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Auto Vertical
Thought Leadership

Auto Buying Path to Purchase

And How to Reach Consumers on Yahoo
June 2023

Agenda

1. State of the Australian auto market

2. The auto path to purchase

- Study approach & methodology
- Purchase drivers
- Purchase decisions: Style, make
- Info sources used by respondents
- Purchase experience
- Pain points & deterrents

3. Insights into action

- Developing the content map and deliverables

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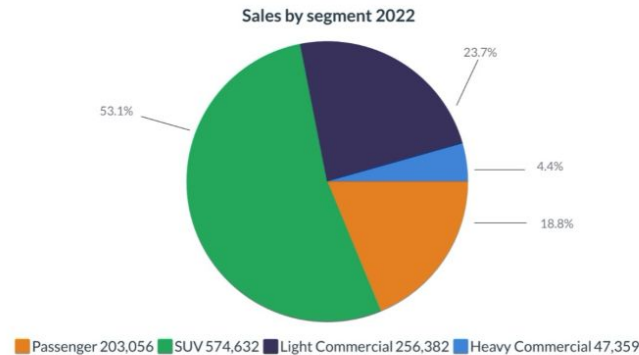
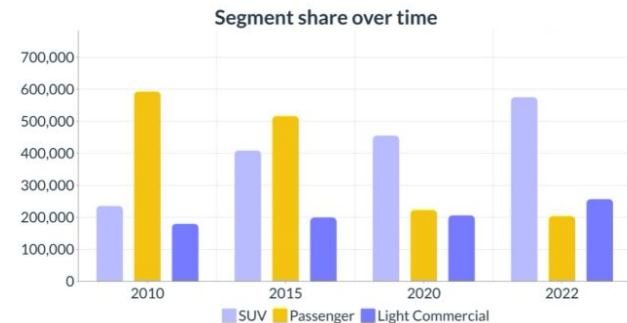
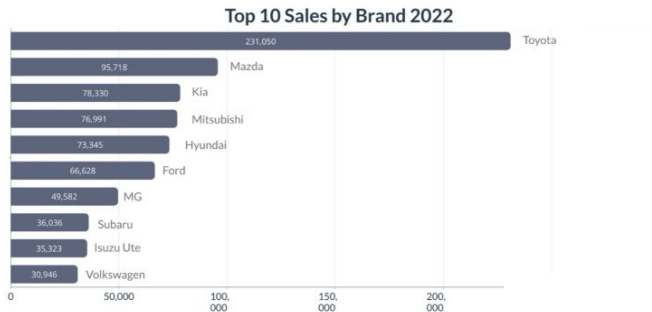


The auto market landscape in Australia

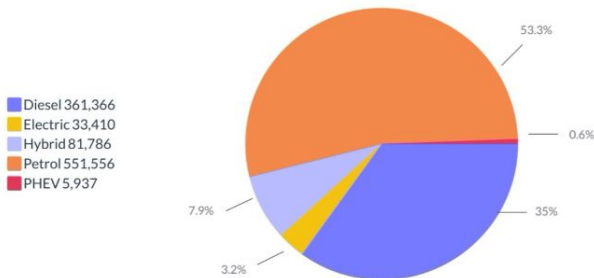
AU New Car Sales Data: 2022

2022 New Car Sales Data

- The December 2022 market of 87,920 new vehicle sales is an increase of **12.1%** vehicle sales vs. December 2021
- Toyota** was market leader in December 2022, followed by Mazda and Ford. Toyota led Mazda with a margin of 7,774 vehicle sales and 8.8 market share points.
- The **Passenger Vehicle** Market is up by **3.1%** over the same month last year
- The **Sports Utility** Market is up by **21.7%**
- The **Light Commercial** Market is down by **-1.9%**
- The **Heavy Commercial Vehicle** Market is up by **19.2%** vs. December 2021



Light Vehicle Sales by Fuel Type 2022



2023 Auto Landscape



Strong pent up demand, driving increased margins

Microchip (semiconductor) shortages in the 2021 and 2022 calendar years have hindered overseas manufacturers from keeping up with demand for new cars

This shortage inflated automotive vehicle prices, which has supported industry revenue and profit margin growth in 2022-23.

Limited EV growth, but this is changing

In Australia, supply issues and limited government support by global standards have inhibited growth in EV sales.

State and federal governments are transitioning to electric passenger fleets, and rising environmental consciousness has led consumer demand to outstrip supply in recent years

From reeling to wheeling

Vehicle shortages and logistics issues are driving revenue and profit growth

Key Statistics

\$165.8BN
REVENUE

Annual Growth 2018-2023

-1.8%

Annual Growth 2023-2028

1.9%

Annual Growth 2018-2028



Loss of local manufacturing has hurt upstream parts manufacturers

Between 2016 and 2017, Australia's most significant remaining passenger vehicle manufacturers ceased operating locally.

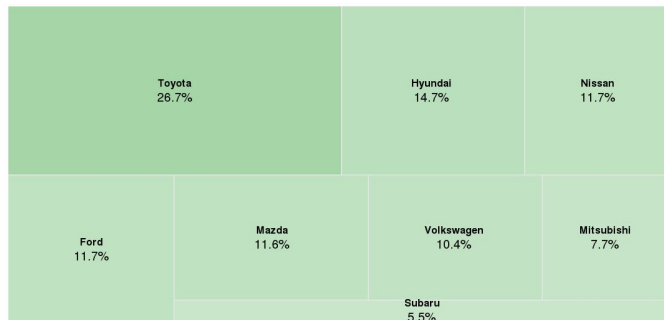
Upstream parts manufacturers have traditionally relied on local motor vehicle manufacturers for supply contracts.

As this demand has fallen, parts manufacturers have reduced their production volumes, inflating per unit costs

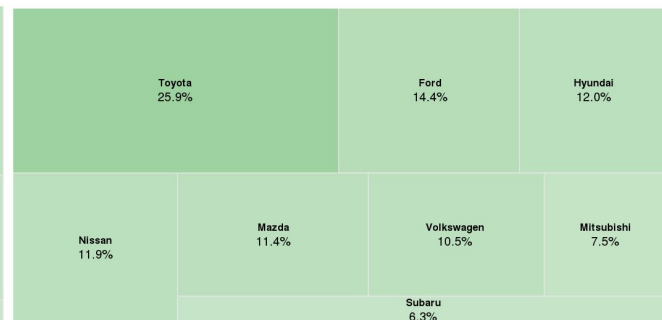
2023 Auto Landscape

- In 2023, the projected sales of passenger cars is expected to be increased by **22%** vs. 2022
- **Toyota** is the most popular make in 2023 so far, followed by Hyundai & Nissan. **Ford** makes more revenue per unit sold on average.
- **SUVs & Medium Cars** continue to be the most popular vehicle segments
- While petrol cars will remain to be the most common type in the market, the purchase of **Electric & Hybrid Cars** will be significantly increased in the upcoming years.
- The projected sales of **Electric Vehicles** in 2023 is 31.78k units. And it's predicted to be 71.9k units in 2027 (+126% vs. 2023).

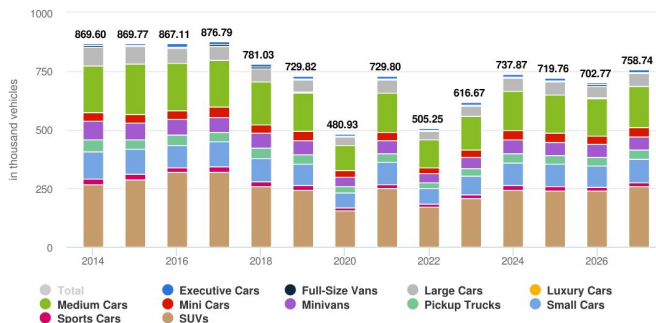
Passenger Cars - Vehicle Sales by make
Australia (percent)



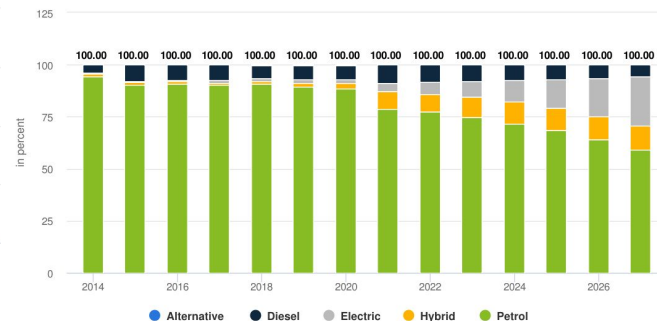
Passenger Cars - Revenue by make
Australia (percent)



Passenger Cars - Vehicle Sales by segment
Australia (thousand vehicles)



Passenger Cars - Fuel or Drive-Type Share
Australia (percent)



The Auto Path to Purchase

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The approach & methodology

Objective: Understand

1. Understanding the **“why”** of Automotive intenders and purchasers who are looking to purchase/have purchased a vehicle
2. Understanding the **decision-making process** of **intenders** and **purchasers**
 - *What preferences do they have with regard to: style, make, attributes, new/used, purchasing/leasing*
 - *What barriers exist to acquiring a vehicle*
 - *What information sources are most impactful*
 - *What the experience is like of buying/deciding to buy a vehicle*

Proprietary Survey

METHODOLOGY



AU resident
Age 18+
Nat Rep sample



Survey Length
15 minutes



Dates Fielded
April 28 to May 12, 2023

SAMPLE CUTS



Intenders (n=300)
Those who plan to purchase a new or used vehicle in the next 6 months



