



COVID-19:

TRACKING U.S. CONSUMER AND AUTOMOTIVE DEALER SENTIMENT

Issue #19

October 20, 2020

What We're Seeing This Week



1

Good news, bad news: Consumer concern over COVID-19 continues to decline and the potential for purchase and service delays has declined with it. Unfortunately, financial concerns persist for many consumers, and we see fewer shoppers in market which has contributed to stalling the rebound dealers were experiencing over the summer.



2

As the presidential election approaches it's occupying more mindshare with both consumers and dealers. In no great surprise, consumers seem split on how the outcome will impact them personally. Dealers are a little more definitive, with a larger percentage expecting better financial performance with no change in the administration.

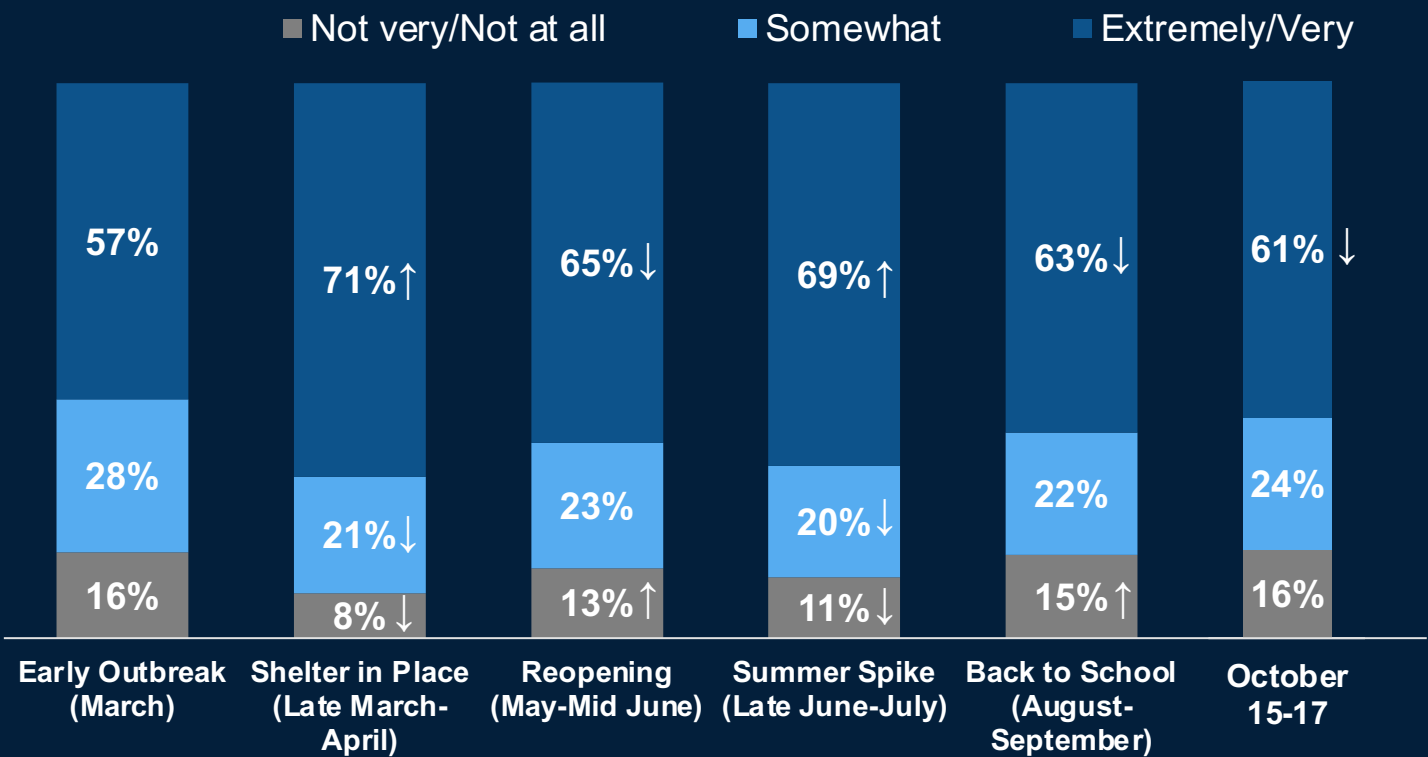


3

Uncertainty around COVID-19 is driving financial concern for many consumers and has amplified the need to evolve for some dealers. The prospect of another year like 2020 has consumers concerned for their financial stability. For dealers, it's clear they are more open to considering new ways of doing business than ever before.

