

Digital Landscape for Car Dealers

The Impact of Covid-19

dmac
media 



2020^{Q2}

3 Intro

4 Survey Structure

5 Search Interest

8 Web Traffic

9 Enquiries

10 Key Takeaways

INTRO

Following a turbulent end to the first quarter for car dealers, we examine the current state of play within the Irish Motoring Sector and explore the digital environment for car dealers throughout the second quarter of 2020.

In this report, we scrutinize the search behaviours of Irish Car Buyers and examine the search trends emerging post Covid 19 restrictions for over 850 key phrases and terms used by Irish Consumers. We assess the activity of over 230,000 website users to predict any return to pre Covid norms while we also explore the changing attitudes of Irish consumers taking action online in relation to both new and used cars.

In doing so, we hope to paint a clear and distinct picture for dealer principals and those with a vested interest in the Irish Car Industry about how the sector has performed online throughout the second quarter of 2020.



SURVEY STRUCTURE

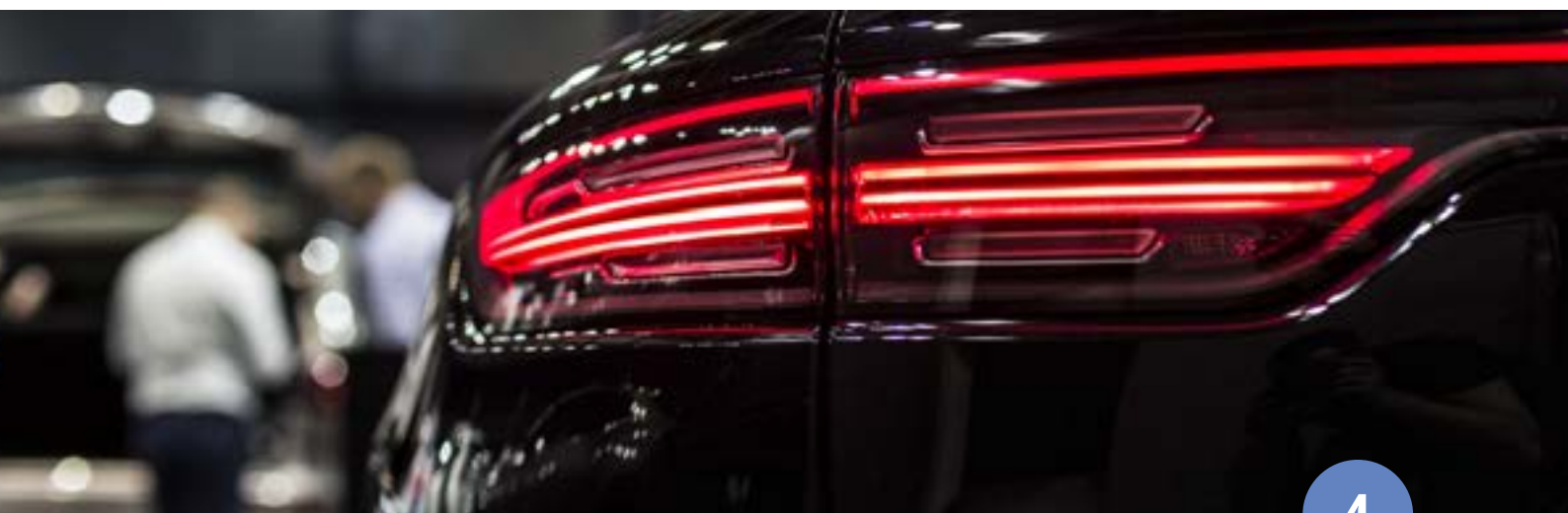
In this survey we examine the digital state of the Irish Motor Sector in the second quarter of 2020. To gain insight into the sectors digital performance, we evaluated three distinct areas. These areas were

- 1.** Search interest
- 2.** Website traffic
- 3.** Consumer Enquiries

Search Interests was evaluated using a bank of 850+ key words and phrases used by Irish Consumers when researching both new and used cars. The average monthly use of these key words and phrases was compiled and evaluated both in a year on year and a quarter on quarter capacity, thus identifying any increases or decreases in online consumer behaviour. These phrases were collated in the sub categories (Used, Finance, Dealers, Models) in order to provide insight into sector specific search behaviours of Irish Consumers.

