

Shifting buyer behaviour

Consumer buying trends examined

Page 1

The fraud wave

Why car finance fraud has risen dramatically

Page 2

Mileage Masters

The investigators fighting mileage fraud

Page 5

AutoVision

Winter 2008

News and insight from Experian's Automotive division





Our commitment in challenging trading conditions

My goal is to ensure that Experian provides the best possible service to its customers, delivering products and services closely tailored to their market needs.

We recognise that the way forward for automotive businesses is not to keep doing what has worked before, but to anticipate and adapt in a rapidly changing landscape.

Over the coming months we will be investing over £1 million in developments in both new and existing services. Developments aimed to help our clients operate as efficiently and successfully as possible in testing times.

We're proud that Experian's Automotive business continues to be the choice of top motor retailers, with 80 per cent of AM100 companies using our services.

Whatever the size of your business, you can be confident that the team at Experian will be doing everything in its power to help you. Making our unrivalled expertise in vehicles and people count at a time when you need it the most.

For a copy of our latest market insight report, drop me an email: kirk.fletcher@uk.experian.com

Shifting buyer behaviour

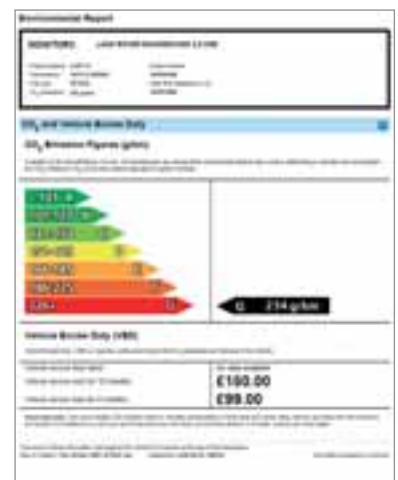
With nine out of ten British motorists now worried about the rising costs of living, the UK car market has been hit particularly hard by the decline in big ticket sales. Two motorists in five now say they would put off buying a car and those numbers are increasing, according to a recent Experian survey¹.

In the UK about a third of car owners change their cars every three years. However, this is now extending well beyond the three year warranty cycle, with 20 per cent of those regular changers now saying they would consider holding off on a replacement. Motorists are still willing to buy cars, which are nonetheless an essential item, but are now looking to get more out of their existing cars before changing. Aftermarket providers could stand to do well as a result.

The biggest move in the cost conscious market, which makes up 86 per cent of motorists, has been in the shift towards cheaper to run cars.

Big engines and heavy vehicles are out, small efficient cars with green credentials are in, with up to a third of car buyers now making emissions and tax their single biggest consideration when shopping for a car.

Pricing and green information awareness is key to staying on top of deals, making the latest valuations and environmental information an essential part of the vehicle history report. At Experian, we appreciate that energy efficiency ratings and road tax is important for consumers, which is why we include all the tax information you need with our free environmental report, a feature unique to AutoCheck, the industry's user-friendly vehicle history check.



An AutoCheck environmental report

For more information call 0845 300 9541 or visit www.experianautomotive.co.uk

¹ Based on an independent online survey conducted by Research Plus on behalf of Experian. A total of 1016 British car owners aged 18+ were surveyed between 4th-8th July 2008.

The fraud wave

A further impact of the credit crunch is its effect on car finance fraud, which has risen dramatically this year.



Experian has found that fraudulent applications for car finance so far this year have increased by 30.4 per cent² compared to the same period in 2007, with the total value of detected fraudulent applications made during 2008 now standing at over £39.3 million.

This is despite the fact that the total number of applications made by consumers for car finance over the last few months have been slowing, with the fall off in new and used sales.

A number of factors are driving the rise. Firstly, consumers are committing more 'soft fraud', with cash strapped individuals fiddling applications to gain better credit than they would do otherwise, often taking on more finance than they can realistically pay back.

The other main driver is the organised fraudster. With the demise of easy credit on mortgages and cash loans, many professional fraud operations are turning to automotive finance. For these fraud rings, vehicles are easily convertible to cash, readily available and have weaker application controls compared to the tightening mortgage and loans market.

So, the risks are clear and growing, whether it's consumers attempting to finance cars and sell them on without settling, or criminal groups fraudulently financing multiple cars to be sold on illegally.

