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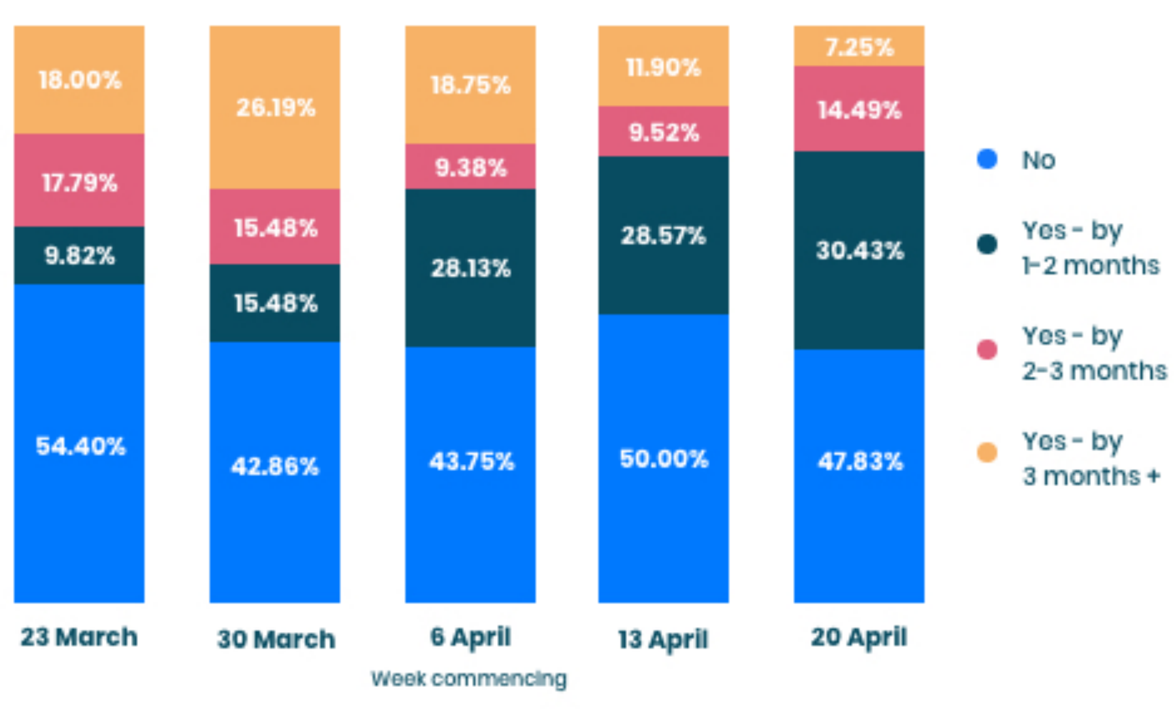
COVID-19 Consumer Survey Results and Implications

We have spoken with **900 in-market vehicle buyers** since the beginning of lockdown, to gauge how the nature of consumer demand has changed in response to these unprecedented trading conditions.

All responses were collected during the course of TLA's typical in-market consumer conversations, centred on vehicle preferences and buying intentions.

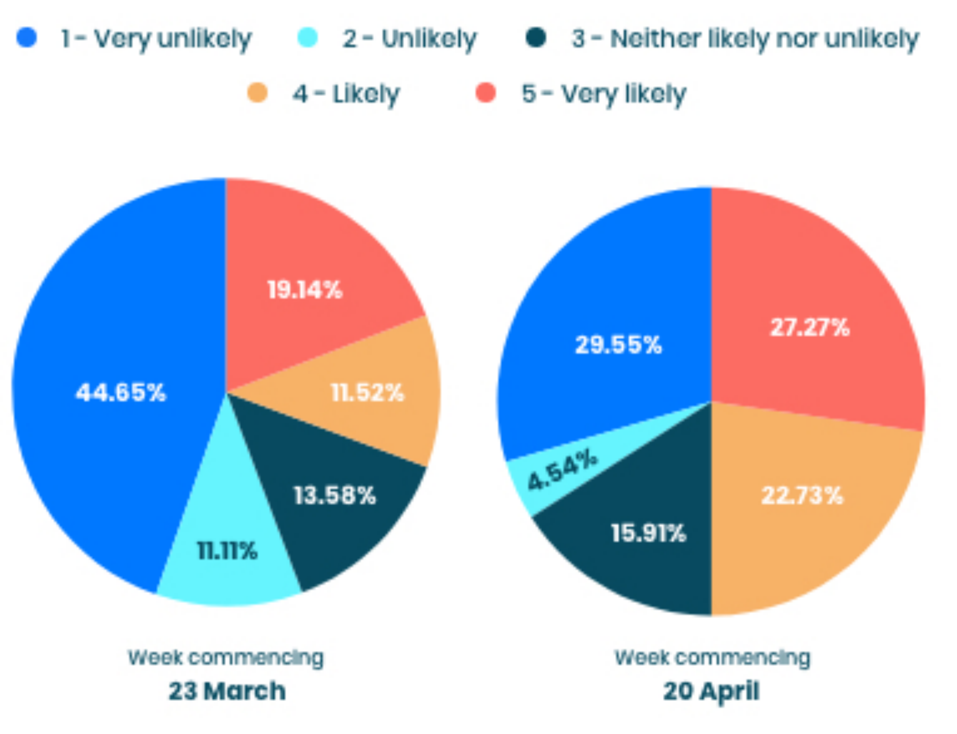
1. Has the COVID-19 outbreak impacted your purchase timescale to buy a new car?



