



J.D. POWER

2017 U.S. New Autoshopper StudySM

Industry Briefing



PRESENTER:

Sean Weingarten

Director,

Automotive Retail

Agenda

- **Objectives and Methodology**
- Industry Overview
- Devices Used
- Site Visitation
- Content
- Dealer Interactions
- Disruptive Digital Property Users

New Autoshopper Study Objectives

- **Understand** how new-vehicle buyers use digital devices (*computers, smartphones, and tablets*) and digital properties (*websites and apps*) to gather information prior to purchase
- **Identify** which sites are found to be most useful and the content on those sites which is found to be most useful
- **Examine** the devices used for automotive shopping, where buyers are using their devices to access information, and the types of information they are seeking while at the dealership

Methodology

- **Sample source:** Re-contact from prior J.D. Power automotive surveys
 - Purchasers/Lessees of 2015-2017 model-year new vehicles
 - Includes vehicle registrations for March 2016 through February 2017
- **Fielding**
 - Total usable returns: 18,393
 - Response rate: 26%
 - February 15, 2017, through June 30, 2017
- **Screening questions**
 - Participated in purchase decision
 - Used digital information in shopping process (websites/apps)
 - Used at least one digital device (desktop or laptop computer, smartphone or tablet)

AIU = Automotive Internet User – a new-vehicle buyer that used digital information in their new-vehicle shopping process

34 Auto Manufacturer Brands Measured

Brand Buyer Sample Sizes					
Acura	363	Honda	874	Mitsubishi	171
Audi	825	Hyundai	425	Nissan	1,009
BMW	836	Infiniti	448	Porsche	551
Buick	473	Jaguar	367	Ram	177
Cadillac	467	Jeep	466	smart^	22
Chevrolet	1,676	Kia	636	Subaru	823
Chrysler	234	Land Rover	185	Tesla^	19
Dodge	436	Lexus	624	Toyota	1,297
Fiat	206	Lincoln	506	Volkswagen	572
Ford	1,161	Mazda	521	Volvo	363
Genesis	180	Mercedes-Benz	724		
GMC	552	MINI	204	Total	18,393

^Insufficient sample <30: removed from all charts and graphs

35 Third-Party Sites Measured

Third-Party Site Visitor Sample Sizes					
AAA.com	1,370	CarMax	2,027	NADAguides	1,487
Amazon Vehicles	211	Cars.com	3,190	Road & Track	2,276
Autoblog.com	385	CarsDirect	330	SamsClubAuto.com	487
autobytel	252	Consumer Guide Automotive	352	The Car Connection	193
AutoGuide.com	232	Consumer Reports	4,357	TheDrive*	76
Automobilemag.com	427	CostcoAuto.com	2,633	TrueCar	3,444
Autonation	490	Craigslist	509	U.S. News Autos	726
Autotrader	2,063	eBay Motors	484	USAA	1,577
BJsAuto.com	166	Edmunds.com	5,976	usedcars.com*	98
CAR AND DRIVER	4,804	Forbes Auto	310		
Car.com	147	Kelley Blue Book	7,548		
CARFAX	1,487	MOTOR TREND	3,366		
CarGurus	821	MSN Autos	213		

*Small sample <100

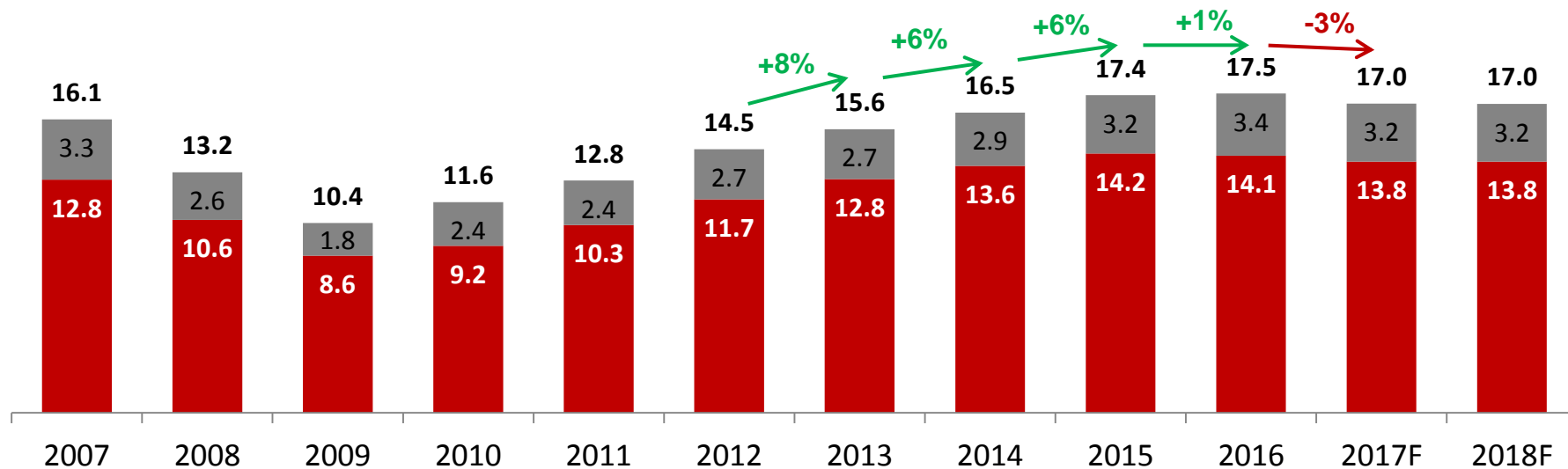
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U.S. sales have plateaued, and a decline in sales is forecasted

U.S. Sales Performance

■ Retail ■ Fleet

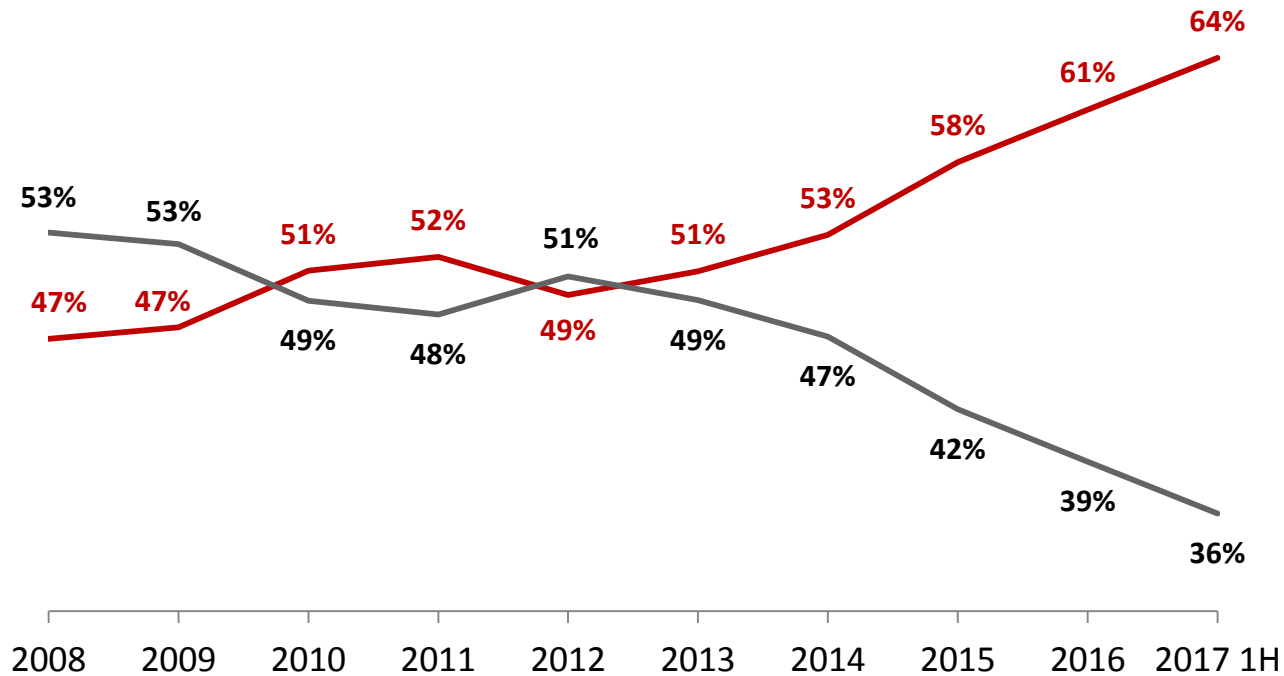


Source: J.D. Power Power Information Network (PIN), August 2017

Retail share of Trucks and SUVs continues to increase

U.S. Retail Vehicle Segment Shares

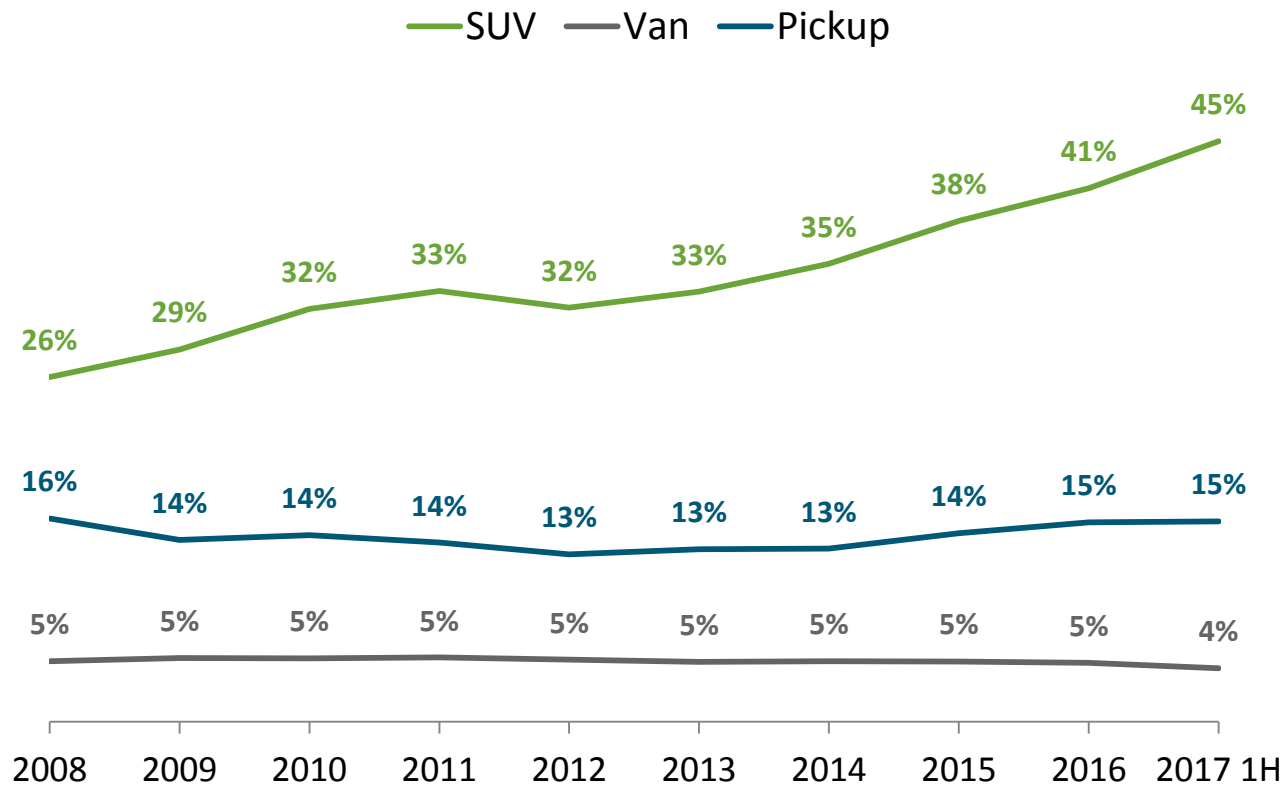
— Light Trucks and SUVs — Passenger Cars



Source: J.D. Power Power Information Network (PIN), July 2017

... and SUVs are the sole driver of the increase

U.S. Retail Vehicle Segment Shares



Source: J.D. Power Power Information Network (PIN), July 2017

The purchase path for new-vehicle buyers in 2017 is slightly longer than last year

Weekly Milestones in New-Vehicle Purchase Process



Base: AIUs

Q1: How long before you bought your new vehicle did you first decide it was time to buy a vehicle?

Q2: ... start using the internet and/or apps for vehicle shopping information?

Q29: ... begin visiting dealers/looking at vehicles in person?

Q32: ... narrow your vehicle selection down to the model you purchased?

Q34: ... visit the dealership website of the dealer where you purchased your vehicle?

With a looming deadline, lessees have a more aggressive purchase path than purchasers

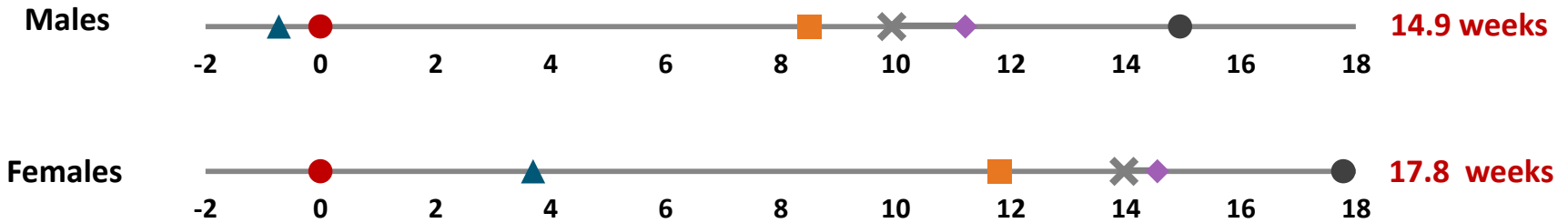
Weekly Milestones in New-Vehicle Purchase Process



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Females start researching the internet much later in the shopping process, and have a much longer purchase path at 17.8 weeks

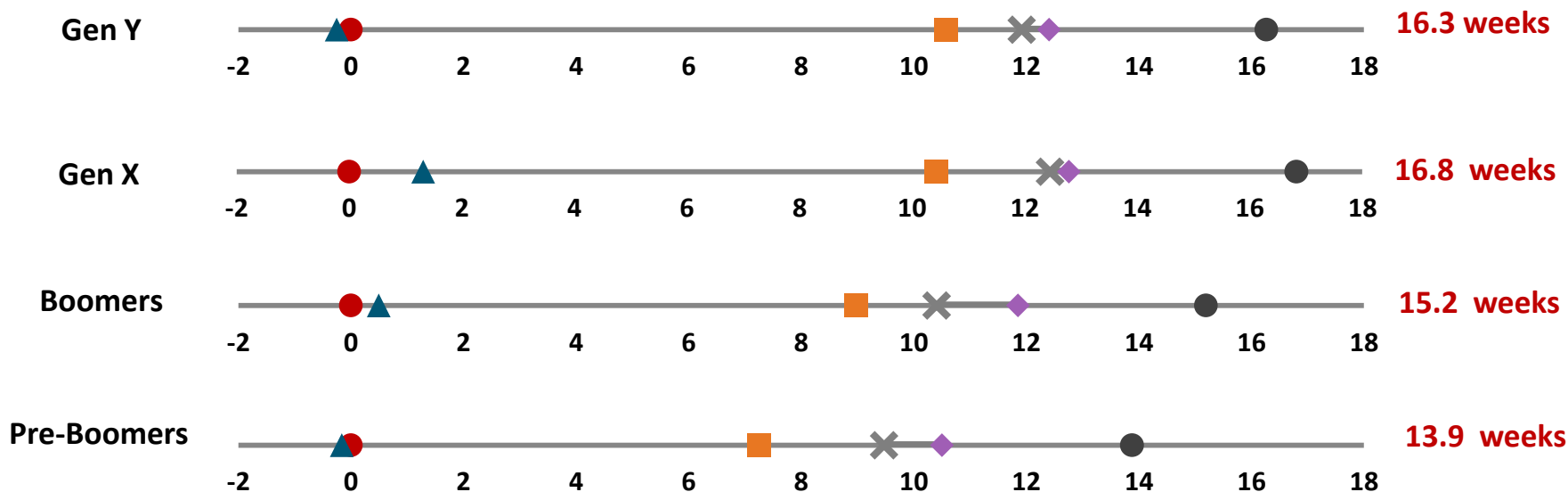
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... and the younger generations' path to purchase is longer

