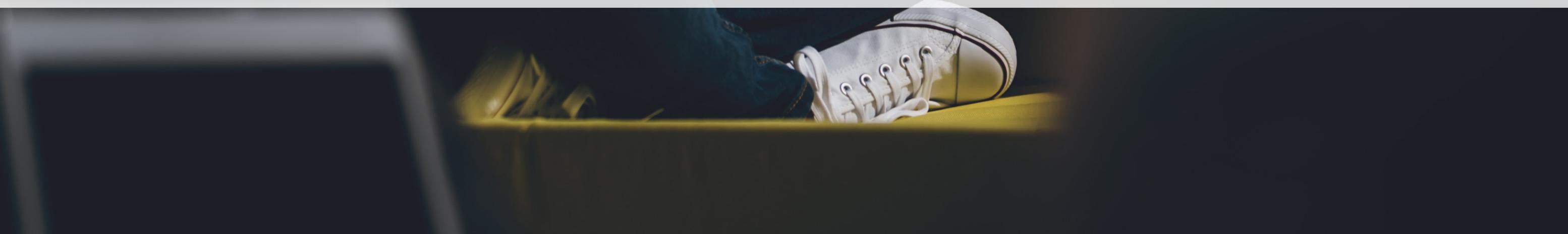




**CarGurus**

# 2021 Buyer Insight Report

Analysing the digital purchase paths of 1,500+ auto buyers in the United Kingdom.





## Top 6 takeaways

- 1** Most buyers (72%) start undecided on where to buy. Over half are undecided on make (53%) and model (57%). When choosing a car, buyers care most about budget, reliability, and driving feel. They look for prices, location, and probability of a fair deal in a seller.
- 2** Petrol vehicles remain the most popular. Hybrid vehicles and electric vehicles, however, are often in the consideration sets of new car buyers today (39% considered hybrid, 22% considered electric). Hybrids have even surpassed diesel in popularity among new buyers.
- 3** On auto shopping sites, most (86%) buyers wait to submit a lead until they are at least somewhat certain the vehicle is a good fit. About half (45%) wait until they are very/extremely certain. This is higher among CarGurus users in particular (59%) compared to competitors' users (50%).
- 4** After researching independently online, buyers first reach out to dealers most often by phone (36%) or online (31%). The average buyer contacts just 3 sellers and visits only 2 before buying.
- 5** With shutdowns due to the pandemic, many buyers considered the idea of buying online for the first time. Before the pandemic, 42% of buyers said they were open to buying online. Now, 63% are.
- 6** While the way people buy cars may change in the next decade, its clear car ownership is here to stay. Nearly all (93%) plan to maintain or increase the number of vehicles in their household. Over a third of millennials plan to buy more.

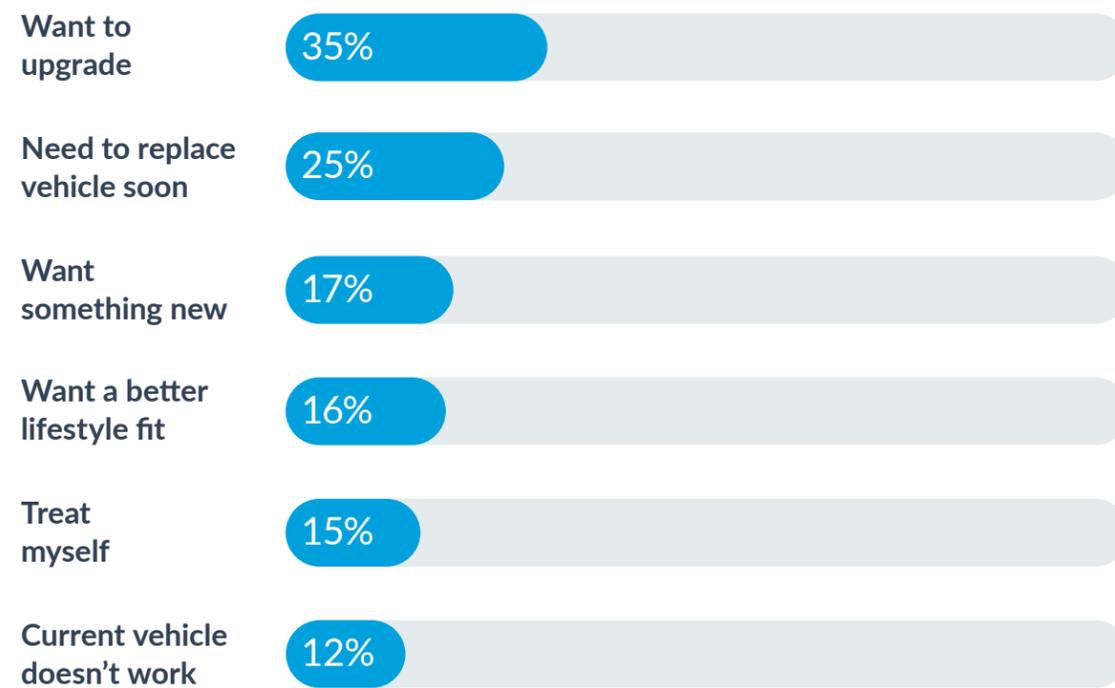


Path to purchase

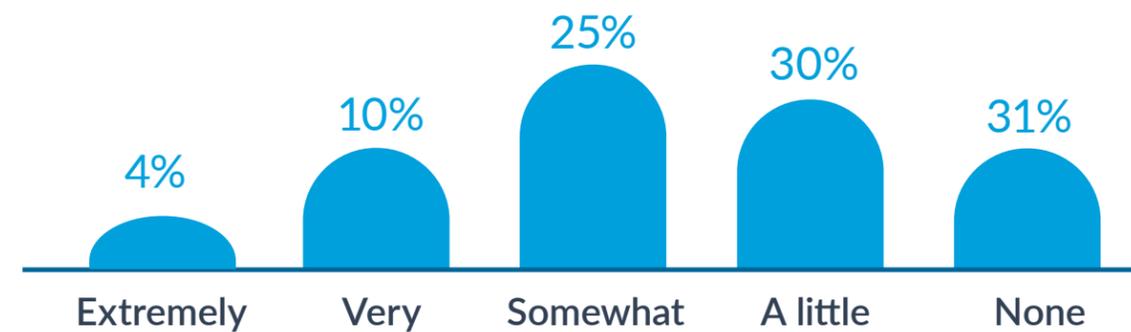
## Why buy?

Respondents note both desire (e.g. want an upgrade or something new) and necessity (e.g. need to replace vehicle soon, current vehicle doesn't work) as primary purchase drivers.

