

2022 Car Buyer Journey: Top Trends Edition

January 2023



Study background & methodology

Background

For over a decade, Cox Automotive has conducted research to monitor key shifts in the car buyer journey.

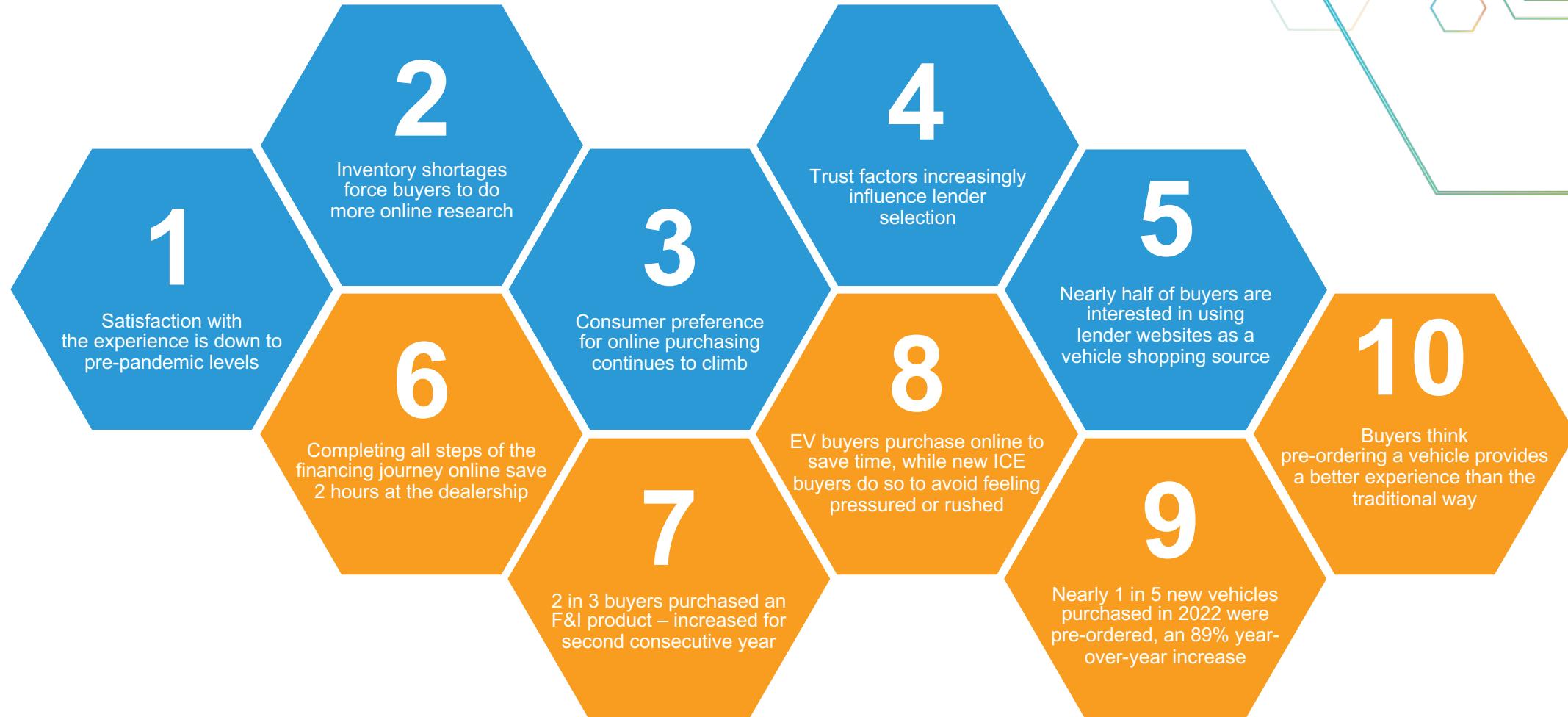
In 2022, Cox Automotive Surveyed...

6,118
Buyers

4,150
Shoppers



2022 Car Buyer Journey: Top 10 Trends





1

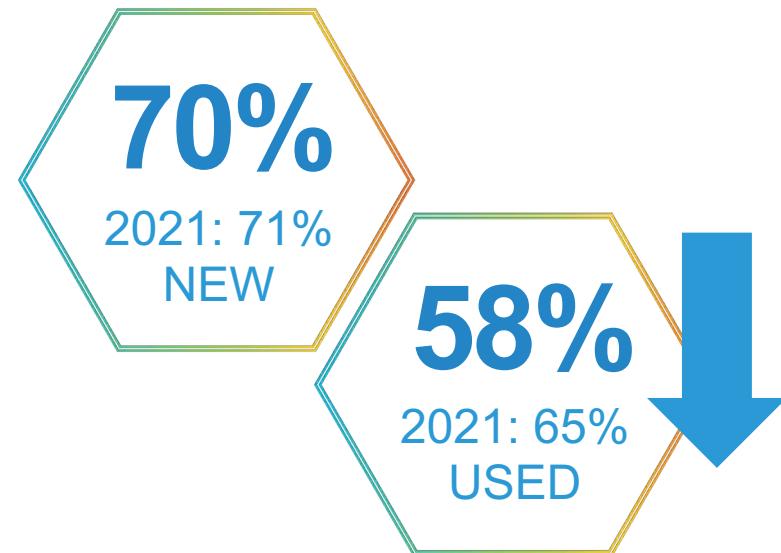
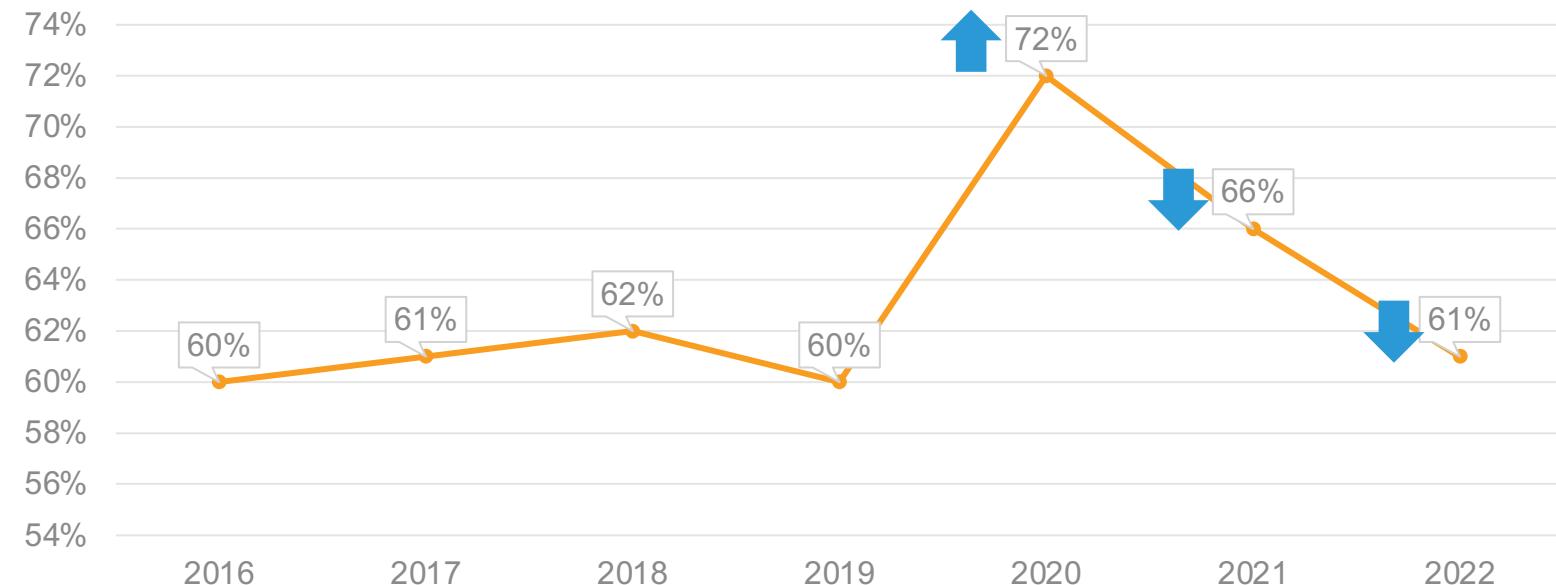
**Satisfaction with the experience
is down to pre-pandemic levels**