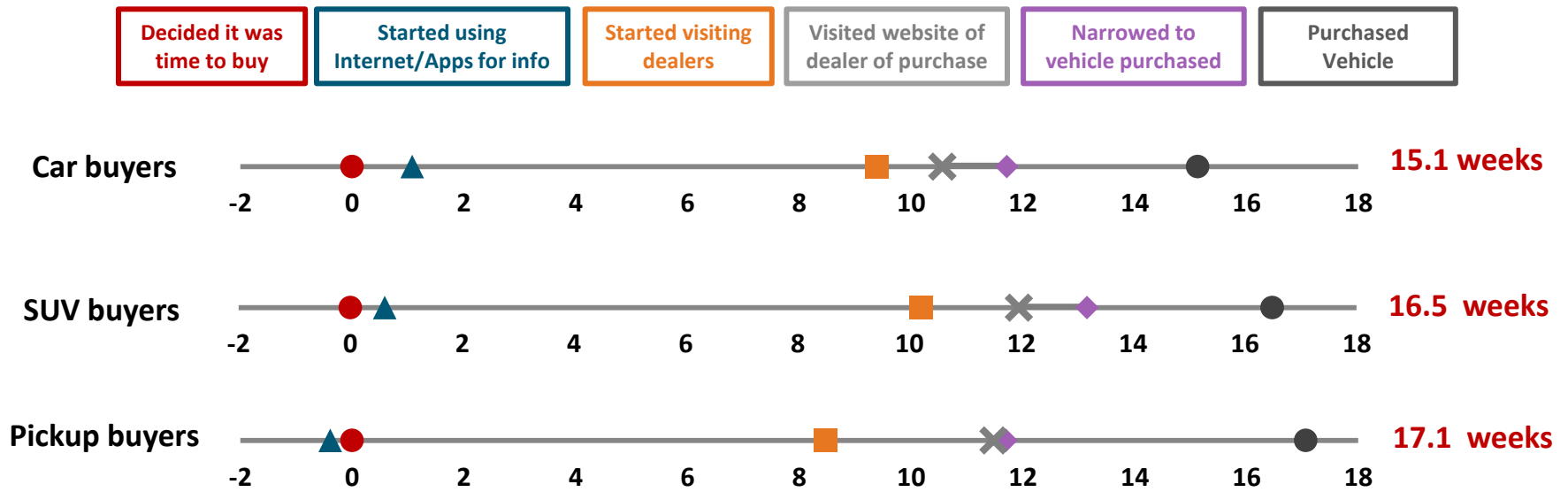
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Pickup buyers have a lengthier shopping process than do SUV or Car buyers

Weekly Milestones in New-Vehicle Purchase Process



Base: AIUs
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The purchase path of conquest customers versus loyal customers is 2.5 weeks longer

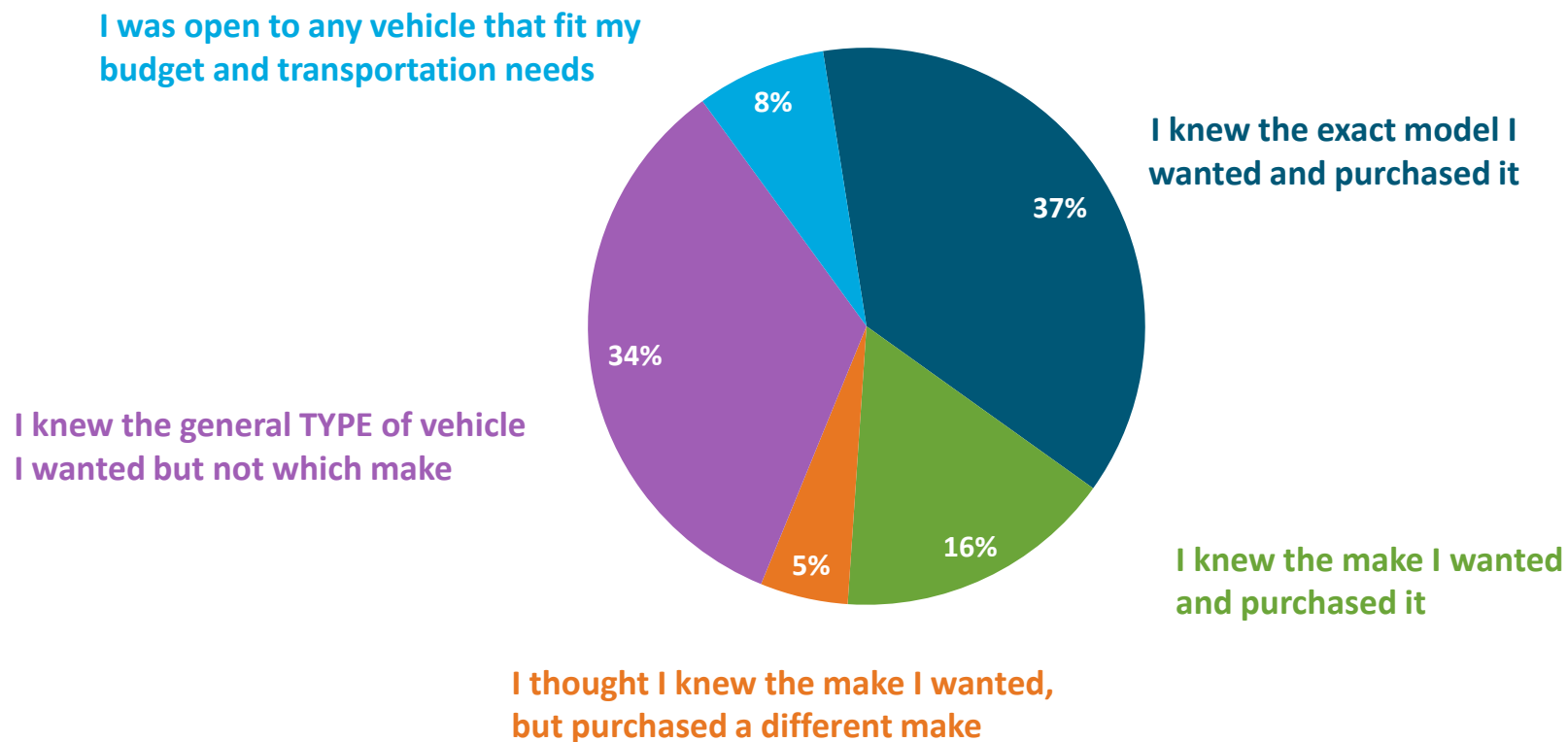
Weekly Milestones in New-Vehicle Purchase Process



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Over half of automotive internet shoppers (53%) enter the shopping process knowing the exact make or model they want, and buy it

Initial Buying Intentions



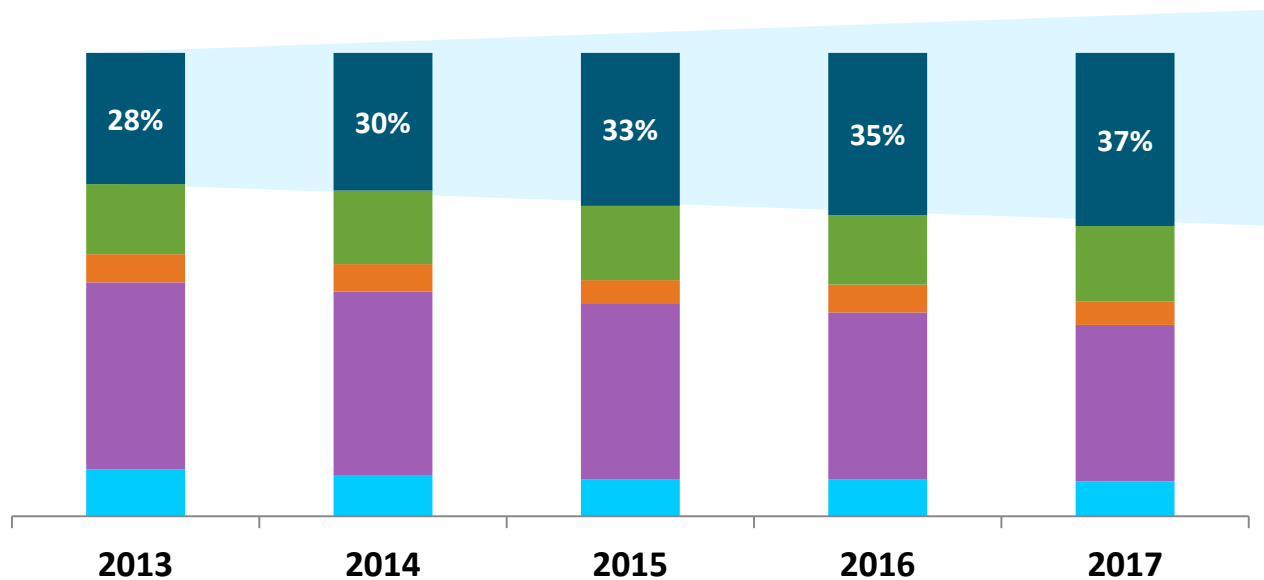
Base: AIUs

Q4c: Which of the following best describes your purchase intentions when you first began to shop?

The trend continues as more internet shoppers enter the shopping process knowing the exact model they want and buy it

Initial Buying Intentions

■ I knew the exact model I wanted and purchased it

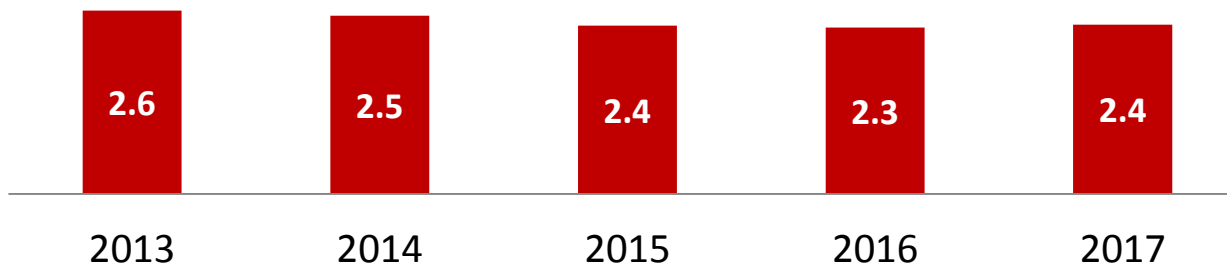


Base: AIUs

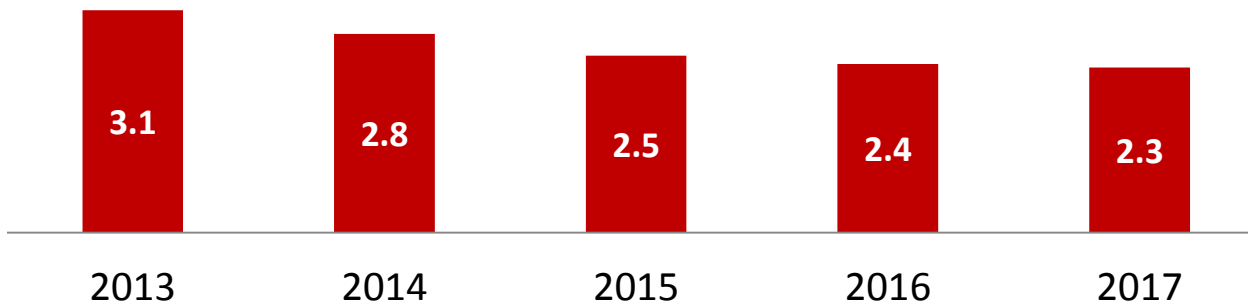
Q4c: Which of the following best describes your purchase intentions when you first began to shop?

The fact that more shoppers know the vehicle they want to buy from the onset is changing lower funnel shopping behavior

Number of Vehicles Considered



Number of Dealerships Shopped



Base: AIUs

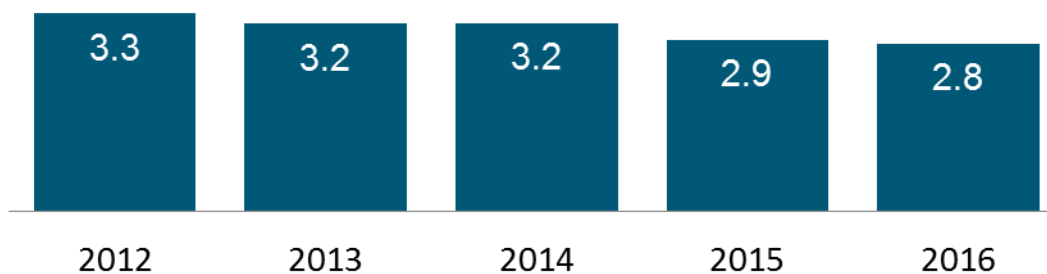
Q30: How many dealers did you visit during your shopping process?

Q31: How many vehicles were you considering when you began visiting dealerships in person?

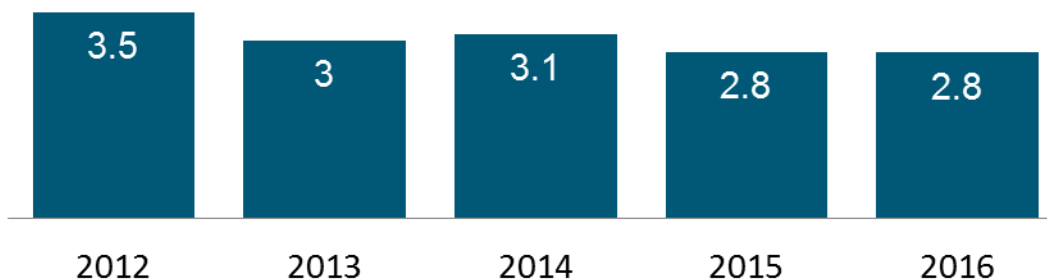
Trend can be seen across studies, new vehicle buyers are considering fewer models and shopping less dealers

Avoider Study & Sales Satisfaction (SSI)

