

# Volkswagen Canada

## Special Offers Usability Testing Findings

March 19, 2019





# User testing background

# Research objective

Gather design insights & actionable findings from usability testing the Special Offers experience across multiple digital touch-points, including the VW Canada website.

# Research methodology

- 10 one-on-one moderated interviews, held on March 5 + 12, 2019
- Interview was broken into 3 parts:
  1. Interview about payment history of current car & expectations around special offers, payment methods & negotiation for upcoming car purchase
  2. An open-ended search for pricing/special offers/promotions
  3. Usability testing of the *Special Offers* page on the Volkswagen Canada site



# Participant criteria

- 5 men, 5 women
- 5 participants from Quebec (English-speaking only), 5 participants from the GTA
- Mix of **first-time & repeat** car buyers
- Mix of **payment methods** planned for upcoming car purchase: financing/leasing/cash
- All participants were **planning to buy a 2018 or 2019 new vehicle** (Volkswagen or other) in the next 3 to 6 months
- Mix of relationship and family statuses:
  - 5 participants were married with children
  - 2 participants were married/in a relationship, no children
  - 3 participants were single, no children

# Current car purchase history

# Payment method for current car

## Leased

(2 participants)

- ▶ Participants were **uninterested in owning the car outright**, and did not have to worry about trading or selling the car.
- ▶ Leasing guarantees a **maintenance-free car covered under the warranty** for the duration of the lease period.

## Financed

(4 participants)

- ▶ Participants were **interested in keeping the car** at the end of the finance period.
- ▶ Expectation that **financing had lower interest rates** compared to leasing.

## Paid in cash

(3 participants)

- ▶ **High interest rates** and the **stress of monthly payments** for leasing & financing were a deterrent.
- ▶ Participants were **able to afford it**, and liked the idea of owning the car outright.



# Negotiating price at the dealership

- Only a few participants were able to **successfully negotiate for lower monthly payments** and a fixed amount off the total cost of the car.
- Majority of participants tried and failed to negotiate on lower monthly payments or interest rates, but were **able to negotiate for free car upgrades**.
- Some first time buyers were **unaware that they could negotiate on price**, and regretted it post-purchase.





# Negotiating upgrades at the dealership

- Majority of participants believed **it was easier to negotiate for upgrades vs. a lower price** and were able to successfully negotiate for the following:
  - Free floor mats
  - Roof rack & installation
  - Winter tires & installation
  - Tinted windows
  - Trim upgrades, including heated seats, leather interiors and sun roofs
- Some first time buyers were **unaware that they could negotiate for free upgrades**, and regretted it post-purchase.





When asked to recall if they took advantage of a special offer as part of their last car purchase, participants said no.

They were unable to make a mental distinction between a special offer and negotiating on price & car upgrades at the dealership.



**Upcoming car purchase**

# Triggers to purchase for existing car owners

- These participants cited **mounting repair costs** for aging cars and an interest in **new technology, safety features and better fuel efficiency** for the new upcoming car purchase.
- **Growing families were also a motivation to purchase**, as participants with older children spoke of downsizing to sedans and hatchbacks, while participants with new babies wanted to upgrade to SUVs to fit car seats & strollers.





# Triggers to purchase for prospective car owners

## Lapsed Car Owners

- These participants had **owned cars in the past, but sold them due to a life event** (moving downtown, going on maternity leave, etc.) Life events were also the motivation to become car owners again (returning to work and going back to school).

## First Time Buyers

- These participants **wanted to buy their first car to make their lives easier**, citing a frustration in having to take public transit, rent cars or borrow cars from family and a desire to take road trips, drive their children to school & after-school activities, run errands and commute to work.





# Expected date of new car purchase

## Summer 2019

(5 participants)

- ▶ Half the participants wanted to **wait until summertime** to purchase, and take their new car on **road trips and vacations**.

*"In the winter, you're not really wanting to go to the dealerships and test drive in the cold."*

## Fall 2019

(5 participants)

- ▶ These participants were still in **research mode**.
- ▶ They were waiting for a "tipping point" or life event, ie. when repair costs no longer became worth it or they got a new job.

# How do lessons learned from past car purchases influence the upcoming one?

## Why lease?

(3 participants)

- ▶ Enjoyable to get new, more expensive cars more frequently.

*“I love change so getting stuck with a car at the end, it loses value and what’s the point?”*

## Why finance?

(5 participants)

- ▶ Financing the car means **not having to deplete savings** (vs. paying for the car outright).
- ▶ No worries about paying **excess mileage penalties or wear-and-tear charges** at the end of the finance period (vs. leasing)

## Stay open?

(2 participants)

- ▶ It’s possible to secure a **lower or 0% interest rate and monthly payment** if you remain open to financing and leasing.

# How do participants establish that they're getting a fair deal on their new car?

Through a combination of online/in-person research and negotiation at the dealership

**Start with the OEM website to get a benchmark cost for the base model:**

- All participants stated they would build & price a model they're interested in as a starting point.

**Conduct 3rd party research on car pricing, including:**

- Paying for services that show what the dealer paid for the car.

**Talk with friends and family about their own car purchases, including:**

- Sharing tips on negotiating (such as putting a downpayment to get a better interest rate when financing or leasing).
- Openly discussing what each individual paid for their car.

**Negotiate at the dealership:**

- Based on successful negotiations for previous car purchases, all participants planned to negotiate for lower payments and free upgrades.



