2019 CAR BUYER JOURNEY

APRIL 2019

CAR BUYER JOURNEY RESEARCH

BACKGROUND

Cox Automotive has been researching the car buying journey for nearly 10 years to monitor key changes in consumer buying behaviors.

GOAL

Inform strategic decisions for Cox Automotive and our OEM and dealer clients

2019 CAR BUYER JOURNEY

3,086

Recent Vehicle Buyers

Purchased their vehicle within the last 12 months and used the Internet during the shopping/buying process

Results are weighted to be representative of the buyer population

(Note: 1,047 used-vehicle buyers and 2,039 new-vehicle buyers)

TOP TRENDS OF 2019 CAR BUYER JOURNEY

1. Used-vehicle consideration is increasing as new vehicles become less affordable.
2. Vehicle buyers are moving through the shopping process faster than before as online engagement grows.
3. Used-vehicle buyers have experienced significantly more change in their purchase journey, compared to new-vehicle buyers.
4. Third-party sites are the top online source for driving brand awareness and influencing final new-vehicle purchase decision.
5. Digital retailing is poised to revolutionize a process that a majority of buyers feel has not improved.

AFFORDABILITY ***IMPACTS*** THE MARKET

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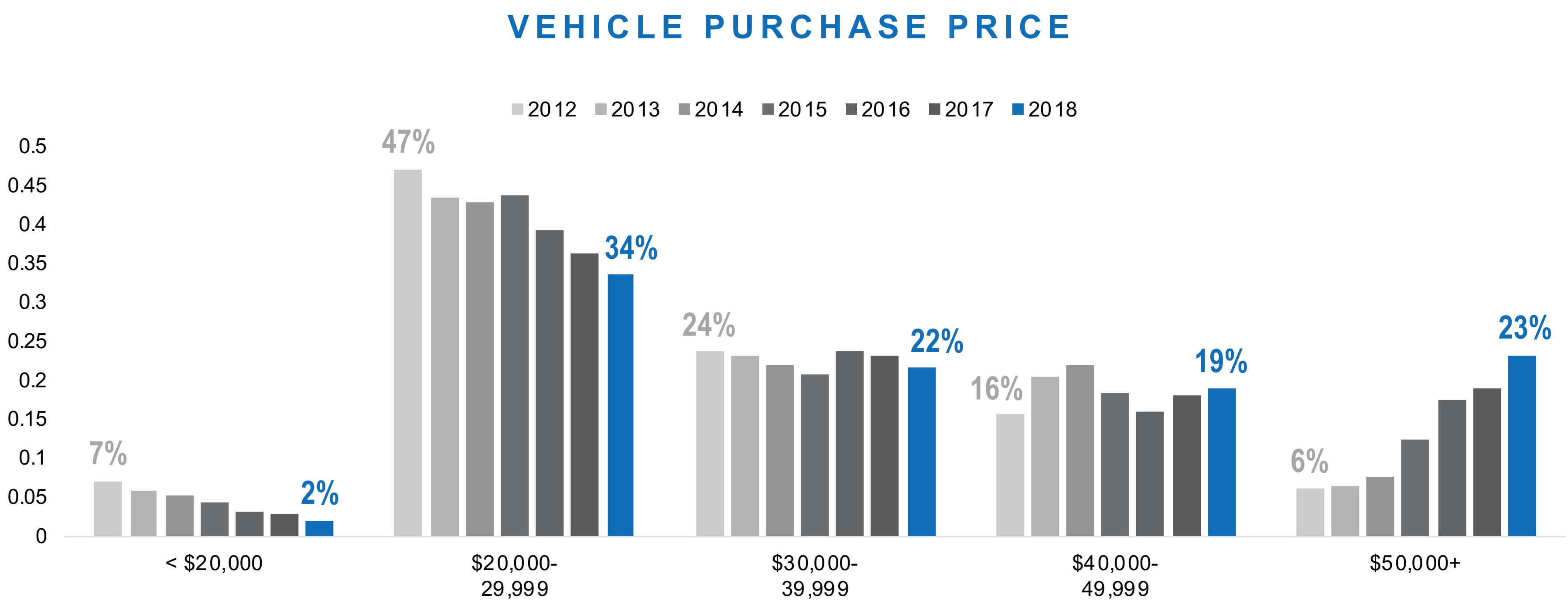
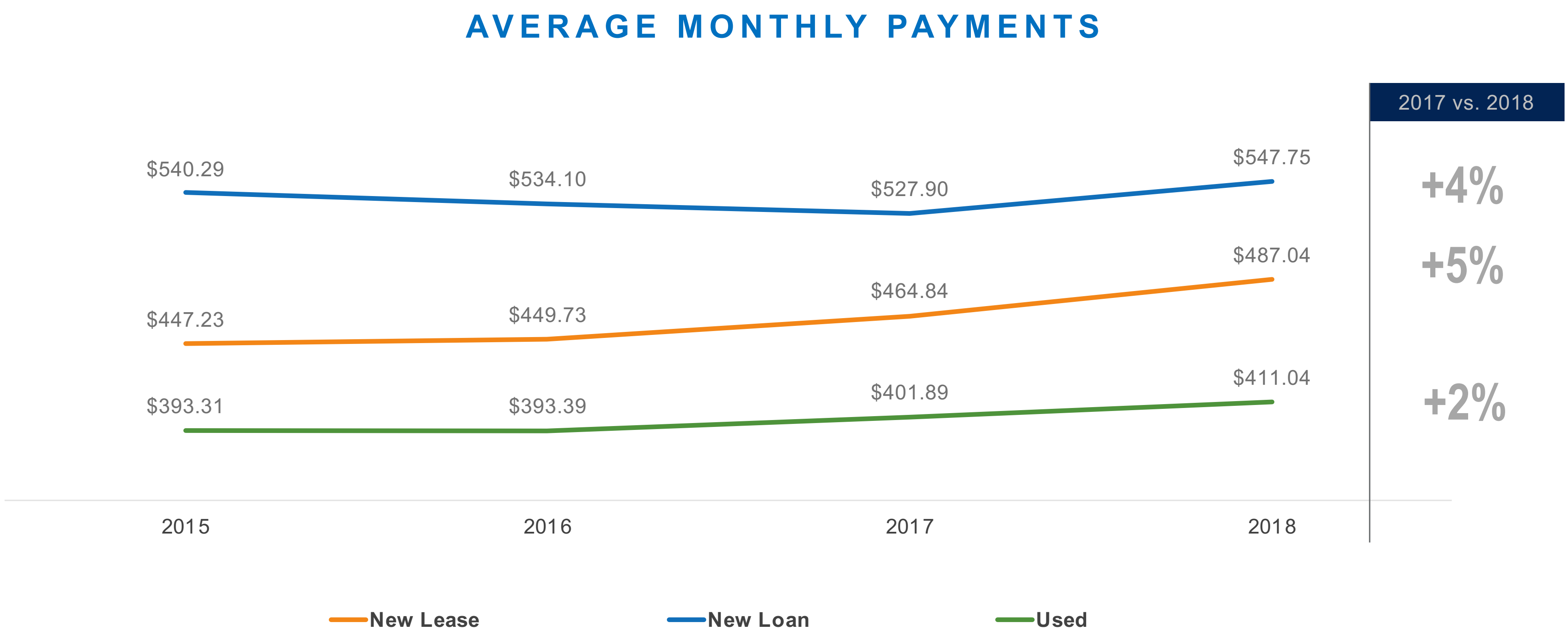
CONSUMERS ARE CONCERNED ABOUT AFFORDABILITY



