



# 2021 Used Car Market Review & 2022 Outlook



# Methodology



The survey was conducted using various approaches such as in-depth interviews with industry experts and used car dealers as well as consumer surveys

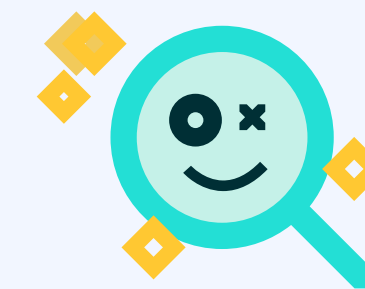


Survey Period:  
23 November - 17 December 2021



Total respondents:  
1,456

Source: OLX Autos Indonesia



Segment



Number of  
respondents

**Buyers**

**1,121**

**Individual  
Sellers**

**184**

**Dealers**

**151**

# Executive Summary

- During The Delta variant outbreak (end of June – mid of August 2021), demand for used car dropped by around 20% and bounced back right at the end of Q3 2021.
- 2021 saw key changes in consumers behaviours as compared to 2020:
  - Better income and more mobility
  - Higher intention to upgrade cars
  - Easier access to car financing
- New car sales is predicted to recover to pre-Covid level in 2022 following the recovery of Indonesia's GDP per capita.
- Used car market is predicted to grow by 2-3% in 2022 following the increase in used car supply. However, we expect a supply shortage in 2025.



# 2021 Used Car Consumer Profile





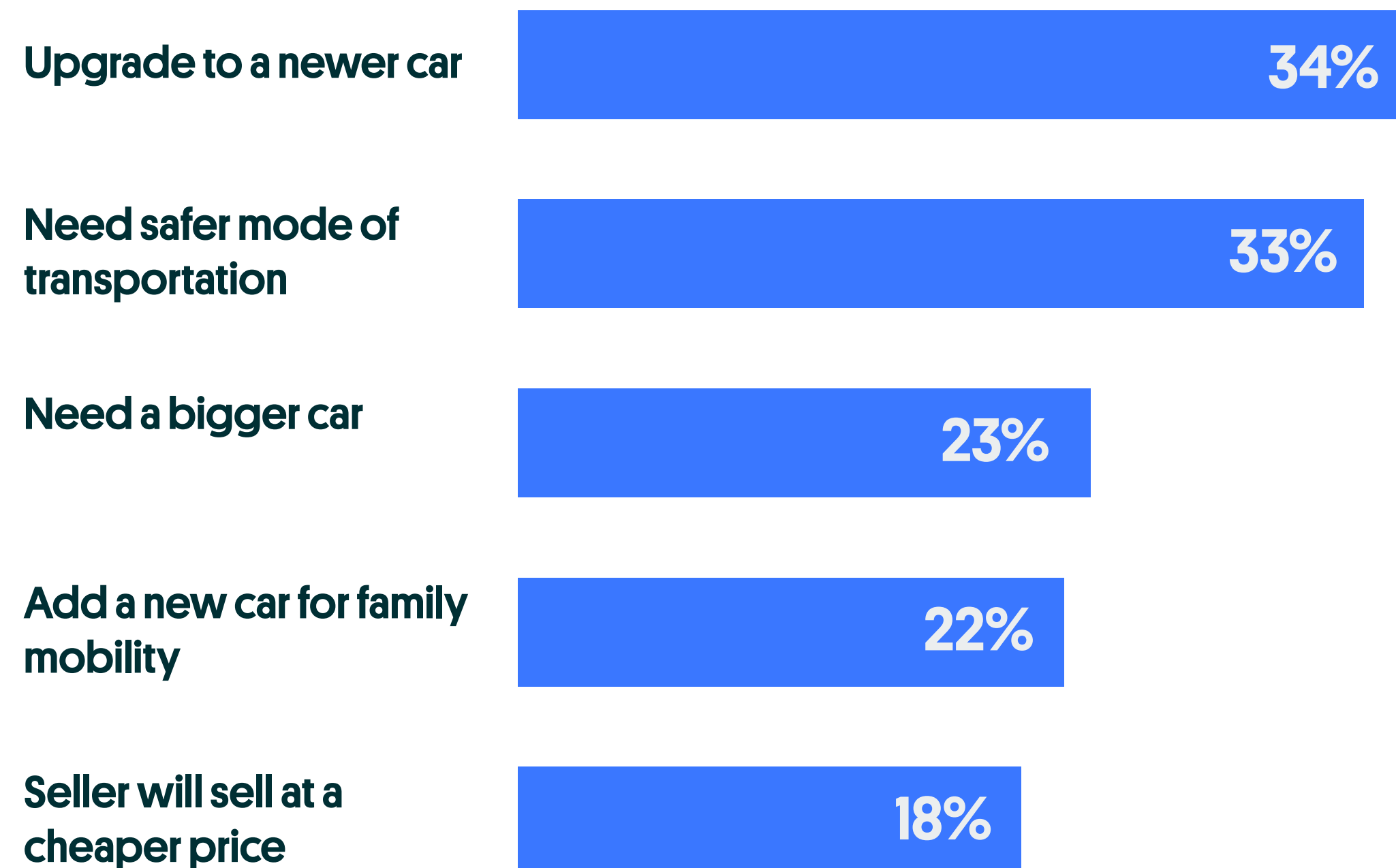
# Consumer Profile 2021

Buyer



Upgrade to a newer car has become the main reason for purchasing a used car

*What are the main reasons for purchasing a used car?*

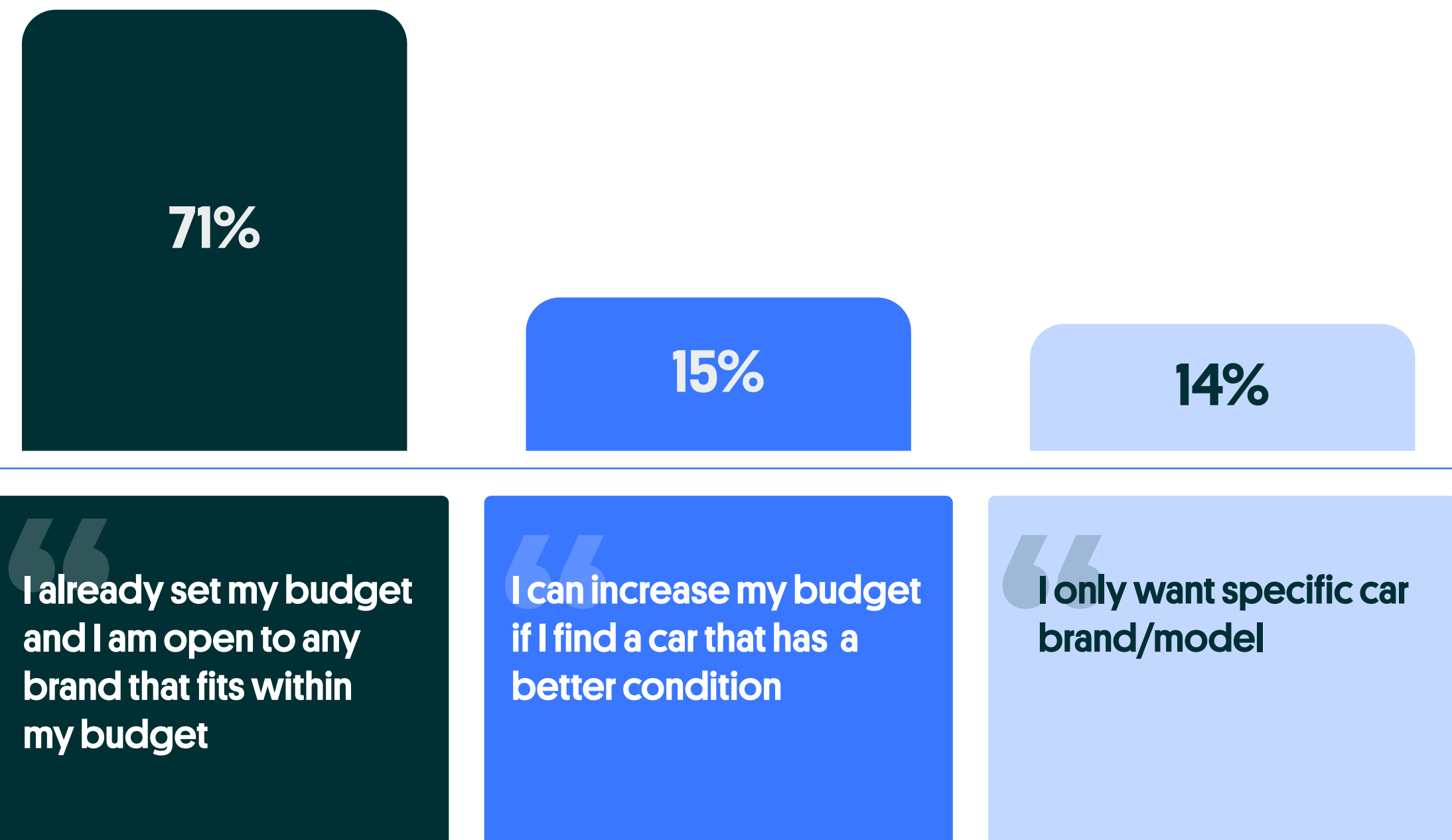


Buyer



Price, car condition, and brand/model are the top factors while considering the purchase of a used car

