

New Energy Cars - China - April 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The core buyers of EVs (electric vehicles) have been skewing from 40-49-year-olds to 30-39-year-olds with high household incomes, suggesting the core car buyers in China are gradually picking up a more welcoming attitude towards such vehicles.”

– Aaron Guo, Associate Director of Research

This report looks at the following areas:

- Local new energy start-ups are facing a round of reshuffle
- Drive up the spontaneous willingness of new energy car buyers
- How to convince buyers with range anxiety?

25-29-year-olds, especially males, continue to have concerns towards such vehicles, eg safety. The good news is that they believe new energy cars will be the future mainstream. It seems that they are currently 'spiritual supporters', but they could be converted to purchasers when there are more convincing models available on the market.

The annual domestic sales of total new energy cars in 2017 grew compared to 2016. It is a surprisingly yet encouraging high growth rate considering the decreasing subsidies provided by the government, suggesting that the remaining market drivers are worth investigating.

Mintel's research shows that, regardless of the tightened government regulations, the intense rivalry of the new energy car market has spontaneously driven the players to speed up the research and development. Car buyers are also making their own votes facing the growing number of model choices as well as the penetration of supporting infrastructures.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

New Energy Cars - China - April 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Covered in this Report

Definition

Figure 1: Definition of different monthly household income groups, by city tier, November 2016

Executive Summary

The market

Figure 2: Best- and worst-case forecast of total new passenger car sales volume, China, 2012-22

Companies and brands

Figure 3: New energy passenger car brand market share, 2015-17

The consumer

'Transumers' appear more often on buses

Figure 4: Daily commuting method, December 2017

A trading up trend

Figure 5: New energy car brand awareness, claim rate on 'I recognise both the brand name and brand logo', 2017 vs 2016

30-34-year-olds are now the key audience group

Figure 6: Attitudes towards new energy cars, December 2017

Pure electric car buyers are becoming younger

Figure 7: New energy car purchasing plan, December 2017

400km range is enough for most drivers

Figure 8: Spontaneous requirement on endurance, coded from open question, by hybrid and pure electric car buyer, December 2017

More divided target price compared to conventional car buyers

Figure 9: Planned purchasing price, by new energy car buyers and conventional car buyers, December 2017

What we think

Issues and Insights

Local new energy start-ups are facing a round of reshuffle

The facts

The implications

Drive up the spontaneous willingness of new energy car buyers

The facts

The implications

How to convince buyers with range anxiety?

The facts

The implications

Figure 10: Weltmeister's interactive window display

The Market – What You Need to Know

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

New Energy Cars - China - April 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Accounting for 2.2% of new passenger car sales
 A CAGR of 25.5% in the next five years to 2022
 Further tightened subsidy policy

Market Size and Forecast

Growth rate remains on the high level in 2017

Figure 11: Sales volume and growth rate of new energy passenger cars in China, 2011-17

Accounting for 2.2% of new passenger car sales

Figure 12: Share of sales volume of new energy passenger cars among new passenger car sales, 2011-17

New energy SUVs are gaining power

Figure 13: Share of different types of new passenger car models, 2016 and 2017

Estimated to grow with a CAGR of 25.5% in the next five years

Figure 14: Best- and worst-case forecast of total new passenger car sales volume, China, 2012-22

Market Factors

Free of purchasing tax for three more years...

...yet with further tightened subsidy policy

Figure 15: The latest new energy passenger car subsidy policy of Central Government, 2017 vs 2018

Figure 16: Energy density coefficient, 2018

Figure 17: Energy efficiency coefficient, 2018

The extra requirement of local governments

Figure 18: Subsidy rule of Wuhan local government, 2018

New energy car battery recycling management regulation

Infrastructure construction

Market Segmentation

Pure electric cars continue to dominate the market

Figure 19: Best- and worst-case forecast of pure electric passenger car sales volume, China, 2012-22

