



Buying your next car ONLINE

by Jim Baumer

Given we buy nearly everything online these days—books, shoes, even food—it shouldn't come as a surprise using the Internet to buy a car is also trending in popularity. Unlike books or shoes, there's a whole lot more riding on buying a car than a pair of pumps or the latest bestseller.

Consumers have been returning to the vehicle market in droves. Fall car buying is up. September car sales, fueled by Labor Day incentives, were the best they've been in years, according to Bloomberg News. U.S. auto sales rose to a seasonally adjusted annual rate of 18.2 in September—the highest amount in more than a decade. 2015 has been a banner year for cars.

Online car shopping isn't exactly new. Automobile dealers have been shifting sales and marketing efforts towards tech-savvy shoppers for a decade. Initially, however, car shoppers were slow to jump onboard. That's changing, as dealers and others in the industry recognize there have been important generational shifts in consumer behavior. J.D. Power's 2013 New Autos shopper Study indicated near-

ly 80 percent of new vehicle buyers were using the Internet to assist in the shopping process, up 26 percentage points from 2000's figure of 54 percent. That number's only going to increase.

"Car buyers now have a wealth of information at their fingertips. This is especially true with smartphones," said Chris Humes, owner and president of Carmanchris Auto Consulting. "The average car shopper is much more savvy these days. They can research price and access the average transaction price—so when they walk into the auto dealership, they are armed with information."

This is altering the traditional dynamics of buying a car, whether it's a new or used. Buyers are no longer fully at the mercy of the salesman at the dealership or local used car dealer. With a bevy of

sites offering the full gamut of what's available in real-time, buyers no longer are limited merely by what's sitting on their local dealer's lot.

With car shoppers' buying habits evolving, it's not just about mouse clicks, either. AutoTrader's most recent Car Buyer of the Future study, released in March, demonstrated car buyers are seeking a host of changes, most likely influenced by how the Internet has changed shopping in general.

Humes, a veteran of the industry with more than 20 years of experience, cited smartphone technology as well as a multitude of portals for car buyers, as reasons for some of the changes.

"Everyone wants instant gratification these days," he said. "Companies like TrueCar allow you to know all kinds of stuff about the car. Consumers then use that as leverage in going to the dealership."

Technology, as well as demographics are fueling this shift. Once at the dealership, millennials, for instance, are looking for a different experience than their parents' generation.

Dealers are coming to terms with the sea-change that's transforming their industry and are adapting, giving car shoppers what they want, after they've done their research and ended up at the showroom. One automobile dealer in Northern New England, Berlin City Auto Group, has taken this a step further, mainly due to the behavior of online car shoppers. They now offer their customers door-to-door delivery service. As a result, the dealership—with locations across Maine, New Hampshire, Vermont—has removed one of the difficulties of the total online experience, the test-drive.

Tim Brown, Berlin City's Internet sales manager in Portland, Maine, explained.

"What we've managed to do, via technology, is to build in the convenience factor," Brown said. "Customers who shop online are savvy. They also are very comfortable making comparisons between competitors. It's made it increasingly important for us to differentiate ourselves from our competition."

Some ways Berlin City has done this, according to Brown, is by responding to every inquiry as quickly as possible. Brown said since consumers have grown increasingly wary of being given the run-around, it's a requirement to give customers as much information as possible, when they're doing their comparison shopping.

"We have to do more than just provide someone with a boilerplate response," he said. "We're always going to go that extra mile and provide as much relevant information as possible, to meet their specific needs."

Then, when the customer is ready to buy a car from Berlin City, they'll deliver it direct. This allows their customer to complete the

entire process from start to finish, from the comfort and convenience of their home.

"We do our preliminary work, beforehand. Then, we deliver the car, there are a couple signatures, we provide an orientation to the vehicle and we've left with another satisfied customer," he said.

Shop Like a Millennial

Changes are being fueled by demographic shifts in the car-buying public. The oft-cited millennial is an entirely different car purchaser

than previous Gen Xers and Baby Boomers. As the group raised on technology, they're the ones much more apt to use smartphones and go to online resources for everything they're considering purchasing. Cars are no different.

Research is big for them in making buying decisions. While a Baby Boomer is more likely to be introduced to their next new car at the dealership, millennials rely on word-of-mouth research such as a recommendation from a family member or a friend. Once they show up at the dealership, they're well-prepared, having

done their homework via the net. Maybe that's why they're demanding a dealership experience that is much more positive than the old-style, adversarial car-buying experiences of their parents.

All of us can learn from their process when buying a vehicle. Here are a few tips:

- › Do your research
- › Stay open to a range of brands
- › Let the salesman know you are shopping at your pace, not his

Other factors to contemplate when considering a new car purchase, whether doing your legwork online, or physically bouncing from dealership to dealership:

- › Budget—can I afford the car I want to buy?
- › Functionality—what am I using it for?
- › Safety and reliability—make sure your new car will get you where you want to go, and safely.

Research is fine, and there's no shortage of online options for car shoppers completing their homework. But all the web surfing in the name of research won't tell you how the vehicle drives. Once you've got your facts, it's time to head to the dealership for the all-important test-drive. Or, in some cases, the dealer comes to you. Either way, you are now, oh-so-close to ending up with the car of your dreams. You've been savvy up to this point. Now, it's finding the car that meets your needs and feels right when you are behind the wheel. +

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