



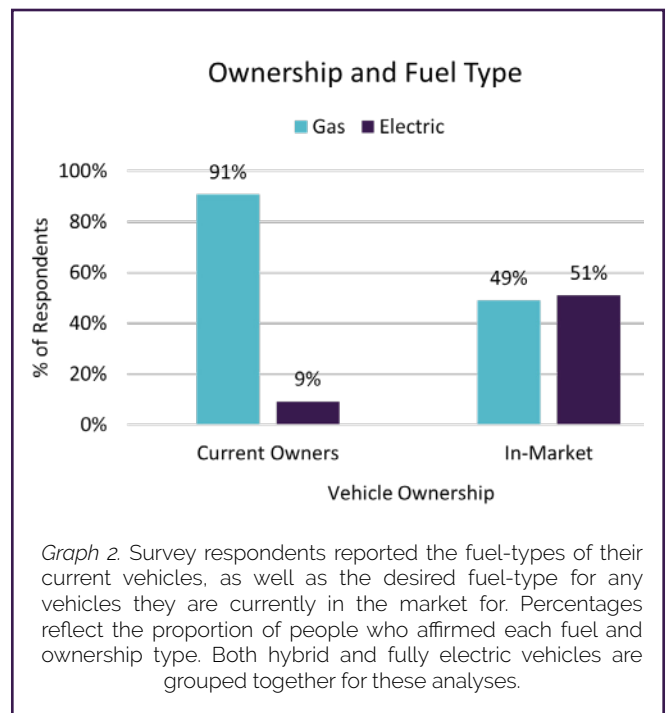
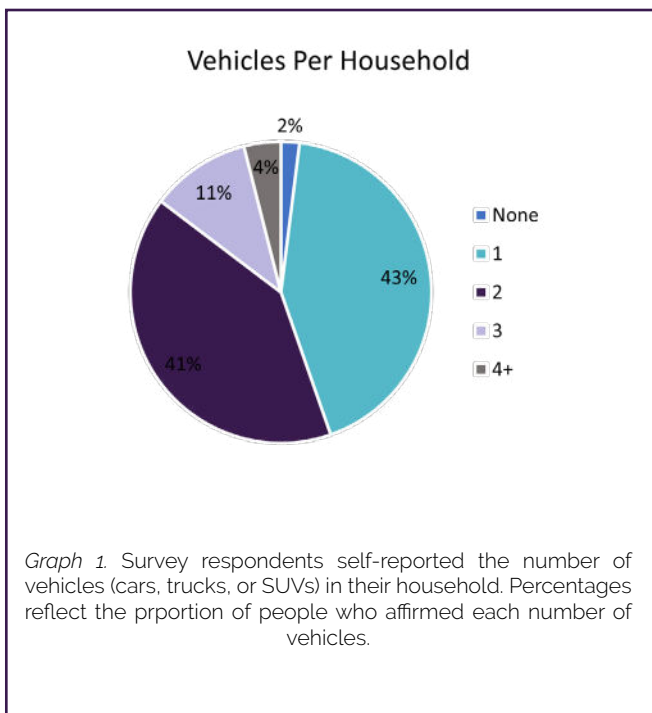
Research Report: Auto Purchasing Behavior

Vehicles in Household

In May 2022, the Cognitive Sciences Department at AnalyticsIQ conducted a large nationwide survey of U.S. adults¹ to evaluate several aspects of the current automotive landscape. Most American households have one or two vehicles (see Graph 1), and the vast majority of survey respondents reported owning (91%) versus leasing (9%) their vehicles.

Fuel Types

Current vehicle ownership remains heavily weighted on the side of gas-fueled versus hybrid or fully electric-powered vehicles; however, the desire for environmentally-friendly options is on the rise in the automotive marketplace. Just over half (~51%) of those who identified as being in-market said they were interested in some type of electric vehicle. This is an almost six-fold increase relative to current electric vehicle owners (see Graph 2).



¹ Our representative sample was comprised of 47% men and 52% women; 68% White, 10% Black, 12% Latinx, 6% Asian, and 4% Other race groups; and 4% Gen Z, 28% Millennials, 27% Gen X, and 41% Baby Boomers (age range: 19 – 94 years, median age = 52 years).

