COX AUTOMOTIVE CAR BUYER JOURNEY STUDY: PANDEMIC EDITION

Media Summary / February 2021

Cox Automotive™
Research & Market Intelligence

Study Background & Methodology

Background
- Cox Automotive has been researching the car buying journey for 11 years to monitor key changes in consumer buying behaviors

Goal
- Inform strategic decisions for Cox Automotive and OEM & Dealer clients

In-Field Dates
- September 10 – September 22, 2020

Respondents
- Buyers/Lessees that took ownership between mid-March and September 2020
- Used the internet during the shopping/buying process
- Results are weighted to be representative of the buyer population

3,016
Recent Vehicle Buyers

2,010
New Buyers

1,006
Used Buyers

2020 Buyer Profile

	Total	New (A)	Used (B)
Male	51% ↑	62%[B] ↑	48% ↑
Female	49% ↓	38% ↓	52%[A] ↓
Avg Age	50	53	49
Gen Z (1996-2011)	2%	1%	2%
Millennial (1982-1995)	24%	20%	25%[A]
Gen X (1965-1981)	38%	34%	39%[A]
Baby Boomer (1946-1964)	30%	37%[B]	29%
Pre-Boomer (Pre-1946)	6%	9%[B]	5%
White/Caucasian	88%	89%	88%
African American or Black	7%	4%	8%
Hispanic	11% ↑	13% ↑	11% ↑
Asian	3%	5%[B]	3%

	Total	New (A)	Used (B)
Income Under $75K	42%	30% ↓	45%[A]
Income $75K+	58%	70%[B] ↑	55%
Have Children	51% ↑	47% ↑	53%[A]

2020 Pickup Truck Purchase
(among Male Buyers)

59% (+14) ↑

2020 Pickup Truck Purchase
(among Hispanic Buyers)

11% (+7) ↑

2020 Segment Market Share
(Change from 2019)

Pickups +3% ↑

SUVs +2% ↑

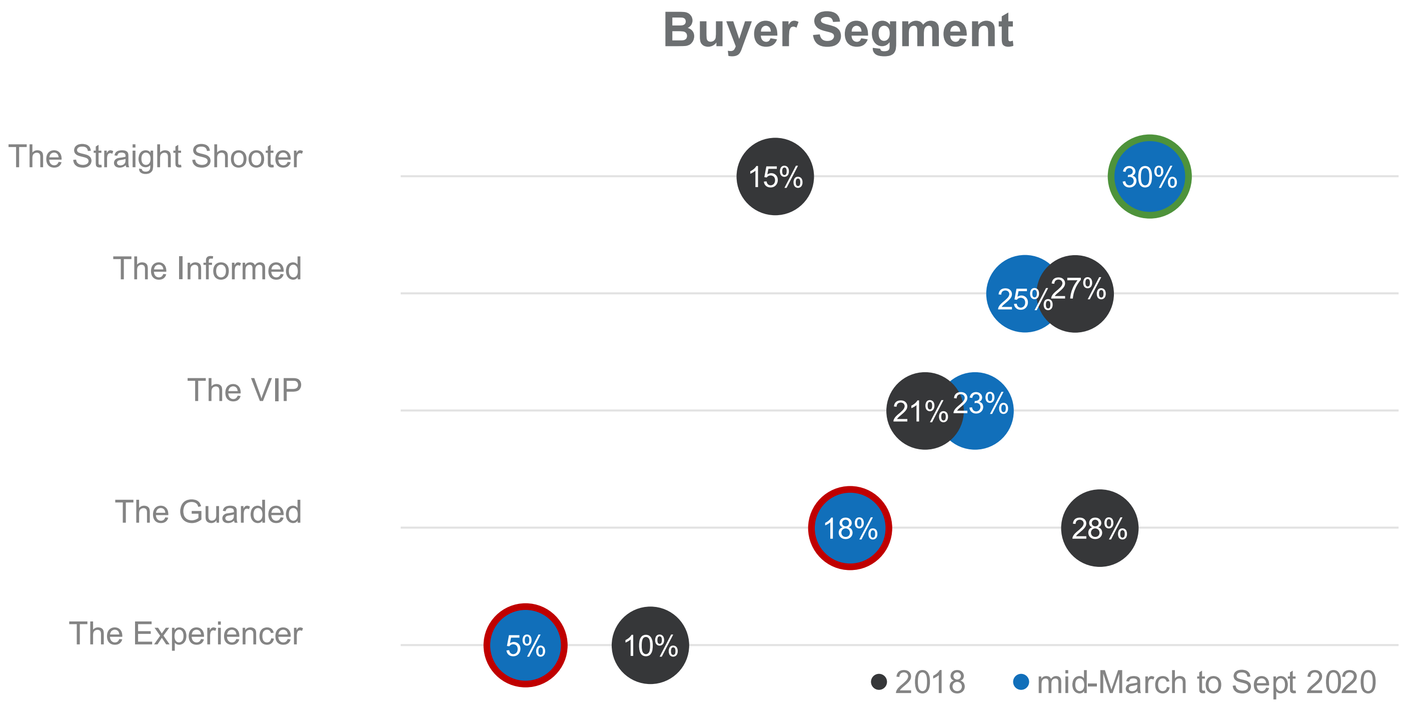
Cars -4% ↓

*Ethnicity/Race & Income excludes prefer not to answer.
Letters indicate significant difference between New and Used at the 95% confidence interval.
Arrows indicate significant difference to prior year at the 95% confidence interval.