Purchasers (n=300)
Those who have bought a new or used vehicle in the past 12 months



3rd Party Data

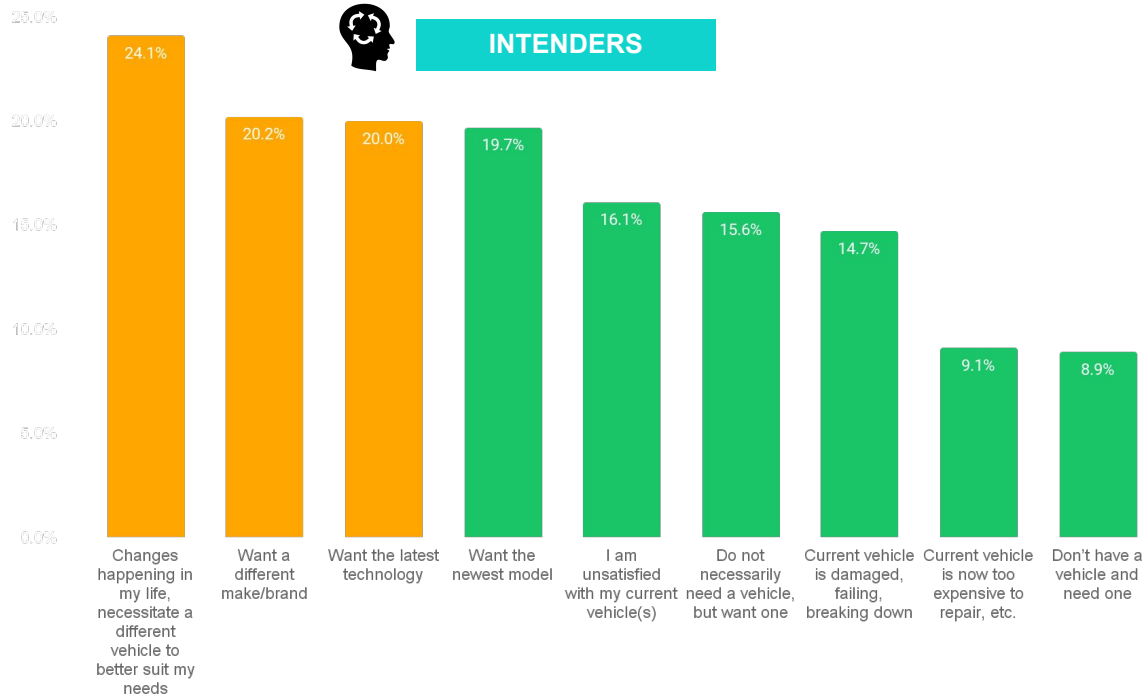
Subscription based resources that allow profiling of 18-64 Nat Rep and/or Yahoo users, providing longitudinal consumer insights



Findings



Changes in life circumstances are a major influence in the acquisition of a vehicle

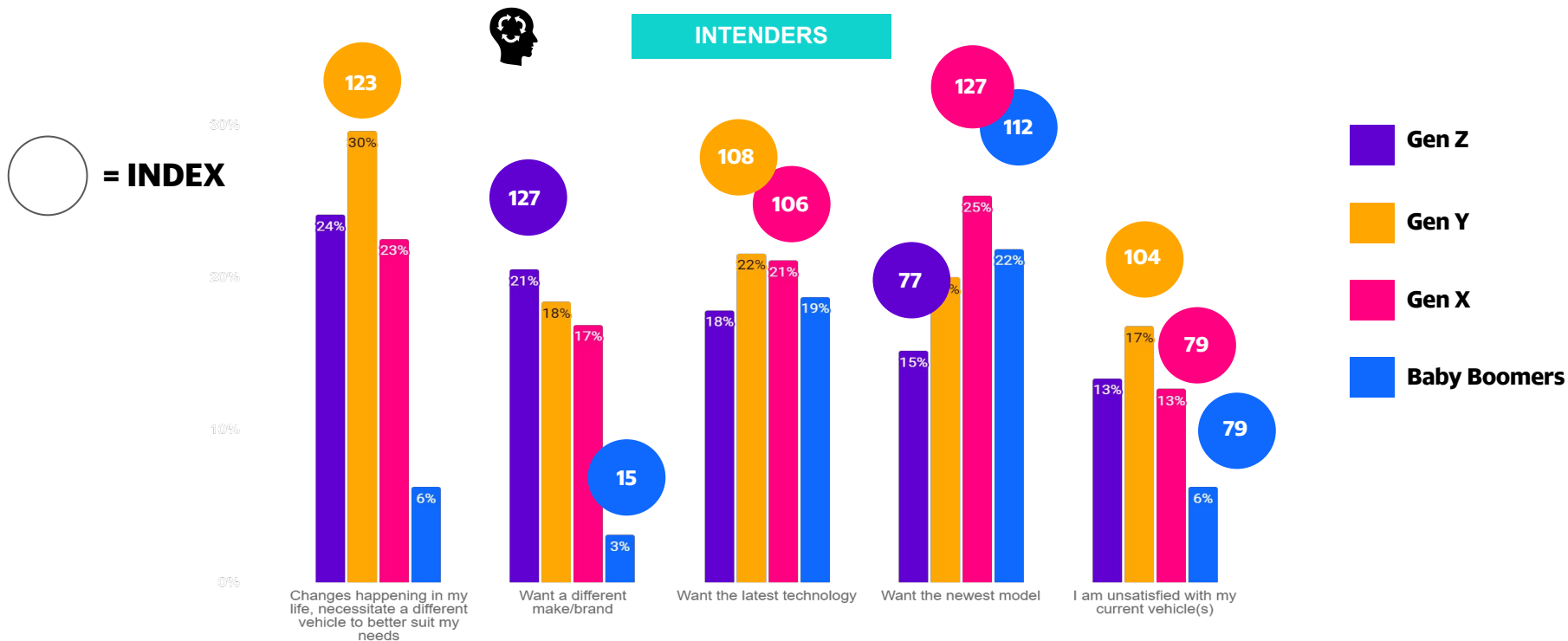


Changing life circumstances as well as “novelty” (want a different brand/want the latest technology) are the main drivers of purchase intention



