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The Digital Fallout Of Covid-19 For Car Dealers



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INTRO

The Society of the Irish Motor Industry (SIMI) published their official new car statistics on April 1st. Their report shows a 63% decline in new car registrations with just 6,174 cars being registered in March 2020 versus the 16,687 registered in March 2019.

As Covid 19 wreaks havoc across our nation's health and our economy, Dmac Media have taken a closer look at the data behind the decline in car sales and consumer engagement for the Irish Auto Trade.

This is an industry that has benefited massively from a growing digital culture and so the digital footprint is an excellent place to track the changes to the industry. We have set out to examine online consumer behaviour as the Covid 19 Pandemic fastened its grip.

As precautionary measures ramped up across the country, we look at the fallout impacting the Irish Motor Industry.

SURVEY STRUCTURE

To get the clearest possible picture, we examined three distinct areas:

1. Search interest
2. Website traffic
3. Lead generation

Search interest is a measure of how often particular phrases are searched for on Google.

Every time a search is carried out Google captures the text used and this data is then available through Google's Advertising platforms.

We have compiled over 900 key phrases used by Irish consumers during the car buying cycle and compared the number of times these

were searched for in March 2020 against the same month in 2019.

We have classified these keywords into 4 distinct subsections to facilitate deeper insight and meaning:

- Branded search
- Car finance
- Model specific
- Used vehicle specific

We also analysed over 40,000 website sessions from over 25,000 visitors to car dealer websites.

Finally, we have examined the number of website enquires generated by these 25,000 individuals and determined the visitor to enquiry rate.

SEARCH INTEREST

Search interest for specific brands declined by 25% year on year and represents the smallest decline across each of the four sections.

Car finance searches have contracted by 45% year on year.

A staggering 85% decline for model specific searches year on year. In fact, interest in 3 of the top 10 selling models in January 2020 reached their lowest levels of search interest since 2011.

