The fast pace of today’s automotive market and the many influences on consumer choice require manufacturers and dealers to understand and take actions quickly to reflect changes in consumer preferences. This paper discusses a new method of understanding and influencing the path to purchase using the rules that consumers use in this journey, and the key moments of influence that affect the purchase decision.

Introduction

Understanding the “drivers” of purchase and reacting quickly to changes in consumer preferences in today’s new vehicle market is a challenging task given the rapid rate of change, the plethora of influences on consumer purchase decision making, and an increasing number of models and options available to consumers. In an environment of constant and rapid change, how can manufacturers better recognise changing consumer preferences and decisions in time to act upon and influence them?

Whether introducing new models, re-launching face-lifted products, developing promotional themes and messages, and/or in the one to one sales process, a knowledge of consumer decision-making and buyer “hot-buttons” is critical. Questions such as the following are all issues of high importance to both auto manufacturers and dealers:

• How can manufacturers tell when a new launch campaign is promoting the right messages?
• How are consumers making the decisions they are? What are the critical elements of the decision?
• How does this vary through different stages of the purchase process?
• How does a particular brand or model get included in the consideration set?
• What are the critical moments of influence in the purchase process?

This paper describes a new model and method which addresses these issues. Recent developments in cognitive psychology provide the new insights which underpin DeltaQual™.

Cognitive psychology, and particularly the research dealing with heuristic decision-making, tells us that consumers use rule sets or heuristics to cope with the vast array of information they are presented with. Once these rules are developed, they turn into “habits” or “autopilot” responses. For consumers, the reasons for initial brand choice are often forgotten; reasons for the habit are also forgotten. The moments of change when key rules get reviewed are infrequent, and often a result of external factors.
As shown in Figure 1, the model’s framework focuses on habits and the moments when habits are reassessed. It takes into account the underlying emotional and rational drivers, and individual, social, and market influences that act as sources of rules and as influencing factors in the purchasing process.

Unlike traditional qualitative research methods, the model goes beyond consumer motivations, and focuses on actual behaviour, exploring the underlying motivations and influencing moments.

While the model has been applied in a variety of industries and contexts, it is proving particularly useful in automotive purchase applications in the delineation and in-depth profiling of the rules and habits, and key moments of influence that make up the automotive purchase funnel.

The framework starts by identifying the dominant habits in the purchase category, as well as the rigidity of the purchasing rules. Figure 2 shows typical habits applied in the automotive purchase process, aligned along a “variety seeking” dimension.
Individual category habits may reflect degrees of emotional or rational drivers, as well as varying levels of consumer involvement, and exploration in the purchase process.

Once category habits have been identified, the model seeks to identify the mental rules that underlie habitual behaviour, as shown in Figure 3.

Omega Rule sets tend to be simple, few in number and rather hierarchical. They may either be rational or emotion based. Identifying common categories of rules is key.

The model then identifies the sources of Omega Rules, as shown in Figure 4.

These influences and their varying importance and “trade-offs” in the purchasing process are a key diagnostic element addressed by the model.

As shown in Figure 5, the framework then identifies the tests of indicators of Omega Rules.

The indicators or “tests of rules” used by potential purchasers are often direct points of potential action by manufacturers or marketing agencies. The critical indicators or “tests” of rules used by potential purchasers need to be met by a product or will lead to lack of consideration or purchase.

FIGURE 3
Step 1: Identify the Omega Rules that Underlie Habits
Omega Rules are mental rules that explain habits and auto-pilot purchases.

**Example “Omega Rules”:**

**THE RULES UNDERLYING X’s CAR PURCHASE HABIT:**
- Must be safe
- Buy brand my spouse approves of, safe for family
- Don’t buy a super cheap looking type
- If more than one that meets above criteria, choose “one I knew my friends like”

FIGURE 4
Step 2: Identify the Sources of Omega Rules
Omega Rules are the result of a unique personal chemistry. They are a mixture of personality, current relationships, product requirements and social context.

