Stay-at-Home Economy Creates Surge in Demand for Vehicle Delivery Services From Local Dealerships

As Car Shopping and Selling Continues to Transform, Contactless Home Delivery Grows and More Than 60% of Recent Buyers Say They Want Their Local Dealers to Deliver

CHICAGO, Sept. 29, 2020 /PRNewswire/ -- The stay-at-home economy is understandably driving trends toward home cooking and home improvement projects, but surprisingly, it is creating a surge in buying cars delivered directly to consumers' homes, as well. New research from Cars.com (NYSE: CARS), a leading digital automotive marketplace and solutions provider, finds that 61% of recent car buyers said they would want their newly purchased car delivered at home from their local dealership. And dealers are responding in kind: Local dealerships offering home delivery services are up 35% since March.

Output

Description:

Consumers are finding new ways to purchase their new or used cars from local dealerships, leaning on real-time messaging and chat functionality, virtual vehicle walk-arounds and test drives with video, completing financing and trade-ins online, and receiving their newly purchased car delivered on the same day right to their driveway. Juggling homeschooling and working from home, the COVID-19 pandemic accelerated the adoption of virtual car-buying tools and contactless home delivery options from both shoppers and sellers. In addition to providing a lifeline to local dealerships during showroom closures and in the months that followed, these digital offerings help them effectively compete against disruptors in the space and national online-only car sellers — and it is working.

"During the start of the pandemic, and certainly far beyond, consumers have turned to personal car ownership as their preferred and safe mode of transportation," said Alex Vetter, CEO of Cars.com Inc. "While the technology and digital retailing tools are not new to the industry or CARS, there is a noticeable increased usage driven by shopper demand and dealers are rapidly shifting their strategies to meet this new consumer expectation."

Research from Cars.com shows demand is growing for home delivery and virtual car-buying options from dealerships;

- **People** *are still buying cars* and the main reason is COVID-19. Of those who purchased a car within the last six months, 57% said it was due to the pandemic. ³
- The pandemic accelerated online car shopping and buying. Walk-in traffic to dealership showrooms is still down 15% nationwide ⁴, largely replaced by digital visits as consumers prefer to stay home and shop from afar. And 57% of recent buyers said they conducted the bulk of the vehicle transaction online with their local dealership. Online buying is highest in New York (81%) and Los Angeles (73%), followed by Chicago (65%), Atlanta (64%) and Dallas (63%). ³
- Consumers are engaging more with dealers who offer virtual services. Since launching its new Virtual Appointment and Home Delivery badges on its website to indicate which dealers are offering these services, Cars.com reports an increase of 30% in contact and user engagement for dealers offering home delivery and virtual options versus those still offering the traditional showroom experience⁵.
- Dealers are meeting consumers on their turf their homes. In March, at the start of the pandemic, 49% of dealers said they offered home delivery services. By August, 66% offered the services, an increase of 35% in less than half a year ². Approximately 20% of recent car buyers used home delivery from their local dealership ⁶, while 61% of recent buyers state they would use this service from their local dealership if it were offered, showing sustained interest in this growing trend. ¹
- Home delivery is dominated by luxury brands, but non-luxury is starting to infiltrate the top
 10. Of the recent car buyers who took advantage of home delivery, they purchased from a mix of luxury
 and non-luxury auto brands. Most home deliveries by brand by recent buyers include: (1) Land Rover, (2)
 Mitsubishi, (3) Lincoln, (4) Mercedes-Benz, (5) Volvo, (6) Nissan, (7) Infiniti, (8) Cadillac, (9) Acura, (10)
 Buick. 1

For more information, visit <u>Cars.com</u>.

¹ DealerRater consumer survey Sept. 14-19, 2020; 12,104 responses

² CARS Dealer Community, March 2020, August 2020

- ³ CARS Gen Pop In-Market Car Shoppers. Aug. 13-14, 2020; 3,062 responses
- 4 Cars.com Internal Data, Adobe Site Analysis, Sept. 24, 2020
- ⁵ Cars.com Internal Data, Badge Analysis, Sept. 24, 2020
- ⁶ DealerRater consumer survey Aug. 20-24, 2020; 11,137 responses

About CARS

CARS is a leading digital marketplace and solutions provider for the automotive industry that connects car shoppers with sellers. Launched in 1998 with the flagship marketplace Cars.com and headquartered in Chicago, the Company empowers shoppers with the data, resources and digital tools needed to make informed buying decisions and seamlessly connect with automotive retailers. In a rapidly changing market, CARS enables dealerships and OEMs with innovative technical solutions and data-driven intelligence to better reach and influence ready-to-buy shoppers, increase inventory turn and gain market share.

In addition to Cars.com, CARS companies include Dealer Inspire, a technology provider building solutions that future-proof dealerships with more efficient operations and connected digital experiences, FUEL, which gives dealers and OEMs the opportunity to harness the untapped power of digital video by leveraging Cars.com's pure audience of in-market car shoppers, and DealerRater, a leading car dealer review and reputation management platform.

The full suite of CARS properties include <u>Cars.com</u> [™], <u>Dealer Inspire</u> ®, <u>DealerRater</u> ®, <u>FUEL</u> [™], <u>Auto.com</u> [™], <u>PickupTrucks.com</u> [™] and <u>NewCars.com</u> ®. For more information, visit <u>www.Cars.com</u>.

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SOURCE Cars.com Inc.

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https://investor.cars.com/2020-09-29-Stay-at-Home-Economy-Creates-Surge-in-Demand-for-Vehicle-Delivery-Services-From-Local-Dealerships