

2015 AUTOMOTIVE BUYER INFLUENCE STUDY

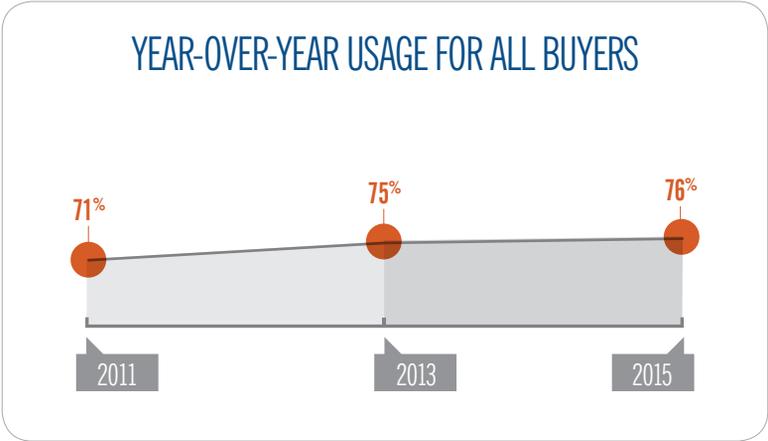
SOURCES THAT INFLUENCE PURCHASE

IHS AUTOMOTIVE
driven by **POLK**

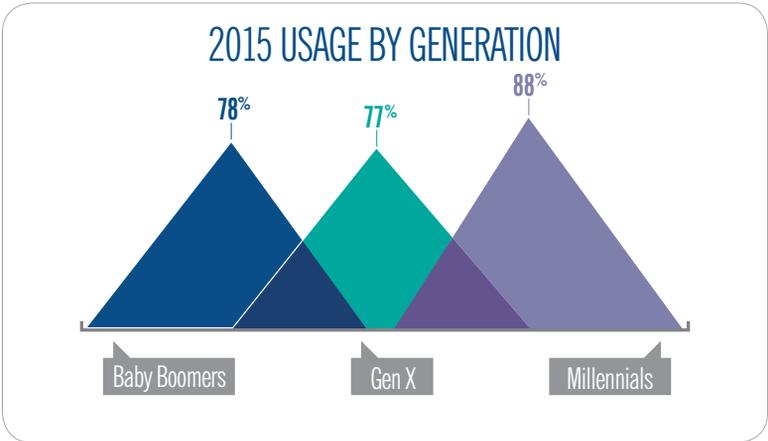


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INTERNET IS MOST-USED AND MOST-INFLUENTIAL SOURCE AMONG CAR BUYERS



76% of all car buyers (New and Used) use the Internet to shop, up from 71% in 2011 and 75% in 2013.



The Millennial generation (born after 1980) is leading the way in this growth, with nearly 9 out of 10 of Millennial car buyers using the Internet during the shopping process, compared to 77% of Gen X car shoppers and 78% of Baby Boomers.

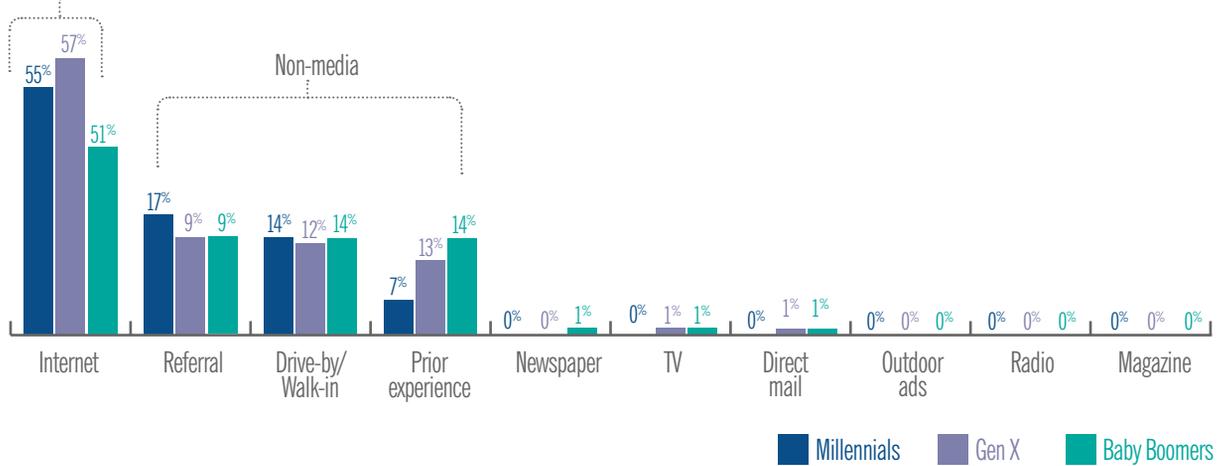
MOST INFLUENTIAL SOURCES LEADING TO THE DEALER

