

MARCH 2017

Auto Trader Market Report





THE
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The Royal Borough of Kensington
and Chelsea
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NATHAN COE

Auto Trader

Welcome to Auto Trader's Market Report, the biannual review of the UK's new and used car market, consumer buying and selling behaviours and data and observations taken from activity on Auto Trader, the UK's largest digital automotive marketplace.

In this edition of the Market Report, we reveal how our ideas of car ownership have changed, and how some of the key facets of the current car ownership model are likely to continue to evolve in the future. Yet, despite these changes, this Report reveals that car ownership is of fundamental importance to UK motorists.

As a result of sustained new car market growth¹, our expectation is that this will continue to have a positive impact on used car transactions, as it has in the past, building on the 8.2 million used cars sold last year, which was up 7.3% on 2015.

January's new car sales data also showed that private registrations increased more than fleet demand, 5% and 1.4% respectively². This performance is underpinned by a consistently positive sentiment across the c.5,500 motorists we spoke to for this Market Report. Car buying decisions, it seems, are proving resilient despite current economic and political uncertainties.

Low rate finance and new car desirability are often described as the key drivers to recent market growth, but we have found that the overpowering desire to own cars is a big factor in the growth we are seeing, providing a different angle to the much publicised forecast decline in car ownership driven by new disruptive models.

Levels of car ownership are currently high in the UK, with 85% of driving licence holders claiming to own at least one car, and 81% of current owners telling us they intend to continue owning cars in the future. This

is very positive news for the automotive industry as it instils great confidence in the future of car buying.

Interestingly, 73% of motorists identify 'independence' as the primary motivation for car ownership, which could help us understand why many disruptive models that have attempted to challenge the conventional idea of car ownership have failed to reach mass adoption with motorists to date.

Only 3% of current car owners say they would definitely consider peer-to-peer car sharing, with 4% agreeing the same for vehicle subscription services, and fleet-enabled car hire.

But we also look to the future, examining how the car ownership model may change across three factors: the car buyer, the buying process and the car itself.

The future of the car is a very topical subject today, as fully-autonomous vehicles are rapidly becoming a reality in light of progress made by manufacturers and technology companies.

There are clear challenges that lie ahead, whether they be technological, infrastructural or legislative. This Report gives a detailed view of the awareness, desirability and confidence levels today's motorists have in fully-autonomous vehicles – arguably a largely overlooked assessment at this point in time.

Remarkably, 49% of UK motorists say they are not interested in fully-autonomous vehicles. So we examine whether it's a lack of awareness impacting levels of desirability, or if the car of the 'future' and the way it operates simply works against some of the key motivations for ownership today.

For motorists who do have a positive view on fully-autonomous vehicles, we discover which manufacturer brands and technology companies are winning hearts and minds today. We also examine the emotional and

functional considerations to discover how consumers view these factors across a number of different brands that have shared intentions to develop fully-autonomous vehicles.

The research for this Report highlights how some of the buying considerations may change in a world

'73% of motorists identify 'independence' as the primary motivation for car ownership, which could help us understand why many disruptive models which have attempted to challenge the conventional idea of car ownership have failed to reach mass adoption with motorists to date.'

of fully-autonomous vehicles, also highlighting where we are seeing early signs as to how some of these considerations are changing today.

But despite the evolution of the car, changes in buying considerations and new methods in which car buyers can purchase vehicles, it seems there is a very fundamental sense of convenience and independence that comes with vehicle ownership, which 81% of current car owners are committed to in the future.

So whilst fleets of autonomous vehicles may one day substitute some forms of public transport, taxis or rental vehicles, it will be some time before we can envisage large numbers of people parting with 'their' vehicle.

¹ Society of Motor Manufacturers and Traders (SMMT) new car registration data for 2016 revealed a record 2.69 million registrations, and a fifth year of growth

² SMMT new car registrations, January 2017

KEY FINDINGS



81% of current car owners intend to continue owning cars in the future

More than three quarters of current car owners are committed to owning a car throughout their lifetime. 14% are unsure and only 5% are planning to discontinue ownership in the future.

[Read more on page 5](#)

46% of motorists living in the centre of large cities own a car because they enjoy driving

33% of motorists identified the 'enjoyment' of driving as a key motivation for car ownership. Surprisingly, this statistic increases for motorists in the centre of large cities, despite higher levels of congestion.

[Read more on page 10](#)



73% of car owners identify 'independence' as key motivation for car ownership

The independence that owning a car has given people over the decades remains unthreatened by any other forms of transport. As a result, almost three quarters of owners agree that 'independence' is the key motivation for ownership today.

[Read more on page 10](#)



98% of car buyers who bought on finance claim to 'own' their car

With almost all recent car buyers who bought on finance claiming to 'own' their car, it highlights how the definition of ownership has changed since the prevalence of personal finance plans.