Our Consumer Segments

The Guarded	The VIP	The Informed	The Experiencer	The Straight Shooter
Inexperienced and cautious about car shopping **Practical** and sticks to **budget**	View their **car as a reflection of** their social **status** Put limited effort in their car shopping	**Prefers the finer things** in life Meticulous and **maximize effort** in their car shopping	**Enthusiastic about cars** View car buying as opportunity to learn	**Well-versed** in vehicle buying process Would **never buy a car** they felt **they couldn't afford**
More likely to be **Millennials** More likely to be **single** Gender neutral More likely to have **<$75K HHI**	More likely to be **Millennials** More likely to **have kids** More likely to be **male** Equal distribution of < and >$75K HHI	More likely to be **Gen X** Most likely to be a **Suburbanite** More likely to be **male** More likely to have **>$75K HHI**	More likely to be older **Millennials** Most likely to be **Urbanite** More likely to be **male** More likely to have **>$75K HHI**	More likely to be **Gen X** or **Boomers** More likely to be a **Suburbanite** Gender neutral More likely to have **<$75K HHI**

“In Market” in 2020



Straight Shooters tend to be…

- Likely Gen X or Boomer
- Experienced buyers
- Financially responsible
- Household income <$75K

2020 saw a spike in pragmatic, experienced buyers, such as *The Straight Shooters,* while cautious and novice buyers – *The Guarded and The Experiencers* – tended to steer away from the market.

+Not Sure removed.
Green and Red Circles indicate significant differences from 2018 at the 95% confidence interval.

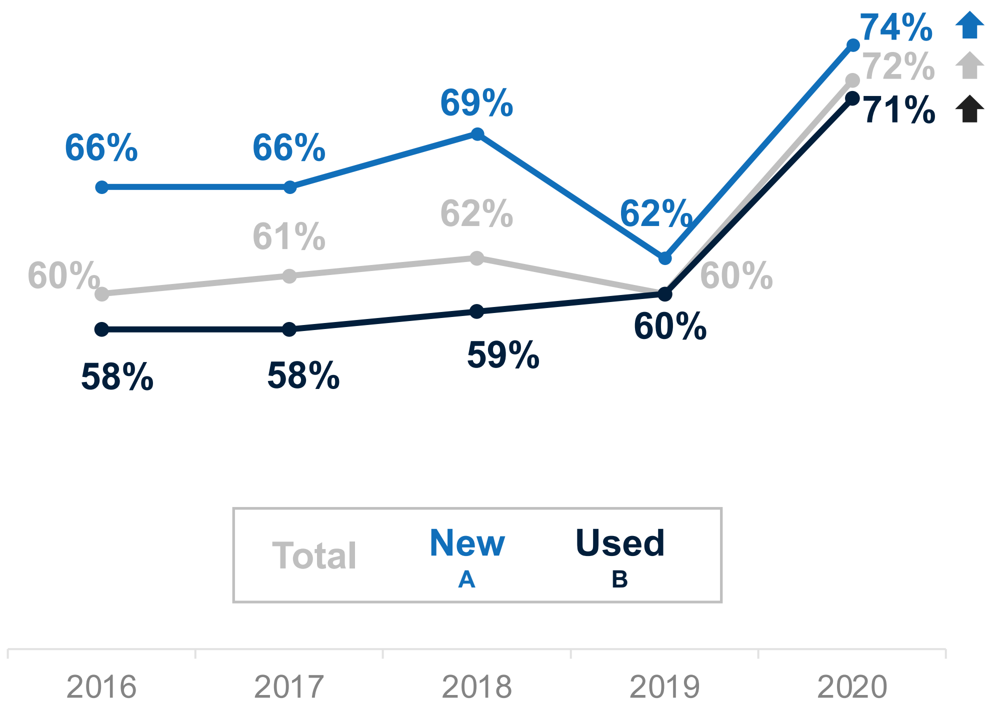
In 2020, the Global Pandemic…

1) Shifted Purchase Motivation

2) Revolutionized the Buying Process

Overall: Higher Satisfaction and a Shorter Purchase Process…

% of Buyers Satisfied with Shopping Experience



Arrows indicate significant differences from 2020 or previous timeframe at the 95% confidence interval.
Letters indicate significant differences between New and Used at the 95% confidence interval.

Time Spent in Purchase Process

13h 13m ↓ — **2020**

14h 53m — 2019

NEW BUYER

11h 11m ↓ — **2020**

2019 11h 56m

USED BUYER

13h 49m ↓ — **2020**

2019 15h 53m

Drivers of Change

- Shifted Purchase Motivations
- Revolutionized Buying Process

…With Decisive Buyers Spending Less Time Shopping Online

Time Spent Researching & Shopping Online

7h 14m ↓ 9h 29m

2020 2019

NEW BUYER

5h 34m ↓

2020

2019 6h 44m

USED BUYER

7h 44m ↓

2020

2019 10h 25m

Top Reasons For Less Time Online

1. **Already knew what they wanted**

"With our previous vehicle, we weren't sure which one to go with, but with this purchase, I knew exactly what I wanted in a vehicle and the make & model."

