

The Future of Car Buying in New Virtual-First World: Cars.com Reveals 5 Dominating Forces Driving Auto in 2021

Americans Place a New Premium on Car Ownership, The Driveway Becomes the Dealer Lot, Digital Dominates, Affordability Reigns, and EVs Gain Steam in the New Year

CHICAGO, Jan. 14, 2021 /PRNewswire/ -- [Cars.com](#) (NYSE: CARS), a leading digital automotive marketplace and solutions provider, today revealed the [top five trends](#) advancing the auto space in 2021 and beyond. The COVID-19 pandemic forever altered car buying and selling, and changes will persist this year as Americans continue to spend more time at home and online, place a premium on the freedom car ownership provides, and keep affordability and electric vehicles top of mind.

"In the new virtual-first environment, digital platforms have significantly increased in importance for small businesses across the country, dealerships included, as the need persists to virtually connect with at-home shoppers," said Alex Vetter, Cars.com Inc. CEO. "The new year will bring fast and persistent adaptation in our industry as consumers continue to rely on cars as an extension of their homes, and look for frictionless digital experiences from their local dealerships. America's car dealers are well positioned to meet these expectations head-on as technology takes center stage, and we welcome this new era of digital car buying and selling."

Cars.com predicts the following trends will have the most long-term impact on car shopping in 2021:

- **New wave of car buyers emerge:** With the Centers for Disease Control and Prevention [stating](#) that cars are the safest transportation option during the pandemic, nearly 50% of people surveyed by Cars.com say they continue to rely less on mass transit and ride-sharing services.¹ This has placed a premium on the freedom and safety car ownership provides, resulting in a new wave of first-time car buyers. Of Americans who previously did not own a car, nearly 20% are considering purchasing one.² Even as consumers return to life outside the house, the primary mode of transport will continue to be the car.
- **The driveway becomes the dealer lot:** In 2021, at-home delivery of vehicles and trading in vehicles from the driveway will become more mainstream. Last year, 57% of car buyers conducted the bulk of their vehicle purchases online, and several opted for contactless home delivery from their local dealership.¹ Since April 2020, more than 10 million vehicles on Cars.com — approximately 30% of total inventory listed on the site — have been available for home delivery from dealers across the country. Furthermore, 50% of Cars.com dealer customers are offering home delivery services.³
- **Virtual selling streamlines car buying:** As dealership adoption of digital tools and technology increases, car shoppers can expect more of the purchase process to take place on virtual selling platforms such as chat, video and dealer websites. Stay-at-home consumers are driving advancement in these platforms and shifting them from merely communications tools to selling tools. As it stands, more than 70% of consumers want to conduct at least some parts of the purchase online.⁴
- **Affordability is at the forefront for consumers:** Car shoppers will continue to keep affordability top of mind this year. Approximately 45% of new-car shoppers are interested in vehicles over \$30,000, while nearly 40% of used car buyers are interested in cars under \$10,000.⁴ Although low interest rates and favorable credit conditions are helping keep monthly payments down for buyers, lean vehicle inventory conditions have resulted in unusually high new- and used-car prices. As a result, shoppers are prioritizing more comfortably priced vehicles.
- **Advancement in EVs with federal support and evolved technology.** Electric vehicles could have a big year in 2021 as the incoming administration supports the EV market with consumer incentives, infrastructure plans and federal fleet purchases. With tech companies such as Apple rumored to enter the market, and automakers like Hyundai, Ford and GM announcing plans to significantly invest and expand their EV platforms, it's clear the race for EV domination is on.

"Despite the positive momentum expected in the EV category this year, hybrids and EV searches made up less than 1% of total site searches³ on Cars.com in 2020, signaling a long road ahead until mainstream adoption," added Vetter.

For more information about 2021 car buying and selling trends, visit [Cars.com/news/coronavirus/](#).

¹ Cars.com's survey results Aug. 13-14, 2020; 3,062 respondents

² CARS consumer panel survey March 16-25, 2020; 3,021 responses

³ Cars.com Internal Data

⁴ Cars.com Consumer Metrics Q4 2020

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 [Cars.com](#)™, [Dealer Inspire](#)®, [DealerRater](#)®, [FUEL](#)™, [Auto.com](#)™, [PickupTrucks.com](#)™ and [NewCars.com](#)®. For more information, visit [www.Cars.com](#).

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