Consumer concern over COVID-19 continues to trend down

Consumer Level of Concern over COVID



↓↑ Indicates significant difference since last wave, (##) indicates score from last wave when change is significant

Q9. How concerned are you about the coronavirus overall?

The number of in-market shoppers continues to trend lower since the start of COVID-19

% OF CONSUMERS IN-MARKET TO PURCHASE A VEHICLE
WITHIN THE NEXT 6 MONTHS

20%

Early Outbreak
(March)

20%

Shelter in Place
(Late March - April)

17%↓

Reopening
(May – Mid June)

16%

Summer Spike
(Late June-July)

15%

Back to School
(August-Sept)

14%

October 15-17

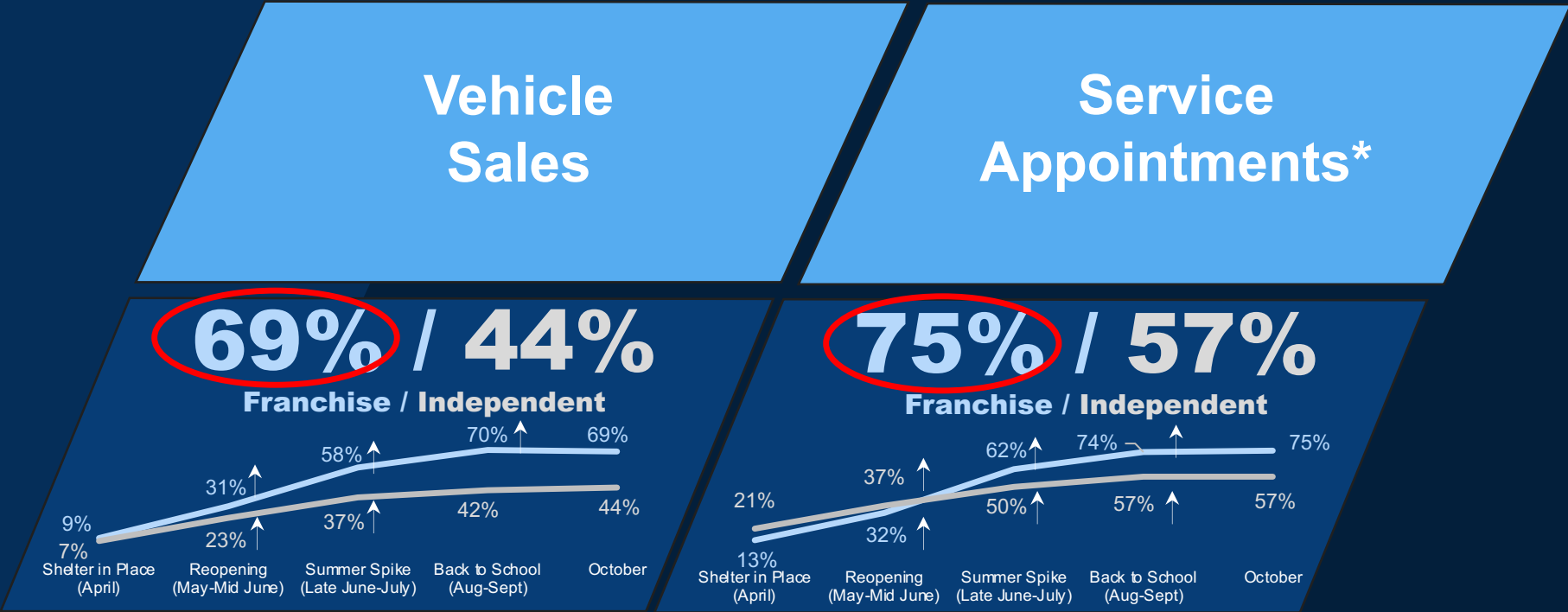


Q4. Now as of today, when do you think you will be in the market to purchase or lease a vehicle?