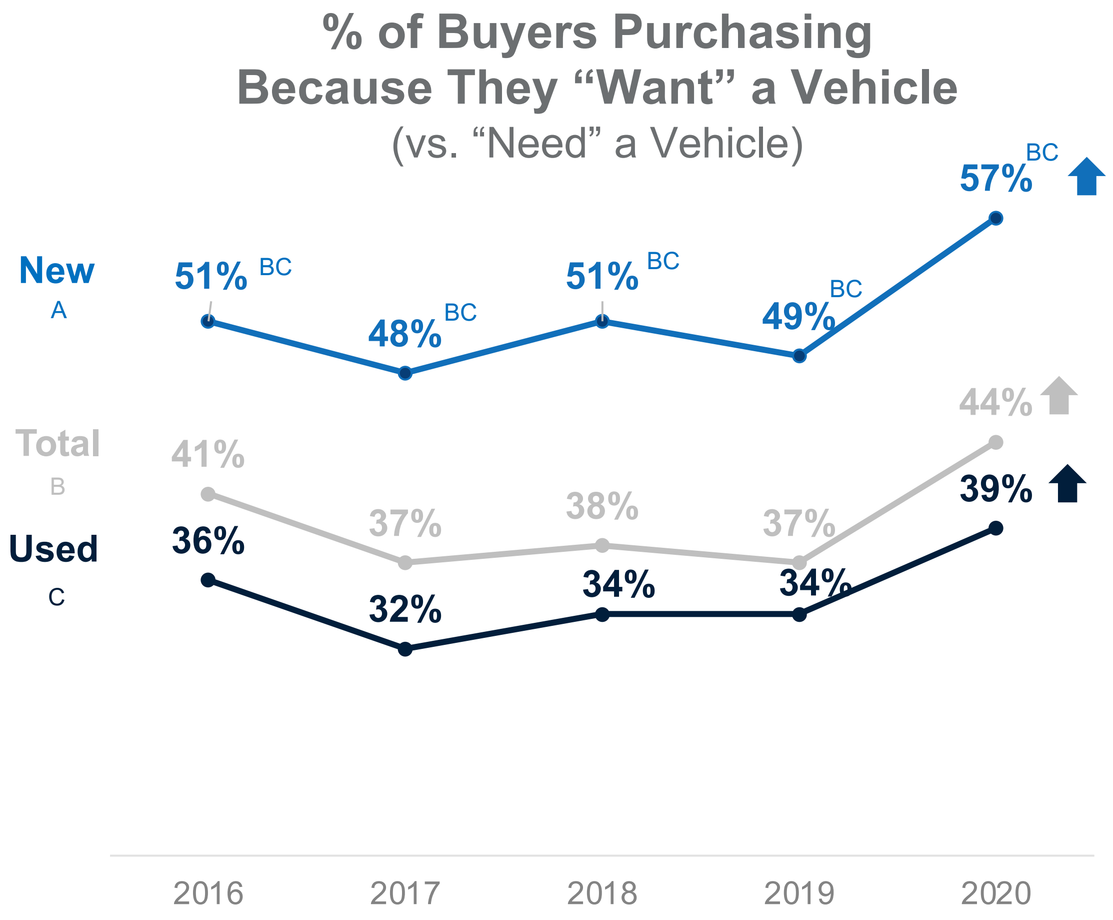
"There was less searching the internet for makes, models, etc. We had decided ahead of time what we wanted, if available."

2. **Attractive offer**

3. **Dealer reached out with offers**

Arrows indicate significant differences from 2020 or previous timeframe at the 95% confidence interval.

In 2020, Purchase Motivation Driven More by "Want". . .



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Source: Cox Automotive Car Buyer Journey - 2020

. . . And Buyer Certainty Increased

% of Buyers Who Knew Exact Vehicle They Wanted at Start of Shopping Process

2018
(29%)*

Total

New (A)	2018	Used (B)	2018
45%[B] ⬆	(38%[B])*	32% ⬆	(26%)*

[+]Not Sure removed.
*Not asked in 2019 survey.
Arrows indicate significant differences from 2020 or previous timeframe at the 95% confidence interval.
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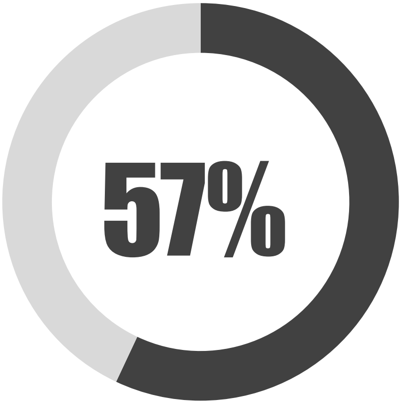
More Shoppers Considered Both New and Used in 2020

% of Buyers Who Considered Both New and Used Vehicles



2019
(53%)

Total

New (A)	2019	Used (B)	2019
30%	(32%)	66%[A] ⬆	(60%)

⁺Not Sure removed.
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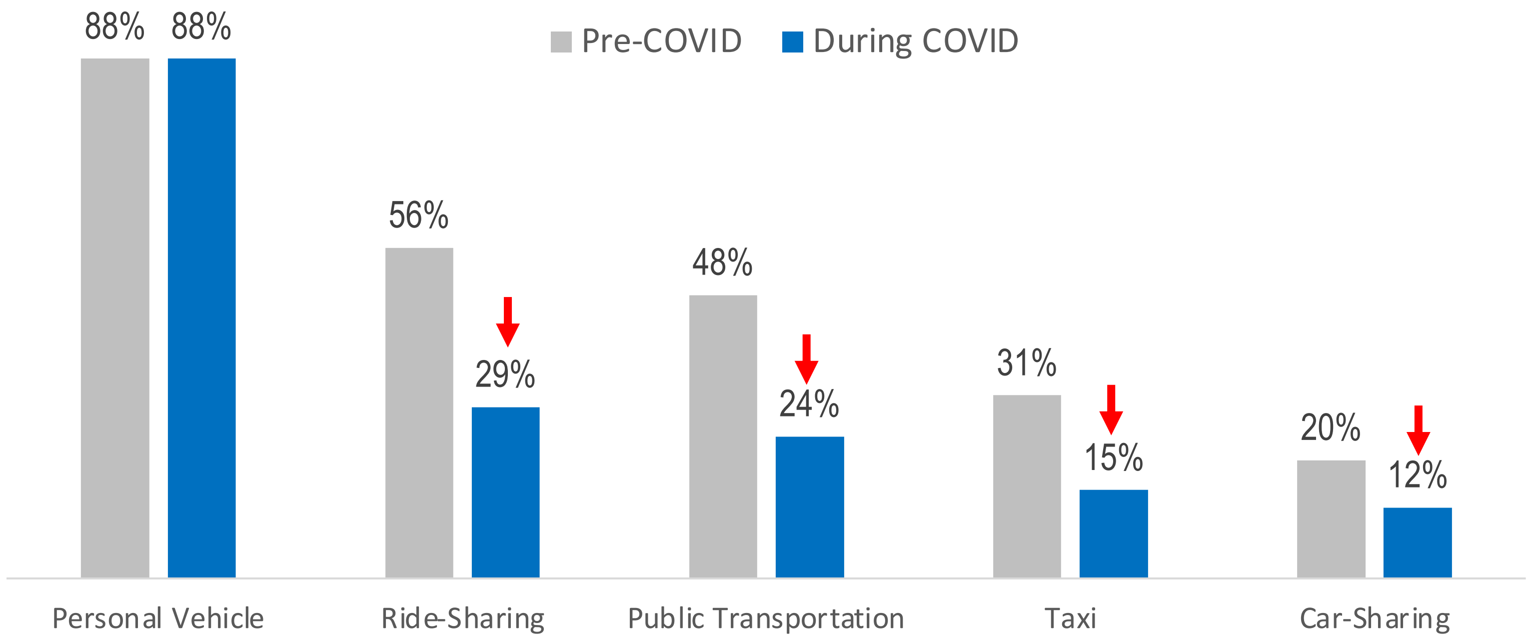
In 2020, COVID-19 Safety Concerns Motivated Buyers to Grow Their Garage

