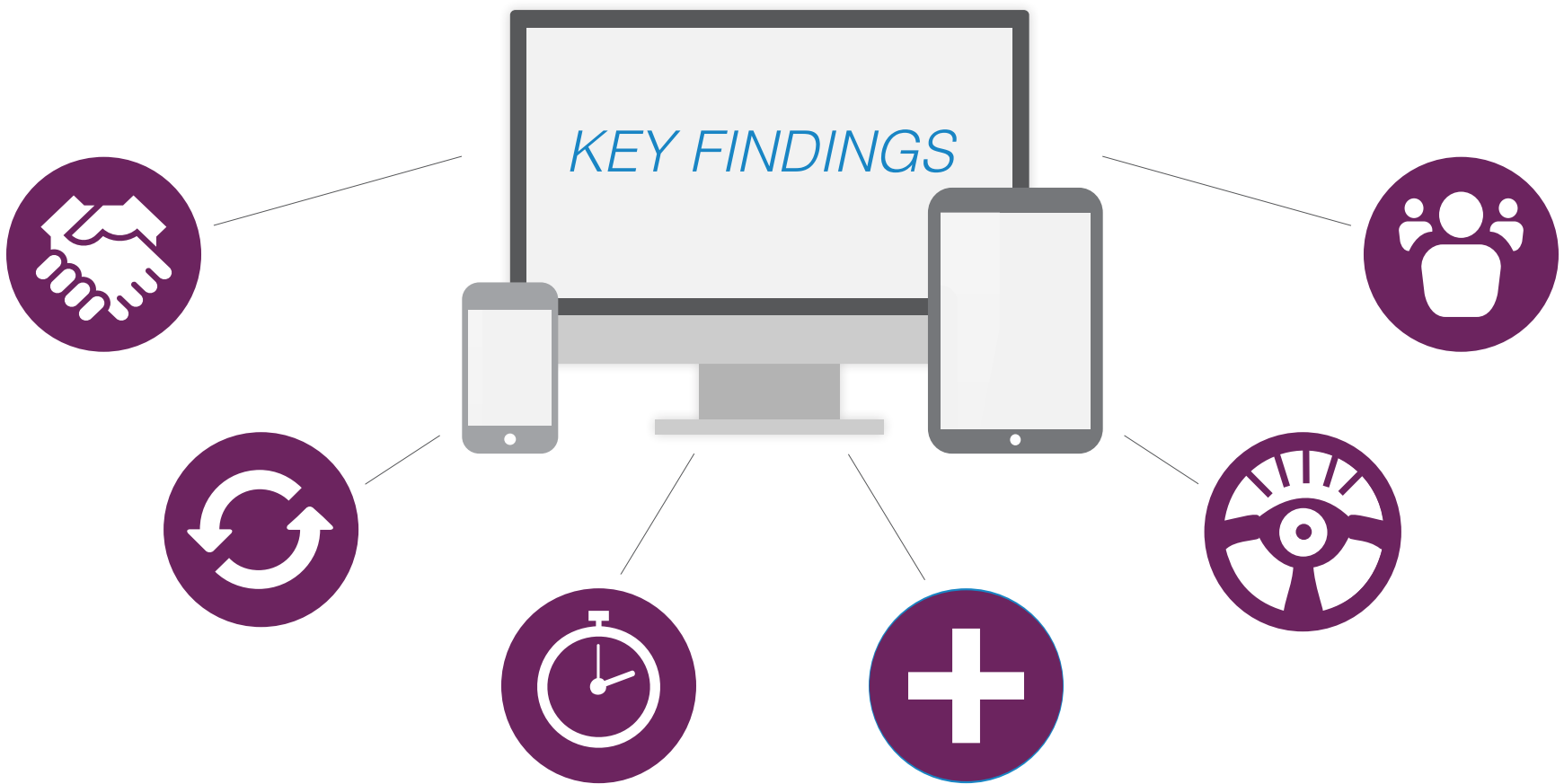
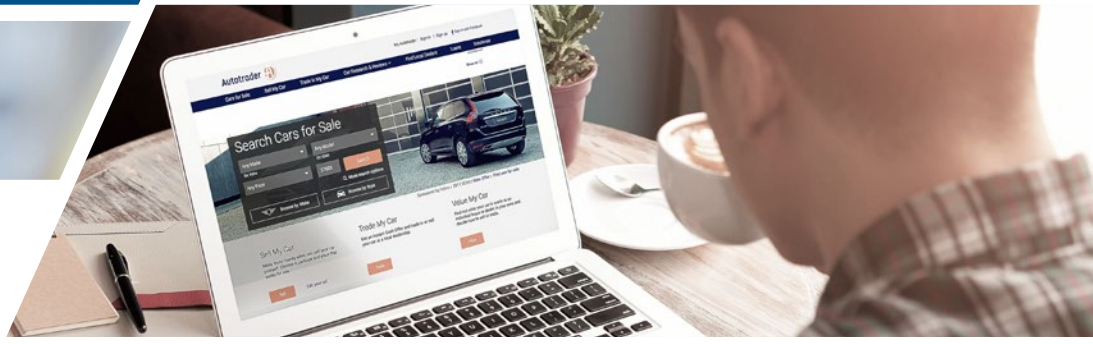


