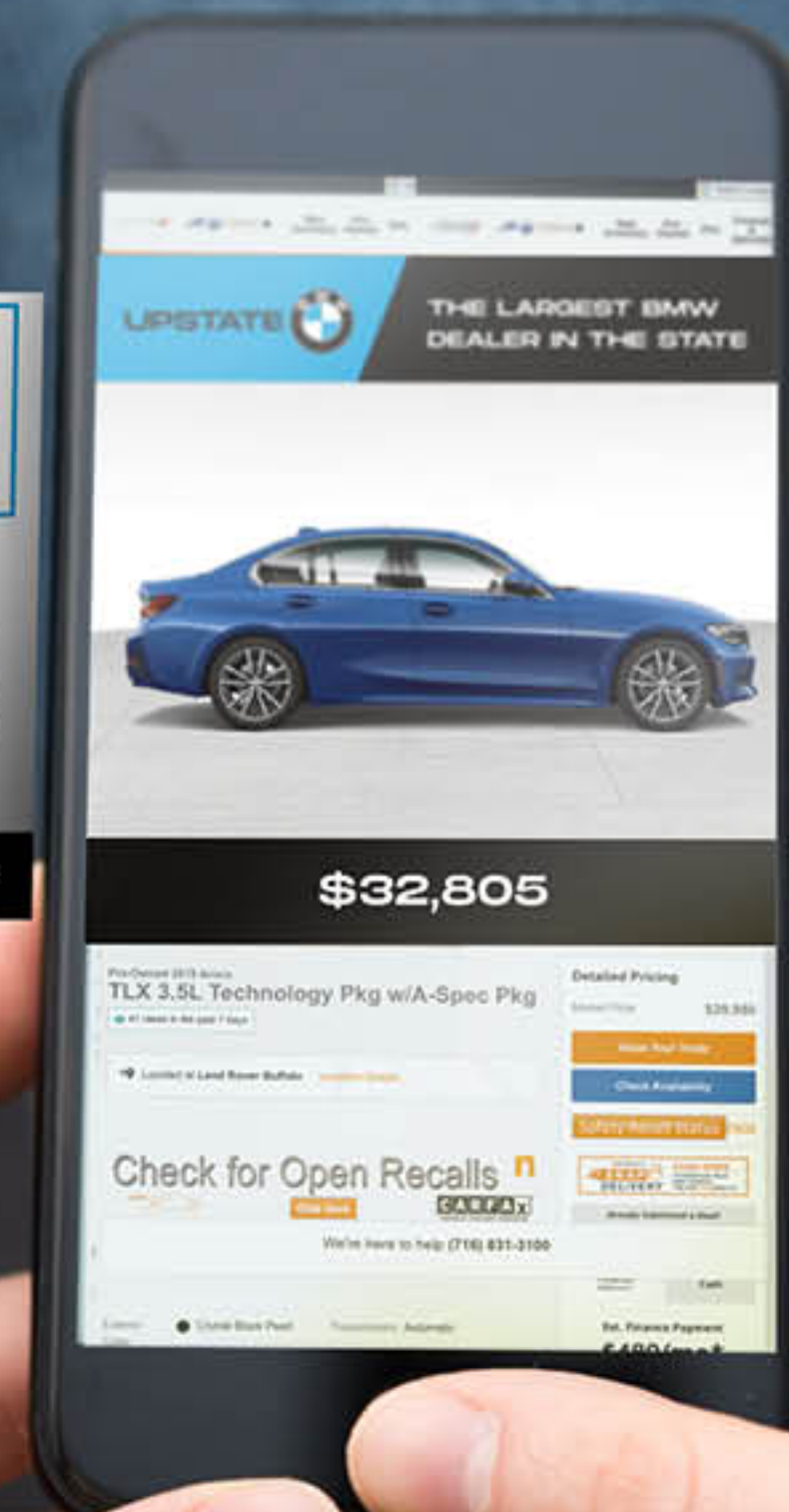


# 2023 CONSUMER MERCHANDISING INSIGHTS





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To give you a glimpse into consumers' vehicle purchase processes, we have conducted independent research, interviewing in-market car shoppers with a wide range of ages, races and annual incomes.

