Insights to the Automotive Changeover Journey

AutoGrab
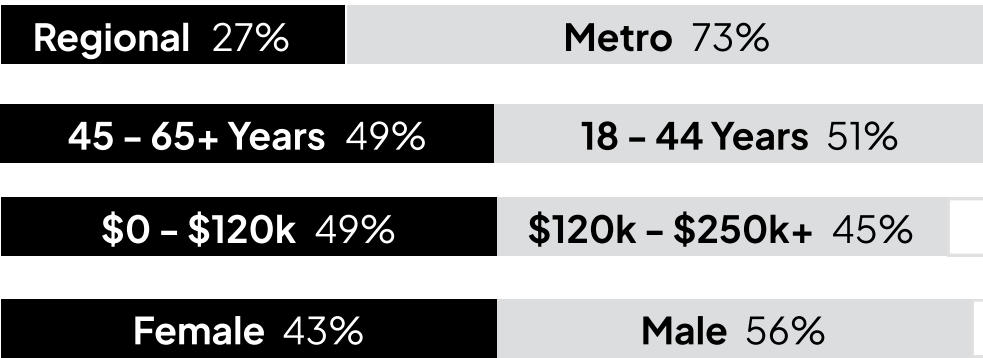
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1. Introduction

AutoGrab have prepared this white paper drawing on the results and insights of market research we commissioned in conjunction with the Australian Automotive Dealers Association and Pitcher Partners.

It explores gaps in research on the car purchase journey, particularly the changeover process, where consumers buy a new or used vehicle while selling their existing one. With an increase in online car purchasing, the study aims to provide insights for dealers and OEMs and on consumer behaviour, including preferences, needs and frustrations during this transition.

Key objectives include understanding the complexities of the journey, assessing its touchpoints, identifying drivers and frustrations, and offering data-based suggestions to enhance the end-to-end process.

2. Research Methodology

Combination of online quantitative survey and online qualitative interviews.

Regional 27%	**Metro** 73%
45 – 65+ Years 49%	**18 – 44 Years** 51%
$0 – $120k 49%	**$120k – $250k+** 45%
Female 43%	**Male** 56%

Total Sample: 665 participants

Sample Composition

- 50% have completed a changeover within the past 6 months.
- 50% intend to changeover within the next 3 months with specified vehicles and price points.

Eligibility

Participants must have recently purchased or plan to purchase a car, involving the sale of their current vehicle (excluding hand-me-downs or write-offs).

Experience Distribution

Equal representation across changeover experience levels:
- First changeover
- 2-3 changeovers
- 3-5 changeovers
- 6+ changeovers

Ownership Duration

Balanced distribution based on prior car ownership duration:
- Up to 3 years
- 3-6 years
- 7+ years

Demographic Representation

Nationally representative by:
- State, metro, and regional areas
- Household income levels
- Age group segmentation for generational insights

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3. Understanding the vehicle trade process

Understanding the used car trade-in process from both the customer and dealer perspectives is essential for making informed decisions, managing expectations, and fostering transparency in transactions.
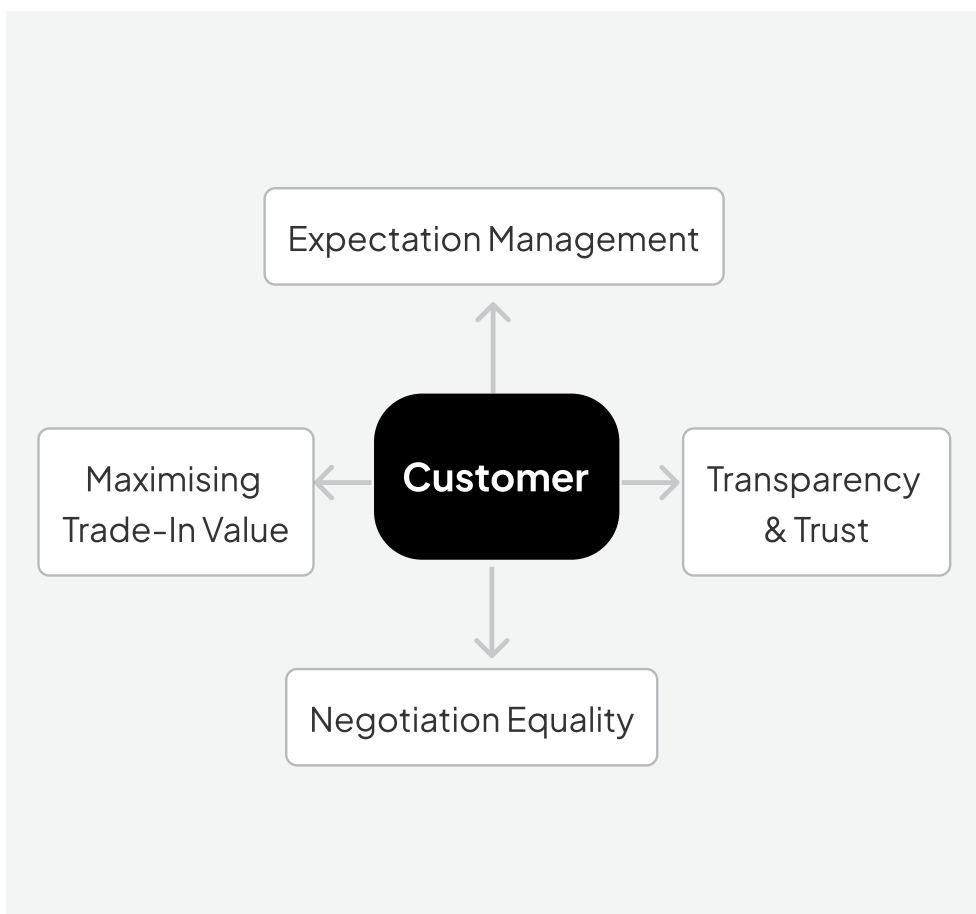
Knowing the factors that influence trade-in values helps customers prepare their vehicles better.

Understanding the process, including how dealers evaluate cars and set prices, equips customers to negotiate more effectively.

When customers understand how trade-in values are calculated, they're more likely to feel they're being treated fairly.

Knowing the process helps set realistic expectations, reducing the likelihood of disappointment.

