

Imports, going for 20% by 2016

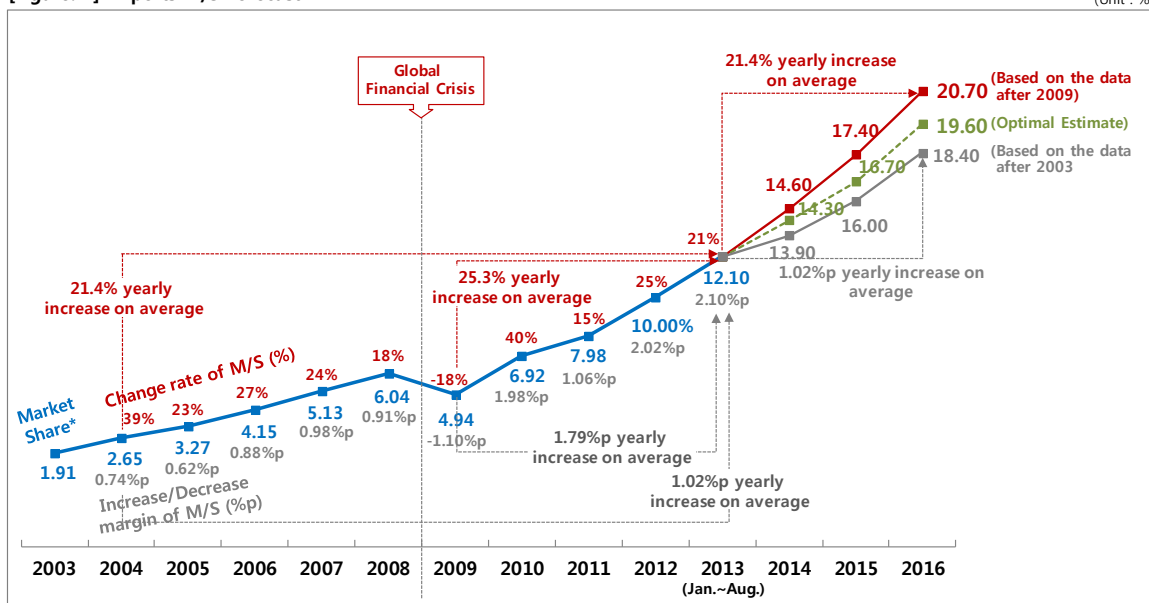
- Imports M/S, Rapidly increased from 2009
- It may exceed 20% mark in 2016

Imports' M/S broke through 10% mark for the first time in last year, and continues rapid rising trend in this year with 12.1% at the end of Aug. And the study result of Marketing Insight which is saying that 1/3 of purchase intenders are considering Imports (refer to: [32% consider Imports as their next car](#)), strongly signals that this rising trend will continue in the future. But everyone is saving a word for how high it will rise. Marketing Insight, a research firm specialized in automobile, made a forecast on the basis of the consumer research results for past 13 years and actual M/S trend, in which Imports' M/S for passenger car market after 3 years from now in 2016 can reach 20%.

Forecasting M/S on the basis of trend is the most direct and simple. [Figure. 1] displays the trend of Imports M/S for past 11 years. 10 years ago in 2003, M/S was at 1.91% which had grown to 10.0% after 9 years in last year. And then it had increased to 12.1% in Aug. in this year. It had a temporary set-back with the global financial crisis in 2008, but after that, it had continued growing trend rather explosively.

[Figure. 1] Imports M/S Forecast

(Unit : %)



* Reference : KAMA/KAIDA (Based on Passenger/RV, Aug. 2013)

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Estimating Imports' M/S trend has two methods of calculation. One is calculating from 2003 and the other is calculating from 2009, in which sales had sharply fallen with the global financial crisis. Of course there are possibilities of underestimating when starts from 2003 and overestimating when calculating from 2009.

In last year's study, 2 estimated values were made by starting from 2003. One was made from increase/decrease margin of M/S (the gap between the applicable year's M/S and the previous year's M/S), while the other was made from change rate of M/S (divide the previous year's M/S by the applicable year's M/S). The middle value was taken as the optimal estimated value (refer to; [Imports will reach 15% by 2015](#)). As the results, 2013 estimated values were optimal at 11.5% and maximum at 12.1%. The maximum value matches with the result up to now. In other words, the estimated values of 2003 were underestimated. That's because of not fully reflecting current rapid growth trend.

In this year, the maximum estimated value was made by considering only after 2009, while the minimum estimated value reflected to total from 2003. The middle value was taken as the optimal estimated value. The results displayed 14.3% in 2014, 16.7% in 2015 and 19.6% in 2016 (18.4% at minimum, 20.7% at maximum).

Forecasting Imports' M/S until now has been very conservative. Just 2 or 3 years ago, the outlook was 'Can it reach 10%?' in the mix with expectation. But that had collapsed last year. Now the vague outlook with limit on 15% or 20% seems like just a hope.

The fact that Imports preference rate and M/S are linked together has been verified. Noticeable things include changing trend of Imports related major consumer variables. The changes of these variables during 2012 ~ 2013 are the largest in history or at least since 2009. M/S (+2.1%p), Consideration rate for Imports only (+2.4%p), Imports 1st selection rate (+3.4%p) and Imports consideration rate (+4.2%p) all had increased with the largest margins since 2009. Imports fever is getting hotter rather than getting cooled. The forecast on Imports M/S in 2016 reaching 20% is not that overrated at all.

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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.

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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.

*Above analysis results are the analysis outcome by Marketing Insight Inc. on automobile sales volume data for 10 years (2003 to 2013) from Korea Automobile Manufacturers' Association (KAMA) and Korea Automobile Importers and Distributors' Association (KAIDA). All the rights for analysis result are 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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