Consumers were asked about their purchasing styles, the vehicle features that matter most to them and their merchandising preferences. We also investigated how consumers perceive information, transparency and trust in dealerships.

With insight into how your customers shop online and what they want to see, you can tailor your merchandising approach to give them a digital shopping experience that is not only better but more influential.

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# PURCHASING INTENTIONS

The buying cycle (time from start of shopping to final purchase) has increased from an average of **3 months to almost 6 months**.

This increase could be a result of lack of inventory, the difference between rising vehicle costs and what consumers want to pay, high gas prices, and/or wanting to make sure they are purchasing the right vehicle.

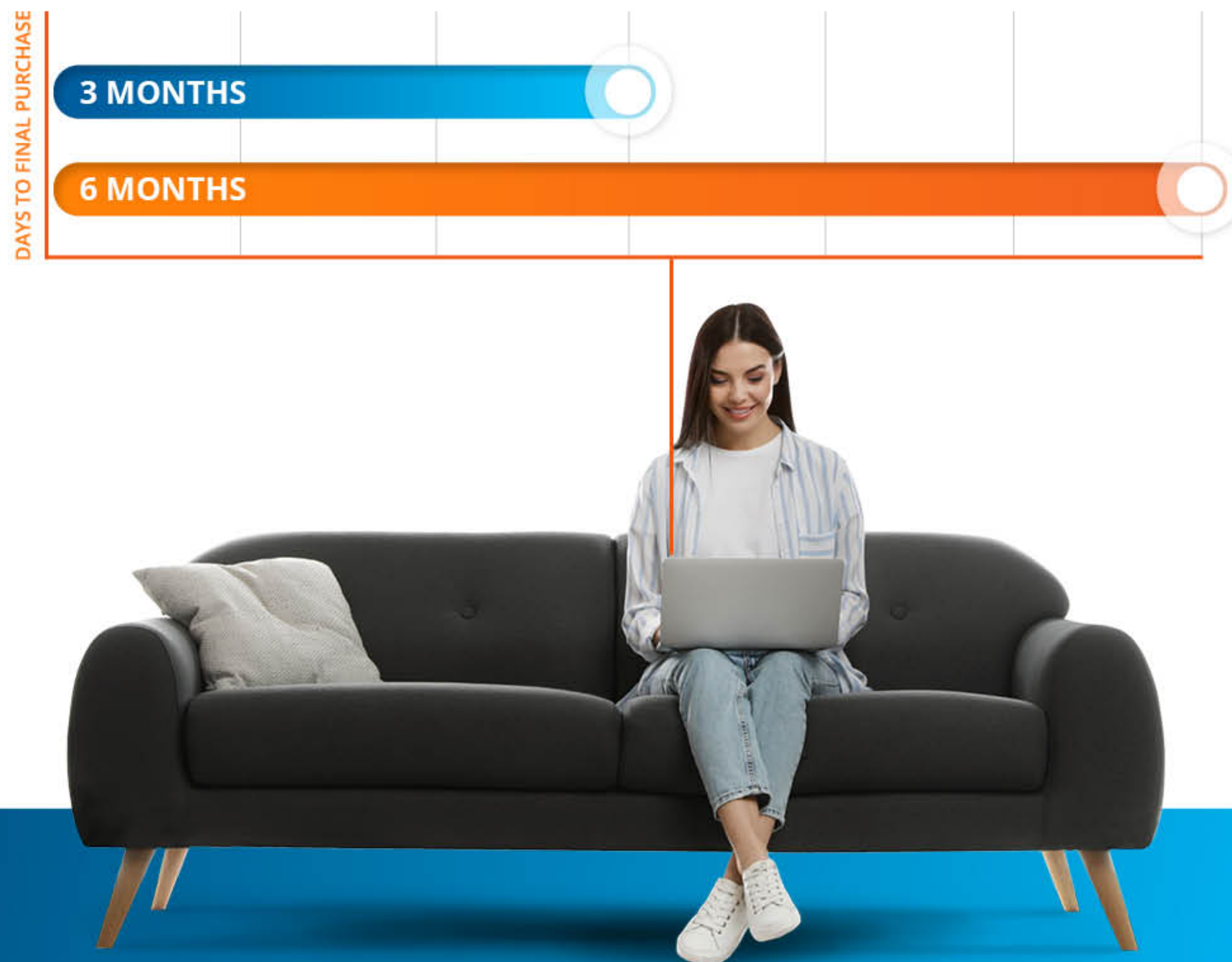
The consumers sampled in this survey consider themselves to be in the market to purchase or lease a vehicle. Here's what they're looking for – and what your shoppers may be looking for too.

