



Press Release

J.D. Power and Associates Reports: Internet Shopping for Used Vehicles Becomes Increasingly Effective

WESTLAKE VILLAGE, Calif.: 11 December 2008 — A majority of used-vehicle buyers who use the Internet to conduct vehicle research during the shopping process—more than six in 10 buyers—purchase a vehicle that they find online, according to the J.D. Power and Associates 2008 Used-Vehicle Market ReportSM released today. This reflects a substantial increase since 2007.

The report provides a comprehensive industry overview of the entire late-model used-vehicle market and is designed to provide automotive manufacturers and marketers with insightful information on the shopping and purchasing habits of used-vehicle buyers.

The report finds that, among used-vehicle buyers who used the Internet while shopping for their vehicle in 2008, 61 percent found the vehicle they ultimately purchased on the Internet. According to the J.D. Power and Associates 2007 Used Autosopper.com Study,SM 48 percent of used-vehicle buyers in 2007 said the same. This marks a notable increase of 13 percentage points in 2008.

While the percentage of used-vehicle buyers who use the Internet to shop for their used vehicle has increased only marginally from 2007, buyers who shop online spend more time conducting online research in 2008 and visited more Web sites, compared with 2007. The amount of time that used-vehicle buyers spend researching vehicles online has increased by 18 percent, from an average of 7.3 hours in 2007 to 8.6 hours in 2008. The average number of manufacturer Web sites visited by shoppers has increased from 2.7 in 2007 to 3.2 in 2008.

“Although there hasn’t been a large increase in the percentage of used-vehicle buyers using the Internet to shop in 2008, those who do use it are spending more time online, visiting more sites and are utilizing the features and benefits of automotive Web sites to a greater degree than ever before,” said Jon Osborn, research director at J.D. Power and Associates. “The Internet has emerged as a particularly effective medium for used-vehicle shoppers to find the specific vehicles they desire, as well as for dealers and private parties to get their used vehicles sold.”

The most popular Web sites for automotive shopping are third-party independent sites. Both Kelley Blue Book and AutoTrader.com have particularly high visitation rates, compared with other third-party independent automotive Web sites.

The report, which also examines certified pre-owned (CPO) vehicle programs, finds that among buyers who purchase CPO vehicles, 56 percent are made aware of CPO programs by salespeople at dealerships. Approximately 38 percent of customers also cite the salesperson as the most influential reason for purchasing a CPO vehicle. Online sources of information are also highly effective in raising awareness of CPO programs. In particular, more buyers cite automotive Web sites as instrumental to their awareness of CPO programs and vehicles than other types of media, including television, radio and print. A greater percentage of buyers who purchase CPO vehicles use the Internet in their shopping process (66%), compared with buyers of non-CPO

vehicles of the same make (58%). In addition, import luxury brands lead the industry in providing high levels of satisfaction with the CPO buying experience.

“A majority of certified pre-owned vehicle buyers do not start shopping with the intent to purchase CPO vehicles; rather, they discover these programs during the shopping process,” said Osborn. “This indicates that manufacturers need to do a better job of raising awareness about the existence of CPO programs and the many perceived benefits of buying certified pre-owned vehicles. Due to their dynamic nature, automotive Web sites are ideally suited to accomplishing this goal. In these tough economic times, CPO programs give many consumers an opportunity to purchase vehicles that they could not afford to buy new. They also provide buyers with the peace of mind of knowing that their vehicle has been inspected and certified and is backed by the manufacturer.”

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J.D. Power and Associates Media Relations Contacts:

John Tews; Troy, Mich.; (248) 312-4119; john.tews@jdpa.com
Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; syvetril.perryman@jdpa.com

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