

Tuhu Automotive Service: The Growth Path of the Leader in the after-sales Market

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Abstract: After its establishment in 2011, Tuhu Automotive Service led the Chinese automotive market to open up a new business track of standardized after-sales market. After the O2O+ auto parts B2C model of maintenance and repair, the B2C+B2B model was derived with the change of market, which broadened the user channel and quickly expanded its popularity with the enterprise integrity and affordable service, occupying most of the Chinese after-sales market. The success of the after-sales market has made many large-scale capitals also eye on this increasingly large business track. Tuhu Automotive Service is still trying to explore to cope with the challenges from the capital magnates.

Keywords: Tuhu Automotive Service; After-sales Market; O2O+ Auto Parts B2C Model of Maintenance and Repair.

1. Introduction

In 2011, Tuhu Automotive Service was founded, China began to have a professional 'car care e-commerce platform'. Its business covers all aspects of the car aftermarket, providing customers with online booking + offline installation of car care. It did so well that was selected as unicorn company, in the '2020 Hurun Global Unicorn Companies List' on August 4th, 2020, by Hurun Research Institute. So how did Tuhu survive the fierce competition in the market in the past decade? And how did it gradually grow into a unicorn enterprise? And what challenges does it face in the future?

2. Linking with the Car Aftermarket

After working at HP's R&D center, Chen Min, the founder of Tuhu Automotive Service, combined the aftermarket coder working experience in CHINA AA(CARS.cn) which is a car insurance direct sales company, he gradually began to understand and comprehend the industry.

At that time, the sales channels of car insurance were single, mostly sold through agents, repair shop and 4S stores. However, the telephone direct sales model of car insurance quickly replaced the original sales channels due to its low cost, efficient delivery, and controllable channels, becoming the mainstream of automobile insurance sales. As a management personnel of the company, Chen Min has experienced the company's rapid development from over 20 people to over 400 people. But soon, as the model of direct sales of car insurance was basically validated, the problem of direct sales of car insurance gradually emerged. As a financial product, car insurance has limited agency role throughout the entire value chain due to the lack of warehousing, logistics, and offline services. Insurance companies have also quickly entered and competed for this market. With the beginning of telemarketing by insurance companies, the income of various car insurance telemarketing agents has also been greatly affected. Ultimately, with policy reforms, most companies also struggle to sustain themselves.

Chen Min watched the car insurance company gradually decline, which gave him a deep understanding of the car aftermarket. And this experience made him realize the huge

potential of the car aftermarket. At the same time, with the gradual promotion of the Internet in China, many car websites, second-hand car websites and car communities were born which made him realize that the future car market may be affected by the Internet and the capital behind the Internet.

2.1. Car Aftermarket

The car aftermarket refers to the various services provided during the use of a car after it is sold, covering all the services that consumers need after buying a car. That is to say, the general term for a series of transaction activities generated around various follow-up needs and services in the after-sales use process of cars from sale to scrapping.

From the perspective of car ownership, the car aftermarket has enormous potential. Car ownership refers to the number of cars already owned by a country, region, or city. The number of cars in stock determines the actual demand in the aftermarket. As of March 2010, the total number of motor vehicles in China was about 192 million, with approximately 205 million drivers. As of the end of 2020, the total number of automobiles in China reached 281 million. In the lengthy segmentation of the aftermarket, from a narrow perspective, the maintenance business of the aftermarket is one of the 'most rigid demand' and 'relatively high consumption frequency' segmented industries in the consumer car lifecycle. Based on this, Chen Min plunged into this market.

3. Stage 1 Tuhu Automotive Service Network

3.1. Business Model Formation

In 2011, the Tuhu Automotive Service network was established, Tuhu Automotive Service entered the aftermarket with tire categories. In addition to online traffic, it also joined the offline supply chain, which is very similar to Amazon's self-operated B2C model of book categories. At this stage, Tuhu Automotive Service network mainly plays the role of a diversion platform, taking the maintenance O2O+ auto parts B2C model. This model was widely questioned at the beginning, because most startups in the aftercare market at that time were pure platform light models, and most startups chose car washing and maintenance as their main business, hoping to change consumers' maintenance habits through

high-frequency consumption projects, occupy the majority of market shares, and use the first market share to finance the next round of investment. Try to monetize after accumulating a large number of users.