We asked consumers about the digital experience as it pertains to the automotive shopping/buying experience.



MOST CONSUMERS want the ability to do a number of automotive shopping/buying activities online, viewing digital retailing as convenient and saving them time.



Some of the top wants focus on the ability to take a **360° TOUR OF THE VEHICLE**, reserve a vehicle for a test drive and negotiate online.



In general, consumers seem just as comfortable with the idea of negotiating digitally as they are with in-person negotiations, and a majority of consumers say they would **PREFER A DIGITAL NEGOTIATION PROCESS** over the current in-person process if given both options.



Further, a majority of consumers would have more **POSITIVE IMPRESSIONS OF A DEALER IF THEY OFFERED A DIGITAL NEGOTIATION OR FINANCING PROCESS**, would be more likely to return to a dealer that offered these options and would be more likely to shop for a vehicle further from home if they knew a dealer offered a digital buying process.



Still some barriers exist for some consumers: the most common being security concerns over giving out personal information online, the inability to physically inspect the vehicle, and the inability to see visual cues during the negotiation process. Additionally, consumers are unsure how the test drive and online negotiation process will happen logistically and some are **UNCOMFORTABLE NEGOTIATING A VEHICLE THEY HAVE YET TO TEST DRIVE**.



Additionally, more than 2 in 5 consumers feel **IT IS IMPORTANT TO HAVE A PERSONAL CONNECTION** with their automotive salesperson.

TOP TAKEAWAYS

1 GIVE CONSUMERS OPTIONS when it comes to the car shopping/buying process – both digitally and in-person.

2 When digital options are selected for phases, such as negotiations, **LOOK FOR OTHER PERSONAL TOUCHES OR IN-PERSON OPPORTUNITIES** that can be used to build relationships with customers.

3 ONE-PRICE DEALERSHIPS ARE THE LOWEST HANGING FRUIT to overcome many of the consumer concerns related to digital retailing, given that negotiation and test driving are not linked like they are in traditional dealerships.

