



CarGurus®

**Canada COVID-19
Sentiment Study**



Methodology

In April 2020, CarGurus surveyed 500 Canadian shoppers on their sentiments toward car shopping during the COVID-19 pandemic. Of these, 59% intend to purchase a vehicle in 2020. The remaining 41% initially planned to, but have delayed their purchase.

Key takeaways

Lagging, but not lost

Auto sales are delayed, but most are not lost. Many shoppers are simply waiting for normal economic activity to return, and are actively shopping online in the meantime.

- **87%** of respondents expect to purchase later than they initially planned.
- Even among those planning to delay their purchase, over two-thirds (**68%**) are actively researching.
- Only **6%** who were planning to buy this year before the pandemic have now delayed their plans indefinitely.
- Expectations for when economic activity will resume are aligned with purchase plans.
 - Within 3 months, **23%** expect normal activity, and **33%** plan to purchase.
 - Within 6 months, **57%** expect normal activity, and **53%** plan to purchase.

Demand creation

Those who previously relied on ride-sharing and public transportation, and those who look forward to treating themselves once things return to normal, may drive new demand.

- **16%** of those planning to purchase a car in 2020 had not planned to before the pandemic.
- **51%** of those who previously used ride-sharing/taxis, and **54%** of those who previously used public transportation, expect to decrease their use of these services—or stop using them entirely—when economic activity resumes.
- Among those who will decrease or eliminate their use of these services, **65%** expect to increase usage of their personal vehicle, and **42%** expect to purchase a vehicle (either to replace their current car, or to purchase an additional one).
- **93%** of respondents look forward to treating themselves when businesses reopen, commonly by visiting restaurants, shopping at their favorite retailers, and traveling. **56%** of 2020's car buyers see their vehicle purchase as a way of treating themselves.

Contactless & online shopping

While most shoppers believe it's safer to purchase from a dealership than a private party, the vast majority of those who plan to buy this year prefer using contactless services. Furthermore, openness to buying online is higher than ever. However, most still prefer buying in-person, indicating that many shoppers value and miss the in-store experience.

- **67%** of respondents say it's safer to purchase from a dealership than a private party.
- **67%** of those intending to buy in 2020 would prefer using one or more contactless services like:
 - Virtual appointments with video tours of the vehicles they're interested in
 - Private dealership appointments that allow for unaccompanied test drives
 - At-home test drives
 - Home delivery
- Before the pandemic, **31%** of 2020 car buyers were open to buying online. Now, **62%** are.
- However, just **30%** of 2020 car buyers prefer making a contactless transaction, including payment by phone or email, and a similar number prefer (**28%**) vehicle delivery to their homes.
- The gap between openness (**62%**) and preference (**30%**) shows that many shoppers value and miss the in-store experience.

Additional takeaways

Economic uncertainty & vehicle purchases

- Economic uncertainty is cited as the biggest barrier to purchase right now.
 - **32%** of those planning to buy this year are worried about economic uncertainty.
 - **27%** believe that purchasing now puts people at risk.
 - **24%** say it's a bad time because many dealerships are not open.
- On the other hand, many planning to buy in 2020 believe it's a good time to do so.
 - **35%** expect it to be a favorable time to buy because sellers will offer deals that aren't usually available. Dealers and manufacturers looking to win more sales in the near-term should consider exclusive deals.
 - **19%** say it's a good time to buy because they want to support local businesses.
- Although many shoppers are experiencing economic hardships (**41%** say their finances have been negatively impacted by the crisis), **61%** of those planning to buy this year say they will maintain, if not increase, their budgets.
- For many, a vehicle purchase is essential. **71%** of those planning to buy this year cited the purchase as necessary.

Impact on servicing

- Among those who currently need to service a vehicle, over two-thirds (**68%**) say they have delayed their service or plan to.
- Shoppers say they would feel more comfortable taking their car in for service if dealers:
 - Adhere to recommended sanitation guidelines (**66%**)
 - Are transparent about the steps they're taking (**59%**)
 - Require that their mechanics wear gloves and masks at all times (**59%**)
 - Offer contactless pickup and drop-off (**53%**)

Detailed results

Results are reported among all respondents unless otherwise noted.

Are you planning any delay in your next vehicle purchase as a result of COVID-19?

Yes	87%
No	13%

When do you plan to purchase your next vehicle?

Shortly after restrictions lift	16%
Within the next month	4%
1-3 months from now	12%
4-6 months from now	21%
7-12 months from now	28%
More than a year from now	13%
Not sure	5%

Which of these best describes why you're planning to purchase a vehicle in 2020? Select up to 3.

Want an upgrade or something new	41%
Previous vehicle needs replacement soon	36%
Want to treat myself	22%
Want to take advantage of a sale and/or special offer	21%
Current/previous vehicle no longer suits my lifestyle	18%
Major life event: new home, new job, expecting a child, etc.	12%
Financial reasons: I want/need a less costly car	11%
Purchasing my first vehicle or an additional vehicle for my household	11%
Previous vehicle no longer functional: accident, breakdown, etc.	9%
Lease expiring on my current/previous vehicle	9%
Paid off the loan on my current/previous vehicle	6%

Are you actively researching vehicles during this time?