Unfortunately, the sales and service recovery seems to have plateaued for dealers

Average Reported Levels

(% reporting increases or staying the same compared to last year)



↑↓ Indicates significant difference since last wave, (##) indicates score from last wave when change is significant

○ Indicates significant difference between Franchise & Independents

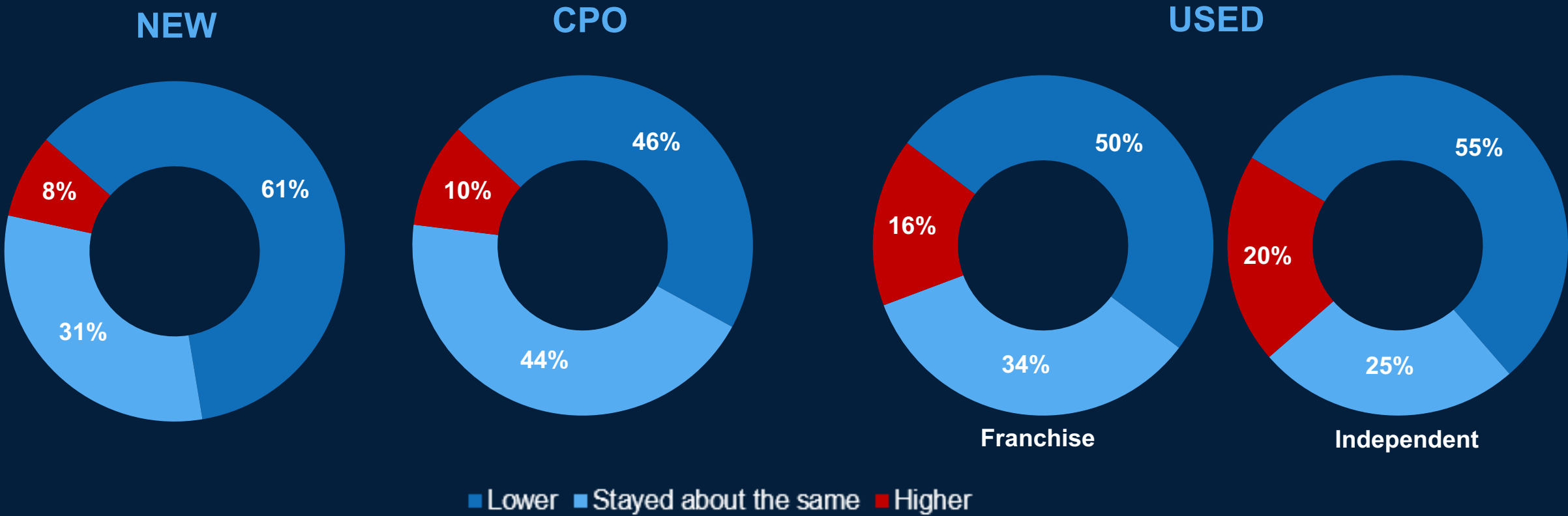
Among those with a service center

**New question wording started on 5/15: Q115: Have each of the following increased, decreased or stayed about the same compared to this time last year?

Previous question wording 4/10-5/1: Q12. Have each of the following increased, decreased or stayed about the same due to coronavirus (COVID-19) started?

Dealers continue to see lower than average inventory levels...