Number of Models Shopped



Number of Dealerships Shopped



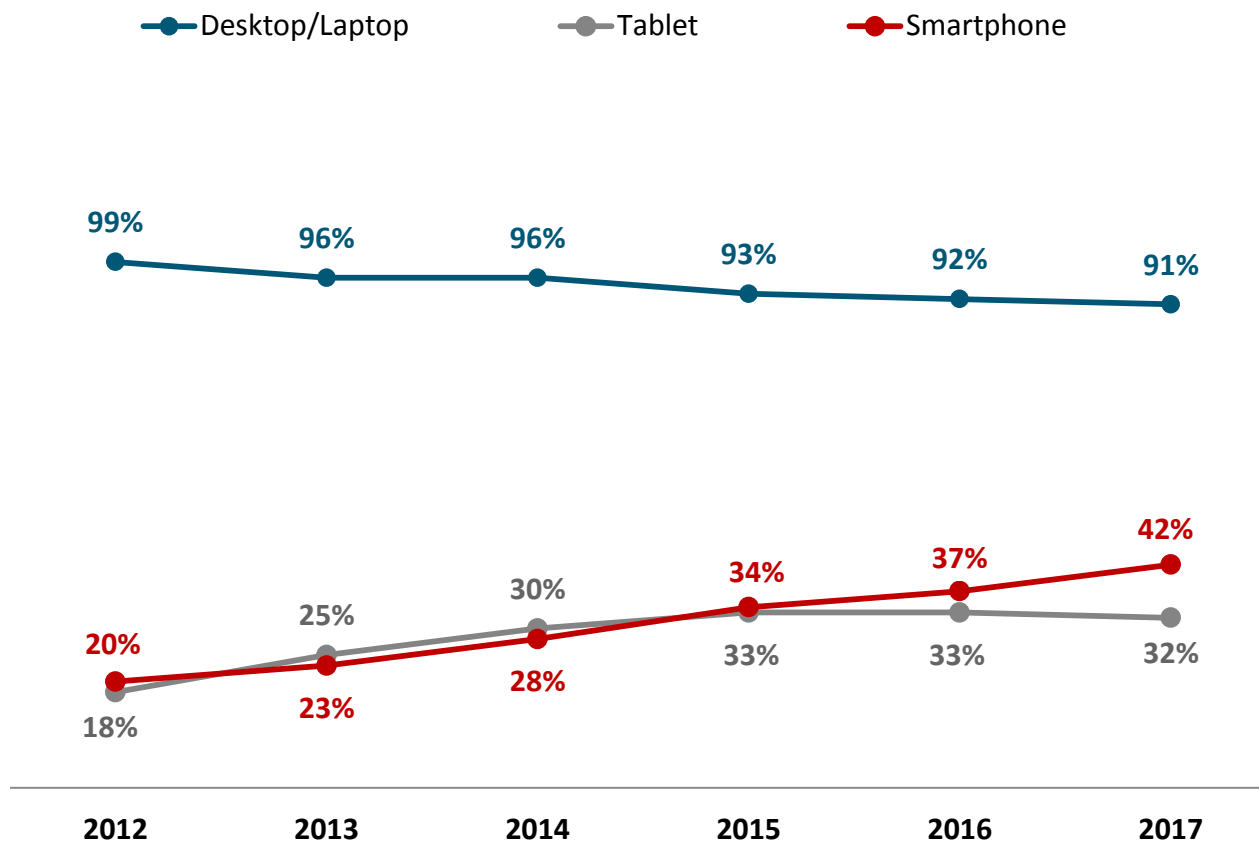
Source: Avoider Study 2013, 2017 ; Sales Satisfaction Study 2012, 2015

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Smartphone usage for automotive shopping continues to increase

Devices Used to Shop for New Vehicle

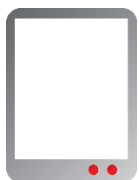
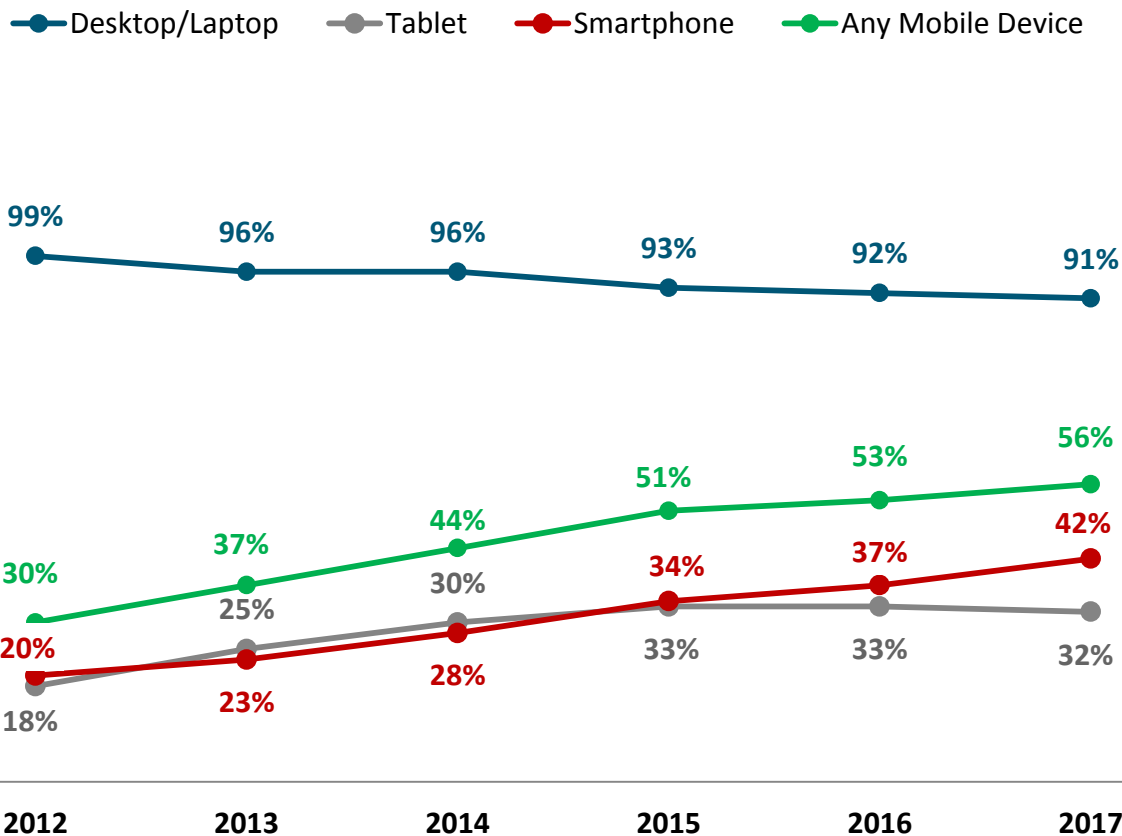


Base: AIUs

S4. Prior to purchasing your new vehicle, which of the following devices did you use to gather information while shopping for your new vehicle, either through the internet or an app?

All told, 56% of internet shoppers conduct auto research using a mobile device

Devices Used to Shop for New Vehicle

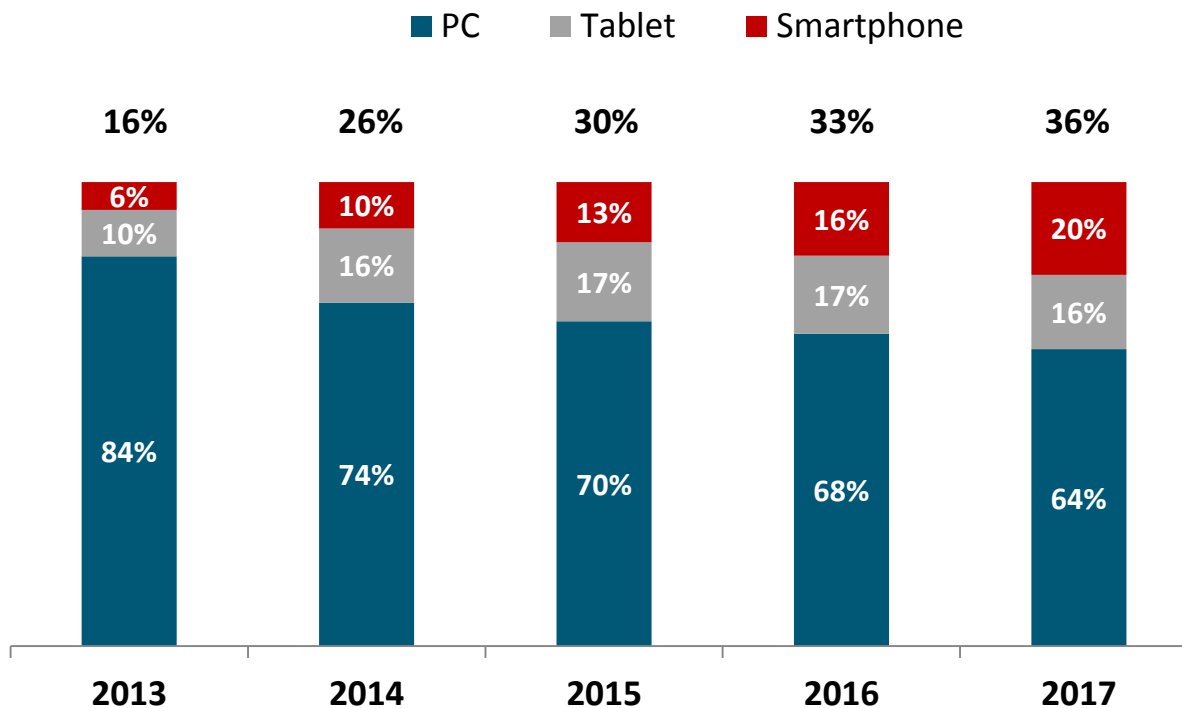


Base: AIUs

S4. Prior to purchasing your new vehicle, which of the following devices did you use to gather information while shopping for your new vehicle, either through the internet or an app?

... and the amount of time spent automotive shopping on smartphones continues to increase

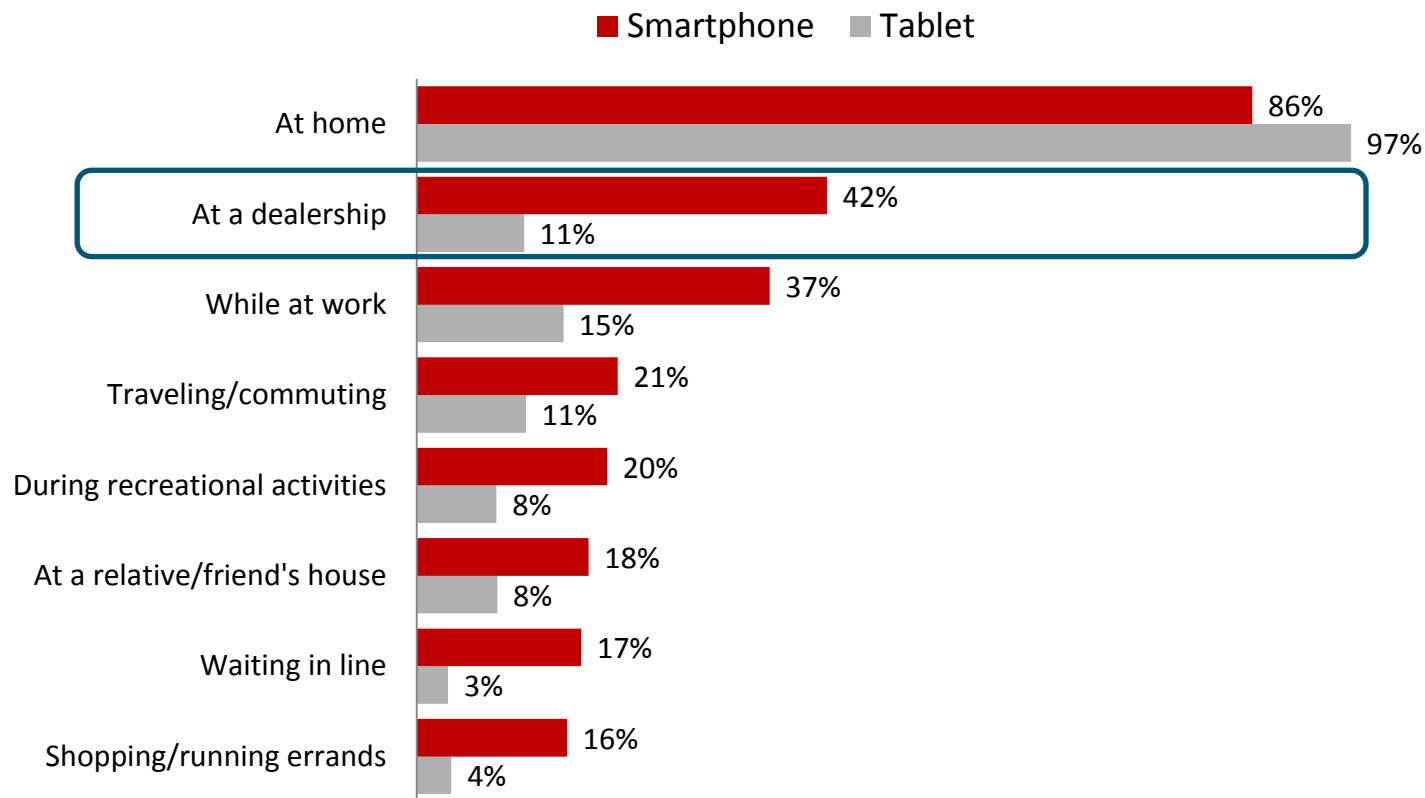
Proportion of Total Shopping Time by Device



Base: AIUs
 Q26: How much time would you say you spent on each type of device?

Outside the home, smartphones are most often used while shopping dealerships

Where Shoppers Access Auto Content on Their Mobile Device



Base: AUs

Q21. Prior to purchasing your new vehicle, in which of the following locations/situations did you access automotive mobile content using your tablet?

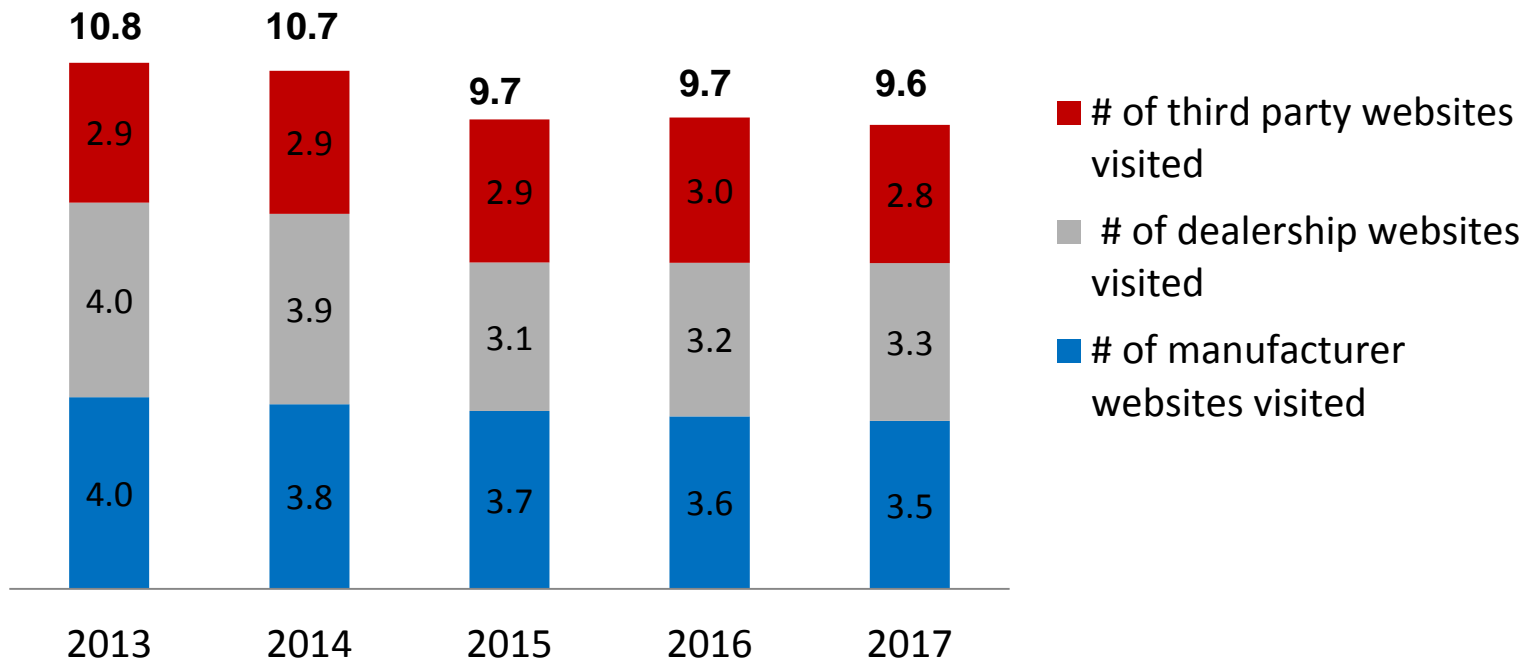
Q22. Prior to purchasing your new vehicle, in which of the following locations/situations did you access automotive mobile content using your smartphone?

