



Data Convergence-Consumer Research Expert

**ConsumerInsight Report**(Automobile Report 21<sup>st</sup>-4)

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## **35% of premium car brand purchase intenders within a year considered 'Genesis' as their priority purchase**

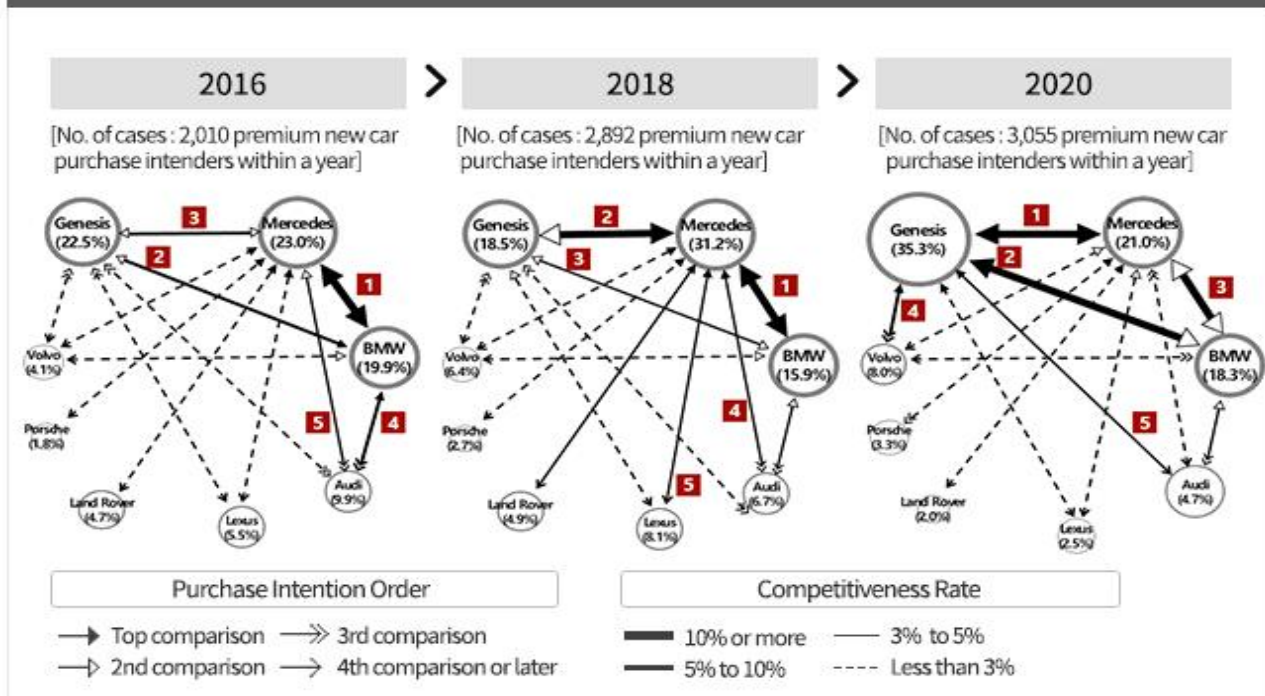
ConsumerInsight analyzed brands preferred by those who intend to buy premium cars within a year

- **Genesis dominated the premium market after five years of its brand launch**
- **Mercedes vs. BMW-centered market deteriorates while Genesis takes over**
- **Genesis became a 'Public enemy' of imported premium brands**
- **Volvo joins the top four, beating Audi & Lexus**

One out of three customers who plan to purchase a premium car within a year considers Genesis as their priority purchase when comparing with other cars. In a short period, Genesis outpaced Mercedes, the top purchase intended brand, and doubled the gap with BMW. The primary race between Mercedes and BMW dominating the domestic market for a long time now has changed its player with Genesis, signaling that the sensation will prolong.

ConsumerInsight, a specialized automobile research organization, asked consumers (who plan to purchase premium cars within a year) what top 1 and 2 brands they have in mind to buy in '2020 Annual Automobile Syndicated Study' to find out which brands are competing in consumers' minds. ConsumerInsight compared 2016 and 2018 results to see the trend and predicted the future premium car brand market and the competitiveness.

[Figure] Premium car purchase intender's priority purchase tendency change on brands



2% or more respondents preferred top purchase intended premium brands presented. Only 7 imported & 1 domestic premium brands were listed.

① **Line Thickness** : The intensity between the top priority purchase intended car and the 2nd top priority purchase intended car when comparing

② **Circle Size** : Sales volume of the year

③ **Brand(%)** : Purchase intention rate to buy the brand

④ **■** : Top 5 intensity comparison between brands

\*Source: The respondents who responded to the year's automobile syndicated study & those who plan to purchase premium brands in the next year were asked about the second top priority intended purchase brand.