Regardless of generation, car buyers cited the Internet as the most influential source leading them to the dealership — **more than 20 times that of any other media source cited in the study.** In fact, traditional media has shown a consistent decline since the 2011 study. These results point to the continued importance of effective online automotive

advertising for influencing car shopper decisions about what make/model to buy as well as which dealer to buy from. Nevertheless, it is also important to note that **a good customer experience at the dealership is a key component in attracting repeat and referral business** from car buyers.

MOST INFLUENTIAL SOURCES LEADING TO THE DEALER
(Among Internet Users)

20x more influential than any other media source*



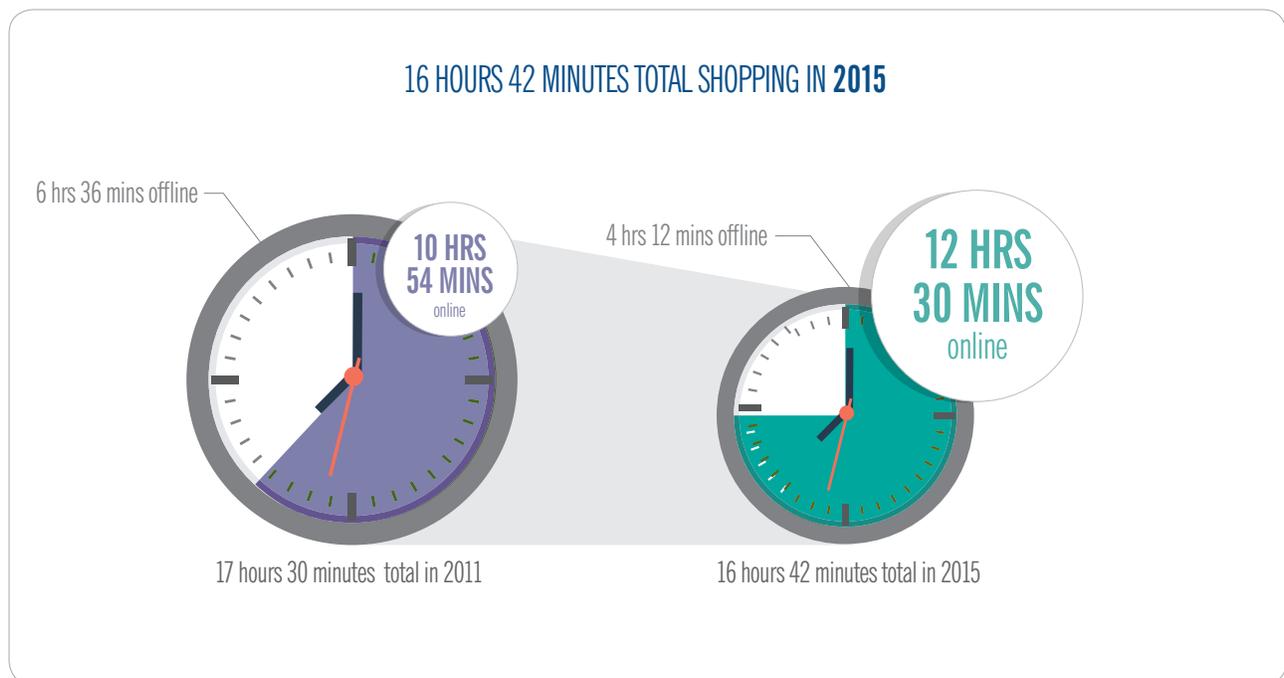
* For Millennials and Gen X

TIME SPENT SHOPPING ONLINE HAS INCREASED TO 75%

Car buyers continue to allocate more of their total shopping time to online shopping activities, with time online increasing from 62% in 2011 to **75% in 2015**. The 2015 results are fairly consistent among all generations: Millennials spend 81% of their total shopping time online, Gen X spends 75% and Baby Boomers clock in at 74%.

