

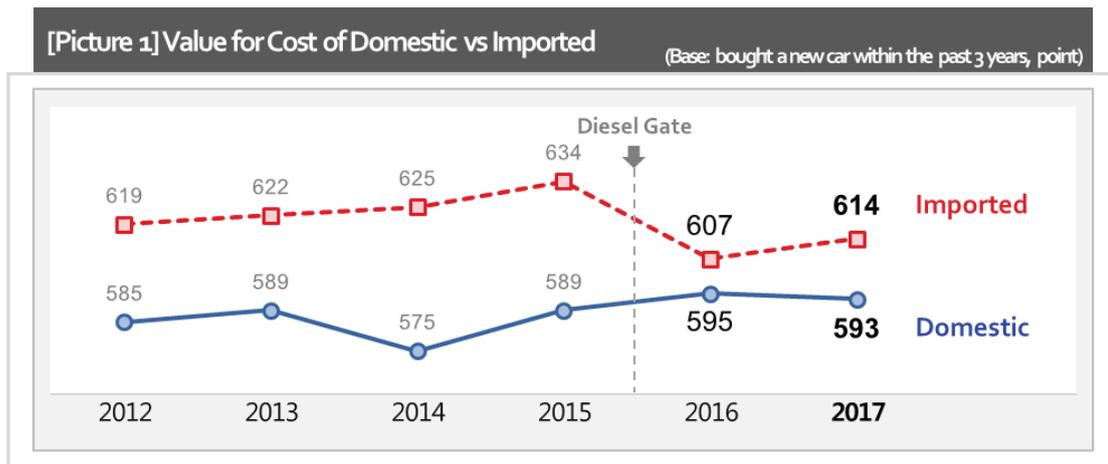
Automobile Consumer Report 17/18-7;
Value for Money of the imported cars higher than that of the domestic cars

- Imported cars twice as expensive as the domestic cars but evaluated as more satisfactory
- Imports outperformed domestic cars in customer satisfaction with fuel maintenance cost, fuel efficiency, and option price
- The imported and domestic showing similar customer satisfaction in AS costs, expected used car price
- Once closed narrowly in the aftermath of the Diesel Gate, the gap between domestic and imported widening up again

Imported cars were found to be way ahead of domestic cars in 'value for cost' as evaluated by new car buyers. The imports' dominance is in a growing trend this year after hit badly by the diesel gate in 2015. Even though the average car price of the imports is double the domestic's and customers' worries do exist about the imports' maintenance and AS costs, the imported cars were rated as worth more than their short comings. Often, it is said that consumers buy imported cars for performance for money, but the study learned that consumers were buying the imports for value for cost rather than their performance.

Since 2012, ConsumerInsight, an automobile specialized research firm, has been calculating 'customer satisfaction with value for cost (indexed to 1000 points)' by asking customers who had bought a new car in the past 3 years to evaluate on such 6 areas as ▲ car price, ▲ option price, ▲ fuel efficiency, ▲ maintenance cost, ▲ expected used car price and their overall satisfaction with their cars.

The evaluation of the past 6 years showed that the imports were by far ahead of the domestic cars in customer satisfaction [Picture 1]. The gap between domestic and imported was more than 45 points in 2014 and 2015, but narrowed down greatly due to the impact of the diesel gate in 2016, with the same, again, turning back to a widening trend this year. The value for cost of the imported was 614 points, 21 points up from the domestic's in 2017. What was interesting was even though the value of owned imported cars dropped badly due to the diesel gate, but the value of the domestic cars did not go up much. The problems of the imported do not balance up the domestic's value.



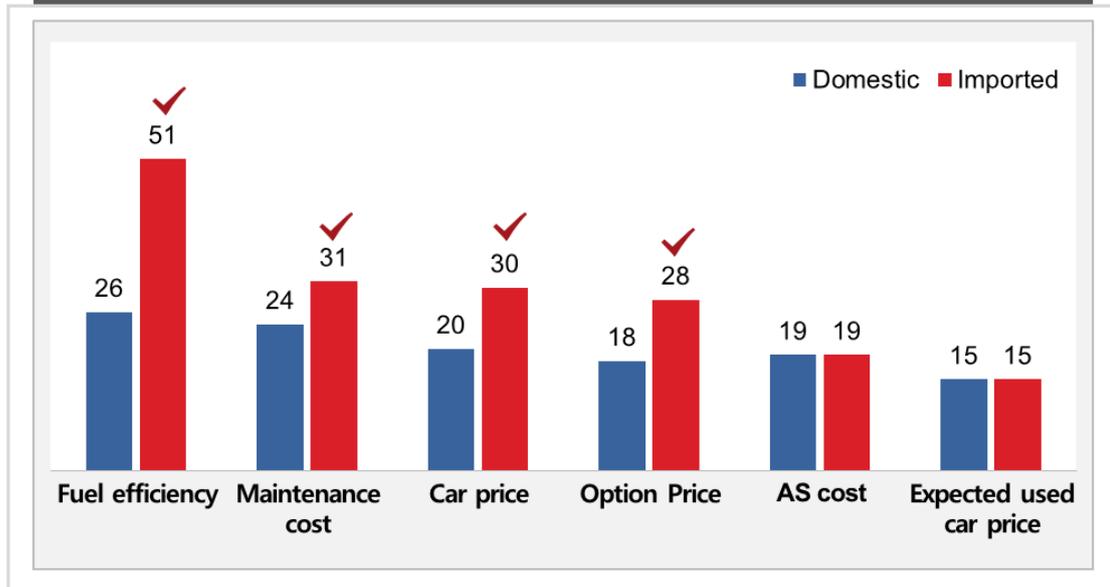
* Based on overall satisfaction factoring in car price / option price / fuel efficiency / maintenance cost / service (A/S) cost / expected used car price.

