


# COVID-19 SENTIMENT STUDY

The background of the slide is a blurred photograph of a car show. Several cars are visible, including a white sedan in the foreground and a dark SUV in the background. The lighting is warm and bokeh, creating a soft, out-of-focus effect.

# CarGurus COVID-19 Sentiment Study

In this report, we explore which effects from COVID-19 are temporary, and which are here to stay. Then we provide implications for the automotive industry and what this means for dealerships in particular.

## About the study

In July 2021, CarGurus surveyed 503 Canadian buyers on their sentiments toward car shopping during the COVID-19 pandemic as part of a benchmarking study. Throughout 2020, CarGurus surveyed over 1,500 respondents in earlier iterations of the study.

## Long-term trends

- **Transportation & Mobility Habits (page 4):** Shared transportation services suffered a massive loss of users, and consumers are not eager to return. Only half (50%) of previous ride-share users expect to return to their pre-pandemic activity in the next year. And few more (+3 ppt) plan to return in the long-term.
- **Digital Retail (page 5):** Now more than ever, buyers would love to do more from home. 63% of recent buyers say they'd prefer to do more of the car buying process from home for their next vehicle purchase.
- **Raised Expectations (page 6):** Some of the most popular contactless services that arose from the pandemic are here to stay– dealership appointments (56% of shoppers interested), solo test drives (37%), at-home test drives (27%), and at-home delivery (25%).

## Short-term trends

- **Demand Created from the COVID-19 Pandemic (page 8):** Buying confidence has recovered over the course of the pandemic largely due to decreased spending during lockdowns. And major changes like moving to a new house (33%), getting a new job (26%), and working from home (22%) made people more interested in buying a car this year.
- **Near-term Expectations (page 9):** People are much more comfortable with shopping in stores this year, but dealers should continue to provide a safe experience. Over half of buyers still expect face masks (59% for employees, 57% for customers) and surface cleaning (54%).

# Long-term trends

(5-10 years)

Transportation & Mobility Habits

Digital Retail

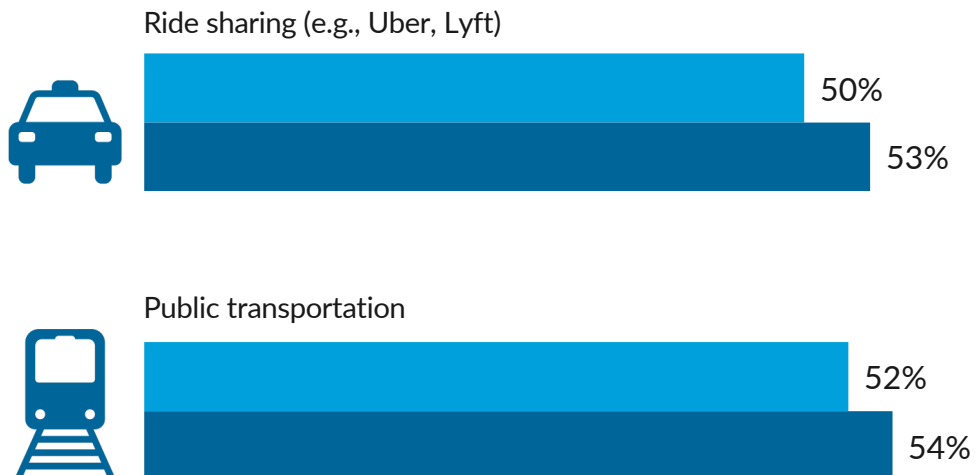
Raised Expectations

# Transportation & Mobility Habits

Consumers have stopped or reduced their use of shared transportation during the pandemic, and many do not plan to return to their pre-pandemic habits even in the long-term. People have grown accustomed to relying on personal vehicles to replace these services, and to offer an escape and sense of joy during the pandemic.

