

Discovery: Favoriting cars

Unicomms Acquire & Activate



CARmax

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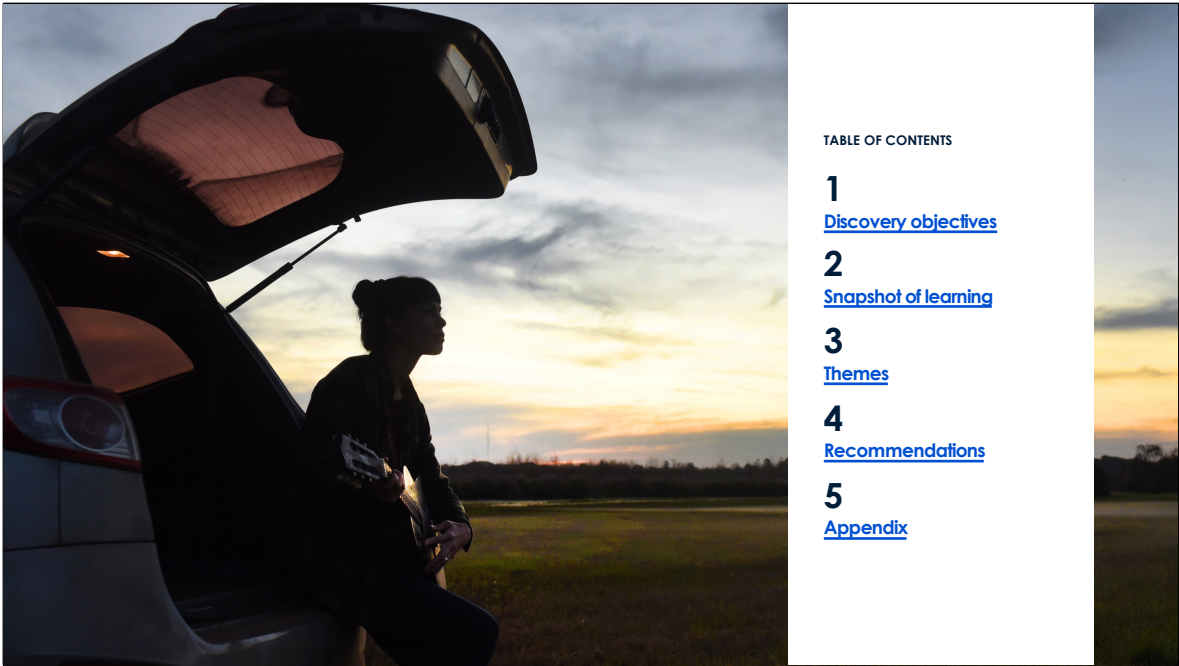


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1

Discovery objectives

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Research approach

Across several months and over several sessions each with its own learning objective, we interviewed **ten customers** who had favorited cars as part of their shopping journey. We then used thematic analysis to identify patterns across the sessions.



Data saturation can be reached at 9-17 interviews; though the recruitment process for these interviews was less rigorous than ideal. (See, Hennick and Kaiser; [Sample sizes for saturation in qualitative research: A systemic review of empirical tests](#))

INTERVIEW SESSION OBJECTIVES

1

Why save cars

OBJECTIVE

How are customers using the ability to favorite cars as they shop?

Generative, n=3

2

Few, some, many

OBJECTIVE

What similarities and differences can we identify in customers who save a few cars, some cars, or many cars?

Generative, n=3

3

Favorites demand test

OBJECTIVE

Evaluate customer sentiment about the emails received from the Favorites demand test.

Evaluative, n=4

2

Snapshot of learning

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How long have customers been shopping?



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Less than 2 months: Customers 2, 3, 4, 6, 10
Several months: Customers 1, 6, 9
A year or more: Customers 8 and 9

**A majority
welcome help
from associates
yet a majority are
wary of the hard
sell**



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Welcome help: All customers except Customers 2 and 9 called this out
Wary of the hard sell: All customers except Customer 5 called this out

CUSTOMER 4
ON WARINESS TOWARDS
THE HARD SELL

**“[You] need to do your
due diligence; can’t
trust salesman[sic].”**

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CUSTOMER 7
ON WARINESS TOWARDS
THE HARD SELL

"I will not hurry now."

