‘THE BIG SQUEEZE’ IS A MAIL METRO MEDIA RESEARCH SERIES THAT TRACKS THE ONGOING IMPACT THAT THE COST OF LIVING CRISIS IS HAVING ON CONSUMERS FINANCES AND BEHAVIOURS ACROSS A BROAD RANGE OF CATEGORIES.

EACH WEEK WE ASK OUR MATTERS COMMUNITY MEMBERS ABOUT THEIR BEHAVIOURS IN ONE CATEGORY TO ASCERTAIN IF AND HOW IT HAS BEEN IMPACTED BY THE COST OF LIVING CRISIS.

OUR AIM IS TO OFFER USEFUL INSIGHTS AND PRACTICAL GUIDANCE ON HOW BRANDS CAN NAVIGATE THIS DIFFICULT AND TUMULTUOUS PERIOD.

THIS WEEK WE’RE FOCUSING ON MOTORS. WE WANTED TO FIND OUT HOW THE INCREASED COST OF LIVING MAY HAVE INFLUENCED MOTORIZING BEHAVIOURS INCLUDING DRIVERS’ DECISION MAKING WHEN IT COMES TO PURCHASING THEIR NEXT CAR.
We used our Matters community to explore people's attitudes and behaviours towards motoring at this time. We covered changing motoring behaviours, next car preferences, factors influencing choice and attitudes towards the electrification of motoring.

**Approach:**
- 5 mins online survey, respondents recruited through Matters Community Survey

**Fieldwork:**
- 1st – 8th February 2023

**Sample:**
- 684 Respondents

Data weighted to be representative of Mail Metro Media readers by gender, age and social grade.
WHAT WILL WE COVER?

1. KEY FINDINGS
2. CURRENT MOTORIZING BEHAVIOURS
3. NEXT CAR PREFERENCES
4. THE BIG SQUEEZE – 5 KEY MOTORIZING TRENDS
5. WHY MAIL METRO MEDIA?
6. IMPLICATIONS
KEY FINDINGS

CURRENT MOTORING BEHAVIOUR

- 2 in 3 licence holders love to drive but 71% are worried about rising fuel prices and 1 in 3 are using their car less than six months ago

- 2 in 5 are looking to buy a car within the next 2 years but 1 in 3 of these will spend less than they originally budgeted – 3 in 10 say they will buy later than originally planned

- Upgrading from current car (34%) is the most popular reason to buy whilst spontaneity plays a role for 1 in 5

PREFERENCES FOR NEXT CAR

- Main dealers are most popular when purchasing a new car (58%); under 55’s are more likely to use private sellers or online car sites

- Paying in full (70%) is the most popular payment route but is expected to decrease in the future (58%) as paying monthly gains popularity (from 24% for current car to 31% for next car)

- Engine type is considered the most important characteristic when buying a new car (54%), whilst parking camera and sensors (41%) and range of car (33%) are also seen as important

- Petrol engines (51%) remain the most popular engine choice but 41% would consider a hybrid engine type for their next car whilst 21% would consider an electric powered car

- High initial cost (49%) is the main barrier to electrification, followed by lack of access to a charging station (42%) and limited range (41%)
KEY FINDINGS

SUMMARY 2

FIVE KEY MOTORING TRENDS

1. Putting the Brakes on Unnecessary Car Usage – 35% are using their car less compared to 6 months ago and many are being more careful with their journey planning.

2. Driving Down Spending on Fuel – 7 in 10 worry about rising fuel prices and have become more savvy when shopping for fuel, whilst others are adapting their driving styles.

3. Expanding Electrification – 1 in 5 would consider an electric engine when purchasing their next car and 2 in 5 would consider a hybrid. 1 in 5 car sales in Jan 2023 came with a plug!

4. Second Hand Still In Demand – 1 in 3 agree now is a good time to buy a used car and 2 in 3 say their next car will be used. Availability and relative VFM are still key selling points.

5. Buying Brand New – the car market records its sixth consecutive month of growth year-on-year for new car registrations and there is the feeling that good deals are afoot.

