CarExpert.com.au iQ

The Road to Purchase 2025

An overview of the Australian new car buyer

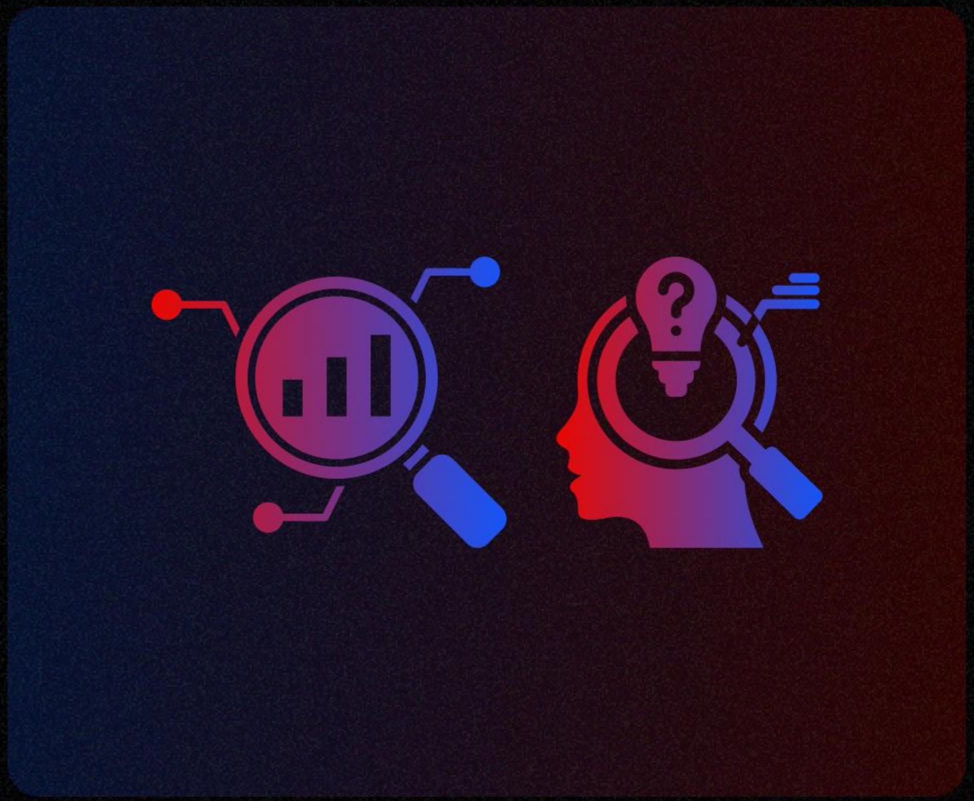
Overview & key insights

Kirsten Riolo - Nielsen

Research Methodology

Independent research

Commissioned by CarExpert, run by independent research house, 'Nielsen'



Qualitative & Quantitative

In-depth quantitative survey with additional qualitative questions

1000+ National Sample

Nationally representative sample to ensure gender, age, income and geography match the broader population

Who is the new car buyer?

International travellers

1.6x more likely to travel overseas. 52% indicate they have travelled or are planning to travel internationally within 12 months.

High earners

32% higher income than Used Car Buyers and are 1.5x more likely to have a household income greater than $150k.

26% more likely to have recently bought or sold a house

15% indicate they have bought a house in the last 12 months, 7% indicate they have also sold a house.

More likely to regularly renew their vehicle

56% expect to own their vehicle for under five years.

New car buyers are often repeat buyers

Regular buyers

~1 in 5

Buy a new car every few years

and 1 in 8 already own another vehicle

Ownership duration

56%

Intend to own for under 5 years

Brand loyalty

>2x

More likely to buy a brand they already own

The road to purchase is long and considered

But significantly shorter year-on-year as wait times subside

3.2
Months
Average research duration
↓ **-14%** YoY

1.7
Months
Average delivery wait
↓ **-39%** YoY

4.9
Months
Average journey length
↓ **-25%** YoY

The road to purchase

How we've broken down the new car buying journey

Interest
I'm starting to think about buying a new car

Research
I'm informing my needs and wants

Shortlist
I'm comparing and analysing my top picks

Enquiry
I'm test driving, seeking deals and making a final decision

Purchase
I'm buying my new car

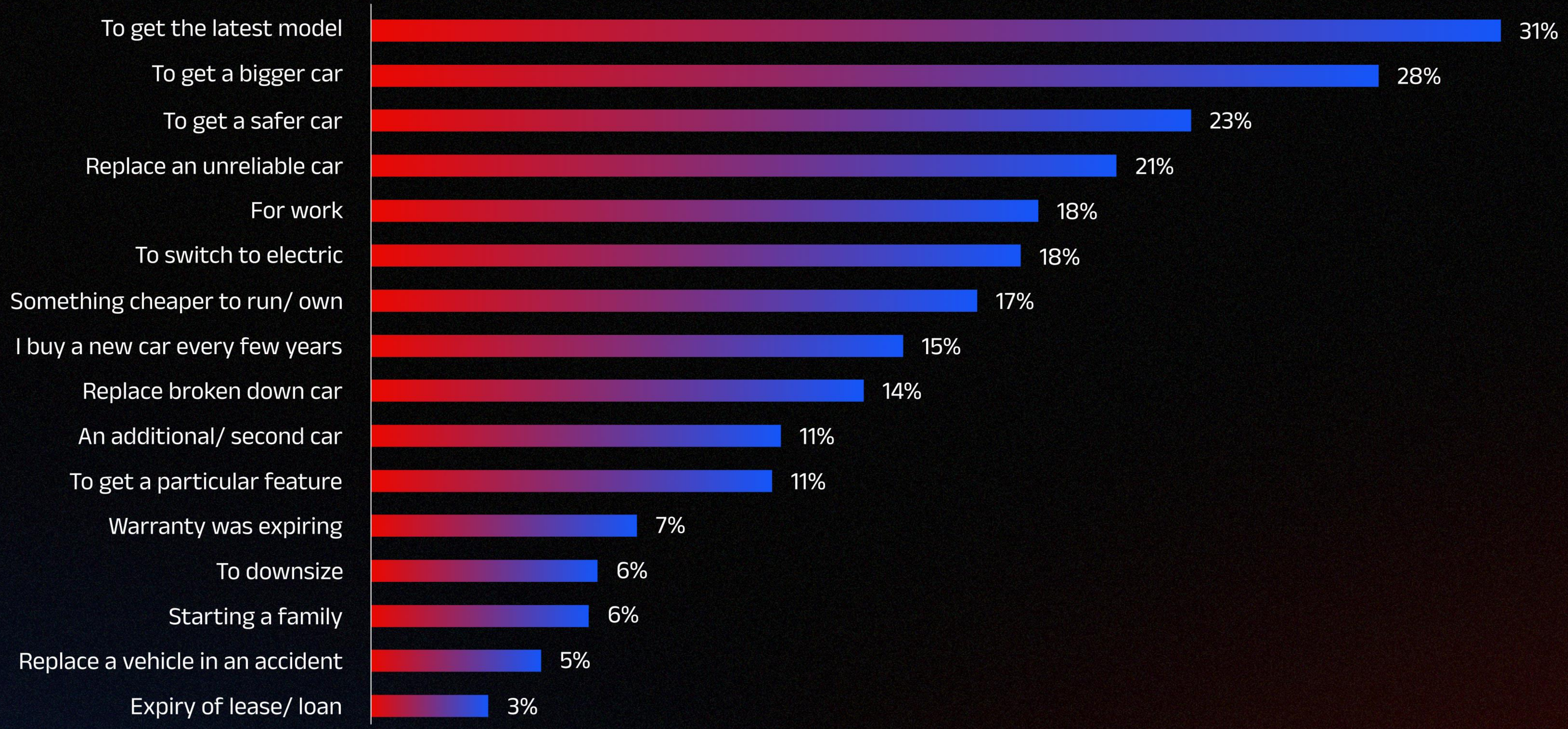
Post-purchase
I'm taking delivery & making it my own

Interest

“I’m starting to think about buying a new car”

Which do you feel best describes why you need(ed) a new car?

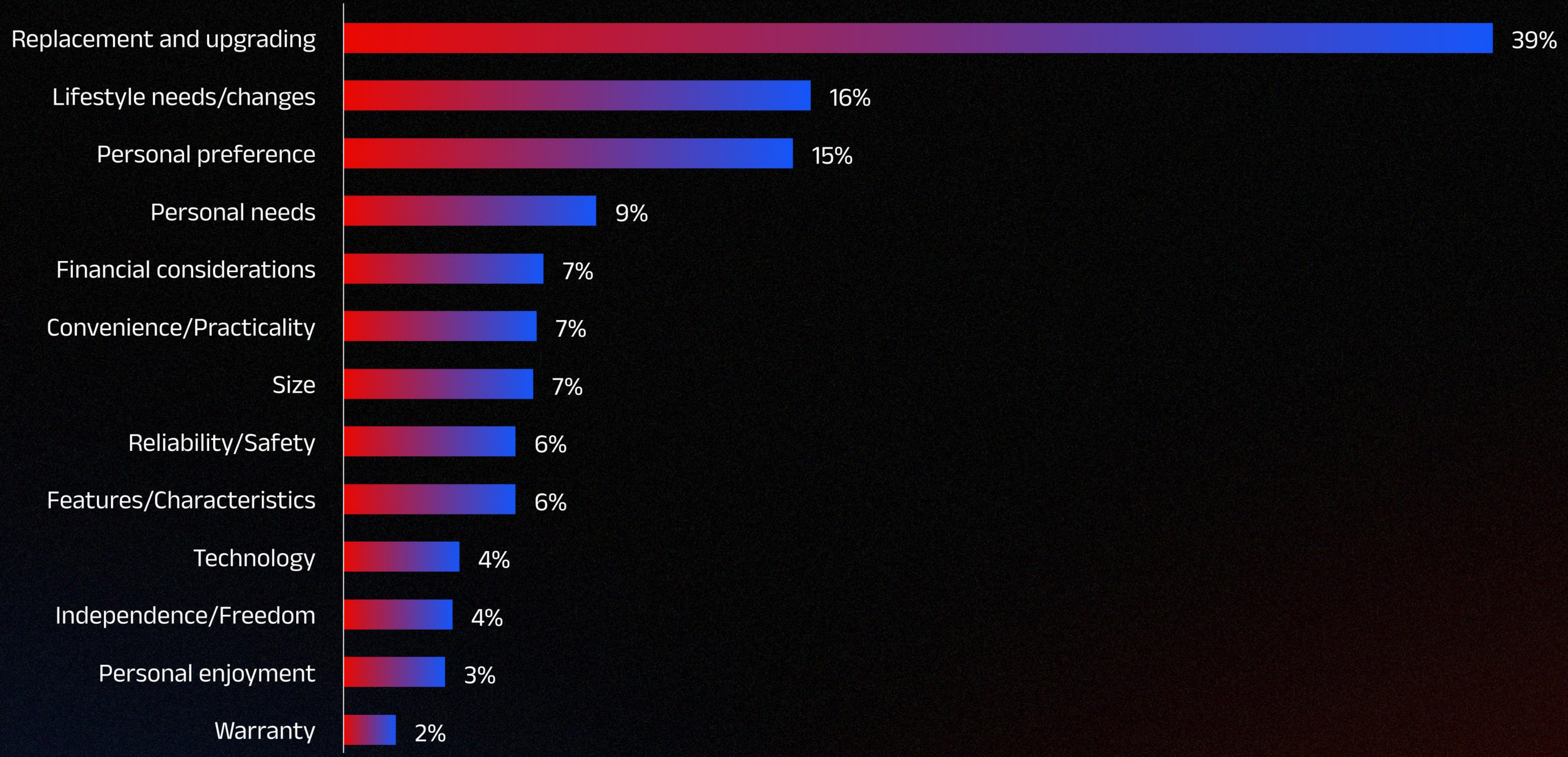
Functional requirements, life stages and periodic repeat purchases are key triggers



n = New Car Buyers/Intenders (830)

What motivated you to buy/consider a new car?

Ultimately, it comes down to replacement.



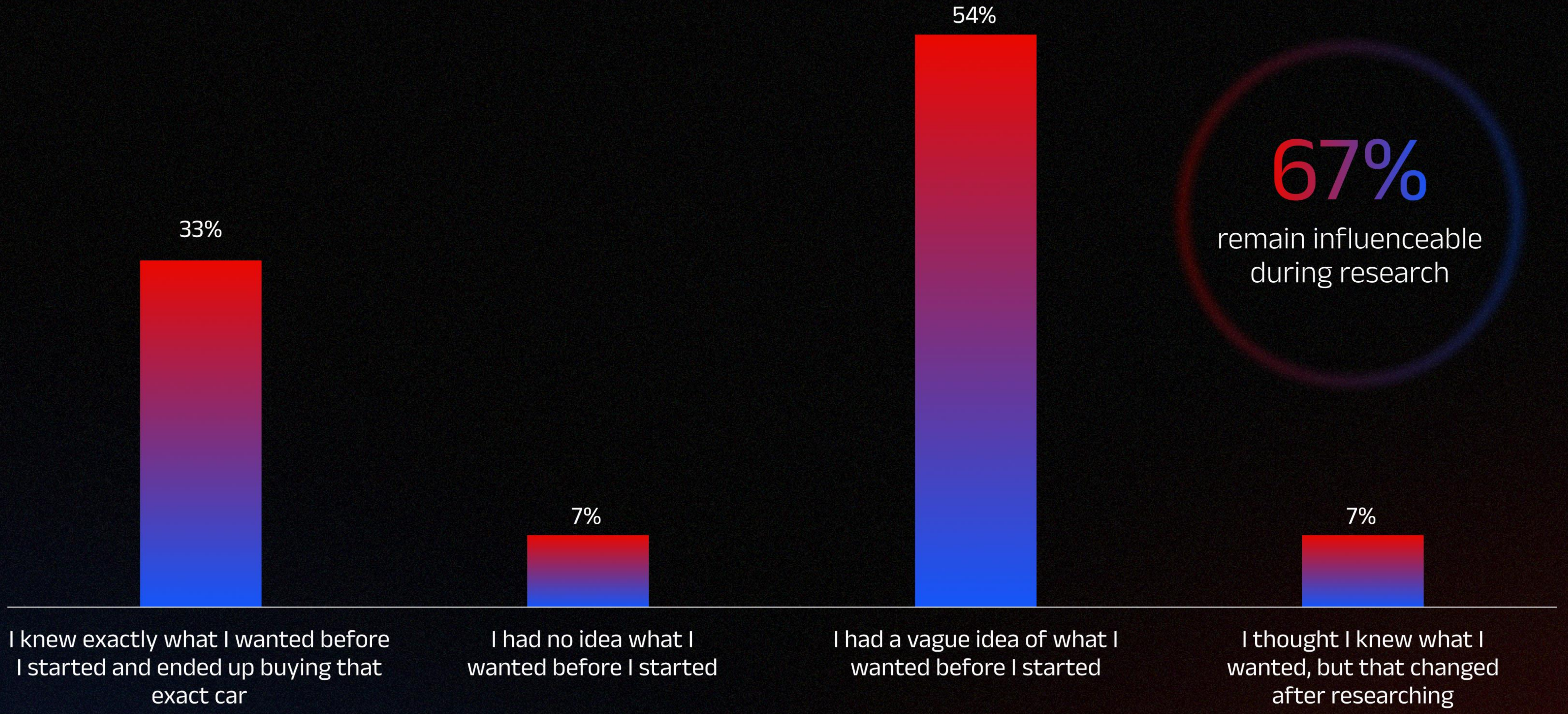
n = New Car Buyers & Intenders (830)

Research

“I’m informing my needs and wants”

2 in 3 new car buyers start the research process without knowing what they want

Question: Before you started your research process, which best describes how you felt when buying a new car?