## Reasons for being in-market

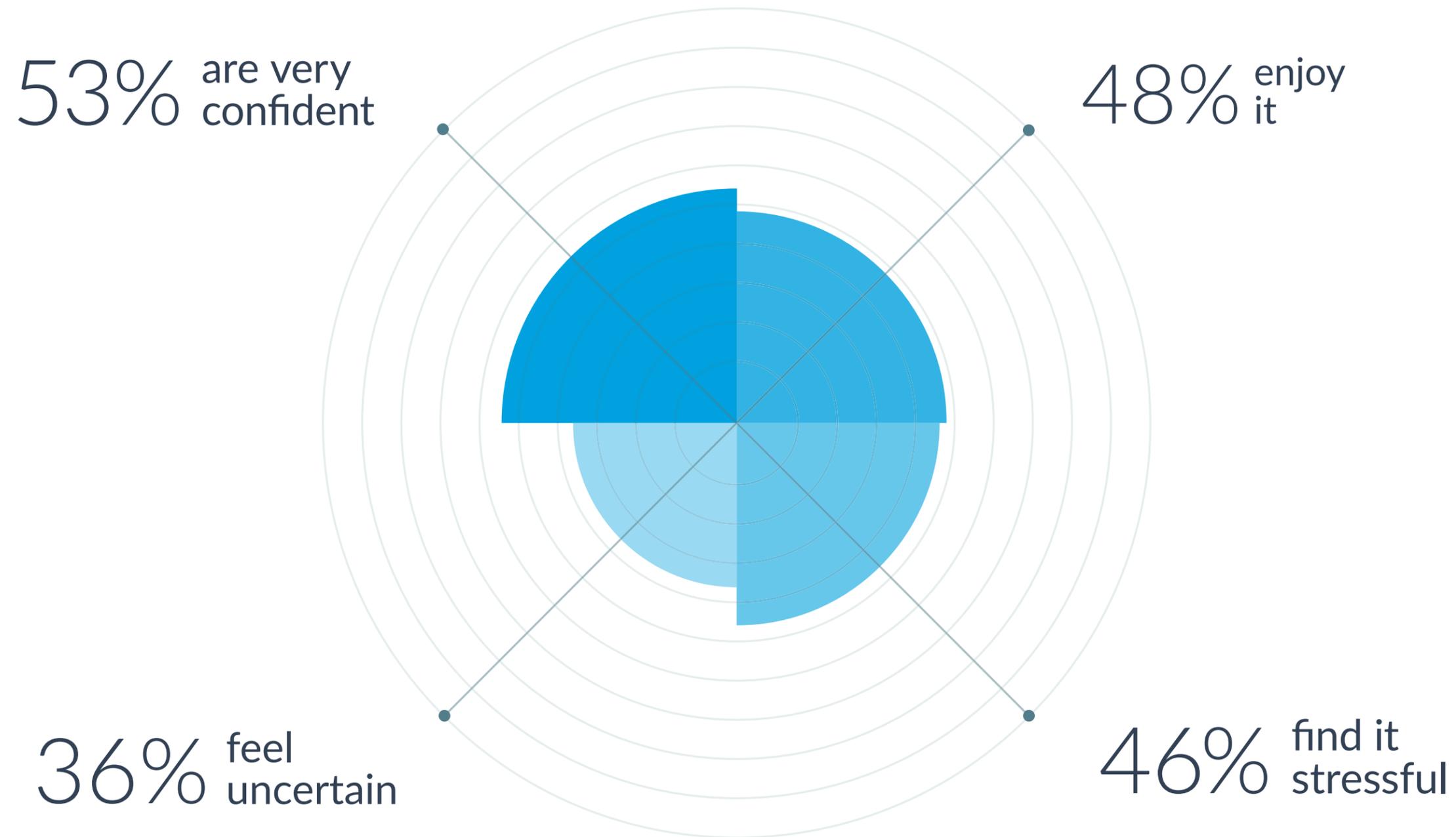


## Purchase urgency



## Attitudes toward car buying

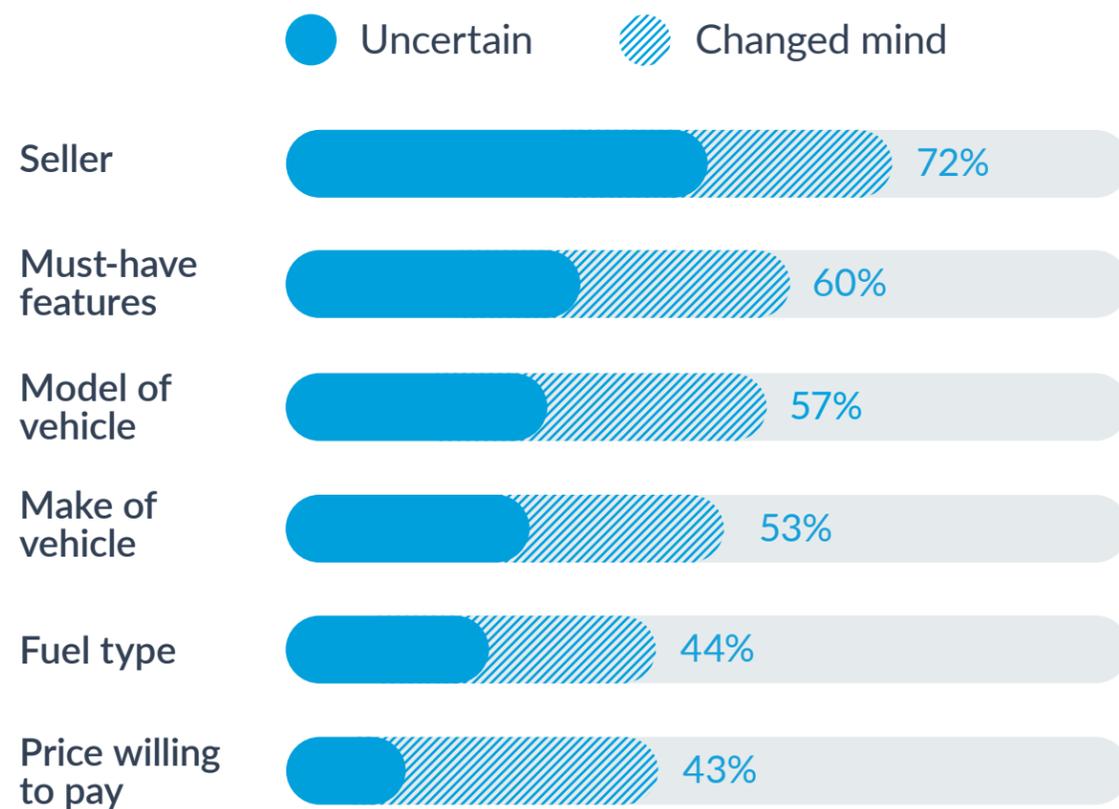
Whether confident, stressed, excited, or uncertain, car buyers experience one constant—emotion. Serving them requires that dealerships not only fulfill tangible needs, but emotional ones, as well.



