

# NEW OPPORTUNITIES FOR DEALERS IN TIMES OF SIGNIFICANT CHANGE

## Study highlights inside:

- How COVID-19 has impacted vehicle shopping
- Who the new shoppers are—and how to reach them
- Capitalizing on the “considering new and used” shopper



# How has COVID-19 affected auto shoppers?

The short answer is, not much

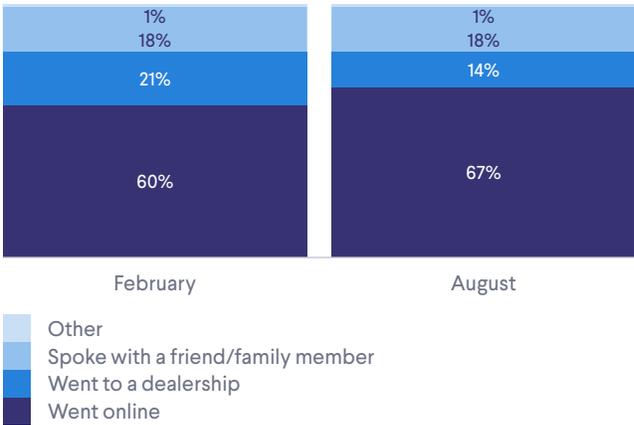
Shoppers are only slightly less optimistic about the economy than they were prior to the pandemic.

### Outlook on the Canadian Economy: Shoppers

	Optimistic	Pessimistic
February	31%	10%
August	25%	15%

It's just accelerated the long-term trend towards more online research.

### First step in vehicle search



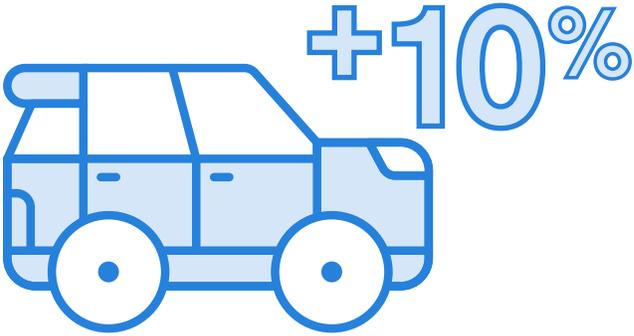
Beyond delayed purchases, shoppers haven't changed their approach.

### COVID Impact

41%	It delayed/is delaying my purchase
25%	It impacted the way I conducted my vehicle search/research
22%	It impacted how I communicate with dealerships
21%	It impacted my budget/the amount I am willing to spend
9%	It drove me to consider purchasing/leasing a vehicle
8%	It impacted the types of vehicles I considered/am considering
1%	Other
24%	None of the above

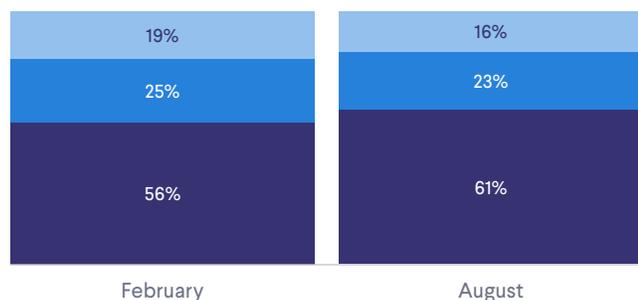
The biggest jump in interest?

SUVs and used options show a 10%+ increase in demand.



# Shoppers want a simple, convenient, and safe experience

Shoppers are arriving at your dealership more prepared than before—so make sure your listings are up to date.

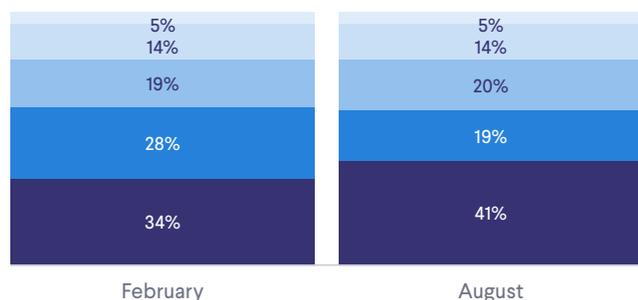


- Just started out, hadn't done much research
- Did some research, but was NOT prepared to buy/lease
- Did a lot of research and was prepared to buy/lease

Of course, shoppers expect you to have covered the COVID basics. (But you already knew that.)

