

# A Study of Consumer Behavior of Buying Vehicle Spare Parts in Indonesia for Formulating Marketing Strategy

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**Abstract** - The automotive industry in Indonesia is still very promising and attractive. This can be seen from the increasing sales of vehicles every year. This is part of the positive impact of the Indonesia economic growth and supported by massive development of infrastructure by current government which continues to be developed. This condition should be a favorable condition also for the automotive parts industry as they will keep up with the growth. However, this promising prospect makes increases competition and raises many new competitors. Therefore, consumers' analysis was carried out to formulate a marketing strategy by knowing the consumer needs and consumer behavior in buying vehicle spare parts. Author conducted a market study by collecting primary data by conducting quantitative research to determine consumer needs and consumer behavior in buying spare parts for their vehicles. The approach is done by conducting an online questionnaire. From this research, it is found the consumers tend to choose or replace vehicle spare parts with the brand that recommended by shop owners or mechanics. The results of research resulted in proposed marketing strategy for spare parts company in the form of integrated marketing communications. By providing recommendations, it is hoped that better marketing activities will occur and possible to keep the business sustain and can compete with others.

**Keywords** - Automotive Industry; Marketing strategy, Consumer behavior, Vehicle spare parts; Integrated Marketing Communication.

## I. INTRODUCTION

According to data from The World Bank, Indonesia is the 4th most populous country in the world with over 270 million people by end of 2019 [1]. This makes a promising growth for every business in Indonesia, one of them is the automotive industry. The automotive industry in Indonesia grows every year. This is part of the positive impact of the growth in the number of Indonesia's middle class over the past decade. For the car market in Indonesia, from data from the Association of Indonesian Automotive Industries (Gaikindo), Indonesia has produced more than one million cars in 2019. The growth in car production has increased quite high, from 2009 to 2019 it experienced an increase of more than 270% [2]. As for the motorcycle market, data from the Association of Indonesia Motorcycle Industry (AISI) in 2020, Indonesia has produced more than 6 million units of motorcycle in 2019 [3]. According to data from Statistics Indonesian (BPS), the number of motorized vehicles in Indonesia reached more than 133 million units in 2019. In 2019, the number of vehicles increased by 7,108,236 units

or an increase of 5.3% to 133,617,012 units from 2018 of 126,508,776 units. The number of passenger cars reached 15,592,419 units or 11.6% of total vehicles in Indonesia of 2019. This number is increasing from 2018 of 14,830,698 units. Motorcycle are the most common vehicles in Indonesia. In fact, the number continues to grow every year. Until 2019, the number of motorcycle in Indonesia reached 112,771,136 units. In 2018, the number of motorcycle was recorded at 106,657,952 units [4]. Although the automotive industry was impacted by the Covid-19 pandemic and experienced a significant decline, this unfavorable condition has rapidly recovered along with the economic recovery and began to increase again starting in quarter 4 2020, coupled with policies from the Indonesian government regarding the 0% (PPnBM) tax relaxation policy will further accelerate recovery of the automotive industry. According to Gaikindo, the 0% (PPnBM) tax relaxation policy in March-November 2021 can strengthen production and encourage car sales after being hit by the Covid-19 pandemic throughout 2020 and is optimistic that the tax relaxation will increase car sales to 70 thousand cars per month [5].

Along with the increase in vehicle production in Indonesia, this directly affects the suppliers of parts needed to manufacture the vehicles, with the increase in vehicle production, the production of the parts needed will also increase. Apart from being needed for manufacturing new vehicles, some parts are also needed for periodical maintenance or regular service of the vehicle such as oil, oil filters, AC filters, spark plugs, and other parts needed for periodical maintenance of the vehicle. Thus, this industry is very promising and has good prospects. However, this promising prospect makes increases competition and raises many new competitors in the industry and threatens old players. So the end users or vehicle owner have many choices for their vehicle spare parts. Therefore, to keep the business sustain, can compete with others and keep sales stable or even increase in line with the increase in the volume of vehicles in Indonesia, the company must continue to create an effective marketing strategy.

From the background of this study, the objectives of doing research are :

- 1) To identify the consumer behavior of choosing vehicle spare parts in Indonesia.
- 2) To formulate marketing strategy for automotive spare parts industry in Indonesia.

## II. LITERATURE REVIEW

### A. Conceptual Framework

Conceptual frameworks are generative frameworks that reflect the thinking of entire research process's thought. The framework makes it easier for the researcher to specify and define concepts easily within the study's problem [6]. For this research, the framework started from consumers analysis. After analyzing the consumers behaviour, author will used the analysis for formulate a marketing strategy in the form of integrated marketing communications as a recommendation for automotive spare parts industry in Indonesia.