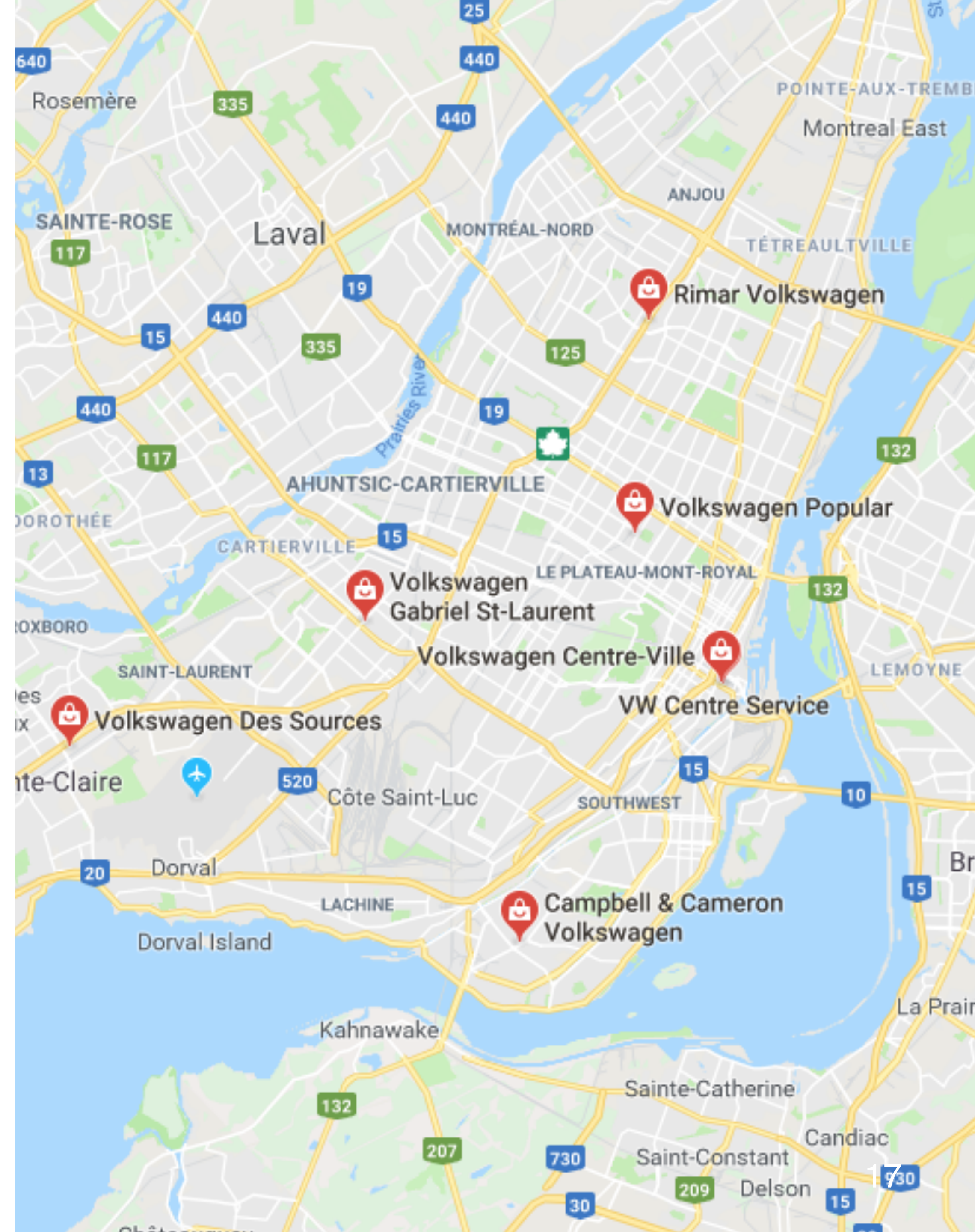
# Shopping around at multiple dealerships

- All participants stated they were planning to visit multiple dealerships near their home, based on the assumption that **each dealership has their own pricing model and exclusive deals.**

*"I would definitely shop around a lot more and go to multiple dealers because they'll offer you different things."*

- Visiting multiple dealerships was a way to **benchmark the average cost of the car** and leverage this information during the negotiation process.

*"Before negotiating, I'm going to compare with other dealers and see if this price is average, low or high."*





# Behaviours around researching special offers

- Half the participants stated **they had not looked up special offers as part of their car research**, instead intending to negotiate at the dealership.
- Some participants mentioned **coming across special offers organically** vs. seeking them out online, including:
  - Newspaper, radio & television ads
  - Signs outside the dealership
  - Sponsored ads at the top of a Google search
- For those interested, they are **more likely to look up promotions within one month of the planned purchase date**, based on the assumption that the offers are time-sensitive.



# Do participants expect to redeem a special offer for their next car purchase?

No. Majority of participants expressed a strong distrust towards dealerships & special offers.

**The true value or worth of the special offer was unclear:**

- Participants questioned the authenticity of the special offer and still expected to negotiate as part of the car purchasing process.

*“[The newspaper] ad does catch your attention, but I know there’s fine print. I would want to know more about that.”*

*“I think the prices are bumped up to keep room for negotiation.”*

**Promotions are a gimmick to get people into the dealership showroom:**

- Participants cited experiences where they heard a great deal on TV or the radio, but when visiting the dealership, the sale models were not in stock and the salesperson tried to up-sell more expensive models.

*“It’s marketing, they want to get you. Maybe there’s some catch or something they didn’t mention right away.”*

*“Not all promotions are created equal.”*

## Looking up special offers online

We asked participants to think of the VW model they were most interested in & look up special offers for that car.

The goal of this activity was to create an open-ended user test that would yield more genuine results.



# National site vs. Dealership sites

## 50% of participants navigated to VW Canada website

- ▶ When asked to look up special offers, **50% of participants went directly to the VW Canada website** and clicked directly through to the Special Offers page.
- ▶ These participants intended to **capture pricing information from the Special Offers page and use it as a benchmark** when negotiating in-person at the dealership:

*"I like to look at the [national website] and then that way I can go back to the dealer and say this is what I'm looking for ... I didn't know dealership websites existed."*

## 50% of participants navigated to VW dealer websites

- ▶ The other **50% of participants searched on Google for dealer websites**, focusing on dealerships near their home.
  - Example: "Volkswagen Montreal" > Opened up <http://www.vwcentreville.com/en/special-offers> & <https://www.vwgabrielstlaurent.com/en/quebec-new-vehicle-offers/>
- ▶ These participants **compared payments, downpayment required & interest rates for the same model across multiple dealer websites.**

*"I've only gone to the dealer websites. I assume that each dealer makes their own prices anyway, so I wouldn't see the use of going to the Canadian site. I'm guessing they'd refer me to the dealer anyway."*

## Based on these findings, we've identified the following opportunities:

1. Identify content opportunities to make special offers more transparent & build trust.
2. Explore integrating dealership-specific offers on the national site.
3. In addition to payment-based offers, introduce offers for car upgrades.

