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# Market Intelligence

April 2023

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“

April brought small improvements and, in many respects, presents a promising position for the repair market – but service remains an issue with lead times high.

For the businesses in the supply chain, small improvements in the following critical areas were evident: shipping reliability improved helping reduce parts delays; car sales bounced back; energy costs lowered; and repair volumes were consistent.

Additionally, for Insurers, repair cost inflation may have hit its peak with minimal change in average repair cost between January to April 2023, and lead times also showing some consistency at c40-45 days. Both remain high and will be causing cost and service issues but they are becoming more predictable.

These promising signs mean that 2023 has certainly started better than 2022 with a greater degree of certainty of planning.

Full details of all these market impacts are detailed in the latest Trend Tracker report [www.trendtracker.co.uk](http://www.trendtracker.co.uk). ”

# Economic Trends

(ONS, ECA)



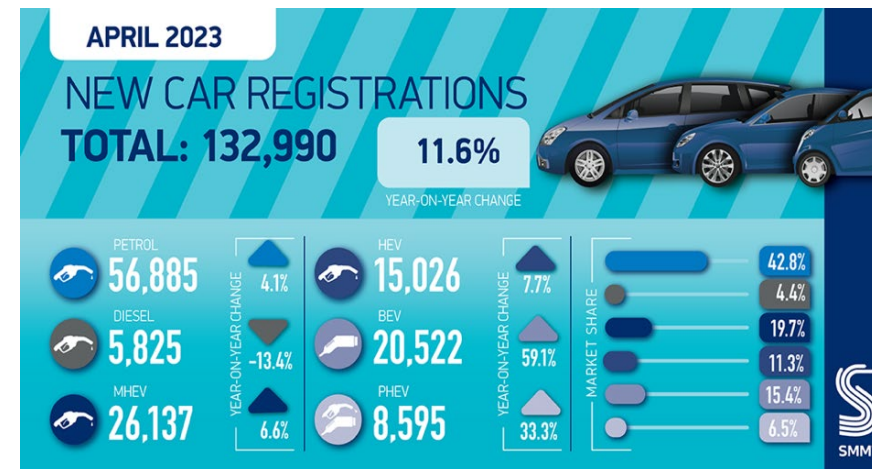
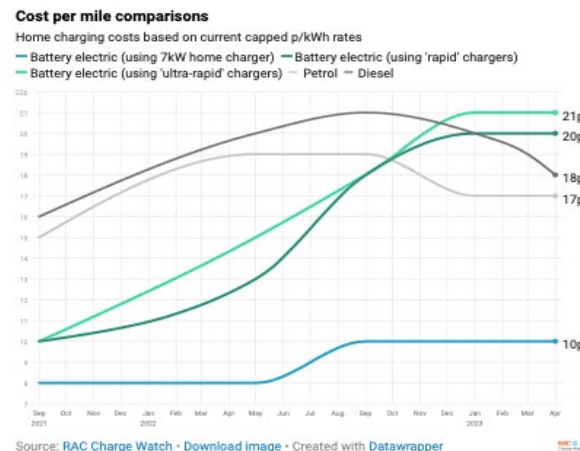
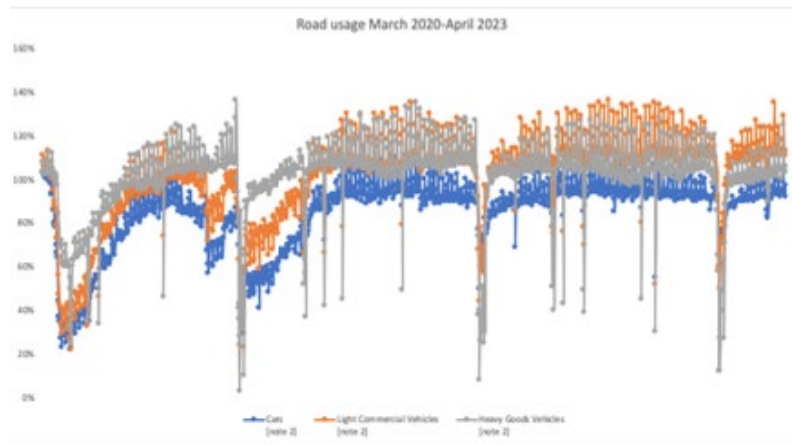
**Inflationary pressure beginning to ease**– remains high, specifically due to Energy costs, food & drink inflation – still predicted to be ‘back to normal’ by 2024.

GDP – no growth, **narrowly avoided recession**. Only G7 nation to have seen no economic growth Vs pre-pandemic.

