



MALAYSIAN AUTOMOTIVE MARKET DEMAND SAMPLE REPORT Q1 2020



Introduction

The auto industry today is facing a landscape of accelerating innovation and ever expanding variety of cars. Car buyers today have much more variety of cars and brands to choose from, thus making the automotive market more complex and diverse than ever before. Automotive makers should see this as an opportunity to find it's niche to focus on and excel by understanding their target market better.

Project overview

The objective of this research is to measure the demand of prospective car buyers by surveying 19,000 people aged 21 years and above across West Malaysia. The demographics targeted in this research are as follow:

Age : (21+ years old)

Race : (Chinese, Malay, Indian)

Gender : (Male, Female)

Location: (State)

Marital Status: (Single, Married and Others)

In the face of the increasingly crowded automotive market, it is imperative for automotive makers to understand the demand and preference of car buyers in order to stay relevant.

The objective of this report is to give a clear overview of the automotive market by conducting the largest automotive survey in Malaysia using a nationally representative sample of 19,000 adults in West Malaysia.

Screening population: General Population of West Malaysia

Target population: Prospective car buyers

The fieldwork is done in January 2020 across 4 days by surveying 19,000 respondents across Malaysia through the Vodus Media Network that consists of Media Prima, Astro, The Star and Sin Chew using the low-disruption online survey method pioneered by Vodus.



Research objective

- Segmentise the automotive market demand by consumer spending power
- Determine the demographic profile of prospective car buyers of various spending power: Age, Race, Gender, State
- Measure and rank the popularity (based on purchase consideration) of car brands among car buyers of various spending power
- Determine the demographic profile of prospective car buyers of each car brands
- Rank the car brand's popularity across the Malaysian automotive market

Questionnaire

- If you intend to buy a car in the next 6 months, what is your budget?
- Which brand of car would you consider buying?
- Which car body type would you consider buying?



Data Treatment

1. POST-STRATIFICATION

To ensure that our sample is demographically representative of the Malaysian population (without demographic bias), post-stratification data treatment is applied to our sample.

Post-stratification is applied by adding weights to each demographic characteristics in our sample to ensure that our resulting sample is in accordance to the Malaysian population census.

To ensure that the sample is weighted as accurately to the Malaysian population census as possible, we used the census data of two interlocking demographics. For example: Instead of using the national average Chinese population of 21% for every state, we used the State X Race census to determine that there are only 3.4% Chinese in Kelantan. We used every possible interlocking demographic census available (such as State X Age, Age X Gender, Stage X Gender,...) to ensure that our sample

represents Malaysia as accurately as possible.

Our sample is post-stratified according to the following demographics: Age, Gender, Race and State.

2. STANDARDIZATION

Standardization is used to adjust values measured on different scales to a notionally common scale (100%).

All clustered bar charts in this report are standardized to the total sample of their respective clusters unless denoted otherwise.



