

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.)

MARKET DYNAMICS

Market context

- Consumer confidence is at its highest point in over two years
 - Graph 1: consumer sentiment index, 2021-24
- Consumers' financial outlooks are increasingly optimistic
 - Graph 2: opinions on financial future, 2023
- Lower income brackets are naturally the most pessimistic about their financial futures
 - 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
- Black and Hispanic consumers believe alternate transportation is more economical

Black & Hispanic Car Consumers – US – 2024

- Graph 5: alternate transportation (eg trains, bus) is more economical than buying a car (% agree) - Black and Hispanic consumers, 2024
- Income limits ownership
 - Graph 6: vehicle ownership - Black consumers, by household income, 2024
 - Graph 7: vehicle ownership - Hispanic consumers, by household income, 2024
- Income presents significant barriers to ownership
- Car ownership is a necessary part of parenthood
 - Graph 8: vehicle ownership - Hispanic consumers, by parental status, 2024
 - Graph 9: vehicle ownership - Black consumers, by parental status, 2024
- Parenthood leads black and Hispanic consumers to ownership

Purchase intent

- Target Black and Hispanic consumers in the shorter-term
 - Graph 10: purchase intent - Black and Hispanic consumers, 2024
- Younger Black and Hispanic consumers drive interest in short-term purchasing...
 - Graph 11: purchase intent - Black consumers, by age, 2024
 - Graph 12: purchase intent - Hispanic consumers, by age, 2024
- ...while older consumers choose to delay
- Income delays purchasing plans...
 - Graph 13: purchase intent - Hispanic consumers, by household income, 2024
 - Graph 14: purchase intent - Black consumers, by household income, 2024
- ...among Black and Hispanic consumers
- Find ways to fit into these consumers' budgets
 - Graph 15: attitudes toward budget and flexible leasing (% any agree) - Black and Hispanic consumers, 2023
- Highlight the overall cost of the vehicle to align with consumers' budgets
 - Graph 16: attitudes toward total cost of vehicle (% agree) - Black and Hispanic consumers, 2024
- Parenthood is a catalyst in purchase intentions
 - Graph 17: purchase intent - Black consumers, by parental status, 2024
 - Graph 18: purchase intent - Hispanic consumers, by parental status, 2024
- Target Black and Hispanic parents for short term purchasing
- Develop trade-in promotions to appeal to current owners
 - Graph 19: plans to trade in a vehicle - Black and Hispanic consumers, 2024

Consideration of car types

- Black and Hispanic consumers indicate a heightened interest in used vehicles
 - Graph 20: vehicle type consideration - Black and Hispanic consumers, 2024
- Multicultural consumers' interest in used vehicles is driven by affordability
 - Graph 21: used vehicles are affordable (% agree) - Black and Hispanic consumers, 2024
- Interest in used vehicles skews younger

Black & Hispanic Car Consumers – US – 2024

- Graph 22: vehicle type consideration – Hispanic consumers, by age, 2024
- Graph 23: vehicle type consideration – Black consumers, by age, 2024
- Used vehicles appeal to younger consumers
- Hispanic consumers are more concerned with current market conditions
- Affordable offerings are most considered by Black and Hispanic consumers
 - Graph 24: car type consideration – Black and Hispanic consumers, 2024
- Black and Hispanic men and women indicate varying considerations
 - Graph 25: car type consideration – Hispanic consumers, by gender, 2024
 - Graph 26: car type consideration – Black consumers, by gender, 2024
- Varying interests lead to different considerations
- Younger Black and Hispanic consumers are drawn to appealing designs and performance
 - Graph 27: car type consideration – Black consumers, by age, 2024
 - Graph 28: car type consideration – Hispanic consumers, by age, 2024
- Bridge aspirations and affordability for younger consumers
- Kia recreates its brand
- Alternative energy vehicles appeal to Black and Hispanic consumers...
 - Graph 29: electric or hybrid consideration – Black and Hispanic consumers, 2024
- ...especially the youngest of these segments
 - Graph 30: electric or hybrid consideration – Black consumers, by age, 2024
 - Graph 31: electric or hybrid consideration – Hispanic consumers, by age, 2024
- Appeal of alternative fuel vehicles skews younger

Factors in choosing car types

- Target Black and Hispanic consumers with aspects of value
 - Graph 32: most important factors when making next vehicle purchase decision (any rank) – Black and Hispanic consumers, 2024
- Financing and incentives hold importance
 - Graph 33: it's important to research the best financing and incentives before going to the dealership (% any agree) – Black and Hispanic consumers, 2024
- Black women emphasize safety
 - Graph 34: most important factors when making next vehicle purchase decision (any rank) – Black consumers, by gender, 2024
- Ford highlights various lifestyles
- Highlight lifestyle to younger consumers; previous experience important to older consumers
 - Graph 35: lifestyle and previous experience with brand as factors when making next vehicle purchase decision (any rank) – Black consumers, by age, 2024
- Hispanic women emphasize gas mileage