## REPLACE VS. ADD ON

Consumers owned 1-2 vehicles on average

**50%** looking to replace a current vehicle

**32%** looking to purchase an additional car





## NEW VS. CPO/USED

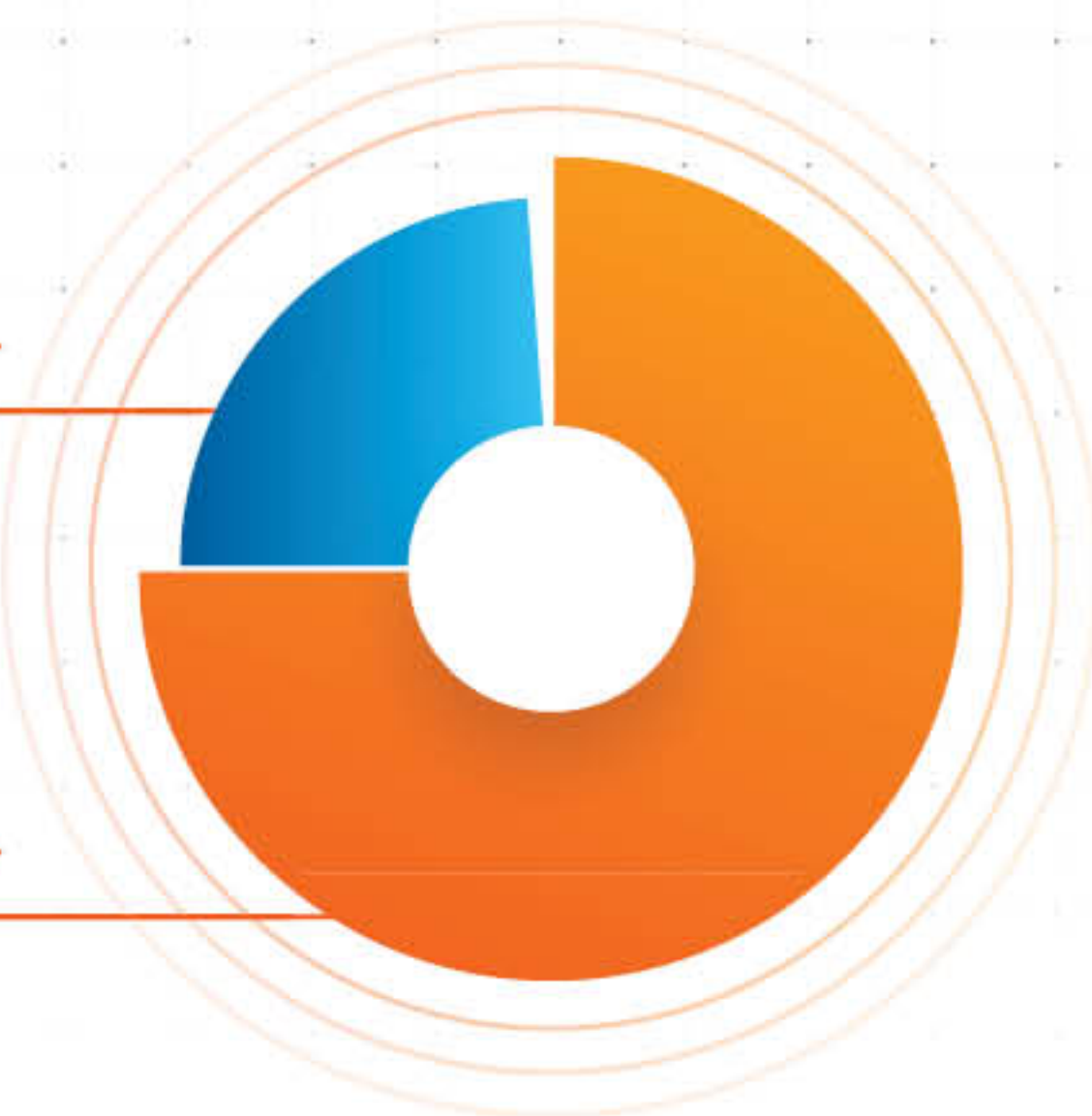
About **50%** of consumers planned to purchase new, with the remainder split between CPO (29%) and used (21%)

