

Consumer Buying & Financing Trends

2022 Cox Automotive Car Buyer Journey | Publish Date: January 18, 2023

While 2023 will see some “return to normal” with supply of new inventory back on the rise, there are many other aspects of auto retailing that point to permanent “new normals.” Are you prepared?

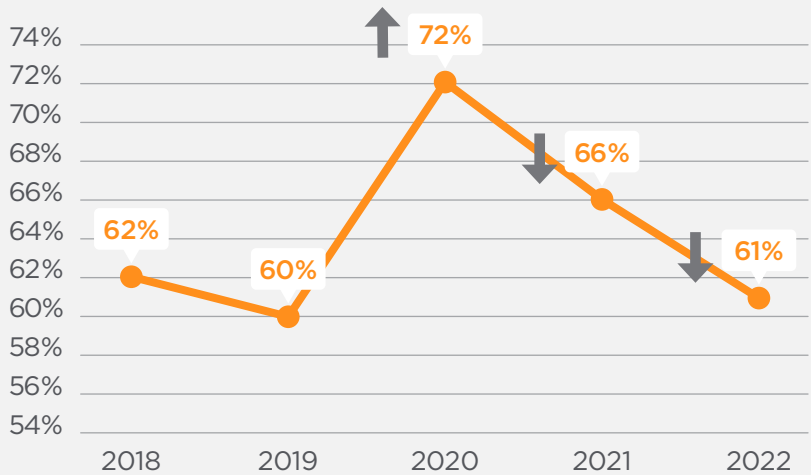
As the industry evolves, so must financing strategies. Focused on your success, we share key findings from our latest research among car buyers — and their implications for your lending business both near- and long-term.

INSIGHT 1

Record low inventory and record high prices negatively impacted the consumer experience

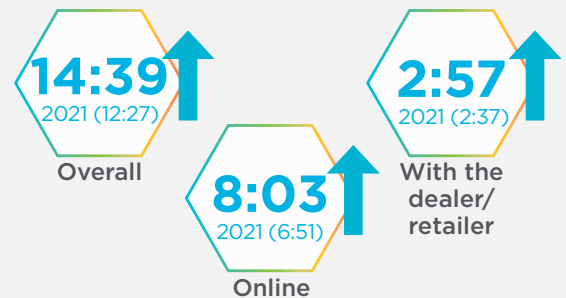
Overall satisfaction declined for a 2nd straight year

Buyers Highly Satisfied with Overall Shopping Experience



The buying journey became less efficient

Time spent (hh:mm)



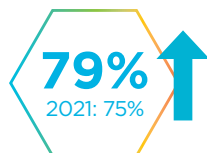
INSIGHT 2

Online research grew — along with sentiment for leveraging Lender websites

Third-party site usage

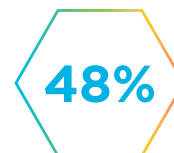


Average # of automotive websites visited while shopping grew

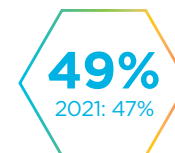


More buyers used a 3rd party site

% Interested in using a lender website for...*



searching for a vehicle



buying a vehicle online

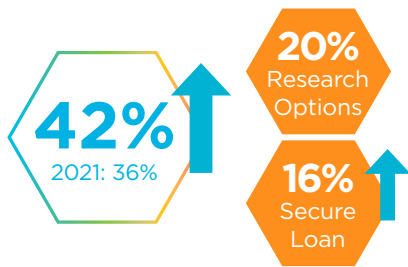
*Base: Buyers who financed (excludes cash buyers)

INSIGHT 3

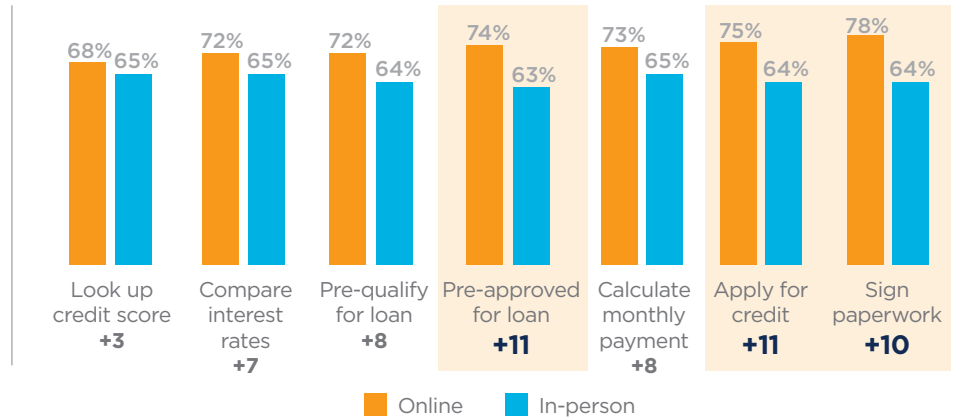
Affordability drove up time spent on financing activities, but digital tools positively impacted satisfaction

While time spent on financing activities rose, so did satisfaction when the task was completed digitally — particularly applying for credit and receiving pre-approval.

