

Friday, 24 May 2019

Slowdown in new vehicle buying intentions but increasing interest in Hybrids

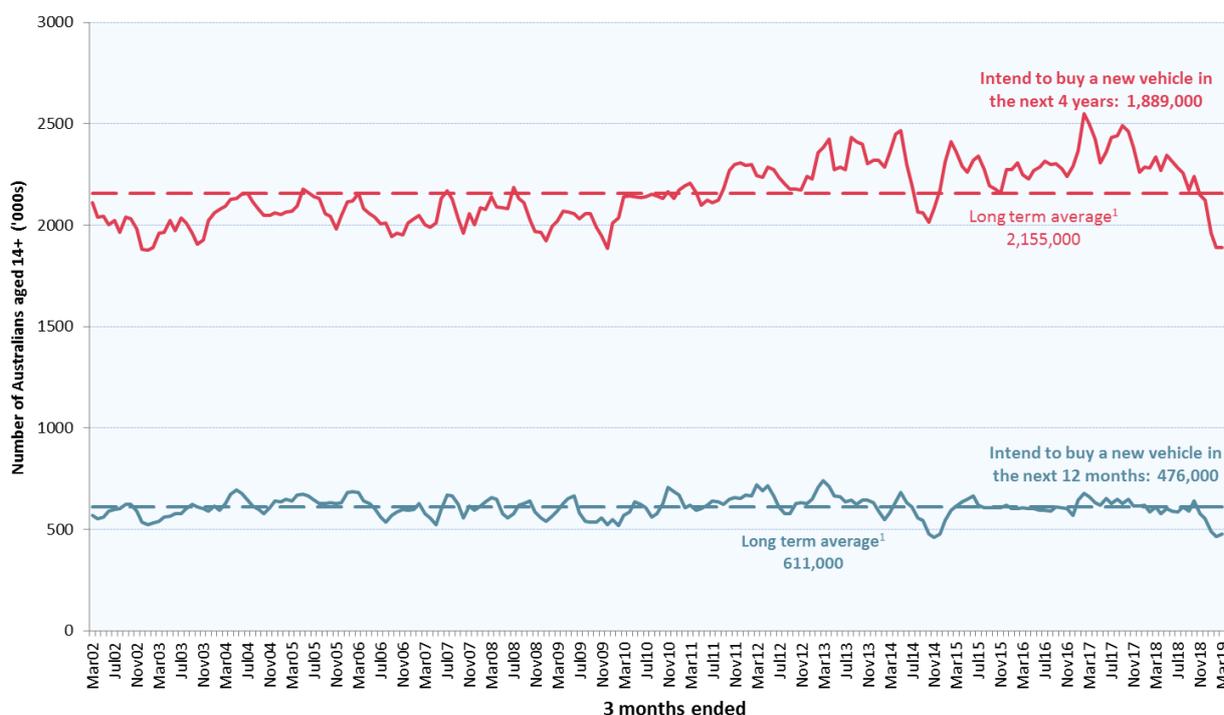
A new report from Roy Morgan, 'Automotive Currency Report, March 2019', shows that in the March quarter 2019, 1.889 million Australians said they intend to purchase a new vehicle in the next four years, down by 435,000 or 19.1% from the same time last year. This level is also well below the 17 year long term average of 2.155 million. Although intentions are well down an increasing proportion of intenders say that their next vehicle is most likely to be a hybrid, up to 10.1% from 5.6% a year ago.

These are some of the latest findings from Roy Morgan's '[Automotive Currency Report](#)'. This report is based on data collected from Roy Morgan's Single Source Survey (Australia) which is from in-depth personal interviews conducted face-to-face with over 50,000 Australians per annum in their homes. The latest data presented here is for the three months ended March 2019.

Short and long term buying intentions down

In addition to weakening year on year levels of vehicle buying intentions (down 19.1%), one year intentions are down by 136,000 (22.2%) over the same time last year. Currently, 476,000 intend to purchase a new vehicle in the next 12 months, well down from the 612,000 last year and the long term average of 611,000. These low intention levels are a further indication that 2019 is looking not looking positived for new vehicle sales.

New Vehicle Purchase Intention



Source: Roy Morgan Single Source (Australia), January 2002 - March 2019. 3 month moving average. Average 3 month sample n = 13,247
 Base: Australians 14+ 1. Long term average January 2002 - March 2019

