Auto Retail Bulletin

Be better informed

Issue 246 **September 2024**

Why retailers need a Customer Data Platform

Ian Godbold says a Customer Data Platform, or CDP, is a must-have all UK retailers should now have on their radar.

He has followed the development of CDPs in the US over the past few years, and believes retailers over here should now be following suit.

A CDP is a tech tool focused solely on capturing customer data. It doesn't replace a DMS or CRM, but works alongside them, as part of a 'three-pillar' technology suite. The magic of a CDP is its ability to fully integrate with all parts of your marketing activity. It draws real-time signals from retailer websites, across the full suite of tools and plugins. They help generate richer data, which marketing specialists can then use to deliver far better conversions. It can be transformational – and we really are just scratching the surface of what a well-optimised, well-integrated CDP can help retailers achieve. For marketing executives, it's hugely exciting!

Full story – see page 10 Digital

How discounting is hitting new entrants

William Brown, IM Group UK MD, believes the growth of Chinese new entrants in the UK is being slowed by the level of discounting established brands are having to give in order to meet their ZEV Mandate targets.

"When a Chinese OEM comes in, they have their preset idea of what margin is required to operate in the UK market. However, once they arrive, they can't comprehend the level of discounting on electric vehicles."

Brown says this means the next few years are going to be "very, very difficult" for new entrants in the UK.

"If things don't change, OEMs will look at their sales of ICE vehicles and reduce those to make their electric vehicle targets more manageable in terms of fines."

Full story – see page 12 Interview

Polestar's agency shift explained

Alastair Cassells says Polestar's abandonment of pure agency is a bold move that will help the brand augment its presence and sales effectiveness.

Led by new UK MD Matt Galvin, the move should fix longstanding issues including remarketing as an afterthought, product competition, Polestar's fleet bias and its RV freefall. This is even more challenging when your company is haemorrhaging cash and your market capitalisation is in freefall.

"Let's hope that Polestar can be a contender, and not the next Fisker."

Full story – see page 14 Agency

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In this issue

NETWORKS REPORT 2024

The complete guide to the structure and sales performance of automotive retail networks

See page 5 for details

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Motors to relaunch Cazoo in new year

Motors is working behind the scenes to develop a new customer facing website platform for Cazoo, the brand it bought when the online car retailer collapsed earlier this year.

The new system will allow Motors to offer faster development progress in future and could allow Cazoo to offer new as well as used cars, according to Motors [boss] Phill Jones.

Commenting on Motors' plans for Cazoo, Jones said: "The vision, is that in Cazoo, we have a brand that has high awareness with consumers. We believe it has sufficient flex with consumers that people don't just think of it as a place to go and buy a car and we think that's something we can take advantage of."

Jones added that Motors strategy of offering a place to sell cars in multiple channels, including Ebay, Gumtree and Parkers would continue and that Cazoo fitted with this approach.

He said that the new system that will power Cazoo should be launched in Q1 2024 and looking ahead Jones said: "Aspirationally, we like the idea of Cazoo being broader than just used cars, but the near term priority will absolutely be used cars. That's the bread and butter. But we believe that if a marketplace is really successful, it does a bit of everything for everyone."

Vertu warns of ICE rations

Vertu chief executive Robert Forrester earned a front-page headline in the Telegraph earlier this month with his assertion that some OEMs are rationing sales of petrol and hybrid vehicles in Britain to dodge penalties from the ZEV Mandate. Alongside ICE rations, retailers are grabbling with a glut of expensive EVs that are "not easily finding homes.

"It's almost as if we can't supply the cars that people want, but we've got plenty of the cars that maybe they don't want. They [OEMs] are trying to avoid the fines. So they're constraining the ability for us to supply petrol cars in order to try and keep to the government targets."

He added that although some people might cheer falling electric car prices, supporters of the ZEV mandate in its current form were "economic buffoons, because car manufacturers are being forced to discount EVs to such an extent that they're making losses… and that is not a good thing for business".

Industry should 'handle ZEV Mandate wisely'

As pressure mounts to meet ZEV Mandate requirements, CAP HPI is warning the automotive industry to "act responsibly. Director of valuations Derren Martin says it will be "essential to manage supply channels wisely, avoid oversaturation and recognise the limits of discounting as a toll for maintaining market balance".

There is a particular onus on OEMs to carefully target discounts to minimise distress and protect overall market stability, he said. "We should recognise that oversupply in certain channels, and aggressive discounting strategies, can hard residual values, especially for individual models."

CAP HPI says that although some commentators have predicted a problematic Q4, it believes there is unlikely to be an overall dramatic adverse effect on used EV values. Indeed, the market could even see a positive impact on petrol and diesel values, if OEMs hold back sales of ICE vehicles to achieve a higher percentage of EV sales.

"The vast majority of BEV models are already cheaper than their petrol or diesel equivalents, sometimes by thousands of pounds. However, there could be more pressure on late-plate EVs if new models are discounted heavily.

Auto Trader, Carwow build consumer ties

Major consumer titles Auto Express and What Car? have both announced partnerships with leading UK marketplaces Carwow and Auto Trader respectively,

Auto Trader, a member of the FTSE 100 index, is building on an existing partnership with What Car?. Since 2022, it has powered the title's used car listings (along with sister title Autocar). The new deal, which goes live in October, expands this to brand new in-stock and 'available soon' cars, with the prediction of around 20,000 new cars available for display each day. Readers who select one of the cars are "seamlessly" transitioned onto the Auto Trader platform.

Carwow, which has raised $202m from investors and purchased Auto Express, Evo, Carbuyer and Driving Electric earlier this year, has launched a 'Sell My Car' service on Auto Express, which it says will now be presented to the title's 45 million annual unique users. All cars listed by private sellers, it explains, will now go directly into Carwow's daily online auctions, providing retailers with access to an increased volume of fresh used stock. The new partnership was launched with a rebrand for the Auto Express website and print magazine.

Auto Trader COO Catherine Faiers said: "These significant investments will not only make it easier and more cost effective to access a huge new car buying audience earlier in the journey, but also drive more highly-engaged new car buyers to our partners' stock. We believe it's among the most powerful ways in which we can support our partners."

Carwow Group CCO Sally Foote said: "This will give our dealer partners access to even more fresh stock in our daily auctions, which we know is hugely important to keep forecourts full. This is a significant new offering, increasing our ability to reach even more in-market consumers and connect them with our dealer partners."

Auto Trader says it is a multi-year partnership which will "enable the combined unique audience of nearly 11 million people to research, locate and buy a brand new car across both platforms, in a single seamless journey". It replaces the existing What Car? 'New Car Deals' configurator, which will be replaced with a new car display and search function powered by Auto Trader.

Carwow, meanwhile, says it has already put more than 160,000 used cars back onto retailer forecourts since launching in 2021, and "the figure is set for accelerated growth with additional listings coming from Auto Express' readership – the largest for any automotive weekly title in the UK".

Nathan Tomlinson: having the right brand is crucial

The consensus from many retailers Auto Retail Bulletin has spoken to over the past month is that new cars are a struggle at the moment, with one telling us that they went into September with low expectations – and they are being realised. Another predicted an awful September, with mass pre-registrations at the end of the month, while another commented it's all fleet and Motability.

The price sensitivity of EVs was highlighted, with cheaper and more affordable models performing far better than pricier ones – the right price, it seems, can overcome any other worries about range, charging infrastructure and so on.

However, we've found things do seem to be brand-specific. While many brands are finding things challenging, there are some standout performers, which is bringing cheer to retailers holding those brands. Nathan Tomlinson, MD at Hyundai retailer Devonshire Motors, is one such retailer enjoying this enviable position.

"September is looking really good – in fact, Q3 has been really good in terms of new car. This year, we have had an almost equal spread of registrations, with a strong retail element, across three months of a quarter, and that includes a 26% EV mix. Hyundai deserves a lot of credit here, because the new product just keeps coming and coming."

This includes the new Santa Fe, which you can read about on page 20. "Existing customers already understand its premium appeal, but what we are seeing – and are most excited about – is interest from customers who currently own other luxury-brand SUVs."

Sentiment is 'odd'

Even so, Nathan is less sure about how winter will look in terms of consumer confidence. "Customer sentiment is odd… you see measurable reactions to news – and often not the facts, but to the predictions and forecasts, which erode confidence and have an immediate impact on sales. I would say this is having the biggest impact on the consistency of new and used sales, both ICE and EV. The government continues to contribute towards this confusion and uncertainty, and I think

> "" While many brands are finding things challenging, there are some standout brand performers, which is bringing cheer to retailers.

we're now working through a period where customers have every reason to just 'wait and see' with no real incentive to make a decision.

"We're instead working to create our own bubble, getting a competitive business edge by connecting with people and giving them the confidence to buy. We've had so many instances of objection to EV at the consideration stage, which turns to surprise and delight at the testing stage, and then becoming raving advocates once they discover the benefits. I see so many businesses pushing back against what customers need right now, due to a lack of resources or people skills."

Nathan agrees with other retailers in that range anxiety isn't an issue when it comes to EVs, and "purchase price is more relevant, due to interest rates". He also finds it interesting that the running costs comparison isn't yet widely understood, as critics bash EVs on list price or depreciation. "People went mad and spent a fortune on diesel cars 20 years ago to get another 20mpg; we've calculated that petrol would have to fall to 84p a gallon to match an EV on costs. Why can't we sell that as a benefit?"

The ZEV Mandate, he adds, is causing pain to retailers, customers and OEM partners alike. "Somehow, at government level, we've managed to mastermind a path to zero-emissions which punishes, penalises and pressures our sector, rather than being organic, natural and enjoyable. We've got something good here, so why aren't we making the journey the celebration it should be?"

Devonshire, he adds, is seeing no restrictions at all on ICE supply.

Demands in 2024

The biggest challenge auto retailers are facing in 2024 is the cost of operating, but Nathan believes it can be managed. "Automotive is creative and entrepreneurial. Once we understand where sales and the gross level settles, we'll adjust the business to suit.

Aftersales is also taking a bit of pain, adds Nathan, as the trajectory towards fewer moving parts and longer service cycles continues. "It's all part of cost of ownership management. Saying that, we've always had so much leakage in productivity and opportunity in aftersales – there may be less low-hanging fruit these days, but there's still plenty to work on."

Looking ahead, while Nathan had expected we'd be further into the cycle of interest rate cuts by now, he does expect 2025 to be the start of "the new normal – further economic recovery, OEMs having a better understanding of how the ZEV Mandate is impacting them, retailers getting better at EV and adjustments to how we operate. With so many things changing all at once, when you're in the midst of it, as we are know, things will always be uncomfortable. However, I really feel that 2025 is where we start to settle in to creating the next phase of auto retail." Many who are facing a less comfortable September will be sharing his hope.

Average eVHC revenue 14% higher than 2022, but at what cost to customer retention?

Revenue performance in aftersales has been broadly flat over the past 3 months, with small fluctuations in average eVHC values and conversions identified, suggesting that for now at least, price hikes appear to have slowed down.

BY JOHN LAW
Executive director of insights at CitNOW Group

However, the small fluctuations over the few months have always been in same direction, with average value of Red work identified creeping up, and eVHC Red work conversions falling downward.

For identified Red work, this has increased from an average of £263 in January 2023 to £300 in August 2024, a 14% increase. In parallel to that, red work conversions have had the opposite trend, falling downward. Whereas in January 2023, red work conversions sat at 48.2%, in August 2024, they sit at 45.9% – a fall of 4.8%.

At a retailer level, this fall in conversion is somewhat being masked by the rising prices, being seen on the bottom line as an improvement in aftersales revenue. However, we suspect the longer-term impact on customer retention rates are not being considered.

An average retailer completing 100 eVHCs a week would, in 2022, have generated approximately £313,596 in Red repair revenue annually. The same retailer in 2024 is now generating £358,430 annually, a £44,833 increase in bottom line revenue.

However, this revenue improvement is at a cost.

In 2022, 100 eVHCs per week would have been equal to approximately 2,652 jobs being identified with Red work each year. The lower conversion rate now means that a number of these jobs, and the connected customers, are being lost, with customers going to fast-fits or independents for the work.

The fall in conversion rates from 2022 to 2024 is the equivalent of an average retailer losing 110 customers to competitors each year, and as conversation rates continue to fall, this number will only increase. Food for thought for retailers looking to sell them their next car or retain them for future service work.

Overall, we have estimated that for every 5% that Red work values increase, Red work conversion falls by 2.5%.

The higher revenue may be good for now, but it does means that retailers are having to work harder to acquire more 'new' customers to keep workshops full, as customers look to competitors for repair work to be completed.

If retailers are looking to retain more customers, maybe a review of repair work may be a place to start to prevent leakage to the competition.

AFTERSALES KPI FIGURES, AUGUST 2024

Report name	Type	Brand Type	Definition	Aug' 23	Aug '24	YoY Diff	Avg. 6 month performance (Sep-Feb)	Avg. 6 month performance (Mar-Aug)	H on H Diff
Average Red Work Identified (£)	£		Average Value of Red Work	£279.96	£300.91	7.48%	£288.97	£299.40	3.61%
Average Amber Work Identified (£)	£		Average Value of Amber Work	£280.64	£301.50	7.43%	£279.39	£298.14	6.71%
Average Red Conversion (%)	%		Identified / Sold Red Work	46.30%	45.90%	-0.9%	45.99%	45.72%	-0.6%
Average Amber Conversion (%)	%		Identified / Sold Amber Work	8.70%	8.70%	0.0%	8.64%	8.70%	0.8%
Average Amber Tyre Conversion (%)	%	Volume Brands	Average Amber Conversion of Tyres	4.01%	3.35%	-16.5%	3.48%	3.48%	-0.2%
	%	Premium Brands	Average Amber Conversion of Tyres	3.80%	3.42%	-10.0%	3.72%	3.60%	-3.1%
Average Red Tyre Conversion (%)	%	Volume Brands	Average Red Conversion of Tyres	32.80%	30.27%	-7.7%	30.68%	30.74%	0.2%
	%	Premium Brands	Average Red Conversion of Tyres	27%	23.37%	-12.5%	24.25%	23.56%	-2.9%
Average eVHC time to completed (Mins)	Min	Average Clocked	Time per eVHC	15.88	16.6	4.5%	16.61	16.38	-1.4%
Technician Utilisation (%)]	%		Total productive hours/total available hours	80.40%	78.50%	-2.4%	81.36%	79.61%	-2.1%

*Data provided by REALtime Communications and based on average performance of 1000 UK Rooftops

> The lower conversion rate now means that a number of these jobs, and the connected customers, are being lost, with customers going to fast-fits or independents for the work.

