



2006 Attitudes and Perceptions Among Major Groups

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Research Objectives and Methodology

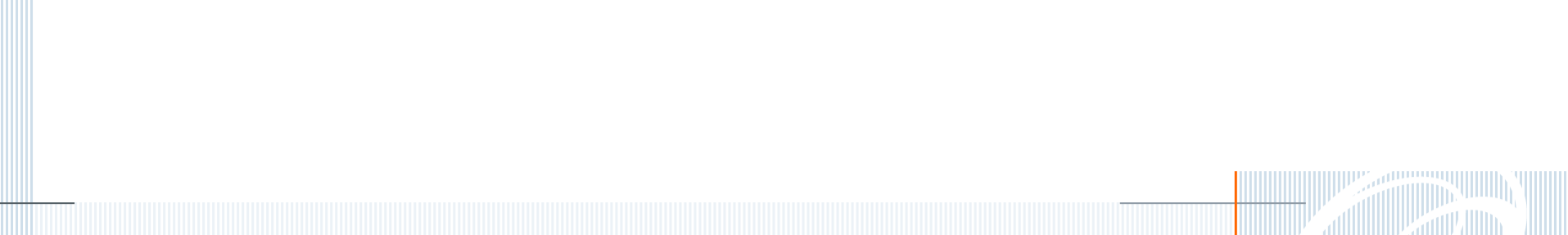
Research Objectives

- Understand the current perceptions and the trustworthiness of new car dealers and compare these perceptions across time.
- Explore perceptions of minorities compared to non-minorities.
- Explore how the perceptions of members of the automotive media differ from customers.
- Characterize the differences between purchasers, shoppers and non-shoppers.
- **NEW!** Challenge the statement that women bring men with them to shop for a new car out of intimidation.

Survey Methodology

All surveys conducted between July – August, 2006.

	N-Size
# of New Car Buyers - purchased or leased a car within last 18 months (national telephone interviews)	932 margin of error = +/- 3% at 95% confidence level
# of Minority New Car Buyers (national telephone interviews)	191 margin of error = +/- 7% at 95% confidence level
# of Shoppers – adults who shopped for a car but did not buy/lease a new car in the past 18 months (National Quorum)	108 margin of error = +/- 9% at 95% confidence level
# of Non-Shoppers – adults who did not shop for or buy/lease a new car in the past 18 months (National Quorum)	694 margin of error = +/- 4% at 95% confidence level
# of Media (national telephone interviews)	101 margin of error = +/- 10% at 95% confidence level



Key Findings

Three Myths When Buying a Car...

1. People shop multiple car dealerships because they are dissatisfied with their interactions or experiences with the previous dealership.
2. I do not trust the financing personnel at a new car dealership.
3. Women bring men with them to shop for a new car because they are intimidated by the dealer.

Myth Busters Revealed

1. People shop multiple car dealerships because they are **looking for the best price or car options** ~~dissatisfied with their interactions or experiences with the previous dealership~~.
2. I ~~do not~~ trust the financing personnel at a new car dealership.
3. Women bring men with them to shop for a new car because **it is a decision that they make together** ~~they are intimidated by the dealer~~.

Key Findings

- ❖ **Consumers continue to report positive ratings about their new car purchasing experience**
 - *Almost all say they left satisfied and considered it a positive experience*
 - *Minority scores are very high*
 - *Consumers go to multiple dealers to find right car and price*
- ❖ **Dip in 2004 media perception of customer satisfaction (likely due to financing challenges) has rebounded.**
- ❖ **Gap between customer experience and media perception of the customer experience still large although recent improvement among media has narrowed the gap.**
- ❖ **Trust for the dealership remains modest, below most industries; it improves with personal interaction and experience.**
- ❖ **NEW!** Minorities see improvements at dealerships in general and with sales and financing personnel, specifically.

Key Findings

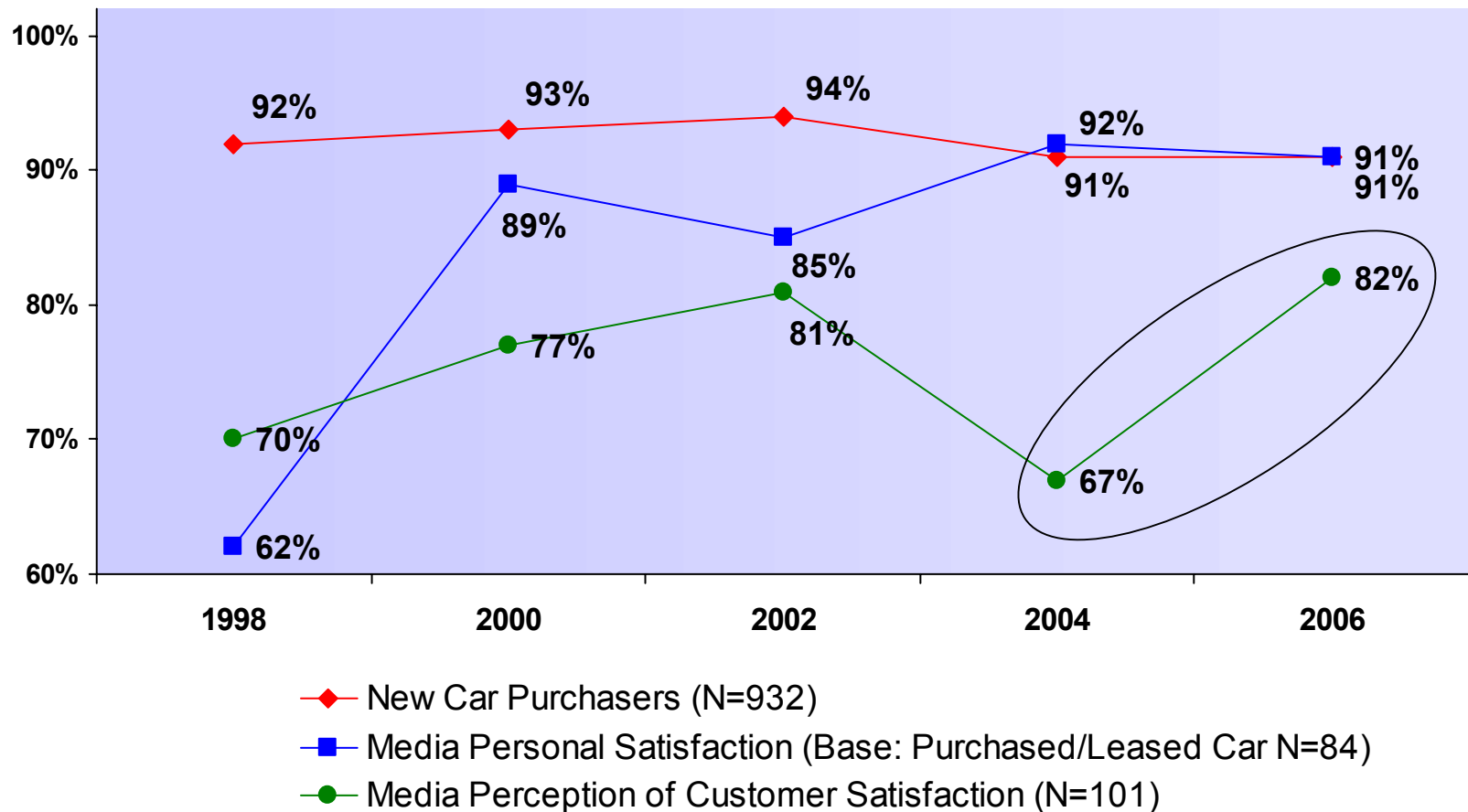
- ❖ **NEW!** Women are likely to bring a man along to shop for a vehicle, but only a few do so because of concerns about how they are treated.
- ❖ **The Internet continues to aid consumers in the decision-making process.**
 - *Half of new car buyers have researched online*
 - *More and more are checking prices online*
 - *It's a majority among those under 45 years old*

