



# The Lean Auto Insights Brief

VOLUME 2 | JUNE 2022



Timely Consumer Insights for Marketers



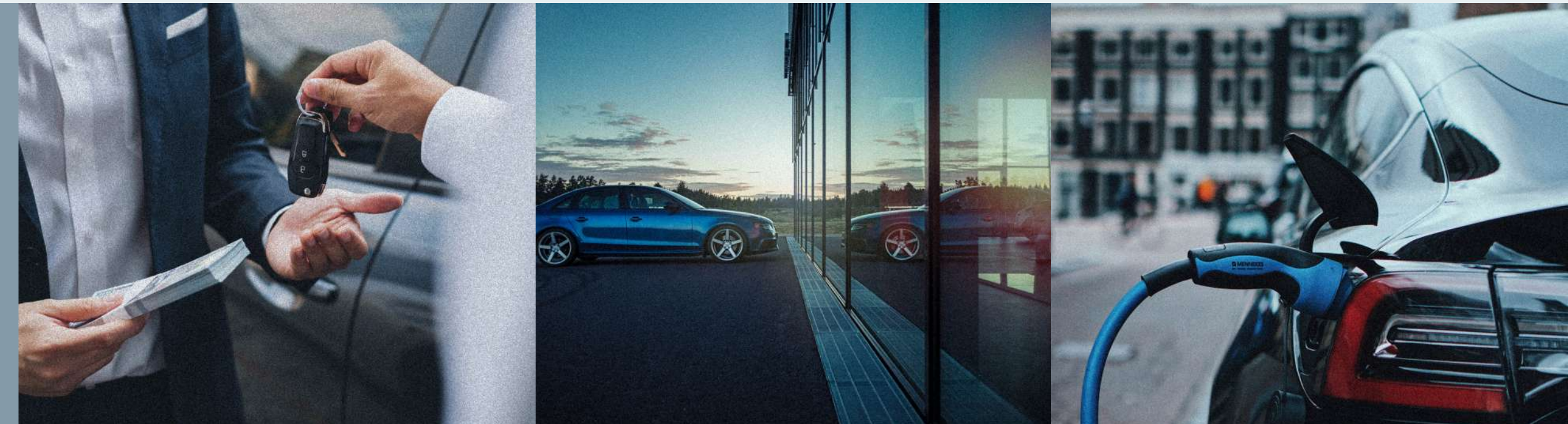


# Overview

Although e-commerce auto sales are projected to increase by 30% in 2022, 95% of car and auto part sales are still occurring at physical storefront locations.<sup>1</sup> There are several key factors that auto marketers need to consider as car buyers continue to increase their visitation to dealerships and service departments. For one, limited inventory is likely stretching out the car buying process for those trying to find specific car models. This requires consumers to visit more than one dealership to find the best car for their needs. According to the March 2022 Consumer Price Index, new vehicle prices were up 0.2%, and used vehicle prices fell 3.8% from the prior month. Compared to March 2021, new vehicle prices were up by 12.5%, and used vehicle prices were up by 35.3%.

Faced with high gas prices and inflation, car buyers also need to make crucial decisions about car size and fuel efficiency. According to JD Power, more than 31% of buyers in the West region were “very likely” to consider an electric vehicle (EV), and the South (26%) beat the Northeast and North Central regions (both 22%). Visitation data reveals that brands such as Toyota, Honda, and other similar brands are likely benefiting from the increase in EV-conscious buyers. For DIY auto brands, visitation to locations (such as AutoZone and Pep Boys) was flat from January to February but increased to double-digit growth in March and April. This is signaling strong growth for DIY auto brands and service departments as families look to get their cars ready for summer road trips.

In this issue of the Auto Lean Vol. 2, we explore how these consumer trends and the current economy is impacting car-related purchases. Learn what day of the week generates the most growth in visitation and which brands are driving the most people to their locations. Additionally, find out how post-COVID behaviors are impacting seasonal holiday campaigns.



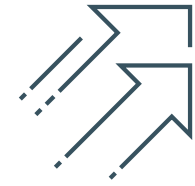
## About The Lean

Between professional careers and personal lives, we understand that there is very little time left to read drawn out whitepapers. This is why we created The Lean — meaningful marketing insights that help brands make strategic decisions about their marketing campaigns. Specifically designed for easy consumption and quick reference, each issue of The Lean applies offline behavioral data filters and other industry sources to current consumer trends to help understand the impact they are having on business outcomes such as visits and sales. GroundTruth data is sourced from the 30 billion annual global visits observed on its platform. All data is anonymized and aggregated.

