

# The Internet is Changing the Game for Car Dealers

---

**Steve Rogers**

The 2013 Car Buying Influence Study is **largely an update on the first iteration of this study** carried out in 2010-2011

Automotive Consultant/ Philadelphia

**AutoTrader.com**

The ultimate automotive marketplace.

# Goals for Today

1. Highlight the growth of internet in the automotive shopping process
2. Identify key behaviors of car buyers
3. Discuss Implications for Dealers

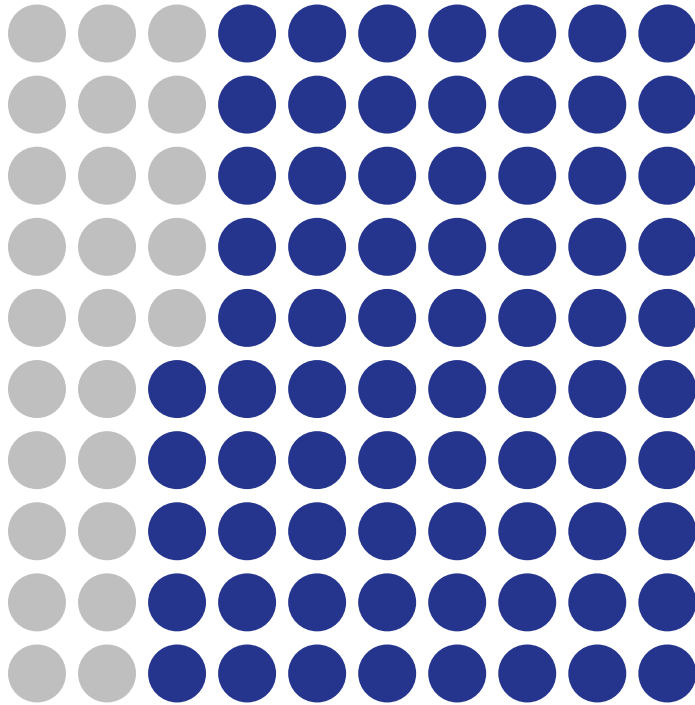
# Which Resources Do Car Buyers Use During the Shopping Process?

---

**AutoTrader.com**

The ultimate automotive marketplace.

## Internet



**75%**  
of all car buyers use  
the Internet



Up from 71% in 2011


Q1: Did you use this source while vehicle shopping?

Base: All Buyers (2011 = 4005) , (2013 = 2739)

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

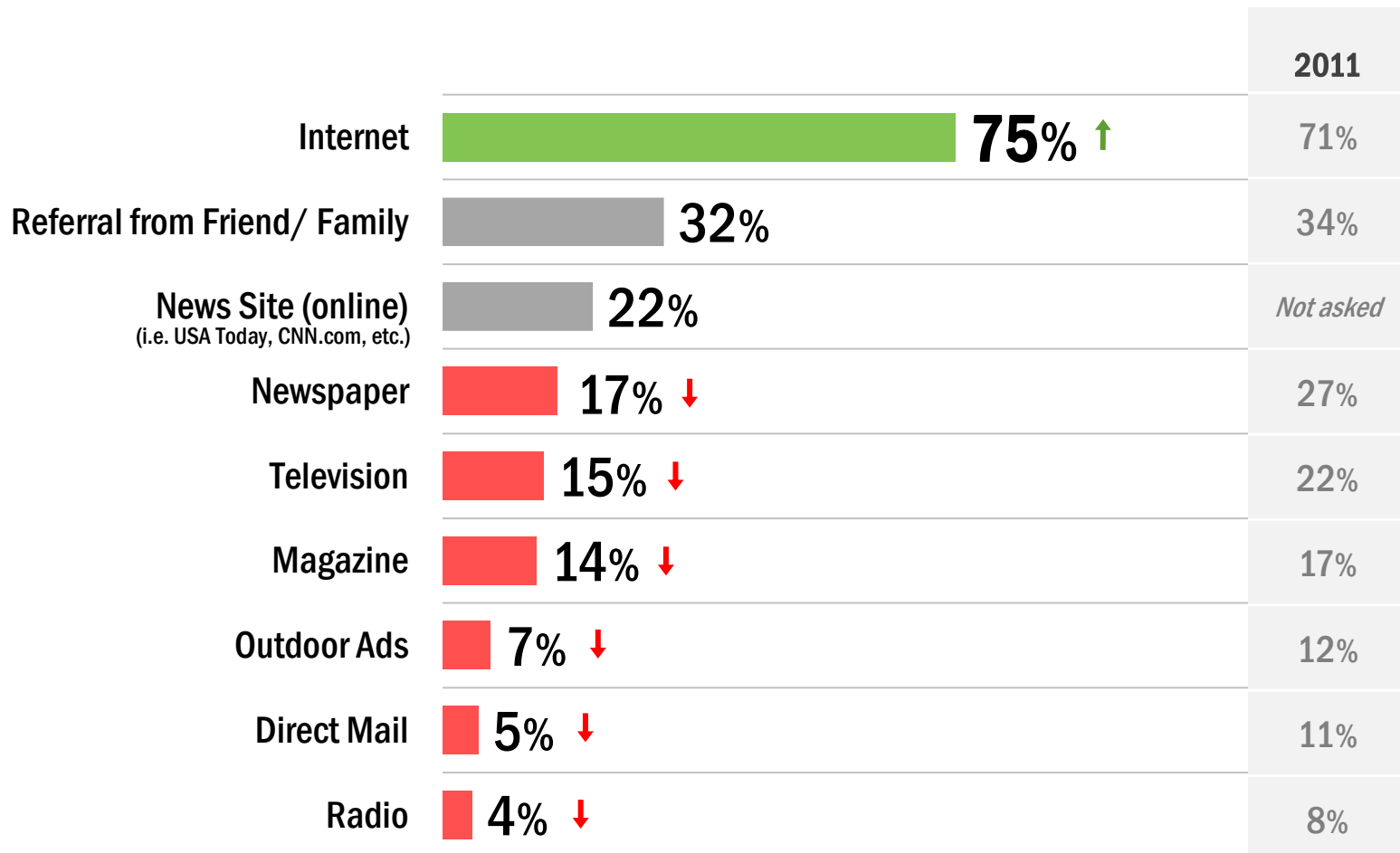
© 2013 AutoTrader Group Proprietary & Confidential.



Significantly  higher /  lower than 2011

# The Internet Continues to Drive the Shopping Process while Traditional Media Experiences Significant Declines

## Sources Used to Shop (Online & Offline Buyers)



Base: All Buyers (2011 = 4005) , (2013 = 2739)

Q1: Did you use this source while vehicle shopping?

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.



