

The Used Car Market Report **2011**



A REPORT BY BCA



Foreword

We are delighted to bring you this 21st edition of the BCA Used Car Market Report.

Last year's research looked at the expected implications of recession and when users replaced their cars. This year's report considers the potential for recovery and how the broad range of changes to the wider economic scene and the new car market might impact on the used car sector.

Our editor, Professor Peter N C Cooke, the Professor of Automotive Management, the Centre for Automotive Management at The University of Buckingham is a well-known commentator on the automotive industry.

Professor Cooke spent some 20 years in the motor industry and has taught, researched and written about the industry at business schools for a similar period. He has undertaken much work on the fleet, used car and LCV sectors and edited the BCA Used Car Market Report for several years.

He and his team have sought to retain the best aspects of this long-established report, and have developed new analysis and commentary on the used car market, paying particular attention to changes to new car sales and the economy in general.

Given the uncertainty still surrounding the UK's economy, and the implications for the automotive sector, the BCA Used Car Market Report 2011 is most timely for everyone involved in the used vehicle industry.

Jon Olsen
CEO
BCA Vehicle Remarketing

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Introduction

The Used Car Market Report 2011 aims to provide the same invaluable insight into the latest developments in the UK used car market that each of our previous editions has done – providing an objective and well-informed review of the used car market.

The UK Market Review is based on statistical information from national sources. This is updated and compared with previous years' information to provide an authoritative assessment of volume and value trends in the used car market.

The Consumer Experience section of the report is based on a BMRB International survey of UK car owners. This contains a review of the key issues that influence used car buyers when deciding which car to buy, where to buy from and what motorists expect when buying a used car.

This year, the consumer survey also looked at what type of car motorists might look to buy as the economy recovers, and how expensive fuel would have to be before they decide to change to a more fuel-efficient car or change their pattern of driving.

The European section of the Used Car Market Report contains updated trend information on Europe's new and used car markets.

Other chapters include 'Macroeconomic Environment and the Used Car Industry', and 'Sources of Used Cars' which highlight fundamental changes taking place that will shape the used car industry for several years to come. The report has evolved further this year and also seeks to identify strategic concerns which used vehicle retailers might address.

The report also looks at the used LCV market, dealing with the key issue of used LCV supply. The used LCV sector will be examined in more detail in the forthcoming 'Used LCV Market Report 2011'.

BCA is pleased to provide this 2011 edition of its Used Car Market Report to all those closely associated with the UK automotive industry.

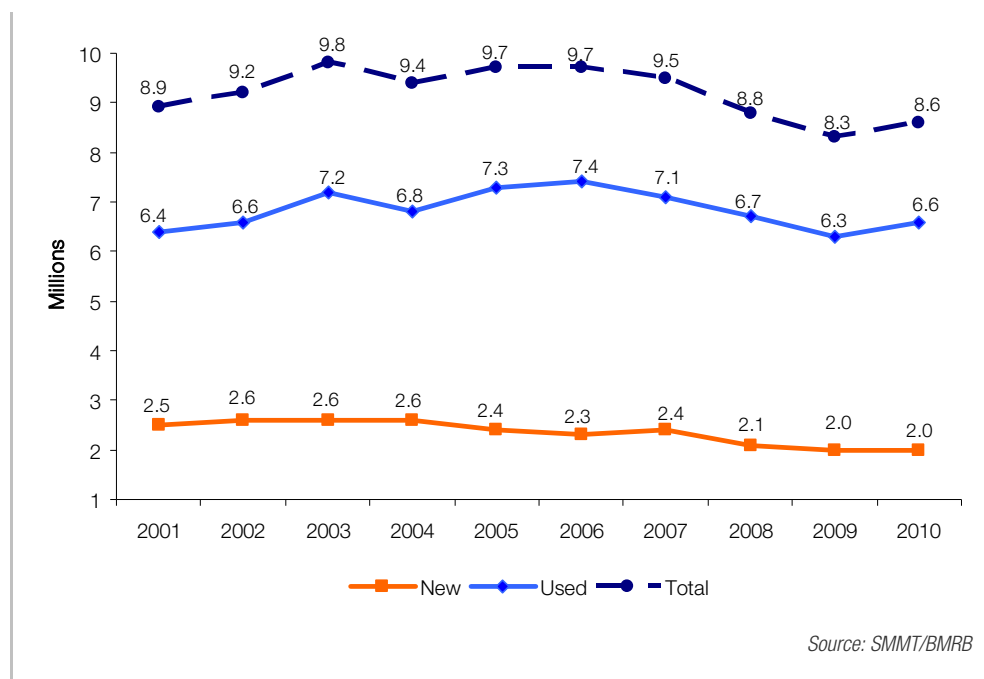
Overview

Used car market rises

The recent recession hit the country's new and used car markets hard, pushing combined new and used car sales down to 8.3 million in 2009 – their lowest point in the 21-year history of the Used Car Market Report.

However, higher used car volumes and a flat new car market saw UK car volumes rise to a combined 8.6 million units in 2010.

Market volume new vs. used; 2001 – 2010



Following four years around the 2.5 million mark leading up to 2004, new car sales fell to a 15-year low of 1.99 million units in 2009 – rising by 1.8% to 2.03 million in 2010.

The UK's share of the Western European new car market rose one percentage point to 15.6% in 2010, but still a long way short of the 18.1% reached in 2003. The UK moved up from fourth to third place in the European new car table in 2010, selling 70,000 more new cars than fourth-placed Italy's 1.96 million units.

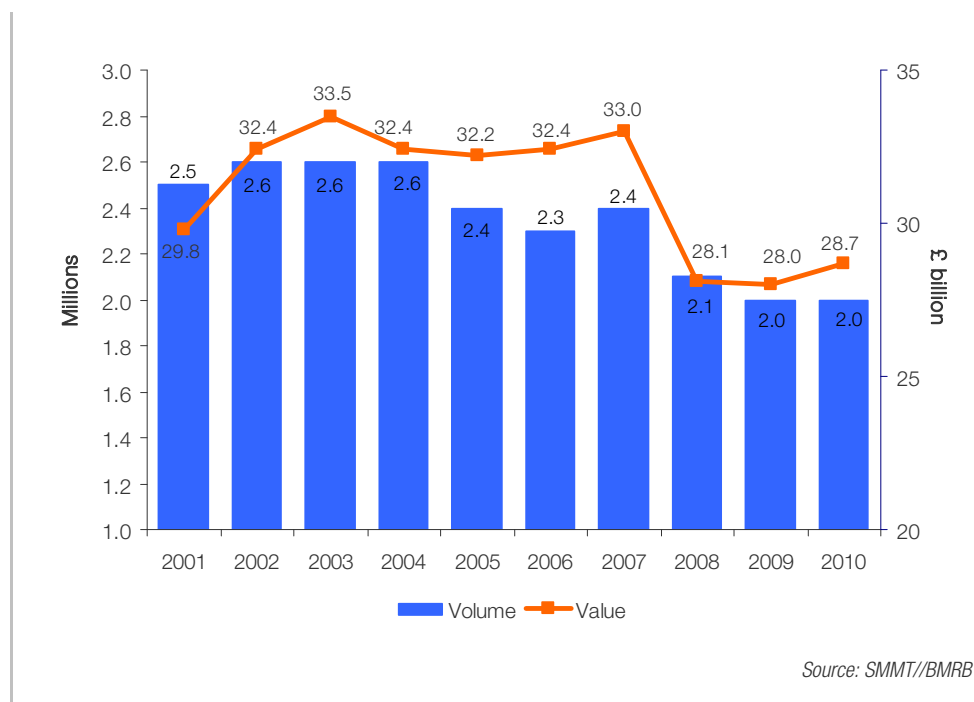
UK used car volumes fell to a 17-year low of 6.3 million units in 2009, in the midst of the deepest recession for 70 years. The first signs of economic recovery saw used car sales rise once more in 2010, to 6.6 million units.

The new car market

The value of the UK new car market remained comfortably above the £30 billion mark for six years leading up to 2007, falling to £28 billion in 2008 and 2009 as new car volumes fell sharply in the face of the longest recession on record.

The new car market value rose to £28.7 billion in 2010 as new car volumes edged up and there was a shift towards larger cars following the end of the scrappage scheme.

New car market volume and value; 2001 - 2010



New car scrappage deals of 285,000 in 2009, and 106,500 in 2010, helped new car sales recover from impending crisis levels to 1.99 million units in 2009 and 2.03 million the following year.

While new car sales to 25-plus fleets rose by 10.3% to 973,000 in 2010, private sector new car volumes fell 5.6% to 958,000 units. The sub-25 business sector saw its new car volumes rise just 1.4% to 99,608 in 2010, from 98,280 units the previous year.

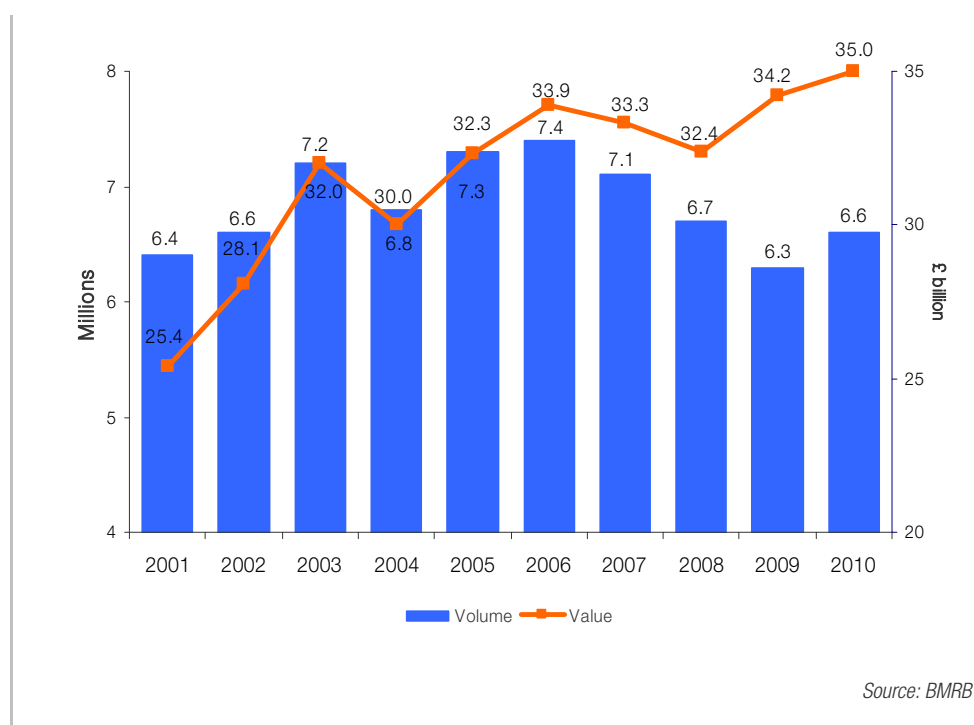
New car demand remains weak in 2011, however, particularly in the private sector where new car volumes were 18% lower for the first six months of the year, as consumers face up to lower net earnings and alarming price rises for fuel, food and other household essentials.

The SMMT's latest forecast expects the UK new car market to slip 5% to 1.93 million in 2011, rising to 2.01 million units in 2012 – with the likelihood it could take several years to return to the much higher pre-recession new car volumes.

The used car market

UK used car sales fell from a high of 7.4 million in 2006 to 6.3 million units in 2009 as the economic climate and trading conditions steadily worsened. The improving economic outlook saw used car volumes rise to 6.6 million in 2010, pushing the value of the used car market up to £35 billion from £34.2 billion the previous year.

Used car market volume and value; 2001 - 2010



Strong sales of cars in the 6-8 year age group helped used car market volumes rise by 4.3% and 270,000 units to 6.6 million, as sales of younger used cars faltered last year.

Dealers' and private-to-private used car volumes both fared well in 2010 – dealers' sales up by 3.9% to 3.67 million units, and private sector volumes 10.8% higher at 2.46 million.

- Sales of 0-2 year-old cars fell by 6.9% to 762,000 units in 2010, reflecting ongoing low new car volumes – this sector's market share dropping to 10.8% from 12.1% the previous year.
- Sales of cars in the 3-5 year age group slipped 2.3% to 1.84 million, their used car market share falling 1.9% to 28% year on year.
- Sales of 6-8 year old cars climbed 12.7% and 189,000 units to 1.67 million last year, their market share rising 1.9 points to 25.4% – fuelled by record high new car volumes of the early 2000s feeding the used car market.
- Sales of 9 years-plus cars arrested their long-term decline in 2010, up 8.2% to 2.35 million, for a used market share of 35.8%.

Consumer perspective

Twenty-seven per cent of motorists in this year's survey had bought a car in the past 24 months, three-quarters whom had opted to buy a used car rather than a new one.

- 'Personal experience of make/model' had the biggest influence for 27% of car owners when considering what used car they might look for, followed closely by 'views of family and friends', favoured by a quarter of motorists. Taking a 'test drive' was a must for 15% of used car buyers, while 13% were influenced by 'used car dealers' showrooms/sites'.
- The 'right price' remains the critical factor for two out of five car owners when making the decision on which used car to buy, a third of buyers take 'make and model of vehicle' into account – while 'a car with low mileage' and the 'right engine size' are key issues for a quarter of motorists.
- Money remains top of car buyers' priorities when deciding which seller to buy their used car from – in terms of 'the right car at the best possible price' and a 'good deal on the car', mentioned by 38% and 31% of survey respondents respectively. A fifth of used car buyers also expect to 'trade in' their car and deal with a 'reliable and trustworthy retailer'.
- Diesel-engined cars' share of the used car market slipped to 34% this time from 36% in 2010 – a sign, perhaps, that more motorists are downsizing to smaller, petrol-driven models to combat sustained financial pressures?
- Ninety-three per cent of used car buyers were 'satisfied' with their car in this year's survey – 68% of them were 'very satisfied' and a further 25% 'quite satisfied' with their vehicle.
- The number of motorists who think they, or a member of their family, will 'certainly' or 'quite likely' buy a used car in the next 12 months, dropped two points in this year's survey to 14% – while those who believe there is a 50:50 chance of doing so also fell, by 2% to 8% of respondents.
- Seven out of ten car owners plan to buy a used car next time they change, while the number of motorists thinking of buying a nearly-new car dropped one point to 6%, compared with 9% two years ago. The number of motorists inclined to buy a used diesel has fallen from 28% to 25% year on year – although this will obviously be influenced by the growing number of diesel-engined cars entering the used market over the next few years.
- The number of car owners looking to buy their next car from a 'franchised dealer' fell 5% in this year's survey to 45%, while 'non-franchised used car retailers' saw their potential share of the market rise 2% to 13%.
- Motorists have several measures in mind to combat their escalating motoring costs – with 'better fuel consumption', 'lower CO₂' and negotiating the 'best purchase price' identified as the chief cost-cutting measures.

- 'Walking more often' and 'cutting the number of journeys' remain the most popular measures car owners are prepared to take to cut their carbon footprint. A number of other highly-practical steps such as 'buying a car with lower emissions', 'driving more slowly' and 'avoiding short trips' are also prominent measures they are prepared to consider.
- A half of this year's survey respondents feel the rising cost of fuel will force them to change to a more fuel-efficient car and/or alter their driving habits. Indeed, the price of fuel has already reached the point (130 pence plus per litre) where a fifth of motorists say they will have to seriously consider one or both these options.

A slow recovery

The Overview shows the country's new and used car markets were hit hard by recession and are experiencing a slow recovery. The effect of prolonged, low new car volumes on the shape of the car parc and used car market is becoming increasingly apparent – and will take several years to return to anything like the pre-recession pattern.

- Combined new and used car market volumes have moved up slightly in 2010 after a three year fall. New car registrations are expected to remain flat in 2011 and 2012, and will hold back used car dealers' volumes until such time as new car sales rise sufficiently to redress the car parc ageing process.
- In 2008, 2009 and again in 2010, the used car market value has been significantly higher than new car market value (£4 billion, £6 billion and £6.3 billion respectively). From dealers' point of view, there is an important message in terms of the business model and the attention given to used car activities.
- The potential supply shortage of younger used cars over the next few years may create an imbalance in used vehicle prices. It is certainly realistic to expect the basic laws of supply and demand to push average used vehicle prices up, but a tighter market may well induce greater volatility.

The country's economy does not appear to be recovering in the way government had hoped or predicted, which will affect both new and used car markets in the coming months.

UK Market Review

Used car volumes begin to rise

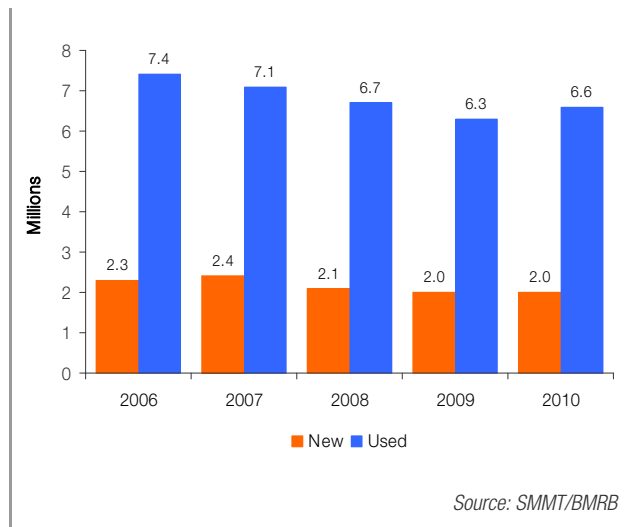
The UK's car markets experienced tough trading conditions in 2010, as the economy struggled to recover from recession and consumer confidence remained fragile.

New car volumes edged up 1.8% and 35,850 units to 2.03 million in 2010, boosted by 106,500 new car scrappage deals in the first quarter of the year.

Used car sales rose to 6.6 million last year

Used car sales rose by 270,000 units to 6.6 million last year, offsetting a slight fall in used car selling prices, pushing the used car market value up £0.8 billion to a record high £35 billion.

Car volume trends; 2006 - 2010



Used:new car ratios

The ratio of used car sales to new car sales edged up to 3.3:1 in 2010, as new car volumes remained flat and used car sales rose to 6.6 million units.

Used:new car ratios; 2006 - 2010

2006	3.2:1
2007	3.0:1
2008	3.2:1
2009	3.2:1
2010	3.3:1

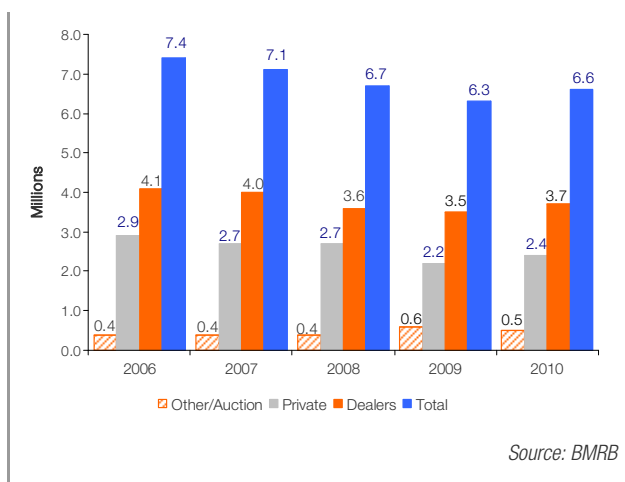
SMMT/BMRB

Used car market sectors

Stronger sales of cars in the 6-8 year age group saw used car market volumes rise 4.3% and 270,000 units to 6.6 million – as sales of 0-2 year-old and 3-5 year-old cars faltered in 2010.

Dealers' and private-to-private used car volumes both rose last year; the former by 3.9 % to 3.7 million with the latter 10.1% higher at 2.4 million units.

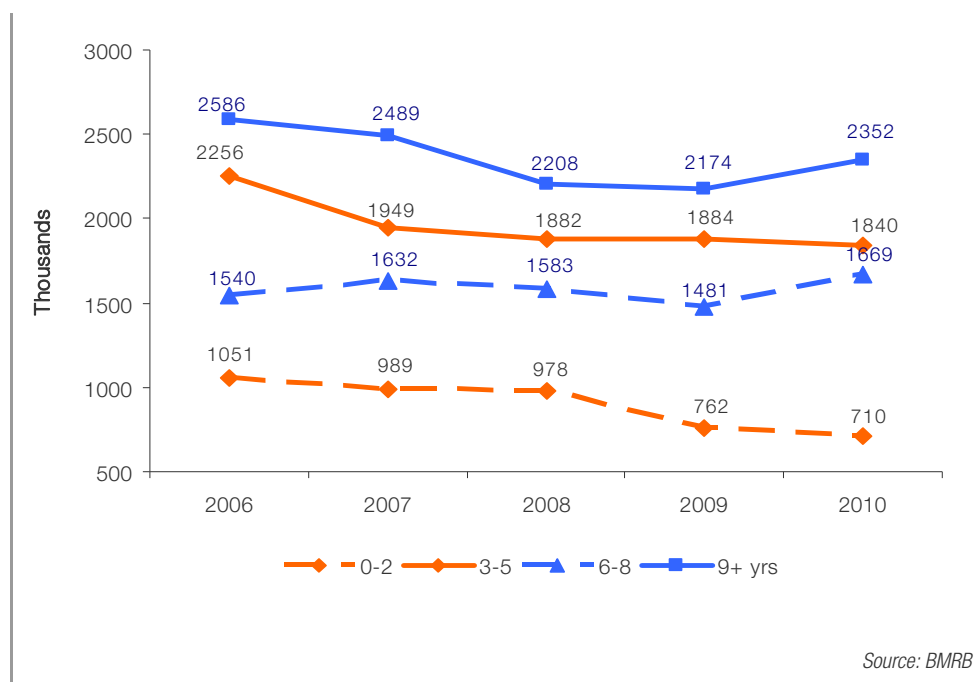
Volume of used car sales by source



Looking at 2010 used car volumes by age of car shows the following pattern:

- Sales of 0-2 year-old cars dropped for the second year running in 2010, by 6.9% and 53,000 units to 710,000, reflecting continuing low sales of new cars – driving this sector's market share down from 12.1% to 10.8% year on year.
- Sales of cars in the 3-5 year age group slipped by 2.3% and 44,000 to 1.84 million last year, their share of the used car market dropping 1.9% to 28%.

Used car market volume by age of car



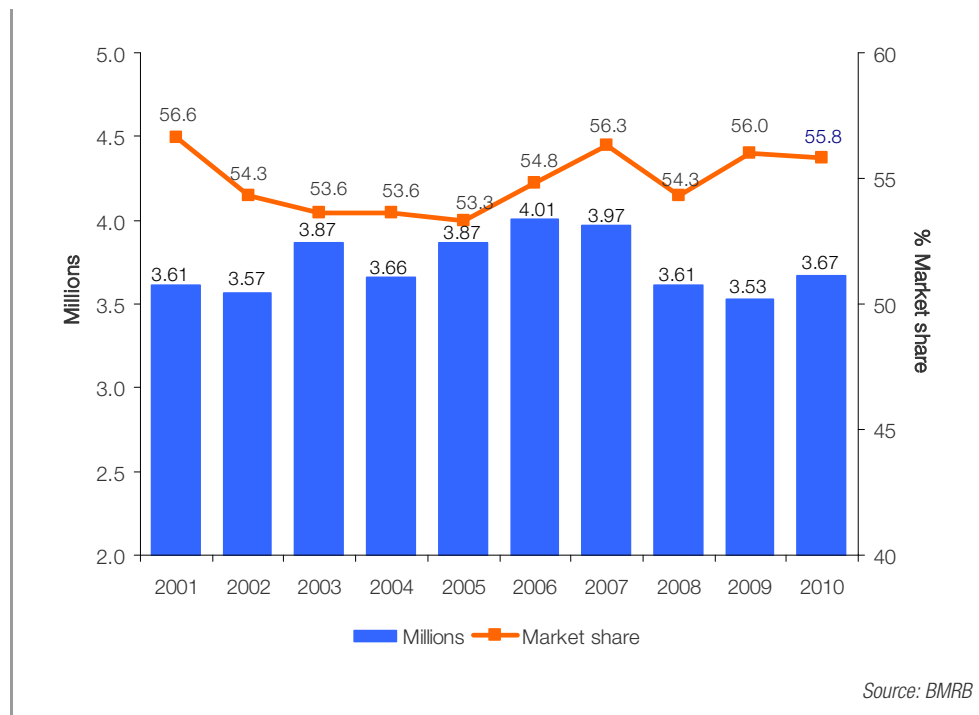
- Sales of cars in the 6-8 year age group climbed by 12.7% and 189,000 units to 1.67 million in 2010, pushing this segment's market share up 1.9 points to 25.4% – as record high new car volumes of the early 2000s feed through the used car supply chain.
- Sales of 9 years-plus cars arrested their long-term decline in 2010, rising 8.2% and 179,000 to 2.35 million units for 35.8% of the market, some way short of the 3.36 million units reached in 1998.

Dealers' used car sales

Higher sales of older used cars, which offset lower volumes in the 0-2 and 3-5 year age group, saw dealers' used car volumes rise 3.9% to 3.67 million units, their market share slipping to 55.8% from 56% the previous year.

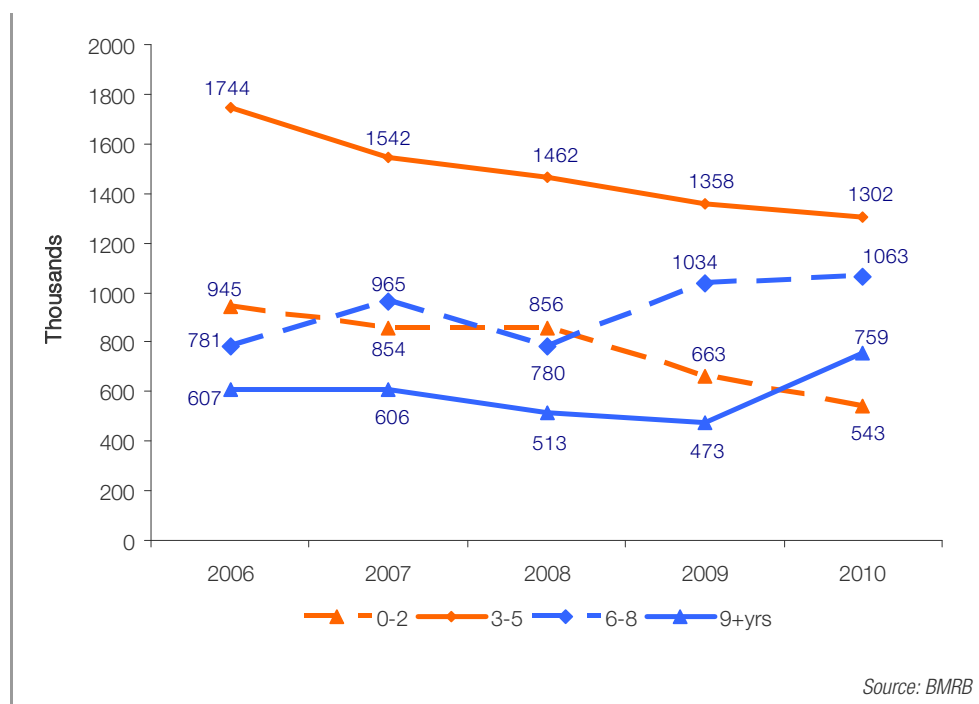
- Dealers' sales of 0-2 year-old cars fell for the second year running, by 18.2% to 543,000 in 2010, accounting for 76.5% of sales in this age group.

Dealers' used car volume and market share



- Dealers' used car volumes in the 3-5 year age group continued to drop in 2010, by 4.2% and 57,000 units to 1.3 million, and 72.1% of this segment.
- Dealer's sales of 6-8 year-old cars rose by 2.9% and 30,000 units to 1.06 million last year, as used car retailers focused more on selling older used cars which are more readily available than younger units.

Dealers' used car volume by age of car

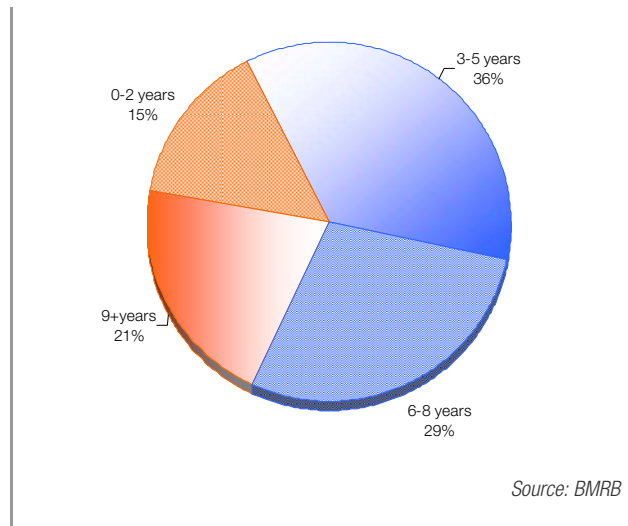


- Dealers' sales of 9 years-plus cars rose by 286,000 to 759,000 units in 2010, which now account for a fifth of their used car business.

Dealers' used car volumes continued to move towards older cars

Dealers' used car volumes continued to move towards older cars in 2010; sales of 0-2 year-old cars now accounting for just 15% of their used car volumes compared with 19% the previous year – while sales of cars in the 6-8 year age group now represent 29% of their used car business.

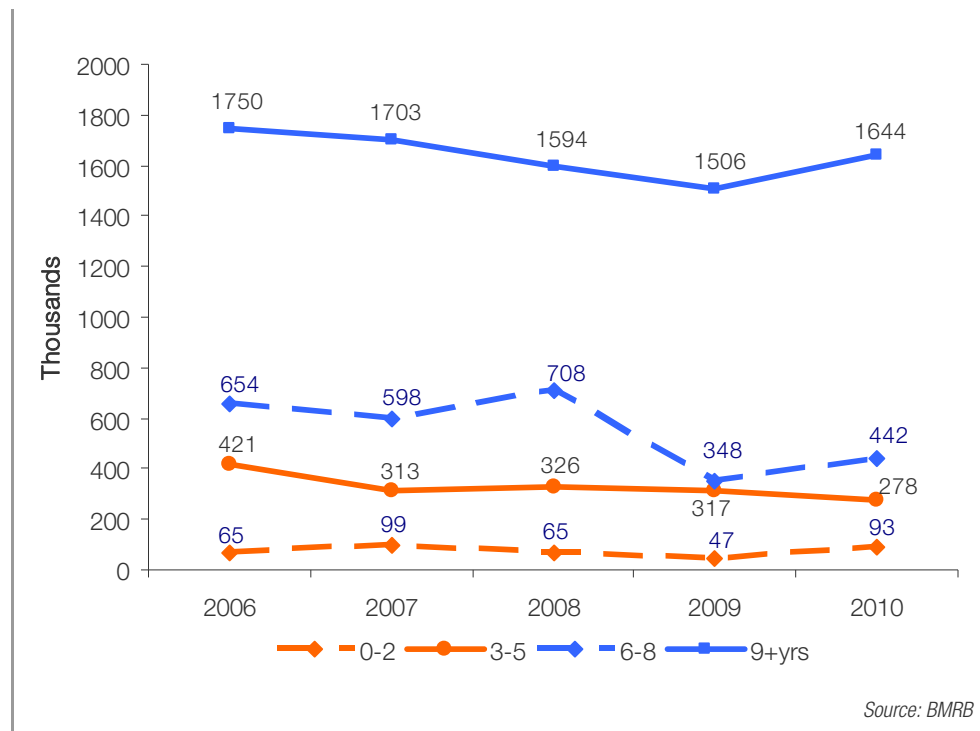
Volume share of dealers' used car sales, by age of car 2010



Private-to-private used car sales

Stronger sales in the 6-8 and 9 years-plus segments saw private-to-private used car volumes rise by 240,000 units (10.8%) to 2.46 million in 2010, taking their share of the used car market up 2.2% to 37.4%.