AFTERSALES KPI FIGURES, AUGUST 2024

Used Car KPIS	Type	Brand Type	Definition	Aug' 23	Aug '24	YoY Diff	Avg. 6 month performance (Sep-Feb)	Avg. 6 month performance (Mar-Aug)	H on H Diff
Average DMS Total Sale Value	£		Averaged Used Car Sale Value	£22,570	£23,313	3.3%	£21,635	£22,734	5.1%
Average Days to Sell	Days		Average Days to sell Used Cars	48.80	44.10	-9.6%	54.77	45.83	-16.3%
Average Sales GPPU	£		Average Gross Profit Per Unit Used Cars	£1,430	£1,339	-6.4%	£1,262	£1,388	10.0%

*Data provided by REALtime Communications and based on average performance of 1000 UK Rooftops

Aftersales customers DO want to hear about value-add products

The automotive retail sector continues to face challenges, with inflation remaining stubbornly above the Bank of England's target of 2%, and the ongoing cost-of-living crisis meaning many household incomes remain stretched. Retailers find they need to work harder to optimise revenues and profitability from new and used car sales, and aftersales departments are having to do more to make up the shortfall.

Franchise retailers have always had to compete with independent garages for custom, sometimes sacrificing margins to do so. In this context, it is increasingly important to find legitimate ways to maximise profit per transaction. One of the key methods is through the upselling of traditional value-add products and services, such as service plans, extended warranty packages, and seasonal vehicle checks.

To understand what UK customers think about being upsold such items, we commissioned a survey amongst 1,000 drivers who take their vehicles for service and repair to main franchised retailers. Importantly, we found that almost three-quarters (72%) were 'interested in hearing from their dealer about additional products and services relevant to them when they have their vehicle serviced'.

The survey highlighted that there remains a significant opportunity for retailers to upsell additional products and services to aftersales customers, with service plans emerging as the most in-demand item. A total of 39% of respondents expressed an interest in being informed of such maintenance packages when checking their vehicle in for service, repair or MOT.

Other products and services that customers want to hear about include seasonal summer or winter check-ups (34%), oil top-ups (28%), extended warranty packages (26%), an air conditioning re-gas (25%), windscreen wiper blades (25%), and car care products (20%). Some items are apparently less appealing to customers. Only 16% say they are interested in being offered key fob batteries, although that is somewhat at odds with our own data that shows these low-cost items are often purchased when offered via digital check-ins.

Our survey also uncovered differences in interest across different age groups and regions. Younger drivers aged between 18-24 showed the highest level of interest in being upsold additional products and services, with 60% answering that they were 'very interested'. However, older drivers aged 65 and over were the least interested, with 45% stating they were either 'not very interested' or 'not interested at all.'

Geographically, retailers in Northern Ireland have the most receptive customers, with 92% of respondents from the region indicating an interest in hearing about additional products and services. This was followed closely by London (87%) and the North-West (73%). In contrast, customers in Wales and the West Midlands were found to be the least interested, with 41% and 34% of respondents respectively indicating a lack of interest.

These results show that there is a clear demand for additional products and services among aftersales customers. This presents a valuable opportunity for retailers to enhance customer satisfaction and increase revenue by offering relevant add-ons when customers arrive to check-in their vehicles for servicing or repair. With our digital tools in place, retailers can better identify customer needs and provide targeted upsell opportunities, making the aftersales process more seamless and personalised.

Author Christian Mark is CEO and Co-founder at Tjekvik, a commercial partner with *Auto Retail Bulletin*

The market is tracking up – but for how long?

BY PHILIP NOTHARD
Insights director at
Cox Automotive

"These pricing strategies could disrupt the used car market. Heavily discounted EVs entering the used market could have unpredictable residual values, creating financial uncertainty for the sector."

After the turbulence of recent years, 2024 has been a surprisingly strong year for the UK automotive industry.

While the sector isn't yet back to 'normal,' we've witnessed a robust recovery in new vehicle production, surpassing global forecasts. Several major OEMs have regained momentum, contributing to a resurgence in both new registrations and used car transactions – up 6.1% and 2.7%, respectively. As we approach Q4, these positive trends raise important questions: Can this momentum continue, and what challenges lie ahead?

A cautious outlook for Q4

It is important to look at the new car market for context with used cars. Despite the encouraging start to the year, Q4 is set to be a challenging period. Pressures on manufacturers, retailers and consumers are converging, making for a complex landscape. While new car sales are forecast to reach 2.02 million by year-end, this figure still represents a 12.7% decline from the 2000-2019 average. The industry is also grappling with the residual impact of the pandemic, which resulted in 3.1 million cars not being produced. This shortfall creates ripple effects as manufacturers struggle to catch up while simultaneously transitioning from internal combustion engine (ICE) vehicles to electric vehicles (EVs).

An unrealistic and unnatural new car market?

A key challenge for manufacturers in Q4 will be meeting the Zero Emission Vehicle (ZEV) mandate. To meet this target, manufacturers have already made significant changes to their production lines and supply chains, despite ongoing challenges such as parts shortages and rising energy costs. The pressure to comply with this mandate is intense, as failure to do so will result in substantial fines, an outcome manufacturers are determined to avoid.

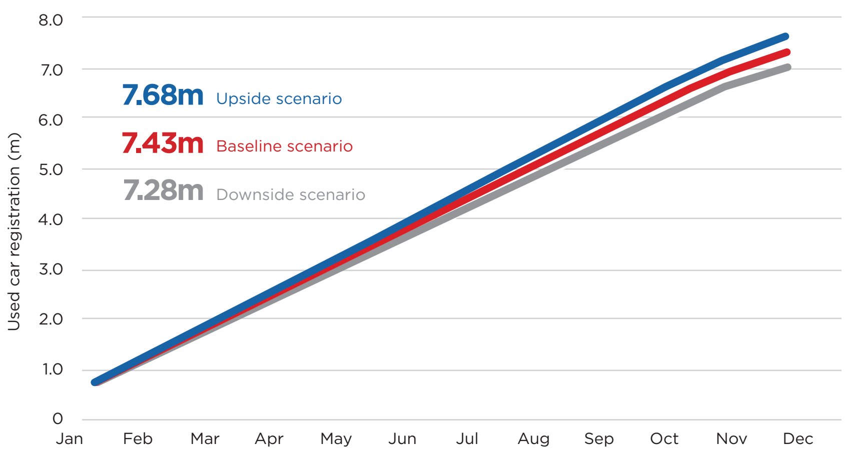
As EV sales have yet to fully meet expectations, manufacturers may resort to aggressive strategies in the final quarter. We could see a push to move EV stock through both fleet sales and retail pricing incentives. Alternatively, manufacturers might restrict the availability of ICE and plug-in hybrid (PHEV) models, potentially creating a scarcity that could frustrate consumers who are not yet ready to make the switch to EVs.

Retailers caught in the middle

For retailers, this scenario presents a double-edged sword. In the short term, they may struggle to meet consumer demand for ICE vehicles, leading to dissatisfaction among buyers who feel they are being forced into purchasing an EV prematurely. In the medium to long term, these pricing strategies could disrupt the used car market. Heavily discounted EVs entering the used market could have unpredictable residual values, creating financial uncertainty for the sector.

To navigate these challenges, retailers will need to be adaptable and forward-thinking. This might involve rethinking their sales

USED CAR REGISTRATIONS



strategies, investing in staff training to better handle the EV transition, and finding innovative ways to meet customer demand. Additionally, retailers must closely monitor the evolving market dynamics and adjust their inventory and pricing strategies accordingly.

Stability or volatility in the used car sector?

With our forecast predicting just over 7.43 million used car transactions by the end of 2024 – 0.8% up on the 2001-2019 average, and 2.7% up on 2023 – you could be forgiven for thinking we'd entered a period of relative stability and may, in fact, breathe a sigh of relief that things are getting back to pre-pandemic conditions. However, the reality is more complex.

The mix of vehicles in the used car market has shifted dramatically in recent years. A significant decline in diesel vehicles, a reduction in petrol models, and a rise in EVs have transformed the landscape. While the adoption of EVs in the used market has been slow, there are signs of incremental progress. As more EVs enter the market, retailers will need to adapt their sales and marketing strategies to cater to a changing consumer base.

Economic and political influences

The broader economic and political environment will also play a crucial role in shaping the automotive market in Q4 and beyond. The UK's summer election and subsequent change of government have introduced new economic policies that will take time to filter through to the automotive sector. However, with Prime Minister Keir Starmer indicating that the upcoming Autumn Budget could be "painful," the industry must brace itself for potential challenges.

Interest rates, although easing slightly, remain higher than pre-pandemic levels. The last time the UK saw interest rates at 5% was in 2008, a period marked by significant economic instability. While inflation has fallen significantly since its peak in 2022, it remains a concern. The International Monetary Fund (IMF) has warned that persistent inflation may necessitate keeping interest rates higher for longer, which could dampen consumer spending and slow the recovery of the used car market.

For consumers, this means their purchasing power is diminished. Compared to 2019, today's budget might buy a car that is older, has higher mileage, and is in poorer condition. This shift in consumer expectations is leading some traditional used car buyers to hold onto their vehicles for longer, while others may be swayed by the attractive deals currently being offered on new cars by manufacturers eager to meet their sales targets.

Where to next?

Looking beyond Q4, the road ahead remains uncertain. While it would be comforting to predict a return to stability, the reality is that the automotive market is likely to remain volatile for some time. In an increasingly unpredictable market, the ability to spot trends early, respond swiftly to changes, and maintain a calm, data-driven approach will be crucial.

Carwow: A ‘race to quality’, not ‘to the bottom’

Remember 2020? While retailers were busy figuring out how best to sell cars in a global pandemic, Carwow was quietly revolutionising its business model.

It's been four years since we bid farewell to our unpopular cost-per-sale model and replaced it with a cost-per-enquiry system to better align with the needs of our retailer partners. Our (not so new) cost-per-enquiry model is like speed-dating for car sales – we bring the interested buyers, you bring the knowledge and expertise to help customers make sure they find the right car for them.

But some retailers remain unaware of this seismic change and therefore are still sceptical about whether Carwow can provide a cost-effective route to boosting sales and margins. Rest assured, this wasn't just a minor tweak; it was a complete overhaul that gives our now 2,000+ retailer partners more control of their marketing spend and ROI. It eliminated any ‘race to the bottom’ mindset, prioritising instead a focus on connecting buyers to the best retailer for them.

Beyond that crucial change, our proposition ensures retailers enjoy these three key benefits...

Reach millions of potential customers: With 9.2 million YouTube subscribers, 3.5 million unique visitors to our website every month and our acquisition of the well-established, traffic-driving brands *Auto Express*, *evo*, *Carbuyer* and *Driving Electric*, we help retailers connect with high intent in-market buyers, all year round.

A genuine mutual partnership: We always listen and act on partner feedback to make Carwow better for everyone; ditching our cost-per-sale model being the prime example. As digital marketing experts and leaders in consumer content, our investment in reaching consumers is ultimately all about driving enquiries for you.

Laser focused on your ROI: With no costly subscription fees or limits on the number of cars you can advertise, you only pay for the high-quality enquiries you actually receive. Our teams work with retailers on a daily basis to help maximise their sales conversion rates through the application of best practice and effective data-sharing, so that every £1 you spend with us delivers optimal profit for you.

Why does this matter? Because in today's competitive market, every lead counts. The cost-per-enquiry model means you're not paying for the end result, but instead the opportunity to showcase your expertise, build relationships, and close deals on your terms. It's a model that respects your sales process and acknowledges the value you bring to every customer interaction.

Partnering with Carwow helps retailers secure a pipeline of highly qualified enquiries to drive their business forwards. So, perhaps it's time to change what you think you know about Carwow and explore the untapped potential of the actual Carwow.

If you're interested in learning more about retailing new or used cars with Carwow, get in touch via commercial@carwow.co.uk

Will Jackson, is head of commercial at Carwow, a commercial partner with *Auto Retail Bulletin*

Why it's time your retailer had a Customer Data Platform

BY IAN GODBOLD
Marketing and digital transformation consultant and founder of IGC Digital

"A CDP hands control back to retailers, and allows them to better rate the success of any marketing activity. Instead of trusting everything is being done correctly, retailers can inspect things and check for themselves."

In Auto Retail Bulletin last month, Twilio's Peter Bell spoke about how many auto retailers are turning to Customer Data Platforms (CDPs) and data warehouses to effectively retrieve, clean, manage and interpret the swathes of customer data at their fingertips. This is a trend I have already observed for several years in the US, and I now believe it's time UK auto retailers started to focus on CDPs.

What is a CDP?
As its name suggests, a CDP is focused solely on capturing customer data. While a CRM contains customer data, it is more 'static' and doesn't capture any sort of behavioural data. Indeed, neither DMS nor CRM were ever designed to create an amazing customer experience. They are 'historic' (and often in need of a data cleanse), whereas a CDP is a living, breathing thing.

A CDP helps connect the disconnected. On a retailer website, there can be 15 or more plugins, APIs and other sources, all of which contain a sliver of customer information. Retailers don't have one single view of the customer. This is where a CDP comes in – gathering information from all these tools in real time, it gives retailers full oversight of their customers, and full control of them.

Brian Pasch is founder of Pasch Group, an automotive technology consulting firm based in Florida. He too has been banging the drum of CDPs for many years now, and in America is seen as a go-to expert on the technology. He explains that CDPs are now forming part of the three pillars of technology that all auto retailers need. As explained, there's the DMS for transactional data, the CRM for active communications with customers – and now the CDP for unified customer profiles, which is constantly updated based on all customer and marketing activity. I like how he describes the CDP as the 'true north' for the accuracy of all customer data to run your business on.
It also helps shine a light on your marketing activity. Most retailers put all their faith in their marketing agency, as they have little visibility of what's going on behind the scenes. A CDP hands control back to retailers, and allows them to better rate the success of any marketing activity. Instead of trusting everything is being done correctly, retailers can inspect things and check for themselves.

You're also likely to see a reduction in marketing spend, simply through not contacting customers that, for example, are dead, have changed their car, or whatever. The information you're working from is always live and up-to-date. I would add here that the goal shouldn't necessarily be a reduction in marketing spend, but delivering a better return from what you do spend. That's exactly what Salesforce, a key CDP supplier, has been claiming to US retailers for some time now.

How do CDPs work?
The buzzword in the UK right now is AI. More and more suppliers are claiming to have AI functionality and a tech stack that pulls everything together. It's not necessarily as futuristic as it sounds, though, because CDPs have successfully been doing all this in the US for several years. The AI functionality is an added extra, but the core of it remains the fundamentals of how a good CDP works.

It is the sheer amount of real-time signals from retailer websites, across all their tools, that makes a modern CDP possible. They capture exactly what is happening on your website, in great detail. Key to it is that, as more tools follow the latest Google GA4 standards, all these are transmitted into Google Analytics – and the CDP can 'listen' to these and update customer records in real time. This includes filling out forms, online chat, finance applications, with everything connected and joined up.