FIGURE 5
Step 3: Identify the Tests of Omega Rules

- What habits dominate your category?
- What mental rules underpin those habits?
- How do the rules arise, from what sources?
- What indicators or implementation criteria are used as “tests” of the rules?
Applying the Model to the Automotive Purchase Process

In applying the model to the automotive sector, it is important to understand how all of the above elements work together during the purchase cycle. Thus an understanding of the habits dominating the category, segment and model, as well as the rules and rigidity with which the rules are applied, and their sources and indicators are all important.

For example, a habitual “Budget Buyer” may place considerable emphasis on rules that dictate buying a reliable and practical vehicle, with indicators of these rules including a solid feel when closing the car door, roominess, a locally manufactured vehicle, a good manufacturer’s warranty, and so on, and with various sources of influence (recommended by family or mechanic) brought to bear on the purchase decision.

Potential auto purchasers bring these rules, their underlying sources, and the “tests” they apply into the various stages of the automotive purchase funnel process as shown in Figure 6.

The individual consumer’s automotive purchase funnel process can be long or short, more emotional or more rational, and depends on the “dance” between the dominant Omega Rules and influencing Delta Moments as the consumer progresses through the purchase process. Each point in the unfolding purchase process reveals a number of possible points of acceptance or rejection, depending on the match-up between rules, sources of influence, and the outcome of “tests.” Each individual’s experience or “story” can really only be truly understood if pursued in depth within the context of these elements.

To understand the purchase process and to plan and react appropriately, auto manufacturers and dealers must understand the triggers that influence the commencement of the purchase cycle, the rules and tests that consumers use at each stage, and the role and importance of various sources of influence. Further, they must ensure their products match up to those rules and tests to be considered by potential buyers in order for the next stage in the funnel process to be entered. The model provides the insights and understandings to facilitate this.

The Method

The methodology in our approach is comprehensive, in-depth, and quite different from other qualitative research approaches. In particular, data collection is very different from other qualitative research, given that Omega Rules are hard to access and describe, while Delta Moments are often fleeting and quickly forgotten. Therefore, the methodology leans heavily on techniques drawn from anthropology, neuro-psychology and even police interviewing techniques to access these key elements. The techniques employed include narrative building, situation and brand deconstruction, critical incident techniques, and the use of analogy collages, among others.

A key focus of questioning is on micro behaviour, as opposed to only underlying motivations. The investigative process then occurs from behaviour to reveal the underlying dimensions and motivations underlying purchase.

![FIGURE 6
Automotive Purchase Process
A general model of consumer automotive decision-making.](image-url)
As shown in Figure 7, the model employs various stages.

In adapting the model to automotive applications our experience has been that the Stage 1 client briefing is very important. As the method is very different from more commonly used qualitative techniques (such as focus groups and individual depth interviews) it is important that clients understand these differences—both in terms of what they will see happening from the viewing room, and in terms of the depth and types of knowledge to be gained.

Stage 2 of the model employs dual moderators. This is because it both facilitates repeat follow-up questioning and because of the sometimes concurrent and different data gathering activities taking place within the research method. Respondents are probed in depth on the dominating rules, patterns of social influence, important influencing moments, and other elements.

A key point of differentiation between this and other qualitative models is that the key results of the research may only be fully appreciated following the completion of all aspects of the study methodology. The many sources of information gathered through the method provide a depth of information and detailed cross analysis that is not possible in either focus groups or individual depth interviews. As such, unlike more traditional approaches, the real gems in understanding are often gained through the post group cross analysis and investigation of information gathered through the various techniques and pulled together.

Example 1: Exploration of the Automotive Purchasing Process

Too often, auto manufacturers and dealers are forced to operate from a surface level of understanding of the purchase process, or recognise key trends or influences on the purchase process far too late in the funnel to be effective. Traditional research methods have not been particularly helpful in this regard.

Traditional qualitative research is aimed at understanding underlying consumer feelings and motivations, while the focus of quantitative research is on measuring and charting behaviour and sales. Neither approach alone provides the detailed information needed to reveal what is really happening leading up to and including the automotive point of sale. The model’s detailed, comprehensive analysis was felt to be particularly valuable in the understanding of the automotive purchase process.

How did we apply the model and what did we learn?

ACNielsen Automotive conducted thirteen DeltaQual™ groups across a number of automotive segments aimed at furthering our understanding of the automotive purchase process in terms of the rules used by consumers, their rigidity, sources of influence and their importance, and the “tests” or indicators used.

