

AUSTRALIA DEALER SENTIMENT INDEX

FIRST QUARTER

— 2019 —

Cox
AUTOMOTIVE™



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

BACKGROUND

Data for the Cox Automotive Australia Dealer Sentiment Index research is gathered via an online survey of Privately owned and Publicly Listed Franchise auto dealers.

Data is used to calculate an index wherein a number over 50 indicates more dealers view conditions as strong or positive rather than weak or negative.

The Q1 results are based on 115 dealer respondents. The survey was conducted from March 19th to April 14th.

The Cox Automotive Australia Dealer Sentiment Index was introduced in Q3 2018 by Cox Automotive. This is the second published report.



KEY TAKEAWAYS

Dealers in the first quarter have a moderate reaction to the current market with an indexed score of 25. Future projections (6 months from now) are also moderate with an indexed score of 30. Both current and future perceptions are significantly lower compared to last wave.

Customer traffic, profits, and ability to get credit are below the threshold of 50 and decreased significantly compared to last wave. Fixed capital investment levels, new vehicle sales environment, and staffing levels also experienced significant decline in Q1 2019 (compared to Q3 2018). However, new vehicle inventory levels are above the positive threshold with an index of 64.

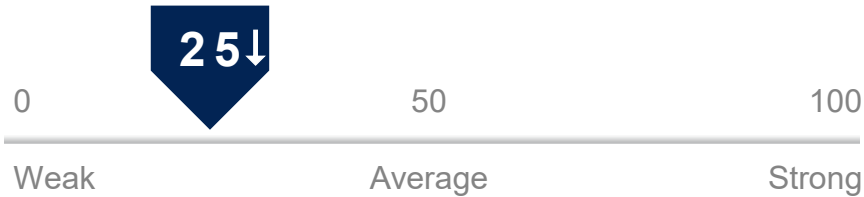
Dealers rate consumer confidence, market conditions, and margin compression as the top 3 factors holding the business back. Consumer confidence and market conditions increased significantly compared to last wave. Credit availability for consumers is also a top factor holding the business back and increased significantly in Q1 2019.




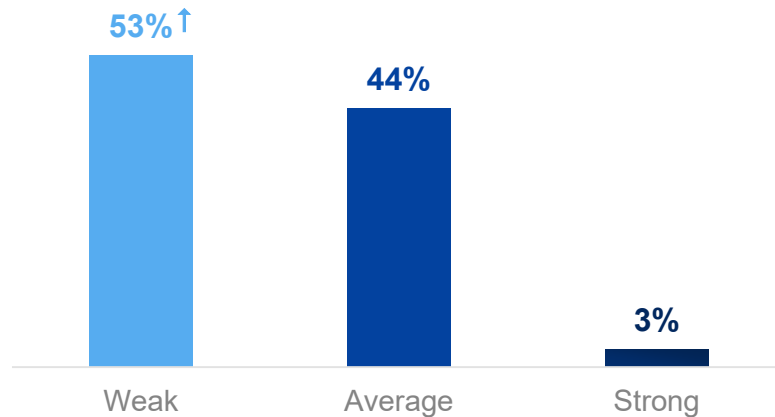


- DE1 -

How would you describe the current market for vehicles in the areas where you operate?

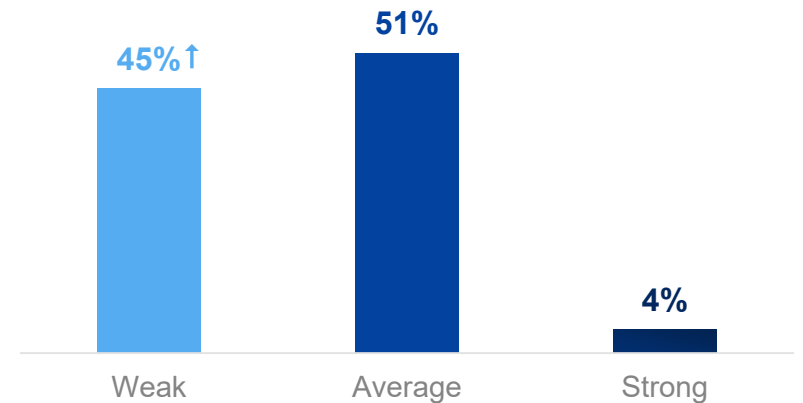
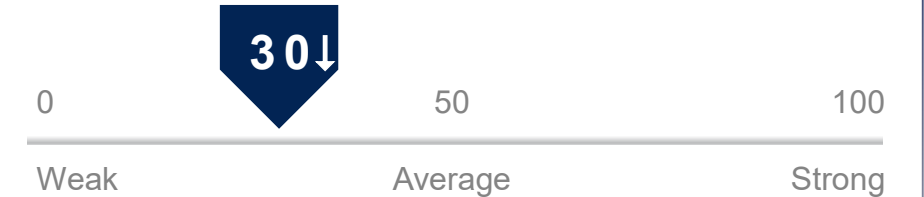


 *Single Franchise Dealer perceptions decreased significantly compared to last wave (46 to 29).*



- DE2 -

What do you expect the market for vehicles in the areas where you operate to look like 6 months from now?



