

ACCELERATE YOUR DEALERSHIP'S BUSINESS BY APPEALING TO MORE BUYERS



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International

HELPING DEALERS WIN SALES ACROSS BROADER BUYER SEGMENTS.

This Kijiji Autos study focuses on:

- Winning over more buyers that consider both dealer & private seller options.
- Attracting more of the younger demographic that is considering both new & used options.
- Capturing the large part of the high-end new vehicle buyers eager to buy online.

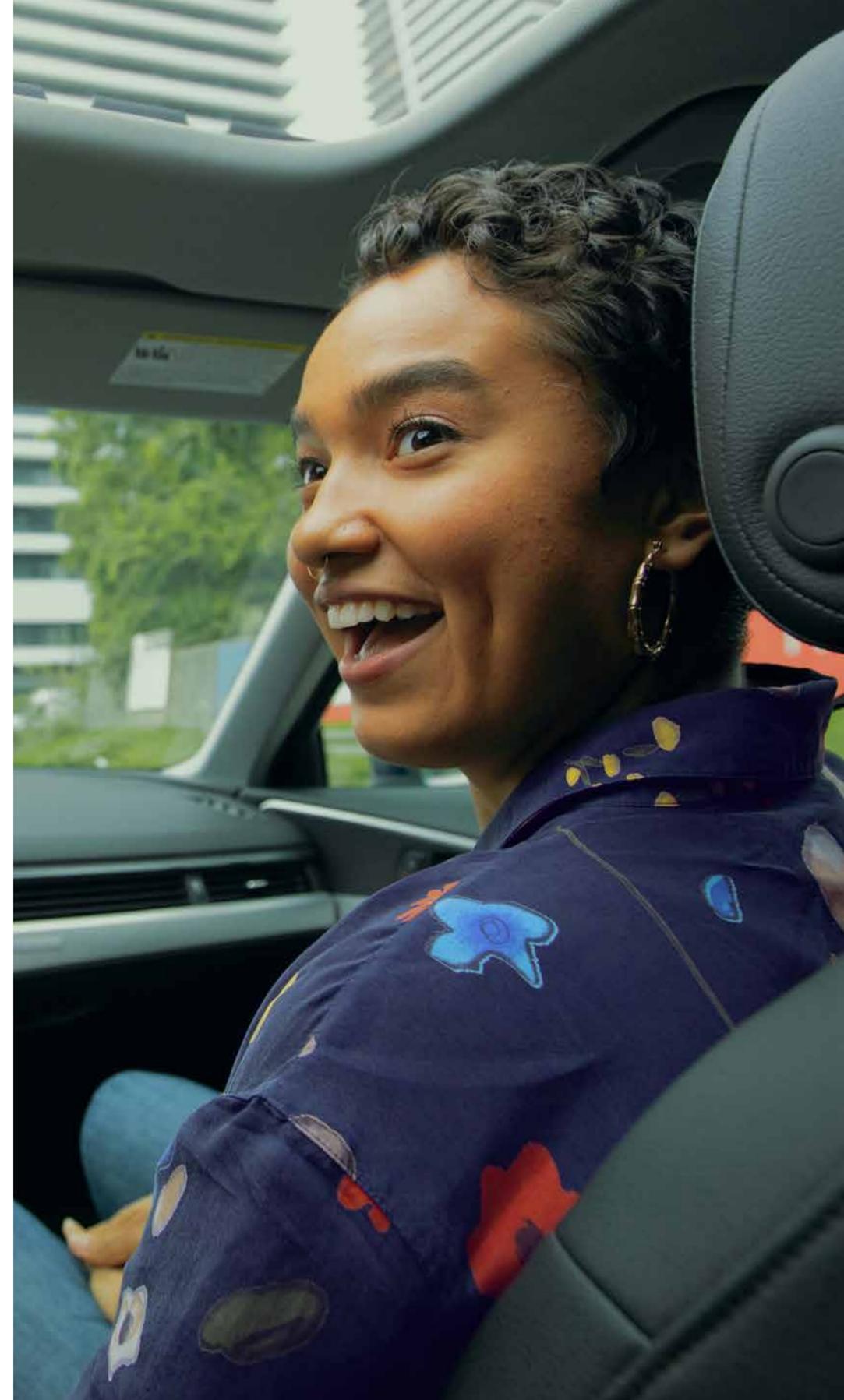
About This Report

To help auto dealers better connect with car shoppers and drive sales, Kijiji Autos has for the 5th consecutive year partnered with BrandSpark International to create this study – based on a survey of over 2,000 Canadians that either recently purchased a vehicle or were in the process of doing so.

