

WHATCAR?

# Insight

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INTERVIEW

## Cian O'Brien

Director, Volkswagen  
Commercial Vehicles UK

**V**olkswagen Commercial Vehicles' UK Director Cian O'Brien leads the team that is bringing the What Car? Car of the Year Award winning ID Buzz to market this year. Here, he reflects on the impact of that success, the speed at which the commercial vehicle market is electrifying, plus the benefits of the metaverse, diversity and inclusion and more.

**How important is the ID Buzz to Volkswagen Commercial Vehicles?**

"The first thing that struck me when I

came to Volkswagen Commercial Vehicles was the passion of the customers. They follow the brand and the products we develop really closely.

"But the ID Buzz has a broader appeal again. It has captured the imagination of customers in a way other commercial vehicles perhaps can't, because it stands so clearly for a different way of looking at motoring. As a result, the response has been incredible – and is having a halo effect on the rest of our cars and vans."

**What does it mean to win the What Car? Car of the Year Award with ID Buzz?**

"It resonates on every level. At the top, it's confirmation that the car isn't just great, but is something a little bit special. It lends a level of advocacy to those who have ordered one, and maybe reassures and inspires those thinking of ordering one. "But it also matters internally, as it tells the

design team, the engineering team, everyone who has brought it to market, that they have done a great job throughout the development process. We're euphoric, and it means the world to so many of the team to be part of it."

**Can you see its impact in your metrics?**

"We measure all of our response rates so, yes, we can see the upturn. We put a banner on our website homepage celebrating the What Car? Award win, and in the immediate aftermath of the announcement we had a 12% uplift in traffic to the Buzz area of the website.

"But it's also important as a way of amplifying our messages; we pushed the win hard on social, for instance, and that's given us a platform to raise awareness. That awareness in time we'd expect to turn into web traffic and activations, so there's a long tail to the benefits." ▼





**Has reaction to the ID Buzz Cargo been the same?**

“Cargo has been really interesting. From large fleet customers down to single owner-operators, potential customers have got excited about its capability, and how they can see it fitting so easily into their daily lives, both in terms of practicality and entertainment.

“The challenge is more that we’ve seen so much interest and we need to manage that demand.”

**Can those waiting lists be reduced?**

“Well, it’s an interesting challenge to have. On the one hand it’s great to have so much demand, but on the other we don’t want to have to keep customers waiting too long.

“You can’t just flex production according to demand, sadly, so there’s no quick answer, but there are ways we can help. For instance, certain components and two-tone paint are causing longer lead times. We have offered all customers the opportunity to amend their orders to speed up delivery, and while some are happy to wait, some are keen to change. Depending on the spec you want, we could deliver in seven months now, although a two-tone car with all the bells and whistles might take 18 months.

“On top of that, we are continuing to work intensively with our factory colleagues to improve the level of supply

**“The ambition is to go as fast as possible towards net zero as a company”**

and hope to see some improvements as the year progresses.”

**Why is it only the long-wheelbase ID Buzz that’s going to be offered as a seven-seater, given the space in the standard car?**

“ID Buzz has the potential to work for buyers who would traditionally have looked at everything from an MPV to an SUV. In that respect it’s unique. We wanted a range that could benefit families of different sizes, offering scales of versatility. The point of having seven seats in the longer vehicle is to maintain its carrying capacity as well. It also allows us to fit a bigger battery and offer a similar range to the short-wheelbase car despite the bigger size.”

**The ID Buzz has an official range of 258 miles, but in the real world that’s unlikely. What do you see around perceptions of what’s a good enough**

**electric range?**

“People still think they need 400 miles, which is understandable but rarely the case. For about 90% of the time home or street charging will suffice.

“But it’s on longer journeys that a bit of the fear of the unknown comes in. It takes planning and confidence in the charging infrastructure, which can be hard to come by when it’s as inconsistent as today.