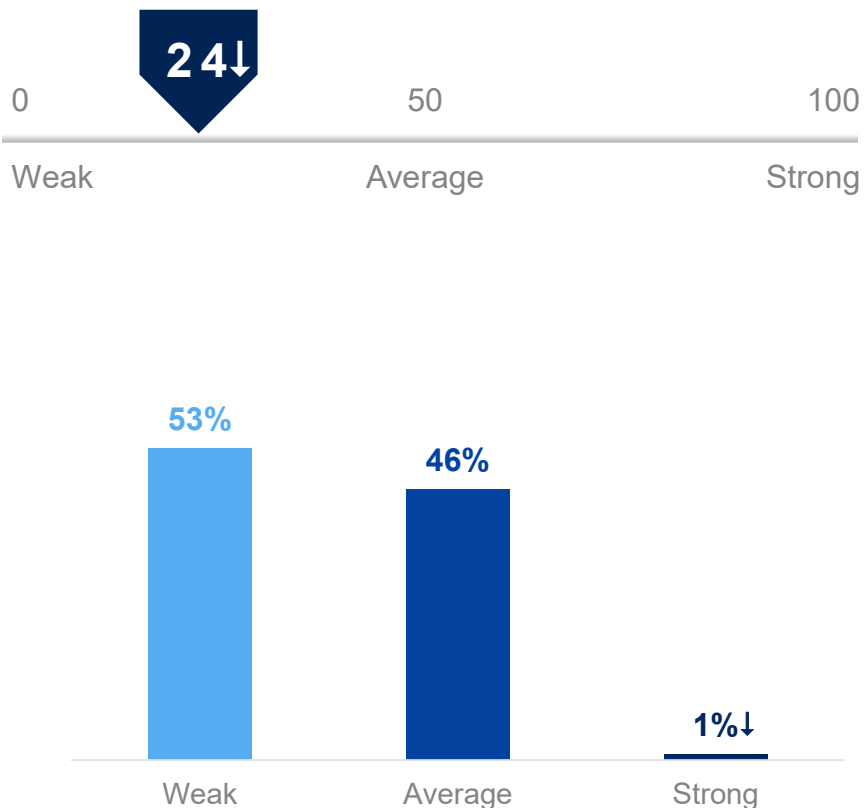
Arrows indicate statistical significance increase or decrease over previous wave at the 95% confidence interval.

Note: Don't know responses excluded



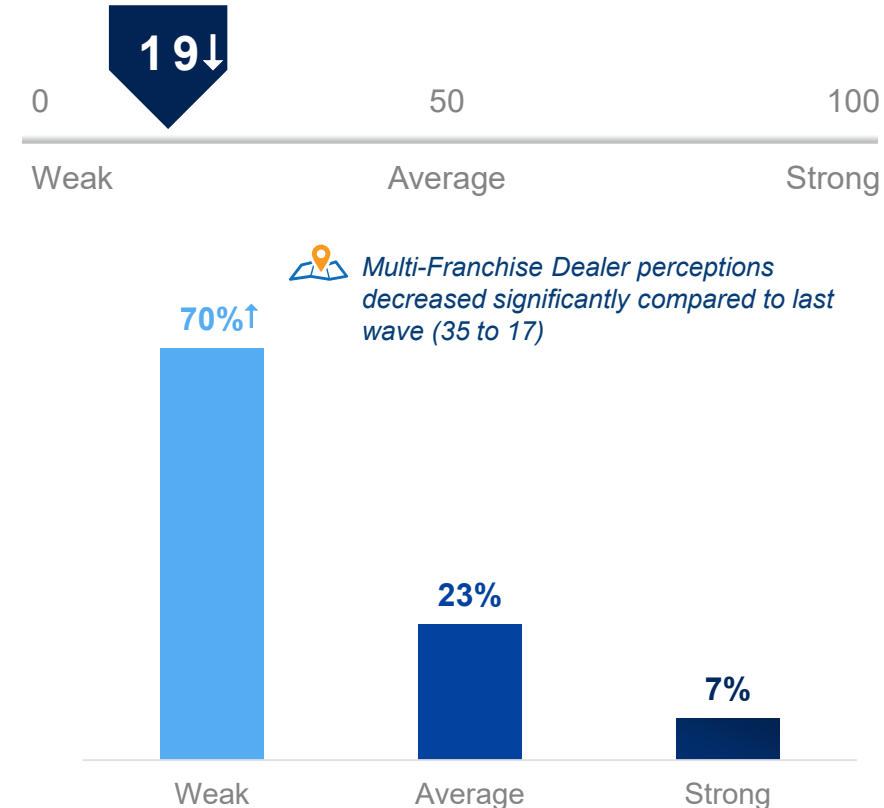
- F1 -

How do you rate the customer traffic to your dealership over the past 6 months?



- F2 -

How would you describe your profits over the past 6 months?