Satisfaction with the overall shopping experience declined

Used car buyers experienced a sharper decline vs. new buyers



Highly Satisfied with Overall Shopping Experience % 8-10

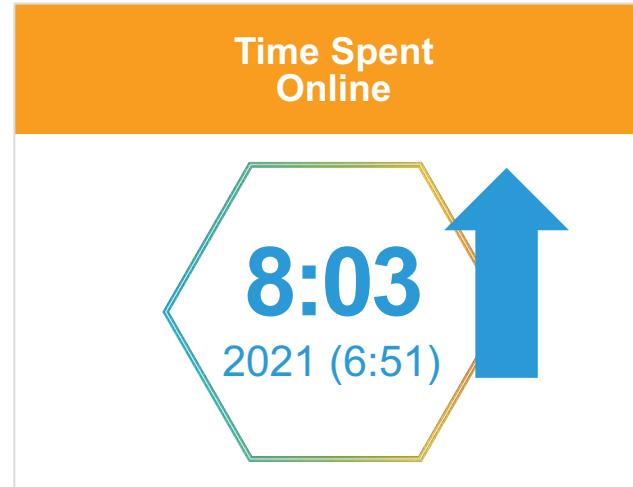


Arrows indicate significant difference between years at the 95% confidence interval



The buying journey became less efficient

Time Spent Researching and Shopping



Increased Time Online: **52%** 
of buyers who reported limited inventory selection said they **spent more time researching and shopping online as a result** (2021: 46%)

Declining Satisfaction: **72%** 
Overall satisfaction with dealership experience dropped (2021: 75%) Used buyers experienced a sharper decline vs new buyers

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



2

Inventory shortages force buyers to do more online research

Limited inventory forced more cross-shopping,
leading to diminished customer loyalty



Average Supply

New Vehicles

2020	2022	DECLINE
3.0M	1.1M	-1.9M

Used Vehicles

2020	2022	DECLINE
2.6M	2.5M	-100K

Shopping Experience

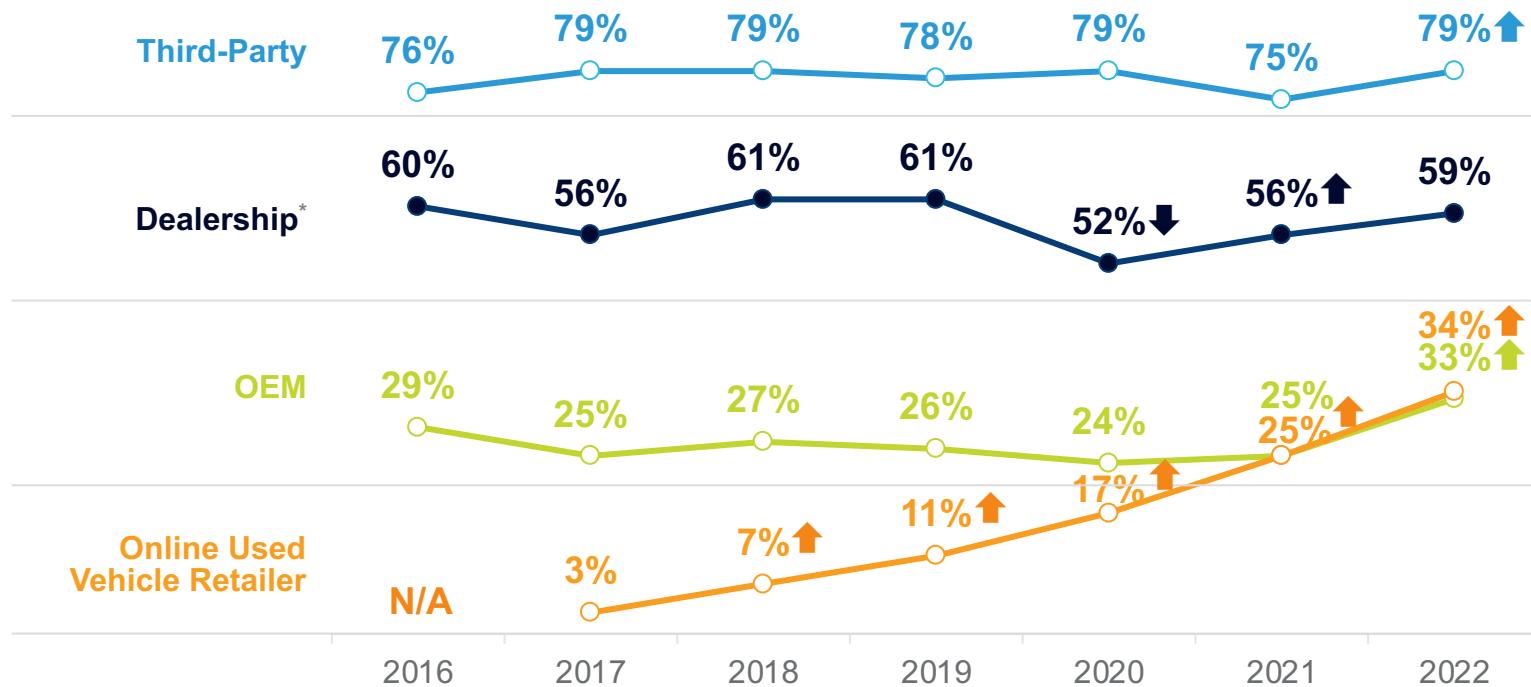


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Buyers expanded their online searches to more websites

