



Coimisiún um  
Iomaíocht agus  
Cosaint Tomhaltóirí

Competition and  
Consumer Protection  
Commission

# Consumer Behaviour When Purchasing Cars

April 2016



# Background & Objectives

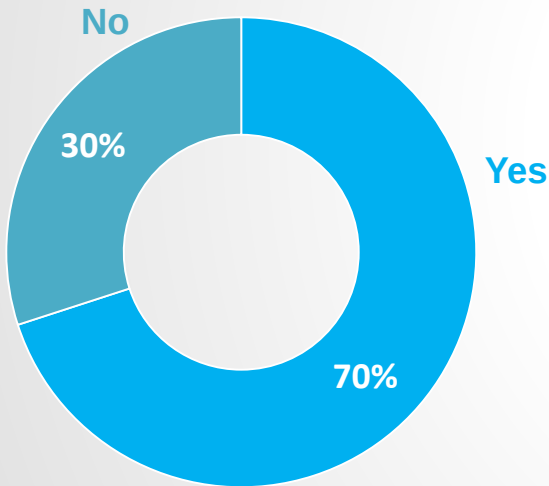
- On behalf of the CCPC, Behaviour & Attitudes undertook two concurrent surveys on consumer's behaviour in relation car purchasing
  1. A face-to-face Barometer survey of 1,008 Irish adults.
  2. An online survey of 350 Irish adults (a booster sample of adults who have purchased a car in the last 5 years).
- The results of these two surveys have been combined and the resulting data weighted in line with overall population. The effect of incorporating the online data into the Barometer survey has been to increase the number of respondents with specific types of finance.



# Last car purchased

Base: All adults (1,358)

## Ever Purchased a Car



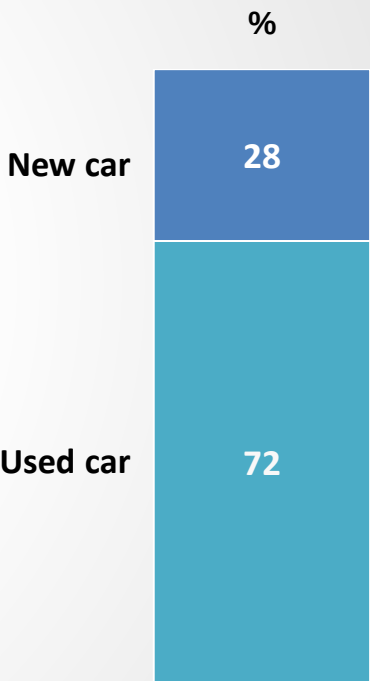
## When Last Car Was Purchased

(Base: All ever purchased a car – 1,082)



## New/Used Car Purchased on Last Occasion

(Base: All ever purchased a car – 1,082)



2 in 5 (41%) of those who have purchased a vehicle did so in the last three years (and 3 in 5 since 2012). Over a quarter (28%) last purchased a new car.

Q.1

When did you last buy a car?

Q.2

And was this last car purchase a new car or used (second hand) car purchase?



# Where last used car was purchased (1 of 2)

Base: All adults purchased a used vehicle (710)



\*Note: Auctions included in other due to low volume.

Those over the age of 50 and the social economic grouping ABC1 are more likely to have purchased from an authorised dealership, while those under 35 are much more likely to have opted for a private individual sale. Men are more inclined to use a private individual sale than women, whereas women favour independent dealers substantially more so than men.

Q.1

When did you last buy a car?

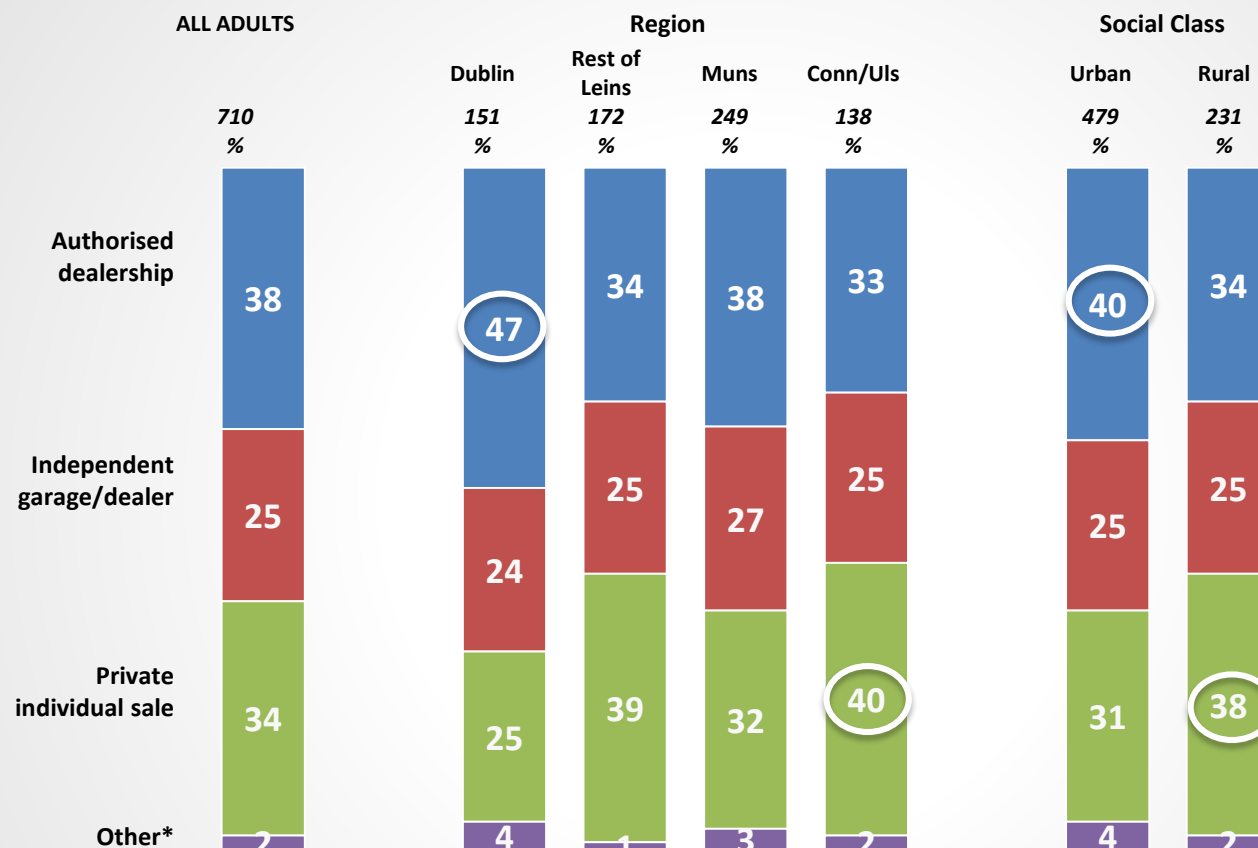
Q.2

And was this last car purchase a new car or used (second hand) car purchase?



# Where last used car was purchased (2 of 2)

Base: All adults purchased a used vehicle (710)



*\*Note: Auctions included in other due to low volume.*

Dublin-dwelling car purchasers are much more likely to have purchased from an authorised dealership, whereas rural car purchasers are more likely to have used a private individual sale.

Q.1

When did you last buy a car?

