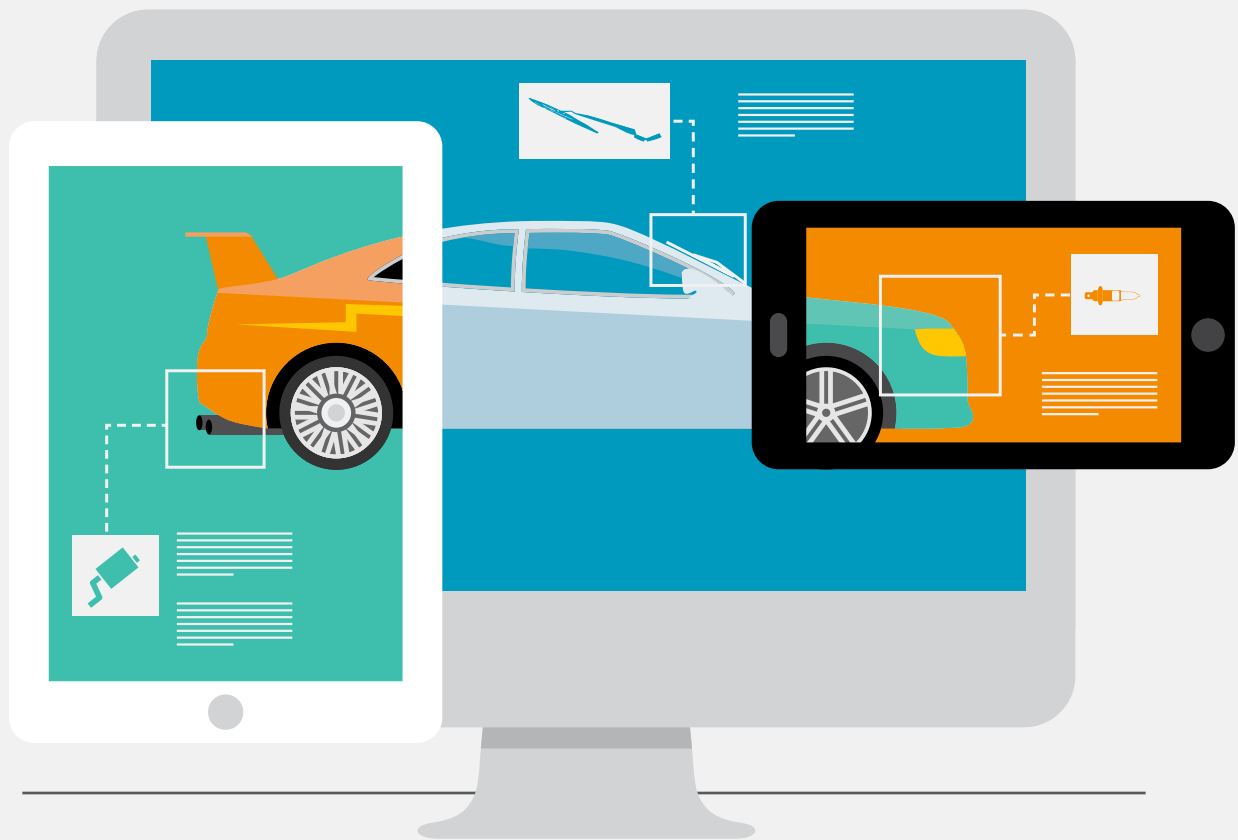




# What's Driving the Automotive Parts Online Shopper<sup>TM</sup>

A Customer Experience Study conducted by comScore



## Table of Contents

### I. Introduction

A) Study Background .....	3
B) Key Takeaways .....	3
C) Conclusions and Implications .....	3

### II. The 5 Drivers of the Automotive Online Shopper in 2014

A) Overview .....	4
B) Distinct .....	5
C) Decisive .....	8
D) Dedicated .....	11
E) Diligent .....	13
F) Diverse .....	16

### III. Conclusion

A) Implications for Retailers and Manufacturers .....	18
B) Study Methodology .....	20



## I. Introduction

E-commerce is poised to become one of the most important channels in the automotive aftermarket parts industry. In fact, online channels are growing by double digits while brick and mortar channels are relatively flat. Consumers are keeping their cars longer, on average more than 11 years, which will continue to boost the online purchasing of automotive parts and accessories.

With the rapid growth of e-commerce in the automotive parts aftermarket industry comes new consumer shopping behaviors and preferences. Understanding how automotive parts shoppers are navigating the online landscape will help retailers deliver a positive e-commerce customer experience and drive brand loyalty, return shoppers and sales.

### A. Study Background:

The What's Driving the Automotive Parts Online Shopper study reveals how numerous factors – ranging from mobile and social media to shipping and delivery options to returns – have an impact on the automotive parts and accessories shopper's online customer experience and purchase decisions. The study also uncovers distinct types of online automotive shoppers, such as upgrade buyers, replacement buyers and millennials (ages 18-34), as well as provides insights into how retailers can best meet the needs of these different audiences.

### B. Key Drivers:

Unique purchasing behaviors and motivations separate the online automotive parts and accessories buyer from the general online shopper. The study identified five "Drivers" that distinguish the online automotive parts and accessories buyer.

- Distinct: a difference based on purchasing intent for upgrade vs. replacement buyers
- Decisive: a group who knows what they want and are willing to wait for it
- Dedicated: a frequent shopper desiring convenience and flexibility
- Diligent: a focus on research emphasizing price and reviews
- Diverse: a demographically varied market

### C. Conclusion:

Growth in automotive parts and accessories e-commerce is changing the competitive landscape. Learning how to navigate these industry changes are crucial for future growth. This study provides insight into the automotive parts online shopper and suggests how direct-to-consumer automotive parts companies can act to position themselves for success. For example, a high quality website is a must in order to be competitive and drive repeat purchases and shopper loyalty. In the online world, brand loyalty matters less than the customer experience, including ease of navigation, clarity of pictures, functionality and extra features. The automotive part online shopper profile that the study reveals provides great marketing tips for automotive companies striving for growth in this new environment.