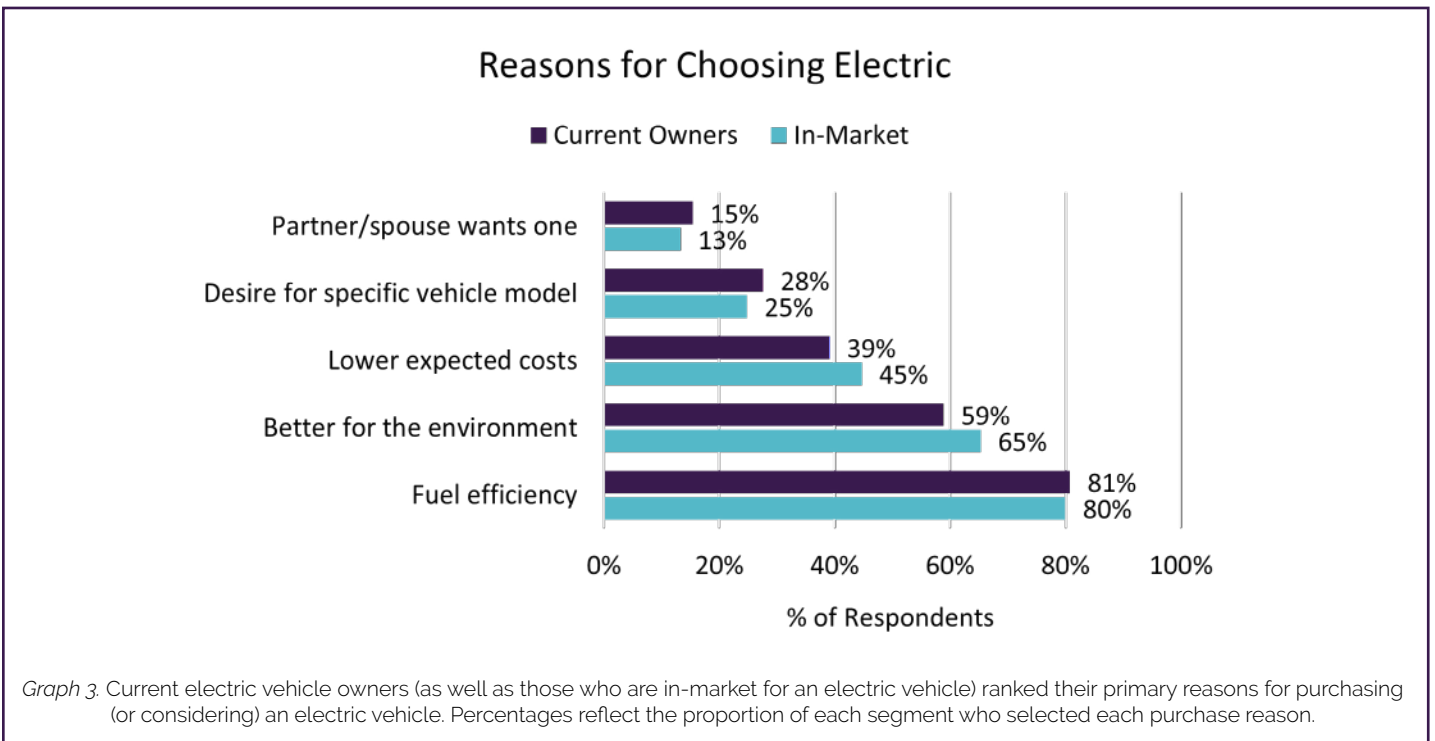


ELECTRIC OWNER DEMOGRAPHICS

Although the demographic profile of folks who currently have only gas-fueled vehicles approximates that of our full survey sample, those who reported having at least one electric vehicle indexed younger, reported an advanced college education, and self-identified as politically liberal.

Why Electric?

For those who have (or are in-market for) a hybrid or fully electric vehicle, the primary reasons behind their environmentally-friendly purchase are almost identical: financial savings and potential benefits to the environment. The top three motivators reported for both audiences are fuel efficiency, environmental benefit, and lower expected costs overall, leaving personal wants and desires to trail in at the bottom with less 30% support (see Graph 3). These data, alongside the central demographics of this consumer audience, highlight critical differences between this and the more traditional automotive segments.