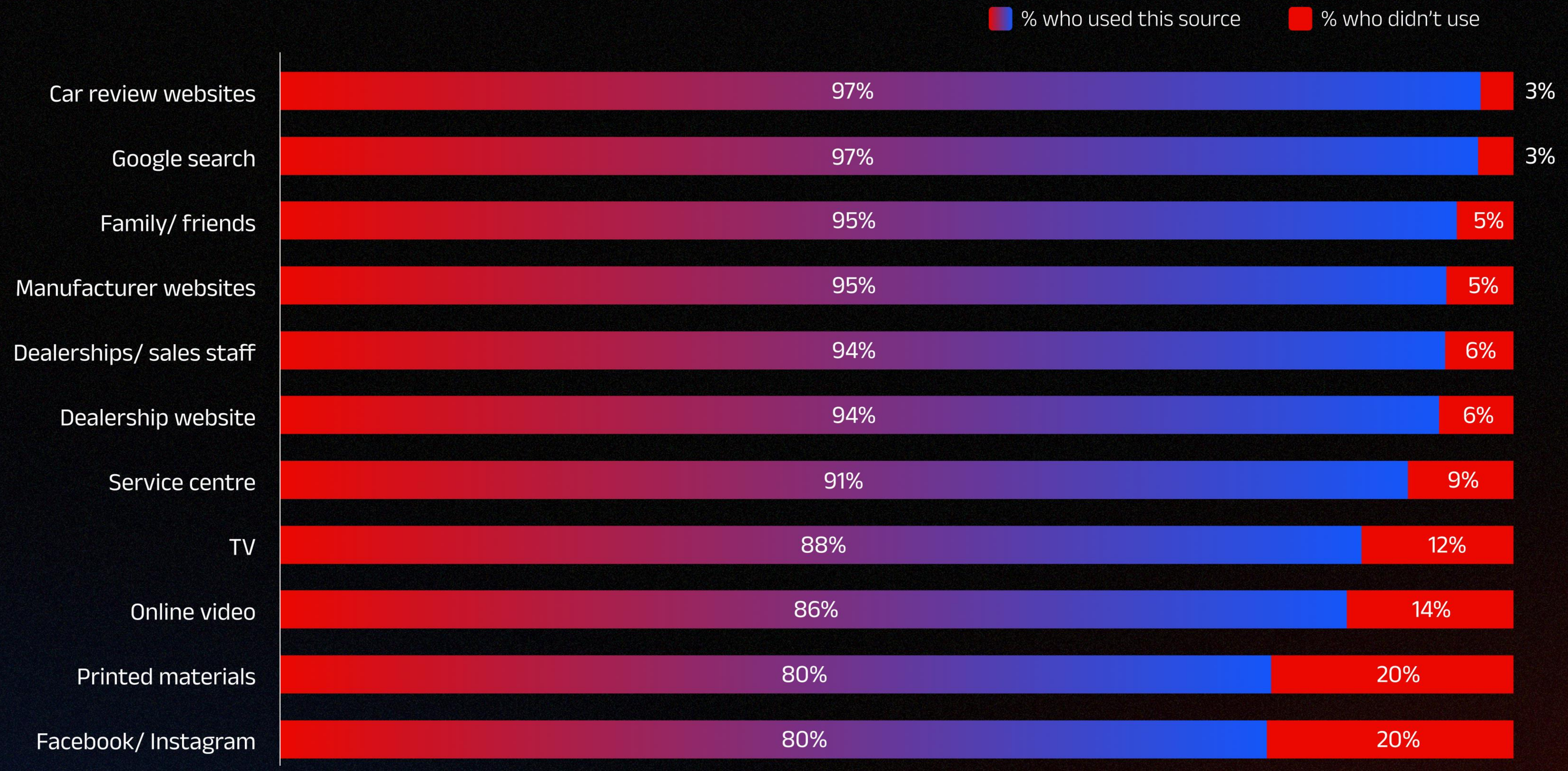
n = New Car Buyers (414)

Research Duration: consumers expect to spend 37% more time informing their decision than they end up taking

Expectation (intenders)	Reality (buyers)	Average research duration
3.7 Months	2.7 Months	3.2 Months
		↓ -14% YoY

Buyers are turning to a broad array of sources to inform their purchase decision

Information sources used in the research phase



n = New Car Buyers/Intenders (830)

Car Review Websites remain the most used, trusted and influential

26pp more usage, 20pp more trust, 31pp more influence than next highest information source.

Q
1. Thinking about all the different sources and pieces of information you've used as part of your research process, please rank the top 3 in order of how much you use/ used them
2. And looking at that same list, which do you trust the most for your information?
3. And how influential were/are these sources when it comes to making a decision about which car to purchase?

n = New Car Buyers/ Intenders (830)

Shortlist

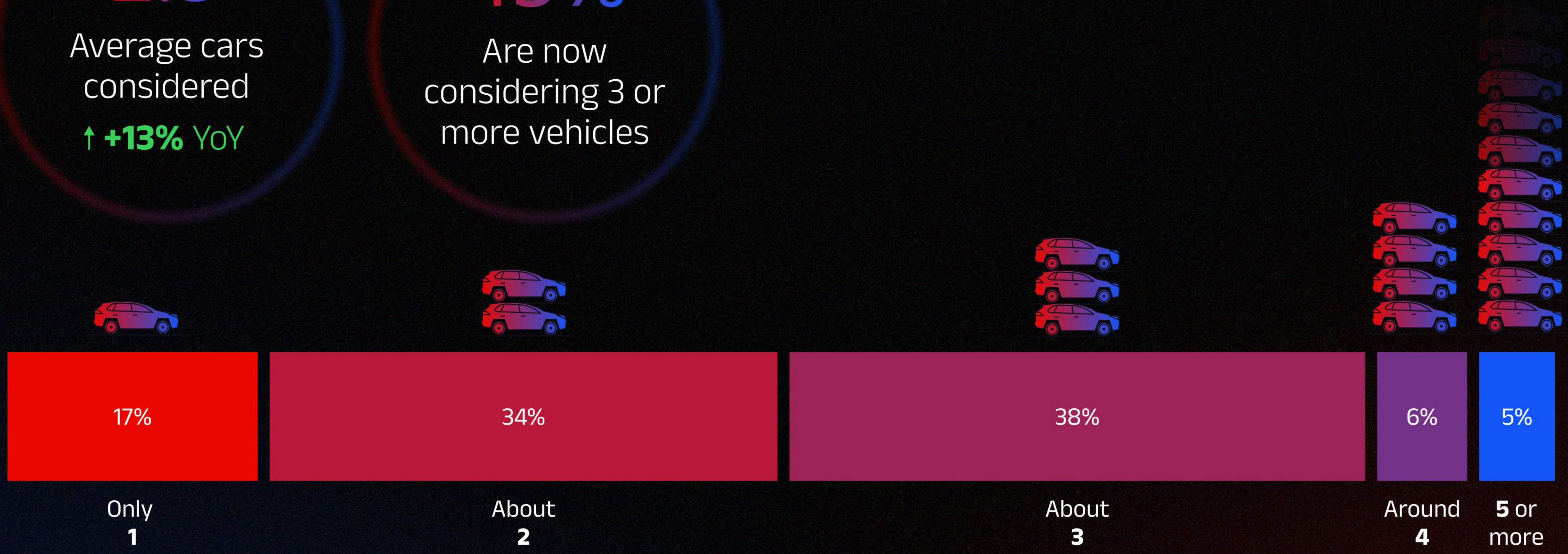
"I'm comparing and analysing my top picks"

How many different brands / models were you considering?

Vehicle shortlists are longer than ever, despite a contraction in research duration

2.9
Average cars considered
↑ **+13%** YoY

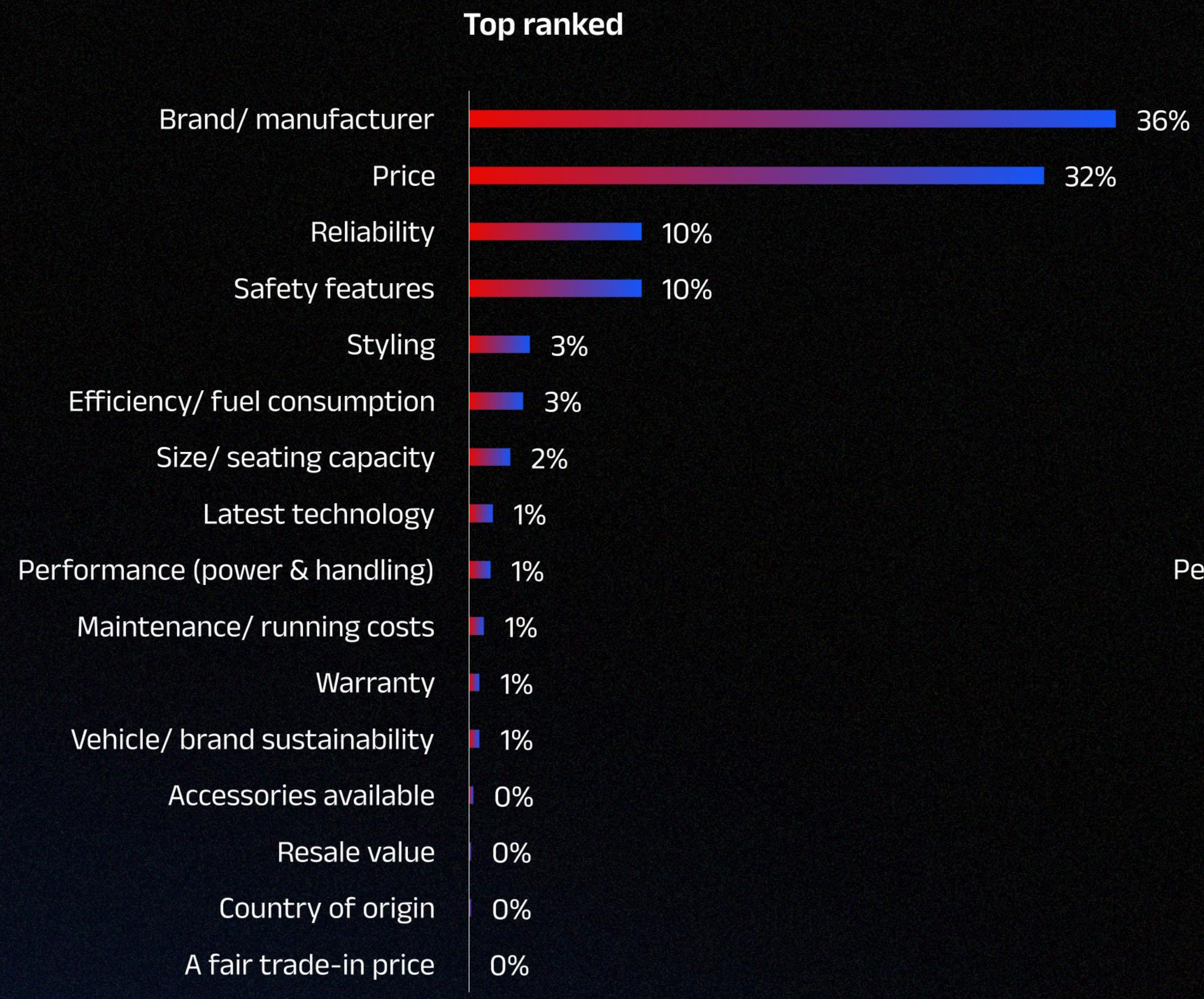
49%
Are now considering 3 or more vehicles

