2021 Ontario automotive consumer study

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About the study

The 2021 Ontario automotive consumer study (OACS) was conducted in collaboration with the Trillium Automobile Dealers Association (TADA) with an aim to better understand the opinions and attitudes of consumers in Ontario regarding a variety of important topics affecting the automotive industry.

Survey methodology:

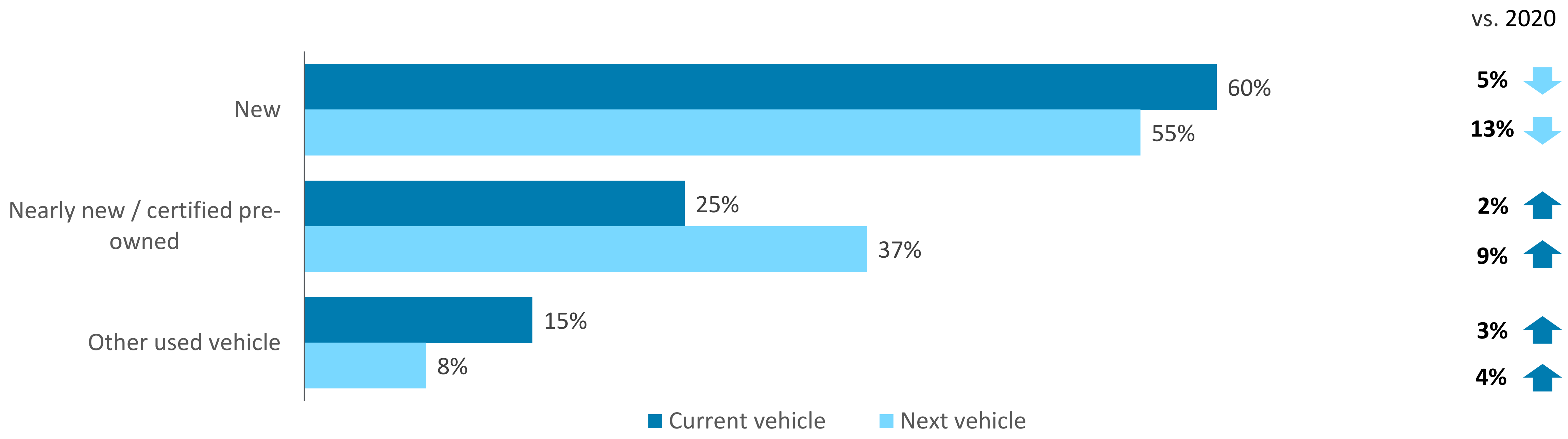
- In August 2021, Ontario residents 18 years or older were invited to complete an online questionnaire.
- A total of 948 respondents formed the sample (N) for our analyses.
- Results are representative of the Ontario consumer population by age and gender.

Consumer

Purchase expectations

Interest in used vehicles is increasing, likely due to tightening new vehicle supply and consumers' lingering concerns about their financial capacity going forward.

Which category (new, used, etc.) did owners choose for their current vehicles, and what do they plan to buy next?

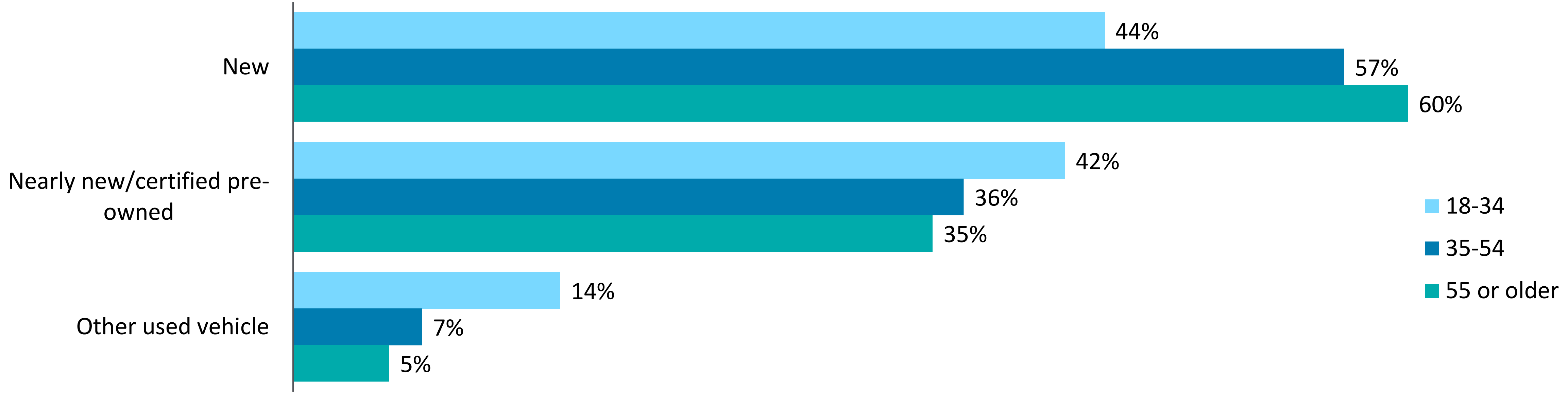


Q5: When you acquired your current vehicle, was it…; Q16: What type of vehicle are you planning to acquire next?

