

2022 Consumer Insight Report

Navigating the car buying and selling journeys





State of the market



ALEXANDRA HOWERTER

Senior Consumer Insights Analyst

"What does car buying look like post-pandemic? Many shoppers have returned to pre-pandemic habits like unannounced walk-in visits, but a large number are embracing at least some aspects of digital retail, which gives them more control of the purchase process. With access to online F&I and instant cash offers at their fingertips, these shoppers arrive more ready-to-buy when they do visit the dealership."



KEVIN ROBERTS

Director of Industry Analytics

"The automotive industry continues to be buffeted by disruptions. However, we're now moving from supply chain and inventory issues to softening demand as historically high prices, rising interest rates, and a cooling economy temper sales volumes."



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This report features findings from CarGurus fifth-annual path-to-purchase study in partnership with GfK, plus first-ever insights on the path-to-sale. By amplifying the voice of the customer, this report aims to help you adapt your business to the trends that matter most.

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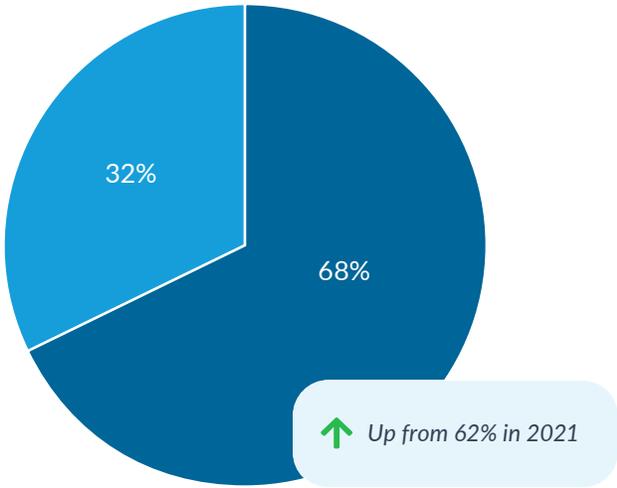
Buyer insights

Why they buy

Compared to 2021, more buyers have arrived on the market out of necessity than desire. As a result, buyers are more likely to be in a rush to purchase.

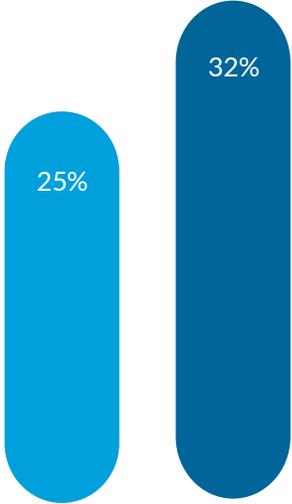
Need-based purchases

● Not need-based ● Need-based

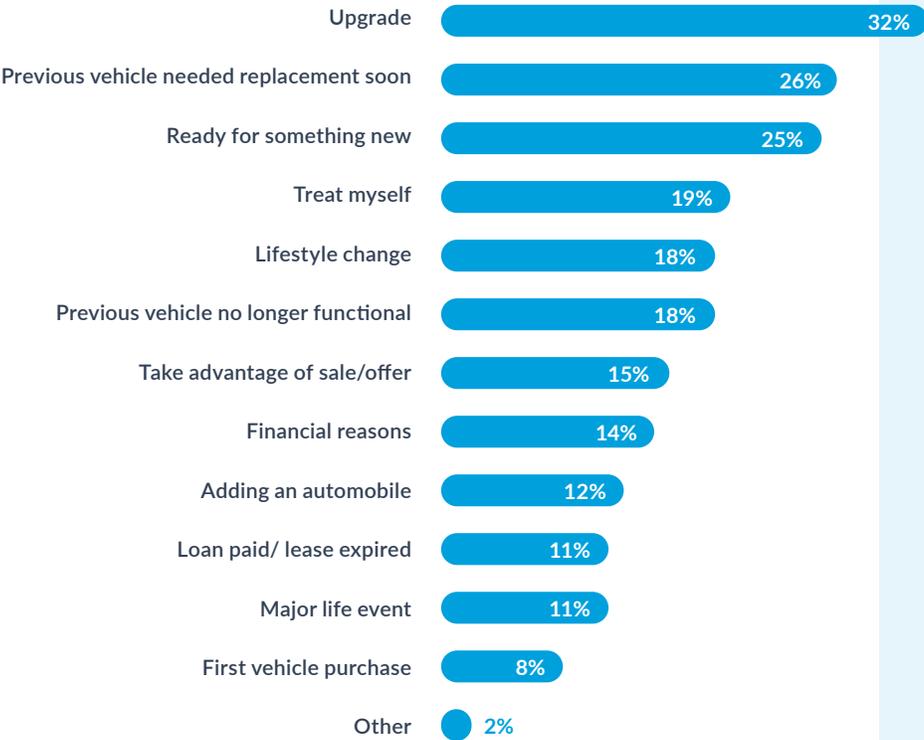


Very/extremely urgent

● 2021 ● 2022



Reasons to buy



44%

“I often **feel uncertain** when shopping for cars.”