Last year the focus was on the impact of COVID-19, the new buyer segment that it created, and the opportunity that existed around the large segment of shoppers considering both new & used options.

This year the focus is on three distinctly different segments of buyers dealers can consider focusing on for growth:

- Those considering both dealer & private seller options
- Younger shoppers considering both new & used options
- Those considering new vehicles worth \$45K+



SEGMENT 1

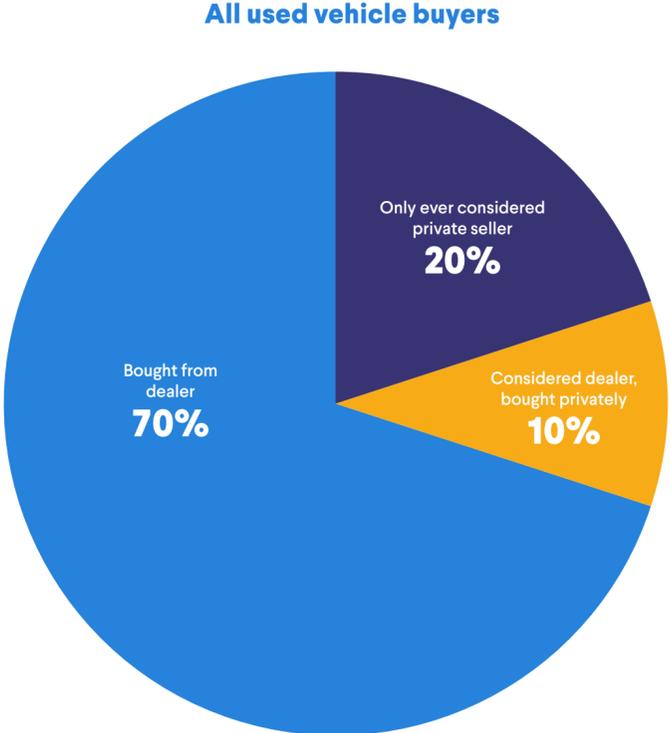
THOSE CONSIDERING BOTH DEALER & PRIVATE SELLER OPTIONS



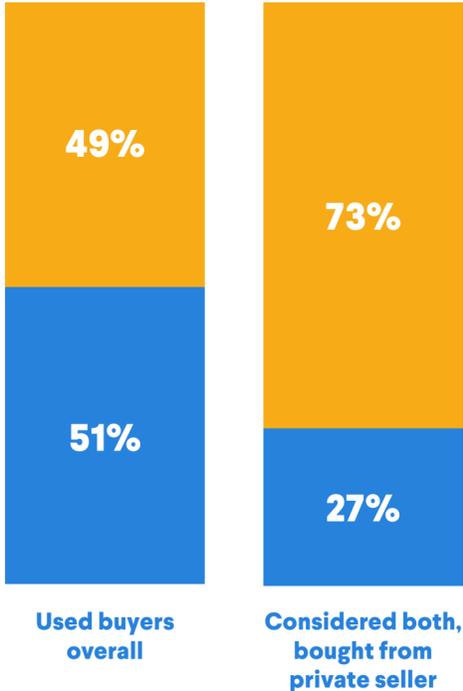
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GROWING YOUR DEALERSHIP'S USED VEHICLE BUSINESS.

10% of the used market considered dealerships but ended up buying privately – which represents a large growth opportunity.