< $30K: 2012 = 54% **2018** = 36%

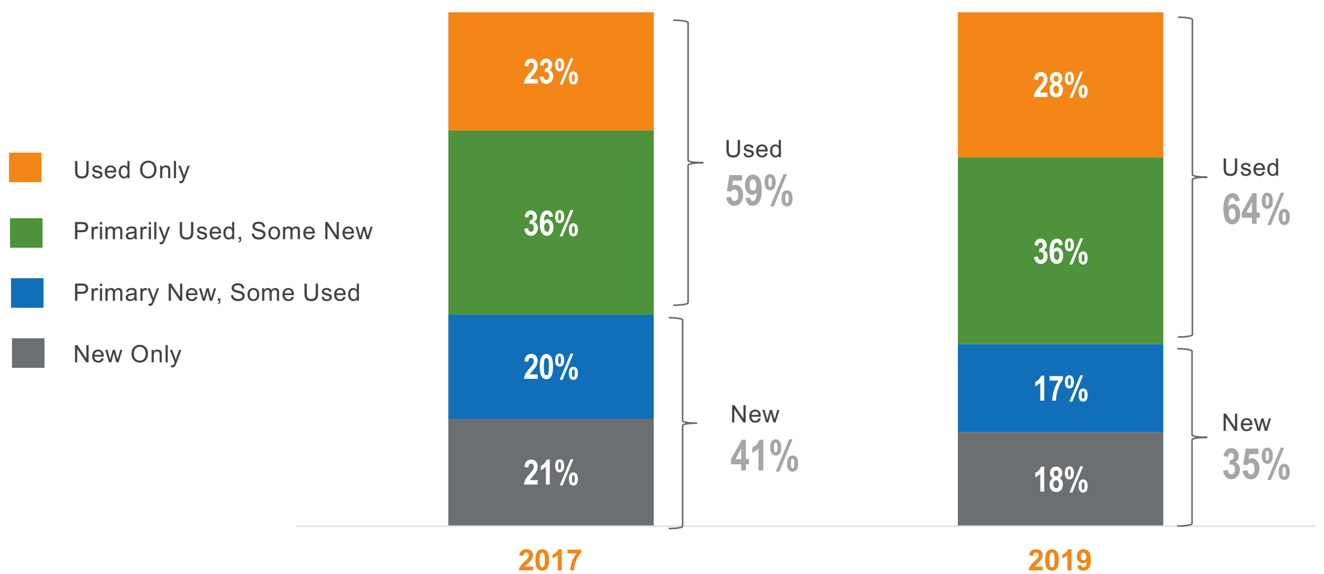
NEW-VEHICLE PAYMENTS HAVE INCREASED TWICE THAT OF USED-VEHICLE PAYMENTS



BUYERS LEANING TOWARD A USED VEHICLE DURING THE SHOPPING PROCESS GROWS TO NEARLY 2 IN 3

VEHICLE CONSIDERATION WHILE SHOPPING

(excludes “Not Sure”)



*VEHICLE BUYERS ARE MORE **EFFICIENT***

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BUYERS ARE SPENDING LESS TIME VEHICLE SHOPPING

TIME SPENT RESEARCHING AND SHOPPING FOR VEHICLE

Total, Among Automotive Internet Users (AIUs)

