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CARZONE MOTORING REPORT



Examining Trends in the
Irish Motoring Industry

Carzone.ie
Ireland's Ultimate Motoring Marketplace

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Introduction

Welcome to the third Carzone Motoring Report, a bi-annual digital publication focusing on the state of the Irish car market and the opinions of thousands of motorists.

Following a positive first few months of 2014 in terms of new car sales, it's clear there's optimism in the market and more consumer confidence than there was this time last year. Used car transactions were significantly up last year too, and they show no sign of slowing any time soon. Carzone.ie remains at the forefront of bringing high-quality used cars and happy buyers together.

Over **60 million searches** for used cars were carried out on Carzone.ie during the second half of 2013. Carzone.ie is not only Ireland's Ultimate Motoring Marketplace with over **18 million visits generating over 740 million page impressions last year**, it's also an authority in the used car market and the search data allows an incredibly detailed look at buying trends.

To complement the search data (from which we extracted county-by-county trends for the first time) we surveyed 2,187 Irish motorists of all ages and backgrounds. We asked them to tell us about their car buying and selling preferences, how they feel about the economy, what their biggest financial worries are and, for a bit of fun, what they think about in-car technology. The results were illuminating as ever and while some of the old stereotypes are alive and well (men love tech, women don't care, for instance), things like colour preference and daily commute were largely universal.

Some of the analysis in this document was made possible by accessing Cartell.ie's database of vehicle transactions. Cartell.ie was the first company to offer car history checks in Ireland and continues to lead the industry. In this edition of the Carzone Motoring Report, Cartell.ie helped us take a look at the situation across the country, so there's less focus solely on Dublin.

As we move into what we all hope is a period of sustainable growth for Ireland, the car market and our analysis of it remain a fascinating barometer. We hope you enjoy it as much as we do.

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The Key Findings from the last six months of 2013



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Use the Force - of Numbers

The last six months of 2013 were marked by a warm afterglow of the fabulous summer and what appears to be a cautious return in consumer confidence in Ireland.

This manifested itself in a surge of new car sales at the start of 2014. Nonetheless, Carzone.ie's survey data revealed that motorists have the same issues at heart as they have had for several years - and they're no more likely to buy a convertible than before!

When asked to identify the top financial concerns when it comes to running a car, respondents put the fuel costs and the price of road tax right at the top of the list, at 69.7% and 67.9% respectively. Motor insurance wasn't too far away in third place at 46.1%.

The desire for better fuel economy is continuing to drive buyers towards diesel cars. Post-2008 models benefit from lower road tax too due to their lower emissions. However, these cars' larger engines usually result in higher annual insurance premiums.

Balancing these various costs mean there's still a lot of variation in the vehicles actually bought. Of the cars bought recently by those surveyed, only 52.3% were fuelled by diesel. That may be explained by the fact that people are committing to older cars - about 54% of those recently bought models were over five years old for instance and the majority of them were priced between €5,000 and €10,000.

Some optimism was revealed when respondents were asked about their next purchase. By a slim margin (31.1% vs. 29.0%) most said they'd spend between €10,001 and €20,000 within the next six months.



TOP TIP:

If your daily commute doesn't involve a decent stretch of flowing motorway driving then it's advised that you do not drive a modern diesel car fitted with a diesel particulate filter (DPF).

Unsurprisingly, those same people voted predominantly for diesel power, at 61.4% of the respondents. A total of 80.1% of searches carried out on Carzone.ie over the last six months of 2013 were for diesel cars. That's a high number, undoubtedly, but it's worth noting that it is less than for the first six months of the year (84.2%). Nonetheless, it far exceeds the stock of diesel cars for sale, which has increased from 55.4% to 58.78% during the course of 2013.

This follows the obsession in the new car market with diesel power. A total of 72.5% of cars sold in the latter half of the year were diesel, which is an identical proportion to the start of the year.

