

SHOPPING FOR A CAR ONLINE – US – 2024

In a dynamic automotive landscape, consumers indicate an interest in online car shopping. Addressing concerns and showcasing benefits will be crucial for growth.



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This report looks at the following areas:

- Consumers' online car buying experience
- Important benefits and concerns when buying a car online
- Consumers' research approach and resources used when buying a car online
- Consumers' attitudes toward online car shopping

Overview

In an era marked by economic challenges and heightened consumer scrutiny over spending, there is significant interest in online car shopping. With inflation impacting budgets, particularly for significant investments like vehicles, consumers are understandably cautious. Amidst soaring prices in the automotive market, buyers pivot towards online marketplaces driven by the pursuit of value and broader selection.

This cautious consumer mindset comes at a time when online platforms are uniquely positioned to meet these evolving demands. By emphasizing their expansive inventories and competitive pricing, these marketplaces can align with the financial prudence of today's buyer. It's imperative for these platforms to illuminate the benefits of online shopping – from transparent pricing to the convenience of browsing extensive options from home.

Looking ahead, the trajectory towards digital car buying is not just a trend, with a substantial 76% of potential buyers foreseeing online purchases as the future norm. This underscores the need for online car marketplaces to not only cater to the immediate needs of consumers but



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to educate and guide them through this new purchasing medium, thereby ensuring a seamless transition to an increasingly digital automotive industry.

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Report Content

EXECUTIVE SUMMARY

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

MARKET DYNAMICS

Market context

- Consumers feel increasingly confident

Market drivers

- Consumers are the most upbeat they have been in nearly three years
 - Graph 1: consumer sentiment index, 2021-24
- Consumers' financial outlooks are increasingly optimistic
 - Graph 2: opinions on financial future, 2023/24
- Price of new and used vehicles remains elevated
- Younger consumers will make up a larger share of buyers
- Multicultural consumers present growth opportunity
- Average age of vehicles on the road has increased
- Vroom ceases online used car business

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The consumer: fast facts

- The online car consumer: fast facts
- The online car consumer: fast facts (cont.)

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 - Graph 3: car purchase intent, 2024
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 - Graph 5: car purchase intent, by parental status, 2024
- Fit into parents' busy schedules
- Consumer considerations go beyond new vehicles
 - Graph 6: vehicle type consideration, by age, 2024
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 - Graph 7: attitudes toward online car shopping for new and used cars, any agree, by age, 2024
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 - Graph 8: vehicle type consideration, by household income, 2024
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 - Graph 9: consumer interest in knowing the estimated cost of ownership before purchasing a new car online, any agree, by age, 2024
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 - Graph 10: consumer interest in having more resources to help understand vehicle financing, any agree, by age, 2024
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- Consumers display strong interest in online car shopping (cont.)
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 - Graph 18: online car shopping benefits (any rank), by age, 2024
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- Carvana highlights money-back guarantee

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- CarMax offers up-front financing
- CarMax reduces money-back guarantee window
- Carvana partners with NRG esports
- Stellantis expands SPOTiCAR to US
- Carvana deploys same-day delivery
- Carvana launches value tracker

Opportunities

- Showcase comparison capabilities
- Position online car buying as a sustainable practice
- Continue to bridge the gap between physical and virtual research
- Highlight limited dealership interaction
- Improve the user experience of automaker websites
- Educate consumers on CPO offerings
- Highlight hybrid and electric vehicles' availability

APPENDIX

- Market definition
- Consumer research methodology
- Generations
- Abbreviations and terms

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