

# Analysis and Research on the Development Trend of National Auto Brands in the New Era

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## Abstract

**In the new era, the upgrade and downgrade of automobile consumption coexist, and the first choice of more and more consumers to buy a car is an electric vehicle. Nowadays, the channels for consumers to know about and contact cars are more diversified, and the media for a car purchases are more and more abundant. More and more consumers tend to choose Chinese independent car brands when purchasing cars. The development of national car brands is on the rise. Under the complex and changing automobile consumption environment, national auto brands have launched a variety of brand marketing strategies, such as integrated digital marketing. The integrated marketing and promotion of national automobile brands have enhanced the influence of the brand, increased the sales of automobiles, and expanded the market share of national automobile brands.**

## Keywords

**Consumption Upgrade; Consumer Society; National Auto Brands; Consumption Trends; Consumption Factors; Consumption Decisions.**

## 1. Introduction

China is a relatively complex consumer society, where the second consumer society, the third consumer society, and the fourth consumer society coexist. The characteristics of the second consumer society are the quantity of material and the size of the space; the features of the third consumer society are: consumption quality, individual needs, and consumption experience; the fourth characteristics of the consumer society are: simplicity, low desire, and sharing. Three different consumer societies are distributed according to China's other consumer groups and consumption regions.

Based on the distribution of consumer groups, China's current social class structure is olive-shaped, characterized by small ends and a large middle. The low-income group is in the second consumer society; the wealthy class is in the third or fourth consumer society; the number of middle-income groups is vast, and the consumer society in which this group lives is complex and changeable, and the consumption society of the middle-income group needs to be based on income, geographical distribution, age group, and other factors comprehensive analysis. The population of first-tier cities presents significant social characteristics of consumption due to geographical distribution factors. For example, high-level and high-paying people in Beijing, Shanghai, Guangzhou, Shenzhen, and other cities agree with simplicity, environmental protection, and sharing and practicing these concepts in person. The differences in different consumer societies are reflected in clothing, food, housing, and transportation. There are also differences in car cognition, brand choice, and demand among consumer groups in different consumer societies.

## 2. The Automobile Industry in Different Stages of Consumption Society

The different stages of consumption society in China affect the development of the state of the automobile industry. It is first necessary to sort out the history of China's auto industry development. To sum up, the development history of China's auto industry is sad. The production of Chinese self-owned brand cars has a very bumpy history. This memory goes back to 1902 when Yuan Shikai bought a car from Hong Kong and gave it to Empress Dowager Cixi as a birthday present. This car is the exclusive car of the Empress Dowager Cixi, and it is also the earliest car in China. After 1903, some foreign firms appeared in Shanghai, selling cars or auto parts and providing car rental services. In 1929, the number of imported vehicles in China reached 8,781, and car brands worldwide began to enter China. In 1930, China's car ownership was 38,484, yet none of the cars were domestically produced, which inspired Chinese engineers to dream of building cars. Later, the decades-long war made the R&D and manufacturing of China's brand cars a luxury. After the war, the life of ordinary people in China was challenging. As a non-necessity of life, automobiles did not enter the daily life of ordinary people. Only a few "ruling classes" and "rich classes" owned cars, and cars also became this group—a symbol of human identity and status.

After the founding of New China, my country began to produce cars officially. The 50-year history of China's auto industry has gone through three historical stages: the first stage has realized the amount from scratch, from small to large; the second stage has experienced the creation and growth of the brand; the third stage has realized the comprehensive development of the automobile industry. The result of each step has apparent characteristics of the times.

Creation stage (1953-1965): On July 15, 1953, the construction of the Changchun Automobile Production Base began, and the preparations for the construction of the automobile industry in New China officially kicked off. On July 13, 1956, Changchun FAW Company completed the general assembly and production of "Jiefang" trucks, and the first automobile made in China was born. This incident ended the history of China's inability to manufacture cars and realized the Chinese dream of producing domestically produced vehicles. In May 1957, FAW began to design sedans independently concerning foreign automobiles; in 1958, the CA71 "Dongfeng" car and the CA72 Hongqi luxury car were successfully trial-produced.

Growth stage (1966-1980): In 1964, China's "three-line construction" strategy determined that the production of off-road vehicles was the main focus, and the second automobile factory was built, creating a new era of Chinese automobiles and China began to become independent. Design, process research, development, equipment manufacturing, and other automotive industry work. During this period, China's auto industry was booming, and auto production was short supply. China authorized local governments to manage production enterprises, contributing to the second boom in developing China's auto industry. In 1976, the number of Chinese auto manufacturers increased to 53, and the number of unique refitting plants increased to 166. In 1980, China's total automobile production reached 222,000, 5.48 times 1965. From 1966 to 1980, the total production of medium-sized automobiles reached 1.639 million. So far, the total number of Chinese automobile manufacturers has grown. In 1980, the total production of the large, medium, and light passenger cars reached 13,400, and the entire production of long-distance buses was more than 6,000. In 1980, China's civil vehicles The number of possessions reached 1.69 million, of which the total number of trucks was 1.48 million.

Full-scale development stage (1981-2003): In 1978, China implemented the policy of reform and opening up, followed by reforms in many industries in China. At this time, the automobile industry has entered a stage of comprehensive development, and Jiefang Automobile, Yuejin Automobile, and Yellow River Automobile have completed the upgrading. After the reform and opening up, the product structure of China's commercial vehicles has changed, and the

production pattern of "lack of heavy and light" has been solved; China has introduced a large amount of capital and automotive technology, and domestic cars have formed a specific production scale; the management of the automotive industry The unified planning of the system and enterprise management mechanism has dramatically improved the vehicle category, vehicle quality, and production capacity.