Significantly ↑ higher / ↓ lower than 2011

# How Much Time Do Car Buyers Allocate to the Different Resources?

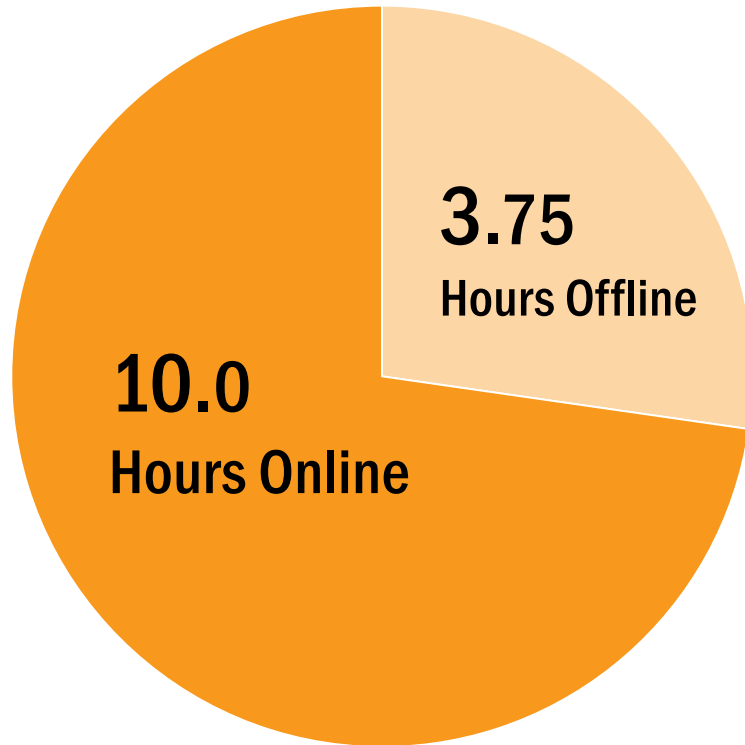
---

**AutoTrader.com**

The ultimate automotive marketplace.

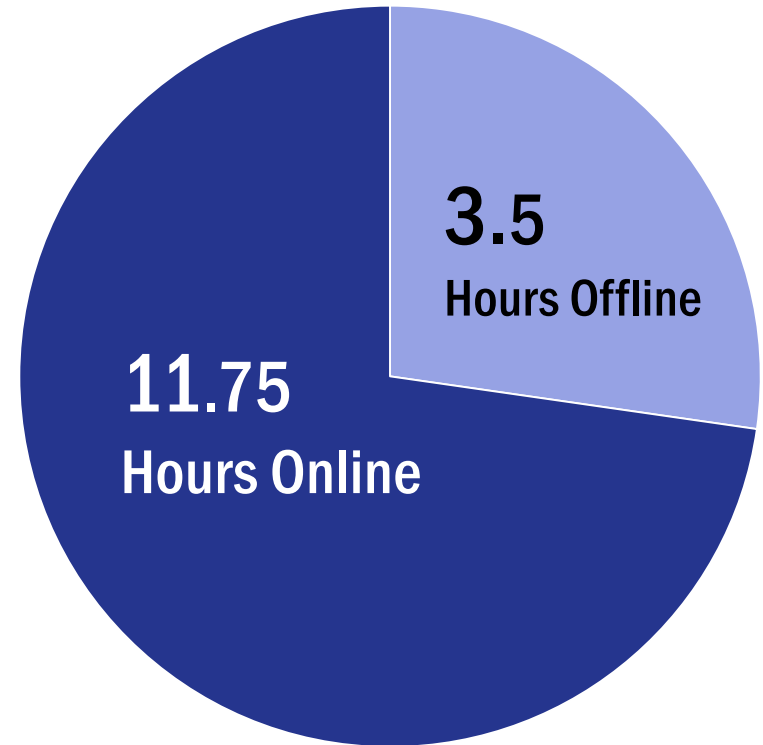
# Buyers Are Spending Less Overall Time Shopping; Largely Due to Declines In Offline Shopping Activities