## II. The 5 Drivers of Online Automotive Shoppers

### A. Overview



#### 1. Distinct:

A difference based on purchasing intent for upgrade vs. replacement buyers

Online automotive shoppers fall into two distinct groups: upgrade buyers, who are looking to enhance the performance or aesthetics of their vehicle, and replacement buyers, who are seeking products for repair maintenance. Upgrade buyers are younger, power shoppers who often are interested in buying other products during checkout and make more returns versus replacement buyers. Replacement buyers tend to be older (45+), know what they want and are highly likely to comparison shop to find the best deal.



#### 2. Decisive:

A group who knows what they want and are willing to wait for it

Online automotive shoppers go into the purchasing process with a solid understanding of their specific product needs and are willing to wait for their purchases. These shoppers will wait for an average of eight days to receive purchases and four additional days for free shipping. Online automotive shoppers are far less likely to return products than the general online shopper, with only 27% of online automotive shoppers saying they have returned an item bought online versus 62% of general online shoppers.



#### 3. Dedicated:

A frequent shopper desiring convenience and flexibility

The online automotive purchaser is a frequent and experienced shopper who expects a convenient and flexible shopping experience throughout the path to purchase. From an easy checkout process to the ability to see expected delivery dates during checkout to ease of making returns, these shoppers expect a flawless experience. On the post-purchase side, 70% report viewing a retailer's return policy before making purchases, further indicating the importance of providing information across every stage of the shopping experience.



#### 4. Diligent:

A focus on research emphasizing price and reviews

Research and comparison shopping are at the heart of online automotive shopper's decision making process. These shoppers read reviews from sources they trust, including third-party retail sites, consumer reports and social media channels. They also pay particular attention to price, with 83% comparing prices before making a purchase. More than half of online automotive consumers (56%) say price influences their decision to buy, taking precedence over brands and related loyalty programs.



#### 5. Diverse:

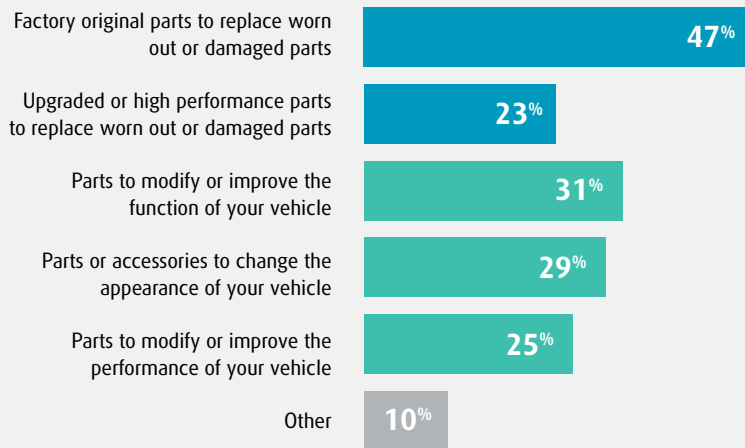
A demographically varied market

Online automotive shoppers are a diverse group when it comes to age, gender, income and additional living factors. Diverse audiences often have differing desires and needs. Millennials, who comprise 28% of the automotive segment, value promptness and convenience in their online shopping experience. Women, who make up 40% of this market, tend to prefer buying their automotive parts and accessories from a retailer rather than directly from a manufacturer.

## B. Distinct: Two Types of Buyers with Distinct Needs and Preferences

Online automotive shoppers can be broken into two groups - replacement buyers and upgrade buyers - each with unique purchasing preferences and behaviors that are important for online retailers and manufacturers to understand.

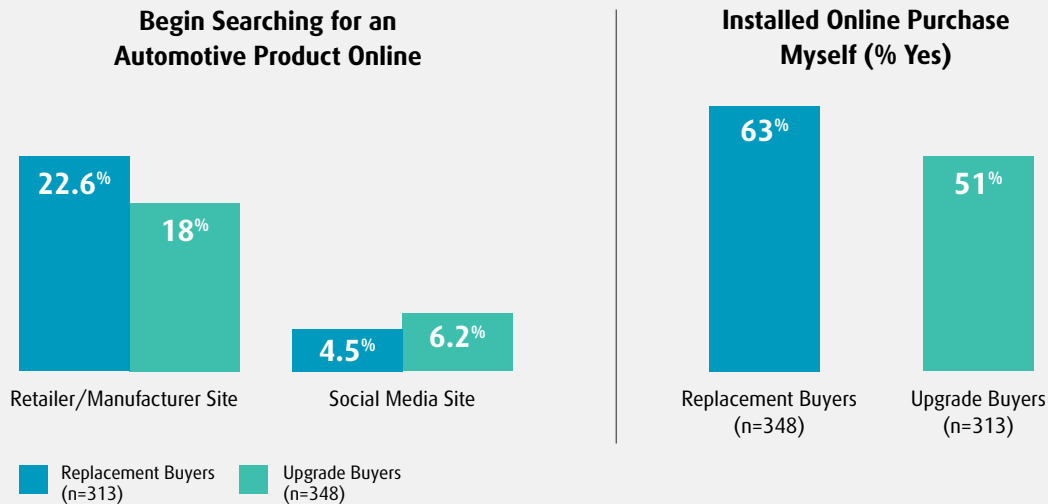
### Categories of automotive parts/accessories purchased online (Base: Total respondents, n=581)



**Replacement Buyers:** These consumers, typically over the age of 45, purchase automotive parts and accessories online in order to replace worn out or damaged items on their vehicle. They have a highly focused and direct approach to their online shopping experience, as they tend to know exactly what they are looking for. If the specific product is unavailable or not priced competitively, replacement buyers will not hesitate to shop elsewhere (59%). Eighty-nine percent of this group will also comparison shop, leaving a site to check prices elsewhere, further emphasizing their focused shopping process.



The online search for both automotive replacement buyers and upgrade buyers usually begins by going directly to a retailer or manufacturer's website (22.6% and 18%, respectively). Social media, to a lesser extent, also plays a role in the search for automotive parts and accessories online with 4.5% of replacement buyers beginning their search here compared to 6.2% of upgrade buyers. Replacement buyers are also more likely to install parts themselves (63% compared to 51% of upgrade buyers).

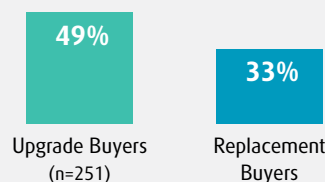


**Upgrade Buyers:** These consumers tend to be millennials (41%) who purchase automotive parts and accessories online to change, modify or improve the appearance, function or performance of their vehicle. They tend to be more tech savvy and are more likely to make online purchases using mobile phones or tablets/e-readers (30% and 33%, respectively).

