

AUTOMOTIVE RESEARCH IN CHINA

BEWARE THE CLUNKERS



ANOVAX
Research Consultants
for Strategic Marketing

“looking behind
language”

DESPITE the rapid growth in car ownership in China it is becoming increasingly challenging to carry out automotive research here. This is because typical methodologies used in the West can be problematic in China – and seriously limit the researcher's ability to reach and understand Chinese car owners. Any research company that tells you differently is a **"clunker"**.

WHAT METHODOLOGICAL FACTORS MAKE THE RESEARCHING OF CAR OWNERS SO PROBLEMATIC IN CHINA?



Firstly, **house-to-house interviews** are not feasible in many urban centres as a result of community security guards, gated compounds and high incidence of apartment living. This has meant that stratified sampling methodologies based on often inaccessible residential areas will result in sampling distortions.



Street-intercept, a common methodology in the West, is challenging when recruiting urban Chinese male car owners who tend to be particularly averse to participating in street intercept-initiated interviews. Car ownership in China implies a reduced contact with the "hoi polloi". In addition, urban Chinese males are highly resistant to the idea of being stopped to participate in any street interview. This unfortunately leads to very high refusal rate for intercept studies, making it extremely difficult to achieve the required sample size in a cost and time efficient way.



Telephone interviews also tend to have high refusal rates in China (even with lists from automotive dealers!) and are severely limited in terms of the length of interview respondents will participate in over the phone. Even with the proper introductions from car companies these car owners will often not agree to a lengthy call. Of course any research that relies heavily on telephone and CATI surveys is severely handicapped by the fact that the researcher is unable to show any test materials, which can often be critical for automotive studies.



Online research in China has also proven to be ill-suited for auto studies, especially those involving long or complex questionnaires. Therefore, most online research is limited to a very simple and short questionnaire with few, if any, open-ended questions, thus restricting the scope of the research coverage. Another issue you will inevitably have to deal with is online respondent falsification. The status of car ownership in China means that a high incidence of respondents in a randomized online sample will likely claim car ownership even if they are not, in fact, car owners themselves!

AT THE END OF THE DAY IT'S ALL ABOUT TIMING AND COSTS ...

Automotive research is therefore primarily hampered by the fact that there are few **cost-effective or timely avenues** to approach vehicle owners and successfully gain their participation in your research study.



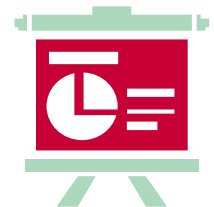
Reaching such target respondents often involves high costs because of things like pre-recruitment, logistics and transport costs. Typically car owners need to be offered very high incentives in order to obtain their participation in the research. These additional costs can add up very quickly!

Another concern with various cost-saving or recruitment issues is that the amount of time car owners will dedicate to a survey is actually quite minimal. This can mean that the content of the questionnaire will have to be shortened or constrained. Often times this results in key information being left out as your research supplier struggles with this issue.

... AND TRUST IN THE RESEARCH DESIGN!

It's basic. If you, as a professional researcher, do not see any basis for sample representativeness in the design, or you have questions about recruitment quality, or worst of all do not trust the quality or depth of the data that is likely to be collected, you will not feel confident in making recommendations to your end client based on findings from the research.

Over many years of conducting automotive research throughout greater China, Anovax has systematically established **a unique and highly successful research methodology** utilizing car wash centers and interviewing sites in key cities across China, with 8-10 authorized locations per city.



Each location in this genuine and trustworthy network was carefully chosen based on selection criteria that included location, traffic, interviewing site suitability, etc. Each physical site has been extensively screened by Anovax, with necessary adjustments made so that the interview process from recruitment to completion runs smoothly. Anovax has been able to strike specific arrangements with the selected car washing centers which allows us to organize and execute interviews at their locations!

A METHODOLOGY THAT DOES WORK!

This unique approach offers numerous benefits in terms of respondent recruitment and interview quality.