A considerable 64.3% of these cars were in A tax bands, with carbon dioxide emissions of 120g/km and less, resulting in low annual tax.

It seems that Irish car buyers are still highly motivated by the price of the tax

disc on the windscreen - seemingly ahead of any other considerations in some cases.

For low mileage drivers, a diesel car may still return better economy, but they're usually more expensive to buy in the first place and low usage doesn't suit modern diesel engines fitted with particulate filters (DPF) - that may result in higher maintenance costs further down the line.

This year we asked respondents to tell us a little more about their commute, and the results were illuminating. A large majority (51.9%) had a daily round-trip of 50 kilometres or less, while 69.5% of all those surveyed travelled less than 100 kilometres per working day.

Those with shorter commutes could potentially save money in the long term by switching to a cheaper, petrol-fuelled car, or even an electric one. Yet search and survey data reveals little demand for electric cars as yet.

Black is the colour ...of my next car



It turns out that black really is the new black. Analysis of the Carzone.ie website search data revealed that a surprisingly large proportion of car buyers specified colour in their search.

Somewhat disappointingly, the results show that we're a nation of conservative people, with black the overwhelming favourite.

Taking the website data by the county of the searcher, only six of the Republic's 25 counties put a colour other than black at the top of their list.

Kilkenny buyers apparently prefer white, as do those in Wicklow. Anecdotally, there are more red cars in Munster than Leinster, but it's Donegal people that appear to rate red cars the highest. Indeed, Cork buyers prefer a neutral palette of black, white and silver above any bright hues. And only marginally more people searched for red cars above blue cars in Cork.

Neither did the Dubs appear to prefer their county's colours for their cars, as black, silver and white came in ahead of blue, which itself was only just ahead of red.

Looked at in terms of provinces, only Ulster puts red at the very top of its agenda.

The most searched for car on Carzone.ie is now the Volkswagen Golf, taking over from the BMW 3 Series and just ahead of the BMW 5 Series.

This is slightly at odds with the availability of these cars, as it's the Ford Focus that is in most supply.

Because its two models are at the top of the list, BMW is, unsurprisingly, the most searched for marque, ahead of Volkswagen and Audi. This is unchanged from the year before, though Nissan has overtaken Opel as the seventh most searched for car make.

However, while the Golf is the overall favourite, the county-by-county data reveals that the Focus is the most popular car in 12 of the 25 counties.

Anomalies that don't put either the Golf or the Focus in first place are Longford, which favours the Audi A4, and Monaghan, residents of which apparently have a thing for the Opel Insignia.

Interestingly, without the weight of the number of Dublin searches, the BMW 3 Series wouldn't appear so high up the results, as it places no better than fourth elsewhere in the country and regularly isn't even in the top ten.

TOP TIP:

"Demand for prestige cars in some of the smaller counties is lower than the most populated, which means there may be bargains to be had if you're willing to travel."

Battle of the Sexes

According to the iconic book *Men Are From Mars & Women Are From Venus*, but according to Carzone.ie's survey data Mars and Venus must be a lot closer together than originally thought, as there's little difference between the sexes in terms of how far each of them commutes daily.

When those that work from home, don't work or have a commute that changes, are taken out of the equation, there's nothing between them, with 65.2% of men driving less than 25 kilometres to work, versus 66.9% of women. In both cases, just over 22% of respondents drive between 26- and 50 kilometres to work daily.

The same question did reveal that more women work from home or don't work at all, so they have no commute. Hardly surprising in a society in which, if one of the parents is staying home to mind the kids, it'll be the woman.

There's more discrepancy between the sexes when it came to choosing their most recent cars, however.

The women, in general, went for older models, with lower mileage and they spent considerably less on the purchase price. It appears that male buyers are more concerned with the year of registration than they are the mileage.

Somewhat surprisingly, the petrol vs. diesel mix differed, with 55.8% of men buying diesel and 55.9% of women going for a petrol car.

