



# Canadian Car Buyers Survey

## Summary report

Prepared for: Car Help Canada

Prepared by: Decision Point Research, Inc.

October 2023

# Overview



## Timelines

Field work: September 26-October 18, 2023  
Reporting: October 2023



## Target Audience

- Canadian adults (aged 18+)
- Have shopped for and purchased a new car within the past two years (September 2021-September 2023)



## Research Objective

To determine whether consumers were taken advantage of, price gouged, or experienced other issues when purchasing a new vehicle during the time of the shortage/pandemic.

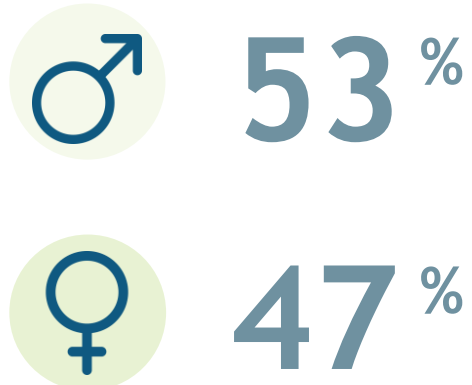


## Methodology

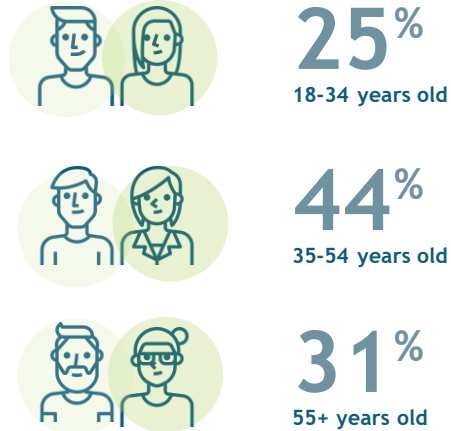
- Quantitative research amongst category consumers
- Online, self-administrated survey
- Total N=1,500

