How does life online translate to life in the showroom

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How does life online translate to life in the showroom?

By Professor Jim Saker

Over the years, the motor industry has spent large amounts of money on market research, in the form of questionnaire surveys, focus groups, driving experiences and numerous interviews through a range of media.

If the research is conducted with integrity, the questions asked are appropriate, and the analysis is done systematically, it is likely that an insight can be gained on peoples' opinions and views. Acting on this information, organisations attempt to shape their product or service offering in a way that leads to some form of success.

Much of this research is confrontational, in that it is demanding a response to a question or prompt. This is a false environment and the challenge is to work out whether the information gathered will actually be transferred into behaviour outside of this context.

For a number of years, our team at Loughborough undertook observational research at motor shows in Europe, observing and recording how people moved around the stands, where they stopped, what they were looking at and how much time they were prepared to invest in any one exhibit.

This helped to shape the layout and design of the stands, but always left unanswered whether what we learned from a motor show could be applied in another context - the dealership showroom.

Another area where this happens is digital and social media. One of the challenges is to see what the connection is between life on the web and everyday living. We know from examples of cyber-bullying that people who are shy and retiring in real life suddenly feel empowered to target others with vitriol and abuse online. Others create their own fantasy world, taking on a persona totally different to their own.

Last week, I received the Social Insights report on the Automotive Industry, produced by Brandwatch. The company is well known for its social media intelligence work and although I am not in a position to advocate or endorse them, I think some of their findings are both interesting and insightful. Basically, the company monitors the web and social media platforms and collects data from online comments, Twitter data and Facebook channels.

Their data collection focused on 48 motor industry brands and was analysed from a range of perspectives. The data collected is very general and inevitably reflects the influence of the US market, but still provides some thought-provoking ideas.

One of the most interesting aspects of their research shows that over the next 10 years 40% of new car buyers will be millennials whose attitude to information acquisition is almost totally online and that 40% will express their experience online, whether it is positive or negative.

However, more than 98% of this online conversation will take place on accounts not owned by the brand, making the audience the dominant force in any discussion.

On average, manufacturers tweet five times a day and post on Facebook an average of 1.2 times per day. When compared with other industries, the motor industry contributes less online, but draws a relatively high level of engagement from its posts.

The figures show that the consumers maintain their level of activity through the week and into the weekend, while manufacturers appear to almost switch off at weekends. This issue is quite important - it appears that when the dealer world is most busy, both online and in the showroom, the manufacturers have packed up for the weekend. Surely, if we are to exploit the potential of social media, it will be increasingly important to provide content when the consumers want it and start to co-ordinate activity in line with customer interest.

Some of the more interesting data produced was in the area of brand content. During the period November 20 to January 26, Facebook content reveals that the carmakers' strategy is primarily driven by photos, which comprise 72% of their posts. These generated 3,775 likes, 84 comments and 241 shares. By comparison, video accounted for 18% of the posts and generated 3,163 likes, 162 comments and 645 shares. While videos require more effort to produce, they would appear to be a more effective way to reach consumers.

Another fascinating insight is in the gender split of the online audience, which is 71% male and 29% female. However, Honda's online audience was 63% women, while Hyundai (51% female) and Suzuki (48% female) had almost even distribution between genders. Meanwhile, Isuzu came out 90% male.

The interests of the online automotive audience were also analysed and the top three were sport, automotive and family/parenting. It would be interesting to see whether other sectors scored differently.

This and other reports about social media in our industry are beginning to emerge. The challenge is in seeing how these indicators translate into customer behaviour in the marketplace. As the millennials and subsequent groups come through, we will start to understand whether life online does reflect life in the showroom.

"It appears that when the dealer world is most busy, both online and in the showroom, the manufacturers have packed up for the weekend."

Professor Jim Saker is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards Judge. He has been involved in the automotive industry for more than 20 years.