13:55 2019

14:44 2017

- 0:49

ONLINE CONTINUES TO BE THE TOP SOURCE FOR CONSUMERS

% OF VEHICLE SHOPPING TIME

Total, Among AIUs

ONLINE	OTHER DEALERS	PURCHASE DEALER
2019	2019	2019
61%	14%	20%
2017	2017	2017
57%	17%	20%

WEBSITE USAGE IS STEADY, WITH THIRD-PARTY SITES VISITED BY A VAST MAJORITY OF BUYERS

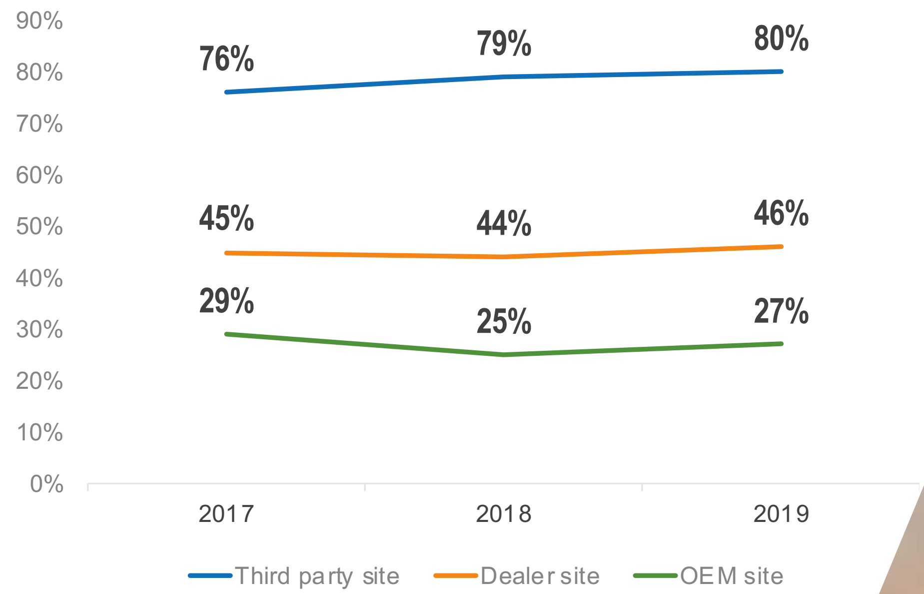
4.2

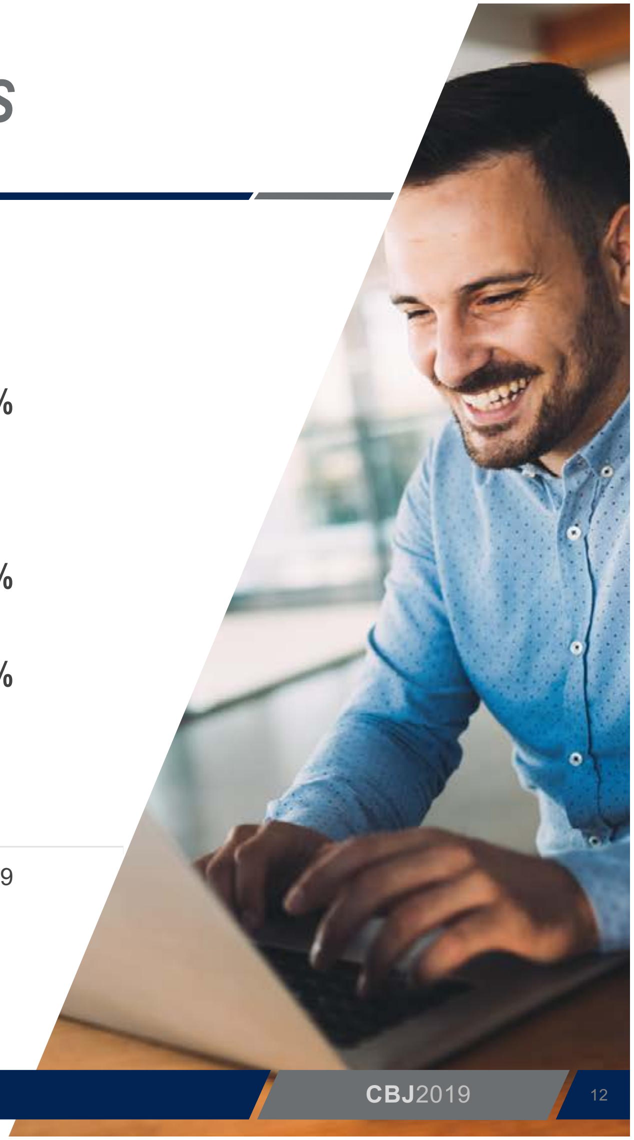
WEBSITES VISITED IN 2019

2018 4.1 sites
2017 4.5 sites

WEBSITE VISITATION

Among AIUs





THIRD-PARTY SITES MOST OFTEN VISITED BY CAR SHOPPERS

THIRD-PARTY WEBSITES/APPS USED TO RESEARCH & SHOP

Among AIUs

80%

OF VEHICLE BUYERS VISIT A THIRD-PARTY SITE

1. Kelley Blue Book*
2. Autotrader*
3. cars.com
4. CARFAX
5. edmunds
6. CarGurus
7. TRUECar

* Cox Automotive brands

NUMBER OF DEALERSHIPS VISITED DROPS

AVERAGE NUMBER OF DEALERSHIPS VISITED

Among AIUs, among those who purchased from a dealership

2.3 2019

2.7 2017


THE JOURNEY FOR
USED-VEHICLE BUYERS
HAS CHANGED
SIGNIFICANTLY
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TIME SPENT FOCUSED ON VEHICLE SHOPPING DROPS MORE FOR USED BUYERS