# Respondent profile

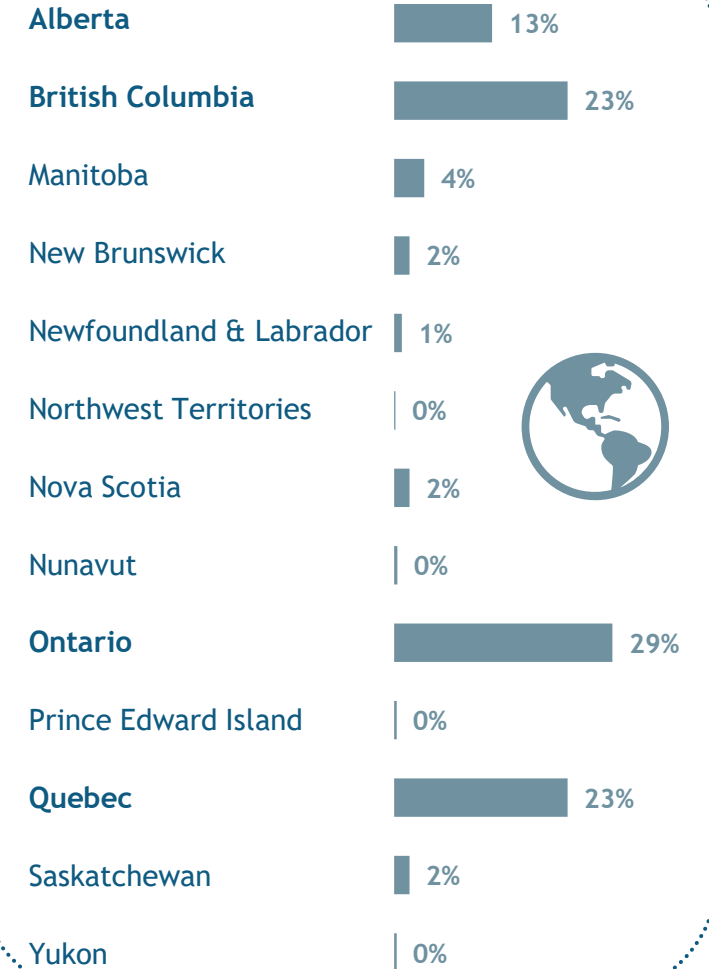
## Gender



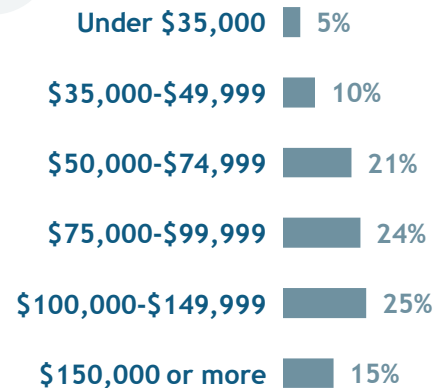
## Age group



## Location



## Household Income



# Summary of results

## Vehicle price and payment method

- Just over half of new car buyers were able to negotiate the price of the car and did not have to pay a markup over the original MSRP of the vehicle.
- Of those who were required to pay a markup, most paid a markup between \$1,000-\$6,000.
- Most chose to finance their vehicle purchase, while many financed because it was mandatory and many paid cash without a premium; very few had to pay a higher price because they paid in cash.

## Additional products and charges

- Many new car buyers were required by the dealer to purchase additional products that they would not have purchased otherwise, including extended warranty protection and anti-theft/etching/security protection.
- These additional charges increased the vehicle price for most by \$1,000-\$2,000.

## Vehicle availability and wait times

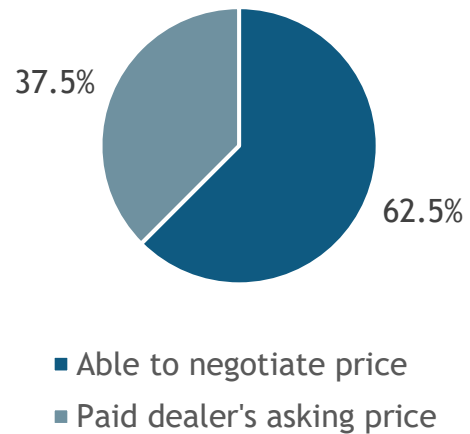
- Most new car buyers had to order their vehicle, with most reporting that the vehicle arrived on time as promised.
- The majority of new car buyers waited between 1 and 6 months for their vehicles and paid the original price.

## Overall impressions

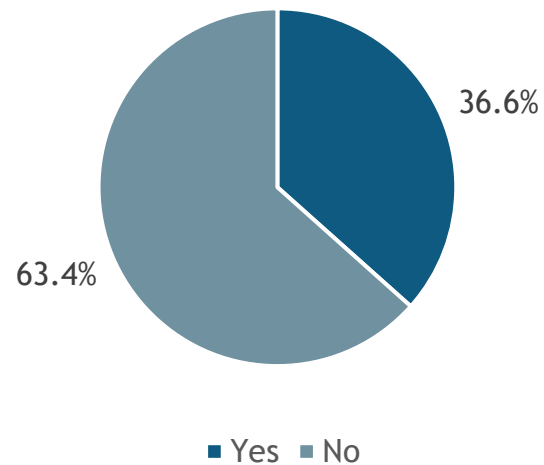
- Most new car buyers believe they paid the right price for their vehicle.
- Most new car buyers believe the dealer was professional, honest, and transparent.