\*\* The thicker the connecting line between brands, the stronger the competition between brands in the future.

### ■ Genesis' first step to dominating the market with an outstanding design

In the 2020 study, one out of three customers had Genesis in mind as their top priority purchase, which significantly increased from 2 years before (one out of five). 35.3% of consumers had  $\triangle$ Genesis in mind as the top, followed by  $\triangle$ Mercedes at 21.0%, and  $\triangle$ BMW at 18.3%, among the eight major premium car brands (Genesis, Mercedes, BMW, Volvo, Audi, Porsche, Lexus, and Land Rover) [Figure]

Genesis entered the market in 2016, the year after the brand's launch, with a 22.5% purchase intention rate, almost the same rate as Mercedes-Benz (23.0%). The purchase intention rate had dropped to 18.5% in 2018 due to customers waiting for a new Genesis model, but increased by 16.8%(p) in two years, showing a quantum jump with almost double the score. In the same period, Genesis overtook Mercedes (vastly decreased by 10%p) and beat MBW (18.3%) by a gap close to a double score.

Another noteworthy study result is that most Mercedes, BMW, Volvo, Audi, and Lexus purchase intenders consider Genesis as a comparing model with their priority purchase intended car. This shows that Genesis has inherited the position of Mercedes, a public enemy of all major imported premium brands.

### ■ Noticeable rise of Volvo and Porsche

The next in line was  $\Delta$ Volvo at 8.0%,  $\Delta$ Audi at 4.7%,  $\Delta$ Porsche at 3.3%,  $\Delta$ Lexus at 2.5%, and  $\Delta$ Land Rover at 2.0% in order. Volvo made it to the top four, beating Lexus, which had its sales plummeted from the 'No-Japan' boycott movement and Audi in a continuous down-slope. Porsche's constant growth and Land Rover's decline were also noticeable.

### ■ Comparing 'Purchasers in the past one year' and 'Purchase intenders within the next year'

From the 2020 study, ConsumerInsight looked into the actual purchase and the preference difference between 'Purchasers in the past one year' and 'Purchase intenders within the next year' to predict the future market. [Table]. Looking at the final compared brands among customers who purchased premium cars in the past year (from the second half of 2019 to the first half of 2020),  $\Delta$  Mercedes-BMW was the most compared brands before the final selection, followed by  $\Delta$  Mercedes-Genesis and  $\Delta$  BMW-Genesis. (Genesis' rival is not 'BMW but Mercedes').

However, premium car purchase intenders within the next year (2020 second half to 2021 first half) had  $\Delta$ Genesis&Mercedes in mind the most for comparison, then  $\Delta$ Genesis&BMW, and  $\Delta$ Mercedes&BMW in order. The purchase intentions within a year were significantly intensified compared to the purchase intentions in the past year, after and before the study. In other words, consumers' preference is shifting to Genesis, implicating that the purchase rate will be changing as well.

Mercedes is no longer the number one 'top of mind' premium brand, and consumers started to include Genesis as their potential car when comparing. Moreover, this is not a temporary phenomenon, but rather a megatrend and is likely to continue for quite some time in the future. As mentioned before,

[Table] Brand comparison order by Premium brand purchaser in the past 1 year vs. Purchaser intender within the next year

Premium brand purchaser in the past 1 year <sup>Note 1)</sup>	Purchase intender within the next year <sup>Note 2)</sup>
1. Mercedes-BMW	1. Genesis-Mercedes
2. Mercedes-Genesis	2. Genesis-BMW
3. BMW-Genesis	3. Mercedes-BMW
4. Mercedes-Audi	4. Volvo-Genesis
5. BMW-Audi	5. Audi-Genesis

Note 1) Presenting the top 5 competing brands in the final comparison rate between premium brands at the time of purchase in the current year.

Note 2) Only the top 5 brands in the rate of purchase intent among premium brands with the 1st and 2nd intent to purchase at the time of purchase in the current year.

Genesis shows a sharp rise in competition with premium Imports and consumers' purchase intention rate while diversifying the lineup with the launch of new cars, including sedans and SUVs.

Genesis has wholly overturned the market five years after it entered as a premium independent brand. The combination of its design, convenience features, and new car effects has brought remarkable sales success and the lead in the market. But not all things are rosy. Customers are giving scores that are lower than other imported brands in product service quality. To maintain long-lasting success in the premium automotive market, keeping up with the customers' expectations and value is necessary. After all, customers are the springboard for a 'Global premium brand' leap.

