

STARCOUNT

Whitepaper:
Bringing the automotive
customer into the boardroom



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The future customer

Picture the scenario:

You're driving down the motorway when your beloved but ageing vehicle suddenly shudders to a halt for the fourth time that year. Reluctantly, you finally accept that it's time you bought a new car. While you sit on the hard shoulder, you get out your smartphone and click through to the What Car? website, browsing the latest models from your favourite manufacturer. By the time assistance has arrived, you have decided on a vehicle, chosen the colour and additional features, and have requested a model be delivered to your front door tomorrow morning ready for you to take it for a test drive.



A second scenario:

You wake in a panic after accidentally oversleeping. After throwing on some clothes you run downstairs to the car, but instead of jumping into the driver's seat you slide into the back, telling the invisible driver to "take me to work". As the vehicle silently complies, you snap on your seatbelt and spend the journey going over your tasks for the day, after calling your office to excuse your lateness.



| You're preparing for the future...

These hypothetical scenarios could become a reality sooner than you think.

Auto manufacturers are investing millions in the development of new technologies, while Silicon Valley giants are piling money into the latest automotive scheme. Experts predict that every major manufacturer will have a self-driving car on the market by the early 2020s, while Bloomberg New Energy Finance analysts expect carbon-free vehicles to become cheaper than their conventional counterparts within the same timeframe.

The automotive industry is already feeling the effects of this technological revolution. Competition in the automotive space is shifting and becoming more complex as the boundaries between tech and transport begin to dissolve. Manufacturers are increasingly having direct contact with consumers as digital starts to play a large part in the customer journey.

...but are you preparing for what your customer really wants?

Customer centricity is the key to remaining relevant and continuing to thrive in a changing landscape, but when it comes to customer data, automotive brands are at a disadvantage. While a retailer may see their customers 8-9 times per year, a typical auto manufacturer only sees their customers once every 3-5 years.

With such limited first-party data at their disposal, how can manufacturers own and maximise the customer journey?

The answer lies in utilising new digital data from social networks – the new big and smart data. When collected and analysed, this data can help you to understand rich context: how consumers are distinct and different and how you can now explore their genuine passions, motivations and mindsets.

Capturing emotional loyalty

Although owning a vehicle is a practical necessity, the process of choosing and purchasing a car is often more emotional than rational.

Traditional measurement methods focus on functional loyalty: that is to say, a customer returning to a particular brand again and again for practical reasons, such as an enticing reward scheme or a convenient location. Emotional loyalty, however, is more complex and hard-won. A customer will only become emotionally loyal to a brand when it corresponds with their passions, values or ideals. By enriching transaction data with third-party data sets such as social intelligence, brands can understand the mindsets that lead to purchase and begin to align themselves with what customers truly care about. Manufacturers see their competition in terms of similar products and price points, but understanding true customer consideration sets is currently a bit of a mystery and could be the difference between minor and monumental growth.

Of course, the same brand may attract a range of customers for different reasons. Say that two people purchase the same model of electric car: the manufacturer will have little in their own first-party data to help them tell those two customers apart. However, when social media data is introduced to the mix, we can see that customer A is passionate about companies such as Google and Apple, and regularly reads WIRED, while customer B is a keen cyclist and donates to Greenpeace.

It thus becomes clear that customer A was driven to purchase an electric car through a passion for the latest technology, while customer B wants to live an eco-friendly lifestyle – something that's impossible to know without additional data sources. The automotive manufacturer can then leverage this knowledge to drive lifelong emotional loyalty, using timely outreach and personalised messaging, as well as gaining a clearer understanding of where they sit within their customers' differing consideration sets.



Understanding Mindsets

Mindsets are motivations that unite large consumer groups across industries. They lie behind people's passions, reflecting their genuine values, personalities and lifestyles (for example, are they discount-driven, health-conscious or eco-friendly?). Mindsets can only be algorithmically determined on data sets like Starcount's social graph; very few other data sets are large enough to represent people's passions accurately, and even fewer offer such rich insight into how people spend their time.

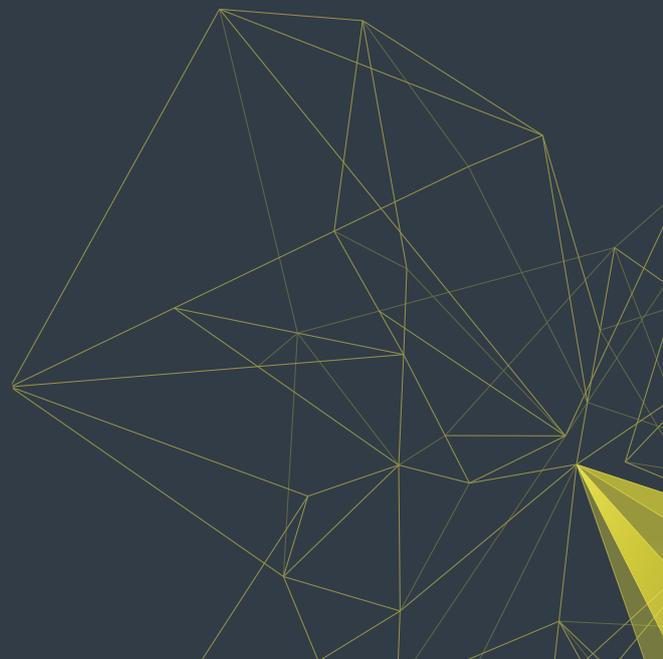
Starcount's mindsets rely on a real time, traceable and global database, organised so that each social 'star' represents a passion, meaning that patterns can be traced clearly and automatically, rather than being retroactively interpreted and assigned.

Unlike social listening, this new approach goes beyond the mere (and skewed) 5% who actually produce content on social media, allowing brands unprecedented insight into the remaining, passive consumers – those who listen and watch, indicating their tastes by liking and following.

Starcount has conducted an in-depth study into the automotive industry using social intelligence to understand UK automotive consumers through their differing passions, mindsets and motivations. From parents looking for a family-friendly vehicle to fully-fledged petrolheads, Starcount understands why consumers are engaging with the automotive industry and can use this insight to help brands and manufacturers create a truly customer-centric business strategy.

“Every revolutionary technology brings with it revolutionary change. Businesses and industries that don’t adjust quickly could face catastrophic consequences.”

Forbes



The Automotive Study

Key Statistics*

11,211,082

UK base

1,143,358

Automotive audience size

20.5%

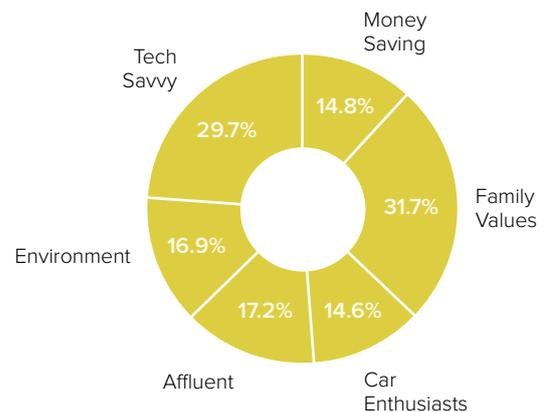
Automotive Audience growth

6

Mindsets

What are the key consumer mindsets for the automotive industry?