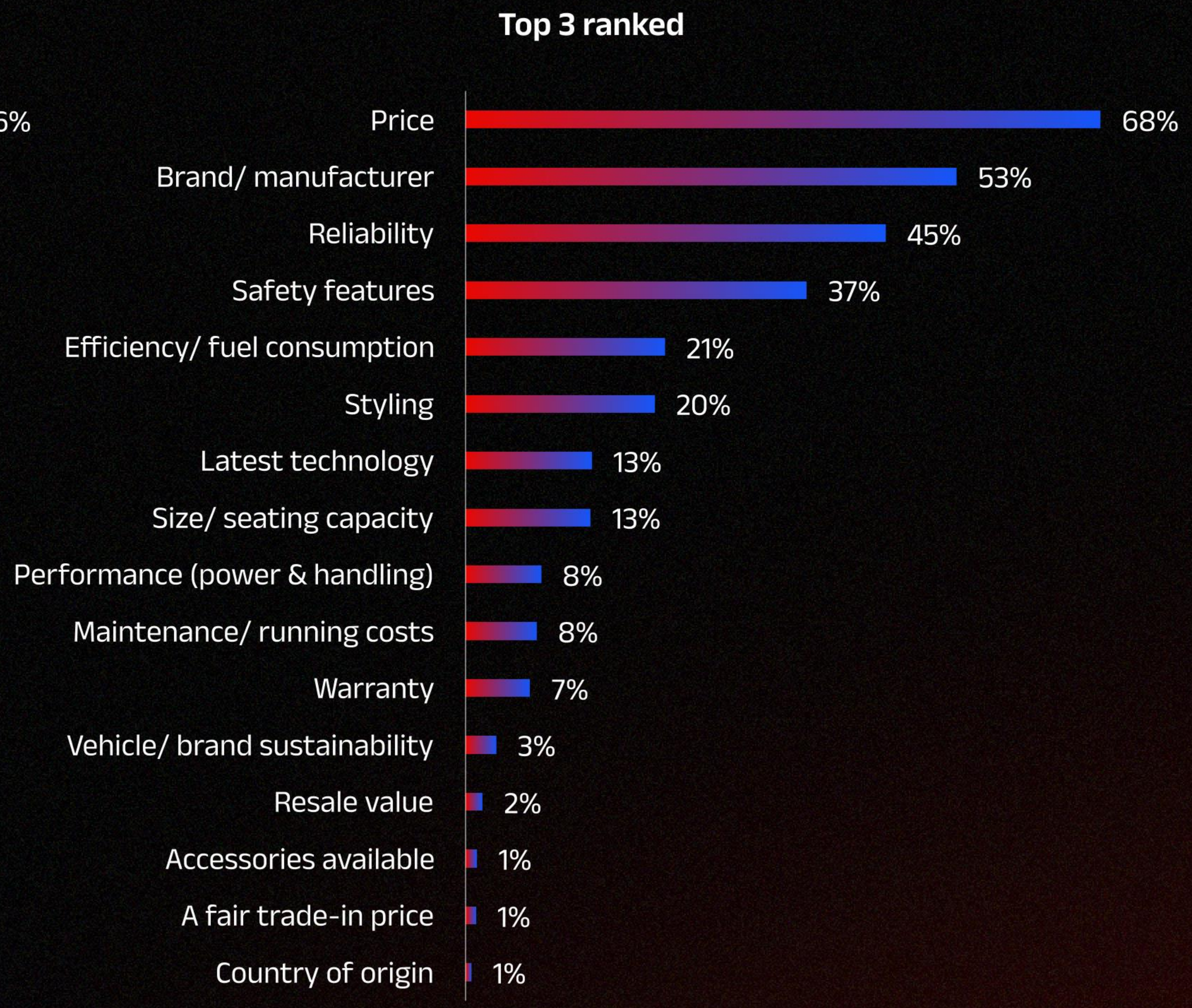


n = New Car Buyers and Intenders (830)

What is most important to you when buying a new car?

Brand, price and reliability are the most important factors when buying a new car. Safety, efficiency and styling round out the highest ranked.





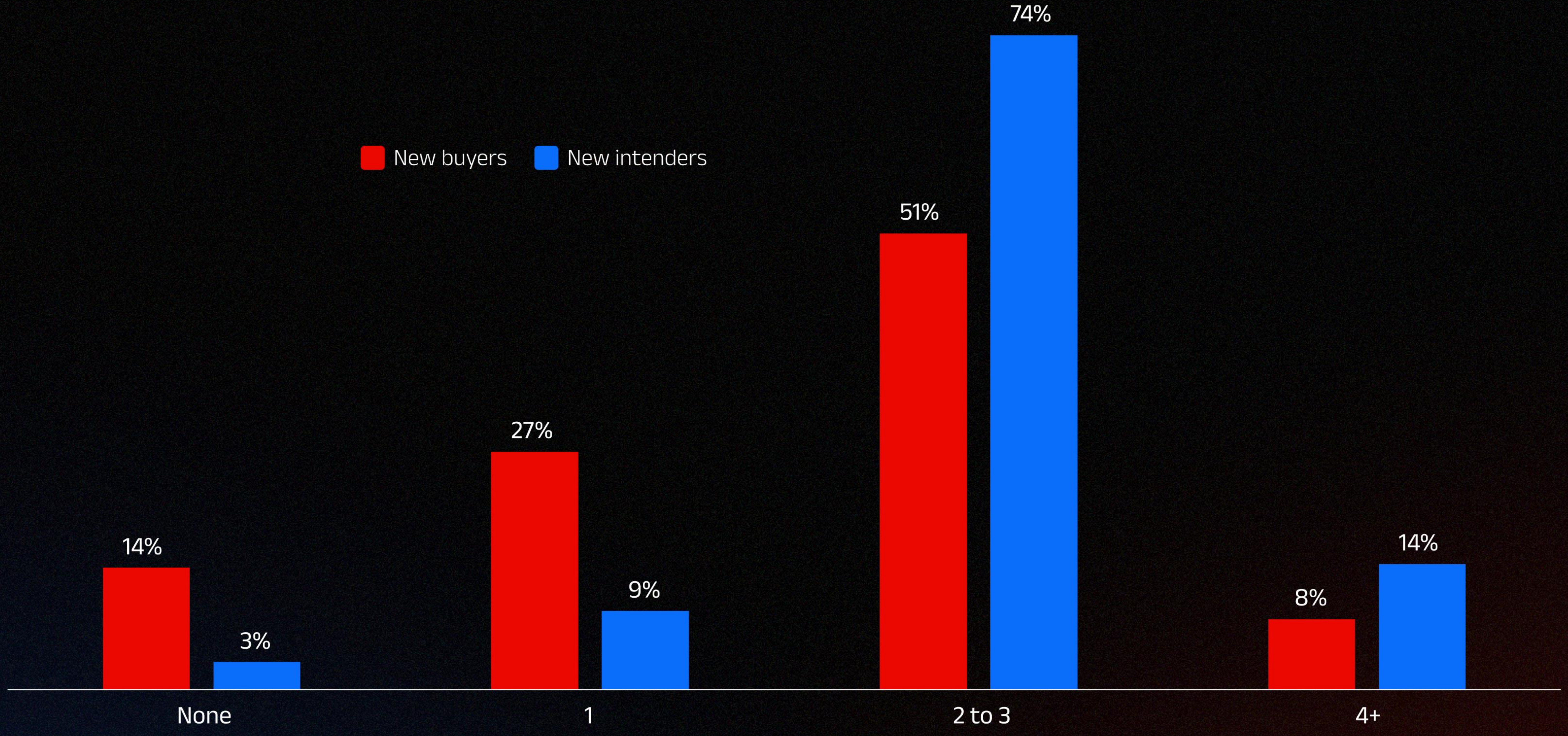
n = New Car Buyers and Intenders (830)

Enquiry

"I'm test driving, seeking deals and making a final decision"

How many vehicles did you test drive before deciding which to buy?

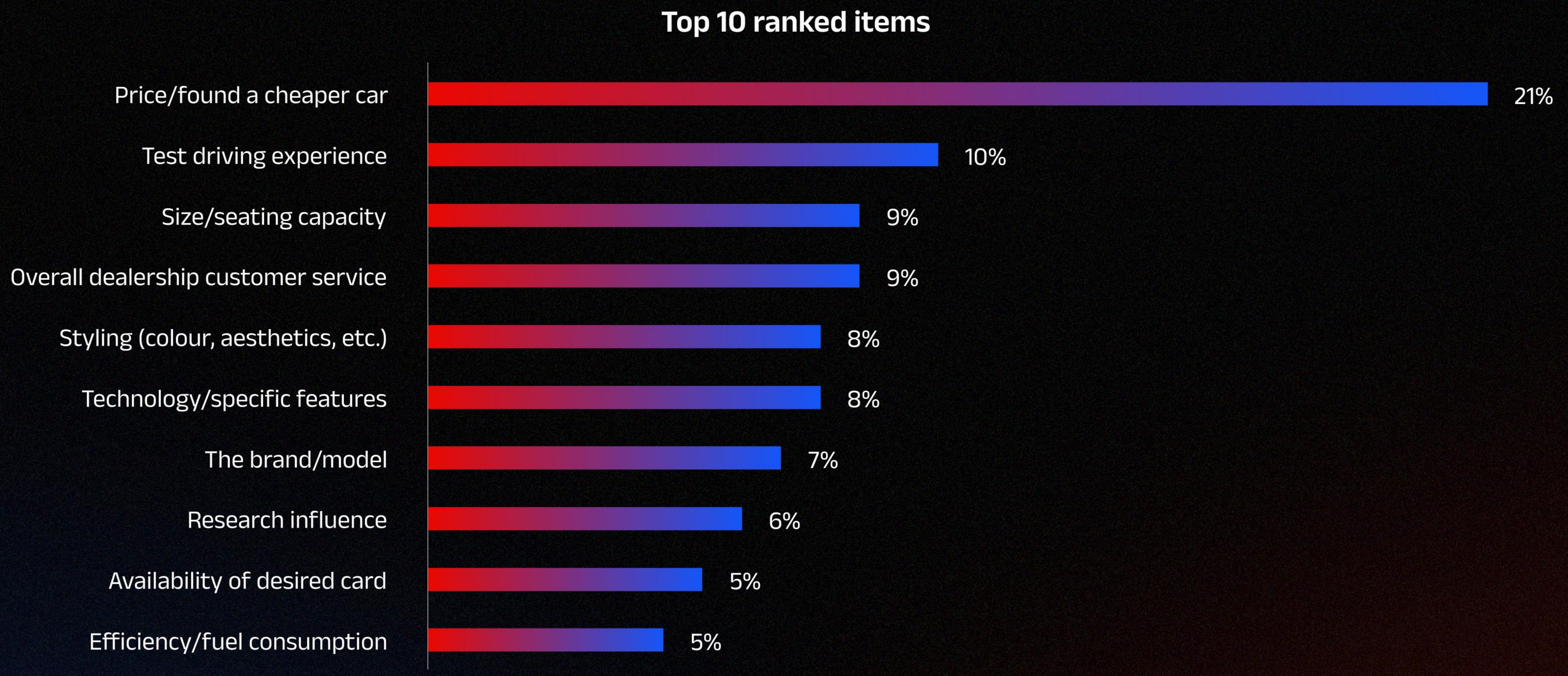
The majority of new car buyers take 2-3 test drives but intenders expect to test drive more than they actually do.



n = New Car Buyers and Intenders (830)

Other than price, test drive experience is the biggest reason why buyers changed their purchase selection

Question: You mentioned you bought a different car than you were initially expecting. What was it that changed your mind?



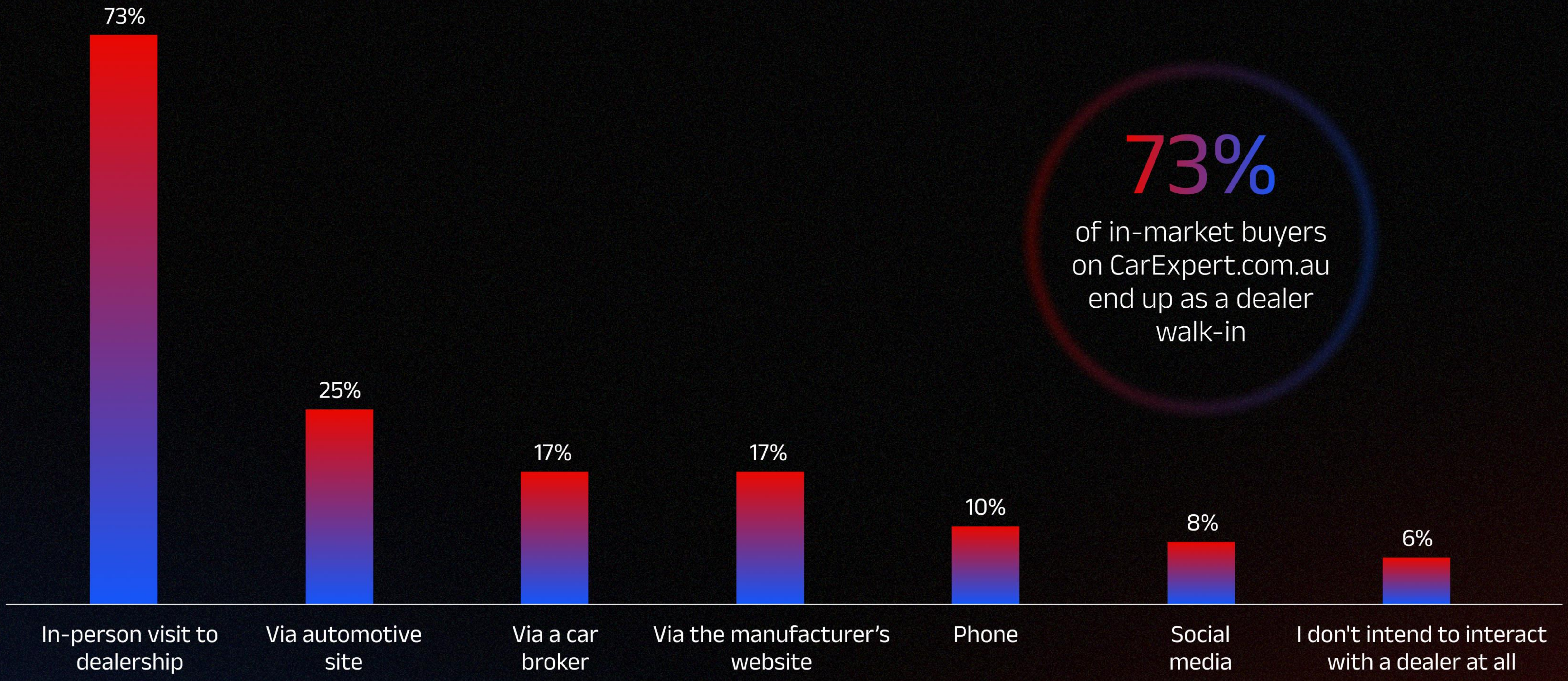
n = New Car Buyers who bought a different car than they were initially expecting (128)

Purchase

"I'm buying my new car"

How do you intend to initiate contact with a dealership for your new car purchase?

