

CUTTING OUT THE MIDDLE MAN



We pay a visit to the cutting-edge online dealer which is shaking up the way used cars are sold

Richard Yarrow

ON an industrial estate in Birmingham, in the shadow of the West Bromwich football stadium, a revolution in used cars is starting to rumble.

Even the name – Autoquake – is designed to emphasise how it's going to shake up the industry. If you've not heard of it yet, you soon will. After selling 1,500 second-hand motors last year, the goal is to shift 350,000 pre-owned vehicles a year by 2015.

The strategy behind Autoquake is simple, and there's nothing like it in the UK, Europe or even the US. Here's how it works. When lease or fleet firms are finished with a vehicle, it usually goes to an auction house to be bought by the trade. There's a mark-up on the price, creating the profit, and it goes on the forecourt to be offered for sale.

Autoquake's approach is to cut out these middlemen. It takes cars straight from the fleets and sells them directly to the public. To trim overheads further, it operates online, at www.autoquake.co.uk, rather than at a supermarket-style car lot. Vehicles are available from all the major brands, from Jaguars and Jeeps to SEATs and Skodas, Fords and Fiats!

Co-founder Fredrik Skantze spent 10 years working in the hi-tech surroundings of Silicon Valley in the US. He says Autoquake's prices are 16 per cent lower than at a franchised showroom, and 10 per cent less than those of a car supermarket.

"Due to the hassle and lack of trust or transparency, some people would rather go to the dentist than buy a used car," he said. "They feel the power is with the dealer. We put all the information about each car on the website, so it is with the buyer."

Indeed, the online experience is different from the normal used car website visit, as there are up to 50 images of each vehicle. You can view each wheel, how much tread is on the tyres, any dings or scratches, all the paperwork and even how many keys come with it. You can even see the retail and independent Parker's Guide prices, and Fredrik aims to beat both on 99 per cent of his cars.

Gary Nicholls, vice president of retail operations, gave us a tour of the six-acre site. It's been open for

only a few weeks and is still under development, although there's a more established one in Bradford, West Yorks, and plans for London for next year.

"The cars have an initial inspection, so we can reject those that don't suit us," Nicholls said. "If we're happy, each has a 120-point check, is valeted, validated by (history service) HPI and shot by one of our professional photographers." The snappers also keep an eye on quality and can send a car back down the chain if it's below par.

The best value price is calculated – complete with 'no-haggle' policy – using a host of industry software, and the car goes on the website within three days of its arrival at the lot.

Buyers can reserve vehicles online with a £100 refundable deposit, and Autoquake will even take your current runabout as a trade-in, with values set by trade price guides. You get three days to make a decision, and some people use that time to visit the lot, take a test drive and do the deal.

Skantze explained, however, that others simply click and buy. "A third of customers have the car delivered to their home, and that's the first time they see it. They're confident to do so because we have a seven-day, no-quibble guarantee, so they can reject it even if they simply don't like the colour." He added that less than one per cent of vehicles are returned.

He believes this is the future of buying and selling used cars. "In 2001, only two per cent of people said they would buy a car online," he said. "In 2007, the figure was 20 per cent, which is why Autoquake is a success."



Fredrik Skantze set up new firm



So is the new service really that different from what's on offer elsewhere? We asked three buyers who were collecting cars during our visit about their experiences – and if they would return...

Pictures: Phil Hill/UNP



Tim Brown, Nottingham

Bought: 57-reg Ford Focus for £9,993

"I LIKE the fixed-price policy at Autoquake – I get the same deal as some guy who's confident about haggling and good at it. Part of the problem with buying used cars is that by the time you've seen an advert for something, it might have gone. Here, you know it's still available, as it's on the site. The firm also advertises its cars using Auto Trader, which is how I found this Ford Focus. I particularly liked the price, and the seven-day guarantee provides fantastic peace of mind. Because you can reserve the car online for £100, that gives you time to look at the vehicle in the metal before you buy."



Emma Johnson, Featherstone, Staffs

Bought: 06-reg Nissan Micra for £4,481

"I'VE just passed my test, so this is my first car. My parents and I have been round loads of dealerships in the last fortnight and seen a lot of rubbish that isn't good value! We followed up on several adverts where a car was £3,995, but when we got to the showroom, there was nothing at that price. On Autoquake, all the pictures are on the website, including the service book and keys, which we really liked. We came to see the car, had a test drive, then reserved it so we had time to sort out the finance. A lot of my friends are looking to buy their first car, too, and I would definitely recommend Autoquake."



Eddie Slawinski, Wolverhampton, West Mids

Bought: 07-reg Peugeot 207 for £8,400

"THIS is the second car I've bought from Autoquake. I manage a small fleet and the experience I had with my initial purchase – I bought a Peugeot 207 then, too – was good enough to make me want to return. I saw this car on the website. It's nine months old and the price is lower than other potential buys I have sourced online, so I feel like I'm getting value for money. There was some confusion about whether I was able to test drive the car when I came to look at it, but that was soon sorted out. I will probably be back again."