TIME SPENT SHOPPING & RESEARCHING VEHICLE PURCHASE

Among AIUs

	NEW-VEHICLE BUYER	USED-VEHICLE BUYER
2019	13:06 - 0:42	14:12 - 0:55
2017	13:48	15:07

TIME SPENT VEHICLE SHOPPING ONLINE REMAINS STABLE

% OF SHOPPING TIME SPENT ONLINE

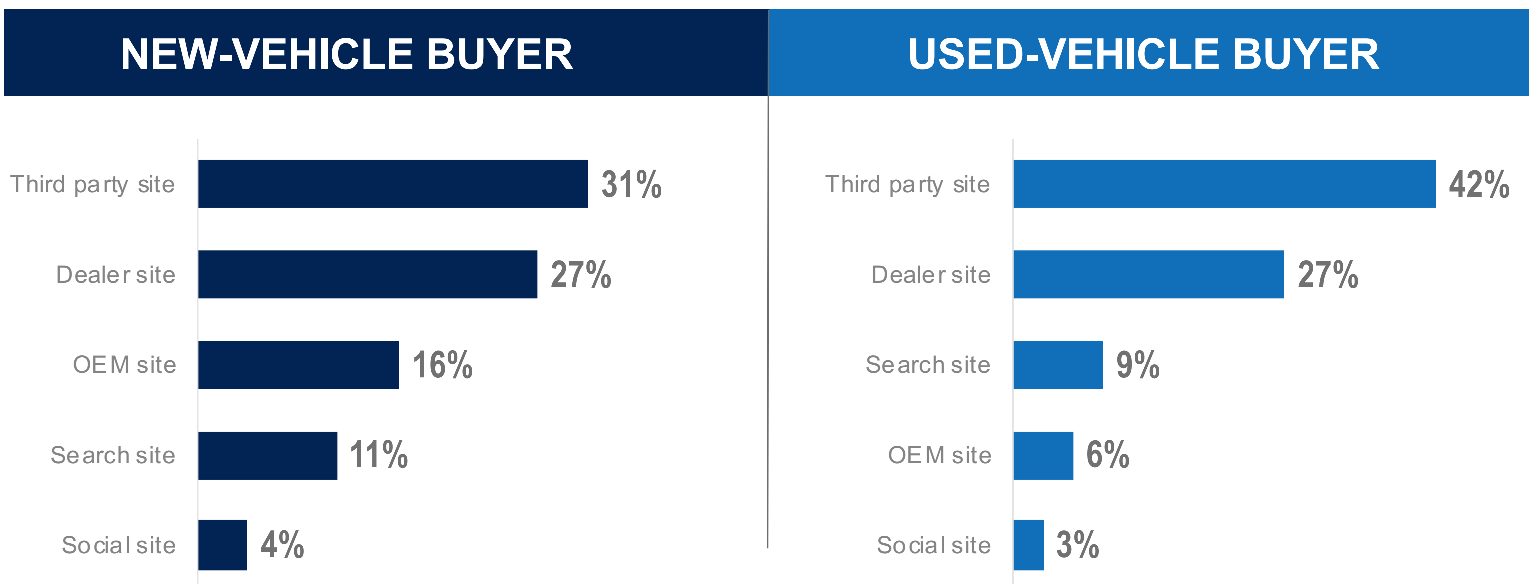
Among AIUs

NEW-VEHICLE BUYER		USED-VEHICLE BUYER	
2019		**2019**	
53%	*6h 55m*	63%	*8h 52m*
2017		**2017**	
52%	*7h 8m*	59%	*8h 52m*