A number of key findings were derived from this study, several of which correspond to particular stages of the purchase cycle, while others are more applicable throughout the cycle.

One key learning with potential segmentation benefits to auto makers was derived from the detailed investigation into the triggers which caused potential auto purchasers to enter the purchase cycle. Profiles of three key triggers are shown in Figure 8. For manufacturers and dealers the
relevance of this type of information is clear, suggesting both the different appeals that might be used to address the needs of potential customers with these orientations, and the types of questions that may be useful in early segmentation/targeting of potential buyers.

For example, the different profiles above suggest different sets of questions that may be used by the automotive salesperson in qualifying prospects as to the motivations underlying the triggering stage of the purchase process that are useful in identifying buyer “hot-buttons.” These motivations may not be mutually exclusive, of course, but are predominant drivers of purchase intent. While social approval may be important to all to a certain extent, it may not be the primary trigger of funnel entry, but may definitely play a part in the choice of particular models to investigate (and, of course, in what model is eventually purchased). A salesperson’s knowledge of this will be extremely useful in helping to manage and facilitate the purchase consideration.

Once the trigger to entry has occurred, our research showed the usefulness of the detailed investigation that the methodology employs in terms of revealing the dominant habits and rigidity used by individual consumers in the automotive purchase process. Two actual verbatims are shown below as examples of dominant habits:

Habit Verbatim 1:
Moderator: “You’re a Ford person?
Retired Ford owner: “Yep.”

Moderator: “You wouldn’t go to a Holden dealership to test drive their hottest new car?”
Retired Ford owner: “I had the [Ford] AU model and I wasn’t impressed with the actual look of the car, and my brother in law had the [Holden] SS and that was a lot nicer than mine, and I just --I won’t touch it. I won’t go near it because my Dad’s always had a Ford.”

Habit Verbatim 2:
Moderator: “On the last car that you did buy, what groups were you looking at?”
Mid-Life SUV Group respondent: “I always had Holdens and I always give preference to Holdens because I have always have had good experience with them.”

Moderator: “When did you get into it?”
Respondent: “…fairly important.”
Moderator: “When did you get into it?”

FIGURE 8
Potential Segmentation – By Motivation for Auto Purchase - Trigger Points to Funnel
Respondent: “Toward the end, when it was down to a couple of cars. That’s when we went into it…”

Importantly, our research showed that in terms of “tagging” people once in the funnel, there is no clear, one-dimensional, “one size fits all” criteria that may be applied in general or at particular stages—that is, not time, readiness to buy, nor core emotional stream. The automotive purchase process is both multi-dimensional and complex, incorporating both rational and emotional layers. An understanding of these layers and their interactions is key to interacting appropriately with consumers. The model has proven important in this regard.

The research analysis revealed three separate prototypical types of purchase process orientations, representing the relative importance or dominance of rational (left brain) vs. emotional (right brain) vs. low involvement/apathy. These may be best thought of as dominant styles or modes that individuals bring to the automotive purchase process. In reality of course, consumers may exhibit characteristics of each of these. The three prototypes shown (Figure 9) also show the connection between the triggers to entrance into the purchase process.

Prevailing industry “wisdom” has long been that the automotive purchase is an emotional decision for which rational reasons must be given to purchasers. Clearly for some (but not all) this is the case.

Knowledge of the three types of purchase funnels uncovered by the procedure can prove very useful for auto manufacturers, dealers, and their affiliated promotional agencies. Each profile suggests a different purchase process, with correspondingly different themes or tasks suggested to successfully move prospects through the funnel and to eventually close the sale.

For example, a purchase funnel characterised by the emotional right brain suggests an approach which is clearly dominated by emotional themes, reinforcement by the sales person of the beauty of the vehicle, the “deserving” or “reward” nature of the purchase, image advertising which features emotionally reinforcing images and a social reference point with little copy (as opposed, for example, to the longer, rational, features and benefits/”facts” oriented copy best directed to the rational/left brain funnel).

This research can reveal to manufacturers the dominant profiles associated with specific automotive segments, brands and models, therefore providing the basis to develop effective targeting messages, sales process and procedures, and promotional campaign themes and executions. That is, the findings from this research can be used to both effectively and efficiently understand and manage all stages of the automotive purchase process.

