



COVID-19:

TRACKING U.S. CONSUMER AND
AUTOMOTIVE DEALER SENTIMENT

STUDY SUMMARY

Issue #14

July 14, 2020

What We're Seeing This Week



1

Anxiety is ratcheting up again for consumers and dealers as we see a surge in new cases across the country. A decline in consumer miles traveled and ongoing financial uncertainty further complicate things and paint an uncertain picture for dealers in the short run.



2

The search for a better shopping process continues. Many shoppers are still missing out on the experience they prefer, and a gap remains between their desire to move more steps of the process online and what dealers are offering. Even those buying during the COVID-19 outbreak have seen fewer steps happen online than they would have liked.



3

Dealers with digital retailing are more confident about the long-term health of their business, but it's not a silver bullet. Those dealers who are realizing greater efficiency are adapting their business to get the most out of their investment.



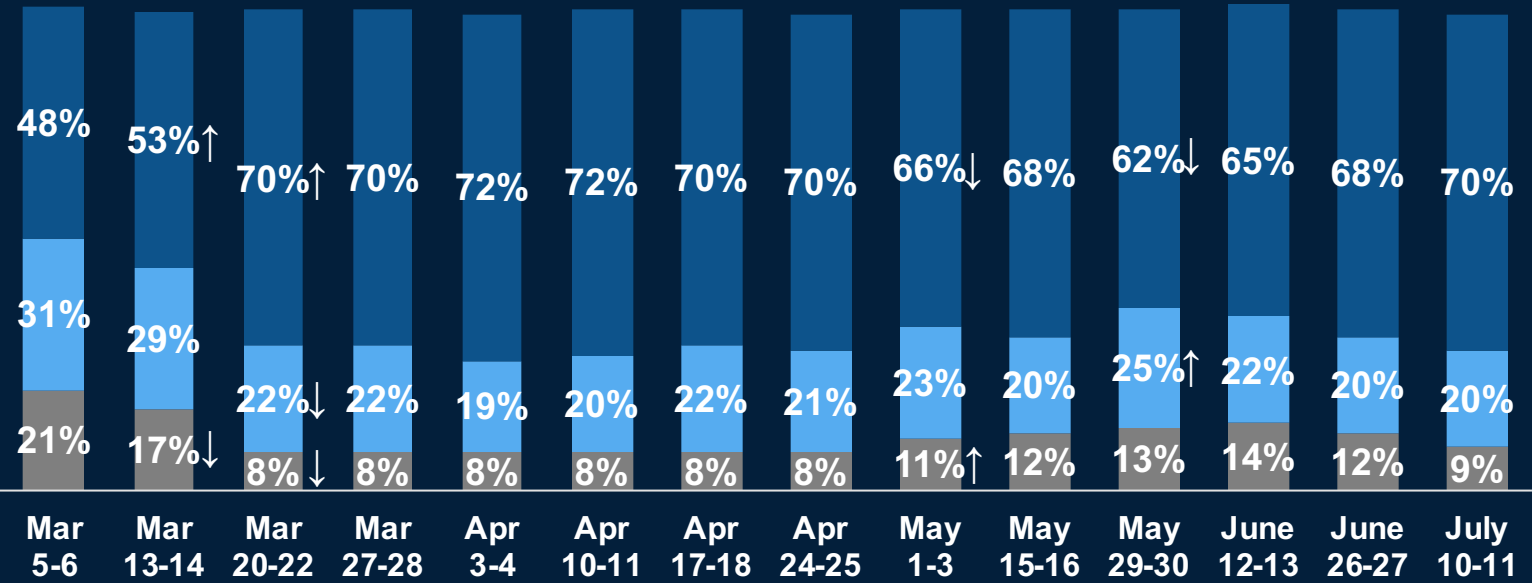
4

Although dealers have seen their sales and service businesses recover to an extent, it's clear that some won't rush to resume prior staffing levels. Franchise and independents display a different outlook on future staffing decisions.

Consumer concern has risen significantly since reaching a low point at the end of May

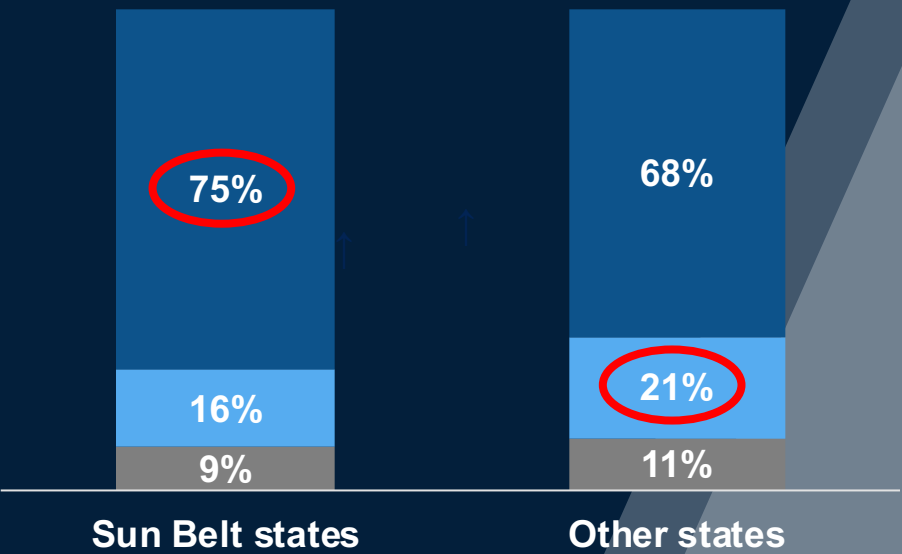
Consumer Level of Concern

■ Not very/Not at all ■ Somewhat ■ Extremely/Very



Level of Concern with Recent Increase in Cases

■ Not very/Not at all ■ Somewhat ■ Extremely/Very



Q9. How concerned are you about the coronavirus overall?
Q9a. You may have heard that some states have seen an increase in the number of new coronavirus cases as of June. How concerned are you about the increase in new coronavirus cases?