Share of Previous Users Planning to Resume Pre-Pandemic Activity<sup>1</sup>

■ In the next year ■ Long-term



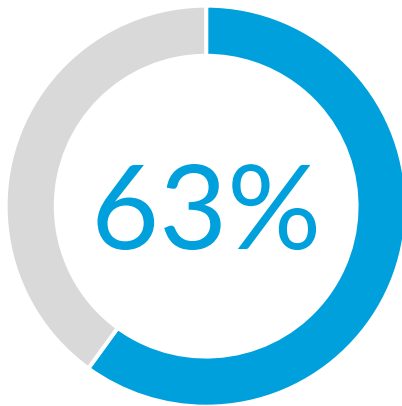
**38%** of respondents expect to use their personal vehicles **more overall** going forward

**49%** of respondents expect to go on **more road trips** going forward

<sup>1</sup>How often do you expect to use these methods of transportation compared to before the pandemic?  
Showing the sum of 'the same as before' and 'more than before' among previous users  
CarGurus 2021 COVID-19 Sentiment Study, CA (n = 503)

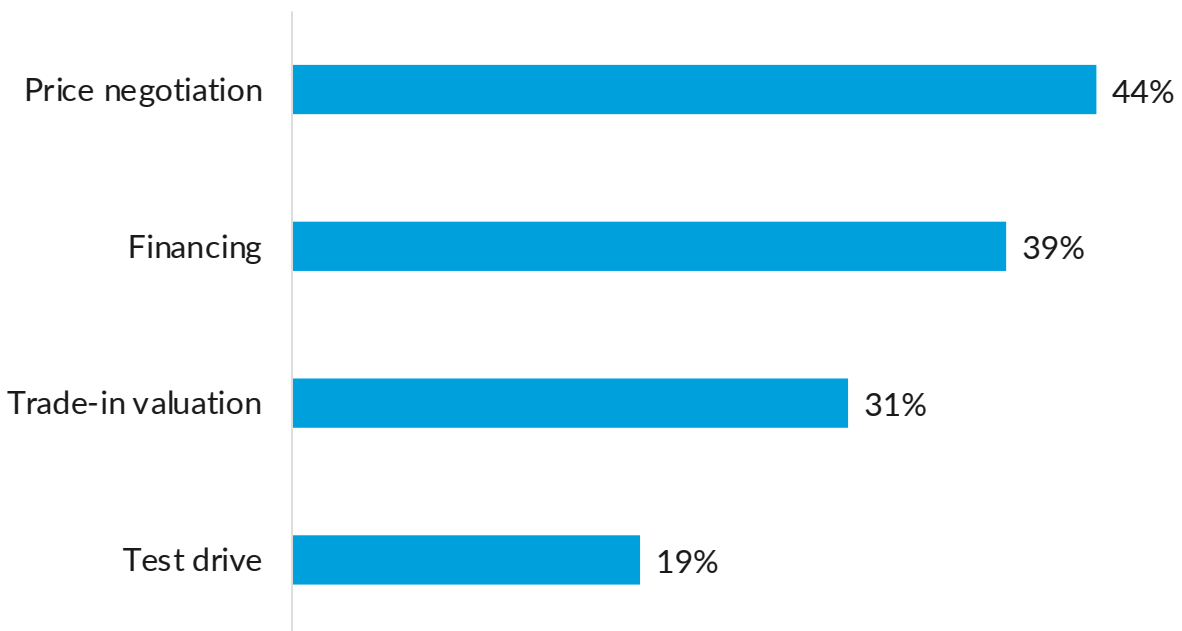
## Digital Retail

Now more than ever, buyers would love to do more from home. The biggest barrier to buying online, however, remains the test drive. Expect people to adopt digital retail gradually as they grow more comfortable with the idea, often starting with online financing.



of recent car buyers say they'd prefer to do **more** of the car buying process **from home** for their next car purchase