Private to private used car volumes by age of car



- Private sector sales of cars in the 0-2 year age group rose by 47,000 to 93,000 units in 2010, for an increased share (13.2%) of this segment.
- Private-to-private sales of 3-5 year-old cars slipped by 39,000 to 278,000 units last year, their share of this segment falling to 11.3%. Given dealer's sales in this segment also fell last year, this reinforces the pressure on used vehicle supply that is starting to affect the marketplace.
- The private sector's sales of cars in the 6-8 year age group were 27.1% and 94,000 units higher at 442,000, accounting for 18% of this market segment.
- Private sales of 9 years-plus cars also increased in 2010, by 9.2% and 138,000 to 1.64 million units, their market share slipping one point to 66.9%, in the face of growing competition from used car retailers.

More used car retailers focusing on 6-8 year-old cars

A fluctuating supply of quality, used car stock in the 0-5 year-old age group saw more used car retailers focusing on 6-8 year-old cars, where there is a more plentiful supply of stock from high new car volumes in that period.

Slow recovery from recession, reduced family incomes, high unemployment, worries about job security and uncomfortably high inflation, saw more used car buyers turn to older used cars, and private, family or friend sources, to relieve unrelenting financial pressures.

UK car market value continues to rise

The overall value of the UK new and used car markets reached a high of £66.3 billion in 2006 and 2007, falling back to £60.5 billion in 2008 as the economic downturn hit new and used car volumes hard.

Higher new car and used volumes helped the overall market value grow £1.5 billion to £63.7 billion in 2010.

New and used car market values (£ billions)

	2006	2007	2008	2009	2010
New	32.4	33.0	28.1	28.0	28.7
Used	33.9	33.3	32.4	34.2	35.0
Total	66.3	66.3	60.5	62.2	63.7
Used *	51.1	50.2	53.6	55.0	54.9

** as % of total market value*

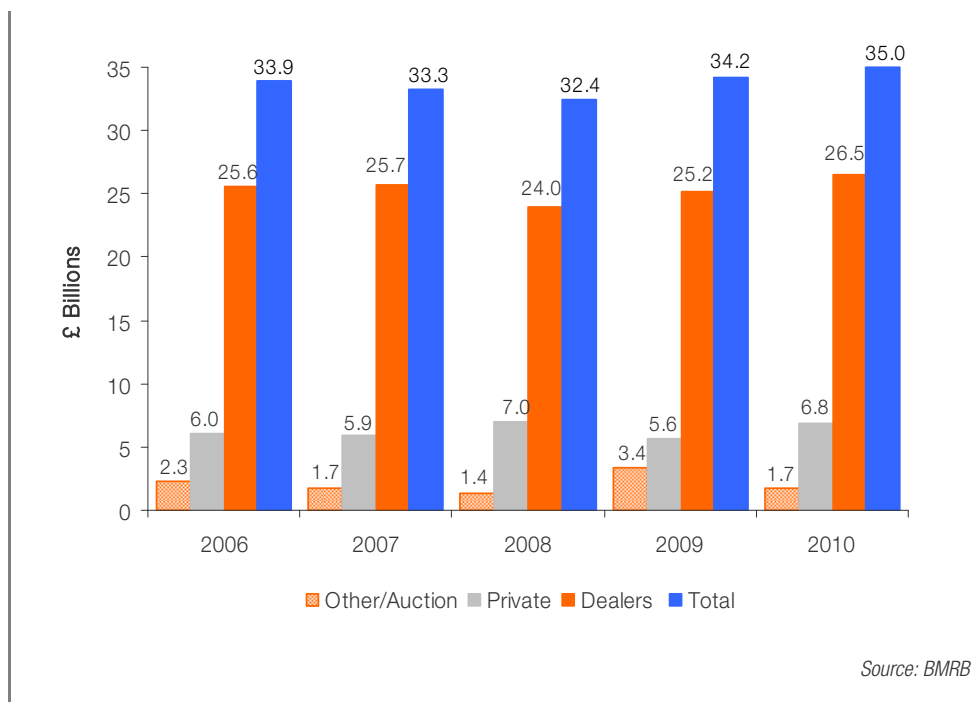
Source: BMRB

While new car volumes were relatively flat last year, a slight shift back towards larger cars saw the new car market value rise by £0.7 billion to £28.7 billion. Higher used car volumes (+4.3%) were offset by a slight drop in average used car selling prices – caused by the rising age profile of used cars across the board. This pushed the value of used car market up £0.8 billion to a new high of £35 billion last year – £6.3 billion more than the new car market value.

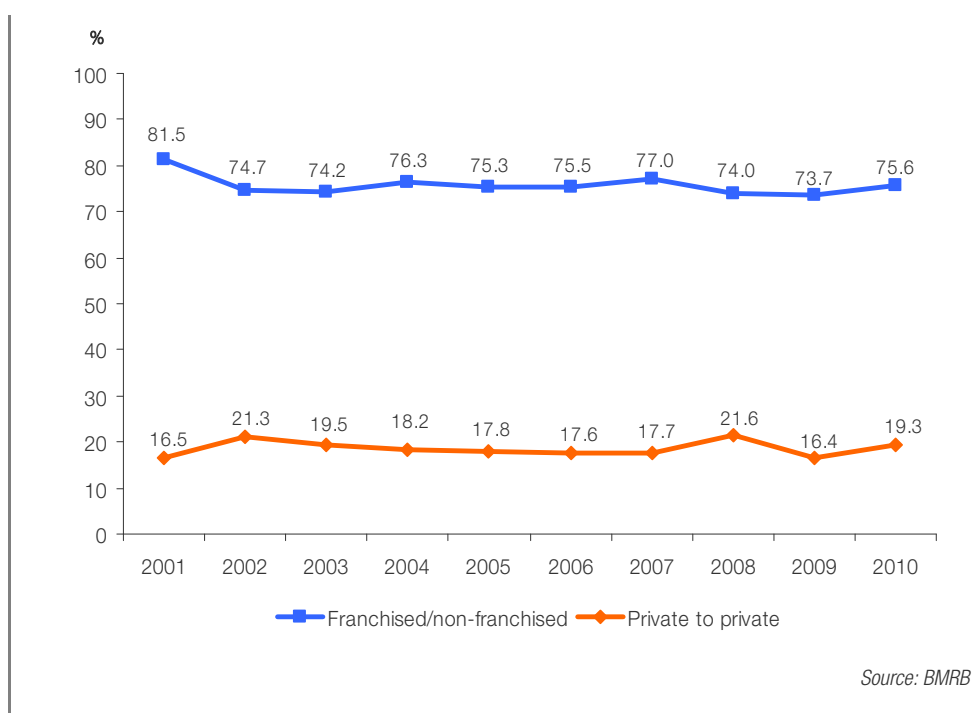
Dealers' used car market value

Dealers' used car market value grew £1.3 billion to £26.5 billion in 2010, reflecting a combination of higher used car volumes and somewhat weaker used car selling prices. The private sector's market value also rose last year, from £5.6 billion in 2009 to £6.8 billion in 2010, thanks to higher volumes and selling prices.

Value of used car sales by source



Share of used car market value



While franchised and non-franchised dealers maintained their three-quarters' share (75.6%) of used car market value in 2010, the private-to-private sector saw its share rise 2.9% to 19.3%, reflecting higher used car volumes last year.

Used car selling prices

Average used car selling prices slipped a little this year

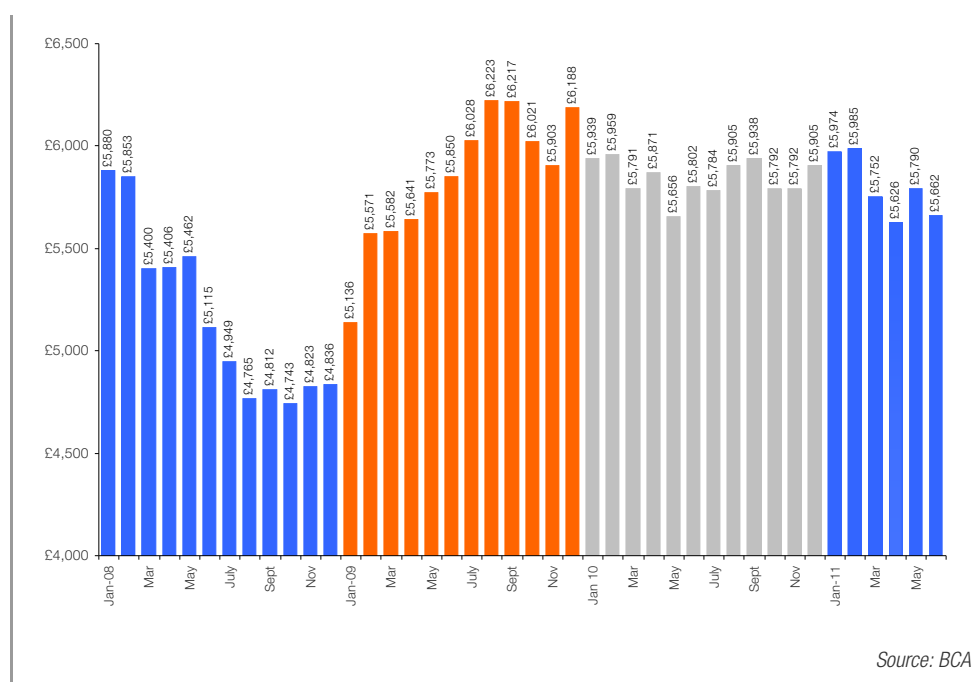
Average used car selling prices slipped a little in this year's survey, from £5,422 in 2009 to £5,332 in 2010. Dealers' overall average used car selling prices were relatively flat at £7,295, while the private sector's average used car prices edged up £236 to £2,748.

Used car prices at auction

Used car prices fell dramatically in the second half of 2008 as the effect of the credit crunch and recession took effect, until the laws of supply and demand kicked in pushing used car auction prices to their highest point ever in August/September 2009.

Average prices across all used car sectors have been stable for the past 18 months. Indeed, values for fleet cars were actually higher in the first half of 2011 than those recorded when the market was accelerating in 2009.

Average used car prices at auction; 2008 – 2011



Despite continuing economic pressures, the average value of used cars has barely moved over the past 18 months. In the first half of 2011, the figure was £5,802, a fall of just £47 on the same period in 2010, while year-on-year values are just £32 lower at the end of June 2011.

In value terms, the past 18 months demonstrate stable market conditions, with no sign of the peaks and troughs experienced in 2008 and 2009.

The age of cars sold has been rising since late 2008

Looking at the half year averages, the age of cars sold has been rising since late 2008 and went above 61 months for the first time on record in 2011. Average mileage has also been rising over time and reached nearly 59,000 in the first half of this year, another market highpoint.

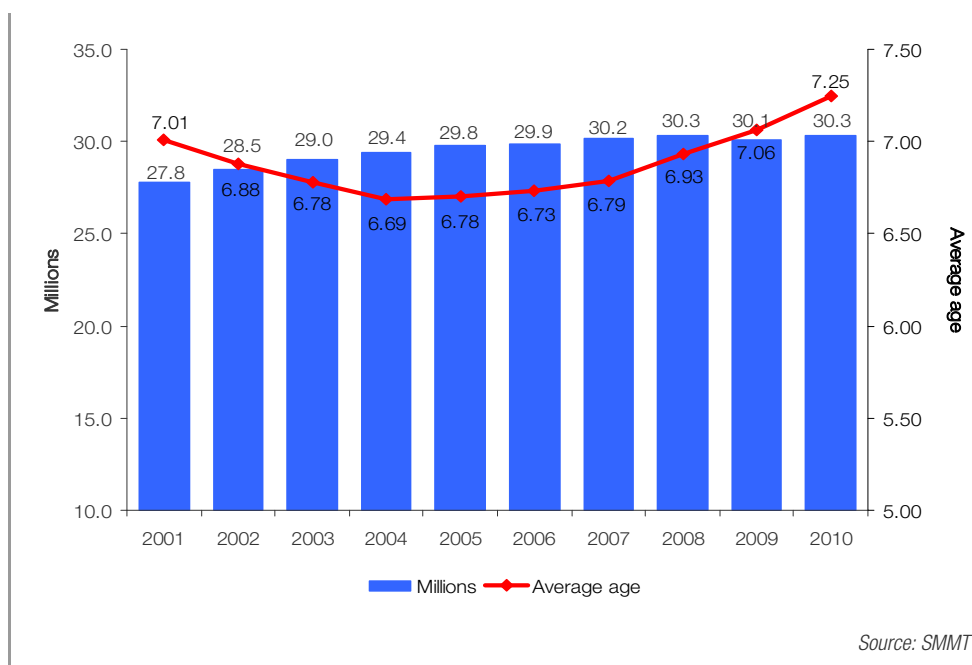
There appears to be a general move towards cars being older and higher mileage when they are sold in the wholesale arena. In fact, BCA suggests this may become a fact of life for the used market over the next two or three years, as the available car parc becomes 'older', due to the lower numbers of new cars being sold.

Average age of cars reaches a 14-year high

Record new car sales for several years saw the UK car parc rise by three million between 1999 and 2005. However, lower new car volumes over the past three years have seen the car park stall at around 30 million.

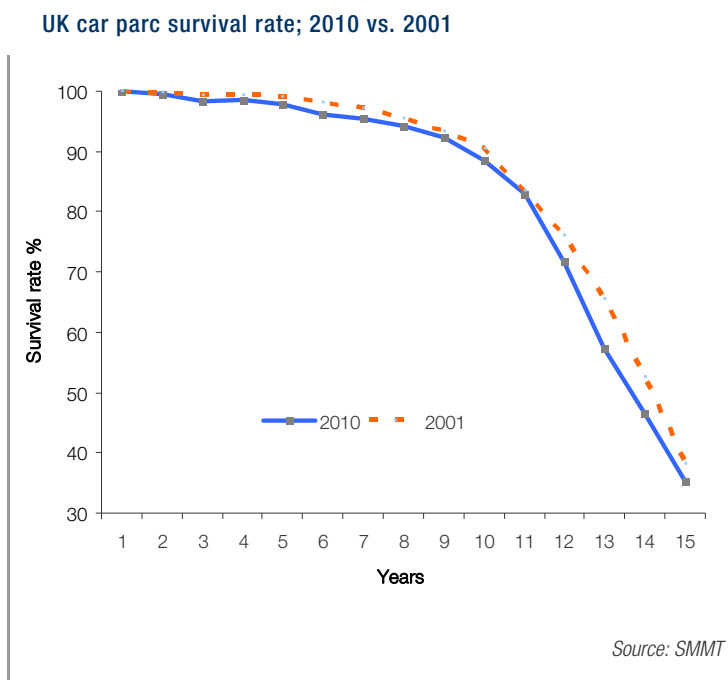
The average age of cars, which had fallen steadily to 6.69 years in 2004, rose to a 14-year high of 7.25 years at the end of 2010 – and will continue to edge upwards for several years to come, until new car volumes recover to pre-recession levels.

UK car parc – average age of car; 2001- 2010



Cars being scrapped earlier

The number of cars surviving until they are 12 years old was 71.7% in 2010, compared with 76.1% in 2001. Car are also being scrapped earlier in succeeding years – just 35.3% of cars remained on the roads at the 15-year mark compared with 38.1% ten years earlier.



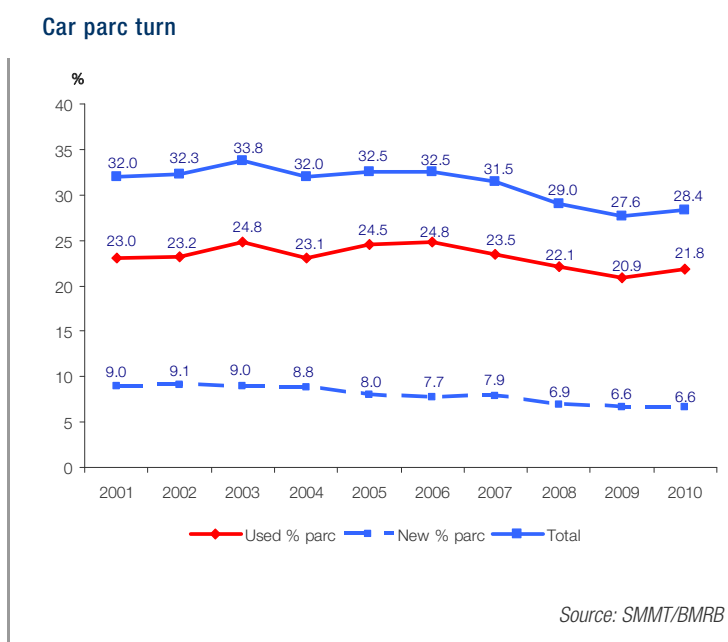
The 400,000 older cars replaced under the scrappage scheme during 2009 and 2010 have clearly hastened the scrapping of 10 years-plus cars, most notably in the 13 to 14 years-old bracket. Just 57.4% of 13 year-old cars were on the roads at the end of 2010 compared with 65.5% at this stage 10 years earlier; while 6% fewer cars (46.6%) remained in the 14 year group at the end of 2010 than 2001.

The ‘parc turn’ indicator

The ‘parc turn’ indicator, which expresses annual new and used car volumes as a percentage of the UK car parc, is a valuable way of monitoring car sales trends.

Higher new and used car volumes saw the overall ‘parc turn’ rise

Higher combined new and used car volumes of 8.6 million, versus a flat car parc of 30.3 million, saw the overall ‘parc turn’ rise from 27.6% in 2009 to 28.4% in 2010 – although still some way short of 2003’s figure of 33.8%.



Stable new car volumes held the new car 'parc turn' at 6.6% in 2010. In contrast, the used car 'parc turn' rose 0.9% to 21.8% in 2010, thanks to a 4.3% (270,000) rise in used car volumes last year.

Dealers' and the private sector's parc turn both improved in 2010; dealers' used car 'parc turn' rose to 12.7% from 11.6%, while the private-to-private ratio was 0.8% higher at 8.1%.

Dealer vs. private sector used car percentage of car parc



Changing shape of the car parc

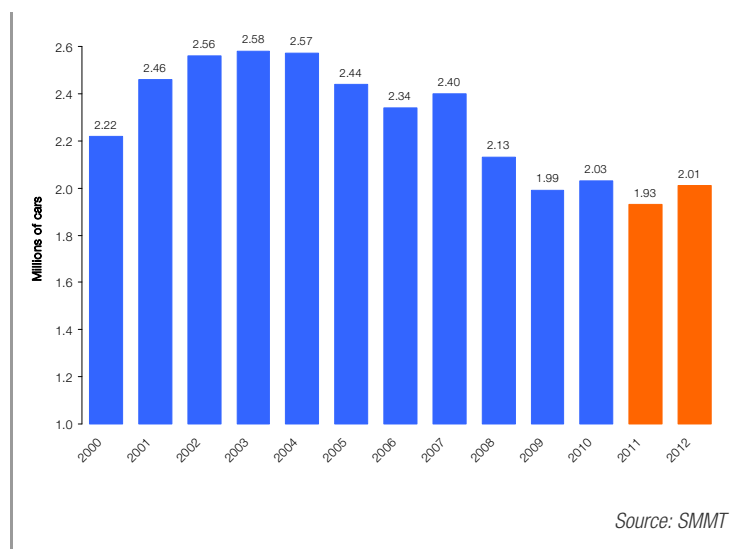
New car registrations for 2008 to 2010 and the SMMT's forecast for the following two years sees new car volumes plateauing around two million units for five years leading up to 2012 – compared to an average of 2.5 million units for the previous five year period.

However you care to calculate the figures, you cannot remove two million plus new car sales from the used car supply chain without creating waves in the marketplace.

You cannot remove two million plus new cars from the supply chain without creating some waves in the marketplace

While the car parc (used car stock) will remain around 30 million units for the foreseeable future, its make-up is ageing rapidly as the bulge of new cars from the record high new car volumes of the first half of the 2000s has reached the 6 years-plus age group.

UK new car sales; 2000 – 2012



Franchised dealers, in particular, face an uncomfortable period of several years when the parc of younger used cars will be at least two million less than they have been accustomed to.

Analysis of dealers' websites suggests around half of franchised dealers' used car volumes come from three years plus vehicles – predominantly in the 3-5 year age bracket. However, they are likely to face increasing difficulty sourcing cars in this band for the next few years – as trade-ins against new cars and fleet and leasing company disposals will soon begin to reflect the much lower new car volumes from 2008 onwards.

The fact the topic has attracted relatively little attention is, perhaps, because the full impact of the sharp fall and prolonged low new car volumes is yet to fully hit the used car industry as most of the new cars from the low volume period are still with their first owners – and demand for younger used cars is currently being dampened by the slow recovery from recession, rising inflation and lower incomes.

As the economy improves and consumer demand for used car rises, demand might exceed supply

However, as the economy improves and consumer demand for used cars rises, the growing shortage of younger used cars will become more apparent, with the likelihood that demand might exceed supply. While car rental companies, manufacturers and franchised dealers will be able to satisfy growing demand for nearly-new vehicles – there is little that can be done to plug the impending hole in 3-5 year-old used car supply.

Those closely involved in the disposal, remarketing and sale of used cars would be well advised to identify how and when the change in the mix of used car supply might affect their business – and plan how best to mitigate the impact.

A deeper analysis of the effect of the economic downturn and the ongoing, weak new car market is having on the used car sector is available in a report from BCA – 'The Long View' available from www.buckingham/cam or www.british-car-auctions.co.uk.

The Consumer Experience

Motorists' experience buying and owning a used car

This Consumer Experience section of the BCA Used Car Market Report looks at the pattern of car ownership in the UK and the key issues car buyers take into account when deciding what used car to buy and where to buy from.

BCA commissioned BMRB International to carry out face-to-face interviews with 4,000 motorists in the UK, to find out their preferences and experiences in buying and owning a used car – what convinced them to buy their latest used car, what influenced their choice of seller, what type of car they might buy next time, and where and when they might buy it.

What convinced them to buy their latest used car

This year, the consumer research also looked at what type of car motorists might look for when the economy recovers, and how much the price of fuel would need to rise before they would have to think about moving to a more fuel-efficient vehicle and/or changed their pattern of driving. Respondents were also asked what new measures they would introduce if they were in charge of the country's motoring and transport policies.

Fieldwork for the BMRB consumer research took place during late March 2011.

The Consumer Experience section is split into four parts;

What Used Car to Buy? – looks at the issues which influence used car buyers' decision on what car to start looking for and the crunch factors when deciding which particular car to buy.

Where to Buy From? – this part of the report considers what influences car owners when choosing which used car dealer to buy their used car from, and what matters most when buying from a franchised or non-franchised used car retailer. It also looks at the pattern of car ownership in the country, why motorists buy a used car instead of a new one, the type of car they bought – and how satisfied they are with their purchase.

Dealer Relations and Buying Intentions – looks at used car retailers' ongoing relationship with their customers, when motorists could next be in the market for another car, what type of car they plan to buy next and who they might buy from

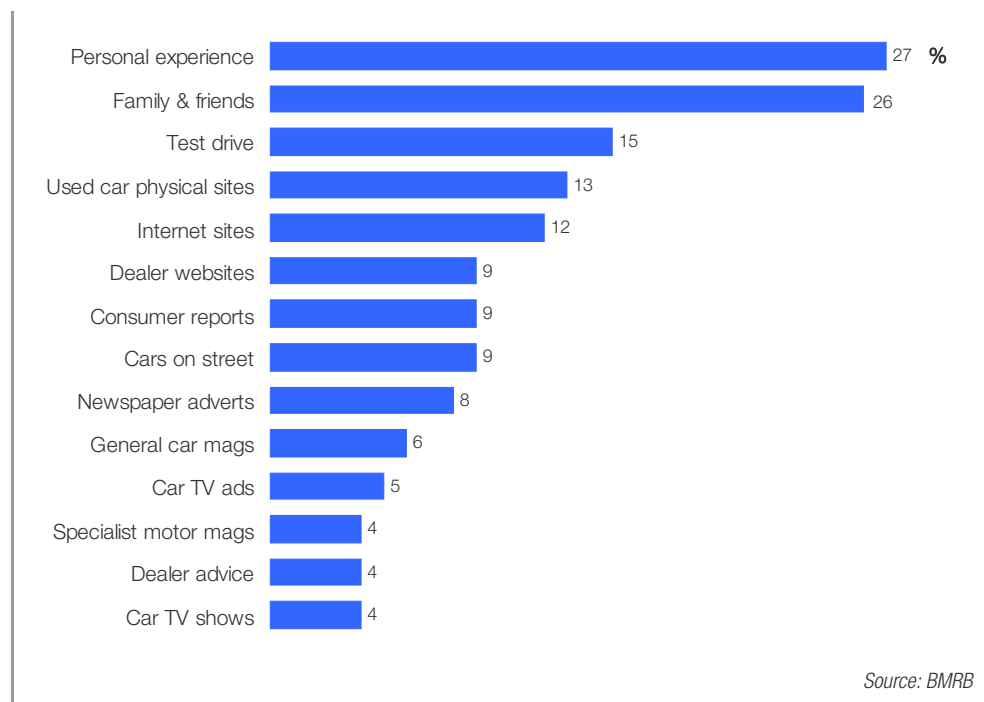
Fuel Prices, Economic Recovery and Transport Policy – assesses what type of car motorists might buy next faced with economic uncertainty and financial pressures, and what steps they might take to offset the rising cost of fuel. It also looks at what policies car owners would introduce if they were responsible for the country's transport and motoring strategy – and what they are prepared to do to reduce their personal carbon footprint.

Part One – What Used Car to Buy?

What used car to look for?

'Personal experience of make/model' was the most important issue for 27% of this year's survey correspondents when thinking about what used car they might buy, followed closely by 'views of family and friends', cited by 26% of car owners. Taking a 'test drive' was a must for 15% of used car buyers, while 13% were influenced by 'used car dealers' physical showrooms'.

Influences on type of used car considered



'Independent Internet sites' (12%) appear to have more appeal than 'dealers' websites (9%). Used car buyers are much less likely to take too much account of 'newspaper adverts' 'general car magazines', 'car TV shows', 'specialist' motoring magazines' and 'used car retailers' advice'.

Men pay more heed to 'personal experience'

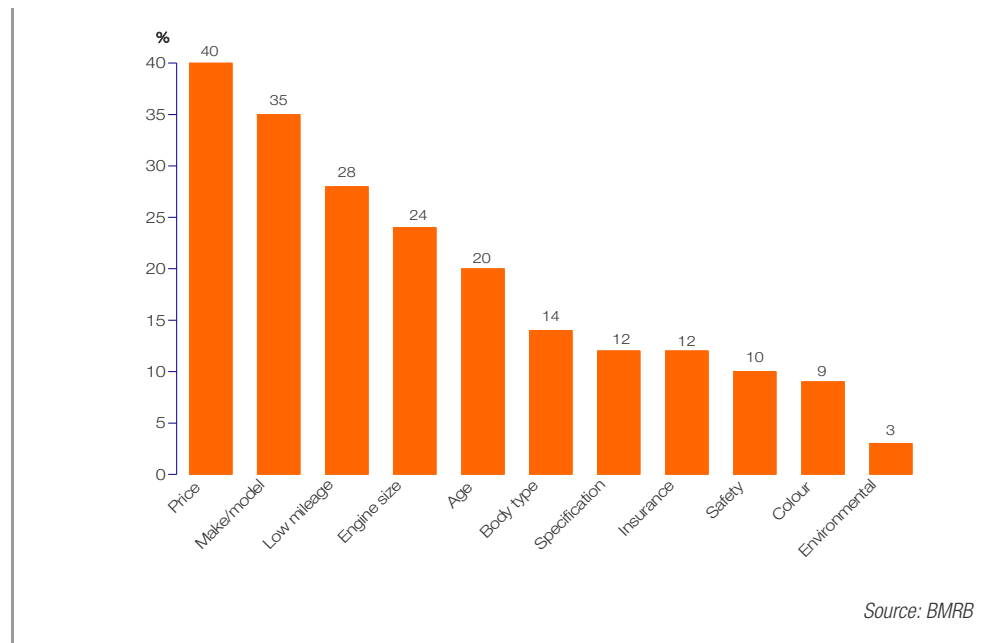
Men (30%) pay more heed to their 'personal experience of make or model' than women (23%), who seem more interested in the 'views of family and friends' at 28%. Although 'views of family and friends' are also important to two out of five younger motorists (43%), they are only taken into account by a fifth of 55 years-plus car owners.

While 'independent car Internet sites' are consulted by a fifth of 25-34 year-old car buyers (21%), they are hardly on the radar for 65 years-plus motorists (4%). Wealthier motorists, and owners of cars costing over £10,000, place far more emphasis on 'personal experience', a 'test drive' and 'consumer reports/programmes' than other groups of car buyers.

Buying the right used car

Used car buyers look for the perfect blend of the 'right price', 'make and model of vehicle' and 'low mileage' when deciding which car to buy – although 'engine size' or 'age of vehicle' might clinch the deal for some motorists.

Critical factors in choosing a used car



'Price' is top for nearly half of 17-24 year-olds

There is little difference in men's and women's preferences when choosing a particular used car, other than 'specification' cited by 15% of men and just 9% of women. While 'price' is top of their priorities for nearly half of 17-24 year-olds (47%) and higher-income used car owners (46%), it only comes into play for a third of 55-64 year-old motorists.

Car owners in the 65-years-plus age group are less interested in the 'age of vehicle' or 'insurance group' than others, while low-income used car buyers are heavily influenced by 'insurance' and a car's 'body type'.