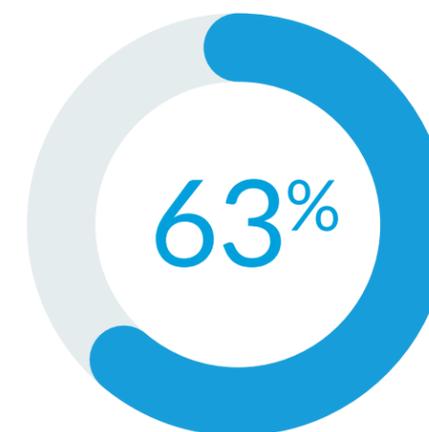
## Buyers start full of uncertainty

Many drivers only replace their vehicle every four years, so they're not experts on car buying, and their alternatives have changed since the last time they purchased. The majority (72%) start undecided on where to buy.

They're uncertain or changing their minds about...



of buyers replacing a prior vehicle switch brands



of buyers choose a dealership they've never bought from before

Because of this uncertainty, they're looking for insights from outside sources throughout the shopping process.



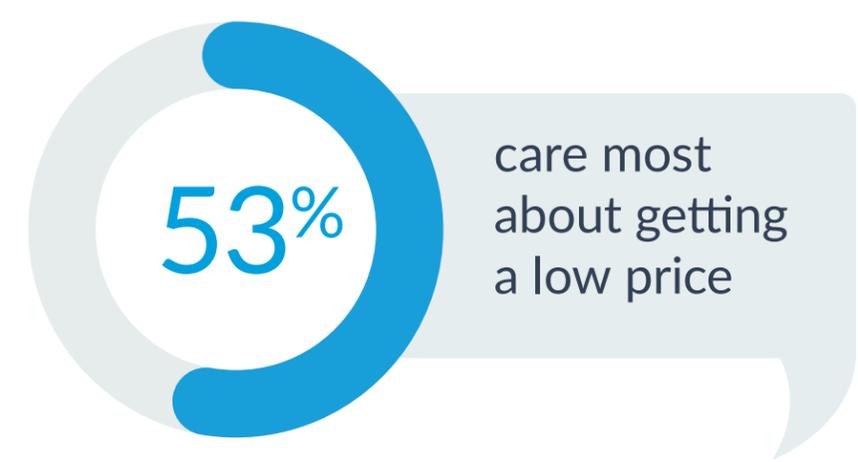
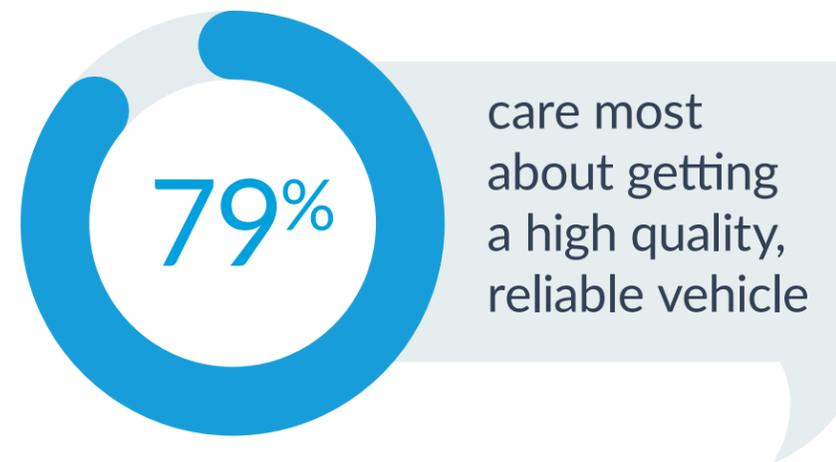
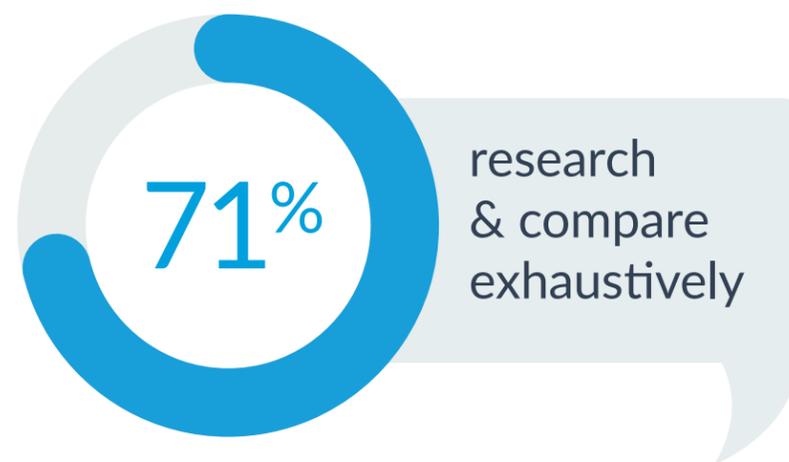
## Research approach

Buyers today are accustomed to using online to inform their every purchase. Whether they're buying cleaning products or a car, buyers will dig through ratings and reviews to ensure they're being treated fairly. When car buying, consumers care most about quality, more so than just getting a low price.

