

WHATCAR?

# What Car?

ISSUE 30  
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## THIS MONTH

### EV news round-up

The key headlines in a fast-growing sector

### Cars generating the most leads

Which models have prospective buyers been looking at?

### Target Price report

Demand is up, so discounts are down

## INTERVIEW

# Ashley Andrew

Hyundai UK

**A**shley Andrew joined Hyundai in January 2019, charged with moving the brand upmarket after a sustained period of mainstream growth.

Here he discusses the significant progress made in that mission, why product has been key to success, the role electrification is playing and why he sees no reason to push to an agency model when retail partners are delivering such strong results.

#### What lured you into automotive?

"I consider myself very lucky. Because of my parents' interest I've always loved cars. So when the university milk round was under way and Ford came in and did a presentation I was hooked – who

wouldn't be when showed all that rallying footage? I was lucky enough to get on the graduate scheme in sales and marketing, where they circulated you and moved you through the business. It was just a great experience. It was an incredible era: there was nothing it wasn't doing in terms of testing and innovating, the UK was a major market and it had big budgets. At its heart was opportunity: to work with great networks, great people and learn a lot about the industry. Whatever you put in you got out of it."

#### You've subsequently worked in leadership roles at BMW, Fiat, Mini, Rolls-Royce and Seat. What attracted you to Hyundai?

"There was this stratospheric rise in sales post-credit crunch in around 2008. They

were at the top of every 'winners' and losers' chart' and suddenly on all our competitive basket data. The speed of innovation and technology adoption just changed everything for them.

"Today, all that research and development, all that foresighted investment is coming together in the product. The investment Hyundai has made is crystallising in the product at exactly the right time, and that's just so exciting."

#### How has Hyundai achieved that when others haven't?

"It's an interesting question, and I think the key point is that the core business is about innovation. That spirit runs through the company, from powertrain investments, to platform technology ▼

## 2 Insight Interview

Hyundai's retail sales grew 37% last year, vastly outperforming the market



and on to fuel cell innovation, robotics, urban air mobility solutions and more. It's interest in mobility is backed by its investment in people and money into developing new ideas – and that, in turn, puts innovation at its core.”

### **But still with relentless pressure to sell more and more cars?**

“Yes, but in an evolving way. In the past three years we’ve taken the edge off the chase for volume – we’ve got a great scale in the UK in the past 10 years – and put the quest into ensuring the brilliant products we have are sold at the right margins.

“That R&D costs a huge amount of money, and there’s no point chasing volume when you have a limited supply of such advanced products. On top of that we’ve layered in a really distinctive design language that runs across the brand – and of course as well as making the individual cars more attractive that has also raised awareness of the brand.

“The result is we’re in a far more premium position than we were three years ago, and so we’ve been able to shift the emphasis from volume of business to quality of business. That’s not an easy journey – it encompasses a lot, from protecting residual values, strengthening the retail channel, building true fleet through company car user choosers and more. But, today, 95% of our activity is through the network. We’d consider our position to be one of premium volume today, not just volume – and the financial results reflect that.”

### **That’s quite a transition, given all that’s been going on these past few years?**

“Well, it’s true we didn’t anticipate all that’s gone on! But the main thing is volume isn’t the end in itself any more. And while all the supply challenges remain an

ongoing issue, we can look at the order take to get an idea of the true demand for our vehicles. We’re seeing around 2500 orders a week, which is incredible – and our task is to manage that.

“If we look at the overall market last year it grew about 1% but we grew 47%. The retail market grew 7% and we grew 37%. The alternative-fuel market grew 59% and we grew 104%, the true fleet market grew 10% and we grew 104% again. And we had a real success of actually selling our electric vehicles and alternative-fuel vehicles, which shows that our proposition is future-proofed too.”

### **The breadth of Hyundai’s products is staggering, from EV to N performance cars, with pretty much everything in between. How do you keep a focus?**

“You’re right. We haven’t got the marketing budget to communicate every single vehicle, but the answer to that is focus on strengthening the brand, which brings everything up a level. That all feeds into our move into a more premium positioning, and as I’ve said we’re proud of our progress there.”

### **What’s the retail network’s role in going forward? A lot of manufacturers are looking at agency models**

“We’ve asked a lot of our retail partners in recent years. That move from volume to premium volume has put pressure on them, and then working through the pandemic has been difficult for everyone. We’ve seen incredible entrepreneurship and innovation in the network in response to those pressures.