SAMPLING CONFIDENCE

If you own a car, it needs to be washed, and all cars regardless of make or model need washing. Car owners in China are big users of these car wash centers, so there is no particular bias in marques or models. As a result, since such a wide variety of car owners utilize the services of car washing centers, Anovax is therefore able to reach respondents across the vehicle spectrum of different automobile makes and models.



HIGH PARTICIPATION RATES

A standard car wash requires anywhere between 20 and 30 minutes. This means that there is a relatively long period of time where car owners are not doing anything and are therefore more willing participants in the research. Recruiting from car wash centers allows us to achieve a highly random sample, making the results more complete and minimizing sampling error.



STRONG ENGAGEMENT LEVELS

Because respondents are not in a rush to go anywhere, their full concentration can be maintained, allowing for more comprehensive and high quality responses. From our experience, respondents interviewed at car washing centers tend not to be distracted by some of the factors that would arise in house-to-house, street, telephone, or online interviews because they are resigned to the interviewing location for a given amount of time. Fewer distractions means higher levels of engagement and thus better quality responses, especially in open-ended questions or research that involves stimuli or qualitative probes.



FLEXIBLE, HIGH INTEGRITY, TIMELY AND LOWER COST!

This methodology is a unique solution to the peculiarities of the Chinese automotive market. Beyond timeliness, good representation and interviewing quality are some other key features that make the methodology highly appealing:



Anovax's approach is completely **flexible with respect to data collection interviewing platforms** such as PAPI, CAPI, mobile, etc. with many consequent advantages for international research buyers who have to work within systems requirements. Anovax can provide data in any format you may require.



The whole process is usually audio/video recorded for **validation and quality control**. As a result, there is a high level of data quality assurance. With this approach, professional research buyers can feel reassured that the data that has been collected correctly and can therefore have absolute confidence in making recommendations to the client.



Anovax's approach **addresses and mitigates many of the various research limitations** outlined earlier. For example, our fieldwork process allows for studies such as advertising research that requires respondents to view different concepts, photos of new car models on digital devices and pricing research with complicated conjoint or choice-based models, etc.



Because respondent attention and focus is guaranteed, the **research can be very in-depth** with lots of open-ended questions. It is even possible to have a car clinic located nearby to such intercept centres. In our experience, once the car owner at these sites has started participating they are often willing to go further in their time commitment.

A CASE STUDY: A LARGE SCALE AUTOMOTIVE RESEARCH STUDY USING THE ANOVAX "CAR WASH" METHODOLOGY

Our client wished to conduct a large scale segmentation-based study in China that would assist in gathering the most recent and relevant information on target consumers, so as to aid in the longer term development of their business and marketing strategy. The research was designed to provide vital market and competitive insights in order to enhance the client's competitive edge and overall market success.



Using Anovax's "car wash center" methodology, our research provided the client with a quick and low cost coverage in major urban cities with a detailed quota representation of the total market of owners of cars bought new or used within the last two years in China.

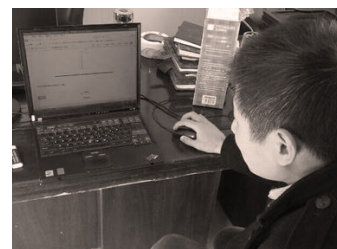


Each interview required at least 45 minutes to complete. Thus, the length of interview was another factor that challenged the quality of response. The project required car owners to assess a long list of attitudinal and behavioural questions in order to generate clear and accurate segmentations of car owners in China. The quality of the response determined the success.



The sample size was n=10,000 car owners including different car brands & models as well as ten different cities across China. Ensuring the authenticity of respondent criteria was another challenge as it was one of the key factors that affected the accuracy of the segmentations.

By utilizing Anovax's unique fieldwork approach, the automotive brand owner was able to obtain high quality results that proved extremely valuable to their marketing department, all the while delivering within a tight time frame and still keeping costs at a reasonable level.



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