Interestingly, only the men bought hybrids or electric models - albeit in small numbers. When questioned about their next car, both men and women said they'd go for diesel.

When asked why they bought the car they did, the majority of men (37.4%) admitted they just wanted one for a change, something only 18% of our female respondents owned up to.

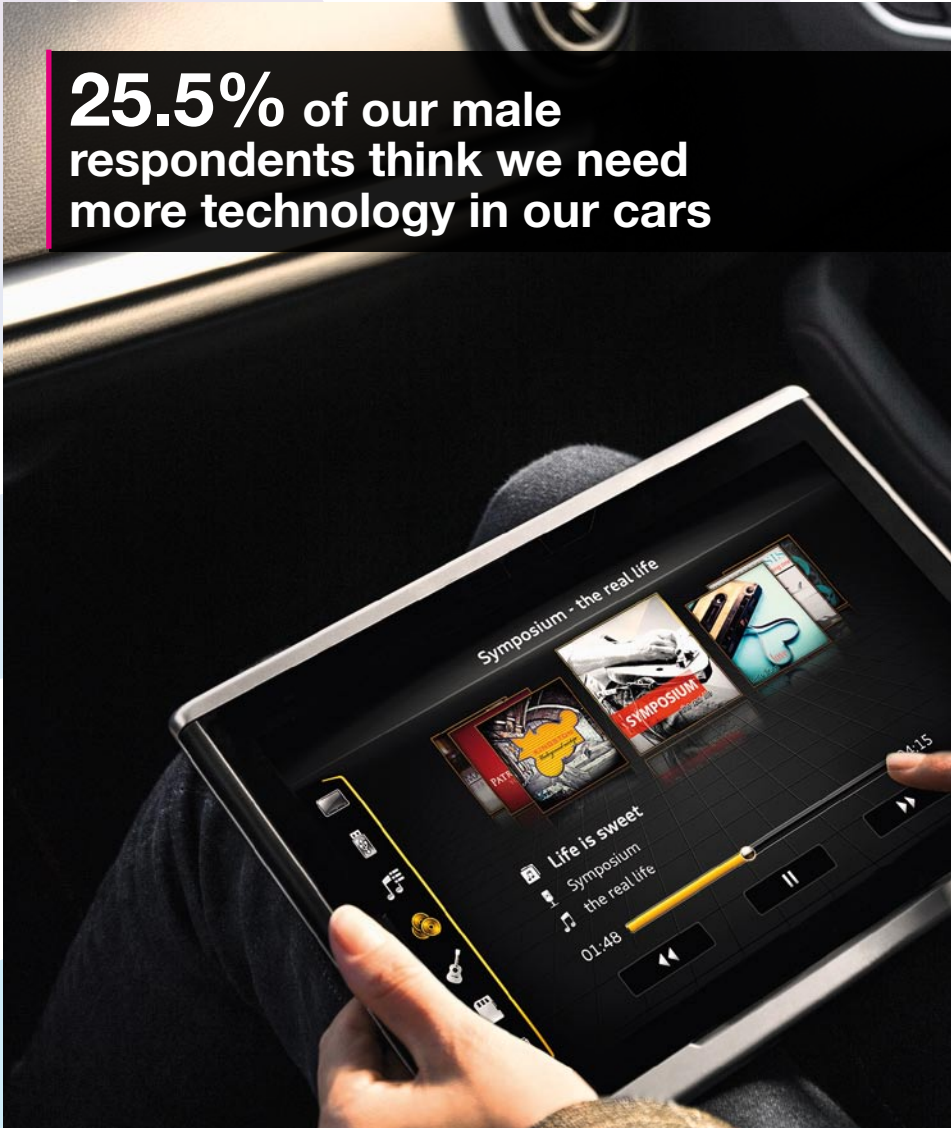
The women instead focused more on saving costs and reliability, the latter attracting the attention of 25.5% of the females surveyed - in comparison to 17.3% of men.

