

# 2023 UK Consumer Insight Report

Navigating the car buying and selling journeys





# Table of contents

This report features findings from CarGurus' third-annual path-to-purchase study in partnership with GfK, plus first-ever insights on the path-to-sale. By amplifying the voice of the customer, this report aims to help you adapt your business to the trends that matter most.

<b>BUYER INSIGHTS</b>	<b>4</b>	<b>SELLER INSIGHTS</b>	<b>18</b>
Why they buy	5	Why they sell	19
Decisions they face	6	Decisions they face	20
The ways they shop online	8	Where they sell	21
What they look for in a vehicle	12	Feelings post-sale	21
What they look for in a dealer	13		
Where they buy	14	<b>KEY TAKEAWAYS</b>	<b>23</b>
What they buy	15	Background & methodology	24
Alternative fuel consideration	16		
Feelings post-purchase	16		



## State of the market

---



### KEVIN ROBERTS

*Director of Industry Analytics*

“While the immediate impact of supply chain disruptions and energy spikes are now behind us, the lingering impact of reduced sales in previous years is likely to conspire to keep used vehicle prices more elevated than consumers had hoped for. Combined with economic uncertainty and rising interest rates, this creates yet another challenging environment for the auto industry to navigate.”



# Buyer insights

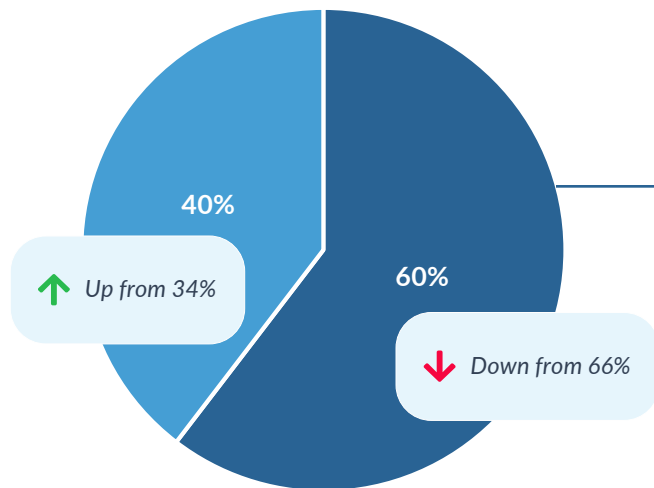
---

# Why they buy

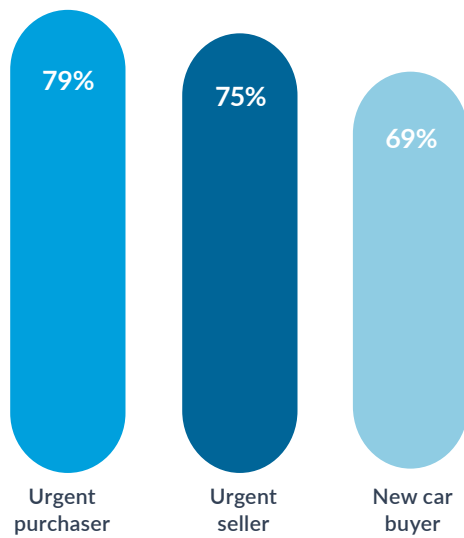
Purchase urgency has remained consistent over the past 2 years. Emerging from the vehicle shortage, buyers are just as likely as last year to find their purchase non-urgent. A desire for an upgrade or something new is the leading reason for purchase among non-need based buyers.

## Need-based purchases

● Not need-based ● Need-based

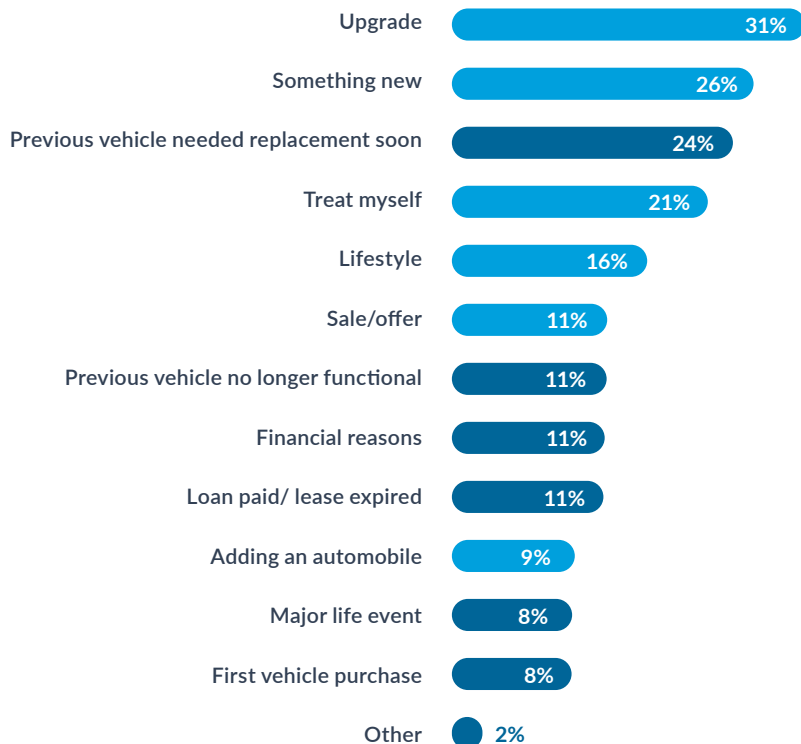


## Very/extremely urgent



## Initial reason for purchase

● Not need-based ● Need-based



Need-based purchases decreased year-over-year

60% v 66%

# Decisions they face

More buyers are confident than uncertain when shopping for vehicles; half are emotionally attached to the vehicle whereas the other half see it as a means of basic transportation.