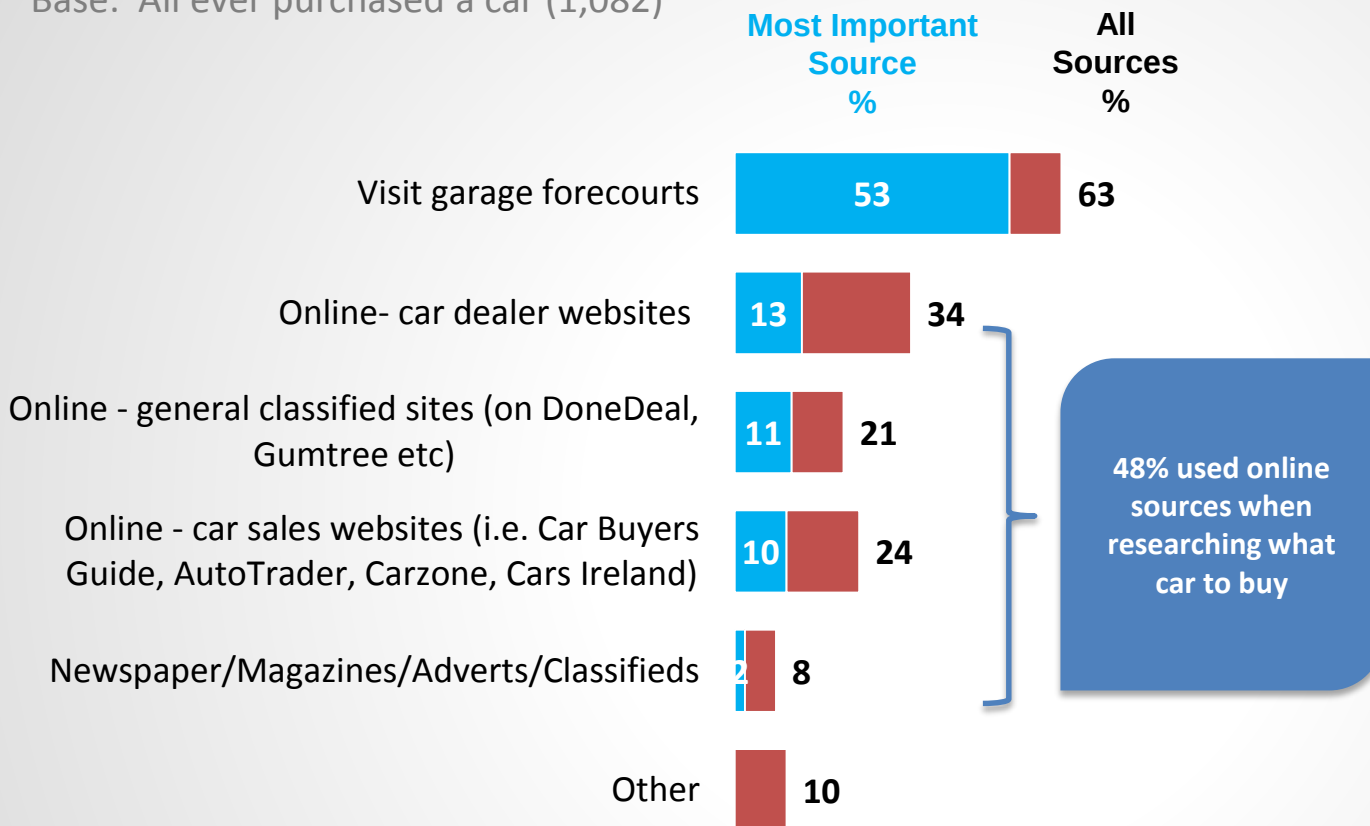
Q.2

And was this last car purchase a new car or used (second hand) car purchase?



# Sources used to identify the car to purchase

Base: All ever purchased a car (1,082)



While almost half (48%) used online sources as part of their research, visiting garage forecourts was by far the source seen to be of most importance.

Q.3a  
Q.3b

When purchasing your car what sources of information did you use to identify the car?  
Which did you find the most important source of information?



# Information sources used prior to purchasing x demographics

Base: All ever purchased a car (1,082)

|                                                                                                | Total     | Gender    |           | Age       |           |           |           |           | Social Class |           |           | Area      |           | Car Purchased |           |
|------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|-----------|---------------|-----------|
|                                                                                                |           | Male      | Female    | -24       | 25-34     | 35-49     | 50-64     | 65+       | ABC1         | C2DE      | F         | Urban     | Rural     | New Car       | Used Car  |
|                                                                                                | 1,082     | 529       | 553       | 47        | 252       | 389       | 248       | 146       | 603          | 423       | 56        | 746       | 336       | 372           | 710       |
|                                                                                                | %         | %         | %         | %         | %         | %         | %         | %         | %            | %         | %         | %         | %         | %             | %         |
| Visit garage forecourts                                                                        | 63        | 62        | 64        | 39        | 50        | 63        | 74        | 75        | 66           | 59        | 75        | 64        | 61        | 84            | 55        |
| Online - car dealers websites                                                                  | 34        | 33        | 36        | 44        | 44        | 39        | 30        | 11        | 40           | 33        | 16        | 36        | 31        | 35            | 34        |
| Online - car sales websites such as Car Buyers Guide, AutoTrader, carzone, carsireland.ie etc. | 24        | 24        | 24        | 34        | 32        | 30        | 16        | 4         | 25           | 25        | 11        | 25        | 23        | 16            | 27        |
| Online - general classified sites such as donedeal, gumtree                                    | 21        | 22        | 20        | 49        | 36        | 22        | 7         | 4         | 19           | 24        | 13        | 20        | 22        | 5             | 27        |
| Newspaper/Magazine Adverts/Classifieds                                                         | 8         | 9         | 6         | 12        | 10        | 6         | 10        | 6         | 8            | 8         | 6         | 8         | 8         | 7             | 8         |
| Other                                                                                          | 10        | 11        | 9         | 11        | 8         | 10        | 10        | 13        | 9            | 12        | 7         | 9         | 12        | 5             | 12        |
| <b>Any Online</b>                                                                              | <b>48</b> | <b>47</b> | <b>49</b> | <b>71</b> | <b>64</b> | <b>53</b> | <b>37</b> | <b>16</b> | <b>51</b>    | <b>48</b> | <b>22</b> | <b>48</b> | <b>47</b> | <b>38</b>     | <b>51</b> |

Visiting garage forecourts the most popular source of information when identifying a car to purchase. This is mainly driven by those over the age of 50 and those who are purchasing a new car. Online is more prominent when buying second-hand but visiting forecourts is still the most used method.

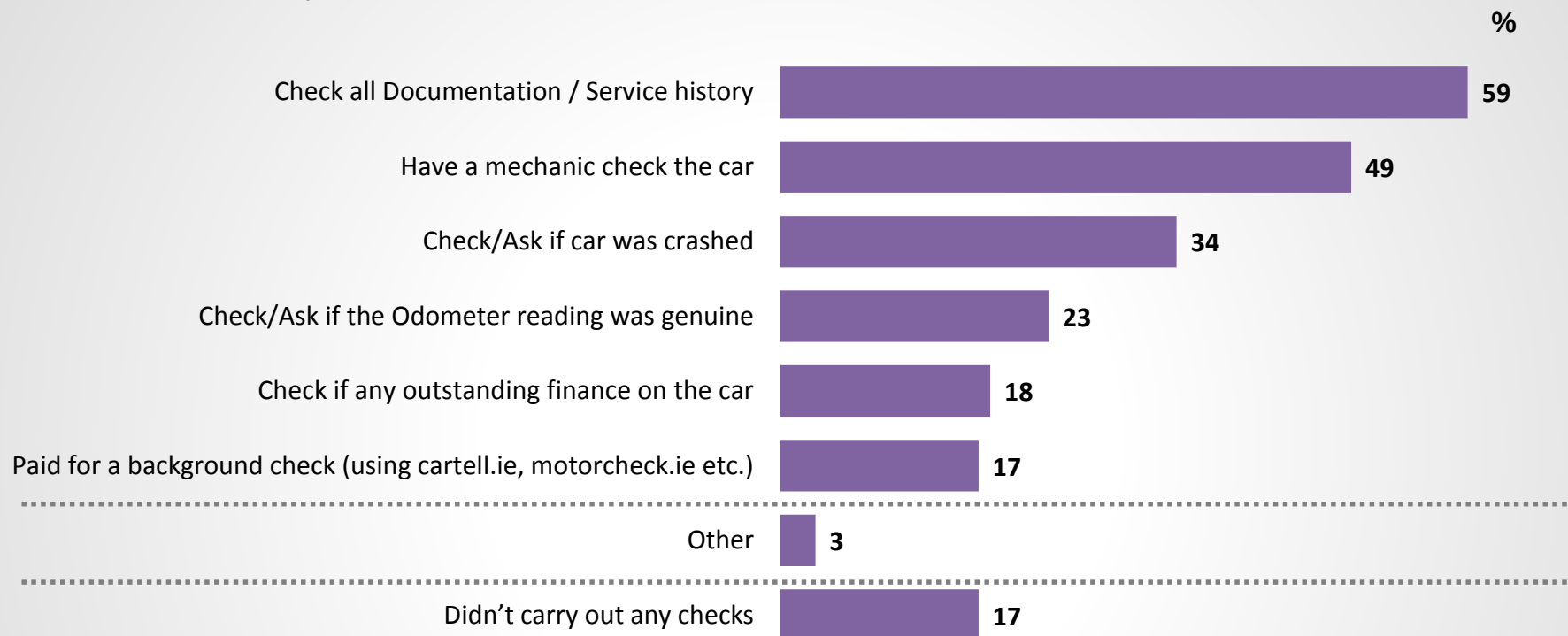
Q.3

When purchasing your car what sources of information did you use to identify the car?



# Checks made prior to purchasing

Base: All adults who purchased a used vehicle (710)



While 3 in 5 (59%) checked all documentation/service history, and half (49%) had a mechanic check the car, just 1 in 6 (17%) paid for a background check on the car.