Perhaps the women are canner, as they reckon they spend, on average, €3,398 per annum to run their car (including insurance, tax, petrol, repairs and servicing), versus €3,814 for the men.

True to the stereotype, our male respondents were more interested in gadgets and in-car technology, 55.8% admitting that they would, or already have, bought a car based on the technology fitted.

Only 44.2% of women felt the same way.

Across the board, a larger percentage of men than women owned each of the in-car gadgets listed in the survey and much more of the men reckoned we need more technology in our cars (25.5% versus 9.7%).



25.5% of our male respondents think we need more technology in our cars

IS IT A CAR OR A SMARTPHONE?

Perhaps the biggest gadget show of the year globally is the Consumer Electronics Show (CES) held every January in Las Vegas in the USA.

This year there was a bigger automotive presence than ever before with some world debuts from both the car makers and tech giants. The future appears to be all about connectivity, whether that's the driver and passengers connected to the car via Apple's swanky new CarPlay system, or the car connected to others like it in a bid to reduce congestion and increase safety.

Audi even revealed its production ready traffic light interface system, which is in constant communication with the traffic lights in its immediate vicinity in a bid to reduce the amount of time the car is at a standstill. It does this by controlling the car's speed so there is less wasteful decelerating and accelerating. This saves fuel and is just one example of how autonomous

technology is coming closer and closer to reality. How long it is before fully driverless cars hit the showroom is anyone's guess though, as legislation is a bigger hurdle than the technology itself.

Irish car buyers aren't too bothered about it according to the Carzone.ie survey. A full 35.9% of respondents have no knowledge of autonomous car technology, 29.9% are undecided on its usefulness and 14% think it's a bad idea. That leaves just 20.1% that firmly think it's a good idea. Funnily enough, that's the same proportion of those surveyed that believe cars don't have quite enough technology in them. Most (52.7%) think there's just enough.

A surprising 51.7% of all respondents said they have already bought or would buy a car based on the gadgets and technology fitted to it and a large proportion of those surveyed already

use in-car tech such as satnav and Bluetooth. It's worth analysing this data alongside the age of the respondents. There's a notable increase in the ownership of a satnav system by drivers as they reach their mid-thirties, perhaps reflecting the cost of these devices and higher disposable income.

The opposite is true for iPods and other music devices, as a much larger proportion of younger drivers were found to use them in the car. The trend reverses again for mobile phones and Bluetooth, as it appears that, the older a driver gets, the more likely he/she is to have such things.

It will be interesting to observe changes in this section over the next couple of years as technology becomes ever more prevalent. Carzone.ie's own iPad App has seen tremendous growth over the past 12 months, with 26 per cent more visits to the App than before.

Car Market Improvements

According to Cartell.ie there was a considerable increase in used car transactions towards the end of 2013 in comparison to the same period in 2012.

A substantial 474,418 vehicles changed hands in the last six months of 2013 in comparison to 408,784 the year before.

Indeed, Cartell also discovered that the busiest day of the year for used car sales was the 1st of October, with 7,231 transactions.

That's somewhat higher than the day before, which, with 5,730 sales, was the second busiest day.

Cartell puts this spike down to new Government rules regarding the declaration of unused vehicles off-the-road ahead of time, but even so, the data reveals that Tuesdays are by far the most popular day on which to close a deal. Seven out of the 10 busiest days of the whole year were a Tuesday.

In terms of new car sales, 2013 represented the first introduction of a two-plate system.

New cars registered between January and the end of June 2013 carried the prefix '131' (e.g. 131 D 4555), while those for the latter half of the year used the '132' prefix.

Carzone's previous report revealed mixed views on the introduction of this strategy to even out sales throughout the year and though little effect was expected for 2013, there was a spike in new car sales in July.

