

CAR BUYER JOURNEY

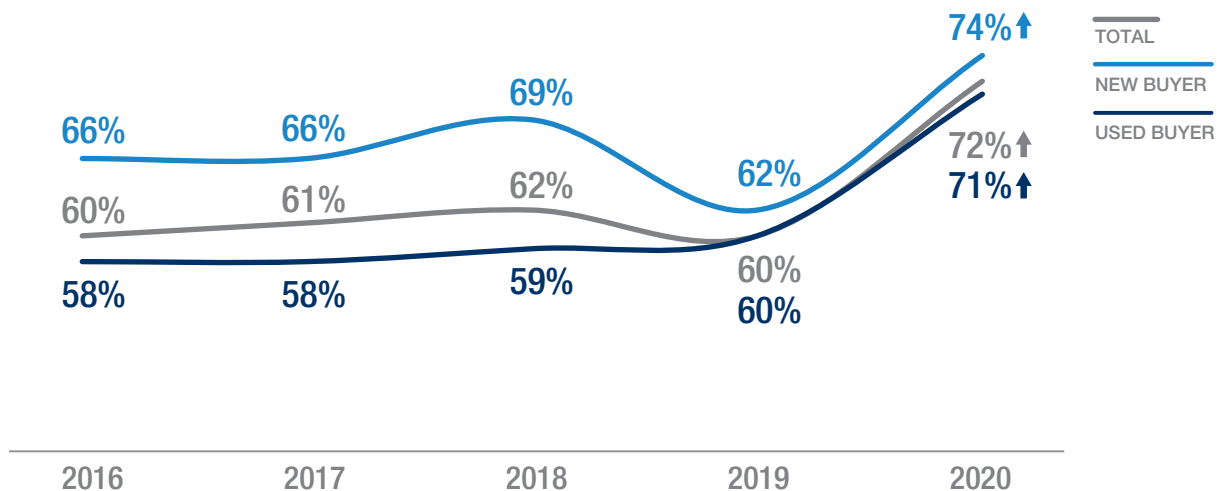
PANDEMIC EDITION

Cox Automotive has been conducting The Car Buyer Journey study for the past 11 years to determine key differences in consumer buying behavior. The most recent study highlights key trends during the pandemic. And while the global COVID-19 pandemic negatively impacted nearly every measure of life, the Car Buyer Journey Study (CBJ) suggests the automobile buying process improved during the prolonged downturn.

SATISFACTION REACHED AN ALL-TIME HIGH

Satisfaction with the overall shopping process **broke new ground**.

% OF BUYERS SATISFIED WITH SHOPPING EXPERIENCE



LET'S DIVE INTO SOME OF THE REASONS WHY...

TIME SPENT SHOPPING ONLINE DROPPED SIGNIFICANTLY

Buyers spent over **2 hours and 15 mins less** online than the previous year because they already knew what they wanted. The decisiveness was driven by attractive deals – whether buyers found them on their own or the deals found them.