Usage of Transportation Mediums



% WHO SAY "VERY RISKY FOR COVID"

Personal Vehicle	Ride-Sharing	Public Transportation	Taxi	Car-Sharing
2%	32%	56%	39%	34%

Purchase Trigger Was "Needed Additional Vehicles in Household"

↑ 13% vs. 8%

Used **New**

More than 1 in 4 Vehicle Shoppers Who Plan to Add Another Vehicle to their Household Cited **They No Longer Want to Use Other Transportation***

Arrows indicates significant difference since last wave or compared to other measures.

New Buyers Were Enticed by Attractive Deals . . .

Top 5 Purchase Triggers

NEW BUYERS

1. Previous vehicle had high mileage
2. Wanted a vehicle with certain features
3. **Promotional Offer – Attractive Deals**
   (17% Post-COVID vs. 11% Pre-COVID)
4. Wanted/Needed a different vehicle type
5. Lease expired

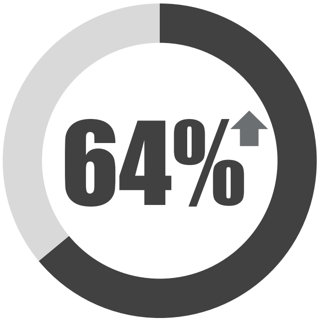
USED BUYERS

1. Previous vehicle had high mileage
2. Previous vehicle was unreliable or expensive to repair
3. Wanted/Needed a different vehicle type
4. Wanted a vehicle with certain features
5. Previous vehicle was damaged

Source: Cox Automotive Car Buyer Journey - 2020

. . . While Trust in “The Deal” Improved

% of Buyers Who Trust the Dealership/ Retailer Gave Me the Best Deal

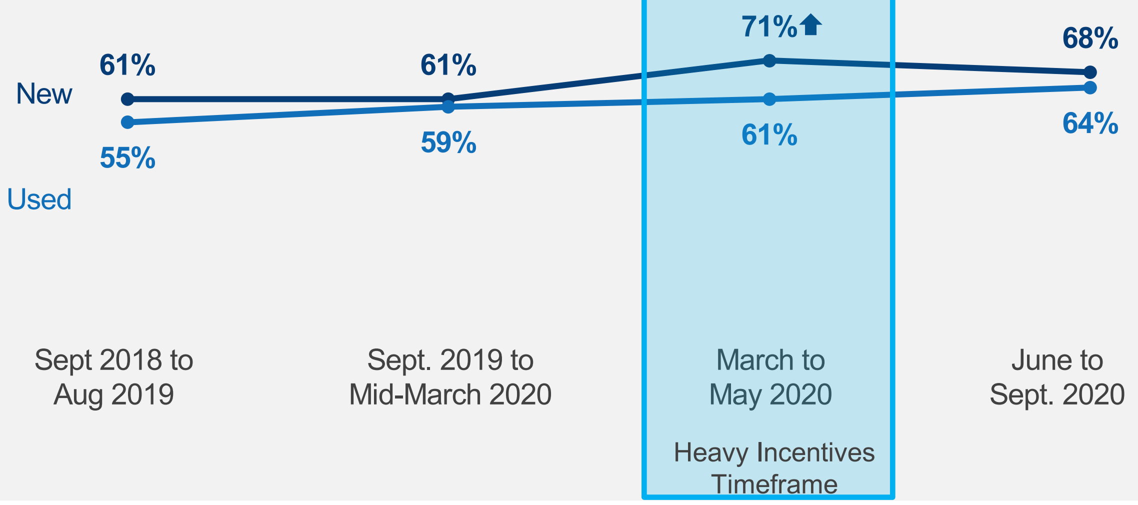


Sept 2018 to Aug 2019 Timeframe (57%)

Total

New (A)	**Used (B)**
69%B ⬆	**63%** ⬆

Trust the Dealer Gave the Best Deal Across Time+



TRUST DEALER GAVE BEST DEAL…	Lessees	New Purchasers	TOYOTA	CHEVROLET	Ford	HONDA	NISSAN
	69% (+7)	69% (+8) ⬆	**64% (+8)**	**72% (+12)** ⬆	**70% (+2)**	**57% (-5)**	**73% (+11)**

+Not Sure removed.
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In 2020, the Global Pandemic…

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Third-Party Sites Remain Popular Among Vehicle Buyers