**Q.4a**

Having identified a potential car what checks did you complete prior to purchasing?



# Checks made prior to purchasing x demographics

Base: All adults purchased a used vehicle (710)

|                                                                    | Total | Gender |        | Age |       |       |       |     | Region |               |      |           | Area  |       |
|--------------------------------------------------------------------|-------|--------|--------|-----|-------|-------|-------|-----|--------|---------------|------|-----------|-------|-------|
|                                                                    |       | Male   | Female | -24 | 25-34 | 35-49 | 50-64 | 65+ | Dublin | Rest of Leins | Muns | Conn/ Uls | Urban | Rural |
|                                                                    | 710   | 342    | 368    | 37  | 192   | 272   | 137   | 72  | 151    | 172           | 249  | 138       | 479   | 231   |
|                                                                    | %     | %      | %      | %   | %     | %     | %     | %   | %      | %             | %    | %         | %     | %     |
| Check all Documentation/service history                            | 59    | 61     | 57     | 69  | 60    | 62    | 48    | 60  | 72     | 50            | 53   | 62        | 60    | 58    |
| Have a mechanic check the car                                      | 49    | 49     | 49     | 61  | 53    | 51    | 37    | 42  | 52     | 48            | 48   | 46        | 50    | 46    |
| Check/Ask if car was crashed                                       | 34    | 34     | 33     | 43  | 39    | 34    | 30    | 19  | 30     | 27            | 38   | 40        | 34    | 33    |
| Check/Ask if the Odometer reading was genuine                      | 23    | 25     | 21     | 37  | 23    | 23    | 21    | 18  | 27     | 22            | 21   | 23        | 25    | 20    |
| Check if any outstanding finance on the car                        | 18    | 18     | 17     | 28  | 20    | 17    | 16    | 11  | 32     | 15            | 15   | 9         | 21    | 11    |
| Paid for a background check (using cartell.ie, motorcheck.ie etc.) | 17    | 17     | 17     | 20  | 17    | 19    | 15    | 13  | 33     | 11            | 12   | 14        | 21    | 11    |
| Other                                                              | 3     | 4      | 3      | 2   | 4     | 3     | 6     | 1   | 4      | 3             | 6    | 1         | 3     | 3     |
| Didn't carry out any checks                                        | 17    | 16     | 19     | 10  | 16    | 14    | 25    | 22  | 12     | 20            | 20   | 15        | 15    | 21    |

Those under the age of 25 and those living in Dublin are the most likely to have carried out any checks on the car.  
Those over the age of 50 are more inclined not to have carried out any checks.

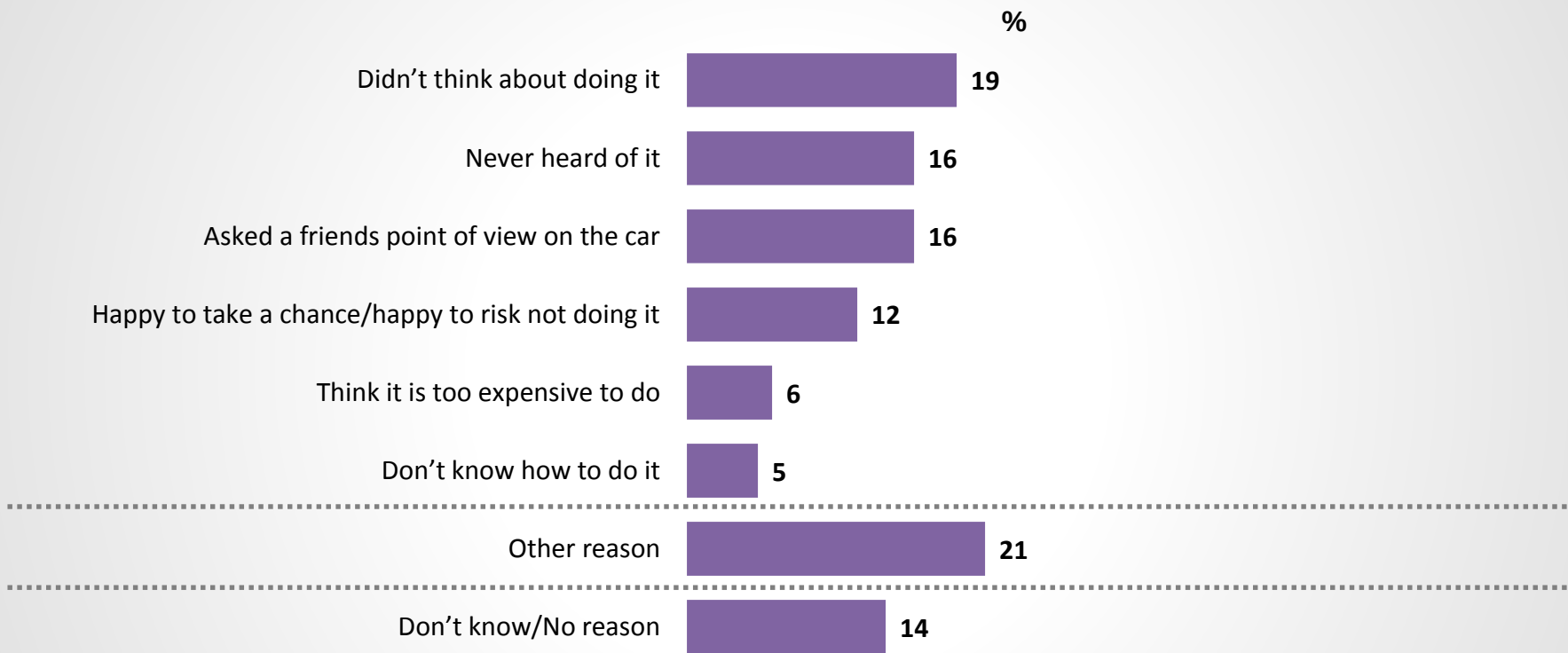
Q.4a

Having identified a potential car what checks did you complete prior to purchasing?



# Reason for not running background/finance checks

Base: Purchased a used vehicle without carrying out background/finance checks (520)



There is basic unfamiliarity with the concept of running these types of checks.

**Q.4b** You didn't "complete a background check (using cartell.ie, motorcheck.ie etc.)" or "check if any outstanding finance on the car", why did you not carry out any of these checks?

# Reason for not carrying out background/finance checks prior to purchasing

Base: Purchased a used vehicle without background/finance checks (520)

|                                                   | Total | Gender |        | Age |       |       |       |     | Region |               |      |           | Area  |       |
|---------------------------------------------------|-------|--------|--------|-----|-------|-------|-------|-----|--------|---------------|------|-----------|-------|-------|
|                                                   |       | Male   | Female | -24 | 25-34 | 35-49 | 50-64 | 65+ | Dublin | Rest of Leins | Muns | Conn/ UIs | Urban | Rural |
|                                                   | 520   | 247    | 273    | 23  | 137   | 196   | 102   | 62  | 80     | 136           | 197  | 107       | 335   | 185   |
|                                                   | %     | %      | %      | %   | %     | %     | %     | %   | %      | %             | %    | %         | %     | %     |
| Didn't think about doing it                       | 19    | 14     | 26     | 23  | 25    | 19    | 11    | 22  | 21     | 15            | 20   | 23        | 22    | 16    |
| Never heard of it                                 | 16    | 16     | 15     | 11  | 16    | 18    | 10    | 17  | 19     | 15            | 21   | 8         | 15    | 17    |
| Asked a friends point of view on the car          | 16    | 16     | 15     | 23  | 19    | 14    | 14    | 16  | 9      | 14            | 16   | 22        | 16    | 16    |
| Happy to take a chance/happy to risk not doing it | 12    | 15     | 8      | 15  | 14    | 14    | 7     | 6   | 10     | 13            | 10   | 13        | 12    | 11    |
| Think it is too expensive to do                   | 6     | 7      | 5      | 11  | 10    | 5     | 8     | 1   | 5      | 3             | 5    | 12        | 6     | 7     |
| Don't know how to do it                           | 5     | 3      | 7      | 13  | 6     | 5     | 2     | 2   | 1      | 5             | 6    | 6         | 6     | 3     |
| Other reason                                      | 21    | 25     | 16     | 14  | 13    | 19    | 34    | 23  | 24     | 19            | 26   | 15        | 18    | 25    |
| Don't know/No reason                              | 14    | 11     | 17     | 12  | 10    | 12    | 19    | 18  | 13     | 22            | 10   | 11        | 15    | 12    |

Women, those under the age of 35 and those living in urban areas more likely to say they didn't think about carrying out these types of checks.