Website traffic was evaluated based on the number of unique visitors to Irish Car Dealer websites throughout the quarter and compared with the performance in both the previous quarter and throughout the same period in the previous year. In doing so, it was hoped to demonstrate any increase or decrease amongst Irish Consumers actively researching both new and used cars.

Finally, the number of enquiries arising from Irish Car Dealer websites was evaluated both year on year and quarter on quarter. In turn, it is hoped that this audit will showcase any bounce back among consumers who may have delayed their new car purchase as a result of the Covid-19 pandemic.



SEARCH INTEREST

Overall, search interest for the 850+ surveyed phrases and keywords revealed a 6% increase year on year. While this can be considered a positive, it is not indicative of a significant return to pre-Covid-19 norms and represents a quarter on quarter decline of 8% overall.

Looking at subcategories of keywords, searches including the word “used” declined by just 5% versus the previous year, which could be indicative of a plateau within the market following the pandemic.

“Used Car” Searches (1000’s)

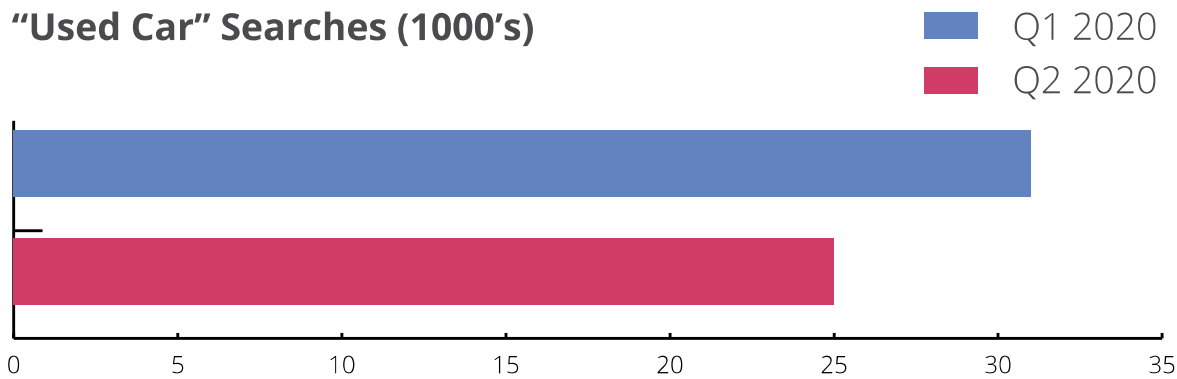


Figure 1 - Decline for keyword searches quarter on quarter - Google Analytics

“Used Car” Searches (1000’s)