The proportion of consumers not planning to delay their purchase has maintained above 40% for five consecutive weeks.

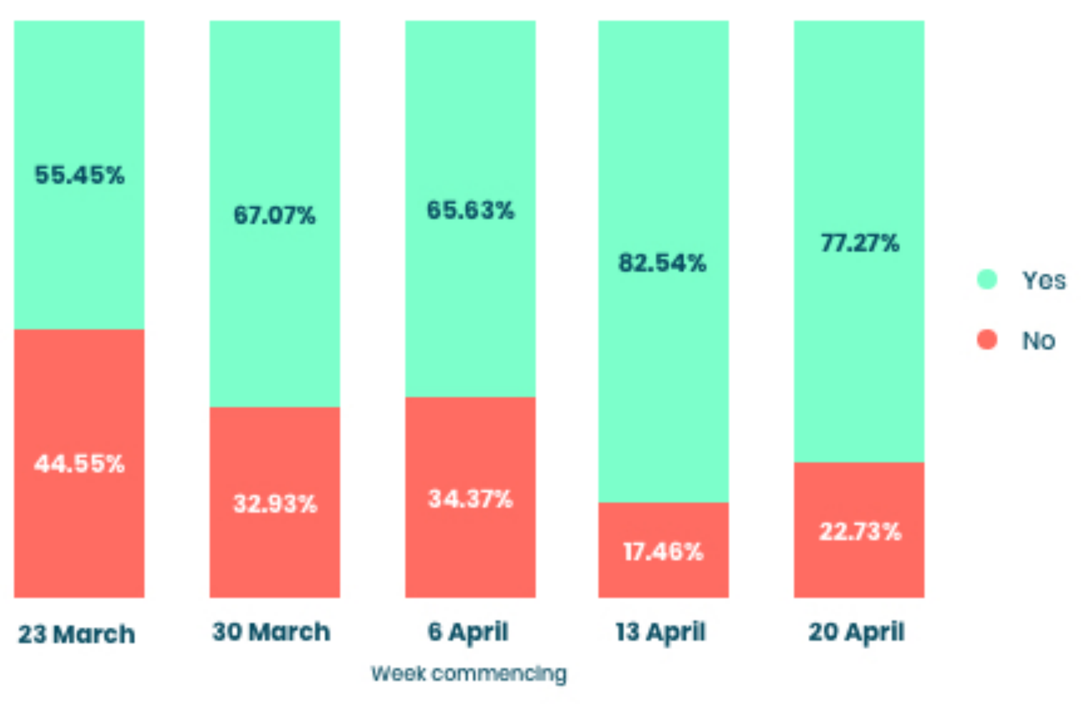
Since week commencing 7th April, the proportion of consumers suggesting a purchase delay of 1-3 months has increased, while the proportion delaying by more than 3 months has gradually fallen.

2. On a scale of 1-5, how likely would you be to purchase a vehicle without visiting a dealership?



The proportion of consumers who responded "likely" or "very likely" increased 60% between week commencing 23rd March and the week commencing 20th April, suggesting consumers are becoming more comfortable with the reality of buying from a distance.