Only 15% of new energy cars sold in 2022 will be hybrids

Figure 20: Best- and worst-case forecast of hybrid electric passenger car sales volume, China, 2012-22

The trading up trend also exists in the pure electric car sector

Key Players – What You Need to Know

Struggling low-end players

Car sharing business as a strategy

Define 'luxury' using the new energy language

Market Share

BAIC is challenging the dominating position of BYD, for now

Figure 21: New energy passenger car brand market share, 2015-17

A market with intense rivalry

Figure 22: Top 10 selling new energy passenger car models, 2017

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

New Energy Cars - China - April 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Competitive Strategies

Determination revealed from the method of battery production

Entering into the car sharing industry

Who's Innovating?

Battery exchange mode back in discussion

Re-define 'luxury' in the new energy era

Figure 23: The interior design of Porsche Mission E Cross Turismo

Figure 24: Additional storage space in centre console of I PACE

The Consumer – What You Need to Know

30-34-year-olds are now the key audience group of new energy cars

25-29-year-olds have concerns on safety

A 400km threshold line for endurance range

Daily Commuting Method

Bus is the top commuting method

Figure 25: Daily commuting method, December 2017

Significantly more first-time car buyers appear on buses

Figure 26: Gap between intended car buyers and car owners (as benchmark) on commuting method used, December 2017

Commuting preferences differ by region

Figure 27: The usage rate of selected daily commuting method, by region, December 2017

New Energy Car Brand Awareness

BYD remains the top in terms of brand awareness

Figure 28: New energy car brand awareness, claim rate on 'I recognise both the brand name and brand logo', 2017 vs 2016

Changing core audiences of certain new energy car brands

Figure 29: Age group with the highest brand awareness, 2016 vs 2017

Attitudes towards New Energy Cars

Generally positive attitudes towards new energy cars

Figure 30: Attitudes towards new energy cars, December 2017

25-29-year-olds have deeper concerns

Figure 31: Claim rates on strongly agree, by gender and age, December 2017

The four groups of new energy car buyers

Figure 32: Segmentations of new energy car buyers, December 2017

Figure 33: Attitudes towards new energy car, % of strongly agree, by consumer segmentation, December 2017

Purchase Willingness

The drop in subsidy affects purchasing willingness

Figure 34: New energy car purchasing plan, December 2017

Core buyers of hybrid cars remain stable

Younger pure electric car buyers

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

New Energy Cars - China - April 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Pure electric models are considered more by sophisticated car buyers

Next EV (NIO) and BAIC have potential in the pure electric era

Figure 35: Gap between pure electric car buyers and hybrid car buyers (as benchmark) on brand awareness, December 2017

Endurance Requirement

An endurance of 400km can meet the requirements of most buyers

Figure 36: Spontaneous requirement on endurance, coded from open question, by hybrid and pure electric car buyer, December 2017

35-39-year-olds have the highest expectations

Figure 37: Average requirement on endurance, by age, December 2017

New Energy Car Purchase Price

Separated budget allocation compared to conventional car buyers

Figure 38: Planned purchasing price, by new energy car buyers and conventional car buyers, December 2017

Supporters and Followers are the key buyers

Figure 39: Planned purchasing price, by consumer cluster, December 2017

Meet the Mintropolitans

MinTs are more satisfied with the current development

Figure 40: Gap between MinTs and Non-MinTs on attitudes towards new energy cars, claim rates on 'strongly agree', December 2017

More Supporters and Followers among MinTs

Figure 41: Consumer segmentation, by MinTs and Non-MinTs, December 2017

MinTs consider pure electric cars more

Appendix – Market Size and Forecast

Figure 42: Total market volume of new energy cars, 2012-22

Appendix – Market Segmentation

Figure 43: Total market volume of pure electric new energy cars, 2012-22

Figure 44: Total market volume of plug-in electric new energy cars, 2012-22

Appendix – Methodology and Abbreviations

Methodology

Fan chart forecast

Abbreviations

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com