<sup>1</sup> eMarketer<sup>2</sup> IHS Markit



# Auto Industry Trends



**1** High gas prices drove more shoppers to consider traditional sedans, hybrids, and electric vehicles in the first quarter of 2022

**2** Despite the rise in e-commerce sales, the overwhelming majority of car-buying is still conducted offline

**3** Traditional big sale weekends for the automotive industry may no longer be as grand, but dealerships can still muster up excitement around key holidays

**4** Due to inventory issues, car buyers are making twice as many trips to dealerships to find a car to purchase

**5** DIY auto brands and service departments are experiencing higher demand as the weather improves





# At a Glance: Brand Insights

## TOP TRENDING AUTO BRANDS

## % CHANGE IN SHARE OF FOOT TRAFFIC

From Q4 '21 to Q1' 22

Land Rover

+11%

Volkswagen

+8%

Hyundai

+5%

Toyota

+5%

Honda

+4%

Rolls-Royce

+4%

Lexus

+4%

Mini

+4%

Mitsubishi

+3%

Jaguar

+3%



High gas prices lead more shoppers to consider traditional sedans, hybrids and electric vehicles in the first quarter of 2022, likely benefiting Toyota.<sup>3</sup>



The Honda Accord and Honda Civic topped the list at No. 1 and No. 2 most shopped cars in Q1.<sup>3</sup>