## Buyer certainty on specific vehicle elements

● Certain about this factor ● Thought certain but changed my mind ● Not certain

Whether you would buy new or used



Make of vehicle (e.g., Ford, Toyota)



Whether you would finance the purchase



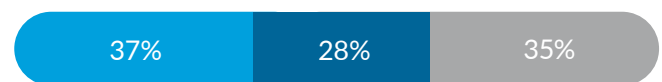
Model of vehicle (e.g., Ford Focus, Toyota RAV4)



Whether you would purchase or lease



Specific 'must-have' features (e.g., sunroof, V6 engine)



Type of vehicle (e.g., coupe, saloon, SUV)



Dealer/seller where you would purchase



Fuel type/powertrain (e.g., petrol, electric, hybrid)

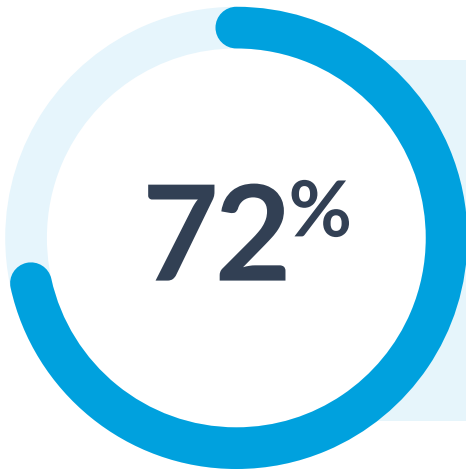


Colour of vehicle



Approximate price willing to pay





of buyers research and compare **exhaustively** before making a final car purchase

### Attitudes toward automobile shopping



### Vehicles...



Buyers find car shopping less stressful than last year

47% vs 53%,  
though around half still find it to be so

Typical length of ownership

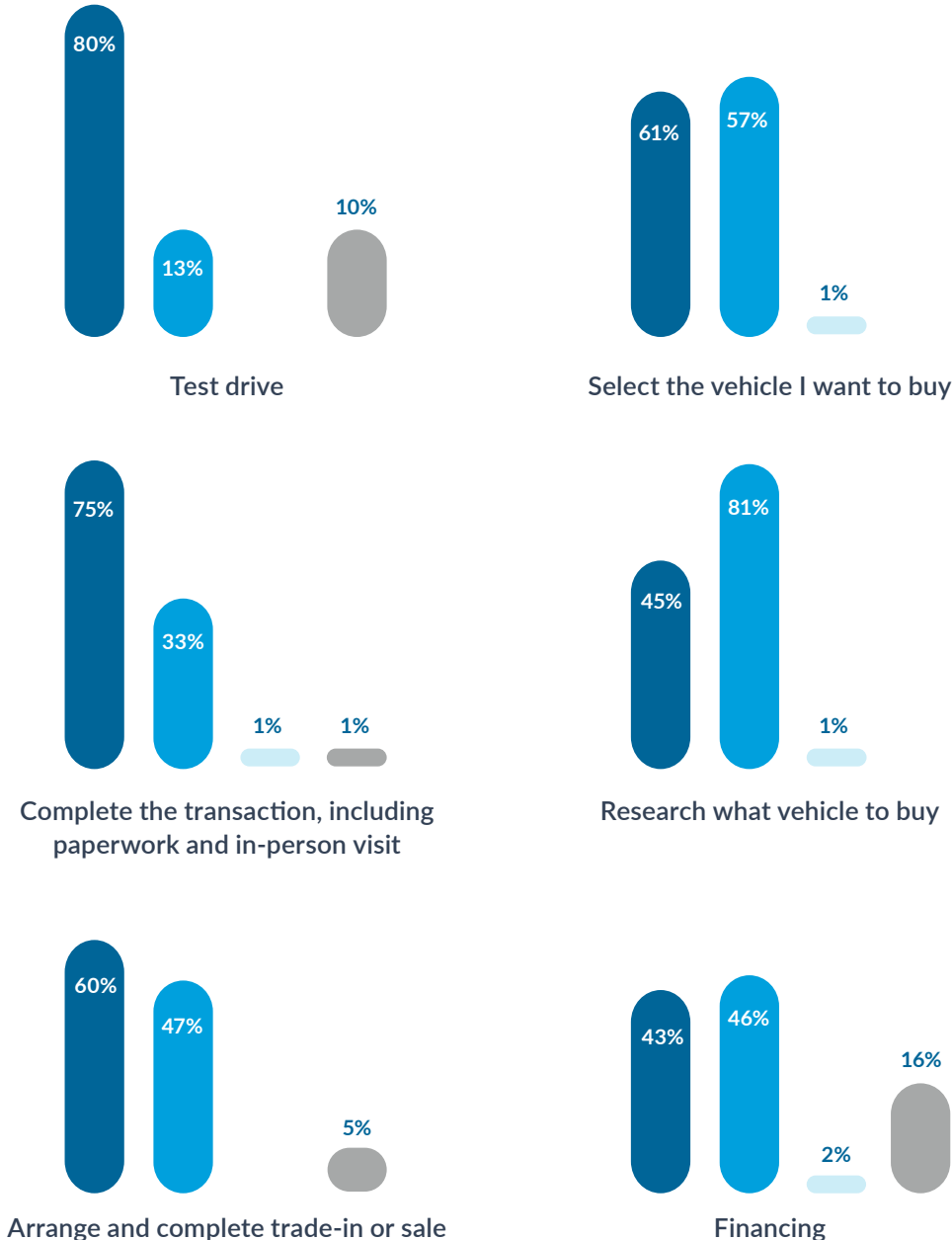
4 years

# The ways they shop online

Fewer shoppers report purchasing from a dealership (60% compared to 76% previous year), which is likely the result of more private sellers capitalizing on exceptionally high demand.

## Location of purchase journey steps

● In-person ● At-home/online ● Other ● Did not do this

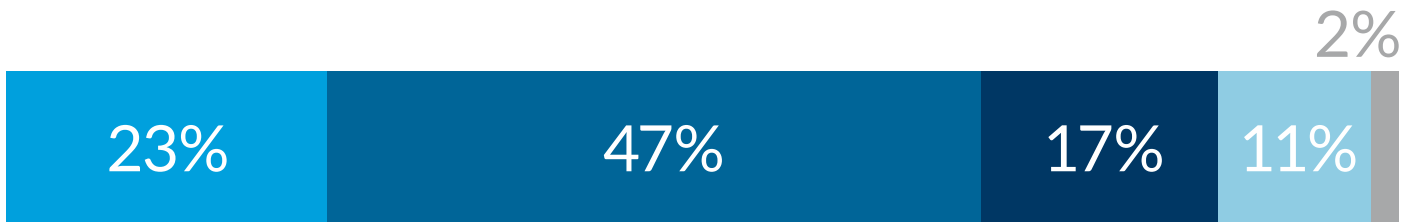




Car buyers continue to rely heavily on the internet for research and decision-making, particularly Millennials.