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3rd Party sites visited has remained relatively consistent, the number of dealer and OEM sites visited has declined over time

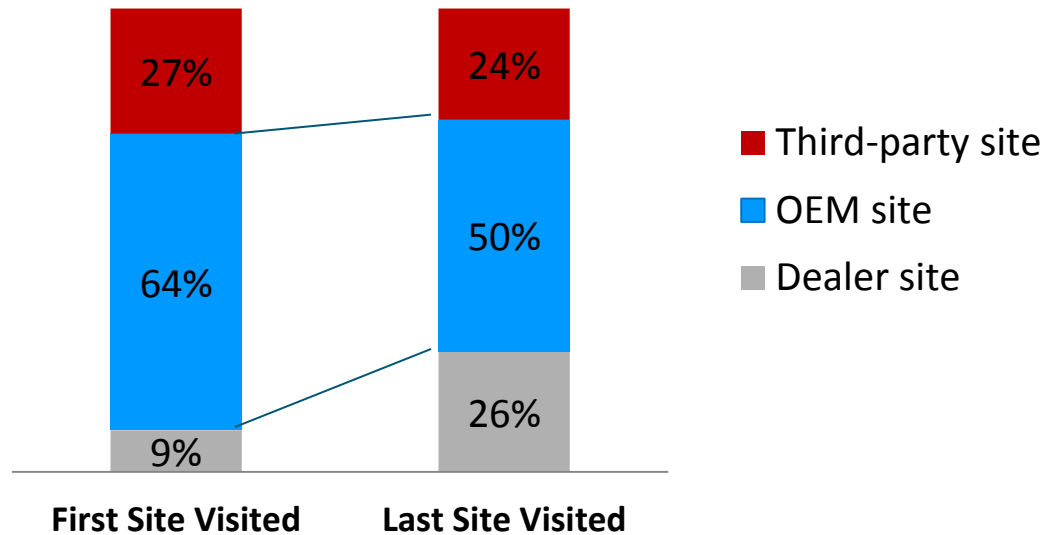
Number of Websites Visited



Q8 # of manufacturer websites visited
 Q9 # of third party websites visited
 Q10b # of dealership websites visited

While OEM sites are the first site many shoppers visit, they lose in favor of dealer sites as the last site used by shoppers. Third-party sites generally maintain their share of first and last sites visited

First / Last Site Visited

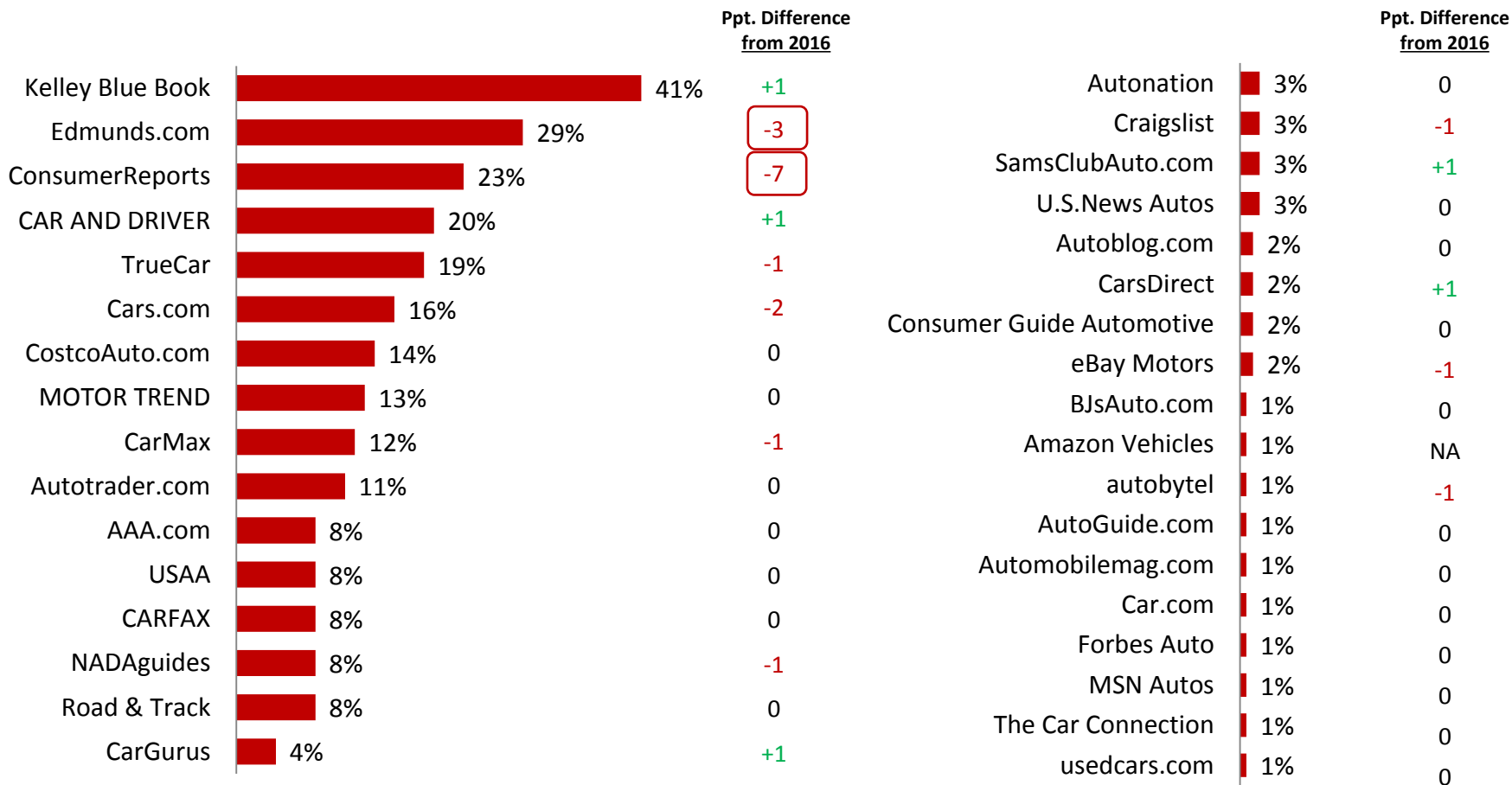


Base: AIUs
 Q10c First website visited
 Q10d Last website visited

Note: Social media sites excluded

Top 3 most visited third-party sites remain consistent for past 5 years, though visitation to Edmunds.com and ConsumerReports slips

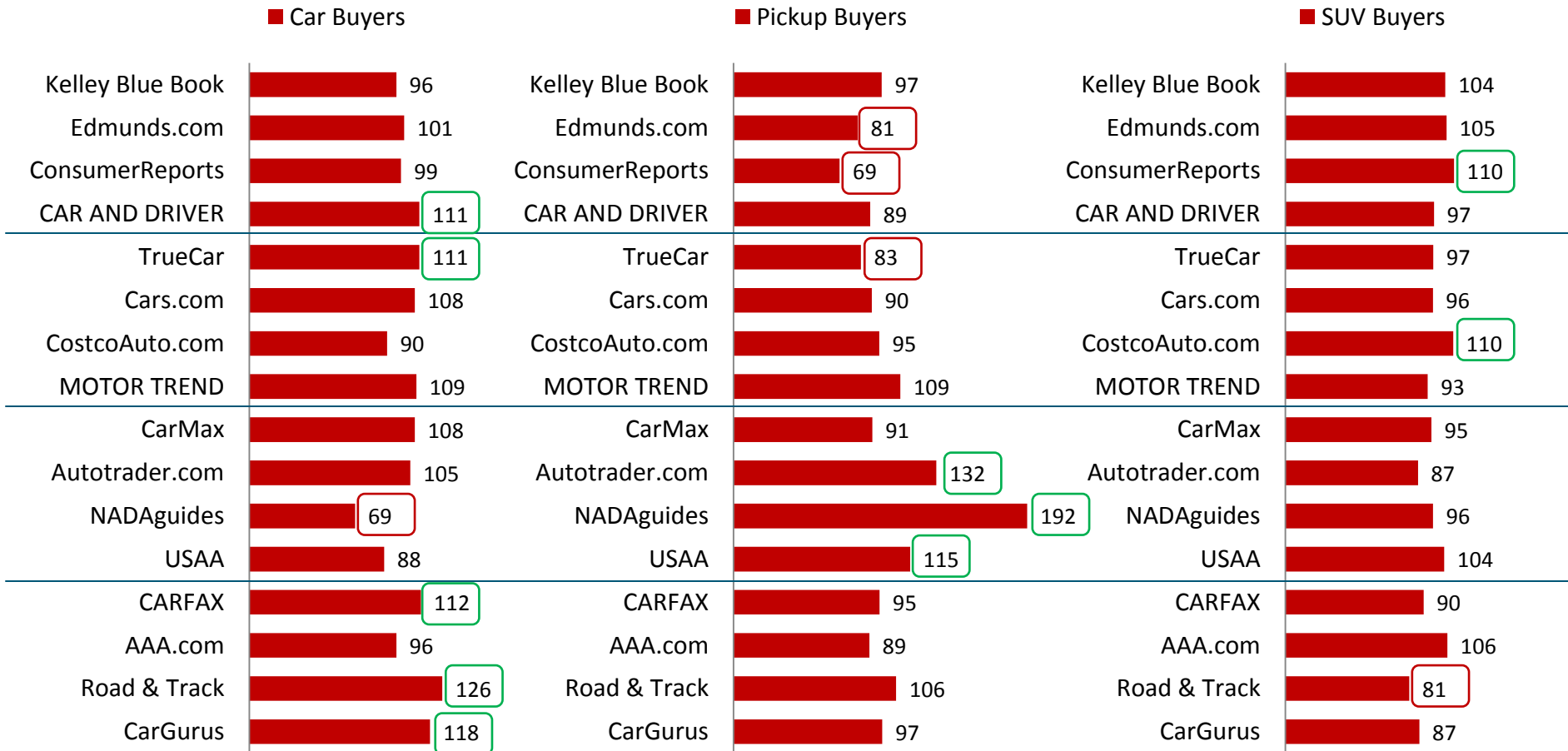
Overall Third-Party Site Visitation



Base: AIUs
 Q9: Please indicate which of the following third-party websites you visited on any device before purchasing your vehicle.

Third party sites tend to attract car, pickup and SUV buyers at different rates

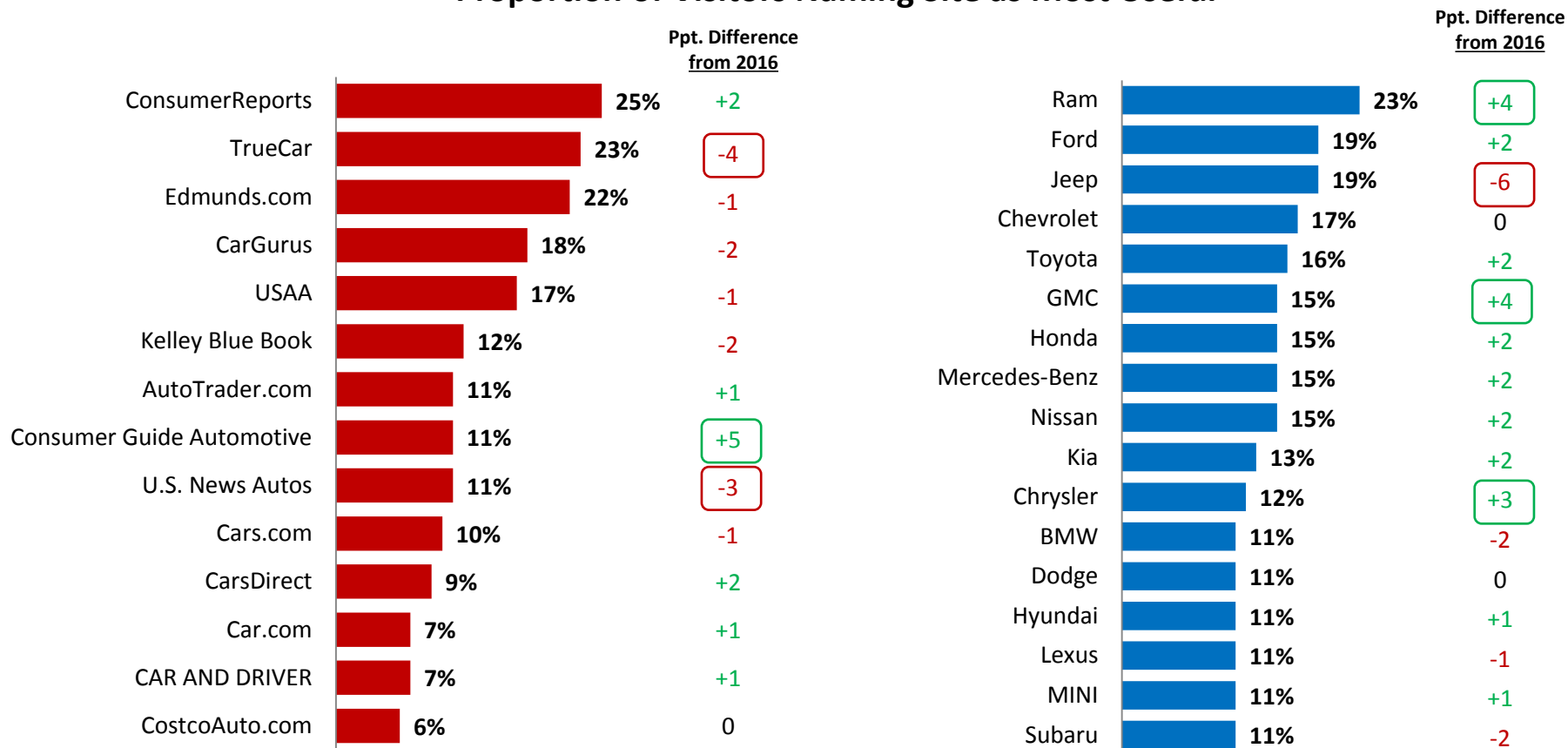
Top Third-Party Sites Visited by Segment



Base: AIUs
 Q9: Please indicate which of the following third-party websites you visited on any device before purchasing your vehicle.