Despite informing their decisions on automotive sites, buyers are finding their own way to dealerships indicating an opportunity to bring the dots closer together.

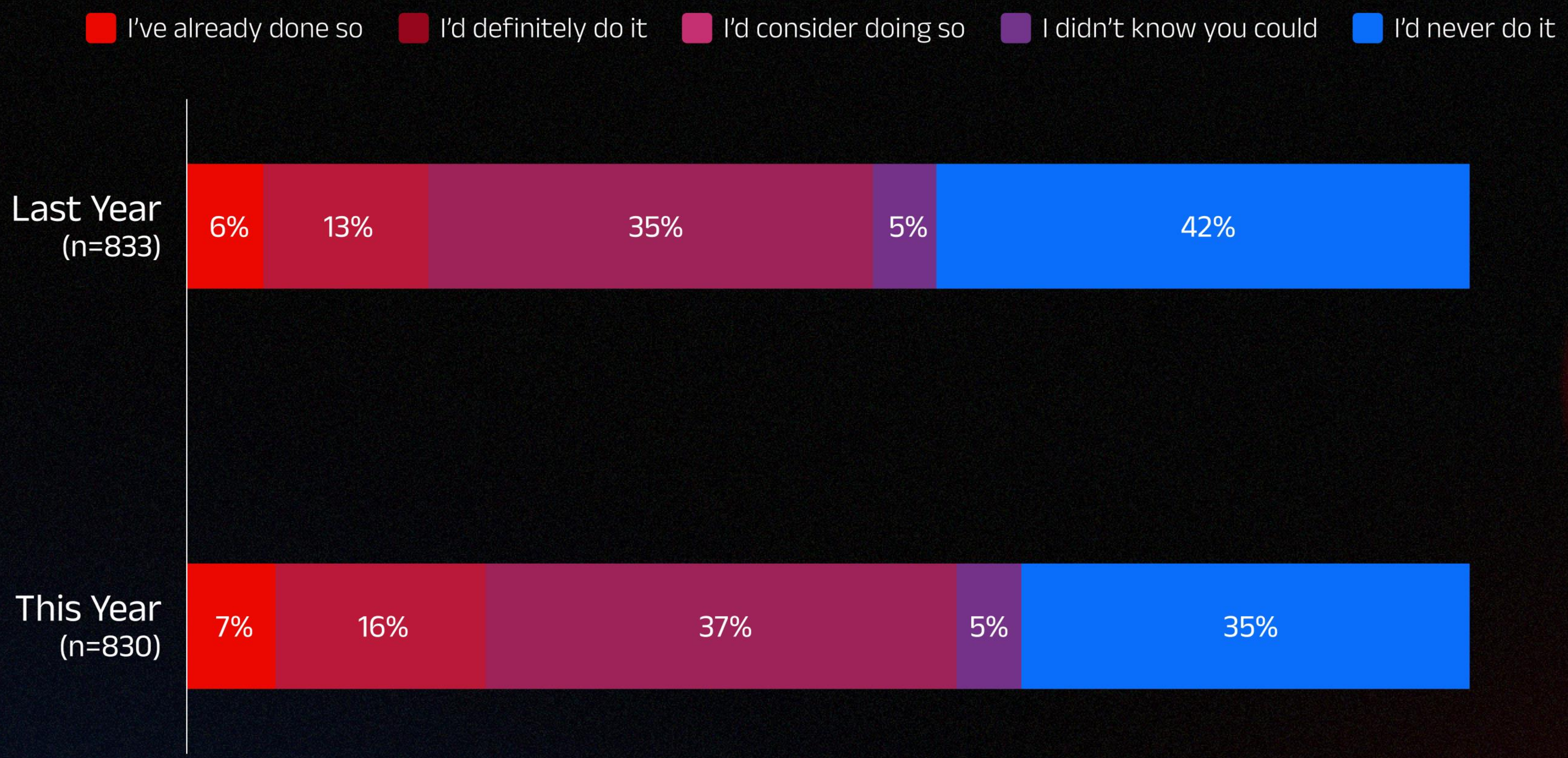


73% of in-market buyers on CarExpert.com.au end up as a dealer walk-in

n = New Car Buyers and Intenders on CarExpert.com.au website (433)

Would you ever consider purchasing a new car purely online (i.e. not going to a physical dealership?)

Receptiveness to buying a new car online is growing despite the ingrained habit of visiting a dealership



65%

of new car buyers/ intenders are open to purchasing online

+12%

n = New Car Buyers and Intenders (830)

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Post purchase

"I'm taking delivery and making it my own"

Wait times have shortened significantly, with 38% now receiving their vehicle within a week

38%

Receive their vehicle in a week or less

↑ +31%

1.7 months

Average delivery wait

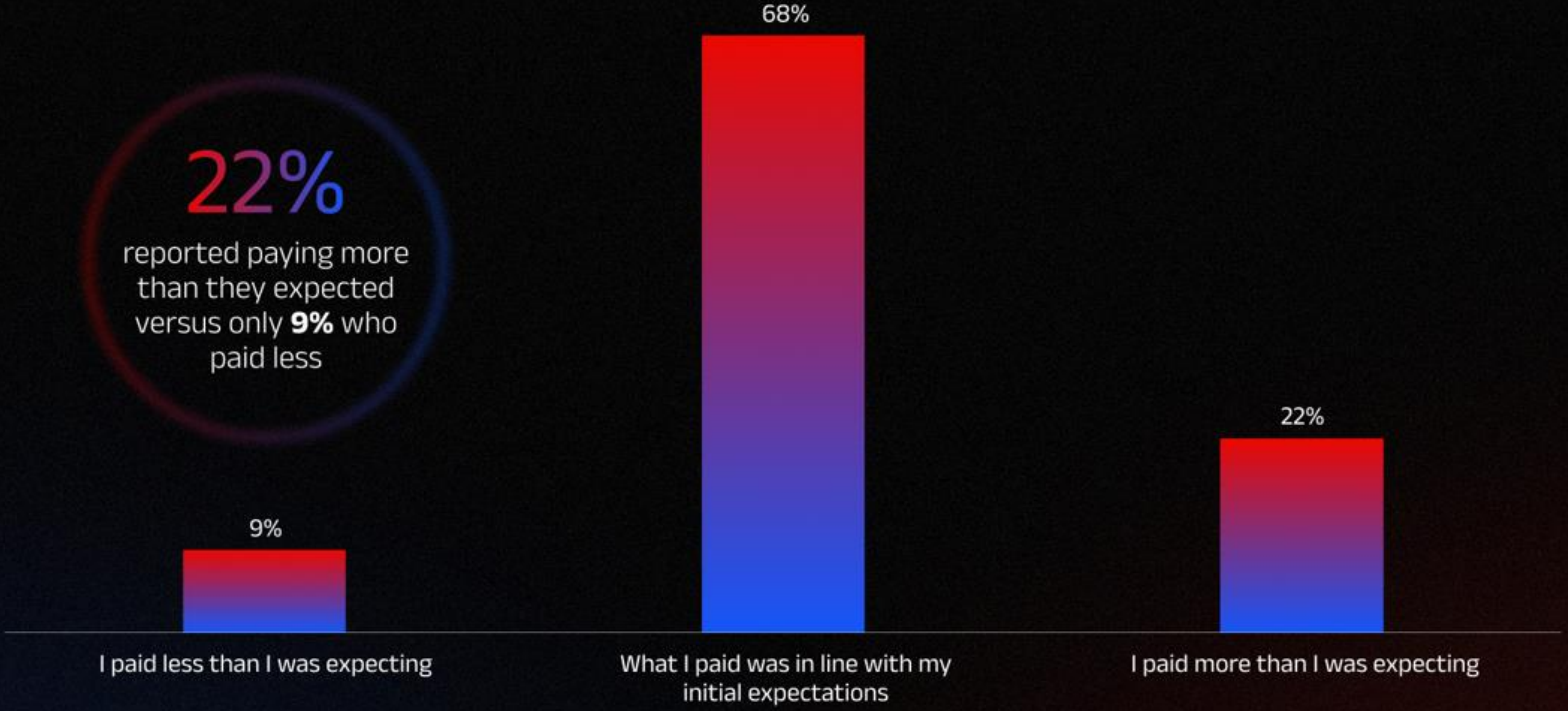
↓ -39%

Some buyers are comfortable paying more than they expected for the right car

Question: How did your final purchase price including any add-ons relate to your initial expectations?

22%

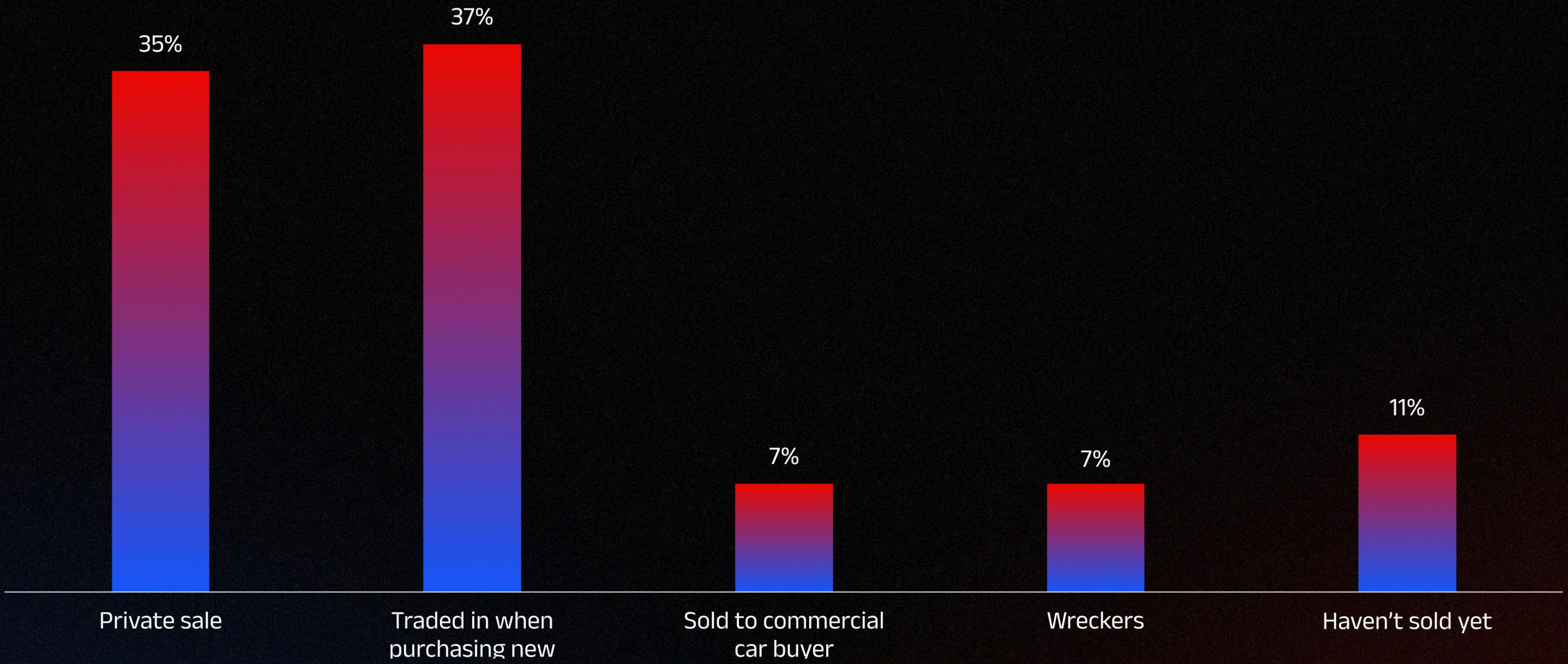
reported paying more than they expected versus only **9%** who paid less



n = New Car Buyers (414)

1 in 9 new car buyers who bought to replace an existing vehicle had not yet sold their previous car

Question: How did you sell your previous vehicle?



n = New Car Buyers who were replacing an existing vehicle (274)

Headlines throughout the Road to Purchase

Interest	Research	Shortlist	Enquiry	Purchase	Post-purchase
Periodic, repeat purchase is a key driver for why new car buyers embark on the journey	Consumers using more resources to inform their purchase than ever before	Shortlists have grown YoY. 57% consider 3 or more vehicles, up 12% vs last year	Test drives are critical in making a purchase decision	Receptiveness to new transactional models growing (e.g. online purchase)	Wait times continuing to reduce
Life stages are also important	Car Review Websites are the most frequently used information source	Car Review Websites are the most trusted and most influential medium	Buyers end up testing fewer cars than they were intending to	22% of new car buyers paid more than they were expecting	1 in 9 buyers are yet to sell their previous vehicle

Industry perspective

Christopher Catchpoole - CarExpert

Anyone looking to buy a new car now is likely entering a market that is completely different to the last time they bought.

57%

Expect to own their new car for under 5 years

5.9 years

Average ownership expectation

2 in 3

Have previously bought a brand new car

What we've heard from you

The market is tight and tough

Year-on-year sales are starting to contract just as the market sees more brands and models available than ever before.

New brands and electrification are driving uncertainty

70% said they are aware of discussions their dealership / group has had with new and potential Chinese entrants.

Mixed readiness for disruption among existing brands

While some batten down, some are preparing 'war chests' and others are still developing their plans.

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To what extent do you think total new car sales will improve/decline in 2025?

ⓘ Start presenting to display the poll results on this slide.

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How prepared do you feel your organisation is for 2025?

ⓘ Start presenting to display the poll results on this slide.

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How many brands do you expect to exit the Australian market over the next 2 years?

ⓘ Start presenting to display the poll results on this slide.

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How is your organisation responding to imminent disruption in the new car market?

ⓘ Start presenting to display the poll results on this slide.

