



2021 Global Automotive Consumer Study Southeast Asia perspectives

April 2021



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2021 Deloitte Global Automotive Consumer Study

For over a decade, Deloitte has been exploring automotive consumer behaviours and trends impacting a rapidly evolving global mobility ecosystem. The Global Automotive Consumer Study informs Deloitte's point of view on the evolution of mobility, smart cities, connectivity, transportation, and other issues surrounding the movement of people and goods.

From September through October 2020, Deloitte surveyed more than 24,000 consumers in 23 geographies to explore opinions regarding a variety of critical issues impacting the automotive sector, including the development of advanced technologies. The overall goal of this annual study is to answer important questions that can help companies prioritise and better position their business strategies and investments.

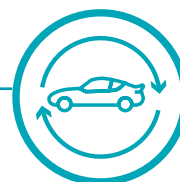
The study was fielded using an online panel methodology where consumers of driving age are invited to complete the questionnaire (translated into local languages) via email.

Southeast Asia perspectives

Within the Southeast Asia region, six geographies – Indonesia (n=1,017), Malaysia (n=1,013), Philippines (n=1,003), Singapore (n=1,013), Thailand (n=1,041), and Vietnam (n=1,021) – were covered in the study. Overall, our findings have revealed four key themes around the regional consumers' changing automotive and mobility preferences that have emerged on the back of the pandemic.

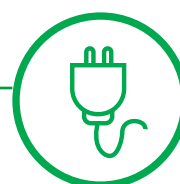
Changes to mobility patterns as a result of COVID-19

The preference to commute by personal vehicles has increased as a result of the COVID-19 pandemic, but Southeast Asian consumers are rethinking the type of vehicle they will buy next and their need for credit protection.



Acceptance of new technologies

Fuel efficient vehicles are gaining traction, but concerns over the lack of charging infrastructure mean that Southeast Asian consumers continue to prefer hybrid electric vehicles (HEVs) over battery electric vehicles (BEVs).



Vehicle financing

The amount of time spent researching financing options varies across the Southeast Asia region, with a growing interest observed for vehicle subscription services.



Virtual experiences

While most Southeast Asian consumers prefer an in-person buying process, there appears to be an increased receptivity for virtual buying and servicing processes as a result of COVID-19.



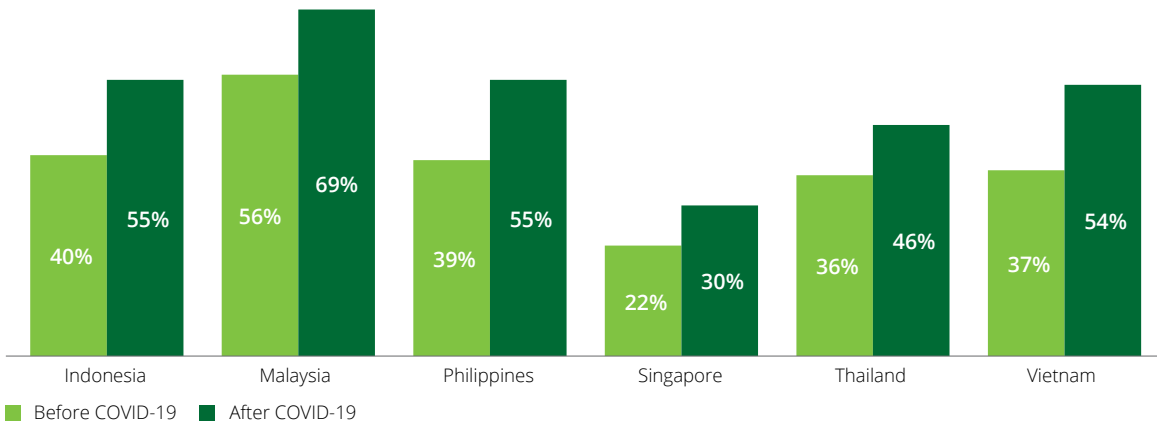


Changes to mobility patterns as a result of COVID-19

Preference for personal vehicles

Across the board, the COVID-19 pandemic has resulted in an increase in the consumer preference for personal vehicles.

Before COVID-19, an average **37%** of overall Southeast Asian consumers preferred to commute by personal vehicles. With the outbreak of the pandemic, however, this proportion has significantly increased to **52%**.

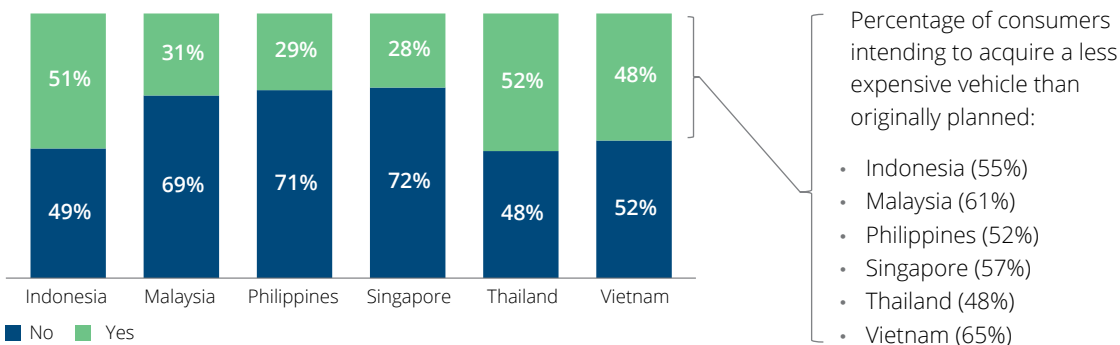


Q54. How often did you use the following types of transportation prior to the pandemic?
 Q55. Going forward, how often do you intend to use the following types of transportation?