“The ID Buzz is in the right place in terms of the market, and we can play our part by being really granular when a customer comes in as to whether an EV will suit their needs, and by offering extended test drives so that people can really understand what they are buying.”

**How do you see EV uptake progressing in the commercial vehicle market?**

“The ambition is to go as fast as possible towards net zero as a company, and that means investing in the whole ecosystem ▼



A seven-seater version of the ID Buzz is on the way





and driving uptake as quickly as we can.

“To date, the most interesting bit for me is the customer appetite to do just that, especially among the larger fleet customers. The investment they have to make in the transition is huge, but the ambition is there to embrace it.

“That said, it’s not an overnight switch. We anticipate a steep adoption curve but from a very low base. There needs to be customer demand, the availability of products, a certainty in the strategy and infrastructure, and more. If they all align, maybe it can go faster than we anticipate, but let’s see.”

## What does Volkswagen get out of the tie-up with Ford for commercial vehicles?

“The benefits will work both ways. Ford dominates the pick-up market with Ranger, so we will be able to leverage the synergies there to create a game-changer with new Amarok. Likewise, as we electrify our van line-up we’ll be able to benefit from the economies of scale that working with Ford will bring.”

## Is the metaverse a new opportunity to attract customers to the Volkswagen brand?

“For us, it’s an opportunity to rethink how we demonstrate and bring products in front of the customers, yes. It’s pretty cool in terms of allowing a customer to interact with the product in a certain environment, and it gives us the opportunity to tear up a 50-year process that has been quite one-dimensional.

“But it is also a transition, and it’s why we use the phrase omni-channel a lot. Customers are coming to us from all sorts of places right now; through the dealership, through our website, through online video chats, through the metaverse and so on. It’s an exciting opportunity, but we have to meet all those different customer demands in every way.”



The new Amarok is based on the Ford Ranger

## “We have to change our focus, prioritising all the cars we can get for delivery”

### Are you interested in following your rivals in offering subscription services?

“There’s potential, but it has to be driven by customer demand. Right now we’re looking at broader eco-systems for customers and asking what they would find beneficial. It’s particularly interesting for fleet customers, because the data can drive decisions that can allow them to make proactive decisions in advance, rather than waiting for something to

happen that causes them an issue. There’s all sorts of ideas that we are keen to unlock, but in terms of developing a pay-per-use model we aren’t there yet.”

### You are a key leader in Volkswagen Group’s diversity and culture initiatives. Why do you see this as so important, and what is the company doing to support this?

“I’ve had the opportunity and the privilege to work in a number of different markets, working with fantastic people from different backgrounds and cultures.

“What I believe is that the more diverse your inputs the more innovative you’ll be – and in this industry at this time we are trying to unlock all the innovation we can, and drive a once-in-a-century transformation. “It’s a journey and it will take time, but we are progressing. At the core is a willingness to put the right strategy in place and develop from there.



Like the ID Buzz, the Multivan is vast inside

### What are your main challenges for the year ahead?

“Looking at the market, around 350-395,000 commercial vehicles were sold prior to the pandemic. Last year it finished just short of 300,000. So we’re missing about 25% of the market. That puts a lot of pressure on the system.

“It means customers are disappointed that they can’t have their orders fulfilled, and it means we have to change our focus, prioritising all the cars we can get for delivery and working harder than ever on communication.

“But beyond that we need to manage what we can control; there are so many external factors we can’t influence, so don’t waste energy on those. We’ve done a great job of that to date and as a result we’re still seeing strong demand despite the challenges, and with new product on the way we have to be positive.”

# Making headlines this month

## BRITISHVOLT GOES INTO ADMINISTRATION

Electric vehicle (EV) battery start-up Britishvolt has gone into administration, having failed to secure funding for its planned £3.8 billion manufacturing site in Northumberland. The proposed factory was designed to supply enough battery cells for 300,000 EVs per year.