Car Buying Experience

New Car Purchasers Are Satisfied with Their Dealerships

New Car Purchasers vs. Media

Percent “Extremely/Very/Somewhat Satisfied”

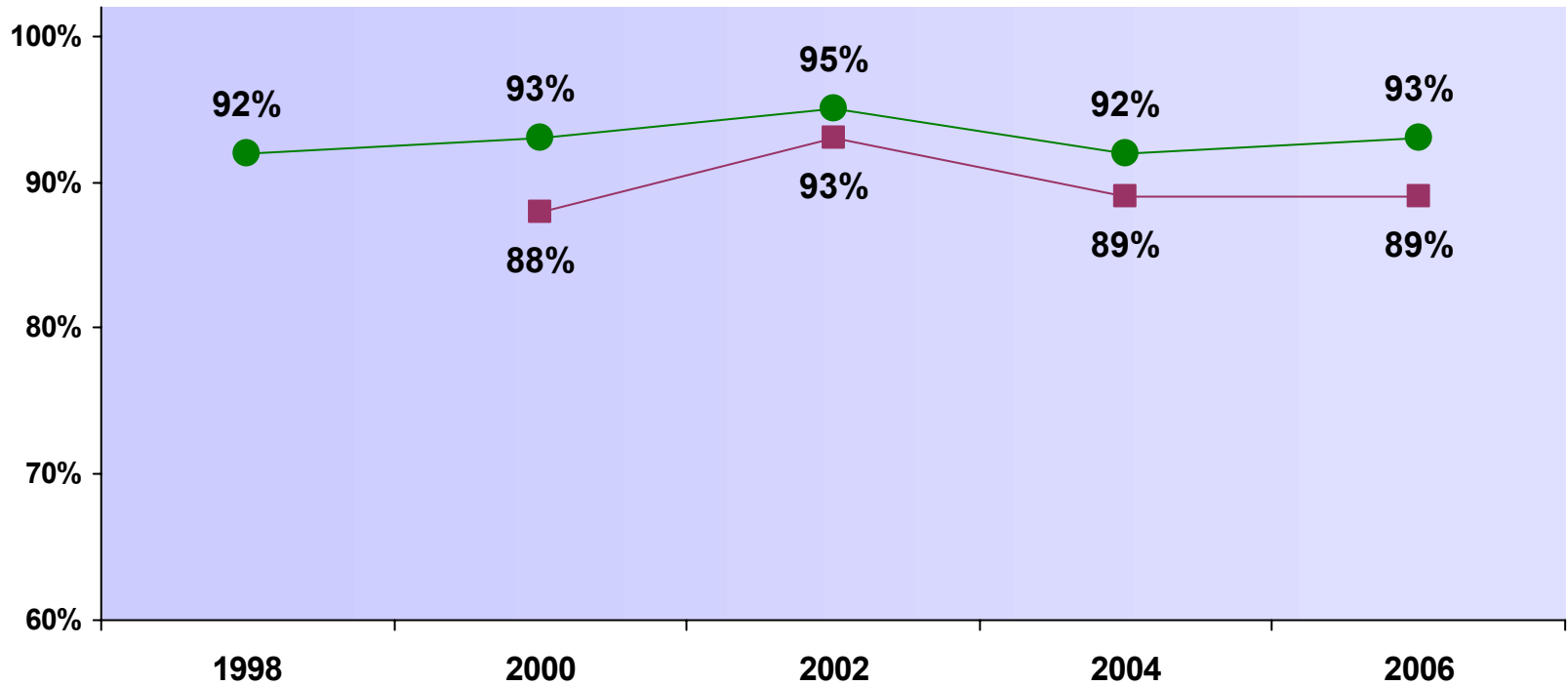


Minorities and Non-Minorities Are Also Satisfied with Their Dealerships

Overall, how satisfied were you with the dealership where you most recently purchased or leased a new vehicle?

Minority vs. Non-Minority

Percent "Extremely/Very/Somewhat Satisfied"



—■— Minority New Car Purchasers (N=191)

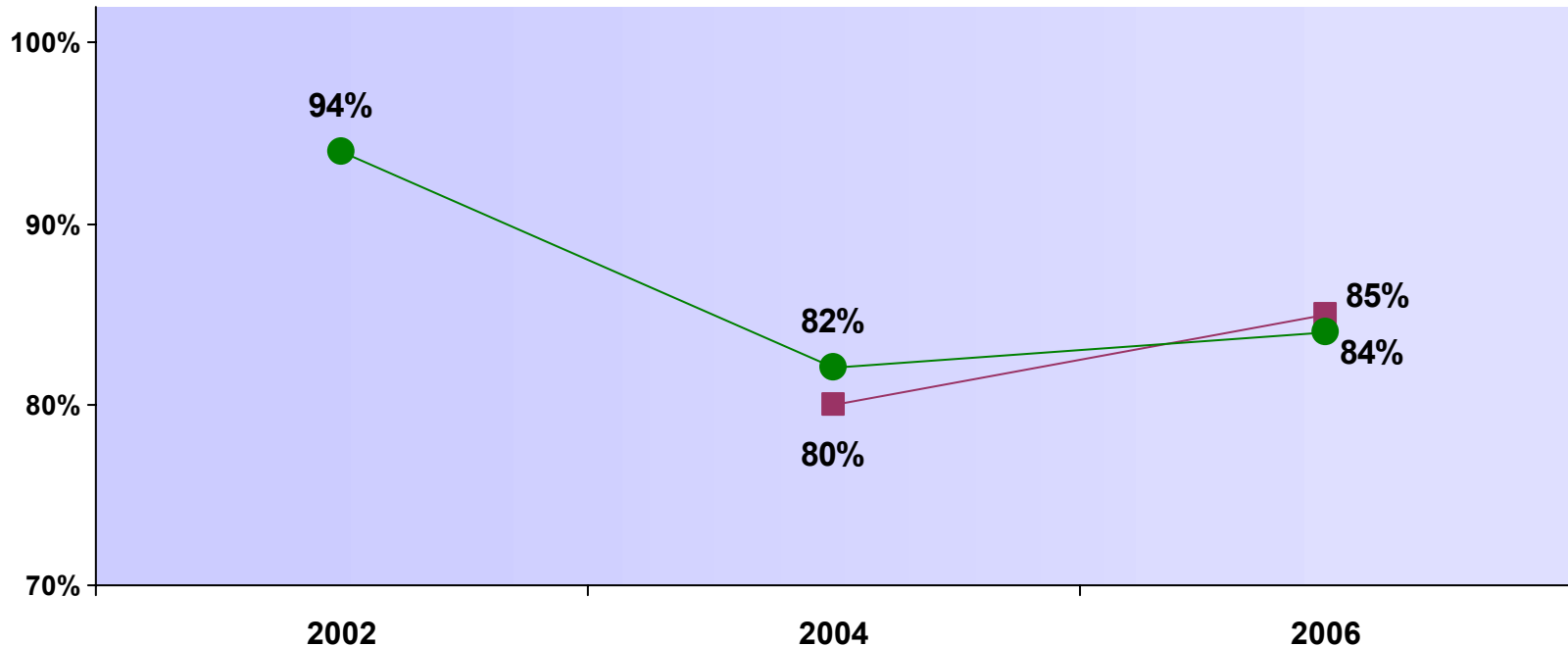
—●— Non-Minority New Car Purchasers (N=715)

Minorities and Non-Minorities Report Positive Shopping Experiences

*Would you say this overall shopping experience was a positive or a negative experience for you?**

Minority vs. Non-Minority

Percent “Extremely/Very/Somewhat Positive”



■ Minority New Car Purchasers (N=191)

