# RAB Instant Background - Auto Dealers

**Consumer Insights** 

### Who Buys

Profiling adults 18+ who are very likely to buy any new vehicle within the next 12 months, along with those who are "very likely" to buy a used or pre-owned vehicle in the next 12 months and those who are very likely to lease a vehicle in the next 12 months:

	Very likely to buy a new vehicle in the next 12 Months	Very Likely to buy a used or pre-owned vehicle in the next 12 months	Very Likely to lease a vehicle in the next 12 months
Male	51.2%	51.8%	52.2%
Female	48.8%	48.2%	47.8%
18-24	15.5%	13.0%	13.7%
25-34	21.0%	20.9%	22.6%
35-44	18.4%	18.4%	16.7%
45-54	18.0%	19.7%	14.2%
55-64	14.2%	14.4%	14.6%
65+	13.0%	13.6%	18.1%
Household Income: \$100K+	33.3%	30.6%	34.7%
Household Income: \$75,000-\$99,999	15.2%	12.8%	13.2%
Household Income: \$60,000-\$74,999	9.5%	10.0%	8.9%
Household Income: \$50,000-\$59,999	7.1%	7.7%	5.0%
Household Income: \$40,000-\$49,999	7.3%	8.5%	9.0%
Household Income: \$30,000-\$39,999	9.0%	9.3%	10.5%
Household Income: \$20,000-\$29,999	7.1%	8.9%	7.6%
Household Income: Under \$20,000	11.5%	12.2%	11.2%
Race: White	55.9%	62.9%	60.7%
Race: Black/African American	23.3%	19.5%	25.9%
Race: Other Race/Multiple Classifications	20.9%	17.6%	13.4%
Hispanic, Latino or Spanish Origin	23.4%	20.8%	14.7%
Census Region: North East	16.8%	15.1%	24.5%
Census Region: South	43.2%	42.2%	36.5%
Census Region: Midwest	15.3%	19.5%	20.6%
Census Region: West	24.7%	23.3%	18.4%
Single	34.7%	32.5%	34.1%
Married	49.6%	50.6%	49.8%
Divorced/Separated/Widowed	15.7%	17.0%	16.1%
Total Radio Weekly Dayparts Cume: Monday - Sunday 24- Hour	86.4%	85.6%	86.8%

What They Buy Market share of 2020 vehicle sales, by segment: Crossover, 39.5%; Pickup, 16.4%; Small Car, 12.4%; Midsized Car, 10.6%; SUV, 8.6%; Luxury Car, 5.9%; Van, 5.3%; Large Car, 1.2%.

According to Cox Automotive's 11th annual Car Buyer Journey Study, the average vehicle buyer in 2020 was 50 years old and had a reported income above \$75,000. The above-

average income was particularly true with new-vehicle buyers: 70% of new-car buyers in 2020 had incomes above \$75,000. Conversely, the number of new-vehicle buyers with

reported incomes below \$75,000, at 30% in 2020, was down 3% from 2019, indicating that many lower-income buyers stayed out of the new-car market last year.

(Source: National Automobile Dealers Association, 2020)

(Source: MRI-Simmons, 2020)

(Source: Cox Automotive, 2021)

#### The top 15 best-selling SUV/crossover vehicles in the US in 2020 (in units): 1. Toyota RAV4, 430,387; 2. Honda CR-V, 323,502; 3. Chevrolet Equinox, 270,994; 4. Nissan Rogue, 227,936; 5. Ford Explorer, 226,215; 6. Toyota Highlander, 212,276; 7. Jeep Grand Cherokee, 209,786; 8. Jeep Wrangler, 201.310; 9. Ford Escape, 178,495; 10. Subaru Forester,

176,996; 11. Subaru Outback, 153,290; 12. Mazda CX-5 146,420; 13. Jeep Cherokee, 135,854; 14. Toyota 4Runner, 129,052; 15. Chevrolet Traverse, 125,546. (Source: GoodCarBadCar, 2021)

The best-selling light trucks in the US in 2020 (in units) 1. Ford F-Series, 787,422; 2. Chevrolet Silverado, 586,675; 3. Ram Pickup, 563,676; 4. GMC Sierra, 253,016; 5. Toyota Tacoma, 238,806.

(Source: Car & Driver Magazine, 2021)

(Source: Kelly Blue Book, 2021)

(38,767); 5. Kia Sedona (13,190).

(Source: AutomotiveMap, 2020)

3.35%; Mercedes, 2.94%; BMW, 2.62%

7.7%; Western Star, 2.5%.