### When buying generally...



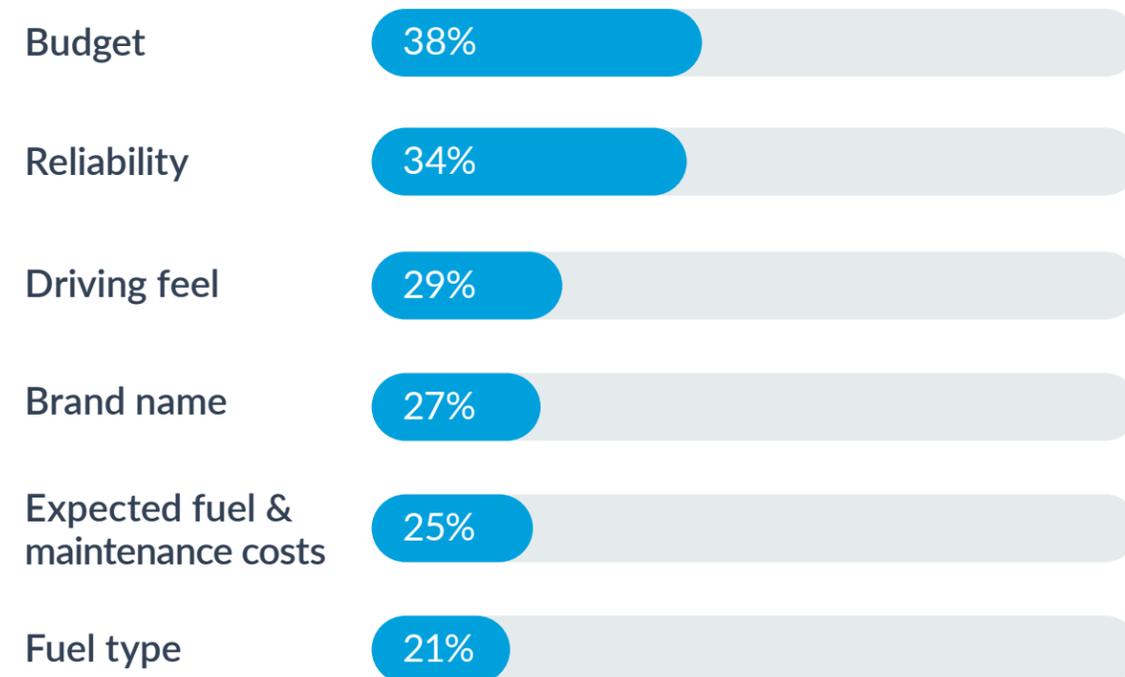
### When buying a vehicle...



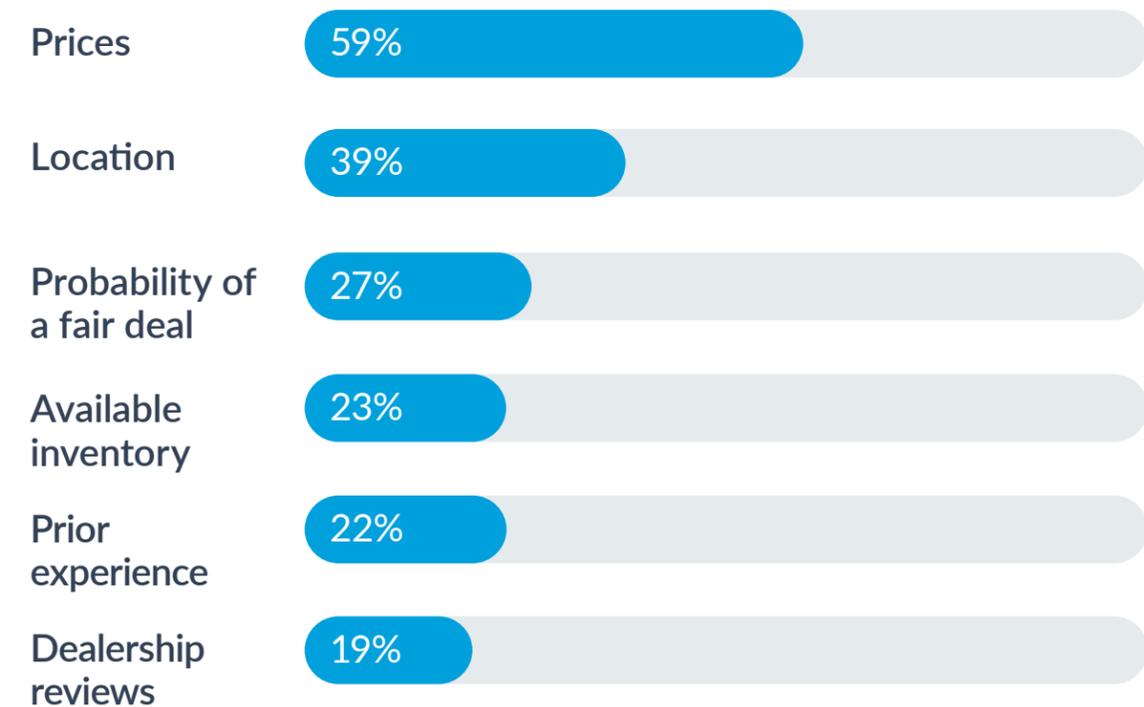
# Vehicle & dealership selection

Practical factors like budget, reliability, location, and price overwhelmingly influence buyers' decisions on what and where to buy.

## Factors driving vehicle selection



## Factors driving dealership selection



## Fuel types

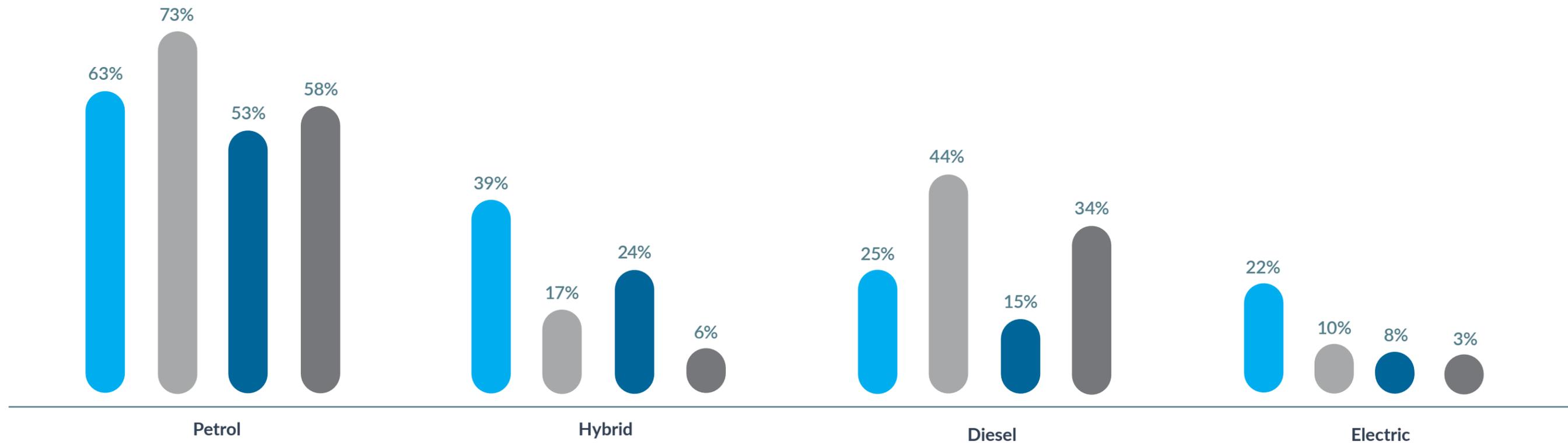
Petrol vehicles remain the most popular. Hybrid vehicles and electric vehicles, however, are often in the consideration sets of new car buyers today. Hybrids have even surpassed diesel in popularity among new buyers.