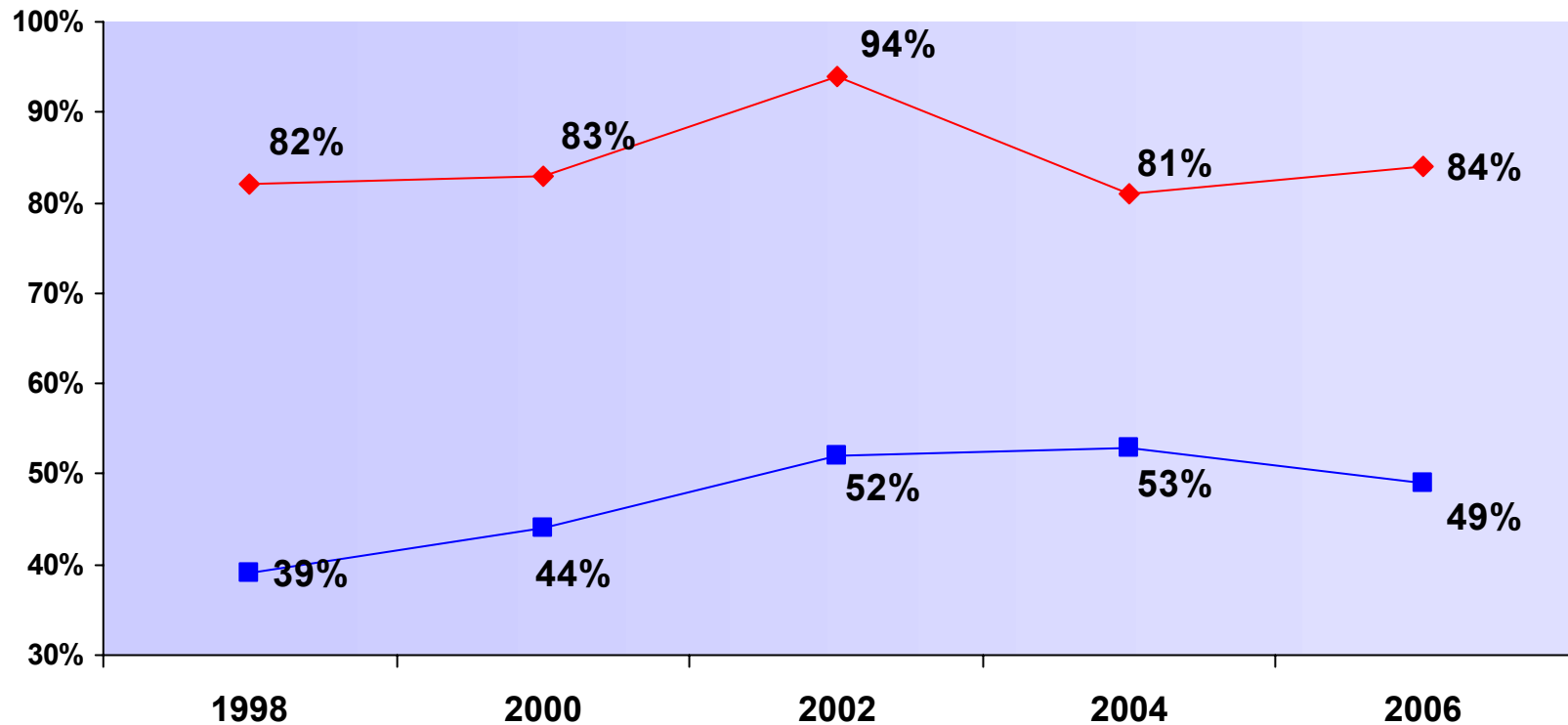
● Non-Minority New Car Purchasers (N=715)

Media Have Different Perceptions of the Customer Experience

*Would you say this overall shopping experience was a positive or a negative experience for you?**

New Car Purchasers vs. Media Perception of Customer Experience

Percent "Extremely/Very/Somewhat Positive"



◆ New Car Purchasers (N=932)

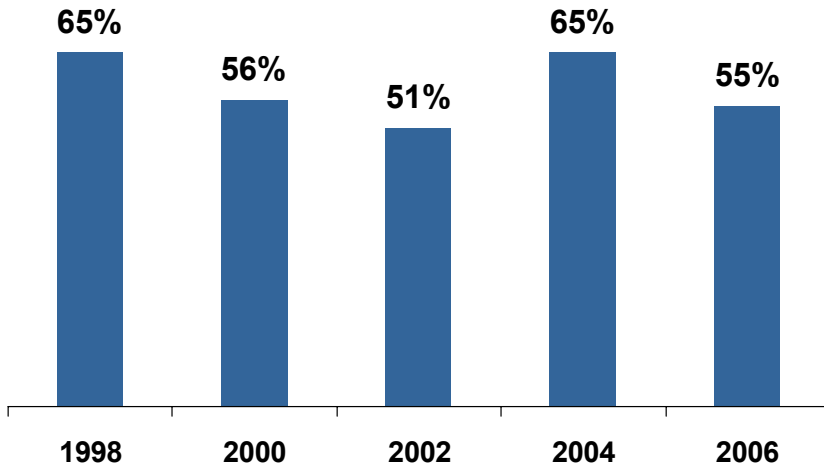
■ Media Perception of Customer Experience (N=101)

Media Believe They Have Different Experiences

Do you believe your personal vehicle purchasing experience is representative of the average consumer experience?

Media: Purchased Most Recent Vehicle (N=72)

Percent "No"



Media Sample Breakdown

63% Consumer

23% Trade

21% Business

Why do you feel your personal vehicle purchasing experience is not representative of the average consumer experience?

Media: Not Average Experience (N=56)

50% Work experience makes me knowledgeable

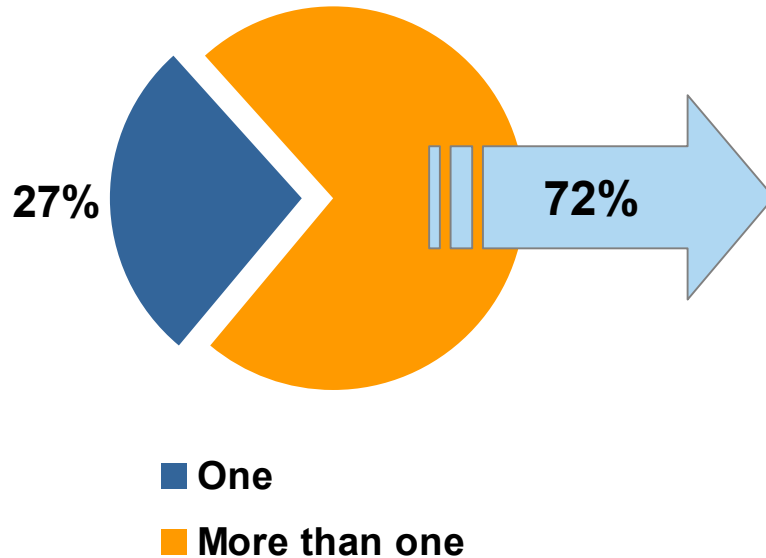
20% Have spent time researching

18% Salesmen/dealers know me

Myth Buster: Top Reasons for Shopping Around are Price and Features, NOT Dealership Characteristics

In the course of your last car shopping experience, how many car dealerships did you visit?

New Car Purchasers
(N=932)



Why, specifically, did you go to more than one dealership?

