

New car discounts reach £16.8 million as dealers look to attract buyers

Submitted by: Performance Communications

Tuesday, 11 June 2019

- What Car? Target Price research finds manufacturers are offering cash discounts of £16.8 million across the UK new car market*
- Discounts have risen by more than 10% since February to support sales
- Latest SMMT figures show UK new car registrations down 3.1% for the year, with business registrations down by 39.8%
- Citroen found to offer biggest savings across all models and fuel types, with an average saving of 12.8%
- To find the best new car deals, visit: www.whatcar.com/new-car-deals

Dealers have increased new car discounts by more than 10% since February, in a bid to maintain sales. The move equates to savings of £16.8 million off manufacturer list prices across the market*, according to the latest research by Britain's leading consumer champion and new car buying platform, What Car?.

Analysis of the UK new car market by What Car? Target Price mystery shoppers found the average discount on a new car at the end of May stood at £2,595 – or 7.9% off the average list price.

The latest May new car registrations figures from the Society of Motor Manufacturers and Traders (SMMT) shows the UK new car market is down 3.1% for the year, with private registrations down by 2.9%. Business registrations are down by 39.8% for the year.

Dealers are offering larger discounts to counter the decline in sales, according Rachael Prasher, managing director of What Car?: “Across the UK car market, we are seeing manufacturers slash cash prices by £16.8 million. This isn't manufacturers panicking or throwing in the towel, but using the basic economic rules of supply and demand to maintain sales volumes.”

Across all manufacturers, Citroen was found to offer the best cash discounts on its vehicles, with 12.8% off the list price. Volkswagen and Seat dealers offer the second highest price reductions, at 11.5% and 11.0% off list prices, respectively.

Estate cars, MPVs and luxury cars came with the highest discounts, at an average of 10.3% across the three segments, while the typical discount on SUVs, hot hatches and sports cars were all below 6%.

Prasher added: “The differences in discounts across sectors shows manufacturers are being tactical with their approach – offering larger cash reductions in areas with less demand, while keeping prices stable in sectors they know are popular and sell well.”

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