### B. Integrated Marketing Communications

Integrated marketing communications is the process of planning to ensure that all brand contact for a product, service, or organization acquired by a customer or prospect is important to that individual and consistent across time. Advertising, sales promotion, events and experiences, as well as public relations and publicity, are all part of integrated marketing communication [7]. Marketing communications are the way a firm informs, persuades, and reminds consumers directly or indirectly about the products and brands they sell [8].

## IV. METHODOLOGY

To formulate marketing strategy, the author conducted a market study by collecting primary data by conducting quantitative research to determine consumer needs and consumer behavior in buying spare parts for their vehicles. The approach is done by conducting an online questionnaire. A questionnaire is a structured data collection technique that consists of a series of written or verbal questions that a respondent answer [9]. The author sets up the questionnaire for the Indonesian citizens in all regions of Indonesia who owns a vehicle. The respondents will be asking to fill out the online questions (see Appendix 1), this questionnaire were conducted from March 26<sup>th</sup>, 2021 until March 31<sup>st</sup>, 2021 through Google form. The sampling size is determining by Slovin formula as followed:

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

$n$  : Sample Size     $N$  : Population size  
 $e$  : Error (10%)

The author sets up the questionnaire for the Indonesian people in all regions of Indonesia. According to data from The World Bank, the population of Indonesians in 2019 is 270 million peoples [1]. For the error value that the author use is 10%. By using the

Slovin's formula, it is found that the required number of respondents is 100 respondents.

## IV. FINDINGS AND DISCUSSION

The total respondent who was participating on the questionnaire are 239 respondents. However, after screening question, the respondent who meet the requirements are as many 227 respondents. The findings from the questionnaire are as follows:

### A. Place for Maintenance the Vehicle

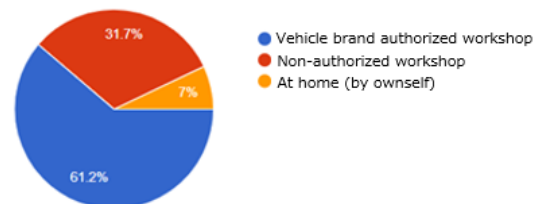


Figure 1. Place for Maintenance the Vehicle

Based on the data shown on figure 1 for respondents' preference place to periodical maintenance of vehicle, from 227 respondents who participated on the questionnaire, the result are 61.2% respondents are using service from authorized service center, 31.7% respondents are using service from non-authorized service center, and 7% respondents doing periodical maintenance of motorcycle in home by themselves, The most respondents' preference place to periodical maintenance of vehicle at vehicle brand authorized workshop.

### B. Information Source Related with Motorcycle

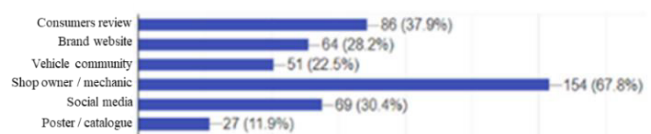


Figure 2. Information Source Related with Motorcycle

Figure 2 shows information source about motorcycle that used by respondents, from 227 respondents who participated on the questionnaire, the result are 67.8% respondents are get information from shop owner or mechanic, 37.9% respondents are get information from consumer review or as we know as word of mouth, 30.4% respondents are get information from social media, 28.2% respondents are get information from brand website, 22.5% respondents are get information from vehicle community, 11.9% respondents are get information from catalogue or poster. The most information source about motorcycle that used by respondents are from shop owner or mechanic, consumer review and social media.

### C. Reason of Choosing the Spare Parts Brands

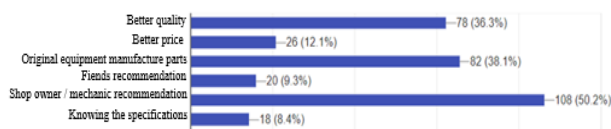


Figure 3. Reason of Choosing the Spare Parts Brands

Figure 3 shows respondents' reason to choosing a spare parts brand, from 227 respondents who participated on the questionnaire, the result are 50.2% respondents are use that brand because of recommendation from shop owner / mechanic, 38.1% respondents are use that brand because of following the original equipment, 36.3% respondents are use that brand because of quality, 12.1% respondents are use that brand because of cheaper price, 9.3% respondents are use that brand because of recommendation from friends or other consumers. The respondents' most reason are because of recommendation from shop owner or mechanic and following the original equipment of the vehicle.