[Read more on page 5](#)



75% of motorists living in the centre of large cities own at least one car

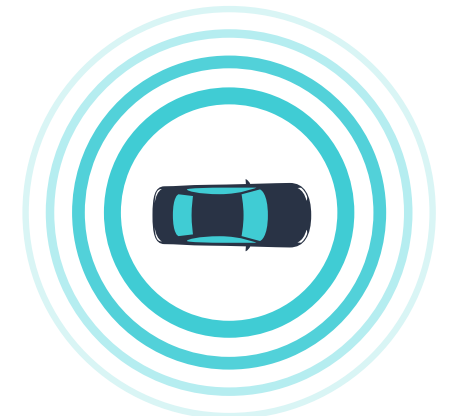
Despite being the lowest area for car ownership in the UK, there are still three quarters of motorists in the centre of large cities that own at least one car.

[Read more on page 7](#)

49% of motorists claim to not be interested in fully-autonomous vehicles

With nearly half of all motorists claiming to be disinterested in fully-autonomous vehicles, raising desirability with motorists is another challenge that may lie ahead for the new technology.

[Read more on page 14](#)



DEFINING 'OWNERSHIP'

Ownership is a subjective concept – like with our homes, we don't need to have bought it outright to feel that we actually own it, but to have exclusive access to it is essential. Whilst it is a loose idea, as the market accelerates and the purchase cycle becomes shorter (on average four years) as a result of more accessible and personalised financing options, the concept of ownership is becoming even more ambiguous.

The growth of the market has been attributed to a number of key factors, but arguably no factor has had more influence than the increasing role of finance in the purchase process. Choosing finance to purchase a car has become so popular that, according to the Finance and Leasing Association (FLA), 87% of private new car registrations were bought on finance last year, which increased from 81% in 2015³. Used car finance is also experiencing growth; in December 2016, the FLA recorded the forty-fifth consecutive month and a 9% increase overall for 2016 on 2015.

New finance models enabling greater accessibility to a wider range of new and used cars are having a clear

effect on how we perceive car ownership. Of those that bought a car using finance, 98% said that they owned their car, highlighting how the financing model has reshaped the concept of 'ownership'. Yet, our largely exclusive and independent relationship with the car has remained unchanged.

'87% of private new car registrations were bought on finance last year, which increased from 81% in 2015.'

There is little doubt that these finance models have stimulated sales for the industry, particularly new cars, however, as opposed to driving the market – it has really just accommodated a far more significant trend – and that's our fundamental desire to buy and own a vehicle.

When asked whether they intended to always own a car, a large majority of current car owners (81%) said yes. 14% said they were unsure, and only 5%

said they intended to discontinue owning a car in the future. This Report reveals that physical ownership, and importantly, exclusive access to a car, is important to us for a variety of reasons, and it seems the largest driver may not be an economic calculation but the independence it offers, and our sheer love of driving.

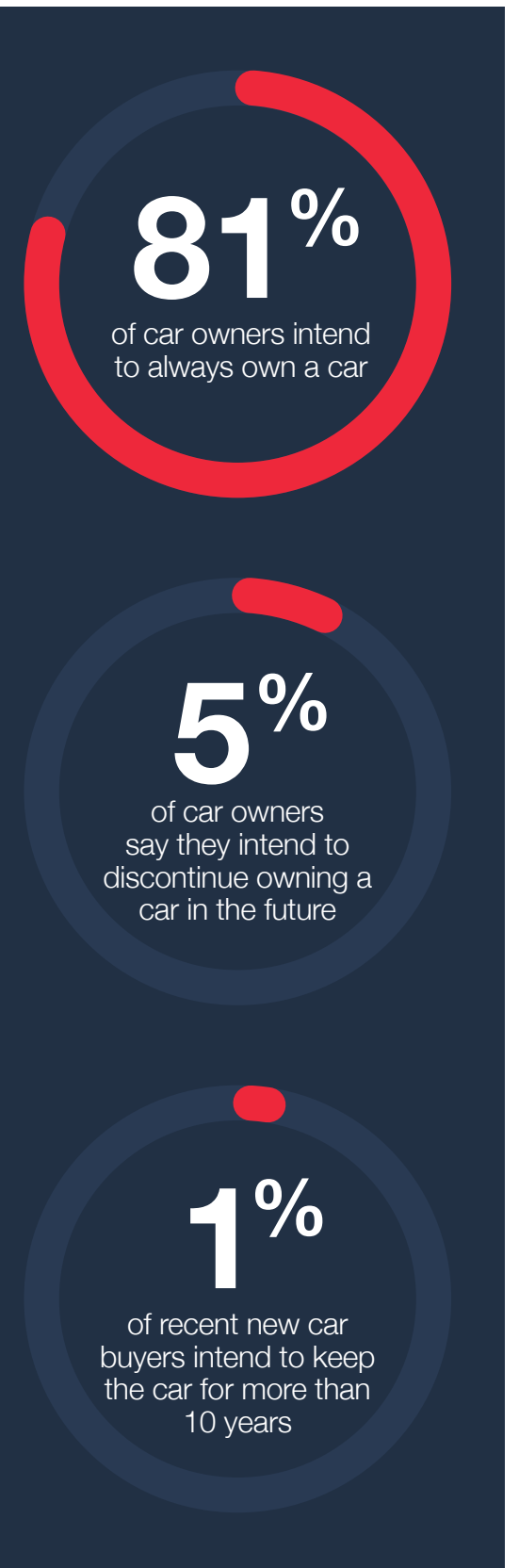
57% of consumers who bought a brand new vehicle in the last six months claim they intend to keep it for a maximum of just three years. Younger drivers anticipate a smaller shelf-life for their car than any other age group, with 55% of 17-24 year olds intending to keep theirs between one-to-three years, which decreased slightly with age, evident with 46% for over 55s.

