



CarGurus Research Outlines Key Challenges Facing Used Car Dealerships in 2020

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Company's "One Voice" Report Finds Inventory and Digital Trends Among Focus Areas for Dealers

LAS VEGAS, Feb. 14, 2020 (GLOBE NEWSWIRE) -- CarGurus (Nasdaq: CARG), a leading global online automotive marketplace, today has launched its inaugural ["One Voice" report](#) in the U.S. at the [2020 NADA Show](#). This comprehensive report examines the major issues that dealerships are analyzing for their business's 2020 performance, including areas such as inventory sourcing, digital trends, margin growth and lead management.

Inventory

The One Voice report revealed that 76% of used car dealers found it more difficult to find the right inventory in 2019 compared to the year before, with one third of those dealers expressing that inventory sourcing was either very or extremely difficult. In 2020, dealers revealed they will look for new sources of used cars to counter these pressures.

The report also analysed the amount of time inventory is selling and leaving dealers' lots. The data shows that the best performing dealers in this metric are turning their inventory in less than 10 days (2% of those surveyed), while the typical turn time is between 41-50 days (22% of those surveyed). To combat these challenges, interviewed dealers named aggressive pricing, faster reconditioning times and re-strategizing inventory mix as potential solutions.

Digital Trends

Heading into 2020, one certainty the One Voice report found is the dealership community's increased focus on digitizing the car buying process. The top three digital offerings dealers noted in the report are:

- Online finance completion for pre-approval (50%)
- A full click-to-buy feature (43%)
- Online trade-in valuation (33%)

Margin Growth

The report also asked dealers about their expected profit margins for 2020. Despite 57% of dealers saying they found retaining margin was harder in 2019 than in 2018, their outlook for 2020 was optimistic. 40% expect to see an improvement in this area, and only 17% anticipate a margin decline.

Lead Management

Nearly half (47%) of dealers surveyed reported a higher volume of leads in 2019, with only 29% citing a decrease. The research also found that dealers plan to further improve lead management in 2020, with a focus on search engine marketing, improved website integration, more social media, better dedicated tracking systems and more attention to analytics.

"Used car dealerships reported facing significant challenges in 2019, such as the industry meeting consumer demand for quality used vehicles and the ability to shop online to find them," said Jeremy Sacco, Director of B2B Content and Communications at CarGurus. "CarGurus' first One Voice report in the US shows that despite these difficulties, they're optimistic about performance in 2020 and are already adapting as the car shopping process continues to move online."

Those attending NADA can learn more about the One Voice report at Booth 6209N and the full report can be downloaded [here](#).

About the CarGurus One Voice Report

The inaugural CarGurus One Voice report analyzes feedback and survey results from the annual CarGurus Dealer Executive Council meeting in October 2019. Twenty-one US dealers across franchise and independents explored the key challenges and opportunities facing the used car market. Following the Dealer Council, a survey was shaped around the feedback and shared with the CarGurus dealer community. Survey sample: 993

About CarGurus

Founded in 2006, CarGurus (Nasdaq: CARG) is a global, online automotive marketplace connecting buyers and sellers of new and used cars. The Company uses proprietary technology, search algorithms and data analytics to bring trust and transparency to the automotive search experience and help users find great deals from top-rated dealers. CarGurus is the most visited automotive shopping site in the U.S. (source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Audience, Q4 2019, U.S. (Competitive set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com)). In addition to the United States, CarGurus operates online marketplaces in Canada, the United Kingdom, Germany, Italy, and Spain. To learn more about CarGurus, visit www.cargurus.com. CarGurus® is a registered trademark of CarGurus, Inc.

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