<b>87%</b>	Sanitization after each test drive
<b>86%</b>	Availability of hand sanitizer
<b>46%</b>	Social distancing
<b>55%</b>	Emphasis on and commitment to showroom cleaning
<b>59%</b>	Staff wearing masks
<b>70%</b>	Plexiglass or other barriers installed at desks
<b>75%</b>	Showroom visits by appointment only
<b>77%</b>	Test drives without salespeople
<b>81%</b>	At-home/remote vehicle delivery
<b>83%</b>	At-home/remote test drives
<b>84%</b>	One-on-one digital walk-around/video chats

They're interested in simple, convenient experiences.

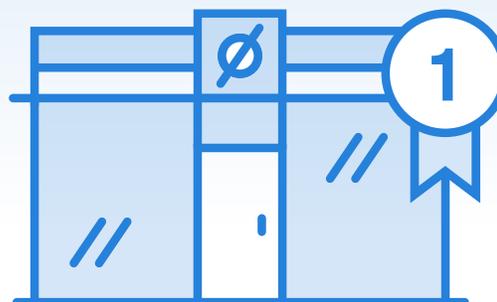


- Quirky, cutting edge and innovative
- Very personalized with a high touch style
- No frills—fast, efficient and predictable
- Casual, intuitive and fun
- Simple and convenient

## Key takeaway

### Be the first dealer they visit

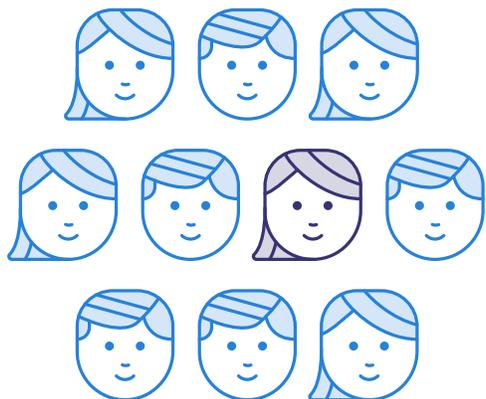
Less than 20% of shoppers see a make/model first at one dealer, then go buy it at another one.



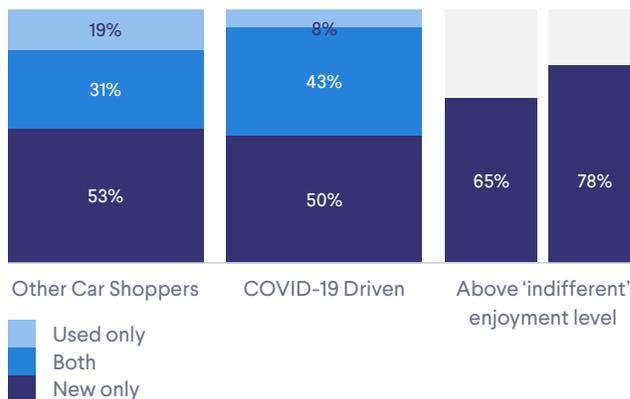
# The new, post-COVID buying group

Urban, first-time auto shoppers who want to avoid public transit

About 1 in 10 shoppers say COVID-19 drove them to consider purchasing a vehicle.



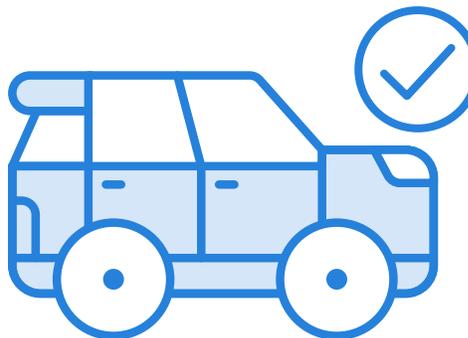
Unlike many shoppers, this group enjoys the process.