Only 1% of those that bought a brand new car in the last six months intend to keep it for more than 10 years. Encouragingly, for those consumers that purchased their car on finance, 42% intend to trade it in for a new model once they've completed their agreement.

'Physical ownership, and importantly exclusive access to a car, is important to us for a variety reasons, and it seems the largest drivers may not be an economic calculation but the independence it offers'

Beyond finance and strong consumer sentiment, there is little doubt that the explosion of choice in new and used vehicles is also playing a large part. Today, consumers have an almost infinite number of options available when it comes to choosing their perfect car. A few years ago, a driver might have focused on the colour and the engine size, but in 2017, we can select almost every aspect of the car: its performance, its fuel efficiency, its interior, its level of CO2 output, whether its efficiency offers tax exemptions, full service history and technology.

In a bid to stimulate consumer appetite, the increase in choice for new vehicles has opened up more and more factors for consumers to consider in the car buying process. The complexity this has brought may be far more problematic for car buyers without the access to the digital platforms and tools that empower consumers to make a purchase choice when considering a growing list of options.



EVOLUTION OF OWNERSHIP

A nation of car owners

The car has been a loyal servant to consumers for almost a century, but despite the improvements in public transport and the continued rise of the commuting class, owning a car is still crucially important to UK consumers.

85% of full driving licence holders in the UK own a car, and with the high numbers of current car owners committed to buying for independent use in the future, there's a huge vote of confidence by consumers in a future of car ownership.

Levels of car ownership amongst motorists varies across the UK. Despite the varied and more accessible forms of public transport in large cities, as well as the emergence of online taxi apps and vehicle sharing services, 75% of motorists living in the centre of large cities own at least one car, with higher levels of car ownership evident in the suburbs of large cities (85%), smaller towns throughout the UK (86%) and, unsurprisingly, the highest levels are found in villages and rural areas (90%).

