Majority of New-Car Shoppers Plan to Research Financing Options Online, According to Latest kbb.com Vehicle Financing Study

Kelley Blue Book's kbb.com Chooses Bank of America as Exclusive Prime-Financing Lender; Collaborates with Autobytel Inc.'s Car.com for Sub-Prime Credit Financing

IRVINE, Calif., March 17, 2011 /PRNewswire/ -- According to the latest Kelley Blue Book www.kbb.com Market Intelligence survey concerning car financing, the majority of new-car shoppers (64 percent) who plan to finance some or all of their next vehicle say they will research their financing options online. Accordingly, Kelley Blue Book today announces two new collaborations with Bank of America and Autobytel Inc.'s Car.com that will provide car shoppers on kbb.com with new options to finance their next vehicle purchase.

The latest kbb.com Market Intelligence survey also yielded more interesting car-shopper insights related to vehicle financing options. The study revealed that 66 percent of new-car shoppers indicate they plan to finance some or all of the cost of their next vehicle purchase, while 34 percent say they plan to pay the entire cost of their next vehicle in cash. Among new-car shoppers intending to finance some or all of their next vehicle purchase, 35 percent say they would choose a 60-month loan, 23 percent say they would choose a 48-month loan, 23 percent say they would choose a 36-month loan, 10 percent say they would choose a 72-month loan, and 9 percent say they would choose a 24-month loan.

Moreover, of those new-car intenders planning to finance their next vehicle, 48 percent plan to use money from a trade-in as a down payment and finance the rest, 46 percent intend to use cash as a down payment and finance the rest, and 6 percent plan to finance the entire cost of their next new vehicle.

In addition, of those new-car intenders planning to finance their next vehicle, 44 percent plan to obtain vehicle financing pre-approval through a bank/credit union branch, 43 percent plan to secure financing at the dealership at the time of purchase, and 6 percent plan to apply for pre-approval through an online vehicle financing company. Of those new-car shoppers who plan to obtain pre-approval for a loan before proceeding to a dealership, 50 percent say they do it for the low interest rate, 28 percent indicate they do so for control in negotiations, 13 percent do it for convenience, 7 percent are motivated to reduce time spent at the dealership, and 3 percent get pre-approval because they have bad credit.

"In these tough economic times, we're finding that the majority of new-car buyers plan to finance at least some of their next vehicle purchase. Because of relatively lower monthly payments, five years is the most appealing loan term," said Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book's kbb.com. "Car shoppers who do their research online on sites like Kelley Blue Book's kbb.com before heading to the dealership are more likely not only to understand what their current vehicle is worth and what they should expect to pay for their next new vehicle, but also what loans and interest rates are available so they can make the most informed purchase decisions."

Kelley Blue Book's kbb.com recently chose Bank of America to be its exclusive online prime-lending financer. In addition to new car prices, used car values, car reviews, dealer information and other research at kbb.com, users can get information on prime vehicle financing, including estimated interest rates, and apply for a loan from Bank of America.

In addition, Kelley Blue Book recently expanded its current relationship with Autobytel Inc.'s Car.com to offer kbb.com site visitors with credit challenges and in

need of local auto-finance assistance access to Car.com's network of participating dealers and lenders.

"Kelley Blue Book's offerings from Bank of America and Car.com allow for all kbb.com site visitors to have access to great vehicle financing resources on kbb.com, no matter what their current credit situation may be," said Damon Bennett, vice president of business development and partnerships for Kelley Blue Book's kbb.com. "We are committed to providing our site visitors with all of the information and resources they need to make confident purchase decisions when buying their next new or used vehicle, and these recently announced collaborations with Bank of America and Car.com are another step toward achieving that goal."

The latest Kelley Blue Book Market Intelligence survey about vehicle financing was fielded to 324 in-market new- and used-car shoppers on Kelley Blue Book's kbb.com from February 22, 2011 to March 4, 2011.

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