

Press Release

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Ipsos Releases New Analysis of the Growing Chinese Automotive Aftermarket

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New analysis from global growth strategy consulting firm Ipsos Business Consulting reveals a rapidly growing aftermarket for automotive parts and accessories in China. The trend results in large part from a slowdown in new car sales, which in turn increases the average age of passenger vehicles on the road. The value of this expanding aftermarket is on track to reach 1.93 trillion Chinese yuan in 2023, with a variety of business models aiming to take advantage of the new opportunities it creates.

The industry report, entitled *“China’s Automotive Aftermarket - New Conditions Provide Fuel for Rapid Growth”*, analyses the effect of recent improvements in online platform technology, which allow for an increased diversity of business models within the Chinese automotive aftermarket. The publication reviews key opportunities for each strategy, while also highlighting potential weaknesses. It is aimed at investors and other players within the automotive aftermarket and related fields and is available for immediate download from the Ipsos Business Consulting website.

The report’s lead author, Wijaya Ng, commented: “Looking through the data, we were struck by how open the market will be over the next five years, as there is no single model which is better than the others. Online-to-offline platforms are particularly popular with Chinese consumers, but B2B and B2C business structures each have key advantages as well, in terms of price transparency and the benefits of Big Data. Branded workshops operating through traditional offline models can succeed as well, if their reputation is strong enough. The market is open to a mix of strategies, and the winners will be the ones who have the best understanding of their strengths and limitations.”

Kate Gao, Associate Consulting Director for Ipsos Business Consulting in Shanghai, added that government policy has already had an impact on the development of this market. “Accountability has been a key theme of the government’s regulatory approach to the automotive aftermarket,” she said. “With parts manufacturers now required to print traceable product codes on their spare parts, counterfeiters have few places to hide. The result is an increase in consumer confidence for the independent aftermarket, and a greater willingness to make online purchases for replacement auto parts.”

In addition to their core analysis of the current and medium-term future of China’s automotive aftermarket, the report’s authors also examine the most promising strategies for success moving forward.

You can get the full report at www.ipsosconsulting.com

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