

# 2024 Cox Automotive Car Buyer Journey Study

January 2025

COX AUTOMOTIVE

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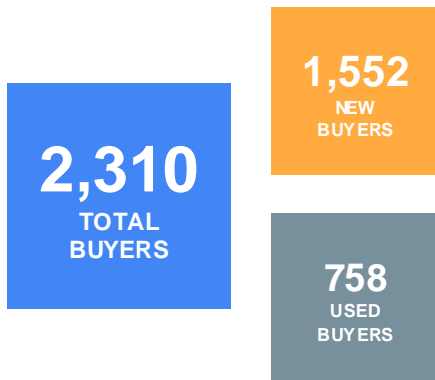
# Study background & methodology

## Background

Cox Automotive has been researching the car buying journey for 15 years to monitor key changes in consumer buying behaviors

## Respondents

Online survey with consumers that have purchased or leased a vehicle from September 2023 to August 2024



## In-Field Dates

August 14<sup>th</sup> – September 15<sup>th</sup>, 2024

*\*Used the Internet during the shopping/buying process. Results are weighted to be representative of the buyer population.*

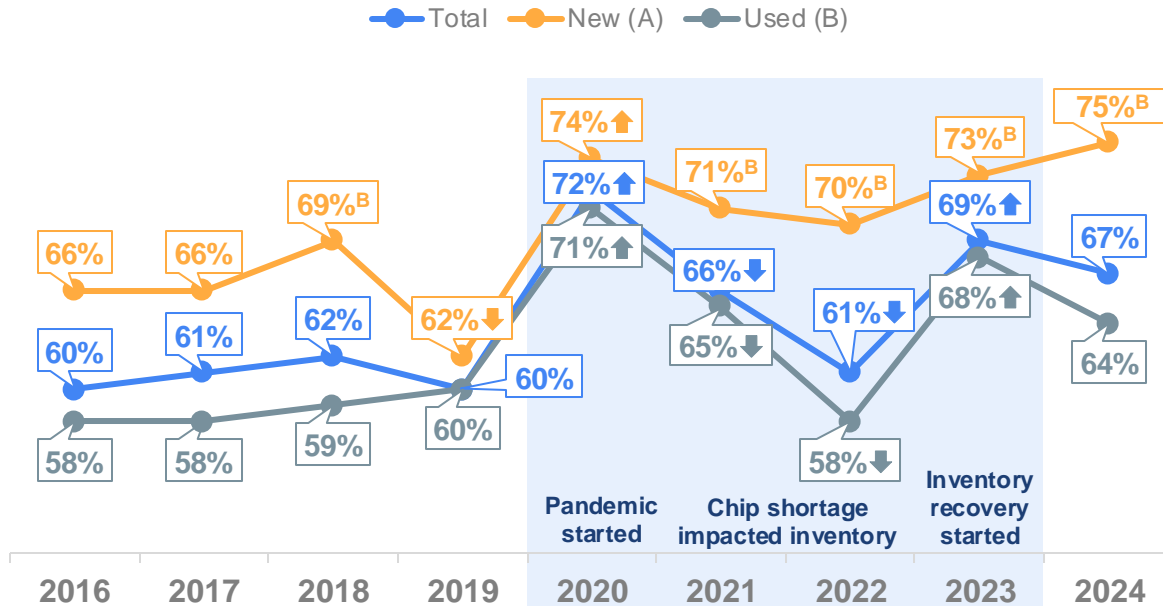


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## New Buyer Satisfaction Flourishes as Market Improves, Used Buyer Satisfaction Stabilizes

# New buyer satisfaction with the overall shopping experience is at peak levels, while Used buyer satisfaction stabilizes

## Overall Satisfaction With Shopping Experience (% 8-10)



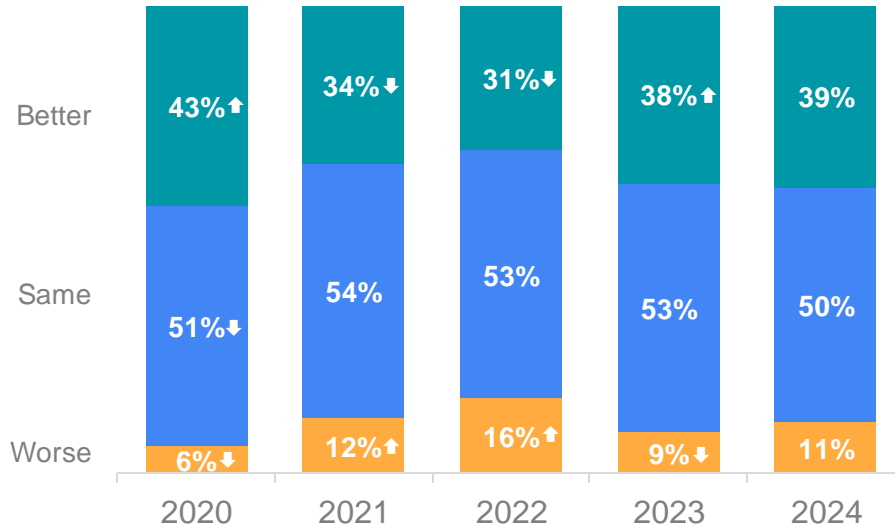
- Fewer mentioned that prices are higher than expected (new & used)
- Fewer mentioned limited inventory (new & used)\*
- Growing dealer outreach with growing new vehicle incentives (new only)

\*Study participants purchased their vehicles before declining used inventory levels in 2024

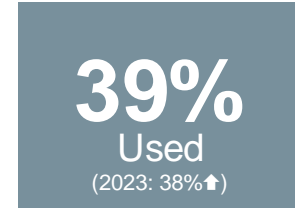
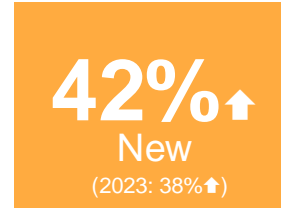
Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval

# The New buyer experience continues to improve with more indicating it was 'better' than their previous purchase

## Experience Was Better/Worse Than Last Purchase



## 2024 Experience Was Better Than Last Purchase



*“The experience was better due to **easier online research, better digital tools, and more transparent pricing and inventory.**”  
(New Purchaser)*

*“It took **less time** from start to finish! **More of the “paperwork” was completed digitally** rather than hand-writing each document. I knew exactly what vehicle I wanted and through the dealer website I was able to **confirm that the vehicle was in stock** even before I walked through their doors.” (New Purchaser)*

Letters indicate significant difference between groups at the 95% confidence interval  
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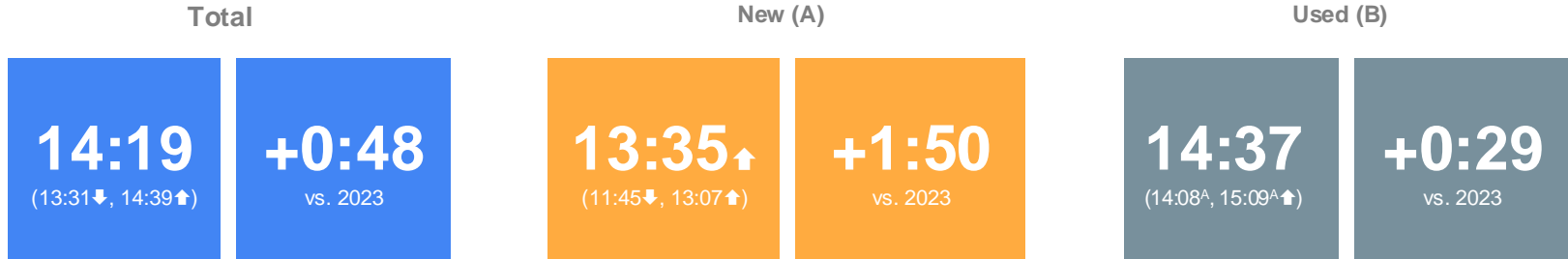


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## Buyers Dedicate More Time To The Shopping Journey

# New and Used buyers allocate more time to the shopping process

## Total Time Spent

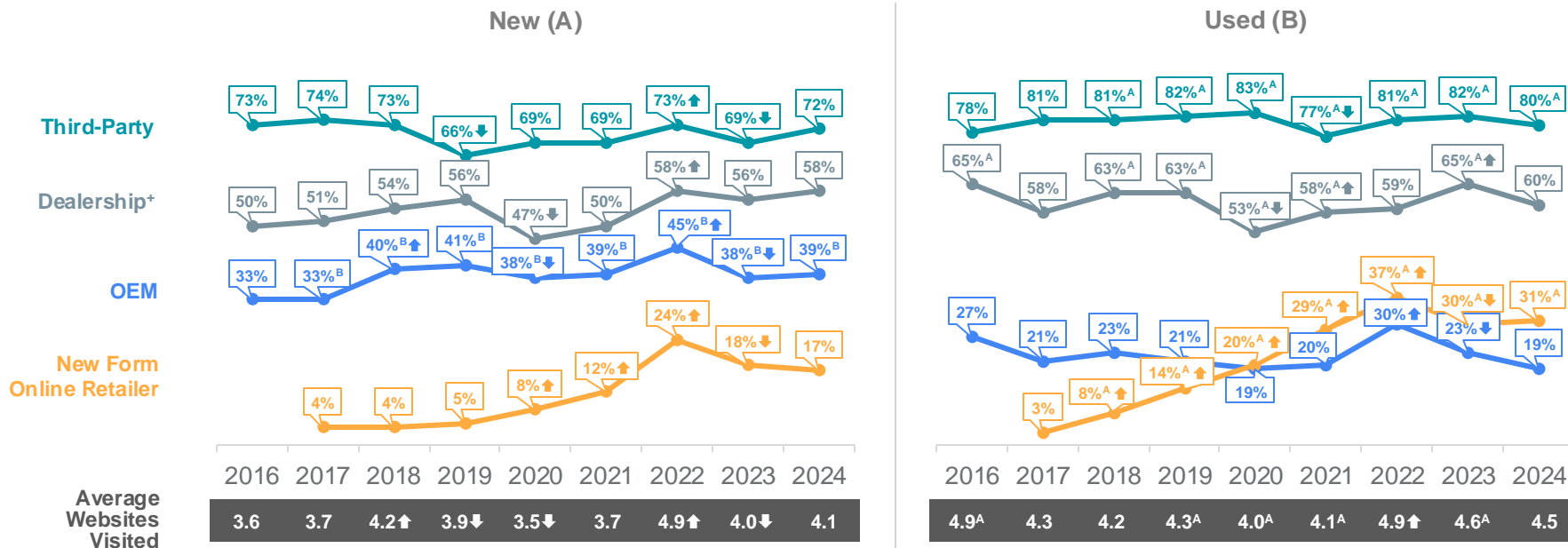


	Researching & Shopping Online	Talking with Others	Visiting Other Dealerships/Sellers	With the Dealership/Seller Where Purchased
Total	7:13	0:56	2:52	2:54
New (A)	6:31↑	0:47↑	2:55↑	2:55
Used (B)	7:29 <sup>A</sup>	1:00	2:51	2:54

Letters indicate significant difference between groups at the 95% confidence interval  
 Arrows indicate significant difference between years at the 95% confidence interval  
 "Researching & shopping with print" data not shown  
 Data in parenthesis represents 2023 and 2022

# New and Used customers are consistently leveraging key sites

## Website Category Usage



+Dealership includes CarMax

Letters indicate significant difference between groups at the 95% confidence interval

Arrows indicate significant difference between years at the 95% confidence interval

# Buyers leverage third-party sites more than other online sources

## Website Usage & Top Benefit

	Total	New (A)	Used (B)	Top Benefit
Third-party	78%	72%	<b>80%<sup>A</sup></b>	Trustworthy, Reliable (tie)
Dealership	59%	58%	60%	Allows me to start purchase online
OEM	24%	<b>39%<sup>B</sup></b>	19%	Provides very detailed/specific info

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## New and Used Buyers Are More Aligned Digitally and Want to Do More Online