### Internet usage when exploring options and ultimately selling

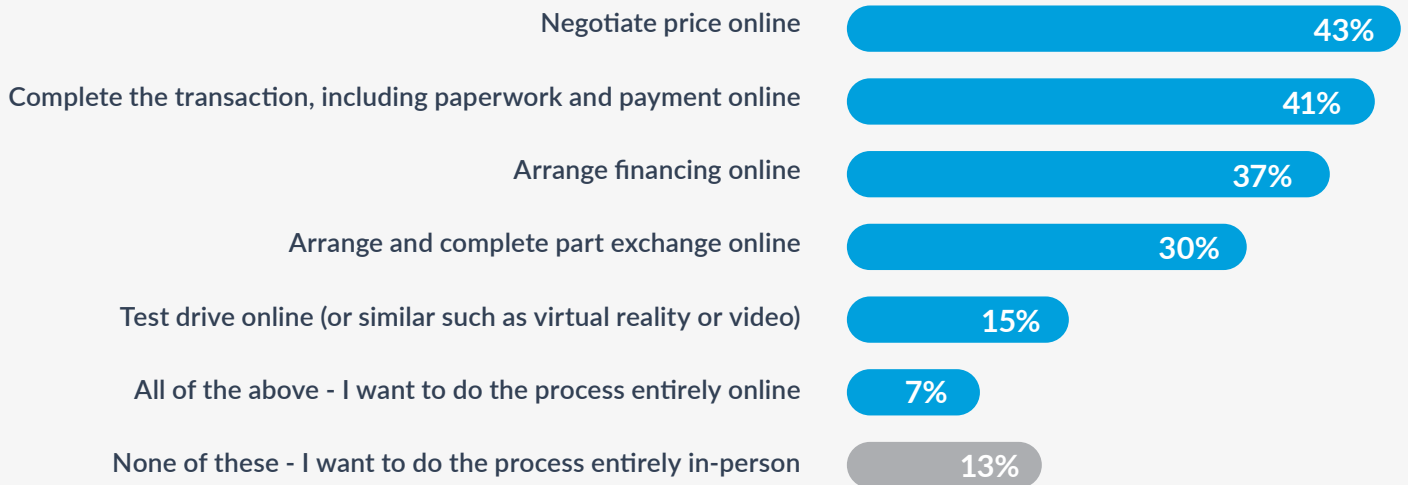
- I exclusively used the internet, and did not use offline resources at all
- I used the internet a lot, and used offline resources a little bit
- I used the internet and offline resources equally
- I used the internet a little bit, but mostly used offline resources
- I did not use the internet at all



open to doing the auto buying process **entirely** online

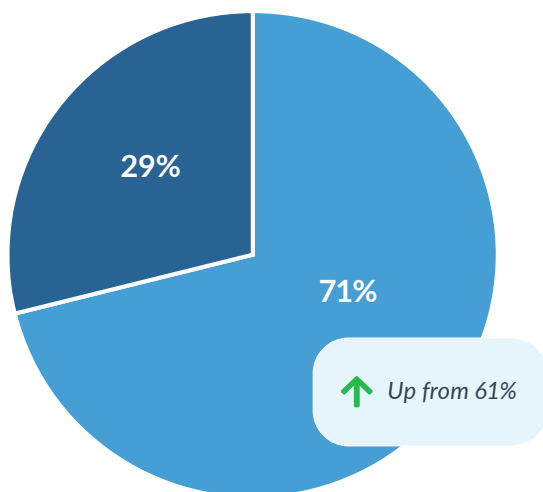
↑ Up from 49%

Preferred online activities



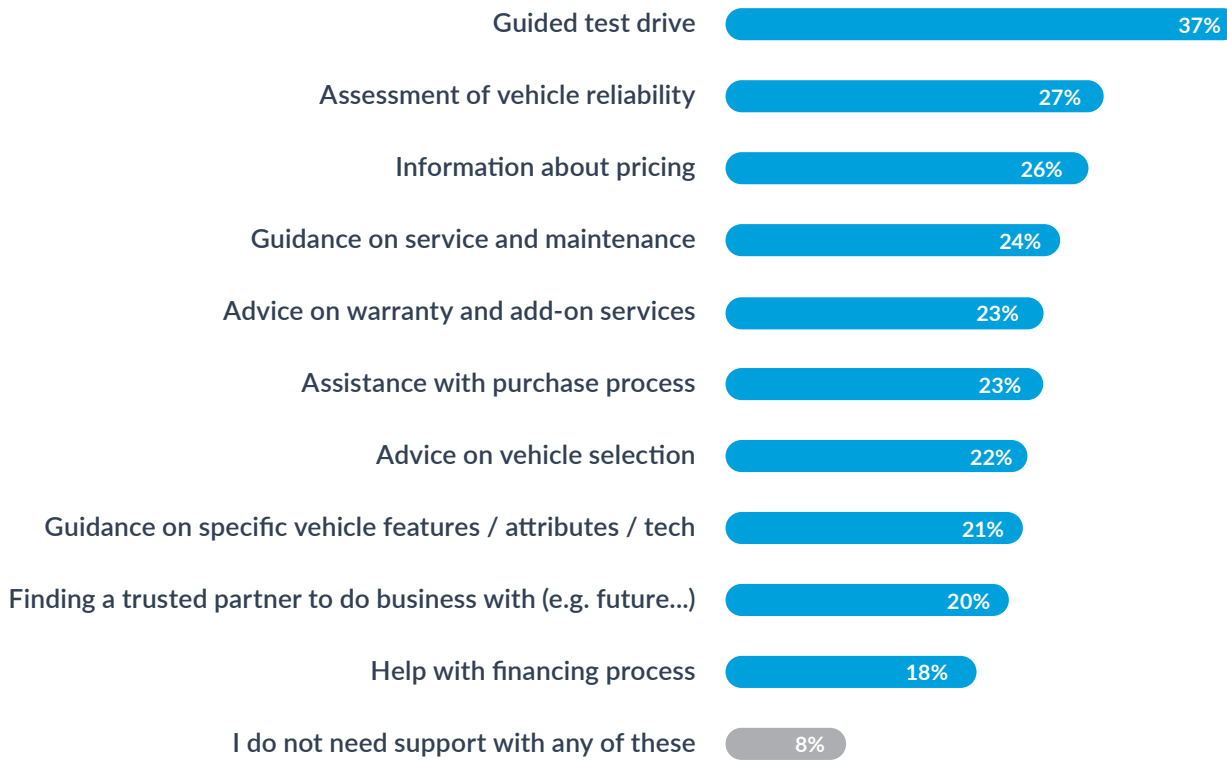
Preference for more of auto buying process from home

● No ● Yes



While preference for a more digital experience increases, an in-person guided test drive is still extremely important to vehicle purchasers

**Preferred activities for in-person support**



**Importance of test drive**

- Extremely important
- Very important
- Somewhat important
- A little important
- Not important at all



# What they look for in a vehicle

Budget concerns and vehicle reliability remain the most important factors in decision-making. When it comes to where to purchase the vehicle, price and location of seller continue to rank as leading factors.