Q. INTENDERS: Why do you plan to purchase/lease a vehicle in the next 6 months?

Car Purchase Drivers & Influences x Generation

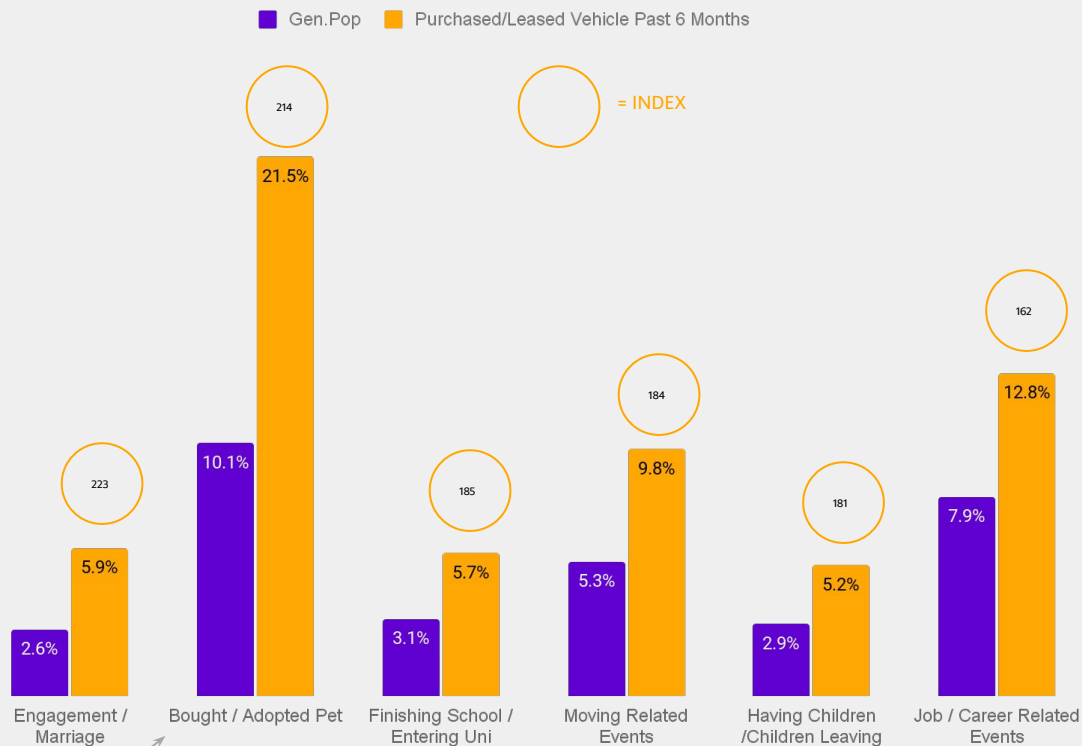


Q. INTENDERS: Why do you plan to purchase/lease a vehicle in the next 6 months?

Life events strongly correlate with vehicle purchases



PURCHASERS



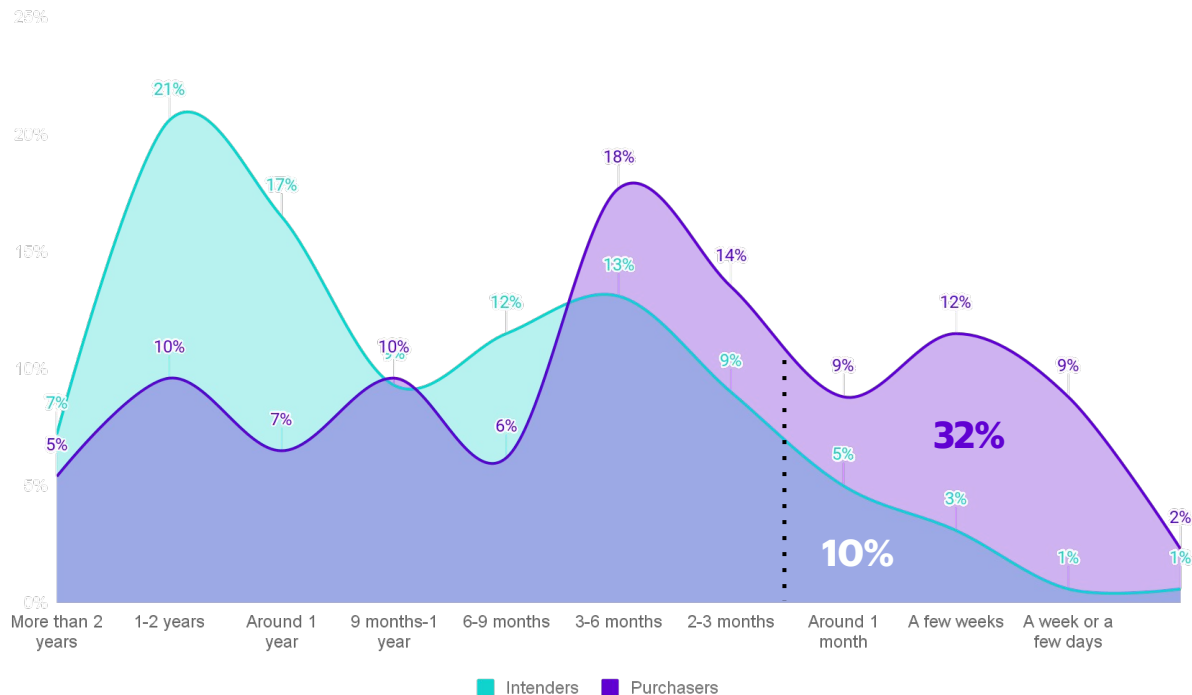
E.g. 21.5% of those who have purchased / leased a new car in the past 6 months **have also bought or adopted a pet** (vs. 10% of the total population) an INDEX of 214 (..or more than twice the population average)



Q. PURCHASERS: which of the following, if any, did you do, or happened to you in the past 6 months?

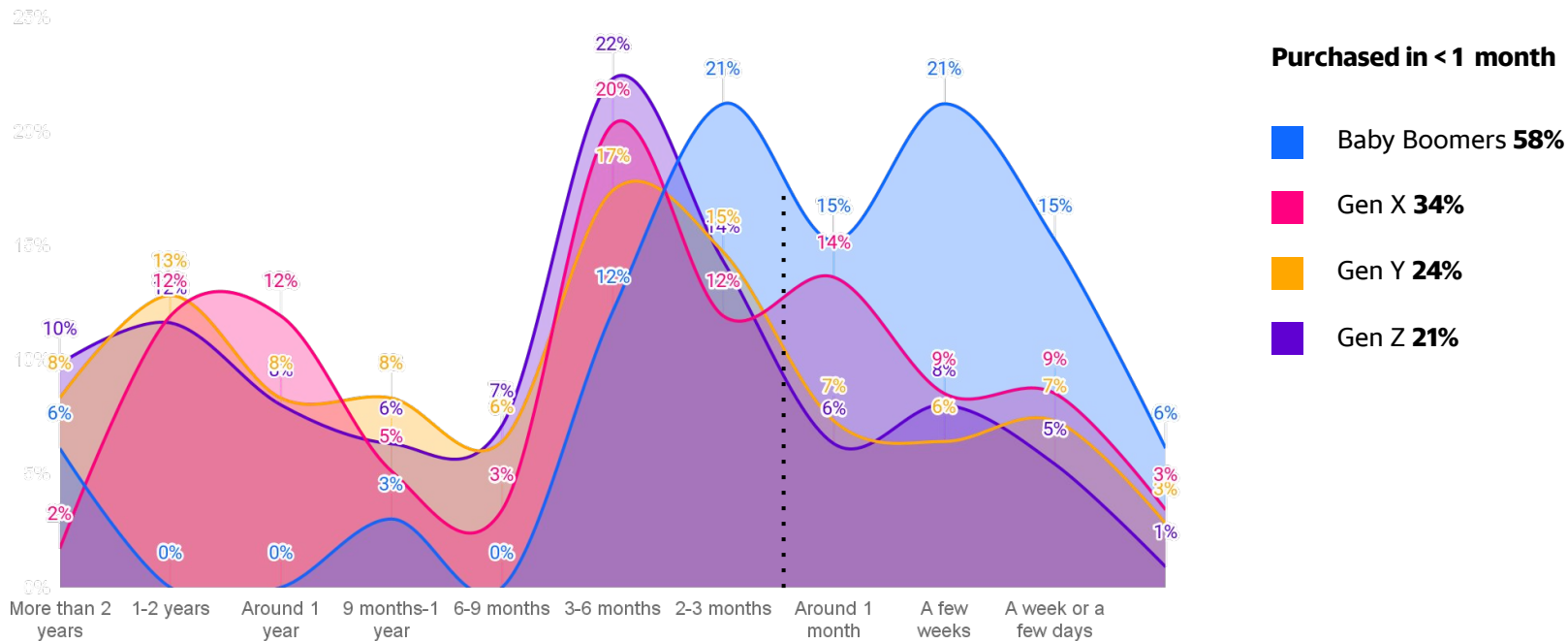
Car purchasing time frame is typically later than intended

1 in 3 purchase within one month of the decision to buy



Q. PURCHASERS: Approximately how long was the total time period from the point you decided you wanted/needed a new vehicle to actually purchasing it/signing the lease? INTENDER: Approximately how long do you think the total time period will be from the point you decided you wanted / needed a new vehicle, to when you actually will purchase it/sign the lease? Select onE?

“Last minute” purchasing skews towards older buyers



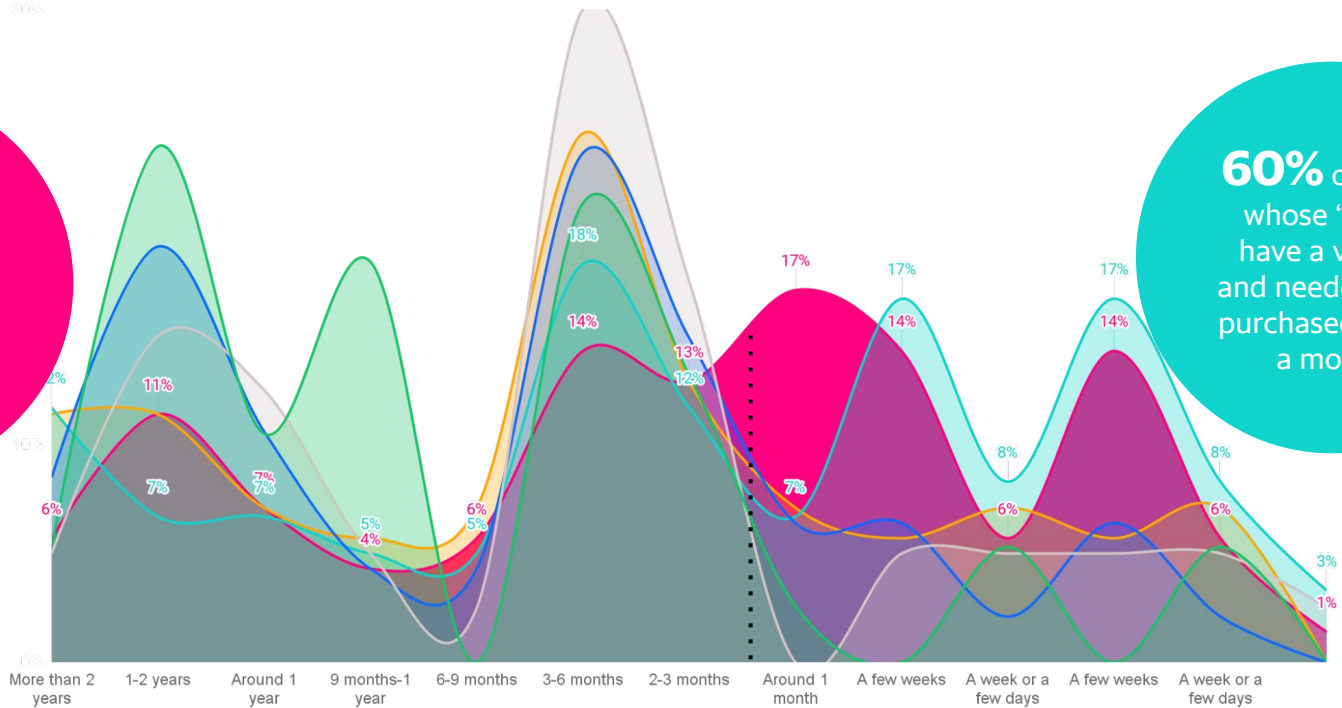
Q: PURCHASER: Approximately how long was the total time period from the point you decided you wanted/needed a new vehicle to actually purchasing it/signing the lease?

and..largely driven out of need, rather than desire

- Previous vehicle was damaged, failing, breaking down
- My life had changed, and I needed a different vehicle to better suit my needs
- Didn't have a vehicle and needed one
- Wanted a different make/brand
- I was unsatisfied with my current vehicle(s)
- Wanted the newest model

58% of those whose "Previous vehicle was damaged, failing, breaking down," purchased within a month

60% of those whose "didn't have a vehicle and needed one," purchased within a month



Q: PURCHASER: Approximately how long was the total time period from the point you decided you wanted/needed a new vehicle to actually purchasing it/signing the lease?