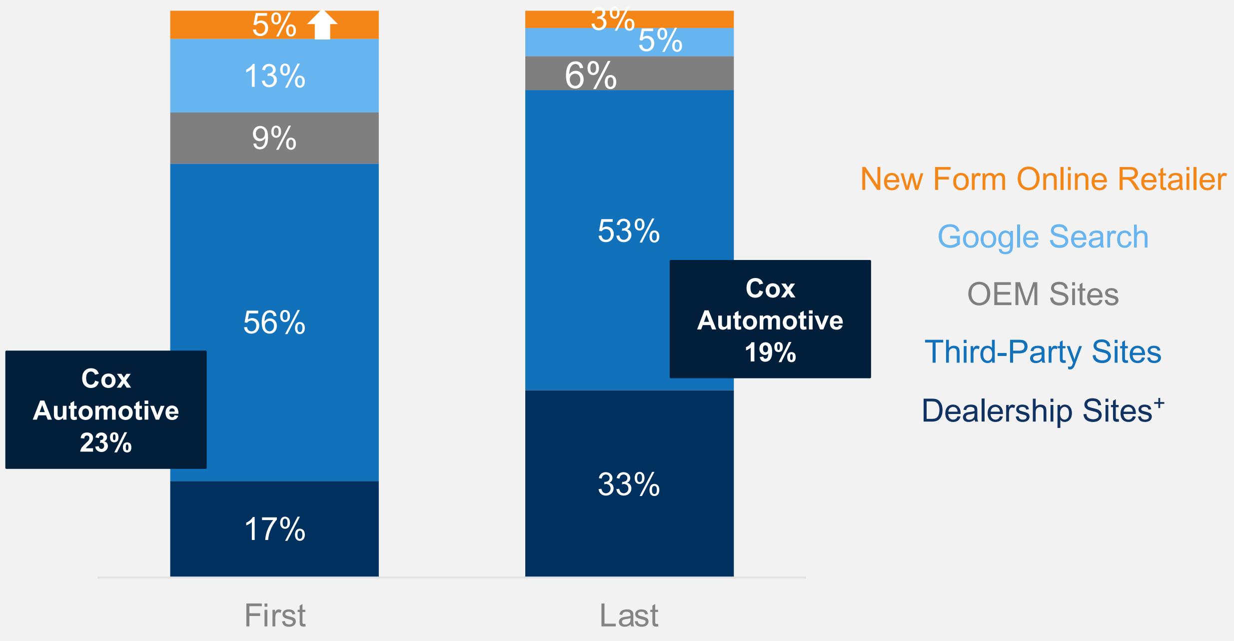
Total Vehicle Buyers

78%

of vehicle buyers visited at least 2 websites

First And Last Website Visited

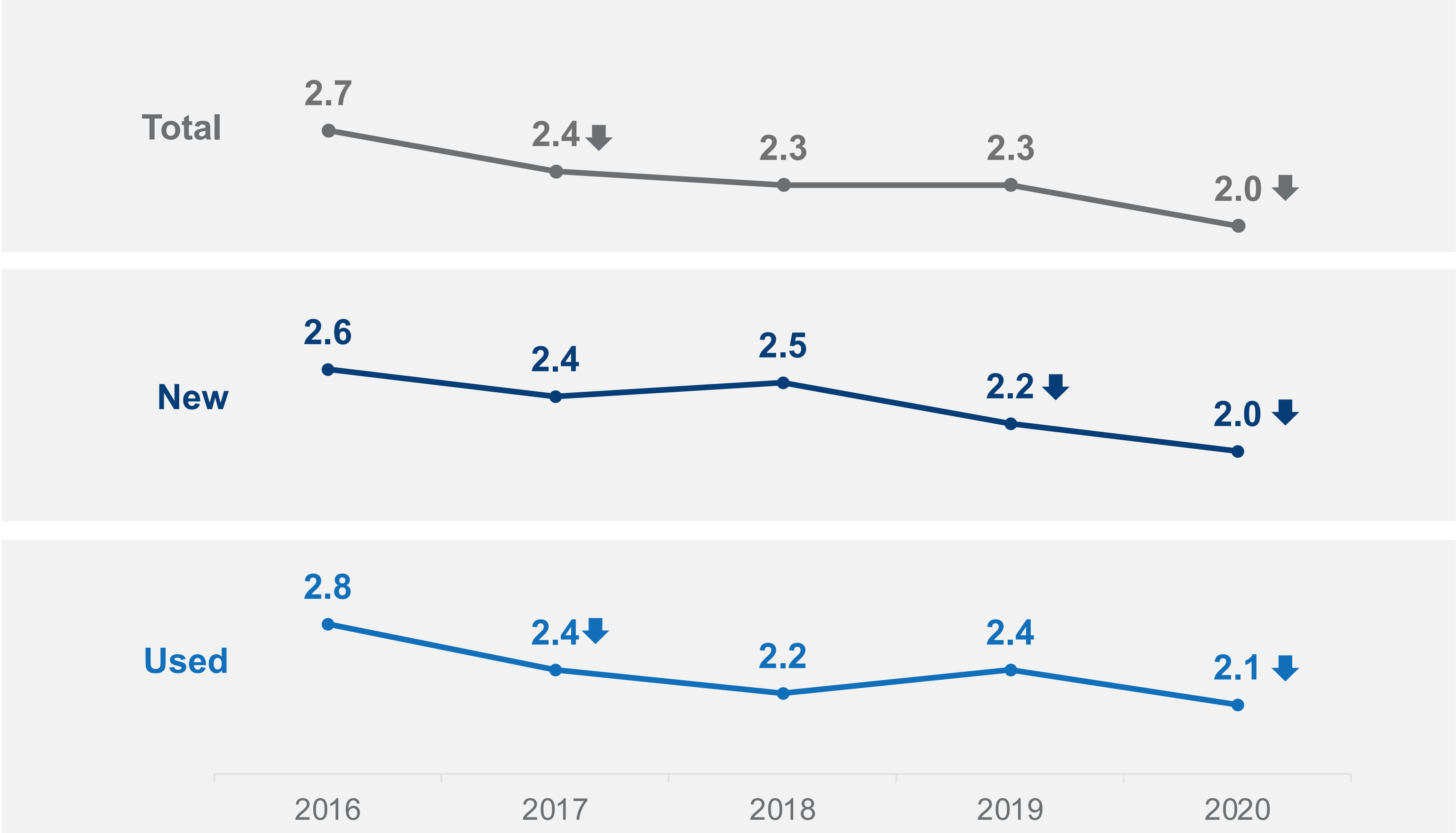
(Among Buyers Visiting Multiple Websites)

