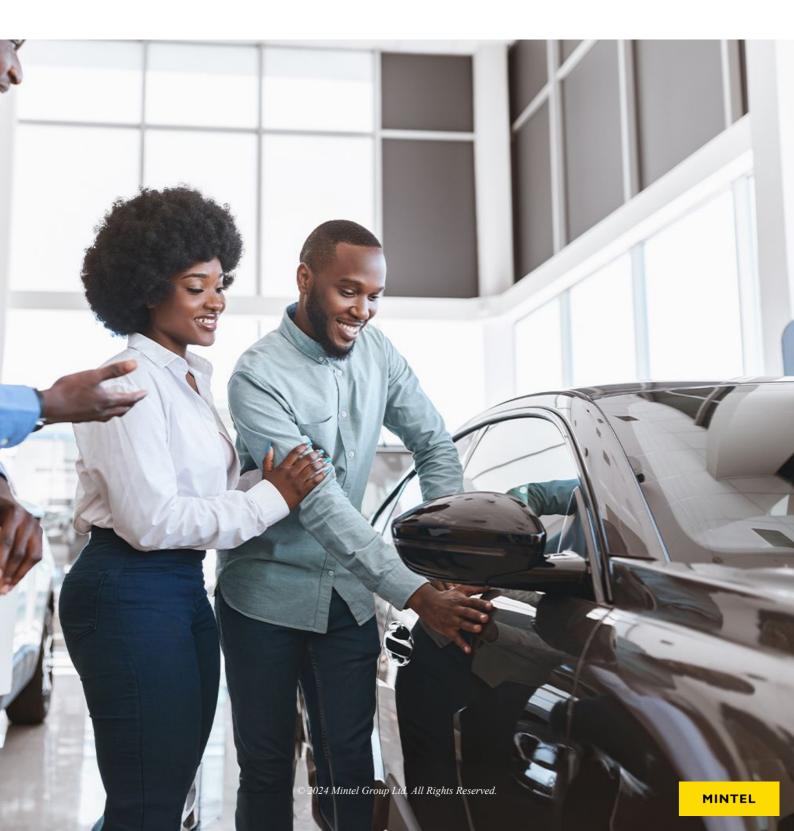
BLACK & HISPANIC CAR CONSUMERS – US – 2024

Black and Hispanic car buyers – a growing segment of car buyers – prioritize cultural identity and value, often seeking reliable and economical vehicles.



Gabe Sanchez, Automotive Analyst



Black & Hispanic Car Consumers - US - 2024

This report looks at the following areas:

- Black and Hispanic consumers' ownership and purchase intentions
- Consideration of car types among Black and Hispanic consumers
- Top factors and motivators influencing Black and Hispanic consumers' purchasing decisions
- Black and Hispanic consumers' attitudes toward car types and retailers

Black and Hispanic car buyers – a growing segment of car buyers – prioritize cultural identity and value, often seeking reliable and economical vehicles.

Overview

Despite current economic influences and challenges within the automotive market, nearly half of Hispanic (48%) and Black (45%) consumers – especially younger consumers – indicate their intention to purchase a vehicle within the next year. While some of this intent may be aspirational, considering the typically lower budgets associated with these consumer groups, this underscores the importance for auto brands and retailers to effectively communicate the value proposition of their offerings to resonate with these consumers in the near term. The concept of value extends beyond the sticker price, as these consumers are known for their budget-conscious approach. To resonate with these segments, brands should not only focus on the upfront costs but also provide transparency regarding the total cost of ownership, as a substantial majority of Black (75%) and Hispanic (83%) consumers who currently own a vehicle and are considering a purchase within the next three years express a desire to understand the full estimated expenses associated with owning a car. By addressing these financial concerns

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and offering a clear picture of the long-term investment, auto brands can better position themselves to meet the needs and expectations of these consumers, fostering trust and loyalty.

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Report Content

EXECUTIVE SUMMARY

- What you need to know
- Consumer trends: key takeaways
- Consumer trends: key takeaways (cont.)
- Market predictions
- Opportunities
- Opportunities (cont.)

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- Consumer confidence is at its highest point in over two years
 - Graph 1: consumer sentiment index, 2021-24
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 - Graph 2: opinions on financial future, 2023
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 - Graph 3: % of consumers that believe they will be worse off, by household income, 2023
- New and used vehicle prices remain elevated
- · Average age of vehicles on the road has increase

CONSUMER INSIGHTS

Consumer fast facts

• Consumer fast facts (cont.)

Black and Hispanic consumers by the numbers

- Black and Hispanic population is on the rise
- Black and Hispanic consumers indicate limited household incomes
- Black and Hispanic consumers possess the lowest median incomes
- Unemployment highest among Black and Hispanic consumers

Vehicle ownership

- Black consumers indicate the most limited ownership
 - Graph 4: vehicle ownership Black and Hispanic consumers, 2024
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- Graph 5: alternate transportation (eg trains, bus) is more economical than buying a car (% agree) - Black and Hispanic consumers, 2024

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- Income delays purchasing plans...
 - Graph 13: purchase intent Hispanic consumers, by household income, 2024
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- Graph 33: it's important to research the best financing and incentives before going to the dealership (% any agree) -Black and Hispanic consumers, 2024

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- General Motors plans expand subscription services
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COMPETITIVE STRATEGIES

- Ford celebrates Black men of change
- General Motors delays shift at Flint assembly plant
- Toyota aims to build authentic connections with Hispanic consumers
- Hyundai leverages TikTok to connect with Black consumers

- Hyundai USA's "Choose the IONIQ 5"
- Tesla announces affordable EV

Opportunities

- Partner with ridesharing services
- Explore flexible leasing programs
- Infuse the desirable design features into economical models
- Go beyond sustainability to appeal to Black and Hispanic consumers
- Highlight trade-in or first-time buyer promotions to appeal to budget-conscious segments
- Leverage artificial intelligence to pair consumers with vehicles
- Improve perceptions of dealers to resonate with multicultural consumers
- Develop authentic partnerships with mutlicultural influencers

APPENDIX

- Market definition
- Consumer research methodology
- Generations
- Abbreviations

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