2024

Consumer Insights Report

U.S. shopper trends along the car buying and selling journey

Table of contents

Explore the latest findings from CarGurus' 7th annual path-to-purchase study.

01 The consumer mindset 3

Buyers 4
Sellers 7

02 What are buyers looking for? 8

What they want in their next car 9
How they prefer to shop 11
How they prefer to finance 14
What they look for in a seller 16
What they buy 18

03 What are sellers looking for? 21

Why they sell 22
How they prefer to sell 23
What they look for in a buyer 24

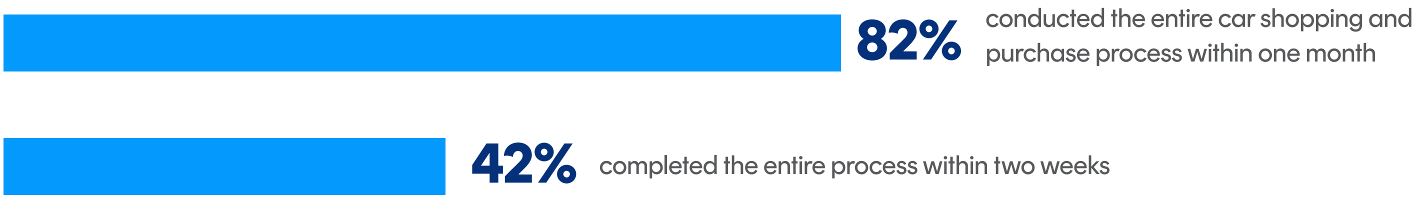
04 Key takeaways 25

05 Background & methodology 26

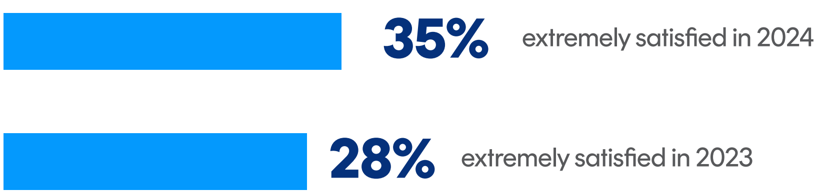
The consumer mindset

Buyers

Today’s buyers are likely to move quickly



They are also more satisfied with the overall car buying experience compared to last year



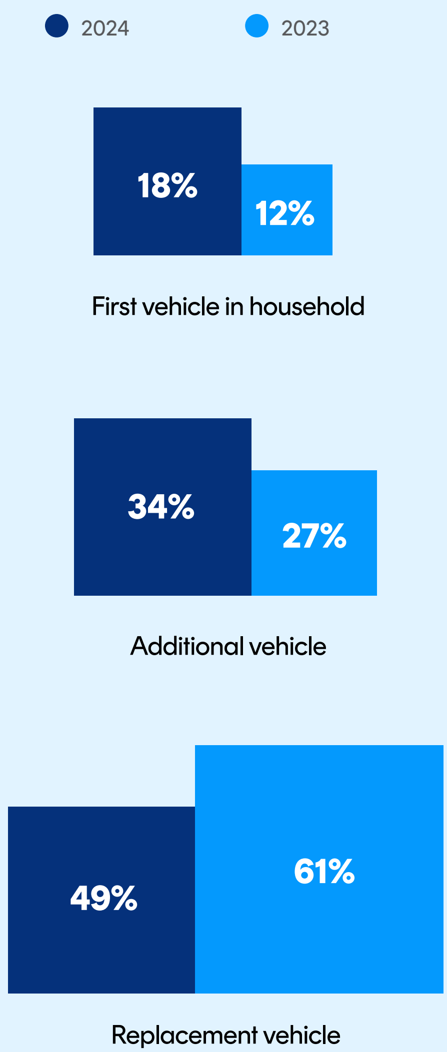
Fewer shoppers are buying out of necessity, possibly indicating that those who’ve been on the sidelines are more comfortable purchasing as the market has improved

Share of buyers reporting a need-based purchase

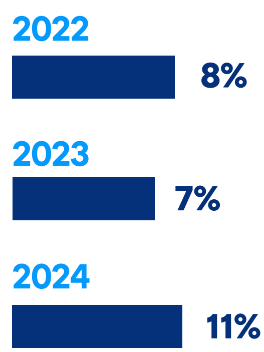
2022	2023	2024
68%	67%	62%

Year over year, more buyers purchased their first vehicle or added one to their household. For the second year in a row, more Gen Z buyers purchased their first car.

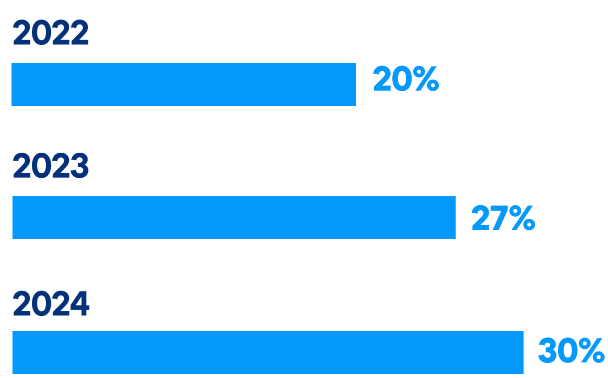
Purchase intent



Total first time purchasers/lessees

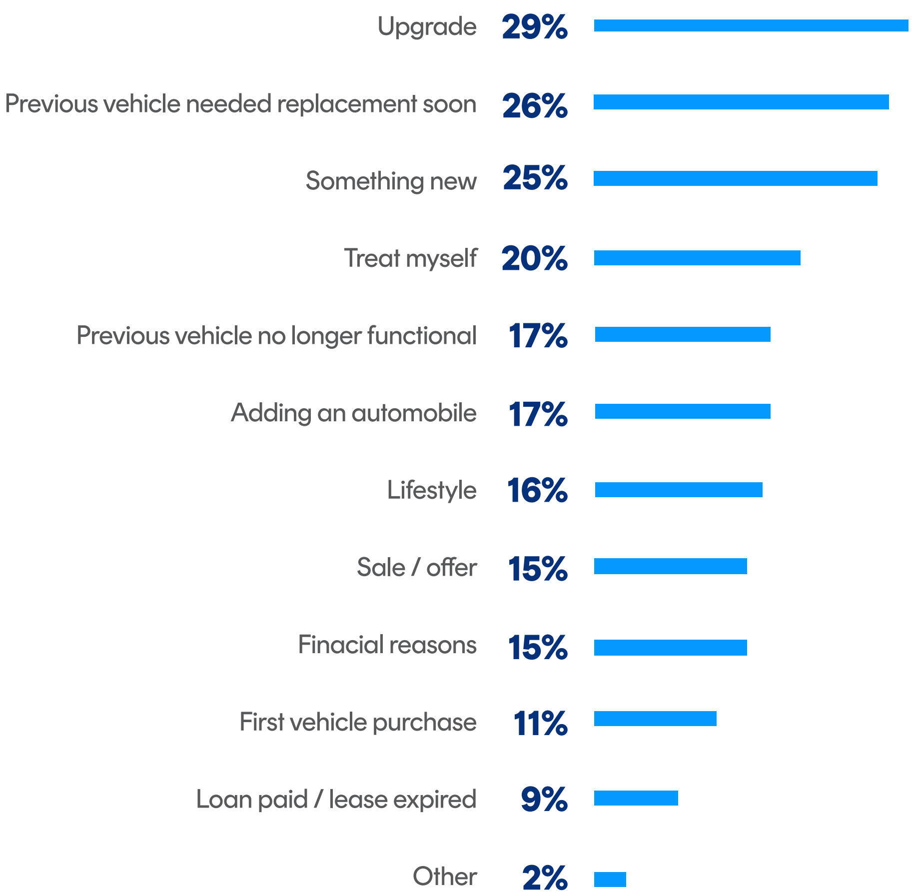


Share of Gen Z (18-27) first time purchasers / lessees



While purchase motivations are consistent, attitudes have shifted. This is likely a response to market improvements after years of pandemic-related disruptions.