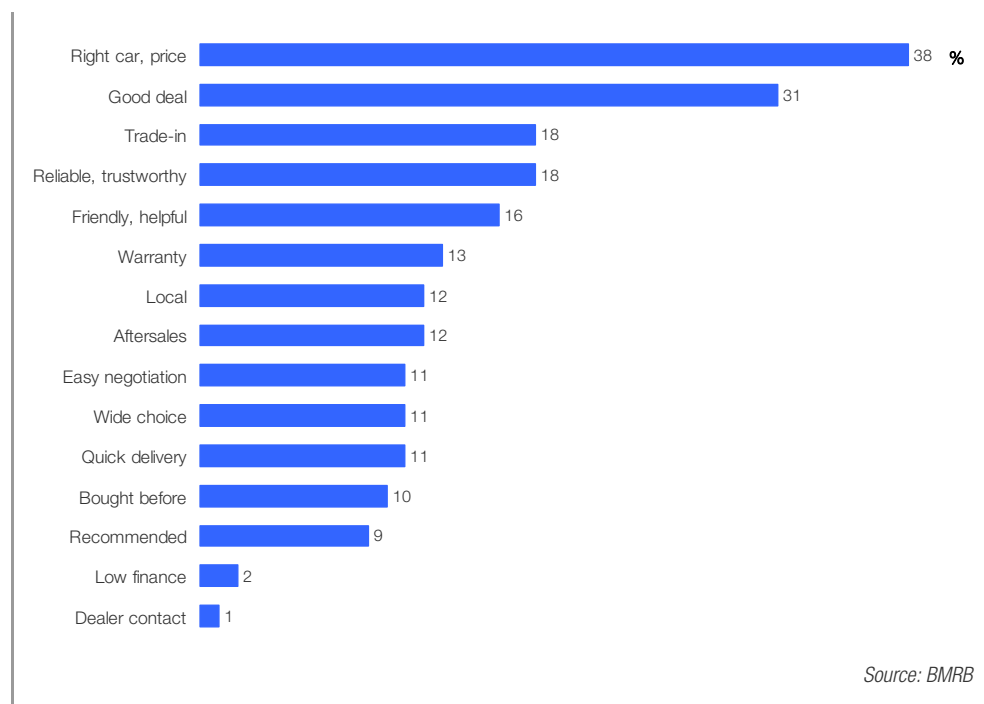
'Price' is the driving force in choosing a car below the £3,000 mark, in contrast to cars costing over £10,000 where 'make and model of vehicle', 'low mileage' and 'specification' are top of buyers' used car shopping list.

Part Two – Where to Buy From?

Which used car dealer to buy from?

Money remains very much at the top of car buyers' priorities when deciding where to buy their used car – in the shape of 'the right car at the best possible price' and a 'good deal on the car', mentioned by 38% and 31% of survey respondents respectively. A fifth (18%) of used car buyers also look to 'trade in' their car and deal with a 'reliable and trustworthy' retailer, while 16% of car owners expect to deal with 'friendly, helpful and professional staff'.

Factors influencing choice of dealer



A quarter of men stressed the importance of being able to 'trade in' their car compared with just 12% of women who rely more on the help of 'friendly, helpful and professional staff' (20%) than their male counterparts (12%).

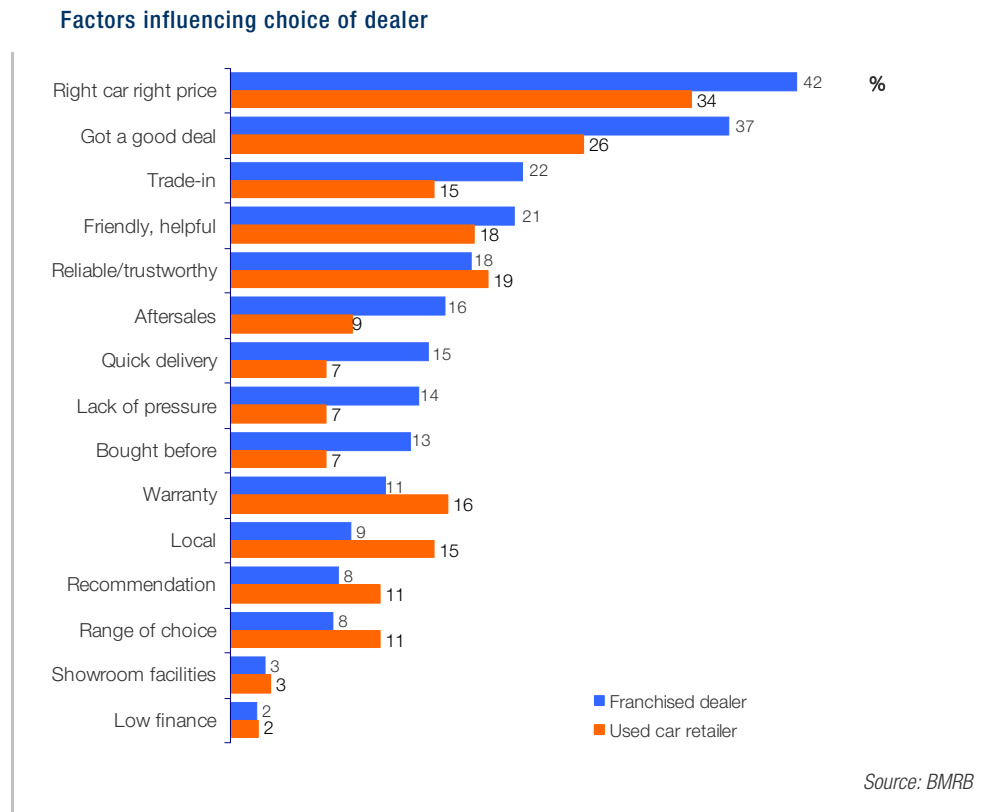
The 'right car at the right price' is crucial for wealthier car owners

The 'right car at the right price' is crucial for 55-64 year-olds and wealthier car owners, but much less so for younger used car buyers who are more interested in getting a 'good deal on the car' (45%) and 'dealing locally' (23%). Low-income motorists appear to value dealers that are 'reliable and trustworthy' and one they have 'bought a used car from before'.

At the other end of the scale, buyers of cars costing more than £15,000 expect a lot for their money. Three-quarters of them look for the 'right car at the best possible price', a half expect 'friendly, helpful and professional staff' and a 'wide choice of vehicles' – while a third of this group count on a blend of a 'good deal', ability to 'trade in their car' and 'good aftersales service'.

Buying from franchised and non-franchised dealers

‘The right car at the right price’ outstrips all other considerations when buying a used car from a franchised dealer, cited by 42% of respondents to this year’s survey, followed by a ‘good deal on the car’ (37%) and the ability ‘to trade in my old car’, mentioned by 22% of car owners.



‘I got a good deal’ was top of the shopping list

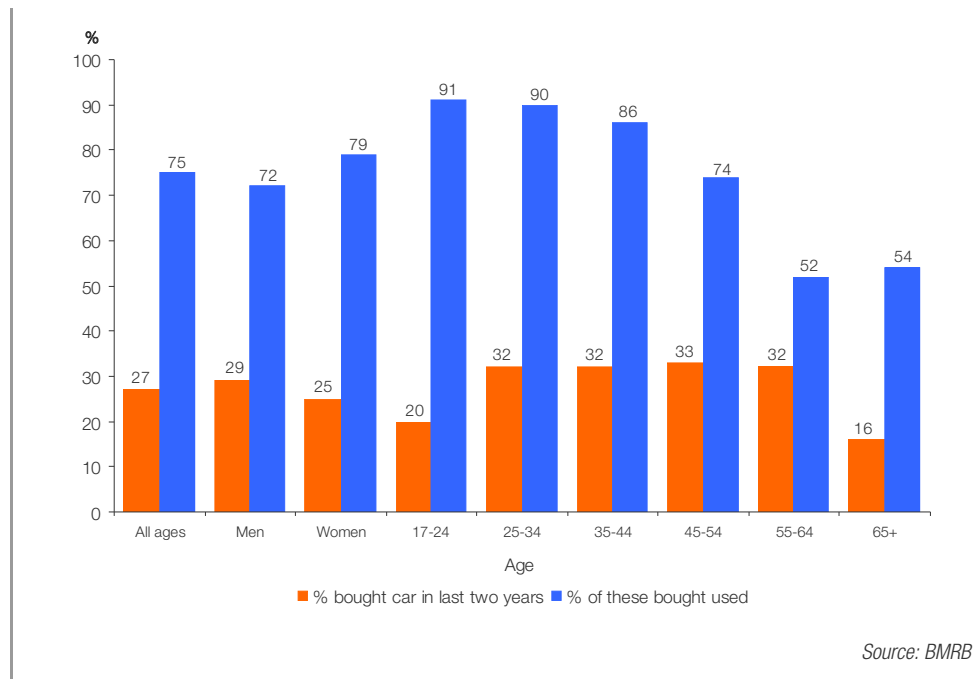
A fifth of franchised dealers’ used car customers said they were swayed by ‘friendly, helpful and professional staff’, 18% by the dealer ‘appearing reliable and trustworthy’, while 16% were influenced by the dealer’ having ‘a good aftersales service’.

A third (34%) of non-franchised used car retailers’ customers expected to find the ‘right car at the right price’, while a quarter were looking to ‘get a good deal’. Nearly a fifth of this group of customers said ‘friendly, helpful and professional staff’, and the seller appeared ‘reliable and trustworthy’, were factors in their buying decision, while 15% took being ‘local or convenient’ into account, compared with just 9% of franchised dealers’ customers.

Three-quarters buy a used car

Twenty-seven per cent of respondents to this year’s survey had bought a car in the past 24 months, three-quarters of them opting to buy a used car rather than a new vehicle (see overleaf).

Cars bought over past two years – by age group



A quarter of women and 29% of men had bought a car in the past two years – 79% of the former and 72% of the latter buying a used vehicle instead of a new one.

While a third of motorists between the ages of 25 and 64 bought a car in the past two years, considerably fewer younger and older car owners had done so. Only 20% of 17-24 year-olds and 16% of 65 years-plus motorists had bought a car in the past 24 months.

Car buyers swing towards used cars

Car buyers in all age groups showed a significant swing towards used cars in this year’s survey, particularly at the younger end of the scale. The percentage of 17-24 year-old buying used in the past 24 months rose 14 points to 91%, the 25-34 year age group up 9% to 90%, while the 35-44 year group was 10% higher at 86%. More than half (54%) of 55 years-plus car buyers had also favoured buying a used car during the previous two-year period.

Fewer families own a car

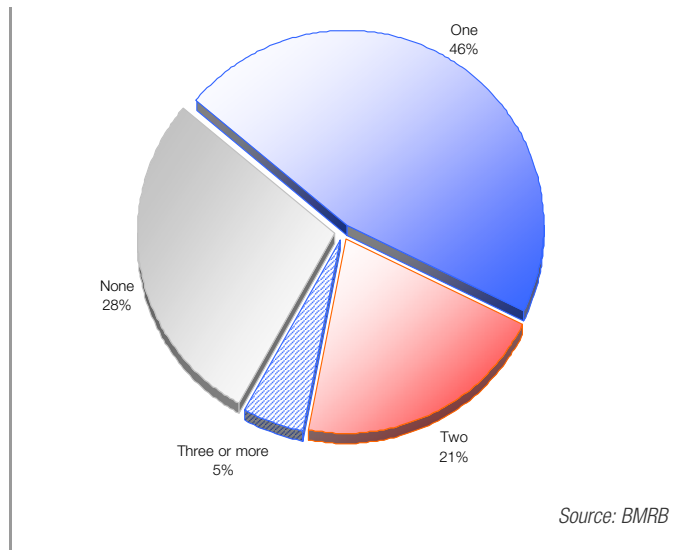
The economic downturn has clearly had a marked impact on the pattern of the country’s car ownership. Research for this year’s report shows 5% fewer families (72%) have at least one car – see overleaf.

The biggest drop is in the number of two-car households, down 4% to 21% – three or more car families slipped 1% to 5% while one-car households remained at 46%.

Motorists between 35 and 64 years of age have the most cars in their household; four out of five owning at least one car; nearly three out of ten two-car families. Better-off car owners have also tightened their belts considerably in the past year.

While 36% of higher-income families own two cars the number of three-car households has dropped four points to 6%. Low-income families have also been hit hard by economic circumstances, fewer than three out ten (27%) have a car at all, with just 4% now owning more than one vehicle – half of last year’s figure.

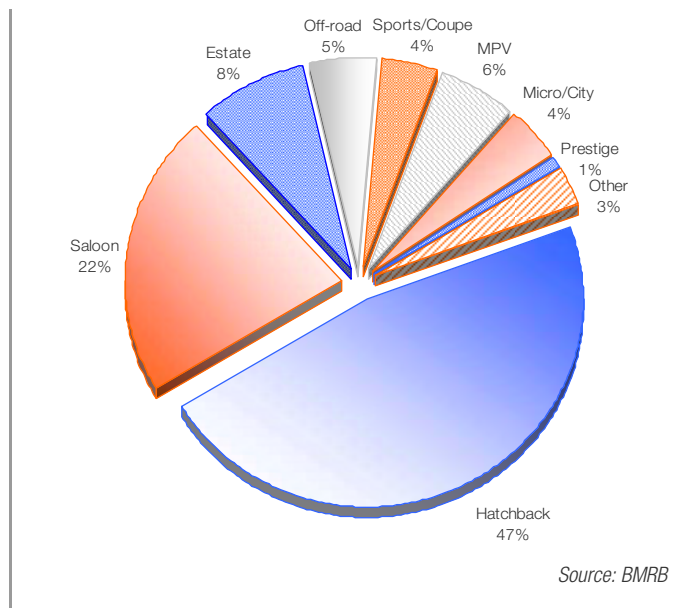
Cars in the household



Off-rovers and MPVs less popular

While hatchbacks (47%) and saloons (22%) remain the most popular choice, demand for larger used cars has slipped over the past 12 months, MPVs (6%) and Off-Road (5%) variants both saw their share drop 2% – whereas estates edged up from 7% to 8% of the used car market.

Type of used car bought



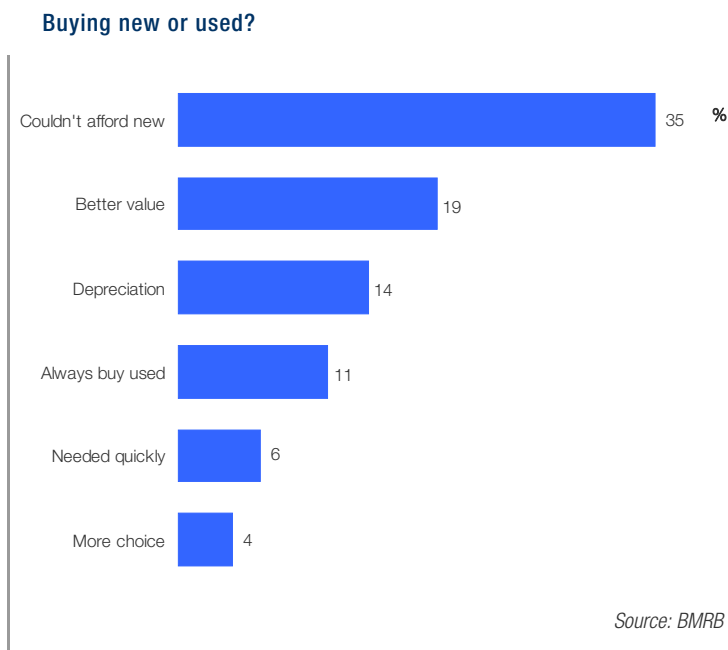
Women (27%) and older motorists (37%) are at the forefront of buying saloons, unlike three out of five of younger car owners who much prefer hatchbacks and are outright leaders (13%) in sports car/coupe segment, compared with an average of just 4% of the market.

While estates are three times more popular than average for buyers of cars in the £10,000 to £15,000 bracket, off road and 4x4s are very much the prerogative of motorists buying £15,000 plus cars.

Buying a new or used car?

Thirty-five per cent of used car owners said 'I couldn't afford a new car'

Thirty-five per cent of used car owners in the year's survey said 'I couldn't afford a new car' was the chief reason for buying a used vehicle, a fifth believe used cars offer 'better value for money', while 14% of respondents think they suffer 'lower depreciation' than new cars.



Economic uncertainty is still having a marked impact on younger used car owners; 53% of 17-24 year-olds and 43% of motorists in the 25-34 year age group said 'I couldn't afford a new car' was the principal reason for buying used – in contrast to the 55 years-plus group where only a fifth say they are unable to afford a new vehicle.

A quarter of wealthier car owners believe used cars 'provide better value for money' and fifth are confident there is 'lower depreciation', while 'affordability' is the only thing that matters to low-income car buyers.

While 'I couldn't afford a new car' outstrips all other considerations when buying a used car costing up to £5,000, it is much less of an issue for owners of cars in the £15,000 to £20,000 band (17%) – and is of no concern whatsoever for people buying cars priced over £20,000.

Diesel sales fall

Diesel-engined cars' share of the used car market slipped to 34% this year from 36% in 2010 – a sign, perhaps, of fewer fleet vehicles, which are predominantly diesel powered, entering the marketplace?

Diesel new car market share continues to rise, however, by 4.4% to 46.1% in 2010, and to 50% of the market for the first six months of 2011 – reflecting the current weak nature of private new car sales and more resilient fleet sector volumes. Apart from the Ford Fiesta, all other top-10 diesel models are in the Lower or Upper-medium sector, suggesting the mix of cars reaching the car market in a few years time will shift towards larger diesels.

Car owners in the 17-24 year group are warming to the virtues of diesel

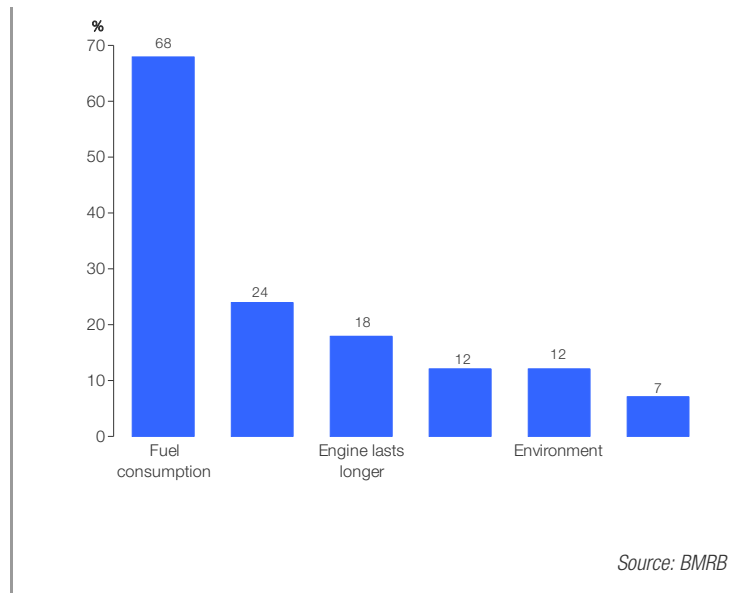
Diesel cars appeal to two out of five motorists in the 45-46 year age group and middle-income buyers, but much less so to low-income car owners, three-quarters of whom rely on petrol variants. Car owners in the 17-24 year group appear to be warming to the virtues of diesel, however, 23% of them buying a diesel in this year's survey compared to 17% last time.

Three out of ten better-off used car buyers drive a diesel-engined car, which now account for two-thirds of used cars in the £10,000 to £15,000 price band – and four out of five in the £15,000 to £20,000 group.

'Better fuel consumption' was quoted by seven

out of ten survey respondents as the chief reason for buying a diesel used car, while a quarter of car owners believe diesel-engined cars are 'more reliable', and a fifth think their 'engines last longer'.

Reasons for buying diesel

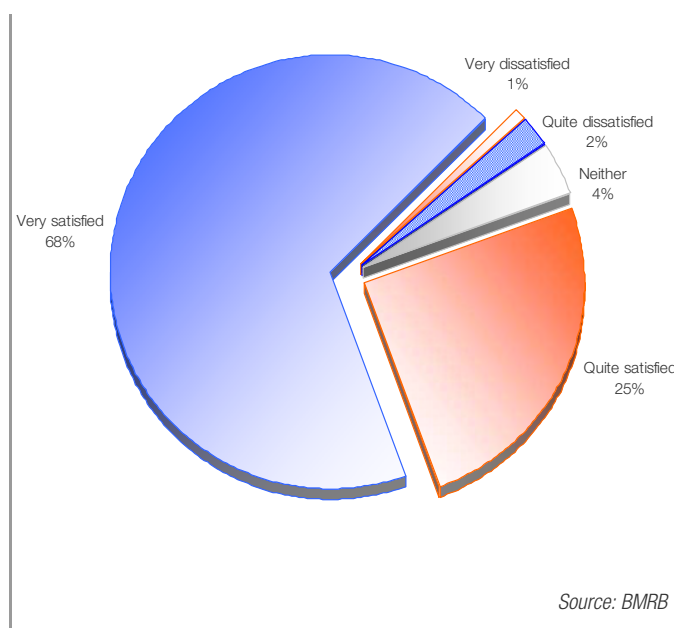


Used car satisfaction slips

While 93% of used car buyers were 'satisfied' with their car in this year's survey – this was a drop of two points from a high of 95% in 2010.

Used car owners 'very satisfied' with their car fell 4% to 68% in 2010, offset to an extent by a 2% rise to 25% of those motorists who said they were 'quite satisfied'.

Used car satisfaction



Satisfaction with a used car rises broadly in line with the age of the owner

Satisfaction with a used car rises broadly with the age of the owner – four out of five (78%) 65 years–plus motorists said they were ‘very satisfied’, compared with just 58% of 17-24 year-olds.

Interestingly, on this occasion, three quarters of low-income used car owners (75%) were happy with their vehicle, compared with just 67% of their much wealthier counterparts who felt this way.

The percentage of motorists ‘very satisfied’ with their used car also rises in line with purchase price – from 60% of car owners with vehicles costing up to £3,000, to 90% for used cars between £10,00 and £15,000 – and 100% for cars in the £15,000 to £20,000 price band.

Part Three – Dealer Relations and Buying Intentions

Customer follow-up

44% of car owners had not heard at all from their selling dealer

Car owners were asked if the retailer they bought their used car from ever contacted them to find out if they were satisfied with their car, offer them service or interest them in buying another car. Overall, this year’s survey responses showed that 44% of car owners had not heard at all from their selling dealer since they took delivery of their used car.

The number of motorists who had been asked ‘if they were satisfied with their car’ dropped 5% to 27% in this year’s survey.

While the number of used car buyers contacted ‘about servicing their car’ edged up from 32% to 35% year on year, just 15% of motorists had ever been

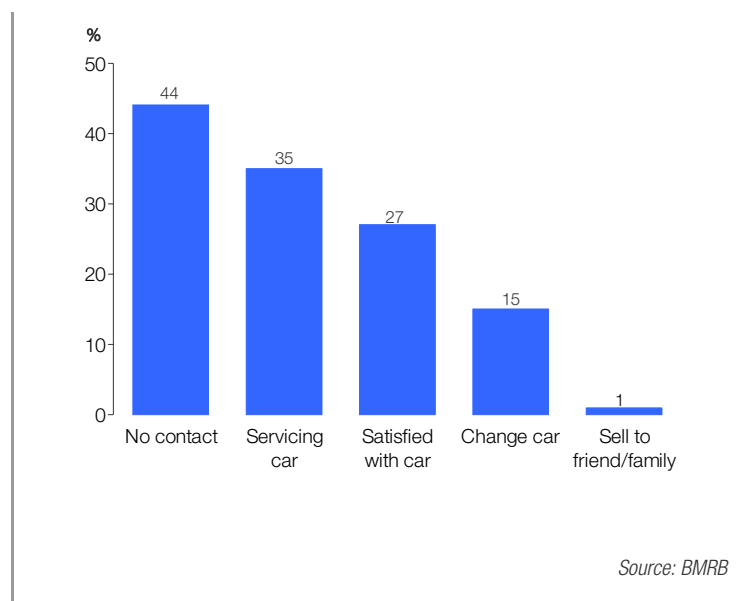
contacted to see if they might ‘think about changing their car’.

Used car dealers are less inclined to keep in touch with female used car owners – half of women had not heard at all from the dealer they had bought their car from compared to 40% of men. Only a quarter of women had been contacted by the seller about servicing compared with 38% of men – and just 14% of women, in contrast to 22% of men, were called to see if they might be interested in buying another car.

Dealers seem to have little interest in keeping their 17-24 year-old customers on board – failing to contact three-quarters of them on the ‘satisfaction’ and ‘servicing’ fronts.

Dealers’ track record of keeping in touch regularly with their used car customers has not improved over several years, as shown by research for the BCA Used Car Market Report. It’s an expensive and time-consuming business continually searching for new customers interested in buying a car. Research elsewhere suggests keeping in touch with existing customers and, at the right time, discussing the possibility of them changing their car, is likely to be a more rewarding approach.

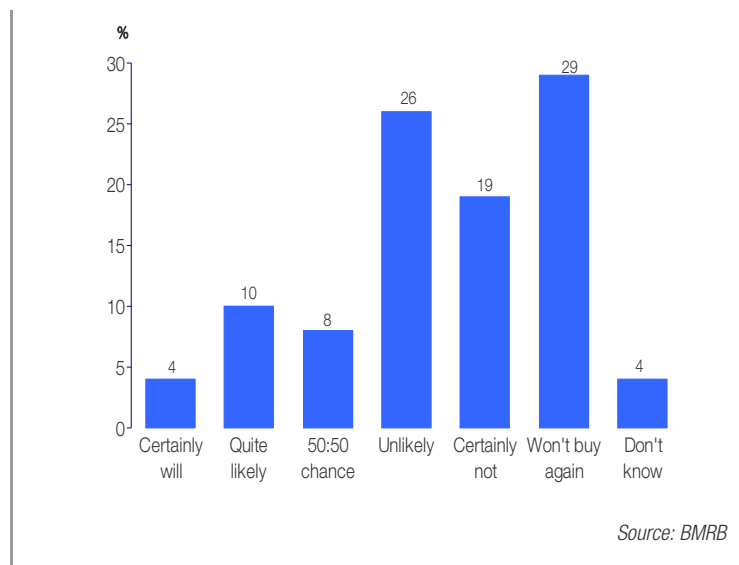
Dealer contact with used car customers



Buying a car in the next 12 months?

Despite the current, hard economic times, the number of motorists who think they, or one of their family, will 'certainly' or 'quite likely' buy a used car in the next year, dropped just one point from 15% in 2010 to 14% in this year's survey.

Likelihood of buying a car in the next 12 months



Those who believe there is a 50:50 chance they will buy a car in the next 12 months also fell, by 2% to 8%.

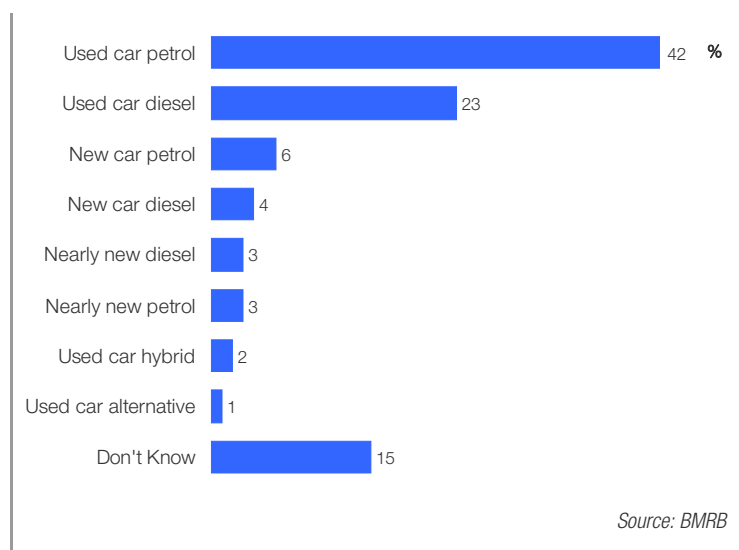
Car owners most likely to buy a car are in the 17-24 year age group, 21% saying they will 'certainly' or 'quite likely' buy one over the next 12 months, 6% fewer, though, than expressed the same view last year. Sixteen per cent of wealthier motorists, and 40% of motorists with cars costing over £15,000, think they might buy a car in the coming year, in contrast to just 5% of older and 8% of low-income car owners who feel the same way.

What type of car to buy next?

Three-quarters of car owners plan to buy a used car next time

Three-quarters of car owners plan to buy a used car next time they change. However, the number of motorists thinking of buying a nearly-new car dropped a further point to 6% this time – compared with 9% two years ago and 13% four years earlier.

Next car bought will be



The number of motorists inclined to buy a used diesel has fallen from 28% to 26% year on year – although this will obviously be influenced by the much higher number of diesel-engined cars entering the market over the next few years. A third of motorists in the 35-44 year age group and owners of cars in the £15,000 to £20,000 price band plan to buy a used diesel, as do three out of five of those with cars over the £20,000 mark.

The number of cars owners looking to buy a new car within the next 12 months dropped by 3% to 10% year on year. It also seems women are feeling the financial pinch more than men; just 6% planning to buy a new car compared with 13% of their male counterparts.

Where to buy the next car?

Although some respondents say they might consider more than one option the number of car owners looking to buy their next car from a franchised dealer fell 5% in this year’s survey to 45%. While non-franchised used car retailers saw their potential share of the market rise 2% to 13%, private and family members’ share seems set to drop by 2% to 30% according to prospective car buyers.

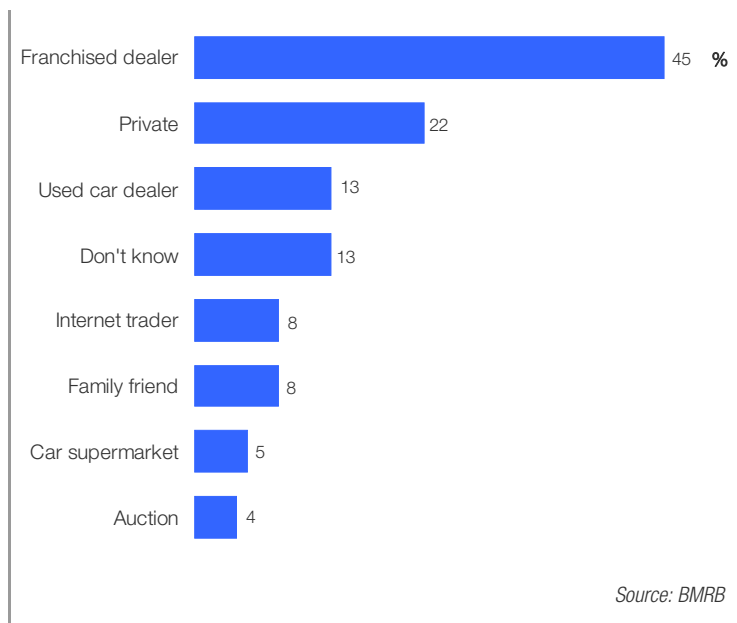
Three out of five better-off car owners plan to deal with a franchised dealer next time

Three out of five 55-plus and better-off car owners plan to deal with a franchised dealer next time they change their car, just over half of them looking to trade in their current vehicle.