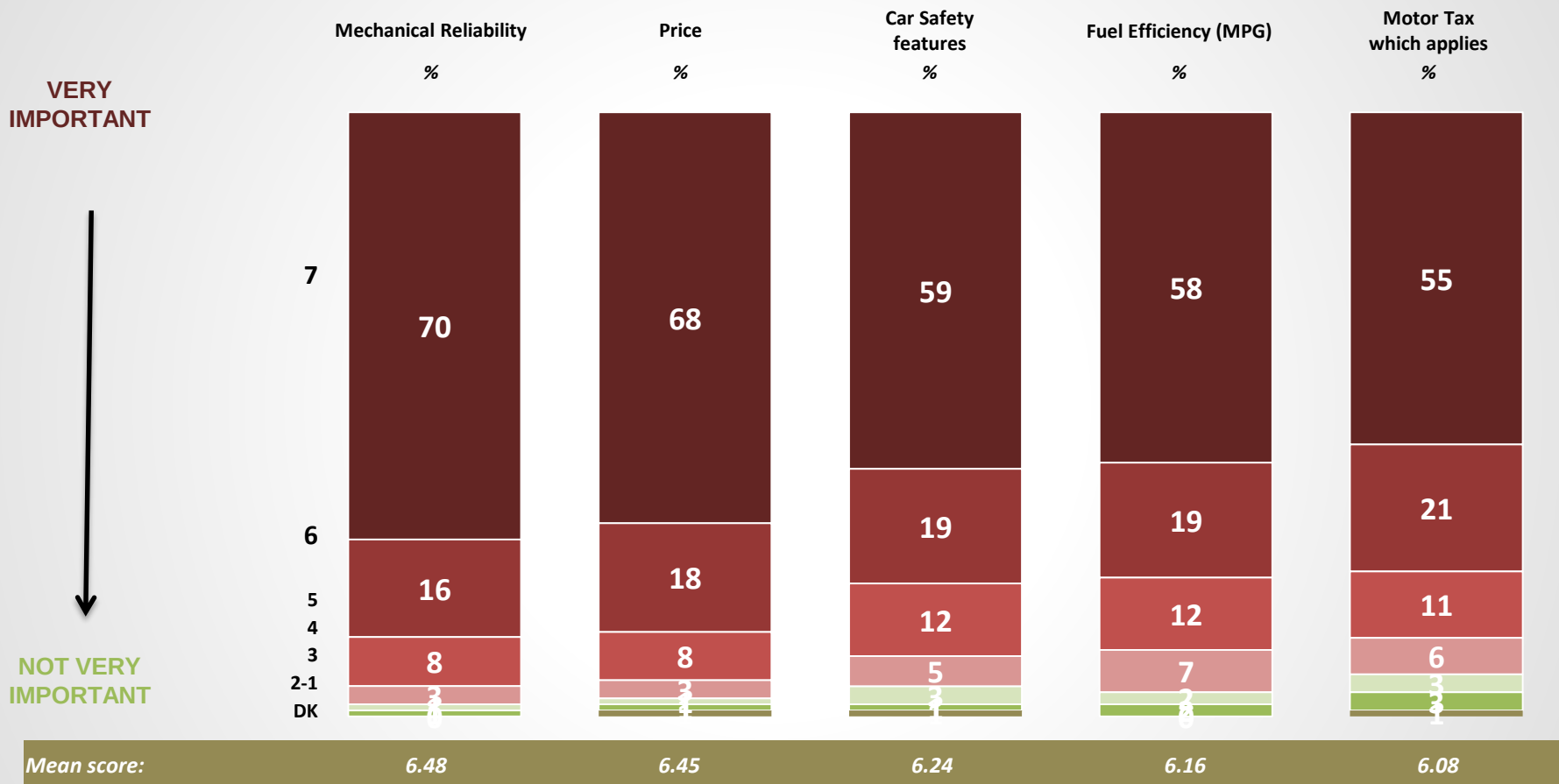
Q.4b

You didn't "complete a background check (using cartell.ie, motorcheck.ie etc.)" or "check if any outstanding finance on the car", why did you not carry out any of these checks?



# Factors of importance during decision making process

(1 of 2) Base: All ever purchase a car (1,082)



Mechanical reliability and price are the two most important factors when considering purchasing a car.

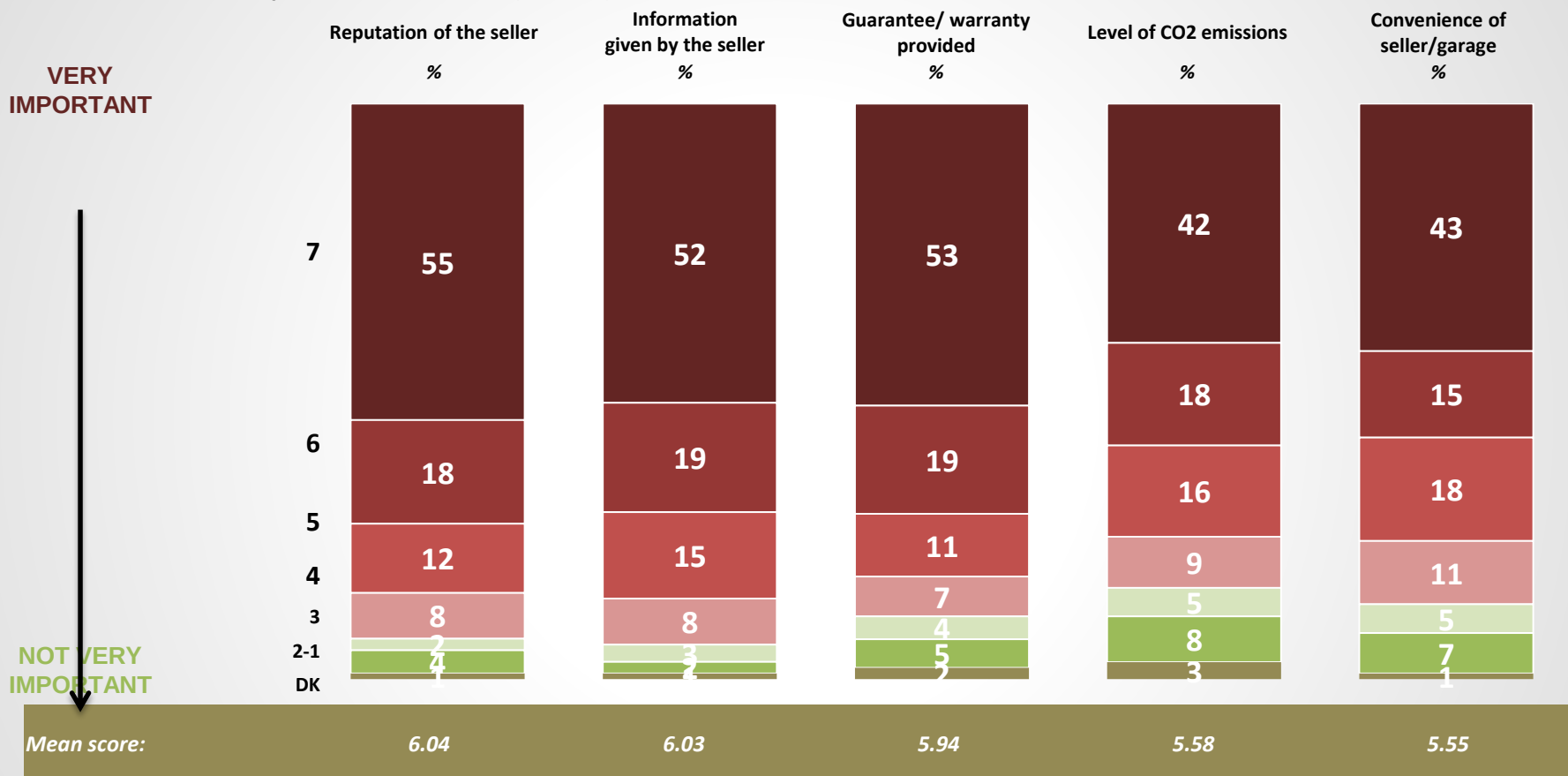
Q.8

When purchasing your car how important were each of the following factors on your purchasing decision. Please rate on a scale of 1 to 7 where 1 is not very important and 7 is very important.



# Factors of importance during decision making process

(1 of 2) Base: All ever purchased a car (1,082)



Irish adults who have purchased a car claim to be least swayed by level of CO2 emissions and convenience of seller/garage during the decision making process.