*How flexible is your budget and brand / model preference?*



**76%** Respondents said that their spouse plays a critical role in the purchase decision

Source: OLX Autos Indonesia

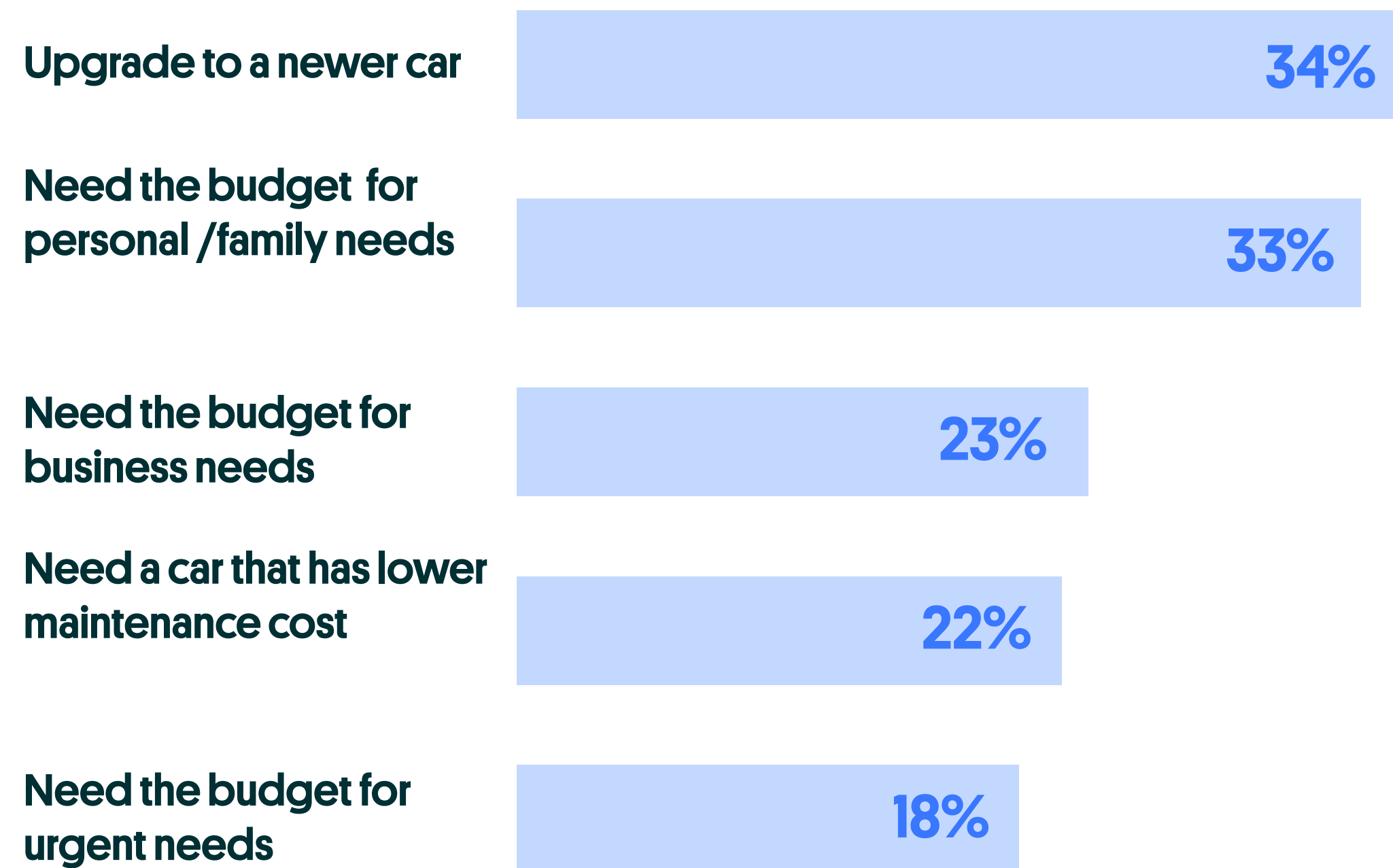
# Consumer Profile 2021

Seller



Similar to buyers, the need to upgrade to a newer car is the primary reason for selling

*What are the main reasons for selling a used car?*



64%

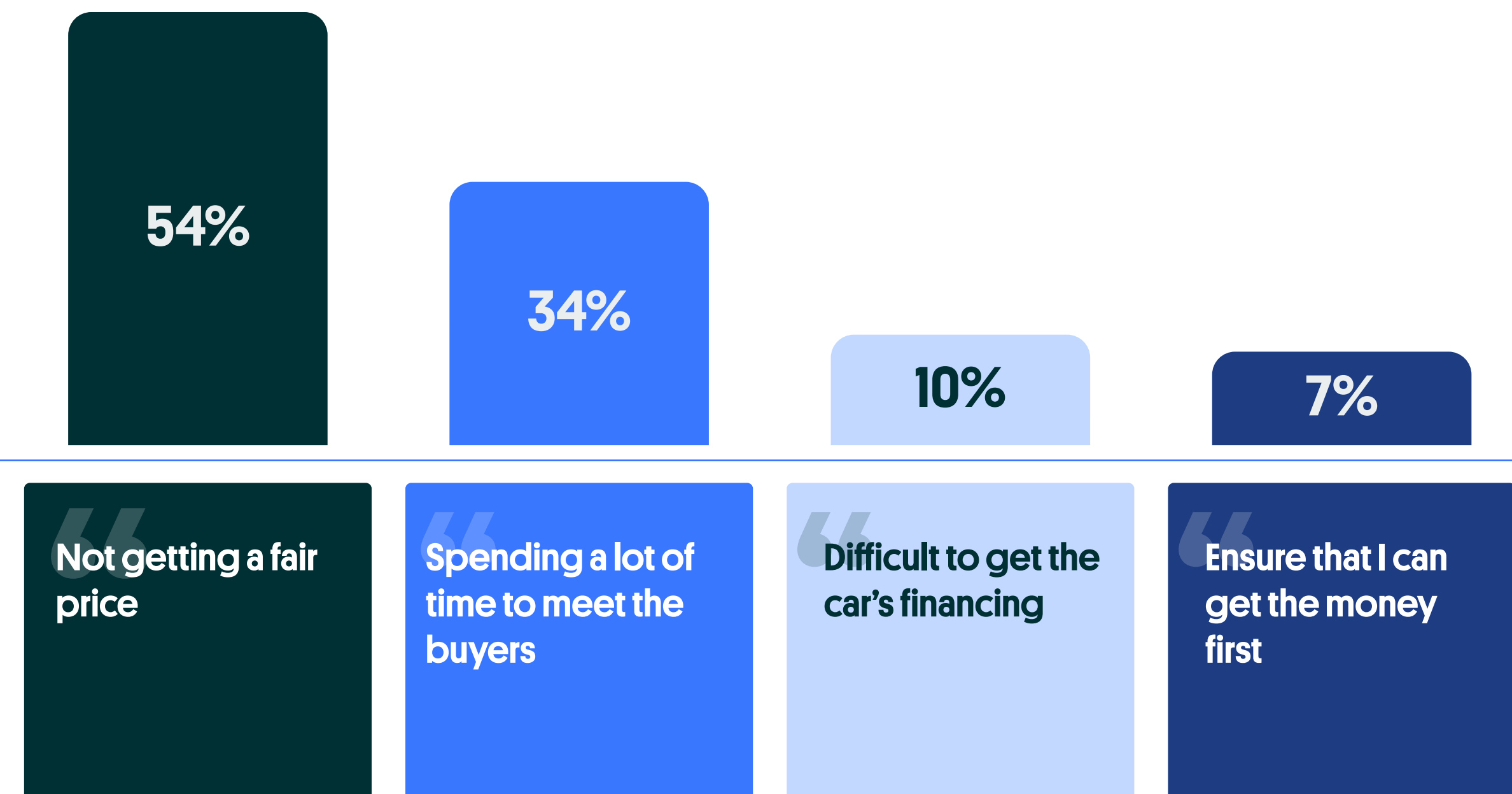
Respondents said their spouse also influences the selling decision