New Vehicle Buyers



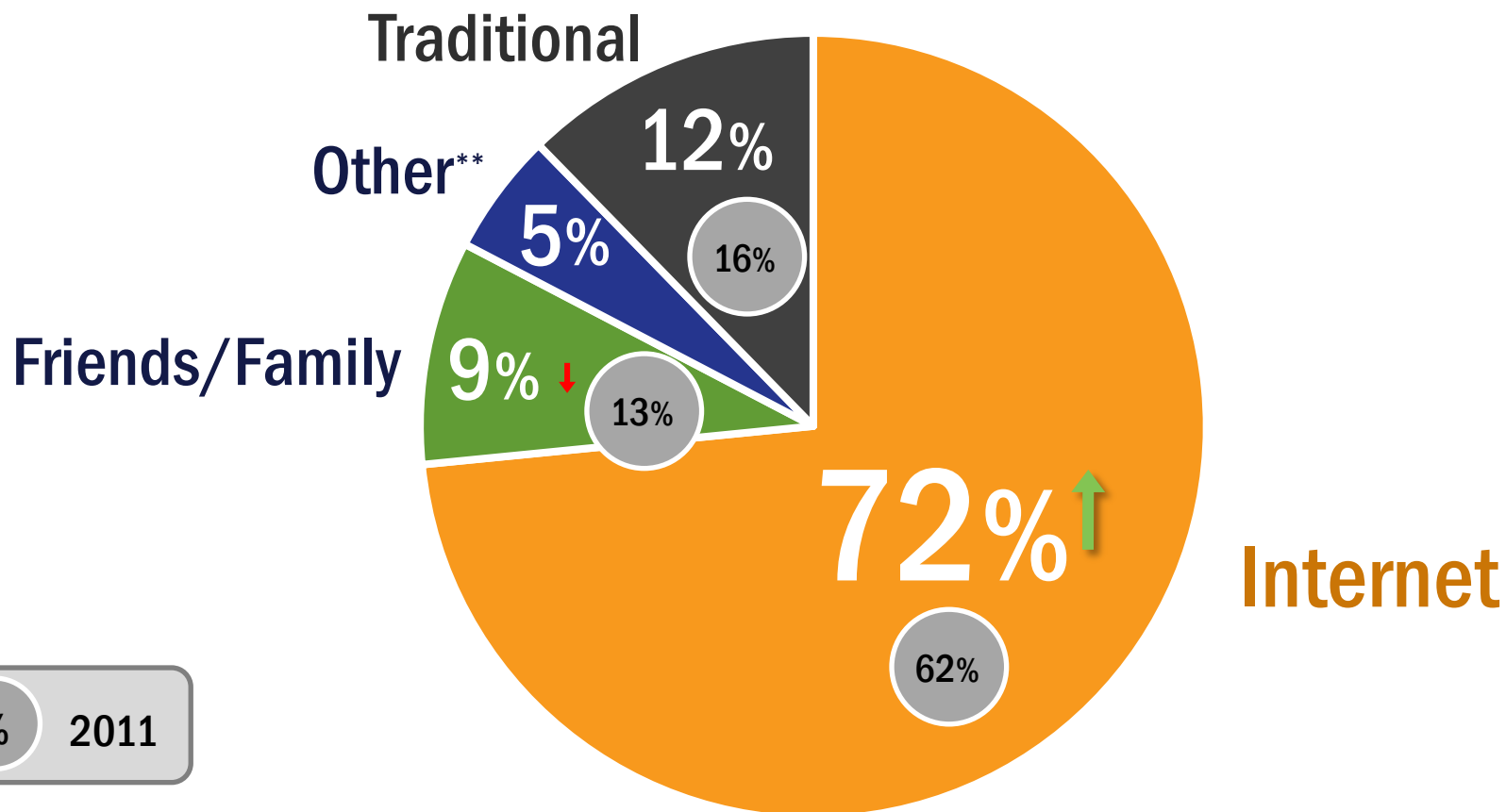
13.75 Hours Total Shopping Time ↓

Used Vehicle Buyers



15.25 Hours Total Shopping Time ↓

# Car Buyers Spend Most of Their Time Online During the Shopping Process\*



\*Among Internet Users. Base: Internet Users 2013 n=2066; 2010 n=2841

\*\*Online Newspaper listings

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.

**AutoTrader.com**  
The ultimate automotive marketplace.

**Polk**

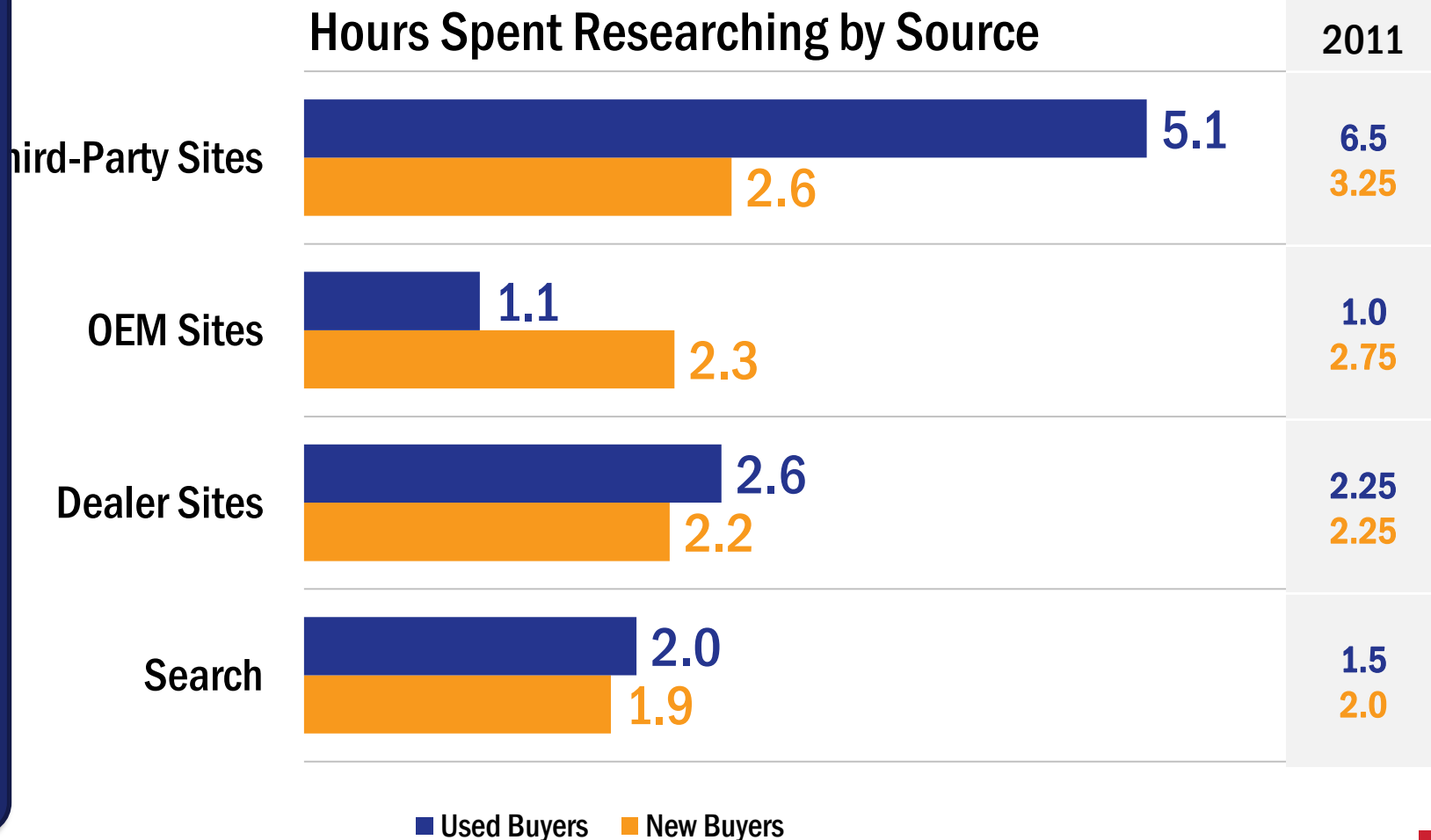
Significantly ↑ higher / ↓ lower than 2011

Q4. What percentage of time researching did you allocate to each source?



# Though buyers spend the most time on Third-Party Sites, Dealer Sites saw an increase in time spent within a shrinking pie

Time Spent by Media Type  
(among Online Buyers)



Base: Used Internet to shop for vehicle

Q7: What percentage of time spent on the internet shopping for your vehicle did you allocate to each site?  
Q511: Total time spent researching information on the car you recently purchased?

Source: 2013 Car Buyer Influence Study, R.L. Polk & Co.