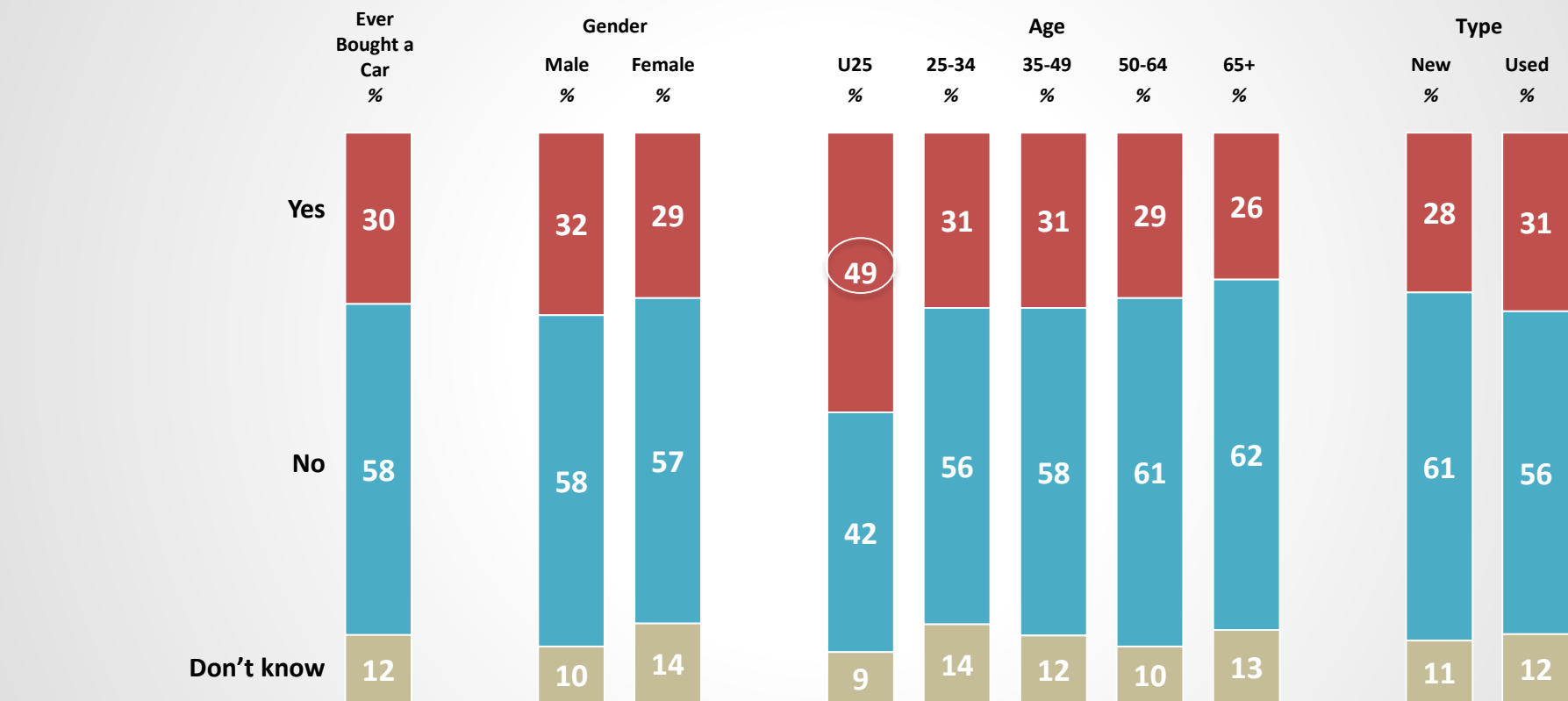
Q.8

When purchasing your car how important were each of the following factors on your purchasing decision. Please rate on a scale of 1 to 7 where 1 is not very important and 7 is very important.



# Are the same consumer rights applicable when purchasing from a private seller as when purchasing from a trader?

Base: All ever purchased a car (1,082)



Those under the age of 25 are most inclined to believe that the same rights are applicable when buying privately as from a trader.

Q.9

Do you believe that you have the same rights when purchasing from a private seller as you do when purchasing from a trader?



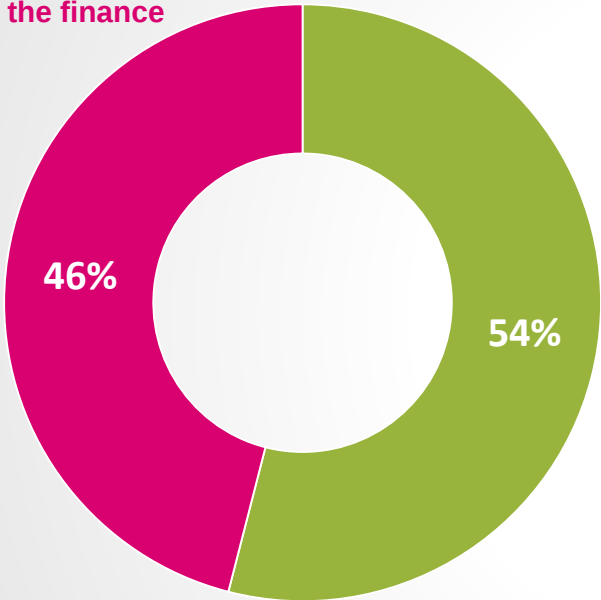
# Car Financing



# Which first: finance or car?

Base: All adults purchased a car (1,082)

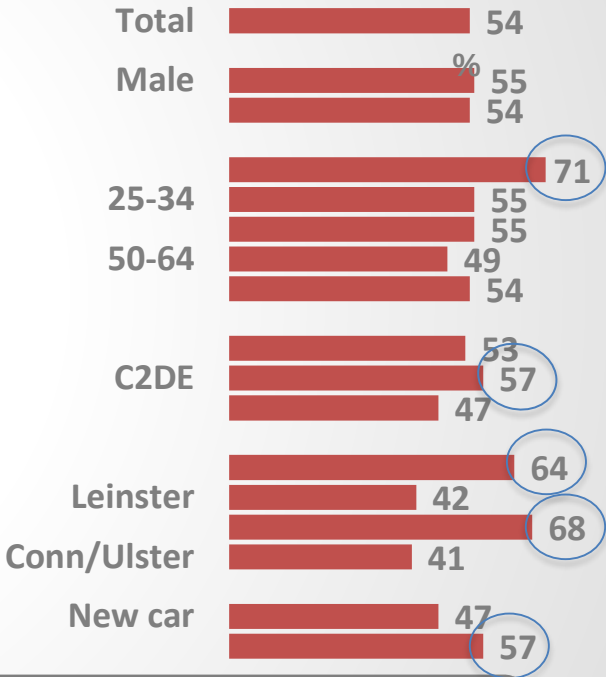
Choose your car first  
and then go  
arranging the finance



Arrange finance  
and budget firstly  
and then go  
looking for  
a car



## Arrange finance and budget first x demographics



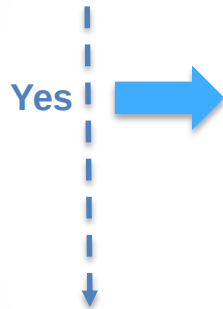
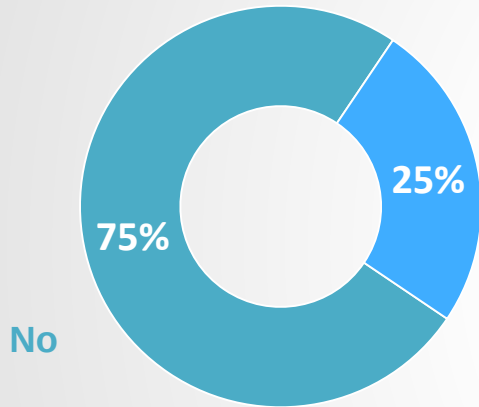
Arranging finance and budget first is more common amongst those purchasing a used car than those purchasing a new car. Those under 25, and those living in Dublin and Munster also more likely to budget first.

**Q.8** When considering purchasing a car did you arrange your finance and budget first and then go looking for a car, or did you choose your car first and then arrange the finance?

