

AUTOMOTIVE

Popularity of online car shopping soars amid pandemic: J.D. Power

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With Audi at Your Door, consumers can have vehicles virtually appraised and have cars delivered for test drives. Image credit: Audi

By LUXURY DAILY NEWS SERVICE

Online car shopping has become so popular amid the pandemic that nearly one in four buyers says his or her experience with it makes them less likely to shop in person in future, according to J.D. Power's 2020 U.S. Sales Satisfaction Index study.

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The number of vehicle dealers who have adopted remote-selling techniques has rocketed due to the decreased traffic to physical showrooms caused by COVID-19 shutdowns. This trend suggests digital retail in the car industry will remain in vogue for the long haul.

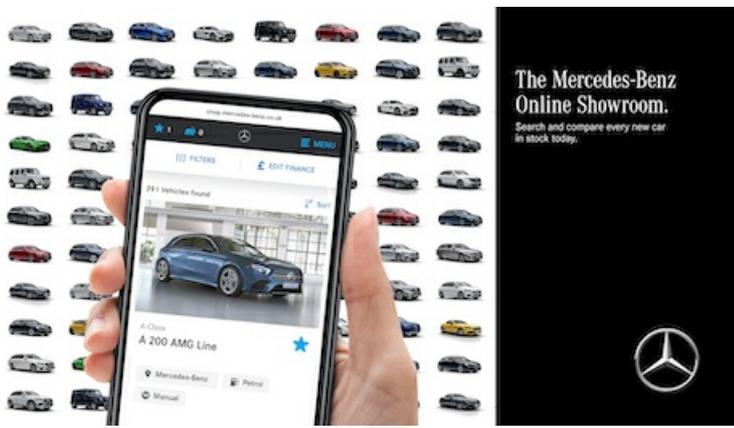
"The more shoppers are exposed to remote communication and actual online buying options, the more they may prefer these methods in the future over traditional showroom visits to wade through inventory and negotiate," said Chris Sutton, vice president of automotive retail at J.D. Power, in a statement.

Digital selling embraced by buyers

The study measures satisfaction with the sales experience among new-vehicle buyers and rejecters or those who shop in a dealership, but purchase elsewhere. It is based on responses from 35,816 buyers who purchased or leased a new vehicle from January through June 2020.

Among luxury brands, U.S. automaker Lincoln ranked highest in sales satisfaction with a score of 827, followed by Lexus and Mercedes-Benz, which tied for second place.

Per J.D. Power's research, 44 percent of online shoppers are now selecting the exact vehicle they want to purchase from inventory on a dealer's Web site, which represents an increase of 13 percentage points from January.



German automaker Mercedes-Benz is trying to simplify bookings for new and used cars with a new online showroom for U.K. buyers that integrates dealer inventory for easy search and down payment. Image courtesy of Mercedes-Benz Cars U.K.

Digital retail activities such as vehicle selection as well as receiving credit approval and agreeing on purchase prices are all still up nearly 50 percent from January.

As dealers have introduced and also refined digital procedures since the onset of the pandemic, buyer satisfaction among digital customers has increased.

"The pandemic provided dealers with a wide-open path to allow different approaches to sell vehicles outside of their traditional showroom sales process," Mr. Sutton said in a statement.

The introduction during the course of the pandemic of a range of digital tactics, such as online showrooms, virtual test drives and contactless delivery by the likes of Jaguar Land Rover, Rolls-Royce, Mercedes-Benz and Audi, has set a new bar in the industry.

Buying a car online after examining it in a virtual showroom and having it dropped off at your door is much more convenient. A significant percentage of consumers will still want the "contactless, virtual" experience going forward.

While the pandemic has had serious consequences for the auto industry, manufacturers are bucking the negativity with the embrace of digital innovation in various respects. The use of new technology extends to design and development as well as operations and training ([see story](#)).

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