

WARC News

Online WOM influences auto sales in China

*Data sourced from R3; additional content by Warc staff,
09 August 2010*

BEIJING: The amount of electronic word of mouth generated by auto brands in China often correlates with their overall sales, a study has revealed.

R3, the consultancy, and CIC, the WOM tracking specialist, analysed data from 2,500 sites and forums focused on this sector in 2009, yielding 133m items of feedback.

Information for 42 leading models was then consolidated, with the volume of web chatter about these vehicles rising steadily throughout the year, peaking during March to May - and from August to September.

The number of negative remarks did not climb above 500,000 in any given month, while the quantity of favourable posts surpassed 1m for ten months of the year, reaching 1.5m on three occasions.

When compared with purchase figures provided by the China Association of Automobile Manufacturers, R3 and CIC discovered a "medium correlation between total buzz and car sales for 2009."

This was particularly noticeable for foreign firms and luxury marques costing at least 200,000 yuan (\$30k; €22k; £18k), although some variation did exist.

BYD's F3, Hyundai's Elantra and Volkswagen's Jetta recorded 1%-2% of the internet conversation, but their share of sales came in at around 5%.

In contrast, the Ford Focus easily generated the highest number of web discussions, accounting for more than 6% of the total, while its proportion of actual deliveries was beneath 3%.

Similarly, Volkswagen's Polo and Sagitar, and Chevrolet's Cruze, featured in approximately 5% of interactions on the net and claimed a share of sales that was less than half this amount.

Among the most-talked about brands, the congruity for Honda's Accord was especially pronounced, with figures approaching 4% on both metrics.

Other specific trends included a discernable "time lag" between an uptick favourable internet word of mouth (IWOM) and an increase in orders, a gap found to be roughly one month in length for Nissan's Teana.

Elsewhere, the cars receiving considerable praise also led the rankings in terms of unflattering remarks, suggesting connecting with "influentials" is vital.

"While marketers should listen closely to negative sentiment happening around their brand they need to focus on engaging netizens which can both encourage and amplify positive IWOM," the study said.

"Marketers need to focus on product related messages and leverage real consumers and brand advocates."

R3 and CIC also assessed the financial returns the top models had achieved relative to their electronic word of mouth, and once gain established tighter correlations for overseas firms and luxury offerings.

Audi's A6, for example, registered an estimated income of 55.7bn yuan and 306,000 responses on the internet, giving it a "revenue per buzz" of 182,000 yuan.

Volkswagen's Passat was in second place on this measure, with 242,000 posts and 26.4bn yuan, meaning each comment had an equivalent value of 109,000 yuan.

Nissan's Teana took third, as its 318,000 pieces of feedback were worth 93,000 yuan apiece, some way ahead of the Honda CR-V and Toyota Camry in fourth and fifth.

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