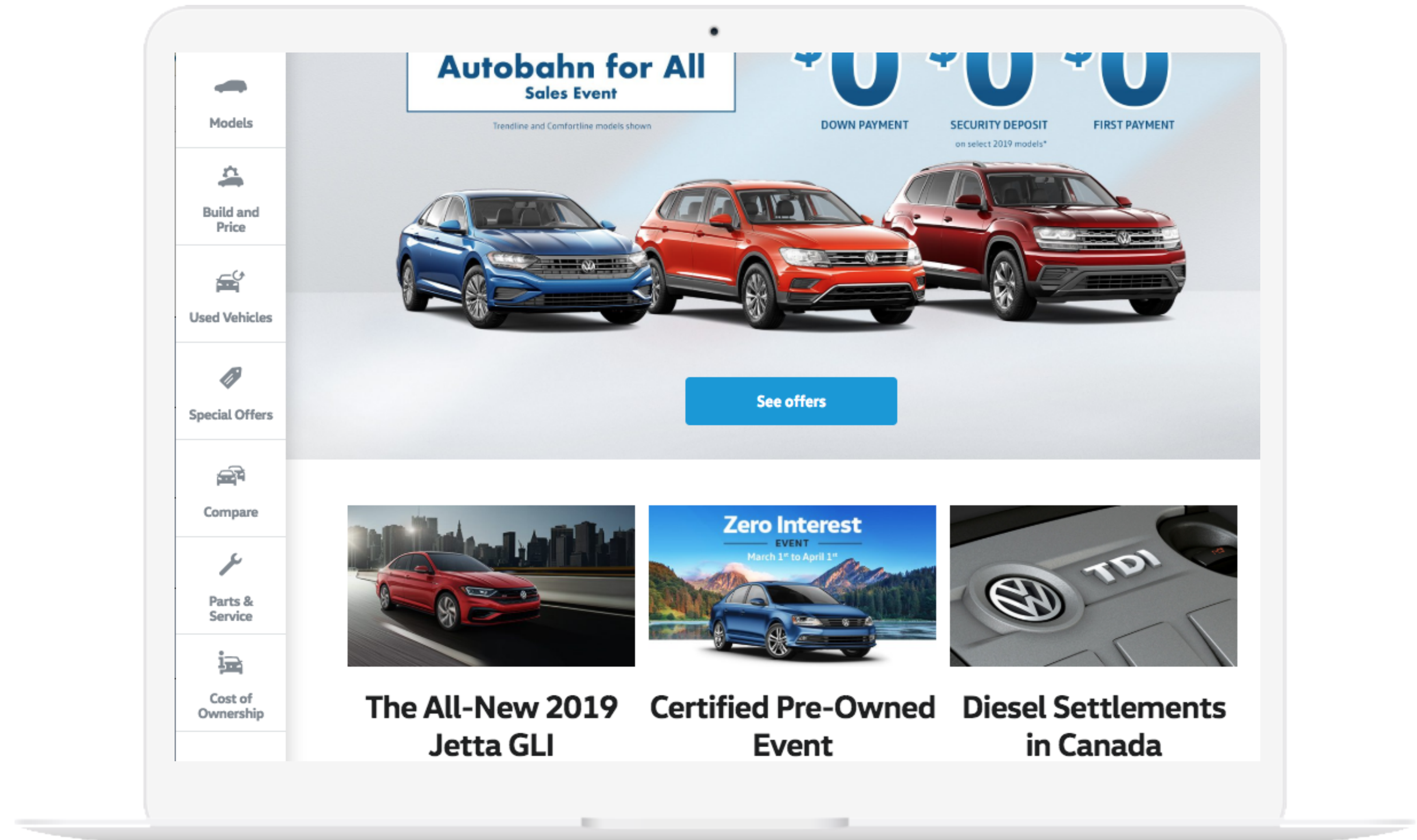
# Usability testing findings for *Special Offers* on VW Canada website

# Navigation to *Special Offers*

● = Negative    ● = Neutral    ● = Positive

- Navigation to the *Special Offers* page was easy and intuitive:

Participants quickly discovered *Special Offers* in either the main navigation or from clicking promotional banners on the home page.