The market

YTD sales overview

State of the market - new car sales

It could yet be another record year for new car sales, but year-on-year declines expected to extend to 5 consecutive months to round out 2024

Total YTD Market (exc. Heavy Commercial)

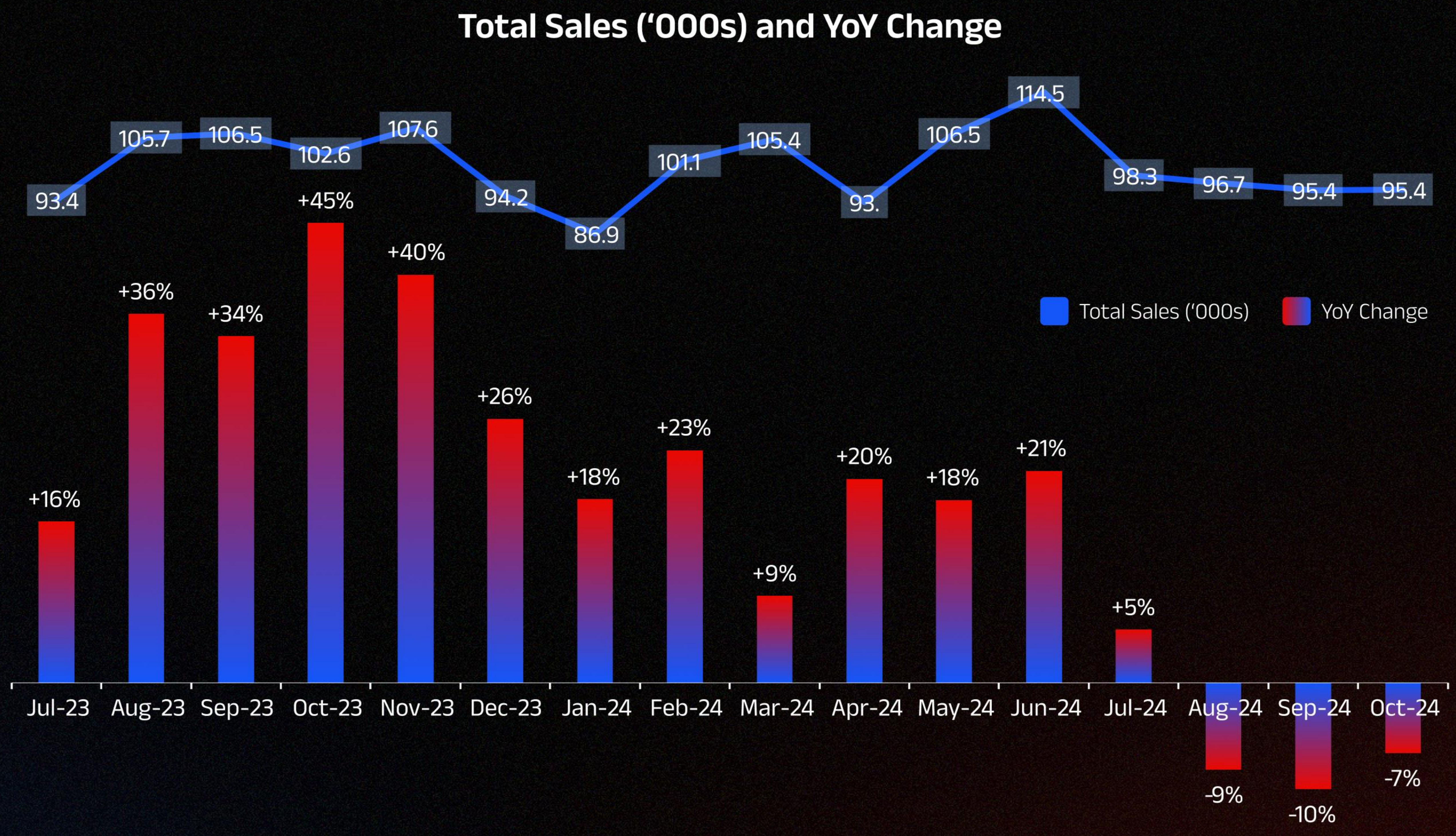
+29,848

Sales

2024 YTD vs 2023 YTD

+3%

Sales



Source: VFACTS and EVC

While the total market is up 3% (29.8k sales), growth is confined to a minority of OEMs and is largely driven by non-private buyers

+27,120

Additional Toyota sales

(RAV4 alone up 23k units)

+13,336

Additional Ford sales

(97% of YoY growth from Everest & Ranger)

+10,479

Additional Mitsubishi sales

93%

of the 29,848 additional sales were to **fleet and business customers**

57%

of OEMs have lower YTD sales

Movers and shakers - The winners and losers in 2024 YTD*

INDUSTRY PERSPECTIVE

By units

Winners

Toyota	+16%	**+27,120**
Ford	+19%	**+13,336**
Mitsubishi	+20%	**+10,479**
BYD	+74%	**+7,195**
GWM	+22%	**+6,288**
Nissan	+16%	**+5,260**
Isuzu Ute	+13%	**+4,727**
Chery	+107%	**+4,621**
Kia	+7%	**+4,305**
Suzuki	+22%	**+3,211**

Losers

Tesla	-19%	**-7,771**
MG	-16%	**-7,607**
Volkswagen	-16%	**-5,657**
LDV	-23%	**-4,124**
Subaru	-10%	**-4,033**
Mercedes-Benz Cars	-17%	**-3,491**
Mazda	-4%	**-3,393**
Audi	-20%	**-3,182**
RAM	-47%	**-2,895**
Hyundai	-4%	**-2,545**

By %

Winners

Chery	**107%**	+4,621
BYD	**74%**	+7,195
Jaguar	**50%**	+220
Fiat Professional	**27%**	+293
Lamborghini	**26%**	+51
Suzuki	**22%**	+3,211
GWM	**22%**	+6,288
Mitsubishi	**20%**	+10,479
Ford	**19%**	+13,336
Chevrolet	**17%**	+508

Losers

Jeep	**-48%**	-1,922
RAM	**-47%**	-2,895
Maserati	**-40%**	-217
CUPRA	**-39%**	-1,164
Renault	**-34%**	-2,369
Skoda	**-34%**	-2,222
Citroen	**-33%**	-66
Fiat	**-30%**	-196
Genesis	**-29%**	-461
LDV	**-23%**	-4,124

*Must have sold 100+ units in both years

New brands and electrification

New brands

Brands	Launch timeframe	Key models	Known affiliations
JAC	Launched	**T9 Ute** (Dual Cab Ute)	Parent company has partnerships with VW, Huawei
ZEEKR	Launched	**X** (Small SUV), **009** (People Mover)	Geely (Volvo's parent company)
smart	Launched	**#1** (Small SUV), **#3** (Med SUV)	Geely, Mercedes-Benz
DEEPAL	Launched	**G318** (Large SUV), **S07 / L07** (Med SUV / Sedan)	JVs with Ford and Mazda
JAECOO	Soon	**J7** (Med SUV)	Chery
XPENG	Soon	**G6** (Med SUV)	NYSE-listed. Agreement with VW for platform & software dev
LEAPMOTOR	Soon	**C10** (Med SUV), **T03** (Hatch)	Stellantis (51%)
GEELY	3-6 months	**EX5**	Parent of Volvo, Polestar, Smart, Lotus
SKYWORTH 创维汽车	6-12 months	**ET5** (Med SUV)	Changan Automobile (state-owned)
GAC + AION	12-18 months	**Y** (Hatch), **V** (Med SUV)	Australian distributor appointed (AGA Auto)
JETOUR	18-24 months	TBC	Chery

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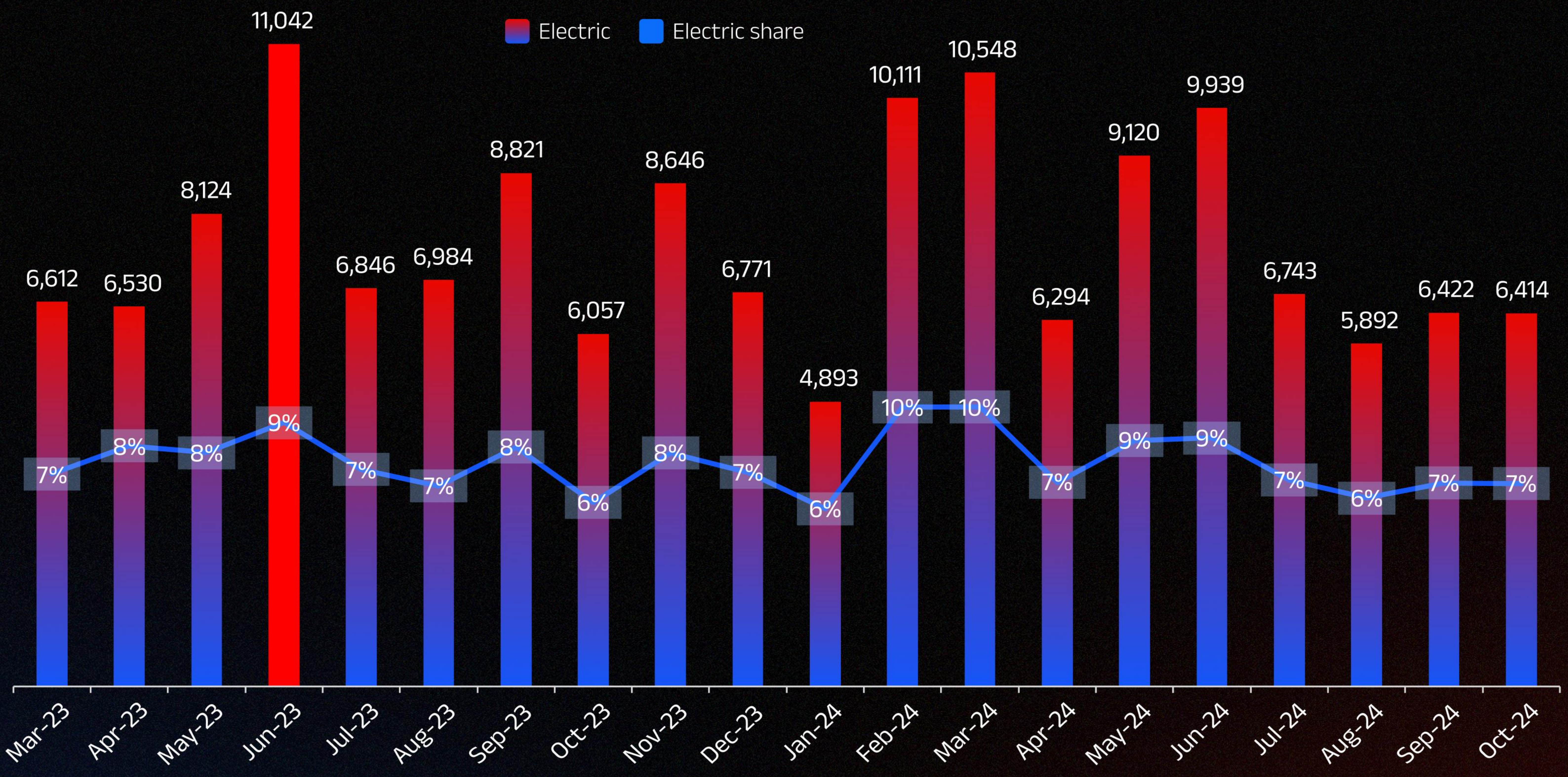
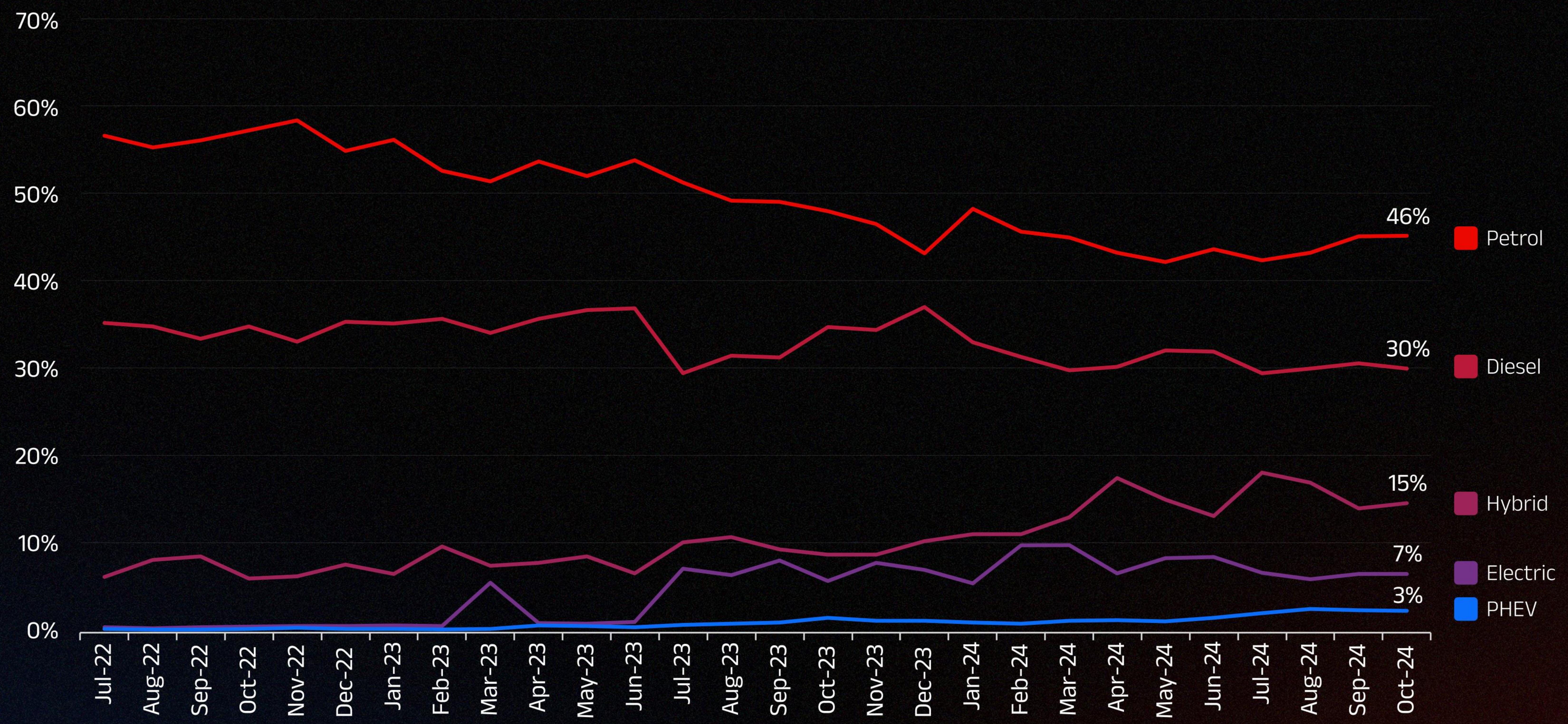
Electric-only sales volumes remain under the high watermark set in June 2023