Starcount has identified **six key mindsets** that characterise consumers in the automotive industry.



Mindset	Size	% of Audience	UK Equiv.
Money Saving	168,701	14.8%	767,002
Family Values	362,948	31.7%	1,650,151
Car Enthusiasts	166,942	14.6%	759,005
Environment	193,795	16.9%	881,093
Affluent	196,788	17.2%	894,701
Tech Savvy	339,185	29.7%	1,542,112

* Our data is extracted from Starcount's proprietary platform The Observatory, a database of over 1 billion global consumers.

Mindset wordclouds: Customers self-describe

Starcount’s wordclouds illustrate how particular consumer groups self-describe online. They give a unique insight into the mindsets of consumers in their own words.

Environment



Sustainable living is the top priority for those in the Environment mindset. From investing in renewable energy to researching electric vehicles, these consumers are interested in any initiative that contributes to a cleaner planet. When it comes to purchasing decisions, they value businesses with a social conscience.

Affluent



The Affluent consumers are a largely male consumer group, with a London-focused lifestyle. They are well-off with a passion for finance and foreign affairs, often working in banking or related industries.

Understanding automotive mindsets

Using Starcount's Observatory, we delve into the preferred brands, media and influencers of automotive consumers to understand how they spend their time when they're not engaging with you.

What characterises a Family Values mindset?

68% Over 68% of the Family Values mindset are female

25-34 Majority are aged between 25-34 years old

32% Segment comprises of almost 32%, the largest proportion belonging to any mindset in the audience

Family & Parenting is the top passion for this group however their lives don't entirely revolve around their children.



Family and Parenting



Lifestyle Tips



Food & Drink



Charities



Books & Literature



Holidays & Travel

Their other key passions, indicate a broad range of cultural interests that influence their purchasing decisions.

They are relatively brand-loyal, preferring to shop at affordable high street names such as:



Supermarkets are also a regular port of call for this group.

When it comes to influencers, they put their trust in social media stars, particularly those who blog/vlog about being a parent.



Katilette



Carlie Stylez



Emily Leary



Katy Wilson



Jamie Oliver



Kirstie Allsop

They also look for parenting advice from relatable experts.

Similarly, their favourite media titles are a mixture of parenting and women's magazines such as:



Wedding Magazine is also popular- a nod towards the percentage in the group planning their own weddings and starting their parenting journeys.

For the Family Values group young people's charities resonate strongly with them. Youth Sport Trust, Childnet International, Family Lives and Barnado's are top of the list when it comes to supporting a good cause.



Who are the Affluent?

Using Starcount's data, we can also see which consumers sit across mindsets, indicating a more complex set of passions and motivations. With this in mind, and in order to shed further light on the Family Values mindset, we can compare them to a seemingly opposite mindset: the Affluent.

1.89%

of consumers with the Family Values mindset overlap with the Affluent, indicating a different set of passions, motivations and priorities.

The Affluent mindset tend to turn to high-profile journalists for advice and updates. Political and financial journalists are particularly influential for this group.



Robert Peston



Nick Robinson



Faisal Islam



Stephanie Flanders

Rather than being brand-loyal, they love to hear recommendations directly from influencers and media titles.



ITV



BBC



Sky



The Economist

As well as politics and general news, the Affluent group are passionate about Technology, Charities, Books & Literature, Education and Holidays & Travel.



Politics and General News



Technology



Education



Charities



Books & Literature



Holidays & Travel

Some of their top interests align with those of the Family Values mindset.

However, there are some key differences in how these passions manifest themselves.



For example, while the Family Values group favours children's charities, the Affluent group would be more likely to donate to influencer-fronted organisations focused on global development, such as the Joseph Rowntree Foundation and the Bill & Melinda Gates Foundation.

How does this affect the automotive industry?

When looking at how different car brands resonate with Family Values versus Affluent, the contrast between the two mindsets is clear. While neither mindset is significantly driven by a passion for motoring, when choosing a car brand the Family Values group are more likely to give the green light to reliable manufacturers such as Hyundai, Peugeot and Vauxhall, whereas the Affluent mindset favour luxury brands such as Tesla, Porsche and Bentley.

So far, so predictable.

However, when we examine the automotive media titles preferred by each mindset, we can see a surprisingly commonality. The Family Values and Affluent mindsets have similar taste, both making purchasing decisions influenced by the What Car? Website and consuming content from Motoring.co.uk, MSN cars, and Carfection.

When marketing to multiple mindsets, therefore, these media titles speak to a wide and varied part of the automotive market.



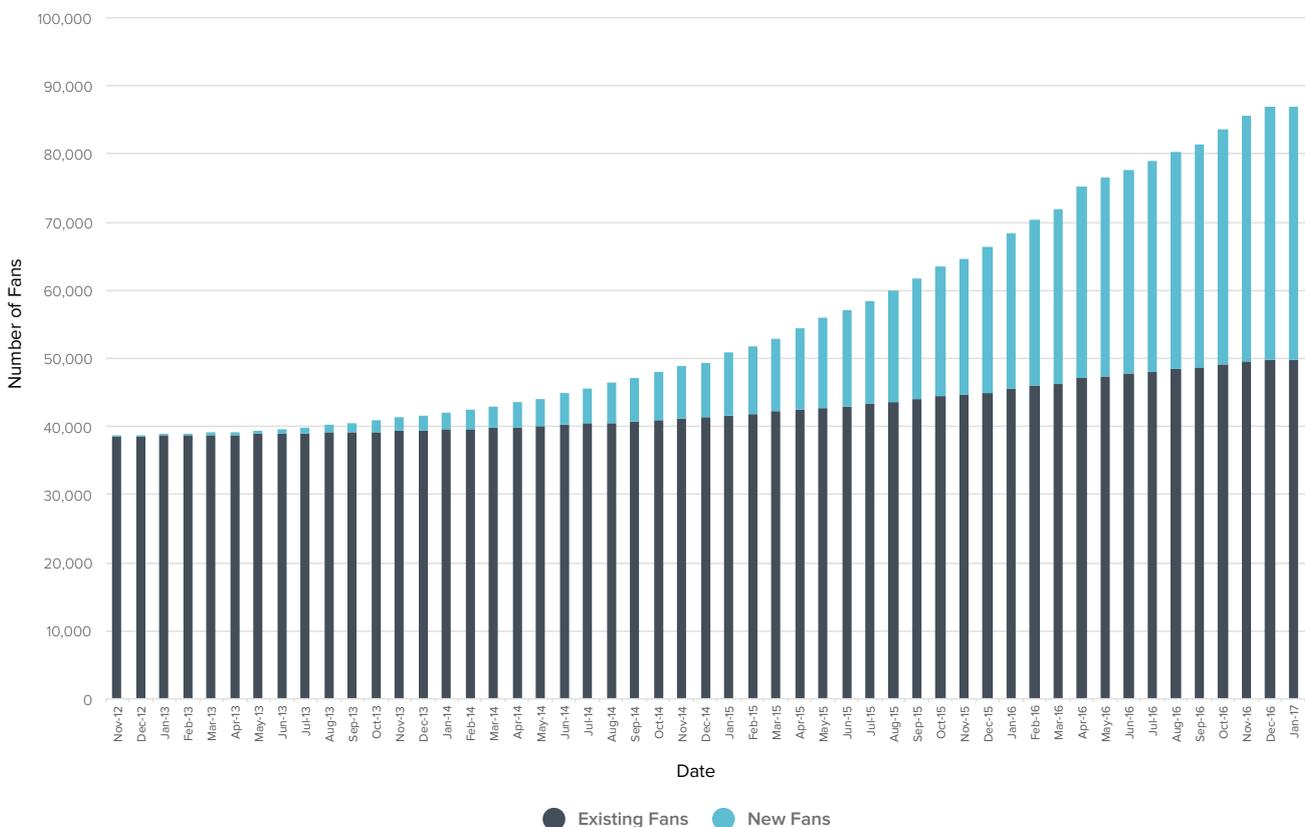
How changing mindsets are reshaping the automotive market

