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SUVs drive growth in new car market (and size matters)

It may not always be about either sport or utility, but Australia's appetite for SUVs continues to grow—although bigger is no longer best, Roy Morgan Research shows. Medium SUVs are now more popular than Large SUVs among new car buyers, with the Mazda CX-5, Toyota RAV4 and the new, upsized third-generation Hyundai Tucson the big winners.

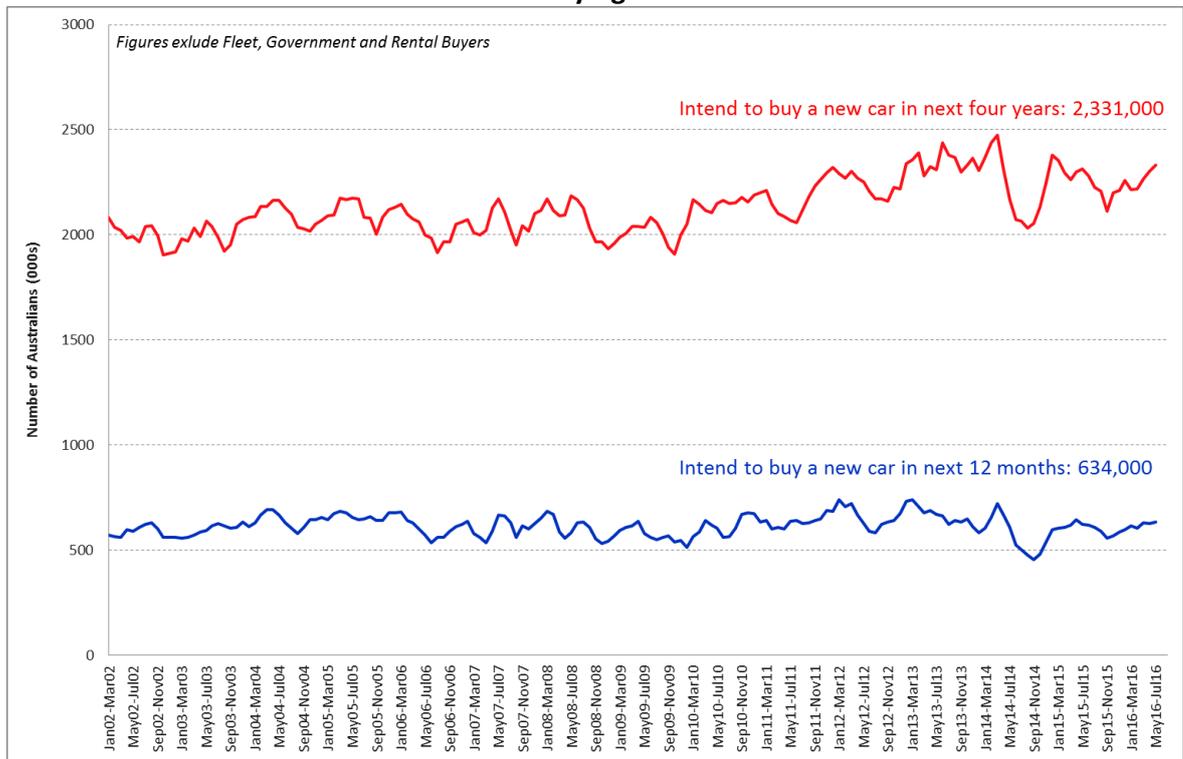
885,000 Australians now intend to buy an SUV in the next four years – up almost 20% compared with a year ago. The rising demand for SUVs has helped the overall new car market recover to its highest point since March 2015.

2,331,000 Australians now intend to buy a new vehicle in the next four years. This includes 634,000 buyers with a more urgent desire take the keys within next 12 months.

Both these short- and medium-term intentions are on an upward trend, fully reversing a decline over the second half of 2015.

FOR IMMEDIATE RELEASE

New car buying intentions



Source: Roy Morgan Single Source (Australia), January 2002 – July 2016, average quarterly sample n=13,379
Australians 14+ rolling monthly

Among the automotive brands that look set to benefit most from the rising intention over the next four years are Toyota (the make of choice for an additional 70,000 intenders compared with a year ago), Hyundai (up 37,000), Mitsubishi (up 28,000), Nissan (up 27,000) and BMW (up 24,000).

Jordan Pakes, Industry Director – Automotive, Roy Morgan Research, says:

“Car buying intentions have continued to improve with 11.8% of the population (14+) intending to buy a new car in the next four years (equating to 2.33 million people). Total SUV intentions are driving much of the recent growth, with 885,000 people looking to buy an SUV in the next four years – an increase of 142,000 compared with July ‘15.

“When looking at which SUVs are driving the growth over the last 12 months, the number of people in the market for a Medium SUV < \$60k has increased by 64,000 to 286,000. This segment has now moved ahead of Large SUV < \$70k as the most intended SUV segment.

“At a model level within the Medium SUV segment – Mazda CX-5 leads the way with 71,000 potential buyers (+15,000 over the last 12 months), while the Toyota RAV4 has closed the gap with an additional 20,000 Australians looking to buy a RAV-4 compared to July ‘15. The other big segment mover over the last 12 months was the recently launch Hyundai Tucson – with 20,000 people looking to buy one in the next four years.”

For comments or more information about Roy Morgan Research’s automotive data, please call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research 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
7,500	±1.1	±1.0	±0.7	±0.5
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