

Category: *Vehicle Loan Financing & Services*

Methods: *Time-Extended™ Online Qualitative, Online Qualitative Research in a Bulletin Board Format*

Summary

An industry-leading, Web-based company that specializes in financing and servicing new and used vehicle loans for customers with less-than-perfect credit wanted to develop a targeted advertising campaign with their primary customers. Online, Time-Extended™ depth interviews were conducted to provide an intimate understanding of the consumer relationship with the service and reveal key drivers in the auto loan decision-making process. The learnings from the interviews have been used as a foundation in forming messaging for television advertisements, as well as for exploring new communication strategies to better suit changing customer needs.

Strategic Issues

A struggling domestic economy and job market left many consumers in tough financial situations. Growing jobless rates in the U.S. left many unable to maintain existing cost-of-living expenses, which was often accompanied by newly damaged credit histories. This created a greater demand for financial services and loans for consumers with damaged credit and, therefore, attracted more lenders to compete for this growing segment's business.

Previously, the Web-based, vehicle financing company had been enjoying a considerable amount of success with relatively little competition. With more lenders entering the space, it became more difficult to grow either the number of completed online credit applications or the conversion of applications into new loans. It was more important than ever for the Web-based, vehicle financing company to gain an in-depth knowledge about the process consumers follow when seeking vehicle financing and what triggers may exist that cause them to apply for credit with, and subsequently select, one provider over another. In turn, this made it difficult to develop a solid communication strategy with targeted messages aimed at accumulating new customers.

Research Objectives

The purpose of this research was to identify the factors that influence consumers with damaged credit when they apply for and select vehicle financing. Specifically, the goals were to:

- Understand the consumer mindset throughout the loan shopping process.
- Identify key drivers that can be used to develop targeted marketing efforts.

Research Design and Methods

Online individual depth interviews were conducted using the Time-Extended™ methodology among recent vehicle loan applicants. Interviews were fielded with loan applicants with varying credit scores, though all were considered to be relatively low.

Interview topics included the process followed when shopping for a vehicle, loan searches, the application process, and the selection criteria for the chosen lender. Several projective techniques were also employed to understand the respondents' relationships with the Web-based, vehicle financing company's brand. Each respondent participated in three consecutive days of new interview topics. Using the Time-Extended™ online platform, geographically-diverse respondents were allowed to respond at their own pace, which allowed ample time for deep, introspective responses.

Results

In addition to a step-by-step analysis of the target consumers' vehicle and loan shopping processes, a total of six potential messaging platforms were developed from key drivers that emerged from the research findings. It was also revealed that consumers with shorter histories of credit issues may prefer a slightly different experience when shopping for vehicle loans.

Recommendations were formulated regarding which messaging platforms seemed to be more influential than others. As a result of the research, the messaging platforms became central to the client company's communication strategy. The client company and its creative agency subsequently used the recommended platforms to develop a number of targeted television advertisements that were scheduled to air within six months of the research.