



# What do consumers really want?

*Alex Wright* examines the trends and habits that dealers must understand to be able to provide the right buying experience.

**C**onsumers increasingly expect a seamless car-buying journey from online to the showroom. As part of that experience, buyers want to be able to access detailed vehicle listings, virtual showrooms and online price calculators.

They also want transparency on pricing, used vehicle history and financing terms, as well as the option to use part-exchange valuations and real-time stock availability tools, and to specify, arrange finance and confirm vehicle delivery online.

Additionally, consumers are also weighing up the merits of different fuel types based on how they plan to use the car, particularly with Government's push towards net zero currently planned for 2035.

Given the proliferation of new brands, fuel types and retail models, the bottom line is that customers want to be able to use multiple sources to research and buy their next vehicle, from reading online reviews to watching videos on YouTube.

"Consumers are increasingly looking for information on affordability in terms of finance options and running costs; sustainability, particularly around low emission zone compliance; and in-car technology, including safety features, connectivity and driver assistance systems," says Philip Nothard, insight director at Cox Automotive. "They want a flexible, omnichannel retail experience that enables them to switch between online and physical interactions to explore options, compare information and test vehicles."

Bill Fennell, chief ombudsman and managing director at the Motor Ombudsman, says: "In today's online era, where so much information is available at your fingertips, it is likely that most consumers will start their search via a smartphone or computer. This will include reading reviews, using comparison tools, consulting online information guides, such as those offered by the Motor Ombudsman, and visiting the websites of retailers and vehicle manufacturers to gather information on different makes and models, prices and features.

"The next step will tend to be for consumers to go to retailers to test drive vehicles of interest and to seek one-to-one advice from sales representatives before making a final decision."

## ONLINE VS SHOWROOM VISITS

The majority of consumers (around 92%) search for available stock online, comparing models, prices

and availability, according to a survey by Cox Automotive and Regit. Just less than one-in-five (18%) have bought a used car without viewing it in person, yet almost two-thirds (62%) still visit a dealership before finalising the purchase.

This shows that, while most buyers prefer to do their research online, many still want to physically view and test the vehicle before committing. And the percentage doing online research will only continue to grow as manufacturers push digital retail journeys, and consumers increasingly trust and demand that option.

"The chance to view vehicles in person and take them for a test drive, coupled with the face-to-face interaction with sales representatives to help make the right purchase decision, highlights the important role that dealerships and garages play as a physical touchpoint in the car-buying journey for the majority of consumers," says Fennell.

Charlotte Murray, commercial director at Marketing Delivery, says: "Showroom visits remain an important part of the purchase process for new and used car buyers. We recently conducted research that showed 56% of people 'disagreed' or 'strongly disagreed' with the statement: 'When I next shop for a new vehicle, I would prefer not to visit a showroom at all'.

"When we posed the same question in 2022, 58% 'disagreed' or 'strongly disagreed' with the same statement, indicating that interest in visiting a showroom has remained stable over the past two years."

Broken down, more than two-thirds (67%) of consumers visit a used car marketplace such as AutoTrader or eBay Motors when doing their research. More than half (52%) use search engines, while just less than one third engage with a manufacturer or retailer website.

## BUYING LOCALLY

Even if buyers search for their new vehicle across the UK, through websites such as the Motor Ombudsman's Garage Finder, there's still a strong preference to buy locally because it's convenient and they trust their local dealer.

"They perceive benefit in accessing test drives and aftersales support, while they are also more confident in the quality of service and ability to resolve issues promptly," says Nothard. "While most larger dealer groups can manage this through their national physical footprint, smaller independents must work extra hard to attract and maintain

customer loyalty – offering national visibility combined with local customer service."

Buying locally, however, doesn't deter consumers from looking nationwide for the best deals and vehicle availability, particularly for hard-to-source models or specifications, or where there is large regional pricing variation. Despite the costs and potential logistical challenges associated with buying further afield, they are often willing to expand their search to get what they want for the right price.

"Buying a car from a local business offers consumers the added convenience of being able to visit them for test drives and to view vehicles on the forecourt in person, especially when buying a second-hand model," says Fennell.

"In addition, making a purchase from a nearby retailer allows consumers to form a more comprehensive and longer-term relationship with a business beyond the point of purchase. This is especially relevant when taking out a service plan, where the consumer will be returning to the business's premises for schedule maintenance throughout their ownership of a vehicle."