↑ Up from 37% in 2021

65%

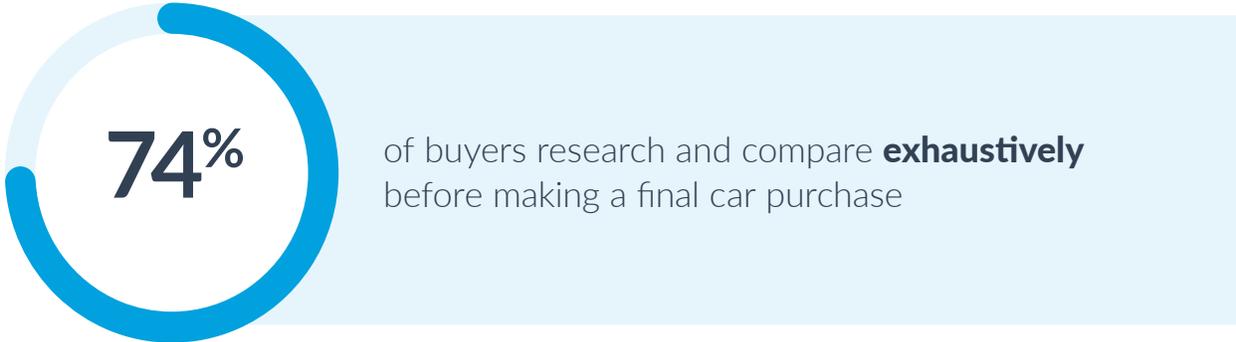
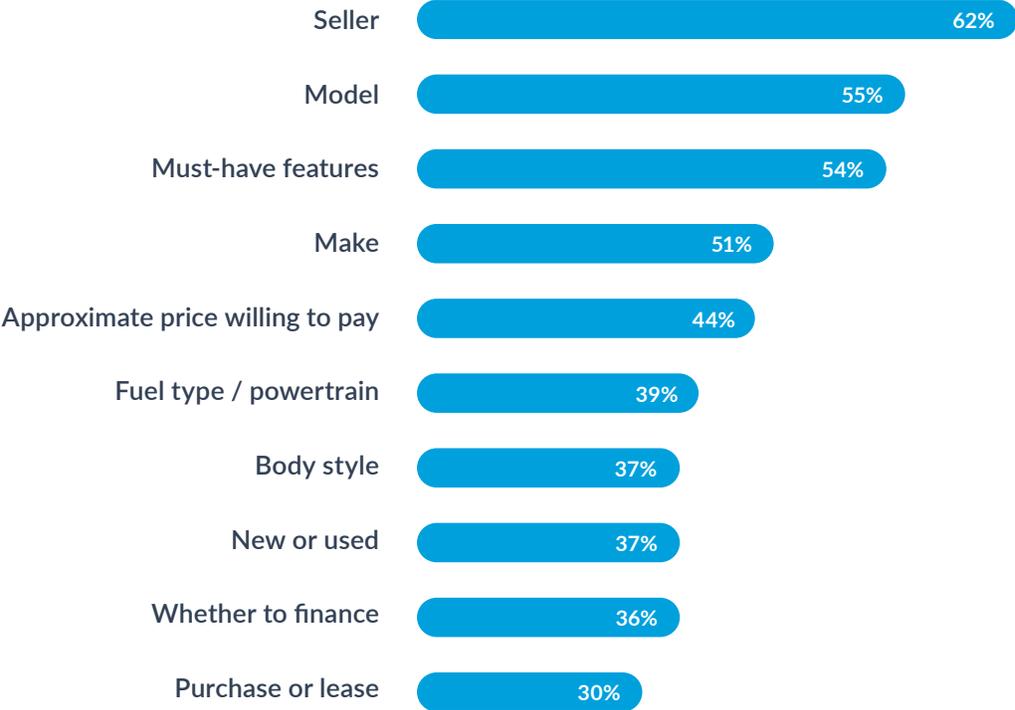
“I care most about getting a **low price.**”

↑ Up from 57% in 2021

Decisions they face

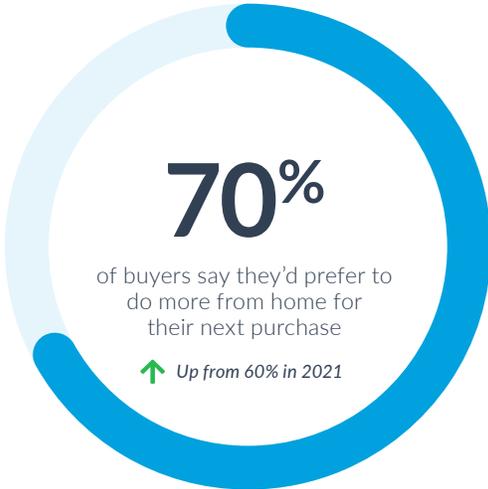
Buyers continue to be more concerned with finding the vehicle they want than loyalty to a specific dealer. We found that they conduct exhaustive research to compare products, which isn't surprising, since they find the market challenging to navigate.

What buyers are uncertain about



The ways they shop online

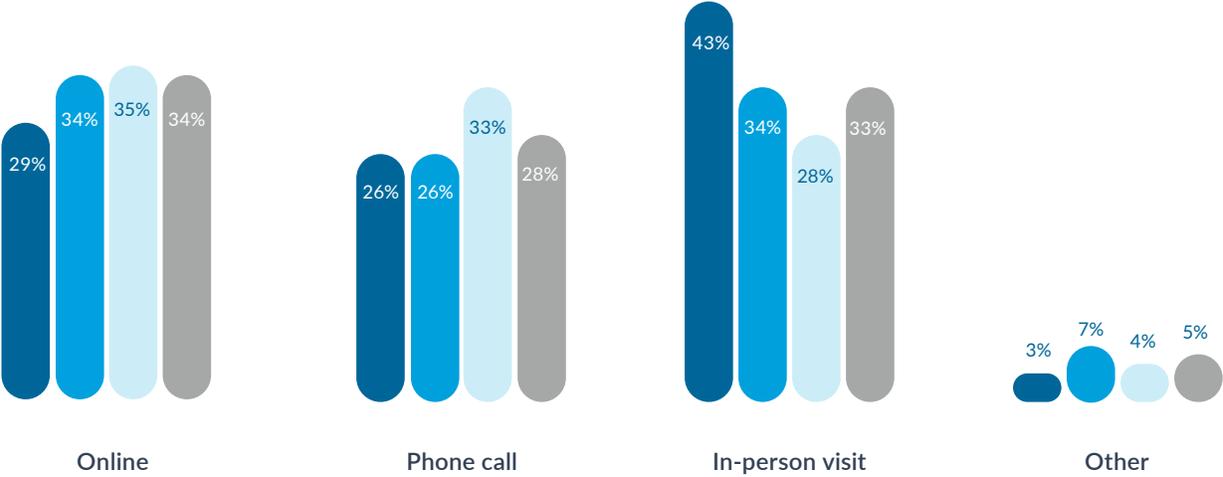
Most people who buy from a dealership do the bulk of their research online. Despite the return of walk-in visits, seven out of ten people would prefer handling more of their next car purchase from home.



First connections with dealers

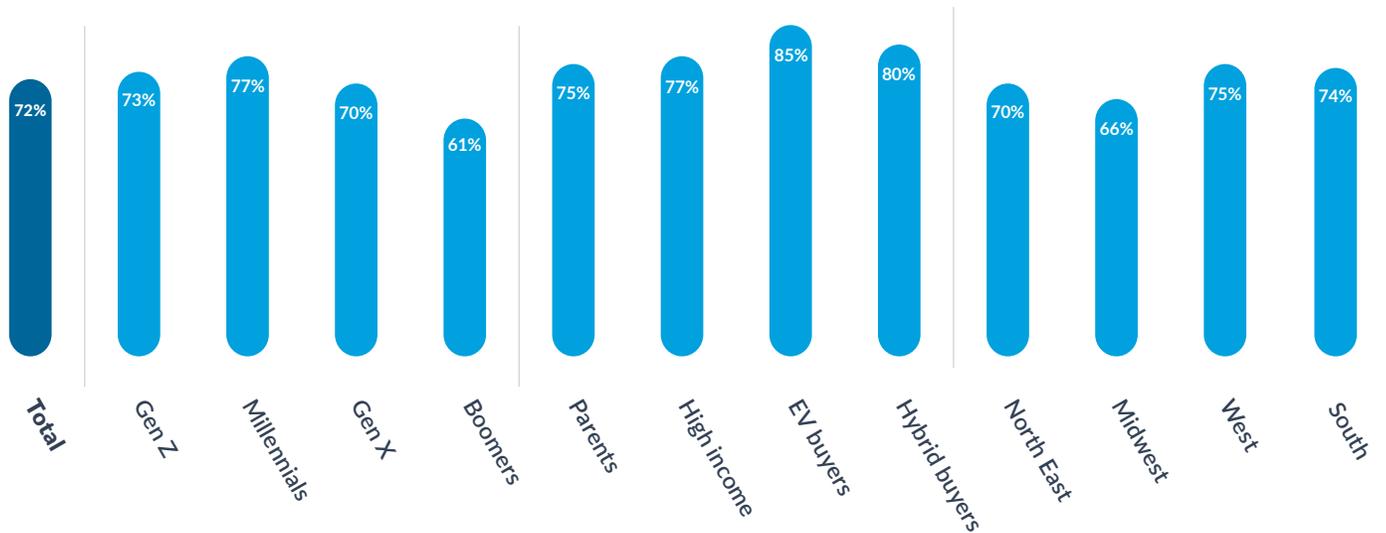
● 2019 ● 2020 ● 2021 ● 2022

Walk-in dealer visits were up significantly vs. last year, but online usage as a first form of contact remains higher than pre-pandemic.