Seller



The main concern for sellers is not getting a fair price

*What are your main concerns in selling your used car?*





# Consumer Profile 2021

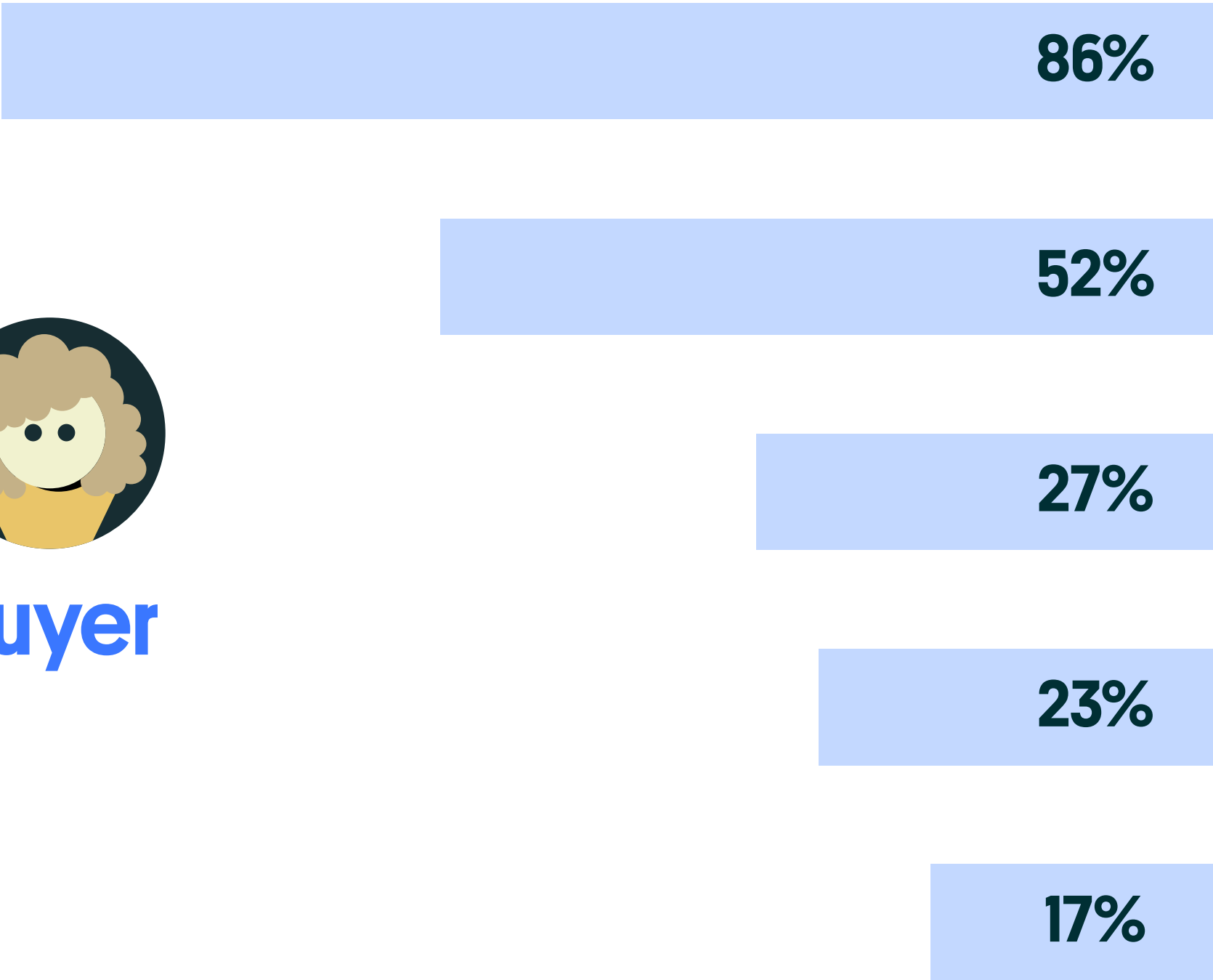
Buyer and Seller

Online platforms and social media are the most important resources for car buyers and sellers

What are the top sources that you use to check car prices?