For more Information

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The evaluation was based on the 6 detailed items including car price, etc. In detail, the foremost strength of the imported car lied in fuel efficiency. The imports earned 51% in fuel efficiency satisfaction (percent of rating 8 or above out of 10 point scale), doubling their domestic counterparts (26%) [Picture 2]. This is the biggest difference among the 6 items. Also, the imported cars distanced themselves from the domestic cars with a big difference of 7%p to 10%p in maintenance cost, car price, and option price as well.

[Picture 2] Value for Cost of Domestic vs Imported by Item



* Satisfaction% (TOP 3%) out of 10 point scale

What is worth paying a special attention to is customer satisfaction with car price. The average car price of imported cars that the study found was KRW 61.33 million, nearly doubling that of the domestic (KRW 30,79 million). Nonetheless, customers' satisfaction with imported car price was at 30% to stay above the domestic that earned 20%. The owners of the imported cars paid twice more but still were more satisfied with their car price, which indicates that they were seeing by far more value in their cars.

Both maintenance cost and A/S cost were the biggest concerns for the imported. However, customers were also more satisfied with the imported at 31% than the domestic at 24% when it comes to maintenance costs. Even with the A/S cost that was known to be the weakest satisfaction area of the imported, there was no difference between domestic and imported, both standing at 19%. To customers who bought a new car in the past 3 years, the domestic cars did not do any better than their imported counterparts in any of the 6 satisfaction areas.

The research results on this report are based on 'the 17th Annual Syndicated Automobile Study (fielded in July, 2017)' that ConsumerInsight, an automobile specialized market research firm, conducted since 2001, with the sample size of over 100,000 consumers per study.

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- ◆ Reference: 「Consumer Insight」 Annual Automobile Syndicated Study Outline
The contents was excerpted and summarized from the results of 'Annual Syndicated Automobile Study' conducted by Consumer Insight Inc. in every July since 2001.

Respondent	Car owners/purchase intenders within next 2 years	<table border="1"> <thead> <tr> <th>Total</th> <th>1,887,946</th> </tr> </thead> <tbody> <tr><td>2017</td><td>96,123</td></tr> <tr><td>2016</td><td>100,788</td></tr> <tr><td>2015</td><td>105,672</td></tr> <tr><td>2014</td><td>101,821</td></tr> <tr><td>2013</td><td>101,701</td></tr> <tr><td>2012</td><td>95,012</td></tr> <tr><td>2011</td><td>97,356</td></tr> <tr><td>2010</td><td>106,291</td></tr> <tr><td>2009</td><td>91,129</td></tr> <tr><td>2008</td><td>95,472</td></tr> <tr><td>2007</td><td>105,149</td></tr> <tr><td>2006</td><td>106,088</td></tr> <tr><td>2005</td><td>139,825</td></tr> <tr><td>2004</td><td>171,499</td></tr> <tr><td>2003</td><td>118,195</td></tr> <tr><td>2002</td><td>129,277</td></tr> <tr><td>2001</td><td>126,458</td></tr> <tr> <td>(Year)</td> <td>(persons)</td> </tr> </tbody> </table>	Total	1,887,946	2017	96,123	2016	100,788	2015	105,672	2014	101,821	2013	101,701	2012	95,012	2011	97,356	2010	106,291	2009	91,129	2008	95,472	2007	105,149	2006	106,088	2005	139,825	2004	171,499	2003	118,195	2002	129,277	2001	126,458	(Year)	(persons)
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Recruiting Panel	Random quota sampling from Consumer Insight's IBP(Invitation Based Panel) & other major portal site members																																							
Sampling	Quota sampling by gender/age																																							
Data Collection	E-mail survey																																							
Sample Size	Yearly average of 100,000 persons																																							
Study Contents	U&A(Usage and Attitude) & CEQ(Consumer Experienced Quality)																																							
Fieldwork Period	Every July																																							

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