

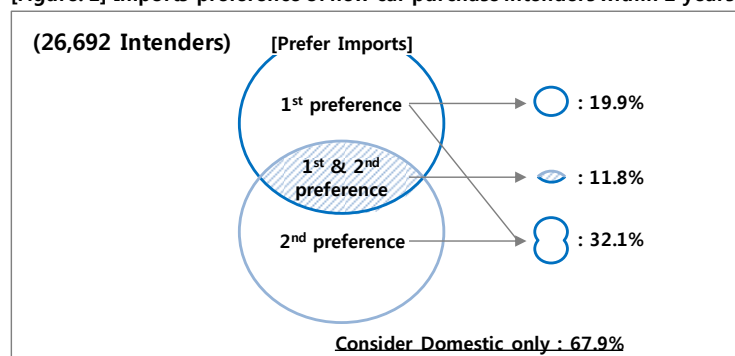
32% consider Imports as their next car

- Imports Satisfaction is on down slope but purchase intention is rising
- 12% consider Imports only

Although recent purchasers' Satisfaction for Imports is falling down (refer to; [Warning light on for the rapid growth of Imports?](#)), Imports purchase intenders keep increasing.

In the mega size survey conducted by automobile specialized research firm, Marketing Insight (CEO: Kim, Jin-Kook), in last July, 26,692 consumers with purchase intention within 2 years were asked to report 1st and 2nd most wanted models [Figure. 1]. In the result, the people who chose Imports as 1st preference were 19.9%, while the people who chose as 1st preference or 2nd preference were 32.1%, and the people who chose Imports as 1st preference and 2nd preference were 11.8%. The people who chose Domestic cars for 1st and 2nd preferences were 67.9%. In other words, one out of three people considers Imports, and one out of five people considers Imports the most.

[Figure. 1] Imports preference of new car purchase intenders within 2 years



The reason why purchase intention rate is important is that it has a very close relationship with the actual M/S [Figure. 2]. Especially, in the 5 year trend after global financial crisis in 2009, the gap between 'Considering Imports Only' as the next car and the actual M/S was 0.8%p at maximum and 0.5%p on average. This year's result also displayed just 0.3%p gap between 12.1% M/S and Imports consideration rate at 11.8%, demonstrating purchase intention rate as an excellent prediction value for actual sales.

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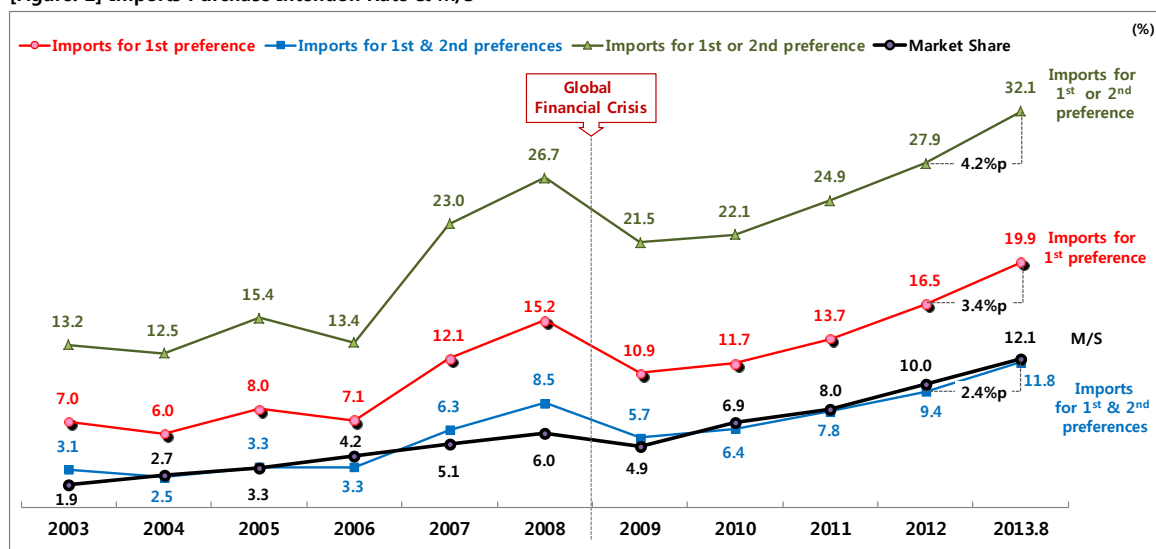
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One thing draws attention from this year's study was the growing margins of increase in M/S and purchase intention rate. This year's M/S 12.1% had the largest margin of increase in history at 2.1%p from 10.0% in last year. Also the consideration rate for Imports as 1st and 2nd both was 11.8%, increasing with the largest margin in history at 2.4%p from last year (9.4%). 1st preference rate also had 3.4%p increase to 19.9% from last year (16.5%), and 1st or 2nd preference rate had increased with the largest margin of 4.2%p since the global financial crisis to 32.1% from last year (27.9%). Those figures display that the preference for Imports is growing exponentially, not in straight line.

