

Acceleration toward Electrification, market still trending downward in July

The new car market hit fourteenth months low in a row and the used car sector now also shows signs of a market correction. The automotive industry supply chain and orders faces uncertain times as the specter of shortages and sluggish purchasing power loom. As in previous months, only electric, hybrids and alternative fuel (bioethanol) seem to progress and fend off global slump. For that matter, AAA DATA paid closer attention to electrified cars buyers and reveal they are mainly older, more affluent and masculine than the rest of the market. Finally, during this traditional summer holidays period, the motorhome market copes with a sharp downward reversal.

The automotive industry exhibits a steady course since January: the new car market dropped by 7% in July and by 15% over the seven first months of 2022. AAA DATA, the augmented data leader expert, recorded 107 547 new car registrations over the past month, a figure down compared to July 2021 and 2019 where respectively 115 713 and 172 225 registrations were observed. 879 527 new vehicles were registered since January 2022 when 2019 recorded 1 333 667 registrations, which represents a gap of more than 450 000 units compared to 2019, known as the last year of reference before the pandemic outbreak. The used car market hits 9 months low and falls by 19% in July with 425 439 registrations.

“Purchasing power concerns is paired with the wait-and see attitude adopted by buyers widely due to the uncertainty around the future, the evolution of regulations and engine offers. This is now adding to the shortage crisis on going for several months now” explains Marie-Laure Nivot, Head of Market Intelligence at AAA Data. *« However, the market continues to progress toward electrification, and it is interesting to observe a very different electric buyer profile from that of thermal cars”*.

Electric breakthrough far to compensate diesel and petrol slump

On the one hand, Petrol cars (-12%) and more largely diesel (-27%) continues to drag down the sales of new cars. On the other hand, electrified engines' success story intensifies with a 69% progression. However, their market share does not exceed 12% compared to 17% for diesel and 39% for petrol counterparts. Overall hybrids fell by 7% and account for 28% of market share. They suffer a new low for the 5th month in a row and most specifically plug-in hybrids which extolled virtues are now questioned (-33% in July).

Used car sales continues to fall in all age groups

The used car market has been declining for 8 consecutive months and plummeted by 19% in July with 425 439 registrations. Again, nearly new cars (1 to 5 years old) are the most impacted due to the new car market decline since 2020 (-29%). Models between 5 and 10 years old are down by 19% and older models (10 years older) by 11%.

Electrified cars: who are the buyers?

As 100% electric and plug-in hybrids, whether new or used, continue to pave the way, and finds their place in the sun, AAA DATA studied in detail and reviewed the profile of electric car buyers and

observes some acute trends. In comparison with non-electrified car, buyers are older (50,6 years old vs 44,9 years old), more masculine (65% compared to 62% for thermal car). Consumers purchasing electric cars are mainly affluent individuals and although living in Ile-de-France, Auvergne Rhone-Alpes and Nouvelle-Aquitaine regions, they're a little more likely to settle in rural communes (28% vs 26%). Considering the offer scheme, buyers tend to opt for a new model (43%) while buyers of non-electrified models switch widely to used cars alternatives (89%). The same goes for financing mode, where leasing account for 42% of electric and plug-in hybrid models, but only 7% for other models.

In July, on the podium for private electric car sales, there were three French cars: Renault Megane E-Tech, Peugeot e-208, Renault Twingo.

Downward reversal for new motorhome sales

Over the past two years, new motorhomes sector has seen steady growth and reached record high, largely due to the pandemic and lockdowns. As a result, sales increased by 6% in 2020 even if the global commercial vehicle market was declining (-16%). Sales were particularly buoyant in 2021 and even jumped 25% (+8% for LCVs). 2022 shows a clear reversal in the trend as sales dropped by 18% over the first half of the year (-24% for LCVs). According to provisional data from July, the trend is most likely expected to persist and accentuate.

More information or data available on request from the press service.

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About AAA DATA:

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