## Auto Audiences are Growing

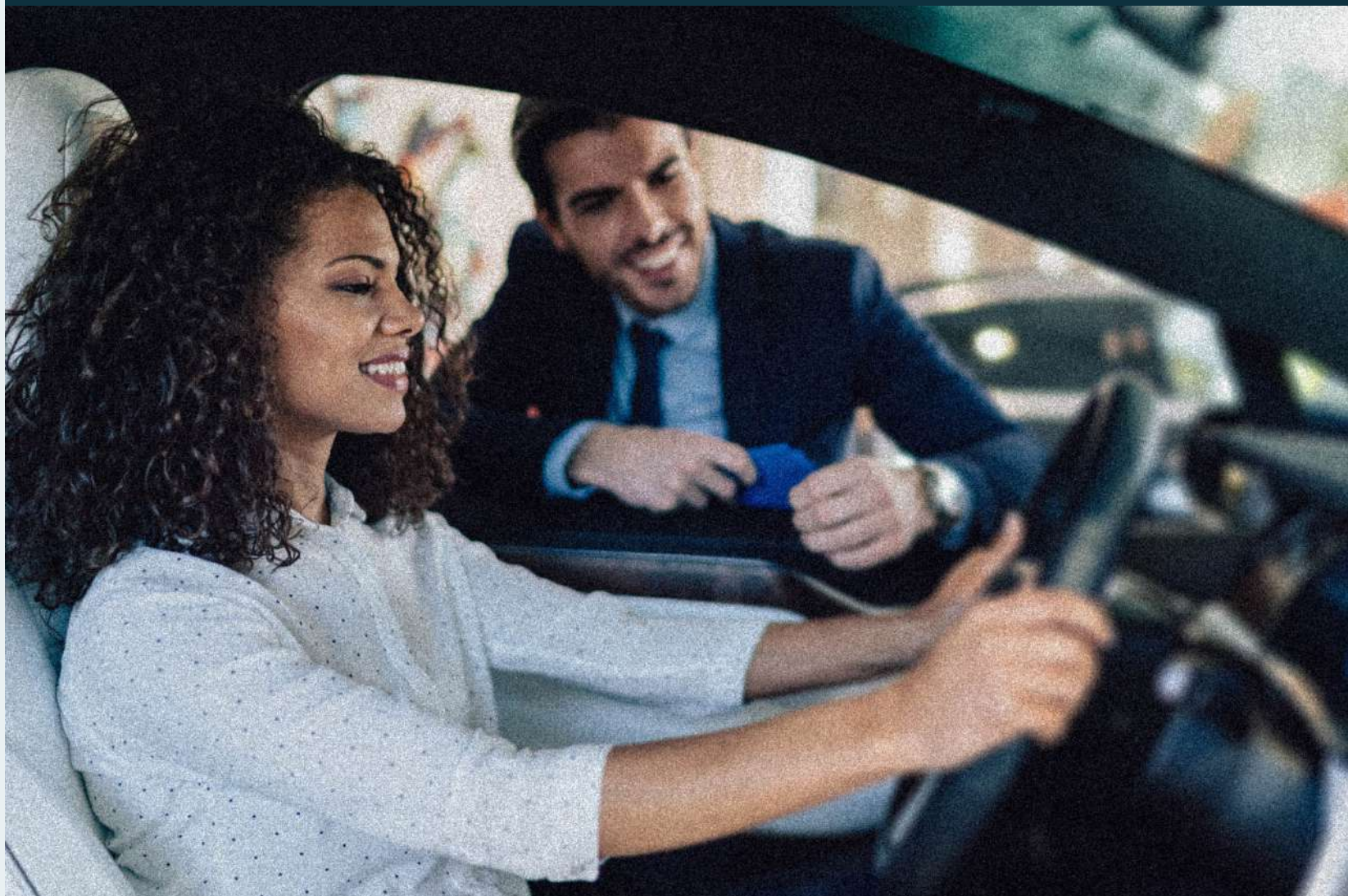
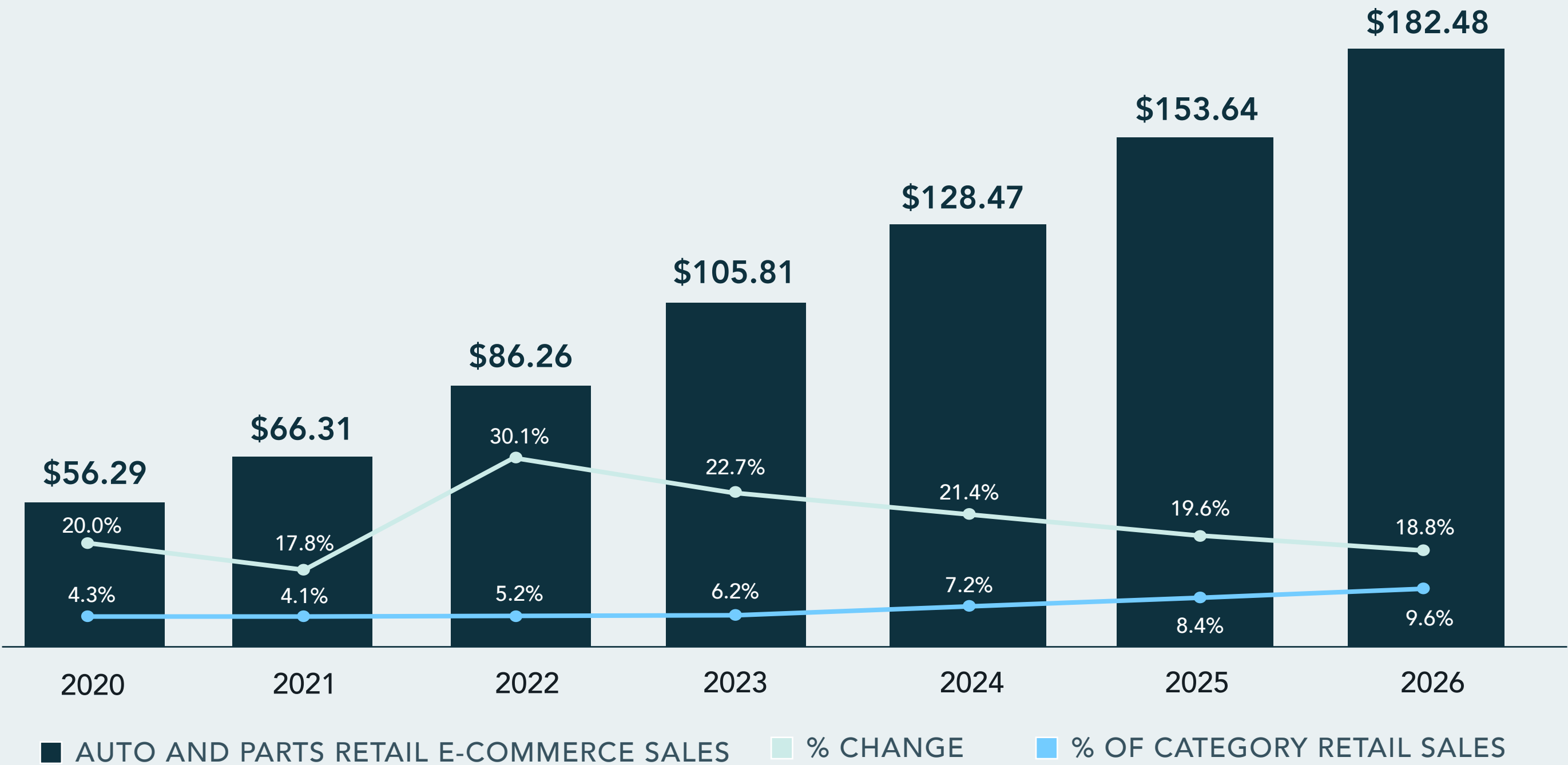
There was a 27% increase in foot traffic to major car dealerships from Q4 '21 to Q1 '22