Automotive Website Category Usage



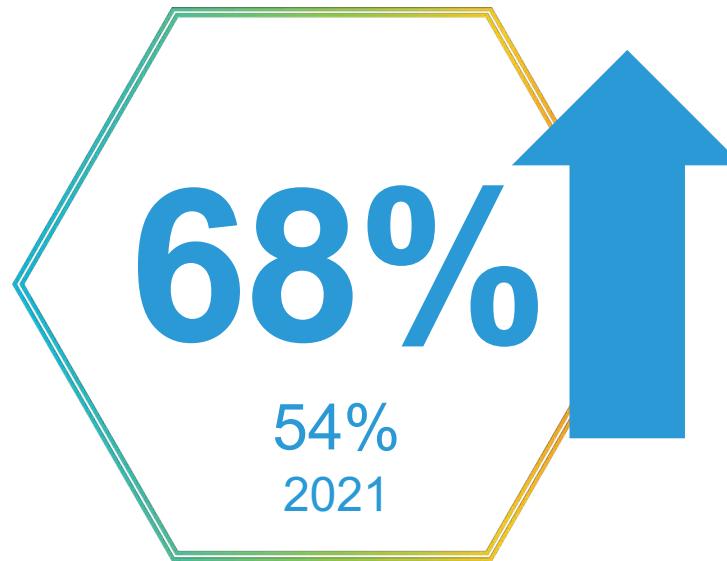
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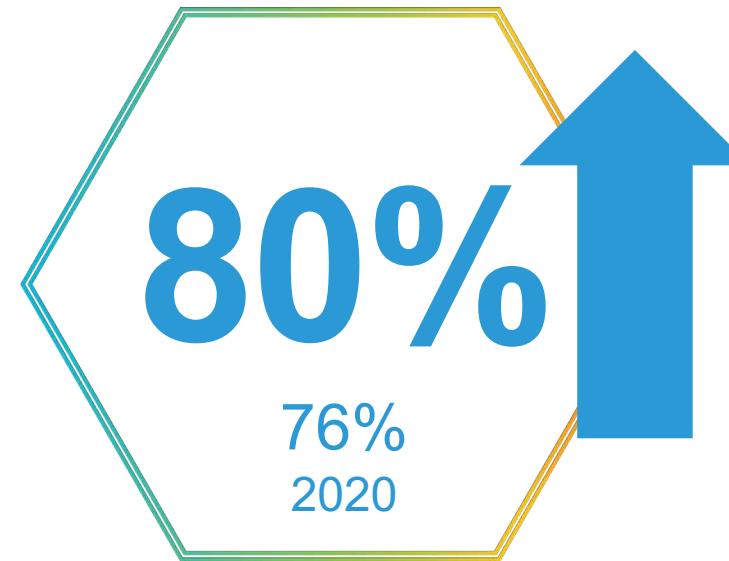
3

Consumer preference for online purchasing continues to climb

Consumers are still eager to do more online



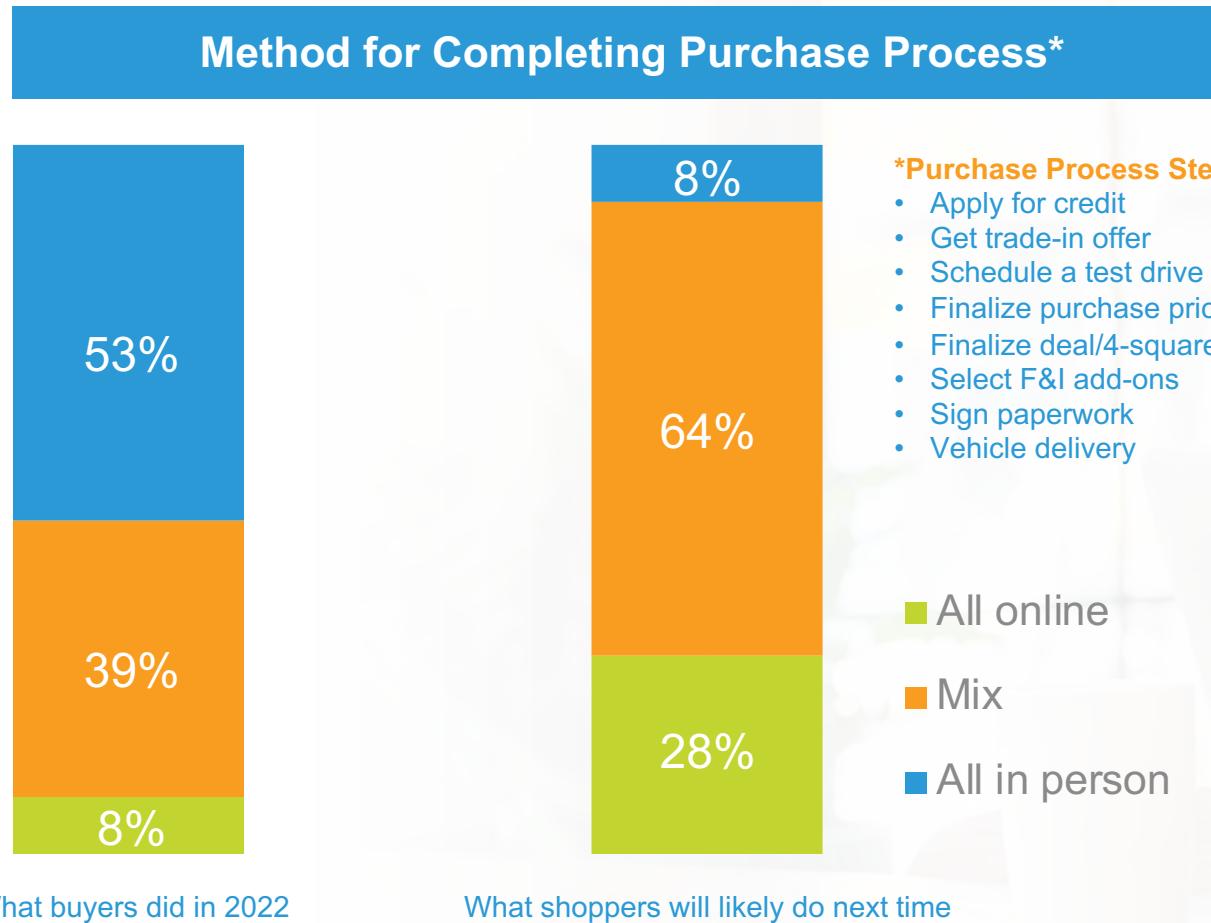
Say they will do most or all of their vehicle purchase process online in the future



Think it's a good or great idea to buy entirely online

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

Omnichannel and e-commerce will grow, and buyers will seek out websites with these capabilities