Among those currently planning to purchase a vehicle in 2020

Yes	78%
No	22%

Outside of personal situation, do you think it's a good or bad time to buy a vehicle right now? Select all that apply.

Among those currently planning to purchase a vehicle in 2020

It's a good time. Sellers will offer deals that aren't usually available.	35%
It's a good time. I want to support local business.	19%
It's a bad time. There is too much economic uncertainty.	32%
It's a bad time. Retail activity puts people at risk.	27%
It's a bad time. Many dealerships aren't open.	24%

Outside of your personal preference, do you think it's safer to purchase a vehicle from a dealership or a private individual right now?

It's safer to purchase from a dealership	67%
It's safer to purchase from a private party	9%
Not sure	24%

How has COVID-19 affected what vehicle condition you're considering?

I was planning to purchase new, and still plan to	58%
I was planning to purchase new, but now plan to purchase used	14%
I was planning to purchase used and still plan to	16%
I was planning to purchase used, but now plan to purchase new	4%
Not sure	8%

How has COVID-19 affected what body style you plan to purchase?

	SUV/Crossover	Pickup Truck	Sedan/Hatchback	Other	Not Sure
Before, I had planned to purchase...	52%	9%	32%	5%	2%
Now, I plan to purchase...	48%	7%	34%	4%	7%

How has COVID-19 impacted your car-shopping budget?

Among those currently planning to purchase a vehicle in 2020

My budget has decreased	32%
My budget hasn't changed	57%
My budget has increased	4%
Not sure	7%

When you make your next vehicle purchase, would you prefer using contactless options and/or vehicle delivery if the seller offered it?

Among those currently planning to purchase a vehicle in 2020

Yes	67%
No	33%

What type(s) of contactless option(s) are you interested in, assuming they're available and free of charge? Select all that apply.

Among those currently planning to purchase a vehicle in 2020 and interested in contactless options

Private dealership appointments: A specific time to visit the dealer for an unaccompanied test drive	61%
Free home drop-offs: The dealer will deliver the vehicle to you free of charge	41%
Free at-home test drives: A no-commitment, free test drive at home	44%
Virtual appointments: A virtual meeting with the dealer and a video tour of the vehicle	42%
Contactless purchases: Pay for and finance the vehicle by phone or email, and have paperwork delivered	44%

How open are you to buying a car completely online since the spread of COVID-19?

Among those currently planning to purchase a vehicle in 2020

I wasn't open to buying completely online before, and I'm not open now	38%
I wasn't open to buying completely online before, but now I am	32%
I was open to buying completely online before, and I still am	24%
I was open to buying completely online before, and my interest is even greater now	6%

Have you delayed, or do you plan to delay, servicing your vehicle as a result of COVID-19?

Among vehicle owners

I have delayed servicing my vehicle, or plan to	48%
I have serviced my vehicle as planned, or intend to	23%
My vehicle does not currently require servicing	28%

**Which of these would make you feel comfortable taking your car in for service right now?
Select all that apply.**

Among vehicle owners

They follow recommended sanitation guidelines for door handles, steering wheels, etc.	66%
They're transparent about the steps they're taking to address cleanliness	59%
Mechanics wear gloves and masks at all times	59%
They offer contactless pickup and drop-off	53%
They use plastic coverings for vehicle interiors	46%

When do you expect normal economic activity to resume in your area?

Within the next month	4%
1-3 months from now	19%
4-6 months from now	34%
7-12 months from now	21%
A year or more from now	14%
Not sure	8%

When economic activity resumes, do you expect to change how you use taxi or ride-sharing services (e.g. Uber, Lyft)?

Among those who used these services before the spread of COVID-19

I expect to use them more	18%
I expect to use them the same amount	31%
I expect to use them less	34%
I don't expect to use them at all	16%

When economic activity resumes, do you expect to change how you use public transportation?

Among those who used these services before the spread of COVID-19

I expect to use it more	11%
I expect to use it the same amount	36%
I expect to use it less	39%
I don't expect to use it at all	14%

Which of these do you plan to do as a result of decreasing or eliminating your use of public transportation, ride-sharing, or taxis? Select all that apply.

Among those who plan to decrease or eliminate usage of these services

Increase usage of my personal vehicle	65%
Replace my personal vehicle	26%
Purchase an additional vehicle for my household	19%

When economic activity resumes, how do you plan to treat yourself? Select all that apply.

Among those currently planning to purchase a vehicle in 2020

Visit restaurants	60%
Vehicle purchase	56%
Retail shopping	49%
Travel	43%
Personal care	35%
Large purchase (furniture, appliances)	21%
Home purchase	10%
None of the above	7%

How has your financial situation been impacted by COVID-19?

I wasn't employed before the crisis	20%
I was employed, but I lost my job or am unable to work	19%
I'm still employed, but my income has decreased	23%
I'm still earning what I was before, but I worry my income will decline	18%
I'm still earning what I was before, and I expect I'll continue to	17%
I'm earning more than I was before	3%