals

70% active online social networkers and online shoppers

70% consider using social media to listen and learn about other consumer’s experiences



- 67% of car buyers use dealer reviews
- 71% of car buyers used a search engine to find dealers
- 71% of car buyers choose the dealer with the most recent reviews.

Facebook is also hugely popular with social automotive consumers - 84% of automotive shoppers are on Facebook, and 24% of them

have used Facebook as a resource for making their vehicle purchases.¹²

Social media is an important way for the automotive industry to connect with new car buyers. Not only is it full of real-time purchase indicators, but dealers can use social to build brand loyalty, improve the customer experience, and influence purchase decisions.

4 WAYS TO CONNECT TO THE SOCIALLY SAVVY CAR CONSUMER



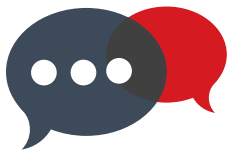
01. SHARE RELEVANT CONTENT

A successful social strategy involves good content: interactive tools, rate calculators, video, and any type of content to increase brand awareness and help your social followers make a decision. Content should also help solve unique challenges of the target audience. A graduating college student may appreciate information and ratings on the best fuel-efficient cars while other consumer segments would better relate to videos showing safety features. Quality content establishes the author's brand as one that people will turn to for advice without coming off as overly salesy or self-serving.



4 WAYS TO CONNECT TO THE SOCIALLY SAVVY CAR CONSUMER

Dealers are also getting more innovative in the types of content they are sharing. According to Sean Stapleton of VinSolutions, innovative dealers are posting videos of the inventory they have on lot, allowing Twitter users to view right from their Twitter feeds.



02. ENGAGE IN CONVERSATIONS

Social media is a two-way street. Sharing content is a good way to get the conversations started, but dealers must also engage with social users on a personal level. People appreciate when brands ask “How can I help?” not “What can I sell?” People want to do business with companies that they can trust, and social platforms are the perfect avenue to build trust and relationships with prospects.



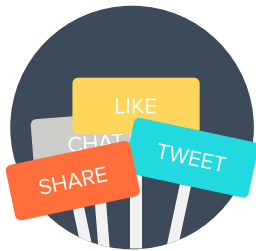
03. MANAGE YOUR SOCIAL PRESENCE.

Because social consumers rely so heavily on peer recommendations, automotive companies must continually manage their social presence. According to a survey by Digital Air Strike, 69% of consumers said dealership reviews had an impact on which dealership they visited.⁸ In addition to monitoring major sites such as Facebook, Google+, and Twitter, there are a variety of tools available to help companies monitor and respond to both negative and positive reviews. Marketers must quickly respond to negative reviews and offer

4 WAYS TO CONNECT TO THE SOCIALLY SAVVY CAR CONSUMER

alternate ways for a complainer to get in touch with someone, such as by phone or email. How negative comments are handled impacts how future purchasers view a dealership.

04. SOCIAL CONSUMERS IN THE MARKET FOR A NEW CAR



There are thousands of conversations taking place daily on social media by in-market consumers. They are looking for a recommendation for dealerships, talking about how their car is always in the shop for repairs and they need something new, or making numerous other comments that indicate they are ready to purchase.

A great way to target these social consumers is social advertising. A variety of third-party audience data specifically geared towards the automotive industry is available on platforms such as Google+, Facebook, and Twitter. Consumers can be targeted by VIN, make and model of their car, demographics, and other vehicle purchase predictors.

The most successful social brands are those that embrace social media as an important aspect of their overall marketing strategy. Sharing relevant and innovative content, engaging in conversations, responding to reviews, and utilizing social ads to engage with consumers will go a long way towards influencing social consumers to purchase. ■

Changing Tides: Targeting Seniors, Millennials, and the Car Buyers of the Future

Like any other segment, Seniors and Millennials are generations with very unique expectations, lifestyles and channel preferences and they represent great opportunities for the automotive industry. This includes manufacturers and dealers as well as insurance carriers and aftermarket services. However, these audiences may be missed entirely if they aren't targeted through the channels they prefer. By understanding the characteristics of each group and creating relevant messaging across the right channels, the automotive industry can make huge strides in gaining these high value customers.

Just as Seniors and Millennials need specialized messaging, the industry must begin to adapt to the car buyers of the future. The quickly changing tides to a consumer-centric marketplace means companies must quickly adapt to the age of the empowered consumer, or be faced with lost opportunities.

Here are insights into understanding and targeting these three groups.