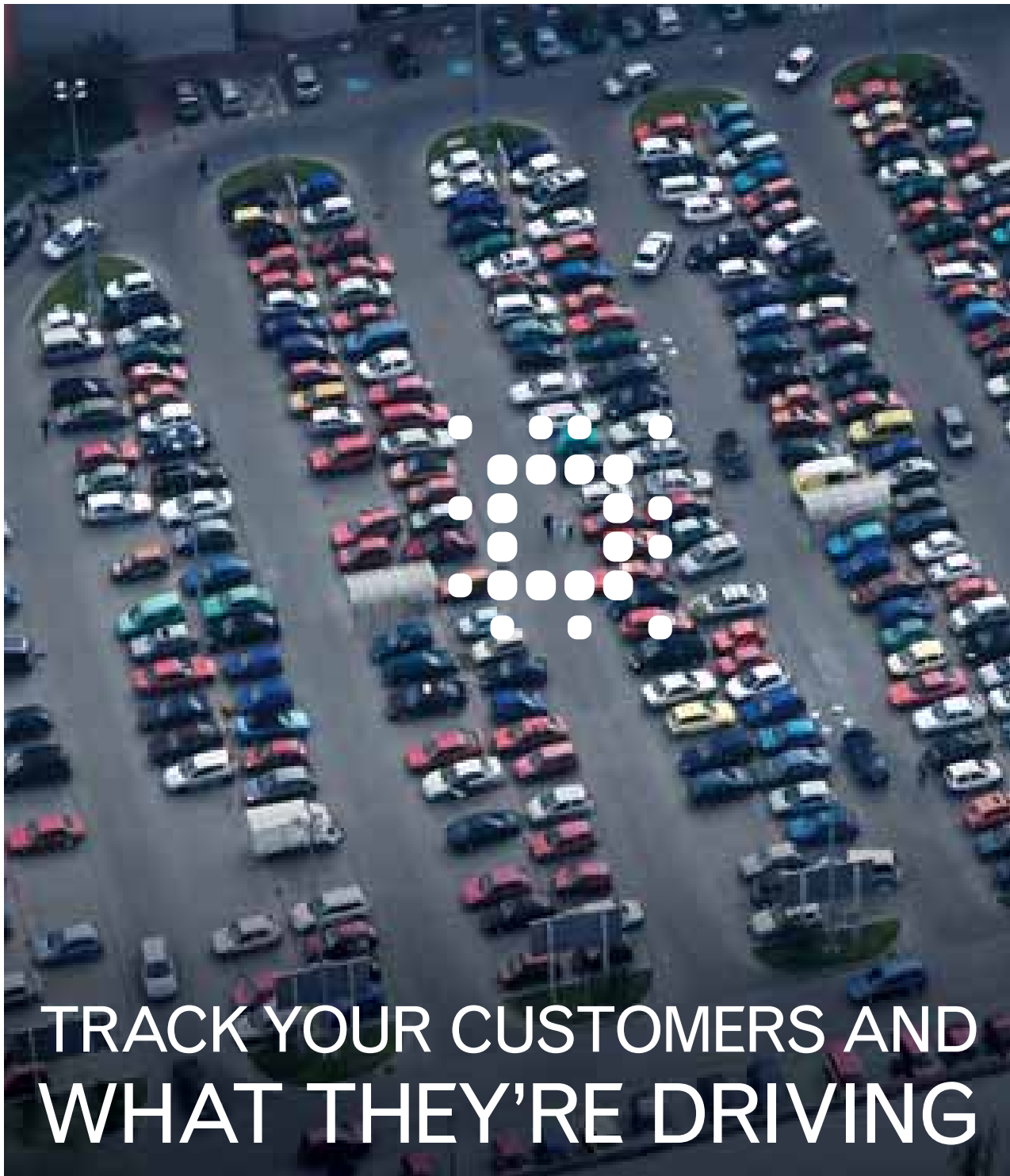
The increasing threat of car fraud highlights the need to religiously check vehicle histories for finance and carefully monitor assets. The majority of top motor finance companies choose Experian services to help do this.

Kirk Fletcher, Managing Director of Experian's Automotive business concludes:

"In such a challenging trading environment, there should be greater focus on mitigating risk and stripping out unnecessary costs. Whether it's checking vehicles for finance, managing loan applications or monitoring assets, these processes need not be a hindrance to securing new business. When quick decisions are needed, tools such as Experian's AutoCheck, Asset Event Manager and Hunter II fraud prevention systems provide instant information in real time."

Find out how Experian can help protect your business and its assets, call us today on 0845 300 9541.

² For the first three quarters of 2008. Source: Experian and N Hunter Ltd.



TRACK YOUR CUSTOMERS AND WHAT THEY'RE DRIVING

Know the customer, know the car. Steer your sales and reduce marketing wastage with vehicle and customer data cleansing from Experian. We can tell you if your customers have changed their cars, moved house and more, with our cost-effective and user-friendly data cleansing services.

