

SPECIAL REPORT

Women Buy Cars Too

by Tess Karesky, Market Research Analyst

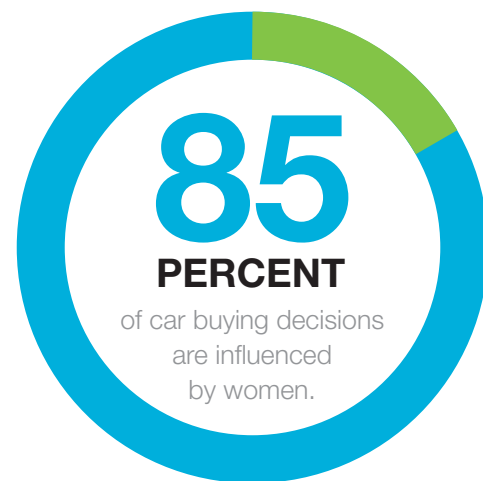


In 2015, it should go without saying that women are a large and important consumer group for the automotive industry.

After all, women make up slightly more than half the population. They have worked, lived and funded their lives independently for many decades, and they hold significant influence over household buying decisions. Offering a pink vehicle with matching purse — like the Dodge La Femme in the 1950s — seems unfathomable now and wasn't successful then. Yet despite all of this, and despite at least \$200 billion spent annually by women on vehicle purchases and services, a majority of women would rather go to the dentist than buy or service a car at a dealership, really.⁸ Obviously, this wariness of dealerships isn't good for business. This piece will explore how women feel about the car buying experience, why they feel that way and how to adapt the purchase process to make it appealing, accessible and exciting for everyone.

It's strange to call women a customer segment when there are over 158 million of them in the U.S. alone. Women now outnumber men in number of licenses held and they are buying an increasing percentage of all vehicles sold. They play a huge role in the purchase decisions of vehicles even when their name isn't on the registration. The oft-quoted statistic is that 85% of car buying decisions are influenced by women¹. They also bring their own set of priorities. According to a study by Kelley Blue Book, men tend to let emotion influence their vehicle desires. They tie their vehicle to their image and accomplishments, prioritizing aesthetics and power as a result. Women, on the other hand, view cars as a utility to get them where

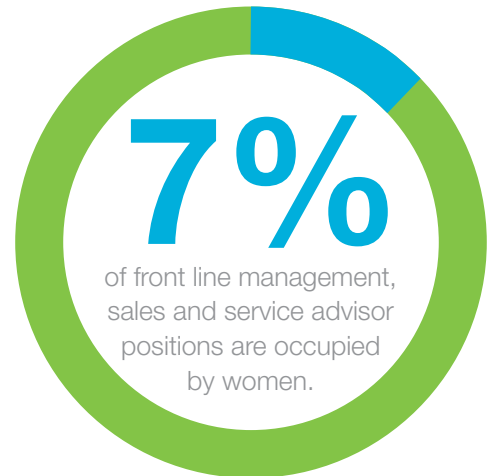
they need to go. They emphasize practical benefits like durability, reliability, safety and affordability³.



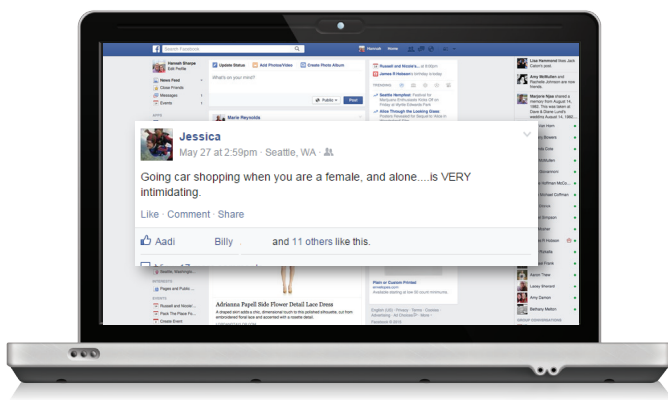
Let's be honest, a lot of people feel intimidated by the car buying process. After buying a house, buying a car is one of the biggest financial decisions most people will make. Women in particular feel unsure, with three-fourths of women saying they don't feel confident in the car-buying arena as compared to less than half of men². As a result, women spend a significant amount of time researching vehicles before they go to a dealership. On average, women take 75 days to make a car purchase from initiation to completion of the sale³. This time allows them to hone in on which vehicles meet their needs and to determine which details are most critical to pay attention to so they can shop armed with knowledge. If men see a successful transaction as getting the best deal possible, women are most satisfied when they get exactly what they want in a vehicle³.

Women aren't doing all this research simply to define their vehicle needs. The perception that the car sales industry is an old boys' club where women are treated as an easy mark still persists. It's this impression that drives negative attitudes toward buying a car. Women worry that they will be ignored, disrespected, patronized and taken advantage of by dealers and are preparing themselves. This is evident in the number of consultants, websites and articles dedicated exclusively to assisting women in the purchasing process. One such site reinforces the negative feelings on their front page: "Do you feel like you are going to be taken advantage of the moment you set foot on a car lot? You're not alone!"⁵. The advice, "bring a man with you to buy a car" is still being pushed by family, friends and even advice columns. The Facebook page "Women That Hate Car Dealers" has racked up nearly 6,000 likes. Clearly there is a lot of public sentiment working against dealers.

The charge of a boys' club isn't inaccurate, at least by the numbers. Only 7% of front line management, sales and service advisor positions are occupied by women⁴.



