



THE CAR SHOPPING JOURNEY

Navigating the Winding Path to Purchase

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INTRODUCTION

The U.S. automotive market has completely recovered from the impact of the recession as new car sales rose more than 8% in 2014, and are expected to top 16.5 million in 2014.¹ Buyers are back. In fact, it's expected that 30% of U.S. adults will be in market to buy or lease a car.²

While shoppers have returned to market in droves, vast changes in technology, the economy and the automotive landscape over the past decade have changed the way consumers shop for cars. Perhaps the greatest shift is the rise of the smartphone, and the number of shoppers who now use their mobile device as a critical lifeline in their car shopping journey. J.D. Power reports that U.S. vehicle shoppers using an automotive website or app on a smartphone grew by a staggering 73% between 2012 and 2013.

With millions of visits to Cars.com each month, as well as to our mobile site and apps, we were seeing this shift firsthand. We knew there was a sea change that we wanted to more deeply understand. To further innovate our site and help automotive marketers better engage with the next generation of car shoppers, we commissioned Conifer, a leader in people-based research, to help us answer one very important question: How are today's shoppers navigating the path to purchase?

The study took a deep dive into the shopping journey, tracking in-market shoppers as they entered the market, got ready to buy and honed in on their decisions. While shoppers and the journeys they take to purchase are as varied as the cars they ultimately drive away in, there were several common themes that provide clear insight into the way today's shoppers build consideration sets, how they approach the research process and the role of their retail experience.

What we found was a winding road toward the sale that was anything but linear. Shoppers moved in and out of the buying process and were constantly expanding and contracting their consideration sets along the way until the moment of purchase. Findings detailed in this report give brands the insight they need to align marketing strategies to the various types of shoppers and key phases of their car shopping journey.

.....
Brands that successfully align themselves with the way consumers are shopping, as opposed to the traditional funnel, stand well positioned to drive deeper consideration, floor traffic and sales.
.....

¹ Cars.com projection from Chief Analyst, Jesse Toprak
² Cars.com Omnibus, Harris Interactive, September 2013

METHODOLOGY

Over the course of three months,³ Conifer conducted an in-depth ethnographic study to detail the *car shopping journey* from start to finish. Conifer employed a variety of methods, including:

DEALERSHIP OBSERVATION + INTERCEPTS

The Conifer team completed three days of observation at two car dealerships in South Bend, IN. Over the three days, Conifer observed and recorded interactions between shoppers, salespeople, finance staff and managers and also conducted 25, 10- to 30-minute interviews with shoppers and dealership staff.

PARTICIPANT SELF-DOCUMENTATION

Conifer followed 50 shoppers as they blogged for two to four weeks about their car shopping. They wrote posts and uploaded photos and videos. All participants owned smartphones and planned to buy a car within the next six months.

ETHNOGRAPHIC INTERVIEWS + TAG ALONGS

Conifer selected 15 bloggers for three- to four-hour in-home interviews (seven took place in the Chicago area and eight were in the San Francisco area). In some cases these interviews also included dealership visits.

CO-DESIGN SESSIONS WITH PARTICIPANTS

12 Chicago shoppers participated in moderated co-design sessions at the Conifer offices to reimagine aspects of the car shopping experience.

Participants: The study included a variety of in-market car shoppers between the ages of 25-54 at various points in their shopping process. All participants planned to purchase or lease a new or used vehicle in the next six months, and had used or were willing to use the Internet in their purchase process.



³ Research conducted March-May 2013

THE WINDING PATH TO PURCHASE

For years, marketers have clung tightly to the notion of the shopping journey as a funnel, and aligned marketing strategy to its various stages. For car shopping, the funnel metaphor to describe car shopping process implies:

- That the consideration set starts out wide
- That there are no additions over time
- That progress is inevitable; it doesn't stop once it starts
- That the shopper plays an active role throughout
- That there will be a single correct fit at the end

...but that isn't how the process actually plays out. Through Conifer's in-depth ethnographic analysis of shopping behavior, several distinct phases of the shopping journey emerged. These phases are not always linear. Shoppers come in and out of the process, constantly adding and eliminating their options along the way. **At any point in the process**, shoppers may encounter roadblocks that **halt their progress**. Disappointing dealership visits, busy lives and failed negotiations can all create roadblocks.



IGNITING THE JOURNEY

Several circumstances can ignite a car shopping process – necessity, lifestyle change, a mere whim. The trigger to start looking helps determine the duration and need for research. Among those studied, shoppers' purchase triggers had direct implications for their research approach and process.