Top motivators to purchase a car



Attitudes

90%

say they care most about getting a high-quality, reliable vehicle (up from 70% in 2022)

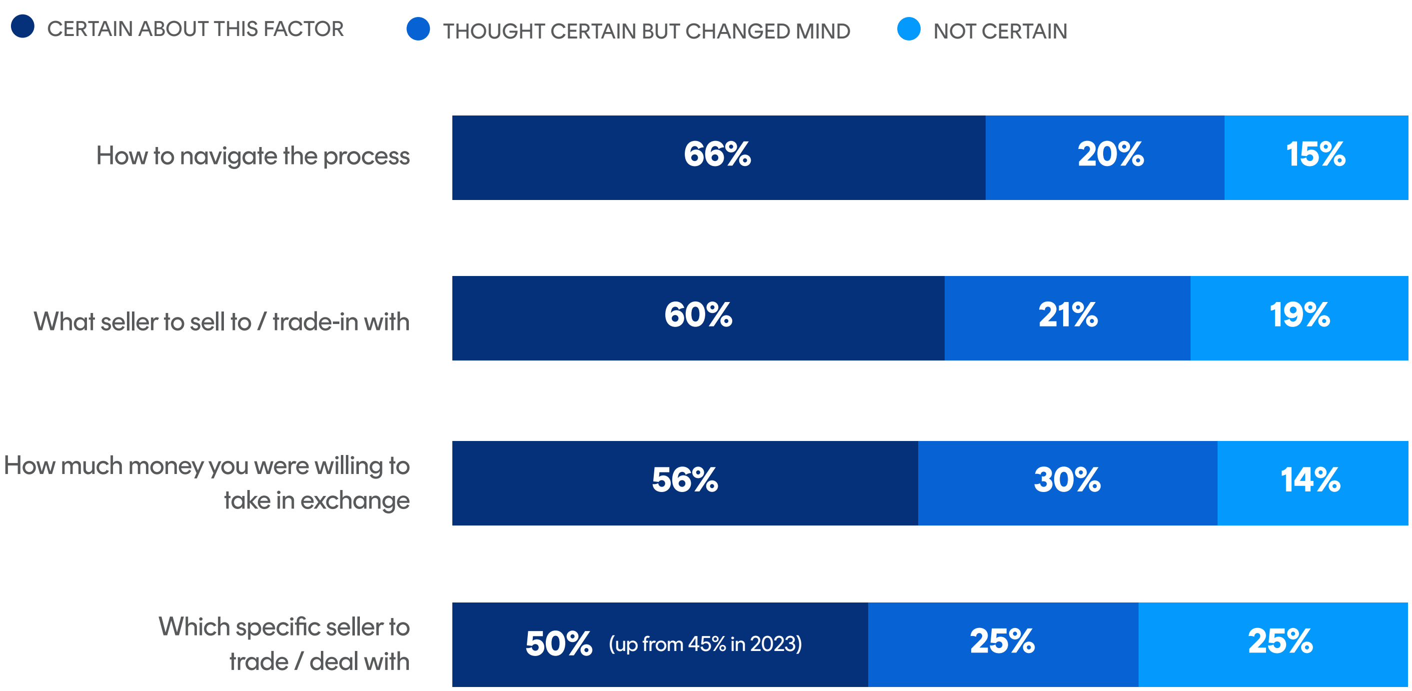
63%

say the vehicle a person owns says a lot about them (up from 49% in 2022)

Sellers

Sellers are starting their journey with greater confidence and certainty on how to navigate the process and who they want to work with.

Certainty about various factors at the start of the selling journey



71% report being satisfied with the car-selling experience overall

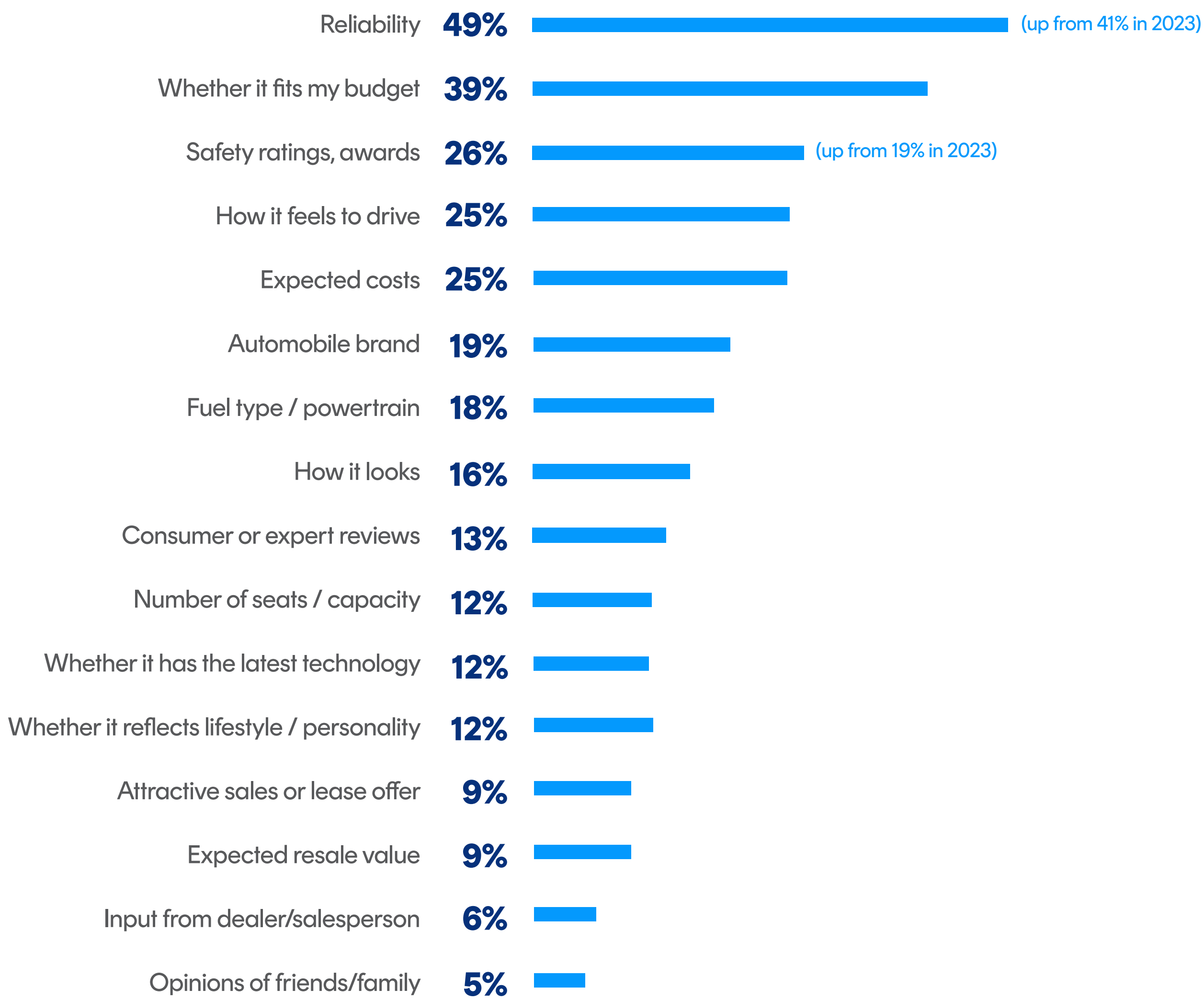
More sellers report being the sole decision-maker

2022	2023	2024
68%	71%	73%

What are buyers looking for?