Between 2014 and 2015, capital, attracted by the huge potential of the entire market, set off a start-up frenzy. However, with the decrease of capital, enterprises in the pure platform mode are under huge pressure of loss, and most enterprises are difficult to sustain, and gradually withdraw from the historical stage. Chen Min's experience in this industry helps him to accurately understand the nature of the aftermarket, that is, heavy service, heavy offline. As a result, Chen Min attaches great importance to offline stores. This insight has also helped Tuhu to survive smoothly. In other words, under the circumstances at that time, only attention to offline stores can be successful. In the maintenance store scenario, compared with lighter maintenance and car washing projects, the tire project of Tuhu Automotive Service has the inherent advantage of unique thickness.

4. Stage 2 Tuhu Automotive Service Company

During the C+ round of financing, Chen Min stated that the brand concept has been upgraded from 'Tuhu Automotive Service Network' to 'Tuhu Automotive Service', and the model has shifted to B2C+B2B. In terms of categories, besides the tire category, Tuhu Automotive Service has expanded its main business of maintenance, beauty, and automotive products.

4.1. Trust Problem

In the process of transformation, the first thing to be encountered is the trust issue. Chen Min once said, 'In the market, it is undoubtedly necessary to ensure the quality of products. We insist on self-operation, although it costs more to have our own supply chain, warehouse and logistics. However, if we don't insist on it, it is difficult to solve the problem of consumer trust. 'To solve the problem of consumer trust, we should not only consistently ensure the quality of products, but also strictly control the offline service scene - repair stores. This is also the significance of B2B. Therefore, Tuhu made one of the most crucial decisions possible, establishing the first Tuhu workshop store in Shanghai. We can obtain the trust of consumers through the direct sales of factory stores.

At this stage, firstly, Tuhu quickly and effectively introduced workshop stores through the high-viscosity online traffic accumulated through B2C; secondly, Tuhu self-built a warehousing and logistics system to optimize the supply chain and achieve traceability of authentic products; thirdly, through the development of operation systems and APPs, it continuously improved the operation standards and efficiency of stores. Through these three aspects of continuous efforts, it eventually won the trust of a large number of consumers.

4.2. Online and Offline Integration

The ultimate goal of Tuhu is to provide a closed loop of experience for customers of Tuhu Automotive Service through service experience and excellent store technology, that is, to provide integrated, complete, and high-quality services. At the same time, the store can also win the trust and location selection of consumers with Tuhu Automotive Service, ultimately helping the store to better profit.

Tuhu has always believed that online and offline are integrated, but not all stores can understand it. Therefore, it took the lead in creating a model of online and offline integration, and proved its profitability and attractiveness to customers, which in turn influenced some of the original partner stores. Through the platform to increase customer channels for stores, but can not simply regard it as sending customers to stores, or define it as an online customer or offline customer, this is just a platform for stores to get customers, to help customers understand and contact stores.

In the process of integration, customer satisfaction is the guiding principle. Tuhu provides the same price, product and source for both online and offline services, so as to ensure that customers are always in a transparent, open and guaranteed product supply system, allowing them to consume with confidence. At the same time, all customer service processes, customer information and construction records will be digital, and the digital records will be connected with the consumption records on the Tuhu APP, thus truly helping customers to have an independently managed information system, and continuously improving customer satisfaction.

The purpose of the Tuhu workshop store was finally formed. Zhou Keren, senior vice president of offline operation of Tuhu Automotive Service, said, 'We hope that the store can adhere to the principle of integrity while serving customers diligently and striving to improve its capabilities. We believe that in order to truly become a chain, we don't need to worry too much about the mode. More often than not, it's whether we can patiently build a brand and stick to this brand system for five or even ten years, so that it can truly become a trusted brand in the eyes of consumers.'

Through the gradual integration of online and offline, in 2014, Tuhu Automotive Service became the largest retailer of Michelin and Continental in Shanghai, and became the largest tire dealer of Tmall and JD.com. Later, Tuhu Automotive Service reached strategic cooperation with many auto parts brands, such as Federal-Mogul, Tenneco, 3M, Aisin, etc. In June 2018, it reached in-depth cooperation with General Tire and launched the offline Tuhu Automotive Service-General Tire flagship store. Scale effect brings the advantages of centralized procurement and upstream brand credit, which reduces operating costs on the one hand and builds brands on the other. Tuhu Automotive Service has achieved initial success.