They want to travel long distances and avoid public transit.

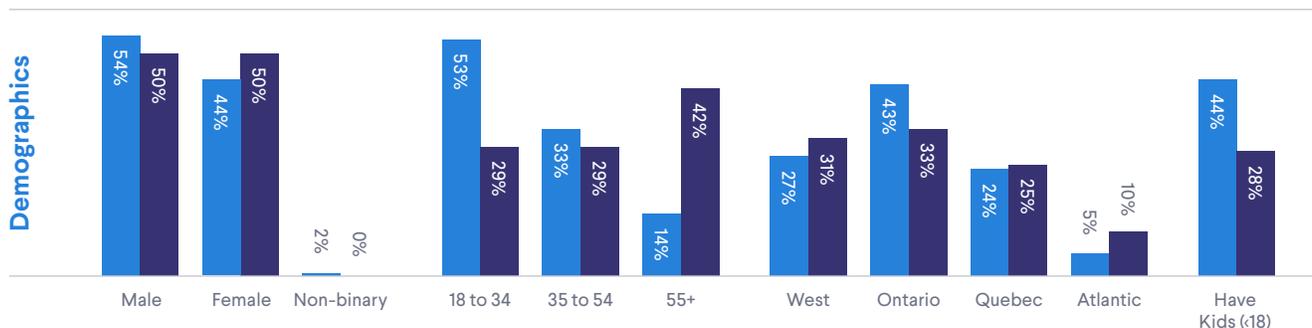
- 58%** I need a safe way to travel long distances (e.g. to visit another city, etc.)
- 49%** I want to avoid using public transit
- 48%** I need a safe way to travel for essentials (e.g. to get groceries, etc.)
- 26%** I want to avoid carpooling to work with colleagues
- 24%** I want to avoid using ridesharing services (e.g. Uber, Lyft, etc.)

Just the type of people who might want a used SUV!



They are younger, more likely to reside in Ontario, and more likely to have kids.

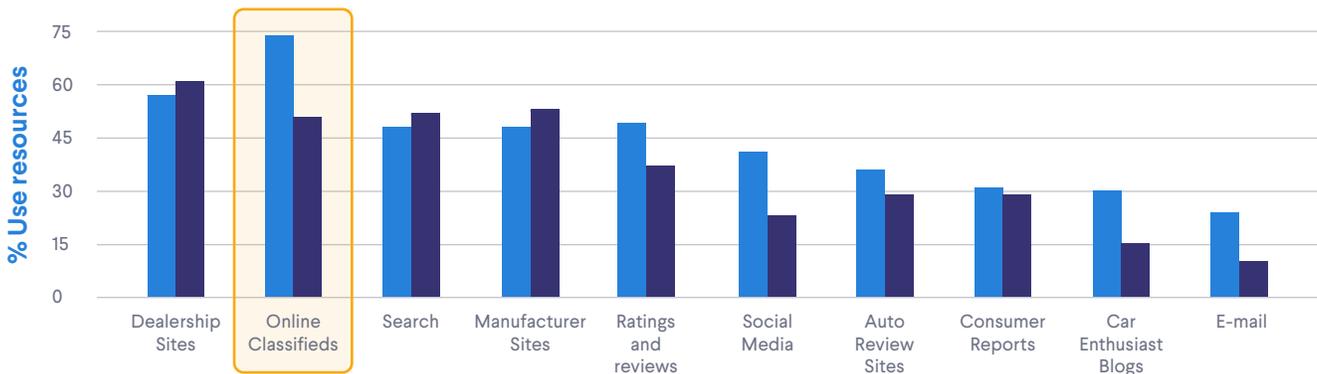
COVID-19 driven  
Other car shoppers



# Online classifieds are the key to reaching these shoppers

They research online more than other shoppers—especially online classifieds.