> *It's buying a car? They didn't rip me off, that's as good as it gets.*

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        Expectation Management
                 ↑
Maximising    ← Customer →    Transparency
Trade-In Value                 & Trust
                 ↓
        Negotiation Equality
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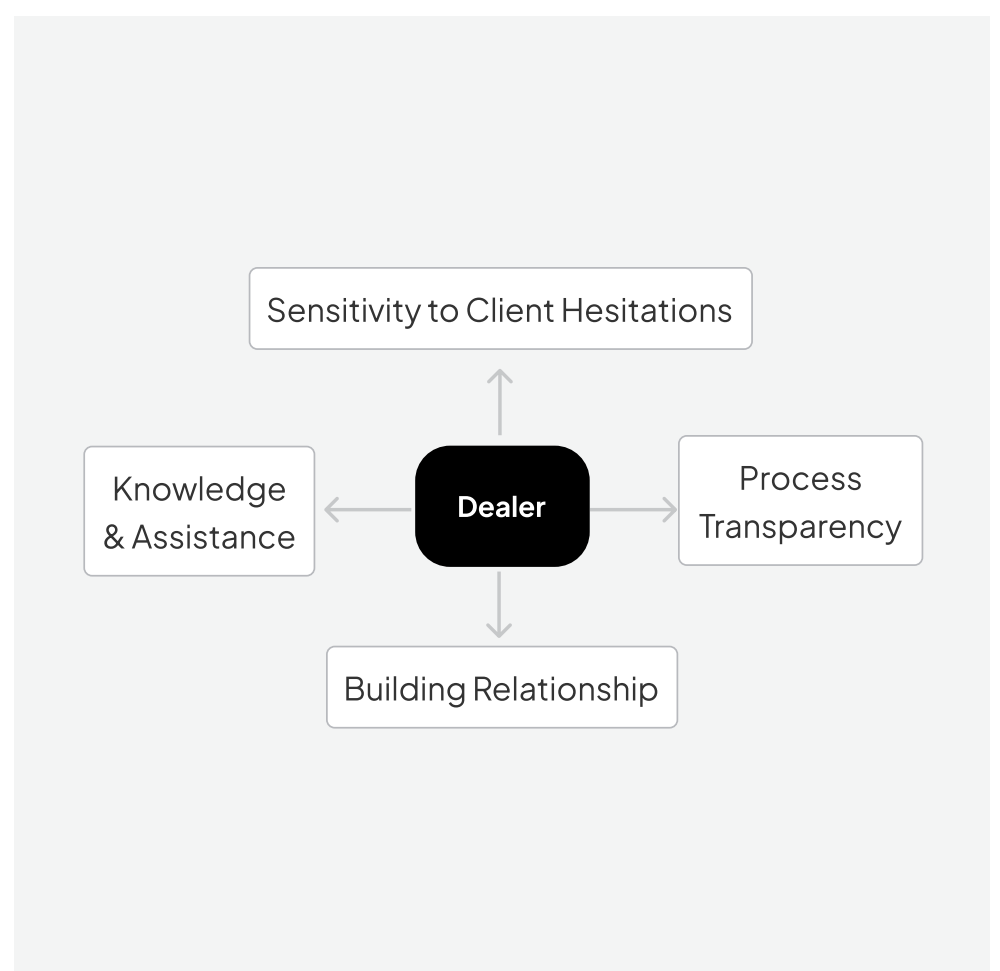
> *They chose to ignore the specific requirements I had for the vehicle and tried to have me accept delivery without all options I wanted.*

Vehicle change-over is a significant decision and dealers need to respect clients' hesitations.

Being transparent about the trade-in process builds trust and can foster long-term relationships.

Understanding the gaps in client's knowledge about both the vehicle and the process will assist making the transaction as seamless as possible.

