

Industry Insights

from **AutoTrader.com**

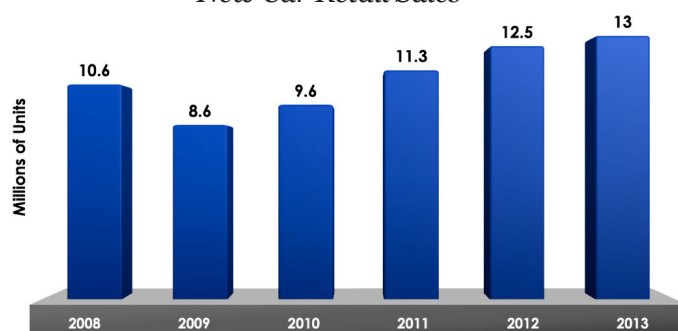
A New Era For New Car

New Car Sales Are Back

The landscape is changing—the economy is rebounding, consumer confidence is rising, cars are selling—and more and more of those sales are new vehicles.

- Projections show that nearly 10 million of the 50 million or more cars sold this year will be new cars. That's a 13% increase over 2009.¹
- The future isn't slowing down either; expect a 41% increase in vehicle launches and redesigns between 2011-2012.¹
- New car sales are likely to reach 13 million units by 2013.¹

New Car Retail Sales



Why Shoppers Buy New

About 1 out of 3 people consider both new and used vehicles during their car shopping process.² So, it's important to know what influences a shopper to choose new.

- Research shows that there are three key factors that sway car shoppers to buy new:³

Assurance: “This vehicle is more safe, has less problems, better warranties and great reviews.”

Affordability: “This is an unbelievable deal, is fuel efficient, and has a low cost of ownership, I should buy this now.”

Individuality: “This car has better suspension, the latest technology, and more horsepower.”

WHAT YOU CAN DO

It's no secret that when it comes to advertising cars, effective merchandising makes a difference. Many dealers do a great job merchandising their used cars, but neglect their new cars by just using stock photos and generic descriptions. Don't discount the value of merchandising your new vehicles. Here are some specific tips to consider when advertising new cars online.

Cater to Certainty

- Make sure shoppers understand the “peace of mind” they get buying a new car.
- Promote vehicle warranties, safety ratings, your unique service plans and other features that show how buying a new car provides a problem-free ownership experience.

Advertise Price Breaks and Value

- Many times, financing deals on a new car can actually make it more affordable than a used car.
- Spotlight special offers, competitive lease prices, cash back deals, free service plans and other benefits that can get those “fence sitters” to choose a new car over a used car.

Highlight What's Unique

- Call out new and exclusive features only available in new cars.
- Utilize video and custom photos to help shoppers understand each new element. (e.g; redesigned dash, speed control, automatic parallel parking)

DID YOU KNOW...

New car sales are likely to reach 13 million units by 2013?

Sources: ¹JD Power & Associates, 2010 Automotive Marketing and Media Annual Review.

²Toluna Omnibus 2009.

³2009 Shopper Segmentation Study – Harris Interactive.