

Bespoke Intel

CVNA Consumer Survey

June 18, 2021

OBJECTIVE

To conduct a survey on a large N (10,000) of US consumers balanced to census to gather consumer feedback toward Carvana, Vroom and competitive brands, with a focus on arriving at a deep understanding of the customer experience on Carvana and generating valuable insights related to consumers who are actively in the market to buy and sell a vehicle.

STRATEGY

- ❑ *Conduct an electronic survey of 10,000 US consumers balanced to census electronically.*
- ❑ *Screening for Carvana and Vroom customers via a multi-stage process (described on slides 5 and 6)*

DATES FIELDDED

- ❑ *June 9th 2021 – June 16th 2021*

Top Takeaways

CVNA – What do customers like about it?

Above all else, what customers like most about Carvana is the ease of using the platform and the customer service. Carvana customers overwhelmingly believe it is a better experience than buying direct, through dealerships, and via private individuals. Customer likelihood of using Carvana again in the future is overwhelmingly high. Carvana gets a very generous NPS from customers (65+) and nearly every Carvana customer reports that they have recommended the platform to another person.

What are the points of tension?

Consumer feedback suggests the main points of tension Carvana is facing are awareness and (to a lesser extent) trust. Respondents in the market to buy used vehicles who were more likely to do it at a dealership cite reasons like wanting to see it in person, trust, and warranty as reasons for wanting to go to the dealership. Respondents who say they are most likely to buy from a private individual cite price and cheaper cost as reasons for preferring that route.

TAM Considerations

Carvana and online auto purchases more broadly are still in early innings. To wit, a relatively low percentage of the audience has indicated that they have purchased a vehicle from Carvana (3.5%). And among those who own a used vehicle, only 4.7% said they bought it from an online auto site / app. The forward-looking view around consumer intentions, however, paints a picture of opportunity. For starters, nearly a third of respondents who are CURRENTLY in the market to buy a used vehicle (not lease) indicate that they are most likely to do so via online auto sites / apps (which is much higher than the 4.7% of those who said they got their most recent vehicle via an online website/app).

The Runway of Opportunity

Carvana leads the pack when it comes to unaided and aided awareness – which means they are getting the first crack at the increase in consumers trying the online auto path. Consumer sentiment is stronger toward the platform on key factors driving purchase decisions relative to competitors. They have very loyal customers who are likely to be repeat purchasers and they have many people considering trying them “because they have heard good things” or because they think it would be easier.

Deep Dives With Carvana and Vroom Customers

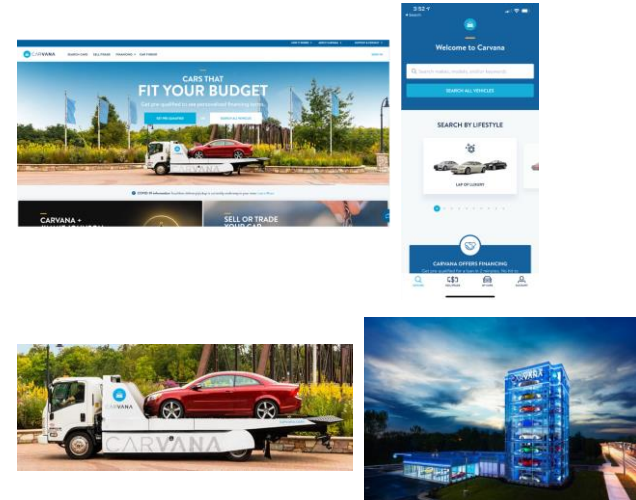
Carvana Purchaser Screening Sequence

Posed to all respondents.

1. Respondents selected Carvana from a list of online auto platforms indicating they have purchased a car from them.
2. Respondents were shown this image (right) and were asked if they bought a car through the Carvana website/app pictured (they were allowed to select that they were mistaken and didn't actually buy it from Carvana. If they selected that they skipped the Carvana deep dive section).
3. Respondents were then shown this image (right) and were asked how they got their car from Carvana (delivered or vending machine). They were again permitted to select that they were mistaken and did not get a car from Carvana and skipped the Carvana deep dive if they selected that they were mistaken.
4. From there, we put them through two verbatim fill-ins. We asked them first:
 1. Which brand of car did you buy from Carvana?
 2. What did you like most and least about the Carvana experience?

*Anyone who did not fill-in a brand of a car and anyone who did not fill-in qualitative feedback that made sense about Carvana were removed from the Carvana deep dive.

This screener resulted in 349/10,000 Carvana vehicle buyers.

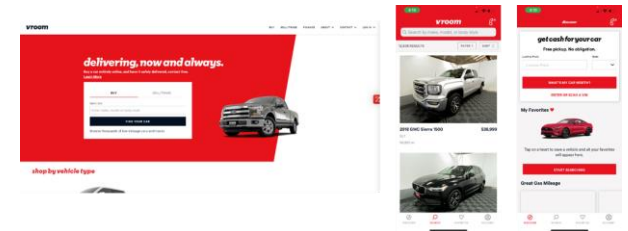


N=529

Vroom Purchaser Screening Sequence

Posed to all respondents.

1. Respondents selected Vroom from a list of online auto platforms indicating they have purchased a car from them.
2. Respondents were shown this image (right) and were asked if they bought a car through the Vroom website/app pictured (they were allowed to select that they were mistaken and didn't actually buy it from Vroom. If they selected that they skipped the Vroom deep dive section).
3. Respondents were then shown this image (right) and were asked how they got their car from Vroom (delivered or vending machine). They were again permitted to select that they were mistaken and did not get a car from Vroom and skipped the Vroom deep dive if they selected that they were mistaken.
4. From there, we put them through two verbatim fill-ins. We asked them first:
 1. Which brand of car did you buy from Vroom?
 2. What did you like most and least about the Vroom experience?



*Anyone who did not fill-in a brand of a car and anyone who did not fill-in qualitative feedback that made sense about Vroom were removed from the Vroom deep dive.

This screener resulted in 70/10,000 Vroom vehicle buyers.

What did you like most about buying a car from Carvana/Vroom?

Posed to all respondents who indicated that they bought from Carvana/Vroom.

Carvana Purchasers (N = 349)

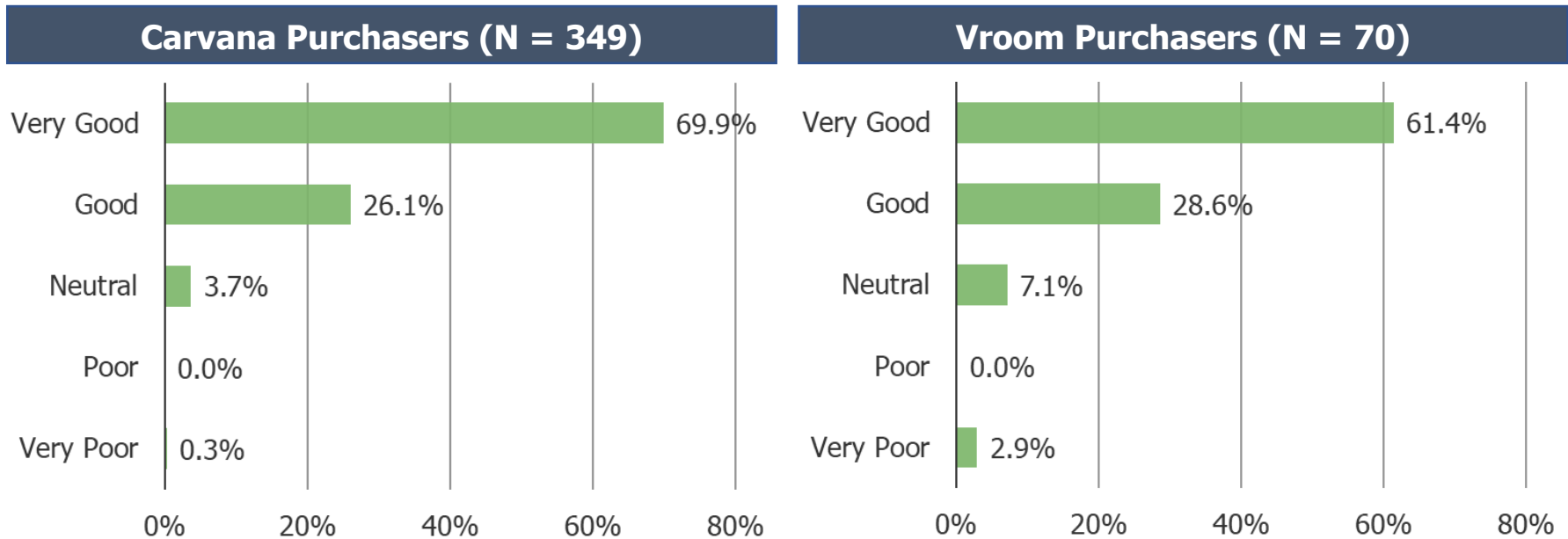
Vroom Purchasers (N = 70)



*Carvana customers like the ease of using the platform and the customer service above all else.

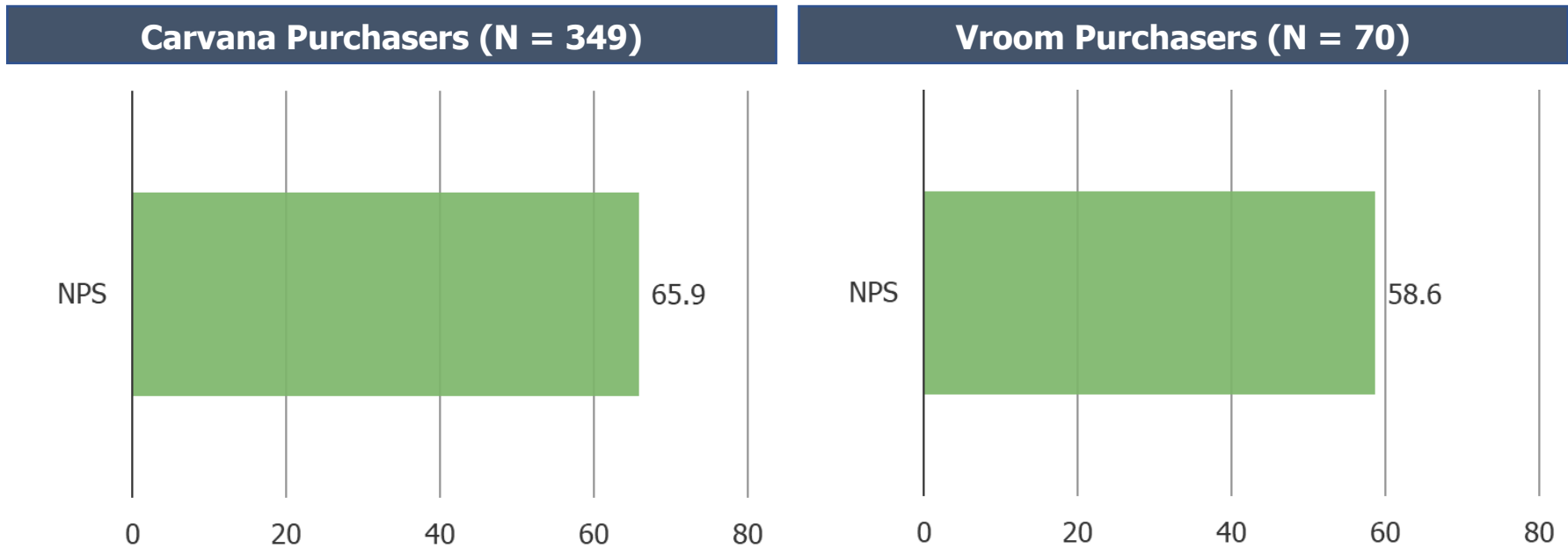
How do you rate Carvana/Vroom when it comes to the overall experience?

Posed to all respondents who indicated that they bought from Carvana/Vroom.



How likely is it that you would recommend Carvana/Vroom to a friend or colleague?

Posed to all respondents who indicated that they bought from Carvana/Vroom.

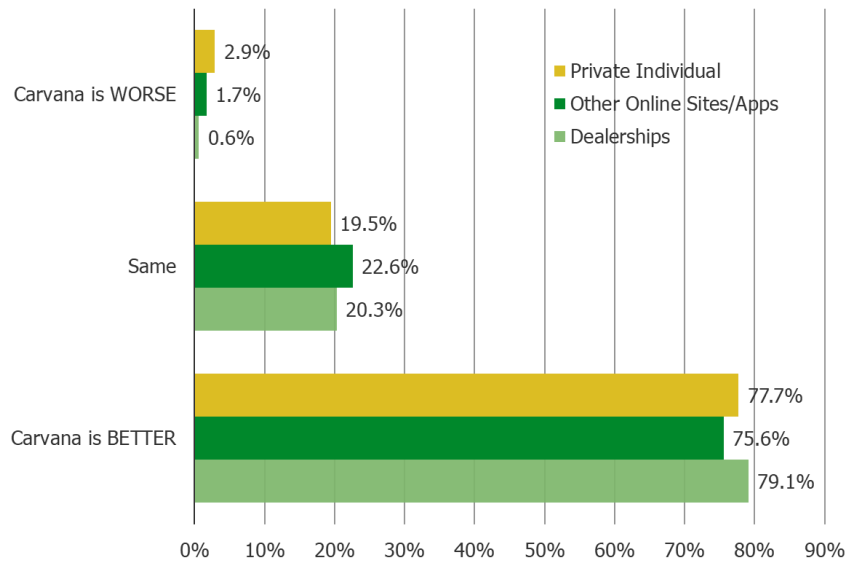


*66 is a very strong NPS for Carvana (they likely generate their own NPS metrics from the most recent buyers, so the 85+ they have referenced is within reason for the most recent customer types).

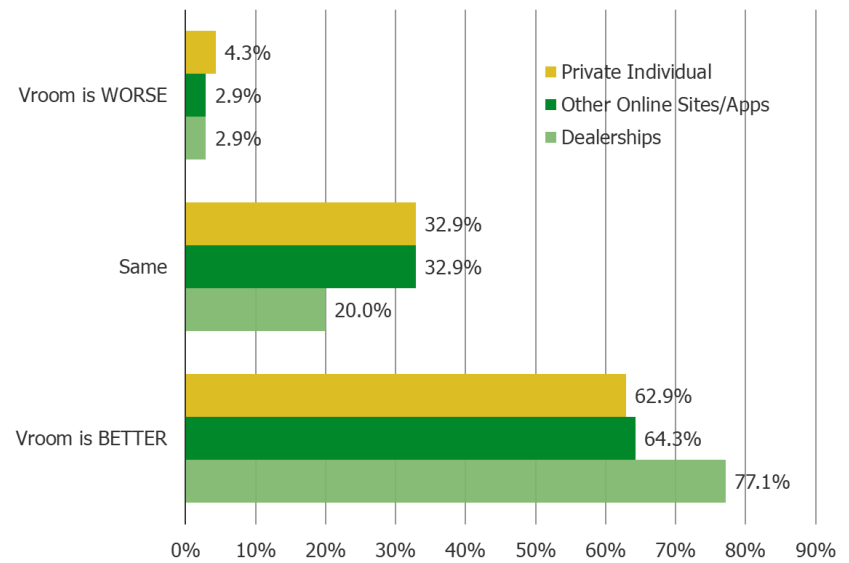
How does Carvana/Vroom compare to buying a used car from the following:

Posed to all respondents who indicated that they bought from Carvana/Vroom.

Carvana Purchasers (N = 349)



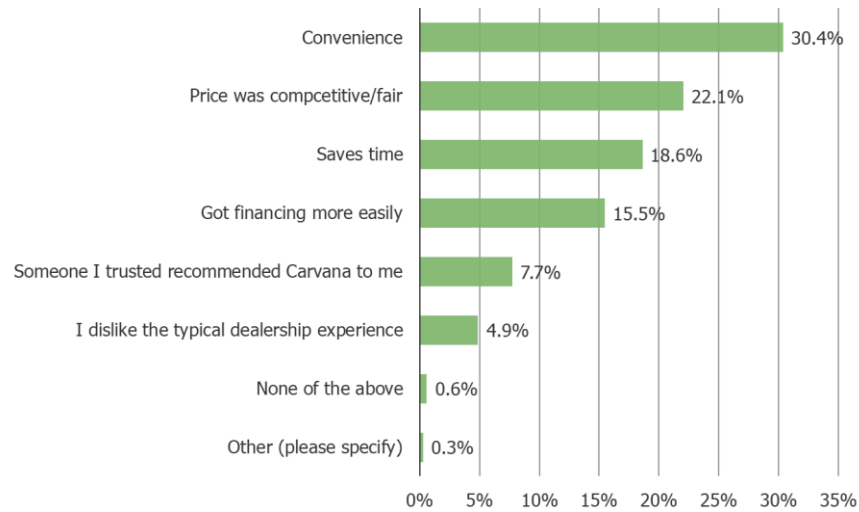
Vroom Purchasers (N = 70)



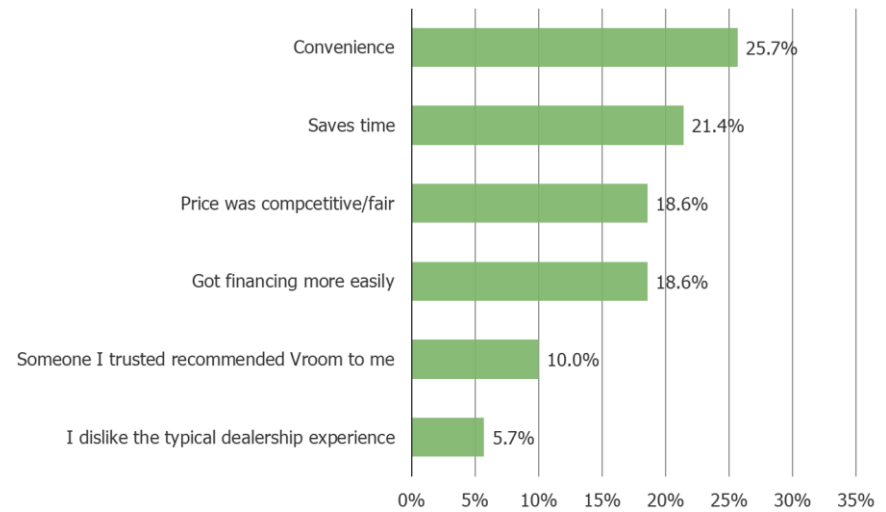
What was the primary reason you opted to use Carvana/Vroom for your transaction?

Posed to all respondents who indicated that they bought from Carvana/Vroom.

Carvana Purchasers (N = 349)

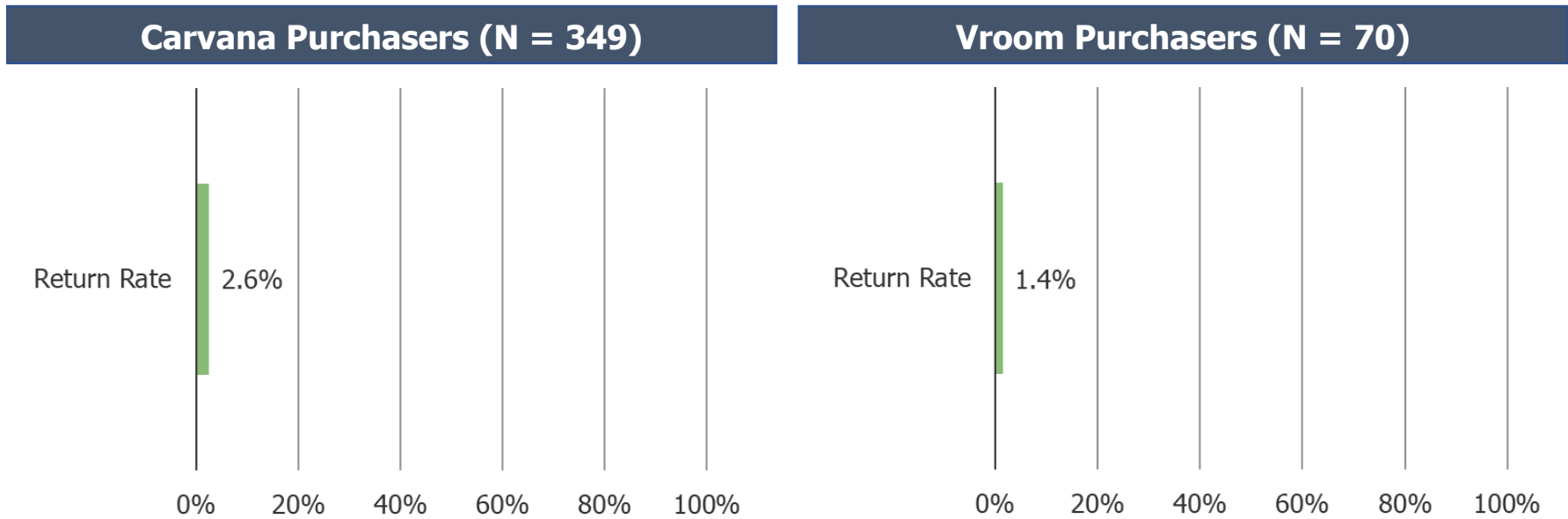


Vroom Purchasers (N = 70)



For Carvana/Vroom users, did you hold on to the vehicle or return it within the 7 day return window?