> *We managed to talk them down on price They handled all the paperwork and were clear and transparent.*

```
        Sensitivity to Client Hesitations
                      ↑
Knowledge        ← Dealer →        Process
& Assistance                    Transparency
                      ↓
           Building Relationship
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> *The salesman lied about the vehicle availability. The dealership made it impossible to arrange a test drive.*
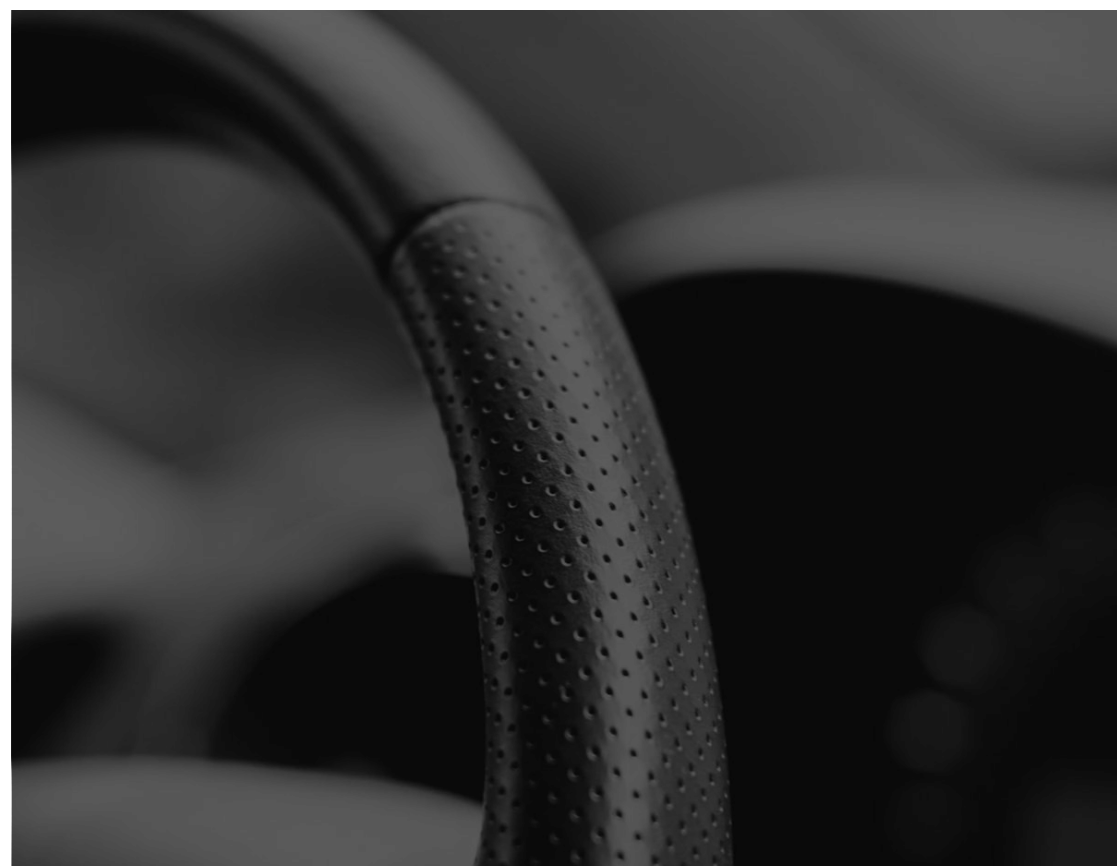
4. Customer Personas - Beginning & End

The survey asked customer how they felt/wanted to feel during the search and how they felt/wanted to feel at the end of the journey.

The results below show the extent customer agreed or strongly agreed with the feeling propositions at both stages of the process.

Beginning

Excited	68%
Clear	66%
Confident	64%
In Control	63%
Smart	63%
Calm	56%
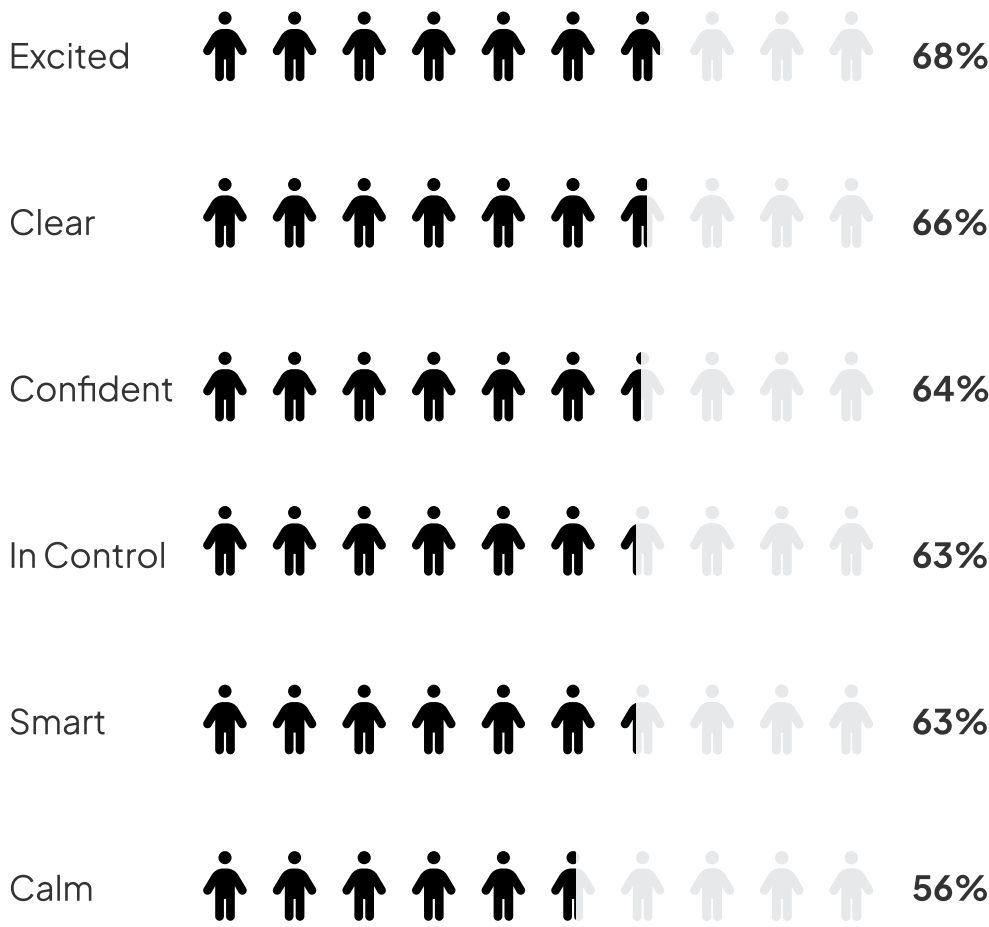
ⓘ Respondents had generally positive feelings at commencement of the process and the next highest ratings were those people who felt Neutral. The "Calm" characterisation registered the both the highest negative and the lowest positive results.

End

Calm	87%
Confident	87%
Clear	83%
Smart	83%
Excited	82%
In Control	82%
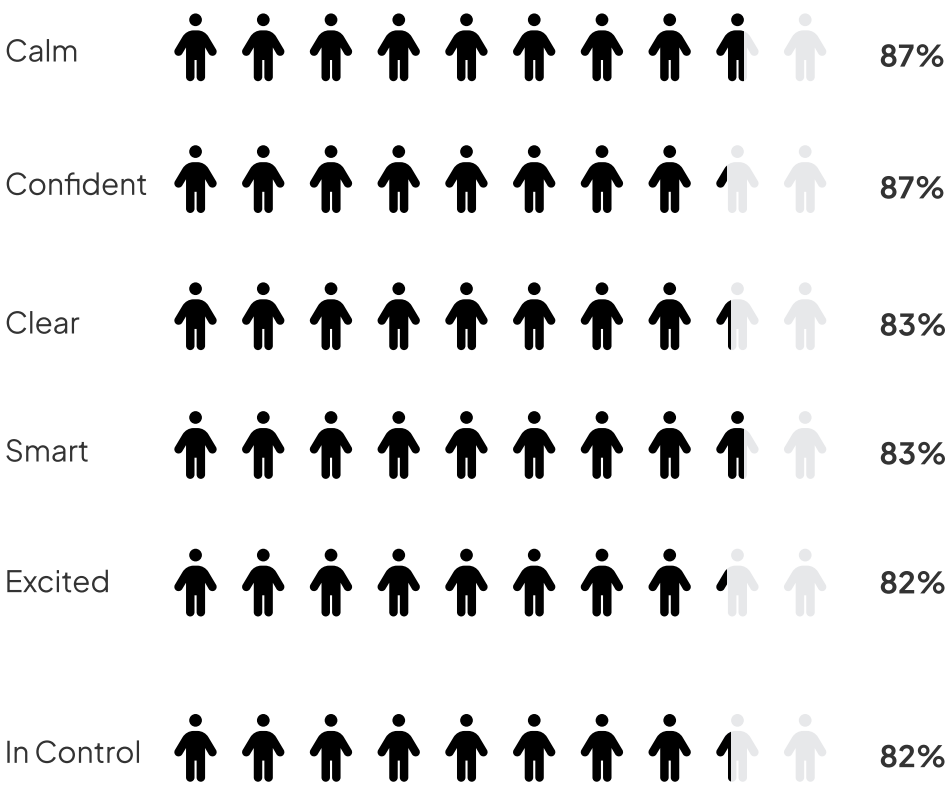
ⓘ In all categories the respondents' feelings improved during the process to register very high ratings. Also, across all categories only 5 percent or less disagreed or strongly disagreed with the feeling propositions.
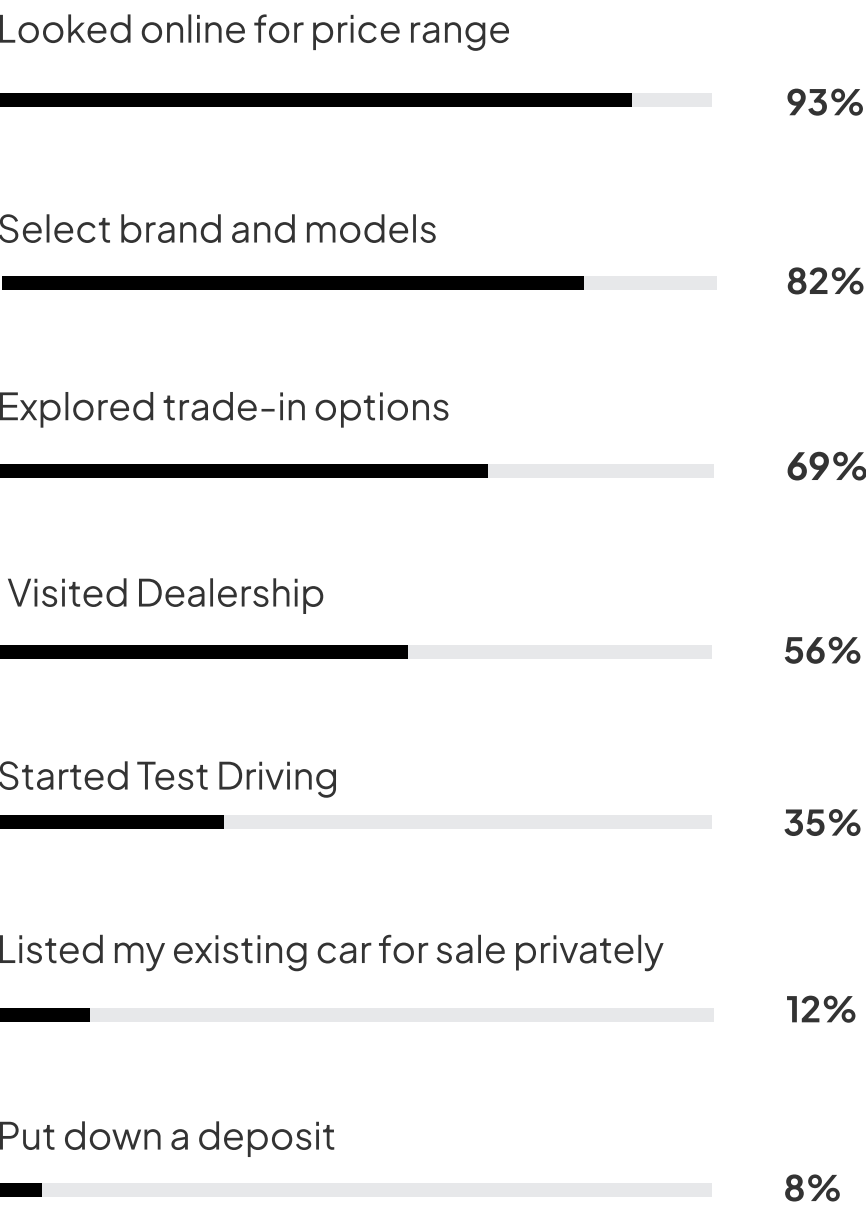
5. Customer Behaviour

In this grouping of survey questions we follow the customers journey along the vehicle changeover process.

Origin

Which of the following have you begun to do with respect to your upcoming vehicle trade-in or changeover?
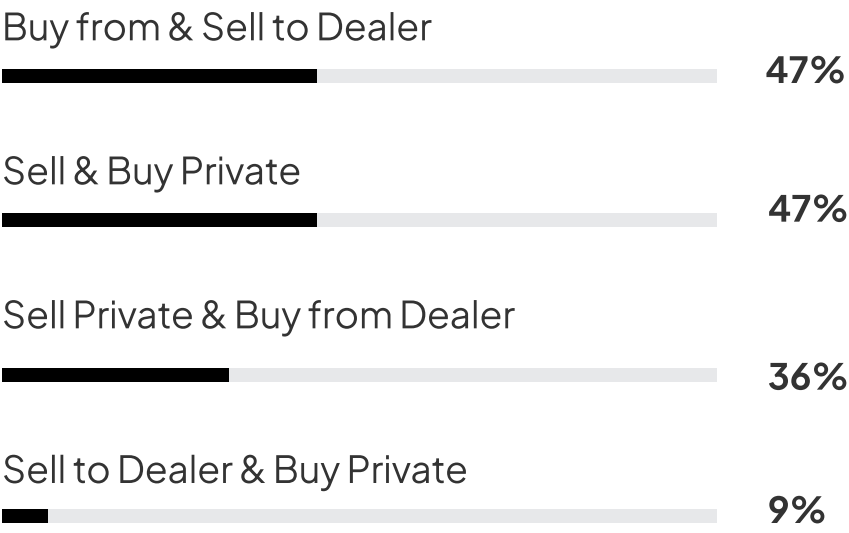
Looked online for price range

93%

Select brand and models

82%

Explored trade-in options

69%

Visited Dealership

56%

Started Test Driving

35%

