

Imports A/S Satisfaction, Rapidly declining

- **More serious than Imports is domestic official service stations**
- **Honda was the top among the Total, while GM Korea took the Domestic top**

In the evaluation of consumers who had A/S service within past 1 year from automakers, Domestic cars had higher evaluation than Imports. Imports was beaten by Domestic cars last year for the first time and in this year the gap became even larger. That's not because Domestic cars had performed well but because Imports is getting worse and worse. While Japanese and Korean brands are having fierce competition in the high ranking group, Honda took the 1st place among the entire brands. GM Korea became the 2nd place winner among the entire brands with a slight gap but among the Domestic cars, it took the top for 2 straight years.

A/S Satisfaction is an evaluation on A/S by the consumers (44,294 persons) who had A/S service from Official or Authorized/Affiliated service stations of automakers within past 1 year among the respondents of annual 'Automobile Syndicated Research' (2013 sample size; 101,701 persons).

In the evaluation trend for past 5 years, Domestic cars (Total including Official-Authorized-Affiliated) had reached 800 points in 2011 for the first time and then declined back to 790 points level [Figure 1]. Imports turned into a serious declining trend since 2010 and beaten by Domestic cars last year. In this year, the gap became even larger. Inferiority against Domestic is seen obviously. This change was caused by getting-worse performance of Imports, not by improved A/S of Domestic cars.

For more Information

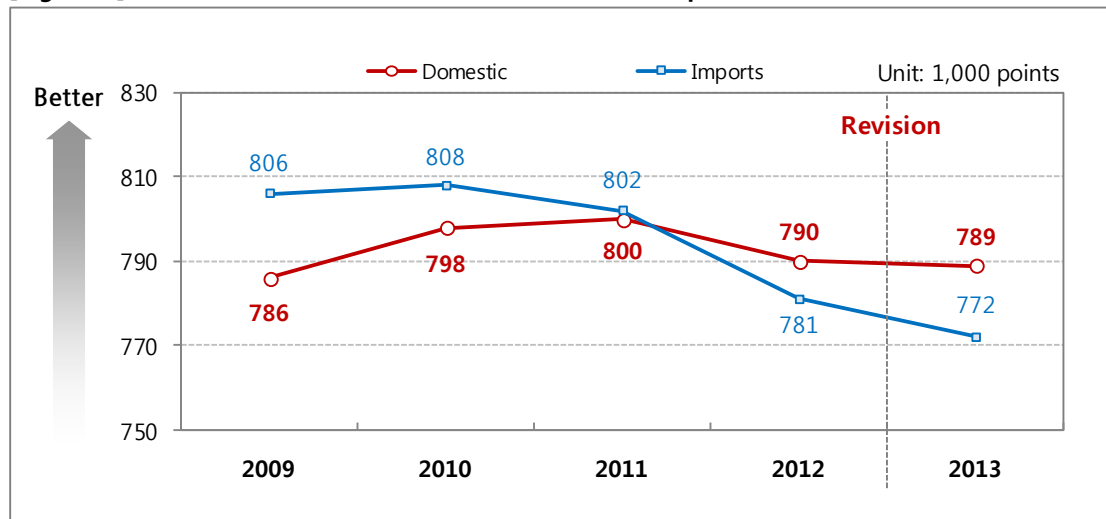
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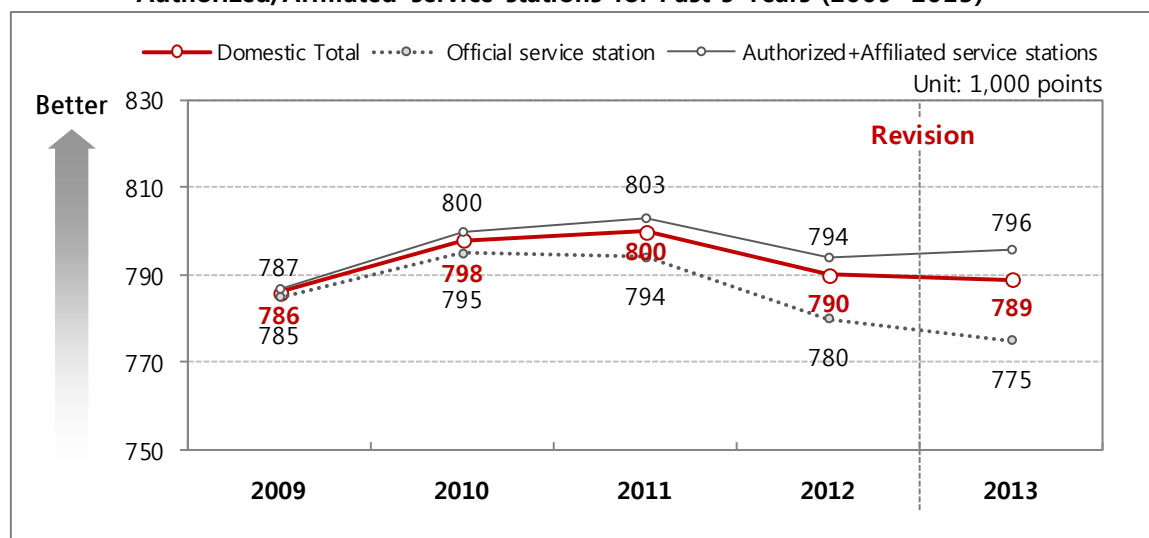
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[Figure 1] A/S Satisfaction Trend of Domestic cars & Imports for Past 5 Years (2009~2013)



A/S service of Domestic cars started to go ahead of Imports in earnest but there is sad reality in the deep inside of it. A/S Satisfaction of Domestic cars had been widening the gap between Official service station and Authorized+Affiliated service stations from 2009 with the poor performance of Official service station, and in this year, the gap became 21 points [Figure 2].