Half of 17-24 year-olds and low-income car buyers say they will buy privately or from a

member of their family next time, as will buyers of cars in the £1,000 to £3,000 bracket. On the other hand, three-quarters of owners of cars costing between £10,000 and £15,000, and all motorists with £20,000-plus cars look set on striking a deal with a franchised dealer.

Where next car will be bought

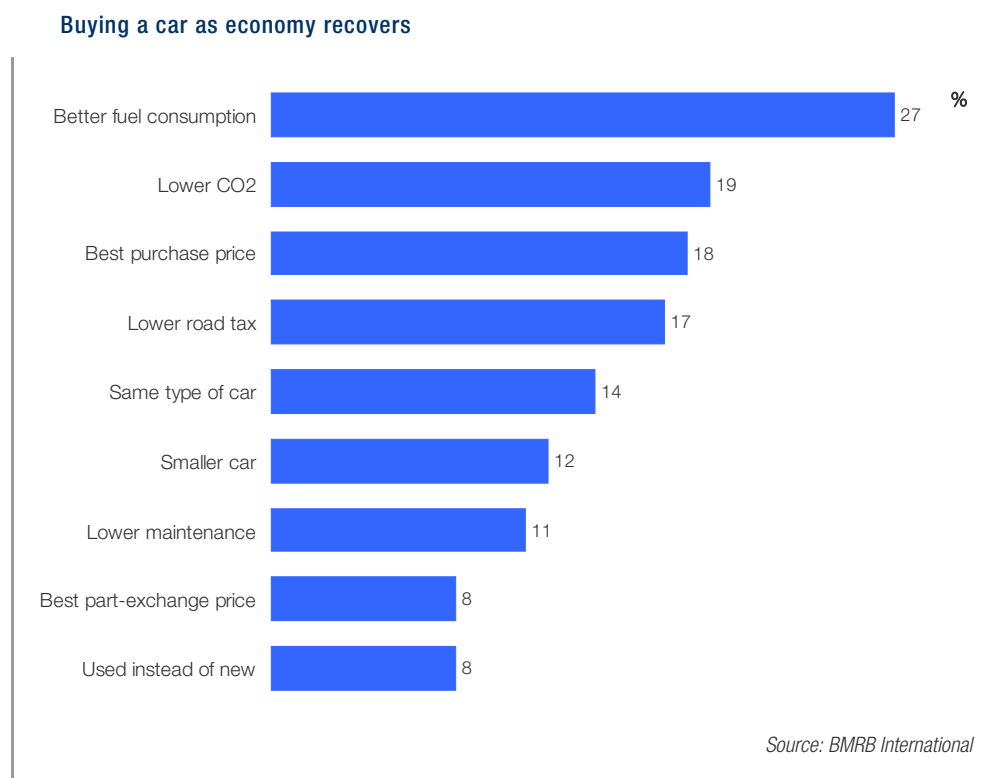


Part Four – Fuel Prices, Economic Recovery and Transport Policy

What car to buy during economic uncertainty

The country's economic growth is stubbornly slow, inflation and unemployment are uncomfortably high, and food, fuel and motoring costs are spiralling – and consumer confidence is understandably fragile.

So, what type of car might car owners think about buying to help combat this cocktail of financial pressures?



Just 14% of car owners said they will buy the same type of car next time compared with 20% in last year's survey. Motorists have several measures in mind to curtail their frontline motoring costs – with 'better fuel consumption' (27%), 'lower CO₂' (19%) and negotiating the 'best purchase price', mentioned by 18% of respondents as the chief cost-cutting measures when buying their next car. The possibility of buying a 'smaller car', with 'lower maintenance costs', is also in the frame for some prospective car buyers.

There is little to choose between men, women and age and social groups on what type of car they might buy next. However, younger motorists remain reluctant to consider a 'more fuel-efficient car', which is more the prerogative of middle-aged motorists, while buying a car with 'lower CO₂' appears to have little appeal for older and low-income car owners.

Younger motorists remain reluctant to consider a 'more fuel-efficient car'

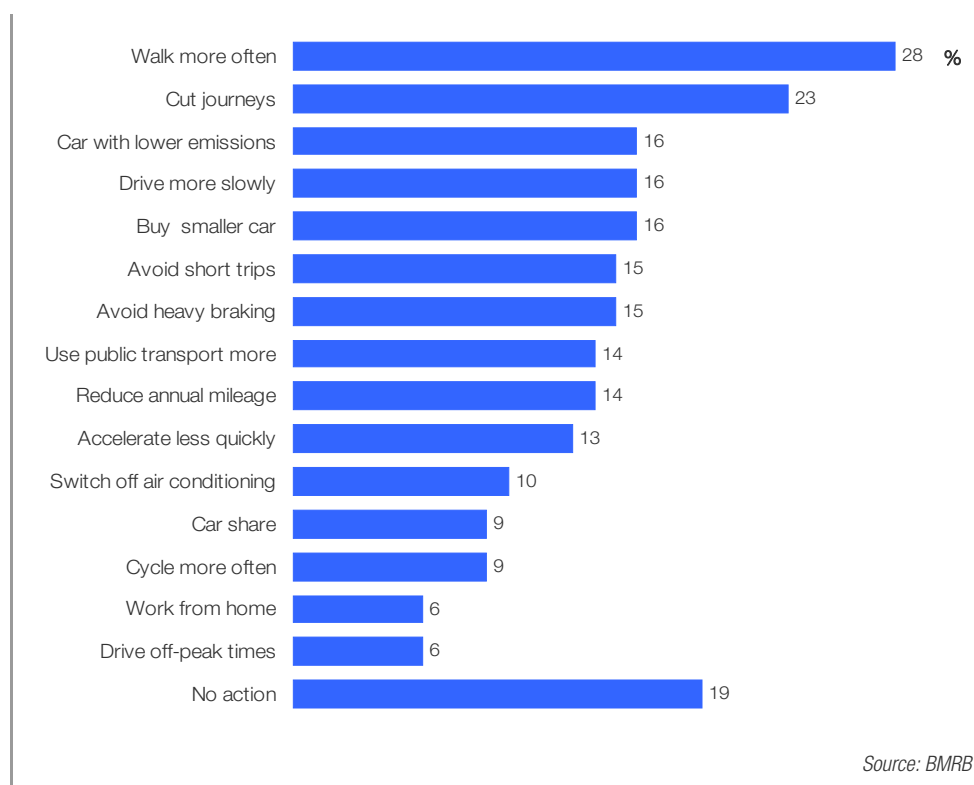
Two out of five owners of cars costing between £10,000 and £20,000 have in mind moving to a ‘more fuel efficient’ car, while owners of vehicles in the £15,000 to £20,000 band are looking for a package comprising the ‘best possible purchase price’, ‘lower maintenance costs’ and lower depreciation’.

Reducing personal motoring carbon footprint

The number saying they are prepared to reduce their personal carbon footprint has fallen

The number of respondents saying they are prepared to take steps to reduce their personal carbon footprint has fallen dramatically from 93% in last year’s consumer survey to 81% this time. Perhaps a sign that financial matters have long been dominating headlines? Car owners are currently preoccupied with financial and employment concerns, and the ‘green lobby’s’ case for a marked reduction in CO₂ emissions has perhaps weakened or being overshadowed by higher profile events?

Steps to reduce personal motoring carbon footprint



‘Walking more often’ (28%), and ‘cutting the number of journeys cited by 23% of respondents, remain the most popular measures motorists are prepared to take to cut their personal carbon footprint. A number of other highly-practical steps including ‘buying a car with lower emissions’, driving more slowly’ ‘buying a smaller car’ and ‘avoiding short trips’ feature on motorists’ list of measures they might consider.

While two out for five younger people and a third of women are prepared to ‘walk more often’, this eminently sensible option applies to only a quarter of men. Moving to a ‘car with lower carbon emissions’ appeals to a fifth of wealthier car owners, but is of little interest to 65 years-plus and low-income motorists.

Owners of cars in the £15,000 to £20,000 band appear keen to play their part in saving the planet

Owners of cars in the £15,000 to £20,000 band appear keen to play their part in saving the planet. While they are quite averse to ‘walking more often’ or ‘cutting out unnecessary journeys’, they are more inclined, than others, to consider ‘driving more slowly’, ‘avoiding heavy braking’, ‘accelerating less quickly’ and ‘cutting their annual mileage’.

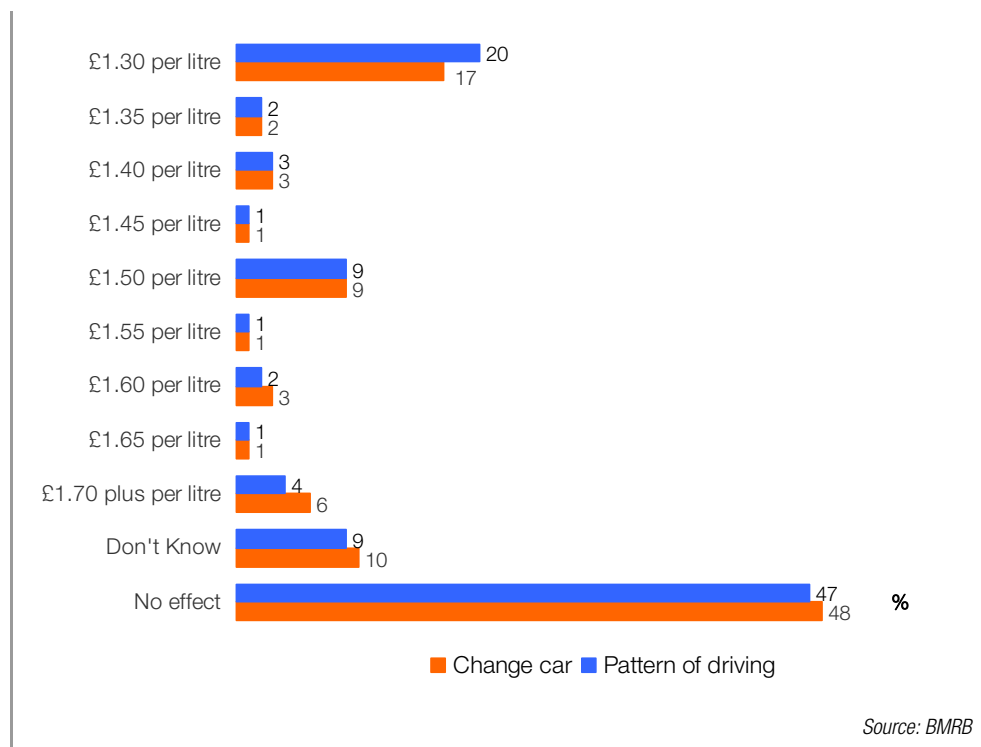
Offsetting the rising cost of fuel

According to the AA, the UK has the 12th highest unleaded petrol price in Europe and the second highest diesel price – which now powers half of the new cars going on the country’s roads.

As at June 2011, the average price of unleaded fuel sits at 136.9 ppl and diesel at 139.8 ppl. This represents a 50 pence rise for petrol and a 40 pence rise for diesel since January 2009.

With prospect that fuel prices will rise even further, clearly something has to give from car owners’ perspective. On the assumption few people can afford to give up their car entirely, and many will not be able to afford £100 every time they fill up the their tank – how high does the price of fuel need to be before car owners decide they must change to a more fuel-efficient car and/or alter their pattern of driving?

Fuel price to force change of car or pattern of driving



Half feel the rising cost of fuel will force them to change to a more fuel-efficient car

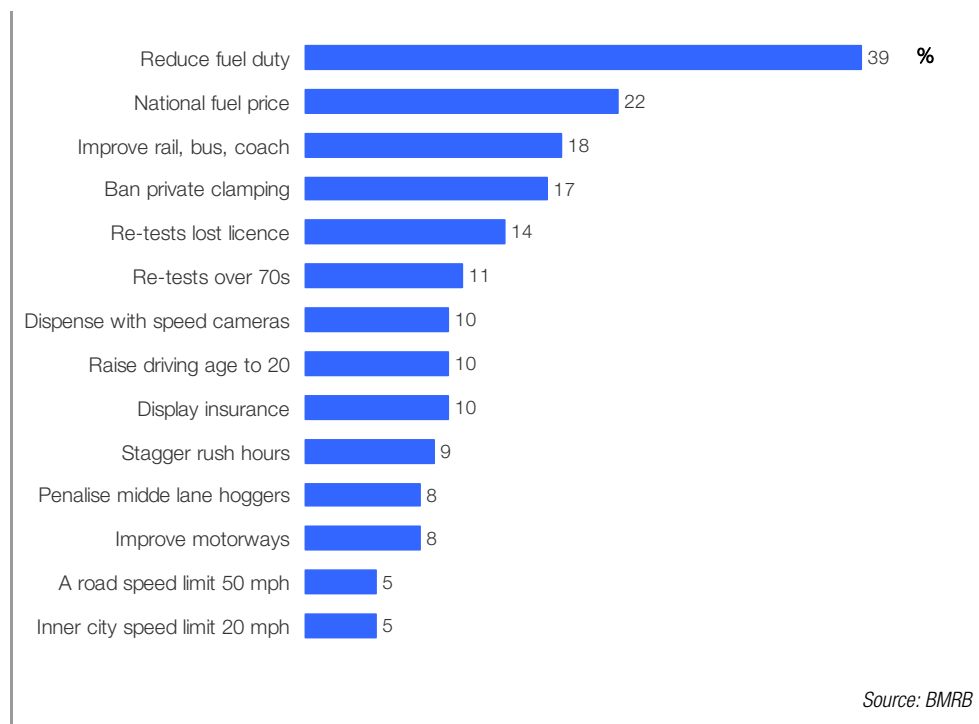
A half of this year’s survey respondents feel that, at some point in time, the rising cost of fuel will force them to change to a more fuel-efficient car or alter their driving habits. Around a fifth have already reached the point (130 pence per litre) when they must choose one or both of these options. By the time the price of fuel reaches the £1.50 per litre mark a further 15% of car owners will be in a similar position.

Unsurprisingly, car owners most affected by the escalating price of fuel are in the 17-24 year age group and low-income motorists – two-thirds of whom say they must buy a more fuel-efficient car and/or change their driving habits to support their motoring lifestyle.

Motoring and transport policies

Respondents to this year’s consumer survey were asked what policies they would change or introduce if they were in charge of the country’s transport and motoring strategy.

The country’s motoring and transport policy



When motoring taxes exceed the cost of road building/maintenance and the social cost of greenhouse gas emissions by some £20 billion each year, car owners’ first thoughts are to redress the balance. Two out of five survey respondents would ‘cut fuel duty’, which currently represents around 62% of the cost of fuel, while a fifth believe a ‘national fuel price’ should be set for such a ‘lifeblood’ commodity.

On the transport front, a fifth of motorists (18%) would take steps to ‘improve the infrastructure for rail, bus and coach’, 10% would ‘dispense with speed cameras’ and 9% would find a way of ‘staggering rush hours’.

Some would like to see a tighter grip on the driving licence rules to 're-test people who had lost their licence' and also introduce a 'test for drivers reaching 70 years of age'. While there is little appetite for tampering with speed limits, 17% of respondents would clamp down on the activities of rogue 'private wheel clampers'.

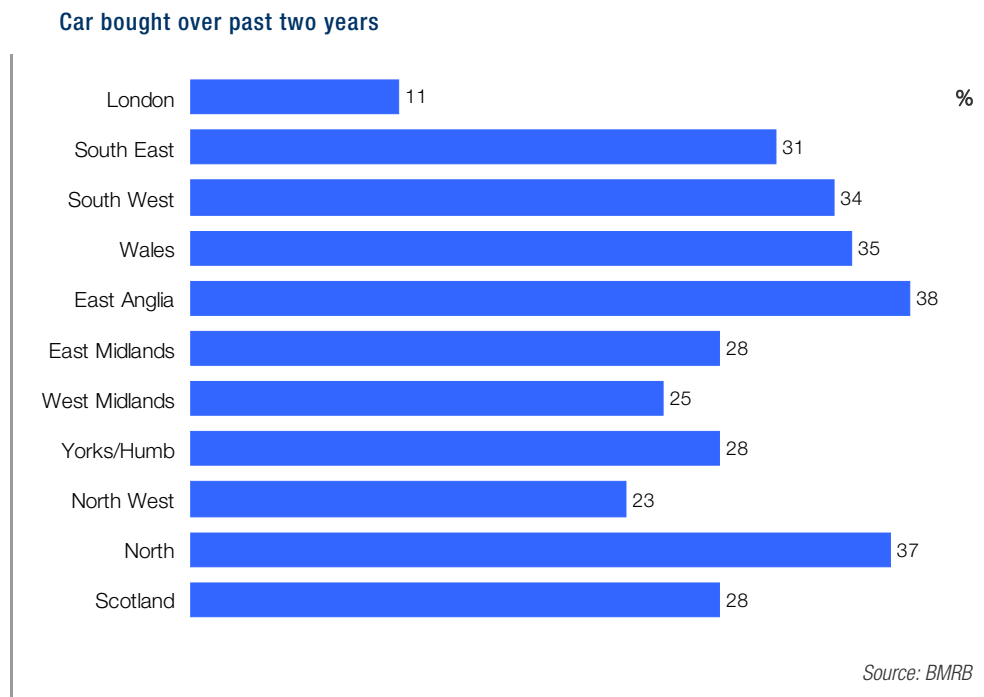
Wealthier car owners are more interested in 'improving the transport structure'

Wealthier car owners are more interested in 'improving the transport structure' than others and, while a 're-test for 70 year-olds' appeals to low-income motorists, this is understandably less appealing to survey respondents aged 65-years plus. Over half (55%) of owners of cars costing between £10,000 and £15,000 would like to 'cut fuel duty', while a third of this group favour introducing a 'requirement to display vehicle insurance'.

Regional Review

The BMRB consumer research provides a valuable insight into the pattern of motorists' buying and car owning experiences in the various regions of the UK.

According to this year's consumer survey, the most prolific buyers of cars were East Anglian motorists, 38% of whom had bought a new or used car in the past two years – followed by 37% of car owners in the North of the country and a third of respondents living in Wales and the South West. Just 11% of Londoners had bought a car in the past 24 months, compared with 15% last time and 19% two years earlier.



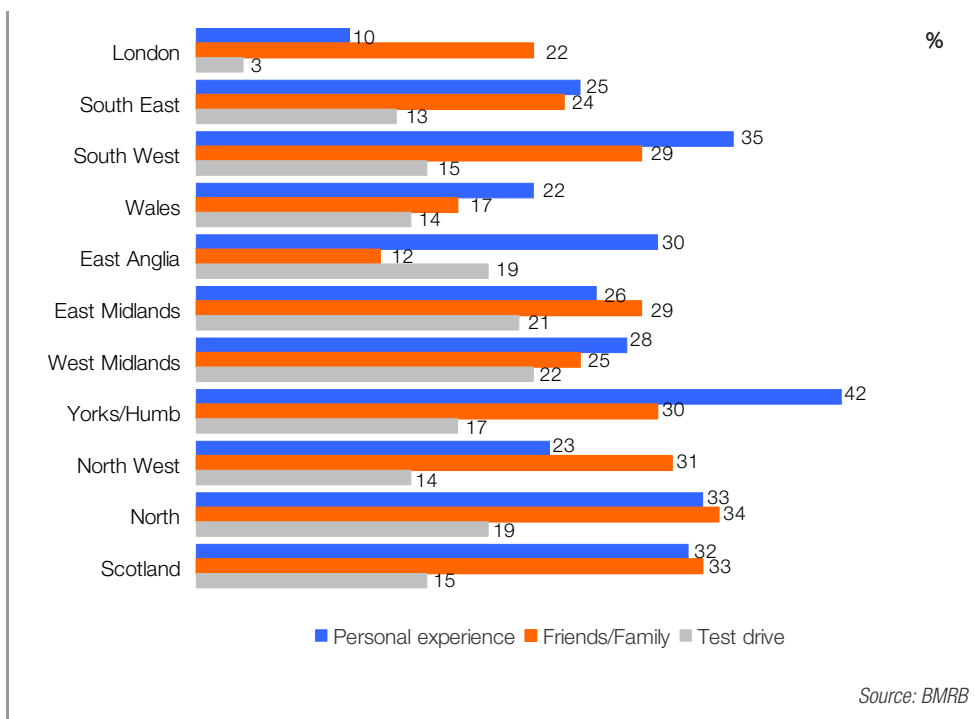
East Midlands remains top for used cars, 85% of car buyers choosing to buy a used vehicle, as did 82% of motorists in the nearby West Midlands. With the exception of Scotland (50%) and the North (65%), around three quarters of car owners in the remaining seven regions opted for a used vehicle last time they changed.

'Personal experience' has the most influence

'Personal experience of make/model' has the most influence on car buyers in six of the UK regions when considering what type of used car to buy – most notably in Yorkshire/Humberside where this outstrips all other considerations (see overleaf).

Taking a 'test drive' is high up the list of priorities for prospective car buyers in five regions, cited by a fifth of motorists in East Anglia and the East and West Midlands. On the other hand, a third of car buyers living in Scotland, the North and North West pay most heed to 'views of family and/or friends'.

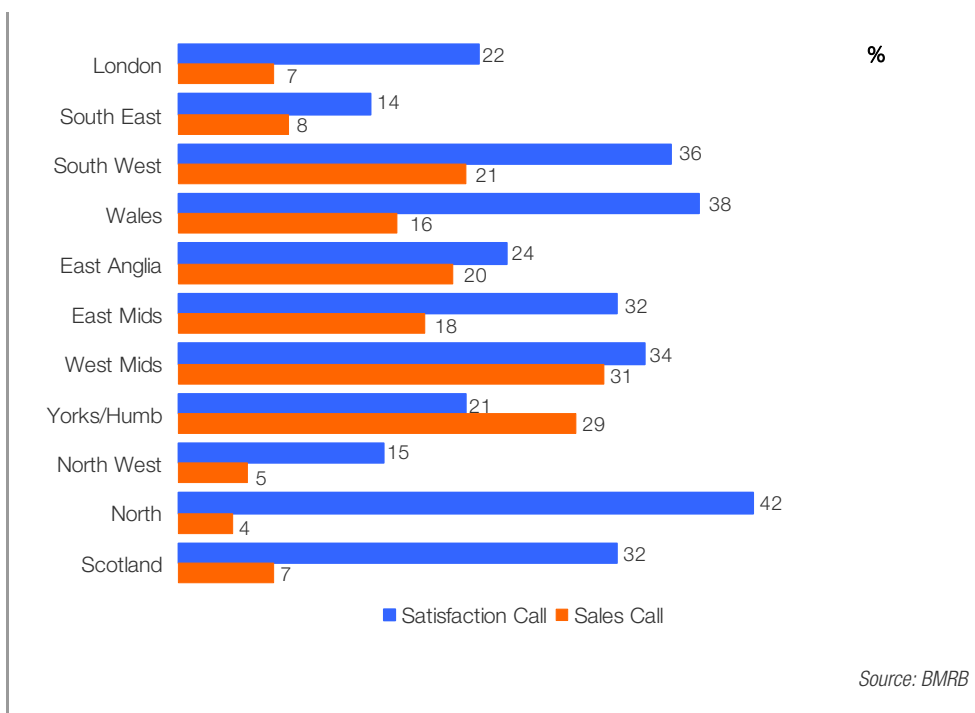
Considering what car to look for



Dealer follow-up calls

Although three out of five used car owners in the East Midlands and London had not heard from their selling dealer since they bought their car, nearly two-thirds of buyers in Wales and the South West could remember this taking place.

Dealer contact with customers



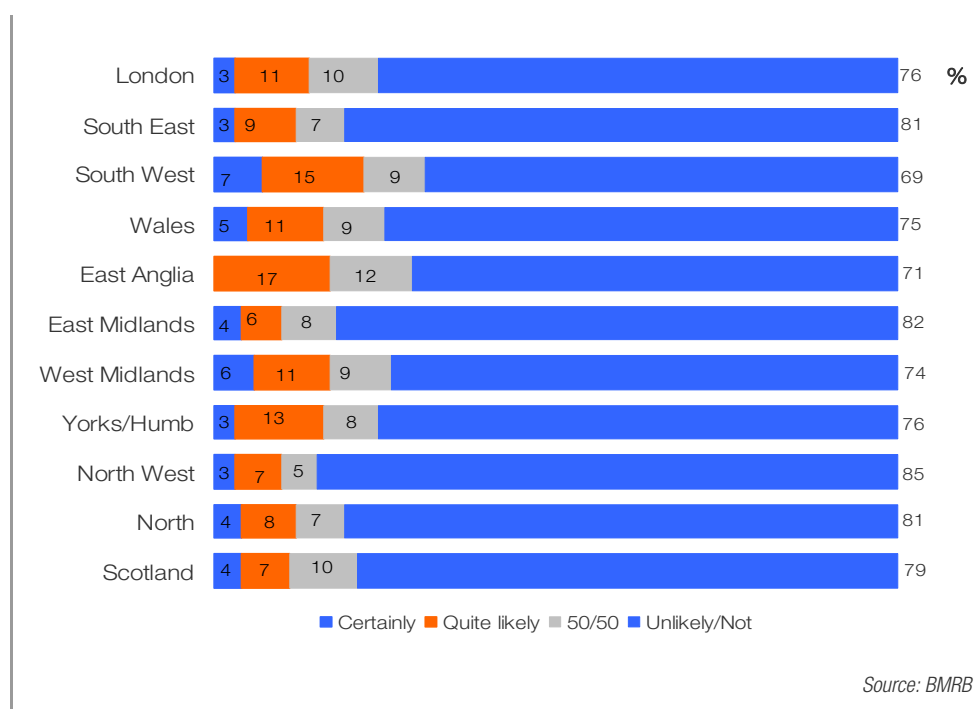
While around two out of five Northern and Welsh used car buyers had heard from their selling dealer to check if they were ‘satisfied’ with their car, this is much less likely to happen for North Western (15%) and London (22%) used car owners.

Three out of ten used car owners living in the West Midlands and Yorkshire and Humberside had received a dealer call to discuss the possibility of buying another car, which is almost unheard of in the North, North West, London and the South East.

When to buy the next car?

The percentage of survey respondents who feel they will ‘certainly’ buy a car in the next 12 months fell markedly this year, well short of double figures in all regions – with no East Anglian respondents in the ‘certainly will’ category.

Buying a car in the next 12 months

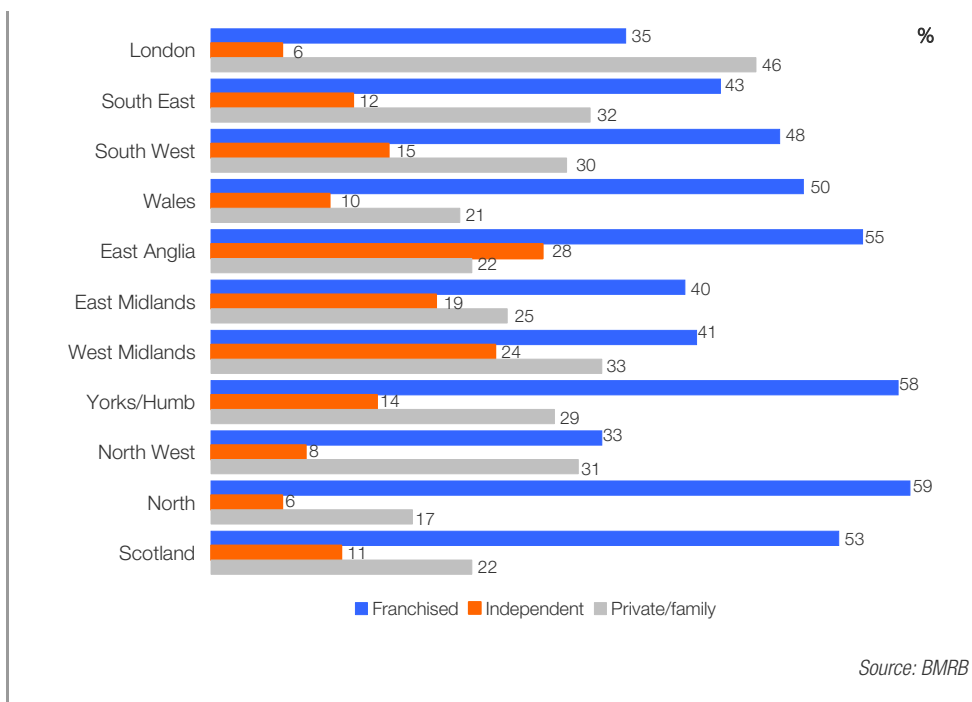


South Western (15%) and East Anglian (17%) motorists top the ‘quite likely to buy’ category this time, while Scottish and North Western car owners are much less sure about buying a car in the coming year. Eighty-five per cent of North Western car owners say they are ‘unlikely to or will not’ buy a car again, a sentiment shared by four out of five motorists in the South East, East Midlands, the North and Scotland.

Where to buy the next car?

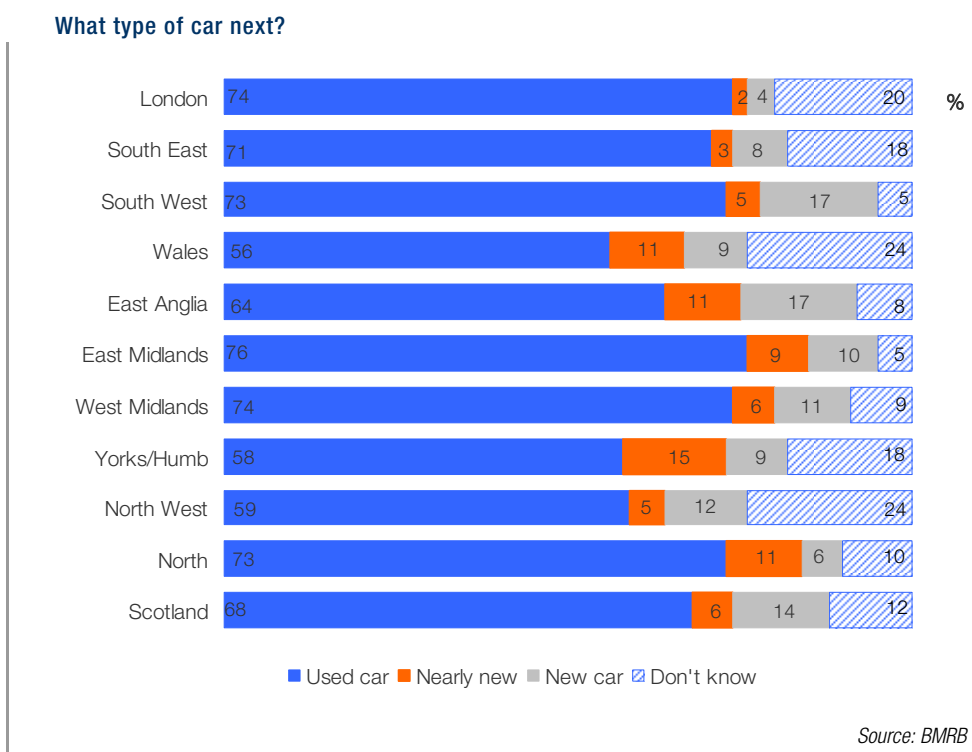
Three out of five Yorkshire/Humberside and Northern car owners plan to buy their next car from a ‘franchised dealer’, in contrast to just a third of Londoners (35%) and North Western (33%) motorists.