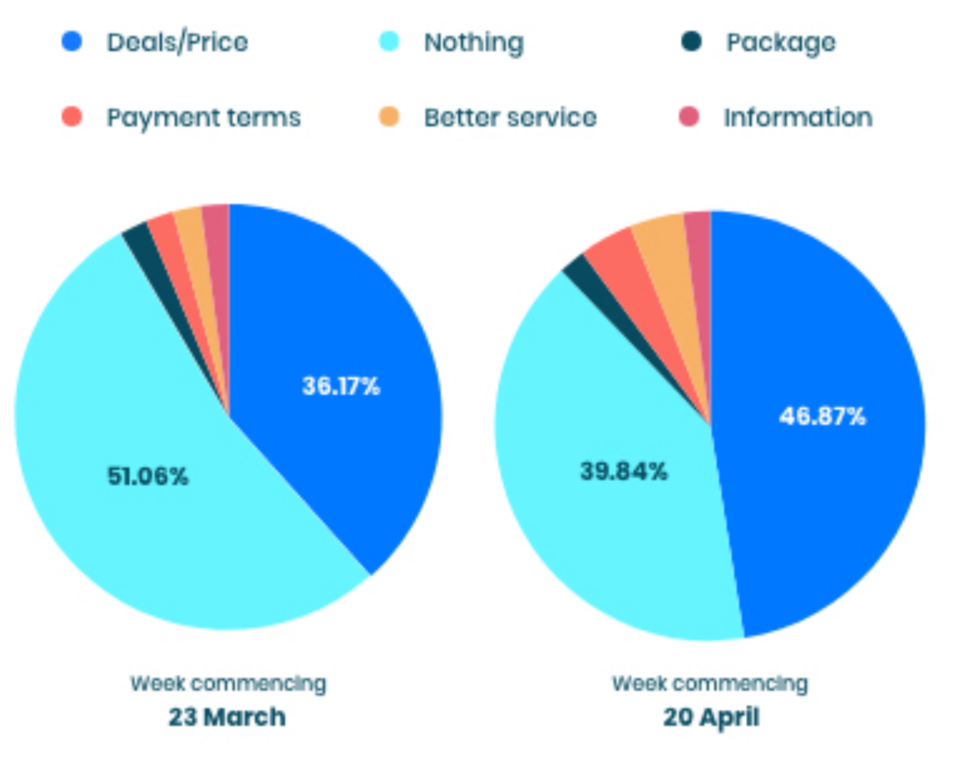
3. If you were unable to purchase your preferred brand, would you then purchase a different brand?



Consumers have gradually increased their willingness to purchase an alternative brand.

There is a widely-acknowledged relationship between economic hardship and brand loyalty; when consumers become financially concerned, they are more willing to settle for more affordable, less preferred brands.

4. What can brands and dealers do to help you with your purchase during forthcoming months?



Responses related to deals and pricing have increased 30% between weeks commencing 23rd March and 20th April, while the proportion of consumers suggesting that there is "nothing" that dealers and brands can do has fallen 22%.

Implications for brands

Our research suggests that consumers are increasingly falling into three distinct categories, guided by purchase timeframe.

Group	Motivation	Brand/vehicle preference	Purchase timeframe	Trend
Buy now	**Necessity-led.** e.g. finance contracts ending and requiring a car ASAP. May be financially unimpacted by COVID-19 outbreak.	**Strong.** Have completed extensive research and made a purchase decision.	**ASAP.**	
Buy after lockdown	**Demand-led.** The buyer has come to the end of their hire purchase or has already sold their current vehicle. Could be incentivised to purchase sooner through deals/ offers.	**Moderately strong.** Are in latter stages of research phase and evaluating a shortlist of options. May still show tendencies to switch brand/vehicle.	**As soon as lockdown restrictions eased / lifted.**	
Looking for information	**Research-led.** Seeking information to validate selected vehicles on shortlist. Reaching out to dealers for information and to assess options. May be seeking part-exchange valuation.	**Moderate.** Still in research phase and open to alternative brands/vehicles.	**1-3 months after lockdown restrictions eased/lifted.**	

Why should brands engage now?