# Alternative finance options/products compared

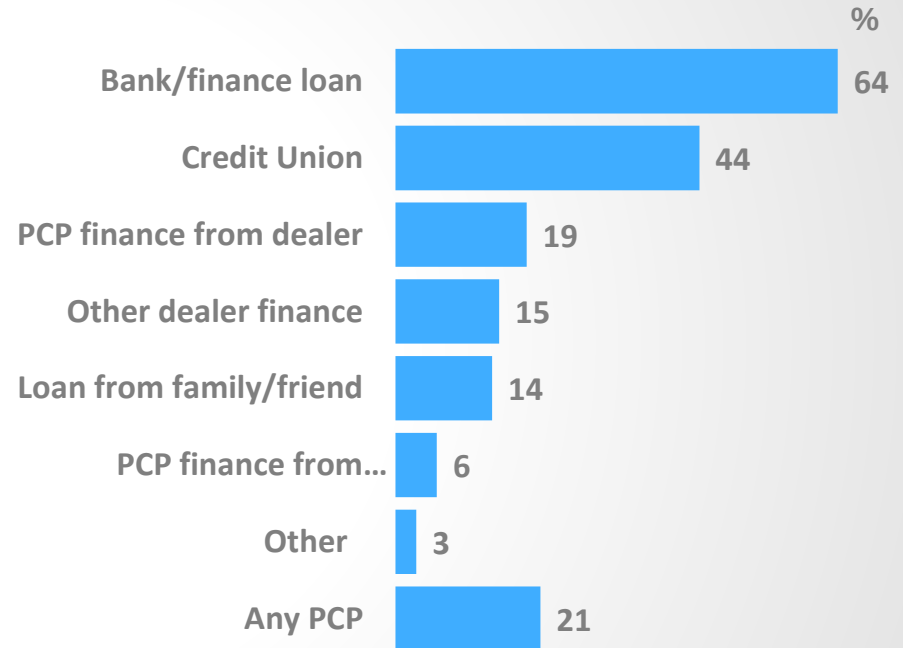
Base: All adults purchased a car (1,082)

Did you compare alternative options/products which may be available?



|                |     |
|----------------|-----|
| New car buyer  | 32% |
| Used car buyer | 23% |

Alternatives considered  
(Base: All considered alternative options/products (299))



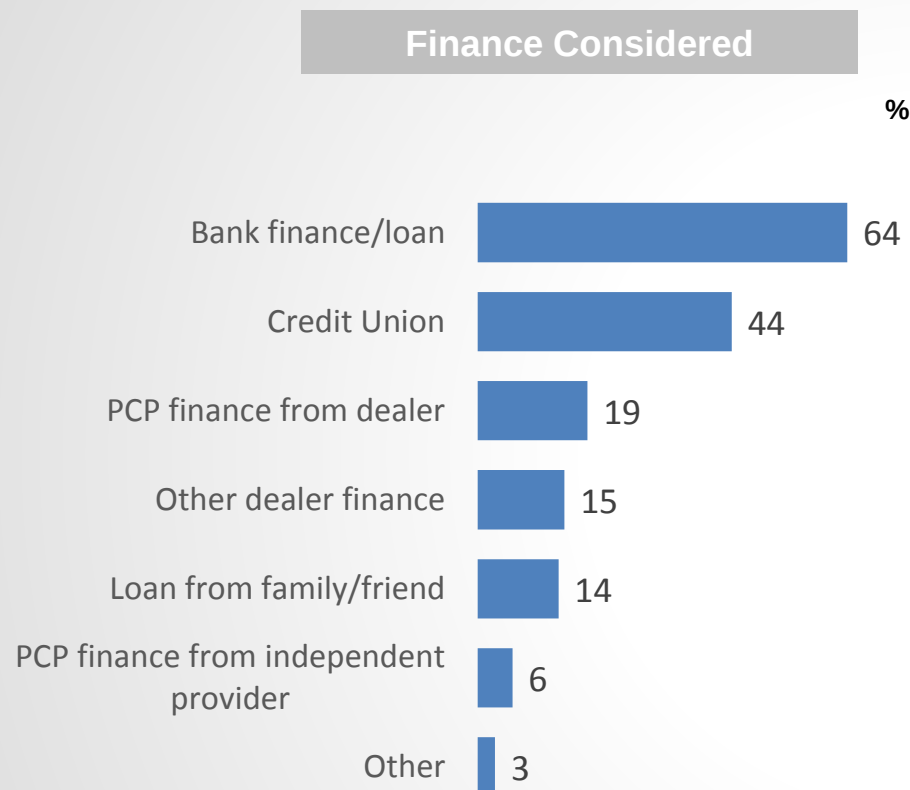
When considering alternative finance options, products, Irish adults more likely to think of bank/Credit Union loans. Only a fifth (19%) considered PCP finance from their dealership, and about a quarter looked at it in total.

- Q.6a** When arranging finance for the car did you compare alternative options/products which may be available to you in the market?
- Q.6b** What alternatives did you consider?



# Finance Considered vs. Finance Purchased

Base: All compared alternative options/products (299)



| Finance Purchased (& made comparisons) |           |         |               |         |          |
|----------------------------------------|-----------|---------|---------------|---------|----------|
| Own Money                              | Bank Loan | CU Loan | Hire Purchase | PCP     | Trade-in |
| 150<br>%                               | 62<br>%   | 72<br>% | 30<br>%       | 27<br>% | 46<br>%  |
| 61                                     | 70        | 68      | 67            | 76      | 61       |
| 46                                     | 49        | 38      | 48            | 52      | 57       |
| 20                                     | 20        | 18      | 19            | 36      | 17       |
| 9                                      | 21        | 18      | 30            | 31      | 12       |
| 21                                     | 15        | 11      | 19            | 10      | 14       |
| 5                                      | 10        | 10      | 7             | 18      | 6        |
| 5                                      | -         | 2       | -             | -       | -        |

Those who bought PCP and made comparisons are considerably more likely to have reviewed multiple options.

**Q.5a** How did you finance this purchase?  
**Q.6b** What alternatives did you consider?



# How are finance options/products compared?

Base: All considered alternative options/products when purchasing a car – 29...a quarter of buyers only

|                                        |                                                                                           | Gender |        | Age |       |       |       |     | New or Used |          |
|----------------------------------------|-------------------------------------------------------------------------------------------|--------|--------|-----|-------|-------|-------|-----|-------------|----------|
|                                        |                                                                                           | Male   | Female | -24 | 25-34 | 35-49 | 50-64 | 65+ | New car     | Used car |
|                                        |                                                                                           | 148    | 151    | 16  | 81    | 123   | 55    | 24  | 135         | 164      |
|                                        |                                                                                           | %      | %      | %   | %     | %     | %     | %   | %           | %        |
| Compared interest rates                |  %<br>61 | 67     | 55     | 54  | 63    | 67    | 48    | 65  | 73          | 55       |
| Compared total cost of finance figures |  45      | 47     | 44     | 36  | 43    | 47    | 56    | 26  | 52          | 42       |
| Compared monthly repayment figures     |  39      | 36     | 42     | 28  | 35    | 48    | 37    | 17  | 51          | 33       |
| Just checked they would finance/lend   |  21      | 18     | 25     | 14  | 26    | 20    | 23    | 12  | 11          | 26       |
| Loan from family/friend                |  2      | 2      | 3      | -   | 1     | 2     | 2     | 13  | 1           | 3        |

