

Car Owners in Lower Tier Cities - China - 2023

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This report looks at the following areas:

- **Marketing forms:** reference value and demand for scenarios in automotive marketing videos.
- **Smart technology:** the necessity of intelligent features and in-car systems.
- **Car owners' lifestyles:** purchase and consideration factors of auto accessories and maintenance/repair products.
- **Appearances and technology:** high-tech tone of streamlined shape and entertainment equipment can better demonstrate car appearances.

It cannot be ignored that the car-related content on new media platforms such as short videos has impacted on consumers in lower tier cities in terms of understanding of cars and using them. A variety of fun and creative types of car videos can allow users to have a more intuitive feeling and a stronger impression of cars. However, as consumers become more familiar with the online environment, they are becoming more rational about short video content, especially automotive-related content, focusing more on its professionalism and neutral objectivity.

Lower tier city car owners are not far behind consumers in tier 1 and tier 2 cities in terms of interest in services or products offered by car care apps: 66% of lower tier city car owners are interested in maintenance, 55% in repair and 50% in auto accessories. By promoting the use of car care apps, brands can effectively improve the stickiness of lower tier city car owner users. Among the services and products offered by car care apps, automotive peripherals have an opportunity in the lower tier city consumer market due to the increased playfulness and personality of the car.

NEVs are constantly gaining recognition from lower tier city car owners. However, issues such as range and battery safety have also made some lower tier city car owners hesitant and adopt a wait-and-see attitude. Brands need to think about how to provide more opportunities for lower tier city car owners to try NEV products. In addition, lower tier city car owners also have higher



"Smart cars and new energy vehicles are better known and more accepted by lower tier city consumers than ever before. In terms of car purchase consideration factors, in addition to practical value, functional configurations that are not frequently used but can bring a sense of reassurance as well as appearances and emotional value achieved by sensory-related designs are increasingly appreciated."

Austin Yuan, Research Analyst
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requirements for the intelligence of in-car systems than ever before. Thus, brands' intelligent upgrade of in-car systems represent an urgent task.



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