

## What drives auto buyers today?



The world has shifted, and it's up to us to keep up.

New vehicle sales fell 24% in the U.S. in the first half of 2020, following global trends.<sup>1</sup> However, there's no need to panic. In a recent CarGurus survey, 60% of respondents said they were open to buying a car online versus 32% before.<sup>2</sup> We believe this shift is here to stay. Staying on top of (and predicting) digital trends can keep you at the front of the industry while optimizing your ad spend.

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### The good news



The University of Illinois at Chicago predicts that more people will be taking road trips in the near future.<sup>3</sup> Gas prices are down and people want to avoid crowded planes.<sup>4</sup>

**87%**

of respondents rated private car travel as either low or extremely low risk and trust private vehicles even more than a private bike or walking.



### Used car sales have been increasing and will probably continue beyond 2020.<sup>5</sup>

**6%**

According to Cox Automotive, **new-vehicle sales** for the week ending May 28, 2020 **were down 28%**, but **sales of used vehicles were up 6%**.

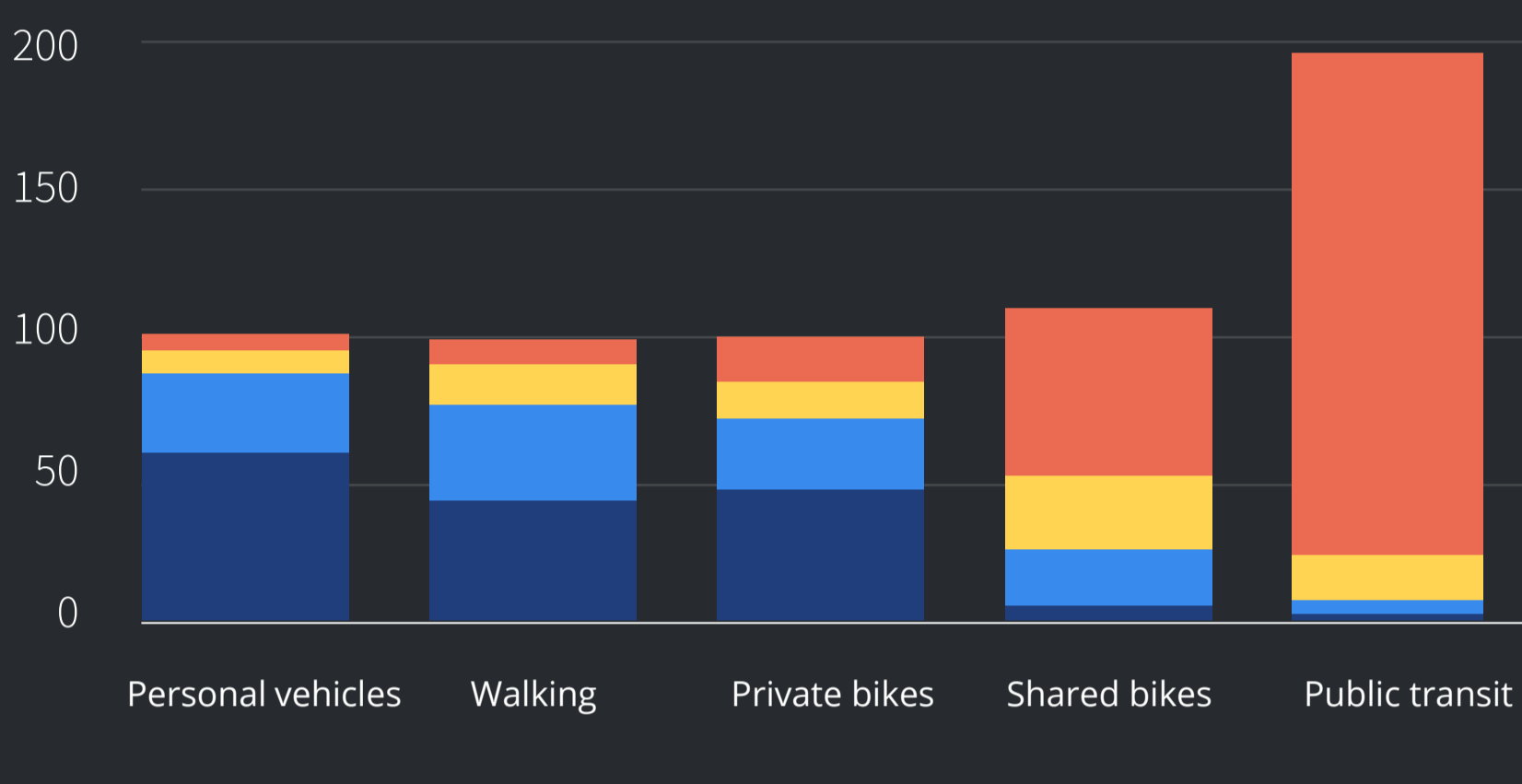


**5.74%**

According to Cox unit Manheim, wholesale **used-vehicle prices rose 5.74%** in the first half of May from the previous month.

