University of Michigan
Transportation Research Institute
“Focus on the Future”
Automotive Research Conferences

The Business of IT: Transforming the Organization and the Vehicle

How IT Has Changed Car Shopping for Consumers

September 14, 2011, University of Michigan, The Michigan League, Michigan Ballroom

Prepared by Doug Newcomb, Senior Editor, Technology
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The Old Way of Car Shopping:
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Edmunds
Automobile Buyer's Guides
Consumer Advice Since 1966

Hot Information for Automobile Buyers

- Edmund's recommends Warranty Gold for your best deal on an extended warranty contract
- Read Test: 1997 Cadillac Catera
- Read Test: 1997 Jaguar XJS
- Read Test: 1997 Toyota Camry
- How many are 1997 models posted online?
- The Hottest Cars and Trucks on the Internet
- Current Incentives and Rebates

Edmund's recommends Auto-By-Tel as the best PGBS money-saving way to buy a car at a full-service dealer near you!

New Car Information (For New Pickups, Vans or Sport Utilitizes, see below)

Click here for Car Prices!

- Edmund's Complete, Updated, NEW CAR'S Book Content
- Over 565 Models: MSRP and Dealer Invoice Prices, Standard and Optional Equipment, Specifications, Reviews, etc.
- What's New for the 1997 Cars!
- Edmund's Road Tests of New Car!
- The Hottest Cars on the Internet

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Edmunds.com's TMV: The Magic Number

Published: 02/03/2004  Updated: 04/30/2009 - by Philip Reed, Senior Consumer Advice Editor

Picture this: You're sitting in the sales office at a dealership ready to start negotiating for the new car you want. The salesman leans back, smiles and says, “OK, make me an offer.”

What do you say? Obviously you don't want to pay more than you have to. And everyone knows you should “never pay retail.” But you also don't want to make your offer so low he boots you out of the office. So you take a deep

Use Edmunds.com Pricing System to help you get the best deal.

1
Choose a Style
2
Colors and Options
3
True Market Value®
4
Get Dealer Quotes

2012 Ford Explorer SUV Base

*Price as configured

True Market Value®

Invoice $27,561
MSRP $28,995

The True Market Value® (TMV®) price is our exclusive method for calculating what others are paying for a 2012 Ford Explorer SUV Base in Santa Monica, CA (based on actual sales data from your region).

True Market Value® Pricing

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<th>Invoice</th>
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Incentives & Rebates

Customer Cash Adjusted True Market Value

Note about advertising fees

Next Step  GET DEALER QUOTE
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About True Cost to Own®

Edmunds.com's True Cost to Own® (TCO®) is a proprietary tool that helps you estimate the total five-year cost of buying and owning a vehicle — including some items you may not have taken into consideration. A benefit of using this tool is that you can easily compare the five-year totals for different vehicles and make a more informed choice.

The components of TCO® are depreciation, interest on financing, taxes and fees, insurance premiums, fuel, maintenance, repairs and any federal tax credit that may be available. In order to estimate certain mileage-dependent costs, we assume that vehicles will be driven 15,000 miles per year. For a used vehicle, we calculate the years the vehicle has been driven using the nominal difference between the current calendar year and the vehicle's model year, and assume that it was driven 15,000 miles during each of those years.

Note that TCO® is a comparative tool, not a predictive tool — your actual five-year cost of owning a particular vehicle will vary depending on your personal circumstances, such as your driving history and the number of miles you drive.
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The majority of automotive buyers use the Internet

42% of deeply engaged* shoppers use Edmunds

Share of Automotive Internet Usage Among New Vehicle Buyers

Source: J.D. Power and Associates 2010 Automotive Online Marketing Review

Source: comScore MediaBuilder April 2010

* Deeply Engaged = new car shoppers that researched online at the make/model level
Growth in Page Views on Edmunds.com from 2001 to 2011
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How has the Internet transformed car shopping and why?

- Experience with a bad salesperson.
- Having to physically go to a dealership and the feeling of being held captive at a dealership.
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And consumers can't compare other models and prices the way they can online.
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TRANSPARENCY: Minimum degree of disclosure to which agreements, dealings, practices, and transactions are open to all for verification.
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Other (more tangible) benefits to using the Internet to shop for cars:

• You can do it at your convenience from anywhere.

• You don’t have to drive around to find the vehicles you’re interested in at dealers, wasting gas and time.
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• The Right Model
• The Right Color
• The Right Features
• The Right Options

… all found online.

Edmunds VIN-based inventory leads deliver a solution that increases lead volume and quality.
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Clicking around to get dealer quotes ...
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The #1 reason to shop for a car on the Internet:

SAVING
SERIOUS
MONEY!
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SF to LA by Air. LA to SF by New Car!
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Gateway Toyota Edmonton | Take a Tour

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http://www.gatewaytoyota.ca/ - Edmonton Toyota Dealer Neil Graton takes visitors on a tour of Gateway Toyota's Facilities in Edmonton Alberta. Gateway is one of the largest Toyota Dealers in Canada and one of only eight "Toyota Technical Assistance Dealers" in the country. With two facilities located in Edmonton, Gateway also offers one of the best selections of both new and used Toyota's anywhere in Alberta.

Category: Autos & Vehicles
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The Microsoft Blog
Microsoft news and other technology news, photos, charts and data from seattlepi.com.

Google: 39% of people use smartphones in the bathroom

OK, so that's just one of the findings in a new Google study about people's smart-phone use habits. But it's a fun sentence to write: 39 percent of people use their smart phones while going to the bathroom.

One in three people would give up chocolate before giving up their smart phones. Thirty-three percent use their device while watching TV. And 79 percent of people use a phone to help with shopping, Google said.

That's all according to a Google-sponsored survey from market-research firm Ipsos OTX. The study is mostly about consumers' smart-phone shopping habits, and is being used to convince companies to advertise on mobile devices and create mobile-friendly websites — but some of the findings are interesting regardless.

Among the sample of 5,013 smart-phone users, 81 percent browsed the Web, 77 percent searched, 68 percent used an app and 48 percent watched videos, according to Google. About 62 percent of users noticed a mobile ad, and half of them took action based on the ad.
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