	Upgrade Buyers	Replacement Buyers
Desktop/Laptop Computer	93%	94%
Mobile Phone	30%	19%
Tablet/e-Reader	33%	21%

This group also spends more time researching products on social media sites (25%) and will use a retailer/manufacturer mobile app when shopping for auto products (49%).

**Used Retailer or Manufacturer Mobile App to Shop (% Yes)**



Upgrade buyers return items at a higher rate than overall automotive shoppers (37%) with 22% having returned an automotive purchase in a given year more than half the time.



Upgrade buyers also tend to be power shoppers, individuals who make nine or more online purchases in a typical 3-month period. This group is continuously looking to upgrade their vehicles with parts and accessories and is open to viewing other items of interest during checkout, likely due to the higher level of engagement with the shopping and product decision process.

	Upgrade Buyers	Replacement Buyers
Power (9+ purchases)	44%	34%
Moderate (5-8 purchases)	20%	25%
Light (2-4 purchases)	36%	41%

This group is also more open than replacement buyers to purchase from international retailers with 43% having done so, compared to 26% of replacement buyers.



### C. Decisive: Know What They Want and Are Willing to Wait

Automotive parts and accessories shoppers, like general online shoppers, know what they want in their online checkout experience. Free shipping options are at the top of the priority list with 68% of shoppers choosing it as the most important option at checkout followed by providing an estimated delivery date and shipping costs early in the process (50%).

#### Important Options When Checking Out Online

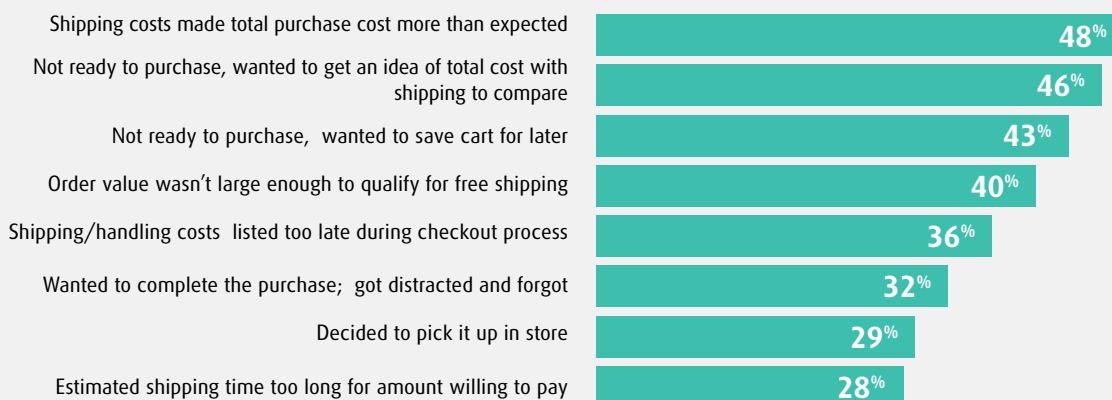
(n=581)



Shipping costs also influence these shoppers' purchasing decisions. Sixty-one percent of consumers have placed automotive parts and accessories items in a shopping cart but left the site without making a purchase. Forty-eight percent say shipping costs made total purchase cost more than expected and 46% say they were not ready to make the purchase, but wanted to get an idea of total cost with shipping to compare.

#### All Reasons for Abandoning Shopping Cart

(Among respondents who have placed items in cart but left site without making purchase; n=364)





Free shipping is also important to some consumers who would take multiple actions to qualify for it. Over one-quarter (28%) would choose ship-to-store to qualify for free shipping. Additionally, consumers are willing to wait longer for their products in order to qualify for free shipping. In fact, 39% would choose the slowest transit time offered on a retailer's site to meet the requirements. Free shipping also is the most valued reward from loyalty programs (52%).

### Actions Taken to Qualify for Free Shipping

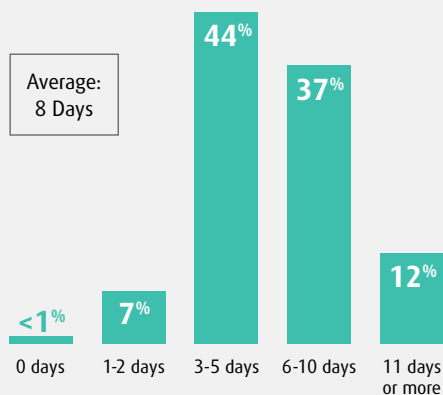
(n=581)



Online automotive shoppers go into the purchasing process with a solid understanding of their specific product needs. They are willing to wait for their purchase or retrieve it themselves, ultimately leading to fewer product returns than overall online shoppers. This segment is willing to wait an average of 8 days to receive their purchase and an additional 4 days to have it delivered for free, which is 2 to 3 days longer than the overall online shopper in the U.S. When purchasing from international-based retailers, automotive shoppers are willing to wait an average of 11 days.

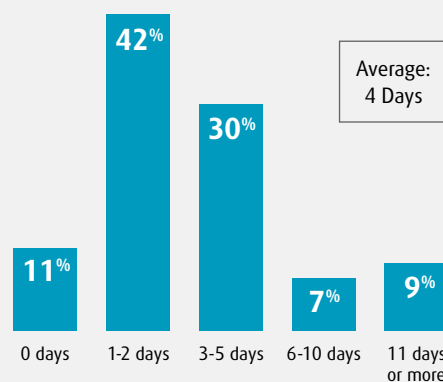
#### Days Willing to Wait for Purchases from U.S.-Based Retailers

(n=581)