# Promotional banner

● = Negative    ● = Neutral    ● = Positive

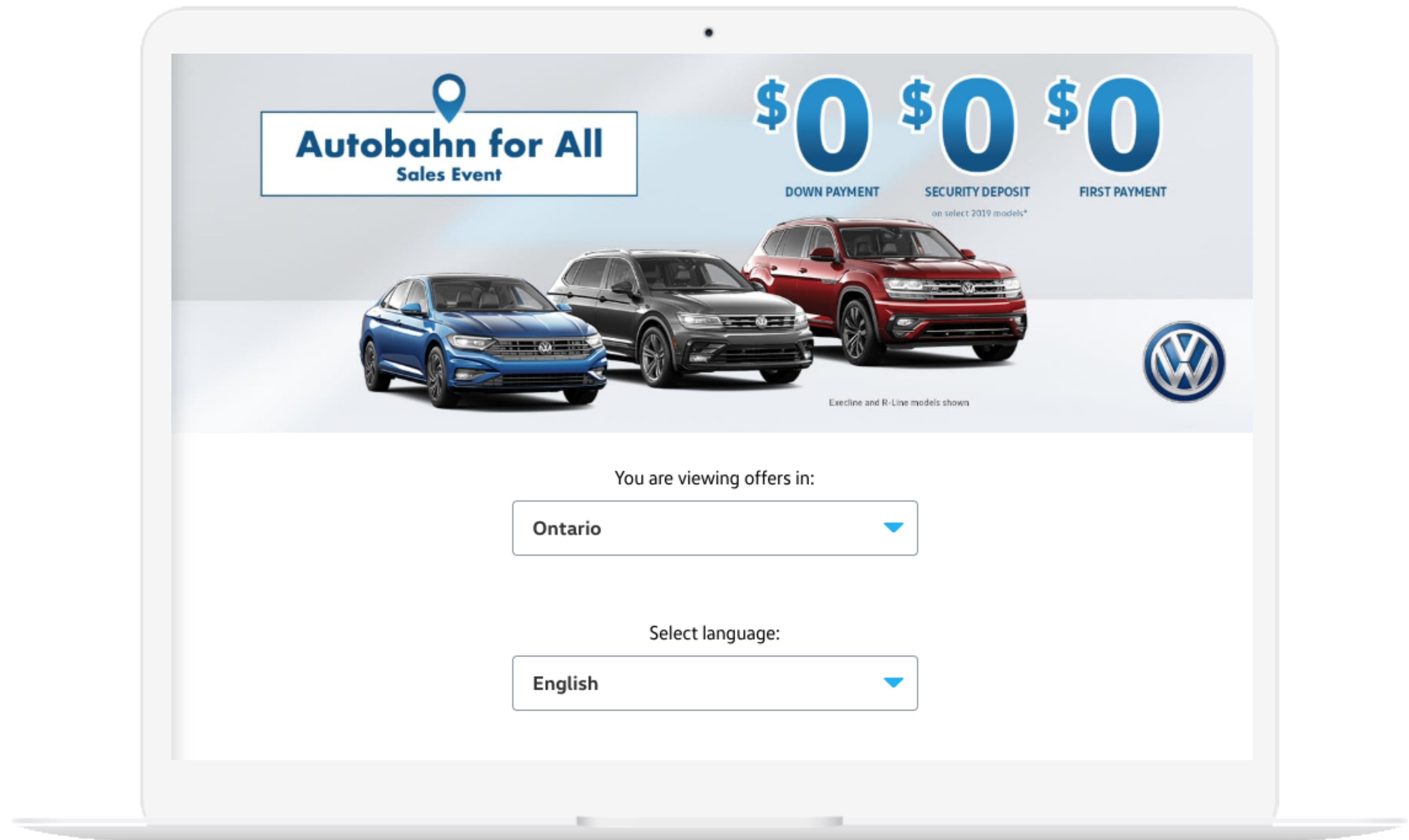
## ● Promotional banner was not discoverable or clear:

Participants scrolled past the banner on page load, as they were interested in looking at the special offers immediately.

The banner did not clearly communicate which models were included and participants assumed that 0% financing was part of the deal.

### Recommendation:

Reduce the vertical height of the banner to better surface special offers on page.



# Filtering vs. Scrolling

● = Negative    ● = Neutral    ● = Positive

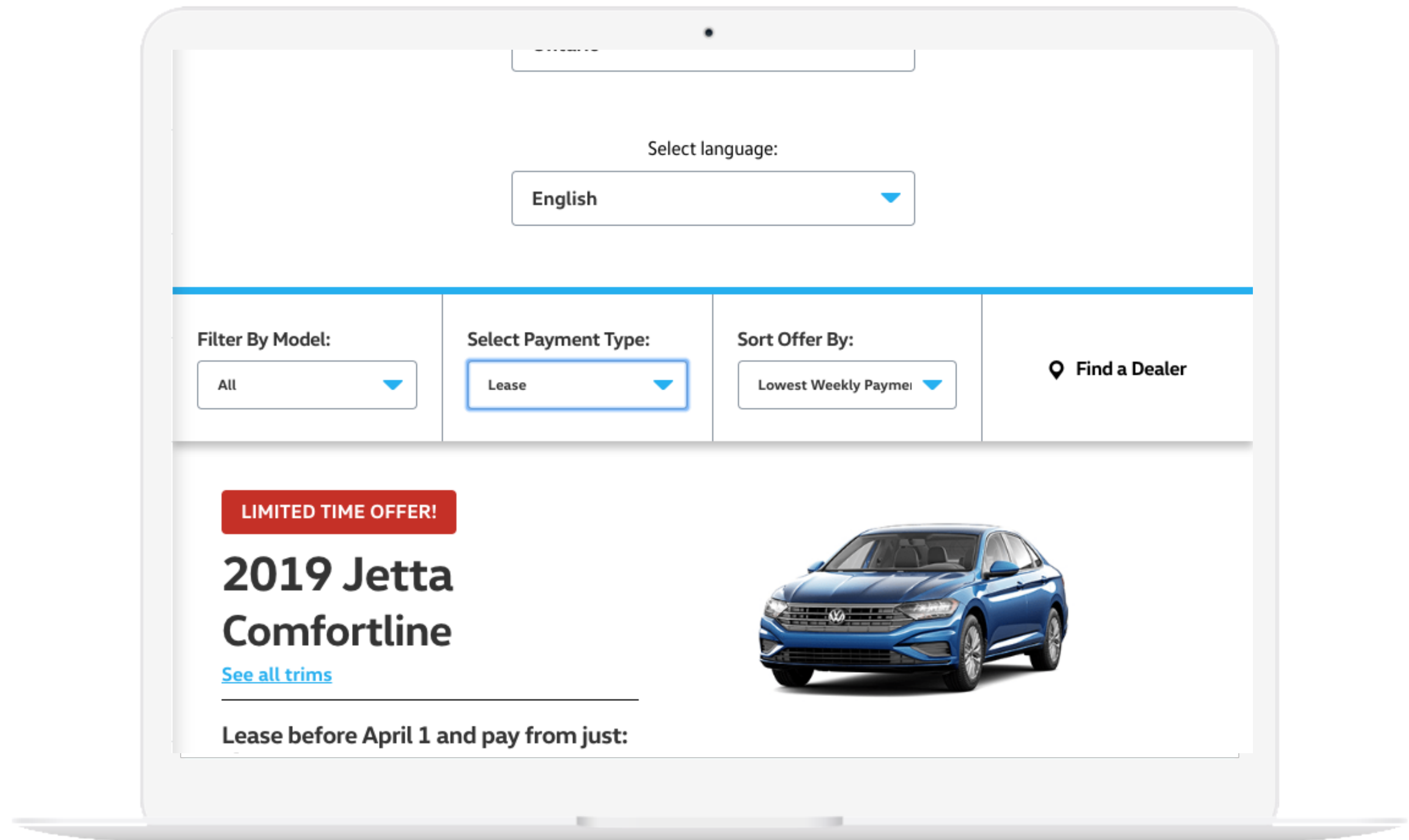
- Even though all participants had a model in mind, not everyone filtered by model:

Half the participants filtered by car + year. The remaining participants bypassed the filter and scrolled through the offers, just to see what was “on sale.”

