

2024 Automotive Trends: Cars Commerce Explores Driving Forces Transforming Car Buying and Selling

Affordable, Available and American-Made Stand Out as Key Themes Heading Into New Year

CHICAGO, Jan. 3, 2024 /PRNewswire/ -- Cars.com Inc. (NYSE: CARS) (d/b/a "[Cars Commerce Inc.](#)"), an audience-driven technology company empowering automotive, today released its [2024 Automotive Trends](#). Economic uncertainty and tight inventory levels remain top concerns in 2024, but Gen Z provides a bright spot for retailers, with 80% of young shoppers moving from online to offline and opting to finish the deal in the showroom.¹ American shoppers are supporting American workers as we head into the new year, with almost 50% willing to spend more on locally made vehicles.² And despite the government's best efforts, consumers are eyeing EVs, but few are committing. The main questions steering the automotive retail landscape into 2024 are: Who's buying? What's available? And the biggie: What's the price tag?

"Throughout 2023, the global auto industry, domestically and abroad, faced uncertainty, including a history-making OEM labor strike. Consumers are feeling the impact of broad economic and political forces, especially in their wallets," said Rebecca Lindland, senior director of industry data and insights at Cars Commerce. "As we head into the new year, consumers — regardless of generation or geography — seek affordable solutions to get the vehicle they want with the features they value, and we're here to help the 26 million monthly active shoppers on Cars.com find that perfect ride."

Cars Commerce predicts five trends will influence the auto industry in 2024 and beyond:

- **Buyers turn budget-savvy.** With affordability top of mind, nearly half of car shoppers plan to spend under \$30,000 on their next vehicle purchase.³ But only about 12% of new cars are priced in that range, as automakers produce higher-margin products. With high interest in this price range and low inventory, new budget-friendly models on Cars.com are selling faster than pricier rides — new vehicles under \$30,000 sell an average of 19 days faster than new cars over \$30,000.⁴ For the cost-conscious, Cars.com's [Affordability Calculator](#) helps shoppers filter and find vehicles based on their budget.
- **The used-car crunch is real, but trade-in values are a bright spot.** Used-car inventory is sparse and expensive — and likely to stay that way. Why? During the pandemic, manufacturers produced fewer vehicles, creating a deficit of roughly 10.2 million gently used 1-3-year-old cars potentially returning to the market in the coming years — prime picks for used buyers.⁴ But shoppers looking to leverage a trade-in toward purchasing a new or used vehicle may benefit from this scarcity while also helping to ease the industry's used-car crunch. Data from Accu-Trade, Cars Commerce's trade and appraisal technology, reveals trade-in values for 1-5-year-old vehicles are down from their pandemic peak, but are still elevated nearly 23% from 2020 levels.⁴ Trade-ins are a key source of inventory to stock dealer lots, and as the used market remains lean, the vehicles in consumers' driveways will continue to be in demand. For those ready to take advantage of robust trade-in values, Cars.com's [Instant Offer](#) tool immediately appraises a shopper's vehicle value online and connects them with local dealers nationwide.
- **Gen Z is rewriting the car-buying story: High-tech meets old-school.** Despite Gen Z growing up with the internet, millennials are the most likely to prefer purchasing their car fully online (16%). Comparatively, only 9% of Gen Zers prefer an online purchase — and 80% affirm they want to finish the deal in person. But Gen Z bucking norms doesn't stop there — 42% of Gen Zers bought their first set of wheels between 16 and 18, outpacing 32% of millennials.¹ This rush to buy young isn't just about style; it signals a fresh wave of enthusiasm for personal car ownership among the youth. Shoppers ready to hit the road can head to Cars.com's [Find A Dealer](#) tool to locate their closest dealer and make a purchase.
- **The auto industry will have a major manufacturing play in the U.S.** The 2024 presidential race is set to turn the spotlight on U.S. auto production. American buyers are tuning in, ready to spend more on cars that boost local employment — nearly half of Americans will pay extra for a vehicle that creates U.S. jobs.² Shoppers can head to Cars.com's [American-Made Index](#) to see just how American their prospective vehicle is. Further, almost half of car shoppers find the Detroit Three automakers have a significant impact on the U.S. economy.⁵ Meanwhile, global players like Toyota and Honda are ramping up U.S. parts production. Another game changer driving manufacturing stateside is the Inflation Reduction Act, which is fueling domestic electric-vehicle production investments.
- **Electrification's next stop: What's the road ahead?** The spotlight is on EVs and their batteries in the U.S. manufacturing push. The government's slicing through EV adoption hurdles with tax breaks and infrastructure funds. Over half of Americans see EVs ruling the roads in less than 20 years,⁶ and EVs make up 4% of total new-vehicle search share on Cars.com, up 0.06 percentage points YOY. While shoppers are EV-curious, going hybrid may be the next step some shoppers take before going fully electric. On

Cars.com, the total new-vehicle search share for hybrid and plug-in hybrid vehicles is doubled (8%) compared to electric-only vehicles, marking a 2.5 percentage point increase YOY. Conversely, total new-vehicle search share for gasoline- and diesel-powered vehicles, which account for 88% of new-vehicle search share, saw a 2.5 percentage point decline over the same period YOY.⁴ Electric-minded shoppers can head to Cars.com's [EV Buying Guide](#) to learn more about the electric landscape.

For more of the latest automotive news, reviews and car-buying advice and tips, visit [Cars.com/News](#).

¹ *Cars.com commissioned survey, conducted by OnePoll; Aug. 30-Sept. 7, 2023; 4,000 total responses; 1,000 Gen Z (Ages 18-28) responses*

² *Cars.com consumer survey; May 24-30, 2023; 1,013 responses*

³ *Cars.com consumer survey; Aug. 7-10, 2023; 997 responses*

⁴ *Cars Commerce internal data*

⁵ *Cars.com consumer survey; Oct. 23; 1,881 responses*

⁶ *Cars.com consumer survey; Oct. 27-31, 2023; 1,013 responses*

ABOUT CARS COMMERCE

Cars Commerce is an audience-driven technology company empowering automotive that simplifies everything about buying and selling cars. The Cars Commerce platform includes the flagship automotive marketplace and dealer reputation site Cars.com, innovative digital marketing technology and services from Dealer Inspire, industry-leading trade-in and appraisal technology from Accu-Trade, an exclusive in-market media network, and powerful and predictive AI technologies that enable more efficient and profitable retail operations. Cars Commerce is the essential partner to stay one step ahead in automotive. Learn more at [www.carscommerce.inc](#).

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