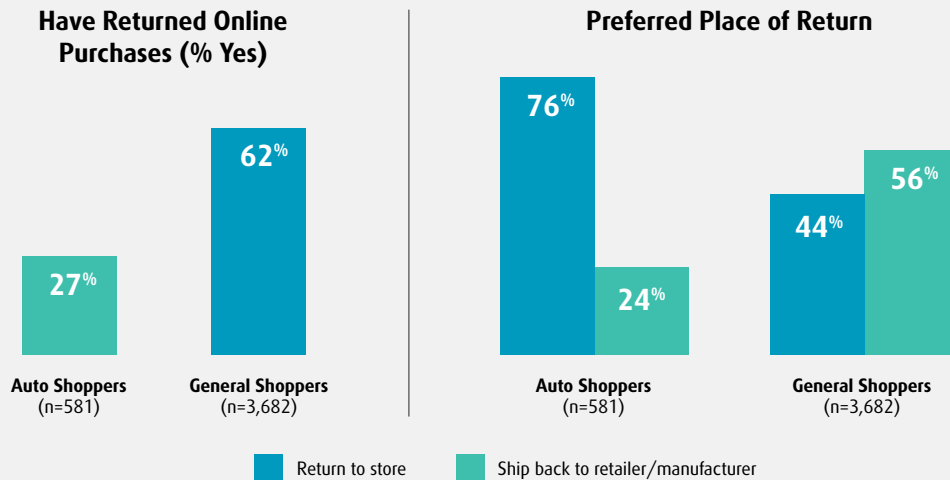


#### Additional Days Willing to Wait for Free Shipping for U.S.-Based Retailers

(n=581)



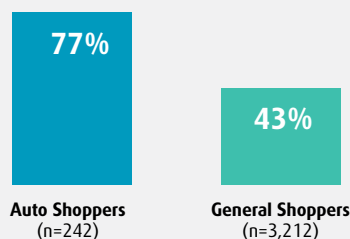
Only 27% of online automotive shoppers have returned an item bought online, showing how this decisive population knows what they want and are generally pleased with their purchased items. Factors that could negatively impact a shopping experience are specific product-related issues. Consumers are less likely to shop with a retailer for automotive parts and accessories if the wrong item was delivered (39%), the item was not the quality expected (38%) or the item was misrepresented (37%). While online automotive shoppers are less likely to return products than general online shoppers, when they do, 76% prefer to return an item to a store versus 24% who prefer to ship it back to the manufacturer.



Furthermore, 40% of online shoppers of automotive parts and accessories have chosen “ship to store” as a shipping option, indicating their willingness to retrieve their automotive purchase themselves. Seventy-seven percent of automotive consumers say they have purchased other items while in the store, a significantly higher percentage than general online shoppers who have done the same (43%), highlighting an incremental sales opportunity for retailers. This percentage grows to 90% among millennials.

### Have Purchased Additional Items in Store

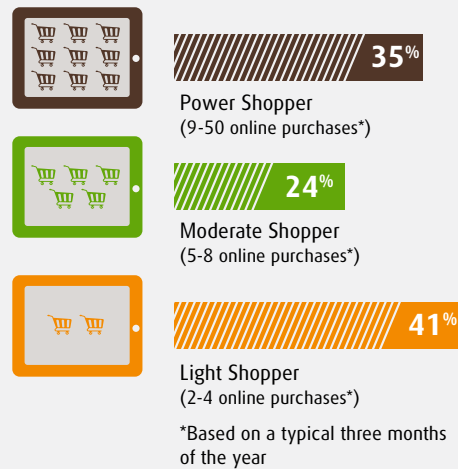
Among consumers who ship to store



**90% of millennials will purchase items in-store when going to pick-up their ship-to-store automotive item; higher than other age groups (67%)**

## D. Dedicated: Frequent Purchasers Who Expect Convenience and Flexibility

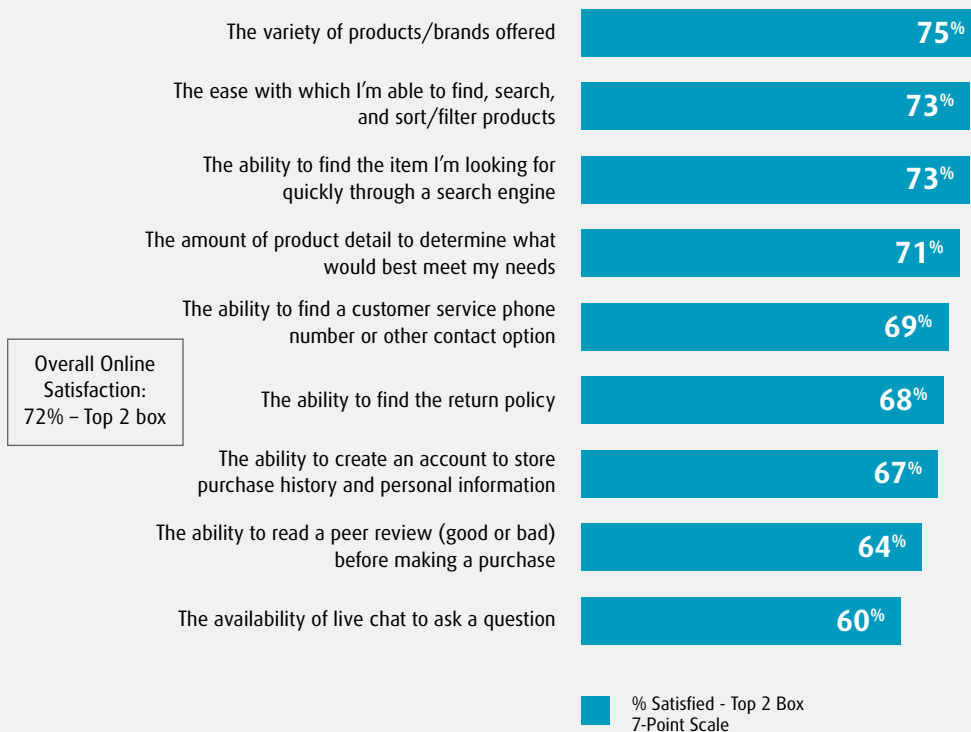
Automotive online shoppers tend to be frequent purchasers who expect convenience and flexibility across the path to purchase, including post purchase. Despite e-commerce being relatively new for automotive parts and accessories, 35% of consumers are power shoppers who make more than 9 online purchases in a typical 3-month period.



### Search/Browsing Experience

Automotive parts online shoppers are most satisfied with the variety of products/brands offered (75%) when shopping online, followed by the ease with which they are able to find, search, and sort/filter products (73%), and the ability to find the item they are looking for easily through a search engine (73%).