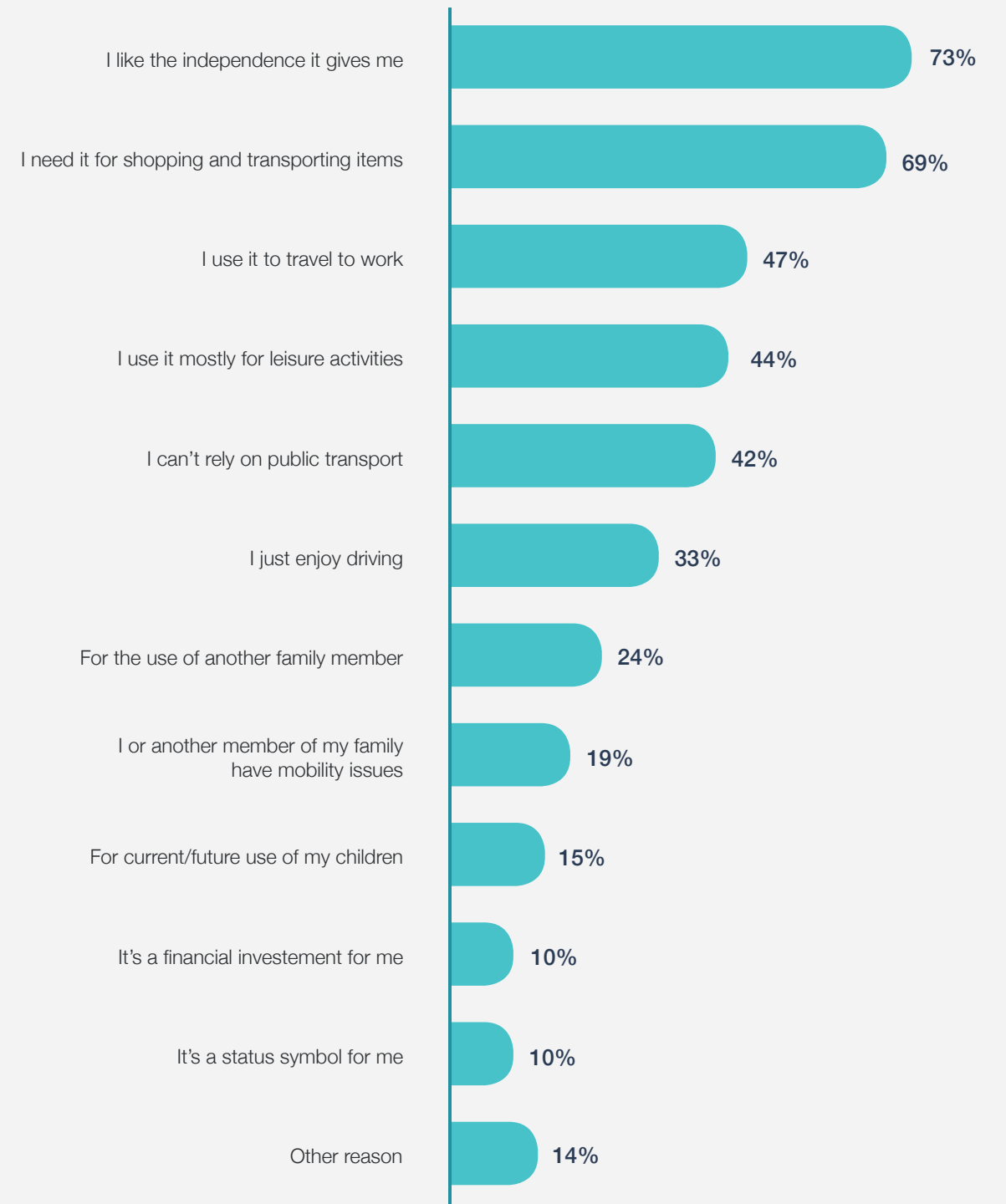
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of motorists living in the centre of large cities own at least one car

Which, if any, of the following describes why you own a car?



THREE FACTORS OF THE EVOLUTION OF CAR OWNERSHIP

With future ownership intentions high amongst current car owners, we are unlikely to see any deviation in the near future from people wanting a sense of ownership of their vehicle. But similar to the changes and trends that we've highlighted in how car ownership has evolved so far, there are other factors that are likely to evolve further in the next few years that will continue to reshape the car ownership model.

The car buyer, the buying process and the car itself are the three core components we can see are key to car ownership. So how are these three factors likely to change in the future?



1. The car buyer

The considerations car buyers make when purchasing a car are not the same as motivations for ownership. To determine how a consumer may influence a change in car ownership in the future, we must examine the role that car ownership currently plays in many of our lives and whether this is likely to shift as a result of changes with our requirement for a car.

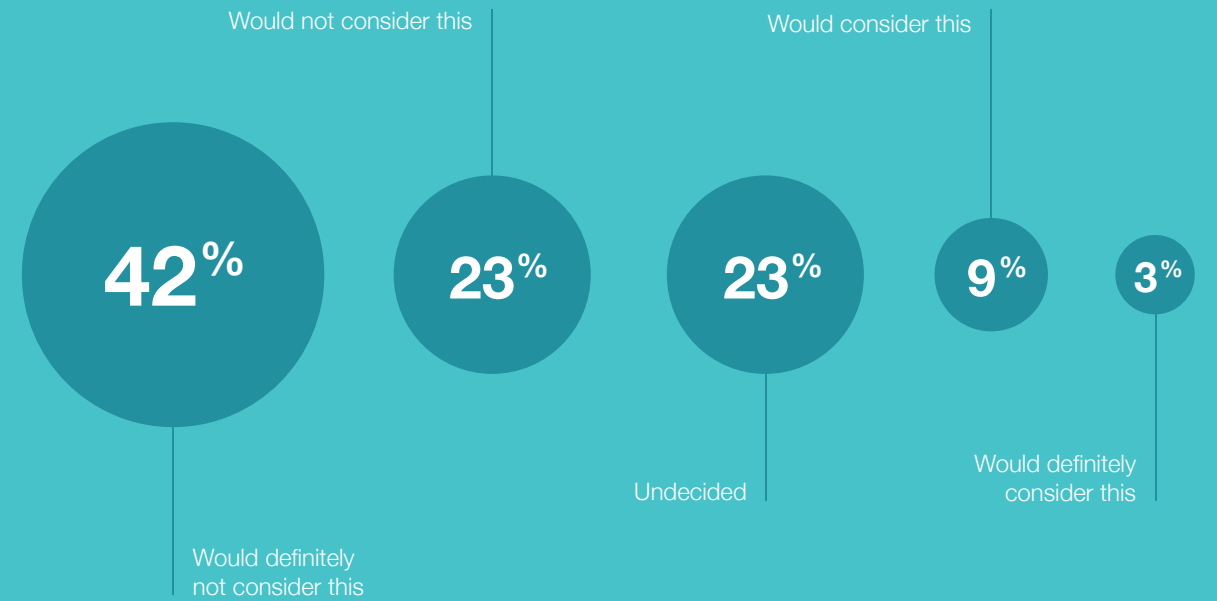
In the last 10 years, there have been a number of new and disruptive models emerge that challenge consumers' conventional attitudes to car ownership, many offering new economic, social and timesaving benefits, with most also addressing concerns motorists have about the cost of car ownership and effects on the environment, or even frustrations they may have about congestion or parking.