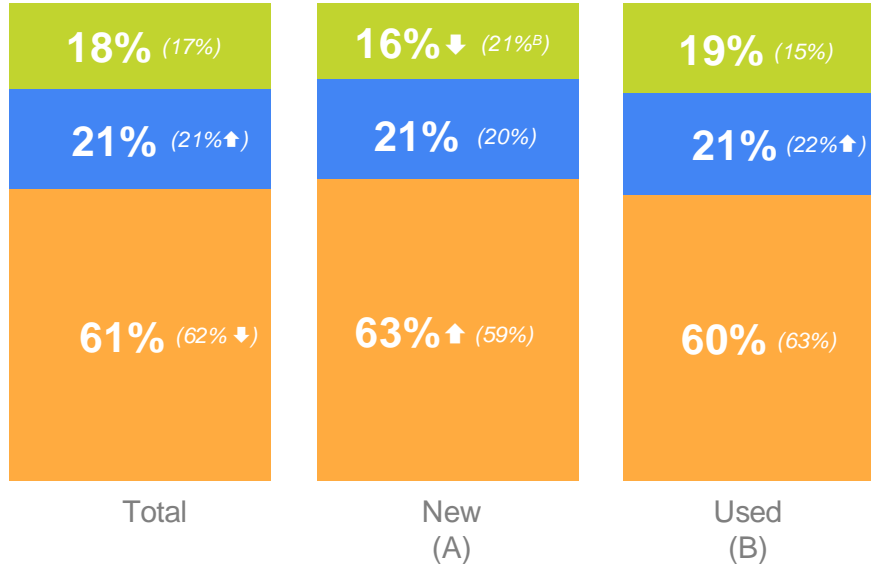
# More New buyers are Light Digital users, Used customers are shifting directionally to Mostly Digital

## Digital Buyer Mix

**Mostly**  
> 50% of purchase completed online

**Moderate**  
21-50% of purchase completed online

**Light**  
< 21% of purchase completed online



Data in parenthesis displays 2023 results

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# More New buyers transacted entirely in-person and fewer submitted online leads

## Digital Buyer Mix

### All Online

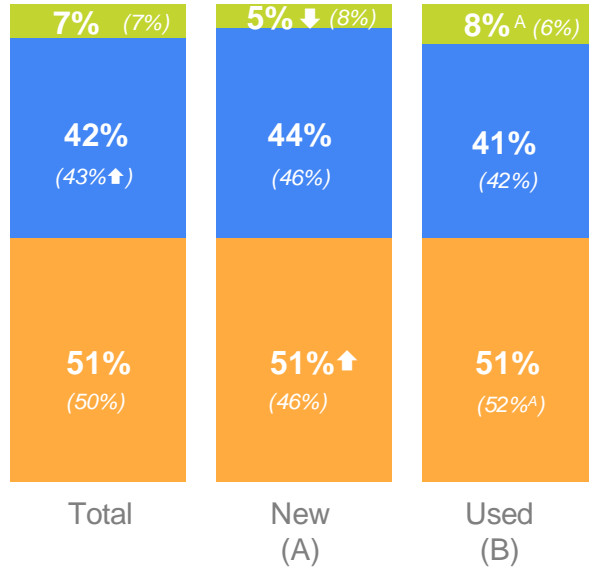
100% of purchase completed online

### Mix

1%-99% of purchase completed online

### All In-Person

0% of purchase completed online



Fewer new buyers completing steps online:

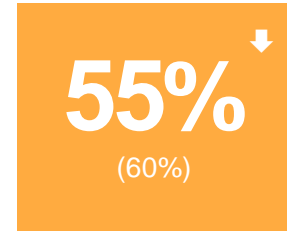
- Get trade-in offer
- Finalize vehicle price
- Agree on deal (4-square)
- Select add-ons
- Sign paperwork

More used buyers completing steps online:

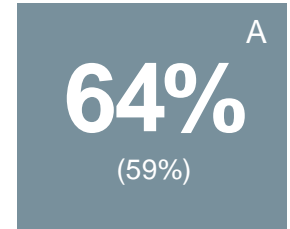
- Select add-ons
- Sign paperwork

## Submitted Lead Online Before Visiting Dealer

New (A)



Used (B)



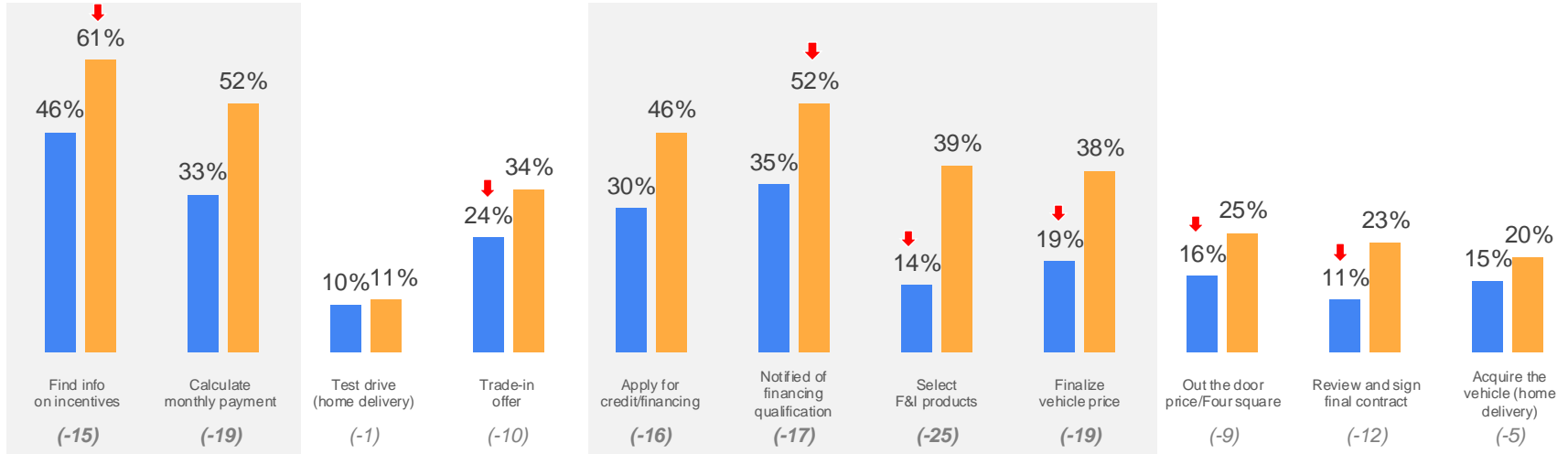
Data in parenthesis displays 2023 results

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# ...however, New consumers prefer to do more digital steps in their journey

% of New Buyers Completed Steps Online vs. % of New Shoppers Who Prefer to Complete Step Online



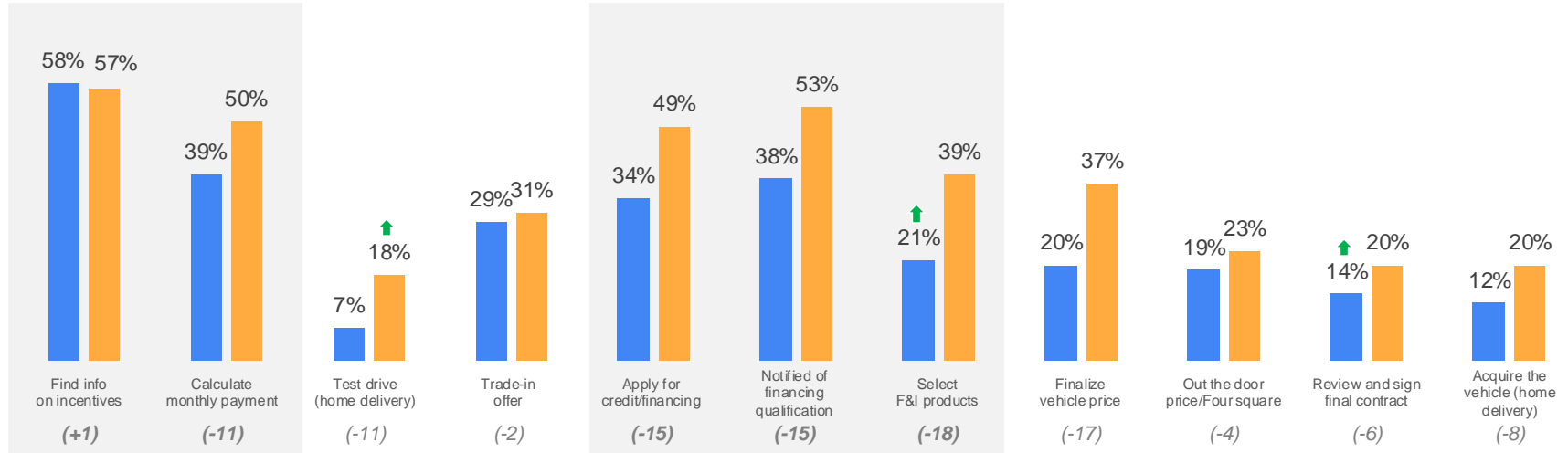
■ New Actual  
■ New Preferred

( ) = Gap between preference and actual behavior

↓ ↑ = statistically significant compared to 2023

# There's opportunity to close the gap between what the Used consumers are *actually* completing online and what they *prefer* to do especially during the financing process

% of Used Buyers Completed Steps Online vs. % of Used Shoppers Who Prefer to Complete Step Online



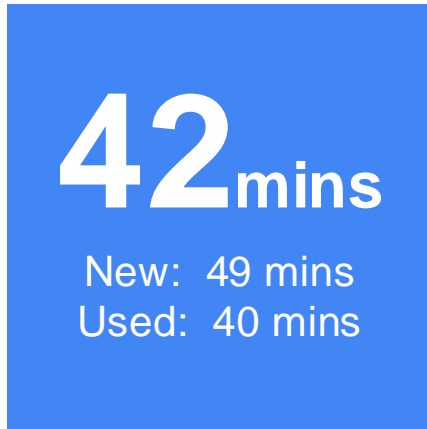
█ Used Actual  
█ Used Preferred

( ) = Gap between preference and actual behavior

↓ ↑ = statistically significant compared to 2023

# Time savings and an improved journey are key digital benefits

## Time Saved at Dealership of Purchase Mostly Digital (vs. Light)



Most time saved with negotiations and engaging with sales

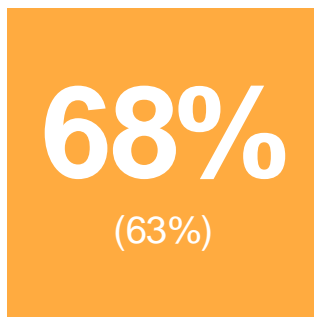
## Overall Satisfaction with Dealership Experience

	Mostly Digital (A)	Light Digital (B)
Total	81% <sup>B</sup>	71%
New	82%	79%
Used	81% <sup>B</sup>	67%

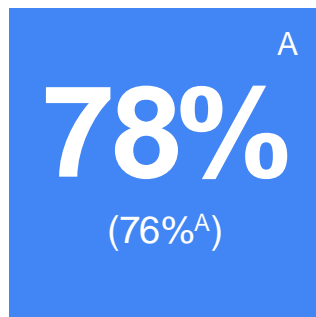
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# Customers want access to digital devices in the showroom

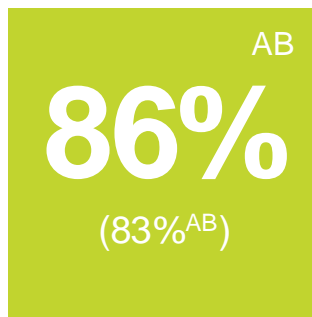
Used/Interested in Using Digital Devices at Dealership