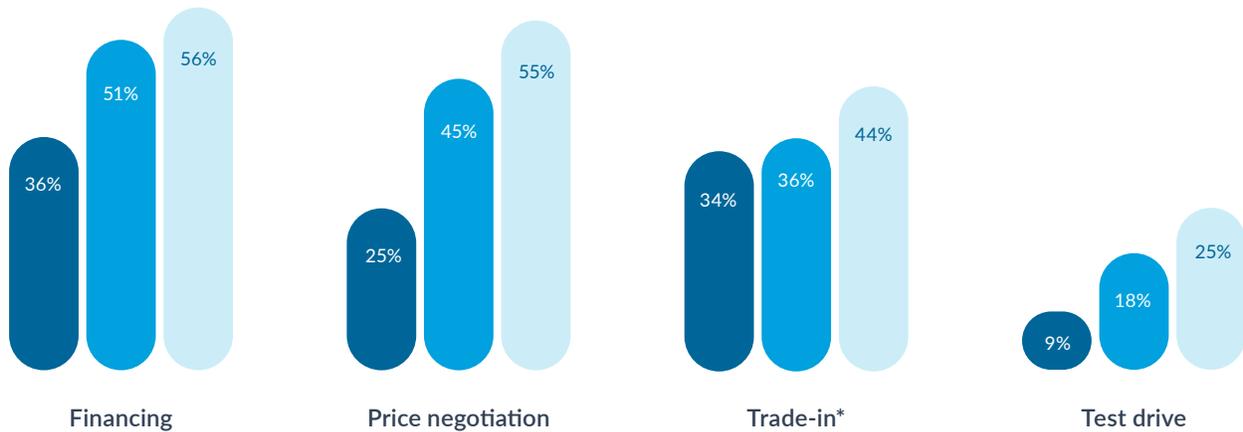
The majority of buyers want to do more from home—alternative fuel buyers, millennials, and high-income earners most of all. The piece that buyers are most interested in handling at home is financing.

Share of buyers who would “prefer to do more from home for their next purchase”



Buyers’ preference for handling a car-shopping activity online

● 2020 ● 2021 ● 2022



In fact, most buyers are even open to a process conducted 100% online. However, the test drive is the biggest deterrent, and therefore it's also the greatest value proposition for a dealer.



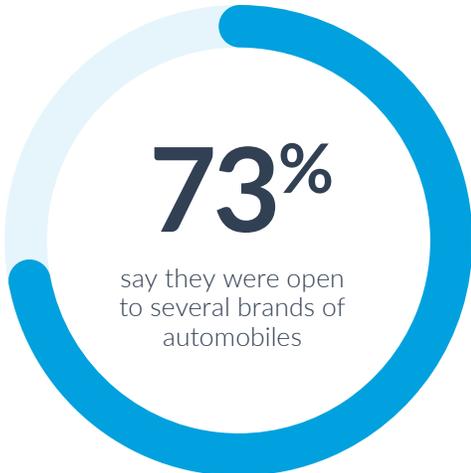
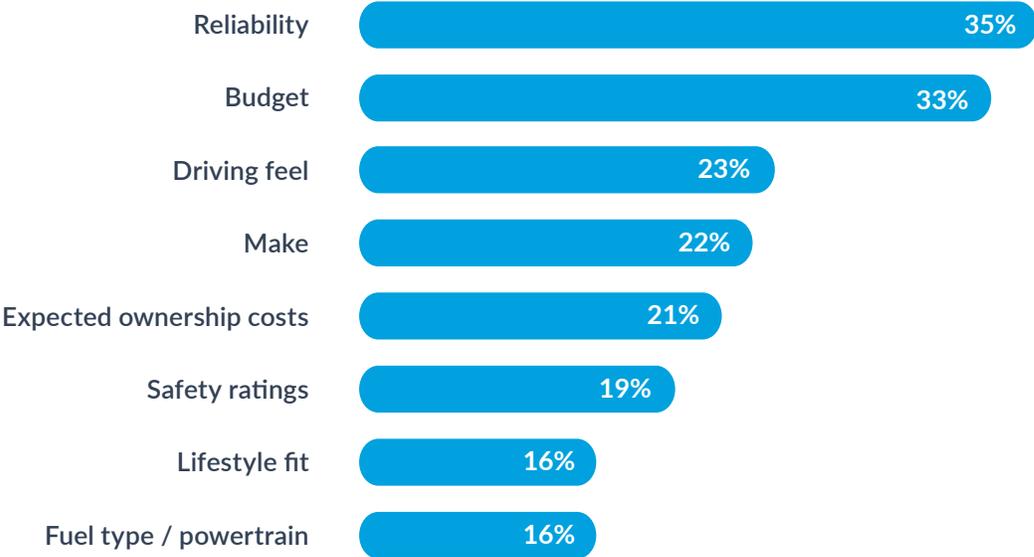
What buyers appreciate about the in-store experience



What they look for in a vehicle

Unsurprisingly, reliability and budget are the most popular criteria customers consider. Seven in ten reported that they were open to multiple brands.