But none of these models have come close to substituting car ownership or achieving wide-spread adoption by consumers. Why? Because the very nature of many of these models conflict with the most important factors for consumers when considering car ownership.

One example is peer-to-peer car sharing, a way for consumers to share the car they own with other consumers, often for financial benefit when they are not using their vehicle. But despite the clear economic benefits, only 3% of current car owners claim they would definitely consider peer-to-peer car sharing. Looking for a car that is cheaper to run is a buying consideration, but it's not a trigger for purchasing. The research for this Report revealed that only 14% of motorists said they actively went out to buy a car with low running costs.

Public transport is also another alternative to the car but it hasn't replaced our fondness for car ownership. 42% of current car owners claimed they own a car because public transport cannot fulfil their transport requirements, which reaches a peak of 58% in rural areas in the UK.

How interested would you be in using peer-to-peer car sharing?



Can these models substitute additional cars motorists own?

The motivations for owning a primary car are quite different for the reasons for buying a second. Independence (73%) and the enjoyment of driving (33%) are popular motivations for the primary car but these drop significantly for the second car motorists own, with 35% agreeing they purchased the car for the independence it offers them, and only 6% of second car owners claiming the most important reason they purchased their additional vehicle was for the enjoyment of driving.

14% of motorists claim to own a second vehicle, with second car ownership most prevalent amongst the 34-45 year age bracket (18%). For this age group, 54% state the second car is used for additional family purposes, with 31% claiming the second car is used to travel to work.

The three most popular motivations for owning a

secondary vehicle are largely based on practicality:

- 58% claim it's used for other members of the family;
- 44% say it's mostly used for shopping duties; and
- 42% state it's used for additional leisure activities.

Non-car ownership models don't just conflict with the fundamental reasons we decide to purchase the primary car, but they also fail to meet the requirements for which most motorists purchase a second vehicle. Motorists utilise their second cars for many practical reasons and leisure pursuits undertaken by various members of a household at various times, so it seems it's the immediacy and convenience that has underpinned the ownership of a second vehicle.

The current alternative car usage models do not support our lives in the way owning a car does, but that's not to suggest other sharing models cannot support more disciplined travel commitments motorists make if interest levels were higher.

2. The buying process

In the age of the consumer, personalisation is not just important for the products people buy, it's also important to the way they buy them. Being able to find, purchase or finance the right car in a way that suits the consumer and fits in with their lifestyle will become an increasingly important factor in the evolution of car ownership.

42% of recent new car buyers said they considered the cost of their monthly payment when considering their budget for their next car, and 55% of recent car buyers who bought on finance claimed to have worked out their monthly budget during the online research process. It highlights how more of the car buying journey is being conducted online, but it also shows how the consideration for the monthly payment is becoming just as important as the actual car retail price for many consumers. It matches the way in which consumers pay for other goods today, from mobile phones, gym memberships all the way through to their mortgage payments.

'...more of the car buying journey is being conducted online...'

Personalisation will also become a more important factor for car manufacturers. There are some 44 brands offering nearly 400 different model types for new cars in the UK, with most offering more variety with derivatives that appeal to an increasing array of consumer preferences and tastes.

We are also seeing a shift led by some manufacturers in how we can buy a car, as some have now launched online transaction sites. One example of this working today is Hyundai's Click-to-Buy service, which recorded 23 sales in one month when it went live in January. This is not to suggest that this will suit all car buyers, but it could be an appealing buying model for car buyers that are confident with their choice and do not require the more traditional elements of the buying process, such as a test drive.

But it is not only manufacturers moving in this direction, many dealerships are surfacing finance offers, and the ability to pay a deposit online to secure a car. This is a strong sign that the days of buying cars through an entirely online approach are getting closer, driven not least by the demands of car buyers that expect to be able to buy cars in the same omni-channel way they buy almost everything else.

3. The car

We have seen extensive investment in alternative fuels, in-car technology and connectivity, as well as semi and fully-autonomous vehicles by car manufacturers and tech companies alike, but how are these investments being reflected in the purchase considerations of car buyers?