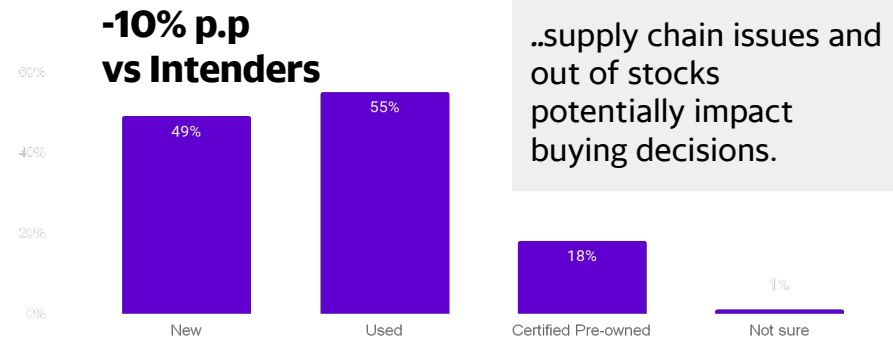
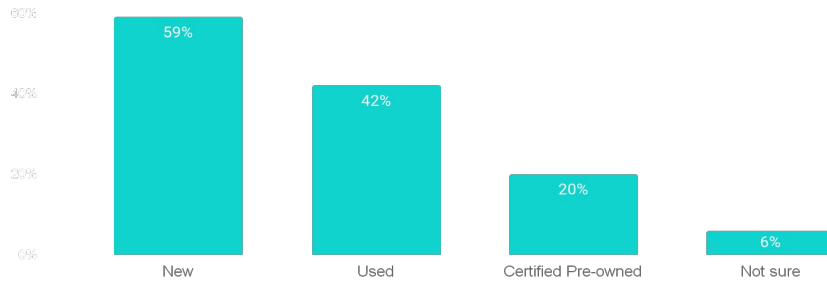
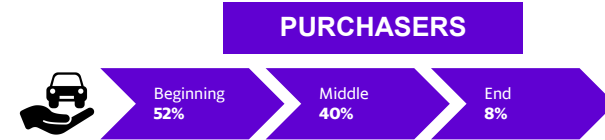
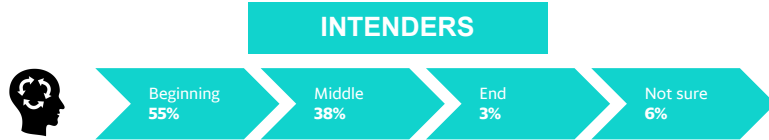
Path to purchase

Decision making process for the vehicle style, brand/make



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The majority of customers know their vehicle style need at the start of the journey

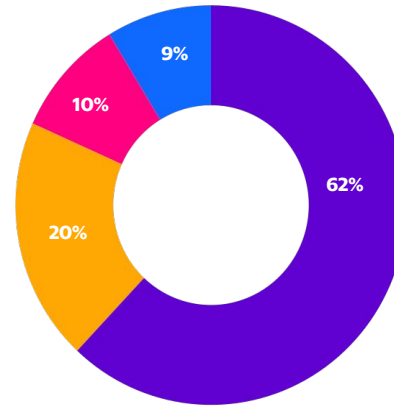
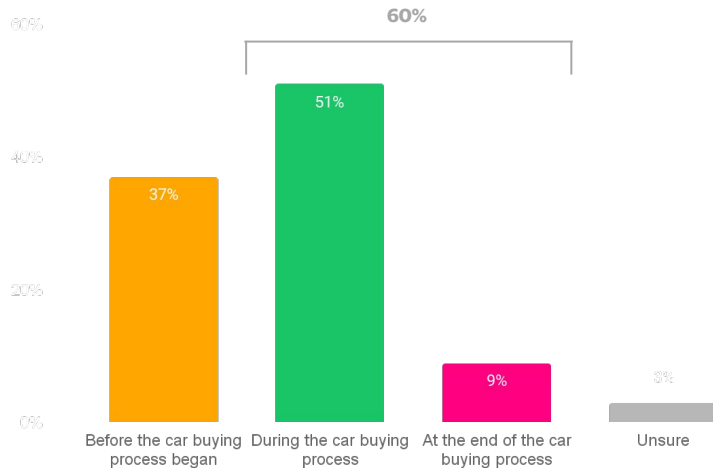


Q: PURCHASER: Thinking about that car buying process, at what point did you decide on the final style of vehicle you would end up buying? Style refers to the type of car, such as SUV, sedan, minivan etc. Q: INTENDERS: Thinking about when do you expect to have decided on the final style of vehicle you will end up buying? Style refers to the type of car, such as SUV, sedan, minivan etc
 INTENDERS: What types of vehicle(s) are you considering purchasing/leasing in the next 6 months? PURCHASERS: What types of vehicle(s) did you consider while researching/shopping for the vehicle(s) you got in the past 12 months?

..However, almost 2/3 of consumers are brand agnostic as they enter the auto consumer journey, with low brand loyalty



PURCHASERS



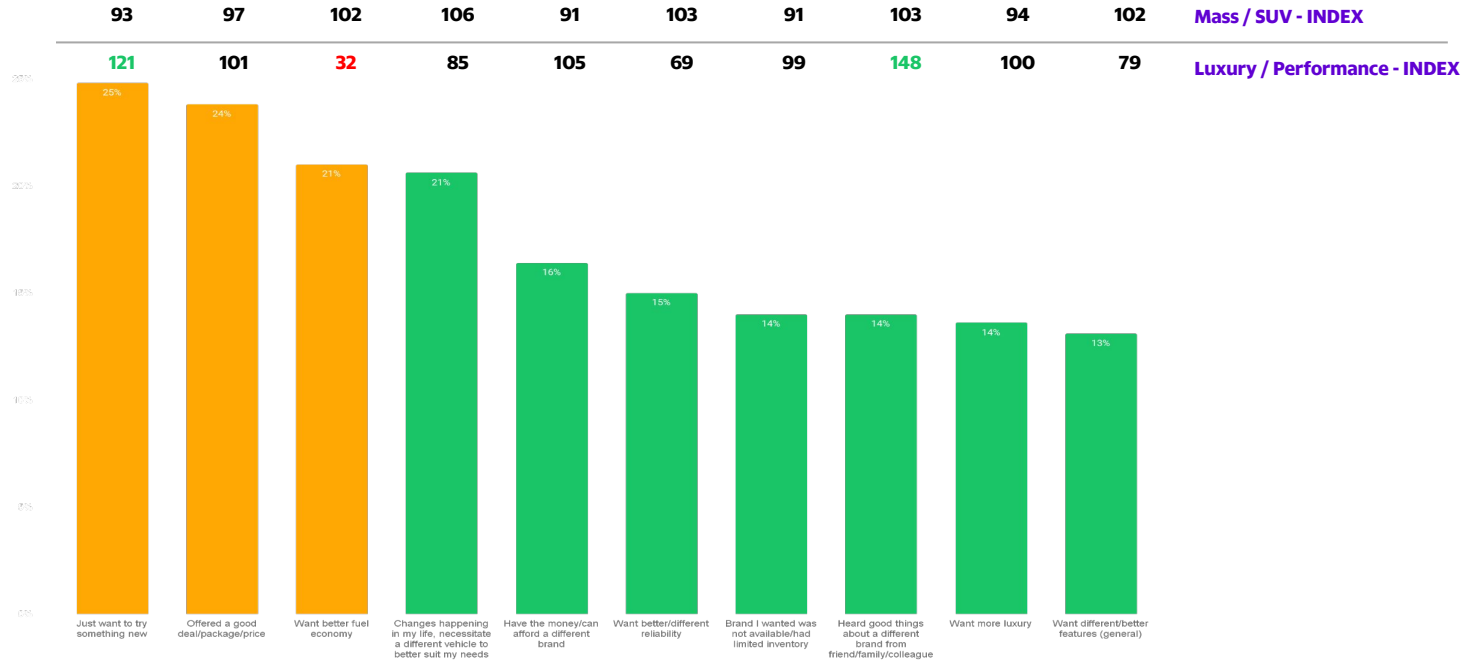
- I bought/leased a different brand/make from the vehicle(s) I owned previously
- I bought/leased the same brand/make as the vehicle(s) I owned previously
- Not sure
- Did not own any vehicle previously

..more car buyers, overall, are shifting brands, underscoring the need for strong brand messaging at all stages of the Auto purchase journey .



Q. PURCHASERS: At what point did you decide on the final make of vehicle you would end up buying? Make refers to the brand of car, such as Honda, Toyota, BMW, Nissan, etc. Q.PURCHASERS: Which of the following best describes the vehicle(s) you got in the past 12 months? Select one.