POWER OF NEWSBRANDS

- Newsbrands are seen to be a useful source of motoring information (1 in 2 agree) and 3 in 5 agree they are helpful in providing information for those considering an electric vehicle.
CURRENT MOTORIZING BEHAVIOUR
OUR READERS OWN 22 MILLION CARS BETWEEN THEM AND TWO THIRDS OF LICENCE HOLDERS LOVE TO DRIVE

The cost of living has reduced their enjoyment of motoring with 7 in 10 claiming they are worried about rising fuel prices

70% of Mail Metro Media readers own a car
64% of Mail Metro Media readers love to drive
71% are worried about rising fuel prices

21,706,000 CARS
1.4 CPH*

16,895,000 MOTORING ENTHUSIASTS

Source: TGI February 2023 | MMM estimated monthly reach. * = cars per household using Gov.uk vehicle licensing stats as base
2 IN 5 READERS WHO DRIVE ARE INTENDING TO BUY A CAR IN THE NEXT TWO YEARS AND 1 IN 5 ARE CURRENTLY CONSIDERING SELLING

The cost of living is causing some to delay purchasing a car, and others to spend less than previously budgeted.

Q - Thinking generally now about cars and motoring. Please state your level of agreement or disagreement with each of the following statements?

- 2 in 5 of our readers intend to buy a car in the next two years.
- 1 in 5 are considering selling.
- 30% “I will be buying a car later than planned due to the cost-of-living crisis”
- 32% “I will be spending less on my car than previously budgeted due to the cost-of-living crisis”

Source: Motors Matters Community Survey & TGI (January, 2023) Respondents: 556 / 256
UPGRADING FROM CURRENT CAR IS THE MOST POPULAR REASON TO BUY A NEW CAR BUT SPONTANEITY IS ALSO A KEY REASON FOR 1 IN 5

Over 1 in 6 are looking to upgrade to change fuel type

Q - Which, if any, of the following reasons best describes why you intend to buy / change your car?

Top Reasons to Purchase/Change Car – Base: Intend to Buy Car

- Upgrading current car: 34%*
- Just fancied a change: 20%*
- Desire a new car: 18%*
- Change fuel type (e.g. diesel/electric): 16%*
- Current car is unreliable/old: 16%*
- Desire a more energy efficient car: 15%*
- Had children: 8%
- To commute to a new job (not including being given a company car): 7%
- Started a new interest/hobby: 7%
- Retired: 7%
- Entitled to change as part of deal: 6%*

Source: Motors Matters Community Survey (January 2023) Base: 256 Respondents
*Rebased to current car owners
NEXT CAR PREFERENCES
BUYING FROM A MAIN DEALER IS THE MOST POPULAR PLACE TO PURCHASE A NEW CAR, AND THOSE 55+ ARE SIGNIFICANTLY MORE LIKELY TO DO SO

Under 55’s are more likely to opt for online car sales sites and under 35’s are more likely to use car supermarkets

Q – Where are you likely to buy your next car from?

<table>
<thead>
<tr>
<th>MAIN DEALER</th>
<th>CAR SUPERMARKET</th>
<th>INDEPENDENT DEALER/GARAGE</th>
<th>ONLINE CAR SALES SITE E.G. CAZOO</th>
<th>PRIVATE SELLER</th>
<th>COMPANY VEHICLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>19%</td>
<td>19%</td>
<td>18%</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>18-34: 41%</td>
<td>18-34: 29%</td>
<td>18-34: 25%</td>
<td>35-54: 22%</td>
<td>18-34: 25%</td>
<td></td>
</tr>
<tr>
<td>35-54: 53%</td>
<td>35-54: 16%</td>
<td>35-54: 7%</td>
<td>35-54: 7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55+: 77%</td>
<td>55+: 15%</td>
<td>55+: 9%</td>
<td>55+: 5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Motors Matters Community Survey (January 2023) Base: 256 Respondents

↑ = significant at 95%
Paying in full is the most popular payment route but it is expected to decrease in the future as more people look to pay monthly.