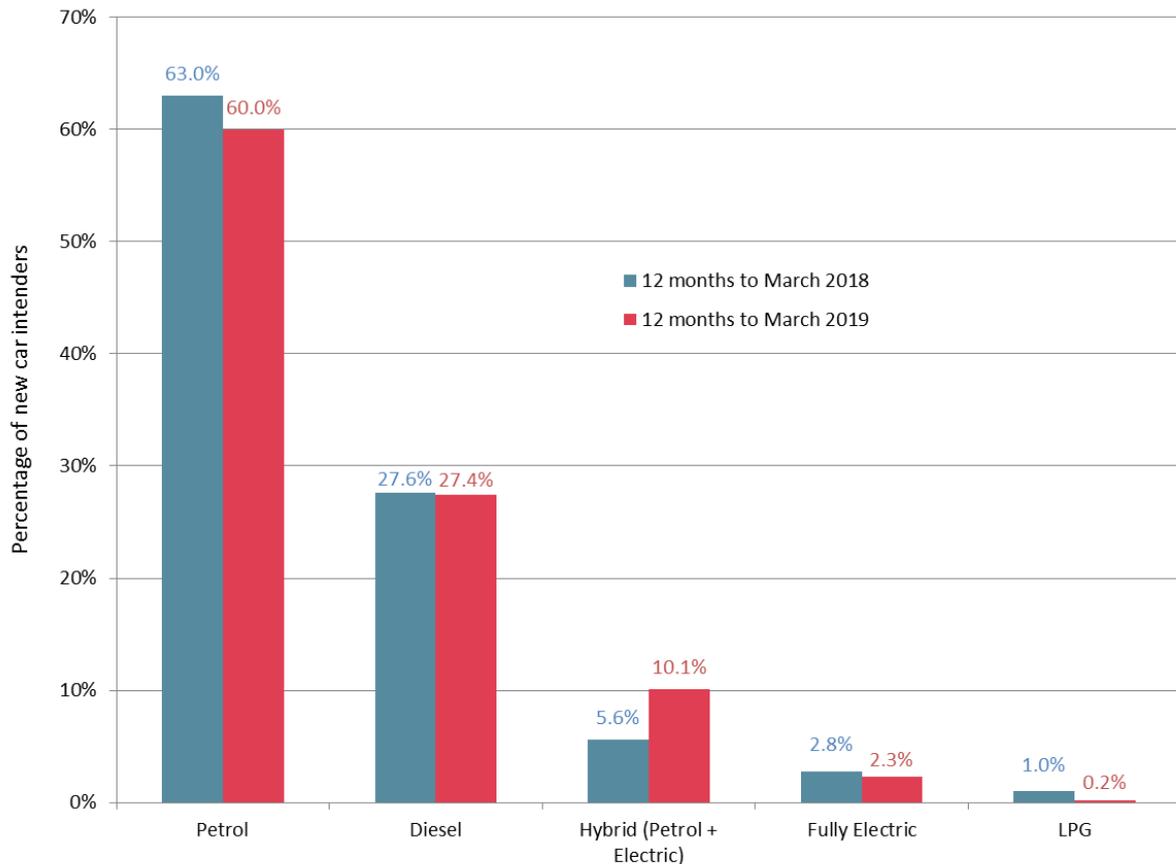
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Increased interest in hybrid vehicles

Among those intending to buy a new vehicle in the next four years, there is an increasing level of interest in hybrid vehicles. Hybrids are now the most likely engine type considered by 10.1% of those intending to purchase a new vehicle in the next four years, up from 5.6% a year ago.

The following chart shows that all other fuel types apart from hybrids have shown declining preferences over the last year, with petrol showing a drop of 3% points (to 60%), LPG down 0.8% points (to 0.2%), fully electric down 0.5% points (to 2.3%) and diesel down 0.2% points (to 27.4%).

Most likely engine type of new vehicle- New Vehicle Intenders (4 years)



Source: Roy Morgan Single Source (Australia), April 2017 - March 2018; n = 899

April 2018 - March 2019; n = 899.

Base: Australians intending to purchase a new vehicle within the next 4 years

Norman Morris, Communications Director, Roy Morgan says:

“Over recent years there has been considerable growth in the new vehicle market but this is now showing a potential decline and is facing a number of real challenges. There is currently some concern about the slowing economy, lack of wage growth, energy price escalation and declining home values. In addition to these potential economic constraints on new vehicle demand, the rapidly changing technologies with the resultant fuel choice decisions adds to the complexity of decision making in this market.

“We are now also seeing the early stages of major trends in this market identified in the 2017 Roy Morgan [‘State of the Nation-Spotlight on Automotive & Urban Mobility Report’](#). This report predicted that the new vehicle market was also likely to face major market disruption with trends away from personally owned and driven cars, shared driving or pooling, driverless cars, shared driverless cars and the rapid growth of Uber and similar ride sharing options.

“This research has highlighted the need to understand the generational differences in likely fuel choice as the market changes. For example the early adopters of changing vehicle fuels are most



likely to be millennials as they appear to be more likely to move away from the traditional petrol engine cars.

“Only a small part of what we have been collecting over many years on a wide range of automotive data across all major manufacturers has been used in this release. To find out more on what is available just ask us.”

To learn more about Roy Morgan’s banking satisfaction data and NPS, 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

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