Significantly ↑ higher / ↓ lower than 2011

# What Specific Online Resources Are Car Buyers Using to Shop and Research?

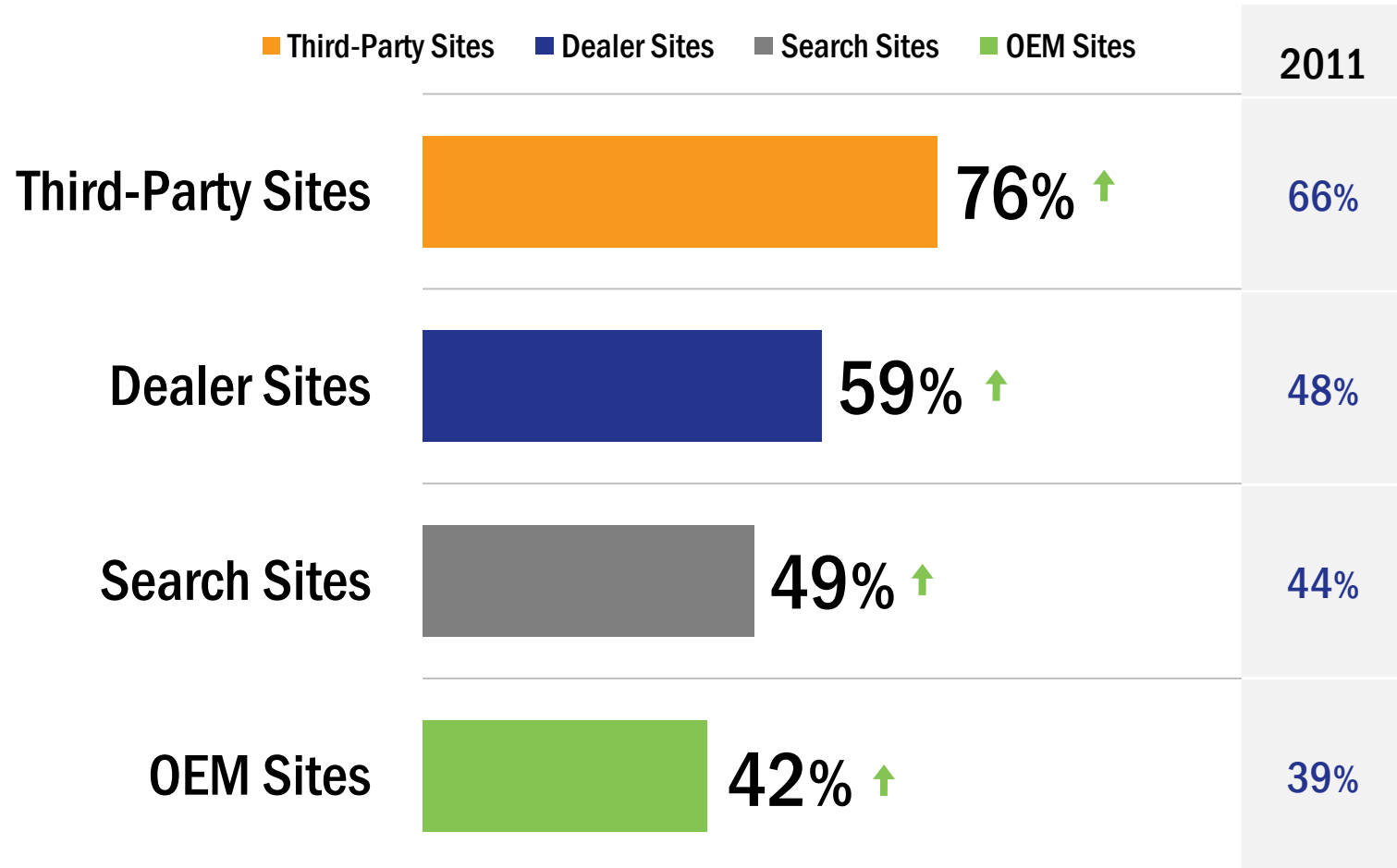
---

**AutoTrader.com**

The ultimate automotive marketplace.

# Three-quarters of online buyers use Third Party Sites, up from 2011; while similar upward trend is followed for other types of websites

## Online Sources Used to Shop (among Online Buyers)



Base: All Online Buyers, (2011 = 2834) (2013 = 1921)

Q6a: You mentioned using the Internet while shopping for your vehicle. Please tell me if you used any of the following websites?

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.



Significantly ↑ higher / ↓ lower than 2011

# Buyers Primarily Use the Internet to Compare Models, Research Pricing, and Find Actual Inventory

## Reasons for Using the Internet (among Online Buyers)



Note: Question altered and aided in 2013 and is not comparable to 2011 data

Q9a: What are the primary reasons you used the internet when shopping for your new/used vehicle?

Base: Used Internet to shop for vehicle (Phone survey only) (New=626 ), (Used = 664)

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

**AutoTrader.com**  
The ultimate automotive marketplace.

# Buyers Leverage Third-Party Websites to Create a Short List of Dealerships

# of Sites Visited by Category  
(among Online Buyers)

Average # of Sites Visited by Category



Q75: How many manufacturer websites did you visit? Phone Only (n= 1294)

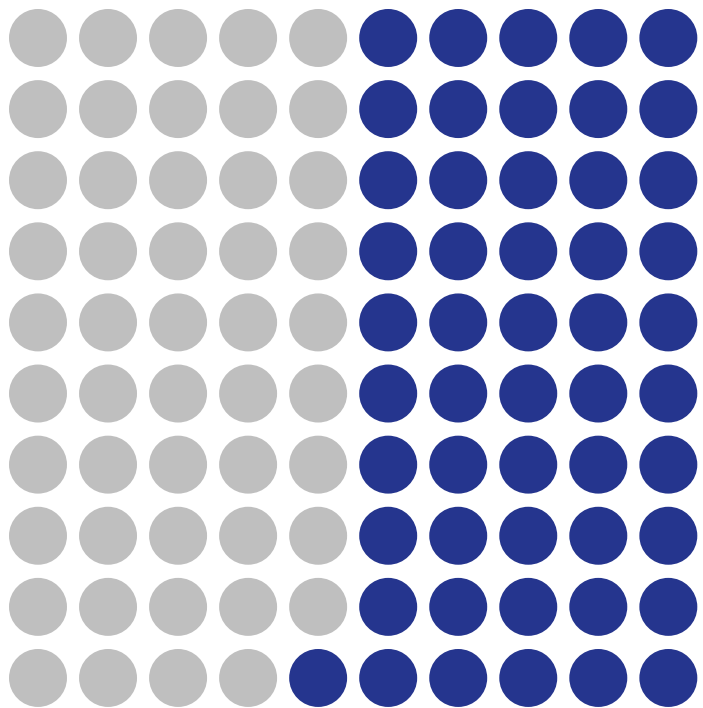
Q76: How many dealership websites did you visit? Phone Only (n= 1294)

Q6A: You mentioned using the Internet while shopping for your vehicle and/or selecting a DEALER. Please tell me the names of all the specific website(s) that you used? Internet User (n = 1921)

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.