44%

of buyers start undecided on what fuel type to buy

## Fuel types considered/purchased among new vs. used buyers

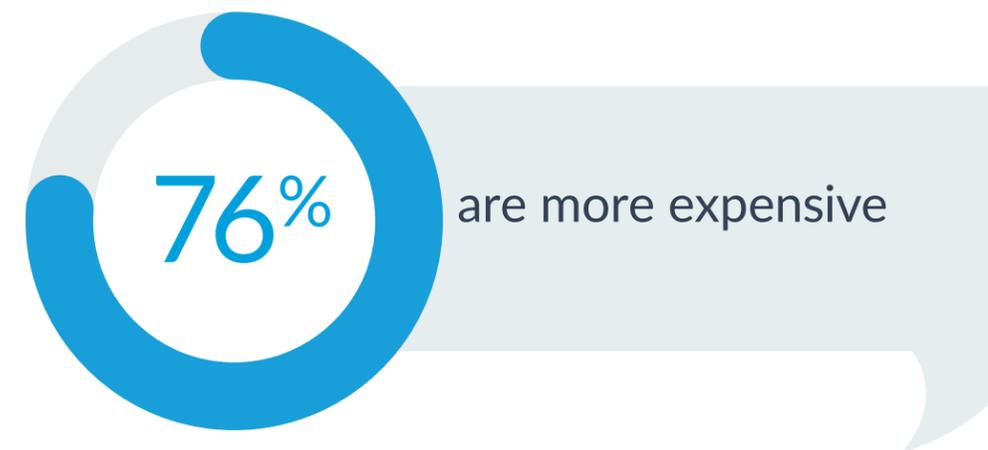
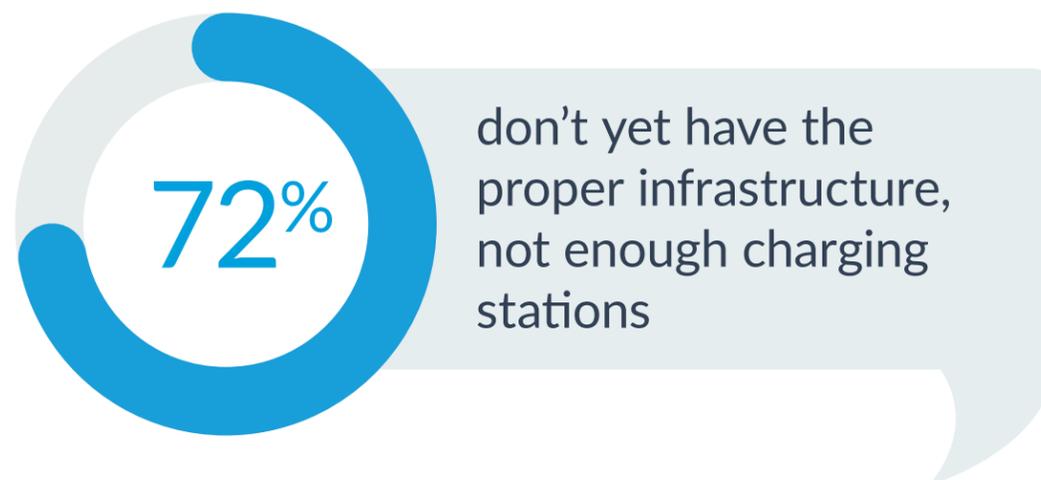
● Considered (new) ● Purchased (new) ● Considered (used) ● Purchased (used)



## Motivations & barriers to electric vehicles

Buyers today are excited about electric vehicles and the benefit they provide the environment. However, cost and infrastructure still pose significant purchase barriers.

Electric vehicles...



## Who do they consider?

With the transparency online offers, buyers can confidently vet & narrow down their consideration sets of dealers before ever stepping on a lot. As a result, car buyers typically only contact dealers they're seriously considering—however, dealers need to catch their attention early.

3 average  
number of  
dealers contacted

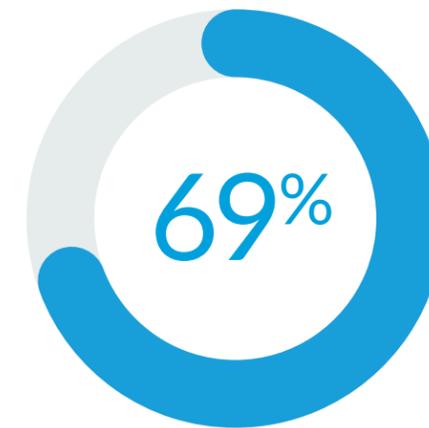
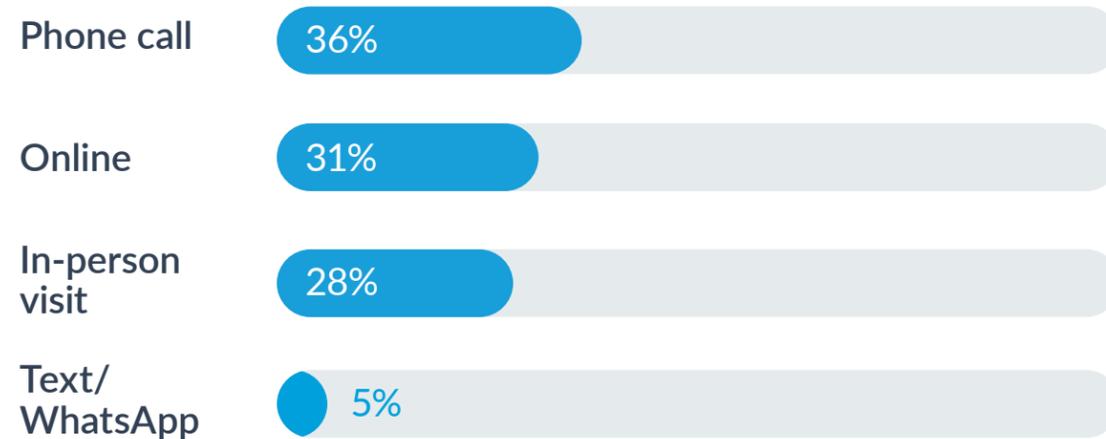
2 average  
number of  
dealers visited



## Dealer outreach

Most car buyers give dealers advance notice before showing up to the forecourt, most often by phone (36%) or online (31%). This gives dealers the opportunity to prepare.

