



# Car Purchasing Process - China - 2022

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## This report looks at the following areas:

- Energy type and branding trends.
- Purchasing budgets and upgrade awareness.
- Effective information channels.
- Factors that drive offline car viewing.
- Number of car brands test-driven in different channels.
- Current vs future car purchases considerations.

In terms of car purchase choices, NEVs (new energy vehicles) are rapidly taking over the market. And consumer recognition of domestic brands is significantly higher than traditional joint venture brands, especially in the BEV (battery electric vehicle) category. At the same time, with a noticeable trend towards premiumisation of NEV brands, the competition in the high-end car market will become more intense.

In 2022, when the pandemic is normalised, 60% of car owners still over-budget for their cars, the same as in 2020, which means consumers' trading-up demand remained. Nearly half of car owners surveyed said they would consider purchasing an extended warranty for their next car purchase, reflecting consumers' expectations for the sense of security that comes with upgraded aftersales services.

With the development of diversified information channels such as short video platforms and social media, content that combines multiple attributes such as professionalism and entertainment will be more likely to impress consumers. Nevertheless, when targeting content precisely to specific audiences, brands need to pay attention not only to the reactions of their target segments, but also to the sentiments of the general public.

In addition, with rising consumer expectations for automotive intelligence, innovative technology has become one of the most attractive factors for car consumers to visit offline stores to learn more about the candidate models.



“After a temporary sluggishness in the second wave of the pandemic, China’s passenger car market has returned to steady growth, with NEV share growth being particularly notable.”

– Austin Yuan, Research analyst

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Brands could communicate innovative features and other information through online channels to draw potential customers from online channels to offline stores.



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