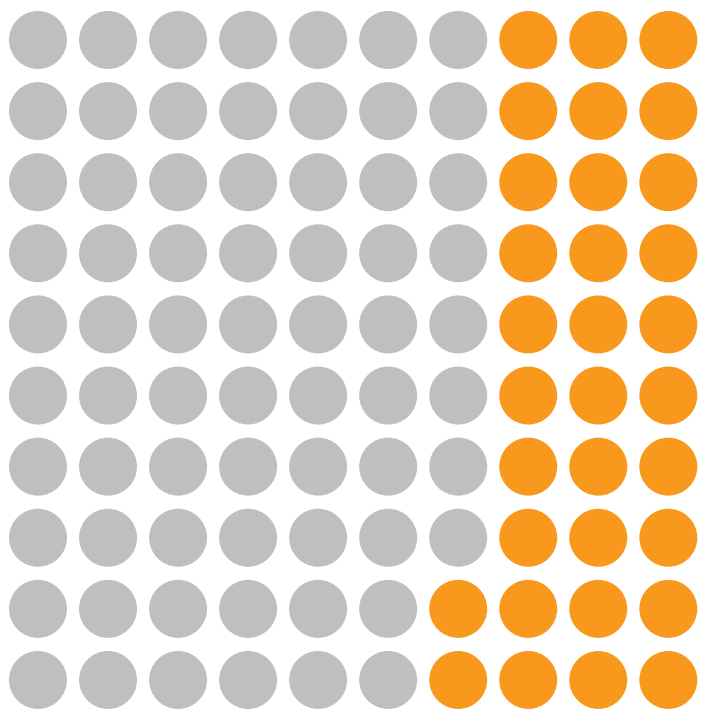
**AutoTrader.com**  
The ultimate automotive marketplace.



**51%**  
of all car buyers  
use KBB

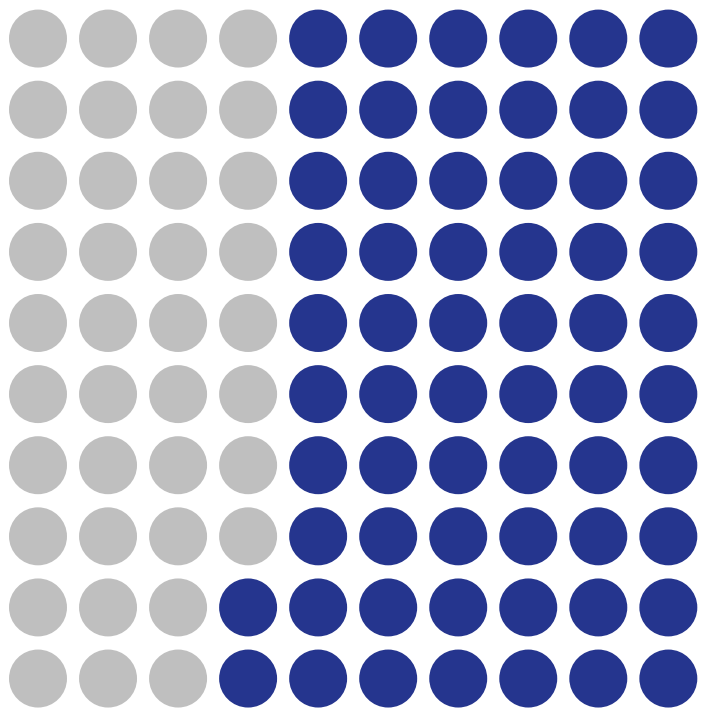


Up from 41% in 2011



**32%**  
of all car buyers  
use AutoTrader.com

 Up from 29% in 2011



**62%**  
of all car buyers use  
KBB or AutoTrader.com



Up Significantly from 2011



# Which Resources Are The Most Influential In Driving Shoppers to Dealerships?

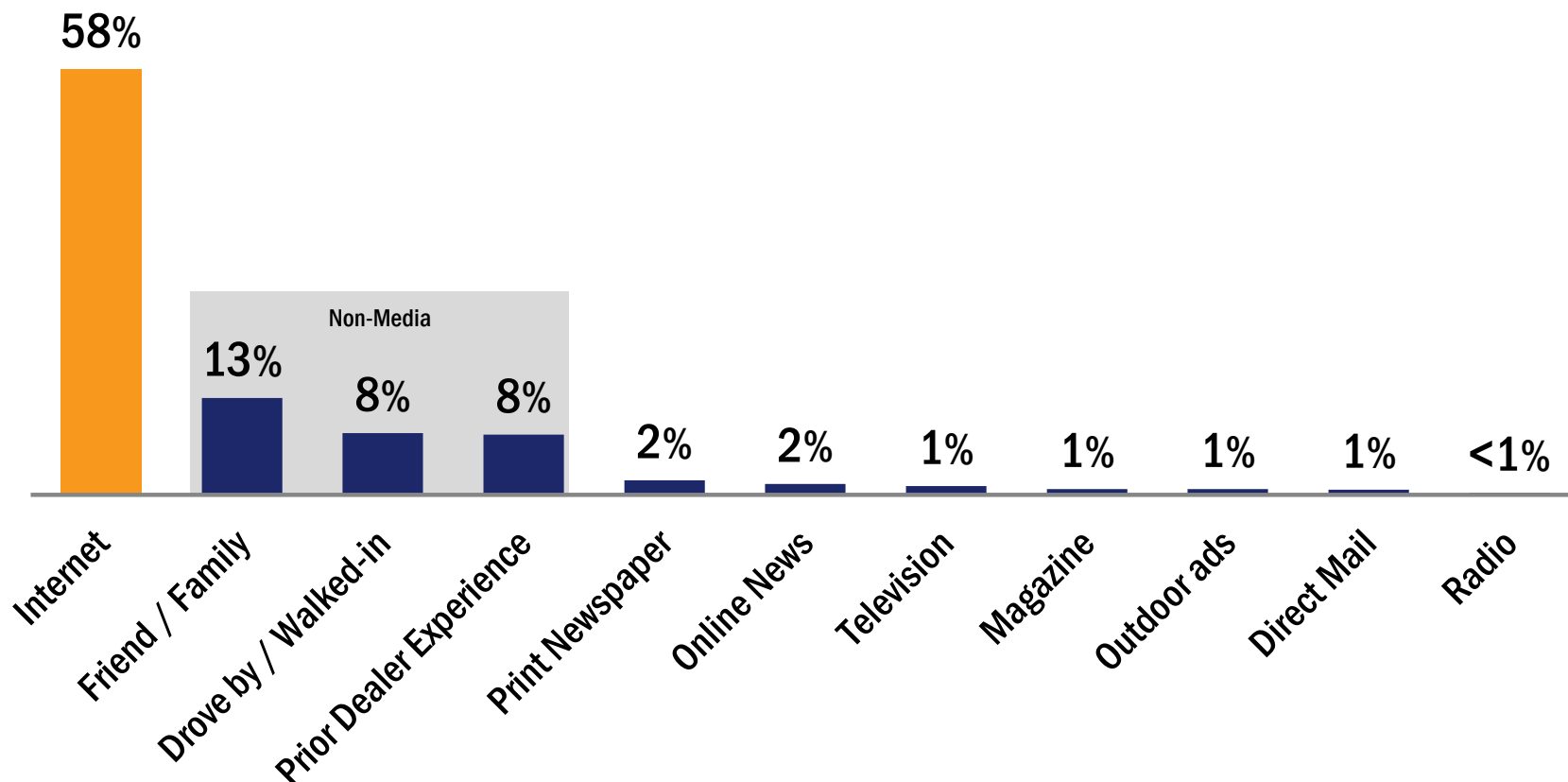
---

**AutoTrader.com**

The ultimate automotive marketplace.