Where to buy the next car



'Non-franchised used car retailers' are favoured more in East Anglia (28%) and the West Midlands (24%) than the other UK regions. Forty-six per cent of Londoners and a third of motorists living in the South East, West Midlands and the North West, intend to buy 'privately' or from a 'friend or family member' next time they change their car.

What car to buy next?



Three-quarters of Londoners and East and West Midlands’ car owners plan to buy a used car next time they change, while a quarter of Welsh and North Western motorists have yet to make up their mind what type of car they will go for.

Car buyers in Yorkshire/Humberside, Wales, East Anglia and the North are more likely to buy a nearly-new car, than car owners living in London and the South-East.

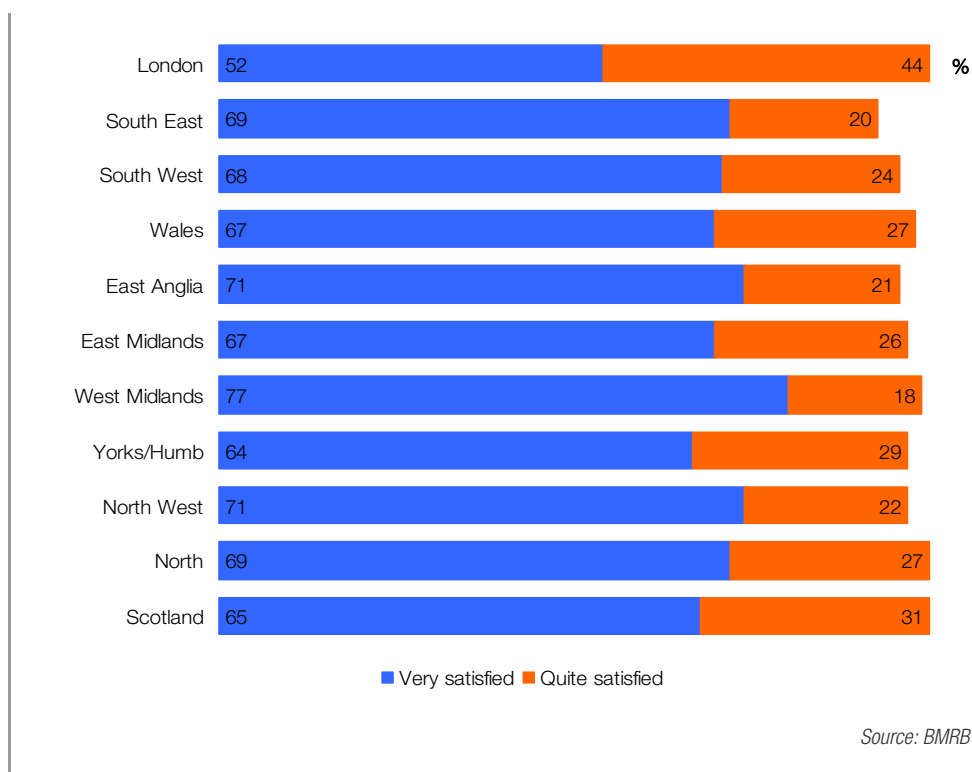
While buying a diesel used car is favoured most by South Western car buyers, it only appeals to a fifth of car owners in the South East and one in ten Londoners.

How satisfied are used car owners?

The most satisfied car owners, overall, are those in London, the North and Scotland – 96% of whom were either ‘very satisfied’ or ‘quite satisfied’ with their used car.

Behind this headline figure, nearly four out of five West Midlanders (77%) are ‘very satisfied’ with their used car as are 71% of East Anglian used car owners. As is now very much ‘par for the course’, fewer used car buyers living in London (52%) said they were ‘very satisfied’ with their latest used vehicle.

Very satisfied and quite satisfied used car owners



European Perspective

Europe – a market overview

This section of the Used Car Market Report looks at new and used car markets in key countries within Europe – which comprises the EU27 plus the three countries that make up the European Free Trade Association (EFTA). Western Europe is defined as the original EU15 plus EFTA countries.

EU15	Austria, Belgium, Denmark, Finland, France, Greece, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the UK
EU25	EU15 plus the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia
EU27	EU 25 plus Bulgaria, Romania
EFTA3	Iceland, Norway, Switzerland
Western Europe	EU15 plus EFTA3

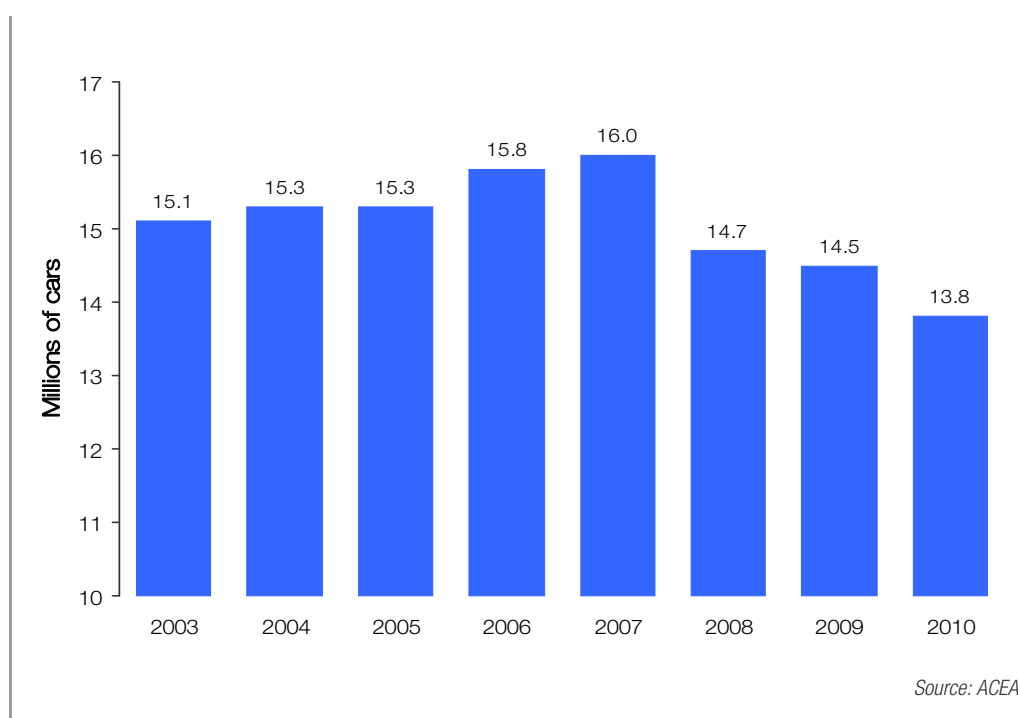
The enlarged Europe has a population of 500 million and a car parc of some 235 million passenger cars, 196 million of which are in Western Europe. According to ACEA (European Automobile Manufacturers Association), the average age of cars on Europe's roads is 8.2 years – two-thirds of them less than 10 years old.

New car market

Europe's new car registrations peaked at 16 million in 2007, falling 1.3 million units to 14.7 million the following year as recession hit the new car market. While wide-spread scrappage incentive schemes held EU27/EFTA new car sales at 14.5 million in 2009, they fell by 713,000 to 13.8 million in 2010, as scrappage programmes were phased out.

Scrappage incentive schemes held EU27/EFTA new car sales at 14.5 million in 2009

European new car volumes ; EU27 plus EFTA 2003 - 2010

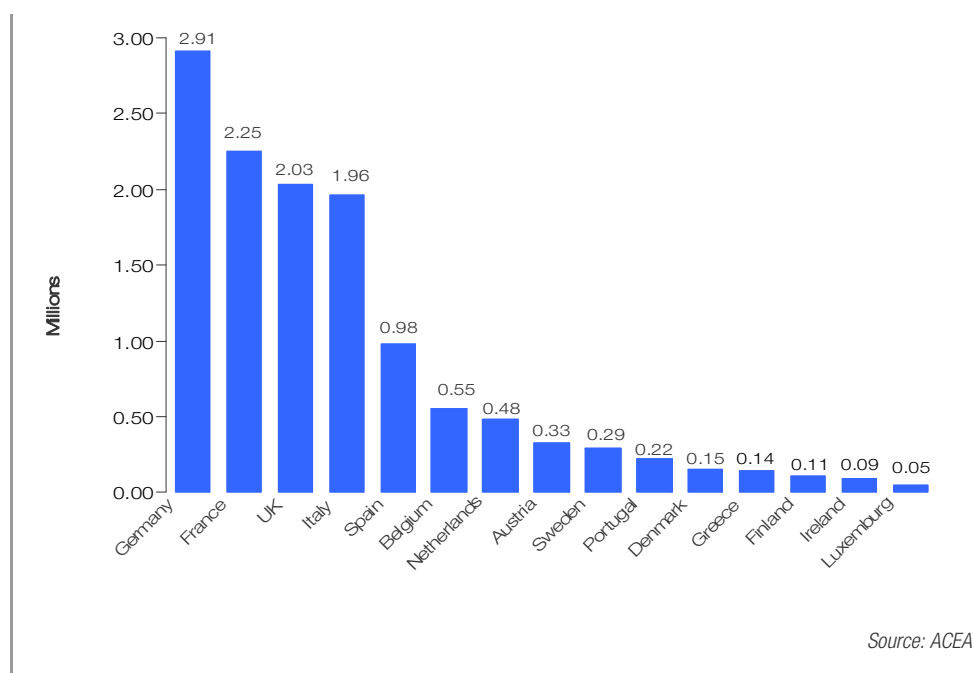


Western European (EU15/EFTA) new car volumes, which account for 94% of the EU27 total, fell 5% to 12.98 million in 2010, while sales in the Eastern new member states dropped 3.2% to 803,707 units.

EU15 markets

Of the major EU markets, only Spain (3.1%) and the UK (1.8%) saw their new car sales rise in 2010, whereas Italy (-9.2%), France (-2.2%) and Germany (-23.4%) recorded lower sales than the previous year.

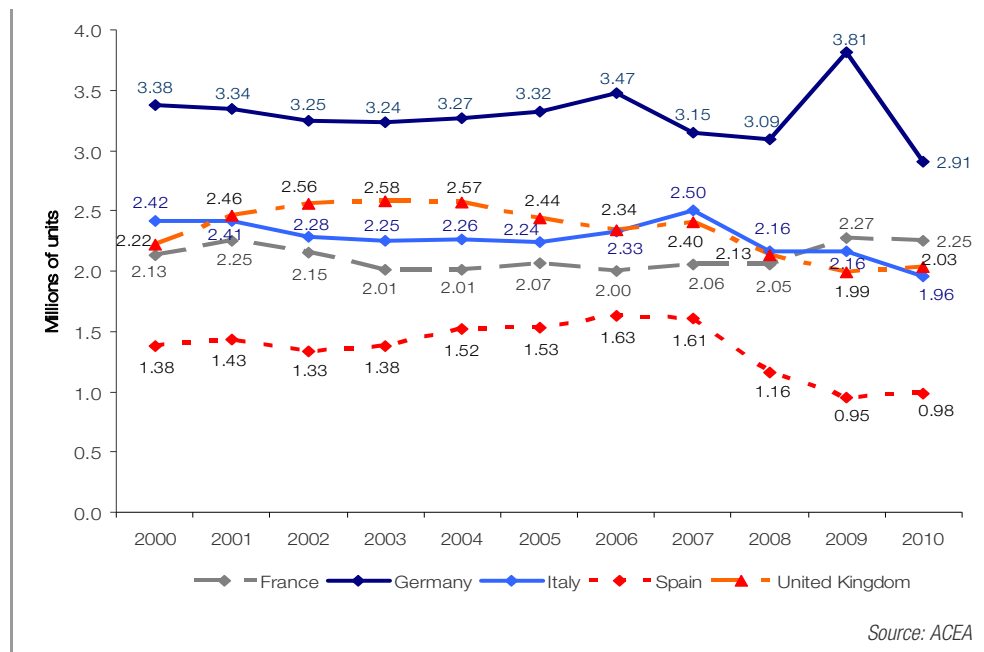
EU15 new car sales; 2010



Countries, with stronger new car markets in 2010, included Portugal (+38.8%), Denmark (+34.8%), Netherlands (+24.9%) and Ireland – 54.7% higher than 2009's figure thanks to its 2010 scrappage scheme.

- While French new car sales fell 2.2% to 2.25 million in 2010, this was from an all-time high of 2.27 million in 2009 – see overleaf. Germany's new car volumes dropped 23.4% to 2.91 million in 2010, well below the scrappage-driven high of 3.81 million units the previous year.
- Italian new car registrations fell a further 9.2% to 1.96 million units in 2010 from 2009's already low level. Following a steep fall in 2009, the Spanish new car market rose by 3.1% to 982,015 units last year.
- The UK new car market increased 1.8% to 2.03 million in 2010, with the support of 106,500 scrappage deals in the first quarter of the year – edging past Italy to retake third place in the European new car sales league.

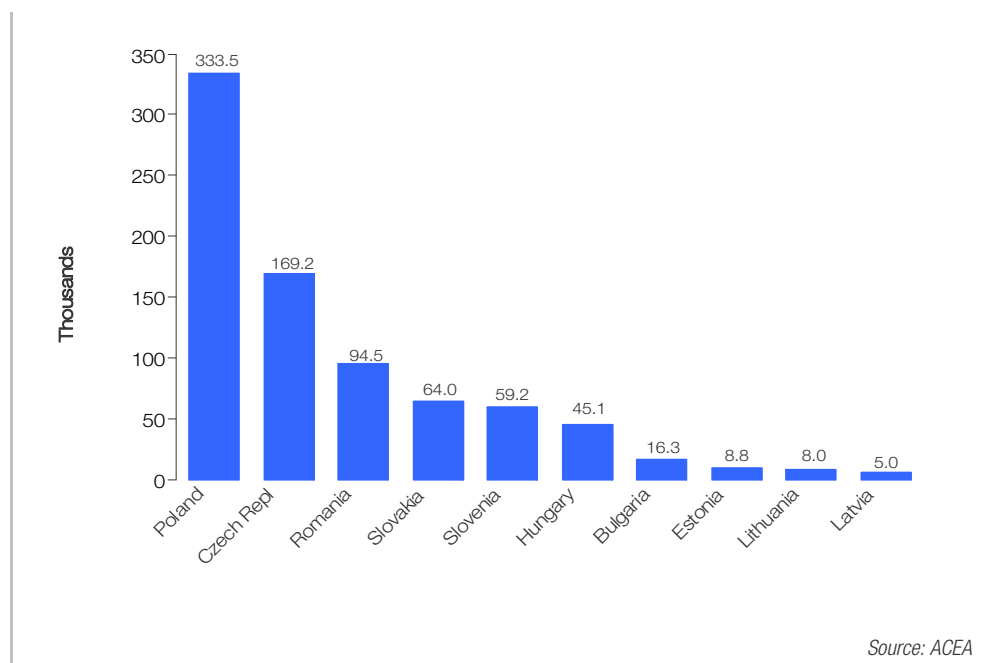
New car sales major EU markets; 2001 - 2010



The major markets of France, Germany, Italy, Spain and the UK accounted for 73.6% of overall European new car sales in 2010 – 3.4% lower than the previous year due to the severe fall in Germany's new car sales in 2010.

New member states

New car sales new EU member states, 2010

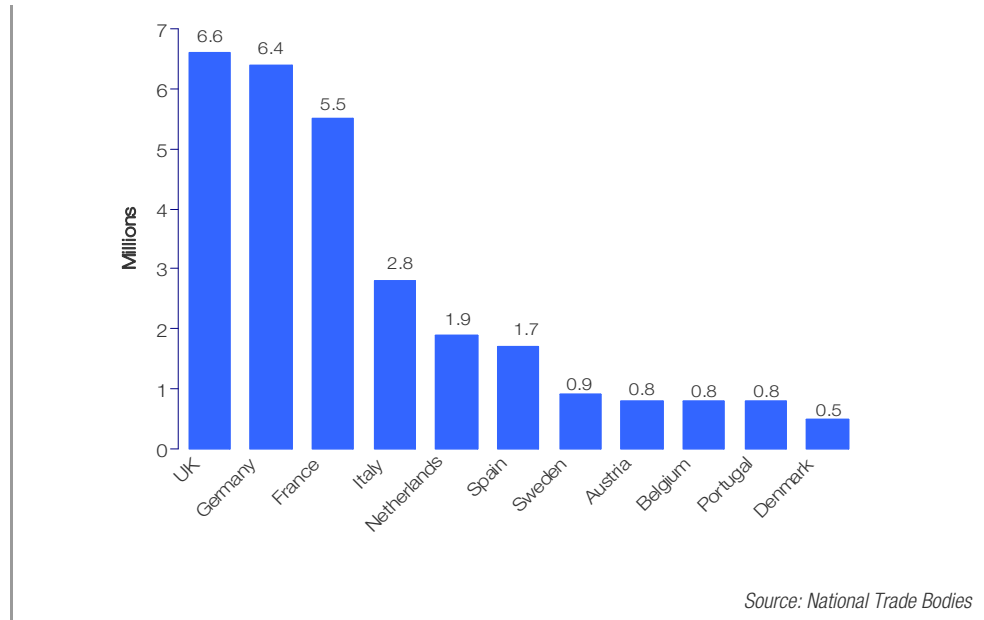


New car registrations in the new EU member states were mixed in 2010. Of the larger CEE countries, the Czech Republic and Poland were the only ones with higher year-on-year volumes, rising 4.7% and 4.1% respectively, while Hungary (-25.1%), Romania (-18.5%) and Slovakia (-14.3%) suffered a marked drop in new car sales.

Used car volumes

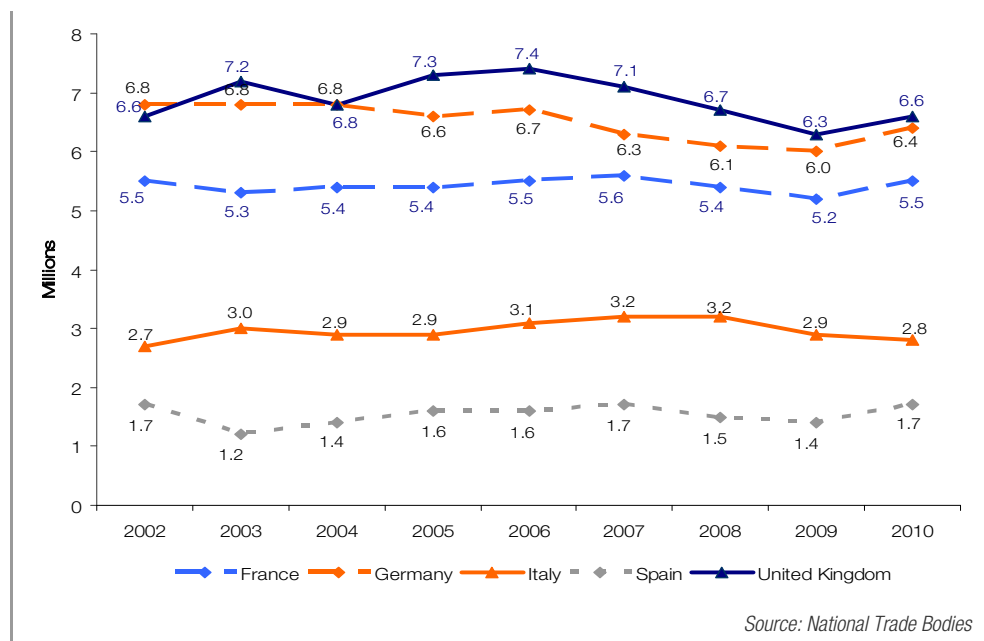
The overall used car volume for the European Union is considerably higher than the new car total; the major five markets in this report alone account for over 23 million used car sales annually.

Used car volumes, 2010



The major EU used car market trends, shows the UK's used car volumes fluctuated over the past decade – falling from a high of 7.4 million units to 6.3 million as recession hit used car sales. As the economy showed early signs of recovery, UK used car sales rose to 6.6 million in 2010, securing its long-held position as Europe's biggest used car market.

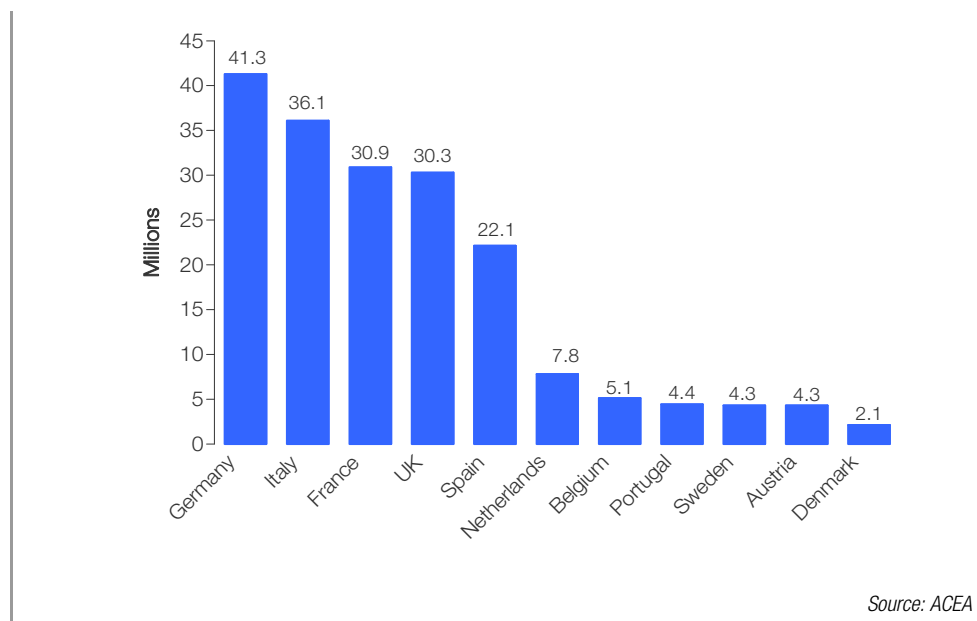
Used car volumes major markets, 2001 - 2010



Germany's used car market volumes which had fallen steadily for 10 years, staged a recovery in 2010, rising 400,000 to 6.4 million units. French and Spanish used car volumes also rose last year, the former by 300,000 to 5.5 million units and the latter by a similar amount to 1.7 million. Italian used car volumes, on the other hand, remained relatively flat at 2.8 million, some way short of the high of 3.2 million reached in 2007 and 2008.

Car parc and parc turn

Parc sizes, 2008



Sixty eight per cent of Europe's 235 million car parc is concentrated in the five main markets of France, Germany, Italy, Spain and the United Kingdom. Car ownership rates vary widely across Europe. They are highest in Western Europe at around 500 cars per 1,000 population, compared with just 300 cars per 1,000 people in the new EU member states.

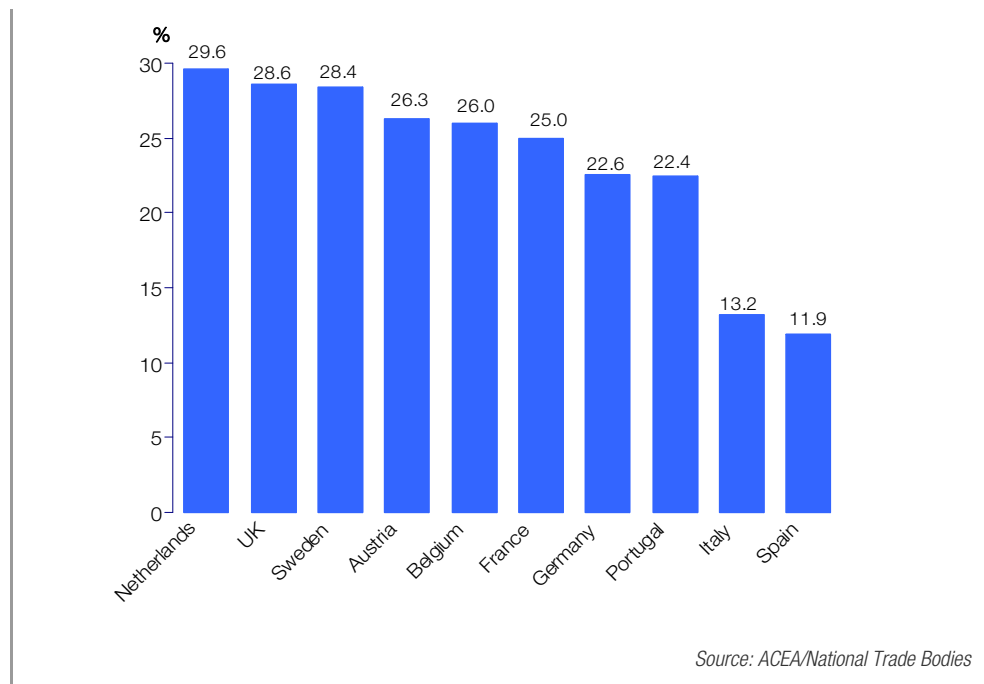
The UK has the youngest car parc of the EU's major markets at 7.3 years compared with Germany 8.2, France 8.3, and Italy at 7.5 years.

The dynamism of any car market is measured by the churn in the marketplace i.e. – the number of vehicles changing hands each year relative to the total car parc – a figure known as a 'parc turn'. Countries, with a well-developed wholesale infrastructure for used cars, and tax-friendly treatment of used car sales, normally produce a much higher churn of vehicles

The parc turn percentage figure essentially highlights how easy, or otherwise, it is for car owners to acquire a new or used car. With combined new and used car volumes of 8.6 million, the UK is the most dynamic of the major European markets with a parc turn of 28.6% in 2010, some way ahead of France's 25% (see overleaf). This underlines the UK's well-developed used car industry infrastructure and strong wholesale market.

The UK is the most dynamic of the major European markets

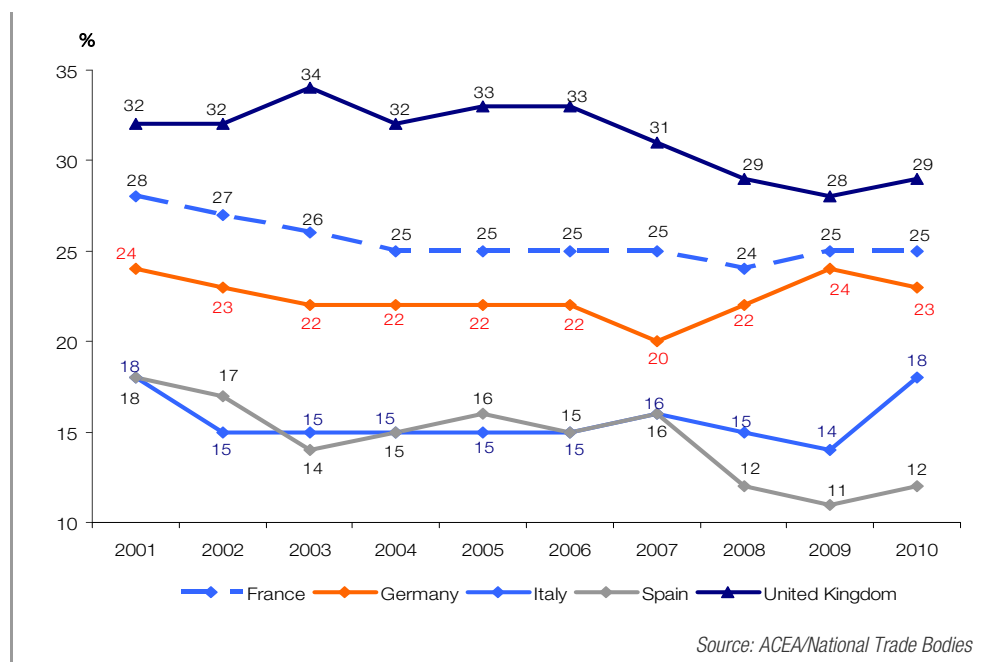
Parc turn percentages, 2010



The German parc turn fell 1.2 points to 22.6% in 2010, as higher used car volumes were countered by a steep fall in new car sales.– while Italy’s fell from 13.9% in 2009 to 13.2% in 2010 – lower new car volumes taking their toll.

While Spain’s parc turn rose one point to 11.9% it still lags well behind those of the other major European markets, particularly the UK which churns nearly two and a half times the number of cars relative to its car parc size.

Parc turn percentage major markets, 2000 - 2010

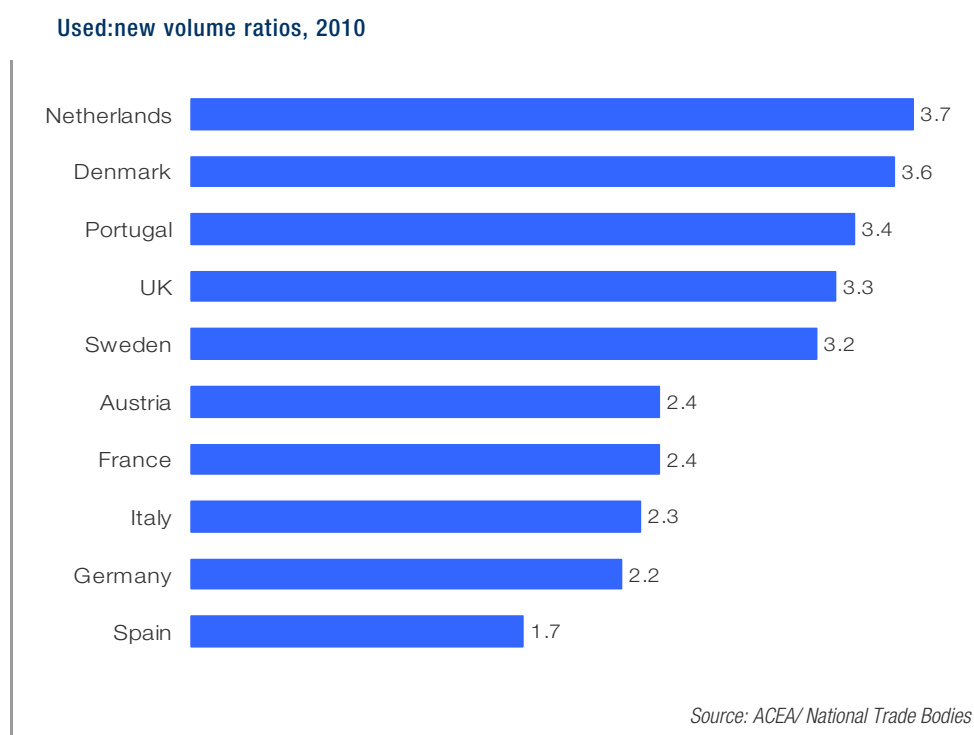


Lower new and used car volumes over a period of years saw the UK's parc turn percentage fall from a high of 34% in 2003 to 28% in 2009, edging upwards once more in 2010 as used car volumes recovered to 6.6 million units.