## Important factors influencing what automobile to buy



# What they look for in a dealer

Price remains the most important factor when deciding where to buy, followed by location and reputation of seller. CarGurus users, Millennials, and Households with children were most likely to rank online reviews as a leading factor.

## Important factors influencing where to buy automobile



## My opinion toward automobile brands is...

70%

Open to many

53%

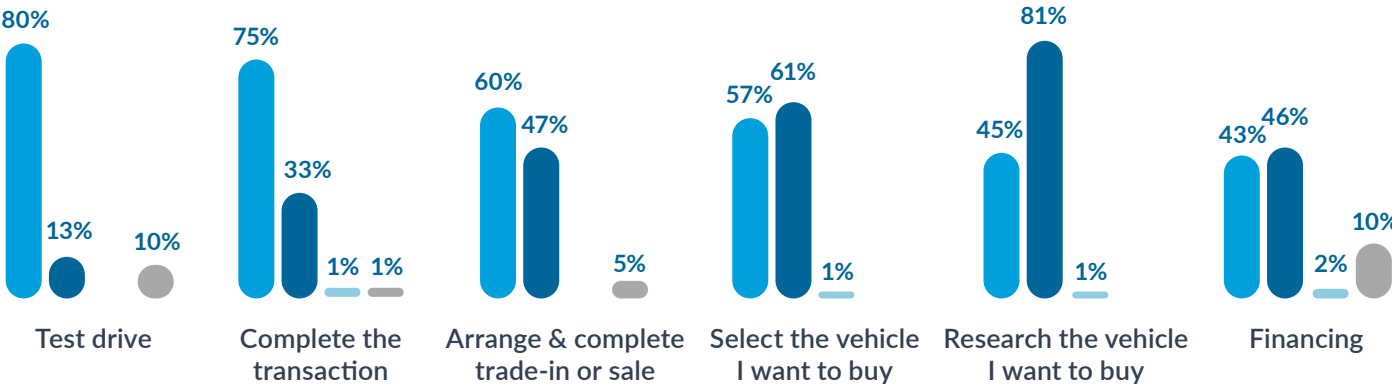
Specific preference

# Where they buy

While research is predominately conducted online, other steps in the journey continue to be a mostly in-person process; younger buyers are generally more likely to complete parts of the process online.

## Location of purchase journey steps

● In person ● At home / online ● Other ● Did not do this



## Bought at dealer?

● Dealership ● Private Party ● Online Site\* ● Other



# What they buy

While SUVs and CUVs remain the most popular body styles, the number of buyers changing body styles increased year-on-year. Many used car buyers reported that they were downsizing, likely due to high fuel prices.

## Luxury status

● Non-luxury ● Luxury

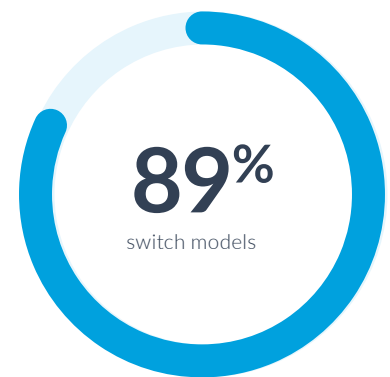
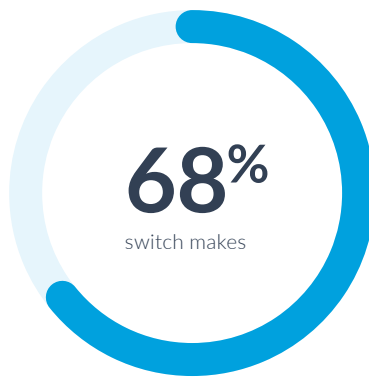
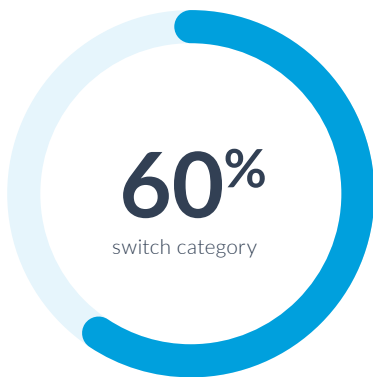


## Brand purchased

1. Audi (15%)
2. Ford (13%)
3. BMW (13%)
4. Vaux hall (6%)
5. Volkswagen (6%)
6. Toyota (5%)
7. Nissan (4%)
8. Mercedes-Benz (4%)
9. Kia (4%)
10. Citroen (2%)
11. Hyundai (2%)

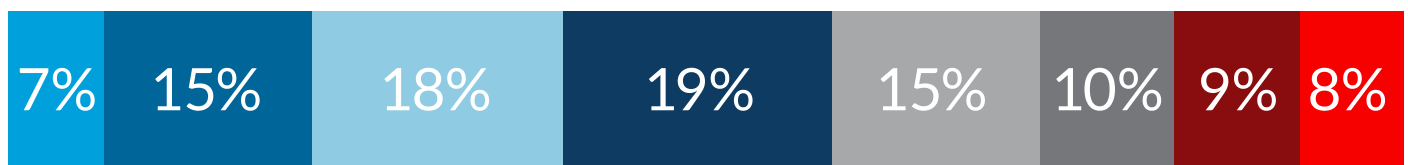
## Segments

1. Hatchback (41%)
2. Wagon Estate (13%)
3. Sedan Saloon (11%)
4. Crossover (10%)
5. Coupe (9%)
6. Convertible (7%)
7. Minivan MVP (5%)
8. Van (2%)
9. SUV (1%)
10. Pickup (1%)



