

The Car Purchasing Process - Canada - 2022

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This report looks at the following areas:

- The impact of COVID-19 on the automotive market.
- How the market for automobiles will fare post-COVID-19.
- Pandemic-related change in driving habits, vehicle purchase plan, type of vehicle under consideration, reasons for purchase, research behaviours and attitudes towards the car purchasing process.
- The challenges the market faces, market factors impacting the category, marketing and advertising campaigns, as well as innovations and trends in the market.

Rising vehicle prices and reduced new vehicle incentives, both spurred by the ongoing microchip shortage, are a concern for the auto industry as customers are potentially priced out of the market. Driven by the global semiconductor shortage, the tight supply of new and used vehicles has significantly increased prices over the past year or so. Hence, most consumers are worried they will overpay for their next vehicle due to the COVID-19 pandemic.

Vehicle purchase intent is slightly down, and consumers who do plan on buying a vehicle will most likely consider an SUV. This stems from a continued interest in larger vehicles due to a shift in preferences for SUVs and crossovers over the past few years.

A third will choose to purchase a vehicle that consumes less fuel or no fuel (ie an electric vehicle). The test drive remains essential in the car purchasing process despite the rise of ecommerce, as nearly half of consumers plan on researching their next vehicle by taking it out on the road. Low maintenance costs are also paramount in choosing a vehicle, with most consumers citing this factor.

Moreover, the pandemic continues to have a notable impact on the auto industry, something that will likely remain unchanged moving forward. One of the impacts is the shift in consumers' comfort level with shopping for vehicles



“Buying a vehicle can be a stressful process. And with the microchip shortage impacting inventory and thus vehicle pricing, there are clear challenges that the industry faces. Consequently, operators in the category need to focus on providing modern options for consumers to purchase their next vehicle.”

– Andrew Zmijak, Research Analyst, Consumer Behaviour

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online, causing automakers and retailers to adopt more ecommerce offerings. Moving forward, the ways in which consumers can shop for a car will be fundamentally changed as a result of COVID-19.

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