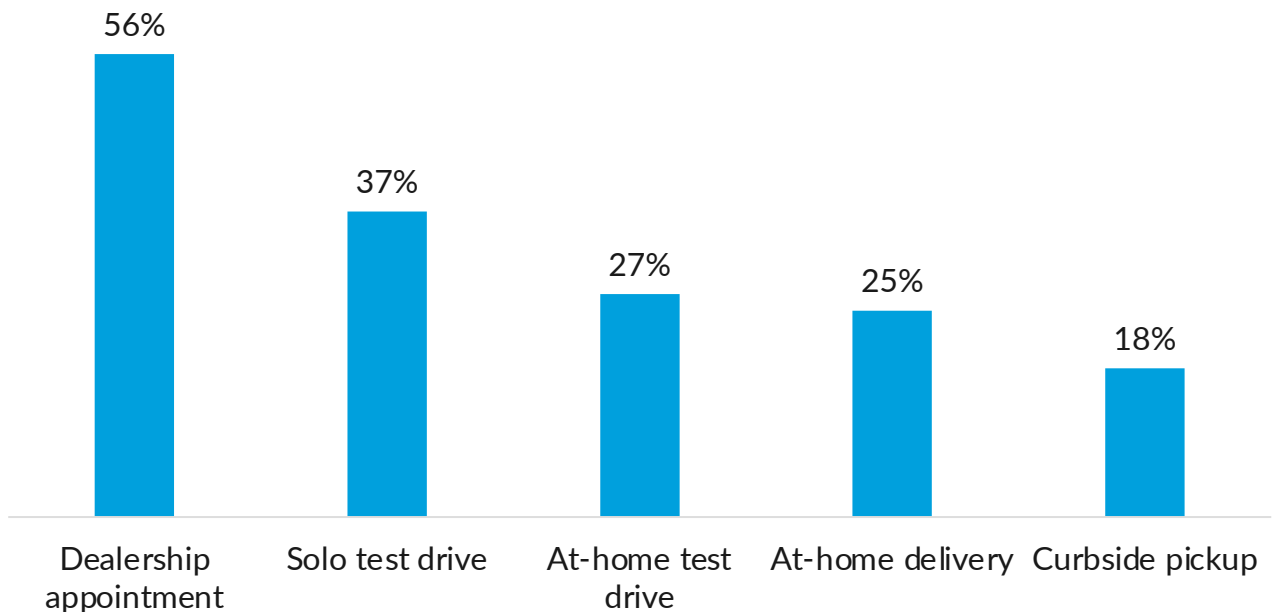
Buyers' Preference To Do Activity Online



# Raised Expectations

Some of the most popular contactless services that arose from the pandemic are here to stay. Dealership appointments, solo test drives (either at home or at the dealer), and delivery gave buyers a convenient and enjoyable way to shop, and they don't want to see these options disappear next time.

Buyers' Interest in Contactless Service for Next Vehicle Purchase<sup>2</sup>



## Dealership outreach & appointments

CarGurus 2021 CA Buyer Insight Report<sup>3</sup> shows buyers today are much less likely to just walk-in to the dealer than they are to reach out ahead of time. Only 28% of dealership buyers walked in without notice. 40% reached out via a phone call or text first and 32% reached out online. Buyers have found success in reaching out ahead of time and securing a dedicated appointment. Now, dealership appointments are the most in-demand contactless service and we expect this behavior to stick around long after the pandemic.

<sup>2</sup>For your next vehicle purchase, would you be interested in any of the following contactless shopping options, assuming they were available and free of charge? Select all that apply.

<sup>3</sup>CarGurus CA 2021 Buyer Insight Report (n = 1,511)

CarGurus 2021 COVID-19 Sentiment Study, CA (n = 503)

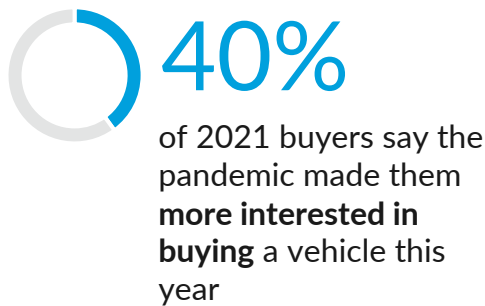
# Short-term trends

(1-2 years)

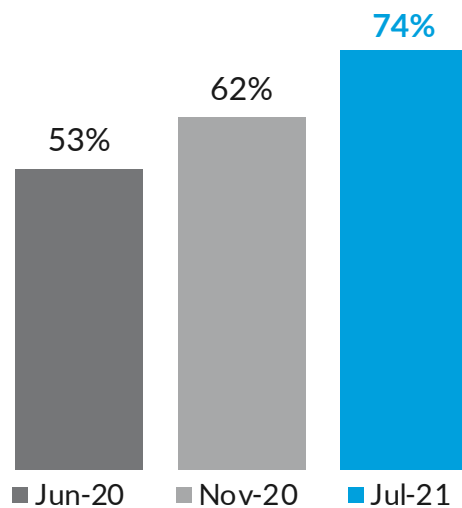
Demand Created from the COVID-19 Pandemic  
Near-term Expectations