Listed my existing car for sale privately

12%

Put down a deposit

8%

> ⓘ **Not surprisingly, customers are overwhelmingly (more than ninety percent) engaging online to test the affordability of their preferred brands and models**
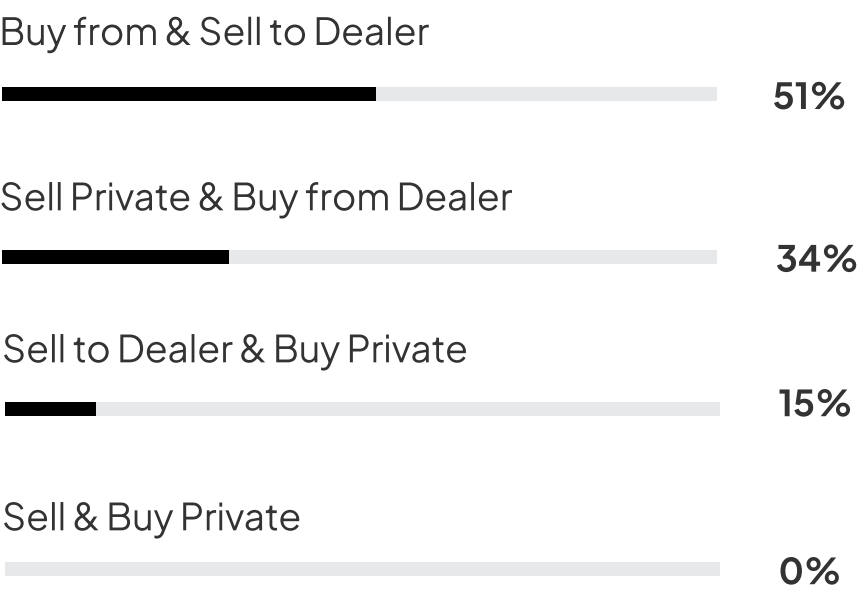
Dealer vs Private

How did you initially intend on undertaking your purchase and changeover or trade-in process?

Intend

Buy from & Sell to Dealer

47%

Sell & Buy Private

47%

Sell Private & Buy from Dealer

36%

Sell to Dealer & Buy Private

9%

Which of the following best describes how you recently undertook your purchase and changeover or trade-in process?

Undertook

Buy from & Sell to Dealer

51%

Sell Private & Buy from Dealer

34%

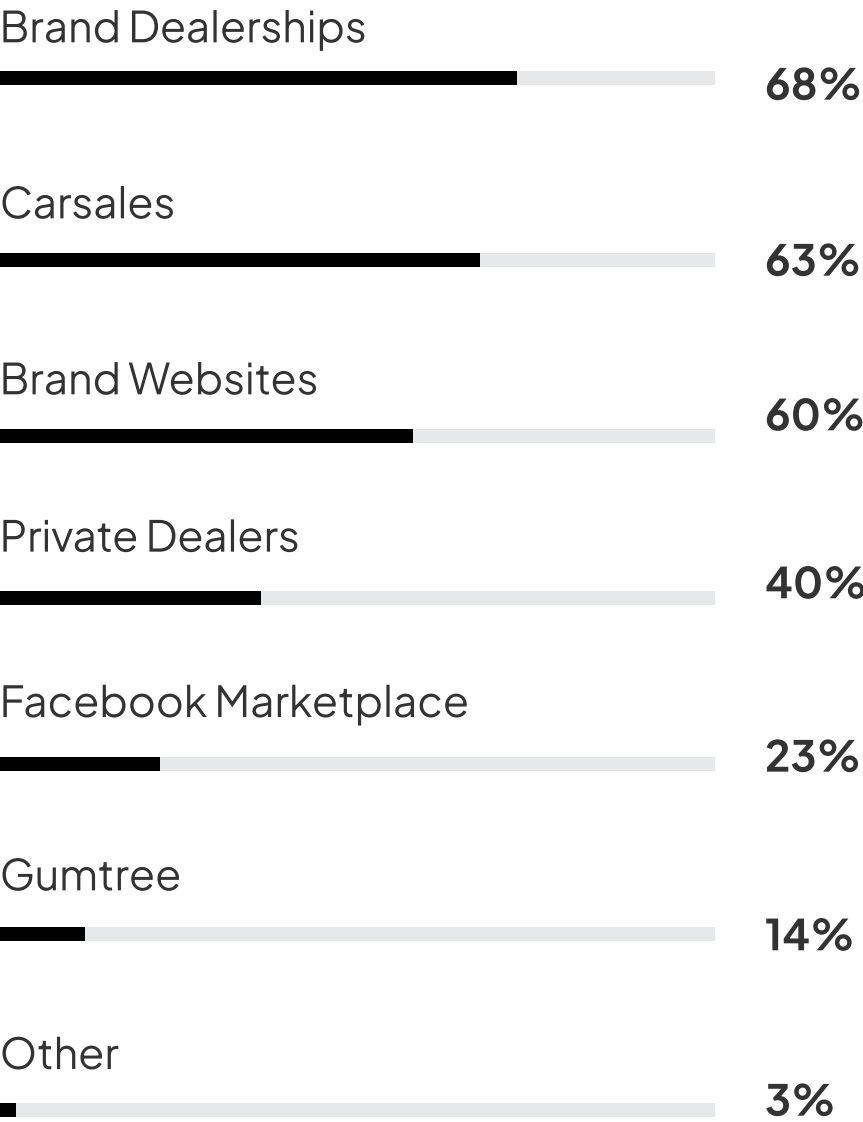Sell to Dealer & Buy Private

15%

Sell & Buy Private

0%

ⓘ Dealers are at the centre of the vehicle changeover process with a large majority of customers using dealers for at least one part of sell and buy transactions. The percentages rise in favour of dealerships as customer move from intent to undertaking a transaction – in fact, no customers ended up both selling and buying privately when 7 percent has flagged their intent to do so.

We have established that online search is the customers overwhelming method of choice when commencing the vehicle changeover process. The following questions drill down to the customer's preferred search channels.
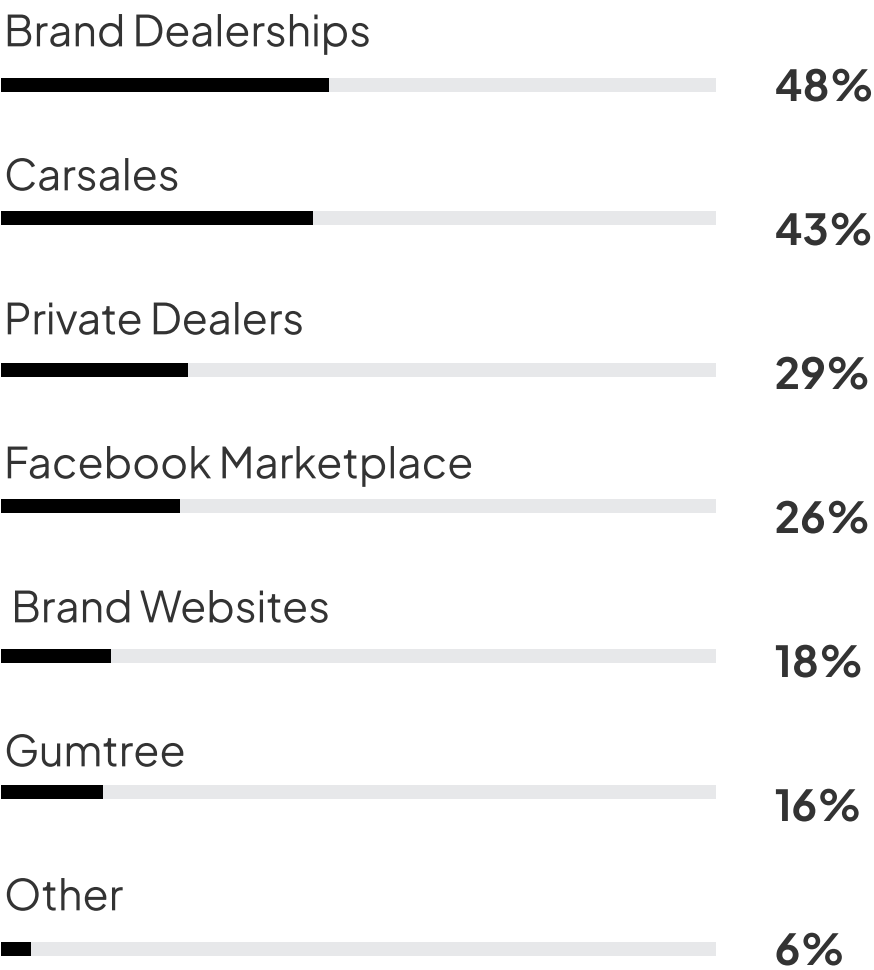
Search Channels

Which of the following did you / are you using to search for your next vehicle?

Brand Dealerships
68%

Carsales
63%

Brand Websites
60%

Private Dealers
40%

Facebook Marketplace
23%

Gumtree
14%

Other
3%

ⓘ Customers are using multiple channels for their next vehicle search with Brand Dealerships marginally ahead of Carsales. Underlying the headline data, private buyer/sellers (albeit significantly smaller in number) are more inclined to utilise Facebook and Gumtree.

And which of the following did you / are you planning on using to sell your vehicle?