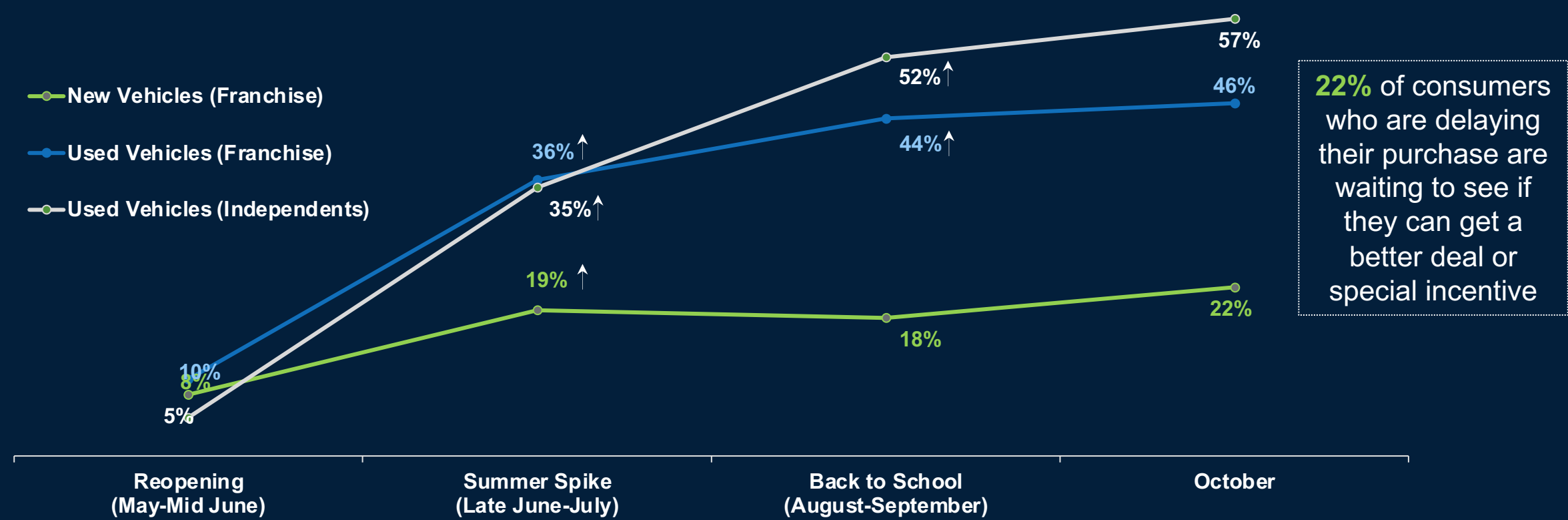
Current inventory levels compared to pre-COVID



↕↑ Indicates significant difference since last wave, (##) indicates score from last wave when change is significant
Q167. How do your dealership's current retail inventory levels compare to where they were in February before the COVID-19 outbreak?