Electric sales & share



Source: FCAI VFACTS and EV Council Data

Hybrids are PHEV are the only fuel types showing growth as BEV sales stagnate



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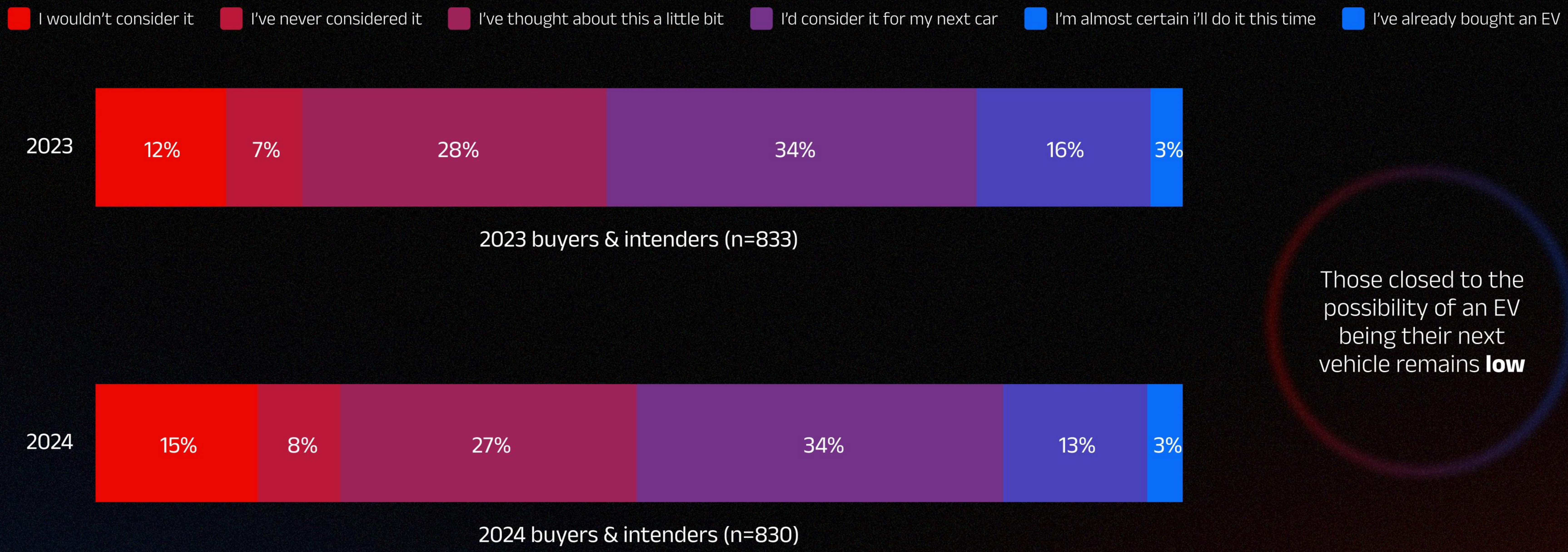
Electric vehicle apprehension has grown year-on-year

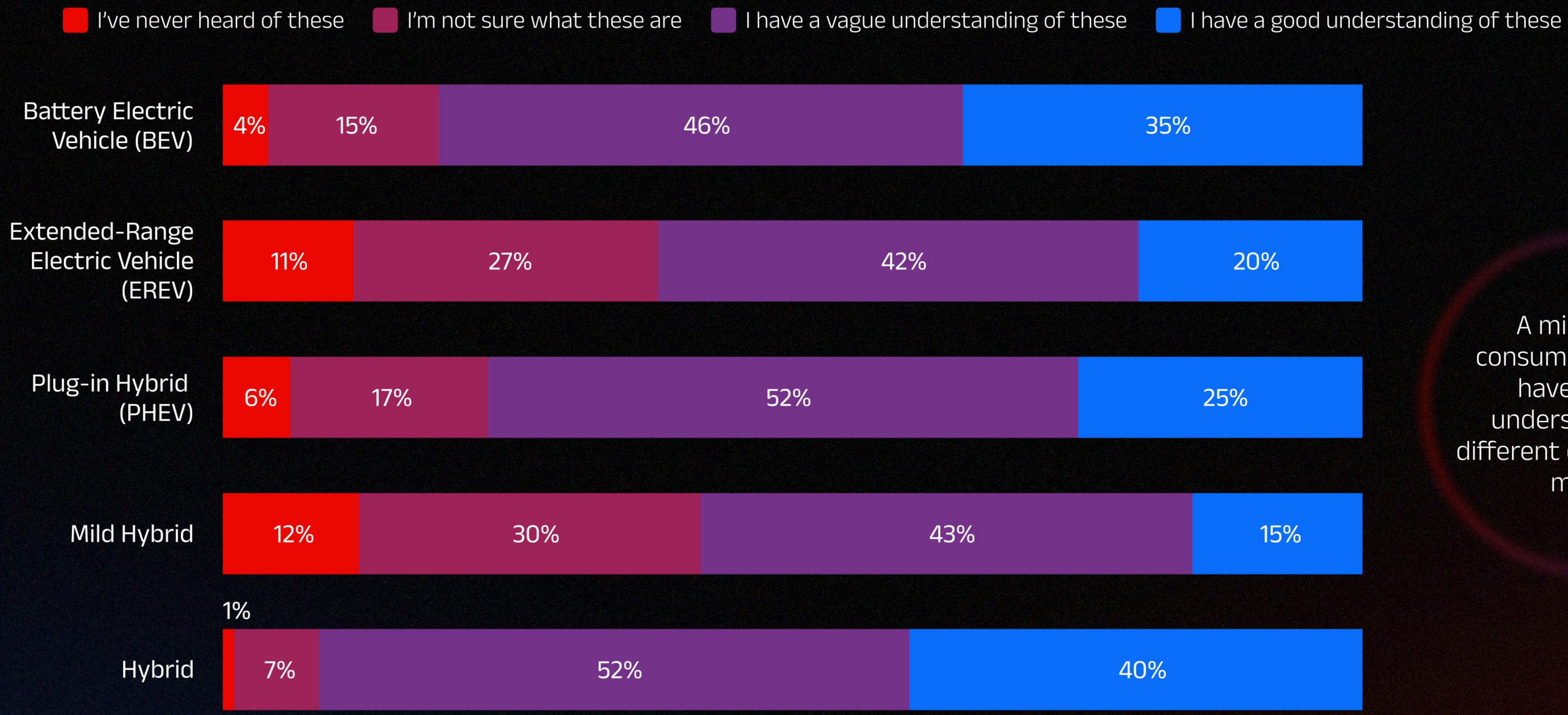
Question: Have you/would you consider an electric vehicle (EV) for your next new car?



Those closed to the possibility of an EV being their next vehicle remains **low**

EV knowledge remains a hurdle for electric adoption.

Question: How knowledgeable do you feel about the different types of electric/hybrid vehicles?

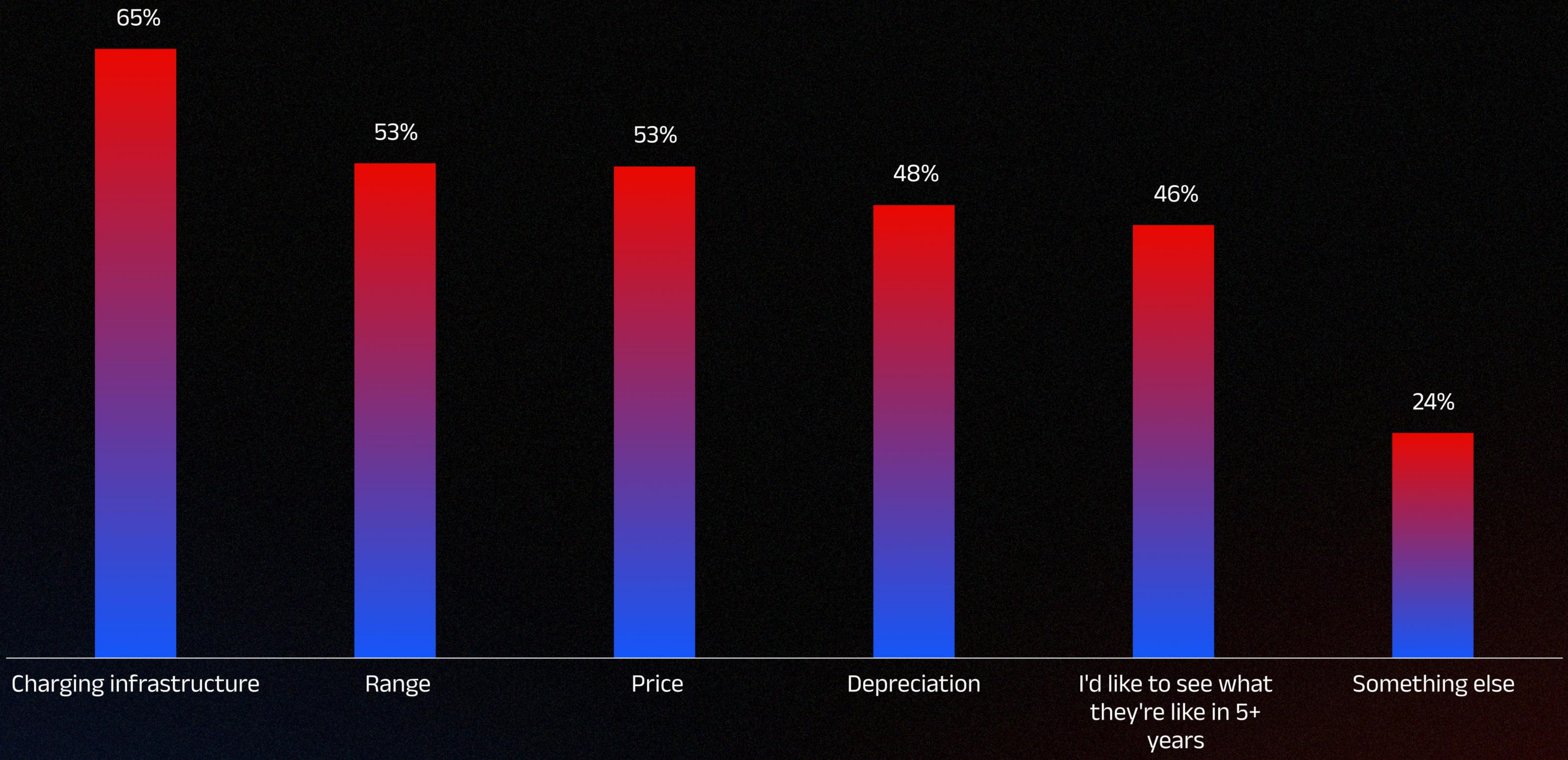


A minority of consumers say they have a 'good' understanding of different electrification modes.

n = New Car Buyers and Intenders (830)

Electric apprehensions

Question: Why are you unlikely to consider an Electric Vehicle (EV) as your next car?



n=652 (New Car Buyers/Intenders on CarExpert.com.au)

Electric apprehensions: How the 24% who listed “something else” as a deterrent to buying an EV explained their hesitance

26%
Environment

23%
Fire

13%
Battery life

11%
Battery cost

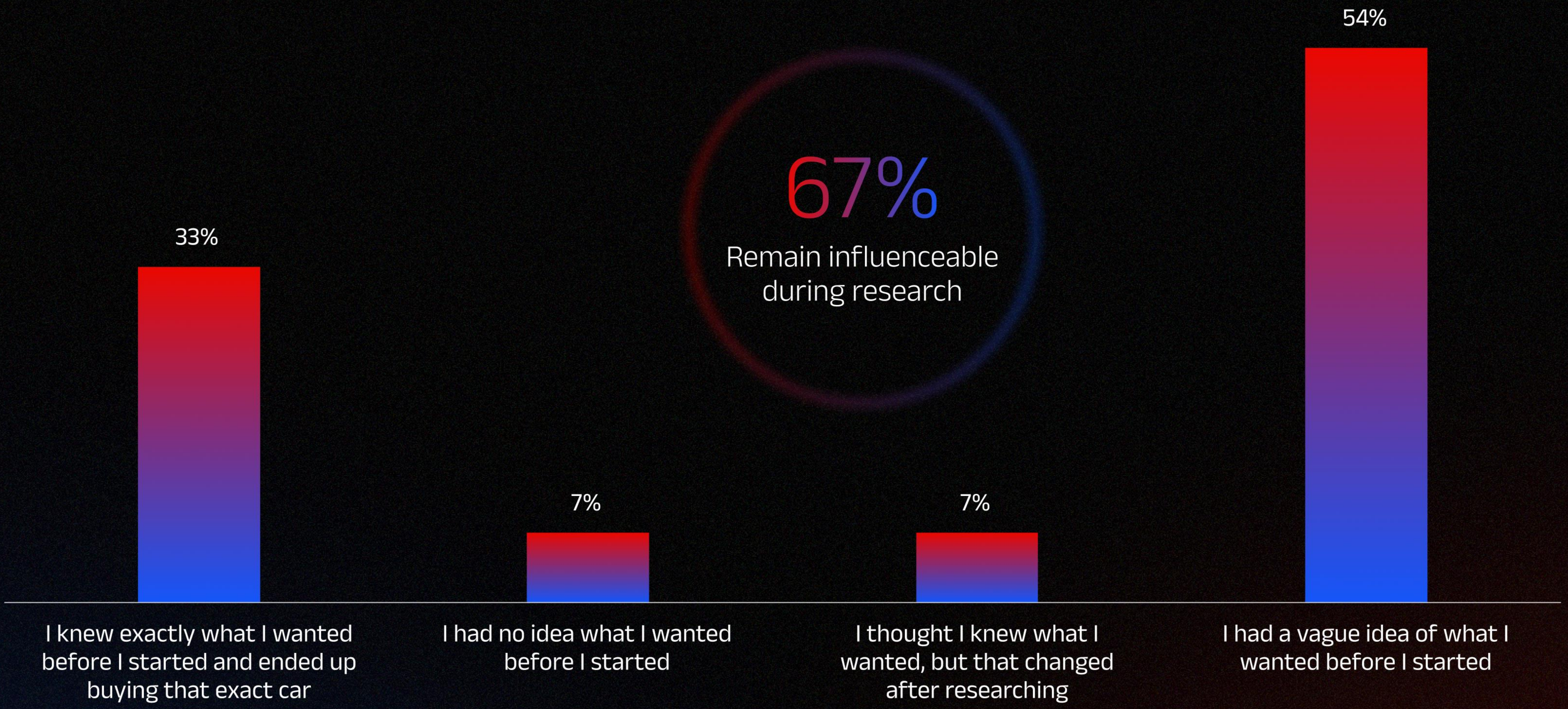
8%
🔥

n=652 (New Car Buyers/Intenders on CarExpert.com.au)