New Car Purchasers Who Visited
Multiple Dealerships (N=670)

	2004	2006
FEATURES/SELECTION/STYLE	58%	66%
Selection/variety / Find what I needed	23%	36%
Compare makes/models/features	23%	21%
Shop around / Gather information	14%	11%
PRICE	56%	46%
CUSTOMER SERVICE	9%	7%
Find better/honest sales service/ people	4%	5%
Customer service/Service dept.	5%	2%
DEALERSHIP CHARACTERISTICS	12%	6%
Find right/trustworthy car dealership	3%	3%
Didn't like/not satisfied with previous dealer	3%	2%
LOCAL/LOCATION	3%	3%

○ Indicates positive significant difference between 2004 and 2006

Trust Issues

Overall Industry Trust Remains Stable, But Lower Compared to Other Industries



*I would like you to rate your level of trust toward several industries on a scale from 0 to 100.
[0-100 scale: 0=trust salesperson not at all; 100=trust salesperson completely]*

New Car Purchasers (N=932)

	<i>Mean Rating</i>	<u>2006</u>	<u>2004</u>
Salesperson at My Car Dealership		73.5	71.0
Law Enforcement		69.4	69.5
Banking Industry		64.7	66.2
Healthcare Industry		58.9	52.8
Automobile Manufacturers		58.4	61.8
Real Estate Industry		52.2	56.6
Legal Profession		51.7	48.0
Insurance Industry		49.7	48.9
Automobile Dealerships		48.3	46.5
News Media		48.1	43.8
Oil and Gas Industry		31.8	37.1

Trust Scores Reveal Perception vs. Experience

How would you rate your level of trust towards the ___ on a scale from 0 to 100?
[0-100 scale: 0=trust not at all; 100=trust completely]

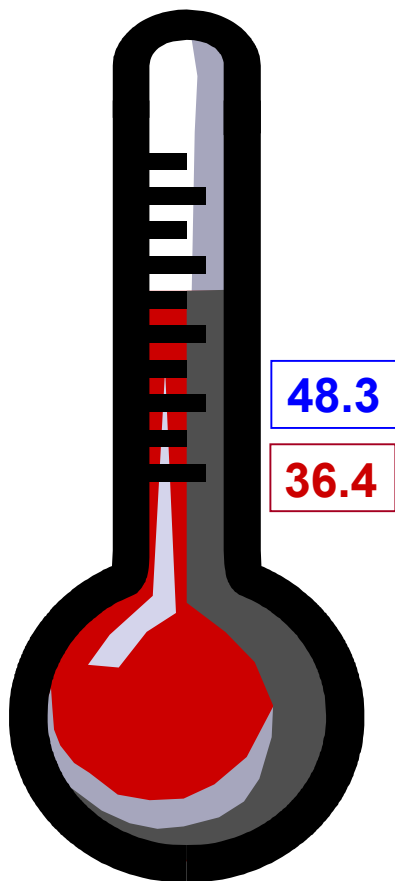


New Car Purchaser

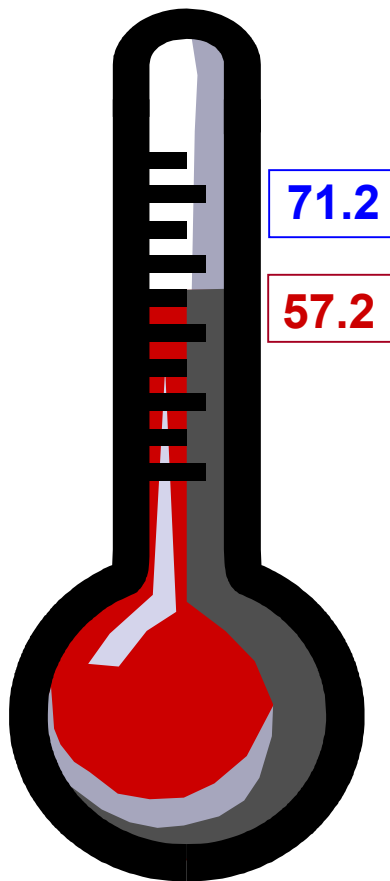


Shopper Who Did Not Buy

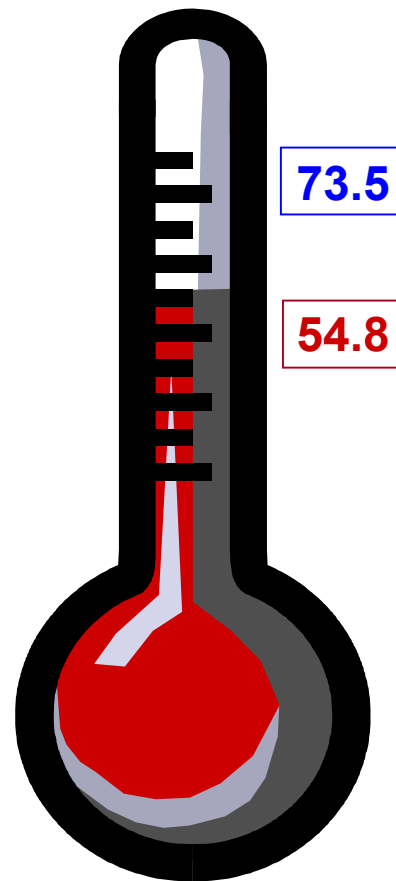
Dealerships
in General



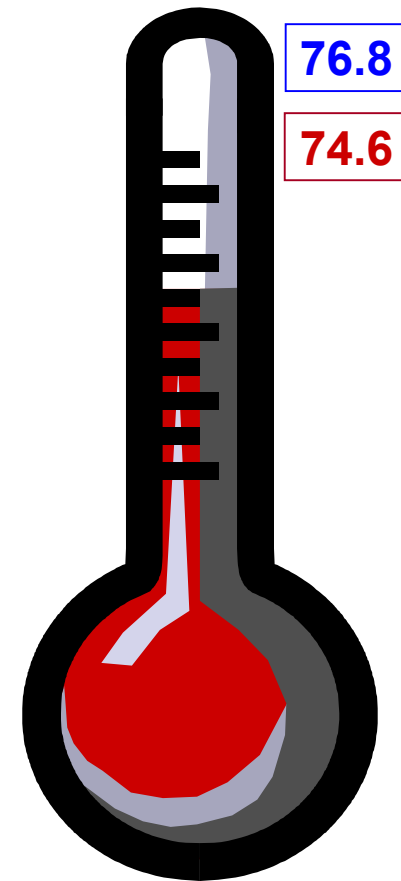
Dealership I
Purchased From



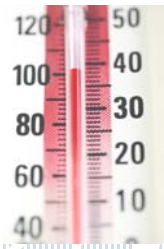
Salesperson



Financing
Personnel



Concerns About Trust Are Less Prominent This Year



Please tell me why you rated your trust towards the _____ a _____ and not five points higher? In other words, what kept you from having a greater trust in the _____ as you shopped for a new vehicle?

Base: Those who rated dealership 0-95 (N=786)

DEALERSHIP	2004	2006
LACK OF TRUST	33%	17%
They lie to you / aren't trustworthy	26%	11%
They're out to make money	8%	5%

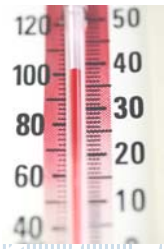
Base: Those who rated salesperson 0-95 (N=712)

SALESPERSON	2004	2006
LACK OF TRUST	42%	18%
They lie to you / aren't trustworthy	31%	10%
They're out to make money	12%	5%

Base: Those who reviewed financing and rated personnel 0-95 (N=430)

FINANCING PERSONNEL	2004	2006
LACK OF TRUST	21%	16%
They lie to you / aren't trustworthy	18%	8%
They're out to make money	3%	7%

Dealership Trust: Fewer Specific Negatives



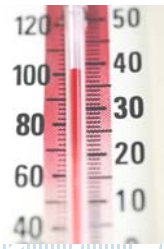
Please tell me why you rated your trust towards the DEALERSHIP a ___ and not five points higher? In other words, what kept you from having a greater trust in the DEALERSHIP as you shopped for a new vehicle?

