

More car shoppers turn to mobile apps for the big purchase

August 16 2013, by Heather Somerville

If you're shopping for a car, your first stop may be your smartphone. As consumers grow increasingly comfortable buying smaller items such as clothes and concert tickets from their mobile devices, some are also using their smartphones and tablets for big-ticket purchases like cars.

"There's this huge upheaval in terms of mobile usage and mobile behavior," said Jeff Birkeland, vice president of product management for High Gear Media, which publishes The Car Connection site and app. "People are looking to not only research cars, but actually take action and connect to a dealer and do some business on mobile."

Online companies are putting the entire car shopping experience on a mobile device, replacing the lengthy weekend trudge between dealerships with an afternoon on the couch with an iPad. The shift to mobile, tech companies and car salespeople agree, has armed consumers with more information and resources to prepare for what is for most of us a sizable and emotional purchase. Shoppers can research their new and used car purchases before going to the dealer, and with some mobile apps, even buy a used car.

Rodney Bonachita of Daly City, Calif., did much of his car shopping on his smartphone while he prepared last year to buy a 2009 Mazda. By the time he showed up at the dealership, he said, he was ready to write a check. "Dealing with the dealership is just a painful, painful experience," he said. "Going there armed with information - I wouldn't do it any other way."



With growing interest in car research apps, <u>mobile devices</u> are expected to become a go-to resource for 87 percent of car consumers, according to a 2012 study from Briabe, a <u>mobile advertising</u> company that surveyed more than 1,600 people planning to purchase a car within 12 months.

The mobile app from Menlo Park-based The Car Connection offers vehicle ratings, reviews, buying guides, connections to local dealerships, financing and insurance advice and recall warnings. The company, which also has a desktop website, gets about 35 percent of its traffic from mobile, Birkeland said. That number spikes on the weekend and during televised sports events - especially the Super Bowl - when car advertisements air.

"It took us a little bit by surprise, because it is a big purchase," Birkeland said.

Edmunds.com, the online car-buying guide headquartered in Santa Monica, saw its mobile website views increase six-fold from March 2011 to March 2013, and its separate mobile app saw 14 times as many views over roughly the same time period.

"We're definitely seeing the shift to mobile," said Stephen Gandee, vice president of mobile and personalization at Edmunds.com. Visitors spend an average of four minutes on the website, but about eight minutes each time they open the smartphone app and 12 minutes on the iPad app, he said.

Cars.com, a partner with the Bay Area News Group, also offers a mobile app that let users search new and used car listings, schedule a test drive, check out reviews and compare models. This newspaper's website also offers research on cars and reviews.



Car buyers using mobile apps can look for their next purchase between running errands or while making dinner, and on the weekend, they can use a tablet and not be chained to a desk. And shoppers are bringing these apps to the dealership, keeping their smartphones and tablets handy to show salespeople competing offers or lower suggested prices.

"They'll be sitting there on their iPhones and iPads and checking, 'What's my car worth?' " said Richard Flores, sales manager at Courtesy Chevrolet in San Jose. "They have way more information than they ever had before."

Bonachita, who's now shopping for a Subaru, said he doesn't go to a dealership without his smartphone: "I'm validating information on the fly."

Shoppers aren't using mobile only for car research - they're buying used cars on their smartphones, too. eBay (EBAY) sells more than 11,000 preowned vehicles each week through its online auctions to shoppers using their mobile device, and traffic is so high that the company created an eBay Motors app, according to spokeswoman Amanda Coffee.

The website Carvana buys cars at auctions and sells them online, sometimes in less than 20 minutes. Carvana, which is in test mode in Atlanta, uses high-definition photo technology that zooms in on any imperfections that shoppers may not notice on the lot.

"People will buy with their phones," said company director Ryan Keeton. "We're using technology to change a very old, established industry."

Other technology companies disagree that mobile apps help car shoppers.



"It's a very infrequent purchase," said Grant Feek, chief executive officer of Tred, a Seattle-based website that delivers a car to your house to test drive and refers you to a local dealership that sells it. "Plus, the median age (of car shoppers) is too old. The average 40-year-old in our market is not tech savvy enough to download an app for a one-time purchase."

And plenty of consumers still want the dealership experience. Lorenzo Torres of San Jose said car shopping from an app is "lazy."

"I don't have to go online all the time for things I really want," he wrote in a Facebook comment to this newspaper.

But with many car shoppers spending more time on their iPads and iPhones, companies are continuing to develop mobile options. Edmunds is rolling out app features that will let shoppers lock in a price and text with the dealership. Soon, users will also get a virtual tour of a dealership from their iPad.

"Traditionally car salespeople and dealerships want you to come in because they want you to get emotionally attached to the car," Gandee said. "Now, customers will know as much or more than the salespeople about a particular vehicle."

But dealers argue that the strong emotions tied up in buying a car - a purchase that families use almost daily and depend on to get safely to work and school - have as much influence on the buyer's decision as any app.

"In most cases, it's still an emotional car buying experience," Flores said. "When you drive the car and feel the steering wheel (in your hands) - all that stuff affects you."



APPS FOR THE MOBILE CAR SHOPPER

App: Kelley Blue Book (KBB)

What it does: Searches for used car value and new car prices, expert and consumer reviews, compares cars side by side, videos and photos, requests a quote from a local dealer

Compatible: Android, Windows, iPhone, iPod touch, iPad (iOS 4.3)

App: Cars.com

What it does: Searches for new and used cars for sale near you, compares models, consumer and expert reviews, dealer reviews, schedules a test drive, calculates loan payments

Compatible: Android, iPhone, iPod touch, iPad (iOS 5.0)

App: Edmunds

What it does: Calculates true market value, specs, searches local dealers, views cars in different colors, expert and consumer reviews, dealership reviews, high-resolution photos, fuel economy and warranty details

Compatible: Android, iPhone, iPod touch, iPad (iOS 6.0)

App: The Car Connection

What it does: Reviews from auto journalists and around the Web, numeric and color-coded rating systems, 2 million local classified listings, contacts for local dealers



Compatible: Android, iPhone, iPod touch, iPad (iOS 5.0)

App: Every Car Listed

What it does: Affordability calculator, searches for used car value, searches for new and used cars for sale, directions to local dealerships, links to Facebook

Compatible: Android, iPhone, iPod touch, iPad (iOS 4.0)

App: CarMax

What it does: Alerts for <u>car</u> price drops, compares up to 10 cars, provides vehicle history, expert and consumer reviews

Compatible: Android, iPhone, iPod touch, iPad (iOS 5.0)

App: eBay Motors

What it does: Scans vehicle identification number to get details on make and model, finds parts and accessories, contacts sellers, bid and purchase vehicles on eBay marketplace

Compatible: iPhone, iPod touch, iPad (iOS 5.0), and on Adroid only through eBay marketplace app

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