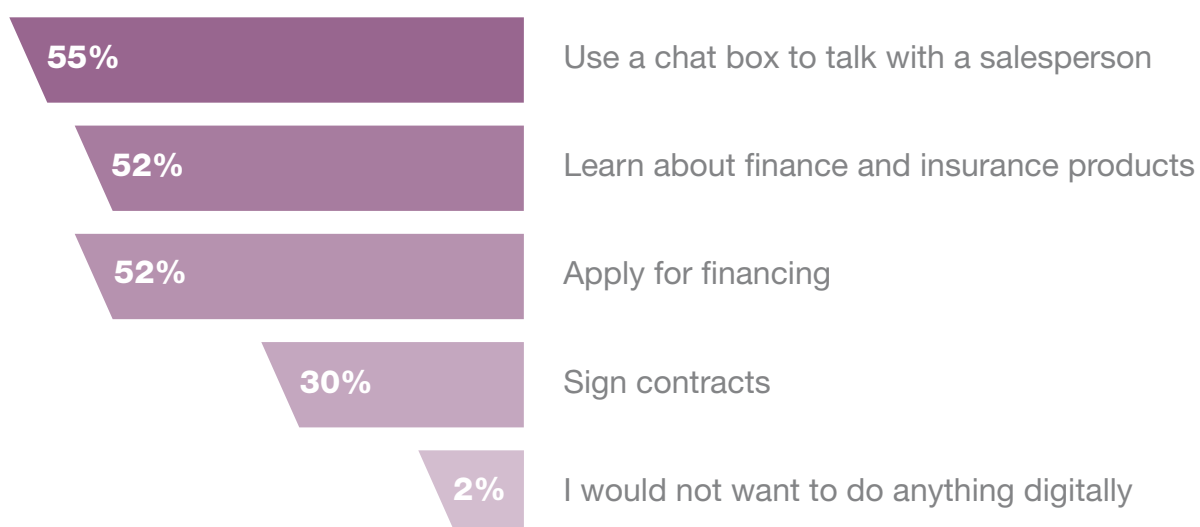
AUTOMOTIVE SHOPPING/BUYING ACTIVITIES CONSUMERS WANT TO DO ONLINE

Nearly all consumers (98%) want the ability to do at least some piece of the car shopping/buying process online, suggesting that dealers should incorporate at least some aspect of digital retailing into their offerings.

TOP THREE WANTS



OTHER ACTIVITIES



ADVANTAGES

SAVES TIME

You don't waste so much time at the dealer.

CONVENIENT

Convenience—you can do from your home or wherever you are. You can also do it at a time that is convenient for you.

BETTER RESEARCH

Shopping digitally also allows you to bring up information on cars, dealers, etc., to compare much more easily.

LESS STRESS

I would feel less pressure from the dealerships. **77**

DISADVANTAGES

SECURITY

You may have to disclose personal information over the internet.

IMPERSONAL

Just not that personal.

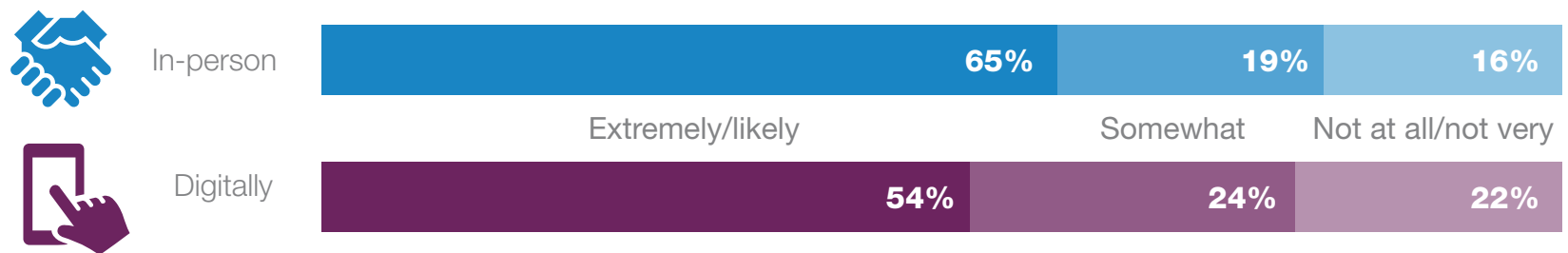
MISUNDERSTANDINGS

Having questions answered is more difficult, can make mistakes online.

NO PHYSICAL INSPECTION/TEST DRIVE

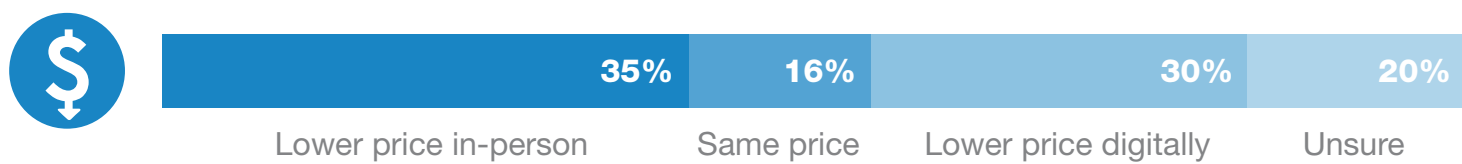
Not able to test drive the vehicle and inspect it first-hand. **77**

COMFORT NEGOTIATING PRICE



While a majority of consumers say they are comfortable negotiating price digitally, one-quarter of consumers just are not comfortable. Further, consumers overall are slightly more comfortable negotiating in-person vs. digitally (most likely because that is what they know).