**Satisfaction With Aspects of the Search/Browsing Experience Online**  
(n=508-576)

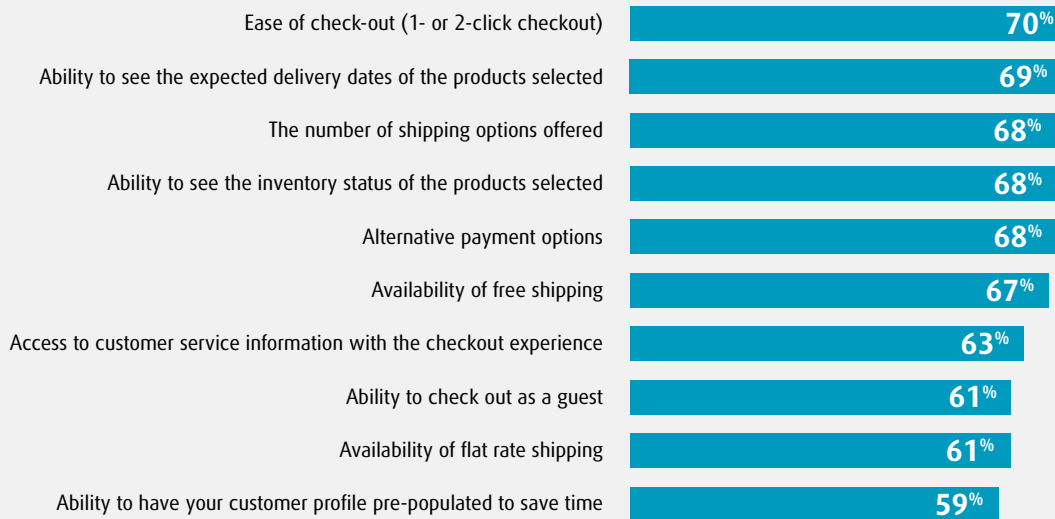


### Online Checkout Experience

The theme of convenience for automotive parts and accessories purchasers continues through the checkout experience. An easy checkout with 1 or 2 clicks (70%) and the ability to see the expected delivery dates of the products selected (69%) are the top two aspects these shoppers are satisfied with in the checkout experience.

#### Satisfaction with Online Checkout Experience

(n=553-574)

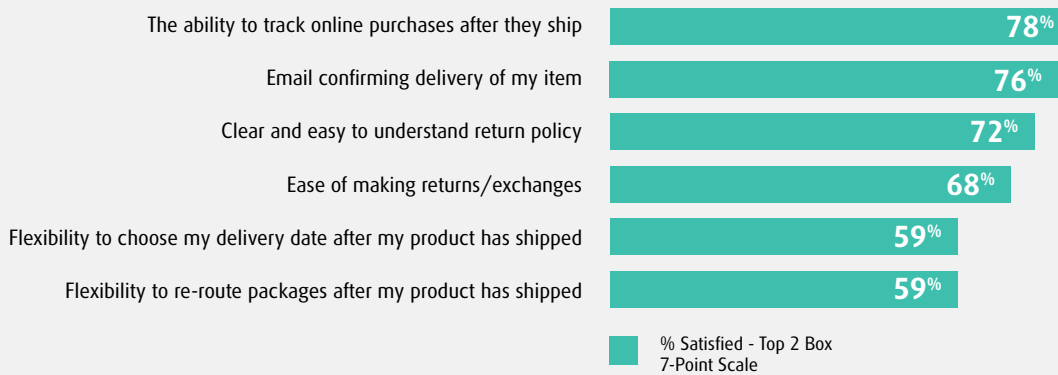


### Post-Purchase

Automotive online shoppers want convenience in their post-purchase experience as well. The ability to track online purchases after they ship (78%) and an email confirming delivery of items (76%) are the top two aspects these shoppers are most satisfied with after making an online purchase.

#### Satisfaction with Aspects of the Post-Purchase Experience

(n=476-571)

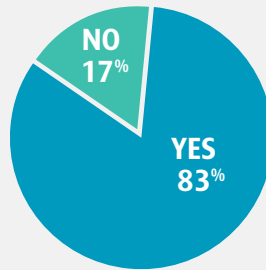


## E. Diligent: Do Their Research

Before making an online purchase, automotive parts and accessories shoppers conduct thorough research, paying particular attention to price and reviews from trusted sources. To ensure they are getting the best value, they comparison shop both online (92%) and in store (70%), with 83% comparing prices before making a purchase. The most popular places to comparison shop vary when searching either online or in store. For example, 51% of automotive parts and accessories shoppers prefer to comparison shop on Amazon followed by 47% who prefer national auto retailer websites when searching online compared to 40% who prefer national auto retailers and 35% who prefer national auto merchants when searching in a physical store. Reviews and ratings from third-party retail sites are considered most helpful when automotive shoppers are deciding to make an online purchase (61%) followed by consumer reports (59%).

### Price Comparison Before Making Purchase

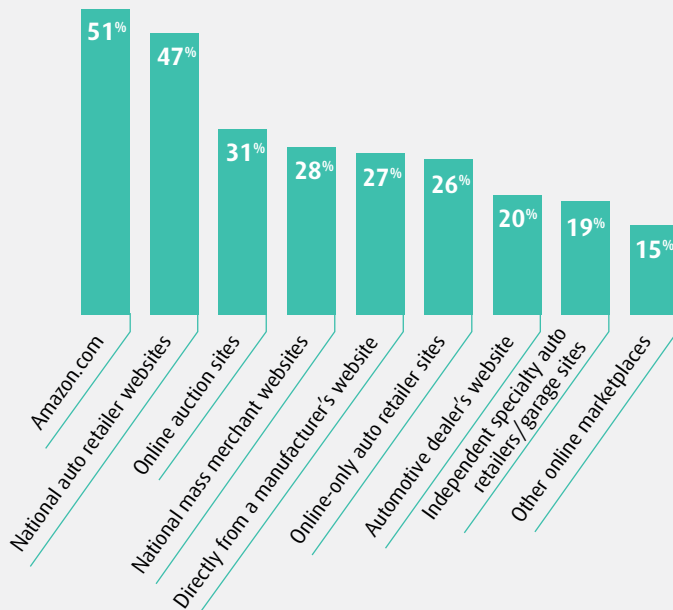
(n=581)