THIRD-PARTY AND DEALER SITES MOST INFLUENTIAL IN DRIVING DEALERSHIP VISITS

TOP WEBSITES DRIVING DEALERSHIP VISITS IN 2019

Among AIUs, Among Those Who Visited a Dealership



THE AVERAGE NUMBER OF DEALERS VISITED BY A USED BUYER HAS DROPPED

AVERAGE NUMBER OF DEALERSHIPS VISITED

Among AIUs, Among Those Who Purchased from a Dealership

	NEW-VEHICLE BUYER	USED-VEHICLE BUYER
2019	2.5	2.2
2017	2.6	2.8


THIRD-PARTY SITES
TOP INFLUENCER
OF NEW-VEHICLE
PURCHASE DECISION
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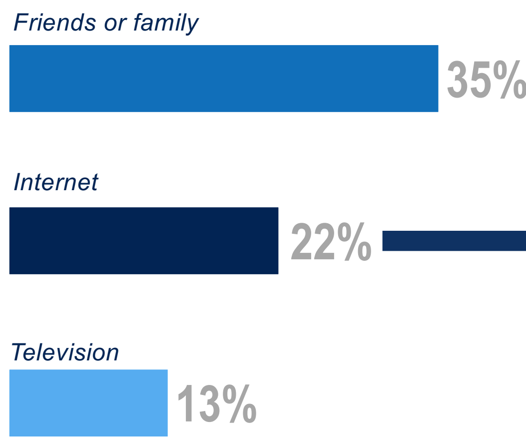
INTERNET MORE EFFECTIVE THAN TV AT DRIVING AWARENESS OF MAKE; THIRD-PARTY SITES TOP SOURCE AMONG ONLINE SOURCES

HOW THEY FIRST BECAME AWARE OF MAKE

Among First Time Make Buyers

36%

OF NEW BUYERS PURCHASED AN OEM BRAND THEY HAVE NEVER OWNED BEFORE



Top Website Used to **First Become Aware** of Vehicle Make

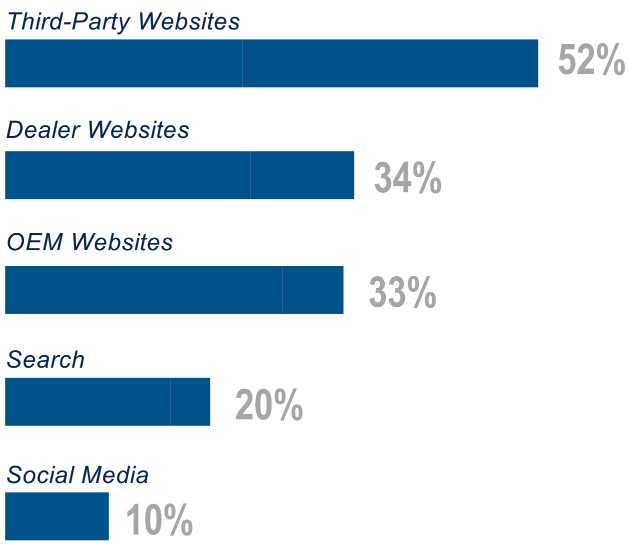
Among First Time Make Buyers Who Used Internet

1. **Third-party site (29%)**
2. OEM site **(21%)**
3. Dealer site **(21%)**
4. Search **(18%)**
5. Social media **(2%)**

THIRD-PARTY SITES TRUSTED TO HELP SELECT THE RIGHT BRAND IN THE END

WEBSITE(S) USED TO MAKE A FINAL DECISION ON THE MAKE

Among New Buyers



Third-party websites preferred for unbiased information during the selection process.

“Unbiased information about all of the vehicles we were considering.”

Dealer websites preferred when looking for specific vehicles.

“Gives you a listing of all the vehicles they have on the lot and the prices and current offers.”

OEM Websites preferred for selecting specific trim/features and for incentives/offers.

“There is more detailed information on choices and descriptions of accessory packages are more complete. Without this information it is impossible to determine the MSRP of the exact version of the car I want.”

MESSAGING ABOUT THE VEHICLE HAS MOST INFLUENCE ON FINAL PURCHASE DECISION

REASON FOR SELECTING NEW VEHICLE

VEHICLE SPECIFICATIONS

38%

"(It) had all the features we were looking for in a good looking, nice driving vehicle at a decent price."

"Relied heavily on Consumer Reports information regarding this vehicle's features and reliability…this vehicle had the features we wanted and was the highest rated in reliability and customer satisfaction."

MAKE REPUTATION

28%

"Reputation for excellent quality."