<sup>3</sup> Kelley Blue Book



# Despite the Rise in E-commerce Sales, the Majority of Car Purchases Will Still Be Conducted Offline

US AUTO AND PARTS RETAIL E-COMMERCE SALES, 2020-2026<sup>4</sup>  
billions, % change, and % of category retail sales



Although e-commerce sales are projected to increase by 30% in 2022, **95% of automotive sales occur in brick and mortar dealerships**

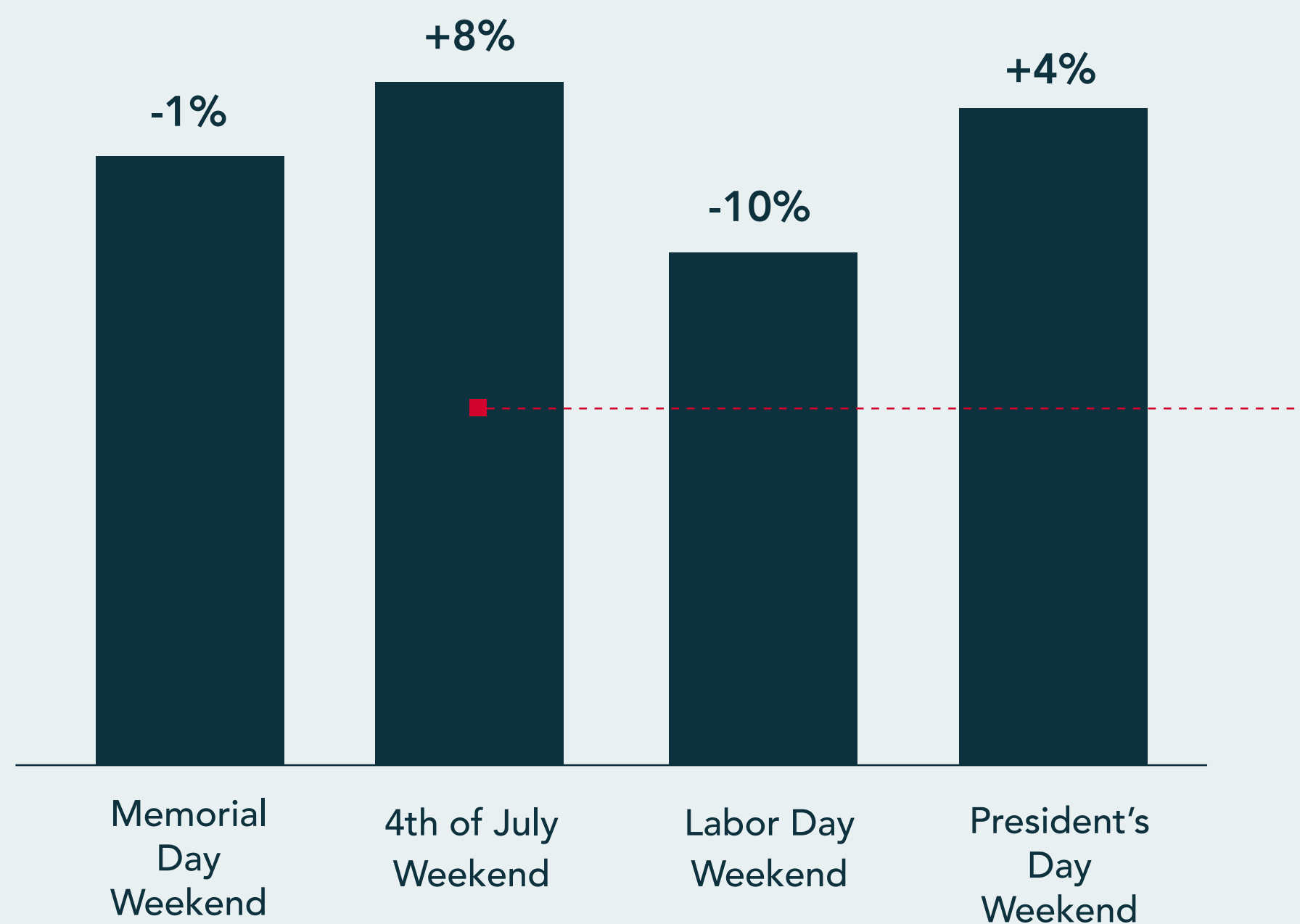
<sup>4</sup>eMarketer



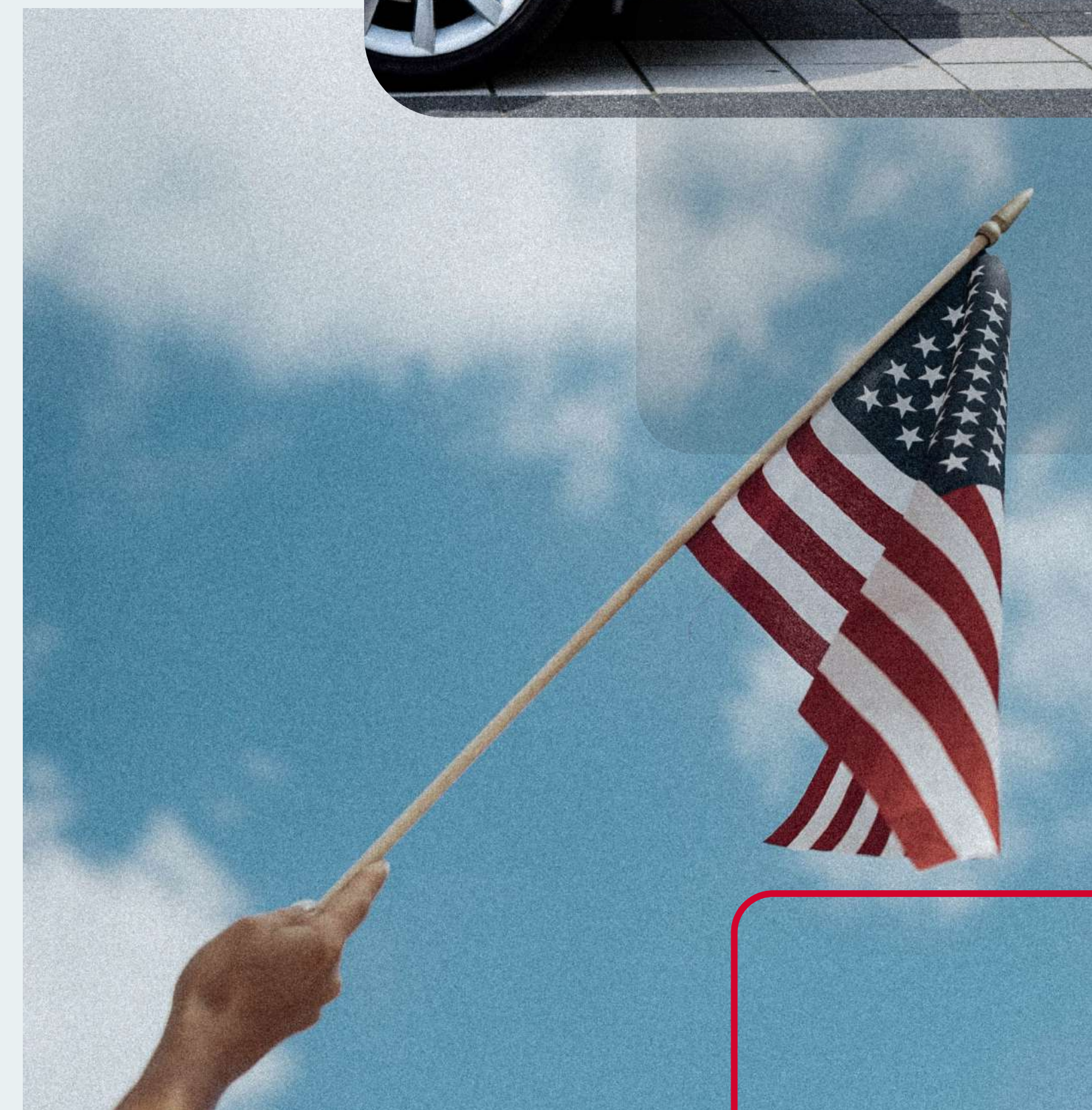
# Foot Traffic Snapshot

Traditional big sale weekends for the automotive industry may no longer be as grand, but dealerships can still muster up excitement around key holidays

VOLUME OF FOOT TRAFFIC, INDEXED (2021)