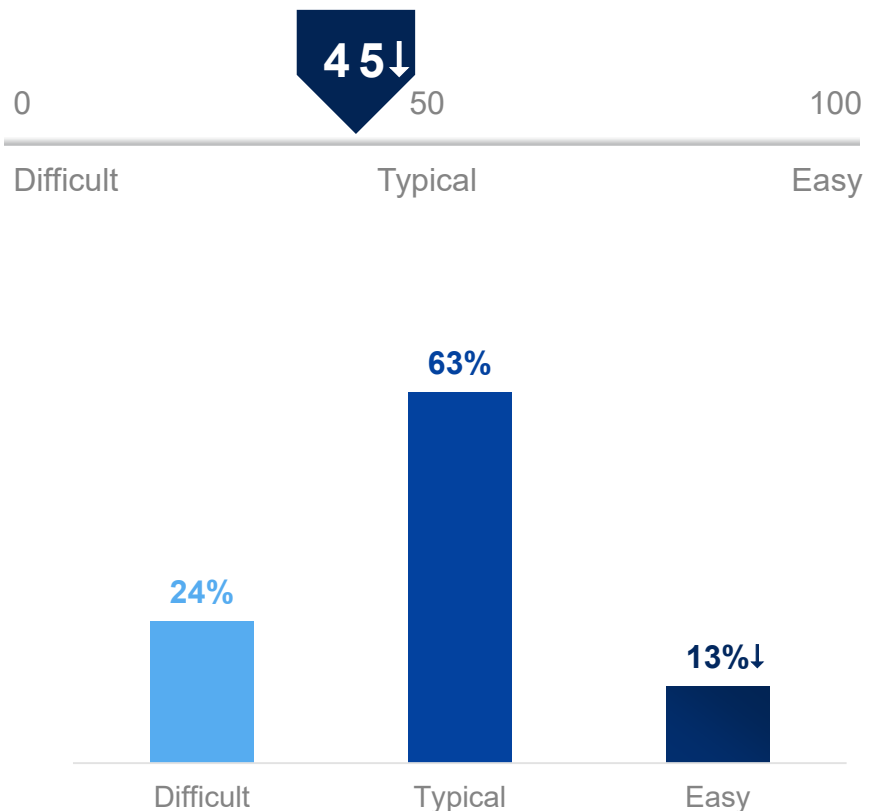
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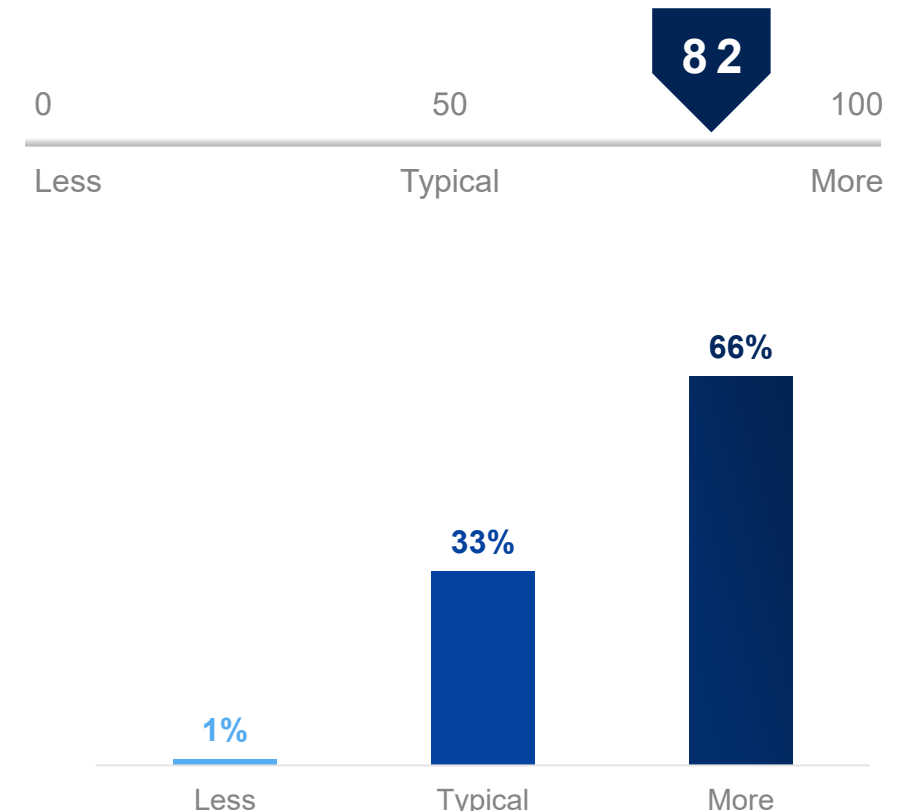
- F3 -

How would you describe your ability to get credit to operate your business over the past 6 months?



- F7 -

How much pressure do you feel to lower your prices?