Intention to change type of vehicle for next purchase

Along with the risk of downside demand pressure, consumers in Southeast Asia may be rethinking the type of vehicle they will buy next.

As a result of COVID-19, about **half or more** of consumers across all Southeast Asian markets intend to acquire a less expensive vehicle than originally planned.

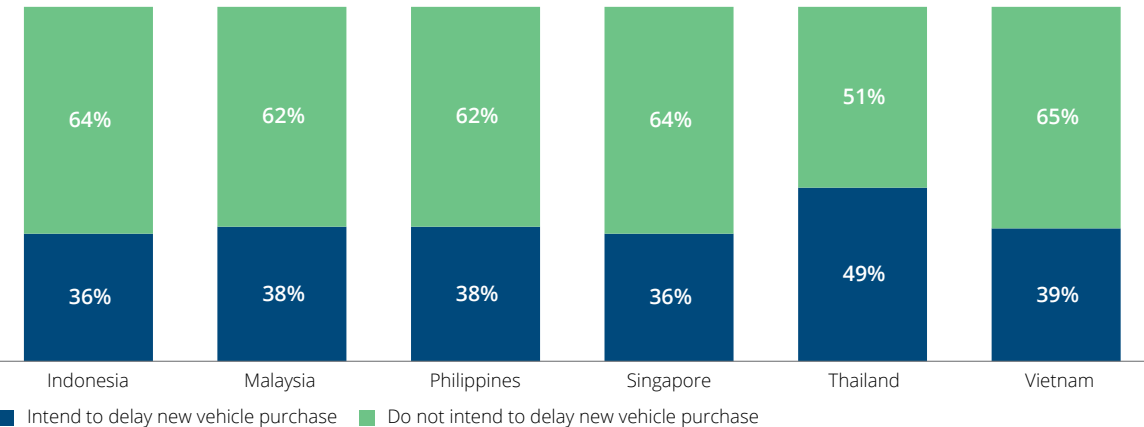


Q30. Has the COVID-19 pandemic caused you to change your mind regarding what type of vehicle you would most like to acquire next?

Intention to delay new vehicle purchases

As a result of COVID-19, more than one-third of Southeast Asian consumers intend to delay their new vehicle purchases.

On average, about **39%** of Southeast Asian consumers intend to acquire their vehicle later than previously planned. This proportion is significantly higher than the proportion of consumers in other major markets, such as Japan (18%) and US (17%).

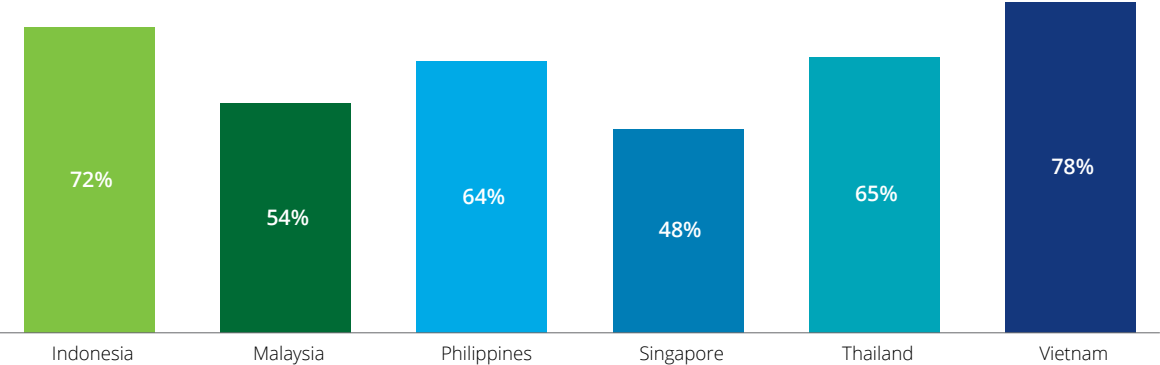


Q23. Have you altered your timeline for acquiring your next vehicle because of the COVID19 pandemic?

Demand for credit protection

Most Southeast Asian consumers are likely to buy credit protection on their next vehicle loan/lease.

With the exception of Singapore, **more than half of consumers** in all Southeast Asian markets are somewhat or very likely to purchase credit protection on their new vehicle loan/lease. This might reflect the growing financial concern that consumers are facing as a result of the COVID-19 pandemic, and the actions that they are taking to mitigate any bad debt risk.



Q37. How likely would you be to purchase credit protection on a new loan/lease (i.e., a small increase in monthly payment for protection that pay offs or reduces your amount owed in the case of disability, death, job loss, etc.)?