A few participants filtered by payment type. No one sorted offers or clicked to find a dealer.

## Recommendation:

Explore removing the offer sort and the find a dealer CTA.





# Filtering by model + payment type

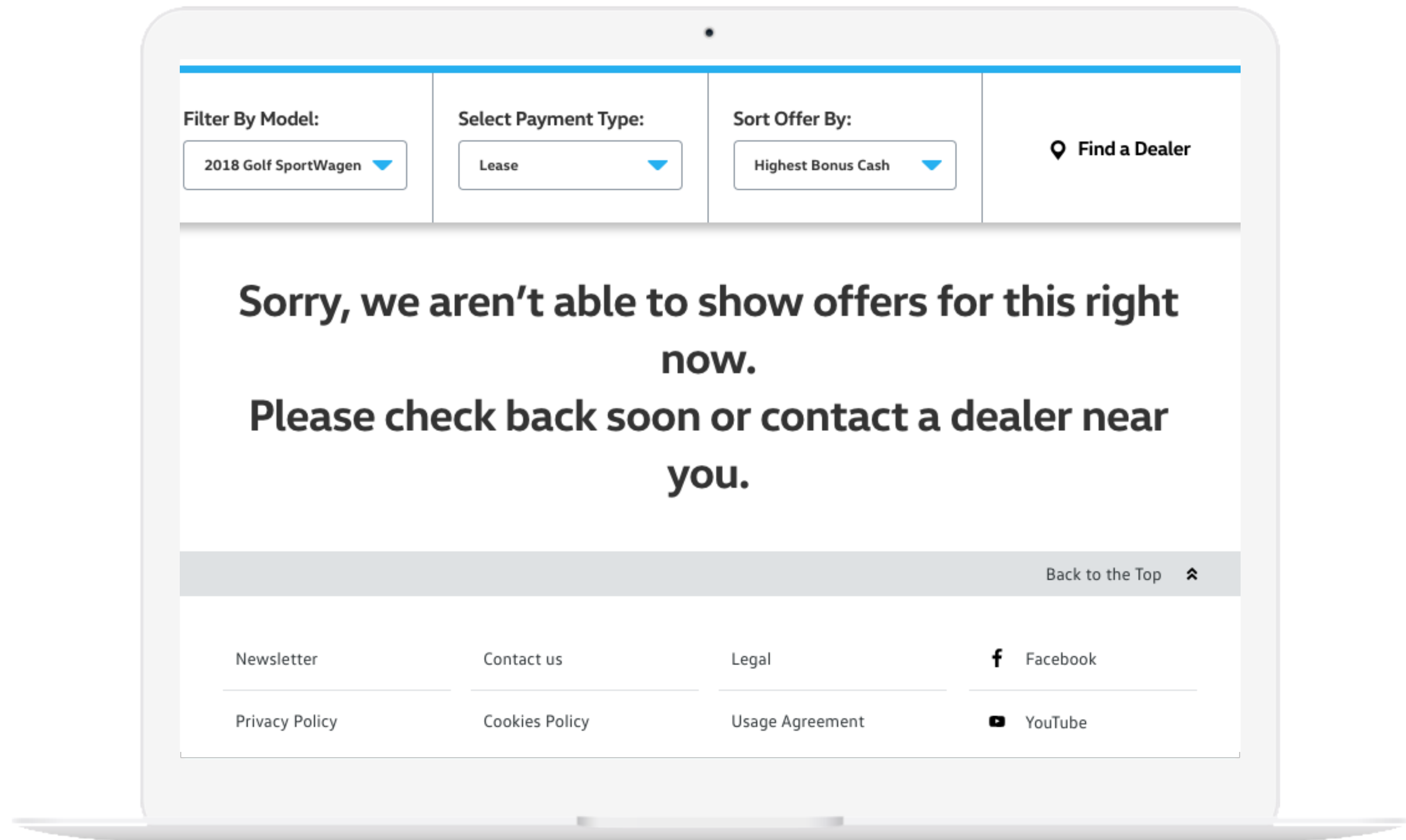
● = Negative    ● = Neutral    ● = Positive

## ● Special offers were not available for all model year/ payment types combinations:

In some instances, participants tried to filter by a particular model year + offer combination, only to find out that no special offer existed. This was frustrating, and participants stated they would leave the page at this point.

### Recommendation:

Explore making the model year in the dropdown non-selectable if the corresponding payment offer (finance/lease/cash) is unavailable and vice versa.



# Model year

● = Negative   ● = Neutral   ● = Positive

## ● Participants assumed special offers applied to 2019 cars:

When looking at an offer, most participants noticed '2018' in the title belatedly or not at all.

For some participants, this was a dealbreaker. Others were OK with a 2018 model because it was still new, but would be cheaper.

### Recommendation:

Introduce a year toggle (2018/2019) for each model.

The screenshot displays a promotional offer for the 2018 Volkswagen Atlas Trendline. At the top left, a red banner reads "LIMITED QUANTITY". Below it, the text "2018 Atlas Trendline" is shown, with "2018" circled in red and a red arrow pointing to it. A link "See all trims" is positioned below the model name. The financing details state: "Finance before April 1 and pay from just: \$119 weekly at a retail value<sup>◇</sup> of \$35,690 with: \$0 Down Payment | 3.99% APR<sup>§</sup> for 84 months + HST". The effective rate is highlighted as "\*Effective rate is 7.12%" with a link "View All Payment Options" below it. A disclaimer "Dealer may sell for less." is at the bottom left. On the right, a yellow Atlas SUV is shown. Below the car, a list of features is provided with checkmarks: "18" Prisma alloy wheels with all-season tires", "App-Connect smartphone integration (Android Auto™, Apple CarPlay™, MirrorLink)", "Multi-collision braking", "Composition Colour – 6.5" touchscreen radio with 6 speakers, CD player, and 1 SD card slot", and "Rearview widescreen camera". A link "See all features" is at the bottom right of the features list.