Admittedly, that increase in sales (11,620 new cars were sold in July) was preceded by a distinct drop in the previous month's numbers, and overall the last six months of 2013 only accounted for 28.4% of the market, at 21,075 units sold.

At the time of writing, a distinct improvement was recorded for the start of 2014, with 35,605 cars sold in the first two months of the year. That's a 28% increase year-on-year.



A substantial 474,418 vehicles changed hands in the last six months of 2013

Buying Guide

To complement the tips provided throughout this document, we've compiled a checklist to help ease the task of buying a used car.

Admittedly it can be a daunting experience the first time, and there are pitfalls to be aware of, but for every disappointed buyer there are thousands of happy drivers. Even if you're an experienced buyer it's worth brushing up on your skills.

1. FOCUS ON YOUR REAL NEEDS

Do you have a family? Then get a family car. A business person that wants to uphold a professional image? Then choose a compact executive or luxury model. And if you need to transport lots of passengers, the practical world of the MPV awaits.

Whatever your requirements there will be a car out there ideally suited to you and your lifestyle. Talking of which, work out where you will actually use the car, as a model that is naturally at home in the city may not be quite so suited to long motorway slogs.

TOP TIP: Diesel cars fitted with particulate filters are unsuited to a life spent almost entirely in town

2. SET A BUDGET - FOR EVERYTHING

It seems obvious, but it's easy to get caught up in the excitement of buying a car – usually the second most expensive purchase after a house.

Becoming irrationally and emotionally attached to a prospective automotive suitor can see you suddenly overspending – so decide on a budget long before you start searching for cars, and stick to it.

Remember also that the costs don't stop when you have taken possession of the vehicle – there's insurance to think about for a start, along with annual road tax and maintenance.

TOP TIP: Allow a little extra in your budget to cover an inspection, car history checks and miscellaneous costs that may arise

3. SHOP AROUND

Once you've decided which makes and models would suit both your lifestyle and financial situation, make a short list of examples to actually go and view.

If needs be look at 'worse' examples first, as this will give you a good basis to judge which one is the best of the bunch. Compare and contrast with other examples at the same price point and spend some time researching any problems that individual models may be famed for – using anything you find to your advantage.

TOP TIP: It's worth checking with your local mechanic or friends to get their opinion of certain cars they've had experience of.

4. INVEST IN A FULL INSPECTION

An independent expert will be able to look over the car, take it for a drive and offer a full report as to its condition and any future work required. This can be arranged with specialist garages or even the AA, the latter of which will also provide a guarantee.

It may not be cheap, usually costing upwards of €250, but offers peace of mind and potential bargaining points for the buyer. If the seller is reluctant to allow an inspection be aware they may be hiding something and walk away.

TOP TIP: If an inspection reveals a potential issue, don't be afraid to walk away from the deal, no matter how much you like the car. It'll be money saved in the long run.

5. DRIVE THE CAR

It's important to drive any prospective purchase before handing over money. Check to see if the vendor's insurance - or your own - covers this. Drive the car from cold if possible, pay attention to how quickly the engine starts, if there is any smoke, strange noise or wayward handling and braking.

Try and drive the car on a typical route for your intended use and make sure there are no fluid leaks and that all electrics are fully working.

TOP TIP: Never agree to inspect a car in the dark or when it is wet, as issues with the bodywork and wheels may not be visible.

6. PLAY THE HAGGLING GAME

Most sellers will have included a small margin in the price so be prepared to offer less than a car is advertised at. Ignore sob stories and don't let emotions get in the way of making the deal – selling and buying a car should be treated as a business transaction.

Offer a realistic amount and when you are close to agreeing offer your hand to shake on the deal encouraging the vendor to accept. Leave a small deposit (unless taking it away that day) and obtain a receipt for all financial transactions.

TOP TIP: Don't be over eager in terms of rushing to see a car 'before it's sold' - there will be plenty more on the market.