TIME SPENT RESEARCHING & SHOPPING ONLINE



7h 14m↓
2020
9h 29m
2019

NEW BUYER
5h 34m↓
2020
6h 44m
2019

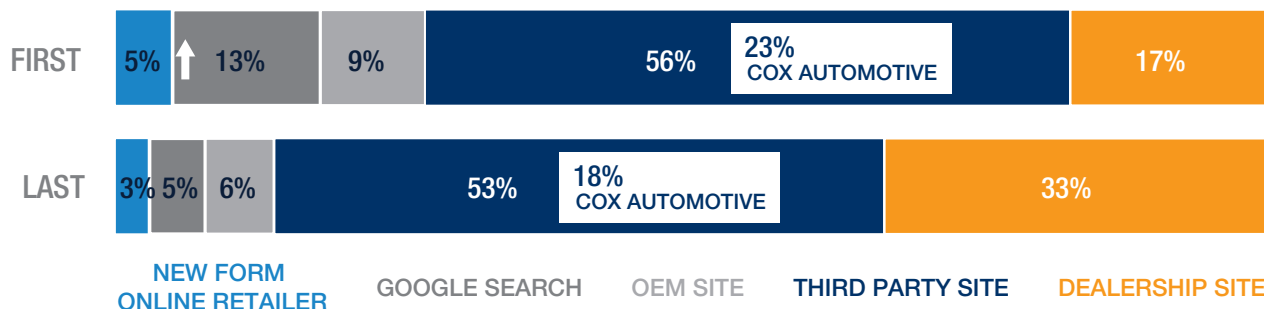
USED BUYER
7h 44m↓
2020
10h 25m
2019

TOP REASONS FOR LESS TIME ONLINE

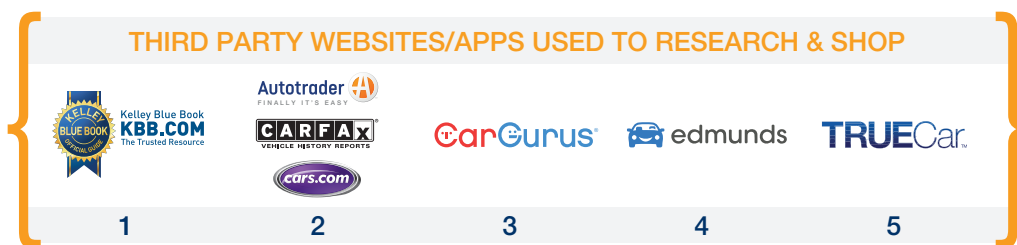
- 1 Already knew what they wanted
- 2 Attractive offer
- 3 Dealer reached out with offers

While buyers were spending less time shopping online, **third party sites were still the most popular for buyers to visit.** Among the third party sites, **Autotrader and KBB.com attracted 66% of total vehicle buyers who shopped and researched online.**

FIRST & LAST WEBSITE VISITED (AMONG BUYERS VISITING MULTIPLE WEBSITES)



2 OUT OF 3
VEHICLE BUYERS USED
COX AUTOMOTIVE
(66% IN 2020 vs.
67% IN 2019)



PROACTIVE DEALER OUTREACH & RELATIONSHIPS WERE IMPACTFUL

Dealer outreach helped accelerate the purchase decision with past buyers, however, the **relationship was the key deciding factor in keeping buyers loyal** to the dealership and brand.

CONTACT INITIATED BY THE DEALERSHIP



“The dealer called me with a great deal and I came in and bought the vehicle.”

Results similar for New & Used

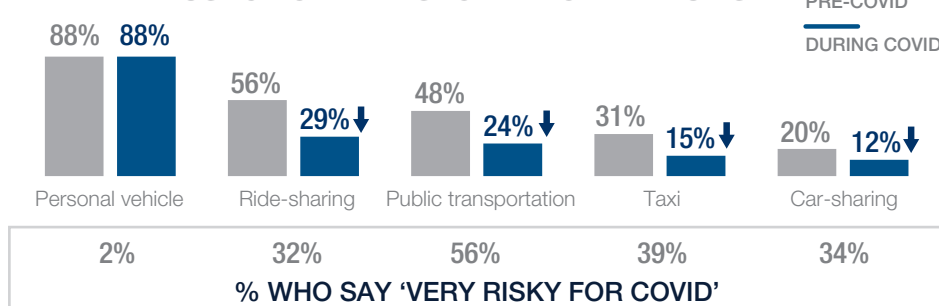
FACTORS DRIVING 2020 PURCHASE DECISION (AMONG NEW BUYERS WHO REPURCHASED THE SAME DEALER)



COVID-19 SAFETY CONCERNS MOTIVATED USED BUYERS

Consumers were concerned about public transportation, with **nearly 90% choosing to drive their own vehicles.** In fact, 27% of vehicle shoppers planned to add another vehicle to their household fleet because they no longer wanted to use public transit.