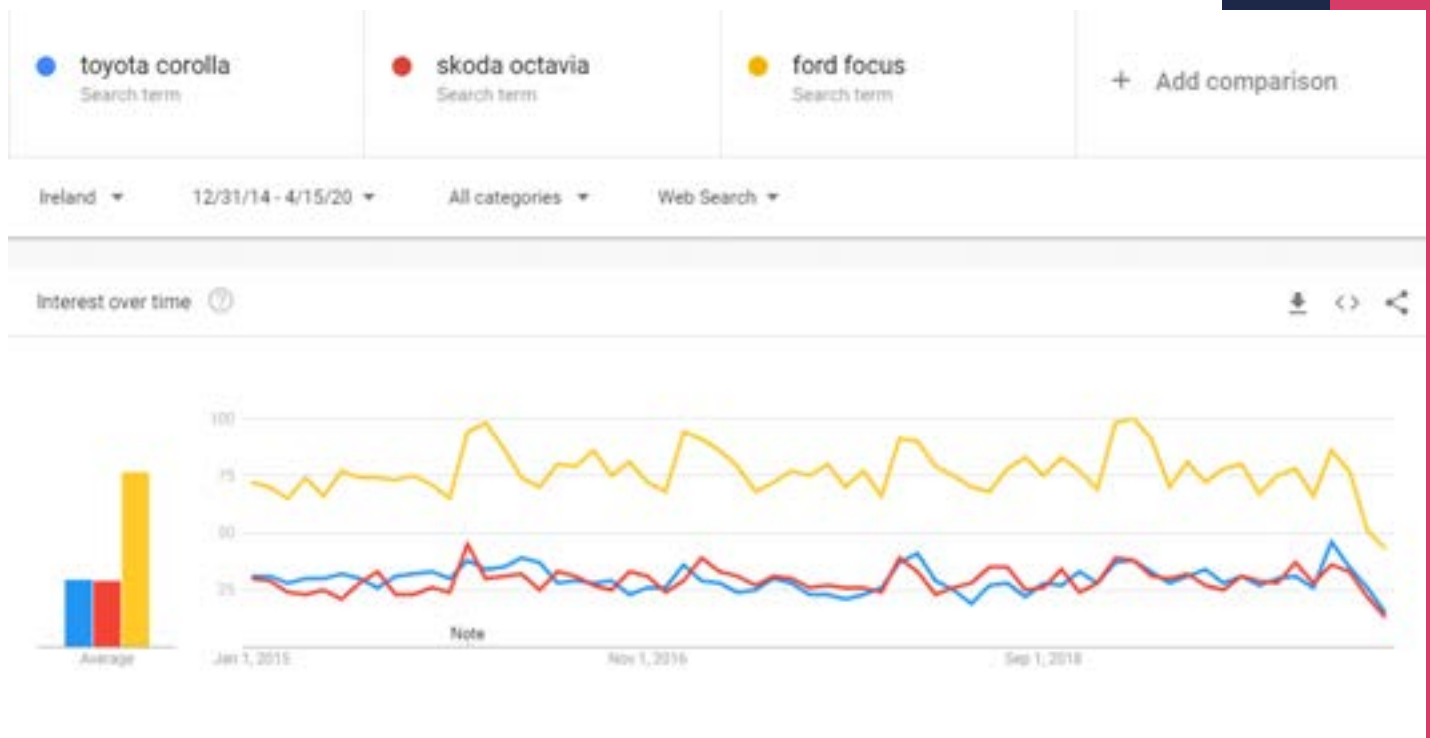


Figure 1 - Decline for model specific searches year on year - Google Analytics

The largest decline in search interest was for used cars with a 96% decline year on year, from 541,790 searches during March 2019 to just 23,310 in March 2020.

Overall Search interest for the automotive industry has plummeted. In March 2019, there were 971, 020 searches and this dropped to 104,550 for the same period in 2020.

In the short term, consumer interest has significantly decreased as a result of current pandemic.

WEB TRAFFIC

We have analysed over 40,000 web sessions from over 25,000 users of car dealer. Year on year, website users declined 43% in March 2020 versus the same time last year.

Declining number of users aligns with the decline in web sessions that actually took place, down 42% versus last year.

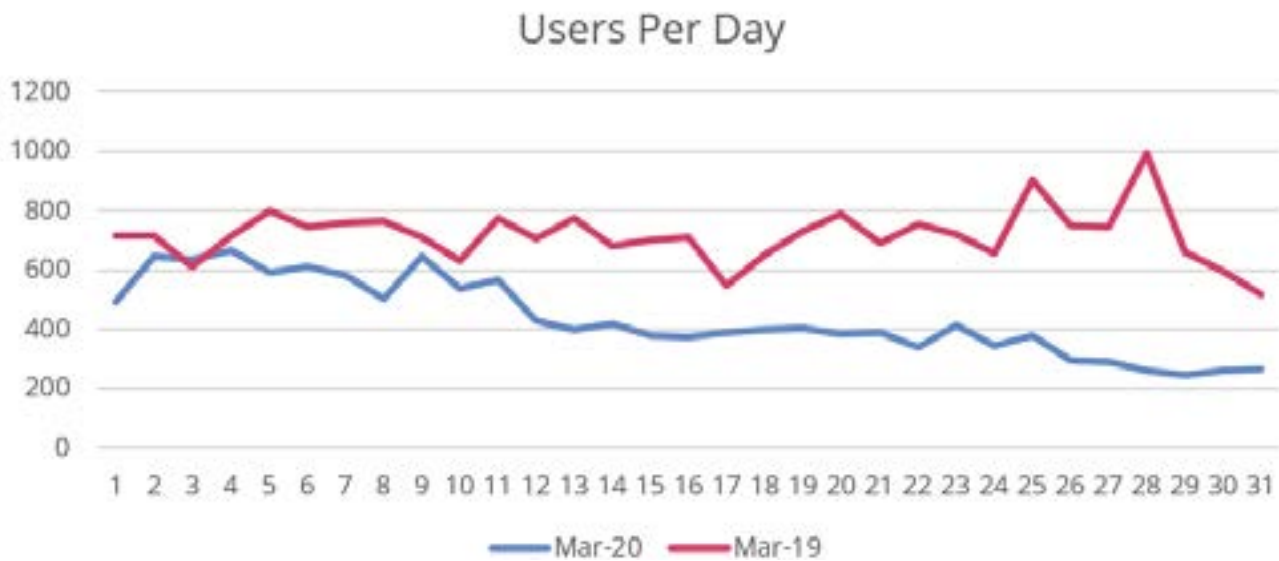


Figure 2 - Decline in web traffic based on over 40,000 web sessions - Google Analytics





ENQUIRIES

Equally the number of enquiries generated on website fell by 61% versus the same period last year.