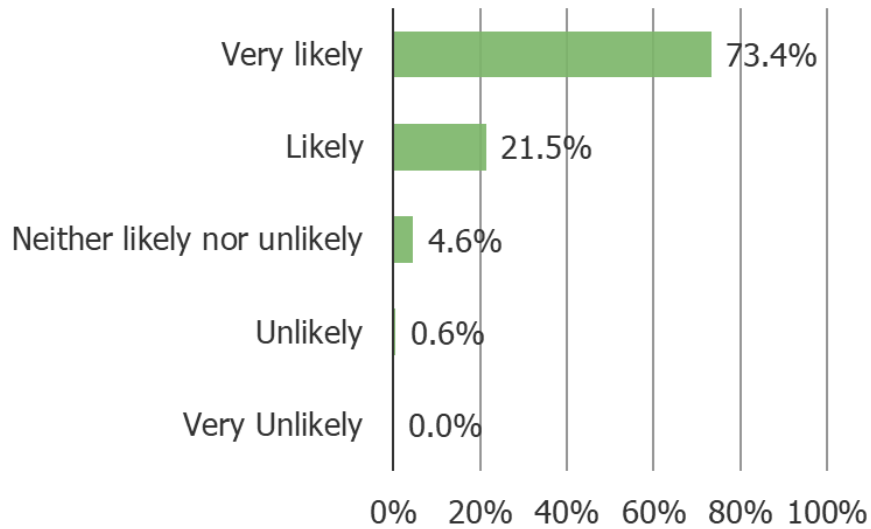
Posed to all respondents who made a purchase through Carvana/Vroom.



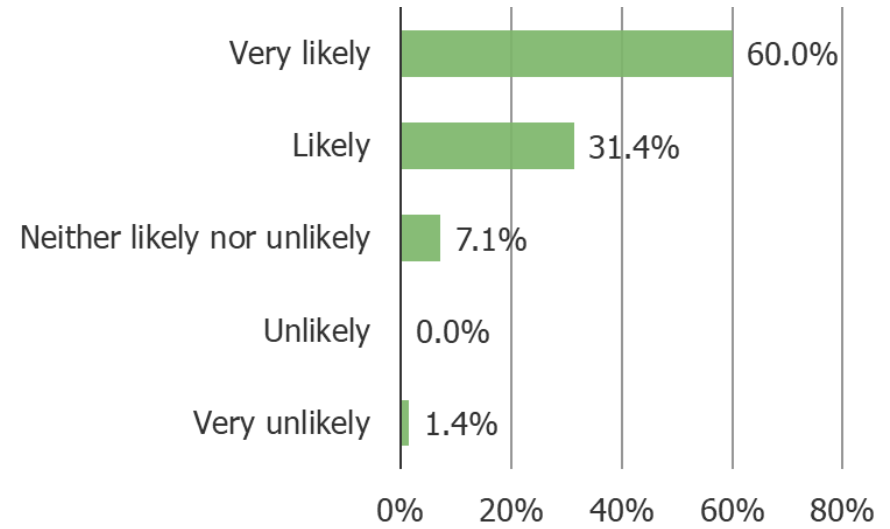
How likely are you to use Carvana/Vroom again in the future?

Posed to all respondents who made a purchase through Carvana/Vroom.

Carvana Purchasers (N = 349)



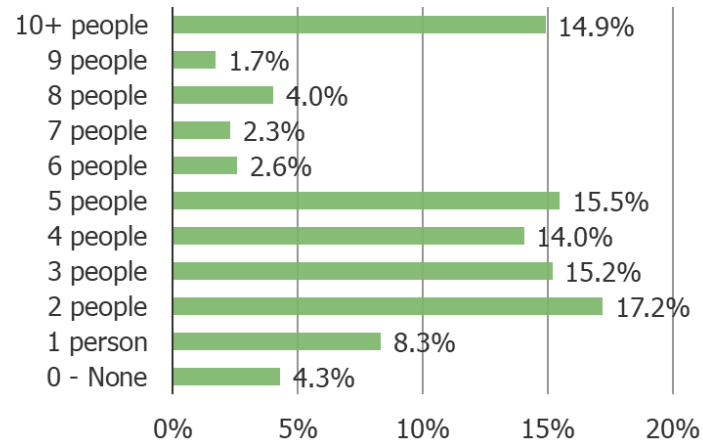
Vroom Purchasers (N = 70)



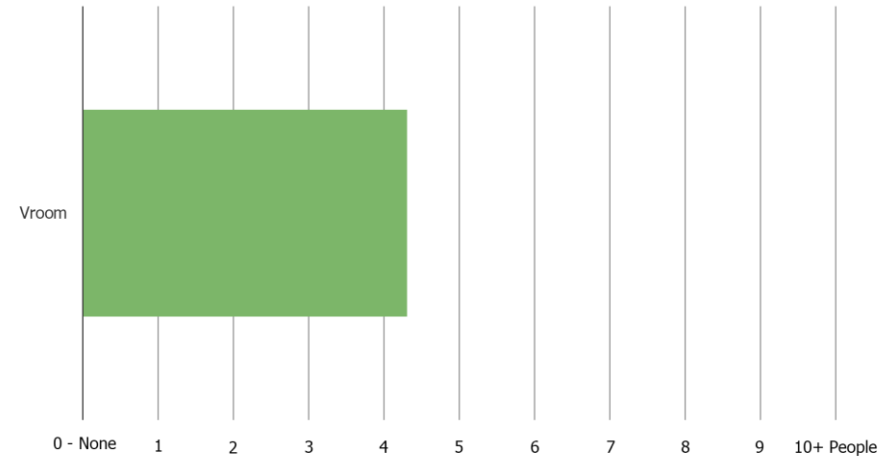
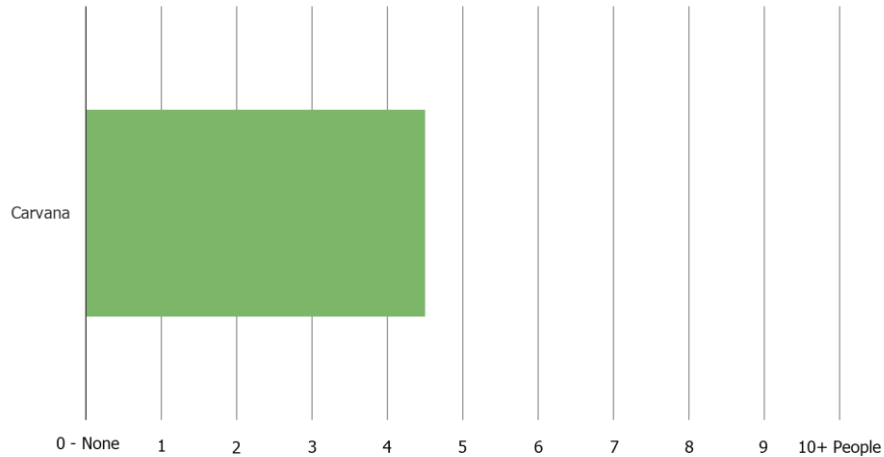
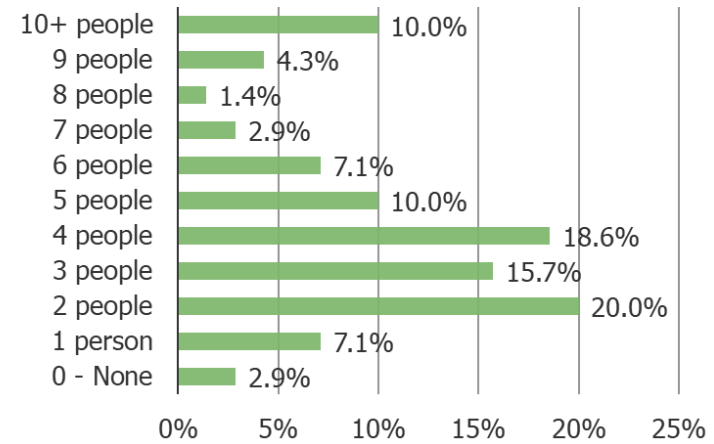
Have you recommended Carvana/Vroom to any other people?

Posed to all respondents who made a purchase through Carvana/Vroom.

Carvana Purchasers (N = 349)



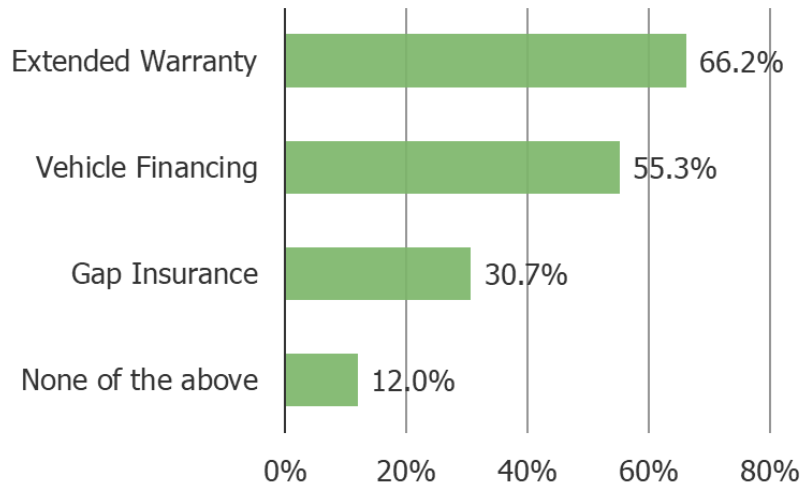
Vroom Purchasers (N = 70)



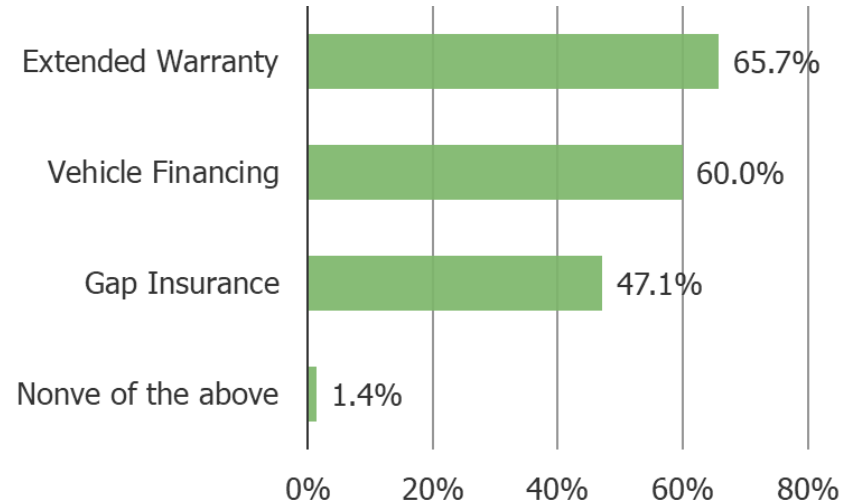
Did you also include/buy any of the following from Carvana/Vroom when you made your purchase?

Posed to all respondents who made a purchase through Carvana/Vroom.

Carvana Purchasers (N = 349)

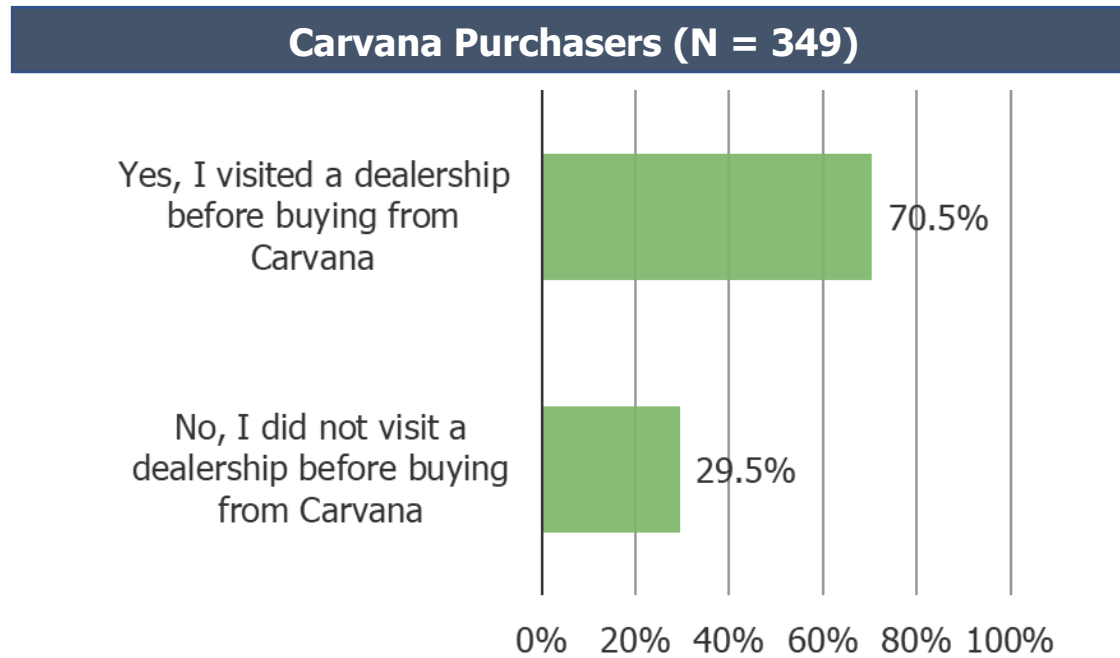


Vroom Purchasers (N = 70)



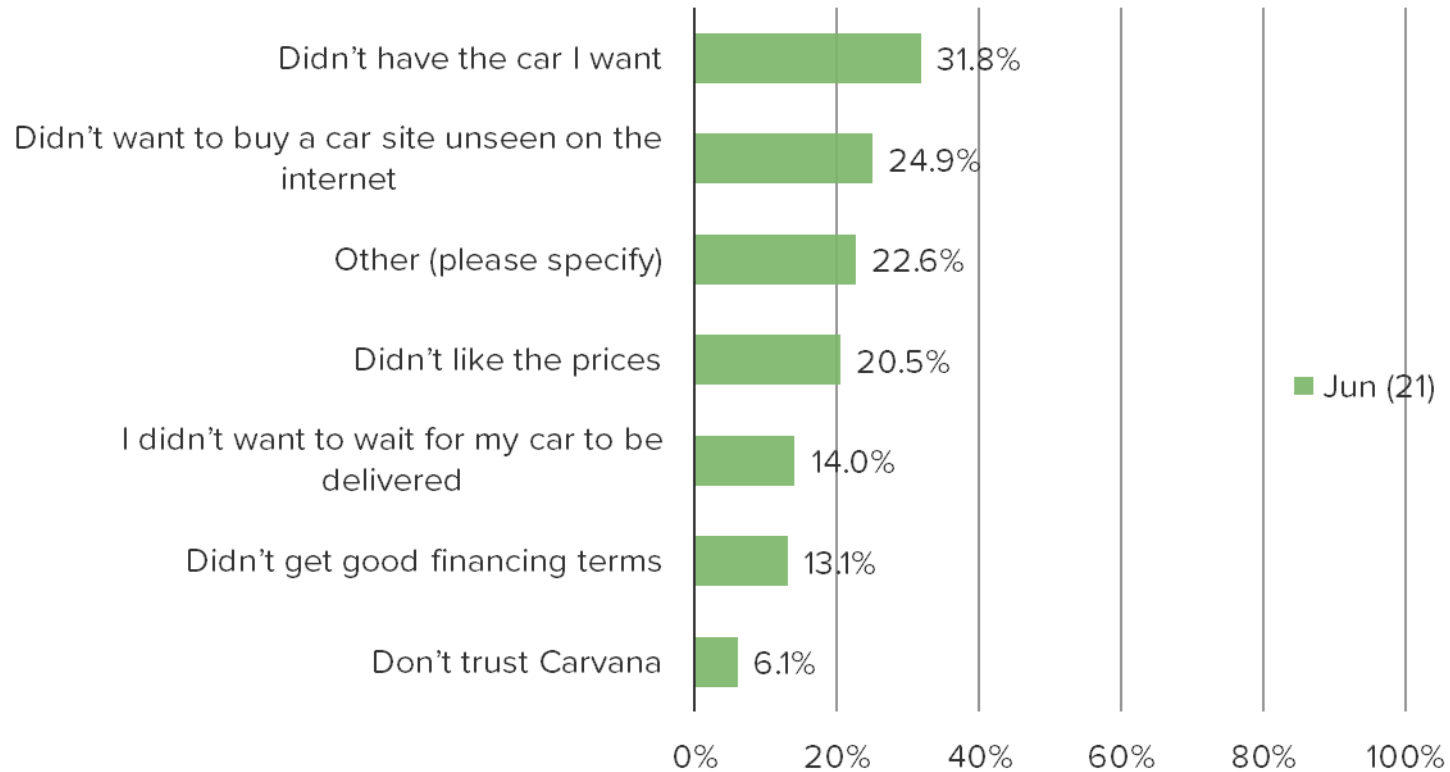
Did you visit any dealerships before buying a car from Carvana?

Posed to all respondents who indicated that they bought from Carvana.



Why didn't you buy from Carvana after visiting the site/app? (Select ALL that apply)

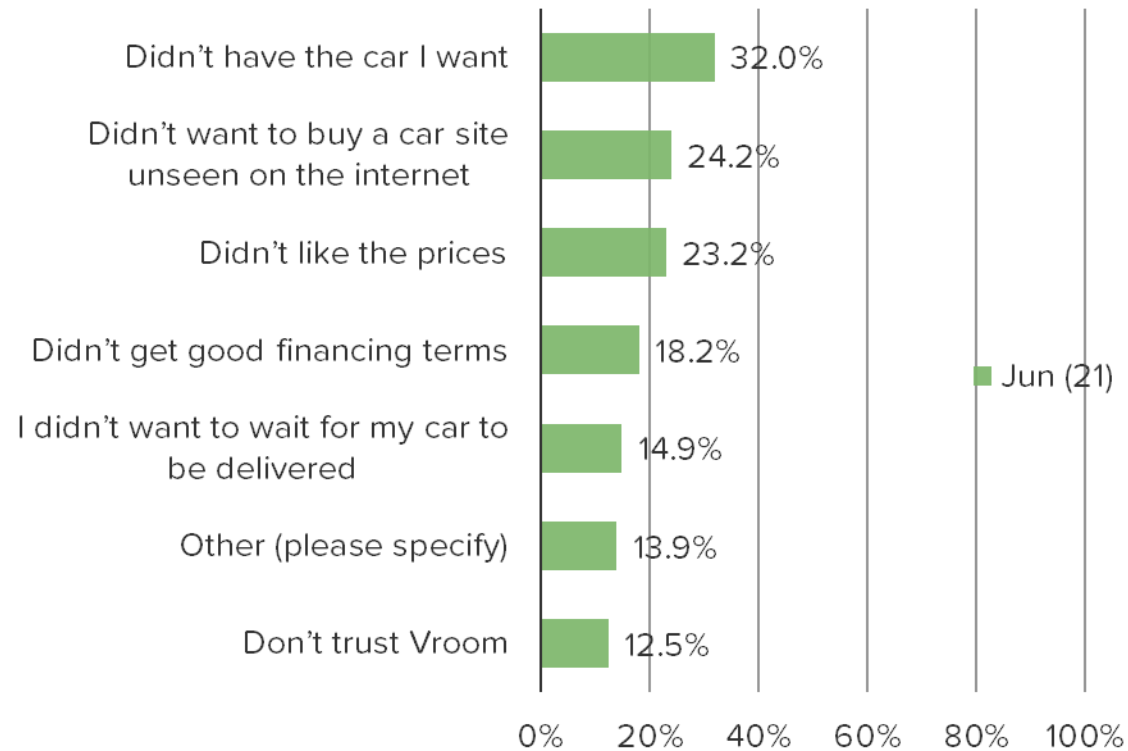
Posed to all respondents who have visited Carvana but haven't made a purchase through Carvana.



N=1835

Why didn't you buy from Vroom after visiting the site/app? (Select ALL that apply)

Posed to all respondents who visited Vroom but haven't made a purchase through Vroom.

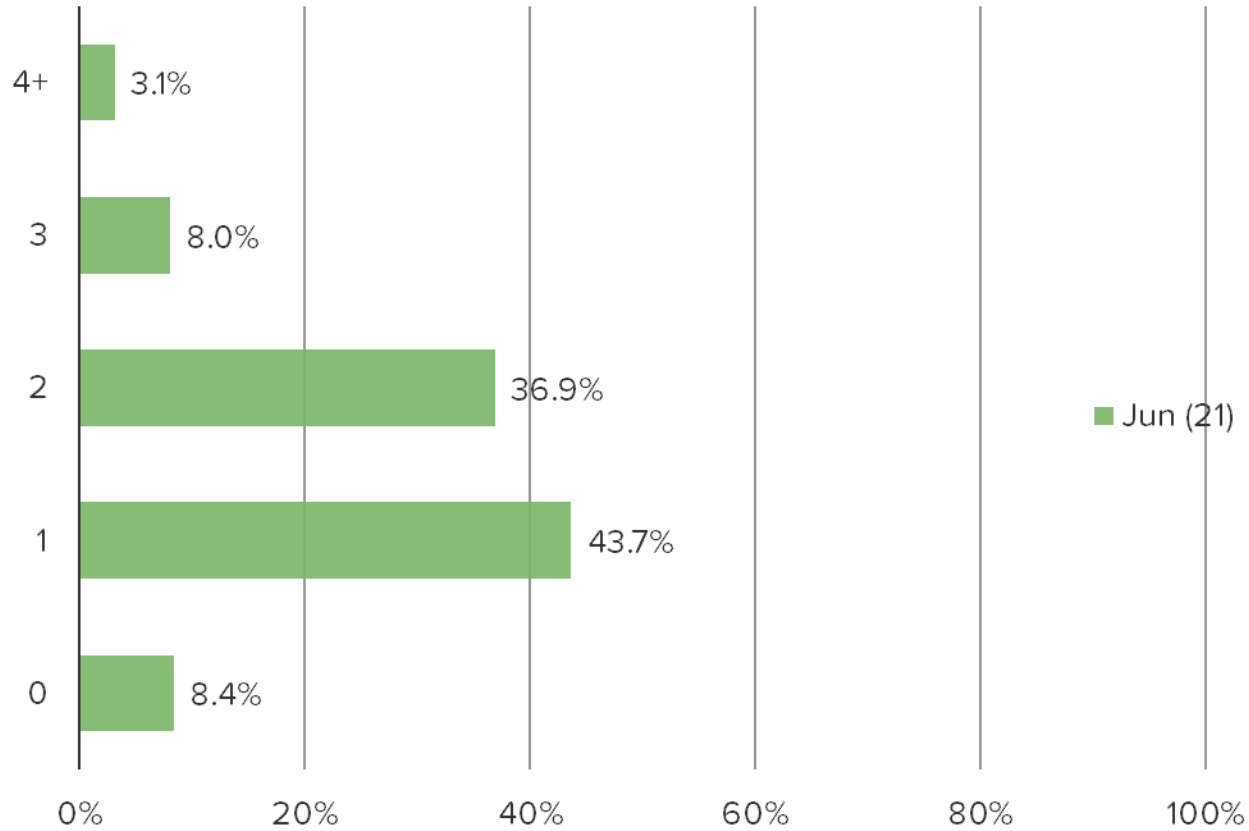


N=538

Auto Ownership Trends and Background

How many cars/autos does your household typically need?