### Method used for first contacting dealership

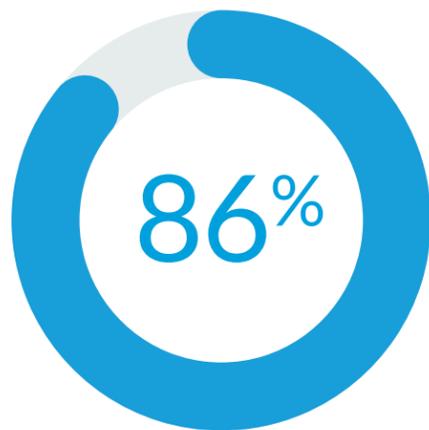


gave advance notice to dealers before showing up to the forecourt

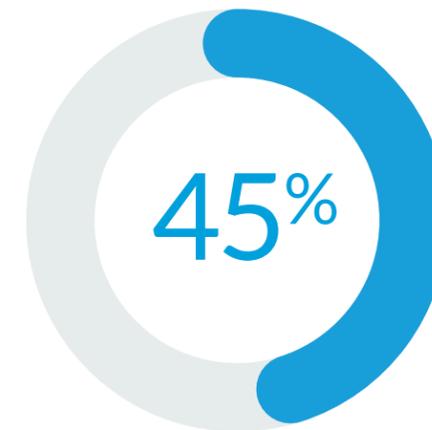
## Quality leads

Most buyers say they wait until they are at least somewhat certain the vehicle is a good fit before submitting a lead through an auto shopping site. About half (45%) wait until they are very/extremely certain. CarGurus users are especially likely to be quality lead submitters.

*Of the 90% of car buyers willing to submit a lead through an auto shopping site...*



wait until they are **at least somewhat** certain the vehicle is a good fit



wait until they are **very/extremely** certain the vehicle is a good fit

**↑ 59%** among **CarGurus** users, vs. 50% of competitors' users on average<sup>1</sup>

## Last-minute research

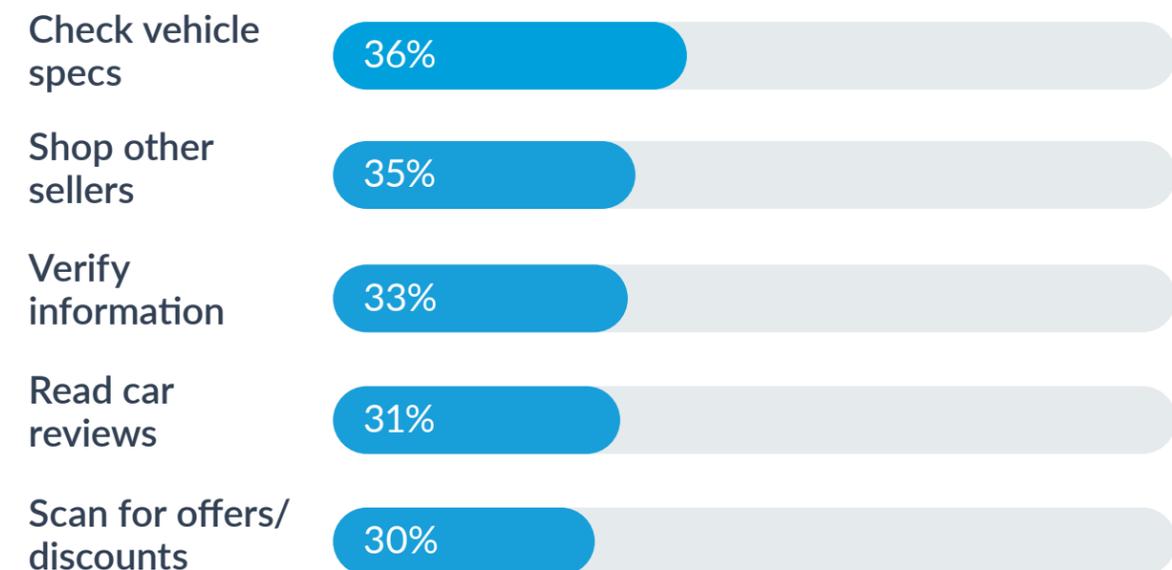
Even once buyers get to the forecourt, they can continue to research thanks to mobile. 59% of auto buyers, and 83% of millennials<sup>2</sup> report using their mobile at the dealership. Most common activities include checking specs and shopping competitors.

### Use of mobile at the dealership

- Millennials<sup>2</sup>
- Total auto buyers



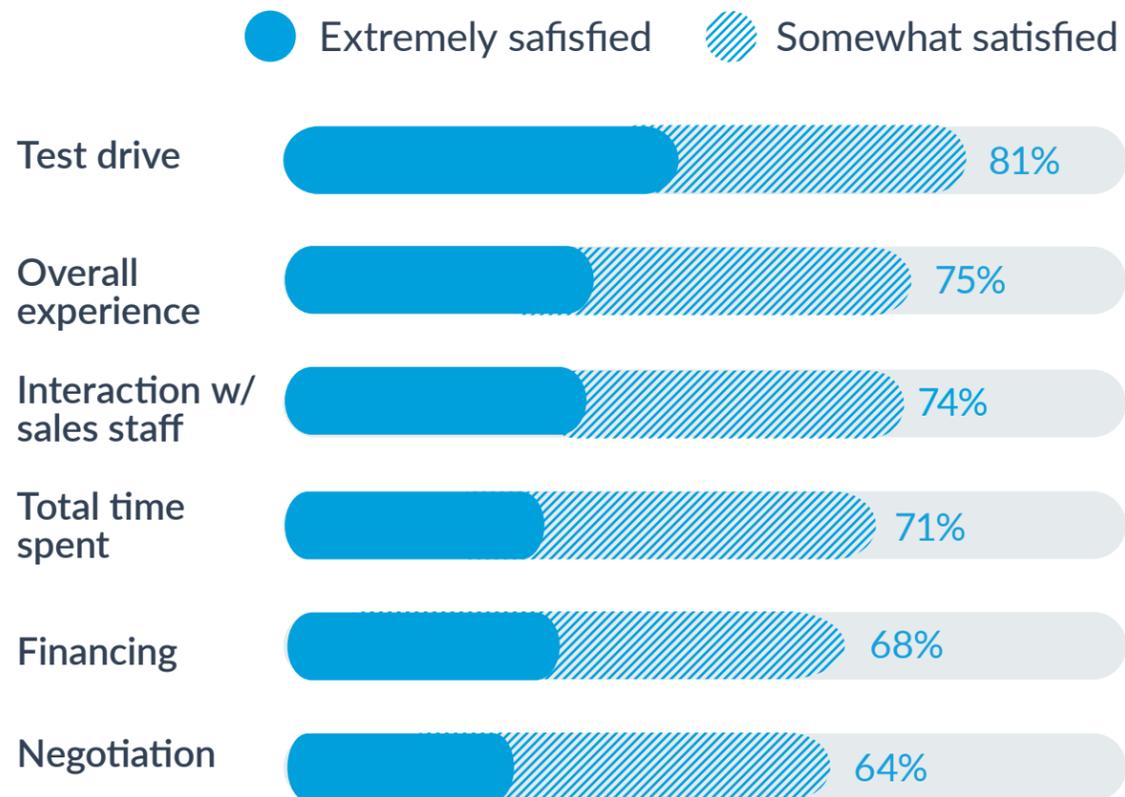
### Most common activities on mobile while at the dealership