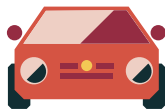
Buyer



Online Platforms



Social Media



Used Car Dealers



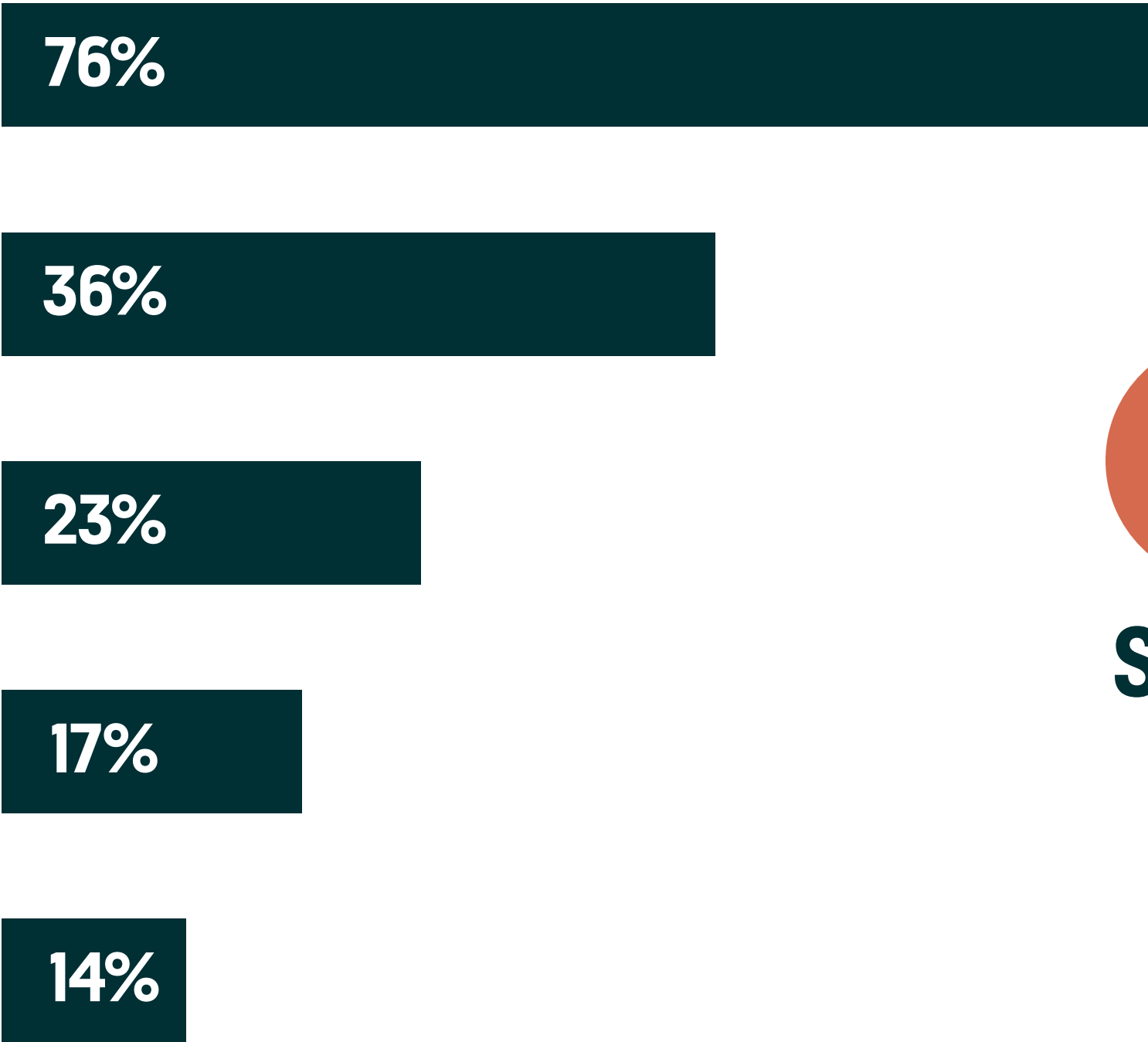
Friends



Family



Seller







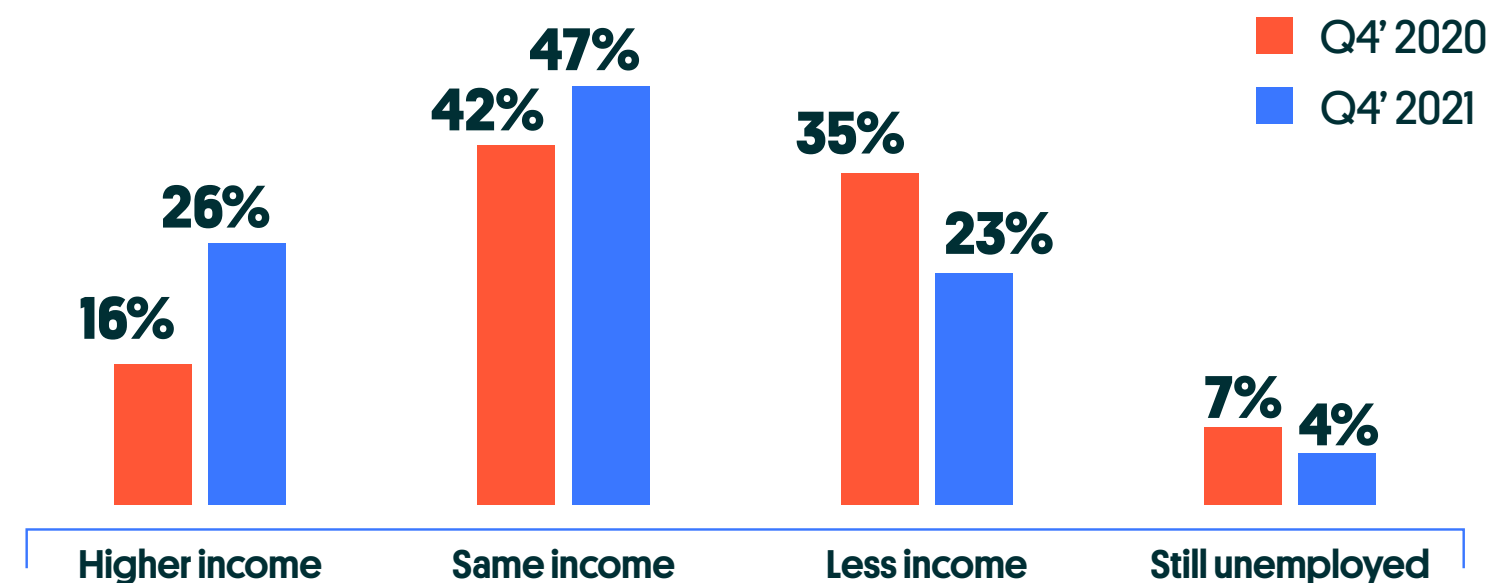
# 2021 Used Car Market Review



# 4

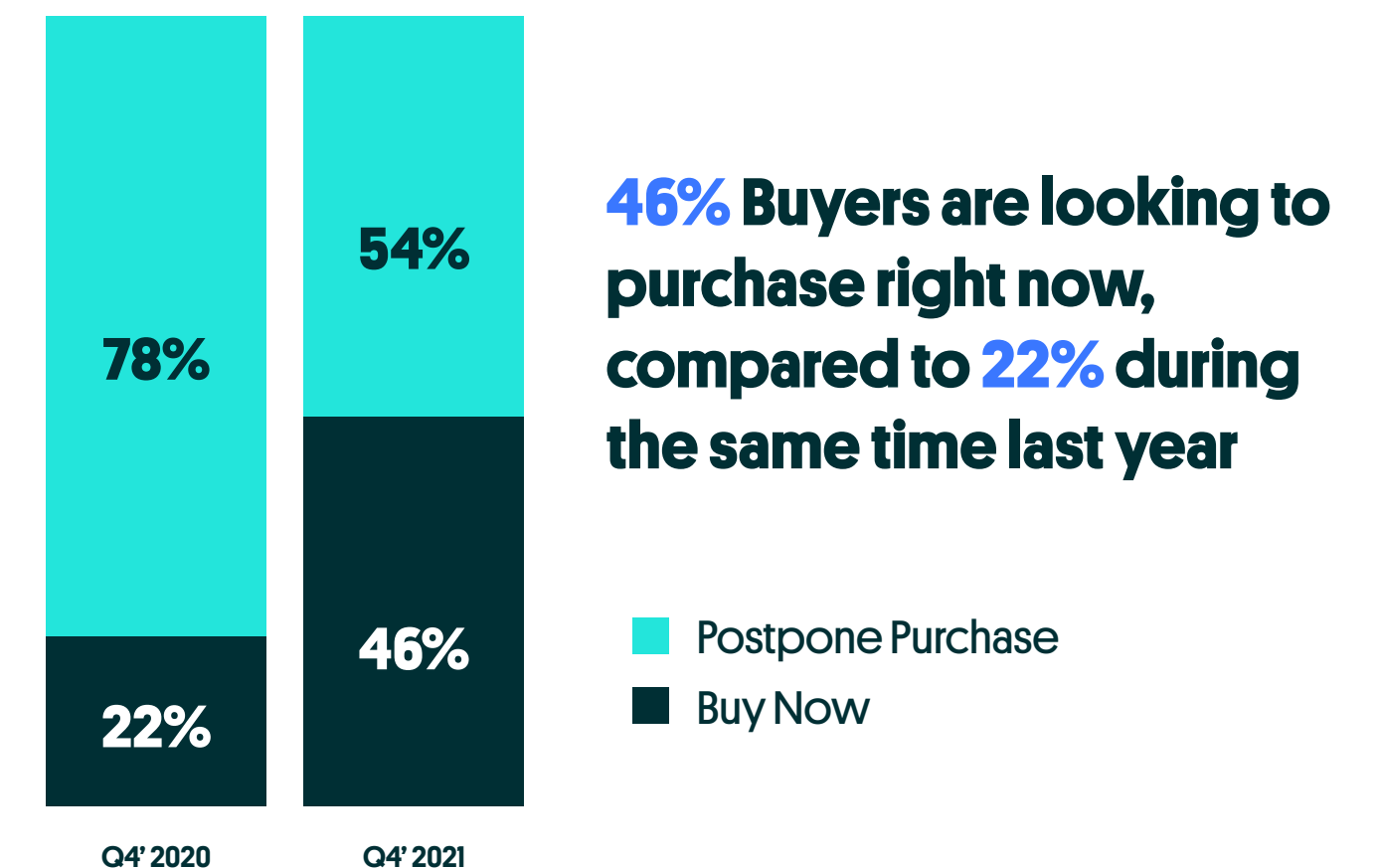
## Key Consumers trend in 2021

### 1 Higher income and mobility

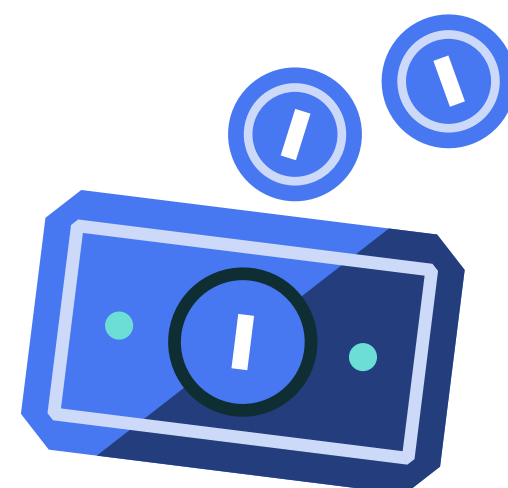


**26%** Buyers have a higher income compared to last year

### 2 Demand is recovering; higher intention to purchase

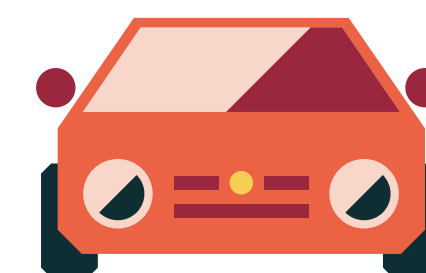


### 3 Easier car financing



Only **19%** Buyers are unable to get financing, compared to **40%** last year

### 4 Private vehicles stay as primary transportation mode

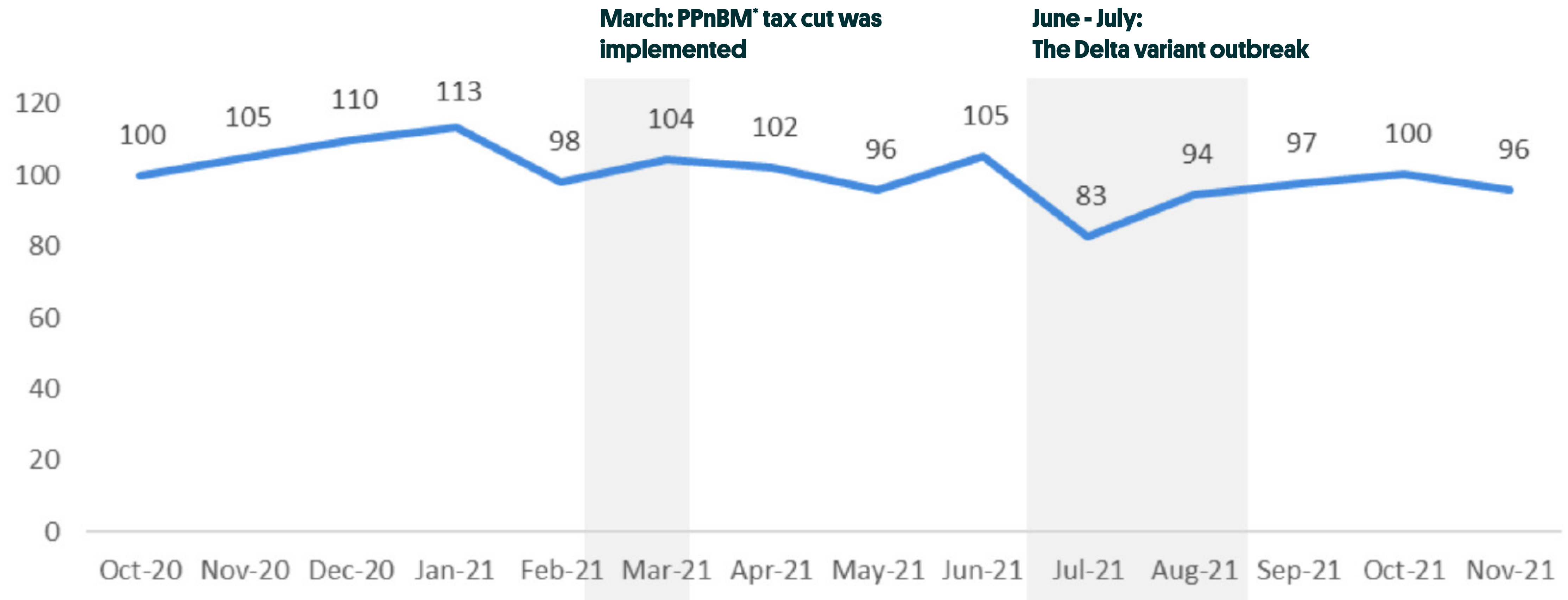


**39%** Buyers are still using private cars as their primary transportation mode

Source: OLX Autos Indonesia

Market Trend:

# Demand dropped by ~20% during The Delta variant outbreak and bounced back at the end of Q3 2021



**Index 100 = Used Cars Demand Oct 2020**

\*Sales tax on luxury goods

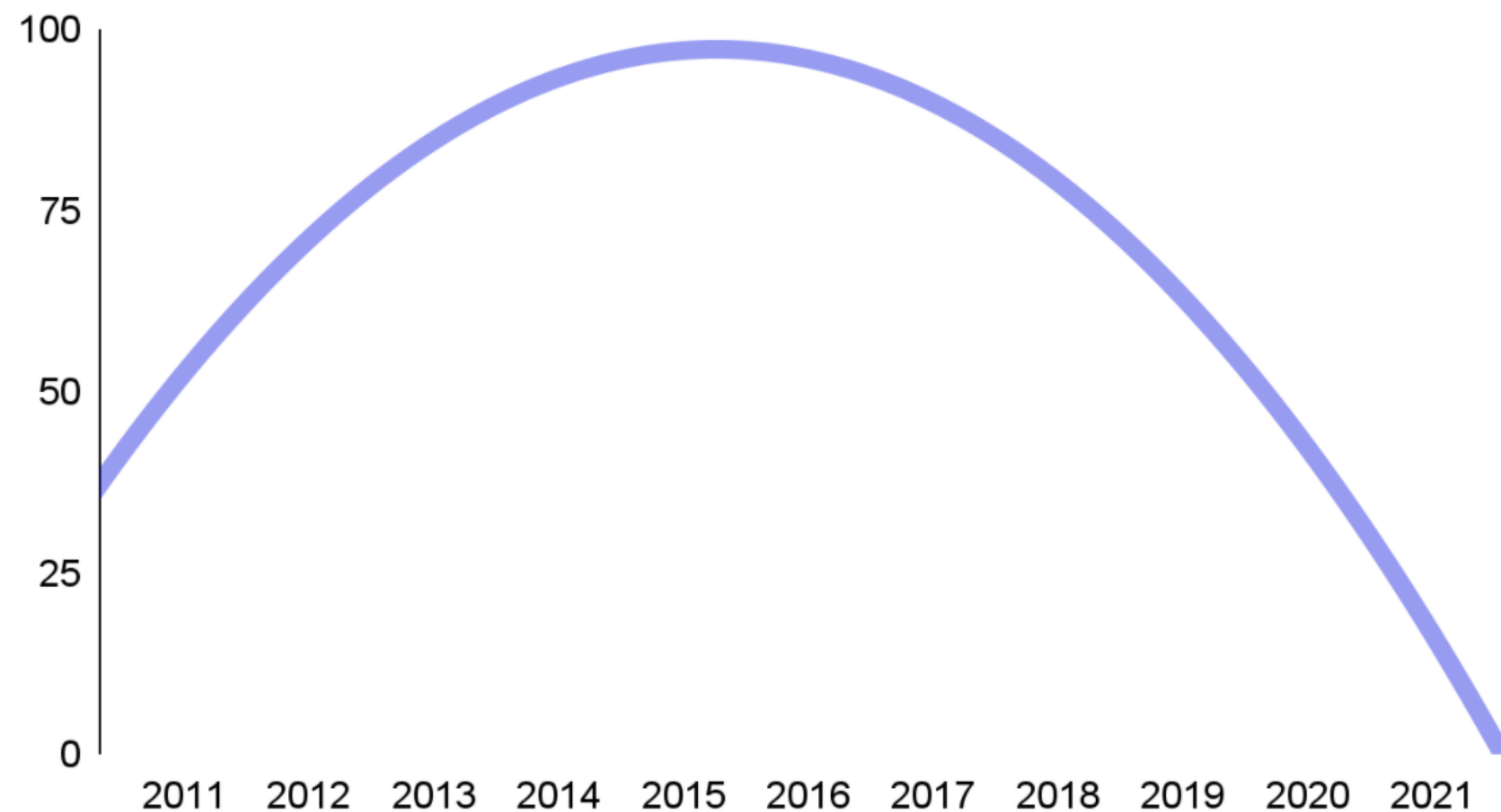
Source: OLX Autos Indonesia



Market Trend:

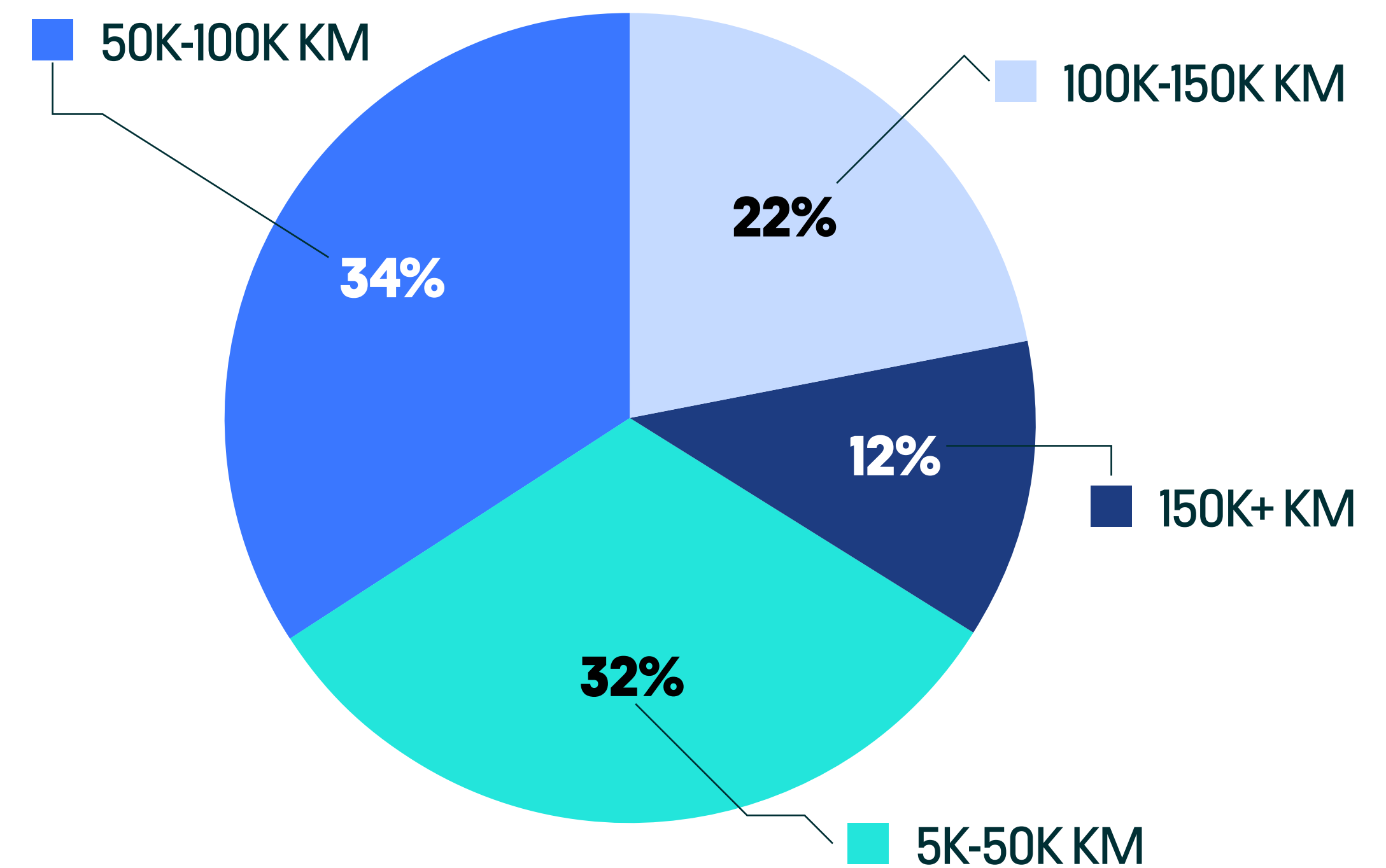
# Most cars are sold in the market after 5-6 years of service

## Used car supplies by year of manufacture



Index 100 = Cars being manufactured in 2016

## Supply by vehicle mileage

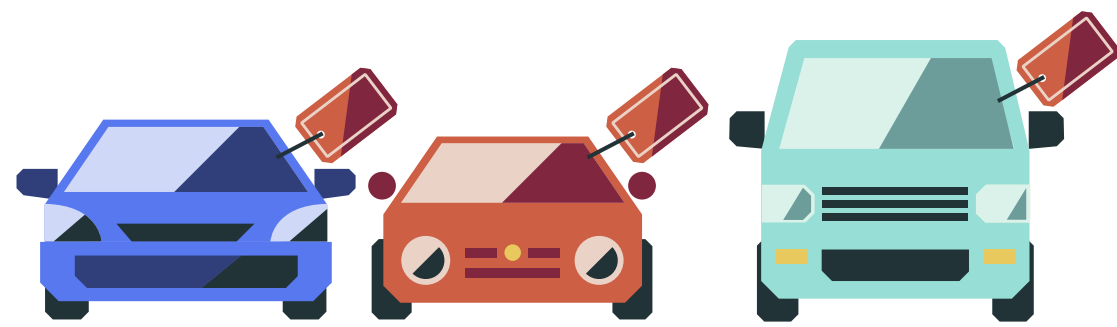


By kilometers ('000)