It seems the investment in alternative fuelled vehicles (AFVs) is starting to gain real traction, reaching a market share record in new car registrations in 2016⁴. And whilst the share itself remains small (3.3%) in a market dominated by petrol and diesel models, the AFVs market share grew by 22.2% in 2016.

The continued rise in desirability for hybrid and electric vehicles is likely to continue as we have seen a continued increase in consumer searches for AFVs on Auto Trader. Electric and hybrid vehicles saw year-on-year search volume increases of 58% and 52% retrospectively in 2016. This is despite a 15% drop in users specifying fuel type in their search for a car on Auto Trader. Interestingly, we are beginning to see a reverse trend for the traditional fuel types, with consumers looking specifically for diesel vehicles falling by 14% and a 4% decline for car buyers searching specifically for a petrol vehicle.



⁴ SMMT alternative fuelled vehicle new car registrations, 2016

Auto Trader's most viewed electric and hybrid vehicle adverts for 2016

Top 10 Electric

Tesla Model S

Nissan Leaf

BMW i3

Renault Zoe

Renault Twizy

Renault Fluence

Mercedes B Class

VW Golf

Peugeot iOn

Mitsubishi i-MiEV

Top 10 Hybrid

01 Toyota Prius

02 Lexus CT 200H

03 Lexus RX 450H

04 Toyota Auris

05 BMW i8

06 Lexus IS 300H

07 Lexus RX 400H

08 Mercedes E Class

09 Lexus GS 450H

10 Honda Civic

Have our considerations for purchasing a car changed? Not really. The fundamental three considerations do remain relatively stable with car buyers continuing to look for:

- price (60%);
- reliability (50%); and
- fuel efficiency (44%).

Whilst most motorists claim to consider the overall running cost of a car before buying, the research for this Report has revealed that only 14% of recent car buyers said that the savings on fuel, tax and insurance were a trigger to purchase their vehicle.

However, even though less than one fifth of car buyers claim to be motivated by buying a car that's cheaper to run, the continued launch of more popular makes and models that offer hybrid and electric derivative options, combined with awareness of the potential savings, are likely to continue to drive the uptake of AFVs, at the expense of petrol and diesel vehicles.

Poppy Welch

Head of Go Ultra Low



The Government wants every new car and van in the UK to be ultra-low emission by 2040, and with a record 36,673 new ultra-low emission vehicles arriving on UK roads in 2016⁵, it's clear that their popularity and adoption is growing. At the current rate, electric vehicle (EV) registrations will pass 100,000 by the middle of 2017 and our forecasts show that more than half of all new car registrations, around 1.3 million, could be ultra-low emission by 2027.

Vehicle manufacturers are certainly stepping up to the mark by enhancing the variety and capabilities of the cars on the market. Currently, there are more than 35 plug-in models available to motorists, four times the number on the market just five years ago. This growth in choice is an essential step in increasing consumer confidence.

Drivers making the switch are already reaping the benefits. EVs can be driven for as little as 2p per mile, compared with 10-12p for a conventionally powered vehicle, meaning the typical car owner can save hundreds of pounds every year in fuel costs alone. There are also additional savings such as tax benefits and reduced servicing and maintenance costs.

Although charging is one of the biggest barriers to mass consumer uptake, almost half of motorists drive less than 15 miles a day, while 98% said they travel less than 100 – well within the range of pure electric vehicles and easily achievable in a plug-in hybrid. What's more, charging data also shows more than 90% of all EV charging takes place at home, bringing added convenience for drivers.

For those needing to travel further afield, the charging infrastructure is growing rapidly. There are already more than 11,000 publically accessible chargepoints around the country, and 900 rapid chargers installed across UK motorway service stations. This growing national network provides a useful additional option to motorists. However, many drivers looking to make the switch have often cited charging at work as an issue. To combat this, the Government recently announced the launch of the workplace-charging scheme, which enables businesses to apply for grants to support the upfront costs of purchasing and installing chargepoints.

EVs are certainly here to stay, and the future certainly is going to be electric. It is no longer a case of if people will make the switch, but when.

⁵ Data trends provided by Go Ultra Low, which is a joint government and industry campaign, funded by the Office for Low Emission Vehicles (OLEV) and eight vehicle manufacturers working in association with the SMMT.

THE FUTURE OF CAR OWNERSHIP

Car ownership in a world of autonomous vehicles

We can learn a lot from the challenges that electric and hybrid vehicle makers face in raising levels of confidence with consumers, as well as desirability. Examining the challenges for consumer awareness, confidence and even desirability, we can envisage that fully-autonomous vehicles are likely to see a progressive adoption similar to that of electric vehicles, where adoption rates increase in line with infrastructure development and general confidence and desirability levels with car buyers.

