

Auto Market Beat - Q1 - China - March 2020

Report Price: £3695 | \$4995 | €4400

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This report looks at the following areas:

- COVID-19's impact on the auto industry in China
- New emission standards drive luxury car brands to clear stock by lowering overall stock
- Car purchase tax returned with the 10% rate which dampened consumers' spending enthusiasm
- Subsidy policies phased out, new energy cars shortlisted in the knockout

From the perspective of product development, Toyota, BMW and Mercedes-Benz gained positive growth against an overall drop, by consistently launching variants together with their marketing strategies of interacting with consumers. When it comes to marketing channels, traditional offline marketing models were impacted significantly since the outbreak, which boosts the share of online marketing that initially has grown along with the penetration and impact of social network. Brands should actively maintain and further engage with users in the immediate interactive formats such as live streaming by enhancing their collaboration with auto KOLs at different stages of marketing process.



"With the rough start and overall sales being impacted by the outbreak in the first quarter of 2020, how to show an outstanding performance in the following quarters becomes a common question for brands."

– Terence Zhou, Senior Research Analyst

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