USAGE OF TRANSPORTATION MEDIUMS



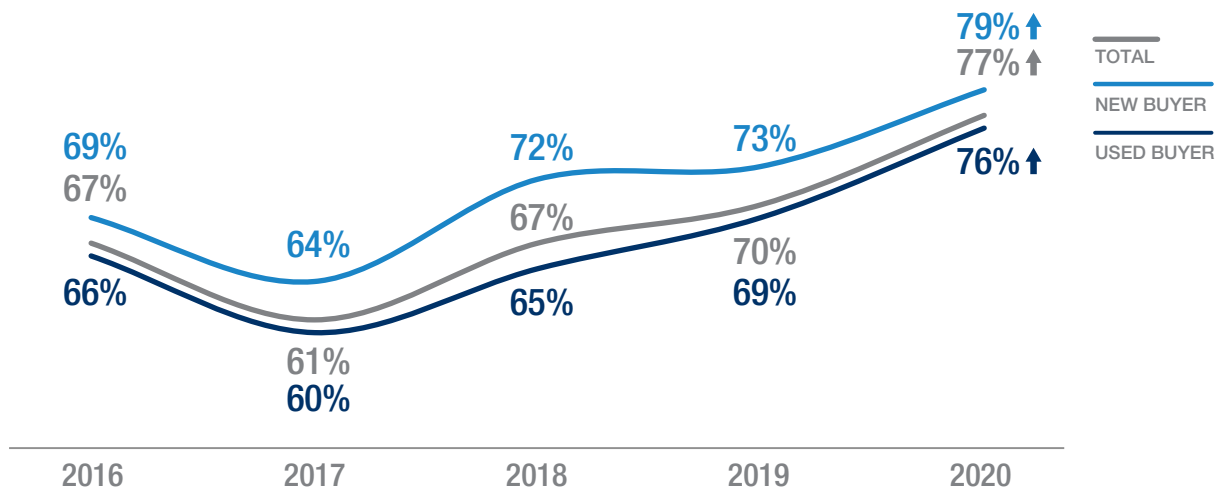
PURCHASE TRIGGER WAS 'NEEDED ADDITIONAL VEHICLES IN HOUSEHOLD'

13%↑ USED vs **8%** NEW

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

SATISFACTION WITH DEALERSHIP EXPERIENCES ROSE TO NEW HEIGHTS...

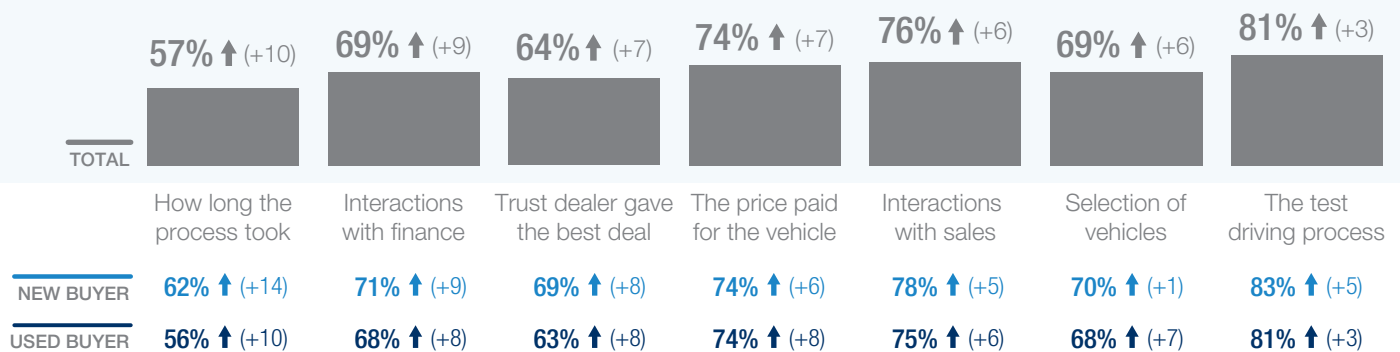
% OF BUYERS SATISFIED WITH DEALER EXPERIENCE



This was due to improvements across the board, most notably for **how long the process took**.

