



 DEALERPOLICY®

**AUTOMOTIVE RETAIL  
& AUTO INSURANCE  
TRENDS FOR 2021:  
A DEALERPOLICY STUDY**



## ABOUT THIS STUDY

In an effort to better understand the role of auto insurance in the car-buying process, DealerPolicy conducted two surveys in the latter half of 2020.


One targeted dealers and asked them about their experience with auto insurance in their dealership. The other survey focused on car-buyers and their journey.

In the final analysis, it's clear that there is room for improvement for both audiences when it comes to auto insurance. After all, 100% of car buyers must purchase it, but most dealers don't currently benefit from it. Likewise, many car buyers are missing out on a more streamlined experience that could offer them savings.



**100% OF CAR BUYERS  
MUST PURCHASE  
AUTO INSURANCE**

**MOST DEALERS  
AREN'T  
BENEFITING**



**MOST CUSTOMERS  
ARE MISSING OUT  
ON A STREAMLINED  
EXPERIENCE THAT COULD  
OFFER THEM SAVINGS**

# DEALERPOLICY COMMISSIONED A NATIONWIDE SURVEY OF 300 DEALERSHIP EXECUTIVES ACROSS THE UNITED STATES.

Responses were collected from dealership executives throughout the U.S., and respondents were given multiple-choice answer options as well as the ability to add additional thoughts on certain topics relating to auto sales trends, F&I options for car shoppers, as well as the implication of auto insurance rates on the sale of new cars and trucks.