% of shopping time spent on financing activities



Satisfied with the financing process (Among those who did each step online vs. in-person (%8-10))



INSIGHT 4

Digital was pivotal to improving the overall experience

More steps completed online = higher satisfaction and less time at the dealership



Base: Buyers who financed (excludes cash buyers)

INSIGHT 5

Over half of buyers sought pre-approval for their auto loan

When pre-approval was obtained
(Among purchasers* who were pre-approved)

55%

OF BUYERS WERE
PRE-APPROVED FOR
AN AUTO LOAN*

53%

20%

Final Stage – Ready to engage with a dealership in negotiations

27%

Preparation Stage – Selecting brand(s) or vehicle(s) on your consideration list

17%

Research Stage – Actively building a list of brands and vehicles you would consider

21%

Exploration Stage – Exploring brands and vehicles available in the market

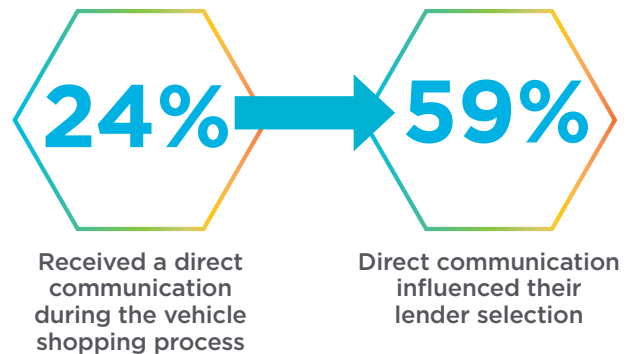
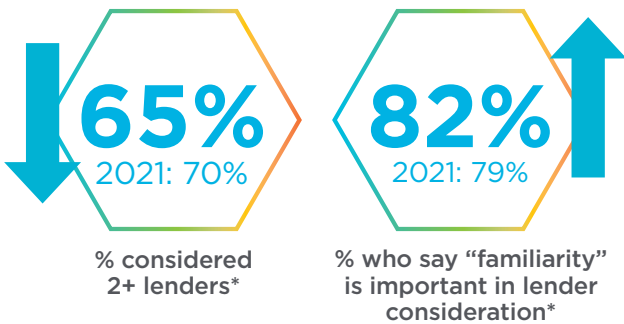
15%

Before Shopping

INSIGHT 6

Trust & pro-active outreach play significant roles in lender selection

The number of buyers who considered more than two lenders declined. Those who sought the comfort/reassurance of familiarity when choosing a lender climbed, and more than half cited direct communication as being influential.



Factors that **grew** in influence over lender selection in 2022:*

- 1 I trust this lender
- 2 Doing business with them already
- 3 It's a well-known lender

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

INSIGHT 7

Prepare for growth in pre-orders and EV purchases

Buyers enjoyed the freedom of customizing their vehicle, so waiting for delivery was not an issue.

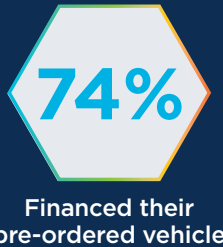
1 in 5
Vehicles pre-ordered in 2022



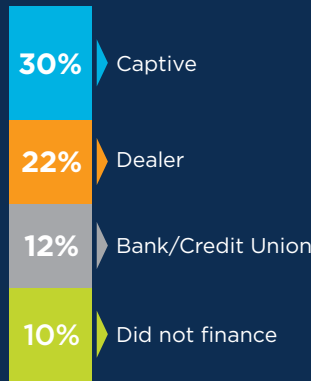
“ I was able to choose exactly what I want, and I got exactly what I wanted when the car delivered. This makes the entire waiting time worth it.



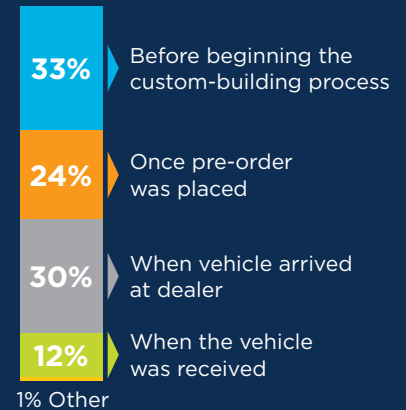
Among buyers who pre-ordered...



Channel financed through



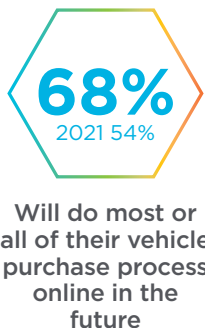
Stage at which buyers obtained financing



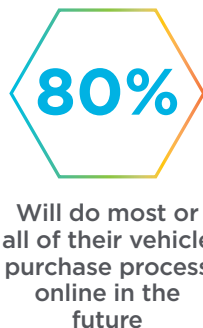
INSIGHT 8

Be ready to support omnichannel as consumers choose their preferred path to purchase

Buyers are eager to do more online



EV buyers even more so



Top motivators for purchasing online

New EV

- 1 Convenience
- 2 Efficiency
- 3 Ease
- 4 Control

New ICE

- 1 Less pressure
- 2 Convenience
- 3 Best deal
- 4 Less time at dealer

KEY TAKEAWAYS

Digital strategies build TRUST:

when your customers can count on you,
you can count on their business

Your consumer trust checklist - how much are you doing today?



Your dealer partner trust checklist - how much are you doing today?



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