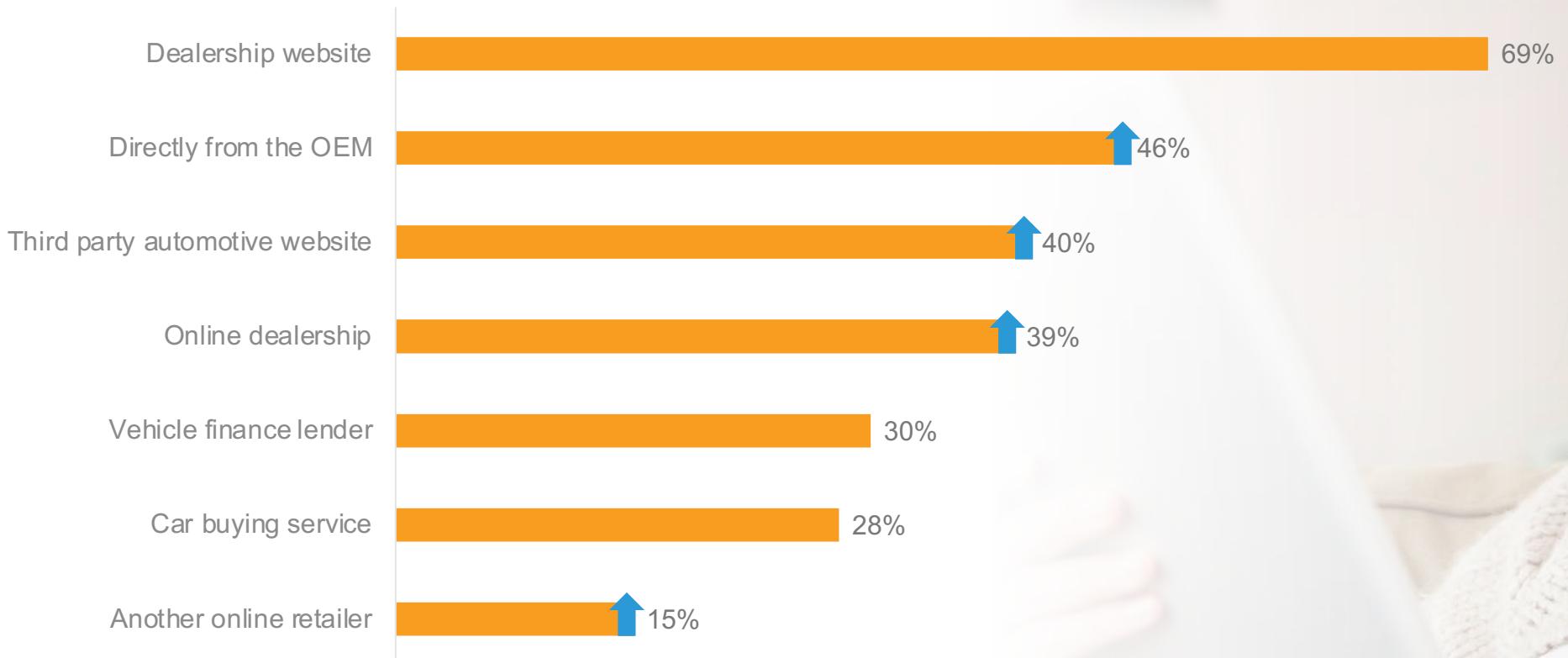


44%
of consumers **only** plan to look on websites that allow them to complete desired vehicle steps online

Dealer website is the top site consumers envision themselves using to purchase a vehicle entirely online in the future, with OEM and third-party sites on the rise

Sites Consumers Could See Themselves Purchasing/Leasing from Online in the Next 1-2 Years

(Among those who would consider buying completely online in next 1-2 years)



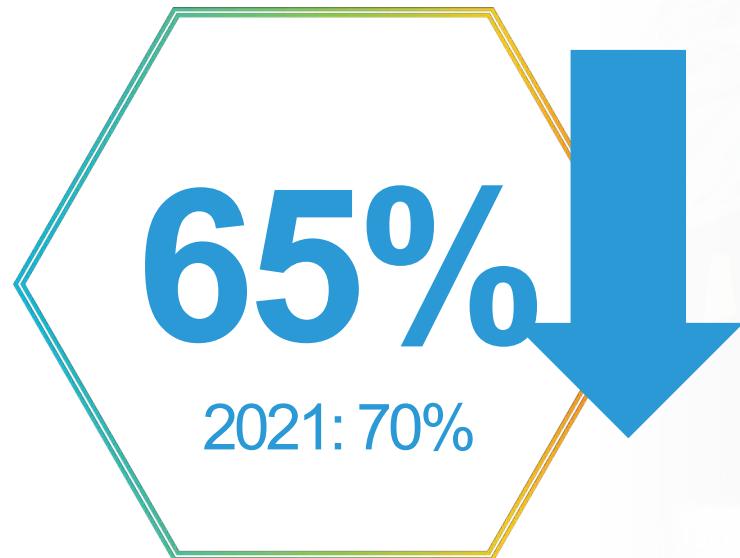
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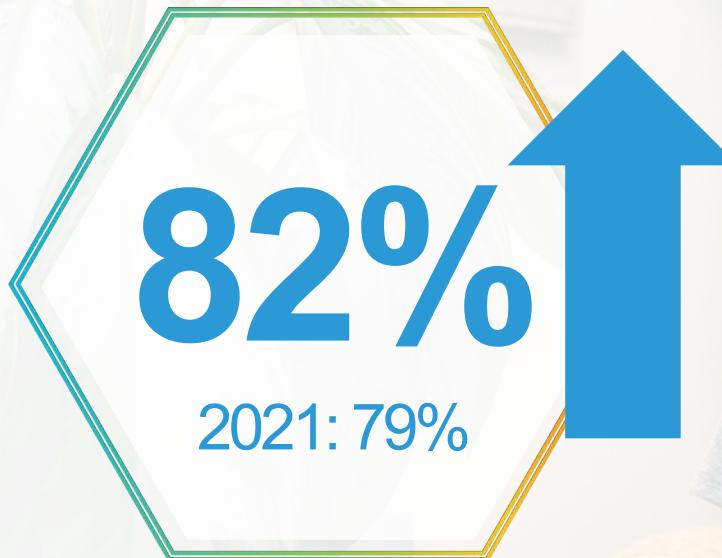
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Trust factors increasingly influence lender selection

