

Friday, 2 February 2018

New vehicle buying intentions up 142,000

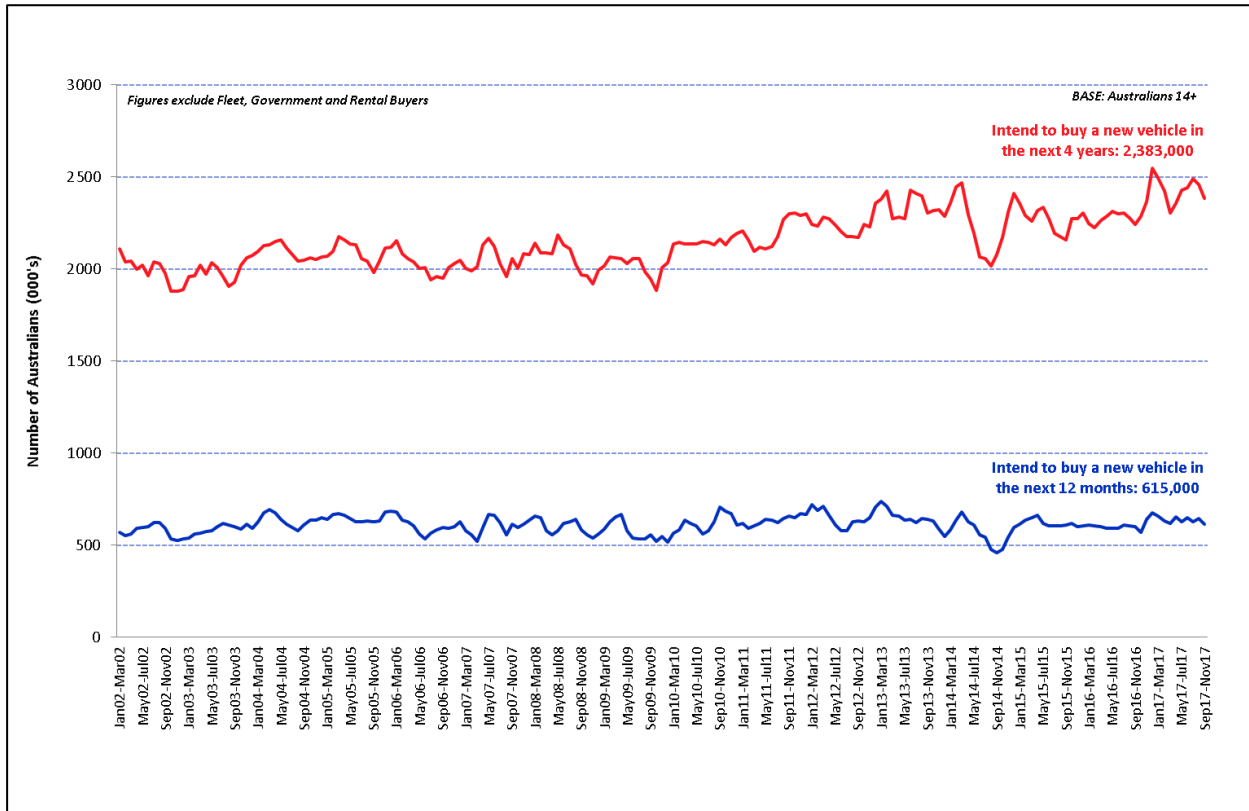
Some 2.38 million Australians intend to purchase a new vehicle in the next four years. This is an increase of 142,000 over the same period last year and has left intentions only marginally lower than the fifteen year high recorded in February 2017.

These results are from Roy Morgan's Single survey of over 50,000 consumers per annum. The latest data is for the three months ended November 2017 compared to the same period in 2016.

New vehicle intenders are more confident

New vehicle intenders continue to have a much higher level of consumer confidence than the population average. Over the November quarter, the consumer confidence for all Australians was 114.1, whereas those intending to purchase a new vehicle in the next four years had a much higher level with 122.8.

New Vehicle Purchase Intention: November 2017



Source: Roy Morgan Single Source (Australia), January 2002 - November 2017, 3 month moving average. Quarterly sample = 13,300 Australians 14+.