Sample size [Q5]: n= 795; [Q16]: n= 801

Younger consumers are more predisposed to buying used vehicles, perhaps due in part to an affordability issue stemming from the negative economic impact of the COVID-19 pandemic.

What type of vehicle are consumers planning to acquire next?



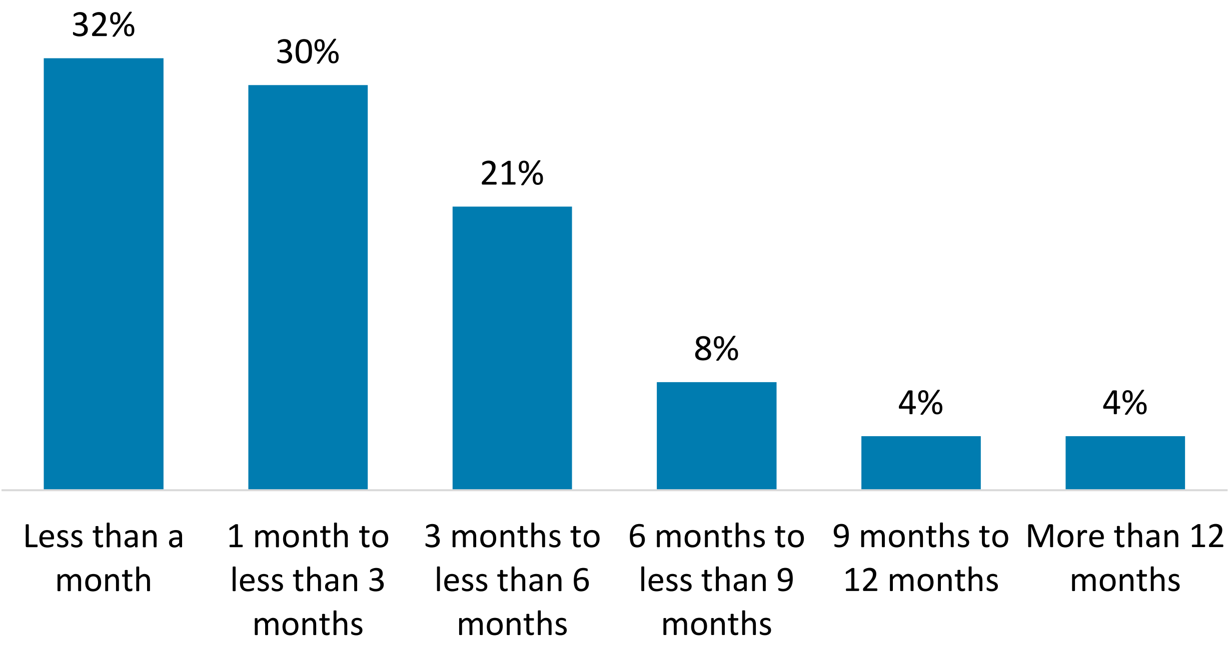
Recent study results indicate 38% of 18–34-year-olds in Canada are concerned about upcoming payments, with 45% delaying large purchases as a result.*

*Deloitte global state of the consumer tracker study (updated July 28, 2021)

Q16: What type of vehicle are you planning to acquire next?
Sample size [18–34]: n= 187; [35–54]: n= 287; [55 or older]: n= 327

One-third of vehicle buyers are spending less than a month researching their purchases, with dealer- and safety-related websites edging word of mouth in terms of influence on buying decisions.

How long does a consumer spend researching a vehicle purchase?



Which of the following have the greatest impact on choice of vehicle (whether lease or purchase)?