Base: New Car Purchasers Who Rated Dealership 0-95 (N=786)

DEALERSHIP	2004	2006
LACK OF TRUST	33%	17%
They lie to you / aren't trustworthy	26%	11%
They're out to make money	8%	5%
GENERAL POSITIVE	11%	15%
PRICE/FINANCING DIFFICULTIES	19%	13%
Wouldn't give me a better deal	7%	5%
Inflated dealership prices	3%	2%
Did not get a fair price for my trade-in	3%	2%
Hassles with financing	1%	2%
CUSTOMER SERVICE	16%	11%
Everything is under their terms/their way	4%	6%
PAST EXPERIENCE	9%	11%

DEALERSHIP (cont.)	2004	2006
NEUTRAL FEELING	1%	11%
GENERAL NEGATIVE	5%	8%
DISHONEST SELLING PRACTICES	9%	7%
Tried to change the price of vehicle from promised price	3%	5%
MAINTENANCE/SERVICE/QUALITY PROBLEMS	9%	7%
They don't fix the vehicle properly	3%	3%
Poor quality vehicles	4%	2%
Poor service after buying vehicle	2%	2%
LACK OF INFORMATION	7%	6%
Didn't give me all the information	5%	4%
DON'T KNOW	5%	12%

Salesperson Trust: Fewer Specific Negatives



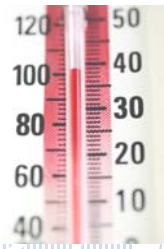
Please tell me why you rated your trust towards the SALESPERSON a ___ and not five points higher? In other words, what kept you from having a greater trust in the SALESPERSON as you shopped for a new vehicle?

Base: New Car Purchasers Who Rated Salesperson 0-95 (N=712)

SALESPERSON	2004	2006
LACK OF TRUST	42%	18%
They lie to you / aren't trustworthy	31%	10%
They're out to make money	12%	5%
Don't trust because they work on commission	4%	4%
GENERAL POSITIVE	10%	16%
PAST EXPERIENCE	13%	15%
CUSTOMER SERVICE	15%	13%
Everything is under their terms/their way	4%	7%
Salesperson is middle man / has no power	3%	2%
Attitude/Rude/Not courteous	--	2%
NEUTRAL FEELING	**	13%

SALESPERSON (cont.)	2004	2006
LACK OF INFORMATION	8%	7%
Didn't give me all the information	5%	6%
PRICE/FINANCING DIFFICULTIES	9%	6%
Wouldn't give me a better deal	3%	3%
DISHONEST SELLING PRACTICES	5%	4%
Tried to change the price of vehicle from promised price	2%	2%
MAINTENANCE/SERVICE/QUALITY PROBLEMS	2%	2%
GENERAL NEGATIVE	4%	4%
DON'T KNOW	7%	13%

Financing Personnel Trust: Fewer Specific Negatives



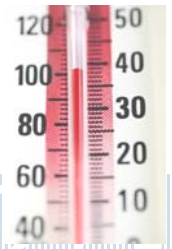
Please tell me why you rated your trust towards the FINANCING PERSONNEL a ___ and not five points higher? In other words, what kept you from having a greater trust in the FINANCING PERSONNEL as you shopped for a new vehicle?

Base: New Car Purchasers Who Rated Financing Personnel 0-95 (N=430)

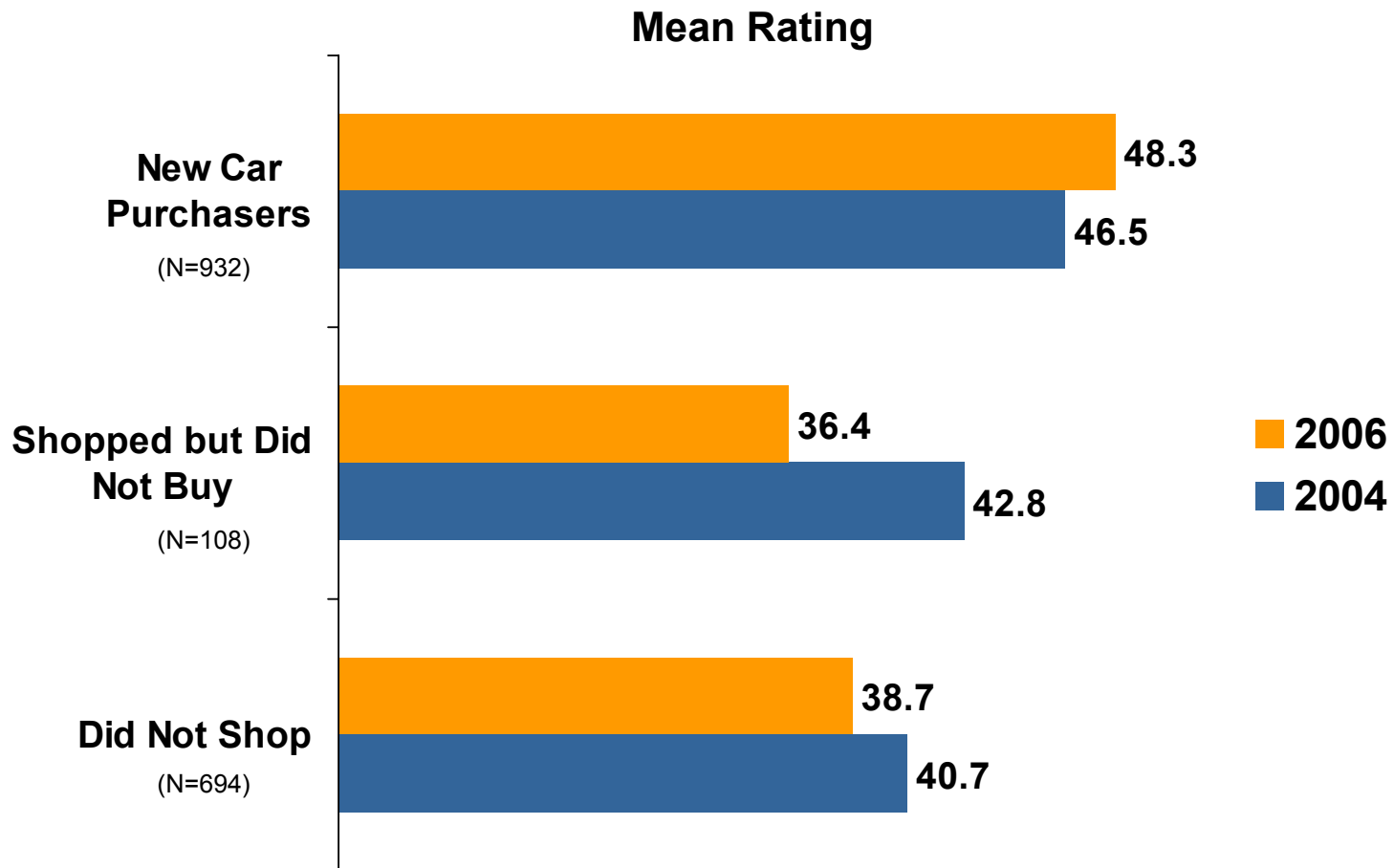
FINANCING PERSONNEL	2004	2006
LACK OF TRUST	21%	16%
They lie to you / aren't trustworthy	18%	8%
They're out to make money	3%	7%
GENERAL POSITIVE	10%	15%
PRICE/FINANCING DIFFICULTIES	13%	12%
Hassles with financing	2%	4%
Wouldn't give me a better deal	8%	3%
Financing – General	1%	2%
PAST EXPERIENCE	8%	11%
NEUTRAL FEELING	1%	11%
CUSTOMER SERVICE	13%	10%
Pushy/Aggressive salesperson	3%	4%
Everything is under their terms/their way	9%	3%

FINANCING PERSONNEL (cont.)	2004	2006
DISHONEST SELLING PRACTICES	12%	9%
Convince you to get more options than you want	6%	4%
Tried to change price of the vehicle from promised price	4%	2%
LACK OF INFORMATION	9%	5%
Didn't give me all the information	5%	4%
GENERAL NEGATIVE	1%	3%
DON'T KNOW	15%	3%

Dealership Trust Highest Among New Car Buyers – Those Who Experienced Interaction with Dealership



I would like you to rate your level of trust toward AUTOMOBILE DEALERSHIPS on a scale from 0 to 100. [0=trust the industry not at all; 100=trust the industry completely]



Trust scores for *my personal experience* are based on meaningful evaluations of the interaction.

