Consumer Valuations Break 1.2 Million Barrier In September

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- More than 1.2 million consumer valuations in September, follows just over one million in August
- Auto Trader tool gives consumers accurate vehicle values for private and part exchange
- Valuations are based on the largest most accurate data set available in the market
- 73% of consumers trust Auto Trader as a provider of honest and accurate valuations
- 18% of part exchange deals break down due to consumer and retailer misalignment on price
- Consumers now `own' the retail price according to experts
- Dealers are encouraged to use valuation tool to gain an understanding of customer vehicle value perception, paired with 'Retail Back' pricing for complete transparency

Consumers are conducting over 1.2 million valuations on Auto Trader's marketplace every month to find out what their vehicle is worth. As the largest online market place for new and used vehicles, the Auto Trader free online valuation tool gives consumers accurate vehicle values for private sale and part exchange.

Due to access to information online and the growth of on-line valuation tools, consumers have never been better informed when it comes to the value of their vehicle, and with the growing use of valuation tools on mobile sites, consumers can get instant access to valuation tools wherever and whenever needed. However, 18 per cent of all part exchange deals are falling through due to discrepancy between what consumers and retailers believe a vehicle to be worth.

Research suggests that half of consumers would be more likely to part exchange their current vehicle if they could get a trusted price for their car before visiting a dealership. The deal often breaks down because retailers and consumers aren't aligned on the price, as dealers traditionally price their vehicle with a trade plus margin approach and not a 'Retail Back' approach.

Auto Trader are encouraging retailers to use the free valuation tool for themselves, in order to gain an understanding of customer vehicle value perception, and paired with 'Retail Back' pricing for complete transparency and hopefully, more successful part exchanges.

Stuart Leatherbarrow, Auto Trader Performance Partner, explained how it works: “Today, buyers and sellers are privy to just as much information as each other. Simply adding a margin to the purchase price and expecting to get a response therefore represents a poor strategy.

"Savvy operators know this. If they are to capture the lion's share of response, they know they have to meet the market not try to make it. The retail price is now owned by consumers: they have all the tools they need to work out for themselves what good looks like and nothing is going to change that. To match this efficiency, retailers need an equally efficient process to price stock. We call this 'Retail Back', which means arriving at a retail price you believe a consumer will see as the best value for money. From there retailers subtract costs and margin expectation to arrive at their own buy price.

“If they can acquire the stock for less, then great. However, they accept that if they do have to pay more then they have to decide to either walk away or work for a lesser margin. What they don't do is add it to the retail price and try and make the market because they know that just kills their chance of a response.

“Having the ability to access the live market quickly and accurately is what gives the best operators the competitive edge." He added. “In fact being able to simply establish the optimum retail price is just the start. They also combine their experience with unique data driven market intelligence to identify if there is a real demand for the stock they are about to invest in and then price accordingly to achieve the fastest speed of sale."

As the largest online market place for new and used vehicles, Auto Trader is in the premier position to offer valuations to consumers and retailers, with 73% of consumers saying that they trust Auto Trader to provide honest and accurate valuations for their vehicle. Putting buyers and sellers on the same page gives the best starting point for successful negotiations.

Auto Trader performs more every day, live retail market observations than anyone else, with the most current and accurate online sales data in the industry, as well as unrivalled access to live market data. Auto Trader is entirely transparent as to where data observations come from (AutoTrader.co.uk,

managed dealer sites, dealer feeds, Match reports as well as wholesale data from auction houses, fleet and lease companies and manufacturers) so consumers and retailers can be confident that valuations are devised using information from the biggest and most credible sources. This methodology means valuations are based on the largest most accurate data set available in the market. No other valuation site has access to this level of live data.

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Notes to Editors:

Auto Trader Group plc is a 100% digital business having successfully completed the transition from a print title in 2013. Auto Trader sits at the heart of the UK's vehicle buying process and operates the UK's largest digital automotive marketplace.

Auto Trader's primary activity is to help vehicle retailers compete effectively on the Marketplace in order to sell more vehicles, faster. The Marketplace brings together the largest and most engaged consumer audience. Autotrader.co.uk attracts around 44.5 million monthly cross-platform visits on its sites, with around 68% of visits coming through mobile devices, with the largest pool of vehicle sellers (listing more than 400,000 cars each day). In fact over 80% of all time spent on classified sites is spent on Auto Trader. The Group does not buy or sell any vehicles itself.

Auto Trader has around 92% prompted brand awareness in the UK, with 80% of UK retailer forecourts advertising via the website and around 65% of UK used car transactions involving cars listed on autotrader.co.uk.

Auto Trader's market-leading position enables it to generate and collect large amounts of data on the UK's automotive marketplace and leverage it to create a suite of services that allow retailers to:

- BUY – buy the right vehicles, at the right price
- MARKET - market their brands and businesses effectively in the digital world
- SELL- sell more vehicles through advertising on the UK's largest digital automotive marketplace
- MANAGE – optimise their stock turn and vehicle margin.

For more information please visit http://about-us.autotrader.co.uk/

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