...and retail prices continue to tick up

% of Dealers reporting higher retail prices vs. February



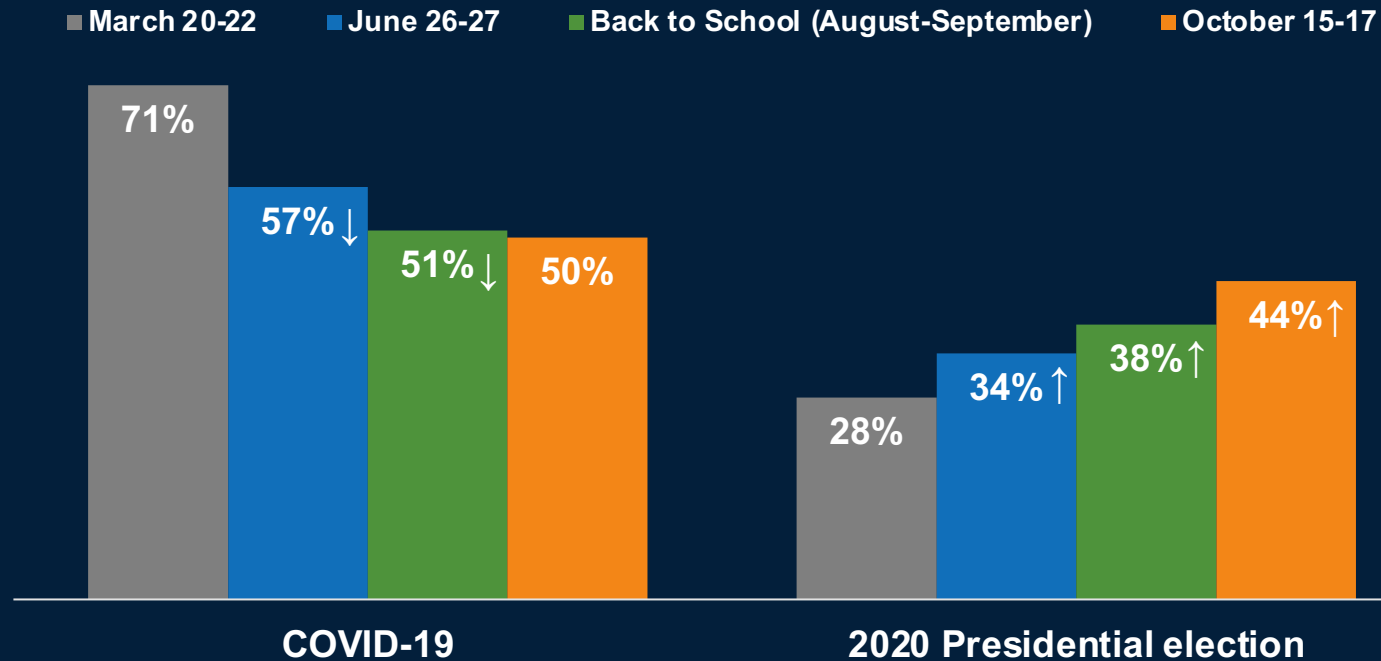
↓↑ Indicates significant difference since last wave

Dealer Q166. How do your dealership's current prices compare to what they were in February before the COVID-19 outbreak?

Consumer Q17a3. You said you may delay purchasing/leasing a vehicle due to coronavirus. What are the main reasons? Please select up to 2 of the main reasons.

Consumers concern about COVID-19 has dropped, while concern over the Presidential election is on the rise

Top Concerns Overall

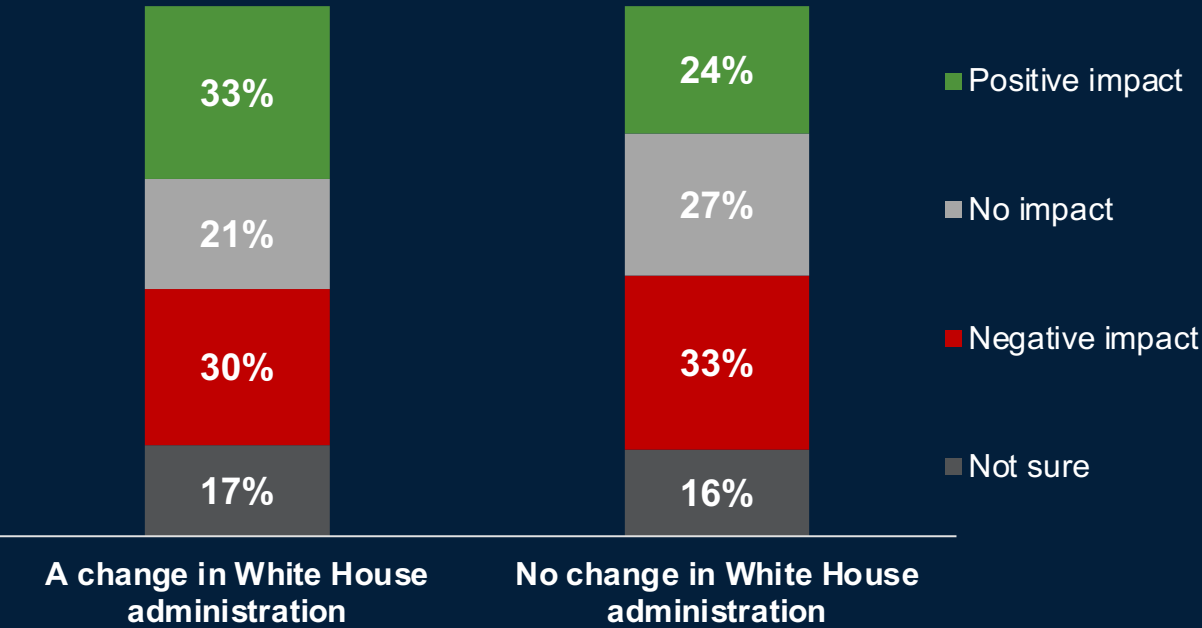


43% of dealers believe COVID and the upcoming election are both equally concerning

Q7. Which, if any, of the following issues currently concern you the most? Please select up to 3.
Q32b. Which of the following is more concerning to you personally?