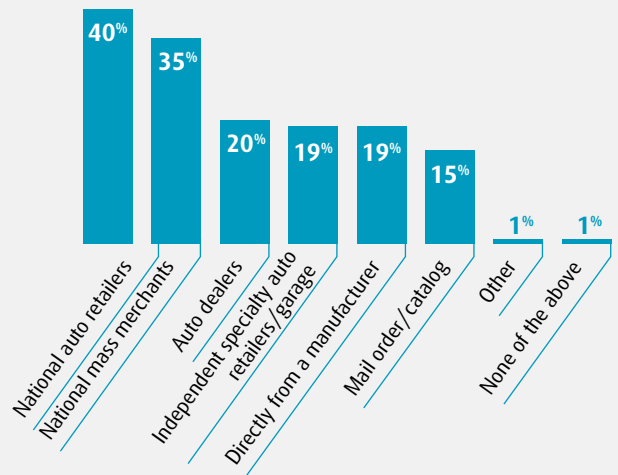
### Places to Compare Prices of Auto Parts and Accessories Before Making Purchase

(n=491)

#### Online NET (92%)



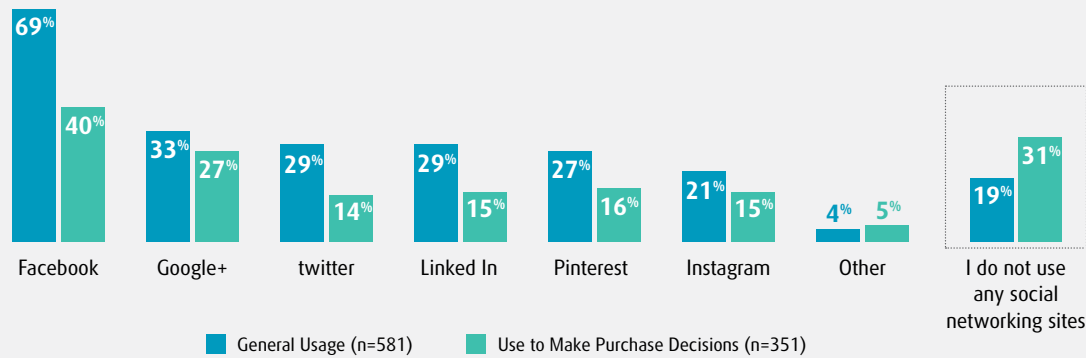
#### Physical Store NET (70%)



Among automotive parts and accessories shoppers, comparison shopping also occurs through retailers' mobile apps (35%) with 75% leaving to comparison shop on other retailers' websites or apps. Among general consumers, only 40% leave a retailers' app to comparison shop.

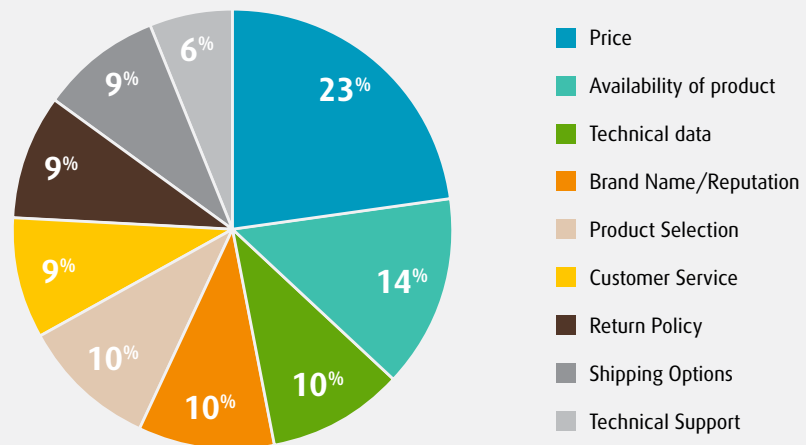
These well-informed shoppers also use social media to make more sound purchasing decisions on their automotive parts and accessories. Out of the 81% of automotive parts online shoppers who use at least one social media site, more than two-thirds use it to help them make purchasing decisions.

### Social Media Usage



Price is an important factor that automotive parts online shoppers take into account when researching and comparison shopping. The top consideration when comparison shopping for automotive parts is price (23%), followed by product availability (14%).

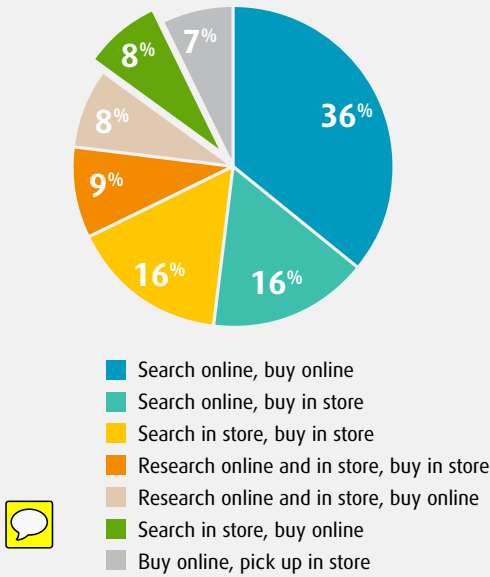
### Considerations When Comparison Shopping (n=581)



More than half of online automotive consumers (56%) say price influences their decision to buy, taking precedence over brands and related loyalty programs. While overall online shoppers cite “not being ready to make a purchase” as the top factor for conducting store research and ultimately purchasing online, automotive shoppers’ top reasons are looking for a better price (26%) and better selection (24%).

**Preferred Method of Research and Purchase with Multi-Channel Retailers**

(Base: Total respondents, n=581)



**Reasons for Purchasing Online**

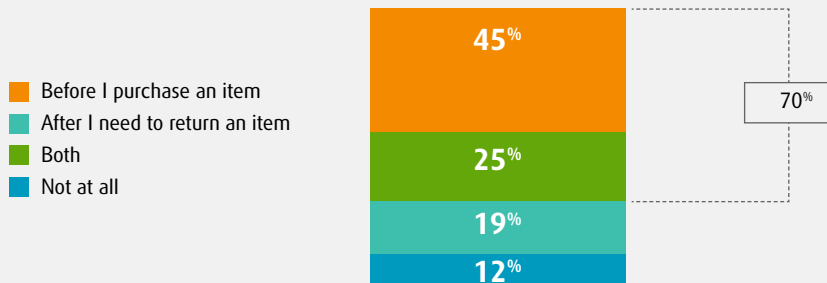
Among Consumers who Research In Store but Buy Online (n=328)



Automotive shoppers are also proactive in understanding the return policy for automotive parts and accessories. Although automotive shoppers are less likely to make returns than general online shoppers, 70% report viewing a retailer’s return policy before making purchases, showing a more cautious and well-informed shopper.