Overall, the sheer scope of what a CDP allows retailers to do is enormous. It includes:

- **Collect, organise and securely store data**
- **Identify customer and household data**
- **Enhance customer data**
- **Model and segment data**
- **Activate data across multiple channels**
- **Measure and provide feedback**

CDPs, Brian concludes, allow retailers to manage their portfolio, eliminate marketing waste, control the cadence of messages and know when their shoppers are active in the market. He uses data from Treasure Data, a pure-play CDP operator, to highlight the various use cases for automotive – there are 21 of them, spanning awareness and consideration, lead nurturing, personalised and targeted private offers, customer experience, sharing data with retailers and aftersales.

Take website shopping alerts, for known customers with identify-resolved customers. They didn't call… but they're back on your website, and only with a CDP will you know that they're back – this is a competitive edge. Brian says there are hundreds of customers like this at any one time. Or take filling in forms, which retailers know the majority of people don't fully complete. With a CDP, they can be alerted that a known customer was on their site filling in a form, but didn't complete it, and could be a candidate to call.

What is the future of a CDP?

Again, many US retailers are already well on the road to fully embracing a CDP. In the future, says Brian, a retailer CDP, with more and more integrations, can be the warehouse of building customer profiles, which can then be activated through different marketing partners and also across personalised communication channels. This not only includes the DMS, CRM and website, but also credit applications, telephony platforms, texting platforms, chat, equity mining, third-party leads, service schedules and internet shipping signals.

They deliver a single customer view that marketing automation platforms can use in advertising on Facebook, Google, display, email, OTT and so on, and also in communications such as personalised messaging, a customised website design, a bespoke showroom experience and even the recognition of loyalty. The idea is that all outcomes get updated in the CDP, in real time, giving an always-live view of each and every customer.

Retailers will also be able to dynamically create custom lists – active EV buyers, for example, or customers nearing the end of their PCP deal – and then push these to a marketing company so they can run the campaign. Retailers would automatically also get feedback, such as if an email bounced, enabling them to eliminate waste and take far better control of their communications. Brian calls it the perfect scorecard of where each customer is in the lifecycle, allowing retailers to decide which should be activated with marketing activity. Specialists will still do the marketing work, but retailers will be supplying them with far richer data, thanks to the capabilities of their CDP. This is why I think it can be so transformational!

EV sales at BCA reach record levels

BCA is reporting rising volumes of electric vehicle sales, with a record week in July as professional buyer demand continues to climb. The volume of EVs reaching the remarketing sector is roughly doubling each year and is likely to continue to do so going forwards. Government policy is to increase the car parc share of EVs to meet climate change objectives and OEMs are being "incentivised" into producing more electric vehicles.

The first week in July saw nearly 700 electric vehicles sold, with BCA on track to potentially record sales in excess of 30,000 units over the next 12 months. Steady demand is leading to pricing stability in this sector and a much less volatile pricing structure as the market moves into the second half of the calendar year. The last few weeks have seen first time conversions average over 80% across the wide range of EV product on offer at BCA and over 1,200 different customers have purchased EVs since April.

Last year BCA sold 32 different brands of EVs and with rising volumes and a wider choice of product from city cars to luxury vehicles, the potential marketplace for used EVs is significant. With many examples also being better value than their petrol or diesel equivalent, its perhaps a little surprising that uptake from consumers hasn't been more positive.

Whilst EVs remain a very small percentage of our daily online auctions, a much broader cross-section of buyers have engaged with purchasing and BCA have continued to invest in infrastructure to support the growth in volume and adapted some of our remarketing processes to reflect the distinct characteristics of EVs.

Specialist EV trade buyers at BCA are enjoying significant success right now, mainly driven by their understanding of the marketplace, their product knowledge, and their ability to dispel the myths surrounding EV which provides their customers with increased confidence. EV trade buyers know that their customers will want specific details about charge ports and cables and the time it takes to charge, as well as information about the remaining battery warranty.

If motor retailers are not looking into the opportunities that the used electric vehicle market represents today, they run the risk of having to play catch-up in the future, because switched-on dealers and EV specialists are enjoying great success right now in terms of profitability and stock churn. The first movers definitely have the advantage currently, but with many vehicles having pricing parity to their ICE equivalent, I'm sure that the entrepreneurial nature of the industry will ensure that EVs become a more mainstream used-vehicle feature in even more dealerships relatively quickly.

| Author Stuart Pearson is COO at BCA, a commercial partner with *Auto Retail Bulletin*

Chinese brands UK entry slowed by EV discounting

BY TRISTAN YOUNG
Editorial director of
Auto Retail Network

> When a Chinese OEM comes in, they have their preset idea of what margin is required to operate in the UK market. However, once they arrive, they can't comprehend the level of discounting on electric vehicles.

Chinese new entrant brands are taking a more cautious approach than expected to entering the UK new car market because of the level of discounting existing OEMs are putting on EVs to hit their ZEV targets, according to IM Group UK managing director William Brown.

Speaking exclusively to Auto Retail Bulletin for the latest 2024 edition of the New Entrants Report, Brown said the level of incentives in the UK's EV market has led to new entrants delaying their UK launches and rework their business models.

Many within the UK's auto industry had believed that recent EV tariffs in Europe on Chinese cars would only accelerate new brand entries to the tariff-free UK market. However, the UK's ZEV targets that require brands to hit 22% EV mix this year, 28% in 2025 and 38% in 2026 (with adjustments for CO2 savings on ICE vehicles), mean OEMs struggling with a lack of retail EV demand are resorting significant discounting in fleet to boost sales.

"I think the Chinese will really come on song in the later part of the period. So, from 2027 to 2030 – but the next few years is going to be very, very difficult for them," said Brown who is responsible for the distribution of the Chinese brand Great Wall Motors in the UK as well as Isuzu and Subaru.

"Ideally, ZEV should work in their favour, because they've got a cheaper cost of production. They've supposedly got the benefit of the [ZEV Mandate] credits, but at the moment, there isn't any credit trading work going on.

"We've got an all-EV brand, so we've got a bank of credits, and we've not once been contacted by anybody. We've contacted other people to see if they're interested in credits, but most people are saying 'no'. They'll [traditional OEMs] either go forward or increase the price of the vehicles, but the credit trading isn't happening.

"But the main reason the Chinese are struggling in the UK at the moment is because of the ZEV Mandate. You've got these targets that are artificially being pushed by the Government when you haven't got the retail demand there. The only way the manufacturers can do that is by using their internal combustion engines to compensate for the profit that they're not making on the electric vehicles.

Because the level of discounts are so high [on EVs], when a Chinese OEM comes in, they have their preset idea of what margin is required to operate in the UK market and they'll get that from what they use in China, what they do in Australia and other overseas markets. However, they come to the UK and they can't comprehend the level of discounting on electric vehicles.

"Even with the cost savings they've got in their batteries and manufacturing, they can't get anywhere near the pricing that some of these other manufacturers were able to do their vehicles for.

"The legacy auto automotive manufacturer can sell them cheaper. A lot of them will take losses [on EVs] but make profit on the ice vehicles. If you haven't got a good portfolio of ICE products where you can make some good profits, it's a real struggle."

Brown, said Subaru, deliberately added incentives at the start of the year to its Solterra EV in order to

> It's been a challenge for Ora because we have that electric-only brand, and when you're trying to compete with the traditional OEMs with huge marketing budgets, you have to compete on price.

achieve enough of an EV mix, so it didn't have to rush to a target at the end of the year when others were doing the same.

"We knew [discounting] was only going to get greater and greater. Our strategy was: we needed to get out of our electric vehicle stock in the first half of the year because it's just going to get more and more expensive with discounts and RV drops. So that's why you can see that we're about 23% EV.

"It was a cost, and that was the most efficient way to sell those vehicles, sell them quickly, before we get into the ridiculous levels now. I mean, some of the discounts are 50 or 60% to some leasing companies. We can see it on Leasing.com. You've got 150 quid a month for an electric vehicle. It's just bonkers. It's like a hundred pounds cheaper than the equivalent petrol vehicle."

The gamble existing OEMs are playing, using increasingly large discounts which could mean EVs are sold at a loss, is that at some point retail demand for EVs will increase, and EV sales will become profitable, before ICE sales are reduced to such an extent they can't support the EV incentives.

Brown added: "What everybody's hoping is that at some point in the future, post-2027 I guess, as we head more toward that 80%, the profit margins that OEMs have been used to on ICE vehicles will be there in electric vehicles. The big question mark is whether we'll ever return to those level of profit margins. If we don't, then there's serious problems for the whole industry, because at the moment nobody – well, with the exception of Tesla and BYD – has got the scale. For brands that are predominantly ICE or have got low-volume electric vehicles, it's really tricky. It's been a challenge for Ora because we have that electric-only brand, and when you're trying to compete with the traditional OEMs with huge marketing budgets, you have to compete on price."

Read more of the interview with William Brown in the New Entrants Report 2024, out next month. Auto Retail Bulletin subscribers can get an early-bird discount by calling 01572 724687.

> If you've got 50% discount for a new EV, there's no way a 3-year-old car can compete with that. The customers are saying, 'well, I can get a new car for that'.

Brown also said the upfront discounting on EVs was also impacting the used EV market which, in turn, reduced residual values and forced greater discounts to keep monthly prices stable.

"At the moment, you're looking at every quarter, the RVs go backwards. As a manufacturer, distributor, OEM, you have to decide, 'well, our RVs have gone down, so do we continue to put more money into it? Do we keep it the same?' What do you do? "For some OEMs, the discounts keep getting bigger because of the targets they need to hit, which is why you've got these deals. If you've got 50% discount going in here for new – if that's a 30 grand car that is being supported by 50% off – there's no way that 3-year-old car can compete with the new car. The customers are saying, 'well, I can get a new car for that'. It's a real mess."

Brown believes the solution has to be Government intervention along the lines that the SMMT and BVRLA are already suggesting.

"I think that if things don't change, manufacturers will look at their sales of ICE vehicles and reduce those to make their electric vehicle targets more manageable in terms of the fines they have to pay. It becomes more of a mathematical equation, which will reduce volume. The other thing that will happen is the price of petrol vehicles will go up over the next few years as demand remains relatively high for ICE vehicles. It will help some of the OEMs to equalise because everybody says we need price parity. Well, if the price of an ICE vehicle starts to rise, it makes it easier for the electric vehicles to claw back that margin they need to make it more viable for them.

"You're going to reach that tipping point at some stage, but as the targets get more aggressive, it's quite difficult to see how that's going to go. But I think that's why the whole industry feels that there's got to be some sort of Government intervention to smooth this out, not just the manufacturers, but for the customers as well."

How retailers can help Polestar as it abandons pure agency

BY ALASTAIR CASSELS
Automotive advisory partner at MHA. He also writes on Substack

> 2024 has seen a 56% drop in UK volumes, the share price (PSNY) has fallen from IPO of $13 to $1.22, and senior management are now being shuffled across the board, presumably to arrest the fall.

Polestar, the Geely-owned electric vehicle brand and would-be Tesla rival, has announced it is abandoning its 'pure agency' distribution model in favour of a 'Non-Genuine agency' (NGA) model in the UK.

What could have driven this decision, and what might change in terms of sales performance, which has recently been declining after a promising launch in 2020?

Polestar was born out of a Swedish motorsport team, which morphed into Polestar Performance AB, tuning Volvo production cars for better performance. Volvo bought the company in 2015 and repositioned the brand name as the moniker for its EV-only Tesla competitor.

Without going into the full family tree history of the company and its owners, the simplified version is that Volvo is owned by Chinese automaker Geely, and Polestar is jointly owned by Volvo and Geely. The cars are made in China and the Korean Renault plant in Busan. Essentially, this can be seen as a Chinese play to emulate the success of Tesla in the Western European market.

There are three Polestar models, creatively named the Polestar 2, Polestar 3 and most recently launched Polestar 4. Confusingly, model names reference their launch date, not their size, meaning the Polestar 3 is bigger and more expensive than the Polestar 4.

Launching with the 2, Polestar UK opted to adopt an agency distribution model rather than piggy-back on the Volvo UK retail network. The model looked to mimic Tesla, by creating destination 'Spaces' in high footfall shopping locations and have select retailer partners operate these Spaces on an agency-style contract. This was successful in helping build sales, to the point where volumes rivalled that of Jaguar and Lexus in 2023, with unit sales of c.11,000. (Tesla c.42,000)

However, 2024 has seen a 56% drop in UK volumes, the share price (PSNY) has fallen from IPO of $13 to $1.22, and senior management are now being shuffled across the board, presumably to arrest the fall. For balance, global volumes were better in Q2, but sales for H1 were c20k units. Last H1, the UK alone did over 8,000.

Polestar is not the only fledgling EV car brand to find consolidating its initial growth a challenge. Consumer confidence has not returned to pre-pandemic levels, governments are sending mixed messages on the urgency of decarbonising road transport and EV technology is not yet at a level or cost that easily trumps the ICE equivalent. EV demand in the US and European markets is growing, but not at the previous rates, and not in line with OEM forecasts.

The whole industry is staring into an abyss as it attempts to negotiate the technology shift.

What went well?
Polestar showed in the UK that you can build market share quickly and organically without matching more established competitors in advertising spend. The agency distribution model delivered an experience to customers and, importantly, a strong return on investment for retailers, who hitherto had been sceptical about a non-franchise model. To challenge Jaguar and Lexus market share in a such a short period of time was admirable, and the stated aim of maximum 15,000 unit sales seemed a sensible level to ensure profitability for the longer term.

What went wrong?
However, along with the positives, there were many negatives to Polestar's initial UK model.

> Any new sales director who inherits the situation that Matt Galvin has needs to make a bold move and he has been smart enough to recognise that the brand needs help in augmenting its presence and sales effectiveness.

1. Remarketing as an afterthought
As with Tesla, the remarketing strategy for returning vehicles was underdeveloped at start of sales. Having a remarketing strategy does not fully insulate you from market pricing adjustments, but it can provide a stable route to protecting residual values, and potentially developing additional revenues from second owners.

2. Product competition
The market for EV's has seen an explosion of competitive product offerings, with traditional OEMs progressively fighting back against the share taken by the likes of Tesla and Polestar. Whilst the Polestar product is technologically competitive, it is not as unique as it was 2/3 years ago.

3. Fleet bias
Despite launching a retail friendly, no-haggle agency model via some high-end and expensive mall stores, only around 20% of Polestar's UK sales volume was being purchased by private buyers. The fleet market is TCO-competitive and, in the UK, it is inflated in 2024 in the face of weak private demand, especially for EVs. OEMs have ZEV quotas to hit, and this is increasingly being achieved by manipulating sales in the fleet and business part of the market.