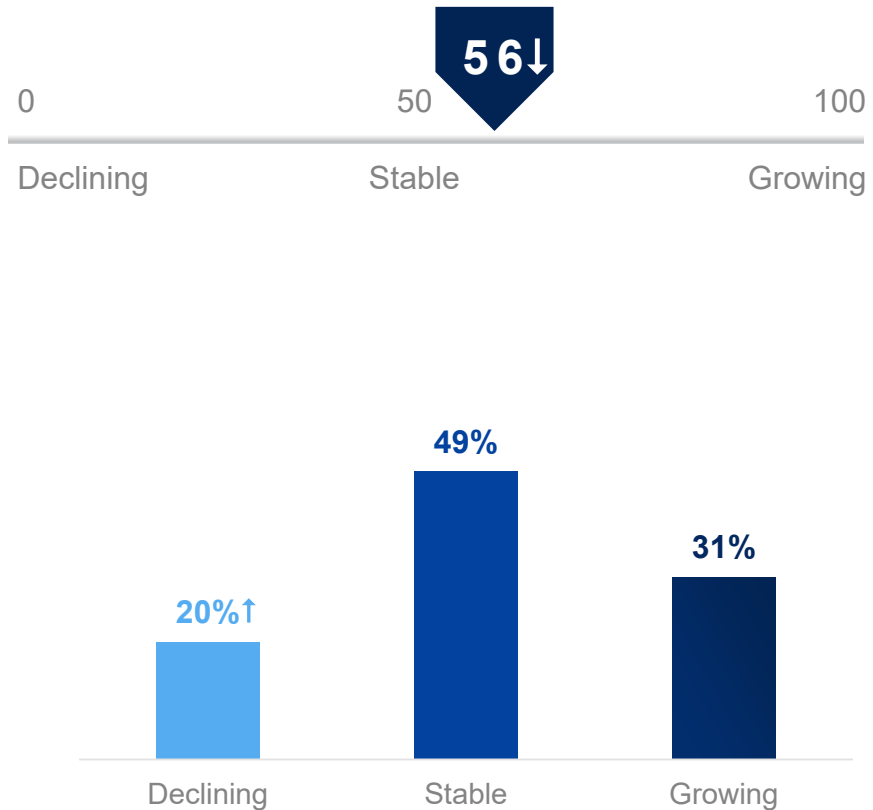
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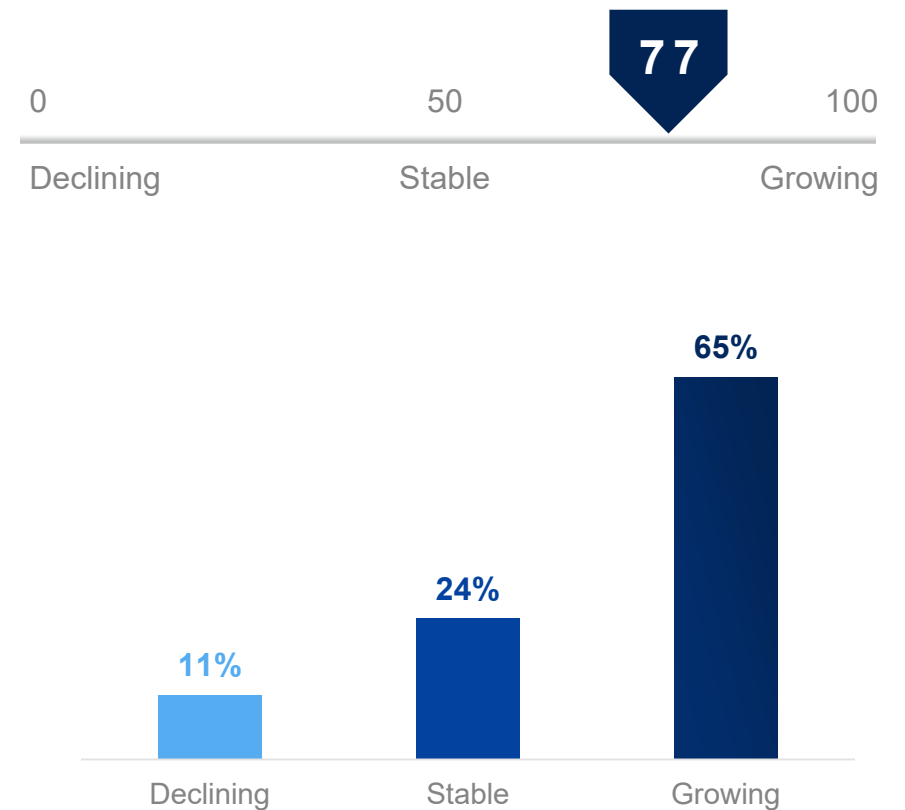
- F4a -

How would you describe your dealership's current fixed capital investment levels?



- F4 -

How would you describe the costs of running your dealership over the past 6 months?