**Light (A)**  
< 21% of purchase completed online



**Moderate (B)**  
21-50% of purchase completed online



**Mostly (C)**  
> 50% of purchase completed online

Data in parenthesis displays 2023 results  
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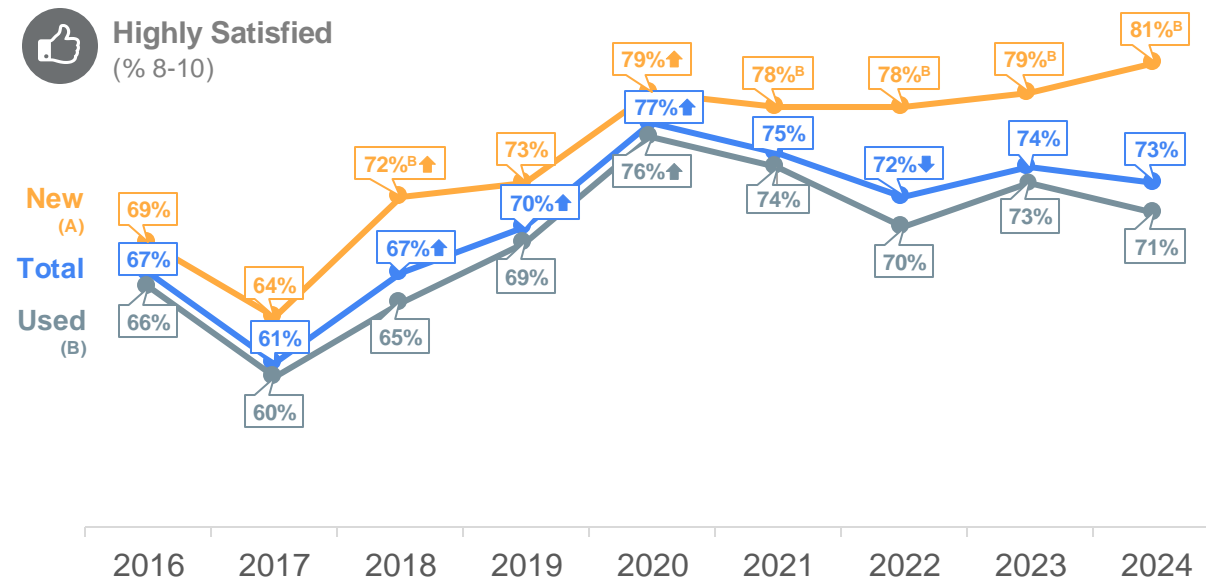


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**Dealership Satisfaction Is  
at an All-time High for  
New Buyers and  
Gradually Softened  
Among Used Buyers**

# Dealership satisfaction is at an all-time high for New buyers, and shifting downward for Used buyers

Overall satisfaction with experience at dealership/retailer of purchase

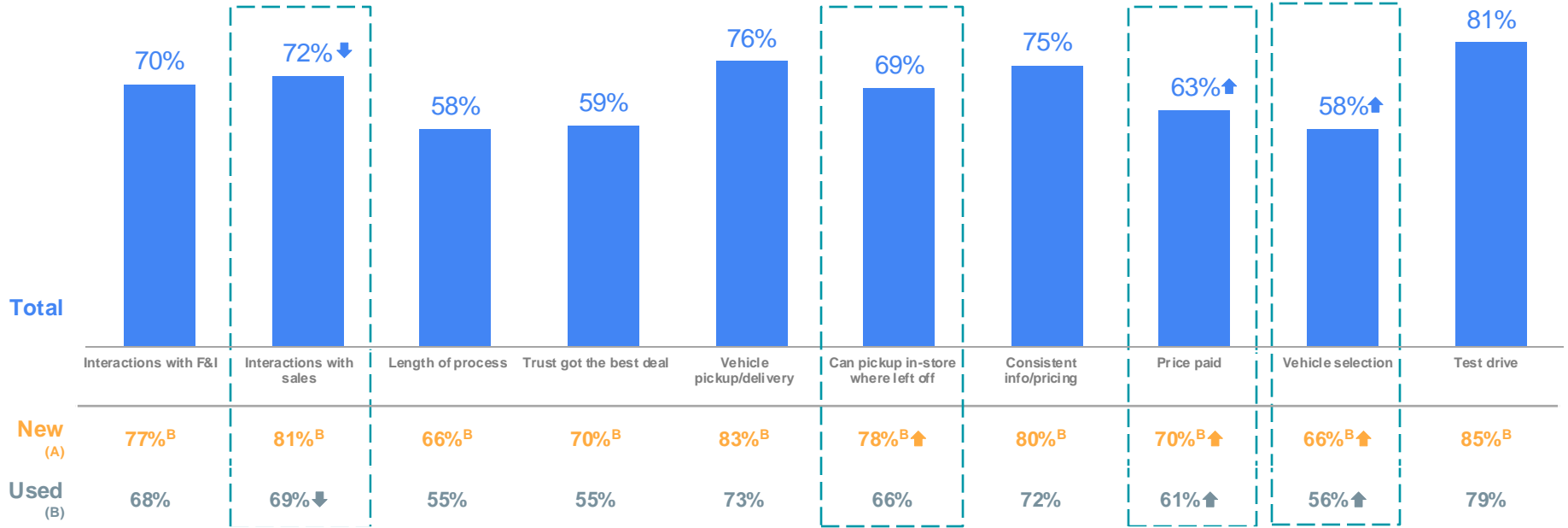


Letters indicate significant difference between groups at the 95% confidence interval  
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# New buyers growing satisfaction with seamless experience, while Used buyers declining satisfaction with sales team

Overall Satisfaction with Dealership Experience



Ordered by Key Drivers of Satisfaction with the Dealership Experience.  
 Letters indicate significant difference between groups at the 95% confidence interval  
 Arrows indicate significant difference between years at the 95% confidence interval

# Strategically take the customer experience to new heights by understanding their needs...

## Reasons Shoppers Wouldn't Purchase From Dealership Once Ready

1. Vehicle prices were too high
2. Found a better deal somewhere else
3. Limited availability of vehicles/inventory

## Desired Dealer Experience Improvements

1. More efficient process/shorter wait times
2. Less sales pressure
3. Done more of the process online before going to dealership

**More efficient process is more important to:**

- New vehicle buyers (54%)
- Excellent credit (55%)
- Income \$100K+ (57%)



# Happy customers are loyal and spreading the good word

## Satisfied Buyers...

**86%**

Repurchase  
from dealer

**86%**

Recommend  
the dealer

**64%**

Post on social  
media about  
experience

## Dissatisfied Buyers...

**23%**

Repurchase  
from dealer

**28%**

Recommend  
the dealer

**14%**

Post on social  
media about  
experience



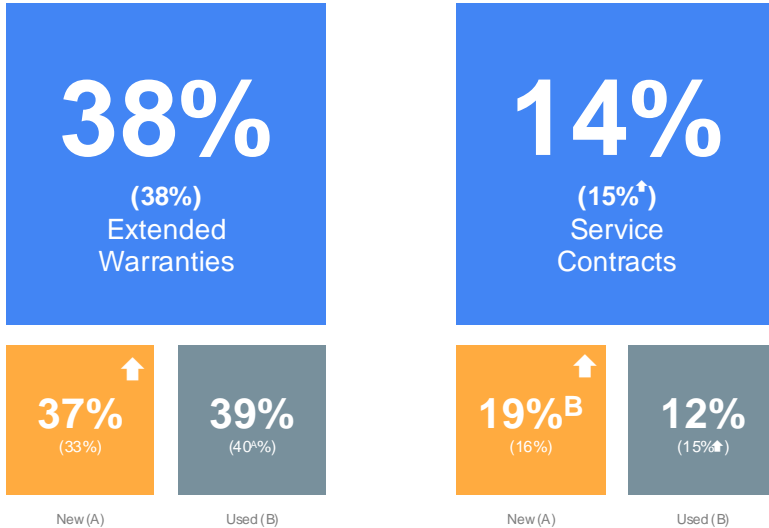
A man in a blue suit is smiling and talking to a woman in a black blazer. They are standing in a car dealership, with a car's front end visible in the foreground. The man is holding a pen and pointing towards the woman. The background shows other cars and dealership equipment.

5

## Dealers Have a Greater Opportunity to Gain Service Revenue

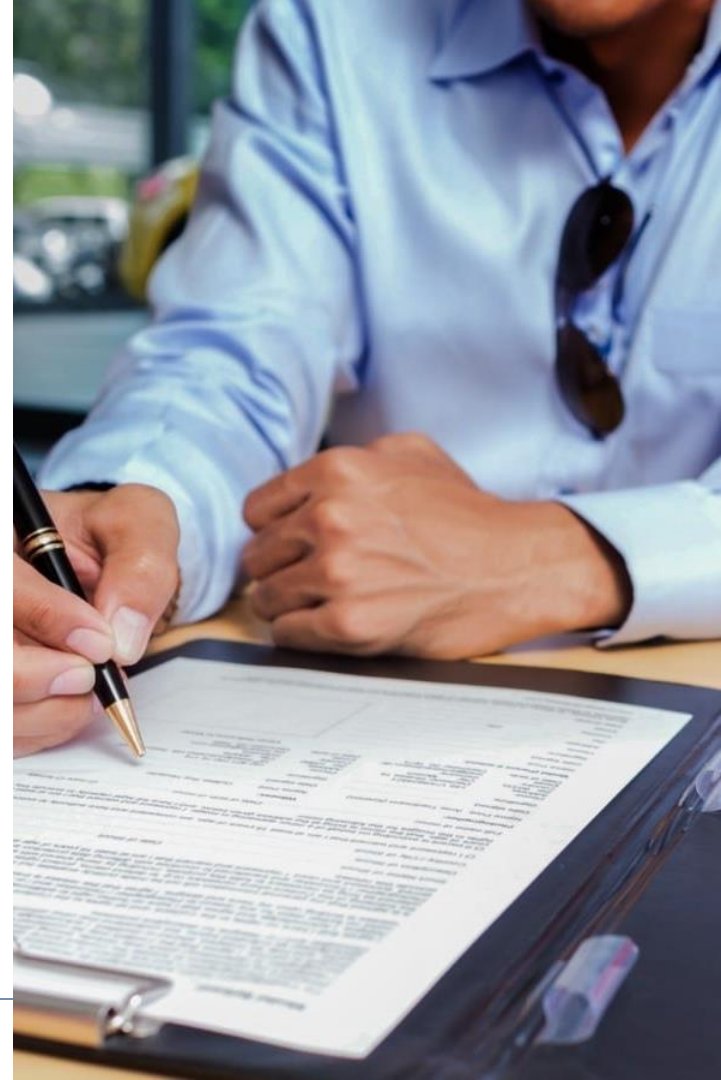
# New buyers are purchasing more extended warranties and service contracts...

## F&I Products Purchased



Those who purchased extended warranties and service contracts live **20-30 miles closer** to the dealer of vehicle purchase compared to those who didn't purchase

Data in parenthesis displays 2023 results  
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# ... and they are much more willing to get their vehicle serviced at the dealer where they purchased

## Dealership Service Department

	Dealership Scheduled First Servicing Appointment With Them (% Yes)	Introduced to Dealership Service Department (% Yes)	Likelihood to Have Vehicle Serviced at Dealership Where Purchased (%8-10)
<b>Total</b>	26%	27%	59%
<b>New (A)</b>	35% <sup>B</sup> ↑	36% <sup>B</sup>	82% <sup>B</sup> ↑
<b>Used (B)</b>	22%	24%	50%

*Buyers who are more likely to return to the dealer for service live on average 20 miles closer to the dealer of vehicle purchase compared to those who are less likely*

Data in parenthesis displays 2023 results

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## KEY TAKEAWAYS

# 4 BIG THINGS

1

Promote leasing incentives prominently when qualified shoppers interact with financing content.

2

Provide personalized offers that include a link for starting the deal online.

3

Continuously optimize the customer experience by streamlining the process, making the wait time much shorter, and be more of an adviser who guides the customers to the right vehicle with less pressure.

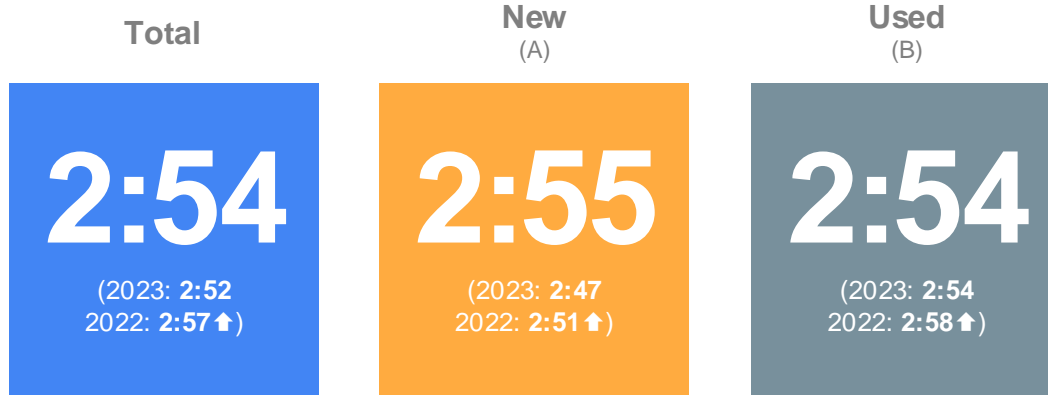
4

Introduce buyers to the service department and schedule the first service appointment as part of the vehicle delivery process. Tout service deals to entice them.