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FINDINGS

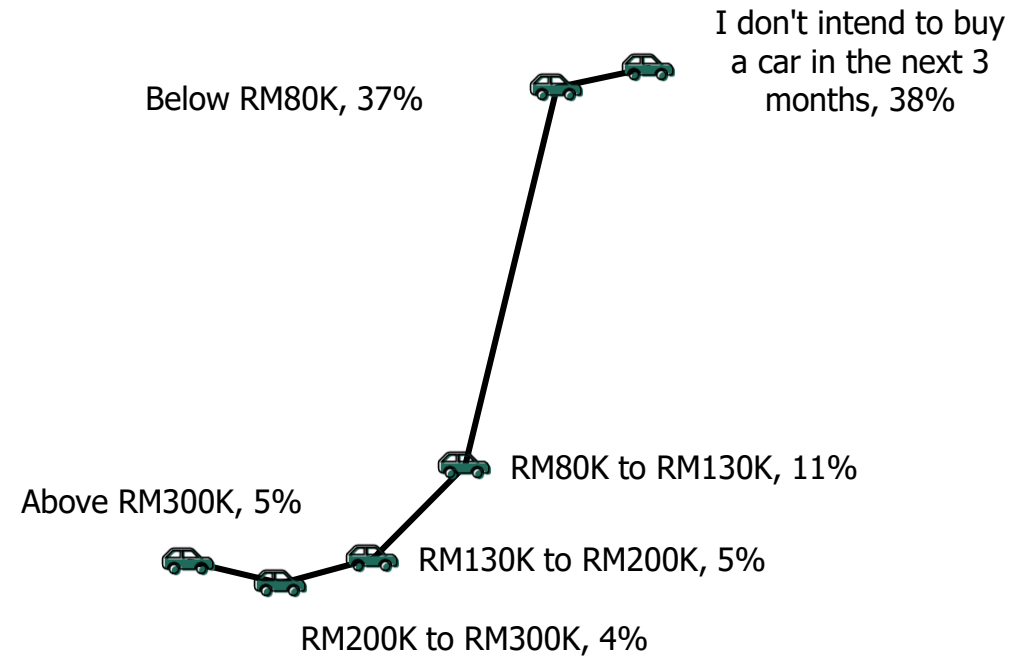




Overview of Malaysian automotive market by spending power

Sample size: 19K target: Malaysian adults

If you intend to buy a car in the next 3 months, what is your budget?



