

Changing Landscape of Car Retailing after COVID-19 - China - May 2020

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This report looks at the following areas:

- The impact of COVID-19 on consumer behaviour and the car retailing market
- How the market will reshape post-COVID-19
- Consumers' major initial car price consulting channels online and offline
- Consumers' acceptance of online car purchasing and preferences towards different platforms
- How offline channels could do better to retain consumers against the growing threat of online

Volume sales for the Chinese new passenger car market were in decline for the second consecutive year in 2019 and the impact of COVID-19 worsened sales further in the first quarter of 2020. There had already been signs of increasing car marketing and retailing activities to online platforms before the onset of COVID-19, however the resultant market turmoil caused by lockdowns has sped up the digital transformation of automotive retailing landscape.

As more channels to car buying become available, traditional dealerships can overcome these challenges to their competitiveness by strengthening their expertise and customised services. Online retailing, ranging from car brand direct sale websites to car e-commerce platforms, will be increasingly accepted if they better meet consumer expectations. Mintel predicts that the car retailing landscape in China will become increasingly fragmented and evolve into different business models.



"COVID-19 has put a temporary pause on the car retailing industry during the lockdown period. Car brands and consumers have become more aware of the necessity and potential of online retailing. The expertise of sales personnel should be strengthened in order for offline dealers to offer accurate information and make the buying process feel tailored to the individual." –

Terence Zhou, Senior

Research Analyst
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