“Novelty,” price and fuel economy are the top 3 overall drivers of brand switching



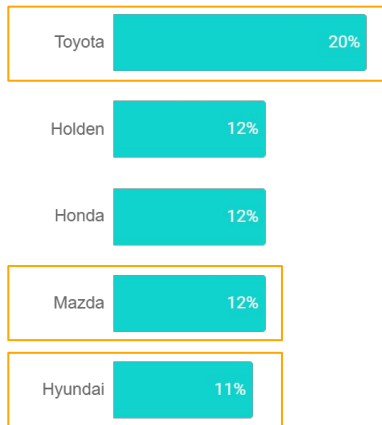
Q. PURCHASERS: Earlier you mentioned the vehicle you got in the past 12 months was a different brand to your previous vehicle(s). Q. PURCHASERS: Why did you switch to a different brand of vehicle?

Toyota clearly comes out on top for both brand ownership and consideration

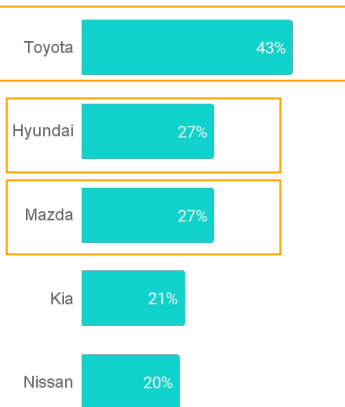


INTENDERS

Brands Owned



Most Considered Brand



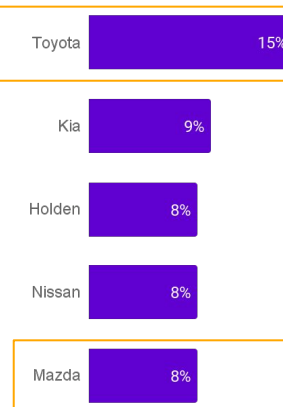
0% 5% 10% 15% 20%

0% 10% 20% 30% 40% 50%



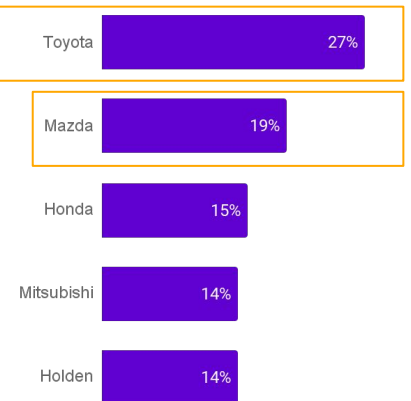
PURCHASERS

Brands Owned



0% 5% 10%

Most Considered Brand



0% 10% 20% 30%



Q.INTENDERS: Please select the brand(s) of the vehicle(s) you currently own or lease. Q.PURCHASER: Other than the brand you eventually got, which brand(s) of vehicle(s) did you consider while researching/shopping for the vehicle(s) you got in the past 12 months? Q.INTENDERS: You mentioned that you plan to purchase or lease a vehicle within the next 6 months. Which brand(s) of vehicle(s) are you considering?

Perceived Car Brand Personalities

Most manufacturers tick the box for reliability and practicality, but car brands have the opportunity to 'dial-up' and build on the more emotional, engaging personality traits that they are lesser known for

	Cool	Powerful	Adventurous	Reliable	Fast	Family Oriented	Well-rounded	Practical	Successful	Fun	Timeless
Toyota	15%	19%	23%	51%	6%	29%	17%	44%	10%	10%	19%
Honda	50%	21%	21%	50%	25%	21%	29%	21%	21%	58%	21%
Toyota	15%	19%	23%	49%	6%	29%	17%	44%	10%	10%	19%
BMW	51%	33%	17%	67%	25%	42%	25%	17%	50%	50%	33%
Suzuki	14%	29%	29%	57%	0%	14%	57%	86%	29%	57%	29%
Subaru	22%	11%	11%	67%	0%	11%	67%	56%	33%	33%	0%
Kia	28%	12%	12%	60%	4%	32%	32%	60%	16%	40%	0%
Hyundai	25%	21%	8%	63%	21%	42%	50%	54%	25%	21%	8%
Nissan	16%	28%	24%	36%	28%	20%	24%	48%	16%	28%	16%
Mitsubishi	30%	30%	35%	70%	26%	30%	30%	48%	9%	26%	17%
Volkswagen	9%	36%	0%	36%	36%	18%	27%	18%	18%	46%	9%
Mazda	24%	20%	20%	48%	12%	12%	40%	32%	24%	32%	12%
Holden	38%	8%	13%	46%	21%	33%	29%	33%	17%	38%	17%
Ford	24%	35%	24%	47%	18%	18%	47%	29%	18%	12%	24%



Q. PURCHASERS: If you were to give a personality to the vehicle you purchased, what words would you use to describe that vehicle?

Path to purchase

Fuel Preference

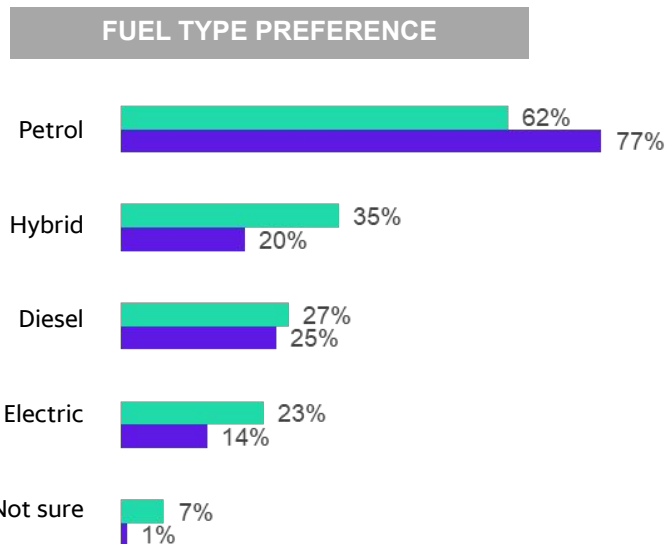


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Petrol still leads the way, but Interest in EVs is growing



EV and Hybrid intenders have a high potential to be converted to purchasers with the right messaging and its advantages to the owners.



58% of Intenders are considering a hybrid or electric vehicle

Intenders
Purchasers



Q.INTENDERS: What vehicle fuel type(s) are you considering for the vehicle(s) you are purchasing/leasing in the next 6 months?
Q.PURCHASER: What vehicle fuel type(s) did you consider while researching/shopping for the vehicle(s) you got in the past 12 months

EV's have a dual image of being expensive and cost effective

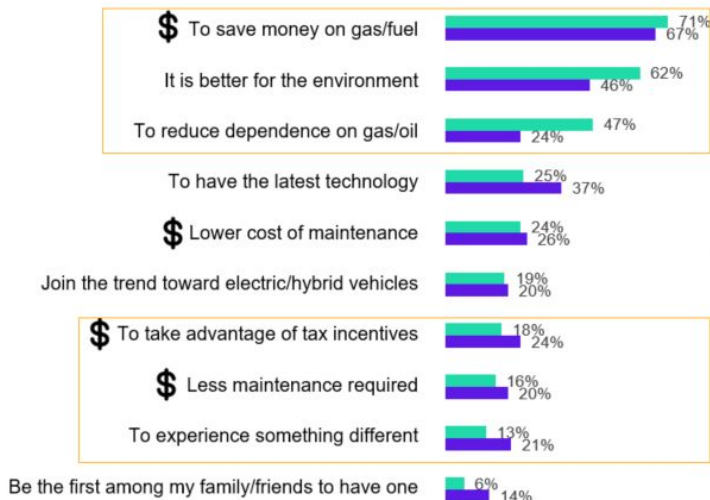
While both intenders and purchasers prefer EVs to save money on gas/fuel, their other reasons to consider EVs are quite different. Intenders tend to consider for environmental benefits, whereas purchasers seek the latest technology and count of tax benefits. Lack of EV infrastructure is also a concern among the Intenders.



EVs / Hybrids need more awareness to convert considerers to purchasers

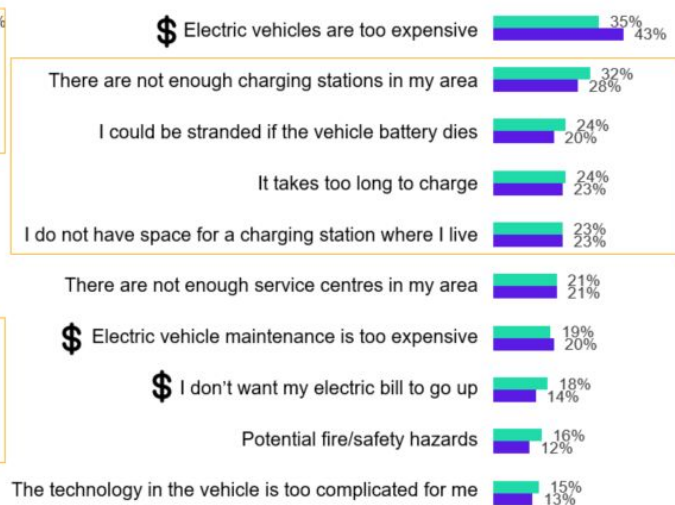
Reasons for considering EVs/Hybrid

Intenders n=135 | Purchasers n=70



Reasons against considering EVs/Hybrid

Intenders n=165 | Purchasers n=223



■ Intenders

■ Purchasers



Q.INTENDERS: What are the top 3 reasons you are considering an electric or hybrid vehicle? Q.PURCHASER: What are the top 3 reasons you considered an electric or hybrid vehicle? Q.INTENDERS': What are the top 3 reasons you are not considering an electric or hybrid vehicle? Q.PURCHASERS': What are the top 3 reasons you did not consider an electric or hybrid vehicle?

