

Auto Sites Must Offer Functionality, Information Consumers Want

AutoTrader.com President and CEO Chip Perry Addresses Shares Insights on October 15 at J.D. Power & Associates 2009 Automotive Internet Roundtable

ATLANTA – October 15, 2009 – According to various studies, between 75% and 90% of auto shoppers use the internet as a source of information while shopping for a vehicle. But fewer than 25% of these people submit an email lead. So why are so few car shoppers submitting email leads, how else are they approaching dealers and how can dealers best serve all on-line auto shoppers?

Chip Perry, AutoTrader.com president and CEO, will address this topic at 1:15 p.m. on October 15 at the J.D. Power & Associates 2009 Automotive Internet Roundtable at the Red Rock Resort and Spa in Las Vegas. He will be part of a panel titled “Optimizing the Purchase Process for All Online Shoppers.”

Some key insights that Perry will be sharing at the conference include:

- According to a new AutoTrader.com study, shoppers who submit an email lead are most satisfied if a dealership responds within three hours. Between three hours and one day for a response still leaves shoppers satisfied, just less so, and after more than one day without a response, shoppers become unsatisfied with the email lead process and the dealership they contacted.
- According to the same new study, the top three reasons shoppers submit an email lead are: 1) to confirm the vehicle they're interested in is still available, 2) to ask for more details about the vehicle and 3) to see how flexible the dealer is on the posted price.
- Only 49% of used-car shoppers who submitted an email lead say they are satisfied with the process and only 37% of new-car shoppers who submit an email lead are satisfied with the process.
- Dealers report that on average, it takes 13.5 email leads to generate one car sale, while it only takes 8.5 phone leads or only 6.5 walk-in customers to generate a sale.
- AutoTrader.com's Dealer Walk-In Study, conducted with Northwood University, shows that for about 80% of car shoppers, the dealer visit is actually the very first contact they have with the specific dealer.
- According to that same study, advertising served as the No. 2 driving force behind a consumer's decision to shop at a particular dealership, with only "drive bys" – the physical location of the dealership – ranking ahead. Fifty-four percent of all respondents cited the Internet as the primary media source leading them to a particular dealership.
- When shopping for a car on-line, car buyers are overwhelmingly looking for the following information: actual auto inventory available for sale (with photos and detailed descriptions); information on pricing and specials; and information about the dealerships they are considering purchasing from.

“To optimize the shopping experience for all car shoppers, dealers must recognize what information car buyers are looking for and how they are looking for it,” Perry says. “Whether sending an email lead, calling or walking in unannounced, dealers must be prepared through all their channels to answer customers' questions about inventory, pricing and specials and dealers must promote their dealership as the best one to do business with.”

Perry recommends dealers consider the following in their efforts to optimize the shopping experience for all car shoppers and drive more customers in their doors:

- Set up mechanisms for quick response to email leads. A personal response is best, but even an automated response noting “We received your email; someone

will contact you soon" is better than nothing. But a personal follow up should go out within the same day.

- Track customers better. Many dealers still perceive email leads to be the most accurate measure of internet marketing success. But with the vast majority of shoppers avoiding email leads and about half of those that do send an email lead not satisfied with the process, dealers must do a better job of tracking what is bringing customers in the door. This will allow dealers to maximize their marketing spend and sell more vehicles.
- When advertising on-line, post as many pictures as possible and compose robust descriptions. Shoppers have come to expect more information on the internet than they can get anywhere else, so satisfy this expectation.
- Highlight vehicle prices and any special pricing or sales. Price and specials are among the most important things to buyers after inventory, so highlighting these can help draw in serious car shoppers who are ready to buy.
- Customers are also using the internet to decide which dealership to purchase from, so in on-line advertising, highlight those things that can make one dealership stand out from others. "If your dealership has won customer service awards or is known for having the largest selection of cars or has the lowest prices in the area, highlight that information alongside the cars you are selling," Perry says.
- Respond quickly through all communication channels. Whether email lead, phone, Facebook message, Twitter or any other communication channel, shoppers have come to expect quick responses to their questions. Any contact or message that goes unreturned or unanswered for more than a day likely means a lost customer.
- Keep on-line inventory fresh. "Shoppers tell us over and over again that inventory of available vehicles is one of the most important things they look for on-line," Perry says. "So whether you're posting inventory to your own site, a third party site or both, try to keep that inventory fresh. Shoppers will become discouraged and likely shop another dealership if the cars they think are available for sale are all gone. There will always be a challenge keeping up with this as cars move on and off lots all the time, but there's no reason a car that sold three weeks ago should still be showing up in listings or advertising."

In addition to presenting on this topic at 1:15 p.m. at the Automotive Internet Roundtable on October 15, Perry will be available to speak with members of the media on this topic following the presentation. Please call 404-568-7905 or 404-435-2047 for interview requests.

About AutoTrader.com

AutoTrader.com, created in 1997 and headquartered in Atlanta, Ga., is the Internet's leading auto classifieds marketplace and consumer information website.

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