## RESPONDENT PROFILE

33% Owner/Principal

24% Partner

20% General Manager

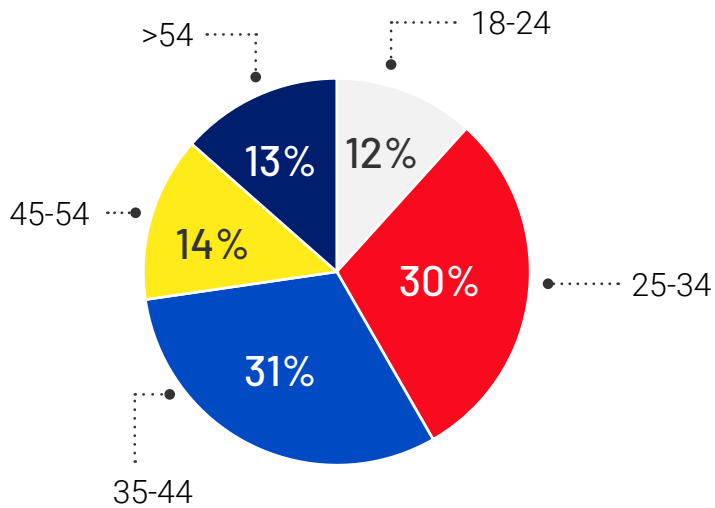
11% Finance & Insurance Manager

12% General Sales Manager

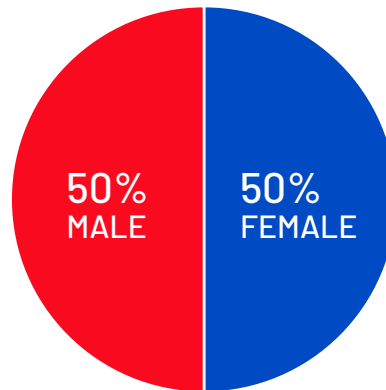
1% Other

# DEALERPOLICY CONDUCTED A NATIONWIDE SURVEY OF 1,000 PEOPLE WHO PURCHASED A CAR WITHIN THE PAST SIX MONTHS.

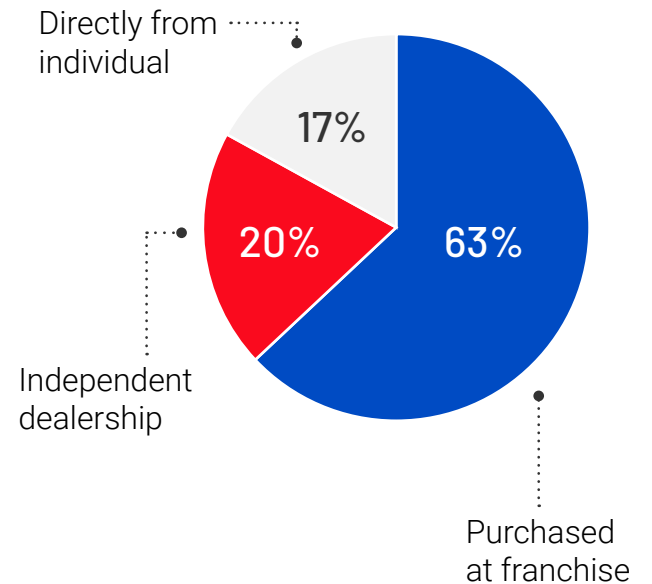
Age



Gender



Franchise/independent/  
individual %





# ***THE RESULTS***

# CAR SHOPPERS BELIEVE AUTO INSURANCE IS INSEPARABLE FROM THE CAR BUYING EXPERIENCE.

For most people, insurance consideration begins before the vehicle is purchased. Nearly half of car buyers indicated that the cost of auto insurance influenced their vehicle decision.

**72%**

consider the cost of auto insurance before purchasing their new vehicle

**45%**

factor the cost of insurance into their vehicle decision.

› When did you start considering the cost of auto insurance on your new car?  
716 /1000 answered before selecting the vehicle or after selecting the vehicle but before purchasing it.

› Did the cost of auto insurance factor into your vehicle purchase? 452/1000 answered yes.





# THE IDEA THAT INSURANCE RATES WILL GO UP ON A NEW CAR IS A SELF-FULFILLING PROPHECY



**70%** of car buyers agree that buying a new vehicle will cause their auto insurance rates to rise.

**BUT...**

**71%** of car buyers just add their new car to their existing policy rather than shopping around.

- › To what degree do you agree with the following statement: buying a new vehicle will cause my auto insurance rates to rise (versus insuring my previous vehicle). N=1000
- › As a result of purchasing a new vehicle, did you compare auto insurance rates and shop for a new auto insurance policy or just update your existing policy? N=902



**35%** of people purchase auto insurance while at the dealership buying their car

**93%** of dealers say they helped the customer

**YET...**

**49%** of customers say dealers did nothing to assist with finding insurance options

- › **Car Buyer Survey:** When did you purchase or update your auto insurance policy? Filtered by respondents who earlier reported purchasing their car at a dealership. N=629
- › **Car Buyer Survey:** If you went to a dealership to purchase your car, did the dealership offer you any assistance with your auto insurance policy? Filtered by respondents who earlier reported purchasing their car at a dealership. N=629
- › **Dealer Survey:** How does your dealership help customers if they need auto insurance during their car buying process? N=229 Answer option "other" not shown.



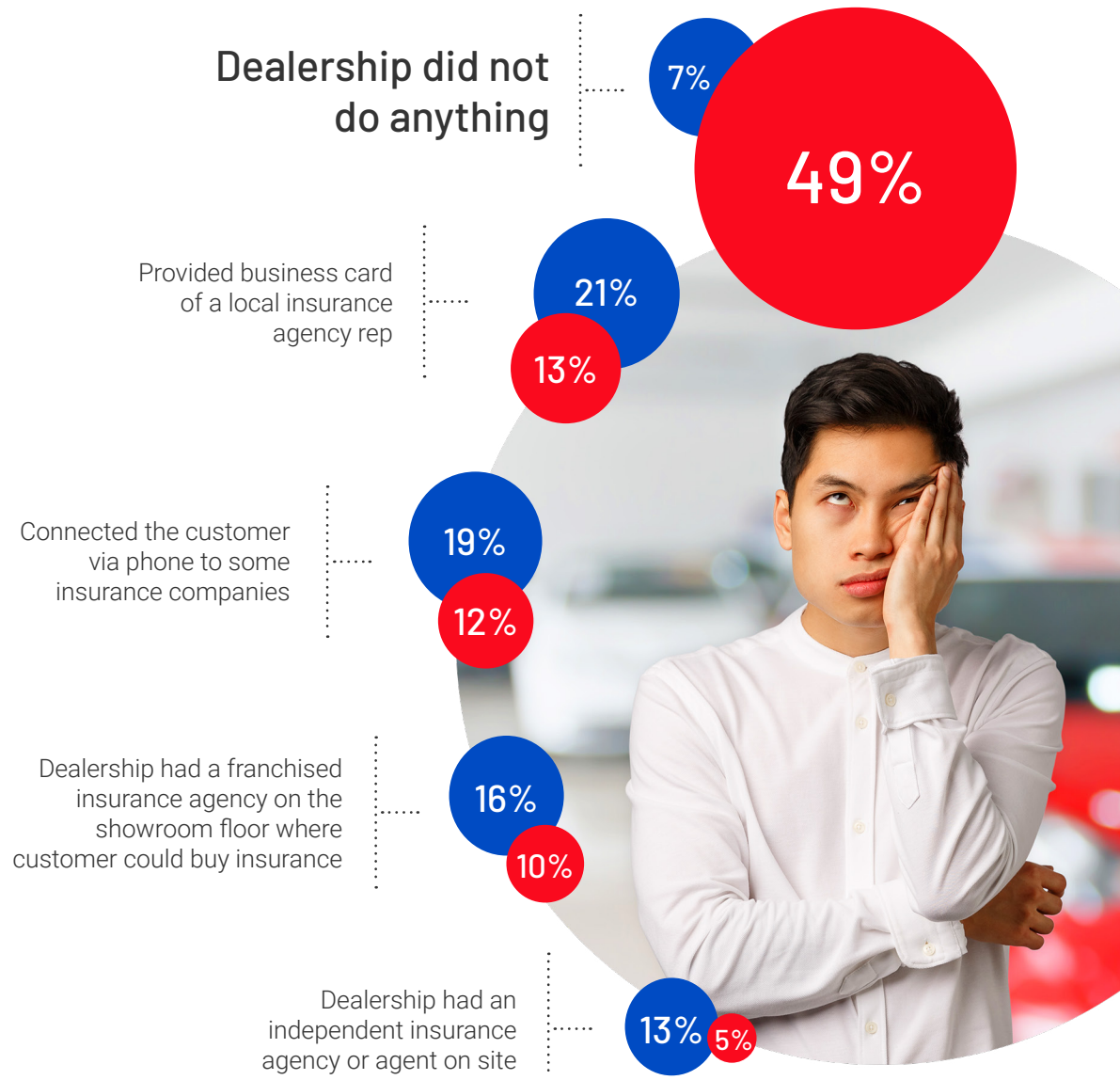
# DEALERS THINK THEY ARE TWICE AS HELPFUL AS CONSUMERS REPORT.