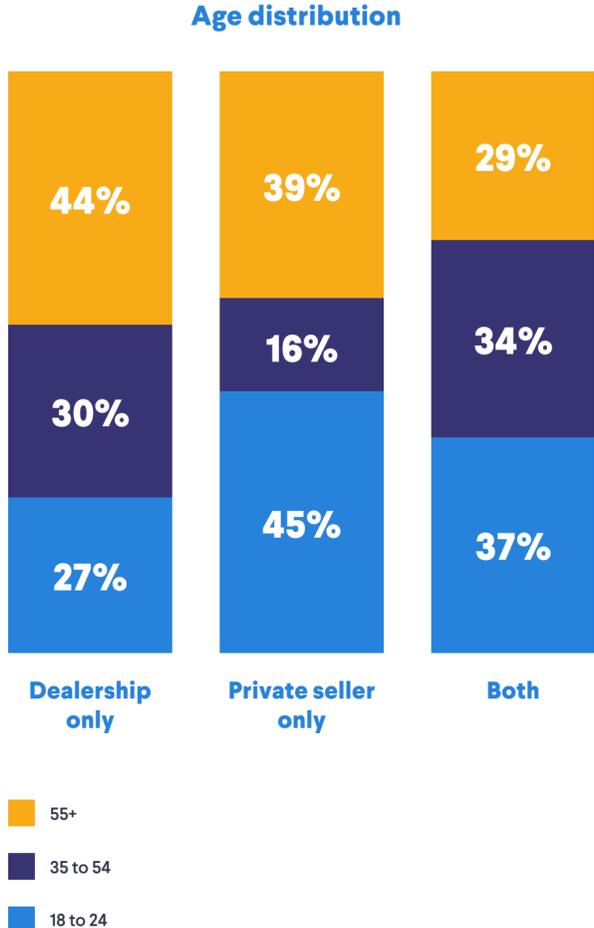


They are more likely than other used buyers to be considering a variety of makes and models.



■ Considering a variety of makes/models
■ Have specific make/model in mind

This group considering both is distributed fairly evenly across all age groups.



■ 55+
■ 35 to 54
■ 18 to 24

There is clearly an opportunity to influence them.



HOW TO WIN MORE OF THESE VEHICLE BUYERS: INVEST TIME IN ONLINE MARKETING.

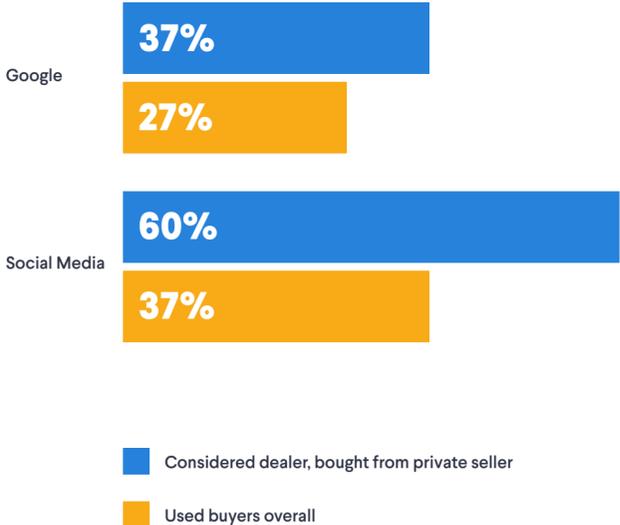
About two-thirds of them start their online journey at a vehicle marketplace.

% that choose online vehicle marketplace as first place they go online.



They pay more attention to digital ads than other used buyers.

Recall clicking on a vehicle ad on social media (Top 2 box)



They are particularly looking for messaging around fuel efficiency and safety.

What's more important to them than other used buyers when considering vehicles:

- 1 Fuel efficiency
 - 2 Safety rating
 - 3 Mileage
- (Note: total price is not on this)

The option of an online-only experience is attractive to them.



SEGMENT 2

YOUNGER SHOPPERS CONSIDERING BOTH NEW & USED OPTIONS

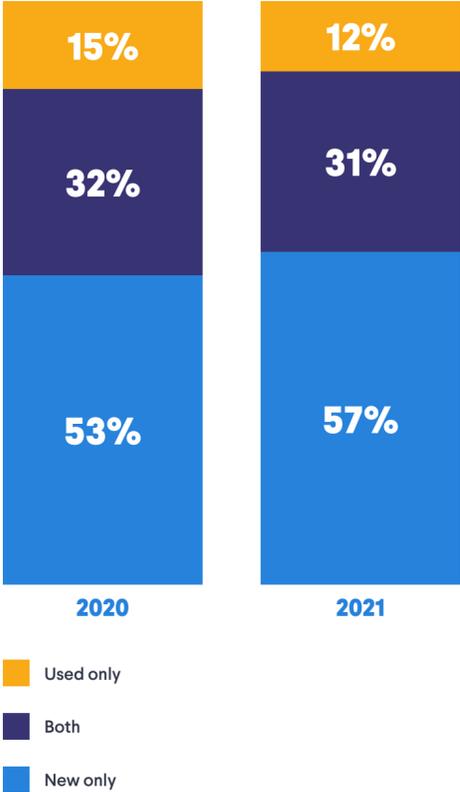


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APPEALING TO YOUNGER BUYERS.