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CUSTOMER 8

ON WELCOMING HELP AND
WARINESS TOWARDS THE
HARD SELL

**“It was pretty much my
decision, my discretion,
my taste, and that was
pretty comfortable for
me.”**

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CUSTOMER 1
ON WELCOMING HELP

"Wouldn't mind" some
outreach to help
decide on next car.

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CUSTOMER 4
ON WELCOMING HELP

“Elliot...!”
~This customer continually referred to the great experience she had with a particular CXC.

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CUSTOMER 10
ON WELCOMING HELP

**"There was no pressure,
no salesy guy."**

**"I found things to be
amazingly easy."**

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Shopping tools

40%

Use Pre-qualification

40%

Use Favorites

20%

Use test drives

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While shopping -

Use Prequal: Customers 3, 5, 6, 10

Use Favorites: Customers 1, 5, 6, 7, 9

Use test drives: Customers 7, 9

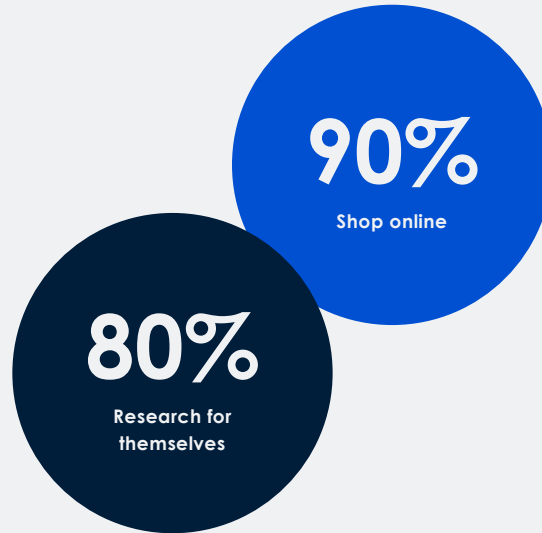
CUSTOMER 7
ON FAVORITING CARS

**"I thought that was my
own little filing system."**

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A majority start online (40% start with a Google search) and research for themselves



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Start/shop online: All customers except Customer 3 called this out

Start with Google: Customers 4, 8, 9, 10 called our starting with a Google search

Research for themselves: All customers called out researching cars and car information (and some, dealers) except Customers 2 and 5

RESEARCH TOOLS CUSTOMERS MENTION

1

The car's history

70% of customers called out investigating history reports and the car's history as being important to their process of selection.

2

Third party sites

Some sites mentioned are Edmunds, Car&Driver, TurboTax (for prequal), CarFax. A couple of customers mention researching new cars on dealer sites as comparators.

3

Google

40% of customers mention starting their shopping with a Google search.

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Car's history: All customers except for 3, 5, and 9 mention the car's history.

Google search: Customers 4, 8, 9, 10 mentioned starting with Google searches.

CUSTOMER 4
ON SHOPPING ONLINE

**“Everything we did was
online.”**

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CUSTOMER 8
ON RESEARCH

History report “strongly influenced decision to shop with CarMax.”

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CUSTOMER 10
ON RESEARCH

Watched a couple of videos of “some dude showing all the features of the car and [he thought] they were cool.”

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This customer received our “Pick or pass” email which links to CarMax's YouTube channel. This customer is calling out the video series “Pick or Pass”.

20%



Choose CarMax as their place
to shop through word-of-mouth

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Customers 1 and 3 specifically mention shopping at CarMax through the recommendation of someone they know.

CUSTOMER 1
ON CARMAX THROUGH
WORD-OF-MOUTH

She had multiple people mention buying cars from CarMax, telling her "they have a lot of cars".

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CUSTOMER 3
ON CARMAX THROUGH
WORD-OF-MOUTH

Her Dad shopped at
CarMax a year ago
and “loved it”. It was
“laid back”.