## Amount paid for automobile

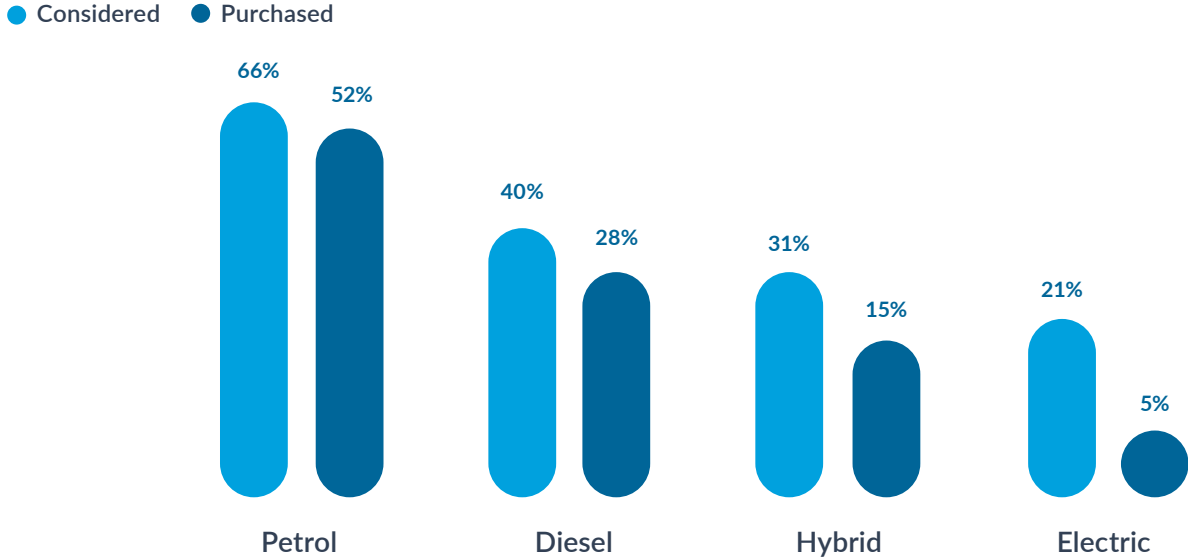
● Under £5,000 ● £5,000-£9,999 ● £10,000-£14,999 ● £15,000-£19,999 ● £20,000-£24,999  
● £25,000-£29,999 ● £30,000-£39,999 ● £40,000 or higher



# Alternative fuel consideration

Petrol remains dominant and Electric Vehicles are being considered and purchased at similar rates to last year.

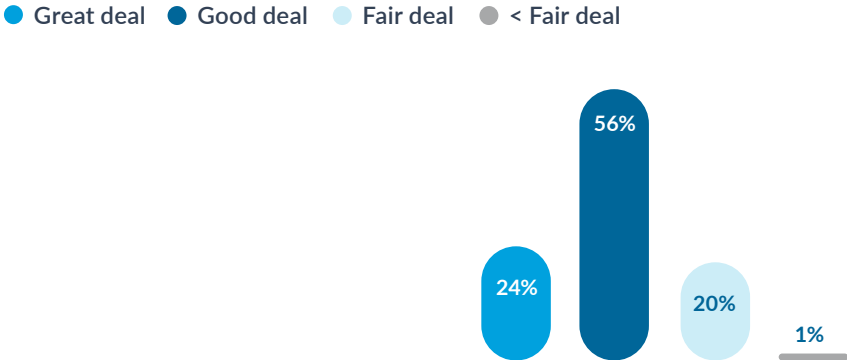
## Alternative fuel consideration & adoption



# Feelings post-purchase

Most buyers feel they got a good deal, but fewer report getting a great deal. Ease of process is a key enhancer, while lack of trust and price changes often lead to negative assessments.

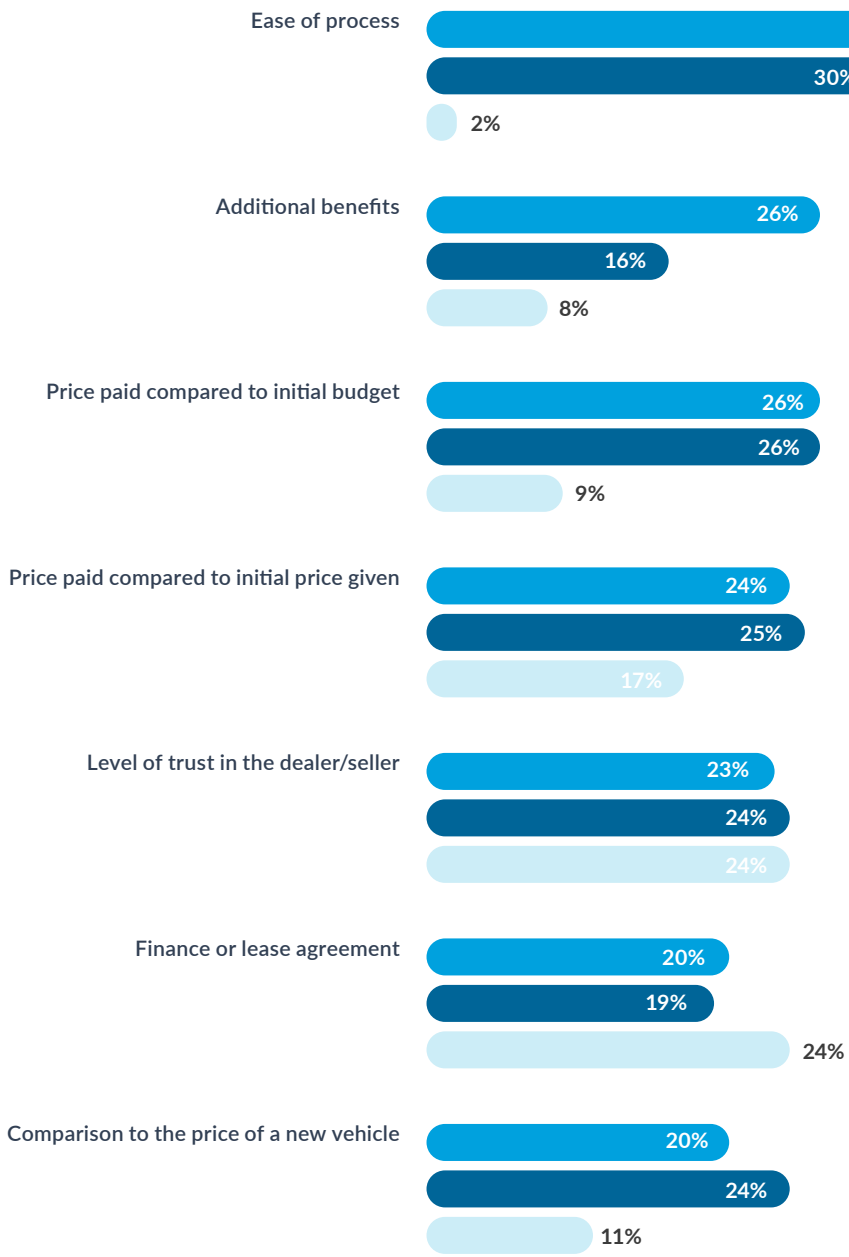
## Assessment of deal received on automobile