Black & Hispanic Car Consumers – US – 2024

- Graph 36: most important factors when making next vehicle purchase decision (any rank) – Hispanic consumers, by gender, 2024
- Go beyond price to reach younger consumers
 - Graph 37: most important factors when making next vehicle purchase decision (any rank) – Hispanic consumers, by age, 2024
- Opportunity to go beyond price when targeting Hispanic parents
 - Graph 38: most important factors when making next vehicle purchase decision (any rank) – Hispanic consumers, by parental status, 2024
- Hyundai showcases bilingual '¿Viste?' ad

Purchase motivators

- Black and Hispanic consumers look to upgrade
 - Graph 39: purchase motivators – Black and Hispanic consumers, 2024
- Provide economical trims, appeal to Black and Hispanic consumers
 - Graph 40: "I don't mind driving a vehicle without the latest technology" (% any agree) – Black and Hispanic consumers, 2024
- Black men seek better fuel economy, alternative fuel...
 - Graph 41: purchase motivators (select) – Black consumers, by gender, 2024
- ...but costs uplift barriers
- Black and Hispanic age groups have similar motivations...
 - Graph 42: purchase motivators (select) – Hispanic consumers, by age, 2024
 - Graph 43: purchase motivators (select) – Black consumers, by age, 2024
- ...shaped by evolving life stages
- Appeal to Black and Hispanic consumers' interest in personalization

Corporate social responsibility

- Black and Hispanic consumers call for brands to go beyond supporting only sustainability efforts
 - Graph 44: important causes of support – Black and Hispanic consumers, 2024
- Female multicultural consumers call for support beyond the top causes
 - Graph 45: important causes of support – Hispanic consumers, by gender, 2024
 - Graph 46: important causes of support – Black consumers, by gender, 2024
- Highlight cause support to resonate with women drivers
- Subaru aids its retailers' local communities
- Younger Black consumers show limited interest in supporting causes
 - Graph 47: important causes of support – Black consumers, by age, 2024
- Hispanic consumers look beyond DEI
 - Graph 48: important causes of support – Hispanic consumers, by age, 2024

Black & Hispanic Car Consumers – US – 2024

Attitudes toward retailers

- A large share of Black and Hispanic consumers distrust dealerships
- Older Black consumers lean on purchasing experience
 - Graph 49: attitudes toward retailers (% any agree) – Black consumers, by age, 2024
- Hispanic consumers share similar beliefs
 - Graph 50: attitudes toward retailers (% any agree) – Hispanic consumers, by age, 2024
- Black and Hispanic consumers seek education on vehicle financing

Attitudes toward advertising

- Black and Hispanic consumers call for brands to do more...
 - Graph 51: attitudes toward representation (% any agree) – Black and Hispanic consumers, 2024
- ...especially younger segments
 - Graph 52: attitudes toward representation (% any agree) – Hispanic consumers, by age, 2024
 - Graph 53: attitudes toward representation (% any agree) – Black consumers, by age, 2024
- Reaching younger consumers of each segment
- Black and Hispanic consumers call for partnerships, improved social media presence
 - Graph 54: attitudes toward advertising (% any agree) – Black and Hispanic consumers, 2024
- ...especially the youngest of the segments
 - Graph 55: attitudes toward advertising (% any agree) – Hispanic consumers, by age, 2024
 - Graph 56: attitudes toward advertising (% any agree) – Black consumers, by age, 2024
- Younger multicultural consumers have higher expectations

Attitudes toward automotive innovations

- Black and Hispanic consumers display comfortability with automotive innovations...
 - Graph 57: attitudes toward future innovations (% any agree) – Black and Hispanic consumers, 2024
- ...especially the youngest of the segments
 - Graph 58: attitudes toward future innovations (% any agree) – Black consumers, by age, 2024
 - Graph 59: attitudes toward future innovations (% any agree) – Hispanic consumers, by age, 2024
- Opportunity for insurance companies reach younger Black and Hispanic consumers
- General Motors plans expand subscription services
- Black and Hispanic consumers indicate a degree of openness to self-driving cars
 - Graph 60: "I would trust riding in a self-driving car" (% agree) – Black and Hispanic consumers, by age, 2024

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

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- 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 multicultural influencers

APPENDIX

- Market definition
- Consumer research methodology
- Generations
- Abbreviations

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