Path to purchase

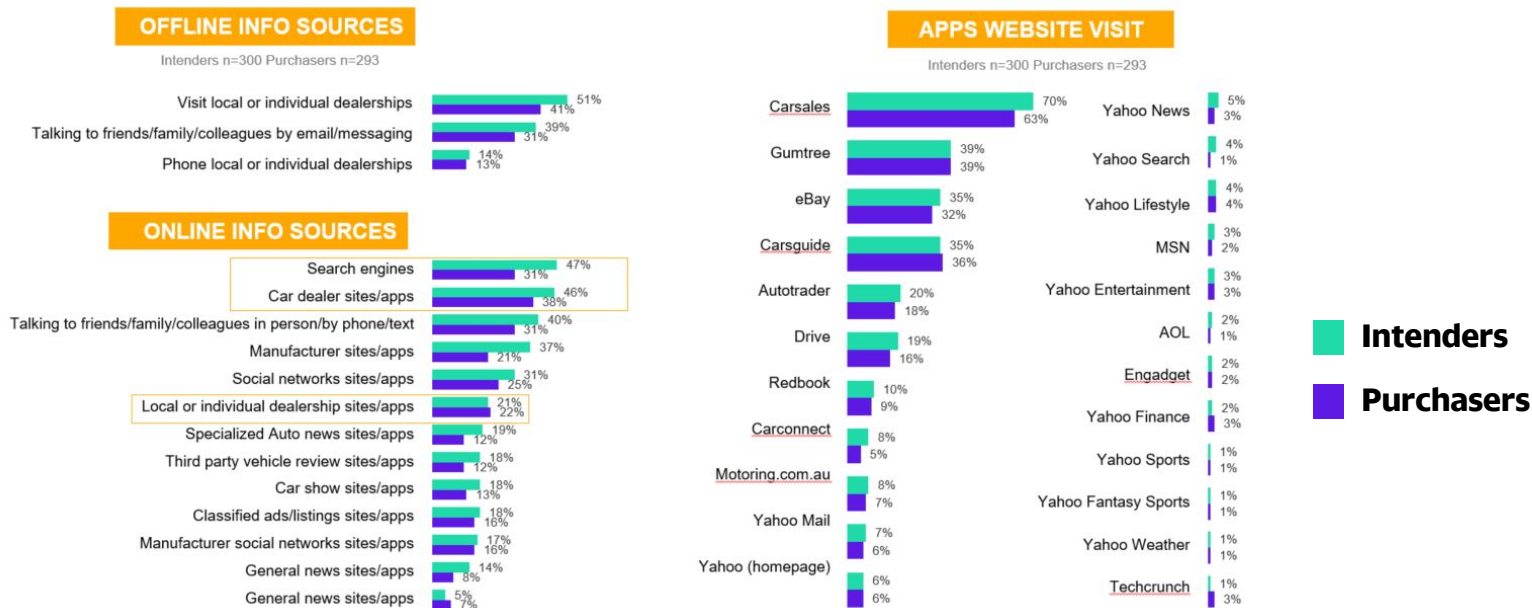
Info sources used to support their decision



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Car dealerships, sites/apps still play a critical role in the auto purchase journey

Overall, vehicle buyers are aiding from many online sources to support their car purchase decisions. Intenders particularly rely on search engines but when it comes to decision-making, purchasers mostly depend on the information through car dealer sites/apps.



Q.INTENDERS / PURCHASER: Which of the following sources did you use to research/shop for the vehicle(s) you got in the past 12 months? Q.INTENDERS / PURCHASER: Which of these properties, apps or websites do you ever visit? Select all that apply.

And while we still see the majority of car buying happening in person, there is a **shift to purchasing vehicles online**

34% of people who purchased a car in the past 6 months **bought the car online**, with 15% conducting the entire process online (including research and shopping)



PURCHASERS

IN-PERSON



30%

researched, shopped and purchased **all in-person**

36%

researched & shopped **online** + purchased **in-person**

19%

researched & shopped **in-person** + purchased **online**



ONLINE

15%

researched, shopped and purchased **all online**

Path to purchase

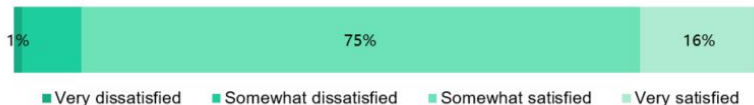
Experience with the purchase and lease process



The auto path-to-purchase journey is a generally satisfying experience for most

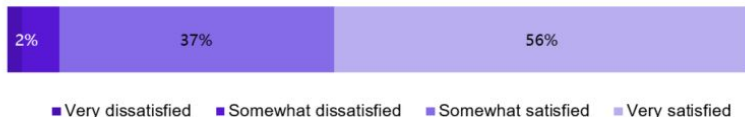
INTENDER'S OVERALL SATISFACTION

n=300



PURCHASER'S OVERALL SATISFACTION

n=293



TIME PERIOD BUYING PROCESS

Intenders n=300 | Purchasers n=293



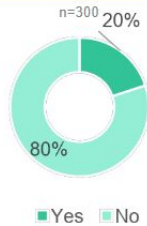
Intenders
Purchasers



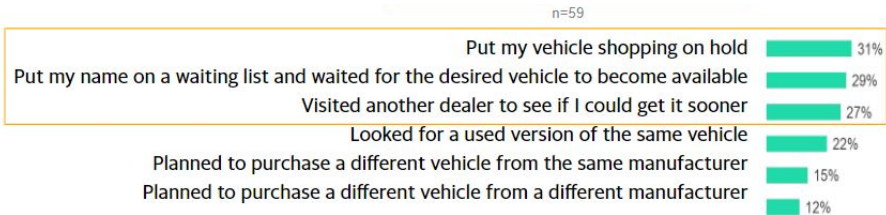
Q.PURCHASERS: How satisfied are you with the overall purchase process for the vehicle(s) you got in the past 12 months? Q.INTENDERS :How satisfied are you so far with the overall purchase process for the vehicle(s) you plan to get in the next 6 months? Intenders Q.INTENDERS : Approximately how long do you think the total time period will be from the point you decided you wanted/needed a new vehicle to when you will actually purchase it/sign the lease? Q.PURCHASERS: Approximately how long was the total time period from the point you decided you wanted/needed a new vehicle to actually purchasing it/signing the lease?

Shopping Out of Stock (OOS): Intenders tend to stick to their choice, while purchasers switch

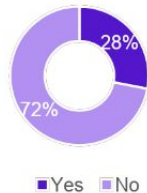
INTENDERS OOS SHOPPING



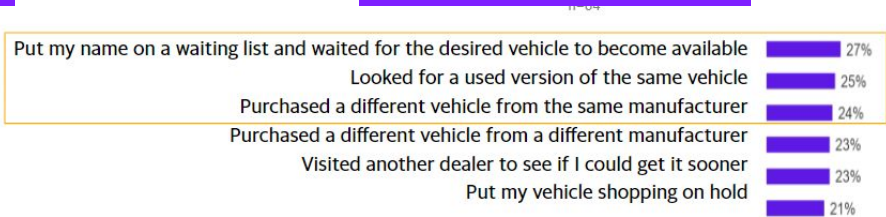
INTENDERS OOS REACTION



PURCHASERS OOS SHOPPING



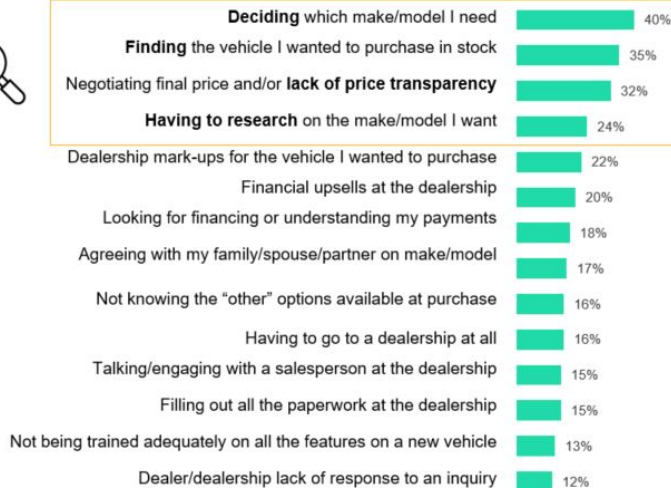
PURCHASERS OOS REACTION



Q. INTENDERS/PURCHASERS: At any point in the last year, did you shop for a vehicle that was out of stock?
 Q. INTENDERS/PURCHASERS: Imagine you learned at the dealership that the vehicle you wanted wouldn't be available for several months, how would you most likely react? Q. INTENDERS/PURCHASERS: When you learned the vehicle was out of stock, what did you do? ' N=84

Car buying pain points: Finding the right info at the right time

INTENDERS PAIN POINTS



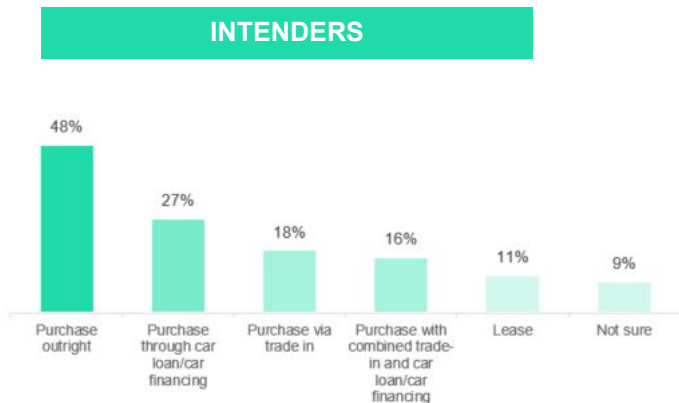
PURCHASERS PAIN POINTS



Q.PURCHASERS: From the list below, please select the top 3 pain points, challenges, and barriers of the car buying process you experienced for the vehicle(s) you got in the past 12 months.