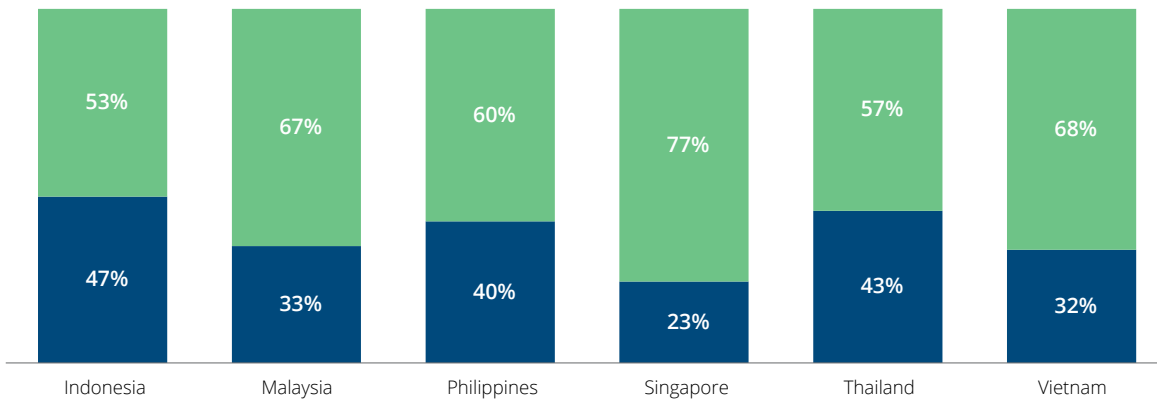


Acceptance of new technologies

Vehicle type preferences for next vehicle

Across Southeast Asia, the fuel-efficient vehicle is gaining traction amongst consumers as the choice for their next vehicle purchase.

On average, about **38%** of Southeast Asian consumers intend to acquire a more fuel-efficient vehicle than they had originally planned before COVID-19. This trend is especially pronounced in Indonesia, Philippines, and Thailand, where more than 40% of consumers have expressed this intention.

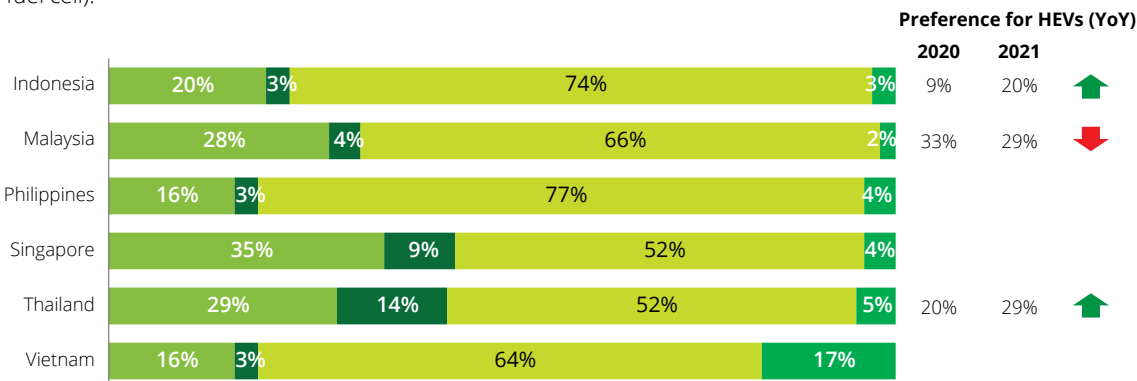


Q31. How have you changed your thinking about what kind of vehicle you will acquire next?

Powertrain preferences for next vehicle

In Southeast Asia, HEVs are the most popular choice among fuel-efficient vehicle options, with consumers expressing lower preferences for BEVs.

For their next vehicle, **24%** of overall Southeast Asian consumers prefer **HEVs**, while only **6%** prefer **BEVs**. On the other hand, 64% continue to prefer ICEs, while another 6% prefer others (including ethanol, CNG, and hydrogen fuel cell).



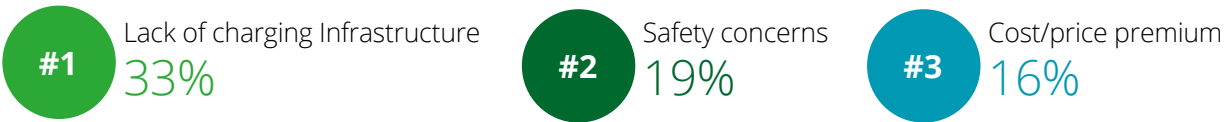
Q42. What type of engine would you prefer in your next vehicle?
 Note: The study was not fielded in Philippines, Singapore, and Vietnam in 2020.

Concerns regarding battery-powered electric vehicles

Lack of charging infrastructure, safety concerns, and the cost/price premium are the three overall greatest concerns for Southeast Asian consumers.

For consumers in markets such as Indonesia, Philippines, and Thailand where traffic congestion tends to be more severe, driving range also appears to be a more important consideration.

Overall greatest concerns for Southeast Asian consumers



Concern	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Lack of charging infrastructure	39%	35%	31%	34%	19%	38%
Safety concerns	12%	18%	24%	18%	19%	22%
Cost/price premium	11%	21%	13%	20%	18%	12%
Time required to charge	15%	11%	12%	14%	16%	18%
Driving range	22%	12%	17%	10%	24%	7%
Lack of choice	1%	3%	3%	4%	4%	3%
Other	0%	0%	0%	0%	0%	0%