# Payment offer type

● = Negative    ● = Neutral    ● = Positive

- Payment offer type was not noticeable by some participants:

Most participants did not filter by offer type, and instead made assumptions about the offer without reading.

For example, participants who wanted to finance assumed they were looking at a finance offer, even if the offer itself was for leasing.

## Recommendation:

Introduce an offer type toggle for each model.

**LIMITED TIME OFFER!**

## 2019 Jetta Comfortline

[See all trims](#)


**Lease** from April 1 and pay from just:  
**\$61 weekly**

at a retail value<sup>◇</sup> of **\$20,995**

with:  
**\$0** Down Payment | **1.99%** APR<sup>Δ</sup> for 60 months + HST

[View All Payment Options](#)

Dealer may sell for less.



- ✓ App-Connect smartphone integration (Android Auto™, Apple CarPlay®, MirrorLink®)
- ✓ LED headlights with LED daytime running lights
- ✓ 6.5" touchscreen radio
- ✓ 16" Rama alloy wheels 6.5J x 16
- ✓ Automatic headlights with coming and leaving home function

[See all features](#)

[Build and Price](#) [Request a Test Drive](#)

# Trimline

● = Negative    ● = Neutral    ● = Positive

## ● Trimline was not noticeable by all participants:

Participants only read the model name (Jetta) but ignored the trim (Comfortline). No one clicked the 'See all trims' CTA or the CTA for 'Build and Price'.

### Recommendation:

Explore placing the trim name and the 'See all trims' CTA with the features to build a mental connection between the two.

**LIMITED TIME OFFER!**

## 2019 Jetta

### Comfortline

[See all trims](#)

Lease before April 1 and pay from just:

# \$61 weekly

at a retail value<sup>◇</sup> of **\$20,995**

with:

**\$0** Down Payment | **1.99%** APR<sup>Δ</sup> for 60 months + HST

[View All Payment Options](#)

Dealer may sell for less.

[See all features](#)

[Build and Price](#) [Request a Test Drive](#)

- ✓ App-Connect smartphone integration (Android Auto™, Apple CarPlay®, MirrorLink®)
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- ✓ 6.5" touchscreen radio
- ✓ 16" Rama alloy wheels 6.5J x 16
- ✓ Automatic headlights with coming and leaving home function



# Payment frequency

● = Negative    ● = Neutral    ● = Positive

## ● Participants disliked the weekly payment frequency:

Most participants were interested in making monthly car payments.

They saw the weekly payment as an attempt by VW to put the lowest/cheapest price on the page, but no one was fooled.

*"In my head, I usually convert the weekly to monthly, so I know how much is coming out per month."*

## Recommendation:

Display monthly car payments.

**LIMITED TIME OFFER!**

### 2019 Jetta Comfortline

[See all trims](#)

Lease before April 1 and pay from just:

**\$61 weekly** ←

at a retail value<sup>◇</sup> of **\$20,995**

with:

**\$0** Down Payment | **1.99%** APR<sup>Δ</sup> for 60 months + HST

[View All Payment Options](#)

Dealer may sell for less.

[See all features](#)

[Build and Price](#) [Request a Test Drive](#)

- ✓ App-Connect smartphone integration (Android Auto™, Apple CarPlay®, MirrorLink®)
- ✓ LED headlights with LED daytime running lights
- ✓ 6.5" touchscreen radio
- ✓ 16" Rama alloy wheels 6.5J x 16
- ✓ Automatic headlights with coming and leaving home function

# Other payment details

= Negative

= Neutral

= Positive

- On leasing offers, the payment details were understandable:  
  
Participants interpreted the retail value to be the manufacturer's suggested retail price (MSRP) and had no further questions.  
  
Down payment and interest rates were also clear to participants.

LIMITED TIME OFFER!

2019 Jetta Comfortline

[See all trims](#)

Lease before April 1 and pay from just:  
**\$61 weekly**

at a retail value<sup>◇</sup> of **\$20,995**

with:  
**\$0**  
Down Payment


**1.99%**  
APR<sup>Δ</sup> for 60 months + HST

[View All Payment Options](#)

Dealer may sell for less.

Build and Price

Request a Test Drive



- ✓ App-Connect smartphone integration (Android Auto™, Apple CarPlay®, MirrorLink®)
- ✓ LED headlights with LED daytime running lights
- ✓ 6.5" touchscreen radio
- ✓ 16" Rama alloy wheels 6.5J x 16
- ✓ Automatic headlights with coming and leaving home function

[See all features](#)



# Effective rate (finance only)

● = Negative    ● = Neutral    ● = Positive

## ● Participants were unfamiliar with the term effective rate:

No one understood this term, and in some cases mixed up the effective rate and the interest rate.

Participants were also unable to locate the asterisked definition on the page.

## Recommendation:

Revisit the font of the 'effective rate' text and define the term in context within a tooltip.

**LIMITED QUANTITY**

## 2018 Atlas Trendline

[See all trims](#)

Finance before April 1 and pay from just:

# \$119 weekly

at a retail value<sup>◇</sup> of **\$35,690**

with:

**\$0** | **3.99%**

Down Payment | APR<sup>§</sup> for 84 months + HST

**\*Effective rate is 7.12%**

[View All Payment Options](#)

Dealer may sell for less.