Further analysis conducted among a panel of 590 in-market shoppers⁴ shows a near-even distribution among these reasons with a variation of only 8% between the top reason, vehicle milestone, and the least common, pure desire.

What Triggers a Car Search?

LIFE STAGE CHANGE

A baby, move to suburbs,
new job, kids going to college



CAR MILESTONE

Lease over, 100K miles coming
up, out of warranty, upcoming
maintenance, impending depreciation



OUT ONE CAR

Car breaks or there is an accident



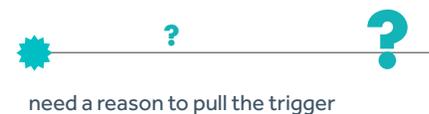
ROUTINE UPGRADE

Purchase next car every 2-3 years



PURE DESIRE

No need, just want one



⁴Cars.com Omnibus, Harris Interactive, September 2013

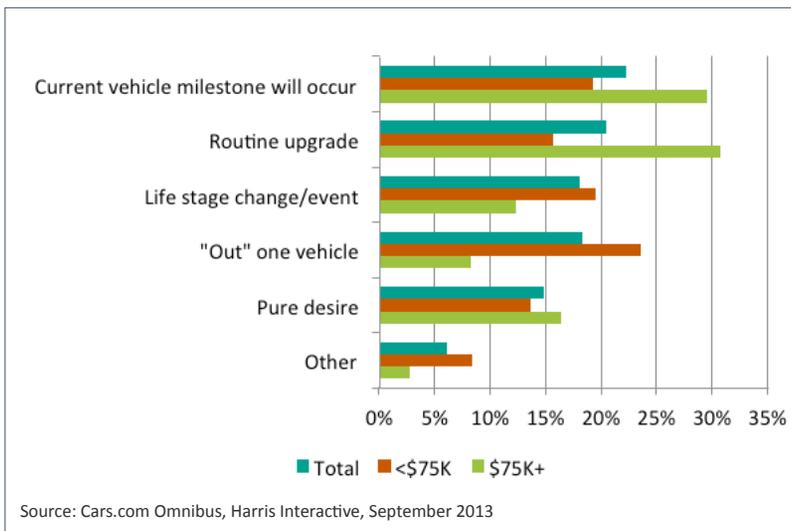
IGNITING THE JOURNEY

TRIGGERS TO PURCHASE

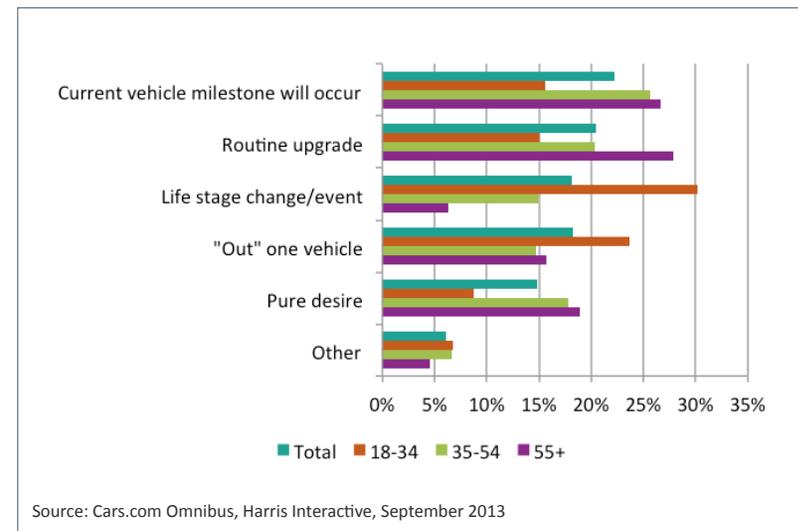
Households earning \$75K or more are significantly more likely to purchase because of a vehicle milestone or routine upgrade, while those earning less than \$75K are significantly more likely to purchase due to a life change or being "out" a vehicle.

Age also influenced purchase triggers. Millennials, those 18-34, were significantly more likely to purchase due to a life change and were also more likely to be in market due to being "out" a vehicle. Those 35 and older were more often purchasing because of a vehicle milestone, routine upgrade or just wanting a new vehicle compared to younger buyers.

