

Friday, 31 August 2018

Asian Millennials an important part of automotive market

Australians born in Asian countries comprise 11% of the Australian population, up significantly from around 4% 20 years ago, and are now a larger share of the population than Australians born in the UK/Ireland (6%) and the rest of Europe (3%) – both are down significantly as proportions of the population over the last 20 years.

The driving force behind the increase in the Asian-born population in Australia is migration to Australia of particularly younger Asians such as Millennials. Now one-in-five Millennials in Australia were born in Asia more than double the comparable figure from ten years ago of 9%.

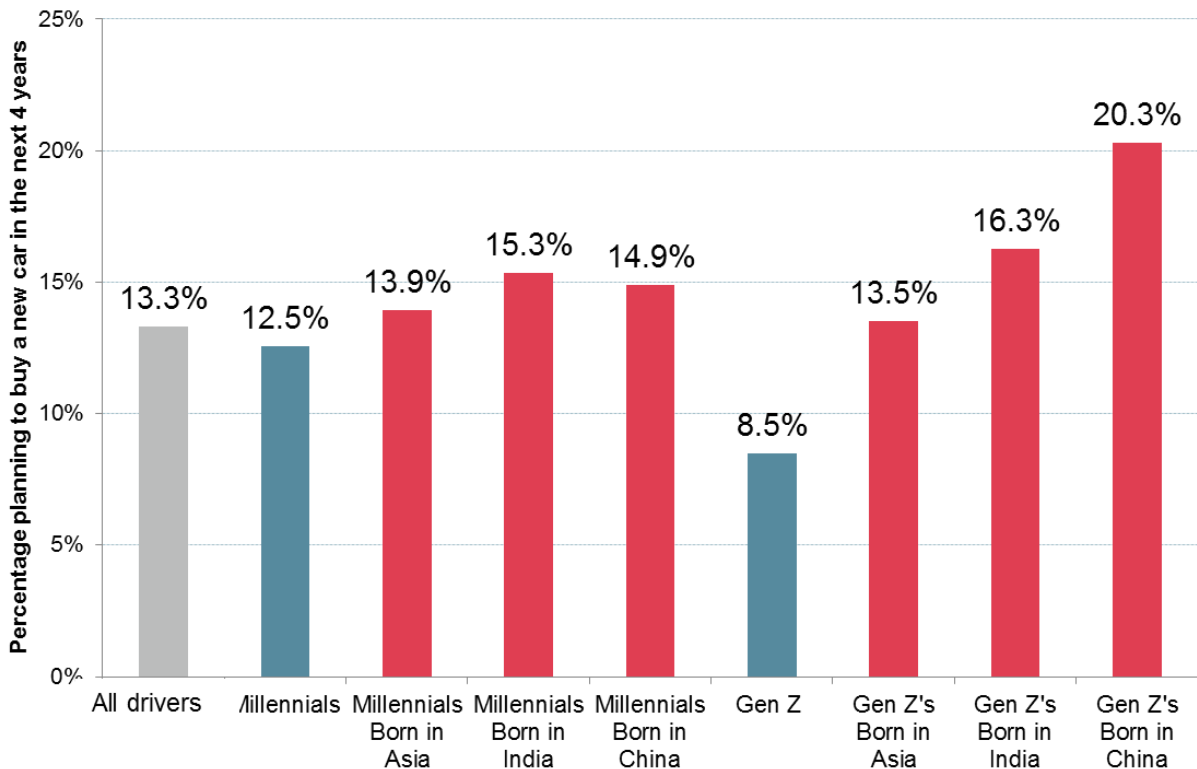
In particular Asian-born Millennials, and their younger cohorts, Asian-born Gen Z Australians, are clustered heavily in Australia's largest cities of Sydney and Melbourne – home to around 40% of Australia's overall population.