Consumers’ passions, motivations and mindsets shift over time, influenced by changing life stages, technological developments and social transformation. By tracking these shifting mindsets using unique, timestamped data, we can understand how, when and why consumers have entered the automotive space, bringing with them a host of new trends and competitors.

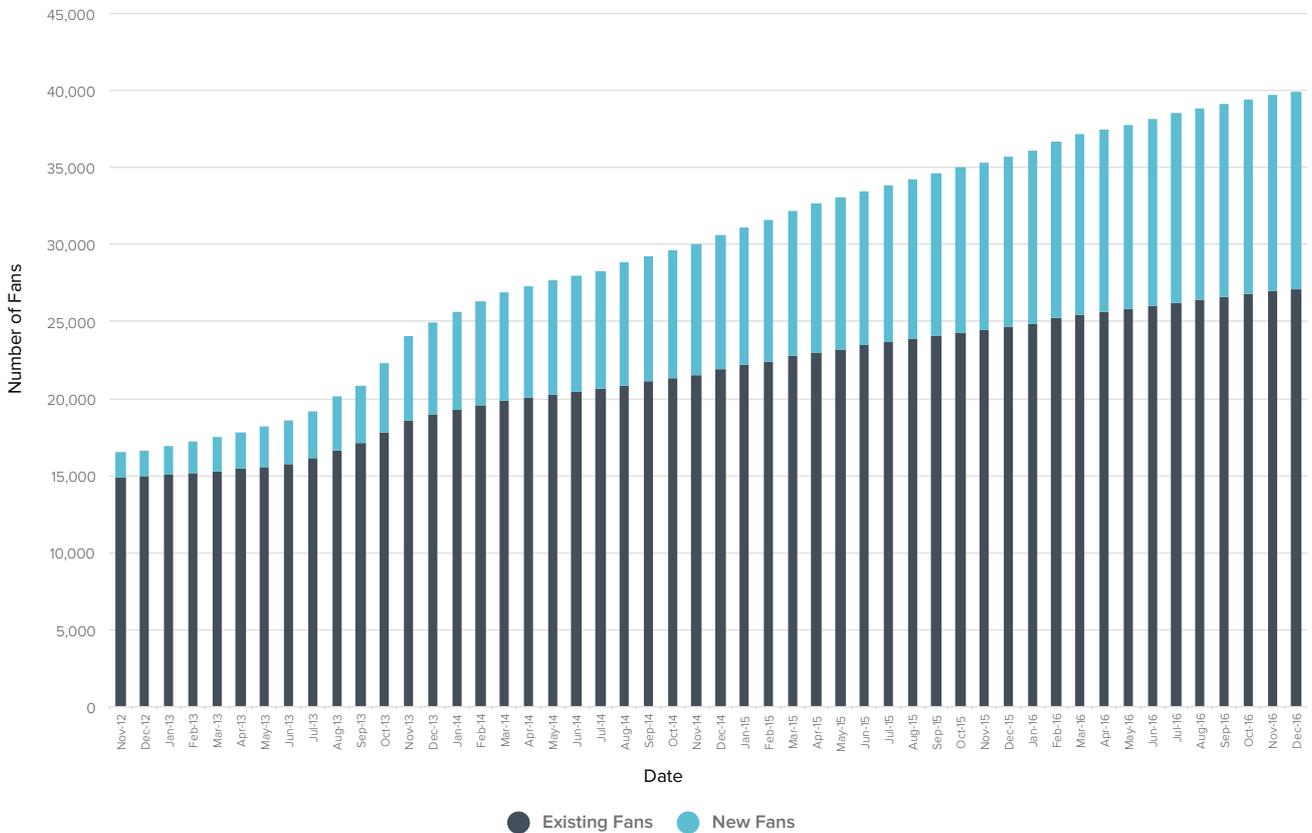
To illustrate this idea, we can examine two car brands which represent different facets of the rapidly expanding UK electric car market. Tesla is a dynamic tech start-up and a relatively new challenger in the automotive space. Renault is an established mainstream manufacturer that has recently started making waves with electric vehicle innovation, culminating in the Renault Zoe winning Best Electric Car at the What Car? Awards 2017.

By examining new followers of these two brands over time, we can understand how the electric vehicle trend is drawing new consumers into the automotive space and capturing the interest of established car fans. Both Tesla’s and Renault’s charts demonstrate a steady increase in followers since 2012, mirroring the growing interest in electric cars in recent years. Tesla has had a continual growth of new automotive consumers engaging with the brand, showing how they are becoming a ‘gateway’ brand into the automotive industry for certain mindsets, including Tech Savvy and Affluent.

Growth in Tesla's fans over time



Growth in Renault's fans over time



Renault had a notably steep increase in engagement from new automotive consumers at the end of 2013, coinciding with an increased focus on electric vehicles. Notably, this was the start of a steady growth in engagement, with Renault continuing to attract new and existing car fans to this day. The launch of an electric vehicle project, then, helped Renault to engage with new mindsets, such as the Tech Savvy and Environment crowds, as well as upping their appeal across the board.

