

Tuesday, 14 March 2017

How far ahead of the purchase date do new car buyers start researching online?

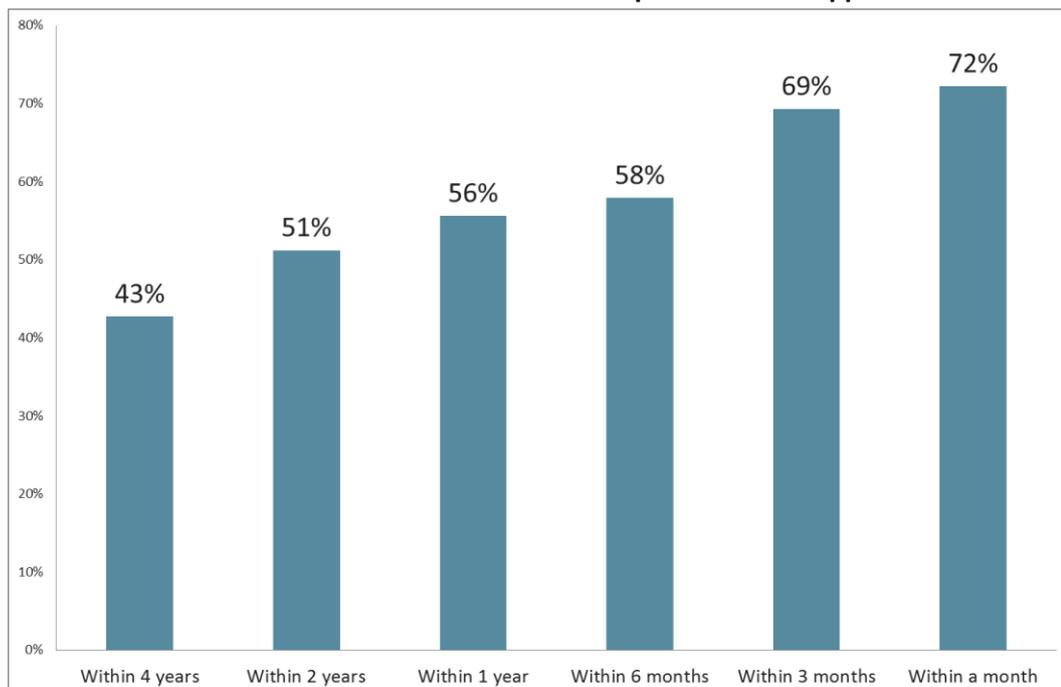
From comparing vehicle prices, features or financing options to locating dealers and contacting manufacturers, more than four in 10 Australians who intend to buy a new car before 2020 have recently done some automotive research online, Roy Morgan Research shows. As the planned purchase date draws closer, more and more intenders hit the web—until, by the time the purchase is less than a month away, nearly three in four have done some automotive research online.

Roy Morgan's latest [Automotive Currency Report](#) estimates 2,373,000 Australians are now in the market to buy a brand new car within the next four years. Overall 43 percent of these intenders report using the internet for car-buying research in the last six months—but this rises as the purchase date approaches.

Most buyers who plan to hit the dealerships within the next *two* years have by then already gone online to do some preliminary car research (51 percent). Curiously, the incidence of using the internet for auto research doesn't increase too much over the next 18 months: up to 56 percent of all 2017 buyers and 58 percent of those looking to buy before July.

Instead the big spike happens only once buyers get within *three months* of purchase: by then 69 percent have looked up car information online. Finally, a few remaining car-buyers leave it until the very last minute to do some online research: 72 percent of people buying a car within a month.

The rise of auto research online as new car purchase date approaches...



Source: Roy Morgan Single Source, January to December 2016, total sample = 5,449 Australians who intend to buy a new car in the next four years.

Roy Morgan's survey of car buyers also covers a range of specific types of online automotive research. This indicates how far in advance buyers start going online to investigate different factors in their upcoming decision.

Even four years out from purchase, just over a quarter of intenders have already gone online to check some prices—however this online activity really picks up once buyers come within a year of purchase, and again when they're three months away.

However, when it comes to researching finance options, the big surge occurs once buyers come within four to six months of their anticipated purchase date.

Then, within two to three months of purchase, many buyers first start making general enquiries online, locating dealers and asking manufacturers and dealers to contact them.

The incidence of checking vehicle features online grows steadily, along with checking prices, right across the timeline—but, perhaps surprisingly, there is an extra spike right at the end: over one in four new car buyers don't go online to look up features until their purchase is most imminent.

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

"It's been nearly a decade since the internet first overtook newspapers as the media most useful for new car buyers. It's vital for manufacturers and dealers to understand when in the process different car buyers' first start researching various factors that will impact their eventual purchase decision.

"While much of the initial 'digital disruption' of consumer purchasing behaviour has now been absorbed, the next decade will mark further rapid advances to automotive technology and people's attitudes to cars and transport.

"Roy Morgan's upcoming State of the Nation includes a Spotlight on the Automotive and related industries. This session will provide a comprehensive perspective on where the industry is at today and what we can expect over the next decade and beyond – as we move towards driverless vehicles, electric cars and shared mobility services.

"This landmark presentation will be held in Melbourne on March 28 and Sydney on March 29."

To learn more about Roy Morgan's automotive research or to book a place at a State of the Nation presentation in Melbourne or Sydney, please call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com

Please click on this link to the [Roy Morgan Online Store](#)

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout 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.

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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

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