4. Residual value freefall
Increasing supply of EVs in the used market has seen residual values collapse in the last 18 months. This has caused significant write-offs for fleet operators, retailers and manufacturers. Whilst there are signs this is levelling out, confidence has been eroded. RVs on the Polestar 2 product appear to being set at c.40% in current PCP offers, which is not the typical territory for a premium brand product.

The response
Automotive sales can be an unforgiving environment. Timing is everything. You can ride the enthusiastic wave from brand/product launch, but at some point ,you have to be prepared for the monthly grind and the reporting of target achievement to head office.

This is even more challenging when your company is haemorrhaging cash and your market capitalisation is in freefall. Polestar burned through $2bn of cash in its last financial year. Sure, start-ups lose money – its in the forecast – but at some point, investors expect to see free cash flow positives. Polestar's most recent quarter places this 'burn rate' at -£1.1bn. In the context of cash and equivalents of <$800m, this is a problem that will require even more debt issuance or capital injection from Geely.

Volvo has already signposted its withdrawal from the brand, seemingly preferring to focus on its own challenges. Therefore, it's over to Geely to sort this out.

A new CEO has been appointed. Michael Lohscheller probably qualifies for the 'veteran auto guy' description. He was CFO and latterly CEO of Opel at the time where GM decided to divest of European operations to PSA (Stellantis). Michael clearly knows how to operate a loss-making entity, and one that is burning through cash, but his recent record is hardly one of success, having bounced from Opel to Vinfast, Nikola Motor and now to Polestar. The key question is can he build sales to a sustainable level that gives investors (including Geely) confidence that that Polestar can survive? Lohscheller is a good guy, but he's an accountant steeped in German automotive – that might not be the template for future success in this sector.

This brings us back to the UK and the decision to modify the distribution model. The headlines are skewed to suggest an abandonment of the agency sales model, but the truth is that this is a more subtle shift from a newly appointed UK MD. Any new sales director who inherits the situation that Matt Galvin has needs to make a bold move and he has been smart enough to recognise that the brand needs help in augmenting its presence and sales effectiveness. This opens the door to an enlarged role for the agents who operate the Polestar stores and a potential expansion of the distribution footprint.

Galvin has been magnanimous enough to recognise that "timing is everything and, as we move from a single car line-up to a three-car brand, I couldn't have timed it better". But he will be under pressure to demonstrate that sales can be recovered to and beyond the point achieved when the brand had a single product offering.

Sales guys always think more stores equals more sales, but it also means more costs, dilution of profits and less consistency of customer experience. The new NGA approach will allow for a greater role of the agent to market and trade and, judging by the inventory available for immediate delivery on the company website, there is a short-term challenge to shift metal. Polestar will be hoping that recruiting more retailer involvement will support a sales push and, equally importantly, a retention of customers who bought at launch and might be faced with significant negative equity due to the RV falls.

What next?
It looks like Q2 results were ahead of market expectations. Margin was stronger despite a reduction in revenues, and the share price experienced a bump. However, the company still needs to raise cash and, as is the case with the likes of Lucid, you cannot be sustainable in this industry on the volumes currently being achieved, even if Geely stands behind you.

Lohscheller has a tough task to expand international sales and recover volumes in already-established markets. And this is at a time where sentiment is wavering on EV adoption and established (still profitable) automakers are trying to navigate the switch to electrification. His biggest challenge will be to illustrate to a funder that volume can be grown while sustaining margins in an increasingly crowded market place. Keeping Opel/Vauxhall afloat in order to achieve a sale was no mean feat, but that was eight years ago, before electric cars were little more than a drawing in the engineering department.

Let's hope that Polestar can be a contender, and not the next Fisker.

How your retailer employees can become EV advocates

BY TOM CARR
Managing director at automotive consultancy PHM Group

"

The 'early majority' doesn't only include 'early majority' vehicle buyers – manufacturers must also convince their 'early majority' employees and retail networks, too.

Electric vehicle (EV) adoption is not just a trend; it's a crucial step in addressing climate change and advancing sustainable mobility. At the same time, EV sales are essential for the success of vehicle manufacturers' business models and their corporate responsibility initiatives.

Despite a surge in EV sales over the past few years, there are concerns that this initial growth is plateauing, leading to questions about the sustainability of EV adoption.
In some markets, this slow-down is limited to the private sector, with fleet sales continuing to grow; in others, the deceleration is more widespread.

Understanding the challenges
Multiple factors are contributing to the initial headwinds facing EV adoption, including reduced government incentives, concerns about infrastructure, and campaigns of misinformation. To overcome these challenges, the role of advocacy is crucial. But who are the key players? Enter vehicle manufacturers' retailer teams, who can be brand champions in driving EV adoption, if harnessed correctly.

As a starting point, we can borrow insights from E.M. Rogers' diffusion of innovations theory, and, at its most basic level, categorise audiences based on their adoption behaviour:

1. Innovators (2.5%) – individuals with a high tolerance for risk and are motivated by change, the first to adopt an innovation.
2. Early Adopters (13.5%) – visionaries who embrace change and enjoy experiencing new innovations.
3. Early Majority (34%) – pragmatists, who prefer to wait until an innovation is proven successful. They also respect the opinions of early adopters.
4. Late Majority (34%) – sceptics who only adopt once an innovation is widely proven.
5. Laggards (16%) – the change-averse individuals who value tradition.

Each of these audiences requires a different communication approach. The real challenge lies in crossing the chasm that exists between the 'early adopters' and the 'early majority'. 'Early adopters' like to be approached as thought leaders, appreciating detailed explanations of the unique features and benefits of the innovation. The 'early majority', on the other hand, needs to understand its value, cost, reliability, and ease of use. Most importantly, they require social proof that the innovation works.

Empowering employees
This 'chasm' is a critical point in the success of any innovation, and it's arguably where the EV market still resides. To succeed, vehicle manufacturers need to adapt their communications strategy to provide social proof to the 'early majority', which in this case, would mean sharing EV success stories from relatable sources. While fleet users can also be useful supporters, a stronger approach yet is to empower employees and retail teams to become true EV advocates.

There is, of course, a challenge, because the innovation of diffusion theory applies to everyone. The 'early majority' doesn't only include 'early majority' vehicle buyers – manufacturers must also convince their 'early majority' retail networks, too. How else can these individuals effectively sell EVs to the 'early majority' customers unless they are true advocates?

So, as a precursor to communications targeting the 'early majority', manufacturers must first address the advocacy within their own teams. Using change management and effective communication, they can create a supportive culture among their customer-facing teams. A good way to consider this is through the ADKAR model, developed by Prosci founder Jeff Hiatt:

- **Awareness:** Ensure stakeholders understand the benefits of EVs, their contributions to sustainable mobility, and their role in the business's success.
- **Desire:** Cultivate excitement and belief in EV technology, the manufacturer's strategy, and the quality of the vehicles being sold. Are they therefore understanding and engaging with the potential of EVs?
- **Knowledge:** Enhance employee knowledge of EVs and charging through learning and development programmes and certification. This must include hands-on experience – not just seeing them as a digital asset.
- **Action:** Encourage employees to associate positive experiences and emotions with EVs through test drives, ownership incentives, referral programmes, and engaging team activities.
- **Reinforcement:** Identify and empower passionate EV advocates within the network, celebrating their advocacy achievements through rewards and recognition programmes.

Building collaborative partnerships
Many retailers perceive EVs as a threat, regardless of whether they believe in the technology or not. EVs come with different sales and aftersales models that challenge retailers to adapt traditional business channels. This challenge is also an opportunity for collaboration, as manufacturers and retailers work together to maximise this opportunity through incentives, aligned messages, and a partnership approach.

This will help auto retail teams align with EV advocacy far faster than simply educating them. Regular dialogue between manufacturers and their stakeholders, including company newsletters, intranet updates, town halls, Q&A sessions, and webinars with experts fosters a partnership rather than a dictatorial relationship, encouraging EV advocacy across the board.

As with managing any process, measuring progress is essential. The great thing about advocacy is that it can be closely linked to engagement:

- How engaged are employees and network teams with the learning and communications produced?
- If experiential learning is being used, how much engagement is there with any activities and the post-activity communications?
- If monitoring social media, is there an increase in advocacy posts on franchised retailer channels?

Key performance indicator measurements may also be possible. For instance, tracking retailer performance in customer satisfaction and success in encouraging customers to transition to EVs.

As we navigate the EV landscape, understanding our stakeholders' perspective is paramount. Surveys and feedback from network coaches and performance managers provide valuable insights. However, beyond data, there's a deeper truth: ensuring the success of EVs is about more than business models; it's about shaping a sustainable future.

The recent slowdown in EV sales is not a sign of failure but an invitation to recalibrate our approach. By focusing on the 'early majority' and fostering a culture of advocacy among retailers, we can create much-needed momentum.

Strong used car demand in August as prices remain steady

Despite the summer holidays, demand for used cars was strong in August with retailers seeing improved days to sell as prices and stock levels remained steady, according to our latest Market View.

Days to sell for the month averaged 28, four days faster than July. Franchised retailers led the pace at just 18 days, followed by car supermarkets at 22 days. Independent retailers averaged 50 days, a month-on-month (MoM) improvement of seven days.

Views per vehicle increased 7% MoM in August to reach a new high for the year, with vehicles priced £10,000 to £15,000 attracting the most attention.

Average advertised prices
The average advertised price of a used car remained stable at £17,362, a marginal MoM dip of £58. After peaking at £19,183 in January 2023, prices this year have consistently tracked at under £17,500.

This gradual realignment has resulted in closer YoY comparisons, with August, tracking at just £682 below where they were 12 months ago. This is a sharp contrast to previous months, when the difference was £1,866 as recently as February.

Dealer stock levels
Stock levels for the month remained flat at 53 units, suggesting retailers are replenishing inventories as cars are sold rather than stocking up, a strategy in line with strong wholesale prices and tight supply. Even car supermarkets, which have been steadily growing stocks since April, held back in August.

The YoY inroads made by alternative fuelled vehicles continues, with EVs representing 5% of retailer stock, up from 3% last August, while hybrids increased from 6% to 9%, both at the expense of petrol (53%) and diesel (34%).

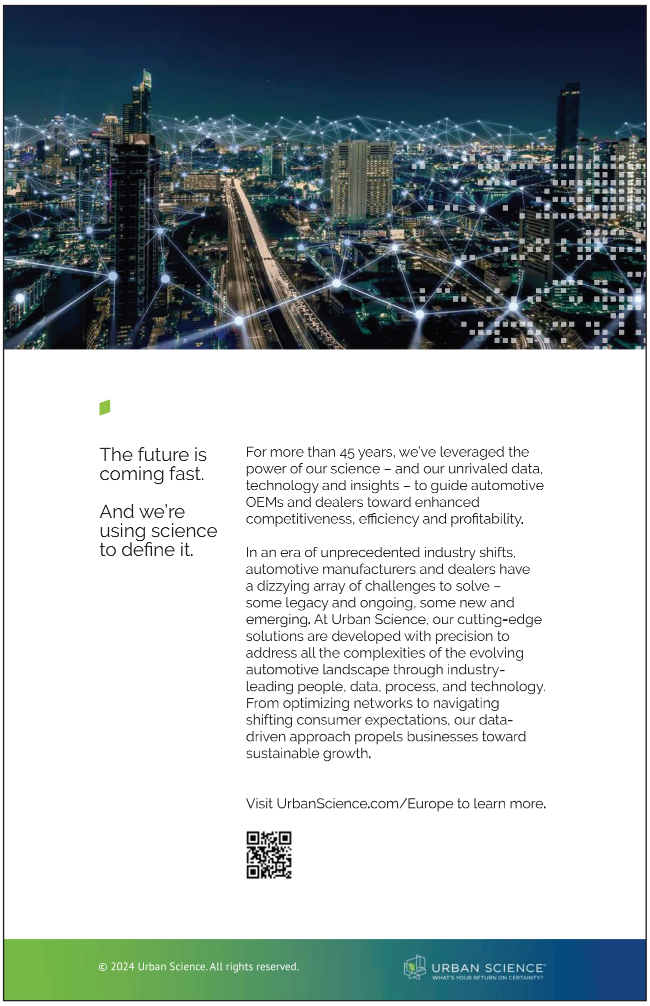
Best sellers
For the fourth month in a row the Vauxhall Corsa was the top selling car on MOTORS, followed by the Ford Fiesta, Volkswagen Golf, Ford Focus and BMW 1 Series.

Our view
Despite the traditional impact of the summer holiday season, used car buyers remained active in August, as demonstrated by improved days to sell and increased online viewing activity over the course of the month.

Affordability remains a key issue for many used car buyers, as seen by the high level of interest in vehicles priced under £10,000. This rewards retailers prepared to source older cars as part of their stock mix.

Overall, it's encouraging to see further stability in the used car market, with minimal monthly price fluctuations and a gradual closing of YoY disparities.

Lucy Tugby is marketing director at MOTORS, a commercial partner with Auto Retail Network



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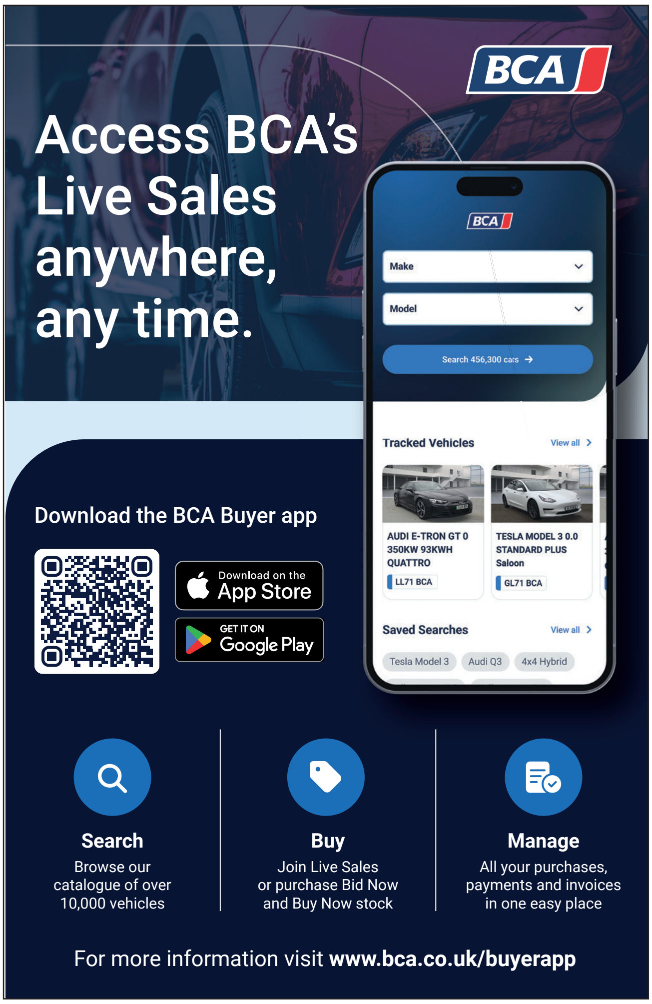

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The value of combining service integration and AI

In today's rapidly evolving digital landscape, organisations are constantly seeking innovative solutions to enhance efficiency and drive value. Combining Service Integration and Management (in other words, managing and integrating services across multiple suppliers, known as SIAM for short) with Artificial Intelligence (AI) presents a powerful approach to achieving these goals.

