



# Chip Shortage Consumer Impact Study

Issue #4

April 5, 2022



COX AUTOMOTIVE

## What we're seeing now

1

About one-in-three consumers are likely to order their vehicle from a dealer and expect delivery to take about 10 weeks.

2

Consumers are still pessimistic about the automotive market amid a chip shortage, expecting higher prices, lower inventory and longer delivery times.

3

Slightly fewer in-market shoppers are willing to pay above the MSRP, but those who are would pay an average of about 20% over.

4

Due to the chip shortage and resulting inventory and price pressures, just under half (45%) of in-market shoppers are likely to postpone their purchase.

5

More than half of consumers who say prices have or will increase due to the shortage feel prices will remain higher, even as supply returns to normal.

6

More than half of consumers expect the chip shortage to continue for more than 6 months, with just over a third thinking it will last more than a year.



# Wave #4 Research

*Consumers: In-market shoppers for a vehicle purchase/lease*

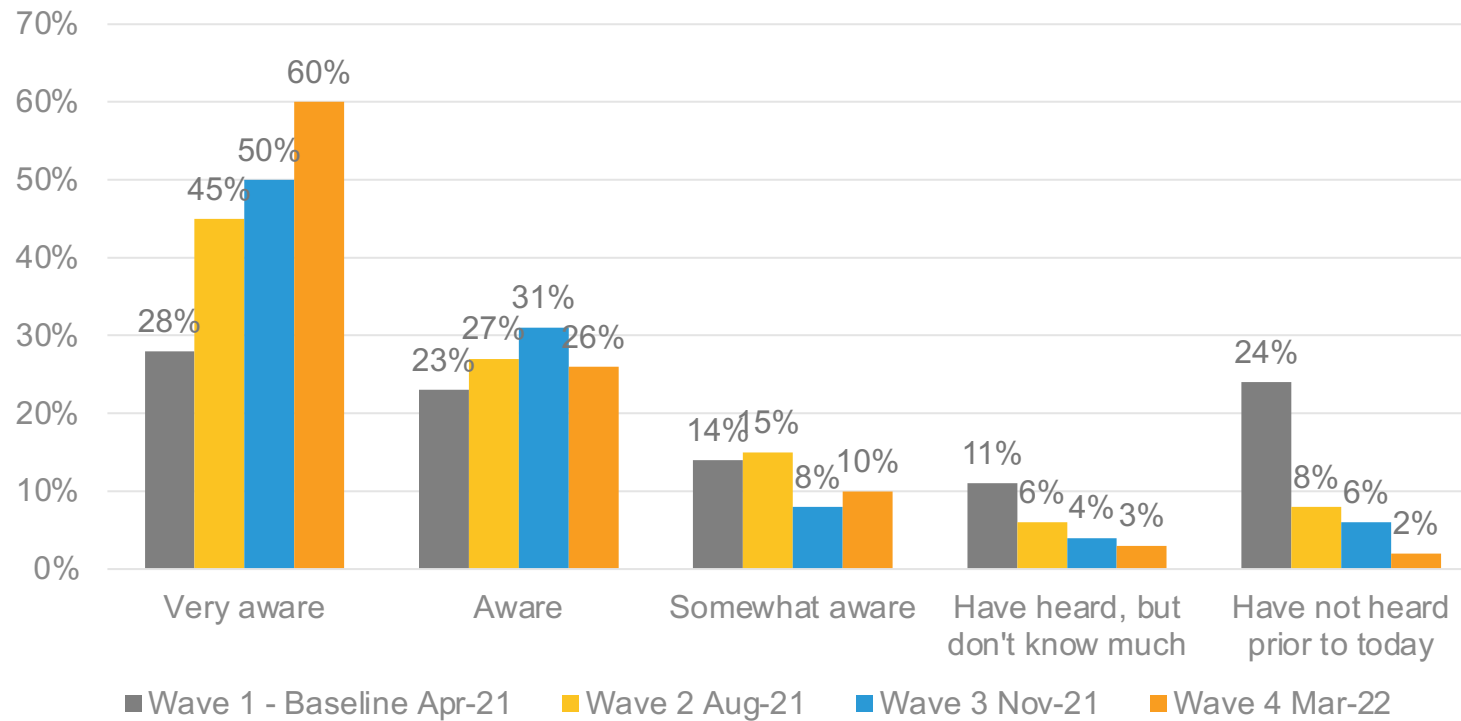
*3/2/22 – 3/9/22*

*n=242*

# Consumers' awareness of the current global chip shortage continues to rise.

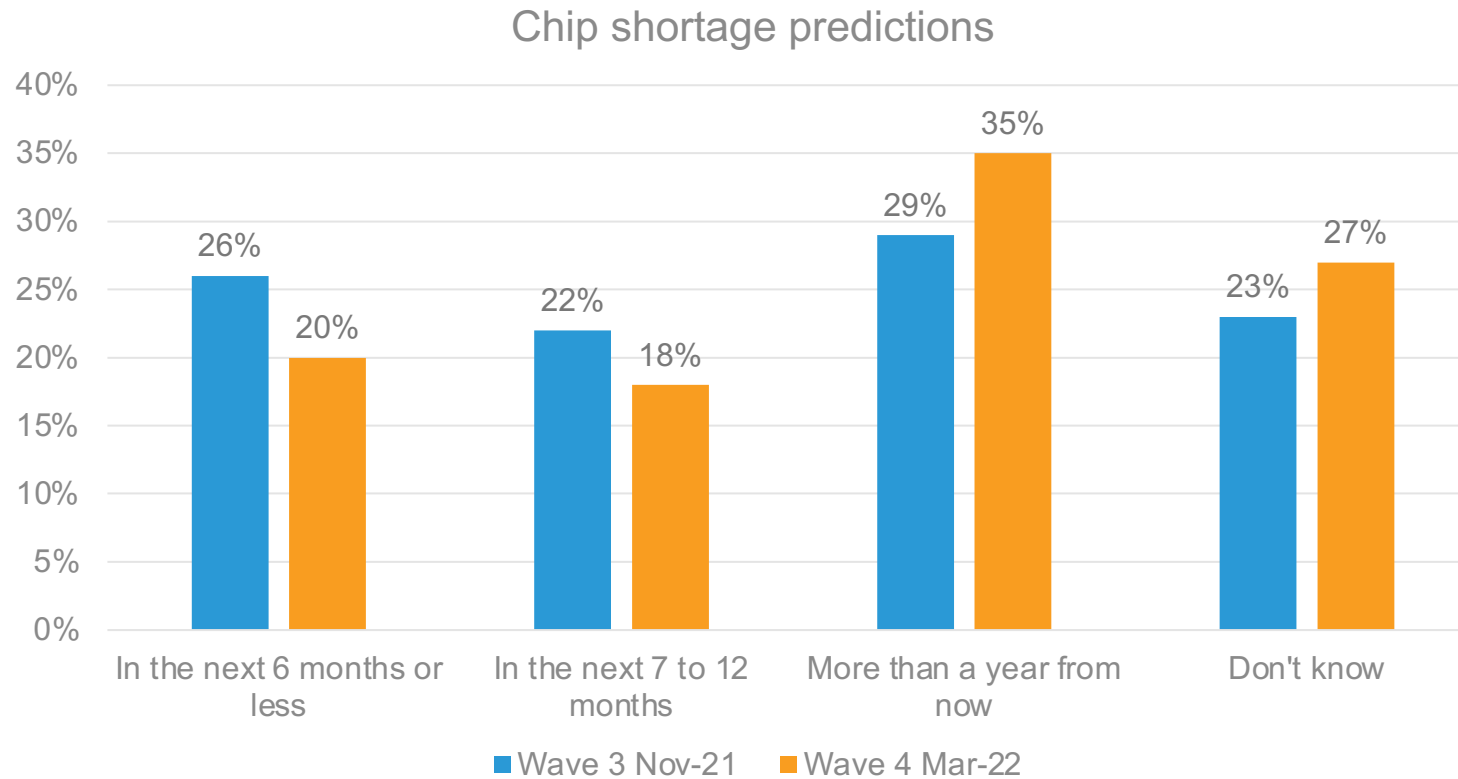


Awareness of chip shortage



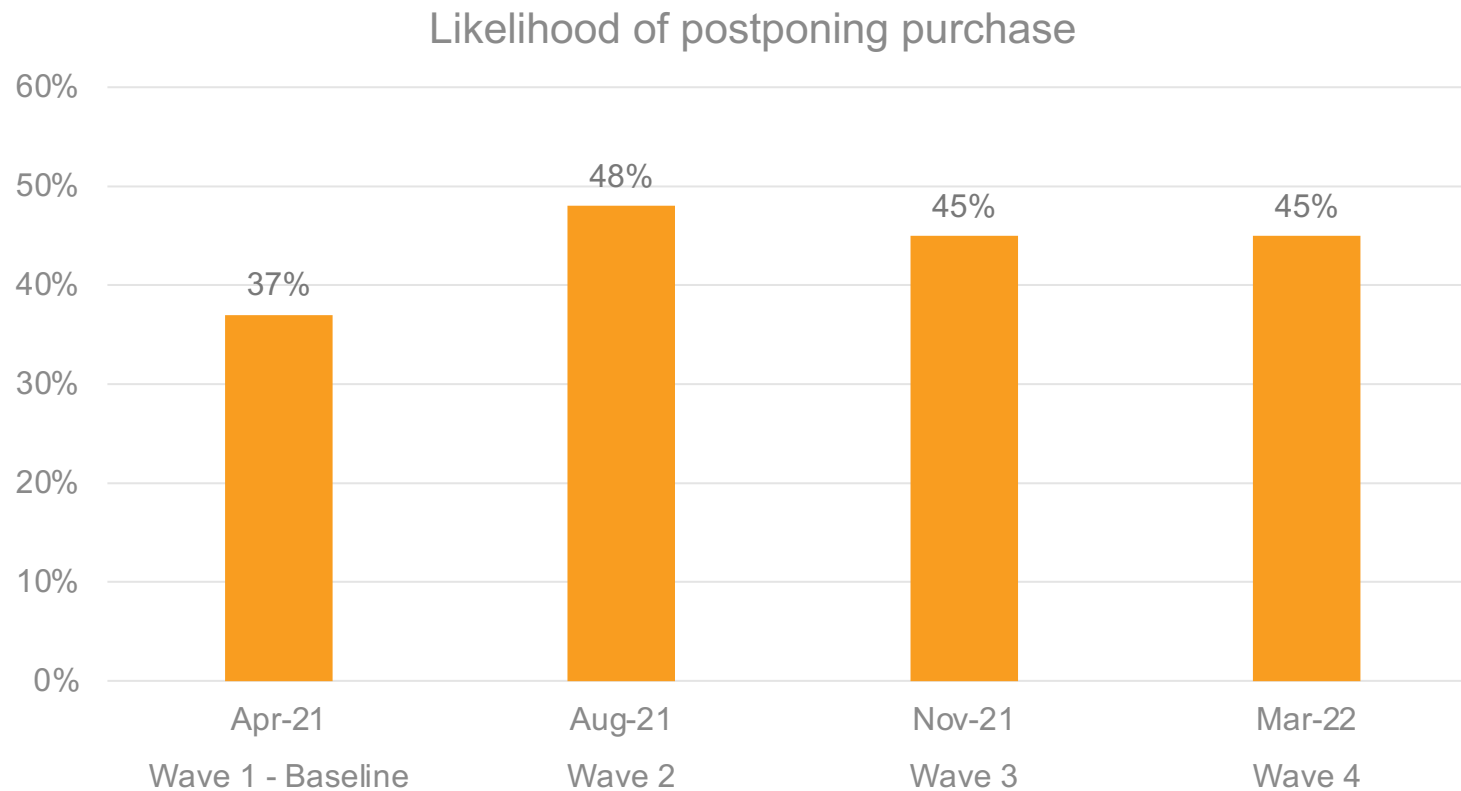
## Consumer's foresee ongoing chip shortage issues.

Compared to November, slightly more consumers believe the chip shortage will be long-term, with more than a third thinking it will last more than a year more.