PURCHASE TRIGGERS BY INCOME



PURCHASE TRIGGERS BY AGE



Q. What is the primary reason that you are, or will be, in the market to purchase or lease a vehicle in the next 12 months? (n=590)

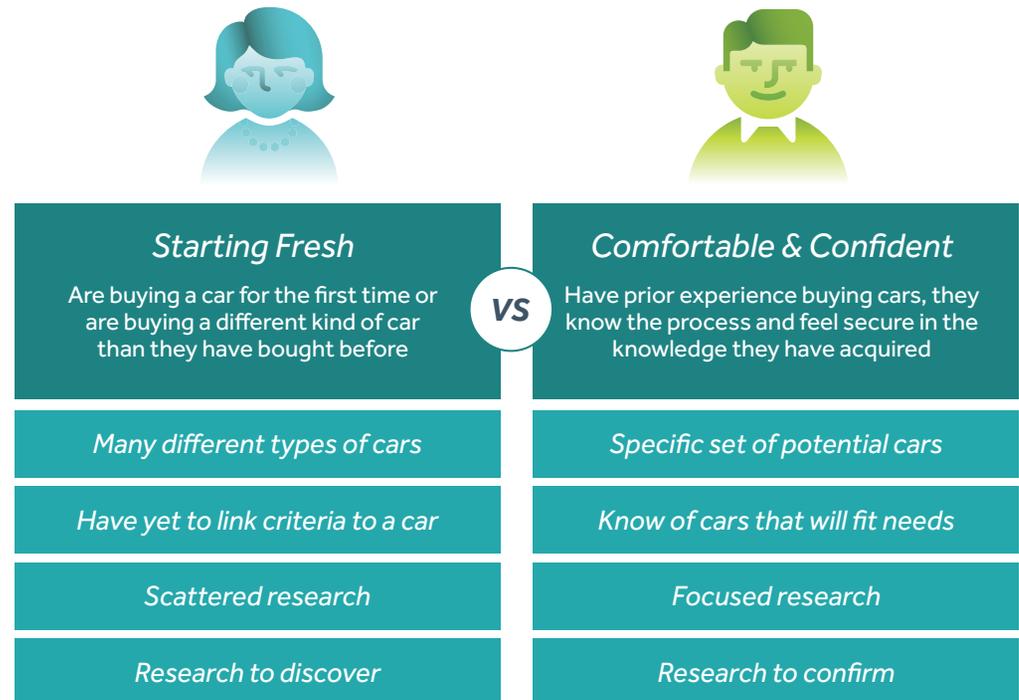
IGNITING THE JOURNEY

COMFORTABLE & CONFIDENT VS. STARTING FRESH

Regardless of their purchase trigger, Conifer identified two primary types of shoppers through their ethnography: those who feel that they are “starting fresh,” and those who feel “comfortable and confident” throughout the journey. While all shoppers share the same goal of finding the right car, the difference with these types of shoppers lies in whether they already know what makes and models fit their needs or if they are relying on guiding criteria to help them identify specific cars. Understanding the difference between the two is key for automakers, as these shoppers approach the research and buying journey differently.

Comfortable & Confident shoppers know what they want. They have a specific set of cars in their consideration set, have experience with those vehicles and are knowledgeable enough to trust themselves in the process. They may be habitual car buyers or enthusiasts and often enjoy learning about and keeping up to date on cars. They don't need to do as much research, as they have their prior experience to guide their journey. In reaching these buyers, brands will need to maintain loyalty of their current owners and conquest from competitors already on the buyer's shortlist.

Starting Fresh shoppers, on the other hand, rely heavily on research throughout the journey. They need help and go online to learn and discover all the things they don't know. These buyers present auto brands with an excellent opportunity to get into a shopper's consideration set. While they may have a list of criteria for their vehicle purchase, they are less likely to have specific cars in mind or to have had hands-on experience with the potential cars. While these shoppers may be novices or buy infrequently, a lifestyle or life stage change, such as a move or a baby, can also make Comfortable & Confident shoppers feel like they are Starting Fresh.



IGNITING THE JOURNEY

GETTING THEIR SEARCH INTO GEAR

At the outset of the car shopping journey, many shoppers feel excited and look forward to shopping. Shoppers are swept up in the idea of a new car and the possibility of what they may find. They initiate the research process with a sense of optimism.

In this early search stage, shoppers have a variety of inputs working together to shape their initial consideration set. Intent on discovering their perfect car, shoppers use their physical surroundings, personal networks, previous experience and online and offline resources to continually populate, hone and refresh their consideration set.