- *Was respectful in their dealings with me.*
- *Behaved in a consistent manner throughout our interaction.*
- *Showed a willingness to reach a suitable agreement.*
- *Kept the commitments they made to me.*
- *Took the time to understand what I was really saying or asking.*
- *Gave me enough information so that I could make an educated and informed decision.*
- *Was forthright in telling me the whole story.*

Gap Between Minorities and Non-Minorities on Dealership Experience Narrows

Still thinking of this most recent shopping experience at the DEALERSHIP, please indicate how much you agree or disagree with each of the following statements:

% Total Agree	2006		2004	
	Non-Minority	Minority	Non-Minority	Minority
Was respectful in their dealings with me.	95%	94%	92%	91%
Behaved in a consistent manner throughout our interaction.	92%	88%	88%	82%
Showed a willingness to reach a suitable agreement.	89%	87%	86%	84%
Took the time to understand what I was really saying or asking.	87%	82%	83%	79%
Kept the commitments they made to me.	87%	81%	86%	78%
Gave me enough information so that I could make an educated and informed decision.	84%	78%	83%	74%
Was forthright in telling me the whole story.	79%	77%	76%	66%

■ Indicates positive significant difference between 2004 and 2006

Minorities Experience Improvements with Sales Personnel in Being Truthful

Still thinking of this most recent shopping experience with SALES PERSONNEL, please indicate how much you agree or disagree with each of the following statements:

% Total Agree	2006		2004	
	Non-Minority	Minority	Non-Minority	Minority
Was respectful in their dealings with me.	94%	95%	95%	95%
Behaved in a consistent manner throughout our interaction.	92%	92%	93%	89%
Showed a willingness to reach a suitable agreement.	90%	88%	88%	84%
Took the time to understand what I was really saying or asking.	88%	85%	88%	82%
Kept the commitments they made to me.	88%	81%	88%	78%
Gave me enough information so that I could make an educated and informed decision.	86%	83%	87%	78%
Was forthright in telling me the whole story.	83%	81%	79%	70%

■ Indicates positive significant difference between 2004 and 2006

Minorities Experience Improvements with Financing Personnel in Nearly All Areas

Still thinking of this most recent shopping experience with FINANCING PERSONNEL, please indicate how much you agree or disagree with each of the following statements:

% Total Agree	2006		2004	
	Non-Minority	Minority	Non-Minority	Minority
Was respectful in their dealings with me.	92%	97%	92%	89%
Behaved in a consistent manner throughout our interaction.	91%	95%	92%	88%
Kept the commitments they made to me.	89%	90%	89%	86%
Gave me enough information so that I could make an educated and informed decision.	89%	94%	90%	78%
Showed a willingness to reach a suitable agreement.	88%	85%	87%	80%
Took the time to understand what I was really saying or asking.	88%	93%	88%	76%
Was forthright in telling me the whole story.	85%	90%	85%	76%

■ Indicates positive significant difference between 2004 and 2006

Personal Interactions with Dealership Increases Likelihood of Having Positive Shopping Experience

In general, do you feel that the experience of purchasing or leasing a new vehicle in America today is...



60% positive
(56% in 2004)

... of individuals who did not shop for a car, feel the experience of purchasing or leasing a new vehicle in America today is **POSITIVE**

(N=694)

65% positive
(58% in 2004)

... of individuals who shopped for a car but did not buy, feel the experience of purchasing or leasing a new vehicle in America today is **POSITIVE**

(N=108)

74% positive
(75% in 2004)

... of new car buyers feel, in general, the experience of purchasing or leasing a new vehicle in America today is **POSITIVE**

(N=932)

84% positive
(81% in 2004)

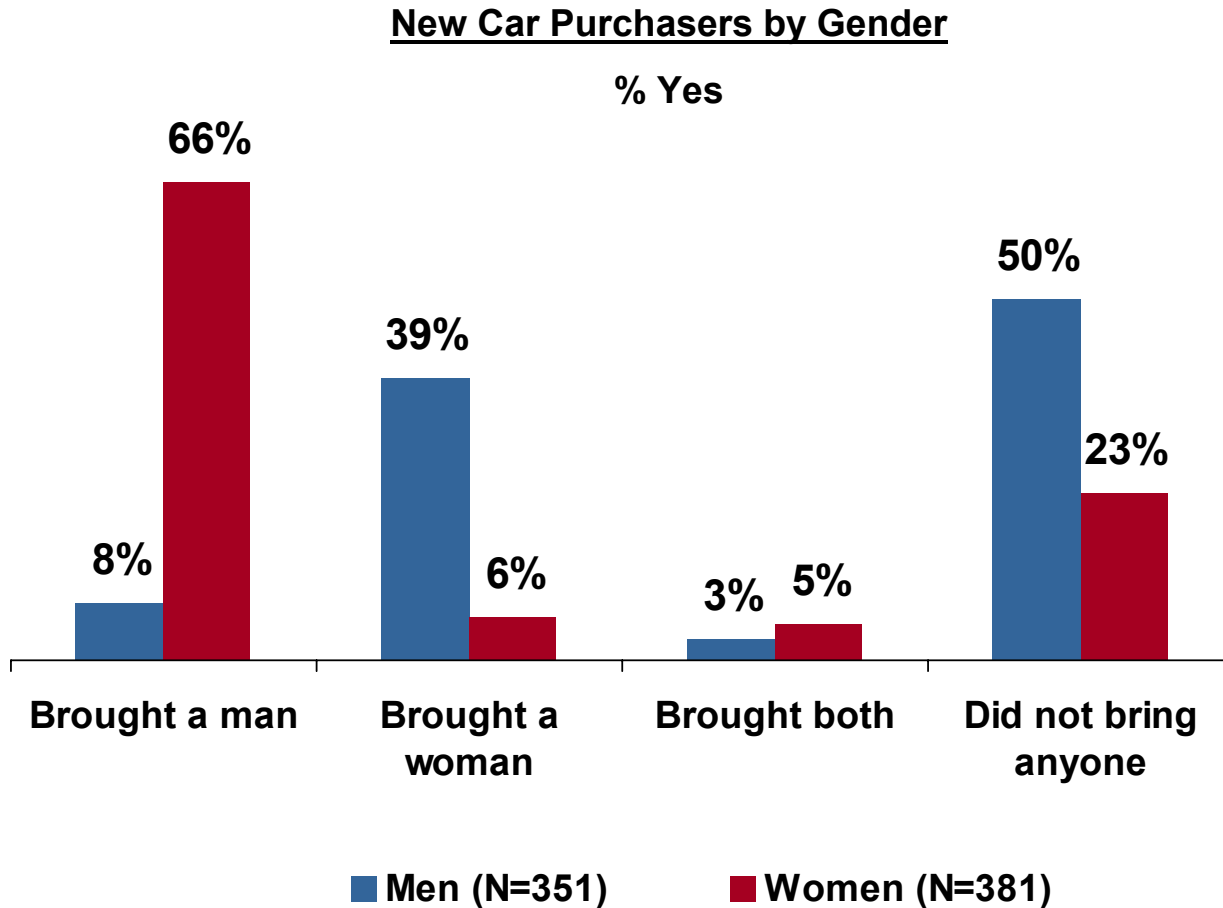
... of new car buyers feel *their* personal experience of purchasing or leasing a new vehicle was **POSITIVE**

