Online Vehicle Shopping Influences Dealership Choice, According to New Study from Polk, AutoTrader.com

Research shows 60 percent of vehicle shopping time is spent on the Internet;

SOUTHFIELD, Mich. and ATLANTA (Feb. 4, 2011) – Consumers who use the Internet to shop for a new vehicle spend an average of 18-19 hours researching new and used vehicle purchases, according to the recent *Automotive Buyer Influence Study* conducted by Polk and AutoTrader.com. In both segments (new and used purchasers), approximately 60 percent of shopping time was spent online.

The study also revealed that 58 percent of used vehicle buyers and half of new vehicle buyers said their Internet research was the most influential element in their vehicle search, and ultimately led them to the dealership where they made their vehicle purchase. As part of their business planning initiatives, OEMs and dealers need to be certain they're developing Internet strategies to meet consumers' needs; which means understanding and investing in Web features that are most valued – and maintaining them regularly – to drive consumer traffic to their showrooms.

The survey polled 4,005 U.S. consumers who recently purchased a new or used vehicle from a dealership. More than 70 percent of new and used vehicle buyers said that they used the Internet while shopping for their vehicle, according to the study. In addition to being the most-used channel for information, two-thirds of those surveyed rated the Internet as 'extremely helpful' in their purchase decision. In comparison, only half of used and new vehicle shoppers rated a referral from a friend or family member as 'extremely helpful' and other sources (TV, radio, direct mail) scored much lower.

Despite the popularity of social media among consumers, only three percent of the new- and used-car buyers surveyed said social networking sites influenced their vehicle purchase decision. This is not to say that OEMs and auto marketers should ignore social media. However, it serves as a reminder about the other primary channels that are currently more influential in the vehicle shopping process than social media. Marketers must make sure they're doing everything they can to market effectively and efficiently through those channels before focusing too much on their social media efforts.

"Through this research with Polk, AutoTrader.com was able to further explore the impact and influence that internet advertising has on car shoppers and car buyers and the overall amount of time they spent on the Internet," said AutoTrader.com President & CEO Chip Perry. "Partnering with Polk on this research truly allowed us to get a representative national sample and clearly define where consumers are getting their information in advance of vehicle purchases."

The study showed that among new vehicle shoppers, vehicle comparison tools are most helpful, followed by pricing information. Used vehicle shoppers preferred pricing information followed by vehicle comparison tools. Forty-two percent of new vehicle buyers use the Internet to find out about special offers, dealer rebates and incentives, much more than their used car counterparts at 28 percent.

Search engines are commonly used, with Google cited as a primary mechanism for getting car buyers to the dealership website from which they purchased their vehicle. About half of buyers who visited a dealer website arrived at that site via search. According to the survey data, for most car buyers however, search engines are the new Yellow Pages: buyers are using online search engines to find specific information like the address, web site or phone number of dealerships they already know or are aware of.

The study also highlights the continued importance of walk-in traffic to dealerships – and how consumers shop online and then most often arrive at a dealership without emailing or phoning the dealer first. According to the study, seven out of 10 vehicle buyers walk into a dealership without establishing any contact with the dealership first. As a result, dealerships must maximize their online marketing – both in marketing the vehicles they have for sale, as well as their dealership experience.

“Regularly updating inventory levels on dealer sites, as well as third-party sites, is critical information for vehicle shoppers,” said Andrew Price, vice president, sales and client services, Automotive Retail Solutions and Media of Polk. “The research shows that shoppers frequently want to see side-by-side vehicle comparisons and vehicle pictures. They also are looking for current specials and discounts. Driving prospects into the showroom from the website is essential to winning business in today’s Internet-oriented vehicle shopping environment.”

Additional information about the study can be found at: http://www.polk.com/knowledge/pv25
or visit Polk (#427S) and AutoTrader.com (#901S) at the National Automobile Dealers Association Convention & Expo at San Francisco’s Moscone Center Feb. 5 - 7.

About Polk
Polk is the premier provider of automotive information and marketing solutions. The organization collects and interprets global data, and provides extensive automotive business expertise to help customers understand their market position, identify trends, build brand loyalty, conquest new business and gain a competitive advantage. Polk helps automotive manufacturers and dealers, automotive aftermarket companies, finance and insurance companies, advertising agencies, media companies, consulting organizations, government agencies and market research firms make good business decisions. A privately held global firm, Polk is based in Southfield, Michigan with operations in Australia, Canada, China, France, Germany, Japan, South Korea, Spain, the United Kingdom and the United States. For more information, please visit www.polk.com.

About AutoTrader.com

Atlanta-based AutoTrader.com, created in 1997, is the Internet's ultimate automotive marketplace and consumer information website. AutoTrader.com aggregates in a single location millions of new cars, used cars and certified pre-owned cars from thousands of auto dealers and private sellers and is a leading online resource for auto dealers, individuals and manufacturers to advertise and market their vehicles to in-market shoppers. The company also provides a robust suite of software tools for dealers and manufacturers to help them manage and market their vehicle inventory and display advertising on the Internet. AutoTrader.com continues to grow key business metrics, including revenue, profitability and site traffic. Today, AutoTrader.com attracts more than 15 million unique monthly visitors who utilize the site to review descriptions, photos and videos of vehicles for sale; research and compare vehicles; review pricing and specials; and read auto-related content like buying and selling tips and editorial coverage of major auto shows and automotive trends. AutoTrader.com operates two other auto marketing brands, AutoTraderClassics.com and AutoTraderLatino.com. AutoTrader.com also owns used vehicle management software company vAuto, Kelley Blue Book (Kbb.com) and HomeNet Automotive, a leading provider of online inventory management and merchandising solutions for the automotive retail industry. AutoTrader.com is a majority-owned subsidiary of Cox Enterprises. Providence Equity Partners is a 25 percent owner of the company and Kleiner Perkins Caufield & Byers is also an investor. For more information, please visit www.autotrader.com.

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