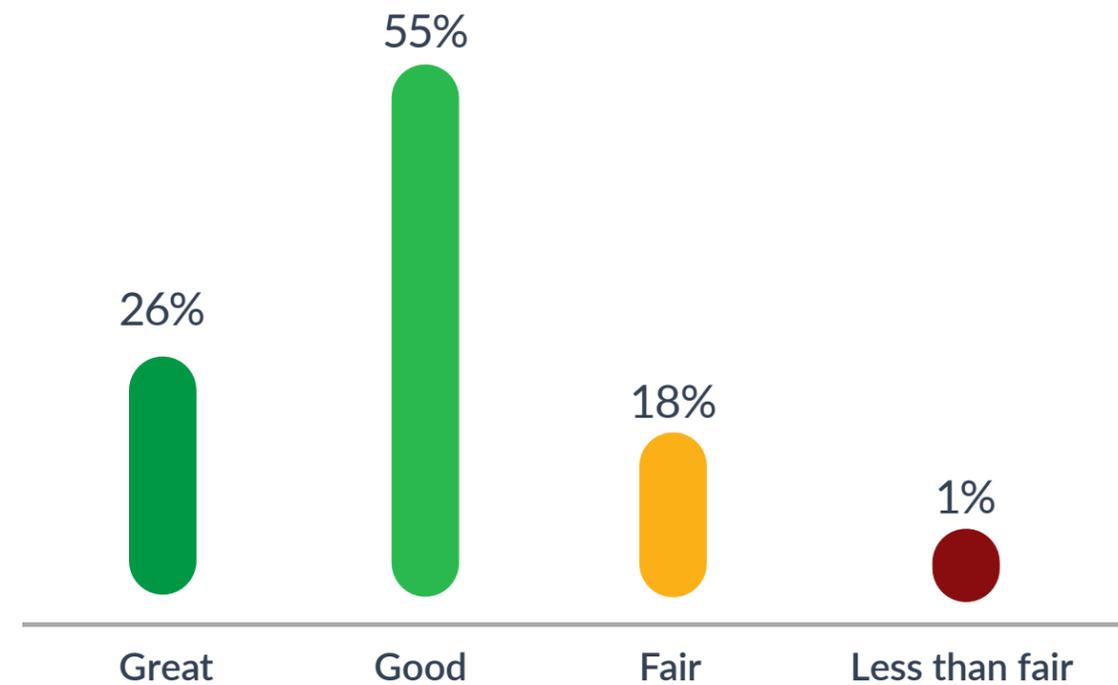
# Closing perceptions

Buyers generally enjoy the dealership experience, though arranging financing and negotiation are the least pleasant parts. Most often buyers think they received a good, not great deal.

