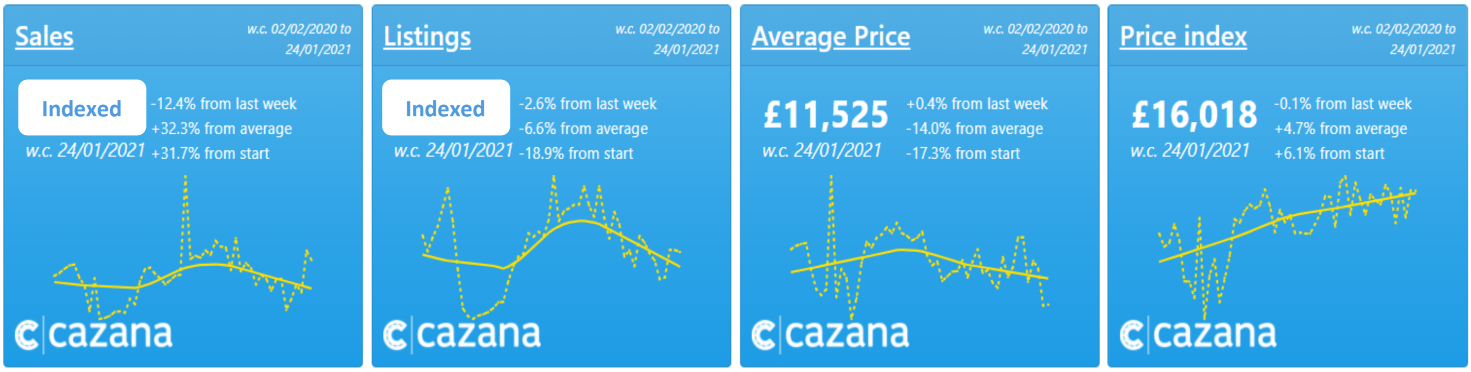
Cazana Weekly Pricing Insight

Week Commencing January 25th to January 31st 2021

- **Used Car RPI Stable**
- **Sales Drop by 12.4% Week on Week**
- **Average Used Car Price Up by 0.4%**

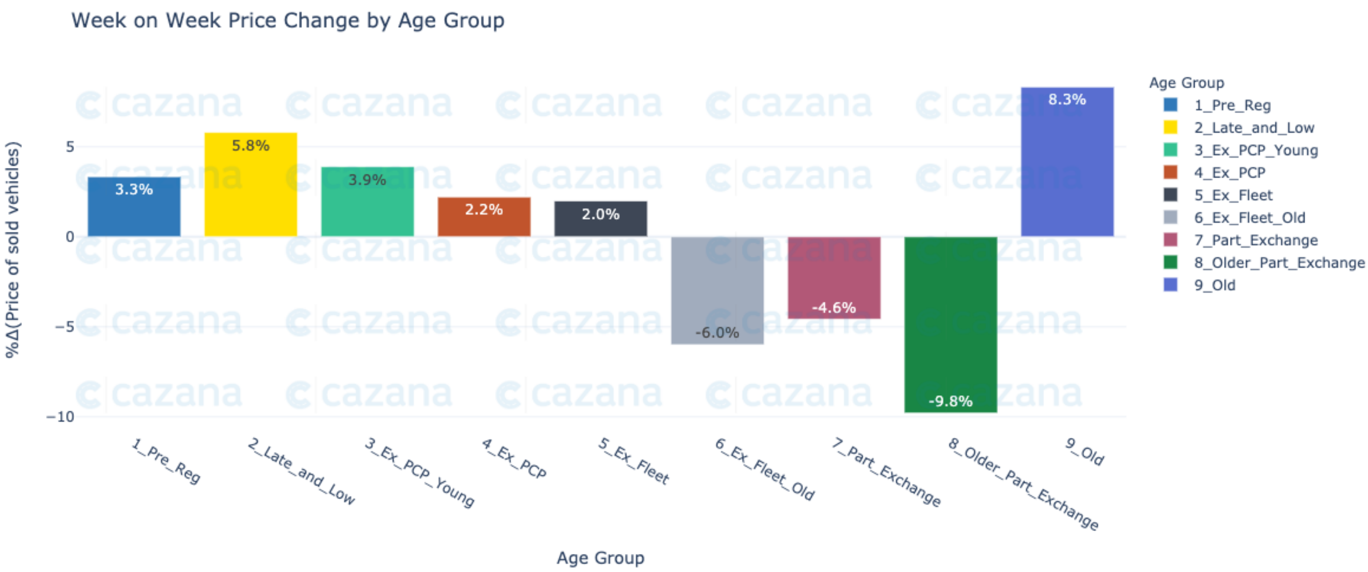
The last week of January proved to be resilient overall with a good level of consumer enquiries generating a respectable level of sales. Headline sales figures reflect a drop of 12.4% on the previous week although the week commencing January 18th had shown a jump of more than of 123.5% so this is perhaps not a surprise. Consumer confidence remains good in the automotive sector despite a slight downturn sector wide during January overall.