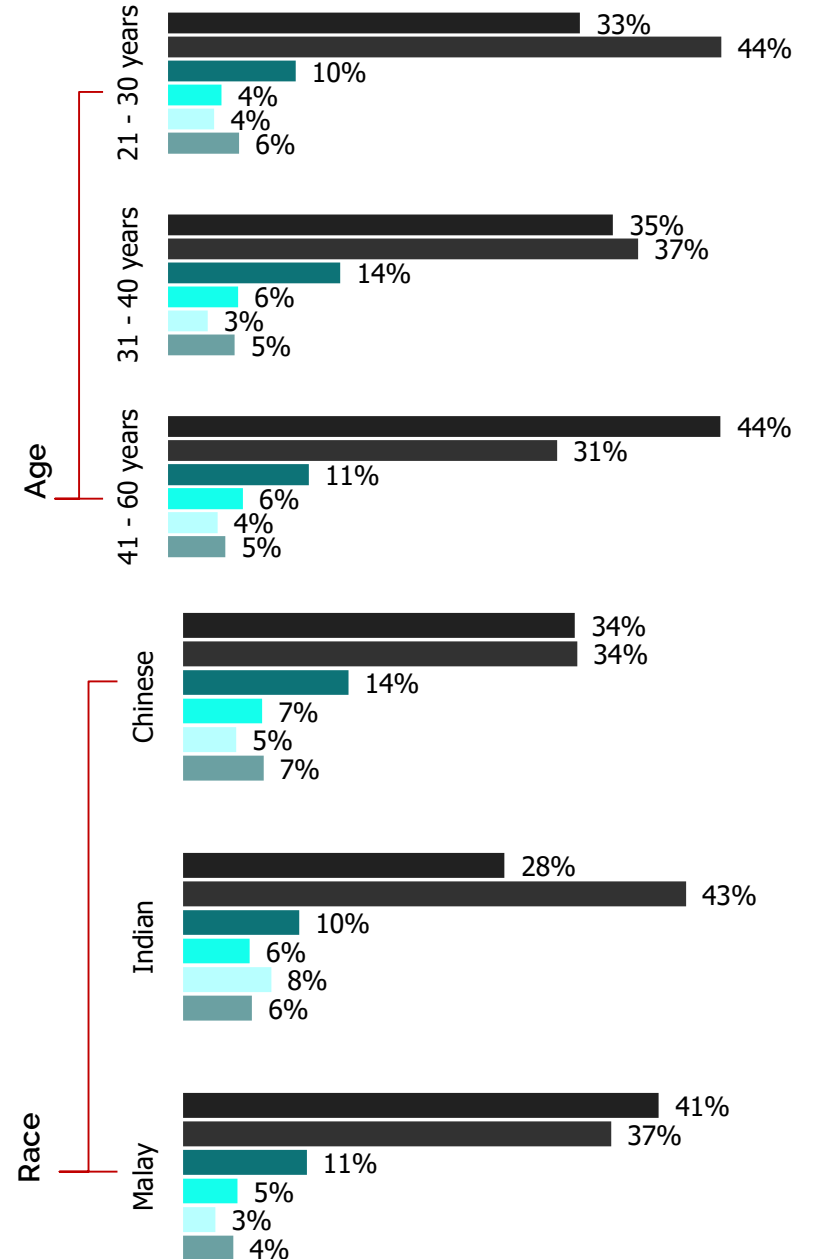
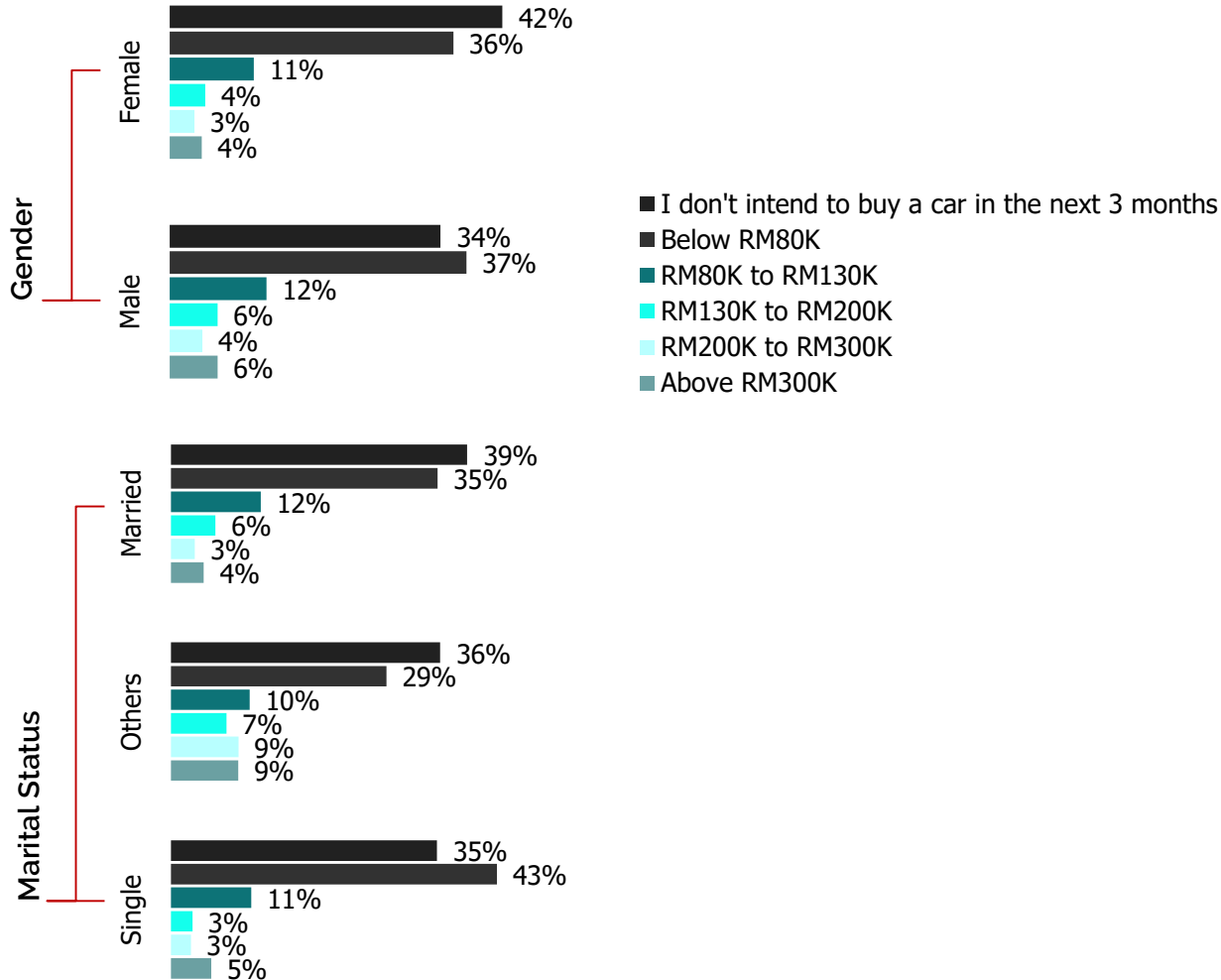


Automotive market breakdown by Demographics

Sample size: 19K Target: West Malaysian adults

Younger adults are more likely to buy a car than older adults, but they are more likely to have lower budget than

older adults. Males are also more likely than females to buy a car.





Automotive market breakdown by State

Sample size: 19K Target: West Malaysian adults

By breaking down the automotive market demand of various budget segments by state, it can be seen that the demand for cars in the East Coast states are lesser than the other regions, with the exception of Melaka.