What they want in their next car

Reliability, cost, and safety ratings continue to be the top priorities in a purchase, with reliability and safety increasing in importance.



Average price paid

2024: $31k average ($29k in 2023)

New **$50k** ($46k in 2023)

CPO **$28k** ($32k in 2023)

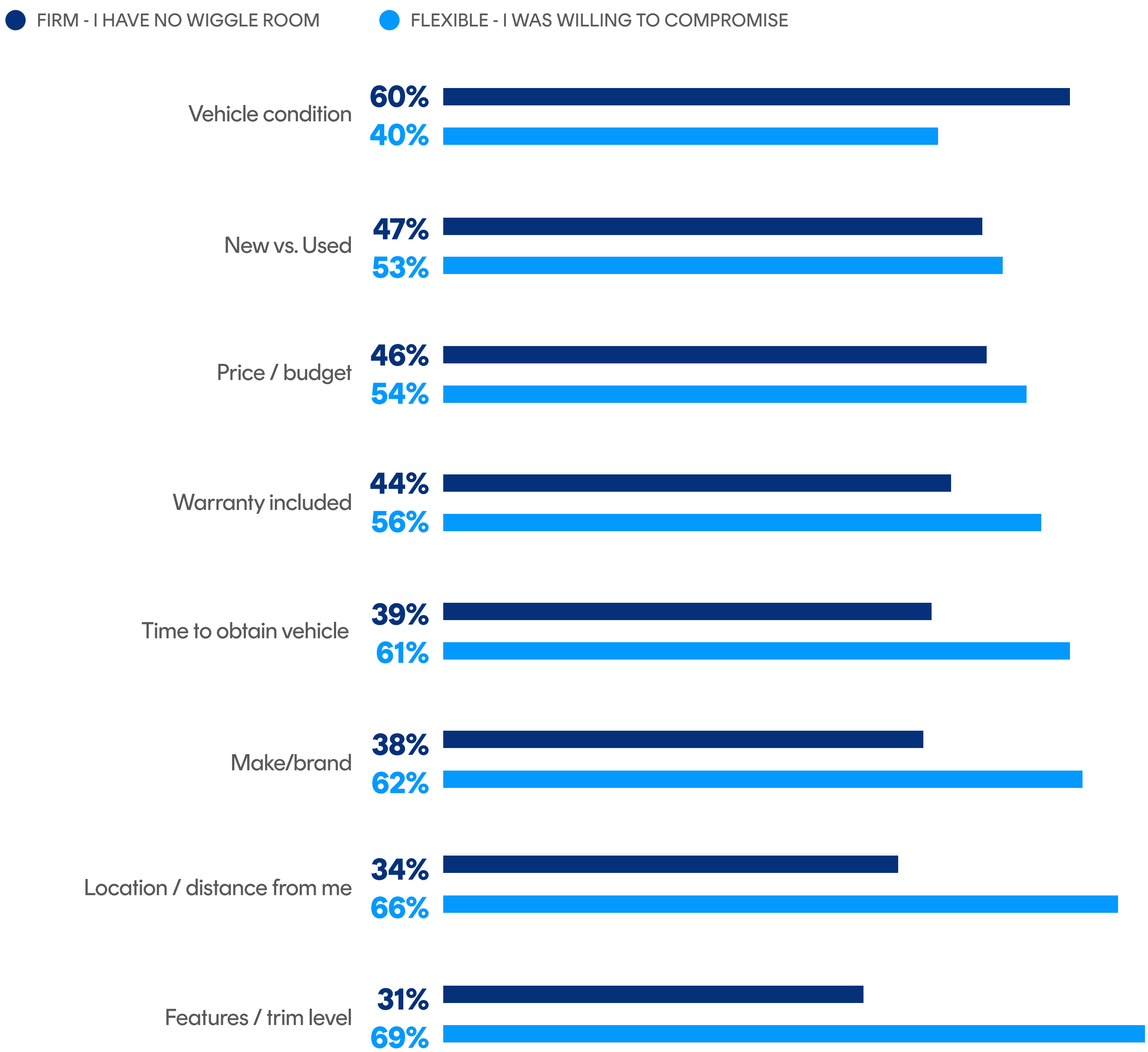
Used **$21k** ($18k in 2023)

Average price by age

Gen Z (18-27) **$29k**	**Millennial (28-43)** **$33k**
Gen X (44-59) **$28k**	**Boomers (60-65)** **$27k**

Once they narrow down their options, buyers are most firm about a vehicle's condition and flexible around trim level and features.

Factors of certainty



Type of car purchased in 2024:

37%	57%	6%
New	Used	CPO

How they prefer to shop

The desire to handle more of the process online continues to grow across all generations and shopper segments.

90%

researched what vehicle to buy online
(up from 81% in 2023)

80%

want to do more from home
(up from 69% in 2023)

58%

used the Internet "a lot" or "exclusively"

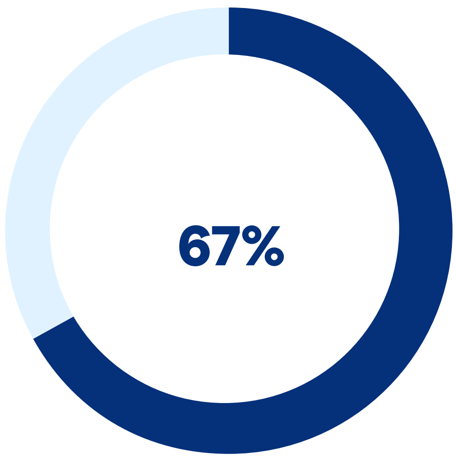
13%

used the Internet minimally or not at all

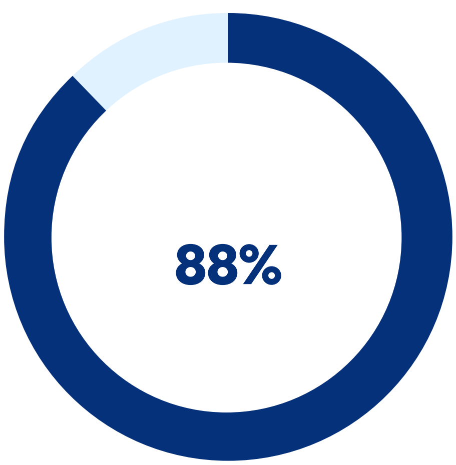
Who's most open to doing more from home?

Young families	**86%** (75% in 2023)
Affluent shoppers ($150k+ income)	**84%** (78% in 2023)
Gen Z (18-27)	**84%** (74% in 2023)
Millennials (28-43)	**82%** (74% in 2023)
Gen X (44-59)	**78%** (64% in 2023)
Boomers (60-75)	**62%** (54% in 2023)

Although shoppers say they are more open to buying completely online, certain steps are strongly preferred in-person. An omnichannel approach provides the greatest comfort.