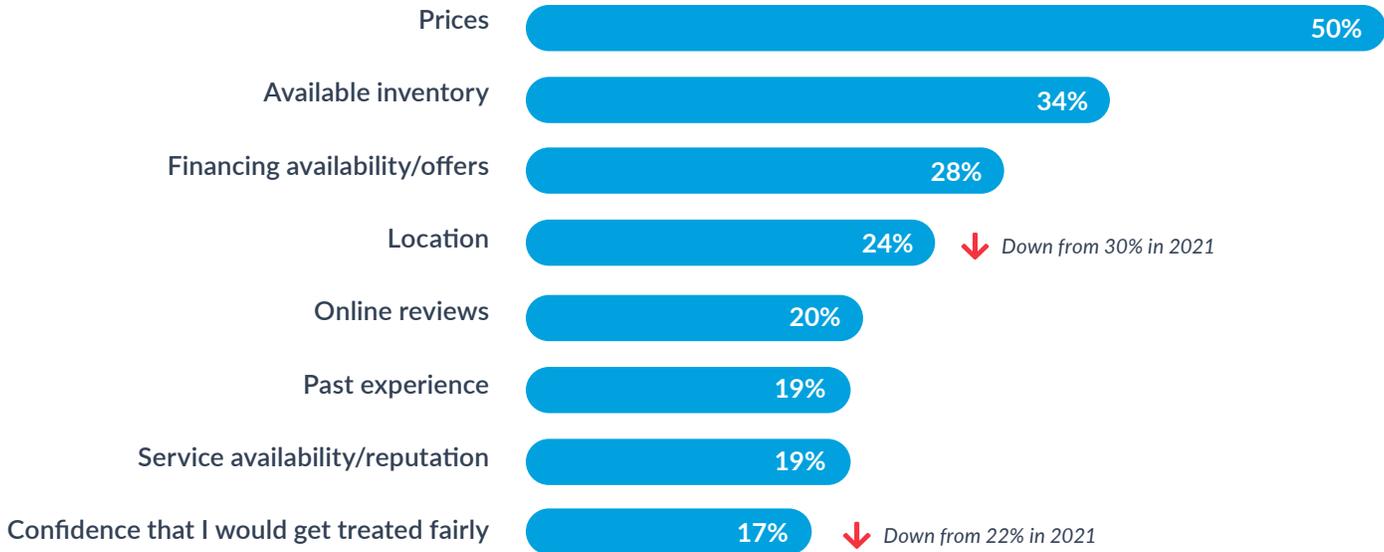
Top reasons for choosing a vehicle



What they look for in a dealer

As in years past, price and inventory remain the top considerations when choosing a dealer. One factor that decreased in importance is a dealer’s location, showing that buyers are willing to drive further away to find a dealer that fits their criteria—or they’re buying online and getting the car delivered.

Top reasons for choosing a dealer



Shoppers considered more dealers

79%

Contacted two or more dealers, up from 70% in 2021

57%

Visited two or more dealers, up from 52% in 2021

Dealership location

● <100 mi ● 100–300 mi ● >300 mi

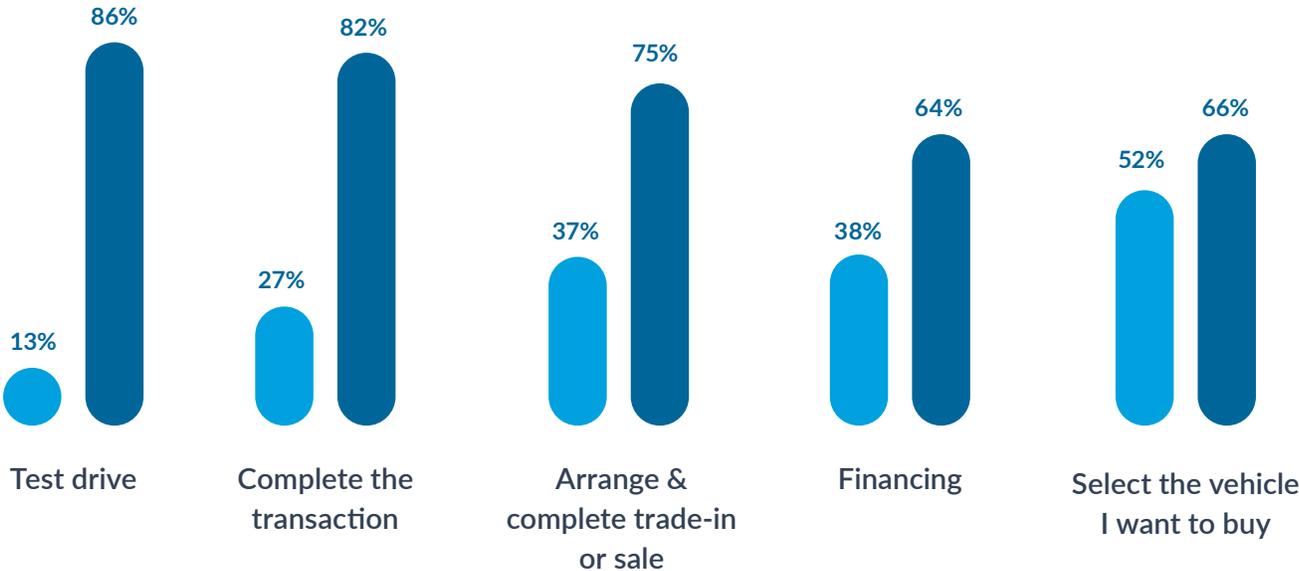


Where they buy

Today's buyers take a combination of online and in-person steps to purchase a car. Half of buyers reported finding their preferred car online, and 20% purchased their car online. Only 9% reported a 100% online process, from initial research to getting the car delivered.

Location of purchase journey steps

● At home / online ● In person / at the seller



Seller type

● Dealership ● Website ● Private party



↑ 83% among Boomers

↑ 43% among EV buyers
↑ 34% among luxury buyers

What they buy

While SUVs and CUVs are once again the most popular body styles, the number of buyers changing body styles increased. We found that among buyers seeking a used car, down-sizing has become popular—likely due to high fuel prices.

Most popular body styles

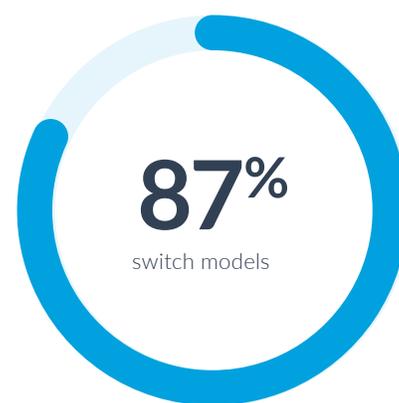
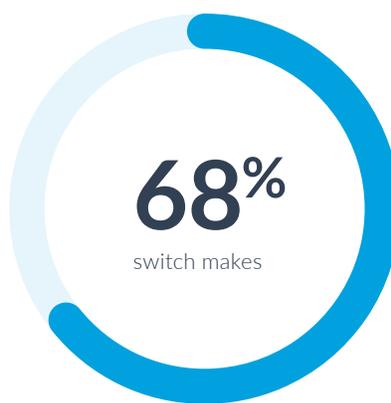
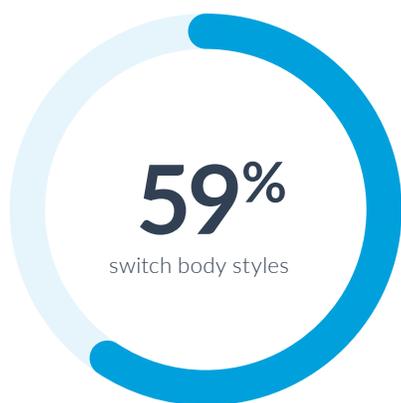
1. SUV/crossover (41%)
2. Sedan (35%)
3. Truck (9%)
4. Coupe/convertible (5%)
5. Hatchback/wagon (5%)
6. Minivan/van (3%)
7. Other (1%)

Most popular makes (new)