# Appendix

# New buyers spent more time test driving

Time Spent at Dealership Purchased/Leased



	Looking at Vehicles and Talking with Salespeople	Test Driving Vehicles	Negotiating a Price and Trade-in Offer	Discussing and Signing Paperwork	Setting Up the Vehicle Upon Purchase
<b>Total</b>	0:52	0:27	0:32	0:44	0:19
<b>New (A)</b>	0:50	0:27↑	0:34	0:42	0:22 <sup>B</sup>
<b>Used (B)</b>	0:53	0:28	0:31	0:45	0:17

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# New buyers are less likely to perform certain steps online...

## Activities Completed Online By New & Used

	Total	New (A)	Used (B)
Research financing <sup>+</sup>	42%	38%	44% <sup>A</sup>
Finance qualification notice	37%	35%	38%
Apply for financing	33%	30%	34%
Get trade-in offer	28%	24%↓ (-9)	29%
Finalize the price	20%	19%↓ (-4)	20%
Agree on out-the-door price	18%	16%↓ (-4)	19%
Select add-ons	19%↑ (+5)	14%↓ (-5)	21% <sup>A</sup> ↑ (+8)
Acquire the vehicle after the purchase or lease is complete	13%	15%	12%
Review and sign paperwork	13%	11%↓ (-4)	14%↑ (+4)
Schedule a test-drive	8%	10%	7%

<sup>+</sup>Not included in Digital Mix Classification

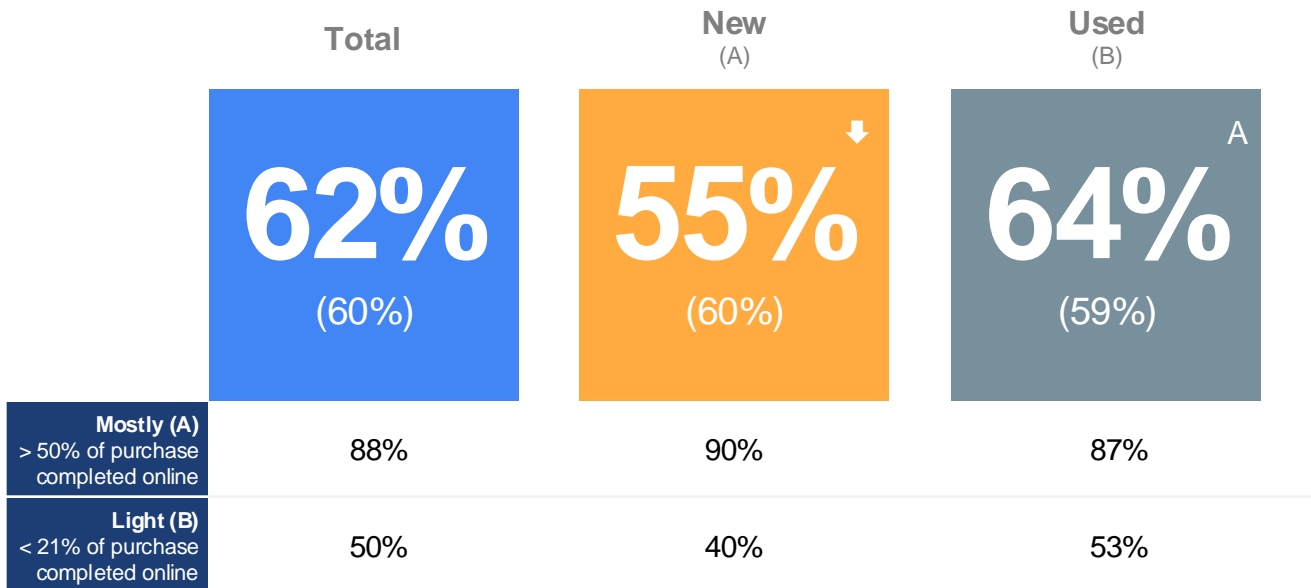
Data in parenthesis represents % point change from 2023

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# ...and are less likely to submit online leads...

## Submitted Lead Online Before Going to Dealership



Data in parenthesis displays 2023 results

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# Delivering a superior sales experience likely to impact fixed ops bottom line

## Likelihood to Return to Dealer for Service

(Total Buyers)

		Highly Likely (A)	Less Likely (B)
1	Trust the dealer gave me the best deal	77% <sup>B</sup> ↑	34%
2	Satisfaction with dealer experience	89% <sup>B</sup> ↑	51%↓
3	Satisfaction with overall shopping experience	84% <sup>B</sup>	43%↓

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# More New buyers are transacting in-person

## Digital Buyer Mix

### All Online

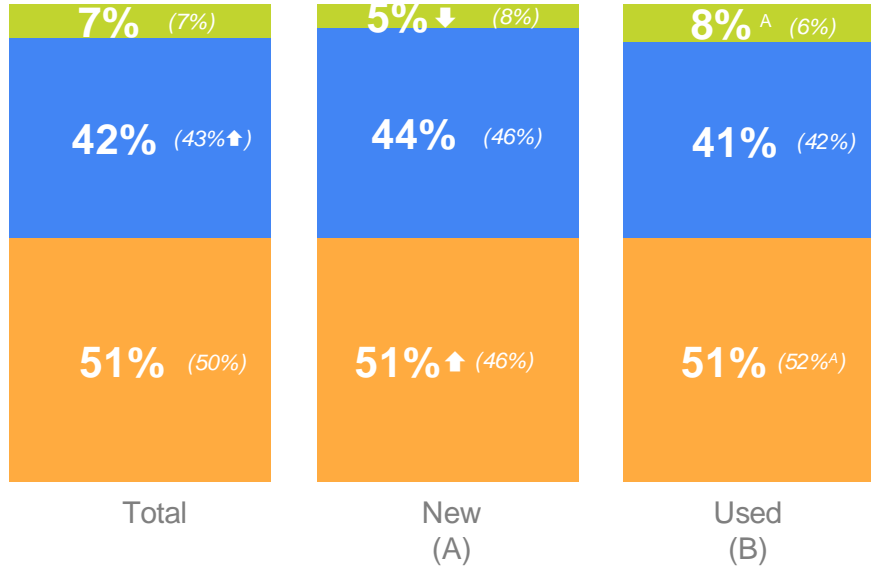
100% of purchase completed online

### Moderate Digital

1%-99% of purchase completed online

### All In-Person

0% of purchase completed online



Data in parenthesis displays 2023 results

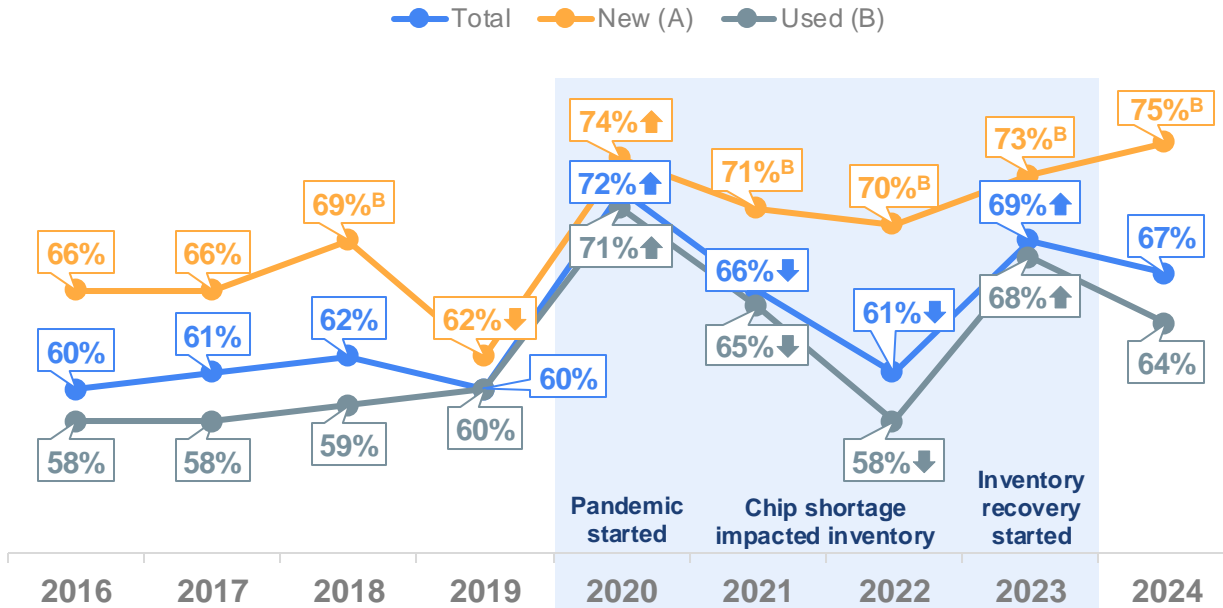
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# New buyer satisfaction with the overall shopping experience is at peak levels, while Used buyer satisfaction stabilizes

Overall Satisfaction With Shopping Experience (%8-10)



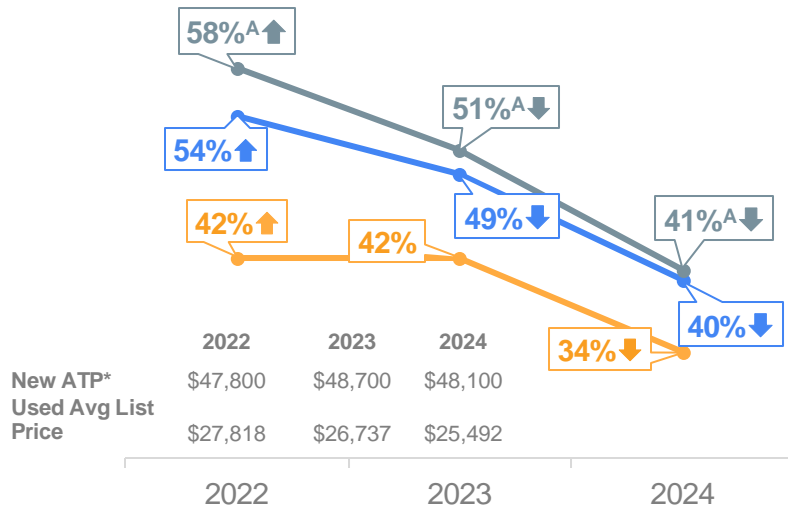
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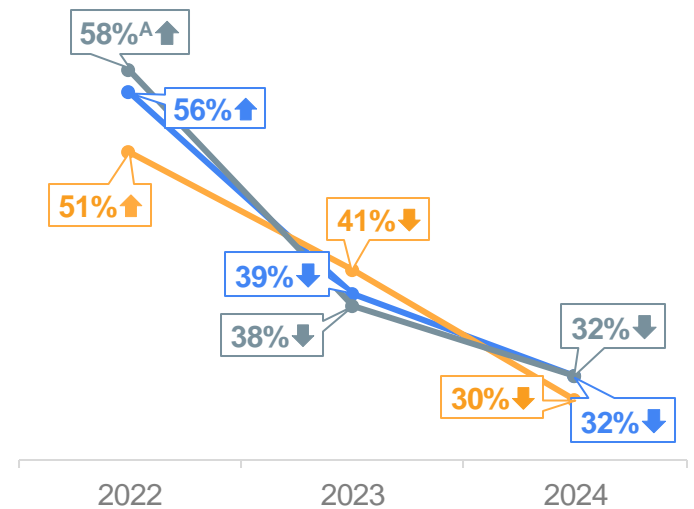
# Buyers are less sticker shocked and feel more favorable about vehicle selection

