

Car Owners in Lower Tier Cities - China - November 2020

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This report looks at the following areas:

- The evolution of attitudes towards cars
- Information influence
- Car function preferences
- Car retailing
- Car aftermarket
- Acceptance of new energy cars

Car owners in lower tier cities have shown a different attitude than those in Tier 1 and 2 cities in terms of their car purchasing concerns and car appearance. Factors such as short commuting distance and relatively constant travel routines give them unique insights into preferences such as energy type, aftersales channels and safety functions. In order to penetrate into the lower-tier market, brands must fully understand the driving and travelling characteristics of consumers in lower tier cities, their aftersales channel selection and media channels, and develop a strategy that is tailored to penetrate the lower-tier market, thereby gaining the trust of car owners in these cities.

This Report compares consumer behaviours and attitudes in cities of different tiers through quantitative (based on quantitative data from multiple Mintel Reports from 2019-20) and qualitative analysis (based on in-depth interviews with 18 car owners and potential buyers in 10 Tier 3 or lower cities in 2020). This Report discusses the demand of car owners in lower tier cities for configuration, functions and aftersales maintenance & repair along with a series of case studies to illustrate effective strategies for brands and platforms to enhance competitiveness in lower tier cities.



“Although consumer demonstrate practical-oriented preferences when it comes to decision-making and aftersales channels, car owners in lower tier cities are more keen to learn about cutting-edge technology and show higher acceptance of new energy cars. This is also due to the fact that they are more interested in presenting their own style while paying attention to basic features.”

– Austin Yuan, Research

Analyst

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