

VEHICLE PURCHASE BEHAVIOR IN CHINA

CASE STUDY OF SHANGHAI

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ABSTRACT

China is at an early stage of the motorization process, but change is rapid. At the heart of the motorization process is vehicle purchase behavior. Understanding purchase behavior is key to understanding the evolution of China's transportation system and for determining good policy and investment strategies.

Income clearly is the central determinant of motor vehicle growth. But many other factors and many policies can influence the rate and nature of motorization. This paper is the first report of a study of vehicle purchase behavior in Shanghai, a wealthy city in China, but also a city with unusually low vehicle ownership for its wealth and size. We report on an initial 3-month (September ~ November, 2005) pilot survey of 116 individuals, plus interviews with local marketing experts and car dealers.

The paper describes the survey methods being developed for this application in China, and initial findings. We found that the most cited reasons for vehicle purchases of all types, including bicycles, motorcycles and cars were the following: "Freedom", "Save time" and "Public transportation is not convenient for daily life." "Carry stuff" is another reason for car buyers, whereas "Enjoy the riding time" and "Save money for other purchases" are other top reasons for motorcycle buyers.

KEY WORDS:

Motorization, Vehicle Purchase Behavior, GDP/capita, Attribute