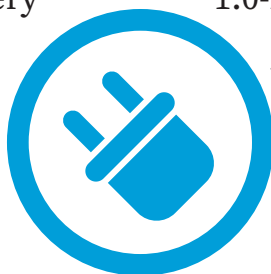
## RECORD GROWTH FOR EV CHARGING INFRASTRUCTURE

More than 8800 new public car charging points were installed in 2022, the highest number ever installed in one year, according to charging point map provider Zap-Map. The total number of chargers now exceeds 37,000, but disparity in provision outside of London and the reliability of chargers remain key concerns for consumers.

## AVERAGE FAST-CHARGING COSTS EXCEED PRICE OF PETROL

The average price of fast-charging rose by

more than 50% between May and December last year, according to breakdown provider the RAC. Using a 50 kWh rapid charger to charge a Hyundai Kona Electric from 0-80% (enough for a 188-mile journey) was calculated to cost £36, whereas a 188-mile journey in a 1.0-litre Kona mild-hybrid would cost just £33 in petrol.



## PLANS FOR NEW EV-FRIENDLY CAR PARKS ANNOUNCED

A new type of car park that will incorporate fast-charging for electric cars and bikes, as well as delivery lockers, office pods and more, has been designed by parking provider Apcoa. Apcoa says that it will open 10 of these 'Urban Mobility Hubs' across the UK, with the first of these being in Carmarthen, Wales.

## UK GOVERNMENT REVEALS PLAN TO REDUCE CHARGING COSTS FOR ELECTRIC VEHICLE DRIVERS

The Government is investing in smart charging infrastructure that can selectively charge a car at night when electricity is cheaper. Depending on the tariff, mileage and charging patterns, this could save an average driver up to £200 per year. Elsewhere, money will also go towards installing smart chargers into streetlamps and raising awareness of the benefits of smart charging.



Fast-charging a Hyundai Kona EV from was calculated to cost £36





# The best and worst discounts around right now

## TOP 5 HIGHEST % TARGET PRICE DISCOUNTS THIS MONTH

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



You can get almost 20% off a BMW X3 M Competition

1 <b>BMW X3 M Competition</b>	19.4%
2 <b>Volkswagen Arteon 1.5 TSI R Line</b>	16.5%
3 <b>Volkswagen Passat Estate 1.5 TSI SE Nav</b>	15.3%
4 <b>Nissan Qashqai 1.3 DiG-T MH Acenta Premium</b>	14.4%
5 <b>Nissan Leaf 39kWh Acenta</b>	13.2%

## 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 discounted model, but they can also signal increased demand.



The Renault Arkana and Clio both saw drops this month

1 <b>Volkswagen Golf Estate 1.0 TSI Life</b>	-2.4%
2 <b>Citroën C3 Aircross models</b>	-1.8%
3 <b>DS 7 models</b>	-1.8%
4 <b>Renault Clio petrol models</b>	-1.8%
5 <b>Renault Arkana petrol models</b>	-1.8%

# This month's Target Price report

**T**he average all-segment cash Target Price discount is currently 3.9%, or £1809 per car. While this overall figure does not represent a significant change over the previous month, it does belie some developing trends that are encouraging for consumers.

These include a 43% increase in the typically available PCP finance deposit contribution (up from £784 per car to £1119 per car) over the past three months, and the percentage of cash Target Price discounts that are 5% or higher and have increased from 33.8% to 37.5% over the same period.

Better news is also developing for electric car buyers, because the average electric car total (cash and finance) Target Price saving is at an all-time high of £1464 per car. This figure, expressed as a percentage of the corresponding all fuel types figure of £2565 per car,

is now 57.1%, compared with 42.7% only a matter of three months ago.

Some issues relating to manufacturing capacity and vehicle availability remain, however, and these, alongside savvy dealers who are still trying to maintain a low- or no-discount approach approach to their sales processes, will affect the pace of growth of average Target Price savings.

