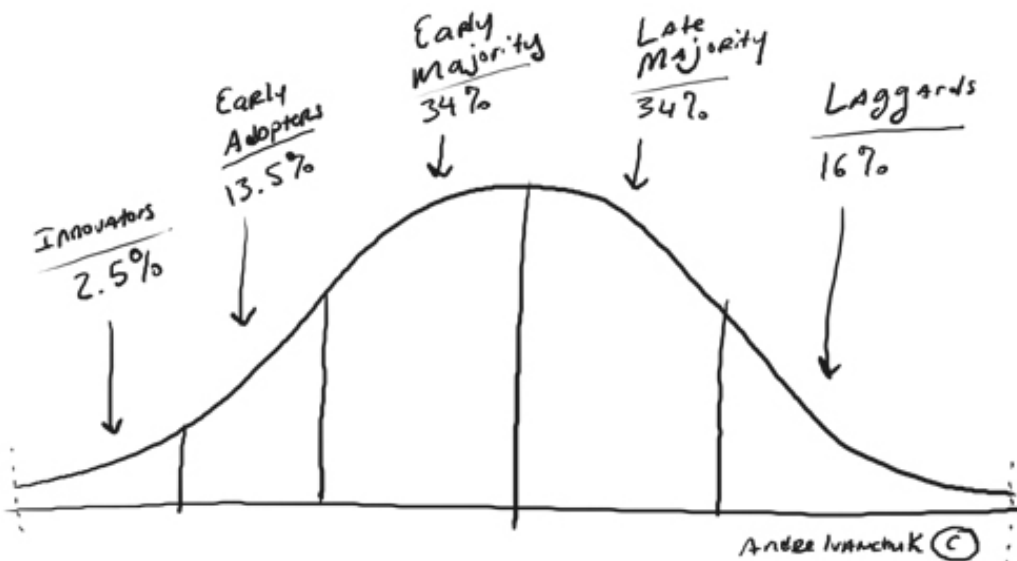


What we can learn from the predicted trend?

- To begin with, the demand for car will increase for a while because the demand is cyclical. However, the rise of demand would not be high enough to keep the growing trend.

What could be the potential reasons for the decreasing demand of car?

- First of all, in an environment of recession, citizens tend to save money and are less likely to spend a large amount of the money on car consumption, even if the government is trying hard to stimulate the economy.
- Secondly, a car is not an asset, but belongs to debt. Investors with spare money will also not invest money in cars.
- Thirdly, a car is not a necessity, the need for changing or getting a car is flexible, therefore can be postponed.
- In addition, from the news that OPEC+ planning to cut oil production for next year, the general needs for oil and private transportations are pessimistic.
- Last but not Least, the demands of cars have gradually become saturated in sum. By a model created by Andre Ivanchuk (picture below), the demands of cars may have passed early and late majority times, which means the population of the left side of the bell curve have already obtained cars, leaving only about 16% of the population considering getting a car. Thus, the room for improving demands of cars is not as large as previous years (I.e. the very first time that cars become popular)



Ivanchuk, Andre. "Law of Diffusion of Innovation." <https://loganjehall.files.wordpress.com/2012/06/diffusion-of-innovations>

Resolutions:

- To boost car demands
  - Car demand may be cyclical, and the peaks are shown in summer, which means there may be high demand for trips in summer, convenient, how to make winter convenient for people? Put more rental locations near apartments (especially for residents

aged 16 to 22(e.g. around colleges, high school, universities), who have high interest in driving since they just got their driver license but can't offer a car.

- Add new functions to the car, for example, self-driving is optional when parking, or self-heating windows and doors when snowing (so that no need to take 40 min for shoveling snow)

■ Installment interests could be lower in summer

- People may purchase cars in early summer on impulse for the low interests

- A customer who purchase a car in winter may "have to" buy it anyway no matter the interests. (However, this works only when all brands do it together).