Car buyers and dealers both indicate that customers receive very little assistance with auto insurance while at the dealership, but car buyers are much more likely to report the dealership did nothing to help them.

› **Car Buyer Survey:** *If you went to a dealership to purchase your car, did the dealership offer you any assistance with your auto insurance policy? Filtered by respondents who earlier reported purchasing their car at a dealership. N=629*

› **Dealer Survey:** *How does your dealership help customers if they need auto insurance during their car buying process? N=229 Answer option "other" not shown.*

● What Car Buyers Reported    ● What Dealers Reported





## **THE CURRENT SALES PROCESS ISN'T WORKING FOR DEALERS...**

# **90%**

say insurance sometimes negatively affects their ability to sell a car, a feature or add-on, or an F&I product at least some of the time.

› **Dealer Survey:** What percent of the time does a customer's auto insurance rate negatively affect your ability to sell a car, a feature or add-on, or an F&I product? **90%** answered something other than "never". N=300

› **Car Buyer Study:** If you were to shop for a car again and visit a dealership, would you like to have the opportunity to get auto insurance while purchasing your car? **71.3%** answered yes. N=1000

## **...OR CUSTOMERS.**

# **71%**

of car buyers say they would like the opportunity to get auto insurance at the dealership while purchasing their car

 **DEALERPOLICY**

Automotive Retail & Auto Insurance Trends for 2021: A DealerPolicy Study

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# THERE IS A NEW OPTION NOW AVAILABLE CALLED DIGITAL AUTO INSURANCE; IT ALLOWS CUSTOMERS TO:

1.



Compare auto insurance rates

2.



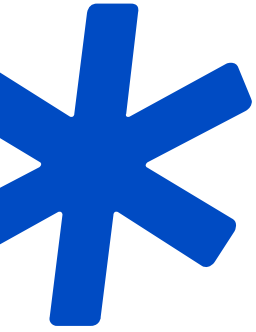
Speak to a licensed agent

3.



and in a few minutes get a policy bound, right from their phone while at the dealership.





“

I sold a customer a new car Saturday. As soon as they get home, they call me practically in tears because they couldn't afford \$600 per month for insurance for their new dream car, a Challenger. His wife was so disappointed too. ***I connected them to DealerPolicy Insurance IMMEDIATELY and DealerPolicy Insurance was able to get them affordable insurance. Customers were ecstatic, so HAPPY! They called me and thanked me over and over. Thank you DealerPolicy Insurance.***”

-Lee Schilly,  
Orlando CDJR Franchise Dealership

# **DEALERS AND CAR BUYERS AGREE:** digital insurance would improve the customer experience.



**72%** of dealers agree

**79%** of car buyers agree

Dealers and shoppers agree that a digital insurance marketplace would improve the customer experience if car buyers could easily shop for competing car insurance from their smartphone while in the dealership showroom.