The American Senior

According to US Census data, from 2003 to 2013 the number of licensed drivers over the age of 65 increased by 8.2 million (29%). Plus, there are approximately 3.5 million drivers over the age of 84, a 43% increase over a ten-year period. Americans are living longer, with life expectancy increasing by 3.3 years in the past 20 years, which means this demographic is growing and represents a huge opportunity that automotive manufacturers and dealers need to notice.⁶

Contrary to popular opinion, Seniors aren't only in the market for older vehicles simply to get from point A to Point B. They're looking for minivans to drive the grandchildren around or a luxury sports car to reward a lifetime of hard work. In fact, according to CarGurus, the



number one car searched by senior citizens on its site is a Corvette.¹⁸

Additionally, new safety features such as active braking, backup mirrors, and blind-spot warnings and sensors have made trading up to a newer model more appealing to older drivers. Despite the huge profit potential of this generation, many auto dealers aren't catering to this group as much as they could, leaving opportunities – and cars – on the table, or rather in the showroom.

How to Target American Seniors

Although today's seniors are using more digital channels than ever before, according to a study by the Newspaper Association of America, still only 27% of seniors used the internet

to make a purchase.¹⁴ This is a generation of consumers who did not grow up in the digital age and prefer more traditional and offline communications in comparison to online ads and mobile messaging.

So despite the articles that may tout that this generation should not be forgotten when it comes to digital, research continues to show that direct mail is still considered the most effective medium for reaching Seniors.

Direct mail is actually a hugely effective channel for audiences across all age groups, as long as messages are personalized and target consumers with the right offers. A study by Central Mailing Services found that 46% of adults looking to buy a new car responded to



46% of adults looking to buy a new car responded to direct mail.

Receiving direct mail makes car owners **78%** more likely to make a purchase.⁵



direct mail and receiving direct mail makes car owners 78% more likely to make a purchase.⁵

Consider using a specialized automotive data source to target senior adults with relevant messages. For example, create a list by demographics such as age, hobbies, lifestyle, and dealership proximity. If targeted in the right way, seniors can become loyal customers who spread the word to their friends and family.

Millennials

Millennials are a huge demographic with tremendous spending power. By 2025, millennials will account for 46% of total personal income in the U.S, according to

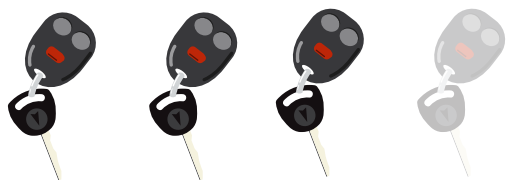
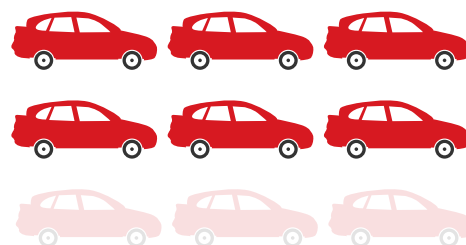
Accenture.⁴ Despite the misconceptions that Millennials are not interested nor have the means to purchase a new car, research shows that just the opposite is true.

According to a report by J.D. Power, in 2014 millennials accounted for 26% of new vehicle retail sales.⁴ Additional research by a Cars.com Nielsen Omnibus study shows that Millennials are more likely to purchase a car over the next 12 months. Thirty-five percent of Millennials indicated they would be in market for a car as compared to 25% of U.S. adults overall.⁴

These numbers will only continue to grow over the next five years as the generation matures.

According to a study by Deloitte, almost two-

Nearly **two-thirds** of Millennials plan to buy or lease a car within the next three years.



More than **three-quarters** plan to purchase or lease within the next five years.

Deloitte⁷



thirds of Millennials plan to buy or lease a car within the next three years, and more than three-quarters plan to purchase or lease within the next five years.⁷

How to Target Millennials

Millennials are technically savvy and seek information across multiple social and digital channels. Millennials also turn to independent research sites more often than OEM or dealership sites.

And when asked how important are online reviews of dealerships written by consumers in helping select a dealer to purchase from, 79% answered “Very Important or Extremely Important”.⁴

To reach Millennials, dealers and OEMs must have a strong online presence across a range of digital channels. Delivering a consistent message across mobile and independent sites will go a long way to gain attention with this younger generation. Additionally, encouraging online reviews and social engagement is an