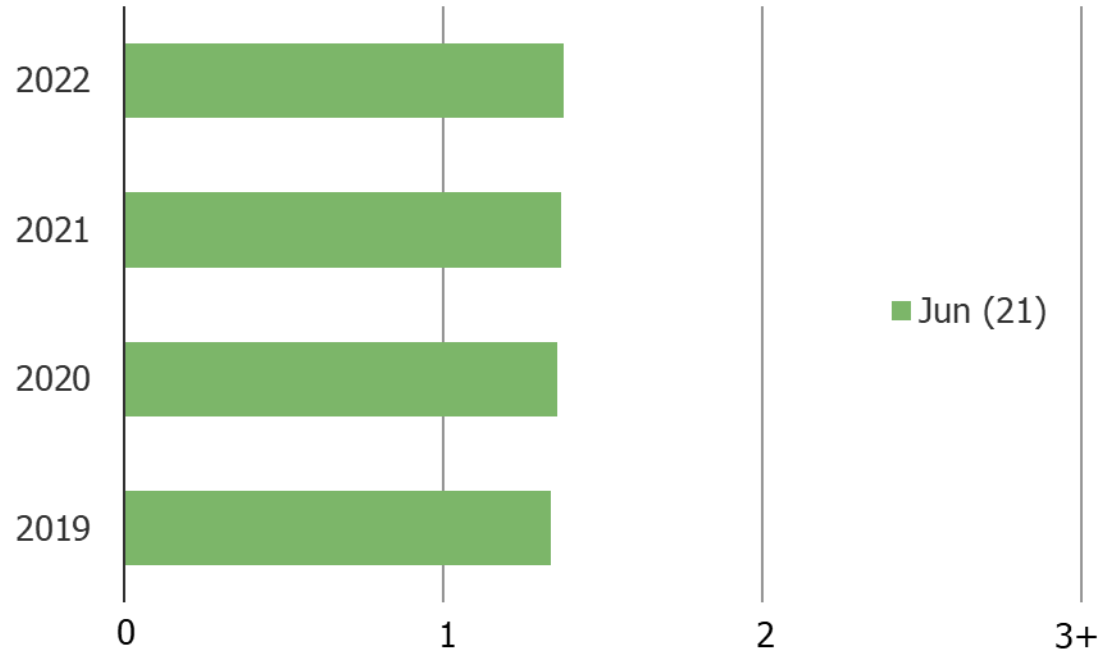
Posed to all respondents.



N=10000

How many cars did you / will you have in your household during the following periods?

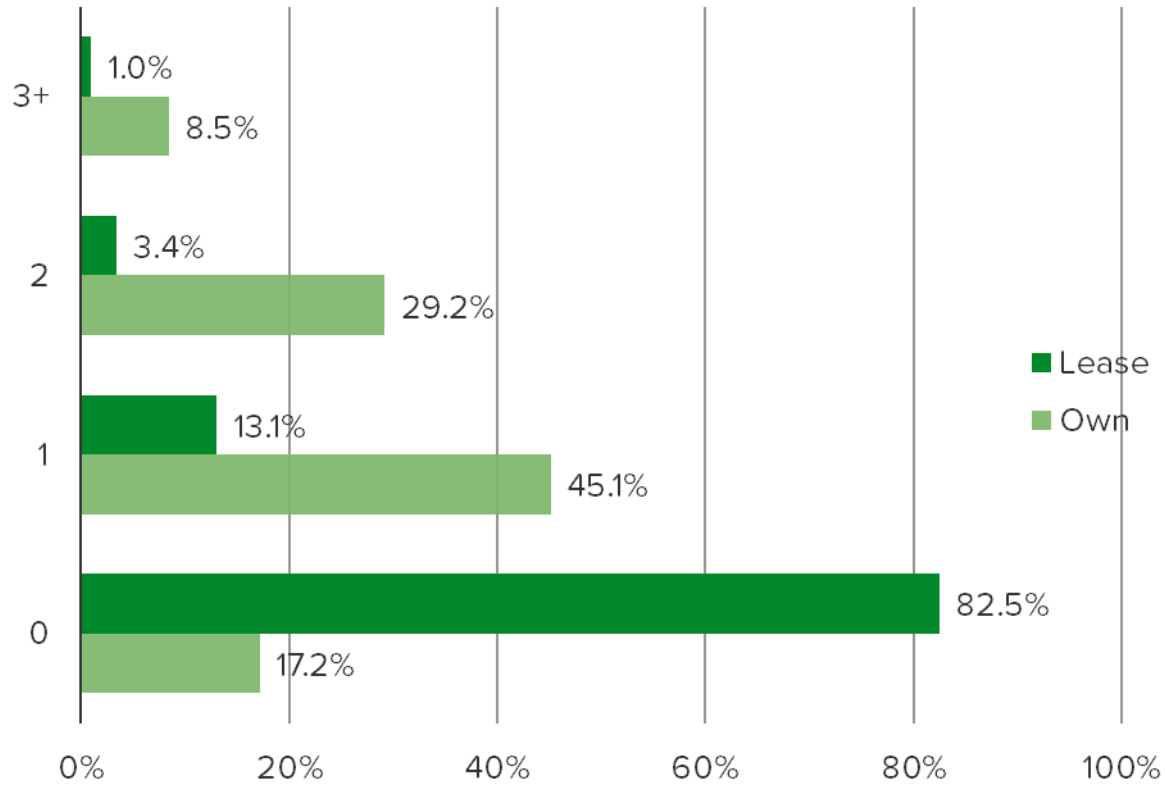
Posed to all respondents.



N=10000

How many vehicles do you currently own/lease?

Posed to all respondents.

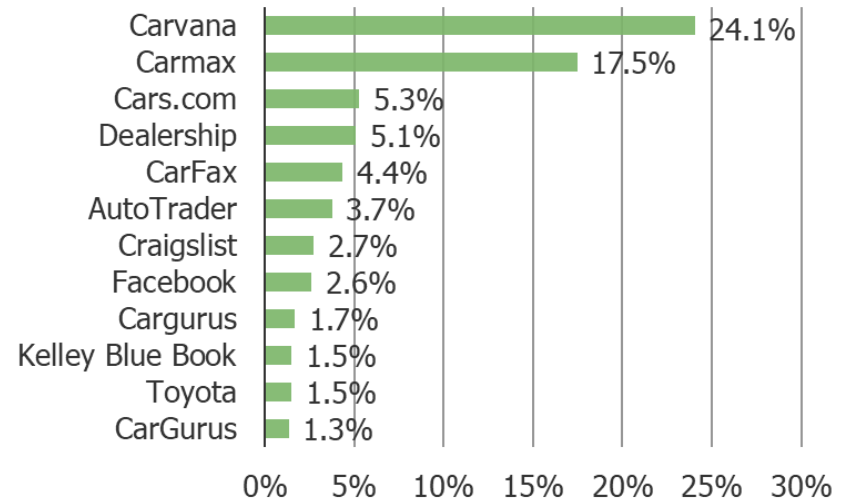
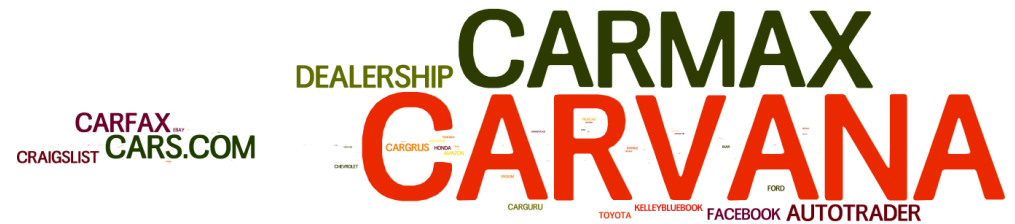
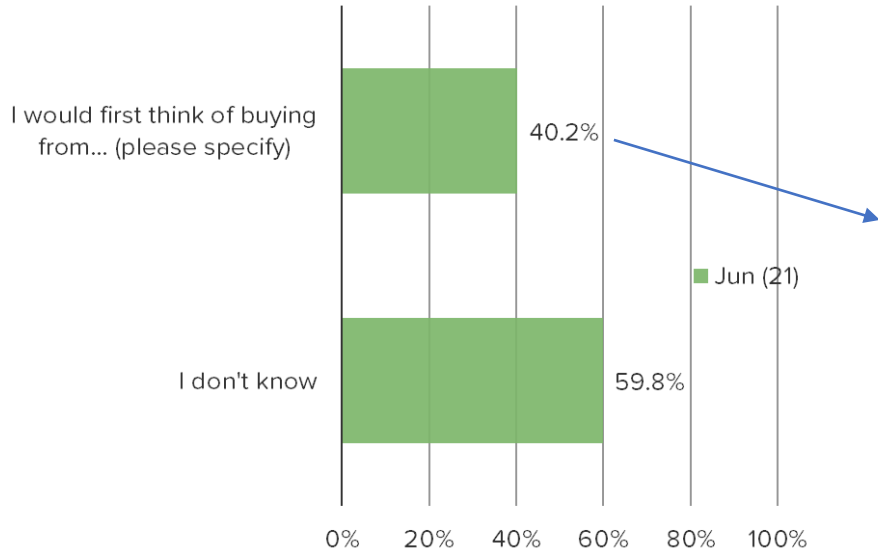


N=10000

Unaided and Aided Awareness (Respondents were shown these questions before any mention of Carvana, Vroom, or competitors was made in the survey).

If you wanted to BUY a used car online, which is the first site/app that you would think of?

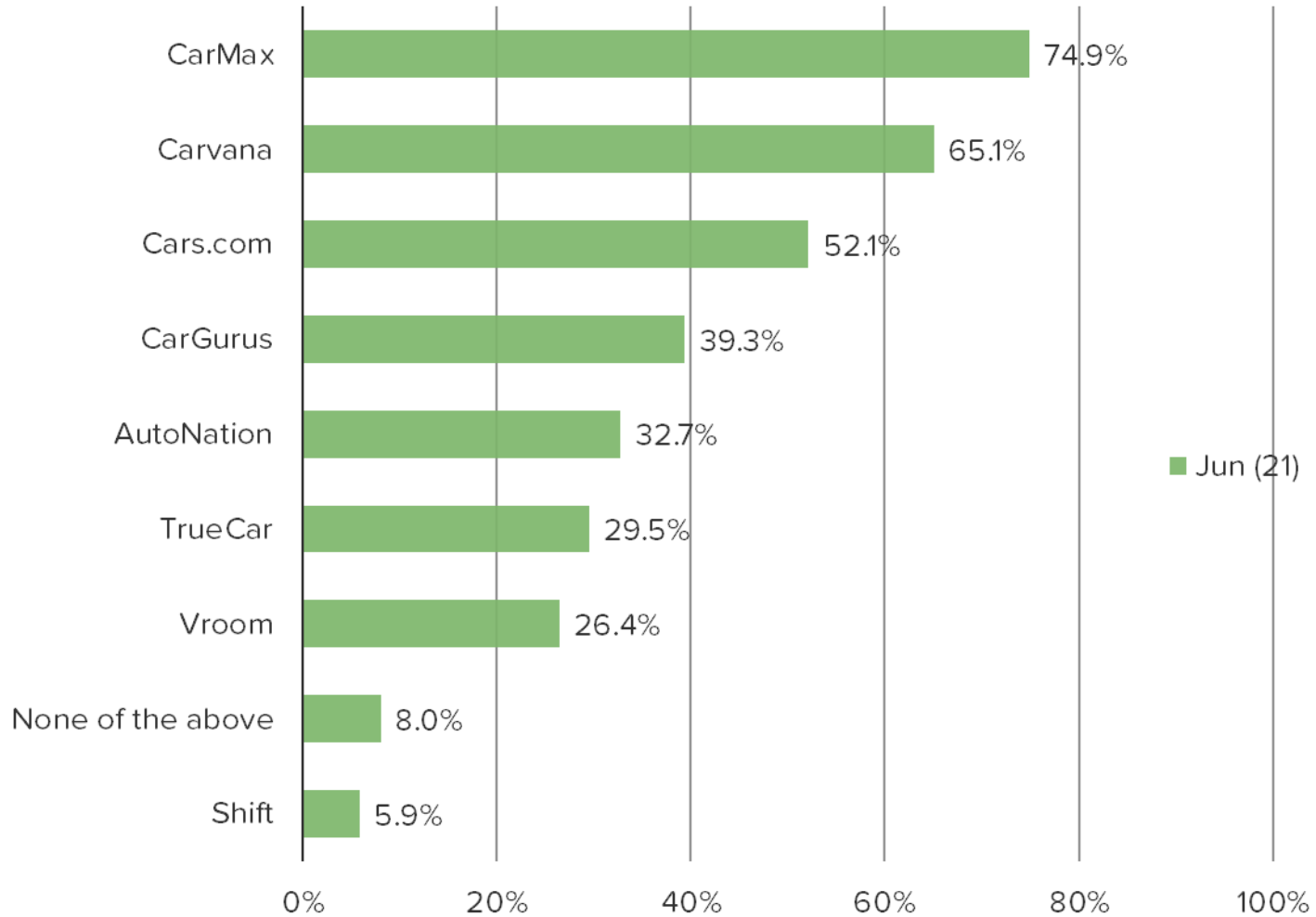
Posed to all respondents.



N=10000

Have you heard of any of the below? (Select ALL that apply)

Posed to all respondents.

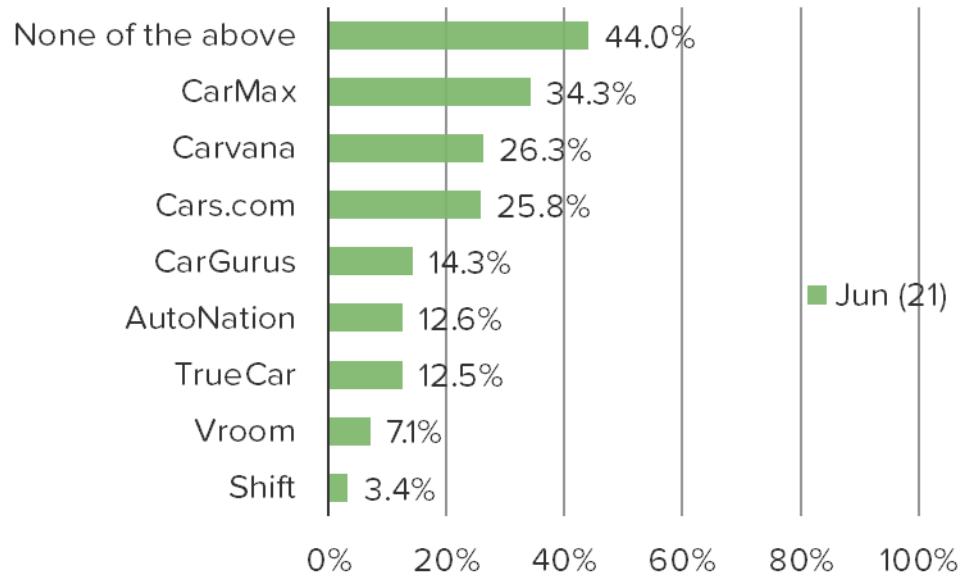


N=10000

Competitive Dynamics – Opinion of Those Who Have Visited Each Platform

Have you ever visited any of the below sites/apps? (Select ALL that apply)

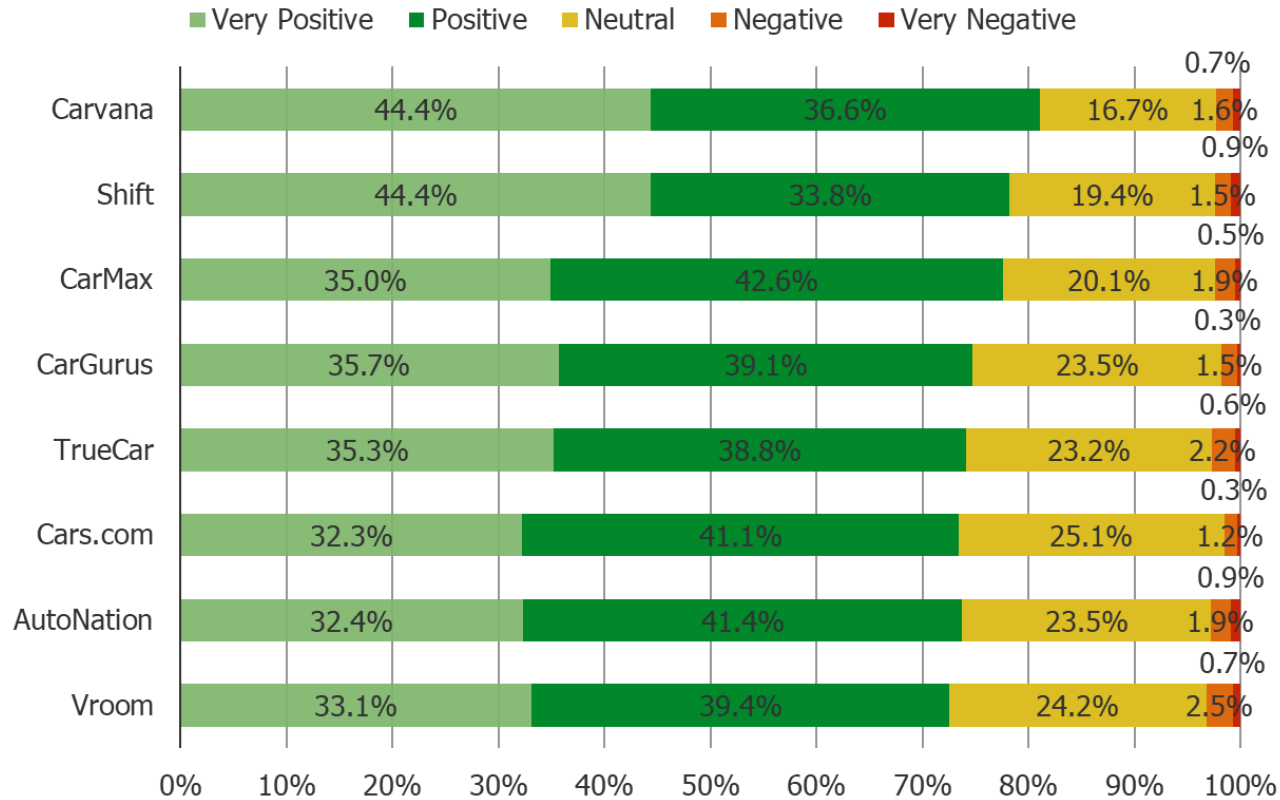
Posed to all respondents.



N=10000

What is your opinion of the following sites/apps?

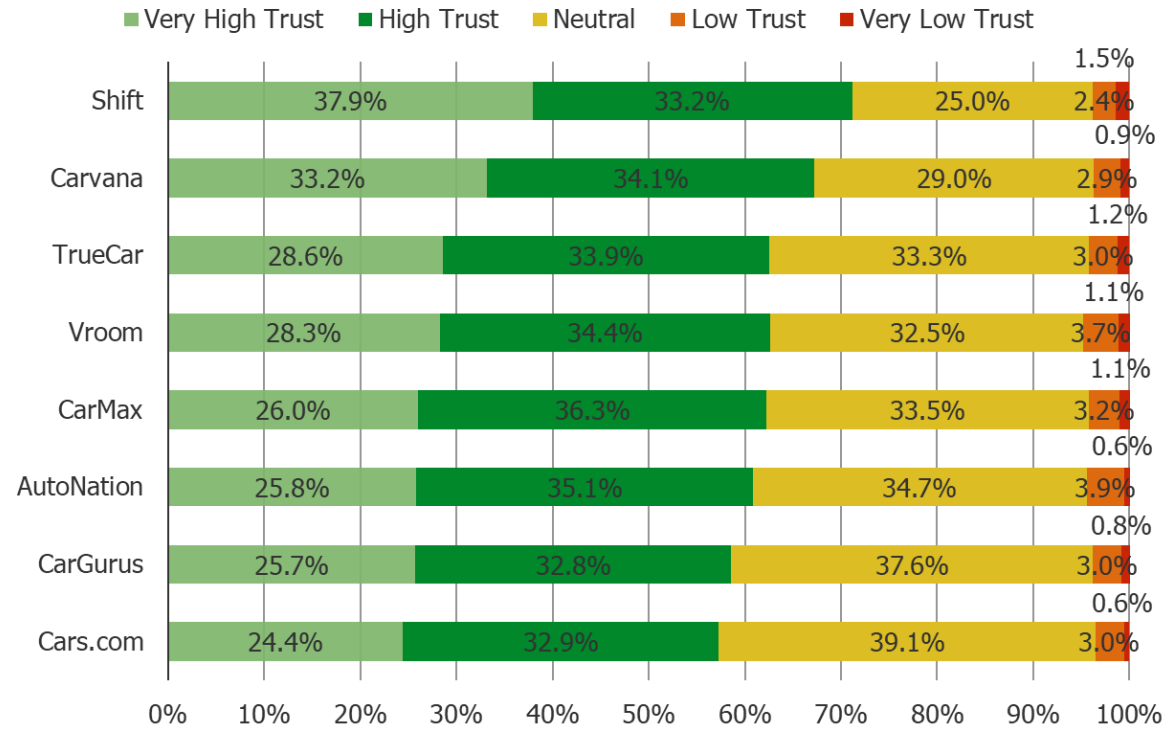
Posed to all respondents who have visited the below.