- ✓ 18" Prisma alloy wheels with all-season tires
- ✓ App-Connect smartphone integration (Android Auto™, Apple CarPlay™, MirrorLink)
- ✓ Multi-collision braking
- ✓ Composition Colour – 6.5" touchscreen radio with 6 speakers, CD player, and 1 SD card slot
- ✓ Rearview widescreen camera

[See all features](#)

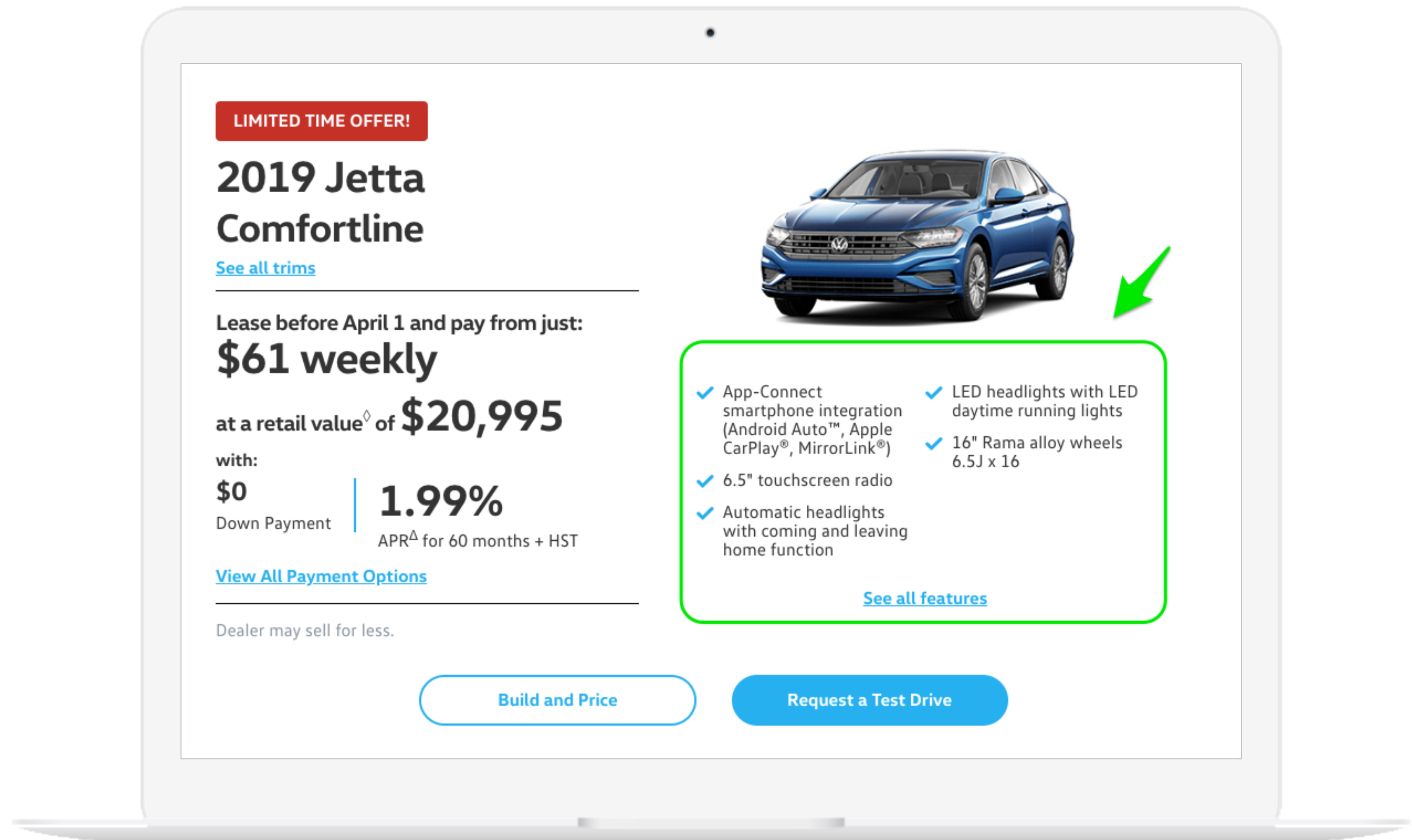
# Features of the car

● = Negative   ● = Neutral   ● = Positive

## ● Features section tested very positively:

All the participants we spoke to had must-have features in mind for their new car (heated seats, backup camera, etc.) This section answered their questions without them having to navigate away from the page.

All participants took the time to read the features listed, clicked the 'See all features' CTA and read through the details without prompting from the facilitator.





