

Tuesday, 23 June 2020

## Premium consumers offer a glimmer of hope to struggling car industry – Porsche tops the list

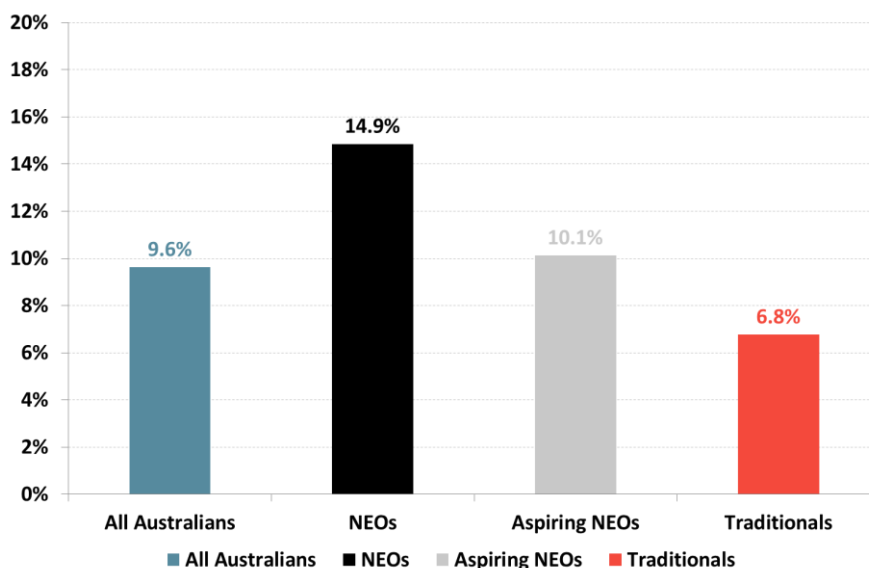
The latest analysis of Roy Morgan's automotive buying intentions data shows that Australia's premium consumers are set to drive new vehicle sales in the next four years.

According to Roy Morgan data a new economic order of premium consumers (NEOs) could breathe life into the nation's struggling car industry. One-in-seven NEOs (14.9%) intended to buy a new vehicle in the next four years during the March quarter 2020 – 54% above the comparable figure for all Australians (9.6%).

Australia's 5 million NEOs spend and invest more, and more frequently, than anyone else. They change and adapt so quickly; they are Australia's future shapers. It's no surprise, therefore, that they intend to buy new cars in the near term. And, notably, the top 50% of NEOs – known as Super NEOs – are almost 80% more likely than the average Australian to buy a new car in the next 4 years.

Conversely, Australia's 10 million traditional consumers are 30% less likely than the population to buy a new car in the next 4 years. Aspiring NEOs, with the NEO mindset but not the buying power, are more likely than Traditionals, but less likely than NEOs, to be planning to buy a car in the next four years.

### Intention to buy a New Car (Next 4 Years): Jan-Mar 2020



**Source:** Roy Morgan Single Source (Australia), January – March 2020, n=10,852. **Base:** Australians 14+

According to Roy Morgan CEO Michele Levine, NEOs buy cars not as status symbols to impress others, but rather as a whispered secret to themselves.

*"Porsche is the perfect example. NEOs are 80% more likely than the average Australian to buy a Porsche in the next 4 years, and that puts Porsche at the top of the premium list."*

*"NEOs are seduced more by the Porsche pedigree, design beauty, and authenticity than by the brand as a status symbol or statement of importance."*

**NEO Preferred Car Brands** (Index: calculated by the proportional difference in purchase intention between NEOs and all Australians)

- |                      |  |
|----------------------|--|
| 1. <b>Porsche</b>    | (NEOs 80% more likely than the population) |
| 2. <b>Audi</b>       | (76%)                                      |
| 3. <b>BMW</b>        | (70%)                                      |
| 4. <b>Volvo</b>      | (70%)                                      |
| 5. <b>Volkswagen</b> | (46%)                                      |

According to Ms. Levine, the new economic order of premium consumers constantly evolves. *“Australia’s 5 million NEOs are inconspicuous consumers who spend less on traditional products and more on creating emotional experiences; investing in brands and experiences that are authentic. NEOs change and adapt so quickly; they are Australia’s future shapers.*

*“NEOs represent a rare opportunity for vehicle brands to sell new cars in a market already in decline and decimated by the COVID financial crisis. And yet marketers in the passenger vehicle sector still tend to focus on Australia’s 10 million low-spending traditional consumers.”*

She believes it will be a two-speed recovery and that the fast lane is already being driven by Australia’s NEO consumers: *“The focus has been on the decline in new car sales in Australia over the past year, and it’s true they have declined on a monthly year-over-year basis for two years.*

*“However, this rear vision view ignores the positive news coming from the premium consumers who have a much higher new vehicle buying intention than all other Australians combined.*

*“In the wake of the COVID-19 shutdowns during March-April-May, new vehicle sales were always going to decline massively as Australians went into lockdown.*

*“Identifying the premium consumers who will recover first and fastest has therefore never been more important. It is the key to finding the fast lane to recovery in the post-recessionary period.”*

**Learn more about Roy Morgan Premium by visiting: [live.roymorgan.com/products/premium](https://live.roymorgan.com/products/premium)**

**For more information about Roy Morgan Premium and Roy Morgan’s extensive automotive data including the Automotive Report, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).**

## About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years’ experience in collecting objective, independent information on consumers.

## Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
50,000	±0.4	±0.4	±0.3	±0.2

## NEO Licence

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# Roy Morgan Premium

## Hyper NEOs

The most NEO of all consumers on the planet, there are 478,000 Hyper NEOs in Australia (that's the top 10% of NEOs). They are wealthy and 100% of them are in the Big Spender category. These are the NEOs that fuel every luxury brand in the world. But remember, they want to save the planet and need brands to stand for something wonderful.

## Super NEOs

Australia's Super NEOs are 3-times more likely than the average Australian to earn more than \$250,000pa; and 3-times more likely to spend it. They are the top 50% of NEOs – that's 2.4 million Australians. Like Hyper NEOs they are active with their money and spend it on experiences that make their hearts sing.

## NEOs

NEOs are inconspicuous consumers who spend less on traditional products and more on creating emotional experiences; investing in brands and experiences that are authentic. They want beauty, design, quality, rich information, authenticity, flexibility, provenance and choice. The 4.7 million NEOs living in Australia are creative, entrepreneurial and typically occupy professional and managerial roles.

## Aspiring NEOs

The NEO algorithm is mercilessly commercial. Consumers who have NEO attitudes and values but don't spend enough are classified as Aspiring NEOs. They might be teachers or young entrepreneurs or artists – or a thirty-something professional woman temporarily out of the workforce to have a child. There are 5.3 million Aspiring NEOs and they still spend more than the average Australian.

## High-Value Traditionals

Over on Planet Traditional are the other 10 million adult Australians. And the most valuable 10% of them can't be overlooked if you're selling premium or even luxury products. They are typically retired and living outside capital cities – a mix of traditional pastoralists and sea/tree changers. So, they might buy a Range Rover or a Rolex, but they won't be buying another one anytime soon.

## Traditionals

They are the flipside to NEOs. Traditionals, no matter their income or net-wealth, are reluctant spenders – and when they do, they like others to notice. They are obsessed by deals, discounts, product features, and status. Everyone wants the best price, but for a Traditional it starts and ends with price. Whereas for a NEO price is just the cost of falling in love. NEOs and Traditionals are polar opposites.

Learn more by visiting: [live.roymorgan.com/products/premium](https://live.roymorgan.com/products/premium)