At the same time, **69% of car buyers, regardless of generation, start off knowing very little about the vehicle they want to purchase.**

But by the time they reach the dealership, car buyers are significantly less likely to switch the make/model they have decided on: **75% end up purchasing the same make/model they had in mind when they first visited the dealership.** As a result, the opportunity for dealers and OEMs to influence purchase decisions is online, where car buyers spend the majority of their shopping time and are making decisions about what to buy and who to buy from.



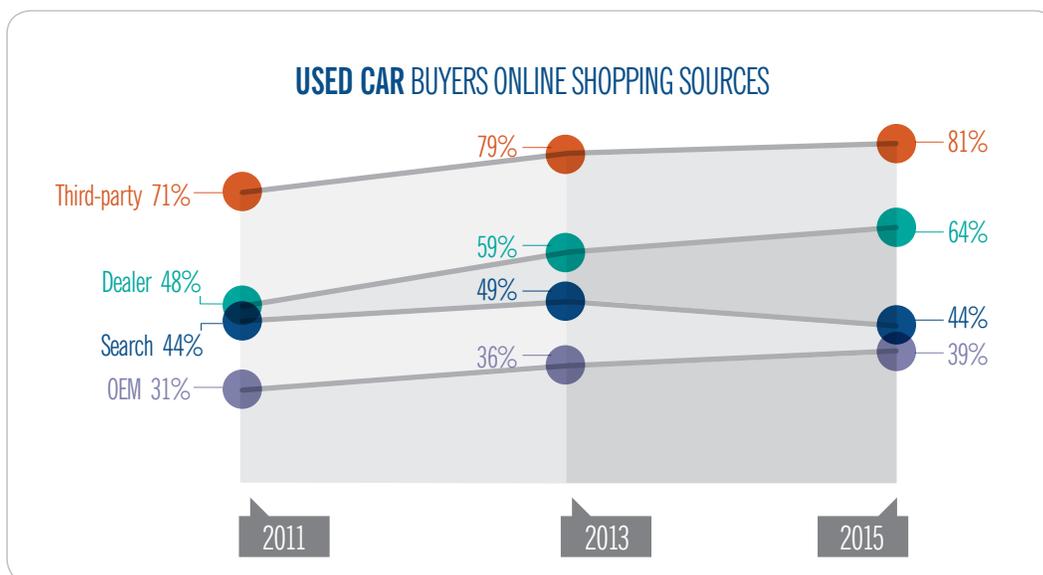
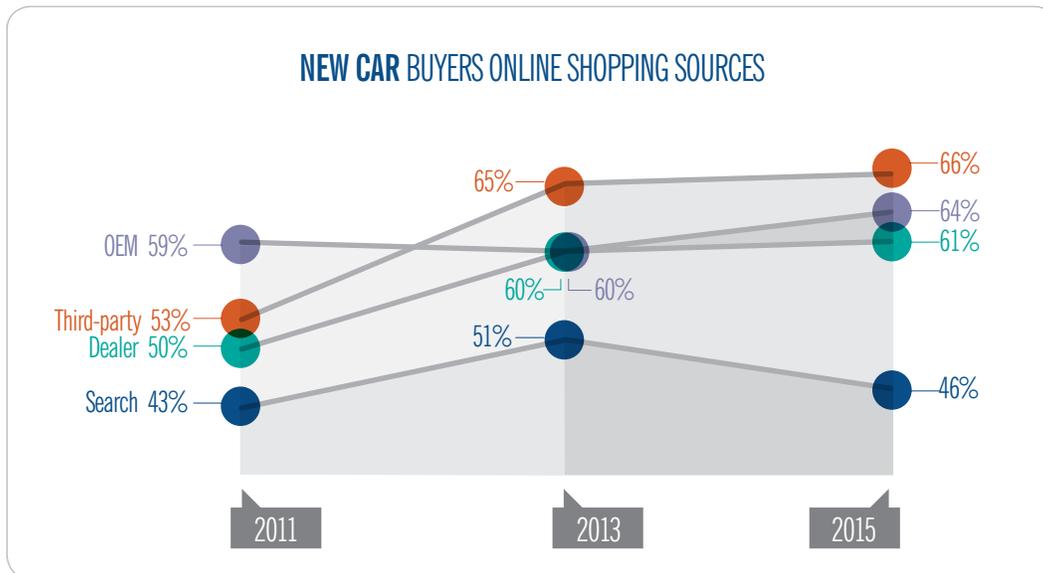
While overall shopping time has decreased since 2011, actual time spent shopping online has increased.

