

Inside the Mind of the 'Wired' Car Buyer



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Note: The term 'Intender' denotes respondents who are online and intend to purchase a car, including existing online car owners and non-owners.



Foreword



It is a well acknowledged fact that the Indian automobile industry has been a trend-setter for the Indian economy. It is one of the few industries that emerged successfully from the recent economic slowdown. The industry continues to witness rising competition with influx of investments and entry of a number of foreign players. The consumer today is spoilt for choice, more informed, confident and largely influenced by the internet. Automotive players are taking note of this change and experimenting with online

marketing with effective use of the digital medium. To increase the fiercely fought market share, automobile companies are increasing their online ad spends and range of digital executions, particularly in the social media space.

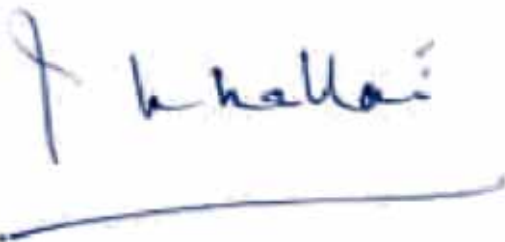
The time, the age and the domain we exist in, is not just dynamic but evolving at lightning speed. As India is a part of this global phenomenon, Webchutney's report "**Inside the Mind of the 'Wired' Car Buyer**" is a compelling study that reveals the online behavior of today's auto consumers. It is interesting to note how remarkably their decision to purchase a high involvement product like a car, is driven by their attitude and perception of the online medium.

Traditionally, purchasing a car was considered tedious with numerous visits to car showrooms, comparison of features through brochures, taking opinions from friends, word-of-mouth from peers and finally experiencing the car through a test drive. The information technology revolution has empowered consumers to access information relevant to car purchase easily. I am amazed at the wide gamut of information available on the automobile industry online, ranging from car model specifications to pricing, finance options, pre-owned cars et al.

The steady increase of online forums/communities and the constructive opinion they generate is very encouraging. I believe this to be a potent tool in the hands of consumers that will strongly influence their buying behavior in the future. This will also help in increasing competition amongst OEMs, service vendors, partners and associations to acquire and retain a customer.

Webchutney's 'Inside the Mind of the Wired Car Buyer' provides an excellent insight for auto marketers and will assist them to analyze and understand the current online initiatives vis-à-vis future online marketing strategies. It provides directions for auto marketers to influence the new 'Digitally Connected Auto Consumers' and help them decide which car to buy before they enter a dealer's showroom.

Many congratulations to the entire team of Webchutney for bringing out this report which is incisive, inclusive and opens a window to the mind of today's digitally connected and empowered consumer and outlines future trends.



Jagdish Khattar

Chairman & Managing Director
Carnation Auto

Introduction

As the global automotive industry witnessed a sharp slowdown during recession, the Indian auto industry stepped on the gas with unprecedented fervor. A whopping 40% increase in passenger car sales from 82,174 units (in December 2008) to 1,15,268 units (in December 2009)¹ was recorded. Added to this, the Indian Auto Expo 2010 witnessed the largest overseas participation of over 2,100 auto brands across 30 countries and a turnout of 2 million people. This indicates a phenomenal increase in consumer demand as well as a rise in the number of players entering the Indian market.

A significant trend that runs parallel to the automotive industry's rise as India's 'Sunrise Sector'² is the influence of internet on the discerning automotive consumers who are more informed, confident and connected. This group may be in a nascent stage of growth with just 50 million strong in count, but promises to expand its sphere of influence over a large cross section of Indians.

Automotive players are taking note of this change and experimenting with online marketing. Maruti claims to have sold over 1,00,000 cars originating from digital executions last year, while Tata Motors' dedicated website on Nano received over 30 million hits and generated 4,000 customer bookings online. It is also claimed that internet is responsible for driving 5% of Honda's total sales in India³. Our annual survey of top Indian marketers' online spends suggests that the digital ad spend share of Automotive sector was 4% in 2009 and is set to grow by 41% in the next financial year.

With the influx of foreign automotive players in the Indian market and cut-throat competition for the numero uno slot, marketers need to embrace the interactive nature of online instead of merely approaching it as a funnel for carrying information. Furthermore, an exponential rise in the number of social communities and platforms is encouraging exchange of opinions and garnering conversations that marketers ought to listen, track and monitor to preserve and promote a positive brand image.

¹Source: SIAM

²Refer Appendix A: Automotive - India's Sunrise Sector

³The Economic Times, May 2009

To understand the growing influence of internet in driving significant changes in auto consumers' buying behavior, Webchutney undertook this study. 'Inside the Mind of Wired Car Buyer' takes a close look at consumers' online behavior - their internet usage, attitude and perception of the medium and its influence in driving purchase decisions. It also gives auto marketers food for thought to analyse their current online initiatives to influence the new 'Connected Consumer' and help them decide which car to purchase much before they enter the dealer's showroom.



The 'Connected' Indian Consumer



Internet: The Big Picture

A common argument presented by marketers in their approach to the online medium is its relatively low penetration at just 4.2% vis-à-vis popular traditional offline media like TV at 50% and Print and Radio at over 20%. The fact remains that almost every Indian online is a potential new or repeat/re-purchase automotive consumer. And their numbers are growing steadily.

A distinct advantage of this medium is its ability to provide selective and contextual targeting that is measurable with a strong return on investment. While automotive marketers spend considerable time and effort in securing their position in the market and staying on top of consumers' mind through unique and large scale offline executions, their online presence does not justify the actual potential of the medium, particularly, in reaching target audiences and influencing them through innovative brand-engagements.

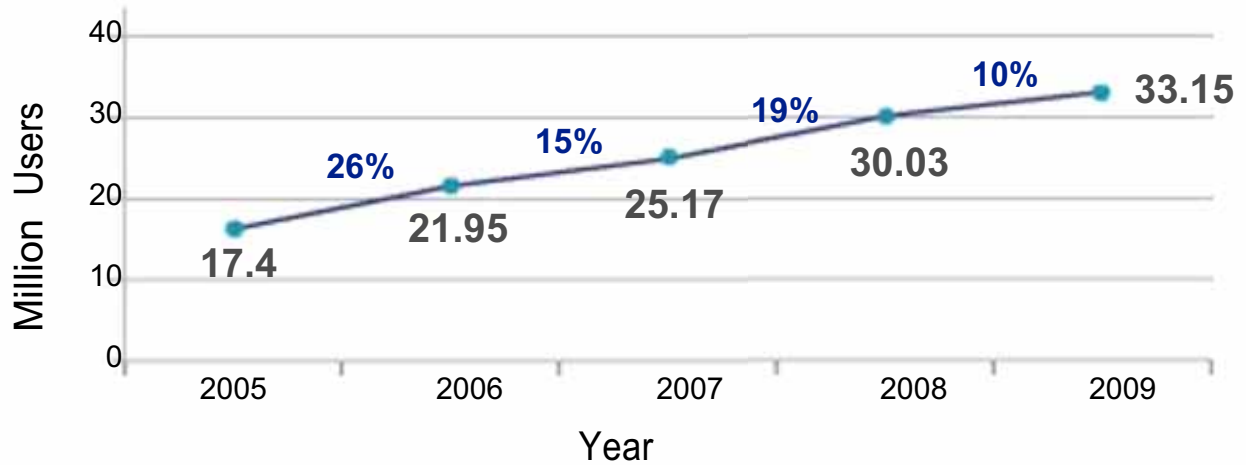
Internet penetration is growing across different SEC classes and is no longer the domain of a particular class alone. This can be attributed to higher literacy rates, easy availability and affordability of internet.

Internet usage today has transcended the urban-rural divide and has spread across town classes. 55% of regular* internet users come from the 'consuming classes' (SEC A, B and R1), 71% of them come from the non-metro cities and villages, and 82% of them fall in the 'prime life' age group of 19-35 years.⁴

*Note: A 'regular' user is online at least once a month.

⁴Source: India Online 2009 Report, Juxt Consult

Trendline Showing Growth in 'Regular' Urban Internet Users



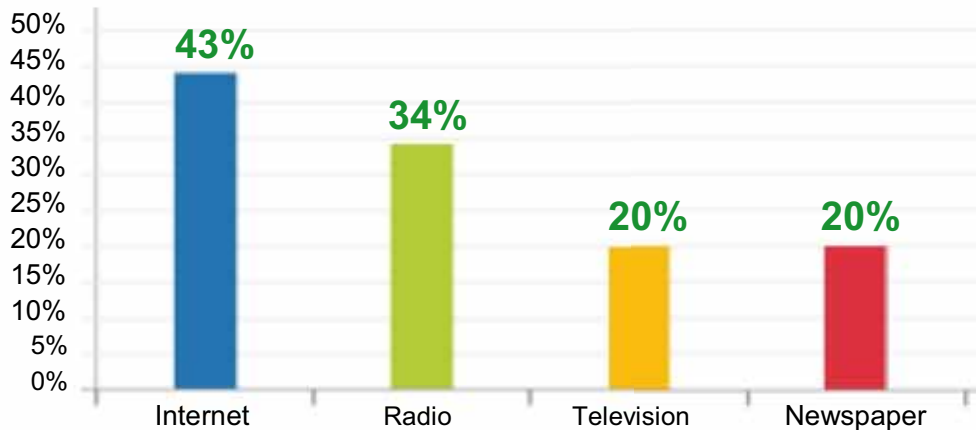
There has been growth in the number of urban Indians using internet on a regular basis and 70% of all internet users are now 'daily' internet users.⁵

⁵Source: India Online 2009 Report, Juxt Consult

83% of Online Indians are Regular Internet Users⁶

Internet users who access the net from home tend to be relatively 'heavy'⁷ users of the medium as compared to 'offline' mediums, i.e. TV, newspaper and radio.