“What we really want now is a period where the network can enjoy the success and the profit that comes from having made that transition to premium volume. So we don’t have any plans for agency, because it’s working so well at the moment. We want the investors to enjoy the return that they deserve from having gone through the restructuring that they’ve gone through.”

### **So you don’t see agency as integral to delivering a premium experience?**

“I don’t see that, no. I see good customer service, strong residual values, a great relationship between the OEM and network as integral – and you can achieve all of those things with the model we have today.

“The dealers are the experts at customer service – that’s never been clearer than today. They brought us through the pandemic with their flexibility and entrepreneurship. We need to respect that, and I don’t see today’s model being a barrier to growing margins or delivering great customer experiences.”

### **Where do online sales fit in?**

“We’ve always innovated, but the approach remains the same, which is to explore every avenue we think has potential. Omnichannel is the buzzword – with good reason. Online, shopping mall sales, subscription – they’re all interesting, and they all add choice and flexibility for the customer. We’ll keep innovating, of course. Even tweaking what we have provides some interesting results, and making our store in Bluewater 100% electric in terms of what models it offers is another, recent example of that.”

### **How committed are you to subscription services through the Mocean brand?**

“We see a lot of opportunity in terms of providing a service to customers whose lifestyle and behaviour has changed.

“Post-pandemic there’s a lot of talk about flexibility – from how many days you have to work in an office to work-life balance. That could prompt some people to think they don’t want a car all the time, so the key to Mocean is that it provides flexibility.

“We see that as an important area of the business that will develop particularly, as we bring in new innovation, as a great way for people to experience an electric vehicle before they take the full ▼





## THE SOCIAL SIDE OF MOTORSPORT



Competing in the World Rally Championship has been key to the growth of Hyundai's N

performance brand, but promoting that success has become a far more nuanced piece of marketing than 'win on Sunday, sell on Monday', believes Andrew.

"What we've found is that social media is critical to spreading the word of motorsport success," he says. "While it's not as simple as selling cars off victories these days, it is in other regards simpler to get your message out there through social. People who are excited by motorsport are very engaged, and often have big followings – starting, of course, with the people who drive the cars. If you can harness those audiences then motorsport becomes a very powerful marketing tool."

"It's fascinating how it's developed, but there's no question that Hyundai has done a fantastic job of converting motorsport success into awareness of N, and in turn awareness of the incredible road cars that have been developed, too."



commitment to buy one. So you can take a short subscription on an electric vehicle and live with it and see what that's like and whether it fits into your lifestyle."

**Presumably you are eager for people to try your electric vehicles, because they have provided another giant leap in terms of your wider reputation?**

"Any big market shift presents opportunities. Perhaps one barometer of



Ioniq 5 is a halo model, and could define Hyundai for years to come

that is that our website traffic is 25% up on where it was pre-pandemic. That's partly changing behaviour, particularly continually improving product – led most recently by the new Tucson and of course the Ioniq 5, both of which are flagship models for us now.

"And, yes, electric is a huge opportunity. Today about 18% of our sales are electric, and Ioniq 5 feels like such a dramatic shift for the brand. It is a statement car that feels like it has the sort of impact that shapes a brand for years to come, perhaps as in the past the Porsche 911 or VW Golf have. But now our job is to follow through on it with everything else."

**Do you think 2030 is still realistic?**

"Yes. The policymakers have set the regulation and the industry is geared up towards working towards that regulation. "Infrastructure is the key sticking point. We need a better density, better reliability and better consistency of infrastructure. It needs investment, and the regulation needs to be coordinated. Hopefully we are edging closer to a cohesive strategy."

**Would you support the Plug-In Car Grant incentive being switched into funding for better charging infrastructure?**

"Well, clearly I'd prefer both. But if you really get into a debate around trading them off, then I think that would be a topic worthy of discussion between the SMMT and the Government."

**How is supply looking, short-term?**

"It varies model by model and we are not immune to the issues, but we are now very good at managing the situation. The key there is to be as transparent as we can with

customers – tell them what we know, what we don't know and if either changes.

"What the networks need – and in turn customers – is confidence in what they're being told. And all we can do to help with that is be transparent."

**Do you think waiting a long time for a new car will become the new normal?**

"There will be an element of that, I'm sure. Where networks would talk to customers a few months from the end of a PCP, they might now start that conversation six to ninth months ahead, to ensure a smooth transition."