# Demand Created from the COVID-19 Pandemic

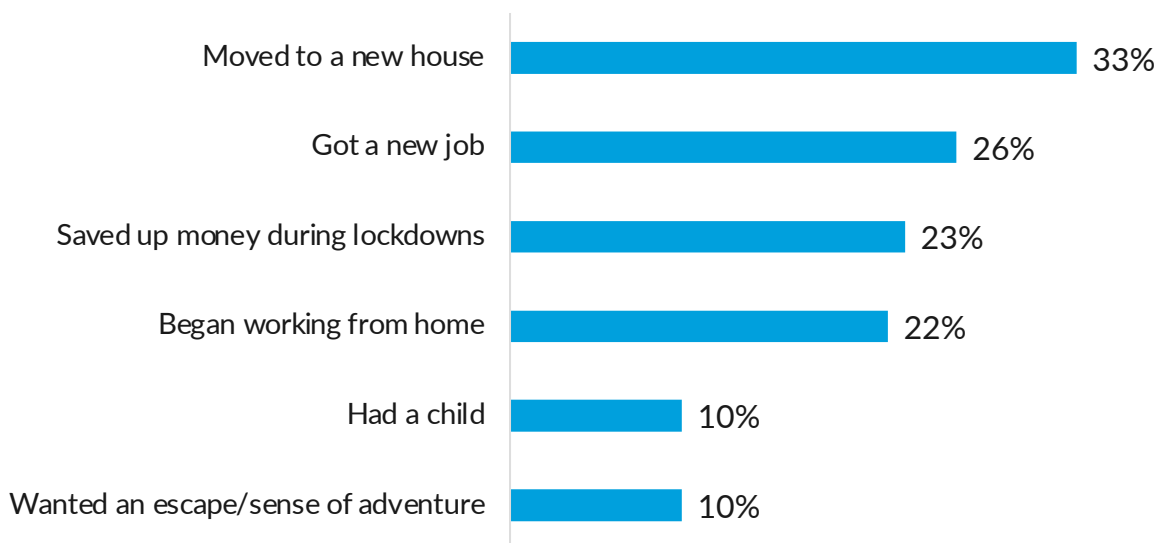
While the pandemic caused a huge disruption to the auto industry in 2020, we quickly saw buyer demand for vehicles bounce back. Buying confidence returned largely due to decreased spending during full and partial lockdowns. And in 2021, many people moved, got new jobs, or began working from home—and these events sparked vehicle purchases.



Confidence in Ability to Afford a Vehicle<sup>4</sup>



Which of these scenarios, if any, made you more likely to buy a car this year?  
*among 2021 buyers*



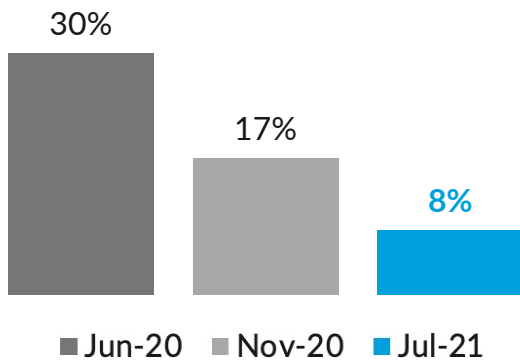
<sup>4</sup>How has/had COVID-19 impacted your confidence in your ability to afford a vehicle? Showing more confident/about the same  
CarGurus 2021 COVID-19 Sentiment Study, CA (n = 503)