Brand Dealerships
48%

Carsales
43%

Private Dealers
29%

Facebook Marketplace
26%

Brand Websites
18%

Gumtree
16%

Other
6%

ⓘ There is greater uncertainty in the selling proposition, but Brand Dealerships and Carsales remain preferred. It makes intuitive sense that Brand website engagement is significantly lower when selling a used vehicle and than buying.

Now we shift to what's important to the customer in the changeover journey – and then how satisfied they were with various aspects of the process.

Analysis of the result gaps between importance and satisfaction is presented in a later section of the paper.

Importance in Decision Making

How important are each of the following as part of the changeover or trade-in process?

The graphic below shows highest to lowest importance

Test Drive

89%

Accredited Dealer

88%

Simple Paperwork

88%

In-person Inspection

88%

Lowest Price Purchase

87%

Accurate Trade-In Valuation

87%

Highest Price Trade-In

85%

Best Net Changeover

84%

Negotiation on Price

83%

Expert Reviews of Purchase

80%

Customer Reviews of Purchase

76%

Online Vehicle Details`

78%

ⓘ There are multiple high-ranking touchpoints of importance with the "touch and feel factors" marginally higher than cost/value considerations.
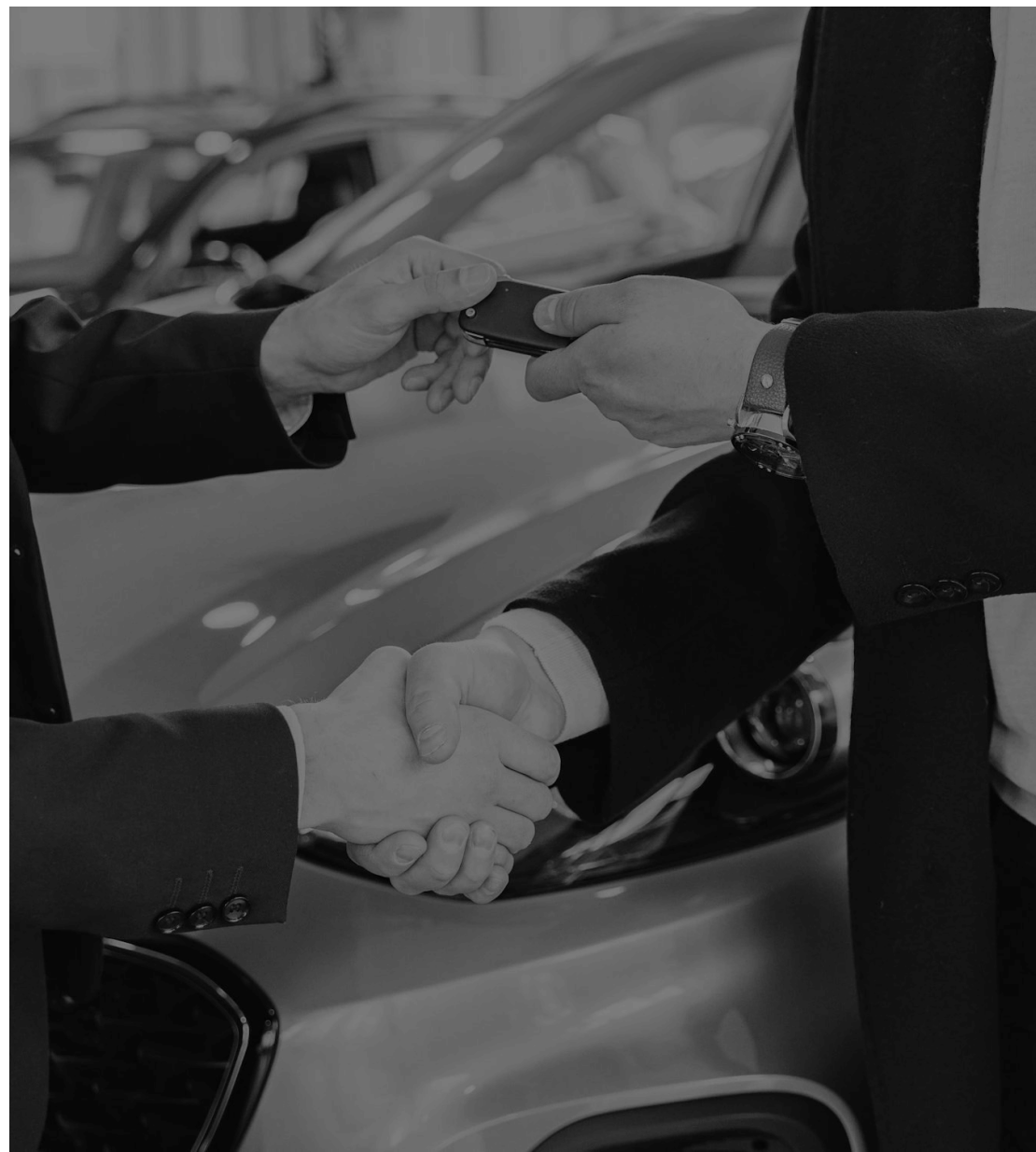
Satisfaction with the Process

How satisfied are you / have you been to date with the following aspects of the process?

The graphic below show lowest to highest satisfaction

Highest Price Trade-In
56%

Accurate Trade-In Valuation
57%

Best Net Changeover
59%

Lowest Price Purchase
63%

Negotiation on Price
64%

Simple Paperwork
68%

Online Vehicle Details`
74%

Expert Reviews of Purchase
77%

Customer Reviews of Purchase
77%

Test Drive
78%

Accredited Dealer
81%

In-person Inspection
84%
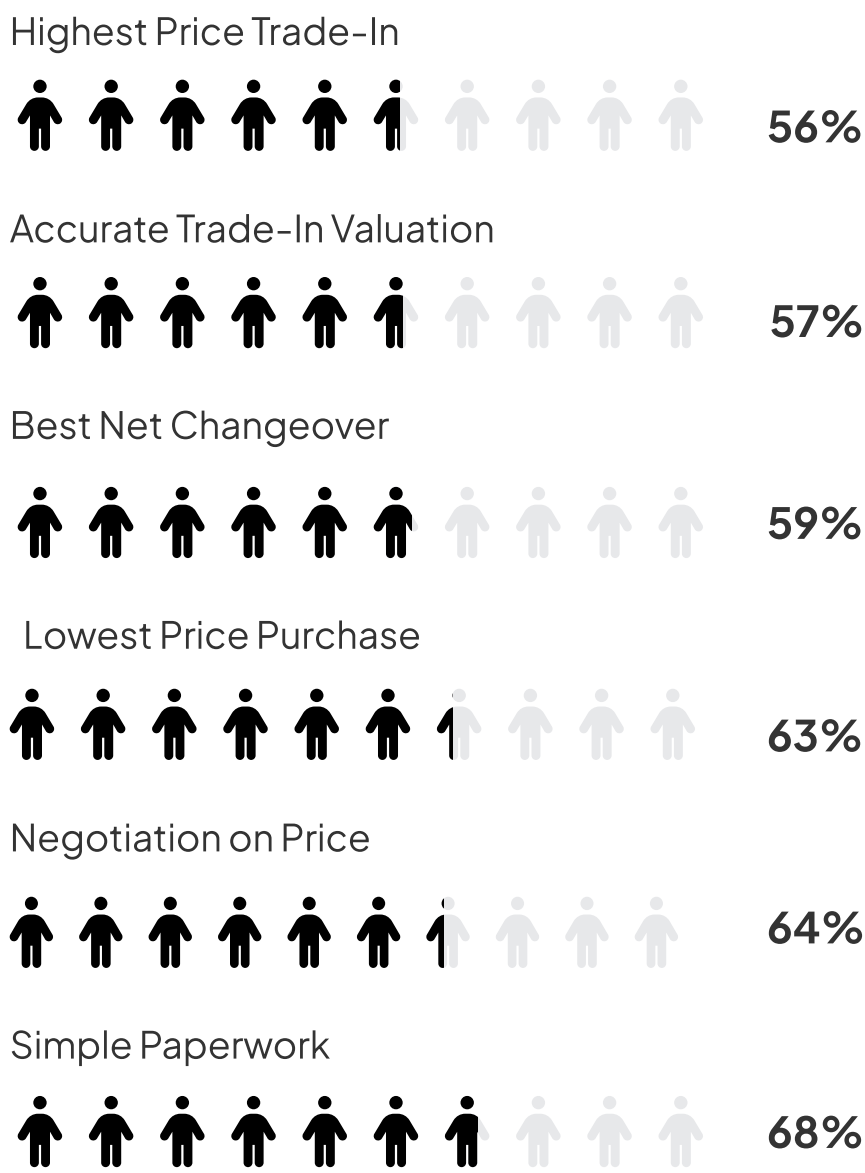
ⓘ **A high negative satisfaction response (when compared to importance) is apparent with cost/value considerations, while satisfaction with the "touch and feel factors" remained relatively consistent with importance**

