

2013 AUTOMOTIVE BUYER INFLUENCE STUDY

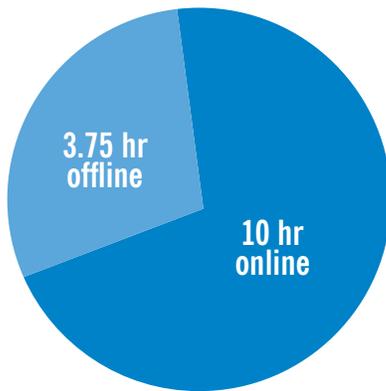
SOURCES THAT INFLUENCE PURCHASE

NEW & USED CAR BUYERS SPEND 75% OF THE SHOPPING PROCESS ONLINE

Since the 2011 study, overall shopping time is down for both New and Used Car Buyers. However, the amount of time they spend shopping online is about the same, while time spent offline has dropped significantly. The implication is that online shopping has gained some efficiency, likely due to improved quality and quantity of content and merchandising, which helps consumers make better decisions earlier in the process. According to the 2013 study, **New Car Buyers spend**

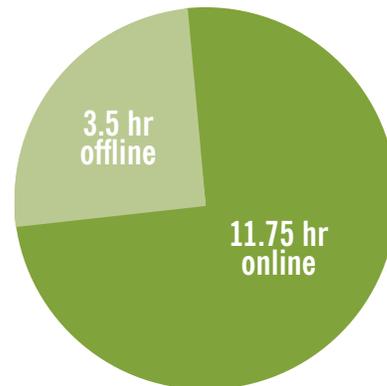
10 out of 13¼ hours (73%) shopping online, and **Used Car Buyers spend 11¼ hours online out of 15¼ hours (77%)**. Throughout this process, they are seeking information as they move through dealer sites, third-party sites, OEM sites, and car- and dealer-review sites. All of these sites offer considerable opportunities for automotive marketers to influence shoppers at each point during their shopping process, dramatically improving the chances of turning a shopper into a buyer.

NEW VEHICLE BUYERS



13.75 HOURS TOTAL SHOPPING TIME

USED VEHICLE BUYERS



15.25 HOURS TOTAL SHOPPING TIME

WHAT INFORMATION DO CAR BUYERS WANT ONLINE?

The primary reasons New and Used Car Buyers use the Internet are to compare makes and models, look at photos and videos, check availability and research prices. While special offers, OEM rebates and incentives are important to Used Car Buyers, they are especially important to New Car Buyers. **New Car Buyers rank them the third most-important reason to shop online.**

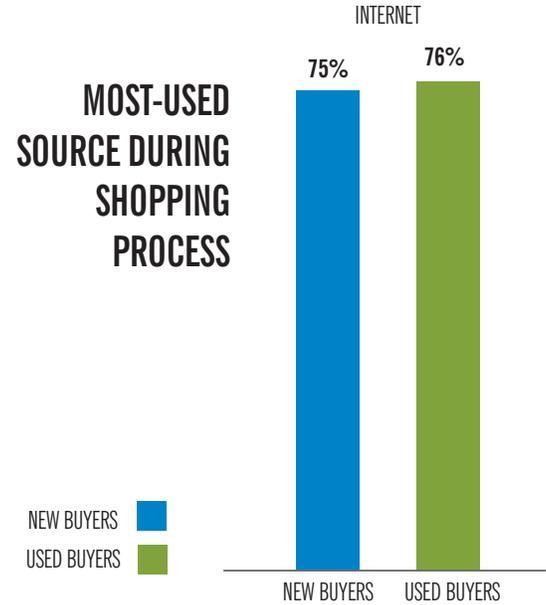
In order to effectively target marketing messages as well as ad spend, it is important that automotive marketers understand how and why consumers use the Internet during the vehicle shopping process. These insights can help ensure that dealers and manufacturers deliver the right marketing message and content to the right shoppers at the right time.

THE INTERNET IS THE MOST-USED AND MOST-INFLUENTIAL SHOPPING SOURCE AMONG NEW & USED CAR BUYERS

Originally commissioned in 2011, the Automotive Buyer Influence Study revealed groundbreaking information on how influential the Internet is among New and Used Car Buyers. In this 2013 update, Internet usage increased significantly, with three-quarters of buyers indicating they used the Internet in their car-shopping process — up from 71% in 2011.