"But we have to remember that supply will normalise. These shouldn't be long-term issues, and supply and demand should balance. The legacy will be more in the learnings we've taken and the sophistication we've built into our ownership cycles, and especially around anticipating and acting on them."

**When do you expect to see an improvement in waiting times?**

"I wish my crystal ball was this good! I hope that from the second half of this year the situation will ease, and that easing should accelerate. But that relies on all other things being equal, which recent history suggests isn't always the case."

**How soon do you need greater certainty on what constitutes a hybrid that can be sold in 2035?**

"As much certainty as we can get as early as possible is essential. The UK competes with other regions to get supply, so the earlier we know what can and can't be sold the earlier we can secure the cars our customers want."

# Making headlines

■ **The Government** has extended its plug-in van and truck grants for a further two years, to help drive take-up of electric commercial vehicles.

■ **Charging provider Gridserve** has agreed to surrender its exclusive rights with three major UK motorway service station firms – Extra, Moto and Roadchef. The move should help to accelerate the expansion of rapid-charging infrastructure.



■ **Battery developer Storedot** says it will offer batteries that are capable of accepting 100 miles of range in just two minutes by 2032.

■ **Britain's first Zero Emission Zone (ZEZ)** was introduced in Oxford city centre in late February. The zone aims to cut pollution and increase electric car uptake.

■ **London's Ultra Low Emission Zone (ULEZ)** could extend to the whole of Greater London from 2023, Mayor Sadiq Khan has announced.

■ **The VAT on public electric car charging points** should be cut from 20% to 5% to match that for home use, the Society of Motor Manufacturers and Traders (SMMT) has said. The industry body says this would allow EV drivers to pay more equally for charging, regardless of location.



Oxford introduced Britain's first Zero Emission Zone in February





# The best and worst discounts around right now

## TOP 5 HIGHEST % DISCOUNTS PER MONTH

These are the largest discounts revealed by What Car?'s mystery shoppers over the past month. They typically highlight slow-selling and run-out models or, occasionally, models in which there is a fierce manufacturer-driven battle for market share.

1	<b>Suzuki SX4 S-Cross</b> 1.4 Boosterjet 48V Hybrid SZ4	<b>15.6%</b>
2	<b>Nissan X-Trail</b> 1.3 DiG-T 158 N-Design DCT	<b>13.7%</b>
3	<b>Nissan Micra</b> 1.0 IG-T 92 N-Sport	<b>13%</b>
4	<b>Peugeot 508</b> diesel models	<b>12.5%</b>
5	<b>BMW 530d</b> MHT xDrive M Sport auto [Pro Pack]	<b>11.8%</b>



Suzuki's small SUV has lots of space, but its interior feels cheap



## TOP 5 TARGET PRICE DROPS THIS MONTH

These are the discounts that have been reduced by the greatest amount in the past month, as found by What Car?'s mystery shoppers. Often they show a cut in incentives on a heavily discounted model, but they can also signal increased demand for that car.

1	<b>Jeep Renegade</b> PHEV models	<b>-8.3%</b>
2	<b>Nissan Micra</b> 1.0 IG-T 92 Acenta	<b>-6.6%</b>
3	<b>Skoda Superb</b> 1.5 TSI SE hatchback	<b>-5.8%</b>
4	<b>Skoda Scala</b> 1.0 TSI 95 S	<b>-5.3%</b>
5	<b>Audi A8</b> models	<b>-3.5%</b>



Renegade PHEV can cover up to 26 miles on electric power alone



# Discounts and savings – this month's Target Price report



average cash Target Price discount currently at 3.9% or £1656 per car, down 8.6% (in relative terms) compared with last month.

While there is a long way to go until pre-pandemic levels of trading return, our research has noted factory order vehicle supply times as low as 8 and 11 weeks across selected models,

**D**ouble-digit cash Target Price discounts are currently available on just 2.8% of the cars in our Target Price inventory. This is the lowest this figure has ever been, and is yet another reminder of how far the negotiating balance of power has swung in the dealers' favour, thanks to the continued supply shortage of new cars.

It is still possible for consumers to haggle a discount on more than 87% of cars in the inventory, however, with the all-segment

increases in some broker levels of discount (which is usually an indication of a willingness to increase sales volume) and an improvement in the willingness of some dealers to countenance (albeit modest) higher discount levels.