Brand considerations

Only 1 in 3 buyers end up purchasing the car they initially thought they wanted

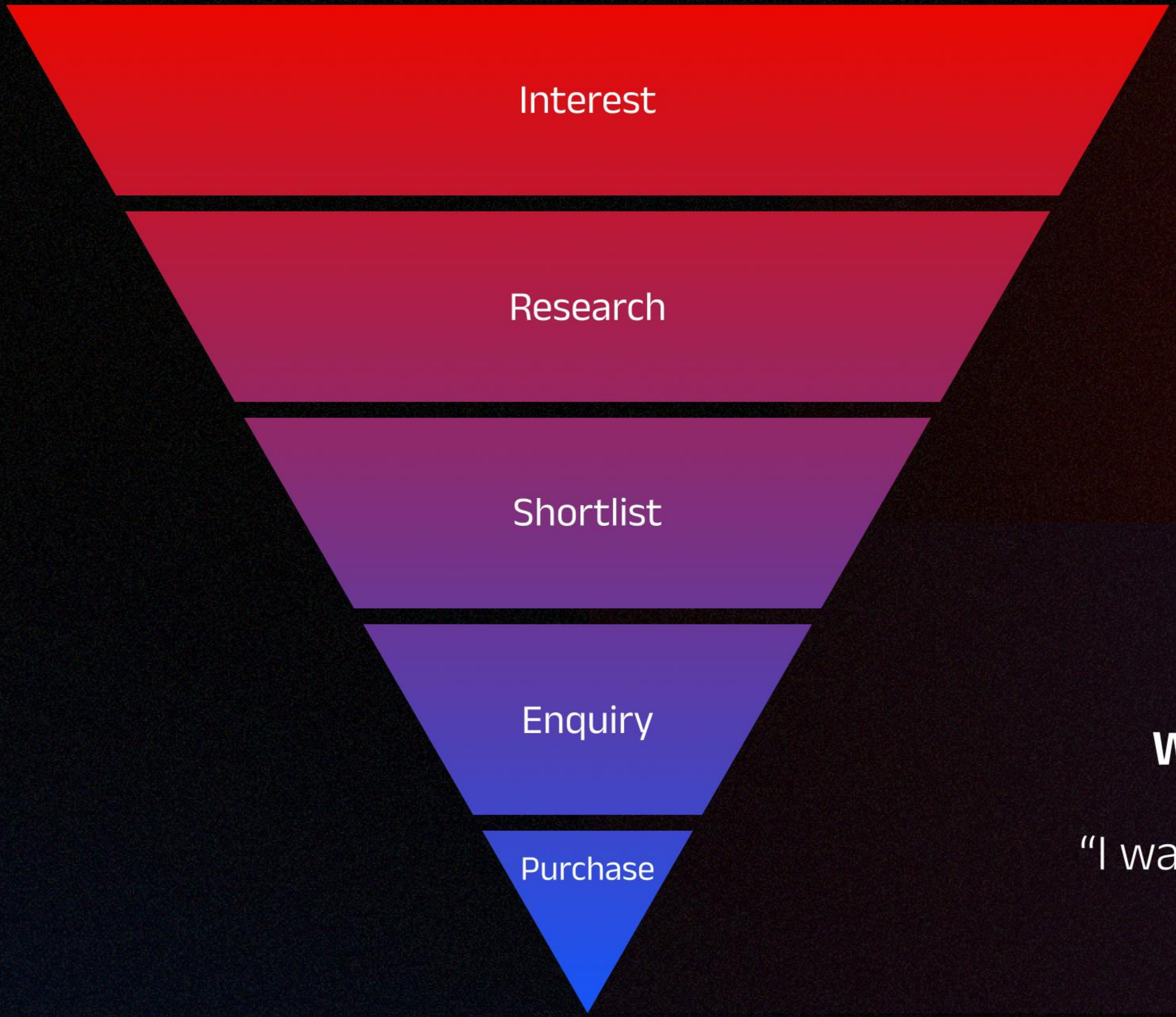
There is an opportunity to influence the purchase decisions 67% of buyers



n= New Car Buyers (414)

"Which brands were/are you most interested in?"

Insights from intenders (consideration) vs buyers (recall)



Consideration

What people say

"I think I'm interested in these brands"

Intenders

Recall

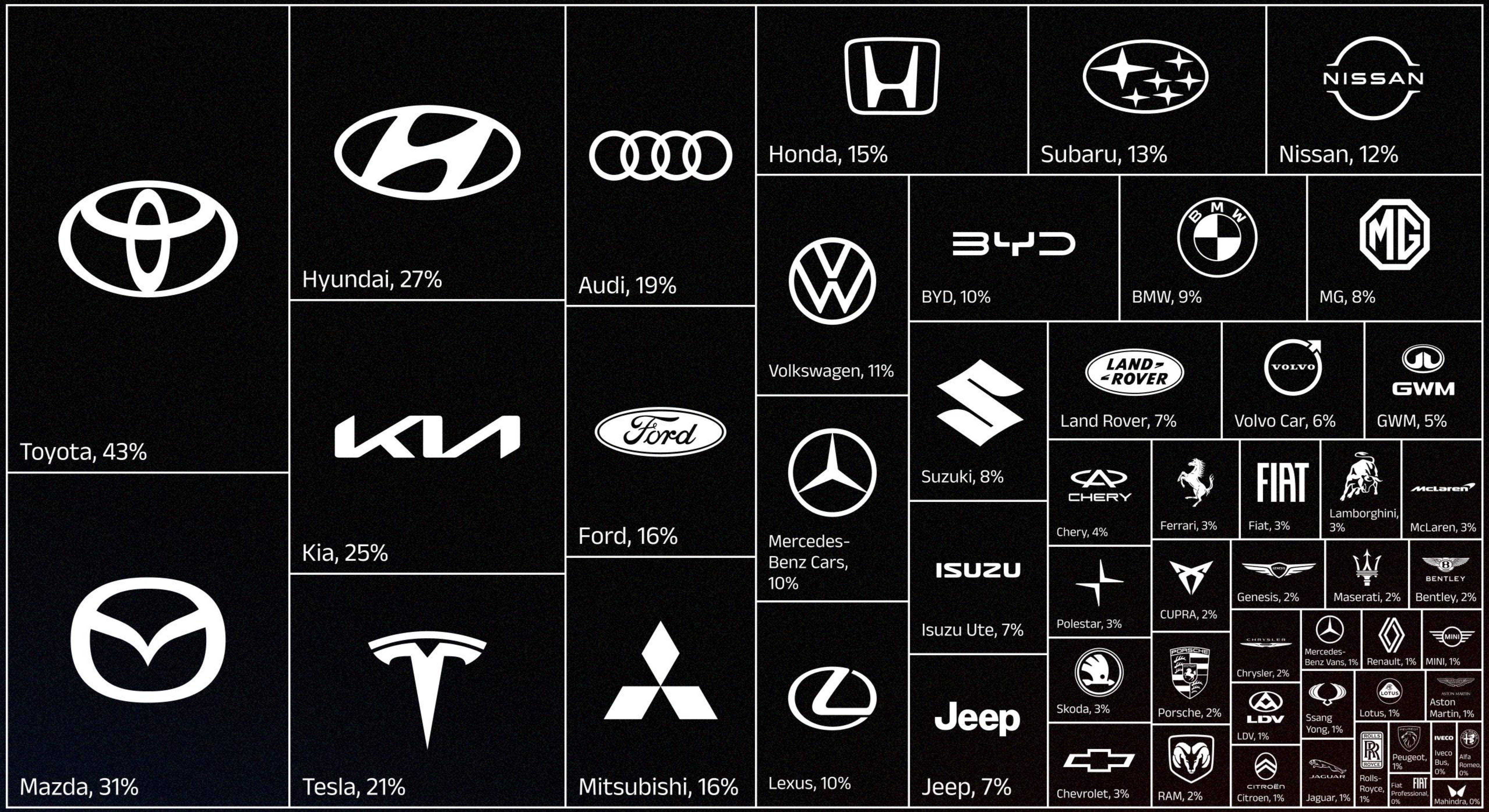
What people do (& remember)

"I was most interested in these brands before I bought / ordered"

Buyers

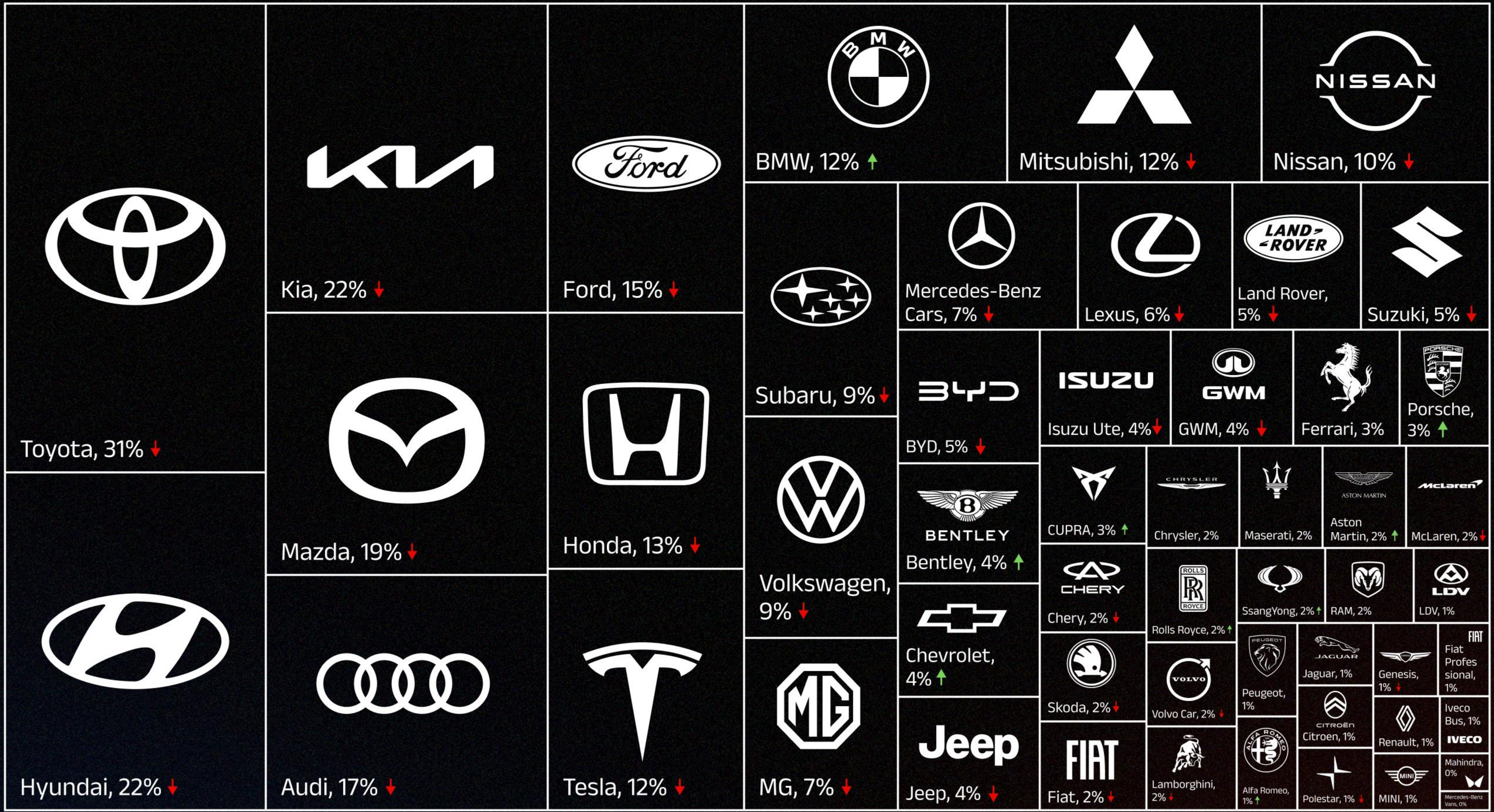
The biggest brands dominate consideration, underlining the power of brand among prospective buyers

Question: Which brands are you most interested in buying? (Intenders)



A different picture emerges when buyers were asked (post-purchase) which brands they were most interested in.