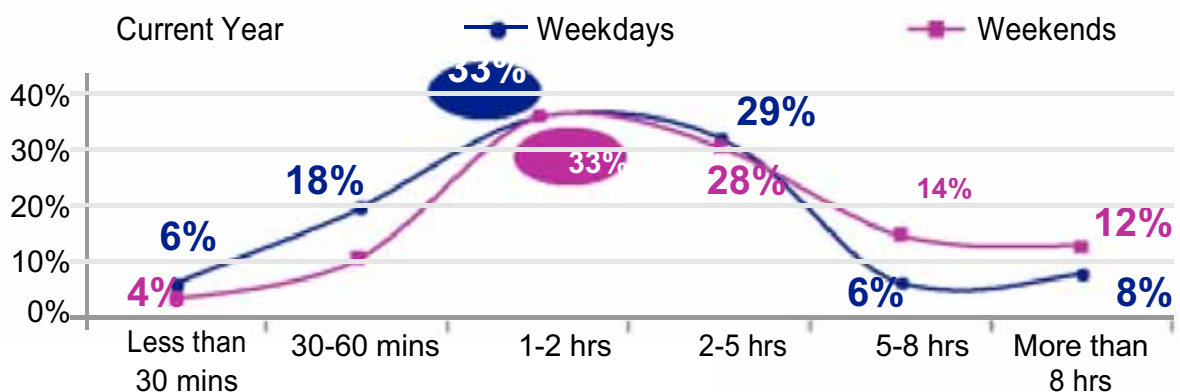
Online vs. Offline Media Usage (Weekdays)



43% Indians Online are 'Heavy' Users of Internet Just 20% are Heavy Users of Television (Weekdays)⁶

The tilt in preference towards internet vs. traditional media is not surprising owing to the higher 'engagement' value driven online. While traditional media has followed the age-old 'Marketer to Consumer' model, the rise in usage and acceptance of internet has produced the new 'Consumer to Consumer' model, which is more participative and informative.

Intensity of Internet Usage



⁶ Source: India Online 2009 Report, Juxt Consult

⁷ According to Juxt Consult's India Online 2009 report, 'heavy usage' of a medium indicates more than 2 hours spent on a particular medium daily, with the exception of Newspaper where heavy usage indicates more than 1 hour spent on the medium daily.

9 out of 10 Regular Online Indians Search for Products on the Net

'Search' is clearly the most prominent purpose for which internet is being used by regular online Indians, and is now driven towards specific activities vis-à-vis casual search for information.

The advent of online portals which offer information as well as services related to travel, jobs etc has eliminated the inconvenience associated with delivering these services through brick and mortar outlets. Indians are increasingly availing the benefits of booking tickets online instead of spending endless hours standing in queues. IRCTC claims to have recorded 6.5 million online train bookings each month and has a registered user base of over 12.5 million (as of October 2009).⁸ Similarly, job-seekers prefer to use portals which are a one-stop shop, instead of relying on classifieds across various newspapers. Naukri.com claimed to have a database of 21 million resumes in 2009-10 and recorded a 23.5% increase in the number of resumes from the previous financial year.⁹

68% Online Indians Search for Non-Travel Products (Including Passenger Vehicles) on the Net

Rank	Online Activity	% Respondents Undertaking in 2009
1	Search for travel products	84%
2	Job search	71%
3	Search for non-travel products	68%
4	Instant messaging/chatting	67%
5	Check general news	62%
6	Dating/friendship	55%
7	Check cricket content/score	53%
8	Check sports other than cricket	52%
9	Matrimonial search	49%
10	English info search engine	49%

Source: India Online 2009 Report, Juxt Consult (Base: 28,500)

⁸Source: IRCTC

⁹Source: Infoedge Annual Report 2010

With 68% of online Indians searching for non-travel product information on the net, 'online window shopping' has become a significant activity. Communication, social interactivity and entertainment stand out as other popular online activities.

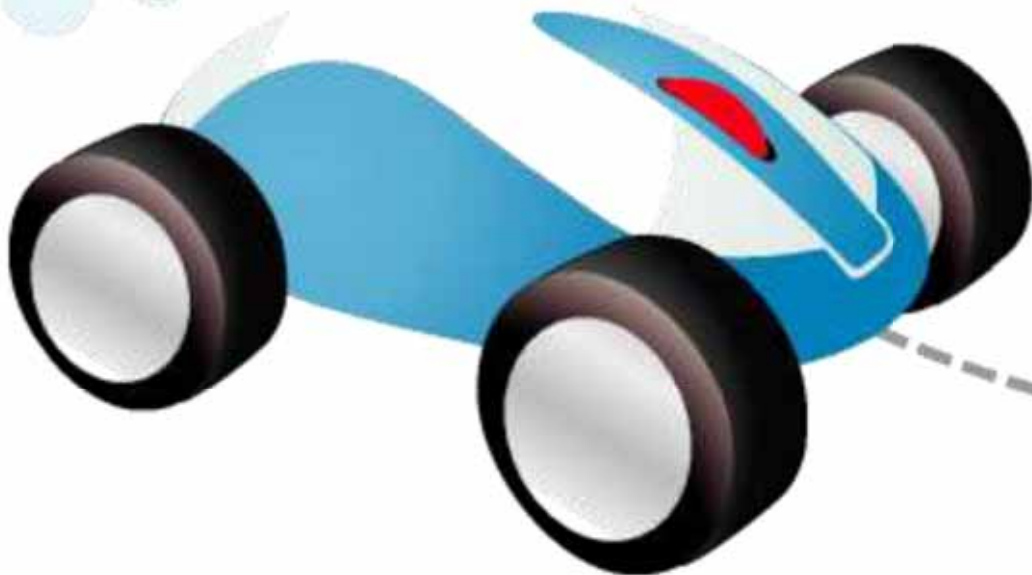
Benefits accrued by products and services increasingly made available online have catapulted the adoption of the medium by both consumers and marketers. Change in advertising approach from 'push' to 'pull' has compelled automotive companies to re-invent their brand strategy and make optimum use of online engagement to capture India's large consumer base.



Source: India Online 2009 Report, Juxt Consult

The opportunity for automotive marketers to capture this 'inquisitive' audience is tremendous. A large number of marketers have experimented with online executions successfully through brand websites providing product information and other online promotions. The key is to make their presence felt where potential online consumers reside, and engage them through brand activities that are exciting, relevant and interactive. A new status will arise as the power of 'each' online consumer magnifies and they become brand advocates, influence their peers and promote brand awareness.

**Online is Now
Mainstream
for Automotive
in India**

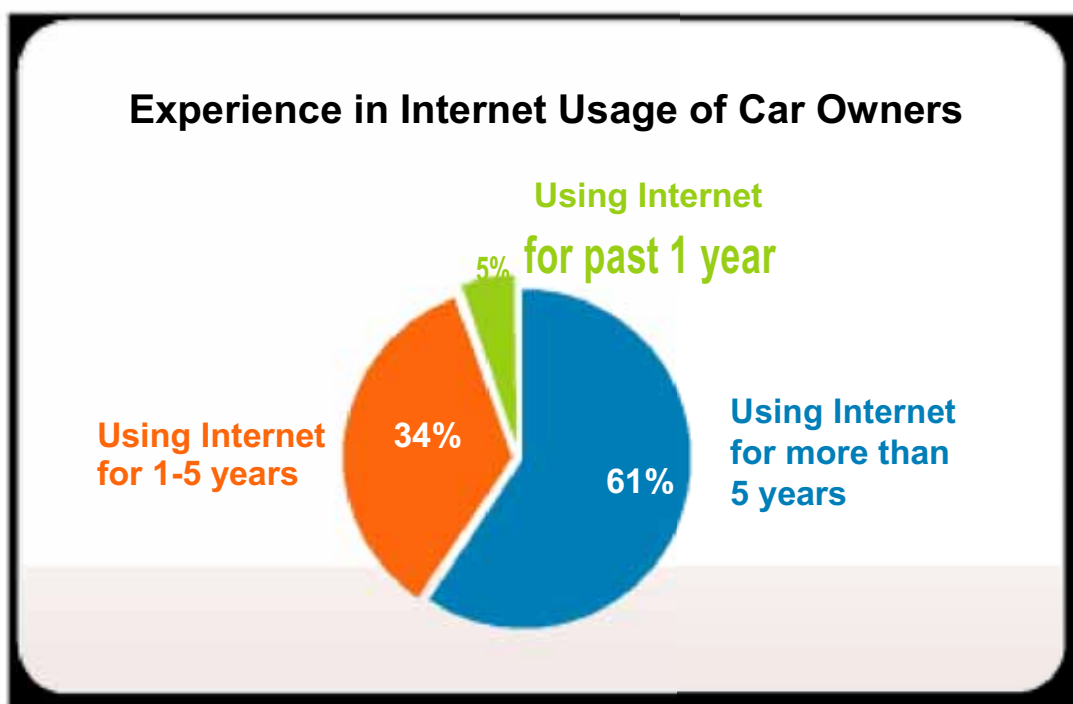


From 'In Line' to 'Online'

The time when hundreds used to queue up for an elusive Bajaj scooter is long gone. Post liberalization and with the entry of foreign players in the auto sector, a vast range of options exist before the Indian consumer.