The new car market has decreased a bit and evened out with used as a result of the inventory shortage.



24%  
LEASE

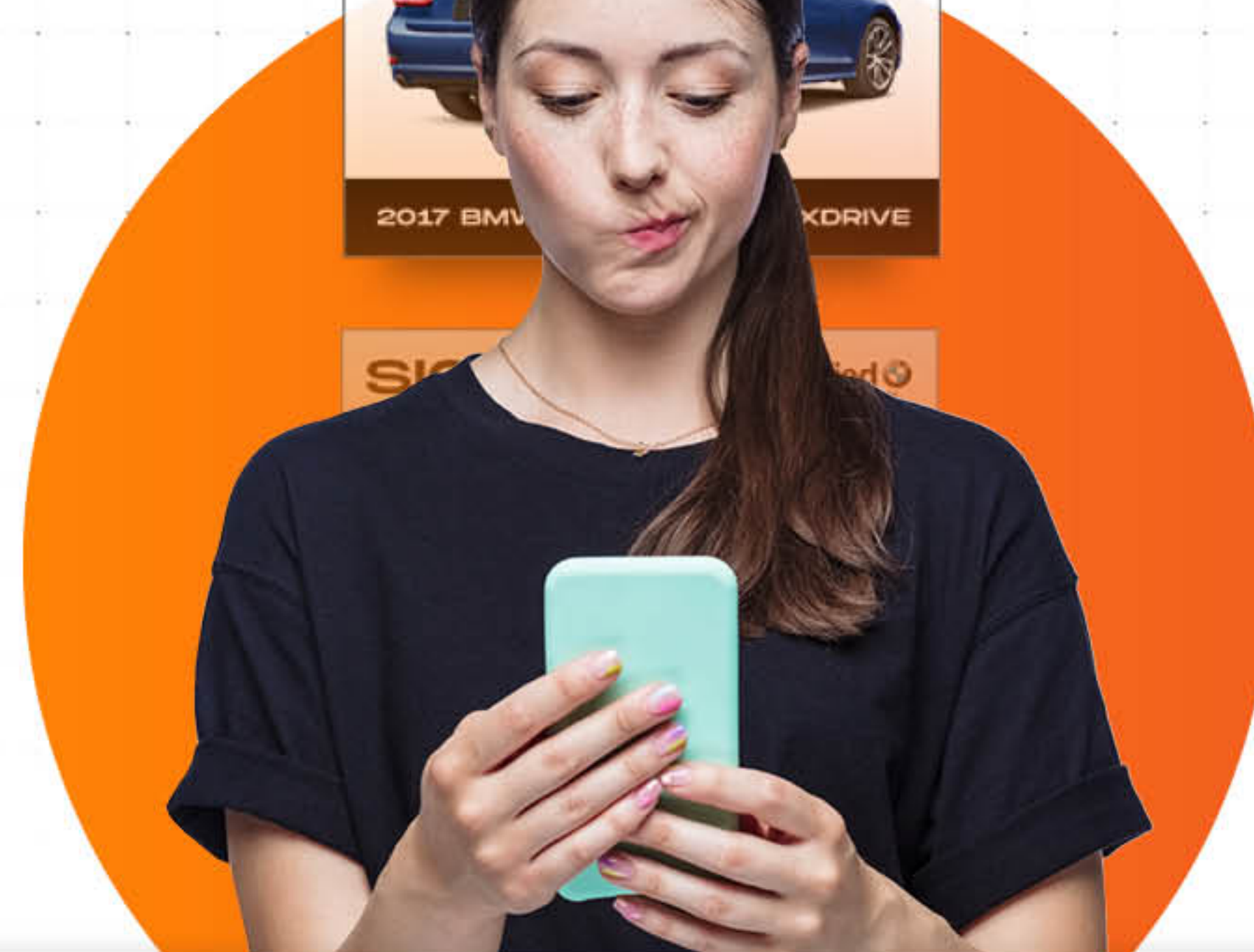
