

**CarGurus®**

**UK COVID-19 Sentiment Study**



## Methodology

In April 2020, CarGurus surveyed 501 UK shoppers on their sentiments toward car shopping during the COVID-19 pandemic. Of these, 63% intend to purchase a vehicle in 2020. The remaining 37% initially planned to, but have delayed their purchase.

## Key takeaways

### Lagging, but not lost

Car sales are delayed, but most are not lost. Financial hardships are likely to push more buyers to used or approved used. Nonetheless, buyers seem eager to purchase once restrictions lift, 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, three-quarters (**75%**) are actively researching.
- Only **4%** who were planning to buy this year before the pandemic have now delayed their plans indefinitely
- **37%** of respondents who initially planned to buy new now plan to buy used or approved used.
- Nearly a quarter (**24%**) of buyers plan to purchase as soon as restrictions lift. **43%** plan to purchase within 3 months, and **63%** plan to purchase within 6 months.

### Demand creation

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

- **15%** of those planning to purchase a car in 2020 had not planned to before the pandemic.
- **48%** of those who previously used ride-sharing or taxi services expect to decrease their use of these services—or stop using them entirely—when economic activity resumes. Among them:
  - **53%** expect to increase usage of their personal vehicle.
  - **52%** expect to purchase a vehicle (either to replace their current car, or to purchase an additional one).
- **44%** of those who previously used public transportation expect to use it less—or stop using it entirely—when economic activity resumes.
  - **32%** expect to use their personal vehicle more
  - **32%** expect to purchase a vehicle (either to replace their current car, or to purchase an additional one).
- **94%** of respondents look forward to treating themselves when businesses reopen, commonly by visiting restaurants, traveling, and shopping at their favorite retailers. **48%** of 2020 car buyers see vehicle purchases as a way to treat themselves.

### Contactless & online shopping

While most buyers believe it's safer to purchase from a dealership than a private party, the vast majority of those planning to buy this year prefer using contactless services when offered by the dealer. Furthermore, openness to buying online is higher than ever.

- **62%** of respondents say it's safer to purchase from a dealership than a private party.
- **78%** 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, **36%** of 2020 car buyers were open to buying online. Now, **64%** are.
- However, just **27%** of 2020 car buyers prefer making a contactless transaction, including payment by phone or email. The same number (**27%**) prefer having a vehicle delivered to their home.
- The gap between openness (**64%**) and preference (**27%**) shows that many buyers value and miss the in-store experience.

## Additional takeaways

### Economic uncertainty & vehicle purchases

- Dealership closures and economic uncertainty are cited as the biggest barriers to purchase right now.
  - **32%** say it's a bad time to buy because many dealerships are not open.
  - **30%** of those planning to buy this year are worried about economic uncertainty.
  - **26%** believe that purchasing now puts people at risk.
- On the other hand, many planning to buy in 2020 believe it's a good time to do so.
  - **28%** 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 offering exclusive deals.
  - **23%** say it's a good time to buy because they want to support local businesses.
- For many, a vehicle purchase is essential. **64%** of those planning to buy this year cited the purchase as a necessity.

### Expectations for replies from dealers

- Despite the current situation, buyers still have high expectations for dealers when it comes to replying in a timely manner. **86%** of respondents said they expect a reply within 24 hours or less; among them, two-thirds (**67%**) expect a reply in 6 hours or less.

## 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 make your next vehicle purchase?

Among all respondents

Shortly after restrictions lift	24%
Within the next month	7%
1-3 months from now	12%
4-6 months from now	21%
7-12 months from now	22%
More than a year from now	11%
Not sure	4%

### When do you plan to make your next vehicle purchase?

Among those currently planning to purchase a vehicle in 2020

Shortly after restrictions lift	31%
Within the next month	10%
1-3 months from now	19%
4-6 months from now	26%
7-12 months from now	10%
More than a year from now	3%
Not sure	1%