	N =
CarMax	3431
Carvana	2628
Cars.com	2578
CarGurus	1426
AutoNation	1258
TrueCar	1254
Vroom	710
Shift	340

How much trust do you have in the following brands?

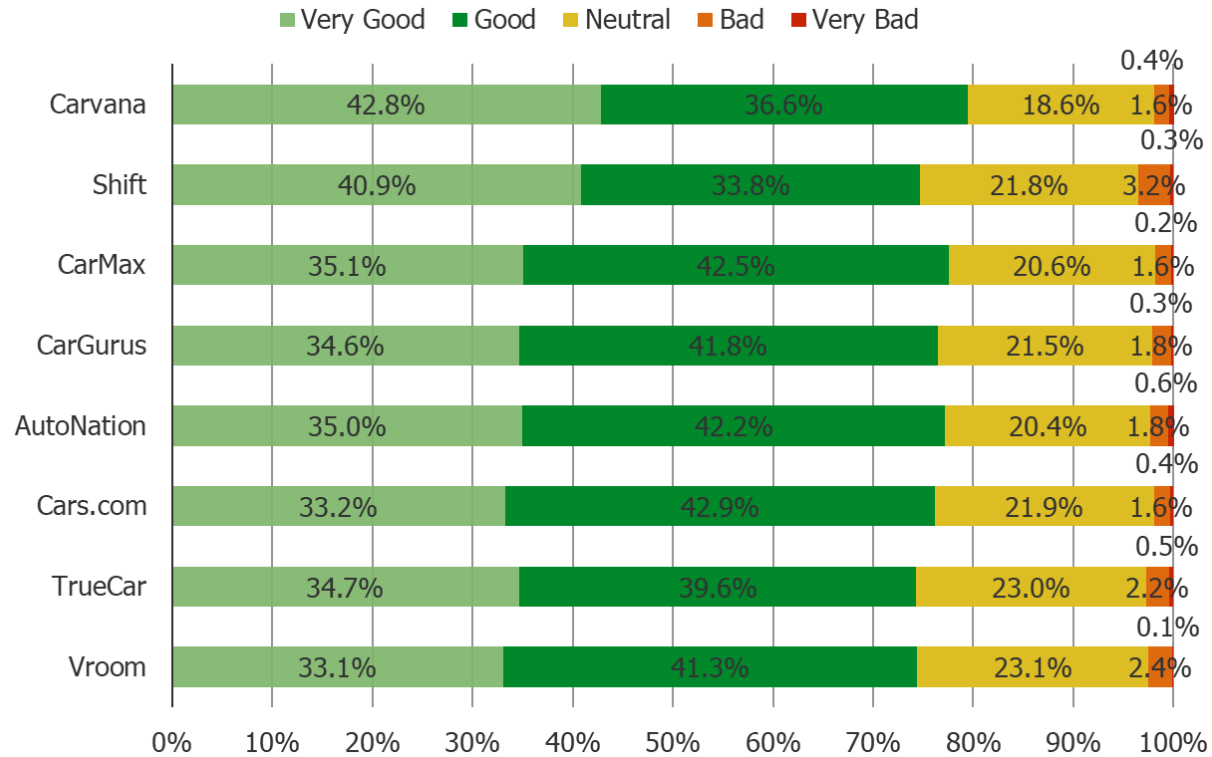
Posed to all respondents who have visited the below.



	N =
CarMax	3431
Carvana	2628
Cars.com	2578
CarGurus	1426
AutoNation	1258
TrueCar	1254
Vroom	710
Shift	340

How would you rate the selection of vehicles available for purchase?

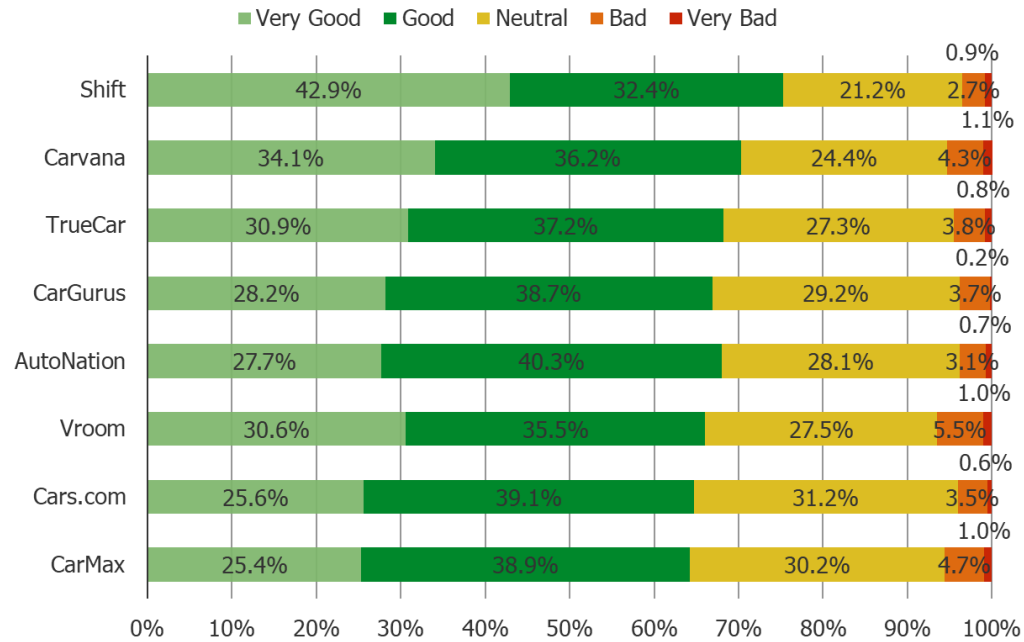
Posed to all respondents who have visited the below.



	N =
CarMax	3431
Carvana	2628
Cars.com	2578
CarGurus	1426
AutoNation	1258
TrueCar	1254
Vroom	710
Shift	340

How would you rate the pricing of vehicles available for purchase?

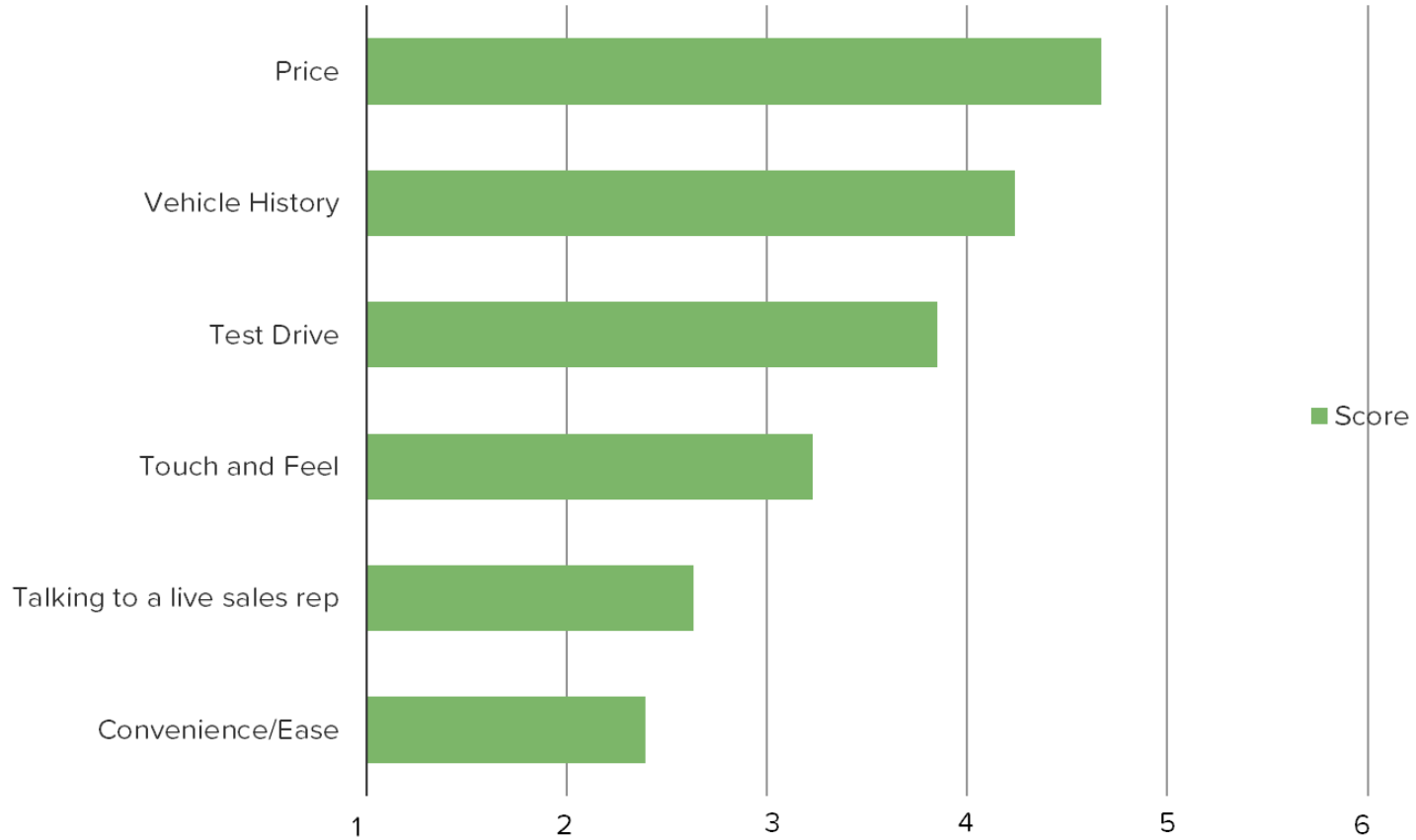
Posed to all respondents who have visited the below.



	N =
CarMax	3431
Carvana	2628
Cars.com	2578
CarGurus	1426
AutoNation	1258
TrueCar	1254
Vroom	710
Shift	340

When it comes to buying a used car, please rank the importance of the following (from most important at the top, to least at the bottom)

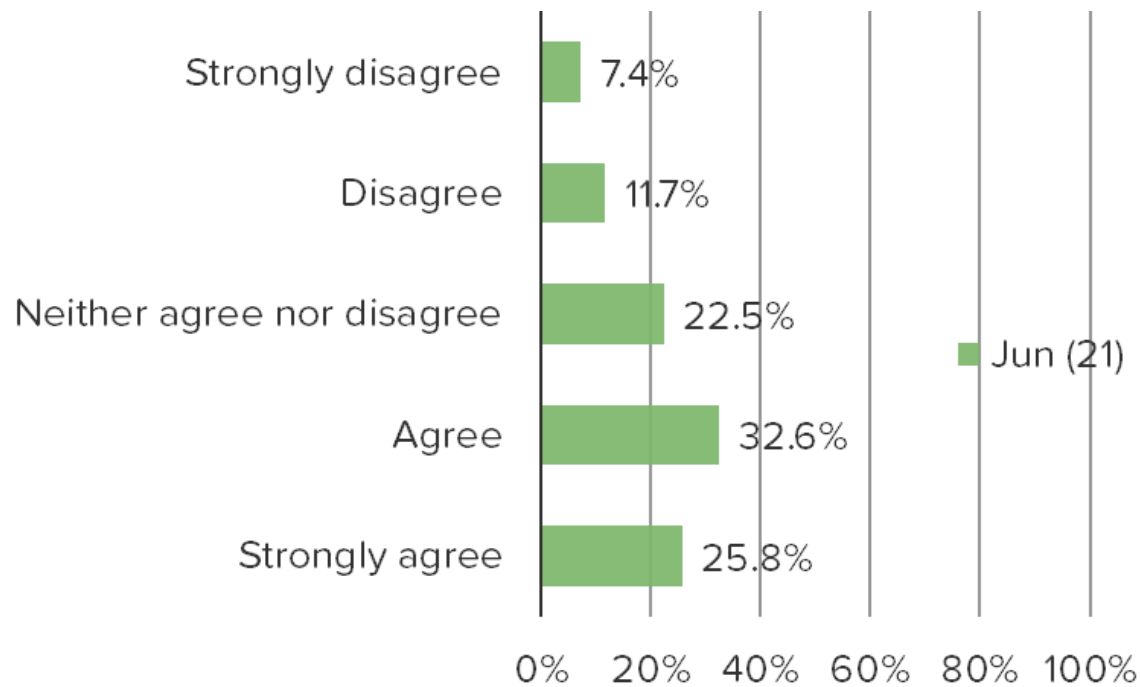
Posed to respondents who said their household typically needs 1 or more vehicles.



N=9165

To what extent do you agree with the following statement: "A risk free 7 day return period reduces the importance of needing to see/test drive a used car in person"

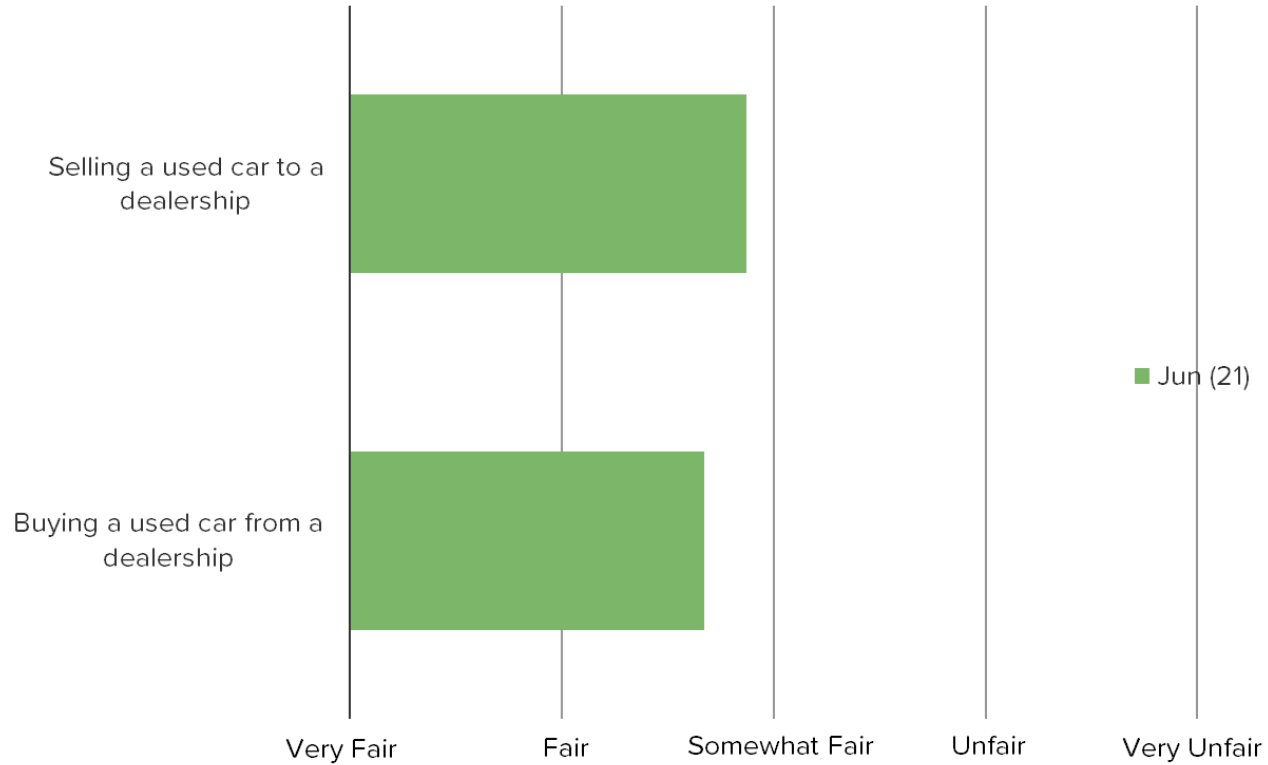
Posed to respondents who said their household typically needs 1 or more vehicles.



N=9165

In your opinion, how fair do you think used car dealerships are when it comes to...

Posed to respondents who said their household typically needs 1 or more vehicles.

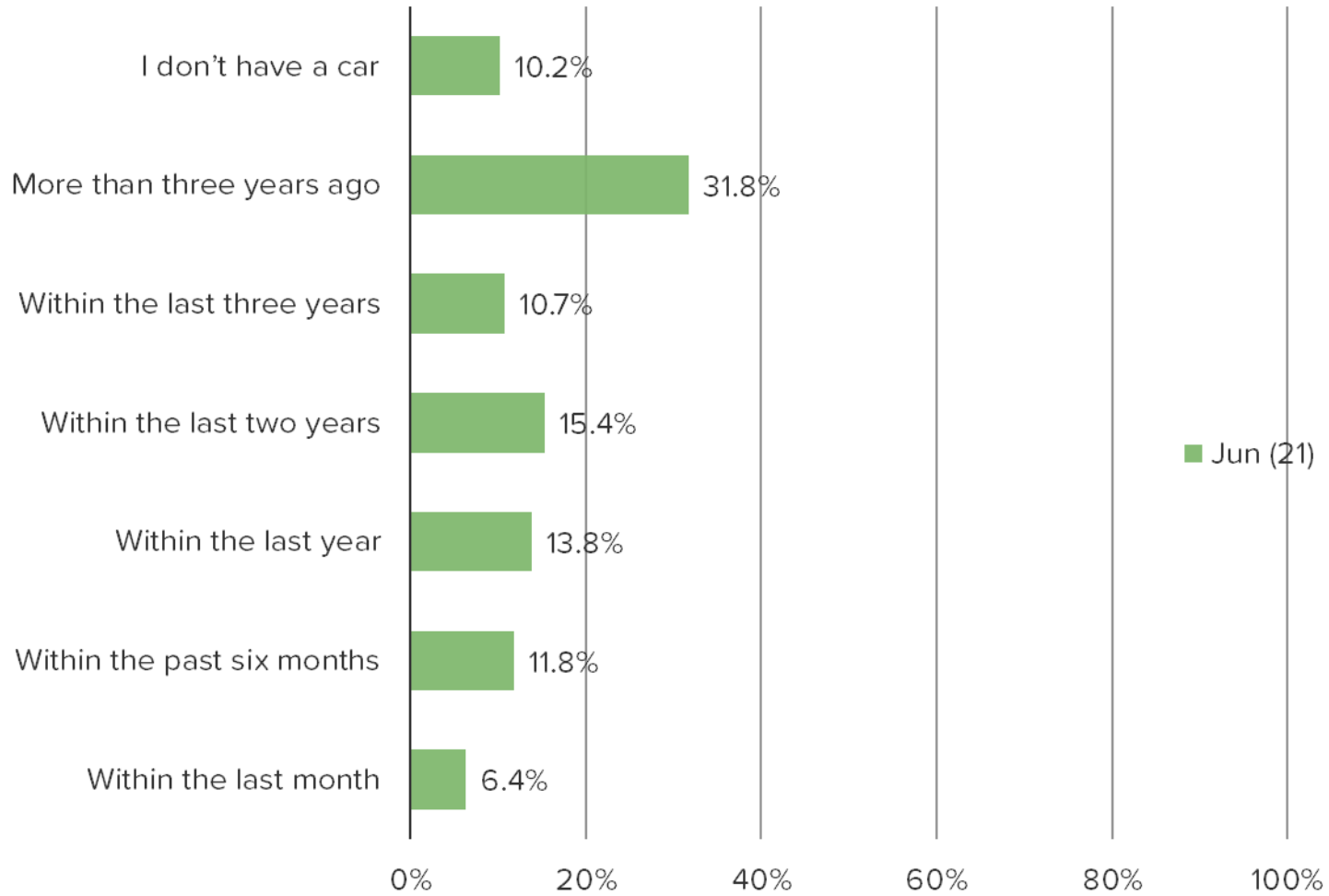


N=9165

Car Ownership – Most Recently Purchased Dynamics

When did you most recently purchase/lease a car?

