Motors.co.uk Calls On Dealers To Leverage The ‘Spotify Effect’

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The innovation-led online classified network, Motors.co.uk, is calling on dealers to join it in leveraging what it terms the 'Spotify effect'. With platforms like Spotify and Netflix, as well as mobile phone companies, changing the way in which consumers think about paying for technology products and services, Motors.co.uk is encouraging dealers to increase their promotional emphasis on monthly payment.

While some consumers are still interested in the headline price of their next car, a growing number are taking a lead from the technology companies and considering the monthly impact of changing vehicle on their disposable income. With more than three quarters of consumers now using dealer-sourced finance to purchase their new car1, and PCP deals on used cars also increasing, the ability to shop by monthly budget is becoming a more important part of the vehicle search process.

This is a trend which has not gone unnoticed by manufacturers, with the majority capitalising on competitive finance deals by focusing on monthly repayments in their advertising. In fact, according to research by Motors.co.uk, 57% of OEMs lead with finance offers in their online creative2.

However, despite the recognition of the important role finance offers have played in boosting new car registrations to record levels in the UK, there has been a disconnect in how this consumer need is met online. Motors.co.uk identified a gap in the resources available which enable consumers to define their new and used vehicle search results based on these criteria, and has responded with a brand new way to search for a car, coupled with a fresh TV creative.

The first-to-market monthly payment search functionality is the latest in a line of enhancements from Motors.co.uk to help car buyers find the right car for them, quickly and efficiently.

The tool enables drivers to find cars on the basis of their monthly cost and has been supported by a major TV campaign which launched in August, introducing a new Motors.co.uk character, Miss Smart Finger, and mirroring the consumer experience of using the monthly payment search function by showing the benefit of finding a nicer car than expected. The ad has now been shown more than three thousand times and seen over 80 million times.

Phill Jones, managing director of Motors.co.uk, commented: “We have invested significantly throughout this year in innovative new tools and functionality to make the process of searching for a car as straightforward as possible for consumers. I'm delighted we are seeing the success of this in terms of the response we have been able to generate for our advertisers.

“Importantly, we have supported all development with an advertising campaign created to drive additional traffic to the website and, ultimately, increase sales for our dealer network.

“We strongly believed that offering a monthly payment search would be vital to improving the efficiency of the car search process and our traffic figures support this. The fact that consumers have seen our new TV ad and have followed our call to action to use the monthly payment search is a real testament to our hard work."

Looking at the figures in more detail, more than half (53%) of consumers to date have searched for vehicles with a £0 deposit contribution, while one in ten (11%) were looking for a contribution of just £500. Almost a fifth (17%) of users were happy to contribute £1,000 as a deposit on their next vehicle.

While the most popular (34%) monthly payment option of 'any' shows consumers are willing to see what's on the market, almost one fifth (19%) of searchers thought £200 was an appropriate monthly payment. A total of 16% chose £150, while 12% were looking for cars at the £100 level.

Jones added: “It is still early days for the search by payment functionality, but the figures clearly show that there is strong demand from consumers looking to find the best car for their monthly budget. For dealers, the message is to provide choices at all ends of the financial spectrum. The data shows that deposits of up to £1,000 and monthly payments of up to £200 prove the most popular, but there is still a wide variation in individual customer requirements."

The Motors.co.uk monthly payment search technology is powered by iVendi, which provides dealers with an easy set of tools to control their rates and the ability to upgrade to receive qualified finance applications.

1. Figure from the Finance and Leasing Association

2. Review of 21 manufacturer websites, October 2015

3. Figures based on data from stock advertised by car dealers on Motors.co.uk

For more information visit www.motors.co.uk

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Notes to editors:

About Motors.co.uk

- Motors.co.uk is owned by Manheim and operates the UK's second largest car search response network for motor dealers
- The Manheim UK Group is part of Cox Automotive, the world's largest provider of automotive services to fleets, motor dealers, vehicle manufacturers and traders across cars, motorcycles, plant and commercial vehicles
- The Motors.co.uk Network has over 3.6 million monthly unique visitors and advertises more than 350,000 used cars for sale *comScore MMX Multi-platform, September 2015, based on the Motors.co.uk network (a custom entity which includes Motors.co.uk, Carmony, Parkers, Carsite, Driving.co.uk, Carfused.com and many more)
- For further information, please visit media.motors.co.uk or contact pr@motors.co.uk

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