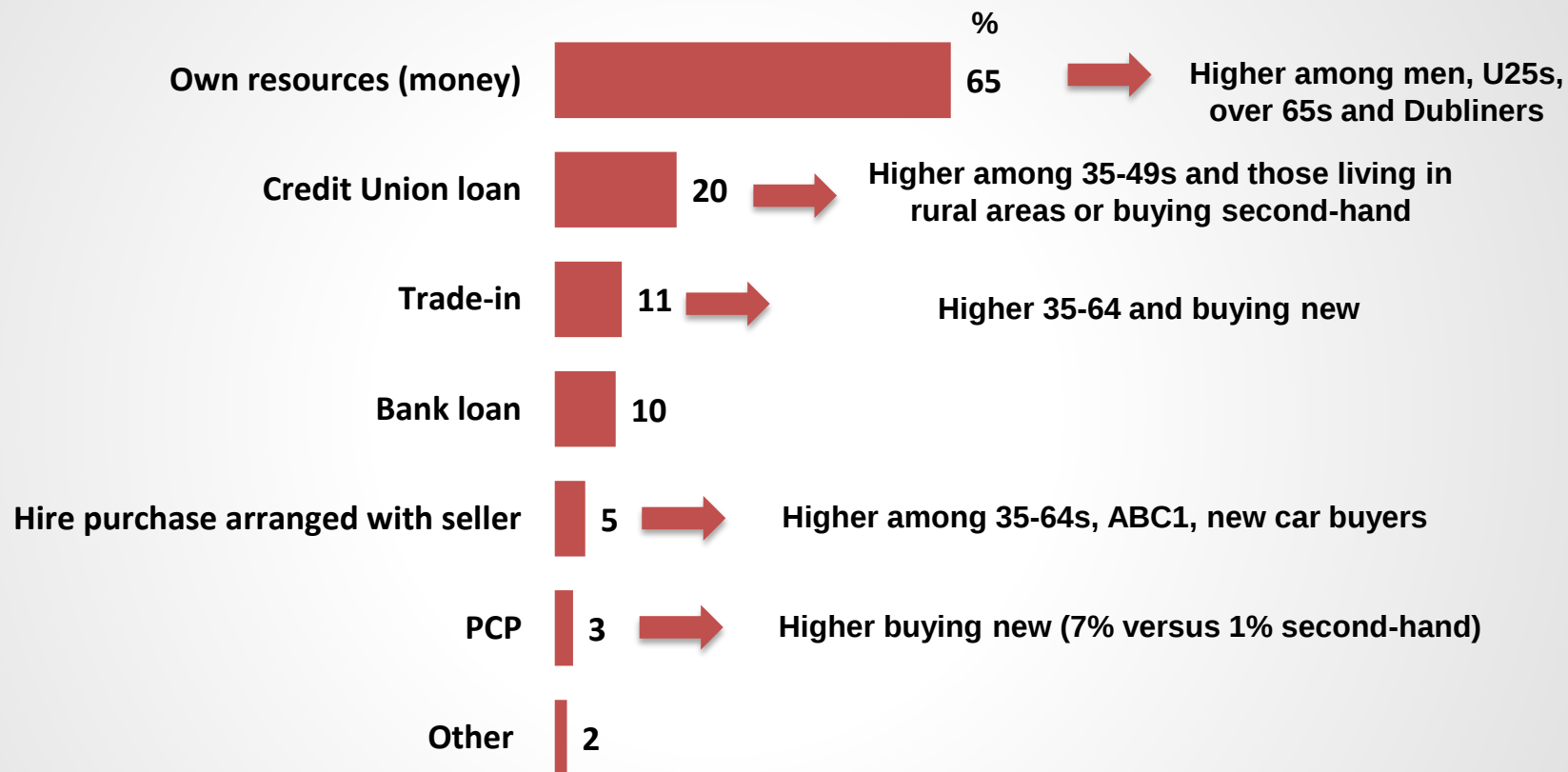
Men, those aged 35-49 and those purchasing a new car were more inclined to compare interest rates. Women were more likely to check the monthly repayment figures, while those purchasing a used car over indexed on 'just checked they would finance/lend'.

Q.6c How did you compare?



# How purchase was financed

Base: All adults purchased a car (1,082)



Two thirds of people (65%) purchased their last car using (at least in part) their own resources (money). A fifth (20%) sought a loan from the Credit Union.

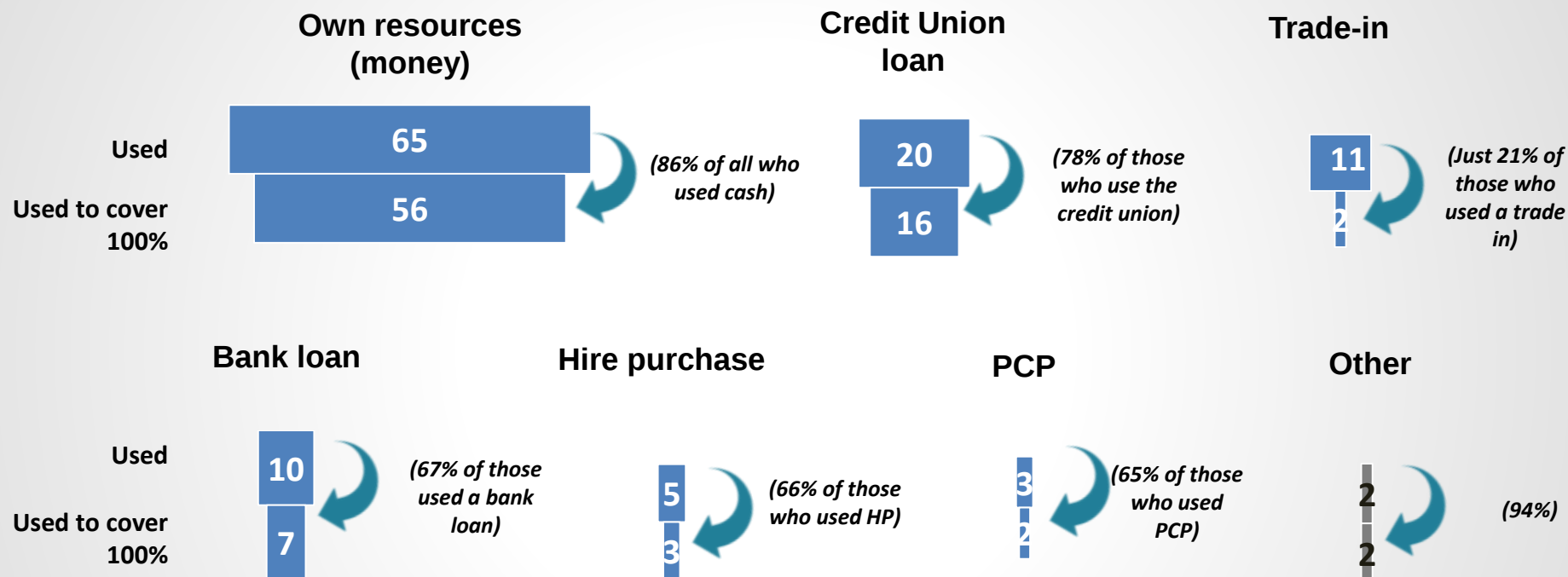
Q.5a

How did you finance this purchase?



# Proportion of full purchase price covered by each method

Base: All adults purchased a car (1,082)



56% of Irish adults used their own resources (money) to cover 100% of the cost of the last car they purchased. Where bank finance, PCP or HP use, it tends to cover a wider amount overall.

Q.5a

How did you finance this purchase?

Q.5b

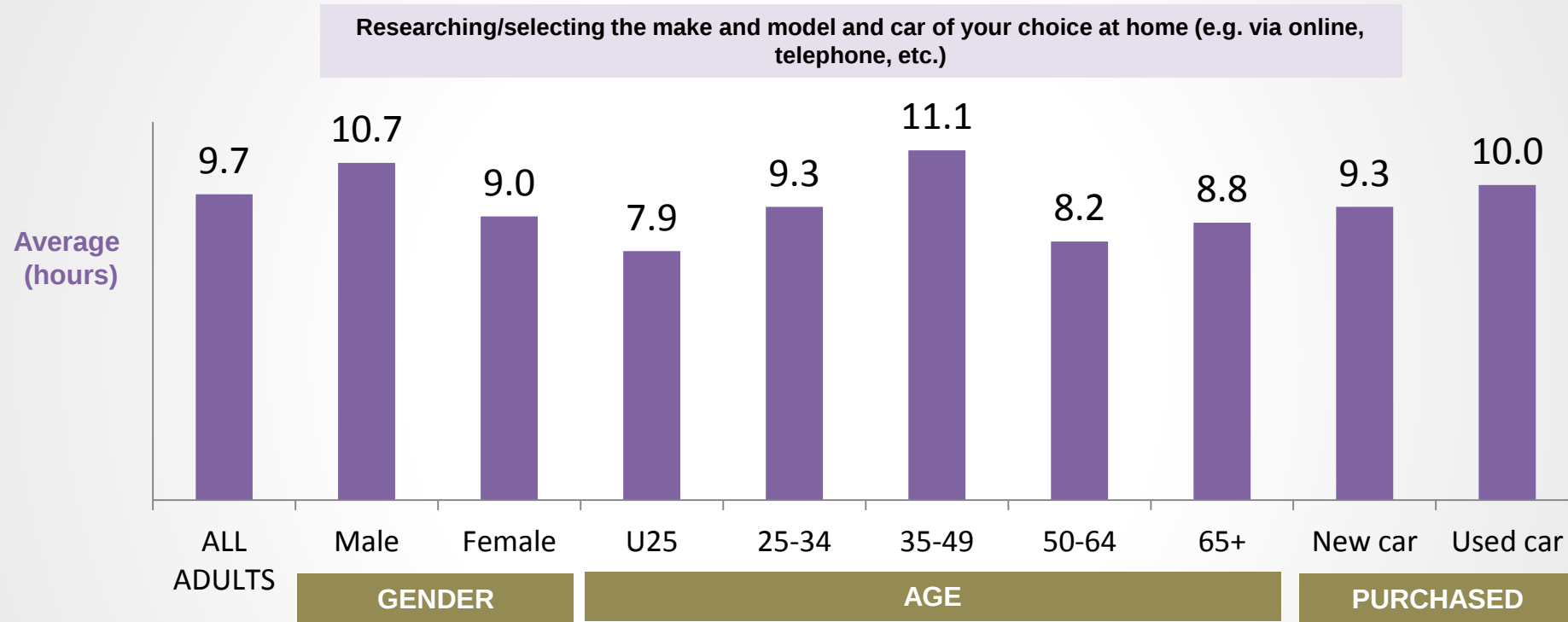
And roughly what proportion of the full purchase price/consideration was by each method (i.e. if had trade-in and finance, etc.)