Experience in internet usage has led to a rise in the avenues from which consumers access information. A prospective automotive buyer who is online, makes optimum use of this medium to carefully research through a gamut of websites, communities and social networks, shares opinions, participates in online discussions, writes reviews and also influences friends, peers and other prospective auto buyers while seeking information on which car fits the bill.

Our survey indicates 61% of car owners who are online have been accessing internet for more than 5 years. Consequently, they are more at ease when it comes to searching for information using this medium.



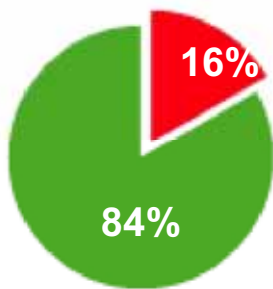
Source: Webchutney Automotive Study 2010 (Base: 1200)

Most Online Car Owners are Tenured or Experienced in Internet Usage

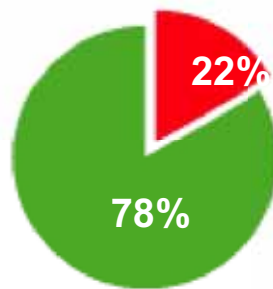
The 'Connected' Auto Consumer's Profile

A whopping 84% of car owners online in the age group of 25 – 39 years, both own as well as express a desire to purchase a car. An impressive 78% car owners, above 40 years of age, own a car and yet wish to purchase another car. This is a positive indication of online consumers who fall in the 'have money will buy' segment, and are also potential brand advocates for automotive marketers.

Online Car Owners (25-39 Years)



Online Car Owners (Above 40 Years)

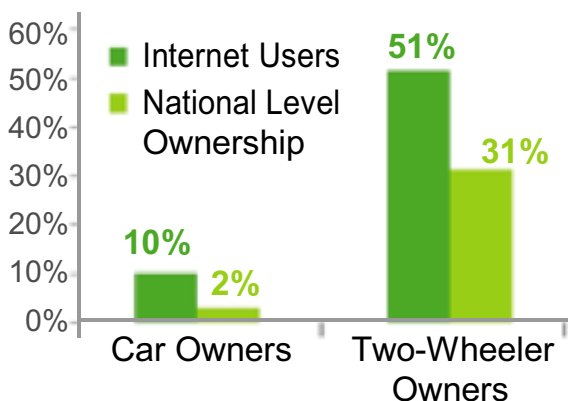


- Intend to purchase another car
- Don't intend to purchase another car

Source: Webchutney Automotive Study 2010 (Base: 1712)

Our survey reveals that as many as 78% of online Indian car owners possess a color TV and a computer. As per capita incomes are increasing across SEC categories, access to internet is becoming widespread. Marketers need to target the burgeoning sections, which already own a car and are looking for a replacement purchase.

Vehicle Ownership Amongst Online Indians & Rest of India

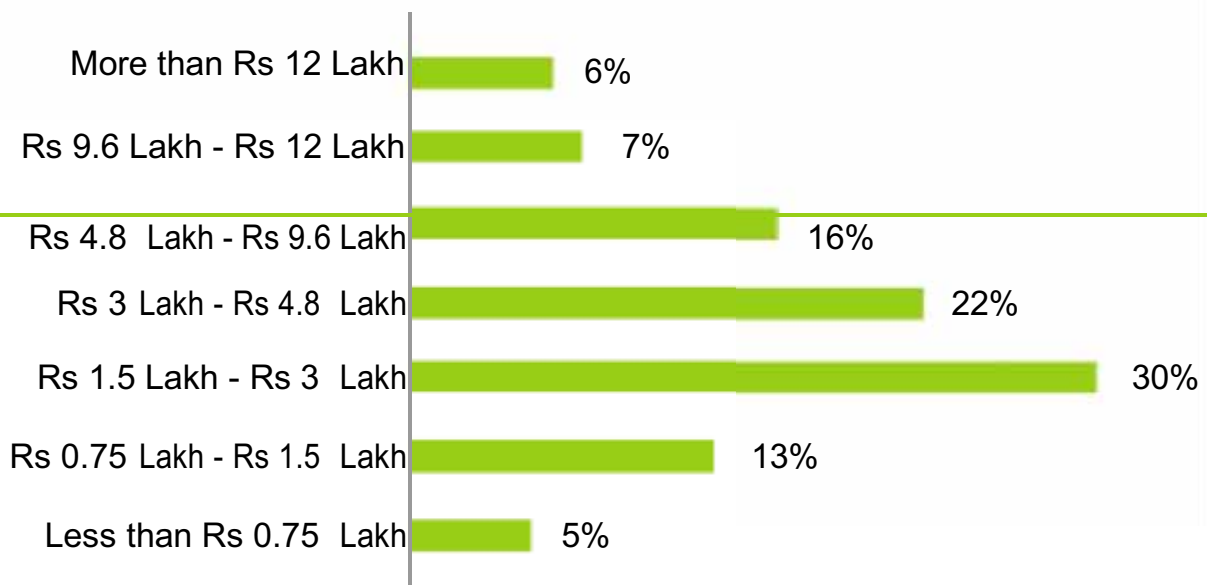


Ownership of cars among regular internet users is at 10% (against national level ownership of mere 2%), and of two-wheelers is 51% (against national level ownership of 31%).

Source: India Online 2009 Report, JuxtConsult

Another positive trend that is fueling growth in the automotive industry is the rise in disposable incomes and easy availability of loan options. The lower income segments who aspired to be car wheelers are now in a position to purchase cars through EMI plans, while auto companies such as Tata have introduced more affordable Nano for Indian masses.

Annual Household Income (AHI) of Online Car Intenders



Source: Webchutney Automotive Study 2010 (Base: 1285)

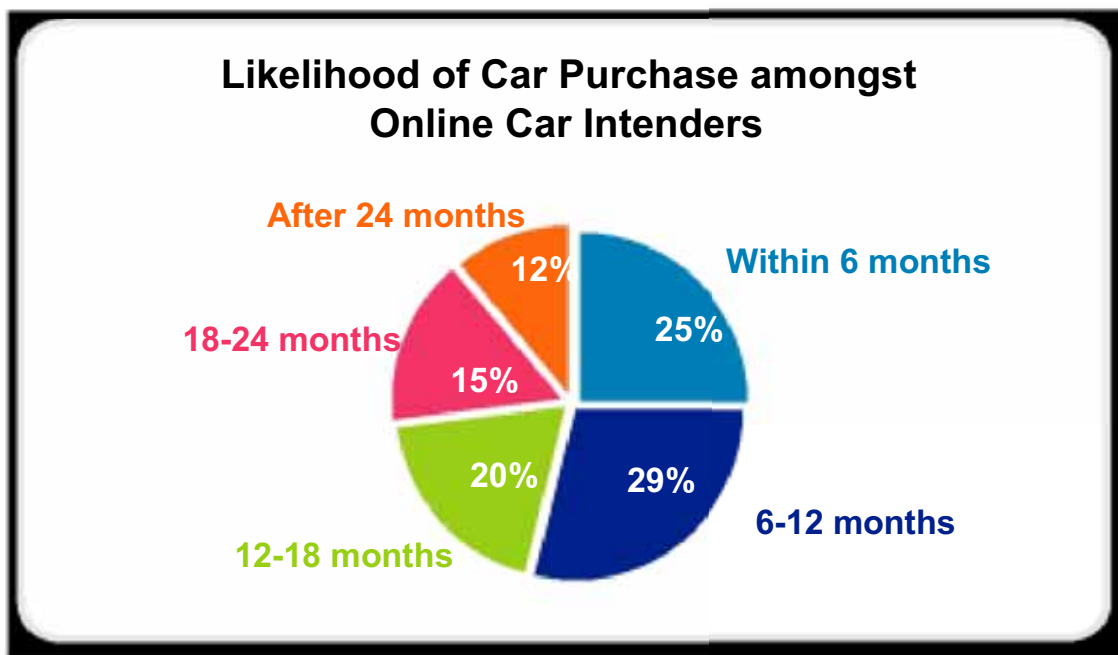
**More than 50% of Online Car Intenders Fall in
the Income Bracket of Rs. 1.5 - 5 Lakh per annum**

**Driving Purchase
Decisions from the
Living Room**



'Online' Drives Purchase Intent

Traditionally, auto consumers decided whether or not to buy a car in the showroom – today a shift in this trend is witnessed with this decision now being made in their living room. Car buying is a tedious process, which involves carefully weighing the available options, comparing prices, features and so on. And yet the desire for a car remains deeply etched in the heart of every individual moving up the income ladder. Our survey shows 54% car intenders wished to purchase a car within the next 12 months. Clearly, this figure is indicative of the need for marketers to understand and tap this prospective consumer base by making their car search process easier. Providing information to consumers at their convenience and engaging them with a quality, unforgettable brand experience online can help generate interest and shift loyalty towards a particular brand.

