

Newly Released Cox Automotive Car Buyer Journey **Financing Edition**

Key Take-Aways for Lenders

In this new report, over 3,000 respondents that secured a loan to purchase or lease a vehicle shared their perspectives on their experience. We distilled out these **5 key insights** for lenders. Whether you're a captive, bank, credit union or finance company, these key insights will help your organization understand consumer sentiments and auto financing trends.

Cox AUTOMOTIVE

*The 2023 Cox Automotive Car Buyer Financing Journey was conducted from August to Sept of 2023, with over 3,000 respondents who either purchased or leased their vehicle by securing a loan. Vehicle buyers who are 18+ years old and purchased or leased a vehicle within the past 12 months. They must have financed their vehicle purchase by securing a loan.



KEY INSIGHT #1

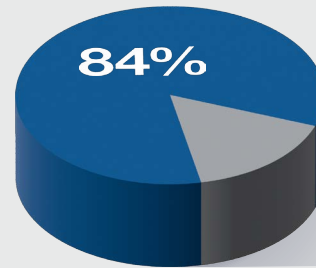
More buyers are going online to execute key financing steps to make the process easier.

% of Buyers Who Completed Step Online

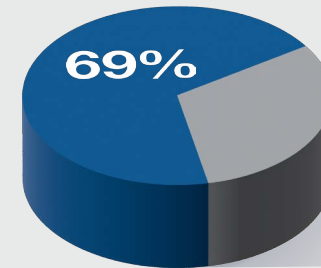
(among those who did each step)*

Look up credit score	61%
Pre-qualify	49%
Compare interest rates	48%
Pre-approval	43%
Calculate monthly payment	36%
Apply for credit	32%

Satisfied with Financing Process

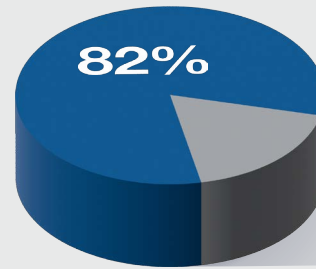


Completed all steps online

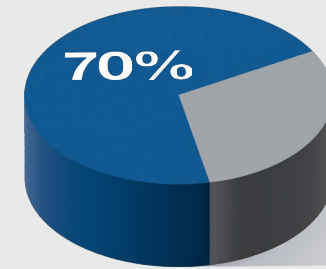


Completed 1-3 steps online

Found Completing Financing Easy



Completed all steps online



Completed 1-3 steps online

*Excludes lessees. Base: Buyers who financed (excludes cash buyers).

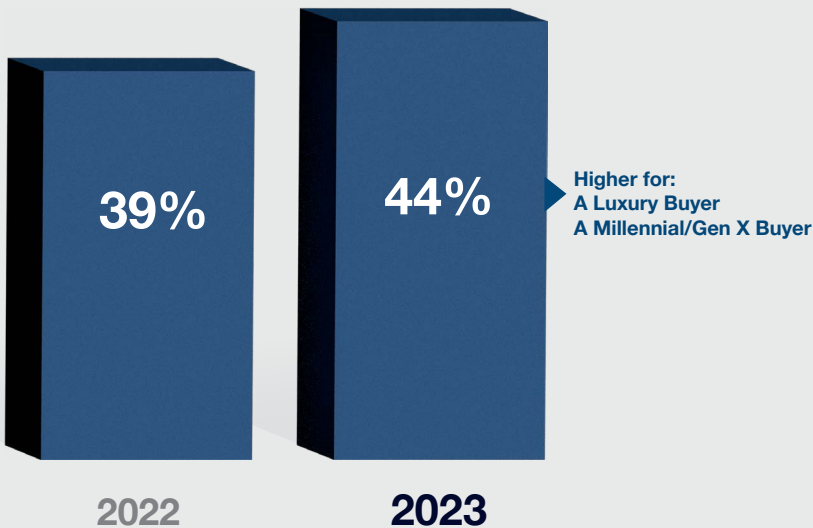
Source: 2023 Cox Automotive Car Buyer Financing Journey.

KEY INSIGHT #2

The amount of people demanding a hybrid approach increased significantly year-over-year.