Growing importance of familiarity in lender consideration



% considered 2+ lenders*



% who say “familiarity” is important in lender consideration*

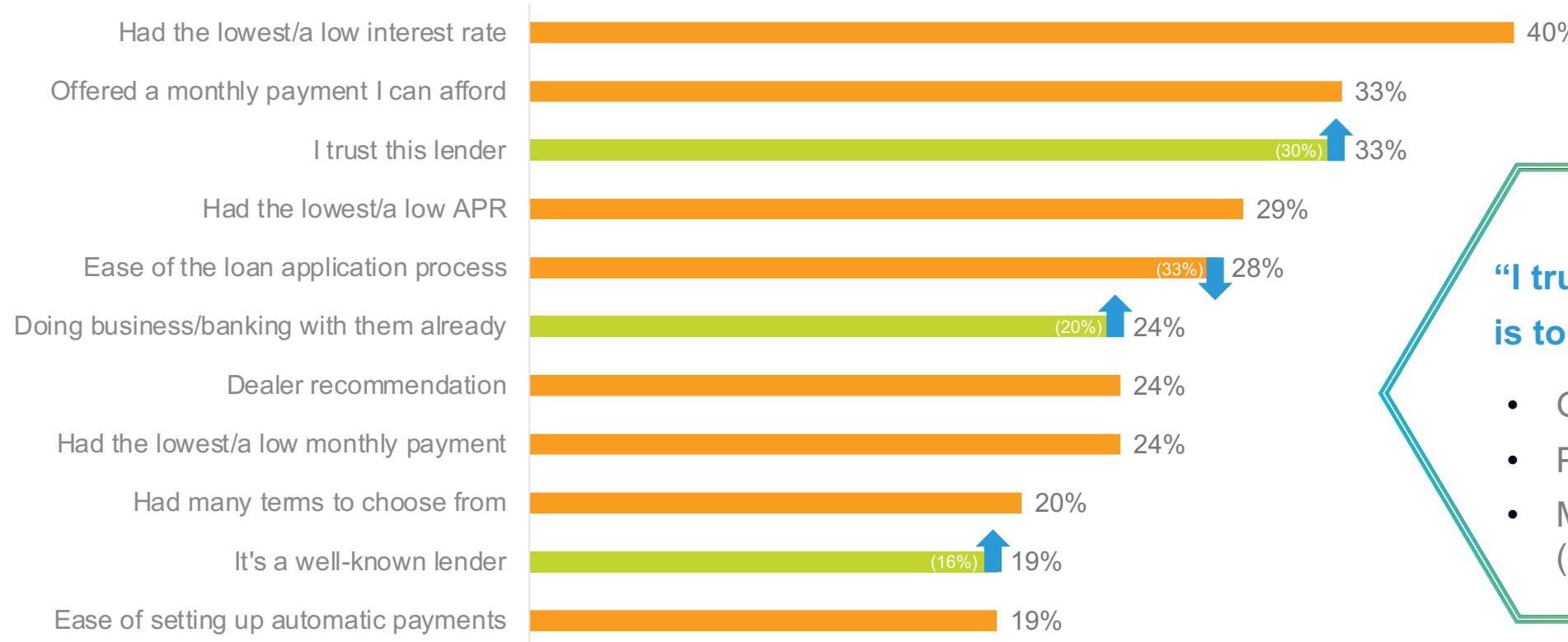
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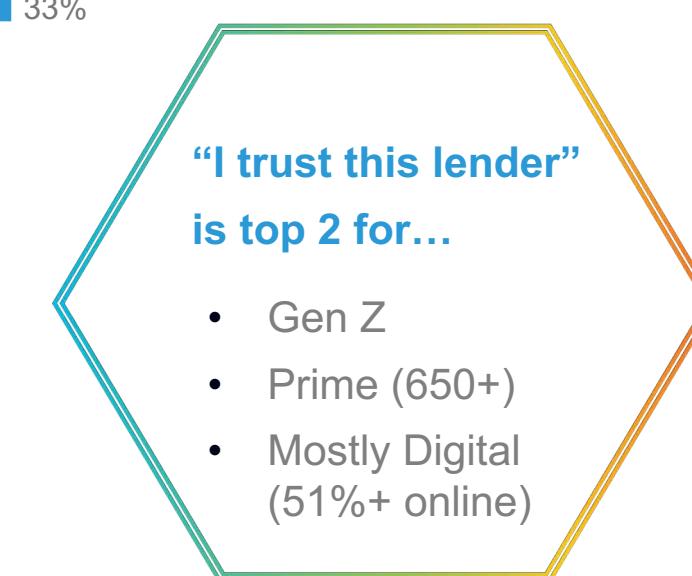
While “Rates” is the top reason for selecting a lender,
do not overlook trust factors

Top Reasons for Choosing Lender

(Among purchasers*)



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



**“I trust this lender”
is top 2 for...**

- Gen Z
- Prime (650+)
- Mostly Digital (51%+ online)

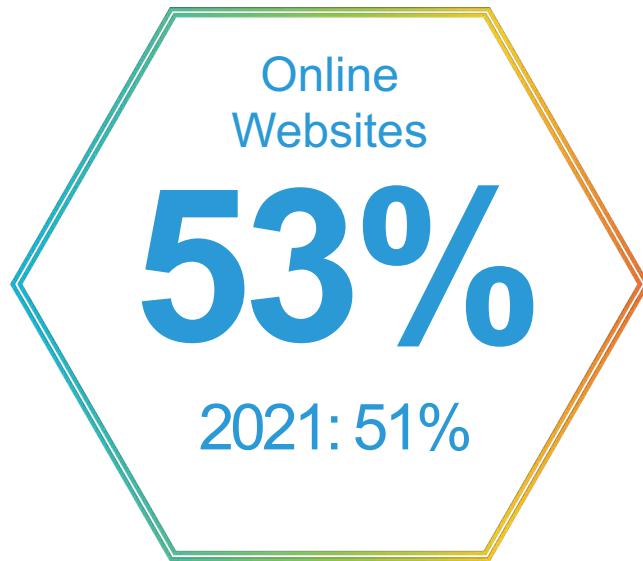


5

**Nearly half of buyers are interested
in using lender websites as a
vehicle shopping source**

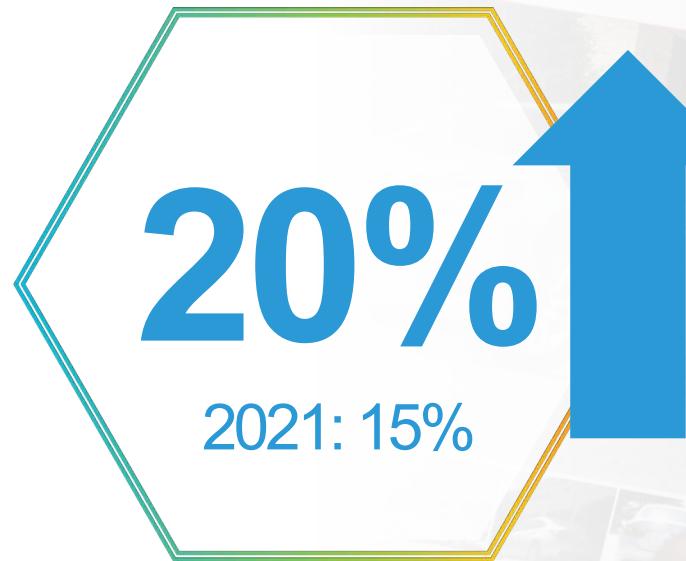


Growing reliance on websites for financing research



#1 Source for researching financing options

Among those who researched

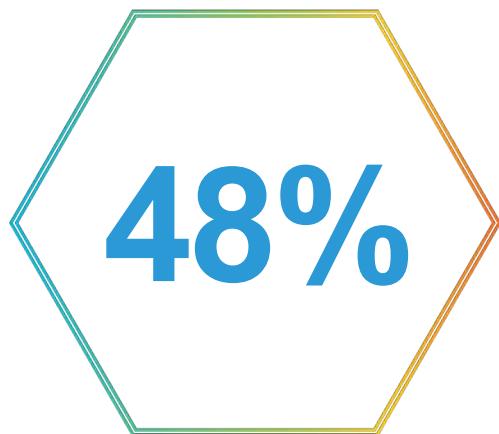
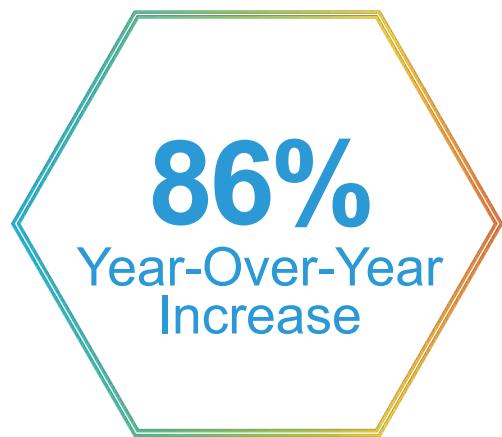