The German parc turn fell steadily from 24% in 2001 to 20% in 2007, but rallied in 2009 thanks to high volumes of scrappage scheme new car sales. It is notable the parc turn figure fell again the following year as post scrappage new car volumes fell sharply.

While the French car parc turn has remained flat over the past eight years, Spain's and Italy's low figures improved somewhat in 2010 due to higher used car volumes.

Used:new volume ratios

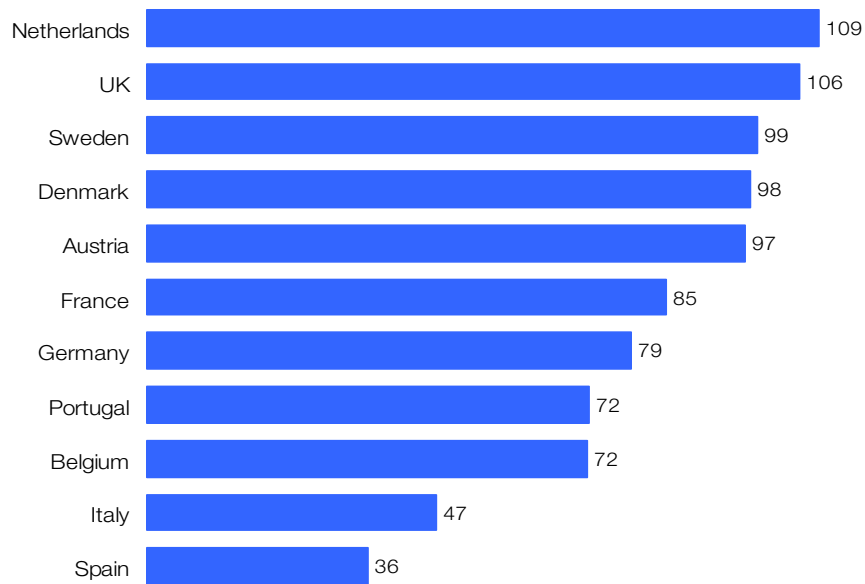


On the used:new volume ratio front, the UK's figure of 3.3:1, remains considerably higher than all other major EU markets. Higher used car volumes and a steep fall in new car sales saw Germany's figure climb from 1.6:1 in 2009 to 2.2 in 2010, while Italy's and Spain's used:new ratios also edged upwards to 2.3 and 1.7 respectively

Used car sales per 1,000 population

The EU major market pattern continues with used car sales per 1,000 population; the UK's figure of 109 outstripping France's 85 and Germany's figure of 70. Italy (47) and Spain (36) have the lowest used car sales per 1,000 people in western Europe, suggesting the potential for growth in their used car markets. – see overleaf.

Used car sales per 1,000 population, 2010



Source: National Trade Bodies

United Kingdom

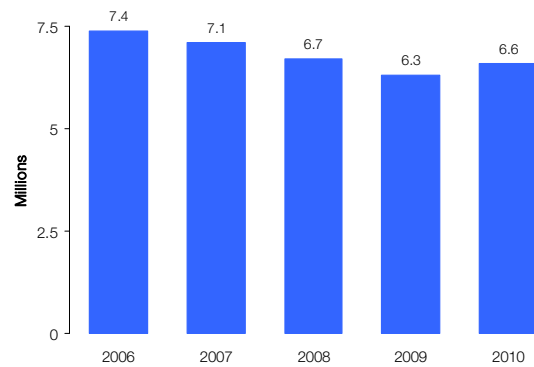
The UK's new car volumes edged up 1.8% to 2.03 million units in 2010, but are expected to fall back to 1.93 million units in 2011.

The UK's used car volumes rose 4.3% to 6.6 million units in 2010, fighting off Germany's challenge to remain Europe's biggest used car market.

The UK's used car performance ratios, of 106 used cars per 1,000

population, a car parc turn of 28.6% and a used:new ratio of 3.3:1, continued to outstrip those of the other four major EU used car markets.

UK used car sales; 2006 – 2010



Source: National Trade Bodies

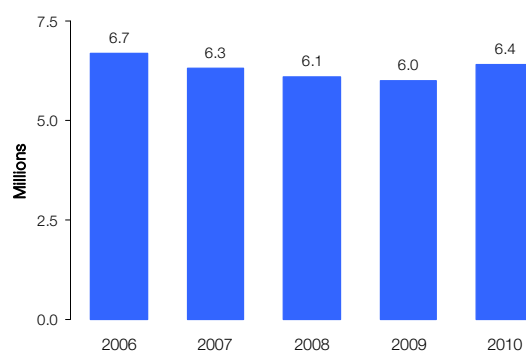
Germany

German new car volumes tumbled 23.4% to 2.92 million in 2010, well short of the scrappage-fuelled high of 3.81 million units reached the previous year.

Following three years' decline, Germany's used car volumes rose from 6.1 million in 2009 to 6.4 million units in 2010.

The sharp fall in new car volumes saw Germany's car parc turn drop from 23.8% to 22.6% year on year. However, its used car sales per 1,000 population edged up from 73.5 to 79 last year – closing the gap a little on the UK's figure of 106.

German used car sales; 2006 – 2010



Source: National Trade Bodies

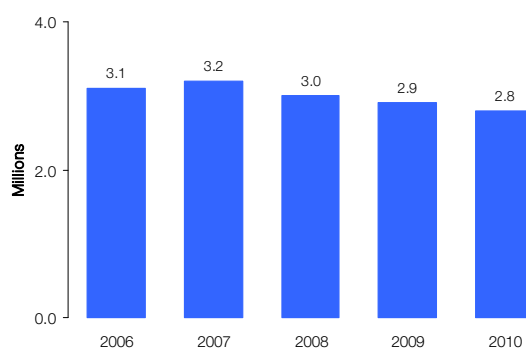
Germany's used:new ratio rose to 2.2:1 in 2010, from 1.6:1 the previous year – a reflection of the sharp fall in its new car volumes and a significant rise in used car sales.

Italy

Italian new car volumes dropped a further 9.2% to 1.96 million units in 2010 from 2009's already low level, as the final vestiges of its scrappage scheme were eroded early in the year.

In comparison, Italy's used car volumes were more robust, slipping just 1.6% to 2.8 million in 2010.

Italian used car sales; 2006 – 2010



Source: National Trade Bodies

Italy's used car market performance ratios remain low – used car sales per 1,000 people at 47, used:new ratio of 1.4:1 and a car parc turn of just 13.2% remain well short of the figures produced by France, Germany and particularly the UK.

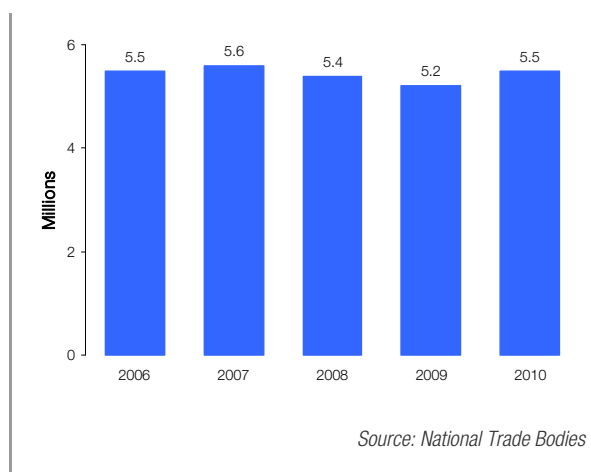
France

The French new car market proved resilient in 2010; despite phasing out its scrappage scheme, which eventually finished at the end of the year. While French new car volumes fell 2.2% to 2.25 million in 2010, this was from 2009's all-time high of 2.27 million.

French used car sales rose 4.4% and 230,000 units to 5.47 million units in 2010 –

edging up its three key used car performance ratios – in terms of used car sales per 1,000 population (81.0), car parc turn (24.5%) and a used:new ratio of 2.3:1.

Used car sales; 2006 – 2010



Spain

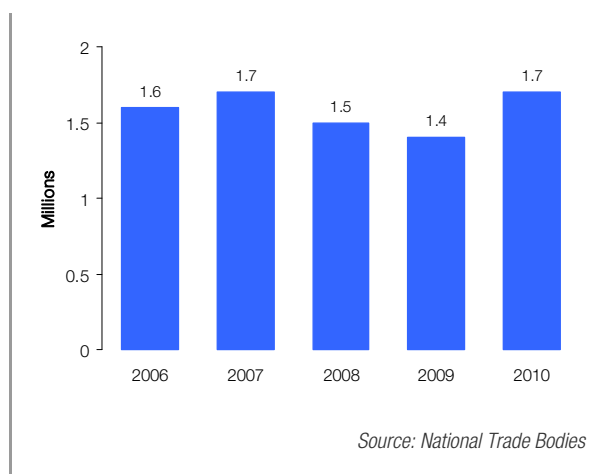
Following a steep fall in 2009, the Spanish new car market rose by 3.1% and 29,243 units to 982,015 units in 2010.

Spain's used car market also fared well last year, rising 17.7% and a quarter of a million units to 1.65 million.

This saw a very welcome improvement in Spain's long-term, lack lustre used car performance ratios. Its used

car sales per 1,000 population rose from 30.5 to 35.9, used:new ratio was up to 1.7:1 from 1.5:1 – and its car parc turn was 1.3% higher at 11.9%.

Used car sales; 2006 – 2010



Additional sources include:

ACEA (Association des Constructeurs Européens d'Automobiles)
Office for National Statistics
Verband der Automobilindustrie e.V.
Statistisches Bundesamt Deutschland
Zentralverband des dt. KFZ-Gewerbes
Ministerie de l'Equipement, des Transports et duLogement
CCFA (Comité des Constructeurs Français d'Automobiles) France
RAI (Rijhs Automobiel Infocentrum)
Centraal Bureau voor de Statistiek, Nederland
FederAuto, Belgium
National Institute for Statistics, Belgium
Danish Automobile Federation
Danmarks Statistik
ANFIA - Studies & Statistics, Italy
INE, España
GANVAM, España
Marketing Systems Iberia
ACAP (Associação do Comércio Automóvel dePortugal)
Statistik Austria

The Macroeconomic Environment and the Used Car Industry

Professor Peter N C Cooke

The economic environment is one of those areas many people ‘tut tut’ or smile about, depending on the most recent news headlines and how the economy might affect their personal situation.

However, there is often relatively little exposure linking wider economic issues and the used car industry. This chapter of the report seeks to relate a number of high-level economic issues with the used car sector.

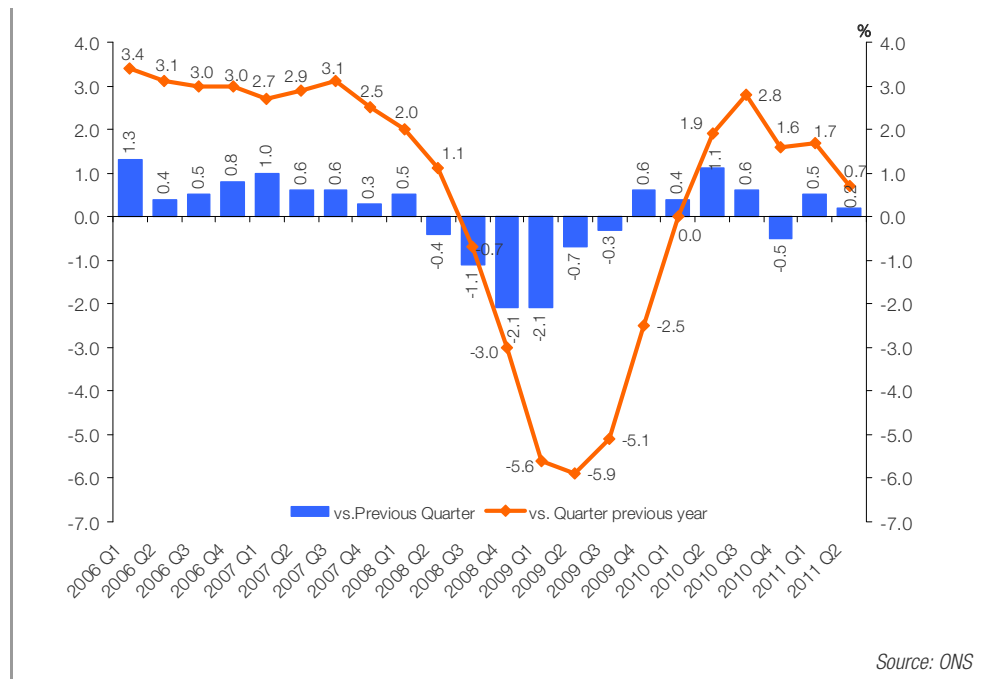
Gross domestic product – a longer-term indicator

Gross domestic product (GDP) represents the value of the work generated in the economy. It is measured by the Office of National Statistics and the quarterly results are keenly anticipated and analysed to see just how well, or otherwise, the country’s economy is performing.

The chart below shows the percentage rise or fall in GDP each quarter versus the previous quarter – and versus the same quarter the previous year. A mouthful indeed. The most obvious changes are the steep drop into recession and then slow recovery from the third quarter 2009.

To see just how well the country’s economy is performing

GDP quarter vs. quarter & vs. same quarter previous year 2006 - 2011



The changes versus the previous quarter, shown in blue, could be seen as a measure of economic sentiment. 'If performance is below the previous quarter, the economy is weakening – if it's higher, it's getting better.' This could, in turn, knock through into consumer confidence required to buy a new or used car – or postpone it until the economy shows sustained signs of recovery.

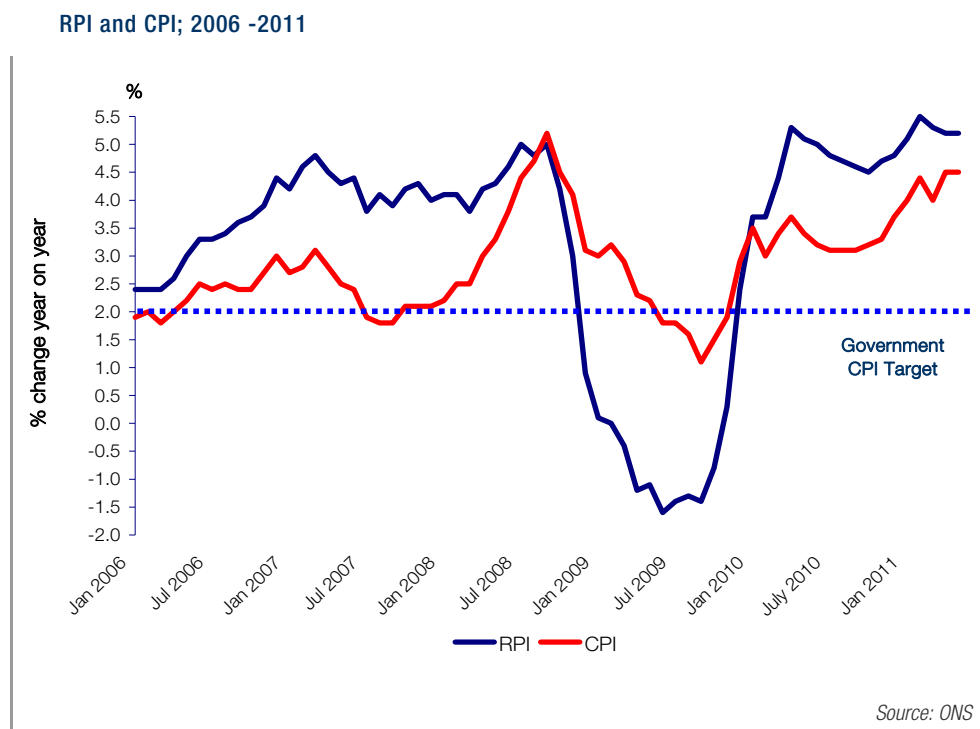
2011 will be an interesting year as the impact of the government's austerity programme and the drive to move employment from the public to the private sector takes effect. There will be a lagged period while jobs move from public to private sector, and it may also take some considerable time for incomes to return to previous levels for those affected.

It will take some considerable time for incomes to return to previous levels

Quarterly movements in the key financial indicators are seen as a sign of success, or otherwise, of government economic policy. Thus, the disappointing GDP figures for the second quarter of 2011, and low expectations for the remainder of the year, may discourage investment and associated economic activity.

CPI and RPI trends

A further set of analyses that can be highly relevant to the used car industry is shown below. RPI, the wider measure, is running ahead of CPI, the index on which pension and other benefit changes are based.



The most recent figures show that RPI has passed 5% and may go even higher yet in 2011. The last time this index reached 5.5% was in 1992. It is likely to take some considerable time for CPI to return to the government's 2% target and the impact will be exacerbated by inflation outstripping the rise in earnings for some time to come.

Domestic energy bills are one of the main perpetrators with ominous 18-20% price rises expected in 2011 which will badly erode families' finances – as is the running year-on-year 7% rise in food prices and 15% jump in fuel costs. According to The Institute for Fiscal Studies, the average family will have £360 less to spend in 2011 following a fall of 'at least' 1.5% in household incomes compared with 2008. By 2014 household budgets will 'almost certainly' remain below 2008 levels taking into account inflation, and could possibly drop to 2002 levels.

A deeper analysis of the country's economic outlook and how it affects the new and used car industries is set out in 'The Long View', a report published by BCA and available for download on The University of Buckingham website www.buckingham.ac.uk/cam and BCA's website www.british-car-auctions.co.uk.

Changing employment patterns

A mid-year report from the ONS shows there have been significant changes in UK employment patterns which have far-reaching implications for the car market and the used car sector in particular. The ONS survey shows that, since the start of the recession, women were more likely than men to lose their jobs.

There has been a net loss of nearly one million full-time employees in Britain

Between June 2008 and June 2010 there has been a net loss of nearly one million full-time employees in Britain. There has, at the same time, been a growth in part-time work which offers a lower overall income. The ONS figure confirm 5.7% fewer women in work between the two dates compared with a drop of 4.7% in male employment. However, the ONS believes the worst is not over; as women are expected to face a greater prospect of unemployment as the public sector cuts take effect. It is predicted some 400,000 jobs will be lost in the public sector around two thirds of them women, who are more likely to bear the brunt of staff reductions.

Noteworthy regional differences have also been highlighted by ONS. In Wales, for example, 30,300 women (10% of the workforce) lost their jobs while just 9,000 men (1.9%) lost theirs. Think of the implications for used car acquisition and the gender balance. A similar pattern occurred in Yorkshire, with 7% of women losing their employment compared to just 4.2% of men.

Women dominate in many of the sectors which are being cut back hardest. Of new jobs created over the past year, just one in six went to women. Might that imply that men feel less threatened in employment and would be more likely to buy a car, in particular, a used car?

Any migration of employment from the public sector to the private sector will take time; few will find re-employment immediately. Job insecurity, youth unemployment and a change in gender balance may all have their impact on both new and used car volumes, especially in the private sector.

A relatively new phenomenon which may affect the car market, and particularly the used car sector, is 'employment inversion'. A growing number of people are working beyond the age of 65, while the high level of youth unemployment continues to cause serious concern. As such, there may be a change in market mix which is difficult to forecast.

Changes in new vehicle acquisition

A macroeconomic issue that makes interesting reading concerns new car registrations for the first six months to June 2011 – showing new car volumes 7.1% lower than the previous year for this period.

Most notably, private sector registrations were down 18.1%, while fleet and business registrations were up by 3.4% and 0.1% respectively on 2010. Furthermore, petrol-engined new car volumes were 18.8% lower and diesel sales 7.5% higher than the same period the previous year.

While one is talking new cars at this point, these units will eventually enter the used car market. As shown in the Consumer section of the report, there are signs of a swing towards petrol-engined cars by private used car buyers. What might be the implications for residual values if the supply and demand for petrol and diesel-engined cars move significantly out of line?

Given the issues raised earlier in this report with an apparent rise in demand for smaller, more economical cars, there could be a longer-term issue emerging if fleet operators continue to acquire cars which might ultimately be out of line with private used car demand. Might there be a reassessment of fleet cars in the foreseeable future perhaps leading to a downsizing of product?

The fuel factor

A recent AA study has shown how the age of austerity and an escalation in the cost of living is cutting the use of fuel and Treasury tax receipts. In the first quarter of 2010, aggregate fuel consumption dropped by well over a billion litres – some 835 billion litres of petrol and 247 billion litres of diesel compared with the same period three years earlier.

This sharp fall in consumption is being attributed to the escalating price of fuel and motorists tightening their financial belts. The loss to the Treasury is about £637 million from the drop which accounts for about 13.5 days of fuel sales.

Fuel prices in the first three months of 2011 went up by an average of 7.94 ppl for petrol and 10.51 ppl for diesel. Given the weaker pound, fuel prices rose even further in May, by an additional 4.5 pence per litre and diesel by 3.3 pence.

Aggregate fuel consumption dropped by well over a billion litres in the first quarter

The impact of these changes on family budgets is considerable. Just how many drivers will surrender their cars as a result, and what might be the impact on the demand for used cars?

Significant strategic changes?

Economic changes, microeconomic and macroeconomic, have a direct effect on both the creators and buyers of used cars. Because used cars are almost always sold to private buyers, issues of price, inflation, fuel costs and any uncertainty of employment will all impact on the used car market.

While the macroeconomic areas discussed in this chapter may be considered ‘a bit woolly’, together they could represent significant strategic changes in demand for used cars. Consider some of the issues;

- A preference for smaller used cars; with implications for fleet acquisition and residual values as supply and demand of used cars at auction and other disposal channels rebalance.
- Downsizing, driven by lower real incomes, could also lead to cars being retained longer and more, older units entering the used car market.
- Interest rates cannot sink below their present levels so new forms of market stimulus may be required – while quantitative easing may lead to higher inflation.
- Family incomes are expected to remain tight over the next two or three years, so disposable incomes may be used elsewhere rather than on car replacement.

New forms of market stimulus may be required

The challenge for used car retailers and other organisations closely involved in the used car industry is precisely how and when these macroeconomic issues might affect their business – and what steps they should take to protect their used car volumes and profitability.

People Buy Used Cars

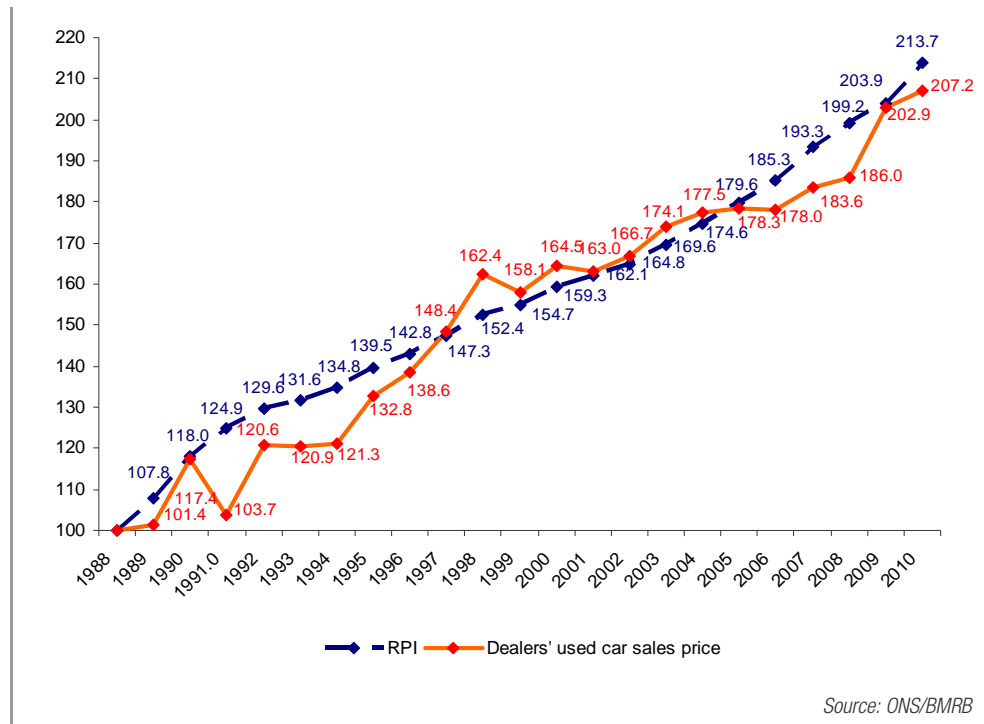
Professor Peter N C Cooke

It is all too easy to get carried away with the complex issues of used vehicle sourcing, prices at auction and supply chain management. The real crunch factor is that 'people buy used cars', and used car dealers need to provide a range of cars that buyers will be prepared to consider and, hopefully, buy at a price they are willing to pay.

Long-term value for money.

For at least the past 20 years, dealers' used car selling prices have stayed remarkably close to the Retail Price Index (RPI).

Dealers' used car selling prices vs. RPI; 1988 - 2010



It has been claimed that 'the two lines are almost as closely intertwined as strands of DNA'. Where dealers' used car selling prices have slipped below the RPI for a period are typically times of economic recession or poor economic outlook. When used car prices have been in the ascendancy, it represents a spell when the economy was stronger.

Currently, the used car price index is below the escalating RPI figure, even when demand is low.

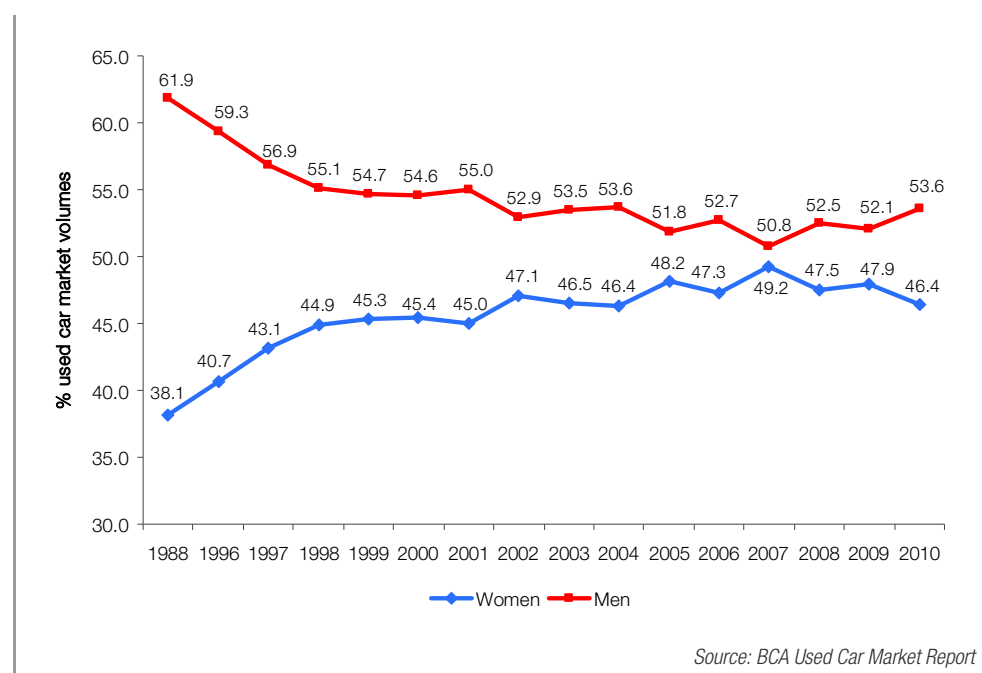
One might well ask if there is a pricing message buried in this trend that used car dealers may well bear in mind when pricing used car stock. Perhaps a statement of the obvious, but 'buyers want value for money' and they want it even more strongly when the economy is flagging'.

Gender mix

'Boys buy used cars' may once have been the long-time misguided mantra in some parts of the used car industry. Today, any used car practitioner who subscribes to this premise could face serious difficulties.

The following chart shows there has been a steady convergence in the gender of used car buyers for the past 15 years. One does not wish to get too deeply embroiled in the issue of gender politics; suffice to claim that 'used cars are no longer toys for boys'.

UK used car market by gender; 1988 - 2010



The interesting issue is the way the genders almost converged in 2007 – then moved apart again over the past three years.

It is highly likely this 'temporary' parting of the ways has been caused by a combination of recession, family budgets becoming tighter, a fall in the number of two-car families and cars being retained longer. It will be interesting to see if this stand-off continues as the economy recovers and employment patterns begin to improve.

Clearly, there is a potential strategic issue here for used car retailers planning their used car stocks and even the way cars might be marketed and sold to prospective buyers.

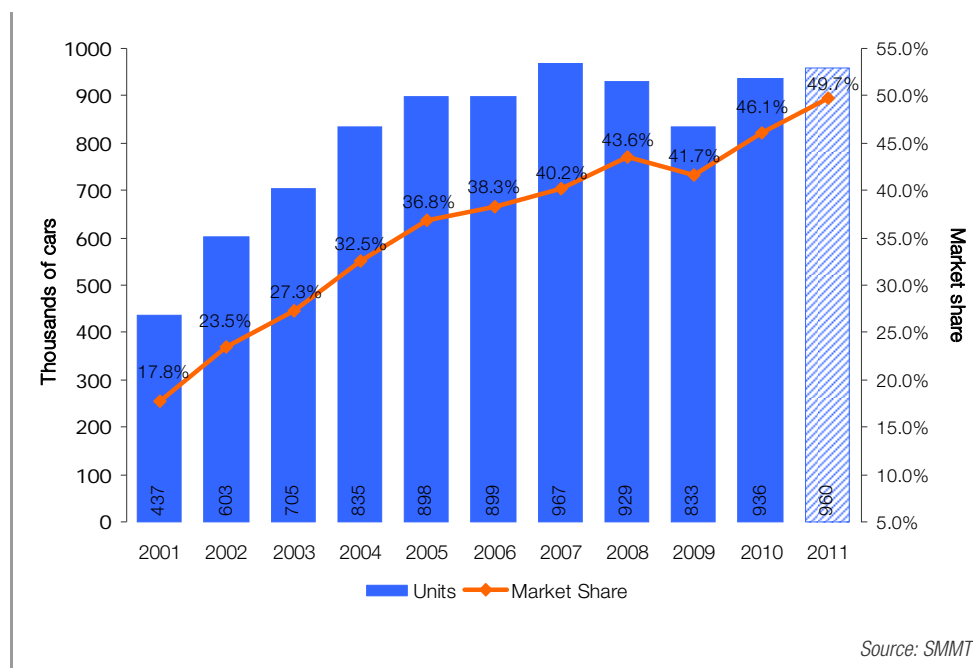
A fall in the number of two-car families

Petrol or diesel – a potential imbalance?

