

Generating reliable data for dealers and buyers

Today's car-buyers are more savvy than ever, taking the time to research their desired make and model online long before they reach the showroom.

Most will acquire an array of information on the web, but canny consumers know they need to use reliable sources to underpin their decisions.

Equally, dealers need to have credible data – especially about price movements and fluctuating demand for different marques in their area – to make effective judgements about pricing and part-exchange valuations.

With 60 million visits across all platforms every month, Auto Trader is the UK's largest marketplace for used and new cars, and Karolina Edwards-Smajda, the group's retail and consumer products director, said trust is at the heart of its business model.

"Reputation and reliability are everything to us. We constantly evolve our valuations 'engine' to deliver the most accurate and beneficial data to customers," she added.

Edwards-Smajda said Auto Trader wanted to make the buying and selling process as quick, easy and efficient as possible for consumers.

"In our digital world, there is so much information out there that consumers need to identify providers who they can trust at a given moment, and also have confidence in for the long term.

Auto Trader's heritage gives it a privileged position, she believes: "Auto Trader has been a trusted brand for a very long time, and I believe customers rely on us because of the quality and transparency of information we provide.

i-Control

A 'market intelligence' tool designed to source & buy stock that will sell quickly in the local market, price it right and reprice it in time to stay ahead of competitors.

For example, markets in the East of England are often dominated by Fiesta models, and in the North-East, Nissan marques regularly fill four of the top five places of the fastest-selling cars tables, but those tables can vary – and dealers need to know when they do. According to Auto Trader, dealers using i-Control typically report that their average monthly stock-turn doubles once they add this option to their business model.



"We constantly refine and improve our valuations, to provide the most accurate and robust analysis of fluctuations in the used car market, and the feedback we receive from dealers is very positive."

Two of Auto Trader's biggest launches in recent times were its Retail Check and i-Control market intelligence tools.

"Our digital model means we can apply valuations to forecourt stock based on 'live'

retail prices, so when consumers visit a dealer (online or in person), they see prices consistent with those on our marketplace," said Edwards-Smajda.

One recent enhancement was a price indicator, which gives cars one of three 'flags' – 'Great Price', 'Good Price' or 'Priced Low' (by comparison with similar vehicles).

Available on all Auto Trader platforms, it is straightforward to use, but the sophisti-



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Retail Check

A pricing tool incorporating unique metrics, such as 'value for money', based on crucial factors such as age, mileage, price and model, allows dealers to see where they should position stock in the current market. A one-to-five star 'desirability' rating based on local demand, local supply and speed of sale helps dealers make informed decisions about what stock to buy, and how best to price it to secure a speedy sale in their local market. Retail Check's pricing valuations can be adjusted to add the car's specific optional extras and are always based on a 'retail price minus margin' basis, rather than 'trade price plus' price, delivering a more realistic assessment of live market movements.

they were impressed. No one else can offer this service on such a scale, so we are very proud to make it available.

"Dealers really liked the feature, and we know that the use of flags is generating more responses from consumers, so it's helping everyone."

She said Auto Trader also improved its valuations process at the same time.

Auto Trader's data team even constructed a special algorithm to extract the fine detail about a car's 'extras', from information sent in by dealers.

"We asked dealers to use a simple 'tick-box' form, but while many do, some just send long messages of text, so we enhanced our software to identify the relevant words," said Edwards-Smajda.

Auto Trader also offers a tool to allow both dealers and consumers see the latest part-exchange valuations.

"This product rapidly achieved very high penetration, and by the start of September,

almost 9,000 dealers were using it. Potential buyers now have more information to aid their decision-making, and dealers have the latest data to help them. We like to think this tool helps create conversations on the forecourt," she said.

"In a typical month, we'll deliver about 75,000 part-exchange valuations to our dealers, which allows them to see the latest market movements and helps increase their stock-turn."

As Auto Trader's digital model continues to evolve, its data scientists are working to expand valuations into the market for vans, and further ahead, to include residuals in their calculations.

"About 1.5m consumers use Auto Trader for valuations every month, and we provide roughly 3.5m valuations to dealers," said Edwards-Smajda. "However, we are conscious we can only maintain our position by constantly looking to enhance our products and our model."

For more information, call
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