New Survey of U.S. Auto Dealers Predicts New Forms of Mobility to Drive Declines in Personal Vehicle Ownership, Number of Dealerships

- Dealers expect steeper decline in personal vehicle ownership than consumers.
- Only 1-in-10 dealers see mobility as a threat to current business.
- 72 percent of dealers do not view mobility trends as the end of the dealership model.

ATLANTA, Oct. 22, 2018 /PRNewswire/ -- Auto dealers and consumers are more closely aligned on the future of mobility than many industry experts might imagine with both expecting significant reductions in personal vehicle ownership. In fact, dealers are predicting an even sharper decline in ownership than consumers[1] in the next five years (28 percent versus 18 percent). However, while most of the dealers surveyed recognize this eventual reality, only 1-in-10 dealers see mobility as a threat to their current business, according to the second phase of the 2018 Cox Automotive Evolution of Mobility Study: A Dealer's Perspective.

In the latest chapter of Cox Automotive's three-part study series, an online survey was conducted with 430 franchise and independent automotive dealers in the U.S. The first phase of the Cox Automotive Evolution of Mobility Study, released in August 2018, focused on consumer perceptions of Alternative Ownership and Autonomous Vehicles.

Strong Growth Expected in Alternatives to Traditional Ownership
Like any industry undergoing transformation, consumer acceptance over time is often the key driver. While still in its infancy, mobility is no different. In the next 10 years, nearly half (47 percent) of dealers see consumers owning or leasing fewer vehicles per household as a direct result of the increasing number of mobility options and the introduction of autonomous vehicles to the mass market. Ride-hailing (87 percent) is predicted by dealers to see the most growth, followed by car subscriptions (82 percent), car-sharing (81 percent) and autonomous vehicles (81 percent).

New Forms of Mobility Seen as Opportunity, Not a Threat
With dealers challenged by declining new-car sales and margin compression, 45 percent say they see new shared mobility models, such as ride-hailing, car-sharing and car subscriptions, as new revenue streams. Three out of four dealers see a benefit in offering these shared services at their dealerships, with 40 percent viewing mobility as an opportunity to appeal to a new consumer base. Nearly 3-in-5 dealers (59 percent) also believe fixed operations will play a more important role with vehicles used for ride-hailing and car-sharing logging more miles and requiring more service.

Any hesitancies by the dealers surveyed toward these new mobility solutions are due to the uncertainty surrounding operations rather than rejection of the models themselves. This includes knowledge of how to set these services up, outside support to get these services off the ground and the overall cost benefit.

"Dealers are approaching the evolving mobility landscape with their eyes wide open," said Joe George, president of Cox Automotive Mobility. "While traditional car ownership isn't going away anytime soon, we're focused on enabling dealers with innovative consumer mobility and shared fleet service solutions to keep their businesses relevant."

Current Dealership Model Will Change, but Not Go Away
Even with the shift moving from traditional ownership to usage and a more personalized "one-to-many" design of on-demand transportation, 72 percent of dealers do not view these mobility trends as the end of the dealership model. However, they do believe the number of dealerships in operation will be impacted with 57 percent of the dealers surveyed saying there will be a need for fewer dealerships 10 years from now.

Cox Automotive Evolution of Mobility Study

This is the second phase of the Cox Automotive Evolution of Mobility Study series. This research was conducted by Vital Findings on behalf of Cox Automotive and included an online survey of 430 automotive franchise and independent dealers in the U.S., during July 2018.

About Cox Automotive

Cox Automotive Inc. makes buying, selling, owning and using cars easier for everyone. The global company's 34,000-plus team members and family of brands, including Autotrader®, Clutch Technologies, Dealer.com®, Dealertrack®, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with revenues exceeding $20 billion. www.coxautoinc.com

[1] 2018 Cox Automotive Evolution of Mobility Study: Alternative Ownership

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https://press.autotrader.com/2018-10-22-New-Survey-of-U-S-Auto-Dealers-Predicts-New-Forms-of-Mobility-to-Drive-Declines-in-Personal-Vehicle-Ownership-Number-of-Dealerships