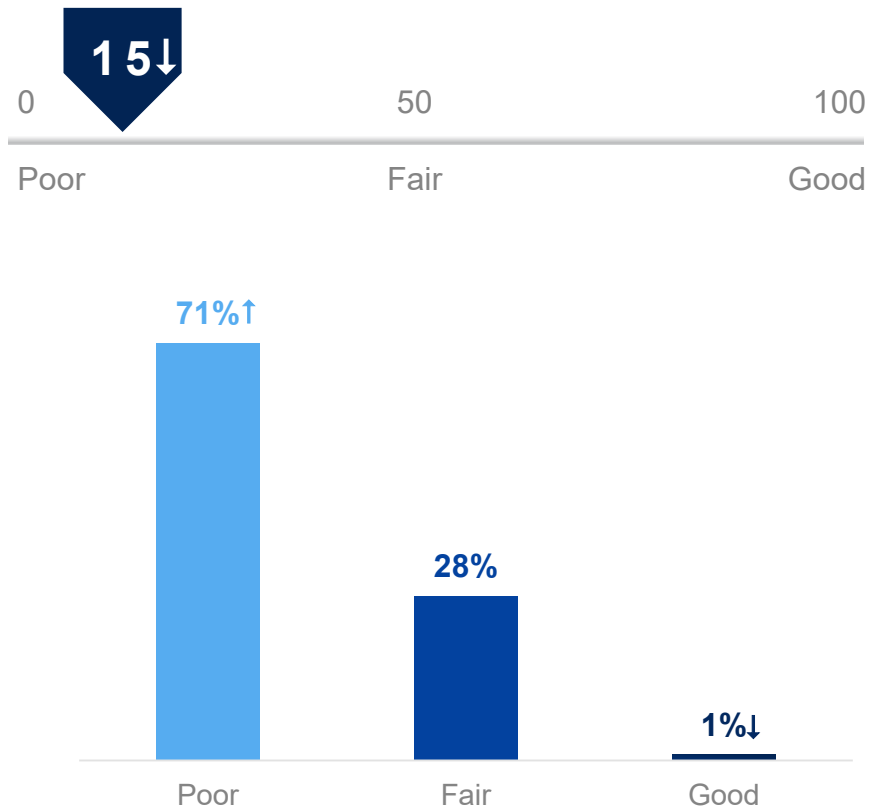
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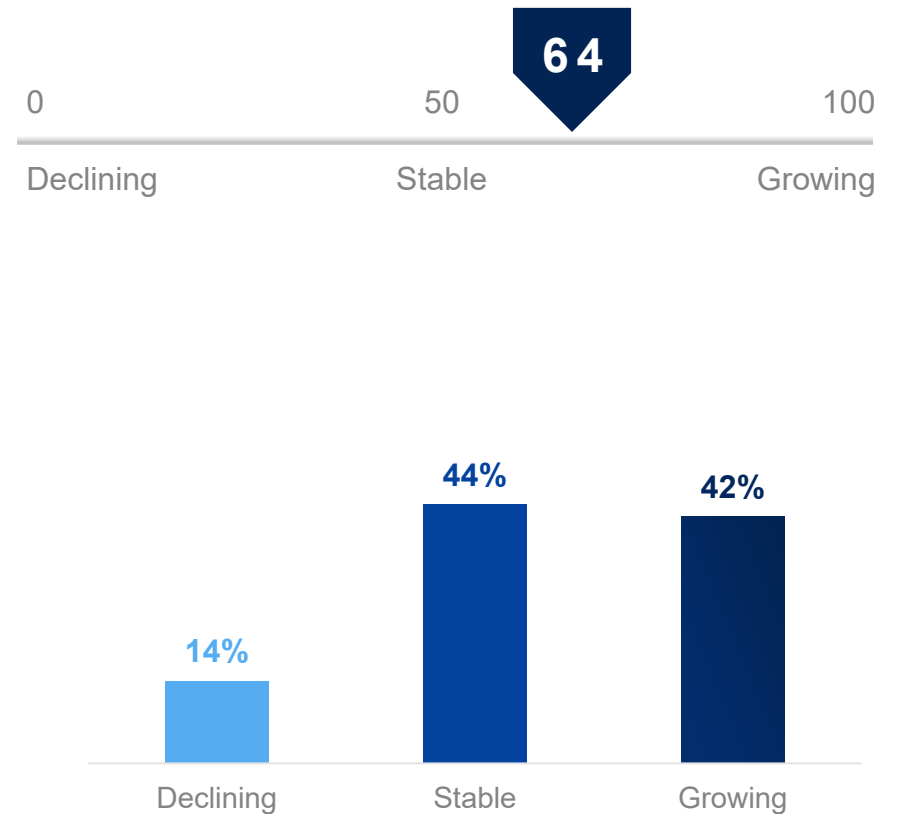
- F5 -

How would you describe the current new vehicle sales environment?



- F5a -

How would you describe your dealership's current new vehicle inventory levels?



