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One in five consumers would buy their car online

Study from Capgemini identifies changing buying habits driven by growing web sophistication, emerging online tools and “green” issues

London, 4th October 2007 – One in five consumers said they were likely to buy a vehicle over the Internet if this service was available in comparison with only 2% in 2001: a tenfold increase over the period! This is one of the changing consumer trends revealed in Capgemini’s new study titled *Cars Online 07/08*.

Cars Online 07/08, Capgemini’s ninth annual automotive study, explores trends within the retail side of the automotive industry, focusing on consumer buying behavior, environmental issues, web usage, lead management and customer loyalty. In total, nearly 2,600 consumers were surveyed in five countries: China, France, Germany, the United Kingdom and the United States.

“Consumers are becoming increasingly knowledgeable about vehicles as web sophistication grows, often putting them one step ahead of dealerships and automotive companies,” said Nick Gill, Global Leader, Automotive Sector, Capgemini. *“Though it’s difficult to predict exactly how the online channel will develop, there is clearly an untapped opportunity that merits closer investigation; companies seeking to capitalize on online sales should re-evaluate their channel strategy.”*

Cars Online shows that the Internet is at the top of the list of information sources for consumers when researching car purchases; 80% of those surveyed now use the web, but the way it is being used is changing. New online tools such as search engines, automotive blogs and web forums have become key information sources for vehicle buyers who are turning to user-generated websites to obtain a more objective view. Of web users questioned, 29% referred to consumer-to-consumer (C2C) sites when researching information, up from 21% a year ago; while 78% of respondents rely on search engines.

Moreover, consumers are rejecting traditional information websites – the most popular information source two years ago – in favor of manufacturer websites. Now the most frequented source for information, manufacturer sites tend to be visited first by consumers, who then turn to user-generated content for reviews. The generation

gap is also narrowing in web usage with almost half of consumers 50 and older visiting manufacturer sites, a similar number to those in the 18 to 34 age group.

“Manufacturers must take a close look at these powerful new online tools,” said Gill. *“Significant product and market intelligence can be gleaned from these channels and they should be given an increasing ratio of the marketing mix by automotive companies.”*

Key findings from *Cars Online 07/08* include:

Consumers are going “green”

Over a quarter of consumers currently own or lease a fuel-efficient vehicle, and half said they are planning to buy or seriously considering a fuel-efficient vehicle. But market differences are clear when it comes to going “green.” European consumers were more likely than those in the U.S. or China to cite environmental impact as a primary factor influencing their buying decisions, while more respondents in China and the U.S. pointed to fuel economy.

Vehicle buyers want their information fast

As web usage grows consumers are becoming more demanding; 34% of European and U.S. consumers said they expect to receive a response to a web inquiry within four hours, up from 30% last year. Critically, if they don’t get their response fast enough, half of the respondents will look for a new dealer and 25% will look for a new manufacturer or for both a new dealer and a new manufacturer.

Personalized communications impact repurchase decisions

Two-thirds of those questioned said that personalized post-sale communications from a dealer or manufacturer would make them more likely to buy from that company. At the same time, businesses need to understand that not all consumers appreciate a personalized approach. The survey also highlights a willingness to share information with automakers and dealers that should not be ignored: 70% said they would be willing to share information about their future vehicle preferences; 68% would share their vehicle buying history; and 56% would share information about their future purchasing intention.

About the Study

Capgemini worked with SmartRevenue, a Ridgefield, Connecticut-based research firm, to conduct the survey for *Cars Online 07/08*. All analysis and interpretation of the data has been made by Capgemini in collaboration with the Car Internet Research Program (CIRP) of the University of Ottawa, Canada. In total nearly 2,600 consumers were surveyed in five countries: China, France, Germany, the United Kingdom and the United States. The composition of the consumer sample in each country was based on projectable national samples representative of the population from the standpoint of region, age and gender. All consumers surveyed were in-market – that is, intending to purchase or lease a new or used vehicle in the next 18 months

About Capgemini

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