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Themes

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**Customers prefer shopping
locally.**

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**Customers shop on their own but
welcome help when they need it.**

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**Customers are overwhelmingly
wary of the hard sell and
appreciate CarMax prices and
no haggle policy.**

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**Customers check their math –
they run their own research and
rely on it.**

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**Customers can be shopping for
years.**

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30

Sudden shopping correlates with shorter shopping times.

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Shopping fatigue is real.

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Customers 5 and 9 either took a break from shopping or asked for help due to overwhelming options.

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Recommendations

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Recommendations for testing are generated by the researcher.

Recommendations for potential testing

INSIGHT

Customers preference
local shopping.

RECOMMENDATION

- When providing cars for consideration, preference cars local to the customer first.
- Create components and content that highlight local CarMax and inventory.

Recommendations for potential testing

INSIGHT

Customers shop on their own but welcome help when they need it.

RECOMMENDATION

- Provide methods for customers to reach out when they get stuck in our communications.
- Create components that link customers to Skye, live chat, or the phone agents.

Recommendations for potential testing

INSIGHT

Customers are overwhelmingly wary of the hard sell.

RECOMMENDATION

- Build brand equity and customer trust by highlighting "no haggle" and "Wanna drive" as value propositions.
- Use language that informs customers but doesn't sell to them.

Recommendations for potential testing

INSIGHT

Customers run their own research and rely on it.

RECOMMENDATION

- Increase opportunities to provide research to customers. In communications these could include:
 - Links to our history reports
 - Links to situationally appropriate educational content, including CarMax YouTube
 - Links to partners, e.g., Edmunds

Recommendations for potential testing

INSIGHT

RECOMMENDATION

Customers can be shopping for years.

- Dive deep with additional research on these long-term shoppers.
- Then rethink our communications strategy to include this segment.

Recommendations for potential testing

INSIGHT

Sudden shopping correlates with shorter shopping times.

RECOMMENDATION

- "Shorter" is not necessarily weeks.
- Discover more about these customers and segment them.
- Tailor campaign strategies to fit their shorter (and shorter-ish) shopping timeframe.

Recommendations for potential testing

INSIGHT

Shopping fatigue is real.

RECOMMENDATION

- Provide tools & communications to help these customers narrow down their options.
 - For example, for customers who've saved over {X} cars provide tools to compare, co-shop, research, reflect on their lifestyle needs, etc.
- Regulate recommendations communications and/or saved searches.



Thank you

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Appendix: Interview notes

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Customer 1

Shopping for 6 months
Session 1: Why save cars

QUEEN

- Sudden shopper
- Local shopper
- Shops by make
- Does her research
 - History report called out
- Welcomes help narrowing options
 - Prefers email for tracking & contact information
- Wary of the hard sell
 - Takes a male friend to dealerships
- Recommended to CarMax through word of mouth
 - "They have a lot of cars"
 - Prices are reasonable
- Shops online
 - Uses CarMax dotcom

Customer 2

Shopping for a few weeks
Session 1: Why save cars

CATHERINE

- Local shopper
 - Would not ship a car
- Wary of the hard sell
 - "I don't respond well to a lot of advertising"
- Shops by vehicle type
- CarMax
 - Found a reasonably priced option only available at CarMax
- Shops online
 - Uses CarMax dotcom

Customer 3

Shopping for 2 months
Session 1: Why save cars

AMANDA

- Does her research
 - History report
- Welcomes help narrowing options
 - Prefers phone calls
- Wary of the hard sell
- Recommended to CarMax through word of mouth
- Shops by make
 - Favorites cars but "gets confused on what I have already favorited when searching again online"
- Prequal as shopping tool
- Shops online
 - Uses CarMax dotcom & app

Customer 4

Shopping for 2 months

Session 2: Few, some, many: 2 favorites saved

MINDY

- Sudden shopper
- Budget shopper
 - Cash buyer
- Does her research
 - History report (prefers Carfax)
- Welcomes help narrowing options
 - Good experience with CEC
- Wary of the hard sell
 - Doesn't feel she can trust car salesmen
 - No upsells
- Shops online
 - Starts with Google search