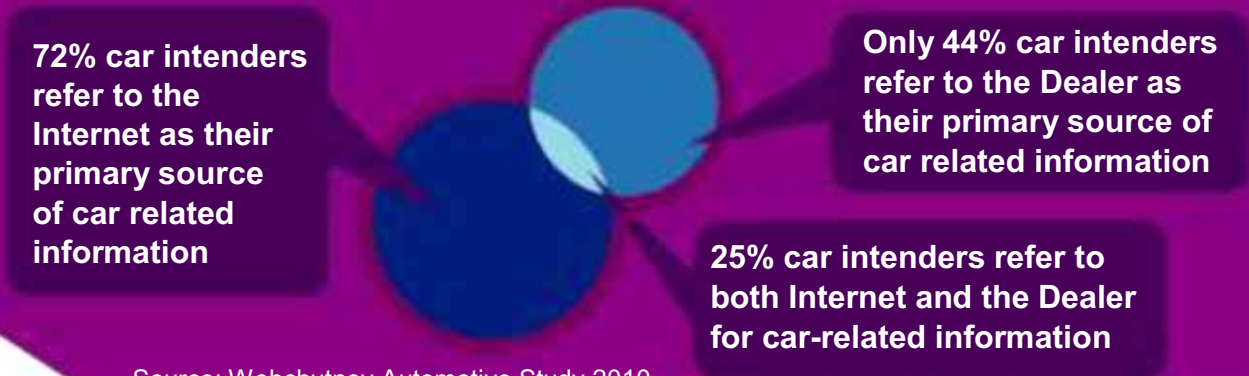


Source: Webchutney Automotive Study 2010 (Base: 585)

54% Online Intenders Car Intenders Wish to Purchase a New Car within the Next 12 Months

Internet is the Instinctive Medium of Choice for Pre-Purchase Research

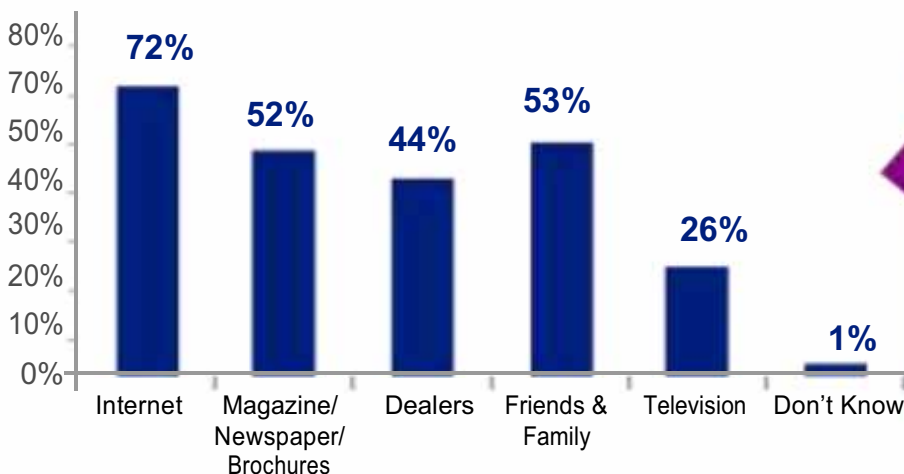
Our survey indicates that 69% of car owners and 72% intenders refer to internet as their primary source of car related information. In comparison, only 44% indicate preference to consult a car dealer while 26% rely on television for pre-purchase research. With a tendency of pushing cars with higher margins and limited amount of information available at a dealer, its role has reduced to the point of test drive, purchase and support.



Source: Webchutney Automotive Study 2010

With vast depth of information available on various online platforms which makes comparison of price, product and features across brands and models quick and efficient, cases of consumers rejecting automobile brands and models even before they test-drive them are becoming common. It could be inferred from this that the car dealer's stronghold and influence over purchase decisions is diminishing.

Car Intenders' Preferred Source of Information



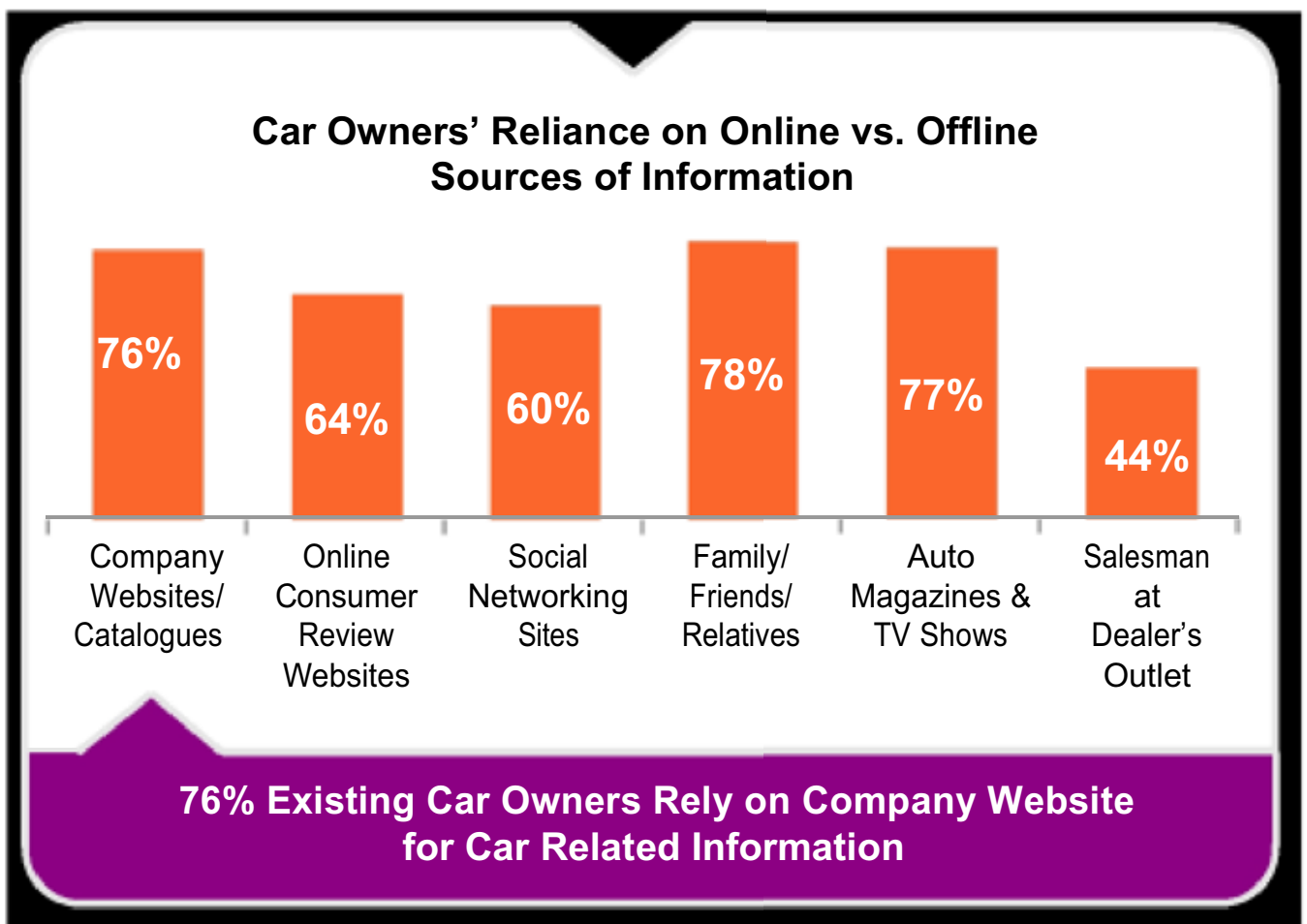
72%
Respondents Intending to Purchase a Car Prefer to Use Internet for Research

Source: Webchutney Automotive Study 2010 (Base: 1285)

Car Buyers Rely on Internet as much as Friends & Family

Our survey indicates that car owners rely heavily on family and friends as a source of information while looking for car related feedback. However, their inputs were limited to either generic features of the car or post purchase experiences.

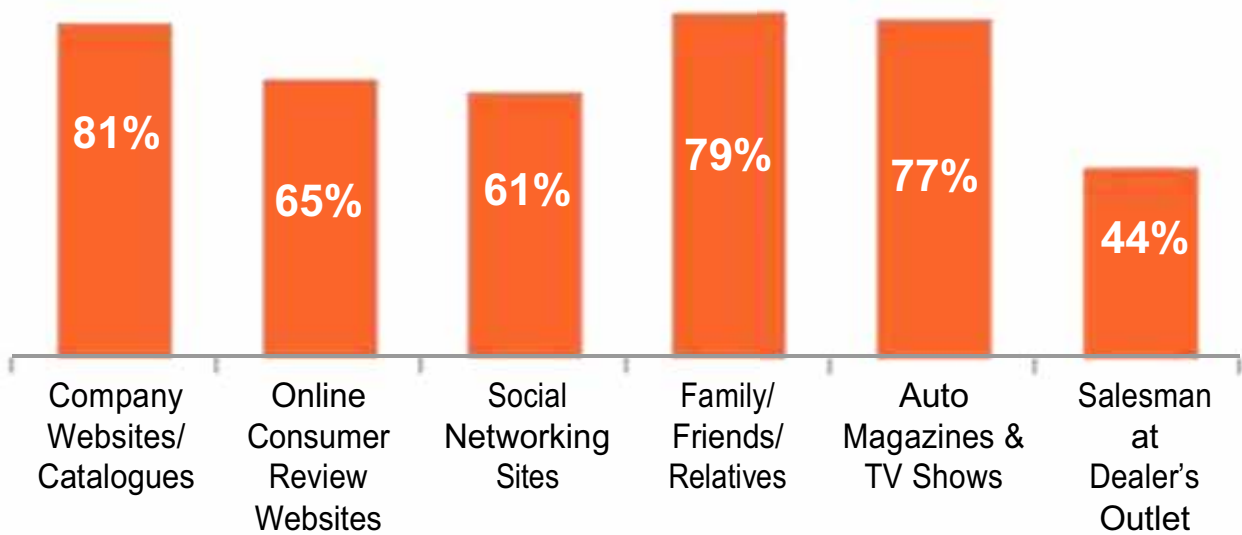
76% of existing car owners prefer to rely on company websites to research information on various models available in the market. In comparison, trust in dealer/salesman at showroom was comparatively low at 44%. For the automotive marketer, this spells a significant change in the influence they had over consumers in the car-sale process at the traditional point of purchase (dealer).