4th of July weekend drew the biggest crowds last year





# Car Buying Process

Due to inventory issues, car buyers are making twice as many trips to dealerships to find a car to purchase

## % OF DEALERSHIP FOOT TRAFFIC BY DAY OF THE WEEK

Sunday	3%
Monday	16%
Tuesday	16%
Wednesday	16%
Thursday	16%
Friday	18%
Saturday	14%

Car buyers are making **twice the amount of trips** to dealerships before making a purchase



Car buyers still spend an average of 24 minutes at a dealership

### SHOWROOMING



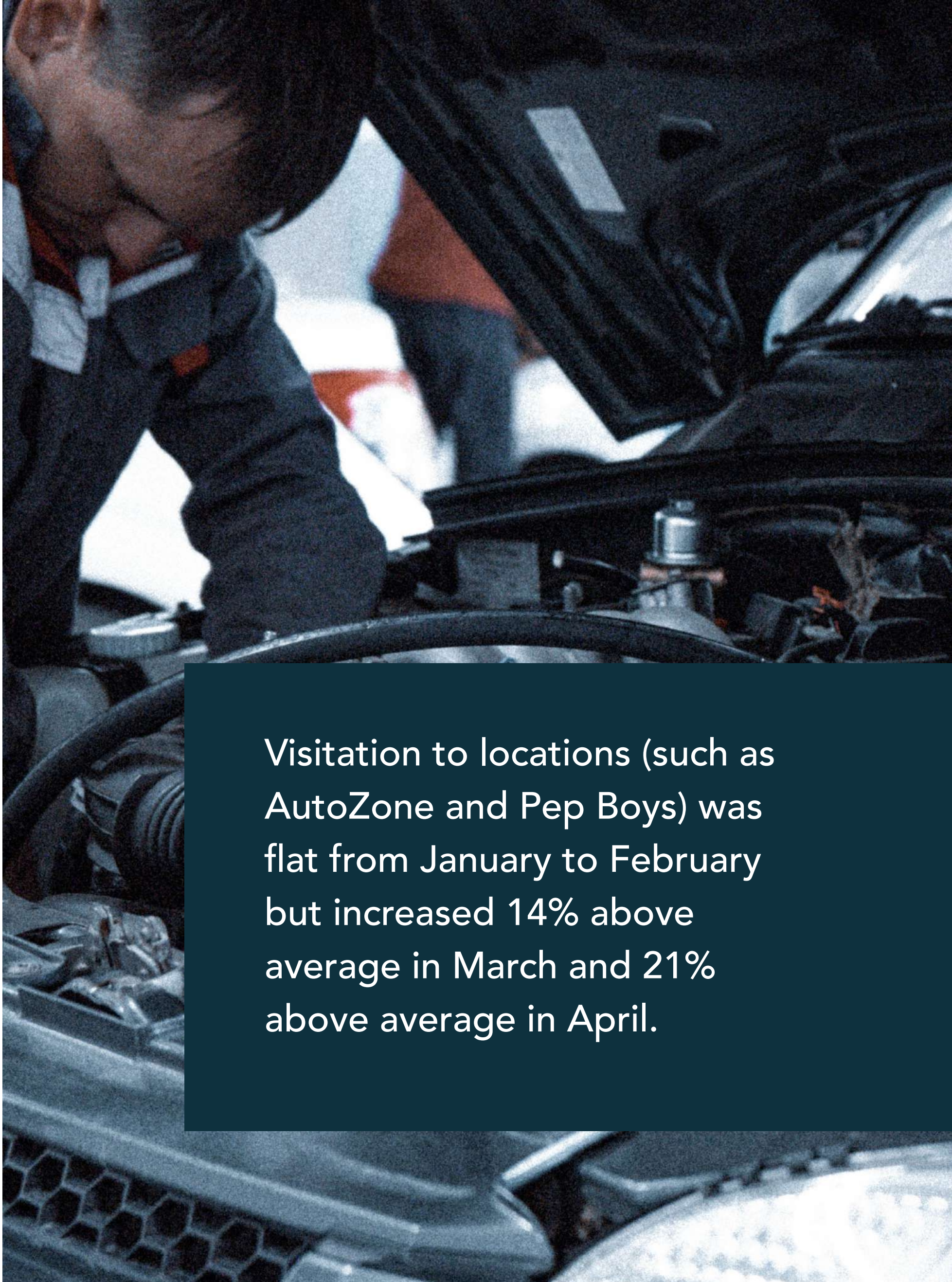
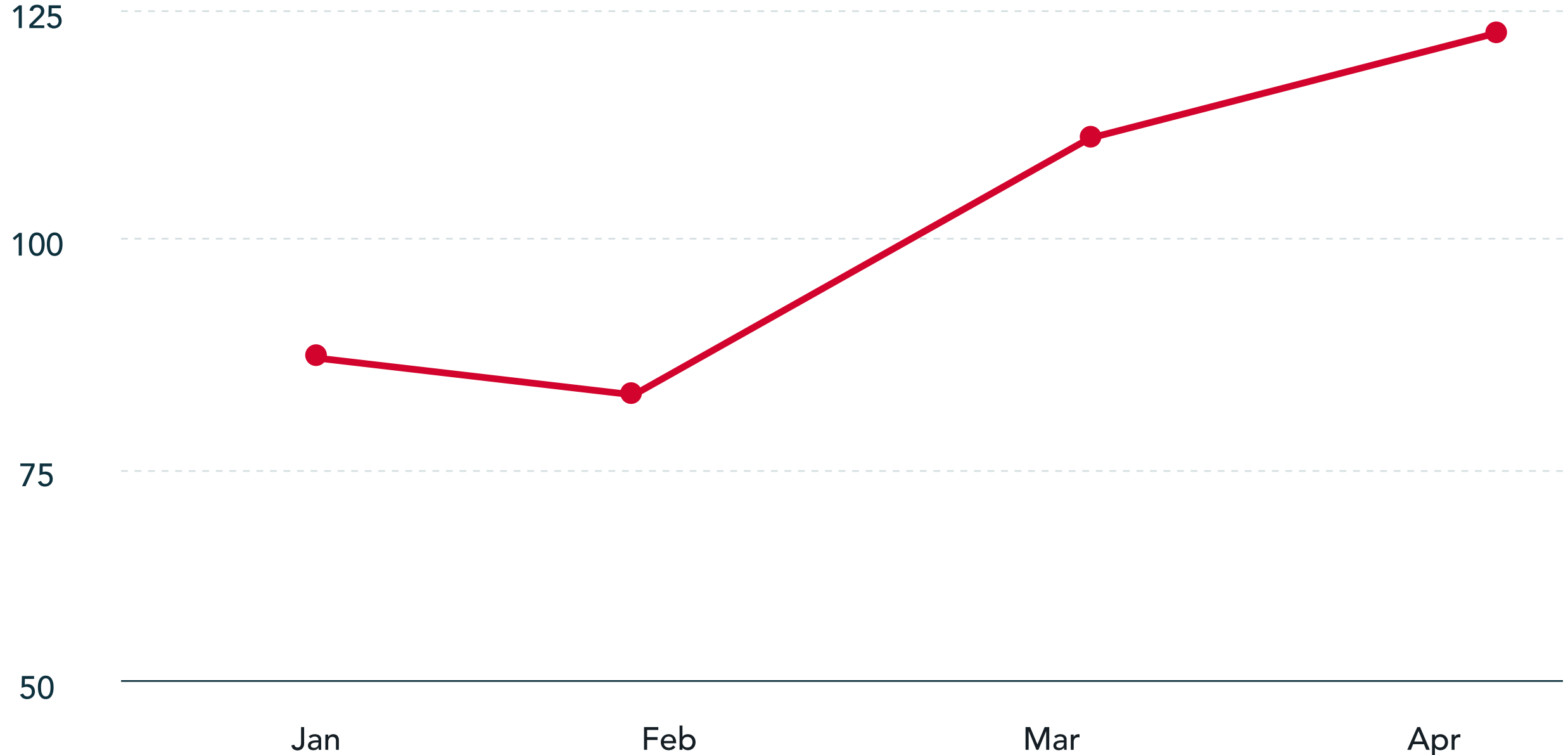
Less time at the dealership means shoppers are spending more time on media devices before and after the visit