[Figure 2] A/S Satisfaction Trend of Domestic Official service station & Authorized/Affiliated service stations for Past 5 Years (2009~2013)



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The service of some Domestic makers' official service stations is deteriorating rapidly, and Authorized/Affiliated service stations are taking the role of compensation. Without the sacrifice of those, we cannot think of such achievement of current time. Deterioration of Official service stations of Domestic makers is far serious than the declining of Imports.

The factors that brought the differences between Domestic cars and Imports were compared for analysis. Among the 27 items that comprise A/S Satisfaction, the score and gap of 5 items, in which Domestic cars surpass Imports far ahead, are presented in [Table 1].

[Table 1] Top5 Largest Gap Items in which Domestic cars are superior

Item	A/S Service Satisfaction		
	Domestic cars	Imports	Gap (Domestic-Imports)
Maintenance/repair cost such as part price or labor cost were not expensive than expected	61%	36%	+25%p
Able to check maintenance/repair process in real-time	82	67	+15
It didn't take long to get service after visiting service center	86	75	+11
Time for maintenance/repair didn't take longer than expected	84	75	+9
No inconvenience in making a reservation	92	84	+8

The items with the largest gap was 'Maintenance/repair cost such as part price or labor cost were not expensive than expected', for which 61% of Domestic cars said 'yes' but 36% of Imports said 'yes' displaying 25%p gap at the largest. 36% positive response rate of this item is the lowest among the entire items, making us imagine how negative is the A/S cost of Import owners.

Following items in the evaluation for A/S of Domestic cars was 'Able to check maintenance/repair process and situation in real-time' with 15%p gap and 'It didn't take long to get service after visiting service center' with 11%p gap, etc. A/S of Domestic cars surpassed Imports far ahead in the aspects of cost, time and procedure.

The ranking and score of 9 brands that have above the Industry average scores among 17 brands (over 60 cases) are presented in [Table 2]. Honda took the top with 821 points, followed

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by GM Korea (819 points) and Toyota & Ssangyong (813 points each) in the high ranking group. Following after were Nissan (811 points) and Renault Samsung (810 points).

[Table 2] Above the Industry Average Brands in A/S Satisfaction*

	Brand **	A/S Satisfaction [1,000 points]
1	Honda	821
2	GM Korea	819
3	Toyota	813
3	Ssangyong	813
5	Nissan	811
6	Renault Samsung	810
7	Lexus	807
8	Infiniti	800
9	Mercedes-Benz	795
Industry Average		788

* Presented 9 brands only in above the Industry average among 17 brands that satisfied ranking evaluation standard (over 60 cases)

** Cases: Total 44,294, Honda 225, GM Korea 6,882, Toyota 175, Ssangyong 2,568, Nissan 85, Renault Samsung 4,993, Lexus 189, Infiniti 65, Mercedes-Benz 325

That has many differences with last year's results, in which Japanese cars, Domestic cars and German cars formed ranking groups in order ([refer to: 'A/S Satisfaction of Imports, Overwhelming victory of Japanese cars'](#)). Not like the case of last year, 3 Japanese mass-market brands and 3 minor Domestic brands are dominating the high ranking group, while having fierce competition. It is noticeable that the Japanese premium brands (Lexus, Infiniti) that took 1st and 2nd places last year, were pulled down to mid-to-high ranking group.

The competition among 3 makers in 2012, GM Korea, Ssangyong and Renault Samsung, which was too close to call with mere 3 points gap, end with the winning of GM Korea for 2 consecutive years by enlarging the gap. Ssangyong's 2nd place winner for 2 years in a row is also a noticeable achievement. Among European brands, Mercedes-Benz only had above the average score, while most of the European brands and major Domestic brands stayed below the average.

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Although A/S service of Domestic cars surpassed Imports, there is a hidden story with which Domestic cars cannot boast the success. For some Domestic makers, A/S service of Official service stations is getting worse and worse, while the service gap generated from that is compensated by Authorized/Affiliated service stations in inferior status. It's like 'A' in superior status asks 'B' in inferior status to do things right, while 'A' is doing things briefly. Unless this kind of stream is reverted, the barely grasped superiority can disappear in a brief moment.

Imports also have weaknesses. There is a large gap between the evaluation on Imports' 'Maintaining/operating cost' ([refer to: Imports lead ahead with a large margin in Vehicle Product Satisfaction](#)) and the evaluation on 'A/S cost/time'. This gap is caused by having different respondents for those 2 areas in many aspects. While 'Maintaining/operating cost' evaluation came out from the consumers who "purchased new car recently", 'A/S cost/time' evaluation came out from all the people who recently had A/S service. In other words, it's because A/S evaluators include many out-of-warranty customers, used-car buyers, accident repairs, etc.

As the current situation, when the substantial number of Imports owners are initial Imports buyers and still remain in warranty period, the relation between these people and Imports is like honeymoon. But honeymoon doesn't last long. A/S matter of Imports will increase exponentially in proportion with the number of vehicle, not according to the number of sales. Unless thoroughly prepared now, it can develop into unbearable problems in near future.

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Marketing Insight Inc. has 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 that can compare consumers' product quality and service evaluations by model.

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[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

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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