1. Toyota (14%)
2. Ford (12%)
3. Chevrolet (10%)
4. Honda (9%)
5. Jeep (6%)
6. BMW (6%)
7. Hyundai (4%)
8. Nissan (4%)
9. Audi (4%)
10. Subaru (4%)

Most popular makes (used)

1. Ford (12%)
2. Chevrolet (12%)
3. Toyota (10%)
4. Honda (8%)
5. Nissan (6%)
6. Acura (5%)
7. Dodge (5%)
8. Audi (4%)
9. Jeep (4%)
10. BMW (4%)



Category switching among used car buyers

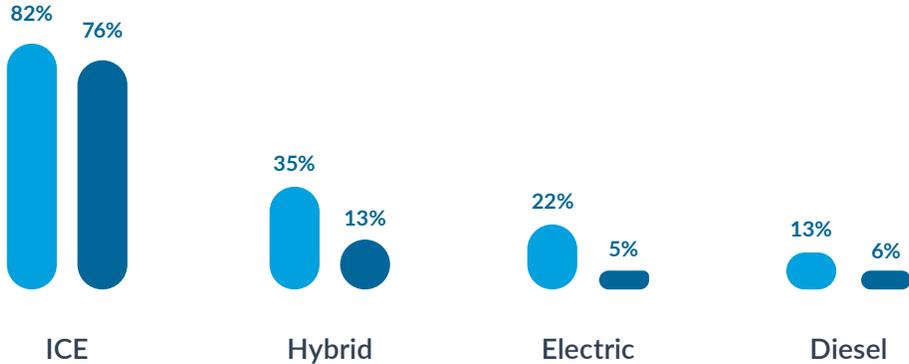


Alternative fuel consideration

Interest in alternatively fueled vehicles is on the rise, but actual purchases haven't yet caught up. That said, 40% of car owners plan to buy an EV in the next five years. Considering the high prices of fuel in 2022, this isn't surprising.

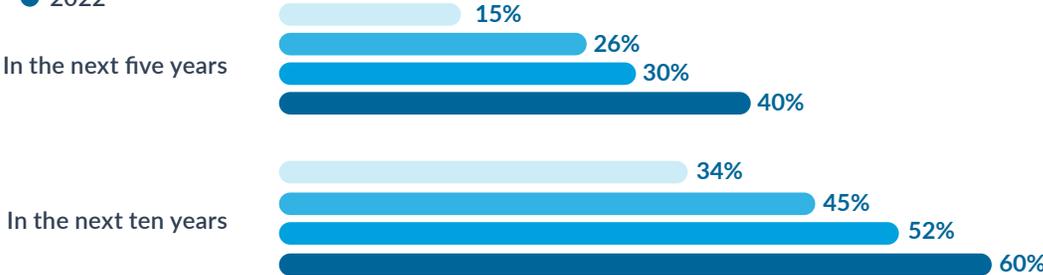
Alternative fuel consideration & adoption

● Considered ● Purchased



Car owners' plans to own an electric car

● 2018 ● 2019 ● 2021 ● 2022



Car owners' plans to own a plug-in hybrid car

● 2021 ● 2022



Truck owners' plans to own an electric truck

● 2021 ● 2022

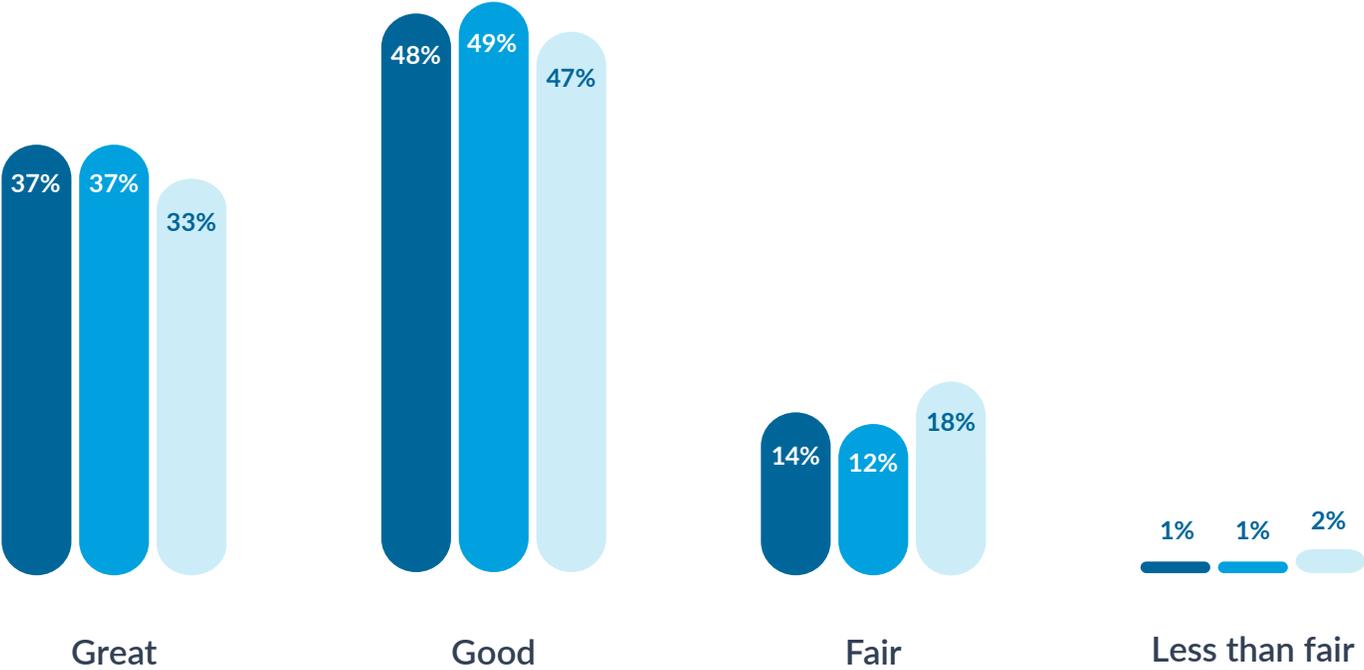


Feelings post-purchase

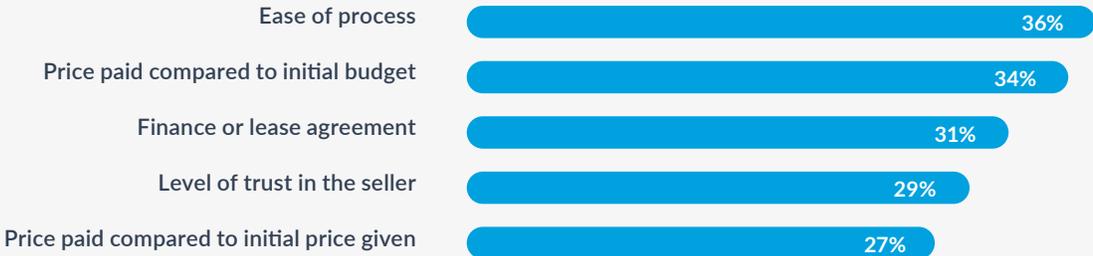
Despite the higher prices and inventory challenges that defined a large part of the year, most consumers still felt like they got a good or great deal. Buyers said an easy process was the number one reason for saying they got a great deal.