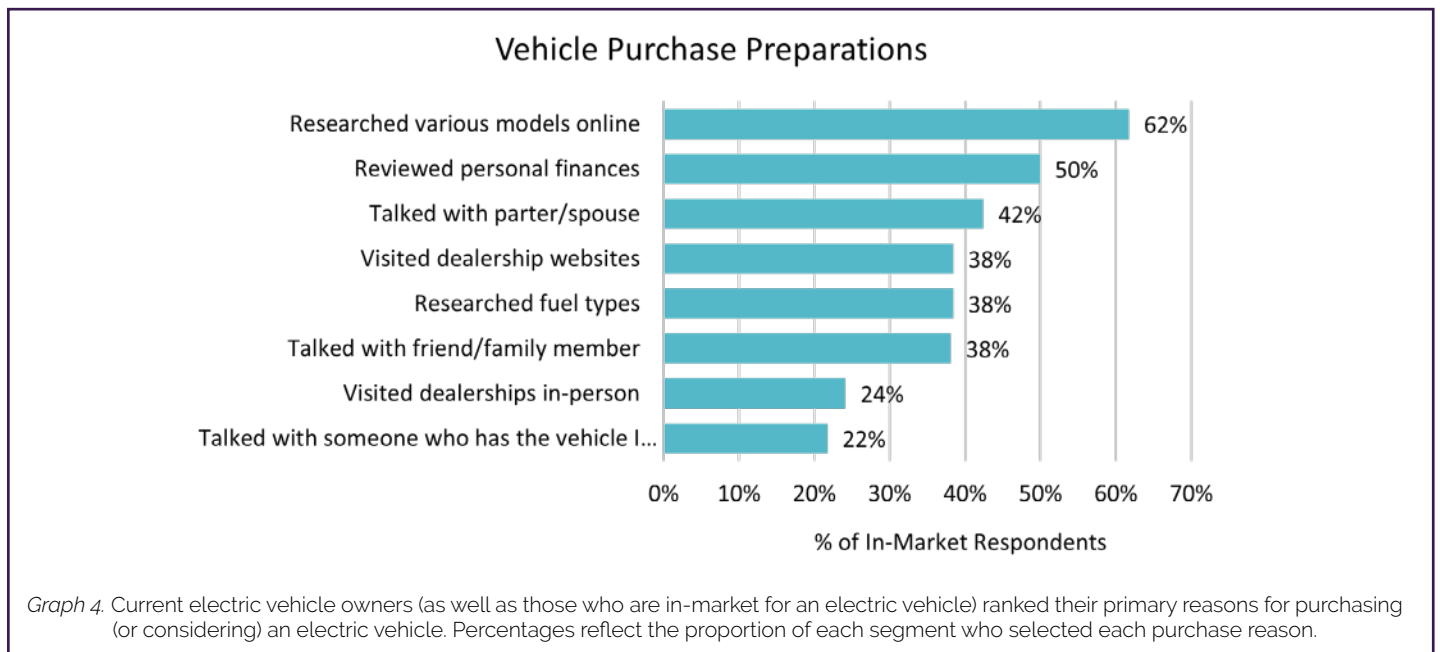
IN-MARKET DEMOGRAPHICS

Our overall in-market sample indexed older, male, and married; however, the demographics of those specifically in-market for a gas-fueled vehicle indexed higher for female, non-college-educated, and politically conservative. This squarely contrasts those who said they were in-market for a hybrid or fully electric vehicle who indexed college-educated and politically liberal.



Purchase Preparations

Approximately 33% of our overall sample reported being in-market for a vehicle, and regardless of their fuel-type preferences, most in-market respondents told us that they accessed online resources before any other pre-purchase behavior (see Graph 4). In fact, three of the top five steps people took when preparing to buy a vehicle were online-related. Most respondents said they had researched various vehicle models, fuel types, and visited dealership websites before ever stepping foot inside a dealership. Only 24% of the in-market segment reported visiting a dealership in-person in the last six months, which suggests that a dealership's virtual presence and accessibility have the potential to make the biggest impact on a consumer's decision to purchase what, when, and where.



Summary & Conclusion

Automotive sellers have the greatest capacity to capture the attention of the masses by establishing and maintaining a strong online presence, and by investing in online marketing resources so that your presence and product are unmistakably visible to your most-desired audience(s).

In addition, understanding the demographic nuances of consumers who are in-market for gas versus electric vehicles provides an additional advantage when crafting your ad messaging or curating your seasonal offers. Both need to speak directly to your unique target segment about what they desire and value most. These insights are critical for sellers who are looking to address the apparent market shift away from gas-fueled and toward electric vehicles, and to turn curiosity into a signed vehicle contract.

Areas for Future Research

Next steps? The Cognitive Sciences Department is eagerly preparing the next wave of Auto research already. Here are a few budding questions on our mind:

- Did those who said they were in the market for a vehicle actually make the purchase?
- Which automotive brands are capturing consumer attention these days? And why?
- How is the market going to shift as the popularity, curiosity, and demand for electric vehicles continues to rise?
- Are we about to see a new audience sub-segment emerge as new and improved automotive innovations (e.g., self-driving vehicles) become more embedded in the conversation?

Have any questions of your own? Reach out to sales@analyticsiq.com to tell us your most pressing automotive queries and challenges.