Q – Which means did you use to pay for your main car? / Q - How do you intend to pay for your next car?
Q - How much do you intend to spend on your next car? / Q - Approximately, how much per month do you intend to spend on your next car?

### Payment Methods For Main Car

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Current Car</th>
<th>Paying in Full</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay in Full</td>
<td></td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Pay Monthly</td>
<td></td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Next Car</th>
<th>Paying in Full</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay in Full</td>
<td></td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Pay Monthly</td>
<td></td>
<td>31%</td>
<td>31%</td>
</tr>
</tbody>
</table>

### Average Total Spend Intended on Next Car

£17,546*

### Average Monthly Spend Intended on Next Car

£275*

Source: Motors Matters Community Survey (January 2023) Base: 237 / 144 / 81* / 256

*Small sample size
THE INCLUSION OF FREE SERVICING AND THE COST OF MONTHLY PAYMENTS ARE MOST THE MOST IMPORTANT FACTORS INFLUENCING CHOICE

Over 3 in 10 are likely to be influenced by the inclusion of services and/or cover and the overall cost of repayment.

Q - Thinking about buying your next car – which of the following are likely to influence your choice of car?

<table>
<thead>
<tr>
<th>Factors Influencing Choice of Next Car</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free servicing provided</td>
</tr>
<tr>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Motors Matters Community Survey (January 2023) Base: 256
ENGINE TYPE IS CONSIDERED THE MOST IMPORTANT FEATURE WHEN BUYING A NEW CAR (54%) – PARKING CAMERA AND SENSORS (41%) AND NAVIGATION SYSTEMS ARE ALSO IMPORTANT (25%)

Q - Thinking generally now about cars and motoring. Please state your level of agreement or disagreement with each of the following statements.
Q - Which, if any, of the following features/characteristics would be most important to you when purchasing your next car?

The top 10 most important features for the next car are:

1. Engine / fuel type (e.g. electric) - 54%
2. Air conditioning - 41%
3. Parking camera and sensors - 41%
4. Range / distance the car can travel - 33%
5. Navigation system - 25%
6. Number and flexibility of seats - 24%
7. Connects to my mobile phone e.g. Apple CarPlay - 22%
8. Type of engine e.g. turbos - 20%
9. History / prestige of the marque - 19%
10. Choice of colour and personalisation - 17%

Source: Motors Matters Community Survey (January 2023) Base: 587 / 256

"It is important my car has the latest features"

18-34: 44% | 35-54: 29% | 55+: 22%
PETROL ENGINES REMAIN MOST POPULAR BUT THERE IS GROWING CONSIDERATION OF ELECTRIC AND HYBRID VEHICLES

2 in 5 are considering a hybrid and 1 in 5 are considering an electric engine for their next car.

Q – What type of engine does your main car have? / Q - Thinking about your next car, what types of engine are you considering?

<table>
<thead>
<tr>
<th>ENGINE TYPE OF CURRENT CAR</th>
<th>PETROL</th>
<th>DIESEL</th>
<th>HYBRID</th>
<th>ELECTRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td>26%</td>
<td>12%</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENGINE TYPES CONSIDERED FOR NEXT CAR</th>
<th>PETROL</th>
<th>HYBRID</th>
<th>ELECTRIC</th>
<th>DIESEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>41%</td>
<td>21%</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Motors Matters Community Survey (January 2023) Base: 556 / 256 Respondents
THE MAIN BARRIERS TO ELECTRIC CARS ARE THE INITIAL COST (49%), LACK OF ACCESS TO A CHARGING STATION (42%) AND LIMITED RANGE (41%)

Those aged 55+ are significantly more likely to be put off by ‘limited driving range’ and the ‘cost of installing a charging station’

Q – Which, if any, of the following reasons best explain why you would not consider an electric powered engine type when purchasing your next car?

