

J.D. Power Reports: Vertical Websites Have the Greatest Impact on New-Vehicle Purchasing Decision

Shanghai: 26 June 2015 — The massive increase in Internet usage among new-vehicle buyers is creating opportunities for auto manufacturers and marketers to develop content in response to this behavior, specifically for vertical websites which have the highest penetration rate and greatest impact on new-vehicle purchasing decisions, according to the J.D. Power Asia Pacific 2015 China Auto Media StudySM (AMS) released today.

The study, now in its third year, evaluated the impact of various media, including traditional media (i.e., TV, outdoor, newspapers/ magazines and radio) and Internet- and digital-based new media (e.g., vertical websites, general websites, mobile platforms, search engine and social media) on different age-groups of new-vehicle buyers in each phase (awareness, consideration and final-decision-making) of their new-vehicle purchase decision-making process. Manufacturers and advertising agencies can use study findings in developing effective and comprehensive marketing strategies by examining the media preference and consumption behaviors of their targeted audience.

The Internet is pervasive in the everyday life for most consumers, especially among younger new-vehicle buyers (born after 1980), whose Internet usage rate, according to the study, is as high as 99 percent. On average, new-vehicle buyers in China spend 30.7 hours online per week, up from 21.0 hours in 2013, with 41.4 percent of that time spent on a smartphone. This creates great opportunities for auto manufacturers and marketers to use new media (online media), which is utilized by 90 percent of consumers as their main source of new-vehicle information during the purchasing process in contrast to the 51 percent who use traditional media.

“New media, which is convenient and impactful given the depth and breadth of information available on the Internet compared with traditional media, has become the main source of information for new-vehicle purchase decision-making,” said **Ann Xie, senior project manager of research practice at J.D. Power Asia Pacific**. “Auto manufacturers need to develop online marketing strategies using different types of Internet and digital media channels to increase sales and customer loyalty.”

Among all new media, vertical websites, specialized websites that provide automotive-related content and services, have the highest penetration rate and impact on new-vehicle purchase. Slightly more than two-thirds (68%) of new-vehicle buyers indicate having visited vertical websites/ forums during their purchasing period; 53 percent indicate having visited general websites; and 49 percent used search engines. Buyers born 1990 to 1999 use vertical websites and average of 18.3 times per month, the most among all age groups included in the study.

New-vehicle buyers also rate vertical websites as the most influential media on making their final purchase decision (3.74 points on a 5-point scale). The information new-vehicle buyers seek on vertical websites is model detail information (52%), vehicle price/ promotion information (48%), netizen comments—comments from consumers online—(33%) and new auto release/ launch news (30%). Less than 30 percent of buyers search for such information on portal or search engines.

The study finds that WeChat is the most frequently used media channel by new-vehicle buyers (33 times per month, on average), but has considerably low influence on purchase decisions, as only 3 percent of buyers use it to acquire model and price information. However, buyers born in the 1990s are willing to share their purchase information with others, especially via WeChat (33%), with 69 percent of the comments being positive, which could create greater word-of-mouth influence on purchase preferences.

Key Findings

- When making a purchase decision, 22 percent of buyers of Chinese domestic branded new vehicles are influenced by recommendations from their friends and family, compared with 17 percent of buyers of international brands. However, buyers of international branded vehicles spend an average of 5.6 hours more than domestic brand buyers searching the Internet prior to their purchase.
- Less than one-fifth (17%) of new-vehicle buyers follow a manufacturers' official WeChat or Weibo account, mostly for vehicle maintenance information (64%), new-vehicle release (52%) and driving strategy (42%). Nearly one-half (47%) of them forward manufacturers' WeChat or Weibo content to others. Among all generations, buyers born in the 1990s have the highest rate of following a manufacturer's official WeChat or Weibo account (26%).
- Forty percent of buyers born in the 1990s look for vehicle information on video websites, the highest rate among all age groups.
- Non-Internet shoppers have a much higher rate of dropping out of the purchase process during the price negotiation stage than Internet shoppers (33% vs. 22%, respectively).
- Manufacturer websites have the highest impact on new-vehicle purchase decision (3.75 points on a 5-point scale), but their penetration rate is considerably low at 35 percent.

The 2015 China Auto Media Study is based on responses from 15,633 vehicle owners who purchased their new vehicle between July 2014 and February 2015. The study was fielded from January 2015 to April 2015 in 57 major cities across China.

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