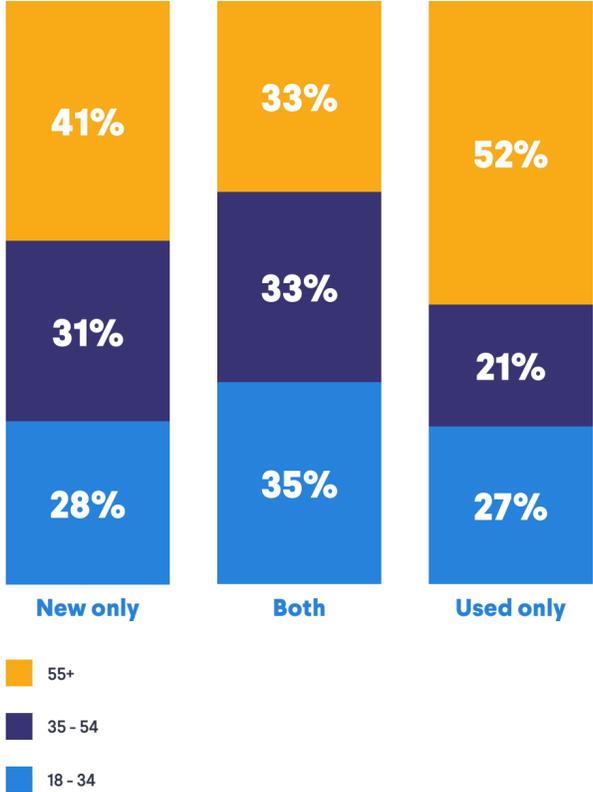
The group considering both new and used is much bigger than those considering used only.

Vehicle type in consideration



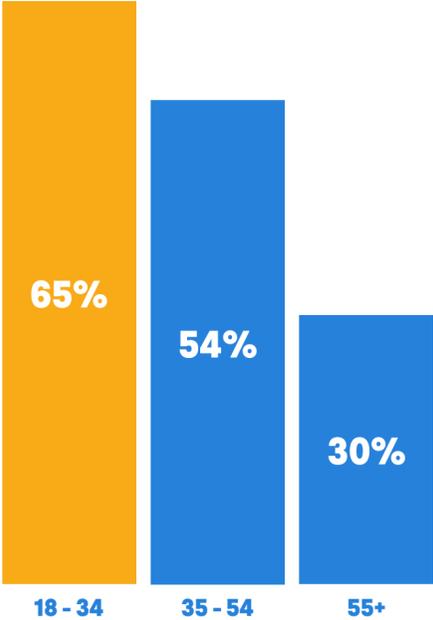
They also skew much younger than used-only shoppers. And it is these younger buyers (and their potentially high lifetime value) we are particularly focusing on.

Interest based on age



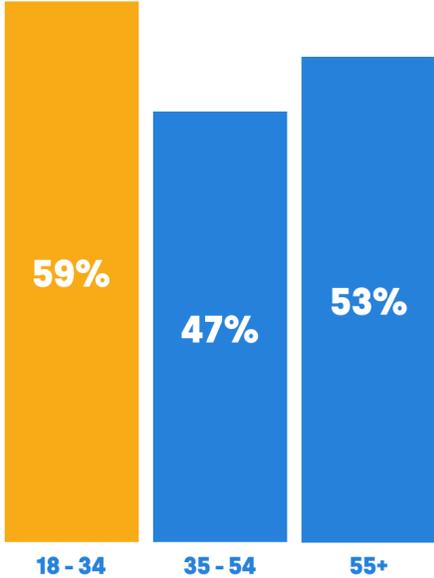
The younger buyers are the ones most likely to consider an online-only shopping experience.

Consider purchase/lease online without going into the dealership (definitely or probably)



But while younger buyers are keen about online, they also value the services dealers provide even more than older buyers.

It is worth spending more to buy a vehicle from a dealership vs. from a private seller (top 2 box) – within considering new and used only.



HOW TO WIN MORE OF THESE BUYERS: PAY ATTENTION TO THE VIRTUAL SHOPPING EXPERIENCE.