The petrol or diesel relationship has been referred to several times in this report. For largely economic reasons diesel has been the preferred fuel for many fleet operators; the higher initial vehicle cost being offset by enhanced fuel efficiency for higher mileage operation.

Diesels' new car market share has almost tripled in the space of 10 years.

New car diesel volumes, market share 2000- 2010



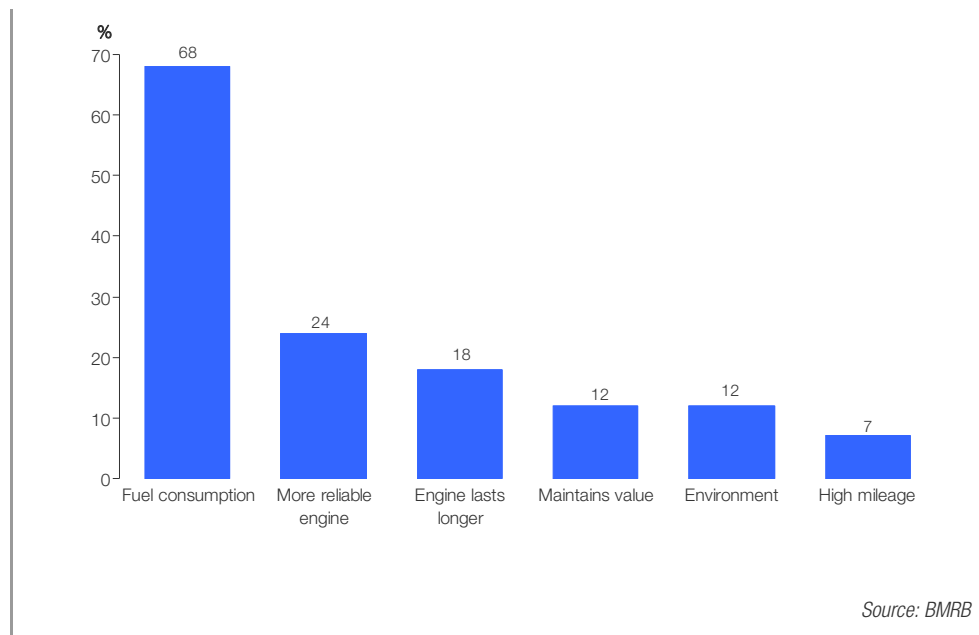
An increasing number of motorists are of a mind to switch to smaller cars

The chart overleaf shows that seven out of ten used car owners cited fuel consumption as the overwhelming reason they bought a diesel-engined car. However, if an increasing number of motorists are of a mind to switch to a smaller car and reduce their annual mileage, is the case for buying a diesel as strong as it was – particularly as the gap between petrol and diesel pump prices has narrowed somewhat in recent times?

Indeed, during the current period of economic austerity many price-sensitive used car owners have already cut their annual mileage – the Department for Energy reports a one billion litre drop in the country’s fuel consumption in the first quarter of 2011.

Given a sustained drop in annual mileage, the benefits of buying a used diesel begin to wane and used car buyers may reconsider whether they are prepared to pay a significant premium for the privilege. It’s not difficult to work out the fuel saving between petrol and diesel, and how long it will take to recover any premium in the used car purchase price between the same diesel and petrol model.

Reasons for buying diesel



Consider the following example for a car owner doing 5,000 miles and 10,000 miles per annum.

Assuming the car will be retained for three years and the mileage consistent, provided the incremental cost of the equivalent diesel car is no more than £342 in the case of a 5,000 mpa car or

Fuel cost comparison petrol vs. diesel

	5,000 miles mpa	10,000 miles mpa
Petrol consumption; 35mpg	143	286
Diesel consumption; 40mpg	125	250
Saving; galls using diesel	18	36
Litre equivalent; approx	81	163
Value of saving @ £1.40pl	£114	£228

For illustrative purposes only

£684 for a 10,000 mpa vehicle, then diesel may be more cost effective. However, this assumes the buyer is willing and able to fund the additional premium in the first place, and is happy with the performance and other features and benefits of driving a diesel.

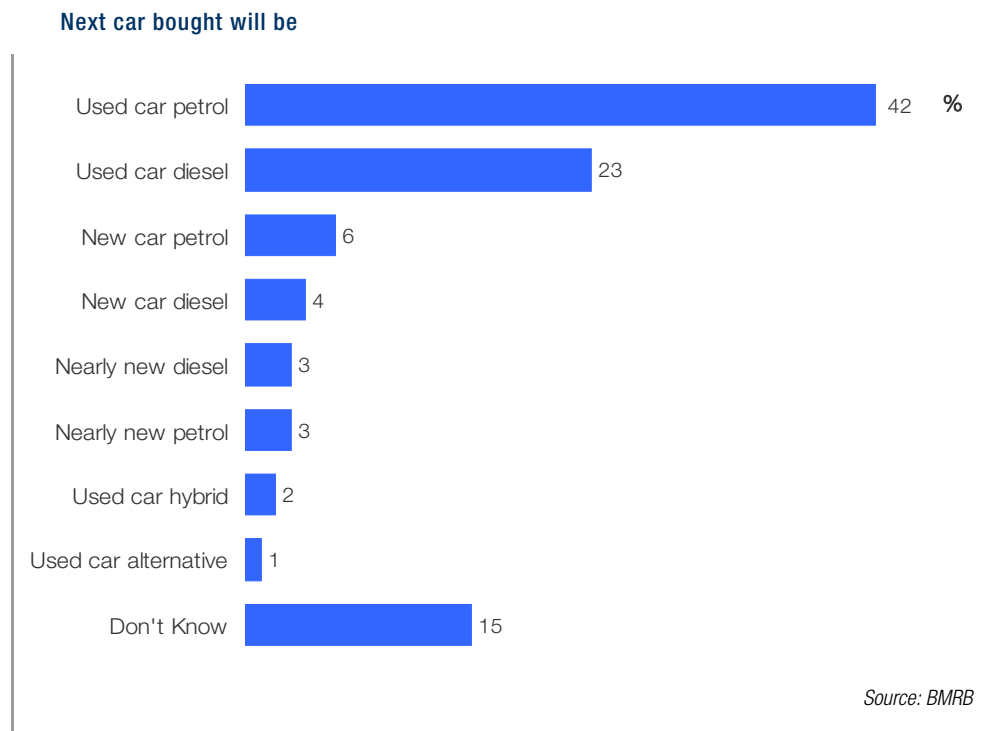
Once again, there is a potential strategic issue here for used car specialists planning their used car stocks and even the way cars might be sold to prospects. ‘Economy’ might well be the watchword.

The implications for fleet operators and leasing companies, as well as used car retailers, may be one of a lagged move in demand with the risk of an imbalance between new and used car buyers’ preference for petrol or diesel engines.

This assumes the buyer is willing to fund the additional premium

What does the used car buyer want to buy?

Consumer research for the Used Car Market Report highlights how a series of economic measures will feature highly on car buyer's agenda next time they change their car. It also shows used car owners' purchases and appetite for diesel-engined cars fall some way short of diesels' more recent share of the new car market.



26% said they would consider buying diesel

The charts above shows at least 45% of car owners have in mind buying a petrol-engined used car next time they change. On the other hand, just 26% of this year's survey respondents said they would consider buying a diesel used car – nearly half of the SMMT's forecast diesel new car market share for 2011.

The concern is the mismatch between current new car specifications and potential used car buyers' requirements when they ultimately reach the used car market.

In a sense it was ever thus, and private used car buyers have always been found for the richer specification, bigger fleet cars entering the used car market – with diesels commanding a significant premium over their petrol-engined counterparts.

What is open to question is how larger fleet used cars, the majority of which are diesel, will fit with many private used car buyers' desperate need to cut their motoring costs – at time when well over half of used car buyers say they want to buy a petrol vehicle.

There may be a shortage of smaller, petrol-engined models

In other words, there may be a significant shortage of smaller, petrol-engined models and a potential surplus of diesel and larger cars. at odds with private sector's natural used car demand. The implications of a possible imbalance in used vehicles entering the market over the next few years, compared with the mix which private buyers are looking for, could lead to some subtle changes in prices achieved at auction and other disposal channels.

Could this also lead to a market situation as recorded a few years back when keen bargain hunters were achieving their longer-term dream of owning a bigger car – but as used rather than a new one?

The canny used vehicle operator may well watch the market and the way used car prices at auction are moving – and what might be the implications for their local market and business opportunities.

Implications for used car retailers

Earlier analyses in this report, and foregoing paragraphs, suggest that some used car buyers are rethinking their used car requirements in terms of looking for a more fuel-efficient, economical vehicle in keeping with their intention to reduce their annual mileage.

Used cars entering the market could be out of line with the private sector's natural used car demand, and could be more difficult to sell. Or will there need to be a price adjustment among some units which do not fully meet used car buyers' changing requirements? It could take some time for the imbalance between ex-fleet used cars coming to the used car market and the specification and price that private used car buyers may be willing to pay to resolve itself.

There are a number of issues arising from this chapter that used car dealers may wish to consider as part of their business development;

- Are used car market requirements in your territory changing with the uncertain economic situation? Have you noticed any recent, notable changes in demand?
- Is it possible to source used cars at different prices to be able to take account of changing local market demand?
- Are there implications for your used vehicle inventory to reflect changes in local market needs?

Such questions may sound strategic. They are. But the message is clear – that used car retailers need to pay particular attention to inventory planning and market profiling, to ensure their strategy is totally in tune with the precise requirements within their trading territory.

Sources of Used Cars

Professor Peter N C Cooke

With fewer cars expected to enter the used car market, due to the steep fall in new car sales over the past three years, it is important to review the relative security and volume of used car sources. The used car supply chain, not only for first-time used cars, but for second, third and even fourth-hand units will come close under scrutiny during the next few years.

'One of the purposes of the new car industry is to create used cars'

It is sometimes argued that 'one of the purposes of the new car industry is to create used cars'. Equally, there appears to be an expectation there will always be an inexhaustible stream of used cars available to satisfy market demand. Rarely is the question asked 'where do first-time used cars come from?'

The phrase 'used vehicle supply chain' has frequently been used in this report to describe the supply of cars into the used car market. This short chapter seeks to examine the various sources of first-time used cars which form the basis of used car market supply.

Vehicle manufacturers

There are around 40 car manufacturers/importers based in the UK. They operate company cars under various guises – demonstrators, press cars, VIP cars, sports marketing cars, executive/job/pool cars, management lease cars, owned lease and finance stock etc. – all of which are owned and ultimately remarketed by the manufacturer or importer.

- **Staff cars;** include a wide range of units necessary for employees to undertake their jobs within the business – there may be some model choice and specification are invariably be high.
- **Management cars;** may be provided as a part of employees' remuneration package – and to ensure employees are seen to drive and promote the manufacturers' products.
- **Lease cars;** are provided for employees on supervisory and management grades for their private use – and sometimes a second car at an advantageous rental cost.
- **Launch and press cars;** demonstrators for the press or specific users which are generally high specification units.
- **Suppliers' cars;** in some cases manufacturers provide specific contractors and suppliers with cars to ensure they are seen to be supporting the brand.

- **Ex short-term rental cars;** there are often significant volumes of short-term, leased rental cars returned to car manufacturers which they dispose of through various channels.
- **Competitive models;** every manufacturer seeks to understand and monitor competition. While on occasions units may be borrowed, others are purchased and sold when they have had served their purpose.
- **Additional stock or cancelled units;** cars which were manufactured for stock – but were in excess of market demand and could not be supplied to franchised dealers as new cars. As ex-factory they may be offered to dealers singly or in blocks, as ‘delivery mileage units’, or they may go to auction.
- **Manufacturers’ leasing companies;** return used vehicles to the market in line with other leasing companies, typically around the three year point.

Manufacturers’ cars strike a balance between current models, vehicle supply, and the critical objective of keeping their brand’s residual values as high as possible and ahead of their close competitors’. The average age/mileage of BCA’s nearly-new car sales is 8.5 months with around 10,000 miles on the clock.

Manufacturers’ used cars typically enter the used car supply chain through their franchised dealer networks with a view to protecting market prices for these units. Manufacturers’ and importers’ cars enter the used car market through various channels, the majority within the first 12 months.

Manufacturers’ used cars enter the market through various channels, the majority within the first 12 months

Ex-daily rental units

Manufacturers do not generally fall over themselves to sell cars to the daily rental sector. Instead, they will typically set an annual allocation of cars, generally lower-specification models, for the daily rental industry.

Such units may be offered on short-term leases and returned to the manufacturer after a few months. The daily rental market has a fairly short high season and manufacturers do not want too many, similar specification ex-rental cars entering the used car market at one time. They tend to control their release into the market to avoid creating an overstocking situation which could depress used car prices.

According to the BVRLA, the UK national daily car rental fleet is around 200,000 units. BCA data suggests the age of these units is generally 8-9 months when first sold. Daily rental companies may acquire ‘own risk’ units in addition to those available on short-term lease from the manufacturers.

Only modest growth is expected for the car rental sector over the next few years, which suggests the UK rental fleet will remain in the region of 200,000 units.

Franchised dealer units

There are some 5,000 franchised dealers in the UK each operating a range of company cars – the number of which will vary according to the size of the dealership.

- **Management and staff cars;** for the dealer principal, department managers, accountant, other staff cars, service courtesy cars, bodyshop courtesy cars.
- **Demonstrators;** sales department bone fide demonstrators to meet their contractual obligation to operate a certain number of up-to-date cars for test driving. New car buyers expect to test drive a 'new car'.
- **Rental and courtesy cars;** the dealership may well have a daily rental operation and will also run a number of courtesy cars for service and bodyshop customers.
- **Self-registrations;** an 'unknown', but considerable number, of self-registrations to meet franchised dealers' new car incentive targets.

Demonstrators tend to be changed most frequently

Demonstrators tend to be changed most frequently, so they are up to date, low mileage and in good condition. They are changed around three times per year. While, other dealership company cars would be replaced less frequently, they would normally be replaced within the first 12 months.

If each of the country's 5,000 franchised dealers turned over say 30 company cars every year, it would represent 150,000 younger cars entering the used car market annually from this sector alone.

Ex-fleet and leasing cars

Regarded by many as the largest source of used cars, and perhaps the biggest source of cars entering the auction arena.

Fleet operators and leasing companies replace their cars, on average, at the three years, three months mark. Thus, the volume of cars returning for disposal, either through their own channels or auction, is governed by the number of units sold to the fleet sector around three years earlier.

The supply of 3-5 year old company cars will begin to weaken considerably in the next couple of years; as some 500,000 fewer fleet and leasing new units entered the top of the car parc funnel in 2009 and 2010 than was customary during pre-recession times.

Private sector cars

The final source of first-time used cars is those being replaced by private buyers, as part-exchange or sold directly to a second owner in some way. Significantly fewer first-time part-exchange and private-to-private used units will be available in this segment due to the steep fall in private new car sales since 2008.

It is important to remember that the used car supply chain is far more than just first-time used cars. Many private car buyers will seek to part exchange older units for younger or new vehicles. An increasingly important part of dealers' used car stock will be the skill in appraising and acquiring older used cars as insufficient younger used units will be available.

A shortfall of some 600,000 potential used units from private new car buyers has been built up between 2008 and 2010 compared with pre-recession levels.

A number of sourcing issues

The number of first-time used cars coming to market is controlled by the number of new cars sold

The absolute number of used cars coming to market for the first time is controlled by the number of new cars sold, on average, between three and four years earlier.

Given fewer younger used cars entering the market in the coming two to four years, there are a number of sourcing issues which used car dealers might consider:

- What sources of used cars are currently used – and how reliant is the operation on individual sources?
- How independent and stable are these individual sources – and their source of used car supply?
- What are each retailer's likely sourcing requirements over the next year – broadly by type, brand and product profile; are the dealer's sources secure at appropriate model and price levels?
- Is there likely to be a shortfall between available used cars from current sources compared with changing market requirements? How might any such shortfalls be resolved?
- How might used car retailers manage and develop trading in older cars, given younger used cars will be in increasingly short supply?

Used LCV Industry – Supply Problems Ahead?

Professor Peter N C Cooke

While the used LCV market is much smaller and has a lower profile than the used car sector, it has a critical role to play for the many businesses that rely heavily on an ample supply of used light commercial vehicles.

The potential ‘black hole’ in use LCV supply

This brief chapter looks at the potential ‘black hole’ in used LCV supply which will soon begin to emerge. This disquieting LCV issue is examined in more detail in the BCA Used LCV Report 2011 to be published shortly.

New LCV sales

The chart below shows new LCV registrations rose to a record high of 338,000 units in 2007, falling sharply thereafter to a 15-year low of 186,000 units in 2009 – as the credit crunch and recession forced major LCV operators to postpone replacement or cut the size of their fleet, and the LCV rental market went through a period of reorganisation.



Unlike the new car sector, new LCV volumes staged a notable recovery in 2010 rising 19.6% and 37,000 units to 223,000, helped by a 41.4% jump in sales of light vans in the > 2 tonnes category to 48,309 units – albeit from a low base the previous year.

Who buys LCVs?

Acquisition of used LCVs is, to a great extent, driven by buyers' requirements and usage and is a more complex and symbiotic relationship than might first appear. New and used LCVs are probably more distinctly divided into two groups than cars.

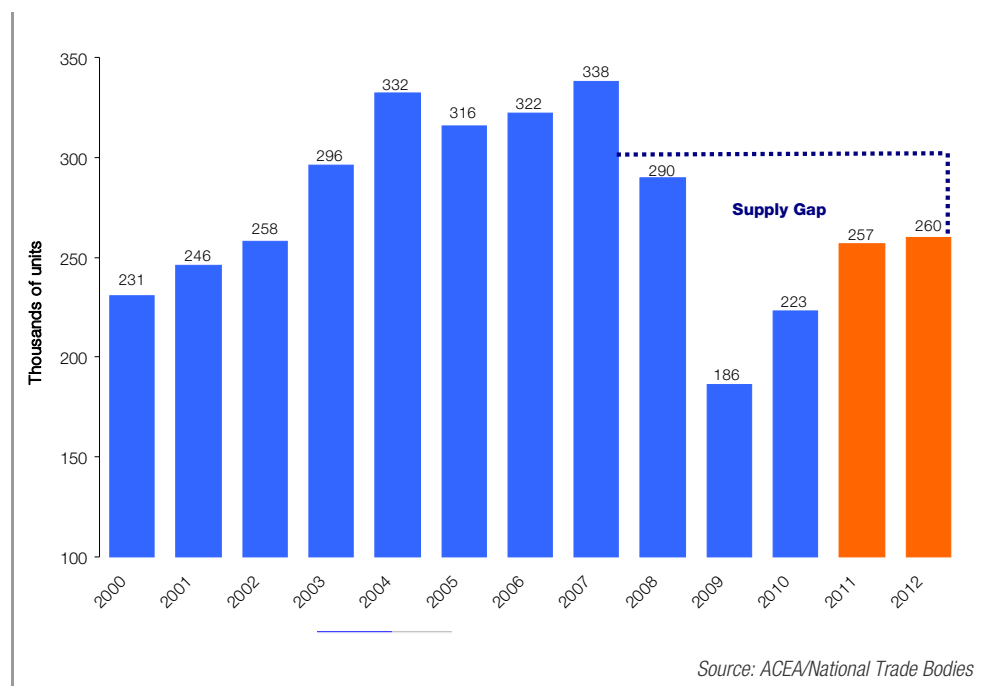
New LCVs tend to be acquired by large operators

- **New LCVs;** tend to be acquired by large operators – short-term rental companies and big fleets such as the Royal Mail, BT, the utilities, water, gas and electricity and logistics companies all of which buy new LCVs in large numbers. Such organisations are aware of business conditions, and the economic climate, and are capable of tailoring replacement and acquisition policies to satisfy short and medium-term business requirements.
- **Used LCV buyers;** tend to be small/medium enterprises (SMEs) – smaller organisations, partnerships, sole traders, for whom a good quality, relatively young used LCV fulfills their requirements. Many smaller organisations find it difficult to afford a new LCV at three or more times the price of a three to four year old ex-fleet vehicle. If they cannot find a suitable replacement, they might have to retain vehicles longer, consider short-term rental or find some way of buying or leasing a new unit.

The LCV used car supply gap

New LCV registrations continue to rise in 2011, up 24.2% to 133,000 for the first six months of the year. They are forecast by the SMMT to reach 257,300 for the full year 2011, and level off at 259,700 units in 2012 – still well short of the 300,000 plus volumes attained in the 2004 to 2007 period.

UK LCV registrations 2000 – 2012– used vehicle supply gap



The LCV parc will remain around 3.5 million units over the next few years. However, it will age considerably as the much higher new LCV registrations of the mid 2000s, make their way through the used LCV market, with much lower potential used volumes from the 2008/2009 recession period, and weaker sales forecasts for 2011 and 2012, 'waiting in the wings'.

There will be a shortfall of first-time used LCVs entering the market

In simple terms, if we assume the national demand for used LCVs will be in the region of 300,000 annually, as the economy improves, there will be a shortfall of some 275,000 first-time used LCVs entering the market between late 2011 and 2015.

Similar to the used car market, the full effect of the steep fall in new LCV sales, in 2009 and 2010 in particular, will not begin to materialise until 2012 – when many of these units will start to be replaced by their first owners. And, as SMEs' demand for used LCVs rises, the growing shortage of younger used LCVs will become more apparent, with the likelihood that demand will exceed supply considerably.

Some implications

The new LCV market may require support in some way – possibly through special finance terms and deals with a longer agreement from manufacturers; to encourage big players to replace units earlier in generous quantities.

This chapter has commented on the forthcoming shortage of younger, lower mileage used LCVs and the implications which may emerge for the buyers if insufficient units are available.

For used LCV retailers there are a number of issues which might justify examination sooner rather than later.

- How secure are your used LCV sources and what volumes are they likely to be able to provide at acceptable market prices?
- Are you over reliant on specific sources of used LCVs? Is it possible to estimate used LCV supplies from existing sources?
- Are there new sources of used LCVs which might be developed in the short/medium term to protect supply?
- Are there additional value-added services you may be able to develop in case used LCVs are in short supply for the next few years
- If dealers are unable to source the type of units they have traditionally handled, it may be necessary to work with older vehicles.

BCA – ‘Market Maker’

BCA is a market maker, creating opportunities for its customers to profitably buy and sell used vehicles in an efficient and cost-effective way. With customers including fleet operators, manufacturers, finance and leasing companies, rental companies, national authorities and every sector of the retail and wholesale motor industry, BCA has the largest pool of suppliers and buyers – and the scale and capacity to meet their vehicle remarketing needs.

BCA transacts more used vehicles than any other operator

With a Pan-European inventory of 50,000 vehicles at any one time, BCA transacts more used vehicles than any other operator, handling in excess of 1.4 million vehicles annually, generating a £4 billion plus turnover. The company will sell nearly 200,000 vehicles to remote online bidders across Europe this year alone.

Harnessing the power of the Internet

BCA has focused on harnessing the power of the Internet to bring real benefits to its customer base and has delivered a programme of enhancements in the online remarketing arena. BCA's integrated multi-language European website allows customers to participate in sales across country borders in real time and attracts thousands of buyers daily.

In the UK, BCA dominates online, taking 50% plus of all vehicle remarketing sector traffic in the UK (source Experian Hitwise). Every month visitors view around 10 million pages, and spend a total of 162,000 hours on BCA sites.

BCA's e-commerce sales platforms for the UK and Europe deliver a range of remarketing products and services including Live Online, e-auctions, Bid Now, Buy Now, dealer exchange and driver sales. The products and services combine to provide customers with integrated solutions to meet their remarketing needs. In the UK alone, BCA sold over 100,000 vehicles online in 2010, while that number rose to nearer 200,000 when including vehicles sold across Mainland Europe.

More opportunities for buyers and sellers

Through wholly-owned specialist company JTK Automotive, BCA also operates a range of brand-specific wholesale services, bringing together vehicles from the wider marketplace to offer direct to the dealer network, giving more opportunities for buyers and sellers alike.

Operating both online and offline, these services deliver another important channel to market, while BCA's programme of electronic auctions allows manufacturer vendor customers to support their dealer network with selected product.

BCA's Inventory Management System can provide maximum control over a vehicle's complete life cycle from the moment it is newly registered on a customer's fleet until it is ready to be remarketed, which could be months or years later. BCA DocuSafe delivers cradle to grave document retention and management services for vehicle owners, and can produce a specific document from the 500,000 stored within seconds. Full digital backup means vehicle documents can never be misplaced, lost or destroyed.

A seamless service for remarketing

BCA's website is a seamless service for remarketing used vehicles

BCA's website is the hub, a portal to a seamless service for remarketing used vehicles. But, to really deliver in the vehicle remarketing arena, you also need physical infrastructure and BCA has a modern network of centres in 49 locations across 14 European countries including the UK. The physical footprint includes supercentres, regional centres, defleet facilities and technology hubs, to offer a full range of services to sell and buy used vehicles.

In the UK, BCA's Logistics Division is responsible for some 850,000 vehicle movements annually, inspecting, collecting and preparing vehicles for remarketing through a variety of online and physical auction channels. The new BCA Inspection capabilities in the UK underpin a wholesale proposition that will generate over 600,000 vehicle sales this year – around a fifth of which will be online.

Inspections are uploaded remotely into the BCA systems and can be seen simultaneously by BCA remarketing specialists – who can begin selling the vehicle through a variety of online channels and the vendor customer, who can put in hand any repairs required and use the information to recharge their customers, if appropriate.

The next step will see BCA migrate this service onto mobile platforms and additionally integrate valuation tools directly into the inspection process, providing valuable pricing data for sellers based on true condition, rather than simple guide price information.

Auto Grade and Off Site sales

Addressing the accuracy and consistency of vehicle condition grading BCA launched Auto Grade in 2011. Auto Grade automatically generates a vehicle condition grade entirely objectively using a sophisticated software system running on the specialist PDA equipment used by BCA's appraisers. For buyers, this means optimum confidence in stock from BCA, while sellers benefit from consistent appraisal of vehicle condition in advance of remarketing.

BCA also introduced a new off-site selling platform for vendor customers, who can offer their stock in BCA's Buy Now sales direct from the forecourt or de-fleet compound as appropriate. This generates a wider range of vehicles for buyers, while simultaneously providing a valuable additional remarketing platform for sellers and comes with full logistics support.

Partnership with leading automotive think-tank

BCA also prepares and publishes a range of information for the used vehicle industry, ranging from bespoke reports and research through to regular price data delivered in the industry-wide NAMA Reports and BCA-specific Pulse publications. The company also has an industry-unique partnership with a leading automotive think-tank – the Centre for Automotive Management at The University of Buckingham – to produce a range of thought-provoking and enlightening reports into used vehicle matters.

First Place for customers

To retain its dominant position as the market maker in the European remarketing sector while continuing to meet customers evolving needs, BCA must, and will, go on investing in its multi-channel capabilities, first-class facilities across a pan-European network, comprehensive logistics capacity and integrated bespoke technology solutions.

Designed to put the customer first by delivering choice

All of these elements are designed to put the customer first by delivering choice, service and value for money so that, in return, BCA remains the first place customers choose to do business.

Visit the BCA website at www.bca-europe.com for a look at the bigger picture in vehicle remarketing.

BCA Network



UK AUCTION CENTRES

- Bedford
- Birmingham
- Blackbushe
- Bridgwater
- Brighouse
- Derby
- Edinburgh
- Glasgow
- London
- Manchester Belle Vue
- Measham
- Newcastle-Upon-Tyne
- Newport, Wales
- Nottingham
- Paddock Wood
- Peterborough
- Preston
- Tewkesbury
- Walsall



Statistical Data

This section of the Used Car Market Report includes data taken from the 2011 BMRB International survey of 4,000 UK car owners, providing an insight into their views and preferences in buying or owning a used car.

It supplies background information on the Consumer Experience and Regional sections of the report, and allows readers to draw comparisons with their own views and experience of the UK used car market.

NB All responses are percentages.

