



**BUSINESS IMPACT
REPORT**

AUTO SALES



**EARN TRUST,
ACCELERATE REVENUE**

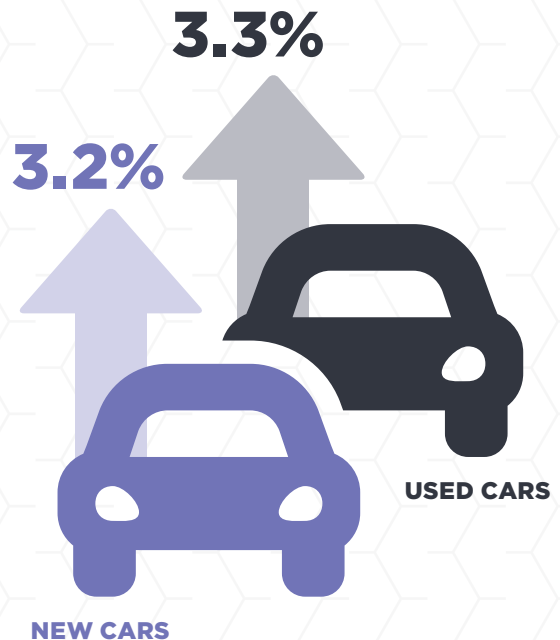
A special industry report by the
International Association of Better Business Bureaus, Inc.

THE ROAD AHEAD: NEW AND USED AUTO SALES

The good news for auto dealers across North America is that sales revenue is projected to rise. And, according to IBISWorld, the reasons why include low interest rates, declines in the unemployment rate, gains in disposable income, greater access to credit, an aging vehicle fleet, an appetite for new technology, and environmental regulations.

But the customer journey for car buyers is changing. Auto sales had already begun to shift toward online purchases and that impacts “business as usual” for traditional dealerships. The pandemic has only added to that trend. With the proliferation of online buying tools, consumers are spending more time in front of their computer and less time visiting multiple showrooms.

According to the 2019 Cox Automotive Car Buyer Journey study, car buyers who purchased from a dealership visited only 2.3 showrooms, down from 2.7 in 2017. Buyers who visited just one dealership during the car-buying process went up from 30% in 2017 to 41%, according to the study.



REVENUE IS EXPECTED TO INCREASE

at an annualized rate of 3.2% for new cars and 3.3% for used cars sold in Canada to 2025.¹

Did you know?



**IN 2020,
more than 140 million consumers
VISITED BBB.ORG**

**70%
of consumers surveyed²**

said BBB* Business Profiles helped them decide which companies to buy from and which to avoid



UNLOCKING BUYER LIKES

It doesn't matter if the odometer reads 20 miles, 20,000, or more, buying a car is an emotionally charged experience.

An analysis of customer reviews published on BBB.org for new and used auto dealers³ found that 21% of all sentences included one or more “emotional” words. That was about the same as reviews about pet-related and personal care services and exceeds that of reviews for various types of attorneys, home improvement, and repair services. The only industry reviewed on BBB.org found to have a higher percentage of sentences expressing emotion than auto dealers was health care.

Positive customer reviews included words like “friendly,” “funny,” and “approachable.” The BBB data shows customers like sales associates who are calm, patient, authentic, and transparent.

Satisfied buyers frequently mentioned they planned to return to the dealership when it's time to service their vehicle.

In addition to the demeanor of the salesperson, customers commonly remarked about aspects of the showroom and facility, including cleanliness, comfort, and hospitality, including things like coffee and other little extras.

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CAR DEALERS AND REPAIR SHOPS AMONG THE TOP INDUSTRIES FOR COMPLAINTS

Buying a car is a mix of excitement, anxiety, and pressure to make the right decision for years to come. There's a lot riding on the transaction.

Between the emotion, the hours invested in research, and time at the dealership, customers who aren't happy with their experience frequently turn to BBB for free dispute resolution.