Two-thirds of these young buyers start their search at an online vehicle marketplace or by googling things.

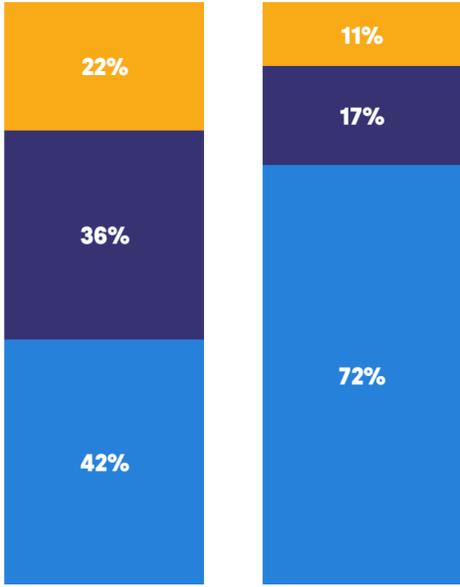
How they start their vehicle search: 18-to 34-year-olds considering both new and used



- Social media
- Online vehicle marketplace
- Automotive review site
- Googling things
- Brand/make website

The majority of these young buyers prefer to get their quotes virtually, but negotiate final price in person.

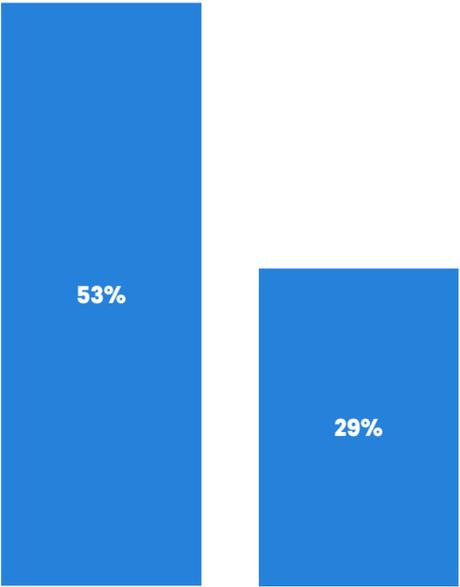
Preferred method of receiving assistance from the dealership



- Online chat
- Over the phone
- In-person - at the dealership

We know from other data the online-only option is even more relevant for the new vehicles being considered (vs. used ones).

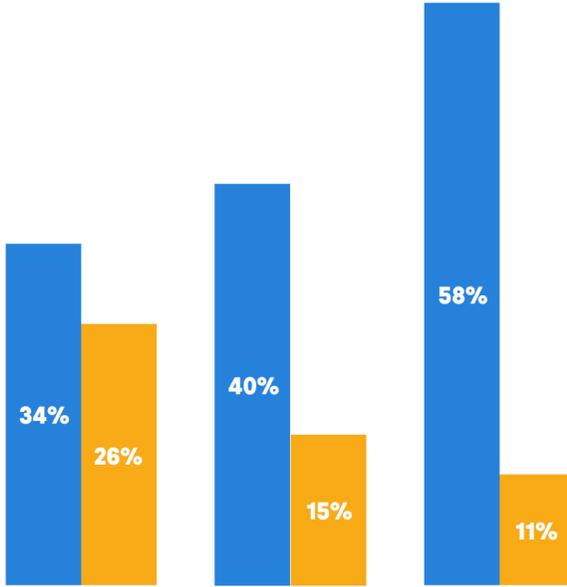
Consider purchase/lease online without going into the dealership (definitely/probably)



- New only
- Used only

For used options, younger shoppers are relatively more interested in added features (and less interested in maintenance history) than older ones.

Selected top 3 most important detail when considering used vehicles



- Maintenance history
- Added features/specs

SEGMENT 3

THOSE ONLY
CONSIDERING
NEW VEHICLES
WORTH \$45K+



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ATTRACTING MORE HIGH-END BUYERS.

We focused on the majority of these high-end new vehicle buyers that start out with a specific make/model in mind.