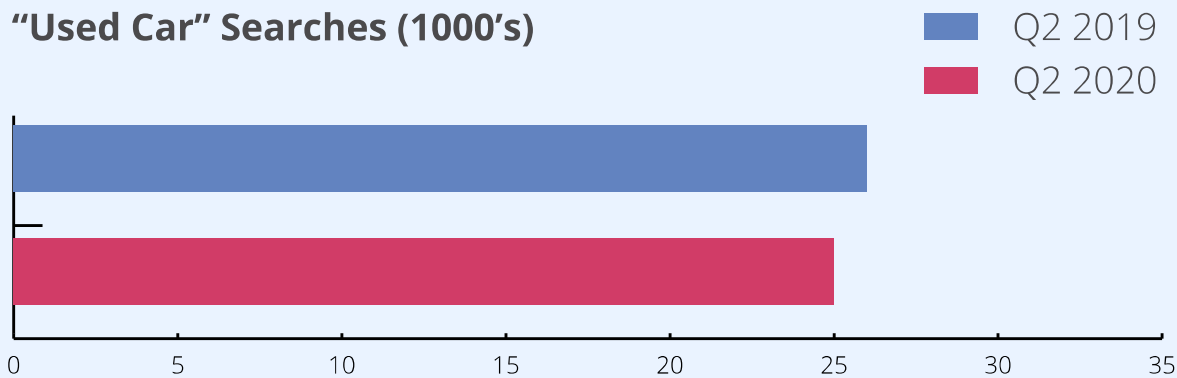


Figure 2 - Decline for keyword searches year on year - Google Analytics

However, during the period, savvy Irish consumers looked to take advantage of windfalls brought about as a result of the pandemic, with searches for “Hertz Used Cars” increasing year on year by a whopping 255%, as the car rental firm attempts to balance the books by selling off their fleet earlier following a declining tourist sector.

Searches including the words “car dealer” or “car dealership” also experience a marginal year on year decline, down just 12% versus 2019.

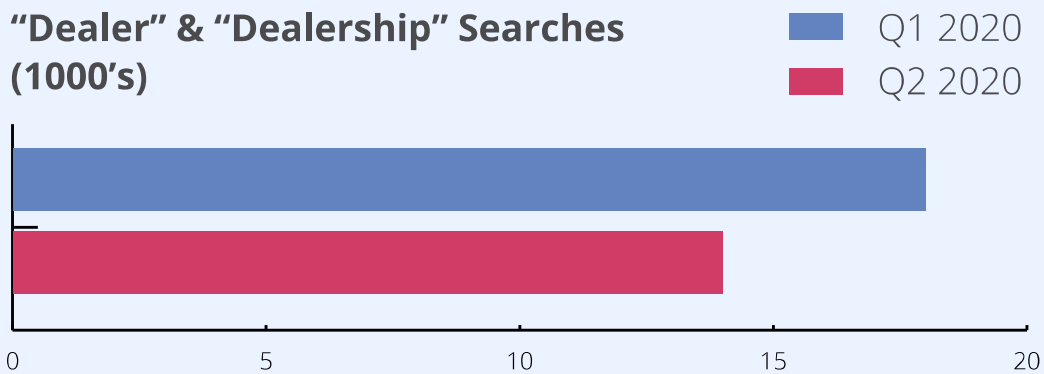


Figure 3 - Decline for keyword searches quarter on quarter - Google Analytics

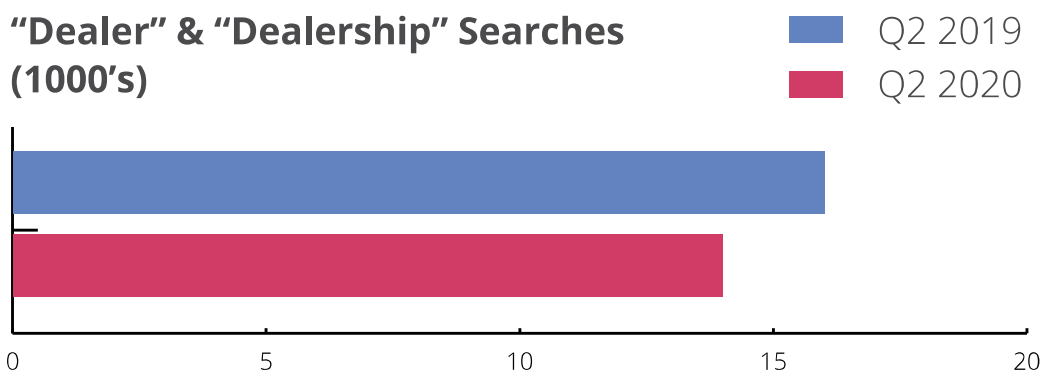


Figure 4 - Decline for keyword searches year on year - Google Analytics





However the Car Finance sector continues to bear the brunt of the fallout as result of Covid-19. Year on year searches including the words “car finance” were down a staggering 27%, demonstrating levels of uncertainty and unwillingness to commit to large value purchases amongst Irish consumers.