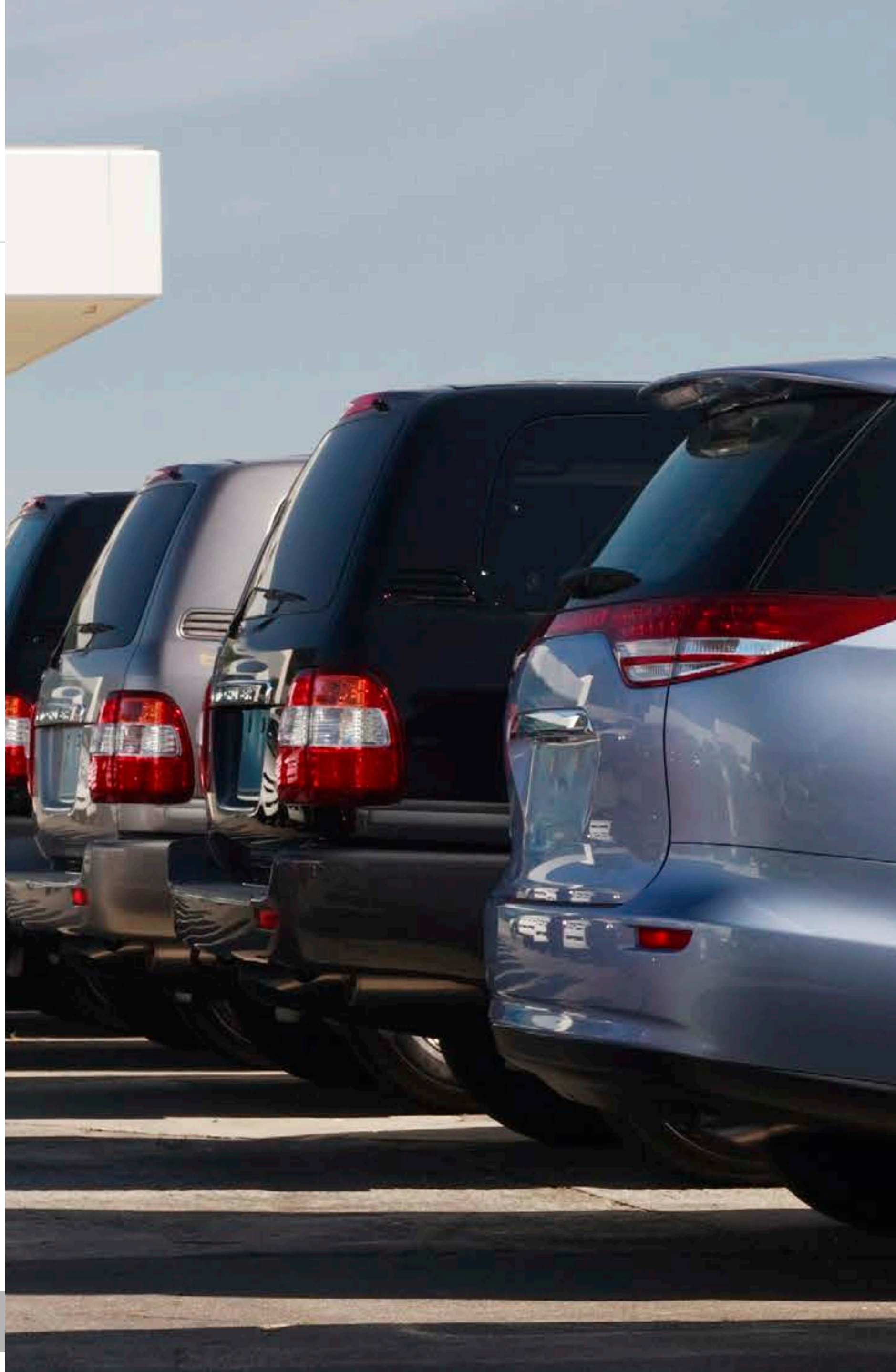


Third Party excludes Carvana.
+Dealership includes CarMax.
New Form Online Retailer is primarily Carvana.
*Data points exclude "Social Sites", "Other Sites", and "Not Sure" from analysis.
Arrows indicate significant differences from previous timeframe at the 95% confidence interval.

In 2020, Dealership Visitation Dipped to an All-Time Low . . .

Number of Dealerships Visited





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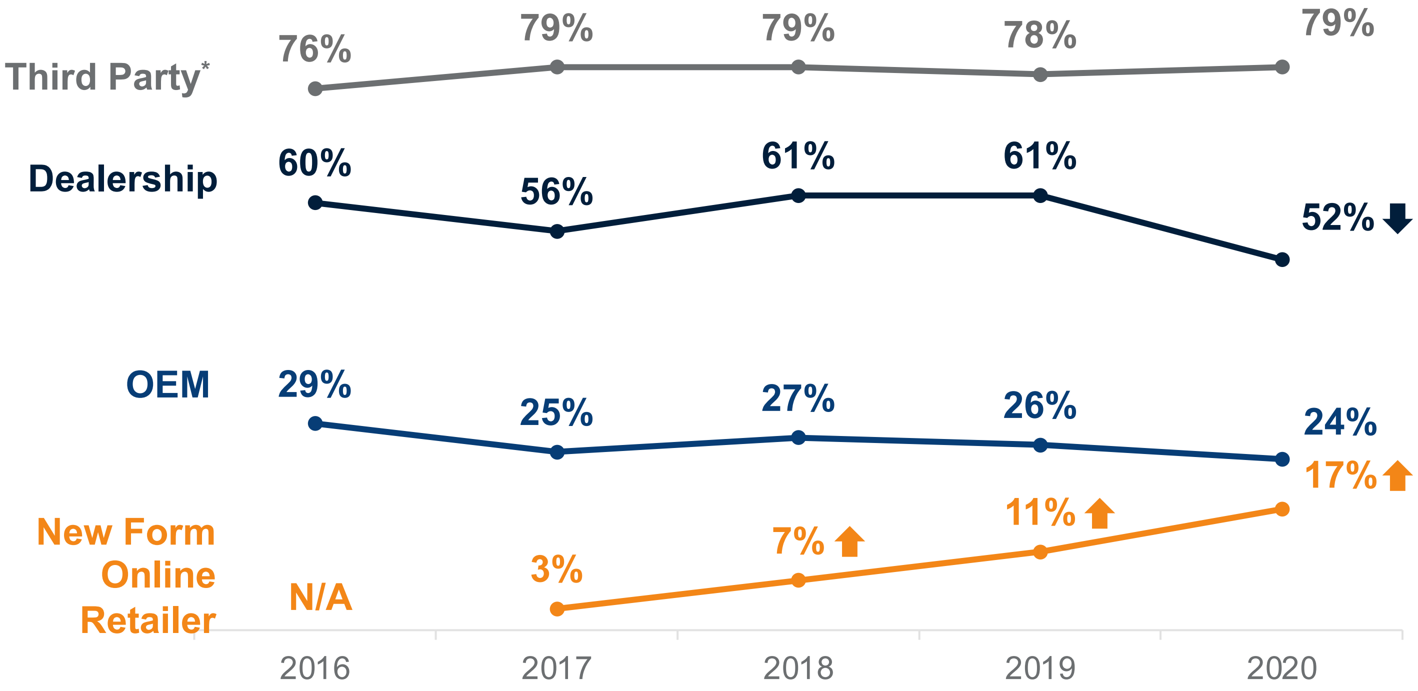
Source: Cox Automotive Car Buyer Journey - 2020