# The Internet is the Most Influential Source for Driving Shoppers to Dealerships

Source Leading To Purchase  
(Online Buyers)



Base: All Internet Users using at least one source (n=1926)

Q3: Thinking about all the sources you saw or heard when shopping for your vehicle, which primarily led you to the dealer you purchased from?

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

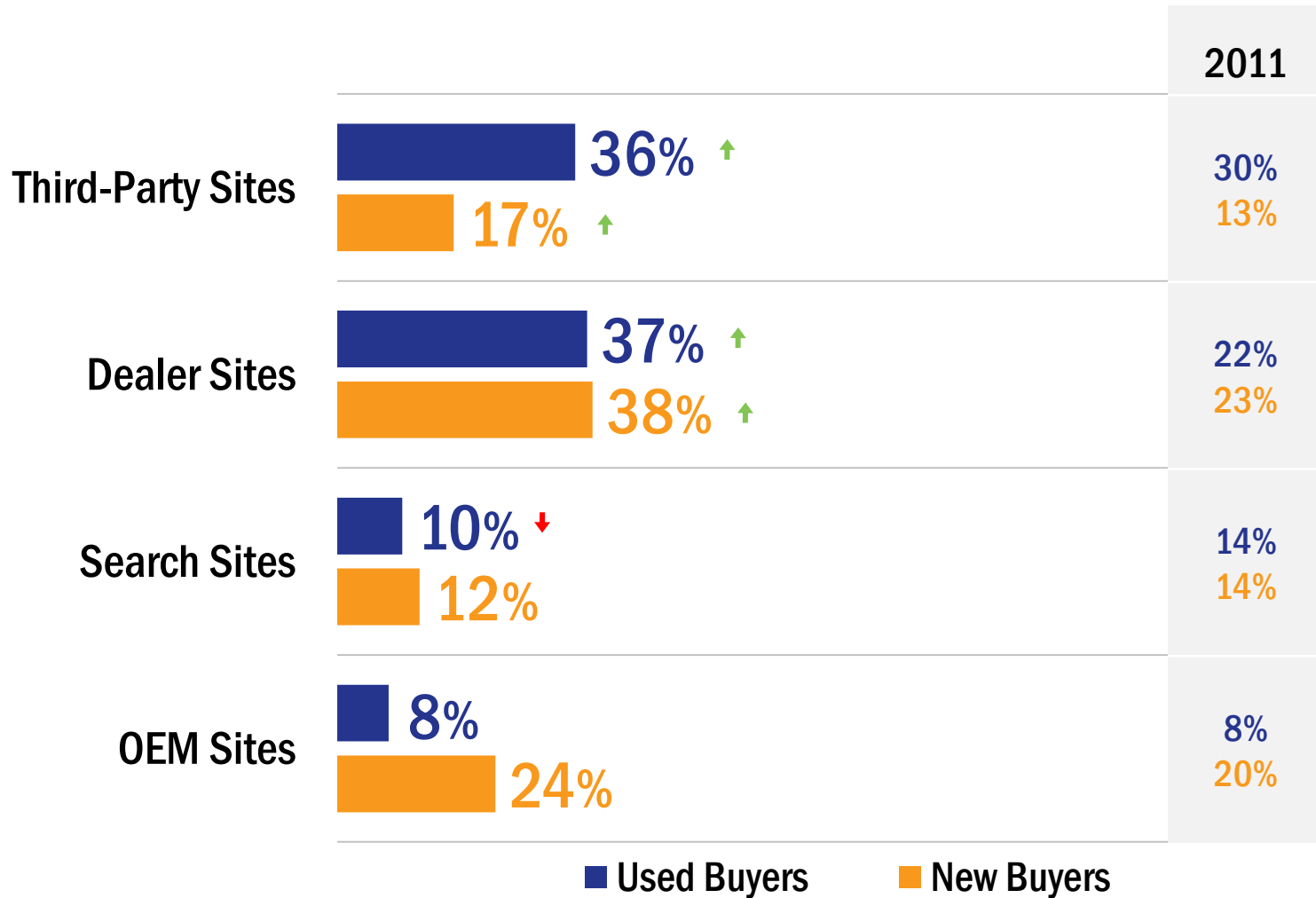
© 2013 AutoTrader Group Proprietary & Confidential.

**AutoTrader.com**  
The ultimate automotive marketplace.

**Polk**  
Significantly ↑ higher / ↓ lower than 2011

# Third-Party Sites and Dealer Sites Are Becoming More Influential in Leading to a Dealer

Online Sources Influence Leading to Dealer (among Online Buyers)



Base: All Online Buyers (2011 = 1556) , (2013 = 1290)

Q6B. Of those sites you used, which ones influenced your decision to buy from the dealership you purchased from?

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.