The analysis from the profiles above, combined with an understanding of the key indicators or tests used by potential purchasers, and key influencing moments are powerful tools. Knowing, for example, what causes rules to be re-evaluated and leads to changes in the status quo (whether this occurs from the influence of family, friends, a
vehicle inspection which did not meet expectations of space or aesthetics, a trade-in price that was not optimal or beaten elsewhere, or other factors) provides the potential for direct actionability, influence, and/or correction of problematic factors by manufacturer, dealer, or agency.

Example 2: A Client Case Study Purchase Process Application

One client application in the automotive purchase area was in preparation for a re-launch/refresh of a small/light segment vehicle for a major manufacturer. Given the increasing importance of both the small segment and the model for the manufacturer in light of increasing competition, rising petrol prices and other factors, the success of the re-launch campaign and vehicle positioning was crucial. In particular the manufacturer wished to probe the purchase process decision-making of both acceptors and rejecters of the previous model across two lifestyle segments. The findings from this study would then be used to appropriately address the re-launch model and its positioning.

The research objectives in this study were to explore the purchase drivers and influencing moments for the segment and model, along with profiling differences between acceptors (purchasers) and rejecters of the target model in terms of the above. Key potential marketing and communication areas for attention in the re-launch were also explored and differences profiled.

In all, a total of nine groups were conducted along selection criteria supplied by the client. A feature of the groups was the detailed, individual investigation of the purchase journeys of each of the respondents. Each participant was first queried in depth, and in a variety of ways about the triggers that first caused them to enter into the purchase process. In a similar fashion they were taken through the scoping, eliminating, and last stages of the purchase process, with detailed probing of the rules they employed and their rigidity, their influencing moments, sources of influence, and tests they applied.

As the methodology is an interactive one, other respondents were able to listen to these journeys while completing other forms of data gathering activities and exercises. As data gathering and analysis are much more comprehensive and inclusive than for other qualitative methods, a considerable amount of analysis and synergy across the various data inputs is required following the conclusion of the groups.

This synergistic analysis formed the basis of the report given to the client. The detailed results of this specific research are beyond the scope of this paper and proprietary to the client. However, a number of key insights were revealed to the client in terms of the different purchase process rules, influential moments, and sources of influence that occurred between acceptors and rejecters of the target model, as well as between the two target lifestyle segments identified by the client.

An example of these insights was in the profiling of the Omega Rules and Delta Moments used by the two particular lifestyle segments of interest. While the Omega Rules used by each segment were quite similar, the importance given to these individual rules was quite varied between the segments—particularly on some key dimensions such as styling, interior features and roominess. Further, some considerable segment differences were evident between the Delta Moments that caused the Omega Rules to be re-examined, and leading to rejection of the model.

Importantly, the groups also revealed insights into the previous model’s promotional campaign and positioning that the client felt were extremely useful in making changes for the re-launch. In particular, the research showed the previous campaign’s positioning of the model and some key promotional themes lacked credibility, and were not synergistic with some key Omega Rules consumers brought into the purchase process. The research showed also that the messages of the advertising
campaign were not being adequately reinforced by dealers later in the purchase funnel—resulting in Delta moments of rejection.

Conclusion

Understanding the automotive purchase process is crucial for automotive manufacturers and dealers. More than ever, the fast paced competitive environment and the many options and choices of information available to consumers require manufacturers and dealers to understand consumer decision-making and the modes of influence which can affect consumer new car purchasing. Research findings from cognitive psychology and consumer heuristics have led to the development of a new model which provides an additional depth of understanding of these areas, with application to the automotive purchase situation.

The model continues to be refined and extended. While the focus of this paper has been the automotive purchase process, the model might also be usefully applied to a number of other automotive applications.

Authors

Michael Mills, Associate Director, Client Service (Information Based Consulting Group)
Nicole Torkar, Executive Director, Customised Research Services
Tina Katsinikas, Director, Client Service (Automotive Practice Group)
Andrew Dye, Associate Director, Client Service (Automotive Practice Group)

ACNielsen Australia Pty Ltd
Phone: 02 8873 7000
Web: www.acnielsen.com.au