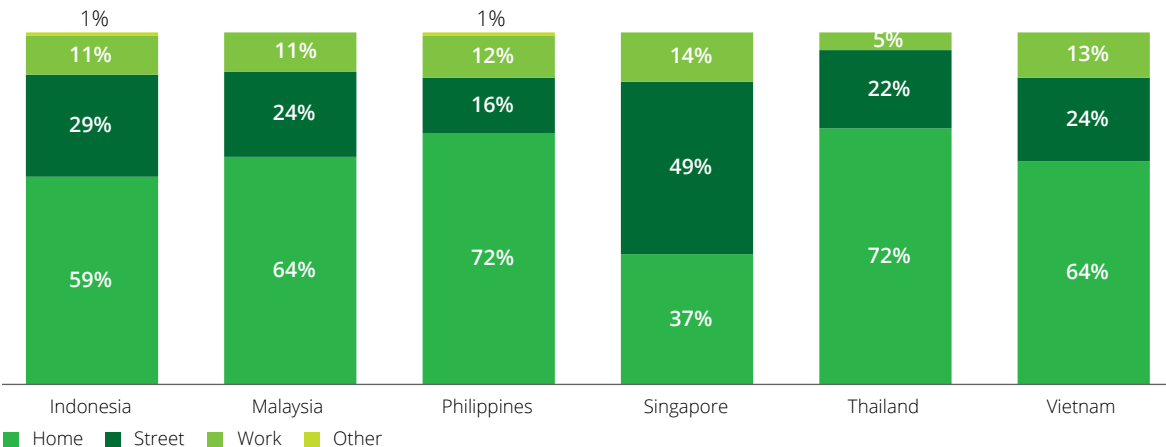
■ Most important

Q47. What is your greatest concern regarding all battery-powered electric vehicles?

Location where people expect to charge their electrified vehicle most often

Most Southeast Asian consumers intending to acquire an EV expect to charge it at home.

However, the importance of public charging networks is notably higher in Singapore, where **49%** of consumers expect to be able to charge their EVs at public charging stations.

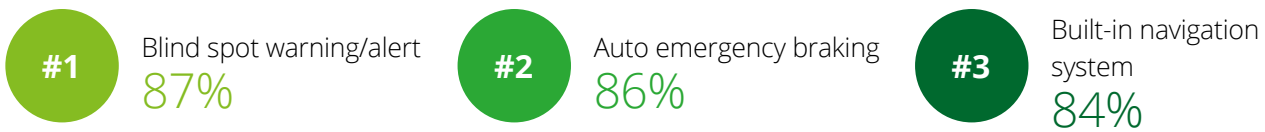


Q45. Where do you expect to charge your electrified vehicle most often?
 Note: Sum of percentages may not add up to 100% due to rounding.

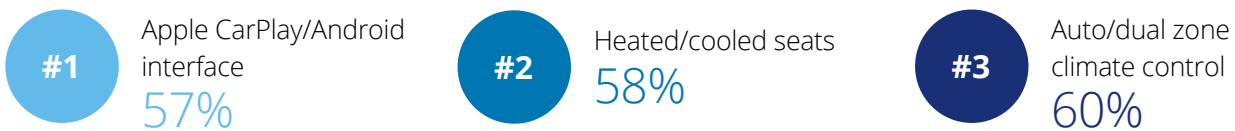
Consideration of advanced features for next vehicle purchase

Across the board, Southeast Asian consumers prioritised safety-related features over infotainment features, ranking blind-spot warning, auto emergency braking, and built-in navigation system as the three most important features.

Overall top three most important features for Southeast Asian consumers



Overall top three least important features for Southeast Asian consumers



Advanced vehicle feature	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Blind spot warning/alert	87%	88%	89%	84%	84%	92%
Auto emergency braking	92%	86%	87%	78%	85%	90%
Built-in navigation system	79%	92%	81%	88%	78%	85%
360-degree camera system	82%	77%	79%	86%	78%	83%
Lane departure warning	87%	74%	78%	68%	78%	86%
Electronic parking assist	84%	72%	79%	68%	78%	75%
Adaptive cruise control	85%	59%	68%	58%	74%	80%
Built-in WiFi hotspot	72%	58%	74%	58%	65%	74%
Over-the-air software updates	75%	51%	59%	55%	73%	73%
Knobs/buttons for controls	63%	60%	74%	55%	50%	74%
Semi-autonomous drive mode	69%	51%	54%	48%	70%	75%
Auto/dual zone climate control	64%	50%	64%	48%	61%	73%
Heated/cooled seats	64%	47%	59%	42%	64%	69%
Apple CarPlay/Android interface	67%	47%	56%	48%	57%	67%

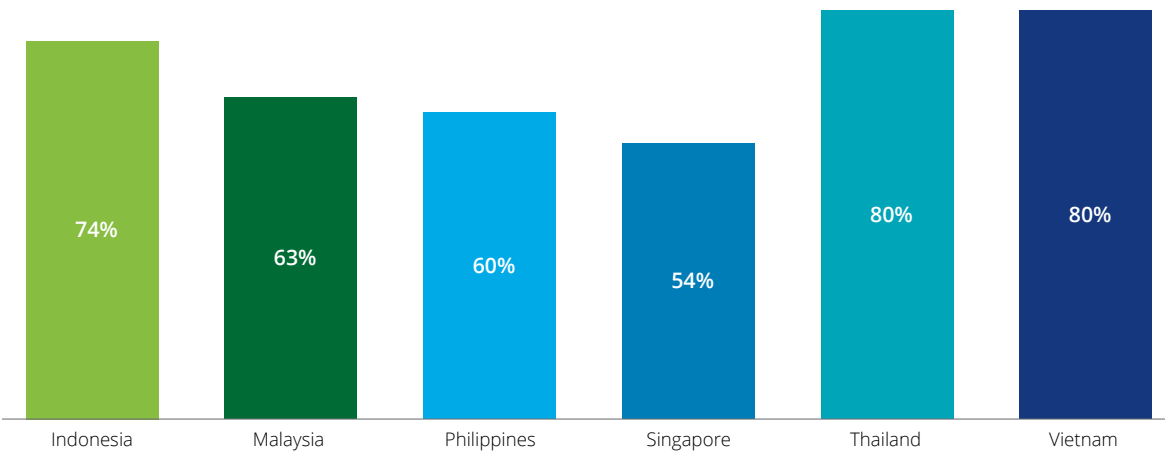
■ Most important ■ Least important

Q26. How important are each of the following features for your next vehicle?