#### D. Reason of Replacement the Spare Parts

Table 1 shows the respondents' reasons for replacement spare parts. The answer is described on a scale of 1 to 5, where 1 strongly disagrees and 5 strongly agrees. The highest value are replacement spare parts every symptom of damage and replacement spare parts every recommended by shop owner or mechanic.

TABLE 1. THE KEY DRIVERS TO REPLACE THE SPARE PARTS

| Rank | Drivers                                                             | Average Value |
|------|---------------------------------------------------------------------|---------------|
| 1    | Replacement spare parts every symptom of Damage                     | 4.05          |
| 2    | Replacement spare parts every recommended by shop owner or mechanic | 3.96          |
| 3    | Replacement spare parts every time it was damage                    | 3.59          |
| 4    | Replacement spare parts every certain distance                      | 3.36          |
| 5    | Replacement spare parts every certain time                          | 3.27          |

#### E. The Key Drivers to Choose the Spare Parts Brand

Table 2 shows the respondents' key drivers to choose the spare parts brand. The answer is described on a scale of 1 to 5, where 1 strongly disagrees and 5 strongly agrees. The highest value are Replacement spare parts with the brand that recommended by shop owner / mechanic, which means that consumers will choose spare parts for their vehicle with the brand that recommended by the shop owner or mechanic rather than choosing the brand themselves.

TABLE 2. THE KEY DRIVERS TO CHOOSE THE SPARE PARTS

| Rank | Drivers                                                                          | Average Value |
|------|----------------------------------------------------------------------------------|---------------|
| 1    | Replacement spare parts with the brand that recommended by shop owner / mechanic | 3.89          |
| 2    | Replacement spare parts with the brand that own choice                           | 3.68          |

#### F. The Respondents' Loyalty to Spare Parts Brand

Table 3 shows the respondents' loyalty to spare parts brand. The answer is described on a scale of 1 to 5, where 1 strongly disagrees and 5 strongly agrees. The highest value is if the brand that respondents want not available in the repair shop they are visiting then they will change to the another brand which available in that shop, which means that consumers are not very loyal to a brand, they will choose spare parts which available at the workshop or which recommended by the shop owner or mechanic. Therefore, it is important for a brand to be able to maintain the availability of its products in the workshops.

TABLE 3. RESPONDENTS' LOYALTY TO SPARE PARTS BRAND

| Rank | Drivers                                                                                                                                                       | Average Value |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1    | If the brand that respondents want not available in the repair shop they are visiting then they will change to the another brand which available in that shop | 3.74          |
| 2    | If they recommended some brand by shop owner / mechanic, they will stay to own choice                                                                         | 3.23          |
| 3    | If the brand that respondents want not in the repair shop they are visiting then they will find the another repair shop                                       | 3.06          |

## V. CONCLUSION

Based on the research results, the author can conclude that consumers' behavior in buying spare parts is consumers tend to buy spare parts with brands recommended by workshop owners / mechanics. So the role of shops owner / mechanic is very important in marketing the products to end users, therefore in the marketing strategy is very important to provide benefits to shop owners / mechanics when selling our products.

However, it is still important to take advantage of other things in marketing the products and introducing products through online marketing such as websites, social media, search engines and so on. Therefore, by considering the things above, the author can provide a marketing strategy in the form of integrated marketing communications for the spare parts industry as follows:

#### Proposed Integrated Marketing Communication

To increase the sales and increasing the brand awareness, company must carry out integrated marketing communications so the targeted consumers know the company's brand and are interested to use the products.

The following are the integrated marketing communication strategy that can be carried out by company through several methods for conducting traditional marketing and digital marketing:

- *Social Media Marketing*

The rapid development of internet users in Indonesia is an opportunity for a brand to be able to introduce or market its products. Number of internet users in Indonesia are achieve 202.6 million peoples or 73.7% of total Indonesia population [10].

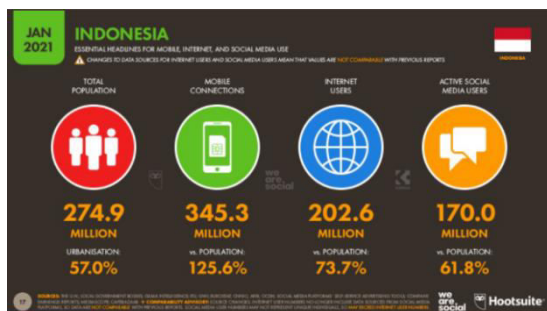


Figure 4. Number of Internet Users in Indonesia [10]

Company must take advantage from social media as a promotion tools to increase and develop brand awareness. Company can use social media that are most widely used by Indonesian people such as YouTube, WhatsApp, Instagram and Facebook. Thus, the promotions carried out by the company will be able to reach the target market.