This lack of women in customer-facing positions can indicate to female shoppers that their voice and perspective isn't represented at the dealership. While many dealerships may rightfully argue that they don't have the old boys' club attitude, numerous women are still experiencing it elsewhere, coloring their view of the industry as a whole. There are so many stories of women who go to the dealership alone being asked to bring their husband. Some of the women who do bring their husbands and are ignored while the dealer favors him. Many women said they were treated patronizingly in other ways. Sometimes it's pushing her away from something she asked for because the alternate version is easier to drive. When Edmunds sent a man and a woman undercover to a dealership to get the same car, the woman was repeatedly steered away from a manual powertrain while the man wasn't¹¹. Then there are the salespeople who compliment her clothes or say that she'll "look good" in a vehicle. Appealing to the ego is not likely to work with this practical-minded consumer and is likely



to come across as sleazy. In the case of car dealerships, the bad apples are spoiling the bunch.

It isn't just anecdotes that make women wary, though those stories can be powerful. Statistical evidence shows women are, in fact, treated differently. One study found that when men and women are similarly unsure of a service cost, uninformed women were charged more than their male counterparts⁹. Additionally, women are typically less likely to negotiate, putting them at an even greater disadvantage. It is much more difficult to change negative public perception when there are facts to support it.

So what can you do to help mitigate female shoppers' fears and concerns about the process?

First, meet her online. This is where she will spend a majority of her time during the shopping process, and where she will feel least intimidated. Shopping online allows her to move through the process in her own time and to be more anonymous if she feels it's necessary.



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The dealer website is incredibly important in attracting female customers. 76% of women consider dealer websites valuable in the car buying process³, and only 4% of all consumers said that they didn't use the dealer's site at some point during the purchase process⁶. Some consumers will move their entire process online, and many women are being encouraged to do so. Including all the necessary information to buy a car online such as inventory, pricing, credit applications and contacts will ensure that customers who prefer to avoid the lot will still buy from you. It is also important to offer up plenty of quality and easy-to-read information about vehicles and your dealership. Make sure the features that are important to women, like safety ratings, aren't buried in a wall of text about the vehicle. Also be sure to highlight the amenities at your dealership that will make her visit quick and easy. A waiting room with a children's area, loaner cars and other conveniences show that you respect and value her time.

Transparency is important to all consumers. By offering information up front, you build trust and increase a woman's likelihood of shopping with you. It also means less time spent on other sites gathering information where they might be led to a different dealership. Make sure to have open lines of communication like email, quick quote,

and chat or text. This expedites the purchase process and allows you to prove to women that you will treat them with the same respect you show to male customers before they even get to the lot.

Women aren't just important for direct sales. They also play a huge role in reputation and word-of-mouth promotion. Women leave more reviews online and are highly likely to check reviews before they go to a dealership⁷. According to JD Power, women are more likely than men to leave positive reviews¹². Cultivating a good reputation will lead to an increase in shoppers, particularly women. Courting reviews doesn't have to be difficult. After a sale, follow up with a thank you email and include direct links to leave reviews on your reputation sites. This makes it quick and easy for customers to share their positive experience.

Social media is also a large part of reputation. Women, particularly Millennial women, are more present and active on most major social media sites, including Facebook, Twitter, Instagram and Pinterest. A quarter of women visit the dealer's Facebook page and more than half of those women "like" that page⁸. Thirty percent of consumers said that social media customer feedback is influential on their decision for buying a car⁶. Social media is the new word-of-mouth. Women use it to solicit advice, share an experience (good or bad), and post a selfie with their brand new car. Next time a female shopper, particularly a younger customer, buys a car, ask to snap a photo for her on her phone, then remind her to tag your dealership. Women have an average of 250 friends on Facebook¹⁰ and their endorsement is much more influential than any advertisement.

By the time she sets foot in a dealership, a woman is ready to purchase a car. The only question is whether or not she will purchase it there. There are a few things to keep in mind to avoid losing your customer in this last phase. Listen to what she wants. Women from across the Internet have complaints about dealers trying to sell them a car they don't want because the dealer thought it was better for her. Remember, most women have done a significant amount of research before they go to the dealership.

When they ask for something specific such as a manual transmission, women know what they're asking for, and why they want it. Treating a customer like you know what is best for her better than she does is a quick way to alienate her and lose a sale. Instead, act as another source of information that she can consult as needed.

In the end, reaching and working with female shoppers isn't too complicated. Mostly, it requires that you treat all customers, regardless of gender, with the same level of respect, transparency and trustworthiness. Building a strong digital presence that demonstrates your commitment to those qualities is the first step towards reaching more female shoppers and encouraging them to do business with you.





About the Author

Tess Karesky is a Market Research Analyst with CDK Global specializing in automotive audience segmentation. She has researched the behavior and habits of luxury, Millennial, Hispanic and female shoppers, in addition to other consumer groups. Her findings include insights into optimizing web content, reputation, advertising, digital marketing, on-lot experience and customer retention. Her work has been presented to automotive executives with Audi, Lexus, Infiniti, Nissan, and GM. Tess can be reached at kareskt@cdk.com.

1. Auto Alliance, Who Drives A Household's Buying Decisions?
2. Autotrader, Roadmap to Car Shopping Success Makes Finding the Right Vehicle a Snap
3. KBB, Road to New Vehicle Purchase Often Bumpier for Women
4. M2W Fast Facts, Road & Travel Female Buyer Study
5. www.womensautomotivesolutions.com
6. Accenture, Automotive Survey: What Digital Drivers Want
7. Five Stars: Putting Online Reviews to Work for Your Business By Gradiva Couzin, Jennifer Grappone
8. Women-drivers.com
9. Northwestern University, Repairing the Damage: The Effect of Price Expectation on Auto-Repair Price Quotes
10. Wishpond, 41 Up-to-date Facebook Facts and Stats
11. Edmunds.com: The Gender Gap: Do Dealerships Treat Women Differently?
12. 2012 JD Power & Associates US Sales Satisfaction Index Study