This is supported by the flow of fans from brand to brand over the last six months. With its high-end feel, Tesla has succeeded in attracting fans of luxury and performance car brands such as Porsche, Maserati and Lamborghini (indicating an affluent mindset), while Renault’s combination of mainstream appeal and technological ambition has enticed followers from the likes of Peugeot, Ford, Citroen and VW drivers (a Family Values/Money Saving mindset).

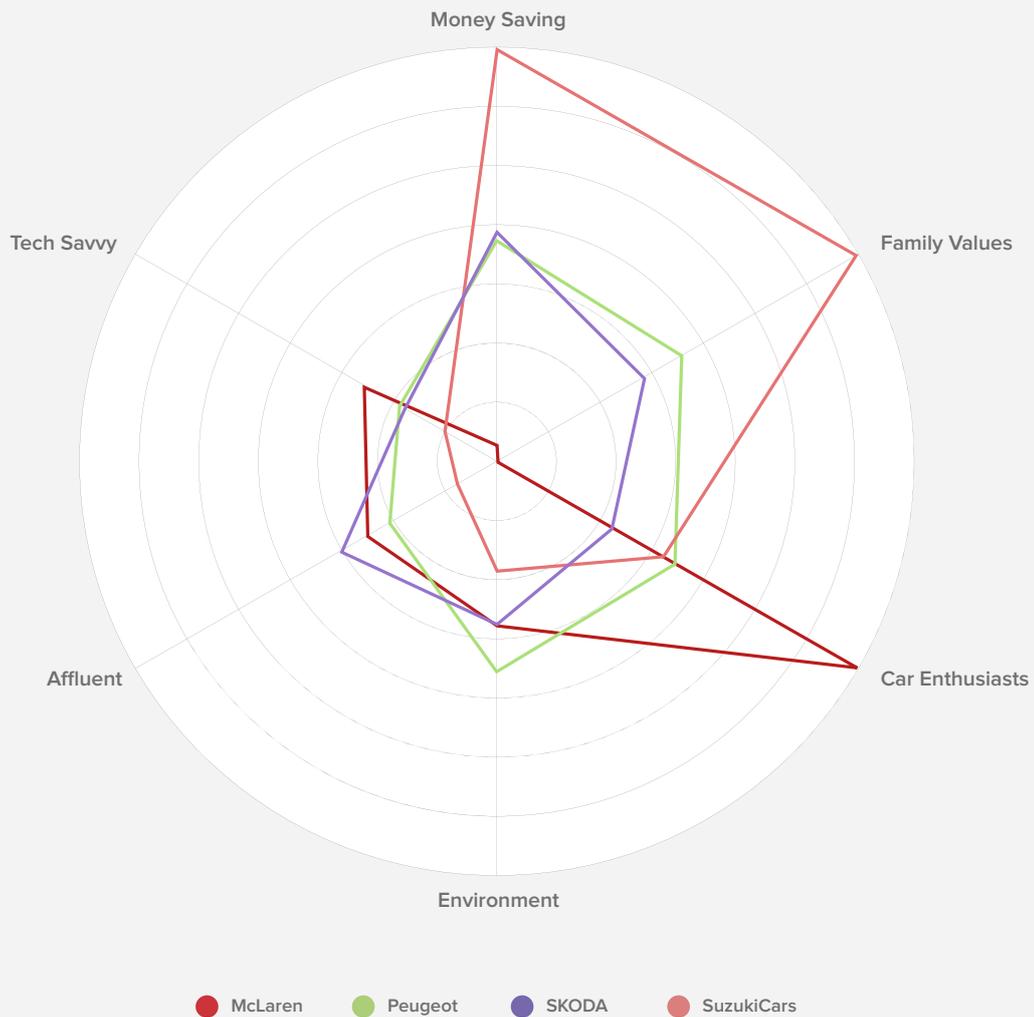
These changes are representative of the shifts occurring across the automotive industry, as new trends and technological breakthroughs cause consumers to try out a broader range of brands, and manufacturers to compete for market share in emerging areas.

How well is your brand speaking to particular mindsets?

Using Starcount’s social intelligence, we can understand how well brands are speaking to each consumer mindset. We’ve used a sample of 8 top car brands that resonate and represent various consumer mindsets.



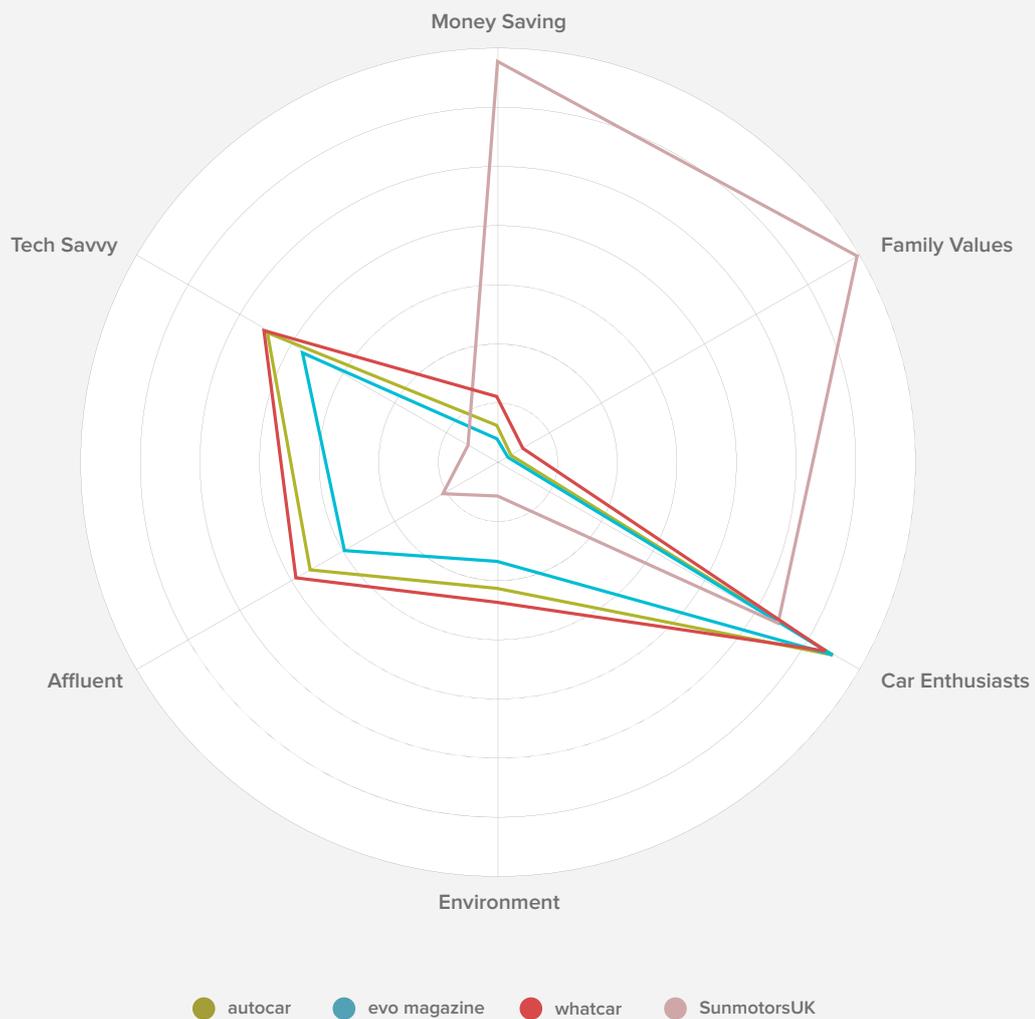
How well is your brand speaking to particular mindsets?