75%  
OWN



## OWN VS. LEASE

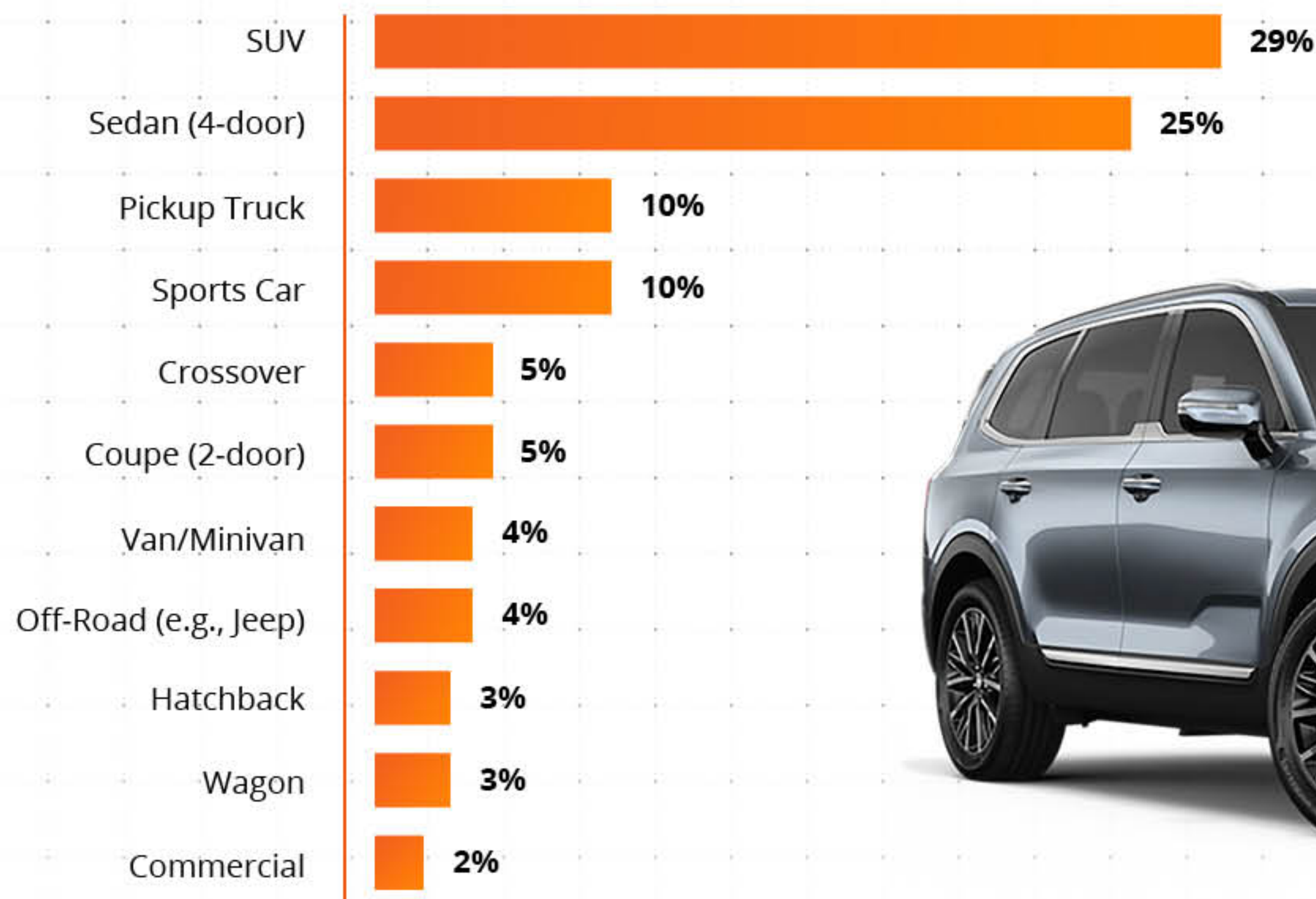
**75%** were looking to purchase a vehicle compared to **24%** looking to lease.