5. Stage 3 Magnate Confrontation

In August 2018, Ali joint Jingu shares and Kangzhong auto parts to set up New Kangzhong, after Tuhu Automotive Service announced a new round of financing has been completed, this financing by Tencent, Sequoia Capital, Carlyle Capital and other investors and enterprises led investment, the total amount of financing is about \$450 million. Tencent's investment in Tuhu Automotive Service is also a sign of entering the after-market, so far, Ali and Tencent all joined the after-market competition. After the financing, Tuhu Automotive Service will have stronger cooperation in smart retail, supply chain finance and other aspects with Tencent, improve the service ecology of the owner. On December 13, 2018, Tencent and Tuhu Automotive Service has issued '2018 China after-market industry Internet solutions' ('Tencent Tuhu Plan 1.0'). With the overall entry of OEMs, insurance companies, Internet magnates and the large capital and platforms they carry, the after-market has entered the era of magnate confrontation.

5.1. Rapid Expansion

After obtaining investment, Tuhu took the fast track of development and the layout of factory stores accelerated rapidly. At the end of 2018, Tuhu had more than 800 stores; in mid-2019, Tuhu had more than 1,000 stores; at the end of 2019, Tuhu had more than 1,300 stores; in mid-2020, the official data shows Tuhu had more than 1,900 stores. Only 28 months after the opening of the first workshop store of Tuhu Automotive Service, the first batch of 500 stores were successfully laid out. The second batch of 500 stores took 11 months to lay out, the third batch of 500 stores took 9 months to lay out, and the fourth batch of 500 stores took only 6 months to achieve. Li Hui, chief operating officer of Tuhu Automotive Service, said: 'Tuhu's store opening pace is gradually accelerating nationwide, thanks to the implementation of digital strategy. After having a standardized and reproducible model, all we need to do is to choose a good location, then copy and paste.'

In terms of expansion strategy, on the one hand, Tuhu focus on key cities and increase the density of their network based on cities, such as more than 200 factories in Shanghai and more than 100 factories in Wuhan. At the same time, they also actively enter key cities such as Zhengzhou and Xi'an. On the other hand, they consciously cultivate large investors, that is, encourage one investor to open multiple factory stores, such as Meilishi Investment in Jiangsu Province, which has more than 100 factory stores. Eventually, they formed a fission-style store opening model based on key cities.

In terms of project extension, Tuhu also extended to various aspects of the aftermarket, from tires to maintenance, care, car washing, and more recently, insurance and accident car business. Tuhu frequently interacts with oil brands such as Shell, and had more and more cooperation with upstream enterprises in digitalization, gradually extending its layout towards the B2B value chain.

5.2. Standardization

However, although the market size of the after-sales market has already exceeded one trillion yuan, due to various problems such as inconsistent service standards and prices in the market, consumers often cannot obtain satisfactory consumer experience, which hinders the development of the entire market. Hu Xiaodong, president of Tuhu Automotive Service, said: 'Due to too many dealers and multiple and complex purchase channels in the after-sales market, consumers often feel that the industry is 'deep' and have a sense of distrust.'

Continuously improving service standardization has become a strategic measure taken by Tuhu Automotive Service to cope with the chaotic after-market environment. In May 2019, Tuhu Automotive Service released the 'Tuhu Automotive Service Workshop Service Standardization Evaluation System', which covers four major aspects: technical construction standardization, service process standardization, management and operation standardization, and offline supervision and feedback process, and is constantly being upgraded. Under the guidance of relevant departments, Tuhu Automotive Service actively organized and promoted the 'After-market Service Standardization Pilot Project', completed the establishment of a standardized organizational structure, and carried out the preparation, operation, and evaluation of the after-market service standard system in combination with the actual operation of the enterprise. Through multiple optimization and refinement,

Tuhu Automotive Service has formed 91 enterprise standards covering vehicle installation, in-depth maintenance, tire replacement, and store services. It has compiled teaching materials and corresponding courses, and made clear regulations on operation procedures, specifications, quality evaluation, etc. Based on these standardized contents, all technicians of Tuhu franchise stores are trained in standardization to improve service levels. Taking tire replacement as an example, Tuhu will divide tire replacement into standardized steps during training in the store, and clarify specific details such as whether to replace the valve when replacing the tire and whether to use a torque wrench during disassembly, so as to standardize the technician's operation.