RESEARCH INPUTS



noticing cars
around you



online
home



talking to
network

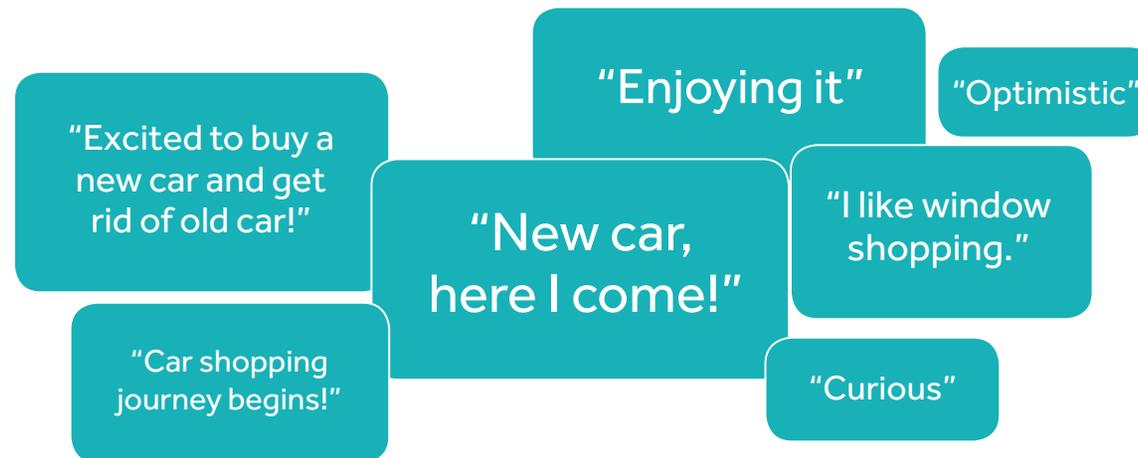


online
mobile



borrowing/
renting a car

SHOPPERS ARE EXCITED AT THE START OF THEIR JOURNEY



DRIVING CONSIDERATION

CONSIDERATION CONTINUES THROUGHOUT THE JOURNEY

Rather than a funnel that narrows down the large consideration set to one final car, car shopping is an active process during which shoppers sift through the available options, adding and eliminating cars as they go. Counter to conventional wisdom, most shoppers don't cast a wide net to capture all their potential cars at the start of the process. Instead, they start with a smaller group of three to five cars that might fit their needs. It is worth noting that vehicles in this set are not always similar.



Building consideration set

Shoppers start by initially considering cars from their baseline knowledge. They think carefully about which cars might fit their needs.



Adding & Eliminating

Shoppers eliminate cars that do not work for them and they add other cars as they discover them. The size of the set always stays manageable: 3-5 cars.



Making a final decision

In-the-moment emotions enable shoppers to make a decision. The final choice may be based on a small detail.

Marketers should note that a narrow consideration set is not necessarily of progress toward a decision. Rather, this can be a signal that a Starting Fresh shopper is less knowledgeable about their options. They may add additional vehicles to the set after learning about them during the process. What is more important than the total number of cars in a shopper's consideration set is the seriousness with which they are considering them. Elimination of a vehicle from the consideration set can also be an indication of progress and movement of the shopper closer to purchase. Deciding not to buy a particular vehicle after giving it fair consideration helps shoppers feel confident moving forward to focus on other cars that might work out better for their needs.

SHOPPERS DON'T NECESSARILY BUY THE CARS THEY SEARCH

The cars shoppers research as part of their consideration set are not necessarily the cars they end up buying. Some search criteria may be artificial or temporary, but still helpful to the shopper as they make progress toward the vehicle that matches their priorities. New criteria often emerge as shoppers realize what is and is not most important to them. Many shoppers also engage in aspirational searches. While these vehicles don't fit their practical needs looking at aspirational cars can be fun and exciting. It is also possible for a car to be added just before the time of purchase, even though it had never previously been considered.

.....
Shoppers start by initially considering cars from their baseline knowledge. They think carefully about which cars might fit their needs.
.....

DRIVING CONSIDERATION

CONSIDERATION IS NOT LIMITED TO EARLY STAGES OF SHOPPING

Brand marketers and auto retailers should not lose sight of the opportunity to shift consideration right up to the moment a deal is inked, and need to remember that the consideration phase is not limited to the beginning of the journey. Cars may be added to the consideration set up to the moment of purchase, resulting in the surprise of coming home with a model previously not considered. This often happens at the dealership, when emotions are high about the car itself or a good deal is proposed by the dealer. When a shopper purchases a car not previously considered, the previous research is still valuable, as it may have taught the shopper about the overall brand or other specifications of the type of car.