COVID-19 driven  
Other car shoppers



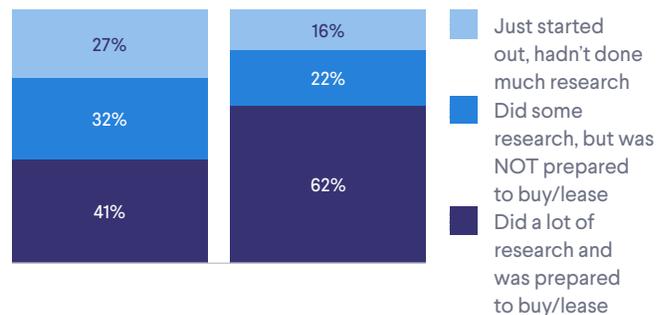
They're interested in digital and willing to do more transactions online than others.

- 86%** Getting an online appraisal of current vehicle for trade-in
- 65%** Completing a vehicle purchase with a completely contactless transaction
- 72%** One-on-one digital walk-around/video chat
- 49%** Visiting a conveniently located showroom with product advisors showcasing holographic vehicles
- 77%** Completing the purchase/lease online without going into the dealership
- 51%** Taking a virtual test drive
- 72%** Using shared mobility services in place of owning your own vehicle
- 47%**
- 65%**
- 38%**
- 59%**
- 38%**
- 60%**
- 28%**

COVID-19 driven  
Other car shoppers

% that would finalize online purchase without test drive  
**COVID-19 driven 51%**  
**Other car shoppers 19%**

This group is less prepared to buy the first time they visit a dealership, but will likely come back.



% that bought from 'first' dealership  
**COVID-19 driven 94%**  
**Other car shoppers 82%**

## Key takeaway

**Make sure your listings are complete, accurate, and up to date.**

About half of this group will finalize an online purchase without a test drive.

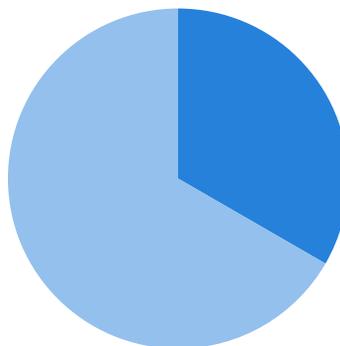
# Selling to the “considering new and used” market

They behave differently than used shoppers

This group is much bigger than the “used only” segment.

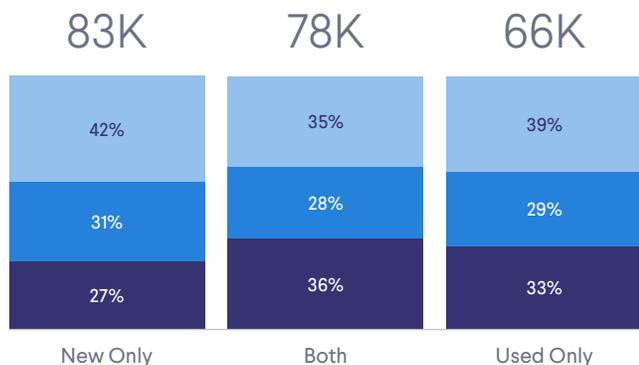


Vehicle Type in Consideration

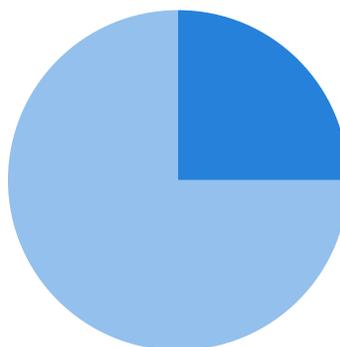


**1/3**  
of shoppers looking at used vehicles end up buying a new one.

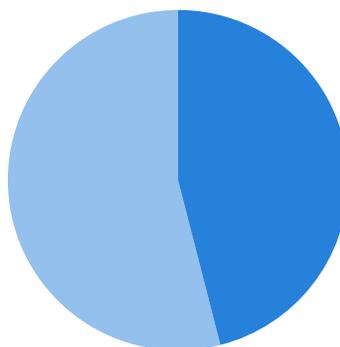
This group is a little younger than the “new only” group, and only make slightly less money.