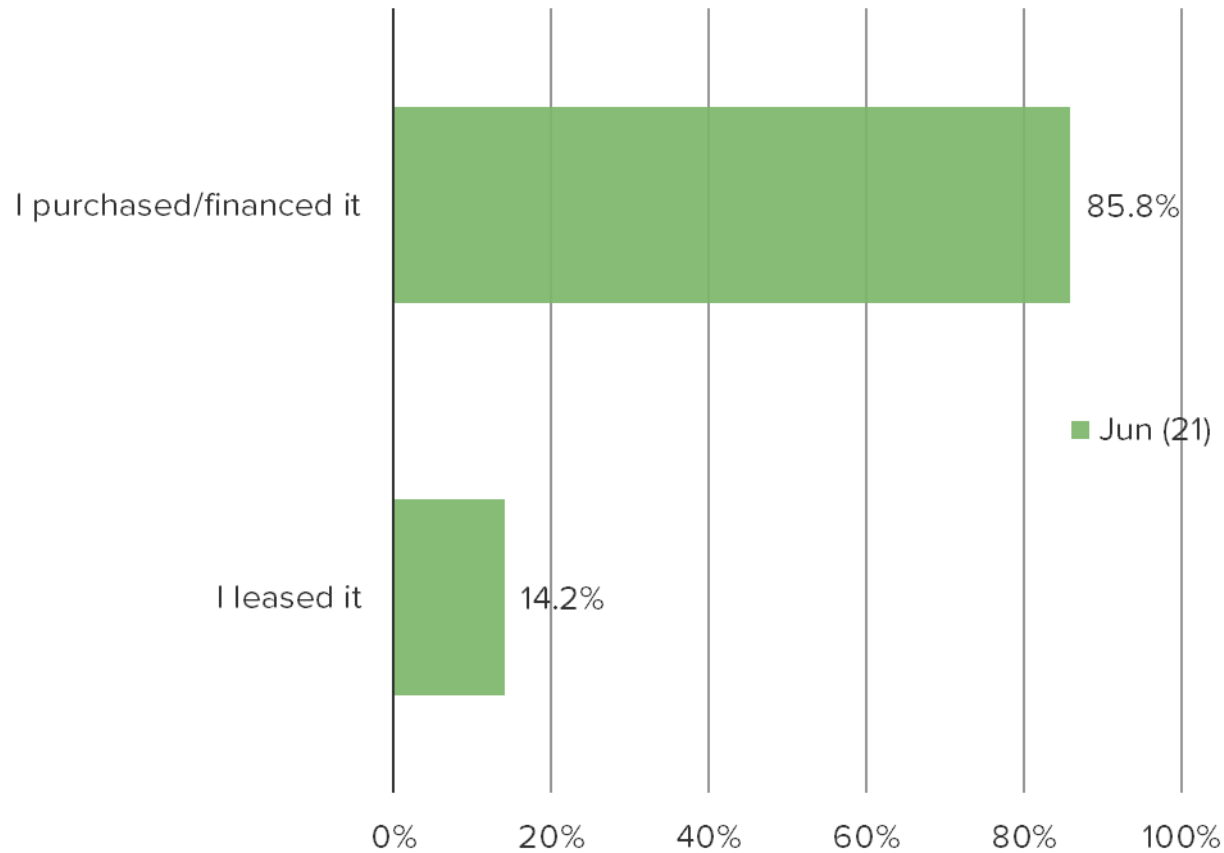
Posed to all respondents.



N=10000

Which of the following best describes the car you most recently acquired?

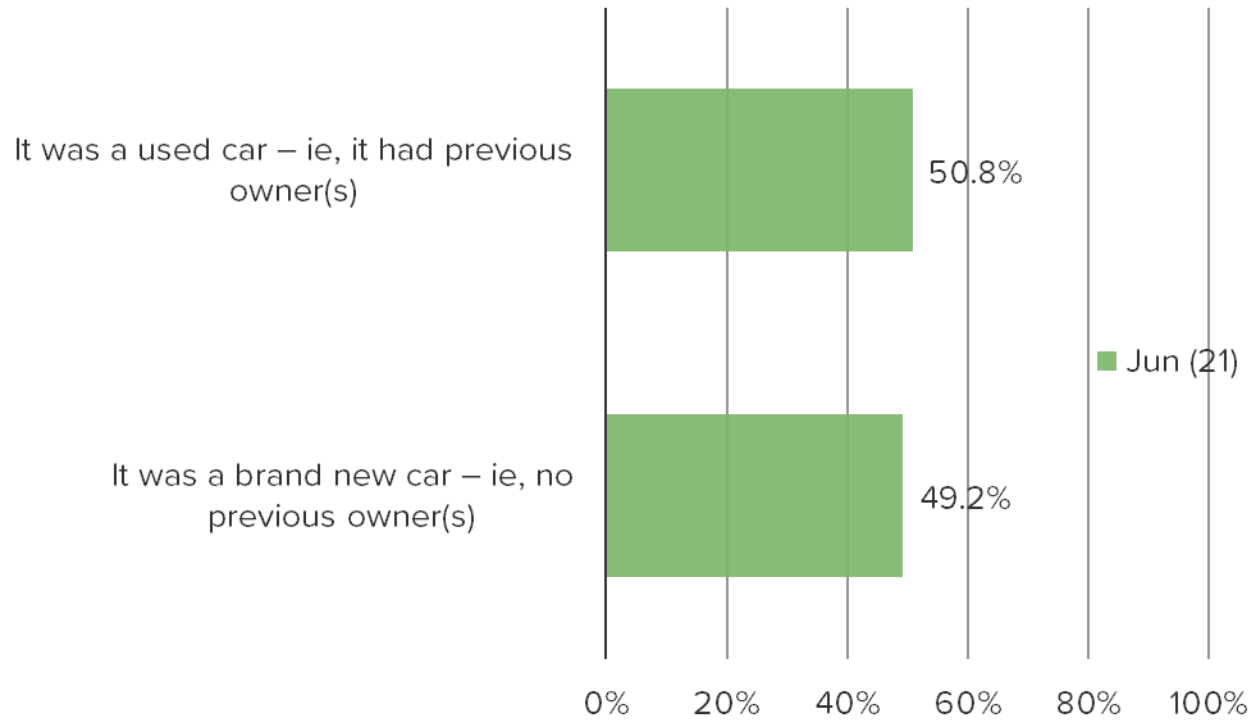
Posed to all respondents who own a car.



N=8983

Which of the following best describes the car you most recently acquired?

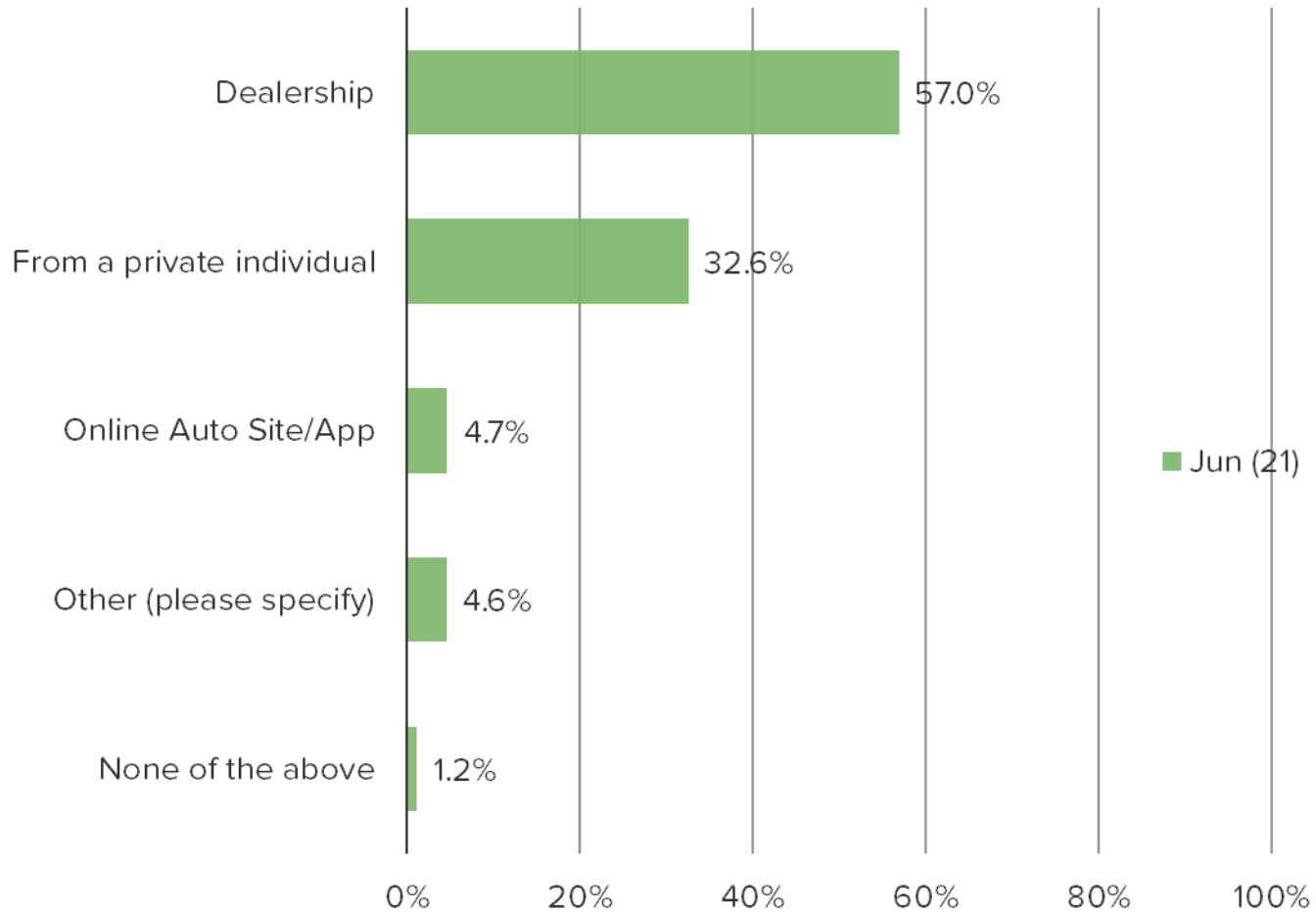
Posed to all respondents who own a car.



N=8983

Thinking about the used vehicle you most recently acquired, how did you buy it?

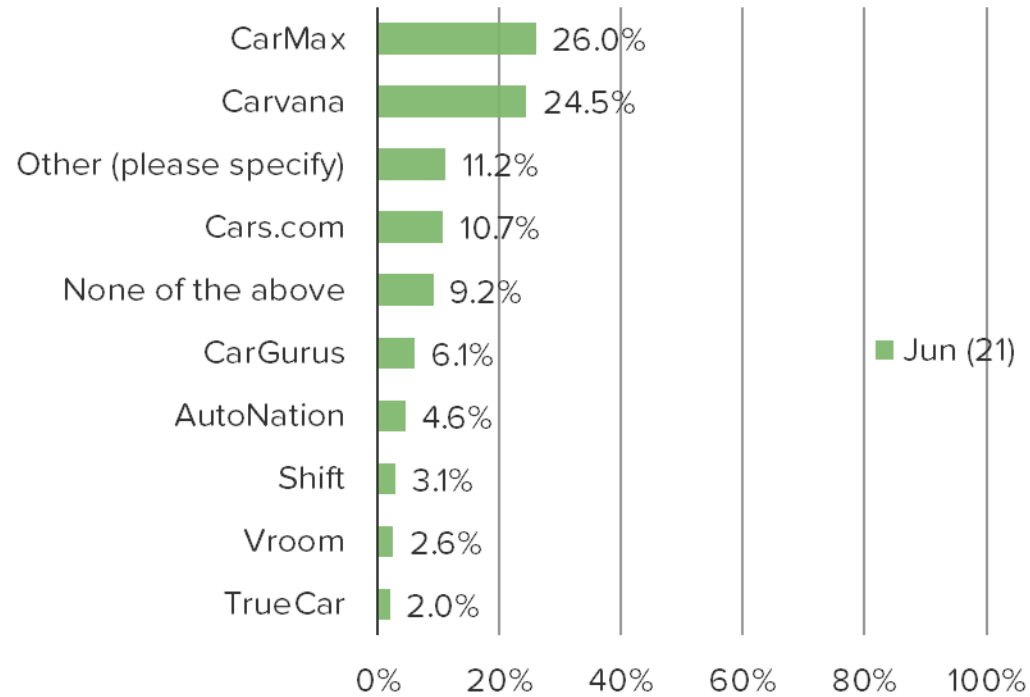
Posed to all respondents who purchased or finances (not leased) a used vehicle.



N=4191

From which site/app did you buy your used car?

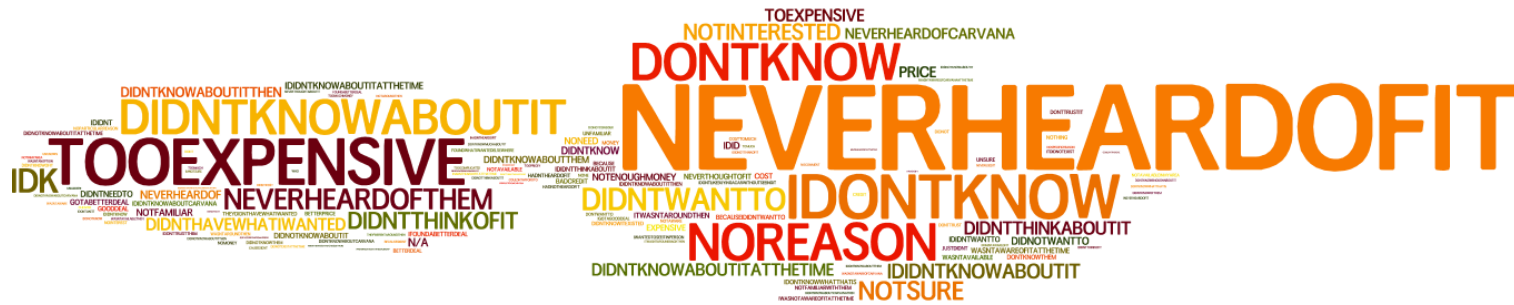
Posed to all respondents whose used vehicle they most recently acquired came via an online auto site/app purchase.



N=196

Why did you not buy your used car from Carvana?

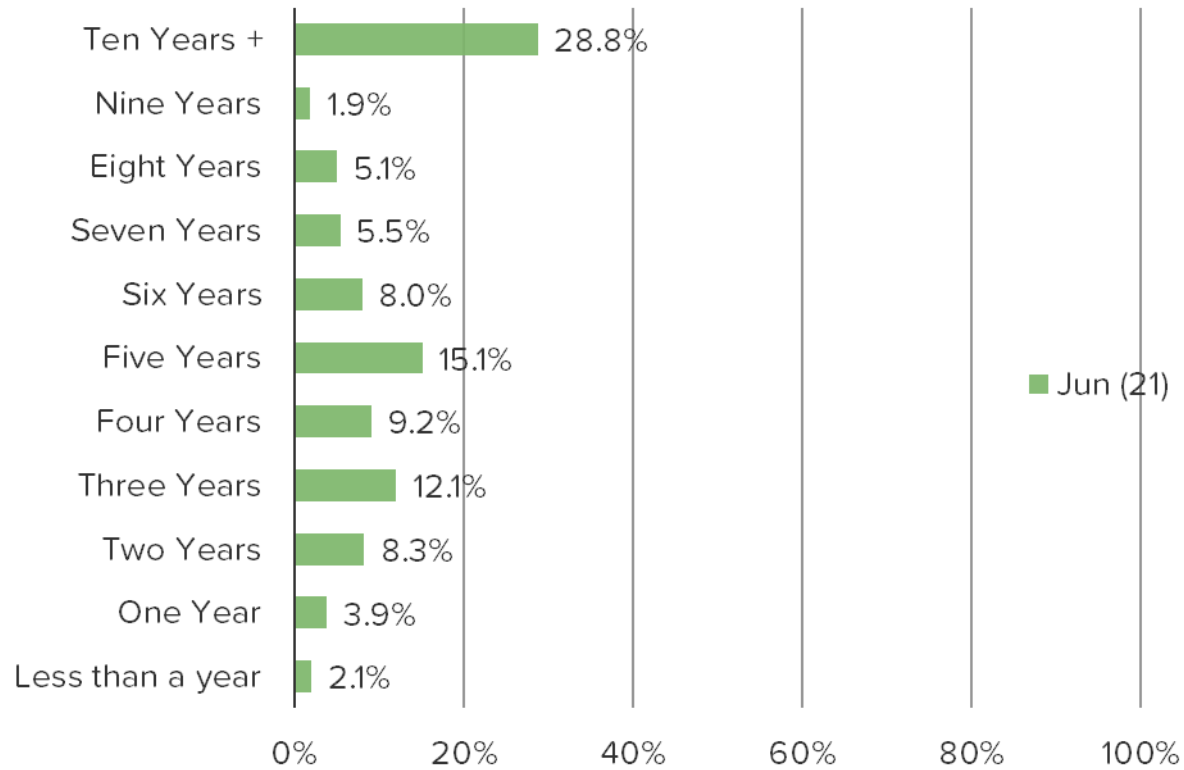
Posed to car owners who most recently purchased (not leased) a used car (not new) BUT did not use Carvana for their purchase.



N=4043

For how long do you typically hold on to a vehicle?

Posed to all respondents who own a car.

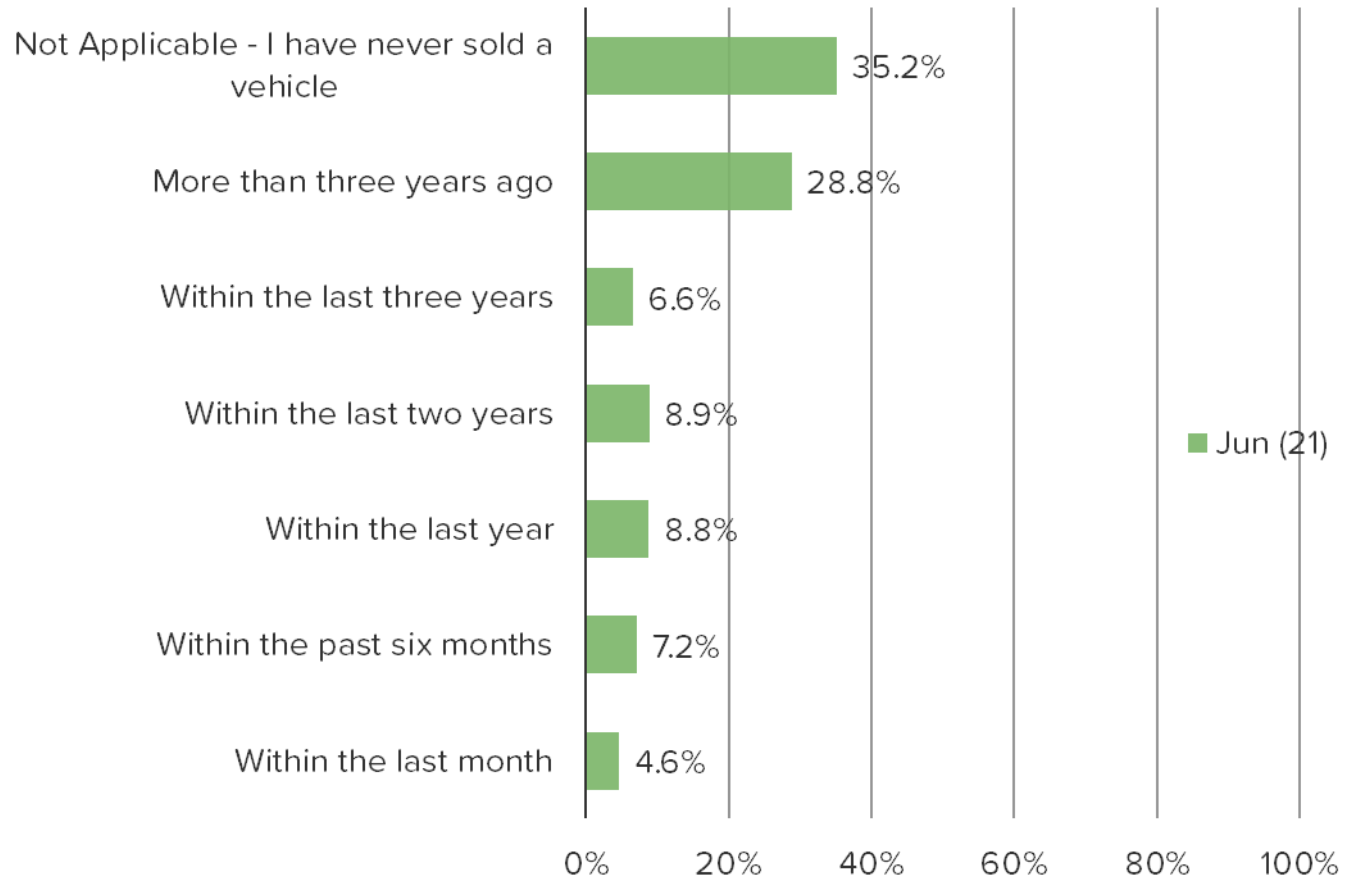


N=8983

Car Selling – Most Recently Sold Dynamics

When did you most recently sell a car?

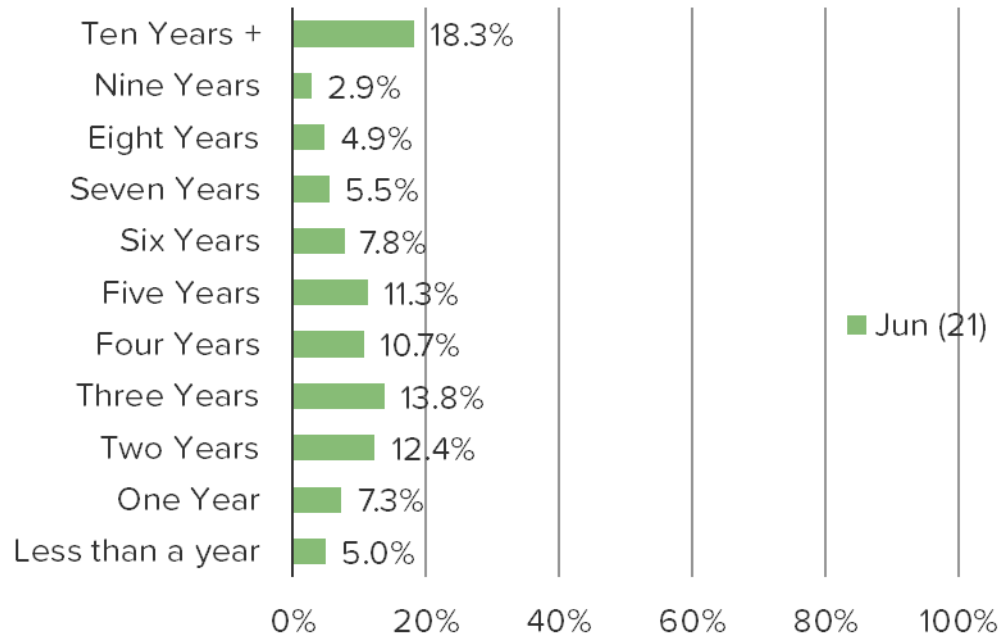
Posed to all respondents.



