

J.D. Power Launches China Avoider StudyNew-Vehicle Shoppers in China Avoid Certain Brands Due to Price and Reputation

SHANGHAI: 23 July 2020 – According to the J.D. Power 2020 China Avoider Study,SM released today, the top reasons new-vehicle shoppers avoid consideration of premium and non-premium brands are price and brand reputation, respectively. Chinese domestic brands are the most avoided non-premium brands, with more than 75% of shoppers who avoid considering them.

This inaugural study examines the reasons that new-vehicle shoppers avoid brands in the same competitive segment as the brand that was purchased. Avoiders comprise one of three shopping groups with vehicle purchase intentions; the other two are rejecters and buyers.

The study finds that shoppers avoid premium and non-premium brands for different reasons – they avoid premium brands because of the high price and maintenance cost (76.9%) and non-premium brands due to weak brand/reputation (59.5%) and design (56.9%).

"Automakers need to identify the reasons customers buy or avoid brands in their different decision-making processes, so as to develop targeted marketing strategies," said **Eileen Ren, vice president of digital customer experience at J.D. Power China**. "Premium brands should feature their brand value and relieve customer concerns about price in order to be considered. Once taken into customers' consideration, they need to enhance purchase intentions by providing customized features and excellent services. Non-premium brands should always focus on brand image, design and quality."

"Additionally, the non-premium brands need to create unique selling points as the non-premium marketplace is increasingly competitive. Breakthroughs in brand/reputation, design and technology will help them build distinctive brand image, which could not only decrease avoidance but also attract some potential shoppers of premium brands," Ren added.

Following are additional findings of the 2020 study:

- **The specific reasons for avoiding premium and non-premium brands:** Three primary reasons of avoiding premium brands are price (58.5%); high maintenance cost (33.9%); and fuel economy (17.9%). The most-often-cited reasons for avoiding non-premium brands are unreliable quality (24.1%); low retention value (23.6%); and cheap look/ feeling (21.6%).
- **Although premium brands share similar avoidance reasons with European brands, the specific reasons are different:** In addition to high price and maintenance cost, the European premium brands (German brands not included) are also avoided because of lower awareness and market share, while Japanese premium brands are also avoided due to less attractive exterior styling and American premium brands are avoided by reason of lower retention value.
- **The specific avoidance reasons for non-premium brands are quite different:** European brands (German brands not included) are avoided because of the unsatisfactory experiences of friends, while American brands are avoided because of poor fuel economy and both Japanese and Korean brands are avoided due to the dislike of the manufacturer countries.

- **German brands and Chinese domestic brands are the most avoided premium and non-premium brands, respectively:** German brands (47.7%) are the most avoided premium brands, followed by other European brands (30.4%). Chinese domestic brands (72.3%) are the most avoided non-premium brands, followed by Japanese brands (10.0%).

The 2020 China Avoider Study is based on responses from 23,151 vehicle owners in 70 major cities who purchased their new vehicle between May 2019 and February 2020. The study was fielded from November 2019 through April 2020.

For more information about the J.D. Power China Avoider Study, visit [HERE](#).

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