



**LOCAL GAINS, INTERNATIONAL LOSSES:
IMPACT OF THE COVID-19
PANDEMIC ON AUTOMOTIVE
BRAND PERFORMANCE IN CHINA**

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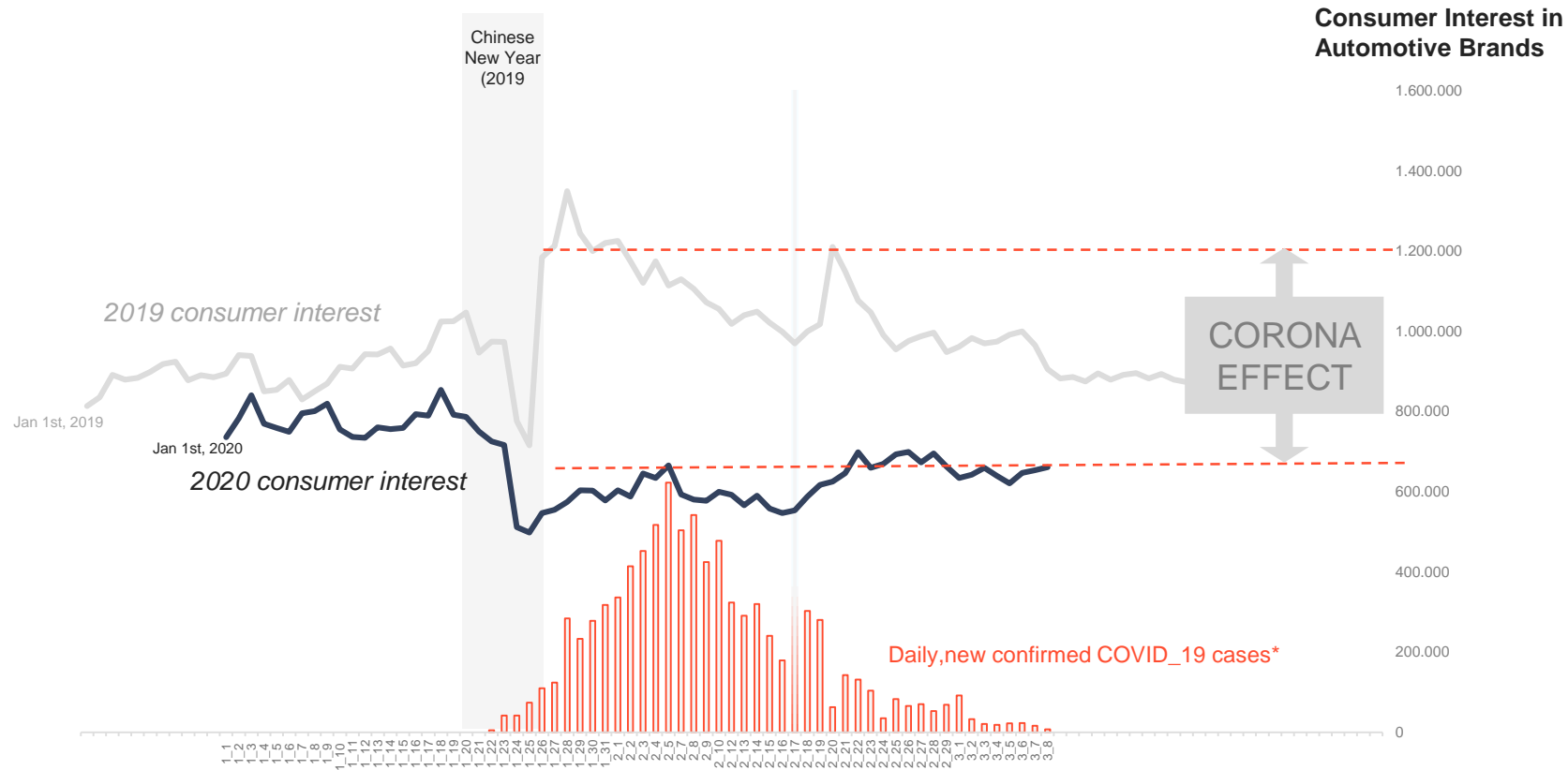
CHINA VS. INTERNATIONAL