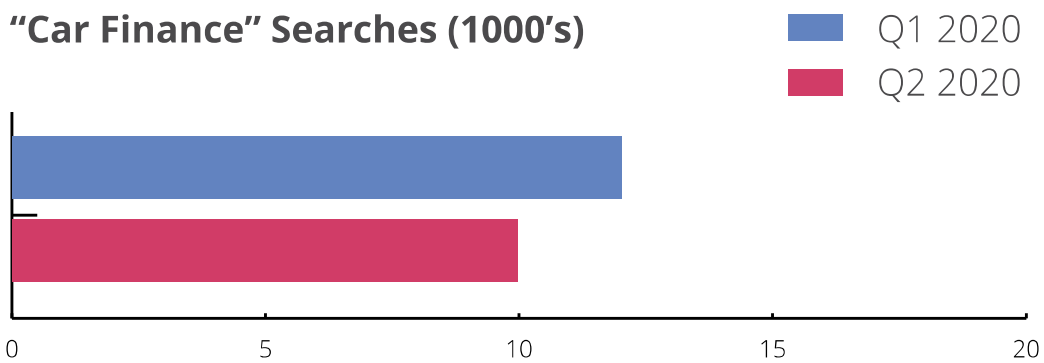


Figure 5 - Decline for keyword searches quarter on quarter - Google Analytics

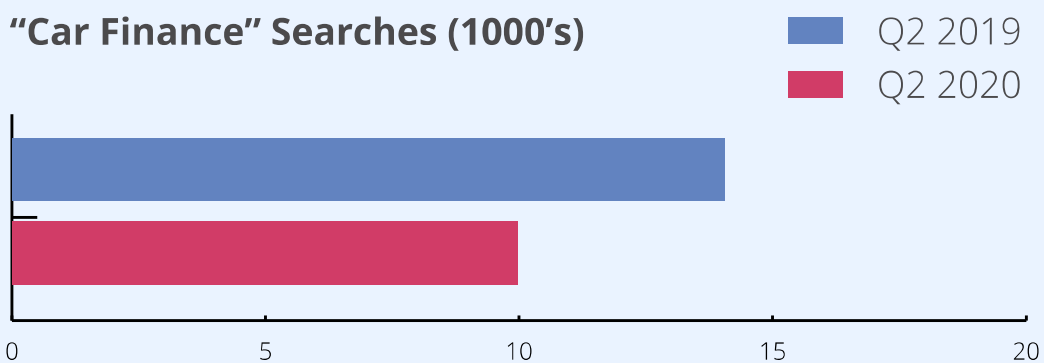


Figure 6 - Decline for keyword searches year on year - Google Analytics

WEBSITE TRAFFIC

Assessing the online behaviour of over 230,000 car dealer website users, there was a 12% increase in website visitors in Q2 2020 versus Q1. What was notable was the significant increase in mobile website visits throughout Q2, up by 38% versus Q1 and accounting for 45% of all visits during the period. The increase in mobile came at the expense of both Desktop & Tablet sessions which were down 28% and 59% respectively on the quarter.

Assessing the impact year on year, did offer some hope for car dealers, who despite the pandemic and restrictive living which we have become accustomed experienced a 15% increase in users and sessions year on year. The trend would appear to suggest that consumer confidence is returning within the car sector, albeit at a slow and steady pace, as customers re-enter both the new and used car buying cycle following the height of the Covid-19 restrictions.

Traffic State - Quarter on Quarter (%'s)