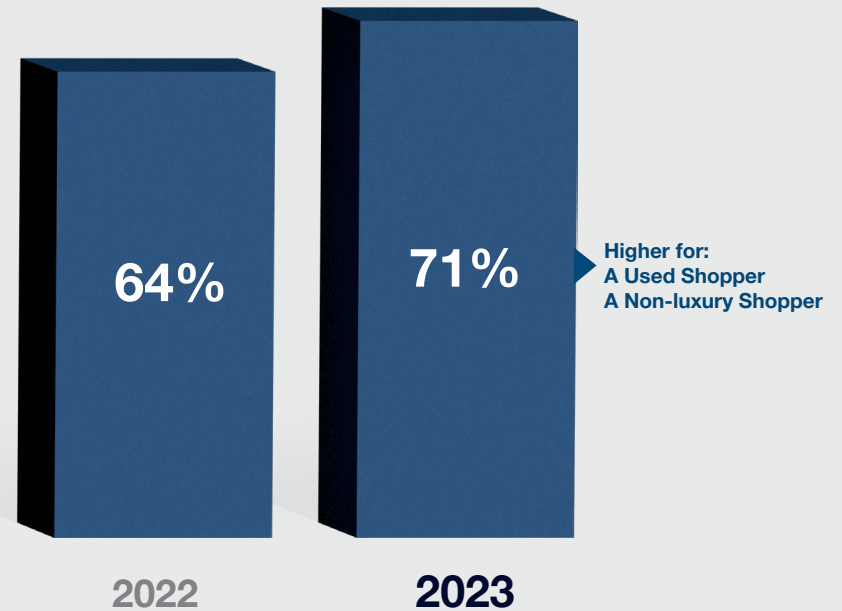
How buyers completed their recent purchase

% mix online/offline



How shoppers will likely complete purchase next time

% mix online/offline



Base: Buyers who financed (excludes cash buyers).

Sources: 2023 Cox Automotive Digitization of Car Buying; 2023 Cox Automotive Car Buyer Journey.

KEY INSIGHT #3

Online payment calculators continue to rank as most helpful, but consistency across the buying experience is needed.

Most Helpful Information For Buyers Researching Financing

	Super Prime/Prime Credit Buyers	Near/Sub Prime Credit Buyers	All Respondants
Monthly Payment Calculator	60%	54%	59%
Rates	60%	46%	57%
Terms and Conditions clearly communicated	42%	40%	42%

52%

Of Near/Sub Prime credit buyers find knowing if a down payment is needed helpful.
(vs. 32% Super Prime/Prime buyers)

90%

Of shoppers say deal terms being the same online and in dealership are a top area of importance

Base: Buyers who financed (excludes cash buyers). †Asked among those who researched financing options online.
Sources: 2023 Cox Automotive Car Buyer Financing Journey; 2023 Cox Automotive Digitization of Car Buying Study.

KEY INSIGHT #4

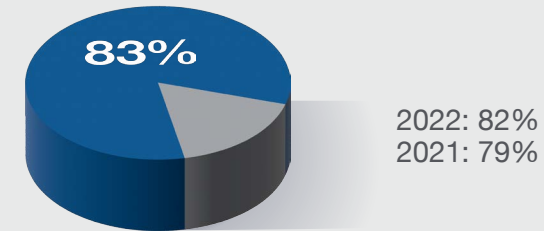
Buyers utilized Lender websites most for these financing steps...

Top Websites Used to Complete Financing Step Online

(among those who completed step online)

Financing Step	Ranked #1 by Buyers
Get pre-approved for a loan	Lender website (65%)
Calculate monthly payment	Lender website (52%)
Pre-qualify for loan	Lender website (63%)
Apply for credit/ financing	Lender website (60%)

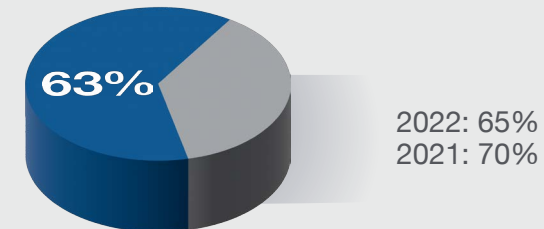
Say “Familiarity” is Important in Lender Consideration*



Higher among Gen Z (92%) and Millennials (86%) than Gen X (81%) and Boomers (81%)

22% of Gen Z and Millennials select a lender based on reputation vs. 15% of Gen X and Boomers