"It's an American brand with long heritage and essentially a cult following."

THE DEAL

22%

"It was a good price and monthly payments I could afford."

"Big discount up front."

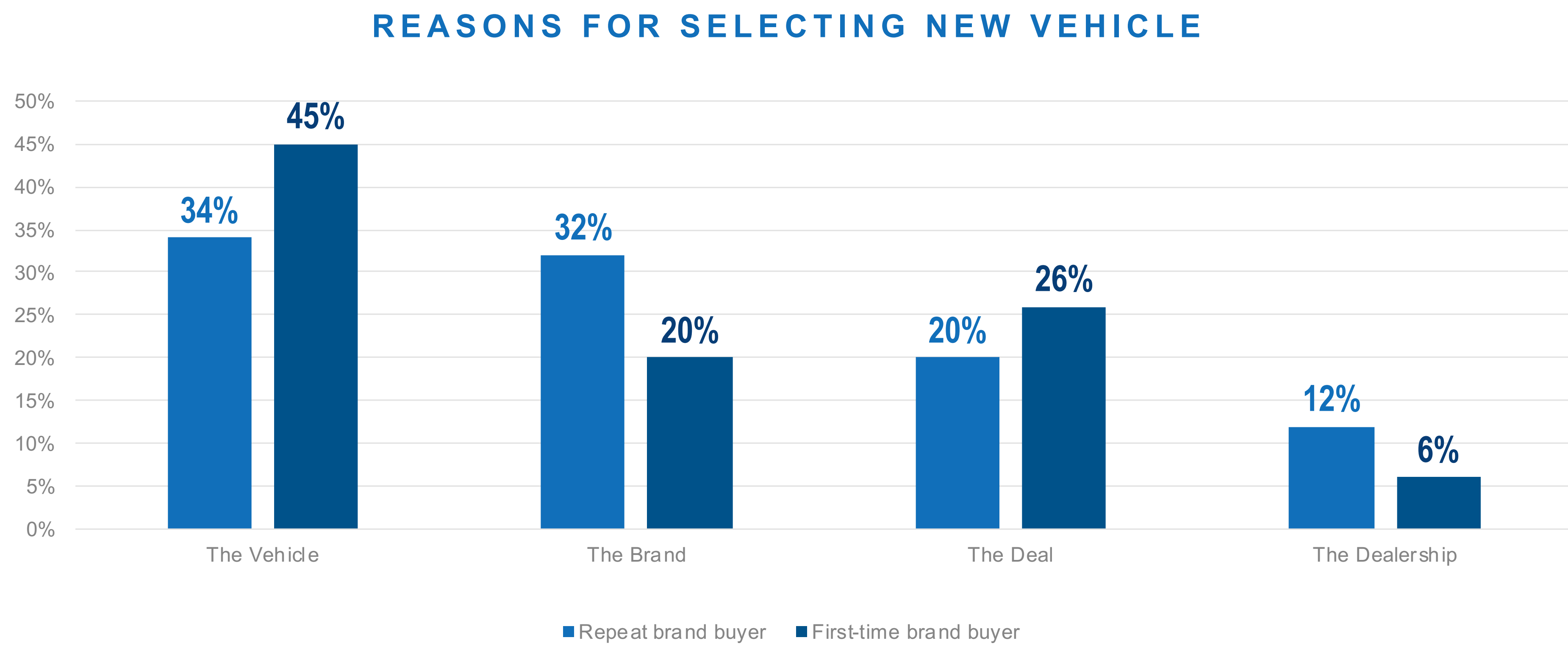
DEALERSHIP EXPERIENCE

10%

"No price negotiation at the dealership."

"This dealership has been very good to me and offered a vehicle that I liked and would be happy with. I plan to have this car for years so who is the service provider is very important. They also offered me a very good price."