THIRD-PARTY SITES ARE MOST-USED FOR SHOPPING

While car buyers use a variety of sites to shop, **more of them use third-party sites than any other site**, and 56% of car buyers say that third-party sites are the **most useful** sites – three times more than any other site.

marketers need to have a broad yet integrated marketing strategy, including a strong presence in the online inventory marketplace, to effectively reach and influence shoppers wherever they are shopping online.

Third-party sites, manufacturer sites, dealer sites and search engines complement each other during the shopping process. Therefore, automotive

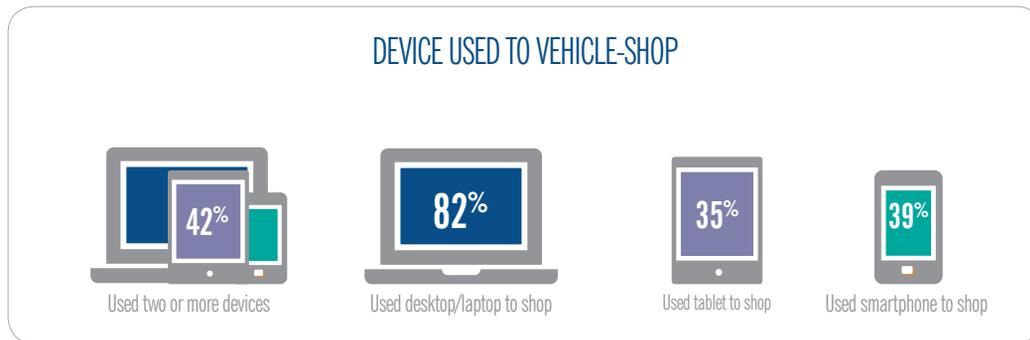


MOBILE DEVICE USAGE CONTINUES TO INCREASE

Car buyers are increasingly using a variety of devices to shop, including desktop and laptop computers, smartphones and tablets, leading to a multi-screen experience.

According to the study, 42% car buyers today use multiple devices when shopping for a car. Among Millennials, that number is even higher, with 50% using two or more devices. **Furthermore, multi-device usage is projected to increase to 80% by the year 2020 among all buyers.**

As a result, automotive marketers should make it a priority to **focus on an integrated marketing strategy that provides a seamless shopper experience across devices.** Car dealers and manufacturers alike must ensure brand and message consistency across devices, in addition to robust merchandising, to create better car-shopping experiences that effectively influence shoppers.



WHAT INFORMATION DO CAR BUYERS WANT ONLINE?