## Buyer Sentiment

### Prices Higher Than Expected



### Limited Vehicle Selection

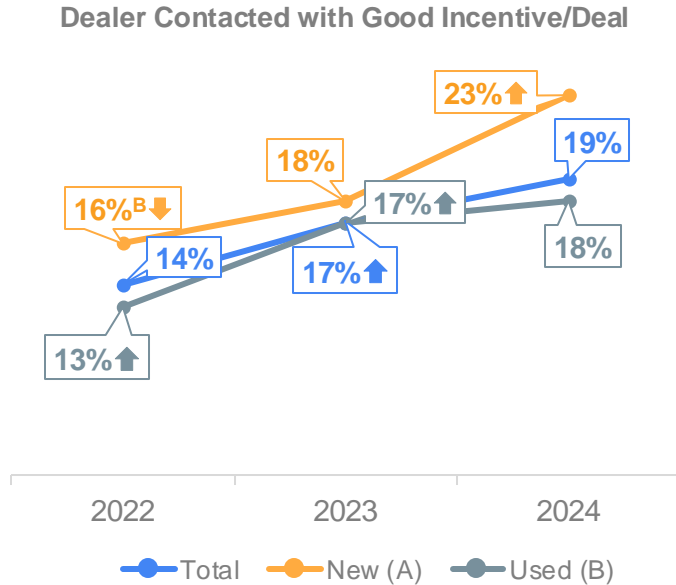


Letters indicate significant difference between groups at the 95% confidence interval  
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 \*ATP = Average Transaction Price; ATP is only available for New, not Used

● Total ● New (A) ● Used (B)

# Dealers are more proactive with special offers as incentives grow, especially for New buyers

## Buyer Sentiment



Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval

## New Vehicle Incentives as % of Average Transaction Price



# Shoppers use distinctive search terms to navigate their way to auto shopping sites

Navigating to Auto Sites – Key Search Terms Used  
(Among New Consumers)

**Third-Party**

Site Name

**Dealer**

Dealership name  
& location

**OEM**

Brand & Model



*Base: Consumers who currently own/lease a vehicle or in-market, n=50*

# Each site has unique strengths

## Top Benefits by Site Type

	Third Party	Dealer	OEM
1	Trustworthy (29%)	Allows me to start purchase online (27%↓)	Provides very detailed/specific info (30%↓)
2	Reliable (29%)	Provides up to date/accurate info (26%)	Knowledgeable (27%)
3	Knowledgeable (27%)	Has most comprehensive vehicle inventory (25%)	Reliable (26%↑)
4	Unbiased/objective (24%)	Provides very detailed/specific info (24%)	Trustworthy (25%)
5	Easy to find content I need (22%)	Easy to find content I need (22%)	Provides up to date/accurate info (22%)

Arrows indicate significant difference between years at the 95% confidence interval

A photograph of two men in business attire. The man on the left is wearing a dark blue suit, a white shirt, and a maroon tie. He is smiling and looking down at a document he is holding. The man on the right is wearing a light blue button-down shirt and is also smiling and looking at the document. They appear to be in an office or dealership setting, with a computer monitor and other office equipment visible in the background.

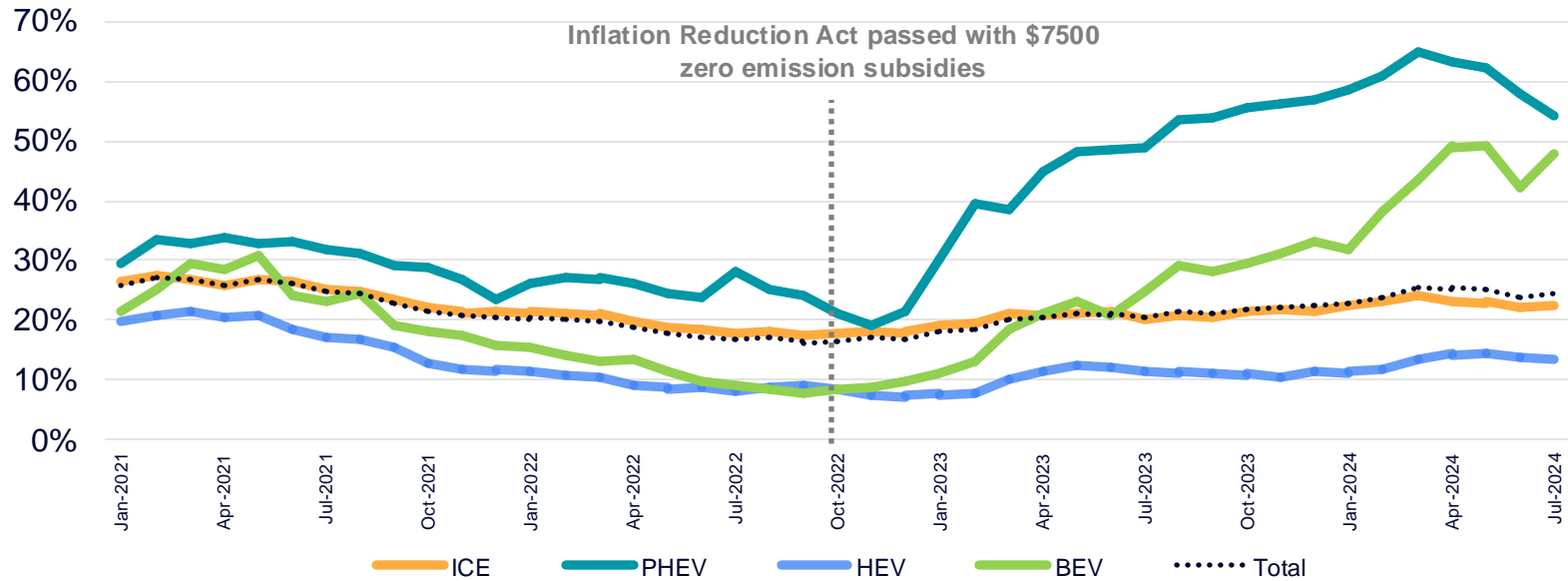
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## Leases Are Making a Comeback

# Leases are rebounding, driven by IRA incentives

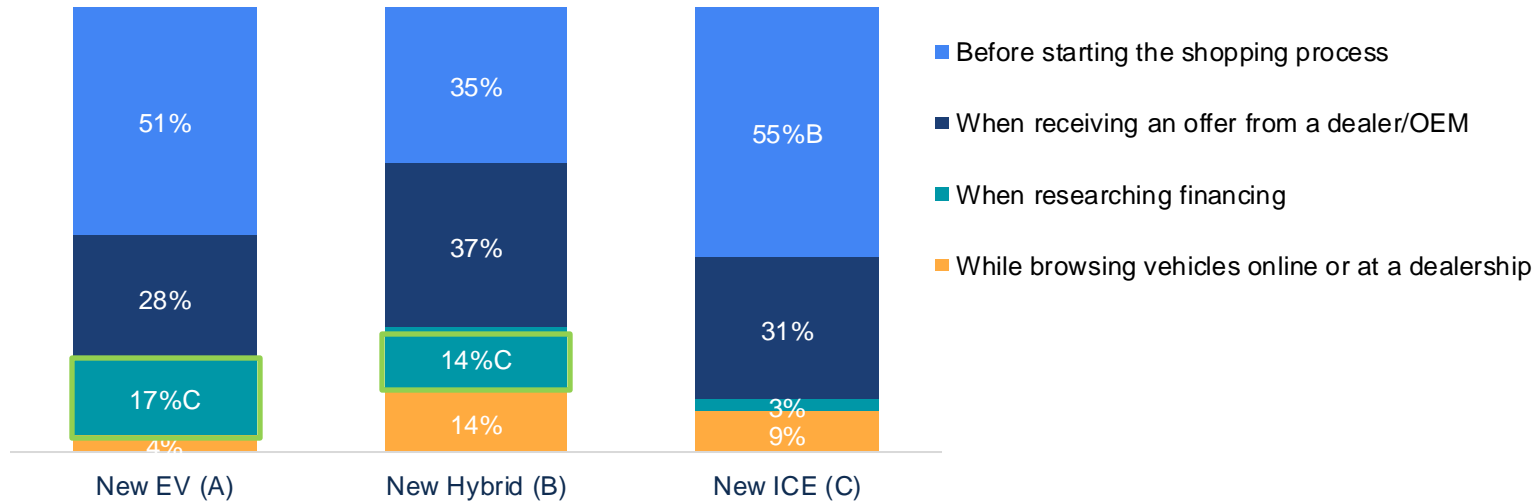
BEV and PHEV rising post IRA while ICE/HEV show little change

Leasing Share of Retail Sales



# EV and hybrid lessees are more likely to decide to lease while they are researching financing options

When Decided to Lease - Among New Lessees



\*New question added in 2024.

# Affordability and upgrading to a new vehicle every few years drive customers to lease

## Top Reasons to Lease - Among New Lessees

	New EV (A)		New Hybrid (B)		New ICE (C)	
1	Lower down payment/no long-term commitment (tie)	26%	Good lease deals	36%	Get new vehicle every few years (tie)	38% <sup>AB</sup>
					Lower monthly payments (tie)	38% <sup>B</sup>
2	Good lease deals	24%	Fewer repair and maintenance costs	27%	Fewer repair and maintenance costs	35% <sup>A</sup>
3	Want latest technology	20%	Lower down payment	26%	No long-term commitment	28%
4	Can afford a nicer vehicle	19%	Want latest tech/lower monthly payments/want latest design (tie)	23%	Lower down payment/good lease deals/want latest tech (tie)	25%

\*New question added in 2024.

# Zero down payment offer is highly popular; cash back incentives are more common among hybrid lessees

## Lease Incentives Offered- Among New Lessees

	New EV (A)	New Hybrid (B)	New ICE (C)
Zero down payment	30%	29%	35%
Loyalty program for leasing same brand	17%	27%	31%
Advertised low monthly payment	38%	32%	25%
Cash back for signing by specified date	16%	21% <sup>C</sup>	7%

*\*New question added in 2024.*

# Overall and dealer satisfaction improved slightly for New buyers and dipped slightly for Used.

New vs. Used

	Overall Satisfaction (%8-10)	Dealer Satisfaction (%8-10)	Time Spent Online (HH:MM)	Time Spent At The Dealership (HH:MM)
Total	67% (69% <b>↑</b> )	73% (74%)	7:13 (6:41 <b>↓</b> )	2:54 (2:52)
New (A)	75% <sup>B</sup> (73% <sup>B</sup> )	81% <sup>B</sup> (79% <sup>B</sup> )	6:31 <b>↑</b> (5:25 <b>↓</b> )	2:55 (2:47)
Used (B)	64% (68% <b>↑</b> )	71% (73%)	7:29 <sup>A</sup> (7:08 <sup>A</sup> <b>↓</b> )	2:54 (2:54)

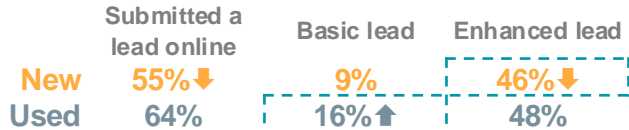
Data in parenthesis displays 2023 results

Letters indicate significant difference between groups at the 95% confidence interval

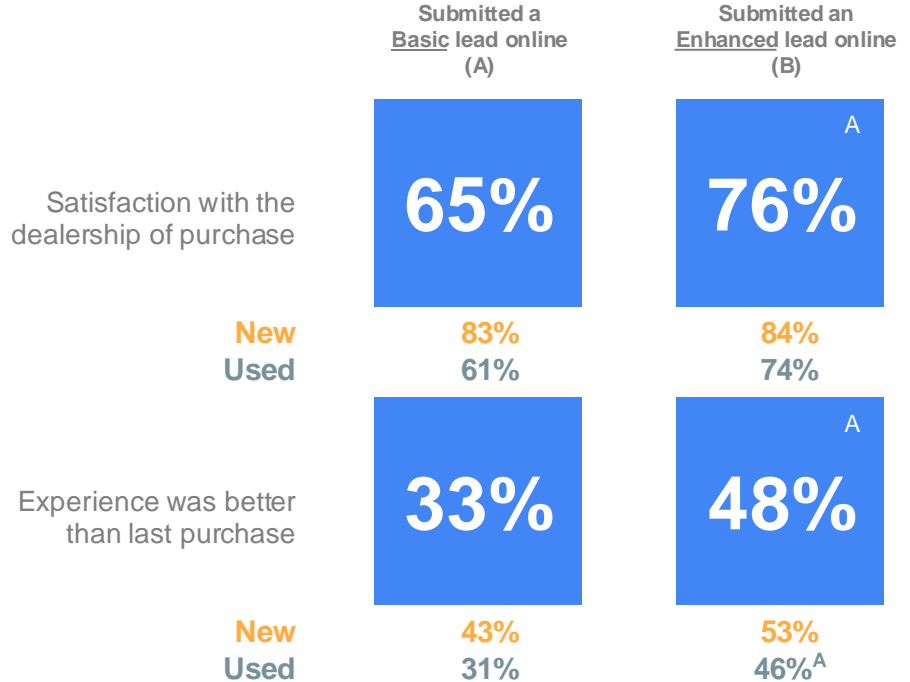
Arrows indicate significant difference between years at the 95% confidence interval