# Length of time spent researching pre-purchase

Base: All adults purchased a car in past 5 years (350)

Online  
survey  
only



Men, those in the middle age range and those who purchased a used car more inclined to spend longer researching at home pre-purchase.

Q.7

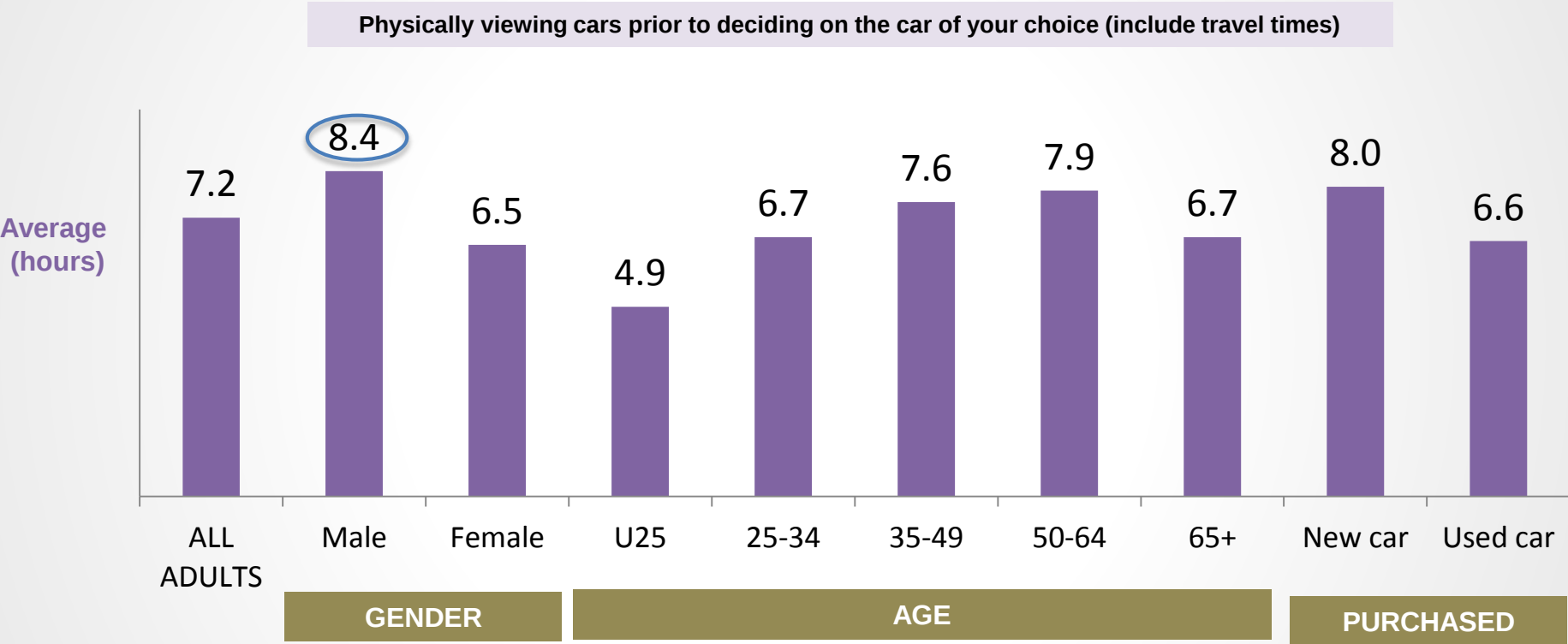
Please give your best estimate of the length of time that you spent in hours researching/selecting the make and model and car of your choice at home (via e.g. online, telephone etc.)



# Length of time spent viewing pre-purchase

Base: All adults purchased a car in past 5 years (350)

Online  
survey  
only



Going by average time spent on last purchase, more time viewing cars is spent by men, those between the ages of 35 and 50 and those purchasing a new car.

Q.7

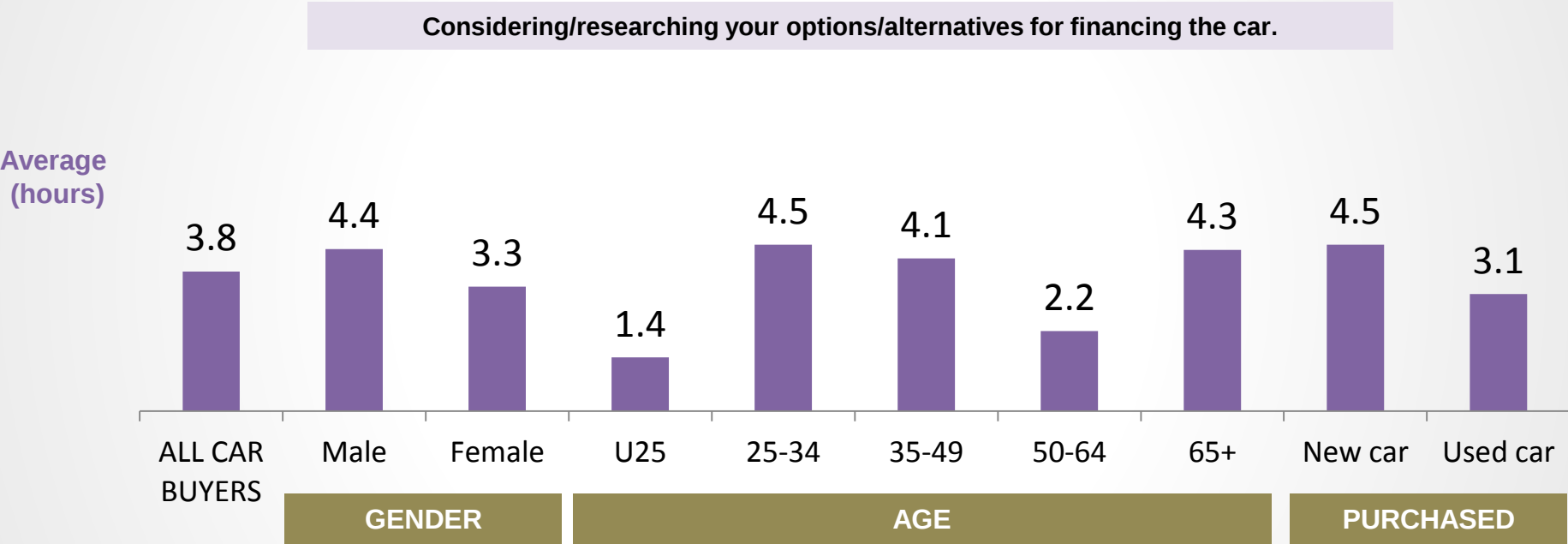
Please give your best estimate of the length of time that you spent in hours physically viewing cars prior to deciding on the car of your choice (include travel times here)



# Length of time spent researching finance options

Base: All adults purchased a car in past 5 years (350)

Online  
survey  
only



On average car buyers in spend 3.8 hours considering car finance options. Those under the age of 25 spent the least amount of time researching the different options and alternatives available for financing their car purchase.

Q.7

Please give your best estimate of the length of time that you spent in hours considering/ researching your options/alternatives for financing the car.



A 3D illustration of a dark blue puzzle. One piece in the center is missing, revealing a bright white light that radiates upwards, creating a lens flare effect with sparkling particles. The puzzle pieces have a wavy, interlocking design.

# Key Findings



# Key Findings

## The Decision-Making Process: Car Selection

- When choosing a car two thirds (63%) visit garage forecourts, with over half (53%) considering this their most important source of information. The popularity of the forecourt is mostly driven by older adults and those looking to purchase a new car.
- Half (48%) nominate online sources as an element of their research, and 35% say it is the key conduit. The use of online sources is more popular among those under the age of 35 and those looking at used cars.
- In terms of deciding factors when looking at cars to purchase, the key aspects are mechanical reliability (70% very important) and price (68% very important).



# Key Findings

## The Decision-Making Process: Finance

- Over half (54%) say that for their last purchase, they chose to arrange their finance first and then select the car. This is more characteristic of used car buyers (57% sort out the money first) than of new buyers (only 47% arrange the finance first.)
- Just 1 in 4 say they reviewed alternative finance options, with this being more typical of new (32% did) buyers than of used (23% did.) Such comparisons most typically involve comparing interest rates, with fewer comparing the total cost of finance and fewer still just checking on the amount of monthly repayments.