	Northern			Central			Southern		East Coast		
	Kedah	Penang	Perak	Selangor	K. Lumpur	N. Sembilan	Melaka	Johor	Pahang	Terengganu	Kelantan
I don't intend to buy a car in the next 3 months	38%	32%	39%	38%	33%	33%	42%	37%	39%	45%	42%
Below RM80K	38%	36%	36%	38%	38%	34%	33%	38%	36%	33%	35%
RM80K to RM130K	11%	12%	11%	12%	12%	14%	12%	11%	12%	9%	9%
RM130K to RM200K	6%	9%	5%	5%	6%	6%	4%	5%	4%	4%	5%
RM200K to RM300K	3%	6%	4%	3%	4%	7%	4%	3%	3%	3%	3%
Above RM300K	5%	6%	5%	4%	6%	5%	5%	6%	5%	5%	5%



Which popular car brands in Malaysia are on demand ?

Sample size: 436(Brand list 1), 742(Brand list 2)

Target: West Malaysian car buyers

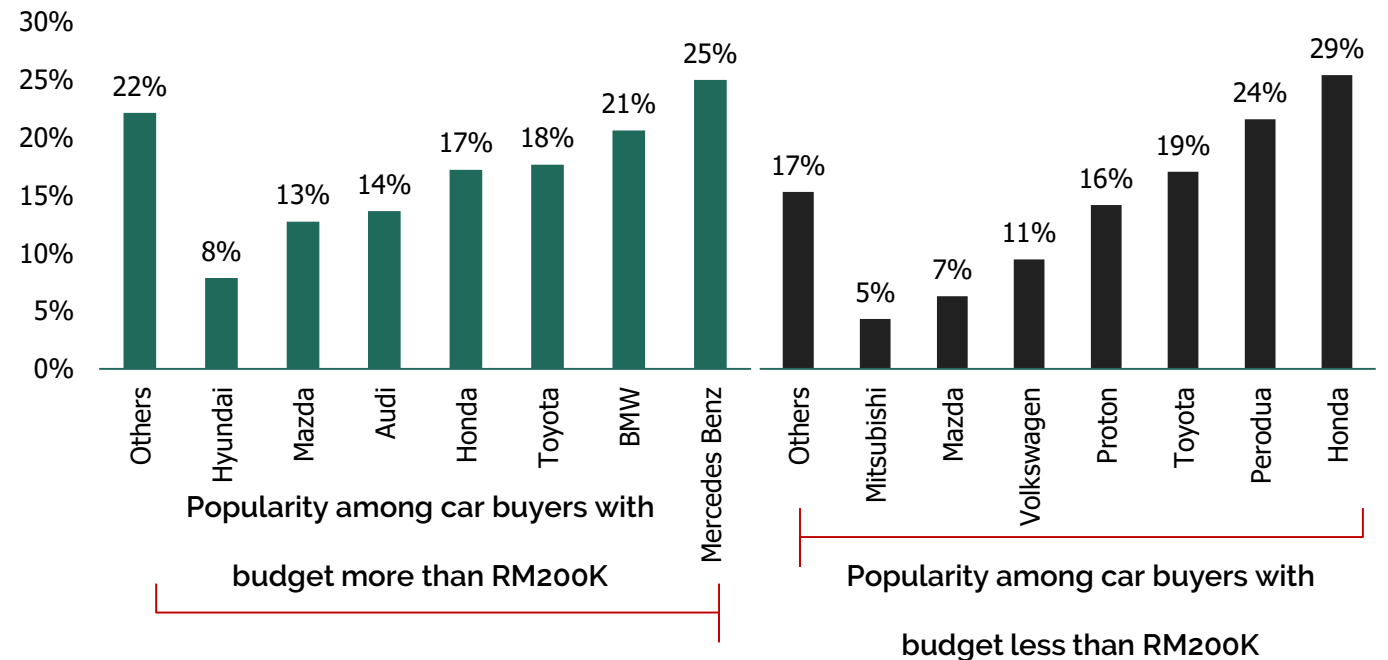
Which of the following car brands would you consider buying?

The popularity of car brands based on purchase consideration have been measured and segmented by car buyer's budget. We grouped the brands into two segments, brands with car retail price above RM200K (higher-end market) and brands with car retail price below RM200K (lower-end market).

popularity among the lower ranked brands in the lower-end market drops off more drastically than the higher-end market. This is likely due the higher-end car brands successfully establishing a strong foothold in their own niche segments of the car market as seen later in the further deep dive of this report.

Car buyers of both end of the market exhibits similar trend of having a runaway leader (Honda and Mercedes Benz respectively). The

Despite not being the most popular brand in either segments, Toyota ranks firmly in the top 3 for both segments.