Evaluation of deal

● 2020 ● 2021 ● 2022



Top 5 reasons for judging a deal as 'great'



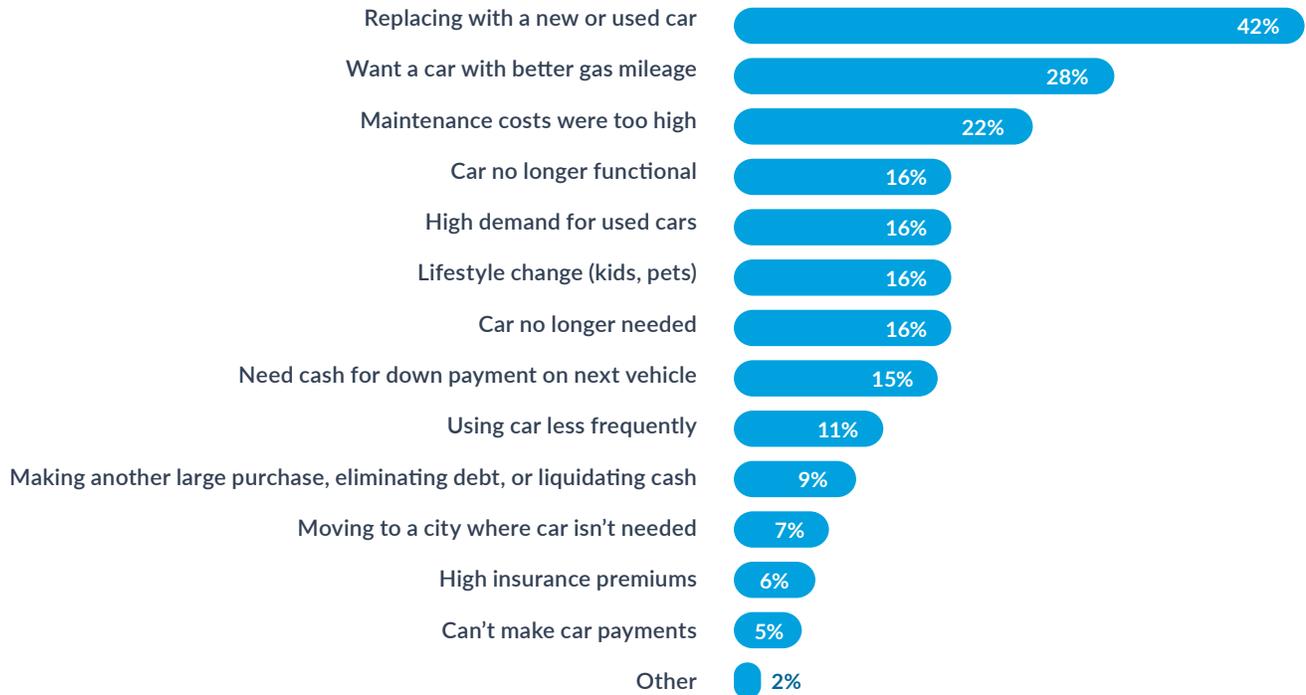


Seller insights

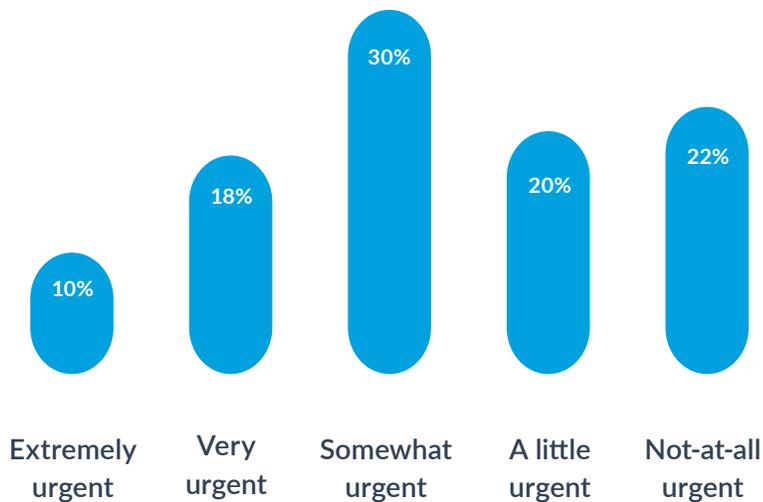
Why they sell

Most sellers sell their car simply because they want something new. Specific reasons to sell include poor gas mileage, high maintenance costs, or lifestyle changes that render their old car too small or large for their needs.

Reasons to sell



Seller urgency



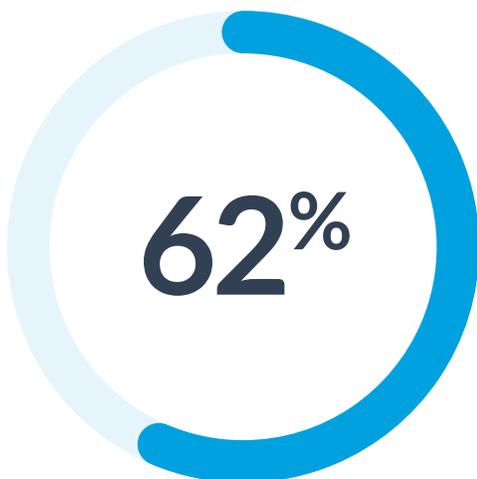
Decisions they face

Once someone has decided to sell or trade their car in, they need to figure out a fair price, the channel to sell on, and how to navigate the process.

What sellers are uncertain about



40% of sellers begin the shopping process uncertain about where to transact vs. 62% of buyers.