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Here, I want to explore the synergy between SIAM and AI, highlighting their combined potential to transform service management and drive strategic success.

AI's rapid advancement necessitates a structured approach and coherent frameworks. By integrating AI within a SIAM framework, organisations can create robust, scalable solutions that enhance service management across multiple departments. The structured methodologies help in developing AI applications that are not only effective but also align with the organisation's broader goals. AI offers a multitude of solutions to improve service management, and there are some key areas where AI can make a significant impact.

AI-Powered

We know that AI can transform customer service by leveraging data-driven insights. For example, AI-powered chatbots and virtual assistants can handle routine inquiries, allowing human agents to focus on more complex issues. AI can also analyse customer data to provide personalised service recommendations, enhancing the overall customer experience.
When it comes to internal tasks, bots can automate repetitive customer service tasks, such as data entry. This automation not only reduces the workload on human agents but also minimises errors, leading to faster and more accurate service delivery.
Another area where AI can help is by monitoring supply chains, detecting faults, and predicting potential disruptions. This proactive approach enables organisations to address issues before they escalate, ensuring smooth operations and reducing downtime.

Where continuous monitoring is required, AI can quickly examine service performance, providing real-time insights into various metrics. This helps organisations maintain high service standards, quickly identify areas needing improvement, and ensure that service delivery meets customer expectations.

Enhancing SIAM with AI

SIAM focuses on managing and integrating services across multiple suppliers. By incorporating AI, SIAM's capabilities are significantly enhanced through automation. AI-driven automation can handle routine administrative tasks, such as vendor coordination and compliance checks, freeing up human resources to focus on strategic initiatives. This improves efficiency and ensures that services are delivered consistently.

AI excels at analysing large volumes of data and identifying patterns and trends that might be missed by human analysis. This capability is invaluable for SIAM, as it can provide deeper insights into service performance and vendor effectiveness, leading to more informed decision-making.

When organisations need support with informed decision-making, AI can assist in making intelligent, data-driven decisions. For example, it can predict which vendors are most likely to meet specific service requirements based on historical data, helping organisations select the best partners and optimise their service delivery strategies.

Combining SIAM and AI allows organisations to automate routine tasks, improving overall efficiency. This, in turn, enables human experts to concentrate on high-value activities, such as strategic planning and innovation. By leveraging AI, organisations can maintain consistent service quality across various vendors and platforms, ensuring reliable and high-quality service delivery.

But, to reap the maximum rewards, organisations need to foster cross-functional collaboration between IT and business units to implement SIAM and AI solutions effectively. It's essential to manage AI projects carefully to demonstrate their value early on. Quick wins can build confidence in AI solutions, encouraging broader adoption across the organisation.

For reputational management and to avoid a PR disaster, ensuring ethical and effective AI use is crucial. Organisations should establish governance frameworks to oversee AI implementation, addressing issues such as data privacy, bias, and transparency. This helps build trust and ensures that AI solutions are used responsibly.

Encouraging collaboration between IT and business units is vital. This collaboration ensures that AI initiatives align with business goals and address real-world challenges, leading to more successful outcomes.

AI is an incredible opportunity, and combining SIAM and AI presents a unique path to enhance service management and drive innovation. By leveraging AI's capabilities in automation, data analysis, and intelligent decision-making within a SIAM framework, organisations can improve efficiency, deliver high-quality services, and focus on strategic initiatives. Cross-functional collaboration and ethical AI practices are essential to fully realise the potential of these technologies, driving both operational excellence and strategic success in the modern business environment.

Hyundai boxes clever with bold new Santa Fe

> "It's a model you can rely on to keep on doing a great job – it wins awards, has good sales volumes, customers like it, retailers like it, and many owners happily go from generation to generation"

The Hyundai Santa Fe has been a stalwart of the range for more than 20 years. It was launched in the UK back in 2001 and since then, more than 450,000 have been sold in Europe, with many more in North America and South Korea. Just as the original was a ground-breaker in terms of style, so the new fifth-generation model aims to bring something new to the sector.

Designer Simon Loasby, a Brit, nicknames it 'The Box' and says it was designed from the inside out. "We started working on the concept during Covid, just as the world changed and lifestyles changed. People were starting to do more in their cars, and we wanted to reflect this, by creating a car that could work well both in the week and at weekends – we called it 'crossing the line'."

The Santa Fe has therefore been designed around its interior, and its huge tailgate, "literally the biggest we could have… it's the only boot that you can lie a full set of golf clubs in transversely". It has fold-flat rear seats that will allow people up to seven foot tall to lie down in, and in the first virtual presentations, "we took the chairman to a virtual campsite to see the car in context". Marketing is now embracing the South Korean trend for 'chabak', or camping in your car.

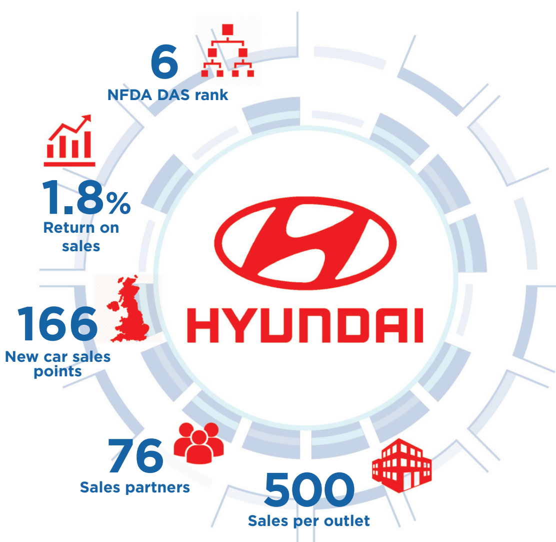
Its distinctive design has already won awards, says Loasby, with the aim of standing out in an increasingly lifestyle-focused large three-row SUV sector. JLR is understood to be considering the same sort of brief for the future design of the new Land Rover Defender, so Hyundai is proud to have got in early with its own interpretation of a more family lifestyle machine.

Robin Hayles, who is now head of product and technical PR, was an early product manager on Santa Fe. "It has been transformational for us. When it launched, suddenly we were getting part-exchanges we'd never seen before, from premium brands such as BMW and Mercedes-Benz. This was remarkable back in the early 2000s, and gave the brand a real step-change in customer positioning. The success continued even into the Mk3 Santa Fe, the first Hyundai to top the £40,000 barrier.

"It's a model you can rely on to keep on doing a great job – it wins awards, has good sales volumes, customers like it, retailers like it, and many owners happily go from generation to generation. We carried out research with the launch of the Mk2, and found that there was more recognition for the Santa Fe name than there was for the Hyundai brand at the time. This is why it retains a model name, rather than following the 'i' strategy of our other models."

FRANCHISE DEALER NETWORK INFO: HYUNDAI

Hyundai has a lot going for it. The brand is profitable, has top-10 scale, realistic targets (its 2024 target is about 4,000 units fewer than its 2023 registrations) and plans to stick with franchising. The network appears to be slimming down, albeit in what looks like a roundabout way. Secondary sales points are due to more than double in a year, which may suggest an increase in multi-franchising and less standalone sites.



83,000
New car sales

Source: Networks Report 2024

Current product manager Omid Dehghan said the UK line-up has been simplified to three models, something he says that both customers and retailers were eager for. Models now comprise Premium, Ultimate and Calligraphy, with prices starting from £46,775. There are three powertrain choices – a full hybrid with two- or four-wheel drive, and a plug-in hybrid with four-wheel drive. All use the same 1.6-litre turbo petrol engine and eight-speed dual-clutch automatic gearbox.

Even Premium has a bold array of standard equipment, including 20-inch alloys, power tailgate, leather upholstery, a panoramic curved display with dual 12.3-inch screens, wireless charging and electric heated front seats. Heating extends to the rear seats in Ultimate, which also gets ventilated front seats, Bose audio and a head-up display.

Calligraphy is as well-equipped as Ultimate, but gets more expressive design, including black-finish 20-inch alloys, black nappa leather plus premium 'relaxation' seats. While seven seats are standard on all, a six-seat version is available for a £1k premium; it features captain's chairs across all three rows.

"Calligraphy also gets a UV-C sterilisation box; you pop items in and, a few seconds later, they are germ-free." This novel feature again reflects the car's conception during Covid. Loasby adds that there's even a compartment big enough for US-sized Chlorox sanitiser wipes. "In most other cars, the cupholder simply isn't big enough, so we made sure part of the design brief was to create a slot for Chlorox wipes."

New Vauxhall Frontera EV 'same price as petrol'

Vauxhall claims the new Frontera small SUV is the first car to offer price parity between electric and petrol hybrid models, "eliminating the price premium that usually applies to electric cars". The replacement for the Vauxhall Crossland, the new Frontera (yes, it's another name that's been revived from the past) shares its Stellantis 'Small Car' architecture with the new Citroen C3 and e-C3.

Vauxhall is launching the new Frontera with either a 1.2T hybrid petrol engine (featuring a standard e-DCT automatic gearbox) or a 113PS electric motor. The launch battery is a 44kWh unit, giving a WLTP range of up to 186 miles, along with 100kW rapid charge functionality. Next year, a 'Long Range' version, with a range of up to 248 miles, will follow.

Prices start from £23,495, either for the 1.2T 100 Hybrid or the 113PS Electric. A more powerful 1.2T 136 Hybrid is £24,995. It will be interesting to see if the Long Range Electric version achieves price parity with the more powerful petrol Hybrid. There are just two versions, Design and GS, along with a limited series of options.

Interestingly, the new Vauxhall Frontera is optionally available in seven-seat guise. This is an option only available with the hybrid, and costs £550. Seven-seater cars are a rarity overall, and small seven-seater SUVs are like hen's teeth.

"Vauxhall is leading the way in democratising access to electric vehicles," said UK MD James Taylor, who added the average market list price difference between electric and petrol is 31%. "New Frontera Electric is a significant milestone in our mission to make electric mobility accessible for everyone across the UK."

The new Vauxhall Frontera is positioned below the existing Vauxhall Mokka. This is despite, it sitting, size-wise (4,380mm long), between the Mokka (4,151mm) and new Grandland (4,650mm). It is the same length overall as an Astra Sports Tourer Electric, but has a greater boot capacity with the rear seats down.

Vauxhall has further electric-focused initiatives to help win over EV doubters. Customers can choose a free Octopus Energy Ohme Pro wallbox, including access to the EV-focused Intelligent Octopus Go energy tariff. But if customers don't have off-street parking, they can instead choose a year's free charging credit at Tesco stores across the country. Customers can even collect 50,000 Tesco Clubcard points when they buy through a Vauxhall retailer.

What's more, all new Vauxhall electric customers get a free Octopus Electroverse card. This gives access to hundreds of thousands of public chargers from multiple networks across the UK and Europe, from a single account. And if neither the free wallbox nor the Tesco charging credit suit, customers can choose a £675 credit with Octopus Electroverse.

"" The average market list price difference between electric and petrol is 31%. "New Frontera Electric is a significant milestone in our mission to make electric mobility accessible for everyone"

September new car deals bonanza analysed

September always delivers a bonanza of new car deals. And this year, due to both the challenges of the new car market in general and the looming pressures on OEMs of the ZEV Mandate, there is a particularly fruitful array of bargains on offer.

Many of the best deals are focused on EVs, as you'd expect. But the headline-grabbers are not exclusively EV – struggling petrol-powered models are also being heavily incentivised in order to encourage customers to buy.

The unique Auto Retail Network deals pages show manufacturer-promoted retail finance offers in full detail. Updated every month, they are a go-to reference for many auto retailers, helping them check on the competition and also see how competitive their own brand's deals are.

This September, it seems retailer contributions toward PCP car deals is the name of the game. There are more than 150 individual such offers in our pages alone, as OEMs look to avoid price cuts and put the money towards a finance deal instead. Actual money-off savings are rare and, where they arise, meagre. £783 off a Citroen C3 Aircross is unlikely to grab any headlines, for example – particularly as the APR is a hefty 11.9%.

Citroen is instead offering a £738 retailer contribution on the new electric e-C3, which takes the customer deposit down to just £339. With a much more manageable APR of 5.9%, monthly payments over four years are just £339 – which is a far more acceptable £41 extra than the petrol-powered C3 Aircross. Throw in the running cost savings you get with an EV, and it's easy to see how Citroen retailers will be able to run with such an offer as the new e-C3 electric rolls out.

Over at sister brand Peugeot, the EV challenge looks much harder. A petrol 2008, with a £2,000 dealer contribution, costs £301 a month over four years. The electric e-2008 equivalent, despite a £2,500 dealer contribution, is a whopping £488 a month, albeit over three years, rather than four. The deposit is £1,100 higher, too. Why would customers consider going electric when the difference in monthly payments is so severe?

Vauxhall has acknowledged this, and is taking action to address it. A 1.2 GS Mokka comes with a £2,000 dealer contribution, and costs £363 a month. The special new Mokka Electric Griffin comes with a £3,750 dealer contribution, yet costs just £313 a month. OK, the higher deposit contribution helps, but why is the EV so much more affordable? Because the petrol car finance is over four years, while the EV is over five. Yes, 2.9% APR instead of 7.5% also helps, but it's still a great example of how EVs can be made more accessible. Indeed, the new Vauxhall Frontera Electric actually has price parity with petrol models, which should be reflected in PCP figures too.

The idea that those seeking the very cheapest cars to finance must choose petrol has been shaken up this month by the introduction of the new Dacia Spring Electric. Priced at just £15,995, the entry-level Expression still comes with the all-important air con, and costs just £179 a month over four years, following a £2,722 deposit. While a Sandero Journey is even cheaper, at £161, that's only a two-year deal, and requires a far steeper £3,949 deposit.

In contrast, Ford's new focus on higher-end electric SUVs is presenting a divide in the affordability of its range. The newly-facelifted Puma, with a £4,522 deposit, is £327 a month over three years. A Focus isn't much more, at £354 a month. But the new electric Explorer costs £504 a month, and this is based on a much higher £8,241 deposit. It also takes a huge £7,500 saving on the Mustang Mach-e to bring monthly payments down to £565 a month – and even that requires a £9,440 deposit.