Because consumers are split 50/50 between new and used, you should be promoting all of your cars online consistently, not just focusing on used or new.





## PREFERRED STYLE



## WHERE ARE CONSUMERS BUYING FROM

Online retailers are starting to take market share from dealerships. As the shift to online shopping continues, that figure will likely rise.

# 56%

buy from franchises

# 45%

buy from independent stores

# 30%

buy from online retailers (Carvana, Carmax, etc.)

## NON-LUXURY VEHICLE DOMINATE

60% of people are looking to purchase non-luxury vehicles.

## ELECTRIC AND HYBRID VEHICLES

42% of people are considering electric/hybrid  
24% of people aren't sure yet. This number is expected to rise as the U.S. continues to push for EVs.



# BUYING PREFERENCES

To stay ahead of the competition and increase market share, dealers have to remain relevant in customers' eyes. Dealers need to create a merchandising experience that delivers what shoppers want to make car buying decisions online.

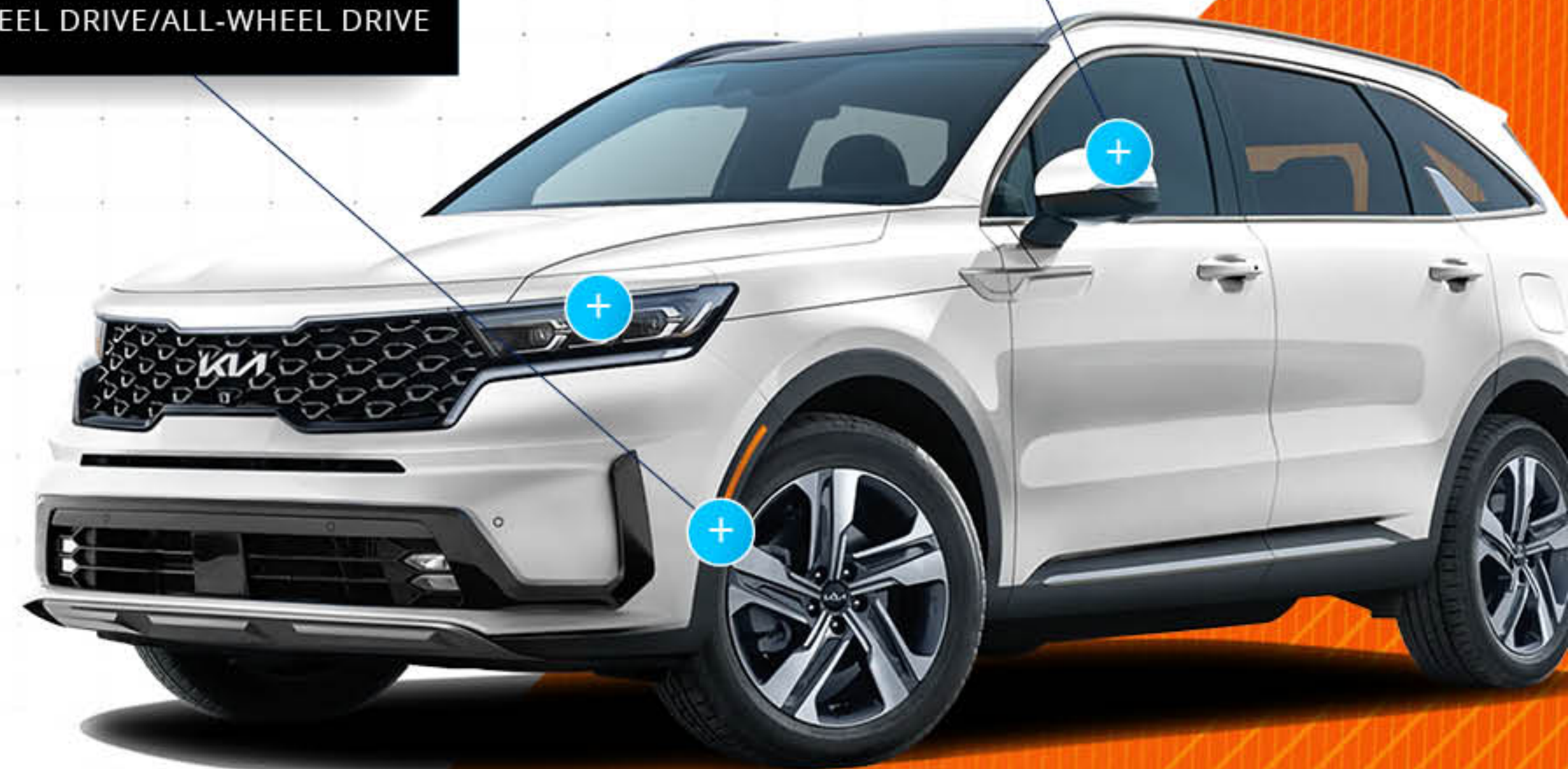
## VEHICLE FEATURES

Consumers consider price and warranty to be important factors when buying a car, but shoppers also want dealers to call out the special features of every vehicle.

As the digital world continues to expand, tech features are growing in popularity. Smartphone integrations, backup cameras, navigation and entertainment displays are becoming more and more important to car shoppers.

## SHOPPERS RANK THE MOST VEHICLE IMPORTANT FEATURES

- |  |                                       |
|--|---------------------------------------|
| 01 Price                                   | 10 Keyless access w/push button start |