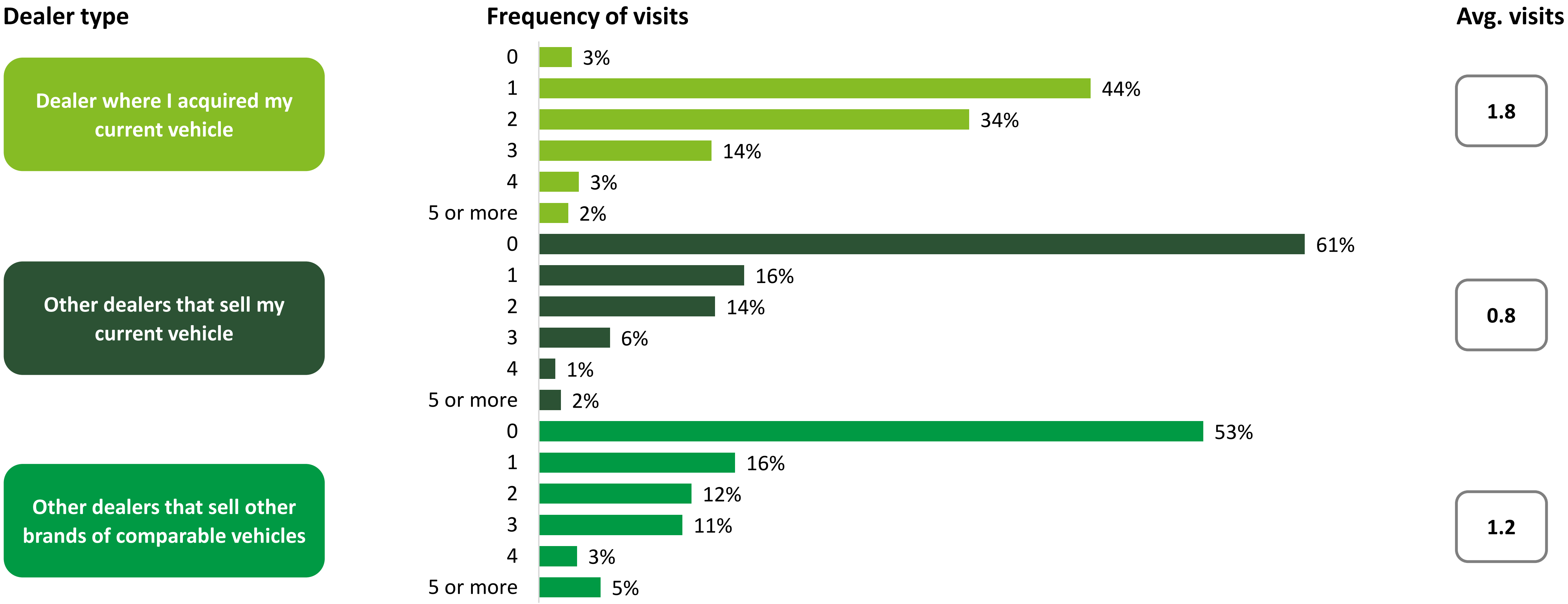
Dealer websites	40%
Safety-related websites	40%
Family, friends, co-workers	38%
Manufacturer websites	34%
Salespeople at dealerships	30%
Third-party websites	22%
Retail websites	22%
Other (media reviews, magazines)	18%
Financial-provider websites	6%
Social media	6%

Q6: How long before you made the decision to acquire did you start researching your current vehicle?; Q7: When considering purchasing or leasing your current vehicle, how much of an impact did information from each of the following sources have on your ultimate decision of which vehicle you chose?

Sample size [Q6]: n= 795; [Q7]: n= 735

Of those who bought their current vehicles from dealers, more than 4 in 10 did so after only one visit and more than half didn't visit any other dealers.

Which dealers are consumers visiting–and in which proportions–before purchasing their vehicles?

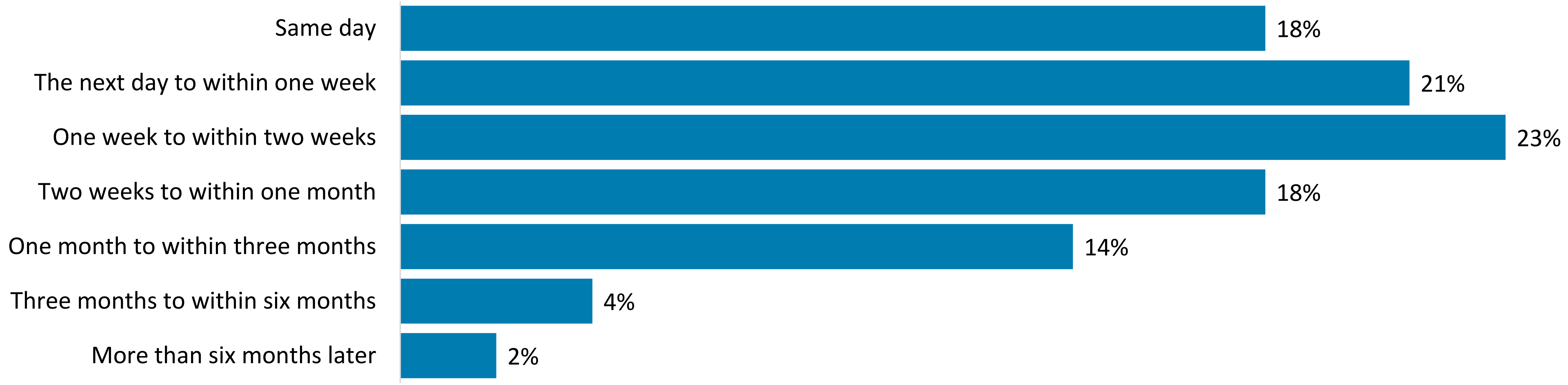


Q9: How many physical dealer visits did you conduct during the buying process for your current vehicle?

Sample size: n= 692

Nearly 1 in 5 consumers in Ontario buys a vehicle on the first day of visiting dealerships, with 6 in 10 completing their transactions within two weeks.

When do consumers make their purchases once they start visiting dealerships in person?