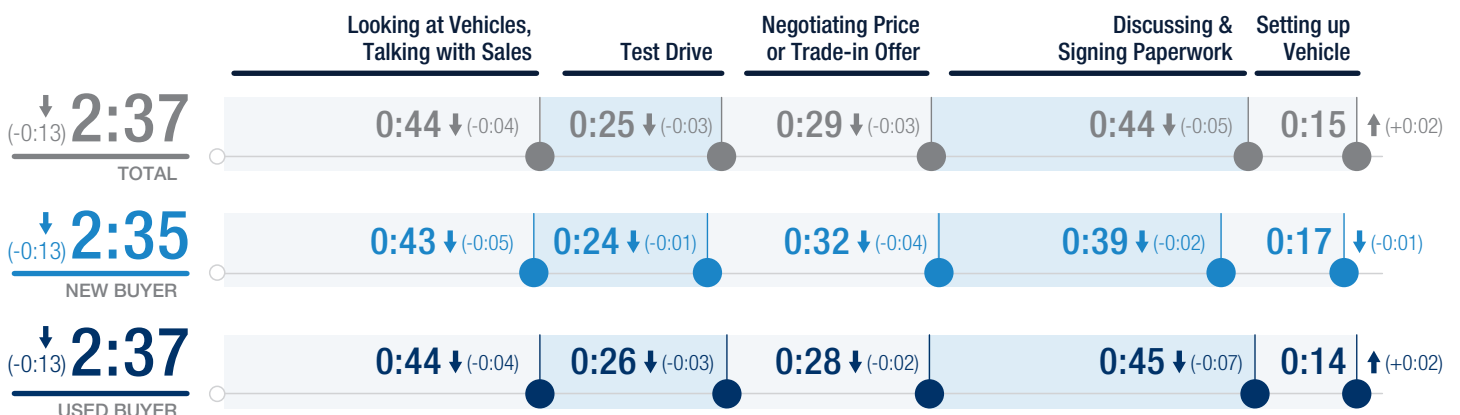
% OF BUYERS SATISFIED IN 2020

() = YEAR-OVER-YEAR CHANGE



Dealer efficiencies led to better transactions. Time spent with most steps of the purchase process declined, however setting up the vehicle post-purchase was the only step that was up, which was preferred by buyers.

TIME SPENT WITH THE DEALERSHIP/SELLER



Time spent at the dealership was at an all-time low. The efficiency was attributed to the fact that:



Dealer outreach and Digital Retailing helped reduce time spent with the dealership