| 02 Warranty provided on vehicle            | 11 Adaptive cruise control            |
| 03 4-wheel drive/all-wheel drive           | 12 Bluetooth                          |
| 04 Backup camera                           | 13 Memory seats                       |
| 05 Smartphone operating system integration | 14 Sunroof/moonroof                   |
| 06 Blind spot monitors                     | 15 Heated seats                       |
| 07 Info/entertainment display              | 16 Leather seats                      |
| 08 Navigation                              | 17 Cooled seats                       |
| 09 Automatic headlights                    | 18 Heated steering wheel              |





# MERCHANDISING PREFERENCES

## IMAGES

Nearly **80%** of people expect to see **10-20 photos** of each car. Dealers need to tell consumers exactly what they want to know within those first 10-20 photos in the media carousel.

## OVERLAYS

While **60%** of consumers prefer images and call-outs of the vehicle to be related, consumers are overall satisfied with additional information, even if it is not related to what is featured in that image.

Used car shoppers expect to see price and mileage on images. They also want to see vehicle features, as well as history, reconditioning and warranty information.



More than **80%** of consumers **prefer content on images** as opposed to images alone.





## INTERACTIVE LISTINGS MEDIA

Consumers' shopping preferences are changing. They now prefer to see 360 spins over photos and videos.

Dealers who merchandise with plain, static photos aren't doing enough. To give shoppers the information they need to feel confident about their buying decisions, dealers need to adopt more advanced media techniques like 360 spins.