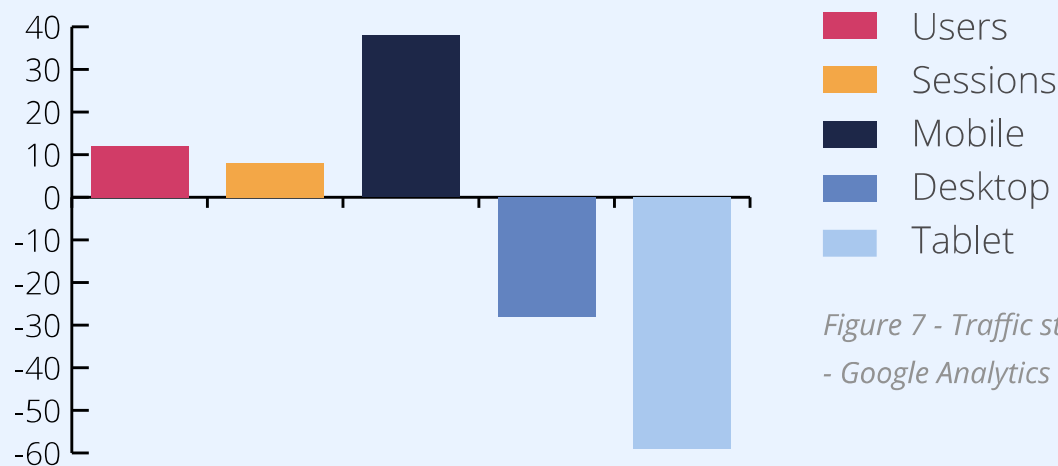


Figure 7 - Traffic state quarter on quarter
- Google Analytics

Traffic State - Year on Year (%'s)

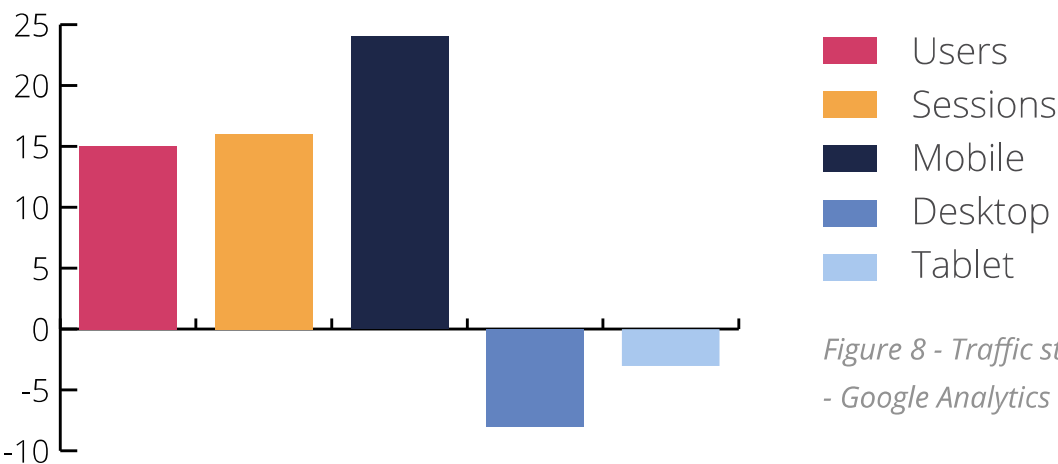


Figure 8 - Traffic state year on year
- Google Analytics

ENQUIRY COMPARISON

Delving into enquiry data for our surveyed websites unfurled some rather interesting statistics. By in large, the volume of enquiries arising throughout Q2 was comparable with Q1 2020, with just a 1% increase noted. However, it is the intent of these enquiries that draws a sharp intake of breath.

Although no notable increases were identified, the enquiry figures for Q2 showcases a 27% decline in the volume of Car Finance enquiries being acquired by car dealers. Year on year, Finance Enquiries are down by 61% in Q2 2020, which suggests a constriction of the car finance market in Ireland, in the short term at least.

The decline in finance applications, coupled with the unsteady state of form based enquires overall suggests that consumers are choosing to book services, test drives and seek out more information from car dealers at present.