7. CROSSING THE T'S AND DOTTING THE I'S

This is possibly the most important part of buying a car – get this wrong and it could end in tears. Ensure that the VIN (Vehicle Identification Number) matches that on the car's log book and the address is the same as the location of the vehicle itself.

It's also worth doing a full history check with Cartell.ie to make sure the car isn't subject to outstanding finance or an insurance write-off. If it all checks out then fill in the necessary paperwork for the vendor to send off and before you drive the car away make sure you have suitable insurance cover.

TOP TIP: Reduce the chances of buying a stolen car by asking to do the transaction at the seller's home and ask them for ID and proof of insurance.

Selling Guide

Buyers will find plenty of information to help them along, but it's often forgotten that these same people are usually selling a car as well, and while it's theoretically a simpler transaction, there's much the seller can do to maximise their car's value and speed up the process.

1. PRICE IT RIGHT

The first thing you'll need to do is price your car correctly. A quick check on the internet to see what similar examples are selling for is a good place to start. It pays to know the market and remember, although haggling is part of the process, don't set your advertised price too far above your minimum or you'll get no interest. Be wary of benchmarking your car's value against those offered by dealers, as they usually charge a little more to include warranty cover etc.

2. BE HONEST AND GIVE DETAILS

Make it clear from the off the exact make and model you are offering, as well as any special trim or specification designation. Modern cars are better equipped than ever before, so prioritise any listed extras – leave out power steering, but mention satnav and air conditioning if fitted. It's also important to mention any remaining NCT or road tax, as well as any recent expenditure, like a cam belt change or new tyres, as buyers will see this as one less future expense.

3. DON'T HURRY THE PHOTOS

A picture can tell a thousand words, so make sure your images count. Take photos with a clear background (think sky and grass, not housing estate) and in good weather with plenty of light. Try and keep the sun behind the camera, but your shadow out of the frame, and include a shot of every angle – front, back and both sides – as well as the engine bay, interior and any special features. Ensure your shots are in focus



and if there is any damage mentioned in the advert consider showing this as well - there's no point hiding it, as this will irritate a potential buyer that turns up to view the car.

4. PREPARE THE CAR FOR SALE

There's a reason that the cars in professional adverts look immaculate – they've been valeted inside and out. You don't have to go to the expense of having it cleaned by a professional, but you should give it a basic wash before you take any pictures and before a buyer views the car if it has got dirty again. It's important to pay particular attention to the interior, especially if it's a family car subjected to pets or sticky-fingered children.

5. MAKE THOSE FIXES

Things like stone chips or kerbed alloy wheels can really let down a car's appearance, but are usually cheap and easy to sort. If the tyre tread is running low consider replacing them, and make sure all of the fluids (oil, water, screen wash) are topped up as necessary.

It's also worth gathering all of the car's paperwork together and singling out any larger bills to show that the car has been maintained properly – a large history folder points to a well-looked after car.

6. THINK LIKE A BUSINESS PERSON

Expect lots of questions, either over the phone, email or in person. Make sure you have the facts correct – when does the tax run out, was there any advisories on its last NCT and how many owners has it had?

Most buyers will likely want to test drive the vehicle so make sure that either your or their insurance covers them for this – otherwise offer them passenger rides only. Never leave the buyer alone with the car and its keys either, and turn the engine off if swapping drivers on a test drive.

7. SEALING THE DEAL

Expect a bit of haggling, but be clear to yourself what is an acceptable amount to receive for the car. Other buyers will come along if this one doesn't want to pay your minimum. Make sure you are happy with the method of payment as well, be it cash on collection, cheque or bank transfer. Ensure all funds have cleared before you release the car.

It's wise to write a receipt for both the buyer and seller, signed by both, and fill in all the official paperwork, sending off the relevant parts and informing your insurance company that you have sold the car to another party. We'd advise you to ask the buyer for ID too.

CARZONE MOTORING REPORT