However, the direction of

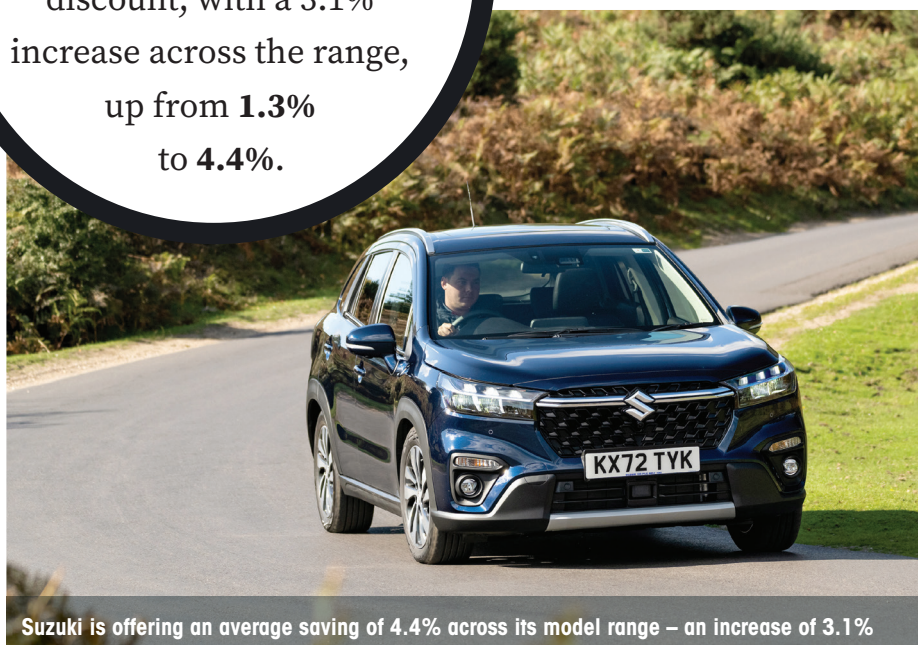
travel is clear. Just as manufacturer capacity to build more cars is increasing, consumer demand is being adversely affected by the rising cost of living and car makers facing Government-enforced electric car sales targets.

As a result, discounts and finance offers will have to increase if car makers are to persuade more buyers to buy more new cars.

Nissan dealers are currently the most generous when offering an average cash Target Price discount across a model range at 7.4%, followed by Peugeot at 7.1% and Seat at 6.2%.

## Suzuki

has the biggest increase in the typically achievable cash **Target Price** discount, with a 3.1% increase across the range, up from **1.3%** to **4.4%**.



Suzuki is offering an average saving of 4.4% across its model range – an increase of 3.1%



# Target Price market watch

## LUXURY SUVs

The average cash Target Price saving across the luxury SUV segment is currently 2.2%, or £1820 per car. This represents the lowest cash Target Price saving among our featured vehicle segments.

While the current figure is unchanged compared with last month, there has been a downward trend over the past year, with the average cash Target Price discount now 44.3% lower than 12 months ago.

Over the same period, the average PCP APR has increased from 5.1% to 8.7%, while the average PCP finance deposit contribution has remained broadly unchanged at £1605 per car.

After allowing for dealer contributions towards finance deposit contributions, the total (cash and finance) Target Price saving across the whole segment is £2843 per car.

A second, lower figure of £2599 per car applies to electric-only options in the



The launch of new luxury SUV models this month is keeping the average saving pegged low

## EXECUTIVE CARS



**The average cash** Target Price discount among executive cars has increased for the fifth consecutive month and is now 6% or £2749 per car. The combined (cash and finance) Target Price is £4119 saving per car, based on an average PCP APR of 7.4%.

The average PCP APR across executive cars is joint lowest in our featured segments (with estate cars) following a reduction from 7.6% last month.

Volkswagen, Audi, and Lexus dealers are offering the best average transaction price discounts, with 12.4% (£6367 per car) on Arteon models, 6.9% (£3266 per car) on A5 versions and 6.3% (£2923 per car) on ES variants.



Executive car discounts continue to increase

luxury SUV market.