The relevant person in charge of the Tuhu Automotive Service workshop store said that Tuhu Automotive Service has formed a service standard evaluation system covering technical construction standardization, service process standardization, management and operation standardization, and offline supervision and feedback in terms of service standardization. The most typical manifestation is the 'eight steps and ten rules' array summarized by Tuhu Automotive Service. The eight steps of Tuhu include the whole process of greeting, pre-inspection, on-site inspection, construction, quality inspection, acceptance, settlement, and seeing off visitors throughout the service process; the ten rules of Tuhu even standardize all aspects of management and operation, such as order creation and operation, environmental management, small programs, SI management, personnel management, tools and equipment, fire safety, after-sales service, training and guidance, appointment and goods management.

In the process of rapid expansion and continuous improvement of standardization of the Tuhu Automotive Service workshop, it is inseparable from the support of digital means. From the perspective of manufacturers, distributors, and store terminals, digitalization can help these upstream and downstream enterprises in the industrial chain improve efficiency. This ultimately benefits the service experience of consumers, who can obtain genuine product guarantees and more transparent prices under digitalized operations.

6. Stage 4 After Pandemic

In the face of the COVID-19, Tuhu has made great efforts to help its factories and stores resume work. With the development of the pandemic, the resumption of work and operation of enterprises across the country have been affected to a certain extent. To assist the merchants of the Tuhu Automotive Service Workshop to resume operations and healthy development, and reduce the impact of the pandemic, Tuhu Automotive Service is fully committed to providing various support. Since the end of 2019, Tuhu has introduced a series of measures to work together with all factory store merchants and fight against the pandemic.

Tuhu Automotive Service has successively released several documents such as 'Tuhu Automotive Service Workshop Store Emergency Response Measures for the Pandemic' and 'Automobile Repair Store Business Pandemic Prevention Guide', striving to ensure the safety and rights of consumers and employees, as well as the emergency vehicle maintenance needs of customers. In addition, a series of measures have been implemented for the prevention and control of the pandemic in workshop stores. In addition to reducing and waiving the management fees for workshop stores nationwide, considering the possible difficulties in recruitment and

recruitment in areas with severe pandemics such as Wuhan, a special recruitment team has been set up to provide priority personnel supplement. And from the aspects of personnel pandemic prevention management, store sanitation and pandemic prevention management, it provides reference for the industry's auto repair stores to resume business. In order to alleviate the liquidity problems that workshop store merchants may encounter and help them develop healthily, Tuhu Automotive Service also launched a low-interest unsecured credit loan product with a total amount of 100 million yuan for workshop store merchants in cooperation with Minsheng Bank. Prior to this, Tuhu Automotive Service had reduced and waived the management fees for workshop stores, with a total amount of 6 million yuan. Tuhu Automotive Service said that it would continue to fully support workshop store merchants to resume operations and overcome difficulties in the future.

After the pandemic was effectively controlled, Tuhu Automotive Service actively carried out the work of resuming work and production in various workshops and stores according to the requirements of local resumption policies. Combining with the customer needs under the pandemic situation, and integrating the comprehensive achievements of Tuhu Automotive Service in the fields of standardized service and genuine product guarantee system in recent years, it has successively launched innovative measures such as free disinfection service in the car, 'no contact Automotive Service' service, 81 standards for Anxin stores, and door-to-door car delivery service, so that car owners can rest assured about Automotive Service and driving.

To minimize the potential risk of virus transmission and avoid cross-infection, Tuhu Automotive Service launched a free disinfection service in vehicles for one month, and nearly 1,300 stores nationwide can provide this service. In order to provide safer vehicle maintenance services, Tuhu Automotive Service released the 'Contactless Automotive Service' service standard to provide 'contactless Automotive Service' services for car owners. Through electronic and standardized 'contactless Automotive Service', the maximum contact between people is reduced. The whole process of service includes online ordering, electronic inspection, construction live broadcast, key disinfection, and maintaining a safe distance throughout the process, making car owners more comfortable and assured. In order to guard the 'last mile' of pandemic prevention and control, Tuhu Automotive Service also launched a safe and efficient door-to-door car delivery service. It provides users with a series of convenient processes such as online appointment and door-to-door car delivery, realizing the safe maintenance service of 'contactless Automotive Service' throughout the process. In order to further reassure car owners, Tuhu Automotive Service announced again that the 'safe store' officially launched after screening and creating 81 standards. When all workshop stores nationwide of Tuhu Automotive Service resume work, they must strictly follow the standards of 'safe store' to provide car owners with safe services covering five aspects: environment, products, technicians, services, and after-sales.

