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Auto Dealers Optimistic About 2014 and Planning to Grow their Business, Chase Auto Finance Survey Finds

Seven in ten dealerships likely to expand payroll, inventory

GARDEN CITY, N.Y., – January 24, 2014 –Two-thirds (66.4 percent) of auto dealership business owners believe the U.S. economy has already “bottomed out” and is getting better, according to the second annual survey of auto dealers by Chase Auto Finance. Nearly 8 in 10 dealers (79.4 percent) believe the auto industry as a whole is getting better.

The survey, performed in December 2013 among dealership clients that do business with Chase, found that **dealers were most optimistic about their own business’s economy**. Eighty-four percent of dealers say their business is past the worst of the economic downturn and is getting better – a 6.8 percent increase from the same survey performed in 2012. Up 8 points from last year’s survey, nine in ten (90.5 percent) say they are anticipating more than 5 percent in overall sales growth for their dealer.

Dealers planning to expand their business

Preparing their businesses to handle this growth, dealers are eyeing expansion plans. Key findings from the survey:

- 71 percent are likely to **expand their payroll** in 2014 – nearly 10 percent higher than last year. Of those, nearly 30 percent plan to hire more than 6 people
- 73 percent are likely to **expand their inventory** in the next six months – up from only 60 percent from a year ago
- One in four will **seek financing** for their expansion. Forty-one percent of those dealers say they would use the financing to **increase their floorplan** – an 8 point increase from last year.

“We’ve seen dealer expectations on hiring and business expansion gain steadily year over year,” said Thasunda Duckett, CEO of Chase Auto Finance. “Our latest survey results support that, and show optimism for an economic recovery in the works.”

Dealers anticipate pre-owned vehicles, SUV’s, will be growth leaders

In thinking through the segments that will drive growth, dealers share their predictions:

- Dealers believe that **pre-owned sales** will be the most likely category to drive growth in 2014 (41.3 percent), surpassing new sales (29 percent), which dropped six points from last year.
- Votes for the sedan as the number one selling vehicle dropped nearly 24 points this year, with only 33 percent predicting the sedan would sell the most.
- The SUV surged in popularity among dealers, with 28 percent predicting this vehicle would sell the most – a 19 percent increase from last year.
- Overall, dealers believe that sedans (43.1 percent), SUV’s (41.2 percent), trucks (31.7 percent), and crossovers (28.2 percent) would “fuel growth” for their business.

Fleet sales drop

Only 26 percent of dealers say they participate in fleet sales – a 17.5 point decline from last year’s survey. Of those who do, nearly half (48.5 percent) say that they are expecting growth in this segment by less than 5 percent.

About Chase Auto Finance Dealers Survey

The *Chase Auto Finance Dealer Survey* is an online poll conducted between December 18, 2013 and January 13, 2014, with 262 responses from dealers (Dealer Principals) across the country – with a margin of error +/- 6%. Auto Dealers were drawn from Chase Auto Finance’s national customer base. The survey was administered internally and data was collected in aggregate.

About Chase Auto Finance

Chase Auto Finance, a division of JPMorgan Chase Bank, N.A. (JPMC), is one of the leading bank providers of auto financing

in the country. With a portfolio of more than \$55 billion in assets and relationships with more than 75 percent of all U.S. franchised automotive dealers, Chase Auto Finance provides a broad spectrum of products to meet the full range of credit needs of their customers. Chase Auto Finance purchases auto loans and leases from a national network of automotive dealers as well as making auto loans directly to consumers through various Chase channels. In addition, Chase Auto Finance provides commercial loans to auto dealers throughout the U.S. and maintains a reputation for delivering high-quality services as well as a long-term commitment to auto dealers and the overall auto industry. More information can be found at www.chaseautofinance.com.