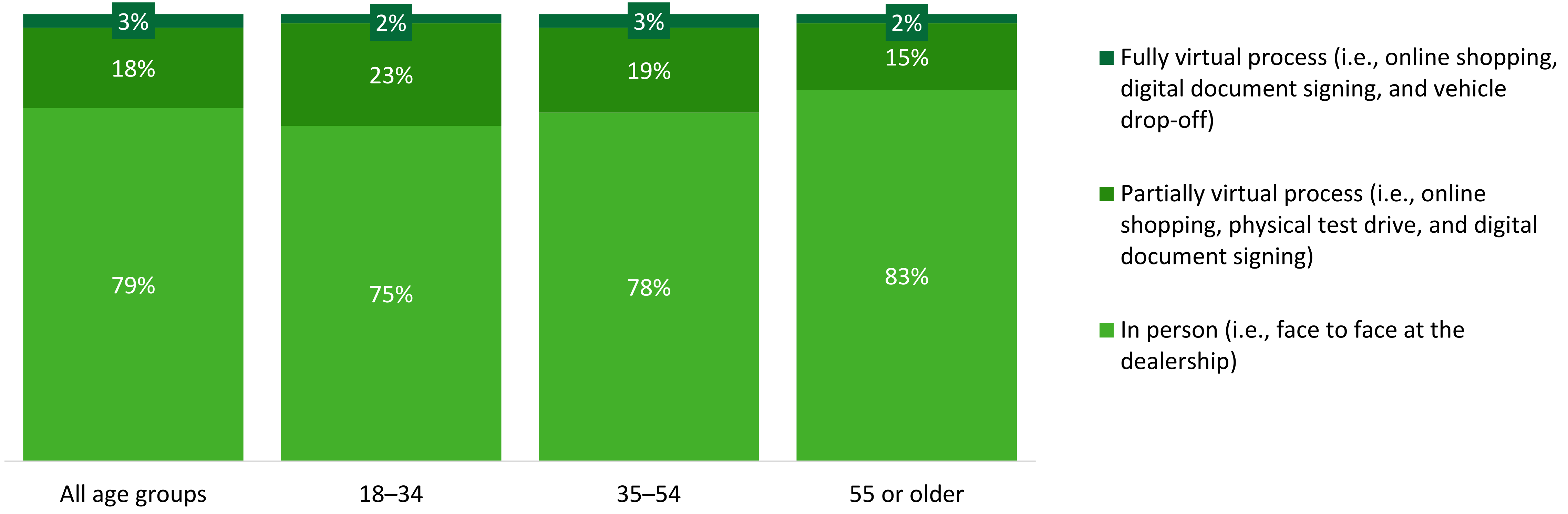


Q10: Once you started physically visiting dealerships, how long was it before you acquired your current vehicle?

Sample size [Q10]: n= 692

The move to online vehicle purchasing may take longer than suspected, as 8 in 10 consumers would prefer to buy their next vehicles in person at dealerships–nearly unchanged from last year (78%).

How would consumers prefer to acquire their next vehicles?



Q22: How would you most prefer to acquire your next vehicle?

Sample size [All ages]: n= 801; [18–34]: n= 187; [35–54]: n= 287; [55 or older]: n= 327

The top consumer purchase pain points look very familiar–so how can the auto retail industry move past these stereotypes?

What aspects of the vehicle-purchase experience do people dislike most?

Rank	Issue
1.	Price issues / haggling
2.	Pushy salespeople
3.	Lack of availability/stock
4.	Too much paperwork
5.	Overall purchase experience takes too long
6.	Location
7.	Poor demonstration of in-vehicle features/technology
8.	Poor dealer responsiveness to emails/texts/calls
9.	Poor showroom/dealership condition
10.	Dealer doesn’t have access to information customer already provided

Note: Ranking is based on a composite score calculation.

Q11: What are the three aspects of the purchase experience you dislike the most?

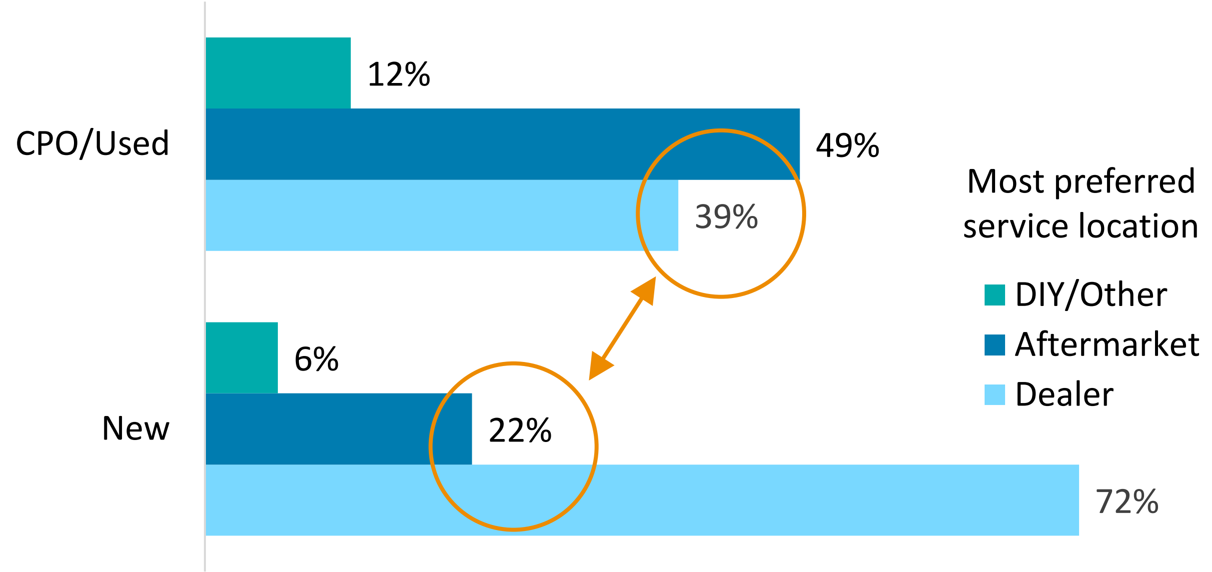
Sample size: n= 692

Consumer

Service expectations

Nearly one-quarter of people who acquire a new vehicle prefer the aftermarket for service, indicating a potential opportunity for dealers (likely to retain older vehicles they sold).