. . . While New Form Online Retailing Grew

Automotive Website Category Usage



*Third Party excludes Carvana.
New Form Online Retailer is primarily Carvana.
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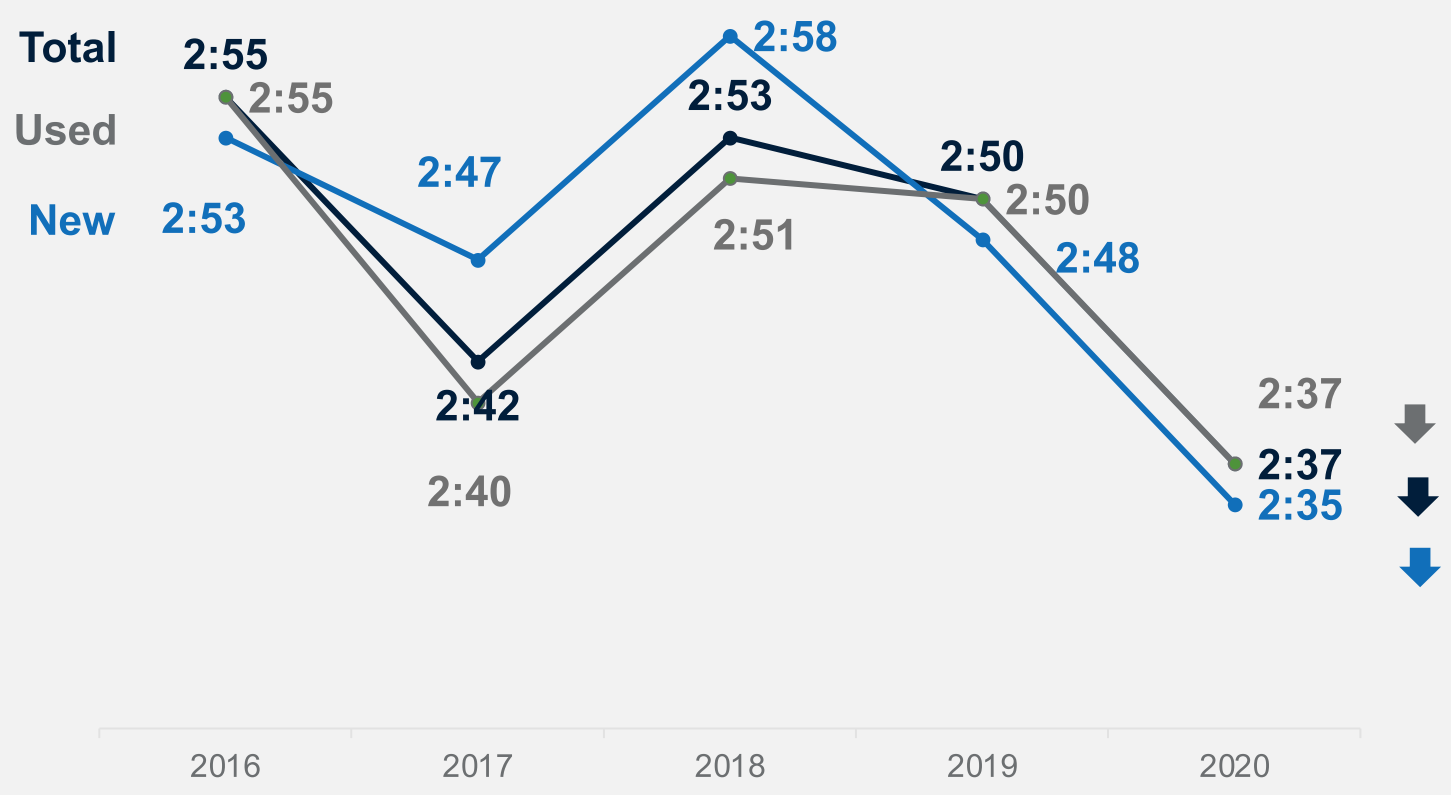
Time Spent at Dealerships Reached a Record Low in 2020. . .