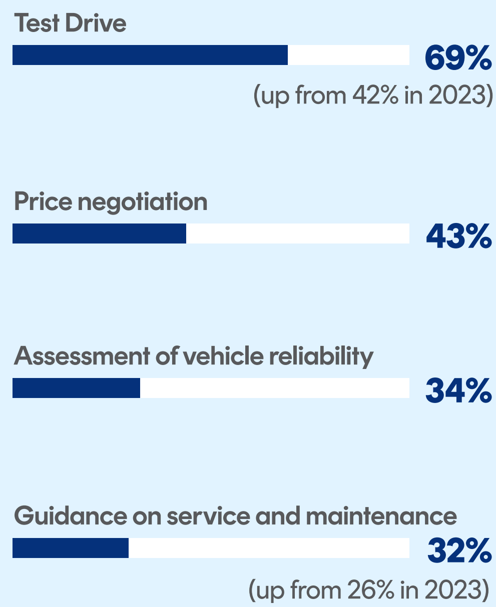


are open to buying completely online
(up from 58% in 2023)



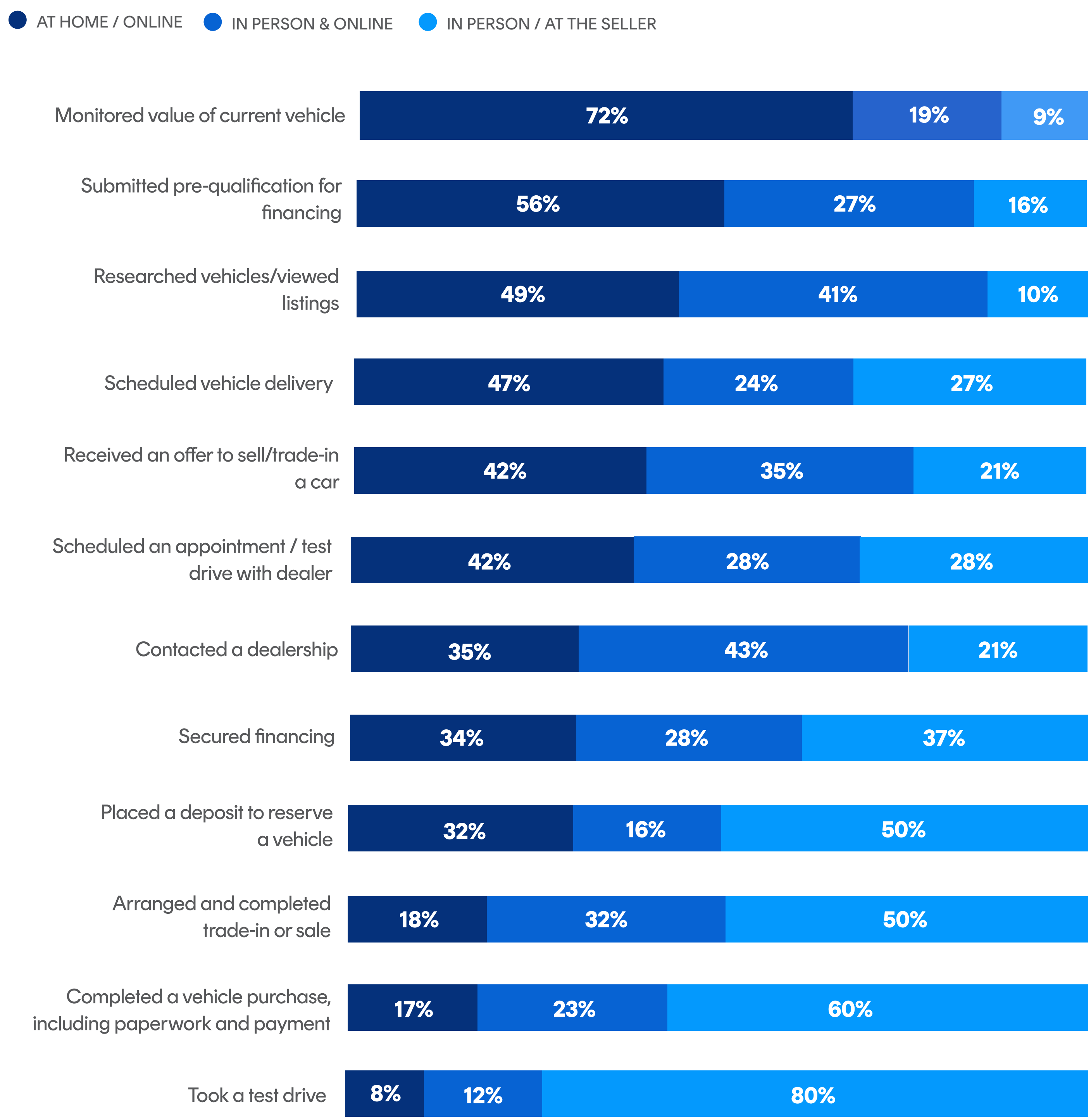
saw the vehicle they purchased in person before buying

Steps preferred in person:



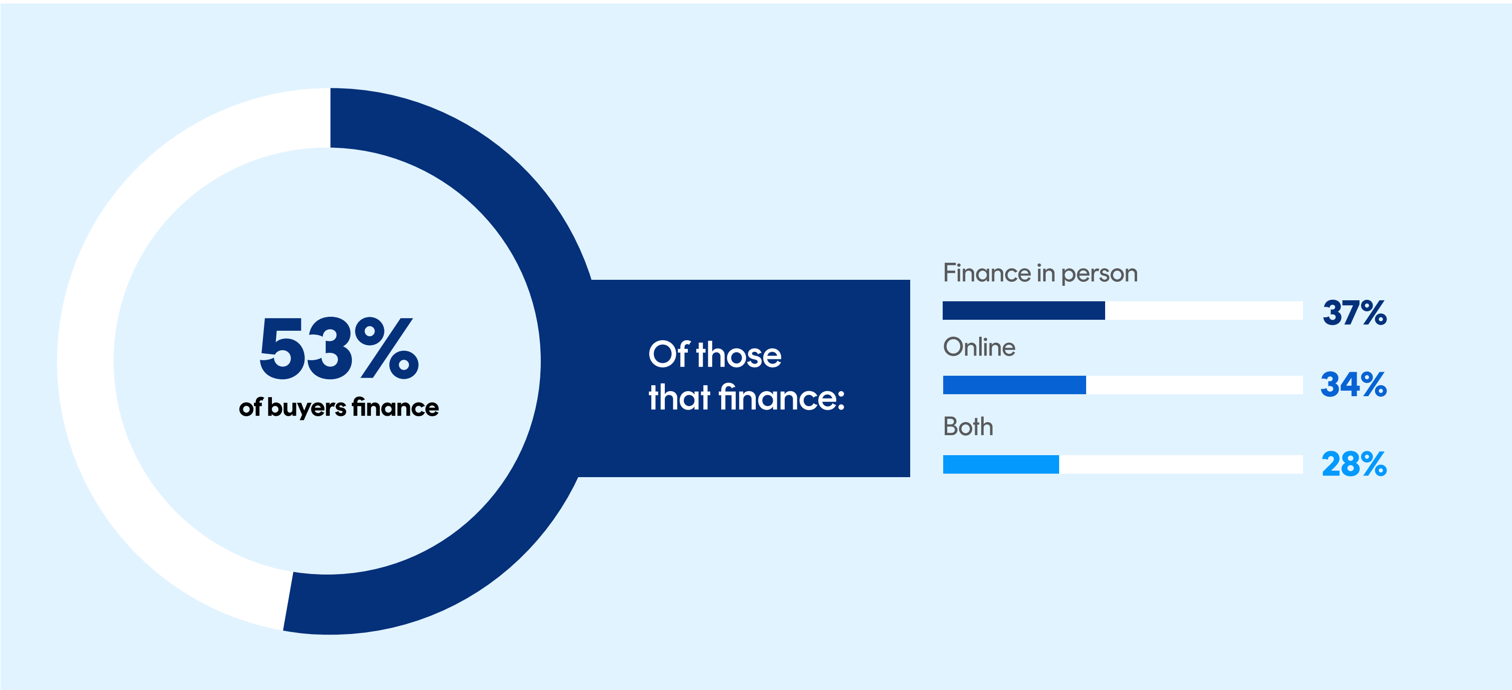
Similar to past years, buyers mainly use online platforms in the early stages of the shopping journey before transitioning in person for the final steps.

Location of purchase journey steps



How they prefer to finance

Approximately half of buyers secure financing for their purchase, with an even split between those who conduct the process in person vs. online.