6. Dealer Insights and Opportunities

This section will provide an ensemble analysis of the data is it applies to the relationship between the customer and the dealer through the vehicle changeover journey.

The Positives

Brand dealerships (68%) were the number 1 channel search for the customer's next vehicle – followed by Carsales (63%) and Brand websites (60%)

Almost 75% of customers rated their dealer as good or very good in the changeover journey. In only 3% of cases was the dealer rated poor of very poor.

On average customers felt 20% more Excited, Clear, Confident, In Control, Smart and Calm at the end of the changeover experience than at commencement.

Dealer co-ordinated factors "Test Drive", " In-person Inspection" and "Simple Paperwork" were the 3 most important considerations for the customer.

Barricade the existing market position

Retain and leverage the first touch point advantage. Explore customer relationship and data-based experience tools to counter digital marketplace growth

Leverage the importance of accredited/ certified pre-owned vehicles

Leverage the "touch and feel" with an emphasis customer service

In the end 100% of customers surveyed involved a dealer in part of the buy/sell transaction. However, the data probably underplays the significance of private transactions.

Data Driven Tools

Bringing the marketplace experience to dealerships

Customers are drawn to marketplaces because they can easily compare options and feel confident in their decisions.
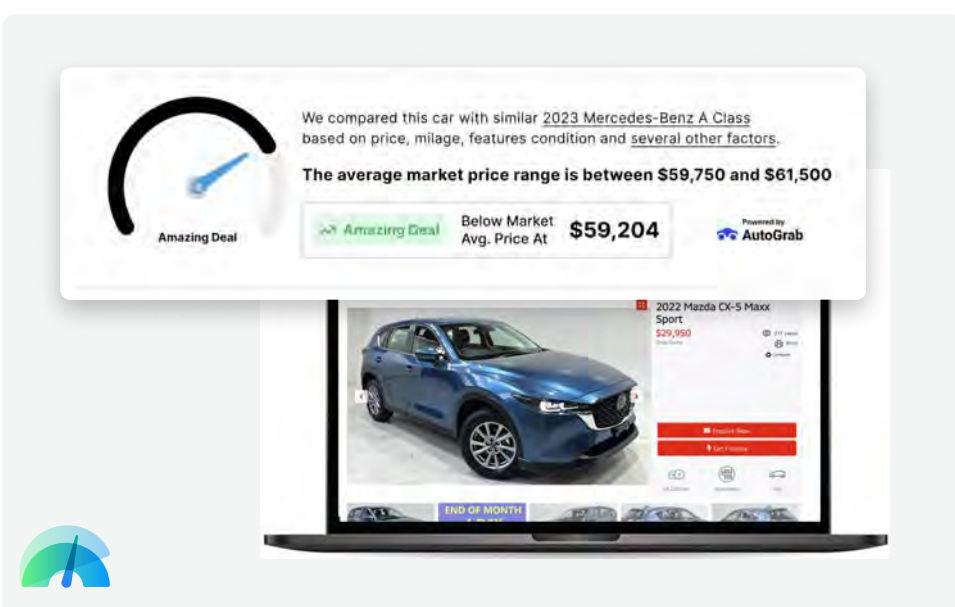
AutoGrab's tools replicate and improve this experience on dealership websites and in-showroom interactions, reducing the need for customers to shop elsewhere and capitalising on the first port-of-call advantage.


The Valuation Widget provides real-time trade-in values and integrates market insights like average days to sell, on-market volumes, and depreciation trends. These metrics allow customers to transparently compare their vehicle against market benchmarks directly on the dealership's website. It provides the functionality of the marketplace browsing experience combines with the convenience and speed of selling to a dealer.