**Which of these best describe the reason(s) you're planning to purchase a vehicle in 2020?  
Select up to 3.**

Want an upgrade or something new	34%
Previous vehicle needs replacement soon	33%
Want to treat myself	25%
Want to take advantage of a sale and/or special offer	19%
Current/previous vehicle no longer suits my lifestyle	14%
Financial reasons: I want/need a less costly car	11%
Major life event: new home, new job, expecting a child, etc.	11%
Paid off the loan on my current/previous vehicle	10%
Lease expiring on my current/previous vehicle	10%
Previous vehicle no longer functional: accident, breakdown, etc.	10%
Purchasing my first vehicle or an additional vehicle for my household	6%

**Are you actively researching vehicles during this time?**

Among those currently planning to purchase a vehicle in 2020

Yes	84%
No	16%

**Outside of your 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.	28%
It's a good time. I want to support local business.	23%
It's a bad time. Many dealerships aren't open.	32%
It's a bad time. There is too much economic uncertainty.	30%
It's a bad time. Retail activity puts people at risk.	26%

**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	62%
It's safer to purchase from a private party	14%
Not sure	24%

**How have your plans about what condition of vehicle to purchase been impacted by COVID-19?**

I was planning to purchase new, and still plan to	35%
I was planning to purchase new, but now plan to purchase used	20%
I was planning to purchase used and still plan to	32%
I was planning to purchase used, but now plan to purchase new	3%
Not sure	10%

## How have your plans about what body style of vehicle to purchase been impacted by COVID-19?

	SUV/CUV	Pickup Truck	Saloon/Hatchback	Other	Not Sure
Before, I had planned to purchase...	25%	9%	46%	11%	10%
Now, I plan to purchase...	22%	8%	47%	12%	12%

## How have your plans about how much to spend on your next vehicle been impacted by COVID-19?

Among those currently planning to purchase a vehicle in 2020

My budget has decreased	31%
My budget has not changed	56%
My budget has increased	9%
Not sure	4%

## 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	78%
No	22%

## 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	59%
Home drop-offs: The dealer will deliver the vehicle to you	35%
At-home test drives: A no-commitment test drive at home	43%
Virtual appointments: A virtual meeting with the dealer and a video tour of the vehicle	39%
Contactless purchases: Pay for and finance the vehicle by phone or email, and have paperwork delivered	35%

## 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	36%
I wasn't open to buying completely online before, but now I am	28%
I was open to buying completely online before, and I still am	26%
I was open to buying completely online before, and my interest is even greater now	10%

## After contacting a dealership about a vehicle purchase, what are your expectations for the timing of their reply?

2 hours or less	33%
6 hours or less	58%
12 hours or less	68%
24 hours or less	86%

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

Within the next month	3%
1-3 months from now	19%
4-6 months from now	33%
7-12 months from now	25%
A year or more from now	14%
Not sure	6%

## 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	15%
I expect to use them the same amount	38%
I expect to use them less	35%
I don't expect to use them at all	13%

## Which of these do you plan to do as a result of decreasing or eliminating your use of taxi or ride-sharing services (e.g. Uber, Lyft)? Select all that apply.

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

Increase usage of my personal vehicle	53%
Replace my personal vehicle	44%
Purchase an additional vehicle for my household	11%

## 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	21%
I expect to use it the same amount	35%
I expect to use it less	35%
I don't expect to use it at all	9%

## Which of these do you plan to do as a result of decreasing or eliminating your use of public transportation? Select all that apply.

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

Increase usage of my personal vehicle	32%
Replace my personal vehicle	27%
Purchase an additional vehicle for my household	7%

## 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

Vehicle purchase	48%
Retail shopping	39%
Travel	38%
Visit restaurants	38%
Personal care	28%
Large purchase (furniture, appliances)	19%
Home purchase	12%
None of the above	6%

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

I wasn't employed before the crisis	17%
I was employed, but I lost my job or am unable to work	12%
I'm still employed, but my income has decreased	29%
I'm still earning what I was before, but I worry my income will decline	17%
I'm still earning what I was before, and I expect I'll continue to	22%
I'm earning more than I was before	3%