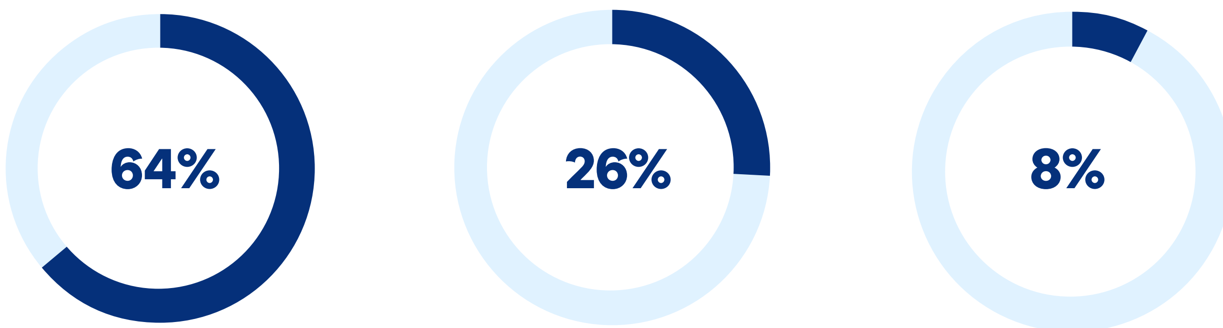


Top reasons buyers didn't finance

42%	29%	28%
Don't want monthly payment	Total vehicle price was low	Intentionally saved up

Among dealership purchasers, more secured financing at the dealership vs. other options.

Where financing was secured



at the dealership where the vehicle was purchased
(up from 49% in 2023)

at a bank, credit union, or internet lender
(up from 47% in 2023)

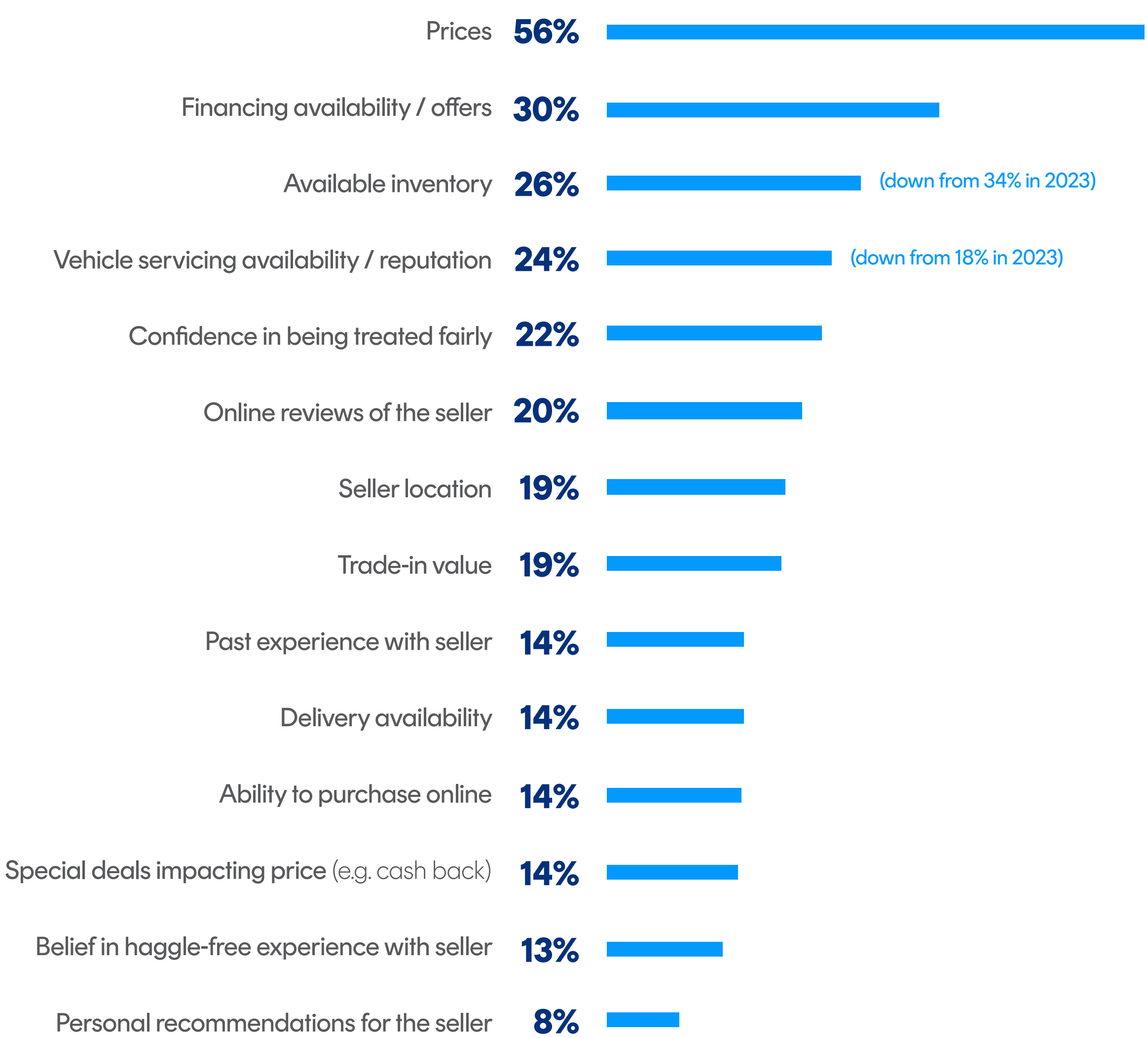
through an online auto buying / shopping site

Elevated interest rates do not appear to be impacting shoppers. **11% say rates deterred them from financing, down from 16% in 2023**

What they look for in a seller

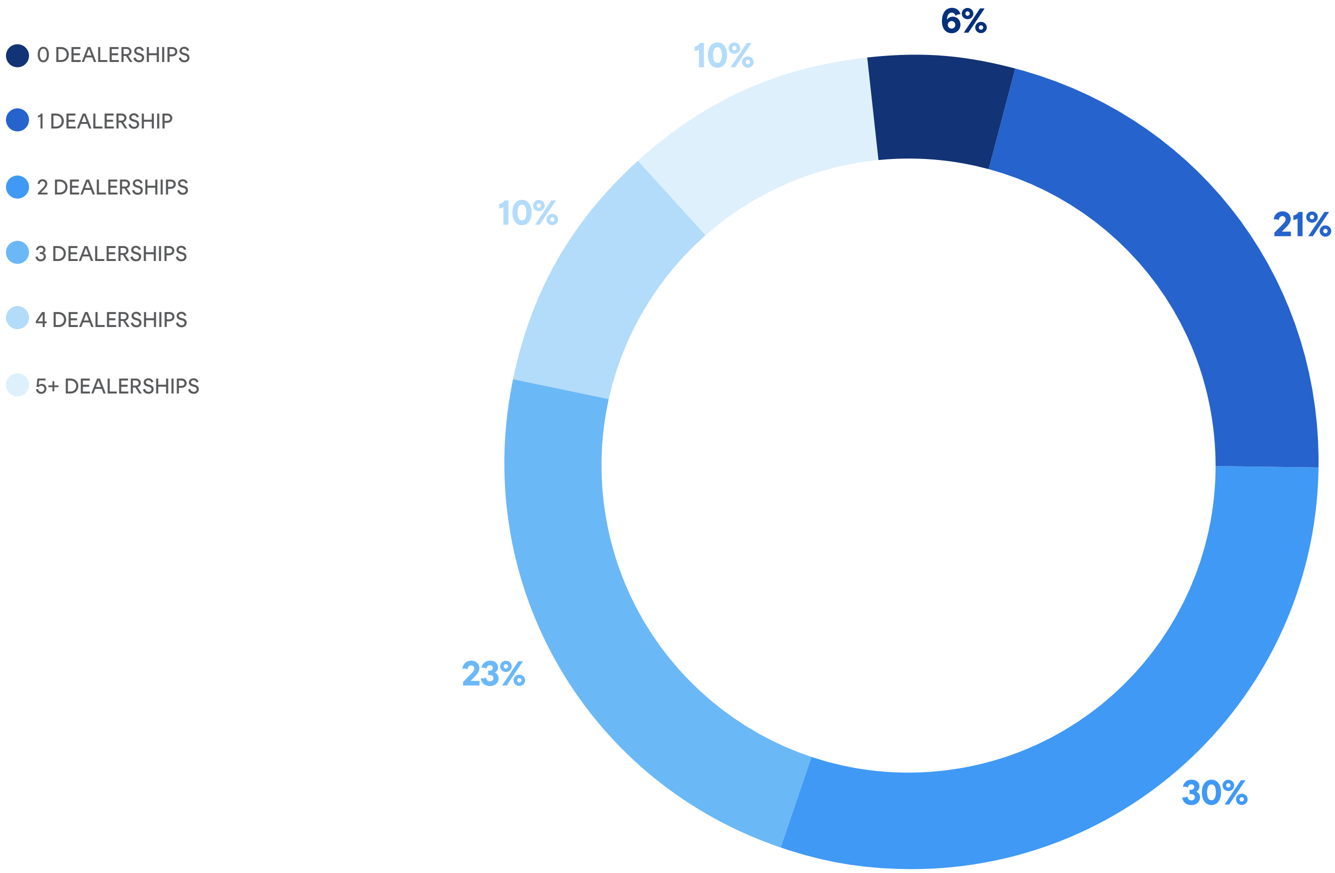
Over the years, price and financing availability/offers have grown as the top factors influencing purchase location, while selection of inventory has decreased. Now that inventory has rebounded, shoppers may feel they can be more selective.