The successive introduction of the above innovative measures not only reflects the ability of Tuhu to cope with special situations, but also intuitively reflects the customer-oriented and considerate performance. In addition, it is also the accumulated strength of Tuhu in Internet technology, maintenance service system and other aspects for decades. These measures helped Tuhu through a difficult period of the

pandemic.

6.1. Digitalization

After reaching 2,000 workshop stores, Tuhu Automotive Service will continue to carry out digital operations and accumulation. Based on previous digital exploration, Tuhu recently launched a more systematic digital solution - Cloud Engine. It is reported that Cloud Engine will focus on five aspects: online, offline, supply chain, service guarantee, and talent training, covering the entire after-market industry service chain.

In the view of Hu Xiaodong, the president of Tuhu, digitalization will be an effective means to solve the industry's pain points. 'For dealers, they have no user data, and rely on experience to decide what goods to stock. In fact, manufacturers are basically disconnected from consumers, and product planning is very slow and lagging. For stores, due to inconsistent service standards, management efficiency is extremely low, which also leads to poor customer experience.' Hu Xiaodong described the various problems faced by dealers, manufacturers, stores, and consumers.

Tuhu Automotive Service uses digital means to connect the upstream and downstream of the industrial chain, making it more collaborative. In this way, it helps brands establish more efficient supply chain management and warehouse management, and further enhance their inventory management capabilities based on the 'one item, one code' principle. For dealers and stores, data can also help them more accurately grasp consumer demand and control the pace.

On the online front, one of the main features of Yuntu Engine is its joint promotion of short video and live streaming modes with mainstream short video platforms to facilitate online shopping. In addition, at the level of customization, Yuntu Engine will launch personalized C2M (customer-to-manufacturer) services to help manufacturers find more accurate product positioning. In offline, supply chain, service guarantee, and talent cultivation, Tuhu will also continue to deepen its digitalization.

7. Challenge

7.1. Fierce Competition

First of all, both Tuhu and its biggest competitor, New Kangzhong, are still in the growth stage. Although they have a profound impact on the industry, they have not yet reached the monopoly stage. There is uncertainty as to whether monopoly forces will emerge in the aftermarket.

Secondly, the current goal of both parties is mainly to compete for core resources such as stores and talents. The strategy of New Kangzhong is to establish high-quality regional chains first, and then develop stores through them; while Tuhu prefers to expand with the help of investors outside the industry. From the perspective of results, in the whole year of 2020, Tuhu increased nearly 800 workshop stores in 7 months; New Kangzhong laid out 500 stores from scratch in 8 months. In terms of talent reserves, both parties accelerated cooperation with vocational colleges and targeted training for retired soldiers. In terms of core management talents, both parties often engaged in poaching each other's talents.

In addition, both parties have increased their investment in technology research and development and store operations. In the fourth quarter of 2020, Tuhu built six new technology centers, and plans to build 10 new technology centers in 2021,

covering more than 80 car brands. At the same time, it opened the certification of Audi and Honda expert technicians. New Kangzhong's investment in technology research and development is more aggressive. According to its COO, New Kangzhong will invest 16% of its annual revenue in research and development.

Besides, according to insiders, the New Kangzhong plans to build 800 auto parts flagship stores in the future, providing exclusive parts services for Tmall Auto Service. On the other hand, Tmall Auto Service has established a new consulting service company in Xi'an in cooperation with local chain giants to help local franchisees improve their operational capabilities. Once the pilot is successfully rolled out, its influence cannot be underestimated.

In addition to the competition with New Kangzhong, there is also a strong competitor in JD Auto. Driven by the market logic of 'supply chain integration + focus on Jingchehui', JD Auto has set Jingchehui as a key development target. With this goal in mind, Jingchehui has reorganized its chain model, strengthened supervision, and raised franchise fees, aiming to create a 'high-standard store' chain model. According to insiders of Jingchehui, Jingchehui is now 'Tuhu three years ago'. With time, the model will be running smoothly and will be a strong competitor in the post-car diversified landscape.

Looking at the layout of major OEMs for independent after-sales services, we can divide them into three categories based on their layout strategies: first, the focus on repair chains to drive the development of the auto parts supply chain, represented by Xiaoxiangjia; second, the parallel development of repair chains and auto parts supply chain, represented by SAIC GM Decco and BAIC Haoxiu; third, the pre-development of auto parts supply chain to drive the development of repair chains, represented by PSA Europe Repair. In terms of the resources mastered by OEMs and their determination to build an ecosystem for car owners, OEMs will inevitably have a place in the evolution pattern of China's after-market.