When They Buy

Top 10 2020 compact cars by customer satisfaction: 1. Nissan Sentra; 2. Volkswagen Jetta; 3. Honda Civic; 4. Kia Forte; 5. Mazda 3; 6. (tie) Toyota Corolla; 6. (tie) Hyundai Elantra; 7. Honda Insight; 8. Hyundai Ioniq; 9. Subaru Impresa; 10. Toyota Prius. (Source: J.D. Power, 2020)

Top five best-selling new minivans in the U.S. in 2020 (in units): 1. Chrysler Pacifica (93,802); 2. Honda Odyssey (83,409); 3. Toyota Sienna (42,885); 4. Dodge Grand Caravan

Best-selling Cars of 2020 (in units): 1. Ford F-Series, 782,422; 2. Chevrolet Silverado, 586,675; 3. Ram Pickup, 563,676; 4. Toyota RAV4, 430,3875; 5. Honda CR-V, 333,502; 6. Toyota Camry, 294,348; 7. Chevrolet Equinox, 270,994; 8. Honda Civic, 261,225; 9. GMC Sierra, 253,016; 10. Toyota Tacoma, 238,806; 11. Toyota Corolla, 237,178; 12. Nissan

(Source: National Automobile Dealers Association, 2020)

Share of 2019 vehicle sales, according to powertrain: Gasoline, 92.8%; Diesel, 2.8%; Hybrid, 2.4%; Electric, 1.5%; Plug-in Hybrid, 0.5%.

Breakdown of U.S. franchised car dealership sales in 2019, by department: New vehicles, 55.9%; used vehicles, 31.7%; service & parts. 12.4%.

Rogue, 227,935; 13. Ford Explorer, 226,217; 14. Toyota Highlander, 212,276; 15. Jeep Grand Cherokee, 209,786.

(Source: Focus2move, 2020)

Brand market share as of December 2019 for Class 8 heavy-duty truck sales: Freightliner, 36.5%; Peterbilt, 15.2%; Kenworth, 15.2%; International, 13.7%; Volvo, 9.2%; Mack,

Global automotive market share in 2019, by brand: Toyota, 10.24%; Volkswagen, 7.59%; Ford, 5.59%; Honda, 5.46%; Nissan, 5.15%; Hyundai, 5.05%; Chevrolet, 4.52%; Kia,

(Source: National Automobile Dealers Association, 2020)

Share of sales for new car dealers (cars and trucks) by month (3-year average, 2017-2020): January, 8.0%; February, 8.2%; March, 6.6%; April, 5.6%; May, 9.6%; June, 9.0%; July, 9.4%; August, 9.5%; September, 8.4%; October, 8.8%; November, 8.7%; December, 9.2%. (Source: U.S. Department of Commerce, 2020)

Share of sales for used car dealers (cars and trucks) by month (3-year average, 2017-2020): January, 7.5%; February, 8.9%; March, 7.8%; April, 5.4%; May, 8.8%; June, 9.9%; July, 10.3%; August, 10.2%; September, 7.9%; October, 8.2%; November, 7.9%; December, 7.3%.

(Source: U.S. Department of Commerce, 2020)

(Source: National Automobile Dealers Association, 2020)

### Where They Buy The top 10 dealership groups based in the U.S., according to 2020 sales of used retail units (with total number of dealerships in parentheses): 1. CarMax Inc., 832,640 (220); 2.

(64).

\$13,606.

online shopping phase.

(Source: Cox Automotive, 2021)

(Source: Consumer Reports, 2020)

(Source: Cox Automotive, 2021)

(Source: Cox Automotive, 2021)

**Business Information** 

(Source: Automotive News, 2021)

(Source: Cox Automotive, 2021)

(Source: Cox Automotive, 2021)

(Source: Cox Automotive, 2021)

(Source: Edmunds, 2021)

(Source: Edmunds, 2021)

(Source: Edmunds, 2021)

(Source: MRI-Simmons, 2020)

(Source: US Department of Energy, 2021)

(Source: Cox Automotive, 2021)

National Automobile Dealers Association:

prominent online engagement.

Relevant Links

Why Radio

(Source: Automotive News, 2021) The top 10 dealership groups based in the U.S., according to 2020 sales of new retail units (with total number of dealerships in parentheses): 1. AutoNation Inc., 249,654 (235); 2. Penske Automotive Group, 178,437 (260); 3. Lithia Motors, 171,168 (209); 4. Group 1 Automotive, 140,221 (184); 5. Hendrick Automotive Group, 102,761 (94); 6. Asbury

Automotive Group, 95,165 (91); 7. Sonic Automotive, 93,281 (100); 8. Larry H. Miller Dealerships, 61,097 (64); 9. Ken Garff Automotive Group, 53,687 (50); 10. David Wilson

\$41,182; 3. Florida, \$37,533; 4. New York, \$25, 104; 5. Michigan, \$16,644; 6. Ohio, \$16,555; 7. Pennsylvania, \$15,894; 8. Oklahoma, \$15,830; 9. Illinois, \$15,489; 10. Georgia,

Carvana, 244,111 (266); 3. AutoNation Inc., 241,182 (235); 4. Penske Automotive Group Inc., 233,469 (260); 5. Lithia Motors Inc. 183,230 (209); 6. Sonic Automotive Inc., 159,025 (100); 7. Group 1 Automotive Inc, 140,118; (184); 8. Hendrick Automotive Group, 94,356 (94); 9. Asbury Automotive Group Inc., 80,537 (91); 10. Larry H. Miller Dealerships, 50,751

According to NADA's midyear report on auto dealers, the top 10 states with highest total sales by auto dealers, June YTD 2020 (in millions): 1. California, \$48,631; 2. Texas,

(Source: National Automobile Dealers Association, 2020)

(Source: Automotive News, 2021)

Automotive Group, 43,943 (18).