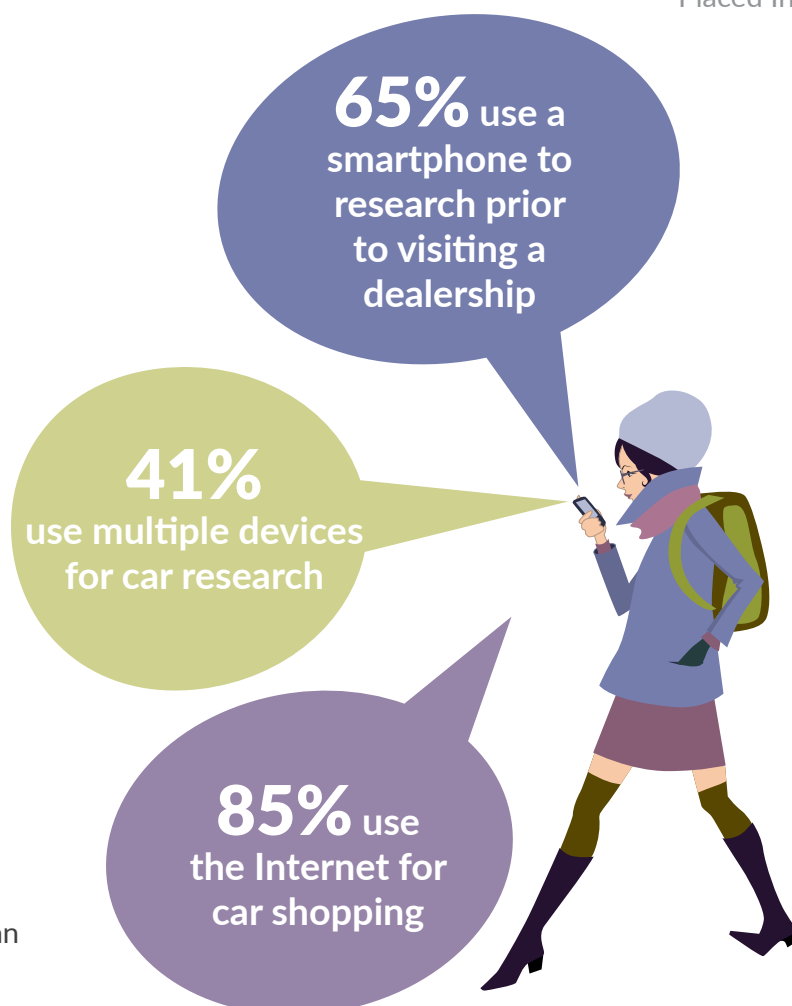
important process for building up positive word of mouth.

The Car Buyers of the Future

According to Autotrader’s recent Car Buyer of the Future study, only 17 out of 4,002 prefer the current car buying process.³ And the rest? They want some major changes. For those

The Millennial Car Shopper

Placed Inc. ⁴



dealers who take the time to appeal to today's car consumer, the wins will quickly add up.

Aside from the research discussed on page 9, which showed that the lowest price doesn't always win, here are some other topics that the study shed light on.

01. Sales People Continue to Play an Important Role

We are hearing more and more about online car shopping, from research all the way to the final purchase. However, while most consumers do in fact begin their research on a website, 84% prefer to purchase a car in person. Furthermore, 43% of consumers see a dealership as a place to learn and gain information on warranties, specials, safety ratings, and service.

02. To Negotiate or Not?

Many consumers still don't completely trust the idea of a flat rate. While some dealerships offer this as a convenience and a time-saving feature, consumers actually prefer to negotiate. Surprisingly, two of the most influential groups in car purchasing, females and millennials, also prefer negotiating for a better price.

03. New Options for Financing Paperwork

It's safe to say that most consumers dread the paperwork that comes with purchasing a vehicle. The average time for completing paperwork is 61 minutes, according to a study by Cox Automotive, and 72% of consumers would favor the opportunity to complete credit applications and financing paperwork online.

04. Tweaking the Test Drive

Eighty-eight percent of consumers say they won't purchase a vehicle without the opportunity to test drive it first. This is certainly no surprise; however, the majority also report that they do not like how the typical test drive is done. They want more convenience and less pressure, such as a product specialist accompanying them on a test drive as compared to a salesperson.

The study also revealed that a large percentage of consumers see a dealership as a place to learn and gain information on warranties, specials, safety ratings, and service. In order to cater to the car buyer of the future, dealerships must have this information readily available and easily accessible.

Videos, brochures, and on hand product specialists are a good starting point and some dealerships may find it beneficial to



create a learning resource center with all the information available in one location.

Dealerships that promote and advertise these resources stand a greater chance of attracting new customers.

As discussed in section 3, the car buyer of the future will continue to be savvier and more expectant of a positive experience.

They will expect better customer service, easier processes, and more educational resources when choosing a dealership. And consumers will continue to pay for more and drive further to dealerships who can deliver.