By way of contrast, customers can get an electric BMW iX3 for £579 a month, courtesy of a £2,750 saving and £6,000 dealer contribution. And those who may be looking at the £9,440 deposit on the Ford surely wouldn't object to the £11,508 deposit on the BMW. More affordable Ford EVs simply can't come too soon.

Looking at agency brands for new car deals is always interesting, because of how they manage their 'no-haggle prices'. Mercedes-Benz is currently offering a £4,000 saving on the A 180 Sport Executive, which brings monthly payments down to just £284 – for a Mercedes-Benz! The plug-in A 250e AMG Line Executive has an even healthier £4,750 discount, and costs £379 a month, while the swoopy CLA undercuts this at £336 a month with a £3,500 saving. Even the desirable GLC family SUV is an accessible £495 a month, with a £4,500 saving and £8,953 deposit. As for Volvo, it continues with summer savings that include dealer contributions of up to £10,000.

Fellow premium brand Audi isn't agency, but is addressing its aging model line with some of the most striking finance offers this month. The electric Q8 e-tron has a £9,000 dealer contribution, for example, while the A7 Sportback comes with £7,250. Both are beaten by the staggering £15,000 dealer contribution Audi's putting towards the A8, although even this can't stop it costing £834 a month. It's lower down the range where the best all-round deals are; an A3 Sportback, with £3,500 dealer contribution, costs just £263 a month over four years. That's £91 less than a comparable Ford Focus, and undoubtedly explains why the A3 is firmly in the top 10 year-to-date best-sellers list, and the Focus isn't.

MANUFACTURER PROMOTED RETAIL FINANCE OFFERS

Make and model	Offer OTR	Offer	Deposit	Term	Monthly payment	Final payment	APR	Offer ends
ALFA ROMEO	Reasonable monthly payments but even dealer contributions can't take sting out of high deposits							
Junior Elettrica	£33,895	PCP, £1,000 dealer contrib	£8,860	36	£299	£17,574	6.9%	08/10/24
Giulia, 2.0 Veloce	£45,595	PCP, £1,500 dealer contrib	£10,582	48	£399	£19,914	4.9%	08/10/24
Tonale, Hybrid Veloce	£41,575	PCP, £750 dealer contrib	£10,139	48	£379	£18,576	5.9%	08/10/24
Stelvio,Tributo	£57,350	PCP, £1,250 dealer contrib	£13,381	48	£579	£21,739	4.9%	08/10/24
AUDI	Generous dealer contributions including a staggering £15k on the A8							
A1, Sportback	£24,075	PCP, £1,000 dealer contrib	£4,790	48	£250	£11,645	8.9%	30/09/24
A3, Sportback	£29,515	PCP, £3,500 dealer contrib	£5,778	48	£263	£13,646	8.9%	30/09/24
RS 4 Avant	£72,975	PCP, £4,000 dealer contrib	£14,400	48	£736	£35,376	8.8%	30/09/24
A5, Saloon	£42,675	PCP, £2,600 dealer contrib	£8,340	48	£491	£18,153	9.9%	30/09/24
Q8 e-tron	£71,510	PCP, £9,000 dealer contrib	£14,002	48	£683	£26,435	6.9%	30/09/24
A7 Sportback	£57,695	PCP, £7,250 dealer contrib	£11,189	48	£574	£20,244	6.9%	30/09/24
A8	£80,875	PCP, £15,000 dealer contrib	£15,475	48	£834	£20,802	6.9%	30/09/24
BMW	Big dealer contributions on electric models include £6k towards iX3 - which has £2,570 off, too							
118i, M Sport	£32,195	PCP, £750 dealer contrib	£4,558	48	£359	£13,065	3.9%	30/09/24
120, M Sport	£33,715	PCP	£5,240	48	£379	£15,794	5.9%	30/09/24
218i, M Sport Gran Coupe	£33,760	PCP, £1,500 dealer contrib	£4,693	48	£359	£13,893	3.9%	30/09/24
iX2, eDrive20 M Sport	£51,550	PCP, £1,000 dealer contrib	£7,813	48	£579	£21,167	3.9%	30/09/24
iX3, M Sport	£65,160	PCP, £2,570 off, £6,000 dealer contrib	£11,508	48	£579	£23,132	3.9%	30/09/24
i4,M50	£69,648	PCP, £2,126 off, £2,500 dealer contrib	£10,117	48	£849	£26,885	5.9%	30/09/24
iX, xDrive40 M Sport	£71,825	PCP, £4,500 dealer contrib	£12,308	48	£699	£28,615	3.9%	30/09/24
i5, eDrive40 M Sport Touring	£77,255	PCP, £2,000 dealer contrib	£15,191	48	£809	£30,827	4.9%	30/09/24
CITROEN	New electric e-C3 available for £339 deposit and £339 a month, with a dealer contribution							
Ami, 6.3kWh	£7,695	PCP	£1,576	36	£106	£3,595	8.5%	30/09/24
C3 Aircross, You!	£17,047	PCP, £783 off	£299	48	£298	£8,709	11.9%	30/09/24
e-C3, Plus 44kWh	£21,990	PCP, £738 dealer contrib	£339	48	£339	£8,397	5.9%	30/09/24
C4, Plus	£22,505	PCP, £1,250 off	£1,482	48	£368	£9,073	8.9%	30/09/24
e-C4, You! 50kWh	£32,410	PCP	£5,155	48	£349	£10,852	0.0%	30/09/24
C5, Aircross Max	£27,375	PCP, £750 off	£2,609	48	£429	£10,977	8.9%	30/09/24
DACIA	New electric Spring costs just £179 a month, and the deposit is reasonable as well							
Spring, Expression, Electric	£15,995	PCP	£2,722	48	£179	£6,218	3.9%	30/09/24
Sandero, Journey	£15,795	PCP, £300 dealer contrib	£3,949	24	£161	£8,694	4.9%	30/09/24
Sandero Stepway, Essential Bi-Fuel	£15,295	PCP	£3,824	24	£161	£8,618	4.9%	30/09/24
Duster, Essential 4x2	£17,295	PCP	£4,324	24	£193	£9,465	4.9%	30/09/24
Jogger, Extreme	£20,595	PCP	£5,149	24	£210	£11,755	4.9%	30/09/24
FIAT	Up to £3k Fiat e-Grant							
Panda, Cross	£16,275	PCP, £1,000 dealer contrib	£1,622	48	£219	£7,377	9.9%	30/09/24
500, 1.0	£16,800	PCP, £2,000 dealer contrib	£999	48	£198	£6,781	5.7%	30/09/24
500e, 24 kWh	£21,995	PCP, £3,000 e-GRANT saving	£2,999	48	£297	£8,165	5.8%	30/09/24
500X, Top 1.5 Hybrid	£29,985	PCP, £3,300 dealer contrib	£4,407	48	£349	£10,880	7.7%	30/09/24
Tipo, Garmin 1.5 Hybrid	£28,755	PCP	£5,139	48	£401	£9,975	7.9%	30/09/24
600, Hybrid	£23,975	PCP, £2,000 dealer contrib	£999	48	£298	£10,567	5.8%	30/09/24
600e, 54kWh	£32,995	PCP, £3,000 e-GRANT saving	£999	48	£399	£12,955	3.2%	30/09/24
FORD	0% finance on Focus, Kuga and new electric Explorer; £7,500 off Mustang Mach-e							
Puma, Titanium 1.0 Ecoboost	£26,600	PCP	£4,522	36	£327	£12,127	3.9%	30/09/24
Focus, ST Line X, 1.0 Ecoboost	£31,830	PCP	£5,411	36	£354	£12,964	0.0%	30/09/24
Kuga, Active, 2.5 Duratec PHEV	£41,755	PCP	£7,098	36	£433	£18,177	0.0%	30/09/24
Explorer, Select Extended Range 77kWh	£48,475	PCP	£8,241	36	£504	£21,054	0.0%	30/09/24
Mustang, Mach-e Premium	£55,530	PCP, £7,500 off	£9,440	36	£565	£25,961	1.2%	30/09/24
HONDA	Dealer contributions across the range, and 0% finance on e:Ny1							
Jazz, e:HEV Full Hybrid Advance	£26,885	PCP	£5,752	36	£319	£14,935	9.9%	30/09/24
HR-V, e:HEV Full Hybrid Advance	£33,160	PCP, £2,500 dealer contrib	£4,956	36	£349	£17,616	6.9%	30/09/24
Civic, e:HEV Full Hybrid Elegance	£35,005	PCP, £2,500 dealer contrib	£5,227	36	£349	£18,065	4.9%	30/09/24
e:Ny1, Electric Elegance	£40,645	PCP, £3,500 dealer contrib	£5,289	36	£359	£18,931	0.0%	30/09/24
ZR-V, e:HEV Full Hybrid Sport	£41,110	PCP, £2,500 dealer contrib	£6,702	36	£449	£21,241	6.9%	30/09/24
CR-V, e:HEV Full Hybrid Elegance	£45,930	PCP, £4,000 dealer contrib	£6,285	36	£439	£24,270	4.9%	30/09/24
HYUNDAI	0% finance on popular Tucson, albeit only for two years							
i10, Advance 1.0	£16,030	PCP, £500 dealer contrib	£2,700	48	£200	£6,684	8.9%	30/09/24
i20, Advance 1.0	£21,530	PCP, £1,750 dealer contrib	£1,500	48	£280	£8,542	6.9%	30/09/24
Bayon, Advance 1.0	£22,480	PCP, £2,000 dealer contrib	£2,200	48	£286	£8,179	6.9%	30/09/24
Kona, Advance 1.0	£26,040	PCP, £750 dealer contrib	£4,400	48	£311	£10,674	6.9%	30/09/24
Tucson, Advance 1.6T	£32,000	PCP	£10,000	24	£229	£16,496	0.0%	30/09/24
Santa Fe, Plug-in Hybrid Premium 1.6T	£51,885	PCP	£8,300	48	£615	£23,271	6.9%	30/09/24

MANUFACTURER PROMOTED RETAIL FINANCE OFFERS

Ioniq 5 N, 84kWh	£65,000	PCP	£10,000	48	£794	£28,417	6.9%	30/09/24
Ioniq 6, Premium 77.4kWh	£47,040	PCP, £1,000 dealer contrib	£5,000	36	£541	£21,539	0.0%	30/09/24
JAGUAR	Clear-out of ageing model range continues with dealer contributions and 0% finance on I-Pace							
E-Pace, 2.0 R-Dynamic SE Black	£45,800	PCP, £2,200 dealer contrib	£10,159	48	£379	£20,567	4.9%	30/09/24
F-Pace, 2.0 R-Dynamic SE Black Anniversary Edition	£50,810	PCP, £1,500 dealer contrib	£10,803	48	£419	£24,606	4.9%	30/09/24
I-Pace EV, R-Dynamic SE Black	£73,495	PCP, £3,000 dealer contrib	£15,455	48	£739	£19,569	0.0%	30/09/24
F-Type coupe	£82,925	PCP, £5,500 dealer contrib	£18,757	48	£699	£30,346	2.9%	30/09/24
F-Type convertible	£87,305	PCP, £5,500 dealer contrib	£19,896	48	£779	£29,915	2.9%	30/09/24
JEEP	Generous dealer contributions but deposit on Grand Cherokee PHEV is a whopping £19k							
Avenger, 1.2 Altitude	£26,759	PCP, £1,000 dealer contrib	£5,140	48	£259	£13,727	7.9%	30/09/24
Renegade, E-Hybrid 1.5 Summit	£33,199	PCP, £3,500 dealer contrib	£7,105	48	£359	£11,677	8.9%	30/09/24
Compass 4XE, plug-in Hybrid 1.3 TrailHawk	£44,655	PCP, £4,000 dealer contrib	£12,030	48	£475	£13,662	8.9%	30/09/24
Wrangler, Sahara 2.0	£61,125	PCP, £3,000 dealer contrib	£14,800	48	£635	£25,380	8.9%	30/09/24
Grand Cherokee, Plug-in Hybrid 2.0 Trailhawk	£73,915	PCP, £3,000 dealer contrib	£19,440	48	£629	£37,177	8.9%	30/09/24
KIA	Dealer contributions across the board and low-rate finance on Niro EV and EV6 GT							
Picanto '3', 1.0	£17,545	PCP, £500 dealer contrib	£1,754	36	£282	£7,859	7.9%	30/09/24
Stonic, Shadow, 1.0 48V Mild Hybrid	£22,995	PCP, £1,250 dealer contrib	£2,299	36	£359	£10,012	7.9%	30/09/24
Xceed '2', 1.5	£24,340	PCP, £2,000 dealer contrib	£2,434	36	£379	£9,762	7.9%	30/09/24
Ceed GT-Line, 1.5	£25,755	PCP, £1,250 dealer contrib	£2,575	36	£386	£12,049	7.9%	30/09/24
Sportage '3', 1.6 48V mild hybrid	£32,890	PCP, £1,500 dealer contrib	£3,289	36	£492	£15,560	7.9%	30/09/24
Niro EV '2', 64kWh	£37,325	PCP, £1,500 dealer contrib	£3,732	36	£478	£17,055	2.9%	30/09/24
EV6 GT, 77kWh	£62,675	PCP, £2,000 dealer contrib	£6,267	36	£850	£27,424	2.9%	30/09/24
LAND ROVER								
Range Rover	Range Rover Sport continues with £5k dealer contribution							
Velar, Dynamic SE	£58,950	PCP, £4,000 dealer contrib	£12,089	48	£519	£26,100	5.9%	30/09/24
Sport, Dynamic SE	£93,200	PCP, £5,000 dealer contrib	£19,302	48	£659	£51,433	5.9%	30/09/24
D300 Autobiography	£123,705	PCP	£26,824	48	£1,339	£56,799	7.9%	30/09/24
LEXUS	Up to £4k deposit contribution and 0% finance on electric RZ							
LBX, Urban 1.5 Hybrid	£30,915	PCP	£3,091	48	£412	£13,185	5.9%	30/09/24
UX, All-Electric, Premium Plus	£45,015	PCP, £4,500 dealer contrib	£8,427	48	£429	£11,925	0.0%	30/09/24
NX, 450h+ Premium	£49,995	PCP, £1,000 dealer contrib	£4,999	48	£556	£23,017	3.9%	30/09/24
RZ, Premium Electric	£58,145	PCP, £4,000 dealer contrib	£12,837	48	£449	£20,205	0.0%	30/09/24
RZ, Takumi All-Electric	£66,695	PCP, £5,000 dealer contrib	£13,117	48	£529	£23,715	0.0%	30/09/24
MAZDA	Huge £6k deposit contribution and 0% finance on MX-30 takes the EV down to £289 a month							
2, Centre-Line	£25,015	PCP	£4,126	48	£229	£10,125	0.0%	30/09/24
CX-30, Prime Line	£26,175	PCP, £2,500 dealer contrib	£5,105	48	£259	£9,675	5.9%	30/09/24
MX-30, Makoto	£32,945	PCP, £6,000 dealer contrib	£4,114	48	£289	£9,248	0.0%	30/09/24
CX-5, Exclusive-Line	£36,990	PCP, £2,000 dealer contrib	£6,828	48	£389	£14,873	5.9%	30/09/24
CX-60, Exclusive-Line	£46,320	PCP, £3,000 dealer contrib	£8,186	48	£509	£17,303	5.9%	30/09/24
MERCEDES-BENZ	Popular GLC is now under £500 a month thanks to £4,500 saving							
A, 180 Sport Executive	£28,545	PCP, £4,000 off	£4,995	48	£284	£13,725	5.2%	30/09/24
A, 250e AMG Line Executive	£36,620	PCP, £4,750 off	£6,408	48	£379	£16,550	4.9%	30/09/24
CLA, 200 Sport Executive Coupe	£32,550	PCP, £3,500 off	£5,696	48	£336	£15,700	5.9%	30/09/24
GLB, 200 Sport Executive	£36,905	PCP, £2,500 off	£6,458	48	£397	£16,925	5.9%	30/09/24
GLA, 200d AMG Line Executive	£40,164	PCP, £2,250 off	£7,028	48	£448	£18,650	6.9%	30/09/24
GLC, 300 4MATIC AMG Line	£51,160	PCP, £4,500 off	£8,953	48	£495	£24,950	4.9%	30/09/24
MG	Big package of offers on ZS as the all-new model approaches							
3, Hybrid+ SE 1.5	£18,495	PCP, £250 dealer contrib	£2,832	48	£229	£8,685	8.9%	30/09/24
ZS, Excite 1.5 VTi-tech	£18,335	PCP, £500 dealer contrib, £1,000 Test Drive voucher	£4,580	48	£179	£7,083	8.9%	30/09/24
ZS EV, 51kWh	£30,495	PCP, £2,000 dealer contrib, £1,000 Test Drive voucher	£5,560	48	£299	£9,427	2.9%	30/09/24
HS, 1.5T-GDI SE	£24,030	PCP, £1,250 dealer contrib	£6,768	48	£239	£8,959	8.9%	30/09/24
4, SE 51kWh	£26,995	PCP	£10,079	36	£159	£11,191	0.0%	30/09/24
5, Long Range 61kWh	£30,995	PCP, £750 dealer contrib	£8,847	48	£299	£8,824	2.9%	30/09/24
MINI	Very low £500 deposit on Mini Cooper, and £1,000 desler contribution on electric Cooper E							
Cooper, 5 door	£28,450	PCP	£500	48	£430	£15,211	8.9%	30/09/24
Cooper E	£30,000	PCP, £1,000 dealer contrib	£3,000	48	£326	£14,562	4.9%	30/09/24
Countryman C	£29,350	PCP	£3,000	48	£385	£15,485	8.9%	30/09/24
NISSAN	Leaf is now only £281 a month, although the small battery limits appeal							
Juke, N-Connecta	£25,500	PCP, £2,000 dealer contrib	£1,500	36	£388	£11,033	5.9%	30/09/24
Leaf, 39kWh Tekna	£28,790	PCP, £2,500 dealer contrib	£5,000	48	£281	£7,825	0.0%	30/09/24
Qashqai, 1.3 DIG-T Mild Hybrid N-Connecta	£32,305	PCP, £1,750 dealer contrib	£5,000	36	£395	£14,999	5.9%	30/09/24
X-Trail, N-Connecta e-Power	£40,250	PCP, £1,500 dealer contrib	£5,000	36	£520	£19,869	5.9%	30/09/24
Ariya, e-4ORCE 87kWh Advance	£50,845	PCP, £2,250 dealer contrib	£5,000	36	£610	£23,682	1.9%	30/09/24
PEUGEOT	Big jump in monthly payments between 2008 and e-2008 highlights the price gap that remains with EVs							
208, Active 1.2	£20,860	PCP, £1,500 dealer contrib	£2,086	48	£248	£8,976	6.3%	02/10/24

