



**CarGurus**

**U.S. COVID-19 Sentiment Study**



## Methodology

In April 2020, CarGurus surveyed 722 U.S. shoppers on their sentiments toward car shopping during the COVID-19 pandemic. Of these, 73% intend to purchase a vehicle in 2020. The remaining 27% 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 actively shopping online in the meantime.

- **79%** 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 **8%** 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.
  - o Within 3 months, **31%** expect normal activity, and **39%** plan to purchase.
  - o Within 6 months, **61%** expect normal activity, and **64%** 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.

- **20%** of those planning to purchase a car in 2020 had not planned to before the pandemic.
- **39%** of those who previously used ride-sharing, and **45%** 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, **49%** expect to increase usage of their personal vehicle, and **41%** expect to purchase a vehicle (either to replace their current car, or to purchase an additional vehicle).
- **92%** of respondents look forward to treating themselves when businesses reopen, most commonly by visiting restaurants, shopping at their favorite retailers, and indulging in personal care. **42%** of 2020's car buyers see their vehicle purchase as a way to treat themselves.

### Contactless & online shopping

Car shoppers are more open, and more likely to prefer, buying online since the spread of COVID-19. However, most still prefer buying in-person. To address this in the near-term, dealers can offer contactless services.

- Before the pandemic, **32%** of car buyers were open to buying online. Now, **61%** are.
- Before the pandemic, **19%** preferred buying online. Now, **39%** do.
- Before the pandemic, **36%** preferred financing online. Now, **54%** do.
- The gap between openness (**61%**) and preference (**39%**) shows that many shoppers value and miss the in-store experience.
- **66%** of those intending to buy in 2020 would prefer to use contactless services like:
  - o Virtual appointments with video tours of the vehicles they're interested in
  - o Private dealership appointments that allow for unaccompanied test drives
  - o At-home test drives
  - o Home delivery

## Additional takeaways

### Economic uncertainty & vehicle purchases

- Economic uncertainty is cited as the biggest barrier to purchase right now.
  - **31%** of those planning to buy this year are worried about economic uncertainty.
  - **22%** believe that purchasing now puts people at risk.
  - **21%** 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.
  - **37%** 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.
  - **28%** say it's a good time to buy because they want to support local businesses.
- Although many shoppers are experiencing economic hardships (**39%** say their finances have been negatively impacted by the crisis), **58%** of those planning to buy this year say they will maintain, if not increase, their budgets.
- For many, a vehicle purchase is essential. **68%** 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 half (**54%**) say they have delayed their service or plan.
- Shoppers say they would feel more comfortable taking their car in for service if dealers:
  - Adhere to CDC guidelines (**66%**)
  - Are transparent about the steps they're taking (**55%**)
  - Require that their mechanics wear gloves and masks at all times (**51%**)
  - Offer contactless pickup and drop-off (**47%**)

## 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	79%
No	21%

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

Shortly after restrictions lift	13%
Within the next month	7%
1-3 months from now	18%
4-6 months from now	25%
7-12 months from now	19%
More than a year from now	9%
Not sure	8%

### 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	33%
Previous vehicle needs replacement soon	32%
Want to take advantage of a sale or special offer	22%
Major life event (new home, new job, expecting a child, etc.)	14%
Previous vehicle no longer functional (accident, breakdown, etc.)	13%
Want to treat myself	13%
Current vehicle no longer suits my lifestyle	13%
Financial reasons	10%
Paid off the loan on my current vehicle	10%
Purchasing my first vehicle or an additional vehicle	9%
Lease expiring on my current vehicle	7%

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

Among those currently planning to purchase a vehicle in 2020

Yes	77%
No	23%

### 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.	37%
It's a good time. I want to support local business.	28%
It's a bad time. There is too much economic uncertainty.	31%
It's a bad time. Retail activity puts people at risk.	22%
It's a bad time. Many dealerships aren't open.	21%

### 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	61%
It's safer to purchase from a private party	16%
Not sure	23%

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

	New	Used	CPO	Not Sure
Before, I had planned to purchase...	39%	34%	19%	9%
Now, I plan to purchase...	37%	31%	16%	15%

### 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...	43%	16%	27%	7%	8%
Now, I plan to purchase...	40%	15%	28%	7%	10%

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

My budget has decreased	39%
My budget hasn't changed	44%
My budget has increased	7%
Not sure	10%

## 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	66%
No	34%

## 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	57%
Free home drop-offs: The dealer will deliver the vehicle to you free of charge	45%
Free at-home test drives: A no-commitment, free test drive at home	45%
Virtual appointments: A virtual meeting with the dealer and a video tour of the vehicle	45%

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

I wasn't open to buying completely online before, and I'm not open now	39%
I wasn't open to buying completely online before, but now I am	29%
I was open to buying completely online before, and I still am	23%
I was open to buying completely online before, and my interest is even greater now	9%

## In your ideal purchase process, which of these steps would happen online instead of in-person? Select all that apply.

	Feb 2020*	Apr 2020
Test drive (or similar, such as virtual reality)	9%	25%
Trade-in valuation	34%	38%
Price negotiation	25%	65%
Financing	36%	54%
Purchase	19%	39%

\* February 2020 data from the CarGurus 2020 Buyer Insight study, n=3000

## 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	40%
I have serviced my vehicle as planned, or intend to	34%
My vehicle does not currently require servicing	26%

**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 CDC sanitation guidelines for door handles, steering wheels, etc.	66%
They're transparent about the steps they're taking to address cleanliness	55%
Mechanics wear gloves and masks at all times	51%
They offer contactless pickup and drop-off	47%
They use plastic coverings for vehicle interiors	43%

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

Within the next month	5%
1-3 months from now	26%
4-6 months from now	30%
7-12 months from now	19%
A year or more from now	10%
Not sure	10%

**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	43%
I expect to use them less	28%
I don't expect to use them at all	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	19%
I expect to use it the same amount	36%
I expect to use it less	33%
I don't expect to use it at all	12%

**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	49%
Replace my personal vehicle	26%
Purchase an additional vehicle for my household	17%

## 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	50%
Retail shopping	43%
Vehicle purchase	42%
Personal care	40%
Travel	40%
Large purchase (furniture, appliances)	17%
Home purchase	13%

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

I wasn't employed before the crisis	18%
I was employed, but I lost my job or am unable to work	20%
I'm still employed, but my income has decreased	20%
I'm still earning what I was before, but I worry my income will decline	15%
I'm still earning what I was before, and I expect I'll continue to	24%
I'm earning more than I was before	3%