Conclusion

Today's auto consumers are savvier, research across multiple channels and expect a great customer experience. To gain the competitive advantage, the automotive industry must combine rich data sets with technology and analytics to boost customer acquisition and retention, as well as build greater brand loyalty. In an age where Big Data is disrupting traditional marketing strategies, digital marketing has become the new norm, and social media can no longer be ignored, innovative auto companies will embrace these changes and auto consumers will pay more and drive further to those companies who can deliver.

To get started conquering with offline and online data call **800-523-7346** or email **sales@relevateauto.com**.

REFERENCES

1. Alix Partners | "Global Automotive Outlook 2015"
<http://www.alixpartners.com/en/MediaCenter/PressReleases/tabid/821/articleType/ArticleView/articleId/1690>
2. Auto Trader & Polk | "2013 Automotive Buyer Influence Study"
<http://agameautotrader.com/files/insights/pdf/2013PolkAutomotiveBuyerInfluenceStudyBrochure.pdf>
3. Auto Trader | "Car Buyer of the Future"
<http://press.autotrader.com/2015-03-31-New-Autotrader-Study-Consumers-Want-Big-Changes-to-the-Car-Buying-Process>
4. Cars.com | "2015 Millennial Outlook"
<http://dealeradvantage.cars.com/da/wp-content/uploads/2015/04/2015-Millennial-Outlook-Cars.com-Insights.pdf>
5. Central Mailing | "Direct Mail Statistics 2013"
<http://www.centralmailing.co.uk/direct-mail-statistics-2013/>
6. Claims Journal | "Graying Roads of America Helping U.S. Auto Industry"
<http://www.claimsjournal.com/news/national/2015/08/14/265127.htm>
7. Deloitte | "The Deloitte Millennial Survey"
<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-dttl-2014-millennial-survey-report.pdf>
8. Digital Air Strike | "Spring 2013 Automotive Social Media and Reputation Trend Study"
<http://digitalairstrike.com/2013-automotive-social-media-trends-study/>
9. Driverside, Dealer.com, GfK | "The Rise of Loyalty, Advocacy & Influence"
<http://www.dealer.com/assets/APC-Study-21.pdf>
10. eMarketer | "US Auto Industry Ahead of the Pack for Digital Ad Spend"
<http://www.emarketer.com/Article/US-Auto-Industry-Ahead-of-Pack-Digital-Ad-Spend/1012506>
11. ePush! | "Email Marketing for Automotive Dealers: Myths vs. Facts"
<http://epushblog.us/email-marketing-for-automotive-dealers-myths-vs-facts/>
12. Google | "Digital Drives Auto Shopping"
http://ssl.gstatic.com/think/docs/digital-drives-auto-shopping_research-studies.pdf
13. Medallia | "4 Reasons Car Dealers Should Care About Customer Experience"
<http://blog.medallia.com/customer-experience/auto-industry/>
14. Newspaper Association of America | "Newspaper Digital Audience"
<http://www.naa.org/Trends-and-Numbers/Newspaper-Websites/Newspaper-Web-Audience.aspx>
15. Nielsen | "Technology Puts Consumers in the Driver's Seat with Connected Cars"
<http://www.nielsen.com/us/en/insights/news/2015/technology-puts-consumers-in-the-drivers-seat-with-connected-cars.html>
16. PWC | "Social Selling: A Digital Blueprint for the Automotive Industry"
<http://www.pwc.com/gx/en/automotive/industry-publications-and-thought-leadership/assets/pwc-social-selling-a-digital-blueprint-for-the-automobile-industry.pdf>
17. Walker | "Customers 2020"
<http://www.walkerinfo.com/customers2020/>
18. The Washington Post | "How Old People Became the Future of the U.S. Auto Industry"
<http://washpost.bloombergl.com/Story?docId=1376-NSX6O26KLVRA01>

ABOUT V12 DATA

As an omnichannel data powerhouse, V12 Data combines our rich data assets with robust technology to provide brands with a seamless and connected customer view. Our solutions bridge the right data across channels to power right time omni-channel engagement when, where, and how a brand's customers prefer.

ABOUT RELEVATE AUTO

Relevate Auto possesses the largest and most accurate data in the automotive marketing industry with zero marketing restrictions to help you pinpoint your ideal audience when the moment is right. With information on over 225 million consumers, nearly 200 million VINs with linkage at the household and garage level, 170 million email addresses, demographics, and online consumer IDs, our auto data provides the insights you need for the right consumer connections.

CONTACT US

www.v12data.com | info@v12data.com

www.relevateauto.com | sales@relevateauto.com | 800-523-7346