While these may be 'green shoots' that can just as easily fail as they might grow, they do represent some change in the consistently bleak landscape it has been for consumer Target Price ▼



## 7 Insight **Target Price** report

discounts over the past few months.

The adjusted average cash Target Price discount, after allowing for dealer contributions to manufacturer's finance offers, is £1415 per car. When buying using a PCP deal, at 9.4%, followed by Suzuki at 8.7% and at an average 5.3% APR, consumers can Jeep at 8.3%. also get a typical £969-per-car finance deposit contribution which results in a combined (cash and



finance) Target Price saving of £2384 per car.

Renault dealers are currently the most generous when offering an average cash Target Price discount across a model range,

at 9.4%, followed by Suzuki at 8.7% and Jeep at 8.3%.



**Peugeot** has the biggest increase in the typically achievable cash **Target Price** discount, with a 1.3% increase across the range, up from 5.6% to 6.9%.



Buyers can save up to  
£2335 on the Peugeot  
5008 large SUV



# The most popular new car reviews



**L**ast month's star performance came from the Volkswagen Taigo. This new coupé-SUV sibling to the T-Roc small SUV leapt 16 places up our rankings, despite not appearing on our daily newsletters during that month.

This could be an example of a car organically becoming popular, thanks to a positive four-star rating, a tempting price tag, and Target Price discounts already being available.

The Taigo's meteoric rise meant that most of the previous month's top five fell down the rankings, with only the perennially popular Volvo XC40 able to withstand this turmoil, clinging on to its fourth-place spot.

Elsewhere, the Toyota RAV4 experienced the biggest drop within our top 20, falling from 12th to 20th position. That's despite Target Price discounts of up to £1882 being available at the time of writing.

## TOP 20 MOST POPULAR NEW CAR REVIEWS ON WHATCAR.COM

### Brand

- 1 ▲ Volkswagen Taigo
- 2 ▼ Kia Sportage
- 3 ▼ Kia EV6
- 4 – Volvo XC40
- 5 ▼ Hyundai Tucson
- 6 ▲ MG ZS
- 7 ▼ Volkswagen T-Roc
- 8 ▼ Ford Puma
- 9 ▼ Toyota Yaris Cross
- 10 ▼ Lexus NX
- 11 ▲ Skoda Enyaq
- 12 ▲ Kia e-Niro
- 13 ▲ Honda Jazz
- 14 ▼ Skoda Kamiq
- 15 ▼ Skoda Karoq
- 16 ▼ Tesla Model 3
- 17 ▲ Nissan Qashqai
- 18 ▼ Ford Kuga
- 19 ▲ Hyundai Kona Electric
- 20 ▼ Toyota RAV4

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Volvo XC40 clung on to fourth place last month





# Winter weather can cut an electric car's range by 20%

**C**old weather can reduce an electric car's range by more than 20%, according to the latest research by What Car? and Move Electric.

Our most recent real-world range tests also showed that choosing an electric car equipped with a heat pump significantly improves cold-weather efficiency. In the winter range test, the Porsche Taycan 4S Performance Battery Plus managed 224 miles on a full charge. That's a 20.1% drop on the 281 miles that the same model on the same-sized wheels achieved when What Car? tested it last summer.

Other models retested included the Ford Mustang Mach-E Extended Range RWD (which fell 18.0% short of its summer figure), the Skoda Enyaq iV 60 (15.7%) and the Fiat 500 42kWh (15.2%).

But What Car? and Move Electric also found that if buyers specify their electric car with a heat pump, they can get significantly closer to the official range; models so equipped fell short of their official WLTP figures by an average of

25.4%, compared with the 33.6% deficit suffered by those that relied on a regular interior heater.

Indeed, the heat pump-equipped Taycan got closest to its official average of all the cars tested.

In addition, the cars with heat pumps proved more efficient, averaging 3.2 miles/kWh, compared with 2.9 miles/

kWh for the ones without.

Overall, 10 electric cars were tested as part of the What Car? real-world winter range test, with the Tesla Model 3 Long Range going

farthest on a charge. Indeed, the 281 miles that it managed were just three miles short of its summer figure, despite the model being updated since our original test was conducted.