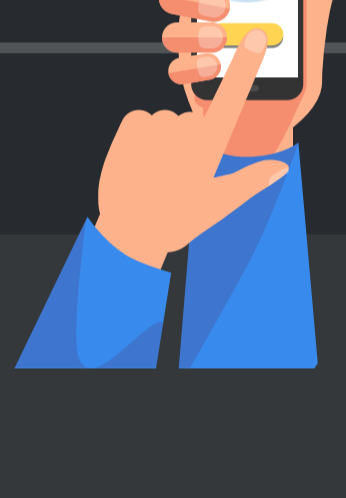
### Transportation Risk Assessment (%)<sup>3</sup>

extremely low risk   low risk   medium risk   high risk



## How to position yourself for success

### THE TRENDS



#### Taking the dealership **VIRTUAL/DIGITAL**

**-20%**

Fewer searches for "dealership near me"<sup>6</sup>

**80%**

Auto sales now start online<sup>7</sup>

**18%**

Of auto shoppers would purchase a car sooner if they could buy online<sup>8</sup>

#### While online, they interact with dealerships **A LOT**



**139**

Number of Google searches car buyers conduct while researching their next purchase<sup>9</sup>

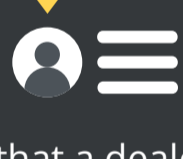
**900**

Number of digital interactions customers have with a dealership before they make a purchase<sup>9</sup>

#### Those interactions take many different forms and all help instill **TRUST**

**62%**

Of consumers report that a dealer's response to reviews made an impact on their buying decision<sup>10</sup>



**+70%**

Mobile watch time has increased for test drive videos on YouTube<sup>11</sup>



**+30%**

Model Automotive ads and Dealer Automotive ads compared with regular Google ads<sup>12</sup>



**8/10**

People said that having the phone number displayed prominently on your website increases trust<sup>13</sup>



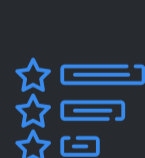
#### TIP #1

**Invest in online engagement.** Find innovative ways to connect with customers. For example, film test drive videos. This trend was already happening, and it's time to lean in.



#### TIP #2

**Prepare for online purchases.** Use your website to drive more sales while fewer consumers are visiting your lot. Make sure your online shopping experience is user-friendly. One third of shoppers say they will choose a different brand if a website doesn't make pricing easy to find.<sup>14</sup>



#### TIP #3

**Prioritize online reviews.** Not only ask for reviews from your satisfied customers, but reply to your reviews, both positive and negative.



#### TIP #4

**Take these new digital automotive ads for a test drive.** Toyota's U.S. branch did and saw a 45% increase in conversions, along with a 30% decrease in Cost Per Click.<sup>15</sup>



#### TIP #5

**Keep your phone lines up and running with efficiency.** Giving consumers access to direct contact with your team makes sure you don't remove the personal touch from the sales process, even as it moves online.

## Parts and services are another opportunity

Attractive financing and lower price points are spurring increased demand in the **used vehicle market.**

"While used vehicle sales were initially hit harder than new vehicles..., we expect that trend to reverse due to new car inventory shortfalls."

"Lease returns have been adding a flood of two to three year old vehicles back into the used market."

"Attractive financing and lower price points are helping spur increased demand in the used vehicle market."

– Eric Lyman, Chief Industry Analyst for ALG, a subsidiary of TrueCar<sup>16</sup>



## Conclusion

To react to current market trends and set your dealership up for long term digital shifts, automotive dealerships need to employ smarter marketing tactics with tools like CallRail.

To help keep track of your online interactions, get more valuable insights of your conversations, and ensure you never miss a valuable lead, request a CallRail demo or start your free trial today.

[Request a demo of CallRail](#)

### Endnotes

- <https://www.forbes.com/sites/neilwinton/2020/10/15/global-auto-sales-wont-recover-pre-coronavirus-highs-until-2023-report/#c3a4afde6b68>
- <https://investors.carvana.com/~media/Files/C/Carvana-IR/documents/events/q2-2020-cvna-shareholder-letter.pdf>
- <https://translab.lab.uic.edu/covid-19/>
- <https://www.gasbuddy.com/charts>
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- <https://www.automotivesupplynews.com.mx/2020/06/07/5-trends-shaping-the-auto-industrys-approach-to-a-new-normal>
- <https://www.cnbc.com/2020/05/21/the-coronavirus-pandemic-has-upended-auto-sales-and-buying-a-car-will-never-be-the-same.html>
- <https://www.blog.google/products/ads/rev-up-the-car-experience-with-auto-ads>
- <https://www.thinkwithgoogle.com/consumer-insights/automotive-impact-during-coronavirus/>
- <https://www.thinkwithgoogle.com/data/test-drive-video-watch-time-statistics/>
- <https://www.blog.google/products/ads/rev-up-the-car-experience-with-auto-ads>
- <https://www.mediapost.com/publications/article/356739/consumers-willing-to-buy-cars-online-with-caveats.html>
- <https://explore.invoqa.com/high-stakes-purchases-survey-data>
- <https://www.blog.google/products/ads/rev-up-the-car-experience-with-auto-ads>
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