There are still potential sales

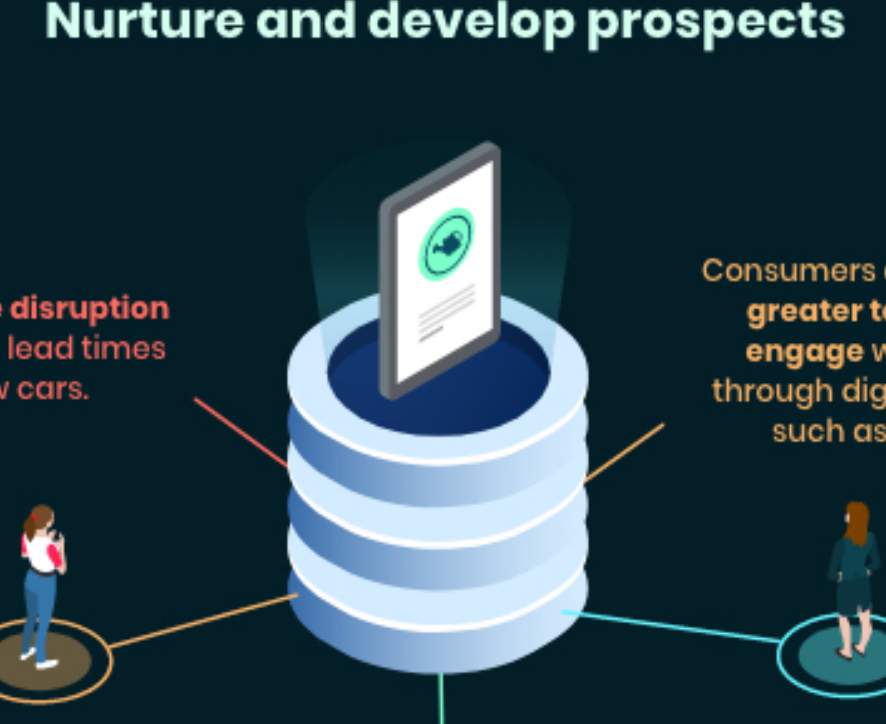
50% of consumers still in market to buy.

50% of consumers would be likely or very likely to purchase without visiting a dealership.

60% of consumers would be willing to buy sooner if there was a good enough deal available.

77% of consumers are willing to switch between brands.

Nurture and develop prospects

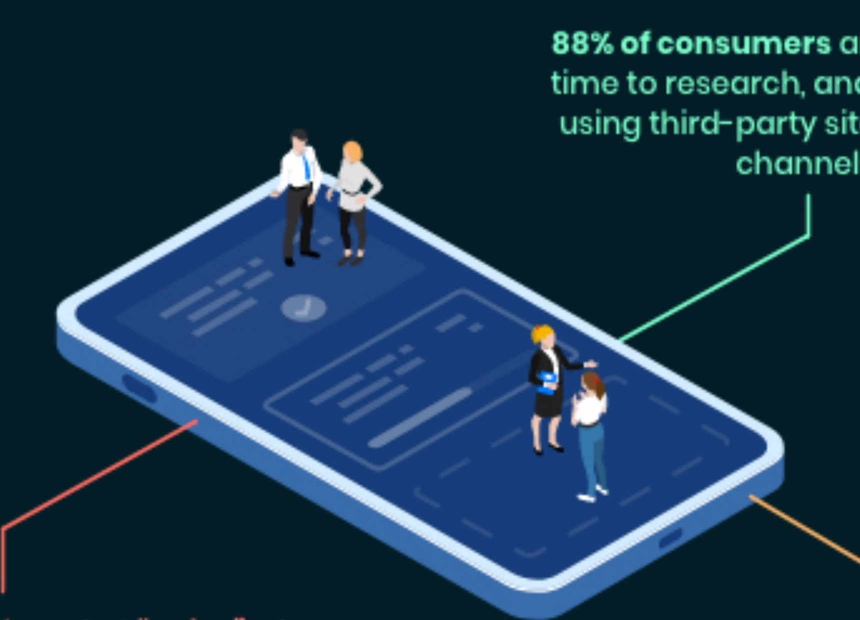


Supply-side disruption may extend lead times for new cars.

Consumers are **showing a greater tendency to engage** with dealers through digital channels, such as live chat.

Increased propensity to switch between brands and categories means that **consumers are considering a greater range of options.**

Educate and guide



88% of consumers are using extra time to research, and increasingly using third-party sites and social channels.

Expect lots of market "noise" when lockdown ends as brands and dealers try to win back consumers with tactical offers and incentives.

Uncertainty remains – **can dealers now sell cars?**

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