# Vehicle Price

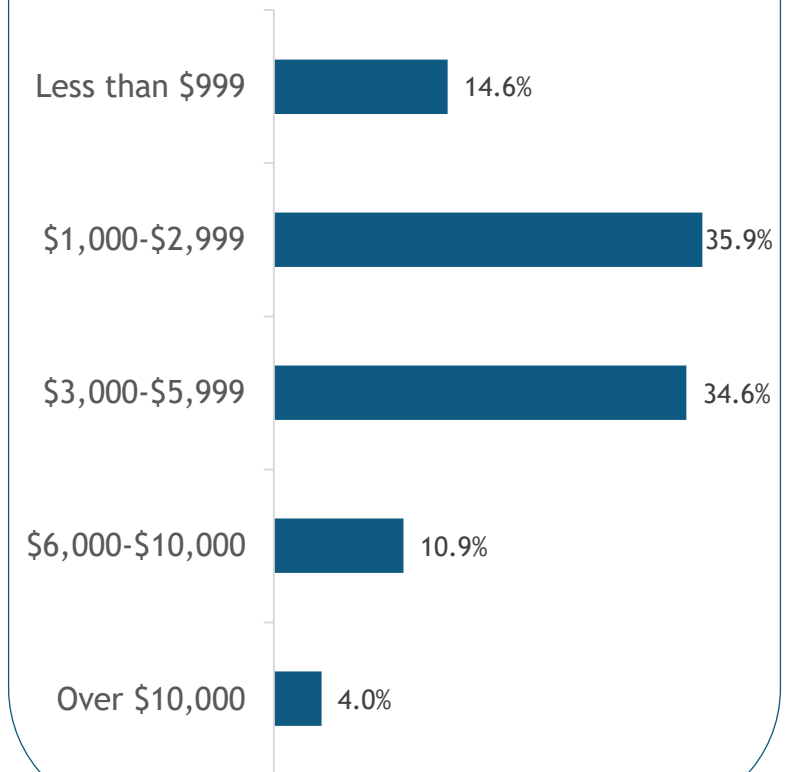
Were you able to negotiate price or did you have to pay dealer's asking price?



Did the dealer require you to pay a markup over the original MSRP?