WHAT DRIVES CONSIDERATION?

A variety of influences shape the consideration set along the way and help shoppers learn more about their options. Starting with a set of known criteria upon which they may anchor their search, shoppers begin to notice cars on the street and talk to their networks about the cars they drive. Online research lends influence and helps shoppers explore their options. Many also look for hands on experience with vehicles, either by renting a car or visiting dealerships.

ADDING VEHICLES TO THE SHORTLIST

Often, the fear of missing out on what could be the right car is what motivates people to add cars to their consideration set. An addition to their shortlist can come from a variety of sources:

- * Advice from a trusted resource
- * Feelings when seeing a car in person
- * The idea that people like them enjoy the car

A recommendation from a dealer can also come into play. In an age when much research takes place online, the role of the dealer as a shopper's consultant can't be overlooked. Perhaps the potential buyer had never considered leasing as an option, or was not aware of certified programs. Dealers play a key role in recommending additional possibilities and can open shoppers up to new options they had not yet considered.



DRIVING CONSIDERATION

DECIDING BETWEEN NEW AND USED

When shoppers' priorities lie at the extremes of the spectrum, they consider only new cars or used cars – not both. However many shoppers end up considering cars across the spectrum when multiple types of cars match their priorities, presenting an opportunity for marketers to either bring new shoppers into their brand through used options or to sway a used car shopper into a new car that could be a better overall value or fit for their needs.

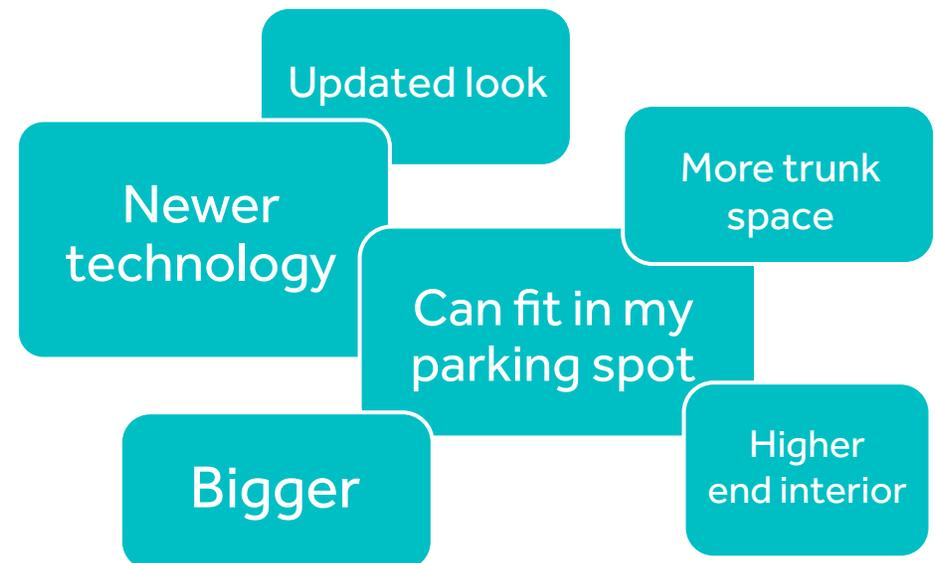
I can pay \$150 more than I pay now.

FAMILIAR ROAD: SHOPPERS RELATE POTENTIAL PURCHASE TO WHAT THEY KNOW

According to recent Cars.com analysis, only 17% of shoppers will buy a vehicle of the same make and model that they have owned before.⁵ Despite this, what's parked in their garage plays a critical role in providing context for their next purchase. In order to judge a car or its features, shoppers must relate it to something they already know, so they use attributes of their current car to compare and evaluate potential cars.

They also use their current car payment as an anchor in deciding how much to pay and what they can afford.

The other way that shoppers evaluate cars is by relating it to something they do and a lifestyle need. Whether for a daily commute or occasional adventures, shoppers think about their use case scenarios and look to make sure their next car can support them. Marketers and retailers can leverage knowledge of the targets existing vehicle and their lifestyle to better engage shoppers while they are in this consideration phase. Understanding of these reference points can increase relevancy and help shoppers consider your brand based on factors that are easily understood and important to them.