Perceptions on increased vehicle connectivity

Most Southeast Asian consumers perceive vehicle connectivity to be beneficial.

On average, **69%** of overall Southeast Asian consumers have expressed a positive interest in increased vehicle connectivity, with consumers in **Indonesia**, **Thailand**, and **Vietnam** registering the highest levels of interest.

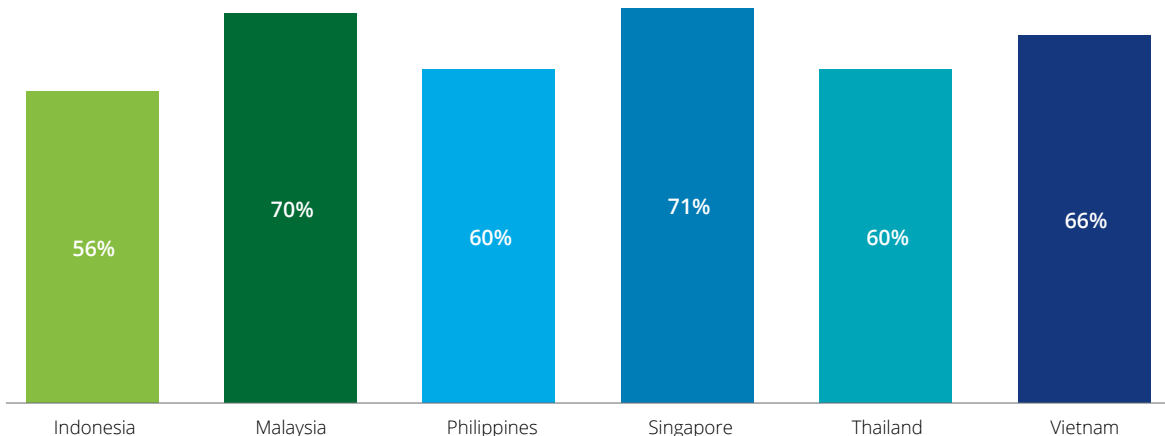


Q3. To what extent do you agree with the following statements regarding future vehicle technology?

Concerns over security aspects of connected vehicles

While a significant proportion of Southeast Asian consumers recognise the benefits of vehicle connectivity, the majority of them also have concerns over security aspects.

On average, nearly two-thirds or **65%** of overall Southeast Asian consumers have expressed fears of someone hacking into their connected car and risking their personal safety. This concern is especially pronounced amongst consumers from **Malaysia**, **Singapore**, and **Vietnam**, and may have been a result of the recent increase in cyber incidents within the region.



Q3. To what extent do you agree with the following statements regarding future vehicle technology?

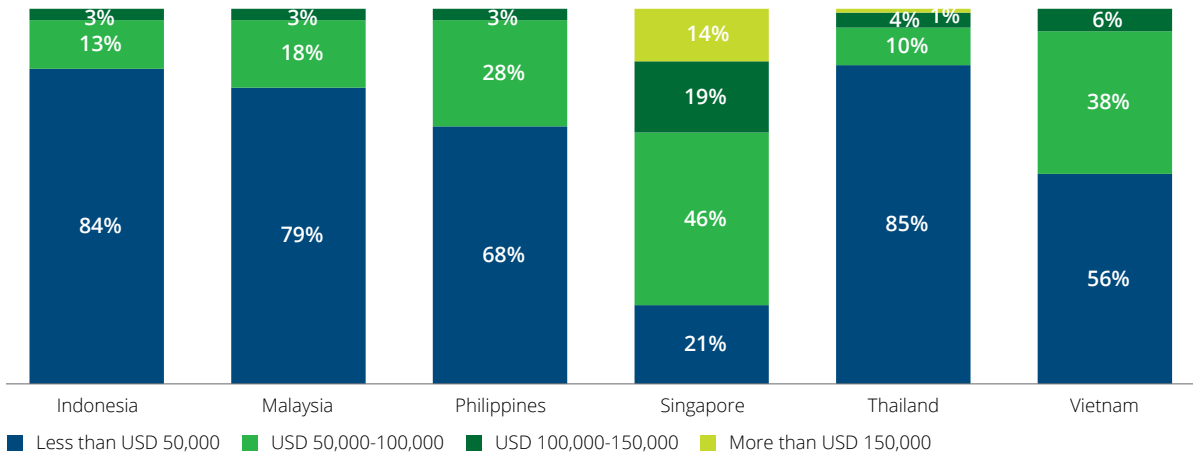


Vehicle financing

Expectations of price range for electric vehicles

As Southeast Asian consumers do not appear to be very willing to pay a premium for electric vehicles, government support for both manufacturing and sales is likely to be critical in encouraging uptake.

On average, about two-thirds or **66%** of Southeast Asian consumers expect to pay less than USD 50,000 for an EV.