**Review of Retailers’ Return Policy**

(n=581)



## F. Diverse: A Demographically Varied Market

Online automotive shoppers are a group that is both unique and changing. The diversity of this group varies when it comes to age, gender, income and living factors.

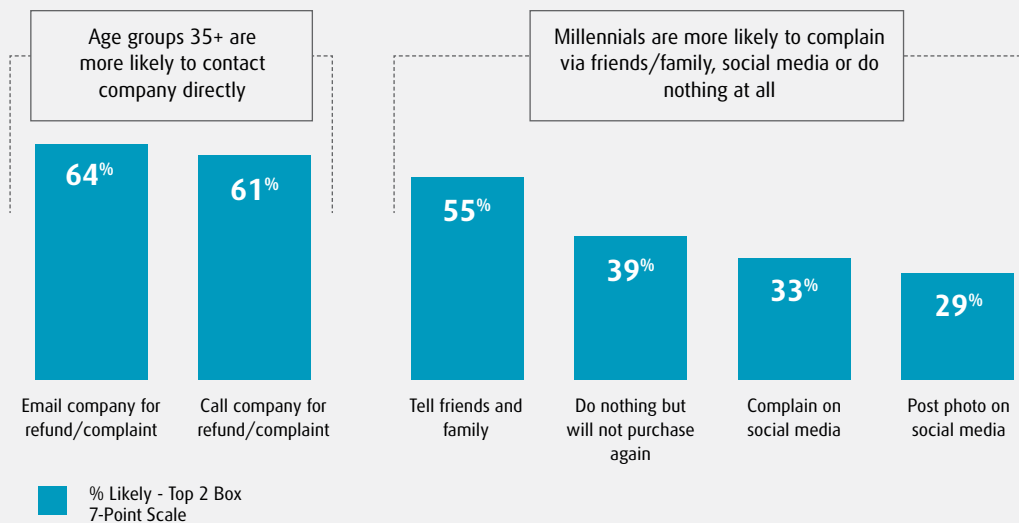
Millennial shoppers (ages 18-34), who tend to be a tech-savvy group, play a strong role in the online purchase of automotive parts and accessories. In fact, 28% of the automotive segment is comprised of millennials. This group is less patient when compared to other age groups and shows a need for promptness and convenience. They are willing to pay an additional fee for shorter delivery times (16% vs. 4% other age groups) and in an effort to better plan their day prefer to select a specified delivery window on the day of delivery (13% vs. 3% other age groups).

Additionally, millennial shoppers are more likely (90%) to use social media sites than other age groups (61%) to help them decide which automotive parts and accessories to purchase online. Social media also plays a role when millennials are dissatisfied with a purchase. They are more likely than shoppers in other age groups to express dissatisfaction via social media (66%), friends/family (63%) or do nothing at all (59%) when unhappy with the purchase of a product.



### Likelihood of Taking the Action when Dissatisfied with Purchase

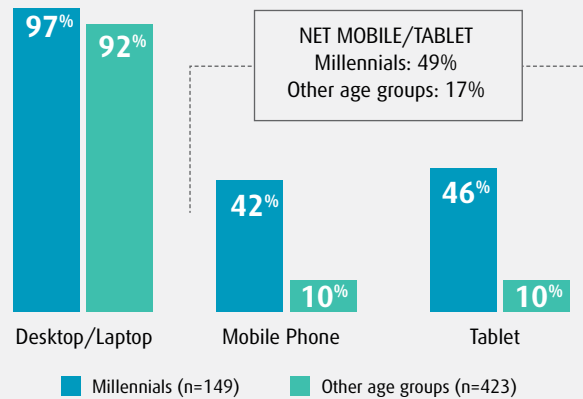
(n=581)





Millennial shoppers also use their smartphones and tablets more than other age groups to make online purchases for automotive parts and accessories. Among this group, nearly half (49%) will use their mobile/tablet device to make an automotive purchase online versus 17% among other age groups. Online shopping trends associated with millennials will continue to increase as older generations of the automotive industry age out of the market (34% of online automotive parts and accessories shoppers are currently 55+).

**% of Devices Used to Purchase Automotive Parts and Accessories**  
Among those who used Desktop/Laptop, Mobile Phone, or Tablet



Women are not to be ignored in this e-commerce channel, making up a fairly significant portion of the market (40%). This proportion of females shows interest levels in automotive parts and accessories not far behind those of males. To provide perspective for retailers on the female consumer preferences, more than half (54%) of females prefer buying their automotive parts and accessories from a retailer rather than directly from a manufacturer. More females than males have their online purchases installed for them (21% compared to 10% of males).

Among automotive parts and accessories buyers, a greater proportion of males are millennials in comparison to females (31% and 24%, respectively). Assuming everything is equal, males prefer to buy auto parts and accessories direct from the manufacturer (55%) more than females (46%) and are more likely to compare prices of automotive parts and accessories before making an online purchase (86% compared to 78%, respectively).



Automotive parts online shoppers are also solidly in the middle class with the strongest majority coming from households with incomes between \$24,000 and \$99,999 and close to half (44%) living in suburban areas.