Close to one-in-three (31%) Millennials in Sydney and Melbourne were born in Asia and almost one-in-four (23%) of Gen Zs in Australia's two biggest cities were born in Asia. Analysing both cities on a more granular level shows significant clustering of Asian born Millennials in certain suburbs.

There are further details on the composition and habits of Australia's Asian-born Millennials [available to view here](#) but today we take a look at the impact this community is having on Australia's automotive market.

Overall just over 13% of Australians who currently drive plan on buying a new car in the next four years and this is higher than the comparable figures for both Millennials (12.5%) and Gen Z (8.5%).

Current drivers' new car buying intention in the next four years



Source: Roy Morgan Single Source (Australia) June 2016 – May 2018. **Base:** Australians aged 14+ and currently drive, n=83,064.

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Importantly for automotive brands seeking an edge in a competitive market Asian-born Millennials and Asian-born Gen Zs in Australia whether born in China, India or elsewhere in Asia are more likely to plan to buy a new car in the next four years than the average Australian in these generations.

Nearly 14% of Millennials born in Asia plan to buy a new car in the next four years and these figures increase when focusing on Millennials born in China (14.9%) and Millennials born in India (15.3%) compared to the 12.5% of all Millennials.

There is an even more pronounced difference for Gen Z.

Now 13.5% of Gen Z born in Asia plan to buy a new car in the next four years and this rises to 16.3% of Gen Z born in India and over a fifth (20.3%) of Gen Z born in China. This is clearly more than double the rate of Gen Z as a whole of 8.5%.

Asian-born Millennials yet to decide what type of new car they want to buy

Asian-born Millennials may be more likely to plan to buy a new car in the next four years, but they are also far more likely to be undecided as to what type of vehicle they want to buy creating a large opportunity for automotive brands to target.

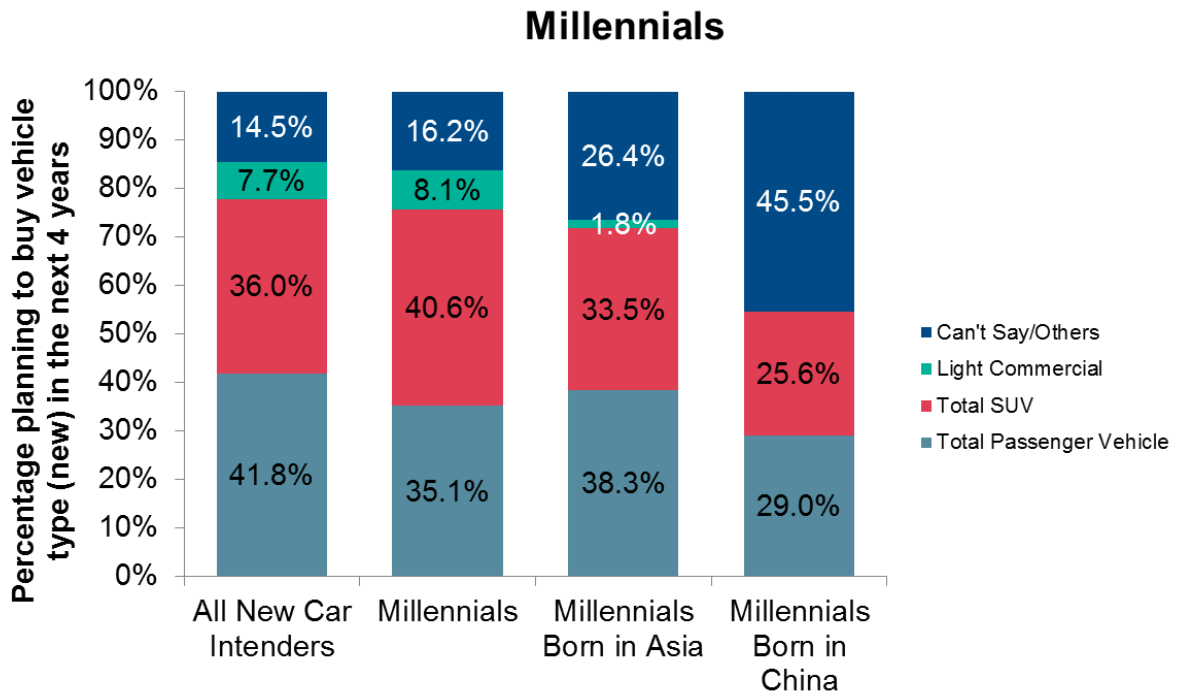
Only 14.5% of all new car intenders and 16.2% of all Millennials are undecided on what type of new vehicle they plan to buy. However this rises to 26.4% of all Asian-born Millennials and nearly half (45.5%) of Chinese born Millennials can't say what type of new vehicle they plan to buy.

