

Auto Industry Disrupted: Examining Mobile's Impact on the Buying Journey

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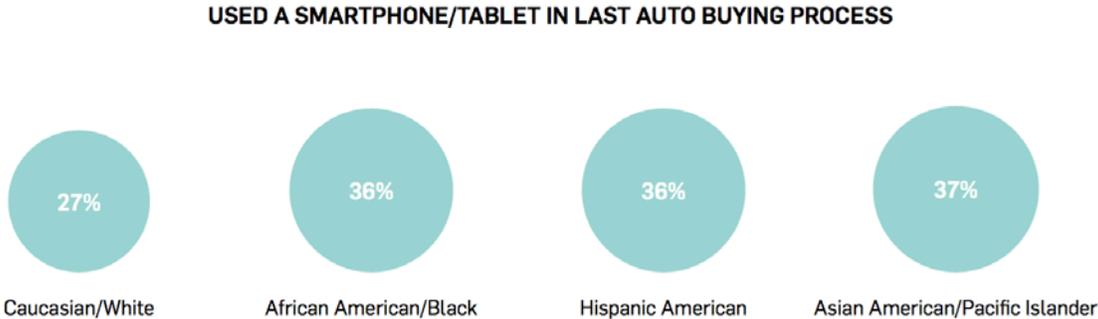


Tech disruption has swept through every industry, and the auto industry is no exception – from the unlikely success of Tesla and the breath of new life it gave to the electric car market, to the widespread adoption of Uber, and now the advent of self-driving vehicles. In the past decade alone, the auto industry has experienced changes unseen since Ford's rollout of the Model T.

In addition to the technological disruption, consumers have dramatically shifted how they approach the buying process; forcing automakers to place a much bigger emphasis on their online presence and how they communicate with potential buyers via digital channels.

In order to really understand the impact these changes are having on the auto industry, we developed original research, [The Anatomy of an Auto Shopper](#), which examined the attitudes and behaviors of auto shoppers. We analyzed roughly 18 million U.S. vehicle owners from the [Viant Advertising Cloud](#)'s 1.2 billion registered user database, as well as using data from an original survey conducted by Research Now.

Death of an Auto Salesman: Mobile's Impact on the Path to Purchase



According to Autotrader, **71% of purchase decisions are made prior to even visiting the dealership.** More new vehicle shoppers enter the process knowing the model they want and buying it. Consequently, the need for powerful and precise targeting has never been stronger. Auto marketers must understand their consumers in order to influence buying decisions well before the shopper walks onto the lot.

Additionally, more than 90% of auto shoppers visit at least one automaker's site during the shopping process, according to J.D. Power's 2016 New Autosshopper Study. This puts even more pressure on marketers and advertisers to **ensure they are delivering the right message, at the right time, to the right person across all of the devices they are using.** It also means they need to have an even stronger understanding of what's working and what isn't, following the full path to purchase beyond just online KPI's and cookie trails.

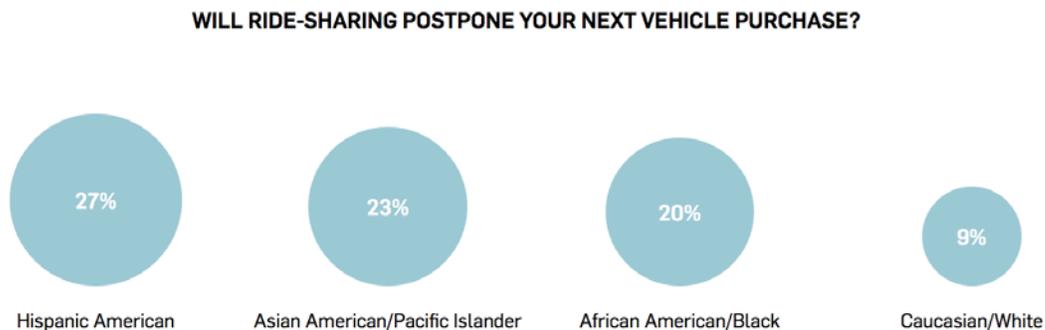
Not surprisingly, we found digital-forward Millennials are 30% more likely than Gen Xers and 2.8x more likely than Baby Boomers to use a smartphone or tablet in the auto buying process: **45% of Millennials used a smartphone or tablet in shopping for their last vehicle,** compared to just 16% of Baby Boomers and 35% of Gen Xers.

When it comes to gender, men are only slightly more likely to use a smartphone or tablet when shopping, with 31% of men compared to 29% of women doing so in their last vehicle purchase.

Caucasians are the least likely to use smartphones or tablets in the buying process, with 27% doing so, compared to roughly 36% of Hispanic Americans, African Americans, and Asian Americans.

This echoes the findings in our previous report, [Hispanic American Auto Buyers: America's Most Receptive Digital Audience](#). In this report, Viant found **Hispanic American vehicle shoppers were 2x more likely than non-Hispanics to find mobile ads persuasive** and 3x more likely to consider a brand after seeing a video ad. People who say they are influenced by digital advertising are also more likely to use mobile devices while vehicle shopping: 44% of respondents who say digital ads influence their vehicle shopping decisions used a smartphone or tablet when making their last purchase compared to 30% of all respondents.

The Uber Effect



The emergence of ride-share services like Uber and Lyft have shaken things up for traditional transportation services like taxis, limos, and rentals (as well as creating a new age where no friend will ever have to be the “DD” again).

In the auto industry, ride-share is starting to be seen as a concern due to its potential as a possible replacement to personal vehicle ownership.

Our survey revealed ride-share services have the greatest impact on Millennials' likelihood to purchase a new vehicle compared to any other age group. **21% of Millennials say ride-sharing would likely postpone their decision to buy a new vehicle**, while 14% say it would likely eliminate their need to buy a new vehicle.

The impact was even more pronounced among minority groups. For example, Hispanic Americans are the most likely to say that ride-sharing will postpone their vehicle buying, while Caucasians are the least likely.

Similarly, people favorable to buying a vehicle from a tech company also skew young: **38% of Millennials were open to buying a vehicle from a tech company such as Google or Apple**, compared to 26% of the overall respondent population. As competition intensifies with newcomers like Tesla and tech companies like Google entering the auto market, as well as ride-sharing alternatives to vehicle ownership, automakers are transitioning into "mobility" companies and embracing technology to attract the digital-first audience who expect convenience and ease of use in every aspect of their lives.

This digital-first audience is also taking the wheel on researching vehicles before they visit the dealership. With the average U.S. household owning at least ten internet-connected devices, automakers must refine their approaches and drive more accuracy and accountability in their advertising.

While cookie-based targeting and last-click attribution have been the norm for automakers, this approach can no longer shoulder the burden of tracking users across the myriad number of devices in play today. The emergence of people-based advertising was a direct response to this cross-device dilemma. Now, with people-based advertising, marketers can establish direct relationships with consumers, helping to close the loop on cross-device attribution and achieve success in a competitive market.

Learn more by reading [Viant's Anatomy of an Auto Shopper white paper](#).