Finally, let's look at insurance companies. With the implementation of the new insurance policy, insurance companies are planning to deploy car owners' ecosystems, which requires greater collaboration between auto parts and auto repair. In this case, insurance companies pay more attention to comprehensive repair factories with strong technical expertise. Although the number of comprehensive repair factories is not large, each one has a significant scale and influence. They are also looking for opportunities to form alliances with other resources such as insurance companies, using technology and mechanisms to solve the 'mutual trust' barrier. Therefore, 'insurance + comprehensive repair factory' will also be a force that cannot be ignored.

In addition, brand companies represented by Mobil and Michelin are also reorganizing their channels and strengthening their control over the terminal. It is also worth paying attention to how supply chain companies such as Quickly, Kaisi, Haomite, and San Tou Liu Mei support their own terminal systems.

In the future, the pattern of multi-sided competition or the market state of the after-sales market for a long time, who can break through and emerge, still needs time to verify.

7.2. Revolution in the Automotive Industry

According to IDC data, the sales volume of new energy vehicles in China will reach about 1.16 million in 2020, and will reach about 5.42 million by 2025. The annual compound

growth rate (CAGR) of new energy vehicles from 2020 to 2025 will reach 36.1%. With the increasing number of new energy vehicles, Sun Mingda, Vice President of the China Council for the Promotion of International Trade, mentioned that the first thing to be 'cut' is the car repair shop, because the low energy consumption of new energy electric vehicles has reduced the demand for mechanical maintenance, which should also be one of the considerations for enterprises to integrate into the market segmentation field of the car after-sales. What comes immediately is the disappearance of the demand for vulnerable parts based on the power system. The vulnerable parts chain enterprises with rapid distribution of vulnerable parts based on the power system as their main demand will also disappear with the disappearance of demand. From an industrial perspective, the transformation of automotive electrification also profoundly affects the entire automotive industry chain. This means that the after-sales market not only faces the industry reshuffle brought by digital upgrading, but also faces the impact of changes in service demand under the blowout growth of new energy vehicles.

The most obvious one is in the aspect of car maintenance. As we all know, the biggest difference between new energy vehicles and traditional vehicles is the engine, one is electric, the other is oil or gas burning. So naturally, the maintenance methods of traditional fuel vehicles are quite different from those of new energy vehicles. One change that can be expected is that due to completely different service content and requirements for technicians, there will be a series of transformation difficulties for the original car repair stores that do traditional fuel vehicles to switch to the service logic of electric vehicles. In this case, it is easy for traditional stores to go out of business, and even the vulnerable parts auto parts chain platform that is currently positioned as a service for traditional auto repair stores will also face serious challenges of industry upheaval.

In fact, such changes have already been quietly taking place. According to the "White Paper on China's New Energy Vehicle Supply Chain 2020", with the gradual replacement of internal combustion engine power systems such as engines and transmissions, the value of traditional mechanical components has shrunk significantly. At the same time, automotive electrification components will usher in leapfrog development.

This directly affects the after-sales market. Sun Mingda pointed out that the future popularity of new energy vehicles will not only affect the demand for financial services in the after-sales market in terms of maintenance and repair, but also change the entire after-sales market size. It is estimated that the size of the after-sales market will shrink by 15% with the entry of electric vehicles. What is more serious is the decline in demand for maintenance of new energy vehicles, the value reconstruction of auto parts supply chain, etc., which is even called the 'grey rhino' in the development process of the after-sales market.

At the same time, the process of intelligentization and Internet of Things is accelerating. They can reduce the rate of car accidents and promote the data linkage of the whole life cycle of cars. Advanced driver assistance systems (ADAS) and intelligent driving will reduce the rate of car collision accidents, and smart transportation will also help to reduce the collision accident rate, improve efficiency, reduce energy consumption, and reduce the frequency of replacement of vulnerable parts and accident maintenance.

In addition to electric vehicles, hydrogen fuel cells have

also received widespread attention, and related hydrogen energy accessories are also different from traditional accessories. As relevant national policies gradually take effect, the future after-market may also expand further into this niche area.

8. Future Outlook

For Tuhu, to achieve victory in the future competition, it is necessary to spend a lot of efforts to achieve user retention, while service efficiency and quality will also become decisive factors. On this basis, it is also necessary to construct its own ecosystem and achieve fine operational efficiency. Only in this way can it stand out from the heavy competition.

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