#COVID-19 CRISIS

CONSIDERABLE LOSSES IN DAILY CONSUMER INTEREST YEAR-OVER-YEAR INDICATES AT LEAST ANOTHER QUARTER TO “BACK-TO-NORMAL” CAR SALES IN CN

DAILY SEARCH VOLUME FOR AUTOMOTIVE BRANDS IN CHINA SINCE JAN 1 2020 vs. 2019

(Daily Baidu Search Jan 1, 2020 – Mar 8th, 2020 and 2019 respectively; daily reported new COVID cases WHO 2020)



INSIGHTS

- Short-term, corona crisis impacted consumer interest in car brands by **-40% within the first 2 weeks** since Chinese new year.
- Compared with 2019 same period, this decline is still at a considerably level of **-25% after full 6 weeks**
- Data suggests, that a „back-to-normal“ scenario will not take place by the end of Q2 2020.

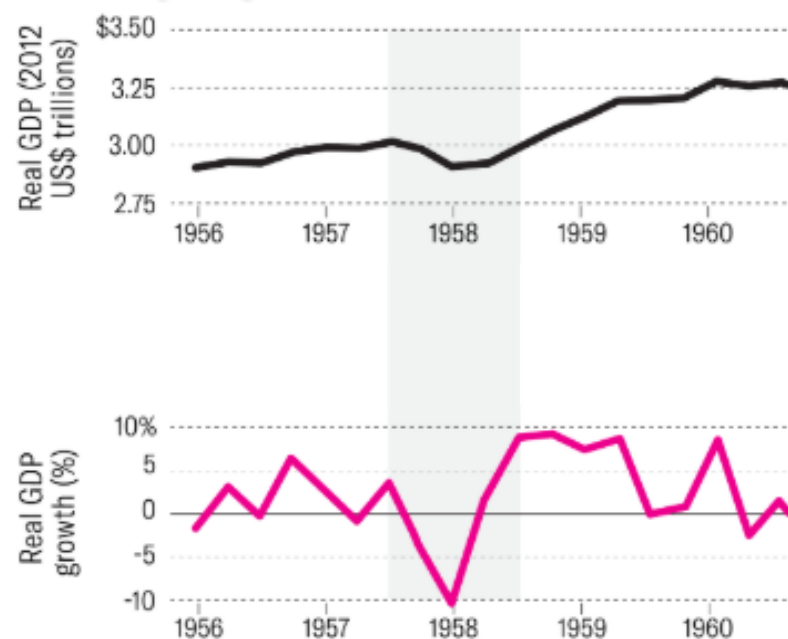
*excluding Feb 17/ reported cases 15.000 based on new methodology

THE ECONOMIC SHOCK IS LIKELY TO FOLLOW A V-SHAPED SCENARIO

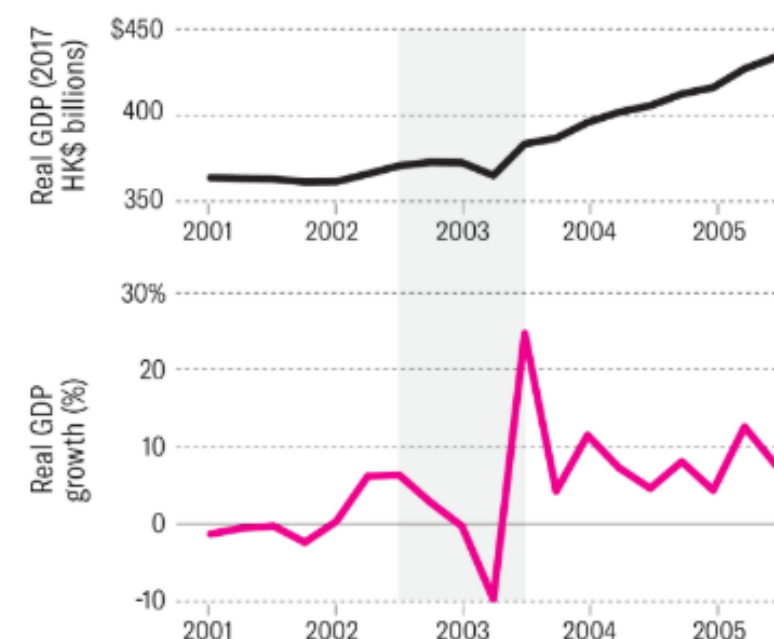
Previous epidemics have followed a v-shaped rebound with annual growth rates absorbing the real economy shock.