Age Group Legend:  
 55+ (light blue)  
 35-54 (medium blue)  
 18-34 (dark blue)



**1/4**  
of new vehicle shoppers considered used options along the way.

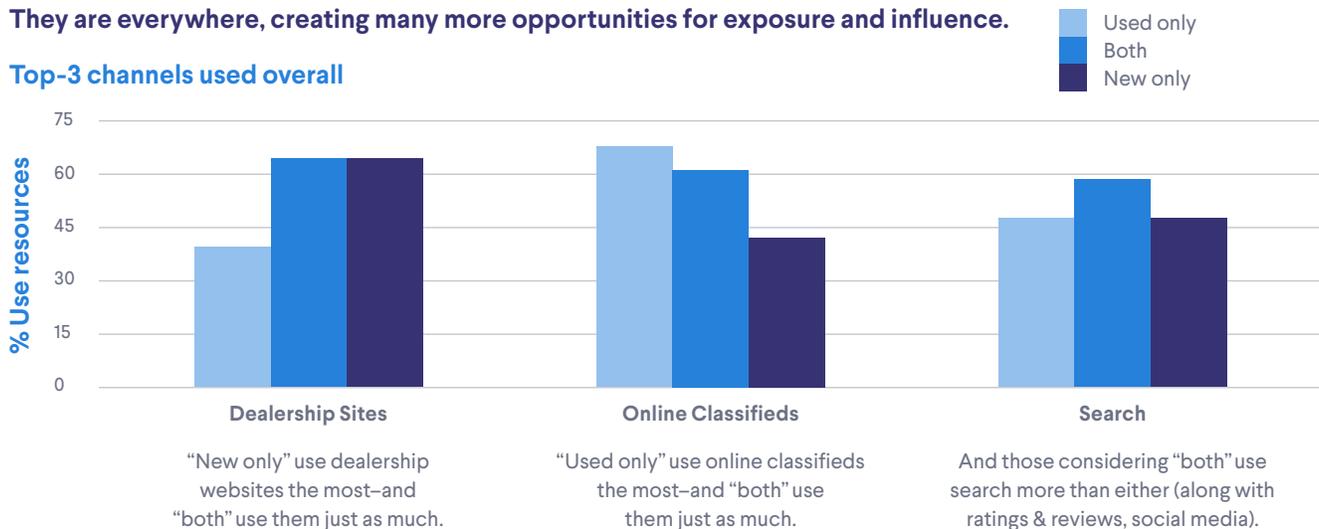


**46%**  
of this “considering both” group end up buying new instead of used.

# This group is massively multi-channel

They are everywhere, creating many more opportunities for exposure and influence.

## Top-3 channels used overall



Online classifieds are tied with dealership sites as the most helpful source of information.

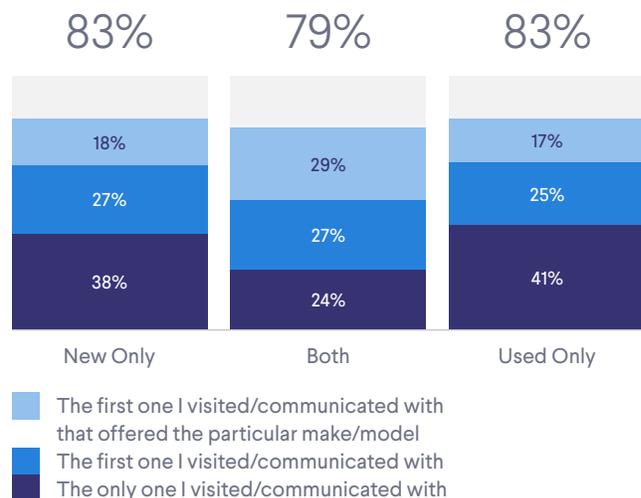
## Narrowing down options

- 36% Online Classifieds
- 35% Search
- 33% Word of mouth
- 31% Dealership Website
- 25% Manufacturer Website

## Selecting a dealer

- 38% Dealership Website
- 37% Online Classifieds
- 30% Search
- 26% Word of mouth
- 23% Manufacturer Website

They are more likely to shop around, but will purchase from their first dealer as much as other groups.