### III. Conclusion

#### A. Implications for Retailers and Manufacturers

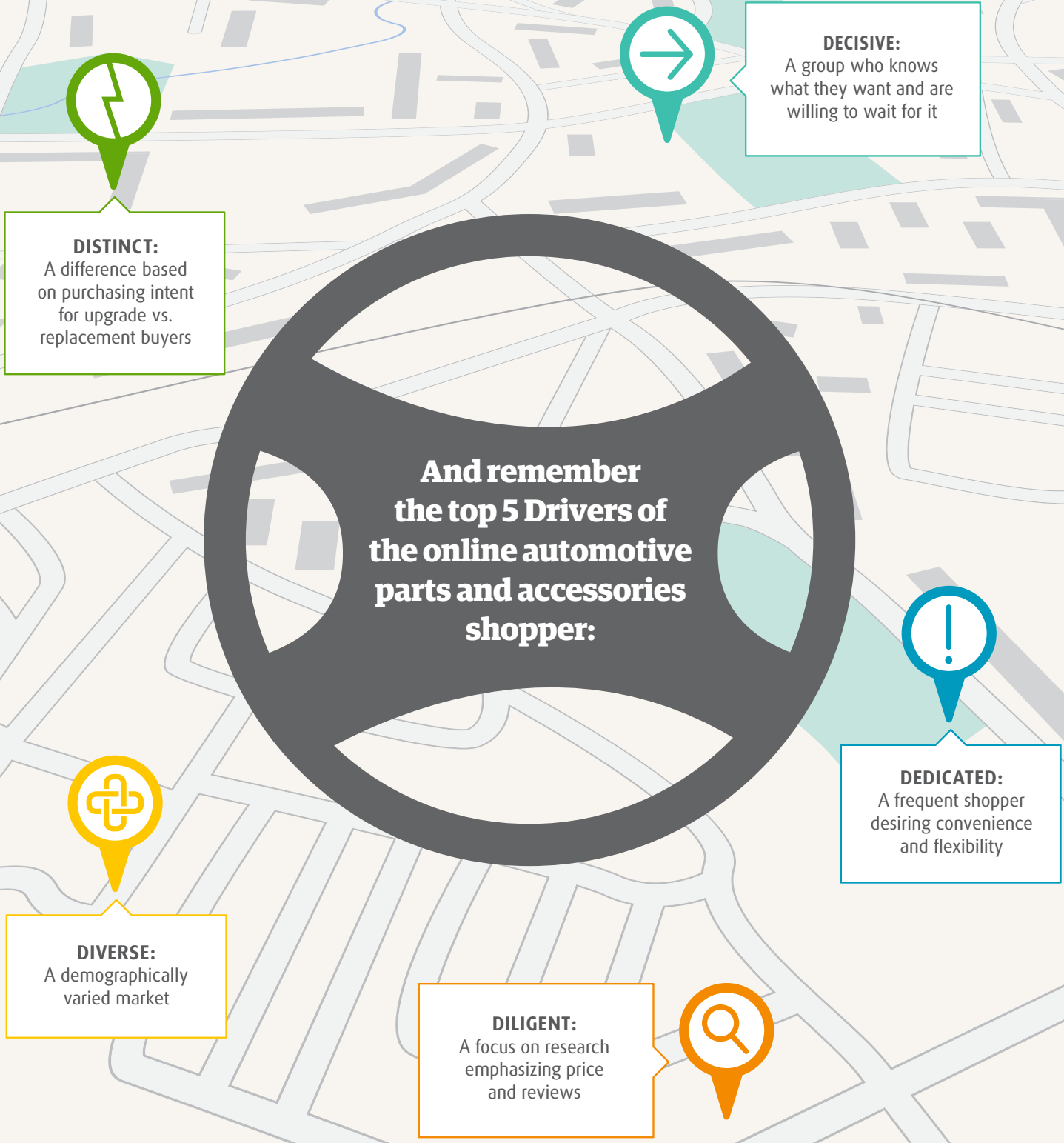
Growth in automotive parts and accessories e-commerce is changing the competitive landscape. Learning how to navigate these industry changes are crucial for future growth.

Having an average online presence is not sufficient in today's economy. Having a high quality website is a must. Shopper behavior is not based on brand, but on the online customer experience, including ease of navigation, clarity of pictures and functionality. Detailed information, ease of returns, clearness of shipping information, free shipping options and review options are some of the website features automotive parts online shoppers expect. Investing in a high quality website will raise the likelihood of loyalty and return customers.

Taking a look at the demographics of automotive parts online shoppers can be helpful as well. Since the gender distribution is fairly even, with almost half of shoppers being women, marketing strategies should appeal to both sexes. Millennials, who already comprise more than a quarter of automotive online shoppers, represent the future of the market. Understanding their behavior and preferences, such as ship-to-store and their likelihood to purchase additional items while there, is important for future success.

To attract new and repeat customers, automotive parts and accessories retailers and manufacturers should consider the following to enhance their online customer experience, including pre- and post-purchase:

- Understand the distinct and diverse buyers of online automotive parts and accessories – including upgrade buyers, replacement buyers, millennials and women – and customize experiences for them.
- Provide detailed information throughout the online path to purchase, from in-depth product information on the website to specific information on shipping options and delivery dates to an easy-to-understand and convenient returns policy.
- Consider offering perks that resonate with online automotive parts and accessories shoppers such as free shipping, coupon codes, or discounts on services for online only or offline only establishments.
- Free shipping costs may be offset by the value of additional items that are ordered to qualify, so pricing these items right is crucial.
- Audit your social and mobile channels to ensure they are set up to deliver the same high-quality customer experience as your website and stores. Clear product images, detailed information and ease of use are important.
- Differentiate yourself in a crowded marketplace through logistics. By focusing on enhancing your shipping, delivery and returns experience through more options and convenience, you can improve your online customer experience and drive loyalty and return shoppers.



## **B. Study Methodology**

The study analyzes data from a comScore survey of 581 U.S. online automotive parts and accessories shoppers conducted between March 12 and March 18, 2014. These results are also compared to the results from the UPS Pulse of the Online Shopper™ study, a larger survey of 5,849 U.S. online shoppers conducted by comScore between February 27 and March 9, 2014. All shoppers surveyed had to meet the criteria of making at least 2 online purchases in a typical 3-month period, also indicating having purchased a product in the automotive parts and accessories category in the last 3 months.

### **About comScore, Inc.**

comScore, Inc. (NASDAQ: SCOR). Through its Audience Analytics, Advertising Analytics, and Enterprise Analytics product suites, comScore provides its clients with a variety of on-demand software, real-time analytics and custom solutions to succeed in a multi-platform world. The proprietary comScore Census Network™ (CCN) leverages a world-class technology infrastructure to capture trillions of digital interactions a month and power big data analytics on a global scale for its more than 2,000 clients.

### **About UPS**

UPS (NYSE: UPS) is a global leader in logistics, offering a broad range of solutions for the transportation of packages and freight, including innovative delivery options for the global consumer market; the facilitation of international trade; and the deployment of advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, Georgia, UPS serves more than 220 countries and territories worldwide.