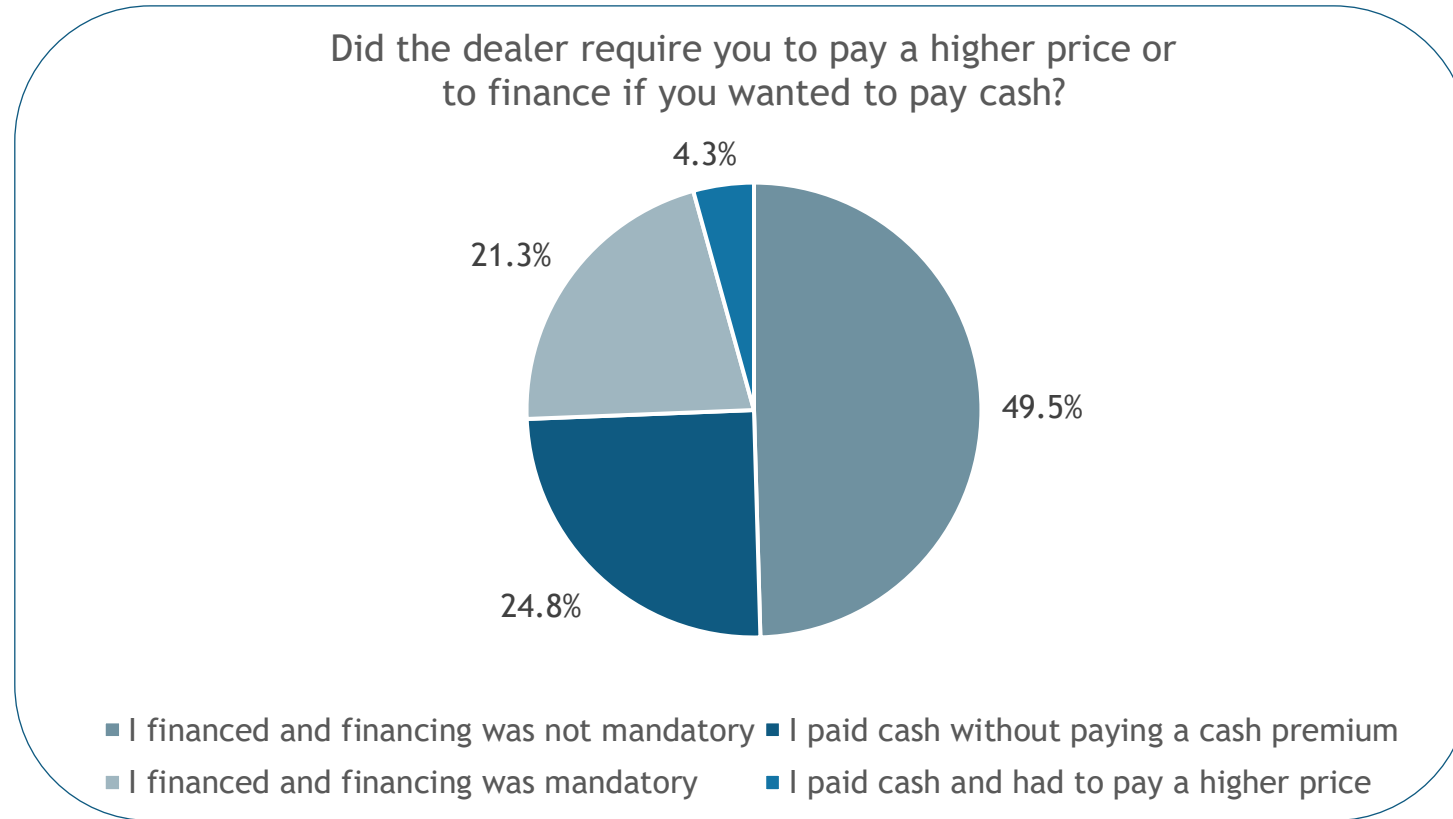


If yes, amount of markup or market adjustment fee over original MSRP



Most new car buyers (63%) were able to negotiate the price of their new car. Also, most (63%) were NOT required by the dealer to pay a markup over the original MSRP. Of those who WERE required to pay a markup, most (71%) paid a markup of between \$1,000 and \$6,000 (split roughly equally between \$1,000-\$2,999 and \$3,000-\$5,999).

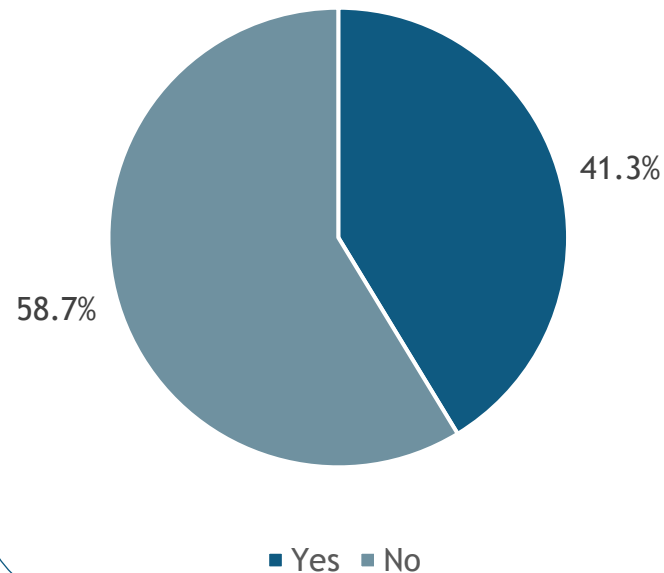
# Payment method



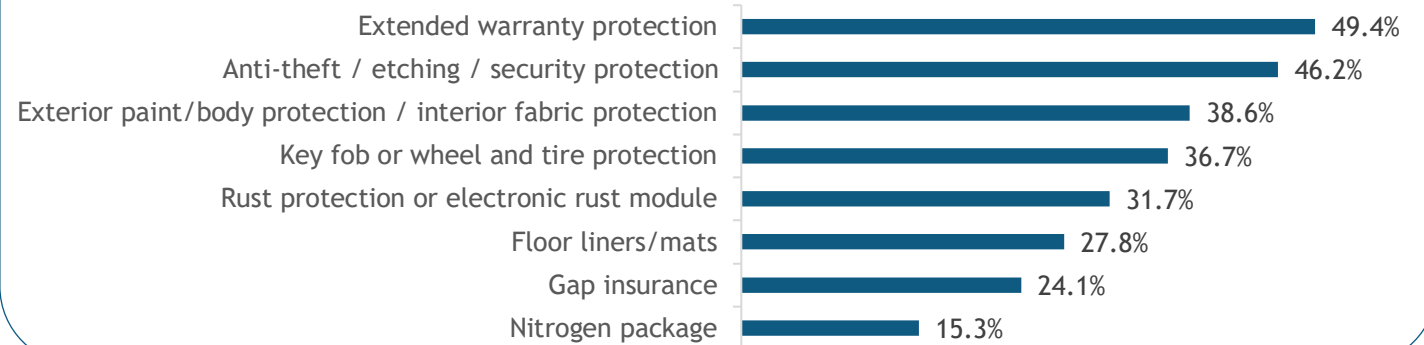
Half of new car buyers financed their new vehicle purchase even though financing was not mandatory, while just over one fifth financed with financing being mandatory. Meanwhile, one-quarter paid in cash without paying a cash premium, and just over 4% paid cash and DID pay a fee (mean=\$2,082, median=\$1,550).