Q.INTENDERS: From the list below, please select the top 3 pain points, challenges, and barriers of the car buying process you have experienced so far for the vehicle(s) you plan to get in the next 6 months.

Purchasing outright is the most preferred means of paying for a vehicle for both intenders and purchasers



Major life events boosting affordability



19% Started a new Job

17% Got a promotion/raise at the current job

Major life events boosting affordability



17% Started a new Job

13% Got a promotion/raise at the current job



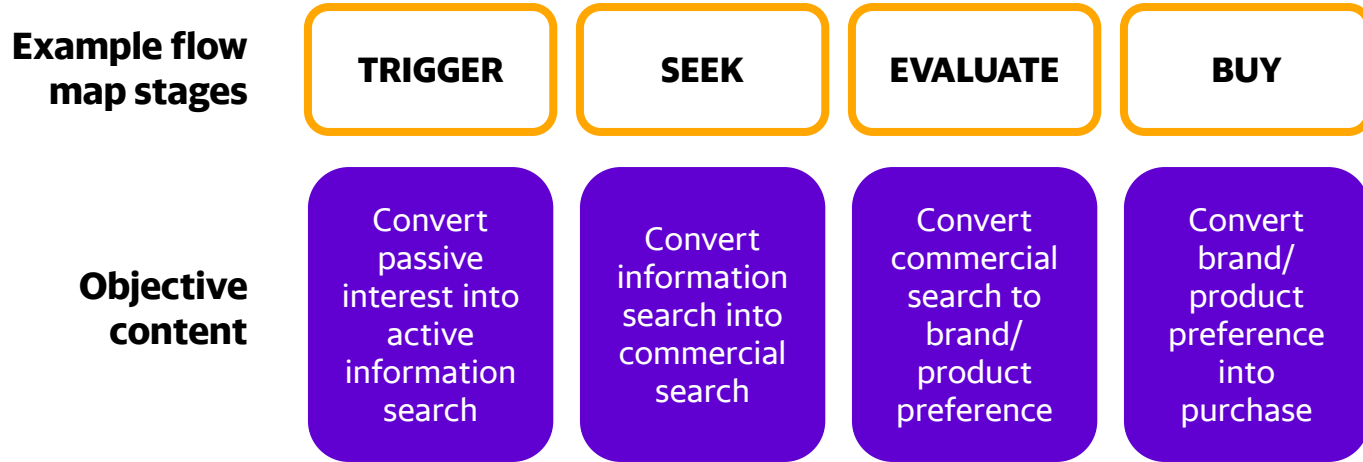
Q. INTENDERS: Are you considering purchasing or leasing the vehicle(s) you plan to get in the next 6 months? Q. PURCHASERS: While researching/shopping for the vehicle(s) you got in the past 12 months, did you consider purchasing or leasing? Q. INTENDERS/PURCHASERS: And, which of the following, if any, did you do, or happened to you in the past 6 months? Select all that apply.

Path to purchase

Insight to action



The Auto Path to Purchase: Developing the content map and recommended deliverables



Key Take-outs



Those who plan to purchase a new or used vehicle in the next 6 months

TRIGGER

What makes people purchase a vehicle?

Life Events: The majority of intenders used public transportation, used rideshares and took a vacation. The need to commute remained a consistent need.

The key reasons: Majority of Intenders mentioned that they either **want the newest technology or latest model apart from changes in their life** that necessitate a new vehicle to suit their life.

SEEK

Decision making process for the vehicle style/ Brand/ Purchase style

Style Decision: Most of the Intenders take vehicle style decisions at the beginning of the buying process.

Brand Decision: Is taken at a later stage of the vehicle buying process, and comes in as the second stage after deciding upon the style driven by research, price, availability etc.

Purchase style: Purchase Outright is most common preferred purchase style, a possible result of improved affordability driven by events like job change etc.

Info sources used to support their decision

Intenders **rely more heavily on search engines along with word of mouth from family and friends** to

decision.

EVALUATE

Important Decision Making Factors & Described Personality

Important Factors: Vehicle price, safety and reliability are top decision-making factors.

Well rounded and Cool

Fuel preference

Reasons to consider EVs/Hybrid: **To save money on fuel and better on environment.**

Reasons to not consider EVs/Hybrid: Apart from cost, intenders are more concerned about the **lack of infrastructure facilities that support EVs/Hybrid vehicles.**

Fuel Preference: Demand for EVs and Hybrid on the rise among intenders than Petrol or Diesel.

BUY

Pain points & Deterrents

Pain points: The process of deciding model, finding the vehicle and finding the right price-related information are key pain points. The overall process of researching is challenging.

Deterrents: Vehicle cost, **concerns regarding safety, fuel economy and reliability** limit the vehicle purchase decision among intenders.

SIMPLIFY



The Auto Path to Purchase: Developing the content map and recommended deliverables

Example flow map stages	TRIGGER	SEEK	EVALUATE	BUY
Objective content	Convert passive interest into active information search	Convert information search into commercial search	Convert commercial search to brand/product preference	Convert brand/product preference into purchase
Content map and suggested deliverables	Channel 1,2,3 Format a,b,c Content x,y,z	Channel 1,2,3 Format a,b,c Content x,y,z	Channel 1,2,3 Format a,b,c Content x,y,z	Channel 1,2,3 Format a,b,c Content x,y,z

The MG EV Audience

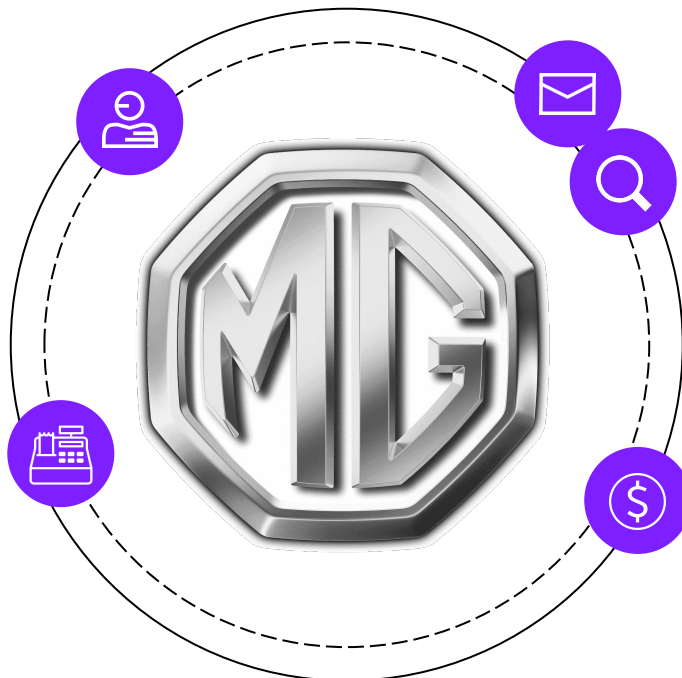
Insights to help inform proprietary signals

1st Party Identity and Interests

- Household & Life Stages
 - Buying a House
 - Having a Baby
 - Getting Married/Weddings
- Interests
 - Automotive
 - Sustainability
 - Environmentalism
 - Technology

Partner Data

- Utilise **Samba TV** ACR data to reach enthusiasts of **Auto Shows, Motor Racing, Travel & Environmental Genres**
- Tap into **Roy Morgan and Lifesight** data to qualify those have in-market for Car Purchase
- Leverage location targeting with **Near** to reach people visiting car dealerships



1st Party Mail and Search

- Find members who are receiving mail from **Carsales, Cars guide, eBay, Gumtree** and other major car research and purchasing platforms
- Find people who are **searching** for **dealer locations**.
- Competitor conquering by targeting competitor's domains

1st Party Purchase Receipts

Draw on anonymised purchase data based on sender domain, product, price and frequency:

- Top Spenders in Auto Fuel
- Recent automotive insurance claim

yahoo!

Demographics

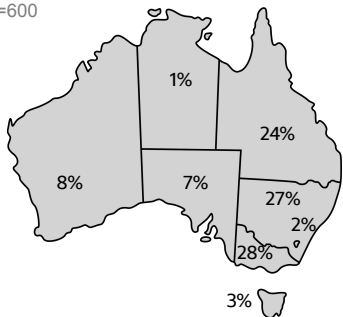
Who are these Intenders and Purchasers?