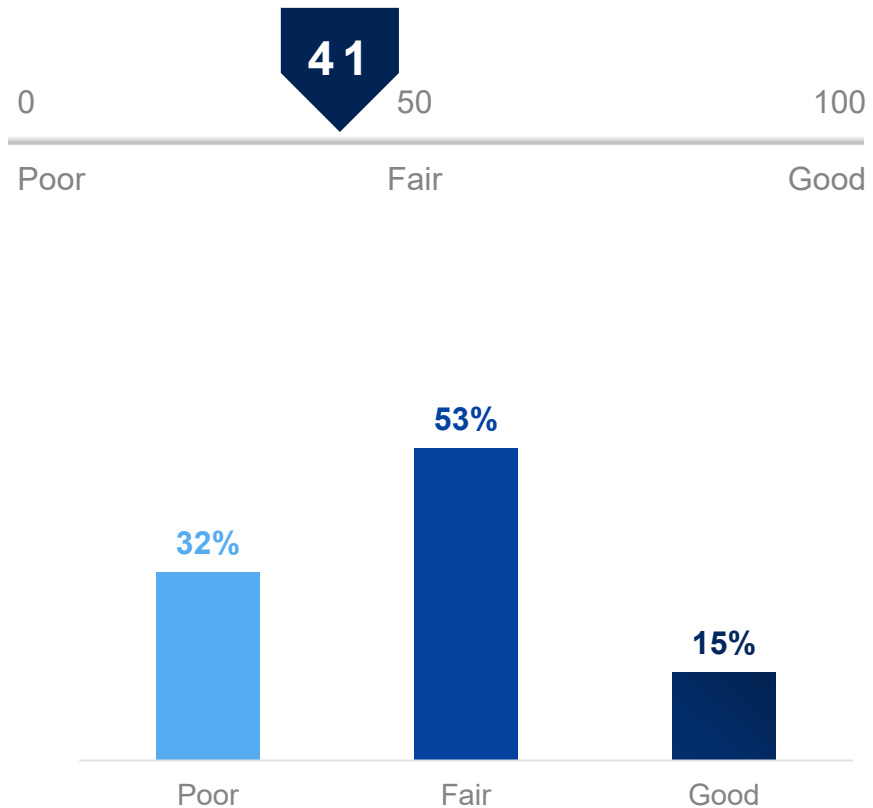
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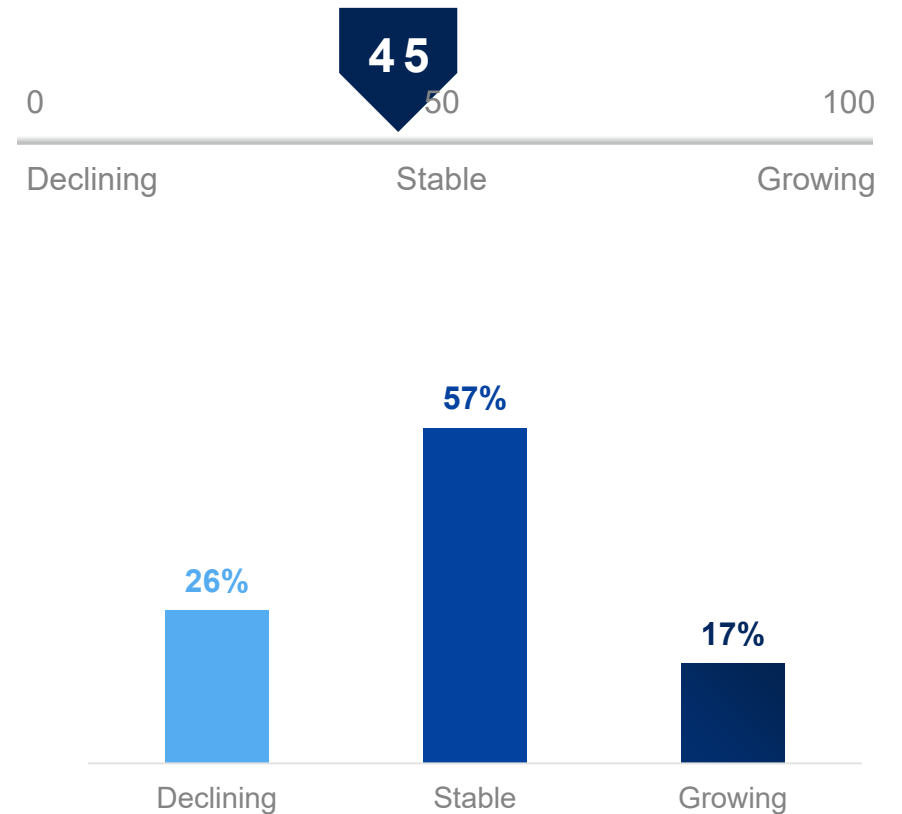
- F6 -

How would you describe the current used vehicle sales environment?



- F6a -

How would you describe your dealership's current used vehicle inventory levels?