With luxury SUVs being at the premium end of all the vehicle categories, it is unsurprising to see average Target Price savings at the bottom of our index.

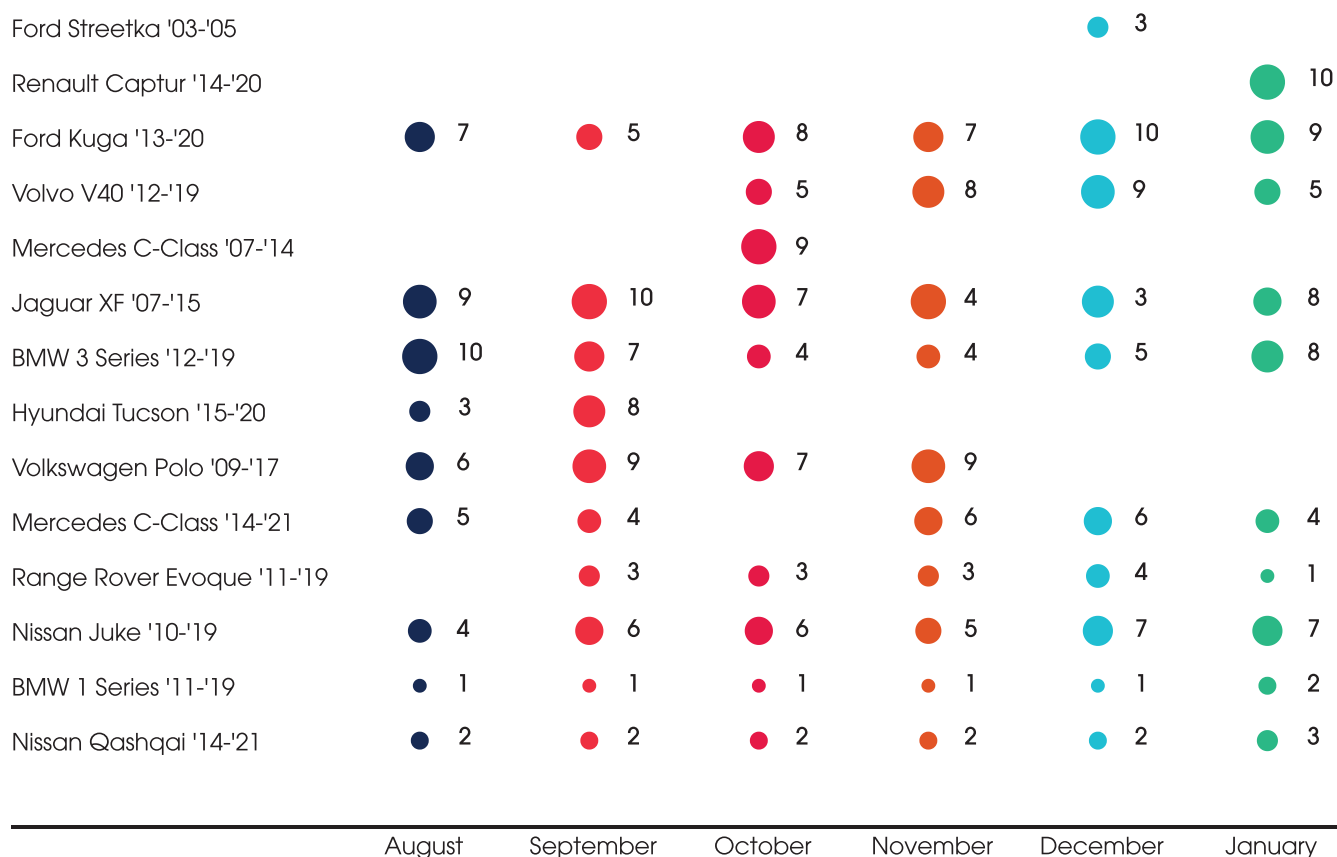
A combination of newly launched models, cars with a backlog of unfulfilled customer orders and Agency Sales cars (which have zero cash Target Price savings), are keeping the segment average cash Target Price saving pegged low.

