

JAMA Motorcycle Industry New Year's Discussion Motorcycle Market Continues to Expand in Japan, Worldwide

The Japan Automobile Manufacturers Association recently invited key executives from Japan's four motorcycle manufacturers to take part in its regular New Year's roundtable discussion. The talk focused on the outlook for the motorcycle market over the year to come and thereafter, both at home in Japan and on the global front.



From the left:

Mr. Shinji Terashita
Mr. Minoru Harada

Mr. Akira Tsugihiro

Mr. Shinichi Morita

Mr. Shigeru Chikada

Director of Motorcycle Operations, Yamaha Motor Co
Senior Managing Director/Chief Operating Officer for
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Senior General Manager, Motorcycle/Marine & Power
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President of Consumer Products & Machinery Company
Moderator, motor journalist

Trends on the World Motorcycle Market

Global annual motorcycle production has continued to grow, expanding from the 11.62 million units in 1992 to 28.18 million units in 2002, and then climbing above the 30-million-unit level in 2003. The driving force behind this swift production growth is clearly Asia. Hand in hand with the economic growth being charted in individual Asian countries, motorcycles are coming to be put to practical use as an everyday means of transportation for the masses, sparking healthy expansion in the market for these vehicles.

In the ASEAN markets, where motorcycle ownership has picked up at a rapid clip, manual transmission models have been the traditional mainstream. More recently, however, the market for scooters and other automatic transmission types is growing in scale. Forecasts are for a steady shift in demand from here on to models that are easier to operate and ride, supporting an increase in lady users.

Even in ASEAN, however, there are countries, such as Indonesia, in which motorcycle ownership remains low. Add to this the existence of India, Pakistan and other markets with ample future growth potential, along with Latin American markets which still have plenty of room for further development, and it seems clear that the world motorcycle market will continue to expand for many years to come.

At the very same time, there is also the possibility for changes in the actual content of demand by the degree of product proliferation that comes to pass. For example, markets may see shifts from manual to automatic transmission models, or moves in preferences away from practical models to more hobby-oriented motorcycles.

The Effects of Lifting the Ban on Expressway Tandem Riding and the Introduction of AT Model Licenses in Japan

<Ban Lifted on Tandem Riding on Expressways>

Following the April 2005 lifting of the ban on tandem riding of motorcycles on Japan's expressways (limited to the "over 250cc" class), sales of motorcycles in that size category have increased. This is viewed as the result of linking efforts on the sales side to enlighten the public about safe tandem riding with the improvements made in user convenience.

After the airing of television commercials showing tandem motorcycle riding by young couples on expressways, there have actually been cases of young couples dropping by dealerships to purchase motorcycles. Similarly, magazine ads have been run targeting early-stage senior citizens in their 50s and 60s, prompting a rise in purchases by persons in that age group. Projections are for an expansion in this "later-middle-age market," yet another indication of the wide-ranging influence that the lifting of the tandem-riding ban has exerted.

Among consumers, there would appear to be a latent desire for Japanese men and women to ride on motorcycles together. With an increase in tandem riding on expressways, it is hoped that this riding mode will come to be perceived as the normal state of affairs by typical families as well. If this comes to pass, industry observers believe that more and more wives will develop a desire to ride tandem behind their husbands after they see others savoring that experience.

<Introduction of AT Motorcycle Licenses>

The sight of women riding 250cc-class scooters has become a far more common sight around Japan of late, generating a solid sense of the convenience of AT motorcycles. Even ladies who have only operated 50cc models in the past can most often ride 250cc AT machines without feeling awkward or unwieldy. If more riders with AT-vehicle licenses discover the joys of motorcycling, many can be expected to move to large displacement or sports models, a trend that would bode well for expanding the market.



Mr. M. Harada (Honda)



Mr. S. Morita (Kawasaki)



Mr. A. Tsugihira (Suzuki)

Future Themes for Japan's Motorcycle Market

<Parking Lots>

(See December 2005 issue)

<Expressway Tolls>

At present, motorcycles are charged the same tolls as minicars (0.66-liter engines or smaller) on Japan's expressways. However, because motorcycles hold only two people at most, the current fare is considered too high. As one phase of the plan to expand the Electronic Toll Collection (ETC) system in motorcycles, monitor operation has begun on motorcycle models outfitted with ETC sensors. In this regard, the JAMA position is that expressway tolls for motorcycles should be reduced at the same time that the ETC system is adopted for all motorcycles.



Mr. S. Terashita (Yamaha)

Taking this argument one step further, in view of the fact that the running space utilized by motorcycles on expressways is far smaller than it is for four-wheel vehicles, as well as the limited stress that motorcycles place on the highways themselves, the expressway toll on motorcycles should actually be dropped altogether. In reality, there are some countries that provide motorcycle expressway access at no charge. Eliminating the toll would also save on the massive investment envisioned to equip the ETC system to handle motorcycle traffic.

Rising to the Challenges of the Japanese Market

The overseas market is growing larger, with the Japanese market becoming relatively smaller in size as a result. Under these conditions, product development that targets only the Japanese market will become difficult. The preferred approach is "unified product development" that comes up with products marketable on most all markets, although the wide variations in the standards for noise exhaust emissions and other areas by country pose a major bottleneck toward that end. In this respect, a key theme over the years to come will be to advance international activities that seek the ultimate unification of these standards.

To development engineers, meanwhile, the domestic market is an important presence in that it provides a direct window through which to judge consumer reactions with their own eyes. A key part of building good products is the invigoration of the domestic market through motor sports and other means. Another need is to rise above the perception that motorcycles are the exclusive culture of younger people, and expand the target audience to a broader customer segment (including the some seven million members of Japan's baby boomer generation who will soon begin to retire). Viewed in this light, it is clear that Japan's domestic market possesses significant potential, with many challenges waiting to be undertaken on the product development front. There is ample room left, therefore, to cultivate new and vibrant domestic demand for motorcycles in Japan.