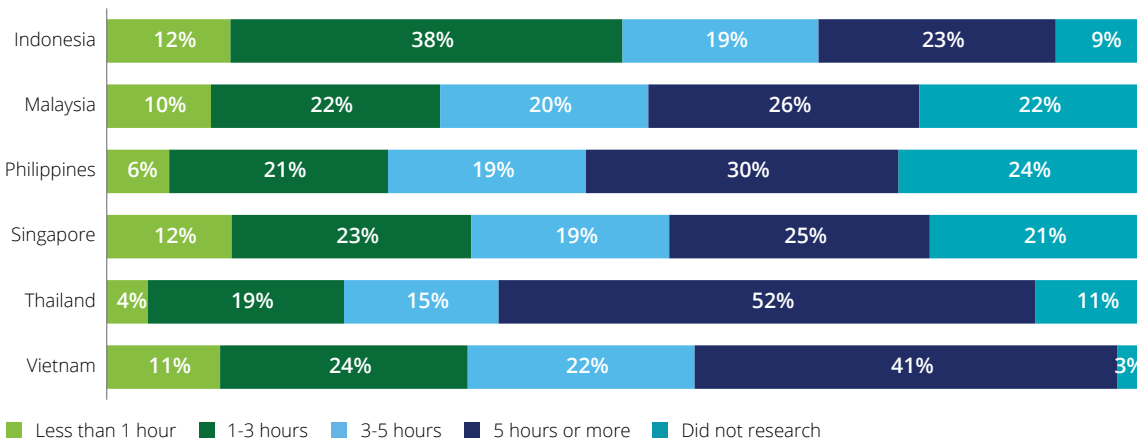


Q44. In which of the following price ranges (after considering any OEM/government incentive) will you be shopping for an electrified vehicle?

Time spent researching finance options

The amount of time that consumers spent researching finance options prior to acquiring a vehicle vary significantly across the Southeast Asia region.

Consumers in Thailand and Vietnam appear to spend the most time researching their finance options, with **52%** and **41%** spending **5 hours or more** respectively. On the other hand, **more than one-fifth** of consumers in Malaysia, Philippines, and Singapore **do not conduct any research at all**.



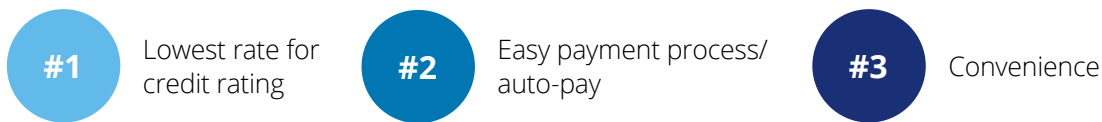
Q13. In total, how long did you spend researching finance options prior to acquiring your current vehicle?
 Note: Sum of percentages may not add up to 100% due to rounding.

Considerations for vehicle financing

Low rates, easy payment process, and convenience top the list of the most important characteristics of a vehicle finance account for consumers in Southeast Asia.

Thailand, however, appears to be an exception, as most consumers (**58%**) appear to be more concerned with the availability of all-in rates.

Overall most important features for Southeast Asian consumers



Consideration	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Lowest rate for credit rating	37%	62%	52%	46%	42%	39%
Convenience	57%	53%	61%	41%	47%	43%
Easy payment process/auto-pay	64%	53%	58%	38%	43%	49%
Access to loan payoff/equity status	53%	28%	33%	26%	22%	32%
Flexibility (e.g., early termination)	43%	43%	47%	44%	41%	45%
Simple web/app account management	26%	31%	32%	27%	22%	28%
Choosing established auto lender brand	53%	42%	44%	38%	30%	40%
All-in rates	39%	35%	43%	37%	58%	39%
Access to live agent on phone	28%	23%	38%	19%	27%	38%
Receiving customised offers	28%	31%	33%	24%	30%	47%
Ability to text message lender	21%	15%	30%	13%	20%	15%

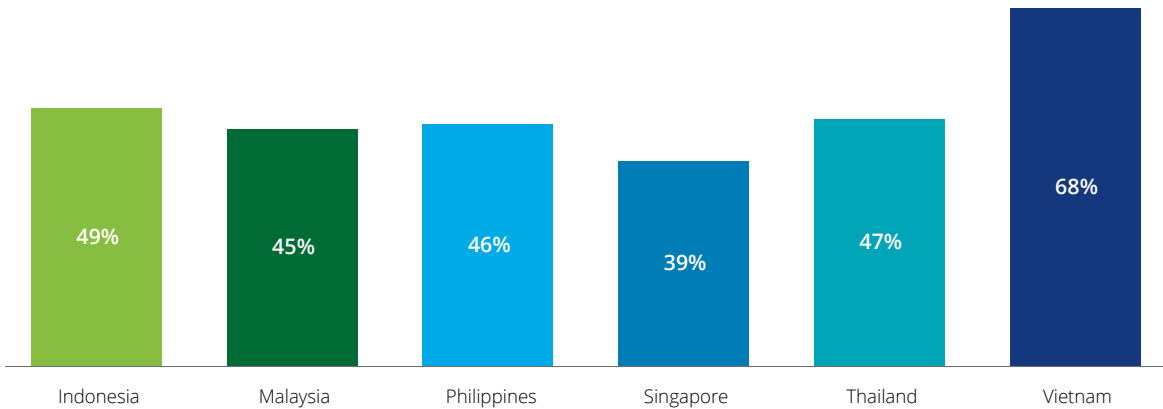
■ Most important

Q14. When it comes to your loan/lease/subscription account, what is most important to you? Please select all that apply.

Interest in vehicle subscription services

A significant proportion of consumers across all Southeast Asian markets are somewhat/very interested in a vehicle subscription service that will allow access to different models from the same brand.

