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Equifax®, NIADA Report: Independent Auto Dealers Bearish on Market, Customer Traffic Expected to Level off during Q3 of 2016

2016 Q2 NIADA Business Confidence Survey unveiled at 2016 NIADA Convention & Expo

- Outlook for retail sales growth for the third quarter (44%) was less optimistic when compared to the growth expectations for the second quarter (56%), while there was an increase in the number of respondents who thought sales would remain the same.**
- There is an anticipated emphasis on the service department, with more dealers planning to hire for these types of positions in the third quarter, an 18% increase vs. Q1 2016 survey.**
- Ninety-five percent of dealers plan to maintain or raise their investment in digital marketing, with 30 percent expecting to decrease their spending on traditional media.**

ATLANTA, June 15, 2016 /PRNewswire/ -- Equifax Inc. (NYSE:EFX), a global information solutions provider, in partnership with NIADA, surveyed 150 independent used car dealers to understand their performance expectations of the used vehicle industry, which accounts for more than 70% of all car sales according to NIADA. Equifax's latest edition of the National Independent Automobile Dealers Association (NIADA) Business Confidence Survey reflecting respondents' perceptions around the third quarter of 2016, was presented at the 2016 NIADA Convention and Expo in Las Vegas.



Findings of the survey, taken during the second quarter of 2016, indicate that following a year of record auto sales independent auto dealers anticipate sales growth in the industry to slow during the third quarter. Perceptions around volume decreased with 44% believing there would be growth during the third quarter, compared to the second quarter outlook where 56% expected that growth would continue. Additionally, 48 percent of respondents anticipate their customer traffic will remain consistent and 51 percent believe overall

economic conditions in the auto industry will stay the same.

In line with this, a shift was also seen in those that believe sales volume will remain the same with 43% believing it will stay the same compared to 34% that thought there would be no change during the second quarter. This could point to a levelling-off of the market.

"While there are some indicators that show slightly less growth, dealers still see the industry as stable and the fact that investment levels across different marketing channels has increased is a sign that shift to digital and its potential, is a reality," said John Giamalvo, vice president of dealer services at Equifax.

Independent used vehicle dealers also see additional opportunities outside of car sales, most notably in the service department. The percentage of dealers expecting to hire service personnel nearly doubled from 21 percent in the previous quarter to 39 percent.

In addition, the survey identified a clear trend among dealers toward moving their marketing to digital channels with 95 percent of respondents planning to maintain or increase their investment in digital marketing – including online and mobile channels.

"Partnering with Equifax on this quarterly business confidence survey has allowed us to gauge the pulse of the industry and the needs of our 15,000-plus dealer members," said NIADA senior vice president of dealer services Scott Lilja.

The complete survey results will be available in the July 2016 issue of NIADA's *Used Car Dealer* magazine, and is available to view at http://www.niada.com/bcs_results.php.

A replay of today's media briefing can be found at <http://niada.tv/>.

About Equifax

Equifax powers the financial future of individuals and organizations around the world. Using the combined strength of unique trusted data, technology and innovative analytics, Equifax has grown from a consumer credit company into a leading provider of insights and knowledge that helps its customers make informed decisions. The company organizes, assimilates and analyzes data on more than 800 million consumers and more than 88 million businesses worldwide, and its databases include employee data contributed from more than 5,000 employers.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 9,200 employees worldwide.

Some noteworthy achievements for the company include: Ranked 13 on the *American Banker FinTech* Forward list (2015); named a Top Technology Provider on the *FinTech* 100 list (2004-2015); named an *InformationWeek* Elite 100 Winner (2014-2015); named a Top Workplace by *Atlanta Journal Constitution* (2013-2015); named one of *Fortune's* World's Most Admired Companies (2011-2015); named one of *Forbes' World's* 100 Most Innovative Companies (2015). For more information, visit www.equifax.com.

About NIADA

The National Independent Automobile Dealers Association (NIADA) is among the nation's largest trade associations, representing the used motor vehicle industry comprised of more than 38,000 licensed used car dealers. Since 1946, NIADA has represented the voice and interests of used car dealers at the federal level in Washington D.C. Coupled with its state association network across the country, NIADA's grass-roots framework provides a dual layer of advocacy unmatched in the used motor vehicle industry.

For 70 years, NIADA has engineered programs and leveraged technology to fulfill its mission to advance, educate and promote the independent used car dealer. NIADA members subscribe to a strict Code of Ethics of duty, honor and integrity, and believe in the advancement of small business in support of the free-market system. More information about NIADA programs and educational opportunities is available at www.niada.com, and www.niada.tv.

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