Unsurprisingly, consumers are split on how they feel the election will impact their personal finances, but it is likely to have an impact on some vehicle intenders

Perceived Impact of Election on Household Financial Situation



44% of vehicle intenders say the election will have an impact on their purchase decision

Q32c. What potential impact do you believe the following results of the 2020 presidential election would have on your household's financial situation?
Q32a. What impact, if any, do you think the 2020 presidential election will have in your decision to purchase a vehicle?

Another year like 2020 would bring financial hardships for many...

53% of consumers
believe their
financial situation
will be negatively
impacted if COVID-
19 continues for
another year

45%

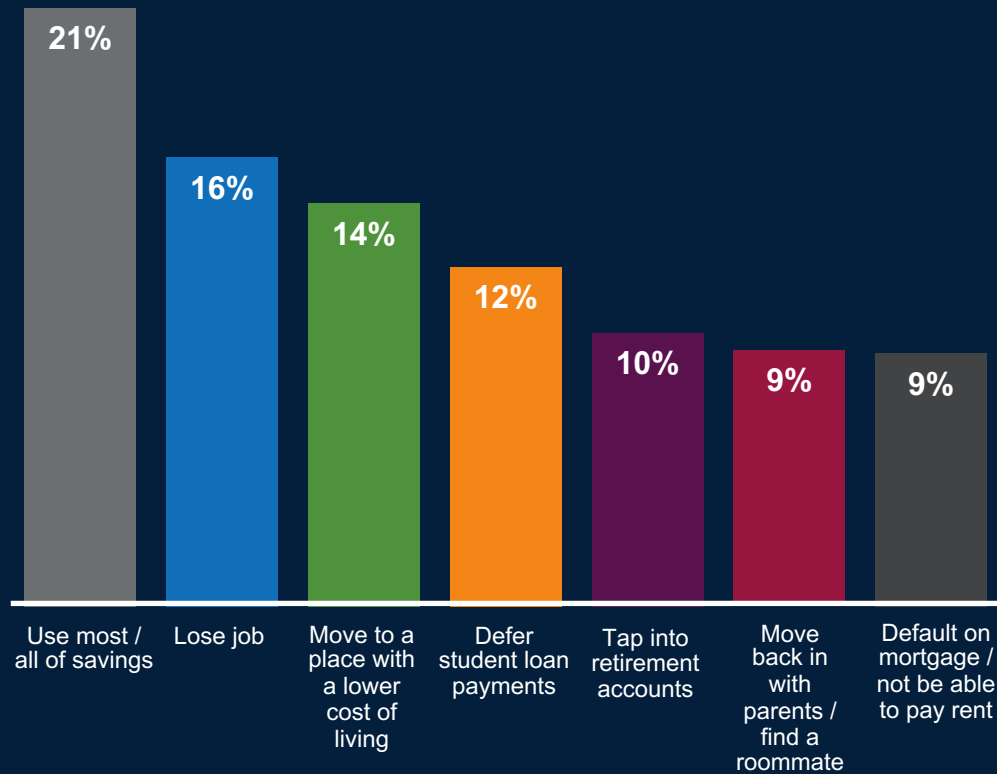
of households with
children in virtual
schooling say it has
impacted their
employment

Q27a3e. Imagine that the coronavirus/COVID-19 continues to impact the United States economy over the next 12 months. Do you anticipate that any of the following will apply to you during that time?