Historically, crises leave a structural legacy on the global economy – which are not always negative. SARS, for example, amplified adoption of online shopping in China – helping to boost Alibaba as China’s number 1 online shopping company.

1958 Hong Kong Flu (116,000 US deaths)



2002 Hong Kong SARS (286 global deaths)



JETOUR MANAGED TO DRIVE SEARCH VOLUME DURING CORONAVIRUS LOCKDOWN

From 14.00h until 16.00h, February 27th, the Jietu x95 was dismantled in a live broadcast across major online platforms in China.

The event, was seen as risky by some as it exposed the quality of parts used in the automobile.

However, the event was a way to reach out to enthusiastic consumers stuck at home as part of the Coronavirus quarantine.



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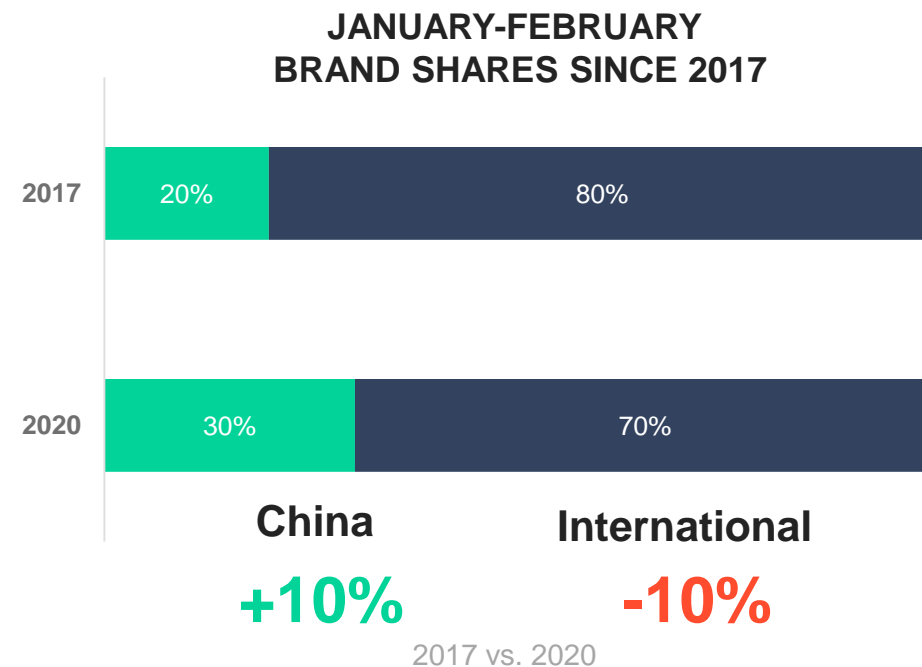
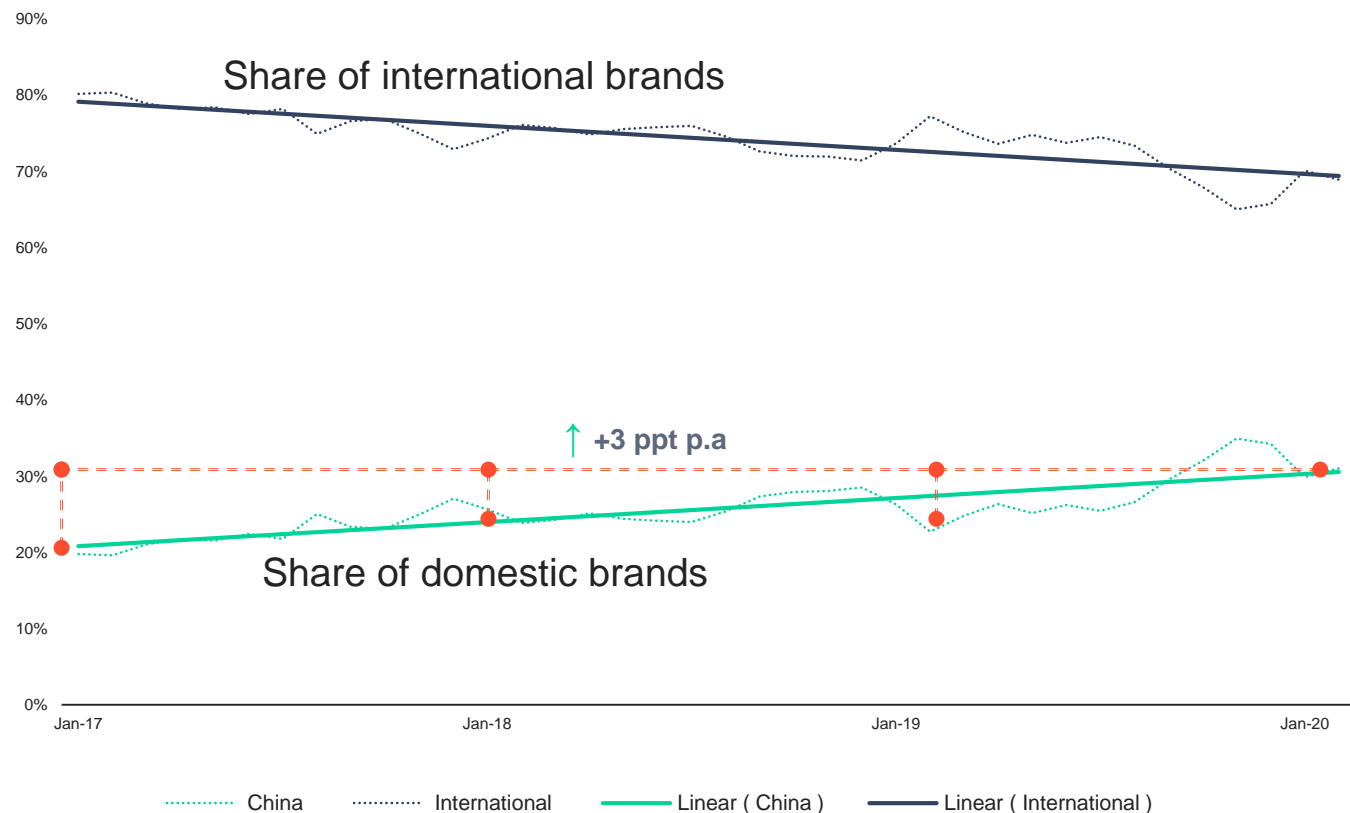
CHINA VS. INTERNATIONAL

LONG-TERM VIEW

THE RISE OF CHINESE BRANDS IS THE BIGGER YET UNKNOWN THREAD FOR INTERNATIONAL CAR BRANDS

SHARE OF SEARCH FOR AUTOMOTIVE BRANDS OVER TIME

(Baidu Search Index: Monthly aggregations Jan 01, 2015 – Mar 3, 2020, weekly aggregation Jan 1, 2020 – Mar 3rd, 2020)