Enquiry State - Quarter on Quarter (%'s)

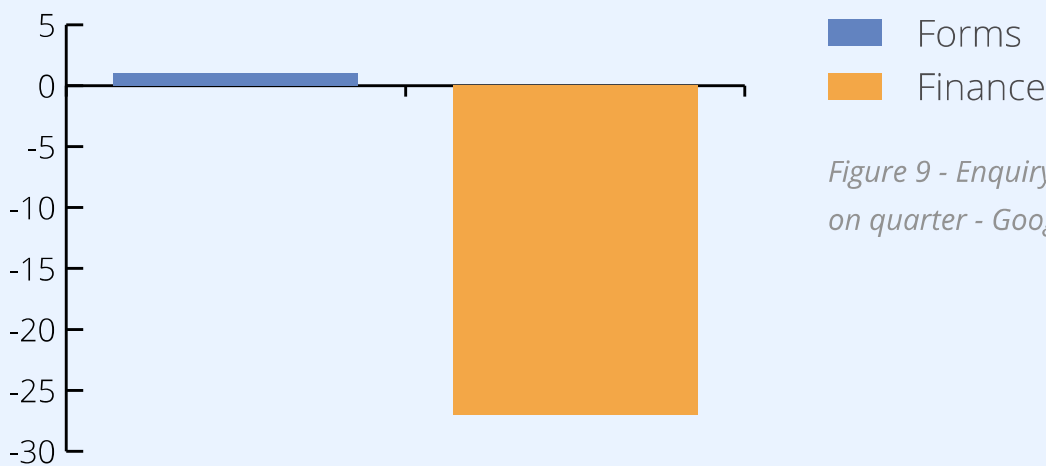


Figure 9 - Enquiry state quarter on quarter - Google Analytics

Enquiry State - Year on Year (%'s)

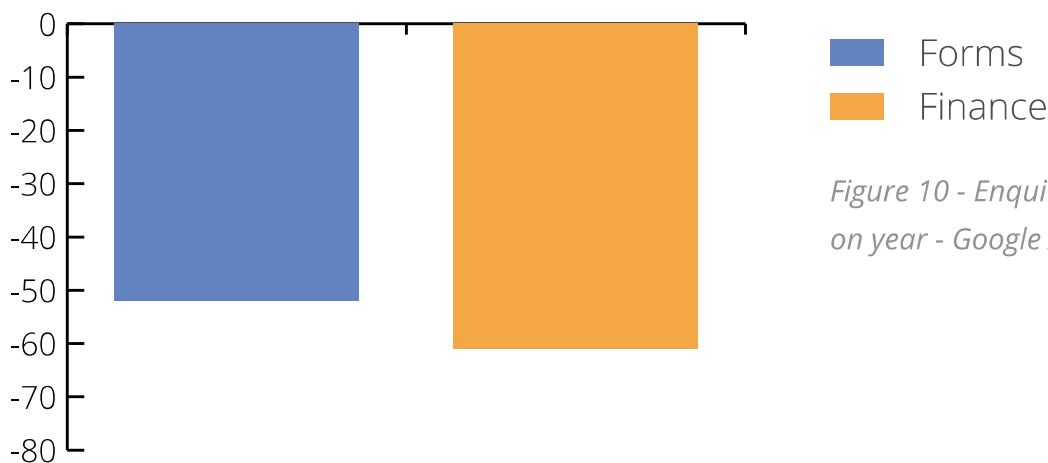


Figure 10 - Enquiry state year on year - Google Analytics

KEY TAKEAWAYS



Search Interest bounces back

While noting just 6% increase year on year could be considered a negative, it should also be considered as a win in the current economic climate. Having undergone an immediate and notable decline at the end of Q1, any year on year increase would have seemed unlikely however, returning a positive at the end of the quarter must be considered a victory within the car industry.



So too does traffic

So while increases in search interest alone might suggest a return to pre-Covid norms, the fact that traffic has also returned to car dealer websites suggests a recovering car market throughout the second quarter. While the increase might only be marginal, the year on year growth for the quarter bodes well and could suggest a strong Q3 for car dealers.



Finance woes continue

Despite the returning traffic and search interest, it would appear as though Irish consumers have taken a step back from finance or at the very least user led finance applications. While there appears to be considerable uncertainty around in all aspects of life at present, it does appear that Irish customers have tightened their belts, particularly when it comes to large value purchases such as that of both new and used cars.