Reasons for rating

● Great deal ● Good deal ● Fair deal



Leading reasons for ranking a deal as less than Fair were price paid compared to initial price given and level of trust in the dealer/seller.



# Seller insights

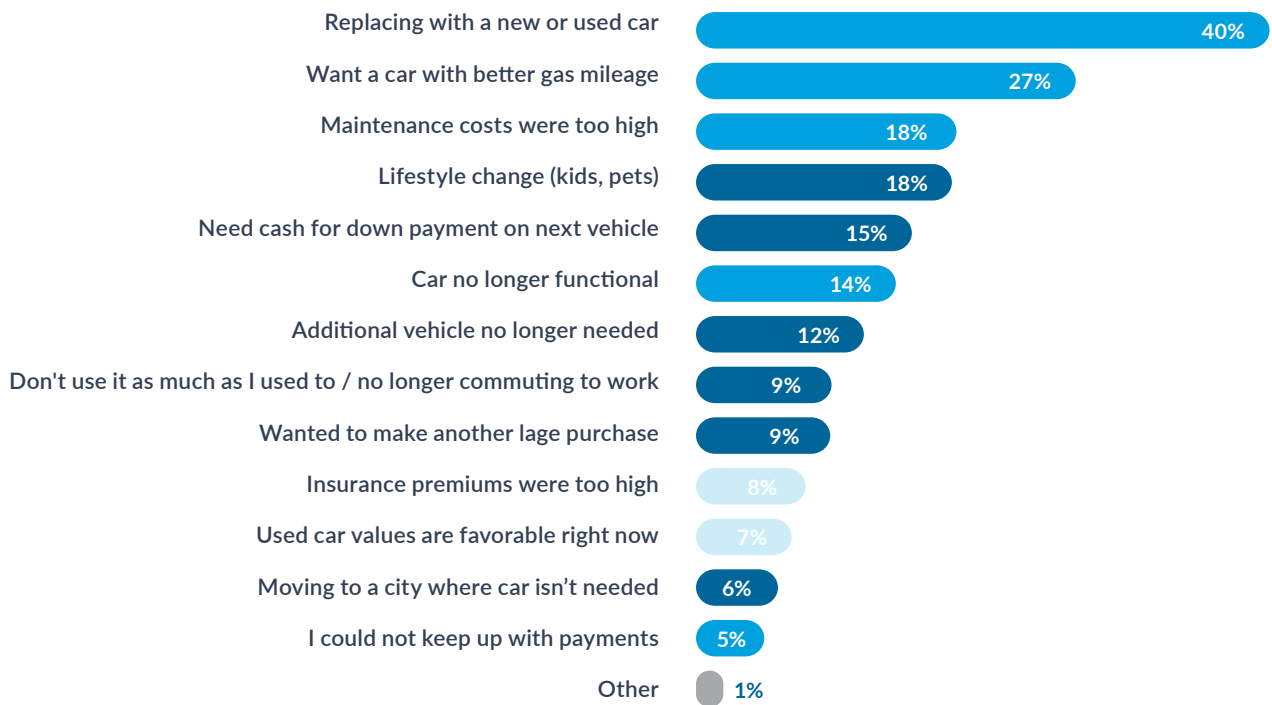
---

# Why they sell

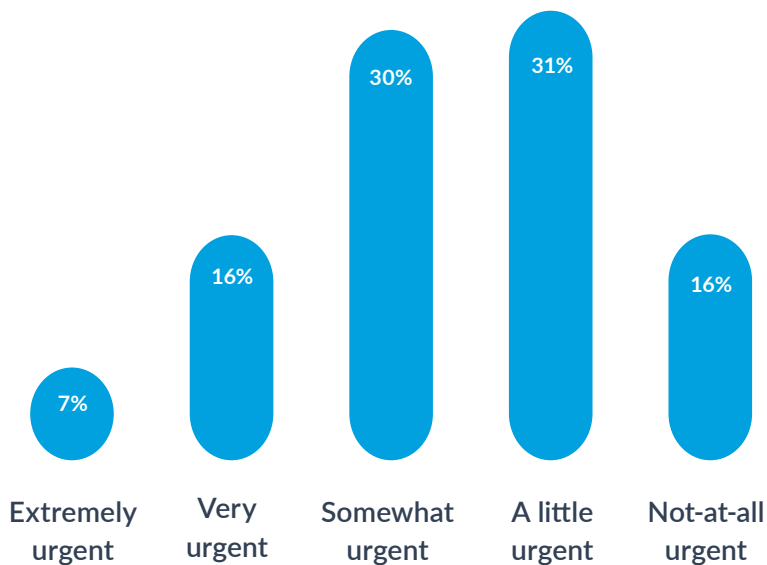
Top reasons for selling an automobile are need for a vehicle replacement and desire for better mileage.