Which brands were you most interested in buying? (New Buyers)



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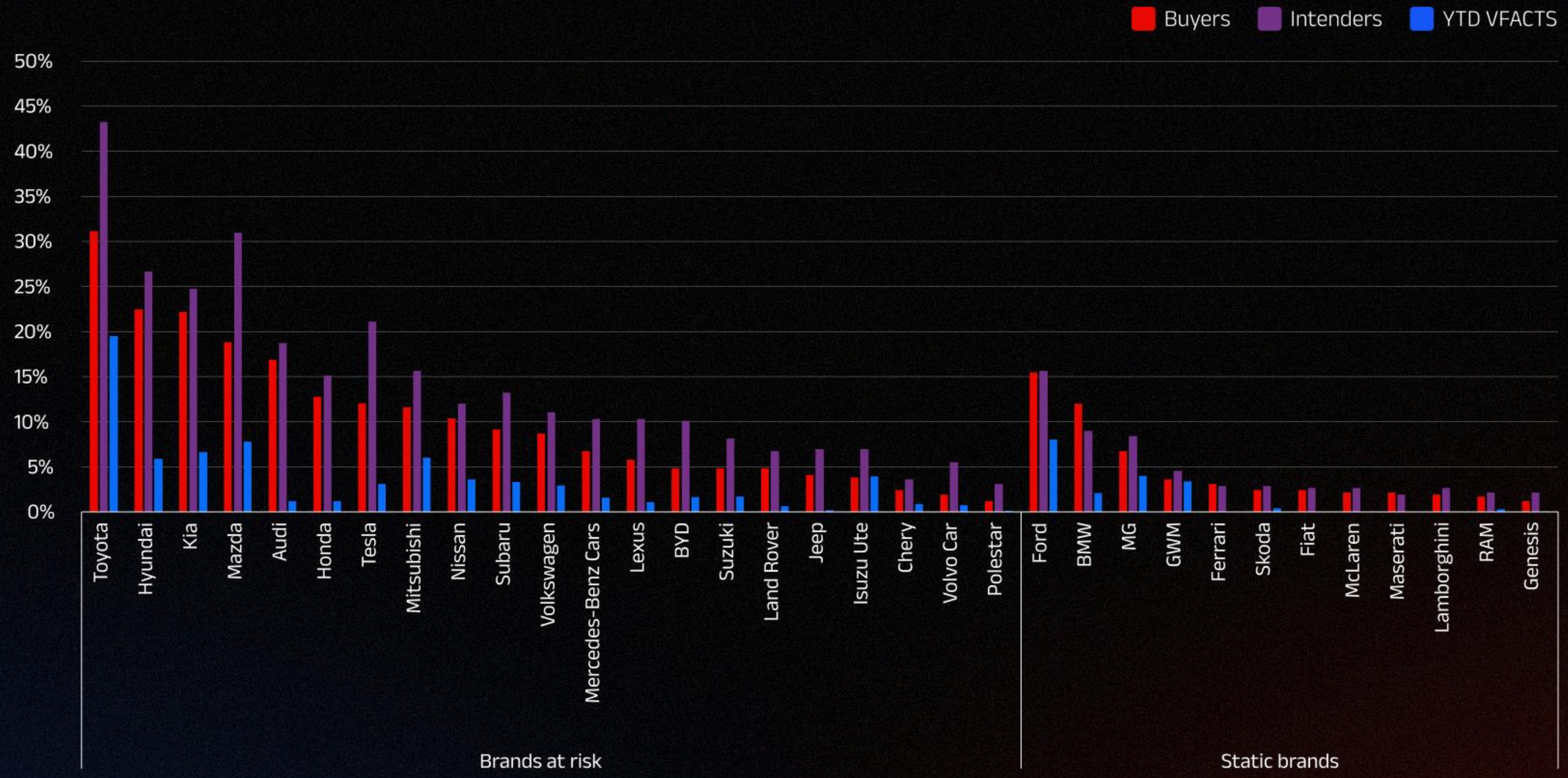
Being strong at both the top and bottom of the funnel matters.

What we can learn from consideration and recall scores

Brands that are...	Are likely	Business Action
Strong at both top and bottom of funnel	**In a leading position:** High salience, strong consideration, elevated sales	Concentrate marketing efforts on maintaining leading position.
Stronger at top than bottom	**A brand at risk:** High salience not translating into elevated sales. Market position at risk of sliding.	Solidify brand position and capitalise on high mental availability by maximising throughput to sale.
Equal at both top and bottom	**A static brand:** Deserving of its current market position, but unlikely to grow or contract.	Determine priority between top or, bottom of funnel and execute strategies accordingly to avoid others going past.
Strong at bottom of funnel only	**Primed for growth:** Strong bottom-of-funnel recall should translate into higher top-of-funnel in time.	Accelerate growth with branding activity. Visibility will lead to greater discovery and volume.
Strong at bottom of funnel only	**A brand where opportunity beckons:** Product is being discovered during research process. Elevated discovery will translate to more sales.	Double-down on brand activity to drive growth, taking advantage of high opportunity to scale up sales.
Weak at both ends	**Struggling to impact:** Low/no consideration at either end of funnel and facing significant business challenges.	Devise remedial actions, lock in strategy and execute.

Being strong at both the top and bottom of the funnel matters.

What we can learn from consideration and recall scores



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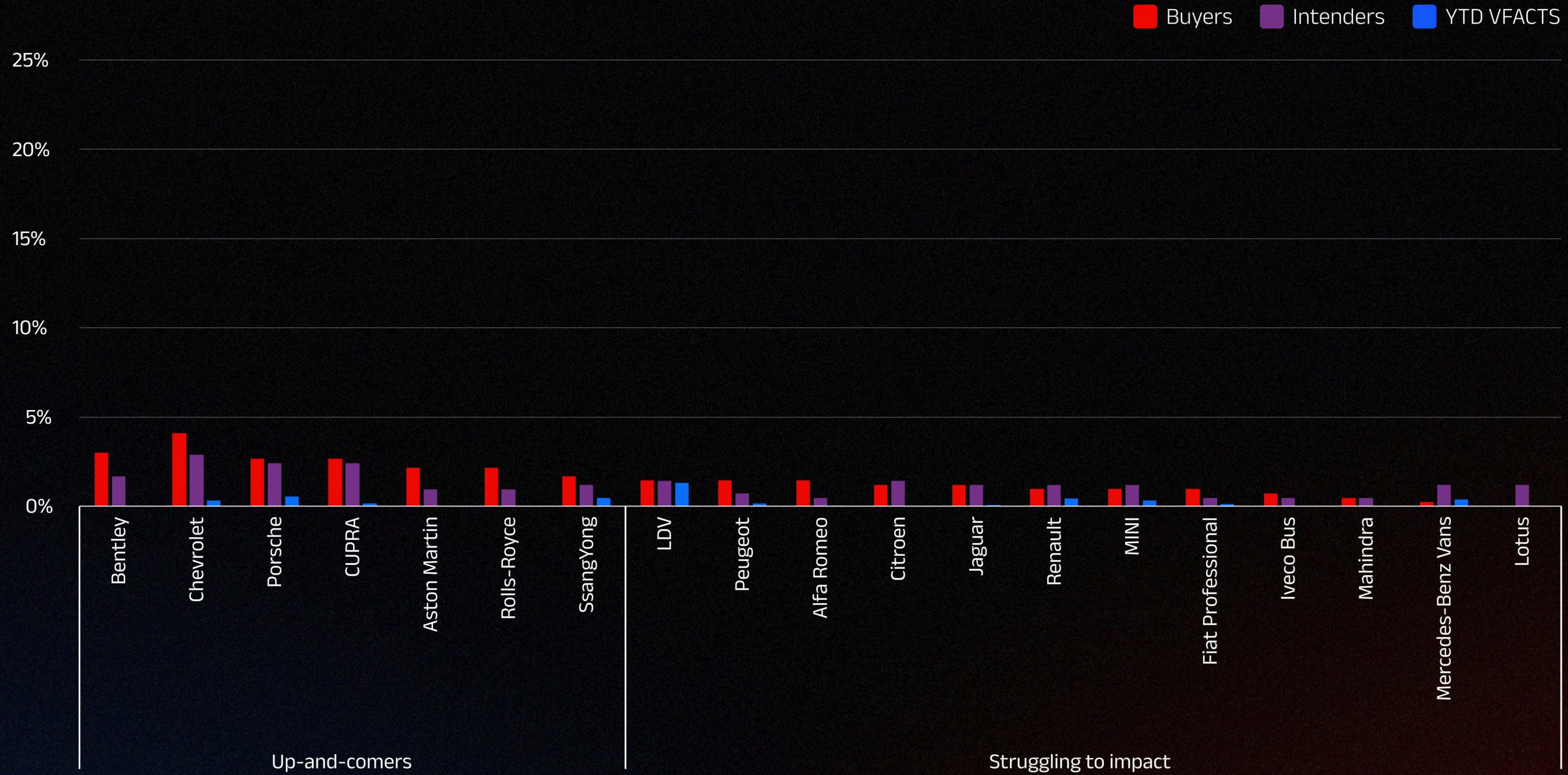
What we can learn from consideration and recall scores



Key takeaways

Brands are worth their weight in gold

New entrants will take time to establish brand equity and trust without significant investment.

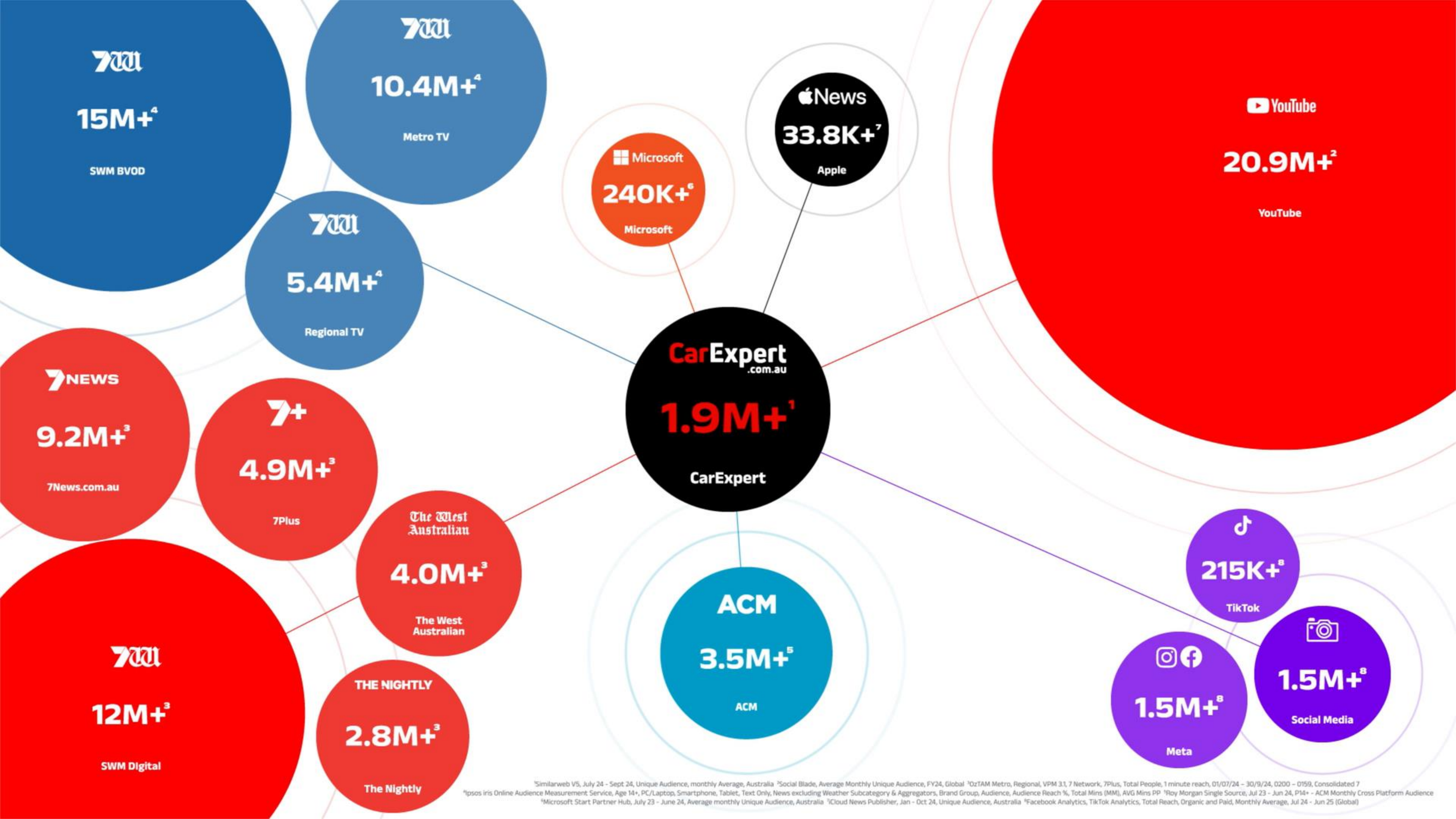
Car buyers are highly influence-able

As the market undergoes significant change, buyers are researching more to inform their choice.

Ensure your strategy is defined but flexible

Those who can be responsive to emerging trends and reactive to market developments will be best placed.

CarExpert IQ will be publishing **regular insights** to keep our partners and industry informed



[1]Similarweb V5, July 24 - Sept 24, Unique Audience, monthly Average, Australia [2]Social Blade, Average Monthly Unique Audience, FY24, Global [3]OzTAM Metro, Regional, VPM 3.1, 7 Network, 7Plus, Total People, 1 minute reach, 01/07/24 – 30/9/24, 0200 – 0159, Consolidated 7
[4]Ipsos iris Online Audience Measurement Service, Age 14+, PC/Laptop, Smartphone, Tablet, Text Only, News excluding Weather Subcategory & Aggregators, Brand Group, Audience, Audience Reach %, Total Mins (MM), AVG Mins PP [5]Roy Morgan Single Source, Jul 23 - Jun 24, P14+ - ACM Monthly Cross Platform Audience
[6]Microsoft Start Partner Hub, July 23 - June 24, Average monthly Unique Audience, Australia [7]iCloud News Publisher, Jan - Oct 24, Unique Audience, Australia [8]Facebook Analytics, TikTok Analytics, Total Reach, Organic and Paid, Monthly Average, Jul 24 - Jun 25 (Global)

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