McLaren stretches across the chart from the **Tech Savvy** group to **Car Enthusiasts**, showing a particularly strong affinity with those passionate about all things motoring. **Peugeot** reaches into the **Environment** and **Car Enthusiasts** mindsets, whilst maintaining a strong reputation as an affordable, family brand. **Skoda** also resonates well with the **Money Saving** mindset, but appears to be beginning to speak to **Affluent**, while **Suzuki** presents an extremely strong reach into the **Money Saving** and **Family Values** mindsets.

Automotive media titles across mindsets

Starcount’s mindsets can also be used to inform, develop and evolve your marketing strategy, giving insight into the publications, influencers, destinations and organisations with which different consumer groups engage.



As established voices in the automotive space, **What Car?**, **Autocar** and **Evo** present similar shapes on the radial chart; all three are highly important titles to **Car Enthusiasts**. However, **Evo** speaks to a slightly narrower audience, likely due to its focus on supercars and performance cars.

Contrastingly, **The Sun Motors** resonates particularly strongly with the **Money Saving** and **Family Values** segments, making it a valuable publication for brands looking to make an impact with those particular consumer groups.

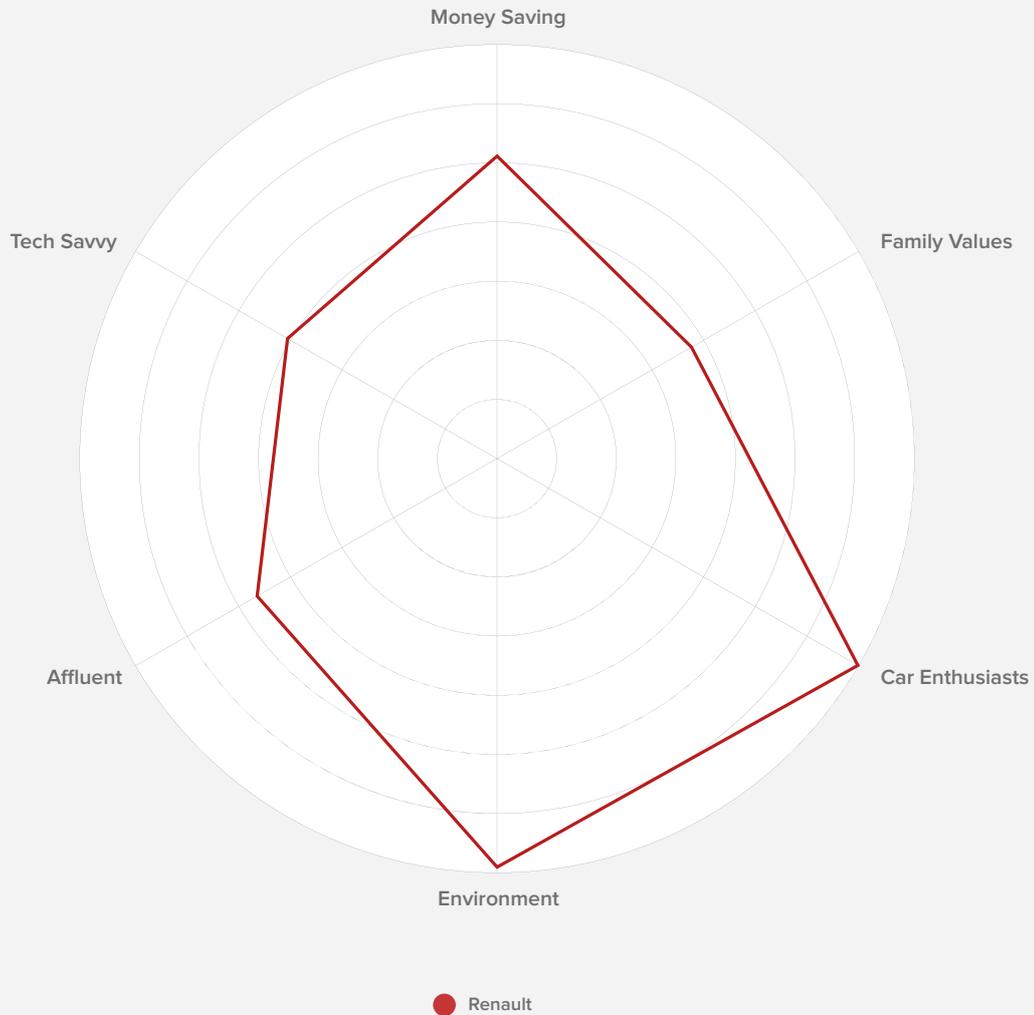
STARCOUNT **WHATCAR?**

Case Study: How well do What Car? Awards 2017 winners match up with Starcount's mindsets?

Winning a What Car? Award is the UK automotive industry's biggest accolade – so what can Starcount's mindsets tell us about the reach and impact of this year's winners?



Electric Car of the Year: Renault Zoe Q90 Z.E. 40 Dynamique Nav.