# New buyers are submitting fewer enhanced leads, while Used buyers submitting more basic leads.

## Submitted Lead Online Before Going to Dealership



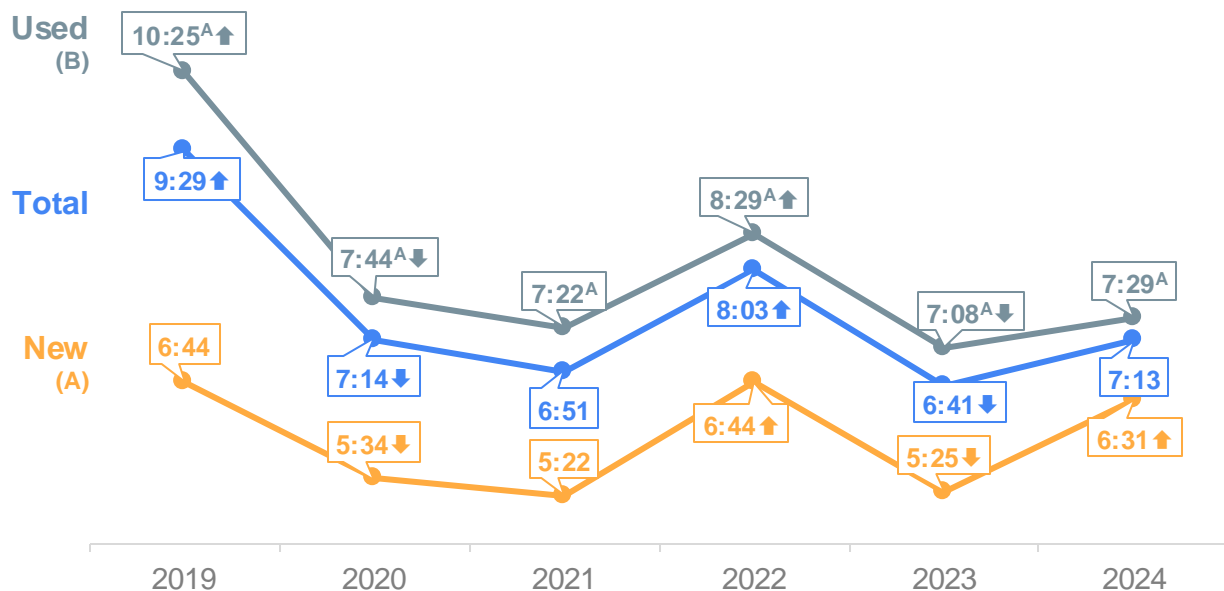
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Does not include significant difference between years

# Used buyers still spend more time online than New buyers despite a significant increase in time spent online for New.

## Time Spent Researching & Shopping Online



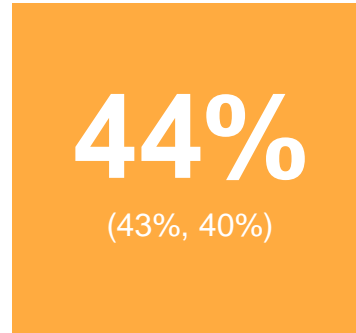
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 Arrows indicate significant difference between years at the 95% confidence interval

# Used buyers are more likely to exclusively leverage third-party sites without using an OEM site.

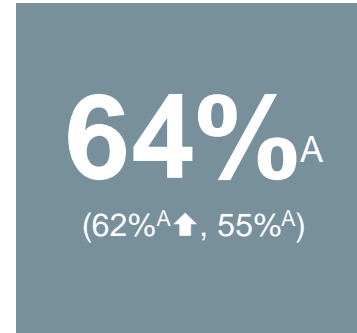
## Visited Third-Party Site Without Using OEM



New (A)



Used (B)



*"I didn't visit the manufacturer's website because I found all the necessary information, comparisons, and pricing on third-party sites and dealership websites, which made it more convenient and comprehensive." (New Buyer)*

Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval  
Data in parenthesis represents 2023 and 2022.

# Usage of the KBB website softened in 2024

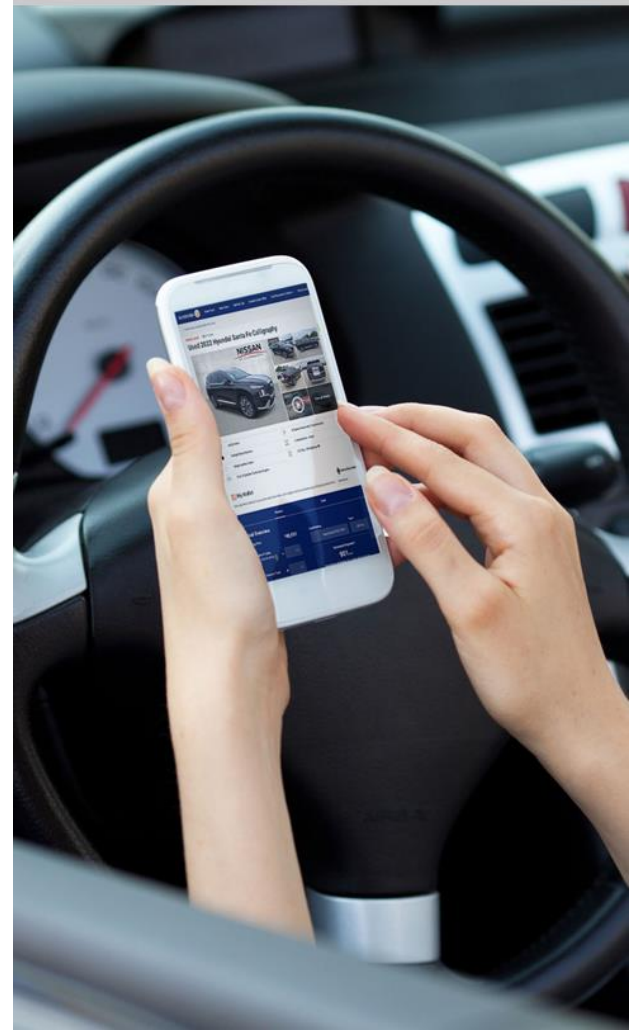
## Usage of KBB Tools Among Total Buyers



	2024	2023	2022
KBB Website for Researching and Shopping	53%↓	59%	63%↑
KBB Values	58%	58%	56%
KBB Price Advisor*	N/A	58%	56%↑
KBB Value for Purchased Vehicle	56%	56%	53%
<b>KBB Touch</b>	<b>77%</b>	<b>80%</b>	<b>80%</b>

\*Question removed in 2024

Arrows indicate significant difference between years at the 95% confidence interval



# Among New buyers, usage of KBB remained flat.

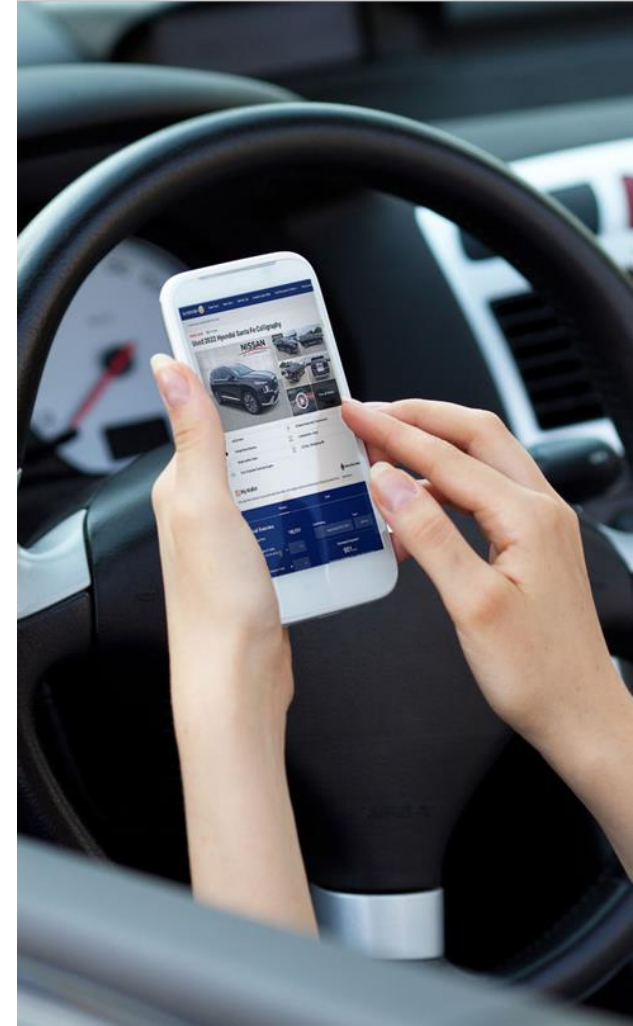
## Usage of KBB Tools Among New Buyers



	2024	2023	2022
KBB Website for Researching and Shopping	52%	53%↓	57%↑
KBB Values	54%	54%	54%
KBB Price Advisor*	N/A	48%↑	43%↑
KBB Value for Purchased Vehicle	43%	41%	39%
<b>KBB Touch</b>	<b>74%</b>	<b>74%</b>	<b>76%</b>

\*Question removed in 2024

Arrows indicate significant difference between years at the 95% confidence interval



# Usage of the KBB website dropped among those purchasing Used vehicles.

## Usage of KBB Tools Among Used Buyers

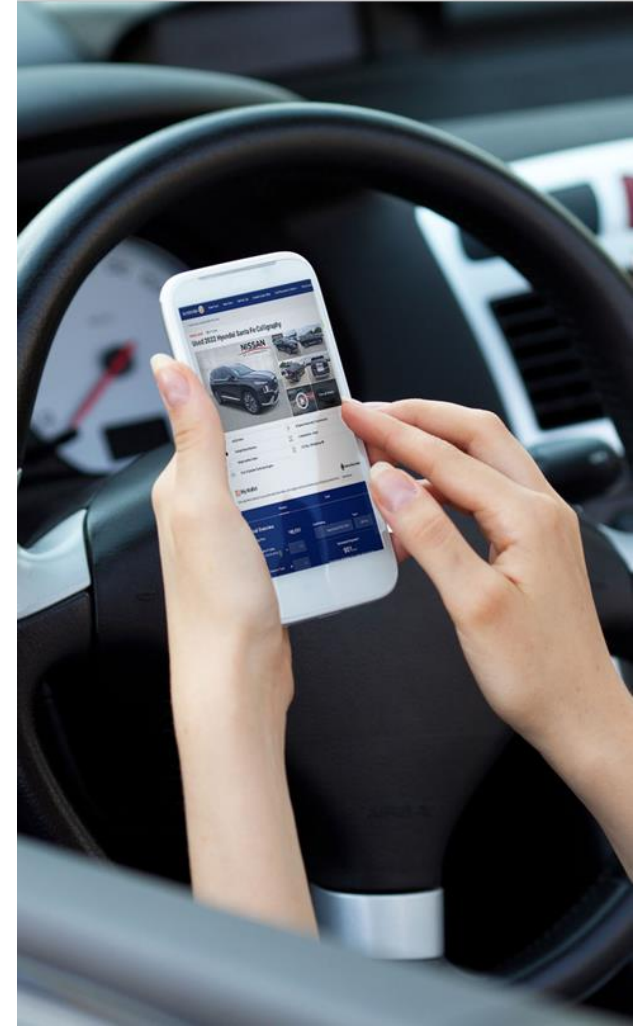


Used buyers' KBB site usage dropped, driven by **Gen X (47%)**, **CPO Lessees (38%)**, **Moderate/Mostly Digital (48%/42%)**, **Franchise buyers (53%)**, **Repeat buyers (54%)**, **Higher Incomes \$100K+ (55%)**.