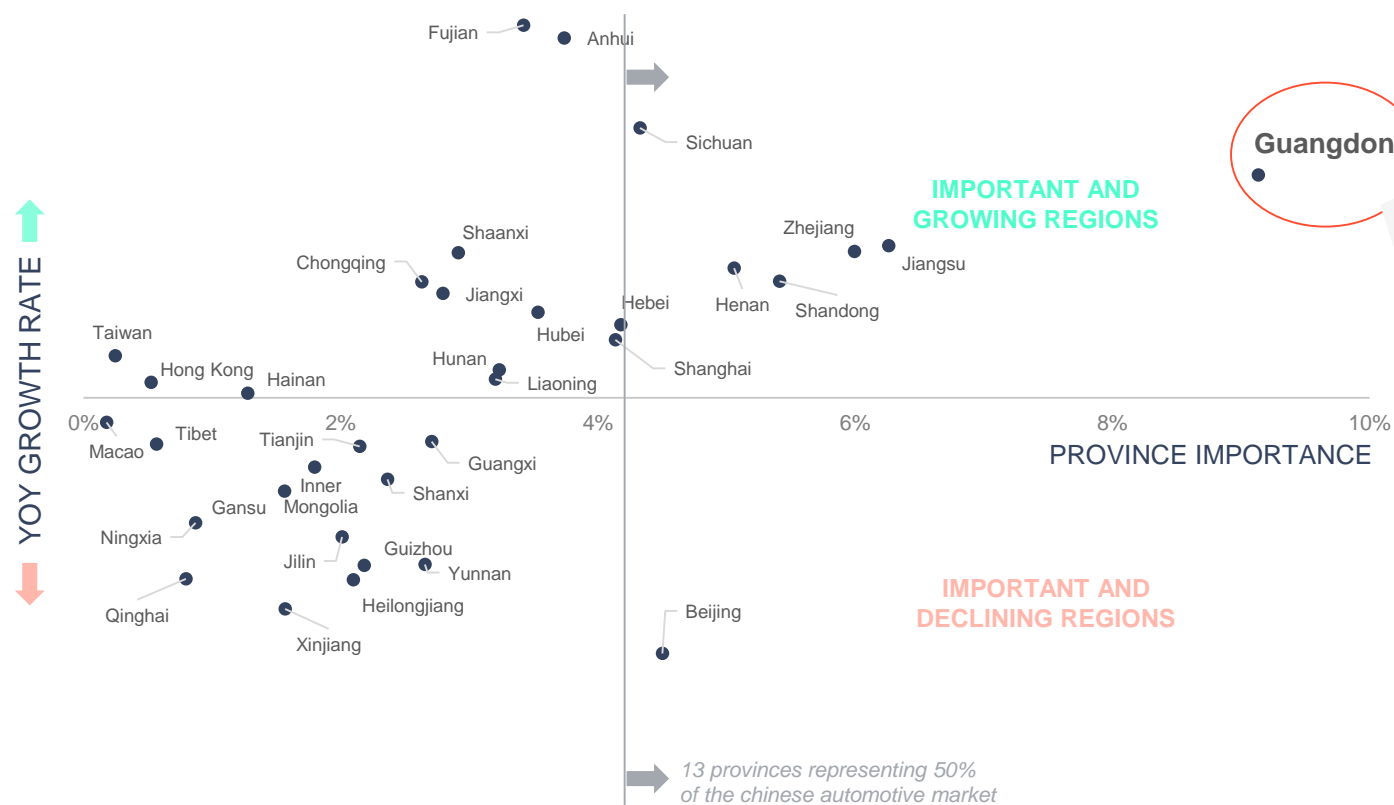


PROVINCE IMPORTANCE VS. GROWTH

THE RISE OF CHINESE BRANDS ENTER THE MOST IMPORTANT AND PROSPERING REGION – GUANGDONG – RINGING ALARM BELLS FOR WESTERN BRANDS

SHARE OF SEARCH AND YOY GROWTH FOR AUTOMOTIVE BRANDS PER REGION

(Baidu Search Index: Jan 01, 2018 – Dec 31, 2019)



TOP 5 PLAYERS GUANGDONG

BRAND***	RANK CHANGE (VS. JAN)	SHARE CHANGE (VS. JAN)
TESLA	(-)	-0.9%
HONDA	(-)	-0.1%
TOYOTA	(-)	-0.1%
VOLKS WAGEN	(-)	-0.1%
JETOUR	(+3)	+0.3%

INSIGHTS

Chinese brand Jetour has seen an increase in search volume during the Coronavirus lockdown (February 2020) in Guangdong. While all international players in the top 5 saw a drop in search, Jetour has improved their ranking from 8th to 5th

*Year over year growth rate is share of search for International brands 2019 – share of search for International brands 2018