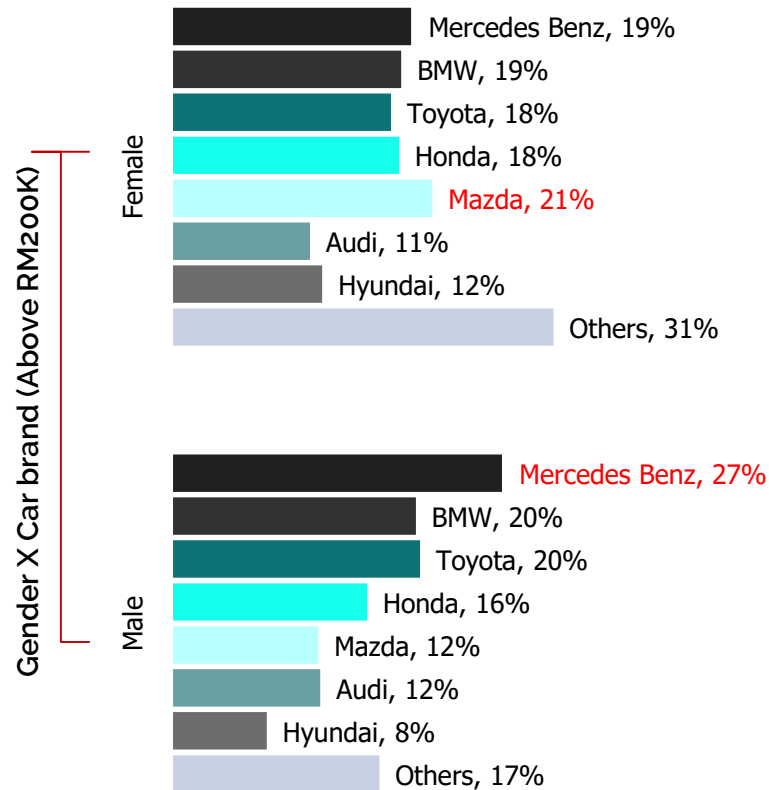
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Preferred car brands breakdown by Gender

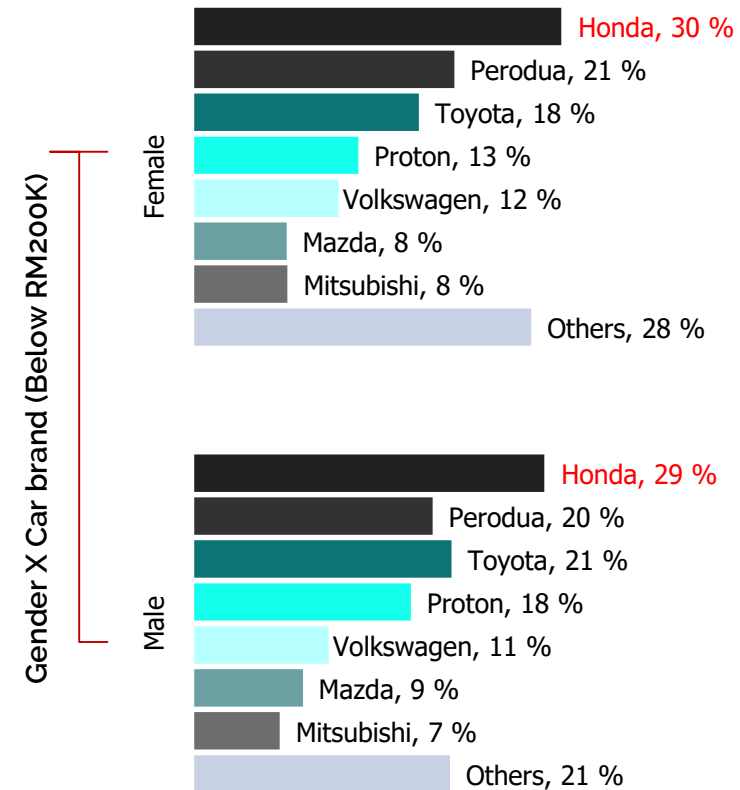
Sample size: 436 Target: West Malaysian car buyers

The difference in popularity of car brands among males and females in the higher-end market is stark. Despite Mercedes Benz being the most popular brand overall, it is not the most popular brand among females. Mazda is the most popular brand among the high-end female car buyers at 21%, which is in stark contrast with Mazda's popularity among male car buyers at 12%.