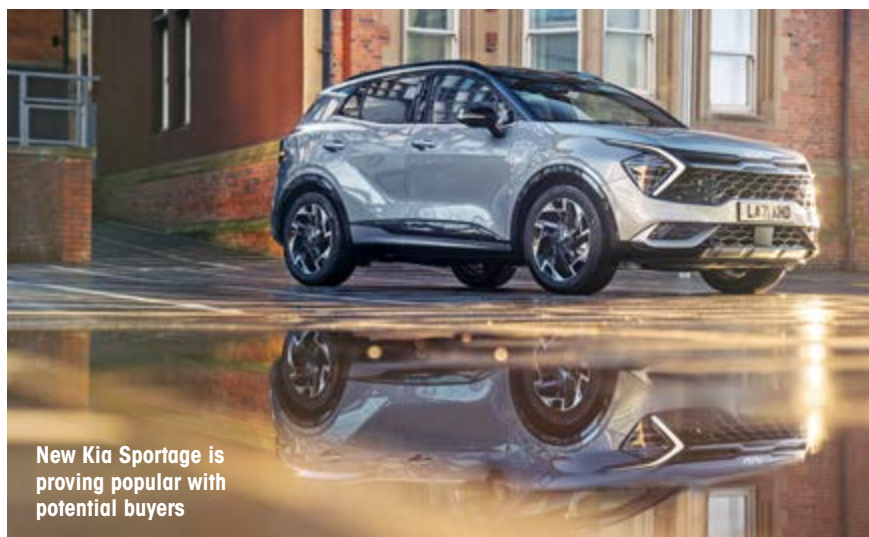
In addition to the four models that were retested, six brand new or recently updated electric cars were assessed: the Audi Q4 e-tron, BMW iX3, Kia EV6, MG 5, Tesla Model 3 and Tesla Model Y.

To see the full results, and learn more about the methodology behind the test, visit [whatcar.com](https://www.whatcar.com).



A heat pump can increase the distance EVs can go in winter

# Cars generating the most leads



New Kia Sportage is proving popular with potential buyers

Our top 20 shows the sign of the times – six of our most popular models were fully electric last month, and 15 were SUVs. The big news, however, is that the Kia Sportage continued to beat the Volvo XC40 as the most popular model among prospective buyers, albeit by a slimmer margin than in the previous month. This is helped by a favourable four-star verdict, and by the fact that the Sportage neatly undercuts its rivals on price, even before you take our Target Price savings into account.

Indeed, the Sportage wasn't the only Kia to do well last month; the EV6 and e-Niro electric models both improved their positions – the former being helped by its reigning Car of the Year status.

Elsewhere, Volkswagen put in the strongest showing of any single brand, with four of its models represented within our top 20, and all available with generous Target Price discounts at the time of writing.

## TOP 20 CARS GENERATING THE MOST LEADS FROM BUYERS AT WHATCAR.COM

### Models

- 1 Kia Sportage
- 2 Volvo XC40
- 3 Kia EV6
- 4 Hyundai Tucson
- 5 Ford Puma
- 6 Kia e-Niro
- 7 Skoda Enyaq iV
- 8 Skoda Kamiq
- 9 Honda Jazz
- 10 Nissan Qashqai
- 11 Cupra Born
- 12 MG ZS EV
- 13 Toyota Yaris Cross
- 14 Volkswagen Golf
- 15 Volkswagen Tiguan
- 16 Volkswagen Polo
- 17 Volkswagen T-Roc
- 18 Ford Kuga
- 19 Cupra Formentor
- 20 Hyundai Ioniq 5

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Cupra Formentor was a new addition last month

Golf was one of four VWs to appear in the top 20







# Briefing notes

Facts, stats and quotes from a month in motoring

## 600,000

The number of electric vehicles Ford plans to sell across Europe by 2026.



**1 in 6** - the amount of drivers who say they are not confident in performing basic maintenance on their cars, according to research by breakdown provider Green Flag

**INDUSTRY VOICE**



"It's up to us to recover the production while we are faced with all the challenges: semiconductors, the supply chain – especially with the Ukrainian war – but we are used to working with challenges over the past two years."

**Oliver Blume**  
Porsche CEO

## 11.97%

Percentage of new car buyers who are considering buying their next car entirely online, according to What Car? research.



**INDUSTRY VOICE**



"It's up to us to define what a great electric vehicle looks like. There are opportunities to merge segments and have attributes that are very attractive on multiple axes."

**Michael van der Sande**  
Managing director of Jaguar Land Rover Special Vehicle Operations

## \$139

The record high price of a barrel of oil achieved in March, following the Ukraine conflict.



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