Source: Webchutney Automotive Study 2010 (Base: 700)

The same trend is witnessed with online consumers showing 'intention' to purchase a vehicle, with 81% of them indicating that they were likely to rely on company websites for car related information. This is attributed to the high depth of information required to take a purchase decision towards their first medium of mobility.

Car Intenders' Reliance on Online vs. Offline Sources of Information



81% Car Intenders Rely on Company Website for Car Related Information

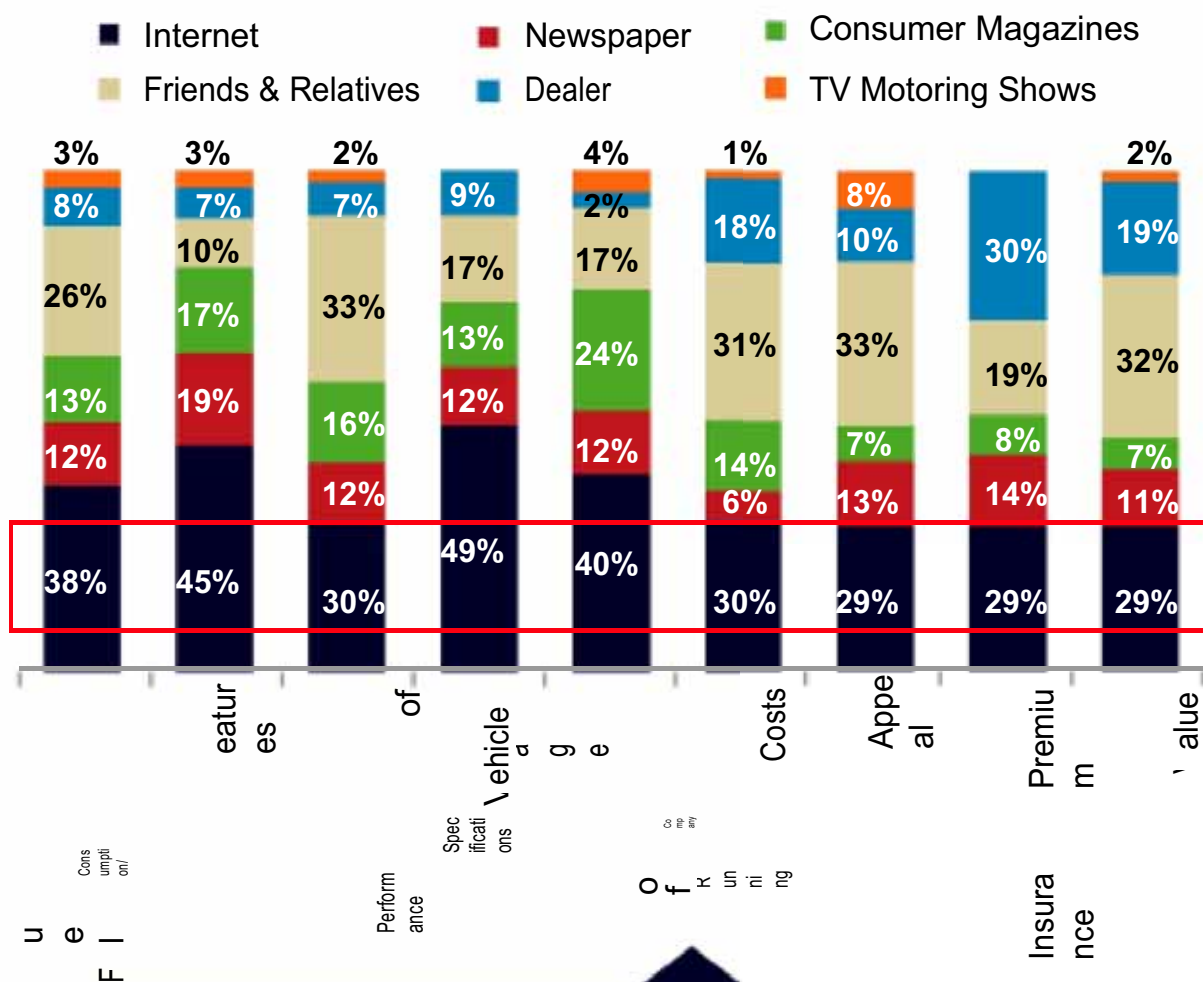
Source: Webchutney Automotive Study 2010 (Base: 585)



In Depth Research on Vehicular Attributes is Conducted Online

Our survey indicates that while car intenders rely on a range of offline sources for seeking car specific information, internet emerges as the preferred and most used choice. Internet becomes a 'one-stop-shop' for consumers to pitch a variety of brands against each other based on various attributes considered before purchasing a vehicle. And they can do this at their own convenience, take their own time and consult a host of sources to form an independent opinion.

Source of Information Consulted for Various Vehicular Attributes



Vehicle Specifications, Safety Features and Brand Image are the Top Attributes Researched Online

Source: Webchutney Automotive Study 2010 (Base: 585)

A perceptual map indicating the influence of online and offline media for research on car attributes indicates that for detail oriented features such as vehicle specifications and safety features a brand's website emerges as the preferred source of information. Similarly, consumer review websites are consulted for analysing fuel efficiency across car models, and online social networks are referred for evaluating running cost of cars. For cost related information such as car resale value and insurance premium dealer's opinion is sought.

Friends and relatives opinions are generally considered while seeking feedback about post purchase experience such as overall performance and driving appeal of the car.

Auto Consumers' Association of Car's Attributes with Information Sources



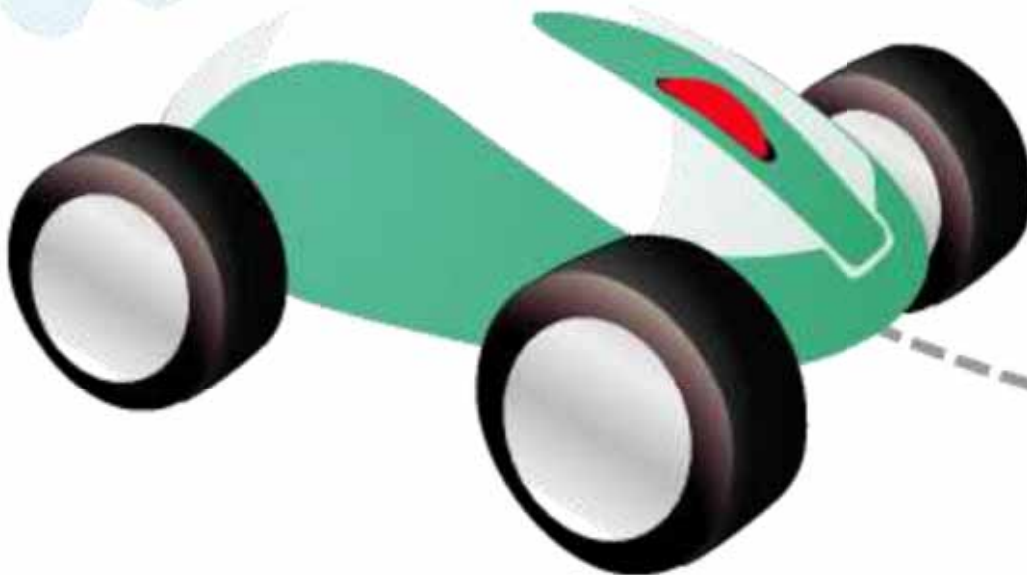
Consumer Review Websites are Popular for Analyzing Fuel Efficiency of Cars

Note: The closer an attribute is to a resource, the stronger it associates with that resource vis-a-vis other resources.

There is enough evidence to indicate the acceleration of change that internet has provided in influencing auto consumers' purchase decisions. An informed consumer carefully evaluates his/her choices before buying a car. While television and print may create the first wave of awareness for automotive brands and newly launched models, various online channels along with word-of-mouth advice from friends and family play a major role in helping consumers make a final decision. As more and more 'friends and family' are becoming active users of online social channels, providing direction and generating buzz for auto brands, marketers must take stock of the staggering pace of change that is about to come as internet penetration increases steadily in India.



