

DRIVING OPPORTUNITY: DEPLOYING GROWTH  
MINDSET ON THE JOURNEY TO 2030

# Introducing the Cox Automotive Insight Report 2021

In collaboration with Grant Thornton

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## INTRODUCTION AND FOREWORDS

# Introducing the Cox Automotive Insight Report 2021 In collaboration with Grant Thornton

## Welcome to the fourth annual Cox Automotive Insight Report.

Once again, we have partnered with Grant Thornton to combine data, analysis, opinions and trends from across the automotive sector to create a robust picture of where we stand today and what we can expect over the coming months and years.

Within the Automotive Insight Report 2021, we look at forecasts for both the new and used car and van markets in the UK. We believe many of the trend highlighted by those forecasts also apply across Europe and, indeed, globally. We explore the impact of supply chain and semiconductor shortages. We consider the effect of international demand for cleaner and safer vehicles, alongside a leaner and stronger wholesale ecosystem.

We do so in the context of five key themes, which also inform content across the Cox Automotive [Fuel Content Hub](#) and [Learning Centre](#). You will see links between the weekly and monthly market trackers and indices, quarterly AutoFocus magazine, regular Fuel/talk interviews and industry updates.

- Ever-evolving consumer expectations and the buyer behaviour revolution
- The migration to mobility and diversification of ownership models
- Legislative and consumer demand for cleaner and safer vehicles
- A leaner, stronger wholesale ecosystem that realises efficiencies and enables new opportunities
- The advent of new retail models that are disrupting the status quo

You can read more about our take on these themes in our new trend definition documents.

As ever, we want to thank everyone who has contributed to produce this report. This includes partners such as 360 Media Group, the National Franchised Dealers Association (NFDA), Regit, bp pulse, the AA, Adelan, the Institution of Fire Engineers, and everyone who has taken part in primary research.

We hope you find this report useful, and we wish you the best of luck for your business endeavours as we close out 2021 and head into a new year.

# Vision and views

from Cox Automotive



As I speak with customers across various markets, it is clear there are concerns about near term challenges, such as new vehicle supply constraints, as well as the longer term impact of electrification and new business models. With evolution comes opportunity, but managing that transition is not always straightforward.

We are entering a period of rapid change. Not only is the world responding to a global pandemic, but it is now less than a decade until 2030. This date is significant as a deadline for the United Nations Sustainable Development Goals, and the many international decarbonisation, climate, and transport policies developed in parallel.

The Intergovernmental Panel on Climate Change (IPCC) says global emissions must be halved by 2030 and net zero by 2050. The Paris Agreement limits global temperature rise to below two degrees Celsius. And, in Europe, the 2030 Climate and Energy Framework has set out ambitious greenhouse gas emissions reductions. The upcoming UN Climate Change Conference (COP26) will potentially bring about further initiatives and targets.

Alongside environmental questions facing the automotive sector, we are also in the midst of significant evolution in buying behaviour, advances

in connectivity and autonomy, changes to the way in which the retail and wholesale markets operate, and new approaches to global mobility.

While there are challenging times ahead, we also see hope, optimism, and opportunity. Global electric vehicle sales are rising; manufacturers are collaborating to support vehicle innovation; connectivity is acting as a catalyst to rethink traditional ownership models; and safety is firmly on the agenda.

As the world's leading automotive services company, we benefit from a global perspective. Our 25+ market-leading brands touch every stage of the vehicle lifecycle. From remarketing to vehicle portfolio management, operations, mobility, sales, and digital marketing, we serve tens of thousands of clients worldwide.

When we launched the 2020 Insight Report, we talked about ambitious growth plans and investment to build capability, scale, and scope to meet changing needs of the automotive marketplace. Over the past year, we have made great strides in doing just that, integrating C Walton Ltd, Codeweavers, and pkwNOW into our European business to strengthen our remarketing, vehicle services, and digital retail capabilities.

## Vision and views of Cox Automotive

**"In among the change, we've seen the power and importance of a growth mindset; a belief that we can always develop through continual learning, innovation, collaboration, and feedback. With that in mind, our theme for this year's Insight Report is 'deploying growth mindset on the journey to 2030'"**

To support our mobility operations, we acquired Dickinson Fleet Services, the leading mobile maintenance provider for medium and heavy-duty trucks and trailers in North America, as well as FleetMaster, a fleet management software specialist supporting fleets, rental, leasing, and dealerships. Most recently, we've grown our electric vehicle capability with Spiers New Technologies, which provides full EV battery lifecycle capability from locations in the US and the Netherlands.

Like all global businesses, we have adapted to a new way of working as a result of the pandemic, as well as responding to supply chain challenges, volatility in international markets, and more. We know many of our colleagues, partners and customers have had a tough time, while others have found opportunity in the chaos.

In among the change, we've seen the power and importance of a growth mindset; a belief that we can always develop through continual learning, innovation, collaboration, and feedback. With that in mind, our theme for this year's Insight Report is 'deploying growth mindset on the journey to 2030'.

As we look forward to 2022, I'd like to express my sincere gratitude for the efforts and accomplishments of everyone in the extended Cox Automotive family, from team members to suppliers, customers to sister businesses. We know it may not always be easy but, together, we will harness that growth mindset to embrace the opportunities this year and beyond have to offer.

Thank you

**Martin Forbes**

President, Cox Automotive International

# A message

from Grant Thornton



We are proud to partner with Cox Automotive for the fourth consecutive year in delivering our comprehensive analysis and outlook for the sector via the Insight Report. Looking back, 2020 saw dramatic changes from the first month to the last, affected by lockdowns and weak trading, while additional challenges on new vehicle supply have compounded the situation in 2021. As we predicted, the automotive sector has risen to the challenge. There may be questions ahead, but we look forward with positivity for the remainder of 2021 and into 2022.

Change in the automotive market remains on the horizon around technology, digitisation, and electrification, which have continued to gain momentum over the past 12 months. Electric vehicles have become more common on our roads, and this trend is expected to accelerate in the coming years as the automotive industry looks to meet the UK Government's zero tail pipe emissions target by 2035. Such a move from internal combustion engines to electric vehicles has meant the automotive industry is once again looking to adapt, and we believe this will spawn new companies

while others will evolve and become core players in this ever-growing market. Upstream, further consolidation is expected to gain economies of scale and reduce costs in the supply chain.

The downstream automotive market is undergoing a structural change, with a shift towards the agency or direct sales model, and several national sales companies publicly indicating they are considering this process for at least new electric vehicles sales. Automotive manufacturing and its supply chain have also suffered

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## Vision and views of Grant Thornton

due to COVID-19 with a shortage of semiconductors, rubber, and steel, which has led to a lack of the supply of new vehicles. A shortage of new vehicles has meant used vehicle stock is limited and the used car sector has seen unexpected strong price increases.

As we work through the final quarter of 2021, we look forward to 2022, when we believe that the supply of vehicles should return closer to pre-pandemic levels and the automotive market will start to grow again after a turbulent two years. At Grant Thornton, we believe planning and preparation are key for automotive companies to continue to evolve in an ever-changing market, and to align their expectations and costs to growth in 2022 and beyond.

As expected, the automotive industry has once again adapted against a difficult backdrop of COVID-19, supply constraints and rising raw materials costs. I hope that you find this fourth edition of the Cox Automotive Grant Thornton Insight Report insightful and informative, and a valuable foundation on which to build your future.

**Dave Dunkley**  
CEO, Grant Thornton UK LLP

# Insight Report 2021

**Read more of this  
year's Insight Report**

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