

Car Purchasing Process - UK - April 2014

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"Competition from those within and outside of the market is ever present and is likely to grow if recent trends towards consumer individuality continue. Getting closer to the buyer offers clear advantages for manufacturers and retailers not only in achieving future sales but also in understanding how cars are to develop a future role in society."

— Neil Mason, Head of Retail Research

This report looks at the following areas:

- Will new cars continue to face a challenge from used?
- Is market fragmentation a reality?
- Are dealers still seen as a safe bet for many?

Over the past 12 months the fortunes for the UK automotive sector have improved dramatically as it has shrugged off many of the difficulties that it was facing in the aftermath of the UK economy entering recession in 2008. As such, the car purchasing market is now much stronger and confident than it has been for some time with sales expected to make further positive progress during 2014.

The performance of new car sales is the most obvious illustration of the recent progress that has been made by the sector. Total private and business/fleet volumes stood up at 2.26 million units in 2013 compared with 2.05 million units in 2012 with Mintel of the belief that a further increase will follow in 2014. Within the market there is a shift away from mid-range models towards smaller and specialist makes such as MPVs and dual purpose vehicles. There is also a steady shift towards diesel over petrol with hybrids and electric vehicles as yet failing to make any significant inroads into the market.

The impact of recent changes in consumer preferences towards motor vehicles continues to cause disturbance within the supplier market. Although around a quarter of new car sales continue to come from two manufacturers, Ford and Vauxhall, the rest of the sector remains relatively fragmented. Here the effects of trading up by some and a demand for increased value for money from other buyers are boosting the fortunes of certain suppliers to the detriment of others.

Mintel's exclusive research for this report provides additional information on buyer behaviour, presenting a detailed analysis of the purchasing intentions and preferences of adults when it comes to the purchasing of cars. It illustrates the wide range of price points that exist within the market as well as the key groups that are likely to purchase a new or a used vehicle. Our findings show the importance of certain sales channels when it comes to vehicle purchasing, again with differences for those purchasing new and used.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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