Consumers are Fueling Automotive Content Online

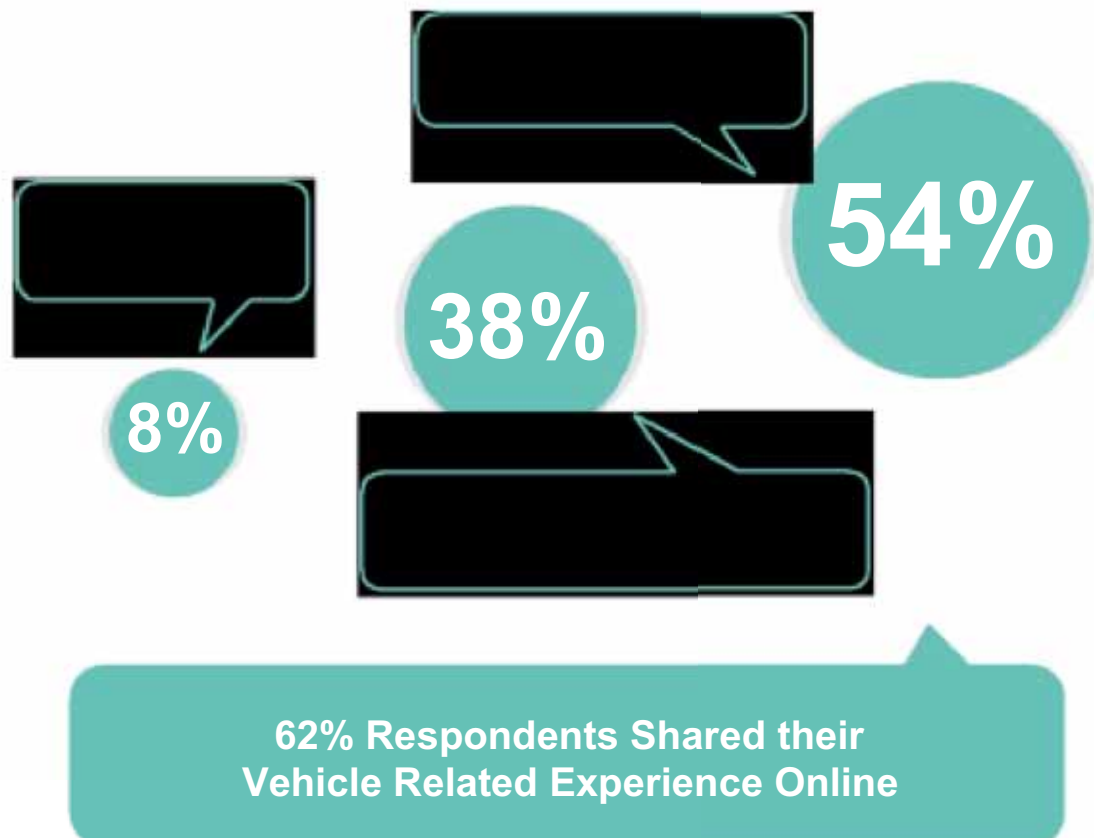


Social Channels are Abuzz with Conversations to Share Experiences

Consumers are proactively sharing their vehicle related experiences on various online platforms including Social Media. The importance of a car's website emanates from its ability to provide in-depth feature specific information to prospective customers. On the other hand, consumer review websites offer a third party view of the vehicle's performance and are valued because of their unbiased nature. Any positive review on these must be followed by avenues providing more information about the car- be it in the form of an ad or an article or a well conceptualized brand interaction.

Of the 62% respondents who shared vehicle related information and opinions online, an impressive 54% shared a positive experience. They qualify as Influencers on whom auto marketers must spend considerable effort to convert them into self-serving brand evangelists.

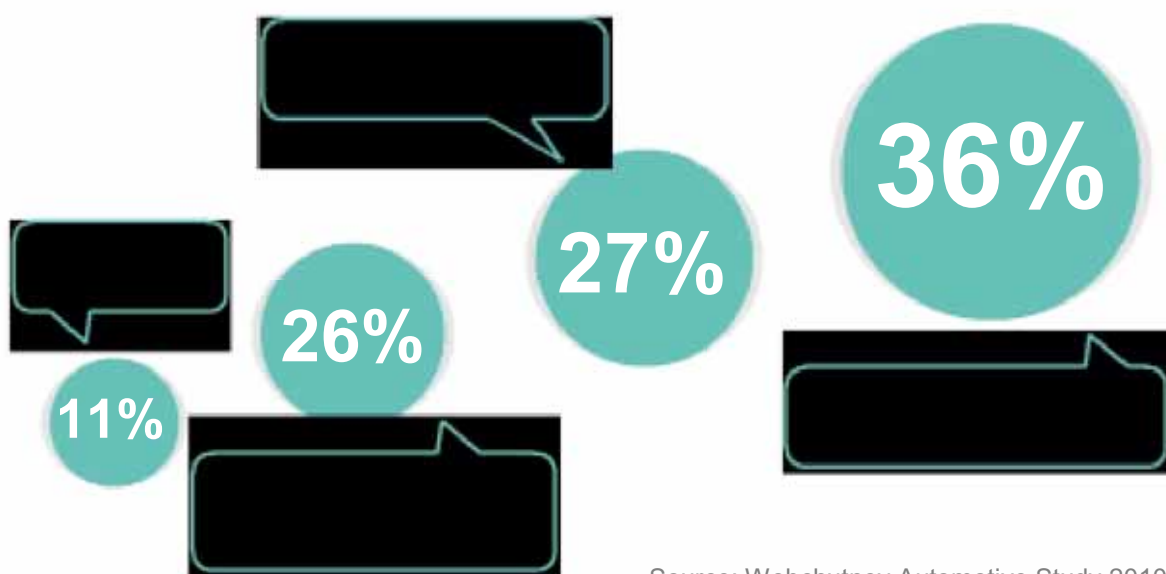
Type of Car Experience Shared Online



Source: Webchutney Automotive Study 2010 (Base: 1296)

Consumer review websites and social media, particularly social networking sites have gained tremendous popularity in a short span of time. Their role is no longer limited to just networking but has grown towards providing opportunities to marketers to make their brands visible. Contextual placement of ads on social networking sites enables targeting of people who have an interest in the subject or harbor a purchase intention, apart from creating social communities encouraging brand conversations and discussions.

Various Online Channels Used to Share Car Experiences

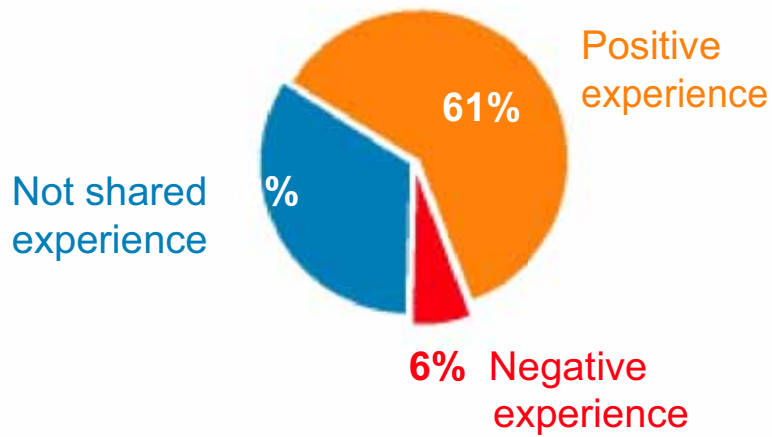


Source: Webchutney Automotive Study 2010 (Base: 1296)

53% Respondents Use Social Forums to Communicate and Express Independent Opinions and Brand Experiences

Brand website emerges as the most important platform for consumers intending to purchase a car to gather valuable experiences from other consumers as well as the brand itself. Brand websites serve as the first point of contact for prospective buyers, right from the brand message down to the depth of interaction which is under careful scrutiny, and in constant comparison with multiple brands. Product differentiation aside, there is a need for marketers to create a new brand vision online and innovate value-based marketing keeping such prospective buyers in mind. It is not just about selling cars, but giving consumers a reason to purchase them.

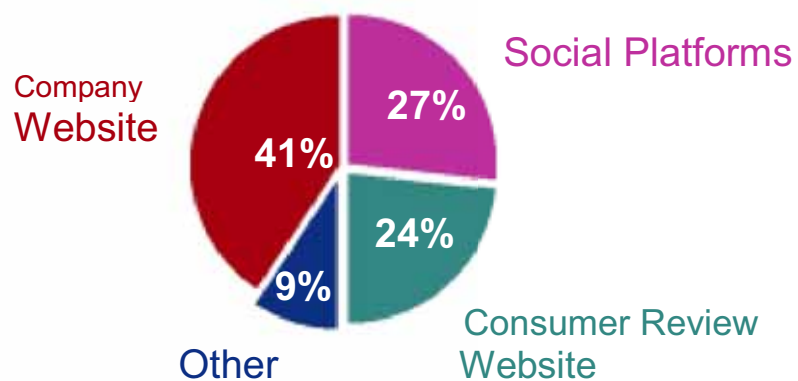
Type of Pre-Purchase Experience Shared Online by Car Intenders



Source: Webchutney Automotive Study 2010 (Base: 1296)

Moreover, consumer review websites are increasingly becoming influential in providing relevant content and opinions to consumers seeking to purchase a new vehicle.