# Car Maintenance and Service

DIY auto brands and service departments are experiencing higher demand as the weather improves

AUTO SERVICE/PARTS LOCATIONS FOOT TRAFFIC (INDEXED)



Visitation to locations (such as AutoZone and Pep Boys) was flat from January to February but increased 14% above average in March and 21% above average in April.



# Looking Forward

In a market with so many consumer fluctuations, precision targeting and visitation insights can be an auto marketer's best campaign assets:

## ■ Segment Your Audience Targeting Strategy

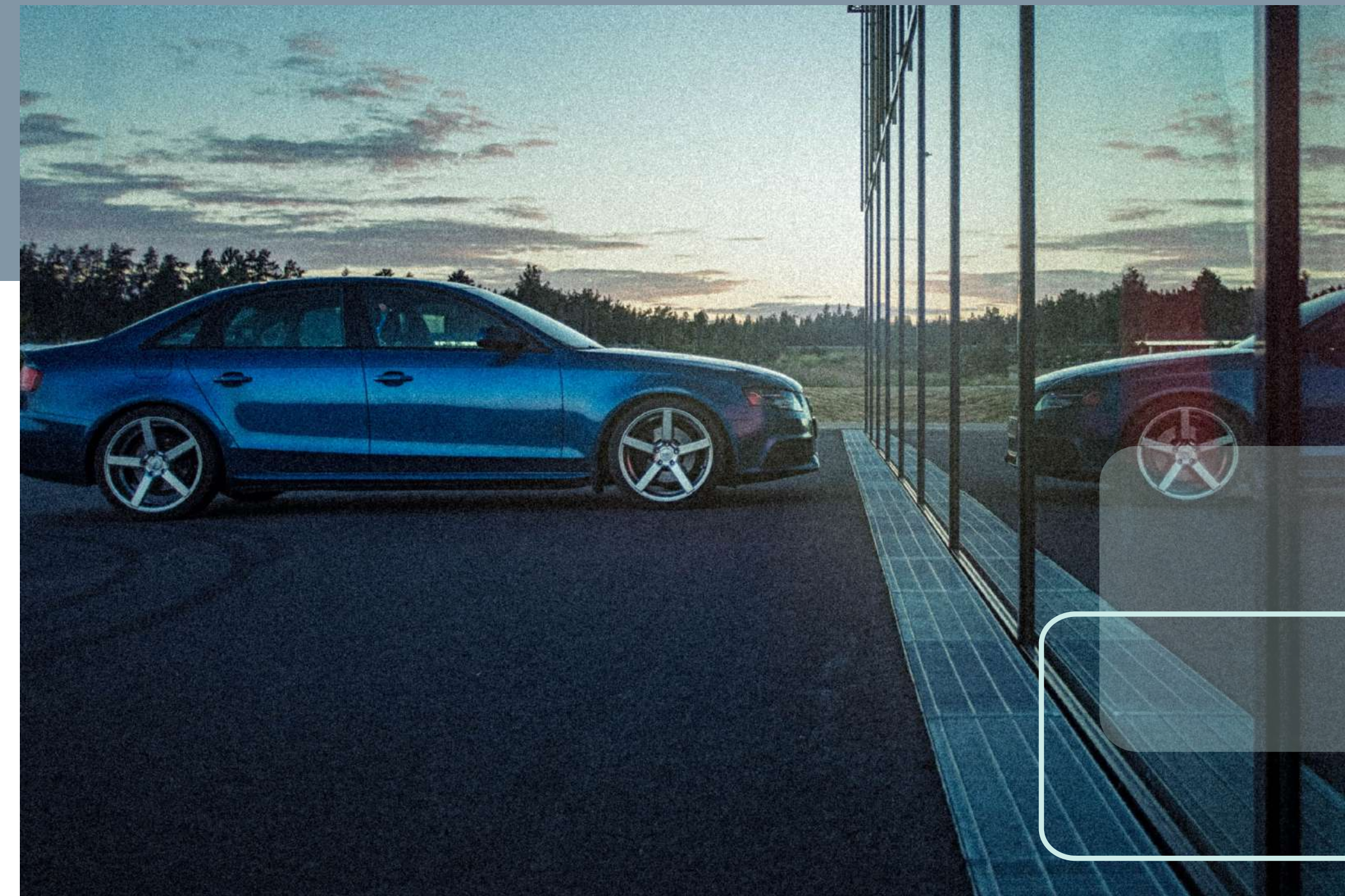
With contextual data like foot traffic, marketers can reach audiences who have recently visited a dealership and align their audience targeting with their customer's personas, such as auto brand preferences, the places they visit, and demographic insights.

## ■ Eliminate Wasted Impressions

If you're an auto dealer and you want to create meaningful engagement with potential car buyers, a majority of your marketing budget should be going toward performance-driven campaigns. This is especially important for auto marketers with multiple locations.

## ■ Make It Easy for Consumers to Research and Buy

In a post-pandemic era, auto intenders expect to have options for how and when they buy a car. Developing integrated campaigns that drive both online and physical actions can increase potential car sales significantly and help diversify revenue channels.







# Questions?

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## CONTACT US

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