FIRST-TIME BRAND BUYERS FOCUS MORE ON THE VEHICLE AND THE DEAL, LESS ON THE BRAND AND THE DEALERSHIP



THE SHOPPING EXPERIENCE **HAS NOT** IMPROVED

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BUYERS DO NOT FEEL THE SHOPPING EXPERIENCE HAS IMPROVED

MOST RECENT PURCHASE EXPERIENCE COMPARED TO PREVIOUS PURCHASE EXPERIENCE

Among Those Who Purchased/Leased Vehicle Previously

61%

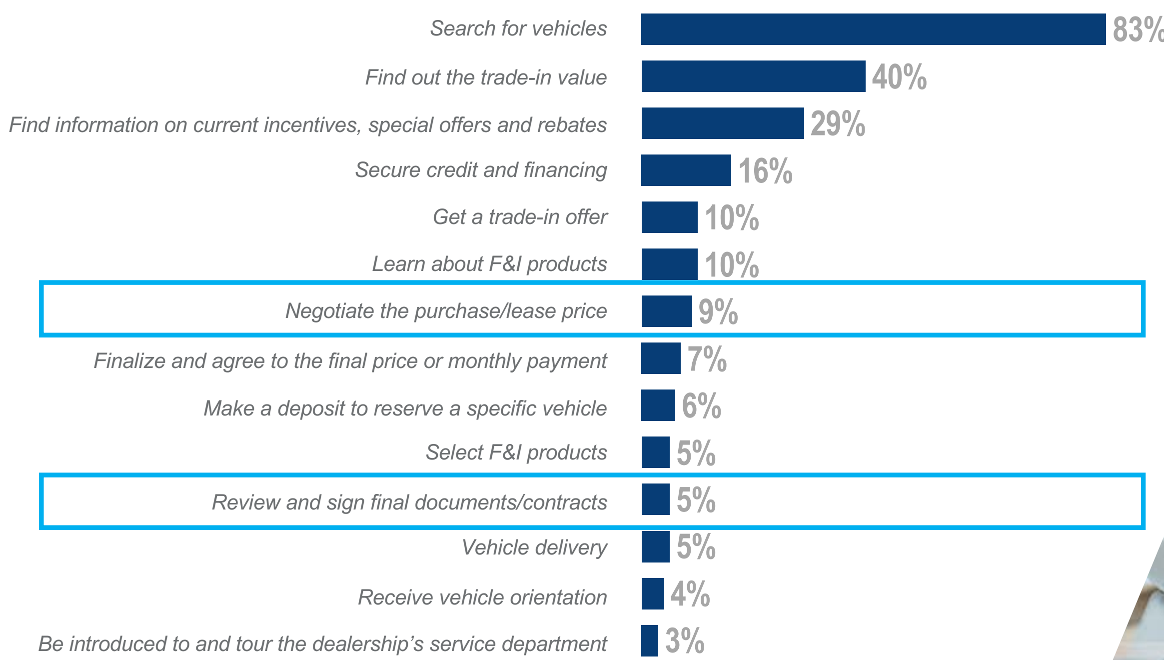
EXPERIENCE IS
SAME OR **WORSE**

PAPERWORK & NEGOTIATION ARE STILL THE MOST FRUSTRATING PARTS OF THE PURCHASE PROCESS

TOP FRUSTRATIONS WITH PURCHASE PROCESS

NEGOTIATIONG & COMPLETING PAPERWORK ONLINE IS STILL VERY LIMITED

DID ACTIVITY DIGITALLY



NEGOTIATING & COMPLETING PAPERWORK ONLINE HAS THE GREATEST IMPACT ON REDUCING TIME SPENT AT THE DEALERSHIP

TIME SAVED BY DOING ACTIVITY DIGITALLY

Total, Among AIUs, Among Those Purchasing / Leasing from a Dealership

DISCUSSING & SIGNING PAPERWORK	NEGOTIATE THE PURCHASE PRICE	SELECT F&I ADD-ONS	GET A TRADE-IN OFFER
0:45	0:43	0:33	0:26

THOSE WHO NEGOTIATE & COMPLETE PAPERWORK ONLINE ARE MORE SATISFIED WITH THEIR DEALERSHIP EXPERIENCE

% SATISFIED WITH DEALERSHIP EXPERIENCE

Among Those Who Purchased from a Dealership

PAPERWORK		NEGOTIATION	
65%	74%	64%	68%
IN-PERSON	DIGITAL	IN-PERSON	DIGITAL

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THANK YOU!

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