To get a database health check from the industry experts, call Experian today on 0845 300 9541.

www.experianautomotive.co.uk

 **Experian™**
A world of insight

Keep your customers close

Despite challenging trading conditions, dealer marketing is an area of business which has real potential to drive sales if managed efficiently, taking businesses forward through hard times and beyond.

In any downturn, marketing to existing customers is crucial. With customers feeling more vulnerable they are more likely to stick with what they know and trust, and take fewer risks.

Both online and offline direct marketing offers real ability to play the familiarity link and drive sales. However the success of any direct marketing is dependant on the quality of customer data, for which regular cleansing is essential to keep track of your ever changing customer base and their vehicles.

At Experian, which runs one of the UK's leading data cleansing services, it's a service that is busier than ever. We're helping some of the UK's leading companies, both large



and small, cleanse their databases, including some of the UK's top ten dealer groups, making sure their communication costs are kept to a minimum by only using the most up to date customer contacts and vehicle records.

Knowing your customer and knowing the market grows in importance during a downturn as consumer attitudes in different audiences change faster than in a normal market. Customer profiling and the ability to map out your customer base is invaluable in identifying where the money is and how best to target it.

Tools, such as Experian's MarketView Online, provide direct access to Experian's extensive range of

automotive market data and analytical tools. Using Experian's industry-leading consumer classification system, postcode mapping and vehicle transaction data, you can get an unrivalled insight into what vehicles are selling, where they are being sold and who is buying them.

Companies that can follow the latest attitudes, disposable incomes and trends in their local markets can also co-ordinate their marketing to take advantage of their competitors. Many of them will have cut back on marketing, giving those who deploy their resources more cleverly a greater chance to make an impact.

"When choosing a partner to help cleanse Ford Retail Group's sizeable customer databases, Experian stood out as the clear choice, thanks to its combination of in-depth automotive knowledge and industry leading data resources."

Mike Osborne,
Head of Purchasing,
Ford Retail



See what shape your customer and vehicle data is in with a database health check from Experian, call us today on 0845 300 9541.



Mileage Masters

Since 1986, Experian's Vehicle Mileage Check service has been at the forefront of the fight against mileage fraud. Its teams of investigators are working tirelessly to protect dealers and their reputations by verifying the accuracy of vehicle mileages, an essential part of a vehicle's description.

Vehicle Mileage Check was developed by former Trading Standards Officers to meet the need for due diligence under the Trade Descriptions Act. Under the act, dealers who inadvertently sold vehicles with inaccurate or deliberately 'clocked' mileages were liable for prosecution.

With the help of Vehicle Mileage Check's specialist investigation service and the nation's first mileage database, dealers could, for the first time, defend themselves against mileage fraud and the risk of prosecution.

While the legislation has changed (now the Consumer Protection from Unfair Trading Regulations 2008), Trading Standards Officers continue to regularly inspect vehicles offered

for sale at auction, through the local press and at retailers' premises.

Performing a Vehicle Mileage Check is now the tried and tested way to meet their stringent demands and its inclusion is now mandatory in many of the UK's approved used car schemes.

Due diligence needs aside, the other main advantage of performing a check is the peace of mind it brings to dealers and customers, who can rest assured that every effort is being made to establish the vehicle's mileage.

For Experian's customers, Vehicle Mileage Check = Vehicle Mileage Confidence.

Vehicle Mileage Check is the UK's longest established mileage investigation service, making use of mileage information dating back over 20 years.



A new chapter

Major changes are under way for the mileage masters at Vehicle Mileage Check. The last six months have heralded the start of a significant programme of investment to develop the service.

The first step has been to relocate the Vehicle Mileage Check operation from Stockport to Lambert House in Nottingham, home to Experian's Automotive business.

Now united with its parent business unit and with the formidable development capabilities of one of Experian's global operations centres on hand, the stage has been set for the first in a series of major service innovations.

In early 2009, Vehicle Mileage Check will be unveiling an all new service option, which will allow dealers to upload their stock lists for batch processing.

Crucially, the criteria deciding which vehicles are checked is fully customisable, enabling a dealer to ensure 100 per cent adherence to the mileage requirements of any approved used car programme or group policy.

With progress monitored using a simple reporting system, clear records of what has been checked and automation options available, dealers should make significant time savings as well as minimising the risk of retailing a clocked car.