# Additional products and charges

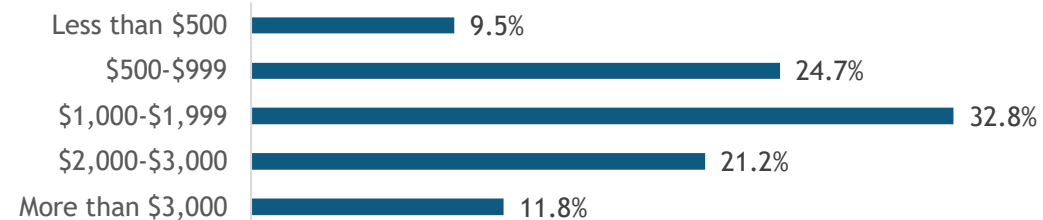
Did the dealer require you to pay for any protection/warranty products that you would not have chosen freely?



If yes, which ones?



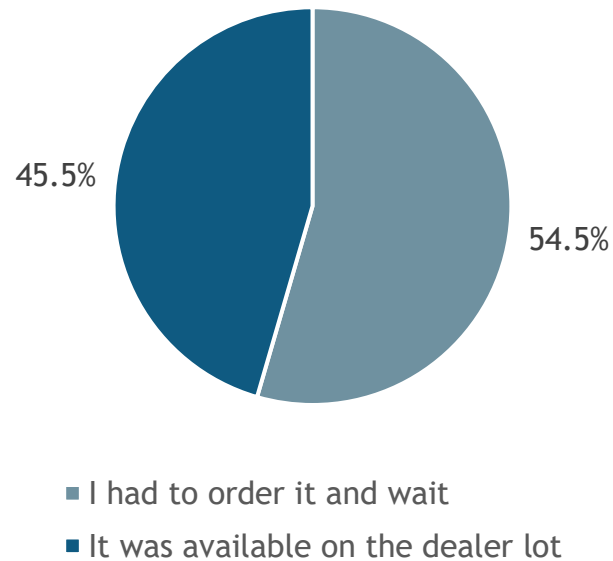
And how much did they increase the price of the vehicle?



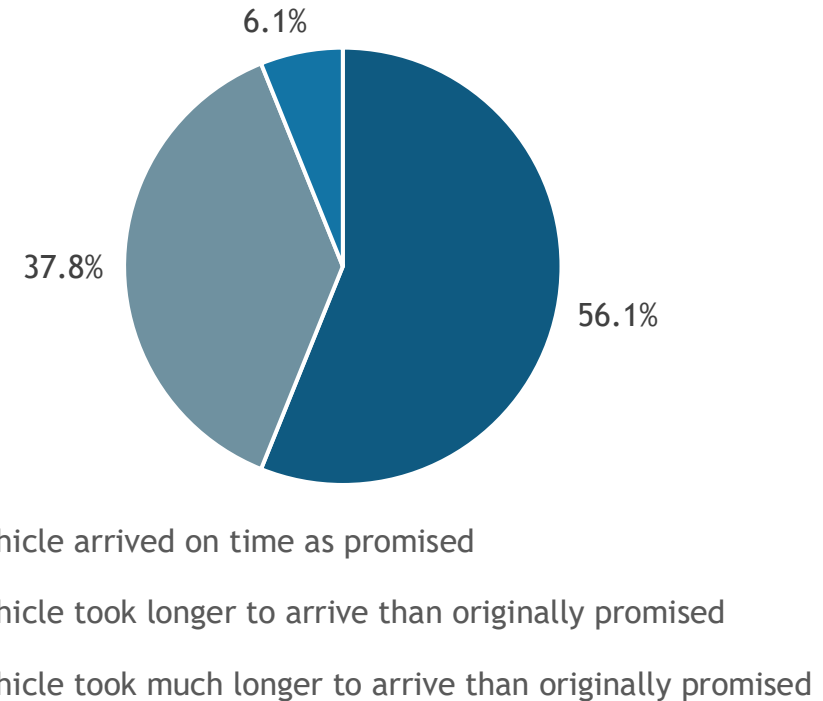
Many new car buyers (41%) were required to pay for protection/warranty products that they would not have chosen freely, the most common being extended warranty protection (49%) and anti-theft/etching/security protection (46%). These additional costs increased the price of the vehicle for most by \$500-\$3,000.