N=10000

For how long did you own the car you most recently sold?

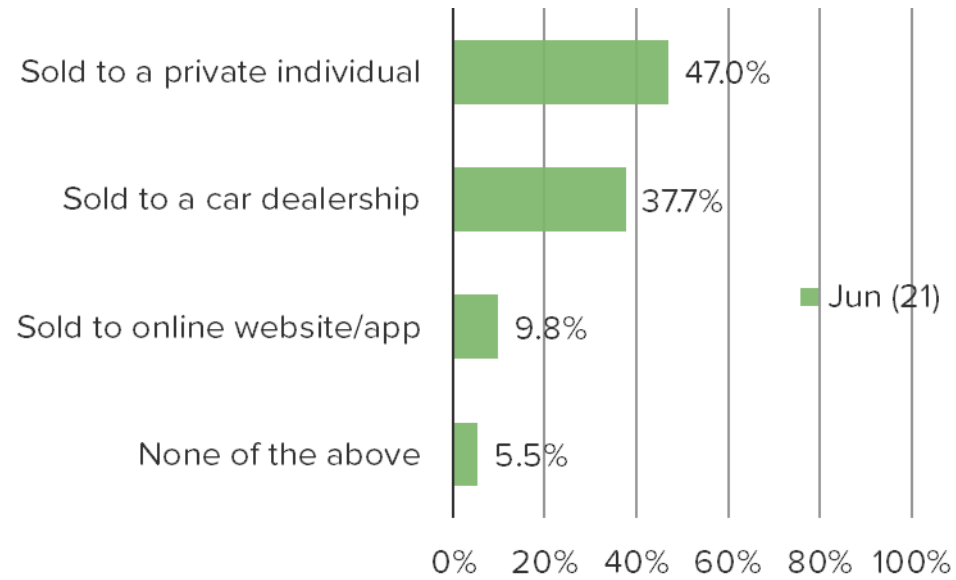
Posed to all respondents who have ever sold a vehicle.



N=6483

Where did you sell your vehicle?

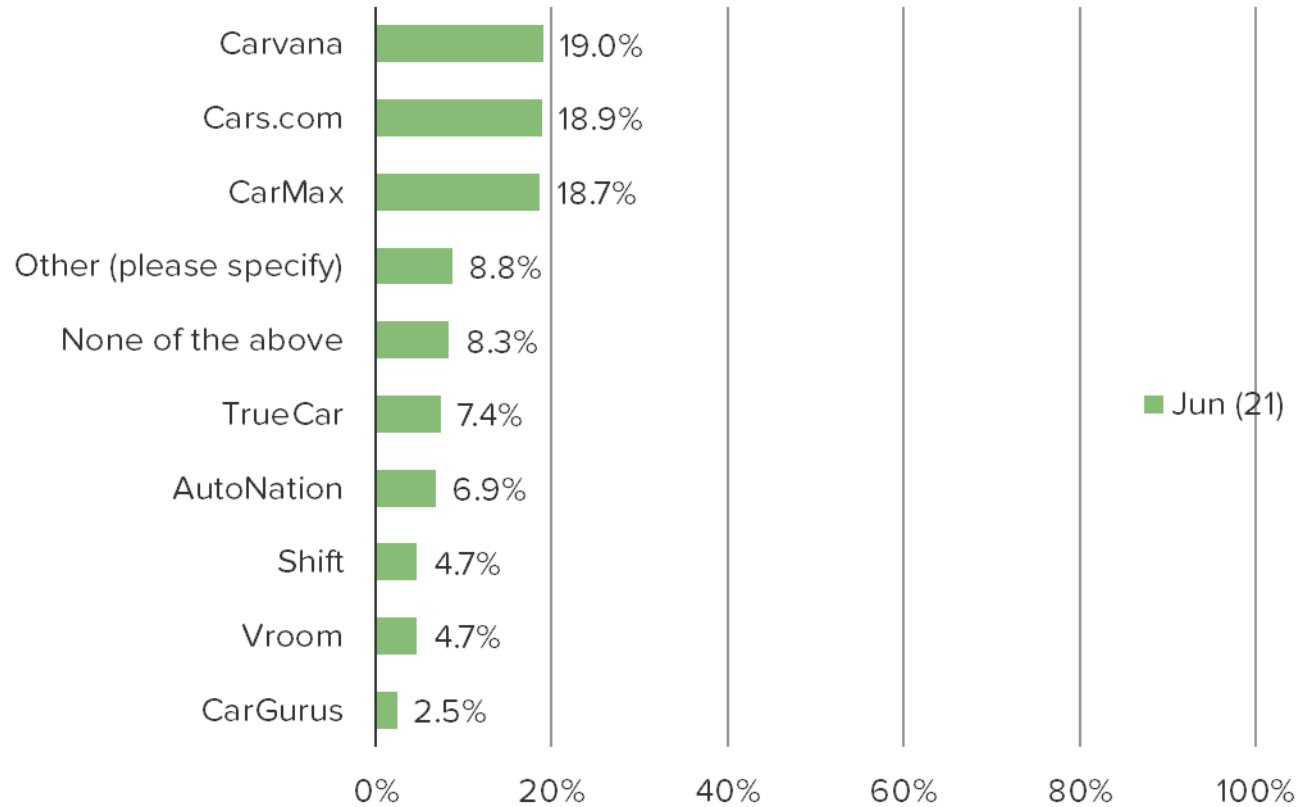
Posed to all respondents who have ever sold a vehicle.



N=6482

To which online auto site/app did you sell your car?

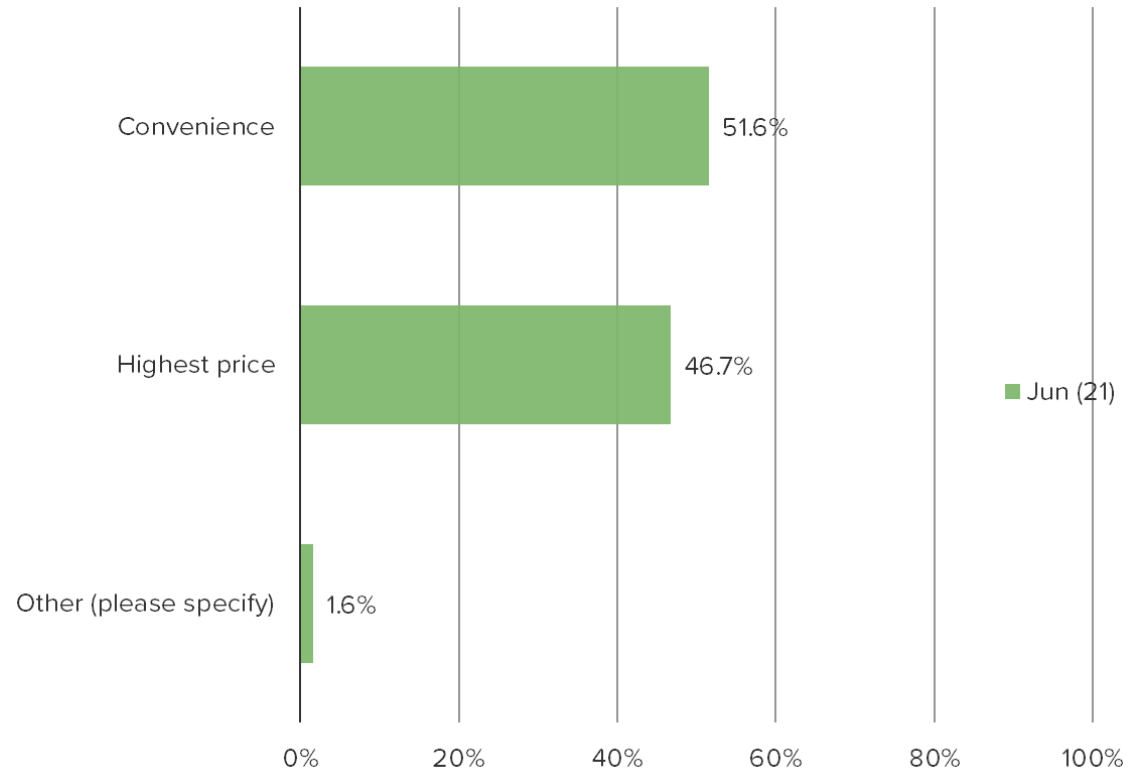
Posed to respondents who said they sold the car they most recently sold to an online platform.



N=636

What was the primary reason you sold your car to Carvana?

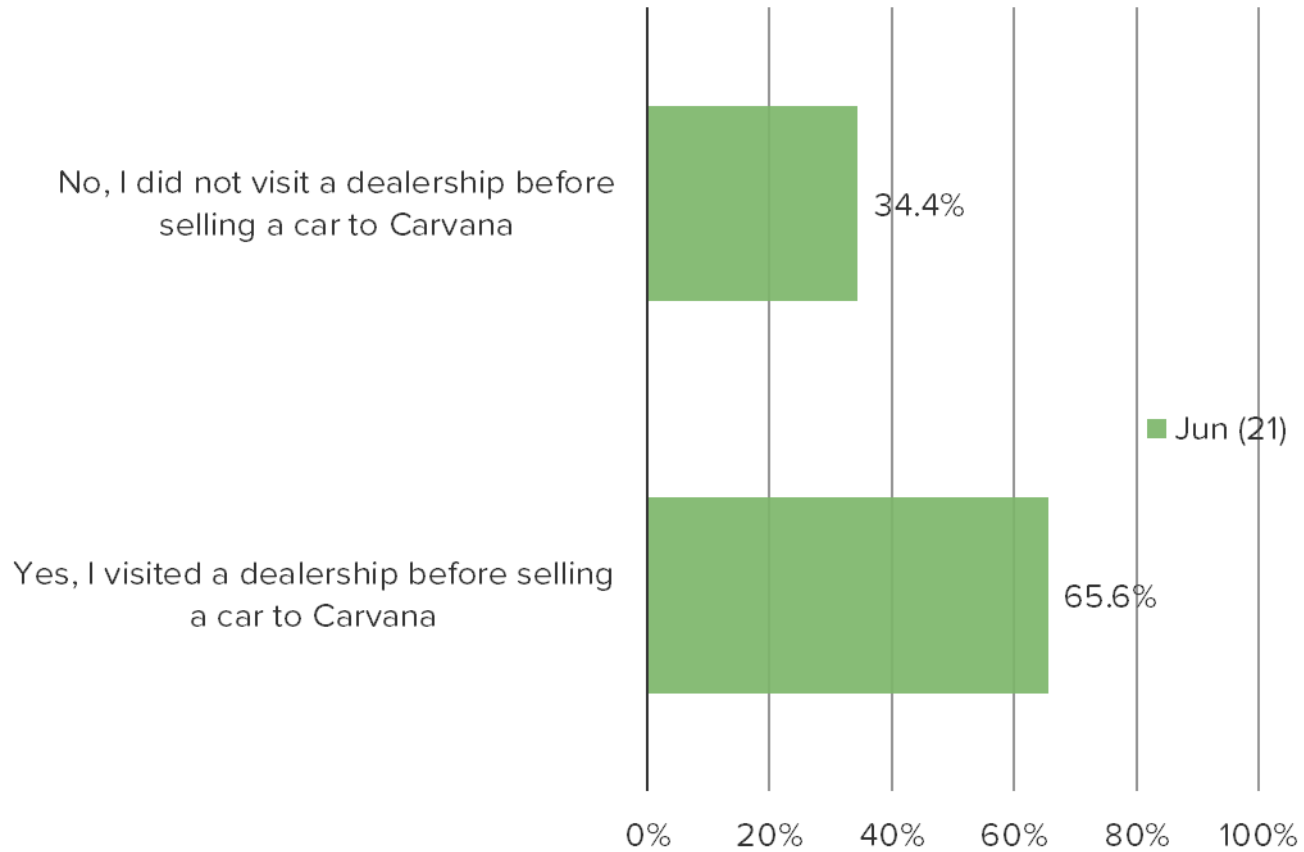
Posed to all respondents who sold to Carvana.



N=122

Did you visit a dealership before selling a car to Carvana?

Posed to all respondents who sold to Carvana.

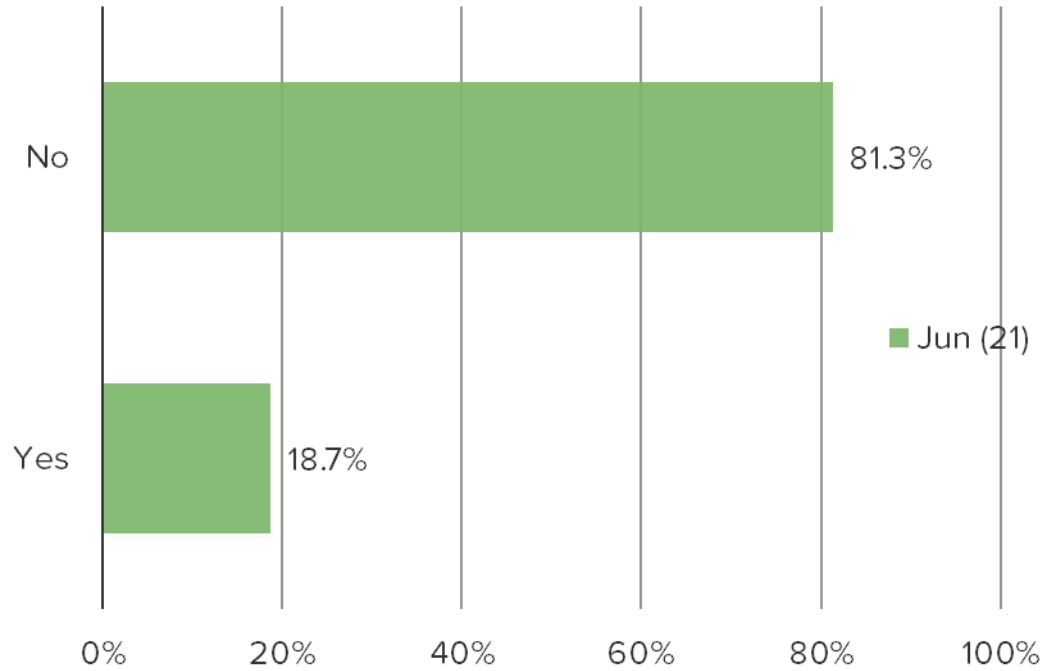


N=122

Currently in the market to sell a vehicle

Are you currently in the market looking to SELL a USED vehicle?

Posed to all respondents.



N=10000

If you needed to sell a car today, how would you be most likely to sell it?

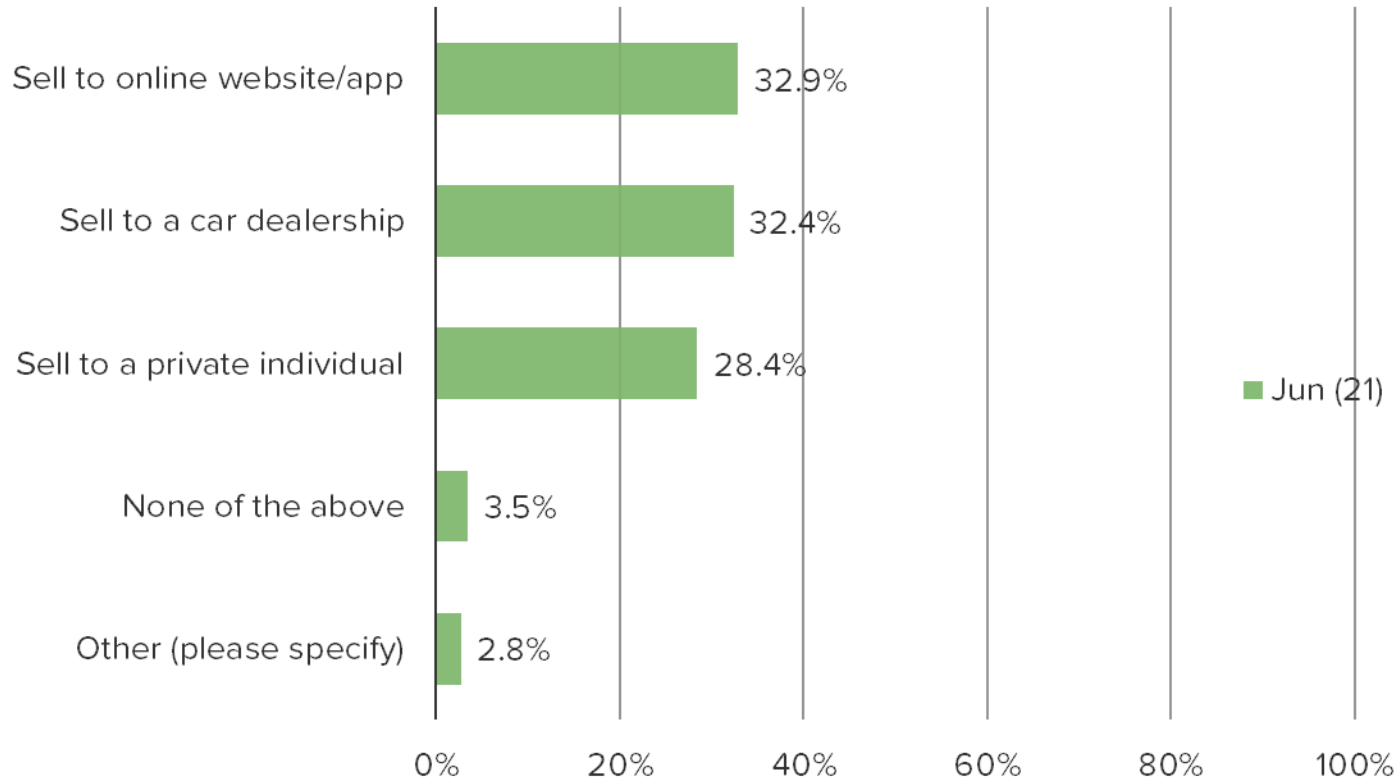
Posed to respondents who own a vehicle (ie, purchased or financed, not leased).



N=8282

How will you SELL the USED vehicle you are trying to sell?

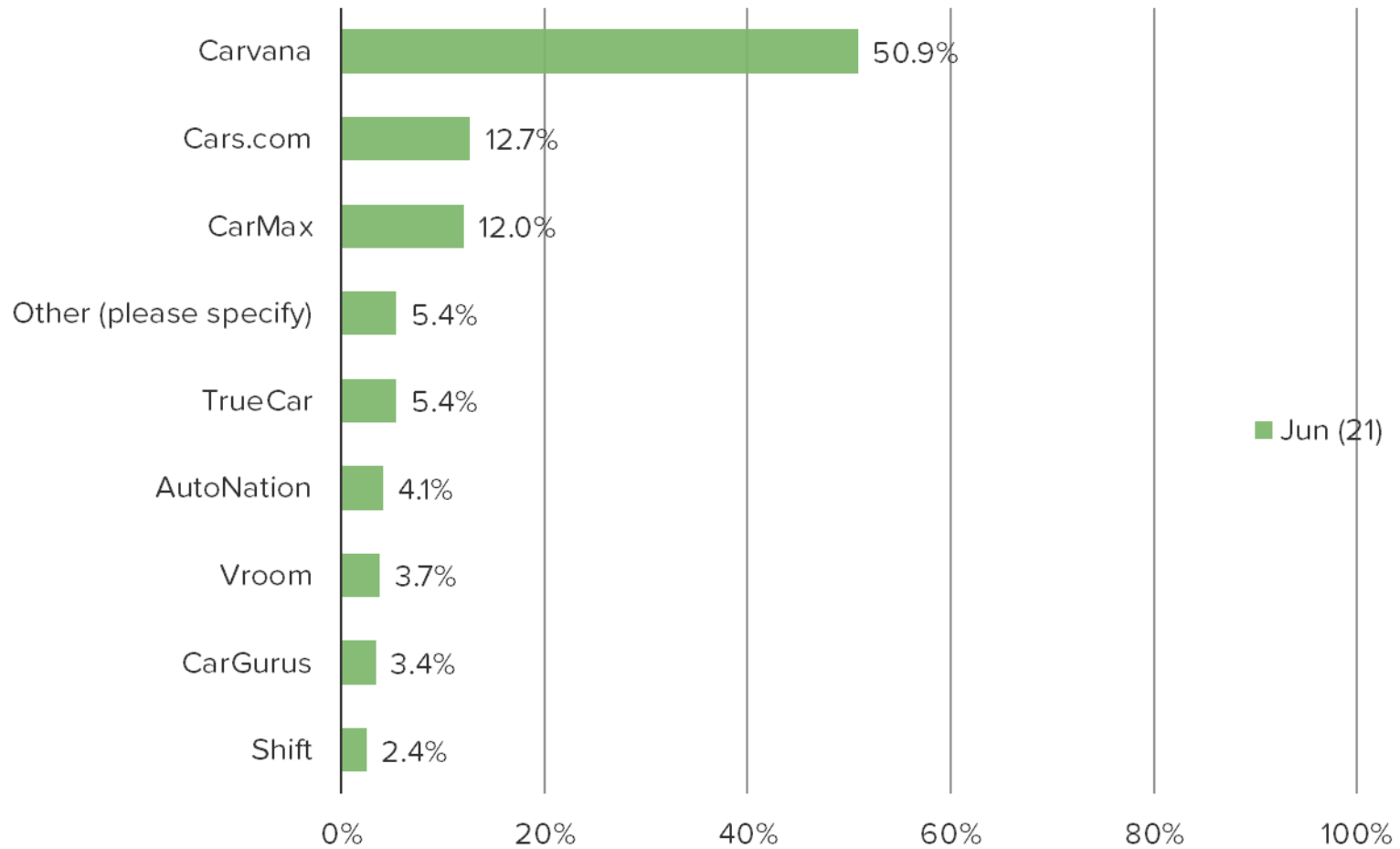
Posed to all respondents who are looking to sell a used vehicle.