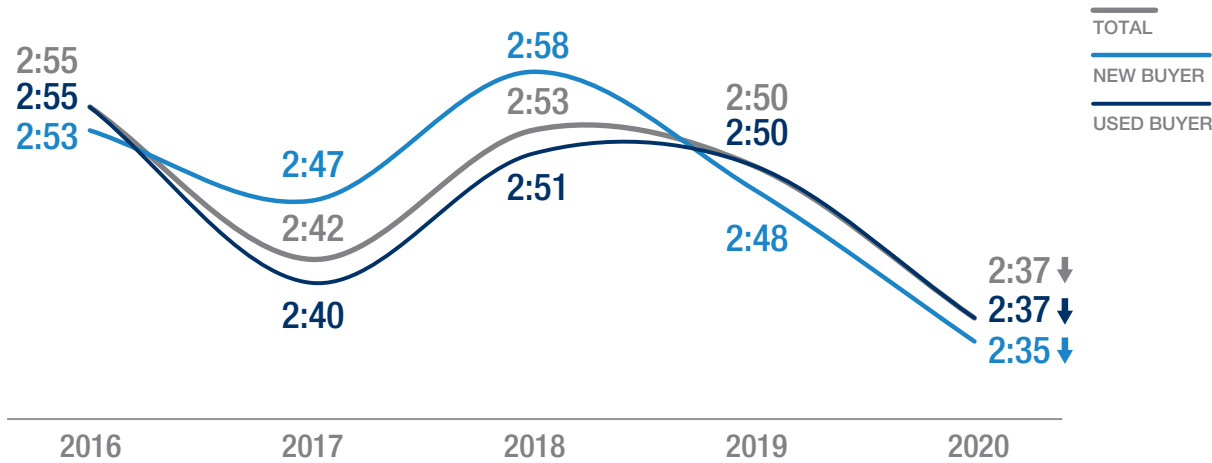


Buyers were more decisive



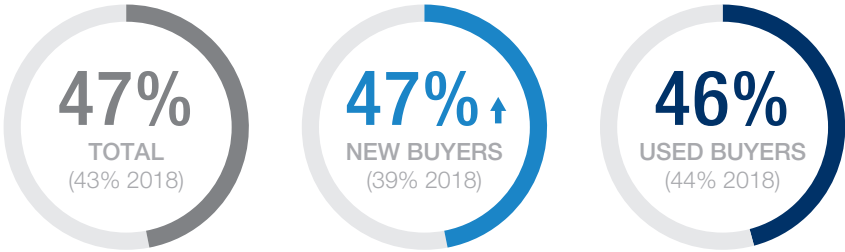
Some buyers (22%) didn't test drive their vehicle at the dealership

TIME SPENT WITH THE DEALERSHIP/RETAILER



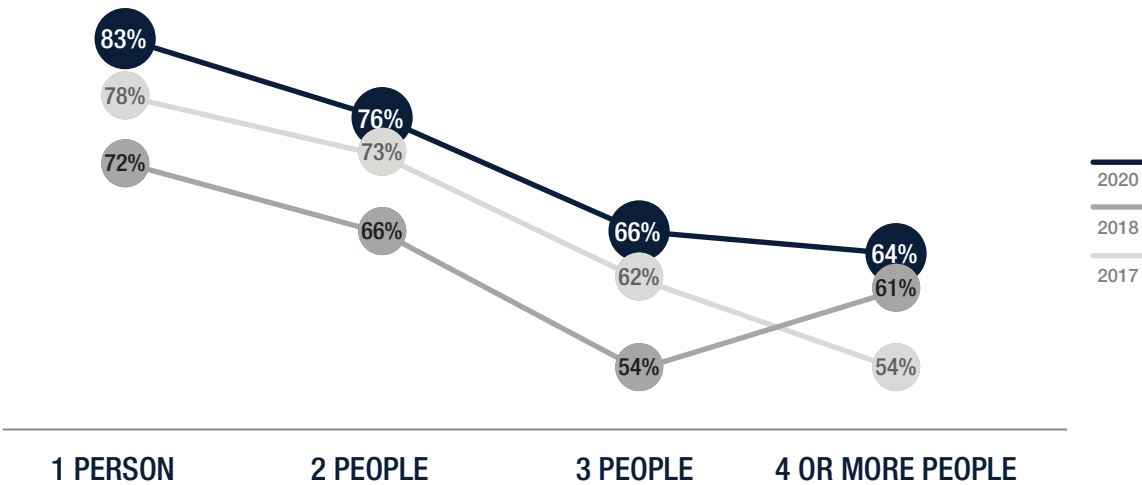
The purchase process was further streamlined with **buyers engaging with only one staff member.** This may be influenced by the headcount reductions or furloughs at the dealership due to the pandemic.