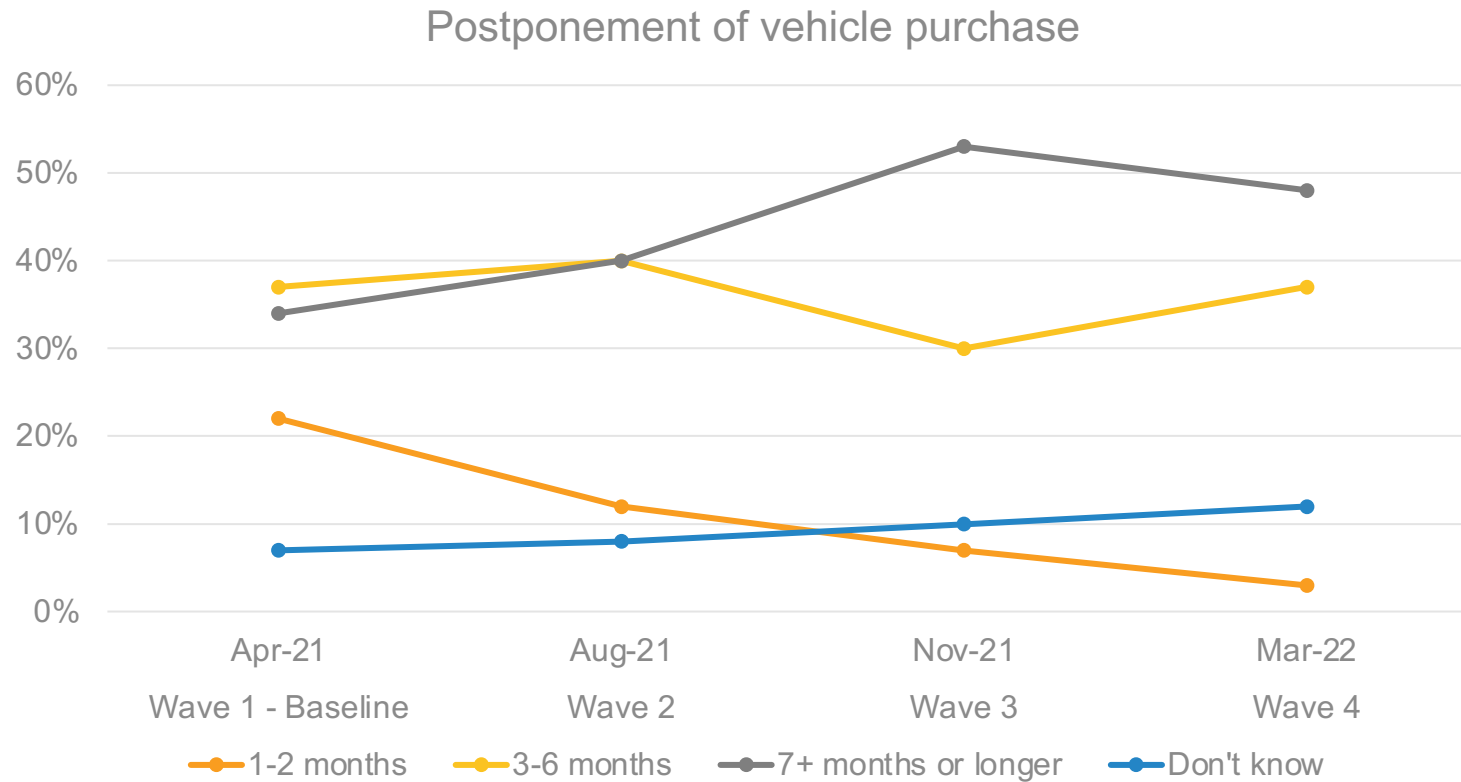
# Consumers' likelihood to postpone their vehicle purchases remains under half.

45% of shoppers are likely to postpone their purchases.



# Half of consumers indicate that they would postpone their vehicle purchase for 7 months or more.

The purchase horizon marginally changed since November, shifting a bit more towards the 3-6-month range. Nearly half indicating postponing by 7 months or more.



# *Order-and-Wait is anticipated to become the “norm” for purchasing a vehicle.*

Delivery of an ordered vehicle is expected to be around 10 weeks.



Consumers willing to order their preferred vehicle

35%



35%

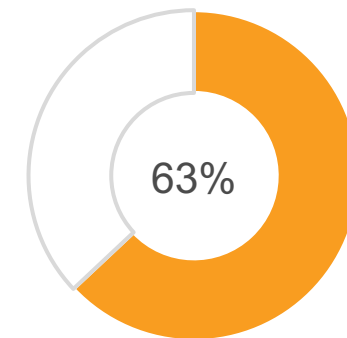


■ Wave 3 Nov-21 ■ Wave 4 Mar-22

10.42 weeks

How long consumers expect to wait for an ordered vehicle as of March 2022.