of sellers did **most of their research online**

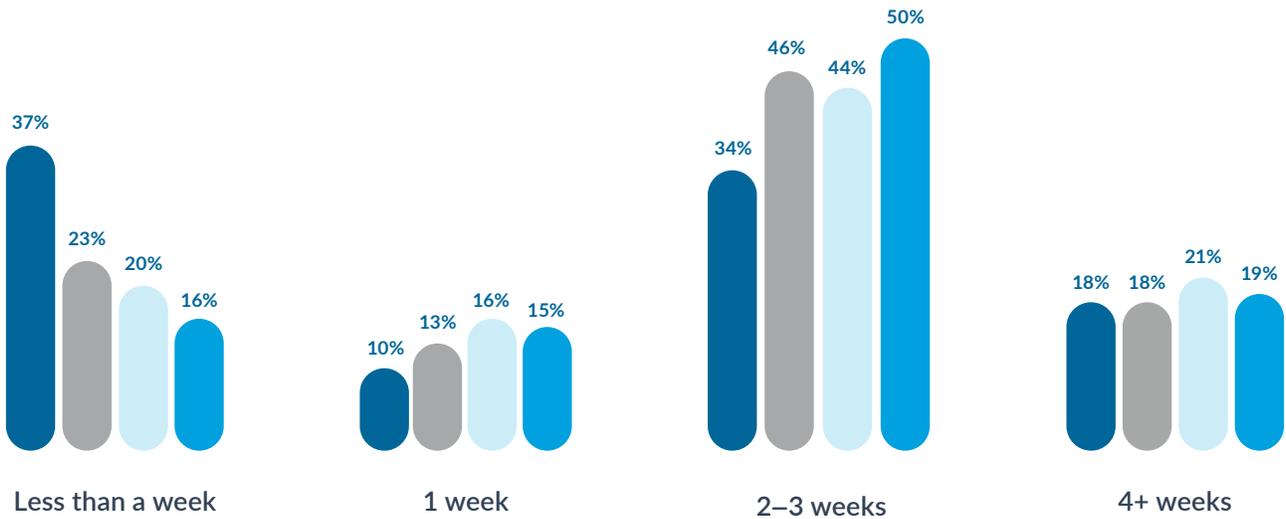
Finding a buyer

On average, finding a buyer takes two weeks, with most people selling their cars to dealerships. However, online instant cash offers (ICOs) are a popular new option, with 28% of sellers choosing to go this route.

Time it takes to sell*

- Offline private sale
- Dealer trade-in
- Online private sale
- ICO

ICO users often say they were in a rush to buy, but on average take a longer time to shop. Half say it took them two to three weeks to sell after considering multiple selling options.



Where sellers sold

- Dealership
- Website
- Private party



Trade-ins

Trade-ins are the most popular sale option for those who need to both buy and sell a car. Why? Customers believe working with the same dealership for both transactions is fast and easy, and for now, they still like the idea of getting credit at the dealership. However, a large number considered selling online as an alternative.

Where dealership buyers sold their old car

● Dealership ● Website ● Private party

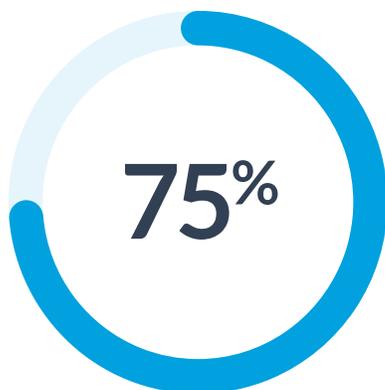


Top reasons for choosing trade-in method*

1. Buying from the same dealership (47%)

2. Ease (37%)

3. Speed (31%)



of people who traded in said it was **very or extremely important that they had a trade-in credit to apply** toward their next car.*



of people who sold to a dealer say **they considered selling online**

Private-party sales

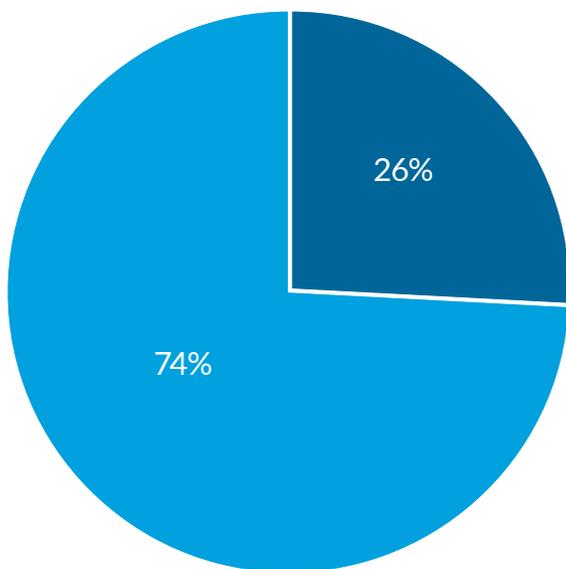
People who sell their cars privately are usually offloading older, higher-mileage vehicles. For the most part, these sellers find a buyer offline. Those who find a buyer online prioritize speed.

Average mileage & length of ownership

	Average years owned	Average mileage	% owned over 8 years
All sellers	4.36	91,946	14%
People who sell to a dealership	4.34	88,136	11%
People who sell privately	4.91	125,395	24%
People who sell online	3.75	59,449	6%

Where private party sellers find their buyer*

● Online ● Offline



Of all sellers, private sellers were the most likely to feel “relieved” after completing a sale.*

Top reasons for choosing a private sale site*

1. Speed (53%)
2. Ease (37%)
3. Past experiences (31%)

Instant cash offers

ICOs have high consumer appeal. Sellers consider them helpful tools that give them a fair price for their vehicle. Even sellers who don't want to sell their cars online use ICOs to negotiate a better trade-in valuation.

80% of sellers would be **open to selling online**. Openness to selling online is higher than buying online (*57% among buyers*).

Top reasons for choosing an ICO site*

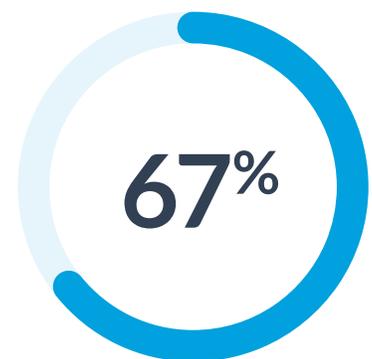
- 1.** Good reviews (36%)
- 2.** Ease (31%)
- 3.** Recommendations (30%)



of all potential sellers get an **market value estimate online**



of those who trade in their cars negotiate **using an online offer.***



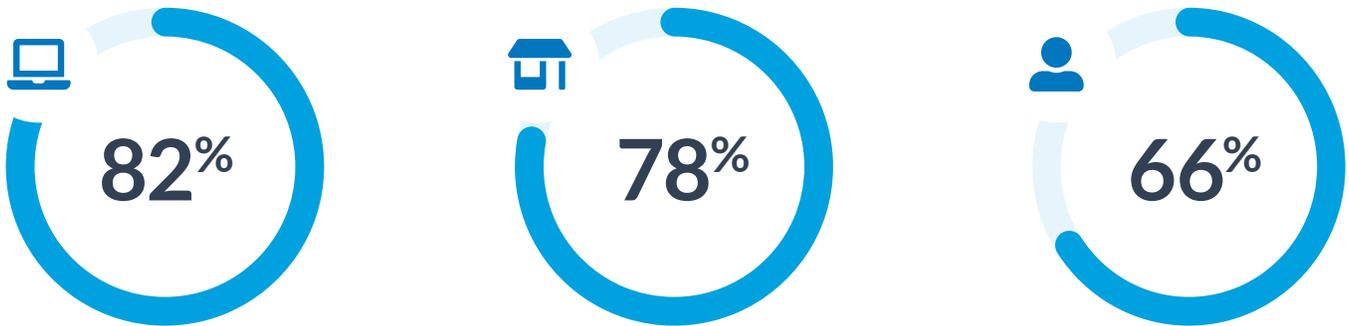
of them say the ICO is a **very or extremely effective negotiating tool.***