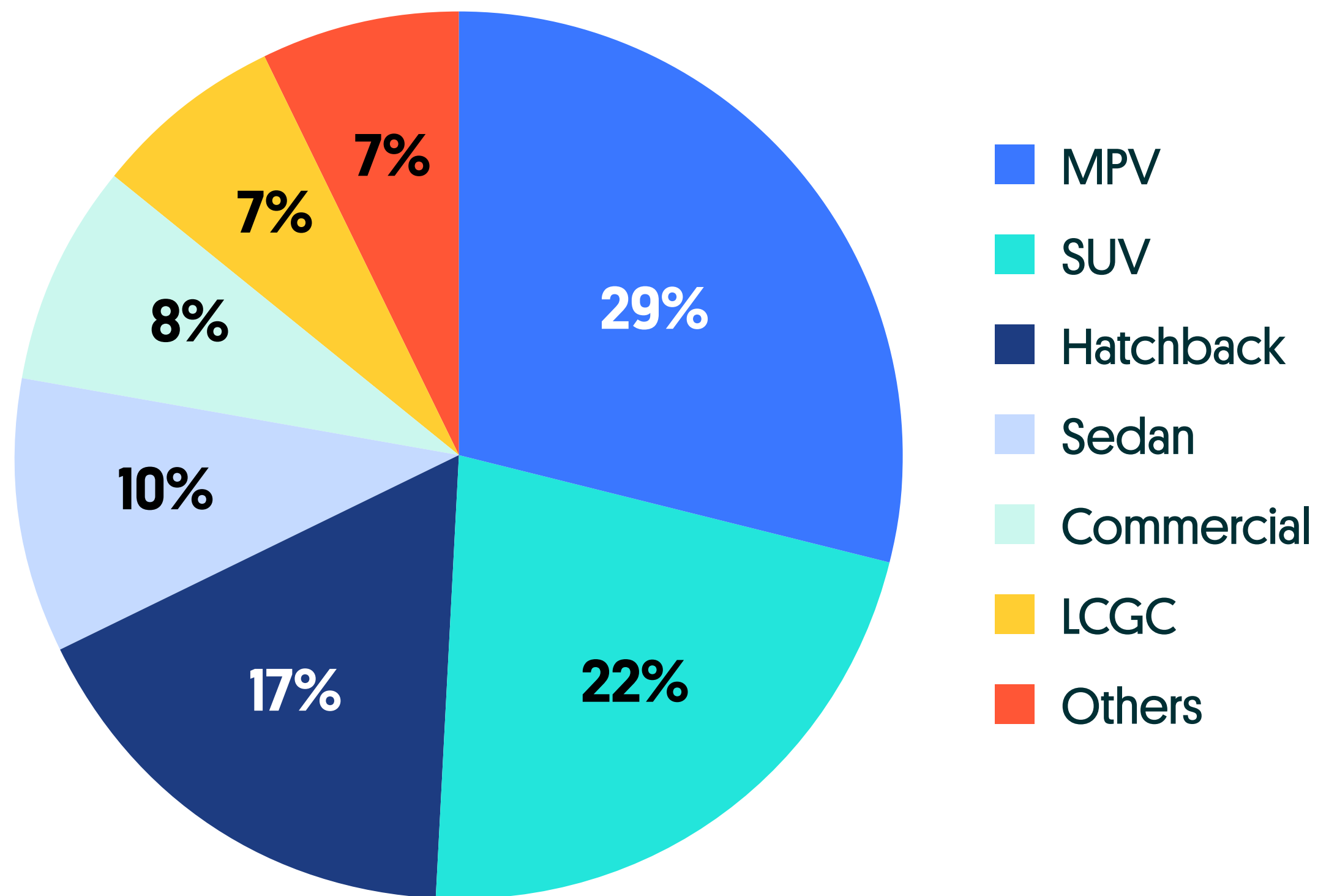
Source: OLX Autos Indonesia

Market Trend:

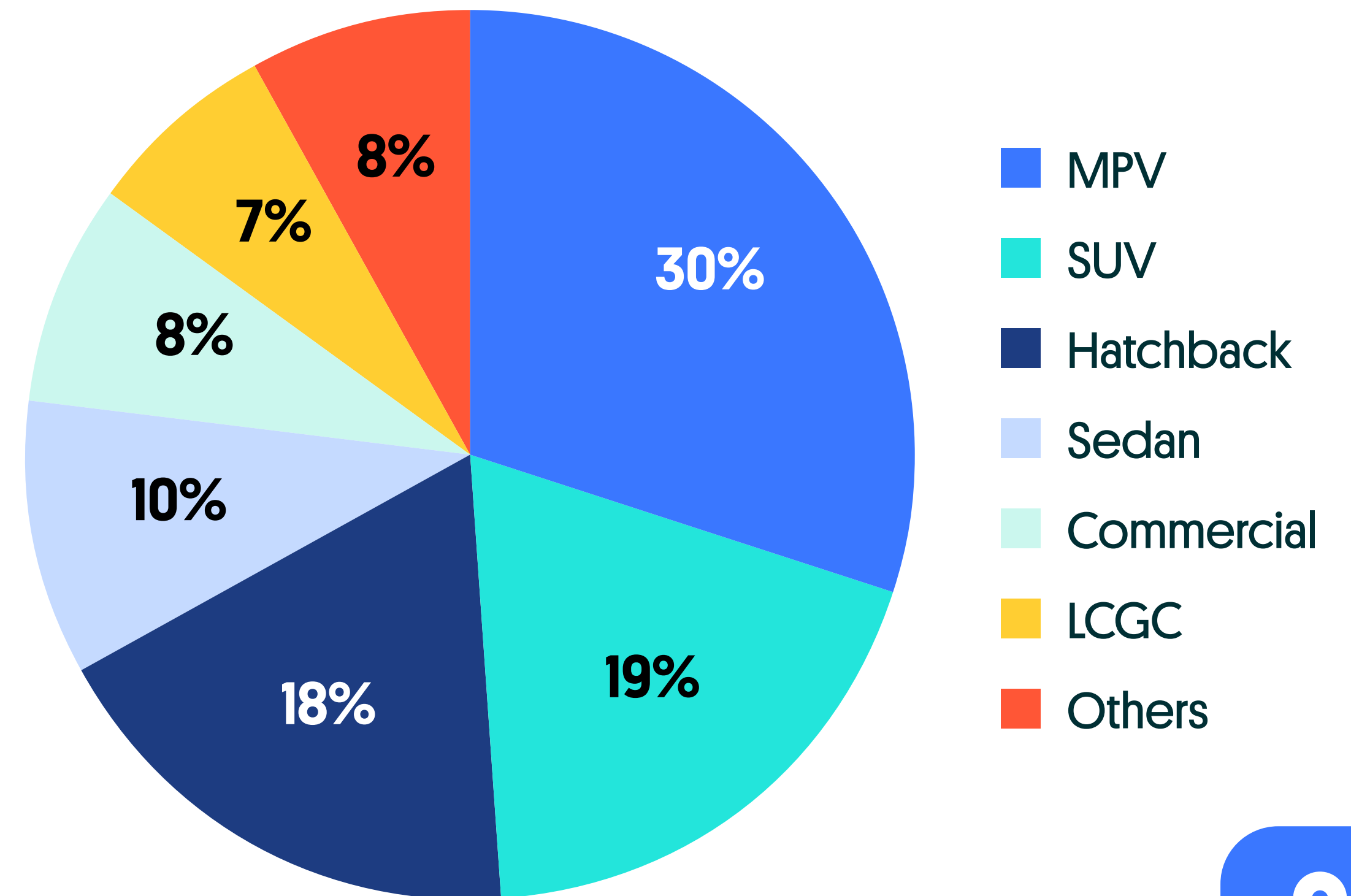
**MPV & SUV are the most traded car type, in line with Indonesian culture of being family - oriented**



**Supply by car type**



**Demand by car type**



Source: OLX Autos Indonesia



# Most popular Used Car models 2021

## All Types

**Toyota Avanza, Toyota Innova, Honda Brio, Honda Jazz, Honda CRV**

### MPV

1. Toyota Avanza
2. Toyota Innova
3. Daihatsu Xenia
4. Suzuki Ertiga
5. Honda Mobilio

### SUV

1. Honda CR-V
2. Toyota Fortuner
3. Honda HR-V
4. Mitsubishi Pajero Sport
5. Toyota Rush

### Hatchback

1. Honda Brio
2. Honda Jazz
3. Toyota Yaris
4. Honda Civic
5. Mazda 2

### Sedan

1. BMW 3 Series
2. Honda City
3. Toyota Vios
4. Mercedes Benz C
5. Toyota Camry

### LCGC

1. Toyota Agya
2. Daihatsu Ayla
3. Toyota Calya
4. Daihatsu Sigra
5. Suzuki Karimun

# 2022 Used Car Market Outlook

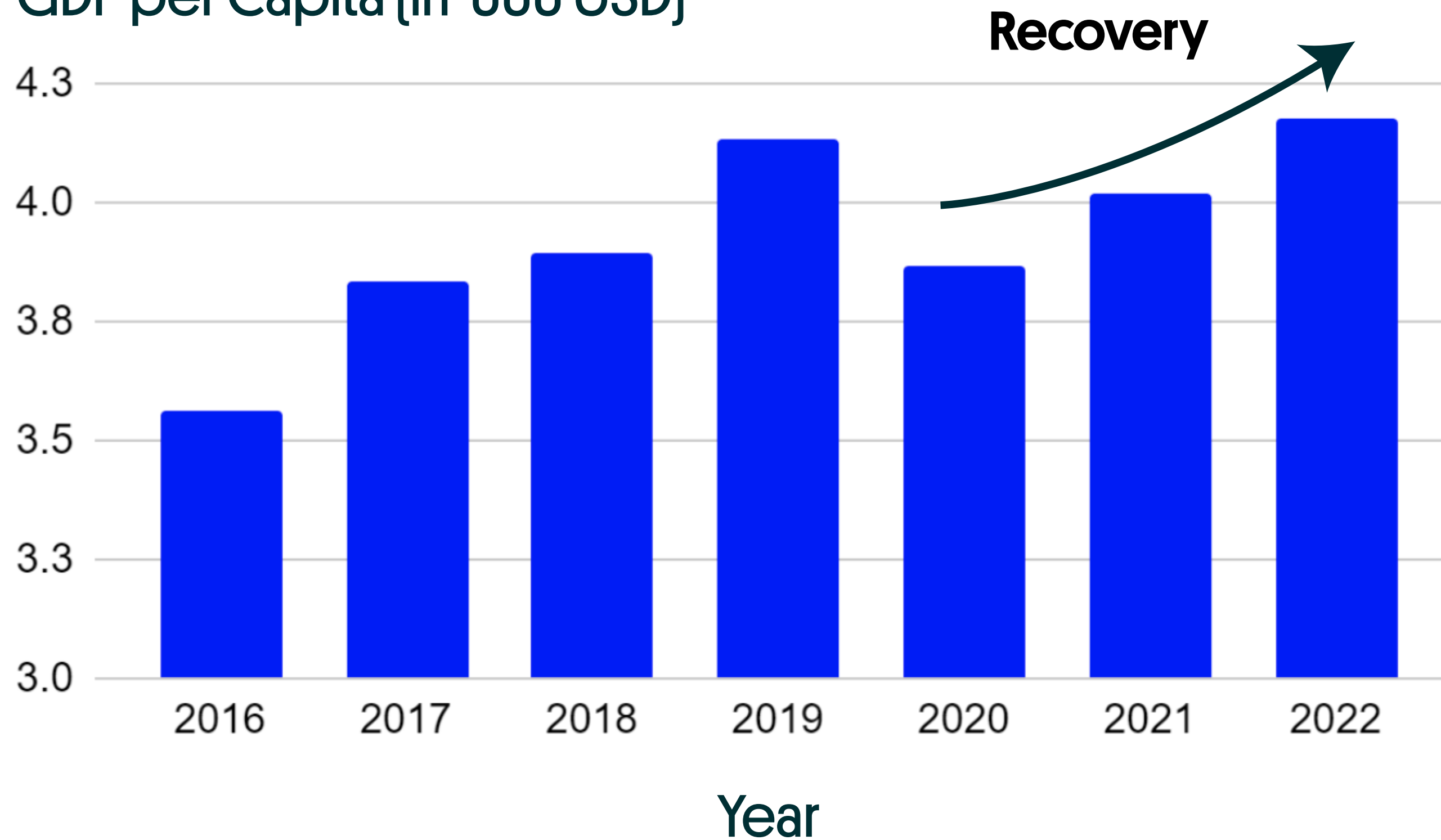




## Economics' Condition

Indonesia GDP per capita is still recovering, expected to fully recover by the end of 2022