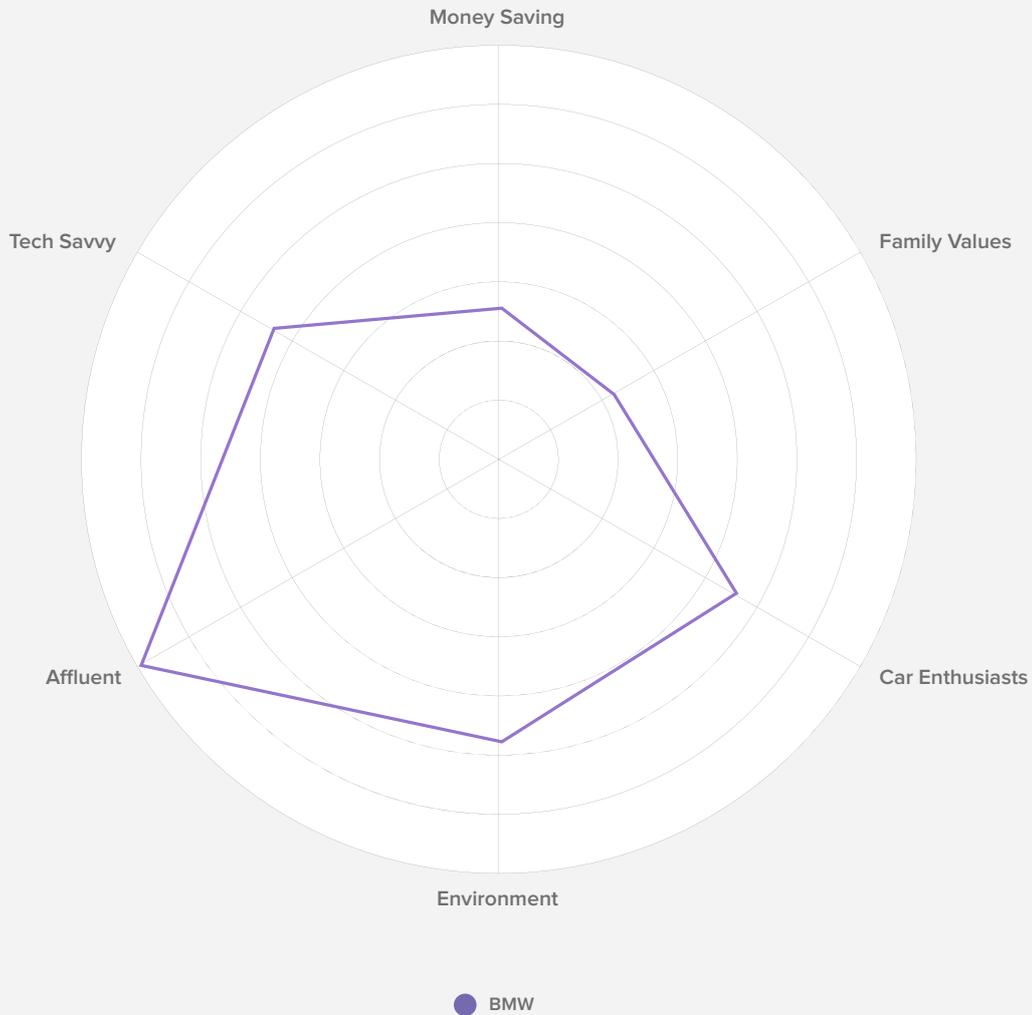


In recent years **Renault** has been pushing its reputation as **an innovator** in the electric car space. Clearly this effort has paid off, as the **Renault Zoe** was crowned as the What Car? Electric Car of the Year 2017.

Renault's success in this category may well be due to their ability to capture a particular niche in the electric car market. While high-profile brands such as **Tesla** push **high-end performance vehicles**, **Renault** balances a reasonable price point and practical design with motoring innovation.

Looking at the radial chart, **Renault** resonates most strongly with the **Car Enthusiasts** and **Environment** mindsets, while also showing a small spike into **Money Saving**. This suggests that the brand has been successful in turning the heads of **eco-friendly car lovers**, without isolating those customers with tight budgets.

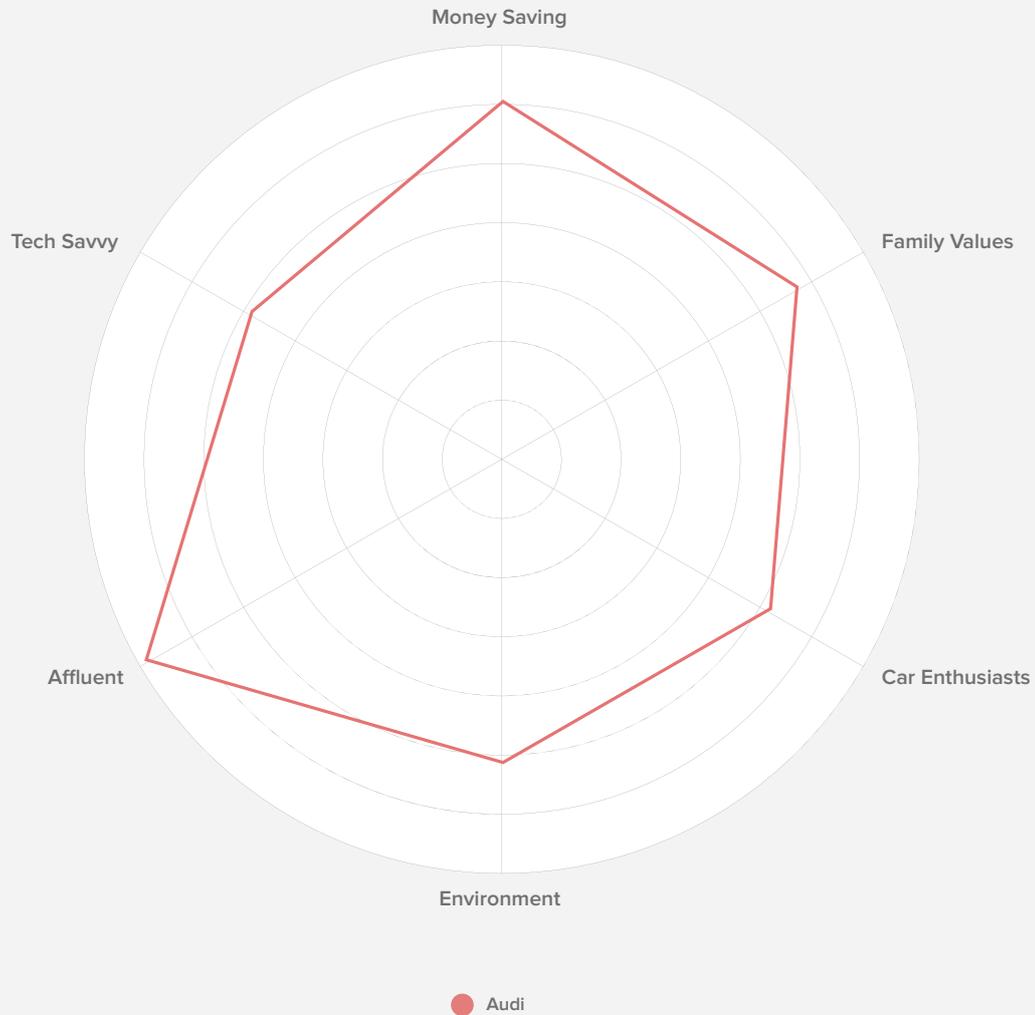
Overall Car of the Year & Luxury Car of the Year: BMW 5 Series 520d SE



The **BMW 5 Series** triumphed as **What Car?’s Overall Car of the Year and Luxury Car of the Year 2017**, beating out competition from the likes of **Mercedes-Benz** and **Rolls-Royce** (the closest runners-up for Luxury).

Looking at **BMW’s** impact across Starcount’s mindsets, it’s clear that the brand speaks most strongly to **Affluent**, supporting its categorisation as ‘Luxury’ in What Car?’s awards. However, despite its relative success with this audience, **BMW’s** importance to **Affluent** is comparatively low when set alongside the most expensive luxury brands, such as **Aston Martin** and **Bentley**. **BMW**, then, has a particular niche amongst consumers with an **Affluent** mindset, but who are motivated by practicality and restricted by a tighter budget than customers of many other luxury brands.