Sample size: 742 Target: West Malaysian car buyers

Unlike the higher-end car market, the difference in car brand among the lower-end car market isn't as stark. This could be due to the lower-end car brands employing a more gender-neutral marketing strategy unlike the higher-end car market. Proton and Toyota are an exception where both brands exhibit substantially higher popularity among males than females.

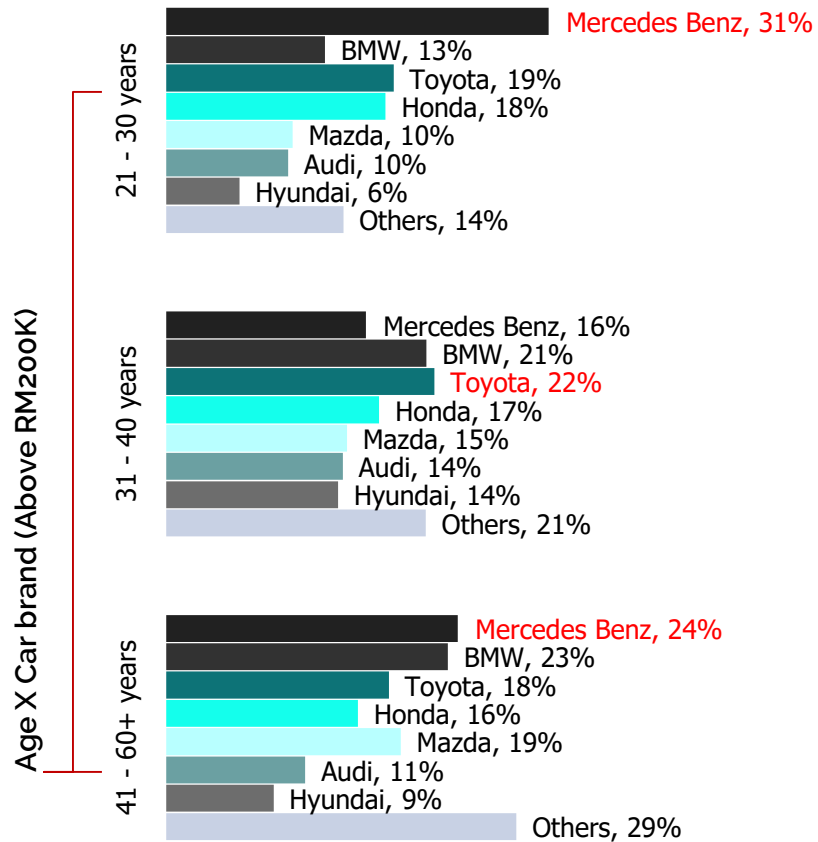




Preferred car brands breakdown by Age

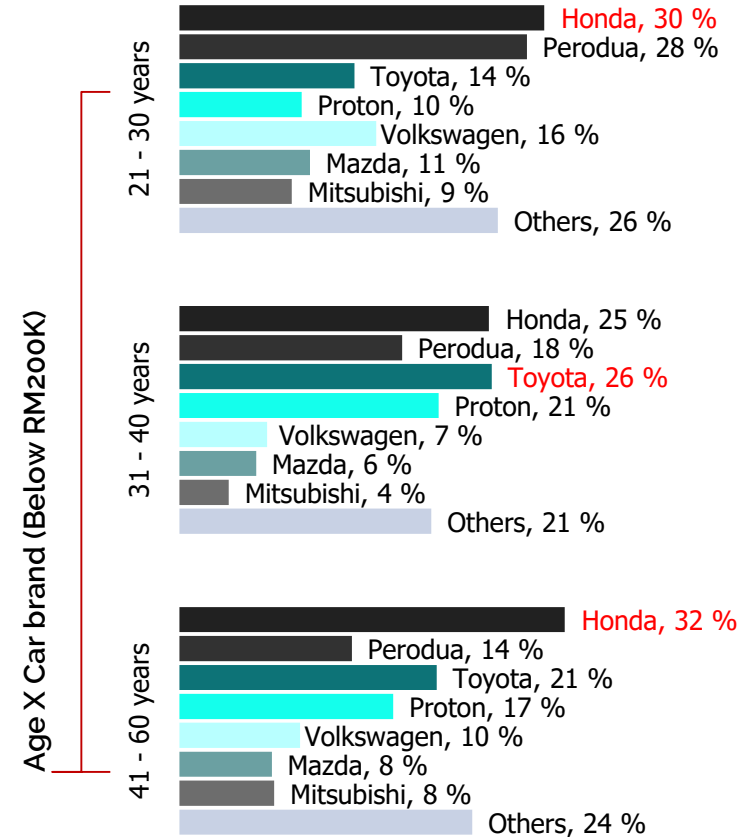
Sample size: 436 Target: West Malaysian car buyers

The share in popularity among 31-40 year old high-end car buyers are more homogeneous as compared to the other two age groups, signifying that this target group being a red ocean for high-end car brands. It can also be seen that BMW and Mazda are more popular among the older car buyers than the younger higher-end car buyers.