Awareness and perception

Only 21% of motorists claim to know what a fully-autonomous vehicle is, with awareness levels dropping consistently with older motorists. But there also seems to be low awareness even with semi-autonomous cars, despite the fact that many vehicles available to purchase today come with varied semi-autonomous features.

Only 19% of motorists claim to know fully what semi-autonomous means, with:

- 37% claiming they 'know of it' but admit to knowing little about it; and
- 27% claiming to have only 'heard of it'.

What's more interesting, however, is that 17% of motorists say that semi-autonomous cars won't be available in their lifetime. 19% say they will be available in more than 10 years' time and 27% predict that semi-autonomous vehicles will be available in the next six to 10 years.

Interestingly, electric vehicles which have been in production for some time still have their own awareness challenges, with 61% of UK consumers saying they are aware of electric vehicles, but they also claim they aren't 'fully aware' of what an electric vehicle is.



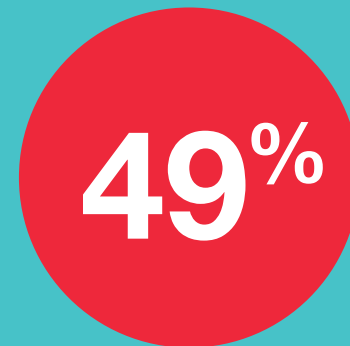
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of motorists say fully-autonomous vehicles will not be available to purchase in their lifetime.



of motorists claim to know what a fully-autonomous vehicle is.



of motorists say they would not be interested in a fully-autonomous vehicle.

Consumer confidence in delivery

Asked for a prediction on when they think fully-autonomous vehicles are likely to be available to consumers, 32% of motorists said in the next 10+ years, with almost a quarter (23%) agreeing fully-autonomous vehicles will not be available to purchase in their lifetime, which is at great contrast with many of the timelines proposed for fully-autonomous cars. According to a report by KPMG and commissioned by SMMT⁶, fully-autonomous cars could be on UK roads as early as 2030.

'Examining the challenges for consumer awareness, confidence and even desirability, we can envisage that fully-autonomous vehicles are likely to see a progressive adoption similar to that of electric vehicles'

The desirability factor

This Report reveals that almost half (49%) of current car owners say they would not be interested in a fully-autonomous vehicle. 30% of motorists said they were undecided, with 21% claiming they would consider purchasing a fully-autonomous car in the future.

When we asked all motorists to choose a brand that they find most appealing when considering fully-autonomous vehicles, regardless of their attitudes to the technology itself, 40% declined to choose any of the brands available for this survey.

Of this group:

- 49% agreed that they did not know enough about fully-autonomous vehicles to make a decision on a brand;
- 45% said they enjoy driving and would not want to use a fully-autonomous vehicle as a substitute; and
- 11% stated they did not find any of these brands appealing when considering a fully-autonomous car.

But for the 60% of motorists who did pick a brand that they find appealing when considering fully-autonomous cars, it's interesting to examine how these brands are currently perceived over a number of different factors. Once consumers had chosen the brand they found most desirable, we asked consumers to rank their reasons why, giving the following factors:

- trust in the brand;
- brand image;
- past positive experiences;
- perceived technology;
- perceived safety; and
- affordability.

The top four

Ford, Audi, Tesla and Mercedes-Benz were voted as the four most appealing fully-autonomous brands by consumers today, albeit for different reasons. The highest voting factor for Ford was for positive experiences motorists have had with the brand in the past (83%), leading many to think positively about Ford's production plans for fully-autonomous cars. This was not just Ford's highest factor, but the highest for positive past experiences across all car manufacturers.

There was not one clear factor that made Audi an obvious choice for 6% of motorists when considering fully-autonomous cars. Motorists that chose Audi voted all factors between 62% and 82%, showing consistent levels of desirability across all factors except affordability, where the brand dropped to 40%.

Motorists that selected Tesla as their most appealing fully-autonomous car maker showed a huge vote of confidence in the brand's perceived technology for fully-autonomous cars, with 92% stating that the brand's leading expertise in technology was a reason why the car maker was chosen. Tesla's lowest voted factor (15%) was 'positive past experiences', which can be expected given the brand's age and current production and stock volume.