Online **only** research has grown significantly

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

Opportunity for lenders to engage directly with buyers online

13% of buyers used a *lender website* when shopping for their vehicle purchase



% Interested in searching for a vehicle on a lender's website



% Open to buying a vehicle online from lender website

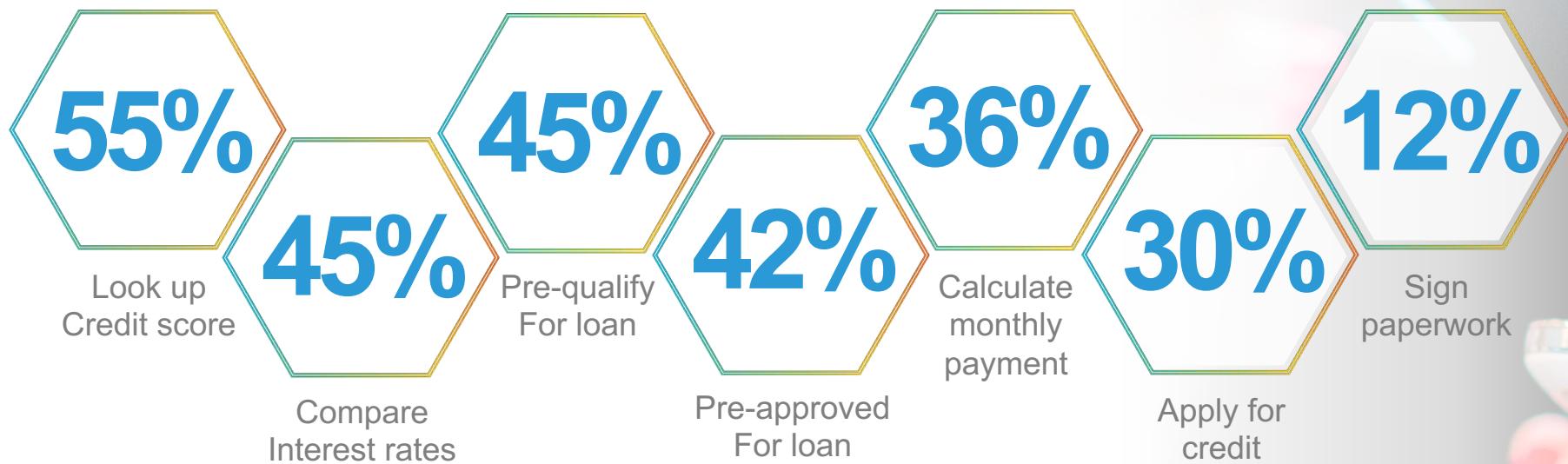


6

**Completing all steps of the
financing journey online save
2 hours at the dealership**

For most financing steps, less than half of buyers complete them online today

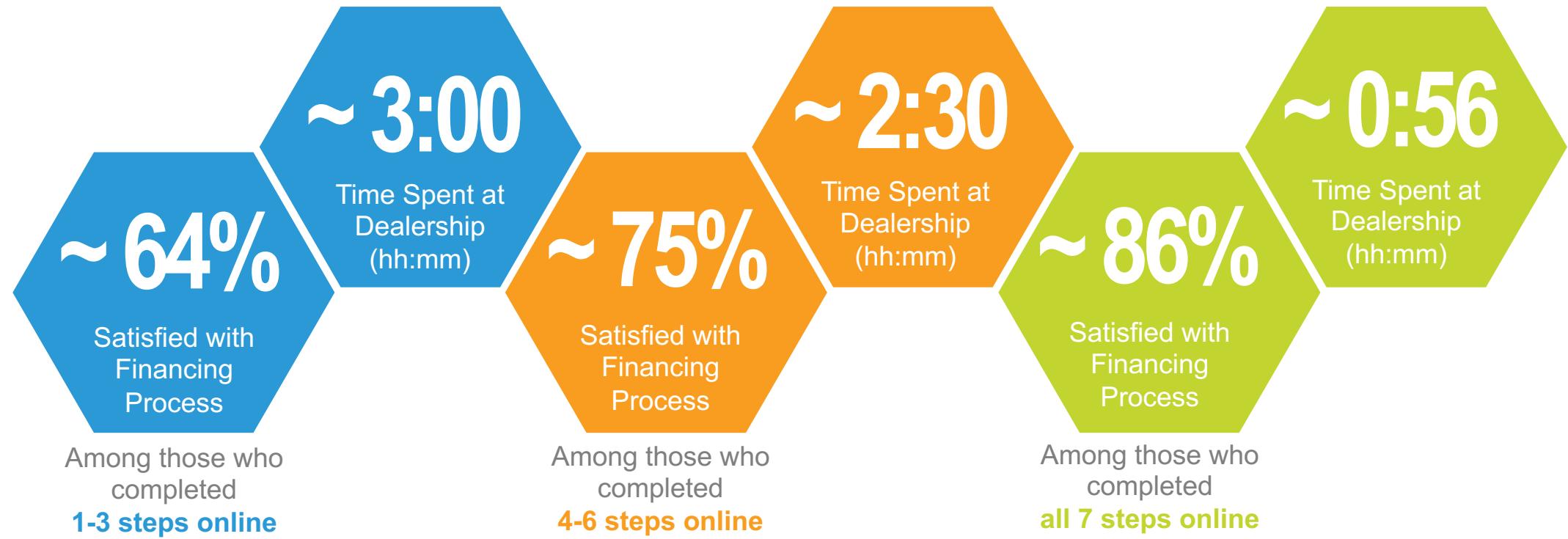
% Buyers Who Completed Financing Step Online
(Among Those Who Did Each Step)





