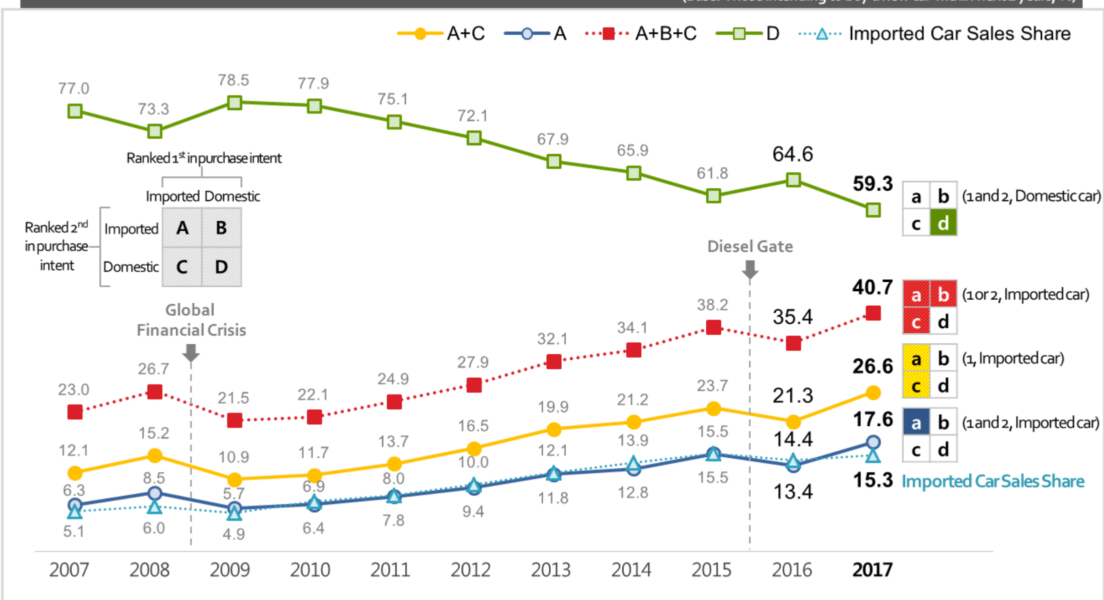
# Automobile Consumer Report 17/18-4 ; The fever of Imported Cars Coming Back Alive?

- 'Purchase intention of imported cars' coming back up out of the Diesel Gate
- Recovered to the purchase intent level only in 2 years after the Diesel Gate with the purchase intent level reached back 4 years after the global financial crisis
- However, likely to need more time to expand imported car sales

Imported car exceeded 1% in sales share for the first time in 2002 after having undergone 15 years of ultra-low growth periods since the opening of the market in 1987. Since then, the market maintained drastic growth, achieving a new record every year except 2009 that was directly after Global Financial Crisis. In September 2015, a massive negative effect of the Diesel Gate broke out, resulting in the plunge of purchase intention and sales of not only the company of the controversy but also the whole imported car segment. It was a matter of ultimate interest that what this scandal would bring out to the domestic car market. The results of the first half of 2017 showed that the sales got recovered to an extent, with customers` purchase intention having come back considerably as well. In spite of the negative impact, it is hinted that the imported cars are likely to continue to make a remarkable advance.

'The Annual Syndicated Automobile Study', conducted by Consumer Insight every July since 2001, asked those who plan to buy a new car within next 2 years about their 1st and 2nd most considered car for purchase. Compared back to 2007, which is 10 years ago, the results of 2017 showed that 'considering only domestic cars as 1st and 2nd car for purchase decreased from 77.7% in 2007 to 59.3% in 2017, and customers planning to purchase an imported car as their 1st consideration increased from 6.3% to 26.6%, with the rate of answering imported cars as their 1st and 2nd most purchase-intended having risen from 6.3% to 17.6% for the same periods compared [Picture1]. Obviously, customers' demand stood behind the imported cars' high-speed growth.

[Picture1] Purchase Intent Trend of Domestic vs. Imported Car (Base: Those intending to buy a new car within next 2 years, %)




Q. What brand/model would you be likely to buy the most for your next car? What else brand/model ?

## For more Information

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Over the past decade, the imported cars' rising trend has fallen twice; Global Financial Crisis of 2008 and Diesel Gate in 2015. Customers' purchase intention of the imported cars was directly hit by the financial crisis, and the intention came back to overcome the 2008's only in 2012, 4 years after the crisis. However, the Diesel Gate case is significantly different than the financial crisis'. Only two years after the scandal, the imported car market recovered from the shock and came back on the growing trend. In terms of purchase intent, the negative impact of the Diesel gate seems to have already vanished into thin air, which is, of course, speaking of the entire imported car market.

The story might differ for the actual sales of the imported cars. During the financial crisis the sales recovered only in 2 years, but for this year, it may not be able to reach the level of 2015 which is 2 years ago. Till now, the sales share of the imported cars has been almost identical to the rate of 'considering only imported cars for 1st and 2nd purchase consideration, but the intention was higher than the sales share by 2%p for the first time this year. Purchase intention may come true or get accelerated or decelerated by various environmental factors. The barriers that made the sales impossible are being tackled down, so it is necessary to watch the progress.

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.

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|---|---|
| Respondent | Car owners/purchase intenders within next 2 years |
| 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 |

| 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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