ConsumerReports has the highest proportion of site visitors naming it the “most useful” site visited. Ram displaces Jeep as the most useful among OEM sites

Proportion of Visitors Naming Site as Most Useful

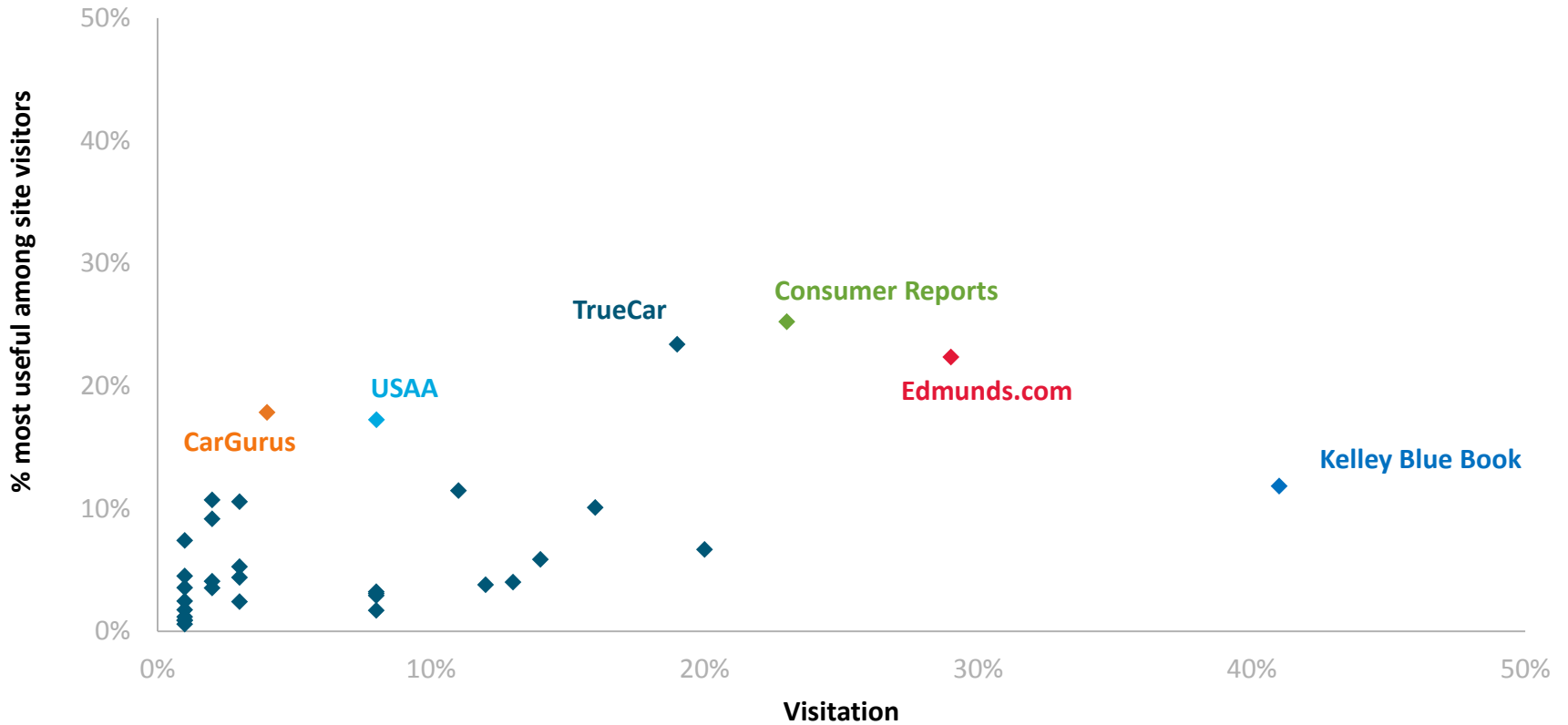


Base: Visitors to each site

Q16: Of all the websites you visited while shopping, which one did you find to be most useful?

TrueCar, Consumer Reports and Edmunds have the highest proportions of site visitors naming it the site most useful site they visited, but visitation varies

Third-Party Sites—Visitation vs. Most Useful



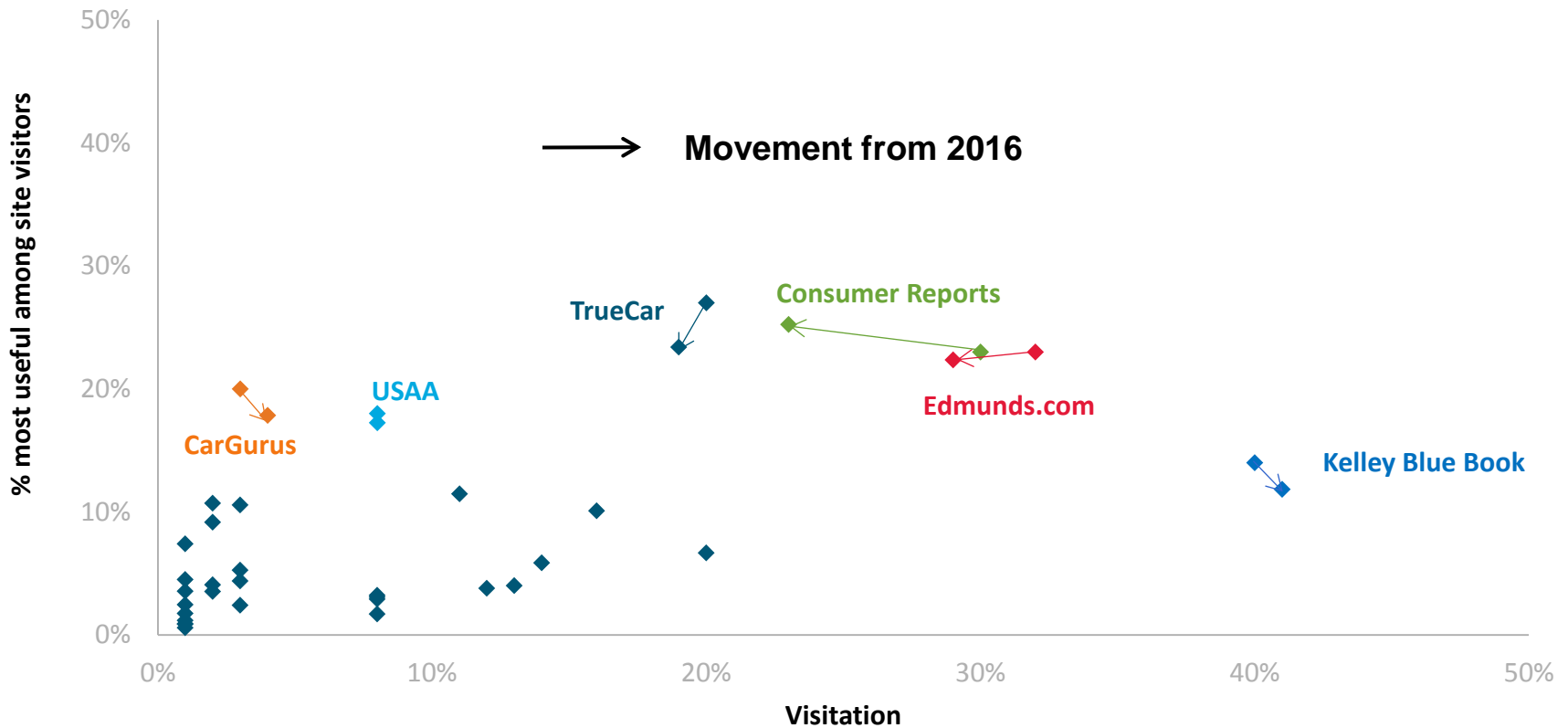
Base: AllUs

Q9: Please indicate which of the following third-party websites you visited on any device before purchasing your vehicle.

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Third-Party Sites—Visitation vs. Most Useful



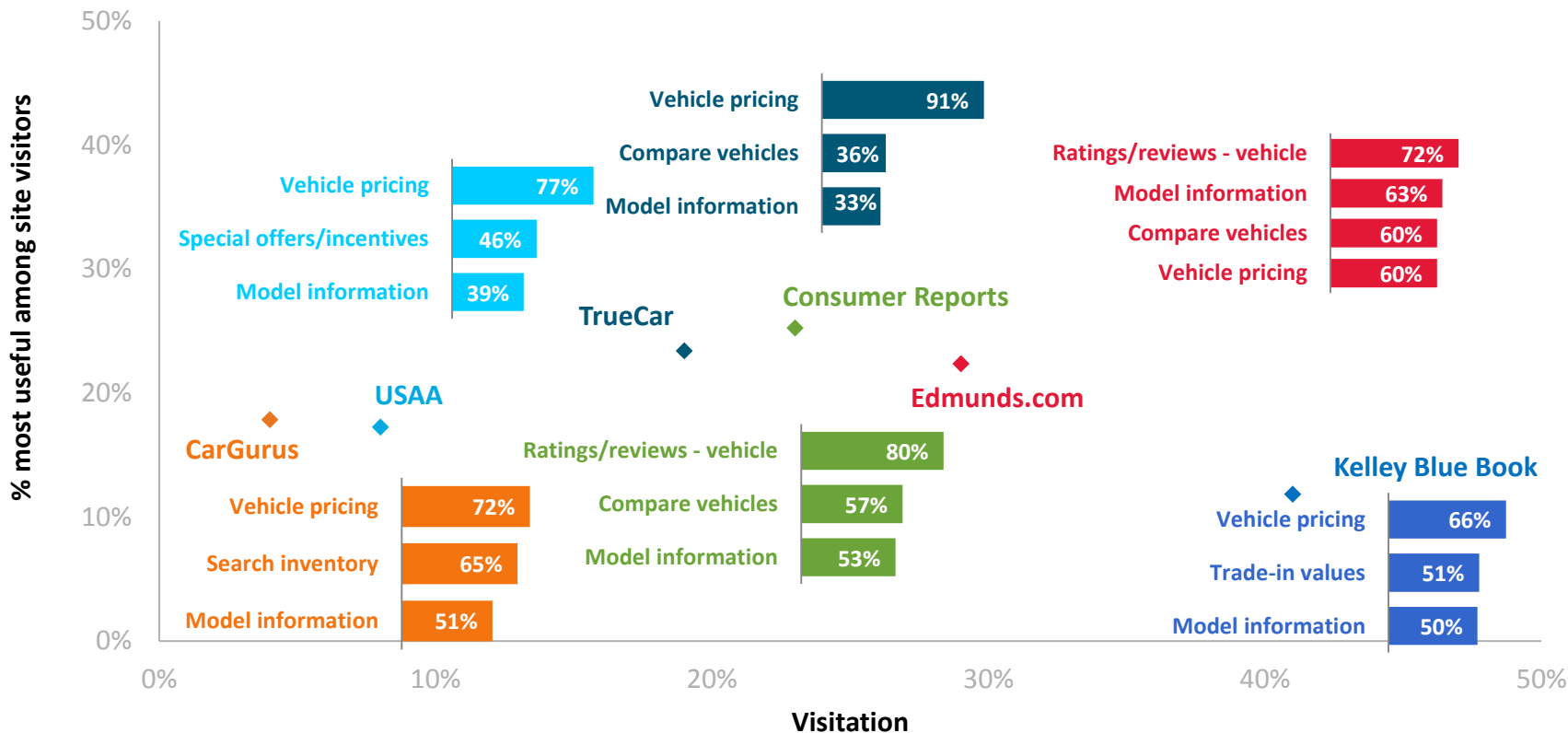
Base: AIUs

Q9: Please indicate which of the following third-party websites you visited on any device before purchasing your vehicle.

Q16: Of all the websites you visited while shopping, which one did you find to be most useful?

The top third party sites cited as most useful are found to be most useful for either vehicle pricing or ratings/reviews

Third-Party Sites—Visitation vs. Most Useful



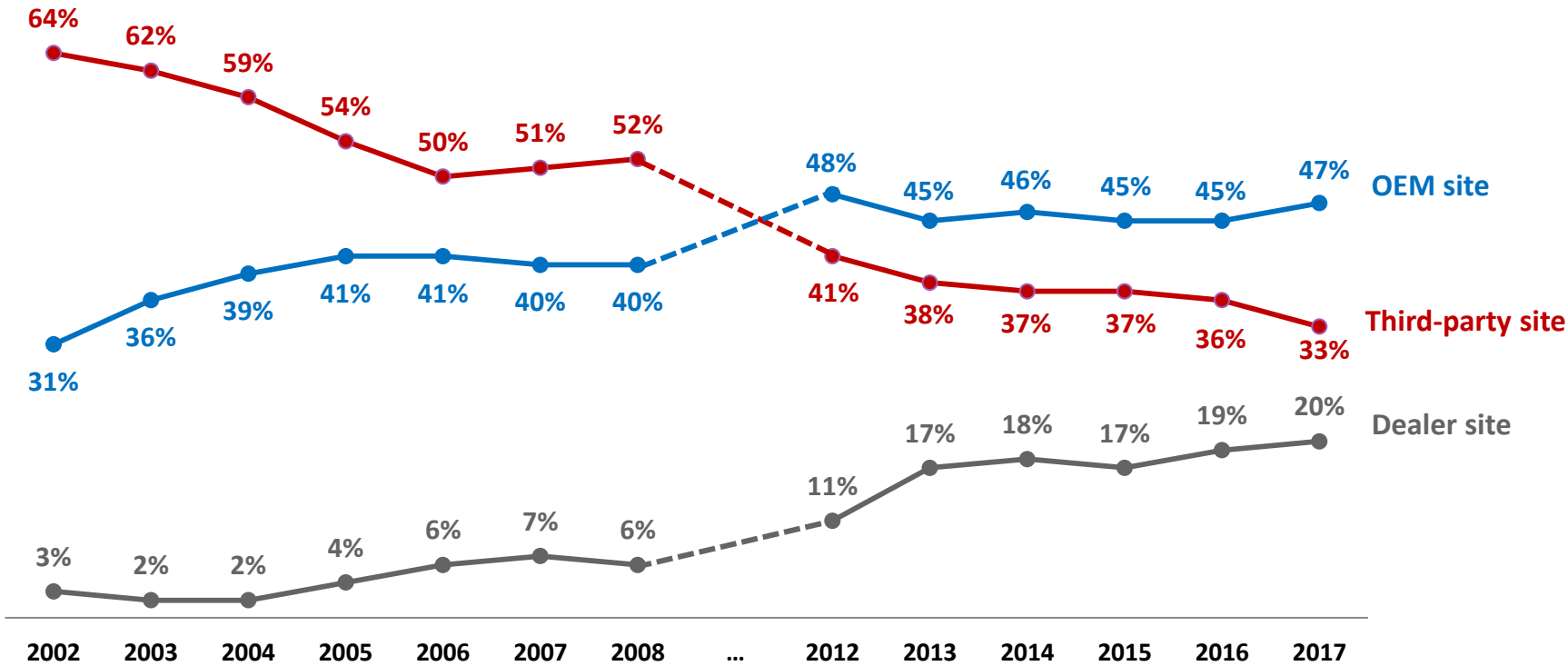
Base: AIUs

Q9: Please indicate which of the following third-party websites you visited on any device before purchasing your vehicle.

Q16: Of all the websites you visited while shopping, which one did you find to be most useful?

