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Equifax Reveals Additional Auto Consumer Credit Insights

Customized searches, understanding buying power & pre-approvals can move the sales needle

ATLANTA, June 20, 2018 /PRNewswire/ -- Pre-approvals and credit checks remain a critical component of the automotive shopping process. [Equifax Inc.](#) (NYSE: EFX), a global information solutions company, unveiled additional analysis in its ongoing study of consumer credit and shopping trends. The goal is to better understand the current landscape of how credit is used by a variety of consumers, as well as better understanding consumer buying power. According to its latest findings, prospective purchasers view credit checks and pre-approvals processes differently depending on where they are in the buying process.



The findings reveal that 52% of prospective purchasers have undergone a credit check, while just 15% have the intention of getting pre-approval on their desired vehicle. Even more interesting, nearly a third (32%) said they do not plan to seek pre-approval during the shopping process.

Clearly, dealers and financiers can play a larger role in helping or encouraging more pre-approvals, which may create a less adversarial environment when it comes to negotiation as well as a more expedited shopping process. An additional way to foster this environment is through encouraging more auto shoppers to create online profiles during the research phase of shopping.

"After reviewing these trends more closely, it is clear that there are additional ways dealers and financiers can help their clients move from prospective purchase to completed transaction," said Rebecca Kritzman, Senior Director, Automotive Marketing at Equifax. "Encouraging the creation of profiles that lead to more customized searches, securing more pre-approvals on credit, and offering consultation on buying power can all lead to a higher transaction rate in a less adversarial manner, which can translate to longer satisfied customer relationships in the future."

Consumers are constantly looking for value when shopping for a vehicle, and creating an online profile through a dealer's online portal helps. According to the study, approximately 35% of consumers who did not create a profile ended up spending more than they expected on their vehicle, compared to 29% who said they spent less than what they expected. Online profiles and customized search processes help consumers navigate to better options that suit their specific needs, helping to build trust with dealers.

Buying power consultation is a critical component in helping consumers complete the auto shopping process. Men (37%) and women (39%) who recently completed a purchase said they received consultation on their buying power either before or during the shopping process. This compares to just a quarter of prospective purchasers overall who said they received consultation.

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About Equifax

Equifax is a global information solutions company that uses unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions.

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 10,400 employees worldwide.

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