MANUFACTURER PROMOTED RETAIL FINANCE OFFERS

2008, Active 1.2	£24,830	PCP, £2,000 dealer contrib	£2,483	48	£301	£10,084	6.3%	02/10/24
E-2008, Allure Hybrid	£34,300	PCP, £2,500 dealer contrib	£4,356	36	£488	£11,602	2.9%	02/10/24
308, Active 1.2	£29,090	PCP, £1,500 dealer contrib	£2,909	48	£372	£11,828	6.3%	02/10/24
E-308, Allure	£38,550	PCP	£3,855	36	£588	£15,735	2.9%	02/10/24
408 GT, Allure 1.2	£35,560	PCP, £2,000 dealer contrib	£3,556	48	£425	£15,795	6.3%	02/10/24
RENAULT	Fast-growing line-up has an array of dealer contributions, all on 48-month deals							
Captur, Evolution	£21,095	PCP, £500 dealer contrib	£3,789	48	£229	£9,436	6.9%	30/09/24
Clio, E-Tech full hybrid Techno	£23,195	PCP, £800 dealer contrib	£3,618	48	£259	£10,369	6.9%	30/09/24
Arkana, Techno E-Tech Full Hybrid	£29,395	PCP, £500 dealer contrib	£4,341	48	£319	£12,942	4.9%	30/09/24
Austral, Techno Espirit Alpine Full Hybrid	£36,695	PCP, £750 dealer contrib	£5,563	48	£359	£17,907	4.9%	30/09/24
Symbioz, Techno Esprit Alpine E-Tech Full Hybrid	£31,295	PCP, £1,000 dealer contrib	£4,900	48	£319	£15,750	6.9%	30/09/24
Scenic, E-Tech Techno	£40,995	PCP, £1,500 dealer contrib	£5,333	48	£359	£22,503	4.9%	30/09/24
SEAT	Ateca is only £4 a month more than the smaller Arona, thanks to a £4k dealer contribution							
Ibiza, Anniversary Limited Edition 1.0	£24,390	PCP, £500 dealer contrib	£3,158	48	£285	£10,299	4.9%	30/09/24
Arona, FR Limited Edition 1.0	£28,620	PCP, £2,000 dealer contrib	£3,858	48	£325	£10,683	4.9%	30/09/24
Leon, FR 1.0	£29,680	PCP, £2,500 dealer contrib	£4,033	48	£335	£10,645	4.9%	30/09/24
Ateca, FR 1.5 EcoTSI	£32,430	PCP, £4,000 dealer contrib	£4,597	48	£329	£11,783	4.9%	30/09/24
Tarraco, FR Sport 2.0 TDI	£42,205	PCP, £2,000 dealer contrib	£8,381	48	£424	£16,481	4.9%	30/09/24
SKODA	New Superb launches with a £3k dealer contribution							
Fabia, Hatch SE Comfort	£19,730	PCP, £1,250 dealer contrib	£3,551	48	£213	£7,938	6.9%	30/09/24
Scala, SE 1.0 TSI	£22,105	PCP, £1,250 dealer contrib	£3,978	48	£241	£9,006	6.9%	30/09/24
Kamiq, SE 1.0 TSI	£24,040	PCP, £2,000 dealer contrib	£4,327	48	£255	£9,325	6.9%	30/09/24
Octavia Hatch, SE 1.5 TSI	£26,775	PCP, £2,500 dealer contrib	£4,819	48	£270	£10,788	6.9%	30/09/24
Karoq, SE L	£31,750	PCP, £3,250 dealer contrib	£5,715	48	£324	£12,227	6.9%	30/09/24
Superb Hatch, SE 1.5 TSI	£34,875	PCP, £3,000 dealer contrib	£6,277	48	£363	£13,796	6.8%	30/09/24
SMART	£2k saving sees electric #1 offered from £350 a month, despite reasonable £2,499 deposit							
smart #1	From £31,950	PCP, £2,000 off	£2,499	48	£350	varies	6.9%	30/09/24
SUBARU	Dealer contributions across the range, but deposits are high, particularly on electric Solterra							
Crosstrek, 2.0i e-BOXER Limited Lineartronic	£34,345	PCP, £2,000 dealer contrib	£7,620	36	£298	£17,742	5.9%	30/09/24
Outback, 2.5i Limited	£36,995	PCP, £1,500 dealer contrib	£7,295	36	£368	£19,159	5.9%	30/09/24
Outback Touring X	£43,635	PCP, £1,500 dealer contrib	£9,350	48	£418	£18,779	5.9%	30/09/24
Forester, e-BOXER 2.0i XE Lineartronic	£37,995	PCP, £2,000 dealer contrib	£9,250	36	£348	£18,176	5.9%	30/09/24
Solterra, Limited	£52,495	PCP, £1,500 dealer contrib	£16,145	36	£448	£21,180	2.9%	30/09/24
SUZUKI	Swift is a tiny £119 a month on a two-year, 0% finance PCP deal							
Ignis, 1.2 Dualjet Mild Hybrid SZ-T	£17,949	PCP	£4,668	48	£189	£7,479	7.9%	30/09/24
Swift, 1.2	£18,699	PCP	£4,548	24	£119	£11,295	0.0%	30/09/24
Vitara, 1.4 SZ5	£24,449	PCP, £3,000 off	£5,691	48	£279	£9,885	7.9%	30/09/24
S-Cross, 1.4 Boosterjet	£26,699	PCP, £3,000 dealer contrib	£3,873	48	£309	£9,654	7.9%	30/09/24
Swace, 1.8 Full Hybrid Motion	£29,999	PCP, £2,000 dealer contrib	£6,110	48	£309	£12,468	7.9%	30/09/24
Across, 2.5 PHEV	£49,529	PCP, £2,750 dealer contrib	£12,509	48	£479	£18,576	6.9%	30/09/24
TOYOTA	Dealer contributions and low £1k deposits on popular models including Aygo X and C-HR							
Aygo X, Edge 1.0	£18,285	PCP, £300 dealer contrib	£1,000	42	£238	£8,505	2.9%	30/09/24
Prius, Design 2.0 Plug-in hybrid	£37,315	PCP, £500 dealer contrib	£1,000	42	£601	£17,460	6.9%	30/09/24
CH-R, Design 2.0 Plug-in hybrid	£39,145	PCP, £2,500 dealer contrib	£1,000	42	£483	£17,572	1.9%	30/09/24
RAV4, Plug-in Design 2.5	£44,175	PCP, £1,750 dealer contrib	£1,000	42	£604	£18,607	1.9%	30/09/24
BZ4X, Vision 71kWh	£43,825	PCP, £2,000 dealer contrib	£8,553	42	£429	£15,682	0.0%	30/09/24
VAUXHALL	Corsa YES is a sub-£20k supermini; extended five-year PCP offers on Mokka Electric and Astra Electric helps with affordability							
Corsa, YES 1.2	£19,105	PCP	£2,000	48	£289	£7,848	8.9%	02/10/24
Astra Electric, Design	£36,295	PCP, £1,500 off, £2,340 dealer contrib	£2,000	60	£409	£12,786	4.5%	02/10/24
Astra Sports Tourer Electric, Ultimate	£44,460	PCP, £1,000 off, £2,000 dealer contrib	£3,755	60	£505	£14,849	4.5%	02/10/24
Mokka GS 1.2 Turbo	£27,045	PCP, £2,725 dealer contrib	£2,000	48	£363	£10,000	7.5%	02/10/24
Mokka Electric Griffin	£26,345	PCP, £3,750 Electric bonus	£2,000	60	£313	£8,178	2.9%	02/10/24
Grandland, Ultimate 1.2 Turbo	£35,395	PCP, £3,500 dealer contrib	£2,000	48	£482	£16,345	9.9%	02/10/24
VOLKSWAGEN	New Passat has a very generous £4,500 dealer contribution - and new Golf has an appealing £3,250 too							
Polo, Match 1.0	£22,605	PCP, £1,000 dealer contrib	£3,390	48	£264	£9,525	6.9%	30/09/24
T-Cross, Life 1.0 TSI	£23,975	PCP, £1,250 dealer contrib	£3,596	48	£260	£10,904	6.9%	30/09/24
ID.3, Pro Essential 59kWh	£35,700	PCP, £1,850 dealer contrib	£5,355	36	£418	£13,860	0.0%	30/09/24
Golf, Life 1.5 TSI	£27,035	PCP, £3,250 dealer contrib	£4,055	48	£272	£11,052	6.9%	30/09/24
T-Roc, Life 1.0 TSI	£28,330	PCP, £2,250 dealer contrib	£4,249	48	£300	£12,291	6.9%	30/09/24
Taigo, Style 1.0	£29,645	PCP, £2,750 dealer contrib	£4,446	48	£314	£12,335	6.9%	30/09/24
Tiguan, 1.5 eTSI	£34,075	PCP, £750 dealer contrib	£5,111	48	£408	£14,796	6.9%	30/09/24
Passat, Life 1.5 eTSI	£38,505	PCP, £4,500 dealer contrib	£5,775	48	£404	£15,007	6.9%	30/09/24
VOLVO	Volvo summer savings up to £10,000 dealer contribution							
Various models, excluding EX90	From £33,795	PCP, up to £10,000 dealer contrib	varies	varies	varies	varies	varies	30/09/24

ZEV target hit in August but remains off target

TOP 15 FLEET/RETAIL REGISTRATIONS BY BRAND, AUGUST 2024

	Month End FLEET	Month End PRIVATE	Month End	Month End Last Year FLEET	Month End Last Year PRIVATE	Month End Last Year
VOLKSWAGEN	4,958	3,030	7,988	5,546	2,789	8,335
AUDI	3,237	2,976	6,213	3,451	2,633	6,084
FORD	2,567	2,736	5,303	4,156	3,293	7,449
KIA	3,708	1,047	4,755	3,170	1,493	4,663
BMW	2,659	1,907	4,566	2,709	2,041	4,750
MERCEDES	1,797	2,616	4,413	2,282	1,364	3,646
TOYOTA	2,281	1,889	4,170	2,096	2,003	4,099
SKODA	2,573	1,314	3,887	2,410	1,327	3,737
HYUNDAI	2,430	1,398	3,828	2,542	1,540	4,082
VAUXHALL	2,544	721	3,265	4,485	1,077	5,562
PEUGEOT	2,753	450	3,203	2,144	968	3,112
TESLA	1,995	1,018	3,013	2,543	1,478	4,021
MG	2,133	820	2,953	2,500	850	3,350
NISSAN	2,153	769	2,922	1,727	639	2,366
RENAULT	1,854	985	2,839	1,153	889	2,042

SALES BY CUSTOMER TYPE, AUGUST 2024

August	Total	Private	Fleet	Business
2024	84,575	32,110	51,329	1,136
2023	85,657	32,055	51,972	1,630
% change	-1.3%	0.2%	-1.2%	-30.3%
Mkt share '24		38.0%	60.7%	1.3%
Mkt share '23		37.4%	60.7%	1.9%
Year-to-date	**Total**	**Private**	**Fleet**	**Business**
2024	1,238,855	468,345	743,259	27,251
2023	1,179,298	527,426	623,699	28,173
% change	5.1%	-11.2%	19.2%	-3.3%
Mkt share '24		37.8%	60.0%	2.2%
Mkt share '23		44.7%	52.9%	2.4%

RETAIL REGISTRATIONS BY AREA, AUGUST 2024

Area	Month End	Month End Last Year	% Change
LONDON	4,809	5,254	-8.47
SCOTLAND	4,225	3,731	13.24
NORTH WEST	3,422	3,493	-2.03
WEST MIDLANDS	3,060	3,280	-6.71
SOUTH	3,004	3,001	0.10
EAST	2,956	2,824	4.67
YORKSHIRE	2,002	1,926	3.95
NORTH EAST AND CUMBRIA	1,915	1,637	16.98
WALES	1,238	1,386	-10.68
NORTHERN IRELAND	1,109	1,228	-9.69
SOUTH EAST	1,102	1,070	2.99
WEST	982	1,027	-4.38
EAST MIDLANDS	937	914	2.52
SOUTH WEST	752	777	-3.22
E YORKSHIRE/LINCOLNSHIRE	597	507	17.75
TOTAL	**32,110**	**32,055**	**0.17**

BY RICHARD AUCOCK
Editor of Auto Retail Bulletin

Although August is no longer a key month in terms of new car registrations, it can still be a barometer for the crucial month of September.