Where do people most prefer to service their vehicle by how they purchased their current vehicle



What do people generally do while their vehicle is being serviced?

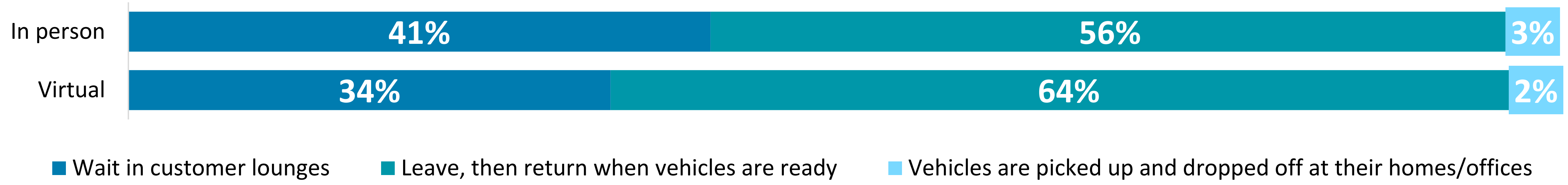
	Where vehicles are normally serviced	
	Dealer	**Aftermarket**
Wait in lounge	43%	32%
Leave and come back	54%	66%
Vehicle is picked up	3%	2%

Q12: Where do you normally service your current vehicle?; Q13: What do you usually do while your vehicle is being serviced?

Sample size [Q12]: n= 795; [Q13]: n=795

Consumers who'd prefer to acquire their next vehicles via virtual processes are more likely to leave them while they're being serviced and return when they are ready.

How does acquisition preference for next vehicles relate to what consumers do while their current vehicles are being serviced?



The belief that more people will want to buy vehicles through virtual processes going forward may have implications for dealer service departments down the road.

Q13: What do you usually do while your vehicle is being serviced?; Q22: How would you most prefer to acquire your next vehicle?

Sample size [Q13]: n=795; [Q22]: n= 729

In fact, dealer amenities are ranked much lower than many other aspects of the service experience, including the communication of real-time updates during a service event.

How important are the following aspects of the service process (% that are somewhat / very important)?

81%
Rapid check-in/check-out

71%
Access to loaner vehicle

68%
Real-time updates during the service event

63%
Ongoing support between service occasions

52%
Concierge service to pick up / drop off vehicle

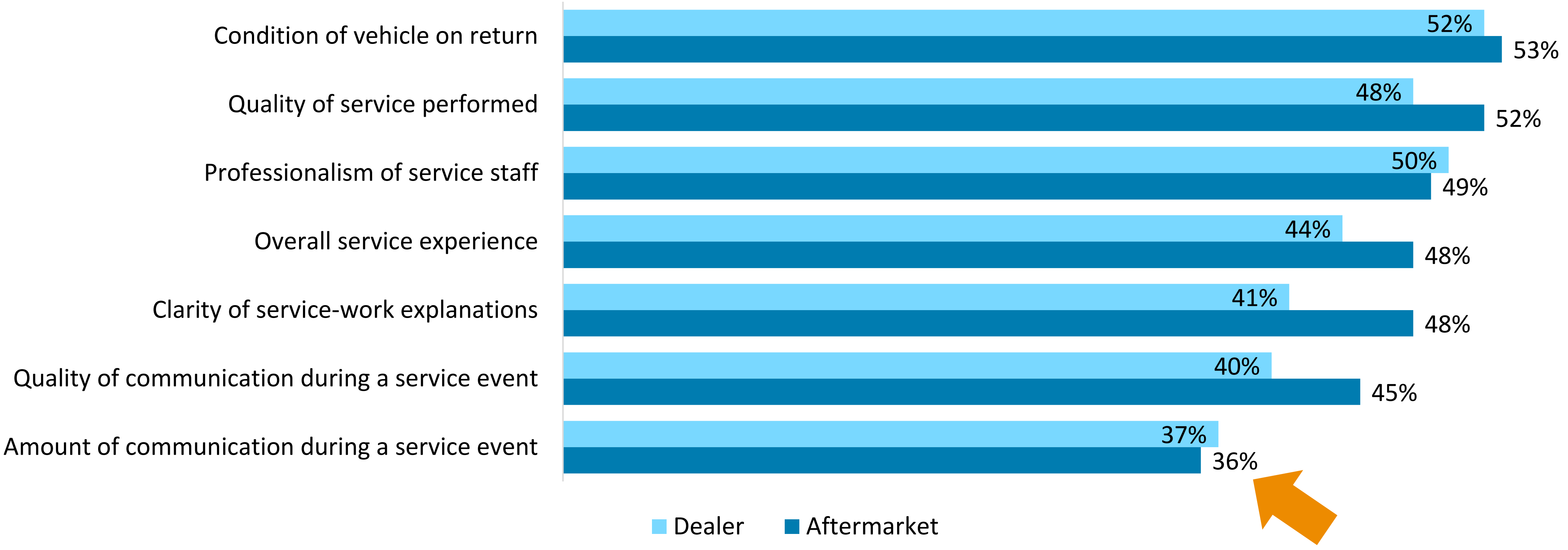
27%
Amenities/experiences (e.g., kids' playroom, restaurant/coffee shop)