Significantly ↑ higher / ↓ lower than 2011

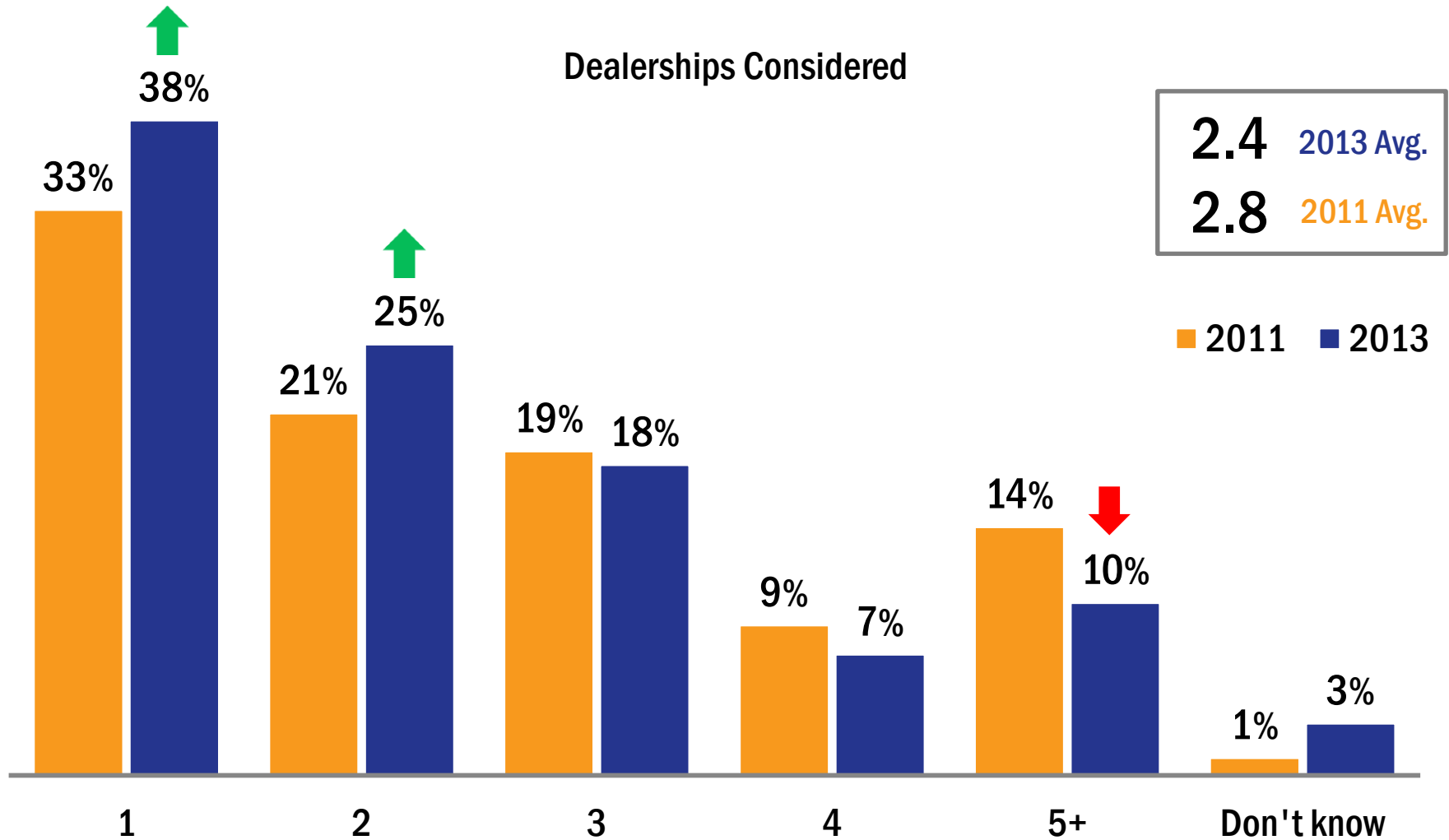
# How Do Buyers Navigate the Process of Selecting a Dealership and Establishing Initial Contact?

---

**AutoTrader.com**

The ultimate automotive marketplace.

# Car Buyers Are Considering Fewer Dealers During Shopping Process



Base: Dealership Buyers

Q13A. How many dealerships did you consider purchasing from while you were shopping for the vehicle you recently purchased? (n=1929 in 2013 / 2559 in 2011)

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

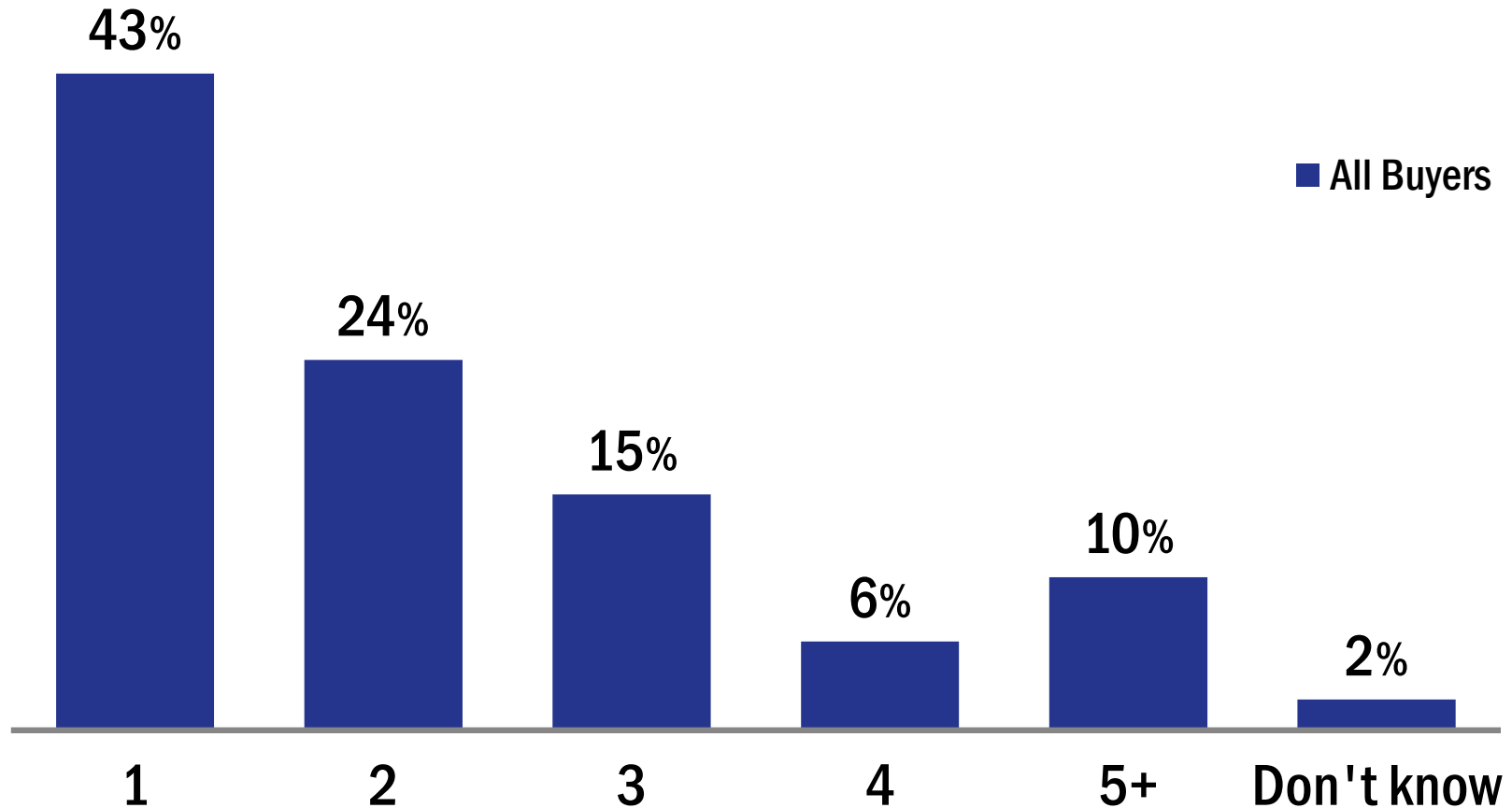
© 2013 AutoTrader Group Proprietary & Confidential.