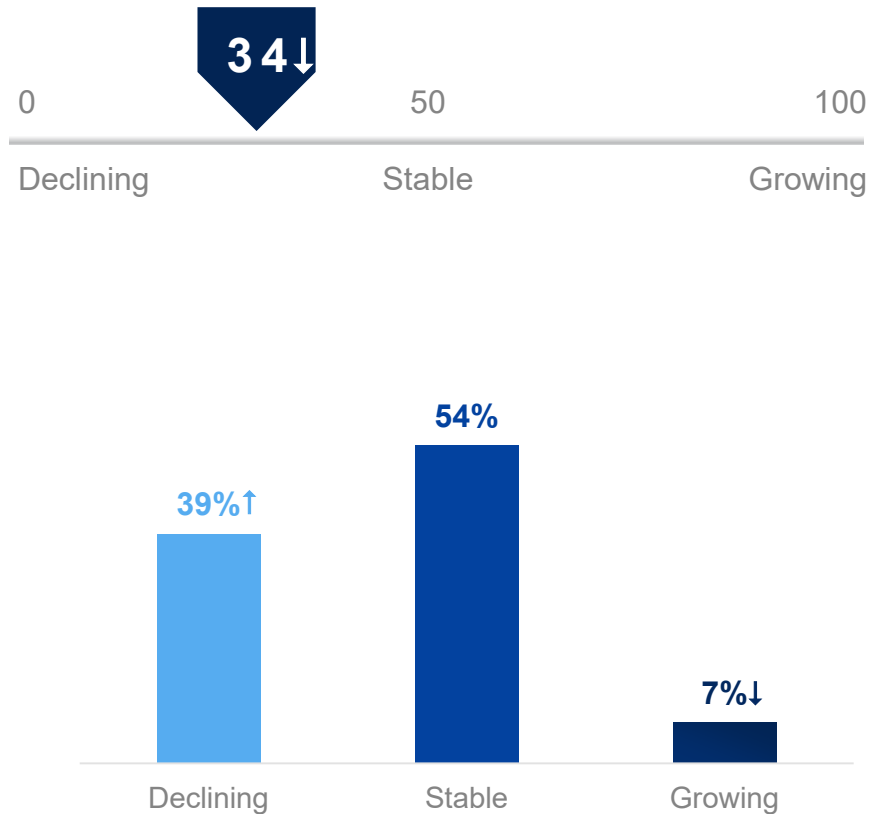
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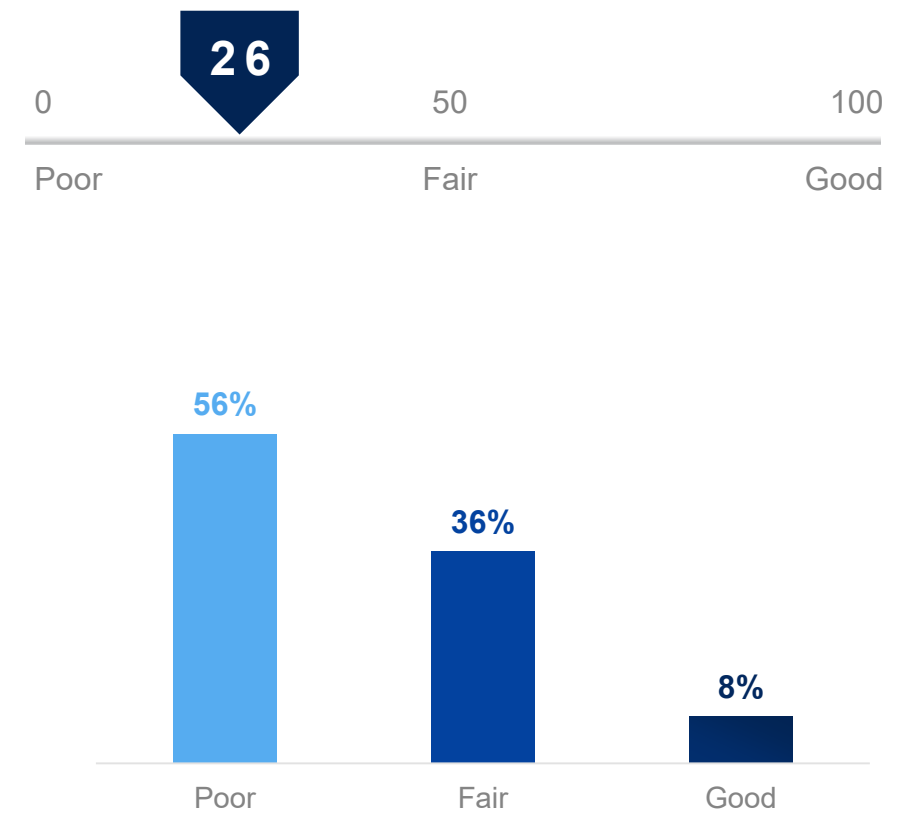
- F8 -

How would you describe your dealership's current staffing level?



- F9 -

How would you describe the profitability of your dealership's F&I department?