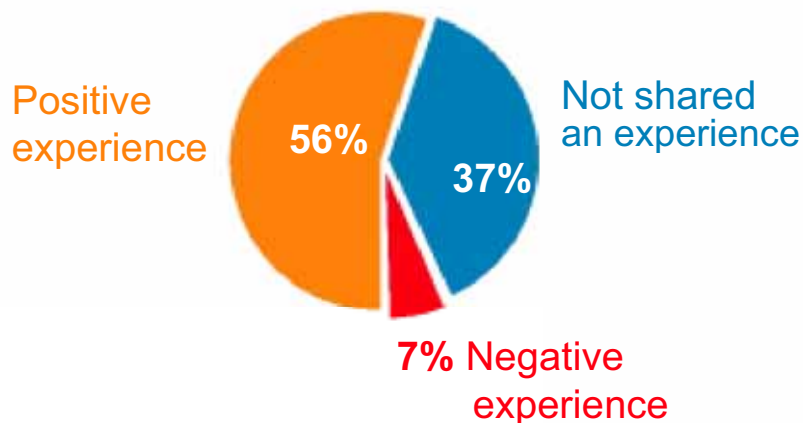
Online Channels Used by Car Intenders to Share Experiences (Pre-purchase)



Source: Webchutney Automotive Study 2010 (Base: 801)

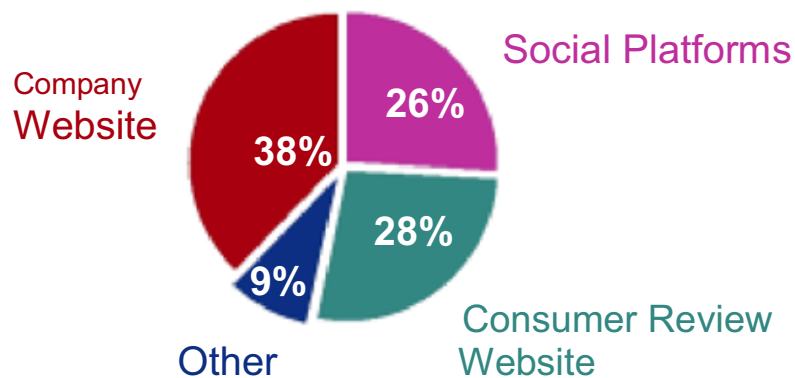
Post purchase, 66% car owners prefer to use company and consumer review websites to share their experience. Our survey indicates that 56% of post purchase experiences shared online are positive. Marketers need to capitalize on this section of consumers as their opinions add considerable value to the brand's reputation.

Type of Post-Purchase Experience Shared Online by Car Intenders



Source: Webchutney Automotive Study 2010 (Base: 1200)

Online Channels Used by Car Owners to Share Experiences (Post-Purchase)

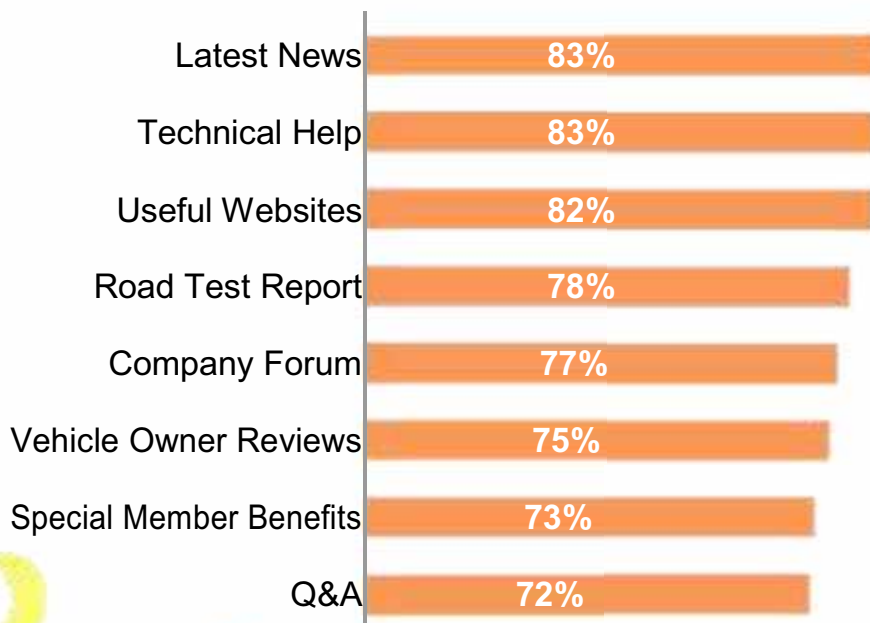


Source: Webchutney Automotive Study 2010 (Base: 756)

Rise of Online Auto Communities

Today, the avenues on which people are sharing product and service related information are growing at a fast pace. Online communities are growing, and individuals amongst them increasingly understand the impact of their views on a given vehicle. Offering a third party view, there is a sense of credibility that people attach with these, vis-a-vis direct online company forums. 83% respondents indicated they were likely to use an online automotive community to find as well as share latest car related news. The challenge for the marketers, therefore, is to register their presence on such communities and to cash in on the information needs of online consumers.

Features Desired in an Online Automotive Community



Latest News, Technical Help and List of Useful Websites are most Desired Features in an Online Automotive Community

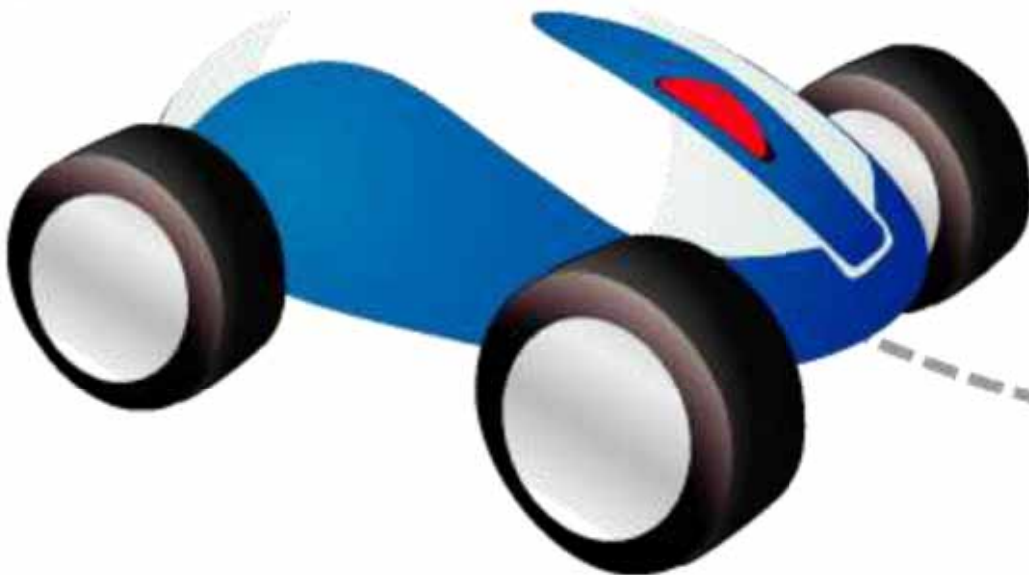
Source: Webchutney Automotive Study 2010 (Base: 1712)

With increase in number of people logging onto social forums, marketers must prepare their marketing strategy and create engaging experiences to make optimum use of such avenues.

The information that people use to buy a car no longer comes solely from the auto marketer. Today, it also comes from other buyers and owners online who interact with each other on consumer review forums, social networking websites etc. and explore the length and breadth of company/brand websites to make purchase decisions.



The Last Lap



Concluding Note

Our report provides substantial evidence to help marketers understand and leverage the impact of internet on Indian consumer's decision-making and purchase behavior. Internet has become a powerful medium for consumers to decide which brands they like or dislike. It has become an integral part of the car-research and purchase-decision process for Indians online. The auto-marketer and dealer's control over influencing purchase decisions of prospective or 'in-market' buyers as the initial point of reference for information is fading in comparison with recommendations that consumers share with each other online, and they are more likely to decide which car to buy before reaching the dealer's showroom. With the 'connected' consumer literally being in the 'driving seat' and automotive being one of the most competitive industries today, auto-marketers face a bigger challenge of increasing 'consideration' for their brand in the future.

Compared to traditional media, internet offers auto-marketers a chance to interact with consumers by responding to them in 'real-time', monitor brand mentions, track testimonials, comments and conversations related to pre and post purchase experiences, and create immersive, engaging experiences for them which extend beyond the brand. Globally, a large number of automotive brands are experimenting with social media innovatively and creating dedicated online communities for consumers to get information as and when they want it. Such intuitive online executions help marketers cut through the clutter and target potential customers accurately. They also help save precious marketing expenses which are considerably high on TV, Print and Radio. On top of this, the greatest advantage of online, by virtue of being an interactive medium, is its ability to convert consumers into self-serving brand advocates and propagate positive word-of-mouth when they are satisfied. With the right online strategy that is creative and refreshing, auto marketers can create the perfect 'Wow' moment resulting in a win-win situation for all.

Takeaways for CMOs

■ A Substantial Chunk of Automotive (Car) Target Audience is Present Online

The number of online Indians has crossed 50 million. 64% of online car owners are below 35 years of age, and 61% have been online for more than 5 years. This online audience has purchasing power (falls in the 'have money will buy' segment) and exhibits substantial desire to purchase a new car.

■ Internet is Influencing Purchase Decisions and Increasing Brand Consideration

9 out of 10 Indians online search for product information on the net. 72% respondents intending to purchase a car prefer to use internet to gather relevant information about their choice. In comparison, only 52% rely on Magazines (Print) and a mere 26% rely on TV.

Internet offers interactivity and customer-engagement unlike any other medium, and is a powerful tool for auto brands to differentiate through innovative, collaborative activities and increase consideration in a highly cluttered and competitive market.