AutoGauge offers customers a clear view of the vehicle price position against similar vehicles in the market at that point in time. This builds confidence in their buying decision while keeping them engaged with the dealership.
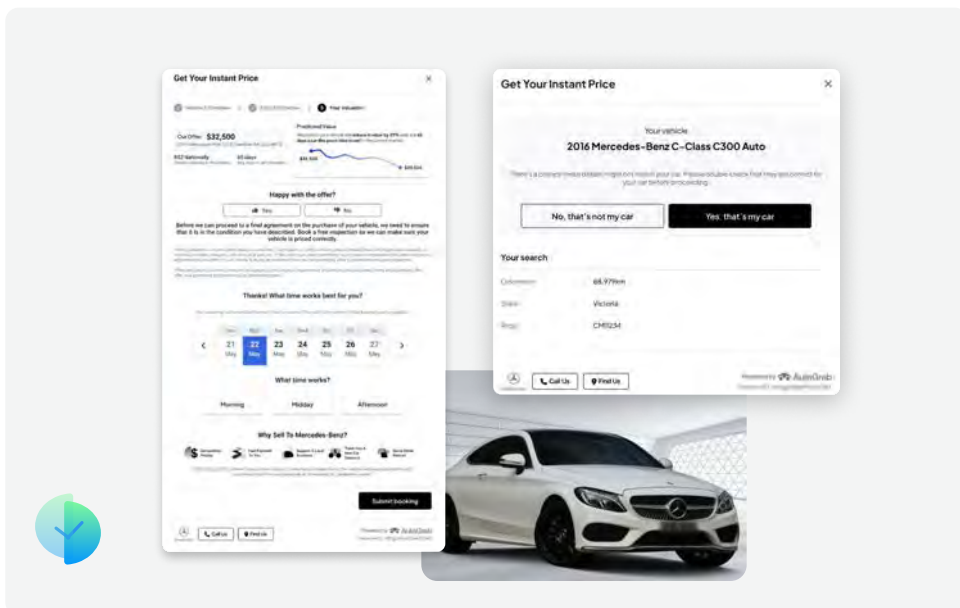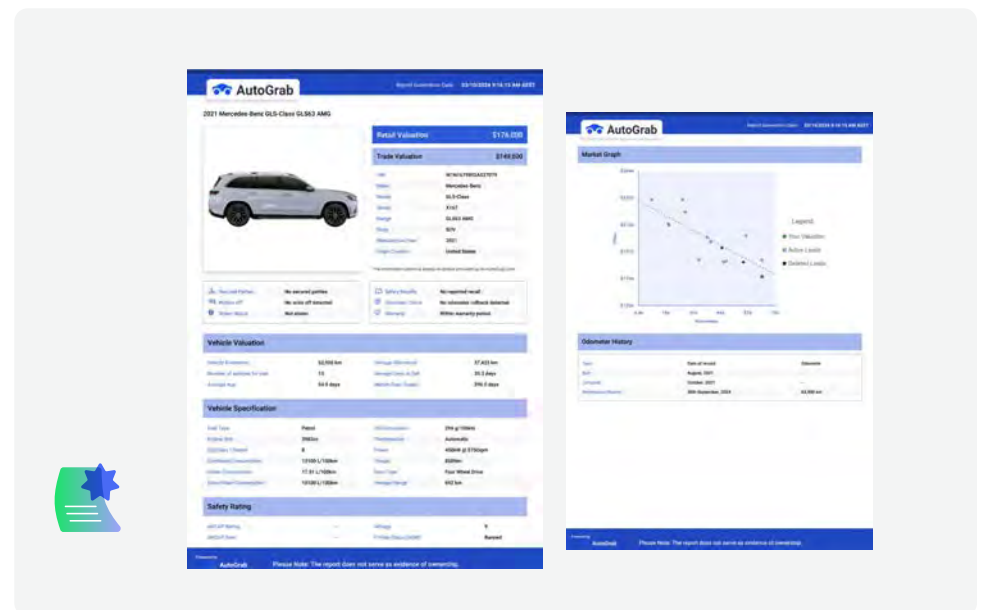
CarAnalysis provides detailed background reports on cars sold by the dealership, showcasing the trustworthiness of the stock. Customers feel reassured about their choices and are encouraged to engage with the dealer directly rather than seeking additional comparisons on marketplaces.

AutoGrab

7. Challenges in meeting customer expectations

One of the most significant insights arising from the research was the gaps identified between what the customer saw as important at process commencement and their satisfaction at its conclusion.
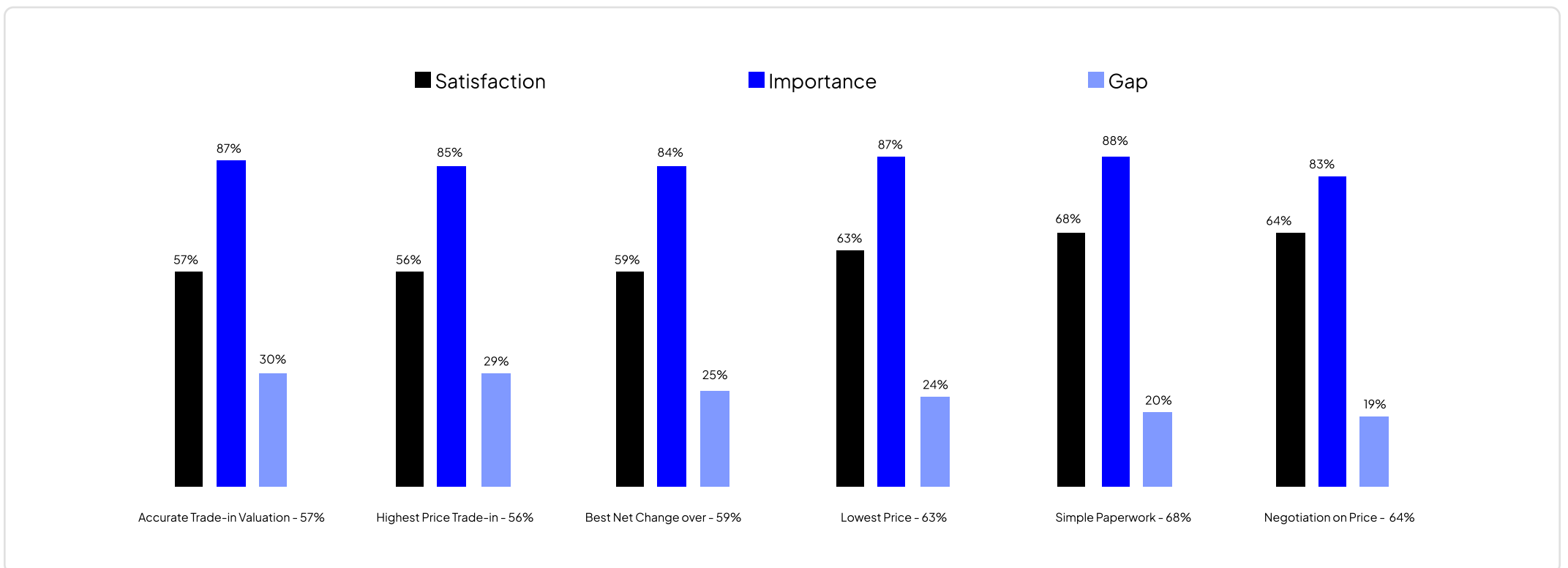
There was material satisfaction diminution (up to 30 percent) of positive ratings on all factors relating to "price and value", as set out in the chart above. It points to a further opportunity for dealers to introduce greater trade-in valuation transparency. When customers understand how trade-in values are calculated, they're more likely to feel the offer is reasonable and fair. Knowing the process helps set realistic expectations, reducing the likelihood of disappointment.
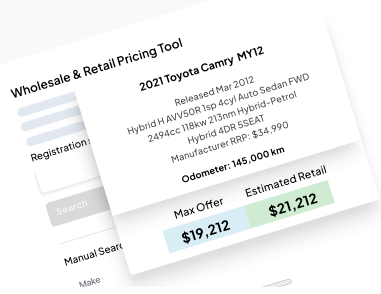
Enhancing Transparency and Trust

Transparency breeds trust and is critical during the changeover journey, particularly in pricing and valuation.

AutoGrab's Unified Pricing Across Channels

Realtime Pricing ensures consistent pricing narratives across dealership websites and in-dealership interactions. The valuation model captures latest market activity, leveraging real-time data from active and recently delisted listings across all marketplaces.