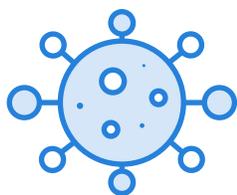
## Key takeaway

Make sure your dealership listings and online classified listings align.

This group is influenced by online classifieds at both key points of the buying journey.



## In summary



### Give shoppers a simple, convenient, and safe experience

COVID-19 has accelerated the trend towards more online research, so make sure your listings are up to date.



### Reach out to post-COVID shoppers

About half of this group will finalize an online purchase without a test drive, so make sure your online classifieds are complete and up to date.



### Appeal to “considering new and used” shoppers

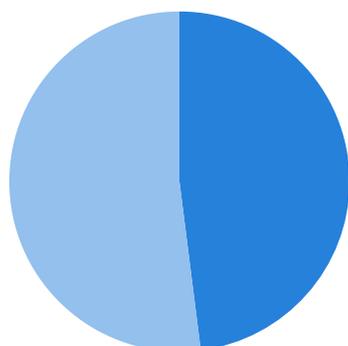
This group is influenced by online classifieds at both key points of the buying journey, so ensure your dealership listings and online classified listings align.

# How dealers are responding today

Dealers recognize online classifieds have provided the greatest ROI since COVID-19.

	Greatest ROI since COVID	% Significantly Increased Spend	% Planning to Invest More
Online Classifieds	40%	24%	27%
Dealership Website	23%	22%	20%
Social Media	21%	40%	27%
Paid Search	7%	26%	9%

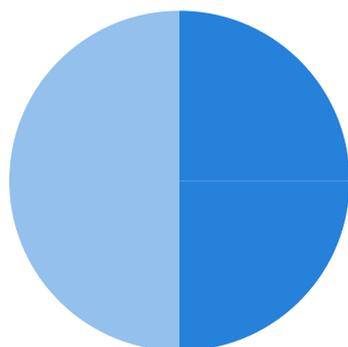
But they continue to invest more in social media—even though online classifieds have significantly more influence on the path to purchase.



**48%**  
of dealers say their staff's roles and responsibilities have shifted because of COVID.

#### How?

- 89%** Taking on tasks previously unrelated to their role
- 64%** Taking on new responsibilities associated with operational changes
- 60%** Taking on additional responsibilities previously fulfilled by someone else
- 34%** Need to develop new skills/training



**50%**  
of dealers surveyed gave staff new responsibilities to take on.

# Next steps

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## Consider placing additional focus on early-funnel investments

Aim to be the first dealer a shopper visits, either immediately, or upon return visit. Once the shopper is ready to buy, it might be too late to connect with them.

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## Optimize communications and processes to reach the new COVID-driven shopper as a growth opportunity

Picture a shopper with an interest in driving long distances, leveraging a wide variety of channels led by online classifieds, and interested in new digital options that make things simple and convenient.

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## Optimize ad placement and communications accordingly

Since 1/3rd of shoppers looking at used vehicles end up buying a new one, dealers can use online classifieds as the key channel to reach the large “considering new and used” group at both key decision points.

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## Consider freeing up staff time to fulfill their new responsibilities

Get expert help in some other areas—especially in relation to optimizing digital investments.

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# Research timing and respondents

To help auto dealers better connect with shoppers and drive sales, BrandSpark International has partnered with Kijiji Autos to create this study. The goal of the study is to understand how the needs, wants, and general attitudes of Canadian automobile shoppers and dealers have evolved.

## Phase 1: Pre-COVID - February, 2020

We surveyed 2,006 consumers and 117 dealers in February, 2020.

## Phase 2: Living with COVID - August, 2020

With the disruption brought on by COVID-19, we re-fielded the study by surveying 1,996 consumers and 139 dealers in August, 2020. The results of both phases will help Canadian auto dealers assess how much things have changed and how to best capitalize on any new opportunities.

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