(N=932)

Gender

Two-in-Three Women Brought Man to Shop for Vehicle

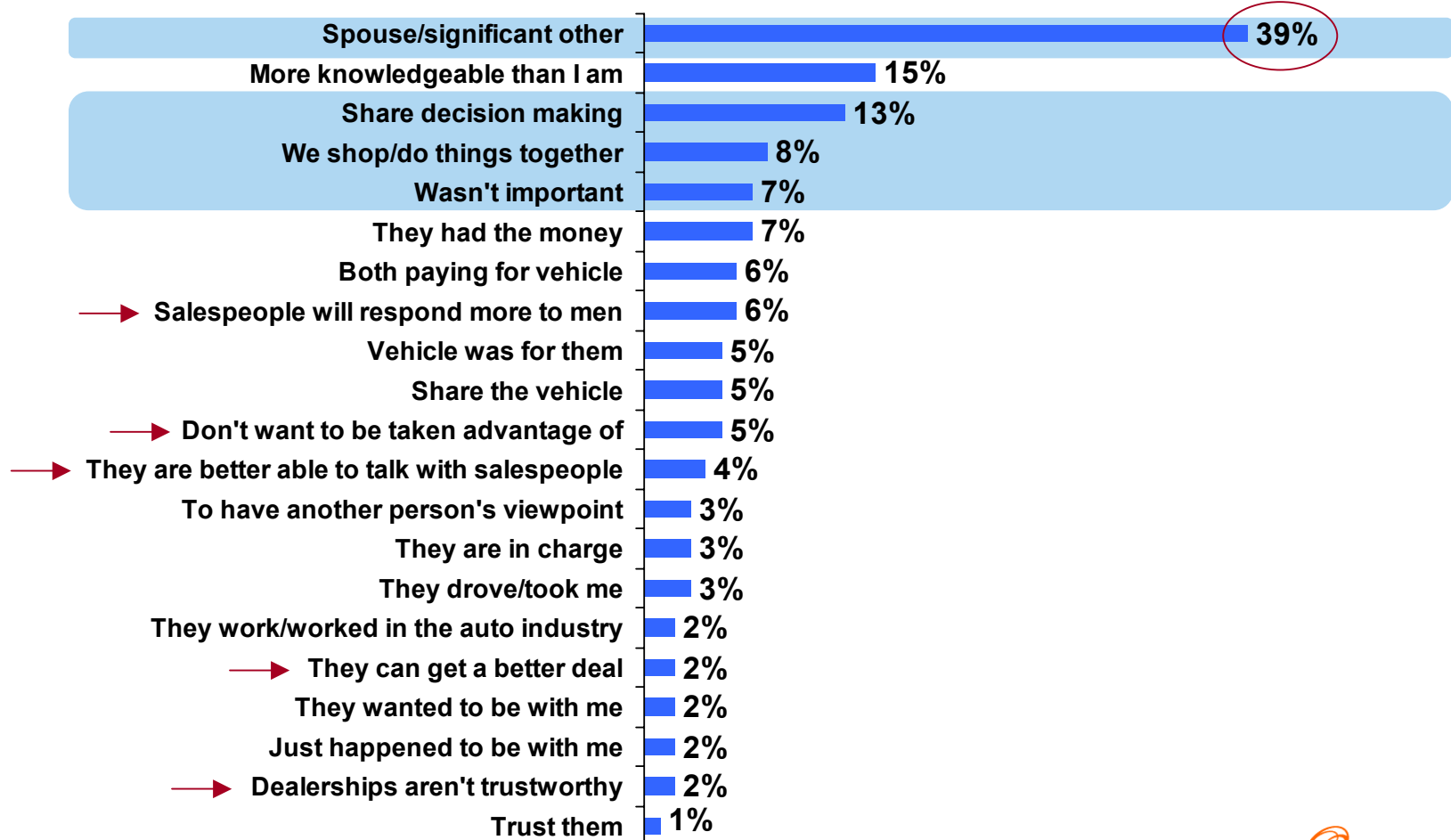
During your last visit to a new car dealership, did you bring anyone with you to help you shop? Was this person male or female or did you bring both?



Myth Buster: Main Reason Women Bring Man to Shop for Vehicle is Not Intimidation

Why was it important, if at all, for you to specifically bring a man/woman with you to shop for a new car?

Base: Women Who Brought a Man to Shop (N=253)

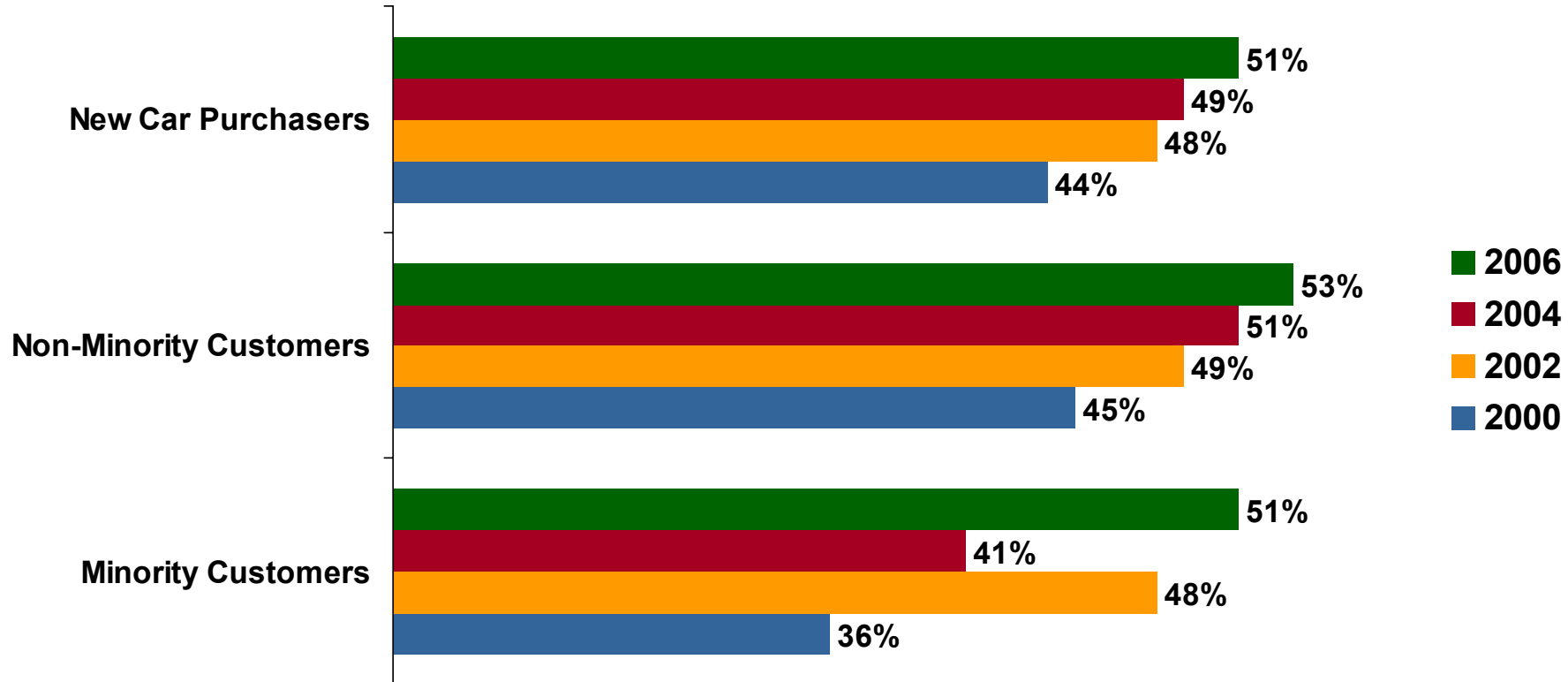


Internet

Internet Use Continues to Increase

Did you use the Internet to gather information about the purchase or lease of your most recent vehicle?