IMPACT ON FINAL PRICE



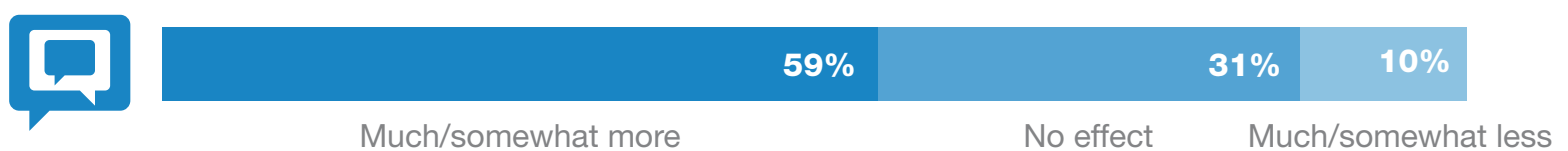
Just 30% of consumers think they would get a lower price by negotiating digitally. This is somewhat counter to dealers' views that digital retailing will make car shopping more price-driven.

LEVERAGE NEGOTIATING PRICE

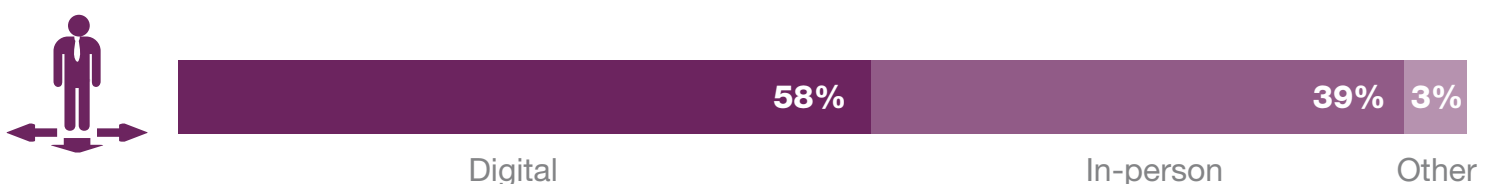


Consumers are divided as to if they would have more or less leverage negotiating online vs. in-person. This is counter to dealers' views that one of the core benefits of digital retailing for consumers is that it would give the consumer more leverage in negotiations.

LIKELIHOOD TO NEGOTIATE DIGITALLY IF GIVEN OPTION



METHOD OF CHOICE IF BOTH OPTIONS AVAILABLE



Despite some uncertainty around the unknown, still a large majority of consumers would choose a digital negotiation process if given the option of either digital or in-person.

ONLINE FINANCING APPLICATION



Comfort Submitting Financing Application Online Before Visiting Dealership



DIGITAL RETAILING IMPACT

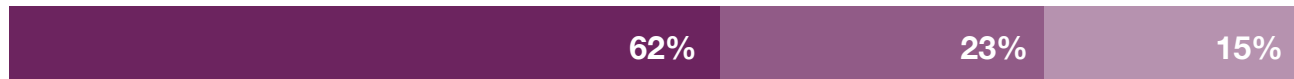
I would feel more positive about a dealer if they offered a digital negotiation and financing process.



I would be more likely to return to a dealership that offered a digital negotiation and financing process.

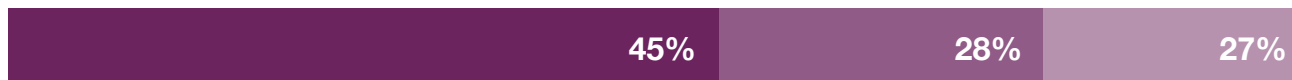


I would be more likely to shop for a vehicle at dealerships further from my home if I knew the dealer had a digital buying process



IMPORTANCE OF PERSONAL CONNECTION WITH SALESPERSON

It is important that digital retailing solutions offered provide opportunities for personal connections between consumers and dealers, given that over 2 in 5 consumers say personal connections are important.



Extremely/very important Somewhat important Not at all/not very important

THE LOSS OF VISUAL CUES IS THE BIGGEST CONCERN AS IT COVERS AREAS AROUND NEGOTIATION TACTICS, HONESTY DETECTION, AND BEING ABLE TO INSPECT/TEST DRIVE THE VEHICLE.



Like I said earlier, it is harder to negotiate impersonally. It is impossible to read visual cues that may help me negotiate better, or know when to back off on certain things.

If they are being totally honest, can't see body language, maybe disconnected.

I want to be able to see and test-drive the vehicle. I would feel like I wouldn't know how much the vehicle is actually worth if I didn't see the scratch down the side of the door or a little dent in the bumper. Or how smooth the vehicle drives.



ABOUT THIS RESEARCH

These findings were produced in collaboration with the Cox Automotive Consumer Community and the Cox Automotive Dealer Community, groups of consumers and dealers from across the country who participate in bi-weekly online market research initiatives. While this ongoing research is designed to provide insight into consumer and dealer preferences and practices, these results are not projectable to the overall populations.