# Vehicle availability and wait times

Did you have to order the vehicle or was it available for purchase on the dealer lot?



Did the vehicle take longer to arrive than the dealer originally promised?

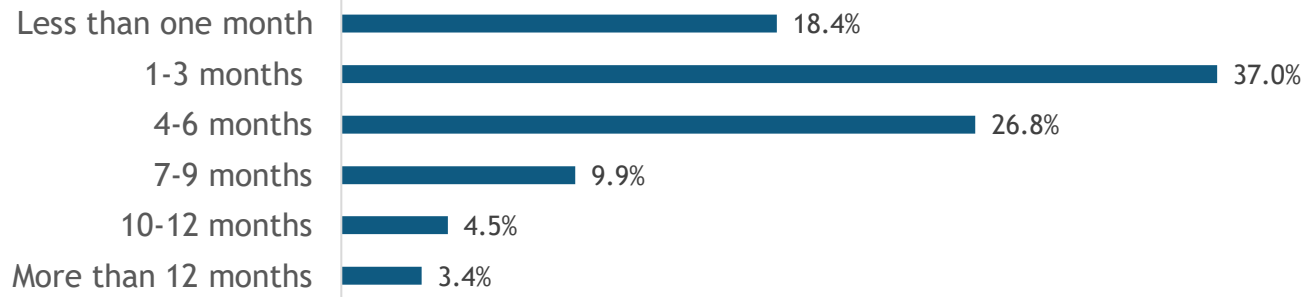


Just over half of new car buyers (55%) had to order their new vehicle and wait for it to arrive. For most (56%), the vehicle arrived on time, but many (38%) reported that it took longer to arrive than originally promised, and a few (6%) said that it took much longer to arrive (in weeks, mean=4.5 and median=3; in months, mean=5.7 and median=3).

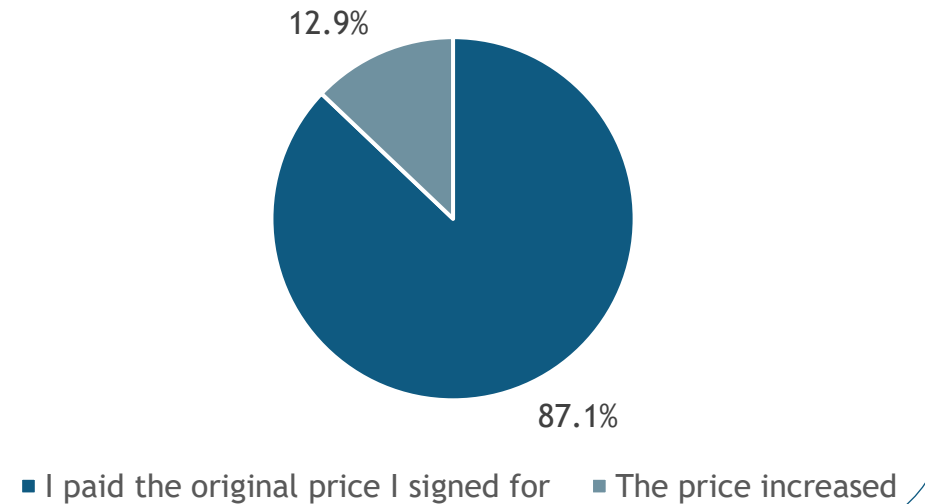


# Vehicle wait times and price adjustments

How long did you have to wait for the vehicle to arrive?