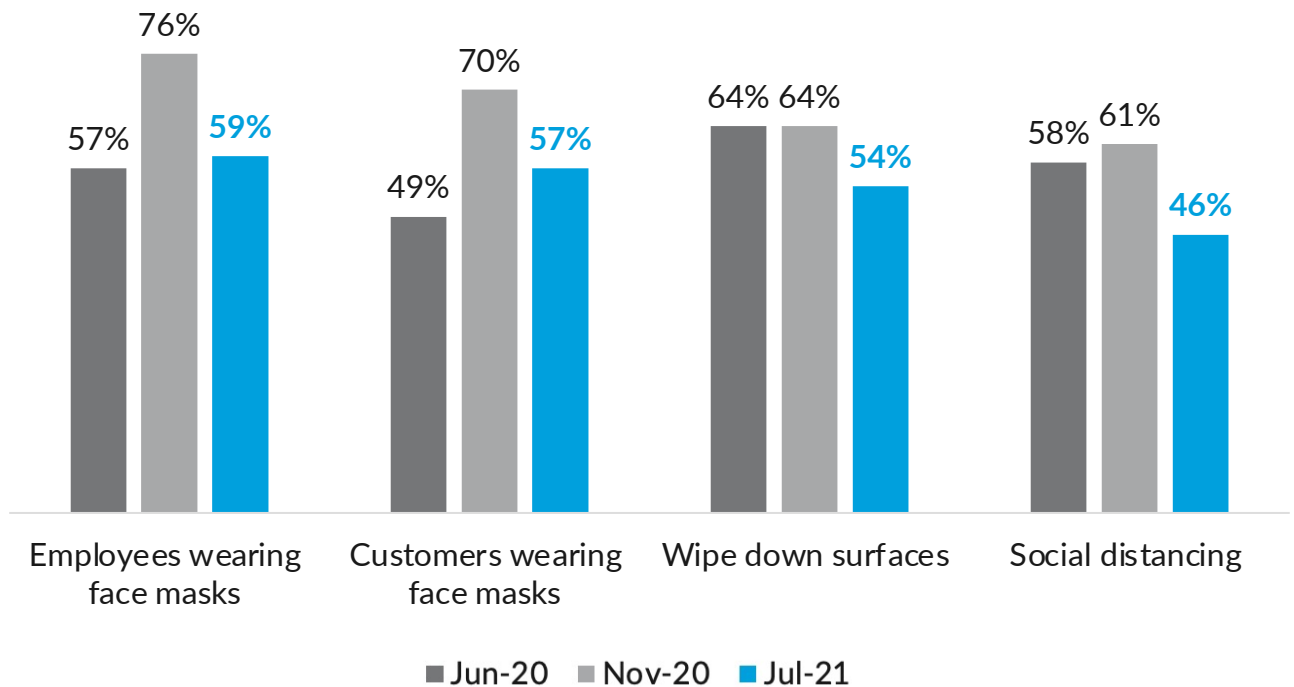
# Near-term Expectations

People are much more comfortable with shopping in stores this year, but dealers should continue to provide a safe experience. Over half of buyers still expect face masks (59% for employees, 57% for customers) and surface cleaning (54%).

Belief that Retail Activity is Harmful<sup>5</sup>



Shoppers' Expectations for Dealership Visit<sup>6</sup>



<sup>5</sup>Agreement with the statement 'It is a bad time to buy, retail activity puts myself and others at health risk'

<sup>6</sup>Which of these would you expect from a dealership you would visit in order to purchase a vehicle or get one serviced?

CarGurus 2021 COVID-19 Sentiment Study, CA (n = 503)

# CarGurus 2021 COVID-19 Sentiment Study

## *Implications for the automotive industry:*

1. **Demand for private mobility expected to remain high.** We should expect to see continued high demand for both new and used vehicles in the next year, in part due to decreased use of shared transportation. Roughly half of respondents do not expect to return to their pre-pandemic usage of ride sharing or public transit in the long-term (among previous users of these services).
2. **There's no going back on digital retail.** Consumers continue to express a desire for digital retail, with 63% of recent buyers preferring to do more of their vehicle buying process from home next time. However, 81% would still prefer to do an in-person test drive, highlighting the need for omnichannel support.

## *Recommendations for dealerships:*

1. **Prioritize digital retail in your sales process.** With most shoppers wanting to do more of the process online, it's important that dealers are equipped to handle these preferences. Implement digital retail products that allow shoppers to take the transaction as far as they want – and make sure your staff is trained to handle this new online business.
2. **Test new ways of acquiring inventory.** You can't rely on auctions to keep your lot stocked anymore. Consider investing in technology that allows you to acquire in-demand vehicles more efficiently in your local market, and perfect your trade-in process to keep your supply of used vehicles up on your lot.
3. **Continue to provide a safe, convenient buying process.** The dealership experience is crucial to winning more sales, and many shoppers expect contactless services to stick around long term. Continue to offer services like dealership appointments, solo and at-home test drives, and at-home delivery to ensure consumers feel comfortable shopping at your dealership.