The proportion of new vehicle buyers naming a third-party site as most useful has steadily decreased, with OEM and dealer sites increasingly cited as the most useful

Most Useful Type of Site



Base: AIUs

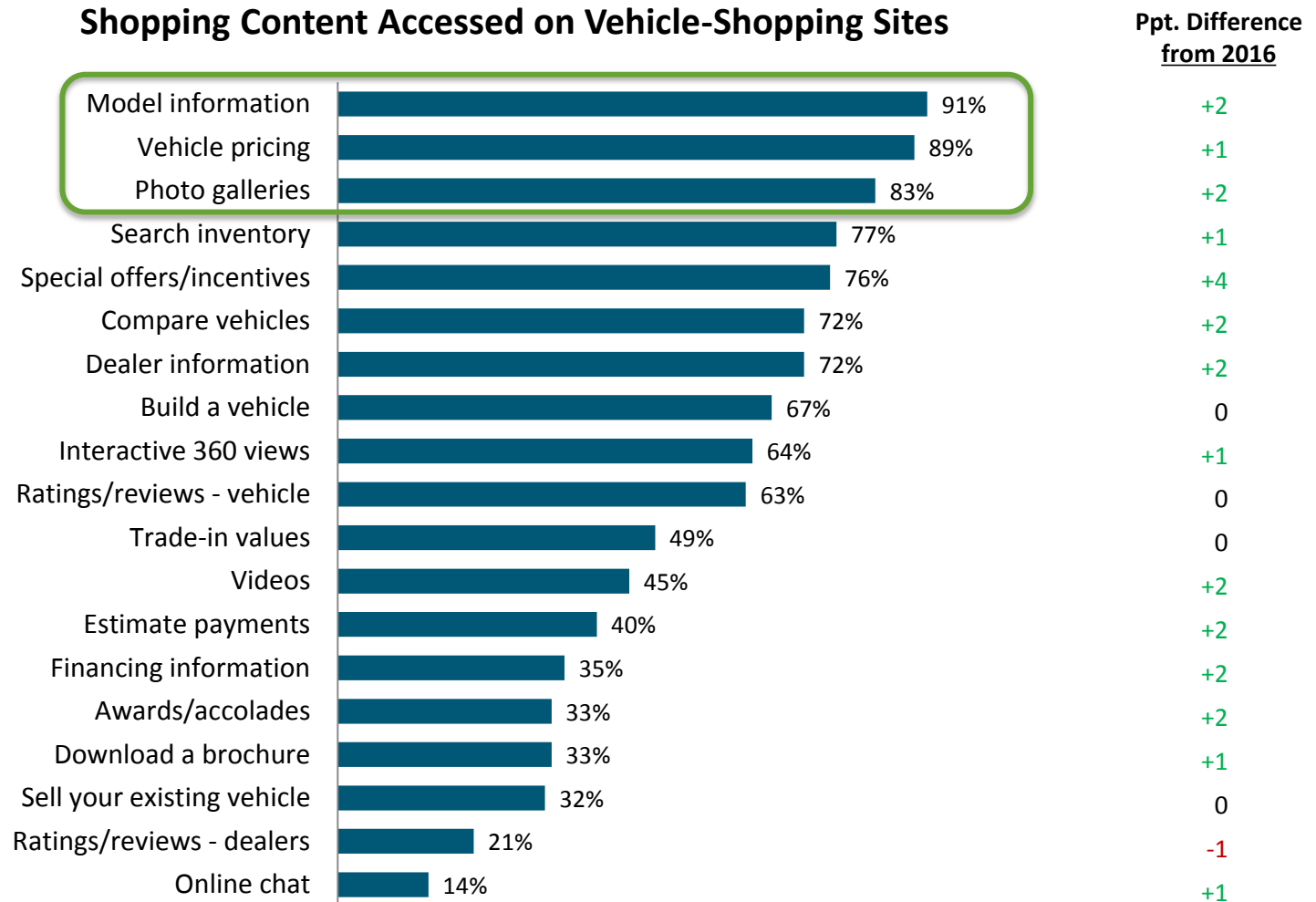
Note: Third-Party site includes Auto Enthusiast and Member sites

Note: %s rebased to add to 100%

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Model information, vehicle pricing, and photo galleries continue to be the most used content on auto shopping sites



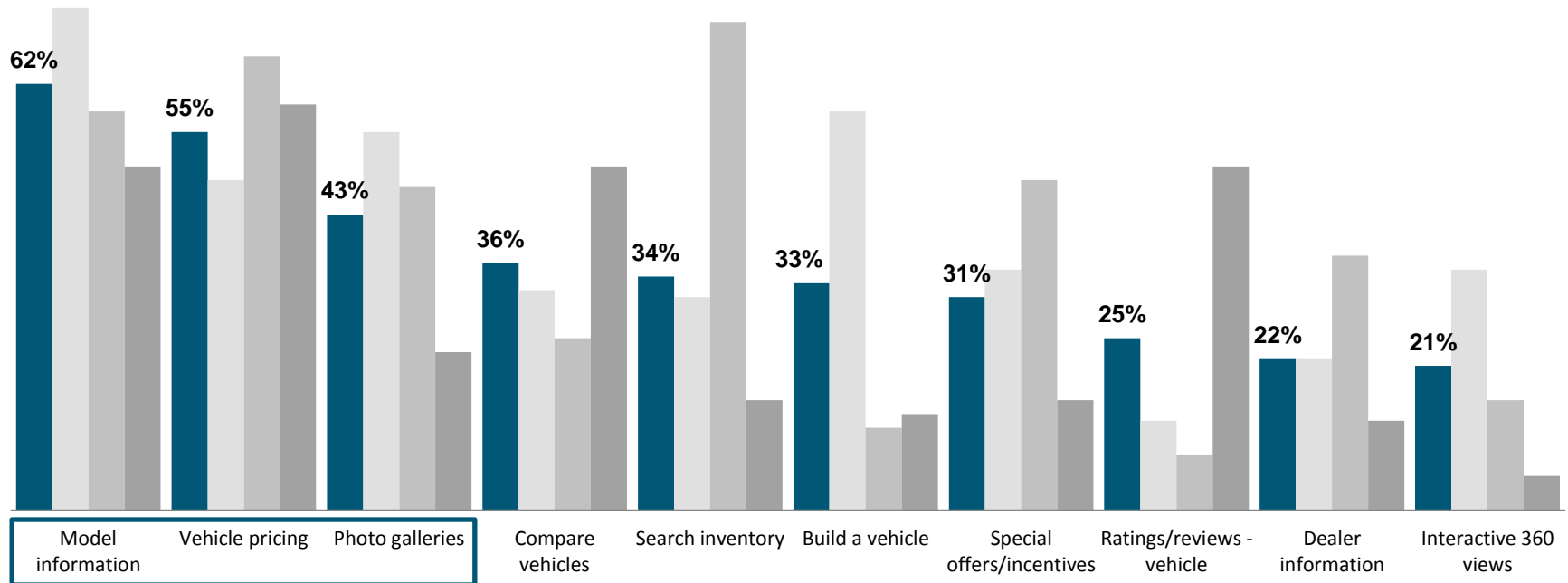
Base: AIUs

Q15: Please tell us which type of website or app you relied on for the following content during your shopping process.

Model information, vehicle pricing and photo galleries are also cited as the most useful content on auto sites; yet different types of sites are most useful for different reasons

Most Useful Content by Site Type

■ All Sites ■ OEM Sites ■ Dealer Sites ■ Third Party Sites



Base: AIUs

Q16. Of all the websites you visited while shopping, which one did you find to be most useful?

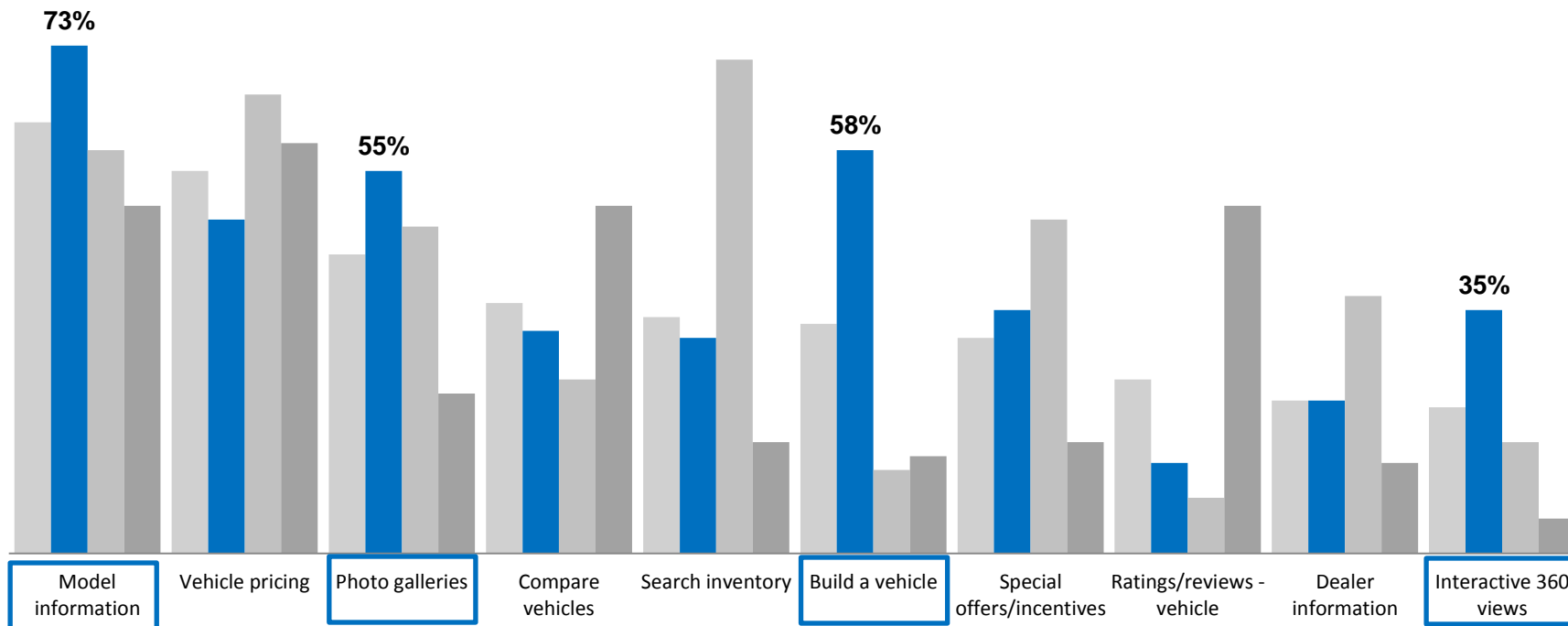
Q17. Please tell us the information on the website that made it most useful.

Note: Third-Party sites include auto enthusiast and member sites

OEM sites are found most useful for providing specific details and tools showcasing their models

Most Useful Content by Site Type

■ All Sites ■ OEM Sites ■ Dealer Sites ■ Third Party Sites



Base: AIUs

Q16. Of all the websites you visited while shopping, which one did you find to be most useful?

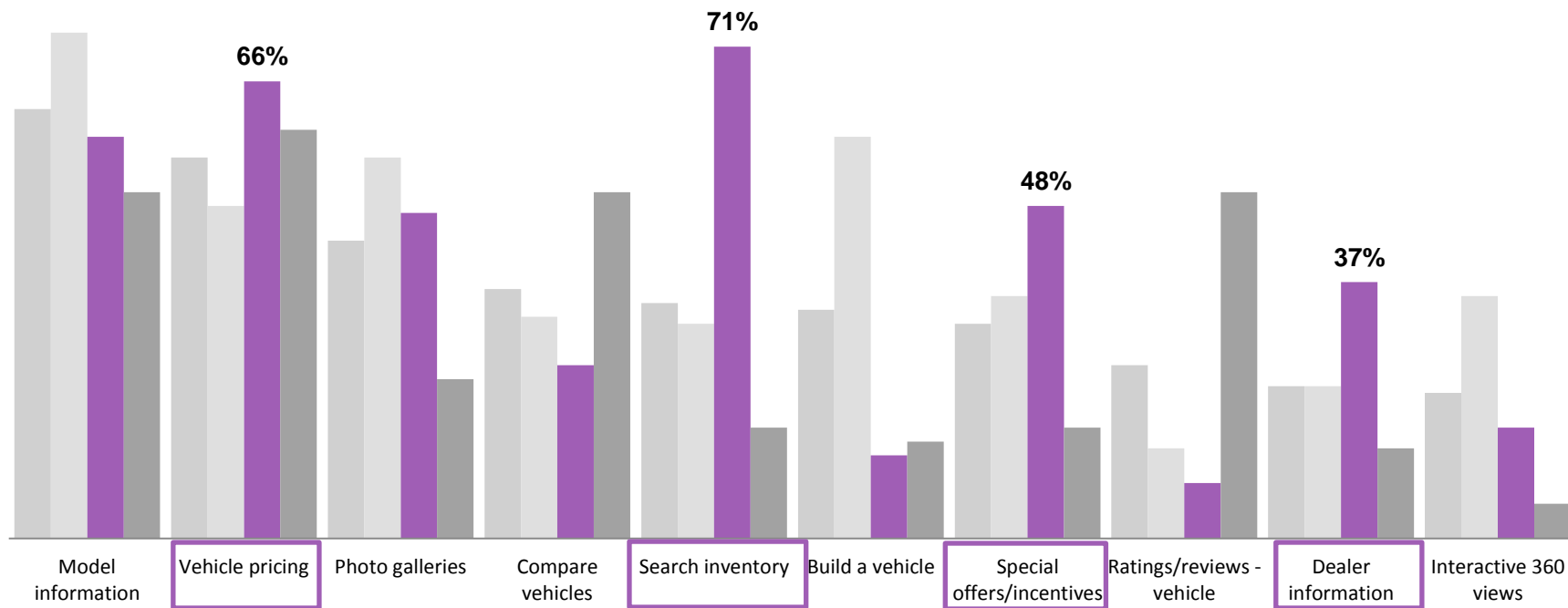
Q17. Please tell us the information on the website that made it most useful.

Note: Third-Party sites include auto enthusiast and member sites

Dealer sites are used for details about specific vehicles on the lot

Most Useful Content by Site Type

■ All Sites ■ OEM Sites ■ Dealer Sites ■ Third Party Sites



Base: AIUs

Q16. Of all the websites you visited while shopping, which one did you find to be most useful?

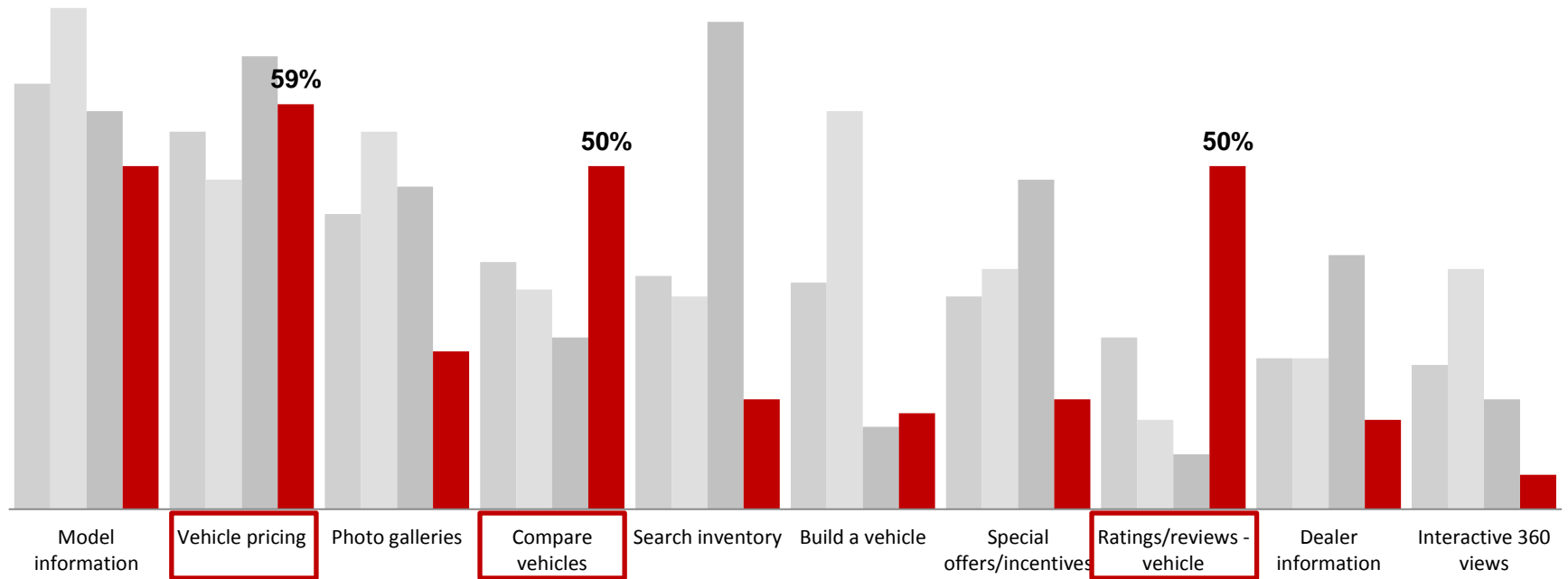
Q17. Please tell us the information on the website that made it most useful.

Note: Third-Party sites include auto enthusiast and member sites

Third Party sites are trusted for unbiased information to help shoppers decide which vehicle to buy

Most Useful Content by Site Type

■ All Sites ■ OEM Sites ■ Dealer Sites ■ Third Party Sites



Base: AIUs

Q16. Of all the websites you visited while shopping, which one did you find to be most useful?