This implies the potential for alternative ownership opportunities that OEMs can leverage with captive finance services within their brand, especially in Vietnam where the preference appears to be the highest at **68%**.

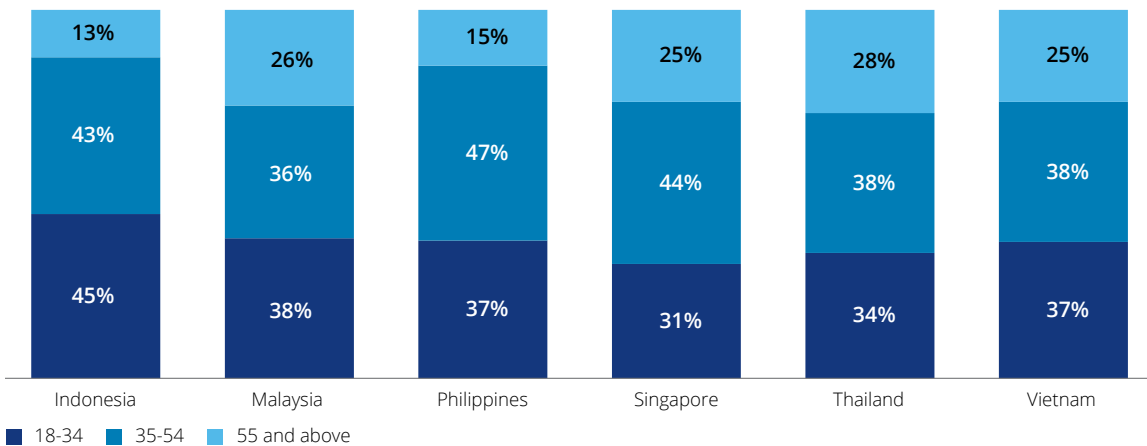


Q59. How interested are you in each of the following scenarios?

Demographics of consumers interested in vehicle subscription services

Younger consumers below the age of 55 appear to be the most interested in vehicle subscription services.

78% of overall Southeast Asian consumers who are interested in vehicle subscription services are below the age of 55. OEMs should therefore consider a customised approach for the different age groups when launching such services.



Q60. How interested are you in each of the following scenarios?

Note: Sum of percentages may not add up to 100% due to rounding.

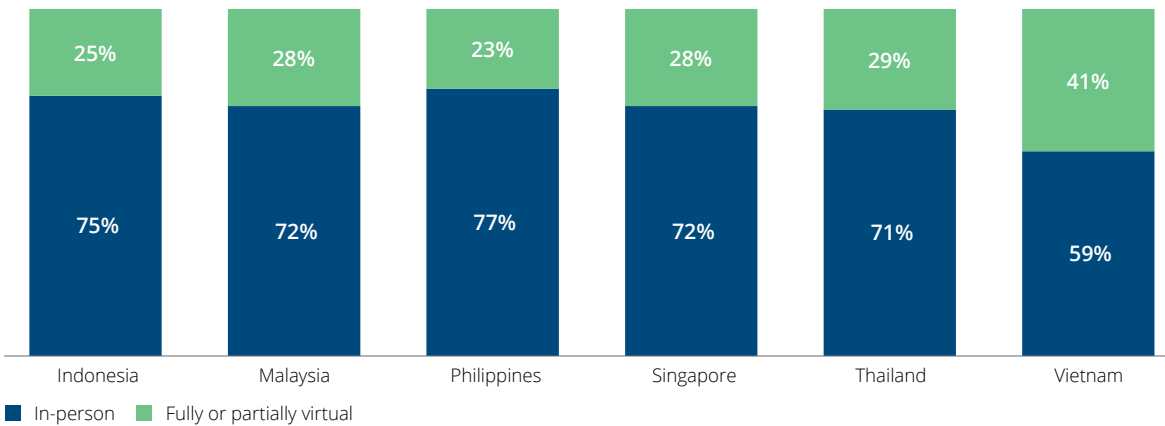


Virtual experiences

Receptivity towards virtual buying processes

While most consumers in Southeast Asia continue to prefer in-person experiences, there is still growth potential for virtual vehicle sales.

Overall, an average of about **29%** of Southeast Asian consumers prefer either a fully or partially virtual buying process.



Q48. How would you most prefer to acquire your next vehicle?
 Note: Sum of percentages may not add up to 100% due to rounding.

Perceived benefits of an in-person buying process

Generally, consumers in Southeast Asia still want to see and drive a vehicle before they buy it: they want the physical experience of seeing, test-driving, and interacting with a salesperson.

Overall top three perceived benefits of an in-person buying process for Southeast Asian consumers

- #1** Want to see vehicle
- #2** Want to test drive vehicle
- #3** Want to negotiate in-person

Benefit	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Want to see vehicle	23%	20%	21%	22%	21%	26%
Want to test drive vehicle	18%	18%	16%	20%	18%	23%
Want to negotiate in-person	14%	12%	12%	13%	13%	12%
Want to interact with a real person	10%	14%	13%	13%	12%	11%
Want to have a personal contact	8%	12%	12%	10%	11%	7%
Not comfortable buying online	13%	13%	12%	13%	10%	12%
Want to build a relationship for service	8%	7%	7%	6%	8%	5%
Want to be treated like I'm important	6%	5%	6%	4%	6%	5%

