

ACTION FIGURES

Why it's harder to sell a car these days – and how to rev up stalled sales

Why it's tougher

- Fewer people are in the market for a car. Sales dropped from 16 million in 2007 to an estimated 11 million for 2010.
- Those in the market need better credit to qualify for auto financing. Only 8% of buyers have credit scores under 670 vs. 13% in 2007
- Other high ticket items are ahead of car buying. Long vacations, personal investments, new homes, electronics furnishings all rate higher on the high ticket wish list
- Car buying intenders are taking longer to decide. The average time in funnel for new car is 9.2 months vs. 6.8 in 2007.
- Information sources being used have multiplied. 15 years ago consumers used an average of 13 sources of information to buy a car; today that number is 32
- Economic concerns still are reason for pause. Concerns are at an all time high with 7% expressing concerns about food, energy, taxes, finances and employment
- People are opting to keep existing cars longer 36% of intenders to buy new car actually buy vs. 50% in 2007
- More models to choose from. 41% increase in new model launches in 2011/2012 vs. 2009/2010 130 new models planned.
- Car buyers are more affluent, better educated and less youthful. Median age of buyers up from 49 in 2007 to 54. Median HH income up from \$84,228 to \$87,820, College grads up from 45% to 49%
- People now buy based on need 64% (vs 56% in 2007) instead of want.
- Gas prices stall sales. Overall fuel economy as a consideration grew 10%. 86% of buyers consider this important

Successful dealers know

- ✓ A national dealer entry/ exit poll asked consumers why they visited a dealership on a particular day: #1 driver was newspaper ads.
- ✓ 59% of consumers cite newspaper (print and online) as the reason for going to a dealership on a particular day, more than all other media combined.
- ✓ 96% of new car buyers agree that newspapers are most helpful as a source of information on where to buy.
- ✓ 96% of new car buyers agree that newspapers are most helpful as a source for pricing information.
- ✓ 97% of new car buyers agree that newspapers are most helpful as a source of information on local car selections.
- ✓ 61% of used car buyers selected newspapers(print and online) as their primary information source. More than all other media combined.
- ✓ Local newspaper advertising (print and online) is the number one information source during the critical final stages of the decision making process. During the final two weeks before buying, 16.9% of consumers rely on newspapers as the primary source. More than all other media.
- ✓ ¾ of all U.S. adults read a newspaper in print or online in the past week. That is 170 million adults

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