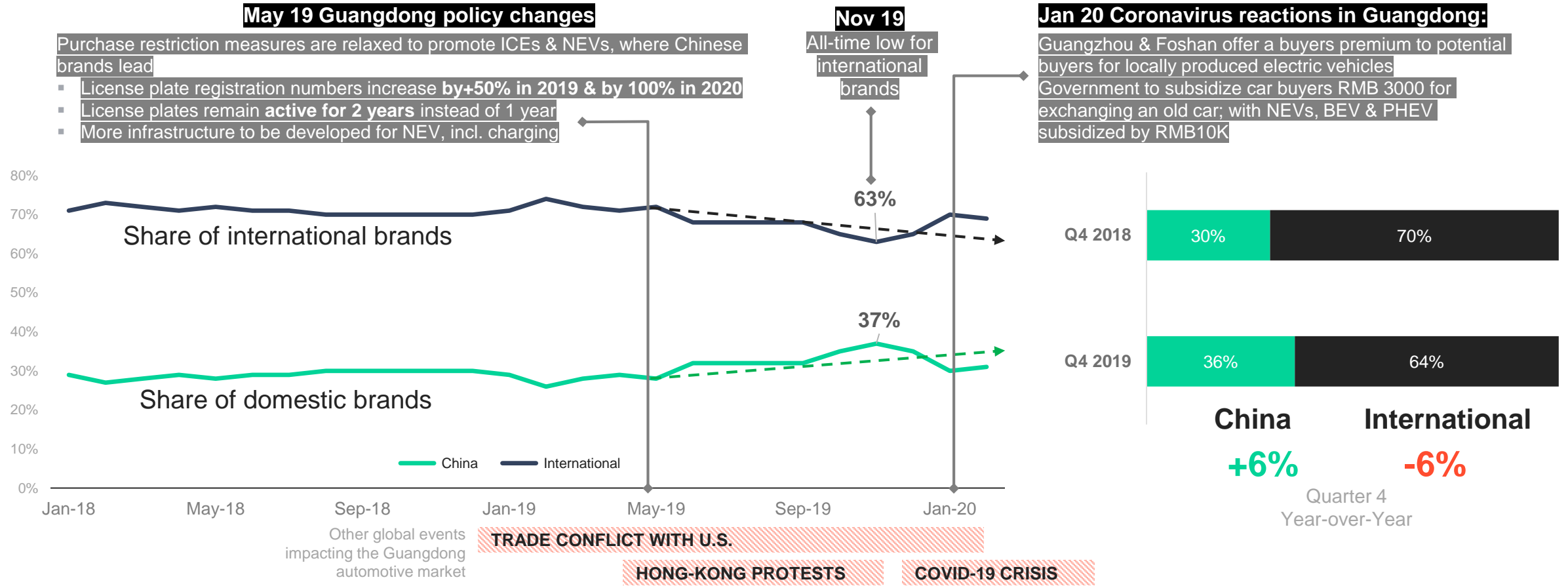
** Share of search for International automotive brands is based on 2 years Baidu Search Index data for International brands over Chinese + international brands Baidu Search Index data

*** February 2020 Guangdong data compared to January 2020 Guangdong data

THE AUTOMOTIVE INDUSTRY DEVELOPMENT IN GUANGDONG HAS BEEN BOOSTED BY THE RELAXATION OF POLICIES BY THE PROVINCE GOVERNMENT

SHARE OF SEARCH FOR AUTOMOTIVE BRANDS IN GUANGDONG OVER TIME

(Baidu Search Index: Monthly aggregations Jan 01, 2015 – Mar 3, 2020, weekly aggregation Jan 1, 2020 – Mar 3rd, 2020)



** Share of search for is based on 2 years Baidu Search Index data for International & Chinese brands

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03	(REGIONAL) GROWTH OPPORTUNITIES	DECISION DRIVER ANALYSIS	CAMPAIGN PLANNING	MARKETING EFFECT MODEL
04	CATEGORY TREND REPORT	DIGITAL BRAND EQUITY	CAMPAIGN REPORTING	DISTRIBUTION OPTIMIZER

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