Asian-born Millennials also stand out from other Millennials by planning to buy passenger vehicles in preference to buying SUVs or light commercial vehicles.

Among those intending to buy a new car in the next four years nearly half of Millennials (48.7%) plan to buy either an SUV (40.6%) or a light commercial vehicle (8.1%) compared to just over a third of Asian-born Millennials (35.3%) and only a quarter of Chinese-born Millennials (25.6%).

Asian-born Millennials, and particularly Chinese-born Millennials favour different manufacturers and brands than the average Australian Millennial.

Types of new cars Millennial car drivers plan to buy in the next four years



Source: Roy Morgan Single Source (Australia) June 2016 – May 2018. **Base:** Australians 14+ and intend to buy a new car next 4 years n = 11,035.

Michele Levine, CEO, Roy Morgan, says car companies looking for an edge on their competitors would be well-advised to closely examine the fast growing market of young Asian-born Australians:

“Millennials attract a considerable amount of media attention these days and it’s no wonder given the generation born between 1976-1990 is moving into their prime purchasing years now aged between 28-42. As we explored previously Millennials as a generation in Australia are profoundly impacted by immigration like no other generation before – [more details on that phenomenon here](#).

“The take-out from the impact of this immigration is that while around 11% of Australians of all ages are now born in Asian countries this rises to 21% of Millennials and close to one-in-three (31%) of Millennials living in Australia’s two largest cities of Sydney and Melbourne.

“The most prominent originating countries for Asian-born Millennials are the two most obvious – China and India – and these communities are becoming more and more important for advertisers and brands to understand and target with tailored advertising – particularly for industries undergoing significant competitive pressures such as Australia’s automotive industry.

“The Australian automotive market has undergone a profound shift in recent years with the closure of large-scale local automotive manufacturing and this means precisely identifying and targeting your potential consumers is more important than ever to improve new car sales.

“Extensive qualitative and quantitative Roy Morgan surveys of automotive buying habits shows that Asian-born Millennials, and Asian-born members of the younger Gen Z are much more likely to want to buy a new car than the average Australian in these two key generations.

“This contrast is particularly pronounced amongst members of Gen Z. Now 20.3% of Chinese-born members of Gen Z and 16.3% of Indian-born members of Gen Z who currently drive plan to purchase a new car in the next four years compared to only 8.5% of Gen Z as a whole. The numbers for Millennials also skew higher for Asian-born members of that generation although not to the same degree.

“Asian-born Australians are looking to buy cars such as Toyotas, Volkswagens, Audis, BMWs and Hyundai’s – all popular choices for young Asian Australians – although priorities differ depending upon whether we look at Chinese-born, Indian born or Asian-born in general which brings in immigrants from countries such as Pakistan, Malaysia, Indonesia, the Philippines and elsewhere.

“To learn more about the in-depth data Roy Morgan has on key segments of the Australian population based on over 50,000 face-to-face interviews with Australians of all walks of life don’t hesitate to be in contact at your earliest convenience.”

To learn more about Roy Morgan’s data on Millennials and the latest automotive data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Learn more about the detailed profiles available on the [Roy Morgan Online Store](#) which provide a detailed understanding of their demographics, attitudes, activities and media usage.

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

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