And this year, it seems that heavy discounting of battery electric vehicles (BEVs) by OEMs, could lead to a much-needed boost in BEV sales. They were up 10.8% in August, to claim a reassuring 22.6% market share, second only to petrol. For one month at least, the 22% ZEV Mandate target for 2024 has been met.

The year-to-date figures reveal the reality; with BEV on 17.2%, this is still some way off the target figure, even if it has grown by 0.8% during the month. All eyes will now be on what the far more significant month of September can deliver in terms of a further BEV boost – and if the deals section from page 22 of this month's Auto Retail Bulletin is anything to go by, OEMs are pulling out all the stops.

The SMMT itself admitted that heavy discounting of BEVs is driving registrations, along with a raft of new models. But surprisingly, it doesn't think BEV share will rise much further than 18.5% this year. Some OEMs will be fine; others will be considering what action to take, be it paying fines, offsetting for future years – or even restricting ICE supply to balance out EV registrations?

There is early evidence that this could already be happening. Last month, the share of new petrol cars fell a full 5%, with more than 4,800 fewer new petrol cars registered compared to August 2023 – that's a -10.1% decline. Diesel, of course, was down too, by -7.3%, but this is not significant these days; diesel is now the fifth most popular fuel type in the UK. Even PHEVs beat it.

BEST SELLERS

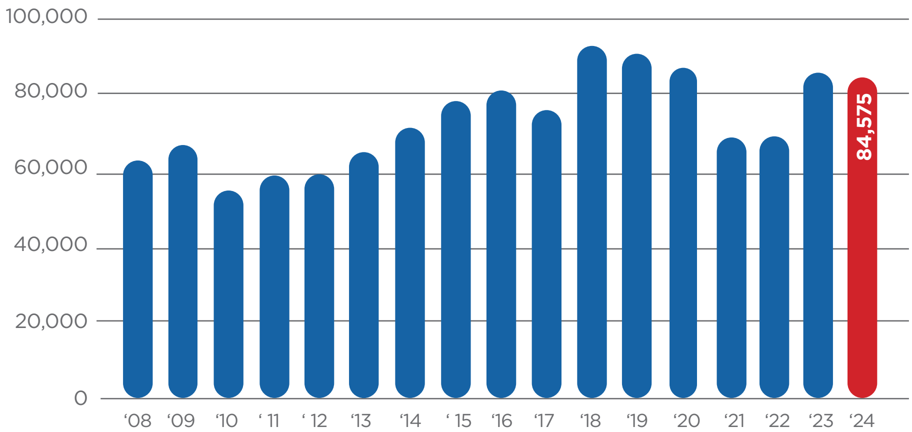
Aug-24		YTD	
1 Ford Puma	2,471	1 Ford Puma	32,263
2 Kia Sportage	1,962	2 Kia Sportage	30,100
3 Tesla Model 3	1,542	3 Nissan Qashqai	27,684
4 Volkswagen Polo	1,524	4 Volkswagen Golf	23,482
5 Tesla Model Y	1,469	5 Nissan Juke	22,702
6 Volkswagen Golf	1,437	6 Audi A3	21,680
7 Volkswagen T-Roc	1,297	7 Hyundai Tucson	20,297
8 Volvo XC40	1,202	8 MG HS	20,090
9 Hyundai Tucson	1,198	9 Volkswagen T-Roc	19,542
10 Nissan Qashqai	1,170	10 BMW 1 Series	19,538

SALES BY FUEL TYPE, AUGUST 2024

AUGUST	2024	2023	% change	Mkt share - 24	Mkt share - 23
Diesel	5,165	5,574	-7.3%	6.1%	6.5%
Petrol	42,872	47,688	-10.1%	50.7%	55.7%
BEV	19,113	17,243	10.8%	22.6%	20.1%
PHEV	5,786	6,601	-12.3%	6.8%	7.7%
HEV	11,639	8,551	36.1%	13.8%	10.0%
Total	**84,575**	**85,657**	**-1.3%**		

Year to date	2024	2023	% change	Mkt share - 24	Mkt share - 23
Diesel	80,093	92,043	-13.0%	6.5%	7.8%
Petrol	674,312	669,034	0.8%	54.4%	56.7%
BEV	213,544	193,221	10.5%	17.2%	16.4%
PHEV	100,457	80,458	24.9%	8.1%	6.8%
HEV	170,449	144,542	17.9%	13.8%	12.3%
Total	**1,238,855**	**1,179,298**	**5.1%**		

AUGUST NEW CAR REGISTRATIONS 2008-2024



Surprisingly though, PHEVs were down too, falling -12.3% year-on-year. Hybrids (HEVs) are taking up the slack, growing 36.1% to take a 13.8% share in August. Over the summer, there's been news of several manufacturers rethinking their strategy of going pure electric and focus on hybrids too; could what's long been described as a stepping stone to full electric finally be having its moment?

Overall, August 2024 was down a marginal -1.3%, with 84,575 new cars registered. Year-to-date is still up 5.1% though, with 1,238,855 sales so far. September will aim to build on this, although there are question marks for what happens next – our interviewee Nathan Tomlinson (see page 4) is certainly questioning whether any summer momentum can continue.

There wasn't much change in where customers are coming from, with salary sacrifice and Motability continuing to drive fleet sales. They were down a marginal -1.2% last month, bit still took a 60.7% market share, with business adding a further 1.3%. Private sales rose, but only by 0.2% - that represents just 55 extra retail customers buying cars compared to August 2023. People are not yet rushing back into the showrooms.

"August's EV growth is welcome but it's always a very low month and so subject to distortions ahead of September's new plate change," said SMMT chief executive Mike Hawes. "The introduction of the new 74 plate, together with a raft of compelling offers and discounts from manufacturers, plus growing model choice, will help increase purchase consideration and be a true barometer for market demand.

Winners and losers

Big brands suffered in August. Ford registrations fell -28.8%, and Vauxhall plunged -41.3%. Ford is now only the fifth-largest UK brand so far in 2024 with just under 70k registrations, and Nissan – up 23.5% in August and 22.3% year-to-date, is catching it fast. Vauxhall is now the 10th largest brand in 2024, and is likely to be overtaken by MG (up 8.5% in 2024) and drop out of the top 10 in September.

Ford isn't quite now a one-model brand, but the Puma still comprised 46.5% of its registrations. The other just-over-half was made up of Focus, Kuga, Mustang Mach-e and, presumably, the first new Explorer retailer demonstrators. Note, at this point back in 2019, Ford had sold around 188k cars...

Volkswagen, Audi, Kia and BMW saw marginal increases or declines, but nothing significant. More noteworthy was the continued 21% growth in Mercedes-Benz registrations, which now sits above Toyota in the overall rankings. Volvo is another agency brand that's growing fast, up 71.9% in August, although sporty sister brand Polestar has clearly been alarmed by its continued decline, with registrations once again more than halving in 2024. Alastair Cassells takes us through how it's responded by rethinking agency, and giving more power to retailers, on page 14.

August also saw Omoda enter the new car charts, with 46 cars registered as part of its UK launch plans. This very ambitious new entrant has big plans for the UK, so it will be one to watch; it has already beaten fellow new entrant GWM Ora in August, along with Ineos, Bentley, Maserati and Alpine. Indeed, Omoda August registrations were identical to Genesis.

NEW CAR REGISTRATIONS, AUGUST 2024

	AUGUST					YEAR-TO-DATE				
Marque	**2024**	**% Market share**	**2023**	**% Market share**	**% Change**	**2024**	**Market share**	**2023**	**% Market share**	**% change**
Volkswagen	7,988	9.44	8,335	9.73	-4.16	105,586	8.52	101,020	8.57	4.52
Audi	6,213	7.35	6,084	7.10	2.12	80,958	6.53	85,285	7.23	-5.07
Ford	5,303	6.27	7,449	8.70	-28.81	69,852	5.64	91,125	7.73	-23.34
Kia	4,755	5.62	4,663	5.44	1.97	74,885	6.04	73,047	6.19	2.52
BMW	4,566	5.40	4,750	5.55	-3.87	84,278	6.80	65,693	5.57	28.29
Mercedes-Benz	4,413	5.22	3,646	4.26	21.04	63,776	5.15	52,415	4.44	21.68
Toyota	4,170	4.93	4,099	4.79	1.73	62,671	5.06	68,690	5.82	-8.76
Skoda	3,887	4.60	3,737	4.36	4.01	46,729	3.77	44,565	3.78	4.86
Hyundai	3,828	4.53	4,082	4.77	-6.22	57,792	4.66	56,912	4.83	1.55
Vauxhall	3,265	3.86	5,562	6.49	-41.30	54,055	4.36	62,519	5.30	-13.54
Peugeot	3,203	3.79	3,112	3.63	2.92	42,489	3.43	37,040	3.14	14.71
Tesla	3,013	3.56	4,021	4.69	-25.07	28,504	2.30	33,302	2.82	-14.41
MG	2,953	3.49	3,350	3.91	-11.85	53,230	4.30	49,044	4.16	8.54
Nissan	2,922	3.45	2,366	2.76	23.50	65,777	5.31	53,762	4.56	22.35
Renault	2,839	3.36	2,042	2.38	39.03	35,058	2.83	22,040	1.87	59.07
Volvo	2,834	3.35	1,648	1.92	71.97	39,793	3.21	30,550	2.59	30.26
Seat	2,255	2.67	1,644	1.92	37.17	26,797	2.16	20,274	1.72	32.17
Land Rover	2,074	2.45	1,131	1.32	83.38	39,983	3.23	33,458	2.84	19.50
Honda	1,684	1.99	861	1.01	95.59	21,899	1.77	17,170	1.46	27.54
Citroen	1,551	1.83	1,698	1.98	-8.66	19,315	1.56	18,914	1.60	2.12
Suzuki	1,496	1.77	1,794	2.09	-16.61	16,968	1.37	16,206	1.37	4.70
Cupra	1,460	1.73	1,284	1.50	13.71	18,175	1.47	14,613	1.24	24.38
Dacia	1,403	1.66	1,081	1.26	29.79	19,665	1.59	18,057	1.53	8.91
Mazda	1,062	1.26	1,110	1.30	-4.32	16,901	1.36	19,352	1.64	-12.67
Mini	952	1.13	1,374	1.60	-30.71	25,232	2.04	27,507	2.33	-8.27
Fiat	663	0.78	959	1.12	-30.87	9,484	0.77	11,116	0.94	-14.68
Porsche	618	0.73	1,064	1.24	-41.92	10,875	0.88	15,295	1.30	-28.90
Jaguar	607	0.72	348	0.41	74.43	12,291	0.99	8,171	0.69	50.42
Lexus	529	0.63	691	0.81	-23.44	9,510	0.77	8,623	0.73	10.29
BYD	438	0.52	33	0.04	1,227.27	4,110	0.33	213	0.02	1,829.58
Polestar	374	0.44	818	0.95	-54.28	3,932	0.32	8,982	0.76	-56.22
Jeep	355	0.42	77	0.09	361.04	4,821	0.39	1,880	0.16	156.44
Abarth	102	0.12	30	0.04	240.00	699	0.06	399	0.03	75.19
KGM/SsangYong	88	0.10	35	0.04	0.00	1,172	0.09	990	0.08	0.00
Subaru	82	0.10	75	0.09	9.33	1,628	0.13	1,269	0.11	28.29
smart	81	0.10	42	0.05	92.86	1,263	0.10	248	0.02	409.27
Alfa Romeo	79	0.09	70	0.08	12.86	1,061	0.09	940	0.08	12.87
DS	76	0.09	64	0.07	18.75	780	0.06	1,736	0.15	-55.07
Genesis	46	0.05	69	0.08	-33.33	695	0.06	920	0.08	-24.46
Omoda	46	0.05	0	0.00	0.00	46	0.00	0	0.00	0.00
Ineos	23	0.03	62	0.07	-62.90	187	0.02	583	0.05	-67.92
Bentley	20	0.02	44	0.05	-54.55	543	0.04	915	0.08	-40.66
Maserati	18	0.02	26	0.03	-30.77	326	0.03	638	0.05	-48.90
Alpine	11	0.01	9	0.01	22.22	253	0.02	210	0.02	20.48
GWM Ora	10	0.01	86	0.10	-88.37	960	0.08	459	0.04	109.15
Fisker	0	0.00	0	0.00	0.00	259	0.02	0	0.00	0.00
Maxus	0	0.00	0	0.00	0.00	3	0.00	8	0.00	-62.50
Other British	122	0.14	78	0.09	56.41	1,976	0.16	2,002	0.17	-1.30
Other Imports	98	0.12	54	0.06	81.48	1,612	0.13	1,141	0.10	41.28
Total	**84,575**		**85,657**		**-1.26**	**1,238,855**		**1,179,298**		**5.05**