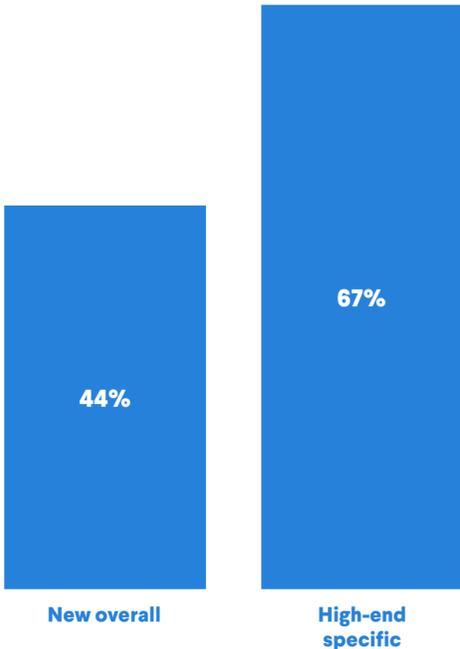


This segment is evenly distributed across age groups, but skews male.



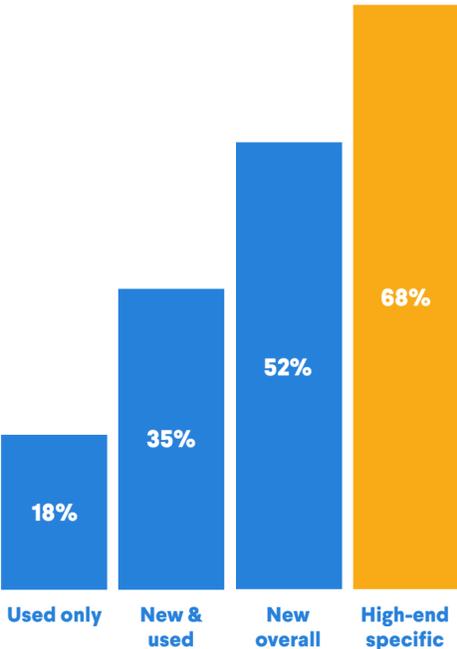
This group starts out believing they already know a lot.

Perceived themselves knowledgeable before looking into a vehicle to buy/lease (Top 3 box)



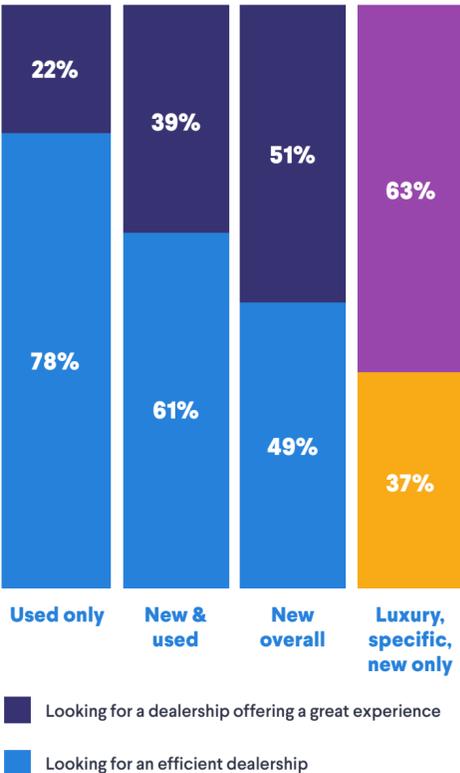
They enjoy the vehicle shopping experience more than other shoppers.

Level of enjoyment (Top 3 box)



They are less focused on efficiency than other buyers and are looking for a great dealership experience.

Ideal type of vehicle shopping experience



HOW TO WIN MORE OF THESE BUYERS: BOLSTER YOUR DIGITAL OFFERINGS.

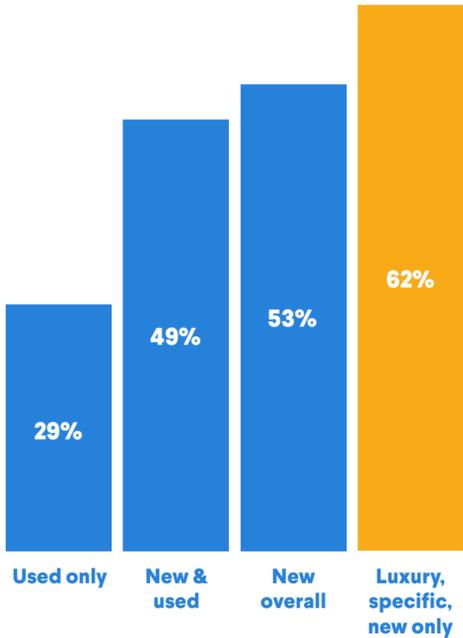
The majority of these high-end buyers are visiting online vehicle marketplaces.