The primary reasons New and Used car buyers use the Internet when shopping for a car are to compare makes and models and research prices. Additionally, **New car buyers search for special offers, while Used car buyers want to find actual vehicles listed for sale.**

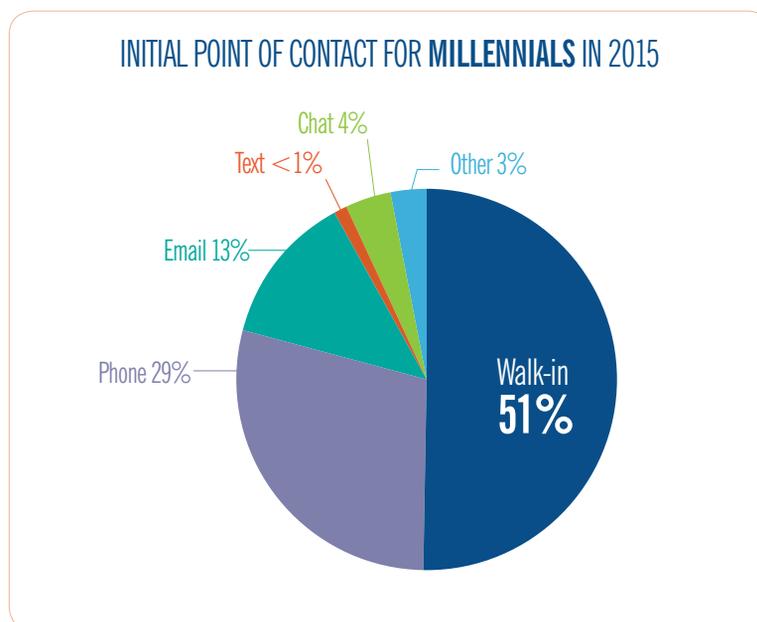
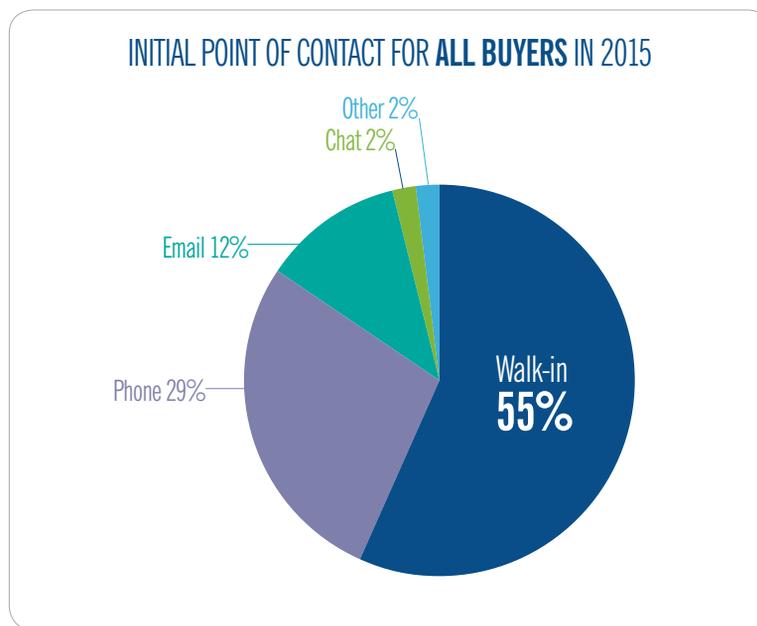
In order to effectively target marketing messages as well as ad spend, it is

important that automotive marketers understand how and why consumers use the Internet during the car-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 in order to effectively influence their decisions about what to buy and who to buy from.**

“WALKING IN” REMAINS MOST-COMMON INITIAL POINT OF CONTACT WITH DEALERS

More than half of **car buyers do not contact the dealership prior to their first visit**. As a result, it's crucial for dealers to have effective sourcing and CRM processes in place to help them understand initial contacts and walk-in traffic.

Knowing what influenced a shopper to contact the dealership, regardless of method, can help dealers determine the true value of their advertising spend, as well as how and where they can most successfully invest their marketing dollars.



ABOUT THE STUDY

The 2015 Automotive Buyer Influence Study, commissioned by AutoTrader.com through IHS Automotive, was conducted to understand what media sources influence New and Used vehicle buyers prior to purchase. A total of 2,297 car buyers (1,313 New and 984 Used) who purchased a vehicle within the past 12 months were interviewed between August 2014 and September 2014. Quotas were set to ensure a representative sample based on the vehicle make purchased and state of residence.

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