Feelings post-sale

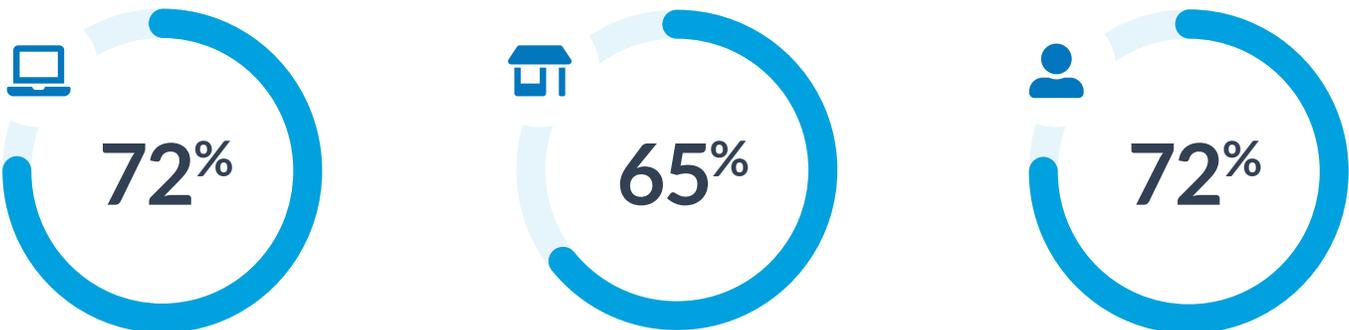
While most people feel satisfied after their sale, ICO sellers are the most likely to (1) believe they got a good deal, (2) report that getting paid was easy, and (3) feel happy and excited.

-  ICO sellers
-  Dealership sellers
-  Private party sellers

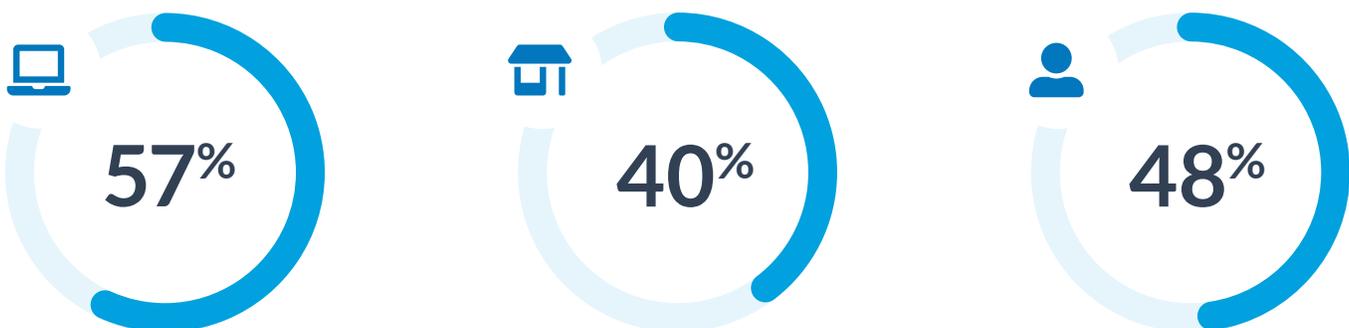
Share of sellers who believe they got a good deal



Share of sellers who say getting paid was easy*



Share of sellers who say it was very/extremely easy to decide if an offer was fair*



Of all sellers, ICO sellers were the most likely to feel “happy” and “excited” after completing a sale.*



Buyer takeaways

A lasting behavioral shift

Buyers are returning to some pre-pandemic behaviors, but it's clear the path to purchase has permanently shifted. Walk-in dealer visits are up significantly (33%, up from 28% in 2021), but online outreach as a first form of contact remains higher than pre-pandemic and interest in digital retail products has grown.



Make sure your sales process works equally well for in-person, digital, and hybrid shoppers.

Getting it started at home

While plenty of buyers are still interested in online buying (59% are open to the idea), more are interested in a hybrid approach that combines digital and in-store. 70% of buyers would prefer to do more from home, up from 60% in 2021. Online financing has the highest appeal: 56% of buyers would prefer to arrange financing online.



Support online shoppers with more digital retail tools – especially financing applications.

Making it easy makes them happy

Buyer satisfaction remains strong despite high prices. With car prices high, buyers were more likely to enter the market out of necessity (68%, up from 62% in 2021) and therefore be in a rush to buy (32%, up from 25% in 2021). Yet despite paying higher prices, 80% of buyers still felt good or great about their deal. An easy purchasing process was the number one reason buyers said they got a great deal.



The smoother you can make the shopping process, the higher your customer satisfaction.



Seller takeaways

Trade-ins still rule for now

Dealerships are the most common resale channel, especially for those buying a car. 78% of people who bought from a dealership also traded in their old vehicle. 75% said that having a trade-in credit for their purchase was very important.



Despite having access to new selling options, most car buyers want to trade in their vehicle

ICOs as a selling & negotiating tool

ICOs are becoming more popular. 28% of sellers sold their cars with one, and even consumers who didn't sell their cars online found ICOs valuable: 68% of people trading in their vehicles negotiated using an online offer, and 67% of them said that doing so was very effective.



Be prepared for ICO negotiators. They want to sell to you, but they want the right price, too.

Selling online is on the rise

80% of sellers would be open to selling their cars completely online in the future, and this may be why: Of all sellers, those who transact online are the most satisfied. These online sellers are more likely to (1) believe they got a good deal, (2) report that getting paid was easy, and (3) feel happy and excited.



More and more people are selling their cars online, so accessing that stream of cars is essential when replenishing your inventory.



Background & methodology

Methodology

Data is primarily sourced from an April/May 2022 study conducted by CarGurus and GfK, a leading market research firm. The study included a survey of 3,008 recent auto consumers: n=2,511 past-four-month auto purchasers and n=1,316 past-four-month auto sellers. Respondents could qualify as both buyers and sellers, are 18+ years old, and weighted to be representative of the U.S. auto market in terms of demographics (age, gender, income, etc.) and market factors (new/used, price point, etc.). In July, CarGurus conducted an additional survey of 600 past-four-month auto sellers for supplemental insights. Other data is sourced from [CarGurus 2022 Electric Vehicle Sentiment Study](#), and [CarGurus 2021 Pickup Truck Sentiment Study](#). Please see those reports for detailed methodology.

About CarGurus

CarGurus (Nasdaq: CARG) is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with both digital retail solutions and the CarOffer online wholesale platform. The CarGurus marketplace gives consumers the confidence to purchase or sell a vehicle either online or in-person, and gives dealerships the power to accurately price, effectively market, instantly acquire, and quickly sell vehicles—all with a nationwide reach. The company uses proprietary technology, search algorithms, and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. CarGurus is the most visited automotive shopping site in the U.S.*. CarGurus also operates online marketplaces, respectively, under the CarGurus brand in Canada and the United Kingdom. In the United States and the United Kingdom, CarGurus operates the Autolist and PistonHeads online marketplaces as independent brands. To learn more about CarGurus, visit www.cargurus.com. For more information on CarOffer, visit www.caroffer.com.

* Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Visits, Q2 2022, U.S.

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