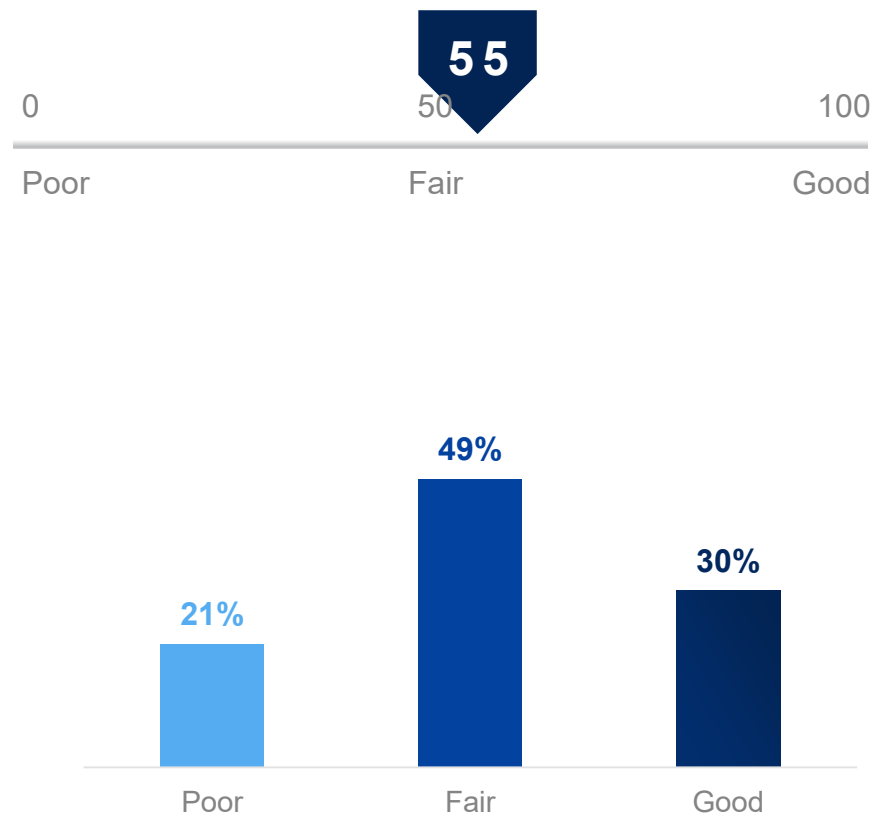
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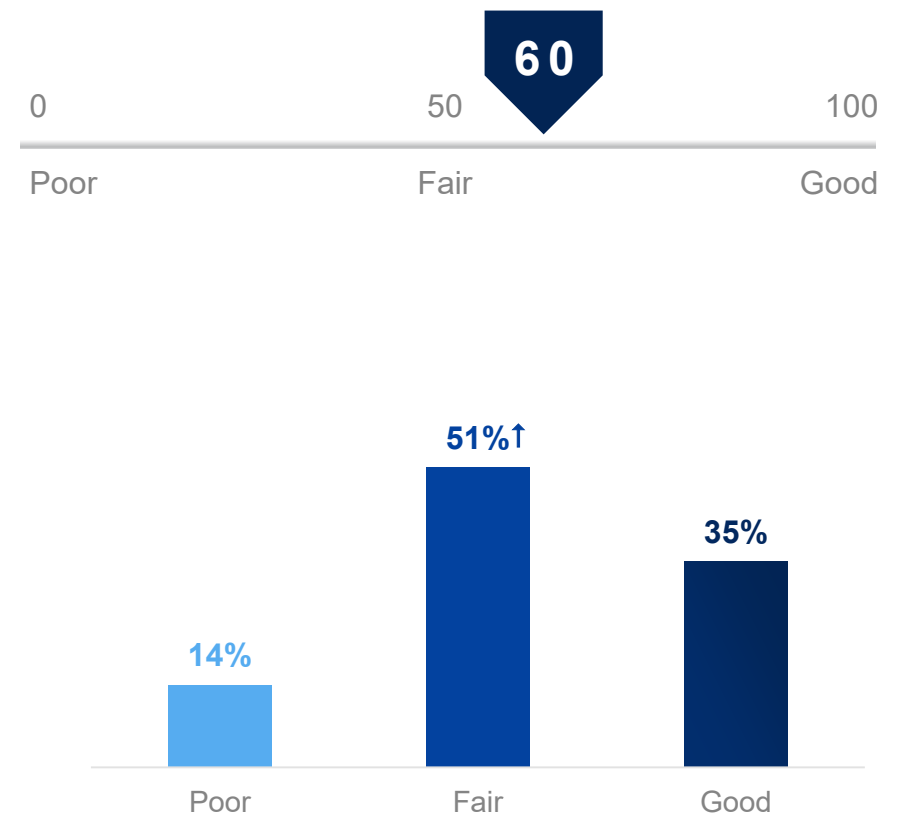
- F10 -

How would you describe the profitability of your dealership's Parts department?



- F11 -

How would you describe the profitability of your dealership's Service department?



Arrows indicate statistical significance increase or decrease over previous wave at the 95% confidence interval.

Note: Don't know responses excluded



OVERALL RANK

What Are The Top Factors Holding Your Business Back?

1	Consumer confidence	76%↑
2	Market conditions	73%↑
3	Margin compression	72%
4	Credit availability for consumers	70%↑
5	Expenses	61%
6	OEM mandates/restrictions	46%
7	Regulations	43%
8	Competition	40%
9	Too much retail inventory	37%
10	Staff turnover	23%
11	Vehicle affordability (taxes, tariffs & stamp duty)	19%
12	Credit availability for business	17%
13	Limited inventory available for sale	16%
14	Consumer transparency in pricing	14%
15	Dealership systems/tools	12%
16	Interest rates	8%

 More of an issue for **Multi Franchise Dealers**

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 More of an issue for **Multi Franchise Dealers**

 More of an issue for **Multi Franchise Dealers**

 More of an issue for **Single Franchise Dealers**

Arrows indicate statistical significance increase or decrease over previous wave at the 95% confidence interval.

MORE INFORMATION

For more information about this survey or if you have any questions, please contact:

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