The decline in the number of finance applications the websites processed, has fallen by 83%.

The visitor to enquiry rate fell by 30% throughout the month of March 2020.

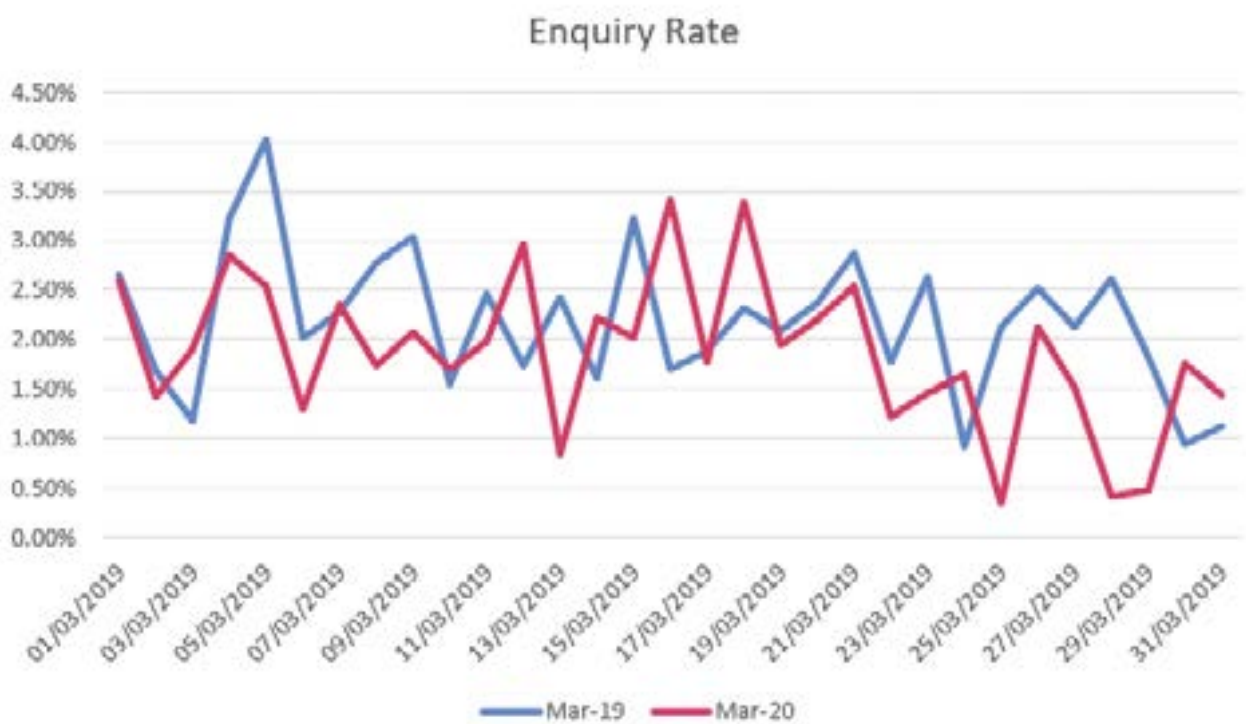


Figure 3 - Decline in web enquiry falls by 61% - Google Analytics

KEY TAKEAWAYS



Online Data could be a good indicator for a return to the norm for Irish Motor Dealers.

There is no doubt that Irish Auto Trade is suffering right now. However, search interest data such as that which is examined in this report could help determine a return to the norm for the Irish Car Sales Industry.

While we expect to see the full impact of Covid-19 become apparent in our April Report, any return to the norm for Irish Car Sales will be evident in the online recovery of search interest before it is seen in dealerships.



Many Car Dealers are feeling the effects.

The impact of the Covid-19 pandemic on the Irish Auto Trade is being shared by all dealers across the country.

Not only has consumer interest fallen in the New Car sector but the used car sector has also been significantly impacted as consumers postponed their intention to buy a new car.

Website visitor numbers are down across the board in line with the declining search interest in March, while those who are visiting dealer websites are choosing not to enquire at this time.