Q How many cars are in your household?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
One	45	45	46	33	46	44	43	48	56	44	50	53	47	27
Two	21	22	19	10	15	33	27	26	13	36	20	16	13	3
Three or more	5	6	5	8	5	3	10	7	1	6	8	6	3	1
None	28	26	30	48	34	20	20	19	31	14	22	25	38	69

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
One	39	42	51	42	35	53	46	55	50	50	39
Two	7	29	31	29	41	16	16	15	20	17	15
Three or more	2	7	3	6	14	5	5	8	4	4	4
None	52	22	15	22	10	27	33	21	26	29	42

Q Have you bought a new or used car recently?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Yes, new in 2006 or earlier	4	4	4	1	2	4	3	5	6	7	3	3	2	1
Yes, new in 2007	2	2	2	1	0	4	2	1	2	3	1	2	2	1
Yes, new in 2008	2	3	2	0	1	2	2	6	3	5	2	2	1	2
Yes, new in 2009	3	4	2	0	2	2	3	7	4	5	3	1	2	1
Yes, new in 2010	4	5	3	1	2	3	5	9	4	7	4	3	1	1
Yes, new in 2011	0	0	0	0	0	0	-	1	0	1	1	-	0	0
Yes, used in 2006 or earlier	8	9	7	2	6	10	11	8	9	9	8	9	9	4
Yes, used in 2007	4	4	4	2	4	5	4	5	3	6	5	4	2	1
Yes, used in 2008	5	4	5	3	6	5	6	7	3	5	5	5	4	4
Yes, used in 2009	8	8	7	8	11	8	7	9	4	9	9	7	7	3
Yes, used in 2010	11	11	11	9	15	17	14	7	4	12	11	13	11	4
Yes, used in 2011	2	2	2	2	4	3	4	1	1	2	3	2	3	2
No	50	48	53	69	49	42	41	40	59	38	47	49	57	78

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Yes, new in 2006 or earlier	2	3	8	5	-	4	3	6	2	4	5
Yes, new in 2007	1	2	1	2	-	3	1	3	1	2	2
Yes, new in 2008	0	2	7	2	7	1	1	3	3	1	2
Yes, new in 2009	1	4	5	7	4	-	4	3	1	4	3
Yes, new in 2010	2	3	4	3	7	4	2	3	3	9	9
Yes, new in 2011	-	1	-	1	-	-	0	-	0	-	2
Yes, used in 2006 or earlier	6	9	9	13	22	6	10	6	7	5	5
Yes, used in 2007	2	4	8	3	-	2	5	6	1	4	5
Yes, used in 2008	1	4	6	5	10	8	5	10	5	4	2
Yes, used in 2009	3	7	12	13	16	8	8	6	6	8	6
Yes, used in 2010	4	14	14	11	8	12	11	13	10	12	8
Yes, used in 2011	1	3	0	3	4	4	2	2	3	5	-
No	78	47	32	40	28	51	52	41	56	44	56

Q What most strongly influences the type of used car you would consider buying?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Personal experience particular make/model	27	30	23	17	23	28	32	26	32	34	25	24	23	12
Views of friends or family	26	24	28	43	27	23	25	19	21	28	21	28	30	27
Test drive	15	16	13	14	14	15	15	15	15	22	13	11	14	8
Used car showroom/sites	13	14	12	9	16	9	16	15	14	11	13	18	11	11
Other car internet sites	12	14	10	14	21	13	11	8	4	13	14	11	14	6
Consumer reports programmes (e.g. Which?, Watchdog)	9	11	7	4	7	12	8	11	13	15	8	6	6	6
Cars you see on the street	9	8	10	13	15	10	9	5	2	6	10	10	12	11
Franchised \ used car dealer websites	9	9	8	7	10	9	11	9	4	6	11	10	8	7
Newspaper advertisements	8	9	6	11	10	6	7	3	9	6	6	9	8	15
General motoring magazines	6	8	3	5	6	8	6	3	4	5	5	8	5	3
Car TV adverts	5	5	5	8	11	5	2	1	2	5	5	4	6	5
Car TV shows	4	6	3	9	7	5	2	3	0	4	5	4	3	2
Selling franchised/used car dealer advice	4	3	5	3	2	4	6	4	6	3	5	3	4	4
Specialist motoring magazines	4	5	3	3	5	3	4	4	4	5	2	4	3	4
Other	7	6	7	4	5	6	7	6	11	6	7	5	10	7
Don't Know	15	11	19	15	9	15	11	20	21	12	16	14	17	23

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Personal experience particular make/model	10	25	35	22	30	26	28	42	23	33	32
Views of friends or family	22	24	29	17	12	29	25	30	31	34	33
Test drive	3	13	15	14	19	21	22	17	14	19	15
Used car showroom/sites	16	11	16	10	7	16	17	6	13	17	17
Other car internet sites	22	14	14	2	5	13	11	5	9	8	14
Consumer reports programmes (e.g. Which?, Watchdog)	5	12	7	6	2	7	12	15	9	7	15
Cars you see on the street	4	6	11	9	20	8	13	9	11	5	9
Franchised \ used car dealer websites	15	7	9	5	13	9	6	5	9	7	8
Newspaper advertisements	10	6	5	5	6	9	9	9	9	9	7
General motoring magazines	8	4	5	3	3	7	8	7	3	6	10
Car TV adverts	5	3	8	1	5	2	7	1	7	5	6
Car TV shows	6	3	3	7	4	4	3	4	5	7	3
Selling franchised/used car dealer advice	6	4	7	3	4	3	3	3	2	1	6
Specialist motoring magazines	8	4	6	-	3	1	5	3	3	2	3
Other	1	7	6	15	13	10	4	5	6	5	8
Don't Know	20	16	7	22	11	6	12	22	22	15	8

Q What were the crunch factors that affected your decision to buy your latest used car?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Price	40	42	39	47	40	41	43	37	35	46	39	33	48	38
Make/model of vehicle	35	35	34	28	31	40	38	35	31	42	34	33	23	32
Mileage (low)	28	27	28	34	19	31	27	28	30	26	34	23	27	23
Engine size	24	25	24	24	23	26	27	20	23	21	24	29	26	26
Age of the vehicle	20	22	18	15	24	18	25	19	12	20	19	21	23	12
Body type (e.g. estate or hatchback)	14	16	11	6	15	14	16	11	17	15	13	14	9	20
Specification	12	15	9	4	11	17	11	16	6	17	9	11	10	5
Insurance group	12	11	12	18	14	13	12	3	9	7	11	11	17	27
Safety	10	8	12	8	15	7	11	4	11	10	11	6	13	11
Colour	9	8	10	24	6	8	9	7	5	10	8	9	8	8
Environmental considerations	3	2	3	1	3	5	1	2	2	3	2	2	4	4

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Price	35	42	48	27	29	58	39	35	39	30	53
Make/model of vehicle	31	32	31	50	42	28	32	31	42	31	44
Mileage (low)	13	24	30	18	31	35	31	28	27	25	42
Engine size	17	20	26	11	39	28	38	29	21	17	19
Age of the vehicle	14	14	22	26	30	26	19	21	22	15	12
Body type (e.g. estate or hatchback)	15	21	10	12	3	17	16	18	10	13	2
Specification	6	12	5	28	6	12	7	22	13	5	14
Insurance group	9	9	15	3	-	15	26	4	18	18	8
Safety	17	9	8	21	16	10	9	2	4	13	8
Colour	4	9	10	19	4	12	10	10	4	8	8
Environmental considerations	7	2	3	3	-	-	2	3	7	2	-

Q What influenced your decision to buy your used car from that particular dealer?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Right car at best possible price	38	39	37	29	32	31	41	45	40	43	34	40	36	14
Got a good deal on the car	31	33	29	45	24	29	41	24	29	26	31	37	38	34
Could trade in my old car	18	25	12	-	9	19	22	24	18	19	19	14	24	14
Dealer reliable and trustworthy	18	17	19	-	14	26	15	23	17	19	21	8	27	26
Staff friendly, helpful and professional	16	12	20	8	9	10	22	19	19	20	18	8	16	-
Offered a warranty or vehicle had warranty	13	13	14	9	13	16	13	13	13	17	17	6	5	4
Good aftersales service	12	14	10	-	8	4	16	17	17	15	11	10	9	15
Local and convenient	12	14	10	23	-	7	12	20	15	13	13	9	15	4
Quick delivery of car wanted	11	10	12	-	3	9	15	21	5	12	13	2	15	16
Wide choice of vehicles	11	13	8	7	11	8	9	17	9	15	5	10	16	12
Easy negotiation, lack of sales pressure	11	12	9	9	4	10	10	18	10	13	12	3	16	4
Have bought a used car from them before	10	10	11	9	9	4	4	17	19	9	11	10	8	18
Recommended by friend	9	12	7	8	13	15	11	3	3	12	10	2	16	-

Q What influenced your decision to buy your used car from that particular dealer?

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Right car at best possible price	-	32	57	45	35	58	44	28	52	22	27
Got a good deal on the car	12	16	22	42	41	37	28	53	28	28	36
Could trade in my old car	-	16	19	23	11	16	20	30	34	4	12
Dealer reliable and trustworthy	12	18	25	20	11	25	32	13	-	20	12
Staff friendly, helpful and professional	-	13	20	5	49	31	7	13	17	10	14
Offered a warranty or vehicle had warranty	20	10	16	10	35	11	13	12	14	4	19
Good aftersales service	34	10	21	14	11	13	9	12	10	13	-
Local and convenient	-	19	8	-	13	13	12	18	10	8	12
Quick delivery of car wanted	8	7	12	17	35	9	12	3	22	9	-
Wide choice of vehicles	12	13	13	14	-	9	9	22	-	-	12
Easy negotiation, lack of sales pressure	-	5	11	14	35	26	10	4	-	8	7
Have bought a used car from them before	-	6	20	10	13	15	16	12	-	8	7
Recommended by friend	38	11	7	4	-	10	3	6	-	20	12

Q Has the dealer you bought your car from contacted you for the following reasons?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
To find out if you were happy with your car	27	31	24	-	16	30	30	30	32	37	22	16	25	39
About servicing the car	35	32	38	24	21	21	40	42	49	39	37	26	34	29
To see if you were thinking about changing the car	15	15	16	9	5	8	24	15	21	18	10	16	20	31
To see if a friend or a family member was interested in buying a car	1	-	1	-	-	-	2	-	-	1	-	-	-	-
Nothing/no contact	44	45	43	64	66	52	34	42	28	36	50	51	36	34
Other answers	4	4	4	12	-	5	2	5	6	4	3	5	5	7
Don't Know	1	1	2	-	-	2	1	3	-	-	1	3	5	-

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
To find out if you were happy with your car	22	14	36	38		32		21	15	42	
About servicing the car	21	36	39	37	24	22	34	42	41	17	32
To see if you were thinking about changing the car	-	8	21	16	56	18	34	29	5	4	38
To see if a friend or a family member was interested in buying a car	-	-	-	-	20	-	31	-	9	-	7
Nothing/no contact	57	46	37	32	-	61	-	39	38	46	-
Other answers	-	4	2	4	44	-	39	4	8	-	42
Don't Know	-	3	4	-	-	-	16	2	-	-	7

Q What type of car did you last purchase?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Off road/4 x 4	5	5	6	-	2	7	8	7	5	6	3	8	2	6
Saloon	22	27	16	5	15	25	20	25	37	22	19	24	24	20
Estate	8	9	7	3	7	11	11	7	6	7	9	8	4	17
Hatchback	47	41	52	62	52	42	42	48	40	47	49	42	52	42
M.P.V./People carrier	6	6	5	-	7	6	8	7	3	5	8	5	3	6
Sports car/coupe	4	4	4	13	5	3	4	2	1	3	5	4	5	7
Prestige e.g. Jaguar	0	1	--	2	--	--	--	1	1	--	1	--	--	--
Micro/City Car	4	3	4	6	8	3	3	1	-	5	4	4	2	-
Other	3	3	3	6	2	2	4	-	5	3	2	4	2	2

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Off road/4 x 4	2	4	5	6	4	6	5	11	7	4	5
Saloon	20	26	17	14	20	19	30	23	20	17	20
Estate	13	9	3	13	2	13	10	10	6	2	6
Hatchback	25	41	60	37	51	54	37	37	53	71	58
M.P.V./People carrier	16	7	3	9	13	4	3	4	2	2	-
Sports car/coupe	2	4	1	8	4	-	4	9	5	3	7
Prestige e.g. Jaguar	--	1	--	--	--	--	--	1	--	--	--
Micro/City Car	3	4	5	5	5	2	4	2	5	-	2
Other	12	3	2	8	-	-	6	2	1	-	3

Q What influenced you most in buying a used car with a diesel engine?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Environmental considerations	3	4	3	3	1	8	4	2	1	1	2	7	8	4
Maintain value better	3	2	4	-	3	4	4	3	3	4	1	5	6	4
More reliable engine	7	10	4	5	4	6	11	11	5	5	7	9	9	8
Better fuel consumption	19	21	18	15	22	15	26	24	13	22	19	19	20	12
Engine would last longer	5	8	3	6	4	4	10	5	2	5	5	7	5	1
Do a high annual mileage	2	3	1	6	2	1	2	3	-	3	2	2	2	-
Other	6	5	7	2	6	5	8	7	8	6	7	7	3	3
Don't Know	2	1	4	3	3	1	3	2	3	2	3	-	7	-

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Environmental considerations	14	5	4	2	-	2	3	2	2	2	-
Maintain value better	17	1	2	10	-	1	2	5	-	-	4
More reliable engine	20	7	5	5	2	14	3	10	5	2	8
Better fuel consumption	15	14	34	32	14	25	1	19	21	9	10
Engine would last longer	3	4	7	11	2	11	18	12	4	-	-
Do a high annual mileage	2	1	1	-	-	8	2	4	6	-	2
Other	9	3	2	11	12	1	-	13	2	9	7
Don't Know	4	1	1	3	8	3	6	1	3	3	-

Q Which of these reasons influenced you to buy a used car rather than a new car?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Couldn't afford a new car	35	34	36	53	43	40	37	23	19	28	38	37	43	35
Used better value for money	19	23	15	13	14	23	25	20	18	25	17	23	12	9
Lower depreciation with used cars	14	15	12	4	15	16	16	17	12	22	16	11	7	2
Always buy used cars	11	12	9	3	10	13	12	12	11	11	11	11	12	7
Needed a car quickly	6	6	6	5	7	6	8	6	3	7	5	5	8	4
More choice when buying a used car	4	4	3	4	5	5	2	5	2	2	5	4	4	3
Don't Know	4	3	5	5	2	4	3	6	5	2	3	7	4	6

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Couldn't afford a new car	45	39	37	28	33	41	33	32	25	34	29
Used better value for money	15	17	21	13	31	19	21	27	17	13	18
Lower depreciation with used cars	3	14	23	20	22	11	13	23	11	17	6
Always buy used cars	9	11	16	9	15	7	14	12	9	9	7
Needed a car quickly	7	7	6	5	8	5	9	4	4	4	3
More choice when buying a used car	5	2	3	11	3	3	6	4	3	1	1
Don't Know	5	3	6	4	-	2	3	5	8	2	4

Q How likely is it you or a member of your family will buy a used car in the next year?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Certainly will	4	4	4	8	6	3	4	3	1	4	4	6	3	2
Quite likely	10	10	10	13	12	13	8	13	4	12	10	11	9	6
50:50 chance	8	9	7	10	13	7	7	9	5	10	9	7	8	5
Unlikely	26	28	24	28	26	28	34	25	19	32	28	25	21	17
Certainly not in the next 12 months	19	19	19	12	16	21	18	20	23	20	20	21	19	12
Won't be buying a car in the future	29	27	32	24	24	26	27	27	45	20	27	26	36	53
Don't Know	3	3	4	4	3	3	3	4	3	3	3	4	4	5

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Certainly will	3	3	7	5	-	4	6	3	3	4	4
Quite likely	11	9	15	11	17	6	11	13	7	8	7
50:50 chance	10	7	9	9	12	8	9	8	5	7	10
Unlikely	26	30	28	24	41	29	33	16	31	20	12
Certainly not in the next 12 months	13	18	25	14	19	23	14	26	22	16	17
Won't be buying a car in the future	32	30	15	26	11	29	26	33	23	43	48
Don't Know	6	3	-	10	-	-	1	2	9	2	1

Q When you come to buy a car is it most likely to be:

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Used car, petrol	42	39	45	56	47	38	44	32	35	35	46	43	50	42
Used car, diesel	23	26	21	16	30	32	25	21	15	20	24	27	23	22
Used car, hybrid	2	2	2	-	2	4	2	3	-	4	1	1	1	1
Nearly new (up to 9 months old) used car, petrol	3	3	4	2	2	3	5	2	6	7	2	3	0	2
Nearly new (up to 9 months old) used car, diesel	3	4	3	1	2	2	3	5	5	5	3	3	1	1
Nearly new, (up to 9 months old), used car, hybrid	-	--	-	--	--	-	--	-	--	--	-	--	--	--
New car, petrol	6	7	5	5	2	5	4	10	10	8	6	5	5	4
New car, diesel	4	5	2	2	1	3	3	6	7	7	2	3	4	1
New car, hybrid	-	1	-	--	-	--	--	0	1	1	-	--	--	1
Don't Know	15	12	18	17	11	14	12	17	19	12	14	15	15	26

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Used car, petrol	62	47	37	24	24	48	43	32	35	46	39
Used car, diesel	10	20	34	29	28	27	28	24	21	24	26
Used car, hybrid	1	3	1	-	7	1	1	2	1	3	3
Nearly new (up to 9 months old) used car, petrol	2	2	2	6	6	4	3	8	2	6	3
Nearly new (up to 9 months old) used car, diesel	-	1	3	5	5	5	3	7	3	5	3
Nearly new, (up to 9 months old), used car, hybrid	--	1	--	--	--	--	--	--	--	--	--
New car, petrol	2	4	13	8	2	7	7	4	8	6	6
New car, diesel	1	4	2	1	15	3	3	5	4	-	5
New car, hybrid	--	--	1	--	--	--	1	--	--	--	3
Don't Know	20	17	6	24	9	5	10	18	24	11	13

Q If you buy a car in the future, where do you think you will get it from?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Franchised dealer (part exchange)	26	24	27	10	17	25	33	34	36	35	27	19	17	12
Private sale	22	25	20	38	32	21	22	11	8	17	19	27	26	35
Franchised dealer (buy direct)	19	20	18	12	16	22	17	23	23	22	18	18	19	12
Independent used vehicle dealer (buy direct)	8	8	8	11	10	5	12	6	5	4	8	9	10	14
Family or friend	8	10	6	10	14	8	6	4	1	7	10	5	13	5
Internet trader	7	7	8	6	10	8	7	7	7	8	8	8	5	5
Independent used vehicle dealer (part exchange)	6	6	6	1	6	6	6	4	12	6	7	6	4	3
Car supermarket	5	6	3	5	6	4	6	5	1	3	4	6	5	5
Auction	4	5	3	5	4	5	5	4	1	4	4	4	6	3
Other	3	3	2	2	1	2	1	3	5	3	1	3	3	3
Don't Know	13	9	17	18	9	12	11	11	15	9	13	14	17	20

Q If you buy a car in the future, where do you think you will get it from?

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Franchised dealer (part exchange)	11	21	35	26	43	31	23	35	18	34	30
Private sale	28	25	23	15	15	18	28	21	25	13	13
Franchised dealer (buy direct)	24	22	13	24	12	9	18	23	15	25	23
Independent used vehicle dealer (buy direct)	18	7	7	6	7	7	5	8	6	4	9
Family or friend	26	7	5	3	3	2	3	5	4	6	10
Internet trader	6	7	6	2	10	16	9	7	5	5	11
Independent used vehicle dealer (part exchange)	0	5	9	8	18	3	15	7	3	1	-
Car supermarket	10	1	4	-	3	11	7	6	4	2	-
Auction	3	5	5	-	3	2	3	4	5	7	4
Other	1	3	2	10	-	2	1	3	4	-	3
Don't Know	15	15	5	20	6	8	8	12	22	12	9

Q Overall, how satisfied are you with your used car?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Very satisfied	68	68	68	58	66	63	70	72	78	67	66	74	56	75
Quite satisfied	25	25	24	33	26	28	24	21	16	22	28	20	34	24
Neither satisfied nor dissatisfied	4	3	5	6	7	3	4	4	2	6	4	2	8	1
Quite dissatisfied	2	2	1	1	1	2	1	2	2	2	0	3	1	-
Very dissatisfied	1	1	1	1	1	1	1	0	-	1	0	1	2	-

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Very satisfied	52	69	68	67	71	67	77	64	71	69	65
Quite satisfied	44	20	24	27	21	23	18	29	22	27	31
Neither satisfied nor dissatisfied	2	7	6	-	8	2	4	3	3	2	4
Quite dissatisfied	2	2	1	3	-	2	-	3	2	-	-
Very dissatisfied	-	1	1	-	-	3	-	1	-	3	-

Q How expensive will the price of fuel have to be for you to change to a more full-efficient car?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
£1.30 per litre	17	16	17	16	24	18	16	15	12	15	16	17	21	18
£1.35 per litre	2	2	2	1	2	3	1	2	2	2	1	1	5	6
£1.40 per litre	3	3	2	3	6	3	2	2	2	2	3	2	4	5
£1.45 per litre	1	1	1	1	1	1	1	2	-	1	-	1	2	-
£1.50 per litre	9	11	6	13	12	10	5	11	5	8	10	8	7	9
£1.55 per litre	1	1	0	2	1	1	-	1	0	1	1	0	-	1
£1.60 per litre	3	3	2	5	4	4	2	2	1	3	3	3	2	5
£1.65 per litre	1	0	1	-	1	0	0	2	-	0	1	0	1	-
£1.70 plus per litre	6	6	6	11	8	6	5	6	4	8	5	6	5	6
No effect	48	46	51	32	34	45	55	52	63	51	49	48	41	39
Don't Know	10	10	11	16	8	9	12	7	11	9	9	12	12	12

Q How expensive will the price of fuel have to be for you to change to a more full-efficient car?

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
£1.30 per litre	9	20	16	11	28	22	16	9	14	16	22
£1.35 per litre	4	2	1	1	-	2	4	1	4	1	1
£1.40 per litre	1	3	2	1	-	3	4	3	6	-	4
£1.45 per litre	-	0	1	-	2	2	2	-	1	-	1
£1.50 per litre	9	9	8	10	6	10	9	7	8	5	14
£1.55 per litre	2	0	-	-	-	-	3	-	-	2	1
£1.60 per litre	3	2	3	3	4	2	4	3	4	2	1
£1.65 per litre	2	-	-	-	3	-	-	1	-	-	1
£1.70 plus per litre	8	5	12	-	3	8	9	8	4	6	-
No effect	48	50	54	64	41	41	39	60	35	60	45
Don't Know	13	9	2	10	13	10	8	7	22	7	10

Q How expensive will the price of fuel have to be for you to change your pattern of driving?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
£1.30 per litre	20	21	20	20	25	22	23	16	16	19	19	23	22	22
£1.35 per litre	2	3	2	2	2	5	0	2	2	1	2	2	6	5
£1.40 per litre	3	3	2	4	7	2	2	1	1	3	3	2	4	5
£1.45 per litre	1	1	2	1	2	1	0	2	1	-	1	2	3	3
£1.50 per litre	9	10	7	16	9	10	6	10	4	8	11	8	6	6
£1.55 per litre	1	1	1	-	1	1	1	2	0	0	1	1	1	1
£1.60 per litre	2	3	2	6	3	4	1	1	1	2	3	1	2	4
£1.65 per litre	1	1	1	1	2	1	0	2	0	1	2	1	1	-
£1.70 plus per litre	4	5	4	7	5	3	4	5	4	4	3	5	4	9
No effect	47	46	49	27	36	45	52	53	60	54	47	45	39	36
Don't Know	9	8	11	16	6	7	11	7	10	8	9	11	11	10

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
£1.30 per litre	9	20	24	15	30	31	20	18	16	19	26
£1.35 per litre	3	2	3	1	-	5	2	1	4	-	1
£1.40 per litre	3	2	2	-	2	3	5	-	7	-	4
£1.45 per litre	1	1	1	1	4	1	4	-	-	-	-
£1.50 per litre	5	9	10	10	6	6	13	7	12	5	7
£1.55 per litre	2	-	1	-	-	1	1	-	-	2	2
£1.60 per litre	5	2	3	2	2	2	2	5	3	-	-
£1.65 per litre	3	0	-	-	3	1	2	1	1	1	2
£1.70 plus per litre	8	4	8	2	-	7	6	4	2	3	3
No effect	47	51	45	61	36	37	40	63	36	65	44
Don't Know	14	8	2	7	17	7	7	2	21	5	12

Q If the economic recovery continues, what might you look for in a car?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Car with better fuel consumption	27	29	25	18	27	29	33	29	22	28	27	25	26	25
Car with lower CO2	19	22	15	17	20	22	18	20	14	21	17	20	15	12
Best possible purchase price	18	18	17	16	18	20	18	17	15	22	16	14	19	11
Car with lower road tax	17	18	16	18	21	20	16	14	15	17	18	19	18	7
Same type of car	14	14	14	8	11	12	16	16	17	17	13	12	11	13
Smaller car	12	12	12	12	9	10	13	9	15	12	9	12	17	15
Car with lower maintenance costs	11	12	10	12	14	16	8	10	9	9	13	13	13	8
Best possible part--exchange price	8	8	9	1	7	8	12	9	9	11	8	5	8	6
Used car instead of new car	8	8	7	8	4	7	11	7	9	8	7	8	9	9
Bigger car	5	6	5	10	12	7	5	2	0	6	5	5	6	2
Low interest finance	5	5	4	5	5	7	7	2	2	5	5	3	4	2
New car instead of used car	4	4	4	7	2	5	3	5	5	5	2	5	5	4
Car with lower depreciation	4	4	4	3	4	6	5	5	2	4	4	3	7	3
Higher specification\ performing car	4	5	3	6	5	5	4	2	2	5	5	3	2	1
Don't Know	16	13	19	19	11	11	16	19	19	11	18	18	16	24

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Car with better fuel consumption	19	28	34	17	29	31	33	32	21	22	23
Car with lower CO2	27	17	24	4	39	18	16	11	19	14	16
Best possible purchase price	10	15	22	13	28	14	18	25	18	16	17
Car with lower road tax	14	15	24	8	22	19	24	13	15	19	18
Same type of car	13	11	19	22	14	12	13	20	9	10	16
Smaller car	12	11	16	12	11	6	17	7	11	12	12
Car with lower maintenance costs	9	10	13	9	23	9	13	18	8	7	8
Best possible part--exchange price	10	7	9	10	6	6	9	13	6	11	6
Used car instead of new car	10	6	7	6	10	15	7	9	9	2	7
Bigger car	3	7	6	5	-	6	6	6	6	4	5
Low interest finance	9	3	6	1	3	5	5	3	7	7	1
New car instead of used car	5	4	6	4	5	4	5	2	2	7	5
Car with lower depreciation	11	4	3	5	2	2	4	7	3	3	-
Higher specification\ performing car	7	3	3	1	8	4	5	5	1	1	5
Don't Know	21	18	6	22	7	14	14	15	23	16	13

Q If you were in charge of establishing the country's motoring and transport policy, what measures would you introduce?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Reduce fuel duty	39	41	37	35	44	43	42	32	35	41	34	42	42	36
National price for fuel	22	24	21	28	20	25	20	21	21	20	20	25	28	25
Improve transport infrastructure	18	16	19	9	8	20	26	18	18	24	20	8	13	8
Ban private wheel clamping	17	18	15	11	16	15	21	17	17	17	17	17	11	20
Re--tests for lost licence	14	11	17	11	12	18	12	17	12	16	14	14	10	8
Re--tests for over 70s	11	7	15	14	14	14	11	10	4	12	10	10	12	8
Display vehicle insurance	10	11	10	3	6	10	15	11	13	13	11	9	5	10
Raise driving licence age to 20	10	10	11	11	12	9	9	10	12	10	10	11	10	16
Dispense with speed cameras	10	13	7	13	11	15	12	7	5	11	10	12	8	8
Motorway speed limit to 80 mph	10	13	8	16	11	10	6	10	11	11	10	12	9	5
Reduce congestion, stagger rush hours	9	8	10	10	11	11	9	5	8	9	9	10	9	5
Improve motorway network	8	8	8	4	9	6	10	10	8	9	10	5	5	10
Penalise middle lane hoggers	8	10	6	7	9	6	6	11	7	8	8	7	9	5
Inner city speed limit 20 mph	5	5	5	3	5	5	5	6	6	6	6	4	3	6
A road speed limit 50 mph	5	5	5	5	4	3	7	4	7	4	5	5	7	4
Don't Know	10	8	12	12	10	10	8	12	10	5	12	12	14	17

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Reduce fuel duty	18	38	45	46	49	43	40	40	35	46	39
National price for fuel	12	17	33	25	29	20	23	28	18	24	26
Improve transport infrastructure	11	19	18	8	25	13	21	18	12	16	30
Ban private wheel clamping	8	17	22	19	16	17	21	21	9	22	13
Re--tests for lost licence	8	12	17	21	6	25	18	11	8	16	16
Re--tests for over 70s	7	11	17	10	9	14	11	14	3	16	5
Display vehicle insurance	9	9	16	16	12	13	12	12	7	5	5
Raise driving licence age to 20	9	12	9	4	10	8	13	16	8	13	8
Dispense with speed cameras	6	10	16	10	9	12	6	17	9	14	6
Motorway speed limit to 80 mph	10	8	15	15	13	15	9	16	3	6	6
Reduce congestion, stagger rush hours	21	7	6	11	8	6	15	6	7	8	7
Improve motorway network	9	6	0	4	26	9	4	9	9	12	12
Penalise middle lane hoggers	4	6	9	6	15	10	12	10	4	6	8
Inner city speed limit 20 mph	7	6	5	2	5	4	4	7	3	3	7
A road speed limit 50 mph	9	4	4	1	6	4	7	4	6	4	4
Don't Know	17	10	4	15	3	2	10	9	21	9	7

Q Which of the following measures are you prepared to take to reduce your personal motoring carbon footprint?

	Total	Men	Women	17-24	25-34	35-44	45-54	55-64	65+	AB	C1	C2	D	E
Walk more often	28	24	32	39	32	32	30	20	20	32	28	25	24	22
Cut out unnecessary journeys	23	22	24	21	19	25	23	24	23	28	22	19	19	20
Change to lower CO ₂ car	16	19	13	12	16	21	15	22	10	22	13	15	14	9
Buy smaller car	16	15	17	15	14	19	15	14	18	17	16	16	15	16
Drive more slowly	16	17	14	14	16	11	18	16	19	18	13	16	12	18
Avoid short journeys	15	16	14	22	16	18	18	12	9	14	19	14	13	15
Check tyre pressures frequently	15	17	13	8	18	16	18	14	15	15	15	16	16	10
Avoid heavy breaking	15	19	11	10	10	16	19	16	16	18	12	16	12	15
Use public transport	14	13	16	14	15	9	12	13	21	16	14	13	12	15
Reduce annual mileage	14	16	12	8	16	14	11	15	16	16	14	8	13	18
Accelerate less quickly	13	16	10	14	11	10	15	15	13	17	11	12	9	13
Switch of air conditioning	10	10	9	6	14	10	11	10	8	11	8	10	10	6
Car share	9	9	9	15	10	12	11	4	6	11	11	6	9	6
Cycle more often	9	10	7	13	10	11	11	6	2	8	11	6	10	5
Drive at off-peak times	6	8	5	5	4	5	8	7	7	8	7	5	4	5
Work from home	6	6	5	3	7	12	5	5	1	9	7	2	1	4

	London	South East	South West	Wales	East Anglia	East Mids	West Mids	Yorks/Humb	North West	North	Scotland
Walk more often	23	29	30	24	17	27	36	29	33	22	27
Cut out unnecessary journeys	22	21	31	20	30	23	27	26	19	8	27
Change to lower CO ₂ car	13	15	18	5	30	22	17	15	16	17	14
Buy smaller car	13	15	24	15	8	13	20	13	17	19	16
Drive more slowly	13	14	19	21	18	12	21	15	18	10	14
Avoid short journeys	21	16	21	16	12	14	13	9	16	14	12
Check tyre pressures frequently	16	11	19	17	24	16	23	13	8	11	19
Avoid heavy breaking	11	15	17	7	24	13	19	16	14	12	18
Use public transport	21	11	17	15	5	14	16	18	13	8	15
Reduce annual mileage	13	12	13	3	21	19	16	15	11	14	14
Accelerate less quickly	14	11	17	10	17	9	14	18	12	8	14
Switch of air conditioning	8	8	15	12	16	9	10	8	5	13	12
Car share	12	10	12	7	2	9	14	6	12	4	8
Cycle more often	13	11	14	5	2	2	11	3	10	3	8
Drive at off-peak times	10	5	4	7	13	3	6	13	3	2	6
Work from home	9	6	11	6	8	5	5	5	4	1	1

Research

The BCA Used Car Market Report is based on information from the Society of Motor Manufacturers and Traders (SMMT) and many other trade and industry sources in the UK and across Europe.

In addition, a consumer survey was carried out by BMRB International, based on interviews with 4,000 respondents, representative of the UK adult population aged 17 years and over. Fieldwork for this research was undertaken during March 2011.

The Used Car Market Report was written and produced for BCA Vehicle Remarketing by Professor Peter N C Cooke and the automotive group at The Centre for Automotive Management, University of Buckingham Business School, The University of Buckingham, Buckingham, MK18 1EG

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