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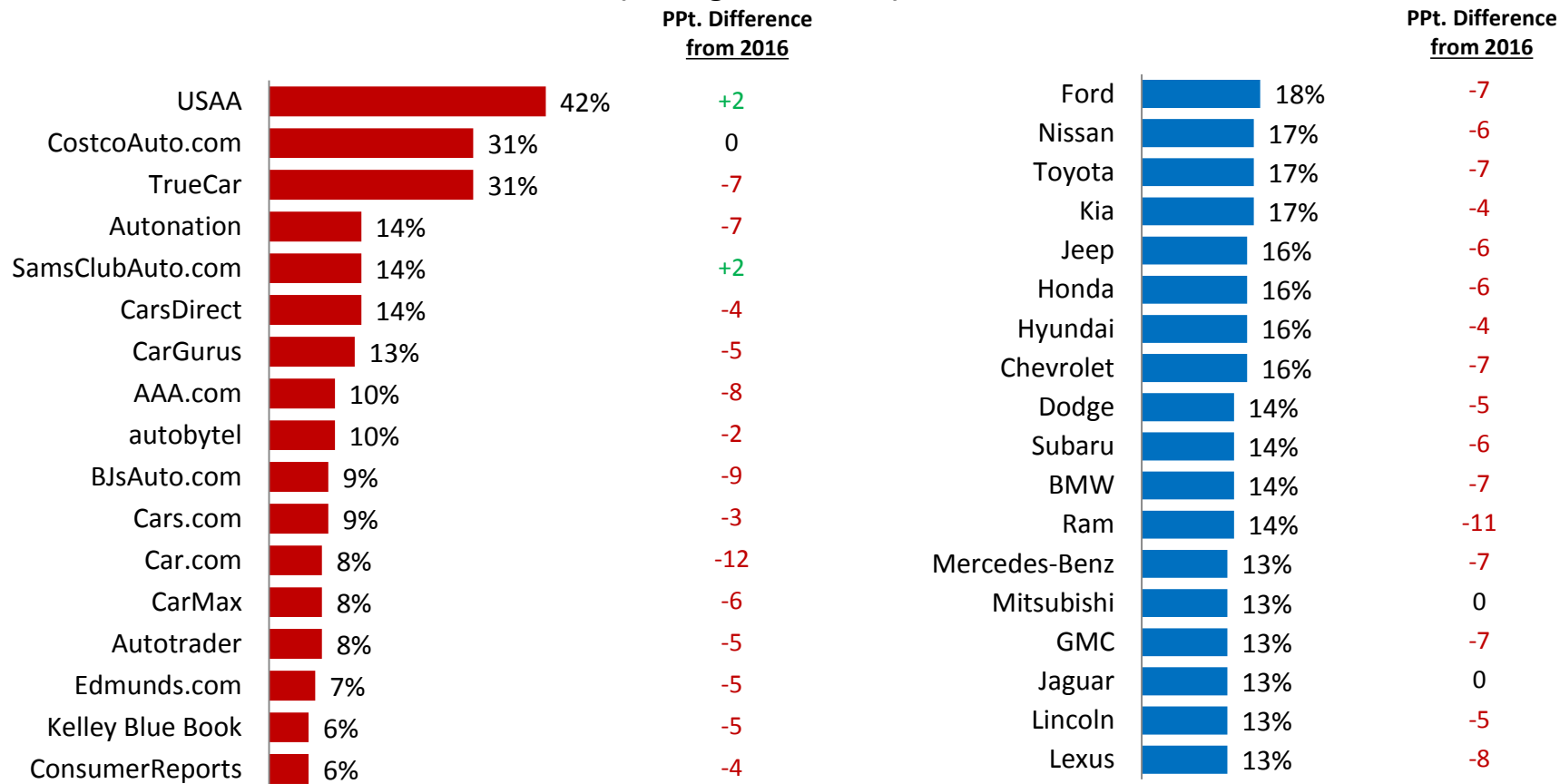
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56% of internet shoppers submit a request for information to a dealer from an auto site, down from 60% last year

Sites Used to Submit Online Request for Information to a Dealer (among site visitors)

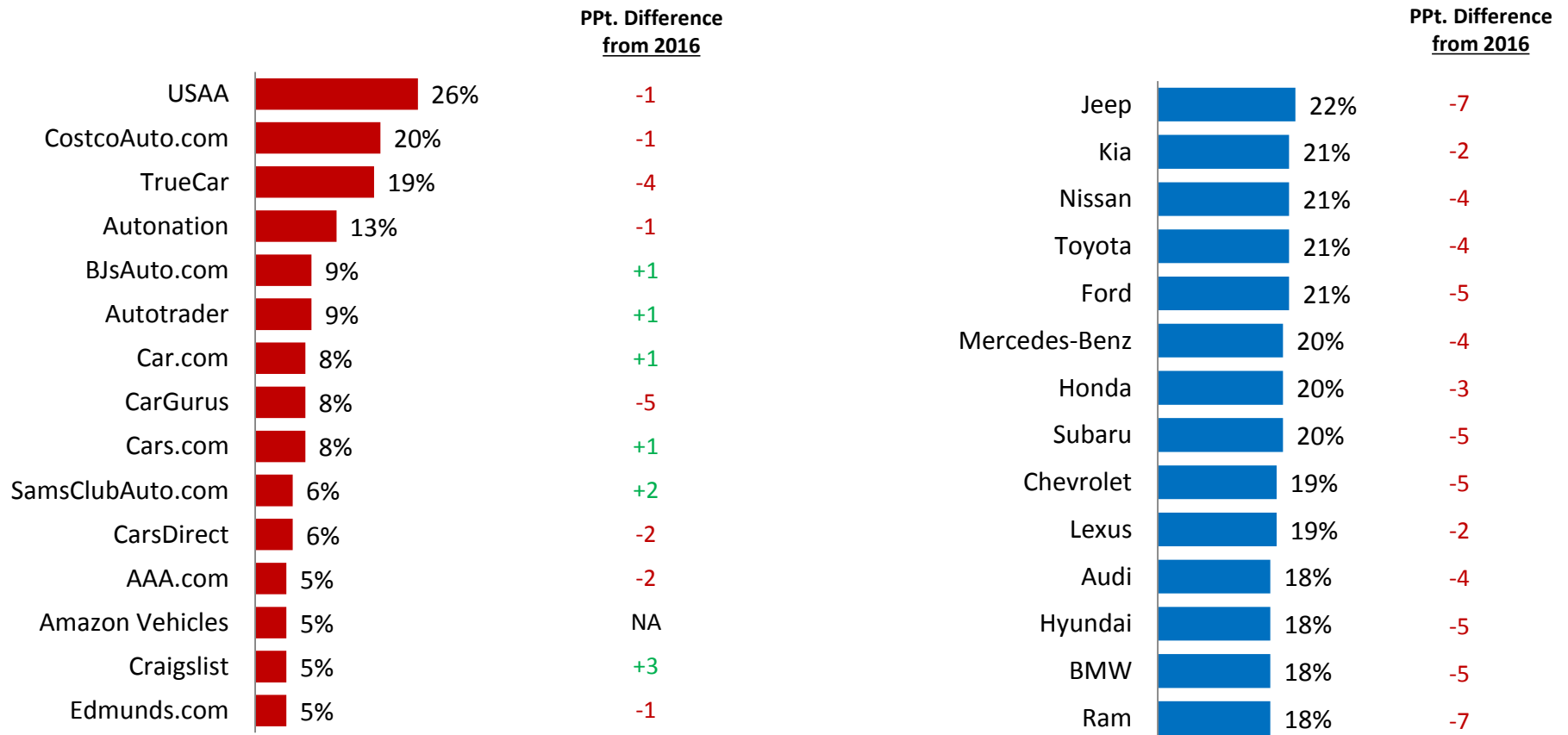


Base: AIUs visiting each site

Q13. For each of the following websites you said you visited, please indicate which website(s) you used to submit an online request for information to a dealer (e.g., for a price quote, product information, dealer contact, etc.).

66% of internet shoppers indicate they were directed to a dealership they found on the website, down from 70% last year

Sites Leading to Dealer Visit (among site visitors)

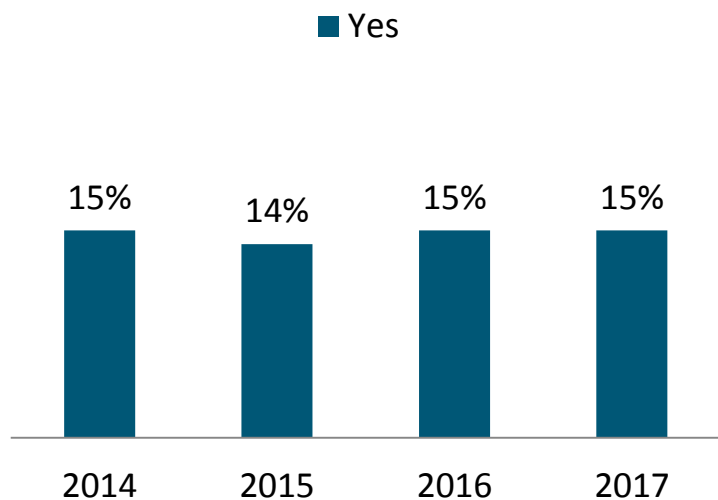


Base: AIUs visiting each site

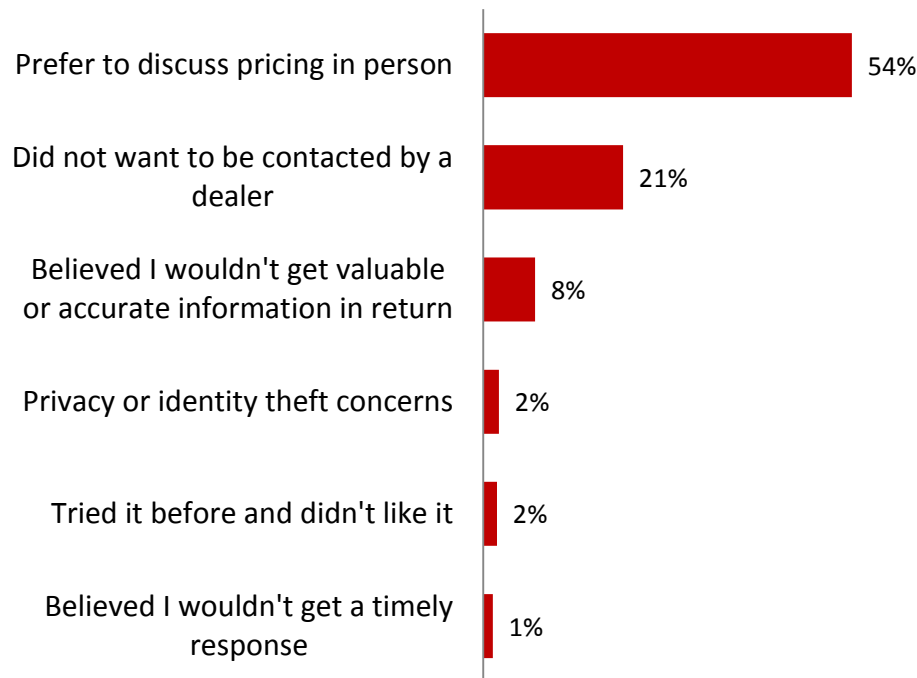
Q14. For each of the following websites you said you visited, please indicate which website(s) directed you to a dealer you ended up visiting in person.

Submissions of RFQs to OEMs and dealers have remained flat

Submitted an online purchase/price request to any dealer/manufacturer



Primary reason for not submitting an online purchase/price request



Base: AIUs

Q35. Did you submit an online purchase/price request to any dealer/manufacturer (e.g. Acura, Ford, etc.)?

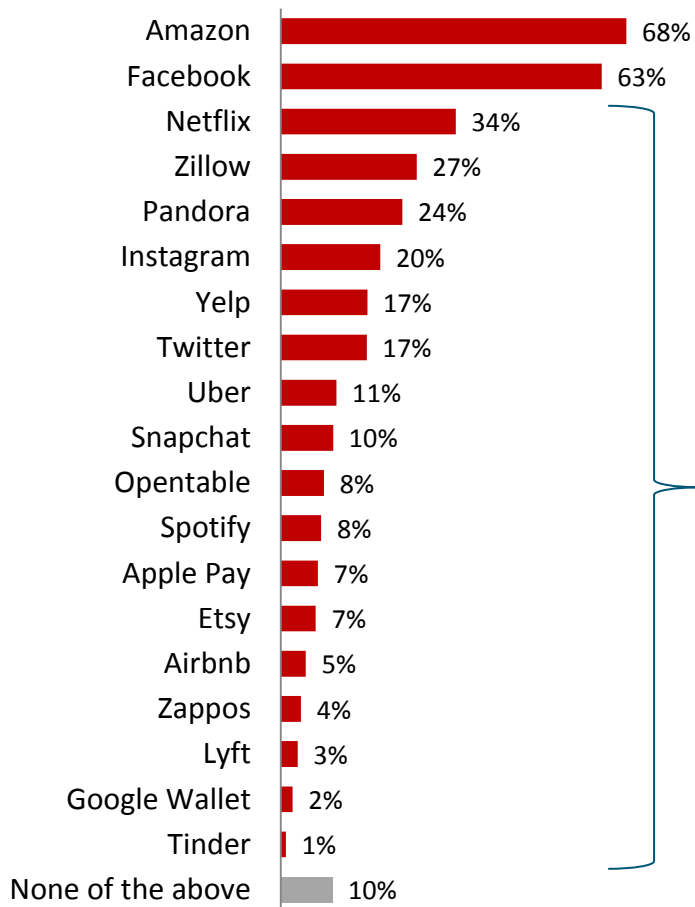
Q36. What was the primary reason you did not submit an online quote request?

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Users of these websites/apps are termed “disrupters”

Websites/Apps Used in Past 30 Days



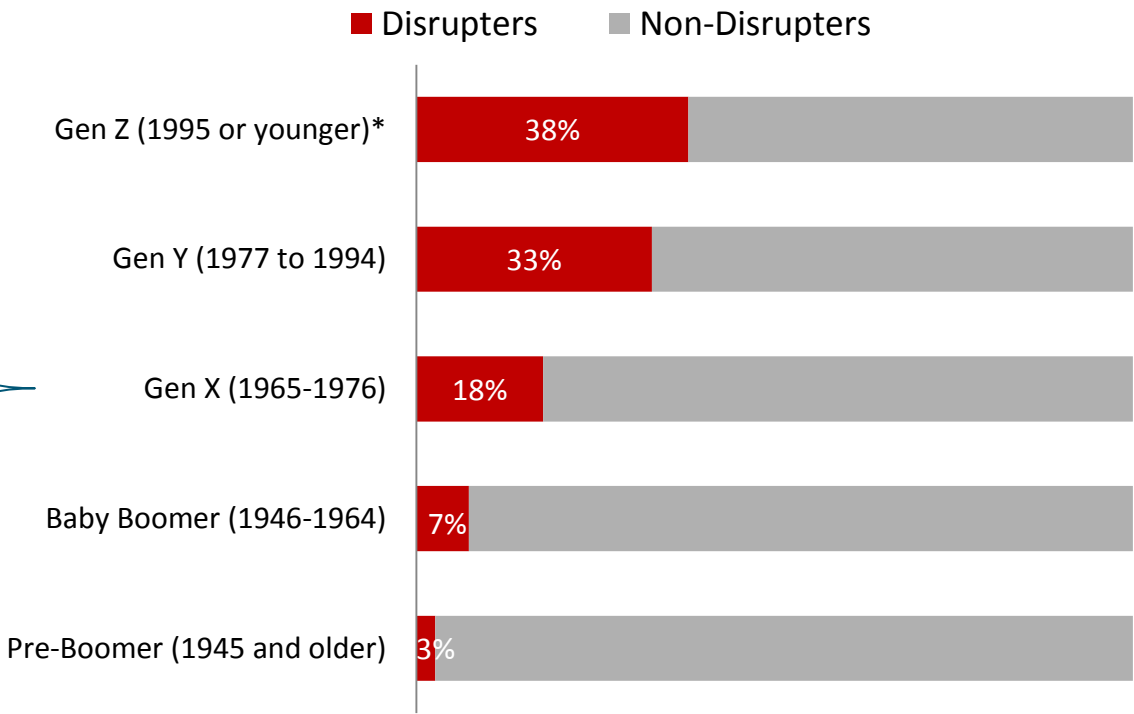
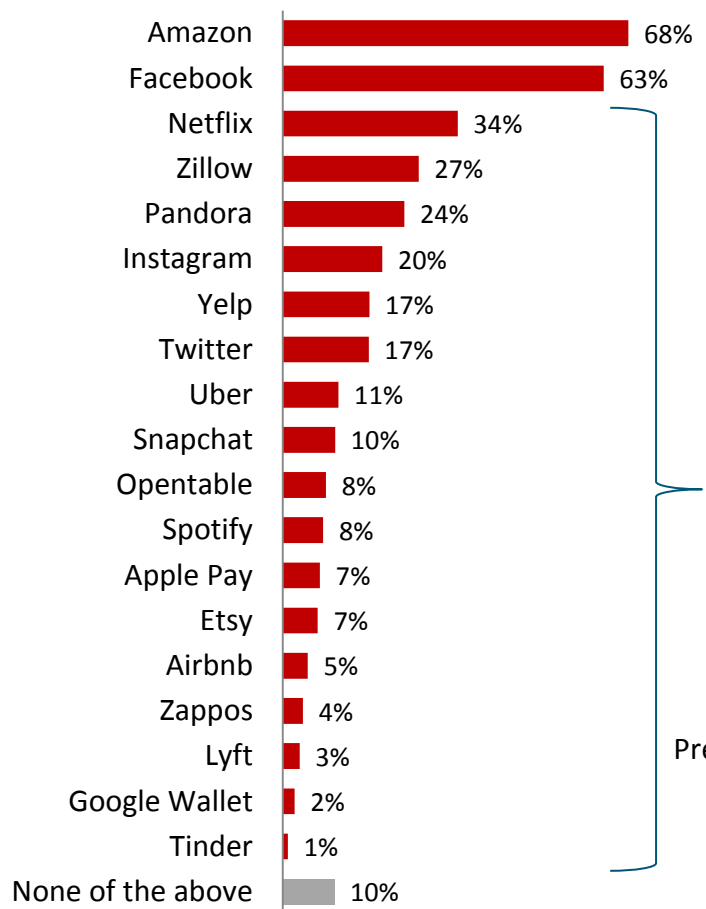
Users of 5 or more of these sites are “disrupters”

... and comprise 13% of automotive internet shoppers

Base: AIUs
 QAY2. Please indicate if you have used any of the following websites/apps in the past 30 days?

