

## The 2026 playbook: Sourcing, Sales and Systems

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The automotive retail sector is navigating a period of significant structural change in 2026. While the market faces undeniable challenges regarding supply and shifting consumer behaviours, these dynamics are also creating sizeable commercial opportunities for retailers prepared to adapt and get ahead of them. Thanks to the unparalleled scale of Autotrader's data, the business has a unique vantage point across the entire market ecosystem, allowing it to identify emerging trends before they fully materialise on the forecourt. This research paper outlines Autotrader's 2026 playbook, detailing how retailers can leverage these insights across sourcing, sales, and systems to protect their margins and unlock new avenues for growth in the years to come.

### Sourcing

For the past few years, the narrative around supply constraints largely centred on a COVID hangover that predominantly affected franchised retailers through a lack of younger used vehicles of less than five years of age. This was the direct impact of circa 2.5 million brand-new cars not being built during the pandemic. However, Autotrader data shows that this stock shortage has naturally aged up as those "fallow" new car years of 2020-22 have now flowed through the parc to create similar supply gaps in the 5-7-year parc; what was once primarily a franchise issue has now reached the traditional core of the used car market.

Over the next two years, the industry is forecast to experience a 35% drop in 5-to-7-year-old stock compared to 2024's levels. This means the scarcity that previously impacted a specific segment of the market is now broadening. With thousands more retailers entering the fight for stock, both independent and franchised, are competing for more stock in the same tightly squeezed pool.

While this intensified competition presents a sourcing challenge for a much broader swathe of retailers, it also opens the door to profitable diversification for those who are able to adapt accordingly. The temptation might be to simply pay whatever it takes to keep the forecourt full but utilising accurate, live market data to identify alternative opportunities will yield far stronger returns.

For example, Autotrader's Retail Price Index data, which is based on 800,000 AI-powered daily pricing observations across the whole retail market, shows that older age cohorts are emerging as a particularly strong opportunity. In February, stock aged 10-15 years old was the fastest-selling segment, taking an average of just 25 days to sell (two days faster than the wider market) while recording significant retail price growth. With an average price of £7,006 in February, this represented a near 10% year-on-year increase – the largest retail rise by some margin.

Reinforcing the importance of accurate data in informing sourcing strategies, at the other end of the age spectrum 'nearly new' models (under 12 months) are currently lingering on forecourts for longer, averaging 29 days in February - a result of increasingly discounted brand-new counterparts on the one hand and better value older options on the other.

The key takeaway is that retailers have the opportunity to avoid simply 'filling spaces'. Misjudging the live market can be costly; Autotrader estimates there is £24m in margin potential lost to the under-

pricing of high-demand stock, equating to roughly £3,000 per retailer at any given point in time. Multiplied by the expected stock turn across the year, it represents a significant amount of missed profit potential per rooftop. By using real-time insights, retailers can identify robust alternative segments to confidently stock and price for maximum margin.

## Sales

As the traditional middle of the retail market faces supply constraints, used electric vehicles (EVs) are stepping in to provide strong growth opportunities. Driven primarily by the regulatory push of the ZEV mandate, manufacturers have rapidly accelerated EV production to ensure compliance. As these brand-new vehicles reach the end of their initial lifecycle, the used market is now experiencing a significant wave of EV stock.

To put this into perspective, the UK is approaching nearly two million EVs on the road, accounting for around 5.5% of all used car transactions—a substantial leap from the negligible volumes seen just three or four years ago. This shift is clearly reflected in recent supply trends. In 2025, used EV volumes grew by an impressive 19% year-on-year, while petrol volumes fell by 6.1% and diesel dropped by 13%. As a result, one in five sub-five-year-old cars is now electric, and one in ten sub-seven-year-old cars falls into the same category.

While the pace of the ZEV mandate is proving incredibly challenging for many brands and retailers, the data shows there is a solid core of buyers willing to make the transition. With almost all EVs—aside from the nearly new segment—now priced broadly in line with their ICE equivalents, they have become a highly rational, cost-effective and practical choice for many consumers. Accordingly, one in four new enquiries on Autotrader is now for an electric vehicle. Furthermore, as revealed in the latest edition of Autotrader's *Road to 2030*, 62% of the population would consider an EV for their next car.

This influx of stock represents more than a shift in fuel type; it is rapidly becoming the industry's key conquest battleground. Most disruptively, this digital-first audience is moving away from traditional brand loyalty. Autotrader data shows that EV buyers are only half as loyal as petrol buyers: just 22% purchase the same brand for their next vehicle, compared to 44% of petrol buyers. This has created a notable 'retention gap'. Currently, only 44% of 3–5-year-old EVs are retained by franchises, compared to a 64% retention rate for equivalent ICE vehicles.

For independent retailers, this retention gap presents an unprecedented opportunity to conquest a new demographic of highly engaged buyers whose vehicles are entering the open market. Conversely, franchises will need to proactively protect their pipelines with targeted retention strategies—from increasing finance penetration to actively promoting the value of Approved Used programmes.

For retailers that adapt to these new behaviours, the commercial reward is significant. By the end of 2025, the average used EV took just 30 days to sell—five days faster than the overall market. EVs have also been the fastest-turning fuel type for two consecutive years. At a more granular level, in the highly sought-after 3–5-year-old segment, EVs are leaving forecourts in just 25 days, making them the fastest-selling cohort in both 2024 and 2025.



Retailers that successfully nail the EV fundamentals—using data to source the right stock, price accurately to the live retail market and market effectively—are well placed to capture this high-growth segment. With one in two new cars sold last year now electrified (including the rapidly growing PHEV market), this bow wave of change is heading towards every forecourt. Retailers who get ahead of it now stand to reap the rewards.

### **Systems**

The final pillar of Autotrader’s playbook connects the dots between shifting supply and sales dynamics: the systems used to execute them. In an era of squeezed margins, technology cannot simply be an operational cost—it must pay its way. As the old adage goes, “you can’t save your way to a profit.” When deployed effectively, technology should act as a catalyst for growth, not just a cost-cutting lever.

Yet the dealership environment remains complex and often clunky, with frontline teams frequently forced to jump between multiple disparate systems just to transact a single customer enquiry from end to end.

To turn tech promise into profit, retailers are increasingly focusing on three key areas:

**Automating the mundane:** Stripping away administrative burden is an immediate route to improved efficiency. AI tools such as Autotrader’s Co-Driver have already saved retailers 10.5 million minutes—the equivalent of 20 years—through automated vehicle advert creation, freeing teams to focus their time on the forecourt.

**Empowering car buyers:** Internal system friction often degrades the buyer experience. Retailers are therefore using technology to reduce friction and create more engaged buyers. Autotrader’s intuitive AI search filters demonstrate how effectively natural language can convert engagement.

**Unlocking margins:** Finally, the right systems equip teams with the insights needed to drive profitability. When frontline staff have visibility of a buyer’s journey, they can prioritise ready-to-buy customers and hold firm on price. This commercial advantage is material, with one Head of Digital Strategy at a Car Dealer Top 100 retailer noting: *“Our conversions have surged—twice the historic rate.”*

By using live data to source strategically, adapting to the EV conquest opportunity, and empowering teams with consolidated, margin-protecting systems, retailers can turn the structural shifts of 2026 into their strongest commercial advantage.