Top factors influencing where to buy a car



Most buyers contact two or more dealerships and prefer to shop close to home.

Number of dealers contacted



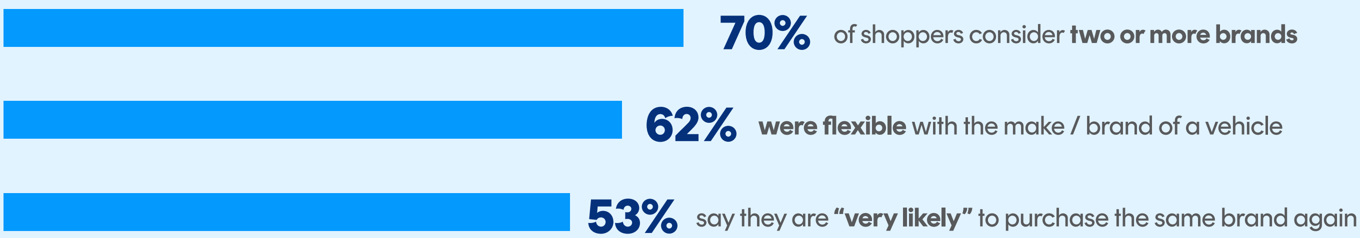
Preferences in a seller

63% purchased within 25 miles from home	22% purchased within 25-50 miles from home	39% say they are very likely to buy from the same seller again

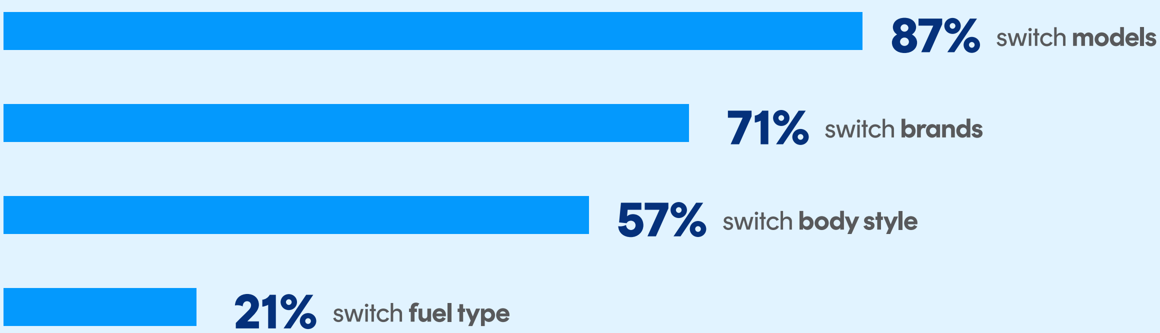
What they buy

Shoppers are brand-open during the consideration process and are ultimately willing to make a change to find their ideal fit.

During the consideration stage



Purchase compared to prior vehicle

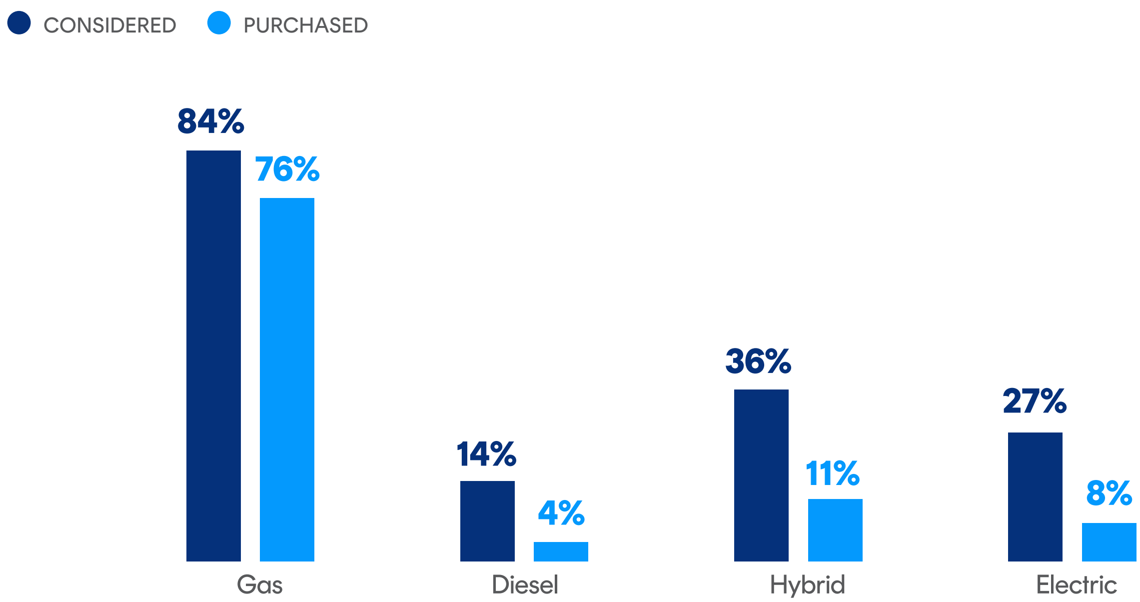


The most popular makes across shopper segments

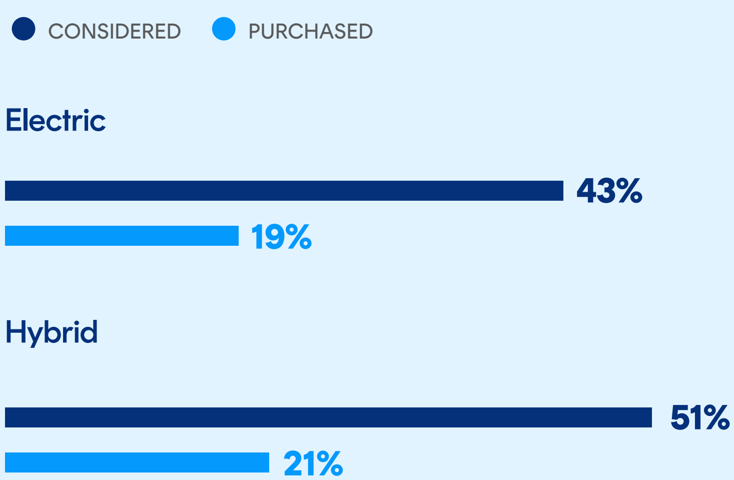
Gen Z (18-27)	Millennials (28-43)	Gen X (44-59)	Boomers (60-65)	Households with kids
Chevrolet **(15%)**	Ford **(10%)**	Chevrolet **(14%)**	Nissan **(11%)**	Ford **(16%)**
Ford **(14%)**	Chevrolet **(13%)**	Ford **(13%)**	Chevrolet **(10%)**	Honda **(13%)**
Honda **(10%)**	Toyota **(11%)**	Honda **(8%)**	Ford **(10%)**	Chevrolet **(12%)**
Toyota **(9%)**	Honda **(11%)**	Toyota **(8%)**	Honda **(7%)**	Toyota **(8%)**
Nissan **(9%)**	BMW **(8%)**	Nissan **(7%)**	Jeep **(7%)**	Nissan **(8%)**