## Reason(s) for initial decision to sell or trade-in prior automobile

● Financial Need ● Lifestyle ● Other



## Level of urgency when first deciding to sell or trade-in



Sellers hold onto their vehicles for

**4 years**  
on average;

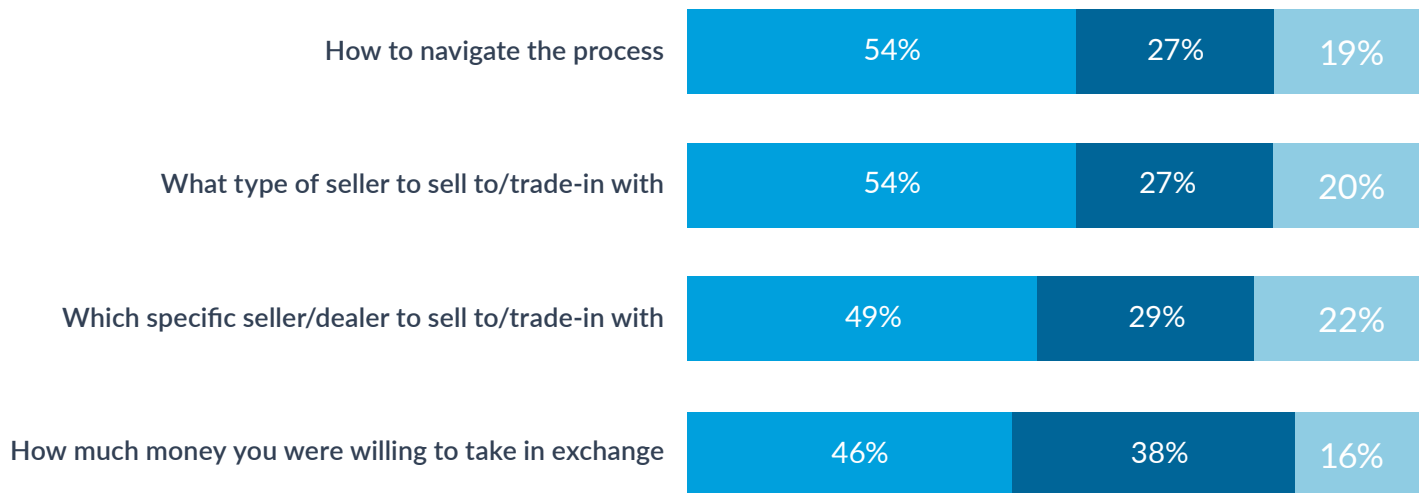
2-in-3 report owning for less than five years

# Decisions they face

More than half of sellers are certain about how to navigate the process and what type of seller to sell/trade-in with.

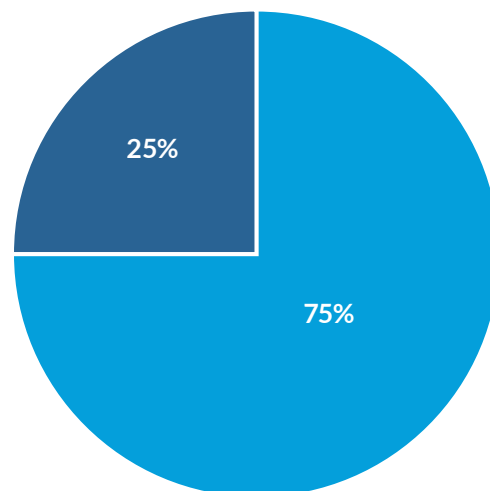
## Certainty at start about selling factors

● Dealership ● Private Party ● Online Site\*



## Openness to selling vehicle entirely online

● No ● Yes



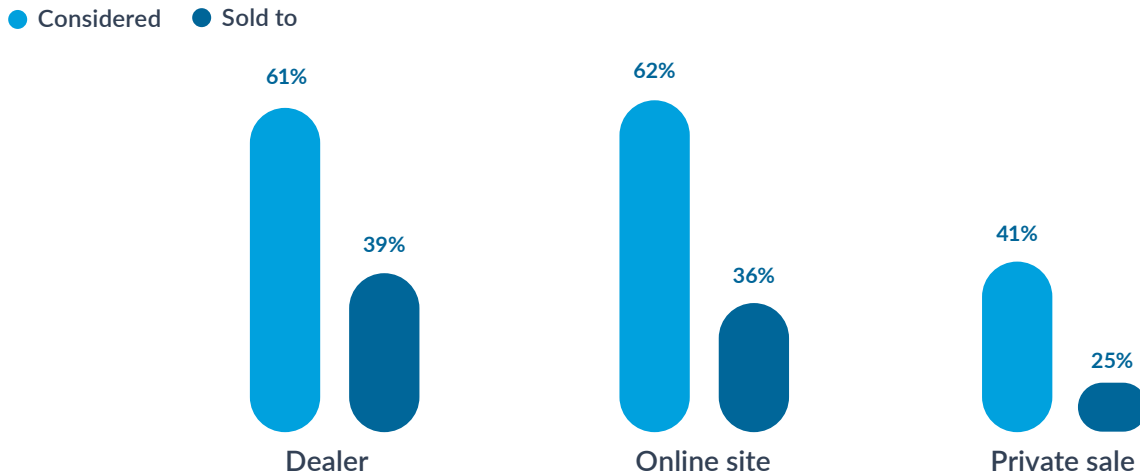
3-in-4

recent buyers/sellers are open to selling their vehicle entirely online

# Where they sell

Nearly 2-in-3 consumers are open to selling their vehicle to dealer or online site.

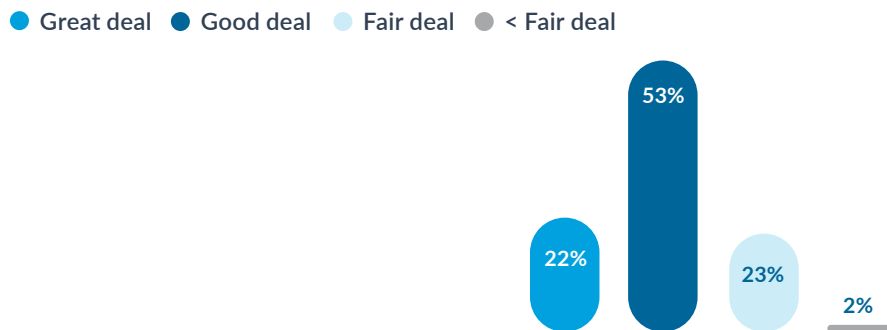
## Type of buyers considered during selling process



