

# Car Aftermarket - China - 2021

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## This report looks at the following areas:

- **Choice of aftermarket channel:** channels are becoming diversified
- **Spending on repair and maintenance:** NEVs and channel-related factors became primary reasons
- **Factors influencing channel selection:** desire for transparent services
- **Actual problems encountered:** noticeable issues – low efficiency and unnecessary recommendations
- **Acceptability of service forms:** large scale and standardisation are valued, while innovative services are also highly accepted
- **Expected future aftermarket services:** safety and reassurance services might be opportunities

The survey data show that the average annual repair and maintenance cost has generally decreased compared to last year. This is due mainly to the increasing share of NEVs, which have lower repair and maintenance costs and diverse aftermarket channels. It is worth noting that more and more car owners value transparent services when choosing aftermarket channels, instead of simply considering value for money. What's more, consumers have a higher demand for a sense of safety and reassurance following the COVID-19 outbreak, which can be seen in all aspects of aftermarket services.

Large scale and standardised services are becoming a trend in the car aftermarket sector. Segmenting complicated user demands into individual and standardised services can further cater to users' diversified demands.

With more new entrants tapping into the car aftermarket, the competition among aftermarket brands (including 4S stores, auto shops and online platforms) is becoming fiercer. Car owners' demands for aftermarket services have extended from car repair and maintenance techniques to all aspects of car usage. What aftermarket brands need to think about now is how to provide intelligent and transparent service experiences.



“Different from the empiricism that was followed in the past, standardisation and innovation are becoming new focuses of aftermarket services now.”

– **Austin Yuan, Research analyst**

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