More steps completed online = higher satisfaction & less time at the dealership

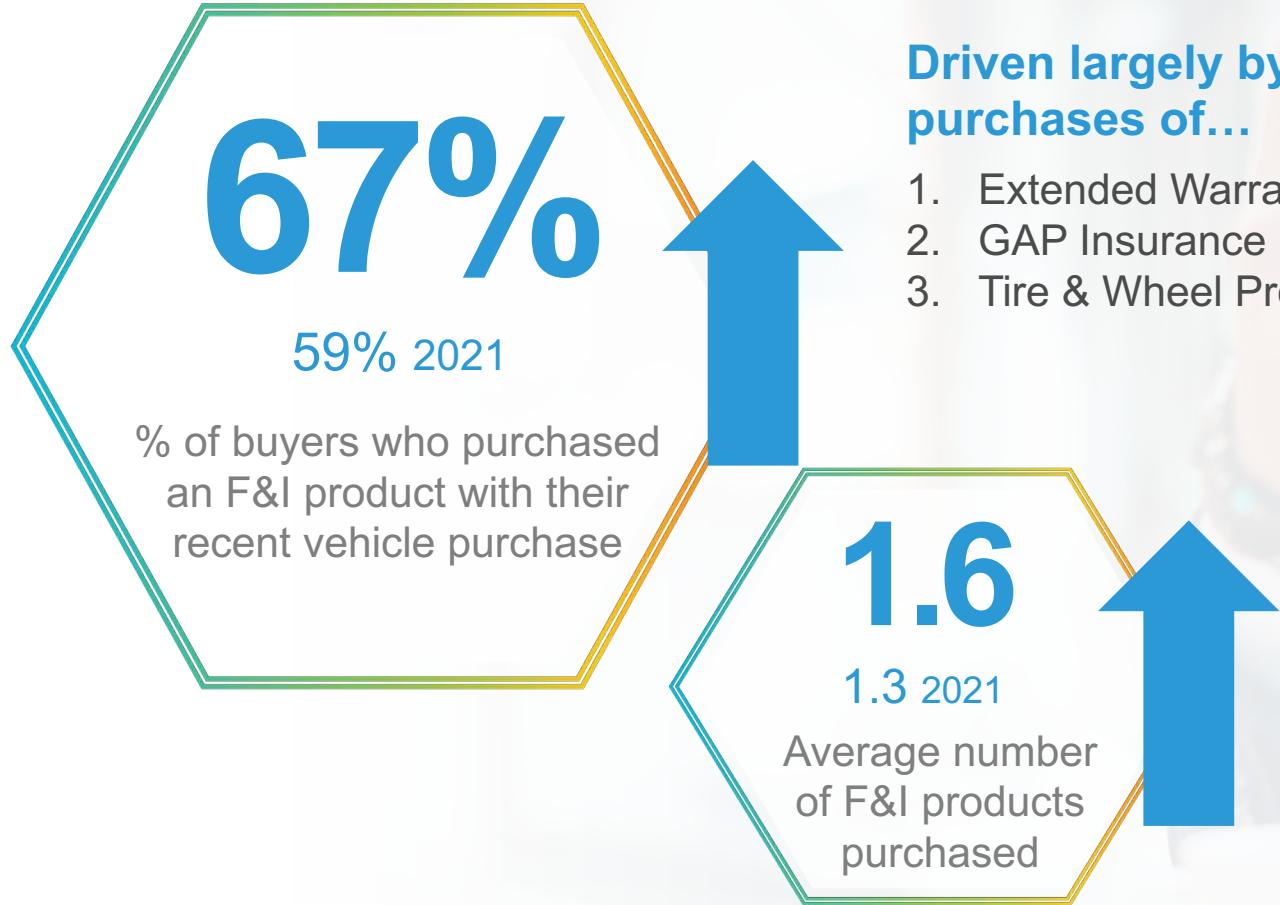
Impact of Completing More Financing Steps Online (Among Those Who Did Each Step Online)





**2 in 3 buyers purchased an
F&I product, increased for
second consecutive year**

F&I purchases are on the rise



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

Research positively impacts F&I purchases

53%

% of buyers who
researched F&I products
before visiting a
dealership/retailer

51%

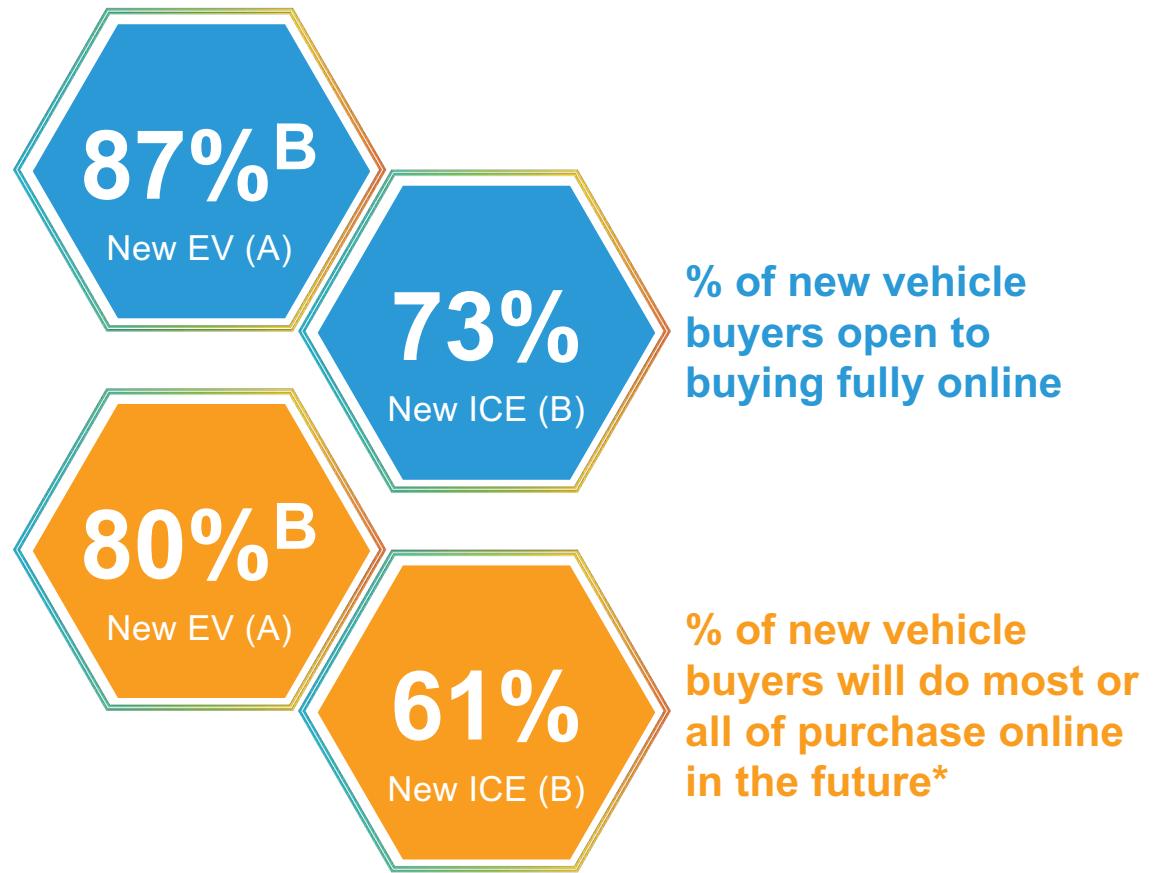
More Likely to Buy
Impact of research
on likelihood to
purchase