⁵ Cars.com Analysis using DataLogix Buy-through Rate reporting for Cars.com, March 2013

THE SHOPPER'S GPS: ONLINE RESEARCH

ONLINE RESEARCH IS THE SHOPPER'S GPS

With more research available to shoppers than ever before through more platforms, it was no surprise that research played a heavy role throughout the shopping journey. Online research helps shoppers to navigate all aspects of the buying process and gives them the confidence they need to move forward in the process. Customers who do online research see it as necessary due diligence and advise others to do their research as well. This was the number-one piece of advice that buyers gave to other car shoppers.

In addition to guiding their decision making, once shoppers prepare to visit a dealership, online research helps them to feel prepared for negotiations and to evaluate a dealer's honesty. And now with mobile devices, research continues en route to and throughout the dealership visit as a way to evaluate new information and as a tool to make sure they are getting a fair deal.

USE OF DEVICES IN THE RESEARCH PROCESS

Shoppers used multiple devices in their journey, making it imperative for marketers to take a multi-channel approach, connecting their messages both offline and online to reach shoppers across platforms. In the early stages, when shoppers sit down to learn about cars online, it is often spontaneous and without a particular agenda. Shoppers would frequently search cars on their computer, laptop or tablet while watching TV.



Computer

- Early stage shoppers will browse while watching TV.
- When it comes time to get serious about looking at inventory, shopper prefer to use a computer at home or work for larger screens and faster Internet connections.



Tablet

- When shoppers use their tablets to learn about cars online they are almost always at home and use the tablet as a substitute for a laptop.



Mobile

- In the early stages, shoppers most often use phones to take pictures of interesting cars, look up inventory and fill pockets of time.
- When getting serious, the phone is used to get directions to dealerships, check inventory and as a lifeline on the lot.

THE SHOPPER'S GPS: ONLINE RESEARCH

COMFORTABLE & CONFIDENT AND STARTING FRESH SHOPPERS ENGAGE ONLINE IN DIFFERENT WAYS

When it comes to online research, Comfortable & Confident and Starting Fresh shoppers engage in different ways. Both used the same online resources, including OEM websites and third-party research sites. They turned to OEMs for information specific to the brand, and to third-party sites to compare cars across brands and locate specific cars in their area. As automakers develop their websites and plan marketing initiatives across research sites, it is essential to deploy strategies for each type of buyer.

	THIRD-PARTY SITES	OEM SITES
<i>Starting Fresh shoppers ask...</i>	<ul style="list-style-type: none"> • What are the top-rated cars? • What do other people think about these cars? • Do they match what I'm looking for? • How do different cars compare? • What cars are for sale near me? • Where are they? • What are the details on specific cars (e.g., price, mileage, color, package)? 	<ul style="list-style-type: none"> • What models does this brand offer? • What is the difference between these models? • What do they look like (size, color, trim)? • What is the "ballpark" cost? • Can I build a car to see what it looks like and what it costs?
<i>Comfortable & Confident shoppers ask...</i>	<ul style="list-style-type: none"> • What cars are for sale near me? • Where are they? • What are the details on specific cars (e.g., price, mileage, color, package)? 	<ul style="list-style-type: none"> • I know that I like these models but what is new this year? • What packages are available? • How much do they cost exactly? • What are the specs (e.g., mpg)?