AUTO INDUSTRY RANKINGS FOR MOST COMPLAINTS TO BBB (RANK 1 = most complaints to BBB among all industry types)

BBB reports on more than 500 types of businesses. Historically, new car dealers are among the top 10 industries for complaints to BBB. Auto repair shops and used car dealers aren't far behind.

| | | Overall industry rank in 2019 and 2020 | Overall industry rank from January to June 2021 |
|---|-------------------------|--|---|
|  | NEW CAR DEALERS | 4 | 7 |
|  | CAR REPAIR SHOPS | 8 | 12 |
|  | USED CAR DEALERS | 12 | 14 |

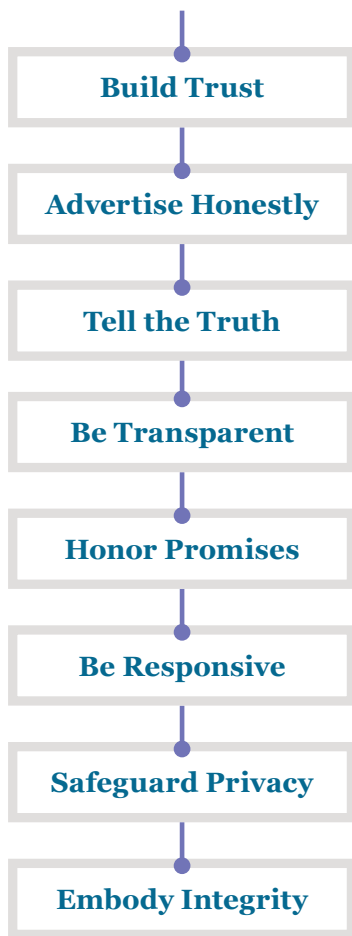
A sample of 350 complaints and negative customer reviews against car dealerships published on BBB.org⁴ indicated 34% expressed concerns with the sales process, including allegations of bait-and-switch and other deceptive tactics. The dealerships' handling of service and repairs were mentioned by 27% of the unhappy customers, and 29% called out issues after the sale, typically mechanical/functional problems.



REVERSING THE TREND

Use BBB Standards to focus on what is most important to consumers, boost your reputation, create customer loyalty, and grow your business.

Start With Trust*



A GOOD RATING HELPS BUT BBB ACCREDITATION IS IMPORTANT TO CONSUMERS

Customers who self-reported that they came to BBB.org to get pre-purchase information on a business were asked, “Did the information at BBB.org help you make your decision?”

WHEN EXPOSED TO AN A RATED, BBB ACCREDITED BUSINESS LISTING:



77%

decided to engage with that business⁵

WHEN EXPOSED TO AN A RATED BUSINESS NOT ACCREDITED WITH BBB:

27%

decided to engage with that business⁵



CONSUMERS RATE THE IMPORTANCE OF TRUST IN PURCHASING DECISIONS

How important is it that you trust a company when doing business with it?

8.6 *out of* **10**⁶

10 = Most important

STEER THEM WITH TRUST

Give buyers the confidence to visit your lot or showroom by leveraging the BBB Accredited Business seal. Enhance your marketing mix by displaying it on your website, in your ads, on your BBB.org Business Profile, and in “near me” searches online.

