

United Kingdom Used Car - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

<https://marketpublishers.com/r/U9E21D6A03C9EN.html>

Date: July 2024

Pages: 90

Price: US\$ 4,750.00 (Single User License)

ID: U9E21D6A03C9EN

Abstracts

The United Kingdom Used Car Market size is estimated at USD 126.78 billion in 2024, and is expected to reach USD 241.32 billion by 2029, growing at a CAGR of 11.70% during the forecast period (2024-2029).

The UK used car market exhibits consolidation, with a limited number of major players, both organized and unorganized, operating within the industry. Most used cars are sourced from the organized sector, claiming more than half the market share. Arnold Clark emerges as a dominant player in the offline used car market in the United Kingdom.

Consumer behavior in the used car market is evolving, with more buyers making decisions after online research. This emphasizes the need for a seamless integration of online and showroom experiences, facilitating the sharing of product information, providing sales support, and enabling online servicing. Online platforms could introduce additional services, allowing users to explore upcoming or ongoing used car auctions nearby.

The growth in the UK used car market is attributed to re-energized supply chains, stabilized prices, and a record year for electric vehicle (EV) sales. Despite the rising living costs, consumers turned to more affordable second-hand options, contributing to the overall positive performance of the used car market.

In 2023, the used car market in the United Kingdom experienced substantial growth, increasing by 5.1% and reaching 7,242,692 transactions, according to recent data released by the Society of Motor Manufacturers and Traders (SMMT). This growth trend

persisted for four consecutive quarters, resulting in 351,915 more individuals opting for second-hand cars compared to 2022. The increased availability of used vehicles, stemming from the alleviation of supply constraints observed in the previous year, provided buyers with a broader range of choices.

Superminis retained their position as the most popular used car body type, constituting 32.1% of sales. The lower medium segment cars captured 26.6% of the market, and dual-purpose vehicles took 15.2%. In contrast, luxury saloons represented a minimal 0.5% of total transactions, highlighting a relatively lower demand in this segment.

UK Used Car Market Trends

The Offline Segment is Expected to Hold Major Share in the Market

The increasing trend of online shopping for used cars in the United Kingdom can be attributed to several key factors. Firstly, the convenience and accessibility offered by online platforms have revolutionized the car-buying experience. Consumers can now browse various used cars, compare prices, and gather detailed information about each vehicle from their homes. This shift toward digital platforms aligns with the broader trend of online shopping preferences, providing a hassle-free and time-efficient alternative to traditional showroom visits.

Secondly, the transparency and abundance of online information play a crucial role in the online used car shopping surge. Buyers can access detailed vehicle histories, reviews, and specifications, empowering them to make informed decisions. The ability to research extensively before making a purchase instills confidence in consumers, especially when dealing with the significant investment associated with buying a used car. Online platforms often provide comprehensive details about a vehicle's condition, mileage, and service history, fostering trust between buyers and sellers.

Lastly, integrating online and offline experiences facilitates a seamless car-buying journey. Many consumers begin their search online and then seamlessly transition to visiting showrooms for test drives or finalizing the purchase. Online platforms also enable users to explore upcoming or ongoing used car auctions, expanding their options and providing a dynamic marketplace. This convergence of online and offline elements creates a holistic approach to car shopping, catering to modern consumers' evolving preferences and expectations in the United Kingdom.

The online retailers conduct most of their sales online, including UK-based Cazoo and

the Aramis Group (Stellantis owns a majority stake). Meanwhile, new retailers have generally established players upstream in the value chain who have begun to sell their vehicles directly, mostly online. Leasers, C2B cash buyers, and auction platforms like LeasePlan with CarNext, Arval with Autoselect, Auto1 with Autohero, and BCA with Cinch are among them.

In March 2024, Cazoo Group Ltd, the UK-based online used car platform that streamlines the car buying and selling process, declared its plans to shift toward a marketplace business model. This strategic move aims to capitalize on the established Cazoo brand and its robust e-commerce platform, which has been a market leader in online automotive retailing. The transition will bring advantages to the 13,000 car dealers operating in the UK's fragmented used car market. Cazoo envisions leveraging its platform to create a marketplace that facilitates and enhances the interactions between buyers and sellers in the dynamic automotive retail landscape.

Due to the increasing popularity of online retailing, the online segment is expected to see substantial growth. However, many customers still prefer visiting offline stores when purchasing used vehicles because they want to physically examine and ensure the quality of the vehicle. Hence, the offline segment of the market is expected to dominate during the forecast period.

Electric Vehicle Type is Expected to Grow with Significant Rate in the Upcoming Time Period

Used electric vehicle prices have remained affordable for consumers in recent years, a significant driving factor in electric vehicle sales. According to price analysis over the last few years, used electric vehicles have been less expensive than hybrid vehicles. In the luxury vehicle segment, electric vehicle characteristics such as technology-driven performance provide a status symbol and support sustainability, resulting in significant volume demand for used EVs.

According to the Society of Motor Manufacturers and Traders (SMMT) 2023 data, throughout the year, the sales of used battery electric cars (BEVs) nearly doubled, experiencing a remarkable 90.9% increase and reaching a record 118,973 units. This translated to a 1.6% share of the overall market, a notable rise from the 0.9% recorded in 2022. According to the SMMT, this surge aligns with the growth observed in the new car sector. It reflects a significant demand for zero-emission vehicles, particularly in the

more budget-friendly price category.

The robust performance extended to hybrid and plug-in electric cars, which saw sales climb by 40.0% and 25.1%, respectively. Collectively, electrified vehicles captured a 5.6% market share, marking an increase from 4.0% in 2022. Despite these advancements in the electric vehicle sector, diesel and petrol vehicles continued to dominate, representing 94.3% of the overall market, with 6,827,466 units changing hands.

United Kingdom Used Car Industry Overview

The used cars market in the United Kingdom is fragmented, with slight variations in market share held by the players. This is attributed to the increased number of pre-owned car retail outlets. Arnold Clark, Cazoo, and the Aramis Group are among the major players (Stellantis owns a majority stake). To maintain their market position, these companies are pursuing various growth strategies.

In January 2023, Marubeni Corporation, acting through Marubeni Auto Investment U.K. Limited (MAIUK), acquired an 80% stake in HPL Motors Limited (HPLM). HPLM serves as the holding company for Heaton Park Garage Limited (HPL), operating three specialized used car stores near Manchester. This acquisition strengthens Marubeni's presence in the automotive sector, particularly in the dealership business, expanding its reach in key locations like Manchester and London in the United Kingdom.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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