#### ◆Related Automobile Syndicated Study Conference Report

1. 2020 Automobile syndicated study conference report ([Analysis of Consumer Decision Journey in customer perspective](#)) \*Download
2. 2020 Automobile syndicated study conference report ([2020 car quality and customer satisfaction result](#))\*Download

#### ◆Related Automobile Report

1. Automobile Report 21st-1 ([When the purchase price of imported cars rose by 20%, domestic cars rose by 30%](#))
2. Automobile Report 21st-2 ([Used car satisfaction, higher than new cars, imports better than domestic cars](#))
3. Automobile Report 21st-3 ([Genesis' rival is not 'BMW but Mercedes'](#))

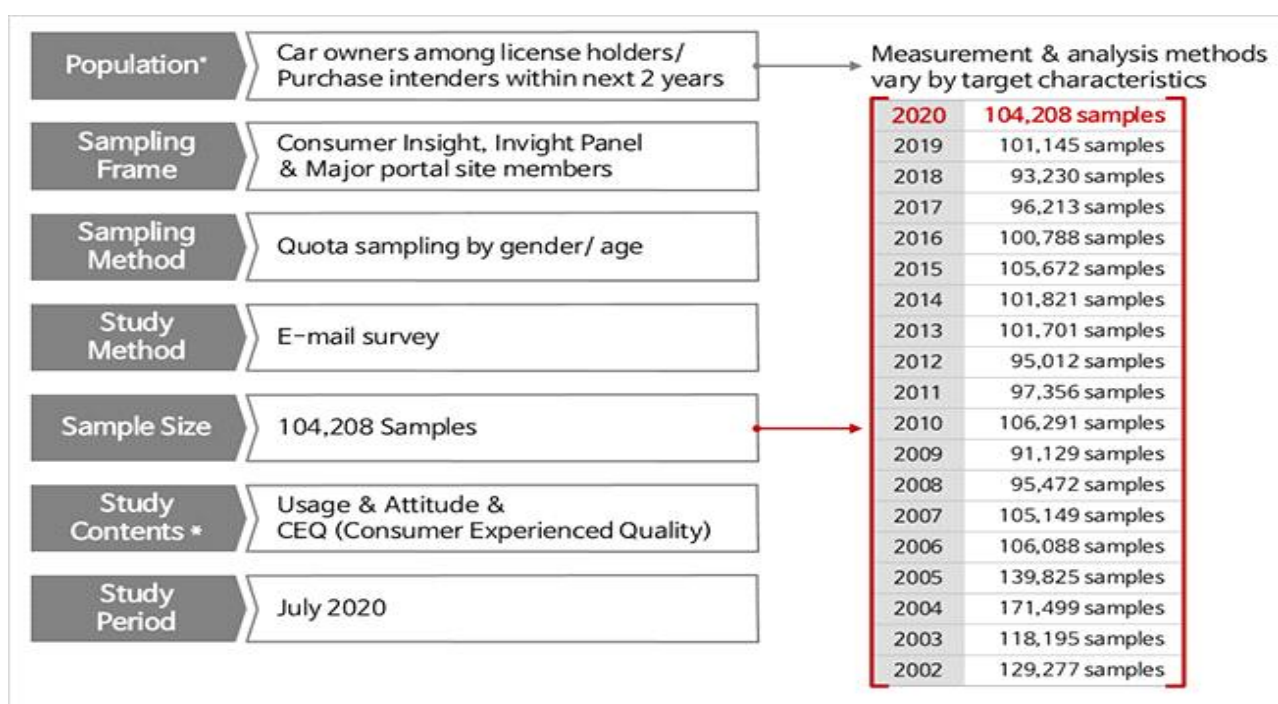
#### ◆Related Videos on YouTube

1. 2020 Automobile Syndicated Study ([Genesis and other premium brand key purchasing factors](#))\*From 4:39
2. 2020 Automobile Syndicated Study ([Quality and Customer Satisfaction](#))\*From 12:30
3. 2018 Automobile Syndicated Study ([Diagnosis of AS process and CSI](#))

The results is based on 'the 20th annual automobile syndicated study' (Conducted in July of 2020) with a sample size of 100,000, which was started in 2001 by ConsumerInsight, a research company specializing in automobiles.

#### ◆ Reference : 'ConsumerInsight, 'Annual Automobile Syndicated Study' Summary

'ConsumerInsight, has been conducting an Annual Automobile Syndicated Study with the following design for 100,000 automobile consumers every July since 2001.



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