Percent "Yes"

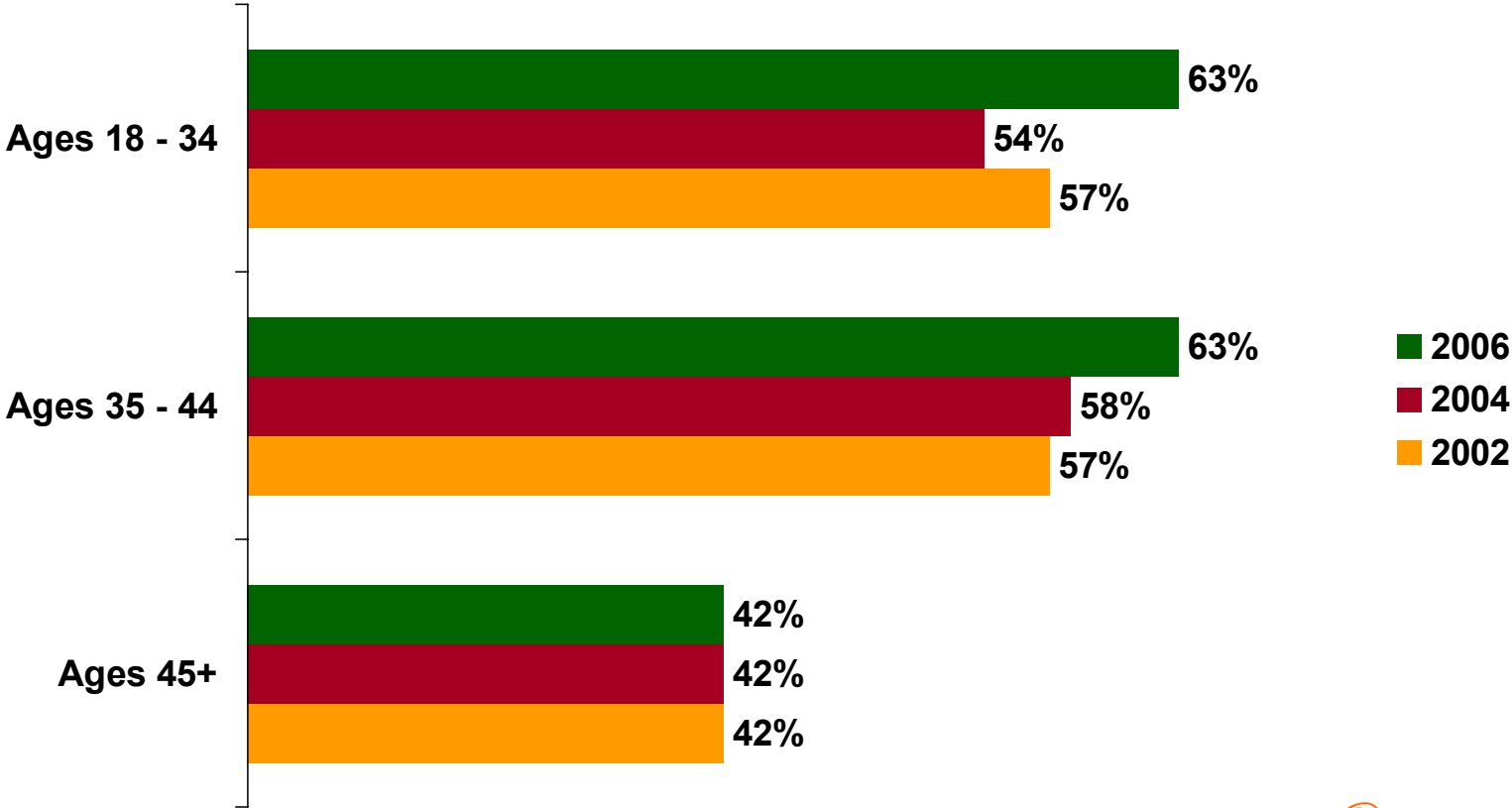


■ 2006
■ 2004
■ 2002
■ 2000

Internet Continues to be Used More Frequently By Younger Consumers

Did you use the Internet to gather information about the purchase or lease of your most recent vehicle?

New Car Purchasers (N=732)
Percent "Yes"



Customers Are More Specific In What They Are Looking For Online

New Car Purchasers Who Shopped Online (N=406)

What was your reason for shopping over the Internet?

	<u>2006</u>	<u>2004</u>	<u>2002</u>	<u>2000</u>	
<input checked="" type="checkbox"/>	40%	32%	29%	15%	Compare / check prices
<input checked="" type="checkbox"/>	28%	23%	30%	62%	Become better informed
<input checked="" type="checkbox"/>	21%	15%	8%	2%	Compare vehicles
	11%	15%	16%	3%	Look around, see what's out there
	9%	14%	7%	11%	Convenience
	9%	10%	11%	5%	Look at options, accessories, packages
	9%	10%	8%	2%	Availability
	8%	8%	9%	5%	Comparison (not specific)
	5%	9%	3%	2%	Easy
	5%	5%	1%	5%	Efficient (good use of time)

Did you use the Internet to do any of the following? % Yes

	<u>2006</u>	<u>2004</u>	<u>2002</u>	<u>2000</u>	
	22%	25%	N/A	N/A	Researching financing and/or arrange financing
	17%	17%	12%	17%	Agree upon a price of your new vehicle
	5%	6%	4%	7%	Fill out the necessary paperwork
	4%	3%	3%	9%	Arrange pick-up or delivery of the vehicle



Demographics

Demographics: New Car Buyers

GENDER

47% Male
53% Female

AGE

11% 18-29
17% 30-39
22% 40-49
24% 50-59
24% 60+
2% Refused

EDUCATION

22% High school or less
19% Some college
5% Trade/Technical/Vocational
31% College graduate
20% Post-graduate degree
3% Refused

INCOME

6% Under \$25K
19% \$25K to less than \$50K
24% \$50K to less than \$80K
36% \$80K or more
16% Refused

RACE/ETHNICITY

77% White
9% Hispanic
8% Black
2% Asian
3% Mixed
6% Other
2% Refused

Demographics: Shoppers vs. Non-Shoppers

GENDER

	<u>Shoppers</u>	<u>Non-Shoppers</u>
Male	47%	49%
Female	53%	51%

AGE

	<u>Shoppers</u>	<u>Non-Shoppers</u>
18-29	36%	21%
30-39	18%	18%
40-49	26%	18%
50-59	11%	15%
60+	8%	26%
Refused	1%	2%

EDUCATION

	<u>Shoppers</u>	<u>Non-Shoppers</u>
High school or less	45%	49%
Some college	27%	23%
Trade/Technical/Vocational	7%	3%
College graduate	14%	16%
Post-graduate degree	7%	8%
Refused	1%	2%

INCOME

	<u>Shoppers</u>	<u>Non-Shoppers</u>
Under \$20K	21%	20%
\$20K to less than \$50K	36%	31%
\$50K to less than \$80K	25%	17%
\$80K or more	11%	12%
Refused	8%	20%

Demographics: Shoppers vs. Non-Shoppers

RACE/ETHNICITY

	<u>Shoppers</u>	<u>Non-Shoppers</u>
White	63%	69%
Hispanic	11%	11%
Black	20%	10%
Asian	1%	2%
Other	4%	3%
Refused	1%	4%

Demographics: Media

GENDER

80% Male
20% Female

AGE

6% 18-29
17% 30-39
35% 40-49
28% 50-59
13% 60+
2% Refused

PRIMARY AREA(S) OF FOCUS

63% Consumer
23% Trade
21% Business
9% All of the above