Barriers to Electrification

1. Initial Cost of Car Too High - 49%
2. Lack of Access to Charging Station - 42%
3. Limited Driving Range - 41%
4. Cost of Installing Charging Station - 37%
5. Electric Car Not Practical for Me - 34%
6. No Environmental Benefit - 27%

Source: Motors Matters Community Survey (January 2023) Base: 110 Respondents
THE BIG SQUEEZE –
5 KEY MOTORING TRENDS
PUTTING THE BRAKES ON UNNECESSARY CAR USAGE

The financial impact of rising fuel costs and the cost-of-living crisis has led to a net decrease in car usage with some readers actively cutting out unnecessary use and streamlining journeys.

Q – Thinking about using your car(s). How, if at all, have your habits around using your car(s) changed as a result of the cost-of-living crisis?

Q – Compared to 6 months ago, how, if at all, has your usage of your car(s) changed?

“35% are using their car less compared to 6 months ago (vs. 7% more)

“I reduce my mileage by trying to combine my visiting requirements to certain locations. I have increased my use of online delivery services.”

“I try to use the car less by combining trips into one outing rather than multiple trips.”

“I try to do as many jobs as possible in my trip rather than going out for one item.”

“I only drive when necessary, and I try to cover all of my business at once, rather than having to go out again.”

“I don’t seem to drive as much I used to. I just make necessary journeys.”

Source: Motors Matters Community Survey & TGI (January, 2023) Respondents: 556
DRIVING DOWN SPENDING ON FUEL

Readers are increasingly shopping around to find the best fuel price and adapting their driving style to cut fuel consumption. Some are using public transport to avoid using fuel altogether.

Q – Thinking about using your car(s). How, if at all, have your habits around using your car(s) changed as a result of the cost-of-living crisis?

7 in 10 are worried about rising fuel prices.

“I look to fill up when I am down to half a tank and then seek the cheapest diesel around the area. I also drive more consciously and attempt to keep speed down to reduce fuel usage as best as possible.”

“I shop around for best fuel prices.”

“Check prices of fuel in the area where I live and in other areas that I travel to in order to compare.”

“I am driving more gently to maximise fuel consumption. I try to avoid driving when public transport is available and convenient.”

“I use public transport when available to save using my car because of petrol costs.”

“I have reduced my mileage and I have tried to drive in a more economical manner.”

Source: Motors Matters Community Survey & TGI (January, 2023) Respondents: 556
EXPANDING ELECTRIFICATION

Whilst some who have access to an electric car have increased their usage of it over their other vehicles, others are considering buying an electric car next to cut costs.

Q – Thinking about using your car(s). How, if at all, have your habits around using your car(s) changed as a result of the cost-of-living crisis?
Q – What type of engine does your main car have? / Q - Thinking about your next car, what types of engine are you considering?

Owners of Electric / Hybrid Cars

“Use the electric car more as it is cheaper to charge at home.”

“We use the electric car mainly and charge up cheaply overnight at home. The petrol car is for longer journeys and when both cars are being used at the same time.”

“We are using my electric car more now, after having solar panels installed.”

“I have gone fully electric.”

1 in 5 would consider an electric engine when purchasing their next car

2 in 5 would consider a hybrid when purchasing their next car

33% agree that all new cars should be electric*

Source: Motors Matters Community Survey & TGI (January, 2023) Respondents: 556 / 256
SECOND HAND STILL IN DEMAND

2 in 3 are likely to buy a used car as their next car based on perceived value for money and immediate availability with 1 in 3 thinking now is a good time to buy used.

Q – Thinking about buying your next car. To what extent do you agree or disagree with each of the following statements? [NET: Agree]

Q – You said you intend to buy a car. Which is it most likely to be…?

Q – You said you think now is a good time to buy a used car. Why is this?

1 in 3 agree now is a good time to buy a used car

65% are most likely to buy a used car as their next car

“Good price for second hand electric cars.”

“There is a lack of availability of new cars and long lead times.”

“They are lower priced compared to new cars.”

“More second-hand cars coming onto the market.”

“There is lots of availability of second-hand cars.”

“Second-hand gives you more car for your money.”

“Best value for money right now.”

“The main reason is depreciation of new cars. I would prefer to buy a 3 or 4 year old car. Modern cars are generally good for longer if well maintained.”