Overall, consideration and purchases of cleaner powertrain options remains consistent year-over-year. However, buyers of new cars (vs. used) are strongly interested in this segment, likely due to improved pricing and expanded selection.

Vehicle fuel type considered vs. purchased



Consideration by new car buyers



Consideration by generation

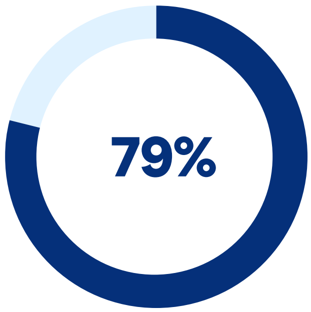
Electric

Gen Z (18-27)	33%
Millennials (28-43)	32%
Gen X (44-59)	19%
Boomers (60-75)	18%

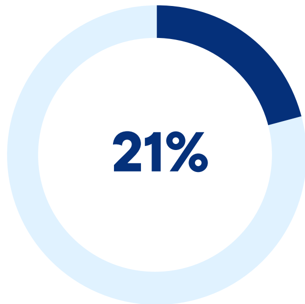
Hybrid

Gen Z (18-27)	34%
Millennials (28-43)	43%
Gen X (44-59)	43%
Boomers (60-75)	23%

The majority of buyers replacing a car remain with the same powertrain



stayed with the same fuel type



switched fuel type

26%

of millennials switched fuel types (more than any other generation)

Significantly more EV buyers are remaining in the same category with their next purchase.

Gas

84% **Stay with gas**

2% Switch to diesel

11% Switch to hybrid

3% Switch to EV

Diesel

39% **Stay with diesel** (down from 46% in 2023)

17% Switch to gas

17% Switch to Hybrid

27% Switch to EV (down from 18% in 2023)

Hybrid

45% **Stay with hybrid** (down from 55% in 2023)

40% Switch to gas (up from 25% in 2023)

0% Switch to diesel (down from 5% in 2023)

15% Switch to EV

EV

87% **Stay with EV** (up from 67% in 2023)

1% Switch to gas (down from 20% in 2023)

0% Switch to diesel

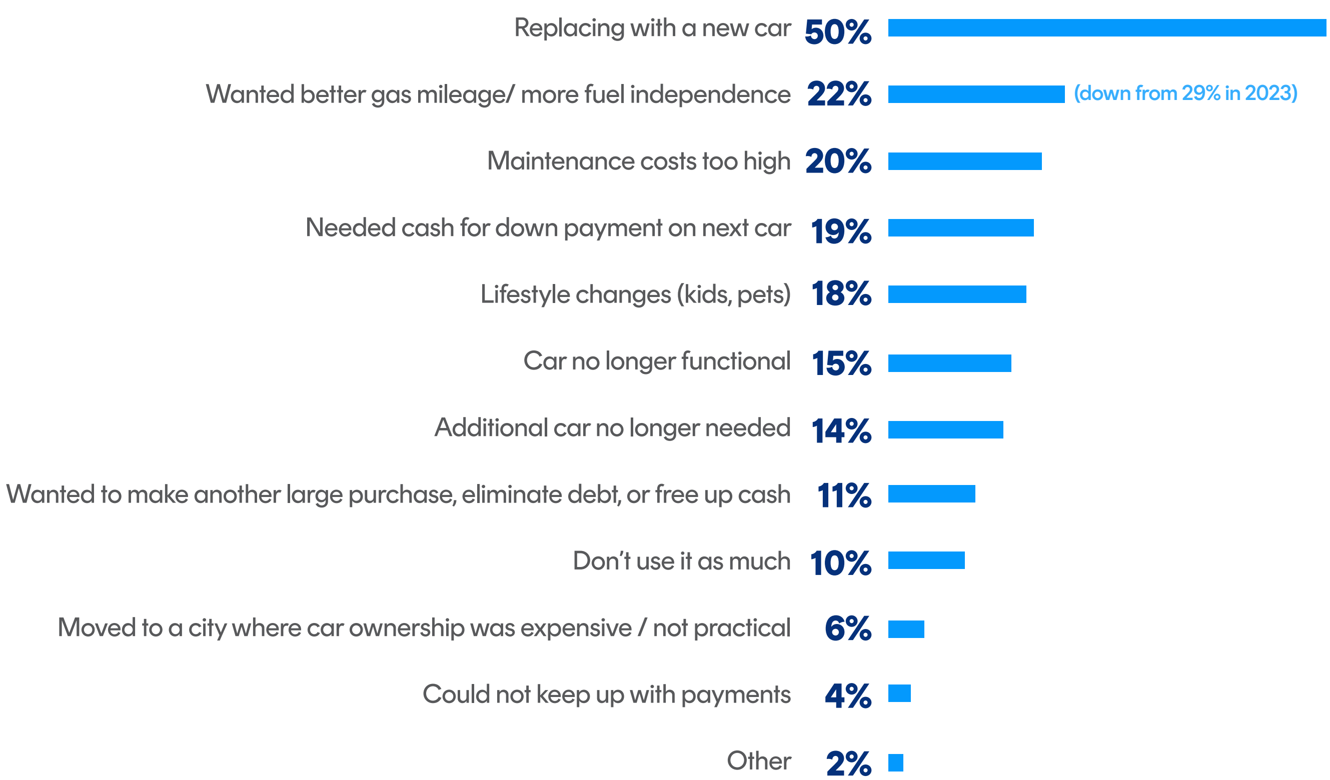
13% Switch to hybrid

What are sellers looking for?

Why they sell

The top factors influencing a decision to sell a car have remained consistent. However, with gas prices remaining low, a desire for greater fuel efficiency has decreased in importance.