Considered 2+ Lenders*



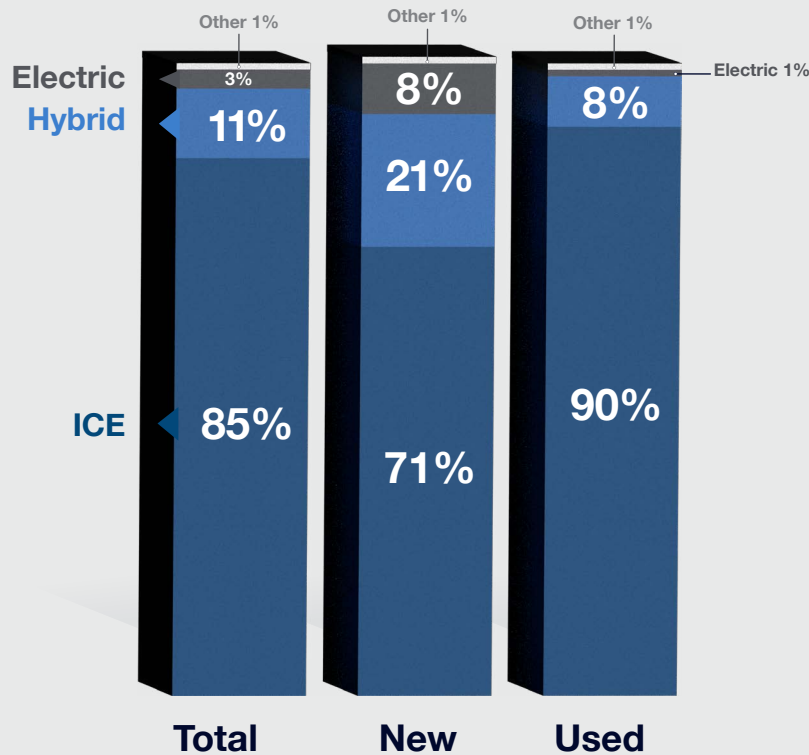
*Among purchasers (excludes lessees). Base: Buyers who financed (excludes cash buyers).

Source: 2023 Cox Automotive Car Buyer Financing Journey.

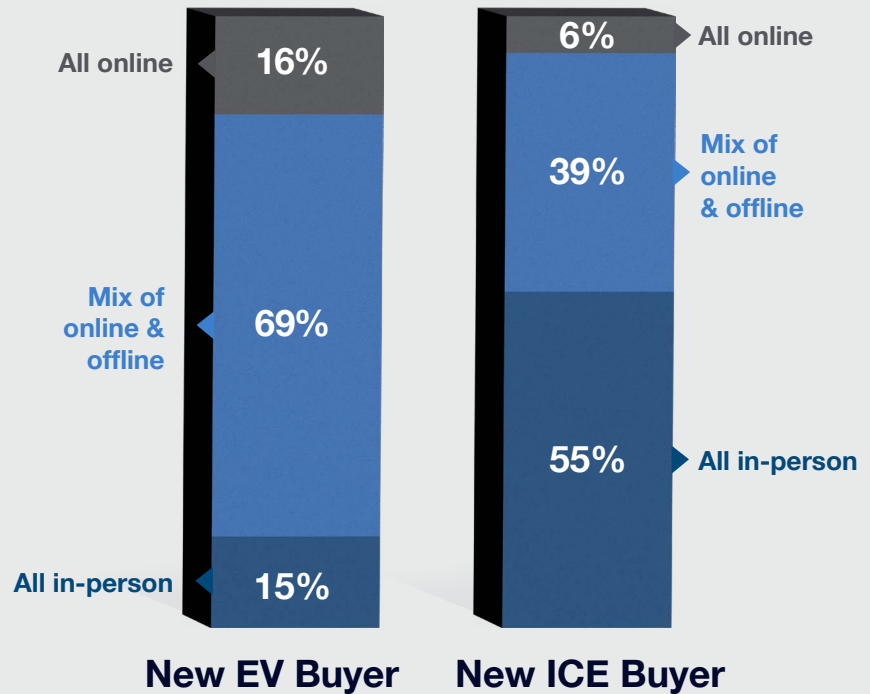
KEY INSIGHT #5

As EV share of auto loans grow, so does a hybrid approach to buying.

Allocation of Auto Loans by Powertrain Type



Purchase Process by Powertrain Type



Sources: 2023 Cox Automotive Car Buyer Journey; 2023 Digitization of Car Buying; 2023 Cox Automotive Path to EV Adoption.