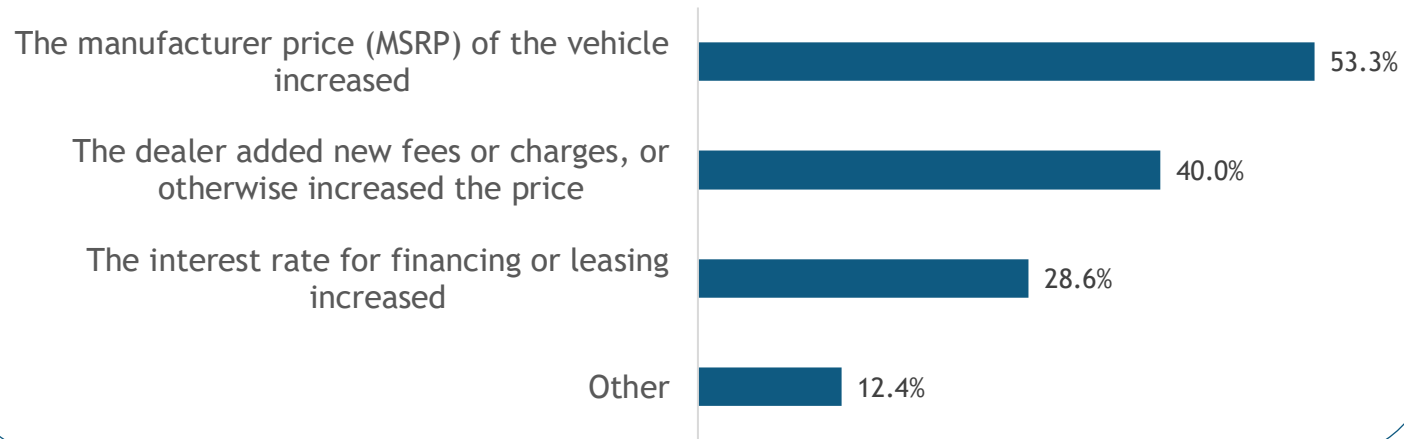
Did the dealer honour the original price you signed for at the time the order was placed or did the price increase?



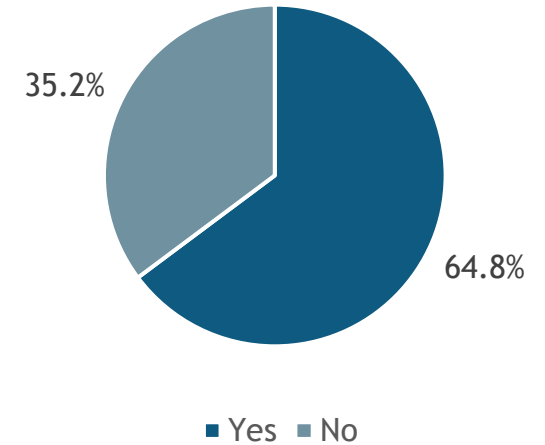
The majority of new car buyers (82%) waited up to 6 months for their vehicle, with most (37%) waiting 1-3 months. The majority (87%) also reported that the dealer honored the original price.

# Price adjustments

What was the cause of the price increase?

