

Press Release

J.D. Power do Brasil Reports: More than One-Half of Buyers in Brazil Do Not Test Drive the Vehicle Before Buying It

Nearly One-Half of New-Vehicle Shoppers in Brazil
Turn to the Internet to Help Decide Which Vehicle to Buy

SÃO PAULO: 1 July 2013 — New-vehicle shoppers in Brazil rely on information from friends and family and from the Internet far more than other sources to help them decide which vehicle to purchase, according to the J.D. Power 2013 Brazil Sales Satisfaction Index (SSI) StudySM released today.

The study is a comprehensive analysis of the new-vehicle purchase experience and measures customer satisfaction with the selling dealer by examining four measures (listed in order of importance): salesperson (27%); delivery process (27%); dealership facility (23%); and working out the deal (22%).

New-vehicle buyers cite friends and relatives (45%) and the Internet (43%) as their primary sources of information when deciding on a make and model of vehicle to purchase. These sources are cited substantially more often than traditional information sources such as owners of the same vehicle (27%) or the salesperson or dealership owners (23%).

With 3.6 million new light vehicles sold in Brazil in 2012 and 3 percent growth expected in 2013, Brazil is now the fourth-largest new-vehicle market in the world, behind China, the United States and Japan. As a result of continued expansion of Internet access, consumers are increasingly relying on information gathered online to help make informed vehicle purchase decisions.

“A new vehicle is a tremendous expenditure for consumers in Brazil, and they want to make sure they know as much as they can about the vehicles they are considering before they enter the dealership,” said Jon Sederstrom, director and country manager, J.D. Power do Brasil. “With nearly one-half of consumers in Brazil having Internet access, and with approximately 55 million smartphones in use in the country, information gathered online is becoming a powerful and influential resource for new-vehicle shoppers.”

In terms of how shoppers use the Internet to gather information, the most frequently visited website types include search engines such as Google (69%); automotive manufacturer websites (50%); specialty automotive websites, such as Webmotors and iCarros (42%); and dealer websites (37%). Additionally, 21 percent of new-vehicle shoppers in Brazil use a social network to research their purchase.

“Automakers and dealers will want to continue monitor social media, as it is becoming an increasingly important information medium for shoppers, particularly those between 18 and 34 years old,” said Sederstrom. “This group represents a large portion of current and future new-vehicle buyers, and social networks will become an even more effective way to communicate with them.”

Selecting the Right Vehicle

Past experience, brand and model reputation, and financial considerations play important roles in how new-vehicle buyers make their final purchase selection. The most influential reasons vehicle owners in Brazil purchased their specific make and model over others are previous experience with the brand (cited

by 11% of all owners); low price or payment/ability to obtain financing (9%); and reliability/durability of the vehicle (8%).

“J.D. Power has found through its research that new-vehicle shoppers worldwide tend to gravitate toward the brands and vehicles with which they are familiar, that enjoy a solid reputation and that are reasonably affordable,” said Sederstrom. “Yet when it comes to selecting a dealership in Brazil, shoppers show a willingness to try something new.”

The study finds that while 84 percent of owners purchased their new vehicle to either replace another vehicle or to add another vehicle to their household, only 34 percent purchased their new vehicle from the same dealer from which they purchased in the past.

At the Dealership

Once a shopper decides to visit a dealership, it doesn’t necessarily mean they will purchase their new vehicle from that dealer. In fact, shoppers consider an average of three vehicle brands during their shopping process.

One of the crucial aspects of the sales experience is the test drive—whether a test drive is offered by the dealer and what transpires during the test drive. More than half of new-car buyers (51%) do not take a test drive either because they are not offered the opportunity or they choose not to.

“The test drive is an opportunity for shoppers to spend time with the vehicle they are considering and to help them determine if that is the right vehicle for them,” said Sederstrom. “Creating a positive test drive experience is a challenge in many of Brazil’s highest-volume markets due to urban congestion. However, having the vehicle in their inventory and allowing shoppers the time they need to drive the vehicle in a variety of conditions will help boost sales and increase sales satisfaction.”

Sales Satisfaction

Although the test drive is critical, each step in the sales process is important because higher sales satisfaction fosters higher future repurchase rates, as well as more positive referrals to family, friends and acquaintances.

Among the 12 nameplates included in the study, Ford, Hyundai-CAOA, Toyota and Volkswagen perform particularly well in overall sales satisfaction in Brazil.

The 2013 Brazil Sales Satisfaction Index Study is based on the evaluations of more than 3,000 online interviews with Brazilian new-vehicle owners one to seven months after purchase. The study was fielded in April and May 2013.

About J.D. Power do Brasil

Established in São Paulo in 2010, J.D. Power do Brasil conducts customer satisfaction research and provides market intelligence and consulting services for the automotive industry—manufacturers and dealers. Information regarding J.D. Power do Brasil and its products can be accessed through the Internet at brasil.jdpower.com.

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