Sample profile

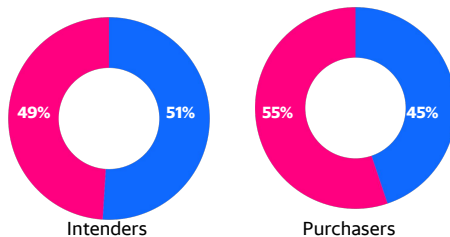
LOCATION

n=600



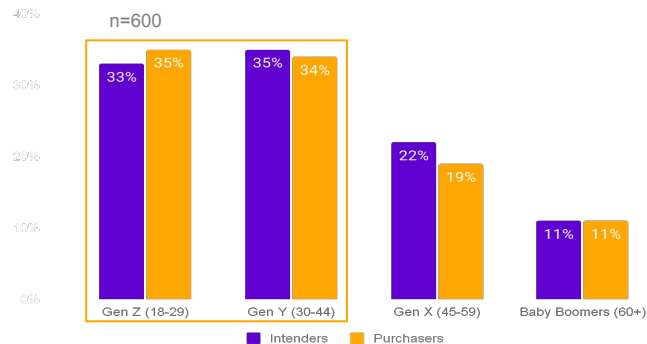
GENDER

n=600



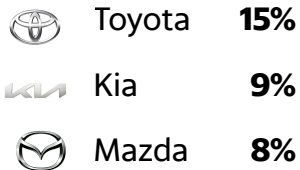
AGE

n=600



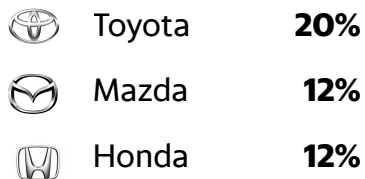
TOP 3 BRANDS PURCHASERS

n=300



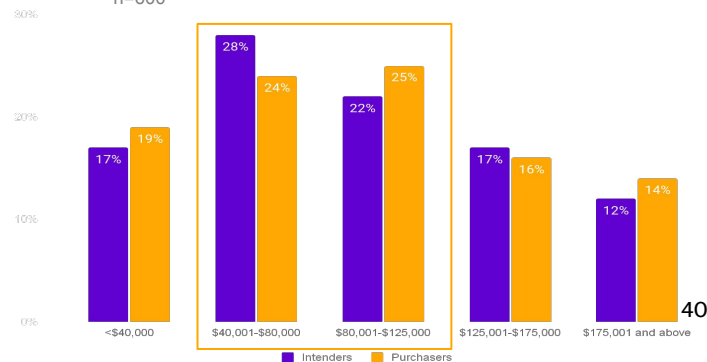
TOP 3 BRANDS INTENDERS

n=300



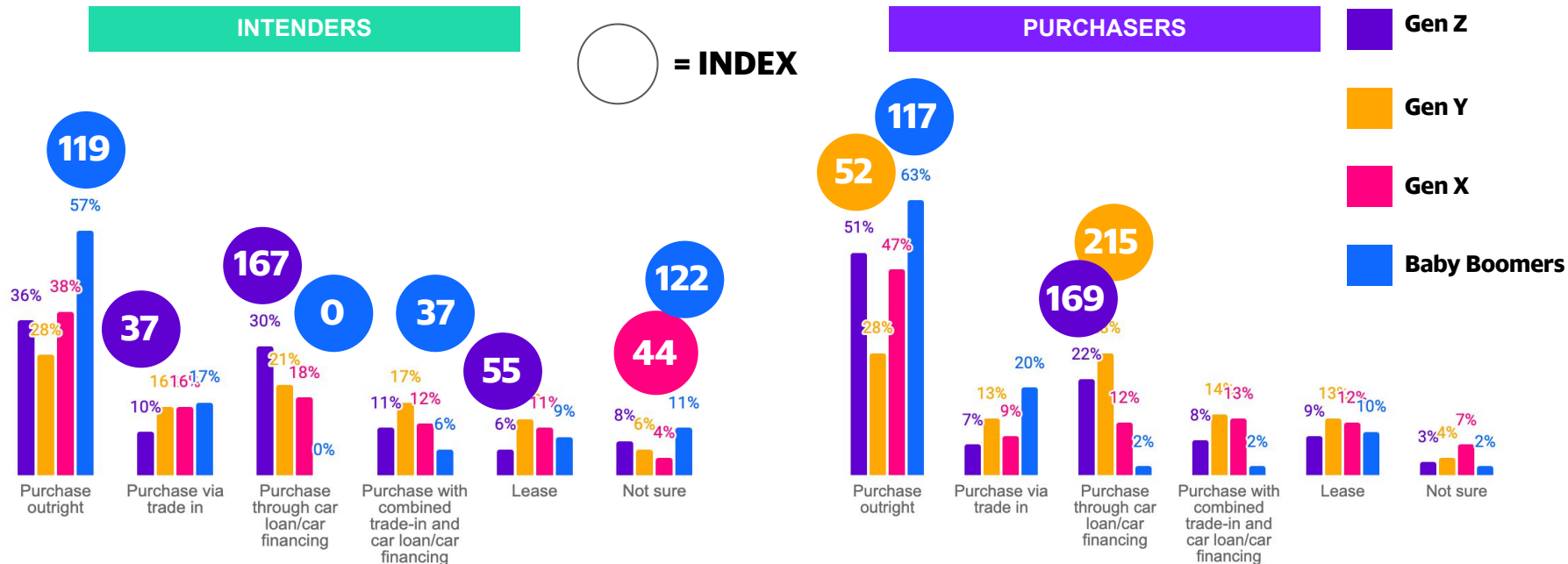
INCOME

n=600



S1. What is your age? S2. Where do you live? N=600
 S3. In which range does your current annual household income (before tax) fall? S4. Are you...? N=600
 'INTENDERS' Please select the brand(s) of the vehicle(s) you currently own or lease. N=300
 'PAST PURCHASERS' Please select the brand(s) of the vehicle(s) you bought/leased in the past 12 months. N=293

83% Baby Boomers purchase outright or via trade-in

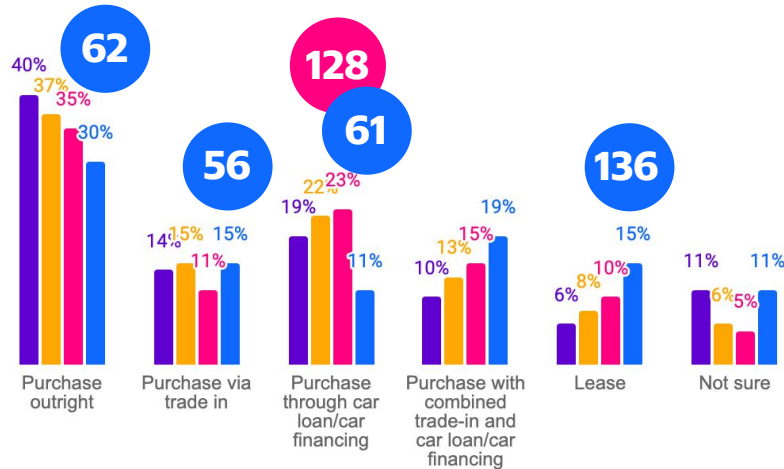


Q. INTENDERS: Are you considering purchasing or leasing the vehicle(s) you plan to get in the next 6 months? Q. PURCHASERS: While researching/shopping for the vehicle(s) you got in the past 12 months, did you consider purchasing or leasing? Q. INTENDERS/PURCHASERS: And, which of the following, if any, did you do, or happened to you in the past 6 months? Select all that apply.

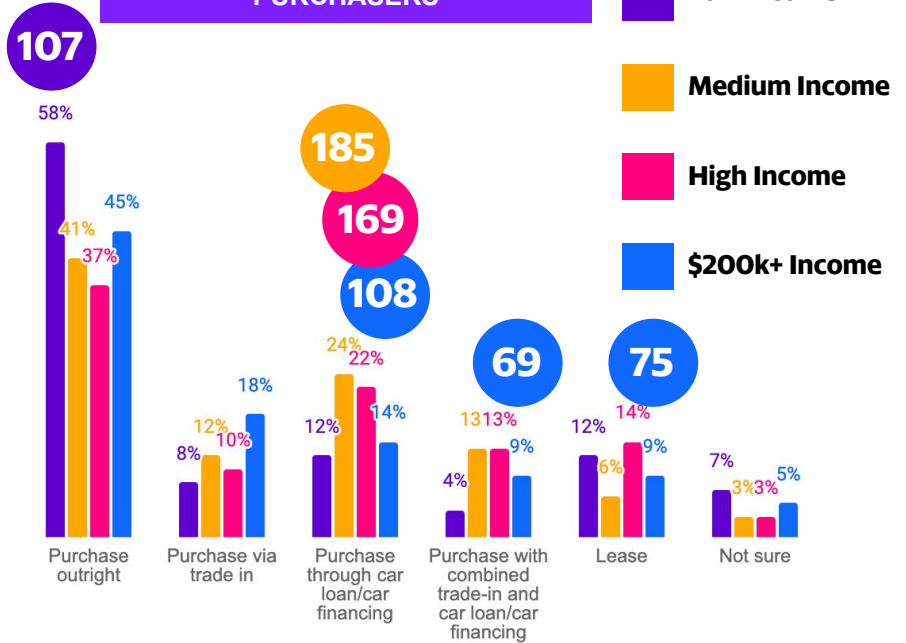
People earning 200k+ tend to be more favorable towards lease, but end up making a purchase

INTENDERS

○ = INDEX



PURCHASERS



Purchase outright is driven by used vehicle(s)

INTENDERS

○ = INDEX

PURCHASERS

■ New vehicle(s)

■ Used vehicle(s)

■ Certified Pre-Owned vehicle(s)

■ Not sure