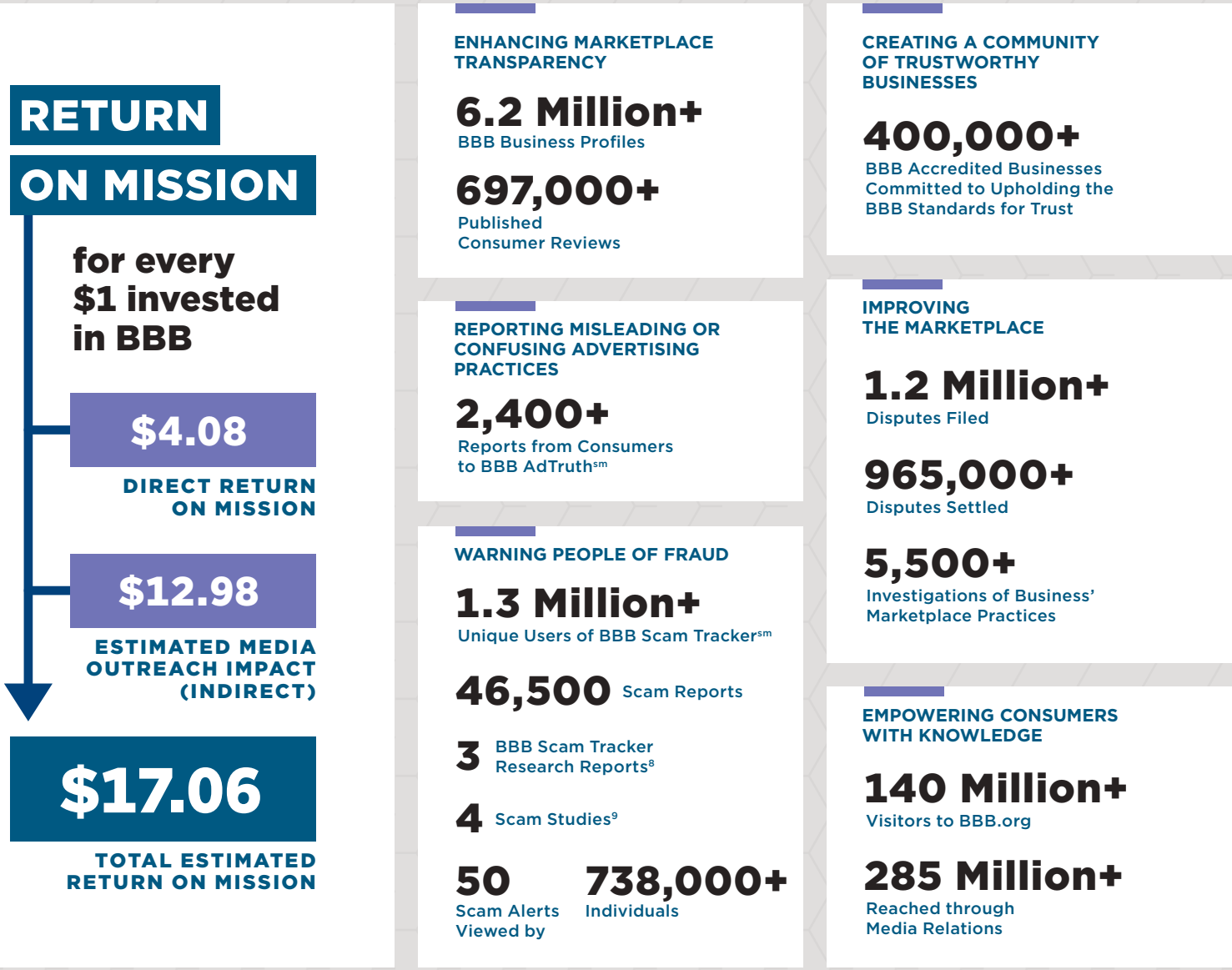
Apply for BBB Accreditation. Adhere to the BBB Standards to demonstrate your promise to maintain trust - one ad, one sale, one repair at a time - every time.

**LEARN MORE:
[BBB.ORG/GET-ACCREDITED](https://www.bbb.org/get-accredited)**

BBB: 2020 IMPACT

Good for business, good for consumers, good for the community

BBB uses feedback collected from our stakeholders—including partners, businesses, and consumers to benchmark our work. These statistics reflect our impact by year-end 2020.⁷



2020 estimated social economic impact resulting from BBB programs and outreach:

\$3,514,287,600



ABOUT THE RESEARCH

This report's data includes responses from BBB Accredited Businesses, research from the International Association of Better Business Bureaus, and multiple online business and marketing sources cited throughout the report.



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BBB.org

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END NOTES

- ¹ IBISWorld.
- ² IABBB Research (Representative survey of 2,795 of U.S. and Canadian consumers conducted 12/28/20 - 1/8/21).
- ³ IABBB Research (2020).
- ^{4,5} IABBB Research (2021).
- ⁶ BBB 5 Gestures of Trust (2018).
- ⁷ IABBB Research (2020 metrics do not include previous years' impact, apart from the total number of BBB Business Profiles. Impact valuations are estimates).
- ⁸ BBB Scam Tracker Research Reports.
- ⁹ BBB Scam Studies.

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