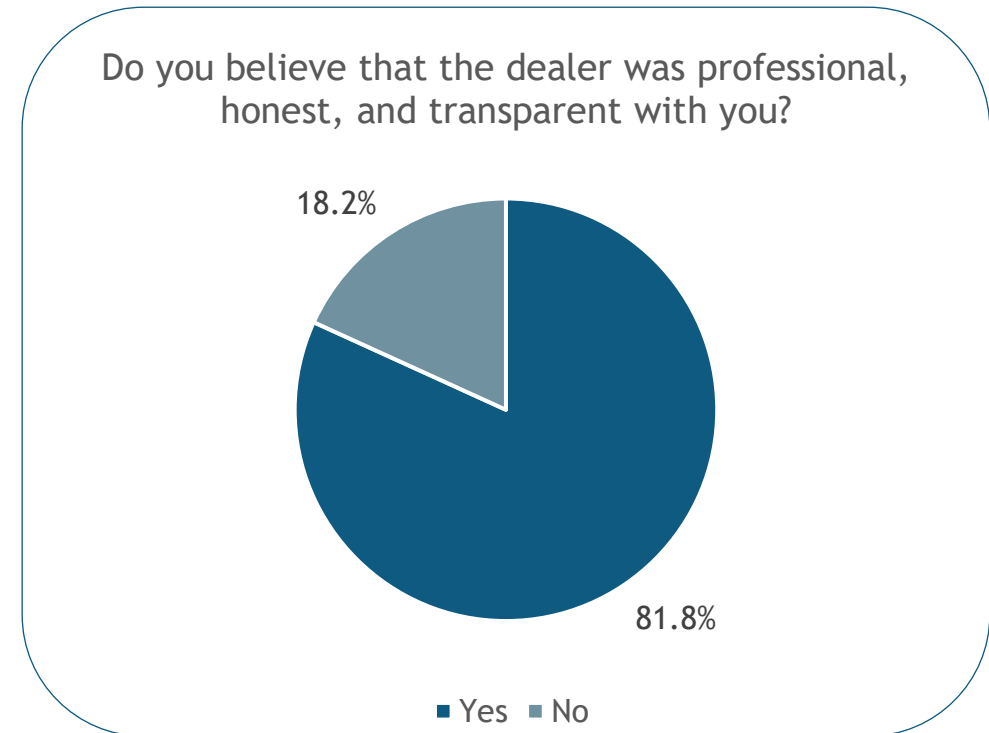
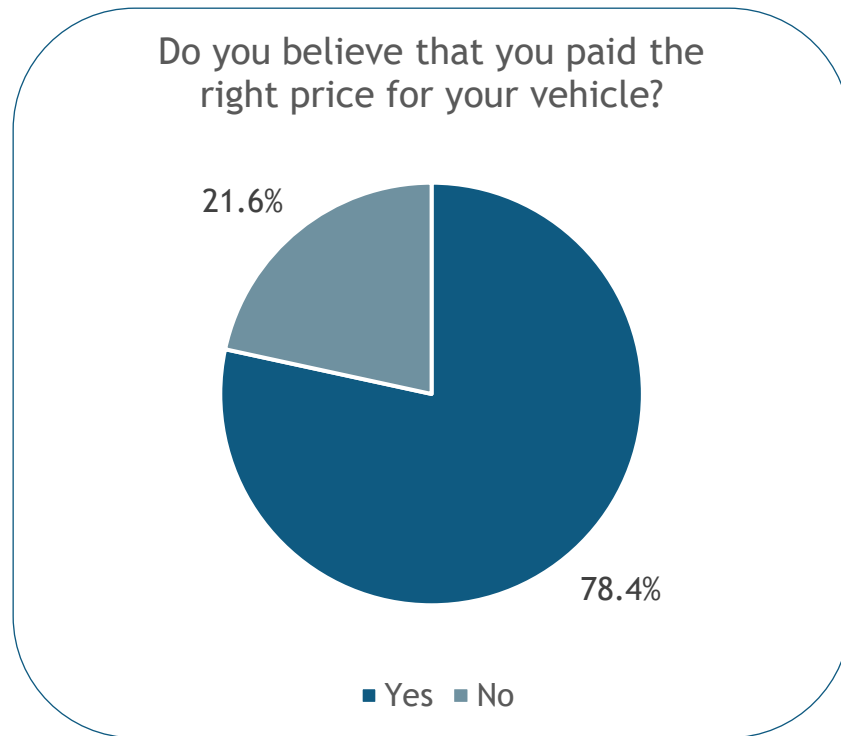


Did the dealer give you the option to cancel your order and return your deposit?



The most common cause of the price increase was that the MSRP of the vehicle increased, and the most common “Other” response (9/13 respondents) was that buyers ended up receiving a new model year. When faced with the higher price, most new car buyers (65%) were given the option to cancel their order and have their deposit returned.

# Overall impressions



The majority of new car buyers (78%) believe that they paid the right price for their vehicle, while those who don't believe they overpaid by \$5,880 (mean) or \$5,000 (median). Also, the majority (82%) believe that the dealer was professional, honest, and transparent with them.

# Thank you for your attention!

Decision Point Research Inc.

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