

The ‘drivers’ that make drivers choose new cars in Indonesia.

Like many cities around the world, traffic on the road is a nightmare in Jakarta except perhaps between 2AM and 6AM. Other metros like Surabaya and Bandung aren't far behind. Whether its good news or bad, the fact remains that only 3.5 per cent of Indonesian households can afford to maintain the family car. Another 31 per cent have opted for the family motorcycle. There are 3 million car drivers, not including taxi bus or truck drivers. In contrast, there are 45 million motorcycle riders. Many of them would like a car instead, which would strangulate the city and cause rigour-mortis to set in. Any hope of a real mass transit system seems remote, to be believed only when it is real. So Jakartans still have some room to crawl in, what little there is left.

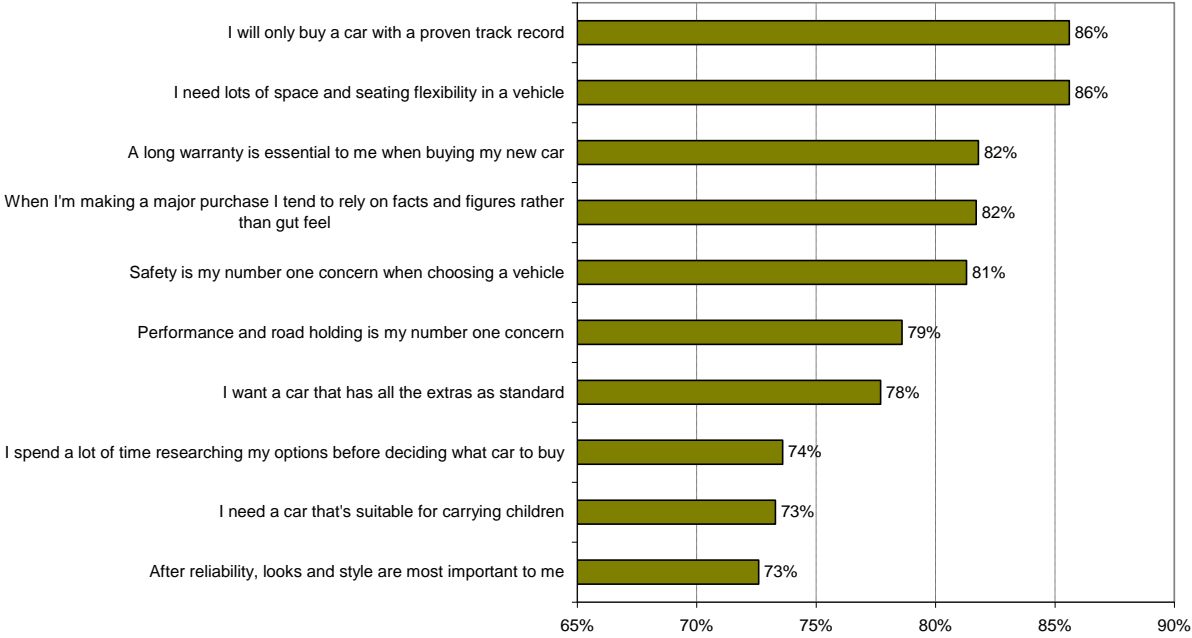
In the meantime, the car industry is still crawling on the road to recovery. The elite group of car buyers were among the small fraction of Indonesian society affected or concerned by the global financial crisis. Demand is yet to go back to levels similar to the days leading up to the fuel price hikes. As at December 2009, there were 1.54 million people thinking of buying a car in the next four years. 1.29 million of them were considering a used vehicle, leaving only 298,000 in the market for a new car. That's cars for consumers, not including commercial, government, military or police fleet purchases.

In a world where the capacity to supply is far in excess of current demand, carmakers from around the world are flocking to Indonesia. From Ferrari and Porsche to Renault and Citroen, they are all now here for a piece of the action. The multi-billion rupiah question is whether they all know what the Indonesian aspiring to buy a new car really wants today. Roy Morgan Single Source has quite a few answers for anybody who is interested. 27 per cent of people thinking of a new car want a 4-door station wagon, which definition in Indonesia of course includes the trusty Kijang. 25 per cent want a 5-door hatchback and 13 per cent a 3-door version.

But there's a remarkable 12-per cent who desire a coupe, sports or 2-door convertible. That translates to roughly 36.000 units of big boys' toys. Back to reality, another 9 per cent are keen on a people mover or van. Almost 5 per cent are thinking pick-up, just 4 per cent the classic 4-door sedan. The original SUV will be considered by only 1.4 per cent of new car buyers. That just about wraps up who wants what. Except of course, the brands. Today, Honda leads with 26 per cent share of the 'future market', closely followed by Toyota with 25. Way behind them is Mitsubishi with 7 per cent. Suzuki, Mazda, Daihatsu and Nissan seem to have lost their shine, falling behind the more prestige names like Jaguar, Mercedes and BMW.

Then there's the other set of multi-billion rupiah questions, why they want what what they want. While pleasure seekers have different wants from the needs of the family man, the opinions of all new car intenders in Indonesia produce an interesting diversity of expectations. Reputation still leads.

NEEDS AND WANTS OF THE NEW CAR BUYER



86 per cent “will only buy a car with a proven track record”. The same number “need lots of space and seating flexibility in a vehicle”. That’s followed by 82 per cent with “ a long warranty is essential to me when buying my new car”. Not surprisingly, 82 per cent believe “when I’m making a major purchase I tend to rely on facts and figures rather than gut feel”. Many women are likely to smirk at this attempt at rationalising bad choices based on looks alone. Marketers however must acknowledge that well-worn phrase, perception is reality. Fact or fiction, many buyers need the assurance of logic before they are willing to acknowledge falling prey to magic. Cognitive dissonance or post-purchase rationalisation aside, the fact remains that “after reliability, looks and style are most important to me” is a view shared by 73 per cent of intenders.

“Safety is my number one concern” believes 8 out of ten buyers, with almost as many agreeing that “performance and road-holding are my number one concern”. 78 per cent “want a car that has all the extras as standard” while 74 per cent “spend a lot of time researching my options before deciding what car to buy”. How many of these concerns are known and addressed by automakers operating in Indonesia, one wonders. There is little evidence or acknowledgement of these needs and wants in the advertising that we see.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 25,000 Indonesians 14 years and older interviewed each year. The national database, comprising interviews conducted in the cities, towns and villages around the country is updated every quarter.

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