

Dragon on wheels

The future of Chinese brands
in the company fleet





Intro

In 2023, there were 16 different Chinese brands driving on Belgian roads. For now, this does not yet translate into a high number of registrations of new Chinese vehicles (4,000 out of more than 374,000 vehicles registered in 2022, which is about 1%). Regardless, the Chinese vehicle industry is growing and we may soon see more vehicles from China on the company car parks – next to the more traditional brands from Europe and Asia.

But how does the Belgian consumer perceive those Chinese brands? As a fleet manager, should you integrate these vehicles into your fleet? How likely is it that your drivers will choose a Chinese model in the near future? And what are the factors that determine whether they do so or not?

With these questions in mind, ALD Automotive | LeasePlan launched large-scale research among Belgian consumers, in collaboration with market research agency GfK. On the one hand, GfK surveyed a large group of 1,204 Belgian vehicle owners (more

than half of whom are private owners); and on the other hand, the survey was completed by 2,211 company car drivers of ALD Automotive | LeasePlan.

What stands out is the fact that Chinese brands mainly have to deal with the bad reputation of their country of origin and the negative quality label we still attach to “made in China” products. In this white paper, we elaborate on the most remarkable results and conclusions of the research and look ahead to the potential of Chinese vehicles for the Belgian fleet.

1 Why drivers are not (yet) choosing Chinese brands

The most popular vehicles on the Belgian market still come from Germany. About 55% of respondents prefer a German brand. This figure is even higher among drivers of a lease car (69%). France and Japan complete the podium, while Sweden also ranks high among lease cars, but the difference with German models remains large. China is listed at the bottom of these rankings. If we turn the question around – which country of origin is the least preferred – then China suddenly jumps to the top. 42% of surveyed Belgian drivers would rather not have a Chinese vehicle – among lease car drivers, that share increases to 52%.

Lack of confidence

Why Belgian drivers are not yet choosing vehicles from Chinese make? The main reason is China itself. The country has to face a lot of prejudices, which does not stimulate the popularity of Chinese brands either. 2 times out of 3 (66%), China arouses negative feelings among company car drivers. The biggest stumbling blocks are the country's reputation and distrust about the products produced in China. Respondents mainly worry about the quality of Chinese products.

Lack of confidence is the biggest obstacle Chinese brands will have to overcome before they can shift up a gear. In addition, GfK respondents (Belgians with a vehicle) also refer to the limited number of vehicle dealers in Belgium (37%) as a reason behind the moderate success of Chinese vehicles. The fact that many Belgians with a vehicle remain loyal to their current brand (50%) and dealer (70%) when choosing a new vehicle is also not in favor of the newcomers from China.



2 Price and technology are assets for Chinese vehicles

Despite the negative perception of China as a country, the survey demonstrates that Chinese brands do have potential with a Belgian audience. About 52% of respondents with lease cars think a Chinese vehicle is a good deal after all. The attractive pricing of Chinese models is the main reason why drivers would consider certain brands.

The lower price is certainly part of the perception people have of Chinese brands. 7% to 20% of respondents with a lease car is willing to consider a Chinese model with an extremely favorable price over an established brand. The idea that electric vehicles from China generally cost less than electric vehicles from traditional brands could soon prove to be an important factor.

Clever design and high-tech

Moreover, in the long run, the price tag may not be the only asset of Chinese vehicles. For instance, only 30% of respondents with lease cars who have indicated China as their least preferred country, mention that the looks of the vehicles do not appeal to them, and a minority (25%) thinks they are not safe. When the participants of the survey are shown pictures of vehicles without a logo, the overall perception of Chinese models suddenly becomes more positive as well.