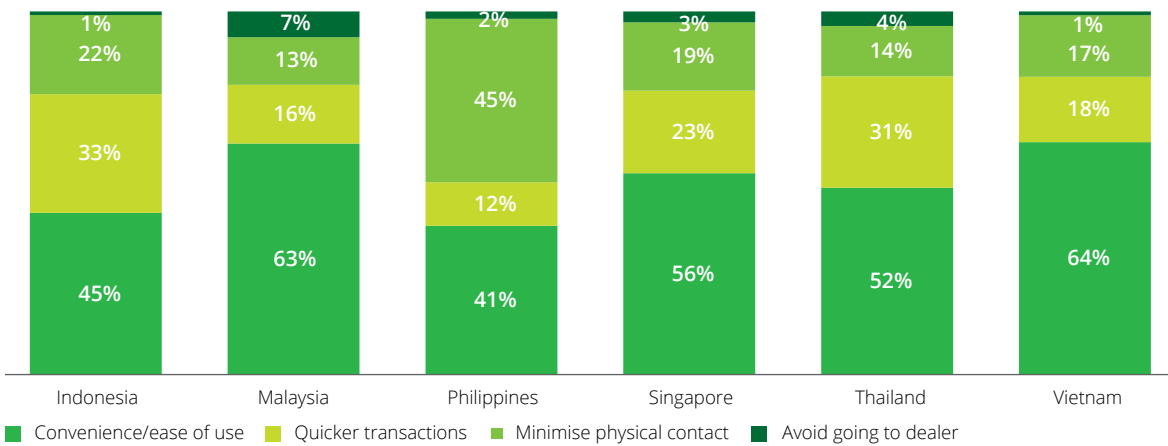
■ Most important

Q51. What are the main reasons you are not interested in acquiring your next vehicle via virtual process? (Select all that apply)

Perceived benefits of a virtual buying process

On the other hand, convenience/ease of use and quicker transactions are the top perceived benefits of a virtual buying process.

Furthermore, a significant proportion of consumers may also prefer to rely on virtual buying processes to minimise physical contact. In the Philippines, for example, **45%** of consumers perceived the ability to minimise physical contact as the top benefit of a virtual buying process.

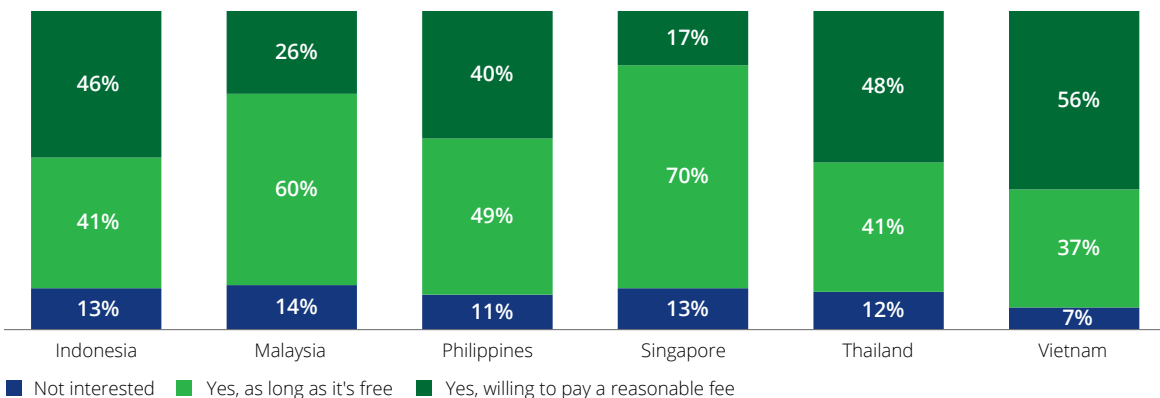


Q50. What is the main reason you would prefer to acquire your next vehicle via a virtual process?

Receptivity towards virtual servicing

Virtual servicing could be an important part of the aftersales process to retain existing customers in Southeast Asia.

The majority of consumers across all Southeast Asian markets are interested in having their vehicle picked up from their home/office when it needs service. However, pricing needs to be carefully considered: an average of **49%** of Southeast Asian consumers would be interested in such virtual services if they are free, while **40%** are willing to pay for such services.



Q20. To what extent are you interested in the following services?
 Note: Sum of percentages may not add up to 100% due to rounding.

Contact us

Southeast Asia perspectives

Researched and written by

Pua Wee Meng

Consumer Industry Leader

Deloitte Southeast Asia

wpua@deloitte.com

Lee Seong Jin

Automotive Consulting Leader

Deloitte Southeast Asia

seongjinlee@deloitte.com

Contributors

Murakami Yasuyuki

Senior Manager, Consulting

Deloitte Southeast Asia

Moriguchi Ryohei

Senior Manager, Consulting

Deloitte Southeast Asia

Sujun Kim

Senior Manager, Consulting

Deloitte Southeast Asia

Nitin Bhaskar

Senior Manager, Consulting

Deloitte Southeast Asia

Daniel Lim

Manager, Consulting

Deloitte Southeast Asia

Ozaki Ryota

Manager, Consulting

Deloitte Southeast Asia

Rikuto Yamada

Manager, Consulting

Deloitte Southeast Asia

Southeast Asia Automotive sector practice

Audit & Assurance

Wimolporn Boonyusthian

wboonyusthian@deloitte.com

Consulting

Lee Seong Jin

seongjinlee@deloitte.com

Financial Advisory

Thavee Thaveesangsakulthai

tthaveesangsakulthai@deloitte.com

Risk Advisory

Yoshifumi Yanagisawa

yoyanagisawa@deloitte.com

Tax & Legal

Roy David Kiantiong

rkiantiong@deloitte.com



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