Reason for initial decision to sell or trade-in car



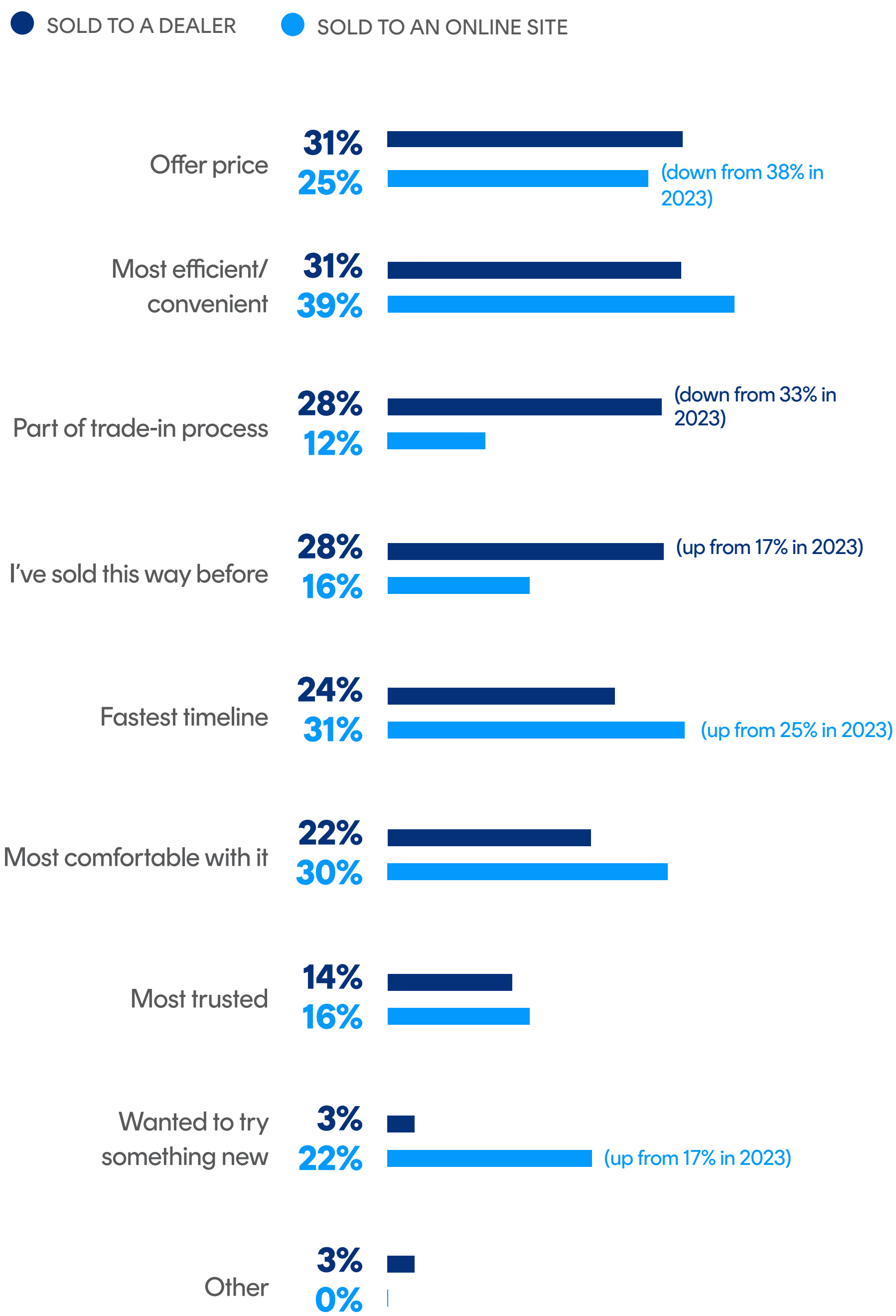
On average, **over half of sellers (55%)** keep their cars for **4 years or less.**

The **majority sell within 3 weeks,** while 25% are highly motivated and **sell in less than a week.**

How they prefer to sell

Sellers are increasingly more open to using online tools to either inform their decision or take advantage of the efficiency of selling online.

Reasons for selling method



87%

are open to selling completely online
(up from 82% in 2023)

71%

received an online offer to sell vehicle

60%

got an online offer to guide decision-making

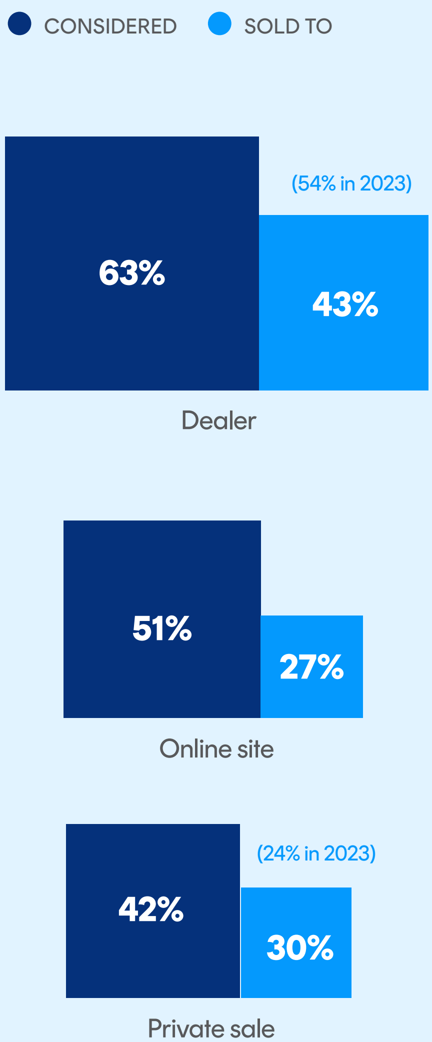
78%

More sellers feel they got a "good" or "great deal"
(up from 70% in 2023)

What they look for in a buyer

While most are open to selling online, a majority continue to complete the transaction with a dealer because of the offer price, efficiency, and ability to leverage a car in a trade-in.

Buyer type considered vs sold to



Sellers are not willing to travel far for a sale

64% Immediate (within 25 miles)
(up from 54% in 2023)

21% Local (within 50 miles)

8% Nearby (with 100 miles)

2% Over 100 miles

5% Sold online (no travel)

Key takeaways

Use data to guide your pricing strategy

While price and budget are among the main factors for car buyers, you don't need to drop your prices across the board.
→ Our Next Best Deal Rating and Maximize Margin reports can inform decisions and identify opportunities to adjust pricing up or down based on market conditions, giving you the power to balance margins with demand.

Set up these reports today in your Dealer Dashboard

Provide an omnichannel shopping experience

The desire to handle more of the process online continues to grow, but consumers still take certain steps in person before finalizing the purchase. Focus on building a seamless online to in-person experience that enables shopper research and preparation - including understanding monthly payment and financing - and use the information submitted online to inform the in-person visit.

→ Offer these experiences on your website or use products like Digital Deal to help consumers do more online before visiting your dealership.

Acquire consumer inventory online

A majority of consumers initially get online offers when they plan to sell their vehicle, but then ultimately go to a nearby dealer to complete the transaction.

→ Leverage platforms that enable consumers to receive offers, like CarGurus Sell My Car, to acquire high-quality inventory for your lots.

Build your service department brand

More shoppers are visiting the dealership for guidance on service and maintenance before completing a purchase.

→ Highlight your service department during the sales process and provide service recommendations and specials to existing customers to maximize your dealership's profitability

Speed your consumer follow-up

Today's consumers are moving quickly, with 82% completing the entire car buying process within one month - and 42% within two weeks. The majority are also contacting more than two dealerships

→ Use data from CarGurus LeadAI to follow up with the most engaged leads as quickly as possible and capture shopper attention.

Background & methodology

Methodology

Data is primarily sourced from a July/August 2024 study conducted by CarGurus and GfK, a leading market research firm. The study included a survey of 3,150 past-four-month auto purchasers/sellers of new or used vehicles: N=3,008 opt-in sample and n=142 CarGurus CRM sample. 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 some cases figures may not sum to 100% because of rounding.

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 platform gives consumers the confidence to purchase and/or sell a vehicle either online or in-person, and it 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.[1]

CarGurus also operates online marketplaces under the CarGurus brand in Canada and the United Kingdom. In the United States and the United Kingdom, CarGurus also operates the Autolist and PistonHeads online marketplaces, respectively, as independent brands.

To learn more about CarGurus, visit www.cargurus.com, and for more information about CarOffer, visit www.caroffer.com.

[1] Similarweb: Traffic Insights [Cars.com, Autotrader.com, TrueCar.com, CARFAX Listings (defined as CARFAX Total Visits minus Vehicle History Reports)], Q3 2024, U.S.

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Thank you!