N=1871

Which online website/app would you be most likely to sell it to?

Posed to all respondents who are looking to sell a used vehicle and would sell to a site/app.



N=615

Why would you be most likely to sell it to Carvana?

Posed to car owners who said they would be most likely to sell, if they needed to, to Carvana.

Top reasons respondents flagged included:

Hearing wonderful things about the company from friends/family/reviews.

Thinking it was be easy/convenient/safe.

Thinking they would get the highest price.

Broadly liking the company or saying it is the online company they are most familiar with.

N=302

Why aren't you most likely to sell it to Carvana?

Posed to respondents who did not select Carvana as where they would be most likely to sell their car.

Top reasons respondents flagged included:

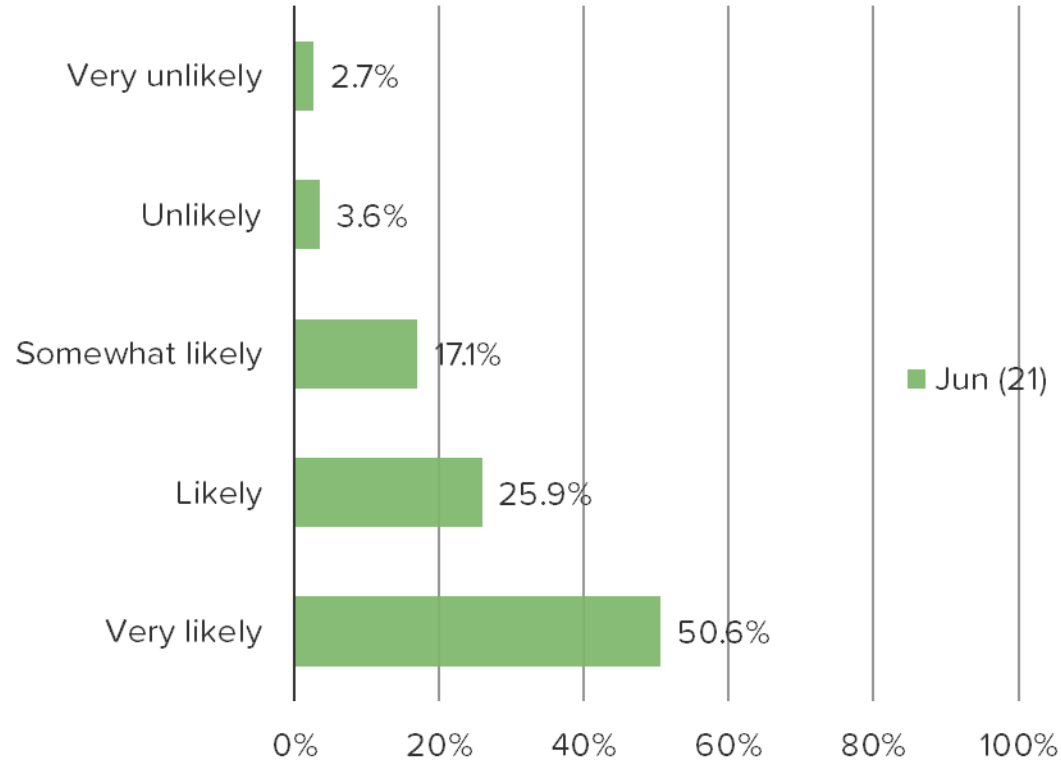
The top reason, by far, was simply not being familiar/aware of Carvana.

The second most popular reason was not believing it would get them the highest price they can.

N=1557

If you could enter your car’s license plate or vin number and answer a few questions via a website/app and receive a no haggle cash offer in minutes which is good for 7 days and get paid when the car is picked up if you accept. How likely would you be to request an offer?

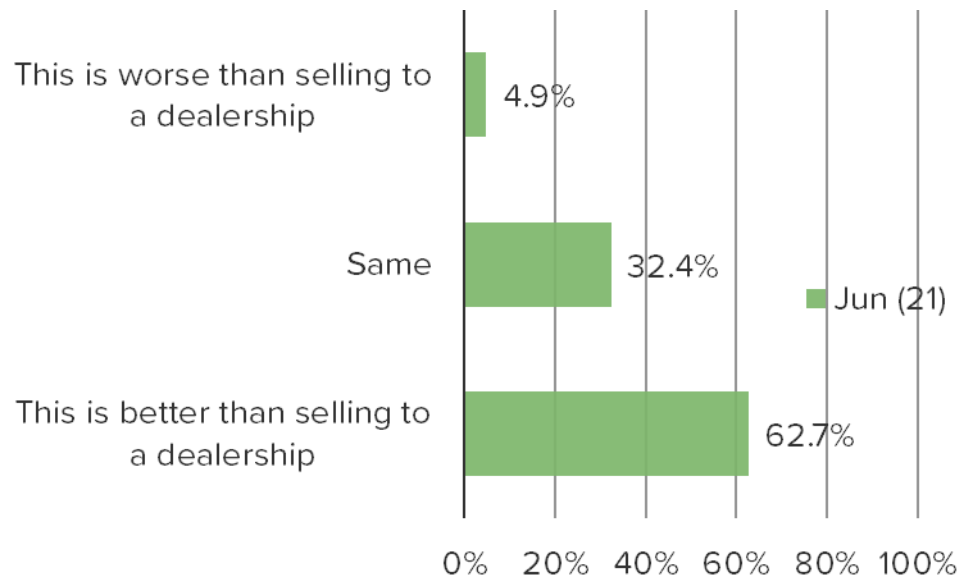
Posed to respondents who are currently in the market to sell a vehicle.



N=1870

If you could enter your car’s license plate or vin number and answer a few questions via a website/app and receive a no haggle cash offer in minutes which is good for 7 days and get paid when the car is picked up if you accept. How does this sound compared to selling your used car at a dealership?

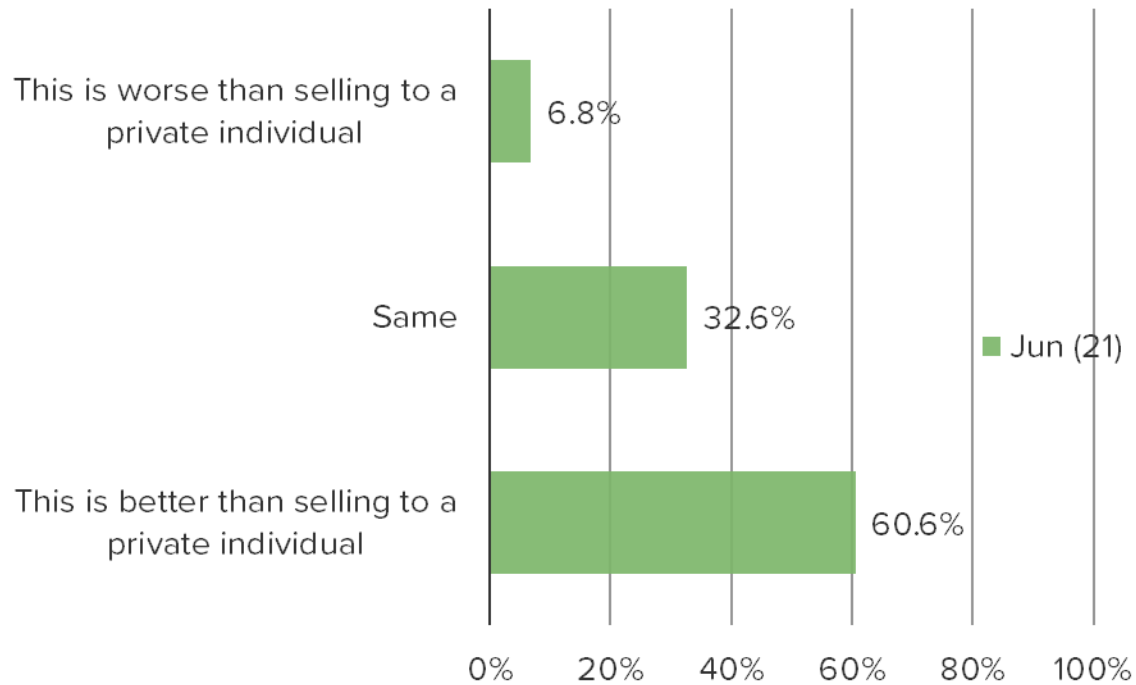
Posed to respondents who are currently in the market to sell a vehicle.



N=1870

If you could enter your car’s license plate or vin number and answer a few questions via a website/app and receive a no haggle cash offer in minutes which is good for 7 days and get paid when the car is picked up if you accept. How does this sound compared to selling your used car to a private individual?

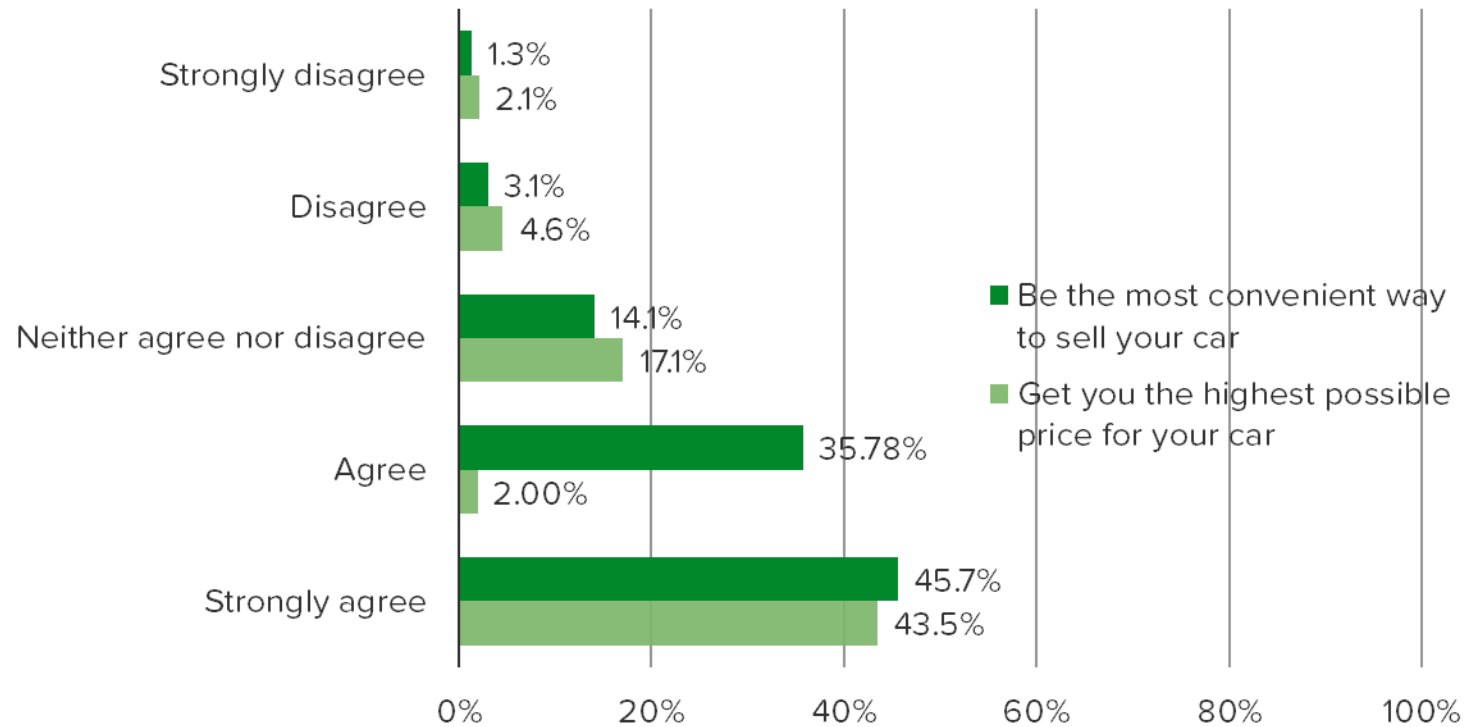
Posed to respondents who are currently in the market to sell a vehicle.



N=1870

If you could enter your car’s license plate or vin number and answer a few questions via a website/app and receive a no haggle cash offer in minutes and have your car picked up from you if you accept. To what extent do you believe that selling your car this way would...

Posed to respondents who are currently in the market to sell a vehicle.

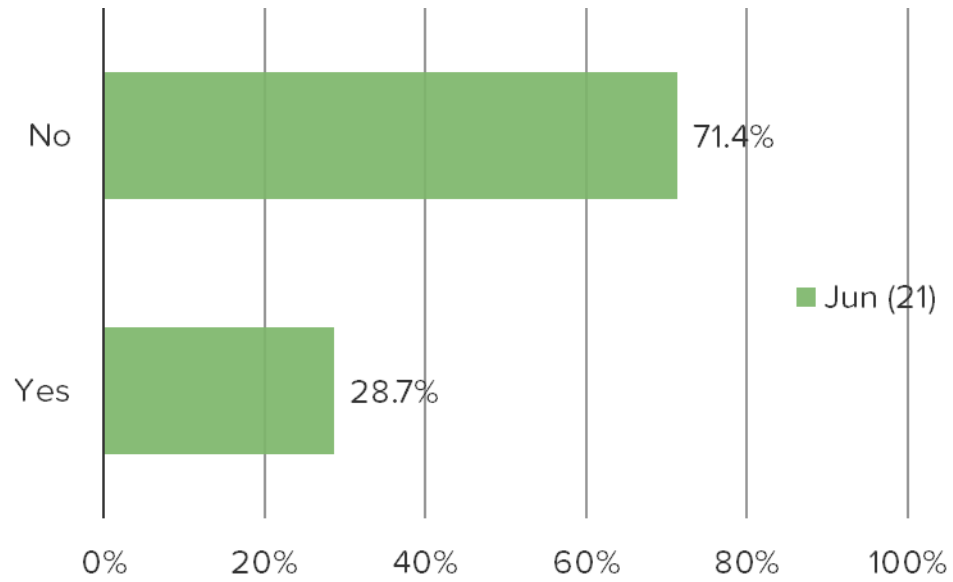


N=1870

Currently in the market to buy a vehicle

Are you currently in the market looking to acquire a vehicle?

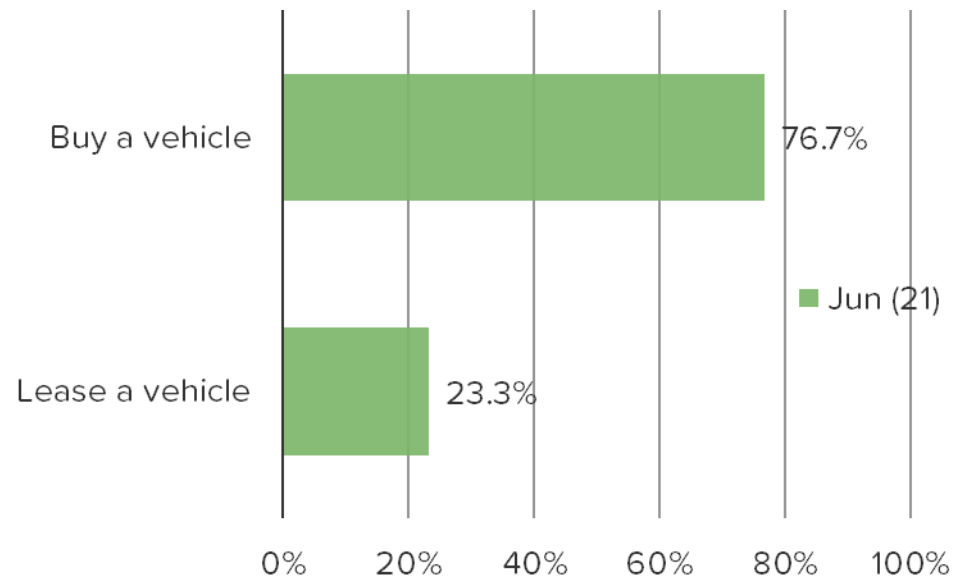
Posed to all respondents.



N=10000

Thinking about the vehicle you are in the market to acquire, which best describes what you are looking to do?

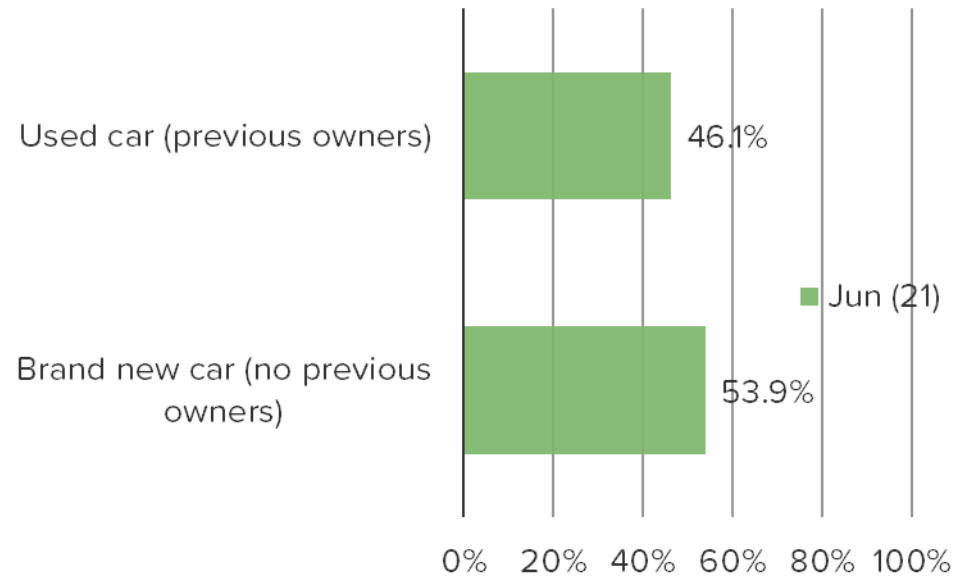
Posed to all respondents who are looking to acquire a vehicle.



N=2867

Thinking about the vehicle you are in the market to acquire, which best describes what you are looking to get?

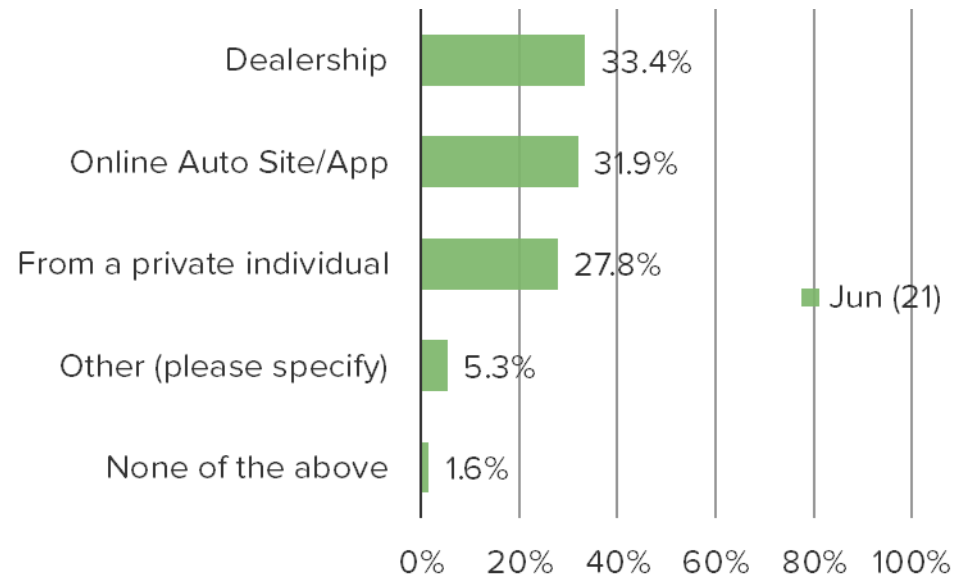
Posed to all respondents who are looking to buy a vehicle (not lease).



N=2200

Where are you most likely to purchase the used vehicle?

Posed to all respondents who are looking to buy a used vehicle.



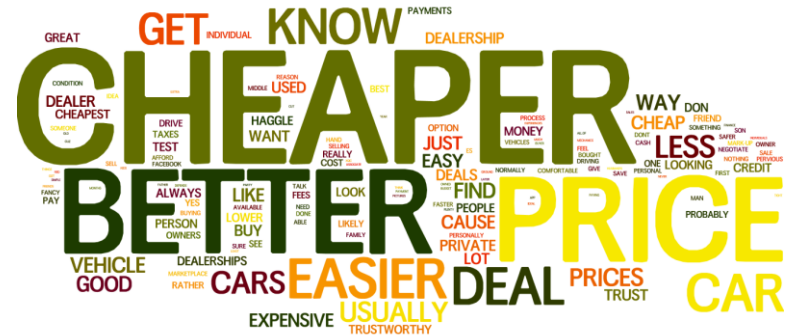
N=1015

Why would you be most likely to buy it from the following?

Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to do so in the following way.

Dealership (N = 338)

Private Individual (N = 282)

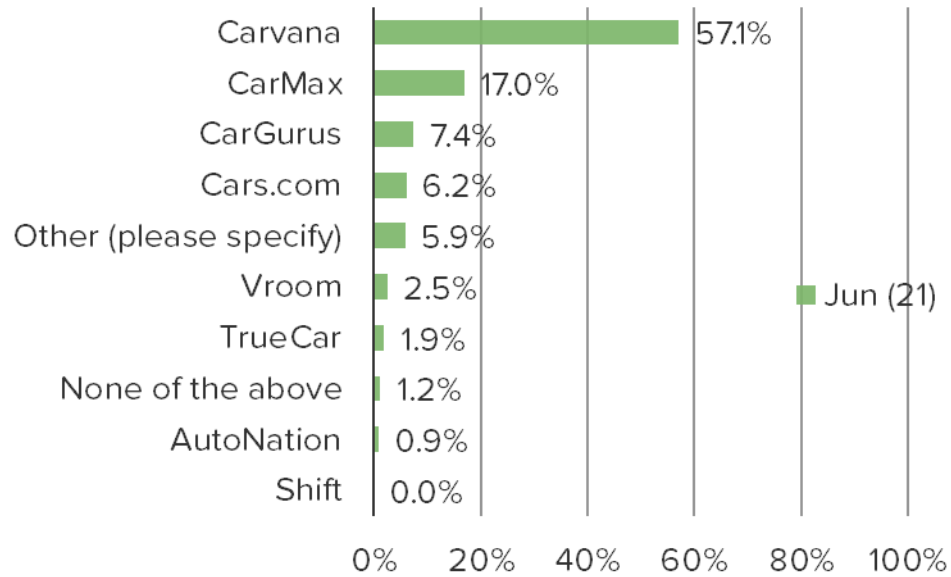


Online Auto Site/App (N = 324)



From which online auto app or website are you most likely to buy the car you are in the market for?

Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to buy from an online site/app.



N=324

Why are you most likely to buy it from Carvana?

Posed to respondents in the market to buy a used car who indicated they would be most likely to get it from Carvana.

Top reasons respondents flagged included:

The top reason was that they had heard good things about Carvana and/or that it has a good reputation. Many respondents also references how easy and convenient it is. Respondents also mentioned the selection and having nice cars.

N=301

Why are you NOT most likely to buy it from Carvana?

Posed to all respondents who are looking to buy a used vehicle but not from Carvana.

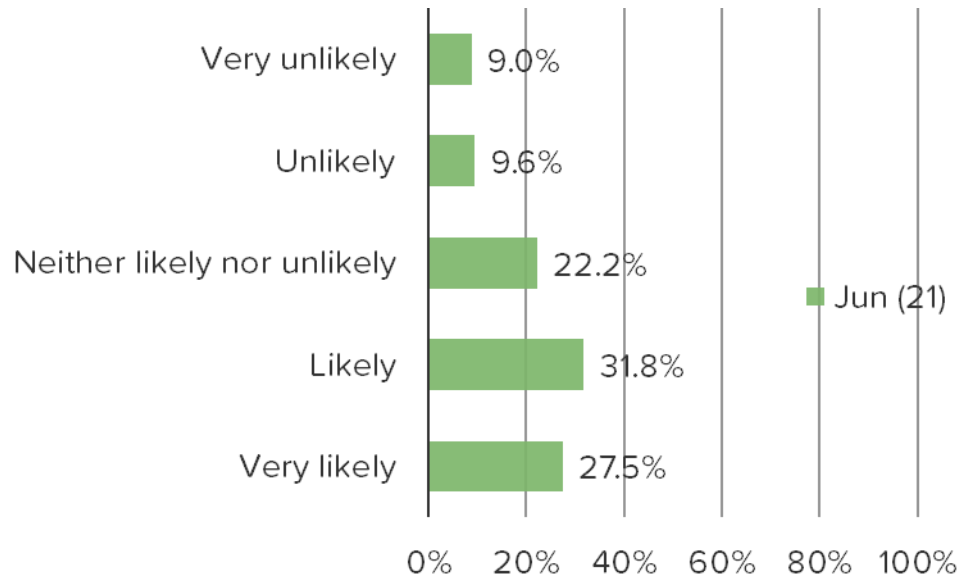
Top reasons respondents flagged included:

Not being familiar enough with the platform.
The prices being higher.

N=139

If you were to purchase a used car online today, how likely would you be to secure financing online as well?

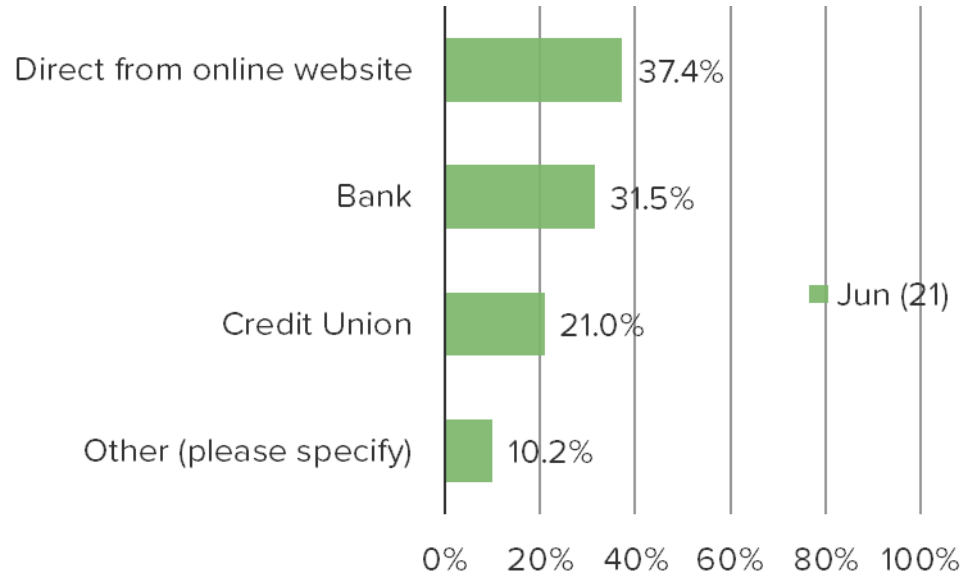
Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to buy from an online site/app.



N=324

Where would you most likely secure financing online?

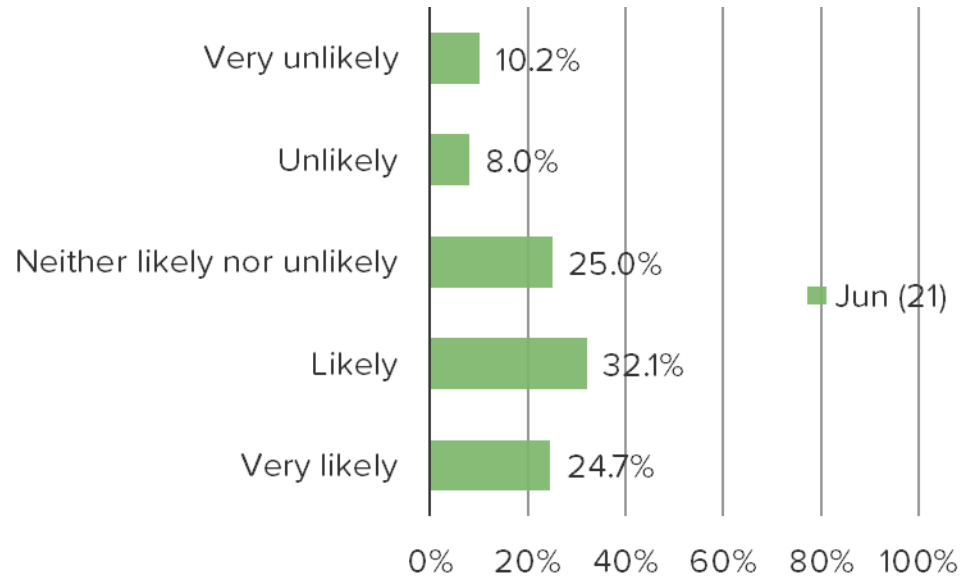
Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to buy from an online site/app.



N=324

If you were to purchase a used car online today, how likely would you be to also purchase an extended vehicle warranty?

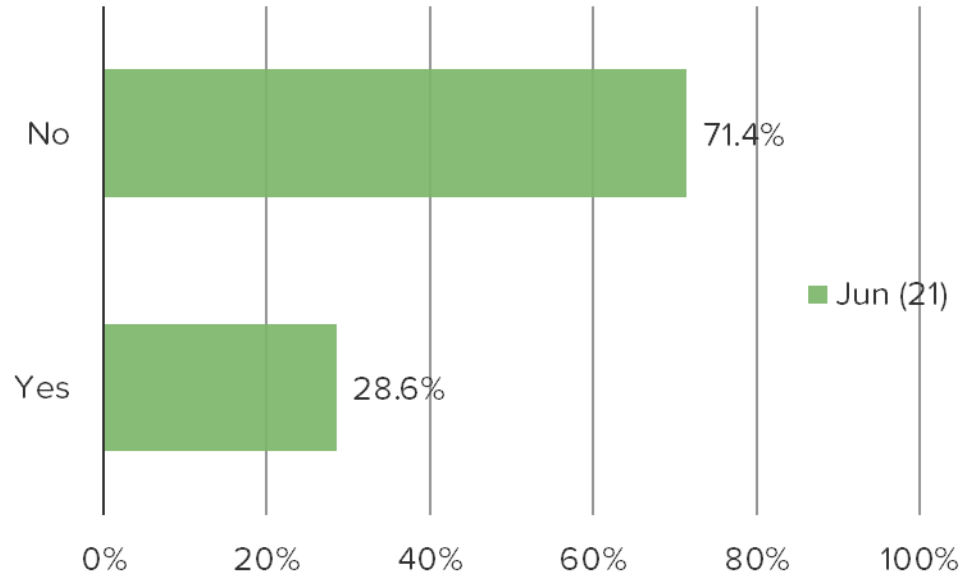
Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to buy from an online site/app.



N=324

Have you looked into this purchase and encountered any tight supplies/limited inventory?

Posed to all respondents who are looking to buy a used vehicle and indicated they would be most likely to buy from an online site/app.

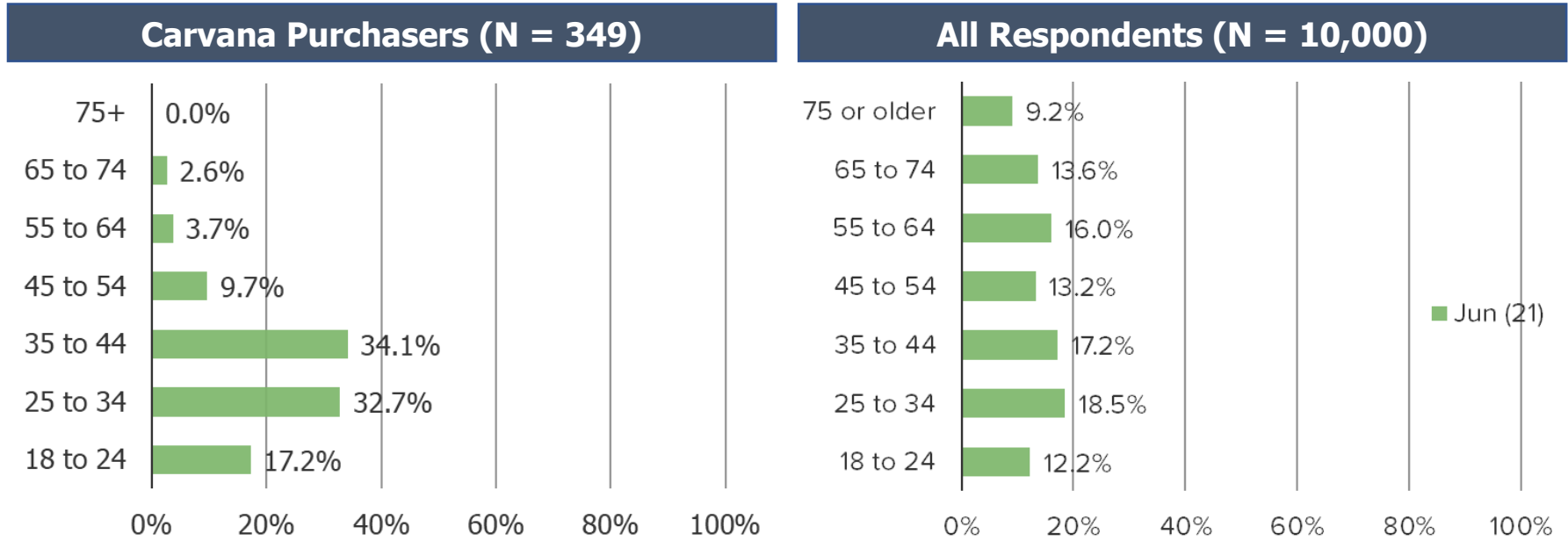


N=1015

Demographics

What is your age?

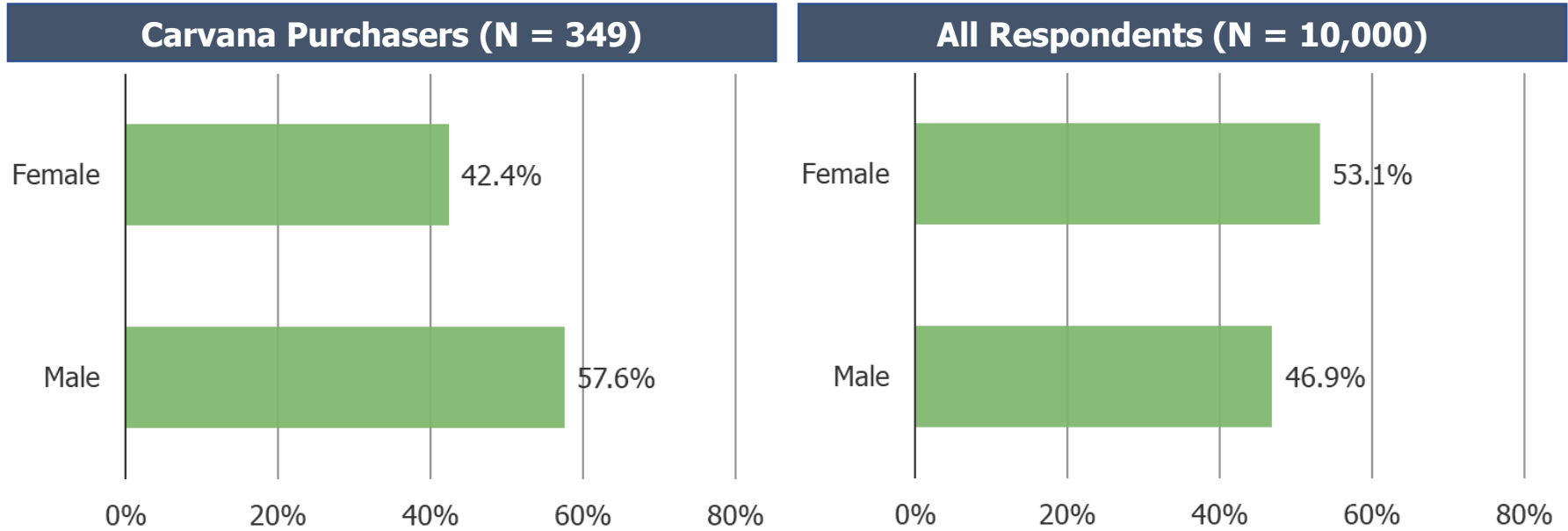
Posed to all respondents.



N=10000

What is your gender?

Posed to all respondents.

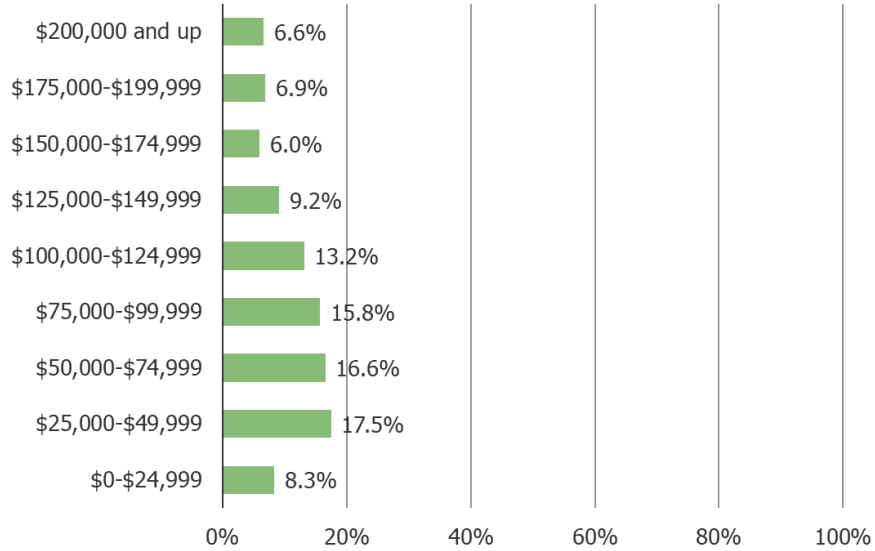


N=10000

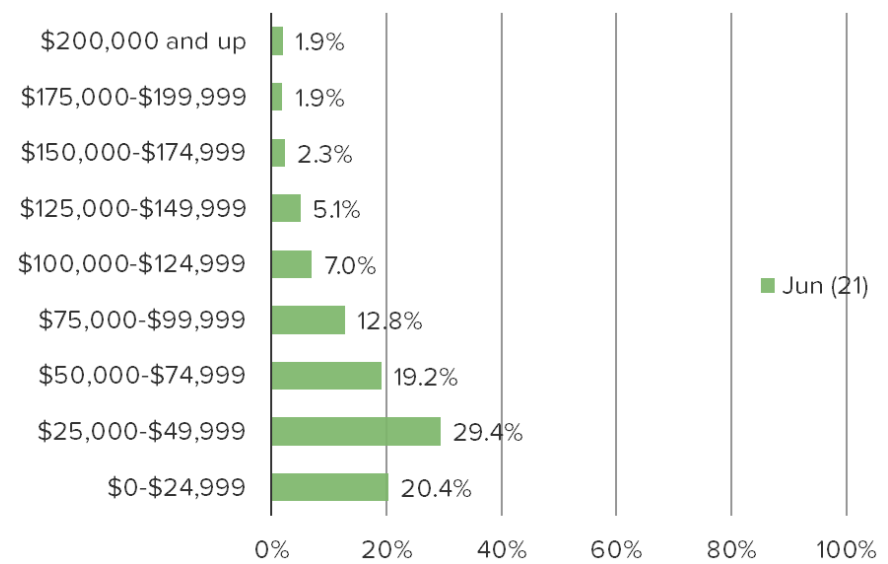
What is your approximate average household income?

Posed to all respondents.

Carvana Purchasers (N = 349)



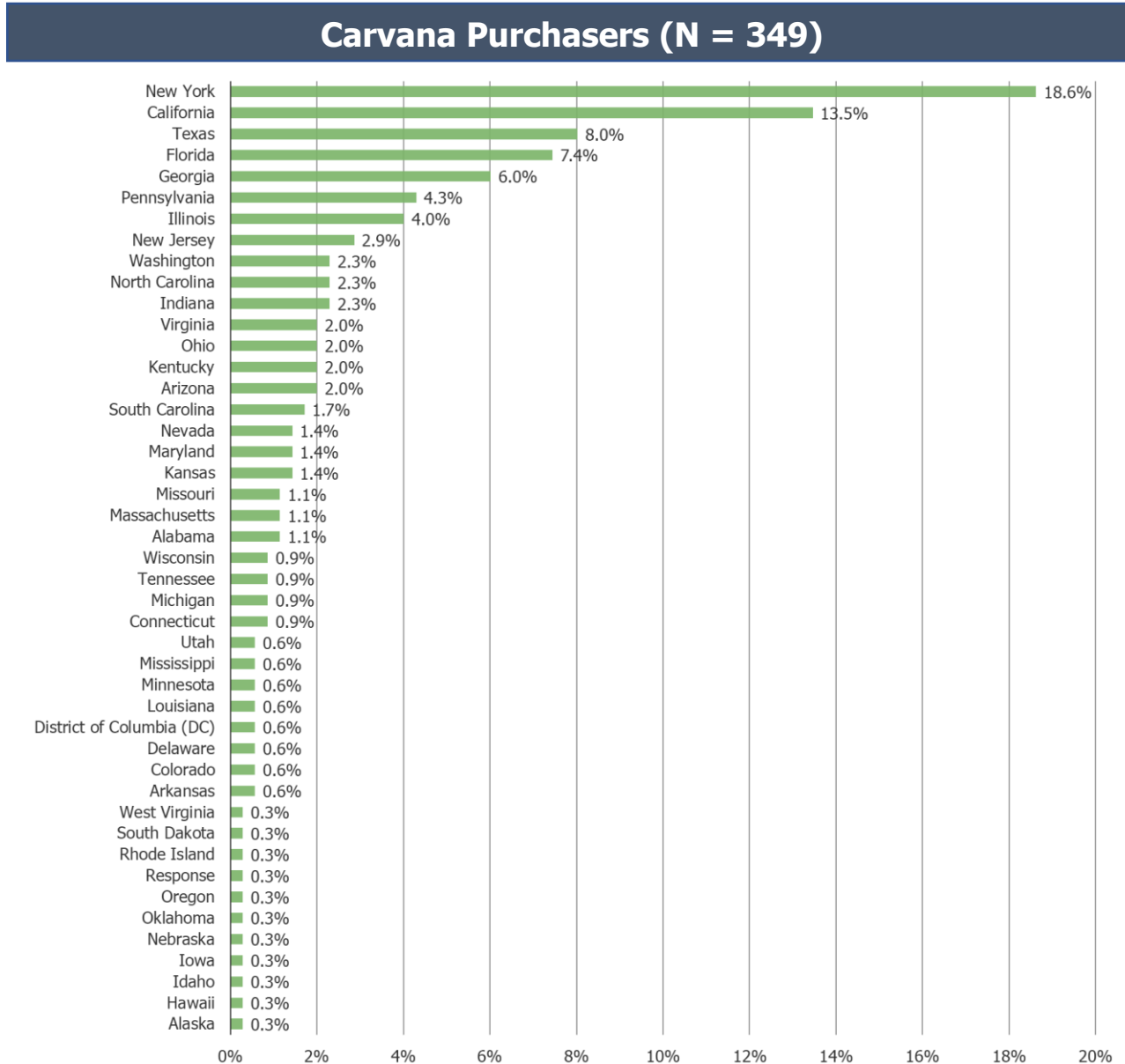
All Respondents (N = 10,000)



N=10000

In what state or U.S. territory do you live?

Posed to all respondents.



N=349