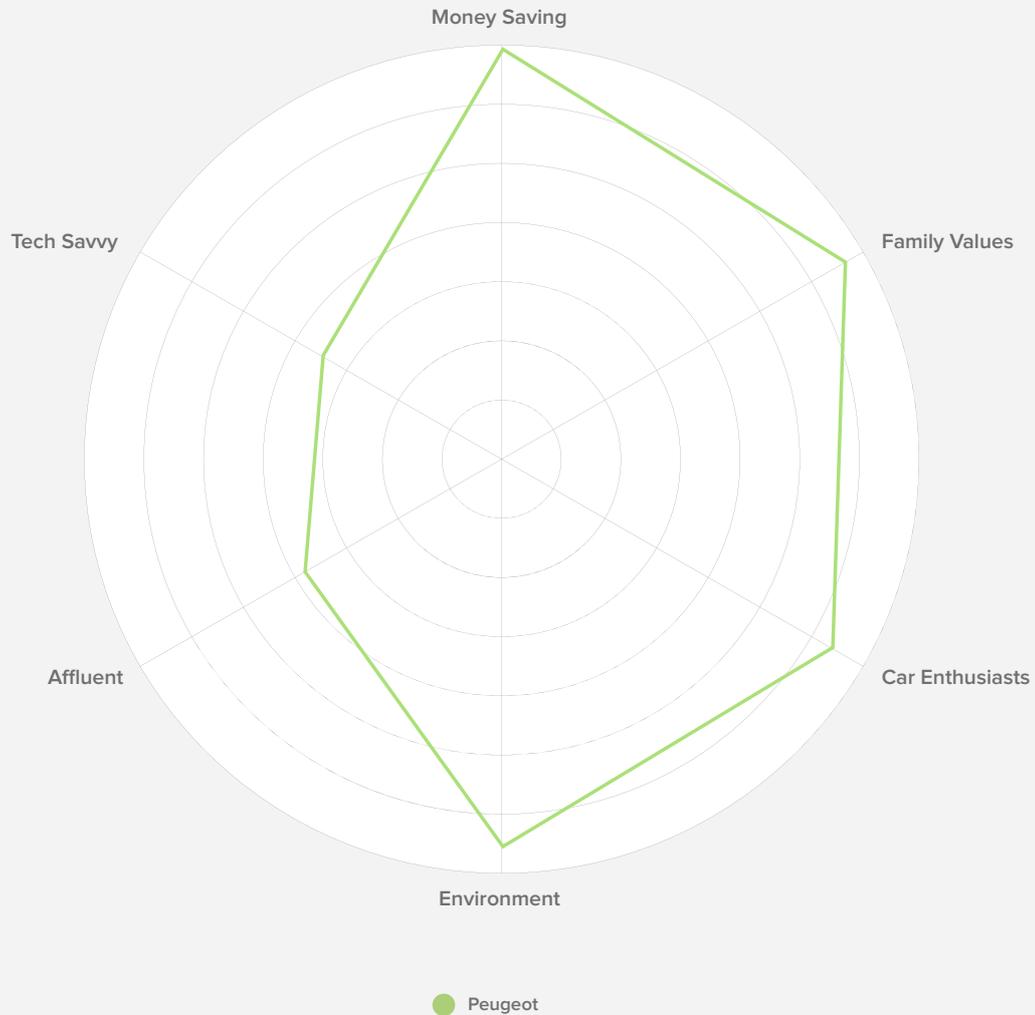
Family Car of the Year: Audi A3 Sportback 1.4 TFSI 150 Sport



Equal parts roomy and smart, the **Audi A3 Sportback** won this year's **What Car? Award for Best Family Car**.

Starcount's data shows **Audi** differentiates itself from many mainstream household car brands with a small spike into the **Affluent** mindset, suggesting that the **Audi A3 Sportback** combines all the **necessities of a family car with badge desirability**, striking the perfect balance between **attainable** and **aspirational**.

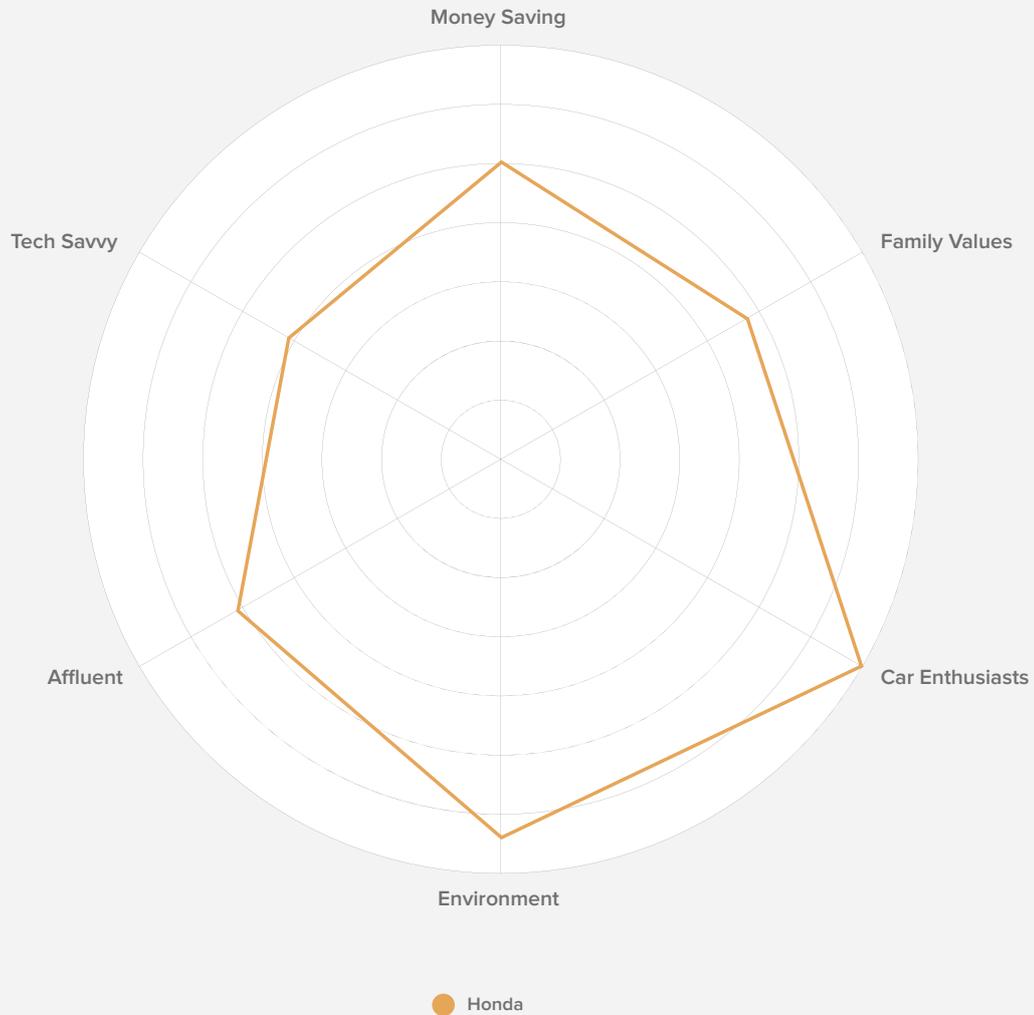
Car Technology of the Year: Peugeot 3008 i-Cockpit