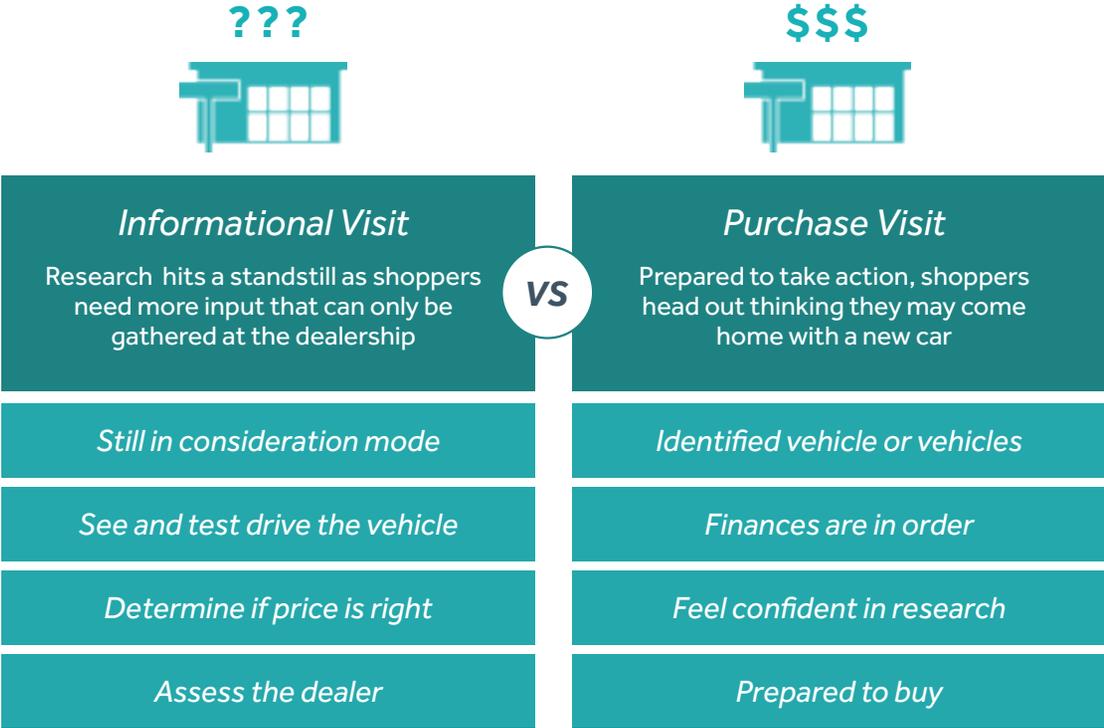
MOVING THE JOURNEY FORWARD: SHOWROOM VISITS

While more and more research takes place online, visiting dealerships is still a key piece of the buying equation, and the experiences shoppers have on the lot play a key role in their buying behavior. When shoppers feel confident that they have exhausted their research options, they feel ready to take the next step and just need to go to the dealership to move the process forward.

As shoppers visit just two dealerships on average,⁶ prioritizing a showroom visit is a strategic step in the shopper’s journey and a clear predictor they are getting serious about buying. The study identified two distinct types of visits to the dealership: Shoppers either set out on an informational visit or with intent to buy.

In the informational visit, shoppers are largely in consideration mode and need more input to move forward. They are also assessing the dealership to decide if it is somewhere they would want to do business. This very question can actually hold up a showroom visit altogether, stalling buyers in their journey. Shoppers often delay dealership visits because they do not trust themselves – or the salespeople. They know from experience or have heard how persuasive salespeople can be and often fear being talked into buying a car before they are ready or being talked into the “wrong car.”

While a purchase can happen spontaneously on an informational visit, typically shoppers set out with intent to buy that day. They are confident in their decision and know they may come home with a new car.



⁶ DME Automotive, 2014

MOVING THE JOURNEY FORWARD: SHOWROOM VISITS

SHOULD I BUY HERE?

Once shoppers feel ready to visit a dealership, their choices are strategic. Many shoppers check dealership reviews, looking at reports on both the sales staff and the service department. Some will choose dealerships where they have had previous positive experiences either with sales or service.

They want to know they'll be taken care of long after the sale, and feel good about doing business with the dealership for the long haul and balance the short-term logistics of the visit and sale with their long-term expectations for service and repair. In both cases, shoppers are looking for convenience and for a dealership they can trust. Location is key for those who plan to service the car at the dealership after purchase.

As shoppers frequently evaluate the front of the house based on their anticipated relationship with the back of the house, it is essential that retailers effectively merchandise their fixed operations to potential buyers. Shoppers will reward clean service facilities and a solid customer service track when it comes to their vehicle purchase.

Ultimately, to move forward with purchase, shoppers need to feel confident they are choosing the right vehicle and comfortable they are working with a dealership they can trust.

.....
The most important emotion in the journey is confidence. It is key to closing the deal at the dealership.
.....



SHORT-TERM LOGISTICS

- Do I know where it is and is it easy to get to?
- What are the sales hours?
- Do they have a large inventory?
- Do they have the specific car I want to see?
- How are their prices?
- Will they take my trade?

LONG-TERM SERVICE AND RELATIONSHIPS

- What is the reputation of the service department?
- Would I trust this dealership for service?
- Would it be convenient to get service here?
- Do they offer any maintenance perks?
- Does this dealership have a lot of repeat customers?
- Would I feel comfortable coming back?