Other scheduled developments include large scale investments to simplify administration systems and billing options for clients. Denise Street, Operations Manager of Vehicle Mileage Check, said:

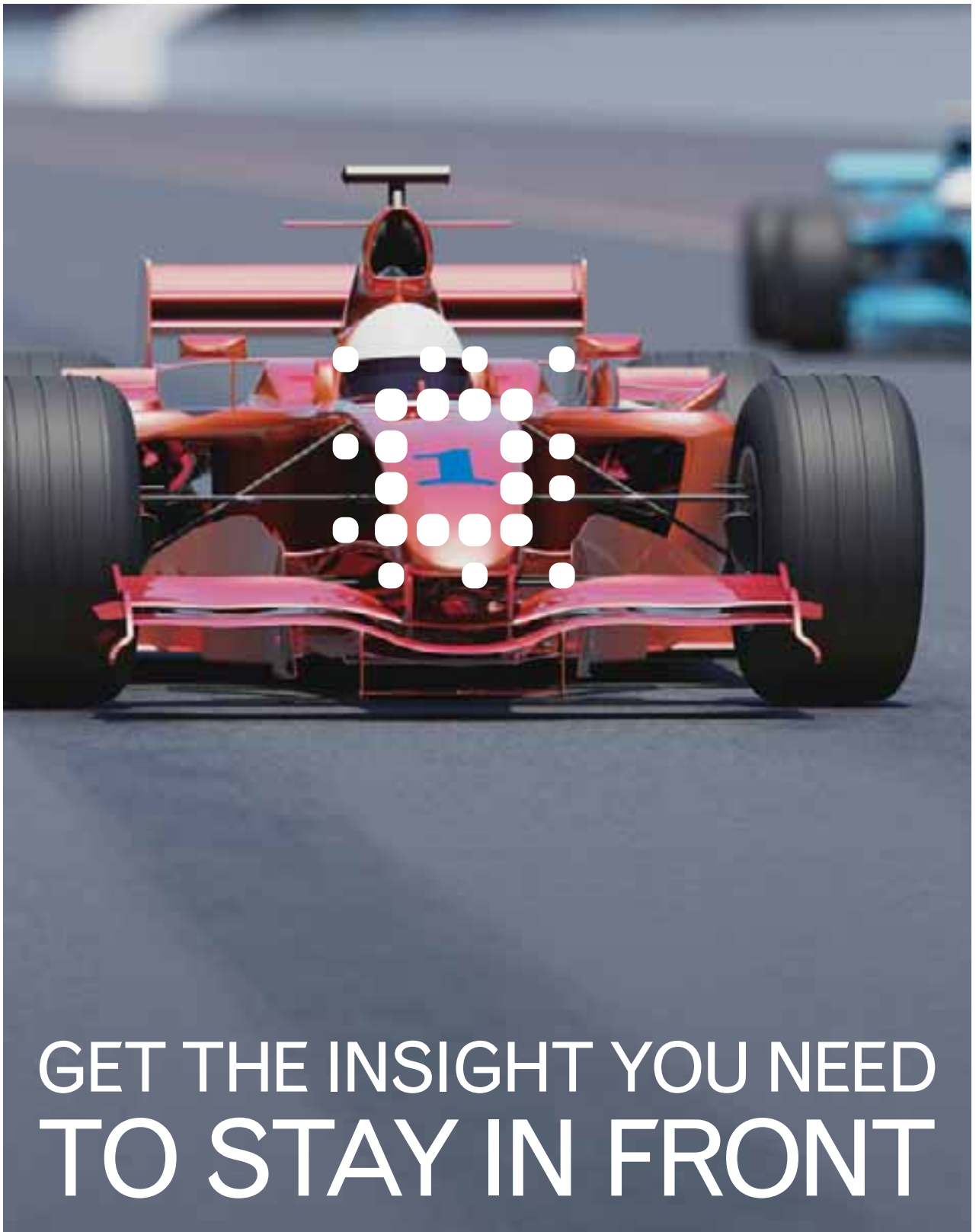
"We are confident our new product and service developments will make significant time and cost savings for our dealer clients in 2009. This will be the best year yet in terms of the high standards our customers have come to expect."

To find out how Vehicle Mileage Check can protect your business call us on 0845 300 9541 or visit us at www.experianautomotive.co.uk

For further information on any of the articles in this issue of AutoVision call 0845 300 9541 or email automotive.enquiries@uk.experian.com, stating the name of the product or article.

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GET THE INSIGHT YOU NEED TO STAY IN FRONT

8 out of 10 AM100 retail groups use Experian to give them valuable insight into vehicles and people, helping them to minimise risk and maximise their marketing budgets. To find out more call **0845 300 9541**.

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