

# DIGITAL RETAIL BY THE NUMBERS

Below are some quick statistics about the current car buying process and what customers want when shopping for a car online.



**99%** of customers are not satisfied with the **current car buying process**.  
17 out of 4,002 are satisfied with current buying process

Source: 2016 AutoTrader Car Buyer of the Future Study



**83%** of consumers want to shop online to save time

Source: Cox Automotive 2019 Car Buyer Journey Study



Buyers spend **3+ hours** in the showroom when the negotiations, trade-in, paperwork, F&I and after market sales are handled at the dealership

Source: Cox Automotive 2019 Car Buyer Journey Study

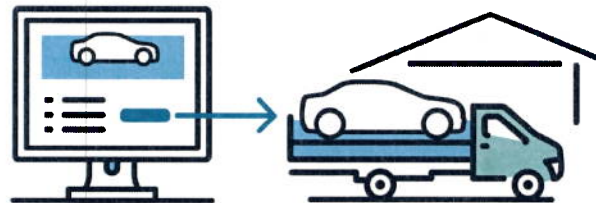


**80%** of buyers use **third-party sites** when buying a car

Source: Cox Automotive 2019 Car Buyer Journey Study



**58%** of car buyers are unsatisfied with how long the process took



**43%** of auto shoppers want to do the entire **transaction online** without ever visiting a dealer (**Pre-COVID-19**)

# Car buying has changed forever



Joann Muller, author of [Navigate](#)



Illustration: Sarah Grillo/Axios

It took a pandemic to drag the car-buying process into the 21st century — and consumers are never going back.

**Why it matters:** After COVID-19, consumers can now buy cars online as they do almost everything else, with the ability to complete the entire transaction digitally and take delivery without ever setting foot in a showroom.

**The big picture:** While most other commercial transactions — even banking — went digital years ago, car-buying remained a stubbornly low-tech, often aggravating, process.

- But when the public health crisis paralyzed their industry, car dealers had little choice but to embrace the disruptive changes they'd been resisting for decades.
- They scrambled to install new software that would let customers browse inventory, apply for credit and choose a payment schedule.
- And they offered virtual test drives to demonstrate in-car technology and arranged "touchless" vehicle pickup and delivery.

*"Consumers really like it. Surveys show they want more of it, and dealers are getting on board that this is how it's going to be."*

— Michelle Krebs, executive analyst at Cox Automotive

**The backstory:** Technology entrepreneurs — and sometimes even carmakers themselves — have tried for years to modernize the car-buying process.

- In the early 2000s, Ford even tried (unsuccessfully) to buy and operate dealerships in competition with its independently franchised dealers, thinking it could run them better.
- Since then, newcomers have tried various digital retailing efforts, but none with any great success.

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- Car dealers, protected by state franchise laws, often were the biggest obstacles to change.
- Tesla's direct-to-consumer sales model, for example, met fierce resistance from dealers in many states, requiring lengthy court battles or negotiated settlements with state governments, though Tesla eventually won.

**For the record:** Some progressive dealers have been exploring online sales initiatives for several years.

- But many worried their profit margins would suffer if they weren't able to upsell buyers with extras like extended warranties or plush floor mats.
- It turns out that dealers are more profitable than ever since shifting to online sales, Krebs noted.
- "The deal happens faster because the consumer knows exactly what they want, and there's not a lot of haggling on the price," she said.
- **Yes, but:** Prices are high also because inventories are limited due to COVID-related factory shutdowns earlier in the year.

**The state of play:** Dealers are now touting their "omnichannel" tech strategy to provide consumers a seamless buying experience whether they shop online, in store or both.

- Nissan, for example, just launched a [new online shopping platform](#) called Nissan@home that lets prospective buyers schedule a test drive, sign the paperwork and arrange delivery of their new vehicle from their computer or mobile device.
- Sonic Automotive, a large publicly traded dealer group, recently hired its first [chief digital officer and vice president of e-commerce](#) with the goal of doubling its annual revenue by 2025.

**The bottom line:** A three- or four-hour showroom visit can be compressed into a 15-minute online purchase.

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## **VOLi Creative | VIRTUAL CAR SHOPPING**

<b>NBC NIGHTLY NEWS WITH LESTER HOLT</b>	<b>TRANSCRIPT</b>
	<p>In just 60 seconds, how the Covid crisis is driving a revolution in the way we buy cars. Like so many businesses, the car industry has had to adapt to life in a pandemic. For many, buying and selling is now done with far less human contact. Jolene Kent, now with the price you pay. The pandemic is revving up, car shopping from the comfort and safety of home with walk-in visits to dealerships down 14% due to COVID-19, more shoppers are buying online instead of in person. Consumers don't want to necessarily come into the store and spend as much time. Web Traffic - that's really become the new front door. In fact, GM says the number of customers who bought their vehicle virtually has roughly tripled compared to before the pandemic. Toyota, Lexus, CarMax, and Carvana will personally deliver your new wheels to you too. And if you're on the fence, CarMax will let you test drive a vehicle of your choice for 24 hours before you decide. It gives him an assurance that, hey, this is the right car for me. Is this trend going to continue after the pandemic? Yeah, I think this is a lasting trend and consumers will continue to want to do more things online. They're going to expect this to be a very simple and seamless process. But remember the rules of the road for how much you pay still apply even on line. Always shop around, compare prices, and if possible bargain for a better deal, Lester. Hard to kick the tires online. Alright, thanks. Up next, What are the odds? More than one billion up for grabs?</p>

**FitzAuto**

Internet Leads jumped 50.1% during the height of COVID lockdown.  
 Consumers want accurate information online.

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Lead Report Results for 4/1/2020 to 5/30/2020 for All Vehicles

Company Totals	Total Leads		Walkin Leads		Internet Leads			Phone Leads		Other Leads	
	Total	Sold %	Total	Sold %	Total	Engage %	Sold %	Total	Sold %	Total	Sold %
Company Totals	30989	3636 11.7%	2405	901 37.5%	23653	69.6%	26 7.0%	1648	4116 25.5%	815	39 39



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Company Totals	26243	4351 16.6%	6401	2234 34.9%	15678	60.2%	36 7.4%	1161	4031 23.5%	133	8 8