Sarah Blewett, head of research at Carwow Group, says: "Despite continuing cost of living pressures, car buyers are becoming less influenced by price and are more likely to make a purchase decision based on dealer proximity. We looked at enquiry and sales patterns during the first quarter of 2024 and identified which factors were most likely to prompt buyers to place orders with a particular dealer.

"We found that, for 70% of all new orders placed in Q1, the dealer chosen was the nearest available, while in 53% of cases, the dealer was also the best-rated option on the platform. Significantly, fewer than a third (31%) of all orders placed were for the cheapest offer available. This tells us that, even though an overwhelming majority of buyers are researching their next car online via sites like Carwow, many still prefer to transact locally and in person having carried out their online research."






#### MULTI-FRANCHISED OPTIONS

Some consumers also want the ease of being able to look around multi-franchised sites in order to compare different models and brands in one location, as well as prices, options and features. Those who have already made up their mind, however, are keen to focus on one brand.

"Car buyers don't always know what they're looking for in terms of make and model, but they do know what they need from a vehicle," says Blewett. "This makes them open-minded to trying new brands."

"We know that 75% of car buyers on Carwow haven't made up their minds and are open to suggestions on everything from ownership models, finance options, makes and models, and whether they buy new or used. The majority of people still want to physically see and potentially test drive a vehicle before they commit to buying it, so it's hugely beneficial if a consumer can visit a multi-franchised site and test at least two different brands and models."

Regardless of their preference, it's key for retailers to provide a seamless online and offline buying journey, enabling the buyer to evaluate their finance options, test drive a variety of 



## THE CUSTOMER

models and discuss different specifications. “Consumers want to know they can access the same information across multiple channels, with 94% experiencing interactions with a dealer that are joined up and simple,” says Nothard. “More than 80% of car buyers prefer a mix of online and physical interactions, making it essential for retailers to be flexible and switch between channels to meet consumer demand.”

“For multi-franchised sites, there needs to be clarity on distinctive offers from different manufacturers alongside consistency and transparency in the recommendations being given.”

### ACCURATE AND DETAILED INFORMATION

Customers also expect accurate and detailed information on the vehicle under consideration and a competitive price. Yet, by using multiple dealership systems and disparate information, often there are discrepancies and inaccuracies in the results.

“One area where retailers have historically struggled is with real-time data on a car’s status, for example, when a customer is online and books a test drive or even reserves a vehicle in the evening only for it to be out on test drive with another customer and potentially sold the next day,” says Andy Whitehair, Autofinity’s CEO. “Such scenarios are not uncommon and while our vehicle inventory management and marketing system does not take the deposit, ViHUB,

our integrated vehicle inventory, marketing and management platform, provides an instant notification to avoid these issues.”

Studies show that there’s also greater confidence among consumers buying internal combustion engine (ICE) vehicles versus electric vehicles (EVs). The time between their first visit to a Carwow showroom and buying an ICE vehicle is, on average, 149 days, compared with 192 days for an EV. What’s more, typical ICE buyers will configure nine different models across five brands versus 10 models over six brands for those purchasing EVs.

Consumers are also increasingly looking for trade-in values to be guaranteed online, with around two-thirds (63%) expecting to receive an accurate part-



exchange valuation online and most retailers, therefore, integrating it into their digital offering.

“When part-exchanging a car, guaranteed online trade-in values can offer the important elements of certainty and transparency for consumers,” says Fennell. “This helps to determine a budget for their next vehicle purchase and to know what funds they potentially have available to put down as a deposit, especially when taking out a finance agreement, for example.”

Blewett says: “Consumers are becoming increasingly comfortable and confident in selling cars online, whether that’s through guaranteed part-exchanges or to car-buying services. Many consumers use marketplaces like Carwow to change their cars all in one place, with the ability to sell their car and buy their next one from our network of trusted retailers. Completing more of that process online ultimately offers more convenience and choice, which many customers prefer.”

However, challenges arise when consumers fail to photograph or describe vehicle imperfections thoroughly, or when dealers are unable to get a complete picture of its service and driving history. Therefore, they require a physical vehicle appraisal before confirming the trade-in value online.

While codes of practice offer the buyer some reassurance, they aren’t always fully understood by the user, who just wants to know that the valuation they have received is fair, transparent and accurate. They also don’t expect to have to renegotiate a valuation when they have already provided information and imagery upfront, yet 84% would happily provide additional details to improve the valuation’s accuracy, according to the Cox Automotive and Regit survey.

As consumers demand more from the car-buying journey, so retailers will have to continue finding way to make the process even more streamlined.