GDP per Capita [in '000 USD]

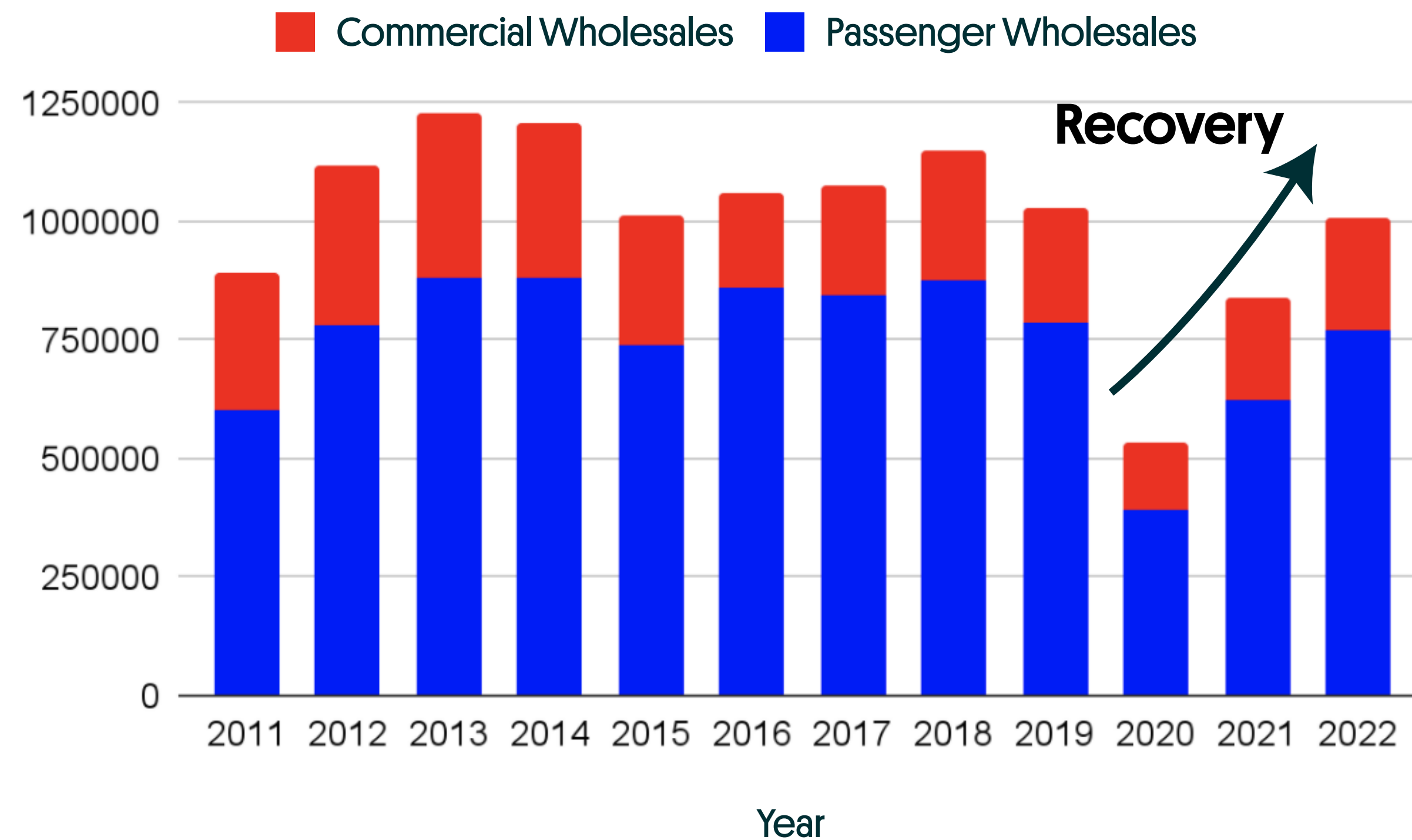


Despite the prolonged waves of Covid, the Indonesian economy has recovered to a large extent

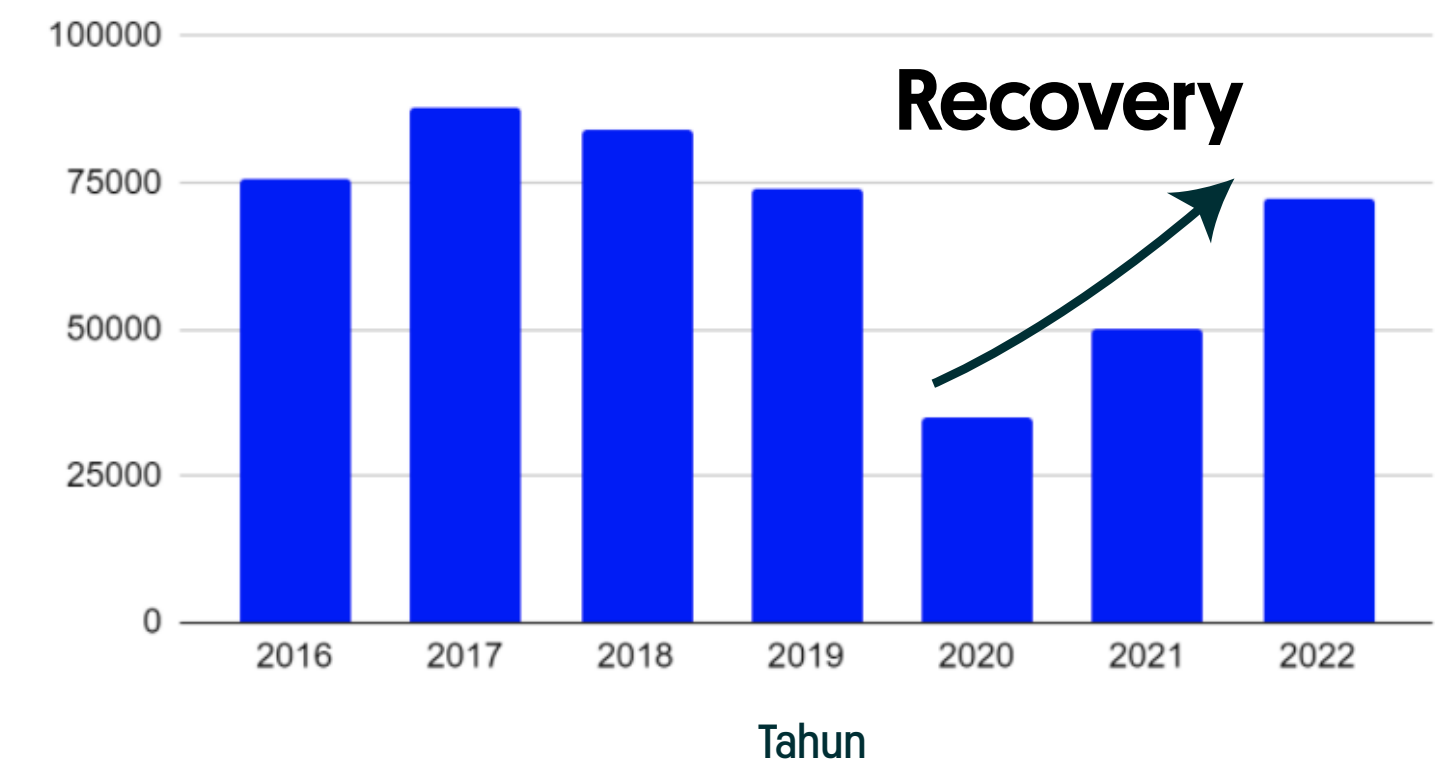
With the current situation, Indonesia GDP per capita is expected to recover by the end of 2022

