

Automotive News

Internet car shopping rises

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Automotive News | October 16, 2008 - 1:39 pm EST

Consumers' use of the Internet while shopping for new vehicles increased the most this year since 2001, a J.D. Power and Associates study says.

Three of four new-vehicle buyers go online to do research, up from 70 percent of shoppers in 2007, said the marketing information company's study released today. The average new-car shopper spends more than 6.5 hours of the process online, up 12 percent from 2007, the study said.

The study, which researched habits of 28,000 people from May to July 2008, also found that Kelley Blue Book was the most-visited independent Web site visited by shoppers. Consumers said the rating site Edmunds.com was the most useful site they visited.

PRESS RELEASE: J.D. Power and Associates Reports: Record-High Levels of New-Vehicle Buyers Turn to the Internet for Information as Buying Habits Shift to Smaller Vehicles

Consumer-Generated Content Proves Beneficial for Consumers during the New-Vehicle Shopping Process

WESTLAKE VILLAGE, Calif., Oct. 15 /PRNewswire/ -- New-vehicle buyers are using the Internet more than ever when researching vehicle information, according to the J.D. Power and Associates 2008 New Autos shopper.com Study(SM) released today.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20050527/LAF028LOGO-a>)

The study finds that 75 percent of new-vehicle buyers in 2008 are using the Internet during their shopping process, compared with 70 percent in 2007. This year marks the largest year-over-year increase in online shopping since 2001. The total amount of time shoppers spend online researching automotive information has also increased since 2007 -- up 12 percent to more than six and a half hours. Meanwhile, the number of Web sites being visited by new-vehicle shoppers has remained relatively flat since 2007, which suggests that consumers have become more engaged with the sites they currently visit.

"The current economic environment, coupled with high fuel prices, has given rise to a shift in the vehicle buying habits of U.S. consumers," said Arianne Walker, director of marketing/media research at J.D. Power and Associates. "Shoppers who were once loyal to larger vehicle models are now finding themselves in the market for a compact or midsize car. For many, this is unknown territory, and these shoppers are turning to the Internet for information and education about the vehicles in their new consideration set. The resulting demand for information provides automotive marketers with valuable opportunities to reach out to shoppers via the Internet."

Automotive manufacturers can further engage shoppers through consumer-generated content on the Web. According to the study, nearly 70 percent of automotive Internet users (AIUs) utilize consumer-generated content while shopping for a new vehicle. In particular, vehicle ratings and reviews are the most popular form of consumer-generated content, with 63 percent of AIUs utilizing this resource. Additionally, 95 percent of AIUs who use consumer ratings and reviews say that the information is "helpful." Dealer ratings and reviews are also popular among new-vehicle shoppers, with 38 percent of AIUs utilizing the resource, and 87 percent of those find the information "helpful."

"The collaborative environment facilitated by Web 2.0 is changing the way shoppers research vehicles, driving many to seek the experiences and opinions of other shoppers and owners," said Walker. "The opinions of other consumers are so impactful that we are already seeing distinct purchasing patterns develop between those shoppers who use consumer ratings and reviews, and those who rely solely on expert ratings and reviews."

The study also finds that different types of automotive Web sites have specific benefits that satisfy the information and shopping needs of consumers. For example, shoppers view independent, third-party sites -- such as Edmunds.com and Kelley Blue Book (kbb.com) -- as being most useful for researching vehicle pricing and for providing ratings, reviews and forums. Conversely,

shoppers view manufacturer Web sites as most useful for their information on vehicle model options, features and specifications, while dealer sites are perceived as being most useful for inventory information.

"The challenge for automotive manufacturers and dealers alike is discovering how best to get involved in online conversations taking place among consumers in order to shift sales to their advantage," said Walker. "Knowing the strengths of various types of sites and where shoppers are going for their information can enable manufacturers and dealers to manage their site content more strategically and focus on efficiently targeting consumers at each stage of the shopping process."

The study also finds that Kelley Blue Book (kbb.com) is the most visited independent Web site, with 44 percent of automotive Internet users visiting the site. Additionally, Edmunds.com is the most useful independent Web site among automotive Internet users. Edmunds.com shoppers are 42 percent more likely than consumers using other independent, third-party sites to say that the reviews, forums and ratings are the most useful information on the site.

The 2008 New Autosshopper.com Study is based on the self-reported shopping habits of 27,901 new-vehicle buyers. The study was fielded from May to July 2008.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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