8

EV buyers purchase online to save time, while new ICE buyers do so to avoid feeling pressured or rushed

EV consumers are more digital-focused



Base: New Vehicle Buyers

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

Sites Consumers Could See Themselves Purchasing/Leasing from Online in the Next 1-2 Years



Shopping sites need to accommodate EV intenders' need for time savings, empowerment and ease

Top Motivators for Wanting to Complete Steps Online (among new vehicle shoppers)

New EV

- 1 Able to do it at my convenience
- 2 Save time/faster to do it myself
- 3 Make purchase process easier
- 4 I like to feel more in control

New ICE

- Avoid feeling pressure or rushed
- Able to do it at my convenience
- To make sure I'm getting the best deal
- Avoid spending time at the dealership

Base: New Vehicle Buyers





9

Nearly 1 in 5 new vehicles purchased in 2022 were pre-ordered, an 89% year-over-year increase



There's been tremendous growth in pre-orders

Nearly 1 in 5 new vehicles
were pre-ordered in 2022



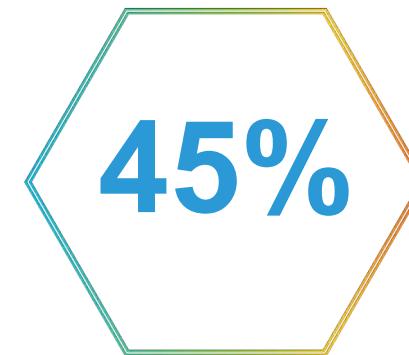
Factors that motivated consumers to pre-order



Ability to order features I want
and exclude features I don't want



Willing to wait – don't need
a vehicle right away



Limited vehicle inventory

"I was able to choose exactly what I want, and I got exactly what I wanted when the car delivered. This makes the entire waiting time worth it"



10

**Buyers think pre-ordering
a vehicle provides a better
experience than the
traditional way**



A woman with blonde hair, wearing a light-colored button-down shirt, is smiling and looking out of the open driver-side door of a car. The interior of the car is visible, including the steering wheel and dashboard. The background is slightly blurred, showing a bright outdoor environment.

Buyers tend to be more satisfied with pre-ordering than more traditional experiences

79%

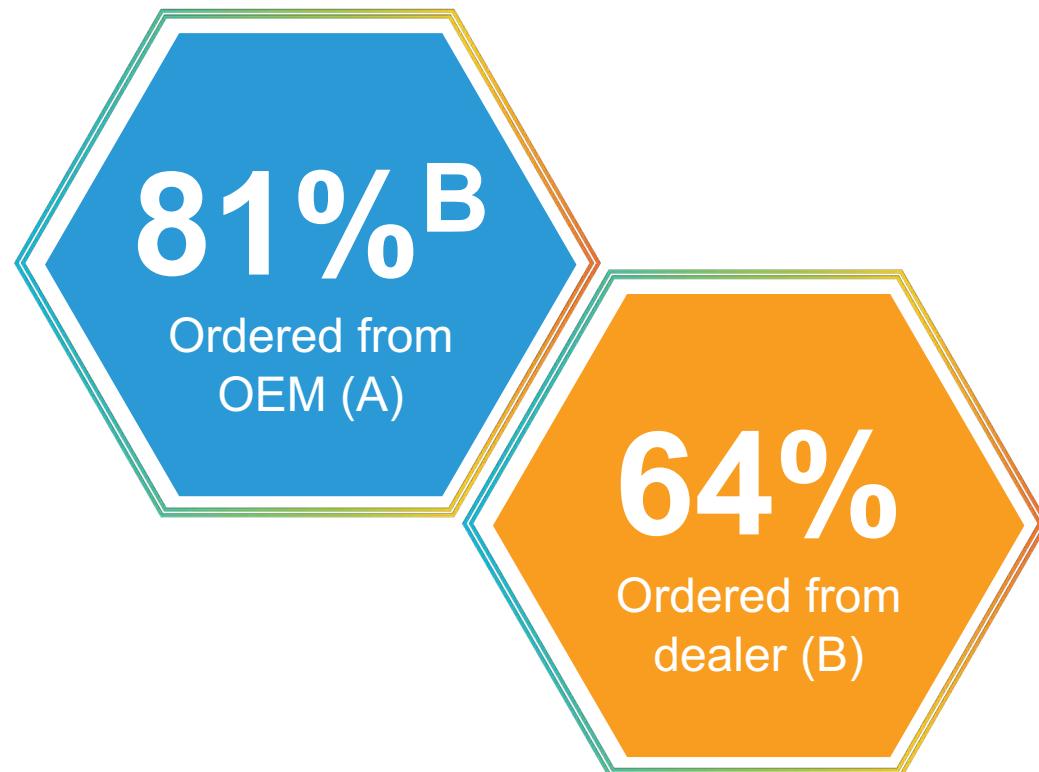
More satisfied with pre-order experience compared to buying a vehicle off the dealership lot in the past

72%

Will pre-order again for their next vehicle
(Top 2 Box)

Buyers more satisfied when pre-ordering from OEM sites

Satisfaction with overall pre-order process



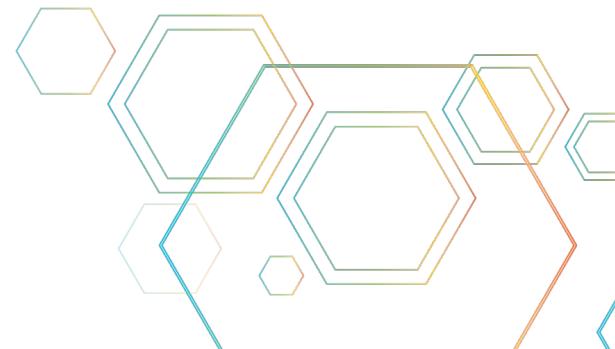
Excludes any buyer who purchased from a direct-to-consumer brand (e.g. Tesla, Rivian, Polestar)
Letters indicate significant difference between groups at the 95% confidence interval



Those who ordered from the OEM are more likely to:

- 1 Had a shorter waiting period
- 2 Had tracking ability
- 3 Received more touchpoints

Implications



2022 Car Buyer Journey: Implications

- 1 Dealers can pacify shopper pain points by leveraging online tools that enable real-time inventory and price transparency
- 2 OEMs can benefit from increased cross-shopping by targeting conquest audiences through online channels
- 3 Meet consumers where they are by delivering a digital strategy that includes omnichannel and ecommerce
- 4 Lenders can build loyalty by creating a customer-centric culture that prioritizes trustworthiness
- 5 Lenders can acquire new customers by offering more robust research and shopping tools on their websites
- 6 Lenders can build the infrastructure for financing deals online by investing in more automation processes
- 7 Dealers can increase adoption of F&I products by providing product descriptions and pricing online
- 8 EV online purchase experiences should deliver to the buyer a feeling of control and confidence
- 9 Include pre-order language and content on websites and target pre-order campaigns to consumers further out from purchase
- 10 Enhance pre-order process with vehicle tracking and more touchpoints during wait period