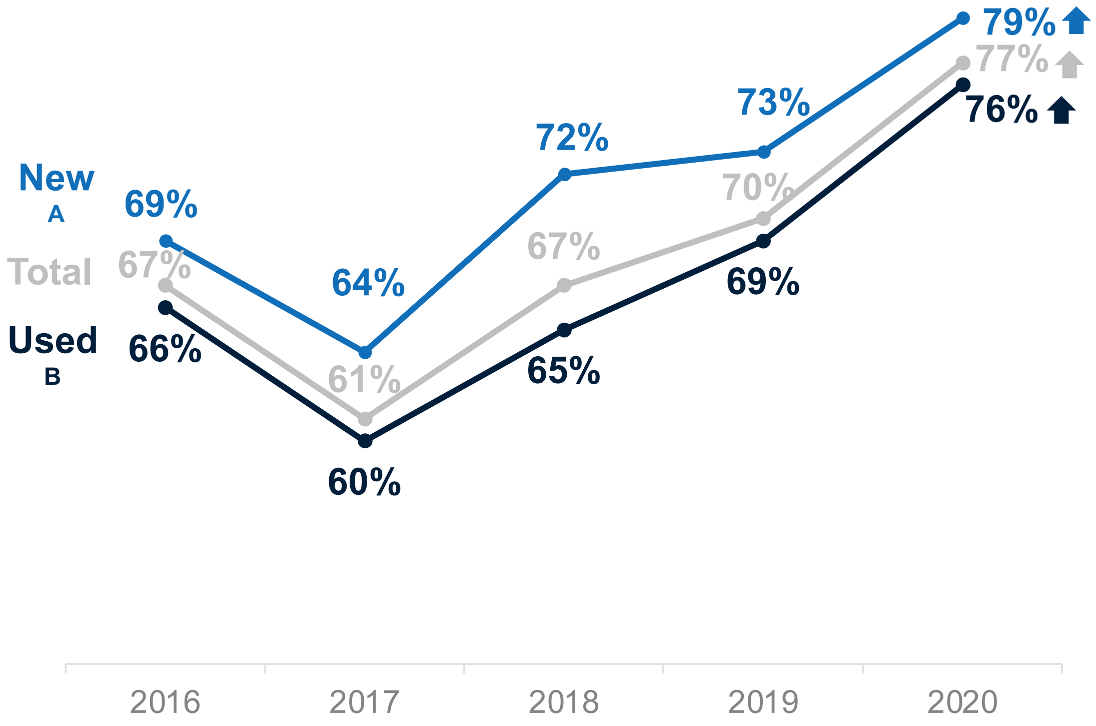
"I interacted by phone with my salesman and told him the type of vehicle I was looking to buy. I was able to test drive immediately without having to look at their whole inventory on the lot."

"No price negotiation. We had already paid and taken care of most things online - just needed to pick up the car!"

+Outliers Removed.
Arrows indicate significant differences from 2020 or previous timeframe at the 95% confidence interval.
Letters indicate significant differences between New and Used at the 95% confidence interval.

. . . While Satisfaction Reached an All-Time High

% of Buyers Satisfied with Dealership Experience



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Letters indicate significant differences between New and Used at the 95% confidence interval.

Dealership Experience Became More Streamlined . . . and Satisfying

% of Buyers Satisfied in 2020*
( ) = year-over-year change

      

	How Long the Process Took	Interactions with Finance	Trust Dealer Gave the Best Deal	The Price Paid	Interactions with Sales	Selection of Vehicles	The Test Drive Process
Total	57% (+10%)⬆	69% (+9) ⬆	64% (+7) ⬆	74% (+7) ⬆	76% (+6) ⬆	69% (+6) ⬆	81% (+3) ⬆
New (A)	62%[B] (+14) ⬆	71% (+9) ⬆	69%[B] (+8) ⬆	74% (+6) ⬆	78% (+5) ⬆	70% (+1)	83% (+5) ⬆
Used (B)	56% (+10) ⬆	68% (+8) ⬆	63% (+8) ⬆	74% (+8) ⬆	75% (+6) ⬆	68% (+7) ⬆	81% (+3)

*In-field dates: September 10-22, 2020
Arrows indicate significant differences from 2020 or previous timeframe at the 95% confidence interval.

Heavy Digital Buyers were the Most Satisfied . . .

Overall Satisfaction with Shopping Experience

Total	Light Digital (0% - 20% of steps entirely online) (A)	Heavy Digital (51%+ of steps entirely online) (B)
72%	70%	77%[A]

(% ranking 8-9-10 on scale of 1-10)

Trends are similar across New and Used Buyers.

Letters indicate significant differences between DR categories at the 95% confidence interval.

. . . And Saved Time at the Dealership

AVERAGE TIME SPENT…

	Heavy Digital Buyer*	Light Digital Buyer*	Impact
Browsing Vehicles/ Interacting with Sales	38min	45min	- 6min
Test Drive	21min	26min	- 5min
Negotiating Price/ Trade-in Offer	**21min**	**32min**	**- 11min**
Discussing & Signing Paperwork	**33min**	**50min**	**- 17min**
Vehicle Delivery	14min	16min	- 2min

*Heavy Digital Buyer = 50%+ activities completed online; Light Digital Buyer = <20% of activities completed online

Source: Cox Automotive Car Buyer Journey - 2020

Ultimately, Digital Retailing Drives Higher Loyalty and Trust, Particularly with New Vehicle Buyers

ATTRIBUTE	New		Used	
	Light (A)	Heavy (B)	Light (A)	Heavy (B)
BRAND LOYALTY	70%	77% A	58%	58%
DEALER LOYALTY	48%	63% A	30%	28%
TRUST IN THE DEAL	65%	76% A	63%	70%

+Not Sure excluded.
Letters indicate significant differences between DR categories at the 95% confidence interval.

Key Takeaways: 2020 Car Buyer Journey: Pandemic Edition

Pandemic Shifted Purchase Motivations

Online Research Accelerated by Decisive Buyers

Attractive Deals on New Vehicles Helped Trigger the Market Recovery

Used Purchases Were Spurred by COVID-19 Impact

Pandemic Revolutionized Buying Process

Online Retailers Became More Mainstream

Streamlined Process Delivered Higher Buyer Satisfaction

Higher Digital Retailing Engagement Proved to Build Trust, Save Time and Impact Loyalty

For more information, or to obtain a copy of the full **2020 Car Buyer Journey Study: Pandemic Edition**, contact:

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