Disrupters are not limited to the youngest of generations

Websites/Apps Used in Past 30 Days

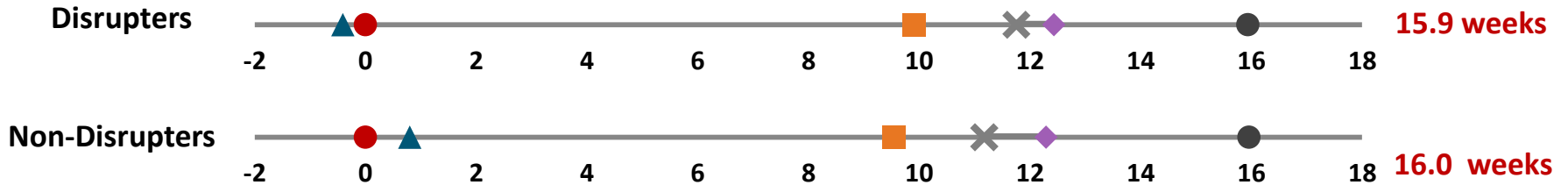


*Caution: small sample (N = 49)

Base: AIUs
 QAY2. Please indicate if you have used any of the following websites/apps in the past 30 days?

Though comprising only 13% of the industry, the path to purchase for Disrupters is virtually the same as everyone else

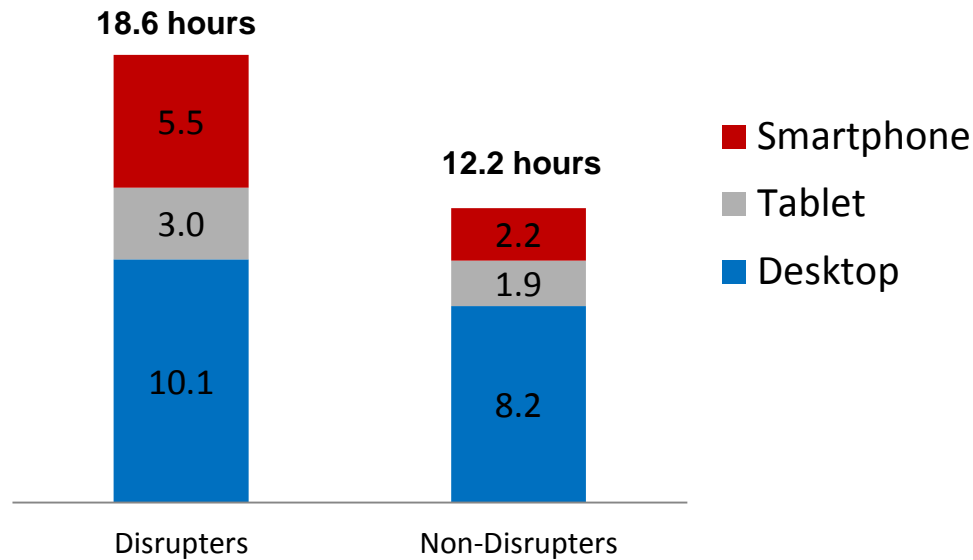
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Disrupters spend significantly more time on the internet conducting automotive research, especially on mobile devices

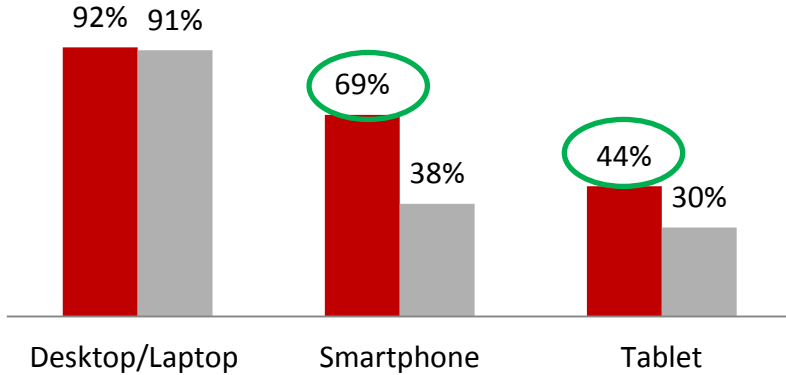
Total Time Spent Shopping, by Device



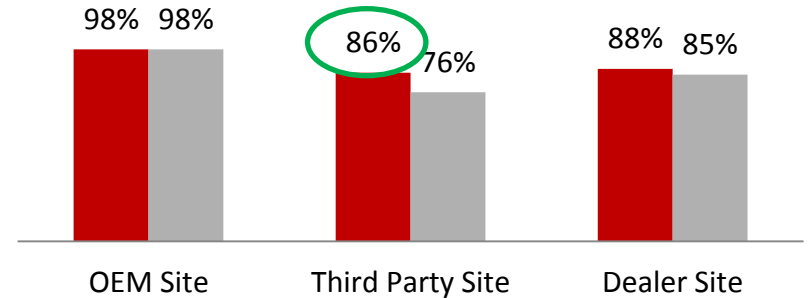
Disruptive site users exhibit differences in key shopping behaviors, a possible predictor of the future of automotive digital shopping

■ Disrupters ■ Non-Disrupters

Devices Used for Auto Shopping

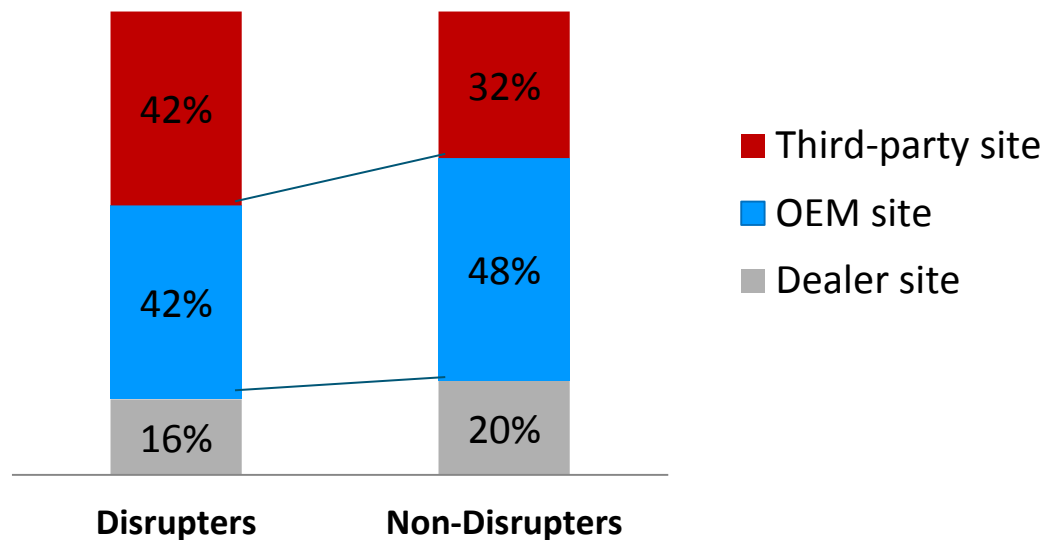


Types of Sites Used for Auto Shopping



3rd Party Sites are visited more frequently and found to be more useful by disruptive users...

Most Useful Site, by Type



Base: AIUs
 Q16. Of all the websites you visited while shopping, which one did you find to be most useful?

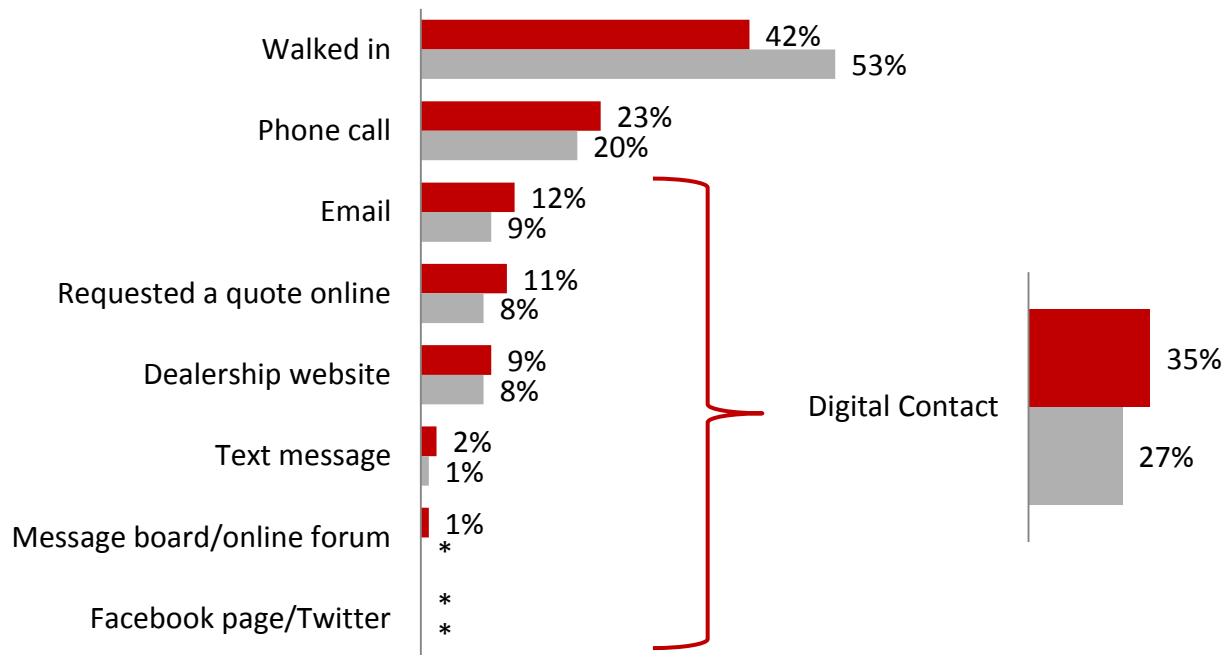
Note: %s rebased to add to 100%

Note: Social media sites excluded

Digital Contact approaching Walking In for disrupters...

Initial Contact Made with Selling Dealer

■ Disrupters ■ Non-Disrupters



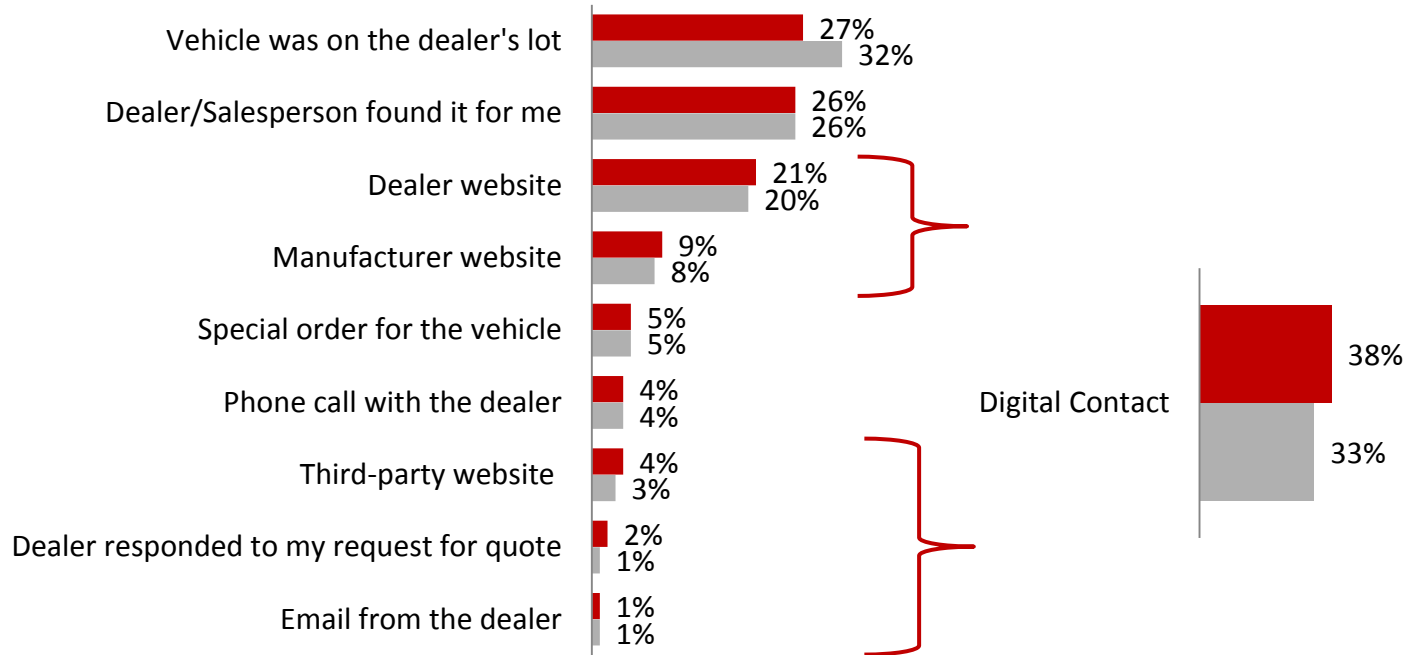
* = less than .05%

Base: AIUs
Q34AA How did you initially contact the dealer from which you purchased your vehicle?

And the trend continues for disruptors in how they found their vehicle...

How Found Exact Vehicle Bought

■ Disruptors ■ Non-Disruptors



Base: AIUs
 Q38a. How did you find the exact vehicle you ended up purchasing?

In Conclusion...

- Automotive research on mobile devices on the rise
- Third-party website leaders remain unchanged
- Influencing the purchase funnel
- Automotive shopping patterns of disruptor insight

J.D. POWER

Thank You

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