	2024	2023	2022
KBB Website for Researching and Shopping	53%↓	61%	64%↑
KBB Values	59%	59%	57%
KBB Price Advisor*	N/A	61%	60%↑
KBB Value for Purchased Vehicle	61%	60%	57%
<b>KBB Touch</b>	<b>78%</b>	<b>82%</b>	<b>81%</b>

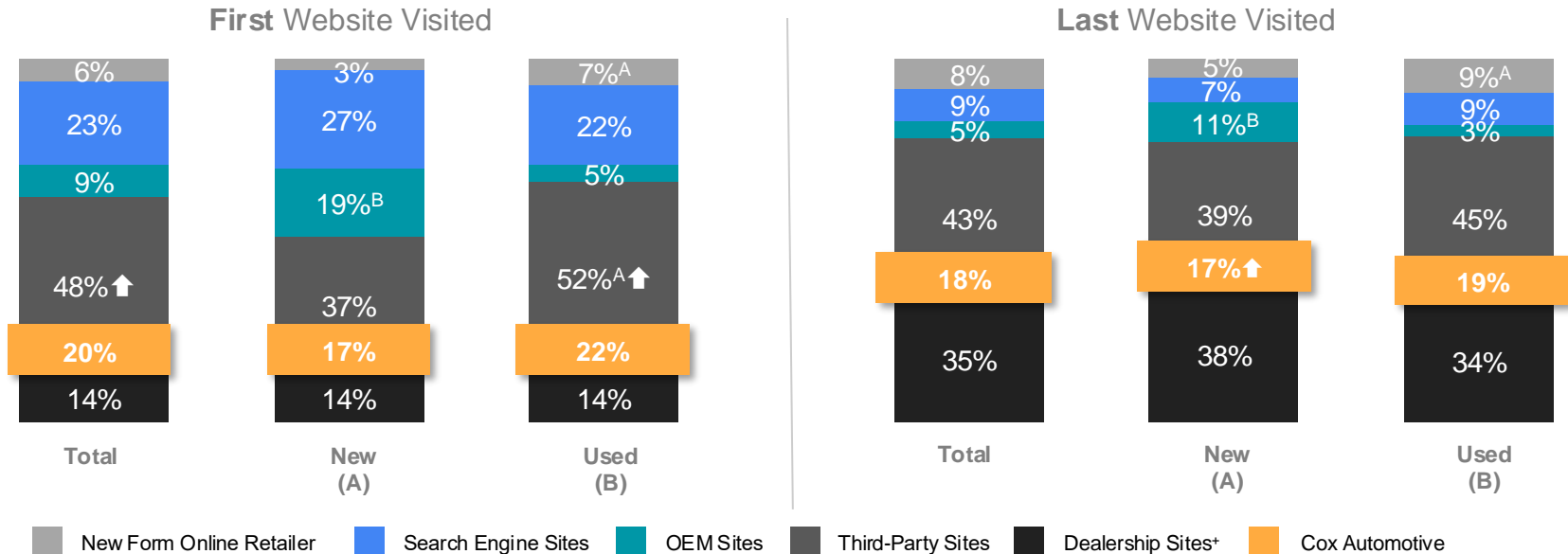
\*Question removed in 2024

Arrows indicate significant difference between years at the 95% confidence interval



# More Used buyers are visiting third-party websites first this year. New buyers more often finish their vehicle search on the Cox Automotive website this year.

First and Last Website Visited (Among those visiting multiple websites)

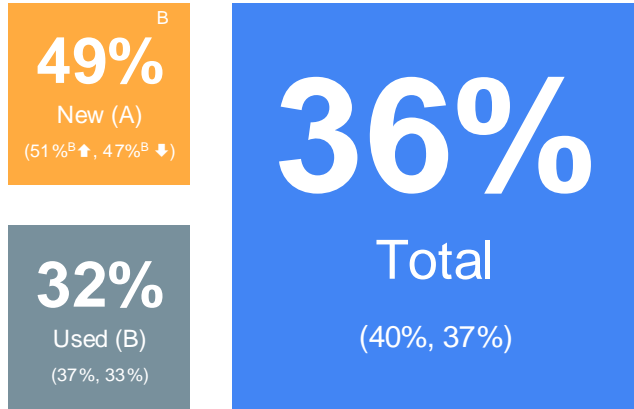


+Dealership includes CarMax  
 Letters indicate significant difference between groups at the 95% confidence interval  
 Arrows indicate significant difference between years at the 95% confidence interval

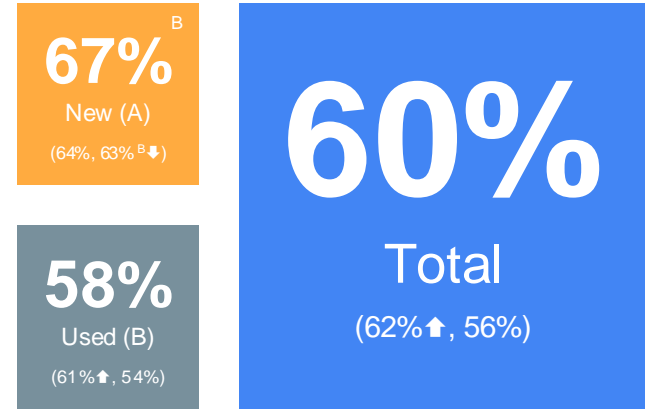
# Make and Dealership loyalty remain fairly stable in 2024 with New buyers continuing to have more loyalty than Used.

## Loyalty Metrics

### Dealer Loyalty



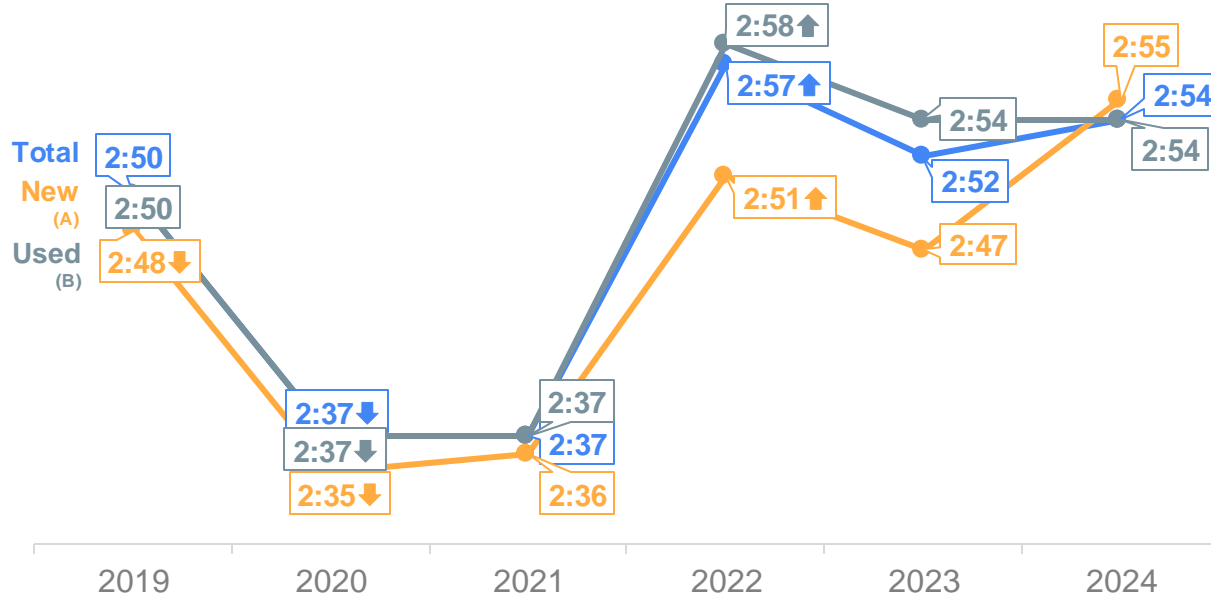
### Brand Loyalty



Data in parenthesis displays 2023 & 2022 results  
Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval

# Time spent at the dealership of purchase increased for New buyers, New and Used buyers are on par in 2024

## Time Spent at Dealership Purchased/Leased

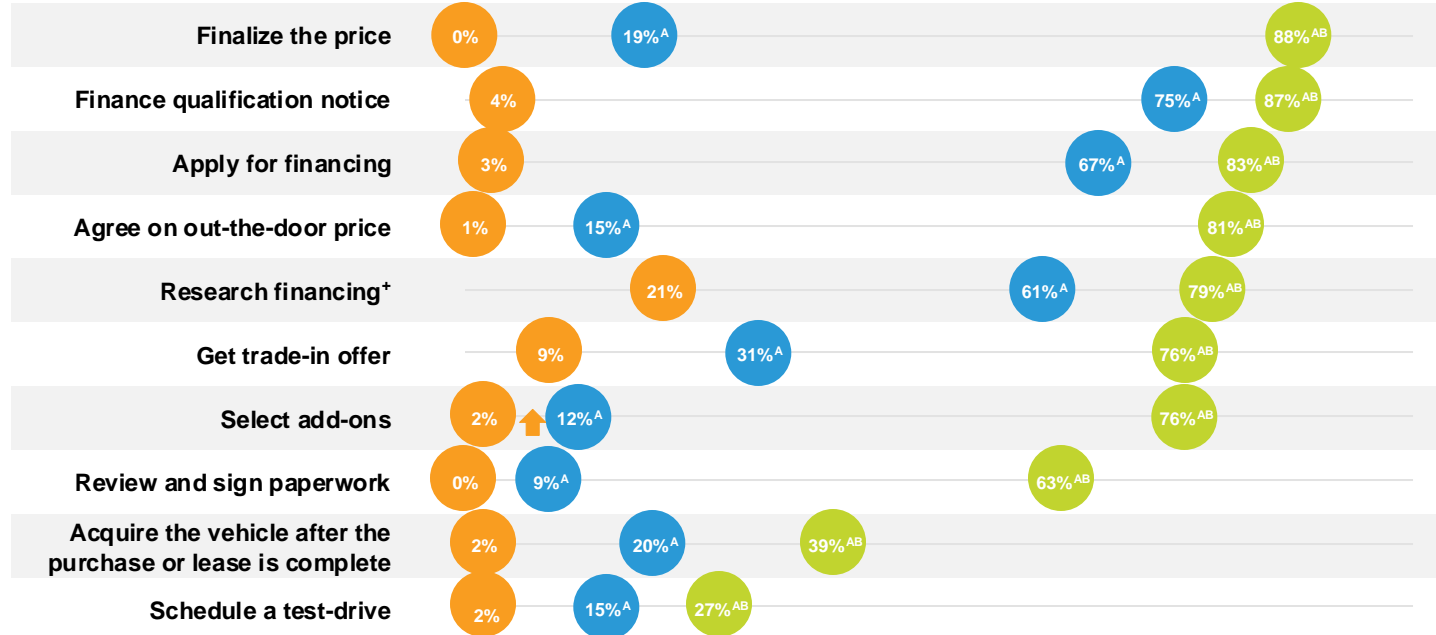


Letters indicate significant difference between groups at the 95% confidence interval  
 Arrows indicate significant difference between years at the 95% confidence interval



# Financing steps are common activities completed online by Moderate and Mostly Digital buyers.

## Activities Completed Online By Digital Groups



<sup>+</sup>Not included in Digital Mix Classification  
 Letters indicate significant difference between groups at the 95% confidence interval  
 Arrows indicate significant difference between years at the 95% confidence interval

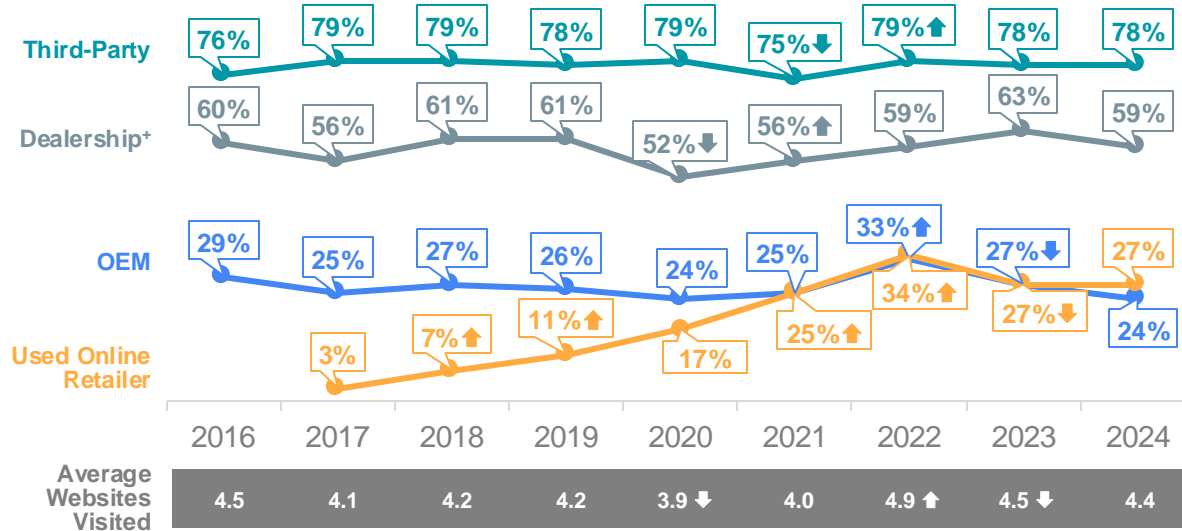
**Light (A)**  
 < 21% of purchase completed online