Sample size: 742 West Malaysian car buyers

In the lower-end market, a similar trend is observed where the popularity of car brands among 31-40 year old car buyers are more homogeneous than the other two age groups among Honda, Perodua, Toyota and Proton. This insights also reveal the stark difference in brand positioning among Proton and Perodua, where Perodua is more popular among the younger car buyers and vice versa for Proton.



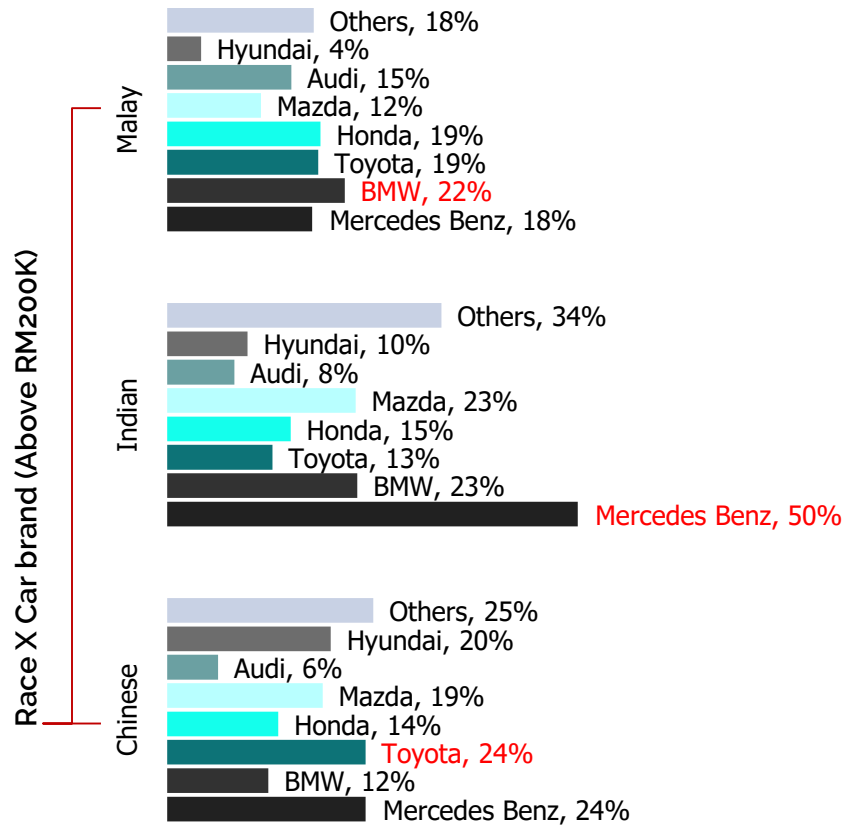


Preferred car brands breakdown by Race

Sample size: 436 Target: West Malaysian car buyers

In the Malay market, BMW edges Toyota, Honda and Mercedes Benz to take the top spot.

Indian high-end car buyers show a clear preference towards Mercedes Benz where as the Chinese are split between Mercedes Benz, Toyota, Hyundai and Mazda. This is due to Chinese strong preference for luxury MPV such as Vellfire and Starex.