# View all payment options CTA

● = Negative    ● = Neutral    ● = Positive

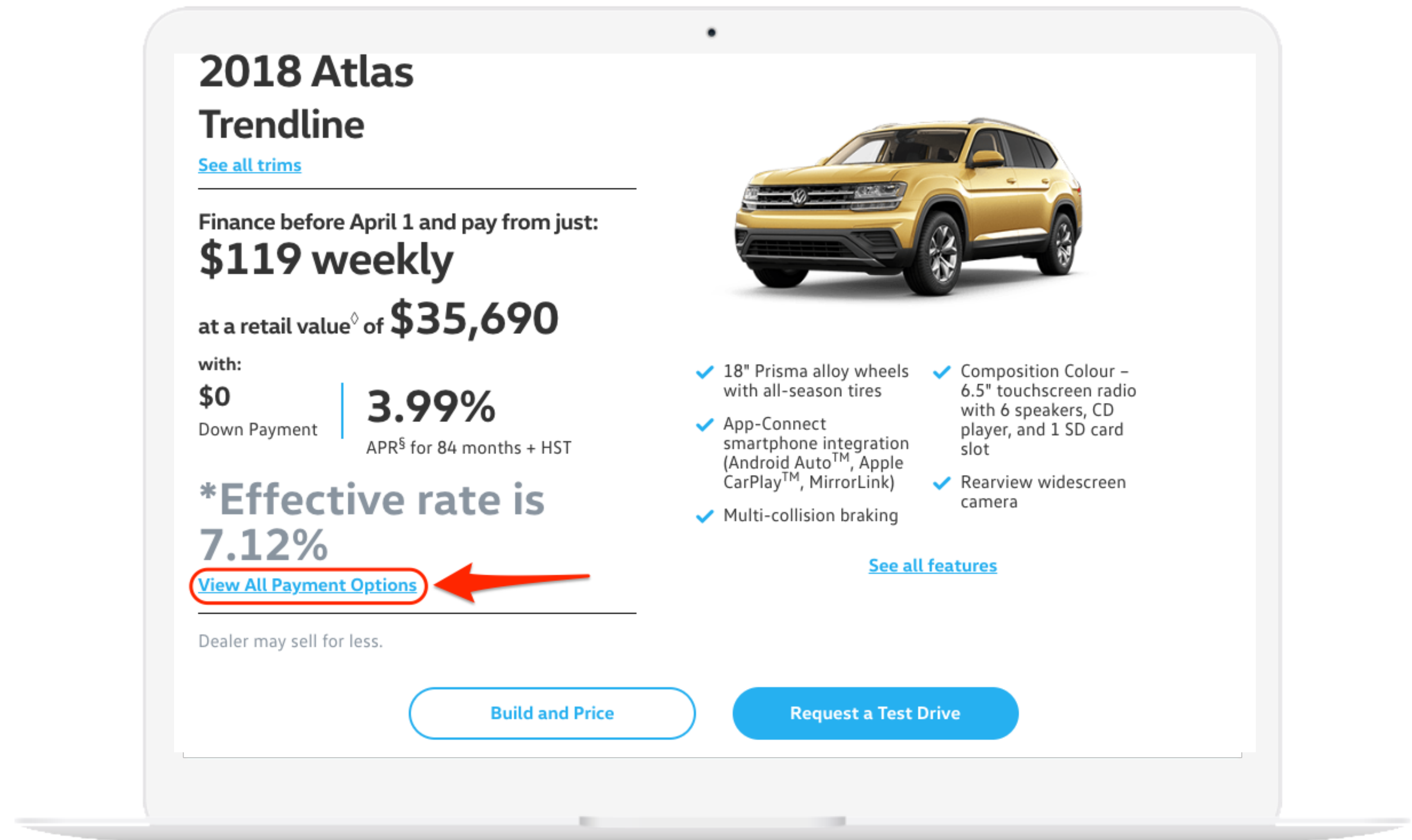
- Half of participants did not notice the 'View All Payment Options' CTA:

Only 50% of participants clicked this link without prompting.

## Recommendation:

Explore removing of the 'Build and Price' and 'Request a Test Drive' CTAs.

Change the 'View All Payment Options' CTA from a link to a button to make it more visually prominent.



# Payment calculator

● = Negative   ● = Neutral   ● = Positive

● **Payment options calculator tested very positively:**

Everyone liked the monthly payment costs for budgeting purposes.

Comparing monthly payment frequencies, interest rates and costs between leasing & financing was helpful for those undecided on how to pay.

Participants understood that these costs were estimates, and found the figures helpful for comparing with special offers on dealership websites or bringing in to the dealership to negotiate.

### Payment Options

Your current buying location is ON [change location](#) | Include sales tax? ☒

#### Cash

Trade-in value  
\$0.00

Total Price  
\$20,995

Additional fees [show less](#)  
Freight and fees \$1,685  
A/C Tax \$100  
Tire Tax \$20  
Dealer admin fee \$499  
OMVIC \$10  
Sales Tax \$3,030

Balance to pay  
\$26,339

#### Finance

\$399.97<sup>2</sup>  
Monthly

Additional fees [click for details](#) \$5,410  
Total Price \$26,405

Financed over how many months  
60 Months | Finance Rate 0.99%

How often would you like to make payments?  
Monthly

Down payment 3000 Trade-in value \$0.00

Total obligation \$26,998  
Cost of borrowing \$594

Monthly Finance Cost \$399.97<sup>2</sup>  
[Apply for Credit](#)

#### Lease

\$252.32<sup>2</sup>  
Monthly

Additional fees [click for details](#) \$4,114  
Total Price \$25,109

Length of Lease Term  
60 Months | Lease Rate 1.99%

Annual driving distance  
16,000 KM

Down payment 3000 Trade-in value \$0.00

How often would you like to make payments?  
Monthly

Total obligation \$18,139  
Residual Value 40%

Monthly Lease Cost \$252.32<sup>2</sup>  
[Apply for Credit](#)

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36



# After looking at special offers and using the calculator, did participants still want to negotiate?

## Yes, on price and upgrades:

- 7 participants still planned to negotiate on payments/interest rates and upgrades, based on the belief that the dealer always has the power to make a deal and lower the price.

## Yes, on upgrades only:

- 3 participants were satisfied with the estimated monthly cost for the model they were interested in, stating that the figure fit into their budget.
- These participants stated they would NOT negotiate on price, but would still negotiate for car upgrades.

# Summary of recommendations



# Recommendations

Page	Recommendation
<b>Strategy</b>	Identify content opportunities to make special offers more transparent & build trust.
<b>Strategy</b>	Explore integrating dealership-specific offers on the national site.
<b>Strategy</b>	In addition to payment-based offers, include offers for car upgrades.
<b>Landing Page</b>	Reduce the vertical height of the banner to better surface special offers on the page.
<b>Filter</b>	Explore removing the offer sorting functionality and the 'Find a Dealer' CTA.
<b>Filter</b>	Explore making the model year in the dropdown non-selectable if the corresponding payment offer (finance/lease/cash) is unavailable and vice versa.
<b>Offer Details</b>	Introduce a year toggle (2018/2019) for each model.
<b>Offer Details</b>	Introduce an offer type toggle (finance/lease/cash) for each model.
<b>Offer Details</b>	Explore placing the trim name and the 'See all trims' CTA with the features content to build a mental connection between the two.

# Recommendations, Ct'd

Page	Recommendation
Offer Details	Display payments monthly (instead of weekly).
Offer Details	Revisit the font of the 'effective rate' text and define the term in context within a tooltip.
Offer Details	Explore removing the 'Build and Price' and 'Request a Test Drive' CTAs.
Offer Details	Change the 'View All Payment Options' CTA from a link to a button to make it more visually prominent.

