

Used-Car Distribution Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic used-car distribution market with the following conditions:

1. Research period: April to September 2017
2. Research target: Automakers, car dealers, auto auction host companies, companies specialized in selling used-cars, and in buying them, and automobile users
3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via telephone/email, online questionnaire to automobile users, and literature research

<What is the Used-Car Distribution market?>

The used-car distribution market in this research consists of the following four markets: the markets of auto auction (including bidding), used-car purchasing, used-car exporting, and used-car retailing.

<What is Number of Used Vehicle Retailed?>

It is the number of used cars sold from used-car sellers to auto users (B to C), where no buying and selling between individuals (C tot C) included.

◆ Key Findings

■ **Used-Car Retail Market in 2016 Reached 2.59 Million Cars, 2,722.6 Billion Yen in Value**

The used-car retail market in 2016 is estimated to have attained 2.59 million cars in volume, or 2,722.6 billion yen in value. The news of dishonest test and measurement of fuel economy of mini motor vehicles at an automaker in April 2016 affected the used car market to slow down the sales until the latter half of the year.

■ **Used-Car B-to-B Dealer Market Find Increasing Number of Market Players Withdrawing from Market to Shift to B-to-C Retailing**

In the used-car dealing market (the market of trading vehicles between non-individuals mainly by means of auto auctions) those car buyers with their core business having been the profits on the sale of vehicles have recently accelerated reinforcing retailing, i.e., selling used cars to individual users, in order to secure profit margins. At the same time, the users of shared stock managing services (the services to sell vehicles displayed and sold through the internet all day long to the corporate members), has been on the rise. This, together with the market trend shifting to retailing, indicates how flourishing the trades outside the auction venues are. In addition, there has been some used car dealers starting enhancing direct purchase aiming to procure the vehicles for trading, showing fiercer competition in purchasing automobiles.

■ **Auto Auction Striving to Enhance Customer Attraction by Integrating and Abolishing Small-to-Middle-Size Venues**

In a state where so many market players giving up participating in auto auctions, there has been some consolidation of auto-auction hosting companies and auction venues going on, as a part of an attempt to attract more customers. Oligopolization of the auto auction market is likely to continue in 2017 and beyond. For auto auction hosting companies, it is urgent to improve their firm power by combining and consolidating the small-to-midsize venues and by joining hands with other companies.

◆ **Report Format:**

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