Q24: How important are each of the following items related to the vehicle service process?

Sample size: n= 801

Overall, consumers are positive about the vehicle service experience they receive, but there is some opportunity for improvement when it comes to building value through transparency.

Consumers' opinion on different aspects of service-related experiences (% Very Good)



Q14: On a scale from 1-5 where 1 is very poor and 5 is very good, please rate the following service-related aspects of the provider you visit most often.

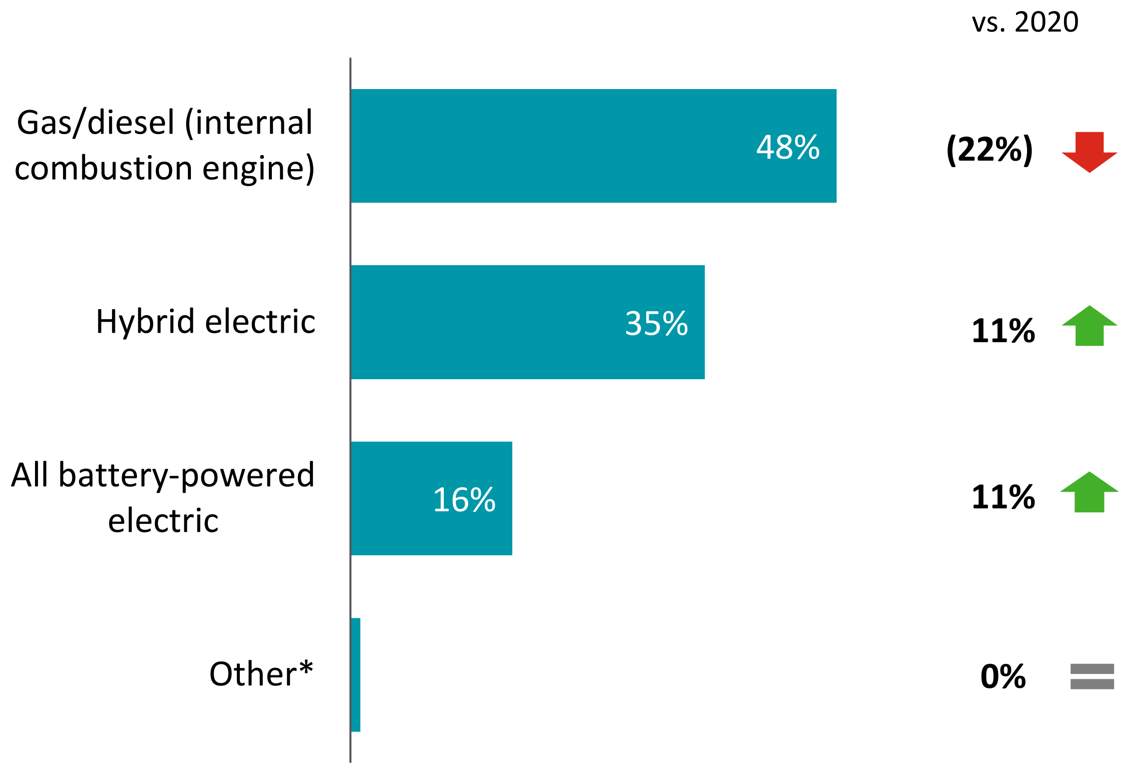
Sample size: n= 773

Issue in focus:

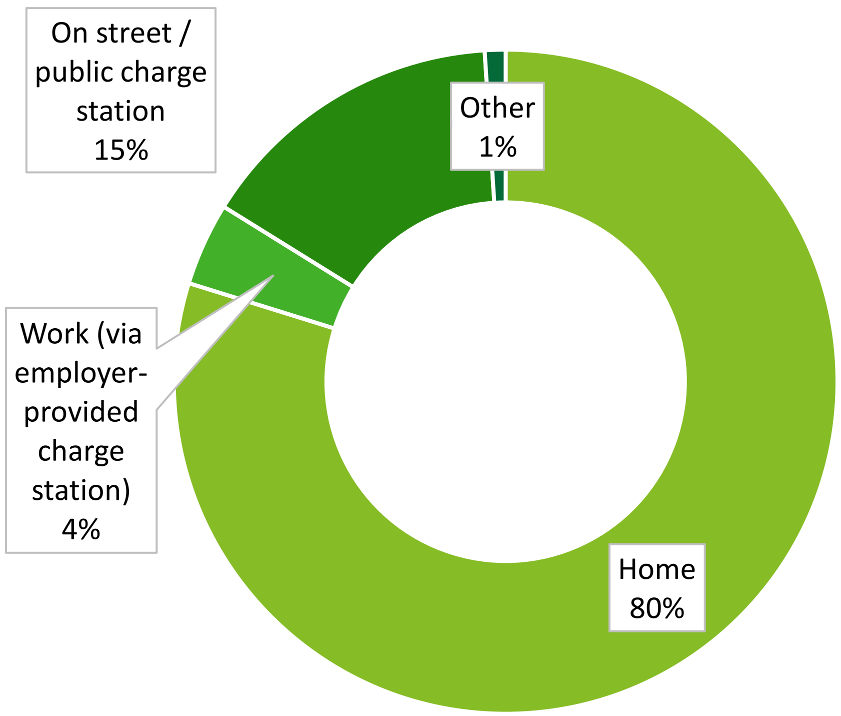
Vehicle electrification

Interest in electric vehicles (EVs) is gaining momentum in Ontario, but consumers still appear somewhat reluctant to make the jump to an all battery-powered mobility future.

What type of powertrain do people want next (vs. 2020 choices)?



Where do intended owners of battery electric vehicles (BEVs) expect to charge them?

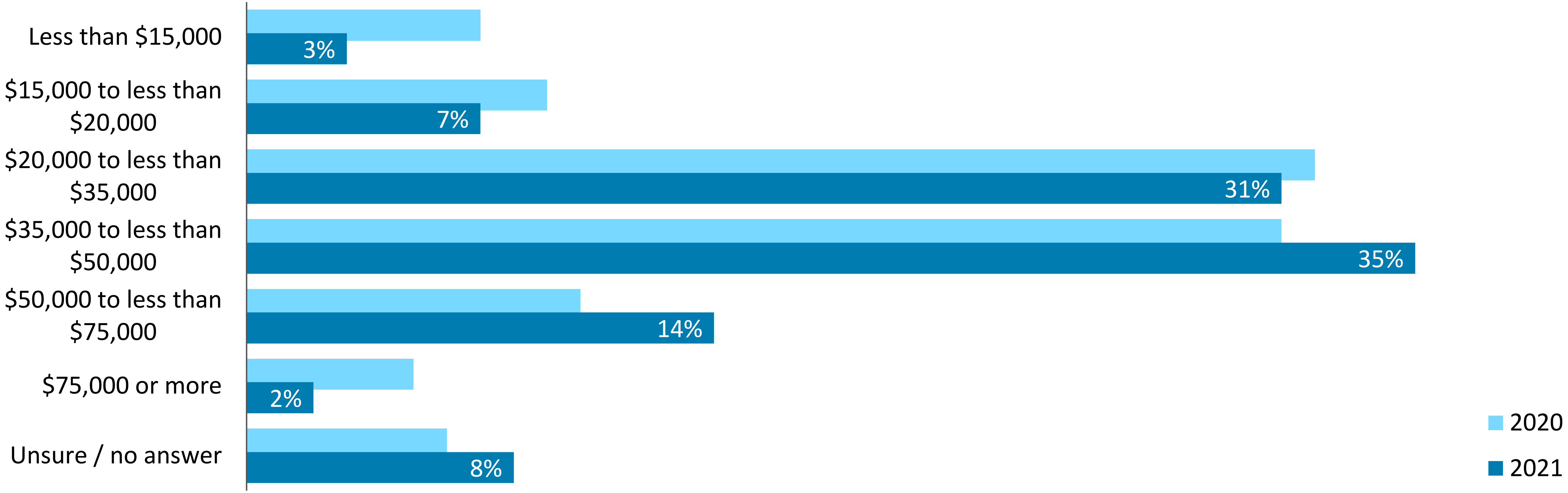


Other includes ethanol, compressed natural gas, and hydrogen fuel cell.

Q18: What type of engine would you prefer in your next vehicle?; Q19: Where do you expect to charge your electrified vehicle most often?
Sample size [Q18]: n= 801; [Q19]: n= 404

Although interest is increasing, most of those (76%) planning to purchase EVs expect to pay less than $50,000, which may not be in line with current prices and availability.

What price ranges would those with intentions to buy EVs consider for their next purchases (2020 vs. 2021)?