## WHY SHOPPERS PREFER 360-DEGREE SPINS

"A full 360 will allow you to trust you are getting to see all of the vehicle without worrying about what angles, shadows, lighting, etc. are hiding or covering up in still shots."

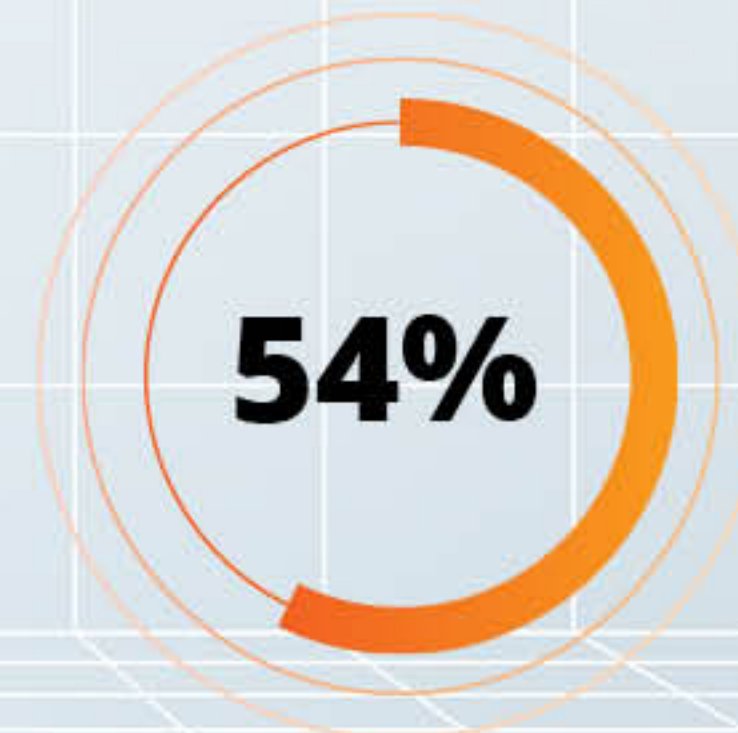
"I'd want to make sure I am getting everything it says in the photo. I'd want to make sure there are no scratches or dents from shipping."

## VEHICLE HISTORY

Shoppers said they would also like dealers to reveal more about the vehicle's history in the online listing, including:

- Previous owners
- Past accidents
- Damage, rust or other defects
- Repairs and reconditioning work

They want to know the ins and outs to make sure they are making a smart buying decision. Dealers can serve up this information and enhance their merchandising by adding elements such as image overlays, text overlays and billboards to their VDP content.



**54%** of people want  
**360-degree spins**

360 spins are preferred over  
photos and videos.



# TRUST, TRANSPARENCY AND INFORMATION

Consumers are demanding more transparency online in order to trust the dealership and make their final buying decisions.

Dealers are making an effort to be more trustworthy, transparent and informative. It's paying off, but roughly 1/3 of shoppers need dealers to do even more, especially as digital shopping grows in popularity and consumers buy more cars from the comfort of their homes.

One way you can build trust is by including more information on your online listings, including dealership branding and full details on every vehicle. When you do this, consumers perceive you to be more transparent and trustworthy – critical factors in winning them over and gaining their business.

In addition, transparency about the vehicle and the buying process also creates trust online.

## 8 IN 10 SHOPPERS

AGREE THESE FACTORS BOOST THEIR TRUST IN A DEALERSHIP:



DEALERSHIP AWARDS



WARRANTY DETAILS



VEHICLE AWARDS



SERVICE DEPARTMENT INFO



# CONCLUSION

A car is a major purchase decision for consumers. They spend hours researching vehicles and dealerships online to be sure they're choosing the perfect vehicle for them.

**How you merchandise your vehicles online now plays a major role in winning sales.**

Consumers expect a fully transparent experience. Without it, they won't trust your dealership – and they won't buy from you.

To gain their trust, create detailed VDPs, focusing on the media carousel where consumers are spending the majority of their time. Include dozens of photos, vehicle features as callouts on the photos and billboards with your dealership's branding.

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