

UK: Carzam reaches £20.5m turnover in 8 weeks after selling 1,600 used cars online

Automotive start-up plans to create 500 jobs



Cambridgeshire, Cambridge, Feb 17, 2021 ([Issuewire.com](https://www.issuewire.com)) - Carzam reaches £20.5m turnover in 8 weeks after selling 1,600 used cars online

- More than 1,600 cars have been sold at carzam.co.uk since December, as consumer preferences shift towards buying online
- Turnover has reached £20.5m
- Customers to date have spent an average of £12,800 on their car
- So far, 97% of customers have kept their car beyond the 14-day money-back guarantee period

Carzam has reached £20.5 million turnovers in just eight weeks since launching its online-only used car sales business.

More than 1,600 cars have been sold at Carzam.co.uk since December, as consumer preferences increasingly shift towards buying online.

The company is on track to achieve 20,000 vehicle sales and to turn over £250 million in its first year of trading. The company's headcount of more than 100 employees is forecast to expand in the coming

months.

Carzam was co-founded by automotive investor John Bailey, formerly president of Cox Automotive, and Peter Waddell, who remains CEO of Big Motoring World, a separate independent used car group specialising in BMW sales.

The pair assembled a team of industry experts to launch the business, along with more than 1,000 stock vehicles. They have continued to grow their stock volume in line with demand.

Peter Waddell said: “We are already disrupting the industry by offering a better way to buy a car. Carzam puts the customer at the centre. There is no ‘sell’ – the customer becomes their own salesperson. They retain full control. That’s how people are used to making a purchase now. There is no reason why the automotive industry shouldn’t keep pace with other parts of the online retail sector.

“The Carzam proposition is transparent, efficient, and has been built to deliver value to the customer. What could be more convenient than browsing at home and having your car delivered to your door the next day? It’s as straightforward as making a purchase from Amazon.

“Online sales will claim an increasingly large share of the 8 million used car transactions in the UK each year. We sold 1,000 cars in our first six weeks. That rate has continued to accelerate, and we have plans to quickly scale-up the business and grow our market share.”

Carzam customers search a growing inventory of cars with a gallery of 360-degree tours. Each car is safety checked and prepared to high standards before being dispatched from the company’s Peterborough preparation centre. Finance packages and part exchanges can also be arranged via the Carzam website. Delivery is contact-free and available within as little as 24 hours. Customers can return their car anytime within the first two weeks if they are not completely satisfied.

Carzam’s customers to date have spent an average of £12,800 on their car and the average age of the vehicles sold is 3.6 years. The fastest delivery time achieved was just over 22 hours from the order being placed. So far, 97 percent of customers have kept their cars beyond the two-week approval period.

Michael Buxton, Chief Financial Officer for Carzam, said: “Carzam was set up in response to the growing evidence of a change in buyer expectations. To ensure we remain competitive on price, we have created a business model that tackles inefficiencies in the wholesale market.

“For some time, we have seen consumers starting to shift to online channels. This situation was accelerated, rather than created, by the Covid-19 pandemic.

“New car sales have faltered with showrooms closed – a reported 40 percent year-on-year drop in January. Yet the value proposition and convenience of buying a used car online have caught the eye of the consumer.

“Attractive pricing can only be achieved by smart buying. Carzam has developed data-driven processes that determine the price we will pay for any car at any given time.

“Through our collective heritage in the industry, the Carzam team has the contacts to source cars which fit our customers’ needs at the right price. Increasing the volume of cars in our inventory is the next step as we grow.”

Carzam is currently talking to investors who have expressed an interest in its next funding round. In addition to increasing stock, Carzam will seek to expand its customer contact centre team and increase its capacity to process cars as they arrive.

A team of mechanics and finishers are scaling up their utilisation at the Peterborough preparation centre, where cars are safety checked and prepared for sale. Each vehicle undergoes the same rigorous checking process. A new MOT is carried out for any cars with fewer than eight months remaining on their current certificate.

Two new preparation centres are planned – one in the north, the other in the south of England – to increase Carzam’s national distribution capacity. Work will start on the first of the new sites later this year and it will open in early 2022. This will accelerate Carzam’s recruitment and could take the total number of employees to over 500.

The company has storage, distribution, and collection facilities in Corby, Northamptonshire, and Stratford, East London where cars are available for click and collect.

Peter Waddell said: “Consumers are comfortable with buying online from trusted retailers. Carzam has quickly established itself as a trustworthy source of used cars.

“We have created the most customer-centric model which is competitive, profitable, scalable, and offers a blueprint for the future of the used car industry in the UK.

“We will continue to refine the model through our customer feedback as we build on this early success, creating more jobs for the industry our entire team is so passionate about.”



Media Contact

Liberty PR Ltd

lisa@libertypr.co.uk

07752393125

Liberty PR, 39 The Point

Source : Carzam

[See on IssueWire](#)