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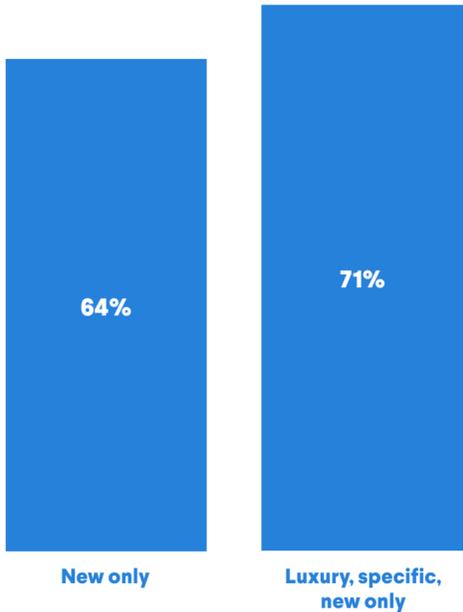
This is the segment most willing to bypass dealership visits altogether.

Completing the purchase/lease online without going into the dealership (definitely or probably)



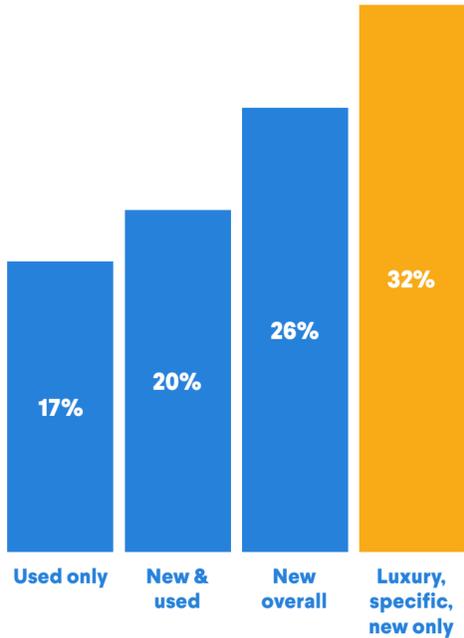
They're even more interested than other buyers in one-on-one digital walk-arounds/video chats.

Interest in having a one-on-one digital walk-around/video chat with dealership salesperson



About a third have ruled out a dealership because of its website.

Recall ruling out dealerships because of their websites



BRINGING IT ALL TOGETHER



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TAKEAWAYS.

The best opportunity for dealers to grow their used vehicle business, without cannibalizing new vehicle sales, is winning even more business from those considering private seller options along the way.

- Online vehicle marketplaces are the best place to reach this group early in their decision-making journey.
- Messages focused on fuel efficiency and safety are particularly likely to get their attention.

Winning more young buyers considering both new & used options is particularly attractive given the high lifetime value these customers can bring – and the fact that they value the services provided by dealers even more than older buyers is great news.

- Details like maintenance history matter less to younger buyers, while added features matter relatively more.
- Being able to get quotes virtually is particularly important given the variety of options under consideration.

High-end new vehicle buyers consider themselves knowledgeable, enjoy the journey, and are looking for a great dealership experience that goes far beyond “efficiency.”

- This group is most likely to value online offerings for part or all of the purchase journey, making them that much more important – starting with the dealership website.



SUMMARY.

This summary report looks at three very different buyer segments that each represent an attractive growth target dealers can focus on – from winning more used vehicle sales over private sellers at one end, to attracting more of the high-end new vehicle buyers at the other.

But across the three there is one clear commonality: the quality of the online experience the dealership offers plays a critical role. And, with so many potential buyers in these segments interested in the idea of an online-only vehicle buying experience, digital retailing can only become that much more important in the coming years.

Online vehicle marketplaces like Kijiji Autos are key solutions that can help both dealers and customers in the sales process. With Kijiji Autos, buyers can shop faster using tools like on-the-spot financing and instant trade-in value estimates, so they know exactly what they can afford. This means less back and forth for the dealer and a greater likelihood that customers are serious about signing when they step into the dealership.

What's Next

This report is a summary of just some of the market trends and car shopper insights that Kijiji Autos offers our dealer partners or partner dealerships to help them grow sales. If you'd like to learn more, contact...