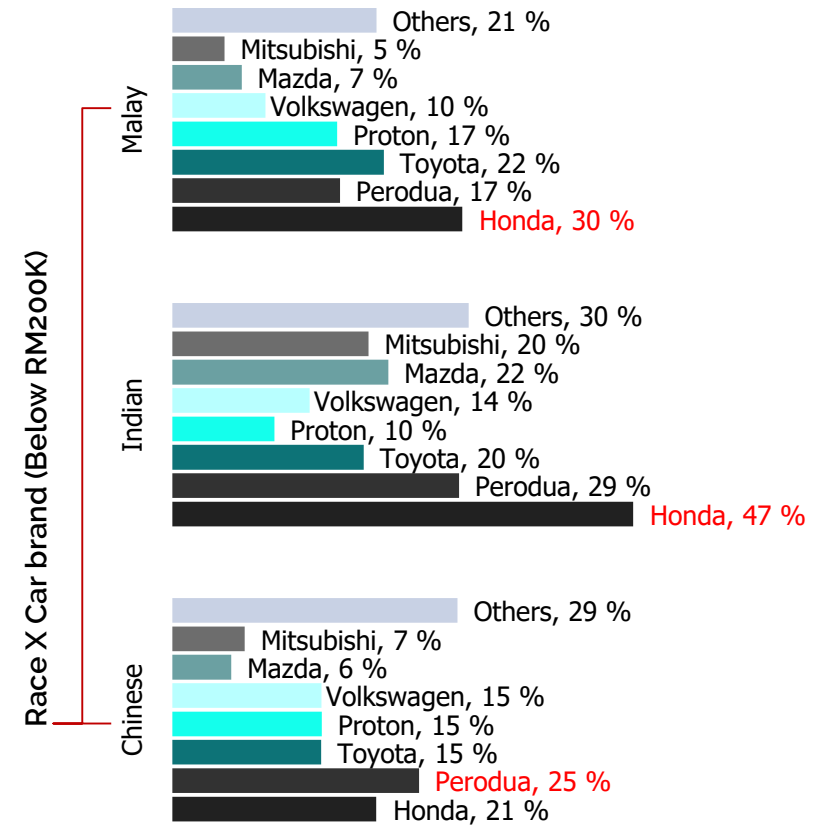


Sample size: 742 Target: West Malaysian car buyers

In the lower-end market, Malays show strong preference for Honda, followed by Toyota, and tie in popularity between Proton and Perodua.

Chinese show strongest preference for Perodua, followed closely by Honda.

Indian car buyers show strongest preference for Honda, followed by Perodua and Mazda.





Car brand popularity across the automotive market

Sample target: Prospective Malaysian car buyers

Car buyer's budget	Below RM80K (59%*)	RM80K to RM130K (19%)	RM130K to RM200K (8%)	RM200K to RM300K (6%)	Above RM300K (8%)	Aggregated brand popularity
Honda	27%	37%	25%	16%	18%	27%
Perodua	29%	15%	15%	0%	0%	21%
Toyota	19%	22%	19%	22%	14%	19%
Proton	16%	16%	15%	0%	0%	14%
Volkswagen	10%	11%	13%	6%	14%	11%
Mazda	6%	12%	8%	21%	6%	8%
Mitsubishi	3%	10%	10%	0%	0%	4%
Kia	4%	4%	7%	0%	0%	4%
Mercedes Benz	0%	0%	0%	23%	27%	3%
Hyundai	3%	2%	1%	13%	4%	3%
BMW	0%	0%	0%	17%	23%	2%
Peugeot	3%	3%	8%	0%	0%	3%
Nissan	2%	6%	6%	0%	0%	4%
Audi	0%	0%	0%	8%	18%	3%
Ford	2%	3%	1%	0%	0%	2%
Lexus	0%	0%	0%	10%	4%	1%
Others	7%	6%	6%	7%	4%	6%

Honda is the most popular among prospective car buyers, despite it not having the highest sales volume among newly registered cars, in which Perodua is highest. This could be due to Honda having a higher price range than Perodua, therefore those with a budget below RM80K would resort to buying used-Honda cars instead.

A high fraction of car buyers with budget above RM300K would still consider Honda and Volkswagen, despite their cars being priced below RM300K.

This could be due to the perception of value-for-money for these brands. For example, Volkswagen may offer the same features and comfort as a more expensive Mercedes Benz.

- * Size of market segment relative to total market
- Brand popularity within the respective market segment



Want to learn more about us ?

Vodus pioneers the "answer one-question at a time" survey methodology that enables **17 million Malaysians** to be surveyed across the online media network of the largest media conglomerates in Malaysia (Astro, Media Prima, Sin Chew, The Star, Kwong Wah) to obtain market insights that are faster, more representative, accurate and cost effective.

For more information please visit:

<https://vodus.com>

OUR SOLUTIONS

By having vast amount of market data on Malaysian consumers, we are in prime position to help businesses grow and gain market share through our [solutions](#):

Insights Solutions:

1. Instant Insights (*Consumer U&A, market validation*)
2. Brand Health Tracker

Insights Driven Advertising Solutions:

1. Construct audience persona of your target market
2. Ad Creative Impact Test
3. Brand lift survey

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