From the end of the 20th century to the present, China's auto industry has entered a period of rapid development. More and more independent car brands in China, continuous changes in car manufacturing technology, and a variety of new car models. With the consistent application of innovative technology and environmental protection concepts to automobile manufacturing, China's automobile market pattern presents three main characteristics: joint ventures, independence, and new forces. The joint venture is represented by SAIC-GM, SAIC-Volkswagen, FAW-Volkswagen, GAC Honda, FAW-Toyota, and other brands, and autonomy refers to Great Wall, BAIC, Changan, Chery, JAC, Geely, Liuqi, Dongfeng and other auto brands, and the new force brand is Wei Car brands represented by Lai, Xiaopeng, and Ideal.

Ordinary family groups in second-tier, third-tier, and fourth-tier cities are in the second consumer society. This group buys cars mainly for household functions and pursues high-cost performance and ample space. The larger the car space, the higher the grade and quality of the car. The middle-class groups in second-tier cities and third-tier cities are in the third consumer society. This group has more personalized car buying needs and is willing to pay a premium for car brands. For groups like cars, cars are their personal belongings, and cars can Show the user's unique personality and temperament; the use of the vehicle is more abundant, and the intimate relationship between the user and the car is established, thus generating a diversified car consumption demand.

The wealthy groups in first-tier cities, second-tier cities, and third-tier cities are the representative of users in the fourth consumer society. This group pursues simplicity, technology, and intelligence and is also more rational. For the automobile industry, the needs of these users determine the future development trend of automobiles, and they will become the "starters" of the new situation in the automobile industry.

### 3. Analysis of Consumption Trends in China's Auto Industry

Under the policy background of the "New Four Modernizations," combined with the characteristics of the development of the consumer society and the changes and progress of the participants in the auto market, the current auto consumption in China has the following trends: First, the upgrade and downgrade of automobile consumption coexist. The consumption upgrade of automobiles refers to the groups who plan to spend 100,000 yuan to buy a car and are willing to pay more unplanned money to buy a vehicle to meet their own car buying needs. At the same time, some rational car consumer groups only need the basic skills of the car to replace walking. Often, the consumption amount of these groups will be lower than their budget, which is the phenomenon of consumption downgrade. For the middle class who pursue quality, refinement, individuality, difference, etc., buying a better car and buying a better car are both very important. The realization of these two operations is the most apparent manifestation of consumption upgrade. While under tremendous pressure, some groups also have a lot of different consumer expectations, such as exquisite, stylish, low price, great value, good quality, etc. For such groups, the products on the market must have an excellent cost-effectiveness advantage, and wallets will help these groups make consumption decisions. The fact that the cars of Wuling Hongguang, Baojun, BYD, and other brands can sell well is a practical example of following this consumption characteristic. This article still emphasizes that a consumption downgrade does not mean that the brand's style must be compromised.

Second, more and more consumers choose electric vehicles as their first choice for car purchases. The performance of electric vehicles is constantly being optimized and improved. The intelligent configuration provides a better driving experience, with more cruising range, shorter charging time, sufficient charging piles and charging stations, and a more secure battery. The solution to these problems has well-resolved consumer concerns. At the same time, high oil prices, difficult parking, limited licenses, limited numbers, and other vehicle use problems are also why electric vehicles are more advantageous than fuel vehicles. In addition, the sales price of electric vehicles is gradually popularized. Compared with the fuel vehicles of the same configuration, the price gap is not significant. The purchase of electric vehicles can also enjoy the national new energy vehicle purchase subsidy. These are all reasons why consumer decisions are leaning toward electric vehicles.

Third, the channels for consumers to contact and understand automobiles are more diversified. On the one hand, traditional offline channels such as 4S stores, auto shows, building advertisements, etc., continue to introduce cars; on the other hand, based on the development of Internet technology, online car viewing provides an immersive car viewing experience. Autohome, Yiche.com, and other vertical car portals have become the preferred websites for car purchases. At the same time, these websites support adaptive browsing of WEB pages on PC and mobile phones. The paper can easily access car websites through mobile phones to learn about various brands of cars and models. Based on this convenient method, auto dealers' auto-promotion, marketing, and sales activities are also completed online simultaneously, such as the popular live broadcast delivery, short video promotion, and other forms.

#### **4. Analysis of Factors Affecting Automobile Consumption**

Many factors affect car consumption. From a macro perspective, the national policy dividends promote automobile consumption. Specific measures include purchase tax reduction, subsidies for new energy vehicles, and cars going to the countryside. The characteristics of the consumer society, changes in social class, and regional differences will all lead to differences in consumption; consumers' subjective feelings dominate consumption decisions, such as individual personality characteristics, values, consumption outlook, family structure, career development, and economic strength, etc. Factors can affect consumption decisions; from the perspective of the supply side, car brand owners need to supply products that match market demand, which not only meets the essential functions of use but also enhance the value of the brand spirit; from the perspective of consumption needs, the individual needs of consumers play a decisive role.

The factors that affect car consumption are complex, but the most noteworthy are the consumers. Consumers' gender, age, marital status, children's class, family structure, educational background, nature of work unit, position, personal income, family income, and habitually used media channels may all affect consumption decisions; unique characteristics, value Concepts, consumption concepts, life planning, expectations for the role of automobile life, etc., are the deep driving forces of automobile consumption. In addition, the social evaluation of automobiles is also an essential factor in automobile consumption decisions. Such as whether the car is safe, the fuel consumption of the vehicle, the driving experience of others, etc., the purchase of a car will be comprehensively judged based on the opinions of friends, community marketing recommendations, platform website evaluation, etc., and finally, make a car purchase decision. The micro-level car consumption factors are cumbersome and detailed, and the decision to purchase a car is affected by one or more elements.

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