## Dealership satisfaction



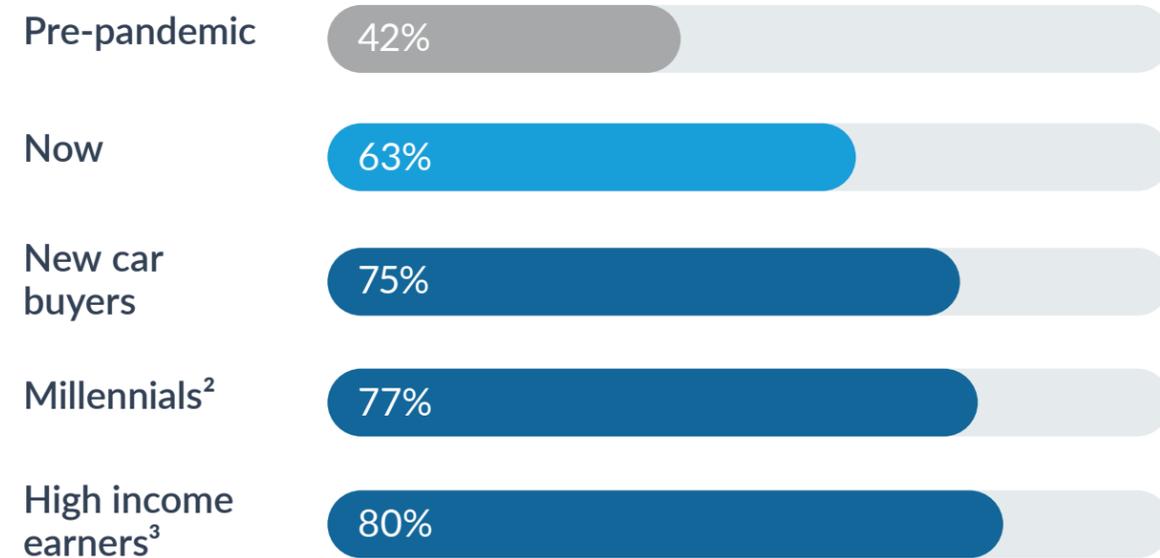
## Perception of deal



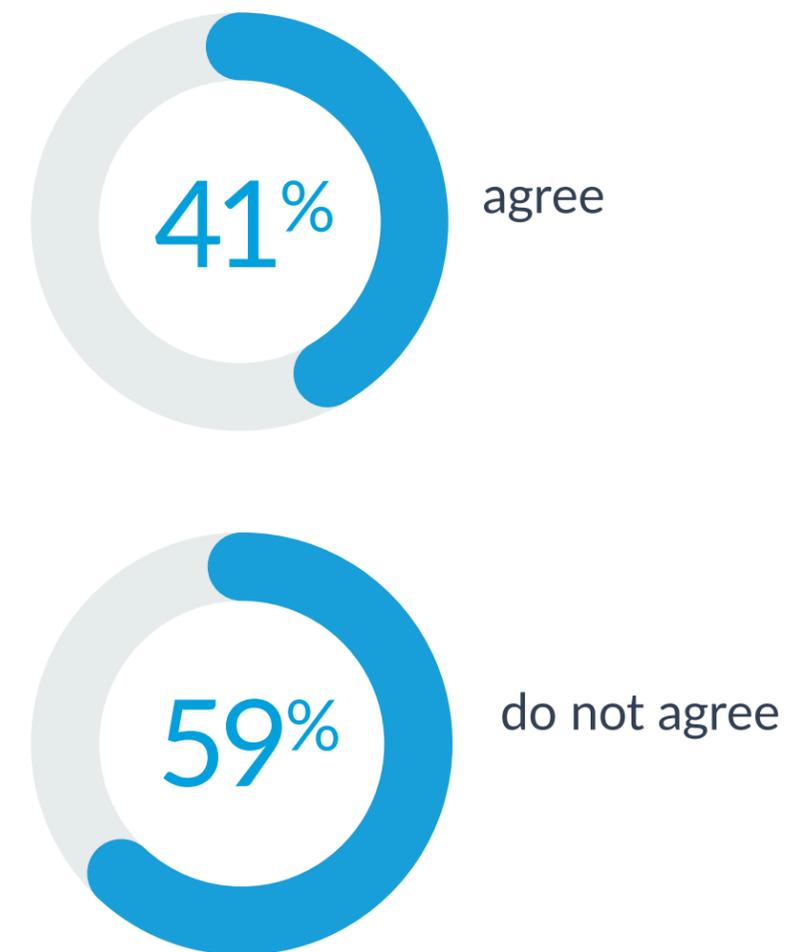
## New ways of buying

With shutdowns due to the pandemic, many buyers considered the idea of buying online for the first time. Before the pandemic, 42% of buyers said they were open to buying online. Now, 63% are.

### Openness to buying online



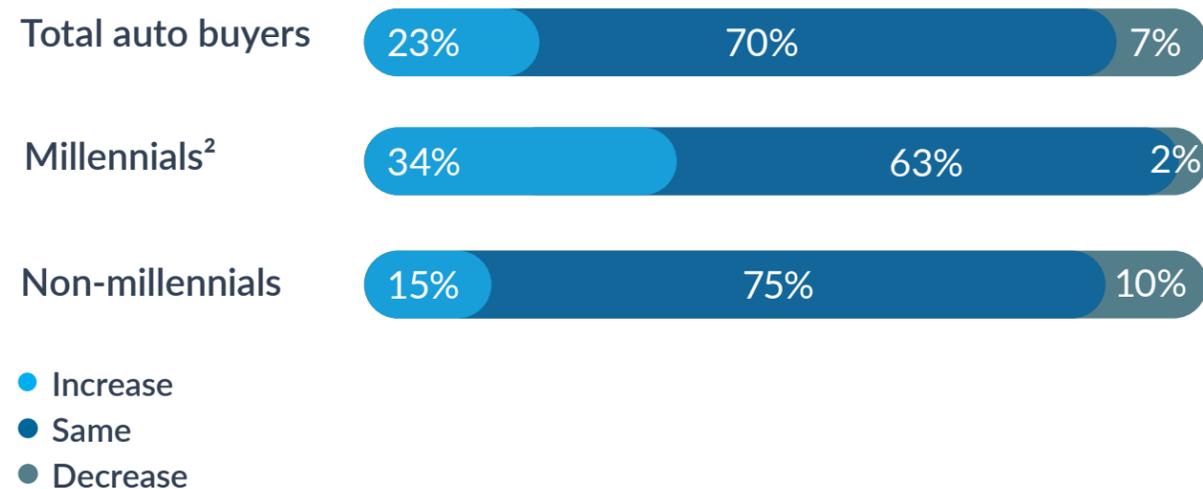
### Prefer to buy at a haggle-free price



## Car ownership here to stay

While the way people buy may change in the next decade, its clear car ownership is here to stay. Nearly all (93%) recent car buyers plan to maintain or increase the number of vehicles in their household. Over a third of millennials plan to buy more.

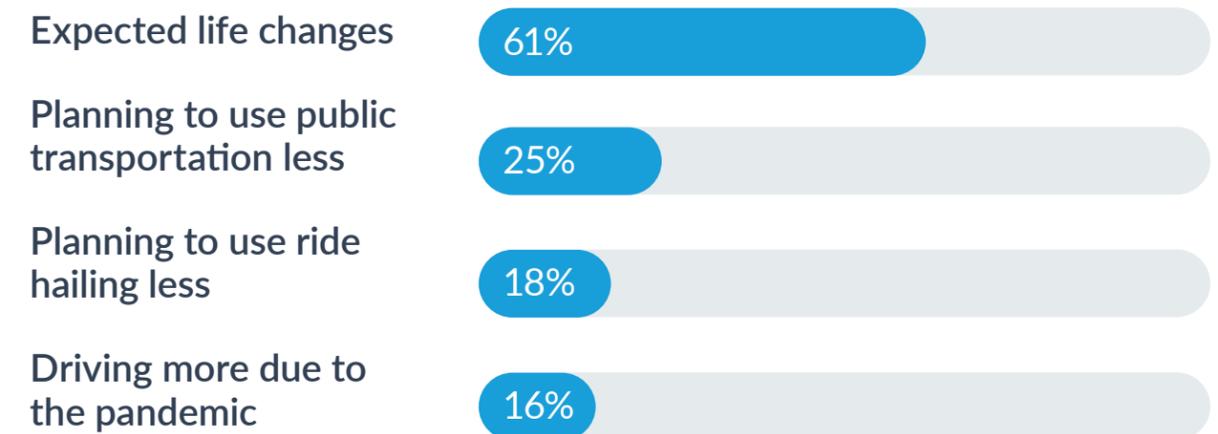
## Plans for vehicle ownership in next 5-10 years



# 93%

of buyers plan to maintain or increase the number of vehicles in their household in the next 5- 10 years

## Why buy more cars?



## Methodology

Data is sourced from a Q4 2020 study conducted by CarGurus and GfK, a leading market research firm. The study included a survey of 1,508 recent auto buyers, including new and used. Data is appropriately weighted and sourced to accurately represent the UK market of auto buyers in terms of demographics (i.e., gender, income, region) and market factors (i.e., new/used, vehicle price point).

## About CarGurus

Founded in 2006, CarGurus (Nasdaq: CARG) is a global, online automotive marketplace connecting buyers and sellers of new and used cars. The Company uses proprietary technology, search algorithms and data analytics to bring trust and transparency to the automotive search experience and help users find great deals from top-rated dealers.

CarGurus is the fastest growing online automotive marketplace in the UK among its nearest competitors based on the year over year percent change in average unique monthly visitors (source: Comscore MMX Multi-Platform®, Total Audience. Competitive list includes CarGurus.co.uk, Motors.co.uk, AutoTrader.co.uk, Gumtree.com, Jan 2019 – Sept 2020, UK). In addition to the United Kingdom, CarGurus operates online marketplaces under the CarGurus brand in the United States and Canada. In the United Kingdom and the United States, CarGurus also operates the Autolist and PistonHeads online marketplaces, respectively, as independent brands.