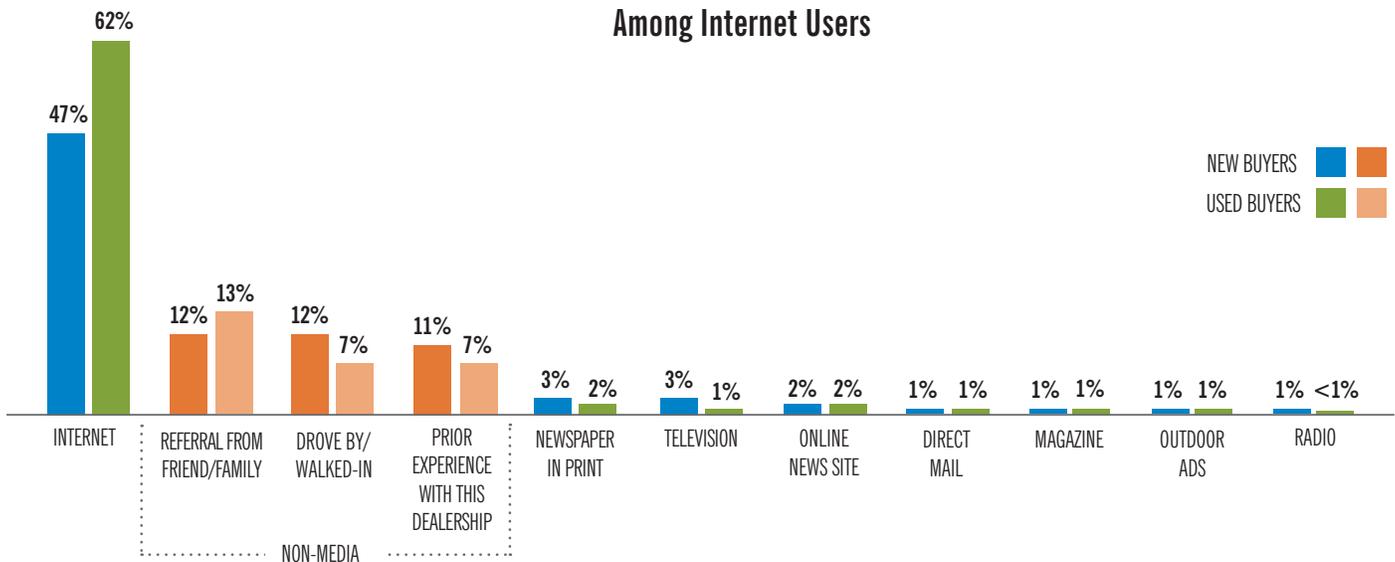
Furthermore, New and Used Car Buyers indicated that the Internet was the primary source that led them to the dealership where they bought a car — **more than 15 times that of any other media source cited in the study.** The results of this updated study point to the increasing influence of how online automotive advertising can influence dealer choice and make/model, compared to the overall declining influence of traditional media.

Nevertheless, a good customer experience at the dealership is also a key component in attracting repeat and referral business.



MOST INFLUENTIAL SOURCES LEADING TO THE DEALER

Among Internet Users

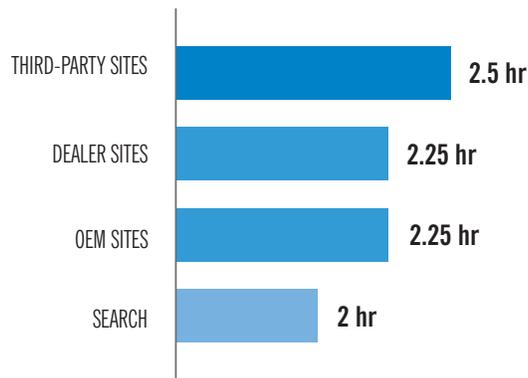


NEW & USED CAR BUYERS SPEND MORE TIME ON THIRD-PARTY SITES

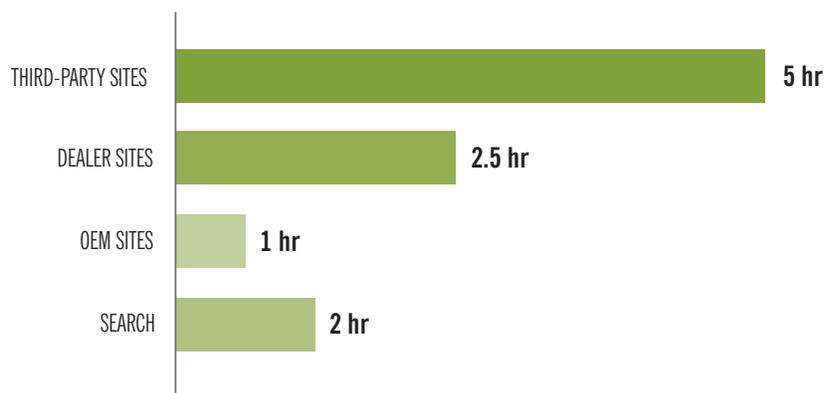
Of the time that New and Used Car Buyers spend shopping online, **they spend the most time on third-party sites**. While both New and Used Car Buyers shop online in a variety of places, Used Car Buyers spend **43%** of their online shopping time on third-party sites. New Car Buyers distribute their time more evenly across the different types of automotive sites, spending **25%** of their online shopping time on third-party sites.