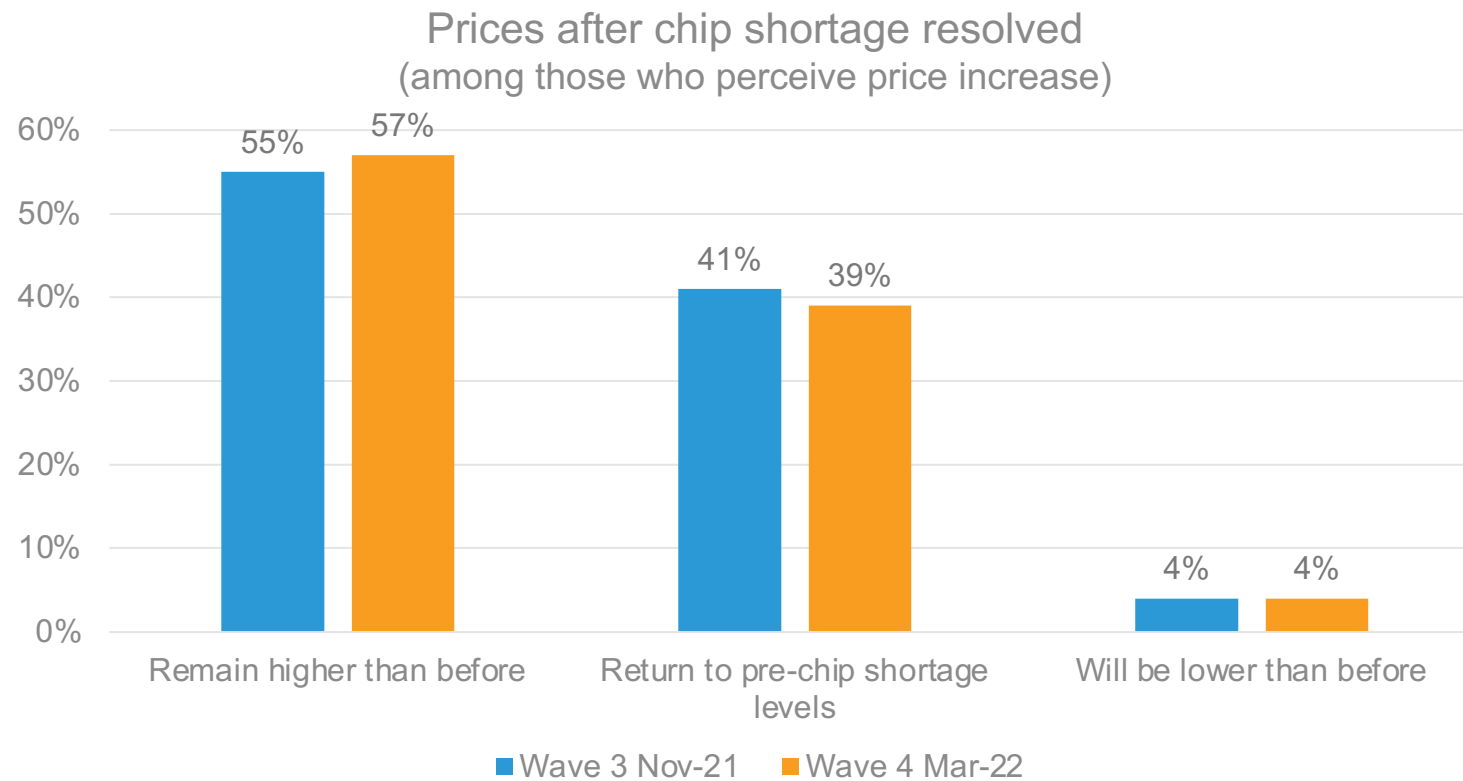
As of March 2022, more than half of consumers anticipate Order-and-Wait to become the "norm" for purchasing a vehicle.





# Consumers anticipate that vehicle prices will rise due to the chip shortage.

More than half of consumers feel prices will remain elevated even after the chip shortage is resolved.



# *Fewer consumers are willing to pay more than the MSRP for a desired vehicle versus earlier in the chip shortage.*

Consumers' willingness to pay above MSRP has decreased to 28% in March 2022.



Consumer willingness to pay above MSRP for desired vehicle

