



CarGurus Study Reveals Shifting Consumer Preferences as Automotive Landscape Evolves and Costs Remain Elevated

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Sixth annual survey finds factors like car price, reliability, and ongoing costs will matter even more to shoppers this year - with a lasting shift in the desire to handle more from home

CAMBRIDGE, Mass., March 25, 2024 (GLOBE NEWSWIRE) -- [CarGurus](#) (Nasdaq: CARG), the No. 1 visited digital auto platform for shopping, buying, and selling new and used vehicles¹, today released its sixth annual U.S. Consumer Insights Report, revealing how shoppers' habits have shifted in response to an automotive market where interest rates and costs continue to be elevated; selection is growing; and there are more opportunities to do more from home.

The survey of recent car purchasers and/or sellers² examines factors influencing why and where people buy and sell, as well as their preferences to navigate some—or all—portions of a transaction online. For a complete picture of the buy/sell journey, the survey also considered sentiment after the transaction.

Leading findings include:

- **Vehicle reliability and costs were more important to consumers compared to prior years.** While vehicle costs and reliability remain the dominant factors influencing decisions, more shoppers today are likely to cite reliability (41% vs. 35% in 2022), finding a vehicle that fits their budget (40% vs. 33% in 2022), and expected costs (26% vs. 21% in 2022) as the most important factors in selecting a vehicle. Findings point to these priorities trumping loyalty to a specific make or model, with 89% saying they'd be willing to switch models and 69% open to switching brands.
- **The best price often determines where consumers buy.** According to findings, price remains the top priority in determining the seller they select, with 55% of respondents saying it's the most important factor, followed by inventory selection (34%), and availability of financing or special offers (26%). Notably, confidence in being treated fairly increased (23% vs. 17% in 2022).
- **Consumers are more open to selling their vehicle entirely online.** 82% of consumers are open to selling their vehicle entirely online (up from 77% in 2022). In tandem, 69% of shoppers say they want to conduct more of the buying process from home, particularly price negotiation and trade-in estimates. The preference to do more from home has remained unchanged year-over-year since rising from 60% in 2021, indicating a lasting shift in behavior. Steps that mainly occur online (or a combination of online and in-person) include researching what vehicle to buy (81%), assessing the value of a car to be sold (77%), and getting offers to sell a car (69%).
- **Financing declines year-over-year.** According to findings, 42% of buyers apply for financing before a dealer visit. However, 56% of respondents say they financed (down from 60% in 2022), with many opting to buy in cash due to higher interest rates.
- **More young buyers purchased their first car in 2023.** Of those who said they bought or leased their first car in 2023, 27% were Gen Z which was up from 20% in 2022. The most popular brands among Gen Z respondents as a whole include Toyota, Chevrolet, Honda, BMW, and Ford.
- **Electric Vehicle (EV) consideration continues to grow.** More shoppers are considering EVs (27% vs. 22% in 2022 vs. 16% in 2021). However, purchase rates among respondents remain low, with 8% reporting an EV purchase (up from 5% a year prior). According to findings, 84% of those that had purchased a gas vehicle are sticking with gas, while 20% of those who purchased an EV, and 25% of those who purchased a hybrid, switched to gas.

"The automotive market has seen incredible change within the last few years, with pricing and inventory levels in flux, EVs becoming more mainstream, and more paths to purchase—especially online—available for shoppers," said Alison Ciummei, Director of Product Marketing at CarGurus. "As we examine how these factors have impacted buying and selling habits, there is a consensus: consumers are taking control of the process in a way that makes the most sense for their individual goals for pricing, convenience, and confidence in the transaction. Whether that involves exploring financing options, considering a trade-in, or comparing vehicles against specific needs, shoppers are looking to both digital retail tools and dealership support to tailor the most seamless experience possible."

The full study from CarGurus is available for download [here](#).

²Methodology

Data is primarily sourced from a June/July 2023 study conducted by CarGurus and GfK, a leading market research firm. The study included a survey of 3,185 past-four-month auto purchasers/sellers of new or used automobiles: n=3,012 opt-in sample and n=173 CarGurus CRM sample. Respondents could qualify as both buyers and sellers, are 18+ years old, and weighted to be representative of the U.S. 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 both digital retail solutions and the CarOffer online wholesale platform. The CarGurus platform gives consumers the confidence to purchase and/or sell a vehicle either online or in-person, and it 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 most visited automotive shopping site in the U.S. ¹

CarGurus also operates online marketplaces under the CarGurus brand in Canada and the U.K. In the U.S. and the U.K., CarGurus also operates the Autolist and PistonHeads online marketplaces, respectively, as independent brands.

To learn more about CarGurus, visit www.cargurus.com, and for more information about CarOffer, visit www.caroffer.com.

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¹ Source: [Similarweb](#) Traffic Report, Q4 2023, U.S.

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Source: CarGurus, Inc.