% OF BUYERS WHO INTERACTED WITH ONE POINT OF CONTACT AT THE DEALERSHIP THEY PURCHASED AT



IMPACT OF NUMBER OF PERSONNEL INTERACTED WITH ON DEALER EXPERIENCE

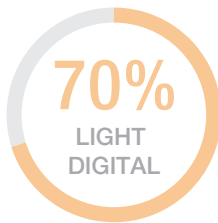
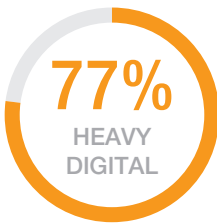
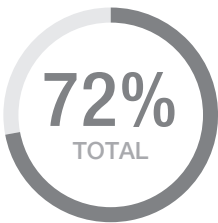
(% = OVERALL SATISFACTION WITH DEALER EXPERIENCE)



DIGITAL RETAILING IS MORE IMPORTANT THAN EVER

OVERALL SATISFACTION WITH SHOPPING EXPERIENCE

Satisfaction levels tend to increase as more online steps were taken to complete the transaction.



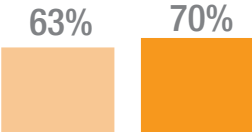
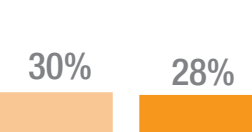
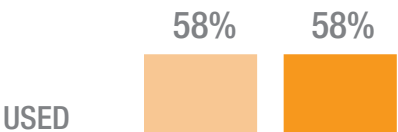
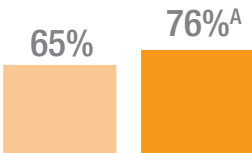
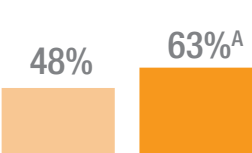
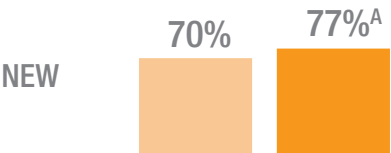
Consumers who completed more than 50% of the digital retailing steps

Consumers who completed 20% or less of the steps in their buying journey entirely online

The more online steps buyers completed, the more time they saved. Most notably **shaving 17 minutes off time spent signing paperwork and 11 minutes off time spent negotiating**, which buyers have indicated as the most frustrating part of the process.

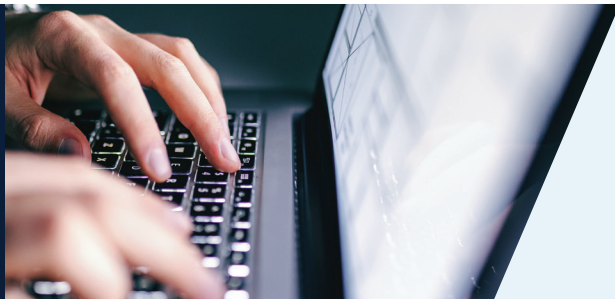
AVERAGE TIME SPENT...	TIME SAVED	HEAVY DIGITAL	LIGHT DIGITAL
Browsing Vehicles, Talking with Sales	-6 min	38 min	45 min
Test Drive	-5 min	21 min	26 min
Negotiating Price or Trade-in Offer	-11 min	21 min	32 min
Discussing & Signing Paperwork	-17 min	33 min	50 min
Vehicle Delivery	-2 min	14 min	16 min

Digital Retailing drove higher loyalty and trust. New buyers who were more committed to digital retailing were most loyal to the Brand and Dealership.



KEY TAKE-AWAYS

/ 1



Dealers should adopt a Digital Retailing strategy and promote those offerings with potential buyers. Consumers want to spend less time at the dealership and Digital Retailing helps achieve that.

/ 2



Improving the customer experience, strengthening dealership reputation, and leveraging CRM programs are critical. Buyers who were brand loyal selected their vehicle because of the brand reputation and their past experiences.

/ 3



Dealers should continue to leverage 3rd party sites to promote their inventory and fine tune their targeting and messaging. How and where you reach shoppers is more important than ever.

/ 4



Dealers should continue to streamline the purchase process to improve efficiency and customer satisfaction. Optimizing your time with customers is key.