## Industry Trend

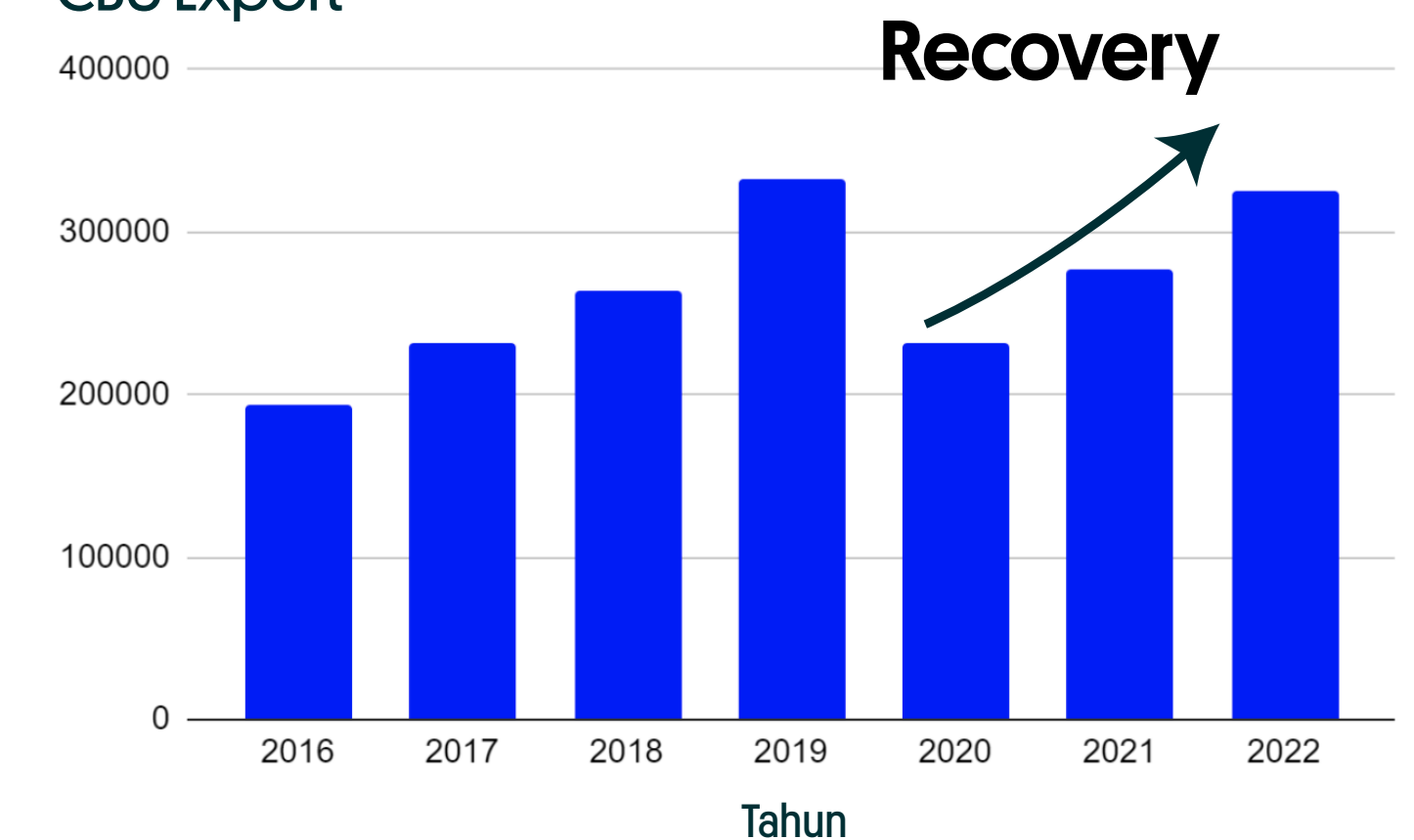
New Car sales in Indonesia is expected to follow the trend of GDP per capita: i.e. recovery by the end of 2022



### CBU Import



### CBU Export

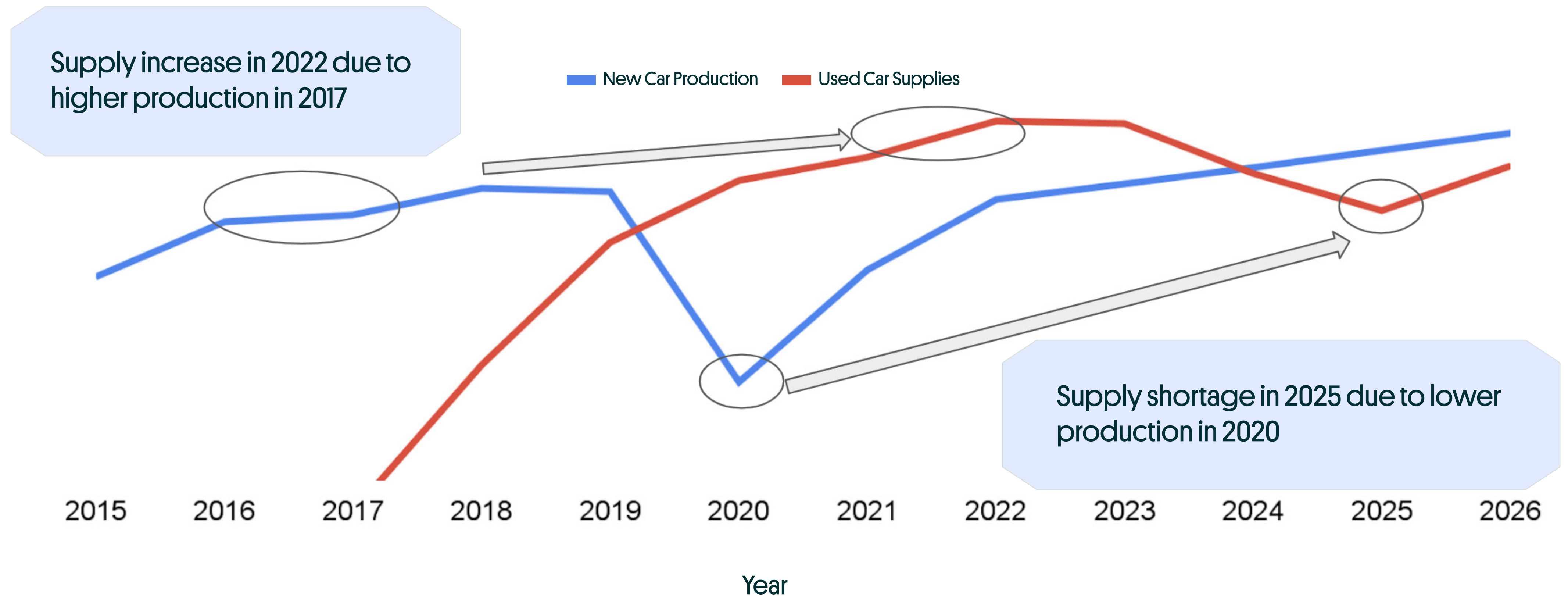


CBU (full set car) export and import are expected to recover to pre-Covid level in 2022

## 2022 Used Car Market:

**Used car supplies are expected to increase by 2-3% in 2022.**

**However supply shortage is expected in 2025**



\*Used car supplies are strongly correlated with the availability of 5 to 6 year-old cars

Source: OLX Autos Indonesia



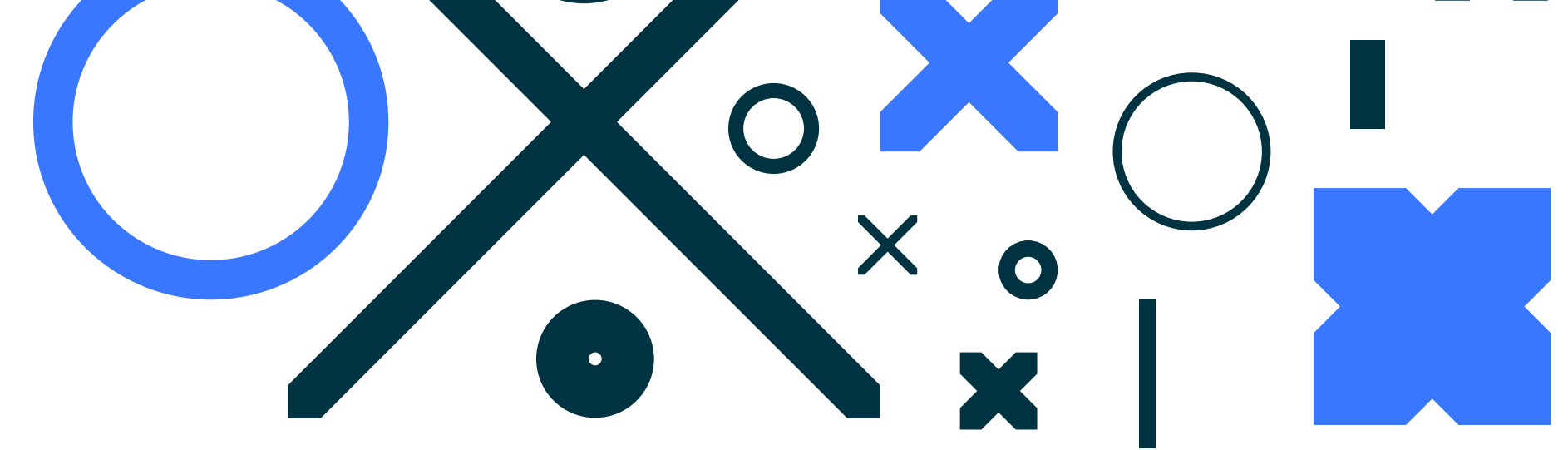
# Long-term trend for Used Car industry



**Offline transactions  
to One-stop  
Online platform**

- Users have shifted to adopting **contactless transactions** through their smartphones across industries
- Used Car Marketplaces will go deeper into the **buying and selling ecosystem. A fixed used car price** will help to smoothen the transactions
- As digital adoption increases, Buyers are seeking for more **convenience and assurance** in transactions with a **one-stop online platform that offers** end-to-end services such as workshops, insurance and warranty
- Both buyers and sellers will be able to enjoy the assistance of **advanced technologies** such as AI-assisted car inspections, 360 degrees viewing of cars, etc.

# Long-term trends for Used Cars industry



## **Emerging new business models**

New business models such as car subscription service provide a new type of convenience where users can pay a fixed-fee to drive the car, without the hassle of car ownership.

## **Electric vehicles enter the used car market**

The number of electric vehicles in Indonesia in 2021 has doubled as compared to 2019. Meanwhile, electric vehicles will start to enliven the used car market in 2024/2025.

## **Social Media as a primary information source**

As social media adoption in Indonesia increases, more people are using social media as their main information source when they plan to buy or sell their cars.



# Thank You



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