■ Today Company Websites are more Reliable than Car Dealers

Our survey indicates that a whopping 81% respondents intending to purchase a car rely on information provided on auto brands' websites. In comparison, only 44% rely on the salesman at the dealer's outlet for car related information. The traditional model of executing a car sale has changed dramatically, reducing the role of the dealer to the point of test-drive and purchase. As more consumers find their way to brand websites for purchase-related information, online properties will evolve from being static information-funnels to becoming interactive doorways to unique brand engagements.



■ The Consumer is in the ‘Driving’ Seat on Social Media

There are around 20.9 million Indians on Facebook and 19.9 million on Orkut who possibly engage in ‘brand chatter’.¹⁰ They freely discuss and share views, opinions and real-life experiences, thus fueling positive/negative brand images. In our survey, 62% respondents indicated they have shared an auto related experience/opinion online.

For auto marketers to gain competitive edge, managing their brand’s reputation through social channels will assume significance in their overall marketing strategy, particularly, to build unquestionable brand loyalty and drive sales.



Methodology

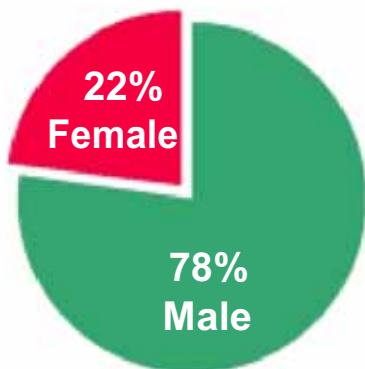
“Inside the Mind of the ‘Wired’ Car Buyer” scopes the usage and attitude of online Indian car consumers. The primary purpose of our study was to understand and analyze online Indians car-buying behavior and the impact of internet in influencing and driving their purchase decisions.

To this effect, a sample of 2024 respondents was taken from a panel of consumers belonging to different demographics - age groups, socio-economic classes, locations etc. Primary data was collected by means of a questionnaire. The consumer panel was further classified into current and prospective vehicle owners and based on different attributes; their attitude towards the use of internet was mapped. The period of the study was April to June 2010.

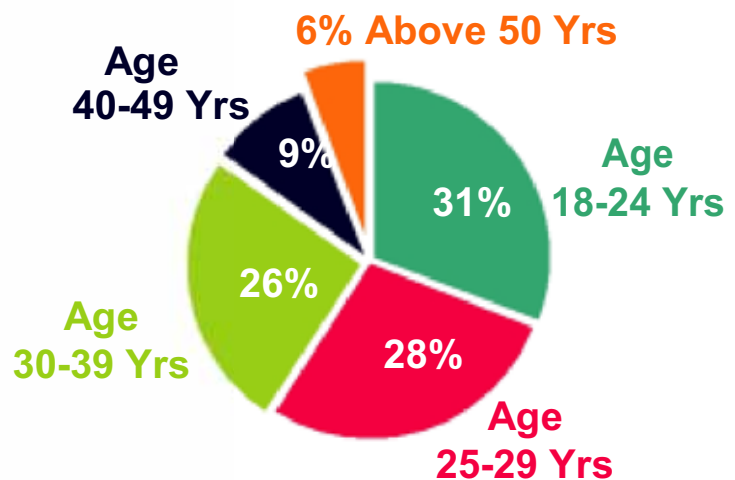
Demographics

Our respondent base was classified into five age groups, namely, 18-24 years, 25-29 years, 30-39 years, 40-49 years and above 50 years. 78% of the respondents were males and 22% were females.

Gender Wise Break-up of Respondents



Age Wise Break-up



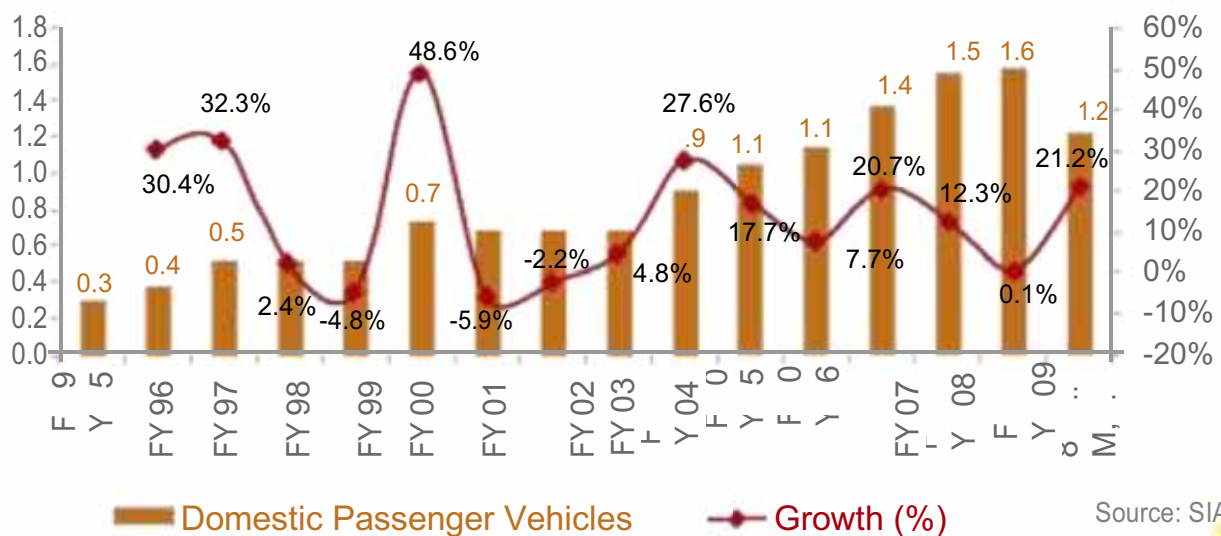
Appendix A: Automotive - India's Sunrise Sector

Touted to be the 11th largest market in the passenger car segment¹¹, the Indian automotive industry is expected to grab the 7th place in global rankings by 2016¹². With an annual production of 9.7 million units¹³, the industry is ranked as the 10th largest auto industry in the world and is expected to account for 10.6% of India's GDP by 2016.

Clocking 12 million units' sales in 2009, India leads the production of two wheelers. However, its passenger car segment is also catching up. In May 2010, passenger car segment recorded sales of 1,90,575 units.

With rise in disposable incomes, easier financing options and favorable policies being charted out by Indian government, buying a car has become easier and consequently the demand for passenger vehicles is high.

Trends in Domestic Passenger Vehicle Industry



¹¹Source: IBEF

¹²Source: Automobile Industry in India, India Reports

¹³Source: Automotive Mission Plan Report 2006-2016, Govt. of India

Meanwhile, competition in the auto industry has grown manifold. Global auto players are making a foray into the Indian territory to capitalize on the industry's current 'Midas Touch'. The battle to capture the much coveted Indian auto customer is on!

The other side of the story is the low car penetration in India, which is just 9 per 1000 people, on account of vast population of the country. However, car penetration in urban areas, particularly, in the metropolitans, has been increasing at a phenomenal rate. While the need to service demand for private transportation for a rapidly increasing population may have been realized by marketers, how to do so remains to be seen.

2007	Population (Millions)	Passenger Car Population (Million)	Car Density (Cars per 1000 People)
UK	61.0	31.34	521
US	302.8	136.01	450
Russia	142.3	26.79	188
Brazil	189.4	19.80	107
China	1,322.1	21.43	16
India	1,135.6	12.06	9

Source: Global Insight, Rosstat



About the Authors

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Sidharth Rao is the Chief Executive Officer and Co-Founder of Webchutney, India's leading and most awarded web services company.

With over 12 years of industry experience, Sidharth has made a significant contribution in shaping the interactive marketing industry in India. Sidharth leads the 150 people strong organization assisted by an excellent management team across New Delhi, Mumbai and Bangalore.

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He has led strategic business researches, quality studies (CI/Six Sigma) and change management projects with exposure to varied industries such as FMCG, Pharma, BFSI, TMT, Consultancy Services, Government and Public Administration. His diverse work experience includes working with IMRB International, IDC India, Convergys, and Annik.

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Shweta Bhandari leads the research team at Webchutney, which publishes 'thought provoking' reports on the state of online in India.

She carries a diverse business profile including blue-chip companies like American Express and GE. At Webchutney, she has contributed in writing several research publications such as The Digital Vote Bank, Viral Marketing and more recently the Digital Media Outlook 2009. Her passion for discovery and thirst to engage in new challenges lend immense scope and dimension to this field.

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She has completed her MBA in Marketing from ICFAI Business School, Hyderabad. Prior to this, she graduated in Journalism from Lady Shri Ram College, Delhi University. She has interned with 'HPCL-Mittal Energy' (HMEL) and 'Business Standard' during her post graduation and graduation respectively. Her strong analytical and communication skills and deep interest in the field have lent new perspectives to the report.

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webchutney works with leading companies in India by developing award winning and memorable experiences for brands to connect, engage with and build sustained relationships with their consumers online.

Our clients include Unilever, P&G, HP, Airtel and Microsoft among others. We work with them in areas of online advertising, website design, mobile marketing and social media.

Ranked as India's Number 1 Digital Agency two years in a row (Brand Equity Agency Reckoner, The Economic Times, 2008 & 2009), Webchutney is committed to leading the interactive marketing industry.

We are a team of over 150 digital marketing professionals across New Delhi, Mumbai and Bangalore.

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