› **Dealer Survey:** *If car buyers could easily shop for competing car insurance from their smartphone, bind insurance while in the showroom, and the majority ended up saving an average of \$60/month in just a few minutes, how much do you think it would improve the car buyers experience? 72% answered it would make their experience somewhat or significantly better. N=299*

› **Car Buyer Survey:** *If there was a service where you could easily shop for car insurance from your smartphone, see competing quotes and connect to a licensed insurance agent in just a few minutes, and you knew that the majority of people using it ended up saving an average of \$60/month, would this improve your overall car buying experience? 78.8% answered yes.*

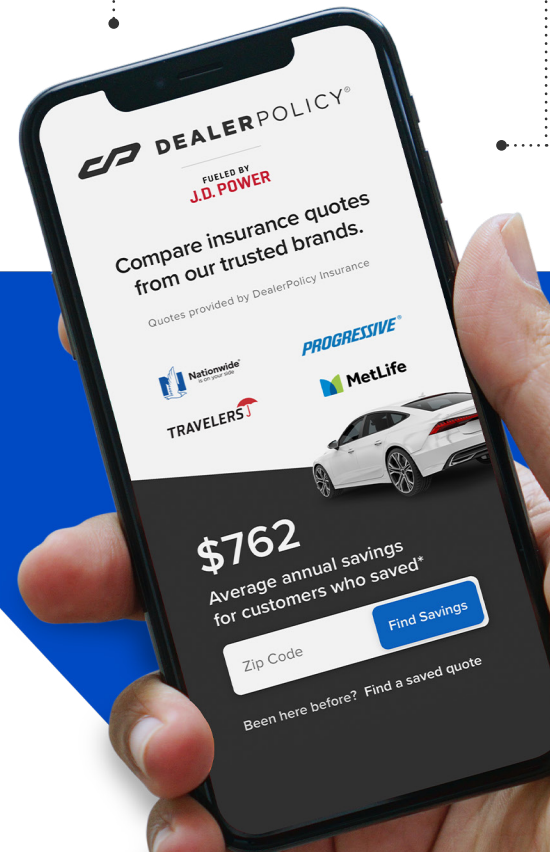
# 76%

would like to shop for insurance on their smartphone during their car buying process

"I think it would make things a lot more convenient."

"It would help a lot and remove a lot of hassle."

"It would save me a lot of headaches at the dealership."



› **Car Buyer Survey:** If there was a service where you could easily shop for car insurance from your smartphone, see competing quotes and connect to a licensed insurance agent in just a few minutes, and you knew that the majority of people using it ended up saving an average of \$60/month, how likely would you be to use it? 75.9% answered very likely or likely. N=1000





## **CUSTOMERS WOULD USE INSURANCE SAVINGS TO AFFORD A NICER CAR OR F&I PROTECTION PRODUCTS**

**69%**

of car buyers say they are likely to purchase a nicer car if they were able to save \$60 per month on their auto insurance

**64%**

of car buyers say they are likely to buy extra protection for their new vehicle

**>** Car Buyer Survey: If you were able to save about \$60 per month on your auto insurance while purchasing your car, how likely would you be to do the following? Respondents rated their likelihood on a 5-point scale for "Purchase a nicer vehicle" and "Buy extra protection for my new vehicle". N=1000

# **THE SENTIMENT OF CAR BUYERS IS BACKED UP BY REAL DATA:** when customers save on their insurance, dealerships report higher back-end profits.



## **INCREASED CUSTOMER BUDGETS**

**\$64**

Average **monthly** savings for customers who purchased from DealerPolicy Insurance and saved\*

## **INCREASED BACK-END PROFITS**

**38%**

Average increase in dealership's back gross when car buyers purchase insurance through DealerPolicy Insurance\*\*

\* Average auto insurance savings based on new DealerPolicy Insurance auto policyholders nationwide in 2020 who reported savings. Potential savings will vary.

\*\* Based on 31,447 vehicle transactions between July 2019 and February 2021, comparing deals in which car buyer purchased insurance from DealerPolicy Insurance to non DealerPolicy Insurance deals.



# ***ARE YOU INTERESTED?***

Dealers nationwide are seeing the benefits of DealerPolicy Insurance and the DealerPolicy Platform.

**LEARN MORE**