In another unexpected twist (to the layman at least), the **Peugeot 3008 i-Cockpit** was awarded the 2017 Car Technology prize by What Car?. **Peugeot** is traditionally thought of as a manufacturer of **practical family vehicles** and its reputation is supported by Starcount’s mindset data. As the radial chart illustrates, **Peugeot** has an established stronghold within both the **Money Saving** and **Family Values** mindsets and is relatively unimportant to the **Tech Savvy crowd**, something which seems at odds with the **winner of a Car Technology award**. However, they are resonating well with both **Car Enthusiasts** and, more surprisingly, the **Environment mindset**.

Peugeot’s achievement was to bring **cutting-edge technology** to buyers of everyday cars. Their unique pattern on the radial chart clearly represents this niche; by creating a mainstream, **family-friendly** car with a new emphasis on **safety, sustainability** and **usability**, they are broadening their appeal and beginning to speak to new mindsets.

Reader Award: Honda Civic Type R



The **Honda Civic Type R** scooped up the **Reader Award at the 2017 What Car? Awards**, beating out competition from glamorous rivals such as **Jaguar and Lexus**. So what gave Honda the edge?

Starcount's data shows that **Honda** performs relatively well across all six automotive consumer mindsets. While the brand's strength may lie in speaking to the **Car Enthusiasts** and **Environment** mindsets, **Honda** is also resonating with the **Money Saving, Family Values** and **Affluent** mindsets, indicating a broad appeal.

Combining data sources for a complete customer view

Customer understanding doesn't have to come from a single data source.

By enhancing transaction data with social or third-party data, we can understand and predict those moments when an individual is thinking of making a purchase, helping brands to intercept consumers at the right moment, using the appropriate messaging and channels.

We can accurately track customer journeys, see who is in their consideration set, and understand customer purchasing behaviour, as well as the mindsets and motivations that lead to purchase.

Take car configurators, for example...

Many manufacturers are offering car configurator tools on their websites, a move that empowers them with owning more of the customer journey. If collected and utilised properly, the data from these car configurators has the potential to transform our understanding of automotive consumers. So how do manufacturers make the most of it?

The simplest approach would be to invite visitors to the manufacturer's website to design their ideal car, using a set of established criteria. On finishing their design, the visitor would then be prompted to share a link to their newly-designed car on social media, thus connecting their car design with their social profile.

Starcount could then use this data to understand the mindset of this particular user, enriching the manufacturer's data by informing them how their potential customers behave in their everyday lives and allowing them to personalise their marketing strategy.

You could also use this mindset data to separate the fantasists from those serious about making a purchase; is this visitor a young Car Enthusiast, designing a flashy supercar for fun, or a High Net Worth, planning their next luxury purchase?

Add to this additional data sets, such as transaction, search and click data, and you have an extremely powerful mine of insight.



Conclusion: What are Starcount's recommendations and solutions?

The automotive industry needs to maintain momentum in the face of ongoing digital upheaval and make strategic decisions based on true customer understanding.

From VR experiences to high-profile tech partnerships, auto manufacturers are already jumping headfirst into the digital space. However, while it can be tempting to chase the latest technologies, manufacturers must ensure that they are embracing the right changes for the right reasons. Rather than trying to digitally replicate or replace the offline purchasing experience, they must focus on enhancing it, informed by insight into customers' genuine passions, mindsets and motivations.

As we detailed in the introduction to this paper, the key to being a market leader is emotional loyalty. Manufacturers can achieve this by monitoring the marketplace for changing consumer demand, knowing when their customers have been through a significant life-change or identifying the different motivations by market.

Armed with this knowledge, manufacturers will be empowered to become market leaders in personalised customer engagement, stay relevant to customers despite infrequent contact and develop a detailed understanding of customer journeys and consideration sets.

Ultimately, we must remember that people are complicated, with a diverse, interweaving range of passions, motivations and mindsets.



Passions



Motivations



Mindsets

A young customer may have a passion for cars but be in a cost-savvy mindset, with a restricted budget. An affluent customer may be in the market for a sports car, but be driven by an environmentally-friendly mindset and have a love of silver vehicles. A manufacturer that understands and accommodates these complex factors can become truly customer centric and drive remarkable growth.

About the Author



Dr. Clive Humby

Chief Data Scientist

Clive has nearly 40 years' experience in Customer Analytics across 30 markets globally. From creating the first geodemographic system, ACORN, in the 1980s, to developing the use of motivational segmentation in his current role at Starcount, Clive is acknowledged as one of the world's pioneers in the discipline.

With his business partner, Edwina Dunn, he founded global consumer insights businesses, dunnhumby, which revolutionised the use of transaction data for the FMCG industry, before expanding to work with a wide range of consumer-facing businesses, from banking and telecommunications to department stores and online retailers.

He was first to coin the phrase "Data is the New Oil" and is consulted at all levels, from government on the implication of Data Science in the UK Economy through to individual clients where he leads key work streams designed to step change their businesses.

He has elected honorary Fellowships at the Institute for Direct Marketing, the Market Research Society and the Institute of Mathematics and its Applications, and was made a Patron of the Market Research Society in 2013 and Companion of the Operational Research Society in 2014. He has an Honorary Doctorate of Engineering from Sheffield University.

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<http://www.whatcar.com/awards/>



About Starcount

Starcount helps you to understand customers more than ever before by driving greater value from your customer data, and providing an additional enriched lens of insight into customer loyalty. We believe that knowing the customer better than anyone else helps to create a new customer-centric business culture – a focus on relevant and timely customer service and engagement.

Led by the transformational data pioneers, Edwina Dunn & Clive Humby, Starcount has a rich heritage of exploring and capturing current and fast moving data around customer loyalty.

Get in touch:

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We are not just data scientists and software engineers, but experienced customer storytellers.

Combining a wealth of customer insight with new era digital and social intelligence, we uncover consumers' wider motivations, mindsets and aspirations. This allows us to help you forge deeper emotional connections by reconsidering business strategy, capturing consumers at the perfect moment and nurturing brand love. We can help you find a true and sustainable competitive edge.

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