Press Release

Generation Z in China Has Highest Intention to Buy Domestic and NEV Brands, J.D. Power Finds

SHANGHAI: 25 March 2021 – More than 60% and nearly one-fourth of Generation Z[1] shoppers in China who say they intend to buy a new vehicle in the next six months would like to buy a Chinese domestic brand or a new energy vehicle (NEV), according to the J.D. Power 2021 China New-Vehicle Intender Study℠ (NVIS), released today.

The study, now in its 13th year, examines consumer perceptions of vehicles and the purchase behaviors of those who intend to purchase a new vehicle within the next six months. The study also measures purchase decision factors when considering a vehicle for purchase as well as consumer interest in new technologies.

The study finds that the purchase intention of Chinese domestic brands is 49%, up from 22% in 2016. Generation Z has the highest purchase intention (61%) among all age groups, which is 8 percentage points higher than the average and 9 percentage points higher than people born between 1990 and 1994. The top reasons for Generation Z to consider domestic brands are attractive design and styling exterior; comfortable drive and ride experience; interior is spacious and comfortable; safety and fuel efficiency.

Consumer purchase intention of NEVs also increases to an all-time high of 16%, up from 3% in 2018, among which Generation Z has the highest intention (24%). The reasons for Generation Z to consider NEV brands are NEV is the future trend; low cost for daily use; and ease of maintenance.

"The Chinese automotive market is dynamic and challenging as both the domestic brands and NEV brands have been increasing their market share in potential consumers by meeting the specific requirements of Chinese consumers," said **Edward Wang, managing director of syndicated research at J.D. Power China**. "With the Generation Z gradually emerging in the automotive consumption market and showing distinctive characteristics with other age groups, it is critical for automakers to deep dive their expectations toward vehicle design, performance and features—then to roll out vehicles in line with future trends."

Following are additional findings of the 2021 study:

- **Decision-making process of intended buyers is speeding up**: The number of dealerships that potential buyers visit has dropped for a third consecutive year to 2.2 in 2021 from 3.5 in 2019. The number of models considered by potential buyers has decreased to 1.7 from 2.1 in 2019.

- **Vehicle tech experience becomes key purchase factor:** In 2021, vehicle technology experience has become the fourth decisive factor for potential buyers when considering a car, after quality, performance and design.

- **Desire for advanced features differs:** Potential buyers of an additional vehicle consider vehicle safety and highway driving are the most important uses of the vehicle, thus advanced features such as vehicle safety active alert, adaptive cruise control and lane-keeping assistance are necessary to them. Potential buyers of a first vehicle consider remote vehicle control and value-added services to be most important aspects of owning the vehicle, so advanced features such as remote parking, enhanced vehicle autopilot assistance package and vehicle comfort upgrade package are necessary to them.

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[1] J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); and Gen Z (1995-2004). Millennials (1982-1994) are a subset of Gen Y.

The 2021 China New-Vehicle Intender Study is based on responses from 5,722 intended new-vehicle buyers. The study includes 68 brands and data was collected online in January 2021. The study will be conducted in two waves and the second wave will be released in September with BIS (Brand Influence Score) ranking.

For more information about the J.D. Power China New-Vehicle Intender Study (NVIS), visit HERE.

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Media Relations Contacts
Shana Zhuang; J.D. Power; China; +86 21 8026 5719; shana.zhuang@jdpa.com
Geno Effler; J.D. Power; USA; 001-714-621-6224; media.relations@jdpa.com