Q27a6. Has having virtual/at-home learning for your child(ren) impacted your or your spouse's employment situation? (Wording revised October 15)

...with exhausted savings and the potential for lost jobs leading the way

Personal Impact from Another 12 Months of COVID-19



Those currently delaying a vehicle purchase are at a greater risk, with the potential for **30%** to use *all their savings* and **28%** moving to a place with a lower cost of living

Q27a3e. Imagine that the coronavirus/COVID-19 continues to impact the United States economy over the next 12 months. Do you anticipate that any of the following will apply to you during that time?

COVID-19 has opened many dealers' minds to new possibilities

More than
3 out of 4 dealers
are conducting
business beyond
their physical
location

87% of franchise
dealers

74% of
independent
dealers



Indicates significant difference between Franchise & Independents



Indicates significant difference since last wave, (##) indicates score from last wave when change is significant

Dealer Q24. How, if at all, is your dealership currently selling vehicles?

Dealer Q14. Does your dealership currently have a digital retailing solution in place?

**Among 6-month auto intenders who have purchased a vehicle before*

2020 Cox Automotive COVID-19 Consumer & Dealer Impact Studies

We surveyed a nationally representative sample of US consumers ages 18+ during the following timeframes:

- Wave 20: October 15-17, 2020 (n=2,000)
- Wave 19: September 18-19, 2020 (n=1,000)
- Wave 18: September 4-5, 2020 (n=1,000)
- Wave 17: August 21-22, 2020 (n=1,000)
- Wave 16: August 7-8, 2020 (n=1,000)
- Waves 13-15 (Summer Spike): June 26-July 25, 2020 (n=3,000)
- Waves 9-12 (Reopening): May 1-June 13, 2020 (n=4,000)
- Waves 4-8 (Shelter in Place): March 27-April 25, 2020 (n=5,000)
- Waves 1-3 (Early Outbreak): March 5-22, 2020 (n=2,999)

We surveyed a sample of automotive dealers about their general level of concern:

- | | | |
|--|--|--|
| • Wave 16: October 12-16, 2020 (n=764) | • Wave 10: June 8-12, 2020 (n=700) | • Wave 5: April 15-17, 2020 (n=691) |
| • Wave 15: September 14-18, 2020 (n=812) | • Wave 9: May 26-29, 2020 (n=470) | • Wave 4: April 8-10, 2020 (n=763) (Note: methodology changed from wave 3 to wave 4) |
| • Wave 14: August 17-21, 2020 (n=740) | • Wave 8: May 11-15, 2020 (n=555) | • Wave 3: April 1-3, 2020 (n=331) |
| • Wave 13: July 20-24, 2020 (n=794) | • Wave 7: April 29-May 1, 2020 (n=648) | • Wave 2: March 25-27, 2020 (n=339) |
| • Wave 12: July 6-10, 2020 (n=782) | • Wave 6: April 22-24, 2020 (n=642) | • Wave 1: March 18-20, 2020 (n=348) |
| • Wave 11: June 22-26, 2020 (n=725) | | |

We also surveyed a sample of automotive dealers who use digital retailing asking how digital retailing is being impacted:

- Wave 2: April 8-10 (n=151), Wave 1: March 25-27, 2020 (n=124)

Prior to the full-scale survey among automotive dealers, we polled a sample of automotive dealers during the following timeframes to understand their level of concern on how the virus will impact their dealership:

- Wave 2: March 16-17, 2020 (n=322), Wave 1: March 5-11, 2020 (n=343)

The objective of this research was to understand the impact of Coronavirus (COVID-19) on US Consumers & Dealer attitudes and behaviors:

- | | |
|--|---|
| • Awareness & Familiarity of COVID-19 | • Impact on Current Auto Shoppers & Commuters |
| • Level of Concern over COVID-19 | • Actions to Mitigate Any Negative Impact |
| • Impact on Everyday Behaviors & Business Operations | |



**For more information or if you are interested
in obtaining the full study results, contact:**

Dara Hailes
Manager, Public Relations
Cox Automotive
dara.hailes@coxautoinc.com

Mark Schirmer
Director, Public Relations
Cox Automotive
mark.schirmer@coxautoinc.com