This information affirms the value that car buyers find on OEM sites, dealer sites and third-party sites, which serve to complement each other during the shopping process. As a result, automotive marketers need to have a broad Internet marketing strategy, including a strong presence in the online inventory marketplace, in order to effectively reach and influence shoppers wherever they are online.

NEW VEHICLE BUYERS*



USED VEHICLE BUYERS*



* New and Used Car Buyers also cited other online shopping activities that cumulatively and approximately accounted for an additional hour not performed on the sites shown here.

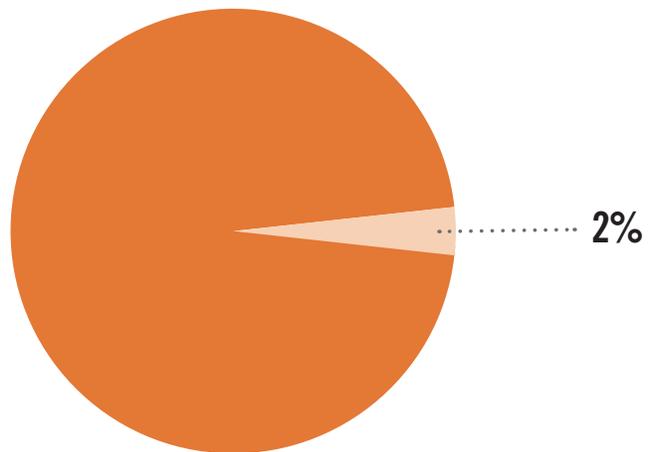
DO SOCIAL NETWORKING SITES INFLUENCE CAR BUYERS?

Social networking sites have little influence on New and Used Car Buyers' actual purchase decision. An overwhelming **98%** said that their most recent car purchases were not influenced by social networking sites. While car buyers don't go to sites like Facebook to search

inventory, it is still an important reputation and relationship management tool, providing valuable opportunities to engage with customers post-purchase, particularly in the areas of parts and service.

HOW INFLUENTIAL IS SOCIAL?

Only **2%** of car buyers said a social networking site influenced their purchase.



HOW DO VEHICLE BUYERS INITIALLY CONTACT THE DEALERSHIP?

Approximately **2 out of 3** of all car buyers do not contact the dealership prior to their first visit, with **62%** of Used Car Buyers and **67%** of New Car Buyers citing "walked in" as the most common method of establishing initial contact. Phone calls remain the second most-popular form of contact for **26%** of Used Car Buyers and **21%** of New Car Buyers. Historically, Used Car Buyers are slightly more inclined to call the dealership than New Car Buyers to find out if the car they're interested in is still available. As a result, it's very important for automotive marketers to have effective CRM processes in place to understand initial contacts and walk-in traffic. Knowing what drove a car shopper to the dealership can help automotive marketers determine the true value of their advertising spend, as well as how and where they can more successfully invest their marketing dollars.

It is important to note that New and Used Car Buyers from the Millennial Generation (born after 1980) make contact more often with dealers prior to walking in than older generations do (Gen X and Baby Boomers). In this study, 52% of Millennial Used Car Buyers and 57% of Millennial New Car Buyers walked into the dealership as the initial point of contact.



2 out of 3 do not contact the dealership prior to their first visit.

Millennials have a higher tendency than other age groups to call, email, chat or text a dealership as the first point of contact, **though more than half still walked in**. The implication is that there is a direct correlation between how the tech-savvy Millennials communicate and how they initially engage dealerships during the car-shopping process.

ABOUT THE STUDY

Automotive Buyer Study: Sources that Influence Purchase was commissioned by AutoTrader.com with R.L. Polk & Co. to understand what media sources influence New and Used Vehicle Buyers prior to purchase. A total of 1,408 New Vehicle Buyers and 1,331 Used Vehicle Buyers who purchased a vehicle within the past 12 months were interviewed between December 2012 and April 2013. Quotas were set to ensure a representative sample based on the vehicle make purchased and state of residence.