The fourth brand topping consumer sentiment was Mercedes-Benz, and technically joint third with Tesla, with motorists highlighting trust in the brand (89%) and perceived safety (85%) as key desirability factors when considering Mercedes-Benz as a fully-autonomous car maker.

| | | | Trust in brand | Brand image | Positive experiences | Perceived technology | Perceived safety | Affordability |
|----|---------------|---------|----------------|-------------|----------------------|----------------------|------------------|---------------|
| 1 | Ford | (7.68%) | 79% | 50% | 83% | 43% | 64% | 69% |
| 2 | Audi | (6.17%) | 82% | 67% | 62% | 65% | 70% | 40% |
| 3 | Tesla | (5.95%) | 76% | 62% | 15% | 92% | 84% | 43% |
| 4 | Mercedes-Benz | (5.95%) | 89% | 51% | 70% | 78% | 85% | 18% |
| 5 | BMW | (5.80%) | 78% | 56% | 65% | 83% | 81% | 27% |
| 6 | Volkswagen | (4.74%) | 84% | 44% | 75% | 65% | 73% | 54% |
| 7 | Honda | (4.67%) | 87% | 52% | 73% | 65% | 63% | 50% |
| 8 | Toyota | (4.44%) | 86% | 47% | 68% | 69% | 73% | 49% |
| 9 | Google | (3.24%) | 58% | 44% | 79% | 88% | 51% | 47% |
| 10 | Nissan | (2.94%) | 77% | 77% | 69% | 54% | 49% | 69% |
| 11 | Apple | (2.41%) | 91% | 75% | 56% | 97% | 53% | 25% |
| 12 | Volvo | (2.33%) | 90% | 42% | 58% | 71% | 87% | 35% |
| 13 | Hyundai | (1.36%) | 72% | 39% | 78% | 83% | 39% | 72% |
| 14 | Amazon | (1.28%) | 59% | 53% | 94% | 71% | 65% | 53% |
| 15 | Uber | (0.68%) | 89% | 56% | 67% | 56% | 67% | 44% |

None of the above (40.29%)

A FINAL MESSAGE

The observation we cannot ignore with each Auto Trader Market Report is that the automotive landscape is continually evolving in response to changes in consumer buying behaviour, energised by digital platforms and new technologies.

Up until now, the key challenge for retailers within the industry has been to understand these changes in consumer behaviour, and adapt their businesses to meet the increasing consumer expectations of the retail experience, both online and offline. But now the industry faces a new challenge, where it's not only consumer behaviour that will continue to change, but the very product itself.

The industry at-large is very positive about a future of fully-autonomous vehicles, and there are clear benefits to be had not only for consumers, but for the industry and the UK economy. The research for this Report sheds light on the confidence and desirability levels with car buyers, but more importantly, it highlights how car ownership is key for UK consumers – and how it will always be a fundamental driver for the market, even in a world of fully-autonomous vehicles.

'But now the industry faces a new challenge, where it's not only consumer behaviour that will continue to change, but the very product itself.'

With consumers considering car ownership paramount to their future driving lives, it appears that car buying and ownership will likely continue for some time, even while the model of 'ownership' may evolve as we have seen with the rise of finance offerings that are increasingly moving the ownership of cars towards a monthly payment.

Yet, with more paramount changes to the car buying process, and the cars consumers buy, the fundamentals of trust in retailers and manufacturers

garnered through increasing levels of openness and transparency will continue to be crucially important factors in the future, just as they are today.

What is more likely is that, with increasing choice and complexity, these factors are likely to move beyond being just a competitive advantage, but a crucial and central part to business in the automotive sector.

Nathan Coe
Auto Trader

RESEARCH METHODOLOGY

Market Report consumer research

Auto Trader partnered with Fresh Minds, an award winning insight and innovation consultancy, to reveal and analyse the car buying behaviours of over 3,000 UK motorists*. Motorists were asked about their car buying and selling behaviours over a six month period (August 2016 - January 2017). Auto Trader also surveyed circa 2,500 UK motorists (February 2017) on their opinions and predictions for fully-autonomous vehicles, as well as their preferences on a number of car manufacturers and tech companies that have publically shared intentions to develop these vehicles.

Auto Trader marketplace data

Auto Trader extracted data from its marketplace to report on the search behaviours of UK car buyers. The data used in this Report includes: specified search behaviour for fuel types and advert views for alternative fuelled vehicles. The search data covers 2016 advert views on Auto Trader, of which there were 2.98 billion, compared to 2015 (when 2.87 billion were conducted).

*Motorists in this instance are defined as full UK driving licence holders.

ABOUT AUTO TRADER

Auto Trader Group plc is the UK and Ireland's largest digital automotive marketplace. Auto Trader sits at the heart of the UK's vehicle buying process and its primary activity is to help vehicle retailers compete effectively on the marketplace in order to sell more vehicles, faster. Auto Trader listed on the London Stock Exchange in March 2015 and is now a member of the FTSE 250 Index.

The marketplace brings together the largest and most engaged consumer audience. Auto Trader has over 90% prompted brand awareness and attracts circa 60 million cross platform visits each month, with circa 70% of visits coming through mobile devices.

The marketplace also has the largest pool of vehicle sellers (listing more than 420,000 cars each day) with over 80% of UK automotive retailers advertising on autotrader.co.uk.

For more information, please visit:
trade.autotrader.co.uk

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