**Polk**  
Significantly ↑ higher / ↓ lower than 2011

# Over 4-out-of-10 Car Buyers Only Visited the Dealership They Purchased From

Number of Physical Dealership Visits



Base: Dealership Buyers

Q13B. How many dealerships did you actually visit in person while you were shopping for the vehicle you recently purchased?  
(n=1929 in 1013)

Source: 2013 Car Buyer Influence Study, R.L. Polk & Co.

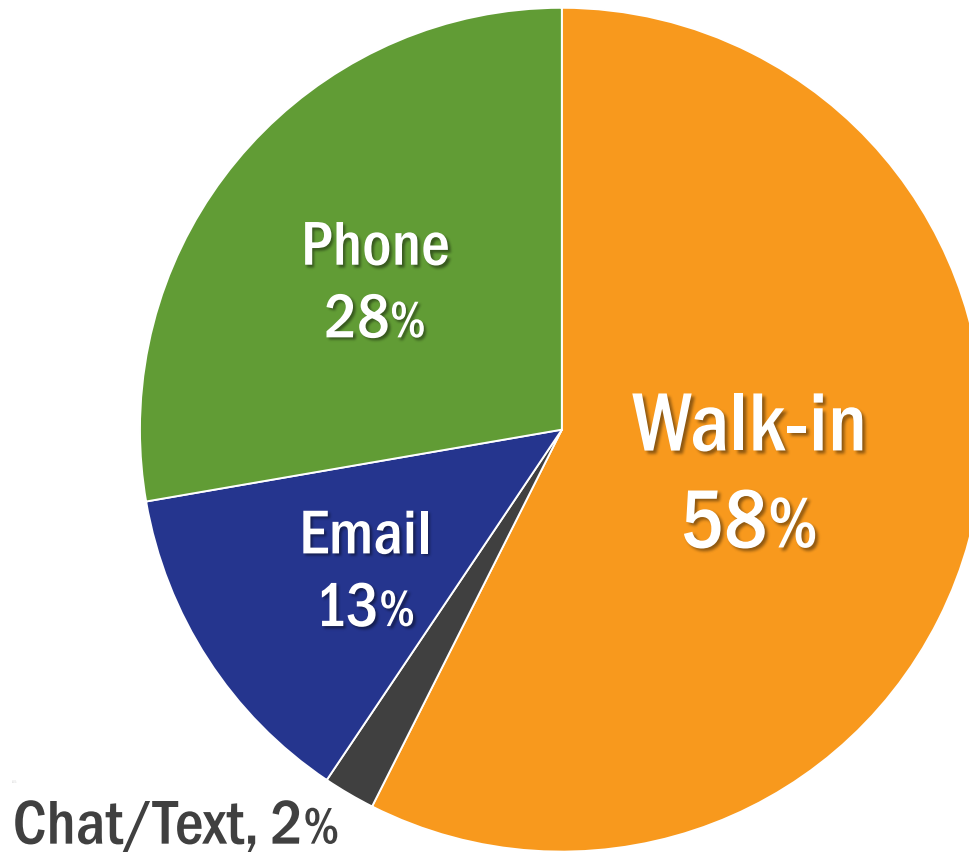
**AutoTrader.com**

The ultimate automotive marketplace.



Significantly ↑ higher / ↓ lower than 2011

## 2-out-of-3 of All Car Buyers Do Not Contact the Dealership Prior to Their First Visit



\*Note: Question Changed in 2013  
(added chat & text)

Q17: How did you initially contact the dealer you purchased from?

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.



# The Dealer Can Control & Influence Most Reasons Buyers Select a Dealership

Most Influenced Decision to Buy  
From Dealer (online & Offline Buyers)



Base: All Buyers n=1928

Q14a: What most influenced your decision to buy your vehicle from [INSERT] dealership name from '?

Note: This was a 'select all that apply' question.

Source : 2013 Car Buyer Influence Study, R.L. Polk & Co.

© 2013 AutoTrader Group Proprietary & Confidential.





# What Did We Learn, and Implications For Dealers

---

***AutoTrader***.com

The ultimate automotive marketplace.

# Implications For Dealers

1. The Consumer Decision Journey has shifted in the past three years; traditional media playing a significantly less prominent role in the process.
2. Internet remains the most influential media source in the Consumer Decision Journey. Third Party Sites remain the most influential internet resource & Dealer Sites Rising in Importance.
3. Non-media sources are a big piece of “influence” to buy from a dealer.
4. Most buyers continue to walk-in without prior contact when purchasing from a dealership; however, younger buyers are more likely to call or email.
5. Most buyers are satisfied with their purchase experience. The top frustration is the time to process.

# Appendix

---

***AutoTrader***.com

The ultimate automotive marketplace.

# About This Research

ATG's **2013 Car Buying Influence Study**, conducted with **R.L. Polk Co**, will provide updated industry trends and insights pertaining to how consumers shop, research, and make purchase decisions for new and used vehicles.

The 2013 Car Buying Influence Study is **largely an update on the first iteration of this study** carried out in 2010-2011.

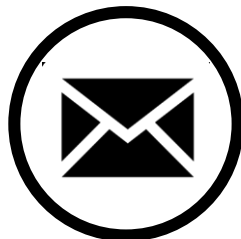


# Research Approach

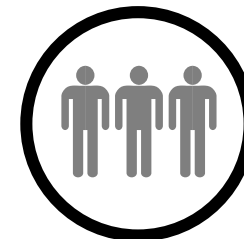
## 2013 Polk Automotive Buyer Influence Study



**Outbound Calls Captured  
Sample of 2,000 Car  
Buyers**



**Postcards/letters mailed  
to recruit an 739 buyers  
directing them to an online  
survey**



**Large & Representative  
Sample of Online & Offline  
New & Used Car Buyers**

### Research Notes:

90% of Sample Purchased within the past 6 months

2013 data weighted to enhance comparability by make, mode (online/phone), respondent age

Total Sample: n = 2,730; New Buyers: n = 1,408; Used Buyers: 1,331