[Figure. 2] Imports Purchase Intention Rate & M/S



* Source : Marketing Insight Automobile Syndicated Research '2003~2013'

** Refer to KAMA/KAIDA data

Although the preference for Imports continues to increase currently, the evaluation of Imports purchasers is not that good as before. In quality and customer satisfaction aspects, Imports are definitely on competitive edge against Domestic cars. But top-switching is happening in some parts because of not responding properly to rapidly increasing sale. It's rather structural problems that can cause dissatisfaction of consumer than a temporary growing pain.

What's the reason for the explosive growth of preference for Imports? In the past, Imports were the products that can be purchased with a risk while asking 'Is it O.K. to buy Imports?'. In these days, Imports became products that being said by consumers, 'Imports are not that expensive and have excellent quality, performance, design and service. And everyone envy who

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own them. Then, why should I buy Domestic cars?'. This change was made because Imports makers had done well but there is also a flip side in which Domestic makers asked for a trouble. Most of Imports preferred consumers fall in the case of withdrawing their affections for Domestic cars or makers.

Meanwhile, Domestic automakers seem to scream for crisis but missing the key to overcome the crisis. The door to problem solving can be open not by being loved by consumers but by 'being a maker that truly loves consumers'. The gaps with Imports in quality and customer satisfaction have been narrowed but that happened not because domestic makers have done well but because the opponents had not done well. Current situation is opportunity and crisis at the same time to Imports and Domestic cars alike. The future will be decided by who can more closely approach to consumers.

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Marketing Insight Inc. has been conducted 'Automobile Quality and Customer Satisfaction Study' in every July since 2001 with 100k consumers. The study results had been announced at the end of Sep. every year and published as '[White Paper on Korean Automobile Quality](#)', which includes 5 years trend analysis, in Nov. Also the results are utilized by domestic major automakers, auto-importers and automotive-related enterprises.

Media release contents and '[White Paper on Korean Automobile Quality](#)' contents are listed on 'AutoInsight' (www.autoinsight.co.kr), which is 'Korean online automobile consumer reports' developed by Marketing Insight Inc., and '[Auto Column](#)' of Daum Automobile section. Especially, 'AutoInsight' provides 'One Page Report' feature than can compare consumers' product quality and service evaluations by model.

[Research design & outline]

- Research body: Marketing Insight (www.mktinsight.co.kr)
- Research type: Syndicated study
- Population: Nationwide Automobile user with e-mail account
- Survey period: July 2013
- Data collection method: Online e-mail survey
- Sample size: Total 101,701 respondents

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The results of this report were excerpted and summarized from the results of 'Automobile Quality and Customer Satisfaction Study' conducted by Marketing Insight Inc. in every July since 2001. All the rights for study contents, result and analysis deemed to Marketing Insight Inc. and cannot be used for commercial purpose without prior written permission. More detailed information for the study can be found at www.autoinsight.co.kr

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