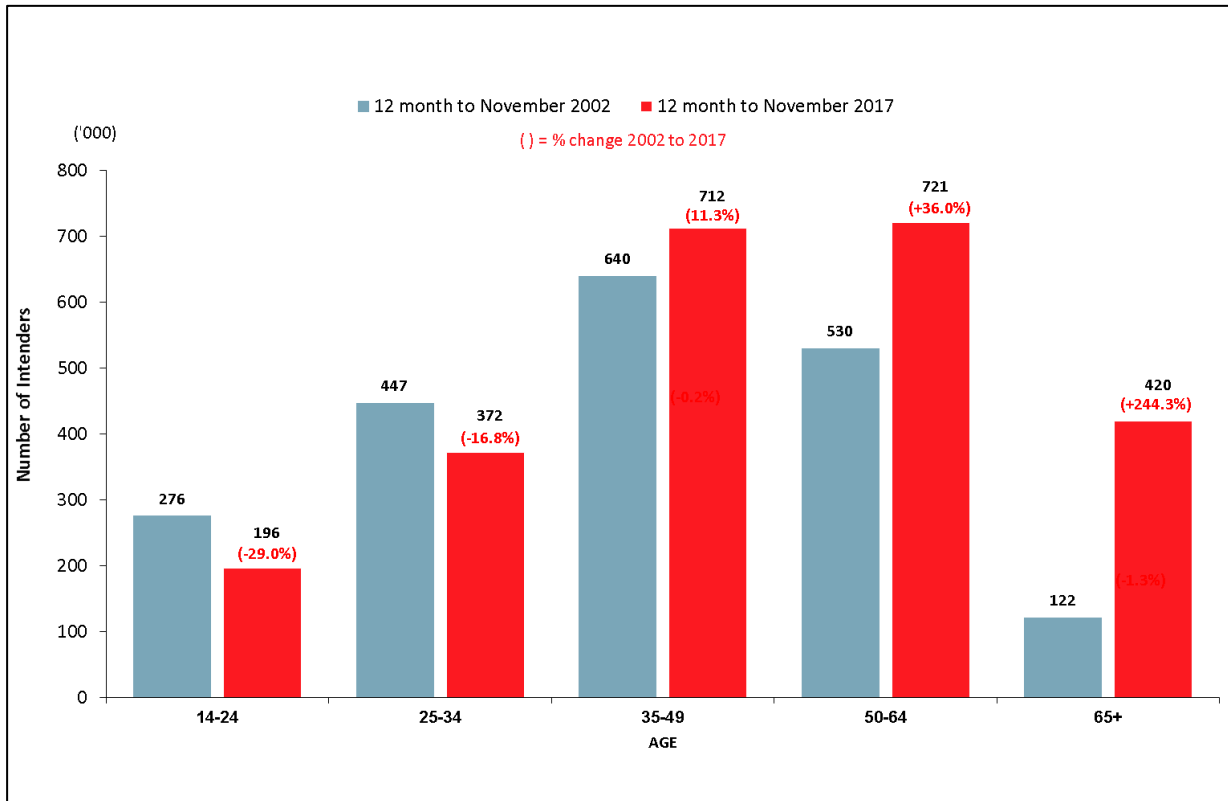
In addition to four year vehicle buying intentions being close to record levels, one year intentions are up by 13,000 (2.2%) over the same period last year to be currently on 615,000. Those intending to purchase in the next 12 months also had higher than average confidence.

FOR IMMEDIATE RELEASE

The over 50's the key to growth in new vehicle intenders

The long term trend shows that the four year new vehicle intention level for the 65+ age group had clearly the highest growth rate, increasing by almost 250% (to 420,000) since 2002. This age group now accounts for 17.3% of four year intenders, up from only 6.0% in 2002. The 50 to 64 age group showed the second highest growth rate, up 36% to 721,000 and account now for 29.8% of four year intenders. While the ageing of the population plays some part in this trend, the data shows that an increasing proportion of these older age groups intend to purchase a new motor vehicle.

New Vehicle Purchase Intenders in Next 4 Years by Age



Source: Roy Morgan Single Source (Australia), December 2001 to November 2002, n= 57,145; December 2016 to November 2017, n= 50,214
Base: Australians 14+.

The under 35 age groups have shown considerable declines in the number of intenders over the last 15 years. The 14 to 24 age group has shown a decline in intenders of 29% and the 25 to 34 age group a decline of 16.8%. These age groups are demonstrating less interest in purchasing new motor vehicles but they remain the highest intenders for used vehicles.

Norman Morris, Industry Communications Director, Roy Morgan says:

“Over the last decade or more, there has been considerable growth in the new vehicle market generated in part by higher confidence among buyers and reflected in recent record sales and buying intentions. The increase in the trend for new vehicle purchasing intentions that we have seen over the last 15 years has come mainly from the over 50's age group and in particular those over 65.

“The under 35 age groups on the other hand have shown a long term decline in new vehicle buying intention levels. This is likely due to a number of factors including competing priorities in areas such as travel, dining out, housing costs etc. and income related factors caused by unemployment and longer time spent in higher education. This group has not lost interest in motor vehicles as shown by their very high intention levels to purchase a used vehicle.

“With the speed of change taking place in this industry currently, particularly in areas such as electric cars, it is important to track consumers’ likely interest in these potential fuel changes. Currently, 37% of the population say that they would seriously consider purchasing an electric vehicle, up from 29% just one year ago. This is now not far below the level of interest in diesel with 45% and well ahead of LPG on 21%, both of which are showing downward trends. The changes in technology such as driverless cars and fuel preferences have the potential to impact rapidly on vehicle purchasing intentions as they can be regarded as major disrupters”

To learn more about Roy Morgan’s Automotive Currency Report, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

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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 70 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%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