The charts below qualify the market conditions experienced over the last week with a full year trendline shown in yellow: -



Data powered by Cazana

A similar volume of new retail listings in comparison to the previous week shows that the market is stable which is good news. In addition, the Average Retail price of a used car in the market has increased by a nominal +0.4% with the Cazana Retail Price Index moving downwards by a minimal -0.1%. The detail is always key, and the chart below spotlights some interesting pricing shifts in Average Retail Pricing that suggest that the type of market activity for cars between 5 years and 10 years old may have changed: -



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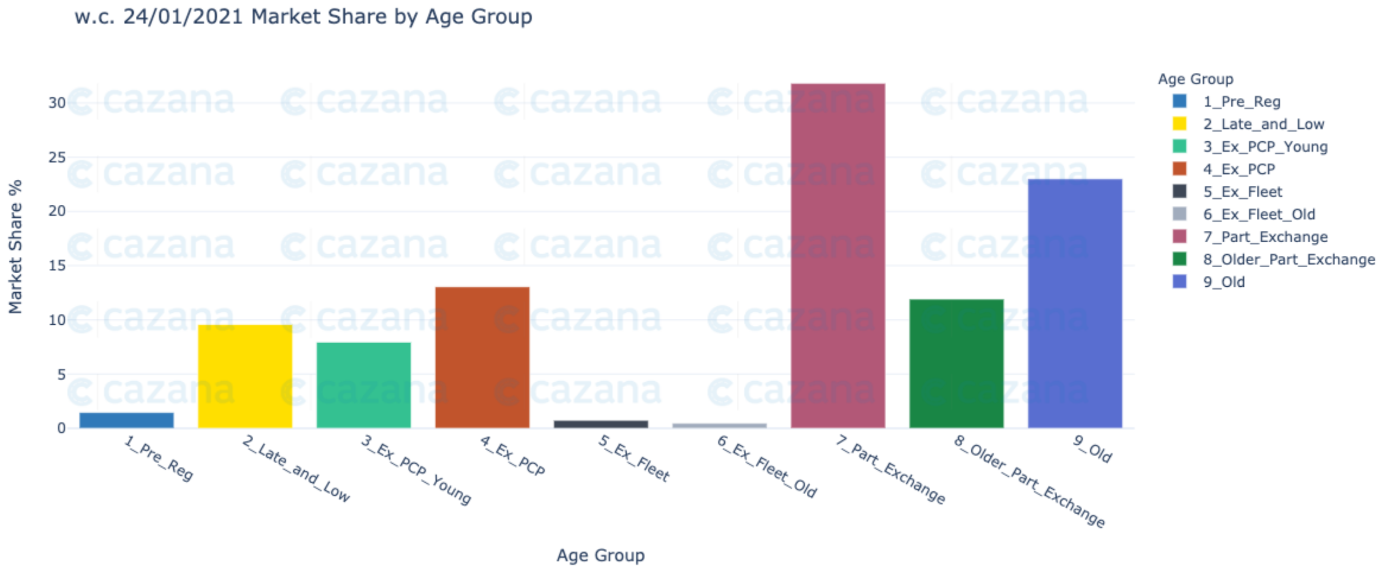
Last week's Average Retail Price is similar to the previous week because there is consistency in the increase in Average Retail Price for the Pre Reg and Old Car profiles. The overall nominal decrease in Cazana Retail Price Index of -0.1% hides the positive that the majority of age profiles have seen an improvement in Average Retail Price. The drop for the Older Part Exchange and the Part Exchange profiles have offset a potentially larger increase in Average Retail Price. The chart below shows the influence on Average Retail Price based on the size of the retail market, split by age profile: -



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As the chart shows, the largest retail advert market share belongs to the Part Exchange profile although the Old car profile follows closely behind. Despite the largest increase of 8.3% in Average Retail Price for Old Cars and five other age profiles, the drop of -9.8% and -4.6% for the Older Part Exchange and Part Exchange profiles has given just a partial view of what is happening in the market. This highlights the need for detailed data analysis to facilitate effective commercial strategizing. Comparing the Average Retail Price performance against retail market share shown in the chart above is essential.

To conclude, the used car market in the last week has perhaps exceeded expectations specifically in the face of another drop-in consumer confidence and the increase in the population's refusal to adhere to the government rules now referred to as Lockdown fatigue. Generating interest via social media and ensuring retail pricing is in line with realtime market conditions is essential to maximise on the current level of sales opportunity in the UK used car market.

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February 2nd 2021