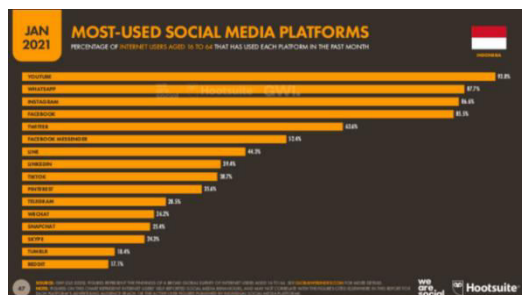


Figure 5. Most-Used Social Media Platforms [10]

For example, on the YouTube platform, company can collaborate with automotive influencers or automotive experts in Indonesia to be able to review company's products. Company can choose YouTube channels in Indonesia that related with automotive which have the most viewers and subscribers.

- *Search Engine Optimizer (SEO)*

When customers search for information through search engines such as Google, Bing and other search engines, people usually tend to only search on the first page until the second page. Therefore, Company must utilize the Search Engine Optimizer (SEO) so that when

potential consumers search for the specific spare parts products that your company have, your product will appear on the first page to get more attention and attract existing and potential customers to buy your products.

- *Website and E-commerce*

When company has penetrated into online channels such as E-commerce, company can also use it to carry out promotions such as giving discounts or cashback coupons to attract consumers to buy your products.

- *Online Ads*

Online ads are also one of the tools that can be used to do online marketing. Online ads such as YouTube ads, Instagram ads or Facebook ads with their algorithms can reach specific target customers according to which the advertisement is intended. With online ads, it is expected to increase brand awareness, reach the targeted consumers, increase the traffic to websites or increase engagement with consumers.

- *Workshop Branding, Poster and Banner Placement*

Company can do branding the workshop with marketing communication, for example with a painting workshop that appeals your brand, products placement, putting shop signs or put posters and banners so that consumers can see it directly when they carry out vehicle maintenance at the workshop and increase awareness of your brand.

- *Incentive and Gathering for Shop Owner and Mechanics*

The role of shop owners or mechanics can also have a very high influence on consumers because as discussed in the previous chapter, consumers prefer to use spare parts based on suggestions from shop owners or mechanics. Therefore, company can use this advantage to carry out promotions by providing incentives for shop owners and mechanics if they succeed in selling your products in a certain amount. Company can also conduct gathering events with mechanics and shop owners, this is intended to increase engagement between your brand and mechanics and shop owners, so their willingness to provide recommendations to use your products to potential customer's increases.

- *Mechanic's Cloth*

In workshop, mechanics are usually wear a special clothes when working. Company can see this as an opportunity to further increase brand awareness because customers will interact directly with mechanics when maintaining their vehicles. Company can provide the mechanic cloth by adding a brand logo to the cloth. In addition, mechanics will tend to feel happy when given a gift or merchandise from a brand and tend to increase their willingness to recommend the brand.

## ACKNOWLEDGMENT

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## APPENDIX

### Appendix 1. Questionnaire List

1. Where do you usually doing vehicle maintenance more often?

- Vehicle brand authorized workshop
- Non-authorized workshop
- At home (by ownself)

2. Where is the information source used to consult or find out about spare parts on vehicles?

- Consumer review
- Brand website
- Vehicle community
- Shop owner or mechanics
- Social Media
- Poster or Catalogue

3. What factor that made you decide to buy a certain spare part that will be used for your vehicle?

- Better quality
- Better price
- Original equipment manufacture parts
- Friend recommendations
- Shop owner / mechanic recommendation
- Knowing the specifications

4. I will replace vehicle spare parts every get symptom of damage

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

5. I will replace vehicle spare parts every recommended by shop owner or mechanic

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

6. I will replace vehicle spare parts every time it was damage

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

7. I will replace spare parts every certain distance (example : every 5000 kilometers)

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

8. I will replace spare parts every certain time (example : Every 6 months)

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

9. I will replace vehicle spare parts with the brand that recommended by shop owner / mechanic

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

10. I will replace spare parts with the brand that own choice

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

11. If the brand that I want not available in the visited repair shop, then I will change to the another brand which available in that shop

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

12. If I get recommendation some brand from shop owner / mechanic, I will stay with my own choice

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

13. If the brand that I want not available in the visited repair shop, I will find the another repair shop which has the brand that I want.

Strongly Disagree ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Strongly Agree

