# New AutoTrader.com White Paper Shows How the Trade-In Marketplace Tool Improves the Trade-In Process for Dealers and Consumers

ATLANTA, Jan. 24, 2014 /PRNewswire/ -- Sales are up all around in the automotive industry, and as more shoppers turn into buyers, there's one element of the transaction that dealers will need to pay particularly close attention to: the trade-in. To help dealers improve their trade-in processes, AutoTrader.com® released a new white paper entitled "Maximizing the Trade-In Process," which details how dealers can align valuation tools and in-store processes to reduce risk, enhance the customer experience, improve overall margins and facilitate transactional conversations."

(Logo: http://photos.prnewswire.com/prnh/20110425/CL88097LOGO)

"In an industry with tight profit margins, every element of the transaction is important, but the trade-in is arguably one of the most tenuous portions of the transaction for dealers," said Juan Flores, director of operations for AutoTrader.com's Trade-In Marketplace. "As sales continue to pick up, dealers can expect more trade-ins, making it more critical now than ever to mitigate risk and improve their trade-in processes."

The white paper is based on research conducted with dealers and consumers who have taken advantage of AutoTrader.com's Trade-In Marketplace, which enables consumers to get an instant offer on their used cars, sight unseen. Consumers can either generate an offer on their vehicle online via AutoTrader.com, KBB.com® (Kelley Blue Book), or on participating dealer websites, or they can generate an offer in-store at a participating dealership. To be a participating dealer in the Trade-In Marketplace program, dealers pay a monthly subscription that gives them access to consumers who generate an instant cash offer through the tool.

The offer, which is valid for 72 hours, takes into account an extensive set of parameters, including VIN-specific information, details surrounding the condition of the car and the impact of the specific vehicle's history and after-market equipment. As long as the vehicle's condition is accurately represented in the tool, the consumer can walk away with a check for that amount or use the amount toward the purchase of another vehicle. Dealers then have the option of reselling the vehicle on their lots, or they can ground the vehicle and liquidate it through traditional auctions or through AutoTrader.com's third-party vendor for the full amount of the offer, or sell it to a wholesaler.

AutoTrader.com research shows that only 37 percent of consumers are satisfied with the process of trading in their vehicles.[1] However, as information in the white paper shows, the Trade-In Marketplace can increase consumer satisfaction. According to a survey of Trade-In Marketplace users, 77 percent of offer redeemers are willing to recommend the tool to others and to use it again in the future[2]. Two out of three redeemers also thought that the tool was valuable in helping them negotiate with dealers and improved their interactions at the dealership[2].

"This generation of buyers responds best to open, haggle-free consultations, and dealers who adapt their online and in-store processes to meet those expectations will ultimately be the ones who are most profitable," Flores continued.

In addition to improving the consumer experience, the Trade-In Marketplace helps dealers improve their stores' overall margins and mitigate inventory risk, according to focus group research conducted in 2013 with Trade-In Marketplace dealers. With its real-time market view and valuation process, the tool takes the guesswork out of valuing a trade by providing an offer that is specific to the particular vehicle and its condition. Because of this, dealers are able to acquire inventory at a price point that allows for sufficient investment in the reconditioning and marketing/advertising needed

to successfully retail the vehicle. If the vehicle is undesirable and the dealer chooses not to retail it, they have the option of grounding the vehicle through AutoTrader.com's third-party vendor for the offer amount, which helps reduce inventory-related risk.

To access the full white paper, click on the following link: Maximizing the Trade-In Process. For more insights, research and white papers from AutoTrader.com, visit the Dealer Learning Center, an online educational site, at www.DealerLearningCenter.com.

**About AutoTrader.com**

Created in 1997, Atlanta-based AutoTrader.com is the Internet's ultimate automotive marketplace. As a leading resource for car shoppers and sellers, AutoTrader.com aggregates millions of new, used and certified pre-owned cars from thousands of dealers and private sellers and provides expert articles and reviews. AutoTrader.com, which also operates the AutoTraderClassics.com auto marketing brand, is wholly owned by AutoTrader Group. Additionally, AutoTrader Group owns Kelley Blue Book (KBB.com®) as well as companies that provide a full suite of software tools that help dealers and manufacturers manage their inventory and advertising online: vAuto®, HomeNet Automotive®, VinSolutions®, AIS Rebates™, Genius Labs® and Haystak™. AutoTrader Group is a subsidiary of Cox Enterprises. For more information, please visit http://press.autotrader.com.

[1] 2012 Morpace/AutoTrader.com Dealership Experience Study
[2] 2012 KS&R/AutoTrader.com Trade-In Marketplace User Study

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