That said, there are some good deals still available. For example, there's a typical 8.2% saving (£5910 per car) on Volvo XC90 variants and 4.3% (£3102 per car) on Jaguar I-Pace models.



# Most popular used car reviews

## MOST POPULAR USED CAR REVIEWS ON WHATCAR.COM



**A**fter more than a year of mostly third and fourth place finishes (with no firsts), the Range Rover Evoque took last month's top spot. This can be attributed to our used car review being updated and then promoted via our social media channels and daily newsletters.

What's more, premium cars rose through the ranks as a whole. The '07-'15 Jaguar XF reached sixth after being eighth in the prior month. Similarly, the '07-'14 Mercedes C-Class went from sixth to fourth. Used car prices are often lower during the winter months, hence the increased interest in luxury cars.

However, the byproduct of this is less interest in some non-luxury cars. For example, the '09-'17 Volkswagen Polo didn't managed to make the top 20 this month, even though it was 14th in December and ninth in November.



Whatcar.com users flocked to Range Rover Evoque last month





WHAT CAR?

# WHAT CAR?

Britain's biggest and best car buyer's guide Awards 2023

BEST  
CARS FOR  
EVERY  
BUDGET

## 2023 AWARDS SPECIAL

# CAR OF THE YEAR

23 category winners • One overall champion



Awards 2023 New BMW M2, Jeep Avenger, Toyota bZ4X

PLUS

Self-driving  
cars tested



New Civic Type R vs Golf R



Hyundai's Tesla fighter driven



Save up to £6316 on a new car

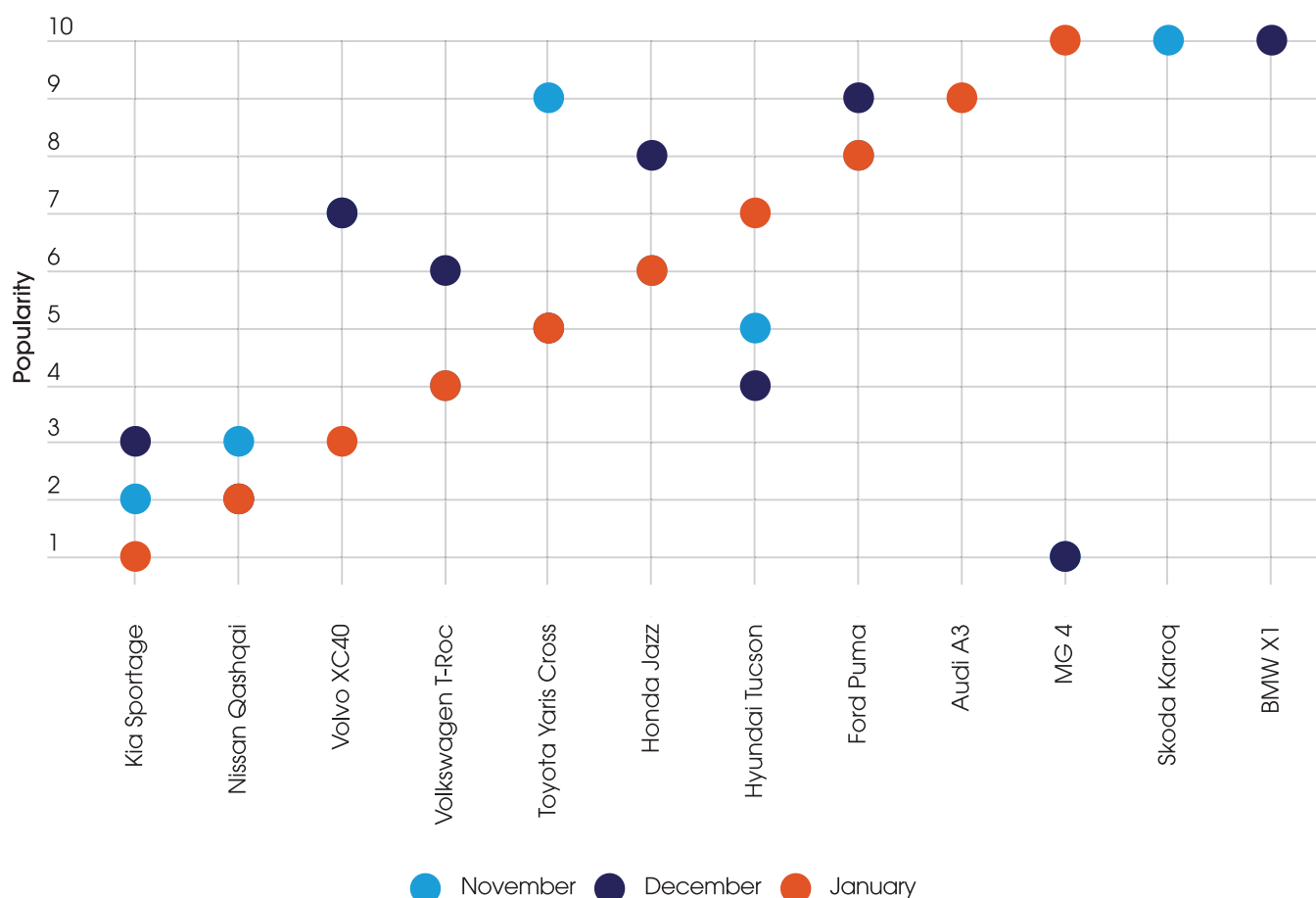


# EVERYTHING YOU NEED TO KNOW EVERY MONTH



# The cars generating the most leads

CARS GENERATING THE MOST LEADS FROM BUYERS AT WHATCAR.COM



**A**fter generating the most leads for four months in a row, the MG 4 was knocked off the top spot in January by our Family SUV of the Year – the Kia Sportage. Rising two places in our rankings, the

popularity of the Sportage has no doubt been helped by some great discounts this month – up to £1622 at the time of writing.