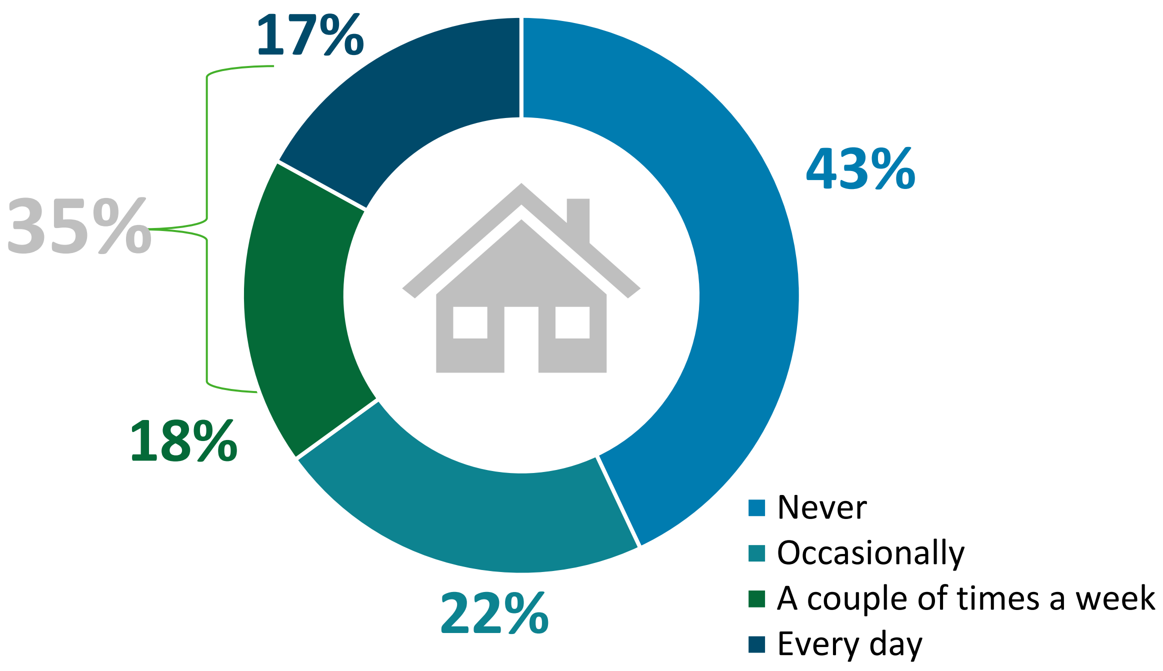


Q20: In which of the following price ranges will you be shopping for your next vehicle? (Please indicate the transaction price you expect to pay after any rebates and/or incentives that might be available)

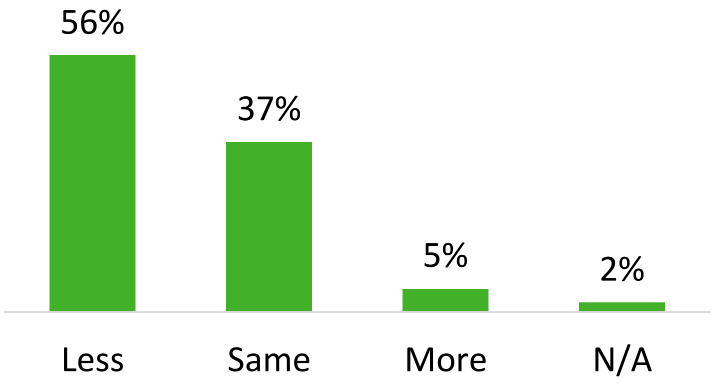
Sample size: n= 404

The pandemic is likely to have a significant impact on the way people work going forward, which may affect vehicle usage.

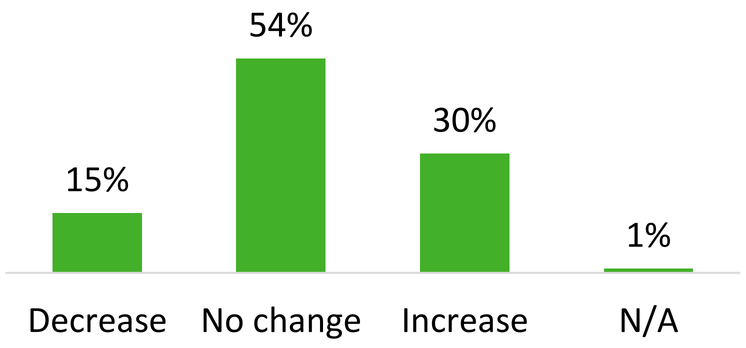
How often are people planning to work from home post-pandemic?



How do current average daily driving distances compare with pre-pandemic levels?



How do people expect their daily driving distances to change going forward?



Q27: Going forward, how often do you plan to work from home?; Q29: How does your current daily average driving distance compare with your daily total before the pandemic?; Q30: How do you expect your daily driving distance to change going forward?

Sample size [Q27]: n= 948; [Q29]: n= 795; [Q30]: n= 795

Five things to keep in mind about the future of the automotive industry in Canada

Lingering affordability issue	There may be an underlying affordability issue, particularly among younger consumers, pushing them toward the used-vehicle market.
Realistic consumer expectations about EV prices	Those intending to buy EVs as their next vehicles expect to spend less than $50,000, which may not reflect the reality of the current market (and underlines the importance of incentives/rebates).
Potential longer road for virtual sales	Although online sales are more convenient, easier, and faster, any move to a fully virtual sales model may take longer than expected, as nearly 80% of consumers still prefer the in-person experience.
A changing dealer footprint	Dealer amenities are becoming less and less important to service customers (especially those intending to buy via a virtual process), which may spell the end for the one-roof dealer palace.
Reduced driving distances/ frequencies	The pandemic is likely to have a lasting impact on vehicle usage, as 56% of people are currently driving less every day and 69% expect to drive either less or the same amount daily going forward.

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