(Source: National Automobile Dealers Association, 2020) How They Buy

Buyers reported spending an average of just over 13 hours in the entire car-buying process, from start to finish, down from nearly 15 hours in 2019. New-car buyers spent just

The average listing price for a user vehicle was \$21,343 in March 2021. This is nearly 13% higher than the same week a year ago. For franchised dealers, the average listing price

over 11 hours on the necessary steps, everything from shopping and negotiating the deal to taking delivery of the new vehicle. The biggest time savings in 2020 was in the

States with the greatest number of new light-vehicle dealerships in 2020: 1. California, 1,283; 2. Texas, 1,203; 3. Florida, 878; 4. Pennsylvania, 863; 5. New York, 848; 6. Ohio, 716;

7. Illinois, 705; 8. Michigan, 614; 9. North Carolina, 559; 10. Georgia, 490; 11. Wisconsin, 468; 12. Virginia, 452; 13. New Jersey, 446; 14. Indiana, 399; 15. Massachusetts, 381.

was \$23,270. For independents, it was \$18,802. (Source: Cox Automotive, 2021)

Online car sales have traditionally made up 10-15% of the total U.S. vehicle market.

the process than buyers who performed less than 20% of the vehicle-buying steps online.

One of the top steps added due to COVID-19 was test drive home delivery. Notably, an estimated 22% of vehicle buyers said they did not test drive a vehicle at the dealership; however, of the buyers who took a test drive, approximately 81% were satisfied with the process, the highest satisfaction rating for any step. (Source: Cox Automotive, 2021)

As the vehicle buying process becomes more efficient, satisfaction levels increase. Buyers who performed more than half the car-buying steps online were more satisfied with

As dealers adapted their business due to COVID-19, consumers took advantage of a new digital experience. The overall vehicle-buying process was streamlined by proactive

Third-party websites are still the No. 1 destination for vehicle shoppers as they enter the process, with up to 79% of buyers noting they used a third-party site in 2020.

Vehicles buyers in 2020 were more likely to be motivated by "want," as opposed to "need," according to Cox Automotive's 2020 Car Buyer Journey Study. Many buyers in 2020 were motivated by attractive deals – whether they searched for them on their own or a dealer reached out with special offers. Importantly, 35% of buyers knew exactly what vehicle they wanted at the start of the car buying process.

#### dealer outreach to in-market consumers and new digital retailing tools designed to drive efficiency. As a result, the number of dealerships visited and the amount of time spent in dealerships dropped in 2020. (Source: Cox Automotive, 2021)

point, respectively.

Why They Buy

As of March 2021, franchised dealers had 1.33 million used vehicles in inventory for a 31 days' supply. Independent dealers had 1.01 million vehicles in inventory for a 34 days' supply. (Source: Cox Automotive, 2021)

According to Edmunds data, full-size truck inventory was down by 60% in March 2021 compared to a year prior.

Large SUV inventory decreased 56% in March 2021 compared to a year prior.

The total supply of unsold used vehicles totaled 2.34 million vehicles at the end of March 2021.

As of January 1, 2021, there were some 18,260 light vehicle dealerships in the US, down from 18,314 in 2020.

Because of part shortages caused by the COVID-19 pandemic, Edmunds analysts forecast that the average transaction price (ATP) for new vehicles will climb to \$40,563 in March 2021 compared to \$38,601 a year prior; the ATP for used vehicles is expected to hit \$22,663 compared to \$20,273 in 2020. (Source: Edmunds, 2021)

Visits to automakers' websites and traditional dealership-run websites declined slightly in 2020 but remained important, with 24% and 52% of vehicle buyers visiting at some

New vehicle inventory on sale at dealerships nationwide is down by 36% in March 2021 compared to a year ago, and prices are rising for both new and used vehicles as a result.

Radio has established itself as an excellent vehicle for advertisers to deliver their messages to an increasing number of potential buyers. Each week, radio reaches 85.8% of persons ages 18+, and 57.1% of these consumers on a daily basis. In all, more than 218 million Americans ages 18-and-older listen to radio every week. (Source: Nielsen Audio, 2021)

vehicle in the next 12 months. Radio's weekly reach also includes 86.8% of consumers who are "very likely" to lease a car in the next 12 months.

On a weekly basis, radio reaches 86.4% of adults 18+ who are "very likely" to buy any new vehicle in the coming year, along with 85.6% who expect to buy a used or pre-owned

As of February 16, 2021, there are 40,582 public electric-vehicle charging stations and 97, 589 charging outlets in the US.

Miscellaneous Industry Facts or Category Trivia

www.nada.org Automotive News: www.autonews.com

New vehicle buyers are less satisfied with the shopping experience as they are less confident and trusting in the deal. Used buyer are more focused on research and show

J.D. Power:

## www.jdpower.com IHS Automotive:

The Detroit Bureau: www.thedetroitbureau.com

Kelley Blue Book:

www.ihs.com

(Source: RAB, 2021)

The Detroit News: www.detroitnews.com www.kbb.com Edmunds.com:

www.edmunds.com