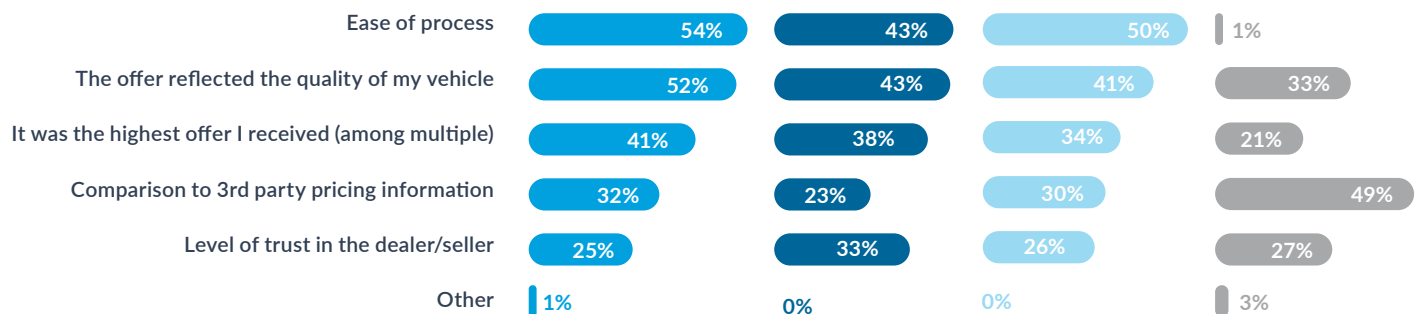
# Feelings post-sale

Ease of the selling process and receiving a fair offer for the vehicle contribute to positive feelings of the deal overall.

## Assessment of deal received on automobile

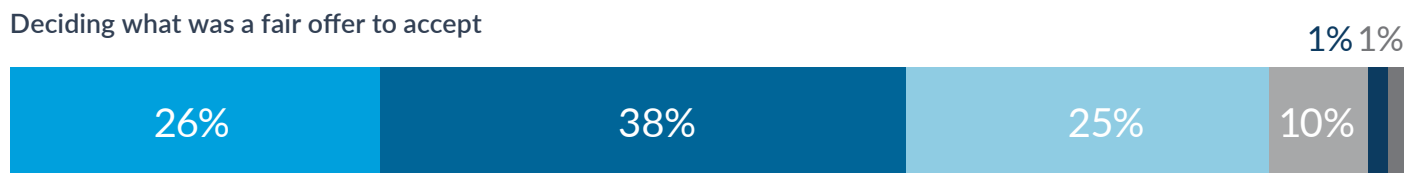
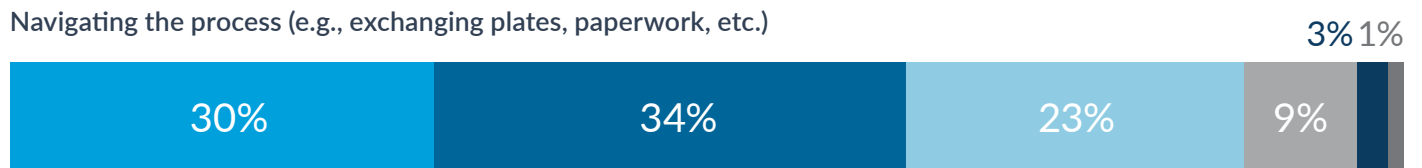
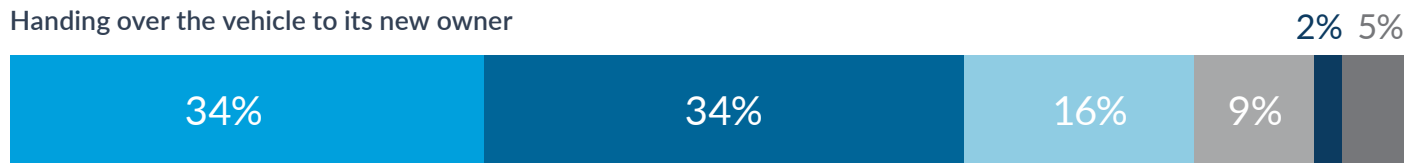


## Reasons for rating



Overall satisfaction with specific factors

● Extremely satisfied ● Very satisfied ● Somewhat satisfied ● A little satisfied ● Not at all satisfied ● NA



Interacting with prospective buyers is currently a key pain point for sellers.



## Key takeaways

### A lasting behavioral shift

While plenty of buyers are interested in buying exclusively online (58% are open to it), most are interested in a hybrid approach that combines digital and in-store. 71% of buyers would like to do more of the auto buying process online, up from 61% from last year. For now, the test drive remains the biggest deterrent to a completely digital purchase. However, people want to get their car buying done quickly. For that reason, they're keen to do more of the purchase process from home and online - specifically paperwork, negotiating prices, and arranging financing.

### Focus on ease and trust building

Despite rising prices, more than half of buyers said they received a good deal. Ease of process was the leading reason for assessing a deal as 'great' or 'good'. However, lack of trust and price changes often lead to less positive assessments overall.



Support online buyers with more digital retail tools - especially financing options - and make sure your sales processes work equally well for in-person, digital, and hybrid buyers.



Dealers who continue to focus on delivering an easy and transparent experience for buyers stand to win, particularly in the increasingly digital path-to-purchase.



# Background & methodology

---

## Methodology

Data is primarily sourced from a 2023 study conducted by CarGurus and GfK, a leading market research firm. The study included a survey of 1510 past four month auto purchasers and sellers. Respondents could qualify as both buyers and sellers, are 18+ years old, and weighted to be representative of the UK auto market in terms of demographics (age, gender, income, etc.) and market factors (new/used, price point, etc.).

## About CarGurus

CarGurus (Nasdaq: CARG) is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with digital retail solutions. The CarGurus marketplace gives consumers the confidence to purchase or sell a vehicle either online or in-person, and gives dealerships the power to accurately price, effectively market, instantly acquire, and quickly sell vehicles—all with a nationwide reach. The company uses proprietary technology, search algorithms, and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. CarGurus is the fastest-growing automotive marketplace in the UK\*. CarGurus also operates online marketplaces, respectively, under the CarGurus brand in Canada and the United Kingdom. In the United States and the United Kingdom, CarGurus operates the Autolist and PistonHeads online marketplaces as independent brands. To learn more about CarGurus, visit <http://www.cargurus.co.uk>.

\*Source: SimilarWeb, Total Unique Visits, Custom-defined list: CarGurus.co.uk, PistonHeads.com, Motors.co.uk, Autotrader.co.uk, Gumtree.com, Q1 2023, UK

CarGurus® is a registered trademark of CarGurus, Inc., LLC. All other product names, trademarks, and registered trademarks are property of their respective owners.

© 2023 CarGurus, Inc., All Rights Reserved.