Price and technology are assets for Chinese vehicles

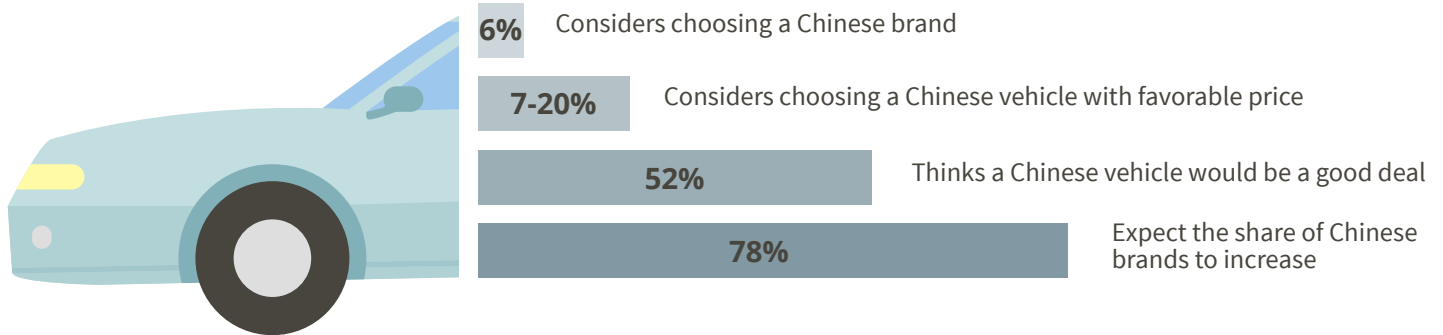
An example: when they get to see a picture of a Chinese vehicle without logo, respondents associate it with a safe (82%), technologically advanced (72%), well-equipped (66%) and beautifully designed (64%) vehicle.

Some fun facts: the average survey participant (Belgians with a vehicle) had a difficult time distinguishing Chinese vehicles from other models, while company vehicle drivers were remarkably more successful at this.

Besides that, we also noticed that models from China are most often associated with vehicles from Korean manufacturers.

A final asset for the Chinese vehicle industry: the survey reveals that high-end technology is in the top 3 of options considered by company car drivers when they select a new vehicle. When it comes to technological developments, China is certainly a frontrunner compared to other countries.

The future of Chinese vehicles?



3 A glance at the future

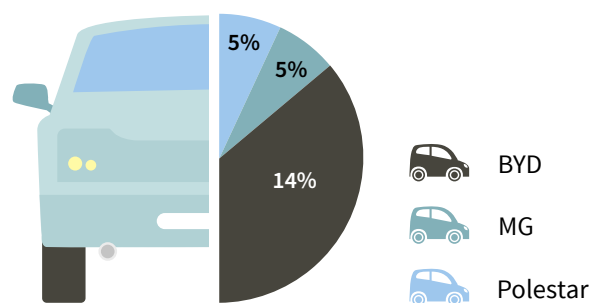
Although the number of Chinese vehicles on Belgian roads is still limited today, 78% of participants with lease cars expect the share of these brands to increase in the coming years – despite the negative perception. This figure is highest among male drivers (83%) and people who already drive electric (84%). The latter should not come as a surprise, since the majority believes that cheaper electric models will boost the growth of Chinese brands.

The fact that Chinese manufacturers are increasingly adapting to the European market is also a plus, according to the survey. Regardless, the image of Chinese vehicle manufacturers is under pressure. Perhaps the biggest challenge is to eliminate public distrust and break the stereotypes that Chinese vehicles often still carry. Especially the idea that the vehicles are of inferior quality is unfounded. For example, several brands from China have a five-star rating, the maximum score for safe vehicle models awarded by the independent organization Euro NCAP. Of course, the vehicles also meet the European safety standards.

Finally, as always, unknown is also unloved. The Belgian audience is still getting acquainted with the Chinese vehicle market.

Of the 16 brands available in our country, only a few already sound familiar. The brand that respondents of the GfK study (Belgians with a vehicle) most often encounter in advertising is by far BYD (14%), followed by MG (5%) and Polestar (5%).

Chinese brands that stand out the most in advertising?



Conclusion: is your fleet ready for Chinese brands?

When choosing a new vehicle, the trusted German brands still enjoy preference. Chinese brands have some catching up to do. In particular, the rather negative image of the country of origin and the “made in China” label deter customers today. When asked how likely it is that drivers will soon choose a Chinese model, only 6% of drivers of lease cars reply that they would definitely consider it.

Despite the lower perception, the vehicles offer a lot of assets. Each time the study showed a Chinese vehicle without explicitly mentioning that it was a vehicle from China, the balance tipped completely in favor of the Chinese model. The range of Chinese vehicles is growing rapidly, many models are equipped with the latest technological gadgets, they offer attractive value for money (especially in the context of electrification) and they meet all the safety standards.

Unknown is clearly unloved. All ingredients are present for Chinese brands to make headway in the coming years and gain a significant place in the Belgian fleet. Especially in production, manufacturing and IT, we already see more openness toward the new Chinese brands as a leased vehicle. When will you follow?

Interested in
Chinese models for
your company fleet?

Contact us!