ROADSIDE ASSISTANCE: MOBILE'S SUPPORTING ROLE



While shoppers used mobile devices throughout the journey, smartphones take center stage on the lot. During the dealership visit shoppers use their mobile phone as a lifeline that prevents them from having to return home to do more research. Even when shoppers do not plan to buy that day, they bring their smartphones to the dealership to take pictures, notes and video, and to access the Internet just in case.

Recent research conducted by Cars.com and Placed, Inc. confirms this, with nearly two-thirds (63%) using their phone while on the lot to make decisions.⁷

Mobile helps customers to manage logistics and save time when they are away from home, and is also critical to help shoppers build confidence in their decisions. Researchers from Conifer noted three key roles of mobile on the lot.

<p><i>1. Real-time information</i></p>	<ul style="list-style-type: none"> • Before heading to the dealership, many shoppers use their phones to communicate with sales staff about prices and inventory. • Once they are on their way they rely on phones to locate dealerships. • At the dealership they are using their phone when presented with new information and to explore options in real time.
<p><i>2. Rescue</i></p>	<ul style="list-style-type: none"> • Shoppers will use their device to make back-up plans if a visit does not work out as planned, assessing new information or exploring other nearby dealerships.
<p><i>3. Negotiation</i></p>	<p>Mobile can play a rescue role during negotiations. With access to information that is not provided by the dealer, shoppers feel more confident, independent, and in control, giving them peace of mind.</p> <p>Shoppers used phones to:</p> <ul style="list-style-type: none"> • Check pricing • Value their trade-ins • Look for the best loan rates • Use payment calculators for clarity

⁷ Placed Inc., January 2014

THE END OF THE ROAD

With good reason, marketers look to target end-stage shoppers, those closest to purchase. But if the journey is not linear and shoppers frequently progress and have setbacks along the way, how can marketers best identify those shoppers who are truly ready to buy?

While setbacks were always possible, the study identified common signs shoppers were nearing the end of their journey and would soon drive home in a new car. Prior to actual purchase, shoppers engaged in a flurry of activities online and off that indicated a dealer visit was on the horizon.

PURCHASE INTENT SIGNALS

- Researching/confirming trade-in value
- Researching loans, incentives and deals
- Reading reviews of local dealerships
- Checking for specific inventory online
- Calling the dealership to confirm if the car(s) they are interested in are there
- Cleaning their current car
- Locating their title, insurance, checkbook

These signals give marketers further insight into the online activities correlated with sales, and can also inform marketing strategies aimed at end-stage shoppers.

Researchers also observed common threads that increased the likelihood shoppers would return from a dealer visit having made a purchase:

- A real impending deadline, such as an expiring offer
- An immediate emotional connection to the car
- Confidence that they feel like they have gotten a good deal or the idea that the deal is time boxed
- An unexpected upturn in financials

Ultimately, many purchase decisions simply come down to emotion. Even though most shoppers did a lot of very rational research, they admit that there is a part of buying a car that is very emotional and irrational. A positive emotion about a car when supported by a feeling that they previously did their research helps buyers pull the trigger and feel good about their purchase.

After shoppers purchase the car, they are relieved that the process is over and switch focus to enjoying their new car.

ABOUT CARS.COM:

[Cars.com](https://www.cars.com) is an award-winning online destination for car shoppers that offers information from consumers and experts to help buyers formulate opinions on what to buy, where to buy and how much to pay for a car. [Cars.com](https://www.cars.com) offers thousands of new and used vehicle listings, consumer reviews, side-by-side comparison tools, photo galleries, videos, unbiased editorial content and many other tools to take the drama out of car shopping. [Cars.com](https://www.cars.com) puts millions of car buyers in control of their shopping process with the information they need to make confident buying decisions. Launched in June 1998, [Cars.com](https://www.cars.com) is a division of Classified Ventures LLC.

ABOUT CONIFER:

Conifer Research brings practical insight to companies that wish to change and innovate. Through an ethnographic approach to research, we help our clients embed their creativity into an understanding of the everyday lives of people they hope to engage – customers, workers, and end-users. Conifer's seasoned team of anthropologists, strategists, and information designers act as consultants, facilitators, and coaches, to help organizations gather deep insight and apply it in a timely manner to reach their goals.

Clients come to Conifer for many reasons, but with a common challenge: How do we align business activities better with the real lives and needs of customers? We have experience in retail, consumer goods and lifestyles, financial services, healthcare, and digital products. Clients include BP, Kaiser Permanente, McDonald's, MillerCoors, Wrigley, and Yahoo!





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