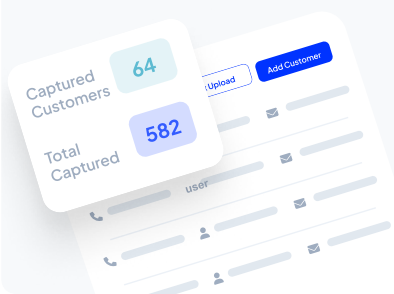
This ensures that every valuation reflects the most current trends, making pricing decisions more competitive and informed. Every valuation includes a confidence score to help better understand the reliability of the data.

Pricing Event Tracking ensures all dealership staff are aligned. For instance, if a customer receives a trade-in quote during a visit, another staff member can seamlessly continue the interaction later.

Market Metrics as Validation: By providing real-time market data, AutoGrab enables dealerships to justify trade-in and sale prices, helping customers feel confident they're making informed decisions.

8. Autograb's Role Enhancing the Trade-In Process

Autograb enhances dealership operations through products tailored for vehicle sourcing, acquisition, customer outreach, valuation, in-depth market and inventory analysis, and optimised retail and wholesale selling strategies
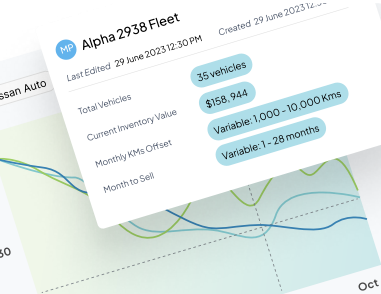

🟢 Realtime Pricing
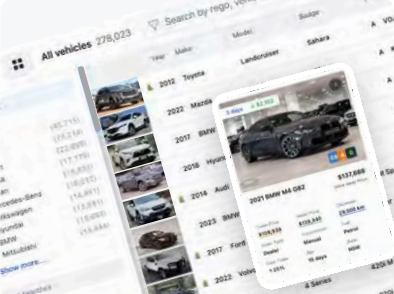Leverage our advanced pricing model to get retail and trade pricing in seconds.

👤 Customer Recapture
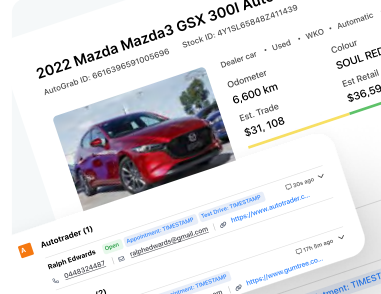Be the first to know when a car you sold returns to the public market.

🟣 Fleet Pricing & Residual
Price your entire fleet and model residuals over the long run to make smarter decisions.
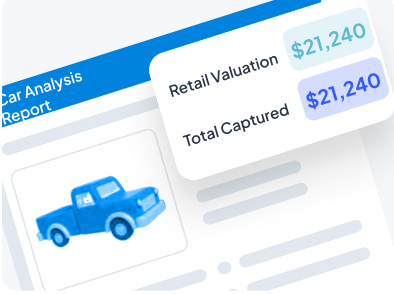
🔵 Sourcing
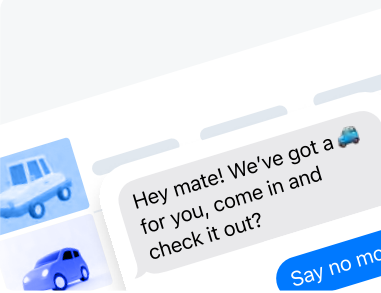See the whole market, compare options and make lists to know what to buy.

🟣 Pipeline
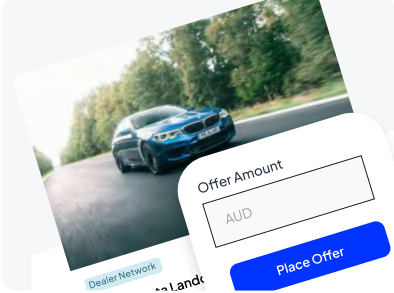Centralise all your vehicle listings whatever marketplace they are on.

🟢 Car Analysis Report
Get critical information in a handy format about a vehicle your looking to purchase.

🟣 AutoReach
Send smart outbound campaigns to customer buying cars like never before.

🔵 DealerDirect
Get access to a member only dealer to dealer network to buy cars fast.

🟢 Autogauge
Highlight great deals