Wage inflation not keeping up with reported ‘**real pay**’, **gap widening** (ONS – ‘in December 2022 to February 2023 growth in regular pay was 6.6% , this fell in real terms by 3%, largest fall since 2009 and the second largest since records began in 2001’

**Energy costs**– single most significant cost issue but dropping (ECA – ‘March was a relatively stable month with prices trading around a similar level to that of February 2023. Looking ahead to the Summer 23 trading season, we expect markets to trade range bound as many fear that resistance levels have been hit and the markets may struggle to give off much more value.’

**April saw consistency in terms of Repair cost (Year on Year) 16%** – as a result of all inflation impact (including recent paint index rise) being incorporated – minimal change in repair cost January to April.



**Road use tracking at 101% of pre-pandemic**, with cars at 96% almost back to normal, but with some continued change in traffic patterns due to flexible working.

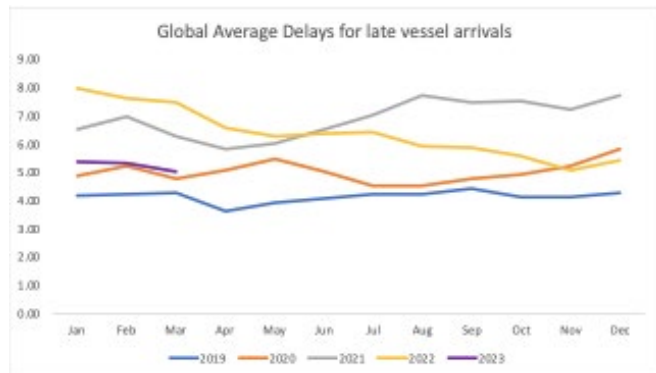
**Production up 6% 4 in 10 built were Ultra Low Emissions or Zero Emissions / New car sales up 11.6% 23 vs 22.**

BEV's take 11.6% Market Share; remains cheaper to run an EV when charging at home (middle graph) and SMMT re-forecast from 1.79 to 1.83m forecast for 2023.

**Used Car values down -1% cap hpi** - 'Overall, a positive April for the majority of retailers, with a more seasonal feel to it than in the last two or three years, but electric vehicles continue to dominate the discussions around price and demand. Battery Electric Vehicles continue to underperform the overall market on average.'

# Supply chain impact

(Sea Intelligence, Advantage Parts)



**Global Shipping improves** – Various impacts on global shipping created significant drop in reliability and increased delays in the last 2 years - but this has been improving every month since July.

**Reliability better than 2021 & 2022 / Delays less than 2021/2022 – almost back to 2020 levels.**

**Parts delays consistently better** – became common problem and still not fully addressed but this is also an improving and consistent picture – based on the data from Advantage parts only 11% of repairs now reporting to be missing 1 part or more- no change since the start of the year.

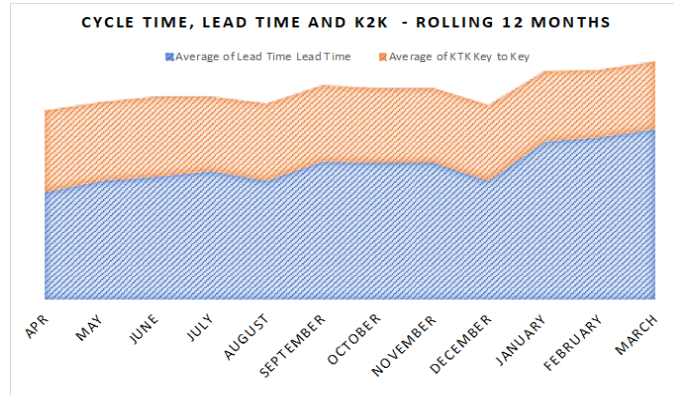
**Repair Capacity vs Demand becoming a problem**– whilst lengthy lead times were previously blamed on lack of courtesy cars or lack of parts; increasingly, with these issues significantly improved, it is clear this current lead time/ cycle time position is reflective of a market with a finely balanced capacity and demand.





# Vehicle Repair

(Audatex, Trend Tracker)



Vehicle **Repair demand** – a quieter month in April as a result of Easter Holidays (85% of pre pandemic) – but this follow a strong March and remains on target for 95% of pre-pandemic. Caps & Audatex showing similar trends & monthly patterns.

**Repair costs rising** – year on year, month on month. April 23 £418 higher than April 22 continuing a consistent month on month / year on year position – but becoming a more stable and predictable position.

**Cycle time** – moving out again- impacted by lead time increasing – creating customer issues and increasing hire costs.

**Customers** – the cycle time issue is impacting customers – the Service Word Cloud from one of our leading partners shows what customers appreciate - Helpful / Easy / Efficient and what they don't like (complaints) Delays / Lack of contact.

## Service

## Complaint





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