The MG 4, on the other hand, was knocked down to 10th place in the biggest fall over the past month.

Elsewhere, the Audi A3 rose seven places and the Volvo XC40 four, while the Nissan Qashqai retained its position.

All three of these cars have had some great discounts available in recent weeks, which will have no doubt helped their rankings, with savings of up to £1896 on the A3, £3806 on the XC40 and £5073 on the Qashqai.



The Kia Sportage, our 2023 Family SUV of the Year, is proving popular





# Briefing notes

Facts, stats and quotes from a month in motoring

## Euro 7 emissions

rules, which are due to come into force on 1 July 2025, could add €2000 (£1800) to the final cost of a new car, according to Renault Group CEO Luca de Meo.

# 15%

Using heated seat belts can increase the range of an EV by up to 15% by reducing the energy required to heat a car's interior, according to automotive parts supplier and technology firm ZF Group.

## INDUSTRY VOICE



"We do need an environment where dealers and car manufacturers need to be profitable, in order to make the investments in new technologies that are coming at us. You know, the car industry is not the most juicy industry when it comes to profit: a fair price must include profit."

**Guillaume Sicard, head of Renault UK**

## INDUSTRY VOICE



"Lithium-ion is constantly changing, with better energy density, [better] efficiency and lower cost. The cost is key, as this opens up EVs to even more customers. We believe there are a couple of steps left in lithium-ion."

**David Moss, Senior-Vice President of Nissan for research and development in Europe, on the future of lithium-ion batteries.**



# 400,000

Up to 400,000 cars could be affected by the expansion of the Ultra Low Emission Zone (ULEZ) in London, rather than the claimed 200,000 by the London Mayor's office, according to research by the AA.

**In the first week** of January 2022, the difference in price between diesel and petrol was 4p per litre. Fast-forward to the equivalent week in 2023, and the price difference rose to 22p.