**Moderate (B)**  
 21-50% of purchase completed online

**Mostly (C)**  
 > 50% of purchase completed online

# Site usage remained stable

## Website Category Usage



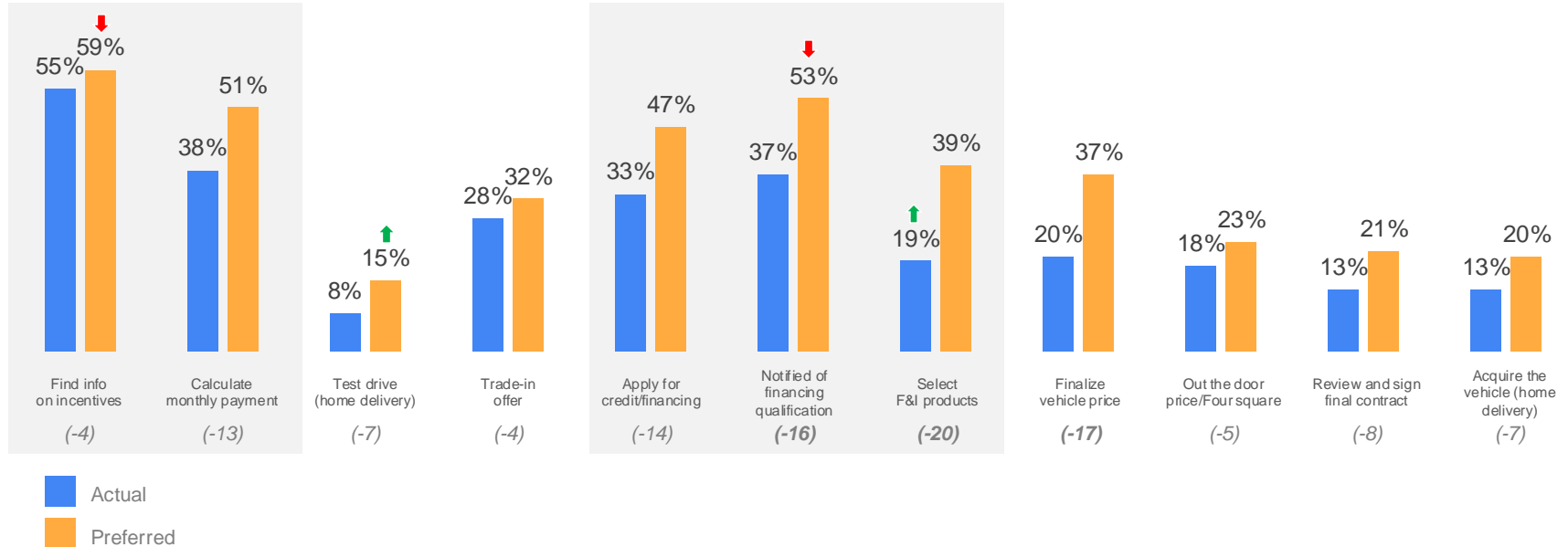
+Dealership includes CarMax

Arrows indicate significant difference between years at the 95% confidence interval



# Though more buyers selected F&I products online in 2024, a large gap still exists between actual and preferred behavior

% of Buyers Completed Steps Online vs. % of Shoppers Who Prefer to Complete Step Online



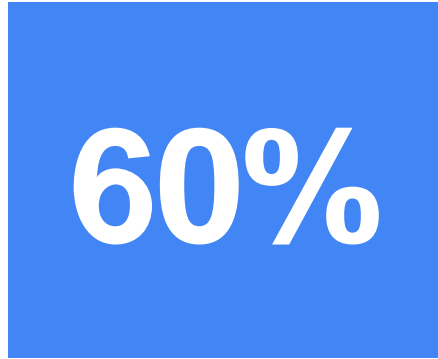
( ) = Gap between preference and actual behavior

↓ ↑ = statistically significant compared to 2023

# Majority of buyers visited Cox Auto sites during their shopping process

Sources Used

Cox  
AUTOMOTIVE



Total



New (A)

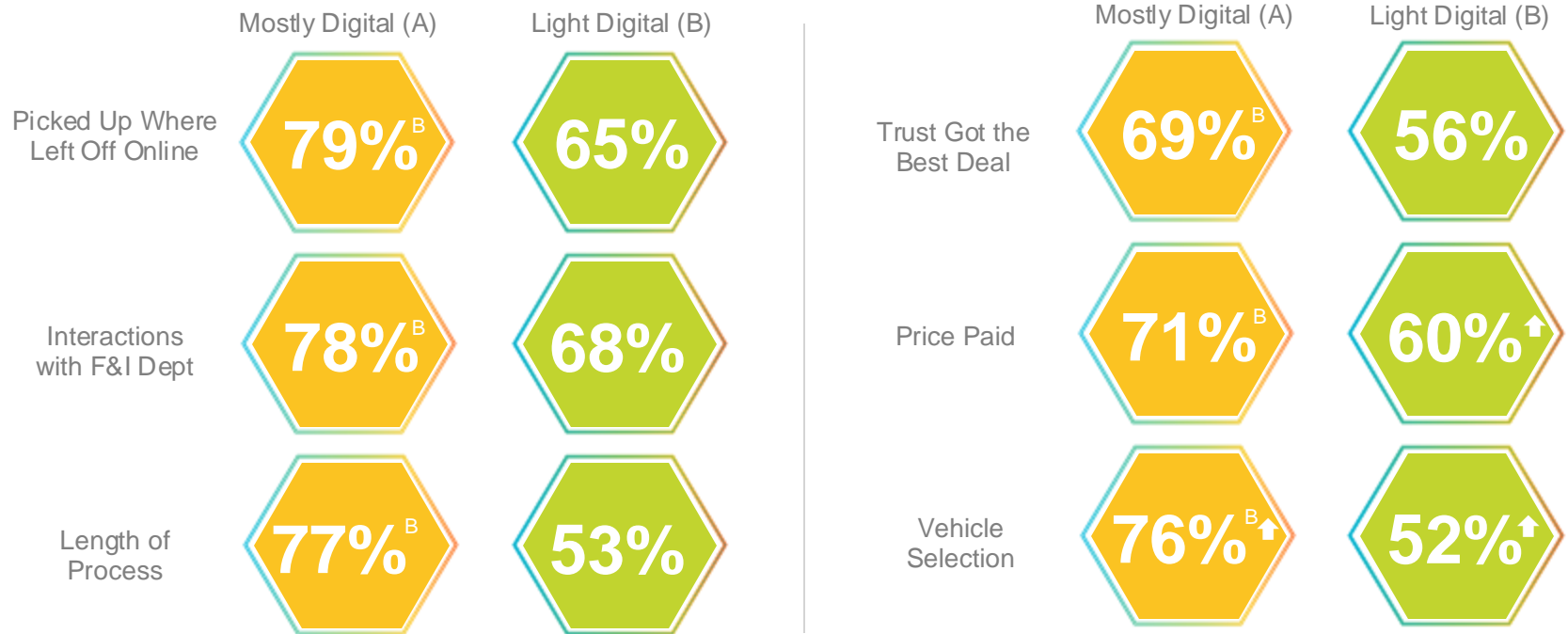


Used (B)

*Letters indicate significant difference between groups at the 95% confidence interval*

# More online engagement proved to be fruitful for Most Digital buyers...

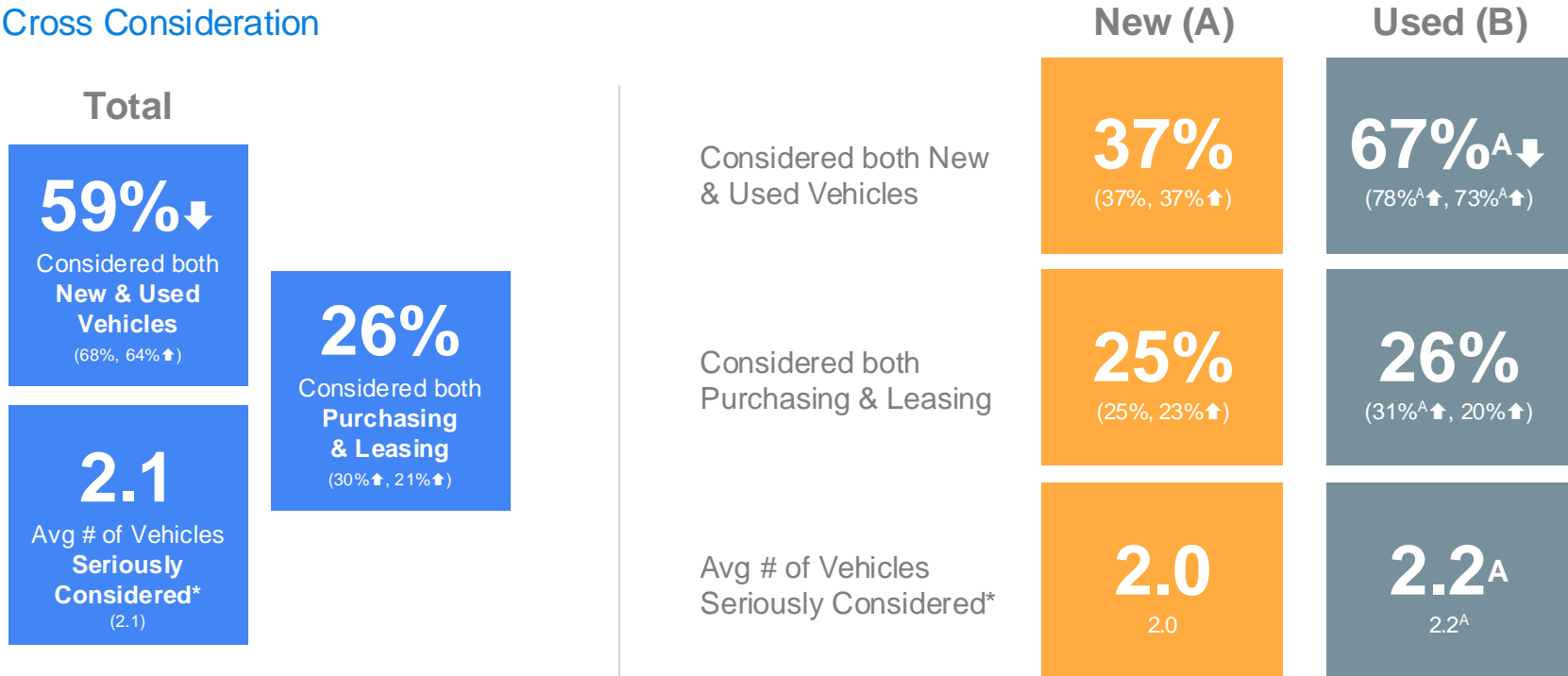
## Mostly Digital Buyers are More Likely to Be Satisfied with Dealership Activities



Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval

# Cross consideration softened, driven by Used buyers

## Cross Consideration



\*New question added in 2023.  
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# Time spent in market is similar to last year for New and Used buyers

## Time in Market

95 days

(98 days, 101 days ↑)

106 days

(97 days ↓, 114 days <sup>B</sup> ↑)

New (A)

92 days

(98 days, 97 days)

Used (B)

*“I did more research (this time) and therefore was able to choose a good car based on solid reviews and comments.”  
(New Lessee)*

Letters indicate significant difference between groups at the 95% confidence interval  
Arrows indicate significant difference between years at the 95% confidence interval  
Data in parenthesis represents 2023 and 2022.