Source: Motors Matters Community Survey & TGI (January, 2023) Respondents: 256
The new car market recorded its sixth consecutive month of YOY growth in January 2023 and some are tempted to buy new cars with a perception that there are currently good deals available.

Q – Thinking about buying your next car. To what extent do you agree or disagree with each of the following statements? [NET: Agree]
Q – You said you think now is a good time to buy a new car. Why is this?

“Dealers need to shift units so I expect deals can be struck as new car sales are well below average.”

“Some very good deals on the market at present, especially for Hybrid cars.”

“Good deals available, dealers want to shift stock.”

“There are good deals available and a great range of cars to choose from.”

“The motor trade is coming out of the Covid/financial situation slowly, so dealers need to sell more cars so plenty of good deals around.”

“In case interest rates go even higher.”

YOY Growth in New Car Registrations by Month*

- Aug-22: 1.2%
- Sep-22: 4.6%
- Oct-22: 26.4%
- Nov-22: 23.5%
- Dec-22: 18.3%
- Jan-23: 14.7%

Source: Motors Matters Community Survey, SMMT* (January, 2023) Respondents: 256
WHY MAIL METRO MEDIA?
MAKE YOUR MARQUE
BY CHOOSING NEWSBRANDS

Newsbrands are deemed a useful source of motoring information by Brits. By harnessing the relationship between readers and editorial, industry experts believe newsbrands can play a key role in helping to educate the public on the benefits of electrification.

Readers of newsbrands are +63%* more likely to be in the market for a new car and modern newsbrands go well beyond the ink - with video, audio, social and events all part of the modern newsbrand toolkit.

Newsbrands will be important in educating about electrification – helping drivers imagine adopting the technology and owning an electric car.

Head of Marketing, Major Manufacturer

52% of people consider newsbrands a useful source of motoring information

60% of those considering an electric vehicle consider newsbrands useful

Building frequency and reach is one thing but value will come from building deeper associations with editorial. Borrowing equity from associations with the publications requires deeper / authentic ways to amplify the contextual. News can be useful for premium context – e.g. sustainability pieces.

Strategy Lead, Agency
USE MAIL METRO MEDIA TO TAKE YOUR CAMPAIGN UP A GEAR

Mail Metro Media’s diverse print, digital and social portfolio is the perfect place to make your marque.

Whether you’re targeting first-time families, electric experts or bustling boomers – we have the audience, executions, platforms and data to take your campaign up a gear.

Car brands continue to place their trust in our portfolio and motoring partnerships that we have carried have delivered an average consideration uplift of +32%

Source: What’s Ahead in Motoring? 2021 TGI February 2023 – MNQ1 Newspapers

9M Mail Metro Media readers plan to buy in the next two years

TARGETABLE DATA SEGMENTS

- Electric Cars: 954k
- Parents: 2.5M
- Auto Enthusiasts: 915k
- Affluent: 4.6M
Whilst some are considering alternatives to petrol engines for their next car, others are still apprehensive. Educate consumers on the financial and environmental benefits of alternative engine types to change perceptions as well as to encourage consideration.

IMPLICATIONS FOR ADVERTISERS

THEMES THAT MATTER

PAYMENT PERKS
Consumers have shown to be considering lowering their budget for a new car, opting for the most comfortable way of paying and are likely to be influenced by added value.

Showcase the range of payment options available and suited to all incomes, and any added value on offer to influence purchase decisions.

BREAKING EV BARRIERS
Whilst some are considering alternatives to petrol engines for their next car, others are still apprehensive.

Educate consumers on the financial and environmental benefits of alternative engine types to change perceptions as well as to encourage consideration.

USE NEWSBRANDS
Newsbrands are key sources for providing information on motoring and encouraging consideration of electric cars and less known marques.

Consider utilising newsbrands to deliver key messaging on motoring and to open readers’ eyes to alternatives.

MAKE YOUR MARQUE
New car sales are on the rise and spontaneity is returning to the market after years of supply issues.

Harness the relationship that readers have with newsbrands and take your campaign up a gear with the reach and cross platform creative executions offered by newsbrands.