○ Indicates significant difference between state groups

Since the start of COVID-19 over a third of consumers have made use of some type of payment deferral

35%

**of consumers have taken
advantage of some type of
payment deferrals or relief
option**

- Among those who have experienced employment disruption: **47%**
- Among those who have not experienced employment disruption: **20%**

Q27a4. Have you taken advantage of any loan/payment deferrals or relief options that were made available as a result of coronavirus?

COVID-19 has given buyers the chance to do more online, but shoppers still want more



43% of COVID-19 buyers did more steps online than in the past, however....**

71%

of shoppers want to do more of the purchase steps online compared to the last time they purchased a vehicle*

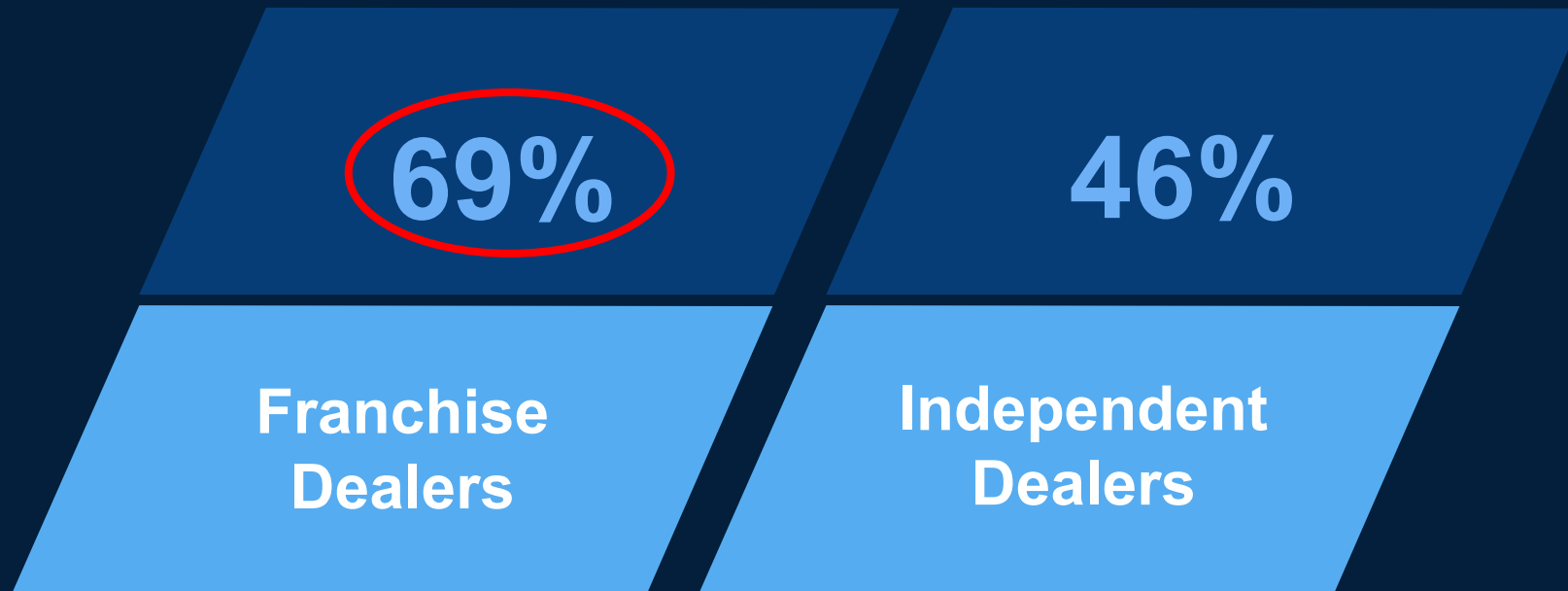
“The purchase process takes a long time. I'd prefer to be comfortable in my own home completing as much of the process as possible, rather than sitting at the dealership for hours”


Q19c3. The next time you purchase a vehicle, how many steps would you want to complete online (such as getting a trade-in value, applying for credit, etc.) compared to the last time you purchased a vehicle?
Q11b. How many steps in your recent vehicle purchase did you complete online compared to the last time you purchased a vehicle (such as getting a trade-in value, applying for credit, etc.)?

*Among 6-month auto intenders who have purchased a vehicle before
** Among those who have purchased a vehicle since mid-March

For some dealers, returning to business as usual doesn't mean returning to the same staffing model ...

Do you anticipate returning to prior staffing levels once all of this is over?



 Indicates significant difference between Franchise & Independents


Q36 - Thinking back to your staffing levels before coronavirus (COVID-19), do you anticipate returning to those levels once all of this is over?

...for a variety of reasons

Why dealers are lowering staffing levels (New and Used Sales, Internet Sales or BDC) once things get back to normal

(Among dealers who aren't returning to prior staffing levels)

	Franchise	Independent
We are getting more from our remaining staff	61%	21%
We have made changes to our processes to become more efficient	47%	30%
We need to lower our costs	31%	50%
We are using technology to be more efficient	29%	18%
We don't anticipate getting back to pre-COVID business levels	14%	29%

 Indicates significant difference between Franchise & Independents

Q144. You indicated you plan to have lower staffing levels for your [New and Used Sales, Internet Sales or BDC] once things get back to normal. Please tell us why.



**For more information or if you are interested
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