Customer 5

Shopping for several months

Session 2: Few, some, many: 83 favorites saved

KALIEBA

- Sudden shopper
- Welcomes help narrowing options
 - Good experience with CEC
- Shops by vehicle type
- Prequal as shopping tool
- Favorites as a shopping tool
- Shops online

Customer 6

Shopping for 2 months

Session 2: Few, some, many: 17 favorites saved

MARICEUS

- Sudden shopper
- Local shopper
- Does her research
 - "Wouldn't buy a car if there was a bad accident but fender bender would be ok"
- CarMax
 - Was most affordable
- Welcomes help narrowing options
 - Good experience with CEC
- Wary of the hard sell
 - Seeking transparency and truth in selling from associates
- Prequal as shopping tool
- Favorites as a shopping tool
 - Saving, organizing, and narrowing options
- Shops by make
 - Amenable to other makes
- Shops online

Customer 7

Shopping for years
Prequal promotion email
Session 3: Evaluating favorites demand testing

AUSUN

- Not excited about the process of car shopping
- Does her research
 - Which car to purchase is a hard decision to make
 - Researches thoroughly and plans before going to the dealership
 - NHSA & history reports
 - Appreciates price call outs "good price" "high price" etc.
- CarMax
 - Appreciates that CarMax is no haggle
 - Included in her "reputable" list of car dealers
- Welcomes help narrowing options
 - Good experience with CEC
- Wary of the hard sell
 - Strongly resists sales pressure tactics and FOMO. "Really unappealing and I will go somewhere else"
 - "I will not impulse purchase this thing, so that's usually like immediate unsubscribe because of this."
- Favorites as a shopping tool
 - Saving and organizing
- Test drives are shopping tools
- Shops online
- Willing to wait for the right fit

Customer 8

Browsing for a year (shopping 3 weeks)

Generations email

Session 4: Evaluating favorites demand testing

CHRIS

- Household second car
- Does his research
 - History report: "strongly influenced his decision to shop with KMX"
- Welcomes help narrowing options
 - CXC helped narrow options and described financing and warranty
- Wary of the hard sell
 - Worried about a "nagging process"
- CarMax
 - First time CarMax shopper
 - Used cars are more affordable - "Options at CarMax were better"
 - "It was pretty much my decision, my discretion, my taste and that was pretty comfortable for me"
- Shops online
 - Starts with Google
 - Uses CarMax dotcom

Customer 9

Shopping for months
Recommendations email

Session 4: Evaluating favorites demand testing

ESTHER

- Local cars preferable, would ship if there were no obligation (free shipping)
- Does her research
 - Edmunds, car manufacturer sites, Car & Driver
 - Safety ratings
 - "Why make it clunky for me" – she is a strong researcher, so texts and emails only appeal if they are in support of research or an update on a car she is interested in
 - Research fatigue
- Wary of the hard sell
 - Was feeling overwhelmed also because "getting inundated" with texts and emails from 6 different dealerships on a regular basis
 - Her research is valuable and helpful – "doesn't feel like being sold to"
- Shops online
 - Starts with Google
 - KMX online shopping "easy compared to other dealers"
- Test driving as shopping tool
- Favoriting as an organization tool and to help narrow choices
- Shops by features

Customer 10

Shopping for weeks

Pick or pass email

Session 4: Evaluating favorites demand testing

JJM

- Sudden shopper
- Shops online
 - Started on Google
 - CarMax dotcom
- Does his research
 - Car generations information is helpful
 - History report
 - Investigates market price
 - Watched a couple of videos of "some dude showing all the features of the car" and "he thought they were cool"
- Prequal as shopping fool
- Welcomes help narrowing options
 - At dealership w/ FSC was very helpful
- Wary of the hard sell
 - "There was no pressure, no salesy guy"
- Local cars
- CarMax
 - Emails made from CarMax made it easier for him to navigate shopping. He's "pretty sure that the car they purchased was in the recommendations they received."
 - "I found things to be amazingly easy"

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